



CONSOLIDATED FINANCIAL STATEMENT OF DEKPOL CAPITAL GROUP

PREPARED IN ACCORDANCE WITH INTERNATIONAL
REPORTING STANDARDS
FOR THE PERIOD 1st of January 2021 - 31st of December 2021

Pinczyn, 29th of April 2022



Consolidated financial statement of DEKPOL Capital Group
for the period 01.01.2021 - 31.12.2021 (data in thousand PLN)

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SELECTED FINANCIAL DATA

Selected consolidated financial data	thousand PLN		thousand EUR	
	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
I. Net revenue from sales of products, goods, and materials	1 255 783	1 054 978	274 338	235 791
II. Profit (loss) on operating activity	112 988	81 044	24 683	18 114
III. Profit (loss) before tax	89 638	67 073	19 582	14 991
IV. Net profit (loss)	75 726	52 771	16 543	11 795
V. Earnings (loss) per ordinary share (in PLN / EUR)	9,06	6,31	1,98	1,41
VI. Net cash flows from operating activity	55 819	135 689	12 194	30 327
VII. Net cash flows from investment activity	(15 718)	(8 561)	(3 434)	(1 913)
VIII. Net cash flows from financial activity	(6 967)	(85 899)	(1 522)	(19 199)
IX. Total net cash flows	33 134	41 229	7 238	9 215
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
X. Total assets	1 357 149	953 497	295 071	206 617
XI. Liabilities and provisions for liabilities	969 881	660 018	210 871	143 022
XII. Long-term liabilities	282 261	128 921	61 369	27 936
XIII. Short-term liabilities	687 620	531 097	149 502	115 086
XIV. Equity	387 268	293 479	84 200	63 595
XV. Share capital	8 363	8 363	1 818	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)	46	35	10	8

The above financial data for 2021 and the corresponding period of 2020 have been converted into EUR according to the following rules:

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

- 31st of December 2021 – 4,5994 PLN / EUR
- 31st of December 2020 – 4,6148 PLN / EUR

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

- from 1st of January till 31st of December 2021 – 4,5775 PLN / EUR,
- from 1st of January till 31st of December 2020 – 4,4742 PLN / EUR.



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INTRODUCTION TO FINANCIAL STATEMENT

GENERAL INFORMATION

Name of the Reporting Unit or other identification data: Dekpol S.A.

Explanation of changes in the name of the reporting entity or other identifying data that have occurred since the end of the previous reporting period: no changes occurred

Headquarter of the entity: Ul. Gajowa 31, 83-251 Pinczyn, Poland

Legal form: joint-stock company

Country of registration: Poland

The registered office address of the entity: Ul. Gajowa 31, 83-251 Pinczyn

Basic place of business: Pinczyn

A description of the nature and principal scope of the entity's activities:

The areas of activity of the Dekpol Group include general contracting, property development and production activities.

Name of the parent company: Dekpol S.A.

Name of the ultimate parent of the group: Dekpol S.A.

Name and location of the reporting entity (leading entity):

DEKPOL S.A.

Ul. Gajowa 31, 83-251 Pinczyn

Registration Court, register number:

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

The main shareholder of the Company (77,13% of share capital) is Mr. Mariusz Tuchlin, who came into the possession of shares of the DEKPOL Company on 18th of December 2006, as a result of the transformation of legal form (led by him since 1993) of the business (previously under the name Productive-Service Plant "DEKPOL" - Mariusz Tuchlin) in a limited liability company.

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



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

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

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

Duration of the Company:

The period of the Company's operations is indefinite.

The principal activities:

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

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

Presented reporting periods:

The financial statements is presented for the period from 1st of January 2021 to 31st of December 2021. The comparative financial data is presented for the period from 1st of January 2020 to 31st of December 2020.

Dekpol S.A. prepares consolidated financial statement.

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

The Issuer's Management Board is composed of one or more Members. The Supervisory Board entrusts one of the Members of the Management Board with the function of the President of the Management Board. Other Members of the Management Board may be entrusted with the function of Vice Presidents of the



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Management Board. The term of office of the Members of the Management Board is 5 (five) years and is not joint.

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

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

There were no changes in the composition of the Management Board of Dekpol S.A. in 2021 and until the publication of the report.

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

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

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

In 2021, the composition of the Supervisory Board of Dekpol S.A. has not changed.

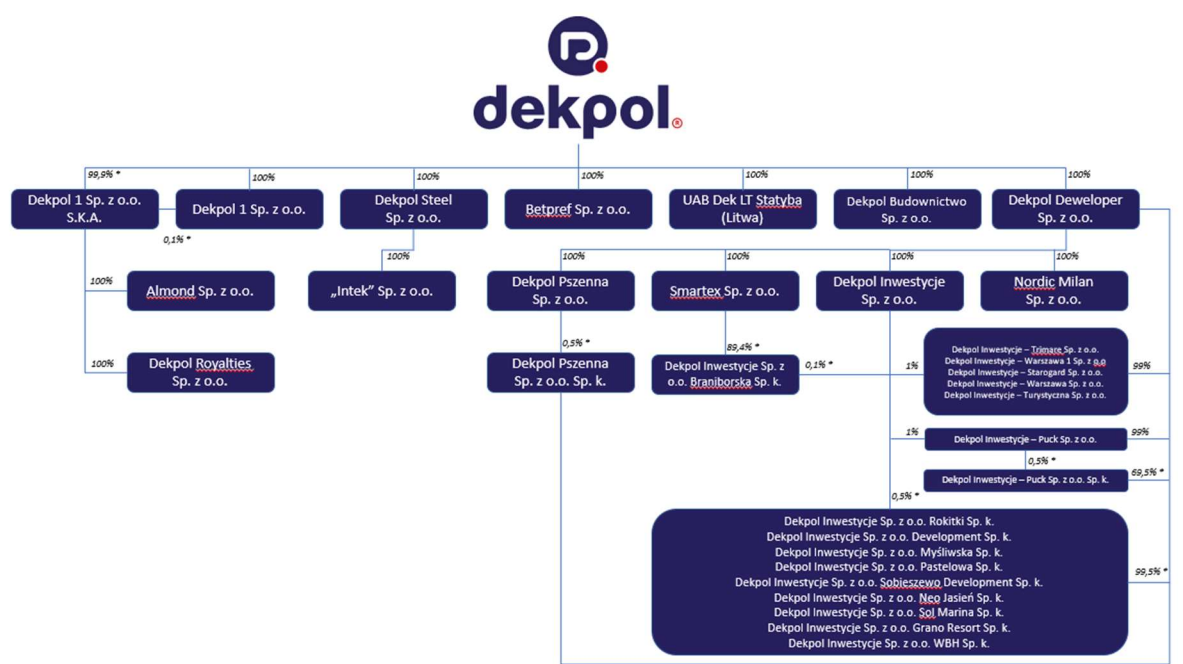


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2. Composition of the Capital Group and related entities:

As at 31st of December 2021, Dekpol S.A. was part of the Dekpol Capital Group as the parent company and direct or indirect subsidiaries of Dekpol S.A.

The organizational structure of the Company's Capital Group as of 31st of December 2021 is presented in the diagram below:



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

Other entities in which entities from the Dekpol Capital Group participate

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

- 1) Mineral Group Limited Liability Company – an entity established to conduct activities related to the exploration and extraction of mineral resources. Deweloper Sp. z o.o. holds 50 out of 101 shares in the share capital of this company (amounting to PLN 5,000).
- 2) Dekpol SPV 1 Limited Liability Company – an entity established to implement investment projects together with a subsidiary of the President of the Management Board, OMT Holding Spółka z ograniczoną odpowiedzialnością. Dekpol S.A. holds 49 out of 100 shares in the share capital of this company (amounting to PLN 5,000). As at the date of publication, Dekpol S.A. holds 324



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out of 1,200 shares in the share capital of this company (amounting to PLN 60,000).

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

Company's name	CRS	Nature of connection	Information about the company
City Apart Management Sp. z o.o.	0000300191	-98% of shares belong to Mariusz Tuchlin, 98% of votes, 2% of shares and votes belongs to City Apart hotel Management Sol Marina Sp. z o.o.	The company operates in the hotel industry
Grano Group Sp. z o.o. (do 29.01.2021 general partner of Dekpol Serwis Sp. z o.o. Sp. k., currently OMT Serwis Mariusz Tuchlin Sp. j.)	0000629533	- 95% of the shares are owned by Mariusz Tuchlin	The company operated as central companies and holdings, with the exception of financial holdings - an entity that also collects shares in companies operating in the hotel industry
OMT Serwis Mariusz Tuchlin Sp. j. (till 07.04.2021 OMT Serwis Mariusz Tuchlin Sp. K.)	0000893460	- Mariusz Tuchlin has a 90% share in the profits and losses of the Company, he is also a partner authorized to represent it	The company operates in the field of passenger and delivery of construction machinery and equipment
City Apart Management Sol Marina Sp. z o.o.	0000711010	- 100% of shares and votes belong to Grano Group Sp. z o.o.,	The company will operate in the hotel industry
City Hotel Management Sp. z o.o.	0000589930	- 100% of the shares belong to Grano Group Sp. z o.o.	The company operates in the hotel industry
OMT Holding Sp. z o.o.	0000852695	- 95% of shares and votes belong to Mariusz Tuchlin (President of the Management Board of the Company)	The company operates as central companies and holding companies, with the exception of financial holdings
OMT Nieruchomości Sp. z o.o.	0000849933	- 90% of shares and votes belong to Mariusz Tuchlin (President of the Management Board of the Company)	The company operates as central companies and holding companies, with the exception of financial holdings
City Apart Management Pszenna Sp. z o.o.	0000710859	- 90% of shares and votes belong to Mariusz Tuchlin (proxy in the Company), 90% of votes	The company operates as central companies and holding companies, with the exception of financial holdings
City Apart Management Pszenna Sp. z o.o. Sp. K.	0000711812	- Grano Group Sp. z o.o. has a 99% share in the profits and losses of the Company	The company operates in the hotel industry
Flats For Rent Sp. z o.o.	0000750704	- 100% of shares and votes belong to Mariusz Tuchlin,	The company operates as central companies and holding companies, with the exception of financial holdings
Flats For Rent Sp. z o.o. Sp. K. - The company was dissolved	0000751229	- Mariusz Tuchlin had a 99% share in the company's profits field	The company was active in the field of real estate



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Company's name	CRS	Nature of connection	Information about the company
by a resolution of the shareholders of 30 th of December 2021, the deletion from the National Court Register took place on 11 th of February 2022 (an event after the balance sheet date)		and losses	management and real estate rental

1. Legal basis for preparing the financial statement

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

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

The company prepares the profit and loss statement in a multiple-step variant.

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

The financial statement is presented in thousands of PLN.

2. Date of approval of the financial statement for publication

The financial statement was approved for publication on 29th of April 2022.

3. Functional currency and the reporting currency

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

4. Continued operations

The financial statements have been prepared under the assumption that the Company will continue its business operations in the foreseeable future and that it does not intend or must not discontinue its operations or substantially reduce its scope. According to the knowledge of the Management Board of the Company, there are no circumstances indicating a threat to continuing operations.

5. Events after balance sheet date

There were no significant events after the balance sheet date, not included in the financial statements (point 26) and in the Management Report on the activities of the Company and the Capital Group.

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



Whenever the Company is indicated below, it applies to the entire DEKPOL Capital Group

Property, plant and equipment

- Property, plant and equipment are subject to initial recognition at the acquisition price or production cost.
- The acquisition price or production costs are subject to an increase by costs of disassembly and removal of an item of property, plant and equipment and renovation of the place of using it, if the Company is obliged to do so.
- The acquisition price or production costs are not subject to adjustment by foreign exchange differences related to liabilities financing the acquisition of an asset accrued up to the date of putting an asset into use, unless it results from the policy adopted in the scope of hedge accounting.
- The acquisition price or production costs are subject to an increase by costs of interest on liabilities financing the acquisition of an asset accrued up to the date on which an asset is ready for use.
- After the initial recognition, the Company evaluates property, plant and equipment at the acquisition price or production cost less depreciation write-offs (purchase price or production cost model).
- With regard to each item of property, plant and equipment, the Company determines a period of economic useful life. If it is justified in relation to significant component parts of property, plant and equipment to apply various periods of economic useful life and depreciation rates/methods, the Company applies various depreciation rates/methods in relation to each significant component part of property, plant and equipment.
- Property, plant and equipment are subject to depreciation in a period of economic useful life from the day on which an asset is ready for use until the date on which it is excluded from recognition or it is intended for sale.
- The Company accepts that the final (residual) value of used property, plant and equipment is usually insignificant and will not be determined, unless the residual value is significant in relation to a given item of property, plant and equipment. The residual value constituting at least 20.0% of the initial value of an item of property, plant and equipment is deemed significant.
- The Entity applies a straight-line depreciation method of property, plant and equipment, unless other methods (degressive method, method based on production units) better reflect the consumption of economic benefits. The Company may apply other methods and rates in order to establish tax income.
- A depreciation period, depreciation method and residual value (if determined) are subject to periodic verification at least at the end of each financial year. If a significant change is found as compared to previous



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estimates, the entity changes amortization rates and/or method starting from the first day of the reporting period.

- Property, plant and equipment with an initial value not exceeding PLN 3,000.00 are included in off-balance sheet records and are written off once in the cost of materials consumption.
- Costs of improvement of property, plant and equipment increase their initial value, provided that improvement consists in extending a period of economic useful life or improving parameters of property, plant and equipment measured by means of costs of operation, productivity, quality of manufactured products or scope of functionality.
- Costs of current renovations and inspections of property, plant and equipment are recognized as costs of the period in which they are incurred, unless they result in extending a period of economic useful life as compared to the initially assumed period.
- If property, plant and equipment are excluded from use, the Company does not discontinue depreciation, unless an item of property, plant and equipment is held for sale within 12 months. In such a case, property, plant and equipment are evaluated at the initial value less revaluation write-offs or at the fair value less selling costs, whichever is lower, and are not subject to depreciation - according to MSSF 5 "Non-Current Assets Held for Sale and Discontinued Operations".

Lease

- The Company recognizes a liability under the concluded lease agreement in the amount of the present value of the lease payments remaining to be paid. The lease payments are discounted using the lease interest rate if that rate can be readily determined. Otherwise, the lessee uses the lessee's incremental borrowing rate.
- To measure the right to use an asset, the Company applies the cost model, except for investment properties measured at fair value.
- The company uses discounted value of debts divided in to long- and short-term debts. The value of debt is updated if lease period is changed or if prediction of buying out abilities will change (updated according to discount rate) or if the lease charges will change due to other than rate changes (updated with no changes to discount rate). The difference in value is written according to changes in right to use value changes.
- Assets which are the subject matter of a financing lease have to be disclosed as user's assets; assets which are the subject matter of an operating lease have to be disclosed as lessor's assets. Information required by MSSF 16 are revealed in additional explanatory notes.



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- The company uses exemptions allowed by IFRS 16, i.e. it does not disclose the right of use and liabilities, but only recognizes the costs of current lease payments) in relation to:
 - - short term lease agreements (less than 1 year), or
 - - where lease value does not exceed 4,000,00 PLN.
- If the Company performs a leaseback transaction, it qualifies lease as operating lease or financial lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset. The lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of the underlying asset.
- In case of operating lease, the Company recognizes asset as financial asset and it recognizes provided incomes with linear method during the lease duration).
- In the case of a finance lease, the Company recognizes a net investment in the lease, determined at the amount of the qualifying lease payments discounted using the lease interest rate. When own products are leased out, the fair value of the product or the lower value of discounted lease payments is recognized as sales revenues. If the lease interest rate is lower than the market rate, the discounted lease payments are determined using the market rate.
- If the Company enters into a sale and leaseback transaction, the transaction is accounted for depending on whether the transfer of the asset qualifies as a sale. Any gain on disposal of the asset to the lessor is recognized in profit or loss in proportion to the value of the rights transferred to the lessor, provided that the asset is transferred that qualifies as a sale. In the absence of such a transfer, no gain is recognized, the assets are not excluded and the payment received is recognized as a financial liability.



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Intangible assets (IA)

- The Company initially recognizes IA acquired in separate transactions at acquisition prices, while IA produced by the Company at a production cost.
- If software licenses or similar assets are acquired, costs of implementation of software incurred until the date of bringing it to the assumed fitness for purpose specified by the Company's Management Board should be recognized under the IA initial value. The implementation costs do not include costs of employee trainings which encumber profit or loss on the date they are incurred.
- Only IA meeting the criteria specified for development works may be classified as IA produced by the Company. Goodwill, trademarks etc. are not classified as IA, if produced by the Company.
- After the initial recognition, the Company evaluates IA at the purchase price or cost of production less amortization write-offs, in accordance with the purchase price or production cost model.
- With regard to each IA, the Company determines a period of economic useful life. A period of economic useful life may be unlimited. A period of economic useful life resulting from legal titles may not be longer than a period of validity of such titles.
- IA is subject to amortization in a period of economic useful life from the day on which an asset is ready for use until the date on which it is excluded from recognition or it is intended for sale.
- The Entity applies a straight-line amortization method of IA, unless other methods (degressive method, method based on production units) better reflect the consumption of economic benefits. The Company may apply other methods and rates in order to establish tax income.
- An amortization period and method are subject to periodic verification, at least at the end of each financial year. If a significant change is found as compared to previous estimates, the entity changes amortization rates and/or method starting from the first day of the reporting period.
- IA with an indefinite period of economic useful life and goodwill are not subject to amortization, but they are tested for impairment loss at the end of each financial year and when there are premises that impairment loss of IA has occurred. Moreover, the correctness of the assumption that IA has an indefinite period of useful life is verified on an annual basis and, if needed, IA is reclassified to amortized IA. Goodwill is not subject to reclassification.
- IA with the initial value not exceeding PLN 3,000.00 is charged to costs once. IA with an initial value of PLN 3,000.00 is included in the analytical records of IA and depreciated over their useful economic life in accordance with the above-mentioned principles.

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



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Investment property

- The Company classifies real properties held to generate rent income or an increase in their value as investment properties. If the real property is also used for own needs of the Company, while the separately used part may not constitute a separate ownership unit, the real property is treated as a fixed asset, if the use for own needs prevails, or as investment in the real property, if the investment character prevails.
- The Company evaluates real properties at fair values. Due to the materiality principle, the Company assumes that the valuations referred to in the previous point, made up to 3 months before or after the date on which the given valuation is made, meet the valuation conditions on that day, if no significant changes took place at that time changes in the external environment affecting the value of a given property. At the same time, in the case of real estate purchased on the free market six months before the balance sheet date, no real estate valuation update is required if there were no significant changes in the external environment.

Shares in subsidiaries

The Dekpol Capital Group as at the balance sheet date was Dekpol S.A. as the parent entity and thirty-two subsidiaries.

All of the above companies are subject to full consolidation.

Direct subsidiaries of Dekpol S.A.:

- 1) Dekpol Budownictwo Sp. z o.o. – a company operating in the field of general contracting of construction works; on 1st of January 2021, it acquired an organized part of the enterprise of Dekpol S.A. including general contracting;
- 2) Dekpol Deweloper Sp. z o.o. – a company that consolidates the Group's property development activities; on 1st of January 2019, it acquired an organized part of the enterprise of Dekpol S.A. covering property development activities;
- 3) Dekpol Steel Sp. z o.o. – a company active in the production of accessories for construction machinery; on 1st of January 2020, it acquired an organized part of the enterprise of Dekpol S.A. covering the production of accessories for construction machinery;
- 4) Betpref Sp. z o.o. – a company established to ensure the continuity of supplies of concrete prefabricates and steel structures used in the performance of contracts in general contracting;
- 5) UAB DEK LT Statyba – a company established to support the Company's operations in Lithuania, as well as to manage future contracts in general contracting field in Lithuania;



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- 6) Dekpol 1 Sp. z o.o. - general partner of DEKPOL 1 Sp. z o.o. SKA; on 17th of February 2022 (an event after the balance sheet date), the shareholders' meeting adopted a resolution on the merger 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 in the National Court Register,
- 7) Dekpol 1 Sp. z o.o. S.K.A. - is responsible in the DEKPOL Group for the management of subsidiaries established to perform specialized tasks and the management of intangible and intellectual assets in the DEKPOL Group; on 17th of February 2022 (an event after the balance sheet date), the general meeting adopted a resolution on the merger 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 in the National Court Register.

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

- 1) Dekpol Royalties Sp. z o.o. - a company responsible in the DEKPOL Group for brand service in the context of image and product promotion (liquidation of the company is planned); on 17th of February 2022 (an event after the balance sheet date), the shareholders' meeting adopted a resolution on the merger 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 in the National Court Register;
- 2) Almond Sp. z o.o. - a company that owns real estate in Gdańsk at Toruńska street 12 (Hotel Almond).

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

- 1) Dekpol Inwestycje Sp. z o.o. – general partner of special purpose vehicles implementing individual development investments in the Dekpol Capital Group: Dekpol Inwestycje Sp. z o.o. Pastelowa Sp.k .; Dekpol Inwestycje Sp. z o.o. Rokitki Sp.k .; Dekpol Inwestycje Sp. z o.o. Development Sp. k., Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k., Dekpol Inwestycje Sp. z o.o. Myśliwska Sp. k., Dekpol Inwestycje Sp. z o.o. WBH Sp. k., Dekpol Inwestycje Sp. z o.o. Neo Jasień Sp. k., Dekpol Inwestycje Sp. z o.o. Grano Resort Sp. k., Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k., Dekpol Inwestycje Sp. z o.o. Sobieszewo Development Sp. k.;



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- 2) Dekpol Pszenna Sp. z o.o. – general partner of the special purpose vehicle for the implementation of the real estate development investment at Pszenna street in Gdańsk;
- 3) Nordic Milan Sp. z o.o. - the company operates in the property development industry; owned a plot of land in Milanówek, on which she completed the Eco Milan development project;
- 4) Smartex Sp. z o.o. – limited partner of a special purpose vehicle established to carry out a property development investment in Wrocław at Braniborska street - Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k.;

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

- 1) Dekpol Pszenna Sp. z o.o. Sp.k. – a special purpose company to carry out a real estate development investment under the name Grano Residence in Gdańsk at Pszenna street.

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

- 1) Dekpol Inwestycje Sp. z o.o. Pastelowa Sp.k. – a special purpose company to carry out a property development investment under the name Pastelowa in Gdańsk;
- 2) Dekpol Inwestycje Sp. z o.o. Rokitki Sp.k. – special purpose vehicle to carry out property development investments in Rokitki and Śliwiny near Tczew;
- 3) Dekpol Inwestycje Sp. z o.o. Development Sp. k. – a special purpose vehicle to implement smaller real estate development investments, including in Jurata, Hel and Gdańsk;
- 4) Dekpol Inwestycje Sp. z o.o. Myśliwska Sp. k. – a special purpose company to carry out a property development investment under the name Foresta in Gdańsk;
- 5) Dekpol Inwestycje Sp. z o.o. Grano Resort Sp. k. - a special purpose company to carry out a property development investment in Gdańsk on the Sobieszewo Island;
- 6) Dekpol Inwestycje Sp. z o.o. WBH Sp. k. - a special purpose vehicle to carry out a real estate development investment in Warsaw;
- 7) Dekpol Inwestycje Sp. z o.o. Neo Jasień Sp. k. - a special purpose company to carry out a property development investment under the name Neo Jasień in Gdańsk;
- 8) Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k. - a special purpose vehicle to carry out a real estate development investment in Wiślinka;
- 9) Dekpol Inwestycje Sp. z o.o. Sobieszewo Development Sp. k. - a special purpose vehicle for the implementation of smaller property development investments in Gdańsk on the Sobieszewo Island.



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- 10) Dekpol Inwestycje – Trimare Sp. z o.o. - a special purpose vehicle established to carry out a property development investment in Sztutowo;
- 11) Dekpol Inwestycje – Warszawa 1 Sp. z o.o. – a special purpose vehicle established to carry out property development investments in and around Warsaw;
- 12) Dekpol Inwestycje Warszawa Sp. z o.o. – a special purpose vehicle established to carry out property development investments in and around Warsaw;
- 13) Dekpol Inwestycje Starogard Sp. z o. o. - special purpose vehicle being a party to preliminary agreements for the purchase of premises as part of an investment in Gdańsk implemented by an external entity, aimed at introducing premises to the sales offer of the Dekpol Group;
- 14) 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;
- 15) Dekpol Inwestycje – Puck Sp. z o.o. – general partner of a special purpose vehicle established to implement an investment in Puck;

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

- 1) Dekpol Inwestycje – Puck Sp. z o.o. Sp. k. – a special purpose vehicle established to implement an investment in Puck.

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

- 1) Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k. – a special purpose vehicle to carry out a property development investment in Wrocław.

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

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

As at 31st of December 2021, Dekpol Deweloper Spółka z ograniczoną odpowiedzialnością was the limited partner of the companies: Dekpol Inwestycje Sp. z o.o. Pastelowa Sp.k .; Dekpol Inwestycje Sp. z o.o. Rokitki Sp.k .; Dekpol Inwestycje Sp. z o.o. Development Sp. k., Dekpol Inwestycje Sp. z o.o. Myśliwska Sp. k., Dekpol Inwestycje Sp. z o.o. Neo Jasień Sp. k., Dekpol Inwestycje Sp. z o.o. Grano Resort Sp. k., Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k., Dekpol Inwestycje Sp. z o.o. Sobieszewo Development Sp. k., Dekpol Inwestycje Sp. z o.o. WBH Sp. k., holding 99.5% of shares in profits in these companies, and Dekpol Inwestycje Sp. z o.o. being the general partner of these companies.



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Dekpol Deweloper Sp. z o.o. is a limited partner of Dekpol Pszenna Sp. z o.o. Sp.k. having a 99.5% share in profits in this company, while Dekpol Pszenna Sp. z o.o. being a general partner of this company has 0.5% share in profits.

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

The shareholders of Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k. 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 a share in profits and losses of 89.4% - a company whose 100% shares are held by Dekpol Deweloper Sp. z o.o. and a natural person not related to the Issuer in any other way (limited partner with a share in profits and losses of 10.5%).

Dekpol Deweloper Sp. z o.o. owns 99% of shares in Dekpol Inwestycje - Trimare Sp. z o.o., Dekpol Inwestycje - Warszawa 1 Sp. z o.o., Dekpol Inwestycje - Starogard Sp. z o.o., Dekpol Inwestycje - Warszawa Sp. z o.o., Dekpol Inwestycje - Turystyczna Sp. z o.o., Dekpol Inwestycje - Puck Sp. z o.o., Dekpol Granaria Sp. z o.o. (1% share in these companies is held by Dekpol Inwestycje Sp. z o.o.)

Dekpol Granaria Sp. z o.o. was entered into the Register of Entrepreneurs of the National Court Register on 25th of March 2022 (an event after the balance sheet date).

The shareholders of Dekpol Inwestycje - Puck Sp. z o.o. sp. k. above) 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 profit and loss share of 69.5%), legal person not related to the Capital Group (limited partner with profit and loss share of 30%).

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

- 1) „Intek’ sp. z o.o. – the company runs a steel products production plant in Lubawa.

Other entities in which entities from the Dekpol Capital Group participate

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

- 1) Mineral Group Spółka z ograniczoną odpowiedzialnością – entity established to conduct activities related to the exploration and extraction of mineral resources. Deweloper Sp. z o.o. holds 50 out of 101 shares in the share capital of this company (amounting to PLN 5,000).
- 2) Dekpol SPV 1 Spółka z ograniczoną odpowiedzialnością – an entity established to implement investment projects together with a subsidiary of the



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President of the Management Board, OMT Holding Spółka z ograniczoną odpowiedzialnością. Dekpol S.A. holds 324 out of 1,200 shares in the share capital of this company (amounting to PLN 60,000).

Associated companies are valued using the equity method.

Changes in the structure of Dekpol Capital Group

DEKPOL Capital Group's reorganization process

On 1st of January 2021, the transfer to Dekpol Budownictwo Sp. z o.o. an organized part of the enterprise (OPE) of Dekpol S.A., operating under the name "General Contracting Department" and covering, in particular, comprehensive implementation of investments in the field of construction and assembly works at the request of investors. The OPE included, inter alia, rights and obligations under employment contracts and all employee files relating to the transferred employees, stocks of materials, fixed and movable assets and equipment, intangible assets, receivables from contractors, cash, rights resulting from contracts with investors, subcontractors, service providers, suppliers, clients, rights and obligations resulting from contracts concluded with financial institutions and lease agreements, lease of movable property, intellectual property rights, administrative decisions, concessions, licenses, permits, permits, certificates and others. The transfer of OPE worth PLN 137,2 million was due to an in-kind contribution to cover the share capital in connection with the acquisition by the Company on 31st of December 2020 of 1,399,900 new shares in Dekpol Budownictwo Sp. z o.o. with a total nominal value of PLN 69,995 million. After the increase, the share capital of Dekpol Budownictwo Sp. z o.o. amounts to PLN 70 million. Pursuant to the concluded agreement, the OPE was issued on 1st of January 2021.

On 31st of March 2021, the management boards of Dekpol 1 sp. z o.o., Dekpol 1 sp. z o.o. s.k.a., Dekpol Royalties sp. z o.o. (jointly as the Acquired Companies) and Dekpol Deweloper sp. z o.o. (The Acquiring Company) agreed on a merger plan for these companies pursuant to Art. 492 § 1 item 1 of the Commercial Companies Code, i.e., by transferring all assets of the Acquired Companies to the Acquiring Company and increasing the share capital of the Acquiring Company. As a result of the merger, the Acquired Companies will be dissolved without liquidation, and all their rights and obligations will be taken over by the Acquiring Company by way of universal succession. On 17th of February 2022 (an event after the balance sheet date), the general meeting and shareholders' meetings in each of the above-mentioned of companies adopted resolutions on granting consent and merging the companies. As a result of the merger, the share capital of Dekpol Deweloper Sp. z o.o. will be increased by creating 1,278,715 shares with a nominal value of PLN 50 each and a total nominal value of PLN 63,935,750, which shares will be granted to Dekpol S.A. in return, a contribution in the form of all assets of the Acquired Companies. Until the



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date of publication of this report, the merger of the companies and the increase in the share capital of Dekpol Deweloper Sp. z o.o. has not been registered in the National Court Register.

The above events are the result of actions taken in previous years related to the reorganization of the Company and the Dekpol Capital Group. One of their main goals is to develop and maintain the high growth dynamics of individual segments of the Group's operations and to introduce a management system adapted to the increasing scale of the Company's operations, the expanded structure, as well as further development plans.

Acquisition of shares in "INTEK" Sp. z o. o

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 was the design of lines and devices elements of industrial automation systems. The entity had in its offer a wide range of products covering the complete supply of transport equipment technology together with "turnkey" industrial automation systems for various industries, incl. car, furniture, machinery, tire and offshore. 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 acquisition of shares in INTEK was important due to the acquisition of about 200 people, qualified and experienced staff with similar professional qualifications, which was an essential area for the further development of Dekpol Steel. INTEK also has 25 thousand m² of production halls. The acquisition of INTEK shares will allow for the doubling of the current production capacity of the Dekpol Group in the production segment, and thus will enable more efficient implementation of orders held by the Dekpol Group, as well as obtaining new additional orders. The company 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 approx. PLN 300 million in the perspective of 3 years, with the reservation that the above is a long-term goal 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.

On 10th of November 2021, Dekpol Steel Spółka z ograniczoną odpowiedzialnością, based in Pinczyn, purchased 100% of shares in "Intek" Spółka z ograniczoną odpowiedzialnością with its headquarter in Lubawa, i.e. 66 (sixty-six) shares with a nominal value of PLN 1,000 (one thousand zlotys)) each, therefore with a total nominal value of PLN 66,000 (sixty-six thousand) for a total price of PLN 10,098,000 The main activity of the company is the production of mining, quarrying and construction machinery, as well as the production of metal structures..



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The profit achieved on the beneficial acquisition of the unit amounted to PLN 20 229 thousand and was recognized as at the balance sheet date in equity through the result of the current year. Dekpol Steel made a significant profit on the acquisition of the company, because the current owners of Intek expressed a willingness to conclude the transaction quickly, and did not see any favorable business prospects except for the company's participation in the DEKPOL S.A. group.

The financial data of the acquiree since the acquisition date, included in the consolidated statement of comprehensive income for the reporting period

revenue	3 713
loss	-1 621

Financial data of the acquired entity as at the acquisition date (in PLN thousand):

Assets

Fixed assets	47 715
Property, plant and equipment	47 395
Intangible assets	233
Deferred tax assets	87
Current assets	3 971
Inventories	1 911
Trade receivables and other receivables	1 989
Cash and cash equivalents	71
Assets in total	51 686

Liabilities

Equity	30 664
Share capital	200
Capital from the sale of shares above their nominal value	0,00
Other capitals	49 522
Retained earnings:	-19 058
Profit (loss) from previous years	-5 276
The result of the current year	-13 782
Liabilities	21 022
Long-term liabilities	774
Deferred income tax reserve	6 826
Liabilities and provisions for employee benefits	735
Short-term liabilities	13 461
Short-term credits, loans and debt instruments	1 987
Trade payables and other payables	11 406
Deferred income	68
Liabilities in total	51 686



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Profit and loss statement

Sales revenues	19 049
Operational costs	24 919
Gross profit (loss) on sales	-5 869
Other operating income	163
Other operating costs	7 693
Profit (loss) from operations	-13 399
Financial costs	383
Net profit (loss)	-13 782

Other changes in the structure of Dekpol:

On 8th of April 2021, **Dekpol Deweloper Sp. z o.o.** established the company **Pastelowe Usługi Sp. z o.o.**, for the purposes of implementing investments with a service profile in Gdańsk. Then the registration of this company in the National Court Register was abandoned, therefore the articles of association were terminated pursuant to Art. 169 § 1 of the Commercial Companies Code.

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

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

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

On 22nd of September 2021, the special purpose vehicle **Dekpol Inwestycje - Katowice Sp. z o.o.** was entered into the National Court Register. The original purpose of the company was to implement a property investment in Katowice, which was then abandoned. Therefore, on 17th of November 2021, the change of the company's name to **Dekpol Inwestycje - Starogard Sp. z o.o.** was entered into the National Court Register, corresponding to the location of another plot of land. The change was 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 real estate development investment by a special purpose vehicle is planned in the coming years. In March 2022, as a result of the emergence of new investment opportunities, it was decided to change the purpose of the company. The current intention is that



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the company will be used to introduce an investment located in Gdańsk to the Dekpol Group's sales offer, as a result of preliminary agreements concluded by the company for the purchase of over 100 residential and commercial premises from an external entity implementing this investment (as discussed in more detail in point 3.4 of this report). Ultimately, the Issuer plans to change the company's name to one corresponding to the location of the investment.

On 6th of October 2021, the special purpose company **Dekpol Inwestycje - Warszawa Sp. z o.o.** was entered into the National Court Register. The purpose of the creation is the implementation of real estate development investments in and around Warsaw.

On 11th of October 2021, the special purpose company **Dekpol Inwestycje - Puck** spółka z ograniczoną odpowiedzialnością spółka komandytowa was 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, a natural person from outside the Dekpol Group joined the company as a limited partner.

On 14th of October 2021, the special purpose vehicle **Dekpol Inwestycje - Turystyczna Sp. z o.o.** was entered into the National Court Register. The purpose of the creation is the implementation of property development investments in Gdańsk.

On 25th of March 2022 (an event after the balance sheet date), the special purpose company **Dekpol Granaria Sp. z o.o.** was entered into the National Court Register for the implementation of property development investments in the Pomeranian Voivodeship.

Acquisition of shares in the increased share capital of the Issuer's subsidiary

On 9th of March 2022 (an event after the balance sheet date), the Extraordinary Meeting of Shareholders of Betpref Sp. z o.o. decided to increase the share capital by creating 9,500 new shares with a par value of PLN 100.00 each. The new shares were acquired in full by the existing sole shareholder, i.e. Dekpol S.A. The new shares were covered by an in-kind contribution in the form of the Company's claims against Betpref. On 28th of March 2022, the increase in the share capital of Betpref Sp. z o.o. has been registered in the National Court Register.

The operating activity of the Dekpol Capital Group focuses on three areas:

- general contracting in the field of construction of industrial, public, sports and recreational facilities, environmental protection facilities, as well as sanitary, road and hydrotechnical works;



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- real estate development - construction, finishing and sale of housing estates, single-family housing estates, luxury apartment buildings, condo and apart hotels as well as commercial and service areas;
- production of accessories for construction machinery - manufacturer of buckets and integrated equipment for machines.

Financial instruments

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

Derivatives and hedge accounting

- The Company is a party to forward / swap currency transactions. The purpose of concluding forward transactions is to secure the forward rate of future operational transactions resulting from concluded or probable contracts for construction services, the revenues of which are denominated in a currency other than the functional currency of the Company. The hedging allows to reduce the impact of currency fluctuations on the expected revenues expressed



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in the functional currency and, consequently, to limit the risk related to the expected margin on the contract.

- The Company applies hedge accounting if it expects that the future transaction meets the high-probability criteria and that the hedging relationship will be effective.
- When applying hedge accounting, the company establishes hedging relationships between hedging instruments and future, highly probable transactions. The hedging relationship may cover only a part of the flows from the hedged and hedging instruments. At least as at the balance sheet date, it measures the effectiveness of the relationship. The main factors of linkage ineffectiveness are:
 1. Mismatch of the dates of cash flows from the hedged and hedging instruments,
 2. Non-linearity of swap points due to rollover of derivatives.
- The effects of the valuation of instruments hedging future cash flows resulting from planned transactions in the part constituting an effective hedge are posted, until the transaction is completed, in other comprehensive income (and presented in the revaluation reserve) and in the part constituting an ineffective hedge, financial gains or losses). On the date of the transaction, the effective part of the established collateral adjusts the result on the transaction.
- If the hedging relationship is canceled as a result of, for example: the planned hedged flow loses the high-probability criterion or the Company's decision resulting from a change in the appetite for foreign exchange risk, the effects of the hedging instrument valuation are fully recognized in the result for the period on the cancellation date.

The company used hedge accounting in the reporting period. As a result of measuring the effectiveness of the hedge, the effective part of the value of gross PLN 2,846 thousand was recognized presented in the revaluation reserve in the net value of PLN 2,305,000 and the ineffective part in the amount of PLN 4,419 thousand was recognized in the financial result (financial cost).

	31.12.2021	31.12.2020
Equity	387 268	293 479
Share capital	8 363	8 363
Capital from the sale of shares above their nominal value	26 309	26 309
Other valuation reserves/FX Forward/	-2 305	-3 618
Own shares (-)	0	0
Exchange differences from conversion	-3	-3



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Non-controlling interests	18 679	2 001
Reserve capital	0	0
Retained earnings:	336 225	260 427

Inventory

- Inventories are valued at acquisition prices or production costs, not higher than the net realizable value.
- To the cost of production of work in progress or finished products, the Company includes all direct costs and variable indirect costs of producing the inventory component as well as the part of fixed indirect costs that was incurred as a result of using normal production capacity.
- The company sets an annual production plan for each month for the production department (quantity - mass of finished products manufactured). If the plan implementation does not exceed 90%, the proportion of fixed indirect production costs proportional to the unrealized plan shall not be included in the costs of inventory production. In addition, fixed indirect production costs for the period of plant or department downtime are not eligible for the cost of inventory if the downtime exceeds one business day.
- The costs of unused production capacity are charged to the costs of basic operating activities in the month they were incurred.
- The cost of inventories does not include exchange rate differences or interest on liabilities financing inventories.
- Purchase costs are recognized as an increase in the value of materials, provided that they can be directly allocated.
- Inventory outgoings are valued according to the first in - first out (FIFO) method.
- The inventory of finished products of the steel constructions and fittings department is valued at reference prices corresponding to the planned manufacturing costs. The differences in the actual cost of production to the cost at reference prices are referred to as deviations and are accounted for in the financial result of the period in proportion to the value of finished products referred to the result of the period at reference prices.
- At the end of the reporting period, the Company compares the valuation of inventories at purchase price or production cost to the net realizable value. For items for which the net realizable value is lower than the carrying value, the Company makes a write-off to the net realizable value.
- The company determines the progress of works on construction service contracts with the share of costs incurred in the contract in the costs of the planned contract. To measure the progress of work, costs not covered by the plan are not included. Costs incurred include material costs, insofar as they relate to



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embedded materials as planned. Non-embedded materials are included in the stock of materials.

Equity

- The company includes in equity:
 - Equivalent of issued equity instruments (shares, stock options, etc.). Equity instruments The Company distinguishes from liabilities in accordance with the provisions of § 15-20 IAS 32 "Financial Instruments - Presentation", i.e. equity instruments include only instruments that do not have a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable. Depending on the legal regulations, capitals are recognized as share capital, supplementary capital or reserve capital.
 - In the case of issuing compound instruments, consisting of an equity instrument and a financial liability (e.g. bonds convertible into shares), the Company separates and measures the equity instrument presenting its value as equity.
 - Retained earnings - depending on the shareholders' decision, presented as supplementary or reserve capitals. They are valued at their nominal value.
 - The effects of the valuation of assets and liabilities recognized directly in equity - presented as reserve capitals. They are valued at their nominal value.
 - Undivided result from previous years. It is valued at the nominal value.
- Equity is not subject to revaluation, except for hyperinflation.

Reserves

- The company creates reserves for the following employee benefits:
 - retirement benefits - using actuarial methods. The Company considers the discount rate on the average yield of 10-year Treasury bonds from the last 12 months before the balance sheet date as the discount rate. The company adopts the expected increase in salaries above inflation of 1% per year. The company estimates the provision once every 3 years, unless there have been significant changes in the size and structure of employment or the discount rate;
 - The company does not use the "actuarial corridor".
 - Unused employee leaves - are estimated as the product of the average remuneration in the Company constituting the basis on the balance sheet date for the payment of the equivalent for unused vacation (including mark-ups charged to the employer's costs) and the number of days of unused vacation;
 - Other short-term employee benefits related to the reporting period - bonuses, salaries etc. - are treated as liabilities if their value is determined and unconditional. Otherwise, they are recognized as provisions.
- The company creates the following provisions for other titles:



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- On the effects of legal disputes - in the amount of the full value of the subject of dispute and the expected costs related to the dispute, if the legal assessment shows a medium or high probability of losing;
- For warranty repairs and complaint costs - created based on the historical relation of repair costs incurred to sales revenues of products covered by the warranty;
- For future losses from pending business operations - created if the contract to which the Company is party incurs burdens, e.g. a contract has been signed that will result in losses, the contract terms have not been fulfilled, which will result in the obligation to pay compensation;
- For restructuring costs - if the terms of restructuring were agreed and made public before the end of the financial year.

Accrued expenses

- The company settles over time incurred costs that relate to future reporting periods. In particular, billing in proportion to the passage of time shall cover:
 - Insurance costs;
 - Subscription costs;
 - Costs of utilities, rents, pre-pays etc.

Deferred income

Subsidies and state aid

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

Income tax

- The taxable income (tax loss) of the Company is the income (loss) for a given period, determined in accordance with the principles established by the Polish tax authorities, on the basis of which income tax is payable (refundable).
- Current tax is the amount of income tax payable (refundable) on taxable income (tax loss) for a given period.
- Assets due to deferred income tax constitute amounts anticipated in future periods to be deducted from income tax due to:



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- Negative temporary differences,
- Carry forward to unused tax losses and
- Transferring unused tax credits to the next period.
- Tax expense (tax income) consists of the current tax expense (current tax income) and deferred tax expense (deferred tax income).
- The company creates a provision for deferred income tax (recognizes an asset for deferred income tax) in all those cases where the realization or settlement of the carrying amount of an asset or liability results in an increase (decrease) in the amount of future tax payments compared to the amount that it would be appropriate if this implementation or settlement would not have tax effects.
- Current valuation of tax receivables and liabilities should be made in amounts requiring payment according to the rates legally or actually binding as at the balance sheet date.
- Based on the forecasts of financial results in subsequent years, it is necessary to assess whether there are premises (planned taxable income) to create a deferred tax asset or to adjust its value.
- The company does not discount deferred tax assets and reserves.
- Assets and reserves from temporary differences, the effects of which were recognized directly in equity, will be recognized in equity and not in the result of the period.
- Tax receivables and liabilities are separately disclosed in the financial statements, as are assets and provisions under ODPD.
- Current income tax liabilities and liabilities should not be offset. Compensation is allowed only if the Company:
 - Has an enforceable legal title to offset the amounts recognized,
 - Intends to pay tax in the net amount or to simultaneously pay the debts and settle the liability.
- Assets and provisions for ODPD should not be offset. Compensation is allowed only if the Company:
 - Has an enforceable legal title to offset the amounts recognized,
 - Assets and reserves relate to income tax imposed on one or several taxpayers under several conditions.
- Disputes with tax authorities result in recognition of contingent liabilities. If the probability of an unfavorable settlement is high, the Company recognizes reserves in accordance with MSR 37 "Reserves".

Transactions denominated in foreign currencies

- The functional currency of the Company is Polish zloty (PLN). The company prepares financial statements in the functional currency.
- The company measures transactions in foreign currencies at the immediate exchange rate as at the transaction date. It is assumed that the immediate exchange rate as at the transaction date is the average exchange rate of the National Bank of Poland from the day preceding the transaction.



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- As at the balance sheet date, the Company measures assets and liabilities expressed in foreign currencies:
 - Cash (currencies as well as receivables and liabilities expressed in foreign currencies) - according to the immediate maturity exchange rate as at the balance sheet date, i.e. according to the average exchange rate of the National Bank of Poland as at the balance sheet date,
 - Non-monetary items measured at historical cost - at the exchange rate as at the transaction date, i.e. they are not subject to revaluation as at the balance sheet date,
 - Non-monetary items measured at fair value - using exchange rates that were in force on the date on which the fair value was determined, i.e. the average exchange rate of the National Bank of Poland on that day.
- If the effects of the valuation of a non-monetary item at fair value are recognized in equity, the exchange differences on the valuation are recognized in the same way. Otherwise, exchange differences are recognized in the result for the period.

Sales revenues

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

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

- the parties to the contract have concluded a contract and are required to perform their obligations,
 - the entity is able to identify the rights of each party regarding the goods or services to be transferred;
 - the entity is able to identify the payment terms for the goods or services to be transferred;
 - the contract has economic content and
 - it is likely that the Company will receive a remuneration which it will be entitled in exchange for goods or services which will be transferred to the client.
- Revenue should be recognized when the significant risks and benefits of an asset are transferred and when the Company ceases to be permanently involved in managing the asset as an owner. In addition, revenue is considered to have



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been achieved if the amount of revenue can be estimated reliably and it is probable that the enterprise will obtain economic benefits from the transaction and if the costs incurred can be measured reliably.

- Revenues from the sale of development production are recognized when the control over the real property is transferred to the final recipient. The premise for the transfer of control is the transfer of all significant risks and rewards of ownership of the property. The Company recognizes that the transfer of risks and benefits takes place under the following conditions:
 - a) completion of construction,
 - b) earlier of two events: the receipt of the premises by the handover protocol or on sale in the form of an act.
- When determining the moment of achieving revenues, the International Trade Terms - "Incoterms" are used. (International Commercial Terms), developed by the International Chamber of Commerce in Paris, called ICC.

In accordance with the standard, revenue from sales is recognized when and to the extent that the entity meets the obligation to provide a service or deliver goods. Fulfillment of the obligation occurs when the customer gains control over the transferred asset. Revenues from sales are recognized at the transaction price, i.e. the amount expected to be paid. If the amount of income is variable, according to the new standard, variable amounts are included in income, as long as there is a high probability that in the future there will be no reversal of revenue recognition as a result of revaluation.

The company transfers control over a good or service over time and thus meets the obligation to provide a service and recognizes revenue over time if one of the following conditions is met:

- the customer simultaneously receives and benefits from the benefits as it is provided,
 - as a result of the performance of the asset, an asset is created or improved, and the control over this asset - as it arises or is improved - by the customer,
 - as a result of the performance of the service, no alternative component is created for the Company, but it has an enforceable right to pay for the service rendered so far. In the case of general contracting, they fulfill this criterion.
- Both in the case of the provision of construction services by the Company and the supply of accessories for construction machinery, there is generally one obligation to perform the service. Thus, the issue of attributing the transaction price to the performance obligation does not require estimation. In the case of construction contracts, the level of progress of the works and the expected margin should be estimated.
- If the price depends on future events or if there is an intention to grant a discount at the end of the contract, the Company estimates the price for the performance of the obligation and includes in the transaction price part or all of



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the amount of variable remuneration only to the extent that there is a high probability that no there will be a reversal.

- The costs of commission on sales are settled when the premises are sold.
- The Company does not identify the financing component in contracts with respect to retained deposits, in which the retained amount is a guarantee of good performance of the contract due to low significance.
- For each obligation to perform a service fulfilled over time, the Company recognizes revenue based on input-based measurement methods (method of the share of costs incurred until the date of determining the revenue in the total cost of the service).
- Dividends should be recognized when the shareholders' right to receive them is established.

Operating costs

- Costs are recognized in profit or loss on the date they are incurred, i.e. when the assets or liabilities to which they correspond are excluded.
- The costs of employee benefits are recognized in the period in which the employees rendered their work.
- Borrowing costs are recognized as costs of the period in which they were incurred, except for costs that can be directly attributed to the acquisition, construction or production of the qualifying asset. They should then be activated as part of the purchase price or production cost of this asset.

The rules for settling of construction works

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

Settling the costs of property development activity



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- To the cost of manufacturing objects as part of development activities, costs that meet the criteria for the technical cost of manufacturing are recognized, including:
 - Direct manufacturing costs,
 - Indirect costs associated with the construction of the facilities, in particular:
 - Logistics department costs (fuel, car maintenance, logistics management, drivers' remuneration when cars are used on various projects) - accounted for development projects and general contracting according to the key of direct manufacturing costs.
 - Costs of the procurement department of general contracting and development activities - accounted for development projects and general contracting according to the direct production cost key.
- The company extracts accounting devices (accounts) for each development project (Order). The criterion for separating the Order is the estimated time of completion of construction of all objects (buildings and structures) covered by the given order and the similarity of the objects covered by the Order. As part of a single order, expenditure on the production of facilities whose planned completion of use differs by more than 6 months (i.e. the earliest object completed under the order will be completed earlier than 6 months before the last object completed under the order) should not be included. Within one order should not include objects for which the estimated cost of producing PU (usable floor space of the premises) differs more than by 20%. After completing the order, the costs are billed per square meter of PU according to the following algorithm:
 - $TKW \text{ 1m}^2 \text{ PU} = [(PKZR) - (POPS) * (CPOPS)] / (PUO)$
 - Where:
 - TKW – technical manufacturing cost
 - PKZR – total order costs incurred
 - POPS – area of auxiliary facilities subject to sale (garages, basements)
 - CPOPS – expected selling price per square meter of ancillary facilities
 - PUO – total usable area of premises
- The above algorithm assumes that auxiliary areas are valued according to expected sales revenues, similarly to auxiliary production. The costs of shared facilities are billed proportionally per square meter of PU.
- If the data as part of a given order has been completed and is subject to sale or commissioning before the completion of other objects (if other objects are planned to be completed no later than within 6 months from the completion of the first object under the order), then the costs are calculated per square meter of PU of the completed object according to the following algorithm:
 - $FTKW \text{ 1m}^2 \text{ PU} = [(PKZR) + (FKZR) - (POPS) * (CPOPS)] / (PUO)$
 - Where:
 - TKW – estimated technical manufacturing costs
 - FKZR – Estimated future costs necessary to complete the order



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- After completing the order (no later than within 6 months) the costs are finally determined and FTKW is corrected to TKW.
- In the event that the initial assumption that all objects under the order will be completed within 6 months and the value of the production cost of 1 m² PU of the implemented objects will not differ by more than 20% will not be confirmed, the company will distribute orders in accordance with applicable criteria and all costs previously incurred under the order are subject to re-assignment broken down into new orders.
- If the company incurs significant outlays on joint parts related to many orders, these outlays are divided into orders proportionally to PU, and the settlement is made only in relation to open orders or planned to be opened within 12 months from the day of incurring these expenditures.

Segments

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

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

- General contracting,
- property development activity,
- Production of buckets and accessories for machines and devices.

The Group specifies geographic segments as a supplementary reporting model.

The explanatory notes contain only data on revenues to external customers reconciling to consolidated revenues (i.e. after taking into account consolidation exclusions). Revenue from sales between segments is not included in a segment's profit or loss figure that is reviewed by, or otherwise regularly reported to, a chief operating decision maker.

Segmentation corresponds to the division into similar products or services.

Disclosures regarding the fair value of assets and liabilities

The Group measures only real estate investments and derivative instruments at fair value. Appropriate valuations are included in the financial statements, while the valuation of investment properties is made, in line with the accounting policy, once a year.



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The adopted methods of estimating the fair value are disclosed in the additional explanatory note to the financial statement. In particular, the property of the Almond hotel is measured using the method from level 3 of the fair value hierarchy (income method), due to the signed lease agreement. Other properties are measured using the methods from level 2 of the fair value hierarchy (comparative methods, residual methods, etc.). Derivatives are measured using the fair value measurement prepared by a professional entity using methods from the 2nd level of the fair value hierarchy.

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

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

9. Financial risk management

In operations of the Capital Group DEKPOL S.A. the following types of financial risks are relevant:

- interest rate risk - as part of their operations, companies from the Dekpol Capital Group are exposed to the interest rate risk. The companies have financial liabilities, the financial cost of which is calculated primarily on the basis of the variable base interest rate WIBOR and a fixed margin or the EURIBOR interest rate and a fixed margin, in addition, the companies also have financial liabilities, the financial cost of which is calculated based on a fixed interest rate. Increasing the floating base rate by 0.5 pp would increase financial costs by approx. PLN 1,541 thousand, assuming that the balance of liabilities based on a variable interest rate would remain unchanged throughout the financial year,
- exchange rate risk - due to the further increase in the scale of operations in foreign currencies, companies from the Dekpol Capital Group are exposed to currency risk due to transactions. Such risk arises as a result of sales or purchases made in currencies other than the national currency. If as at 31st of December 2021 the EUR exchange rate had been higher or lower by 3%, then the financial assets would have been higher or lower by PLN 10,238 thousand. PLN, and financial liabilities higher or lower by 657 thousand. PLN - as a result of negative or positive exchange differences resulting from the conversion of receivables, granted loans, cash in bank accounts and trade liabilities. In order to reduce the risk of exchange rate fluctuations, in currency settlements related to export sales



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and import purchases, the Company largely uses natural hedging, resulting in balancing the currency flows.

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

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

Data in thousand PLN	2021	2020
Write-off for expected credit losses at the beginning of the period	5 382	6.862
Changes during the period	9.245	-1.480
Balance as at the end of the period	14.627	5.382

As regards trade receivables, which are the most important class of assets exposed to credit risk, and in the case of assets under contracts with customers, in the opinion of the Management Board, the Company is not exposed to excessive credit risk in connection with a single significant contractor. In 2021, there were more than 10% balances of trade receivables and contracts with one contractor. As a consequence, write-downs are estimated on a collective basis, and receivables are grouped by period of past due date. The write-off estimate is based primarily on the historical past due dates and the link between the arrears and the actual repayments from the last 3 years. The model does not use information of a macroeconomic nature. Significant changes in the gross carrying amount of receivables change the amount of the allowance due to the fact that they



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constitute the basis for determining the allowance for expected credit losses, where the interest is determined on the basis of historical data.

The credit risk related to bank deposits is considered to be insignificant as the Company invests funds in banks with good and stable financial standing. Similarly, the credit risk of public and legal receivables is considered insignificant.

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

- liquidity risk - the Company is exposed to the risk of losing liquidity, understood as the risk of losing the ability to pay liabilities within specified time limits. The risk results from a potential restriction of access to financial markets, which may result in the inability to obtain new financing or refinance its debt. Moreover, the risk relates to the situation of a potential breach of the covenants of loan agreements or contained in the terms of bond issue, which may result in the immediate maturity of liabilities. The company enters into loan agreements to finance investments with various banks. The terms of repayment of subsequent installments are adjusted to the expected revenues from the sale of individual investments. Moreover, the Company issues bonds. The Company manages the liquidity risk by monitoring payment dates and demand for cash in the scope of servicing short-term payments (current transactions) and long-term demand for cash based on cash flow forecasts updated on a quarterly basis. The demand for cash is compared with the available sources of obtaining funds (including in particular by assessing the ability to obtain financing in the form of loans and bonds, the possibility of releasing funds from escrow accounts). The maturity dates of significant assets and liabilities are presented in additional notes to the annual financial statements. It also includes a detailed specification of the value of significant components of financial liabilities. Other risks affecting the operations of the Company are described in more detail in the Report of the Management Board on the operations.
- risk related to changes in market trends - One of the major risks is the possibility of changes in market trends. The demand for investment goods is influenced by many variables beyond the control of the Company. On the other hand, the revenues obtained from the conducted activity are directly affected by the demand and supply for construction services. There is a risk of deterioration of the situation on the construction market by limiting the number of investments, which may translate into the amount of margin, and thus - the Company's profitability. Moreover, the Company's revenues depend to a large extent on the activity of



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investors in the region. Reducing the investment level may adversely affect its financial result and development prospects. To mitigate this risk, the Company is looking for new contracts on a wider market. This is to minimize the risk of concentration of activities only on the local market. In addition, in the event of unfavorable market changes, the Management Board will implement measures to adapt it to the changing market realities, e.g. by actions aimed at reducing costs.

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

10. Important assessments and judgements

The estimates of the Management Board of DEKPOL S.A., affecting the values disclosed in the financial statements, mainly relate to:

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

The methodology used to determine the estimated values is based on the best knowledge of the Company's Management Board and is consistent with the requirements of MSSF. The methodology for determining accounting estimates is applied consistently to the last reporting period, except for the methodology for estimating revaluation write-offs for credit losses related to trade receivables, in accordance with the methodology specified in MSSF 15 "Revenue from contracts with clients". In the opinion of the Management Board, the application of a new methodology for estimating receivables write-offs would not significantly affect the comparative data. Changes to revaluation write-offs are presented in the further part of the information in additional explanatory notes to individual asset items.



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Additional disclosures regarding valuation principles

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

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

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

At the consolidated level, there are no intangible assets of an indefinite period of use.

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

Leases – The company as a lessor

The company acts as a lessor in terms of real estate rental agreements, in particular real estate of the Almond hotel and premises located in Wrocław at ul. Braniborska, presented as "investment properties for rent". The lease of these properties is operational. With regard to real estate subject to operating lease agreements, the Company retains full ownership rights, giving the right to use the real estate to tenants on the terms specified in the agreements. In addition, the Company has investment properties that are not subject to operating lease agreements, presented as "land not leased out". The company is not a lessor under finance lease agreements.

In 2020, revenue also occurred from the lease of real estate located in Wrocław at Braniborska street. In 2021, the property has been reclassified to inventories in connection with the performance of the construction contract.



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Specification of revenues from operating lease agreements:

Data in thousand PLN	2021	2020
Operating lease income	2 103	4 452
- including floating lease payments that are not index or rate dependent	0	0

Specification of future, fixed lease payments resulting from the concluded operating lease agreements (without variable payments) - resulting from the Almond hotel rental agreement.

Data in thousand PLN	2022	2023	2024	2025	2026	2027	The following years until 2032
Undiscounted lease payments to be received in the following years	2 167	2 291	2 337	2 384	2 431	2 480	13 163

Leases – The company as a lessee

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

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

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



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Additional disclosures regarding leases are presented below:

Data in thousand PLN	2021	2020
Machines and devices (net)	4 935	10 400
Other fixed assets (net)	1 094	846
Means of transport (net)	7 331	7 192
Depreciation of the right to use assets	2 839	3 314
Increases in the rights to use assets during the period	6 451	2 158
Interest costs on lease liabilities	211	404

As at the balance sheet date, the Group has balances for short-term leasing in the amount of PLN 4,537 thousand and for the long-term in the amount of PLN 5,824 thousand.

11. Changes in accounting policies and identified errors in previous years and their impact on the financial result and equity capital

The accounting principles (policies) used to prepare the financial statements are consistent with those used in the preparation of the Company's annual financial statements for the year ended on 31st of December 2020, except for minor changes (which have no significant effect on the reporting data) and the application of new or amended standards and interpretations applicable to annual periods beginning on or after 1st of January 2021.

The Group uses hedge accounting if a given entity expects a future transaction to meet the high-probability criteria and the hedging relationship will be effective.

In the reporting period, no errors concerning previous years were found in the financial statements published so far that would have a significant impact on the financial result and / or equity. The 2021 financial statements are prepared with the application of new or amended standards and interpretations applicable to annual periods beginning on 1st of January 2021 and later.

12. Platform of used International Financial Reporting Standards

12.1. Statement of compliance

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



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12.2. Amendments to standards or interpretations applicable applied for the first time

The following changes to the existing standards issued by the International Accounting Standards Board (IASB) shall enter into force for the first time since 1st of January 2021:

- Amendments to IFRS 9, IAS 39, IFRS 4, IFRS 7, IFRS 16 - IBOR reform - Phase 2

In connection with the reform of reference interest rates (WIBOR, LIBOR, etc.), the IAS Board introduced changes to the accounting principles of financial instruments.

The modification of the standards is aimed at securing the impact of the reference rate reform on hedge accounting and the materiality of information provided by entities in the period of uncertainty resulting from the IBOR reform.

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

- Amendment to IFRS 16 "Leasing" - the simplification concerns changes resulting from lease agreements in connection with COVID-19

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

12.3. Prior application of standards and interpretations

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

12.4. Implementation of New IFRS rules

The following standards and interpretations have been issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee, but have partially entered into force as at the balance sheet date:

- New standard IFRS 17 „Insurance Contracts"

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

- Change to IFRS 16 Lease: Simplifications regarding changes resulting from leasing contracts in connection with COVID -19



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

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

- Changes to IFRS 4 „Insurance contracts” - deferment of the application of IFRS 9” Financial Instruments”

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

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

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

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

- Change to IFRS 3 “Business Combinations”

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

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

- Change to IAS 16 “Property, plant and equipment”

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

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



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

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

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

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

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

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

IFRS 16 "Leasing" from example no. 13, the fragment concerning the reimbursement from the lessor of costs for improvements in third party fixed assets being the subject of the lease agreement was deleted.

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

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

- Changes to IAS 1: Presentation of Financial Statements

The amendment will clarify the principles of division of liabilities into short-term and long-term and applies to annual periods starting on 1st of January 2023 or later;

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

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

- IFRS 14 Regulatory Deferral Accounts"



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



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STATEMENT OF FINANCIAL POSITION

Item	Note	31.12.2021	31.12.2020
Fixed assets		279 532	252 569
Property, plant and equipment	1.	122 387	81 796
Intangible assets		5 750	216
Goodwill	3.	0	0
Investment properties	2.	98 022	147 155
Stocks and shares	4.	40	26
Trade and other long-term receivables	7.	13 079	1 738
Other long-term financial assets	5.	8 497	5 530
Deferred income tax assets		31 757	16 108
Current assets		1 077 617	700 928
Inventory	6.	263 187	228 781
Receivables due to contracts with clients		110 006	35 404
Trade and other short-term receivables		511 144	279 213
Receivables due to current income tax		0	37
Other short-term financial assets		2 653	0
Cash and cash equivalents	8.	190 627	157 493
including cash on escrow accounts		17 383	19 016
Current assets other than fixed assets or disposal groups classified as held for sale		1 077 617	700 928
Assets classified as held for sale		0	0
Assets in total		1 357 149	953 497



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STATEMENT OF FINANCIAL POSITION

Item	Note	31.12.2021	31.12.2020
Equity		387 268	293 479
Share capital	9.	8 363	8 363
Equity from sales of shares over its nominal value		26 309	26 309
Own shares (-)		0	0
Exchange differences from conversion		-2 308	-3 621
Retained earnings:		336 225	260 426
Equity attributable to equity holders of the parent entity		368 589	291 477
Non-controlling shares		18 679	2 002
Liabilities		969 881	660 018
Long-term liabilities	13.	282 261	128 921
Deferred income tax provision		45 975	19 726
Liabilities and provisions on employee benefits		337	175
Other long-term provisions		0	0
Long-term credits, borrowings and debt instruments		200 316	86 063
Other long-term financial liabilities		0	0
Long-term lease liabilities		5 824	3 865
Liabilities from deliveries and services and other long-term liabilities		29 809	19 092
Short-term liabilities	13.2.	687 620	531 097
Liabilities and provisions on employee benefits	10.1	100	21
Other short-term provisions	10.1	68 377	64 247
Short-term credits, borrowings and debt instruments	11.1	113 786	161 844
Other short-term financial liabilities	11.1	7 214	7 369
Short-term lease liabilities	11.1	4 537	4 550
Liabilities due to contracts with clients		0	0
Liabilities from deliveries and services and other short-term liabilities	12.2	489 662	285 500
Liabilities due to current income tax		3 944	7 566
Short-term liabilities other than those related to assets held for sale		687 620	531 097
Liabilities related to assets held for sale		0	0
Liabilities in total		1 357 149	953 497



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STATEMENT OF COMPREHENSIVE INCOME

CALCULATION VARIANT

Item	Note	01.01.-31.12.2021	01.01.-31.12.2020
Revenue from sales	14.1	1 255 783	1 054 978
Costs of goods sold	14.2	1 090 125	917 617
Gross profit (loss) from sales		165 658	137 361
Selling costs	14.2	33 913	34 930
General administrative expenses	14.2	31 308	21 088
Other operating income	14.4	30 305	20 393
<i>Profit from a bargain purchase</i>		20 229	0
Other operating expenses	14.5	17 754	20 692
Operating profit (loss)		112 988	81 044
Financial revenues	15.1	2 532	1 825
Financial costs	15.2	25 882	15 796
Profit (loss) before tax		89 638	67 073
Income tax	16	13 912	14 302
Profit (loss) from continuing operations		75 726	52 771
Profit (loss) from discontinued operations		0	0
Net profit (loss)		75 726	52 771
Net profit (loss) attributable to non-controlling shareholders		-72	0
Net profit (loss) attributable to the shareholders of the parent company		75 798	52 771



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Item	01.01.-31.12.2021	01.01.-31.12.2020
Net profit (loss)	75 726	52 771
Other comprehensive income that cannot be transferred to the result	0	0
Other comprehensive income that can be transferred to the result	1 313	-3 622
Cash flow hedging instruments	1 313	-3 619
Exchange differences on translating foreign units	0	-3
Other comprehensive income before tax	1 313	-3 622
Income tax on other comprehensive income that cannot be transferred to the result	0	0
Income tax on other comprehensive income that can be transferred to the result	0	0
Other net comprehensive income	1 313	-3 622
Comprehensive Income	77 039	49 149
Comprehensive income attributable to non-controlling shareholders	-72	0
Comprehensive income attributable to equity holders of the parent	77 111	49 149

Earnings per share

Profit (loss) per ordinary share:		
Basic earnings (basic loss) per share from continuing operations	9,22	5,88
Basic earnings (basic loss) per share from discontinued operations	0	0
Profit (loss) per ordinary share	9,22	5,88
Diluted profit (loss) per ordinary share:		
Diluted profit (diluted loss) per share from continuing operations	9,22	5,88
Diluted profit (diluted loss) per share from discontinued operations	0	0
Diluted profit (loss) per ordinary share	9,22	5,88



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CASH FLOW STATEMENT

(Indirect method)

Item	01.01.-31.12.2021	01.01.-31.12.2020
Profit (loss) before tax	89 638	67 073
Adjustments:	-26 415	70 312
Depreciation	11 991	10 967
Change of fair value of investment properties	408	-1 797
Revaluation write-offs recognized in the financial result	0	0
Profit (loss) on the sale of fixed assets	-1 862	-1 074
Profits (losses) due to exchange rate differences	1 667	3 240
Interest expenses	14 701	9 911
Interest income	-242	0
Dividend income	0	0
Income tax on profit before tax	13 912	14 302
Other adjustments	0	8
Change in inventories	25 968	140 900
Change in receivables	-317 385	-88 185
Change in liabilities	177 951	-46 297
Change in reserves	46 476	28 337
Cash flow from activities (used in activities)	63 223	137 385
Income tax paid	-7 404	-10 638
Net cash from operating activities	55 819	126 747
Expenses related to acquisition of intangible assets	-1 168	-145
Inflows from sales of intangible assets	0	0
Expenses related to acquisition of property, plant and equipment	-2 969	-6 143
Inflows from sales of property, plant and equipment	1 081	106
Expenses related to acquisition of investment properties	0	0
Inflows from sales of investment properties	0	0
Net expenses for the acquisition of subsidiaries	-9 712	0
Loans granted	-4 613	-2 747
Repayments received from loans granted	3 150	0
Interest received	11	53
Other inflows (expenses) from investing activities	-1 498	31
Net cash from investment activities	-15 718	-8 845
Net inflows from issue of shares	16 750	0



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Acquisition of own shares	0	0
Inflows from issue of debt securities	91 033	61 000
Redemption of debt securities	-67 451	-47 823
Inflows from loans and borrowings taken out	48 015	108 350
Repayment of loans and borrowings	-75 116	-160 588
Repayment of liabilities under finance lease	-5 001	-8 053
Interest paid	-15 197	-20 680
Dividends paid	0	0
Inflows from received grants	0	0
Other inflows (expenses) from financial activities	0	-8 879
Net cash from financial activities	-6 967	-76 673
Net change in cash and cash equivalents, net of foreign exchange differences	33 134	41 229
Change in cash and cash equivalents due to exchange rate differences	0	0
Change in net cash and cash equivalents	33 134	41 229
Cash and cash equivalents at the beginning of the period	157 493	116 264
Cash and cash equivalents at the end of the period	190 627	157 493
Including cash of limited disposal right	17 383	19 016



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STATEMENT OF CHANGES IN EQUITY IN REPORTING PERIOD

Item	Share capital	Capital from the sale of shares above their nominal value	Own shares (-)	Other reserve capital from the valuation	Retained earnings	Equity attributable to owners of the parent entity	The capital of non-controlling shareholders	Total
Balance at the beginning of the period	8 363	26 309	0	-3 621	260 427	291 478	2 002	293 479
Error corrections of previous years	0	0	0	0	0	0	0	0
Balance at the beginning of the period after the changes	8 363	26 309	0	-3 621	260 427	291 478	2 002	293 479
Net profit (loss)	0	0	0	0	75 798	75 798	-72	75 726
Other net comprehensive income	0	0	0	1 313	0	1 313	0	1 313
Comprehensive Income	0	0	0	1 313	75 798	77 111	-72	77 039
Issue of shares	0	0	0	0	0	0	16 750	16 750
Dividends	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0	0
Total changes in equity	0	0	0	1 313	75 798	77 111	16 678	93 789
Balance at the end of the period	8 363	26 309	0	-2 308	336 225	368 589	18 679	387 268



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STATEMENT OF CHANGES IN EQUITY IN PREVIOUS REPORTING PERIOD

Item	Share capital	Capital from the sale of shares above their nominal value	Own shares (-)	Other reserve capital from the valuation	Retained earnings	Equity attributable to owners of the parent entity	The capital of non-controlling shareholders	Total
Balance at the beginning of the period	8 363	26 309	0	1	207 639	242 312	2	242 314
Error corrections of previous years	0	0	0	0	17	17	0	17
Balance at the beginning of the period after the changes	8 363	26 309	0	1	207 656	242 329	2	242 331
Net profit (loss)	0	0	0	0	52 771	52 771	0	52 771
Other net comprehensive income	0	0	0	-3 622	0	-3 622	0	-3 622
Comprehensive Income	0	0	0	-3 622	52 771	49 149	0	49 149
Issue of shares	0	0	0	0	0	0	2 000	2 000
Dividends	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0	0
Total changes in equity	0	0	0	-3 622	52 771	49 149	2 000	51 149
Balance at the end of the period	8 363	26 309	0	-3 621	260 427	291 478	2 002	293 479



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ADDITIONAL EXPLANATORY NOTES

1. PROPERTY, PLANT AND EQUIPMENT

1.1. PROPERTY, PLANT AND EQUIPMENT

Item	31.12.2021	31.12.2020
Land	10 899	6 211
Buildings and structures	51 951	33 609
Machines and technical devices	39 986	23 873
Vehicles	14 208	9 924
Other fixed assets	2 787	2 005
Fixed assets under construction	2 086	6 011
Advances in respect of tangible fixed assets	470	163
Net value of property, plant and equipment	122 387	81 796



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1.2. PROPERTY, PLANT AND EQUIPMENT IN REPORTING PERIOD

Item	Land	Buildings and structures	Machines and technical devices	Vehicles	Other fixed assets	Fixed assets under construction	Advances for fixed assets	Total
Gross carrying amount at the beginning of the period	7 381	34 833	36 427	18 737	3 392	6 011	163	106 944
Direct acquisitions	0	0	4 292	4 908	1 014	2 833	452	13 499
Adoption of fixed assets under construction	0	85	83	0	0	0	0	169
Increases due to business combinations	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0
Reduction / increase due to the OPE contribution	0	0	0	0	0	0	0	0
Decreases due to sales	0	0	-449	-519	0	-53	0	-1 021
Decreases due to liquidation	0	0	-2	0	-1	0	0	-2
Other adjustments	4 773	19 442	13 784	-2 135	0	-105	0	35 759
Gross carrying amount at the end of the period	12 154	54 360	54 137	20 991	4 406	8 686	614	155 347
Accumulated amortization at the beginning of period	-1 169	-1 224	-12 553	-8 813	-1 388	0	0	-25 146
Increase in depreciation for the period	-86	-1 186	-1 863	1 624	-232	0	0	-1 743
Reclassifications	0	0	0	0	0	-6 600	-145	-6 744
Reduction / increase due to the OPE contribution	0	0	0	0	0	0	0	0
Decreases due to sales	0	0	190	377	0	0	0	567
Decreases due to liquidation	0	0	2	0	1	0	0	2
Other adjustments	0	0	74	29	0	0	0	103
Accumulated amortization at the end of period	-1 255	-2 409	-14 150	-6 783	-1 619	-6 600	-145	-32 961
Impairment allowances at the beginning of the period	0	0	0	0	0	0	0	0
Additions during the period	0	0	0	0	0	0	0	0
Impairment allowances at the end of the period	0	0	0	0	0	0	0	0
Net value at end of period	10 899	51 951	39 986	14 208	2 787	2 086	470	122 387



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1.3. PROPERTY, PLANT AND EQUIPMENT IN PREVIOUS REPORTING PERIOD

Item	Land	Buildings and structures	Machines and technical devices	Vehicles	Other fixed assets	Fixed assets under construction	Advances for fixed assets	Total
Gross carrying amount at the beginning of the period	9 958	75 107	60 027	14 428	4 238	9 589	2 762	176 108
Direct acquisitions	0	35	3 516	5 588	282	3 087	111	12 619
Adoption of fixed assets under construction	0	-16 481	0	0	248	-248	0	-16 481
Increases due to business combinations	0	0	0	0	0	0	0	0
Reclassifications	-2 577	-23 828	-26 939	-1 130	-1 333	-6 418	-2 710	-64 934
Reduction / increase due to the OPE contribution	0	0	0	0	0	0	0	0
Decreases due to sales	0	0	-107	-149	-7	0	0	-263
Decreases due to liquidation	0	0	-71	0	-34	0	0	-105
Other adjustments	0	0	0	0	0	0	0	0
Gross carrying amount at the end of the period	7 381	34 833	36 427	18 737	3 392	6 011	163	106 943
Accumulated amortization at the beginning of period	-1 054	-4 140	-18 504	-6 547	-1 856	0	0	-32 101
Increase in depreciation for the period	-115	-1 214	-5 182	-3 007	-623	0	0	-10 141
Reclassifications	0	4 130	10 972	591	1 050	0	0	16 743
Reduction / increase due to the OPE contribution	0	0	0	0	0	0	0	0
Decreases due to sales	0	0	102	149	7	0	0	259
Decreases due to liquidation	0	0	59	0	34	0	0	93
Other adjustments	0	0	0	0	0	0	0	0
Accumulated amortization at the end of period	-1 169	-1 224	-12 553	-8 813	-1 388	0	0	-25 147
Impairment allowances at the beginning of the period	0	0	0	0	0	0	0	0
Additions during the period	0	0	0	0	0	0	0	0
Impairment allowances at the end of the period	0	0	0	0	0	0	0	0



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Net value at end of period	6 211	33 609	23 873	9 924	2 005	6 011	163	81 796
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2. INVESTMENT PROPERTIES

2.1. INVESTMENT PROPERTIES

Item	31.12.2021	31.12.2020
Land not leased	30 222	41 755
Real estate leased	67 800	105 400
Advances for investment properties	0	0
Net carrying amount	98 022	147 155

The real estate for rent consists of the real estate of the Almond hotel, located at Toruńska 12 street, measured at fair value by an independent appraiser. The valuer used the income approach, the profit method, the technique of discounting income streams. The hotel is subject to lease under an agreement concluded between Almond Sp. z o.o., the owner of the facility, and City Hotel Management Sp. z o.o. from 30th of June 2016 to 31st of December 2032.

The revenue at Almond in 2021 from hotel rent amounted to PLN 2,103 thousand. At the same time, the costs incurred in the current year include:

- real estate tax in the amount of PLN 317 thousand
- a perpetual usufruct fee of PLN 75,000
- other costs PLN 6,000

Property located in Gdańsk at Sobieszewska street with an area of 5.1666 ha, land and mortgage register KW GD1G / 00106869/5, moreover, on 13th of April 2021, the property was transferred in kind from Dekpol Deweloper Sp. z o.o. to Dekpol Inwestycje Sp. z o.o. Grano Resort Sp. k. The real estate remains investment real estate. The value of the property was determined on the basis of an appraisal by an independent appraiser. For the purposes of the valuation, the comparative method was selected.

2.2. INVESTMENT PROPERTIES IN REPORTING PERIOD

Item	Land not leased	Investment properties leased	Advances for investment properties	Total
Investment properties at the beginning of the period	41 755	105 400	0	147 155



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Increases due to item combinations	0	0	0	0
Property purchase	0	0	0	0
Other changes (reclassifications, transfers, etc.) (+/-)	-11 925	-36 800	0	-48 725
Revaluation to fair value (+/-)	392	-800	0	-408
Investment properties at the end of the period	30 222	67 800	0	98 022

2.3. INVESTMENT PROPERTIES IN PREVIOUS REPORTING PERIOD

Item	Land not leased	Investment properties leased	Advances for investment properties	Total
Investment properties at the beginning of the period	29 634	115 712	0	145 346
Increases due to item combinations	0	0	0	0
Property purchase	0	0	0	0
Other changes (reclassifications, transfers, etc.) (+/-)	9 709	-9 709	0	0
Revaluation to fair value (+/-)	2 412	-603	0	1 809
Investment properties at the end of the period	41 755	105 400	0	147 155

3. GOODWILL AND OTHER INTANGIBLE ASSETS

3.1. INTANGIBLE ASSETS

Item	31.12.2021	31.12.2020
Goodwill	0	0
Patents and licenses	514	216
Development costs	0	0
Other intangible assets	5 236	0
Intangible assets net	5 750	216

The remaining intangible asset is an ERP system that is at the implementation stage. The year 2021 was the period of introducing and testing the new ERP system, and 2022 is for an adaptation of the system.



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3.2. INTANGIBLE ASSETS IN REPORTING PERIOD

Item	Goodwill	Patents and licenses	Development costs	Other intangible assets	Total
Gross carrying amount at beginning of period	1 141	1 585	224	5	2 955
Aquisition	0	335	0	5 256	5 591
Reduction / increase due to the OPE contribution	0	0	0	0	0
Decreases due to liquidation	0	0	0	0	0
Gross carrying amount at end of period	1 141	1 920	224	5 261	8 546
Accumulated amortization at beginning of period	-1 141	-1 159	-224	-3	-2 527
Reduction / increase due to the OPE contribution	0	0	0	0	0
Increase in depreciation for the period	0	-247	0	-22	-269
Decreases due to liquidation	0	0	0	0	0
Accumulated amortization at end of period	-1 141	-1 406	-224	-25	-2 796
Impairment allowances at the beginning of the period	0	0	0	0	0
Impairment allowances at the end of the period	0	0	0	0	0
Net value at the end of period	0	514	0	5 236	5 750

3.3. INTANGIBLE ASSETS IN PREVIOUS REPORTING PERIOD

Item	Goodwill	Patents and licenses	Development costs	Other intangible assets	Total
Gross carrying amount at beginning of period	1 141	1 585	224	5	2 955
Aquisition	0	145	0	0	145
Reduction / increase due to the OPE contribution	0	0	0	0	0
Decreases due to liquidation	0	0	0	0	0
Gross carrying amount at end of period	1 141	1 730	224	3	3 100
Accumulated amortization at beginning of period	-1 141	-1 159	-224	-3	-2 527
Reduction / increase due to the OPE contribution	0	0	0	0	0
Increase in depreciation for the period	0	-355	0	-2	-357
Decreases due to liquidation	0	0	0	0	0



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Accumulated amortization at end of period	-1 141	-1 514	-224	-5	-2 884
Impairment allowances at the beginning of the period	0	0	0	0	0
Impairment allowances at the end of the period	0	0	0	0	0
Net value at the end of period	0	216	0	0	216

4. STOCKS AND SHARES

As at the balance sheet date, there are shares in associated companies with a total value of PLN 40,200.

Dekpol SA holds shares in Dekpol SPV1 sp. z o.o. with a value of PLN 16,200 and Dekpol Deweloper sp.z o.o. holds shares in Mineral Group sp.z o.o. worth PLN 24,000.

On 12th of January 2022, a change in shares in Dekpol SPV1 sp. z o.o. was registered in the National Court Register up to PLN 16,200.

5. OTHER FINANCIAL ASSETS

5.1. OTHER FINANCIAL ASSETS

Item	31.12.2021	31.12.2020
Derivatives	0	0
Other long-term financial assets	4 281	2 783
Long-term granted loans	4 216	2 747
Other long-term financial assets	8 497	5 530
Short-term loans	0	0
Units in Open Investment Funds	0	0
Other short-term financial assets	0	0
Other short-term financial assets	0	0

Other long-term financial assets worth 4.3 million are long-term deposits securing guarantees under construction contracts.



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6. INVENTORIES

6.1. STRUCTURE OF INVENTORIES

Item	31.12.2021	31.12.2020
Materials balance values	23 370	13 768
Goods balance values	1 911	859
Finished products balance values	6 098	3 071
Semi-finished products and work in progress balance value	11 336	3 594
Premises under construction balance value	185 405	168 407
Finished premises balance value	35 067	39 081
Inventories	263 187	228 780

6.2. INVENTORY WRITE-OFFS

Item	31.12.2021	31.12.2020
Inventory write-offs at the beginning of period	922	961
Inventory write-offs created in period	173	1 119
Inventory write-offs reversal in period (-)	0	197
Inventory write-offs other changes	0	-961
Inventory write-offs at the end of period	1 095	922

7. LONG-TERM RECEIVABLES

7.1. LONG-TERM RECEIVABLES

Item	31.12.2021	31.12.2020
Deposits from construction services	12 785	1 605
Deposits from other titles	295	132
Other receivables	0	3 793
Receivables write-offs (-)	0	0
Long-term receivables	13 080	5 530
Long-term prepayments	0	0
Trade and other long-term receivables	13 080	5 530

7.2. LONG-TERM RECEIVABLES WRITE-OFFS

Item	31.12.2021	31.12.2020
Status at the beginning of period	0	0
Write-offs as cost in period	0	0
Write-offs used (-)	0	0



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Write-off terminated addend as income in period (-)	0	0
Other changes (net FX differences from settlement)	0	0
Status at the end of period	0	0

7.3. SHORT-TERM RECEIVABLES

Item	31.12.2021	31.12.2020
Receivables due to contracts with clients net	110 006	205 109
Receivables due to other taxes, duties and social security	41 318	13 004
Deposits from construction services balance value	26 453	37 528
Deposits from other titles	309	153
Prepay and advance payment balance value	30 747	16 141
Other receivables balance value	521	3 656
Dividend receivables - short-term	0	0
Trade receivables and other receivables	505 527	275 591
Short-term prepayments	5 617	3 622
Trade and other short-term receivables	511 144	279 213

7.4. SHORT-TERM RECEIVABLES WRITE-OFFS

Item	31.12.2021	31.12.2020
Status at the beginning of period	9 567	7 934
Write-offs terminated added as income in period (-)	-2 565	-150
Write-offs used (-)	-277	-19
Write-offs as cost in period	7 902	1 802
Other changes (net FX differences from settlement)	0	0
Status at the end of period	14 627	9 567



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7.5. STRUCTURE OF PAYABLES BY PAYMENT TERMS IN REPORTING PERIOD

Item	Overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 year to 2 years	From 2 to 5 years	Over 5 years	Total
Long-term receivables	0	0	0	0	0	617	9 950	2 513	13 080
Trade receivables	150 800	110 030	98 312	41 092	5 945	0	0	0	406 179
Prepayments and payables	9	29 838	900	0	0	0	0	0	30 747
Deposits from construction services	15 250	671	4 935	2 226	3 369	2	0	0	26 453
Deposits from other titles	146	7	156	0	0	0	0	0	309
Receivables due to other taxes	0	40 387	931	0	0	0	0	0	41 318
Other receivables	4	495	19	3	0	0	0	0	521
Receivables in total	166 208	181 428	105 253	43 321	9 314	617	9 950	2 513	518 607

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

Item	Overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 year to 2 years	From 2 to 5 years	Over 5 years	Total
Long-term receivables	0	0	0	0	0	1 610	13	114	1 737
Trade receivables	43 815	103 972	57 073	102	69	78	0	0	205 109
Prepayments and payables	0	16 141	0	0	0	0	0	0	16 141
Deposits from construction services	23 259	12 226	1 709	72	262	0	0	0	37 528
Deposits from other titles	47	0	2	103	2	0	0	0	153
Receivables due to other taxes	0	13 041	0	0	0	0	0	0	13 041
Other receivables	0	1 367	2 289	0	0	0	0	0	3 656
Receivables in total	67 121	146 747	61 073	277	333	1 688	13	114	277 365



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7.7. STRUCTURE OF OVERDUE RECEIVABLES IN REPORTING PERIOD

Item	Non-overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	Over 1 year	Total
Trade receivables	256 378	64 632	31 421	15 135	28 635	9 978	406 179
Prepayments and payables	30 281	457	0	0	9	0	30 747
Deposits from construction services	11 203	3 692	858	405	7 124	3 171	26 453
Deposits from other titles	163	14	18	102	4	8	309
Receivables due to other taxes	41 318	0	0	0	0	0	41 318
Other receivables	517	4	0	0	0	0	521
Overdue receivables	339 860	68 798	32 297	15 642	35 771	13 157	505 527

7.8. STRUCTURE OF OVERDUE RECEIVABLES IN PREVIOUS REPORTING PERIOD

Item	Non-overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	Over 1 year	Total
Trade receivables	161 293	11 173	8 230	7 442	10 011	6 960	205 109
Prepayments and payables	16 141	0	0	0	0	0	16 141
Deposits from construction services	14 269	3 468	13	14 031	2 444	3 304	37 528
Deposits from other titles	107	0	44	0	3	0	153
Receivables due to other taxes	13 004	0	0	0	0	0	13 004
Other receivables	3 656	0	0	0	0	0	3 656
Overdue receivables	208 507	14 640	8 287	21 472	12 458	10 264	275 628



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7.9. ACTIVE DEFERRED CHARGES

Item	31.12.2021	31.12.2020
Insurance	790	693
Guarantees	452	413
Commissions on the sale of premises	2 221	192
Other	2 154	2 324
Deferred charges in total	5 617	3 622

8. CASH

8.1. CASH SPECIFICS

Item	31.12.2021	31.12.2020
Bank accounts	188 923	120 276
cash of limited disposal rights	17 383	19 016
Cash in deposit	318	173
Short-term deposits	10	37 014
Other cash and cash equivalent	1 376	30
Cash and cash equivalents	190 627	157 493

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

9. EQUITIES

9.1. SHARE CAPITAL

Item	31.12.2021	31.12.2020
Number fo shares	8 363	8 363
Nominal value of the share (PLN)	0	0
Share capital	8 363	8 363



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Equity	The number of shares issued as of 31.12.2021	The number of shares issued as of 31.12.2020	The number of shares authorized for issue as of 31.12.2021	The number of shares authorized for issue as of 31.12.2020
Series A	6 410 000	6 410 000	0	0
Series B	1 952 549	1 952 549	0	0
Total:	8 326 549	8 326 549	0	0

9.2. CHANGES IN NUMBER OF SHARES

Major shareholders	Number of shares/number of votes	Share in the share capital / total number of votes
Mariusz Tuchlin	6 466 845	77,33%
Familiar S.A. SICAV-SIF*	679 583	8,13%
Other shareholders	1 216 121	14,54%
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

10. PROVISIONS

10.1. PROVISION SPECIFICS

Item	31.12.2021	31.12.2020
Provisions for retirement benefits - short-term	100	21
Provisions for employee benefits - short-term	100	21
Provisions for retirement benefits - long-term	337	175
Provisions for employee benefits - long-term	337	175
Other long-term provisions	0	0
Provisions for unused holidays	3 384	2 271
Provisions for court litigations	1 253	906
Provisions for losses on construction contracts	0	0
Provisions for guarantee repairs	5 719	5 058
Provision for contract costs	44 227	52 433
Provisions for employee bonuses	2 099	0
Other provisions	11 695	3 579
Other short-term provisions	68 377	64 247
Provisions	68 814	64 442



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10.2. CHANGES IN PROVISIONS IN REPORTING PERIOD

Item	For retirement benefits	For unused holidays	For court litigations	For guarantee repairs	For losses from contracts	For contract costs	For employee bonuses	Other	Total
Status at the beginning of period	196	2 271	906	5 058	0	52 433	3 091	487	64 442
Increase of provisions accounted as cost in period	241	1 143	424	661	0	44 227	0	11 685	58 381
Utilization of provisions accounted as revenue in period (-)	0	-30	-77	0	0	0	-161	-402	-670
Utilization of provisions (-)	0	0	0	0	0	-52 433	-831	-75	-53 339
Increase by merger of entities	0	0	0	0	0	0	0	0	0
Reclassifications and other changes	0	0	0	0	0	0	0	0	0
Status as of the end of period	437	3 384	1 253	5 719	0	44 227	2 099	11 695	68 814

10.3. CHANGES IN PROVISIONS IN PREVIOUS REPORTING PERIOD

Item	For retirement benefits	For unused holidays	For court litigations	For guarantee repairs	For losses from contracts	For contract costs	For employee bonuses	Other	Total
Status at the beginning of period	130	1 274	4 176	5 004	0	9 344	0	69	19 997
Increase of provisions accounted as cost in period	117	998	899	54	0	43 089	0	3 576	48 733
Utilization of provisions accounted as revenue in period (-)	-51	0	-4 169	0	0	0	0	0	-4 220
Utilization of provisions (-)	0	0	0	0	0	0	0	-66	-66
Increase by merger of entities	0	0	0	0	0	0	0	0	0
Reclassifications and other changes	0	0	0	0	0	0	0	0	0
Status as of the end of period	196	2 272	906	5 058	0	52 433	0	3 579	64 442



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11. FINANCIAL LIABILITIES

11.1. SPECIFICATION OF FINANCIAL LIABILITIES

Item	31.12.2021	31.12.2020
Other long-term financial liabilities	0	0
Loans, borrowings and long-term debt-instruments	200 315	86 063
Long-term lease liabilities	5 824	3 865
Long-term financial liabilities	206 139	89 928
Other short-term financial liabilities	7 214	7 369
Loans, borrowings and short-term debt-instruments	113 786	161 844
Short-term lease liabilities	4 537	4 550
Short-term financial liabilities	125 537	173 763
Total financial liabilities	331 676	263 692

11.2. LOANS AND BORROWINGS (IN PLN THOUSAND):

Liabilities of Dekpol S.A.:

Loans and borrowings as of 31.12.2021	Loan value	Balance	Currency	Interest rate	Date of repayment
Long-term					
PKO BP investment loan 54 1020 1462 0000 7396 0134 7483	5 817	4 240	PLN ¹	WIBOR 1M ¹ + margin	16.07.2026
Long-term loans and borrowings in total	5 817	4 240	PLN	-	-
Short-term					
SGB-Bank S.A. revolving loan, agreement no. REW/2200155/2020/ 2	30 000	18 715	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	0	PLN	WIBOR 1M + margin	15.07.2022
PKO BP revolving loan, agreement LKW 38 1020 1462 0000 7102 0368 2028	22 000	19 795	PLN	WIBOR 1M + margin	15.07.2022
PKO BP investment loan 54 1020 1462 0000 7396 0134 7483	1 183	1 183	PLN ¹	WIBOR 1M ¹ + margin	16.07.2026
other		9	PLN		



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Short-term loans and borrowings in total	0	0	EUR	-	-
	71 183	39 702	PLN	-	-

As at the date of publication of this report, there was a change in the loan currency from PLN to EUR and the base rate to EURIBOR 1M.

Loans and borrowings as of 31.12.2021	Collateral
PKO BP investment loan 54 1020 1462 0000 7396 0134 7483	joint mortgage up to the amount of PLN 55,500,000.00 (including an overdraft and working capital loan under the LKW No. 38 1020 1462 0000 7102 0368 2028) on real estate located in Toruń, LMR No. TO1T / 00042725/4 and TO1T / 00050261/2, assignment of claims under an insurance policy, promissory note, declaration of submission to enforcement pursuant to Art. 777 of the Borrower's Code of Civil Procedure
SGB-Bank S.A. revolving loan, agreement REW/2200155/2020/2	assignment of receivables from GC contracts, promissory note, PLG-FGP BGK guarantee for the amount of PLN 24,000,000.00, accession to the debt of Dekpol Budownictwo Sp. z o.o. declaration of submission to enforcement pursuant to art. 777 of the Code of Civil Procedure of the Borrower, Accessing the Debt and Mortgage Debtor
SGB-Bank S.A. overdraft facility, agreement KRB/2200155/2020/1	mortgage up to the amount of PLN 22,500,000.00 on the right of perpetual usufruct and separate ownership of the building located in Gdańsk, at ul. Toruńska, owned by Almond sp.z o.o., LMR No. GD1G / 00047844/2, promissory note, PLG-FGP BGK guarantee for PLN 12,000,000.00, accession to the debt of Dekpol Budownictwo Sp. z o. o. for a declaration of submission to enforcement pursuant to Art. 777 of the Code of Civil Procedure of the Borrower, Accessing the Debt and Mortgage Debtor
PKO BP, multi-purpose credit line agreement 38 1020 1462 0000 7102 0368 2028 (it includes an overdraft and working capital loan)	joint mortgage up to the amount of PLN 55,500,000.00 on real estate located in Toruń, LMR No. TO1T / 00042725/4 and TO1T / 00050261/2, assignment of receivables from the insurance policy, assignment of receivables from GC contracts, promissory note, PLG-FGP BGK guarantee for the amount PLN 19,800,000.00, accession to the debt of Dekpol Budownictwo Sp. z o.o., declaration of submission to enforcement pursuant to Art. 777 of the Code of Civil Procedure of the Borrower, Accessing the Debt and Mortgage Debtor

Loans and borrowings as of 31.12.2020	Loan value*	Balance	Currency	Interest rate	Date of repayment
Long-term					
PKO BP investment loan 54 1020 1462 0000 7396 0134 7483	5 423	5 423	PLN	WIBOR 1M + margin	16.07.2026
Long-term loans and borrowings in total	5 423	5 423	PLN	-	-



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Krótkoterminowe					
ING - ALEO discount agreement no. 891/2017/00000901/00	2 500	0	PLN	WIBOR 1M + margin	31.12.2020
mBank revolving loan, agreement 10/034/19/Z/LF	25 000	0	PLN	WIBOR 1M + margin	30.06.2021
mBank ovrdrft facility, agreement 10/033/19/Z/VV	10 000	9 662	PLN	WIBOR ON + margin	30.06.2021
Santander ovrdrft facility, agreement nr 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 ovrdrft 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. ovrdrft facility, agreement no. KRB/2200155/2020/1	15 000	0	PLN	WIBOR 3M + margin	14.07.2022
PKO BP ovrdrft 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		
Short-term loans and borrowings in total	3 300	0	EUR	-	-
	155 646	49 782	PLN	-	-

Loans and borrowings as of 31.12.2020	Collateral
PKO BP investment loan 54 1020 1462 0000 7396 0134 7483	joint mortgage up to the amount of PLN 55,500,000.00 on real estate located in Toruń, LMR No. TO1T / 00042725/4 and TO1T / 00050261/2, promissory note
ING - ALEO umowa dyskonta	promissory note



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nr 891/2017/00000901/00	
mBank revolving loan, agreement 10/034/19/Z/LF	mortgage up to the amount of PLN 52,500,000.00 on real estate located in Gdańsk, belonging to Dekpol Deweloper sp.z o.o., LMR No. GD1G / 00106869/5
mBank overdraft facility, agreement 10/033/19/Z/VV	mortgage up to the amount of PLN 52,500,000.00 on real estate located in Gdańsk, belonging to Dekpol Deweloper sp.z o.o., LMR No. GD1G / 00106869/5
Santander overdraft facility, agreement nr K01263/17	assignment of receivables from GC contracts
Santander revolving loan, agreement no. K03957/19	assignment of receivables from GC contracts
BS Wschowa revolving loan 164/IWS/2018	joint mortgage up to the amount of PLN 13,000,000.00 on real estate located in Rokitki, LMR No. GD1T / 00049849/3, GD1T / 00050468/8 and on the real estate located in Pinczyn, LMR No. GD1A / 00071239/9, promissory note
Alior Bank overdraft facility, agreement U0003447412540	joint mortgage (jointly with the loan agreement for Dekpol Steel sp.z o.o.No U0003444593097) up to the amount of PLN 45,000,000.00 on real estate located in Pinczyn, owned by Dekpol Steel sp.z o.o. LMR No. GD1A / 00038351/7, GD1A / 00064240/7, GD1A / 00061912/8, promissory note, PLG-FGP BGK guarantee for the amount of PLN 8,000,000.00
SGB-Bank S.A. revolving loan, agreement no. REW/2200155/2020/2	assignment of receivables from GC contracts, promissory note, PLG-FGP BGK guarantee for the amount of PLN 24,000,000.00, accession to the debt of Dekpol Budownictwo Sp. z o.o. *
SGB-Bank S.A. overdraft facility, agreement no. KRB/2200155/2020/1	mortgage up to the amount of PLN 22,500,000.00 on the right of perpetual usufruct and separate ownership of the building located in Gdańsk, at Toruńska street, owned by Almond sp.z o.o., LMR No. GD1G / 00047844/2, promissory note, PLG-FGP BGK guarantee for PLN 12,000,000.00, accession to the debt of Dekpol Budownictwo Sp. z o.o *
PKO BP overdraft facility, agreement LKW 38 1020 1462 0000 7102 0368 2028	joint mortgage up to the amount of PLN 55,500,000.00 on real estate located in Toruń, LMR No. TO1T / 00042725/4 and TO1T / 00050261/2, assignment of receivables from GC contracts, promissory note, PLG-FGP BGK guarantee for the amount of PLN 19,800,000.00
PKO BP revolving loan, agreement LKW 38 1020 1462 0000 7102 0368 2028	joint mortgage up to the amount of PLN 55,500,000.00 on real estate located in Toruń, LMR No. TO1T / 00042725/4 and TO1T / 00050261/2, assignment of receivables from GC contracts, promissory note, PLG-FGP BGK guarantee for the amount of PLN 19,800,000.00
Santander Factoring sp. z o.o. factoring agreement no. 4004/6537/2020	bill of exchange, assignment of receivables from contracts reported to the factor
BPS Faktor S.A. factoring agreement no. 377/377/2020	bill of exchange, assignment of receivables from contracts reported to the factor *

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

Bonds (nominal value):

Bonds as of the end of reporting period 31.12.2021	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	13.02.2025



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Long-term bonds in total	125 150	125 150	PLN	-	-
Short-term					
-	-	-	-	-	-
Short-term bonds in total	0	0	PLN	-	-

* on 09/08/2021 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 31.12.2021	Collateral
Bonds series I	mortgage up to the amount of PLN 75,000,000.00 on developed real estate located in Warsaw at Prądzyńskiego street 21, owned by Dekpol Inwestycje Sp. z o.o. WBH Sp. k LMR No. WA4M / 00386892/3 and a declaration of submission to enforcement pursuant to Art. 777 of the Civil Procedure Code of the mortgage debtor
Bonds series J	n/a
Bonds series K	n/a
Bonds series P2021A	n/a

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
Long-term bonds in total	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
Short-term bonds in total	97 693	97 693	PLN	-	-

	Collateral
Bonds series I	mortgage up to the amount of PLN 75,000,000.00 on developed real estate located in Warsaw at Prądzyńskiego street 21, owned by Dekpol Deweloper sp.z o.o. *, LMR No. WA4M / 00386892/3
Bonds series J	n/a
Bonds series DA and DB	mortgage up to the amount of PLN 52,500,000.00 on the perpetual usufruct right to real estate located in Gdańsk at Toruńska street, owned by Almond Sp. z o.o. LMR No.GD1G / 00047844/2
Bonds series G	n/a
Bonds series H	n/a

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



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Liabilities of the companies from the Dekpol Capital Group:

Loans and borrowings as of 31.12.2021	Company	Loan value	Balance	Currency	Interest rate	Date of repayment
Long-term						
Long-term loans and borrowings in total		0	0	PLN	-	-
Short-term						
ING - ALEO discount agreement no. 891/2020/00001802/00	Dekpol Budownictwo Sp. z o.o.	2 500	1 759	PLN	WIBOR 1M+margin	2021-12-31 ¹
mBank revolving loan , agreement 10/034/19/Z/LF	Dekpol Budownictwo Sp. z o.o.	25 000 ²	8 418	PLN	WIBOR 1M+margin	2022-06-30
mBank overdraft facility, agreement 10/033/19/Z/VV	Dekpol Budownictwo Sp. z o.o.	10 000	0	PLN	WIBOR O/N+margin	2022-06-30
Santander overdraft facility, agreement nr K01263/17	Dekpol Budownictwo Sp. z o.o.	10 000	599	PLN	WIBOR 1M/EURIBOR 1M+margin	2022-12-22
PKO BP overdraft facility, agreement LKW 32 1020 1462 0000 7502 0388 9326	Dekpol Budownictwo Sp. z o.o.	3 000	0	PLN	WIBOR 3M+margin	2023-11-15
PKO BP revolving working capital loan, agreement LKW 32 1020 1462 0000 7502 0388 9326	Dekpol Budownictwo Sp. z o.o.	15 000	15 000	PLN	WIBOR 3M+margin	2023-11-15
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/EURIBOR 1M + margin	2022-09-22
BPS Faktor S.A. factoring agreement no. 377/377/2020	Dekpol Budownictwo Sp. z o.o.	15 000	1 960	PLN	WIBOR 1M/ EURIBOR 1M + margin	2022-06-29
PKO Factoring Sp. z o.o.	Dekpol Budownictwo Sp. z o.o.	2 000	0	EUR	EURIBOR 1M /WIBOR 1M + margin	bezterminowo
Santander Faktoring Sp. z o.o.	Dekpol Budownictwo Sp. z o.o.	7 000	0	PLN	WIBOR 1M/ EURIBOR 1M +margin	2022-01-15
PKO BP S.A. overdraft facility, agreement LKW 40 1020 1462 0000 7102 0389 1900	Dekpol Steel Sp. z o.o.	20 000	15 907	PLN	WIBOR 3M /EURIBOR 3M+margin	2023-11-15
Santander Factoring sp. z o.o. factoring agreement no.	Dekpol Steel Sp. z o.o.	27 000 ³	19 695	PLN	WIBOR 1M/ EURIBOR 1M + margin	2022-10-31



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3673/5447/2019

PKO BP overdraft facility, agreement no. 18 1020 1462 0000 7402 0378 6613	Betpref Sp. z o.o.	3 000	0	PLN	WIBOR 3M+margin	2022-04-19 ⁴
mBank S.A. revolving loan, agreement no. 10/073/21/Z/OB	Dekpol Inwestycje Sp. z o.o. Neo Jasień sp. k	22 806	0	PLN	WIBOR 1M+ margin	2023-08-31
mBank S.A. overdraft facility, agreement no. 05/014/19/Z/PX ⁵	Intek Sp. z o.o.	860	294	PLN	WIBOR O/N+ margin	2022-02-05
mBank S.A. revolving loan, agreement no. 05/004/19/Z/LI ⁶	Intek Sp. z o.o.	800	800	PLN	WIBOR 1M+ margin	2022-02-21
borrowings	Intek Sp. z o.o.	600	600	PLN	fixed	2022-11-10
other			9	PLN		
Short-term loans and borrowings in total		165 566	65 041	PLN		- -
		2 000	0	EUR		

¹ according to as at the date of publication of the report, the contract has been changed in terms of its validity period (extension until 31st of December 2022)

² according to as at the date of publication of the report, the agreement was changed in the amount of the limit (reduction at the Borrower's request to PLN 15,000 thousand)

³ according to as at the date of publication of the report, the agreement was changed in the amount of the limit (increased to PLN 35,450,000)

⁴ according to as at the date of publication of the report, the contract has been changed in terms of its validity period (extension until 04.19.2023)

^{5 6} according to as at the date of publication of the report, the agreements were terminated at the Borrower's request.

Loans and borrowings as of 31.12.2021		Collateral
Dekpol Budownictwo Sp. z o.o.	ING- Aleo-discount agreement number 891/2020/0000 1802/00	surety of Dekpol S.A., declaration of submission to enforcement pursuant to Art. 777 KPC of the Borrower and the Guarantor
Dekpol Budownictwo Sp. z o.o.	mBank - Framework agreement no 10/031/19/Z/PX (working capital loan agreement under it 10/034/19/Z/LF and an overdraft facility agreement 10/033/19/Z/V)	joint mortgage up to the amount of PLN 52,500,000 (including working capital loan agreement no. 10/033/19 / Z / LF) on real estate in Sobieszewo belonging to Dekpol Inwestycje Sp. z o.o. Grano Resort Sp.k. LMR No. GD1G / 00106869/5, surety of Dekpol S.A., declaration of submission to enforcement pursuant to Art. 777 of the Code of Civil Procedure of the Borrower, Guarantor and Mortgage Debtor,
Dekpol Budownictwo Sp. z o.o.	Santander-overdraft facility,	surety of Dekpol S.A., declaration of submission to enforcement pursuant to Art. 777 KPC of the Borrower and the Guarantor, assignment of receivables from GC



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	agreement no. K01263/17	contracts
Dekpol Budownictwo Sp. z o.o.	PKO BP S.A., multi-purpose credit line agreement 32 1020 1462 0000 7502 0388 9326	joint mortgage up to the amount of PLN 27,000,000.00 on real estate owned by Dekpol S.A. located in Toruń, LMR No. TO1T / 00042725/4 and TO1T / 00050261/2 in the third place, assignment of insurance policy receivables, surety of Dekpol S.A., declaration on submission to enforcement pursuant to art. 777 KPC of the Borrower and the Guarantor, PLG-FGP BGK guarantee for the amount of PLN 14,400,000.00, assignment of receivables from GC contracts
Dekpol Budownictwo Sp. z o.o.	BNP- multi- purpose premium credit line agreement no WAR/8803/21/ 497/CB	joint mortgage up to the amount of PLN 45,000,000.00 on real estate in Pinczyn and Rokitki belonging to Dekpol S.A. LMR No. GD1A / 00071239/9, GD1T / 00049849/3, GD1T / 00050468/8, surety of Dekpol S.A., assignment of claims under the insurance policy, declaration of submission to enforcement pursuant to Art. Borrowers 777 KPC, promissory note, assignment of receivables from GC contracts, taking over the amount as security (deposit in the amount of PLN 1,752,292.15 and EUR 182,281.96)
Dekpol Budownictwo Sp. z o.o.	BPS Faktor S.A. factoring agreement no. 377/377/2020	promissory note, power of attorney to the account, assignment of receivables from contracts reported to the factor, surety of the company Dekpol SA
Dekpol Budownictwo Sp. z o.o.	PKO Faktoring agreement no. 2464/08/2021	promissory note, power of attorney to the account, assignment of receivables, surety of Dekpol SA
Dekpol Budownictwo Sp. z o.o.	Santander Factoring Sp. z o.o factoring agreement no. 4089/6703/202 1	promissory note, power of attorney to the account, assignment of receivables, surety of Dekpol SA
Dekpol Steel Sp. z o.o.	PKO BP S.A.- ovrdraft facility, agreement LKW 40 1020 1462 0000 7102 0389 400	PLG-FGP BGK guarantee for the amount of PLN 16,000,000.00, declaration of submission to enforcement pursuant to Art. 777 of the Borrower's Code of Civil Procedure
Dekpol Steel Sp. z o.o.	Santander Factoring sp. z o.o. factoring agreement no. 3673/5447/201 9	bill of exchange, power of attorney to the account, assignment of receivables
Betpref Sp. z o.o.	PKO BP S.A.- ovrdraft facility, agreement 18 1020 1462 0000 7402 0378 6613	mortgage up to the amount of PLN 4 500 000.00 on real estate belonging to Dekpol S. A located in Toruń, LMR No. TO1T / 00042725/4 1/10, TO1T / 00050261/2 in the second place, assignment of receivables from the insurance policy, surety of Dekpol S.A., a declaration of submission to enforcement pursuant to art. 777 of the Borrower's Code of Civil Procedure



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Dekpol Inwestycje Sp. z o.o. Neo Jasień Sp.k	mBank S.A.- revolving loan, agreement no. 10/073/21/Z/O B.	mortgage on real estate in Gdańsk LMR No. GD1G / 00303229/8, declaration of submission to enforcement pursuant to Art. 777 KPC of the Borrower, assignment of real estate insurance policy, assignment of receivables from buyers of premises, assignment of receivables from the general contractor, financial pledge with priority satisfaction on the Borrower's bank accounts, subordination of loans, support agreement with Dekpol Deweloper Sp. z o.o.
Intek Sp. z o.o.	mBank S.A.- overdraft facility, agreement no. 05/014/19/Z/P X ¹	contractual mortgage up to the amount of PLN 4,125,000.00 on real estate in Lubawa KW EL11 / 00013950/5, assignment of insurance policy receivables, bills of exchange
Intek Sp. z o.o.	mBank S.A.- revolving loan, agreement no. 05/004/19/Z/LI ²	bill of exchange

Loans and borrowings as of 31.12.2020	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.	59162	0	PLN	WIBOR 3M + margin	2022-07-31
Alior Bank S.A. - VAT Dekpol Inwestycje loan, agreement U0003400195815B	Sp. z o.o. Sol Marina Sp. k.	4800	0	PLN	WIBOR 3M + margin	2022-07-31
Long-term loans and borrowings in total		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			
Short-term loans and borrowings in total		44 000	13 645	PLN	-	-



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Collateral		
Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k.	Alior Bank S.A. - revolving loan, agreement U00034001958 15A	mortgage up to the amount of PLN 95,942,830.00 on the property located in Wiślinka, Land and Mortgage Register No. GD1G / 00049045/5, assignment of receivables from the GC contract, surety
Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k.	Alior Bank S.A. - VAT loan, agreement U00034001958 15B	mortgage up to the amount of PLN 95,942,830.00 on the property located in Wiślinka, Land and Mortgage Register No. GD1G / 00049045/5, assignment of receivables from the GC contract, surety
Dekpol Steel Sp. z o.o.	Alior Bank S.A. - overdraft facility, agreement U00034445930 97	joint mortgage (jointly with the loan agreement for Dekpol S.A. No. U0003447412540) up to the amount of PLN 45,000,000.00 on real estate located in Pinczyn, LMR No. GD1A / 00038351/7, GD1A / 00064240/7, GD1A / 00061912/8, promissory note, guarantee PLG-FGP BGK for the amount of PLN 16,000,000.00
Dekpol Steel Sp. z o.o.	Santander Factoring sp. z o.o. factoring agreement no. 3673/5447/20 19	promissory note, assignment of receivables

Bonds (nominal value):

Bonds as of the end of reporting period 31.12.2021	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	stała	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
Long-term bonds in total	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
Short-term bonds in total	9 000	9 000	PLN	-	-

* since 19/06/2022 change to a fixed interest rate

Bonds	as	of	Collateral
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31.12.2021

Bonds (Dekpol Sp. z o.o.)	series Deweloper	A	surety by Dekpol SA, Dekpol Budownictwo Sp. z o.o. and Dekpol Steel sp.z o.o. and a declaration of submission to enforcement pursuant to art. 777 of the Polish Code of Guarantors
Bonds (Dekpol Sp. z o.o.)	series Deweloper	B	The surety of Dekpol SA and a declaration of submission to the execution of the Guarantor
Bonds (Dekpol Sp. z o.o.)	series Deweloper	C	Guarantee of Dekpol SA, transfer of loan receivables and declaration of submission to enforcement pursuant to Art. 777 of the Code of Civil Procedure of the Guarantor and Borrowers
Bonds (Dekpol Budownictwo Sp. z o.o.)	series A i B		mortgage up to the amount of PLN 52,500,000.00 on the perpetual usufruct right to real estate located in Gdańsk at Toruńska street, owned by Almond Sp. z o.o. LMR No. GD1G / 00047844/2, assignment of receivables from the insurance policy regarding the above-mentioned real estate, declaration of submission to enforcement pursuant to Art. 777 of the Code of Civil Procedure of the Issuer and the mortgage debtor

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
Long-term bonds in total	21 500	21 500	PLN	-	-
Short-term					
Short-term bonds in total	0	0	PLN	-	-

* nominal value

Collateral		
Bonds (Dekpol Sp. z o.o.)	series Deweloper	A
		guarantee

The value of capitalized interest as at the balance sheet date is PLN 1,812 thousand.



Parent entity

K series bonds issue

On 28th of January 2021, the Management Board of Dekpol S.A. adopted a resolution on the issue of no more than 50,000 3.5-year series K bearer bonds with a nominal value of PLN 1,000 each and a total nominal value of up to PLN 50,000,000 (Bonds). The bonds were issued in accordance with Art. 33 point 1 of the Act of 15th of January 2015 on bonds (Act on Bonds), in a way that did not require the Issuer to prepare a prospectus or information memorandum. The funds, in accordance with the purpose of the issue, were allocated to finance the current operations of the Issuer's Capital Group and to repay the debt due to series G and H bonds.

On 18th of February 2021, the Management Board of Dekpol S.A. adopted a resolution to make an initial allocation of 21,500 series K bearer bonds, not in the form of a document, with a nominal value of PLN 1,000 each bond and a total nominal value of PLN 21.5 million. The bonds were granted subject to the condition precedent of the final settlement of the Bond purchase transaction as part of the issue by the National Depository for Securities S.A. (KDPW). On 24th of February 2021, the Company was informed that the National Depository for Securities had completed the final settlement and thus the issue of series K bonds had been completed.

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

On 22nd of February 2021, the Management Board of the Warsaw Stock Exchange S.A. (WSE) adopted a resolution on the introduction of the Bonds to the alternative trading system (ATS) on the Catalyst market as of the date of



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registration of the Bonds by the National Depository for Securities. Since 2nd of March 2021, series K bonds are listed on the Catalyst market.

On 23rd of August 2021, Management Board of Dekpol S.A. made a decision on the assimilation of series K bonds with series L bonds. The assimilation was carried out on the basis of the resolution of the National Depository for Securities of 3rd of September 2021, and the assimilation date in the depository system was 8th of September 2021. The bonds covered by the assimilation are currently registered under one common code assigned to the series K bonds, i.e. PLDEKPL00107. The total number of bonds after assimilation under one common code is 39,150.

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

Redemption of series G and H bonds

On 8th of March 2021, the Company redeemed in full all the outstanding series G and H bonds, in line with their maturity. Due to the payment of a part of the series K bonds by setting off the receivables from the series G and H bonds, a total of 52,451 bonds with a nominal value of PLN 1,000 each were subject to redemption, including 43,009 series G bonds and 9,442 series H bonds. The total nominal value of the redeemed bonds was 52.45 million PLN.

L series bonds issue

On 9th of March 2021, the Management Board of Dekpol S.A. adopted a resolution on the issue of no more than 30,000 3.5-year series L bearer bonds with a nominal value of PLN 1,000 each and a total nominal value of up to PLN 30,000,000 (Bonds). The bonds were issued in accordance with Art. 33 point 1 of the Act on Bonds, in a manner that required the preparation of the information memorandum referred to in Art. 38b of the Act of 29th of July 2005 on public offering and the conditions for introducing financial instruments to an organized trading system and on public companies (Act on Public Offering), subject to the fact that pursuant to Art. 31zb of the Act of 2nd of March 2020 on special solutions related to the prevention, prevention and combating of COVID-19, other infectious diseases and emergencies caused by them, the requirement to approve the above-mentioned memorandum by the Polish Financial Supervision Authority. In accordance with the purpose of the issue, the funds were allocated to finance the current operations of the Issuer's Capital Group.

On 25th of March 2021, the Management Board of Dekpol S.A. adopted a resolution to make an initial allocation of 17,650 series L bearer bonds, not in the form of a document, with a nominal value of PLN 1,000 each bond and a



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total nominal value of PLN 17.65 million. The bonds were allotted 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. On 31st of March 2021, the Company was notified that the National Depository for Securities (KDPW) has completed the final settlement and thus the issue of series L bonds has been completed.

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

On 29th of March 2021, the WSE Management Board adopted a resolution on the introduction of the Bonds to the ATS on the Catalyst market as of the date of registration of the Bonds by the National Depository for Securities. Since 8th of April 2021, series L bonds are listed on the Catalyst market.

On 23rd of August 2021 the Management Board of Dekpol S.A. made a decision on the assimilation of series K bonds with series L bonds. The assimilation was carried out on the basis of the resolution of the National Depository for Securities of 3rd of September 2021, and the assimilation date in the depository system was 8th of September 2021. The bonds covered by the assimilation are currently registered under one common code assigned to the series K bonds, ie PLDEKPL00107. The total number of bonds after assimilation under one common code is 39,150.

The Company informed about the above events in current reports No. 12/2021 of 9th of March 2021, No. 14/2021 of 25th of March 2021, No. 15/2021 of 31st of March 2021.



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Approval of the prospectus related to the bond issue program

On 21st of April 2021, the Polish Financial Supervision Authority (KNF) approved the prospectus of Dekpol S.A. drawn up in connection with the public offering and application for admission to trading on the regulated Catalyst market operated by the WSE, of bearer bonds with a total nominal value of no more than PLN 150 million (Bonds). The bond issue program was established by a resolution of the Management Board of Dekpol S.A. of 29th of September 2020 (the program covered the issue of bonds with a total nominal value of no more than PLN 200 million, while bonds with a value of PLN 50 million were issued in November 2020 - series I bonds). The bonds covered by the prospectus may be issued in series as part of recurring issues within 12 months from the date of approval of the prospectus and offered on the terms and in accordance with the principles described in the prospectus and the terms of issue of a given series of Bonds. During the validity period of the prospectus, on the basis of the approved prospectus, the Company made two issues of bonds series P2021A and P2021B (after balance sheet date).

Redemption of DA and DB series bonds

On 30th of April 2021, the DA and DB series bonds were fully redeemed, in line with their maturity. A total of 35,000 bonds with a nominal value of PLN 1,000 each were subject to redemption, including 15,000 DA series bonds and 20,000 DB series bonds. The total par value of the redeemed bonds was PLN 35 million.

Issue of P2021A 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 a prospectus approved by the Polish Financial Supervision Authority on 21st of April 2021, as part of the bond issue program, under the procedure a public offering within the meaning of the Act on Public Offering ("Bonds"). The bonds were issued pursuant to Art. 33 point 1 of the Act on Bonds. The funds, in line with the purpose of the issue, were allocated to finance the current operations of the Issuer's Capital Group.

The 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. 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.



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P2021A series 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.

On 11th of August 2021, the National Depository for Securities issued a declaration regarding the registration in the securities depository of up to 25,000 series P2021A bonds of the Company. The Bonds were to be registered on the basis of settlement orders submitted after the resolution on admitting the Bonds to trading on the regulated market was adopted. The condition for registration of the Bonds was their admission to trading on the regulated market. On 11th of August 2021, the WSE Management Board adopted a resolution on the admission of the Bonds to exchange trading on the Catalyst main market as of the date of registration of the Bonds by the National Depository for Securities. On 17th of August 2021 the WSE Management Board adopted a resolution in which it decided to introduce the Bonds as of 19th of August 2021 to exchange trading on the main Catalyst market.

The above events were announced by the Company in current reports No. 33/2021 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.

The Meeting of Bondholders of Series I Bonds

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 Real Estate will be entered in the land and mortgage register with the highest priority by 31st of August 2021"

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"



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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 in the above-mentioned 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. in the first place. On 6th of September 2021, the Court deleted the mBank S.A. mortgage, which means that the mortgage on the real estate securing series I bonds is already entered with the highest priority.

Subsidiaries

Issue of B series bonds by Dekpol Deweloper Sp. z o.o.

On 15th of January 2021, the Management Board of Dekpol Deweloper Sp. z o.o. adopted a resolution on the issue of series B bonds with a total nominal value of no more than PLN 15 million. On 1st of February 2021, the Management Board of Dekpol Deweloper Sp. z o.o. adopted a resolution on the allocation of series B bonds. The Management Board decided to allocate 10,000 series B bearer bonds with a nominal value of PLN 1,000 each and a total nominal value of PLN 10 million. The bonds were issued at an issue price of PLN 1,000 each. The bonds are secured bearer securities with an interest rate equal to WIBOR 6M and a margin. Interest is payable in six-month periods. Only cash benefits are payable under the bonds. The redemption of the bonds will take place on 1st of August 2024. Moreover, the Company may demand early redemption of the bonds on each of the interest payment days, starting from the third interest period, paying in such a case a specific premium on this account. The bondholder may request early redemption of the bonds in the case of, inter alia, the Group's capital group exceeds certain debt ratios. The funds from the bond issue were allocated to the day-to-day operations of the Dekpol Deweloper Sp. z o.o. including land purchase financing.

Issue of series A and B bonds by Dekpol Budownictwo Sp. z o.o.

On 30th of April 2021 Dekpol Budownictwo Sp. z o.o. issued 15,000 series A bearer bonds and 20,000 series B bearer bonds with a nominal value of PLN 1,000 each and a total nominal value of PLN 15 million and PLN 20 million, respectively (Bonds). The Bonds were issued in accordance with the procedure specified in Art. 33 point 2 of the Act on Bonds and were addressed to SGB-Bank S.A. The purpose of the issue of the Bonds was to finance the current activity carried out by Dekpol Budownictwo, including the repayment of debt from the issue of series DB DEKPOL S.A. bonds, as a debt related to the contribution of an organized part of the enterprise.



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The bonds were issued at an issue price equal to their nominal value. The interest on the Bonds is based on the WIBOR 6M base rate increased by a margin. Interest on the Bonds is payable in 6-month periods. Series A bonds will be redeemed on 30th of April 2025, and series B bonds will be redeemed on 30th of October 2025. The bondholder may request early redemption of the Bonds held by him in the event of the occurrence and duration of the breach specified in the Bond Issue Terms and Conditions, incl. in the event that Dekpol Budownictwo exceeds certain debt ratios. Dekpol Budownictwo is entitled to early redemption of all or part of the Bonds. The security of the Bonds is, inter alia, a contractual mortgage up to the amount of PLN 52.5 million in favor of the mortgage administrator on the right of perpetual usufruct of land and a building constituting a separate real estate, vested in Almond sp. z o. o., located in Gdańsk at Toruńska street and the assignment of claims under the insurance policy relating to the above-mentioned real estate up to the sum insured, not lower than the market value of the real estate.

The Company informed about the event in the current report no. 20/2021 of 30th of April 2021.

Issue of series C bonds by Dekpol Deweloper Sp. z o.o.

On 24th of June 2021, Dekpol Deweloper Sp. issued 15,650 series C bonds with a total nominal value of PLN 15.65 million (Bonds). The bonds were issued pursuant to Art. 33 point 2 of the Act on Bonds. The Bonds were issued at an issue price of PLN 975 each, with a fixed interest rate and maturity date on 24th of June 2025. Interest on the Bonds is payable in six-month periods. The Company is required to redeem, on 30th of June 2024, the Bonds with the principal amount of PLN 5.65 million. Moreover, Dekpol Deweloper may demand early redemption of all or part of the Bonds by paying a specific premium on this account (0-2% of the value of the redeemed Bonds depending on the maturity date). The bondholder may request early redemption of the Bonds in the cases specified in the Terms and Conditions of the Bonds Issue. The Bonds are secured by a surety granted by Dekpol S.A. and assignments of claims for the repayment of the loans referred to below, established in favor of the collateral administrator. The funds from the issue of the Bonds are intended for the day-to-day operations of Dekpol Deweloper, including granting loans to Dekpol Inwestycje Sp. z o.o. Neo Jasień Sp.k. and Dekpol Inwestycje Sp. z o.o. Pastelowa Sp.k. for financing of own development investments and refinancing the purchase of land in the scope of Neo Jasień and Osiedle Pastelowe investments, respectively.

Amendments to the Terms and Conditions of the Series A Bonds of Dekpol Deweloper Sp. z o.o.



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On 24th of June 2021, Dekpol Deweloper Sp. z o.o. concluded an agreement with the investment fund, which is the sole bondholder of A-series bonds, on the amendment of the Bond Issue Terms and Conditions. Series A bonds were issued on 19th of June 2019 in the number of 30,000 secured bonds with a total nominal value of PLN 30 million, at an issue price of PLN 985.00 each Bond, with a variable interest rate based on WIBOR 6M + margin and maximum redemption date falling on 19th of June 2022, of which 8,500 Bonds were redeemed on 19th of December 2020 in accordance with the provisions of the Bond Issue Terms and Conditions. The amendment to the Terms of Issue of Series A Bonds included, inter alia, extending the redemption date of the Bonds until 30th of August 2023 and changing the interest rate on the Bonds in the extended period to a specific fixed interest rate. In addition, the Issuer also undertook to early redeem 9,000 Bonds on 19th of June 2022.



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11.3. LIABILITIES BY PAYMENT TERMS IN REPORTING PERIOD

Item	Overdue	up to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Long-term derivative liabilities	0	0	0	0	0	0
Long-term bonds	0	0	12 500	183 576	0	196 076
Long-term borrowings	0	0	0	0	0	0
Long-term loans	0	0	4 239	0	0	4 239
Long-term leases	0	0	3 404	2 420	0	5 824
Short-term derivative liabilities	0	7 214	0	0	0	7 214
Short-term leases	0	4 537	0	0	0	4 537
Short-term bonds	0	9 000	0	0	0	9 000
Short-term borrowings	0	0	0	0	0	0
Short-term loans	0	104 743	0	0	0	104 743
Financial liabilities - due	0	125 494	20 143	185 996	0	331 633

11.4. LIABILITIES BY PAYMENT TERMS IN PREVIOUS REPORTING PERIOD

Item	Overdue	up to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Long-term derivative liabilities	0	0	0	0	0	0
Long-term bonds	0	0	21 056	59 584	0	80 640
Long-term borrowings	0	0	0	0	0	0
Long-term loans	0	0	0	0	5 423	5 423
Long-term leases	0	0	2 272	1 592	0	3 864
Short-term derivative liabilities	0	7 369	0	0	0	7 369
Short-term leases	0	4 550	0	0	0	4 550
Short-term bonds	0	98 400	0	0	0	98 400
Short-term borrowings	0	16	0	0	0	16
Short-term loans	0	63 428	0	0	0	63 428
Financial liabilities - due	0	173 763	23 328	61 176	5 423	263 690



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12. TRADE LIABILITIES

12.1. LONG-TERM LIABILITIES

Item	31.12.2021	31.12.2020
Deposits received	29 809	19 092
Other liabilities (long-term)	0	0
Other long-term liabilities	29 809	19 092
Long-term prepayments	0	0
Liabilities from deliveries and services and other long-term liabilities	29 809	19 092

12.2. SHORT-TERM LIABILITIES

Item	31.12.2021	31.12.2020
Liabilities from deliveries and services	328 261	175 226
Prepayments and advances received for deliveries	104 905	76 054
Short-term deposits received	22 323	16 424
Other taxes, duties and social security liabilities	22 655	17 638
Payroll liabilities	4 070	1 834
Other short-term liabilities	3 295	185
Trade payables and other payables	485 509	287 361
Deferred income	4 152	5 706
Liabilities from deliveries and services and other short-term liabilities	489 661	293 067



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12.3. LIABILITIES BY PAYMENT TERMS IN REPORTING PERIOD

Item	Overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Long-term deposits received	7	0	0	0	0	2 222	18 312	9 267	29 809
Other long-term liabilities – other titles	0	0	0	0	0	0	0	0	0
Long-term liabilities	7	0	0	0	0	2 222	18 312	9 267	29 809
Trade liabilities	128 767	137 938	34 361	20 220	6 875	101	0	0	328 261
Prepayments and deposits received for supplies	333	20 582	256	0	83 734	0	0	0	104 905
Short-term recieved bails	13 914	217	2 088	3 895	2 209	0	0	0	22 323
Liabilities due to other taxes	0	19 982	286	429	850	1 108	0	0	22 655
Liabilities due to remunerations	0	4 070	0	0	0	0	0	0	4 070
Other short-term liabilities	0	2 380	177	500	239	0	0	0	3 297
Short-term liabilities	143 014	185 169	37 168	25 044	93 907	1 209	0	0	485 511



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12.4. LIABILITIES BY PAYMENT TERMS IN PREVIOUS REPORTING PERIOD

Item	Overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Long-term deposits received	0	0	0	0	0	1 570	16 990	531	19 092
Other long-term liabilities – other titles	0	0	0	0	0	0	0	0	0
Long-term liabilities	0	0	0	0	0	1 570	16 990	531	19 092
Trade liabilities	52 234	98 156	24 499	158	72	107	0	0	175 226
Prepayments and deposits received for supplies	5	8 124	0	12 880	55 045	0	0	0	76 054
Short-term recieved bails	9 025	1 519	2 543	2 097	1 226	14	0	0	16 424
Liabilities due to other taxes	0	10 072	0	0	0	0	0	0	10 072
Liabilities due to remunerations	0	1 834	0	0	0	0	0	0	1 834
Other short-term liabilities	0	185	0	0	0	0	0	0	185
Short-term liabilities	61 259	127 462	27 041	15 135	56 343	121	0	0	287 361



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12.5. OVERDUE LIABILITIES IN REPORTING PERIOD

Item	Non-overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	Over 1 year	Total
Trade liabilities	199 491	86 498	30 873	7 769	2 791	835	328 262
Prepayments and deposits received for supplies	104 572	0	0	0	333	0	104 905
Short-term recieved bails	8 409	1 388	924	1 029	4 371	6 201	22 323
Liabilities due to other taxes	22 655	0	0	0	0	0	22 655
Liabilities due to remunerations	4 070	0	0	0	0	0	4 070
Other short-term liabilities	3 296	0	0	0	0	0	3 296
Short-term liabilities	342 493	87 887	31 797	8 798	7 495	7 036	485 511

12.6. OVERDUE LIABILITIES IN PREVIOUS REPORTING PERIOD

Item	Non-overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	Over 1 year	Total
Trade liabilities	122 992	35 573	14 256	1 565	253	586	175 226
Prepayments and deposits received for supplies	76 049	0	5	0	0	0	76 054
Short-term recieved bails	7 399	373	945	1 083	1 701	4 923	16 424
Liabilities due to other taxes	17 638	0	0	0	0	0	17 638
Liabilities due to remunerations	1 834	0	0	0	0	0	1 834
Other short-term liabilities	185	0	0	0	0	0	185
Short-term liabilities	226 097	35 946	15 206	2 648	1 954	5 509	287 361



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12.7. SPECIFICATION OF DEFERRED INCOME IN REPORTING PERIOD

Item	Short-term	Long-term	Total
Grants received	857	3 175	4 031
Deferred charges	0	0	0
Other charges	121	0	121
Liabilities – deferred charges in total	978	3 175	4 152

12.8. SPECIFICATION OF DEFERRED INCOME IN PREVIOUS REPORTING PERIOD

Item	Short-term	Long-term	Total
Grants received	505	5 181	5 686
Deferred charges	20	0	20
Other charges	0	0	0
Liabilities – deferred charges in total	525	5 181	5 706

13.ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Assets held for sale and discontinued operations did not occur.

In the financial year 2021, the activities started in previous years related to the separation of the main segments of the Company to subsidiaries within the Dekpol Capital Group were completed. Dekpol S.A. took over the function of the managing holding company of the Capital Group. By implementing a new organizational structure, it was possible to individualize the development strategies created for each of the dedicated companies. Currently, each of the management boards has a package of options to select their own solutions, depending on the specifics of the conducted business activity.

The historical changes that took place in the company can be found in the financial statements of the Company for the previous periods.

On 31st of December 2020, Dekpol S.A. concluded with the subsidiary Dekpol Budownictwo Sp. z o.o. a transfer agreement for Dekpol Budownictwo Sp. z o.o. an organized part of the enterprise (OPE) of Dekpol S.A., worth PLN 137.2 million, operating under the name "General Contracting Department" and covering, in particular, comprehensive implementation of investments in the field of construction and assembly works at the request of investors. The organized part of the enterprise was a separate department within the Issuer's structures and an



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independent enterprise performing the above tasks independently. Pursuant to the concluded agreement, the OPE was issued on 1st of January 2021 (an event after the balance sheet date). The OPE included, inter alia, rights and obligations under employment contracts and all employee files relating to the transferred employees, stocks of materials, fixed and movable assets and equipment, intangible assets, receivables from contractors, cash, rights resulting from contracts with investors, subcontractors, service providers, suppliers, customers, rights and obligations arising from contracts concluded with financial institutions and lease agreements, lease of movable property, intellectual property rights, administrative decisions, concessions, licenses, permits, permits, certificates and others. The transfer of OPE took place as an in-kind contribution to cover the share capital in connection with the acquisition by the Company on 31st of December 2020 of 1,399,900 new shares in Dekpol Budownictwo Sp. z o.o. with a total nominal value of PLN 69.995 million. After the increase, the share capital of Dekpol Budownictwo Sp. z o.o. amounts to PLN 70 million. In connection with the above-mentioned an event of Dekpol S.A. contributed assets and liabilities constituting OPE with a net carrying amount of PLN 3,021 thousand. This amount is also the value of the shares in Dekpol Budownictwo Sp. z o.o. recognized in the separate financial statements of Dekpol S.A. Revenues from general contracting from 1st of January 2021 are recognized in principle in Dekpol Budownictwo Sp. z o.o. In connection with the above-mentioned as a result, the comparability of data in the SFS is difficult, but it is fully maintained in segment reporting, which is presented in Note 20 to this report. The above events were the result of activities undertaken in previous years related to the reorganization of the Company and the Dekpol Capital Group, which was aimed at introducing a management system tailored to the increasing scale of the Company's operations and its individual segments, the expanded structure, as well as further development plans.

14. OPERATING REVENUES AND COSTS

14.1. SALES REVENUES

Item	01.01.-31.12.2021	01.01.-31.12.2020
Revenues from sales of products	1 223 163	1 026 248
Revenues from sales of services	6 934	10 224
Revenues from sales of goods and materials	25 686	18 506
Sales revenues	1 255 783	1 054 978



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14.2. COSTS BY TYPE

Item	01.01.-31.12.2021	01.01.-31.12.2020
Cost of goods and materials sold	20 116	17 396
Remuneration	49 733	43 616
Depreciation	11 889	10 967
Employee benefits	12 166	10 392
Consumption of materials and energy	393 698	234 150
Outsourced services	629 058	529 371
Taxes and fees	4 356	3 757
Other costs by type	12 755	7 506
Costs by type	1 133 771	857 156
Administrative expenses	-31 308	-21 081
Selling costs	-33 913	-34 930
Own work capitalized	64 192	1 703
Movements in the balance of products	-42 618	114 776
Own selling cost	1 090 125	917 617

14.3. OWN SELLING COST

Item	01.01.-31.12.2021	01.01.-31.12.2020
Cost of product sold	1 066 728	889 672
Cost of services sold	3 281	7 742
Cost of goods and materials sold	20 116	17 396
Own selling cost	1 090 125	914 809



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14.4. OTHER OPERATING REVENUES

Item	01.01.-31.12.2021	01.01.-31.12.2020
Profit on disposal of non-financial fixed assets	221	452
Re-invoices	0	0
Pricing of investment properties to its fair value	392	6 121
Release of provisions	77	4 169
Fines and compensations	1 974	3 002
Grants	1 735	2 352
Overdue liabilities	0	0
Scrap yield	0	0
Bonus from turnover	0	0
Surplus stock	947	263
Other titles	2 164	1 185
Write-offs for inventories reversal in period (-)	0	197
Impairment write-offs on receivables reversal in period (-)	2 566	2 653
Profit from a bargain purchase	20 229	0
Other operating revenues	30 304	20 393

14.5. OTHER OPERATING COSTS

Item	01.01.-31.12.2021	01.01.-31.12.2020
Write-offs for inventories creation in period	173	158
Pricing of investment properties to its fair value	800	5 327
Establishment of provisions	424	930
Cost related to acquisition of subsidiaries	0	0
Cost of defects repairs and scrap page	26	1 270
Donations	471	681
Handover of a road investment	2 072	0
Inventory deficits	625	135
Receivables	1 621	0
Contractual penalties	51	15
Other titles	4 598	7 500
Material losses	15	0
Court litigation costs	161	0
Re-invoicing costs	0	0
Compensations	643	371
Impairment write-offs on receivables creation in period	6 035	4 305
Loss on disposal of non-financial fixed assets	39	1
Other operating costs	17 754	20 692



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15. FINANCIAL REVENUES AND EXPENSES

15.1. FINANCIAL REVENUES

Item	01.01.-31.12.2021	01.01.-31.12.2020
Interests	2 340	296
Profit from sale of financial assets	0	0
Dividends	0	0
Reversal of write-offs	0	0
Other financial revenues	12	0
Surplus of positive exchange differences over the negative ones	1	1 529
Pricing of financial instruments at fair value	179	0
Financial revenues	2 532	1 825

15.2. FINANCIAL EXPENSES

Item	01.01.-31.12.2021	01.01.-31.12.2020
Other financial costs	340	0
Interests	17 691	11 930
Write-offs	0	0
Loss from sale of financial assets	0	0
Surplus of negative exchange differences over the positive ones	3 433	326
Pricing of financial instruments at fair value	4 419	3 540
Financial expenses	25 883	15 796

16. INCOME TAX

16.1. INCOME TAX

Item	01.01.-31.12.2021	01.01.-31.12.2020
Current income tax	11 006	26 899
Deferred income tax	2 906	-12 597
Income tax	13 912	14 302



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16.2. EFFECTIVE TAXATION RATE

Item	01.01.-31.12.2021	01.01.-31.12.2020
Current income tax for previous periods included in financial result	0	0
Profit (loss) before tax	89 638	67 087
Probable income tax	17 031	12 746
Fees for PFRON	118	65
Dividends	-5 291	0
Representation costs	46	41
Costs of penalties and mandates	114	97
Other costs	1 894	1 353
Reconciliation of differences that permanently do not constitute tax deductible costs	-3 119	1 556
Income tax not included in the asset and reserve for deferred income tax	0	0
Deduction of income tax	0	0
<i>Income tax recognized in financial result</i>	<i>13 912</i>	<i>14 302</i>

17. DEFERRED INCOME TAX

17.1. DEFERRED INCOME TAX

Item	01.01.-31.12.2021	01.01.-31.12.2020
Assets and provisions due to deferred income tax per balance at the beginning of the period	3 618	24 985
Other comprehensive income (+/-)	1 143	0
Accounting for a business combination	0	0
Financial result (+/-)	9 457	-21 367
Other (including net exchange differences on translation)	0	0
Assets and provisions due to deferred income tax per balance at the end of the period	14 218	3 618
Assets due to deferred income tax	31 757	16 108
Provision due to deferred income tax	45 975	19 726



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17.2. DEFERRED INCOME TAX ASSETS IN REPORTING PERIOD

Item	Balance at the beginning of period	Financial result	Other comprehensive income	settlement of the connection	other changes	Total
Pricing of liabilities in revised purchase price	0	8 580	0	0	0	8 580
Assets write-offs	2 072	1 458	-340	0	0	3 190
Other titles as a basis for establishment of assets for deferred income tax	3 715	4 027	-1 157	0	0	6 585
Provisions for employee benefits	292	257	0	0	0	549
Other provisions	10 028	2 824	0	0	0	12 852
Other liabilities	0	0	0	0	0	0
Deferred income tax assets	16 108	17 146	-1 497	0	0	31 757

17.3 DEFERRED INCOME TAX ASSETS IN PREVIOUS REPORTING PERIOD

Item	Balance at the beginning of period	Financial result	Other comprehensive income	settlement of the connection	other changes	Total
Pricing of liabilities in revised purchase price	501	-501	0	0	0	0
Assets write-offs	1 242	832	0	0	0	2 073
Other titles as a basis for establishment of assets for deferred income tax	4 869	-2 003	849	0	0	3 715
Provisions for employee benefits	25	268	0	0	0	292
Other provisions	1 284	8 743	0	0	0	10 028
Other liabilities	0	0	0	0	0	0
Deferred income tax assets	7 921	7 339	849	0	0	16 108



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17.4. DEFERRED INCOME TAX PROVISIONS IN REPORTING PERIOD

Item	Balance at the beginning of period	Financial result	Other comprehensive income	settlement of the connection	other changes	Total
Deferred tax from pricing of investment property	9 317	-3 475	0	0	0	5 842
Depreciation of fixed assets	1 405	186	-354	0	0	1 237
Trade receivables	869	-625	0	0	0	244
Construction contracts	5 910	9 504	0	0	0	15 414
Other titles as a basis for establishment of assets for deferred income tax	1 787	7 908	0	0	0	9 695
Liabilities due to employee benefits	0	1 042	0	0	0	1 042
Provisions for employee benefits	0	83	0	0	0	83
Other provisions	0	11 548	0	0	0	11 548
Pricing of liabilities in revised purchase price	21	475	0	0	0	496
Overestimation of financial assets (positive differences)	417	-43	0	0	0	374
Deferred income tax provision	19 726	26 603	-354	0	0	45 975



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17.5. DEFERRED INCOME TAX PROVISIONS IN PREVIOUS REPORTING PERIOD

Item	Balance at the beginning of period	Financial result	Other comprehensive income	settlement of the connection	other changes	Total
Deferred tax from pricing of investment property	10 659	-1 342	0	0	0	9 317
Depreciation of fixed assets	2 201	-796	0	0	0	1 405
Trade receivables	522	347	0	0	0	869
Construction contracts	10 075	-4 165	0	0	0	5 910
Other titles as a basis for establishment of assets for deferred income tax	1 281	506	0	0	0	1 787
Pricing of liabilities in revised purchase price	241	-220	0	0	0	21
Overestimation of financial assets (positive differences)	7	410	0	0	0	417
Deferred income tax provision	24 985	-5 260	0	0	0	19 726



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18. FINANCIAL INSTRUMENTS

18.1. FINANCIAL INSTRUMENTS – ASSETS

Item	31.12.2021	31.12.2020
Long-term receivables	13 080	1 737
Trade receivables and other receivables	505 527	275 628
Receivables from contracts with customers, net	406 179	205 109
Dividend receivables - short-term	0	0
Receivables evaluated at nominal value	518 607	277 365
Loans and receivables	4 216	5 530
Shares and shares in entities	0	0
Shares and stocks in subsidiaries	0	0
Shares and stocks in associates and jointly controlled entities	40	26
Assets evaluated at fair value through financial result	0	0
Cash and cash equivalents	190 627	157 493
Financial assets available for sale	0	0
Financial assets held to maturity	0	0
Financial assets	713 490	440 414

18.2. FINANCIAL INSTRUMENTS - LIABILITIES

Item	31.12.2021	31.12.2020
Liabilities evaluated at depreciated cost	324 462	263 691
Liabilities evaluated at fair value through financial result	0	0
Liabilities evaluated at nominal value	515 318	301 628
Financial liabilities	839 780	565 319

19. RISKS OF FINANCIAL INSTRUMENTS

19.1. EXPOSURE TO FX RISK IN REPORTING PERIOD

Item	PLN	EUR	Other	Total
Loans and own receivables (valued in the APP)	4 216	0	0	4 216
Trade receivables and other financial receivables	177 264	336 450	83	513 797
Other financial assets	4 281	0	0	4 281



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Cash and cash equivalents	185 788	4 820	19	190 627
Derivatives	0	0	0	0
Financial assets (+):	371 549	341 270	102	712 921
Loans, borrowings and other debt instruments	314 101	0	0	314 101
Financial lease	10 361	0	0	10 361
Trade liabilities and other financial liabilities	467 432	21 882	348	489 662
Derivatives	0	0	0	0
Financial liabilities (-):	791 894	21 882	348	814 124

19.2. EXPOSURE TO FX RISK IN PREVIOUS REPORTING PERIOD

Item	PLN	EUR	Other	Total
Loans and own receivables (valued in the APP)	0	0	0	0
Trade receivables and other financial receivables	185 548	92 817	0	277 365
Other financial assets	26	0	0	26
Cash and cash equivalents	153 731	3 748	13	157 493
Derivatives	0	0	0	0
Financial assets (+):	338 305	96 565	13	434 883
Loans, borrowings and other debt instruments	247 907	0	0	247 907
Financial lease	5 941	2 474	0	8 415
Trade liabilities and other financial liabilities	302 346	5 077	29	306 452
Derivatives	0	0	0	0
Financial liabilities (-):	469 131	7 551	29	562 774

19.3. EXPOSURE TO INTEREST RATE RISK IN REPORTING PERIOD

Item	Variable interest rate	Fixed interest rate	Total
Long-term financial liabilities (evaluated in APP)	190 489	15 650	206 139
Short-term financial liabilities (evaluated in APP)	117 707	616	118 323
Loans and own receivables (evaluated in APP)	8 497	0	8 497

Interest rate risk

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



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19.4. EXPOSURE ON INTEREST RATE RISK IN PREVIOUS REPORTING PERIOD

Item	Variable interest rate	Fixed interest rate	Total
Long-term financial liabilities (evaluated in APP)	89 928	0	89 928
Short-term financial liabilities (evaluated in APP)	166 378	16	166 394
Loans and own receivables (evaluated in APP)	16	0	16

20. OPERATING SEGMENTS

20.1. REVENUES, RESULTS AND OTHER IN REPORTING PERIOD

Item	General contracting	Property development	Production of steel structures and accessories	Other	Total
Sales revenues in total	849 764	253 860	120 349	31 810	1 255 783
Other operating revenues	0	0	0	30 304	30 304
Other operating expenses	0	0	0	17 754	17 754
Operating expenses in total	800 115	204 581	107 729	42 921	1 155 346
Operating result	49 648	49 279	12 620	1 440	112 988
Financial revenues	0	0	0	2 532	2 532
Financial expenses	0	0	0	25 883	25 883
Income tax	0	0	0	13 912	13 912
Net result	49 648	49 279	12 620	-35 823	75 726

20.2. REVENUES, RESULT AND OTHER IN PREVIOUS REPORTING PERIOD

Item	General contracting	Property development	Production of steel structures and accessories	Other	Total
Sales revenues in total	654 451	286 580	80 261	33 326	1 054 978
Other operating revenues	0	0	0	20 393	20 393
Other operating expenses	0	0	0	20 692	20 692
Operating expenses in total	609 146	245 047	74 865	44 576	973 635
Operating result	45 305	41 532	5 755	-11 548	81 044



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Financial revenues	0	0	0	1 825	1 825
Financial expenses	0	0	0	15 796	15 796
Income tax	0	0	0	14 302	14 302
Net result	45 305	41 532	5 755	-39 822	52 771

20.3. GEOGRAPHICAL STRUCTURE

Item	31.12.2021	31.12.2020
Poland	1 146 689	1 001 460
European Union	83 031	42 678
Other countries	26 063	10 840
Sales revenues	1 255 783	1 054 978
Poland	1 316 379	1 589 056
European Union	32 771	13 033
Other countries	7 999	2 958
Assets	1 357 149	1 605 047

21. AGREEMENTS FOR CONSTRUCTION SERVICES

21.1. AGREEMENTS FOR CONSTRUCTION SERVICES

Item	31.12.2021	31.12.2020
Revenues from construction contracts recognized in the period	1 042 339	683 012
The costs of construction contracts incurred during the period	969 261	597 038
Costs due to loss provisions	0	0
Result set in agreements on construction services in a period	73 078	85 974
Bail stopped by contractors	40 059	40 882
Advances received for construction contracts	59 239	5 444
Receivables from construction contracts	126 486	35 404
Liabilities due to construction contracts	0	0

Construction contracts are financially accounted with investors as follows:

- during the execution of works - partly in accordance with the progress of works, based on settlement documents confirming the performance of specific works and other



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contractual obligations, including interim payment certificates, partial acceptance reports - partial invoice and

- after completion of works - on the basis of final documents, such as the final acceptance protocol, confirming the completion of the works and the fulfillment of contractual obligations required for the final settlement - final invoice.

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

Active contracts cumulatively until the balance sheet date

Assets under construction contracts	01.01.-31.12.2021	01.01.-31.12.2020
Balance at the beginning of the period	39 517	66 457
Loss of value	0	0
Valuation adjustments	0	0
Transfer to receivables (invoicing)	-39 517	-66 457
Valuation at the end of the period	81 447	35 404
Balance at the end of the period	81 447	35 404

Liabilities under construction contracts	01.01.-31.12.2021	01.01.-31.12.2020
Balance at the beginning of the period	0	0
Valuation adjustments	0	0
Transfer to revenues (execution)	0	0
Valuation at the end of the period	0	0
Balance at the end of the period	0	0

Other liabilities due to contracts with clients	01.01.-31.12.2021	01.01.-31.12.2020
Balance at the beginning of the period	81 123	14 452
Advances paid	144 747	395 398
Transfer to revenues (execution)	-111 707	-333 796
Valuation at the end of the period	0	0
Balance at the end of the period	114 163	76 054

Total transaction price allocated to benefits that were not met	01.01.-31.12.2021	01.01.-31.12.2020
Other	0	0
Sale of premises	160 382	90 408
Construction contracts	792 492	356 371



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The company estimates that all contracts concluded in 2021 will be settled no later than in the years 2022-2024

22. TRANSACTIONS WITH AFFILIATES

22.1. BENEFITS FOR MANAGERIAL STAFF

Item	31.12.2021	31.12.2020
Short-term employee benefits	983	1 130
Benefits from termination of work agreements	0	0
Payments in form of own shares	0	0
Other benefits	876	532
* Including services provided in person, on market terms for the benefit of the Company		
Benefits for managerial staff	1 859	1 662

22.2. TRANSACTIONS AND BALANCES WITH AFFILIATES IN REPORTING PERIOD

Item	Consolidated	Subsidiary not consolidated	Associated and interdependent	Other affiliated	Total
Net purchases (without VAT)	0	0	0	45	45
Revenue from interest	0	0	0	0	0
Net sales (without VAT)	0	0	0	9 047	9 047
Cost of interest	0	0	0	0	0
Loans received	0	0	0	0	0
Loans granted	0	0	4 216	0	4 216
Short-term receivables	0	0	0	174	174
Long-term receivables	0	0	0	0	0
Short-term liabilities	0	0	0	5 226	5 226
Long-term liabilities	0	0	0	0	0
Dividends granted	0	0	0	0	0
Dividends paid	0	0	0	0	0
Total	0	0	4 216	14 492	18 708

22.3. TRANSACTIONS AND BALANCES WITH AFFILIATES IN PREVIOUS REPORTING PERIOD

Item	Consolidated	Subsidiary not	Associated and	Other affiliated	Total
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	consolidated interdepend ent				
Net purchases (without VAT)	0	0	0	503	503
Revenue from interest	0	0	0	0	0
Net sales (without VAT)	0	0	0	7 006	7 006
Cost of interest	0	0	0	0	0
Loans received	0	0	0	0	0
Loans granted	0	0	0	0	0
Short-term receivables	0	0	0	0	0
Long-term receivables	0	0	0	0	0
Short-term liabilities	0	0	0	3 624	3 624
Long-term liabilities	0	0	0	0	0
Dividends granted	0	0	0	0	0
Dividends paid	0	0	0	0	0
Total	0	0	0	11 133	11 133



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23. OTHER INFORMATION

23.1. AVERAGE NUMBER OF FTE'S

Item	31.12.2021	31.12.2020
White-collar employees	354	242
Blue-collar employees	432	275
Average number of FTE's	786	517

* the change is mainly due to the acquisition of Intek company.

The Issuer also informs that as at 31st of December 2021 in Dekpol S.A. and in the Issuer's direct and indirect subsidiaries employment was:

- Dekpol S. A. – 84 people,
- Dekpol Budownictwo Sp. z o.o. - 190 people,
- Dekpol Deweloper Sp. z o.o. – 23 people,
- Dekpol Steel Sp. z o.o. – 227 people.
- Betpref Sp. z o.o. – 99 people.
- Intek sp. z o.o. – 213 people
- Smartex sp. z o. o. – 3 people.

23.2. AUDITORS REMUNERATION

Item	31.12.2021	31.12.2020
Audit of annual financial statements	79	125
Review of financial statements	42	28
Tax advisory	0	0
Other services	0	0
Auditor's remuneration in total	121	153



24. EVENTS AFTER BALANCE SHEET DATE

Issue of P2021B series bonds as part of the bond issue program

On 24th of February 2022 (event after the balance sheet date) Management Board of Dekpol S.A. adopted a resolution on the issue of up to 50,000 series P2021B bearer bonds with a nominal value of PLN 1,000 each and a total nominal value of up to PLN 50 million ("Bonds"). Then, 18th of on March 2022 the resolution of the Management Board of the Company on amending the resolution of 24th of February 2022 on the issue of the Bonds entered into force. Pursuant to the amendment, the issue size of series P2021B bonds was reduced to 15,000 Bonds with an issue price equal to the nominal value of PLN 1,000 each and with a total nominal value of up to PLN 15 million, and the allocation of funds from the issue of the Bonds was determined for the current operations of the Issuer's Capital Group.

The resolution of the Management Board of the Company entered into force in connection with the approval on 18th of March 2022 by the Polish Financial Supervision Authority a supplement to the prospectus containing the above-mentioned changes. The change in the parameters of the Bonds issue was related to the current situation on the financial market, mainly determined by Russia's ongoing aggression towards Ukraine. Originally, the funds from the issue of the Bonds were to be redeemed for the early redemption of series I bonds at the request of the Issuer by the date of payment of interest for the third interest period in accordance with the terms of issue of series I bonds, and any surplus was to be allocated to the Group's current operations. Considering the risk of not obtaining full, initially assumed, proceeds from the issue, the Issuer decided to abandon the intention to redeem series I bonds earlier and now only issue Bonds with a lower value satisfying, on the one hand, the demand reported by investors, but not generating a significant increase in the Group's debt.

The issue of the Bonds was carried out on the basis of a prospectus approved by the Polish Financial Supervision Authority on 21st of April 2021 in the form of a public offering within the meaning of the provisions of the Act of 29th of July 2005 on public offering (...). The bonds were issued pursuant to Art. 33 point 1 of the Act on Bonds, as part of the bond issue program adopted in 2020. In accordance with the adopted Final Terms and Conditions of the Bond Issue ("TCB"), the interest rate on the Bonds is variable and amounts to 4.60% + WIBOR 3M on an annual basis. Interest on the Bonds is payable in 3-month periods. The bonds are not secured. The redemption of the Bonds will take place on 22nd of September 2025. The Bondholder has the right to demand early redemption of the Bonds in standard cases specified in the terms and conditions of the bond issue, including inter alia if the Group exceeds certain debt ratios. The Company may request early



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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.

On 24th of March 2022 the Management Board of Dekpol S.A. adopted a resolution to make an initial allocation of 12,102 bearer series P2021B bonds with a par value of PLN 1,000 each and a total par value of PLN 12,102,000. P2021B 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. On 29th of March 2022, the Company was informed about the final settlement of the Bonds by the National Depository for Securities. Thus, the issue of P2021B series bonds was completed.

On 9th of March 2022, the National Depository for Securities issued a declaration on the registration in the securities depository of up to 50,000 series P2021B bonds of the Company. The Bonds were to be registered on the basis of settlement orders submitted after the resolution on admitting the Bonds to trading on the regulated market was adopted. The condition for registration of the Bonds was their admission to trading on the regulated market. Then, in connection with the resolution of the Issuer's Management Board on changing the parameters of the issue, on 25th of March 2022, KDPW issued a statement on the change in the number of bonds subject to registration to 15,000 (previously 50,000).

On 25th of March 2022, the WSE Management Board adopted a resolution on the admission to 12,102 of the Company's series P2021B bonds to trading on the main Catalyst market, as of the date of registration of the Bonds by the National Depository for Securities. On 30th of March 2022 the WSE Management Board adopted a resolution in which it decided to introduce 12,102 series P2021B bearer bonds of the Company as of 4th of April 2022 to exchange trading on the main Catalyst market. Moreover, the WSE Management Board set the date of the last listing of the Bonds on 11th of September 2025.

The above events were announced by the Company in current reports No. 9/2022 of 24th of February 2022, No. 10/2022 of 9th of March 2022, No. 12/2022 of 18th of March 2022, No. 13/2022 of 24th of March 2022, No. 14/2022 of 25th of March 2022, No. 15/2022 of 28th of March 2022, No. 16/2022 and 17/2022 of 29th of March 2022 and No. 19/2022 of 31st of March 2022.

The armed conflict in Ukraine and its potential impact on the political and economic situation

On 24th of February 2022, Russian troops invaded Ukraine. In the opinion of the Company, the main areas which may be indirectly affected by the current situation are mainly the following: 1) availability of workforce, 2) raw materials, their



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prices and availability, 3) fluctuations in the currency market, 4) the situation on the banking and financial market.

In the area of workforce, the risk of the return of Ukrainian employees currently working in Poland to their home country is identified, which could affect the Issuer's Group through the risk of human resources occurring mainly in the Company's subcontractors. In the opinion of the Company, the challenge in terms of the staff will be identified in the majority of construction and production companies on the Polish market.

As a result of the conflict in Ukraine, many countries around the world, including European countries, the USA, Canada, Australia and Japan, imposed financial and trade sanctions on Russia and partially on Belarus. Retaliatory sanctions are also being gradually imposed by the Russian Federation. As a result, trade with Russia, Belarus and Ukraine, which is at war, may collapse. According to Eurostat data, in 2021 the share of Russia, Ukraine and Belarus in Polish imports amounted to 5.7%, 1.5% and 0.5%, respectively. The main products imported from these countries are: wood, chemical products (Belarus), semi-finished iron and steel products (Ukraine), energy raw materials, steel, industrial metals (Russia). The breakdown in economic relations may result in short-term shortages of these products and / or a sharp rise in the prices of these goods. A large part of these products is used both in the Group's production activities and in the construction industry, including housing, which may have an impact on the increase of the Issuer's investment execution costs.

Moreover, the war may weaken the zloty, raise inflation and increase pressure on interest rate hikes. The situation on the banking and financial markets may have an impact on the Company's obtaining financing in future periods, and in the Company's opinion, the situation and sentiment in the financial markets will largely depend on the further development of the situation in Ukraine.

The factors described above may have an impact on the Group's development prospects, results and financial standing. The risks related to the situation in Ukraine are presented in Chapter 7 of this report. At the moment, however, it is not possible to predict the scale of this impact on the Group, which depends largely on the duration of the conflict and further developments in Ukraine and Central and Eastern Europe.

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

The COVID-19 virus and its subsequent variants continue to be a factor influencing the global and Polish economy, despite the ongoing vaccinations. Dekpol Budownictwo identifies potential risks that may affect individual areas of activity, resulting directly or indirectly from the current situation. It cannot be ruled out that in this situation there may be delays in project implementation due to the occurrence



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of force majeure circumstances. On the other hand, the economic crisis caused by the Covid-19 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, or even the complete insolvency of these contractors.

Impact related to an increase in interest rates

As part of its activities, the Company is exposed to the interest rate risk. The interest rate increases made by the NBP will have an impact on the financial results through the rising costs of loans and leasing, and difficulties in obtaining financing.

The condition of the Polish economy, as well as world markets, depends mainly on three mutually influencing elements, which are the levels of economic growth, interest rates and inflation.

The operations of the National Bank of Poland related to subsequent interest rate increases are aimed at limiting the amount of money on the market, which directly translates into the terms of corporate loans, and thus the need to analyze liquidity. As a consequence, some enterprises will not be able to incur new liabilities at all, as even small increases in interest rates translate into much higher debt servicing costs. Thus, the inability to incur new liabilities will contribute to limiting investment activity, as few enterprises are able to finance large development activities from their own resources. Banks will be much more rigorous in assessing loan applications, which will result in only the best prepared enterprises having a chance to implement their investments.

25. LIABILITIES AND CONDITIONAL ASSETS

25.1. SPECIFICATION OF LIABILITIES AND CONDITIONAL ASSETS

Item	31.12.2021	31.12.2020
Conditional liabilities towards affiliates - guarantees of satisfactory performance of contracts	0	0
Conditional liabilities towards affiliates – guarantees and sureties of repayment of financial liabilities	0	0
Other conditional liabilities	0	0
Conditional liabilities towards affiliates	0	0
Granted guarantees of satisfactory performance of contracts - insurance	90 521	66 246
Granted guarantees of satisfactory performance of contracts - banking	28 811	20 738



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Granted guarantees and sureties of repayment of financial liabilities	126	0
Court litigations	0	0
Other conditional liabilities	14 532	0
Conditional liabilities towards non-affiliates	133 990	86 983
Conditional liabilities	133 990	86 983
Received guarantees of satisfactory performance of contracts from affiliates	0	0
Received guarantees and sureties of repayment of liabilities from affiliates	0	0
Other conditional assets	0	0
Conditional assets from affiliates	0	0
Received guarantees of satisfactory performance of contracts from non-affiliates - insurance	3 208	4 083
Received guarantees of satisfactory performance of contracts from non-affiliates - banking	5 446	3 280
Received guarantees and sureties of repayment of liabilities from non-affiliates	86 200	0
Conditional receivables - Court litigations	0	0
Other conditional assets from non-affiliates	0	0
Conditional assets from non-affiliates	94 855	7 362
Conditional assets	94 855	7 362

The Group grants also guarantee on performed works. Largely, the responsibility from this title rests on subcontractors.

26. EARNINGS PER SHARE

Item	01.01.-31.12.2021	01.01.-31.12.2020
Net profit (loss) attributable to shareholders of parent entity	77 111	52 771
Weighted average number of ordinary shares (in thousands)	8 363	8 363
Major earning per share (in PLN)	9,22	6,31
Net profit (loss) attributable to shareholders of parent entity	77 111	52 771
Weighted diluted average number of ordinary shares (in thousands)	8 363	8 363
Diluted learning per share (in PLN)	9,22	6,31
Net profit (loss) from continued operations attributable to shareholders of parent entity	9,22	6,31
Weighted average number of ordinary shares (in thousands)	8 363	8 363
Basic earnings per share from continuing operations (in PLN)	9,22	6,31
Net profit (loss) on continued operations attributable to equity holders of the parent	77 111	52 771



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Weighted average diluted number of ordinary shares (in thousands)	8 363	8 363
Diluted earnings per share from continuing operations (in PLN)	9,22	6,31

Signatures of all Members of the Management Board:

Mariusz Tuchlin – President of the Management Board

Katarzyna Szymczak-Dampc – Vice-President of the Management Board

Signature of person responsible for bookkeeping

Anna Miksza - Chief Accountant Officer