



# DEKPOL S.A. FINANCIAL STATEMENT

PREPARED IN ACCORDANCE WITH INTERNATIONAL  
REPORTING STANDARDS  
FOR THE PERIOD 01 January 2020 – 31 December 2020

Pinczyn, 28<sup>th</sup> of May 2021



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Financial Statement of DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousands of PLN)

## SELECTED FINANCIAL DATA

Selected separate financial data	thousand PLN		thousand PLN	
	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
I. Net revenues from the sale of products, goods and materials	801 586	823.783	179 157	191 497
II. Profit (loss) from operations	41 634	43 654	9 305	10 148
III. profit (loss) Gross	28 276	28 649	6 320	6 660
IV. Net profit (loss)	22 672	23 105	5 067	5 371
V. Profit (loss) per ordinary share (in PLN / EUR)	2,74	2,76	0,61	0,64
VI. Net cash flows from operating activities	58 140	93 737	12 995	21 790
VII. Net cash flows from investing activities	11 461	(36 075)	2 562	(8 386)
VIII. Net cash flows from financing activities	(37 226)	(32 669)	(8 320)	(7 594)
IX. Total net cash flow	32 375	24 992	7 236	5 810
	<b>31.12.2020</b>	<b>31.12.2019</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
X. Total assets	792 996	775 316	171 838	182 063
XI. Liabilities and provisions for liabilities	535 372	536 745	116 012	126 041
XII. Long-term liabilities	108 691	164 692	23 553	38 674
XIII. Short-term liabilities	426 681	372 053	92 459	87 367
XIV. Equity	257 624	238 570	55 826	56 022
XV. Share capital	8 363	8 363	1 812	1 964
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)	31	29	7	7

The above financial data for 2020 and the corresponding period of 2019 have been converted into EUR according to the following rules:

- individual items of assets and liabilities - at the average exchange rate announced on the day:

- 31 december 2020 – 4,6148 PLN / EUR
- 31 december 2019 – 4,2585 PLN / EUR

- individual items of the profit and loss account and cash flow statement - according to the exchange rate being the arithmetic mean of average exchange rates set by the National Bank of Poland on the last day of each month of the financial period:

- from 1 january till 31 december 2020 – 4,4742 PLN / EUR,
- from 1 january till 31 december 2019 – 4,3018 PLN / EUR.



Financial Statement of DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousands of PLN)

# INTRODUCTION TO THE FINANCIAL REPORT

## GENERAL INFORMATION

### **Name and location of the reporting entity:**

DEKPOL S.A.

Gajowa 31 Street, 83-251 Pinczyn

### **Registration Court, register number:**

District Court Gdańsk-North in Gdańsk, VII Commercial Division of the National Court Register under ID (KRS) number 0000505979.

The main shareholder of the Company (77,33% of share capital) is Mr. Mariusz Tuchlin, who came into the possession of shares of the DEKPOL Company on 18<sup>th</sup> of December 2006, as a result of the transformation of legal form (led by him since 1993) of the business (previously under the name Productive-Service Plant "DEKPOL" - Mariusz Tuchlin) in a limited liability company.

Dekpol S.A. headquartered in Pinczyn has been created by the conversion of a limited liability company into a joint stock company in accordance with the resolution of the Extraordinary General Meeting of Shareholders Dekpol Sp. o.o. from 1<sup>st</sup> of April 2014, minuted within Notarial Deed by a notary Janina Ciechanowska at the Notary Office in Starogard Gdanski, Repertory A Number 3829/2014.

Transformed Company was entered into the National Court Register kept by the District Court Gdańsk-North in Gdańsk, VII Commercial Division of the National Court Register, under ID number 505979. The company was registered on 11<sup>th</sup> of April 2014.

The Company has a tax identification number (TIN) 592-21-37-980 and REGON number 220341682.

Since 8<sup>th</sup> of January 2015 the Company's shares are listed on the Stock Exchange in Warsaw.

### **Duration of the Company:**

The period of the Company's operations is indefinite.



Financial Statement of DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousands of PLN)

## Core business of the Company:

According to the National Court Register, the core business of the Company is:

Nazwa	PKD
Manufacture of machinery for mining, quarrying and construction	PKD – 28.92.Z
Realization of building projects related to erection of buildings	PKD – 41.1
Building works related to erection of residential and non-residential buildings	PKD – 41.20
RWorks related to construction of other civil engineering projects not elsewhere classifiedj	PKD – 42.9
Buying and selling of own real estate	PKD – 68.10.Z
Rental and operating of own or leased real estate	PKD – 68.20.Z
Retail sale of fuel for motor vehicles in fuel stations	PKD – 47.30.Z
Operation of gravel and sand pits; mining of clays and kaolin	PKD – 08.12.Z
Manufacture of metal structures and parts of structures	PKD – 25.11.Z

## Presented reporting periods:

The financial statements is presented for the period from 1<sup>st</sup> of January 2020 to 31<sup>st</sup> of December 2020. The comparative financial data is presented for the period from 1<sup>st</sup> of January 2019 to 31<sup>st</sup> of December 2019.

### 1. Composition of the Issuer's management board and supervisory 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.

Composition of the Management Board of Dekpol S.A. as at the date of publication of this report::

Name and surname	Function
<b>Mariusz Tuchlin</b>	President of Management Board
<b>Katarzyna Szymczak-Dampc</b>	Vice-President of Management Board

Changes in the composition of the Management Board of Dekpol S.A. in 2020 and until the date of publication of the report:

On 7<sup>th</sup> of August 2020, Katarzyna Szymczak-Dampc changed her position in the Management Board from a Member of the Management Board to the Vice-President of the Management Board.



## Financial Statement of DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousands of PLN)

On 31<sup>st</sup> of December 2020, the Company received a resignation from Mr. Michał Skowron from the position of Vice President of the Management Board of the Company with effect on 31<sup>st</sup> of December 2020, on the indicated date. Mr. Michał Skowron indicated that the resignation was due to the reorganization of the Dekpol Capital Group and the Company and the planned ordinance of an organized part of the Company's enterprise, covering the transfer of activities in the field of general contracting to a subsidiary of Dekpol S.A., i.e. Dekpol Budownictwo Sp. z o.o., in which Mr. Michał Skowron was appointed to the management board and will act as the President of the Management Board.

Articles of Association of Dekpol S.A. provides that 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.

Composition of the Supervisory Board of Dekpol S.A. as at the date of publication of this report:

<b>Name and surname</b>	<b>Function</b>
<b>Roman Suszek</b>	Chairman of Supervisory Board
<b>Jacek Grzywacz</b>	Vice-Chairman of Supervisory Board
<b>Jacek Kędzierski</b>	Member of Supervisory Board
<b>Grzegorz Wąsacz</b>	Member of Supervisory Board
<b>Wojciech Sobczak</b>	Member of Supervisory Board

Changes in the composition of the Supervisory Board of Dekpol S.A. in 2020 and by the date of publication of the report

In 2020, the composition of the Supervisory Board of Dekpol S.A. has not changed.

## **2. Subordinated and related entities**

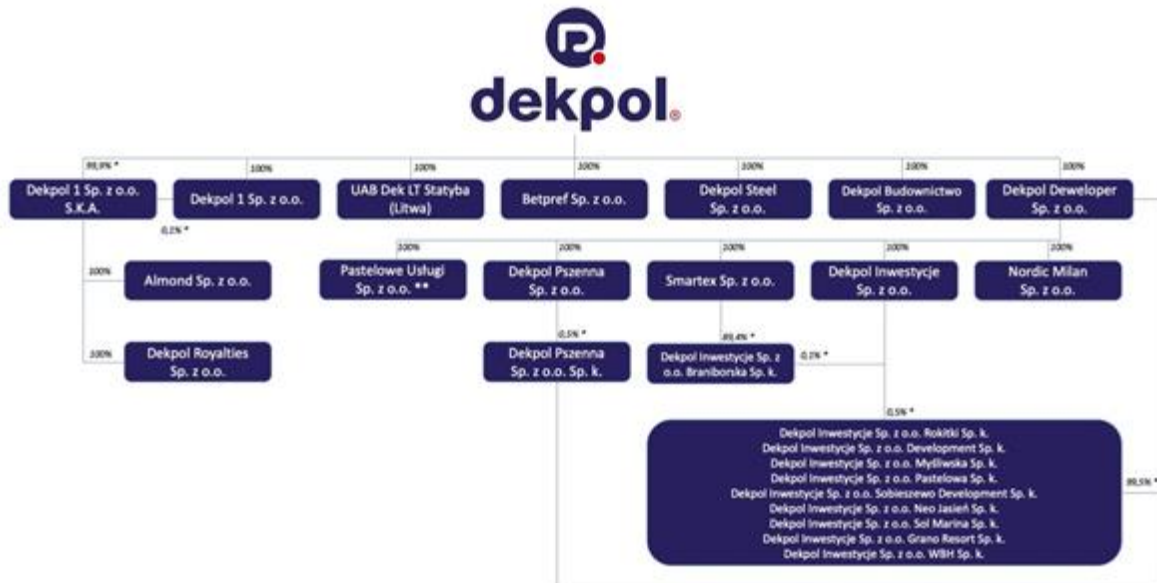
As at 31<sup>st</sup> of December 2020, Dekpol S.A. was part of the Dekpol Capital Group. as the parent company and direct or indirect subsidiaries of Dekpol S.A.

The organizational structure of the Company's Capital Group is presented in the diagram below:





Financial Statement of DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousands of PLN)



\* Amount of share in the company's profits and losses

\*\* The company was established in 2021 - as at the date of publication of the Report, the company was not entered into the National Court Register and remains a limited liability company in organization

All companies presented in the diagram above are subject to full consolidation. A more detailed description of the activities and relations between the companies from the Dekpol Group can be found further in the report.

### Other entities in which entities from the Dekpol Capital Group participate

Entities from the Dekpol Capital Group also participate as partners of the following entities, not belonging to the Dekpol Group (associated companies):

- 1) Mineral Group Limited Liability Company - an entity established to conduct activities related to exploration and mining of mineral resources. Deweloper Sp. z o.o. holds 50 out of 101 shares in the share capital of this company (amounting to PLN 5,000).
- 2) Dekpol 1 SPV Limited Liability Company - an entity established to implement investment projects together with a subsidiary of the President of the Management Board, OMT Holding Spółka z ograniczoną odpowiedzialnością. Dekpol S.A. holds 49 out of 100 shares in the share capital of this company (amounting to PLN 5,000).

Personal relations with other companies in which Mr. Mariusz Tuchlin (acting as the President of the Management Board of the Issuer and the main shareholder) is a significant shareholder:



Financial Statement of DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousands of PLN)

Company's name	CRS	Nature of connection	Information about the company
City Apart Management Sp. z o.o.	0000300191	- 98% of shares belong to Mariusz Tuchlin, 98% votes, 2 % of shares belong to City Apart Management Sol Marina Sp. Z o.o.	The company operates in the hotel industry
Dekpol Serwis Sp. z o.o. (until January 29, 2021 general partner of Dekpol Serwis Sp.z o.o. Sp.k., currently OMT Serwis Mariusz Tuchlin Sp.j.)	0000629533	- 90% of shares belongs to Mariusz Tuchlin (President of the Management Board of the Company)	The company does not conduct operating activities. The company operated as central companies and holdings with the exception of financial holdings
OMT Serwis Mariusz Tuchlin Sp. j. (until 04/07/2021 OMT Serwis Mariusz Tuchlin Sp. K.)	0000893460	- Mariusz Tuchlin has a 99% share in the profits and losses of the Company, he is also a partner authorized to represent it	The company operates in the field of passenger and delivery vehicle rental as well as construction machinery and equipment
City Apart Management Sol Marina Sp. z o.o.	0000711010	- 90% of shares belong to Mariusz Tuchlin (proxy in the Company), 90% of votes	The company will operate in the hotel industry
City Hotel Management Sp. z o.o.	0000589930	- 100% of shares belong to OMT Holding Sp. z o.o. in which 98% of shares belongs to Mariusz Tuchlin	The company will operate in the hotel industry
OMT Holding Sp. z o.o.	0000852695	- 98% of shares belongs to Mariusz Tuchlin (President of the Management Board of the Company)	The company operates as central companies and holding companies, with the exception of financial holdings
OMT Nieruchomości Sp. z o.o.	0000849933	- 90% of shares belongs to Mariusz Tuchlin (President of the Management Board of the Company)	The company operates as central companies and holding companies, with the exception of financial holdings
City Apart Management Pszenna Sp. z o.o.	0000710859	- 90% of shares belong to Mariusz Tuchlin (proxy in the Company), 90% of votes	The company operates as central companies and holding companies, with the exception of financial holdings
City Apart Management Pszenna Sp. z o.o. Sp. K.	0000711812	- Mariusz Tuchlin has a 99% share in the profits and losses of the Company (proxy in the Company)	The company will operate in the hotel industry
Flats For Rent Sp. z o.o.	0000750704	- 100% of shares belong to Mariusz Tuchlin, 100% of votes	The company operates as central companies and holding companies, with the exception of financial holdings



Financial Statement of DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousands of PLN)

Company's name	CRS	Nature of connection	Information about the company
Flats For Rent Sp. z o.o. Sp. K.	0000751229	- Mariusz Tuchlin has a 99% share in the Company's profits and losses	The company operates in the field of real estate management and real estate rental

### 3. Legal basis for the preparation of the financial statements

Financial statements are prepared using defined principles in paragraph § 25-28 IAS 1:

- Going concern,
- Accrual,
- continuity of presentation.

The Company prepares the income statement using the multiple-step variant.

The Company prepares its cash flow statement using an indirect method.

The financial statement is presented in thousands of PLN.

### 4. Date of approval of the financial statement for publication

The financial statements were approved for publication on April 29, 2021.

### 5. Functional currency and the reporting

The functional currency of the Company is Polish zloty (PLN). The company prepares financial statements in the functional currency.

### 6. Continued operations

The financial statements have been prepared with the assumption that the Company will continue its business activities in the foreseeable future and that it does not intend and does not have to discontinue its activities or significantly reduce its scope. According to the knowledge of the Management Board of the Company, there are no circumstances that would indicate a threat to the going concern.

### 7. Events after balance sheet date

There were no significant events after the balance sheet date, not included in the financial statements and the checking of the Management Board.

### 8. Rules for the valuation of assets and liabilities and financial results, adopted in the preparation of the financial statement



## Fixed assets

- Tangible fixed assets are initially recognized at purchase price or manufacturing cost.
- The purchase price or production costs are increased by the costs of dismantling and removing a non-current asset and renovation of the place of use of non-current assets, if the Company is obliged to do so.
- The purchase price or production costs are not adjusted for foreign exchange differences related to the liabilities financing the acquisition of the asset, accrued until the date of putting the asset into use, unless that it results from the adopted hedge accounting policy.
- The purchase price or production costs are increased by the costs of interest on liabilities financing the purchase of an asset, accrued until the day the asset is ready for use.
- After the initial recognition, the Company measures tangible fixed assets according to the purchase price or the production cost less the write-offs made (the purchase price model or the production cost model).
- For each item of property, plant and equipment, the Company determines the economic useful life. If, in relation to significant components of a fixed asset, it is justified to use different periods of economic usefulness and rates / methods of depreciation, the Company uses different rates / methods of depreciation for each material component.
- Property, plant and equipment are depreciated over their useful economic lives from the date the component is ready for use until the date it is deactivated on recognition or on sale date.
- The Company assumes that the residual value of used property, plant and equipment is usually not significant and will not be determined, unless the residual value for a given asset is significant. The residual value is considered significant, being at least 20.0% of the initial value of the fixed asset.
- An entity uses the straight-line method of depreciation of property, plant and equipment, unless other methods (degressive, unit-based) better reflect the consumption of economic benefits. The company may use other methods and rates to determine tax income.
- The amortization period, amortization method and residual value (if any) are reviewed periodically, at least at the end of each financial year. If a significant change is found in relation to previous estimates, the entity changes the rates and / or the depreciation method starting from the first day of the reporting period.
- Fixed assets with an initial value not exceeding PLN 3,000.00 are entered in off-balance sheet records and are written off once charged against the costs of material consumption.



#### Financial Statement of DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousands of PLN)

- The costs of improving tangible fixed assets increase their initial value, provided that the improvement consists in extending the economic useful life or improving the parameters of tangible fixed assets measured with operating costs, efficiency, quality of manufactured products or the scope of functionality.
- Costs of current repairs and inspections of property, plant and equipment are recognized as costs of the period in which they were incurred, unless they lead to an extension of the useful life in relation to the originally assumed.
- If tangible fixed assets are excluded from use, the Company does not cease to depreciate, unless the fixed asset is intended for sale within 12 months. In such a situation, fixed assets are measured at the initial value less write-downs or at fair value less costs to sell, depending on which of them is lower and are not subject to depreciation - in accordance with IFRS 5 "Fixed assets held for sale and operating abandoned".

#### Leasing

- The Company recognizes a liability under the concluded lease agreement in the amount of the present value of the lease payments remaining to be paid. The lease payments are discounted using the lease interest rate if that rate can be readily determined. Otherwise, the lessee uses the lessee's incremental borrowing rate.
- To measure the right to use an asset, the Company applies the cost model, except for investment properties measured at fair value.
- The Company recognizes the discounted value of the liability in a breakdown for long-term and short-term liabilities. The value of the liability is updated if the lease period changes or if the estimates regarding the exercise of the option to purchase the leased asset change (update using a new discount rate) or the estimated value of lease payments changes as a result of events other than a change in the interest rate (update using the current discount rate). The change in the value of liabilities is recognized in correspondence with the change in the value of the rights to use the asset.
- In the financial statements, the Company presents the right to use assets in the appropriate items if the leased asset was the property of the company. Lease liabilities are recognized as other financial liabilities. Relevant information required by IFRS 16 is disclosed in additional explanatory notes.
- The company uses the exemptions allowed by IFRS 16, i.e. it does not disclose the right of use and liabilities, but only recognizes the costs of current lease payments) in relation to:
  - short-term leasing contracts (concluded for a period shorter than 1 year), or
  - where the value of the leased asset does not exceed PLN 4,000.00.



**Financial Statement of DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousands of PLN)**

- If the Company is the lessor, it classifies the lease as operating or finance lease. Leasing is classified as financial leasing if it transfers substantially all the risks and rewards from the possession of the underlying asset. A lease is classified as an operating lease if substantially all risks are not transferred and the rewards of ownership of the underlying asset.
- In the case of an operating lease, the Company recognizes the leased component in assets and recognizes the revenue on a straight-line basis over the lease period (any promotional incentives are distributed in time).
- In the case of a finance lease, the Company recognizes a net investment in the lease, determined at the amount of the qualifying lease payments discounted using the lease interest rate. In the case of leasing own products under finance lease, the fair value of the product or the lower value of discounted lease payments is recognized as sales revenues. If the lease interest rate is lower than the market rate, the discounted lease payments are determined using the market rate.
- If the Company makes a sale and leaseback transaction, the transaction is accounted for depending on whether the transfer of the asset qualifies as a sale. Possible gain on disposal of the asset to the lessor is recognized in profit or loss in proportion to the value of the rights transferred to the lessor, if there is a transfer of an asset that qualifies as a sale. In the absence of such a transfer, no gain is recognized and the assets are not excluded and the payment received is recognized as a financial liability.

### **Intangible assets (WN)**

Initially, the Company recognizes WN acquired in separate transactions according to the purchase price, and HV generated internally according to the cost of production.

- In the case of purchasing software licenses or similar assets, the initial WN value includes the costs of implementing the software incurred until the date of bringing the software to the intended utility specified by the Management Board of the Company. The implementation costs do not include the costs of employee training, which are charged to the result on the date they are incurred.
- Only HV that meets the criteria for development works qualify for self-generated HV. Goodwill, logos, trademarks, etc. are not eligible for WN as long as they were produced in-house.
- After the initial recognition, the Company measures WN according to the purchase price or production cost reduced by the depreciation write-offs made, in accordance with the purchase price or production cost model.



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- For each WN, the Company determines the economic useful life. The economic useful life may be unlimited. The period of economic usefulness resulting from legal titles cannot be longer than the period of validity of these titles.
- HVACs are amortized over their useful economic lives from the date the asset is ready for use until the date it is excluded from recognition or is designated for sale.
- The Company applies the straight-line method of HV depreciation, unless other methods (degressive, based on production units) better reflect the consumption of economic benefits. The company may use other methods and rates to determine tax income.
- The amortization period and the amortization method are verified periodically, at least at the end of each financial year. If a significant change is found in relation to previous estimates, the entity changes the rates and / or the depreciation method starting from the first day of the reporting period.
- WN with an indefinite useful life and goodwill are not subject to depreciation, however, they are tested for impairment at the end of each financial year and when there are indications that a permanent impairment of WN has occurred. Moreover, the correctness of the assumption that the HV has an indefinite useful life is annually verified and, if necessary, the HV is reclassified to depreciated HV. Goodwill is not subject to reclassification.
- WN with the initial value not exceeding PLN 3,000.00 are written off on a one-off basis as costs. WN with an initial value of PLN 3,000.00 are included in the analytical records of WN and depreciated over their useful economic life in accordance with the above-mentioned principles.

In the reporting period, the WN was not produced on its own.

### **Investment Estates**

- The Company classifies as investment property real estate held for the purpose of earning rental income or increasing its market value. If the real estate is also used for the Company's own needs, and the part used separately cannot constitute a separate object of ownership, the real estate is treated as a fixed asset, if it is predominantly used for own needs or as an investment in real estate, if its investment character predominates.
- The company measures the properties at fair values. Because on the basis of materiality, the Company assumes that the valuations referred to in the previous point, made up to 3 months before or after the date on which a given valuation is made, meet the conditions of the valuation on that day, if at that time there were no significant changes in the external environment influencing the value of a given property. At the same time, in the case of real estate purchased on the free market 6 months before the balance sheet





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date, no revaluation of the real estate is required, unless there have been significant changes in the external environment.

**Shares and stocks in subsidiaries**

The Dekpol Capital Group as at the balance sheet date was Dekpol S.A. as the parent company and twenty-four subsidiaries.

All of the above companies are fully consolidated.

**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 established to perform specialized tasks and the management of intangible and intellectual assets in the DEKPOL Group;
- 3) UAB DEK LT Statyba - a company established to support the Company's operations in Lithuania,  
as well as to manage future general contracting contracts in Lithuania;
- 4) Dekpol Deweloper Sp. z o.o. - the purpose of the creation was to separate an organized part of the enterprise of Dekpol S.A. covering development activities and its transfer in kind to this company, which took place on January 1, 2019;
- 5) Betpref Sp. z o.o. - a company established to ensure the continuity of supplies of concrete prefabricates and steel structures 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 machines and its transfer in-kind to this company, which took place on January 1, 2020;
- 7) Dekpol Budownictwo Sp. z o.o. - the purpose of the creation is to separate in the future an organized part of the enterprise of Dekpol S.A. covering the activity of general contracting and its transfer in kind to this company.

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

- 1) Dekpol Royalties Sp. z o.o. - a company responsible in the DEKPOL Group for brand service in the context of image and product promotion (liquidation of the company is planned);





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2) Almond Sp. z o.o. - a company that owns real estate in Gdańsk at ul. Toruńska 12 (Hotel Almond).

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

1) Dekpol Inwestycje Sp. z o.o. - general partner of special purpose vehicles implementing individual development investments 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. - general partner of the special purpose vehicle for the implementation of the development investment at ul. Pszenna in Gdańsk;

3) Nordic Milan Sp. z o.o. - the company operates in the development industry; owns a plot of land in Milanówek, on which it has completed the Eco Milan development project;

4) Smartex Sp. z o.o. - a limited partner of a special purpose vehicle established to carry out a development investment in Wrocław at ul. Braniborska - Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k.

**An indirect subsidiary of Dekpol S.A. (through 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 vehicle to carry out a development investment under the name Grano Residence in Gdańsk at ul. Wheat.

**Indirect subsidiaries of Dekpol S.A. (through 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 vehicle to carry out a development investment under the name of Pastelowa in Gdańsk;

2) Dekpol Inwestycje Sp. z o.o. Rokitki Sp.k. - a special purpose vehicle to carry out development investments in Rokitki and Śliwiny near Tczew;

3) Dekpol Inwestycje Sp. z o.o. Development Sp. k. - a special purpose vehicle to implement smaller development investments, including in Jurata, Hel and Gdańsk;



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- 4) Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k. - a special purpose vehicle to carry out a development investment in Wrocław;
- 5) Dekpol Inwestycje Sp. z o.o. Myśliwska Sp. k. - a special purpose vehicle to carry out a development investment under the name Foresta in Gdańsk;
- 6) Dekpol Inwestycje Sp. z o.o. Grano Resort Sp. k. - a special purpose vehicle to carry out a development investment in Gdańsk on the Sobieszewo Island;
- 7) Dekpol Inwestycje Sp. z o.o. WBH Sp. k. - a special purpose vehicle to carry out 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.) - a special purpose vehicle to carry out a development investment under the name Neo Jasień in Gdańsk;
- 9) Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k. special purpose vehicle to carry out a development investment in Wiślina;
- 10) Dekpol Inwestycje Sp. z o.o. Sobieszewo Development Sp. k. - a special purpose vehicle to carry out smaller development investments in Gdańsk on the Sobieszewo Island. 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 Dekpol Royalties Sp. z o.o. and Almond Sp. z o.o.

As at 31<sup>st</sup> of December 2020, Dekpol Deweloper Spółka z ograniczoną odpowiedzialnością 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. Neo Jasień Sp. k. (dawniej 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., Dekpol Inwestycje Sp. z o.o. WBH Sp. k., having 99.5% share in profits in these companies, and Dekpol Inwestycje Sp. z o.o. being the general partner of these companies.

Dekpol Deweloper Sp. z o.o. until 21<sup>st</sup> of December 2020, he was a limited partner of Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k. Dekpol Inwestycje Sp. z o.o. being the general partner of this company.

Dekpol Deweloper Sp. z o.o. is a limited partner of Dekpol Pszena Sp. z o.o. Sp.k. having a 99.5% share in profits in this company, while Dekpol Pszena Sp. z o.o. being



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a general partner of this company has a 0.5% share in the profits, with the proviso that until 12<sup>th</sup> of July 2020, the profit to be distributed among the companies from the Dekpol Group is reduced by the amount of PLN 500, attributable to the other limited partner of the company. On 13<sup>th</sup> of July 2020, BSWW Trust Sp z o.o. acted as a limited partner of Dekpol Pszenna Sp z o.o. Sp.k. and ceased to share in the profits.

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

Until 22<sup>nd</sup> of December 2020, Dekpol Deweloper Sp. z o.o. owned 62.3% of shares in Smartex Sp. z o.o. and the right to acquire 37.7% of shares in Smartex Sp. z o.o. On 22<sup>nd</sup> of December 2020, Dekpol Deweloper Sp. z o.o. purchased 93 shares from Zbigniew Andrzej Korzeniowski and thus became the sole shareholder of Smartex Sp z o.o.

Until 21<sup>st</sup> of December 2020, Dekpol Deweloper Sp. z o.o. was a limited partner of Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k., Dekpol Inwestycje Sp. z o.o. being the general partner of this company. On 22<sup>nd</sup> of December 2020, the shares of Dekpol Deweloper were taken over by Smartex Sp. z o.o. in 89.4% of the shares and Zbigniew Andrzej Korzeniowski in 10.5% of the shares.

On 8<sup>th</sup> of April 2021, a new company was established - Pastelowe Usługi Sp. z o.o., 100% of which is owned by Dekpol Deweloper Sp. z o.o. This situation changed the composition of the Dekpol Capital Group. As at the date of publication of the report, Dekpol S.A. Capital Group is part of the Dekpol S.A. Capital Group, as the parent company and twenty-five subsidiaries. Pastelowe Usługi Sp. z o.o. will be subject to full consolidation.

#### **Other entities in which entities from the Dekpol Capital Group participate**

Entities from the Dekpol Capital Group also participate as partners of the following entities, not belonging to the Dekpol Group (associated companies):

- 1) Mineral Group Limited Liability Company - appointed entity in order to conduct activities related to the exploration and extraction of mineral resources. Deweloper Sp. z o.o. holds 50 out of 101 shares in the share capital of this company (amounting to PLN 5,000).
- 2) Dekpol 1 SPV Limited Liability Company - an entity established to implement investment projects together with a subsidiary of the President of the Management Board, OMT Holding Spółka z ograniczoną odpowiedzialnością. Dekpol S.A. holds 49 out of 100 shares in the share capital of this company (amounting to PLN 5,000).



Associated companies are valued using the equity method.

In 2020, Dekpol S.A. mainly operated in the area of general contracting in the field of facilities:

- industrial for storage, logistics and production purposes,
- residential - residential buildings constructed for SPV companies,
- public utility facilities - hotels, shopping centers.

### Financial instruments

- In its separate financial statements, the company measures investment in subsidiaries and associates at cost.
- The company classifies financial assets other than investments in subsidiaries and associates upon initial recognition into the following categories:
  - Assets measured at amortized cost,
  - Assets measured at fair value through other comprehensive income,
  - Assets measured at fair value through profit or loss. Financial instruments not included in the aforementioned categories are classified here, in particular derivative instruments not recognized as an effective hedge of future cash flows.
- The Company identifies and distinguishes embedded derivatives, if they meet the criteria of separation from the underlying instrument. The Company does not separate currency derivatives embedded in contracts concluded in a currency other than the functional currency of the Company, if the contract currency is the functional currency for the other party to the contract.
- The Company implemented the expected credit loss model in accordance with the simplified method permitted by IFRS 9. In particular, impairment losses on receivables are created:
  - Lost receivables - in full amount,
  - For expected credit losses - in the estimated amount based on the historical ratio of write-offs for receivables lost in the last 3 years to the balance of receivables at the beginning of the period
  - For losses due to late payments - in an estimated amount based on historical data on late payments in the last 3 years before the balance sheet date.

### Derivatives and hedge accounting

- The Company is a party to forward / swap currency transactions. The purpose of concluding forward transactions is to secure the forward rate of future



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operational transactions resulting from concluded or probable contracts for construction services, the revenues of which are denominated in a currency other than the functional currency of the Company. The hedging allows to reduce the impact of currency fluctuations on the expected revenues expressed in the functional currency and, consequently, to limit the risk related to the expected margin on the contract.

- The Company applies hedge accounting if it expects the future transaction to meet the high-probability criteria and the hedging relationship to be effective.
- When applying hedge accounting, the company establishes hedging relationships between hedging instruments and future, highly probable transactions. The hedging relationship may cover only a part of the flows from the hedged and hedging instruments.

At least as at the balance sheet date, it measures the effectiveness of the relationship. The main factors of linkage ineffectiveness are:

1. Mismatch of the dates of cash flows from the hedged and hedging instruments,
  2. Non-linearity of swap points due to rollover of derivatives.
- The effects of the valuation of instruments hedging future cash flows resulting from planned transactions, in the part constituting an effective hedge, are posted to other comprehensive income (and presented under revaluation reserve in the part constituting an ineffective hedge) in the result of the period (as gains or losses in financial activities). On the transaction date, the effective part of the established collateral adjusts the result on the transaction.
  - If the hedging relationship is canceled as a result of, for example, the planned hedged flow loses the high-probability criterion or the Company's decision resulting from a change in the appetite for foreign exchange risk, the effects of the hedging instrument valuation are fully recognized in the result for the period on the cancellation date.

In the reporting period, the Company applied hedge accounting for the first time. As a result of measuring the effectiveness of the hedge, the effective part of the value of PLN 4,467 thousand was recognized. PLN gross, presented in the revaluation reserve in the net value of PLN 3,618,000. PLN and the ineffective part in the amount of PLN 3,541 thousand was recognized in the financial result (financial cost - note 17.2).

<b>Equity capital</b>	<b>257 624</b>	<b>238 570</b>
Share capital	8 363	8 363
Capital from the sale of shares above their nominal	26 309	26 309



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value		
Other capitals	200 280	180 793
including revaluation reserve for FX forward	-3 618	
Own shares (-)	0	0
Reserve capital	0	0
Profit (loss) from previous years	0	0
The result of the current year	22 672	23 105

## **Inventories**

- Inventories are valued at purchase prices or production costs, not higher than the net realizable value.
- The costs of production of work in progress or finished products include all direct costs and variable indirect costs of producing an inventory component as well as that part of fixed indirect costs that were incurred as part of the use of normal production capacities.
- The company annually sets up a production plan for each month for the production department (quantitatively - mass of finished products manufactured). If the plan implementation does not exceed 90%, the proportion of fixed indirect production costs proportional to the plan not implemented is not included in the cost of manufacturing inventories. Moreover, fixed indirect production costs for the downtime period of the plant or departments, if the downtime exceeds one working day, are not eligible for the cost of producing inventories.
- The costs of unused production capacity are charged to the costs of basic operating activities in the month in which they were incurred.
- The cost of manufacturing inventories does not include foreign exchange differences or interest relating to liabilities financing inventories.
- Purchase costs are related to the increase in the value of materials, provided that it is possible to allocate them directly.
- Consumption of inventories is measured using the first in - first out (FIFO) method.
- The stock of finished products for the production of the steel structures and accessories department is valued at book prices corresponding to the planned production costs. Differences between the actual cost of production and the cost in registration prices it refers as deviations and is accounted for in the financial result for the period in proportion to the value of the finished goods related to in the result of the period in registration prices.
- At the end of the reporting period, the Company compares the valuation of inventories according to purchase price or production costs to the net



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realizable value. For items for which the net realizable value is lower than the balance sheet value, the Company makes a write-off up to the realizable net value.

- The company determines the progress of construction contracts with the share of costs incurred under the contract in the costs of the planned contract. To measure the progress of works, the incurred costs not covered by the plan are not taken into account. The incurred costs include material costs, insofar as they relate to materials built in according to the plan. Non-embedded materials are included in the inventory of materials.

### Equity

- The company classifies as equity:
  - Equivalent value of issued equity instruments (shares, options for shares, etc.). Equity instruments are distinguished by the Company from liabilities in accordance with the requirements of IAS 32 "Financial Instruments - Presentation", i.e. equity instruments include only instruments that do not imply a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable. Depending on the legal regulations, capitals are recognized as share capital, supplementary capital or reserve capital.
  - In the case of issuing compound instruments, consisting of an equity instrument and a financial liability (eg bonds convertible into shares), the Company separates and measures the equity instrument, presenting its value as equity.
  - Retained earnings - presented as supplementary or reserve capitals depending on the shareholders' decisions. They are valued at nominal value.
  - The effects of the valuation of assets and liabilities recognized directly in equity - presented as reserve capitals. They are valued at nominal value.
  - Retained earnings from previous years. It is valued at nominal value.
    - Equity is not revalued, except in the event of hyperinflation.

### Reserves

- The company creates provisions for the following employee benefits:
  - Retirement benefits - using actuarial methods. The Company considers the average yield on treasury bonds to be the discount rate 10 years from the last 12 months before the balance sheet date. The company assumes a projected increase in



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wages above inflation of 1% per annum. The Company estimates the provision every 3 years, unless there are significant changes in the size and structure of employment or the discount rate; The company does not use the "actuarial corridor".

- Unused leaves - are estimated as the product of the average remuneration in the Company constituting the basis for for the payment of an equivalent for unused leave (taking into account the surcharges charged to the employer's costs) and the number of days of unused leave;

- Other short-term employee benefits related to the reporting period - bonuses, remuneration, etc. - are treated as liabilities, if their value is specified and unconditional. Otherwise they are recognized as provisions.

- The company creates the following provisions for other titles:

- For the effects of legal disputes - in the amount of the full value of the subject of the dispute and the expected costs related to the dispute, if the legal assessment indicates a medium or high probability of failure;

- For warranty repairs and complaint costs - created on the basis of the historical ratio of repair costs incurred to sales revenues of the products covered by the warranty;

- For future losses from business operations in progress - created if the contract to which the Company is a party is burdensome, e.g. a loss-making contract has been signed, the terms of the contract have not been fulfilled, which will result in the obligation to pay compensation;

- For restructuring costs - if the conditions for restructuring have been agreed and made public before the end of the financial year.

### **Accruals of costs**

- The company settles the costs incurred that relate to future reporting periods. In particular, the following are subject to settlement in proportion to the passage of time:

- Insurance costs;

- Subscription and subscription costs;

- Prepaid utility costs, rental etc.

### **Deferred income**





## Subsidies and state aid

- Subsidies related to costs or revenues incurred or obtained in the past are recognized as income in the period in which they become due. Subsidies are presented as a separate item of revenues from basic operating activities, unless they concern costs or revenues from other operating activities - then they are presented as other operating revenues.
- Grants related to assets are recognized as deferred income and accounted for in revenues in proportion to the value of the subsidized asset written off in costs. The settled part of the subsidy is presented as income at the same level of the profit and loss account as costs related to the subsidized asset component.

## Income tax

Taxable income (tax loss) of the Company is the income (loss) for a given period, determined in accordance with the rules established by the Polish tax authorities, on the basis of which income tax is payable (refunded).

- Current tax is the amount of income tax payable (reimbursed) on taxable profit (tax loss) for a given period.
- Deferred income tax assets are the amounts provided for in future periods to be deducted from income tax due to:
  - negative temporary differences,
  - Carriage to the next period of unsettled tax losses and
  - Carrying over to the next period of unused tax credits.
- Tax expense (tax income) consists of current tax expense (current tax income) and deferred tax expense (deferred tax income).
- The Company creates a deferred tax liability (it recognizes a deferred tax asset) in all those cases where the realization or settlement of the carrying amount of the asset or liability will increase (decrease) the amount of future tax payments compared to the amount, which would be appropriate if such performance or settlement would not have tax consequences.
- The current valuation of tax receivables and liabilities should be made in amounts requiring payment according to the rates applicable by law or actually as at the balance sheet date.
- On the basis of forecasts of financial results in the following years, it should be assessed whether there are any premises (planned taxable income) for creating a deferred tax asset or for making an adjustment to its value.
- The Company does not discount deferred tax assets and liabilities.



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- Assets and provisions for temporary differences, the effects of which are transferred directly to equity, will be recognized in equity and not in the result for the period.
- Tax receivables and liabilities are separately disclosed in the financial statements, as are ODPD assets and liabilities.
- Current income tax liabilities and receivables should not be offset. Compensation is only allowed if the Company:
  - Has an enforceable legal right to set off the recognized amounts,
  - He intends to pay the tax in the net amount or at the same time pay the receivables and settle the liability.
- ODPD assets and provisions should not be netted. Compensation is only allowed if the Company:
  - Has an enforceable legal right to set off the recognized amounts,
  - Assets and reserves relate to income tax levied on a single or multiple taxpayers under several conditions.
- Disputes with tax authorities result in the recognition of contingent liabilities. If the probability of an unfavorable outcome is high, the Company recognizes provisions in accordance with IAS 37 "Provisions".

**Foreign currency transactions**

- The functional currency of the Company is Polish zloty (PLN). The company prepares financial statements in the functional currency.
- The Company measures transactions in foreign currencies at the spot exchange rate as at the date of the transaction. It is assumed that the spot exchange rate on the transaction date is the average NBP exchange rate on the day preceding the transaction.
- The company measures assets and liabilities expressed in foreign currencies as at the balance sheet date:
  - Cash (currencies and receivables and liabilities expressed in foreign currencies) - according to the rate of immediate maturity as of the balance sheet date, i.e. according to the average exchange rate of the National Bank of Poland as of the balance sheet date,
  - Non-monetary items measured at historical cost - at the rate on the transaction date, i.e. they are not revalued as at the balance sheet date,



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- Non-cash items measured at fair value - using the exchange rates effective on the date on which the fair value was determined, ie the average NBP exchange rate on that date.

- If the effects of measuring a non-monetary item at fair value are recognized in equity, exchange rate differences from the valuation are recognized in the same way. W innym wypadku różnice kursowe ujmowane są w wyniku okresu.

### **Sales revenue**

- Revenues and costs obtained from the sale of financial instruments are recognized on the date of excluding the sold financial instrument from the balance sheet in accordance with IFRS 9.
- Revenue is measured at the fair value of the payment. If the payment date is deferred, the revenue should be recognized on the date it arises in the discounted amount. The value of the discount is interest (financial) income recognized in accordance with the effective interest rate in the period of the deferred payment date. Revenue is not discounted if the payment period does not exceed 180 days.

Thus, the Company recognizes revenue from contracts with customers only when all of the following conditions are met:

- the parties to the contract have concluded a contract and are obliged to perform their obligations,
  - the entity is able to identify each party's rights regarding the goods or services to be transferred;
  - the entity is able to identify the terms of payment for the goods or services to be transferred;
  - the contract has an economic substance and
  - it is probable that the Company will receive remuneration to which it is entitled in exchange for goods or services that will be transferred to the client.
- Revenue should be recognized when the significant risks and rewards associated with the asset are transferred and the Company ceases to be permanently involved in managing the asset as the owner. Moreover, revenue is deemed to be earned when the amount of revenue can be reliably estimated and it is probable that the economic benefits associated with the transaction will flow to the enterprise and the costs incurred can be reliably measured.



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- In determining the moment of achieving revenues, the International Trade Terms and Conditions - "Incoterms" are applied. (International Commercial Terms), developed by the International Chamber of Commerce in Paris, called MIH.

According to the standard, sales revenues are recognized at the moment and to the extent that reflects the fulfillment of the obligation by the Entity for performance or delivery of goods. The obligation is fulfilled when the customer obtains control over the transferred asset. Revenues from sales are recognized at the transaction price, i.e. in the amount expected to be paid. In the case when the amount of income is variable, in accordance with the new standard, variable amounts are included in income, if it is highly probable that the revaluation of revenue will not be reversed in the future.

The company transfers control of a good or service over time and therefore satisfies its performance obligation and recognizes revenue over time if one of the following conditions is met:

- customer simultaneously receives and reaps benefits from performance of services as it is carried out,
  - As a result of the performance, an asset is created or improved, and control over this asset - as it is created or improved - is exercised by the customer,
  - As a result of performance of services, there is no component with an alternative use for the Company, and it has an enforceable right to payment for service provided so far. In the case of general contracting agreements, they meet this criterion.
- 
- Both in the case of the provision of construction services by the Company and the supply of accessories for construction machinery, there is essentially one performance obligation. Thus, the issue of allocating the transaction price to the performance obligation does not require estimation. In the case of construction contracts, respect is required by the degree of work advancement and the expected margin.
  - If the price depends on future events or if there is an intention to grant a discount at the end of the contract, the Company estimates the price for the performance of the obligation and includes part or all of the variable remuneration in the transaction price only to the extent that there is a high probability that there will be no reversal.
  - Sales commission costs are settled at the time of sale of the premises.
  - The Company does not identify the financing component in the contracts in relation to detained deposits, in which the retained amount secures the proper performance of the contract due to its low significance.



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- For each performance obligation satisfied over time, the Company recognizes revenue based on an expenditure-based measurement method (share method of costs incurred up to the date revenue is determined in total cost of the service).
- Dividends should be recognized when the shareholders' right to receive payment is established.

### **Operation costs**

- Costs are recognized in profit or loss on the date they are incurred, ie on the date when assets are excluded or liabilities to which they correspond.
- Costs of employee benefits are recognized in the period in which the employees render related work.
- Borrowing costs are recognized as costs of the period in which they are incurred, except for costs that are directly attributable to the acquisition, construction or production of a qualifying asset. In such a case, they should be activated as part of the purchase price or production cost of this asset.

### **Principles of settlement of construction contracts**

- For construction contracts in progress which do not constitute a development activity, and for which obligations to perform services for the benefit of the client are met over time, the Company recognizes revenue over time, measuring the degree of complete fulfillment of this obligation to perform services based on the progress of works.
- The advancement of works, if possible, is determined on the basis of the proportion of costs incurred to budgeted costs for the project. The costs of incurred do not include the value of materials delivered for construction, but not built in accordance with their intended use.
- The margin is recognized on the basis of comparing the contract value to the planned costs (budget).
- The total difference between estimated revenues and invoiced revenues is recognized as receivables due to construction contracts (positive difference) or liabilities due to construction contracts (negative difference).

### **Settlement of development activity costs**

- Costs that meet the technical manufacturing cost criteria, including:
  - Direct manufacturing costs,
  - Indirect costs related to the construction of objects, in particular:



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- Logistics department costs (fuel, car maintenance, logistics management, drivers' salaries when cars are used on different projects)
  - settled for development projects and general contracting according to the key of direct manufacturing costs.
    - Costs of the procurement department of general contracting and development activity - settled for development projects and general contracting according to the key of direct manufacturing costs.
- The company distinguishes accounting devices (accounts) for each development project (Order). The criterion for separating the Order is the estimated time of completion of the construction of all objects (buildings and structures) covered by the given order and the similarity of the objects covered by the Order. No expenditure on the production of objects should be included in a single engagement for which the scheduled completion date differs by more than 6 months (i.e. the earliest facility completed under the engagement will be completed more than 6 months before the last facility completed under the engagement). One order should not include facilities for which the expected cost of producing PU (usable floor area of the premises) differs by more than 20%. After completing the order, the costs are settled per square meter of PU according to the following algorithm:

$TKW \text{ 1m}^2 \text{ PU} = [(PKZR) - (POPS) * (CPOPS)] / (PUO)$  - Where:

- TKW - technical manufacturing cost
- PKZR - total costs of the order
- POPS - area of ancillary facilities subject to sale (garages, basements)
- CPOPS - expected selling price per square meter of auxiliary facilities
- PUO - total usable area of premises

The above algorithm assumes that the auxiliary areas are valued according to expected sales revenues, in the same way as the auxiliary production. Costs of common facilities are settled proportionally per square meter of PU.

- In the event that the data for a given order has been completed and is subject to sale or commissioning before the completion of other facilities (provided that other facilities are planned to be completed no later than 6 months from the completion of the first facility under the order), then the costs are settled per square meter of PU of the completed facility according to the following algorithm:



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$$\text{FTKW 1m2 PU} = [(\text{PKZR}) + (\text{FKZR}) - (\text{POPS}) * (\text{CPOPS})] / (\text{PUO})$$

Where:

- TKW - estimated technical manufacturing costs
- FKZR - Estimated future costs necessary to complete the order
- After completion of the assignment (no more than 6 months), the costs are determined are finally and FTKW is adjusted to TKW.
- If the original assumption that all the facilities under the order will be completed within 6 months and the value of the cost of manufacturing 1 m2 of PU of the facilities under construction does not differ by more than 20% is not confirmed, the company distributes the orders in accordance with the applicable criteria and all previously incurred costs under the order are subject to reassignment with the breakdown into new orders.
- If the company incurs significant expenditure on common parts relating to many orders, these expenditure are broken down into orders proportionally to the PU, with settlement only in relation to orders opened or planned to be opened within 12 months from the date of incurring such expenditure.

## **Segments**

The management of the Company - decided to organize it based on the criterion of diversified products and services. A segment is not separated if the segment's revenues or profits / losses or assets represent less than 10% of all segments' revenues, profits / losses or assets, respectively, and at least 75% of IFRS standalone revenues, profits and assets are presented by segment. 8 "Operating segments".

On the policy approval date, the Company identified the following industry segments:

- General contracting,
- Development activities.

The company sets geographic segments as a supplementary reporting model.

Segmentation corresponds to the division into similar products or services.

In the reporting period, revenues to the largest contractor amounted to approx. 10% of the total revenues.

## **Disclosures regarding the fair value of assets and liabilities**

The Company measures only real estate investments and derivative instruments at fair value. The applied valuations are included in the financial statements, while the



valuation of investment properties is made, in line with the accounting policy, once a year.

The adopted methods of estimating the fair value are disclosed in the additional explanatory note. Real estate is measured using the methods from level 2 of the fair value hierarchy (comparative methods, residual methods, etc.). Derivatives are measured using the fair value measurement prepared by a professional entity using methods from the 2nd level of the fair value hierarchy.

In the period covered by the historical financial data, there were no transfers between levels 1 and 2 of the fair value hierarchy.

Due to the nature of financial assets and liabilities, the Company does not identify premises for which there would be a significant difference between their carrying amount and fair value. In particular, significant financial liabilities bear interest on an arm's length basis, using a variable interest rate. In terms of financial assets, there are mainly receivables with a maturity of up to 1 year and cash. The Company does not prepare fair value measurements of financial assets and liabilities for management purposes.

## **9. Financial risk management**

In the activities of DEKPOL S.A. the following types of financial risks are significant:

- interest rate risk - as part of its operations, the Company is exposed to the interest rate risk. The company has financial liabilities, the financial cost of which is calculated on the basis of a variable base interest rate WIBOR and a fixed margin. Increasing the base rate by 0.5 pp would increase financial costs by approx. PLN 1,159 thousand. PLN, assuming that the balance of liabilities with a fixed interest rate would remain unchanged throughout the financial year.
- foreign exchange risk - the Company is exposed to foreign exchange risk in connection with the transactions concluded. Such a risk arises as a result of the Issuer's sale or purchase in currencies other than the national currency. If as at December 31, 2020 the EUR exchange rate was higher or lower by 3%, then the Company's financial assets would be higher or lower by PLN 2 458 thousand. PLN and financial liabilities higher or lower by 37 thousand. PLN - as a result of negative or positive exchange rate differences resulting from the conversion of receivables, granted loans, and accumulated cash on bank accounts and commercial liabilities. In order to reduce the risk of exchange rate fluctuations, in the currency settlements related to export sales and import purchases, the Company largely uses natural hedging, resulting in the balancing of currency flows. During short-term and identifiable imbalances in currency flows, the Company uses currency derivatives for unrealistically hedging future cash flows.





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- credit risk - the Company is exposed to credit risk, understood as the risk that debtors will not meet their obligations and thus cause the Company to incur losses. Due to the ongoing monitoring of receivables and taking debt collection actions, the Company's exposure to the risk of bad debts is limited. There is no risk of bad debts in the sale of residential and service premises, as their sale is made in advance. On the other hand, in the case of construction services, the Company receives partial advances for services rendered and settles construction works in stages in accordance with the schedule. For trade receivables and contract assets, a simplified version of the model was used, assuming a loss calculation for the entire life of the instrument. The company assumes that the debt is lost (the obligation will not be performed), when the debt has expired over 365 days, has expired, the debtor has been declared bankrupt or the debt collection has failed. The items for which the default by the debtor has been determined as defined above, the Company treats as financial assets impaired due to credit risk. If a written-off receivable is recovered as a result of debt collection activities, the write-off is released. The write-off is used when it is no longer possible to legally or actually recover the receivables.

The specification of changes in the allowances for expected losses is presented in the table below:

<i>Data in thousands PLN</i>	<b>2020</b>	<b>2019</b>
Write-off for expected credit losses at the beginning of the period	5.382	6.862
Changes during the period	707	-1.480
As at the end of the period	6.089	5.382

As regards trade receivables, which are the most important class of assets exposed to credit risk, and in the case of assets under contracts with customers, in the opinion of the Management Board, the Company is not exposed to excessive credit risk in connection with a single significant contractor. In 2020, there were balances with two contractors representing more than 10%, balances of trade receivables and contracts. As a consequence, write-downs are estimated on a collective basis, and receivables are grouped by period of past due date. The write-off estimate is based primarily on the historical past due dates and the link between the arrears and the actual repayments from the last 3 years. The model does not use information of a macroeconomic nature. Significant changes in the gross carrying amount of receivables change the amount of the allowance due to the fact that they constitute the basis for determining the allowance for expected credit losses, where the interest is determined on the basis of historical data.



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Credit risk related to bank deposits is considered to be insignificant as the Company invests funds in banks with good and stable financial standing. Similarly, the credit risk of public liabilities is recognized too irrelevant.

Due to the adoption of a simplified method of estimating write-offs due to expected credit losses and the low credit risk related to other financial assets, the Company does not determine whether the credit risk related to with financial instruments has increased significantly since the initial recognition (instruments requiring such an analysis are not relevant to the financial statements).

- liquidity risk - the Company is exposed to the risk of losing liquidity, understood as the risk of losing the ability to pay liabilities within specified time limits. The risk results from a potential restriction of access to financial markets, which may result in the inability to obtain new financing or refinance its debt. In addition, the risk relates to a potential breach of covenants of credit agreements or concluded in terms of the bond issue, which may result in the incurring of liabilities immediately due. The company enters into loan agreements to finance investments with various banks. Maturity dates for subsequent payments installments are adjusted to the expected proceeds from the sale of individual investments. Moreover, the Company issues bonds. The Company manages the liquidity risk by monitoring payment dates and demand for cash in terms of servicing short-term payments (current transactions) and long-term demand for cash based on cash flow forecasts updated on a quarterly basis. The demand for cash is compared with the available sources of obtaining funds (including in particular by assessing the ability to obtain financing in the form of loans and bonds, the possibility of releasing funds from escrow accounts). The maturities of material assets and liabilities are presented in additional notes to the annual financial statements. It also includes a detailed specification of the value of significant components of financial liabilities.
- risk related to changes in market trends - One of the major risks is the possibility of changes in market trends. The demand for capital goods is influenced by many variables beyond the control of the Company. On the other hand, the revenues obtained from the conducted activity are directly influenced by the demand and supply for construction services. There is a risk of deterioration of the situation on the construction market by limiting the number of investments, which may translate into the amount of margin, and thus - the Company's profitability. Moreover, the Company's revenues depend to a large extent on the activity of investors in the region. Reducing the investment level may adversely affect its financial result and development prospects. To mitigate this risk, the Company is looking for new contracts on a wider market. This is to minimize the risk of concentration of activities only on the local market. In addition, in the event of unfavorable market changes, the Management Board will implement measures



to adapt it to the changing market realities, e.g. by actions aimed at reducing costs.

Other risks affecting the operations of the Company are described in more detail in the Report of the Management Board on the operations.

### 10. Important estimates and judgments

The estimates of the Management Board of DEKPOL S.A., affecting the values shown in the financial statements, mainly concern:

- the expected period of economic usability of fixed assets and intangible assets,
- write-downs of assets, including: assets held for sale,
- progress of works determined for the purposes of settlement of construction contracts, together with the specification of the planned margin realized on the contract,
- discounts, expected salary increases and actuarial assumptions used in calculating provisions for retirement and disability benefits,
- fair value of investment properties,
- future tax results taken into account in determining assets
- for deferred income tax.

The methodology used for determining the estimated values is based on the best knowledge of the Management Board of the Company and complies with the requirements of IFRS. The methodology for making accounting estimates is applied continuously to the last reporting period, except for the methodology for estimating impairment losses on trade receivables, in line with the methodology set out in IFRS 15 "Revenue from Contracts with Customers". In the opinion of the Management Board, the application of the new methodology for estimating impairment losses on receivables would not significantly affect the comparative data. Changes to the write-downs are presented further on in the additional explanatory notes to individual asset items.

### Additional Disclosures Regarding Valuation Principles

The average depreciation rates result from the tables presenting the calculation of depreciation for the period and the gross (initial) value for each category of fixed assets.

Fixed assets and intangible assets are depreciated in the following periods:

Group	Period	Annual depreciation rate
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Buildings and structures	40 years	2,5%
Machines and devices	2 - 10 years	10-50%
Means of transport	3 - 7 years	14-33%
Other fixed assets	1 - 10 years	10-100%
Licenses and computer software	25 years	20-50%
Other intangible assets	5 years	20%

There are no intangible assets with an indefinite useful life at the consolidated level.

There were no leaseback transactions in the period covered by the historical financial information.

**Leases - the Company as a lessor**

The company acts as a lessor in the field of real estate rental contracts, in Toruń at ul. Wapienna and in Pinczyn at ul. Gajowa, presented as "investment property for rent". The lease of these properties is operational. With regard to real estate subject to operating lease agreements, the Company retains full ownership rights, giving the right to use the real estate to tenants on the terms specified in the agreements.

Specification of revenues from operating lease agreements:

Data in thousands PLN	2020	2019
Operating lease income	2.512	1.987
- including floating lease payments that are not index or rate dependent	0	0

Specification of future, fixed lease payments resulting from the concluded operating lease agreements (without variable fees) - resulting from the lease agreement for real estate located in Pinczyn and Toruń.

Data in thous. PLN	2021	2022	2022	2024	2025	The following years until 2032
Undiscounted lease payments to be received in the following	1.600	1.632	1.665	1.698	1.732	13.820



Financial Statement of DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousands of PLN)

years						
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### Leasingi - the Company as a lessee

The company is a party to financial and operating lease agreements. The leased assets are used in the Company's operating activities. The Company uses simplifications with regard to short-term leases (up to 12 months) and low-value leases (value of the leased object below PLN 4,000), without recognizing them as the right to use assets. Such leases are not relevant to the Company's operations.

In the period covered by the historical data, the company was not a party to the leaseback or subleasing agreement, and there were no variable lease payments.

The lease agreements do not include an extension or termination option, a residual value guarantee or covenants. There are no open leases which the Company would be obligated to as a lessee.

Additional disclosures regarding leases are presented below:

Data in thous. PLN	2020	2019
Machines and equipment under financial lease (net)	4.637	11.607
Means of transport under financial lease (net)	4.299	5.966
Other fixed assets under finance lease (net)	846	1.119
Asset use rights recognized as means of transport (net)	2.221	431
Depreciation of the right to use assets recognized as a means of transport during the period	204	115
Increases in the rights to use assets during the period	0	0
Interest expense on lease liabilities	363	381

As at the balance sheet date, the Company has balances for short-term leasing in the amount of PLN 2,659 thousand. PLN and for the long-term in the amount of 2,269 thousand PLN.

### 11. Changes in the accounting policy and identified errors concerning the previous years and their impact on the financial result and equity

- The accounting principles (policies) applied to prepare the financial statements are consistent with those applied to the annual financial statements of the



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Company for the year ended December 31, 2019, except for minor changes (which have no significant impact on the reporting data) and the application of new or changed standards and interpretations applicable to annual periods beginning on or after January 1, 2020. In 2020, the Company decided to apply hedge accounting if it expects the future transaction to meet the high-probability criteria and the hedging relationship will be effective.

- In the reporting period, no errors relating to previous years were found in the previously published financial statements that would have a significant impact on the financial result and / or equity. The 2020 financial statements are prepared using the new or amended standards and interpretations applicable to annual periods beginning on or after January 1, 2020.

## 12. Platform of applied International Financial Reporting Standards

### 12.1. Statement of compliance

These financial statements have been prepared in accordance with the International Accounting Standards, International Financial Reporting Standards and related interpretations announced in the form of Regulations of the European Commission, hereinafter referred to as IFRS.

### 12.2. Amendments to standards or interpretations effective for the first time

The following amendments to existing standards issued by the International Accounting Standards Board (IASB) are effective for the first time:

- Amendments to the Conceptual Framework in IFRS

The Board verified the Conceptual Framework for IFRS financial reporting and prepared a new version. Updating the Conceptual Framework includes: new concepts, updating the definitions and criteria for recognizing assets and liabilities, and clarifies some important concepts. The changes are effective for annual periods beginning on or after January 1, 2020.

The change did not affect the financial statements of the Company.

- Amendment to IFRS 3 Business Combinations

The amendment to IFRS 3 was published on 22<sup>nd</sup> of October 2018 and applies to annual periods beginning on or after 1<sup>st</sup> of January 2020. The purpose of the amendment is to clarify the definition of a business and to make it easier to distinguish between acquisitions of "businesses" and groups of assets for the purpose of settlement of mergers. The new guidelines are a framework for assessing whether a acquired set of assets and activities should be treated as a business. As part of the changes, it must include inputs and processes that will jointly contribute to the production of results. The definition of an undertaking (return) focuses on the goods and services provided to recipients, eliminating by definition the reference to return



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in the form of cost reduction. It is likely that this change will cause more acquisitions to qualify as acquisitions.

The change did not affect the financial statements of the Company.

- Amendments to IAS 1 and IAS 8: Definition of "material"

The purpose of the amendments was to clarify the definition of "materiality" and to facilitate its application in practice. The change resulted in the unification of definitions in all applicable IFRS and conceptual assumptions.

Amendments to IAS 1 and IAS 8 were published on October 31, 2018 and apply to annual periods beginning on or after January 1, 2020.

This change did not affect the financial statements of the Company.

- Amendments to IFRS 7, IFRS 9 and IAS 39: Reform of interest rate benchmarks

The modification of the standards is aimed at securing the impact of the reference rate reform on hedge accounting and the materiality of information provided by entities in the period of uncertainty resulting from the IBOR reform. The changes are effective for annual periods beginning on January 1, 2020.

This change did not affect the financial statements of the Company.

### **12.3. Earlier application of standards and interpretations**

The company did not apply any standards and interpretations prior to their entry into force.

### **12.4. Introducing new IFRS**

The following standards and interpretations were issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee, partially effective as at the balance sheet date:

- The new standard of IFRS 17 "Insurance Contracts"

Insurance contracts will replace the current IFRS 4, which allows for a variety of practice in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting of all entities that deal with insurance contracts and investment contracts. The new standard was published on May 18, 2017, and its amendments were published on June 25, 2020. After the amendment, it applies to annual periods beginning on or after January 1, 2023.

- Amendment to IFRS 16 Leases: Simplifications for Changes resulting from lease agreements in connection with COVID-19



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After the change, the lessees have the right to take advantage of practical simplifications, including: deferment or exemption from leasing payments. Therefore, the Board has simplified the assessment of whether these changes constitute lease modifications. Lessees may decide not to apply the guidance in IFRS 16 for modifying leases. As a result, this will result in the recognition of lease reliefs and exemptions as variable lease payments in the period in which there is an event or condition that causes the payment to be lowered.

The change is effective from June 1, 2020, with the option of early application. The Group has not received the allowances specified in the standard, therefore the amendment will not affect its financial statements.

- Amendments to IFRS 4 "Insurance Contracts" - deferment of the application of IFRS 9 "Financial Instruments"

The amendment to IFRS 4 Insurance Contracts defines the application of IFRS 9 Financial Instruments to annual periods beginning on January 1, 2021 or later.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Reform of interest rate benchmarks - stage two

In connection with the planned reform of the reference interest rates, the IAS Board introduced further changes to the accounting principles for financial instruments. The amendments provide accounting solutions for recognizing changes in contractual cash flows and changes in hedging relationships resulting from the use of the new reference rate at the stage of implementing the IBOR reform and the disclosure requirements regarding the impact of the reform.

The change is effective for annual periods beginning on or after January 1, 2021.

- Amendment MSSF 3 „Business combinations"

The amendment clarifies the references to the definition of liabilities included in the conceptual framework and the definition of contingent liabilities in IAS 37. Additionally, it clearly states that the acquirer does not recognize contingent assets acquired as part of a business combination.

The change is effective for annual periods beginning on or after January 1, 2022.

- Amendment to IAS 16 "Property, plant and equipment"

The IAS Board changed the guidelines regarding the recognition of production costs and revenues as part of the fixed asset tests before use.

The change is effective for annual periods beginning on or after January 1, 2022.

- Amendment to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"





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The amendment to the standard provides additional clarifications regarding the structure of service costs. According to the change, these costs include marginal costs (e.g. labor costs, materials) and the allocated part of other costs directly related to the cost of filling, e.g. depreciation.

The change is effective for annual periods beginning on or after January 1, 2022.

- Amendments to various standards resulting from the annual review of International Financial Reporting Standards (Annual Improvements 2018-2020)

IFRS 1 "First-time Adoption of International Financial Reporting Standards" - new simplification of the application of IFRS 1 relating to the application of cumulative exchange differences in consolidation;

IFRS 9, 'Financial Instruments' - in the '10% test' of whether a modification should disqualify a liability, only fees that are exchanged between the obligor and the creditor should be included; fees incurred in the event of a liability being discharged should be recognized in the result, and if the liability is not removed, they should be recognized in the value of the liability

IFRS 16 "Leasing" in Example 13, the excerpt concerning the reimbursement from the lessor of costs for improvements in third party fixed assets being the subject of the lease agreement has been deleted.

IAS 41, Agriculture, prohibits the recognition of tax flows in the measurement of biological assets.

The changes are effective for annual periods beginning on or after January 1, 2022.

- Amendments to IAS 1: Presentation of Financial Statements

The amendment will clarify the rules for the division of liabilities into short-term and long-term and applies to annual periods beginning on or after January 1, 2023;

- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The work leading to the approval of these amendments has been postponed indefinitely by the EU - the effective date has been postponed by the IASB for an indefinite period;

- IFRS 14 "Regulatory accruals"

By the decision of the European Union, IFRS 14 Regulatory Deferral Accounts published on January 30, 2014 will not be approved.



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## STATEMENT OF FINANCIAL POSITION

Item	Note	31.12.2020	31.12.2019
<b>Fixed assets</b>	<b>1.</b>	<b>365 627</b>	<b>363 263</b>
Property, plant and equipment		28 694	70 616
Investment Estates	2.	29 034	22 300
Intangible assets	3.	232	425
Shares and stocks		273 101	229 368
Receivables	7.	11 622	2 769
Other long-term financial assets		9 240	30 883
Long-term prepayments		0	0
Deferred tax assets		13 704	6 902
<b>Assets</b>		<b>427 370</b>	<b>412 053</b>
Wrestling	6.	25 493	75 388
Receivables from contracts with customers		39 517	86 518
Trade receivables and other receivables	7.	252 171	172 222
Other short-term financial assets	5.	0	503
Short-term prepayments	9.	1 359	968
Cash and cash equivalents	8.	108 828	76 454
including cash on trust accounts		0	550
Assets classified as held for sale		0	0
<b>Total assets</b>		<b>792 996</b>	<b>775 316</b>



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## STATEMENT OF FINANCIAL POSITION

Item	Note	31.12.2020	31.12.2019
<b>Equity capital</b>	<b>10</b>	<b>257 624</b>	<b>238 570</b>
Share capital		8 363	8 363
Capital from the sale of shares above their nominal value		26 309	26 309
Other capitals		200 280	180 793
Own shares (-)		0	0
Reserve capital		0	0
Profit (loss) from previous years		0	0
The result of the current year		22 672	23 105
<b>Long-term liabilities</b>	<b>13.</b>	<b>108 691</b>	<b>159 006</b>
Deferred income tax		20 637	26 465
Liabilities and provisions for employee benefits		69	124
Other long-term provisions		0	0
Credits, loans and long-term debt instruments	12.	65 007	115 393
Other long-term financial liabilities	12.	2 816	3 310
Other long-term liabilities		20 162	13 714
<b>Current liabilities</b>	<b>13.</b>	<b>426 681</b>	<b>377 739</b>
Liabilities and provisions for employee benefits		10	6
Other short-term provisions		57 076	19 824
Credits, loans and short-term debt instruments		148 181	126 650
Other short-term financial liabilities	12.	10 650	7 281
Liabilities under contracts with customers		0	0
Trade payables and other payables including income tax liability	12.	210 765	217 786
Deferred income	14.	0	6 192
Liabilities related to assets held for sale		0	0
<b>Total liabilities</b>		<b>792 996</b>	<b>775 316</b>



Financial Statement of DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousands of PLN)

## STATEMENT OF COMPREHENSIVE INCOME

### CALCULATION VARIANT

Item	Note	01.01.-31.12.2020	01.01.-31.12.2019
<b>Sales revenue</b>	16.1.	801 586	823 783
Personal sale expense	16.2.	739 251	754 040
<b>Gross profit (loss) on sales</b>		<b>62 335</b>	<b>69 743</b>
Selling costs	16.2.	13 669	17 726
General and administrative expenses	16.2.	9 685	13 057
Other operating income	16.4.	12 923	13 159
Other operating expenses	16.5.	10 270	8 466
<b>Profit (loss) from operations</b>		<b>41 634</b>	<b>43 654</b>
Share in profit (loss) of entities accounted for using the equity method		0	0
Financial income	17.1.	2 773	756
Financial costs	17.2.	16 131	15 761
Profit (loss) before tax		28 276	28 649
<b>Income tax</b>	18. 19.	5 604	5 544
Profit (loss) from continuing operations		<b>22 672</b>	<b>23 105</b>
Net profit (loss)		22 672	23 105
Exchange differences from translating foreign entities		0	0
Other net comprehensive income		0	0
<b>Comprehensive income</b>		<b>22 672</b>	<b>23 105</b>



Financial Statement of DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousands of PLN)

## STATEMENT OF CASH FLOWS

(indirect method)

Item	01.01.-31.12.2020	01.01.-31.12.2019
<b>Profit (loss) before tax</b>	<b>28 276</b>	<b>28 649</b>
<b>Corrections:</b>	<b>15 686</b>	<b>22 117</b>
Depreciation	6 033	9 454
Change in the fair value of investment properties	0	0
Write-offs updating financial assets	0	8 653
Profit (loss) on the sale of non-financial fixed assets	-1 079	-714
Profit (loss) on sale of financial assets (other than derivative instruments)	0	0
Profit (loss) due to exchange rate differences	2 958	-75
Interest and profit sharing	7 774	4 799
<b>Change in working capital</b>	<b>20 396</b>	<b>46 256</b>
<b>Income tax on profit before tax</b>	<b>5 372</b>	<b>-5 544</b>
<b>Income tax paid</b>	<b>-11 591</b>	<b>2 259</b>
<b>Net cash from operating activities</b>	<b>58 140</b>	<b>93 737</b>
Expenses for the acquisition of intangible assets	-113	-403
Proceeds from the sale of intangible assets	0	0
Expenses for the acquisition of property, plant and equipment	-4 873	-7 689
Proceeds from the sale of property, plant and equipment	106	316
Expenses for the acquisition of investment properties	-1 116	-5
Proceeds from the sale of investment real estate	0	0
Net proceeds from the sale of subsidiaries	0	0
Net expenses for the acquisition of subsidiaries	-7 152	-90
Repayments received on loans granted	28 840	0
Expenses for the acquisition of other financial assets	0	-322
Proceeds from the sale of other financial assets	55	0
Loans granted	-5 547	-28 515
Interest received	1 260	633



Financial Statement of DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousands of PLN)

Dividends received	0	0
<b>Net cash from investing activities</b>	<b>11 461</b>	<b>-36 075</b>
Net proceeds from the issue of shares	0	0
Proceeds from the issue of debt securities	61 000	0
Other receipts (expenses) from financial activities	0	0
Proceeds from received subsidies	0	0
Redemption of debt securities	-38 144	-24 587
Proceeds from taking credits and loans	104 810	125 049
Repayment of credits and loans	-145 907	-108 980
Payment of liabilities under financial leasing	-5 933	-9 091
Interest paid	-13 052	-15 060
Dividends Paid	0	0
<b>Net cash from financing activities</b>	<b>-37 226</b>	<b>-32 669</b>
Net change in cash and cash equivalents	32 375	24 993
Cash and cash equivalents at the beginning of the period	76 454	51 461
<b>Cash and cash equivalents at the end of the period</b>	<b>108 828</b>	<b>76 454</b>
including with limited disposability	0	550



Financial Statement of DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousands PLN)

## REPORT ON CHANGES IN EQUITY IN THE REPORTING PERIOD

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 subordinated entities	Total
<b>Balance at the beginning of the period</b>	<b>8 363</b>	<b>0</b>	<b>26 309</b>	<b>180 793</b>	<b>0</b>	<b>23 105</b>	<b>0</b>	<b>0</b>	<b>238 570</b>
Corrections of errors from 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 the financial result to capital	0	0	0	23 105	0	-23 105	0	0	0
Refund of cash contributions	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revaluation reserve	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-3 618</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-3 618</b>
Total transactions with owners	<b>0</b>	<b>0</b>	<b>0</b>	<b>23 105</b>	<b>-3 618</b>	<b>-23 105</b>	<b>0</b>	<b>0</b>	<b>-3 618</b>
<b>Net profit (loss)</b>	0	0	0	0	0	22 672	0	0	22 672
<b>Other net comprehensive income</b>	0	0	0	0	0	0	0	0	0
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22 672</b>	<b>0</b>	<b>0</b>	<b>22 672</b>
<b>Balance at the end of the period</b>	<b>8 363</b>	<b>0</b>	<b>26 309</b>	<b>203 898</b>	<b>-3 618</b>	<b>22 672</b>	<b>0</b>	<b>0</b>	<b>257 624</b>



Financial Statement of DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousands PLN)

## STATEMENT OF CHANGES IN EQUITY IN THE PREVIOUS REPORTING PERIOD

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 subordinated entities	Total
<b>Balance at the beginning of the period</b>	<b>8 363</b>	<b>0</b>	<b>26 309</b>	<b>150 410</b>	<b>0</b>	<b>30 383</b>	<b>0</b>	<b>0</b>	<b>215 465</b>
Corrections of errors from 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 the financial result to capital	<b>0</b>	<b>0</b>	<b>0</b>	<b>30 383</b>	<b>0</b>	<b>-30 383</b>	<b>0</b>	<b>0</b>	<b>0</b>
Refund of cash contributions	0	0	0	0	0	0	0	0	0
Revaluation reserve	0	0	0	0	0	0	0	0	0
Total transactions with owners	0	0	0	30 383	0	-30 383	0	0	0
<b>Net profit (loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23 105</b>	<b>0</b>	<b>0</b>	<b>23 105</b>
<b>Other net comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23 105</b>	<b>0</b>	<b>0</b>	<b>23 105</b>
<b>Balance at the end of the period</b>	<b>8 363</b>	<b>0</b>	<b>26 309</b>	<b>180 793</b>	<b>0</b>	<b>23 105</b>	<b>0</b>	<b>0</b>	<b>238 570</b>





Financial Statement of the DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousand PLN)

## ADDITIONAL EXPLANATORY NOTES

### 1.PROPERTY, PLANT AND EQUIPMENT

#### 1.1. PROPERTY, PLANT AND EQUIPMENT

Item	31.12.2020	31.12.2019
Land	4 835	5 836
Buildings and structures	190	19 907
Machines and devices	8 059	24 248
Means of transport	8 561	7 020
Other fixed assets	1 467	1 829
Fixed assets under construction	5 438	9 028
Advances for fixed assets	145	2 748
<b>Net value of property, plant and equipment</b>	<b>28 694</b>	<b>70 616</b>



Financial Statement of the DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousand PLN)

## 1.2. PROPERTY, PLANT AND EQUIPMENT DURING THE REPORTING PERIOD

Item	Land	Buildings and structures	Machines and technical devices	Vehicles	Other fixed assets	Fixed assets under construction	Advances for fixed assets	Total
<b>Gross carrying amount at the beginning of the period</b>	<b>6 891</b>	<b>21 961</b>	<b>42 409</b>	<b>13 566</b>	<b>3 648</b>	<b>9 028</b>	<b>2 748</b>	<b>100 250</b>
Direct acquisitions	0	0	2 281	4 811	42	3 087	111	10 333
Receipts from fixed assets under construction	0	0	0	0	248	-248	0	0
Increases due to business combinations	0	0	0	0	0	0	0	0
Reclassifications	-886	-21 742	-26 939	-1 130	-1 333	-6 430	-2 714	-61 174
Reductions from sales	0	0	-107	-148	0	0	0	-255
Decreases for liquidation	0	0	-19	0	-6	0	0	-25
<b>Gross carrying amount at the end of the period</b>	<b>6 004</b>	<b>219</b>	<b>17 626</b>	<b>17 099</b>	<b>2 599</b>	<b>5 438</b>	<b>145</b>	<b>49 129</b>
<b>Redemption value at the beginning of the period</b>	<b>-1 054</b>	<b>-2 054</b>	<b>-18 161</b>	<b>-6 545</b>	<b>-1 819</b>	<b>0</b>	<b>0</b>	<b>-29 633</b>
Increase in depreciation for the period	-115	-19	-2 499	-2 732	-368	0	0	-5 733
Increases due to business combinations	0	0	0	0	0	0	0	0
Reclassifications	0	2 044	10 972	591	1 050	0	0	14 657
Decreases for liquidation	0	0	19	0	6	0	0	25
Reductions from sales	0	0	102	148	0	0	0	250
<b>Redemption value at the end of the period</b>	<b>-1 169</b>	<b>-29</b>	<b>-9 567</b>	<b>-8 538</b>	<b>-1 132</b>	<b>0</b>	<b>0</b>	<b>-20 435</b>
Value of write-downs at the beginning of the period	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Increases over the period	0	0	0	0	0	0	0	0
Value of write-downs at the end of the period	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net worth at the end of the period</b>	<b>4 835</b>	<b>190</b>	<b>8 059</b>	<b>8 561</b>	<b>1 467</b>	<b>5 438</b>	<b>145</b>	<b>28 694</b>



Financial Statement of the DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousand PLN)

### 1.3. PROPERTY, PLANT AND EQUIPMENT IN THE PREVIOUS REPORTING PERIOD

Item	Land	Buildings and structures	Machines and technical devices	Vehicles	Other fixed assets	Fixed assets under construction	Advances for fixed assets	Total
<b>Gross carrying amount at the beginning of the period</b>	<b>6 891</b>	<b>20 161</b>	<b>40 166</b>	<b>12 112</b>	<b>2 752</b>	<b>7 986</b>	<b>23</b>	<b>90 090</b>
Direct acquisitions	0	28	2 585	1 846	823	3 635	2 725	11 642
Receipts from fixed assets under construction	0	2 330	117	0	147	-2 594	0	0
Increases due to business combinations	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0
Reductions from sales	0	0	-220	-364	-15	0	0	-599
Decreases for liquidation	0	-558	-239	-28	-59	0	0	-884
<b>Gross carrying amount at the end of the period</b>	<b>6 891</b>	<b>21 961</b>	<b>42 409</b>	<b>13 566</b>	<b>3 648</b>	<b>9 028</b>	<b>2 748</b>	<b>100 250</b>
<b>Redemption value at the beginning of the period</b>	<b>-897</b>	<b>-1 466</b>	<b>-13 108</b>	<b>-4 376</b>	<b>-1 375</b>	<b>0</b>	<b>0</b>	<b>-21 222</b>
Increase in depreciation for the period	-157	-597	-5 418	-2 545	-511	0	0	-9 229
Increases due to business combinations	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0
Decreases for liquidation	0	9	203	28	52	0	0	292
Reductions from sales	0	0	162	348	15	0	0	526
<b>Redemption value at the end of the period</b>	<b>-1 054</b>	<b>-2 054</b>	<b>-18 161</b>	<b>-6 545</b>	<b>-1 819</b>	<b>0</b>	<b>0</b>	<b>-29 633</b>
Value of write-downs at the beginning of the period	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Increases over the period	0	0	0	0	0	0	0	0
Value of write-downs at the end of the period	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net worth at the end of the period</b>	<b>5 836</b>	<b>19 907</b>	<b>24 248</b>	<b>7 020</b>	<b>1 829</b>	<b>9 028</b>	<b>2 748</b>	<b>70 616</b>



## 2. INVESTMENT PROPERTIES

### 2.1. INVESTMENT PROPERTIES

Item	31.12.2020	31.12.2019
Land not leased	0	0
Properties for lease	29 034	22 300
Advances on investment real estate	0	0
<b>Net carrying amount</b>	<b>29 034</b>	<b>22 300</b>

### 1.2. INVESTMENT PROPERTIES DURING REPORTING PERIOD

Item	Land not leased	Investment properties leased	Advances for investment properties	Total
Investment properties at the beginning of the period	0	22 300	0	22 300
Acquisition of real estate	0	6 107	0	6 107
Reversal of an impairment loss	0	0	0	0
Impairment loss (-)	0	0	0	0
Other changes (reclassifications, transfers, etc.) (+/-)	0	0	0	0
Revaluation to fair value (+/-)	0	627	0	627
<b>Investment properties at the end of the period</b>	<b>0</b>	<b>29 034</b>	<b>0</b>	<b>29 034</b>

The properties subject to valuation in the reporting period are properties located in Toruń and Pinczyn.

The value of the land property located in Pinczyn at ul. Gajowa with a plot area of 6,992 m<sup>2</sup>, developed with a production and warehouse hall with an office space with a usable area of 2,121.50 m<sup>2</sup>, land and mortgage register number KW GD1A / 00015721/5, was determined on the basis of an appraisal report by an independent expert. For the purposes of the valuation, the comparative method was selected.

The value of the land property located in Toruń at ul. Wapienna with a total plot area of 41,066 m<sup>2</sup> and a building area of 7,910.68 m<sup>2</sup>, land and mortgage register number TO1T / 00042725/4, was determined on the basis of an appraisal by an independent expert. For the purposes of the valuation, the comparative method was selected.



## 3. GOODWILL AND OTHER INTANGIBLE ASSETS

### 3.1. INTANGIBLE ASSETS

Item	31.12.2020	31.12.2019
Goodwill	0	0
Patents and Licenses	232	425
Development costs	0	0
Other intangible assets	0	0
<b>Net intangible assets</b>	<b>232</b>	<b>425</b>

### 3.2. INTANGIBLE ASSETS IN REPORTING PERIOD

Item	Goodwill	Patents and licenses	Development costs	Other intangible assets	Total
<b>Gross carrying amount at the beginning of the period</b>	<b>1 141</b>	<b>1 585</b>	<b>224</b>	<b>0</b>	<b>2 949</b>
Acquisition	0	113	0	0	113
Decreases for liquidation	0	0	0	0	0
<b>Gross carrying amount at the end of the period</b>	<b>1 141</b>	<b>1 687</b>	<b>224</b>	<b>0</b>	<b>2 828</b>
<b>Redemption value at the beginning of the period</b>	<b>-1 141</b>	<b>-1 159</b>	<b>-224</b>	<b>0</b>	<b>-2 524</b>
Increase in depreciation for the period	0	-300	0	0	-300
Decreases for liquidation	0	0	0	0	0
<b>Redemption value at the end of the period</b>	<b>-1 141</b>	<b>-1 455</b>	<b>-224</b>	<b>0</b>	<b>-2 596</b>
Value of write-downs at the beginning of the period	0	0	0	0	0
Value of write-downs at the end of the period	0	0	0	0	0
<b>Net worth at the end of the period</b>	<b>0</b>	<b>232</b>	<b>0</b>	<b>0</b>	<b>232</b>



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### 3.3. INTANGIBLE ASSETS IN PREVIOUS REPORTING PERIOD

Item	Goodwill	Patents and licenses	Development costs	Other intangible assets	Total
<b>Gross carrying amount at the beginning of the period</b>	1 141	1 470	224	0	2 834
Acquisition	0	403	0	0	403
Decreases for liquidation	0	-288	0	0	-288
<b>Gross carrying amount at the end of the period</b>	<b>1 141</b>	<b>1 585</b>	<b>224</b>	<b>0</b>	<b>2 949</b>
<b>Redemption value at the beginning of the period</b>	<b>-1 141</b>	<b>-1 162</b>	<b>-224</b>	<b>0</b>	<b>-2 527</b>
Increase in depreciation for the period	0	-225	0	0	-225
Decreases for liquidation	0	228	0	0	228
<b>Redemption value at the end of the period</b>	<b>-1 141</b>	<b>-1 159</b>	<b>-224</b>	<b>0</b>	<b>-2 524</b>
Value of write-downs at the beginning of the period	0	0	0	0	0
Value of write-downs at the end of the period	0	0	0	0	0
<b>Net worth at the end of the period</b>	<b>0</b>	<b>425</b>	<b>0</b>	<b>0</b>	<b>425</b>

## 4. STOCKS AND SHARES

### 4.1. STOCKS AND SHARES

Stocks and shares	Headquarters	Value without deduction for write-offs		% of owned shares / % of votes / % share in profits	
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
<b>unit name</b>					
Dekpol 1 Sp. z o.o. S.K.A.	Pinczyn	108 013	108 013	100%	100%
Dekpol 1 Sp. z o.o.	Pinczyn	14	14	100%	100%
UAB DEK LT Stadyba (Lithuania)	Litwa	10	10	100%	100%
Betpref Sp. z o.o.	Pinczyn	50	50	100%	100%
Dekpol Deweloper Sp. z o.o.	Pinczyn	141 953	141 953	100%	100%
Dekpol Steel Sp. z o.o.	Pinczyn	43 735	5	100%	100%
Dekpol Budownictwo Sp. z o.o.	Pinczyn	5	5	100%	100%
<b>Together:</b>		<b>293 780</b>	<b>250 050</b>		



Financial Statement of the DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousand PLN)

## 5. OTHER FINANCIAL ASSETS

### 5.1. OTHER FINANCIAL ASSETS

Item	31.12.2020	31.12.2019
Derivative financial instruments	0	0
Other long-term financial assets	2 783	2 822
Long-term loans granted	6 457	28 061
<b>Other long-term financial assets</b>	<b>9 240</b>	<b>30 883</b>
Short-term loans	0	503
FIO participation units	0	0
<b>Other short-term financial assets</b>	<b>0</b>	<b>0</b>
<b>Other short-term financial assets</b>	<b>0</b>	<b>503</b>

## 6. INVENTORIES

### 6.1. STRUCTURE OF INVENTORIES

Item	31.12.2020	31.12.2019
Materials carrying amount	2 888	23 421
Semi-finished products and work in progress carrying amount	1	16 085
Premises under construction - carrying value	16 603	28 700
Goods carrying amount	663	712
Finished goods carrying amount	0	1 687
Completed premises carrying value	5 338	4 852
<b>Wrestling</b>	<b>25 493</b>	<b>75 458</b>

### 6.2. INVENTORY WRITE-OFFS

Item	31.12.2020	31.12.2019
Inventory write-offs at the beginning of period	961	961
Inventory write-offs created in period	0	0
Inventory write-offs reversal in period (-)	0	0
Inventory write-offs other changes	-961	0
<b>Inventory write-offs at the end of period</b>	<b>0</b>	<b>961</b>



Financial Statement of the DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousand PLN)

## 7. LONG-TERM RECEIVABLES

### 7.1. LONG-TERM RECEIVABLES

Item	31.12.2020	31.12.2019
Deposits from construction services	1 605	2 763
Deposits from other titles	5	5
Other receivables	10 012	0
Receivable's write-offs (-)	0	0
<b>Long-term receivables</b>	<b>11 622</b>	<b>2 769</b>

### 7.2. LONG-TERM RECEIVABLES WRITE-OFFS

Item	31.12.2020	31.12.2019
As at the beginning of the period	0	0
Write-offs recognized as an expense in the period	0	0
Written offs recognized as income in the period (-)	0	0
Write-offs used (-)	0	0
Other changes (net exchange differences from conversion)	0	0
<b>As at the end of the period</b>	<b>0</b>	<b>0</b>

### 7.3. SHORT-TERM RECEIVABLES

Item	31.12.2020	31.12.2019
Receivables from contracts with customers, net	200 273	117 866
Prepayments and advances balance sheet value	7 926	10 036
Deposits for construction services carrying amount	37 528	35 565
Deposits for other titles	0	0
Receivables from other taxes, customs and social security	3 692	8 613
Receivables due to current income tax	0	0
Other receivables carrying amount	2 752	71
Dividend receivables - short-term	0	0
<b>Trade receivables and other receivables</b>	<b>252 171</b>	<b>172 152</b>

### 7.4. WRITE-OFFS FOR SHORT-TERM RECEIVABLES

Item	31.12.2020	31.12.2019
As at the beginning of the period	7 934	10 355
Write-offs recognized as an expense in the period	1 763	1 994





**Financial Statement of the DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousand PLN)**

Written offs recognized as income in the period (-)	-150	-709
Write-offs used (-)	-19	-3 706
Other changes (net exchange differences from conversion)	0	0
<b>As at the end of the period</b>	<b>9 528</b>	<b>7 934</b>



Financial Statement of DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousands PLN)

## 7.5. STRUCTURE OF PAYABLES BY PAYMENT TERMS IN REPORTING PERIOD

Item	Overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 year to 2 years	From 2 to 5 years	Over 5 years	Total
<b>Long-term receivables</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11 622</b>	<b>0</b>	<b>0</b>	<b>11 622</b>
Trade receivables	29 480	124 838	45 839	16	69	31	0	0	200 273
Prepayments and advances	0	7 926	0	0	0	0	0	0	7 926
Deposits for construction services	23 259	12 226	1 709	72	262	0	0	0	37 528
Deposits for other titles	0	0	0	0	0	0	0	0	0
Tax receivables	0	0	0	0	0	0	0	0	0
Receivables from other taxes	0	3 692	0	0	0	0	0	0	3 692
Other receivables	0	463	2 289	0	0	0	0	0	2 752
<b>Receivables together</b>	<b>52 739</b>	<b>149 145</b>	<b>49 837</b>	<b>88</b>	<b>331</b>	<b>11 654</b>	<b>0</b>	<b>0</b>	<b>263 794</b>

## 7.6. STRUCTURE OF PAYABLES BY PAYMENT TERMS IN PREVIOUS REPORTING PERIOD

Item	Overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 year to 2 years	From 2 to 5 years	Over 5 years	Total
<b>Long-term receivables</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 274</b>	<b>490</b>	<b>5</b>	<b>2 769</b>
Trade receivables	35 223	47 276	22 095	2 485	9 496	1 291	0	0	117 866
Prepayments and advances	0	10 036	0	0	0	0	0	0	10 036
Deposits for construction services	10 961	2 170	4	3	22 428	0	0	0	35 565
Deposits for other titles	0	0	0	0	0	0	0	0	0
Tax receivables	0	0	0	0	0	0	0	0	0
Receivables from other taxes	0	8 613	0	0	0	0	0	0	8 613
Other receivables	0	71	0	0	0	0	0	0	71
<b>Receivables together</b>	<b>46 184</b>	<b>68 167</b>	<b>22 099</b>	<b>2 487</b>	<b>31 923</b>	<b>3 565</b>	<b>490</b>	<b>5</b>	<b>174 920</b>



Financial Statement of the DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousand PLN)

## 7.7. STRUCTURE OF OVERDUE RECEIVABLES IN REPORTING PERIOD

Item	Non-overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	Over 1 year	Total
Trade receivables	170 793	8 902	4 609	4 849	7 147	3 972	200 273
Prepayments and advances	7 926	0	0	0	0	0	7 926
Deposits for construction services	14 269	3 468	13	14 031	2 444	3 304	37 528
Deposits for other titles	0	0	0	0	0	0	0
Tax receivables	0	0	0	0	0	0	0
Receivables from other taxes	3 692	0	0	0	0	0	3 692
Other receivables	2 752	0	0	0	0	0	2 752
<b>Overdue receivables</b>	<b>199 432</b>	<b>12 370</b>	<b>4 623</b>	<b>18 880</b>	<b>9 591</b>	<b>7 276</b>	<b>252 171</b>

## 7.8. STRUCTURE OF OVERDUE RECEIVABLES IN PREVIOUS REPORTING PERIOD

Item	Non-overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	Over 1 year	Total
Trade receivables	82 643	14 896	7 970	6 933	5 424	0	117 866
Prepayments and advances	10 036	0	0	0	0	0	10 036
Deposits for construction services	24 604	2 741	453	6 564	1 203	0	35 565
Deposits for other titles	0	0	0	0	0	0	0
Tax receivables	0	0	0	0	0	0	0
Receivables from other taxes	8 613	0	0	0	0	0	8 613
Other receivables	71	0	0	0	0	0	71
<b>Overdue receivables</b>	<b>125 968</b>	<b>17 637</b>	<b>8 423</b>	<b>13 497</b>	<b>6 627</b>	<b>0</b>	<b>172 152</b>



## 8. CASH

### 8.1. CASH SPECIFICS

Item	31.12.2020	31.12.2019
Bank accounts	71 611	19 447
Cash of limited disposal rights	0	550
Cash in deposit	173	646
Short-term deposits	37 014	56 355
Other cash and cash equivalent	30	6
<b>Cash and cash equivalents</b>	<b>108 828</b>	<b>76 454</b>

Cash of limited disposal rights includes cash accumulated as at the balance sheet date in escrow accounts. Releasing funds from escrow accounts by the banks supervising them is closely related to the schedules of implementation of property development investments.

## 9. DEFERRED CHARGES

### 9.1. ACTIVE DEFERRED CHARGES

Opis	31.12.2020	31.12.2019
Insurance	662	423
Guarantees	413	267
Provisions from sale of premises	0	68
Other	284	211
<b>Deferred charges in total</b>	<b>1 359</b>	<b>968</b>

## 10. EQUITIES

### 10.1. SHARE CAPITAL

Item	31.12.2020	31.12.2019
Number of shares	8 363	8 363
Nominal value of shares (PLN)	0	0
<b>Share capital</b>	<b>8 363</b>	<b>8 363</b>



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Equity	The number of shares issued as of 31.12.2020	The number of shares issued as of 31.12.2019	The number of shares authorized for issue as of 31.12.2020	The number of shares authorized for issue as of 31.12.2019
Series A	6 410 000	6 410 000	0	0
Series B	1 952 549	1 952 549	0	0
<b>Total:</b>	<b>8 362 549</b>	<b>8 362 549</b>	<b>0</b>	<b>0</b>

## 10.2. CHANGES IN NUMBER OF SHARES

Biggest shareholders	Number of shares / Number of votes	Share in share capital / total number of votes
Mariusz Tuchlin	6 466 845	77,33%
Familiar S.A. SICAV-SIF *	679 583	8,13%
Other shareholders	1 216 121	14,54%
<b>Total:</b>	<b>8 362 549</b>	<b>100%</b>

\* Based on the number of registered shares for the Ordinary General Meeting of the Company convened for 28<sup>th</sup> of June 2019

## 11. PROVISIONS

### 11.1. PROVISIONS SPECIFICS

Item	31.12.2020	31.12.2019
Provisions for employee benefits - long-term	<b>69</b>	<b>124</b>
Other long-term provisions	<b>0</b>	<b>0</b>
Provisions for employee benefits - short-term	<b>10</b>	<b>6</b>
Provisions for unused holidays	1 270	1 274
Provisions for court cases	906	4 176
Provisions for losses from construction contracts	0	0
Provisions for warranty repairs	5 000	5 000
Other reserves	2 466	31
Provision for contract costs	47 433	9 344
<b>Other short-term provisions</b>	<b>57 076</b>	<b>19 824</b>



Financial Statement of DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousands PLN)

## 11.2. CHANGES IN PROVISIONS IN REPORTING PERIOD

Item	For retirement benefits	For unused holidays	For court litigations	For guarantee repairs	For losses from contracts	Other	Total
As at the beginning of the period	130	1 274	4 176	5 000	9 344	31	19 955
Increase in provisions recognized as an expense in the period	0	416	899	0	37 794	2 761	41 870
Reversal of provisions recognized as income in the period (-)	-51	0	-4 169	0	0	0	-4 220
Use of reserves (-)	0	0	0	0	0	-31	-31
Increase by business combination	0	0	0	0	0	0	0
Reclassifications and other changes	0	-419	0	0	0	0	-419
<b>As at the end of the period</b>	<b>79</b>	<b>1 270</b>	<b>906</b>	<b>5 000</b>	<b>47 138</b>	<b>2 761</b>	<b>57 155</b>

## 11.3. CHANGES IN PROVISIONS IN PREVIOUS REPORTING PERIOD

Item	For retirement benefits	For unused holidays	For court litigations	For guarantee repairs	For losses from contracts	Other	Total
As at the beginning of the period	122	1 335	510	6 000	3 305	2 966	14 237
Increase in provisions recognized as an expense in the period	8	0	2 391	0	9 344	31	11 774
Reversal of provisions recognized as income in the period (-)	0	-61	-410	-1 000	0	-2 926	-4 397
Use of reserves (-)	0	0	-1 620	0	0	-40	-1 660
Increase by business combination	0	0	0	0	0	0	0
Reclassifications and other changes	0	0	3 305	0	-3 305	0	0
<b>As at the end of the period</b>	<b>130</b>	<b>1 274</b>	<b>4 176</b>	<b>5 000</b>	<b>9 344</b>	<b>31</b>	<b>19 955</b>



Financial Statement of DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousands PLN)

## 12. FINANCIAL LIABILITIES

### 12.1. SPECIFICATION OF FINANCIAL LIABILITIES

Item	31.12.2020	31.12.2019
Other short-term financial liabilities	10 650	7 281
Credits, loans and short-term debt instruments	148 182	126 650
<b>Short-term financial liabilities</b>	<b>158 832</b>	<b>133 931</b>
Other long-term financial liabilities	2 816	3 310
Credits, loans and long-term debt instruments	65 006	115 393
<b>Long-term financial liabilities</b>	<b>67 822</b>	<b>118 702</b>
<b>Total financial liabilities</b>	<b>226 654</b>	<b>252 634</b>

Other financial liabilities include lease liabilities.

### 12.2. LOANS AND BORROWINGS (IN THOUSANDS OF PLN):

Loans and borrowings as of 31.12.2019	Loan value	Balance	Currency	Interest rate	Date of repayment
<b>Long-term</b>					
PKO BP investment loan 54 1020 1462 0000 7396 0134 7483	5 423	5 423	PLN	WIBOR 1M + margin	16.07.2026
<b>Long-term loans and borrowings in total</b>	<b>5 423</b>	<b>5 423</b>	<b>PLN</b>	-	-
<b>Short-term</b>					
ING - ALEO discount agreement nr 891/2017/00000901/00	2 500	0	PLN	WIBOR 1M + margin	31.12.2020
mBank working capital loan, contract 10/034/19/Z/LF	25 000	0	PLN	WIBOR 1M + margin	30.06.2021
mBank overdraft facility, contract 10/033/19/Z/VV	10 000	9 662	PLN	WIBOR ON + margin	30.06.2021
Santander overdraft facility, contract nr K01263/17	6 000	2 805	PLN	WIBOR 1M + margin	22.12.2021
Santander revolving loan, contract nr K03957/19	1 100	0	EUR	EURIBOR 1M + margin	31.01.2021
BS Wschowa revolving loan 164/IWS/2018	10 146	4 796	PLN	WIBOR 1M + margin	19.08.2021
Alior Bank overdraft facility, contract U0003447412540	10 000	10 000	PLN	WIBOR 1M + margin	16.07.2021
SGB-Bank S.A. revolving loan, REW/2200155/2020/2	30 000	6 034	PLN	WIBOR 3M + margin	14.07.2022



Financial Statement of DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousands of PLN)

SGB-Bank S.A. overdraft facility, contract nr KRB/2200155/2020/1	15 000	0	PLN	WIBOR 3M + margin	14.07.2022
PKO BP overdraft facility, contract LKW 38 1020 1462 0000 7102 0368 2028	3 000	2 962	PLN	WIBOR 1M + margin	15.07.2022
PKO BP revolving loan, LKW 38 1020 1462 0000 7102 0368 2028	22 000	12 338	PLN	WIBOR 1M + margin	15.07.2022
PKO BP investment loan 54 1020 1462 0000 7396 0134 7483	1 577	1 183	PLN	WIBOR 1M + margin	16.07.2026
Santander Factoring sp. z o.o. faktoring nr 4004/6537/2020	2 200	0	EUR	EURIBOR 1M + margin	28.02.2021
BPS Faktor S.A. faktoring nr 377/377/2020	15 000	0	PLN	WIBOR 1M + margin	30.06.2021
other		2	PLN		
<b>Short-term loans and borrowings in total</b>	<b>3 300</b>	<b>0</b>	<b>EUR</b>	-	-
	<b>155 646</b>	<b>49 782</b>	<b>PLN</b>	-	-

\* nominal value

Loans and advances as of the day 31.12.2020	Collateral
PKO BP investment loan 54 1020 1462 0000 7396 0134 7483	joint mortgage up to the amount of PLN 55,500,000.00 on real estate located in Toruń, KW No. TO1T / 00042725/4 and TO1T / 00050261/2, promissory note bill of exchange
ING - ALEO discount agreement No. 891/2017/00000901/00	mortgage up to the amount of PLN 52,500,000.00 on real estate located in Gdańsk, belonging to Dekpol Deweloper sp.z o.o., KW No. GD1G / 00106869/5 mortgage up to the amount of PLN 52,500,000.00 on real estate located in Gdańsk, belonging to Dekpol Deweloper sp.z o.o., KW No. GD1G / 00106869/5
mBank working capital loan, agreement 10/034/19 / Z / LF	assignment of receivables from GW contracts
mBank overdraft facility agreement 10/033/19 / Z / VV	assignment of receivables from GW contracts
Santander overdraft facility agreement no. K01263 / 17	joint mortgage up to the amount of PLN 13,000,000.00 on real estate located in Rokiński, KW No. GD1T / 00049849/3, GD1T / 00050468/8 and on the real estate located in Pinczyna, KW No. GD1A / 00071239/9, promissory note joint mortgage (jointly with the loan agreement for Dekpol Steel sp.z o.o.No U0003444593097) up to the amount of PLN 45,000,000.00 on real estate located in Pinczyna, owned by Dekpol Steel sp.z o.o. KW No. GD1A / 00038351/7, GD1A / 00064240/7, GD1A / 00061912/8, promissory note, PLG-FGP BGK guarantee for the amount of PLN 8,000,000.00
Santander revolving loan, agreement No.K03957 / 19	assignment of receivables from GW contracts, promissory note, PLG-FGP BGK guarantee for the amount of PLN 24,000,000.00, accession to the debt of Dekpol Budownictwo Sp. z o.o. *
BS Wschowa working capital loan 164 / IWS / 2018	mortgage up to the amount of PLN 22,500,000.00 on the right of perpetual usufruct and separate ownership of the building located in Gdańsk, at ul. Toruńska, owned by Almond sp.z o.o., KW No. GD1G / 00047844/2, promissory note, PLG-FGP BGK guarantee for PLN 12,000,000.00, accession to the debt of Dekpol Budownictwo Sp. z o.o. *
Alior Bank overdraft facility, contract U0003447412540	joint mortgage up to the amount of PLN 55,500,000.00 on real estate located in Toruń, KW No. TO1T / 00042725/4 and TO1T / 00050261/2,





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	assignment of receivables from GW contracts, promissory note, PLG-FGP BGK guarantee for the amount of PLN 19,800,000.00
SGB-Bank S.A. revolving loan, agreement no.REW / 2200155/2020/2	joint mortgage up to the amount of PLN 55,500,000.00 on real estate located in Toruń, KW No. TO1T / 00042725/4 and TO1T / 00050261/2, assignment of receivables from GW contracts, promissory note, PLG-FGP BGK guarantee for the amount of PLN 19,800,000.00
SGB-Bank S.A. overdraft facility, agreement no. KRB / 2200155/2020/1	bill of exchange, assignment of receivables from contracts reported to the factor
PKO BP overdraft facility agreement	bill of exchange, assignment of receivables from contracts reported to the factor*

\* sureties related to the planned separation of the general contracting segment to Dekpol Budownictwo Sp. z o. o.

<b>Loans and borrowings as of 31.12.2019</b>	<b>Loan value</b>	<b>Balance</b>	<b>Currency</b>	<b>Interest rate</b>	<b>Date of repayment</b>
<b>Long-term</b>					
Loan BOŚ Bank um. S/91/01/2019/1098/K/KI	8 000	7 385	PLN	WIBOR 3M + margin	31.12.2028
Loan Bank Spółdzielczy Skórcz/Malbork/Puck um. Z/82/O/19	9 000	4 002	PLN	WIBOR 3M + margin	31.03.2021
<b>Long-term loans and borrowings in total</b>		<b>11 387</b>	<b>PLN</b>	-	-
<b>Short-term</b>					
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	WIBOR 1M + margin	28.05.2020
Loan ING Bank Śląski um. 891/2017/00000901/00	5 000	2 123	PLN	WIBOR 1M + margin	15.07.2020
Loan Santander um. K01263/17	6 000	5 295	PLN	WIBOR 1M + margin	22.12.2020
Loan BGŻ BNP PARIBAS um. WAR/4100/15/348/CB	3 000	2 970	PLN	WIBOR 3M + margin	31.03.2020
Loan BGŻ BNP PARIBAS um. WAR/4100/15/348/CB	14 000	6 677	PLN	WIBOR 3M + margin	31.07.2020
Loan SGB-Bank um. OBRKK/12/2017/63280	30 000	29 999	PLN	WIBOR 3M + margin	31.12.2020
Loan BOŚ Bank um. S/92/01/2019/1098/K/KOO	13 000	10 199	PLN	WIBOR 3M + margin	16.10.2020
Loan BS Wschowa um. 164/IWS/2018	18 000	12 296	PLN	WIBOR 1M + margin	19.08.2020
Loan Santander um. K03957/19	4 800	0	EUR	EURIBOR 1M + margin	30.06.2020
factoring		11 779	PLN		
others		6	PLN		
<b>Short-term loans and borrowings in total</b>		<b>96 796</b>	-		-

**Loans and advances as of the day**

**Collateral**



**Financial Statement of DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousands of PLN)**

**31.12.2020**

mBank loan agreement 10/033/19 / Z / VV and 10/034/19 / Z / LF	mortgage up to the amount of PLN 37,500,000.00 on real estate located in Gdańsk belonging to Dekpol Deweloper Sp. z o.o. No. KW GD1G / 00174859/9 and a mortgage up to the amount of PLN 37,500,000.00 on real estate located in Gdańsk belonging to Dekpol Inwestycje Sp. z o.o. Pastelowe Sp. k. No. KW GD1G / 00311493/8
BGŻ BNP PARIBAS loan agreement WAR / 4100/15/348 / CB	joint mortgage up to the amount of PLN 42,000,000.00 on real estate located in Rokitki belonging to Dekpol No.GD1T / 00049849/3 and GD1T / 00050468/8
SGB-Bank loan agreement. OBRKK / 12/2017/63280	joint mortgage up to the amount of PLN 42,000,000.00 on real estate located in Pinczyn belonging to Dekpol No.GD1A / 00008779/4 and GD1A / 00061343/8
ING Bank Śląski loan agreement 891/2017/00000901/00	assignment of receivables from GW contracts
Santander loan um. K01263 / 17	bill of exchange
credit Santander um. K03957 / 19	assignment of receivables from GW contracts
BOŚ Bank loan agreement S / 91/01/2019/1098 / K / KI	assignment of receivables under the GW contract
BOŚ Bank loan agreement S / 92/01/2019/1098 / K / KOO	joint mortgage up to the amount of PLN 12,000,000.00 on real estate located in Toruń belonging to Dekpol S.A. no. KW TO1T / 00042725/4 and TO1T / 00050261/2
BS Wschowa loan agreement 164 / IWS / 2018	joint mortgage up to the amount of PLN 19,500,000.00 on real estate located in Toruń belonging to Dekpol S.A. no. KW TO1T / 00042725/4 and TO1T / 00050261/2
loan Bank Spółdzielczy Skórcz / Malbork / Puck, agreement Z / 82 / O / 19	joint mortgage up to the amount of PLN 27,000,000.00 on real estate located in Gdańsk belonging to Dekpol S.A. No. KW GD1G / 00106869/5 and on the property located in Jurata belonging to Dekpol Inwestycje Sp. z o.o. Development Sp. k. no. KW GD2W / 00018657/3

**Bonds (nominal value):**

<b>Bonds as of the end of reporting period 31.12.2020</b>	<b>Value</b>	<b>Balance</b>	<b>Currency</b>	<b>Interest rate</b>	<b>Date of repayment</b>
<b>Long term</b>					
series I bonds	50 000	50 000	PLN	WIBOR 6M + margin	28.10.2023
series J bonds	11 000	11 000	PLN	WIBOR 6M + margin	22.06.2024
<b>Total long-term bonds</b>	<b>61 000</b>	<b>61 000</b>	<b>PLN</b>	-	-
<b>Short term</b>					
DA series bonds	15 000	15 000	PLN	WIBOR 6M + margin	30.04.2021
DB series bonds	20 000	20 000	PLN	WIBOR 6M + margin	30.04.2021
G series bonds *	52 134	52 134	PLN	WIBOR 6M + margin	08.03.2021
H series bonds *	10 559	10 559	PLN	WIBOR 6M + margin	08.03.2021
<b>Total short-term bonds</b>	<b>97 693</b>	<b>97 693</b>	<b>PLN</b>	-	-

<b>Bonds</b>	<b>Collateral</b>
Series I bonds	mortgage up to the amount of PLN 75,000,000.00 on developed real estate located in Warsaw at ul. Prądzyńskiego 21, owned by Dekpol Deweloper sp.z o.o. *, KW No. WA4M / 00386892/3
J series bonds	lack
DA and DB series bonds	mortgage up to the amount of PLN 52,500,000.00 on the right of perpetual usufruct to real estate located in Gdańsk at ul. Toruńska, owned by Almond Sp. z o.o. KW No.GD1G / 00047844/2



**Financial Statement of DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousands of PLN)**

Series G bonds	none
H series bonds	none

\* In 2021. there was a change of the owner of the property Dekpol Inwestycje Sp. z o.o. WBH Sp. k.

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

<b>Bonds</b>	<b>Collateral</b>
DA and DB series bonds	mortgage up to the amount of PLN 52,500,000.00 on the right of perpetual usufruct to real estate located in Gdańsk at ul. Toruńska, owned by Almond Sp. z o.o. KW No.GD1G / 00047844/2,
F3 series bonds	mortgage up to the amount of PLN 13,500,000.00 on the perpetual usufruct right to real estate located in Gdańsk at ul. Pszenna belonging to DEKPOL Pszenna Sp. zoo. Sp. k. - KW No.GD1G / 00142582/3, GD1G / 00142581/6
F4 series bonds	mortgage up to the amount of PLN 19,500,000.00 on the perpetual usufruct right to real estate located in Gdańsk at ul. Pszenna belonging to DEKPOL Pszenna Sp. zoo. Sp. k. - KW No.GD1G / 00142582/3, GD1G / 00142581/6
Series G bonds	none
H series bonds	none

The value of capitalized interest as at the balance sheet date is PLN 1,117 thousand. PLN.

### **Bond issue programme**

On 29<sup>th</sup> of September 2020, Management Board of Dekpol S.A. adopted resolution concerning establishment of bonds issue programme of a total nominal value of no higher than PLN 200 million. Bonds will be issued by 30<sup>th</sup> of June 2022 in the manner specified in Art. 33 point 1 or article 33 point 2 of the Act of January 15, 2015 on Bonds, whereby the Company will be able to issue one or more series of bonds

Resolution of Management Board of the Company on the establishment of the issue program provides, that the bonds may be issued as both unsecured and secured



bonds. The interest rate will be variable or fixed. The benefits from the bonds will be in cash only. The issuance of subsequent series of bonds will be made each time pursuant to resolution of Management Board of the Company, which will specify the terms and conditions of the issue of a given series, including, in particular, the bond issue procedure, the bond currency of a given series, issue price, unit and total price, the nominal value of the bonds of a given series, maturity, interest, interest periods for the bonds of a given series, as well as it will be determined whether the Issuer will apply for introduction of bonds of a given series to trading on the regulated market or alternative trading system selected for this series.

About the above mentioned event the Company announced in current report no. 24/2020 dated 29<sup>th</sup> of September 2020.

### **Issue of I-Series bonds**

On 15<sup>th</sup> of October 15, 2020, Management Board of the Company, under the bond issue program adopted on 29<sup>th</sup> of September 2020, adopted resolution about the issue of no more than 50,000 three-year I-series bearer bonds with a nominal value of PLN 1,000 each and a total nominal value of up to PLN 50,000,000 (Bonds). Pursuant to the adopted resolution, the Bonds were issued in accordance with Art. 33 point 1 of the Act of 15 January 2015 on bonds, in a way, that did not require the Issuer to prepare a prospectus or information memorandum. The purpose of issue of Bonds was to finance the current operations of Issuer's Capital Group and to repay debt from G-series and H-series bonds.

On 30<sup>th</sup> of October 2020, Management Board of the Company adopted a resolution on the initial allocation of 50,000 I-series bonds with a total nominal value of PLN 50,000,000.00. The bonds were allotted subject to suspensive condition of final settlement of Bond purchase transaction as a part of issue by the Krajowy Depozyt Papierów Wartościowych S.A. (KDPW).

On 4<sup>th</sup> of November 2020, Management Board of the Giełda Papierów Wartościowych w Warszawie S.A. (GPW) adopted resolution concerning introduction of Bonds to the alternative trading system on the Catalyst market as of the date of registration of Bonds by KDPW.

on 5<sup>th</sup> of November 2020 the Central Securities Depository of Poland S.A. (KDPW S.A.) performed final settlement of Bonds and as at this day the I-series bonds issuance was completed. I-series bonds issue was carried out in the form of a public offering in the meaning of Prospectus Regulation, and pursuant to Art. 1 clause 4 lit. b of this regulation did not require preparation of a prospectus or information memorandum. Bonds were issued at an issue price equal to their nominal value. The interest rate is variable and is based on WIBOR 6M base rate increased by margin of 4.9%. Interests on Bonds are payable in 6-month periods. Redemption of



Bonds will take place on 28<sup>th</sup> of October 2023 and the Bondholder may request early redemption of the owned Bonds in standard cases specified in Bond Issue Terms, including if the Company's Capital Group exceeds certain debt ratios. The Company may request early redemption of Bonds on each of interest payment days, paying a premium of 0-1% of the nominal value of Bonds subject to redemption, depending on the date of the request. Collateral of repayment of Bonds will be contractual mortgage, which will be established on the developed property located in Warsaw, owned by Issuer's subsidiary - Dekpol Deweloper Sp. z o.o., with the highest priority in favor of the mortgage administrator up to the amount corresponding to 150% of the nominal value of Bonds allocated, on principles and within the time limits specified in I-series Bond Issue Terms. The funds from Bonds issue will be used to finance current operations of the Issuer's Capital Group and to repay debt from G and H-series bonds. The bonds were issued pursuant to Art. 33 point 1 of the Bonds Act.

About the above mentioned events the Company announced in current reports no. 27/2020 dated 15<sup>th</sup> of October 2020, no. 30/2020 dated 30<sup>th</sup> of October 2020 and no. 31/2020 dated 6<sup>th</sup> of November 2020.

#### **Partial redemption of G and H-series bonds**

On 9<sup>th</sup> of November 2020 the Company made redemption of 19.220 of G-series bonds of a nominal value of PLN 1.000 each and of a total nominal value of PLN 19,22 million as well as 3.750 of H-series bonds of a nominal value of PLN 1.000 each and of a total nominal value of PLN 3,75 million. Redemption of the above-mentioned bonds was made in fulfillment of Company's obligation to perform obligatory depreciation of 25% of G-series bonds on the date of interests payment for the 6<sup>th</sup> interest period and the obligatory depreciation of 25% of H-series bonds on the date of interests payment for the 5<sup>th</sup> interest period. On 8<sup>th</sup> of March 2021, the Issuer redeemed entirely G- and H-series bonds in accordance with bonds maturity date.

About the above-mentioned event the Company announced in current report no. 32/2020 dated 9<sup>th</sup> of November 2020.

#### **Issue of J-series bonds**

On 22<sup>nd</sup> of December 2020, the Issuer issued J-series bonds with a value of PLN 11 million. J-series bonds were issued in accordance with procedure specified in Art. 33 point 1 of the Act on Bonds, pursuant to Art. 37b paragraph. 1 of the Offering Act, without preparation of prospectus, on the basis of information memorandum. On 22<sup>nd</sup> of December 2020, the issuer allotted bonds in accordance with all subscriptions submitted by investors. As a result of public offering carried out between 7<sup>th</sup> of



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December 2020 – 18<sup>th</sup> of December 2020, 11,000 bonds were allotted due to subscriptions for 14,354 bonds, the average reduction rate was 23.36%. J-Series bonds bear interest at WIBOR 6M + 5.40%. Interests on Bonds are payable in 6-month periods, and redemption of Bonds will take place within 42 months from the date of issue (22/06/2024).

## 13. TRADE LIABILITIES

### 13.1. LONG-TERM LIABILITIES

Item	31.12.2020	31.12.2019
Deposits received	19 062	13 714
Other liabilities (long-term)	1 100	0
<b>Other long-term liabilities</b>	<b>20 162</b>	<b>13 714</b>

### 13.2. SHORT-TERM LIABILITIES

Item	31.12.2020	31.12.2019
Liabilities from deliveries and services	174 148	137 527
Prepayments and advances received for deliveries	6 251	45 027
Short-term deposits received	16 422	14 435
Liabilities due to current income tax	7 407	1 429
Other taxes, duties and social security liabilities	6 031	6 692
Payroll liabilities	416	526
Other short-term liabilities	90	12 150
<b>Trade payables and other payables</b>	<b>210 765</b>	<b>217 786</b>



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### 13.3. REQUIREMENTS OF LIABILITIES DURING THE REPORTING PERIOD

Item	Overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Long-term deposits received	0	0	0	0	0	1 541	16 990	531	19 062
Other long-term liabilities - other titles	0	0	0	0	0	1 100	0	0	1 100
<b>Long-term liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 641</b>	<b>16 990</b>	<b>531</b>	<b>20 162</b>
Trade liabilities	46 908	104 789	22 130	145	70	107	0	0	174 148
Prepayments and advances received for deliveries	0	6 251	0	0	0	0	0	0	6 251
Short-term deposits received	9 025	1 517	2 543	2 097	1 226	14	0	0	16 422
Liabilities due to current income tax	0	7 407	0	0	0	0	0	0	7 407
Liabilities due to other taxes	0	6 031	0	0	0	0	0	0	6 031
Payroll liabilities	0	416	0	0	0	0	0	0	416
Other short-term liabilities	0	90	0	0	0	0	0	0	90
<b>Current liabilities</b>	<b>55 933</b>	<b>126 501</b>	<b>24 672</b>	<b>2 243</b>	<b>1 296</b>	<b>121</b>	<b>0</b>	<b>0</b>	<b>210 765</b>



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### 13.4 REQUIREMENT OF LIABILITIES IN THE PREVIOUS REPORTING PERIOD

Item	Overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Long-term deposits received	0	0	0	0	0	3 197	8 686	1 831	13 714
Other long-term liabilities - other titles	0	0	0	0	0	0	0	0	0
<b>Long-term liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3 197</b>	<b>8 686</b>	<b>1 831</b>	<b>13 714</b>
Trade liabilities	64 465	64 249	5 461	181	3 171	0	0	0	137 527
Prepayments and advances received for deliveries	0	0	2 810	4 255	37 962	0	0	0	45 027
Short-term deposits received	10 036	135	1 952	1 064	1 249	0	0	0	14 435
Liabilities due to current income tax	0	1 429	0	0	0	0	0	0	1 429
Liabilities due to other taxes	0	6 692	0	0	0	0	0	0	6 692
Payroll liabilities	0	526	0	0	0	0	0	0	526
Other short-term liabilities	31	12 119	0	0	0	0	0	0	12 150
<b>Current liabilities</b>	<b>74 531</b>	<b>85 150</b>	<b>10 223</b>	<b>5 500</b>	<b>42 381</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>217 786</b>





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### 13.5. OVERDUE LIABILITIES IN REPORTING PERIOD

Item	Non-overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	Over 1 year	Total
Trade liabilities	127 241	31 494	13 131	1 540	192	551	174 148
Prepayments and deposits received for supplies	6 251	0	0	0	0	0	6 251
Short-term recieved bails	7 397	373	945	1 083	1 701	4 923	16 422
Liabilities due to current income tax	7 407	0	0	0	0	0	7 407
Liabilities due to other taxes	6 031	0	0	0	0	0	6 031
Liabilities due to remunerations	416	0	0	0	0	0	416
Other short-term liabilities	90	0	0	0	0	0	90
<b>Short-term liabilities</b>	<b>154 832</b>	<b>31 866</b>	<b>14 076</b>	<b>2 623</b>	<b>1 893</b>	<b>5 474</b>	<b>210 765</b>

### 13.6. OVERDUE LIABILITIES IN PREVIOUS REPORTING PERIOD

Item	Non-overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	Over 1 year	Total
Trade liabilities	73 062	36 166	17 412	1 081	8 421	1 385	137 527
Prepayments and deposits received for supplies	45 027	0	0	0	0	0	45 027
Short-term recieved bails	4 400	1 041	1 556	2 606	2 038	2 796	14 435
Liabilities due to current income tax	1 429	0	0	0	0	0	1 429
Liabilities due to other taxes	6 692	0	0	0	0	0	6 692
Liabilities due to remunerations	526	0	0	0	0	0	526
Other short-term liabilities	12 119	29	1	0	0	0	12 150
<b>Short-term liabilities</b>	<b>143 255</b>	<b>37 236</b>	<b>18 969</b>	<b>3 687</b>	<b>10 458</b>	<b>4 181</b>	<b>217 786</b>



## 14. DEFERRED INCOME BALANCE

### 14.1. SPECIFICATION OF DEFERRED INCOME IN THE REPORTING PERIOD

Item	Short-term	Long-term	Total
Grants received	0	0	0
Deferred charges	0	0	0
Other charges	0	0	0
<b>Liabilities – deferred charges in total</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 14.2. SPECIFICATION OF DEFERRED INCOME IN PREVIOUS REPORTING PERIOD

Item	Short-term	Long-term	Total
Grants received	505	5 686	6 192
Deferred charges	0	0	0
Other charges	0	0	0
<b>Liabilities – deferred charges in total</b>	<b>505</b>	<b>5 686</b>	<b>6 192</b>

## 15. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

In financial year 2020 were continued activities started in previous years related to reorganization of the Company and the Dekpol Capital Group. Individual areas of business activities were gradually transferred from the parent company Dekpol S.A. to newly created subsidiaries, and Dekpol S.A. took over the function of managing holding company of the Capital Group. By implementation of a new organizational structure was created the possibility of individualisation of dedicated development strategy for each company. Currently, each management board has a package of options to select their own solutions, depending on specifics of their business activity.

Decision on changing management principles of the Company was made in February 2017. The new management structure should have to enable possible separation in the future of individual segments of Company's business operations as organized parts of the enterprise and division of the Company, while at that time no binding decisions in this regard had been taken, and Management Board of the



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Company considered various options for business activities and further development of the Company in the future.

In November 2018, after the prior consent of the Supervisory Board, Management Board of the Company decided to separate the first segment of Company's business operations, i.e. real-estate development activity. This activity was transferred in the form of an organized part of the enterprise (ZCP) to a subsidiary, Dekpol Deweloper sp.z o.o., with effect from 1<sup>st</sup> of January 2019.

ZCP was a group of tangible and intangible assets separated in terms of organization, finance and function in organizational structure of the company, constituting Real-estate Development Department, used to conduct and support property development activities of the Company and entities from the Dekpol Capital Group, including preparation and implementation of real-estate development projects, sales of properties, design and execution of finishing works and after-sales service. The ZCP included, inter alia, fixed assets, equipment, inventories, properties, receivables and liabilities, rights and obligations under agreements, property rights in the form of shares in Dekpol Inwestycje Sp. z o.o., Dekpol Pszena Sp. z o.o., Smartex Sp. z o.o., Nordic Milan Sp. z o.o. and all the rights and obligations of a partner (limited partner) in Dekpol Pszena Sp. z o.o. 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. Pastelowa 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. 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., Dekpol Inwestycje Sp. z o.o. WBH sp.k..

The transfer of ZCP took place as an in-kind contribution to cover share capital in connection with acquisition by the Company on 31<sup>st</sup> of December 2018 of 2,700,000 new shares in Dekpol Deweloper with a total nominal value of PLN 135 million. Pursuant to the agreement concluded on 31<sup>st</sup> of December 2018, the transfer of the ZCP took place on 1<sup>st</sup> of January 2019, subject to the ownership of properties, which - pursuant to Art. 157 KC - was transferred on 2<sup>nd</sup> of January 2019.

The transfer of real-estate development activity to a subsidiary increased organizational and financial transparency within the Capital Group, while reducing business and legal risk.

Then, on 22<sup>nd</sup> of November 2019, Management Board of Dekpol S.A. made a decision to start the next stage of reorganization, consisting in transferring from the Company of the organized part of the enterprise covering the other two segments of Company's business activities, i.e. the activity of the Buckets Production Department (ZCP1) and the activity of the General Contracting Department (ZCP2) and making



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them in kind to special purpose vehicles established by the Issuer as limited liability companies in which the Issuer holds all shares in share capital.

The Supervisory Board gave its consent and authorized Management Board of the Company to take all actions necessary to achieve the above mentioned goals.

Implementation of the above activities required, inter alia, obtaining by the Issuer of relevant approvals of banks that granted financing to the Company, changing Terms and Conditions of G- and H-series bonds issued by the Company, as well as obtaining consent of General Meeting of Shareholders of the Company.

On 25<sup>th</sup> of November 2019, Dekpol S.A. established two subsidiaries: Dekpol Steel Sp. z o.o. and Dekpol Budownictwo Sp. z o.o. acquiring 100% of shares in share capital of PLN 5,000 in each of companies. The company Dekpol Steel Sp. z o.o. was entered into the National Court Register on 3<sup>rd</sup> of December 2019, and the purpose of its creation was to separate and transfer to it by means of ZCP1. The company Dekpol Budownictwo Sp. z o.o. was entered into the National Court Register on 4<sup>th</sup> of December 2019, and the purpose of its creation was to separate and transfer to it by means of ZCP2.

On 16<sup>th</sup> of December 2019, General Meeting of Bondholders of G- and H-series bonds decided to amend Terms and Conditions of Bonds Issue, which was one of conditions necessary for reorganization of the Company. On the same day, the Company made consent for the above amendment in Terms and Conditions of G- and H-series bonds.

On 30<sup>th</sup> of December 2019, Extraordinary General Meeting of Shareholders of the Company, by resolutions No. 4 and 5, made consent on sales of organized parts of Company's enterprise (ZCP1 and ZCP2) by making them as a contribution in kind to subsidiaries, respectively Dekpol Steel Sp. z o.o. and Dekpol Budownictwo Sp. z o.o.

On 31<sup>st</sup> of December 2019, Dekpol S.A. concluded with a 100% subsidiary, Dekpol Steel Sp. z o.o. (Dekpol Steel), a transfer agreement by Dekpol S.A. for Dekpol Steel of an organized part of the enterprise - ZCP1, with a value of PLN 100.2 million, including a set of tangible and intangible assets of the Issuer, separated in terms of organization, functionality and finance, intended for business activities in accordance with Art. 551 of the Civil Code, covering in particular production and sales of buckets and accessories for construction machines, which organized part of the enterprise was a separate department within the Issuer's structures operating under the name of "Bucket Production Department" and may be an independent enterprise individually carrying out these tasks.

ZCP1 included, among others developed properties, rights and obligations under employment contracts and all employee files relating to the transferred employees,



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related to ZCP1 receivables and liabilities, inventory of materials, fixed and tangible assets and equipment, rights from bank accounts, rights resulting from agreements with recipients and subcontractors suppliers, customers, intellectual property rights, obtained administrative decisions, concessions, licenses, permits, allowances, certificates, etc.

The transfer of ZCP1 was due to an in-kind contribution to cover share capital in connection with acquisition by Dekpol S.A. on 31<sup>st</sup> of December 2019 of 1,000,000 new shares in Dekpol Steel with a total nominal value of PLN 50 million. After increase, the share capital of Dekpol Steel amounts to PLN 50.005.000.

In accordance with concluded agreement, the ZCP1 was issued on 1<sup>st</sup> of January 2020.

On 31<sup>st</sup> of December 2020, Dekpol S.A. concluded with the subsidiary Dekpol Budownictwo Sp. z o.o. an agreement for the transfer by the Company to Dekpol Budownictwo Sp. o.o. of an organized part of the enterprise (ZCP), including a set of tangible and intangible assets of the Issuer, separated in terms of organization, functionality and finance, intended for business activities in accordance with Art. 55 (1) of the Civil Code, covering in particular comprehensive implementation of investments in the field of construction and assembly works commissioned by investors, which the organized part of the enterprise was a separate department within the Issuer's structures operating under the name of "General Contracting Department" and an independent enterprise individually carrying out the above tasks.

ZCP2 included, among others movable property, rights and obligations under employment contracts and all employee files relating to the transferred employees, ZCP-related receivables and liabilities, stocks of materials, fixed assets and movable assets and elements of equipment, rights from bank accounts, rights resulting from contracts with recipients, subcontractors, suppliers, customers, intellectual property rights, obtained administrative decisions, concessions, licenses, permits, allowances, certificates, etc.

The transfer of ZCP2 took place as an in-kind contribution to cover the share capital in connection with acquisition by Dekpol S.A. on 31<sup>st</sup> of December 2020 of 1,399,900 new shares in Dekpol Budownictwo with a total nominal value of PLN 69.995 million. After increase, share capital of Dekpol Budownictwo amounts to PLN 70,000,000.

In accordance with the concluded agreement, the ZCP2 was issued on 1<sup>st</sup> of January 2021.



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## 16. OPERATING REVENUES AND EXPENSES

### 16.1. REVENUES FROM SALES

Item	01.01.-31.12.2020	01.01.-31.12.2019
Revenues from sales of products	754 745	777 965
Revenues from sales of services	18 982	15 505
Revenues from sales of goods and materials	27 859	30 314
<b>Sales revenues</b>	<b>801 586</b>	<b>823 783</b>

### 16.2. EXPENSES BY TYPE

Item	01.01.-31.12.2020	01.01.-31.12.2019
Cost of goods and materials sold	26 961	29 301
Remuneration	20 328	30 450
Depreciation	6 033	9 454
Employee benefits	4 763	7 780
Consumption of materials and energy	174 051	205 946
Outsourced services	496 192	430 000
Taxes and fees	1 485	1 776
Other costs by type	5 045	6 630
<b>Costs by type</b>	<b>734 857</b>	<b>721 337</b>
<b>Administrative expenses</b>	<b>-9 685</b>	<b>-13 057</b>
<b>Selling costs</b>	<b>-13 669</b>	<b>-17 726</b>
<b>Own work capitalized</b>	<b>-1 883</b>	<b>-41 944</b>
<b>Movements in the balance of products</b>	<b>29 630</b>	<b>105 429</b>
<b>Own selling expenses</b>	<b>739 251</b>	<b>754 040</b>

### 16.3. OWN SELLING EXPENSES

Item	31.12.2020	31.12.2019
Cost of product sold	698 242	714 424
Cost of services sold	14 047	10 315
Cost of goods and materials sold	26 961	29 301
<b>Own selling expenses</b>	<b>739 251</b>	<b>754 040</b>

### 16.4. OTHER OPERATING REVENUES

Item	01.01.-31.12.2020	01.01.-31.12.2019
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Pricing of investment properties to its fair value	627	512
Release of provisions	4 169	1 620
Fines and compensations	2 712	2 164
Grants	1 238	521
Overdue liabilities	0	0
Scrap yield	0	0
Bonus from turnover	0	0
Surplus stock	24	629
Other titles	3 551	3 390
Re-invoices	0	0
Write-offs for inventories reversal in period (-)	0	0
Impairment write downs on receivables reversal in period (-)	150	4 085
Profit on disposal of non-financial fixed assets	452	237
<b>Other operating revenues</b>	<b>12 923</b>	<b>13 159</b>

## 16.5. OTHER OPERATING EXPENSES

Item	01.01.-31.12.2020	01.01.-31.12.2019
Pricing of investment properties to its fair value	1 003	0
Establishment of provisions	930	2 422
Cost related to acquisition of subsidiaries	0	0
Cost of defects repairs and scrap page	1 260	0
Donations	596	774
Bonus from turnover	0	0
Receivables	0	0
Other titles	4 580	2 785
Contractual penalties	0	0
Material losses	0	41
Court litigation costs	0	0
Compensations	137	486
Inventory deficits	0	0
Re-invoicing costs	0	0
Write-offs for inventories creation in period	0	0
Impairment write downs on receivables creation in period	1 763	1 958
Loss on disposal of non-financial fixed assets	0	0
<b>Other operating expenses</b>	<b>10 270</b>	<b>8 466</b>



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## 17. FINANCIAL REVENUES AND EXPENSES

### 17.1. FINANCIAL REVENUES

Item	01.01.-31.12.2020	01.01.-31.12.2019
Interest	1 244	756
Profit on the sale of financial assets	0	0
Dividends	0	0
Reversal of write-downs	0	0
Other financial income	0	0
Surplus of positive exchange differences over negative ones	1 529	0
<b>Measurement of financial instruments at fair value</b>	<b>0</b>	<b>0</b>
<b>Financial income</b>	<b>2 773</b>	<b>756</b>

### 17.2. FINANCIAL EXPENSES

Item	01.01.-31.12.2020	01.01.-31.12.2019
Other financial costs	2 633	0
Interest	9 957	5 725
Revaluation write-offs	0	8 652
Loss on disposal of financial assets	0	0
Surplus of negative exchange rate differences over positive ones	0	1 384
<b>Measurement of financial instruments at fair value</b>	<b>3 541</b>	<b>0</b>
<b>Financial costs</b>	<b>16 131</b>	<b>15 761</b>

## 18. INCOME TAX

### 18.1. INCOME TAX

Item	31.12.2020	31.12.2019
Current income tax	17 569	3 065
Deferred income tax	-11 964	2 479
<b>Income tax</b>	<b>5 604</b>	<b>5 544</b>





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## 18.2. EFFECTIVE TAXATION RATE

Item	31.12.2020	31.12.2019
Current income tax for previous periods recognized in the financial result	0	0
<b>Profit (loss) before tax</b>	<b>28 276</b>	<b>28 649</b>
Theoretical income tax	5 372	5 443
Reconciliation of differences that permanently do not constitute tax deductible costs	232	120
Fees for PFRON	40	68
Dividends	0	0
Costs of representation	28	53
Costs of penalties and fines	96	47
other costs	68	-48
Income tax unrecognized assets and provisions for ODPD	0	0
Income tax deductions	0	-20
<b>Income tax shown in the financial result</b>	<b>5 604</b>	<b>5 544</b>
<b>Effective tax rate</b>	<b>19,80 %</b>	<b>19,35%</b>
the difference is due to, among others from permanent differences	0,8%	0,35%

## 19. DEFERRED INCOME TAX

### 19.1. DEFERRED TAX

Item	31.12.2020	31.12.2019
<b>Assets and provisions for ODPD per balance at the beginning of the period</b>	<b>19 564</b>	<b>17 085</b>
Deferred tax assets at the beginning of the period	6 902	7 517
Deferred tax liability at the beginning of the period	26 465	24 602
Financial result (+/-)	-11 964	2 479
Other comprehensive income (+/-)	0	0
Accounting for a business combination	0	0
Other (including net foreign exchange differences from translation)	-666	0
<b>Assets and provisions for ODPD per balance at the end of the period</b>	<b>6 933</b>	<b>19 564</b>
Deferred tax assets	13 704	6 902
Deferred income tax	20 637	26 465



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## 19.2. DEFERRED INCOME TAX ASSETS IN REPORTING PERIOD

Item	Balance at the beginning of period	Financial result	Other comprehensive income	Total
Valuation of liabilities at the adjusted purchase price	501	-501	0	0
Impairment losses on assets	1 242	66	-183	1 126
Provisions for employee benefits	25	-10	0	15
Other provisions	711	9 223	0	9 934
Other titles constituting the basis for the creation of deferred tax assets	4 423	-2 642	849	2 630
<b>Deferred tax assets</b>	<b>6 902</b>	<b>6 136</b>	<b>666</b>	<b>13 704</b>

## 19.3. DEFERRED INCOME TAX ASSETS IN PREVIOUS REPORTING PERIOD

Item	Balance at the beginning of period	Financial result	Other comprehensive income	Total
Valuation of liabilities at the adjusted purchase price	501	0	0	501
Impairment losses on assets	1 632	-391	0	1 242
Provisions for employee benefits	23	2	0	25
Other provisions	937	-227	0	711
Other titles constituting the basis for the creation of deferred tax assets	4 423	0	0	4 423
<b>Deferred tax assets</b>	<b>7 517</b>	<b>-616</b>	<b>0</b>	<b>6 902</b>



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## 19.4. DEFERRED INCOME TAX PROVISIONS IN REPORTING PERIOD

Item	Balance at the beginning of period	Financial result	Other comprehensive income	settlement of combination	Total
Revaluation of financial assets (positive difference)	9 458	298	0	0	9 756
Fixed assets depreciated	1 506	-1 046	0	0	459
Trade receivables	741	347	0	0	1 088
Construction contracts	10 896	-4 205	0	0	6 691
Valuation of liabilities at the adjusted purchase price	241	-220	0	0	21
Deferred tax on the valuation of investment property	3 622	-1 534	0	0	2 088
Other titles constituting the basis for creating the provision for deferred tax	2	532	0	0	534
<b>Provision for deferred tax</b>	<b>26 465</b>	<b>-5 828</b>	<b>0</b>	<b>0</b>	<b>20 637</b>

## 19.5. DEFERRED INCOME TAX PROVISIONS IN PREVIOUS REPORTING PERIOD

Item	Balance at the beginning of period	Financial result	Other comprehensive income	settlement of combination	Total
Revaluation of financial assets (positive difference)	11 095	-1 637	0	0	9 458
Fixed assets depreciated	127	1 378	0	0	1 506
Trade receivables	219	522	0	0	741
Construction contracts	8 422	2 474	0	0	10 896
Valuation of liabilities at the adjusted purchase price	477	-236	0	0	241
Deferred tax on the valuation of investment property	3 525	97	0	0	3 622
Other titles constituting the basis for creating the provision for deferred tax	737	-735	0	0	2
<b>Provision for deferred tax</b>	<b>24 602</b>	<b>1 863</b>	<b>0</b>	<b>0</b>	<b>26 465</b>

## 20. FINANCIAL INSTRUMENTS

### 20.1. FINANCIAL INSTRUMENTS - ASSETS

Item	31.12.2020	31.12.2019
Receivables are valued in face value	263 794	174 990



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Dividend receivables - short-term	0	0
Loans and receivables	9 240	31 386
Shares and shares in units	273 101	229 368
Shares and stocks in subsidiaries	273 098	229 368
Shares and stocks in associates and jointly controlled entities	2	0
Financial assets at fair value through profit or loss	0	0
Cash and cash equivalents	108 828	76 454
Available-for-sale financial assets	0	0
Held-to-maturity financial assets	0	0
<b>Financial assets</b>	<b>654 963</b>	<b>512 199</b>

## **20.2. FINANCIAL INSTRUMENTS - LIABILITIES**

<b>Opis</b>	<b>31.12.2020</b>	<b>31.12.2019</b>
Financial liabilities measured at fair value by WF	0	0
Liabilities valued in nominal value	230 927	231 500
Liabilities measured at amortized cost	219 284	252 634
<b>Financial liabilities</b>	<b>450 211</b>	<b>484 134</b>



## 21. RISKS OF FINANCIAL INSTRUMENTS

### 21.1. EXPOSURE ON FX RISK IN REPORTING PERIOD (AMOUNTS IN CURRENCY AFTER CONVERSION TO PLN)

Item	PLN	EUR	Other	Total
Loans and receivables (valued in SCN)	9 240	0	0	9 240
Trade receivables and other financial receivables	184 161	79 632	0	263 794
Derivative financial instruments	0	0	0	0
Other financial assets	273 101	0	0	273 101
Cash and cash equivalents	108 745	70	13	108 828
<b>Financial assets (+):</b>	<b>575 247</b>	<b>79 702</b>	<b>13</b>	<b>654 963</b>
Credits, loans and other debt instruments	213 188	0	0	213 188
Financial leasing	4 826	1 269	0	6 096
Derivative financial instruments	0	0	0	0
Trade liabilities and other financial liabilities	229 740	1 175	11	230 927
<b>Financial liabilities (-):</b>	<b>447 755</b>	<b>2 444</b>	<b>11</b>	<b>450 211</b>
<b>Total currency risk exposure</b>	<b>1 023 002</b>	<b>82 147</b>	<b>25</b>	<b>1 105 174</b>

### 21.2. EXPOSURE ON FX RISK IN PREVIOUS REPORTING PERIOD (AMOUNTS IN CURRENCY AFTER CONVERSION TO PLN)

Item	PLN	EUR	Other	Total
Loans and receivables (valued in SCN)	31 386	0	0	31 386
Trade receivables and other financial receivables	145 041	29 872	7	174 920
Derivative financial instruments	0	0	0	0
Other financial assets	229 368	0	0	229 368
Cash and cash equivalents	72 975	3 465	14	76 454
<b>Financial assets (+):</b>	<b>478 771</b>	<b>33 337</b>	<b>21</b>	<b>512 129</b>
Credits, loans and other debt instruments	<b>252 634</b>	<b>0</b>	<b>0</b>	<b>252 634</b>
Financial leasing	4 018	6 768	0	10 786
Derivative financial instruments	0	0	0	0
Trade liabilities and other financial liabilities	222 494	8 980	26	231 500
<b>Financial liabilities (-):</b>	<b>479 146</b>	<b>15 748</b>	<b>26</b>	<b>494 919</b>
<b>Total currency risk exposure</b>	<b>957 917</b>	<b>49 085</b>	<b>47</b>	<b>1 007 048</b>

### 21.3. EXPOSURE ON INTEREST RATE RISK IN REPORTING PERIOD (APPLICABLE TO INSTRUMENTS EVALUATED IN ADJUSTED PURCHASE PRICE)

Item	Variable interest rate	Fixed interest rate	Total
Short-term financial liabilities (valued in SCN)	151 461	0	151 461
Loans and receivables (valued in SCN)	4 717	4 523	9 240
Long-term financial liabilities (measured in SCN)	67 823	0	67 823



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<b>Financial instruments - exposure to interest rate risk</b>	<b>224 001</b>	<b>4 523</b>	<b>228 524</b>
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### Interest rate risk

The Dekpol Group finances its activities, among others variable interest rate debt (including working capital loans and bonds). Therefore, it is exposed to the interest rate risk. In the event of a significant increase in interest rates, the Group's financial results may deteriorate due to an increase in financial costs. Additionally, high exposure related to this risk and incorrect assessment of this risk may adversely affect the financial results of the Group.

#### 21.4. EXPOSURE IN INTEREST RATE RISK IN PREVIOUS REPORTING PERIOD (APPLICABLE TO INSTRUMENTS EVALUATED IN ADJUSTED PURCHASE PRICE)

<b>Item</b>	<b>Variable interest rate</b>	<b>Fixed interest rate</b>	<b>Total</b>
Short-term financial liabilities (valued in SCN)	133 931	0	133 931
Loans and receivables (valued in SCN)	6 458	24 928	31 386
Long-term financial liabilities (measured in SCN)	118 702	0	118 702
<b>Financial instruments - exposure to interest rate risk</b>	<b>259 092</b>	<b>24 928</b>	<b>284 020</b>



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## 22. OPERATING SEGMENTS

### 22.1. REVENUE, RESULT AND OTHER DURING THE REPORTING PERIOD

Item	General contracting	Property development	Production of steel structures and accessories	Other	Total
Revenue from external customers	743 617	13 604	0	44 365	801 586
Revenue from other segments	0	0	0	0	0
Total sales revenues	743 617	13 604	0	44 365	801 586
Other operating income	0	0	0	12 923	12 923
Other operating expenses	0	0	0	10 270	10 270
Total operating expenses	698 719	12 597	0	51 289	762 605
<b>Operating result</b>	<b>44 898</b>	<b>1 007</b>	<b>0</b>	<b>-4 271</b>	<b>41 634</b>
<b>Financial income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 773</b>	<b>2 773</b>
<b>Financial costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16 131</b>	<b>16 131</b>
<b>Income tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5 604</b>	<b>5 604</b>
<b>Netto result</b>	<b>44 898</b>	<b>1 007</b>	<b>0</b>	<b>-23 234</b>	<b>22 672</b>



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## 22.2. REVENUE, RESULT AND OTHER DURING THE IN PREVIOUS REPORTING PERIOD

Item	General contracting	Property development	Production of steel structures and accessories	Other		Total
Revenue from external customers	483 569	86 628	90 699	41 853	0	702 749
Revenue from other segments	0	0	0	0	0	0
Total sales revenues	604 603	86 628	90 699	41 853	0	823 783
Other operating income	0	0	0	13 159	0	13 159
Other operating expenses	0	0	0	8 466	0	8 466
Total operating expenses	574 633	78 326	79 322	52 541	0	784 822
<b>Operating result</b>	<b>29 970</b>	<b>8 302</b>	<b>11 377</b>	<b>-5 995</b>	<b>0</b>	<b>43 654</b>
<b>Financial income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>756</b>	<b>0</b>	<b>756</b>
<b>Financial costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15 761</b>	<b>0</b>	<b>15 761</b>
<b>Income tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5 544</b>	<b>0</b>	<b>5 544</b>
<b>Netto result</b>	<b>29 970</b>	<b>8 302</b>	<b>11 377</b>	<b>-26 544</b>	<b>0</b>	<b>23 105</b>





## 22.3. GEOGRAPHICAL STRUCTURE

Item	31.12.2020	31.12.2019
Poland	801 586	768 171
European Union	1	42 922
Other countries	0	12 691
<b>Sales revenues</b>	<b>801 586</b>	<b>823 783</b>
Poland	792 737	0
European Union	259	0
Other countries	0	0
<b>Assets</b>	<b>792 996</b>	<b>0</b>

## 23. CONSTRUCTION SERVICES

### 23.1. AGREEMENTS ON CONSTRUCTION SERVICES

Item	31.12.2020	31.12.2019
Revenue from construction contracts recognized in the period	788 127	586 434
Construction contract costs incurred during the period	686 610	565 041
Costs related to provisions for losses	0	3 000
<b>The result determined on the construction contracts in the period</b>	<b>101 516</b>	<b>24 393</b>
<b>Deposits retained by contractors</b>	<b>40 882</b>	<b>40 077</b>
<b>Advances received under construction contracts</b>	<b>5 444</b>	<b>15 619</b>
<b>Receivables from contracts with customers</b>	<b>39 517</b>	<b>86 519</b>
<b>Liabilities under contracts with customers</b>	<b>0</b>	<b>0</b>

Construction contracts are financially settled with investors as follows:

- during the execution of works - partly in line with the progress of works, based on settlement documents confirming the performance of specific works and other contractual obligations, including interim payment certificates, partial acceptance reports - partial invoice and
- after completion of the works - on the basis of final documents, such as the final acceptance protocol, confirming the completion of the works and the fulfillment of contractual obligations required for the final settlement - final invoice.

Payment terms for construction services performed by the Company are usually 30 days, with the proviso that on some contracts the Company obtains financing before the commencement of works in the form of advance payments, which are settled successively with partial invoices and a final invoice.



## 24. RELATED PARTY TRANSACTIONS

### 24.1. BENEFITS FOR MANAGEMENT STAFF

Item	31.12.2020	31.12.2019
Short-term employee benefits	1 115	1 580
Benefits from termination of employment	0	0
Share-based payments	0	0
Other benefits	27	34
Other benefits - services provided in person *	123	152
<b>Benefits for managerial staff</b>	<b>1 265</b>	<b>1 766</b>

\* Including services provided in person, on market terms, for the Company

### 24.2. TRANSACTIONS AND BALANCES WITH RELATED ENTITIES DURING THE REPORTING PERIOD

Item	Consolidated	Subsidiary not consolidated	Associated and interdependent	Other affiliated
Current liabilities	19 887	0	0	3 624
Long-term liabilities	1 100	0	0	0
short-term receivables	38 224	0	0	0
Long-term receivables	3 710	0	0	0
Loans received	0	0	0	0
Loans granted	0	0	0	0
Interest expenses	12	0	0	0
Dividends received	0	0	0	0
Dividends Paid	0	0	0	0
Interest income	952	0	0	0
Net purchases (without PTiU)	37 193	0	0	7 006
Net sales (without PTiU)	133 300	0	0	503
<b>Total</b>	<b>234 377</b>	<b>0</b>	<b>0</b>	<b>11 133</b>

### 24.3. TRANSACTIONS AND BALANCES WITH RELATED PARTIES IN THE PREVIOUS REPORTING PERIOD

Item	Consolidated	Subsidiary not consolidated	Associated and interdependent	Other affiliated
Current liabilities	47 179	0	0	17 771
Long-term liabilities	0	0	0	0
short-term receivables	33 980	0	0	59
Long-term receivables	2 000	0	0	0
Loans received	0	0	0	0



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Loans granted	28 564	0	0	0
Interest expenses	0	0	0	0
Dividends received	0	0	0	0
Dividends Paid	0	0	0	0
Interest income	610	0	0	0
Net purchases (without PTiU)	19 143	0	0	2 594
Net sales (without PTiU)	135 179	0	0	0
<b>Total</b>	<b>266 657</b>	<b>0</b>	<b>0</b>	<b>20 424</b>



## 25. OTHER INFORMATION

### 25.1. AVERAGE EMPLOYMENT

Item	31.12.2020	31.12.2019
White collar workers	169	292
Manual workers	41	131
<b>Average employment</b>	<b>210</b>	<b>423</b>

### 25.2. AUDITOR'S SALARY

Item	31.12.2020	31.12.2019
Audit of annual financial statements	82	47
Review of financial statements	28	28
Tax consultancy	0	0
other services	0	0
<b>Total auditor's salary</b>	<b>110</b>	<b>75</b>

## 26. EVENTS AFTER BALANCE SHEET DATE

### Separation of general contracting activities

On 31<sup>st</sup> of December 2020, Dekpol S.A. concluded with the subsidiary Dekpol Budownictwo Sp. z o.o. a transfer agreement for Dekpol Budownictwo Sp. z o.o. an organized part of the enterprise (OPE) of Dekpol S.A., worth PLN 137,2 million, operating under the name of "General Contracting Department" and covering, in particular, comprehensive implementation of investments in the field of construction and assembly works at the request of investors. The organized part of the enterprise comprised a separate department within the Issuer's structures and an independent enterprise performing the above tasks independently.

Pursuant to the concluded agreement, the OPE was issued 1<sup>st</sup> of on January 2021 (an event after the balance sheet date). The OPE included, inter alia, rights and obligations under employment contracts and all employee files relating to the transferred employees, stocks of materials, fixed and movable assets and elements of equipment, intangible assets, receivables from contractors, cash, rights resulting from contracts with investors, subcontractors, service providers, suppliers, customers, rights and obligations resulting from contracts concluded with financial institutions and lease contracts, lease of movable property, intellectual property rights, administrative decisions, concessions, licenses, permits, permits, certificates and others.



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The transfer of OPE took place as an in-kind contribution to cover the share capital in connection with the acquisition by the Company on 31<sup>st</sup> of December 2020 of 1.399.900 new shares in Dekpol Budownictwo Sp. z o.o. with a total nominal value of PLN 69,995 million. After the increase, the share capital of Dekpol Budownictwo Sp. z o.o. amounts to PLN 70 million.

The above events were the result of activities undertaken in previous years related to the reorganization of the Company and the Dekpol Capital Group, which was aimed at introducing a management system adapted to the increasing scale of the Company's operations and its individual segments, the expanded structure, as well as further development plans.

### **The impact of covid-19 virus on the group's financial performance**

It should also be noted that the COVID-19 virus, which has spread all over the world in the first months of 2020, and its negative impact has affected many countries, will have an impact on the results achieved in the perspective of at least the next year. While the situation is still changing at the time of publication of this report, the negative impact on world trade and the Company appears to be likely to be more severe than originally expected. The exchange rates used by the Company have weakened, the value of stocks in the markets has fallen and commodity prices are fluctuating significantly. Despite the negative impact of the epidemic on the business environment of the entity, the Management Board does not see any significant uncertainty related to the continuation of the Company's operations.

### **Bond issue program**

On 21<sup>st</sup> of April 2021, the Polish Financial Supervision Authority approved the prospectus of Dekpol S.A. At the same time, on 28<sup>th</sup> of April 2021, the Issuer made the prospectus available to the public on its website: <https://dekpol.pl/wp-content/uploads/2021/04/Dekpol-Prospekt-Podstawowy-Programu-Emisji-Obligacji-1.pdf>

### **K-series bonds issue**

On 28<sup>th</sup> of January 2021 (an event after the balance sheet date), the Management Board of Dekpol S.A. adopted a resolution on the issue of no more than 50.000 3.5-year series K bearer bonds with a nominal value of PLN 1,000 each and a total nominal value of up to PLN 50.000.000 (Bonds). The bonds were issued in accordance with Art. 33 point 1 of the Act of 15<sup>th</sup> of January 2015 on bonds, in a way that did not require the Issuer to prepare a prospectus or information memorandum. The purpose of the issue of the Bonds was to finance the current operations of the Issuer's Capital Group and to repay the debt due to series G and H bonds.



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On 18<sup>th</sup> of February 2021 (an event after the balance sheet date), the Management Board of Dekpol S.A. adopted a resolution to make an initial allocation of 21,500 series K bearer bonds, not in the form of a document, with a nominal value of PLN 1,000 each bond and a total nominal value of PLN 21.5 million. The bonds were granted subject to the condition precedent of the final settlement of the Bond purchase transaction as part of the issue by the National Depository for Securities S.A. (KDPW).

On 22<sup>nd</sup> of February 2021 (an event after the balance sheet date), the Management Board of the Warsaw Stock Exchange S.A. adopted a resolution on the introduction of the Bonds to the alternative trading system on the Catalyst market as of the date of registration of the Bonds by the National Depository for Securities.

On 24<sup>th</sup> of February 2021 (an event after the balance sheet date), KDPW performed the final settlement of the Bonds and thus the issue of series K bonds was completed.

The bonds were issued at an issue price equal to their nominal value. The interest on the Bonds is based on the WIBOR 6M base rate increased by a margin. Interest on the Bonds is payable in 6-month periods. The bonds are not secured. The redemption of the Bonds will take place on 23<sup>rd</sup> of August 2024. The Bondholder may request early redemption of the Bonds held by him in standard cases specified in the Terms and Conditions of the Bonds Issue, including inter alia in the event that the Company's Capital Group exceeds certain debt ratios, and also in the event that, before the date of fulfillment of all obligations under the Bonds, the Issuer makes payments for participation in the Issuer's company to any of the shareholders (including payment of dividends) with a value exceeding in a given year 30% of the Issuer's Group's net profit shown in the last annual consolidated financial statements. The Issuer is entitled to early redemption of a specified number of Bonds on each of the interest payment days, on the terms specified in the Bond Issue Terms.

The above events were announced by the Company in current reports No. 4/2021 of 28<sup>th</sup> of January 2021, No. 9/2021 of 18<sup>th</sup> of February 2021 and No. 10/2021 of 24<sup>th</sup> of February 2021.

### **L-series bonds issue**

On 9<sup>th</sup> of March 2021 (an event after the balance sheet date), the Management Board of Dekpol S.A. adopted a resolution on the issue of no more than 30,000 3.5-year series L bearer bonds with a nominal value of PLN 1,000 each and a total nominal value of up to PLN 30.000.000 (Bonds). The bonds will be issued in accordance with Art. 33 point 1 of the Act of 15<sup>th</sup> of January 2015 on bonds, in a manner that requires the preparation of the information memorandum referred to in Art. 38b of the Act of 29<sup>th</sup> of July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies,



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with the proviso that pursuant to Art. 31zb of the Act of 2<sup>nd</sup> of March 2, 2020 on special solutions related to the prevention, counteraction and combating of COVID-19, other infectious diseases and crisis situations caused by them, the requirement to approve the above-mentioned memorandum by the Polish Financial Supervision Authority. The Issuer will apply for the introduction of the Bonds to trading in the alternative trading system on the Catalyst market. The bonds will not be secured. The purpose of the Bond issue is to finance the current operations of the Issuer's Capital Group. On 25<sup>th</sup> of March 2021, the Issuer adopted a resolution on the initial allocation of 17,650 bonds. On 30<sup>th</sup> of March the Issuer allocated 17 650 series L bonds with a total value of PLN 17.65 million.

The above events were announced by the Company in current reports No. 12/2021 of 9<sup>th</sup> of March 2021, No. 14/2021 of 25<sup>th</sup> of March 2021, No. 15/2021 of 31<sup>st</sup> of March 2021.

## 27. LIABILITIES AND CONTINGENT ASSETS

### 27.1. SPECIFICATION OF LIABILITIES AND CONTINGENT ASSETS

Item	31.12.2020	31.12.2019
Contingent liabilities towards related entities - guarantees and sureties for the repayment of financial liabilities	286 224	0
Contingent liabilities towards related entities - guarantees of proper contract performance	0	0
Other contingent liabilities	0	0
Contingent liabilities towards related entities	286 224	0
Guarantees and sureties for the repayment of financial liabilities	0	0
Guarantees of due performance of contracts - insurance	66 246	28 180
Guarantees of due performance of contracts - bank guarantees	20 738	35 581
Court cases	0	0
Other contingent liabilities	0	0
Contingent liabilities towards unrelated entities	86 983	63 762
<b>Contingent liabilities</b>	<b>373 207</b>	<b>63 762</b>
Received guarantees and sureties for the repayment of liabilities from unrelated entities	0	0
Received guarantees of proper performance of contracts from unrelated entities - insurance	4 083	2 396
Received guarantees of proper performance of contracts from unrelated entities - bank	3 280	2 414
Contingent receivables - court cases	0	0
Other contingent assets from unrelated j	0	0
Contingent assets from unrelated entities	7 362	4 810
Received guarantees and sureties for the repayment of financial liabilities from related entities	67 500	0



Financial Statement of DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousands of PLN)

Received guarantees and sureties for the proper performance of contracts from related entities	0	0
Other contingent assets	0	0
Contingent assets from related entities	67 500	0
<b>Contingent assets</b>	<b>74 862</b>	<b>4 810</b>

The Company also provides warranty on the work done. In a large part of the responsibility in this regard lies with the subcontractors. A provision was also created for the expected costs of warranty repairs to be borne by the Company.

## 28. EARNINGS PER SHARE

Item	31.12.2020	31.12.2019
Net profit (loss) attributable to equity holders of the parent company	22 672	23 105
Measurement of financial instruments at fair value	0,00	0,00
Measurement of financial instruments at fair value	3 541	0,00
Weighted average number of ordinary shares (in thousands)	8 363	8 363
Basic earnings per share (in PLN)	2,71	2,76
Weighted average diluted number of ordinary shares (in thousands)	<b>8 363</b>	<b>8 363</b>
<b>Net profit (loss) on continued operations attributable to equity holders of the parent</b>	<b>22 672</b>	<b>23 105</b>
Weighted average number of ordinary shares (in thousands)	8 363	8 363
Basic earnings per share from continuing operations (in PLN)	2,71	2,76
Weighted average diluted number of ordinary shares (in thousands)	8 363	8 363
<b>Net profit (loss) from continuing operations attributable to equity holders of the parent</b>	<b>2,71</b>	<b>2,76</b>
<b>Diluted earnings per share from continuing operations (in PLN)</b>	<b>2,71</b>	<b>2,76</b>

## 29. CONSTRUCTION SERVICES

*Contracts for construction services - active contracts cumulatively until the balance sheet date:*

Active construction contracts	01.01.-31.12.2020	01.01.-31.12.2019
As at the beginning of the period	86 518	72 119
Loss of value	0	0
Valuation adjustments	0	0
Transfer to receivables (invoicing)	-86 518	-72 119
End-of-period valuation	39 517	86 518
As at the end of the period	39 517	86 518





Financial Statement of DEKPOL S.A. for the period from 01.01.2020 till 31.12.2020 (data in thousands of PLN)

<b>Liabilities under construction contracts</b>	<b>01.01.-31.12.2020</b>	<b>01.01.-31.12.2019</b>
As at the beginning of the period	0	0
Valuation adjustments	0	0
Transfer to revenue (performance)	0	0
End-of-period valuation	0	0
As at the end of the period	0	0

<b>Other liabilities due to contracts with clients</b>	<b>01.01.-31.12.2020</b>	<b>01.01.-31.12.2019</b>
As at the beginning of the period	28 969	83 205
Advances paid	48 978	56 255
Transfer to revenue (performance)	-71 753	-110 491
End-of-period valuation	0	0
As at the end of the period	6 193	28 969

<b>Total transaction price allocated to benefits</b>	<b>01.01.-31.12.2020</b>	<b>01.01.-31.12.2019</b>
Construction contracts	425 629	400 746
Sale of premises	1 595	6 751
Other	0	0

The company estimates that all contracts concluded in 2019-2020 will be settled by 2022 at the latest.

Signatures of all members of the Management Board of the Company:

Mariusz Tuchlin - President of the Management Board

Katarzyna Szymczak-Dampc - Vice President of the Management Board

Signature of the person entrusted with keeping the books of accounts

Anna Miksza - Chief accountant