



QUARTERLY REPORT
FOR THE 1ST QUARTER 2020 OF
DEKPOL CAPITAL GROUP

Pinczyn, 15th of June 2020



Quarterly report for the 1st quarter 2020 of the DEKPOL Capital Group (data in thousands of PLN)

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1. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT

1.1 SELECTED CONSOLIDATED FINANCIAL DATA

Item	Thousands of PLN 01.01.2020 - 31.03.2020	Thousands of PLN 01.01.2019 - 31.03.2019	Thousands of EUR 01.01.2020 - 31.03.2020	Thousands of EUR 01.01.2019 - 31.03.2019
I. Net revenue from sales of products, goods, and materials	205 148	177 567	46 664	42 316
II. Profit (loss) on operating activity	11 498	11 355	2 615	2 642
III. Profit (loss) before tax	10 041	7 778	2 284	1 810
IV. Net profit (loss)	8 133	5 933	1 850	1 380
V. Earnings (loss) per ordinary share (in PLN / EUR)	0,97	0,71	0,22	0,17
VI. Net cash flows from operating activity	12970	-8 223	2950	- 1 913
VII. Net cash flows from investment activity	-2873	-3 196	-654	-744
VIII. Net cash flows from financial activity	-47 466	-6 976	-10 797	-1 623
IX. Total net cash flows	-37 369	-18 395	-8 500	- 4 280
	Thousands of PLN 31.03.2020	Thousands of PLN 31.12.2019	Thousands of EUR 31.03.2020	Thousands of EUR 31.12.2019
X. Total assets	983 576	906 054	216 061	210 647
XI. Liabilities and provisions for liabilities	733 135	708 594	161 047	164 739
XII. Long-term liabilities	118 208	247 906	25 967	57 635
XIII. Short-term liabilities	614 927	460 688	135 081	107 104
XIV. Equity	250 441	197 460	55 014	45 907
XV. Share capital	8 363	8 363	1 837	1 944
XVI. Number of shares at the end of the period	8 362 549	8 362 549	8 362 549	8 362 549
XVII. Book value per share (in PLN / EUR)	30	24	7	5



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Individual items of Condensed Interim Consolidated Statement of Financial Position, which have been presented in EUR currency, have been converted based on the average exchange rate set by the Polish National Bank for the day 31.03.2020 : 4,5523 PLN/EUR and for the day 31.12.2019 : 4,2585 PLN/EUR.

Individual items of Condensed Interim Consolidated Financial Statement of Comprehensive Income and Condensed Interim Consolidated Cash Flow Statement have been converted into EUR based the arithmetic average of average exchange rates for EUR set by the Polish National Bank on the last day of each month of given period 01.01-31.03.2020: 4,3963 PLN/EUR, and 01.01-31.03.2019: 4,2978 PLN/EUR.



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1.2 CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Item	Note	01.01.-31.03.2020	01.01.-31.03.2019
Sales revenues	1.6.2.	205 148	177 567
Costs of goods sold	1.6.3.	181 823	160 593
Gross profit (loss) from sales		23 325	16 975
Selling costs	1.6.3.	5 893	7 102
General administrative expenses	1.6.3.	5 220	3 034
Other operating revenues	1.6.4.	884	4 787
Other operating costs	1.6.5.	1 598	270
Profit (loss) from operating activities		11 498	11 355
Financial revenues	1.6.6.	313	87
Financial expenses	1.6.7.	1 771	3 664
Share in profit (loss) in entities priced by ownership value method		0	0
Profit (loss) before tax		10 041	7 778
Income tax	1.6.8.	1 908	1 844
Profit (loss) from continued operations		8 133	5 933
Net profit (loss)		8 133	5 933
Other net comprehensive income		0	0
Comprehensive income falling to non-controlling shareholders		0	0
Comprehensive income falling to shareholders of parent entity		8 133	5 933



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1.3 CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Item	Note	31.03.2020	31.12.2019
Fixed assets		239 890	239 195
Property, plant and equipment		82 407	81 888
Intangible assets		381	428
Goodwill		0	0
Investment properties		145 346	145 346
Stocks and shares		0	10
Receivables		888	782
Other long-term financial assets		3 338	2 822
Long-term deferred charges		0	0
Deferred income tax assets		7 531	7 920
Current assets		743 686	715 786
Inventory	1.6.9.	365 935	369 681
Receivables due to contracts with clients	1.7	71 363	66 457
Trade receivables and other receivables	1.6.10.	214 129	157 345
Other short-term financial assets		0	0
Short-term deferred charges		6 297	6 039
Cash and cash equivalent		85 961	116 264
including cash on escrow accounts		22 235	28 185
Assets classified as held for sale		0	0
Assets in total		983 576	954 981



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Item	Note	31.03.2020	31.12.2019
Equity		250 441	242 314
Basic capital		8 363	8 363
Equity from sales of shares over its nominal value		26 309	26 309
Other equities		188 479	188 479
Own shares (-)		0	0
Exchange differences on conversion		-5	1
Profits saved:		27 294	19 160
Equity falling to shareholders of parent entity		250 439	242 312
Non-controlling shares		2	2
Long-term liabilities		118 208	197 100
Deferred income tax provision		25 768	24 985
Liabilities and provisions on employee benefits		124	124
Other long-term provisions		0	0
Loans, borrowings and long-term debt instruments	1.6.11.	64 032	145 041
Other long-term financial liabilities		3 310	3 310
Other long-term liabilities		24 974	23 640
Short-term liabilities		614 927	515 567
Liabilities and provisions on employee benefits		6	6
Other short-term provisions		25 805	19 866
Loans, borrowings and short-term debt instruments	1.6.11.	185 456	142 445
Other short-term financial liabilities		6 525	7 287
Liabilities due to contracts with clients		0	0
Trade liabilities and other liabilities	1.6.12.	391 048	339 747
Receivables from future terms		6 087	6 216
Liabilities connected to assets intended for sale		0	0
Liabilities in total		983 576	954 981



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1.4 CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT

Item	01.01.-31.03.2020	01.01.-31.03.2019
Profit (loss) before tax	10 041	7 778
Adjustments:	4 420	6 997
Depreciation	2 518	2 239
Change of fair value of investment properties	0	0
Profit (loss) from sales of non-financial tangible assets	-77	-15
Profit (loss) on the sale of financial assets (other than derivatives)	0	0
Profits (losses) from foreign exchange differences	0	0
Interests and shares in profits	1 980	4 773
Other adjustments	0	0
Change in working capital	417	-21 290
Changes in stocks	5 833	-18 192
Changes in receivables	-61 796	-3 807
Changes in liabilities	55 389	-3 262
Changes of provisions and deferred charges	996	3 971
Other adjustments	-6	0
Income tax from profit before taxation	-1 908	-1 844
Income tax paid	0	136
Net cash from operating activities	12 970	-8 223
Expenses related to acquisition of intangible assets	-8	-49
Inflows from sales of intangible assets	0	0
Expenses related to acquisition of property, plant and equipment	-2 431	-2 809
Inflows from sales of property, plant and equipment	82	3
Expenses related to acquisition of investment properties	0	-150
Inflows from sales of investment properties	0	0
Net expenses for the acquisition of subsidiaries	0	0
Repayments received from loans granted	0	0
Loans granted	0	0
Expenses related to acquisition of other financial assets	-516	-191
Inflows from sales of other financial assets	0	0
Net cash from investment activities	-2 873	-3 196
Net inflows from issue of shares	0	0
Acquisition of own shares	0	0
Inflows from issue of debt securities	1 156	0
Redemption of debt securities	-6 875	0



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Inflows from loans and borrowings taken out	5 172	40 438
Repayment of loans and borrowings	-44 366	-43 836
Repayment of liabilities under finance lease	-1 020	-2 271
Interest paid	-1 534	-1 307
Dividends paid	0	0
Inflows from received grants	0	0
Other inflows (expenses) from investment activities	0	0
Net cash from financial activities	-47 466	-6 976
Change in net cash and cash equivalents without foreign exchange differences	-37 369	-18 395
Change in cash and cash equivalents due to foreign exchange differences	0	0
Change in net cash and cash equivalents	-37 369	-18 395
Cash and cash equivalents at the beginning of the period	123 331	65 957
Cash and cash equivalents at the end of the period	85 961	47 562
Including cash of limited disposal right	22 235	26 913



Raport kwartalny za I kwartał 2020 r. Grupy Kapitałowej DEKPOL (dane w tys. zł)

1.5 CONDENSED INTERIM STATEMENT IN CHANGES IN CONSOLIDATED EQUITY

For the period 01.01-31.03.2020

Item	Basic capital	Own shares (-)	Equity from sale of shares over its nominal value	Reserve capital from retained earnings	Other equities	Not divided retained earnings	The capital of non-controlling shareholders	Exchange differences on the conversion of subordinated entities	Total
Balance as at beginning of period	8 363	0	26 309	188 479	0	19 160	2	1	242 314
Error correction of previous years	0	0	0	0	0	0	0	0	0
Balance at the beginning of period after changes	8 363	0	26 309	188 479	0	19 160	2	1	242 314
Issue of shares	0	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	0	0	0
Transfer of financial result to capital	0	0	0	0	0	0	0	0	0
Transactions with owners in total	0	0	0	0	0	0	0	0	0
Net profit (loss)	0	0	0	0	0	8 133	0	0	8 133
Other total comprehensive income	0	0	0	0	0	0	0	-6	-6
Comprehensive income	0	0	0	0	0	8 133	0	-6	8 127
Balance at the end of period	8 363	0	26 309	188 479	0	27 294	2	-5	250 441



Raport kwartalny za I kwartał 2020 r. Grupy Kapitałowej DEKPOL (dane w tys. zł)

For the period 01.01-31.12.2019

Item	Basic capital	Own shares (-)	Equity from sale of shares over its nominal value	Reserve capital from retained earnings	Other equities	Not divided retained earnings	The capital of non-controlling shareholders	Exchange differences on the conversion of subordinated entities	Total
Balance as at beginning of period	8 363	0	26 309	154 590	0	2 263	1	0	191 525
Error correction of previous years	0	0	0	0	0	-1	0	0	-1
Balance at the beginning of period after changes	8 363	0	26 309	154 590	0	2 262	1	0	191 525
Issue of shares	0	0	0	0	0	0	1	0	1
Dividends	0	0	0	0	0	0	0	0	0
Transfer of financial result to capital	0	0	0	33 889	0	-33 889	0	0	0
Transactions with owners in total	0	0	0	33 889	0	-33 889	1	0	1
Net profit (loss)	0	0	0	0	0	50 788	0	0	50 788
Other total comprehensive income	0	0	0	0	0	0	0	1	1
Comprehensive income	0	0	0	0	0	50 788	0	1	50 788
Balance at the end of period	8 363	0	26 309	188 479	0	19 160	2	1	242 314



Raport kwartalny za I kwartał 2020 r. Grupy Kapitałowej DEKPOL (dane w tys. zł)

1.6 ADDITIONAL INFORMATION TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT

1.6.1 PREPARATION PRINCIPLES OF INTERIM CONDENSED SEPARATE FINANCIAL STATEMENT

Interim condensed financial statement of the Dekpol Capital Group for 3 months ended 31st of March 2020 has been prepared in accordance with International Accounting Standards and International Financial Reporting Standards and related interpretations announced in the form of regulations of European Commission (hereinafter referred to as IFRS).

Interim condensed financial statement of the Dekpol Capital Group for 3 months ended 31st of March 2020 has been prepared under assumption of continuation of business by the Company in the foreseeable future. Statement presents financial position of Dekpol Capital Group as of 31st of March 2020 and 31st of December 2019, results achieved with the Group's operations and cash flow for the period of 3 months ended 31st of March 2020 and 31st of March 2019.

The accounting principles (policies) used to prepare the interim condensed consolidated financial statement are consistent with those used in preparation of the Group's annual consolidated financial statement for the year ended 31st of December 2019. In the first quarter of 2020, there were no changes in the accounting principles (policies) used.

In the reporting period, there were no significant changes in the estimates or changes in the principles of determining the value of assets and liabilities and measurement of the financial result.

The consolidation was prepared using the full method and covered all entities included in the Capital Group.



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1.6.2 OPERATING SEGMENTS

Revenues, result and other in the reporting period

Item	General contracting services	Real-estate development activities	Production of steel structures and accessories	Other	Total
Sales revenues in total	117 182	57 009	20 062	10 895	205 148
Operating expenses in total	108 726	49 982	18 008	16 219	192 936
Other operating revenues	0	0	0 884		884
Other operating expenses	0	0	0	1 598	1 598
Operating result	8 456	7 027	2 054	-6 038	11 498
Financial revenues	0	0	0	313	313
Financial expenses	0	0	0	1 771	1 771
Income tax	0	0	0	1 908	1 908
Net result	8 456	7 027	2 054	- 9 403	8 133

Revenues, result and other in previous reporting period

Item	General contracting services	Real-estate development activities	Production of steel structures and accessories	Other	Total
Sales revenues in total	122035	25 572	22 896	7 063	177 567
Operating expenses in total	115 955	23 719	20 071	10 983	170 729
Other operating revenues	0	0	0	4 787	4 787
Other operating expenses	0	0	0	270	270
Operating result	6 080	1 853	2 825	596	11 355
Financial revenues	0	0	0	87	87
Financial expenses	0	0	0	3 664	3 664
Income tax	0	0	0	1 844	1 844
Net result	6 080	1 853	2 825	-4 824	5 933

1.6.3 COSTS OF MAJOR OPERATING ACTIVITIES

Item	01.01.-31.03.2020	01.01.-31.03.2019
Costs by type	184 268	203 354
Depreciation	2 518	2 239
Consumption of materials and energy	59 856	77 953



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Outsourced services	105 692	102 581
Taxes and fees	771	622
Remunerations	10 589	9 235
Employee benefits	2 395	2 132
Other costs by type	1 766	1 627
Cost of goods and materials sold	682	6 965
Movements in the balance of products	9 480	-32 625
Own work capitalized	-812	0
Selling costs	-5 893	-7 102
General administrative expenses	-5 220	-3 034
Own selling cost	181 823	160 593

1.6.4 OTHER OPERATING REVENUES

Item	01.01.-31.03.2020	01.01.-31.03.2019
Profit on disposal of non-financial fixed assets	428	0
Re-invoicing	0	0
Pricing of investment properties to fair value	0	0
Release of provisions	0	0
Penalties and compensations	276	620
Grants	126	142
Expired liabilities	0	0
Scrap yield	0	0
Bonus from turnover	0	0
inventory surpluses	4	0
Other titles	50	812
Impairment losses on inventories reversal in period (-)	0	0
Impairment losses on receivables reversal in period (-)	0	3 213
Other operating revenues	884	4 787

1.6.5 OTHER OPERATING COSTS

Item	01.01.-31.03.2020	01.01.-31.03.2019
Impairment losses on inventories creation in the period	0	0
Pricing of investment properties to fair value	0	0
Creation of reserves	0	0
Costs related to acquisition of subsidiaries	0	0
Costs of gap's removal and scrapping	22	0



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Donations	2	53
Bonus from turnover	0	0
Inventory deficits	2	0
Write-down of receivables	0	0
Contractual penalties	2	0
Other titles	1 432	111
Damages to properties	0	0
Court fees	0	0
Re-invoicing costs	0	0
Compensations	137	46
Impairment losses on receivables creation in the period	0	0
Loss on disposal of non-financial fixed assets	0	60
Other operating costs	1 598	270

1.6.6 FINANCIAL REVENUES

Item	01.01.-31.03.2020	01.01.-31.03.2019
Interests	62	87
Surplus of positive exchange differences over the negative ones	251	0
Reversal of write-offs	0	0
Profit from sale of financial assets	0	0
Dividends	0	0
Other financial revenues	0	0
Financial revenues	313	87

1.6.7 FINANCIAL EXPENSES

Item	01.01.-31.03.2020	01.01.-31.03.2019
Interests	1 771	3 415
Surplus of negative exchange differences over the positive ones	0	108
Loss from sale of financial assets	0	0
Write-offs	0	0
Other financial expenses	0	141
Financial expenses	1 771	3 664

1.6.8 INCOME TAX

Item	01.01.-31.03.2020	01.01.-31.03.2019
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Current income tax	735	0
Current income tax for reporting period	735	0
Current income tax for previous periods covered in financial result	0	0
Deferred income tax	1 173	1 844
Deferred tax–creation and reversal of temporary differences (+)	1 866	2 391
Deferred income tax settlement of unused tax losses	0	0
Deferred tax–creation and reversal of temporary differences (-)	693	547
Income tax	1 908	1 844

1.6.9 INVENTORIES

Item	31.03.2020	31.12.2019
Materials balance value	22 062	25 675
Goods balance value	1 646	843
Semi-finished products and work in progress balance value	16 487	16 085
Finished products balance value	1 417	2 751
Premises under construction balance value	270 402	262 582
Finished premises balance value	53 922	61 745
Inventories	365 935	369 681

1.6.10 TRADE RECEIVABLES AND OTHER RECEIVABLES

Item	31.03.2020	31.12.2019
Net receivables due to contracts with clients	141 231	92 653
Trade receivables before revaluation write-off	147 197	98 619
Write-offs at the end of the period (-)	5 966	5 966
Current tax income	5	5
Receivables from dividends - short-term	0	0
Receivables on account of other taxes, customs duties and social insurance	15 833	16 407
Deposits due to valuation of construction agreements balance value	37 713	35 565
Write-offs at the end of the period (-)	1 749	1 749
Deposits due to valuation of construction agreements before revaluation write-off	39 462	37 314
Deposits from other titles	3	3



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Receivables and advance payments balance value	18 185	12 638
Write-offs at the end of the period (-)	219	219
Receivables and advance payments before revaluation write-off	18 404	12 857
Other receivables balance value	1 160	74
Write-offs at the end of the period (-)	0	0
Other receivables value before revaluation write-off	1 160	74
Trade receivables and other receivables	214 129	157 345

1.6.11 FINANCIAL INSTRUMENTS

Financial instruments – assets

Item	31.03.2020	31.12.2019
Stocks and shares in subsidiaries	0	0
Stocks and shares in affiliates and jointly controlled entities	0	0
Cash and cash equivalents	85 961	116 264
Financial assets evaluated at fair value through financial result	0	0
Financial assets available for sale	0	0
Financial assets held to maturity	0	0
Receivables valued in nominal value	217 004	160 127
Trade receivables and other receivables	214 129	157 345
Receivables from dividends - short-term	0	0
Loans and receivables	0	0
Financial assets	302 965	276 391

Financial instruments – liabilities

Item	31.03.2020	31.12.2019
Liabilities evaluated at depreciated cost	259 318	298 083
Liabilities evaluated at fair value through financial result	0	0
Liabilities evaluated at nominal value	416 027	363 387
Financial liabilities	675 345	661 470



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Liabilities of Dekpol S.A.:

Loans and borrowings as of 31.03.2020	Loan value	Balance	Currency	Interest rate	Date of repayment
Long-term					
loan BOŚ Bank um.S/91/01/2019/1098/K/KI	8 000	7 179	PLN	WIBOR3M + margin	31.12.2028
Loans and borrowings total long-term		7 179	PLN	-	-
Short-term					
loan Bank Spółdzielczy Skórcz/Malbork/Puck um.Z/82/O/19	9 000	5 378	PLN	WIBOR3M + margin	31.03.2021
loan mBank um.10/033/19/Z/VV	10 000	2 533	PLN	WIBOR O/N + margin	29.06.2020
loan mBank um.10/034/19/Z/LF	15 000	4 134	PLN	WIBOR1M + margin	29.06.2020
loan ING Bank Śląski um. 891/2017/00000901/00	5 000	2 280	PLN	WIBOR1M + margin	15.07.2020
loan Santander um.K01263/17	6 000	2 466	PLN	WIBOR1M + margin	22.12.2020
loan BGŻ BNPPARIBAS um. WAR/4100/15/348/CB	14 000	5 276	PLN	WIBOR3M + margin	31.07.2020
loan SGB-Bank um. OBRKK/12/2017/63280	30 000	29 999	PLN	WIBOR3M + margin	31.12.2020
loan BOŚ Bank um.S/92/01/2019/1098/K/KOO	13 000	0	PLN	WIBOR3M + margin	16.10.2020
loan BS Wschowa um. 164/IWS/2018	18 000	11 696	PLN	WIBOR1M + margin	19.08.2020
loan Santander um.K03957/19	4 800	0	EUR	EURIBOR1M + margin	30.06.2020
other		1	PLN		
Loans and borrowings total short-term		63 763	PLN	-	-

Loans and borrowings as of 31.12.2019	Loan value	Balance	Currency	Interest rate	Date of repayment
Long-term					
loan BOŚ Bank um.S/91/01/2019/1098/K/KI	8 000	7 385	PLN	WIBOR3M + margin	31.12.2028
loan Bank Spółdzielczy Skórcz/Malbork/Puck um.Z/82/O/19	9 000	4 002	PLN	WIBOR3M + margin	31.03.2021
Loans and borrowings long-term total		11 387	PLN	-	-
Short-term					
loan mBank um.10/033/19/Z/VV	10 000	9 426	PLN	WIBOR O/N + margin	28.05.2020
loan mBank um.10/034/19/Z/LF	15 000	6 026	PLN	WIBOR1M + margin	28.05.2020
loan ING Bank Śląski um. 891/2017/00000901/00	5 000	2 123	PLN	WIBOR1M + margin	15.07.2020
loan Santander um.K01263/17	6 000	5 295	PLN	WIBOR1M + margin	22.12.2020



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loan BGŻ BNPPARIBAS um. WAR/4100/15/348/CB	3 000	2 970	PLN	WIBOR3M + margin	31.03.2020
loan BGŻ BNPPARIBAS um. WAR/4100/15/348/CB	14 000	6 677	PLN	WIBOR3M + margin	31.07.2020
loan SGB-Bank um. OBRKK/12/2017/63280	30 000	29 999	PLN	WIBOR3M + margin	31.12.2020
loan BOŚ Bank um.S/92/01/2019/1098/K/KOO	13 000	10 199	PLN	WIBOR3M + margin	16.10.2020
loan BS Wschowa um. 164/IWS/2018	18 000	12 296	PLN	WIBOR1M + margin	19.08.2020
loan Santander um.K03957/19	4 800	0	EUR	EURIBOR1M + margin	30.06.2020
factoring		11 779	PLN		
other		6	PLN		
Loans and borrowings short-term total		96 796	PLN	-	-

Bonds (nominal value):

Bonds as of the end of reporting period 31.03.2020	Value	Balance	Currency	Interest rate	Date of repayment
Long-term					
DA series bonds	15 000	15 000	PLN	WIBOR6M+ margin	30.04.2021
DB series bonds	20 000	20 000	PLN	WIBOR6M+ margin	30.04.2021
Bonds total long-term		35 000	PLN	-	-
Short-term					
G series bonds	76 880	76 880	PLN	WIBOR6M+ margin	08.03.2021
H series bonds	15 000	15 000	PLN	WIBOR6M+ margin	08.03.2021
Bonds total short-term		91 880	PLN	-	-

Bonds as of the end of reporting period 31.12.2019	Value	Balance	Currency	Interest rate	Date of repayment
Long-term					
DA series bonds	15 000	15 000	PLN	WIBOR6M+ margin	30.04.2021
DB series bonds	20 000	20 000	PLN	WIBOR6M+ margin	30.04.2021
G series bonds	57 660	57 660	PLN	WIBOR6M+ margin	08.03.2021
H series bonds	11 250	11 250	PLN	WIBOR6M+ margin	08.03.2021
Bonds total long-term		103 910	PLN	-	-
Short-term					
G series bonds	19 220	19 220	PLN	WIBOR6M+ margin	08.03.2021
H series bonds	3 750	3 750	PLN	WIBOR6M+ margin	08.03.2021
F3 series bonds	9 000	6 655*	PLN	WIBOR3M+ margin	04.01.2022
F4 series bonds	13 000	220*	PLN	WIBOR3M+ margin	04.01.2022
Bonds total short-term		29 845	PLN	-	-

* F3, F4 series bonds repaid in 1Q2020, in financial statement identified as short-term liability



Quarterly report for the 1st quarter 2020 of the DEKPOL Capital Group (data in thousands of PLN)

Liabilities of companies from the Dekpol Capital Group:

Loans and borrowings as of 31.03.2020	Company	Loan value	Balance	Currency	Interest rate	Date of repayment
Long-term						
loan Alior Bank um.U0003400195815A	Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k.	59 162	0	PLN	WIBOR3M + margin	31.07.2022
loan Alior Bank um.U0003400195815B	Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k.	4 800	0	PLN	WIBOR3M + margin	31.07.2022
Loans and borrowings Total long-term			0	PLN	-	-
Short-term						
borrowing Eco Milan Sp. z o.o.	Nordic Milan Sp. z o.o.	8 286	1 231	PLN	contractual fixed interest rate	30.06.2020
borrowing Eco Milan Sp. z o.o.	Nordic Milan Sp. z o.o.	13	13	PLN	contractual fixed interest rate	30.06.2020
borrowing Eco Milan Sp. z o.o.	Nordic Milan Sp. z o.o.	20	20	PLN	contractual fixed interest rate	30.06.2020
borrowing Nordic Development S.A.	Nordic Milan Sp. z o.o.	2	2	PLN	contractual fixed interest rate	30.06.2020
borrowing Nordic Development S.A.	Nordic Milan Sp. z o.o.	13	13	PLN	contractual fixed interest rate	30.06.2020
loan BS Wschowa um.175/IWS/2019	Dekpol Inwestycje Sp. z o.o. Development Sp. k.	5 556	1 902	PLN	WIBOR1M + margin	21.07.2020
loan SGB-Bank um.PO/2/ORK/U/2019	Dekpol Inwestycje Sp. z o.o. Rokitki Sp. k.	12 000	2 476	PLN	WIBOR3M + margin	31.07.2020
factoring	Dekpol Steel Sp. z o.o.		12 390	PLN		
other			0	PLN		
Loans and borrowings total short-term			18047	PLN	-	-

Loans and borrowings as of 31.12.2019	Company	Loan value	Balance	Currency	Interest rate	Date of repayment
Long-term						
			0	PLN		
Loans and borrowings total long-term			0	PLN	-	-
Short-term						
borrowing Eco Milan Sp. z o.o.	Nordic Milan Sp. z o.o.	8 286	1 231	PLN	contractual fixed interest rate	31.05.2020
borrowing Eco Milan Sp. z o.o.	Nordic Milan Sp. z o.o.	13	13	PLN	contractual fixed interest rate	31.05.2020
borrowing Eco Milan Sp. z o.o.	Nordic Milan Sp. z o.o.	20	20	PLN	contractual fixed interest rate	31.05.2020
borrowing Nordic Development S.A.	Nordic Milan Sp. z o.o.	2	2	PLN	contractual fixed interest rate	31.05.2020
borrowing Nordic Development S.A.	Nordic Milan Sp. z o.o.	13	13	PLN	contractual fixed interest rate	31.05.2020



Quarterly report for the 1st quarter 2020 of the DEKPOL Capital Group (data in thousands of PLN)

loan mBank um.10/001/19/Z/OB	Dekpol Inwestycje Sp. z o.o. Myśliwska Sp. k.	45 700	1 341	PLN	WIBOR1M + margin	30.11.2020
loan BS Wschowa um.175/IWS/2019	Dekpol Inwestycje Sp. z o.o. Development Sp. k.	5 556	3 516	PLN	WIBOR1M + margin	21.07.2020
loan SGB-Bank um.PO/2/ORK/U/2019	Dekpol Inwestycje Sp. z o.o. Rokitki Sp. k.	12 000	8 916	PLN	WIBOR3M + margin	31.07.2020
other						
Loans and borrowings						
total short-term			15 052	PLN		- -

Bonds (nominal value):

Bonds as at reporting date 31.03.2020	Value	Balance	Currency	Interest rate	Date of repayment
Long-term					
A series bonds (Dekpol Deweloper Sp. zo.o.)	21 500	21 500	PLN	WIBOR6M+ margin	19.06.2022
Bonds total long-term		21 500	PLN	-	-
Short-term					
A series bonds (Dekpol Deweloper Sp. zo.o.)	8 500	8 500	PLN	WIBOR6M+ margin	19.12.2020
Bonds total short-term		8 500	PLN	-	-

Bonds as at reporting date 31.12.2019	Value	Balance	Currency	Interest rate	Date of repayment
Long-term					
A series bonds (Dekpol Deweloper Sp. zo.o.)	21 500	21 500	PLN	WIBOR6M+ margin	19.06.2022
Bonds total long-term		21 500	PLN	-	-
Short-term					
A series bonds (Dekpol Deweloper Sp. zo.o.)	8 500	8 500	PLN	WIBOR6M+ margin	19.12.2020
Bonds total short-term		8 500	PLN	-	-

1.6.12 TRADE LIABILITIES AND OTHER LIABILITIES

Item	31.03.2020	31.12.2019
Trade liabilities	152 512	113 600
Liabilities due to remunerations	2 544	955
Liabilities due to current income tax	2 130	1 464
Liabilities due to other taxes, duties and social securities	9 224	10 922



Quarterly report for the 1st quarter 2020 of the DEKPOL Capital Group (data in thousands of PLN)

Short-term received bails	15 073	14 435
Prepayments and deposits received for supplies	209 344	197 651
Other short-term liabilities	222	719
Trade and other liabilities	391 048	339 747

1.7 CONTRACTS FOR CONSTRUCTION SERVICES – ACTIVE AGREEMENTS CUMULATIVELY UNTIL THE BALANCE SHEET DATE

Assets under construction contracts	01.01. -31.03.2020	01.01. - 31.12.2019
Balance as at beginning of period	66 457	48 493
Impairment loss	0	0
Measurement adjustment	0	0
Transfer to receivables (invoicing)	-66 457	-48 493
Balance at the end of period	71 363	66 457
Balance at the end of the period	71 363	66 457



Quarterly report for the 1st quarter 2020 of the DEKPOL Capital Group (data in thousands of PLN)

2. CONDENSED INTERIM SEPARATE FINANCIAL STATEMENT

2.1 SELECTED SEPARATE FINANCIAL DATA

Item	In thousands of PLN 01.01.2020 - 31.03.2020	In thousands of PLN 01.01.2019 - 31.03.2019	In thousands of EUR 01.01.2020 - 31.03.2020	In thousands of EUR 01.01.2019 - 31.03.2019
I. Net revenue from sales of products, goods, and materials	168 977	203 161	38 436	47 271
II. Profit (loss) on operating activity	8 582	12 856	1 952	2 991
III. Profit (loss) before tax	7 822	9 557	1 779	2 224
IV. Net profit (loss)	6 336	7 166	1 441	1 667
V. Earnings (loss) per ordinary share (in PLN / EUR)	0,76	0,86	0,17	0,2
VI. Net cash flows from operating activity	-27 823	-6 750	-6 329	-1 571
VII. Net cash flows from investment activity	3 606	-6 702	820	-1 559
VIII. Net cash flows from financial activity	-37 903	-7 895	-8 622	-1 837
IX. Total net cash flows	-62 121	-21 347	-14 130	-4 967

	In thousands of PLN 31.03.2020	In thousands of PLN 31.12.2019	In thousands of EUR 31.03.2020	In thousands of EUR 31.12.2019
X. Total assets	734 346	859 057	161 313	199 720
XI. Liabilities and provisions for liabilities	489 440	636 426	107 515	147 961
XII. Long-term liabilities	87 320	234 522	19 182	54 524
XIII. Short-term liabilities	402 120	401 904	88 333	93 438
XIV. Equity	244 906	222 631	53 798	51 759
XV. Share capital	8 363	8 363	1 837	1 944



Quarterly report for the 1st quarter 2020 of the DEKPOL Capital Group (data in thousands of PLN)

XVI. Number of shares at the end of the period	8 362 549	8 362 549	8 362 549	8 362 549
XVII. Book value per share (in PLN / EUR)	29	27	6	6

Individual items of Condensed Interim Separate Statement of Financial Position, which have been presented in EUR currency, have been converted based on the average exchange rate set by the Polish National Bank for the day 31.03.2019: 4,3013 PLN/EUR and for the day 31.03.2020: 4,5523 PLN/EUR and for the day 31.12.2019: 4,2585 PLN/EUR.

Individual items of Condensed Interim Separate Financial Statement of Comprehensive Income and Condensed Interim Separate Cash Flow Statement have been converted into EUR based the arithmetic average of average exchange rates for EUR set by the Polish National Bank on the last day of each month of given period 01.01-31.03.2020: 4,3963 PLN/EUR, and 01.01-31.03.2019: 4,2978 PLN/EUR.



Quarterly report for the 1st quarter 2020 of the DEKPOL Capital Group (data in thousands of PLN)

2.2 CONDENSED INTERIM SEPARATE STATEMENT OF COMPREHENSIVE INCOME

Item	01.01.-31.03.2020	01.01.-31.03.2019
Sales revenues	168 977	203 161
Costs of goods sold	153 708	187 817
Gross profit (loss) from sales	15 269	15 343
Selling costs	3 282	4 910
General administrative expenses	2 647	1 994
Other operating revenues	719	4 639
Other operating costs	1 477	222
Profit (loss) from operating activities	8 582	12 856
Share in profit (loss) in entities priced by ownership value method	0	0
Financial revenues	581	80
Financial expenses	1 342	3 379
Profit (loss) before tax	7 822	9 557
Income tax	1 486	2 391
Profit (loss) from continued operations	6 336	7 166
Net profit (loss)	6 336	7 166
Exchange differences on the conversion of foreign operations	0	0
Other net comprehensive income	0	0
Comprehensive income	6 336	7 166



Quarterly report for the 1st quarter 2020 of the DEKPOL Capital Group (data in thousands of PLN)

2.3 CONDENSED INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION

Item	31.03.2020	31.12.2019
Fixed assets	357 608	363 263
Property, plant and equipment	33 633	70 616
Investment properties	22 300	22 300
Intangible assets	385	425
Stocks and shares	273 576	229 368
Receivables	2 875	2 769
Other long-term financial assets	18 509	30 883
Long-term deferred charges	0	0
Assets due to deferred income tax	6 330	6 902
Current assets	376 738	412 053
Inventory	55 639	75 388
Receivables due to contracts with clients	99 559	86 518
Trade receivables and other receivables	206 149	172 222
Other short-term financial assets	0	503
Shared In Open Investment Funds	0	0
Short-term deferred charges	1 058	968
Cash and cash equivalent	14 333	76 454
Including cash on escrow accounts	1 618	550
Assets classified as held for sale	0	0
Assets in total	734 346	775 316

Item	31.03.2020	31.12.2019
Equity	244 906	238 570
Share capital	8 363	8 363
Equity from sales of shares over its nominal value	26 309	26 309
Other equities	180 793	180 793
Own shares (-)	0	0
Profit (loss) from previous years	23 105	0
Current result	6 336	23 105
Long-term liabilities	87 320	159 006
Deferred income tax provision	27 380	26 465
Liabilities and provisions on employee benefits	124	124



Quarterly report for the 1st quarter 2020 of the DEKPOL Capital Group (data in thousands of PLN)

Other long-term provisions	0	0
Long-term credits, borrowings and debt instruments	42 191	115 393
Other long-term financial liabilities	2 717	3 310
Other long-term liabilities	14 907	13 714
Short-term liabilities	402 120	377 739
Liabilities and provisions on employee benefits	6	6
Other short-term provisions	13 732	19 824
Short-term credits, borrowings and debt instruments	158 029	126 650
Other short-term financial liabilities	4 507	7 281
Liabilities due to contracts with clients	0	0
Trade liabilities and other liabilities	225 846	217 786
Receivables from future terms	0	6 192
Liabilities connected to assets intended for sale	0	0
Liabilities in total	734 346	775 316

2.4 CONDENSED INTERIM CASH FLOW STATEMENT

Item	01.01.-31.03.2020	01.01.-31.03.2019
Profit (loss) before tax	7 822	9 557
Adjustments:	2 390	6 950
Depreciation	1 263	2 189
Change of fair value of investment properties	0	0
Profit (loss) from sales of non-financial tangible assets	-77	-15
Profit (loss) from sales of financial assets (other than derivatives)	0	0
Profits (losses) from foreign exchange differences	0	0
Interests and shares in profits	1 205	4 776
Change of working capital	-36 549	-21 002
Income tax from profit before taxation	-1 486	-2 391
Income tax paid	0	136
Net cash from operating activities	-27 823	-6 750
Expenses related to acquisition of intangible assets	-8	-45
Inflows from sales of intangible assets	0	0
Expenses related to acquisition of property, plant and equipment	-2 042	-2 719
Inflows from sales of property, plant and equipment	82	3
Expenses related to acquisition of investment properties	0	-150
Inflows from sales of investment properties	0	0



Quarterly report for the 1st quarter 2020 of the DEKPOL Capital Group (data in thousands of PLN)

Net inflows from sales of subsidiaries	0	0
Expenses related to acquisition of subsidiaries	-7 152	0
Repayments received from loans granted	16 270	0
Expenses related to acquisition of other financial assets	-996	-191
Inflows from sales of other financial assets	0	0
Loans granted	-2 900	-3 600
Interest received	351	0
Dividends received	0	0
Net cash from investment activities	3 606	-6 702
Net inflows from issue of shares	0	0
Inflows from issue of debt securities	1 156	0
Other inflows (expenses) from financial activities	0	0
Inflows from received grants	0	0
Redemption of debt securities	-6 875	0
Inflows from loans and borrowings taken out	1 660	34 197
Repayment of loans and borrowings	-31 702	-38 514
Repayment of liabilities under finance lease	-876	-2 271
Interest paid	-1 266	-1 307
Dividends paid	0	0
Net cash from financial activities	-37 903	-7 895
Change in net cash and cash equivalents	-62 121	-21 347
Cash and cash equivalents at the beginning of the period	76 454	51 461
Cash and cash equivalents at the end of the period	14 333	30 115
Including cash of limited disposal right	1 618	16 035



Raport kwartalny za I kwartał 2020 r. Grupy Kapitałowej DEKPOL (dane w tys. zł)

2.5 CONDENSED INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY

Data for period 01.01 – 31.03.2020

Item	Share capital	Own shares (-)	Capital from the sale of shares above their nominal value	Reserve capital from retained earnings	Other capitals	Unallocated retained earnings	The capital of non-controlling shareholders	Exchange differences on the conversion of subordinate entities	Total
Balance at the beginning of the period	8 363	0	26 309	180 793	0	23 105	0	0	238 570
Error corrections of previous years	0	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	0	0	0
Issue of shares	0	0	0	0	0	0	0	0	0
Transfer of financial result to capital	0	0	0	0	0	0	0	0	0
Total transactions with the owners	0	0	0	0	0	0	0	0	0
Net profit (loss)	0	0	0	0	0	6 336	0	0	6 336
Other total net income	0	0	0	0	0	0	0	0	0
Total income	0	0	0	0	0	6 336	0	0	6 336
Balance at the end of the period	8 363	0	26 309	180 793	0	29 441	0	0	244 906



Quarterly report for the 1st quarter 2020 of the DEKPOL Capital Group (data in thousands of PLN)

Data for period 01.01 – 31.12.2019

Item	Share capital	Own shares (-)	Capital from the sale of shares above their nominal value	Reserve capital from retained earnings	Other capitals	Unallocated retained earnings	The capital of non-controlling shareholders	Exchange differences on the conversion of subordinate entities	Total
Balance at the beginning of the period	8 363	0	26 309	150 410	0	30 383	0	0	215 465
Error corrections of previous years	0	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	0	0	0
Issue of shares	0	0	0	0	0	0	0	0	0
Transfer of financial result to capital	0	0	0	30 383	0	-30 383	0	0	0
Total transactions with the owners	0	0	0	30 383	0	-30 383	0	0	0
Net profit (loss)	0	0	0	0	0	23 105	0	0	23 105
Other total net income	0	0	0	0	0	0	0	0	0
Total income	0	0	0	0	0	23 105	0	0	23 105
Balance at the end of the period	8 363	0	26 309	180 793	0	23 105	0	0	238 570



Raport kwartalny za I kwartał 2020 r. Grupy Kapitałowej DEKPOL (dane w tys. zł)

2.6 ADDITIONAL INFORMATION TO CONDENSED SEPARATE FINANCIAL STATEMENT

PRINCIPLES FOR PREPARING AN INTERIM CONDENSED SEPARATE FINANCIAL STATEMENT

Interim condensed financial statement of the Dekpol S.A (Company, Issuer) for 3 months ended 31st of March 2020 has been prepared in accordance with International Accounting Standards and International Financial Reporting Standards and related interpretations announced in the form of regulations of European Commission (hereinafter referred to as IFRS).

Interim condensed financial statement of the Dekpol S.A for 3 months ended 31st of March 2020 has been prepared under assumption of continuation of business by the Company in the foreseeable future. Statement presents financial position of Dekpol S.A. as of 31st of March 2020 and 31st of December 2019, results achieved with the Company's operations and cash flow for the period of 3 months ended 31st of March 2020 and 31st of March 2019.

The accounting principles (policies) used to prepare the interim condensed financial statement are consistent with those used in preparation of the Company's annual financial statement for the year ended 31st of December 2019. In the first quarter of 2020, there were no changes in the accounting principles (policies) used.

In the reporting period, there were no significant changes in the estimates or changes in the principles of determining the value of assets and liabilities and measurement of the financial result.



Quarterly report for the 1st quarter 2020 of the DEKPOL Capital Group (data in thousands of PLN)

3. ADDITIONAL INFORMATION TO EXTENDED CONSOLIDATED REPORT FOR 1ST QUARTER 2020 FOR DEKPOL CAPITAL GROUP

3.1 INFORMATION ABOUT DEKPOL CAPITAL GROUP

3.1.1 BUSINESS ACTIVITIES

Business activities of the DEKPOL Capital Group are as follows:

- general contracting services in terms of industrial facilities, public utilities, sports and recreation facilities, environmental protection facilities, as well as sanitary, road and hydrotechnical works;
- real estate development activities - construction, finishing and sale of housing estates, single-family housing estates, luxury apartment buildings, condo hotels and retail and service areas;
- production of equipment for construction machines.

As a part of ongoing reorganization of the Dekpol Capital Group, individual areas of activity are gradually transferred from the parent company Dekpol S.A. to newly created subsidiaries, and ultimately Dekpol S.A. will act as a holding company managing the Capital Group.

3.1.2 STRUCTURE OF DEKPOL CAPITAL GROUP

As at 31st of March 2020, the Dekpol Capital Group was composed of Dekpol S.A. as the parent entity and twenty-four subsidiaries.

Subsidiaries			
Dekpol 1 Sp. z o.o.	direct	Dekpol Royalties Sp. z o.o.	indirect via Dekpol 1 Sp. z o.o. S.K.A.
Dekpol 1 Sp. z o.o.S.K.A.	direct	Almond Sp. z o.o.	indirect via Dekpol 1 Sp. z o.o. S.K.A
UAB DEK LTStatyba (Litwa)	direct	Dekpol Inwestycje Sp. z o.o.	indirect via Dekpol Deweloper Sp. z o.o.
DekpolDeweloper Sp. z o.o.	direct	Dekpol Pszena Sp. zo.o.	indirect via Dekpol Deweloper Sp. z o.o.
Betpref Sp. z o.o.	direct	Nordic Milan Sp. z o.o.	indirect via Dekpol Deweloper Sp. z o.o.



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Dekpol Steel Sp. z o.o.	direct	Smartex Sp. z o. o	indirect via Dekpol Deweloper Sp. z o.o.
Dekpol Budownictwo Sp. z o.o.	direct	Dekpol Inwestycje Sp. z o.o. Pastelowa Sp.k.	indirect via Dekpol Deweloper Sp. z o.o. and Dekpol Inwestycje Sp. z o.o.
		Dekpol Inwestycje Sp. z o.o. Rokitki Sp.k.	indirect via Dekpol Deweloper Sp. z o.o. and Dekpol Inwestycje Sp. z o.o.
		Dekpol Inwestycje Sp. z o.o. Development Sp. k.	indirect via Dekpol Deweloper Sp. z o.o. and Dekpol Inwestycje Sp. z o.o.
		Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k	indirect via Dekpol Deweloper Sp. z o.o. and Dekpol Inwestycje Sp. z o.o.
		Dekpol Inwestycje Sp. z o.o. Myśliwska Sp. k.	indirect via Dekpol Deweloper Sp. z o.o. and Dekpol Inwestycje Sp. z o.o.
		Dekpol Pszena Sp. z o.o. Sp.k	indirect via Dekpol Deweloper Sp. z o.o. and Dekpol Pszena Sp. zo.o.
		Dekpol Inwestycje Sp. z o.o. WBH Sp. k.	indirect via Dekpol Deweloper Sp. z o.o. and Dekpol Inwestycje Sp. z o.o.
		Dekpol Inwestycje Sp. z o.o. Neo Jasień Sp. k.	indirect via Dekpol Deweloper Sp. z o.o. and Dekpol Inwestycje Sp. z o.o.
		Dekpol Inwestycje Sp. z o.o. Grano Resort Sp. k.	indirect via Dekpol Deweloper Sp. z o.o. and Dekpol Inwestycje Sp. z o.o.
		Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k.	indirect via Dekpol Deweloper Sp. z o.o. and Dekpol Inwestycje Sp. z o.o.
		Dekpol Inwestycje Sp. z o.o. Sobieszewo Development Sp. k.	indirect via Dekpol Deweloper Sp. z o.o. and Dekpol Inwestycje Sp. z o.o.

Direct subsidiaries of Dekpol S.A.:

- 1) Dekpol 1 Sp. z o.o. - general partner of DEKPOL 1 Sp. z o.o. SKA;
- 2) Dekpol 1 Sp. z o.o. S.K.A. - is responsible in the DEKPOL Group for the management of subsidiaries appointed to perform specialized tasks as well as intangible and intellectual values in the DEKPOL Group;
- 3) UAB DEK LTStatyba – company established to support the Company's operations in Lithuania, as well as to manage future contracts in the General Contractor implemented in Lithuania;



Quarterly report for the 1st quarter 2020 of the DEKPOL Capital Group (data in thousands of PLN)

4) Dekpol Deweloper Sp. z o.o. - the purpose of the creation was to separate an organized part of the Dekpol S.A. covering the property development activity and transferring it in kind to this company, which took place on 1st of January 2019;

5) Betpref Sp. z o.o. – a company established to ensure the continuity of deliveries of precast concrete products used in the performance of contracts in general contracting;

6) Dekpol Steel Sp. z o.o. – the purpose of the creation was to separate an organized part of the enterprise of Dekpol S.A. covering the production of accessories for construction machinery and transferring it in kind to this company, which took place on 1st of January 2020;

7) Dekpol Budownictwo Sp. z o.o. – the purpose of the creation was to separate an organized part of the Dekpol S.A. covering the property development activity and transferring it in kind to this company.

Indirect subsidiaries of Dekpol S.A. (via Dekpol 1 Sp. z o.o. S.K.A.):

1) DekpolRoyalties Sp. z o.o. - a company responsible in the DEKPOL Group for brand service in the context of image and product promotion (the Company plans to liquidate the Company);

2) Almond Sp. z o.o. - company owning the property in Gdańsk at Toruńska street 12 (Hotel Almond).

Indirect subsidiaries of Dekpol S.A. (via Dekpol Deweloper Sp. z o.o.):

1) Dekpol Inwestycje Sp. z o.o. – general partner in special purpose entities implementing individual development projects in the Dekpol Capital Group: Dekpol Inwestycje Sp. z o.o. Pastelowa Sp.k.; Dekpol Inwestycje Sp. z o.o. Rokitki Sp.k.; Dekpol Inwestycje Sp. z o.o. Development Sp. k., Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k., Dekpol Inwestycje Sp. z o.o. Myśliwska Sp. k., Dekpol Inwestycje Sp. z o.o. WBH Sp. k., Dekpol Inwestycje Sp. z o.o. Neo Jasień Sp. k. (formerly Dekpol Inwestycje Sp. z o.o. Osiedle Zielone Sp. k.), Dekpol Inwestycje Sp. z o.o. Grano Resort Sp. k., Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k., Dekpol Inwestycje Sp. z o.o. Sobieszewo Development Sp. k.;

2) Dekpol Pszenna Sp. z o.o. – the general partner of the special purpose entity for the implementation of the development investment on Pszenna street in Gdańsk;

3) Nordic Milan Sp. z o.o. - the company operates in the real-estate development industry; owns a land property in Milanówek, where the property development project is has already been implemented;

4) Smartex Sp. z o. o. - owner of a plot of land in Wrocław at Braniborska street, where the Company, together with a privat person who owns 37.7% of shares in Smartex, intends to jointly implement a development project. Dekpol S.A. holds a



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62.3% stake in Smartex and the right to acquire a 37.7% shares in Smartex. A special purpose entity was established for the implementation of the project - Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k..

Indirect subsidiaries of Dekpol S.A. (via Dekpol Deweloper Sp. z o.o. and Dekpol Pszenna Sp. z o.o.):

1) Dekpol Pszenna Sp. z o.o. Sp.k. – a special purpose entity for the implementation of a development investment named Grano Residence in Gdańsk at Pszenna street.

Indirect subsidiaries of Dekpol S.A. (via Dekpol Deweloper Sp. z o.o. and Dekpol Inwestycje Sp. z o.o.):

1) Dekpol Inwestycje Sp. z o.o. Pastelowa Sp.k. – a special purpose entity for the implementation of a development investment under the name Pastelowa in Gdańsk;

2) Dekpol Inwestycje Sp. z o.o. Rokitki Sp.k. – special purpose entity for the implementation of development investments in Rokitki and Śliwiny near Tczew;

3) Dekpol Inwestycje Sp. z o.o. Development Sp. k. – special purpose entity to carry out smaller development investments, including in Jurata, Hel and Gdańsk;

4) Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k. – a special purpose entity for the implementation of a development investment in Wrocław;

5) Dekpol Inwestycje Sp. z o.o. Myśliwska Sp. k. – a special purpose entity for the implementation of a development investment named Forest in Gdańsk;

6) Dekpol Inwestycje Sp. z o.o. Grano Resort Sp. k. - a special purpose entity for the implementation of a development investment in Gdańsk on the Sobieszewska Island;

7) Dekpol Inwestycje Sp. z o.o. WBH Sp. k. - a special purpose entity for the implementation of a development investment in Warsaw;

8) Dekpol Inwestycje Sp. z o.o. Neo Jasień Sp. k. (formerly Dekpol Inwestycje Sp. z o.o. Osiedle Zielone Sp. k.) - spółka a special purpose entity for the implementation of a development investment called Neo Jasień in Gdańsk;

9) Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k. a special purpose entity for the implementation of a development investment in Wiślinka;

10) Dekpol Inwestycje Sp. z o.o. Sobieszewo Development Sp. k. - special purpose entity to carry out smaller development investments in Gdańsk on the Sobieszewska Island.



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Dekpol S.A. owns 100% of shares in: Dekpol 1 Sp. z o.o., UAB DEK LT Statyba, Betpref Sp. z o.o., Dekpol Deweloper Sp. z o.o., Dekpol Steel Sp. z o.o., Dekpol Budownictwo Sp. z o.o. and 100% of shares in Dekpol 1 Sp. z o.o. S.K.A.

Dekpol 1 Sp. z o.o. S.K.A. owns 100% of shares in Companies Dekpol Royalties Sp. z o.o. and Almond Sp. z o.o.

Dekpol Deweloper Sp. z o.o. owns 100% of shares in Companies Nordic Milan Sp. z o.o., Dekpol Pszenna Sp. z o.o. and Dekpol Inwestycje Sp. z o.o.

Dekpol Deweloper Sp. z o.o. owns 62,3% of shares in Smartex Sp. z o.o. and the right for acquisition of 37,7% of shares of Smartex Sp. z o.o.

Dekpol Deweloper Sp. z o.o. is the limited partner of the Companies Dekpol Inwestycje Sp. z o.o. Pastelowa Sp.k.; Dekpol Inwestycje Sp. z o.o. Rokitki Sp.k.; Dekpol Inwestycje Sp. z o.o. Development Sp. k., Dekpol Inwestycje Sp. z o.o. Myśliwska Sp. k., Dekpol Inwestycje Sp. z o.o. WBH Sp. k., Dekpol Inwestycje Sp. z o.o. Neo Jasień Sp. k. (formerly Dekpol Inwestycje Sp. z o.o. Osiedle Zielone Sp. k.), Dekpol Inwestycje Sp. z o.o. Grano Resort Sp. k., Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k., Dekpol Inwestycje Sp. z o.o. Sobieszewo Development Sp. k., owning in those companies 99,5% of shares in profits, while 0,5% of shares in profits owns Dekpol Inwestycje Sp. z o.o. acting as the general partner of those companies.

Dekpol Deweloper Sp. z o.o. is the limited partner of the Company Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k., owning in this company 49,9% of shares in profits, while 0,1% of shares in profits owns Dekpol Inwestycje Sp. z o.o. acting as the general partner of this company.

Dekpol Deweloper Sp. z o.o. is the limited partner of the Company Dekpol Pszenna Sp. z o.o. Sp.k. owning in this company 99,5% of shares in profits, while Dekpol Pszenna Sp. z o.o. acting as the general partner of this company owns 0,5% of shares in profits, providing, that the profit to be divided among the companies from the Dekpol Group is reduced by PLN 500, attributable to the other limited partner of the company.

All companies directly and indirectly dependent on the Issuer are subject to full consolidation.

3.1.3 CHANGES IN THE STRUCTURE OF THE CAPITAL GROUP AND IN 1ST OF QUARTER 2020 AND AFTER BALANCE SHEET DATE

On 1st of January 2020, there was a transfer to Dekpol Steel Sp. z o. o. of an organized part of the enterprise of Dekpol S.A. functioning under the name of the Bucket Production Department (ZCP) and covering in particular production and sales of



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buckets and accessories for construction machines. The organized part of the enterprise was a separate department within the Issuer's structures and an independent enterprise carrying out the above tasks independently.

The ZCP included, among others built-up real estates, rights and obligations under employment contracts and all employee files regarding transferred employees, related to ZCP receivables and payables, stocks of materials, fixed assets and movable property, and elements of equipment, rights from bank accounts, rights arising from contracts with customers, subcontractors, suppliers, customers, intellectual property rights, obtained administrative decisions, concessions, licenses, permits, permits, certificates and others.

The transfer of ZCP took place by way of an in-kind contribution to cover the share capital in connection with the acquisition by Dekpol S.A. on 31st of December 2019, of 1,000,000 new shares in Dekpol Steel with a total nominal value of PLN 50 million. After the increase, the share capital of Dekpol Steel amounts to PLN 50.005,000.

As at the date of publication of this report, there are ongoing activities related to the separation of an organized part of the enterprise operating under the name Department of General Contracting Services and transferring it to Dekpol Budownictwo Sp. z o.o.

The above events are result of actions taken in 2019 related to reorganization of the Company and the Dekpol Capital Group aimed at introducing of management system tailored to the increasing scale of the Company's operations and its individual segments, the expanded structure, as well as further development plans.

In the period of the first quarter of 2020 and until the date of publication of this report, there were no changes in the structure of the Dekpol Capital Group.

3.2 GENERAL INFORMATION ABOUT THE PARENT ENTITY DEKPOL S.A.

3.2.1 BODIES OF THE COMPANY

Management Board

The Issuer's Management Board is composed of one or more Members. The Supervisory Board entrusts one of the Members of the Management Board with the function of the President of the Management Board. Other Members of the Management Board may be entrusted with the function of Vice Presidents of the Management Board. The term of office of the Members of the Management Board is 5 (five) years and is not joint.



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As at 31st of March 2020 and as at publication date of this report, the Issuer's Management Board composes of:

Name and surname	Function
Mariusz Tuchlin	President of Management Board
Michał Skowron	Vice President of Management Board
Katarzyna Szymczak-Dampc	Member of Management Board

The term of office of the President of the Management Board Mr. Mariusz Tuchlin will expire on 4th of June 2024, term of office of Vice-President of the Management Board Mr. Michał Skowron will expire on 1st of January 2023, while term of office of a Member of the Management Board Mrs. Katarzyna Szymczak-Dampc will expire on 31st of December 2025.

In Q1 2020 there were no changes in the composition of Management Board of the Company.

On 30th of December 2019, the Company's Supervisory Board adopted a resolution appointing Mrs. Katarzyna Szymczak-Dampc to the Company's Management Board as of 1st of January 2020 and entrusted with the function of a Member of the Management Board.

Supervisory Board

Supervisory Board consists of three to five members, whereas in case of obtaining by the Issuer the status of a public company from five to seven members. Vocation as well as dismissal of members of the Supervisory Board follows through resolution of General Meeting of Shareholders. This body elects the Chairman of Supervisory Board, may also entrust the function of Vice-president to another member. The term of office of Supervisory Board members takes 5 years and cannot be joint.

As at 31st of March 2020 and as at publication date of this report, the Issuer's Supervisory Board composes of:

Name and surname	Function
Roman Suszek	Chairman of Supervisory Board
Jacek Grzywacz	Vice-president of Supervisory Board
Wojciech Sobczak	Member of Supervisory Board



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Grzegorz Wąsacz	Member of Supervisory Board
Jacek Kędzierski	Member of Supervisory Board

Terms of office of Mr. Grzegorz Wąsacz will end on 7th of March 2022. Terms of office of Mr. Wojciech Sobczak will end on 28th of May 2023. Terms of office of Mr. Roman Suszek and Mr. Jacek Grzywacza will end on 1st of April 2024. Terms of office of Mr. Jacek Kędzierski will end on 30th of June 2024.

In Q1 2020 there were no changes in the composition of Supervisory Board of the Company.

3.2.2 SHARE CAPITAL STRUCTURE

As of 31st of March 2020 and as of the day of publication of this report, share capital of Dekpol S.A. amounts PLN 8 362 549,00 and is divided into 83,625,549 ordinary bearer shares with a nominal value of PLN 1 each, including:

- a) 6 410 000 series A ordinary bearer shares,
- b) 1 952 549 series B ordinary bearer shares,

which entitle to 8,362,549 votes at the General Meeting of Shareholders of the company.

3.2.3 SHAREHOLDING STRUCTURE OF THE COMPANY

Shareholders of Dekpol S.A. holding more than 5% of total number of votes at the Company's General Meeting as of the day of publishing of report, ie. 15th of June 2020 and to the best knowledge of the Management Board of Dekpol S.A.:

Shareholder	Number of shares / number of votes	Participation in Share capital and general number of votes (%)
Mariusz Tuchlin	6.449.860	77,13%
Familiar S.A., SICAV-SIF*	679.583	8,13%
Other shareholders	1.233.106	14,74%
Total	8.362.549	100%

* based on the number of registered shares for the Ordinary General Meeting of Shareholders convened for 28th of June 2019



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Between publication date of the latest periodic report, which was the annual report of 2019 published on 15th of May 2020, and until publication date of this report, there were no changes in shareholding structure of the Company

3.2.4 NUMER OF SHARES HELD BY MANAGEMENT AND SUPERVISORY STAFF

Shares in possession by Members of Management Board and Supervisory Board of Dekpol S.A. as of the day of publication of report ie. 15th of June 2020 and as of publication date of latest periodic report , which was the annual report of 2019 published on 15th of May 2020:

Item	Number of shares as of the day of publication of annual report of 2019	Changes	Number of shares as of the day of publication of report for 1Q 2020
Mariusz Tuchlin – CEO	6.449.860	-	6.449.860

Other members of Management and Supervisory Board of Dekpol S.A. do not hold Issuer's shares..

To the best knowledge of the Company, Members of Management Board and Supervisory Board do not hold and did not hold in given period from the publication date of annual report for the year 2019 until the day of publication of this report of any rights to shares of the Issuer.

3.3 INFORMATION ON OPERATIONS OF DEKPOL CAPITAL GROUP

3.3.1 SUMMARY OF THE ACTIVITIES OF THE DEKPOL CAPITAL GROUP IN 1ST QUARTER 2020

Sales revenues of the Dekpol Capital Group in Q1 2020 amounted to PLN 205 148 thousands, thus of about 16% more than in the corresponding period of the previous year. At the same time, the Dekpol Capital Group in the period from January to March 2020 reached PLN 8133 thousands of net profit.

In the period covered by financial report, the Group carried out similar operations comparing to 2019, i.e. dealt with: general contracting services, property development activities, manufacture of equipment for construction machines.

General contracting segment

In general contracting segment, the Capital Group at the end of Q1 2020 implemented contracts for external entities with a total contractual value of over



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PLN 574 million net. For implementation after the reporting period, projects with a total value of almost PLN 372 million net remained, of which the vast majority of works will be implemented in 2020. All projects are carried out on behalf of private investors. In addition, the Issuer in General Contracting segment implements intra-group development projects with a total value remaining to be implemented after Q1 2020 amounting to over PLN 91 million net. The main area of activity is the Pomeranian Voivodeship, where nearly 60% of projects are implemented. Industrial, logistics, commercial and service facilities are implemented along with full external infrastructure (roads, squares, parking lots).

List of major contracts carried out by the Issuer's Capital Group as at 31st of March 2020 :

- construction of a production-storage plant with office facilities in Skórcz for Iglotex S.A.
- construction of a production-storage plant with office facilities in Rumia for TricityNorth Sp. o.o.
- comprehensive implementation of construction works as well as construction and installation works together with the supply of materials and equipment including construction of a warehouse, production and office object with social and office facilities in Gdańsk for 7R Projekt 22 Sp. z o.o.

On 13th of March 2020, state of epidemiological threat was announced in Poland in connection with the SARS-CoV-2 coronavirus pandemic. Until the date of publication of this report, the above threat did not have a direct and significant impact on the Group's operations. Management Board of Dekpol S.A. undertakes necessary preventive and educational activities on an ongoing basis. Despite diligence, it is not able to predict further development of the situation, and thus the impact of the pandemic on the activities of the Company and the Capital Group

Real-estate development segment

In property development segment, the Dekpol Capital Group maintains a stable position on the market. In the first quarter of this year contracting within the meaning of preliminary, development and reservation agreements amounted to 27 apartments. For comparison, in the same period of the previous year, contracting was at the level of 141 units. In the revenues of the property development segment in the first three months of this year, 180 units were sold. For comparison, in the same period of the previous year, there were 80 recognized premises, and in 2019 all over 490 premises.



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As at the end of March this year 162 apartments remained in the sales offer.

In Q1 2020, there were two investments handed-over for use:

Nowe Rokitki V,VI - jointly 139 apartments,

Grano Residence - jointly 282 apartments.

The Group noted a decrease in concluded agreements in March, which was mainly caused by the epidemic situation, and thus restrictions introduced by authorities, as well as uncertainty of the society related to the slowdown of the global economy.

Management Board of Dekpol S.A., due to the short data observation horizon, is not able to estimate the impact of the epidemic on the development activities of the Dekpol Capital Group in the long-term perspective.

The Group continues implementation of housing and commercial projects in Gdańsk and surrounding area. Currently implemented projects include construction of housing estates, luxury apartment buildings as well as condo and aparthotels. The company is gradually increasing its share in sale of projects of higher prestige and standard addressed to more demanding customers.

Segment for production of equipment for construction machines

From 1st of January 2020, department of production of accessories for construction machines already operates as Dekpol Steel Sp. z o.o. The main assumptions for the coming years are brand creation and greater recognition on the domestic and foreign market. Therefore, the Group is now putting emphasis on expanding sales department, which will cover all European countries. The sales network in the country has also been expanded, which offers the best accessories manufactured in Dekpol Steel. In the first quarter of this year, it was also decided to design and implement a fully automated mini-midi bucket production line. Thanks to the robotization of the production line, buckets for compact machines will be offered at very attractive prices while maintaining high quality. Creation of an automated line also involves standardization of the bucket profile, and thus the repeatability of the assembly and welding process. All these processes are to be carried out by robots. It will be an innovative solution both in the country and Europe. The final area of the automated production line will be a separate painting booth dedicated exclusively to the production of accessories for compact machines. Thanks to this solution, the product range of buckets manufactured at Dekpol Steel will be expanded, from mini buckets weighing 35 kg and ending with accessories for excavators where the bucket's weight oscillates around 23,000 kg.



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Dekpol Steel Sp. z o.o. also talks with two global leaders from road infrastructure sector. The purpose of these talks is to ensure exclusive supply of accessories used in these companies, as well as to carry out repairs of currently used accessories. The next step towards domination of equipment and buckets produced at Dekpol Steel is the opening of consignment warehouses of ready products at construction machinery dealers in Poland and Europe. This year it is also planned to establish a representative office of Dekpol Steel in France. This model shall also be implemented in other European Union countries.

The main goal for 2020 is increasing by Dekpol Steel Sp. z o.o. of net result through production optimization processes as well as standardization of manufactured products.

As at the date of this report, the Company's Management Board observes on an ongoing basis market conditions and takes into account the situation related to the virus pandemic. It can be seen, that after a period of temporary slowdown in the sale of machines accessories, the economy is showing signs of a return to the pre-pandemic trend. Main customers, after a period of suspension, are slowly starting to re-implement their purchasing plans, and thus the number of orders at Dekpol Steel will also increase their volumes.

3.3.2 SIGNIFICANT EVENTS IN THE ACTIVITIES OF THE DEKPOL CAPITAL GROUP IN Q1 2020

Prolongation of a term of loan agreement with BGŻ BNPParibas S.A.

On 2nd of January 2020, Management Board of the Company received the consent of Bank BGŻ BNP Paribas S.A. (Bank) for prolongation of the loan availability period in connection with binding parties multi-purpose credit line agreement of dated 11th of December, 2015 (as amended). The end of the current loan availability period was February 2020. On 21st of February 2020, the Company and the Bank signed an annex to the abovementioned agreement. According to the annex, the end of the current availability period for overdraft, revolving credit facility and guarantee line was set at the end of March and July 2020 and at the end of January 2021, respectively, and the total credit limit was set at PLN 17 million (previously 34 PLN million). The annex to the contract was concluded at the request of the Company in connection with the reorganization of the Company and the Dekpol Capital Group

About the above mentioned events the Company announces in current reports no. 1/2020 dated 2nd of January 2020 and no. 8/2020 dated 21st of February 2020.



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Conclusion of the agreement regarding general contracting of a retailpark – Karuzela in Kołobrzeg

On 21st of January 2020 the Company received from Karuzela Kołobrzeg Sp. z o.o. ("Ordering Party") a mutually signed contract, followed by an annex to the contract for general contracting of the investment involving construction of the Karuzela Kołobrzeg shopping mall along with other facilities such as a roundabout, parking spaces, etc. (hereinafter jointly as the Agreement).

As part of Agreement, the Company was to perform comprehensive earthworks and a roundabout (Works 1) and, subject to the conditions set out below, works involving construction of a shopping gallery - a one-level building facility with all connections and land development (Works 2). The deadline for completion of Works 1 and Works 2 was set on June 2020 and May 2021, respectively. The flat-rate net remuneration was to be about 2% for Works 1, and about 10% for the sales of Dekpol Capital Group for the year 2018. Implementation of Works 2 was to take place only if the contracting authority delivers the contractor a written notification of the commencement of Works 2, but no later than by 30th of April 2020, while the Ordering Party was not obliged to submit the above notification. In the absence of notification, the scope of work covered by the contract and the contractor's remuneration were to be limited to Works 1 only.

On 9th of April 2020 (event after the balance sheet date) Company received information, that because of the current situation, which is appearance of SARS-CoV-2 epidemic and its negative consequences for the Ordering party, the Ordering party was forced to suspend immediately the execution of the investment. In the meaning of the Ordering party, current situation of epidemic constitutes a force majeure, which causes the extraordinary change of relations referred to in art. 357 (1) of the Civil Code.

On 20th of May 2020 (event after balance sheet date) the Company signed with the Ordering Party an annex to the Agreement, in which the parties decided to continue the contract, while modifying the schedule and scope of works covered by the Agreement in such a way, that as at the date of conclusion of the Annex, Contractor was commissioned to carry out works involving construction of a traffic circle and all necessary works for its implementation, as well as works, which at the moment of signing of Annex have already been carried out by Contractor (jointly as "Works 1"). Completion date for Works 1 was scheduled for April 2021.

At the same time, due to the fact, that by 30th of April 2020, the Ordering Party did not deliver to the Contractor a written notification of the beginning of implementation of Works 2, referred to in current report No. 3/2020 (including construction of a shopping gallery - a single-level building facility along with all connections and land development works), which was qualifies as a condition for



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beginning of implementation of these works, and the will of the Parties of the Agreement was finalization of the Investment, the Parties agreed a new deadline for delivery by the Contractor of a notification of the beginning of implementation of Work 2. It was agreed, that the notification may be delivered by 31st of August 2020. The Ordering Party is not obliged for submission the above mentioned notification. If the notification will not be delivered, the scope of the works covered by the Agreement as well as Contractor's remuneration shall be limited to Works 1. If the Contractor will be delivered with the notice within prescribed time limit, the scope of works will be increased with Works 2, which together with Works 1 will constitute the entire subject of the Agreement, and all deadlines concerning Works 2 will be extended by the total period of limitation of the scope of works, i.e. from 10th of April 2020 to the delivery date of notification to Contractor.

Due to changes in the scope of Works 1 and Works 2, the flat-rate net remuneration has changed and amounts: for Works 1 about 1%, and for Works 2 about 12% of sales revenues of the Dekpol Capital Group for the year 2019.

Agreement with z Karuzela Kołobrzeg Sp. z o.o. contains provisions regarding contractual penalties due in the case of, among other things, delay in keeping deadline for the final completion of the Agreement, in execution of individual stages of works arising from Agreement, as well as removal of defects, however the limit of listed penalties has been set on 10% of remuneration value. In addition, Parties of the Agreement dispose the right to demand payment of a contractual penalty in the amount of 10% of the remuneration value in case of withdrawal from the Agreement through the fault of the contractual party. Ordering Party has the right to claim compensation exceeding the amount of reserved contractual penalties up to the full amount including loss of profit. The Issuer may entrust the execution of a part of works and supplies to subcontractors, however, it is responsible for their actions as if it were carrying out these works and deliveries by itself. Agreement includes provisions concerning the right of withdrawal from the Agreement to be issued by Ordering Party. The Agreement contains provisions regarding the right of withdrawal by the Ordering Party from the Agreement in whole range or in some part, among other things, when Contractor fails to meet work deadlines set in the schedule or fails to deliver the subject of the Agreement in the required quality and in accordance with the agreed conditions.

About the above mentioned events the Company announced in current report no. 3/2020 dated 21st of January 2020 and no. 10/2020 dated 9th of April 2020 and no. 13/2020 dated 20th of May 2020.



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Conclusion of an annex to the agreement on general contracting services for Iglotex S.A.

On 31st of January 2019 Dekpol S.A. concluded with Iglotex S.A. an annex to the letter of intent regarding the selection of the Issuer as the General Contractor for the implementation of works consisting in the design, agreement and construction of a production and storage facility in Skórcz prolonging deadline for conclusion of the general contracting agreement to 14th of February 2020 (initially 31st of January 2020).

The Agreement for general contracting of investments in the "design and build" formula (Contract) was finally concluded on 18th of February 2020 (event after the balance sheet date). In accordance with Agreement, Iglotex ordered and Contractor was entrusted with execution, under conditions set in Agreement, of works consisting in projecting and execution –a as general contractor of the project –of an investment covering construction of a production-storage hall of the Company Iglotex in Skórcz of net area of 24 thousands of m² along with internal installations, belonging land works and external car park. Completion by the Issuer of the subject of the Agreement as well as obtaining of the use permit has been scheduled on August 2020, whereby the Agreement provides for the possibility of extending of the date of Agreement's completion in the cases specified therein. For the proper execution of the subject of the Agreement, the Contractor will receive a fix-rate remuneration in the amount of approximately 10% of the revenues of the Issuer's Capital Group for 2019.

On 6th of May 2020 (event after the balance sheet date), the Issuer signed with Iglotex S.A. an annex to the Agreement introducing performance of additional works consisting in implementation of the office part of the above-mentioned of investment, as a result of which, the deadline for completing the works covered by the Agreement was set at the end of September 2020. Due to this change, the total value of the Issuer's net remuneration for the performance of the Agreement increased and will amount to approx. 11% of sales revenues of the Dekpol Capital Group for 2019.

Agreement provides contractual penalties, among other things for failure in meeting deadlines specified in the Agreement, delay in removing defects, in providing collateral for the due performance of the Agreement and providing warranties and guarantees, etc. In addition, Agreement provides, that the Party of the Agreement is obliged to pay a contractual penalty in the amount of 10% of net remuneration in case of withdrawal from the Agreement for reasons attributable to the other party. The maximum amount of contractual penalties set in the Agreement calculated by any of parties may not exceed 10% of the net remuneration sum. At the same time, stipulation of any contractual penalty



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in the Agreement does not deprive parties of the right to seek compensation exceeding this contractual penalty, in particular for all penalties and damages incurred by the parties due to the non-execution or improper execution of the Agreement by the other party. Agreement contains provisions regarding the right of withdrawal by the Ordering Party from Agreement, i.e. when the Contractor delays the commencement or completion of works to such an extent, that it is unlikely, that he will be able to meet deadlines, the execution of the works will be delayed by more than 14 days in relation to the specified deadlines, and this condition will be maintained, etc. Contractor is entitled to entrust execution of some part of works to subcontractors.

About the above mentioned events the Company announced in current report no. 4/2020 dated 31st of January 2020 and no. 7/2020 dated 18th of February 2020.

Conclusion of the agreement on construction works: production-storage center in Ożarów Mazowiecki commune

Then, on 11th of February 2020 the Company received concluded with PDC Industrial Center 126 Sp. z o.o. (entity picked out by Panattoni Development Europe Sp. z o.o., further "Ordering Party") mutually signed agreement on construction works covering execution and hand-over for use production-storage center along with office-social backrooms, a guardhouse and pump-room ("Object"), as well as execution of all other additional works and project works ("Agreement"). Completion by the Issuer of all works on Object, as well as obtaining the use permit is expected to take place in June 2020. The Issuer's flat-rate net remuneration for the Object's execution has been set at around 5% of the Issuer's Capital Group revenues for 2018 (converted at the euro exchange rate from 11th of February 2020.)

The Agreement provides for a number of contractual penalties, including in the event of a delay for reasons attributable to the Contractor resulting in a delay in meeting the deadlines for completion of works, a delay of the so-called early access, deadlines indicated in the schedule and deadlines for removing defects, where the limit of the penalties mentioned cannot exceed 10% of the contract price. In addition, the Issuer is obliged to pay a contractual penalty in the amount of 10% in the event of withdrawal from the Contract by the Ordering Party for reasons attributable to the Contractor. The issuer may entrust subcontractors with construction works, however it is responsible for their actions and omissions as for their own. The Agreement contains provisions regarding the right of withdrawal by the Ordering Party from the Agreement, including when the Contractor fails to perform any of his essential duties in accordance with the schedule, when the Contractor will carry out work in a manner that violates the provisions or when due to force majeure or actions of third parties the project



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implementation becomes impossible or the schedule will be shifted by at least 3 months.

About the above mentioned event the Company announced in current report no. 6/2020 dated 11th of February 2020

Conclusion by subsidiary of loan agreements with Alior Bank S.A.

On 19th of March 2020, Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k. ("Borrower") concluded with Alior Bank S.A. ("Bank") two agreements on revolving loan in the amount of PLN 59,2 million ("Loan1") and the other revolving loan in the amount of PLN 4,8 million ("Loan2"). Funds from Loan1 will be used on financing/refinancing of costs connected with execution of real-estate development project called "Sol Marina" in Wiślinka near Gdańsk, about which the Issuer announced in current report no. 27/2019 dated 30th of September 2019 ("Investment"), while the funds from Loan2 will be used for financing of VAT (Value Added Tax) tax connected with investment execution costs. Both loans have been granted for the period until 31st of July 2020. The interest rates are equal to WIBOR 3M rate plus the Bank's margin. The loans will be released after meeting the formal and legal conditions. Collateral for the Bank's claims under Agreements are, inter alia., contractual mortgage up to PLN 95.9 million on the Borrower's right of ownership of the property on which the Investment is being carried out, pledge on the Borrower's accounts maintained at the Bank, transfer of receivables from the general contracting agreement concluded with the general contractor of the Investment - Dekpol S.A., surety granted by Dekpol S.A., a statement of the Borrower, limited partner of the Borrower and the Issuer on voluntary submission to enforcement pursuant to art. 777 of the Code of Civil Procedure, as well as a support agreement concluded with the Borrower's limited partner and the Borrower, including commitment to cover the costs of Investment execution exceeding the investment budget approved by the Bank.

About the above mentioned event the Company announced in current report no 9/2020 dated 19th of March 2020.

3.3.3 FACTORS AND EVENTS, INCLUDING THOSE ATYPICAL ONES, HAVING A MATERIAL EFFECT ON THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

In Q1 2020, there were no factors or events other than those described in remained points of this quarterly report, including those atypical ones, which had a material effect on the condensed consolidated financial statement.



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The impact of the effects of the SARS-CoV-2 pandemic coronavirus on the activities of the Dekpol Capital Group in individual segments is presented in section 3.3.1 of this report.

3.3.4 EVENTS AFTER BALANCE SHEET DATE

Conclusion of an annex to the agreement concerning construction of a storage-production centre in Rumia at Działkowców Street

On 14th of April 2020 the Company received from TricityNorth Sp. z o.o. bilaterally signed annex to the Agreement regarding construction works covering execution and hand-over for use of a storage-production centre along with social-office backroom, guardhouse and pumping station in Rumia at Działkowców Street of a total area of approximately 45 thousands of m², introducing additional works for implementation, as a result of which, the deadline for completion of the last stage of works covered by Agreement has been set on the end of October 2020. In connection with this change, the total value of Issuer's net remuneration for execution of works set in Agreement increased and will amount to approximately 10% of sales revenues of the Dekpol Capital Group for 2019 (converted at Euro exchange rate for 14th of April 2020)

The agreement provides for a number of contractual penalties, including in case of a delay for reasons attributable to the Contractor resulting in a delay in meeting the deadlines for completion of works, a delay of the so-called early access, deadlines indicated in the schedule and deadlines for removing defects, with the limit of the listed penalties being 10% of the contract price. In addition, the parties to the Agreement have the right to demand payment of a contractual penalty of 10% of the contract price for withdrawal from the Agreement for reasons attributable to the other party to the Agreement. The parties have the right to claim supplementary compensation for damages up to the full amount of the damage. The issuer may entrust subcontractors with some construction works, however he is responsible for their actions and omissions as for his own. The Agreement contains provisions regarding the right to withdraw from the Agreement by Tricity, including if the Contractor fails to perform any of his significant duties in accordance with the schedule, the Contractor will carry out work in a manner that violates the provisions or if due to force majeure or third party actions the project implementation becomes impossible or the schedule will be shifted by at least 3 months.

About the above mentioned event the Company announced in current report no. 11/2020 dated 14th of April 2020.



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3.3.5 TRANSACTIONS WITH AFFILIATES

In 1st quarter 2020 neither Issuer nor any of its subsidiaries entered into any transaction with affiliates on other than market terms.

3.3.6 GRANTED AND RECEIVED SURETIES AND GUARANTEES

In the first quarter of 2020, the Company and its subsidiaries did not provide any sureties or guarantees regarding financial liabilities of other entities. The company provided guarantees and received guarantees regarding construction works performed, however, the total value of existing sureties and guarantees is not significant in the Company's opinion in the context of the scale of the Capital Group's operations and its financial results.

In the first quarter of 2020, between the Issuer and affiliates mutual sureties and guarantees were granted, including the following sureties for financial liabilities of companies from the Dekpol Capital Group.

Beneficiary	Financial product	Amount in thousands of PLN	Debt as at 31.03.2020 in thousands of PLN	Type of collateral	Repayment date
Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k.	Working capital loan in Alior Bank, agreement no. U0003400195815A	59 162	0	Surety by Dekpol SA	2022-07-31
Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k.	Working capital loan in Alior Bank, agreement no. U0003400195815B	4 800	0	Surety by Dekpol SA	2022-07-31
Dekpol Inwestycje Sp. z o.o. Rokitki Sp. k.	Working capital loan in SGB Bank, agreement no. PO/2/ORK/U/2019	12 000	2 476	Surety by Dekpol SA	2020-07-31
DekpolDeweloper Sp. z o.o.	A-series bonds	30 000	30 000	Surety by Dekpol SA	2022-06-19

As at 31st of March 2020, the total balance of guarantees and sureties granted and received by the Dekpol Capital Group is presented in the table below:

Item	31.03.2020	31.12.2019
Conditional liabilities towards affiliates - guarantees of satisfactory performance of contracts	0	0
Conditional liabilities towards affiliates – guarantees and sureties of repayment of financial liabilities	0	0
Other conditional liabilities	0	0
Conditional liabilities towards affiliates	0	0



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Granted guarantees of satisfactory performance of contracts - insurance	25 618	28 180
Granted guarantees of satisfactory performance of contracts - banking	48 873	35 581
Granted guarantees and sureties of repayment of financial liabilities	0	0
Court litigations	0	0
Other conditional liabilities	0	0
Conditional liabilities towards non-affiliates	74 491	63 762
Conditional liabilities	74 491	63 762
Received guarantees of satisfactory performance of contracts from affiliates	0	0
Received guarantees and sureties of repayment of financial liabilities from affiliates	0	0
Other conditional assets	0	0
Conditional assets from affiliates	0	0
Received guarantees of satisfactory performance of contracts from non-affiliates - insurance	3 177	2 396
Received guarantees of satisfactory performance of contracts from non-affiliates - banking	2 481	2 414
Received guarantees and sureties of repayment of liabilities from non-affiliates	0	0
Conditional receivables - Court litigations	0	0
Other conditional assets from non-affiliates	0	0
Conditional assets from non-affiliates	5 658	4 810
Conditional assets	5 658	4 810

As at 31st of March 2020, the total balance granted and received by the Issuer guarantees and sureties are presented in the table below:

Item	31.03.2020	31.12.2019
Conditional liabilities towards affiliates – guarantees and sureties of repayment of financial liabilities	0	0
Conditional liabilities towards affiliates - guarantees of satisfactory performance of contracts	0	0
Other conditional liabilities	0	0
Conditional liabilities towards affiliates	0	0
Granted guarantees and sureties of repayment of financial liabilities	0	0
Granted guarantees of satisfactory performance of contracts - insurance	25 618	28 180
Granted guarantees of satisfactory performance of contracts - banking	48 873	35 581
Court litigations	0	0
Other conditional liabilities	0	0
Conditional liabilities towards non-affiliates	74 491	63 762
Conditional liabilities	74 491	63 762



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Received guarantees and sureties of repayment of liabilities from non-affiliates	0	0
Received guarantees of satisfactory performance of contracts from non-affiliates - insurance	3 177	2 396
Received guarantees of satisfactory performance of contracts from non-affiliates - banking	2 481	2 414
Conditional receivables - Court litigations	0	0
Other conditional assets from non-affiliates	0	0
Conditional assets from non-affiliates	5 658	4 810
Received guarantees and sureties of repayment of financial liabilities from affiliates	0	0
Received guarantees of satisfactory performance of contracts from affiliates	0	0
Other conditional assets	0	0
Conditional assets from affiliates	0	0
Conditional assets	5 658	4 810

3.4 STANDPOINT OF MANAGEMENT BOARD REGARDING THE POSSIBILITY OF ACHIEVING PROJECTED RESULTS

The Company and the Dekpol Capital Group did not publish forecasts of the Company's financial results for 2020.

3.5 FACTORS WHICH MAY AFFECT ACHIEVED RESULTS IN PERSPECTIVE OF AT LEAST NEXT QUARTER

The future results of the Issuer and the Group will depend on the success in implementing the development strategy and investment plan specified in the strategy of the Dekpol Capital Group.

Internal factors affecting the Company's and the Group's results in the subsequent periods will be:

- acquisition of new construction contracts and its execution on time,
- further extension of production plant for accessories to construction machines,
- products deliveries on time and keeping of its high value,
- fast acquisition of construction permits of real-estate development projects,
- on time execution of real-estate development projects,
- appropriate sales policy of premises regarding its prices, surface structure and extension of range of services offered to Clients (assistance in finding of financing sources, design services, finishing works services, defects removal services),



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- improvement of cooperation with financial institutions, which shall ensure the Company the capital enabling the execution of plans.
- execution of current projects.

To the factors, which appeared in 1st quarter of 2020 and after its end, which have or could have an impact on financial result of the Company in further periods should be numbered also events presented under point 3.3. of this report.

Impact on results will have external, macroeconomic factors, such as: general condition of polish economy, inflation, GDP dynamics, tax policy, interest rates, labor market and unemployment rate, investments scale, value of demand on internal market, FX, governmental programs supporting development of residential construction sector. Increase of GDP, society wealth and enterprises development affect increase of demand on construction services both in residential construction area, as well as industrial construction. All those factors affect the positive results of the Issuer and his Capital Group.

It should also be pointed out that the impact on results achieved, in the perspective of at least the next quarter, will have the COVID-19 virus, which spread throughout the world in the first months of 2020, and its negative impact affected many countries. Exchange rates have changed, the value of stocks in the markets has fallen, and commodity prices are fluctuating. As the situation is still developing, the Issuer believes that it is not possible to provide quantitative estimates of the potential impact of the current situation on the Group. Although this situation is still changing at the time of publication of this report, it seems that the negative impact on global trade and the Group may be felt. A possible description of the impact on the operations of the Capital Group will be included in subsequent periodic reports.

3.6 PROCEEDINGS BEFORE A COURT, ARBITRATION BODY OR PUBLIC ADMINISTRATION AUTHORITY

Within the period of the 1st quarter of 2020 there were no proceedings pending before government authorities, courts, or arbitration bodies in terms of receivables or liabilities of the Company or its subsidiaries.

At the same time, it needs to be considered that the specificity of the Dekpol Capital Group's operations involves multiple proceedings related to claims regarding completed projects. It also happens that the entities of the Capital Group are the defendant – usually this is related to projects carried out as part of property development operations.



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3.7 OTHER SIGNIFICANT INFORMATION NECESSARY FOR EVALUATION OF DEKPOL CAPITAL GROUP'S POSITION

There are no other information which, in the Company's opinion, are significant for the assessment of the personnel, property, financial situation, financial result of the Company and the Capital Group and their changes, and information that are significant for the assessment of the ability to meet obligations by the company and the Dekpol Capital Group.

3.8 INDICATORS

Debt to EBITDA Ratio - meaning the ratio of the total net debt (total balance sheet value of Dekpol Capital Group's consolidated interest bearing liabilities minus cash and cash equivalents) to EBITDA (total operating result and depreciation / amortization) amounts to as of 31st of March 2020: 2,12.

Indebtedness to Equity - meaning the ratio of the total net debt (as above) to the equity of the Dekpol Capital Group amounts to as of 31st of March 2020: 0,69.

3.9 CONTACT

Name(business name):	Dekpol Spółka Akcyjna
Abbreviated name:	Dekpol S.A.
Address of the registered office:	ul. Gajowa 31, 83-251 Pinczyn
Phone:	(58) 560-10-60
Fax:	(58) 560-10-61
Website address:	http://www.dekpol.pl/
E-mail address:	dekpol@dekpol.pl

Signatures of all Members of Management Board:

Mariusz Tuchlin

President of Management Board

Michał Skowron

Vice President of Management
Board



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Katarzyna Szymczak-Dampc

Member of Management Board

Signature of person responsible for bookkeeping

Anna Miksza

Chief Accountant Officer
