



Quarterly report for the 3rd quarter 2021 of the DEKPOL Capital Group (data in thousands of PLN)



QUARTERLY REPORT FOR THE 3RD QUARTER 2021 OF **DEKPOL CAPITAL GROUP**

Pinczyn, 24th of November 2021



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Selected items of the interim condensed consolidated statement of financial position presented in EUR have been converted at the average EUR exchange rate announced by the National Bank of Poland, dated 30.09.2021: 4,6329 PLN/EUR and dated 31.12.2020: 4,6148 PLN/EUR.

Selected items of the interim condensed consolidated statement of comprehensive income and the interim condensed consolidated statement of cash flows were converted into EUR at the exchange rate announced by the National Bank of Poland, which is the arithmetic mean of the average exchange rates for EUR applicable on the last day of each completed month in a given period 01.01-30.09.2021: 4,5585 PLN/EUR, and 01.01-30.09.2020: 4,4420 PLN/EUR.



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1.2 CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Item	Note	01.01.- 30.09.2021	01.07.- 30.09.2021	01.01.- 30.09.2020	01.07.- 30.09.2020
Sales revenues	1.6.2	729 182	256 410	745 963	218 489
Costs of goods sold	1.6.3.	624 421	221 203	639 966	186 832
Gross profit (loss) from sales		104 761	35 206	105 997	31 657
Selling costs	1.6.3.	21 155	7 398	25 533	7 561
General administrative expenses	1.6.3.	21 305	6 958	14 705	5 091
Other operating revenues	1.6.4.	5 983	958	10 779	4 691
Other operating costs	1.6.5.	6 484	654	10 957	2 281
Profit (loss) from operating activities		61 801	21 154	65 581	21 414
Financial revenues	1.6.6	635	141	178	121
Pricing of financial instruments at fair value		179	0	0	0
Financial expenses	1.6.7.	17 669	10 003	8 804	6 075
Pricing of financial instruments at fair value		7 172	6 026	0	499
Share in profit (loss) in entities priced by ownership value method		0	0	0	0
Profit (loss) before tax		44 767	11 292	56 955	15 460
Income tax	1.6.8	8 525	1 961	12 455	4 407
Profit (loss) from continued operations		36 242	9 331	44 499	11 053
Net profit (loss)		36 242	9 331	44 499	11 053
Other net comprehensive income		4 976	1 500	0	0
Comprehensive income falling to non-controlling shareholders		0	0	0	0
Comprehensive income falling to shareholders of parent entity		41 218	10 831	44 499	11 053



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1.3 CONSENSUED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Item	Note	30.09.2021	31.12.2020
Fixed assets		277 879	252 569
Property, plant and equipment		80 502	81 796
Intangible assets		161	216
Goodwill		0	0
Investment properties		163 526	147 155
Stocks and shares		26	26
Receivables		9 426	1 737
Other long-term financial assets		7 140	5 530
Long-term deferred charges		0	0
Deferred income tax assets		17 097	16 108
Current assets		805 194	700 928
Inventory	1.6.9	247 357	228 781
Receivables due to contracts with clients	1.6.10	62 694	35 404
Trade receivables and other receivables	1.6.10	392 235	275 628
Other short-term financial assets		0	0
Short-term deferred charges		5 124	3 622
Cash and cash equivalent	1.6.11	97 784	157 493
including cash on escrow accounts		43 976	19 016
Assets classified as held for sale		0	0
Assets in total		1 083 073	953 497



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Item	Note	30.09.2021	31.12.2020
Equity		331 070	293 479
Share capital		8 363	8 363
Equity from sales of shares over its nominal value		26 309	26 309
Other equities		257 996	228 422
Own shares (-)		0	0
Exchange differences on conversion		-3	-3
Reserve capital		0	0
Profits saved:		36 403	28 387
Equity falling to shareholders of parent entity		329 069	291 478
Non-controlling shares		2 002	2 002
Long-term liabilities		258 292	128 920
Deferred income tax provision		25 904	19 726
Liabilities and provisions on employee benefits		175	175
Other long-term provisions		0	0
Loans, borrowings and long-term debt instruments	1.6.12	201 951	86 063
Other long-term financial liabilities	1.6.12	5 590	3 865
Other long-term liabilities		24 672	19 092
Short-term liabilities		493 710	531 097
Liabilities and provisions on employee benefits		21	21
Other short-term provisions		53 284	64 247
Loans, borrowings and short-term debt instruments	1.6.12	124 529	161 844
Other short-term financial liabilities	1.6.12	15 358	11 919
Liabilities due to contracts with clients		0	0
Trade liabilities and other liabilities	1.6.13.	296 369	287 361
Receivables from future terms		4 150	5 706
Liabilities connected to assets intended for sale		0	0
Liabilities in total		1 083 073	953 497



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1.4 CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT

Item	01.01.-30.09.2021	01.01.-30.09.2020
Profit (loss) before tax	44 767	56 955
Adjustments:	<u>21 391</u>	<u>15 777</u>
Depreciation	8 445	8 447
Change of fair value of investment properties	0	0
Change in fair value of financial assets (liabilities) valued by the result	0	0
Write-offs updating financial assets	0	0
Profit (loss) from sales of non-financial tangible assets	-172	-428
Profit (loss) on the sale of financial assets (other than derivatives)	0	0
Profits (losses) from foreign exchange differences	5 743	225
Interests and shares in profits	7 374	7 533
Other adjustments	0	0
Change in working capital	-157 133	-1 584
Changes in stocks	-16 741	124 267
Changes in receivables	-153 607	-48 782
Changes in liabilities	20 025	-86 188
Changes of provisions and deferred charges	-6 810	9 106
Other adjustments	0	14
Income tax on profit before tax	<u>8 525</u>	<u>8 229</u>
Income tax paid	<u>-6 641</u>	<u>-5 882</u>
Net cash from operating activities	-89 091	73 495
Expenses related to acquisition of intangible assets	-213	-76
Inflows from sales of intangible assets	0	0
Expenses related to acquisition of property, plant and equipment	-2 785	-3 531
Inflows from sales of property, plant and equipment	1 014	83
Expenses related to acquisition of investment properties	-16 183	0
Inflows from sales of investment properties	0	0
Net expenses for the acquisition of subsidiaries	0	0
Repayments received from loans granted	2 507	0
Loans granted	-3 000	0
Expenses related to acquisition of other financial assets	-1 511	-24
Inflows from sales of other financial assets	0	55
Interest received	99	0
Net cash from investment activities	-20 072	-3 494
Net inflows from issue of shares	0	0



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Acquisition of own shares	0	0
Inflows from issue of debt securities	113 353	0
Redemption of debt securities	-81 951	-6 883
Inflows from loans and borrowings taken out	77 634	64 625
Repayment of loans and borrowings	-47 065	-101 668
Repayment of liabilities under finance lease	-3 999	-6 482
Interest paid	-8 519	-14 649
Dividends paid	0	0
Inflows from received grants	0	0
Other inflows (expenses) from financial activities	0	0
Net cash from financial activities	49 453	-65 057
Change in net cash and cash equivalents without foreign exchange differences	-59 709	4 944
Change in cash and cash equivalents due to foreign exchange differences	533	0
Change in net cash and cash equivalents	-59 177	4 944
Cash and cash equivalents at the beginning of the period	156 960	116 264
Cash and cash equivalents at the end of the period	97 784	121 208
Including cash of limited disposal right	43 976	2 464



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1.5 CONDENSED INTERIM STATEMENT IN CHANGES IN CONSOLIDATED EQUITY

For period 01.01-30.09.2021

Item	Share capital	Own shares (-)	Equity from sale of shares over its nominal value	Reserve capital from retained earnings	Other equities	Not divided retained earnings	The capital of non- controlling shareholders	Exchange differences on the conversion of subordinated entities	Total
Balance as at beginning of period	8 363	0	26 309	232 040	-3 618	28 387	2 002	-3	293 479
Error correction of previous years	0	0	0	0	0	-20	0	0	-20
Balance at the beginning of period after changes	8 363	0	26 309	232 040	-3 618	28 367	2 002	-3	293 459
Issue of shares	0	0	0	0	-3 618	0	0	0	-3 618
Dividends	0	0	0	0	0	0	0	0	0
Transfer of financial result to capital	0	0	0	28 225	0	-28 205	0	0	20
Refund of cash contributions	0	0	0	0	0	0	0	0	0
Revaluation reserve	0	0	0	0	0	0	0	0	0
Transactions with owners in total	0	0	0	28 225	-3 618	-28 205	0	0	-3 598
Net profit (loss)	0	0	0	0	0	36 242	0	0	36 242
Other total comprehensive income	0	0	0	0	4 967	0	0	0	4 967
Comprehensive income	0	0	0	0	4 967	36 242	0	0	41 209
Balance as at the end of period	8 363	0	26 309	260 266	-2 270	36 403	2 002	-3	331 070



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For period 01.01-31.12.2020

Item	Share capital	Own shares (-)	Equity from sale of shares over its nominal value	Reserve capital from retained earnings	Other equities	Not divided retained earnings	The capital of non-controlling shareholders	Exchange differences on the conversion of subordinated entities	Total
Balance as at beginning of period	8 363	0	26 309	188 479	0	19 160	2	1	242 314
Error correction of previous years	0	0	0	0	0	17	0	0	17
Balance at the beginning of period after changes	8 363	0	26 309	188 479	0	19 177	2	1	242 331
Issue of shares	0	0	0	0	0	0	2 000	0	2 000
Dividends	0	0	0	0	0	0	0	0	0
Transfer of financial result to capital	0	0	0	43 561	0	-43 561	0	0	0
Refund of cash contributions	0	0	0	0	0	0	-1	0	-1
Revaluation reserve	0	0	0	0	0	0	0	0	0
Transactions with owners in total	0	0	0	43 561	0	-43 561	2 000	0	2 000
Net profit (loss)	0	0	0	0	0	52 771	0	0	52 771
Other total comprehensive income	0	0	0	0	-3 618	0	0	-3	-3 622
Comprehensive income	0	0	0	0	-3 618	52 771	0	-3	49 149
Balance as at the end of period	8 363	0	26 309	232 040	-3 618	28 387	2 002	-3	293 479



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The Group secures general contracting contracts denominated in a foreign currency against the risk of exchange rate fluctuations by concluding forward currency contacts.

The company applies hedge accounting. As a result of measuring the effectiveness of the hedge in the current period, the effective part was recognized in the amount of PLN 2,802,000.00 gross, presented in the revaluation reserve in the net value of PLN 2,270,000.00 and the ineffective part in the amount of PLN 7,172,000.00 was recognized in the financial result (financial cost).

	30.09.2021	31.12.2020
Equity	323 868	293 479
Share capital	8 363	8 363
Capital from the sale of shares above their nominal value	26 309	26 309
Other capitals	257 996	228 422
including revaluation reserve for FX forward	-2 270	-3 618
Own shares (-)	0	0
Exchange differences from conversion	-3	-3
Reserve capital	0	0
Retained earnings:	36 403	28 387
Non-controlling shares	2 001	2 001



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1.6 ADDITIONAL INFORMATION TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT

1.6.1 FINANCIAL RULES OF INTERIM CONDENSED SEPARATE FINANCIAL STATEMENT

Interim condensed financial statement of the Dekpol Capital Group for 3 and 9 months ended 30th of September 2021 has been prepared in accordance with International Accounting Standards and International Financial Reporting Standards and related interpretations announced in the form of regulations of European Commission (hereinafter referred to as IFRS).

Interim condensed financial statement of the Dekpol Capital Group for 3 and 9 months ended 30th of September 2021 has been prepared under assumption of continuation of business by the Company in the foreseeable future. Statement presents financial position of Dekpol Capital Group as of 30th of September 2021 and 31st of December 2020, results achieved with the Group's operations and cash flow for the period of 3 and 9 months ended 31th of September 2021 and 30th of September 2020.

The accounting principles (policies) used to prepare the interim condensed consolidated financial statement are consistent with those used in the preparation of the Group's annual consolidated financial statement for the year ended 31st of December 2020. In the third quarter of 2021, there were no changes in the accounting principles (policies) applied.

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

The consolidation was prepared using the full method and covered all entities directly and indirectly dependent from Issuer. Associated companies are valued using the equity method.



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1.6.2 OPERATING SEGMENTS

Revenues, result and other in the reporting period 01.01-30.09.2021

Item	General contracting	Property development	Production of steel structures and accessories	Other	Total
Sales revenues in total	499 018	120 231	84 228	25 705	729 182
Operating expenses in total	466 866	89 177	75 143	35 696	666 881
Other operating revenues	0	0	0	5 983	5 983
Other operating expenses	0	0	0	6 484	6 484
Operating result	32 152	31 054	9 085	-10 490	61 801
Financial revenues	0	0	0	635	635
Financial expenses	0	0	0	17 669	17 669
Income tax	0	0	0	0	8 525
Net result	32 152	31 054	9 085	-36 049	36 242

Revenues, result and other in the previous reporting period

Item	General contracting	Property development	Production of steel structures and accessories	Other	Total
Sales revenues in total	405 183	258 231	56 654	25 895	745 963
Operating expenses in total	376 973	218 084	50 897	34 250	680 204
Other operating revenues	0	0	0	10 779	10 779
Other operating expenses	0	0	0	10 957	10 957
Operating result	28 210	40 147	5 757	-8 533	65 581
Financial revenues	0	0	0	178	178
Financial expenses	0	0	0	8 804	8 804
Income tax	0	0	0	12 455	12 455
Net result	28 210	40 147	5 757	-29 615	44 499



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1.6.3 COSTS OF MAJOR OPERATING ACTIVITIES

Item	01.01.-30.09.2021	01.01.-30.09.2020
Costs by type	696 111	582 488
Depreciation	8 445	7 948
Consumption of materials and energy	255 853	172 713
Outsourced services	366 340	343 177
Taxes and fees	3 253	2 284
Remunerations	34 522	30 834
Employee benefits	8 752	7 438
Other costs by type	6 923	5 311
Cost of goods and materials sold	12 023	12 783
Movements in the balance of products	-31 199	96 155
Own work capitalized	1 968	1 561
Selling costs	-21 155	-25 533
General administrative expenses	-21 305	-14 705
Own selling cost	624 421	639 966

1.6.4 OTHER OPERATING REVENUES

Item	01.01.-30.09.2021	01.01.-30.09.2020
Profit on disposal of non-financial fixed assets	205	428
Re-invoicing	0	0
Pricing of investment properties to fair value	0	0
Release of provisions	77	3 636
Penalties and compensations	782	2 026
Grants	1 565	1 597
Expired liabilities	0	0
Scrap yield	0	0
Bonus from turnover	0	0
Inventory surpluses	10	4
Other titles	831	385
Impairment losses on inventories reversal in period (-)	0	50
Impairment losses on receivables reversal in period (-)	2 513	2 652
Other operating revenues	5 983	10 779



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1.6.5 OTHER OPERATING COSTS

Item	01.01.-30.09.2021	01.01.-30.09.2020
Impairment losses on inventories creation in the period	452	61
Pricing of investment properties to fair value	0	0
Creation of reserves	0	899
Costs related to acquisition of subsidiaries	0	0
Costs of gap's removal and scrapping	26	1 086
Donations	466	509
Bonus from turnover	0	0
Inventory deficits	0	2
Write-offs of receivables	1 577	0
Contractual penalties	5	6
Other titles	2 260	3 825
Damages to properties	11	0
Court fees	0	0
Re-invoicing costs	0	0
Compensations	89	303
Impairment losses on receivables creation in the period	1 565	4 266
Loss on disposal of non-financial fixed assets	34	1
Other operating costs	6 484	10 957

1.6.6 FINANCIAL REVENUES

Item	01.01.-30.09.2021	01.01.-30.09.2020
Interests	276	178
Surplus of positive exchange differences over the negative ones	180	0
Reversal of write-offs	0	0
Profit from sale of financial assets	0	0
Dividends	0	0
Other financial revenues	0	0
Pricing of financial instruments at fair value	179	0
Financial revenues	635	178



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1.6.7 FINANCIAL EXPENSES

Item	01.01.-30.09.2021	01.01.-30.09.2020
Interests	10 278	8 462
Surplus of negative exchange differences over the positive ones	219	342
Loss from sale of financial assets	0	0
Write-offs	0	0
Other financial expenses	1	0
Pricing of financial instruments at fair value	7 172	0
Financial expenses	17 669	8 804

1.6.8 INCOME TAX

Item	01.01.-30.09.2021	01.01.-30.09.2020
Current income tax	3 576	16 291
Current income tax for reporting period	3 575	16 291
Current income tax for previous periods covered in financial result	1	0
Deferred income tax	4 949	-3 835
Deferred tax-creation and reversal of temporary differences (+)	4 571	4 224
Deferred income tax settlement of unused tax losses	0	142
Deferred tax-creation and reversal of temporary differences (-)	-378	8 201
Income tax	8 525	12 455

1.6.9 INVENTORIES

Item	30.09.2021	31.12.2020
Materials balance value	25 766	13 768
Goods balance value	1 267	859
Semi-finished products and work in progress balance value	10 443	3 594
Finished products balance value	2 607	3 071
Premises under construction balance value	151 114	168 407
Finished premises balance value	56 160	39 081
Inventories	247 357	228 781



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1.6.10 TRADE RECEIVABLES AND OTHER RECEIVABLES

Item	30.09.2021	31.12.2020
Net receivables due to contracts with clients	303 456	205 109
Trade receivables before write-off	312 773	212 707
Write-offs at the end of the period (-)	9 317	7 598
Current tax income	75	37
Receivables from dividends - short-term	0	0
Receivables on account of other taxes, customs duties and social insurance	38 515	13 004
Deposits due to valuation of construction agreements balance value	25 402	37 528
Write-offs at the end of the period (-)	749	1 749
Deposits due to valuation of construction agreements before revaluation write-off	26 151	39 277
Deposits from other titles	302	153
Receivables and advance payments balance value	22 591	16 141
Write-offs at the end of the period (-)	0	219
Receivables and advance payments before revaluation write-off	22 591	16 360
Other receivables balance value	1 895	3 656
Write-offs at the end of the period (-)	0	0
Other receivables value before revaluation write-off	1 895	3 656
Trade receivables and other receivables	392 235	275 628



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1.6.11 FINANCIAL INSTRUMENTS

Financial instruments – assets

Item	30.09.2021	31.12.2020
Cash and cash equivalents	97 784	157 493
Financial assets evaluated at fair value through financial result	0	0
Financial assets available for sale	0	0
Other financial assets - long-term	0	0
Receivables valued in nominal value	452 779	277 365
Trade receivables and other receivables	392 235	275 628
Receivables from dividends - short-term	0	0
Loans and receivables	2 846	5 530
Stocks and shares in units	0	0
Stocks and shares in subsidiaries	0	0
Stocks and shares in affiliates and jointly controlled entities	26	26
Financial assets	553 435	440 414

Financial instruments – liabilities

Item	30.09.2021	31.12.2020
Liabilities evaluated at depreciated cost	347 428	263 691
Liabilities evaluated at fair value through financial result	0	0
Liabilities evaluated at nominal value	355 637	301 628

1.6.12 FINANCIAL LIABILITIES

Specification of financial liabilities

Item	30.09.2021	31.12.2020
Other long-term financial liabilities	5 590	3 865
Credits, loans and long-term debt instruments	201 951	86 063
Long-term financial liabilities	207 541	89 928
Other short-term financial liabilities	15 358	11 919
Short-term credits, loans and debt instruments	124 529	161 844
Short-term financial liabilities	139 887	173 763
Total financial liabilities	347 428	263 692



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Liabilities of Dekpol S.A.:

Loans and borrowings as of 30.09.2021	Loan value	Balance	Currency	Interest rate	Contractual maturity date
Long-term					
PKO BP investment loan 54 1020 1462 0000 7396 0134 7483	5 817	4 535	PLN	WIBOR 1M + margin	16.07.2026
Loans and borrowings total long-term	5 817	4 535	PLN	-	-
Short-term					
Alior Bank overdraft facility, agreement U0003447412540	10 000	9 782	PLN	WIBOR 3M + margin	12.08.2023
SGB-Bank S.A. revolving loan, agreement no. REW/2200155/2020/2	30 000	19 123	PLN	WIBOR 3M + margin	14.07.2022
SGB-Bank S.A. overdraft facility, agreement no. KRB/2200155/2020/1	15 000	11 394	PLN	WIBOR 3M + margin	14.07.2022
PKO BP overdraft facility, agreement LKW 38 1020 1462 0000 7102 0368 2028	3 000	2 940	PLN	WIBOR 1M + margin	15.07.2022
PKO BP revolving loan, agreement LKW 38 1020 1462 0000 7102 0368 2028	22 000	19 302	PLN	WIBOR 1M + margin	15.07.2022
PKO BP investment loan 54 1020 1462 0000 7396 0134 7483	1 183	1 183	PLN	WIBOR 1M + margin	16.07.2026
other		6	PLN		
Loans and borrowings total short-term	0	0	EUR	-	-
	81 183	63 730	PLN	-	-

Loans and borrowings as of 31.12.2020	Loan value*	Balance	Currency	Interest rate	Contractual maturity date
Long-term					
PKO BP investment loan 54 1020 1462 0000 7396 0134 7483	5 423	5 423	PLN	WIBOR 1M + margin	16.07.2026
Loans and borrowings total long-term	5 423	5 423	PLN	-	-
Short-term					
ING - ALEO discount agreement no. 891/2017/00000901/00	2 500	0	PLN	WIBOR 1M + margin	31.12.2020
mBank revolving loan,	25 000	0	PLN	WIBOR 1M + margin	30.06.2021



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agreement 10/034/19/Z/LF					
mBank overdraft facility, agreement 10/033/19/Z/VV	10 000	9 662	PLN	WIBOR ON + margin	30.06.2021
Santander overdraft facility, agreement no. K01263/17	6 000	2 805	PLN	WIBOR 1M + margin	22.12.2021
Santander revolving loan, agreement no. 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, agreement U0003447412540	10 000	10 000	PLN	WIBOR 3M + margin	16.07.2021
SGB-Bank S.A. revolving loan, agreement no. REW/2200155/2020/2	30 000	6 034	PLN	WIBOR 3M + margin	14.07.2022
SGB-Bank S.A. overdraft facility, agreement no. KRB/2200155/2020/1	15 000	0	PLN	WIBOR 3M + margin	14.07.2022
PKO BP overdraft facility, agreement LKW 38 1020 1462 0000 7102 0368 2028	3 000	2 962	PLN	WIBOR 1M + margin	15.07.2022
PKO BP revolving loan, agreement 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. factoring agreement no. 4004/6537/2020	2 200	0	EUR	EURIBOR 1M + margin	28.02.2021
BPS Faktor S.A. factoring agreement no. 377/377/2020	15 000	0	PLN	WIBOR 1M + margin	30.06.2021
other		2	PLN		
Loans and borrowings	3 300	0	EUR	-	-
total short-term	155 646	49 782	PLN	-	-



Quarterly report for the 3rd quarter 2021 of the DEKPOL Capital Group (data in thousands of PLN)

Bonds (nominal value):

Bonds as of the end of reporting period 30.09.2021	Nominal value	Balance	Currency	Interest rate	Date of repayment
Long-term					
bonds series I	50 000	50 000	PLN	WIBOR 6M+ margin	28.10.2023
bonds series J	11 000	11 000	PLN	WIBOR 6M+ margin	22.06.2024
Bonds series K*	39 150	39 150	PLN	WIBOR 6M+ margin	23.08.2024
Bonds series P2021A	25 000	25 000	PLN	WIBOR 3M+ margin	06.02.2025
Total bonds long-term	125 150	125 150	PLN	-	-
Short-term					
-	-	-	-	-	-
Total bonds short-term	0	0	PLN	-	-

* On 08.09.2021 the K and L series were assimilated and currently both appear together under the name and ISIN code of the K series

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

Liabilities of the companies from the Dekpol Capital Group:

Loans and borrowings as of 30.09.2021	Company	Loan value	Balance	Currency	Interest rate	Date of repayment
Long-term						
Alior Bank S.A. - revolving loan, agreement U0003400195815A	Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k.	57 417	0	PLN	WIBOR 3M + margin	2023-12-31
Alior Bank S.A. - VAT credit, agreement U0003400195815B ²	Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k.	4 800	0	PLN	WIBOR 3M + margin	2023-12-31
mBank revolving loan, agreement 10/027/20/Z/OB	Dekpol Inwestycje sp. z o.o. Sobieszewo Development sp. k.	5 973	0	PLN	WIBOR 1M+margin	2022-12-31
Loans and borrowings total long-term		68 190	0	PLN	-	-



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Short-term

Santander Factoring sp. z o.o. factoring agreement no. 3673/5447/2019	Dekpol Steel Sp. z o.o.	24 000	17 041	PLN	WIBOR 1M + margin	2021-10-31 ¹
Alior Bank S.A. - overdraft facility, agreement U0003444593097	Dekpol Steel Sp. z o.o.	20 000	6 321	PLN	WIBOR 3M + margin	2022-07-02
ING - ALEO discount agreement no. 891/2020/00001802/00	Dekpol Budownictwo Sp. z o.o.	2 500	1 325	PLN	WIBOR 1M+margin	2021-12-31
mBank revolving loan, agreement 10/034/19/Z/LF	Dekpol Budownictwo Sp. z o.o.	25 000	6 251	PLN	WIBOR 1M+margin	2022-06-30
mBank overdraft facility, agreement 10/033/19/Z/VV	Dekpol Budownictwo Sp. z o.o.	10 000	4 977	PLN	WIBOR O/margin	2022-06-30
Santander overdraft facility, agreement no. K01263/17	Dekpol Budownictwo Sp. z o.o.	10 000	1 983	PLN	WIBOR 1M+margin	2021-12-22
BPS Faktor S.A. factoring agreement no. 377/377/2020	Dekpol Budownictwo Sp. z o.o.	15 000	8 364	PLN	WIBOR 1M + margin	2022-06-29
Santander Factoring sp. z o.o.	Dekpol Budownictwo Sp. z o.o.	18 000 ²	0	PLN	WIBOR 1M + margin	2021-10-31
PKO BP overdraft facility, agreement 73 1020 1462 0000 7602 0375 0023 ³	Dekpol Budownictwo Sp. z o.o.	3 000 ³	2 630	PLN	WIBOR 3M+margin	2022-04-19 ³
BNP Paribas overdraft facility, Multi-purpose premium credit line agreement no. WAR/8803-21/497/CB	Dekpol Budownictwo Sp. z o.o.	3 000	0	PLN	WIBOR 1M+ margin	2022-09-22
PKO BP overdraft facility, agreement 18 1020 1462 0000 7402 0378 6613	Betpref Sp. z o.o.	3 000	2 874	PLN	WIBOR 3M+margin	2022-04-19
other			32	PLN		
Loans and borrowings		133 500	51 798	PLN		
total short-term		0	0	EUR		

¹ as at the date of publication of the report, the agreement was changed in terms of its validity period (extension until 31.10.2022)

² as at the date of publication of the report, the agreement was changed in the amount of the limit (decreased to PLN 7,000 thousand)

³ as at the date of publication of the report, the agreement was changed to a multi-purpose credit line, with a simultaneous increase to PLN 18,000 thousand and the extension of the period to 15th of November 2023.

Loans and borrowings	Company	Loan	Balance	Currency	Interest rate	Date of
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Quarterly report for the 3rd quarter 2021 of the DEKPOL Capital Group (data in thousands of PLN)

as of 31.12.2020		value				repayment	
Long-term							
Alior Bank S.A. - revolving loan, agreement U0003400195815A	Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k.	59 162	0	PLN	WIBOR 3M + margin	2022-07-31	
Alior Bank S.A. - VAT credit, agreement U0003400195815B	Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k.	4 800	0	PLN	WIBOR 3M + margin	2022-07-31	
Loans and borrowings total long-term		63 962	0	PLN	-	-	
Short-term							
Santander Factoring sp. z o.o. factoring agreement no. 3673/5447/2019	Dekpol Steel Sp. z o.o.	24 000	10 872	PLN	WIBOR 1M + margin	2021-10-31	
Alior Bank S.A. - overdraft facility, agreement U0003444593097	Dekpol Steel Sp. z o.o.	20 000	2 763	PLN	WIBOR 3M + margin	2022-07-02	
other	Dekpol Steel sp. z o.o.		4	PLN			
other	Betpref sp. z o.o.		6				
Loans and borrowings total short-term		44 000	13 645	PLN	-	-	
Bonds (nominal value):							
Bonds as of the end of reporting period 30.09.2021		Value	Balance	Currency	Interest rate	Date of repayment	
Long-term							
Bonds series A (Dekpol Deweloper Sp. z o.o.)		12 500	12 500	PLN	WIBOR 6M+ margin*	2023-08-30	
Bonds series B (Dekpol Deweloper Sp. z o.o.)		10 000	10 000	PLN	WIBOR 6M+ margin	2024-08-01	
Bonds series C (Dekpol Deweloper Sp. z o.o.)		15 650	15 650	PLN	fixed	2025-06-24	
Bonds series A (Dekpol Budownictwo Sp. z o.o.)		15 000	15 000	PLN	WIBOR 6M+margin	2025-04-30	
Bonds series B (Dekpol Budownictwo Sp. z o.o.)		20 000	20 000	PLN	WIBOR 6M+margin	2025-10-30	
Total bonds long-term		73 150	73 150	PLN	-	-	
Short-term							
Bonds series A (Dekpol Deweloper Sp. z o.o.)		9 000	9 000	PLN	WIBOR 6M+ margin*	2022-06-19	
Total bonds short-term		9 000	9 000	PLN	-	-	

*Since 19.06.2022 change to a fixed interest rate



Quarterly report for the 3rd quarter 2021 of the DEKPOL Capital Group (data in thousands of PLN)

Bonds as of the end of reporting period 31.12.2020	Value	Balance	Currency	Interest rate	Date of repayment
Long-term					
Bonds series A (Dekpol Deweloper Sp. z o.o.)	21 500	21 500	PLN	WIBOR 6M+ margin	19.06.2022
Total bonds long-term	21 500	21 500	PLN	-	-
Short-term					
Total bonds short-term	0	0	PLN	-	-

* Nominal value

1.6.13 TRADE LIABILITIES AND OTHER LIABILITIES

Item	30.09.2021	31.12.2020
Trade liabilities	188 721	175 226
Liabilities due to remunerations	3 107	1 834
Liabilities due to current income tax	765	7 566
Liabilities due to other taxes, duties and social securities	8 688	10 072
Short-term received bills	23 014	16 424
Prepayments and deposits received for supplies	71 908	76 054
Other short-term liabilities	165	185
Trade and other liabilities	296 369	287 361



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1.7 CONTRACTS FOR CONSTRUCTION SERVICES – ACTIVE AGREEMENTS THAT WILL BE PAID UNTIL THE BALANCE SHEET DATE

Assets under construction contracts	01.01.-30.09.2021	01.01.-31.12.2020
Balance as at beginning of period	35 404	66 457
Impairment loss	0	0
Measurement adjustment	0	0
Transfer to receivables (invoicing)	-35 404	-66 457
End of period valuation	62 694	35 404
Balance at the end of period	62 694	35 404

Liabilities under construction contracts	01.01.-30.09.2021	01.01.-31.12.2020
Balance as at beginning of period	0	0
Measurement adjustment	0	0
Transfer to revenue (performance)	0	0
End of period valuation	0	0
Balance at the end of period	0	0

Other liabilities due to contracts with clients	01.01.-30.09.2021	01.01.-31.12.2020
Balance as at beginning of period	76 054	14 452
Advances paid	144 934	395 398
Transfer to revenue (performance)	-149 080	-333 796
End of period valuation	0	0
Balance at the end of period	71 908	76 054

Total transaction price allocated to benefits that were not met	01.01.-30.09.2021	01.01.-31.12.2020
Others	0	0
Sale of premises	132 044	90 408
Construction contracts	801 505	356 371



Quarterly report for the 3rd quarter 2021 of the DEKPOL Capital Group (data in thousands of PLN)

2.CONDENSED INTERIM SEPARATE FINANCIAL STATEMENT

2.1 SELECTED SEPARATE FINANCIAL DATA

Item	thousands of PLN 01.01.2021 - 30.09.2021	thousands of PLN 01.01.2020 - 30.09.2020	thousands of EUR 01.01.2021 - 30.09.2021	thousands of EUR 01.01.2020 - 30.09.2020
I. Net revenue from sales of products, goods, and materials	139 725	519 544	30 652	116 962
II. Profit (loss) on operating activity	5 554	23 290	1 218	5 243
III. Profit (loss) before tax	28 197	17 185	6 186	3 869
IV. Net profit (loss)	28 131	13 920	6 171	3 134
V. Earnings (loss) per ordinary share (in PLN / EUR)	3,36	1,66	0,74	0,37
VI. Net cash flows from operating activity	1 316	26 343	289	5 930
VII. Net cash flows from investment activity	(57 022)	11 279	(12 509)	2 539
VIII. Net cash flows from financial activity	(39 808)	(45 362)	(8 733)	(10 212)
IX. Total net cash flows	(95 513)	(7 739)	(20 953)	(1 742)

	thousands of PLN 30.09.2021	thousands of PLN 31.12.2020	thousands of EUR 30.09.2021	thousands of EUR 31.12.2020
X. Total assets	553 917	792 996	119 562	171 838
XI. Liabilities and provisions for liabilities	264 544	535 372	57 101	116 012
XII. Long-term liabilities	145 983	108 691	31 510	23 553
XIII. Short-term liabilities	118 561	426 681	25 591	92 459
XIV. Equity	289 372	257 624	62 460	55 826
XV. Share capital	8 363	8 363	1 805	1 812
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)	35	31	7	7

Individual items of Condensed Interim Separate Statement of Financial Position, which have been presented in EUR currency, have been converted based on the average exchange rate set by the Polish National Bank for the day 30.09.2021: 4,6329 PLN/EUR and for the day 31.12.2020: 4,6148 PLN/EUR. Individual items of Condensed Interim Separate Financial Statement of Comprehensive Income and Condensed Interim Separate Cash Flow Statement have been converted into EUR based the arithmetic average of average exchange rates for EUR set by the Polish National



Quarterly report for the 3rd quarter 2021 of the DEKPOL Capital Group (data in thousands of PLN)

Bank on the last day of each month of given period 01.01-30.09.2021: 4,5585 PLN/EUR, and 01.01-30.09.2020: 4,4420 PLN/EUR.

2.2 CONDENSED INTERIM SEPARATE STATEMENT OF COMPREHENSIVE INCOME

Item	Note	01.01.- 30.09.2021	01.07.- 30.09.2021	01.01.- 30.09.2020	01.07.- 30.09.2020
Sales revenues		139 725	45 309	519 544	144 811
Costs of goods sold		130 445	43 164	481 763	131 834
Gross profit (loss) from sales		9 280	2 145	37 781	12 977
Selling costs		494	-54	8 444	2 709
General administrative expenses		6 004	2 330	6 966	2 493
Other operating revenues		3 534	487	7 182	1 556
Other operating costs		761	203	6 264	407
Profit (loss) from operating activities		5 554	153	23 290	8 924
Share in profit (loss) in entities priced by ownership value method		0	0	0	0
Financial revenues		29 893	28 413	1 057	438
Financial expenses		7 250	2 562	7 161	5 557
Profit (loss) before tax		28 197	26 004	17 185	3 805
Income tax		67	-350	3 265	707
Profit (loss) from continued operations		28 131	26 354	13 920	3 098
Net profit (loss)		28 131	26 354	13 920	3 098
Exchange differences on the conversion of foreign operations		0	0	0	0
Other net comprehensive income		0	0	0	0
Comprehensive income		28 131	26 354	13 920	3 098



Quarterly report for the 3rd quarter 2021 of the DEKPOL Capital Group (data in thousands of PLN)

2.3 CONDENSED INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION

Item	Note	30.09.2021	31.12.2020
Fixed assets		360 274	365 627
Property, plant and equipment		18 546	28 694
Investment properties		29 077	29 034
Intangible assets		103	232
Stocks and shares		276 117	273 101
Receivables		8 803	11 622
Other long-term financial assets		25 278	9 240
Long-term deferred charges		0	0
Assets due to deferred income tax		2 350	13 704
Current assets		193 643	427 370
Inventory		19 837	25 493
Receivables due to contracts with clients		0	39 517
Trade receivables and other receivables		159 971	252 171
Other short-term financial assets		0	0
Short-term deferred charges		519	1 359
Cash and cash equivalent		13 315	108 828
Including cash on escrow accounts		0	0
Assets classified as held for sale		0	0
Assets in total		553 917	792 996



Quarterly report for the 3rd quarter 2021 of the DEKPOL Capital Group (data in thousands of PLN)

Item	Note	30.09.2021	31.12.2020
Equity		289 372	257 624
Share capital		8 363	8 363
Equity from sales of shares over its nominal value		26 309	26 309
Other equities		226 570	200 280
Own shares (-)		0	0
Reserve capital		0	0
Profit (loss) from previous years		0	0
Current result		28 131	22 672
Long-term liabilities		145 983	108 691
Deferred income tax provision		13 688	20 637
Liabilities and provisions on employee benefits		69	69
Other long-term provisions		0	0
Long-term credits, borrowings and debt instruments		129 722	65 007
Other long-term financial liabilities		1 373	2 816
Other long-term liabilities		1 131	20 162
Short-term liabilities		118 561	426 681
Liabilities and provisions on employee benefits		10	10
Other short-term provisions		5 291	57 076
Short-term credits, borrowings and debt instruments		63 731	148 181
Other short-term financial liabilities		997	10 650
Liabilities due to contracts with clients		0	0
Trade liabilities and other liabilities		48 527	210 765
Receivables from future terms		6	0
Liabilities connected to assets intended for sale		0	0
Liabilities in total		553 917	792 996



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2.4 CONDENSED INTERIM CASH FLOW STATEMENT

Item	01.01.-30.09.2021	01.01.-30.09.2020
Profit (loss) before tax	28 197	17 185
Adjustments:	<u>7 875</u>	<u>9 662</u>
Depreciation	1 563	4 562
Change of fair value of investment properties	0	0
Write-offs updating financial assets	0	0
Profit (loss) from sales of non-financial tangible assets	-48	-428
Profit (loss) from sales of financial assets (other than derivatives)	0	0
Profits (losses) from foreign exchange differences	0	72
Interests and shares in profits	6 360	5 456
Change in working capital	<u>-27 180</u>	<u>1 074</u>
Income tax before tax	<u>67</u>	<u>3 265</u>
Income tax paid	<u>-7 643</u>	<u>-4 843</u>
Net cash from operating activities	1 316	26 343
Expenses related to acquisition of intangible assets	-35	-44
Inflows from sales of intangible assets	0	0
Expenses related to acquisition of property, plant and equipment	-1 314	-3 474
Inflows from sales of property, plant and equipment	48	83
Expenses related to acquisition of investment properties	-43	-333
Inflows from sales of investment properties	0	0
Net inflows from sales of subsidiaries	0	0
Expenses related to acquisition of subsidiaries	-39 500	-7 152
Repayments received from loans granted	2 674	26 615
Expenses related to acquisition of other financial assets	0	0
Inflows from sales of other financial assets	0	55
Loans granted	-18 863	-5 000
Interest received	11	530
Dividends received	0	0
Net cash from investment activities	-57 022	11 279
Net inflows from issue of shares	0	0
Inflows from issue of debt securities	51 869	0
Other inflows (expenses) from financial activities	0	0
Inflows from received grants	0	0
Redemption of debt securities	-67 451	-6 883
Inflows from loans and borrowings taken out	6 456	61 450
Repayment of loans and borrowings	-24 801	-86 471



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Repayment of liabilities under finance lease	-1 034	-4 401
Interest paid	-4 847	-9 057
Dividends paid	0	0
Net cash from financial activities	-39 808	-45 362
Change in net cash and cash equivalents	-95 513	-7 739
Cash and cash equivalents at the beginning of the period	108 828	76 454
Cash and cash equivalents at the end of the period	13 315	68 714
Including cash of limited disposal right	0	0



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2.5 CONDENSED INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY

Data for period 01.01 – 30.09.2021

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
Balance at the beginning of the period	8 363	0	26 309	203 898	-3 618	22 672	0	0	257 624
Error corrections of previous years	0	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	0	0	0
Issue of shares	0	0	0	0	0	0	0	0	0
Transfer of financial result to capital	0	0	0	22 672	0	-22 672	0	0	0
Refund of cash contributions	0	0	0	0	0	0	0	0	0
Capital adjustment related to the separation of OPE due to cash flow hedges	0	0	0	0	3 618	0	0	0	3 618
Total transactions with the owners	0	0	0	22 672	0	-22 672	0	0	0
Net profit (loss)	0	0	0	0	0	28 131	0	0	28 131
Other total net income	0	0	0	0	0	0	0	0	0
Total income	0	0	0	0	0	28 131	0	0	28 131
Balance at the end of the period	8 363	0	26 309	226 570	0	28 131	0	0	289 372



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Data for period 01.01 – 31.12.2020

Item	Share capital	Own shares (-)	Capital from the sale of shares above their nominal value	Reserve capital from retained earnings	Other capitals	Unallocated retained earnings	The capital of non-controlling shareholders	Exchange differences on the conversion of subordinated entities	Total
Balance at the beginning of the period	8 363	0	26 309	180 793	0	23 105	0	0	238 570
Error corrections of previous years	0	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	0	0	0
Issue of shares	0	0	0	0	0	0	0	0	0
Transfer of financial result to capital	0	0	0	23 105	0	-23 105	0	0	0
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 the owners	0	0	0	23 105	0	-23 105	0	0	0
Net profit (loss)	0	0	0	0	0	22 672	0	0	22 672
Other total net income	0	0	0	0	-3 618	0	0	0	-3 618
Total income	0	0	0	0	-3 618	22 672	0	0	19 054
Balance at the end of the period	8 363	0	26 309	203 898	-3 618	22 672	0	0	257 624



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2.6 ADDITIONAL INFORMATION TO CONDENSED SEPARATE FINANCIAL STATEMENT

RULES FOR PREPARING AN INTERIM CONDENSED SEPARATE FINANCIAL STATEMENT

Interim condensed separate financial statement of Dekpol S.A. for the period of 3 months ended 30th of September 2021 was prepared in accordance with International Accounting Standards and International Financial Reporting Standards and related interpretations announced in the form of European Commission regulations (hereinafter referred to as IFRS).

Interim condensed separate financial statement of Dekpol S.A. for the period 3 and 9 months ended 30th of September 2021 was prepared assuming that the Company would continue as a going concern in the foreseeable future. The report presents the financial situation of Dekpol S.A. as at 30th of September 2021 and 31st of December 2020, the results achieved on the operations of the Company and cash flows for the periods of 3 and 9 months ended 30th of September 2021 and 30th of September 2020.

The accounting principles (policies) used to prepare the interim condensed financial statement are consistent with those used in the preparation of the Company's annual financial statement for the year ended 31st of December 2020. In the third quarter of 2021, there were no changes in the accounting principles (policies) applied.

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



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3.ADDITIONAL INFORMATION TO EXTENDED CONSOLIDATED REPORT FOR 3RD QUARTER 2021 FOR DEKPOL CAPITAL GROUP

3.1 INFORMATION ABOUT DEKPOL CAPITAL GROUP

3.1.1 BUSINESS ACTIVITIES

The principal activities of the DEKPOL Capital Group are as follows:

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

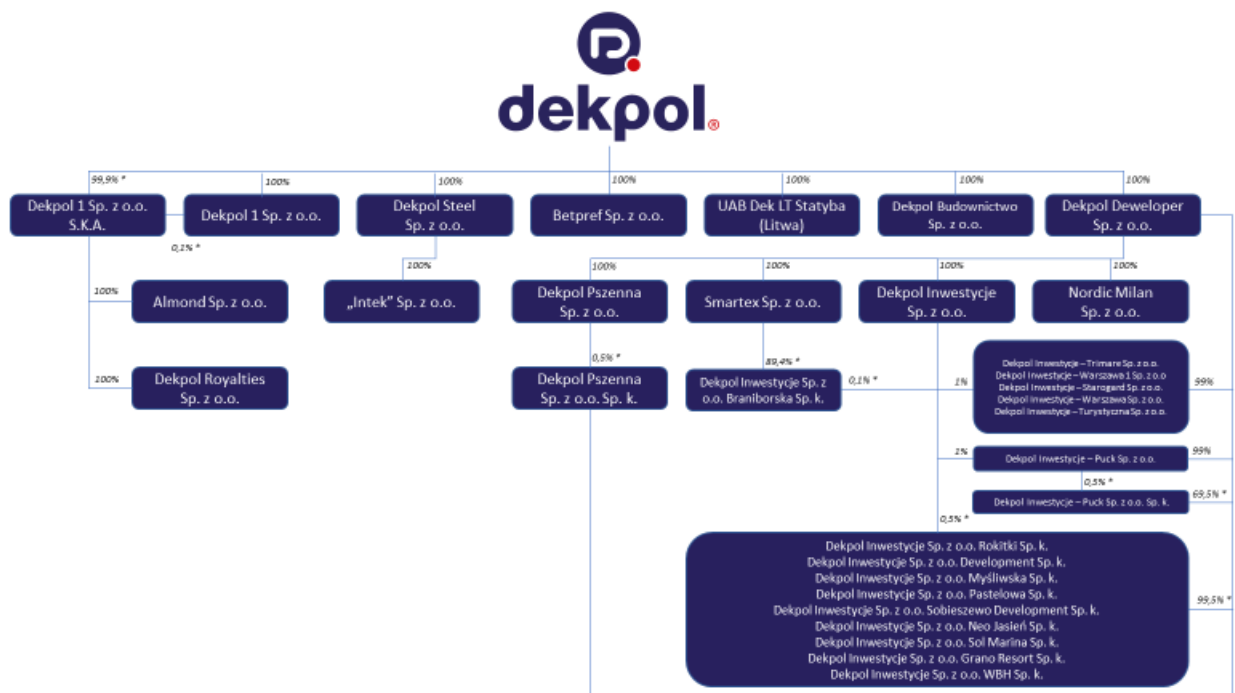


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3.1.2 STRUCTURE OF DEKPOL CAPITAL GROUP

As at 30th of September 2021 and as at the date of publication of this report, Dekpol Capital Group was composed of Dekpol S.A. (Issuer) as the parent company and direct or indirect subsidiaries of Dekpol S.A.

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



* Share of profits and losses

The operating activities of the Capital Group are conducted by subsidiaries.

Activity of Dekpol S.A.

Dekpol S.A. acts as the managing holding company of the Capital Group and provides services to entities from the Dekpol Capital Group. Due to the fact of conducting operational activities in the field of general contracting until 31st of December 2020, Dekpol S.A. remains responsible for the obligations under some of the concluded contracts, to the extent that the consent of the contractors was not obtained for the taking over of these obligations by the subsidiary Dekpol Budownictwo Sp. z o.o. as part of an in-kind contribution of an organized part of the enterprise on 31st December 2020. Additionally, as of 30th of September 2021, Dekpol S.A. is a party to two agreements in the general contracting segment concluded in 2021. The primary obligation under the general contracting activity,



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also in relation to contracts concluded until 31st December 2020, remains Dekpol Budownictwo sp.z o.o.

General contracting activities

Activities in the field of general contracting, starting from 1st of January 2021, are carried out by Dekpol Budownictwo Sp. z o.o. The issuer holds 100% of the subsidiary's shares.

Previously, this activity was carried out by Dekpol S.A. Effective on 1st January 2021, it was transferred to a subsidiary by means of an in-kind contribution of an organized part of the enterprise, covering the activities of the Department of General Contractor. The organized part of the enterprise was organizationally, functionally and financially separated in the internal structure of Dekpol S.A. a set of intangible and tangible assets intended for business activities, including, in particular, comprehensive implementation of investments in the field of construction and assembly works at the request of investors.

Property development activity

The property development activity is carried out by Dekpol Deweloper Sp. z o.o. (the Issuer owns 100% of the company's shares) and its subsidiaries - special-purpose companies or limited partnerships.

Dekpol Deweloper Sp. z o.o. since 2019, he has been running and supporting the development activities of entities from the Dekpol Capital Group, performing tasks including the preparation and implementation of development projects, sale of real estate, design and implementation of finishing works as well as after-sales service.

Individual projects are implemented by subsidiaries - special purpose vehicles:

- 1) Dekpol Pszena Sp. z o.o. Sp.k. – a special purpose vehicle established to carry out a development investment under the name of Grano Hotel and Grano Residence in Gdańsk at Pszena street;
- 2) Dekpol Inwestycje Sp. z o.o. Pastelowa Sp.k. – a special purpose vehicle established to carry out a development investment under the name of Pastelowa in Gdańsk;
- 3) Dekpol Inwestycje Sp. z o.o. Rokitki Sp.k. – a special purpose vehicle established to carry out development investments in Rokitki and Śliwiny near Tczew;
- 4) Dekpol Inwestycje Sp. z o.o. Development Sp. k. – a special purpose vehicle established to implement smaller development investments, including in Jurata, Hel and Gdańsk;



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- 5) Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k. – a special purpose vehicle established to carry out a development investment in Wrocław;
- 6) Dekpol Inwestycje Sp. z o.o. Myśliwska Sp. k. – a special purpose vehicle established to carry out a development investment under the name Foresta in Gdańsk;
- 7) Dekpol Inwestycje Sp. z o.o. Grano Resort Sp. k. - a special purpose vehicle established to carry out a development investment in Gdańsk on the Sobieszewo Island;
- 8) Dekpol Inwestycje Sp. z o.o. WBH Sp. k. - a special purpose vehicle established to carry out an investment in Warsaw, on the property at Prądyńskiego street 21;
- 9) Dekpol Inwestycje Sp. z o.o. Neo Jasień Sp. k. - a special purpose vehicle established to carry out a development investment under the name Neo Jasień in Gdańsk;
- 10) Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k. - a special purpose vehicle established to carry out a development investment in Wiślinka;
- 11) Dekpol Inwestycje Sp. z o.o. Sobieszewo Development Sp. k. - a special purpose vehicle established to implement smaller property development investments in Gdańsk on the Sobieszewo Island (e.g., Villa Neptun);
- 12) Nordic Milan Sp. z o.o. - the company has completed the Eco Milan development project in Milanówek;
- 13) Dekpol Inwestycje – Trimare Sp. z o.o. - a special purpose vehicle established to carry out a development investment in Sztutowo;
- 14) Dekpol Inwestycje – Warszawa 1 Sp. z o.o. – a special purpose vehicle established to carry out development investments in and around Warsaw;
- 15) Dekpol Inwestycje Warszawa Sp. z o.o. – a special purpose vehicle established to carry out development investments in and around Warsaw;
- 16) Dekpol Inwestycje Starogard Sp. z o. o. - a special purpose vehicle established to implement development investments in Starogard Gdański (on the balance sheet date the company operated under the name Dekpol Inwestycje Katowice Sp. z o.o.);
- 17) Dekpol Inwestycje – Turystyczna Sp. z o.o. – a special purpose vehicle established to implement an investment in Gdańsk on the Sobieszewo Island at Turystyczna street;
- 18) Dekpol Inwestycje – Puck Sp. z o.o. Sp. k. – a special purpose vehicle established to implement an investment in Puck.

Dekpol Deweloper Sp. z o.o. is the only limited partner of the special purpose vehicles indicated in points 1) – 4) and 6) - 11) above, as well as the sole partner of the companies specified in point 12). Dekpol Deweloper Sp. z o.o. owns 99% of the shares of the companies listed in points 13) – 17), and the remaining shares belong to



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the subsidiary Dekpol Deweloper Sp. z o.o., i.e., the below indicated company Dekpol Inwestycje Sp. z o.o.

The shareholders of Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k. (point 5) above) are:

- Dekpol Inwestycje Sp. z o.o. (general partner with a profit and loss share of 0.1%),
- Smartex Sp. z o.o. (limited partner with profit and loss share of 89.4%),
- a natural person not related to the Issuer in any other way (limited partner with a profit and loss share of 10.5%).

The shareholders of Dekpol Inwestycje - Puck Sp. z o.o. sp. k. (point 18) above) as at the date of publication of this report are:

- Dekpol Inwestycje – Puck Sp. z o.o. (general partner with a profit and loss share of 0.5%),
- Dekpol Deweloper Sp. z o.o. (limited partner with a profit and loss share of 69.5%),
- a legal person not related to the Group (a limited partner with a profit and loss shares of 30%).

Subsidiaries of Dekpol Deweloper Sp. z o.o. (Dekpol Deweloper owns 100% of the shares of these companies) are also:

- 1) Smartex Sp. z o.o. – 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. indicated in point 5 above;
- 2) Dekpol Pszenna Sp. z o.o. – k general partner of a special purpose vehicle established by implementation of a development investment at Pszenna street in Gdańsk indicated in point 1) above;
- 3) Dekpol Inwestycje Sp. z o.o. – general partner of the limited partnerships indicated in points 2) -11) above and a partner holding 1% of shares in the companies specified in points 13) -17) in the list above;
- 4) Dekpol Inwestycje – Puck Sp. z o.o. – general partner of a special purpose vehicle established to implement the investment in Puck indicated in point 18) in the above list.

Production activities

The production activity is carried out by Dekpol Steel Sp. z o.o. and Betpref Sp. z o.o., where Dekpol S.A. owns 100% of shares in the indicated companies. Moreover, after the balance sheet date, Dekpol Steel Sp. z o.o. acquired 100% of the shares of the company "Intek" Sp. z o.o. based in Lubawa (details of the transaction are provided in point 3.2.4 of this report).



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The subject of activities of Dekpol Steel Sp. z o.o. (entity separated in 2020) is the production and sale of buckets and accessories for construction machinery. Betpref Sp. z o.o. since 2018 has been running a precast concrete production plant in Toruń. In 2020, Betpref Sp. z o.o. expanded its activity with the production of steel structures in the plant located in Pinczyn.

"Intek" Sp. z o.o. based in Lubawa runs a steel products manufacturing plant. The company will focus on the performance of products offered by Dekpol Steel Sp. z o.o.

Other entities from Dekpol Capital Group

Dekpol S.A. he is also a partner of entities from the Group performing functions other than operating activities:

- 1) Almond Sp. z o.o. - a company that owns real estate in Gdańsk at Toruńska street 12 (Hotel Almond),
- 2) Dekpol Royalties Sp. z o.o. – the company was established to manage the Group's intangible assets; on 31st of March 2021, the company's authorities approved the merger plan of the company (as the acquired company) with Dekpol Deweloper sp.z o.o. (acquiring company) pursuant to Art. 492 § 1 item 1 of the Code of Commercial Companies, ie by transferring all the assets of the acquired company to the acquiring company; by the date of publication of this report, the merger of the companies has not been registered with the National Court Register,
- 3) Dekpol 1 Sp. z o.o. s.k.a. – an entity that owns 100% of the shares of the companies indicated in items 1) and 2) above and other property rights; on 31st of March 2021, the company's authorities approved the merger plan of the company (as the acquired company) with Dekpol Deweloper sp.z o.o. (acquiring company) pursuant to Art. 492 § 1 item 1 of the Code of Commercial Companies, ie by transferring all the assets of the acquired company to the acquiring company; by the date of publication of this report, the merger of the companies has not been registered with the National Court Register,
- 4) Dekpol 1 Sp. z o.o. – general partner of the company indicated in point 3) above (100% of the company's shares are held by Dekpol S.A.); on 31st of March 2021, the company's authorities approved the merger plan of the company (as the acquired company) with Dekpol Deweloper sp.z o.o. (acquiring company) pursuant to Art. 492 § 1 item 1 of the Code of Commercial Companies, ie by transferring all the assets of the acquired



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company to the acquiring company; by the date of publication of this report, the merger of the companies has not been registered with the National Court Register,

- 5) UAB DEK LT Statyba – an entity established to support the construction activities of Dekpol S.A. in Lithuania and in order to manage future contracts in general contracting carried out in the territory of this country (100% of the company's shares are held by Dekpol S.A.).

Other entities in which entities from the Dekpol Group participate

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

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

All direct and indirect subsidiaries of the Issuer are subject to full consolidation. Associated companies are valued using the equity method.

3.1.3 CHANGES IN THE STRUCTURE OF DEKPOL CAPITAL GROUP IN THE 3RD QUARTER 2021 AND AFTER BALANCE SHEET DATE

On 16th of July 2021, the special purpose company Dekpol Inwestycje - Trimare Sp. z o.o. has been entered into the National Court Register. The purpose of its creation is the implementation of a development investment in Sztutowo.

On 11th of August 2021, the special purpose company Dekpol Inwestycje - Warszawa 1 Sp. z o.o. has been entered into the National Court Register. The purpose of the creation is the implementation of property development investments in and around Warsaw.

On 16th of August 2021, the special purpose vehicle Dekpol Inwestycje - Puck Sp. z o.o. has been entered into the National Court Register. The purpose of the establishment is to participate in the development investment in Puck as a general partner of the special purpose vehicle - Dekpol Inwestycje - Puck Sp. z o. o. Sp. k.



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On 22nd of September 2021, the special purpose vehicle Dekpol Inwestycje - Katowice Sp. z o.o. has been entered into the National Court Register. The purpose of the creation was the implementation of development investments in Katowice. Then, on 17th of November 2021 (an event after the balance sheet date), the change of the company's name to Dekpol Inwestycje - Starogard Sp. z o.o. has been entered into the National Court Register. The change of the company's name is related to the acquisition by the Dekpol Group in October 2021 of a plot of land in Starogard Gdański, on which the implementation of a development investment by a special purpose vehicle is planned in the coming years. The original purpose of the company was the implementation of an investment in Katowice, from which the investment was abandoned and, consequently, the name was changed to correspond to the location of the land purchased in October.

On 6th of October 2021 (an event after the balance sheet date), the special purpose vehicle Dekpol Inwestycje - Warszawa Sp. z o.o. has been entered into the National Court Register. The purpose of the creation is the implementation of development investments in and around Warsaw.

On 11th of October 2021 (an event after the balance sheet date), the special purpose company Dekpol Inwestycje - Puck limited liability company limited partnership has been entered into the National Court Register and was established to implement an investment in Puck with the participation of a third party. On 12th of October 2021, an entity from outside the Group joined the company as a limited partner.

On 14th of October 2021 (an event after the balance sheet date), the special purpose company Dekpol Inwestycje - Turystyczna Sp. z o.o. has been entered into the National Court Register. The purpose of the creation is the implementation of development investments in Gdańsk.

On 10th of November 2021 (an event after the balance sheet date), the Issuer's subsidiary - Dekpol Steel sp.z o.o. - concluded an agreement with natural persons for the purchase of 100% shares in the company "INTEK" Sp. z o.o. based in Lubawa. Details of the transaction are provided in item 3.2.4 of this report.

3.1.4 COMPANY BODIES

Management Board

The Issuer's Management Board consists of one or more members, appointed and dismissed by the Supervisory Board. One of the members of the Management Board is entrusted by the Supervisory Board with the function of the President of the Management Board, it is also possible to entrust other members with the function of



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vice-presidents of the Management Board. The term of office of the Management Board members is 5 years and is not joint.

As at 30th of September 2021 and as at the date of publication of this report, the Management Board of the Issuer is composed of:

Name and surname	Function
Mariusz Tuchlin	President of Management Board (CEO)
Katarzyna Szymczak-Dampc	Vice-President of Management Board

The term of office of the President of the Management Board, Mr. Mariusz Tuchlin, will expire on 4th of June 2024, the term of office of the Vice-President of the Management Board, Ms. Katarzyna Szymczak-Dampc, will expire on 1st of January 2025.

In the third quarter of 2021 and until the publication of this report, there were no changes in the composition of the Company's Management Board.

Supervisory Board

Supervisory Board consists of five to seven members. Vocation, as well as dismissal of members of Supervisory Board follows through resolution of General Meeting of Shareholders. This body elects the Chairman of Supervisory Board, may also entrust the function of Vice-president to another member. The term of office of Supervisory Board members takes 5 years and cannot be joint.

As at 30th of September 2021 and as at the date of publication of this report, the Issuer's Supervisory Board is composed of:

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

The term of office of Grzegorz Wąsacz will end on 7th of March 2022. Wojciech Sobczak's term of office will end on 28th of May 2023. The term of office of Roman Suszek and Jacek Grzywacz will end on 2nd of April 2024. Jacek Kędzierski's term of office will expire on 1st of July 2024.



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In the third quarter of 2021 and until the publication of this report, there were no changes in the composition of the Company's Supervisory Board.

3.1.5 SHARE CAPITAL STRUCTURE

As at 30th of September 2021 and as at the date of publication of this report, the share capital of DEKPOL S.A. amounts to PLN 8,362,549.00 and is divided into 8,362,549 ordinary bearer shares with a par value of PLN 1 each, including:

- a) 6.410.000 series A ordinary bearer shares,
- b) 1.952.549 series B ordinary bearer shares,

which entitle to 8.362.549 votes in total at the General Meeting of the Company.

3.1.6 SHAREHOLDING STRUCTURE OF THE COMPANY

Shareholders of Dekpol S.A. having at least 5% of the total number of votes at the General Meeting of the Company as of the date of publication of this report, i.e. 24th of November 2021 according to the best knowledge of the Dekpol S.A. Management Board:

Major shareholders	Number of shares/ Number of votes	Participation in Share capital and general 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%
Total:	8 362 549	100%

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

In the period from the publication of the last periodic report, i.e., report for the 1st half of 2021 published on 24th September 2021, until the publication of this report, there were no changes in the shareholding structure of the Company.



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3.1.7 NUMBER OF SHARES HELD BY MANAGEMENT AND SUPERVISORY STAFF

Ownership of the Company's shares by Members of the Management Board and Supervisory Board of Dekpol S.A. as at the publication date of this report i.e. on 24th of November 2021 and as at the publication date of the previous periodic report i.e. report for the 1st half of 2021 published on 24th of September 2021:

Item	Number of shares as of the day of publication of I half of 2021	Changes	Number of shares as of the day of publication of report for 3 rd quarter 2021
Mariusz Tuchlin – CEO	6.466.845	-	6.466.845

Other Members of the Management Board and Supervisory Board of Dekpol S.A. do not hold the Company's shares.

To the best knowledge of the Company, Members of the Management Board and Supervisory Board do not have and did not have, in the period from the date of submitting the report for 1st half of 2021 to the date of submitting this report, rights to the Issuer's shares.

3.2 INFORMATION ON OPERATIONS OF DEKPOL CAPITAL GROUP

3.2.1 SUMMARY OF THE ACTIVITIES OF THE DEKPOL CAPITAL GROUP IN III QUARTER 2021

Revenues of the Dekpol Capital Group in the period of 3 quarters of 2021 amounted to PLN 729 million, which was due to higher revenues of the General Contracting Segment than in the previous year, satisfying, although lower than in the record-breaking 2020 revenues from real-estate development activities and the highest revenues of Dekpol Steel so far. As a result, the Group generated PLN 62 million of operating profit, which translated into PLN 36 million of net profit. Individual business segments pursued the assumed development strategy despite the difficult market environment.

The year 2021 brought significant changes in the economic situation on the market, which consequently caused a sharp increase in the prices of raw materials and construction materials, reaching even three times the value of prices compared to 2020. Regardless of the economic recovery, after the period of "covid" restrictions, other factors influencing the said growth appeared prices, i.e. increases in the prices of raw materials, increases in fuel, energy, wages and salaries, and an increase in the



prices of sea transport. On the net result in the third quarter of 2021, the valuation of currency transactions (PLN 7 million) also had a noticeably negative impact. It should be emphasized that the Group concludes currency transactions in order to hedge budgetary rates, which is to protect the operating margin against the effects of exchange rate fluctuations, and the negative valuation of these transactions results from fluctuations in the level of market rates as at the balance sheet date and reflects the accounting requirements.

General contracting segment

As part of the general contracting segment, the Capital Group at the end of the third quarter of 2021 had in its portfolio contracts for external entities with a total contractual value of approximately PLN 1.25 billion net. Projects with a total value of approximately PLN 800 million net remained to be implemented after the reporting period. These amounts also include the value of projects for which key terms were agreed already in Q32021, about which the Group informed in relevant current reports.

In turn, as part of internal activities for the property development segment, the Group had contracts worth over PLN 214 million net, of which nearly PLN 133 million net remained to be performed.

Most of the projects are commissioned by private investors. As part of general contracting, industrial, logistic, commercial, service and residential facilities are implemented along with full external infrastructure (roads, squares, parking lots).

The list of selected external contracts carried out by the Dekpol Group as at 30.09.2021 in the field of general contracting is presented in the table below:

Principal	Description of project
KARUZELA KOŁOBRZEG	Shopping center in Kołobrzeg
RTE POLAND	Construction of a bicycle factory in Machnacz
PANATTONI GROUP	The construction of a warehouse and production building with office and social rooms and infrastructure accompanies in Grodzisk Mazowiecki
PANATTONI GROUP	Construction of a warehouse with a social and office building along with road and network infrastructure and auxiliary facilities in Gdańsk
7R GROUP	Construction of two production and warehouse facilities with office and social facilities along with the necessary technical infrastructure (hall A and hall B) in Szczecin
PANATTONI GROUP	Construction of a warehouse with accompanying infrastructure (internal roads, parking lots, loading areas) with an office part in Skawina.



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PANATTONI GROUP	Construction of a warehouse with the necessary infrastructure in Ujrzanów near Siedlce.
PANATTONI GROUP	Construction of a warehouse with an office building and external infrastructure in Będzieszyn
PANATTONI GROUP	Construction of a warehouse building and all accompanying works and design works in Błonie Wieś
Press Glass UAB	Construction of a production plant with development, infrastructure and accompanying facilities and other elements indicated in the project, located in the Special Economic Zone in Kaunas, Lithuania.

Most of the contracts carried out by the Company have a value of up to PLN 50 million. The company also carries out individual larger contracts, as at 30.09.2021 the Group had in its portfolio 7 contracts worth over PLN 70 million.

Industrial and logistics projects have a significant share in the order portfolio - in recent years they accounted for approx. 70% -85% of the portfolio. As of 30th of September 2021, the share of industrial and logistics projects in the entire order portfolio amounted to approx. 85%.

The segment's activity in the described period was still influenced by significant increases in the prices of construction materials. With the high demand for services, the problem is the inflation dynamics, which hindered the correct projection of construction project implementation costs and the effective construction of commercial offers. The rapid increase in prices and unavailability of construction materials, occurring in the time between the selection of the offer and the commencement of contracting, contributed to the lower profitability of the projects. The reduction of the negative impact of inflation on costs and, as a result, on the financial result was influenced by the decision to lower activity in the area of acquiring new projects in the first quarter of 2021 and the maintained strategy of the short-term nature of implemented projects. In addition, over the last years of operation, the Company has developed internal procedures and processes aimed at efficiency, speed of operation and reduction of implementation risk (including an effective purchasing department cooperating with the area of valuation of new projects as well as with the implementation department). Negotiations with suppliers in relation to larger delivery packages, as well as the import of selected materials from abroad also turned out to be a tool to counteract the increases.

The period from February to June 2021 was characterized by the highest dynamics of growth in the prices of building materials. In the third quarter of 2021, the situation stabilized, however, the prices of building materials remained at a high level. The company expects the impact of the increase in the prices of construction materials on the financial result for the entire year 2021, however, the remedial measures taken allow this effect to be significantly limited and controlled. In the third quarter of 2021,



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the Company noted further threats to the construction industry resulting from macroeconomic changes. Rising inflation is reaching levels that have not existed for many years. Energy and fuel prices are rising likewise rapidly. Difficulties in obtaining prepared investment land and their rising prices affect many investors. At the same time, the procedures for obtaining financing and securing projects are prolonged, postponing the settlement of projects.

Revenues of the General Contractor segment in three quarters of 2021. amounted to PLN 499 million, which translated into PLN 32 million of operating profit, compared to PLN 405 million of revenues generated in the three quarters of 2020. in the first half of 2020. and PLN 28 million of operating profit.

Property development activity

As part of the development segment, the Dekpol Capital Group maintains a stable position on the market. In the third quarter of this year. contracting within the meaning of preliminary, developer and reservation agreements finally amounted to 144 units. For comparison, in the same period of the previous year, contracting was at the level of 22 units. The significant increase in the number of apartments sold is, inter alia, the effect of rebuilding the Group's sales offer after a period in which, due to the high rate of sales and as a result of the COVID-19 pandemic, the offer was significantly reduced. As of 30th of September 2021, there were 738 units for sale.

In the third quarter of 2021, the Group sold the following investments:

- Grano Marina Hotel – building with a total of 130 commercial premises, located in Wiślinka near Sobieszewska Island, part of the "Sol Marina stage I" investment,
- Sol Marina stage II – a complex of 15 apartment buildings with a total of 127 commercial premises, located in Wiślinka near Sobieszewska Island,
- Lazur Park – a residential building with a total of 36 apartments, located on the Sobieszewska Island,
- Villa Neptun – apartment building with a total of 40 commercial premises, located on the Sobieszewska Island,
- Baltic Line – apartment building with a total of 60 commercial premises, located on the Sobieszewska Island,
- Baltic Porto - apartment building with a total of 72 service premises, located on the Sobieszewska Island,
- Osiedle Pastelowe stage II - 3 residential buildings with a total of 225 residential premises, located in Gdańsk,



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- Trimare stage I – 9 residential buildings with a total of 189 residential premises, located in Sztutowo,
- Kociewskie estate, stage I – 3 residential buildings with a total of 121 residential premises, located in Rokitki near Tczew.

In the period of three quarters of 2021, final occupancy permit decisions were issued:

- a complex of 13 apartment buildings consisting of 92 apartments, which are part of the "Sol Marina stage I" investment, which will include the construction of a total of 222 apartments. The investment is located in Wiślinka, right on the banks of the Martwa Wiśła estuary to the Baltic Sea. The sale of the premises, in the part already put into use, as at 30th of September 2021 was 87%, and the total investment reached 50% of sales,
- 3 multi-family residential buildings consisting of 180 premises included in the "Osiedle Pastelowe stage I" investment in Gdańsk, as at 30th of September 2021 all premises have been sold.

As a result, the revenues of the development segment in the third quarter of this year, the sale of 43 premises was recognized. For comparison, in the third quarter of 2020 there were 134 premises. The lower number of units identified in the third quarter of 2021 compared to the corresponding period of the previous year results directly from the construction work schedules of the ongoing development projects. At the same time, it should be emphasized that the previous year was a record year in which the flagship investment Grano Residence was recognized, and the issue of obtaining administrative permits during the intensification of the pandemic is not without significance. Currently, new permits are successively issued, moreover, the recognition of new investments is scheduled for the fourth quarter of this year.

Segment revenues in the three quarters of this year, amounted to PLN 120 million, which, thanks to the high 26% operating margin, translated into PLN 31 million in operating profit.

In the period of three quarters of 2021, the Group realized sales of 408 residential and commercial premises compared to 75 premises sold in the corresponding period of the previous year and recognized 258 premises in the financial result compared to 571 premises in the same period of the previous year.

In accordance with the sales targets for 2021 adopted in January 2021, the Group's intention in the development segment is to achieve revenues of PLN 210 million in 2021, which will include, in particular, the sale of 300 units recognized in the financial result and revenues from investment implementation from an institutional entity located in Wrocław at Braniborska street. On the other hand, the target for 2021, in



accordance with the update presented in the current report No. 51/2021 of 23rd of November 2021 with regard to the sale of premises under reservation, development and preliminary agreements, it is currently 480 premises, compared to the target set at the beginning of the year at 350 premises (provided that none of the above forward-looking statements can be construed or interpreted as granting any guarantee or assurance by the Company or entities belonging to the Capital Group that such events will occur and that the sales targets set out above will be achieved).

Segment for production of equipment for construction machines

In the third quarter of 2021 the good economic situation continued on the construction machinery market, thanks to which Dekpol Steel acquired a large number of orders from customers. It was also the period in which the company felt the most significant and rapid increases in the cost of all materials necessary for the production of accessories. Despite this, as a result of taking quick actions and negotiations with suppliers, as well as the customers themselves, Dekpol Steel maintained good financial results.

In the period under discussion, Dekpol Steel completed the production of the first trial orders for newly acquired manufacturers of construction machinery. In the future, this will result in the development of projects under which Dekpol Steel will produce accessories for excavators and wheel loaders of a major American manufacturer. CASE also plans to move a significant part of its production under the roof of the production plant in Pinczyn, which will be intended for machines for the European market.

Long-term cooperation with OEM customers and a strong position on the market resulted in obtaining an increased number of orders. Therefore, as well as taking into account the adopted strategy of dynamic development, Dekpol Steel decided to take over the production plant located in Lubawa. This decision was dictated primarily by the possibility of recruiting about 200 people, qualified and experienced staff with similar professional qualifications, which is now an indispensable area for the further development of Dekpol Steel. In addition, the purchased company, apart from twice the production area compared to the one located in Pinczyn, has extensive experience, among others, in the offshore industry. This transaction was finalized in the fourth quarter of 2021. In terms of business, this acquisition is also aimed at strengthening the position of Dekpol Steel on the market of manufacturers of accessories for construction machinery, and also - in the perspective of three years - should translate into an increase in the annual revenues of the Dekpol Steel Group to the level of even approximately PLN 300 million. At the same time, the Issuer



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reserves that the above is a long-term goal conditioned by many internal and external - market factors.

In the third quarter of this year, the company also launched the first pieces of Dekpol Steel equipment based on a hydraulic motor. During this period, a decision was also made to expand this project with new engines, which will result in a full range of accessories next year, covering the possibility of supplying machines from 1 ton to 10 tons. In the next quarter, the production of a significant number of POWERDEK products is planned, so that in 2022 revenues from this project reached the level of PLN 4 million. Ultimately, this project is to generate a turnover of PLN 15 million per year.

Dekpol Steel continues to improve and develop the plant located in Pinczyn. It is planned to equip the plant with new production machines, which are to speed up and improve the production process.

Despite many unpredictable situations, related in particular to the availability of material for production, significant increases in steel prices and problems with recruiting new employees, the company plans to achieve the previously set goals. This is confirmed by the financial results that Dekpol Steel has achieved so far. The following years herald the intensive development of two production plants and the achievement of the status of a leader in the production of accessories for construction machinery on the European market. Talks with new customers from the European and US market are underway, and new projects are also developed with current customers. In the period of three quarters, the Dekpol Steel company generated a higher turnover than in the entire 2020. (PLN 84 million against PLN 80 million in the whole last year), which proves its development potential.



3.2.2 SIGNIFICANT ACHIEVEMENTS AND FAILURES, AND THE MOST IMPORTANT EVENTS IN THE ACTIVITIES OF THE DEKPOL CAPITAL GROUP IN THE 3RD QUARTER 2021

Decision on the implementation of the second stage of works under the contract for general contracting of the investment in Szczecin

On 8th of July 2021, Dekpol S.A. received information that the company Dekpol Budownictwo Sp. z o. o. ("Contractor") received from 7R S.A. ("Ordering Party") confirmation of the call for the implementation of the second stage of the investment carried out on the basis of the contract concluded in February 2021 for the general contracting of two production and warehouse facilities with office and social facilities along with the necessary technical infrastructure in Szczecin ("Investment"). For the implementation of the second stage of the Investment, the Contractor is entitled to remuneration in the amount of approx. 3% of the revenues of the Dekpol S.A. Capital Group. for 2020, while the total net remuneration for the implementation of both stages of the Investment amounts to approx. 8% of the sales revenues of the Dekpol Capital Group for 2020. The deadline for the performance of the works under the second stage has been set at 6 months from the date of calling and making the site available by the Ordering Party.

The decision on the implementation of the second stage of the Investment was announced by the Company in the current report No. 28/2021 of 8th of July 2021. The Company informed about the conclusion of the general contracting agreement and the terms of the Investment implementation in the current report No. 8/2021 of 16th of February 2021 and the Report on the activities of the Dekpol Capital Group in the first half of 2021.

Conclusion of the general contracting agreement on construction of a production plant in Lithuania

On 21st of July 2021 the Company was informed that Press Glass UAB based in Lithuania ("Ordering Party") had signed a contract with the Company for the performance of as a general contractor of construction works consisting in the construction of a production plant with development, infrastructure and accompanying facilities and other elements indicated in the project, located in the Special Economic Zone in Kaunas, Lithuania ("Agreement"). Under the Agreement, the Company will also perform other agreed activities, including the preparation of executive and as-built documentation.

The deadline for the implementation of the subject of the Agreement was set for June 2022. The total net remuneration of the Company for the performance of the



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above-mentioned investment is approx. 8% of the revenues of the Capital Group of the Company for 2020 (converted at the EUR exchange rate of 21st of July 2021).

The agreement provides for contractual penalties, inter alia in case of delays in the performance of the Agreement and delay in removing defects and faults. In addition, the parties to the Agreement have the right to demand payment of a contractual penalty in the amount of 10% of the contract price for withdrawal from the Agreement for reasons attributable to the other party to the Agreement. The maximum number of contractual penalties may not exceed 10% of the remuneration. The parties are entitled to seek compensation for the damage in full, on general terms. Each party has the right to withdraw from the Agreement in the cases specified in the Agreement. The contractor is entitled to subcontract some of the works.

Pursuant to the Agreement, the parties agreed that the final contractor for the subject of the Agreement would be Dekpol Budownictwo Sp. z o. o. (the company selected by the Ordering Party on 9th of July 2021 as the general contractor for the project "Construction of the insulated glass production and processing plant in Lithuania in the Special Economic Zone in Kaunas"), after obtaining the relevant authorizations to perform construction works in Lithuania.

The events were announced by the Company in current reports No. 29/2021 of 9th of July 2021 and No. 31/2021 of 21st of July 2021.

Obtaining a building permit for the 2nd and 3rd stage of the Sol Marina investment in Wiślinka

On 23rd of July 2021, Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k. received the final permit issued by the Gdańsk Starosty Office for the construction of a complex of apartment buildings as part of the 2nd and 3rd stage of the Sol Marina project together with the necessary infrastructure and road system with parking lots in Wiślinka.

As part of the above-mentioned In the stages of the Sol Marina investment, construction of 31 apartment buildings is planned, which will include 267 apartments with a total usable area of approx. 12 thousand sq m and 293 parking spaces and 129 berths. The estimated value of revenues obtained from the implementation of the above-mentioned of the investment stages will amount to approx. 26% of the revenues of the Dekpol Capital Group for 2020. The implementation of the 2nd and 3rd stage of the investment will be completed in the 2nd quarter of 2023 and the 2nd quarter of 2024, respectively, and the first premises will be put into use in the 2nd quarter of 2023, respectively, and in the second quarter of 2024.



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The Company informed about the event in the current report No. 32/2021 of 23rd of July 2021.

Issue of P2021 A series bonds as part of the bond issue program

On 10th of August 2021 the Management Board of Dekpol S.A. adopted a resolution to make an initial allocation of 25 000 series P2021A bearer bonds with a nominal value of PLN 1.000 each and a total nominal value of PLN 25 million, issued on the basis of the prospectus approved by the Polish Financial Supervision Authority on 21st of April 2021 as part of the bond issue program in the form of a public offering within the meaning of the provisions of the Act on Public Offering ("Bonds").

P2021A series bonds were allocated 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. (Krajowy Depozyt Papierów Wartościowych S.A.). The condition precedent referred to above was met on 13th of August 2021. Thus, the final Bonds were allocated and the Bonds were issued.

The bonds were issued at an issue price equal to their nominal value. The interest on the Bonds is variable, based on the WIBOR 3M base rate increased by a margin. Interest on the Bonds is payable in 3-month periods. The bonds are not secured. The redemption of the Bonds will take place on 13th of February 2025. The Bondholder has the right to demand early redemption of the Bonds in standard cases specified in the terms of the bond issue, including inter alia in the event that the Company's Capital Group exceeds certain debt ratios. The Company may request early redemption of the Bonds on each of the interest payment days, paying a premium of 0-1.25% of the nominal value of the Bonds subject to redemption, depending on the date of the request.

The funds from the issue of the Bonds will be used to finance the current operations of the Issuer's Capital Group.

On 11th of August 2021 the National Depository for Securities S.A. ("KDPW") issued a statement on the registration in the securities depository under the code ISIN PLDEKPL00123, up to 25.000 series P2021A bearer bonds of the Company with a nominal value of PLN 1.000 each ("Bonds"). The Bonds will be registered on the basis of the settlement orders referred to in § 5 of the Detailed Rules of Operation of the National Depository for Securities, submitted after the resolution on admitting the Bonds to trading on the regulated market. The condition for registration of the Bonds is their admission to trading on the regulated market.

On 11th of August 2021, the Management Board of the Warsaw Stock Exchange S.A. adopted Resolution No. 795/2021 on the admission of the Bonds to exchange trading



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on the Catalyst main market as of the date of registration of the Bonds by the National Depository for Securities S.A.

On 13th of August 2021, the Company was informed that the National Depository for Securities had completed the final settlement of the Bonds and thus that the issue of series P2021A bonds had been completed.

On 17th of August 2021 the Management Board of the Warsaw Stock Exchange S.A. ("WSE") adopted a resolution, in which it decided to introduce, as of 19th of August 2021 on the primary market, marked by The National Depository for Securities S.A. with the code "PLDEKPL00123" and note the above-mentioned bonds in the continuous trading system under the abbreviated name "DKP0225".

Moreover, the WSE Management Board decided to set the last trading day for the above-mentioned bonds as of 4th of February 2025.

The above events were announced by the Company in current reports No. 33/2021 of 10th of August 2021, No. 34/2021 of 12th of August 2021, No. 35/2021 of 13th of August 2021, No. 36/2021 of 18th of August 2021 year and No. 37/2021 of 19th of August 2021. The Company announced the establishment of the bond issue program in the current report No. 24/2020 of 29th of September 2020.

Conclusion of another annex to the general contracting agreement for of the investment - the Karuzela Kołobrzeg shopping center

On 25th of September 2021 Dekpol Budownictwo Sp. z o. o. („Contractor”) signed with Karuzela Kołobrzeg Sp. z o. o. („Ordering Party”) another annex to the general contracting agreement of the investment Karuzela Kołobrzeg shopping center, concerning the construction of a shopping mall along with other facilities such as roundabout, parking spaces for cars, etc. concluded in January 2020 ("Annex No. 4").

Pursuant to Annex No. 4, the parties agreed on changes to the existing works in such a way that the Contractor is commissioned, in addition to the ongoing Works 1 specified in the report 23/2020 and the above-mentioned the annual report, implementation of works necessary for the proper functioning of the facility of Leroy Merlin Inwestycje Sp. z o. o., as an independent building ("Works 2"), as well as works related to the construction of a shopping center ("Works 3"). The deadline for completion of Works 1, Works 2 and Works 3 falls on the end of August 2021, November 2021 and August 2022, respectively. Therefore, the total lump sum remuneration for the performance of the Agreement was set at over 10% of the revenues of the Issuer's Capital Group for 2020, including for Works 3 approx. 7%.



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The Company informed about the event in the current report No. 38/2021 of 25th of August 2021. About the conclusion of the above-mentioned of the agreement, the Company informed in the current report No. 3/2020 of 21st of January 2021, and in subsequent current reports, the Company informed about the concluded annexes to the agreement.

Implementation of the TRIMARE real estate development investment in Sztutowo

On 30th of August 2021 there was concluded between Dekpol Budownictwo Sp. z o. o. and Dekpol Inwestycje - TRIMARE Sp. z o. o. a general contracting agreement, the subject of which is the implementation by the Issuer's indirect subsidiary - Dekpol Inwestycje - TRIMARE Sp. z o. o. a new real-estate development investment involving the construction of a complex of multi-family residential buildings in Sztutowo.

The investment will be implemented in two stages, including the construction of 9 and 8 residential buildings, respectively, with 189 and 128 apartments, respectively, with a total usable area of approx. 6.2 thousand sqm and 5.7 thousand sqm. The estimated value of revenues obtained from the implementation of the Investment will total over 10% of the revenues of the Dekpol Capital Group for 2020. The implementation of individual stages of the investment will be completed in the fourth quarter of 2022 and the second quarter of 2023, respectively.

The Company informed about the event in the current report No. 39/2021 of 30th of August 2021.

Conclusion of a letter of intent and a general contracting agreement with Panattoni Development Europe Sp. z o. o.

On 31st of August 2021, the Management Board of Dekpol S.A. learned about the signing by Panattoni Development Europe Sp. z o.o. letter of intent with Dekpol Budownictwo Sp. z o. o. confirming the selection of Dekpol Budownictwo as the general contractor of the investment involving the construction of a warehouse building with accompanying infrastructure in Błonie Wieś ("Investment").

On 2nd of November 2021 (an event after the balance sheet date), Dekpol Budownictwo Sp. z o. o. (the "Contractor") concluded an agreement with the Panattoni Development Europe Sp. z o.o., which is a company from the Group ("Ordering Party") for the performance of the above-mentioned construction works and all accompanying works and design works.

The completion of the Investment and obtaining the use permit is to take place in February 2022. The value of the net remuneration for the implementation of the Investment was set at approx. 5% of sales revenues of the Issuer's Capital Group for 2020 (converted according to the EUR exchange rate of 2nd of November 2021). The



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contract also includes provisions for the construction of two more warehouse buildings for an additional remuneration of 3% and 6%, respectively, of the above-mentioned revenues, their implementation is optional and must be previously confirmed by the Employer. The agreement provides for contractual penalties, with the limit of these penalties being 10% of the contract price. In addition, the parties to the Agreement have the right to demand payment of a contractual penalty in the amount of 10% of the remuneration in the event of withdrawal from the Agreement due to the fault of the other party.

The Company informed about the event in current reports No. 40/2021 of 31st of August 2021 and No. 48/2021 of 2nd of November 2021.

Agreement on the key terms of the contract for the execution of construction works for the warehouse hall

On 2nd of September 2021, Dekpol Budownictwo Sp. z o. o. agreed with Pruszcz Logistics Sp. z o. o. the key terms of the contract for the performance of construction works for a warehouse with an area of approx. 50 thousand square meters with an office building and external infrastructure in Będzieszyn.

The deadline for the implementation of the above-mentioned investment was agreed for April 2022, and the remuneration for the performance of works was set at the level of approximately 9% of sales revenues of the Dekpol Capital Group for 2020.

The Company informed about the event in the current report No. 41/2021 of 3rd of September 2021.

Obtaining a building permit for the second stage of a multi-family housing estate as part of the "Osiedle Kociewskie"

On 17th of September 2021, the Issuer's Management Board received information that Dekpol Inwestycje Sp. z o.o. Rokitki Sp. K. ("Subsidiary") obtained a permit for the construction of the second stage of the estate of multi-family residential buildings "Osiedle Kociewskie", issued by the Powiat Starosty in Tczew, along with the necessary technical infrastructure in Rokitki.

As part of the above-mentioned stage of the investment, the construction of 3 residential buildings is planned, which will include 129 apartments with a total usable area of approx. 5,270 square meters.

The estimated value of revenues obtained from the implementation of the above-mentioned stage will amount to approx. 3% of sales revenues of the Dekpol Capital



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Group for 2020. The planned completion of the second stage of the investment is to take place in November 2022. The project will be implemented by the Subsidiary, and the capital expenditure will be financed from own and external funds.

The Company informed about the event in the current report No. 43/2021 of 17th of September 2021.

Agreeing on the key terms of the contract for the execution of construction works for the production hall

On 23rd of September 2021, Dekpol Budownictwo Sp. z o. o. agreed with a company from the Panattoni Group on the key terms of the contract for the performance of construction works as the general contractor, including the construction of a production hall with accompanying infrastructure in Radomsko ("Investment"). The completion of the Investment is to be completed in July 2022. The value of the net remuneration for the implementation of the Investment was set at approx. 8% of sales revenues of the Issuer's Capital Group for 2020 (converted according to the EUR exchange rate of 23rd of September 2021).

The Company informed about the event in the current report No. 44/2021 of 23rd of September 2021.

Agreement on the key terms of the contract for the performance of construction works for two warehouse halls

On 23rd of September 23, 2021, Dekpol Budownictwo Sp. z o. o. agreed with a subsidiary of the Panattoni Group on the key terms of the contract for the performance of construction works as a general contractor, including the construction of two warehouse halls, a logistics center with accompanying infrastructure in Kolbudy ("Investment"). Phase 1 of the Investment is to be completed in March 2022, while the completion of the entire scope will be determined by the Parties during the implementation of the Investment. The value of the net remuneration for the implementation of the entire Investment was set at the level of approx. 14% of sales revenues of the Issuer's Capital Group for 2020 (converted according to the euro exchange rate of 23rd of September 2021).

The Company informed about the event in the current report No. 45/2021 of 23rd of September 2021.

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

On 24th of September 2021, a complete set of documentation related to the change of loan agreements was concluded by Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k. with Alior Bank SA, i.e., non-revolving loan agreements ("Loan 1") and revolving loan



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agreements ("Loan 2"), about which the Issuer informed in the current report No. 9/2020 of 19th of March 2020. In accordance with the annexes to the above-mentioned agreements, the final repayment date for Loan 1 and Loan 2 was extended until the end of December 2023 (until 31st of July 2022). At the same time, the limit of Credit 1 has now been set at PLN 57.4 million (previously PLN 59.2 million).

The Company informed about the event in the current report No. 46/2021 of 24th of September 2021.

3.2.3 FACTORS AND EVENTS, INCLUDING UNUSUAL NATURE, WHICH HAVE A SIGNIFICANT IMPACT ON THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

In the third quarter of 2021, there were no factors and events other than those described in other sections of this quarterly report, including those of an unusual nature, which had a significant impact on the condensed consolidated financial statements.

3.2.4 EVENTS AFTER BALANCE SHEET DATE

Agreement on the key terms of the contract for the execution of construction works for warehouse halls

On 4th of November 2021, the Issuer's subsidiary - Dekpol Budownictwo Sp. z o. o. ("Dekpol Budownictwo") agreed with a company from the Panattoni Group on the key terms of the contract for the performance of construction works as the general contractor, including the construction of warehouse halls with accompanying infrastructure in the village of Zaczernie in the Podkarpackie Voivodeship ("Investment"). The investment is to be completed in June 2022. The value of the net remuneration for the implementation of the Investment was determined at the level of approx. 7% of sales revenues of the Issuer's Capital Group for 2020 (converted according to the EUR exchange rate of 4th of November 2021). The Issuer will inform about the conclusion of the contract in an appropriate current report.

The Company informed about the event in the current report No. 49/2021 of 4th of November 2021.

Acquisition of shares in the company "INTEK" Sp. z o. o. from the manufacturing activity segment



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On 10th of November 2021, Dekpol Steel Sp. z o. o. concluded with natural persons an agreement for the purchase of 100% shares in the company "INTEK" Sp. z o.o. based in Lubawa ("INTEK"). The subject of INTEK's activity is the design of lines and devices that are elements of industrial automation systems. The company's offer includes a wide range of products including a complete supply of technological transport equipment with industrial automation systems "turnkey" for various industries, including car, furniture, machinery, tire and offshore branches.

The purchase price for shares in INTEK did not constitute a significant amount from the perspective of the assets of the Dekpol Capital Group. The final settlement of the share purchase transaction will be made in accordance with the accounting regulations applicable to the Issuer.

The acquisition of shares in INTEK was considered important due to the acquisition of approximately 200 people, qualified and experienced staff with similar professional qualifications, which is now an essential area for the further development of Dekpol Steel. In addition, INTEK has 25 thousand m² of production halls. The above will allow for the doubling of the current production capacity of the Dekpol Group in the production segment, and thus will enable more efficient execution of orders held by the Dekpol Group, as well as obtaining new additional orders. The Issuer's Management Board expects that as a result of the development of Dekpol Steel and the acquisition of shares in INTEK, it will be possible to generate annual sales revenues in the production segment, ultimately at the level of even about PLN 300 million in the next 3 years, the Issuer stating that the above is the goal long-term conditioned by many internal and external market factors.

The Company informed about the event in the current report No. 50/2021 of 10th of November 2021.

3.2.5 TRANSACTIONS WITH AFFILIATES

In the third quarter of 2021, the Company and its subsidiaries did not conclude any transactions with related parties on terms other than market terms.

3.2.6 SURETIES AND GUARANTEES GRANTED AND RECEIVED

In the third quarter of 2021, the Company and its subsidiaries did not grant any sureties or guarantees regarding financial liabilities of entities other than those listed



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in the tables below. The companies from the Group provided guarantees and received guarantees concerning, inter alia, construction works performed.

In the third quarter of 2021, between the Issuer and related entities, there were mutual granting of sureties and guarantees shown in the table below (as of 30.09.2021 in total). Most of the intra-group sureties granted result from the separation of individual segments, of which they were granted during 2021. mainly resulted from the separation as of 1st of January 2021 of a general contracting segment.

Intra-group sureties are granted for remuneration adequate to the type, validity period and amount of the surety.



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Sureties for financial liabilities of companies from the Dekpol Capital as of 30.09.2021

Beneficiary	Product	Amount of the guaranteed product in thous.	Currency	Debt / use of the limit as at 30.09.2021 in thousand PLN	Type of security	Contractual repayment date / Limit validity
Dekpol Budownictwo Sp. z o.o.	Credit at mBank S.A. framework agreement no. 10/031/19/Z/PX	35 000	PLN	11 228	guarantee Dekpol S.A.	30.06.2022
Dekpol S.A.	Credit agreement at Alior Bank SA no. U0003447412540 for an overdraft facility of the day 17.07.2020	10 000	PLN	9 782	joining the debt Dekpol Budownictwo Sp. z o.o.	12.08.2023
Dekpol S.A.	SGB - credit at REW no. REW/2200155/2020/2	30 000	PLN	19 123	joining the debt Dekpol Budownictwo Sp. z o.o.	14.07.2022
Dekpol S.A.	SGB - overdraft facility KRB/2200155/2020/1	15 000	PLN	11 394	joining the debt Dekpol Budownictwo Sp. z o.o.	14.07.2022
Dekpol S.A.	LKW agreement at PKO BP S.A. No. 38 1020 1462 0000 7102 0368 2028 dated 17.07.2020	30 000	PLN	22 612	joining the debt Dekpol Budownictwo Sp. z o.o.	15.07.2022
Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k.	revolving loan at Alior Bank, umowa nr U0003400195815A	57 417	PLN	0	guarantee Dekpol S.A.	31.12.2023
Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k.	revolving loan at Alior Bank, agreement no. U0003400195815B	4 800	PLN	0	guarantee Dekpol S.A.	31.12.2023
Dekpol Budownictwo Sp. z o.o.	Credit agreement with Santander Bank Polska S.A. overdraft facility no. K01263/17	10 000	PLN	1 983	guarantee Dekpol S.A.	22.12.2021
Dekpol Budownictwo Sp. z o.o.	ING discount agreement no. 891/2020/00001802/00	2 500	PLN	1 325	guarantee Dekpol S.A.	31.12.2021
Dekpol Budownictwo Sp. z o.o.	Overdraft facility PKO BP S.A. agreement no. 73 1020 1462 0000 7602 0375 0023 ¹	3 000 ¹	PLN	2 630	guarantee Dekpol S.A.	19.04.2022 ¹
Betpref Sp. z o.o.	Overdraft facility PKO BP S.A. agreement no. 18 1020 1462 0000 7402 0378 6613	3 000	PLN	2 874	guarantee Dekpol S.A.	19.04.2022
Dekpol Budownictwo Sp. z o.o.	Premium multi-purpose credit line agreement no. WAR/8803/21/497/CB at BNP	30 000	PLN	0	guarantee Dekpol S.A.	22.09.2031
Dekpol Steel Sp. z o.o.	factoring Santander, agreement no. 3673/54472019	24 000	PLN	17 041	guarantee Dekpol S.A.	31.10.2021 ²
Dekpol Budownictwo Sp. z o.o.	factoring BPS, agreement 377/377/2020	15 000	PLN	8 364	guarantee Dekpol S.A.	29.06.2022
Dekpol Deweloper	Bonds series A	21 500	PLN	21 500	guarantee Dekpol	30.08.2023



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Sp. z o.o.					S.A., Dekpol Budownictwo Sp. z o.o., Dekpol Steel Sp. z o.o.	
Dekpol Deweloper Sp. z o.o.	Bonds series B	10 000	PLN	10.000	guarantee Dekpol S.A.	01.08.2024
Dekpol Deweloper Sp. z o.o.	Bonds series C	15 650	PLN	15 650	guarantee Dekpol S.A.	24.06.2025
Dekpol Budownictwo Sp. z o.o.	Framework Agreement for Financial Market Transactions No. N/0230/20 mBank	2 000	PLN	1 521	guarantee Dekpol S.A.	30.06.2022
Dekpol Budownictwo Sp. z o.o.	Framework Agreement on Treasury Transactions Santander Bank S.A.	20 000 ³	PLN	22 119	guarantee Dekpol S.A.	31.10.2021 ³
Dekpol Budownictwo Sp. z o.o.	Framework Agreement for transactions on the financial market PKO S.A.	20 180	PLN	19 376	guarantee Dekpol S.A.	01.03.2022
Dekpol Budownictwo Sp. z o.o.	Agreement for a guarantee limit Generali S.A no. GNL-UF/2020/2959/UG	20 000	PLN	0	guarantee Dekpol S.A.	01.12.2021
Dekpol Budownictwo Sp. z o.o.	Agreement for a guarantee limit AXA S.A.(UNIQA) no. UL2017/57	40 000	PLN	18 727	guarantee Dekpol S.A.	31.10.2021
Dekpol S.A., Dekpol Budownictwo Sp. z o.o.	Multiline agreement with Santander Bank Polska S.A. no. K01037/18	17 500	PLN	15 056	Odpowiedzialność solidarna Dekpol SA i Dekpol Budownictwo Sp. z o.o.	07.12.2021
Dekpol Budownictwo Sp. z o.o.	Guarantee limit at Santander Bank Polska S. A. agreement no. K02160/20	10 000	PLN	0	Guarantee Dekpol SA	30.11.2021
Dekpol S.A., Dekpol Budownictwo Sp. z o.o.	Agreement for a limit for Warranties at Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A. n. 7/2008/GD50	45 000	PLN	36 944	Joint and several liability Dekpol SA and Dekpol Budownictwo Sp. z o.o.	indefinite
Dekpol S.A., Dekpol Budownictwo Sp. z o.o., Dekpol Steel Sp. z o.o.	BNP – Agreement for a guarantee limit	8 700	PLN	8 738	Co-borrowers	11.12.2025
Dekpol S.A.	Agreement for granting insurance guarantees in CREDENDO no. B/PL/00947	20 000	PLN	0	Joining the debt Dekpol Inwestycje sp. z o.o., Dekpol Deweloper sp. z o.o., Dekpol Inwestycje sp. z o.o., Brainborska sp. k; , Dekpol Budownictwo sp. z o.o.	indefinite
Dekpol Budownictwo Sp. z o.o.	Agreement for a guarantee limit in KUKI S.A. no. RW/GW/358/2016	50 000	PLN	15 318	guarantee Dekpol S.A.	indefinite
Dekpol S.A.	Agreement for a guarantee limit in ZK LEV INS AD no. 00000000/00000008	10 000	PLN	6 409	Joint and several liability Dekpol S.A., Dekpol Budownictwo Sp. z o.o., Dekpol Deweloper Sp. z o.o.	indefinite
Dekpol Budownictwo Sp. z o.o.	factoring Santander Bank S.A. agreement no. 408/6703/2021	18 000 ⁵	PLN	0	Guarantee Dekpol S.A.	31.10.2021
Dekpol Steel Sp. z o.o.	Leasing contracts at ING Lease (Polska) Sp. z o.o.	766	PLN	179	Guarantee Dekpol SA	2024.01.15
Dekpol Steel Sp. z o.o.	Leasing contracts at	219	PLN	11	Guarantee Dekpol	2022.01.31



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o.o.	Millennium Leasing Sp. z o.o.				SA	
Dekpol Steel Sp. z o.o.	Leasing contracts at Santander Leasing Sp. z o.o.	1 001	PLN	423	Guarantee Dekpol SA	2022.07.02
Dekpol Budownictwo Sp. z o.o.	Leasing contracts at ING Lease (Polska) Sp. z o.o.	903	PLN	445	Guarantee Dekpol SA	2025.01.25
Dekpol Budownictwo Sp. z o.o.	Leasing contracts at Santander Leasing Sp. z o.o.	1 814	PLN	319	Guarantee Dekpol SA	2023.02.20

¹ as at the date of publication of the report, the agreement was changed to a multi-purpose credit line, with a simultaneous increase to PLN 18,000 thousand. PLN and the extension of the period to 15th of November 2023.

² as at the date of publication of the report, the contract has been changed in terms of validity and security (extension to 31st of October 2022 and release of the surety by Dekpol S.A.)

³ as at the date of publication of the report, the contract was changed in terms of validity and the amount of the limit (extension to 31st of October 2022 and increase of the limit to PLN 35,000,000)

⁴ as at the date of publication of the report, the contract was changed in the amount of the limit (increasing the limit to PLN 39,990 thousand)

⁵ as at the date of publication of the report, the contract was changed within the limit (decrease to PLN 7,000 thousand)

As at 30th of September 2021, the total balance of guarantees and sureties granted and received by companies from the Dekpol Capital Group is presented in the table below:

Item	30.09.2021	31.12.2020
Other conditional liabilities	0	0
Conditional liabilities against non-affiliates	113 589	86 983
Guarantees and sureties for repayment of financial liabilities	0	0
Granted guarantees of sound agreements execution- banking	35 652	20 738
Granted guarantees of sound agreements execution- insurance	77 937	66 246
Court issues	0	0
Other conditional liabilities	0	0
Conditional liabilities	113 589	86 983
Other conditional assets	0	0
Conditional assets from non-affiliates	8 523	7 362
Received guarantees and sureties of liability repayment from non-affiliates	0	0
Received guarantees of sound agreements execution from non-affiliates- banking	4 375	3 280
Received guarantees of sound agreements execution from non-affiliates- insurance	4 147	4 083
Other conditional assets from non-affiliates	0	0
Conditional receivables–court issues	0	0
Conditional assets	8 523	7 362



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

The Company and the Dekpol Capital Group did not publish forecasts of the Company's financial results for 2021.

3.4 FACTORS, WHICH WILL AFFECT THE ACHIEVED RESULTS IN THE PERSPECTIVE OF AT LEAST THE NEXT QUARTER

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

Internal factors influencing the results of the Company and the Group in the following periods will be:

- acquiring new construction contracts and their timely implementation,
- developing the potential of the newly acquired production plant,
- timely delivery of products and maintaining their high quality,
- efficient acquisition of building permits for development investments,
- timely implementation of development projects,
- appropriate sales policy of premises in terms of prices, space structure and extension of services offered to clients (assistance in finding financing, services, design, finishing services, removal of faults),
- developing cooperation with financial institutions, which is to provide the Company with access to capital enabling the implementation of plans,
- implementation of existing projects.

The factors that appeared in the first quarter of 2021 and after its end that have or may have an impact on the results of the Company and the Group in subsequent periods should also include the events listed in point 3.2 of this report.

The achieved results will also be influenced by external, macroeconomic factors, such as the general condition of the Polish economy, inflation, GDP growth dynamics, tax policy, the level of interest rates, the level of investments, the volume of demand on the internal market, exchange rates, government programs supporting the development of housing, shaping the price level of construction



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materials and services, availability of skilled workers, shaping the wage level. The increase in GDP, the wealth of the society and the development of enterprises have an impact on the increase in demand for construction services, both in housing and industrial construction. All this has and will have an impact on the financial results of the Issuer and its Capital Group.

Risks and factors related to a virus pandemic (COVID-19)

The spreading COVID-19 virus continues to be a factor influencing the global and Polish economy, despite the ongoing vaccinations. The Dekpol Group identifies potential risks that may affect individual areas of the Group's operations resulting directly or indirectly from the current situation.

In relation to the industry of production of accessories for construction machinery, these are primarily: limited availability of administrative and production employees as well as limitation or suspension of production in plants supplying materials or components for production. It cannot be ruled out that in this situation there may be delays in project implementation due to the occurrence of force majeure circumstances. The result of possible delays may be disputes over the payment of remuneration for the work performed by entities from the Issuer's Group, related in particular to the charging of contractual penalties or damages by contractors for failure to perform contracts on time. On the other hand, the economic crisis caused by the Covid-19 pandemic may have an impact on the financial situation of the Issuer's contractors or entities from the Issuer's Group, which may result in delays in the payment of receivables due to the Issuer or entities from the Issuer's Group, or even complete insolvency of these contractors.

Some of the above risk categories may also apply to the General Contracting segment, which, as at the date of publication of the report, successfully resists the effects of the pandemic, maintaining compliance with the planned construction schedules on all projects, despite the occurrence of individual cases of disease. However, the potential risk of suspension or slowdown of construction works and the occurrence of logistic difficulties may, in the future, cause delays in the implementation of construction projects, resulting in the inability to complete the investment on time. The above, in turn, may increase the risk of potential withdrawal by buyers from already concluded contracts or charging contractual penalties. Moreover, restrictions in the work of public administration offices or remote work of officials, in particular building commissioners and offices supporting the activities of network administrators, are also a certain obstacle, which may cause delays in issuing administrative decisions, both building permits and use permits. However, the related risks are controlled by the Group through prior contacts with the above-



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mentioned entities, and the implemented procedures of procedural simplification at the national level systematically improve the situation in this area.

In the development industry, the Group also recognizes the risk of temporary hotel closings during a pandemic, which may translate into reduced demand for premises in the constructed apart-hotels and condo hotels. There is also a risk of a temporary reduction in demand for residential real estate, which may result in a smaller number of contracts concluded in connection with the sale of these real estate, including reservation, preliminary and development contracts. The postponement of their conclusion, in the opinion of the Company, should not affect the results in the long term, but only in the coming months.

In addition, restricting the work of public administration offices or remote work of officials may cause delays in issuing administrative decisions, both construction permits and occupancy permits. This may result in delays in starting new construction projects as well as delays in handing over residential premises to final buyers on completed investments. At the same time, the potential risk of suspension or slowdown of construction works and the occurrence of logistic difficulties may cause delays in the implementation of construction projects, resulting in the inability to complete the investment on time. The above, in turn, may increase the risk of potential buyers withdrawing from already concluded contracts or imposing contractual penalties.

The Company also notes that the economic crisis caused by the pandemic may have an impact on the financial situation of the Company's contractors, which may result in delays in the payment of the Company's receivables, and even the complete insolvency of these contractors. In the event of a significant increase in this phenomenon, the Issuer's financial liquidity may deteriorate, despite the financial provisions existing as at the date of this report, intended to cover operating losses.

At the same time, it should be noted that the situation related to the virus also has a positive effect on the Group's operations. Recently, a significant change in the approach of international entities to issues related to the diversification of their activities has been observed. It is an activity aimed at securing supply chains that have been broken or paralyzed during the lock-down. The Group still sees an opportunity in this regard, through the possible prospect of these entities transferring production or new investments to Poland. The impact of COVID-19 may also be reflected in the approach to the area of e-commerce, which is now even more important.

However, the Group notes that due to the unprecedented scale of the phenomenon and the dynamics of events, it is difficult, as at the date of publication of this report, to predict further developments and assess the impact of the potential



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effects of the pandemic, as well as assess possible scenarios of behavior of major investors, customers, suppliers and subcontractors. In the Dekpol Group, activities are carried out to adapt the functioning of the companies to the changing conditions, so as to safely ensure the continuation of operations. The Group also undertakes the necessary preventive actions in the scope of the projects implemented by the Group, as well as educational activities in relation to the employees. At the same time, the management boards of individual Group companies will react to the changing market conditions on an ongoing basis.

3.5 PROCEEDINGS PENDING BEFORE COURT, COMPETENT ARBITRATION OR PUBLIC ADMINISTRATION

In the period of the third quarter of 2021, there were no significant proceedings before a court, a body competent for arbitration proceedings or a public administration body regarding liabilities and receivables of the Company or its subsidiary.

At the same time, it should be borne in mind that the specificity of the activities carried out by the Dekpol Capital Group is the multitude of proceedings related to the pursuit of claims for completed projects. There are also cases when entities from the Dekpol Capital Group act as the defendant - this is usually related to investments carried out as part of property development activities. There are also proceedings instituted by the Issuer as the plaintiff in the activities of the Company. One of such procedures is the procedure presented below.

Proceeding against Soletanche Polska Sp. z o.o.

The Issuer brought an action against Soletanche Polska Sp. z o.o. and Powszechny Zakład Ubezpieczeń S.A. (insurer Soletanche Polska Sp.z o.o.) for the payment of PLN 6.88 million with statutory interest for the delay. The indicated amount includes claims for damages due to improper performance of the obligation by Soletanche Polska Sp. z o.o. (acting as a subcontractor), i.e., construction works for a third party - the investor. The proceedings were preceded by the Issuer's (as the summoning party) requesting Soletanche Polska Sp. z o.o. (opponent) to a conciliatory attempt before the District Court for the capital city of Warsaw; the settlement proceedings ended on July 9, 2020, no settlement was reached. Accordingly, the proceedings were pending before the District Court in Gdańsk. So far, the parties have taken positions in the preparatory letters. The court admitted evidence from an expert opinion. The case is scheduled for the first hearing on 26th of November 2021, at which the first witnesses are to be heard.



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3.6 OTHER INFORMATION SIGNIFICANT FOR THE ASSESSMENT OF THE SITUATION OF THE DEKPOL CAPITAL GROUP

There is no information other than the information indicated below and in other sections of this report that, in the Company's opinion, is significant for the assessment of the personnel, property, financial situation, financial result of the Company and the Capital Group and their changes, and information that is significant for the assessment of the possibility of meeting obligations by the company and the Dekpol Capital Group.

Purchase of a plot of land in Puck

On 20th of August 2021, Dekpol Inwestycje - PUCK Sp. z o.o. purchased a plot of land with an area of 1.3614 ha in the town of Puck. In connection with the commencement of the implementation of the project of a third party, the special purpose vehicle Dekpol Inwestycje - Puck spółka z ograniczoną odpowiedzialnością spółka komandytowa was established, to which the above-mentioned land was sold. The purchase price of the property is not a significant value from the perspective of the financial situation and results of the Dekpol Group. The Company plans to carry out a property development investment on the property in question in the coming years.

Assimilation of series K bonds with L series bonds of Dekpol S.A.

On 23rd of August 2021, Management Board of Dekpol S.A. made a decision on the assimilation of series K bonds of Dekpol S.A. (issued in February 2021) with L series bonds of Dekpol S.A. (issued in March 2021). The assimilation took place on the basis of the resolution adopted by the National Depository for Securities of 3rd of September 2021, and the date of assimilation in the depository system was 8th of September 2021. The bonds covered by the assimilation are currently registered under the only common code assigned to the series K bonds, i.e., PLDEKPL00107. The total number of bonds after assimilation under one common code is equal to 39150.

The Meeting of Bondholders of Series I Bonds of Dekpol S.A.

On 31st of August 2021, the Bondholders' Meeting of Series I Bonds of Dekpol S.A. took place, which adopted a resolution on changing the Terms and Conditions for the Issue of Series I Bonds issued by Dekpol S.A. in such a way that point 11.2.3. Of the Terms of the Bonds Issue, as worded:

„11.2.3. The mortgage on the property will be entered in the land and mortgage register with the highest priority by 31st of August 2021”



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has received the following new wording:

„11.2.3. The mortgage on the Property will be entered in the land and mortgage register with the highest priority by 31st of August 2022”

On 31st of August 2021, Dekpol S.A. submitted the Issuer's Statement on the consent for the amendment to the Terms and Conditions of the Series I Bonds Issue in the manner provided for in the above-mentioned a resolution of the Bondholders' Meeting.

As at the date of the Bondholders' Meeting, the Mortgage on the Real Estate was entered in second place along with the claim for transfer to an empty mortgage seat, created after the mBank S.A. mortgage was deleted, which was in the first place. On 6th of September 2021, the Court deleted the mBank S.A. mortgage, which means that the Mortgage on Real Estate securing series I bonds is already entered with the highest priority.

Conclusion of a multi-purpose credit line agreement with BNP Paribas Bank Polska S.A.

On 22nd of September 2021, Dekpol Budownictwo Sp. z o.o. concluded with BNP Paribas Bank Polska S.A. multi-purpose credit line agreement ("Agreement") in the amount of PLN 30 million, including an overdraft facility up to a maximum amount of PLN 3 million (Loan 1) and a revolving loan up to a maximum amount of PLN 30 million (Loan 2), guarantee line up to the maximum amount PLN 30 million (Guarantee line) and a line of letters of credit in the maximum amount of PLN 5 million (Line of letters of credit).

The purpose of the line is to finance current operations, finance / refinance costs related to the performance of contracts, issuing bank guarantees and opening documentary letters of credit.

The Company is entitled to use the limit for a period of 12 months from the date of the Agreement. The loan period is 120 months from the conclusion of the Agreement.

Purchase of a plot of land in Starogard Gdański

On 1st of October 2021 (an event after the balance sheet date), Dekpol Deweloper Sp. z o.o. purchased a plot of land with an area of 0.9806 ha in the town of Starogard Gdański. The purchase price of the property is not a significant value from the perspective of the financial situation and results of the Dekpol Group. The Company plans to carry out a real-estate development investment on the property in question in the coming years.



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Obtaining a building permit for the investment at Braniborska street in Wrocław

On 11th of October 2021 (an event after the balance sheet date), Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k. obtained a building permit for a residential building comprising the construction of approx. 350 apartments, with a total area of approx. 18 000 m². On 5th of November 2021, the permit became final. The investment is carried out on behalf of the institutional investor under the agreement concluded in March this year. a preliminary conditional agreement for the implementation and sale of a residential project in Wrocław, about which the Company informed in the current report No. 11/2021 of 9th of March 2021.

Conclusion by a subsidiary of an annex to the overdraft facility agreement with PKO BP SA

On 16th of November 2021 (event after balance sheet date) Dekpol Budownictwo Sp. z o.o. concluded with PKO BP SA an annex to the Overdraft Facility Agreement ("Agreement"). Pursuant to the provisions of the annex in question, the title of the Agreement for a multi-purpose credit limit agreement ("Limit") was changed, and the value of the granted limit is PLN 18 million, including an overdraft facility up to a maximum amount of PLN 3 million (Loan 1, existing loan), revolving working capital up to a maximum amount of PLN 18 million (Loan 2), non-revolving working capital loan up to a maximum amount of PLN 18 million (Loan 3), bank guarantees up to a maximum amount of PLN 5 million (Guarantee).

The purpose of the line is to finance current operations, finance contracts in which Dekpol Budownictwo sp.z o.o. is a general contractor and issuing bank guarantees.

Dekpol Budownictwo Sp. z o.o. is entitled to use the limit for a period of 24 months from the date of the Agreement.

The contract contains formal and legal conditions, the fulfillment of which is necessary to start financing.

Conclusion by a subsidiary of a multi-purpose credit limit agreement with PKO BP SA

On 16th of November 2021 (event after the balance sheet date) Dekpol Steel Sp. z o.o. concluded with PKO BP SA a multi-purpose credit limit agreement ("Limit") in the amount of PLN 20 million, including an overdraft facility up to a maximum amount of PLN 20 million (Loan 1), a revolving working capital loan up to a maximum amount of PLN 20 million (Loan 2), non-revolving working capital loan up to a maximum amount of PLN 20 million (Loan 3) and bank guarantees up to a maximum amount of PLN 5 million (Guarantee).

The purpose of the line is to finance current liabilities resulting from the activities performed and to issue bank guarantees.

Dekpol Steel Sp. z o.o. is entitled to use the limit for a period of 24 months from the date of the Agreement.

