



FINANCIAL RESULTS IN Q2 2021

INVESTOR PRESENTATION

SEPTEMBER 2021

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● AGENDA

1. Financial results in Q2 2021
2. BUDOWNICTWO
3. DEWELOPER
4. STEEL
5. Summary

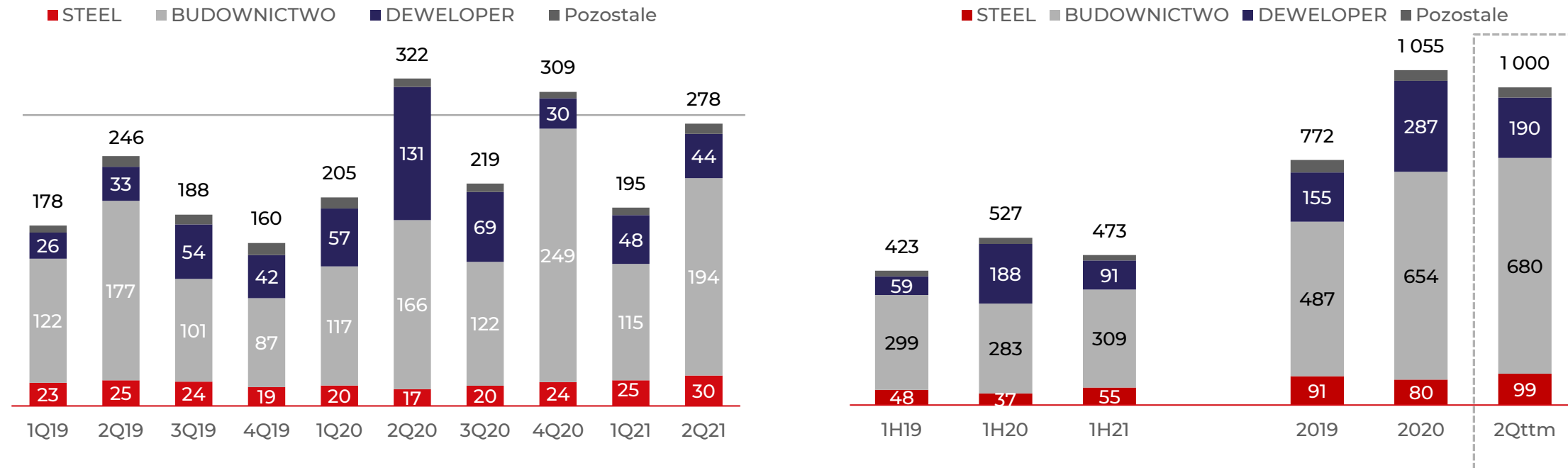




FINANCIAL RESULTS OF THE DEKPOL CAPITAL GROUP

REVENUES – THREE SEGMENTS

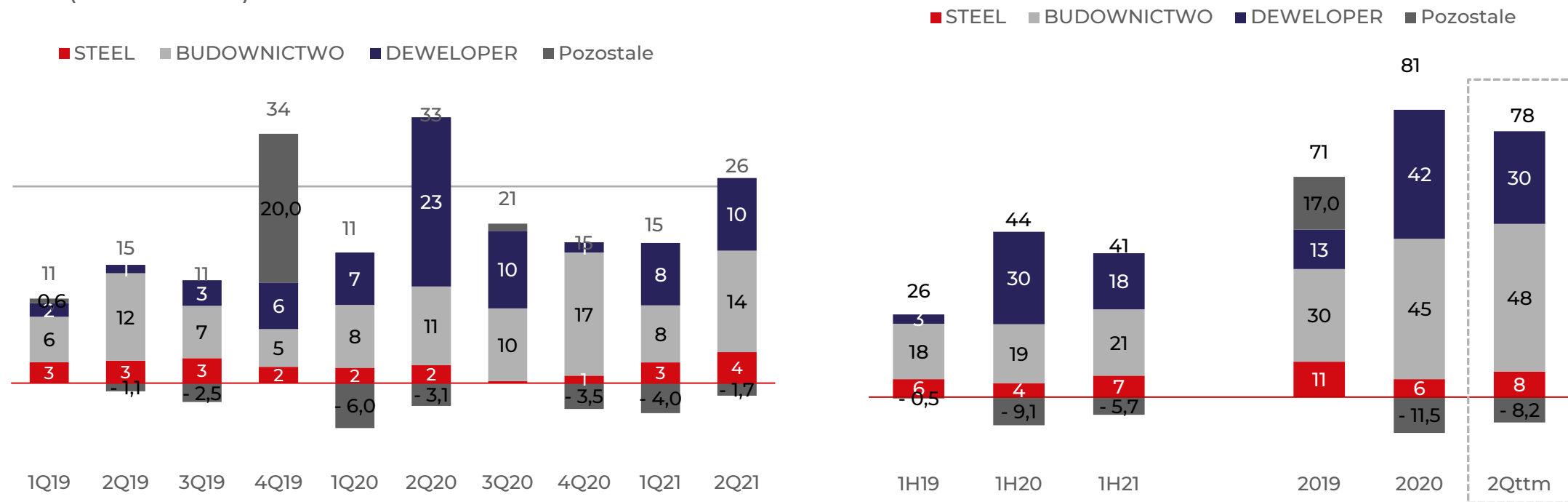
Revenues (million of PLN)



- Revenues of H1 2021: 472,8 million of PLN – -10% y/y; in Q2 2021: 277,7 million of PLN -14% y/y – base effect- reference period Q2 2020 with record result of Dekpol Deweloper (i.e. effect of recognition of Grano Residence in financial results)
- Q2 2021 - third-best quarter in terms of revenues, solid result of Dekpol Budownictwo, record quarter of Dekpol STEEL

OPERATING RESULTS – THREE SEGMENTS

EBIT (million of PLN)

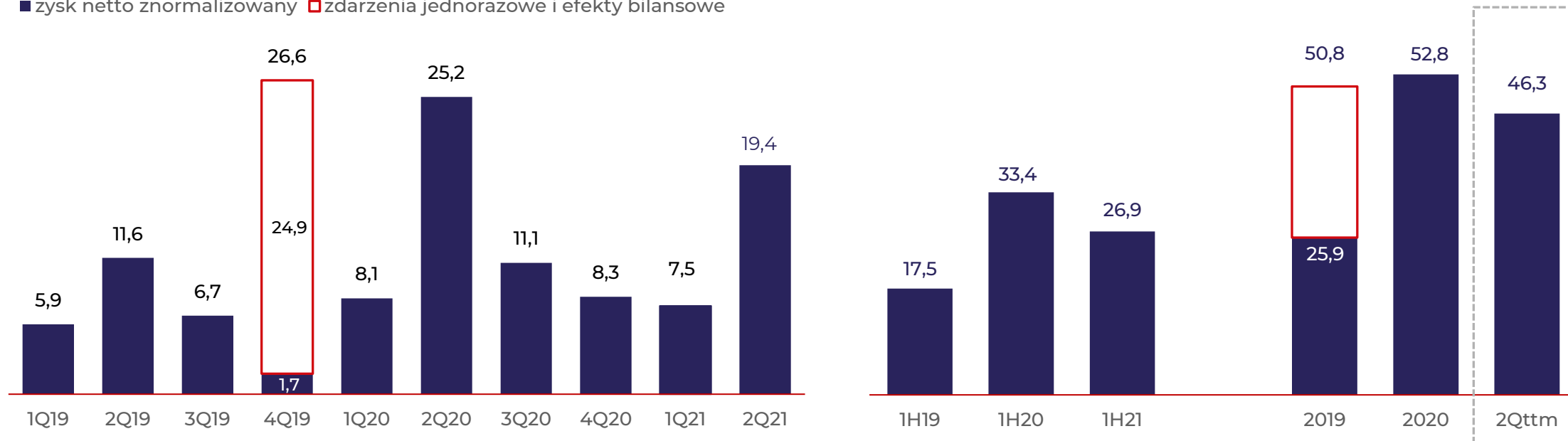


- in H1 2021 41 million of PLN of EBIT satisfactory result - 8% y/y when compared to reference period with record result of Dekpol Deweloper (including recognition effect of Grano Residence)
- Q2 2021 – 26 million of PLN - third best quarter in terms of operating result for years

CONSOLIDATED NET RESULT

Net profit (million of PLN)

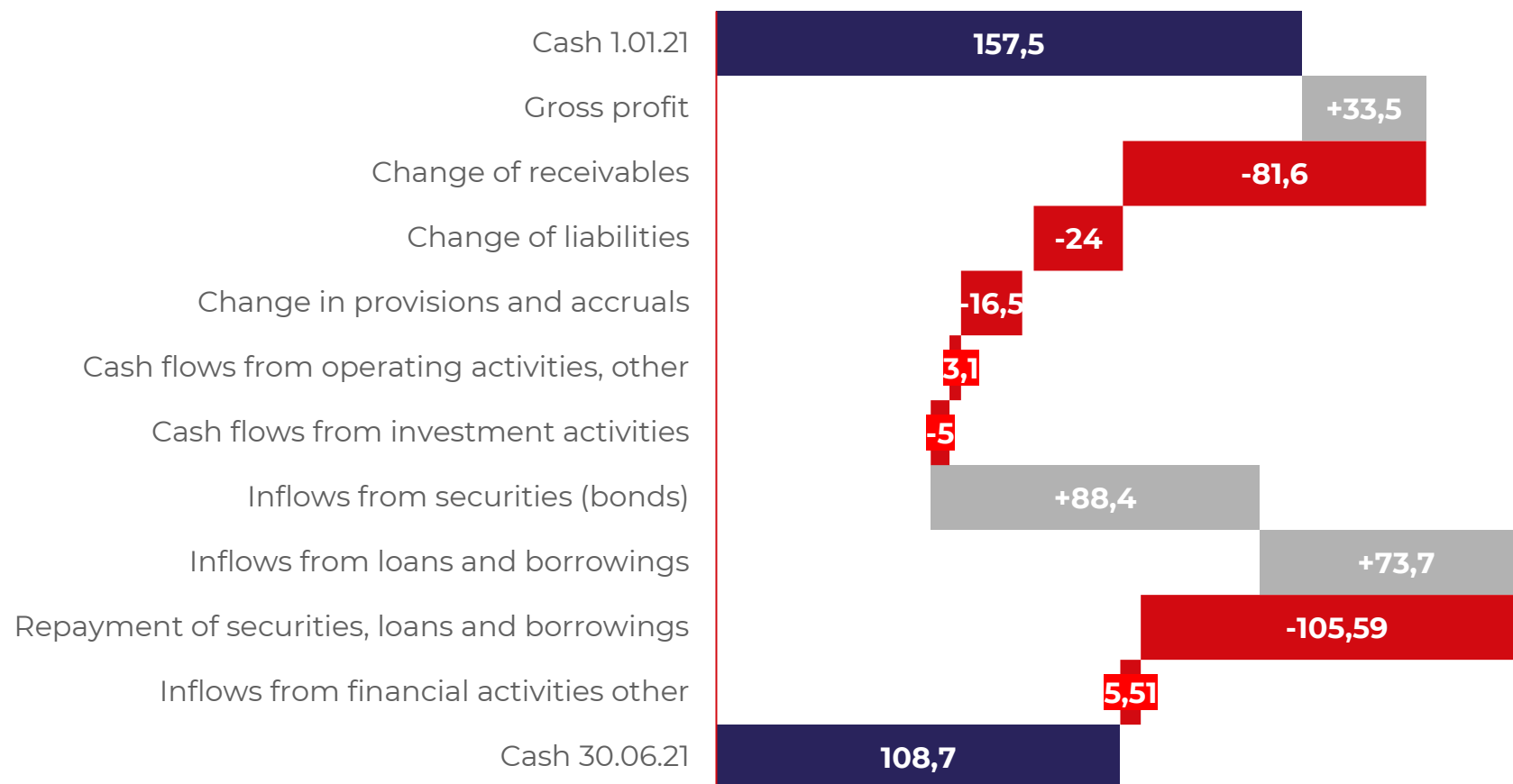
■ zysk netto znormalizowany □ zdarzenia jednorazowe i efekty bilansowe



- Net result in Q2: 19,4 million of PLN (18,1 million of PLN after clearance of one-time effects in H1 21 minimal)
- Net result in H1 2021: 26,9 million of PLN – 19% lower y/y due to base effect – reference period Q2 2020 with record result of Dekpol Developer (i.e. effect of recognition of Grano Residence in financial results)

CASH FLOWS

Cash flow account in H1 21 – selected items (million of PLN)



Operating cash flows:

increased demand for working capital

Financial cash flows:

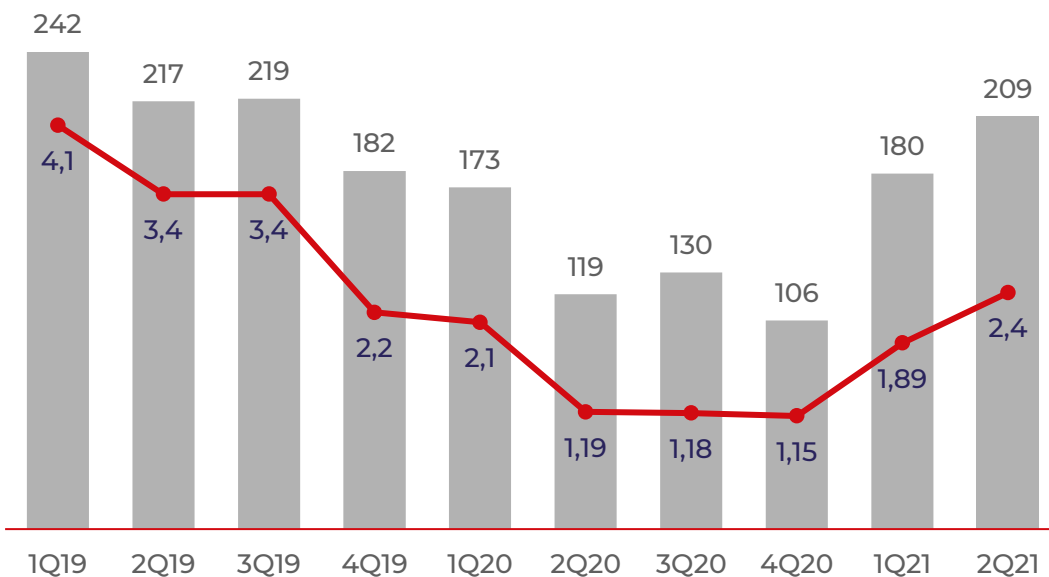
refinancing of maturing debt (e.g. issue of bonds)



STABILE BALANCE POSITION

Net debt (million of PLN) / EBITDA ttm

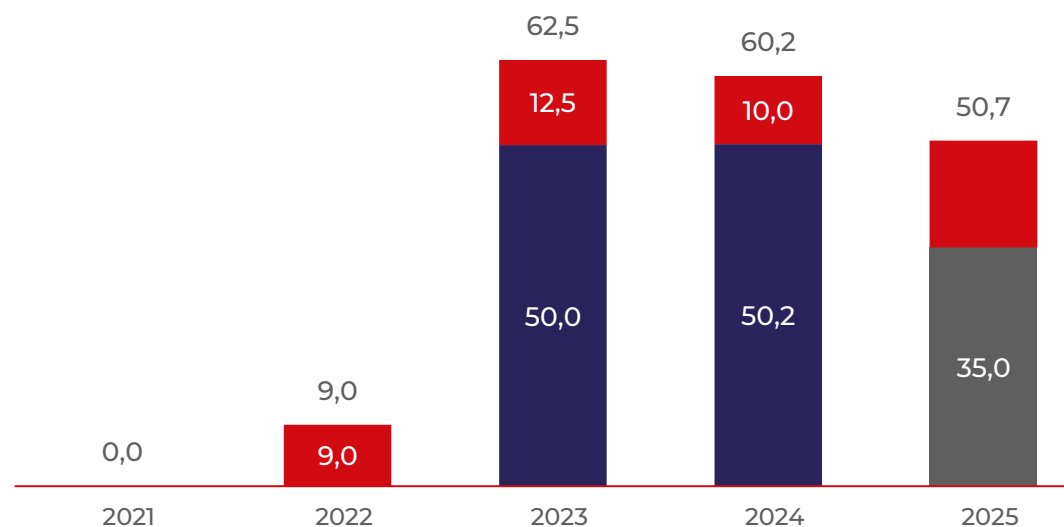
■ Net debt (million of PLN) — Net debt/EBITDA



- 209 million of PLN of net debt- a level adequate to the scale of business activities
- comfortable balance sheet position at the end of H1 2021
- periodically higher level of net debt due to the increased need for working capital (covenants up to 4x EBITDA)

Bonds – maturity structure (million of PLN) (as at 30.06.2021)

■ Deweleper ■ Budownictwo ■ DSA



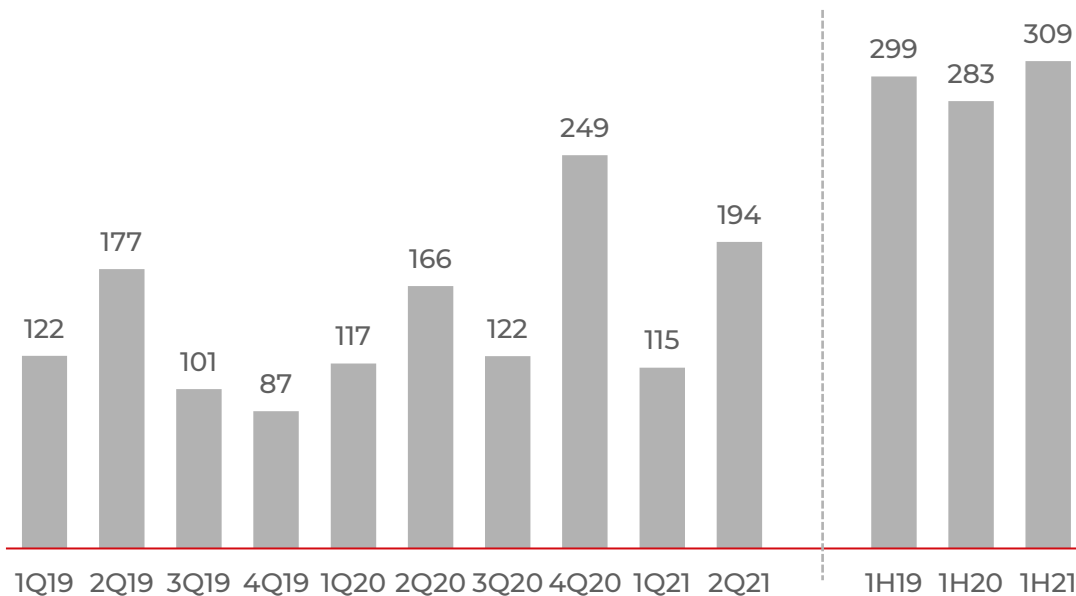
I-VI 2021 - refinancing of bonds maturing in H1

- Issue of 39,15 million of PLN (K- and L-series bonds – absorption)
- B-series: 10,0 million of PLN and C-series 15,7 million of PLN (Deweloper)
- Redemption of 62,7 million of PLN of G- and H-series bonds
- Issue of 17,7 million of PLN of L-series bonds
- Redemption of 35,0 million of PLN of DA- and DB-series bonds
- Issue of 35,0 million of PLN of A- and B-series bonds (Budownictwo)

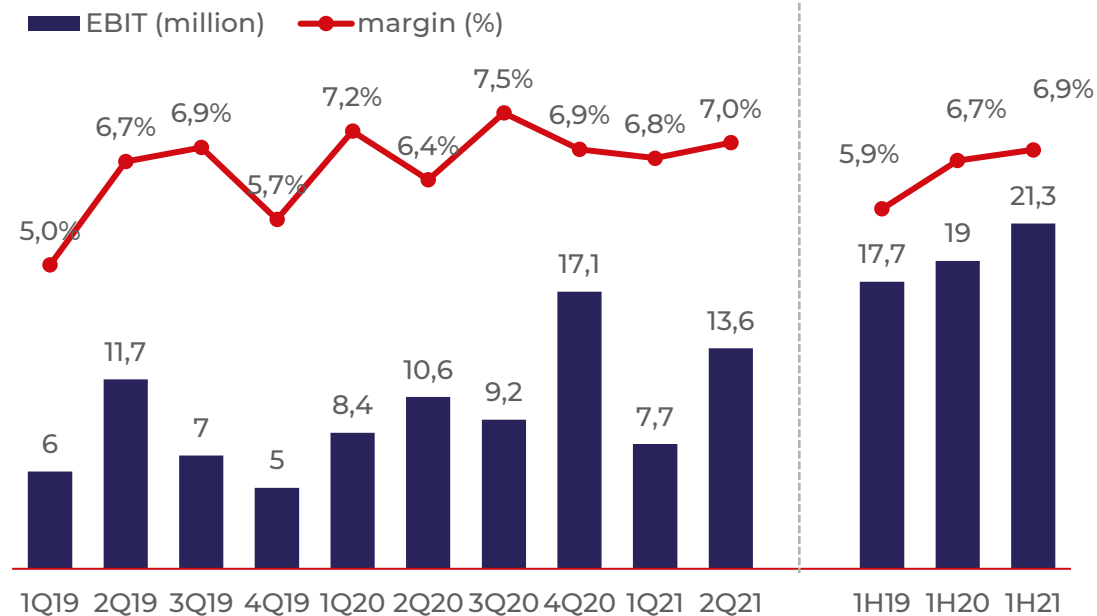


FINANCIAL RESULTS

Revenues* (million of PLN)



Operating result



- in Q2 2021 revenues: 194 million of PLN +17% y/y; operating result: 13,6 million of PLN +29% y/y;
- in H1 2021 revenues: 308,7 million of PLN +9% y/y; operating result: 21,3 million of PLN +12% y/y
- Maintenance of growth in an unfavorable market environment

STRENGTHS FOR DIFFICULT TIMES

RELIABILITY, QUALITY AND PROMPTNESS

SPECIALIST PROJECTS



Factory of RTE in Brześć Kujawski

Higher material and labor costs mitigated by:



INTERNAL RESOURCES

machine park
prefabricated elements and steel structures in the Group (Betpref)
own construction brigades



CLIENTS

returning customers, mainly private ones - relationships allowing to reach compromises in a demanding market environment



SHORT-TERM PROJECTS

most logistics and industrial contracts: 6-9 months
shortening of the offering period (30-14 days)



IMPLEMENTATION RISK CONTROL

careful bidding adjusted to the market situation in H1 2021
cooperation of offering department with purchasing and implementation department
implementation of the Pareto principle (80/20) in implementation of project



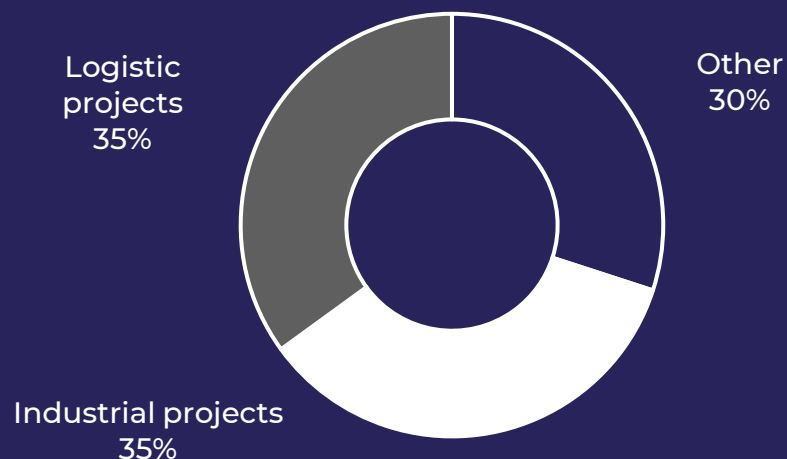
ADDED VALUE

committed team, process efficiency
internal projects aimed at reduction of implementation costs
establishment of the R&D department

2021+ PERSPECTIVE

STRONG ORDERING PORTFOLIO

STRUCTURE OF GC-PROJECTS (as at 30.06.2021)

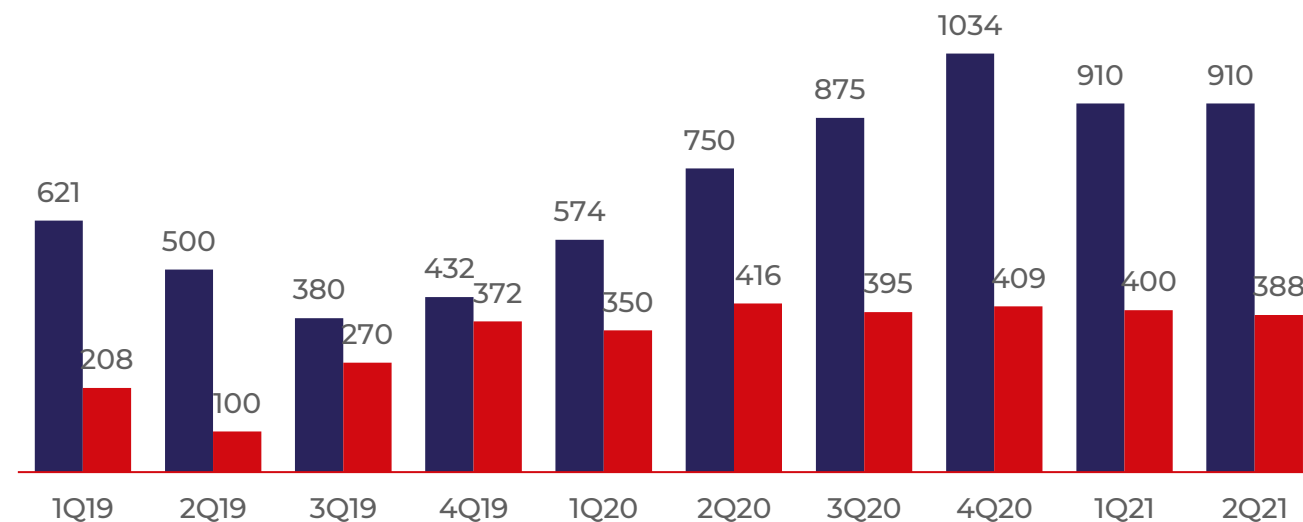


Net VALUE OF CONTRACTS as at 30.06.2021:

- 910 million of PLN (356 million of PLN remained for implementation)
- Including for Dekpol Deweloper 135 million of PLN, (46 million of PLN remained for implementation)

Contracting (million of PLN)

■ Net value of contracts (million of PLN)



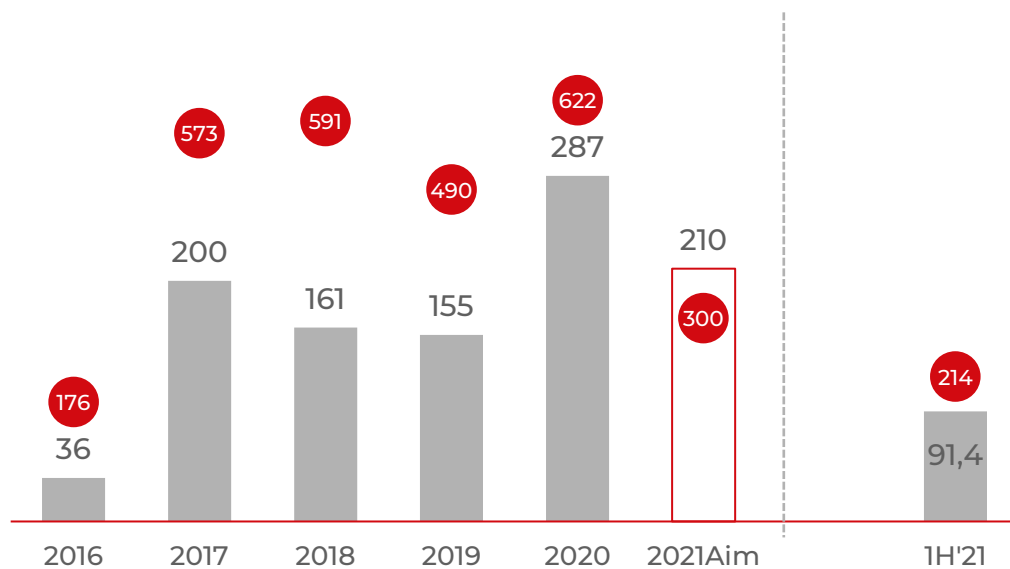
- selected current projects : Panattoni (Grodzisk Mazowiecki, Ujrzanów, Skawina, Gdańsk, Pruszcz Gdański), 7R (Szczecin, Warszawa, Kowale), CH Karuzela (Kołobrzeg), LEROYMERLIN (Kołobrzeg)
- in Q3, the return to dynamic in contracting of new projects, including: Press Glass (approx. 80 million of PLN, Lithuania), Panattoni (Pruszcz Gdański, approx. 90 million of PLN; Błonie approx. 50 million of PLN with option for additional 90 million of PLN, Kolbudy 150 million of PLN and Radomsko 85 million of PLN)
- expected maintenance of a safe margin on contracts executed in H2 2021 as a result of the progressive stabilization of the market



FINANCIAL RESULTS

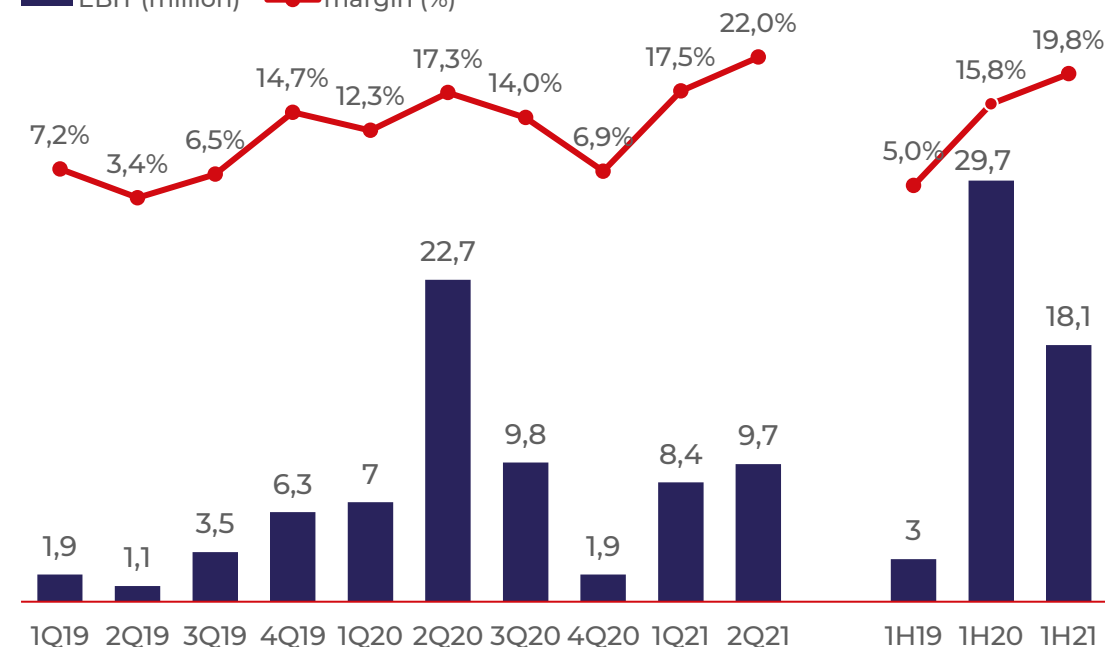
Revenues, recognition of results

■ Value (million of PLN) ● Quantity



Operating result

■ EBIT (million) ● margin (%)

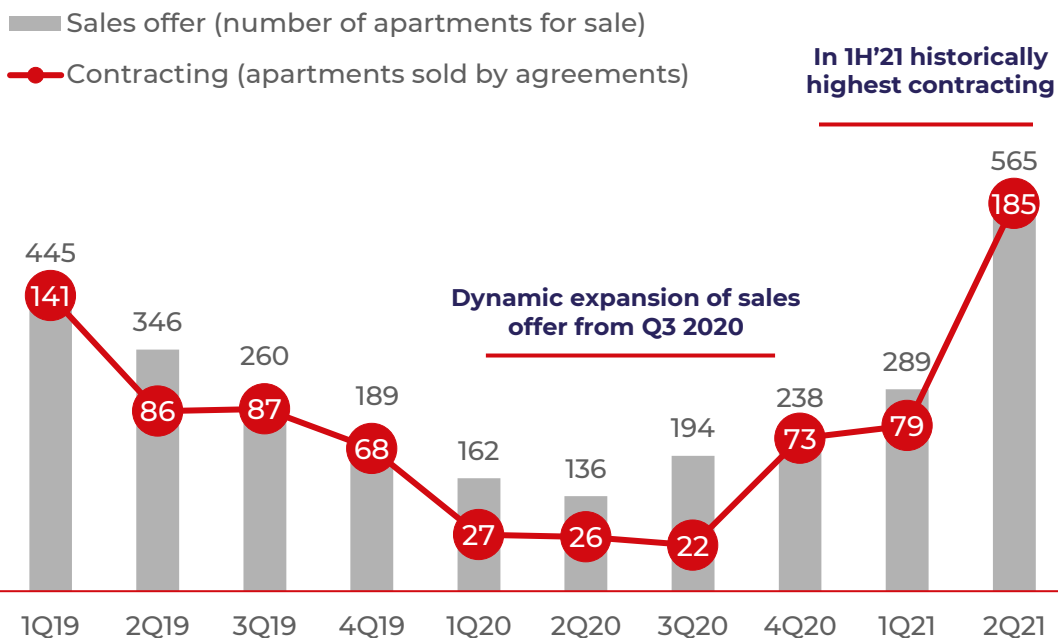


- revenues generated in H1 2021 in connection with recognition of sales of 214 apartments (vs. 437 in H1 2020)
- in H1 2021 handed-over: Osiedle Pastelowe stage no. I (180 apartments) and stage no. I of Sol Marina project (92 apartments)
- in H2 2021 planned recognition of i.e. other apartments in investments: Osiedle Pastelowe, Nowe Rokitki, Sol Marina 1a, Villa Neptun, Lazur Park
- goals adopted for 2021: PLN 210 million in revenues, from recognition of approx. 300 apartments and contracting of approx. 350 apartments *

* With the proviso, that none of the above statements relating to the future may be understood 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 sales targets set out above will be achieved

NEW INVESTMENTS IN SALES OFFER

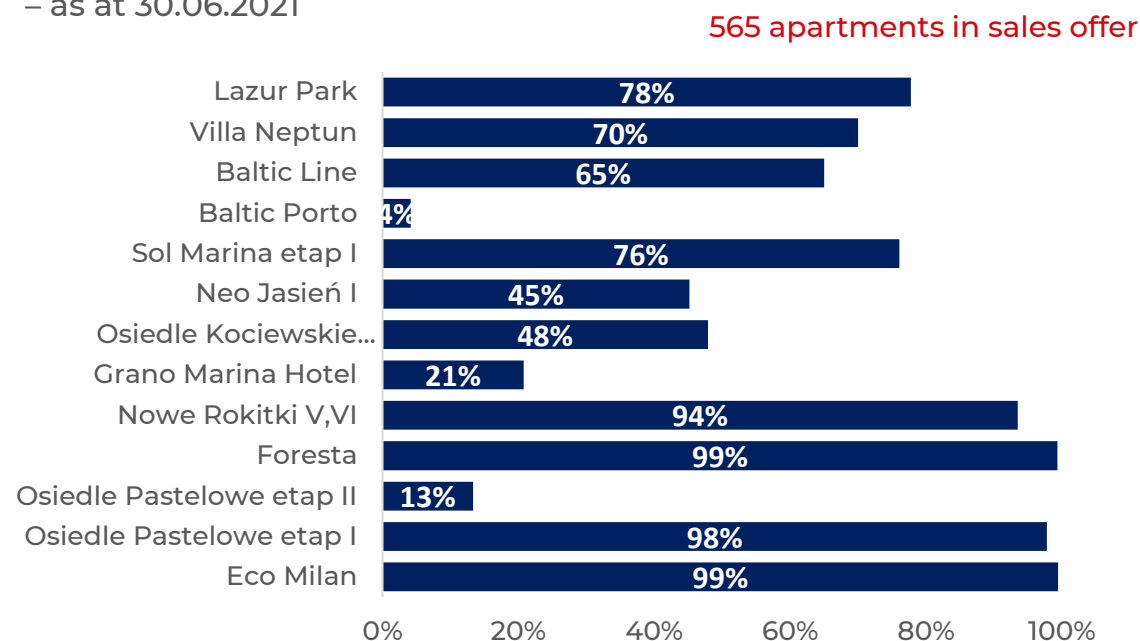
Contracting and sales offer



In 2021:

- Commencement of construction of: Neo Jasień I, Osiedle Pastelowe II (350 apartments), Sol Marina II, Grano Marina Hotel, Baltic Porto and Baltic Line, Trimare I
- Completion of implementation of investments: Osiedle Pastelowe I, Osiedle Kociewskie I, Sol Marina I, Villa Neptun, Lazur Park

% of sales of apartments from sales offer – as at 30.06.2021



In Q2 increase of offer up to 565 apartments:

- 3 buildings of the stage no. II of Osiedle Pastelowe with 225 apartments
- Neo Jasień with 104 apartments,
- Sobieszewska Island (Baltic Line 60 apartments and Baltic Porto 72 apartments).



UNIQUE PROJECTS

SOL MARINA:

private berths for a yacht or a speedboat

- approx. 490 apartments
- Luxurious wellness zone with swimming pool

stage Ia – apartment buildings (92 apartments) in H1 2021 issued use permit (contracting at the level of 76%)

stage Ib (Grano Marina Hotel) – hotel building (130 rooms) (contracting at the level of 21%)

Stages II and III - (267 apartments) – in Q3 obtained construction permit

In sales offer another projects on Sobieszewska Island (Baltic Line, Baltic Fun Park, LazurPark, Baltic Porto)



UNIQUE BANK OF LAND 2025+ PERSPECTIVE



Unique, attractive bank of land

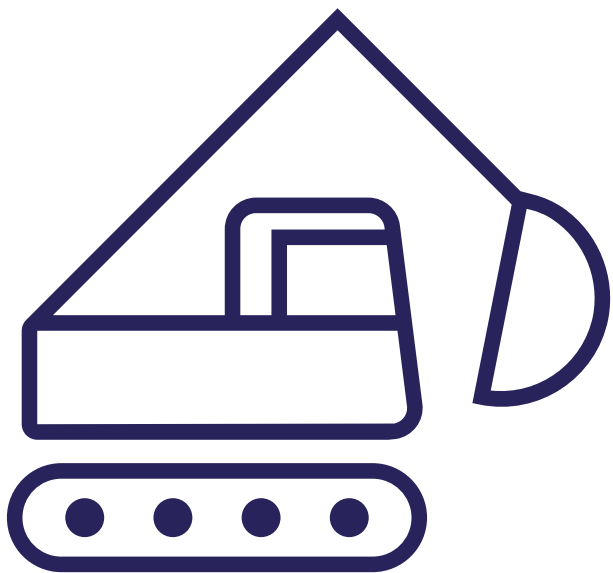
diversified locations, development of seaside locations in Q3 :

- Trimare (Sztutowo) – commencement of offering in Q3 (approx. 300 apartments)
- Puck – purchase of land property for investment

PIPELINE OF INVESTMENTS IN 2021-2025

favorable timing of planned implementations

Selected planned investments 2021/25	Commence ment to construction works	Completion of construction works	PUM/ PUU (m2)	Number of apartments
Sol Marina (II,III)	3Q2021	2Q2024	12 527	267
Braniborska (Wrocław)	4Q2021	3Q2023	18 000	n/a
Pastelowa (IIb, III, IV)	4Q2021	4Q2024	39 062	869
Neo Jasień II	2Q2022	4Q2023	4 355	98
Osiedle Kociewskie II, III, IV	1Q2022	1Q2025	15 992	344
Grano Resort apartamenty (I, II)	1Q2022	3Q2025	17 755	444
Trimare I	3Q2021	4Q2022	6 244	189
Trimare II	n/a	n/a	5 710	128

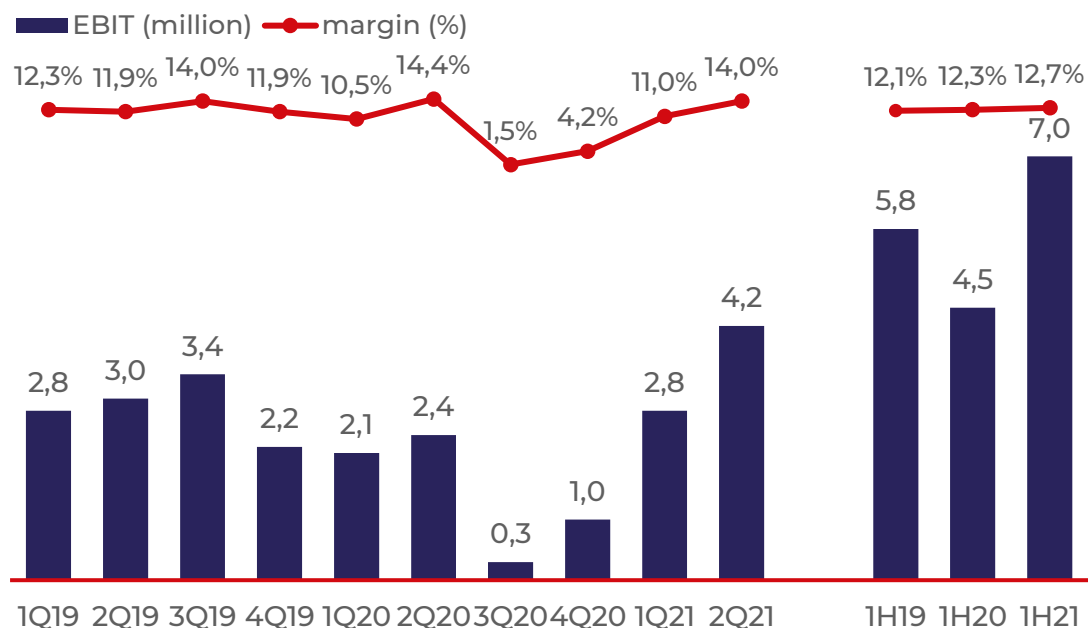


FINANCIAL RESULTS

Revenues*
(million of PLN)



Operating result
(million of PLN)



- in H1 2021 a record result in company's history due to high number of orders and full utilization of plant's production capacity
- operating result in H1 2021: PLN 6,9 million - more than the entire result for 2020
- Increase of prices and limited availability of raw materials - in order to ensure protection against negative effects in subsequent periods, the Company conducted negotiations with customers regarding price increases (new price list from March, and for some OEM customers from April)

2021+ PERSPECTIVES

IMPORTANT ORDERS:



2020

- development of production capacity and production efficiency (machinery, automation)

2021

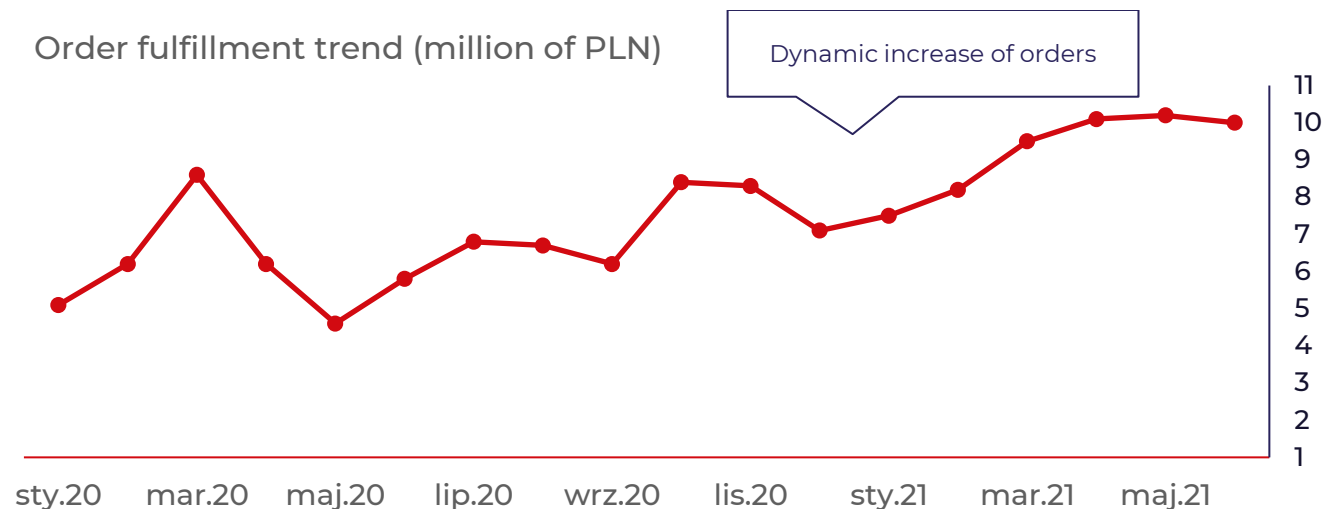
- Mitigation of effects of steel price increases (sheet metal and other steel products)
- Focusing on high-margin products
- introduction of the PowerDEK product based on proprietary solutions

POSSIBLE SCALING

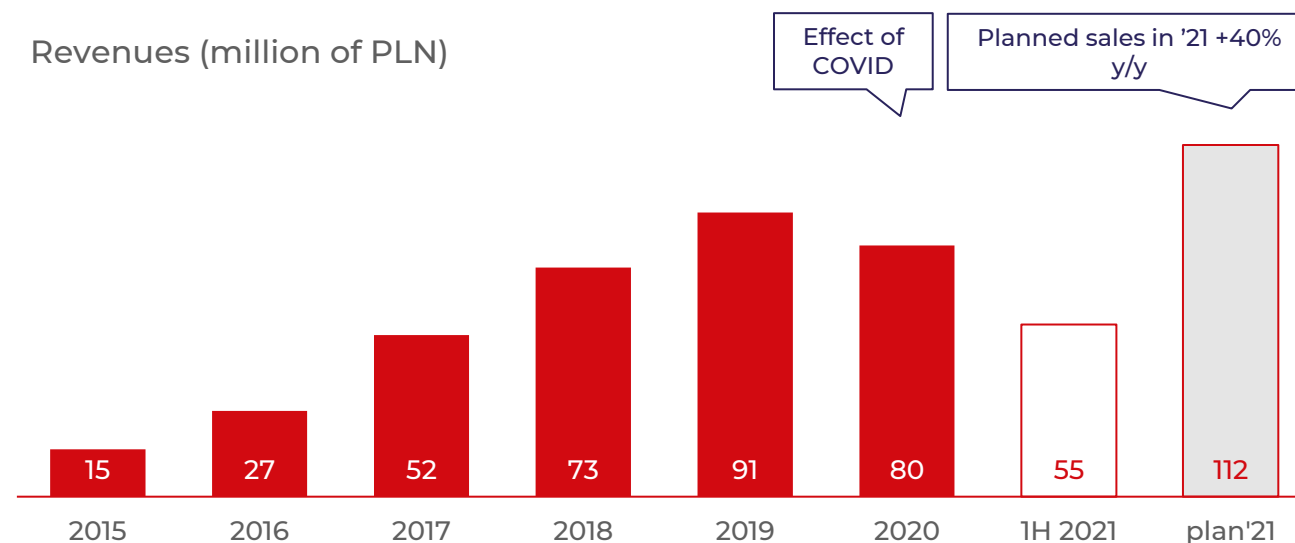
gradual implementation of projects dedicated to Caterpillar

Planned expansion of production capacity in Q2 2022

Order fulfillment trend (million of PLN)



Revenues (million of PLN)



- planned 40% increase in revenues in 2021, 112 million of PLN; target sales in the amount of 150 million of PLN (with approx. 90 employees without needed expansion of the plant)



SUMMARY AND 2021+ PERSPECTIVES

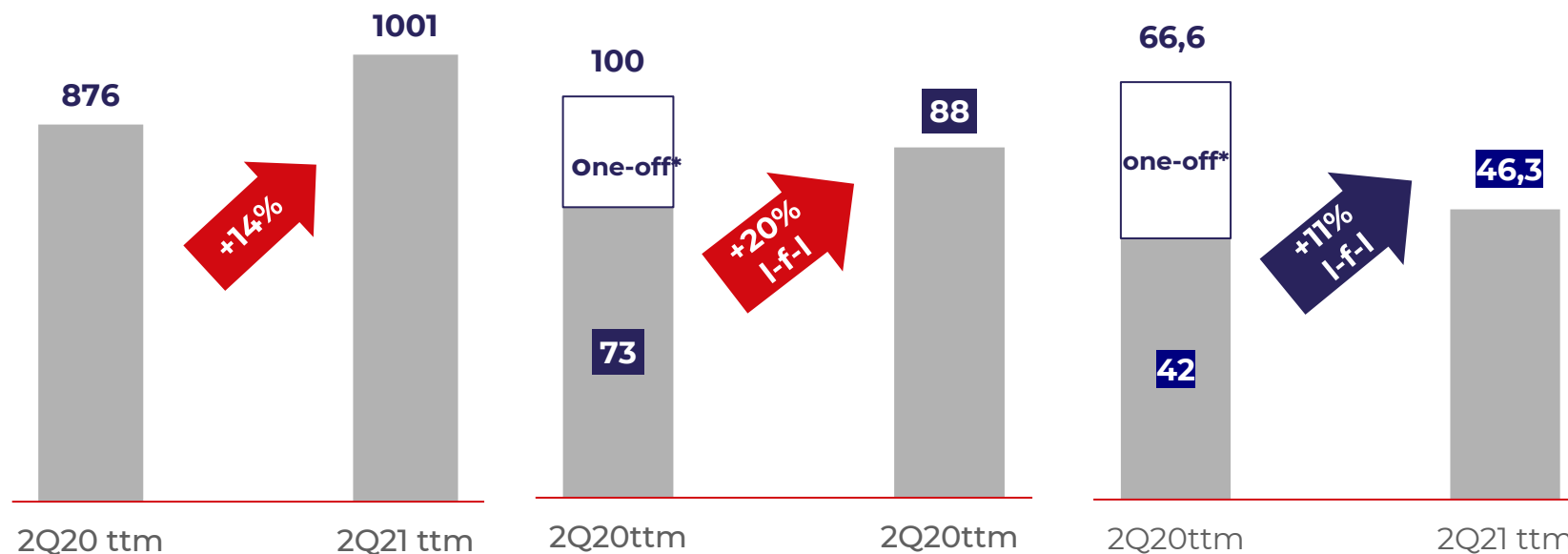
IMPROVEMENT OF FINANCIAL RATIOS

Revenues ttm
(million of PLN)

EBITDA ttm
(million of PLN)

Net profit ttm
(million of PLN)

Market valuation
(28.09.2021)



Share price	34,3 PLN
Number of shares	8,4 mln
Capitalization	288 mln
Net debt	209 mln
C/Z	6,2
EV/EBITDA	5,6

- + 11% like-for-like increase in net profit - normalized, comparable data adjusted for one-off events
- one-off* - one-off and accounting events: in Q4 19 - positive impact - 27 million of PLN (revaluation of assets), in H1 21 minimal impact of one-off events
- improvement of debt maturity structure, safe level of net debt and financial ratios

● KEY TRENDS 2021

REVENUES TRENDS:

- demand for industrial construction
- pipeline of 900 million of PLN (approx. 380 million of PLN for implementation), lower contracting in H1



- increase in real estate prices
- high demand for residential apartments
- new seaside investments



- increasing number of orders
- New clients: Hitachi, SMP, Steelwirst



Higher material and labor costs mitigated by:



BUDOWNICTWO

- careful bidding, short bid deadline (14 days)
- short projects life cycle(6-8 months)
- own resources (construction employees and equipment)
- Prefabricates from the Capital Group



DEVELOPER

- Land properties of settled projects purchased at favorable prices
- Implementation of investments by companies from the Capital Group
- increase in prices of apartments sold



STEEL

- automation and robotization of the welding process
- steel prices in H1 2021 partially hedged
- focus on high-margin and proprietary products

2021+ PERSPECTIVES

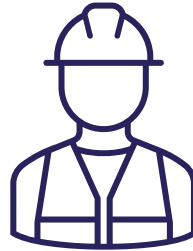
CAPITAL GROUP



Refinancing of debt
in H1 2021



Maintenance of business
operations profitability in
a difficult environment



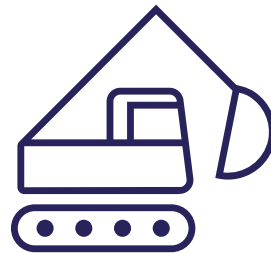
Dekpol BUDOWNICTWO

- strong demand from warehouse and industrial construction
- Pipeline in Q2: 910 million of PLN (380 million of PLN for implementation)
- **return to dynamic contracting in Q3**



Dekpol DEWELOPER

- increase of sales offer to over 500 apartments
- sustainable investment plan for 2021-2025
- **Target for 2021 - recognition of PLN 210 million of revenues and contracting of 350 apartments**



Dekpol STEEL

- new customers and higher orders - record results in a difficult environment
- **Plan for 2021: increase of sales + 40% y/y (PLN 112 million)**



Thank you for your attention.

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