

Quarterly report

of the Dekpol Capital Group



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for Q1 2023

Pinczyn, May 26, 2023

Selected achievements

Q1 2023

BUDOWNICTWO

Construction company of the year

The award in the category 'Construction Company of the Year' goes to Dekpol Budownictwo, and the 'Personality of the Year' award goes to CEO, Mr. Michał Skowron during the Builder Awards 2023 gala in Warsaw.

BUDOWNICTWO

New contract with the Thales company



Acquisition of one of the most advanced industrial cubature projects in Pomerania being implemented this year.

DEVELOPER

Use permits

Obtained use permits in three investments: Baltic Line, Osiedle Kociewskie and Trimare.

DEVELOPER

New technology



The beginning of implementation of the investment (Osiedle Pastelowe) in a new prefabrication technology, which allows for a reduction in construction time and a reduction in carbon footprint.

STEEL

New certificate

Dekpol Steel obtaining the Official Dealer Certificate of the Italian demolition brand PROMOVE for the year 2023 in the scope of equipment sales and servicing.

STEEL

Compliant with standard



The first conformity assessment certificate according to the EN 15085-2:2020 standard - Requirements for manufacturers of welding equipment (welding of rail vehicles and components).

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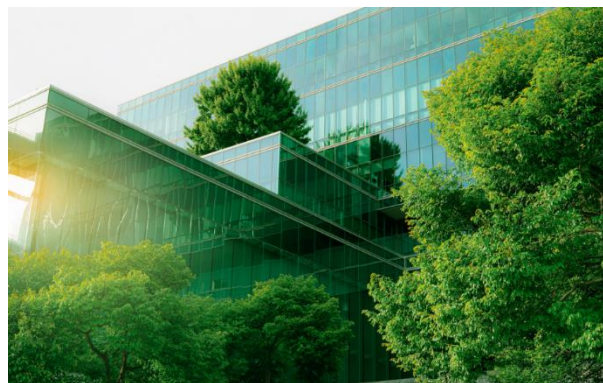
Major events

February 2023 Integration in the Group



The musical 'Mistrz i Małgorzata' based on the novel by Mikhail Bulgakov, which we had the opportunity to admire at the Musical Theater in Gdynia, became another opportunity for us to integrate between the companies of the Dekpol Capital Group. On a daily basis, we take care of different areas, but we work together for the success of the Dekpol brand, which we strive to remember.

January 2023 ESG Strategy



In January, there were workshops held to develop a set of detailed ESG goals for each of the entities within the Dekpol Capital Group. The strategy will focus, among other things, on rational resource utilization, employee safety, and process transparency.

March 2023 Number One Cup 2023 tournament



Dekpol Budownictwo supported a tournament that took place in Gdańsk and was organized for young football enthusiasts from various parts of Europe. Despite different languages, participants were united by their passion for the same sport.

February 2023 Documentary film „Polarniczki”



Dekpol Budownictwo has undertaken financial support for the documentary film "Polarniczki," which explores the stories of Polish female pioneers in polar research in Antarctica and the Arctic. This is an important #CSR initiative by Dekpol Budownictwo that highlights the crucial role of women in scientific development.

January 2023 OEM sector clients



Dekpol Steel has sent the first delivery of buckets to the newest, ninth customer from the OEM (Original Equipment Manufacturer) sector, which is a manufacturer of construction machinery. The company supplies accessories/buckets for newly assembled construction machines for the initial factory installation.

February 2023 BIG 5 SAUDI trade show



The Dekpol Steel team participated in the "Big 5 Saudi" construction trade fair held in the Kingdom of Saudi Arabia. Expanding into the Middle East markets is a significant step towards building a global portfolio of clients.

March 2023 Bank of land



Dekpol Deweloper continues to expand its bank of land. In the first quarter of 2023, the company successfully acquired land in Wiślina near Sol Marina (planned investment expansion) and in Sopot (for residential and commercial purposes).

March 2023 Sol Marina stage III in sales



The third stage of the unique and exclusive investment, Sol Marina, located by the seaside, has been introduced for pre-sale. The offer has been met with enthusiastic response from loyal customers, and preparations for the official sale of apartments are currently in progress.

1. Condensed Interim Consolidated Financial Statement

1.1 Selected Consolidated Financial Data

| Item | Thousands of PLN 01.01.2023 - 31.03.2023 | Thousands of PLN 01.01.2022 - 31.03.2022 | Thousands of EUR 01.01.2023 - 31.03.2023 | Thousands of EUR 01.01.2022 - 31.03.2022 |
|---|--|--|--|--|
| I. Net revenue from sales of products, goods, and materials | 270 797 | 313 548 | 57 610 | 67 470 |
| II. Profit (loss) on operating activity | 236 592 | 18 967 | 50 333 | 4 081 |
| III. Profit (loss) before tax | 10 518 | 17 218 | 2 238 | 3 705 |
| IV. Net profit (loss) | 9 638 | 13 946 | 2 050 | 3 001 |
| V. Earnings (loss) per ordinary share (in PLN / EUR) | 1,15 | 1,67 | 0,25 | 0,36 |
| VI. Net cash flows from operating activity | 5 501 | (50 390) | 1 170 | (10 843) |
| VII. Net cash flows from investment activity | (1 287) | (12 824) | (274) | (2 760) |
| VIII. Net cash flows from financial activity | (21 727) | 36 910 | (4 622) | 7 942 |
| IX. Total net cash flows | (17 513) | (26 304) | (3 726) | (5 660) |
| | | | | |
| | Thousands of PLN 31.03.2023 | Thousands of PLN 31.12.2022 | Thousands of EUR 31.03.2023 | Thousands of EUR 31.12.2022 |
| X. Total assets | 1 313 145 | 1 386 779 | 280 857 | 295 695 |
| XI. Liabilities and provisions for liabilities | 827 711 | 909 818 | 177 032 | 193 995 |
| XII. Long-term liabilities | 274 286 | 269 261 | 58 665 | 57 413 |
| XIII. Short-term liabilities | 553 425 | 640 557 | 118 367 | 136 582 |
| XIV. Equity | 485 434 | 476 961 | 103 825 | 101 700 |
| XV. Share capital | 8 363 | 8 363 | 1 789 | 1 783 |
| 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) | 58 | 57 | 12 | 12 |

Selected items of the interim condensed consolidated statement of financial position presented in EUR have been converted at the average EUR exchange rate announced by the National Bank of Poland, dated March 31, 2023: 4,6755 PLN/EUR, March 31, 2022 roku: 4,6525 PLN/EUR and dated December 31, 2022: 4,6899 PLN/EUR.

Selected items of the interim condensed consolidated statement of comprehensive income and the interim condensed consolidated statement of cash flows were converted into EUR at the exchange rate announced by the National Bank of Poland, which is the arithmetic mean of the average exchange rates for EUR applicable on the last day of each completed month in a given period: January 1, to March 31, 2023: 4,7005 PLN/EUR, and January 1, to March 31, 2022: 4,6472 PLN/EUR.

1.2 Condensed Interim Consolidated Statement of Comprehensive Income

| Description | Note | 01.01.-31.03.2023 | 01.01.-31.03.2022 |
|---|-------|-------------------|-------------------|
| Sales revenues | 1.1.2 | 270 797 | 313 548 |
| Costs of goods sold | 1.1.3 | 236 592 | 280 251 |
| Gross profit (loss) from sales | | 34 205 | 33 296 |
| Selling costs | | 11 642 | 7 636 |
| General administrative expenses | | 10 332 | 6 846 |
| Other operating revenues | 1.1.4 | 815 | 1 160 |
| Including profit from a bargain purchase | | 0 | 0 |
| Other operating costs | 1.1.5 | 2 774 | 1 008 |
| Profit (loss) from operating activities | | 10 273 | 18 967 |
| Financial revenues | 1.1.6 | 7 678 | 3 742 |
| Financial expenses | 1.1.7 | 7 433 | 5 491 |
| Profit (loss) before tax | | 10 518 | 17 218 |
| Income tax | 1.1.8 | 880 | 3 271 |
| Profit (loss) from continued operations | | 9 638 | 13 946 |
| Profit (loss) from discontinued operations | | 0 | 0 |
| Net profit (loss) | | 9 638 | 13 946 |
| Net profit/loss falling to non-controlling shareholders | | 51 | -72 |
| Net profit/loss falling to shareholders of parent entity | | 9 586 | 14 018 |

| Description | 01.01.-31.03.2023 | 01.01.-31.03.2022 |
|---|-------------------|-------------------|
| Net profit (loss) | 9 638 | 13 946 |
| Other comprehensive income that cannot be transferred to the result | 0 | 0 |
| Other comprehensive income that can be transferred to the result | -1 008 | -5 995 |
| Cash flow hedging instruments | -195 | -5 995 |
| Exchange differences on translating foreign units | -813 | 0 |
| Other comprehensive income before tax | -1 008 | -5 995 |
| Income tax on other comprehensive income that cannot be transferred to the result | -12 | 0 |
| Income tax on other comprehensive income that can be transferred to the result | 0 | 0 |
| Other net comprehensive income | -996 | <u>-5 995</u> |
| Comprehensive Income | 8 642 | 7 951 |
| Comprehensive Income attributable to non-controlling shareholders | 51 | <u>-72</u> |
| Comprehensive Income attributable to shareholders of parent entity | 8 590 | 8 023 |

1.3 Condensed Interim Consolidated Statement of Financial Position

| Description | Note | 31.03.2023 | 31.03.2022 | 31.12.2022 |
|---|-------|------------------|------------------|------------------|
| Fixed assets | | 288 451 | 298 004 | 282 275 |
| Property, plant and equipment | | 148 434 | 123 001 | 148 754 |
| Intangible assets | | 6 638 | 5 887 | 6 746 |
| Goodwill | | 0 | 0 | 0 |
| Investment properties | | 81 442 | 110 529 | 80 817 |
| Stocks and shares | | 40 | 40 | 40 |
| Trade liabilities and other long-term liabilities | | 19 887 | 17 305 | 17 583 |
| Other long-term financial assets | | 4 281 | 7 071 | 4 281 |
| Deferred charges | | 27 729 | 34 171 | 24 055 |
| Current assets | | 1 024 694 | 1 226 799 | 1 104 504 |
| Inventory | 1.1.9 | 411 645 | 325 964 | 396 497 |
| Receivables due to contracts with clients | | 22 036 | 72 094 | 0 |

| | | | | |
|--|--------|------------------|------------------|------------------|
| Trade receivables and other short-term receivables | 1.1.10 | 361 988 | 664 418 | 459 990 |
| Receivables from current income tax | | 113 | 0 | 409 |
| Other short-term financial assets | | 16 964 | 0 | 18 150 |
| Cash and cash equivalents | | 211 947 | 164 323 | 229 458 |
| including cash on escrow accounts | | 6 768 | 26 600 | 12 724 |
| Current assets other than fixed assets or groups for selling classified as held for sale | | 1 024 694 | 1 226 799 | 1 104 504 |
| Assets classified as held for sale | | 0 | 0 | 0 |
| Assets in total | | 1 313 145 | 1 524 802 | 1 386 779 |

| Description | Note | 31.03.2023 | 31.03.2022 | 31.12.2022 |
|--|------|----------------|----------------|----------------|
| Equity | | 485 434 | 404 063 | 476 960 |
| Share capital | | 8 363 | 8 363 | 8 363 |
| Equity from sales of shares over its nominal value | | 26 309 | 26 309 | 26 309 |
| Own shares (-) | | 0 | 0 | 0 |
| Other share capital from valuation | | 6 545 | -8 303 | 7 572 |
| Retained earnings: | | 425 242 | 359 014 | 415 792 |
| Other capital shares | | 0 | 0 | 0 |
| Equity falling to shareholders of parent entity | | 466 459 | 385 383 | 458 036 |
| Non-controlling shares | | 18 976 | 18 679 | 18 924 |
| Liabilities | | 827 711 | 1 120 740 | 909 819 |
| Long-term liabilities | | 274 286 | 310 756 | 269 262 |
| Deferred income tax provision | | 33 185 | 45 976 | 28 631 |
| Liabilities and provisions on employee benefits | | 334 | 337 | 334 |
| Other long-term provisions | | 0 | 0 | 0 |
| Long-term credits, borrowings and debt instruments | | 185 919 | 226 641 | 184 922 |
| Other long-term financial liabilities | | 0 | 0 | 0 |
| Liabilities from leasing long-term | | 11 103 | 5 568 | 11 814 |
| Trade liabilities and other long-term liabilities | | 43 744 | 32 233 | 43 560 |

| | | | | |
|---|--------|------------------|------------------|------------------|
| Short-term liabilities | | 553 425 | 809 984 | 640 557 |
| Liabilities and provisions on employee benefits | | 121 | 1 008 | 368 |
| Other short-term provisions | | 59 567 | 100 844 | 51 267 |
| Short-term credits, borrowings and debt instruments | | 109 948 | 132 018 | 123 443 |
| Other short-term liabilities | | 0 | 8 972 | 0 |
| Liabilities from leasing short-term | | 8 269 | 3 568 | 6 557 |
| Liabilities due to contracts with clients | | 0 | 0 | 12 795 |
| Trade liabilities and other short-term liabilities | 1.1.11 | 354 795 | 562 819 | 425 824 |
| Liabilities from current income tax | | 20 725 | 755 | 20 302 |
| Short-term liabilities other than related to assets held for sale | | 553 425 | 809 984 | 640 557 |
| Liabilities related to assets held for sale | | 0 | 0 | 0 |
| Liabilities in total | | 1 313 145 | 1 524 802 | 1 386 779 |

1.4 Condensed Interim Consolidated Cash Flow Statement

| Description | 01.01.-31.03.2023 | 01.01.-31.03.2022 |
|--|-------------------|-------------------|
| Profit (loss) before tax | 10 518 | 17 218 |
| Adjustments: | -4 122 | -65 719 |
| Depreciation | 4 150 | 3 301 |
| Change of fair value of investment properties | 0 | 0 |
| Revaluation write-offs recognized in the financial result | 0 | 0 |
| Write-offs recognized in financial result | 0 | 0 |
| Profit (loss) on the sale of fixed assets | -19 | 128 |
| Profits (losses) due to exchange rate differences | 113 | -4 343 |
| Interest expenses | 7 605 | 5 743 |
| Revenues on interests | -292 | -85 |
| Revenues on dividends | 0 | 0 |
| Income tax on profit before tax | -129 | 3 271 |
| Other corrections | -56 | 0 |
| Change in inventories | -15 148 | -62 777 |
| Change in receivables | 69 943 | -116 934 |
| Change in liabilities | -82 896 | 108 762 |
| Change in reserves | 12 607 | -2 787 |
| Cash flow from activities (used in activities) | 6 396 | -48 502 |
| Income tax paid | -895 | -1 889 |
| Net cash from operating activities | 5 501 | -50 390 |
| Expenses related to acquisition of intangible assets | -7 | -240 |
| Inflows from sales of intangible assets | 0 | 0 |
| Expenses related to acquisition of property, plant and equipment | -1 481 | -2 142 |
| Inflows from sales of property, plant and equipment | 27 | 554 |
| Expenses related to acquisition of investment properties | 0 | -12 507 |
| Inflows from sales of investment properties | 0 | 0 |
| Net expenses on acquisition of subsidiaries | 0 | 0 |
| Net inflows from sales of subsidiaries | 0 | 0 |
| Loans granted | 0 | 0 |

| | | |
|--|----------------|----------------|
| Repayments received from loans granted | 0 | 0 |
| Interest received | 173 | 0 |
| Expenses on acquisition of other financial assets | 0 | 0 |
| Inflows from sales of other financial assets | 0 | 0 |
| Other inflows (expenses) from investment activities | 0 | 1 511 |
| Net cash from investment activities | -1 287 | -12 824 |
| Net inflows from issue of shares | 0 | 0 |
| Acquisition of own shares | 0 | 0 |
| Inflows from issue of debt securities | 0 | 11 700 |
| Redemption of debt securities | 0 | 0 |
| Inflows from loans and borrowings taken out | 7 363 | 29 952 |
| Repayment of loans and borrowings | -23 351 | -292 |
| Repayment of liabilities under finance lease | -1 483 | -1 118 |
| Interest paid | -4 265 | -3 332 |
| Dividends paid | 0 | 0 |
| Inflows from received grants | 0 | 0 |
| Other inflows (expenses) from financial activities | 9 | 0 |
| Net cash from financial activities | -21 727 | 36 911 |
| Change in net cash and cash equivalents without foreign exchange differences | -17 513 | -26 304 |
| Change in cash and cash equivalents due to foreign exchange differences | 0 | 0 |
| Change in net cash and cash equivalents | -17 513 | -26 304 |
| Cash and cash equivalents at the beginning of the period | 229 460 | 190 627 |
| Cash and cash equivalents at the end of the period | 211 947 | 164 323 |
| including cash of limited disposal right | 6 768 | 26 600 |

1.5 Condensed Interim Statement in changes in consolidated equity

For the period 01.01-31.03.2023

| Description | Common equity | Equity from sale of shares over its nominal value | Own shares (-) | Other equity from valuation | Retained earnings | Equity attributable to shareholders of the parent entity | Non-controlling shares | Total |
|---|---------------|---|----------------|-----------------------------|-------------------|--|------------------------|----------------|
| Balance as at beginning of period | 8 363 | 26 309 | 0 | 7 572 | 415 792 | 458 036 | 18 924 | 476 960 |
| Error correction of previous years | 0 | 0 | 0 | 0 | -256 | -256 | 0 | -256 |
| Balance as at beginning after corrections | 8 363 | 26 309 | 0 | 7 572 | 415 536 | 457 780 | 18 924 | 476 704 |
| Net profit (loss) | 0 | 0 | 0 | 0 | 9 586 | 9 586 | 51 | 9 638 |
| Other total comprehensive income | 0 | 0 | 0 | -996 | 0 | -996 | 0 | -996 |
| Comprehensive income | 0 | 0 | 0 | -996 | 9 586 | 8 590 | 51 | 8 642 |
| Issue of shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Acquisition of own shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other corrections | 0 | 0 | 0 | -31 | 120 | 89 | 0 | 89 |
| Changes in consolidated equity in total | 0 | 0 | 0 | -1 027 | 9 706 | 8 679 | 51 | 8 730 |
| Balance at the end of period | 8 363 | 26 309 | 0 | 6 545 | 425 242 | 466 459 | 18 976 | 485 434 |

For the period 01.01-31.03.2022

| Description | Common equity | Equity from sale of shares over its nominal value | Own shares (-) | Other equity from valuation | Retained earnings | Equity attributable to shareholders of the parent entity | Non-controlling shares | Total |
|---|---------------|---|----------------|-----------------------------|-------------------|--|------------------------|---------|
| Balance as at beginning of period | 8 363 | 26 309 | 0 | -2 308 | 336 225 | 368 589 | 18 679 | 387 268 |
| Error correction of previous years | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance as at beginning after corrections | 8 363 | 26 309 | 0 | -2 308 | 336 225 | 368 589 | 18 679 | 387 268 |
| Net profit (loss) | 0 | 0 | 0 | -3 025 | 16 971 | 13 946 | 0 | 13 946 |
| Other total comprehensive income | 0 | 0 | 0 | -2 970 | 5 818 | 2 848 | 0 | 2 848 |
| Comprehensive income | 0 | 0 | 0 | -5 995 | 22 789 | 16 794 | 0 | 16 794 |
| Issue of shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Acquisition of own shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other corrections | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Changes in consolidated equity in total | 0 | 0 | 0 | -5 995 | 22 789 | 16 794 | 0 | 16 794 |
| Balance at the end of period | 8 363 | 26 309 | 0 | -8 303 | 359 014 | 385 383 | 18 679 | 404 063 |

For the period 01.01-31.12.2022

| Description | Common equity | Equity from sale of shares over its nominal value | Own shares (-) | Other equity from valuation | Retained earnings | Equity attributable to shareholders of the parent entity | Non-controlling shares | Total |
|---|---------------|---|----------------|-----------------------------|-------------------|--|------------------------|---------|
| Balance as at beginning of period | 8 363 | 26 309 | 0 | -2 308 | 336 225 | 368 589 | 18 679 | 387 268 |
| Error correction of previous years | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance as at beginning after corrections | 8 363 | 26 309 | 0 | -2 308 | 336 225 | 368 589 | 18 679 | 387 268 |
| Net profit (loss) | 0 | 0 | 0 | 0 | 78 791 | 78 791 | 118 | 78 909 |
| Other total comprehensive income | 0 | 0 | 0 | 9 880 | 0 | 9 880 | 0 | 9 880 |
| Comprehensive income | 0 | 0 | 0 | 9 880 | 78 791 | 88 671 | 118 | 88 789 |
| Issue of shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Acquisition of own shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other corrections | 0 | 0 | 0 | 0 | 776 | 776 | 126 | 903 |
| Changes in consolidated equity in total | 0 | 0 | 0 | 9 880 | 79 568 | 89 447 | 245 | 89 692 |
| Balance at the end of period | 8 363 | 26 309 | 0 | 7 572 | 415 792 | 458 036 | 18 924 | 476 960 |

The Group applies hedge accounting. As a result of measuring the effectiveness of the hedge in the current period, the effective part was recognized in the amount of gross PLN 8.085 thousand presented in the revaluation reserve in the net value of PLN 6.549 thousand.

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

| | 31.03.2023 | 31.12.2022 |
|---|------------|------------|
| Equity | 485 434 | 387 268 |
| Share capital | 8 363 | 8 363 |
| Capital from the sale of shares above their nominal value | 26 309 | 26 309 |
| Other reserve capitals from valuation | 6 544 | -2 308 |
| Including capital from revaluation derivatives | 6 549 | - 2305 |
| foreign exchange differences on revaluation | -5 | -3 |
| Reserve capital | 0 | 0 |
| Retained earnings: | 425 242 | 336 225 |
| Non-controlling shares | 18 975 | 18 679 |

1.6 Additional Information to the Condensed Interim Consolidated Financial Statement

Preparation principles of the Interim Condensed Consolidated Financial Statement

The Interim Condensed Consolidated Financial Statement of the Depol Capital Group for the three-month period ended on March 31, 2023, have been prepared in accordance with International Accounting Standard (IAS) 34 - Interim Financial Reporting, and in accordance with the applicable accounting standards for interim financial reporting adopted by the European Union, as published and in effect at the time of preparing the interim condensed consolidated financial statement, using the same principles for the current and comparative periods.

Interim condensed financial statement of the Depol Capital Group for 3 months ended March 31, 2023 has been prepared under assumption of continuation of business activities by the Group in the foreseeable future. Statement presents financial position of Depol Capital Group as of March 31, 2023 and December 31, 2022, results achieved with the Group's business operations and cash flow for the period of 3 months ended March, 31 2023 and March 31, 2022.

In the first quarter of 2023, there were no changes in the applied accounting policies. There were no significant changes in estimated amounts or in the principles for determining the values of assets and liabilities, as well as measuring financial performance during the reporting period.

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

Operating segments

Revenues, result and other in the reporting period 01.01-31.03.2023

| Description | General contracting | Property development | Production of accessories for construction machines | Other | Total |
|-----------------------------|---------------------|----------------------|---|----------------|--------------|
| Sales revenues in total | 169 707 | 50 726 | 40 935 | 9 429 | 270 797 |
| Operating expenses in total | 160 815 | 40 930 | 39 781 | 17 041 | 258 566 |
| Other operating revenues | 0 | 0 | 0 | 815 | 815 |
| Other operating expenses | 0 | 0 | 0 | 2 774 | 2 774 |
| Operating result | 8 892 | 9 796 | 1 154 | -9 570 | 10 273 |
| Financial revenues | 0 | 0 | 0 | 7 678 | 7 678 |
| Financial expenses | 0 | 0 | 0 | 7 433 | 7 433 |
| Income tax | 0 | 0 | 0 | 880 | 880 |
| Net result | 8 892 | 9 796 | 1 154 | -10 205 | 9 638 |

Revenues, result and other in the previous reporting period 01.01-31.03.2022

| Description | General contracting | Property development | Production of accessories for construction machines | Other | Total |
|-----------------------------|---------------------|----------------------|---|---------------|---------------|
| Sales revenues in total | 215 521 | 38 711 | 46 021 | 13 296 | 313 548 |
| Operating expenses in total | 204 779 | 32 285 | 41 736 | 15 934 | 294 733 |
| Other operating revenues | 0 | 0 | 0 | 1 160 | 1 160 |
| Other operating expenses | 0 | 0 | 0 | 1 008 | 1 008 |
| Operating result | 10 742 | 6 425 | 4 285 | -2 486 | 18 967 |
| Financial revenues | 0 | 0 | 0 | 3 742 | 3 742 |
| Financial expenses | 0 | 0 | 0 | 5 491 | 5 491 |
| Income tax | 0 | 0 | 0 | 3 271 | 3 271 |
| Net result | 10 742 | 6 425 | 4 285 | -7 506 | 13 947 |

Costs of major operating activities

| Description | 01.01.-31.03.2023 | 01.01.-31.03.2022 |
|--------------------------------------|-------------------|-------------------|
| Costs by type | 273 710 | 311 018 |
| Depreciation | 4 150 | 3 301 |
| Consumption of materials and energy | 75 021 | 124 497 |
| Outsourced services | 149 744 | 165 914 |
| Taxes and fees | 1 329 | 1 070 |
| Remunerations | 19 941 | 21 059 |
| Employee benefits | 4 824 | 5 091 |
| Other costs by type | 3 267 | -17 407 |
| Cost of goods and materials sold | 15 435 | 7 493 |
| Movements in the balance of products | -15 145 | -17 818 |
| Own work capitalized | 1 | 1 533 |
| Selling costs | -11 642 | -7 636 |
| General administrative expenses | -10 332 | -6 846 |
| Own selling cost | 236 592 | 280 251 |

Other operating revenues

| Description | 01.01.-31.03.2023 | 01.01.-31.03.2022 |
|---|-------------------|-------------------|
| Profit on disposal of non-financial fixed assets | 20 | 0 |
| Re-invoicing | 0 | 0 |
| Pricing of investment properties to fair value | 0 | 0 |
| Release of provisions | 0 | 0 |
| Penalties and compensations | 586 | 274 |
| Grants | 100 | 108 |
| Expired liabilities | 0 | 0 |
| Scrap yield | 0 | 0 |
| Bonus from turnover | 0 | 0 |
| Inventory surpluses | 0 | 0 |
| Impairment losses on inventories reversal in period (-) | 0 | 0 |
| Impairment losses on receivables reversal in period (-) | 26 | 0 |

| | | |
|---------------------------------|------------|--------------|
| Profit from bargain purchase | 0 | 0 |
| Other titles | 84 | 778 |
| Other operating revenues | 815 | 1 160 |

Other operating costs

| Description | 01.01.-31.03.2023 | 01.01.-31.03.2022 |
|---|-------------------|-------------------|
| Impairment losses on inventories creation in the period | 0 | 0 |
| Pricing of investment properties to fair value | 0 | 0 |
| Creation of reserves | 0 | 0 |
| Costs related to acquisition of subsidiaries | 0 | 0 |
| Costs of gap's removal and scrapping | 33 | 33 |
| Donations | 229 | 114 |
| Handover of a road investment | 0 | 0 |
| Inventory deficits | 0 | 0 |
| Receivables | 4 | 0 |
| Contractual penalties | 21 | 156 |
| Other titles | 0 | 1 |
| Material losses | 0 | 0 |
| Court litigation costs | 0 | 0 |
| Re-invoicing costs | 2 278 | 31 |
| Compensations | 0 | 0 |
| Receivables write-offs reversal in period | 0 | 128 |
| Loss on disposal of non-financial fixed assets | 209 | 545 |
| Other operating costs | 2 774 | 1 008 |

Financial revenues

| Description | 01.01.-31.03.2023 | 01.01.-31.03.2022 |
|---|-------------------|-------------------|
| Interests | 1 213 | 88 |
| Surplus of positive exchange differences over the negative ones | 274 | 322 |
| Reversal of write-offs | 0 | 0 |
| Profit from sale of financial assets | 0 | 0 |
| Dividends | 0 | 0 |
| Other financial revenues | 5 865 | -1 037 |
| Pricing of financial instruments at fair value | 326 | 4 369 |
| Financial revenues | 7 678 | 3 742 |

Financial expenses

| Description | 01.01.-31.03.2023 | 01.01.-31.03.2022 |
|---|-------------------|-------------------|
| Interests | 5 890 | 4 698 |
| Surplus of negative exchange differences over the positive ones | 516 | 319 |
| Loss from sale of financial assets | 0 | 0 |
| Write-offs | 0 | 0 |
| Other financial expenses | 692 | 474 |
| Pricing of financial instruments at nominal value | 336 | 0 |
| Financial expenses | 7 433 | 5 491 |

Income tax

| Description | 01.01.-31.03.2023 | 01.01.-31.03.2022 |
|---|-------------------|-------------------|
| Current income tax | 3 705 | 2 253 |
| Current income tax for reporting period | 4 266 | 2 253 |
| Current income tax for previous periods covered in financial result | -561 | 0 |
| Deferred income tax | -2 825 | 1 018 |
| Deferred tax-creation and reversal of temporary differences (+) | -4 327 | 3 391 |
| Deferred income tax settlement of unused tax losses | 0 | 0 |
| Deferred tax-creation and reversal of temporary differences (-) | -1 502 | 2 373 |
| Income tax | 880 | 3 271 |

Inventories

| Description | 31.03.2023 | 31.12.2022 |
|---|----------------|----------------|
| Materials balance value | 40 263 | 40 205 |
| Goods balance value | 4 086 | 4 197 |
| Semi-finished products and work in progress balance value | 11 691 | 10 540 |
| Finished products balance value | 8 394 | 10 729 |
| Premises under construction balance value | 275 526 | 269 308 |
| Finished premises balance value | 71 684 | 61 518 |
| Inventories | 411 645 | 396 497 |

Trade receivables and other short-term receivables

| Description | 31.03.2023 | 31.12.2022 |
|---|----------------|----------------|
| Net trade receivables | 212 629 | 324 437 |
| Trade receivables before write-off | 229 971 | 341 798 |
| Write-offs at the end of the period (-) | 17 342 | 17 361 |
| Dividend receivables –short-term | 10 065 | 0 |
| Receivables due to other taxes, duties and social security | 40 508 | 37 914 |
| Deposits due to valuation of construction agreements balance value | 42 465 | 47 432 |
| Write-offs at the of period (-) | 192 | 192 |
| Deposits due to valuation of construction agreements before revaluation write-off | 42 657 | 47 623 |
| Deposits from other titles | 294 | 358 |
| Receivables and advance payments balance value | 56 896 | 46 898 |
| Write-offs at the end of the period (-) | 80 | 80 |
| Receivables and advance payments before revaluation write-off | 56 976 | 46 978 |
| Other receivables balance value | 683 | 735 |
| Write-offs at the end of the period (-) | 0 | 0 |
| Other receivables value before revaluation write-off | 683 | 735 |
| Trade receivables and other receivables | 363 540 | 457 773 |

Trade liabilities and other short-term liabilities

| Description | 31.03.2023 | 31.12.2022 |
|--|----------------|----------------|
| Trade liabilities | 165 657 | 204 593 |
| Liabilities on employee benefits | 5 053 | 4 859 |
| Liabilities due to taxes, customs duties and social security | 12 137 | 15 753 |
| Deposits received short-term | 22 941 | 25 086 |
| Prepayments and advances for deliveries received | 145 198 | 171 585 |
| Other short-term liabilities | 254 | 303 |
| Trade liabilities and other liabilities | 351 240 | 422 179 |

Financial instruments

Financial instruments – assets

| Description | 31.03.2023 | 31.12.2022 |
|---|----------------|----------------|
| Cash and cash equivalents | 211 947 | 229 458 |
| Financial assets evaluated at fair value through financial result | 0 | 0 |
| Held-to-maturity financial assets | 0 | 0 |
| Net trade receivables | 212 629 | 324 437 |
| Deposits from other titles | 294 | 358 |
| Prepayments and advances - balance sheet value | 56 896 | 41 117 |
| Other receivables balance sheet value | 748 | 735 |
| Deposits from construction services balance sheet value | 42 465 | 47 432 |
| Receivables from dividends – short-term | 0 | 0 |
| Loans and receivables | 4 663 | 4 544 |
| Stocks and shares in subsidiaries | 0 | 0 |
| Stocks and shares in affiliates and jointly controlled entities | 40 | 40 |
| Other financial assets | 16 582 | 17 887 |
| Financial assets | 577 340 | 683 445 |

Financial instruments – liabilities

| Description | 31.03.2023 | 31.12.2022 |
|--|----------------|----------------|
| Liabilities evaluated at depreciated cost | 710 223 | 792 476 |
| Liabilities evaluated at fair value through financial result | 0 | 0 |
| Financial liabilities | 710 223 | 792 476 |

Interest-bearing liabilities

Specification of interest-bearing liabilities

| Description | 31.03.2023 | 31.12.2022 |
|---|----------------|----------------|
| Other long-term financial liabilities | 0 | 0 |
| Credits, loans and long-term debt instruments | 185 919 | 184 922 |
| Long-term leasing liabilities | 11 103 | 11 814 |
| Long-term financial liabilities | 197 022 | 196 736 |
| Other short-term financial liabilities | 0 | 0 |
| Loans, borrowings and short-term debt-instruments | 109 948 | 123 443 |
| Short-term leasing liabilities | 8 269 | 6 557 |
| Short-term financial liabilities | 118 217 | 130 001 |
| Financial liabilities in total | 315 239 | 326 737 |

Liabilities of Depol S.A.

| Loans and borrowings as at 31.03.2023 | Loan value | Currency | Balance (in nominal value) | Currency | Interest rate | Contractual repayment date |
|--|--------------|----------|----------------------------|------------|-------------------|----------------------------|
| Long-term | | | | | | |
| PKO BP investment loan 54 1020 1462 0000 7396 0134 7483 ¹ | 558 | EUR | 558 | EUR | EURIBOR1M+ margin | 16.07.2026 |
| PKO BP investment loan 82 1020 1462 0000 7896 0154 4808 ² | 2 480 | EUR | 2 480 | EUR | EURIBOR1M+ margin | 24.08.2030 |
| Total loans and long-term loans | 3 038 | | 3 038 | EUR | - | - |
| Short-term | | | | | | |
| PKO BP investment loan 54 1020 1462 0000 7396 0134 7483 ¹ | 239 | EUR | 239 | EUR | EURIBOR1M+ margin | 16.07.2026 |
| PKO BP investment loan 82 1020 1462 0000 7896 0154 4808 ² | 258 | EUR | 258 | EUR | EURIBOR1M+ margin | 24.08.2030 |
| Other | | | 6 | PLN | | |
| | 497 | | 497 | EUR | - | - |
| Total loans and short-term loans | 0 | | 6 | PLN | - | - |

1 the original loan amount for the long-term and short-term part amounted 1,055 thousand EUR (after conversion from PLN)

2 the original loan amount for both the long-term and short-term part amounted 2,738 thousand EUR

| Loans and borrowings as at 31.03.2022 | Loan value | Currency | Balance (in nominal value) | Currency | Interest rate | Contractual repayment date |
|--|---------------|------------|----------------------------|------------|---------------------|----------------------------|
| Long-term | | | | | | |
| PKO BP investment loan 54 1020 1462 0000 7396 0134 7483 | 797 | EUR | 3 947* | PLN | EURIBOR1M + margin | 16.07.2026 |
| Total loans and long-term loans | 797 | EUR | 3 947 | PLN | - | - |
| Short-term | | | | | | |
| SGB-Bank S.A. revolving loan, agreement number REW/2200155/2020/2 | 30 000 | PLN | 18 367 | PLN | WIBOR 3M + margin | 14.07.2022 |
| SGB-Bank S.A. overdraft facility, agreement no. KRB/2200155/2020/1 | 15 000 | PLN | 3 444 | PLN | WIBOR 3M + margin | 14.07.2022 |
| PKO BP overdraft facility, agreement no.LKW 38 1020 1462 0000 7102 0368 2028 | 3 000 | PLN | 0 | PLN | WIBOR 1M + margin | 15.07.2022 |
| PKO BP revolving loan, agreement number LKW 38 1020 1462 0000 7102 0368 2028 | 22 000 | PLN | 21 995 | PLN | WIBOR 1M + margin | 15.07.2022 |
| PKO BP investment loan 54 1020 1462 0000 7396 0134 7483 | 239 | EUR | 1 183* | PLN | EURIBOR 1M + margin | 16.07.2026 |
| Other | | | 7 | PLN | | |
| | 239 | EUR | | | | |
| Total loans and short-term loans | 70 000 | PLN | 44 996 | PLN | - | - |

*Utilized in EUR currency

Bonds (nominal value)

| Bonds as of the end of reporting period 31.03.2023 | Nominal value | Balance | Currency | Interest rate | Repayment date |
|--|---------------|---------------|------------|--------------------|----------------|
| Long-term | | | | | |
| J-series bonds | 11 000 | 11 000 | PLN | WIBOR 6M+ margin | 22.06.2024 |
| K-series bonds * | 39 150 | 39 150 | PLN | WIBOR 6M+ margin | 23.08.2024 |
| P2021A-series bonds | 25 000 | 25 000 | PLN | WIBOR 3M+ margin | 13.02.2025 |
| P2021B-series bonds | 12 102 | 12 102 | PLN | WIBOR 3M+ margin | 22.09.2025 |
| 2022AC-series bonds | 2 400 | 2 400 | EUR | EURIBOR 6M+ margin | 29.03.2027 |
| 2022BC-series bonds | 3 800 | 3 800 | EUR | EURIBOR 6M+ margin | 29.03.2027 |
| | 87 252 | 87 252 | PLN | - | - |
| Long-term bonds in total | 6 200 | 6 200 | EUR | | |
| Short-term | | | | | |
| I-series bonds | 50 000 | 50 000 | PLN | WIBOR 6M+ margin | 28.10.2023 |
| Short-term bonds in total | 50 000 | 50 000 | 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 the end of reporting period 31.03.2022 | Nominal value | Balance | Currency | Interest rate | Repayment date |
|---|----------------------|----------------|-----------------|----------------------|-----------------------|
| Long-term | | | | | |
| I-series bonds | 50 000 | 50 000 | PLN | WIBOR 6M+ margin | 28.10.2023 |
| J-series bonds | 11 000 | 11 000 | PLN | WIBOR 6M+ margin | 22.06.2024 |
| K-series bonds * | 39 150 | 39 150 | PLN | WIBOR 6M+ margin | 23.08.2024 |
| P2021A-series bonds | 25 000 | 25 000 | PLN | WIBOR 3M+ margin | 13.02.2025 |
| P2021B-series bonds | 12 102 | 12 102 | PLN | WIBOR 3M+ margin | 22.09.2025 |
| Long-term bonds in total | 137 252 | 137 252 | 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.

Liabilities of the Depol Capital Group's companies

| Loans and borrowings as at 31.03.2023 | Company | Loan value | Balance (in nominal value) | Currency | Interest rate | Contractual re-payment date |
|--|-------------------------------|--------------|----------------------------|------------|------------------------------|-----------------------------|
| Long-term: | | | | | | |
| PKO BP, investment loan agreement no. 69 1020 1462 0000 7396 0169 4459 ¹ | Dekpol Steel Sp. z o.o. | 1 755 | 1 755 | EUR | EURIBOR 3M+ margin | 26.10.2032 |
| TOTAL long-term | | 0 | 0 | PLN | - | - |
| | | 1 755 | 1 755 | EUR | | |
| Short-term: | | | | | | |
| PKO BP, investment loan agreement no. 69 1020 1462 0000 7396 0169 4459 ¹ | Dekpol Steel Sp. z o.o. | 224 | 224 | EUR | EURIBOR 3M+ margin | 26.10.2032 |
| PKO BP, Multi-Purpose Credit Line Agreement no. LKW 11 1020 1462 0000 7902 0401 1631 ² | Dekpol Budownictwo Sp. z o.o. | 25 000 | 24 745 | PLN | WIBOR 1M/EURIBOR 1M+ margin | 27.06.2024 |
| mBank, Working capital loan, agreement no. 10/034/19/Z/LF | Dekpol Budownictwo Sp. z o.o. | 15 000 | 0 | PLN | WIBOR 1M+ margin | 30.06.2023 |
| mBank, overdraft facility, agreement no. 10/033/19/Z/VV ² | Dekpol Budownictwo Sp. z o.o. | 10 000 | 0 | PLN | WIBOR O/N / ESTR O/N+ margin | 30.06.2023 |
| Santander, overdraft facility within multiline agreement, agreement no. K00029/23 ² | Dekpol Budownictwo Sp. z o.o. | 10 000 | 0 | PLN | WIBOR 1M/EURIBOR 1M+ margin | 14.02.2024 |
| PKO BP Renewable working capital loan, agreement no. LKW 13 1020 1462 0000 7202 0402 4551 | Dekpol Budownictwo Sp. z o.o. | 18 000 | 1 955 | PLN | WIBOR 3M+ margin | 15.11.2023 |
| PKO BP overdraft facility, agreement no. LKW 13 1020 1462 0000 7202 0402 4551 ² | Dekpol Budownictwo Sp. z o.o. | 6 000 | 0 | PLN | WIBOR 3M/EURIBOR 3M+ margin | 15.11.2023 |
| BNP Paribas, overdraft facility, Multi-Purpose Premium Credit Line Agreement WAR/8803/21/497/CB ² | Dekpol Budownictwo Sp. z o.o. | 3 000 | 0 | PLN | WIBOR 1M/EURIBOR 1M+ margin | 16.01.2024 |
| mBank S.A., Renewable loan, agreement no. 10/003/22/Z/LF ² | Dekpol Budownictwo Sp. z o.o. | 20 000 | 0 | PLN | WIBOR 1M/EURIBOR 1M+ margin | 30.06.2023 |
| mBank S.A., Renewable loan framework agreement, agreement no. 10/013/22/Z/PX ⁴ | Dekpol Budownictwo Sp. z o.o. | 30 000 | 0 | PLN | WIBOR 1M/EURIBOR 1M+ margin | 29.12.2023 |
| SGB-Bank S.A., revolving loan, agreement no. 118/UK05/2000251/22 | Dekpol Budownictwo Sp. z o.o. | 20 000 | 0 | PLN | WIBOR 3M+ margin | 14.07.2025 |
| SGB-Bank S.A., overdraft facility, agreement no. 119/UK05/2000251/22 | Dekpol Budownictwo Sp. z o.o. | 15 000 | 0 | PLN | WIBOR 3M+ margin | 14.07.2025 |
| Bank Ochrony Środowiska, renewable working capital loan, agreement no. S/53/07/2022/1098/K/LKW | Dekpol Budownictwo Sp. z o.o. | 20 000 | 0 | PLN | WIBOR 3M+ margin | 30.09.2024 |

| | | | | | | |
|--|-------------------------------|----------------|---------------|------------|-----------------------------|-------------------|
| PKO Faktoring Sp. z o.o., agreement no. 2464/08/2021 | Dekpol Budownictwo Sp. z o.o. | 18 000 | 0 | PLN | WIBOR 1M/EURIBOR 1M+ margin | Indefinite period |
| PKO BP S.A., overdraft facility, agreement LKW no. 40 1020 1462 0000 7102 0389 1900 ² | Dekpol Steel Sp. z o.o. | 20 000 | 3 196 | PLN | WIBOR 3M/EURIBOR 3M+ margin | 15.11.2023 |
| CITI Bank Handlowy S.A., trade loan, framework agreement RWK/URHK/DS./04/2022 ² | Dekpol Steel Sp. z o.o. | 5 000 | 0 | PLN | WIBOR 3M/EURIBOR 3M+ margin | Indefinite period |
| Santander Factoring Sp. z o.o., agreement no. 3673/5447/2019 ⁴ | Dekpol Steel Sp. z o.o. | 9 800 | 3 891 | PLN | WIBOR 1M/EURIBOR 1M+ margin | 31.10.2023 |
| Santander Factoring Sp. z o.o., agreement no. 4305/7131/2022 ² | Dekpol Steel Sp. z o.o. | 33 000 | 8 301 | PLN | WIBOR 1M/EURIBOR 1M+ margin | 27.12.2023 |
| PKO BP overdraft facility, agreement no. 18 1020 1462 0000 7402 0378 6613 ^{2,3} | Betpref Sp. z o.o. | 3 000 | 0 | PLN | WIBOR 3M+ margin | 19.04.2023 |
| PKO BP S.A., overdraft facility, agreement no. LKW 79 1020 1462 0000 7402 0392 1897 ^{2,4} | Intek Sp. z o.o. | 7 000 | 6 929 | PLN | WIBOR 1M/EURIBOR 1M+ margin | 26.04.2023 |
| PKO BP S.A., overdraft facility, agreement no. 65 1020 1462 0000 7102 0405 1694 ² | Kombet Działdowo Sp. z o.o. | 3 000 | 0 | PLN | WIBOR 1M/EURIBOR 1M+ margin | 13.09.2025 |
| Other | | | 76 | PLN | | |
| TOTAL short-term | | 290 800 | 49 093 | PLN | - | - |
| | | 244 | 244 | EUR | - | - |

¹The original loan amount was EUR 2,035,000 for both the long-term and short-term parts.

²The dual-currency limit with the option to utilize in PLN and EUR

³As of the publication date, the agreement has been modified regarding the limit amount and validity period. The limit has been increased to the amount of PLN 5 million, with the possibility of utilizing the limit in PLN and EUR currencies, and its validity period is until April 19, 2025. The agreement number has also changed, and the new number is 23 1020 1462 0000 7802 0416 5015

⁴As of the publication date, the agreement was extended until April 27, 2024

| Loans and borrowings as at 31.03.2022 | Company | Loan value | Currency | Balance | Currency | Interest rate | Repayment date |
|--|---|---------------------|----------------|---------------|------------|-------------------------------|-------------------|
| Long-term | | | | | | | |
| PKO BP S.A, investment loan 69 1020 1462 0000 7396 0169 4459 | Dekpol Steel Sp. z o.o. | 2 035 | EUR | 8 782* | PLN | EURIBOR 3M+ margin | 2032-01-26 |
| mBank S.A. Working capital loan, agreement no. 10/073/21/Z/OB | Dekpol Inwestycje Sp. z o.o. Neo Jasień sp. k | 22 806 | PLN | 2 590 | PLN | WIBOR 1M+ margin | 2023-08-31 |
| Total loans and borrowings long-term | | 2 035 22 806 | EUR PLN | 11 372 | PLN | - | - |
| Short-term | | | | | | | |
| ING - ALEO discount agreement no. 891/2020/00001802/00 | Dekpol Budownictwo Sp. z o.o. | 2 500 | PLN | 2 475 | PLN | WIBOR 1M+ margin | 2022-12-31 |
| mBank Working capital loan, agreement no. 10/034/19/Z/LF | Dekpol Budownictwo Sp. z o.o. | 15 000 | PLN | 7 659 | PLN | WIBOR 1M+ margin | 2022-06-30 |
| mBank overdraft facility, agreement no. 10/033/19/Z/VV | Dekpol Budownictwo Sp. z o.o. | 10 000 | PLN | 0 | PLN | WIBOR O/N+ margin | 2022-06-30 |
| Santander overdraft facility, agreement no. K01263/17 | Dekpol Budownictwo Sp. z o.o. | 10 000 | PLN | 0 | PLN | WIBOR 1M/EURIBOR 1M+ margin | 2022-12-22 |
| PKO BP Renewable working capital loan, agreement no. LKW 32 1020 1462 0000 7502 0388 9326 | Dekpol Budownictwo Sp. z o.o. | 3 000 | PLN | 0 | PLN | WIBOR 3M+ margin | 2023-11-15 |
| PKO BP Renewable working capital loan, agreement no. LKW 32 1020 1462 0000 7502 0388 9326 | Dekpol Budownictwo Sp. z o.o. | 15 000 | PLN | 15 000 | PLN | WIBOR 3M+ margin | 2023-11-15 |
| BNP Paribas overdraft facility, Multi-Purpose Premium Credit Line Agreement WAR/8803/21/497/CB | Dekpol Budownictwo Sp. z o.o. | 3 000 | PLN | 0 | PLN | WIBOR 1M/EURIBOR 1M + margin | 2022-09-22 |
| mBank S.A. Renewable loan, agreement no. 10/003/22/Z/LF | Dekpol Budownictwo Sp. z o.o. | 20 000 | PLN | 0 | PLN | WIBOR 1M/EURIBOR 1M + margin | 2022-09-30 |
| mBank S.A. Renewable loan, agreement no. 10/003/22/Z/PX | Dekpol Budownictwo Sp. z o.o. | 30 000 | PLN | 0 | PLN | WIBOR 1M/EURIBOR 1M + margin | 2023-03-31 |
| BPS Faktor S.A. factoring agreement no. 377/377/2020 | Dekpol Budownictwo Sp. z o.o. | 15 000 | PLN | 0 | PLN | WIBOR 1M/ EURIBOR 1M + margin | 2022-06-29 |
| PKO Factoring Sp. z o.o. agreement no. 2464/08/2021 | Dekpol Budownictwo Sp. z o.o. | 2 000 | EUR | 6 105** | PLN | EURIBOR 1M /WIBOR 1M + margin | Indefinite period |
| PKO BP S.A. overdraft facility, agreement LKW 40 1020 1462 0000 7102 0389 1900 | Dekpol Steel Sp. Z o.o. | 20 000 | PLN | 13 998* | PLN | WIBOR 3M /EURIBOR 3M+ margin | 2023-11-15 |

| | | | | | | | |
|--|----------------------------|---------------------|------------|---------------|------------|----------------------------------|-------------------------|
| Santander Factoring sp. Z o.o. 31 agreement no. 3673/5447/2019 | Dekpol Steel Sp. Z o.o. | 27 000 ² | PLN | 26 781*** | PLN | WIBOR 1M/ EURIBOR 1M + margin | 2022-10-31 |
| PKO BP overdraft facility, agreement no. 18 1020 1462 0000 7402 0378 6613 | Betpref Sp. z o.o. | 3 000 | PLN | 0 | PLN | WIBOR 3M+ margin | 2022-04-19 ¹ |
| PKO BP S.A, overdraft facility, agreement no. LKW 79 1020 1462 0000 7402 0392 1897 | Intek Sp. z o.o. | 7 000 | PLN | 5 843* | PLN | WIBOR 1M/ EURIBOR 1M + margin | 2023-01-26 |
| Borrowings | Intek Sp. z o.o | 100 | PLN | 100 | PLN | fixed | 2022-11-10 |
| Other | | | | 61 | PLN | | |
| | | 2000 | EUR | 78 022 | PLN | - | - |
| RAZEM | | | | | | | |
| Kredyty i pożyczki krótkoterminowe | | 180 600 | PLN | | | | |

¹As of the publication date, the agreement has been modified regarding its validity period, which has been extended until April 19, 2023)

²As of the publication date, the agreement has been modified regarding the limit amount, which has been increased to PLN 35,450,000.

*Utilized in EUR currency.

**Including PLN 4 819 thousand utilized in EUR currency

*** Including PLN 12 954 thousand utilized in EUR currency

Bonds (nominal value)

| Bonds at the end of reporting period | | | | | | |
|--|---------------|---------------|------------|------------------|----------------|--|
| 31.03.2023 | Value | Balance | Currency | Interest rate | Repayment date | |
| Long-term | | | | | | |
| B-series bonds (Dekpol Deweloper Sp. z o.o.) | 10 000 | 10 000 | PLN | WIBOR 6M+ margin | 2024-08-01 | |
| A-series bonds (Dekpol Budownictwo sp. z o.o.) | 15 000 | 15 000 | PLN | WIBOR 6M+ margin | 2025-04-30 | |
| B-series bonds (Dekpol Budownictwo sp. z o.o.) | 20 000 | 20 000 | PLN | WIBOR 6M+ margin | 2025-10-30 | |
| Total long-term bonds | 45 000 | 45 000 | PLN | - | - | |
| Short-term | | | | | | |
| - | 0 | 0 | - | - | - | |
| Total short-term bonds | 0 | 0 | PLN | - | - | |

| Bonds at the end of reporting period | | | | | | |
|--|--------|---------|----------|--------------------|----------------|--|
| 31.03.2022 | Value | Balance | Currency | Interest rate | Repayment date | |
| Long-term | | | | | | |
| A-series bonds (Dekpol Deweloper Sp. z o.o.) | 12 500 | 12 500 | PLN | WIBOR 6M+ margin * | 2023-08-30 | |
| B-series bonds (Dekpol Deweloper Sp. z o.o.) | 10 000 | 10 000 | PLN | WIBOR 6M+ margin | 2024-08-01 | |
| C-series bonds (Dekpol Deweloper Sp. z o.o.) | 15 650 | 15 650 | PLN | fixed | 2025-06-24 | |
| A-series bonds (Dekpol Budownictwo Sp. z o.o.) | 15 000 | 15 000 | PLN | WIBOR 6M+ margin | 2025-04-30 | |

| | | | | | |
|--|---------------|---------------|------------|--------------------|------------|
| B-series bonds (Dekpol Budownictwo Sp. z o.o.) | 20 000 | 20 000 | PLN | WIBOR 6M+ margin | 2025-10-30 |
| Total long-term bonds | 73 150 | 73 150 | PLN | - | - |
| Short-term | | | | | |
| A-series bonds (Dekpol Deweloper Sp. z o.o.) | 9 000 | 9 000 | PLN | WIBOR 6M+ margin * | 2022-06-19 |
| Total short-term bonds | 9 000 | 9 000 | PLN | - | - |

*since 19.06.2022 change into fixed interest rates

Due of interest-bearing liabilities

As at 31.03.2023

| Description | Overdue | Up to 1 month | 1-3 months | over 3 months 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 | 0 | 0 |
| Long-term bonds | 0 | 0 | 0 | 0 | 86 770 | 76 740 | 0 | 163 510 |
| Long-term borrowings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Long-term loans | 0 | 0 | 0 | 0 | 3 972 | 10 054 | 8 383 | 22 409 |
| Long-term leases | 0 | 0 | 0 | 0 | 6 175 | 3 956 | 972 | 11 103 |
| Short-term derivative liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Short-term leases | 0 | 686 | 1 386 | 6 197 | 0 | 0 | 0 | 8 269 |
| Short-term bonds | 0 | 0 | 195 | 52 263 | 0 | 0 | 0 | 52 458 |
| Short-term borrowings | 0 | 0 | 0 | 2 081 | 0 | 0 | 0 | 2 081 |
| Short-term loans | 0 | 10 056 | 361 | 44 991 | 0 | 0 | 0 | 55 408 |
| Financial liabilities - due | 0 | 10 742 | 1 942 | 105 533 | 96 917 | 90 751 | 9 354 | 315 239 |

As at 31.12.2022

| Description | Overdue | Up to 1 month | 1-3 months | over 3 months 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 | 0 | 0 |
| Long-term bonds | 0 | 0 | 0 | 0 | 98 135 | 63 220 | 0 | 161 355 |
| Long-term borrowings | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Long-term loans | 0 | 0 | 0 | 0 | 2 171 | 5 020 | 17 132 | 24 323 |
| Long-term leases | 351 | 0 | 0 | 0 | 7 011 | 3 371 | 1 049 | 11 782 |
| Short-term derivative liabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Short-term leases | 244 | 481 | 930 | 4 934 | 0 | 0 | 0 | 6 589 |
| Short-term bonds | 0 | 0 | 525 | 50 751 | 0 | 0 | 0 | 51 276 |
| Short-term borrowings | 0 | 0 | 4 006 | 0 | 0 | 0 | 0 | 4 006 |
| Short-term loans | 0 | 8 663 | 12 116 | 48 585 | 0 | 0 | 0 | 69 364 |
| Financial liabilities - due | 595 | 9 144 | 17 577 | 104 270 | 107 317 | 71 611 | 18 181 | 328 695 |

1.7 Active contracts cumulatively until the balance sheet date

| Active construction contracts | 31.03.2023 | 31.12.2022 |
|---|------------|------------|
| As at the beginning of the period | 78 252 | 81 447 |
| Loss of value | 0 | 0 |
| Valuation adjustments | 0 | 0 |
| Transfer to receivables (invoicing) | -78 252 | -81 447 |
| End of period valuation | 22 036 | 78 252 |
| As at the end of the period | 22 036 | 78 252 |
| Liabilities under construction contracts | 31.12.2023 | 31.12.2022 |
| As at the beginning of the period | 91 047 | 0 |
| Valuation adjustments | 0 | 0 |
| Transfer to receivables (invoicing) | -91 047 | 0 |
| End of period valuation | 0 | 91 047 |
| As at the end of the period | 0 | 91 047 |
| Other liabilities due to contracts with clients | 31.12.2023 | 31.12.2022 |
| As at the beginning of the period | 173 892 | 111 443 |
| Advances paid | 13 631 | 387 421 |
| Transfer to revenues (execution) | -130 547 | -324 971 |
| End of period valuation | 0 | 0 |
| As at the end of the period | 56 976 | 173 892 |
| Total transaction price allocated to benefits | 31.12.2023 | 31.12.2022 |
| Other | 0 | 0 |
| Sale of premises | 188 415 | 192 363 |
| Construction contracts | 981 995 | 662 998 |

2. Condensed Interim Separate Financial Statement

2.1 Selected separate Financial Data

| Item | Thousands of PLN 01.01.2023 - 31.03.2023 | Thousands of PLN 01.01.2022 - 31.03.2022 | Thousands of EUR 01.01.2023 - 31.03.2023 | Thousands of EUR 01.01.2022 - 31.03.2022 |
|---|--|--|--|--|
| I. Net revenue from sales of products, goods, and materials | 15 625 | 58 947 | 3 324 | 12 684 |
| II. Profit (loss) on operating activity | 1 188 | 1 813 | 253 | 390 |
| III. Profit (loss) before tax | 1 076 | 31 | 229 | 7 |
| IV. Net profit (loss) | 871 | 25 | 185 | 5 |
| V. Earnings (loss) per ordinary share (in PLN / EUR) | 0,10 | 0,00 | 0,02 | 0,00 |
| VI. Net cash flows from operating activity | (6 691) | (16 700) | (1 423) | (3 594) |
| VII. Net cash flows from investment activity | 10 503 | (7 917) | 2 234 | (1 704) |
| VIII. Net cash flows from financial activity | (2 350) | 15 590 | (500) | 3 355 |
| IX. Total net cash flows | 1 462 | (9 027) | 311 | (1 942) |

| Item | Thousands of PLN 31.03.2023 | Thousands of PLN 31.12.2022 | Thousands of EUR 31.03.2023 | Thousands of EUR 31.12.2022 |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| X. Total assets | 534 686 | 610 494 | 114 359 | 130 172 |
| XI. Liabilities and provisions for liabilities | 245 524 | 321 815 | 52 513 | 68 619 |
| XII. Long-term liabilities | 148 276 | 148 048 | 31 713 | 31 567 |
| XIII. Short-term liabilities | 97 248 | 173 767 | 20 799 | 37 051 |
| XIV. Equity | 289 161 | 288 679 | 61 846 | 61 553 |
| XV. Share capital | 8 363 | 8 363 | 1 789 | 1 783 |
| XVI. Number of shares at the end of the period | 8 362 549 | 8 362 549 | 8 362 549 | 8 362 549 |
| XVII. Book value per share (in PLN / EUR) | 35 | 35 | 7 | 7 |

Selected items of the interim condensed separate statement of financial position presented in EUR have been converted at the average EUR exchange rate announced by the National Bank of Poland, dated March 31, 2023: 4,6755 PLN/EUR, March 31, 2022 roku: 4,6525 PLN/EUR and dated December 31, 2022: 4,6899 PLN/EUR.

Selected items of the interim condensed separate statement of comprehensive income and the interim condensed separate statement of cash flows were converted into EUR at the exchange rate announced by the National Bank of Poland, which is the arithmetic mean of the average exchange rates for EUR applicable on the last day of each completed month in a given period: January 1, to March 31, 2023: 4,7005 PLN/EUR, and January 1, to March 31, 2022: 4,6472 PLN/EUR.

2.2 Condensed Interim Statement of Comprehensive Income

| Description | Note | 01.01.-31.03.2023 | 01.01.-31.03.2022 |
|---|----------|-------------------|-------------------|
| Revenue from sales | | 15 625 | 58 947 |
| Costs of goods sold | | 12 180 | 56 305 |
| Gross profit (loss) from sales | | 3 445 | 2 643 |
| Selling costs | | 98 | 110 |
| General administrative expenses | | 2 483 | 988 |
| Other operating income | | 533 | 570 |
| Profit from a bargain purchase | | 0 | 0 |
| Other operating expenses | | 208 | 302 |
| Operating profit (loss) | | 1 188 | 1 813 |
| Share in the profit (loss) of entities accounted for using the equity method | | 0 | 0 |
| Financial revenues | | 6 047 | 1 537 |
| Financial costs | | 6 159 | 3 319 |
| Profit (loss) before tax | | 1 076 | 31 |
| Income tax | | 204 | 5 |
| Profit (loss) from continuing operations | | 871 | 25 |
| Net profit (loss) | | 871 | 25 |
| Other comprehensive income that cannot be transferred to the result | | 0 | 0 |
| Other comprehensive income that can be transferred to the result | | -132 | 0 |
| Exchange differences on translating foreign units | | 0 | 0 |
| Other comprehensive income before tax | | -132 | 0 |
| 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 | | -132 | 0 |
| Comprehensive Income | 3 | 739 | 25 |

2.3 Condensed Interim Statement of Financial Position

| Description | Note | 31.03.2023 | 31.03.2022 | 31.12.2022 |
|---|-----------|----------------|----------------|----------------|
| Fixed assets | 1. | 381 938 | 393 447 | 378 988 |
| Property, plant and equipment | | 16 254 | 13 515 | 13 611 |
| Intangible assets | 2. | 31 754 | 31 170 | 31 754 |
| Goodwill | | 0 | 0 | 0 |
| Investment properties | 3. | 6 541 | 5 491 | 6 565 |
| Stocks and shares | | 232 694 | 280 348 | 232 694 |
| Trade and other long-term receivables | | 6 528 | 10 055 | 6 916 |
| Other long-term financial assets | | 83 544 | 50 616 | 83 353 |
| Deferred income tax assets | | 4 622 | 2 252 | 4 094 |
| Current assets | | 152 747 | 163 533 | 231 506 |
| Inventory | | 10 490 | 13 762 | 10 398 |
| Receivables due to contracts with clients | | 0 | 0 | 0 |
| Trade and other short-term receivables | | 36 584 | 85 984 | 120 845 |
| Receivables due to current income tax | | 0 | 0 | 0 |
| Other short-term financial assets | | 84 662 | 58 211 | 80 715 |
| Cash and cash equivalents | | 21 011 | 5 575 | 19 548 |
| including cash on escrow accounts | | 0 | 0 | 0 |
| Current assets other than fixed assets or disposal groups classified as held for sale | | 152 747 | 163 533 | 231 506 |
| Assets classified as held for sale | | 0 | 0 | 0 |
| Assets in total | | 534 686 | 556 980 | 610 494 |

| Description | Note | 31.03.2023 | 31.03.2022 | 31.12.2022 |
|---|------------|----------------|----------------|----------------|
| Equity | 10 | 289 161 | 287 386 | 288 679 |
| Share capital | | 8 363 | 8 363 | 8 363 |
| Equity from sales of shares over its nominal value | | 26 309 | 26 309 | 26 309 |
| Own shares (-) | | 0 | 0 | 0 |
| Other reserve capital from the valuation | | -103 | 0 | 29 |
| Retained earnings: | | 254 593 | 252 714 | 253 978 |
| The result of the current year | | 871 | 25 | 1 208 |
| Other capital assets | | 0 | 0 | 0 |
| Liabilities | 13. | 245 524 | 269 594 | 321 815 |
| Long-term liabilities | 13. | 148 276 | 157 591 | 148 048 |
| Deferred income tax provision | | 15 500 | 14 087 | 15 290 |
| Liabilities and provisions on employee benefits | | 41 | 33 | 41 |
| Other long-term provisions | | 0 | 0 | 0 |
| Long-term credits, borrowings and debt instruments | 12. | 131 279 | 141 228 | 131 035 |
| Other long-term financial liabilities | 12. | 0 | 0 | 0 |
| Long-term lease liabilities | | 846 | 1 024 | 846 |
| Liabilities from deliveries and services and other long-term liabilities | | 611 | 1 218 | 836 |
| Other long-term liabilities | | 611 | 1 218 | 836 |
| Short-term liabilities | 13. | 97 248 | 112 003 | 173 767 |
| Liabilities and provisions on employee benefits | | 1 | 1 | 1 |
| Other short-term provisions | | 1 835 | 1 889 | 1 842 |
| Short-term credits, borrowings and debt instruments | | 57 479 | 44 996 | 55 530 |
| Other short-term financial liabilities | | 0 | 0 | 0 |
| Short-term lease liabilities | | 2 726 | 781 | 777 |
| Liabilities due to contracts with clients | | 0 | 0 | 0 |
| Liabilities from deliveries and services and other short-term liabilities | | 34 141 | 63 954 | 115 042 |
| Liabilities due to current income tax | | 1 066 | 382 | 574 |
| Short-term liabilities other than those related to assets held for sale | | 97 248 | 112 003 | 173 767 |
| Liabilities related to assets held for sale | | 0 | 0 | 0 |
| Liabilities in total | | 534 686 | 556 980 | 610 494 |

2.4 Condensed Interim Cash Flow Statement

| Description | 01.01.-31.03.2023 | 01.01.-31.03.2022 |
|--|-------------------|-------------------|
| Profit (loss) before tax | 1 076 | 31 |
| Adjustments: | -7 767 | -16 676 |
| Depreciation | 605 | 533 |
| Change of fair value of investment properties | 0 | 0 |
| Revaluation write-offs recognized in the financial result | 0 | 0 |
| Profit (loss) on the sale of fixed assets | -18 | 0 |
| Profits (losses) due to exchange rate differences | 9 | 3 |
| Interest expenses | 4 463 | 3 183 |
| Interest receivables | -5 967 | -246 |
| Dividend receivables | 0 | 0 |
| Income tax on profit before tax | 0 | -5 |
| Change in inventories | -92 | -1 238 |
| Change in receivables | 84 392 | -15 605 |
| Change in liabilities | -91 152 | -2 637 |
| Change in reserves | -7 | -664 |
| Cash flow from activities (used in activities) | -6 691 | -16 645 |
| Income tax paid | 0 | -55 |
| Net cash from operating activities | -6 691 | -16 700 |
| Expenses related to acquisition of intangible assets | -7 | -202 |
| Inflows from sales of intangible assets | 0 | 0 |
| Expenses related to acquisition of property, plant and equipment | -1 032 | -767 |
| Inflows from sales of property, plant and equipment | 22 | 0 |
| Expenses related to acquisition of investment properties | 0 | -41 |
| Inflows from sales of investment properties | 0 | 0 |
| Net expenses for the acquisition of subsidiaries | 0 | 0 |
| Net inflows from the sale of subsidiaries | 0 | 0 |
| Expenses for the acquisition of other financial assets | 0 | 0 |

| | | |
|--|---------------|---------------|
| Inflows from the sale of other financial assets | 0 | 0 |
| Loans granted | 0 | -7 800 |
| Repayments received from loans granted | 0 | 892 |
| Interest received | 1 520 | 0 |
| Dividends received | 10 000 | 0 |
| Cash flow resulting from the decrease (increase) in the value of short-term deposits and investments | 0 | 0 |
| Net cash from investment activities | 10 503 | -7 917 |
| Net inflows from issue of shares | 0 | 0 |
| Inflows from issue of debt securities | 0 | 11 700 |
| Other inflows (expenses) from financial activities | 0 | 0 |
| Inflows from received grants | 0 | 0 |
| Redemption of debt securities | 0 | 0 |
| Inflows from loans and borrowings taken out | 0 | 5 642 |
| Repayment of loans and borrowings | -387 | -292 |
| Repayment of liabilities under finance lease | -240 | -236 |
| Interest paid | -1 723 | -1 224 |
| Dividends paid | 0 | 0 |
| Net cash from financial activities | -2 350 | 15 590 |
| Change in net cash and cash equivalents | 1 463 | -9 027 |
| Cash and cash equivalents at the beginning of the period | 19 548 | 14 602 |
| Cash and cash equivalents at the end of the period | 21 011 | 5 575 |
| Including cash of limited disposal right | 0 | 0 |

2.5 Condensed Interim Statement of changes in equity

Data for period 01.01 – 31.03.2023

| Description | Share capital | Capital from the sale of shares above their nominal value | Own shares (-) | Other reserve capital from the valuation | Retained earnings | Other capital shares | Non-controlling interests | Total |
|--|---------------|---|----------------|--|-------------------|----------------------|---------------------------|------------|
| Balance at the beginning of the period | 8 363 | 26 309 | 0 | 29 | 253 978 | 0 | 0 | 288 679 |
| Error corrections of previous years | 0 | 0 | 0 | 0 | -256 | 0 | 0 | -256 |
| Balance at the beginning of the period after changes | 8 363 | 26 309 | 0 | 29 | 253 721 | 0 | 0 | 288 422 |
| Net profit (loss) | 0 | 0 | 0 | 0 | 871 | 0 | 0 | 871 |
| Other net comprehensive income | 0 | 0 | 0 | -132 | 0 | 0 | 0 | -132 |
| Comprehensive Income | 0 | 0 | 0 | -132 | 871 | 0 | 0 | 739 |
| Issue of shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Acquisition of own shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other changes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Changes in equity in total | 0 | 0 | 0 | -132 | 871 | 0 | 0 | 739 |
| Balance at the end of the period | 8 363 | 26 309 | 0 | -103 | 254 593 | 0 | 0 | 289 161 |

Data for period 01.01 – 31.12.2022

| Description | Share capital | Capital from the sale of shares above their nominal value | Own shares (-) | Other reserve capital from the valuation | Retained earnings | Other capital shares | Non-controlling interests | Total |
|--|---------------|---|----------------|--|-------------------|----------------------|---------------------------|----------------|
| Balance at the beginning of the period | 8 363 | 26 309 | 0 | 0 | 252 688 | 0 | 0 | 287 360 |
| Error corrections of previous years | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance at the beginning of the period after changes | 8 363 | 26 309 | 0 | 0 | 252 688 | 0 | 0 | 287 360 |
| Net profit (loss) | 0 | 0 | 0 | 0 | 25 | 0 | 0 | 25 |
| Other net comprehensive income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Comprehensive Income | 0 | 0 | 0 | 0 | 25 | 0 | 0 | 25 |
| Issue of shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividends | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Acquisition of own shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other changes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Changes in equity in total | 0 | 0 | 0 | 0 | 25 | 0 | 0 | 25 |
| Balance at the end of the period | 8 363 | 26 309 | 0 | 0 | 252 714 | 0 | 0 | 287 386 |

2.6 Additional Information to the Condensed Separate Financial Statement

Preparation principles of the Interim Condensed Separate Financial Statement

The Interim Condensed Separate Financial Statement of the company Dekpol S.A. for the three-month period ended on March 31, 2023, have been prepared in accordance with International Accounting Standard (IAS) 34 - Interim Financial Reporting, and in accordance with the applicable accounting standards for interim financial reporting adopted by the European Union, as published and in effect at the time of preparing the interim condensed consolidated financial statement, using the same principles for the current and comparative periods.

Interim condensed financial statement of the company Dekpol S.A. for 3 months ended March 31, 2023 has been prepared under assumption of continuation of business activities by the Company in the foreseeable future. Statement presents financial position of Dekpol S.A. as of March 31, 2023 and December 31, 2022, results achieved with the Company's business operations and cash flow for the period of 3 months ended March, 31 2023 and March 31, 2022.

In the first quarter of 2023, there were no changes in the applied accounting policies. There were no significant changes in estimated amounts or in the principles for determining the values of assets and liabilities, as well as measuring financial performance during the reporting period.

3. Other information infoto the extended consolidated Report for Q1 2023 of the DEKPOL Capital Group

3.1 Information about the DEKPOL Capital Group

Business activities

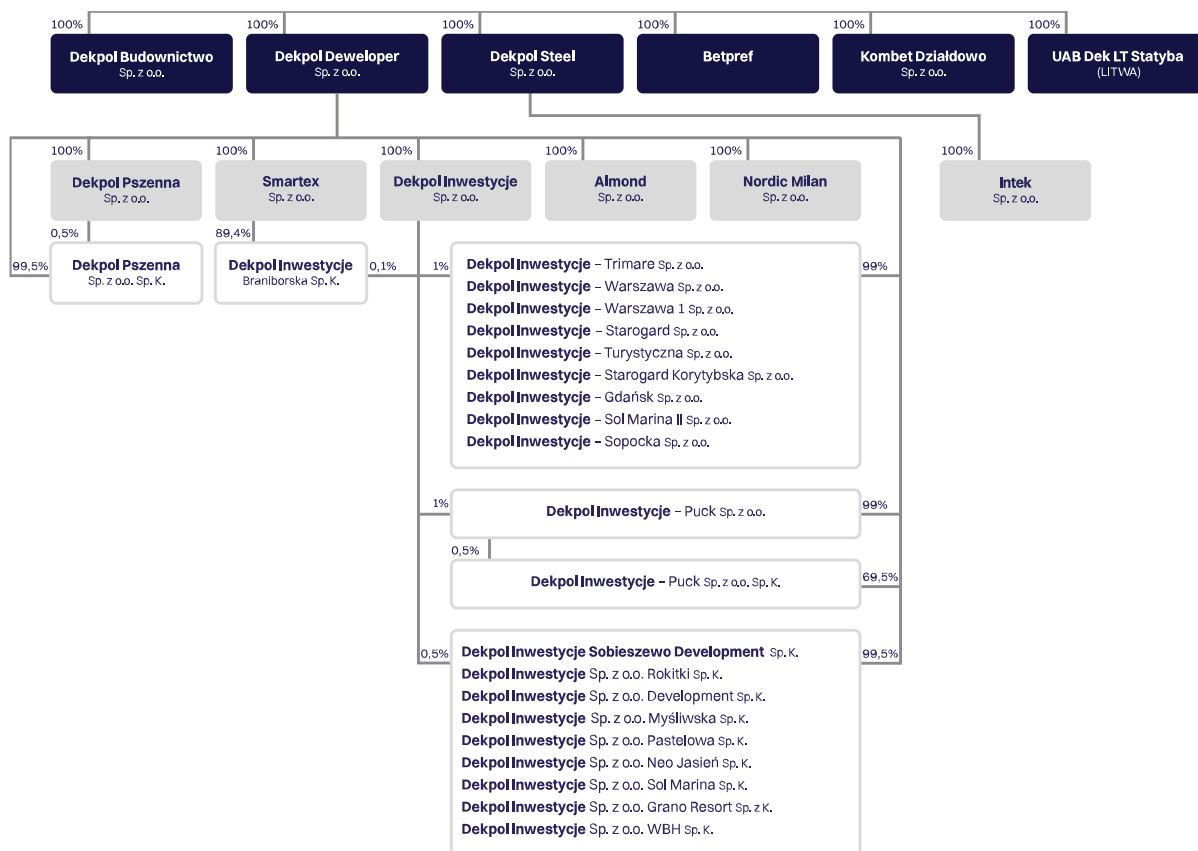
The principal activities of the DEKPOL Capital Group are as follows:

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

Structure of the DEKPOL Capital Group

Dekpol Capital Group composes of Dekpol S.A. as the parent entity as well as direct or indirect subsidiaries of Dekpol S.A.

The organizational structure of the Dekpol Capital Group as at March 31, 2023 and as at publication date of this report is presented in the diagram below:



Operating activities of the Capital Group are conducted by subsidiaries.

Business activities of Dekpol S.A.

The Company Dekpol S.A. („Company”, „Dekpol”, Issuer”) is entered in the register of entrepreneurs of the National Court Register maintained by District Court Gdańsk-North in Gdańsk, VII Commercial Division of the National Court Register under ID (KRS) number 0000505979. The Company was registered on April 11, 2014. It was established as a result of the transformation of Dekpol Spółka z ograniczoną odpowiedzialnością in Dekpol Spółka Akcyjna with the resolution of the General Meeting of Shareholders. The Company has been created as a permanent entity.

Since the beginning of 2021, Dekpol S.A., as the parent company of the Dekpol Capital Group, performs mainly the role of the holding company managing the Dekpol Capital Group and provides services to entities from the Dekpol Capital Group.

The previous individual areas of the Company's business activities (general contracting, property development, and production activity) have gradually been transferred from the parent company to newly created subsidiaries as a part of the ongoing reorganization in previous years. Due to the fact that Dekpol S.A. conducted operational activities in the field of general contracting until the end of 2020, Dekpol S.A. remains responsible for obligations arising from warranties provided and certain contracts entered into, to the extent that consent has not been obtained from the counterparties for the transfer of these obligations to the subsidiary company Dekpol Budownictwo Sp. z o.o. as a part of the contribution of an organized part of the enterprise. However, fundamentally, Dekpol Budownictwo Sp. z o.o. is primarily responsible for general contracting activities, including contracts concluded until December 31, 2020.

Furthermore, Dekpol S.A. remains jointly and severally liable, in accordance with the provisions of Article 551 and subsequent articles of the Civil Code, with the purchasers of individual parts of the enterprise (namely Dekpol Deweloper sp. z o.o., Dekpol Steel sp. z o.o., and Dekpol Budownictwo Sp. z o.o.) for obligations related to the transferred parts of the enterprise.

General contracting activities

Business activities in the field of general contracting, starting from 1st of January 2021, are carried out by Dekpol Budownictwo Spółka z ograniczoną odpowiedzialnością. The Issuer owns 100% of the subsidiary's shares.

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

Property development activities

Property development activities are carried out by Dekpol Deweloper Spółka z ograniczoną odpowiedzialnością (the Issuer owns 100% of the company's shares) and its subsidiary special purpose vehicles - limited liability companies or limited partnerships.

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

Individual projects are implemented by subsidiaries - special purpose vehicles:

- 1) Dekpol Pszenna Sp. z o.o. Sp.k. – spółka celowa powołana do realizacji inwestycji deweloperskiej pod nazwą Grano Hotel oraz Grano Residence w Gdańsku przy ul. Pszennej;
- 2) 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;
- 3) Dekpol Inwestycje Sp. z o.o. Rokitki Sp.k. – special purpose vehicle to carry out property development investments in Rokitki and Śliwiny near Tczew;
- 4) 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;
- 5) Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k. – a special purpose vehicle to carry out a property development investment in Wrocław;
- 6) 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;
- 7) 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 Sobieszewska Island;
- 8) Dekpol Inwestycje Sp. z o.o. WBH Sp. k. - a special purpose vehicle to carry out a real estate development investment in Warsaw at Prądyńskiego Street 21;;
- 9) 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;
- 10) Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k. - a special purpose vehicle to carry out a real estate development investment in Wiślinka;
- 11) 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 Sobieszewska Island (e.g. Villa Neptun);
- 12) Nordic Milan Sp. z o.o. – the company performed property development project Eco Milan in Milanówek;
- 13) Dekpol Inwestycje – Trimare Sp. z o.o. - a special purpose vehicle established to carry out a property development investment in Sztutowo;

- 14) Dekpol Inwestycje – Warszawa 1 Sp. z o.o. – a special purpose vehicle established to carry out property development investments in and around Warsaw;
- 15) Dekpol Inwestycje Warszawa Sp. z o.o. – a special purpose vehicle established to carry out property development investments in and around Warsaw;
- 16) 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;
- 17) Dekpol Inwestycje – Turystyczna Sp. z o.o. – a special purpose vehicle established to implement an investment in Gdańsk on the Sobieszewska Island at Turystyczna street;
- 18) Dekpol Inwestycje – Puck Sp. z o.o. Sp. k. – general partner of a special purpose vehicle established to implement an investment in Puck;
- 19) Dekpol Inwestycje Gdańsk Sp. z o.o. - a special purpose company established to carry out property development projects in the Pomeranian Voivodeship (the company was registered with the National Court Register on March 25, 2022, under the name before it was changed to Dekpol Granaria Sp. z o.o. on September 13, 2022.);
- 20) Dekpol Inwestycje Starogard Korytybska Sp. z o.o. - a special purpose company established to carry out a property development project in Starogard Gdański at Korytybska street (registered in the National Court Register on May 5, 2022).
- 21) Dekpol Inwestycje – Sol Marina II Sp. z o.o. - A special purpose company established for the purpose of investment in Wiślinka (the company was formed on December 30, 2022, and registered in the National Court Register on January 2, 2023);
- 22) Dekpol Inwestycje Sopot Sp. z o.o. - a special purpose company established to carry out an investment project in Sopot (the company was formed on December 30, 2022, and registered with the National Court Register on January 2, 2023).

Dekpol Deweloper Sp. z o.o. is the only limited partner of the special purpose vehicles specified in items 1) - 4) and 6) - 11) above, as well as the sole partner of the company specified in items 12). Dekpol Deweloper Sp. z o.o. owns 99% of the shares (in case of limited partnership companies – share in profits and losses) of the companies listed in points 13) - 17) and 19)-22), and the remaining shares belong to the subsidiary of Dekpol Deweloper Sp. z o.o., i.e. the company Dekpol Inwestycje Sp. z o.o.

Partners for Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k. (point 5) above) are:

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

The shareholders of Dekpol Inwestycje – Puck Sp. z o.o. sp. k. (point 18) above are:

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

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

- 1) Smartex Sp. z o.o. – limited partner of a special purpose vehicle established to carry out a property development investment in Wrocław at ul. Braniborska - Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k indicated in point 5) in the table above;
- 2) Dekpol Pszenna Sp. z o.o. – general partner of a special purpose vehicle established to carry out a property development investment at ul. Pszenna in Gdańsk indicated in point 1) in the table above;
- 3) Dekpol Inwestycje Sp. z o.o. – general partner of limited partnerships indicated in items 2) -11) in the above table and a partner holding 1% of shares in the companies indicated in points 13) -17) and 19)-22) in the above table;
- 4) Dekpol Inwestycje – Puck Sp. z o.o. – general partner of a special purpose vehicle established to implement the investment in Puck indicated in point 18) in the above table;
- 5) Almond Sp. z o.o. - a company owning real-estate property in Gdańsk at ul. Toruńska 12 (Hotel Almond).

Production activity

Production activity is carried out by Dekpol Steel Sp. z o.o. and its subsidiary Intek Sp. z o.o. based in Lubawa, and also by the company Betpref Sp. z o.o. and company Kombet Działdowo Sp. z o.o. based in Komorniki. Dekpol S.A. holds 100% of the shares in companies Dekpol Steel Sp. z o.o. and Betpref Sp. z o.o., and since august 5, 2022 also 100% shares in the company Kombet Działdowo Sp. z o.o. Dekpol Steel Sp. z o.o. holds 100% of shares in the company Intek Sp. z o.o.

Dekpol Steel Sp. z o.o. (a company that acquired the organized part of Dekpol S.A.'s business in 2020) is engaged in the production and sale of buckets and accessories for construction machinery. Intek Sp. z o.o. operates a steel products manufacturing plant in Lubawa. The intention is for this company to focus on the production of products offered by Dekpol Steel Sp. z o.o. Additionally, the scope of activities has expanded to include steel products, offshore products, and efforts have been initiated towards certifying Dekpol Steel Sp. z o.o. to obtain a license for production in the defense industry.

Betpref Sp. z o.o. operates a production plant for precast concrete elements and steel structures in facilities located in Toruń and Pinczyn. On the other hand, Kombet Działdowo Sp. z o.o. is engaged in the production of precast concrete elements in Działdowo.

Remaining entities from Dekpol Capital Group

Dekpol S.A. is also a partner of an entity that performs functions other than the primary operational activities of the Capital Group, namely UAB DEK LT Statyba. This entity was established to support the construction activities of Dekpol S.A. in Lithuania and to manage future contracts in general contracting carried out in that country. Dekpol S.A. owns 100% of the shares of this company.

Other entities in which entities from the Dekpol Group participate

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

- 1) Mineral Group Sp. z o.o. – the entity established to conduct activities related to exploration and mining of mineral resources. The entity from the Group - Dekpol Deweloper Sp. z o.o. holds 50 out of 101 shares in share capital of this company (amounting to PLN 5,000).
- 2) Dekpol SPV 1 Sp. Z o.o. – entity appointed by Dekpol S.A. in order to implement investment projects together with a subsidiary of the President of the Management Board of Dekpol S.A., i.e. OMT Holding Sp. z o.o. .. Dekpol S.A. holds 324 out of 1.200 shares in the share capital of this company (amounting to PLN 60,000).

All companies directly and indirectly dependent on the Issuer are subject to full consolidation. Associated companies are valued by use of the equity method.

Changes in the structure of the Capital Group in Q1 2023 and after balance sheet date

On January 2, 2023, the special purpose companies were registered in the National Court Register: Dekpól Inwestycje Sol Marina II Sp. z o.o. and Dekpól Inwestycje Sopotcka Sp. z o.o. established for the implementation of development investments in the Tricity agglomeration. The companies were formed on December 30, 2022.

Bodies of the Company

Management Board

The Issuer's Management Board is composed of one or more Members. The Supervisory Board entrusts one of the Members of the Management Board with the function of the President of the Management Board. Other Members of the Management Board may be entrusted with the function of Vice Presidents of the Management Board. The term of office of the Members of the Management Board is 5 (five) years and is not joint.

Composition of the Management Board of Dekpól S.A. as at March 31, 2023 and 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 |

The terms of the President of the Management Board, Mariusz Tuchlin, and the Vice President of the Management Board, Katarzyna Szymczak-Dampc, will expire on December 31, 2024. Their mandates will expire on the approval date of the financial report for the year 2024, in 2025.

In Q1 2023 and until the date of publication of this report, there were no changes in the composition of the Company's Management Board

Supervisory Board

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 March 31, 2023 and as at the date of publication of this report:

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

The term of Wojciech Sobczak will expire on December 31, 2023. The terms of Roman Suszek, Jacek Grzywacz, and Jacek Kędzierski will expire on December 31, 2024. The term of Grzegorz Wąsacz will expire on December 31, 2027. The mandates of these individuals will expire on the date of the General Meeting approving the financial report for the respective years mentioned.

In Q1 2023 and until the publication of this report, there were no changes in the composition of Company's Supervisory Board.

Equity of the Company

As of 31st of March 2022 and as of the day of publication of this report, share capital of Dekpol S.A. amounts PLN 8.362.549,00 and is divided into 8.362.549 ordinary bearer shares with a nominal value of PLN 1 each, including:

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

which entitle to 8.362.549 votes at the General Meeting of Shareholders of the company.

Shareholding structure

Shareholders of Dekpol S.A. holding more than 5% of total number of votes at the Company's General Meeting as of publication date of this report, i.e. as at May 26, 2023, according to the best knowledge of Management Board of Dekpol S.A.:

| Major Shareholders | Number of shares / Number of votes | Participation in share capital / general number of votes |
|--------------------------|------------------------------------|--|
| Mariusz Tuchlin | 6 466 845 | 77,33% |
| Familiar S.A. SICAV-SIF* | 679 583 | 8,13% |
| Other shareholders | 1 216 121 | 14,54% |
| Total: | 8 362 549 | 100% |

* based on the number of registered shares for the Ordinary General Meeting of Shareholders convened for 28th of June 2019.

Since the publication date of the last periodic report, namely the annual report for the year 2022 published on April 28, 2023, until the publication date of this report, the Company has not received any notifications regarding changes in the shareholding structure..

Holding of shares by management and supervisory staff

Holding of Company's shares by Members of Management Board and Supervisory Board of Dekpol S.A. as at publication date of this report, i.e. on May 26, 2023 and as at publication date of the previous periodic report, i.e. annual report for 2022 published on April 28, 2023:

| Item | Number of shares as at publication date of the annual report for 2022 | Changes | Number of shares as at publication date of the report for Q1 2023 |
|---|---|---------|---|
| Mariusz Tuchlin – President of Management Board | 6.466.845 | - | 6.466.845 |

Other members of Management Board and Supervisory Board did not and do not hold any shares of the Company in the period from submission date of the annual report for 2022 to the date of submission of this quarterly report.

To the best knowledge of the Company, Members of Management Board and Supervisory Board do not have any rights to Issuer's shares and did not have such rights in the indicated period.

3.2 Information about business activities of the DEKPOL Capital Group

Summary of business activities of the Dekpol Capital Group in Q1 2023

In the discussed period, the Group's revenues amounted to PLN 270.8 million, and the Group's operating profit after the first quarter of 2023 reached PLN 10.27 million. The Group concluded the first quarter of 2023 with a net profit of PLN 9.64 million. As of the end of the first quarter of 2023, the Group's cash position stood at PLN 211.95 million, and the net debt/EBITDA LTM ratio was at a safe level of 0.81. The general contracting segment remains the largest segment of Dekpol Group's business activities, accounting for approximately 63% of revenues in the first quarter of 2023.

The revenues of the general contracting segment in the discussed period amounted to approximately PLN 170 million, representing decrease of 21% y/y. The operating profit reached PLN 8.89 million. The decline in revenues in the construction segment during the reporting period was a result of the adopted strategy of selective contracting, which was influenced by the overall market uncertainty and the slowly stabilizing market prices of raw materials and supplies. Additionally, investor hesitation in making decisions was still evident, although in the second half of the first quarter, there were signs of recovery, and Dekpol Budownictwo began to achieve success in acquiring new contracts and their execution. The increase in contract acquisition may be attributed to an improvement in the market situation, stabilization of construction material prices, or reduced investment uncertainty among potential clients.

In the first quarter of 2023, the revenues of the property development segment amounted to PLN 50.7 million, accounting for a 19% share of the Group's revenues. The operating profit reached PLN 9.8 million.

The segment of production of accessories for construction machines contributed nearly 15% to the Group's revenues and was the third-largest segment in terms of sales contribution. Dekpol Steel generated revenues of PLN 40.9 million in the discussed period, with an operating profit of PLN 1.15 million. In the segment of production of accessories for construction machines, the Group continues to work on rebuilding its portfolio after facing challenges related to a decline in orders resulting from the war in Ukraine. Slowly, the first returning orders can be observed both in the Intek production plant and Dekpol Steel.

The development strategy of the Group, based on three pillars: General Contracting (Dekpol Budownictwo), Accessories Production (Dekpol Steel), and the property development segment (Dekpol Deweloper), enables the Group to generate a solid level of performance in an unstable and dynamically changing environment.

General Contracting

As a part of the General Contracting segment, the Capital Group had contracts for external entities in its portfolio with a total contractual value of nearly PLN 1,616 million net at the end of the first quarter of 2023 (PLN 1,315 million at the end of 2022 and PLN 1,204 million at the end of the first quarter of 2022). After the reporting period, there were projects remaining with a total value of approximately net PLN 828 million (around PLN 454 million at the end of 2022 and over PLN 312 million at the end of the first quarter of 2022).

In terms of internal activities within the property development segment, Dekpol Budownictwo had contracts worth approximately PLN 317 million at the end of the first quarter of 2023 (over PLN 420 million net at the end of 2022 and over PLN 412 million at the end of the first quarter of 2022). Out of these contracts, over PLN 87 million remained to be implemented (net PLN 139 million at the end of 2022 and just under PLN 268 million at the end of the first quarter of 2022).

As a part of general contracting services, industrial, logistic, commercial, service and residential facilities are implemented along with full external infrastructure (roads, squares, parking lots). Most of projects are performed on behalf of private investors.

The list of selected external contracts carried out by the Dekpol Group as at March 31, 2023 in the field of general contracting is presented in the table below:

| Ordering Party | Description of a project |
|----------------------------|--|
| ACE 7 | General contracting of the object Koszalin Power Center |
| BIMS PLUS FHH | Construction of a warehouse hall with a service-office-social section, including the construction of connections and internal installations, in the city of Poznań |
| GRUPA PANATTONI | Construction of a warehouse hall for Phase I with an area of approximately 49,248 m ² , including an office building and all external works, as well as a warehouse for Phase II with accompanying works, in the town of Kolbudy |
| GRUPA PANATTONI | Implementation of an investment project in the town of Tczew, involving the expansion of an existing building - FLEX. |
| MARATHON INTERNATIONAL | Expansion of a logistics center with a warehouse building, including internal gas installation and accompanying infrastructure, in Gliniec Duchowna, Kostrzyn municipality. |
| KOMENDA WOJEWÓDZKA POLICJI | Construction of the Forensic Laboratory of the Provincial Police Headquarters in Poznań |
| GRUPA PANATTONI | Implementation of an investment project in the town of Kadłubia, Żary municipality. Expansion of the investment consisting of warehouse, technical, office, and welfare areas, along with other buildings, structures, or facilities, and associated site development. |
| DAWIKA | Construction of a warehouse building with social and office facilities, including the necessary technical infrastructure in Koteże. |
| INWESTOR | Construction of a building along with accompanying infrastructure, such as squares, sidewalks, parking lots, roads with entrances/exits, external networks, connections, lighting, green areas, advertising structures, and small architectural elements, in the town of Psary |
| THALES DIS POLSKA | Construction of a production-warehouse building and a social-administrative building, along with accompanying buildings, structures, construction equipment, and technical infrastructure. |
| LEROEY MERLIN INWESTYCJE | A commercial facility along with parking lots, access roads, and technical infrastructure, located in Koszalin on plots no. 799/16, |

799/15, 799/14, 799/12, 543/2, 545, 543/3 in the area of Koszalin.

The majority of contracts executed by the Group have been consistently increasing and currently have an average value of approximately PLN 70 million. The Group also undertakes larger contracts. As of March 31, 2023, the General Contracting Segment had 8 contracts in its portfolio with a value exceeding PLN 70 million.

Industrial and logistics projects have a significant share in the order portfolio - in recent years they accounted for approx. 80% - 90% of the portfolio. As of March 31, 2023, the share of industrial and logistics projects in the entire order portfolio amounted to approx. 89%.

It should be emphasized that Dekpol Budownictwo has achieved a high level of specialization in the execution of industrial projects with a high degree of complexity, as evidenced by the industry awards received for the facilities constructed by the company recently, such as the Danfoss factory in Grodzisk Mazowiecki. This facility was awarded the prestigious title of "Factory of the Year" by the Competition Committee of the Executive Club, as well as a nomination for the best industrial project of the year 2022 at the MIPIM fair in Cannes.

The operations of the segment in the first quarter of 2023 were carried out in a demanding and complex market environment. Constraints in the capital market, inflation, a lower number of orders in the market, driven also by investors' expectations of lower prices for construction projects, have resulted in increased competition in securing new contracts. The company actively worked through the second half of the first quarter, acquiring many new contracts and receiving numerous interesting engineering inquiries for proposals. It is worth noting that the reporting period was free from significant price increases in construction materials, particularly steel prices, as well as labor costs and fuel, which stabilized at sustainable (though not always low) values, showing slight downward trends. The dynamics of inflation remained a challenge in the first quarter of 2023, making it difficult to project the costs of construction projects and exerting limited pressure on wages. However, it should be emphasized that the strategy adopted in 2018 and maintained to this day, focusing on acquiring short-term contracts, allows the company to effectively counteract the phenomenon of inflation and price fluctuations and achieve its economic goals. Additionally, over the past years, the company has developed internal procedures and processes aimed at efficiency, speed of action, and reducing implementation risks (including an effective procurement department collaborating with the new project estimation and execution departments, swift contract processes, and their handling).

The year 2022 concluded with the achievement of historically the highest revenue from sales in the field of general contracting, reaching a value of 1 billion PLN compared to 654 million PLN (in comparison to the year 2019), with an increase in the operating margin compared to 2021. The goal for 2023 is to achieve a similar result as in 2022, which has been brought closer by the result achieved in the first quarter of 2023.

In the last months of 2022 and at the beginning of 2023, the Group observed further threats to the construction industry resulting from political and macroeconomic changes, which translated into economic uncertainty. At the same time, Management Board of the Company is taking active measures to secure financial performance of the company Dekpol Budownictwo in line with established goals for 2023 and the ambitions of being a leader in the cubature construction market.

Property Development

The property development activity of the Dekpol Capital Group focuses on the construction, finishing, and sale of residential estates, single-family housing estates, luxury apartment buildings, condominiums, aparthotels, as well as commercial and service premises.

In the first quarter of 2023, Dekpol Capital Group recognized revenue from the sale of 108 apartments and partial revenue (recognized based on the progress of construction works) from an investment project with an institutional entity in Wrocław, at Braniborska Street. For comparison, in the first quarter of 2022, it was 73 apartments.

Dekpol Capital Group maintains a stable position in the property development segment. In the first quarter of 2023, the total number of contracts concluded, including preliminary agreements, development agreements, and reservation agreements, amounted to 93 apartments. In comparison, in the same period of the previous year, the total number of contracts amounted to 70 apartments.

In the first quarter of 2023, the Group mainly conducted sales of the following investments:

- Grano Marina Hotel – a building with a total of 130 service premises, located in Wiślinka near Sobieszewska Island, part of the "Sol Marina stage I investment",
- Sol Marina stage II – a complex of 15 apartment buildings with a total of 127 commercial premises, located in Wiślinka near Sobieszewska Island,
- Sol Marina stage III – a complex of 16 apartment buildings with a total of 140 commercial premises, located in Wiślinka near Sobieszewska Island,
- Baltic Line – apartment building with a total of 60 commercial premises, located on the Sobieszewska Island,
- Baltic Porto - apartment building with a total of 72 service premises, located on the Sobieszewska Island,
- Osiedle Pastelowe stage IIa - 3 residential buildings with a total of 225 residential premises, located in Gdańsk,
- Osiedle Pastelowe stage IIb - 2 residential buildings with a total of 125 residential premises, located in Gdańsk,
- Neo Jasień stage I – 2 residential buildings with a total of 104 residential premises, located in Gdańsk,
- Neo Jasień stage II – 2 residential buildings with a total of 98 residential premises, located in Gdańsk,
- Trimare stage I – 9 residential buildings with a total of 189 residential premises, located in Sztutowo,
- Osiedle Kociewskie stage II – 3 residential buildings with a total of 129 residential premises, located in Rokitki near Tczew.

In the first quarter of 2023, final use permits were issued for:

- Two multi-family residential buildings consisting of 86 apartments as a part of the "Osiedle Kociewskie Stage II" investment in Rokitki near Tczew. As of March 31, 2023, approximately 64% of the apartments have been sold,
- One apartment building consisting of 20 apartments as a part of the "Baltic Line" investment in Gdańsk. As of March 31, 2023, 65% of the apartments have been sold,
- Three multi-family residential buildings consisting of 63 apartments as a part of the "Trimare Stage I" investment in Sztutowo. As of March 31, 2023, approximately 51% of the apartments have been sold.

The plan of Dekpol Capital Group in the property development segment for 2023 is to achieve revenues of approximately PLN 308 million. This will primarily come from sales of around 480 apartments, reflected in financial results, and revenues from investment projects in Wrocław. The target for 2023 in terms of apartments sales based on reservation, development, and preliminary agreements is 430 apartments. However, it should be noted that none of the statements regarding the future should be understood or interpreted as a guarantee or assurance by the Company or any entities belonging to the Capital Group that such events will occur or that the sales targets mentioned above will be achieved. The sales targets for the property development segment in 2023 were announced by the Company in current report no. 4/2023 dated January 19, 2023.

Segment of production of accessories for construction machines

In the first quarter of 2023, Dekpol Steel and Intek continued to strengthen their positions in new areas of production. The production of buckets and accessories for construction machines remains the main area of production, currently conducted at the manufacturing plant located in Pinczyn. In March 2023, Dekpol Steel obtained a license to produce innovative buckets that reduce extraction costs by 25%. This solution is a patent from SSAB in Sweden and involves the use of special steel and a new bucket profile. It is worth noting that the company obtained the license as the second in the world among manufacturers of construction machinery accessories.

In Intek, the production focuses on the largest specialized trailers in the world used for transporting oversized cargo, as well as offshore and lifting components. A completely new area of production is the manufacturing of frames and components used in the production of mining loaders. In upcoming months, the company plans to launch a production line for these specialized machines.

Major achievements and failures, as well as major events in business operations of the Dekpol capital group in Q1 2023

Conclusion of a preliminary agreement for the acquisition of a land property in Wiślinka

On January 13, 2023, Dekpol Inwestycje - Sol Marina II Sp. z o.o. (Buyer) entered into a preliminary agreement with an entity outside the Dekpol Capital Group (Seller) for the acquisition of a land property of approximately 9 hectares located in the village of Wiślinka, municipality Pruszcz Gdański, along with project documentation. Under the preliminary agreement, the parties have committed to concluding a definitive purchase agreement for the property by July 2025, with the possibility of partial acquisitions before the aforementioned deadline. The Seller has granted the Buyer permission to use the property for construction purposes and to transfer the existing permits and approvals to the Buyer. The net purchase price of the property will amount to approximately 18% of the Issuer's equity at the end of 2022. The provisions of the preliminary agreement, including the right of withdrawal, are in line with commonly used provisions in such transactions. The acquired property is adjacent to another land property owned by the Dekpol Capital Group, where the Sol Marina development project (stages I-III) is being implemented. The purpose of acquiring the property is to carry out the subsequent stages of the above mentioned investment.

About conclusion of the above mentioned agreement, the Company announced in current report no. 2/2023 dated January 13, 2023.

Signing an annex to the contract for the construction of warehouse halls in Koszalin

On January 20, 2023, Dekpol Budownictwo Sp. z o.o. (Contractor) received a mutually signed annex to the agreement concluded in October 2021 with Panattoni Development Europe Sp. z o.o. - Accolade PL XXV Sp. z o.o. (Ordering Party) for construction works involving the construction of warehouse halls with accompanying infrastructure in Koszalin. Originally, the contract included the construction of two warehouse halls with a total area of approximately 26.4 thousand m², for a net remuneration equivalent to approximately 2.6% of sales revenues of the Dekpol Capital Group for the year 2022. Under the annex, the Ordering Party commissioned the Contractor to carry out an additional part of one of the aforementioned halls with an area of approximately 29.2 thousand m², along with the necessary infrastructure, as well as additional improvement works on the halls, resulting in an increase in the net remuneration for implementation of the agreement to a total of over 9.9% of sales revenues of the Dekpol Capital Group for the year 2022 (values converted according to the euro exchange rate on the date of signing the annex). The work on the first hall was completed in 2022, while the construction of the second hall, along with the works commissioned by the annex, according to the provisions of the annex, should be completed in the first quarter of 2023. Currently, the parties are in the process of processing the annex to the contract, which changes the value of remuneration and extends the deadlines for completing the works. The contract includes provisions regarding contractual penalties for delays in the implementation of works or the rectification of defects, as well as a contractual penalty of 10% of the remuneration for the termination of the contract by the Ordering Party due to the fault of the Contractor. The total amount of contractual penalties may not exceed 10% of the contractual remuneration.

About conclusion of the above mentioned annex to the agreement, the Company announced in current report no. 5/2023 dated January 20, 2023.

Conclusion of a general contracting agreement for a production facility in the Pomeranian Voivodeship

On February 15, 2023, Dekpol Budownictwo Sp. z o.o. (Contractor) entered into a general contracting agreement with a third party (Ordering Party) for the construction of a production facility with an area of approximately 15,000 m², including necessary accompanying infrastructure, in the Pomeranian Voivodeship. Under the agreement, the

Contractor will prepare all necessary executive documentation, carry out construction works, and obtain all required permits, including the occupancy permit for the Investment. The net compensation for the services covered by the agreement is set at approximately 10% of the sales revenue of the Dekpol Capital Group for the year 2022. The completion deadline for the execution of the subject matter of the agreement has been specified as the first quarter of 2024. The agreement includes provisions regarding contractual penalties, such as in the case of delays in the execution of the Investment or termination of the agreement due to reasons attributable to the Contractor. The maximum amount of contractual penalties cannot exceed 12% of the compensation. The Ordering Party is entitled to claim additional compensation in the event of damages exceeding the amount of the contractual penalty. The Ordering Party has the right to terminate the agreement without giving any reasons during its term, but no later than the end of 2023 and no later than the date of the final acceptance - in such a case, the Contractor will receive compensation proportional to the progress of the works.

About conclusion of the above mentioned agreement, the Company announced in current report no. 6/2023 dateds February 15, 2023.

Conclusion of a construction contract in the Silesian Voivodeship - disclosure of delayed confidential information

On March 1, 2023, Dekpol Budownictwo Sp. z o.o. (Contractor) entered into a construction contract with a third party (Ordering Party) for the general construction of a warehouse building with an area of approximately 120,000 m², including accompanying infrastructure, in the Silesian Voivodeship. The contract was concluded under the suspensive condition of the Ordering Party acquiring the rights to the property on which the investment is to be realized and acquiring the right to use the property for construction purposes. On March 22, 2023, the Contractor received information from the Ordering Party regarding the fulfillment of the suspensive condition, and as a result, the contract came into effect.

Under the contract, the Contractor will prepare the necessary construction documentation, carry out construction work, and obtain the required permits, including the permit for the use of the investment. The remuneration for the work covered by the contract is set at a net lump sum equivalent to approximately 20.4% of the sales revenue of the Dekpol Capital Group for the year 2022. The deadline for completing the project under the contract is set for the first half of 2024. The contract includes provisions regarding contractual penalties, including in the event of delays in the implementation of the investment or termination of the contract due to reasons attributable to the Contractor. The total amount of contractual penalties may not exceed 15% of the remuneration. The Ordering Party has the right to claim compensation under the general provisions of the Civil Code to the extent that the damage exceeds the amount of the stipulated contractual penalty.

About conclusion of the agreement, and than about fulfillment of a suspensive condition, the Company announced in current reports no. 9/2023 dateds March 21, 2023 and no. 10/2023 dated March 22, 2023.

Zawarcie przez spółkę zależną aneksu do umowy ramowej z mBank S.A.

On March 7, 2023, Dekpol Budownictwo Sp. z o.o. entered into an annex to the framework agreement with mBank S.A., resulting in an increase of the limit for financing the ongoing operations of Dekpol Budownictwo Sp. z o.o. to the amount of PLN 50 million (previously PLN 30 million).

Under the aforementioned facility, Dekpol Budownictwo Sp. z o.o. can utilize renewable credits (sublimit up to PLN 50 million) and contract guarantees (sublimit up to PLN 20 million), in PLN and EUR currencies. The facility is made available until December 2023 (which is also the repayment term for the credits). The interest rate for the working capital loans is based on the WIBOR/EURIBOR 1M rate plus the bank's margin. The agreement includes formal and legal conditions that must be met to increase the limit, as well as obligations during the term of the agreement, including maintaining debt ratios at specified levels. The collateral for the bank's receivables resulting from the agreement includes, among others, a contractual mortgage on real estate properties and other typical securities for credit agreements.

About conclusion of the annex to the agreement, the Company announced in current report no. 7/2023 dated March 7, 2023.

Conclusion of a general contracting agreement for a commercial object in Koszalin

On March 21, 2023, Dekpol Budownictwo Sp. z o.o. (Contractor) entered into an agreement with a third party (Ordering Party) for general contracting of a commercial object with an area of approximately 10,000 square meters, including the necessary accompanying infrastructure, such as access road, in Koszalin. As a part of the project, the Contractor will prepare the necessary construction documentation, carry out the construction works, and obtain the required permits, including the occupancy permit for the project. The net remuneration for all works related to the project is set at approximately 4.4% of the Dekpol Group's sales revenue for the year 2022. The completion deadline for the project has been set for the first quarter of 2024. The agreements related to the project include provisions regarding contractual penalties, including penalties for delays (not exceeding 10% of the remuneration value) and termination of the agreement due to reasons attributable to the Contractor (contractual penalty amounting to 15% of the remuneration value). The Ordering Party has the right to claim additional compensation in case of damages exceeding the amount of the contractual penalty.

About conclusion of the above mentioned agreement, the Company announced in current report no. 8/2023 dated March 21, 2023.

Factors and events, including of unusual nature, affecting substantially Condensed Consolidated Financial Statement

In the Q1 2023, there were no factors or events other than those described in other sections of this quarterly report, including those of an unusual nature, which had a significant impact on condensed consolidated financial statement.

Events after balance sheet date

II Program Emisji Obligacji

On April 24, 2023, the Polish Financial Supervision Authority (KNF) approved the base prospectus of the Second Bonds Issue Programme of Dekpol S.A., and as a result, the resolution established by the Company's Management Board in December 2022 regarding the Second Bonds Issue Programme (PEO II) with a total nominal value not exceeding 150 million PLN came into effect. Under the PEO II, the Company is authorized to issue bonds in accordance with Article 33(1) of the Act of January 15, 2015, on Bonds. In total, bonds with a cumulative nominal value not exceeding 150 million PLN may be issued. Additionally, the Company can issue one or more series of bonds within 12 months from the date of the prospectus approval by the KNF. The bonds may be issued as either unsecured or secured bonds. The interest on the bonds may be variable or fixed. The obligations arising from the bonds will be solely monetary in nature.

The issuance of subsequent series of bonds will be made each time by a resolution of the Company's Management Board, which will specify the final Terms and Conditions of the issue of a given series, including in particular the currency of the bonds of a given series, the issue price, the unit and total nominal value of the bonds of a given series, the redemption date, the interest rate, the interest periods, and the rules for applying for the introduction of the bonds of a given series to trading on a regulated market or an alternative trading system Catalyst. As of the date of publication of this report, no bond issuances have taken place under the PEO II.

About the II Bonds Issue Programme, the Company announced in current report no. 13/2023 dated April 24, 2023.

Transactions with affiliates

In Q1 2023, the Company and its subsidiaries did not enter into transactions with affiliates on terms other than market terms.

Sureties and guarantees

In the first quarter of 2023, the Company and its subsidiaries did not provide any significant guarantees or sureties to Group companies regarding loans or credits, other than those mentioned in the table below. It should be noted that the mentioned guarantees are instruments that essentially continue previously granted securities.

In the first quarter of 2023, the Company and its subsidiaries did not provide guarantees or sureties to unrelated entities outside the Dekpol Capital Group.

Group companies provided guarantees and received guarantees related, among others, to completed construction works. However, the value of existing guarantees for a single entity is not considered significant in the Group's assessment, given the scale of the Group's operations and its financial results.

Guarantees of credit or loan granted to companies within the Depol Capital Group in the first quarter of 2023

| Baneficiary | Product | Amount of guaranteed product in thousands | Currency | Debt / Utilization of limit as of March 31, 2023 in thousands | Currency | Amount of guarantee | Collateral | Contractual repayment date / limit validity |
|-------------------------------|--|---|----------|---|----------|---------------------|------------------------|---|
| Dekpol Budownictwo Sp. z o.o. | Multiline agreement no. K00029/23 | 55 000 | PLN | 12 739 | PLN | 82 500 | Surety of Dekpol S.A. | 2024-02-14 |
| Dekpol Budownictwo Sp. z o.o. | Framework agreement no. 10/013/22/Z/PX – annex no. 2 | 50 000 | PLN | 0 | PLN | 50 000 | Surety of Dekpol S.A.. | 2023-12-29 |

The table below presents the total balance of guarantees and sureties granted and received by companies within the Depol Capital Group as of March 31, 2023, and December 31, 2022:

| Description | 31.03.2023 | 31.12.2022 |
|--|----------------|----------------|
| Conditional liabilities towards affiliates - guarantees of satisfactory performance of contracts | 0 | 0 |
| Conditional liabilities towards affiliates – guarantees and sureties of repayment of financial liabilities | | |
| Other conditional liabilities | | |
| Conditional liabilities towards affiliates | | |
| Granted guarantees of satisfactory performance of contracts - insurance | 196 677 | 157 847 |
| Granted guarantees of satisfactory performance of contracts - banking | 54 722 | 64 471 |
| Granted guarantees and sureties of repayment of financial liabilities | 126 | 126 |
| Court litigations | 0 | 0 |
| Other conditional liabilities | 14 532 | 14 532 |
| Conditional liabilities towards non-affiliates | 266 058 | 236 976 |
| Conditional liabilities | 266 058 | 236 976 |
| 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 | 10 332 | 5 680 |
| Received guarantees of satisfactory performance of contracts from non-affiliates - banking | 11 847 | 6 715 |
| Received guarantees and sureties of repayment of liabilities from non-affiliates | 96 800 | 96 800 |
| Conditional receivables - Court litigations | 0 | 0 |
| Other conditional assets from non-affiliates | 0 | 0 |
| Conditional assets from non-affiliates | 118 979 | 109 195 |
| Conditional assets | 118 979 | 109 195 |

3.3 Predictions of financial results

The company did not publish any financial forecasts for the company or the Depol Capital Group for the year 2023.

3.4 Factors, which may affect achieved results in perspective of at least next quarter

Future results of the Issuer and the Group will depend on the success in implementing the development strategy and the investment plan specified in the strategy of the Dekpol Capital Group.

Internal factors affecting the results of the Company and the Group in subsequent periods will be:

- acquisition of new construction contracts and their timely implementation,
- development of potential of newly acquired production plants,
- on-time delivery of products and maintaining their high quality,
- smooth obtaining of construction permits for real-estate development investments,
- timely implementation of property development projects,
- appropriate sales policy for premises in terms of prices, surface structure and expanding the services offered to clients (assistance in finding financing, design services, finishing services, troubleshooting),
- developing cooperation with financial institutions, which is to provide the Company with access to capital enabling the implementation of its objectives,
- implementation of current projects.

Internal factors that appeared in Q1 2023 and after its end, which have or may have an impact on results of the Company and the Group in subsequent periods, also include events listed in point 3.2 of this report.

Influence on achieved results will also have external, macroeconomic factors such as general condition of the Polish economy, inflation, GDP growth dynamics, tax policy, current level of interest rates and possible further increases in their level, investment intensity, demand on the domestic market, exchange rates, government programs supporting development of housing, shaping level of prices of construction materials and services, availability of qualified employees, shaping level of wages. The increase in GDP, the wealth of the society and the development of enterprises have an impact on increase in demand for construction services, both in the field of housing and industrial construction. All this has and will have an impact on financial results of the Issuer and its Capital Group.

Armed conflict in Ukraine and the current political and economic situation

The armed conflict between Russia and Ukraine has a significant impact on the situation in the construction and manufacturing market in Poland, according to many experts, the difficulties seem greater than the economic consequences caused by the COVID 19 pandemic. The situation in the East is very dynamic, most companies are analyzing what the impact will be on their business in the near and long term.

In the opinion of the Company, the main areas that may indirectly be affected by current situation include: 1) availability of employees, 2) raw materials, their prices and availability, 3) fluctuations on currency market, 4) situation on banking and financial market.

In Q1 2023, similarly as during 2022, there were observed some symptoms of a slowdown in the economy. The world economies, including Polish economy, were adversely affected, among others, by restriction of gas supplies to Europe via Russia, disturbances in trade with Ukraine, Russia and Belarus, as well as a marked increase in uncertainty, reflecting in decisions of business entities. Economic situation in upcoming months will strongly be correlated with further course of Russia's invasion of Ukraine. In the field of labor forces, the consequences related to the return of some employees of Ukrainian origin to their home country are still being identified. Within the Capital Group, employment position is stable, while in construction industry, the progressive outflow of these employees may affect timely execution of orders. The challenge in terms of labor forces is still, in the opinion of the Company, identified in the majority of construction and production companies on the Polish market.

As a result of the ongoing conflict in Ukraine and actions taken by the aggressor, the factors described above may have an impact on Group's development perspectives, results and financial position. Nevertheless, at the moment it is not possible to predict the scale of this impact on the Group, which depends largely on duration of the conflict and further developments in Ukraine and Central and Eastern Europe. However, the Management Board continuously monitors the impact of the political and economic situation in Ukraine and Russia on its operations. The Group takes into account the risk of rising prices, particularly the prices of materials and labor, in its cost calculations. Furthermore, the diversification of the Group's activities by segment helps to mitigate the negative impact in a volatile market and geopolitical situation.

The risks associated with the armed conflict in Ukraine, in a segmented approach, were presented by the company in the the Report of Management Board on business activities of the Company and the Dekpol Capital Group for the year 2022, published on April 28, 2023, as a part of the annual report of the Company and the Dekpol Capital Group.

Impact related to an increase in interest rates

As a part of its business operations, the Group is exposed to interest rate risk. The favorable low cost of capital (associated with low interest rates) that has been observed in recent years in the construction market has been replaced by higher interest rates. Consequently, this has led to a significant decrease in the number of granted housing loans.

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

In addition, limitation of the amount of money on the market corresponds to conditions of corporate loans, and thus the need in analyzing of liquidity. Thus, the inability to incur new liabilities will contribute to limitation of investment activities, as few enterprises are able to finance significant development expenditures from their own resources. Banks approach assessment of loan applications more rigorously, which means that only enterprises that are prepared for difficult times will have a chance to implement their investments.

3.5 Indication of court litigations, proceedings in arbitration bodies or in public administration bodies

During Q1 2023, there were no significant litigations driven at public administration authorities, legal proceedings or arbitration which could have a material impact on the financial position or profitability of the Company or its subsidiary.

At the same time, it should be noted that the specificity of business activities carried out by Dekpol Capital Group is multitude of proceedings related to pursuit of claims for completed projects. There are also cases when companies from the Dekpol Capital Group act as the defendant - this is usually related to investments carried out as part of real-estate development activities or general contracting of construction works. The activities of the Group also include proceedings instituted by companies from the Dekpol Capital Group as the plaintiff. The procedures with the highest value in dispute are those presented below.

Proceeding against Soletanche Polska Sp. z o.o.

The Issuer brought an action against Soletanche Polska Sp. z o.o. and Powszechny Zakład Ubezpieczeń S.A. (insurer Soletanche Polska Sp. z o.o.) for the payment of PLN 6.88 million with statutory interest for the delay. The indicated amount consists of claims for damages due to improper performance of the obligation by Soletanche Polska Sp. z o.o. (acting as a subcontractor), i.e. construction works for a third party - the investor. The proceedings are pending before the District Court in Gdańsk. Currently, witnesses are being examined at successive trial dates. Two additional trial dates have been scheduled for April and June 2023.

3.6 Other information significant for assessment of position of the DEKPOL Capital Group

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

Conclusion of annexes to orders from CTP Invest Poland Sp. z o.o.

In January 2023, there were concluded annexes to two orders placed under the framework agreement from April 2022 for construction works with CTP Invest Poland Sp. z o.o. The orders involved construction of production and warehouse buildings in Łomna-Las and Zabrze, which the Company reported in current reports No. 20/2022 on April 5, 2022, and No. 23/2022 on April 14, 2022, and subsequently in the annual report for 2022 published on April 28, 2023. Under the annexes, the parties agreed to change the deadline for completing works to the first quarter of 2023 (previously: December 2022). The works have been completed. The net lump-sum remuneration for the completion of both orders amounted to approximately 13.5% of sales revenues of the Dekpol Capital Group for 2022.

Annex to the multi-purpose premium credit line of a subsidiary company with BNP Paribas

On January 16, 2023, Dekpol Budownictwo Sp. z o.o. entered into an annex to the existing multi-purpose premium credit line agreement with BNP Paribas Bank Polska S.A., which was originally signed in 2021. According to the annex, the subsidiary company is entitled to utilize the multi-purpose credit line of up to PLN 40 million (previously PLN 30 million). Within the available limit, the subsidiary may utilize the overdraft facility, provide bank guarantees, and issue letters of credit. The limit is available until January 16, 2024.

Conclusion of a factoring agreement by a subsidiary company with Santander Faktoring Sp. z o.o.

On January 26, 2023, Dekpol Steel Sp. z o.o. entered into a factoring agreement with Santander Faktoring Sp. z o.o. According to the agreement, the company is able to utilize a factoring limit of PLN 2.2 million. The company is authorized to use the limit until October 31, 2023.

Purchase of a ground property in Sopot

On January 30, 2023, Dekpol Inwestycje Sopotcka Sp. z o.o. (Company) entered into a preliminary agreement to purchase a land property measuring 0.4752 hectares in Sopot for purpose of the bank of land. The purchase price of the property is not significant in terms of financial position and results of the Dekpol Group.

Conclusion of a multi-line agreement by a subsidiary company with Santander Bank Polska

On February 28, 2023, Dekpol Budownictwo Sp. z o.o. entered into a multi-line agreement with Santander Bank Polska S.A. Under the agreement, the subsidiary company is entitled to utilize, within a limit of PLN 55 million, a bank overdraft facility and provide bank guarantees. The limit is available until February 14, 2024.

Preliminary agreement for the purchase of land property in Sobieszewo

On March 3, 2023, Dekpol Inwestycje - Turystyczna Sp. z o.o. (Buyer) entered into a preliminary agreement with an entity outside the Dekpol Capital Group (Seller) for the purchase of a plot of land measuring approximately 3 hectares located in the Municipality of Gdańsk, evidence number Sobieszewo. The conclusion of a conditional agreement and the transfer of land ownership are currently planned for the second quarter of 2023. In the event of the conclusion of the conditional agreement, the acquisition of the land will be aimed at the future development of a real estate project in that location. The purchase price of the property is not significant in terms of Dekpol Group's financial position and results.

Annex to the bank overdraft facility agreement with PKO BP S.A.

On April 18, 2023, Intek Sp. z o.o. entered into an annex to the 2021 agreement for a multicurrency credit limit with Bank Powszechna Kasa Opieki Bank Polski S.A. According to the annex to the agreement, the subsidiary company is authorized to utilize the bank overdraft facility and provide bank guarantees up to the amount of PLN 7 million. The limit is available until April 27, 2024.

Annex to the bank overdraft facility agreement with PKO BP S.A.

On April 18, 2023 (event after balance sheet date), Betpref Sp. z o.o. entered into an annex to the 2022 agreement for a bank overdraft facility with Bank Powszechna Kasa Opieki Bank Polski S.A. According to the annex to the agreement, the subsidiary company is authorized to utilize the bank overdraft facility up to the amount of PLN 5 million. The limit is available until April 19, 2025.

Construction permit for the project located in Starogard Gdański

On April 20, 2023 (event after the balance sheet date), Dekpol Inwestycje Starogard Korytybska Sp. z o.o. received a construction permit issued by the Starosty Office of Starogard Gdański for the construction of a residential complex as part of the "Osiedle Chabrowe" project, including surface parking, in Starogard Gdański on Korytybska Street. The project involves construction of 2 residential buildings, comprising 130 apartments with utility rooms, with a total usable area of approximately 6,000 square meters. The estimated revenue generated from the project's implementation is around 3.6% of Dekpol Group's sales revenues for 2022. As of the publication of this report, it is estimated that the "Osiedle Chabrowe" investment will be completed and ready for use in the third quarter of 2027, with the first apartments handed over to clients during the same period. The investment expenses will be financed partially from own funds and external capital.

3.7 Ratios

Debt to EBITDA ratio - meaning the ratio of the total value of net debt (total balance sheet value of consolidated interest-bearing liabilities of the Dekpol Capital Group less cash and cash equivalents) to EBITDA (the sum of operating result and depreciation) amounts as at March 31, 2023: 0,81.

Debt to equity ratio - denoting the ratio of the total value of net debt (as above) to equity of the Dekpol Capital Group amounts as at March 31, 2023: 0,21.

3.8 Contact

| | |
|-----------------------------------|---|
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Signatures of Members of Management Board:

Mariusz Tuchlin

President of Management Board
Dekpol S.A.

Katarzyna Szymczak-Dampc

Vice-President of Management Board
Dekpol S.A.

Signature of the person responsible for bookkeeping:

Anna Miksza

Chief Accounting Officer
Dekpol S.A.

Dekpol S.A. Capital Group

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