



RECORD RESULT FY 2020
OPTIMISTIC 2021+ PERSPECTIVES

INVESTOR PRESENTATION

MAY 2021

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THE CAPITAL GROUP



Mariusz Tuchlin
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CEO
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Andrzej Kuchtyk
CEO
Dekpol STEEL



● AGENDA

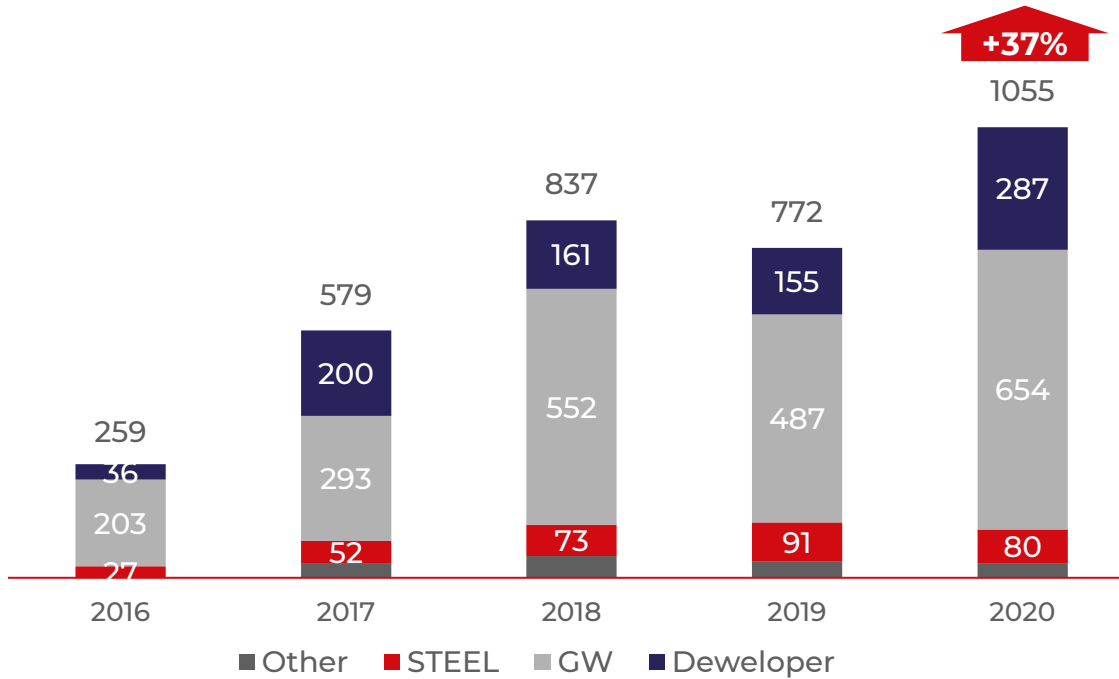
1. Financial results FY 2020
2. BUDOWNICTWO (GW)
3. DEWELOPER
4. STEEL
5. Summary and perspectives



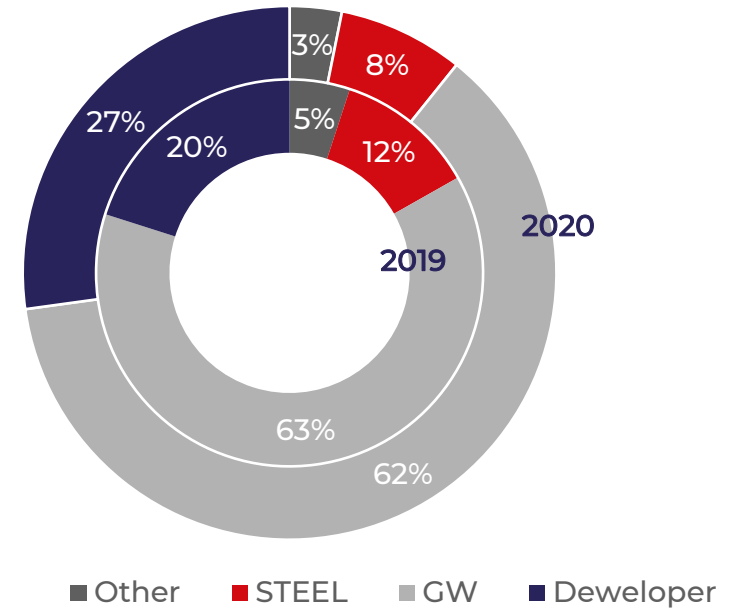


FINANCIAL RESULTS OF THE DEKPOL GROUP

Revenues (million of PLN)



Revenues (%)

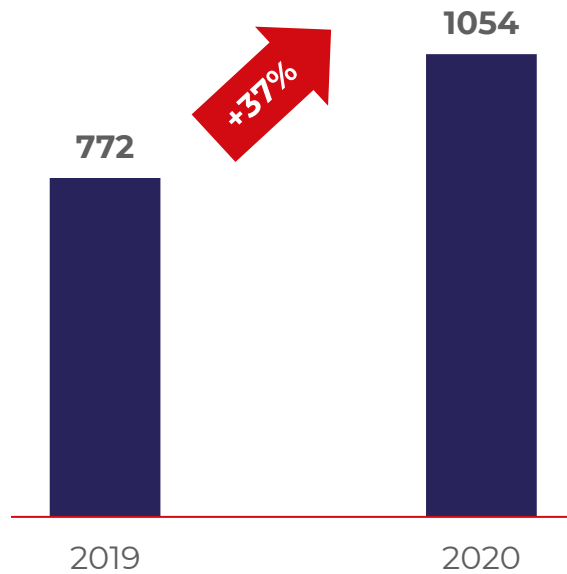


Increase of revenues

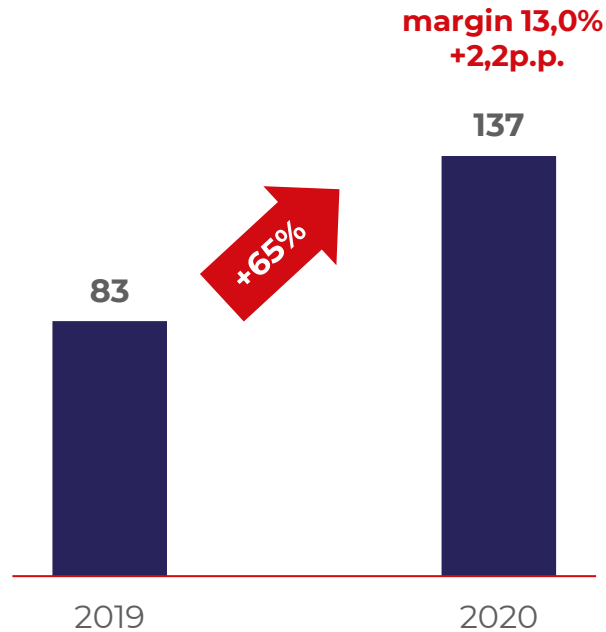
- FY 2020 – increase of revenues by PLN 283 million (+36,64% y/y)
- 4Q - PLN 149 million (+92,65% y/y)

DYNAMIC INCREASE OF FINANCIAL RESULTS

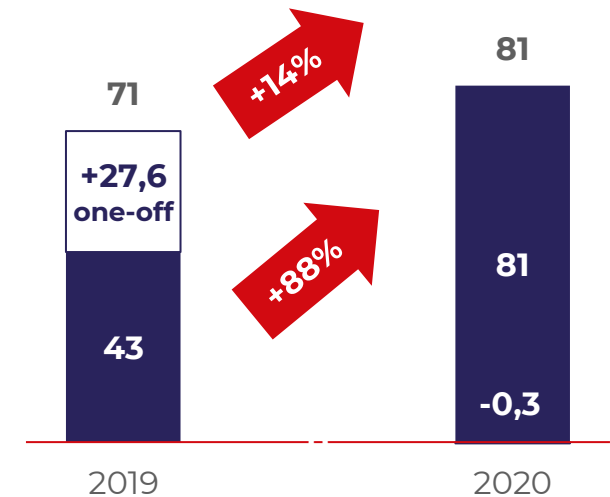
Revenues
(million of PLN)



Gross profit on sales (million of PLN)



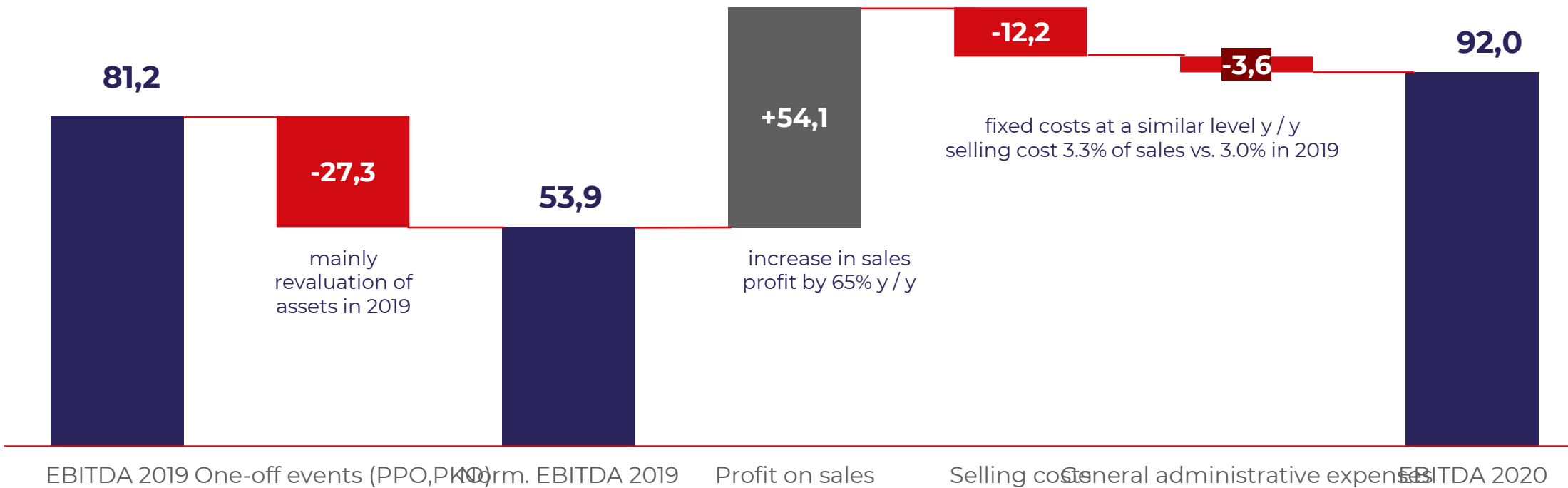
Operating profit
(million of PLN)



- increase in gross margin on sales by 2 pp. to 13.0% as compared to 10.8% in the previous year
- operating profit of PLN 81 million, + 14% y / y compared to the reported result in 2019
- operating result in 2019 under influence of one-off events (net effect of PLN 27.6 million vs. -PLN 0.3 million in 2020), after adjustment for the value of one-off events in 2019, operating profit dynamics on the level of + 87.7% y / y

● SELECTED EFFECTS OF RESULTS ACCOUNT 2020 vs. 2019

(million of PLN)



- Result of 2019 positively influenced by one-off events (net effect of PLN 27.6 million vs. -PLN 0.3 million in 2020), after adjustment for the value of one-off events in 2019 EBITDA dynamics on the level of + 87.7% y / y

FINANCIAL RESULTS

EBITDA :

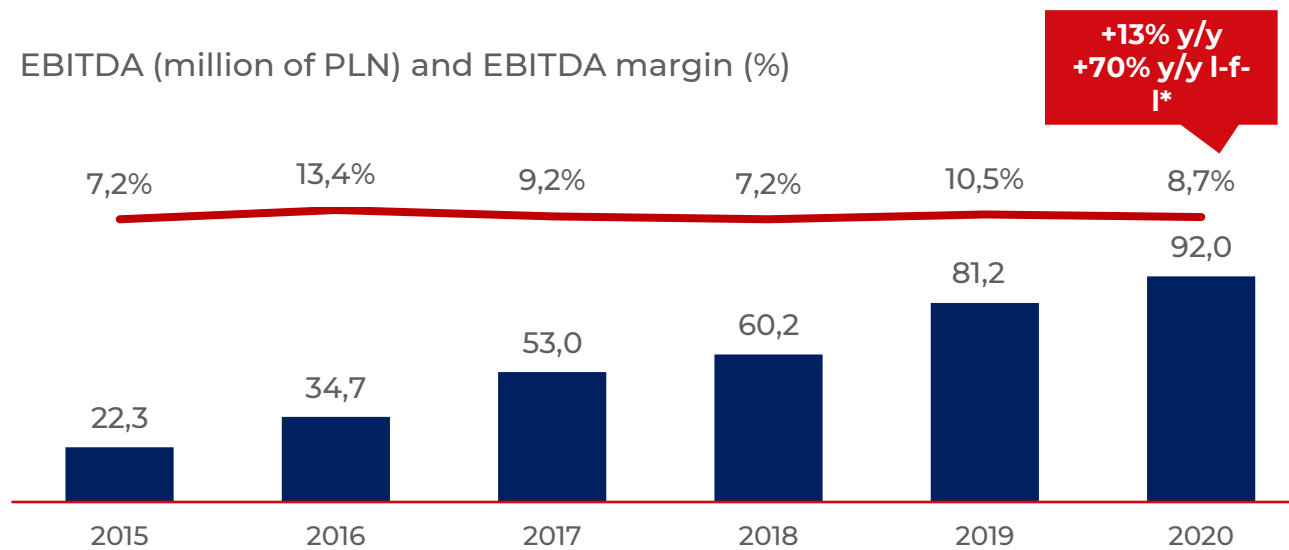
- + 13% y / y in reported terms,
- + 70% y / y after adjustment for one-off events

Net profit:

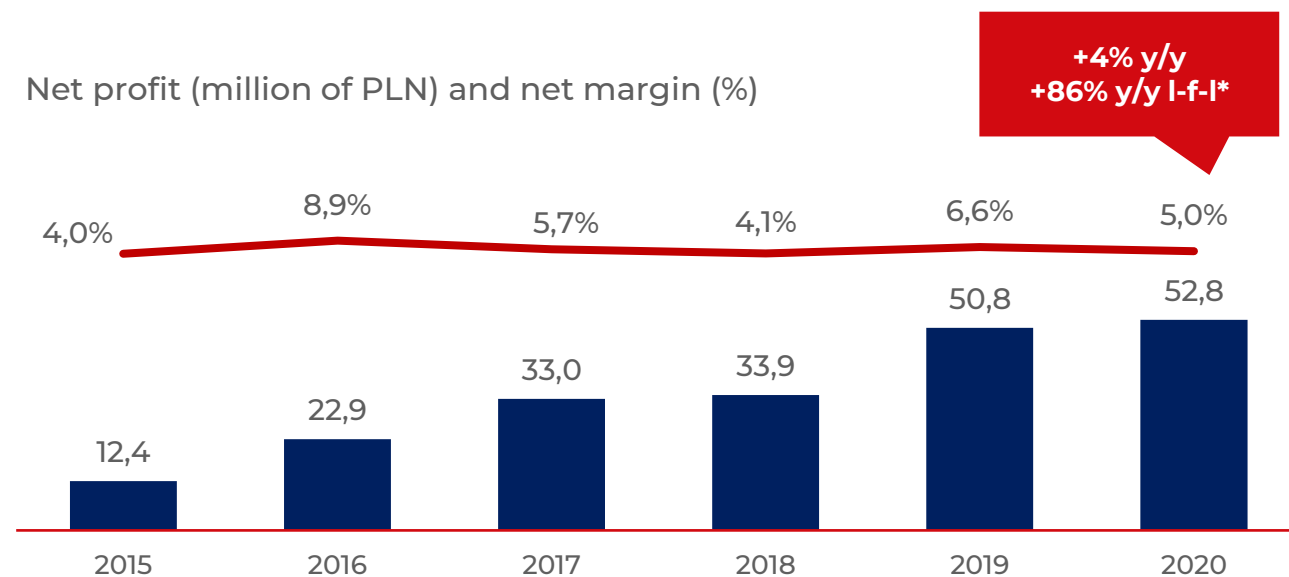
- +4% y/y PLN 52,8 million in reported terms,
- + 86% y/y after adjustment for one-off events

* I-f-I normalized, comparable data adjusted for one-off events occurring in 2019 - effect of 27 million revaluation of assets

EBITDA (million of PLN) and EBITDA margin (%)

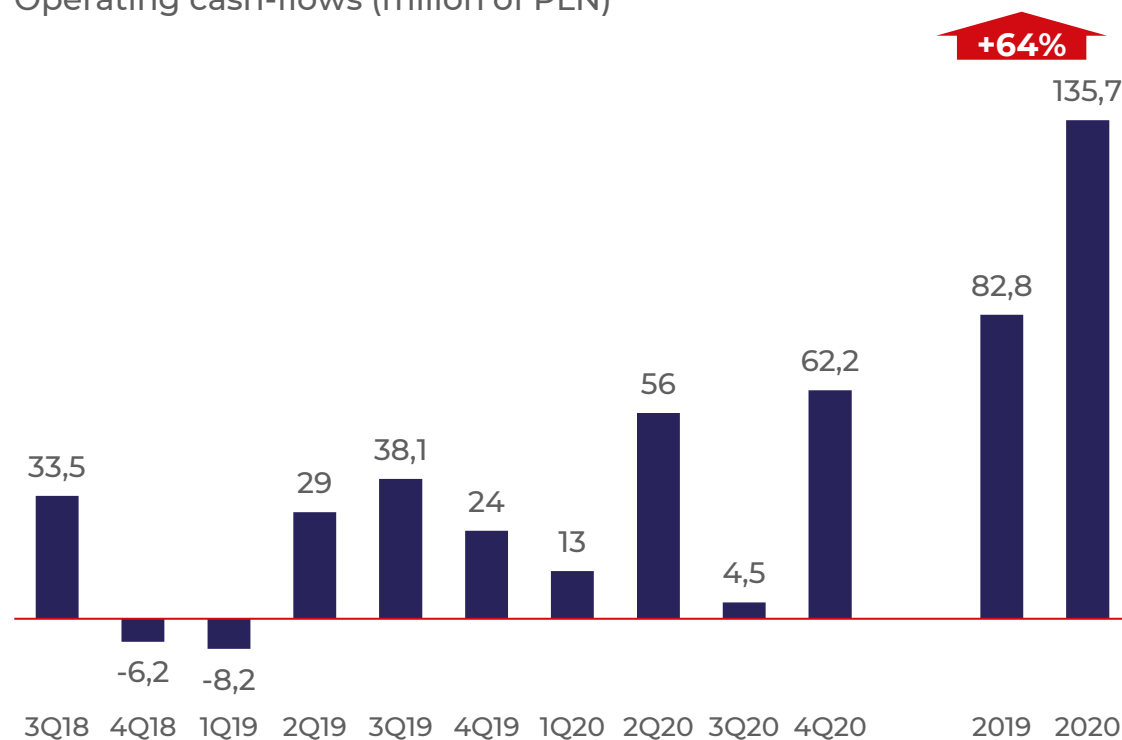


Net profit (million of PLN) and net margin (%)

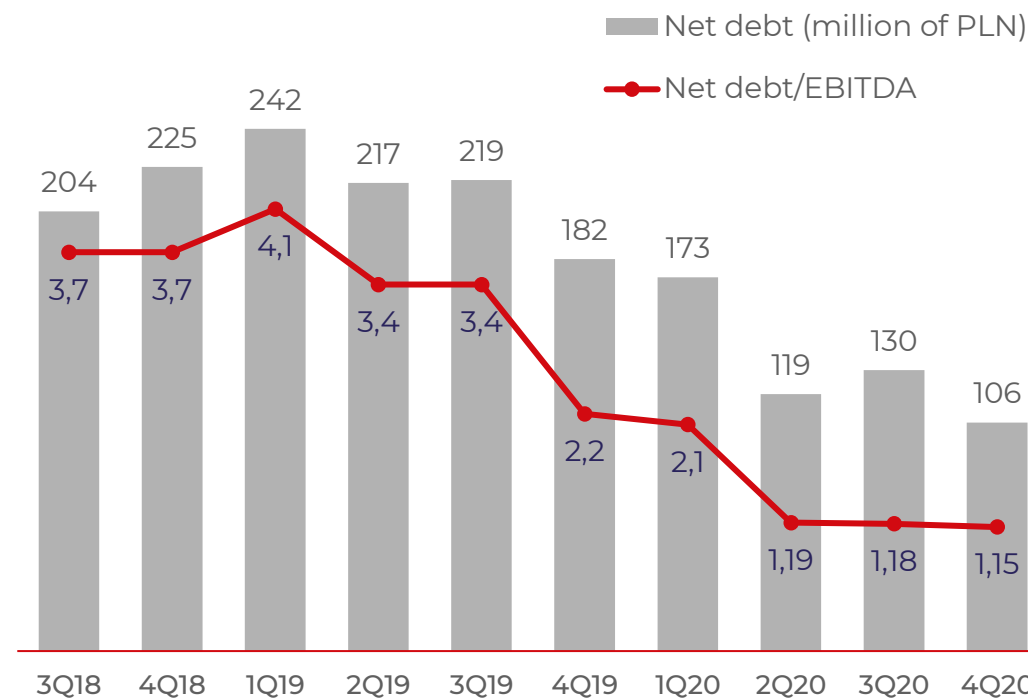


POSITIVE CASH FLOW AND BENEFICIAL INDICATORS

Operating cash-flows (million of PLN)



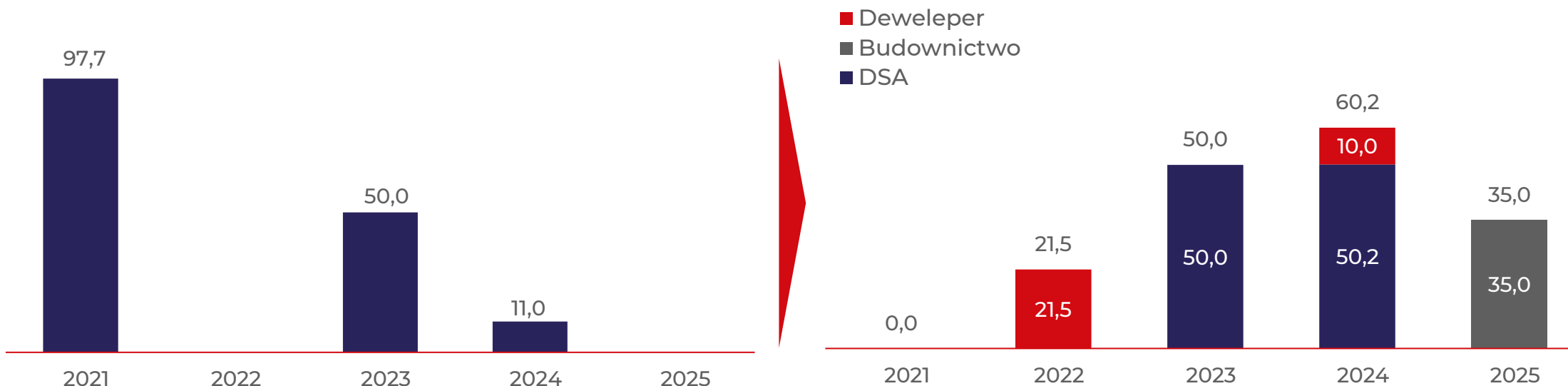
Net debt(million of PLN) / EBITDA ttm



- 7 consecutive quarter with positive operating cash-flows, which in the entire FY 2020 amounted to 135.7 million in 2020, 64% y / y
- net debt at the level of PLN 106.0 million vs PLN 182.0 million at the end of 2020
- comfortable balance position

ACHIEVING THE TARGET FINANCING STRUCTURE

Bonds - maturity structure (million of PLN)
(as at 31st of December 2020)



4Q 2020:

- Issue of PLN 50,0 million of I-series bonds
- Issue of PLN 11,0 million of J-series bonds
- partial redemption of PLN 22,9 million of G- and H-series bonds

I-IV 2021 – refinancing of PLN 97,7 million of bonds maturing in H1

- Issue of PLN 21,5 million of K-series bonds
- Issue of PLN 10,0 million of B-series bonds (Deweloper)
- Redemption of PLN 62,7 million of G- and H-series bonds
- Issue of PLN 17,7 million of L-series bonds
- Redemption of PLN 30,0 million of DA- and DB-series bonds
- Issue of PLN 30,0 million of A- and B-series bonds (Budownictwo)



- A leading on the Polish market general contractor of construction works, specialized in construction of logistics, industrial and other cubature objects
- access to own human and equipment resources, as well as prefabricated materials produced in plants of the Capital Group (Betpref) allows for controlling of construction processes
- short- and medium-term contracts (completion time 6-9 months)
- implementation of projects mainly for private investors, including for the sister company Dekpol Developer
- orientation on Customer needs as an element of development strategy of Dekpol Budownictwo provides guarantee of returning with subsequent projects



LPP



PANATTONI EUROPE



Logistic7



Velvet



REMONTOWA
SHIPBUILDING

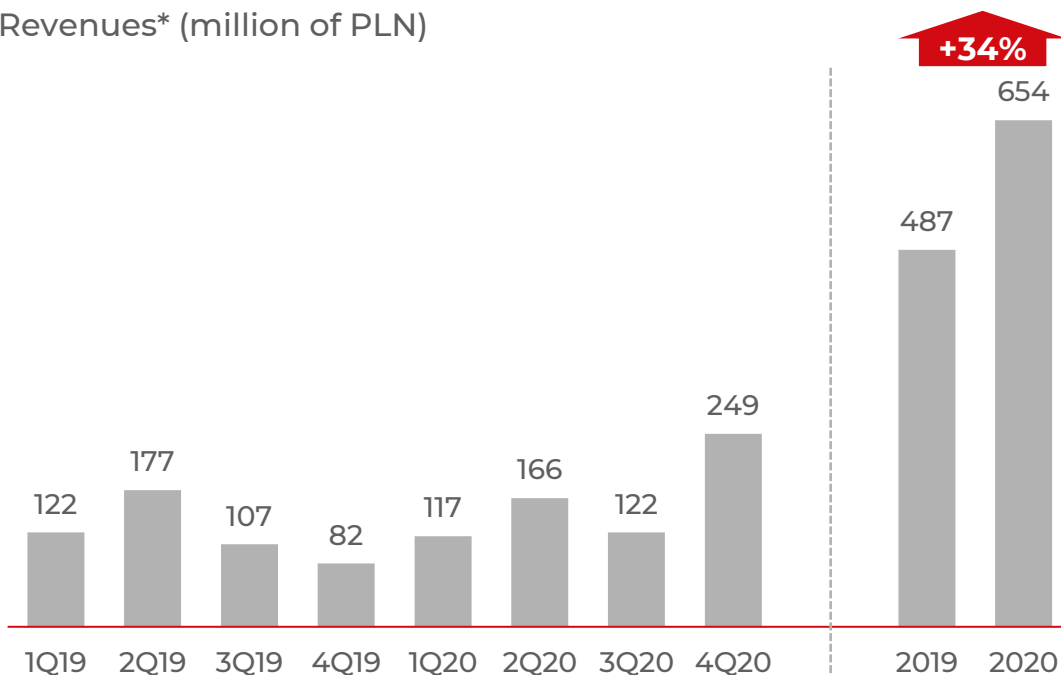


ATRIUM
TARGÓWEK



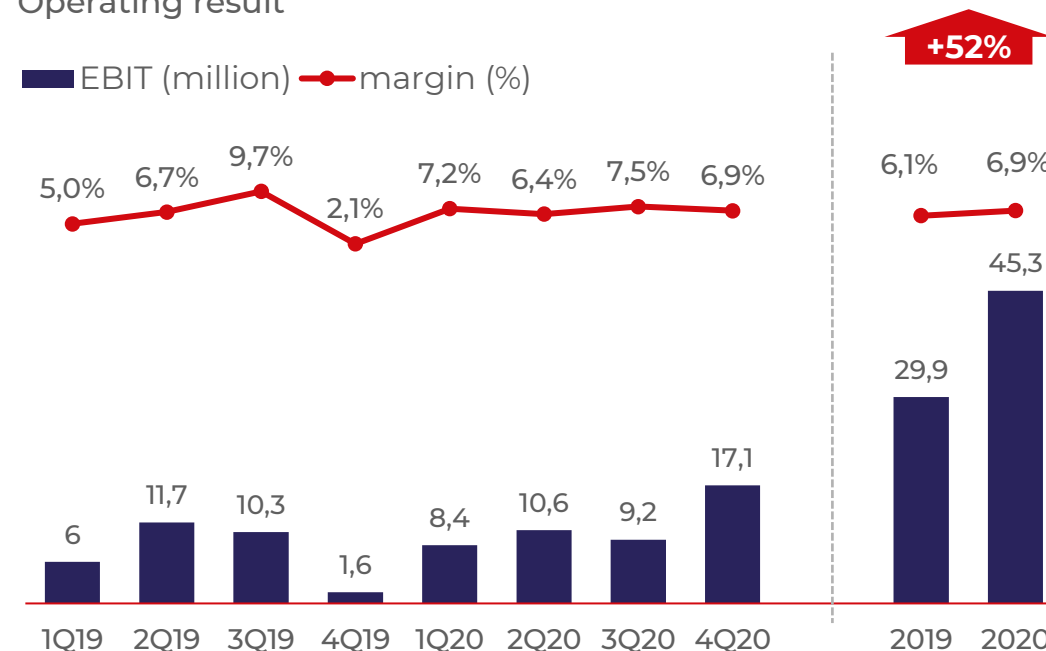
BUDOWNICTWO: SOLID GROWTH DESPITE PANDEMIC

Revenues* (million of PLN)



Operating result

■ EBIT (million) ● margin (%)

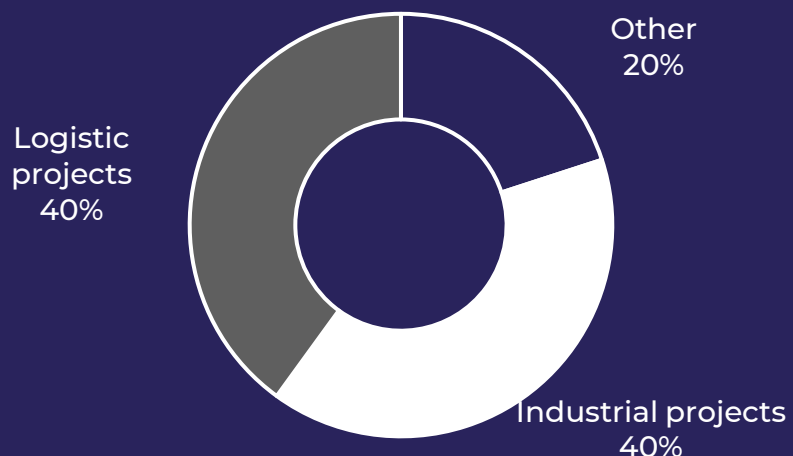


- sales increase vs. 2019 by 34% y/y and operating profit by 51.5% y/y, business operations in Q4 2020 and Q1 2021 without disruptions caused by COVID
- solid increase in sales in 2020 realized mainly in the area of warehouse and logistics projects constituting logistics base for e-commerce segment; similarly, in 2020 the number of industrial implementations increased.
- Favorable, higher by 8 pp. vs. 2019 margin achieved due to intra-organizational changes consisting in optimization of internal processes and strict control of direct and indirect costs; at the same time, the year 2020 brought a large number of advanced engineering objects

2021+ PERSPECTIVES

STRONG ORDERING PORTFOLIO

Structure of GW projects
(as at 31.12.2020)

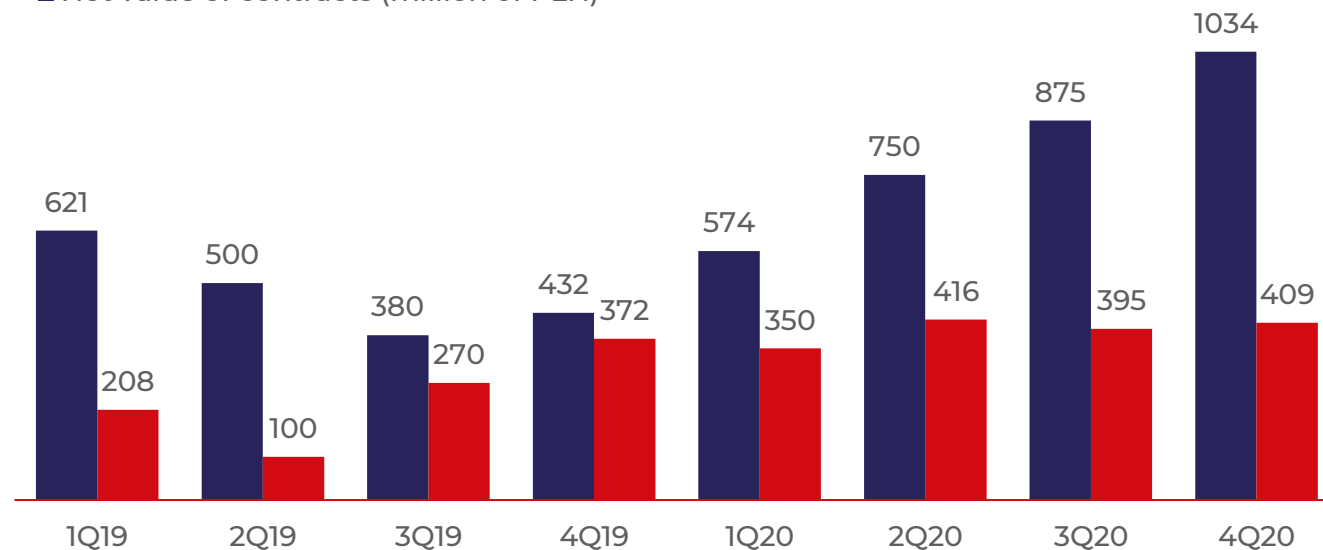


EFFECTIVE CONTRACTING - VALUE OF CONTRACTS as at 31/12/2020:

- PLN 1034 million (PLN 409 million remains for implementation)
- Including for Dekpol Deweloper of PLN 130 million, (PLN 70 million remained for implementation)

Contracting (in million of PLN)

■ Net value of contracts (million of PLN)



- dynamic contracting in Q4'20 and Q1'21 was not stopped despite prolonged restrictions related to COVID-19
- high demand for industrial and warehouse construction ensures a strong portfolio of orders - most of several-month-long projects worth PLN 25-40 million
- selected current projects: Panattoni Danfoss (Grodzisk Mazowiecki), Panattoni Animex (Ostróda), Panattoni AirPort (Gdańsk), RTE Bicycles (Brześć Kujawski), Sokołów (Osie), 7R Szczecin, CH Karuzela (Kołobrzeg)
- from the 1st of January 2021, a separated subsidiary - Dekpol Budownictwo Sp. z o.o.

SHORT-TERM STRATEGY

organic development of the company with assumption of conversion of its effect into increase of financial results



Priorities for 2021 - 2022:

- increasing of sales results by acquisition of new sales markets in terms of territories and entities
- Keeping of discipline of direct and indirect costs

Milestones in implementation of Priorities:

- orientation on customer's needs
- Creation of local structures around major cities in Poland: Warszawa, Poznań - Wrocław; Kraków - Katowice – Rzeszów
- further development of competences of the human capital in organization
- Creation of division responsible for R&D activities and implementation of innovations
- implementation of the ERP system on construction sites



DEVELOPER

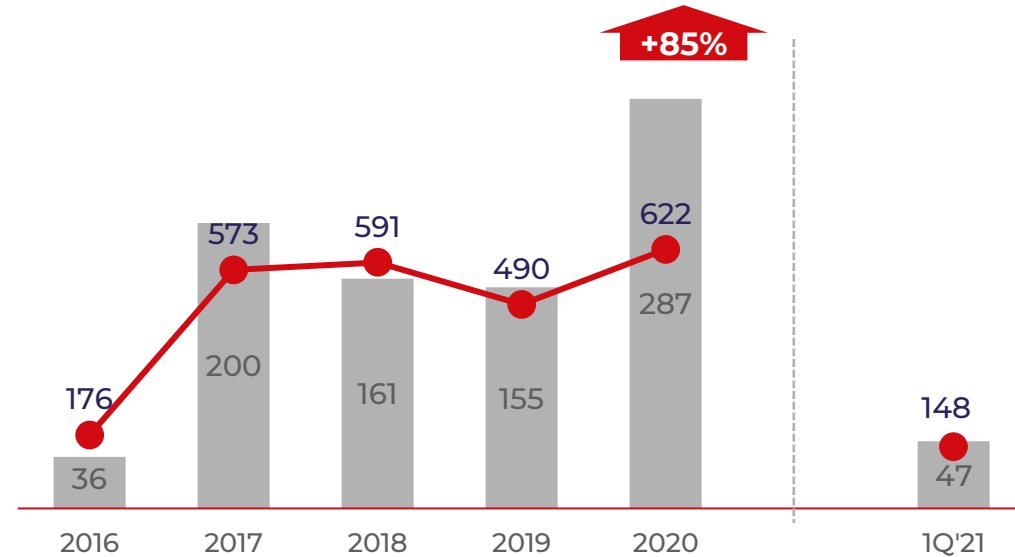
- 14 years on the market
- stable business in the residential segment (about 60%)
- substantial bank of land at the level of approx. 200 thousand of m², of which approx. 70 thousand of m² in premium projects
- multi-dimensional and specialized competences in segments :
 - popular
 - enhanced
 - premium
 - apartments for rent
 - institutional clients – PRS (*Private Rented Sector*)



DEKPOL DEWELOPER: RECORD YEAR 2020

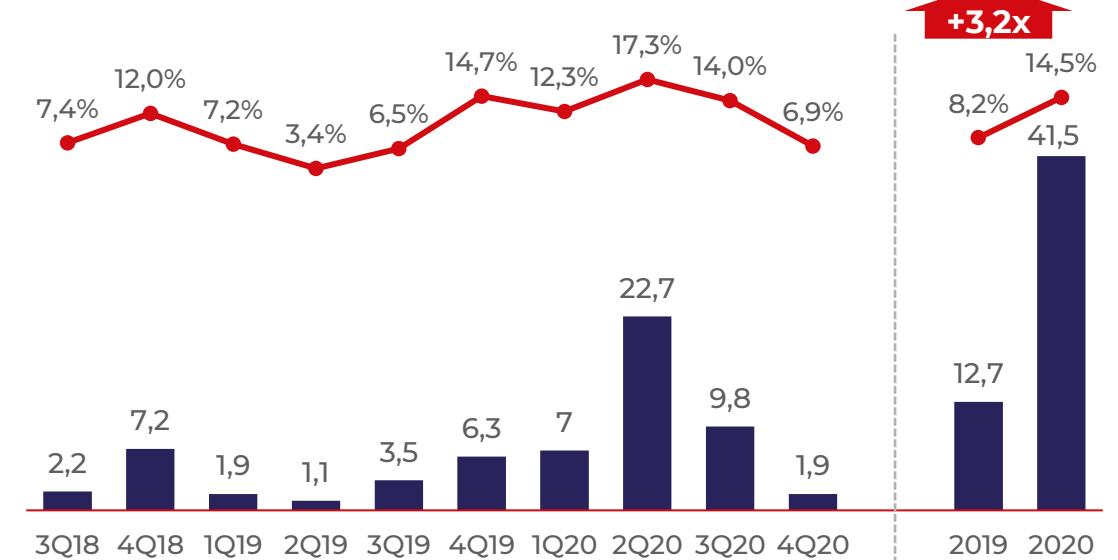
Revenues, recognition as a result quantitatively and valuable

■ Value (million of PLN) ● Quantity



Operating result

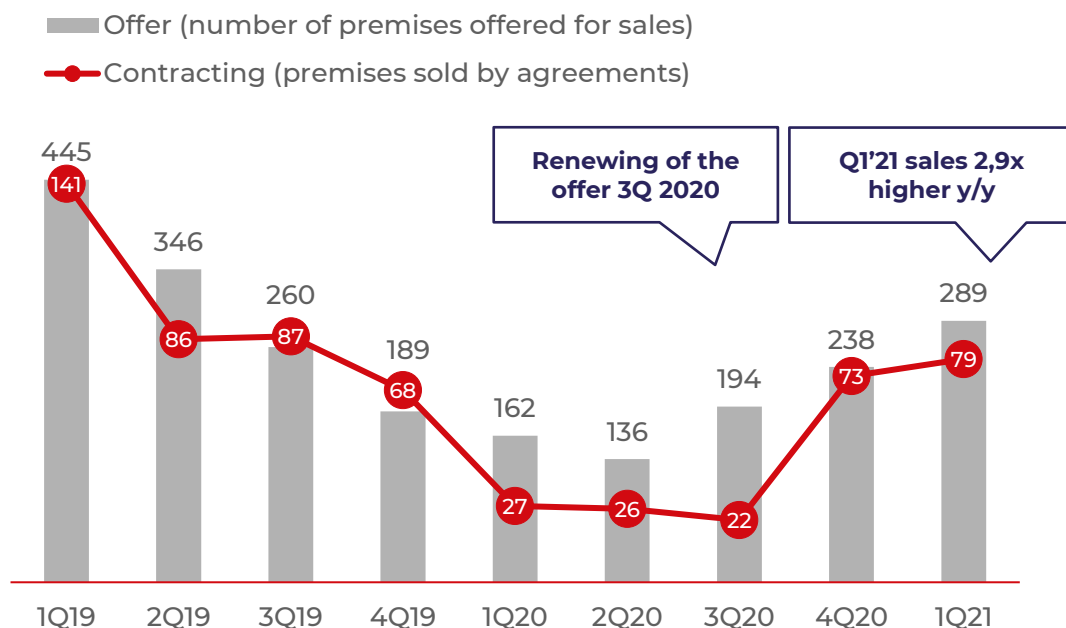
■ EBIT (million) ● margin (%)



- high revenues generated in 2020 in connection with recognition of revenues from sales of 622 apartments compared to 490 throughout 2019 – handed-over: Foresta, Nowe Rokitki V, VI, Grano Residence, Osiedle Zielone III building C4, Młoda Morena Park II
- published goals for 2021: PLN 210 million in revenues, from recognition of approx. 300 apartments and contracting of approx. 350 apartments.

NEW INVESTMENTS IN SALES OFFER

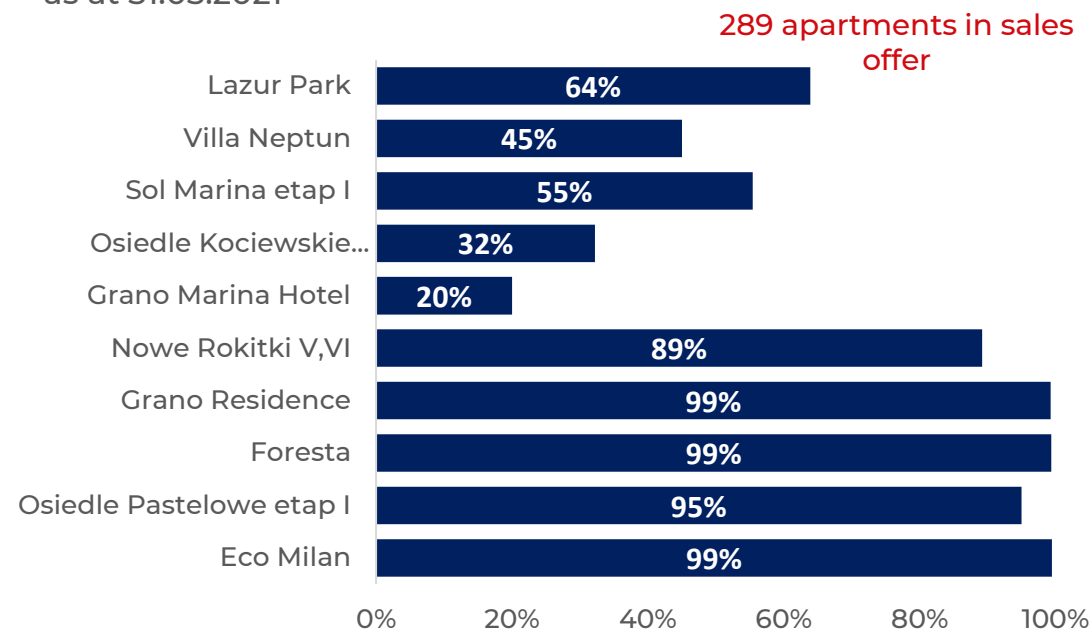
Contracting and offer



In 2020:

- lower y / y sales by agreements (148 units) - COVID-19 effect.
- increasing of the offer from Q3 - launching of new investments for sale: Villa Neptun, Lazur Park, Grano Marina Hotel
- Almost threefold increase in contracted premises compared to Q1 2020
- the first project implemented with an institutional investor 18,000 m² PUM (usable floor area) / ul. Braniborska, Wrocław /

% of apartments sales from the offer – as at 31.03.2021

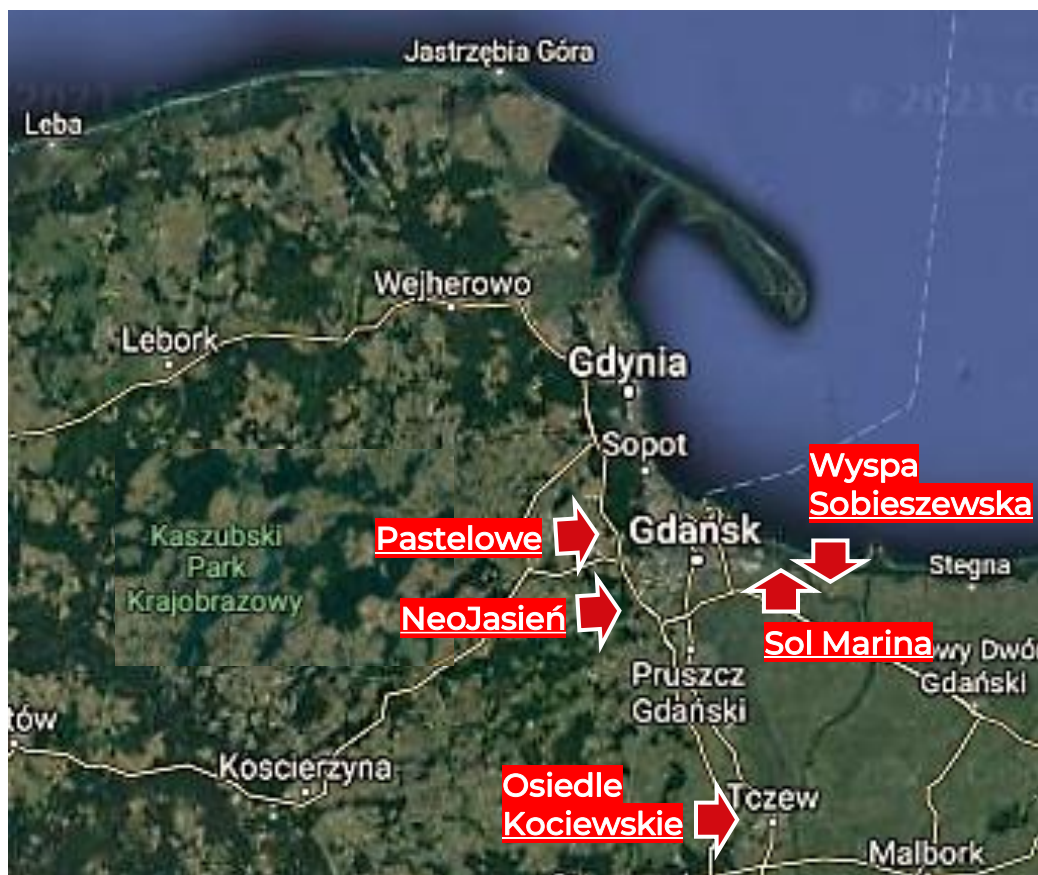


In 2021:

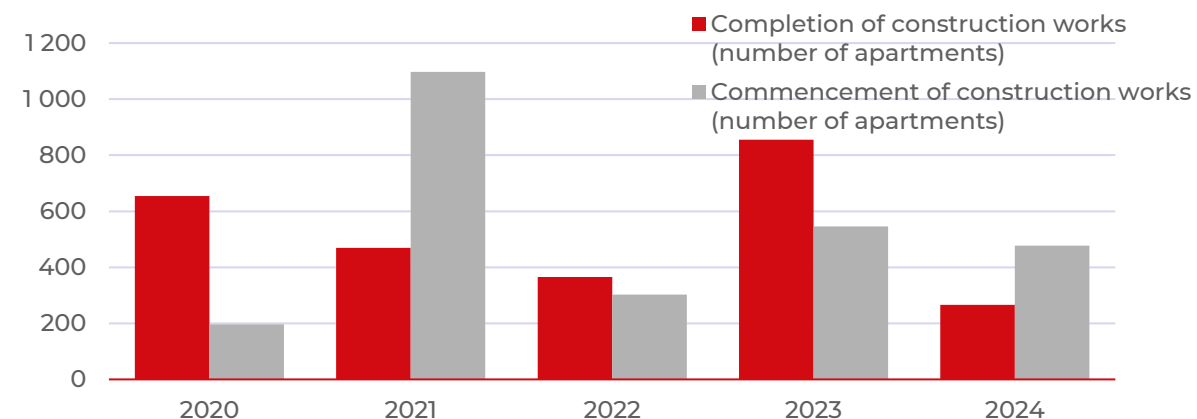
- commencement of construction of Neo Jasień I, Osiedle Pastelowe II (350 apartments), Osiedle Kociewskie II, Sol Marina II, Grano Marina Hotel and several investments in Sobieszewska Island: Grano Resort I, Baltic Porto and Baltic Line
- completion of construction works on investments: Osiedle Pastelowe I, Osiedle Kociewskie I, Sol Marina I, Villa Neptun, Lazur Park

UNIQUE BANK OF LAND, PIPELINE OF INVESTMENTS 2020-2025 +

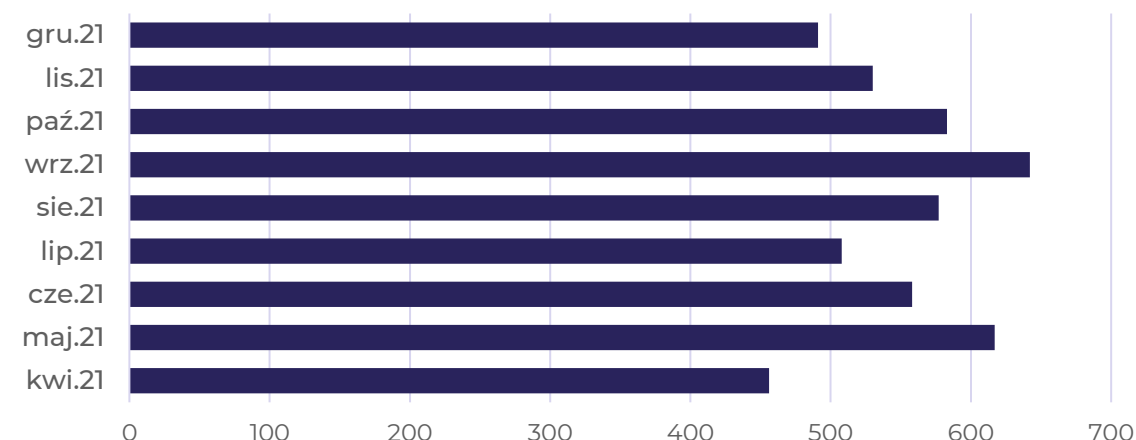
Attractive locations of planned and ongoing residential and hotel investments in Pomerania



The owned bank of land for approx. 200 thousand of m² of usable floor area ensures implementation of the assumed, sustainable investment plan for years 2020-2024 *



Planned number of apartments available in sales offer*



PIPELINE OF INVESTMENT PROJECTS

STAGE	Number of apartments	Quantity of apartments	n % of apartments	Commencement of construction	Completion of construction	2021				2022				2023				2024			
				Construction commencement date	Construction completion date	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Osiedle Kociewskie stage I	121	4 978,11	32%	16.11.2020	15.11.2021																
Osiedle Kociewskie stage II	129	5 267,22		01.08.2021	01.09.2022																
Osiedle Kociewskie stage III	86	3 548,00		01.02.2023	01.04.2024																
Neo Jasień stage I	104	4 792,31		20.04.2021	20.09.2022																
Neo Jasień stage II	98	4 354,77		01.03.2022	01.08.2023																
Grano Resort apartments stage I	124	6 237,86		01.08.2021	01.04.2023																
Grano Resort apartments stage II	320	11 517,48		01.02.2023	01.05.2025																
Sol Marina stage I	92	5 584,83	55%	01.10.2019	20.05.2021																
Grano Marina Hotel + service	131	4 230,00	20%	01.05.2021	01.03.2023																
Sol Marina stage II	127	5 830,16		01.09.2021	01.03.2023																
Sol Marina stage III	140	6 424,74		01.09.2023	01.03.2025																
Baltic Porto	72	2 562,12		20.05.2021	20.05.2022																
Lazur Park	36	1 522,71	64%	03.11.2020	01.10.2021																
Villa Neptun	40	1 673,75	45%	03.11.2020	15.10.2021																
Soleo Park	25	887,86		01.07.2022	01.04.2023																
Baltic Fun Park	180	10 600,00		01.04.2022	01.05.2024																
Baltic Line	60	2 004,48		20.05.2021	20.06.2022																
Osiedle Pastelowe stage I	180	9 366,25	95%	01.07.2019	01.03.2021																
Osiedle Pastelowe stage II	350	15 991,00		20.04.2021	20.08.2023																
Osiedle Pastelowe stage III	348	15 076,00		01.02.2024	01.05.2026																
Prądyńskiego + service	516	13 073,00		-	-																
Braniborska*	-	17 997,00		01.05.2021	01.08.2023																
Total number of apartments planned for completion						469				365				855				266			

* Project implemented with an Institutional Investor, not included in figures

2021+ PERSPECTIVES

INTERESTING INVESTMENTS PIPELINE UNIQUE BANK OF LAND 2021-2025+

~4,6 thousand

number of apartments on investments in preparation *

~200 thousand

Amount of m² of usable floor area on investments in preparation*

INSTITUTIONAL INVESTORS

~18 thousand

Amount of m² of usable floor area in construction for an Institutional Investor (Braniborska)

~600 PLN

average purchasing price of 1 m² of PUM (usable floor area)

Grano Resort, Sobieszewska Island



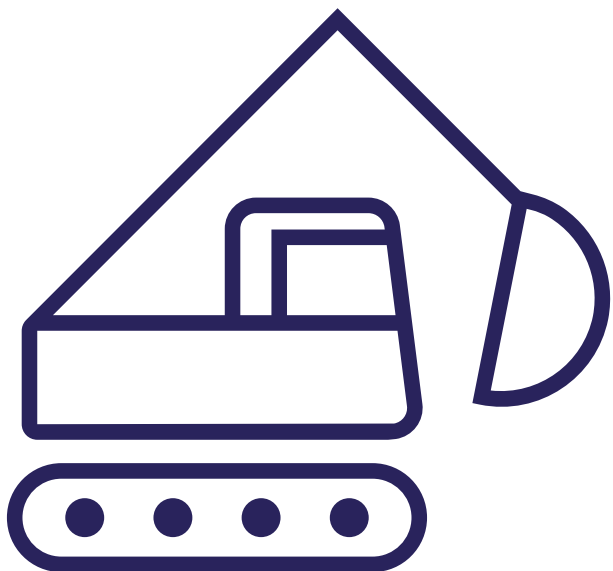
Warsaw Business Hotel, Warszawa



Braniborska, Wrocław



Sol Marina, Wiślinka, **near** Sobieszewska Island



PRODUCER

THE BIGGEST MANUFACTURER OF
BUCKETS AND ACCESSORIES FOR
CONSTRUCTION MACHINES IN
POLAND

and

A MAJOR MANUFACTURER AND
SUPPLIER IN EUROPE



111 045

of buckets produced

10 700 m²

area of production halls

3 500 m²

of additional storage area

1 700 m²

of covered warehouse

850 ton

Steel processed monthly
(50% S355, 50% Hardox/Quard)

266

employees
(206 blue collars, 60 white collars)

56

including employment by a temporary employment
agency

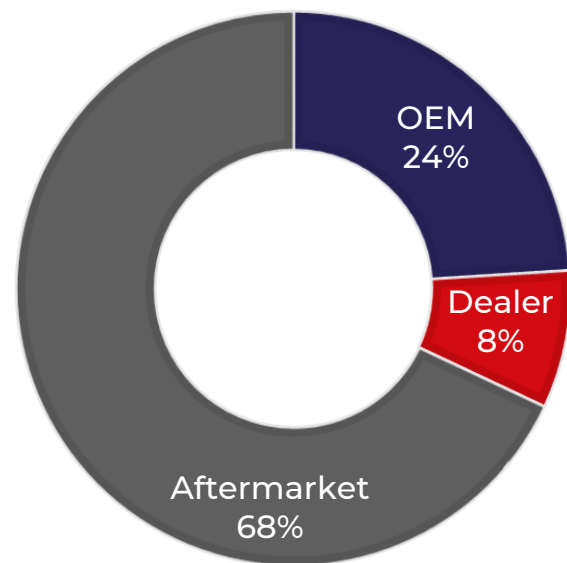
SALES STRUCTURE

FOREIGN EXPANSION

- France
- Germany
- USA

Creation of sales network, warranty repairs and warehouses

Sales structure in 2020



Contractors around the world 90% of export sales

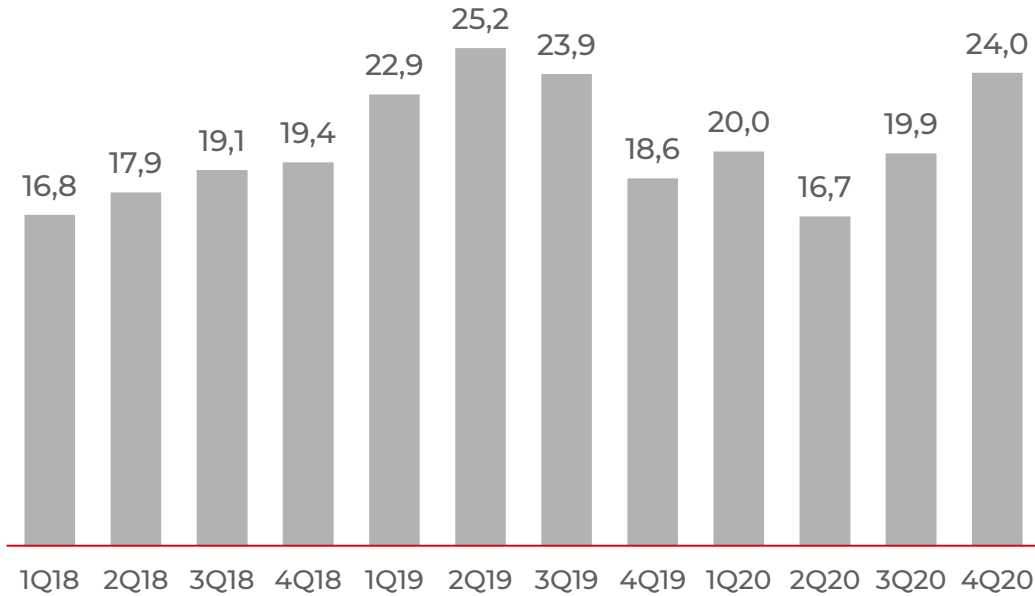


Export leader in 2020

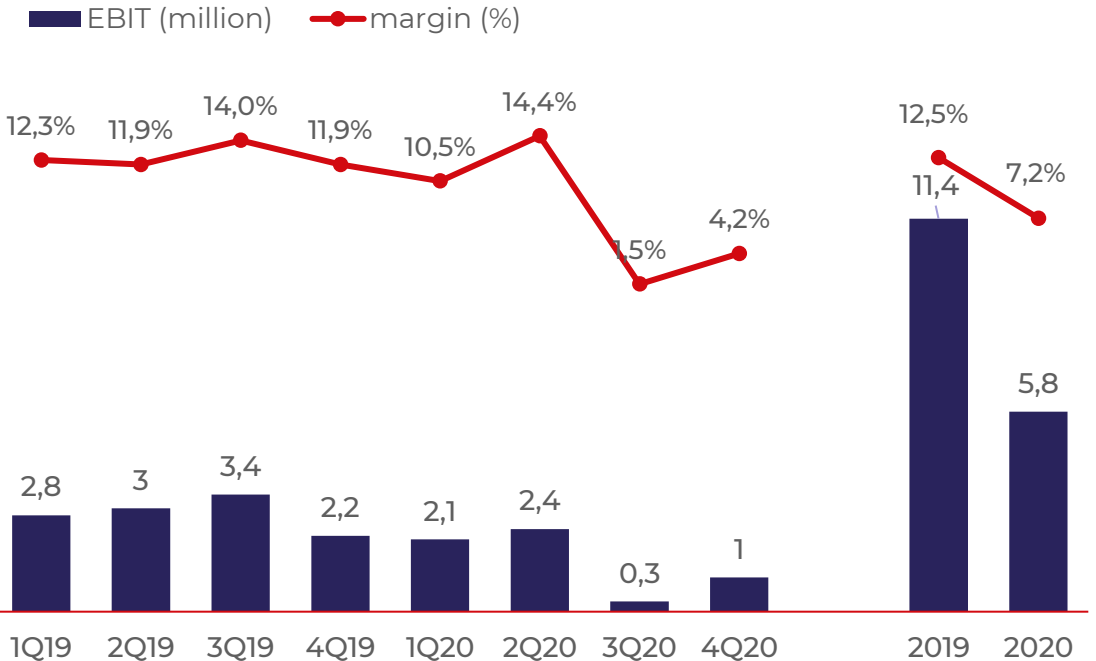


FINANCIAL RESULTS OF THE PRODUCTION SEGMENT

Revenues*
(million of PLN)



Operating result



- in 2020 a decrease in sales by 11% y / y at the constant level of operating costs - as a result - lower operating result y / y
- Rebuilding of orders as the result of easing of restrictions on individual markets - solid revenue growth of + 27.6% y / y in Q4
- steel prices increased on average by 10% to 30%, globally the effect experienced from Q2'21. In order to protect against negative effects, the Company conducted negotiations with customers regarding price increases (new price list from March, and some OEM customers from April)

RETURNING TO GROWTH

First orders from one of the largest manufacturers of construction machinery in the world.



Acquisition of new clients:

- Steelwrist



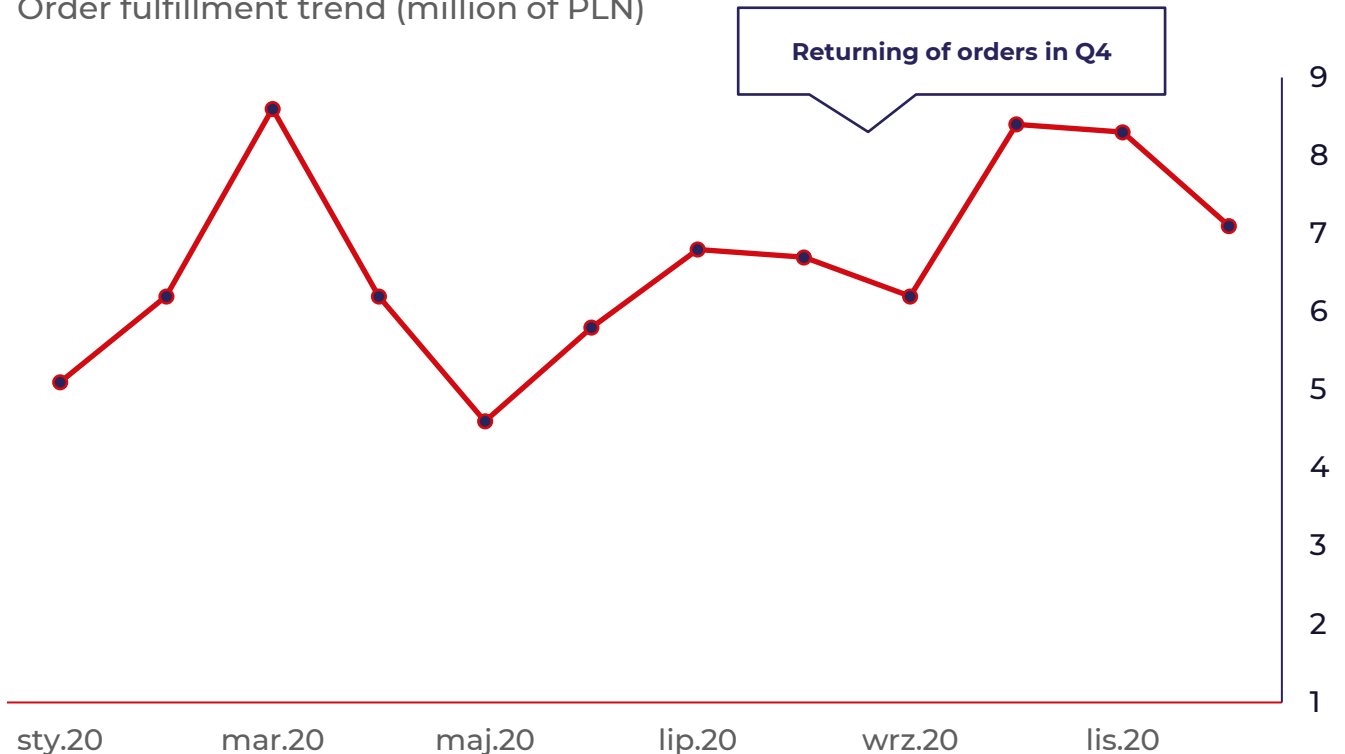
- SMP



- Hitachi Construction Machinery UK Ltd



Order fulfillment trend (million of PLN)



- in 2020 impact of COVID-19 - decrease in orders vs. 2019 by OEM factory shutdown in H1 2020, balanced by aftermarket
- in the long term, positive impact of changes in global markets and supply chains
- new customers and a clear increase of orders from Q4'20

2021+ PERSPECTIVES

2020

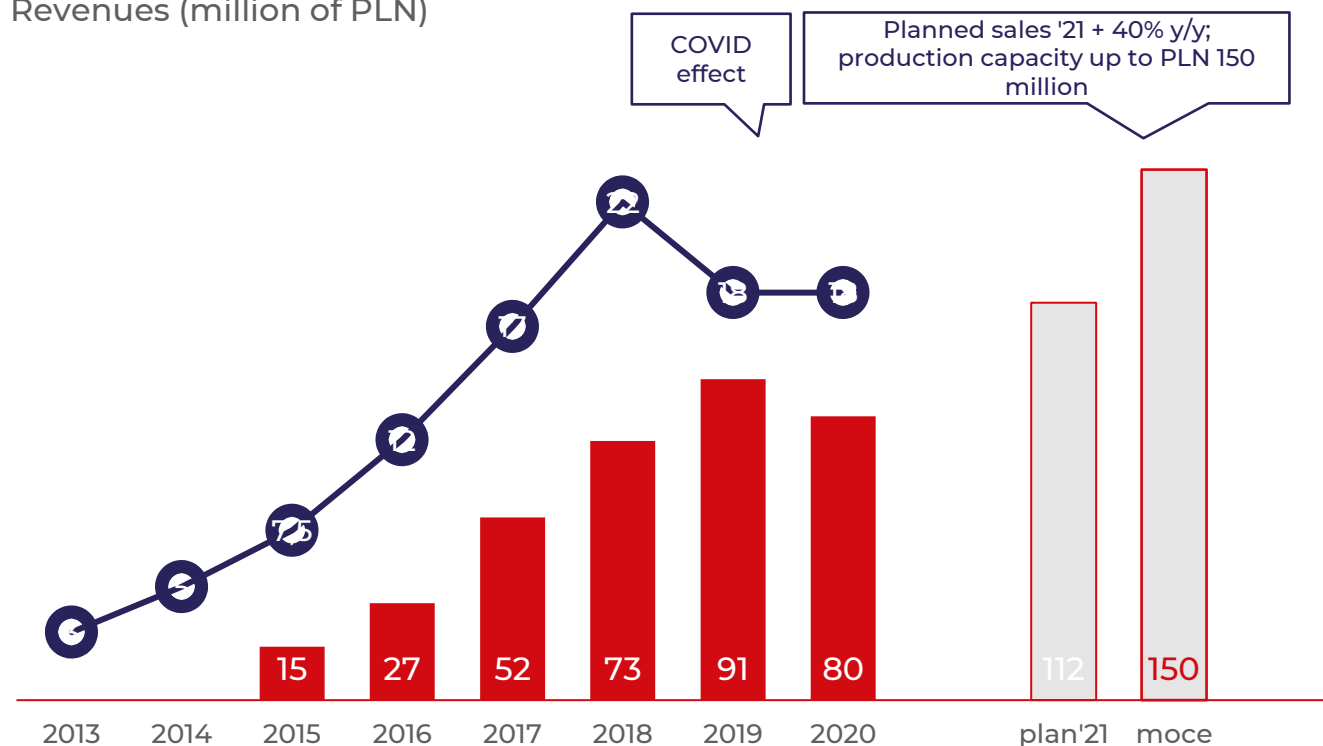
- development of production capacity and production efficiency
- expansion of machines park
- welding and production automation
- recruitment

2021

- planned extension of the plant by 4.5 thousand of m² (3Q'21)
- restoration of production of buckets for mini and midi excavators

POSSIBLE RESCALING - continuity of business talks in order to transfer production to Dekpol Steel

Revenues (million of PLN)



- production capacity and solid ordering portfolio for Q4'20 and Q1'21 enable assuming of 40% increase in sales revenues in 2021 and ultimately achieving of sales results in the amount of PLN 150 million

SUMMARY AND 2021+ PERSPECTIVES



SUMMARY

RECORD RESULT

In 2020 net profit PLN 52,8 million

COMFORTABLE FINANCIAL POSITION

Solid basis for further development of the Group

CONTINUATION OF THE GROUP'S REORGANIZATION ACTIVITIES

in operational and financial terms

NEW STRATEGIC INITIATIVES

very good perspectives for 2021+



2021+ PERSPECTIVE

THE CAPITAL GROUP



finalization of reorganization of the Group: separation of construction activities



debt refinancing in 1H 2021



keeping balance discipline



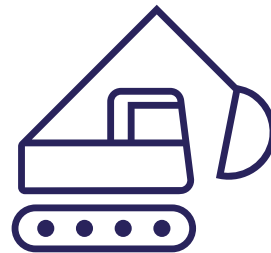
Dekpol BUDOWNICTWO

- strong demand from warehouse and industrial construction
- **ordering portfolio worth approx. PLN 1 billion, including PLN 409 million to be executed in 2021 mostly.**



Dekpol DEWELOPER

- rebuilt offer of 289 flats, majority in preparation
- sustainable investment plan for 2021-2025
- first project with an institutional investor
- **Goal for 2021 - recognition of PLN 210 million of revenues and contracting by agreements for 350 apartments**



Dekpol STEEL

- new customers and higher orders - return to path of revenue and results growth
- Perspective of rescaling of operations - possibility of increasing of production capacity
- **plan of sales increasing to PLN 112 million in 2021 (+ 40% y / y) and ultimately up to PLN 150 million**



Thank you for your attention.

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