

Separate Financial Statement

Dekpol S.A.



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For the period from January 1, 2022 to December 31, 2022

prepared in accordance with international
reporting standards

Pinczyn, April 28, 2023

Selected achievements 2022

FY 2022

BUDOWNICTWO

*New division
in Poznań*

The new southwest region by the end of 2022 will be served by over 80 specialists

BUDOWNICTWO

*1,315 billion of
PLN*



High contract pipeline in 2022.

DEVELOPER

over 340 sold apartments

Rich offer tailored to the needs of the market

DEVELOPER

NPS = 85%



Customer service rated at a very high level

STEEL

Tilt Coupler Tiltdek

Patent granted in 2022

STEEL

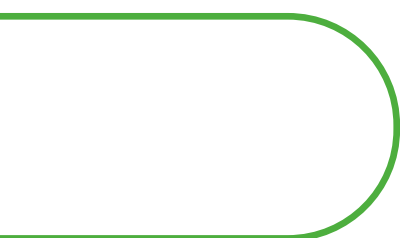
Clients



121 new clients,
including 34 foreign clients

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Selected financial data



Selected financial data

Selected separate financial data	thousand PLN		thousand EUR	
	01.01.2022-31.12.2022	01.01.2021-31.12.2021	01.01.2022-31.12.2022	01.01.2021-31.12.2021
I. Net revenue from sales of products, goods, and materials	276 201	210 305	58 913	45 943
II. Profit (loss) on operating activity	8 254	7 620	1 761	1 665
III. Profit (loss) before tax	1 494	27 114	319	5 923
IV. Net profit (loss)	1 208	26 118	258	5 706
V. Earnings (loss) per ordinary share (in PLN / EUR)	0,14	3,12	0,03	0,68
VI. Net cash flows from operating activity	54 489	22 454	11 622	4 905
VII. Net cash flows from investment activity	(55 354)	(47 839)	(11 807)	(10 451)
VIII. Net cash flows from financial activity	5 811	(68 841)	1 239	(15 039)
IX. Total net cash flows	4 946	(94 226)	1 055	(20 585)
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
X. Total assets	610 494	537 244	130 172	116 807
XI. Liabilities and provisions for liabilities	321 815	249 884	68 619	54 330
XII. Long-term liabilities	148 048	144 247	31 567	31 362
XIII. Short-term liabilities	173 767	105 637	37 051	22 968
XIV. Equity	288 679	287 360	61 553	62 478
XV. Share capital	8 363	8 363	1 783	1 818
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	34	7	7

The above financial data for 2022 and the corresponding period of 2021 have been converted into EUR according to the following rules:

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

- 31st of December 2022– 4,6899 PLN / EUR
- 31st of December 2021– 4,5994 PLN / EUR

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

- from 1st of January till 31st of December 2022 – 4,6883 PLN / EUR
- from 1st of January till 31st of December 2021– 4,5775 PLN / EUR

Introduction to the financial statement



General information

Name and location of the reporting entity:

DEKPOL S.A.

Ul. Gajowa 31, 83-251 Pinczyn

Registration Court, register number:

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

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

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

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

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

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

Duration of the Company:

The period of the Company's operations is indefinite.

The principal business activities

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

Name	PKD
Building works related to erection of residential and non-residential buildings	PKD – 41.20
Manufacture of machinery for mining, quarrying and construction	PKD – 28.92.Z
Activities of head offices and holding companies, excluding financial holdings	PKD – 70.10.
Works related to the construction of other civil engineering structures	PKD – 42.9
Retail sale of fuel for motor vehicles at service stations	PKD – 47.30.Z
Operation of gravel and sand pits; mining of clays and kaolin	PKD – 08.12.Z
Manufacture of metal structures and parts of structures	PKD – 25.11.Z
Demolition and preparation of the site for construction	PKD – 43.1
Renting and leasing of construction machinery and equipment	PKD – 77.32 Z

Presented reporting periods:

The financial statements is presented for the period from 1st of January 2022 to 31st of December 2022. The comparative financial data is presented for the period from 1st of January 2021 to 31st of December 2021. Depol S.A. prepares consolidated financial statement.

Composition of the Issuer's Management Board and Supervisory Board

The Issuer's Management Board is composed of one or more Members. The Supervisory Board entrusts one of the Members of the Management Board with the function of the President of the Management Board. Other Members of the Management Board may be entrusted with the function of Vice Presidents of the 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 Depol S.A. as at the date of publication of this statement:

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

There were no changes in the composition of the Management Board of Depol S.A. in 2022 and until the publication of the statement.

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

Other entities in which entities from the Dekpol Capital Group participate

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

1. Mineral Group Spółka z ograniczoną odpowiedzialnością – an entity established to conduct activities related to the exploration and extraction of mineral resources. Deweloper Sp. z o.o. holds 50 out of 101 shares in the share capital of this company (amounting to PLN 5,000).
2. Dekpol SPV 1 sp. z o.o. – an entity established to implement investment projects together with a subsidiary of the President of the Management Board, OMT Holding Spółka z ograniczoną odpowiedzialnością. Dekpol S.A. holds 49 out of 100 shares in the share capital of this company (amounting to PLN 5,000). As at the date of publication, Dekpol S.A. holds 324 out of 1,200 shares in the share capital of this company (amounting to PLN 60,000).

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

Company's name	KRS	Nature of connection	Information about the company
City Apart Management Sp. z o.o.	0000300191	- 98% of shares belong to Mariusz Tuchlin, 98% of votes, 2% of shares and votes belongs to City Apart Management Sol Marina Sp. z o.o.	The company operates in the hotel industry
Grano Group Sp. z o.o.	0000629533	- 95% of the shares are owned by Mariusz Tuchlin	The company operated as central companies and holdings, with the exception of financial holdings - an entity that also collects shares in companies operating in the hotel industry
OMT Serwis Mariusz Tuchlin Sp. j.	0000893460	- Mariusz Tuchlin holds a 90% shares in the profits and losses of the Company, he is also a partner authorized to represent it	The company operates in the field of passenger and delivery vehicle rental, as well as construction machinery and equipment
City Apart Management Sol Marina Sp. z o.o.	0000711010	- 100% of shares and votes belong to Grano Group Sp. z o.o.,	The company will operate in the hotel industry
City Hotel Management Sp. z o.o.	0000589930	- 100% of the shares belong to Grano Group Sp. z o.o.	The company operates in the hotel industry
OMT Holding Sp. z o.o.	0000852695	- 95% of shares and votes belong to Mariusz Tuchlin (President of the Management Board of the Company)	The company operates as central companies and holding companies, with the exception of financial holdings
OMT Nieruchomości Sp. z o.o.	0000849933	- 90% of shares and votes belong to Mariusz Tuchlin (President of the Management Board of the Company)	The company operates as central companies and holding companies, with the exception of financial holdings
City Apart Management Pszenna Sp. z o.o.	0000710859	- 90% of shares and votes belong to Mariusz Tuchlin (proxy in the Company), 90% of votes	The company operates as central companies and holding companies, with the exception of financial holdings
CAM Pszenna Sp. z o.o. (formerly, until 1.12.2022: City Apart Management Pszenna Sp. z o.o. Sp. K.	0001004553	- 99,6 % shares and votes belong to Grano Group Sp. z o.o.	The company operates in the hotel industry
Flats For Rent Sp. z o.o.	0000750704	- 100% of shares and votes belong to Mariusz Tuchlin	The company operates as central companies and holding companies, with the exception of financial holdings
Flats For Rent Sp. z o.o. Sp. K. - the company was dissolved by	0000751229	- Mariusz Tuchlin had a 99% share in the company's profits and losses	The company was active in the field of real estate

a resolution of the shareholders of 30th of December 2021, the deletion from the National Court Register took place on 11th of February 2022 (an event after the balance sheet date)

management and real estate rental

Legal basis for preparation of financial statement

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

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

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

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

The financial statement is presented in thousands of PLN.

Date of approval of the financial statement for publication

The financial statement was approved for publication on 28th of April 2022.

Functional currency and the reporting currency

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

Continued operations

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

Events after balance sheet date

There were no significant events after the balance sheet date, neither included in financial statement nor in the Report of Management Board on business activities of the Company and the Capital Group.

Rules for the pricing of assets and liabilities and financial results, adopted in the preparation of the financial statement

Pricing to fair value

The fair value represents the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For financial reporting purposes, a fair value hierarchy based on three levels of inputs is used to determine fair value:

Level 1 - The fair value is based on input data from an active market, which is considered the most reliable source of data.

Level 2 - The value is based on input data other than active market data, but such data is still observable (objective, measurable).

Level 3 - The value is based on unobservable inputs, used to the extent that the relevant observable inputs are not available. Unobservable inputs reflect the assumptions that market participants would make when pricing the asset or liability, including assumptions about risk.

The transfer between levels of the fair value hierarchy occurs when there is a change in the sources of input data used for fair value measurement, such as:

- active market,
- lack of an active market, but observable market data,
- subjective input data.

It is assumed that transfers between levels of the fair value hierarchy occur at the end of the reporting period. The fair value represents current estimates, which may change in subsequent reporting periods due to market conditions or other factors.

There are many methods for determining fair value, which can lead to differences in fair value measurements. Furthermore, the assumptions underlying fair value measurements may require estimating changes in costs/prices over time, discount rates, inflation rates, or other significant variables.

Certain assumptions and estimates are necessary to determine which level of the fair value hierarchy a given instrument should be classified into.

Property, plant and equipment

- Property, plant and equipment are subject to initial recognition at the acquisition price or production cost.
- The acquisition price or production costs are subject to an increase by costs of disassembly and removal of an item of property, plant and equipment and renovation of the place of using it, if the Company is obliged to do so.
- The acquisition price or production costs are not subject to adjustment by foreign exchange differences related to liabilities financing the acquisition of an asset accrued up to the date of putting an asset into use, unless it results from the policy adopted in the scope of hedge accounting.
- The acquisition price or production costs are subject to an increase by costs of interest on liabilities financing the acquisition of an asset accrued up to the date on which an asset is ready for use.
- After the initial recognition, the Company evaluates property, plant and equipment at the acquisition price or production cost less depreciation write-offs (purchase price or production cost model).
- With regard to each item of property, plant and equipment, the Company determines a period of economic useful life. If it is justified in relation to significant component parts of property, plant and equipment to apply various periods of economic useful life and depreciation rates/methods, the Company applies various depreciation rates/methods in relation to each significant component part of property, plant and equipment.

- Property, plant and equipment are subject to depreciation in a period of economic useful life from the day on which an asset is ready for use until the date on which it is excluded from recognition or it is intended for sale.
- The Company accepts that the final (residual) value of used property, plant and equipment is usually insignificant and will not be determined, unless the residual value is significant in relation to a given item of property, plant and equipment. The residual value constituting at least 20.0% of the initial value of an item of property, plant and equipment is deemed significant.
- The Entity applies a straight-line depreciation method of property, plant and equipment, unless other methods (degressive method, method based on production units) better reflect the consumption of economic benefits. The Company may apply other methods and rates in order to establish tax income.
- A depreciation period, depreciation method and residual value (if determined) are subject to periodic verification at least at the end of each financial year. If a significant change is found as compared to previous estimates, the entity changes amortization rates and/or method starting from the first day of the reporting period.
- Property, plant and equipment with an initial value not exceeding PLN 3,000.00 are included in off-balance sheet records and are written off once in the cost of materials consumption.
- Costs of improvement of property, plant and equipment increase their initial value, provided that improvement consists in extending a period of economic useful life or improving parameters of property, plant and equipment measured by means of costs of operation, productivity, quality of manufactured products or scope of functionality.
- Costs of current renovations and inspections of property, plant and equipment are recognized as costs of the period in which they are incurred, unless they result in extending a period of economic useful life as compared to the initially assumed period.
- If property, plant and equipment are excluded from use, the Company does not discontinue depreciation, unless an item of property, plant and equipment is held for sale within 12 months. In such a case, property, plant and equipment are evaluated at the initial value less revaluation write-offs or at the fair value less selling costs, whichever is lower, and are not subject to depreciation - according to MSSF 5 "Non-Current Assets Held for Sale and Discontinued Operations".

Lease

- The Company recognizes a liability under the concluded lease agreement in the amount of the present value of the lease payments remaining to be paid. The lease payments are discounted using the lease interest rate if that rate can be readily determined. Otherwise, the lessee uses the lessee's incremental borrowing rate.
- To measure the right to use an asset, the Company applies the cost model, except for investment properties measured at fair value.
- The company uses discounted value of debts divided in to long- and short-term debts. The value of debt is updated if lease period is changed or if prediction of buying out abilities will change (updated according to discount rate) or if the lease charges will change due to other than rate changes (updated with no changes to discount rate). The difference in value is written according to changes in right to use value changes.
- Assets which are the subject matter of a financing lease have to be disclosed as user's assets; assets which are the subject matter of an operating lease have to be disclosed as lessor's assets. Information required by MSSF 16 are revealed in additional explanatory notes.
- The company uses exemptions allowed by IFRS 16, i.e. it does not disclose the right of use and liabilities, but only recognizes the costs of current lease payments) in relation to:
 - short term lease agreements (less than 1 year), or
 - where lease value does not exceed 4,000,00 PLN.
- If the Company performs a leaseback transaction, it qualifies lease as operating lease or financial lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset. The lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of the underlying asset.
- In case of operating lease, the Company recognizes asset as financial asset and it recognizes provided incomes with linear method during the lease duration).

- In the case of a finance lease, the Company recognizes a net investment in the lease, determined at the amount of the qualifying lease payments discounted using the lease interest rate. When own products are leased out, the fair value of the product or the lower value of discounted lease payments is recognized as sales revenues. If the lease interest rate is lower than the market rate, the discounted lease payments are determined using the market rate.
- If the Company enters into a sale and leaseback transaction, the transaction is accounted for depending on whether the transfer of the asset qualifies as a sale. Any gain on disposal of the asset to the lessor is recognized in profit or loss in proportion to the value of the rights transferred to the lessor, provided that the asset is transferred that qualifies as a sale. In the absence of such a transfer, no gain is recognized, the assets are not excluded and the payment received is recognized as a financial liability.

Intangible assets (IA)

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

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

Investment property

- The Company classifies real properties held to generate rent income or an increase in their value as investment properties. If the real property is also used for own needs of the Company, while the separately used part may not constitute a separate ownership unit, the real property is treated as a fixed asset, if the use for own needs prevails, or as investment in the real property, if the investment character prevails.
- The Company evaluates real properties at fair values. Due to the materiality principle, the Company assumes that the valuations referred to in the previous point, made up to 3 months before or after the date on which the given valuation

is made, meet the valuation conditions on that day, if no significant changes took place at that time changes in the external environment affecting the value of a given property. At the same time, in the case of real estate purchased on the free market six months before the balance sheet date, no real estate valuation update is required if there were no significant changes in the external environment.

Stocks and shares in subsidiaries

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

All of the above companies are subject to full consolidation.

Direct subsidiaries of Dekpol S.A.:

1. Dekpol Budownictwo Sp. z o.o. – a company operating in the field of general contracting of construction works; on 1st of January 2021, it acquired an organized part of the enterprise of Dekpol S.A. including general contracting;
2. Dekpol Deweloper Sp. z o.o. – a company that consolidates the Group's property development activities; on 1st of January 2019, it acquired an organized part of the enterprise of Dekpol S.A. covering property development activities;
3. Dekpol Steel Sp. z o.o. – a company active in the production of accessories for construction machinery; on 1st of January 2020, it acquired an organized part of the enterprise of Dekpol S.A. covering the production of accessories for construction machines;
4. Betpref Sp. z o.o. – a company established to ensure the continuity of supplies of concrete prefabricates and steel structures used in the performance of contracts in general contracting;
5. UAB DEK LT Statyba – a company established to support the Company's operations in Lithuania, as well as to manage future contracts in general contracting field in Lithuania;
6. Kombet Działdowo Sp. z o.o.- a company whose 100% shares were purchased by Dekpol S.A. in August 2022. The subject of the company's activity is the production of precast concrete elements.

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

1. Dekpol Inwestycje Sp. z o.o. – general partner of special purpose vehicles implementing individual development investments in the Dekpol Capital Group: Dekpol Inwestycje Sp. z o.o. Pastelowa Sp.k.; Dekpol Inwestycje Sp. z o.o. Rokitki Sp.k.; Dekpol Inwestycje Sp. z o.o. Development Sp. k., Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k., Dekpol Inwestycje Sp. z o.o. Myśliwska Sp. k., Dekpol Inwestycje Sp. z o.o. WBH Sp. k., Dekpol Inwestycje Sp. z o.o. Neo Jasień Sp. k., Dekpol Inwestycje Sp. z o.o. Grano Resort Sp. k., Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k., Dekpol Inwestycje Sp. z o.o. Sobieszewo Development Sp. k.;
2. Dekpol Pszenna Sp. z o.o. – general partner of the special purpose vehicle for the implementation of the real estate development investment at Pszenna street in Gdańsk;
3. Nordic Milan Sp. z o.o. - the company operates in the property development industry; owned a plot of land in Milanówek, on which she completed the Eco Milan development project;
4. Smartex Sp. z o.o. – limited partner of a special purpose vehicle established to carry out a property development investment in Wrocław at Braniborska street - Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k.;
5. Almond Sp. z o.o. - a company that owns real estate in Gdańsk at Toruńska street 12 (Hotel Almond).

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

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

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

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

13. Dekpol Inwestycje Starogard Sp. z o.o. - special purpose vehicle being a party to preliminary agreements for the purchase of premises as part of an investment in Gdańsk implemented by an external entity, aimed at introducing premises to the sales offer of the Dekpol Group;
14. Dekpol Inwestycje – Turystyczna Sp. z o.o. – a special purpose vehicle established to implement an investment in Gdańsk on the Sobieszewska Island at Turystyczna street;
15. Dekpol Inwestycje – Puck Sp. z o.o. – general partner of a special purpose vehicle established to implement an investment in Puck;
16. 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);
17. 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).
18. 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);
19. Dekpol Inwestycje Sopocka 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).

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

1. Dekpol Inwestycje – Puck Sp. z o.o. Sp. k. – a special purpose company established for investment purposes in Puck.

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

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

Dekpol S.A. holds 100% of shares in: Kombet Działdowo Sp. z o.o., UAB DEK LT, Statyba, Betpref Sp. z o.o., Dekpol Deweloper Sp. z o.o., Dekpol Steel Sp. z o.o., Dekpol Budownictwo Sp. z o.o.

As at 31st of December 2022, Dekpol Deweloper Spółka z ograniczoną odpowiedzialnością was the limited partner of the companies: Dekpol Inwestycje Sp. z o.o. Pastelowa Sp.k.; Dekpol Inwestycje Sp. z o.o. Rokitki Sp.k.; Dekpol Inwestycje Sp. z o.o. Development Sp. k., Dekpol Inwestycje Sp. z o.o. Myśliwska Sp. k., Dekpol Inwestycje Sp. z o.o. Neo Jasień Sp. k., Dekpol Inwestycje Sp. z o.o. Grano Resort Sp. k., Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k., Dekpol Inwestycje Sp. z o.o. Sobieszewo Development Sp. k., Dekpol Inwestycje Sp. z o.o. WBH Sp. k., holding 99.5% of shares in profits in these companies, and 0.5% of shares in profits holds Dekpol Inwestycje Sp. z o.o. being the general partner of these companies.

Dekpol Deweloper Sp. z o.o. was a limited partner in Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k. until December 21, 2020, holding a 49.9% share in profits and losses, while Dekpol Inwestycje Sp. z o.o. - the general partner of the company - held a 0.1% share. Currently, Smartex Sp. z o.o. - a wholly owned subsidiary of Dekpol Deweloper Sp. z o.o. - is the limited partner of Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k. (with an 89.4% share in profits and losses).

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

Dekpol Deweloper Sp. z o.o. holds 100% shares in companies: Nordic Milan Sp. z o.o., Dekpol Pszenna Sp. z o.o. and Dekpol Inwestycje Sp. z o.o., Smartex Sp. z o.o.

Dekpol Deweloper Sp. z o.o. is also a shareholder of Dekpol Inwestycje – Trimare Sp. z o.o., Dekpol Inwestycje – Puck Sp. z o.o., Dekpol Inwestycje – Starogard Sp. z o.o., Dekpol Inwestycje – Warszawa Sp. z o.o., Dekpol Inwestycje – Warszawa 1 Sp. z o.o., Dekpol Inwestycje – Turystyczna Sp. z o.o., in which holds 99% shares, while Dekpol Inwestycje Sp. z o.o. holds 1% of shares.

In October 2021, Dekpol Deweloper Sp. z o.o. as the limited partner and Dekpol Inwestycje - Puck Sp. z o.o. as the general partner established the company Dekpol Inwestycje - Puck Sp. z o.o. Sp. k. In October 2021, another limited partner, Olewnik Sp. z o.o., joined the company. In this company, Dekpol Deweloper has a contribution of PLN 100,000, Olewnik Sp. z o.o. has a contribution of PLN 16,750,000, and Dekpol Inwestycje - Puck Sp. z o.o. has a contribution of PLN 500. The partners participate in the profits and losses of the company in the following way: Dekpol Inwestycje - Puck Sp. z o.o. 0.5%, Dekpol Deweloper Sp. z o.o. 69.5%, Olewnik Sp. z o.o. 30%.

In 2022, new development companies were established: Dekpol Inwestycje Gdańsk Sp. z o.o. (formerly Dekpol Granaria Sp. z o.o.), Dekpol Inwestycje – Starogard Korytybska Sp. z o.o., as well as Dekpol Inwestycje Sol Marina II Sp. z o.o. and Dekpol Inwestycje Sopocka Sp. z o.o. (Dekpol Inwestycje Sol Marina II Sp. z o.o. and Dekpol Inwestycje Sopocka Sp. z o.o. were registered with the National Court Register of Entrepreneurs on January 2, 2023 – an event after the balance sheet date). In all of the above-mentioned companies, Dekpol Deweloper Sp. z o.o. holds 99% of shares, and Dekpol Inwestycje Sp. z o.o. holds 1%.

On June 30, 2022, Dekpol Deweloper Sp. z o.o. acquired Dekpol 1 Sp. z o.o., Dekpol 1 Sp. z o.o. SKA, and Dekpol Royalties Sp. z o.o. As a result of the merger, Dekpol Deweloper Sp. z o.o. became the sole shareholder of Almond Sp. z o.o.

On October 6th, 2022, Dekpol Deweloper Sp. z o.o. (99% of shares) and Dekpol Inwestycje Sp. z o.o. (1%) formed Dekpol Inwestycje Sopot Sp. z o.o. The company has not yet been registered in the National Court Register.

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

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

Other entities in which entities from the Dekpol Capital Group participate

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

1. Mineral Group Spółka z ograniczoną odpowiedzialnością – entity established to conduct activities related to the exploration and extraction of mineral resources. Deweloper Sp. z o.o. holds 50 out of 101 shares in the share capital of this company (amounting to PLN 5,000).
2. Dekpol 1 SPV Spółka z ograniczoną odpowiedzialnością – an entity established to implement investment projects together with a subsidiary of the President of the Management Board, OMT Holding Spółka z ograniczoną odpowiedzialnością. Dekpol S.A. holds 324 out of 1,200 shares in the share capital of this company (amounting to PLN 60,000). As of the publication date, the number of shares held by Dekpol S.A. has not changed.

Associated companies are valued using the equity method.

DEKPOL Capital Group's reorganization process

Changes in the structure of Dekpol Capital Group

On February 17, 2022, the general meetings and partner meetings of the companies: Dekpol 1 Sp. z o.o., Dekpol 1 Sp. z o.o. s.k.a., Dekpol Royalties Sp. z o.o. (collectively as the Acquired Companies) and Dekpol Deweloper Sp. z o.o. (Acquiring Company) adopted resolutions approving the merger of the aforementioned companies. The decisions of the bodies were made in connection with the agreement by management boards of these companies on March 31, 2021, regarding the merger plan of the companies under art. 492 § 1 pkt 1 of the Commercial Companies Code, i.e. by transferring all the assets of the Acquired Companies to the Acquiring Company and increasing the share capital of the Acquiring Company. Dekpol Royalties Sp. z o.o. was a company established for the purpose of managing intangible and legal assets of the Dekpol Group. Dekpol 1 Sp. z o.o. s.k.a. was an entity that owned 100% of the shares in Almond Sp. z o.o. and Dekpol Royalties Sp. z o.o. as well as other property rights. Dekpol 1 Sp. z o.o. was a limited partner of Dekpol 1 Sp. z o.o. s.k.a. (Dekpol S.A. owned 100% of the shares in the company). As a result of the merger, the share capital of Dekpol Deweloper Sp. z o.o. was increased by creating 1,278,715 shares with a nominal value of PLN 50 each and a total nominal value of PLN 63,935,750, which shares were awarded to Dekpol S.A. in exchange for the contribution in the form of all the assets of the Acquired Companies. As a result of the above, the Acquired Companies were dissolved without liquidation, and all their rights and obligations were transferred by universal succession to the Acquiring Company. As a result, Dekpol Deweloper Sp. z o.o. became the owner of the shares in Almond Sp. z o.o. The merger of the companies and the increase in the share capital of Dekpol Deweloper Sp. z o.o. were registered in the National Court Register on June 30, 2022.

On February 17, 2022, the shareholders' meeting of Dekpol Deweloper Sp. z o.o. agreed to sell shares by Dekpol S.A. to Dekpol Deweloper Sp. z o.o. for the purpose of voluntary share cancellation. As a result, an agreement was concluded on that day for the purchase by Dekpol Deweloper Sp. z o.o. from Dekpol S.A. of 1,278,715 shares of Dekpol Deweloper Sp. z o.o. with a nominal value of PLN 50 each and a total nominal value of PLN 63,935,750, representing 47.4% of the company's share capital, for their cancellation. The shares were acquired for consideration equal to the nominal value of shares. Ownership of shares was transferred upon conclusion of the agreement. On February 17, 2022, the shareholders' meeting of Dekpol Deweloper Sp. z o.o. adopted a resolution on cancellation of all the aforementioned shares and as a result, a simultaneous reduction of the company's share capital. On March 7, 2022, an announcement was published in the Court and Economic Monitor (MSiG) regarding the resolution to reduce the share capital of Dekpol Deweloper Sp. z o.o., in which creditors of the Company were called upon to submit claims within 3 months from the date of publication.

On June 7, 2022, the convocation period ended. The reduction of the share capital of Dekpol Deweloper Sp. z o.o. resulting from the cancellation of the aforementioned shares was registered in the National Court Register on June 30, 2022, together with the above-mentioned merger.

The above events were part of actions related to the reorganization and optimization of the activities of the Dekpol Capital Group, aimed at streamlining the Group's structure and introducing a management system adapted to the increasing scale of operations, as well as further development plans.

On March 9, 2022, the Extraordinary General Meeting of Shareholders of Betpref Sp. z o.o. decided to increase the share capital by establishing 9,500 new shares with a nominal value of PLN 100.00 each. The new shares were fully subscribed by the sole shareholder, namely Dekpol S.A. The new shares were paid up by a non-monetary contribution in the form of the Company's receivables against Betpref. On March 28, 2022, the increase in the share capital of Betpref Sp. z o.o. was registered in the National Court Register.

On March 25, 2022, Dekpol Granaria Sp. z o.o., a special purpose company established to carry out real estate development projects in the Pomeranian Voivodeship, was registered in the National Court Register. On September 13, 2022, a name change for this company was registered in the National Court Register, to Dekpol Inwestycje Gdańsk Sp. z o.o.

In March 2022, due to the arising of new investment opportunities, it was decided to change the purpose of Dekpol Inwestycje – Starogard Sp. z o.o., a special purpose company. The company will be used to introduce real estate investments in Gdańsk to the Dekpol Group's sales offer, comprising over 100 residential and commercial units from an external entity that is carrying out this investment in accordance with preliminary agreements. Ultimately, the Group plans to change the company's name to one corresponding to the investment location.

On May 5, 2022, Dekpol Inwestycje - Starogard Korytybska Sp. z o.o., a special purpose company established to carry out a property development investment in Starogard Gdański at Korytybska Street, was registered in the National Court Register.

On August 5, 2022, Dekpol S.A. entered into an agreement with individual persons for the transfer of 100% of the shares in Kombet Działdowo Sp. z o.o. with its registered office in Komorniki (Kombet). The acquisition price of the shares did not represent a significant amount from the perspective of the financial situation and results of the Dekpol Capital Group. Kombet's business activities include the production of prefabricated concrete elements. As a result of the transaction, the Group acquired a production plant along with land that enables future expansion, which is appropriate for its needs. Kombet also employs over 70 qualified and experienced workers. The purpose of acquiring Kombet's shares was to increase the scale of the segment's activities in the production of prefabricated elements. The management of Dekpol S.A. believes that industrial, logistics, and property development construction will require optimization in the coming years due to rising material and labor costs.

On October 6, 2022, Dekpol Deweloper Sp. z o.o. (99% shares) and Dekpol Inwestycje Sp. z o.o. (1% share) formed Dekpol Inwestycje Sopot Sp. z o.o. So far, the company has not been registered in the National Court Register of Entrepreneurs.

On January 2, 2023 (an event after the balance sheet date), the special purpose companies were registered in the National Court Register: Dekpol Inwestycje Sol Marina II Sp. z o.o. and Dekpol Inwestycje Sopocka Sp. z o.o. established for the implementation of development investments in the Tricity agglomeration. The companies were formed on December 30, 2022.

Acquisition of shares in "Kombet Działdowo" Sp. z o.o.

On August 5, 2022, Dekpol S.A. entered into an agreement with natural persons for the transfer of 100% of shares in Kombet Działdowo Sp. z o.o. with its registered office in Komorniki (Kombet). The acquisition price of the shares did not constitute a significant value from the perspective of the financial situation and results of the Dekpol Capital Group. Kombet's business activity includes the production of concrete prefabricates. As a result of the transaction, the Group acquired a production plant along with lands allowing for future expansion, suitable for its needs. Kombet is also a workplace employing over 70 skilled and experienced staff. The acquisition of shares in Kombet aimed to increase the scale of the Group's business in the production of prefabricated elements segment. The Management Board of Dekpol S.A. believes that industrial, logistics and development construction in the coming years will require optimization due to rising material and labor costs.

The fair value of the shares in Kombet on the day of acquisition was PLN 23,076 thousand, while the purchase price was PLN 16,000 thousand, resulting in a profit of PLN 7,076 thousand from the opportunistic acquisition. The value of cash on the day of acquisition was PLN 1,573 thousand, while the value of receivables is the fair value presented in assets below at a value of PLN 1,735 thousand.

The profit gained from the favorable acquisition of the unit in the amount of PLN 7,076 thousand was recognized on the balance sheet date in the equity through the current year's result. Dekpol S.A. achieved a profit on the acquisition of the unit because the previous owner of Kombet expressed a desire for a quick transaction due to personal reasons.

Financial data of the acquired entity from the date of acquisition, included in the consolidated statement of comprehensive income for the reporting period

Revenues	6 525
Loss	-232

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

Assets

Fixed assets	20 969
Property, plant and equipment	20 969
Intangible assets	0
Deferred income tax assets	0
Current assets	7 466
Inventory	2 135
Trade and other receivables	1 735
Cash and cash equivalents	1 573
Assets in total	28 435

Liabilities

Equity	23 076
Share capital	80
Capital from the sale of shares above their nominal value	0,00
Other capitals	16 761
Retained earnings:	6 235
Profit (loss) from previous years	5 141
The result of the current year	1 094
Liabilities	5 359
Long-term liabilities	0
Deferred income tax provision	3 626
Liabilities and provisions on employee benefits	0
Short-term liabilities	1 733
Short-term credits, borrowings and debt instruments	149
Trade and other liabilities	1 584
Revenues of future terms	0
Liabilities in total	28 435

Profit and loss account

Sales revenues	13 262
Operating expense	10 454
Gross profit (loss) from sales	2 808
Other operating income	155
Other operating expenses	22
Operating profit (loss)	1 364
Financial revenues	9
Financial costs	5
Net profit (loss)	1 094

Impairment of assets

On each balance sheet date, the Company assesses whether there is objective evidence indicating the possibility of impairment of a component or a group of non-financial assets. If such evidence exists, the company determines the estimated recoverable amount of the asset component and makes an impairment write-down equal to the difference between the recoverable amount and the carrying amount. The recoverable amount is the higher of two amounts: fair value less costs to sell and value in use. The latter corresponds to the present value of estimated future cash flows discounted at a pre-tax discount rate reflecting the current market value of money over time and the specific risk of the asset component..

For the purpose of analyzing for impairment, assets are grouped at the lowest possible level at which separately identifiable cash flows exist (cash-generating units). A cash-generating unit is the smallest identifiable group of assets that generates cash inflows largely independent of cash inflows from other assets or groups of assets.

The loss resulting from impairment is recognized in the income statement. If the impairment loss is subsequently reversed, the net carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but not exceeding the carrying amount that would have been determined had no impairment loss been recognized in prior years. The reversal of an impairment loss is recognized immediately in the income statement.

According to IAS 36 as of December 31, 2022, the Group has assessed the existence of indicators of impairment of its assets. The analysis covered key components of the Group's fixed assets. As a result of the evaluation, no indicators of impairment of these assets were identified.

Financial instruments

Classification and valuation

A financial asset is any component of assets that belongs to the following categories:

- cash and cash equivalents,
- equity instruments of other entities,
- contractual right to:
 - receive cash or other financial assets from another entity or
 - exchange financial assets or financial liabilities with another entity under potentially favorable conditions
- A contract that will be settled or may be settled in the entity's own equity instruments and is:
 - a non-derivative instrument that gives, or may give, the entity a right or obligation to receive a variable number of its own equity instruments,
 - an equity-settled derivative or a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

A financial liability is any liability, that:

- arises from a contractual obligation:
 - payment of cash or other financial assets to another entity or
 - an obligation to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable or
- a contract that will be settled or may be settled in the company's own equity instruments, and is either:
 - a non-derivative instrument that specifies or may require the entity to receive a variable number of the entity's own equity instruments, or
 - a derivative that will or may be settled other than by exchanging a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Assets and financial liabilities are recognized when the Company becomes a party to a binding agreement.

Initially, financial assets are measured at fair value (for financial assets/liabilities subsequently measured at amortized cost, the initial carrying amount is adjusted for transaction costs). Trade receivables, which do not contain a significant financing component (as defined in IFRS 15), are recognized initially at their transaction price.

The classification of financial assets is based on the Group's business model for managing financial assets and the characteristics of the cash flows resulting from the financial asset.

In subsequent periods after initial recognition, financial assets are measured at:

- amortized cost,
- fair value through other comprehensive income,
- fair value through profit or loss.

The financial asset component is measured at amortized cost if:

- the financial asset component is held in accordance with a business model whose objective is to hold assets in order to collect contractual cash flows, and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial asset is measured at fair value through other comprehensive income if:

- The financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows and to sell assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In addition, the Group company has the right to irrevocably designate an investment in equity instruments that is not held for trading, which at the initial recognition was designated as measured at fair value through other comprehensive income (otherwise, such an investment would be measured at fair value through profit or loss). Cumulative amounts in other comprehensive income cannot be reclassified to profit or loss, even if the investment is removed from the statement of financial position. Such an investment is a non-monetary item. If the item is denominated in a foreign currency, exchange differences are recognized in other comprehensive income. Dividends are recognized in profit or loss.

The financial asset component is measured at fair value through profit or loss in all other cases. Receivables for goods and services related to construction contracts being fulfilled and for advances (although not classified as financial instruments) are classified as short-term receivables, as they are expected to be settled in the normal course of the entity's operating cycle.

Receivables for warranty deposits and loans with a maturity of less than 12 months are recognized as current assets. Long-term receivables for warranty deposits are discounted to their present value using effective interest rates.

Assets are removed from the accounting records when the rights to receive cash flows have expired or been transferred and the substantial risks and rewards of ownership have been transferred.

Revenue from interest on financial assets (valued at either amortized cost, fair value through profit or loss, or fair value through other comprehensive income) is recognized as financial income.

Financial liabilities, after initial recognition, are classified as measured at amortized cost, except for financial liabilities measured at fair value through profit or loss (such as those designated as held for trading), which are measured at fair value. In the case of a financial liability related to bonds, the Company has applied a simplification that does not have a material effect on the measurement of the liability, and has recognized the linear cost of issuance through an active RMK instead of using an effective interest method.

The impairment of financial assets due to expected credit losses

The expected credit losses refer to credit losses weighted by the probability of default. The company applies the following models to determine impairment losses:

- general model (basic) - for other financial Assets.
- simplified model - for trade receivables.

In the general model, the Company monitors changes in the credit risk level associated with a given financial asset component and classifies financial assets into one of three stages of impairment - based on observing changes in credit risk compared to the initial recognition of the instrument. In general, the following are monitored: payment overdue period, credit rating, and the counterparty's financial situation. Depending on the classification into particular stages, the impairment loss is estimated over a horizon of 12 months (Stage 1) or over the life of the instrument (Stage 2 and Stage 3). A absolute criterion for determining the occurrence of a default is the overdue payment period of more than 90 days.

The simplified model involves monitoring changes in credit risk level throughout the life of the financial instrument and estimating the expected credit loss over the instrument's maturity horizon based on historical data regarding the repayment of receivables from customers.

For financial assets not within the scope of IFRS 9 (i.e. investments in equity instruments, loans granted, and other financial assets not measured at fair value), credit losses are estimated for the entire expected life of the financial instrument if the credit risk associated with the financial asset has significantly increased since initial recognition. If credit risk has not significantly increased since initial recognition, the loss allowance is recognized based on the 12-month expected credit loss.

Derivatives and hedge accounting

- The Company is a party to forward / swap currency transactions. The purpose of concluding forward transactions is to secure the forward rate of future operational transactions resulting from concluded or probable contracts for construction services, the revenues of which are denominated in a currency other than the functional currency of the Company. The hedging allows to reduce the impact of currency fluctuations on the expected revenues expressed in the functional currency and, consequently, to limit the risk related to the expected margin on the contract.
- The company is a party to IRS derivative transactions that allow for managing interest rate risk by changing the interest rate on a loan or investment from variable to fixed or another variable, or from fixed to variable. IRS provides the opportunity to protect against an increase in the cost of a loan or a decrease in the return rate on an investment. These transactions are accounted for as hedges.
- The company is also a party to CAP derivative transactions, where it hedges against an increase in the interest rate and at the same time limits the transaction costs to the amount of the premium due to the issuer.
- The Company applies hedge accounting if it expects that the future transaction meets the high-probability criteria and that the hedging relationship will be effective.
- When applying hedge accounting, the company establishes hedging relationships between hedging instruments and future, highly probable transactions. The hedging relationship may cover only a part of the flows from the hedged and hedging instruments. At least as at the balance sheet date, it measures the effectiveness of the relationship. The main factors of linkage ineffectiveness are:
 - Mismatch of the dates of cash flows from the hedged and hedging instruments,
 - Non-linearity of SWAP points due to rollover of derivatives.
- The effects of the valuation of instruments hedging future cash flows resulting from planned transactions in the part constituting an effective hedge are posted, until the transaction is completed, in other comprehensive income (and presented in the revaluation reserve) and in the part constituting an ineffective hedge, financial gains or losses). On the date of the transaction, the effective part of the established collateral adjusts the result on the transaction.

If the hedging relationship is canceled as a result of, for example: the planned hedged flow loses the high-probability criterion or the Company's decision resulting from a change in the appetite for foreign exchange risk, the effects of the hedging instrument valuation are fully recognized in the result for the period on the cancellation date.

In 2022, in order to limit the risk of an increase in the interest rate, the company entered into CAP transactions, and to limit the risk of an interest rate swap, it entered into an IRS transaction, as a result of which a portion of the effective hedge of a value of 34 thousand PLN gross was recognized in the valuation, presented in the capital as a net value of 29 thousand PLN.

	31.12.2022	31.12.2021
Equity	287 776	289 622
Share capital	8 363	8 363
Capital from the sale of shares above their nominal value	26 309	26 309
Other capitals	253 104	226 569
including revaluation reserve for FX forward	29	0
Own shares (-)	0	0
Reserve capital	0	0
Profit (loss) from previous years	0	0
The result of the current year	306	28 381

Inventory

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

Cash and cash equivalents

Cash and cash equivalents held in banks and on hand are valued at nominal value. The item "Cash and cash equivalents" presented in the cash flow statement consists of demand deposits and those deposits that are easily convertible into a specific amount of cash and are subject to insignificant risk of value changes (with maturities up to 12 months).

The Group includes in the cash and cash equivalents with limited availability the funds:

- which serve as collateral for bank guarantees,
- accumulated in open trust accounts for housing purposes.

Equity

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

Reserves

- The company creates reserves for the following employee benefits:
 - retirement benefits - using actuarial methods. The value of reserves is estimated as of the balance sheet date by an independent actuary. The accrued reserves are equal to the discounted payments that will be made in the future and relate to the period up to the balance sheet date. The company applies a practical simplification, and the entire change in the valuation of the liability for pension and retirement benefits (including actuarial gains/losses) is recognized as profit or loss in the period.
 - Unused employee leaves - are estimated as the product of the average remuneration in the Company constituting the basis on the balance sheet date for the payment of the equivalent for unused vacation (including mark-ups charged to the employer's costs) and the number of days of unused vacation;
 - Other short-term employee benefits related to the reporting period - bonuses, salaries etc. - are treated as liabilities if their value is determined and unconditional. Otherwise, they are recognized as provisions.

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

Accrued expenses

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

Deferred income

Subsidies and state aid

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

Income tax

The taxable income (tax loss) of the Company is the income (loss) for a given period, determined in accordance with the principles established by the Polish tax authorities, on the basis of which income tax is payable (refundable).

- Current tax is the amount of income tax payable (refundable) on taxable income (tax loss) for a given period.
- Assets due to deferred income tax constitute amounts anticipated in future periods to be deducted from income tax due to:
 - Negative temporary differences,
 - Carry forward to unused tax losses and
 - Transferring unused tax credits to the next period.
- Tax expense (tax income) consists of the current tax expense (current tax income) and deferred tax expense (deferred tax income).
- The company creates a provision for deferred income tax (recognizes an asset for deferred income tax) in all those cases where the realization or settlement of the carrying amount of an asset or liability results in an increase (decrease) in the amount of future tax payments compared to the amount that it would be appropriate if this implementation or settlement would not have tax effects.
- Current valuation of tax receivables and liabilities should be made in amounts requiring payment according to the rates legally or actually binding as at the balance sheet date.

- Based on the forecasts of financial results in subsequent years, it is necessary to assess whether there are premises (planned taxable income) to create a deferred tax asset or to adjust its value.
- The company does not discount deferred tax assets and reserves.
- Assets and reserves from temporary differences, the effects of which were recognized directly in equity, will be recognized in equity and not in the result of the period.
- Tax receivables and liabilities are separately disclosed in the financial statements, as are assets and provisions under ODPD.
- Current income tax liabilities and liabilities should not be offset. Compensation is allowed only if the Company:
 - Has an enforceable legal title to offset the amounts recognized,
 - Intends to pay tax in the net amount or to simultaneously pay the debts and settle the liability.
- Assets and provisions for ODPD should not be offset. Compensation is allowed only if the Company:
 - Has an enforceable legal title to offset the amounts recognized,
 - Assets and reserves relate to income tax imposed on one or several taxpayers under several conditions.
- Disputes with tax authorities result in recognition of contingent liabilities. If the probability of an unfavorable settlement is high, the Company recognizes reserves in accordance with MSR 37 "Reserves".

Transactions in foreign currencies

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

Revenues

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

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

- the parties to the contract have concluded a contract and are required to perform their obligations,
- the entity is able to identify the rights of each party regarding the goods or services to be transferred;
- the entity is able to identify the payment terms for the goods or services to be transferred;

- the contract has economic content and
- it is likely that the Company will receive a remuneration which it will be entitled in exchange for goods or services which will be transferred to the client.
- Revenue should be recognized when the significant risks and benefits of an asset are transferred and when the Company ceases to be permanently involved in managing the asset as an owner. In addition, revenue is considered to have been achieved if the amount of revenue can be estimated reliably and it is probable that the enterprise will obtain economic benefits from the transaction and if the costs incurred can be measured reliably.
- Revenues from the sale of development production are recognized when the control over the real property is transferred to the final recipient. The premise for the transfer of control is the transfer of all significant risks and rewards of ownership of the property. The Company recognizes that the transfer of risks and benefits takes place under the following conditions:
 - completion of construction,
 - earlier of two events: the receipt of the premises by the handover protocol or on sale in the form of an act.

When determining the moment of achieving revenues, the International Trade Terms - "Incoterms" are used. (International Commercial Terms), developed by the International Chamber of Commerce in Paris, called ICC.

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

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

- the customer simultaneously receives and benefits from the benefits as it is provided,
- as a result of the performance of the asset, an asset is created or improved, and the control over this asset - as it arises or is improved - by the customer,
- as a result of the performance of the service, no alternative component is created for the Company, but it has an enforceable right to pay for the service rendered so far. In the case of general contracting, they fulfill this criterion.
- Both in the case of the provision of construction services by the Company and the supply of accessories for construction machinery, there is generally one obligation to perform the service. Thus, the issue of attributing the transaction price to the performance obligation does not require estimation. In the case of construction contracts, the level of progress of the works and the expected margin should be estimated.
- If the price depends on future events or if there is an intention to grant a discount at the end of the contract, the Company estimates the price for the performance of the obligation and includes in the transaction price part or all of the amount of variable remuneration only to the extent that there is a high probability that no there will be a reversal.
- The costs of commission on sales are settled when the premises are sold.
- The Company does not identify the financing component in contracts with respect to retained deposits, in which the retained amount is a guarantee of good performance of the contract due to low significance.
- For each obligation to perform a service fulfilled over time, the Company recognizes revenue based on input-based measurement methods (method of the share of costs incurred until the date of determining the revenue in the total cost of the service).
- Dividends should be recognized when the shareholders' right to receive them is established.

Financial revenues

Revenue and expenses from the sale of financial instruments are recognized on the date when the financial instrument is derecognized from the balance sheet in accordance with IFRS 9.

Dividends should be recognized when the shareholders' rights to receive them are established. Revenue from interest on financial assets (valued respectively: at amortized cost, at fair value through profit and loss, or at fair value through other comprehensive income) is recognized in financial income.

Costs

- Costs are recognized as expenses in the period in which they are incurred, i.e., on the date when the assets are derecognized or the liabilities are recognized that correspond to the costs.

The costs of employee benefits are recognized in the period in which the employees rendered services related to those benefits.

External financing costs

External financing costs are recognized as expenses in the period in which they are incurred, except for costs that can be directly attributed to the acquisition, construction, or production of a qualifying asset. In such cases, those costs should be capitalized as part of the cost of acquiring or producing the asset.

Principles of accounting for construction contracts

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

Accounting for costs of property development activities

- To the cost of manufacturing objects as part of development activities, costs that meet the criteria for the technical cost of manufacturing are recognized, including:
 - Direct manufacturing costs,
 - Indirect costs associated with the construction of the facilities, in particular:
 - Logistics department costs (fuel, car maintenance, logistics management, drivers' remuneration when cars are used on various projects) - accounted for development projects and general contracting according to the key of direct manufacturing costs.
 - Costs of the procurement department of general contracting and development activities - accounted for development projects and general contracting according to the direct production cost key.
- The company extracts accounting devices (accounts) for each development project (Order). The criterion for separating the Order is the estimated time of completion of construction of all objects (buildings and structures) covered by the given order and the similarity of the objects covered by the Order. As part of a single order, expenditure on the production of facilities whose planned completion of use differs by more than 6 months (i.e. the earliest object completed under the order will be completed earlier than 6 months before the last object completed under the order) should not be included. Within one order should not include objects for which the estimated cost of producing PU (usable floor space of the

premises) differs more than by 20%. After completing the order, the costs are billed per square meter of PU according to the following algorithm:

- $TKW \text{ 1m2 PU} = [(PKZR) - (POPS) \cdot (CPOPS)] / (PUO)$
- Where:
 - TKW – technical manufacturing cost
 - PKZR – total order costs incurred
 - POPS – area of auxiliary facilities subject to sale (garages, basements)
 - CPOPS – expected selling price per square meter of ancillary facilities
 - PUO – total usable area of premises
- The above algorithm assumes that auxiliary areas are valued according to expected sales revenues, similarly to auxiliary production. The costs of shared facilities are billed proportionally per square meter of PU.
- If the data as part of a given order has been completed and is subject to sale or commissioning before the completion of other objects (if other objects are planned to be completed no later than within 6 months from the completion of the first object under the order), then the costs are calculated per square meter of PU of the completed object according to the following algorithm:
 - $FTKW \text{ 1m2 PU} = [(PKZR) + (FKZR) - (POPS) \cdot (CPOPS)] / (PUO)$
 - Where:
 - TKW – estimated technical manufacturing costs
 - FKZR – Estimated future costs necessary to complete the order
- After completing the order (no later than within 6 months) the costs are finally determined and FTKW is corrected to TKW.
- In the event that the initial assumption that all objects under the order will be completed within 6 months and the value of the production cost of 1 m2 PU of the implemented objects will not differ by more than 20% will not be confirmed, the company will distribute orders in accordance with applicable criteria and all costs previously incurred under the order are subject to re-assignment broken down into new orders.
- If the company incurs significant outlays on joint parts related to many orders, these outlays are divided into orders proportionally to PU, and the settlement is made only in relation to open orders or planned to be opened within 12 months from the day of incurring these expenditures.

Segments

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

Segment reporting reflects the division into similar products or services. Due to the reorganization of the Dekpol Group and the separation of segments into separate entities, full information regarding the business segments is presented in the consolidated financial statements of the Dekpol Group.

Disclosures regarding the fair value of assets and liabilities

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

The adopted methods of fair value estimation are disclosed in an additional explanatory note. Real estate is valued using level 3 fair value hierarchy methods (comparative, residual, etc.). Derivatives are valued using fair value prepared by a professional entity using level 2 fair value hierarchy methods.

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

Due to the nature of financial assets and liabilities, the Company does not identify reasons for a significant difference between their carrying amount and fair value. In particular, significant financial liabilities are interest-bearing at market terms with a variable interest rate. Financial assets mainly consist of receivables due within one year and cash. The Company does not prepare fair value valuations of financial assets and liabilities for management purposes.

Earnings per share (EPS)

According to IFRS 33, basic earnings per share is presented as the profit or loss attributable to ordinary shareholders of the parent entity divided by the weighted average number of ordinary shares outstanding during the period. To calculate the earnings attributable to ordinary shareholders, the entity considers the profit or loss from continuing operations attributable to the entity and the profit or loss attributable to the parent entity. These amounts are adjusted for the value of preferred dividends after tax, differences resulting from the settlement of preferred shares, and other similar effects resulting from preferred shares classified as equity instruments.

Financial risk management

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

- interest rate risk - as part of its operations, the Company is exposed to the interest rate risk. The company has financial liabilities, the financial cost of which is calculated on the basis of a variable WIBOR base interest rate and a fixed margin.
- foreign exchange risk - the Company is exposed to foreign exchange risk in connection with the transactions concluded. Such risk arises as a result of the Issuer's sale or purchase in currencies other than the national currency.

To reduce the risk of currency fluctuations in foreign sales and import purchases settlements, the Company largely uses natural hedging, resulting in balanced cash flows. In the event of short-term and predictable imbalances in cash flows, the Company uses currency derivatives to hedge future cash flows in a non-real way.

- credit risk - the Company is exposed to credit risk, understood as the risk that debtors will not meet their obligations and thus cause the Company to incur losses. Due to the ongoing monitoring of receivables and undertaking debt collection activities, the Company's exposure to the risk of bad debts is limited. Credit risk is understood as the possibility of the Company's debtors defaulting on their obligations and is related to three main areas:
 - creditworthiness of customers with whom sales transactions are concluded,
 - creditworthiness of financial institutions with which the Company enters into hedging transactions or which act as intermediaries in their conclusion, as well as those in which free funds are invested,
 - financial condition of subsidiaries - borrowers.

In detail, the sources of exposure to credit risk include:

- Cash and bank deposits,
- Derivative instruments,
- Receivables from customers,
- Granted loans,
- Granted guarantees and sureties
- Other financial assets.

The provision for expected credit losses is valued at an amount equal to the expected credit losses over the entire life of the receivables. For estimation purposes, 7 risk groups have been identified based on the criterion of days past due, in accordance with the intervals presented below. The default ratios are calculated for the following ranges:

1. Current receivables
2. Receivables overdue by 1 to 30 days
3. Receivables overdue by 31 to 60 days
4. Receivables overdue by 61 to 90 days
5. Receivables overdue by 91 to 180 days
6. Receivables overdue by 180 to 1 year
7. over 1 year

The company uses a simplified model (using a reserve matrix) based on expert knowledge in which provisions are calculated for trade receivables classified into different age groups (overdue periods), using a default rate. The default rate is based on historical data (calculated based on the last 2 years) adjusted for the impact of future factors. The model takes into account the impact of macroeconomic factors..

In 2022, there was a balance with one counterparty representing more than 15% of the receivables balance from sales, services and contracts.

Based on available historical data and years of experience in cooperation with key customers, Management Board assesses that there is a low level of credit risk for the significant counterparty..

- liquidity risk – the Company is exposed to the risk of losing liquidity, understood as the risk of losing the ability to pay liabilities within specified time limits. The risk results from a potential restriction of access to financial markets, which may result in the inability to obtain new financing or refinance its debt. Moreover, the risk relates to the situation of a potential breach of the covenants of loan agreements or contained in the terms of bond issue, which may result in the immediate maturity of liabilities. The company enters into loan agreements to finance investments with various banks. The terms of repayment of subsequent installments are adjusted to the expected revenues from the sale of individual investments. Moreover, the Company issues bonds. The Company manages the liquidity risk by monitoring payment dates and demand for cash in the scope of servicing short-term payments (current transactions) and long-term demand for cash based on cash flow forecasts updated on a quarterly basis. The demand for cash is compared with the available sources of obtaining funds (including in particular by assessing the ability to obtain financing in the form of loans and bonds, the possibility of releasing funds from escrow accounts). The maturity dates of significant assets and liabilities are presented in additional notes to the annual financial statements. It also includes a detailed specification of the value of significant components of financial liabilities.
- risk related to changes in market trends - one of the major risks is the possibility of changes in market trends. The demand for investment goods is influenced by many variables beyond the control of the Company. On the other hand, the revenues obtained from the conducted activity are directly affected by the demand and supply for construction services. There is a risk of deterioration of the situation on the construction market by limiting the number of investments, which may translate into the amount of margin, and thus - the Company's profitability. Moreover, the Company's revenues depend to a large extent on the activity of investors in the region. Reducing the investment level may adversely affect its financial result and development prospects. To mitigate this risk, the Company is looking for new contracts on a wider market. This is to minimize the risk of concentration of activities only on the local market. In addition, in the event of unfavorable market changes, the Management Board will implement measures to adapt it to the changing market realities, e.g. by actions aimed at reducing costs.

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

Capital management

The main goal of the Company's capital management is to ensure the ability to continue operations, maintain safe capital ratios, and good credit rating. The Company monitors the state of capital using the leverage ratio, which is calculated as the ratio of net debt to the sum of capital plus net debt.

Net debt includes loans, borrowings, obligations arising from debt securities issuance, obligations arising from financial leasing, obligations arising from deliveries of goods and services, and other liabilities, less cash and cash equivalents.

Important assessments and judgements

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

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

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

Additional disclosures regarding valuation principles

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

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

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

At the unit level, there are no indefinite-lived intangible assets.

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

Leases – The company as a lessor

The company acts as a lessor in the field of real estate rental contracts, in Toruń at ul. Wapienna and in Pinczyn at ul. Gajowa, presented as "investment property for rent". The lease of these properties is operational. With regard to real estate subject to operating lease agreements, the Company retains full ownership rights, giving the right to use the real estate to tenants on the terms specified in the agreements.

Specification of revenues from operating lease agreements:

Data in thousands of PLN	2022	2021
Operating lease income	2.710	2.554
- including floating lease payments that are not index or rate dependent	0	0

Specification of future, fixed lease payments resulting from the concluded operating lease agreements (without variable fees)
- resulting from the lease agreement for real estate located in Pinczyn and Toruń.

Data in thousands of PLN	2023	2024	2025	2026	2027	The following years until 2032
Undiscounted lease payments to be received in the following years	2.764	2.819	2.876	2.933	2.992	15.882

Leases – The company as a lessee

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

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

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

Additional disclosures regarding leases are presented below:

Data in thousands of PLN	2022 r.	2021 r.
Machines and devices (net)	1 318	1 760
Means of transport (net)	1 089	1 272
Other fixed assets (net)	0	349
Depreciation of the right to use assets recognized as fixed assets in the period	494	593
Increases in the rights to use assets during the period	330	2 060
Interest costs on lease liabilities	116	57

As at the balance sheet date, the Company has balances for short-term leasing in the amount of PLN 777 thousand and for the long-term in the amount of PLN 846 thousand.

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

- The accounting principles (policies) used to prepare the financial statements are consistent with those used in the preparation of the Company's annual financial statements for the year ended on 31st of December 2021, except for minor changes (which have no significant effect on the reporting data) and the application of new or amended standards and interpretations applicable to annual periods beginning on or after 1st of January 2022.
- In the reporting period, no errors concerning previous years were found in the financial statements published so far that would have a significant impact on the financial result and / or equity. The 2022 financial statements are prepared with the application of new or amended standards and interpretations applicable to annual periods beginning on 1st of January 2022 and later.

Platform of used International Financial Reporting Standards

Statement of compliance

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

Changes in standards or interpretations applied for the first time

The following changes to the existing standards issued by the International Accounting Standards Board (IASB) shall enter into force for the first time since 1st of January 2022.

- Change of IFRS 3 „Business combinations”

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

The change applies to annual periods beginning on or after January 1, 2022.

- Change of IAS 16 „Property Plant and Equipments”

The IASB has amended its guidelines on the recognition of costs and revenues related to the production of an item of property, plant and equipment during testing before its intended use. As a result of the change, revenue and the corresponding costs associated with pre-production activities are recognized in the financial statements..

The change applies to annual periods beginning on or after January 1, 2022.

- Change of IFRS 37 „Provisions Contingent Liabilities and Contingent Assets”

The standard change provides additional explanations regarding the structure of service cost. According to the change, these costs include marginal costs (such as labor and material costs) and an allocated portion of other costs directly related to the cost of fulfillment, such as depreciation.

The change applies to annual periods beginning on or after January 1, 2022.

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

IFRS 1 „First-time Adoption of International Financial Reporting Standards” – the new simplification concerns the application of accumulated foreign exchange differences in consolidation under IFRS 1.;

IFRS 9 „Financial Instruments” – at the "10% test" performed to determine whether a modification should result in the derecognition of a liability should only consider fees that are exchanged between the debtor and creditor; fees incurred in the event of derecognition should be recognized in profit or loss, and if the liability is not derecognized, they should be included in the value of the liability.

IFRS 16 „Leases” The part related to the reimbursement of costs from the lessor for improvements made to foreign fixed assets subject to the leasing agreement has been removed from example 13.

IAS 41 „Agriculture” the prohibition on including cash flows from taxation in fair value measurement has been removed. The amendment aligns the fair value measurement requirements in IFRS 13 'Fair Value Measurement' with those in IFRS 13.

The changes apply to annual periods beginning on or after January 1, 2022.

Prior application of standards and interpretations

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

Implementation of new IFRS rules

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

- New standard IFRS 17 „Insurance contracts”

Insurance contracts will replace the currently effective IFRS 4, which allows for diverse practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting of all entities involved in insurance and investment contracts. The standard is not limited to insurance companies alone and every entity must consider whether the contracts entered into by them contain elements that meet the definition of an insurance contract as defined in IFRS 17.

The standard applies to annual periods beginning on or after January 1, 2023.

- Changes to IAS 1 "Presentation of Financial Statements" and the IASB's guidance on accounting policy disclosures in practice

Changes to IAS 1 "Presentation of Financial Statements" require companies to disclose information on significant accounting policies.

The change applies to annual periods beginning on or after January 1, 2023.

- Changes to IAS 8 „Accounting Policies, Changes in Accounting Estimates and Errors”

Changes to accounting estimates and corrections of errors – definition of accounting estimates.

The change applies to annual periods beginning on or after January 1, 2023..

- Changes to IAS 12 „Income Taxes”

Deferred tax related to assets and liabilities arising from a single transaction. The Board introduced a requirement that if a transaction results in simultaneous positive and negative temporary differences in the same amount, assets and a provision for deferred income tax should be recognized even if the transaction does not arise from a combination and has no impact on accounting or taxable income. This means that it is necessary to recognize assets and a provision for deferred tax, for example, when temporary differences in equal amounts arise in the case of leasing (a separate temporary difference from the liability and the right to use) or in the case of obligations related to the withdrawal from use.

The change applies to annual periods beginning on or after January 1, 2023.

- Changes to IFRS 17 Insurance Contracts – application of IFRS 17 and IFRS 9 for the first time - comparative data

The change applies to annual periods beginning on or after January 1, 2023.

- Changes to IFRS 16 „Leases”

Changes regarding lease liability in sales and sale-leaseback transactions..

The change approved by the International Accounting Standards Board applies to annual periods beginning on or after January 1, 2024, and is not yet adopted by the EU).

- Changes to IAS 1 „Presentation of Financial Statements”

The change concerns the clarification of the criteria for classifying liabilities as short-term or long-term and clarifies the definition of "settlement" of a liability.

The change was approved by the International Accounting Standards Board for annual periods beginning on or after January 1, 2024 (not adopted by the EU).

- IFRS 14 „Regulatory Deferral Accounts”

Transitional standard regarding accounting for regulatory deferral account balances. The effective date of the standard is for annual periods beginning on or after January 1, 2016. The standard will not be endorsed by the EU.

- Changes to IFRS 10 and IAS 28: Transactions of sale or contribution of assets between an investor and its associate or joint venture.

The work on approving these changes has been indefinitely postponed by the EU - the effective date has been deferred by the IASB for an indefinite period of time.

Statement of comprehensive income

of the Company Dekpol S.A.



Statement of financial position

Description	Note	31.12.2022	31.12.2021
Fixed assets	1.	378 988	379 951
Property, plant and equipment		13 611	13 242
Investment properties	2.	31 754	31 129
Goodwill		0	0
Intangible assets	3.	6 565	5 327
Stocks and shares	4.	232 694	275 968
Trade and other long-term receivables		6 916	8 764
Other long-term financial assets	5.	83 353	43 459
Deferred income tax assets		4 094	2 060
Current assets		231 506	157 293
Inventory	6.	10 398	12 525
Receivables due to contracts with clients		0	0
Trade and other short-term receivables	7.	120 845	73 838
Receivables due to current income tax		0	0
Other short-term financial assets		80 715	56 328
Cash and cash equivalents	8.	19 548	14 602
including cash on escrow accounts		0	0
Current assets other than fixed assets or disposal groups classified as held for sale		231 506	157 293
Assets classified as held for sale		0	0
Assets in total		610 494	537 244

Statement of financial position

Description	Note	31.12.2022	31.12.2021
Equity	10	288 679	287 360
Share capital		8 363	8 363
Equity from sales of shares over its nominal value		26 309	26 309
Own shares (-)		0	0
Other reserve capital from the valuation		29	0
Retained earnings:		253 978	252 688
The result of the current year		1 208	26 118
Other capital shares		0	0
Liabilities	13.	321 815	249 884
Long-term liabilities	13.	148 048	144 247
Deferred income tax provision		15 290	13 992
Liabilities and provisions on employee benefits	11.	41	33
Other long-term provisions		0	0
Long-term credits, borrowings and debt instruments	12.	131 035	127 855
Other long-term financial liabilities	12.	0	0
Long-term lease liabilities		846	1 181
Liabilities from deliveries and services and other long-term liabilities		836	1 186
Other long-term liabilities		836	1 186
Short-term liabilities	13.	173 767	105 637
Liabilities and provisions on employee benefits		1	1
Other short-term provisions	11.	1 842	2 389
Short-term credits, borrowings and debt instruments		55 530	39 702
Other short-term financial liabilities		0	0
Short-term lease liabilities		777	861
Liabilities due to contracts with clients		0	0
Liabilities from deliveries and services and other short-term liabilities		115 042	62 350
Liabilities due to current income tax		574	335
Short-term liabilities other than those related to assets held for sale		173 767	105 637
Liabilities related to assets held for sale		0	0
Liabilities in total		610 494	537 244

Statement of comprehensive income

Calculation variant

Description	Note	01.01.-31.12.2022	01.01.-31.12.2021
Revenue from sales	16.1.	276 201	210 305
Costs of goods sold	16.2.	262 706	194 943
Gross profit (loss) from sales		13 495	15 362
Selling costs		484	864
General administrative expenses		8 009	7 259
Other operating income	16.4.	5 191	6 981
Profit from a bargain purchase		0	0
Other operating expenses	16.5.	1 940	6 599
Operating profit (loss)		8 254	7 620
Share in the profit (loss) of entities accounted for using the equity method		0	0
Financial revenues	17.1.	11 816	30 762
Financial costs	17.2.	18 576	11 269
Profit (loss) before tax		1 494	27 114
Income tax	18.1.	286	995
Profit (loss) from continuing operations		1 208	26 118
Net profit (loss)		1 208	26 118
Other comprehensive income that cannot be transferred to the result		0	0
Other comprehensive income that can be transferred to the result		29	3 618
Exchange differences on translating foreign units		0	0
Other comprehensive income before tax		29	3 618
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		29	3 618
Comprehensive Income	3	1 237	29 736

Cash flow statement

(indirect method)

Description	01.01.-31.12.2022	01.01.-31.12.2021
Profit (loss) before tax	1 494	27 114
Adjustments:	53 784	3 588
Depreciation	2 318	2 123
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	-360	-1 779
Profits (losses) due to exchange rate differences	-181	0
Interest expenses	17 312	9 592
Interest receivables	-8 153	-748
Dividend receivables	0	-27 847
Income tax on profit before tax	0	995
Change in inventories	2 127	6 985
Change in receivables	-7 551	-118 549
Change in liabilities	48 812	131 378
Change in reserves	-538	1 437
Cash flow from activities (used in activities)	55 278	30 702
Income tax paid	-789	-8 248
Net cash from operating activities	54 489	22 454
Expenses related to acquisition of intangible assets	-1 390	-899
Inflows from sales of intangible assets	0	0
Expenses related to acquisition of property, plant and equipment	-2 214	-902
Inflows from sales of property, plant and equipment	137	108
Expenses related to acquisition of investment properties	-378	-416
Inflows from sales of investment properties	0	0
Net expenses for the acquisition of subsidiaries	-16 205	-39 514
Net inflows from the sale of subsidiaries	15 936	0
Expenses for the acquisition of other financial assets	-50	13
Inflows from the sale of other financial assets	0	0
Loans granted	-66 633	-40 263
Repayments received from loans granted	11 478	5 774
Interest received	3 966	411
Dividends received	0	27 847
Cash flow resulting from the decrease (increase) in the value of short-term deposits and investments	0	0
Net cash from investment activities	-55 354	-47 839
Net inflows from issue of shares	0	0
Inflows from issue of debt securities	29 835	51 869
Other inflows (expenses) from financial activities	-1 100	0
Inflows from received grants	0	0

Redemption of debt securities	0	-67 451
Inflows from loans and borrowings taken out	12 800	90
Repayment of loans and borrowings	-20 832	-43 518
Repayment of liabilities under finance lease	-741	-1 347
Interest paid	-14 151	-8 483
Dividends paid	0	0
Net cash from financial activities	5 811	-68 841
Change in net cash and cash equivalents	4 946	-94 227
Cash and cash equivalents at the beginning of the period	14 602	108 828
Cash and cash equivalents at the end of the period	19 548	14 602
Including cash of limited disposal right	0	0

Statement of changes in equity in reporting period

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	81	0	0	81
Balance at the beginning of the period after changes	8 363	26 309	0	0	252 770	0	0	287 442
Net profit (loss)	0	0	0	0	1 208	0	0	1 208
Other net comprehensive income	0	0	0	29	0	0	0	29
Comprehensive Income	0	0	0	29	1 208	0	0	1 237
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	29	1 208	0	0	1 237
Balance at the end of the period	8 363	26 309	0	29	253 978	0	0	288 679

Statement of changes in equity in previous reporting period

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	-3 618	226 570	0	0	257 624
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	-3 618	226 570	0	0	257 624
Net profit (loss)	0	0	0	0	26 118	0	0	26 118
Other net comprehensive income	0	0	0	3 618	0	0	0	3 618
Comprehensive Income	0	0	0	3 618	26 118	0	0	29 736
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	3 618	26 118	0	0	29 736
Balance at the end of the period	8 363	26 309	0	0	252 688	0	0	287 360

Additional explanatory notes

to the consolidated financial statement
of the Dekpol Capital Group



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1. Property, Plant and Equipment

1.1. Property, Plant and Equipment

Description	31.12.2022	31.12.2021
Land	4 756	4 788
Buildings and structures	173	181
Machines and technical devices	4 933	5 018
Vehicles	1 108	1 377
Other fixed assets	506	727
Fixed assets under construction	1 965	1 151
Advances in respect of tangible fixed assets	171	0
Net value of property, plant and equipment	13 611	13 242

1.2. Property, plant and equipment in reporting period

Description	Land	Buildings and structures	Machines and technical devices	Vehicles	Other fixed assets	Fixed assets under construction	Advances for fixed assets	Total
Gross carrying amount at the beginning of the period	6 004	219	9 540	3 659	1 514	1 151	0	22 087
Direct acquisitions	0	0	1 181	333	19	814	171	2 517
Adoption of fixed assets under construction	0	0	0	0	0	0	0	0
Increases due to business combinations	0	0	0	0	0	0	0	0
Reclassifications	0	0	8	0	0	0	0	8
Reduction / increase due to the OPE contribution	0	0	0	0	0	0	0	0
Decreases due to sales	0	0	-414	0	0	0	0	-414
Decreases due to liquidation	0	0	-8	0	-53	0	0	-62
Other adjustments	0	0	0	0	0	0	0	0
Gross carrying amount at the end of the period	6 004	219	10 306	3 992	1 479	1 965	171	24 136
Accumulated amortization at the beginning of period	-1 216	-38	-4 522	-2 178	-786	0	0	-8 740
Increase in depreciation for the period	-32	-9	-1 266	-795	-217	0	0	-2 318
Increases due to business combinations	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0
Reduction / increase due to the OPE contribution	0	0	0	0	0	0	0	0
Decreases due to liquidation	0	0	0	88	30	0	0	118
Decreases due to sales	0	0	414	0	0	0	0	414
Other adjustments	0	0	0	0	0	0	0	0
Redemption value at the end of the period	-1 248	-46	-5 374	-2 885	-973	0	0	-10 525
Impairment allowances at the beginning of the period	0	0	0	0	0	0	0	0
Additions during the period	0	0	0	0	0	0	0	0
Impairment allowances at the end of the period	0	0	0	0	0	0	0	0
Net value at end of period	4 756	173	4 933	1 108	506	1 965	171	13 611

1.3. Property, Plant and Equipment in previous reporting period

Description	Land	Buildings and structures	Machines and technical devices	Vehicles	Other fixed assets	Fixed assets under construction	Advances for fixed assets	Total
Gross carrying amount at the beginning of the period	6 004	219	17 626	17 099	2 599	5 438	145	49 129
Direct acquisitions	0	0	2 104	799	4	1 418	0	4 326
Adoption of fixed assets under construction	0	0	0	0	0	0	0	0
Increases due to business combinations	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	-5 236	0	-5 236
Reduction / increase due to the OPE contribution	0	0	-10 092	-11 794	-1 090	-416	-145	-23 537
Decreases due to sales	0	0	-98	-194	0	-53	0	-345
Decreases due to liquidation	0	0	0	0	0	0	0	0
Other adjustments	0	0	0	-2 250	0	0	0	-2 250
Gross carrying amount at the end of the period	6 004	219	9 540	3 659	1 514	1 151	0	22 087
Accumulated amortization at the beginning of period	-1 169	-29	-9 567	-8 538	-1 132	0	0	-20 435
Increase in depreciation for the period	-47	-9	-1 062	-618	-219	0	0	-1 954
Increases due to business combinations	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0
Reduction / increase due to the OPE contribution	0	0	6 008	6 526	564	0	0	13 098
Decreases due to liquidation	0	0	0	0	0	0	0	0
Decreases due to sales	0	0	98	348	0	0	0	446
Other adjustments	0	0	0	0	0	0	0	0
Redemption value at the end of the period	-1 216	-38	-4 522	-2 282	-786	0	0	-8 844
Impairment allowances at the beginning of the period	0	0	0	0	0	0	0	0
Additions during the period	0	0	0	0	0	0	0	0
Impairment allowances at the end of the period	0	0	0	0	0	0	0	0
Net value at end of period	4 788	181	5 018	1 377	727	1 151	0	13 242

2. Investment properties

2.1. Investment properties

Description	31.12.2022	31.12.2021
Land not leased	0	0
Real estate leased	31 754	31 129
Advances for investment properties	0	0
Net carrying amount	31 754	31 129

2.2. Investment properties in reporting period

Description	Land not leased	Investment properties leased	Advances for investment properties	Total
Investment properties at the beginning of the period	0	31 129	0	31 129
Property purchase	0	0	0	0
Reversal of an impairment loss	0	0	0	0
Impairment write-off (-)	0	0	0	0
Other changes (reclassifications, transfers, etc.) (+/-)	0	378	0	378
Revaluation to fair value (+/-)	0	247	0	247
Investment properties at the end of the period	0	31 754	0	31 754

The properties subject to valuation in the reporting period are properties located in Toruń and Pinczyn.

The value of the land property located in Pinczyn at Gajowa street with a plot area of 6,992 m² built-up with a production and warehouse hall with an office part with a usable area of 2,121.50 m², land and mortgage register number GD1A / 00015721/5, was determined on the basis of an appraisal by an independent expert. To determine the market value of the developed land property, a comparative approach was used, the pairwise comparison method, while to determine the market value of the land property, excluding buildings, a comparative approach was used, the method of corrected average price.

Pairwise comparison method

When using the pairwise comparison method, it compares the valued object - the features of which are known, but its value is unknown - successively with the objects that have been traded and whose features are known, as well as the prices obtained in trade.

Determining the market value of real estate or property law requires the implementation of a certain procedure. It is:

1. selection of comparative objects,
2. determination of the set of characteristics to be compared and selection of the comparative unit,
3. analysis and verification of data in comparative objects,
4. adjusting the prices of comparative objects due to differences in the values of the object's features and the object of estimation,,
5. determination of the value of the estimated object.

The value of the land property located in Toruń at ul. Wapienna with a total plot area of 41,066 m² and a building area of 7,910.68 m², land and mortgage register number TO1T / 00042725/4, was determined on the basis of an appraisal by an independent expert. For the purposes of the valuation, the comparative method was selected.

Income from the lease of the investment property located in Pinczyn amounted to PLN 588 thousand and of real estate located in Toruń PLN 2,122 thousand. At the same time, the costs incurred on the above-mentioned investment properties in 2022, respectively: Pinczyn PLN 241 thousand and Toruń PLN 384 thousand.

3. Goodwill and other intangible assets

3.1. Intangible assets

Description	31.12.2022	31.12.2021
Goodwill	0	0
Patents and licenses	200	91
Development costs	0	0
Other intangible assets	6 366	5 236
Intangible assets net	6 565	5 327

3.2. Intangible assets in reporting period

Description	Goodwill	Patents and licenses	Development costs	Other intangible assets	Total
Gross carrying amount at beginning of period	1 141	1 709	0	5 236	8 086
Acquisition	0	259	0	0	259
Reclassifications	0	-4	0	1 130	1 126
Reduction / increase due to the OPE contribution	0	0	0	0	0
Decreases due to liquidation	0	0	0	0	0
Gross carrying amount at end of period	1 141	1 964	0	6 366	9 471
Amortization value at the beginning of the period	-1 141	-1 617	0	0	-2 759
Increase in amortization for the period	0	-147	0	0	-147
Reclassifications	0	0	0	0	0
Decrease / increase due to the OPE contribution	0	0	0	0	0
Decreases due to liquidation	0	0	0	0	0
Amortization value at the end of the period	-1 141	-1 765	0	0	-2 906
Impairment allowances at the beginning of the period	0	0	0	0	0
Impairment allowances at the end of the period	0	0	0	0	0
Net value at the end of period	0	200	0	6 366	6 565

3.3. Intangible assets in previous reporting period

Description	Goodwill	Patents and licenses	Development costs	Other intangible assets	Total
Gross carrying amount at beginning of period	1 141	1 463	0	224	2 828
Acquisition	0	72	0	0	72
Reclassifications	0	0	0	5 236	5 236
Reduction / increase due to the OPE contribution	0	174	0	-224	-49
Decreases due to liquidation	0	0	0	0	0
Gross carrying amount at end of period	1 141	1 709	0	5 236	8 086
Amortization value at the beginning of the period	-1 141	-1 231	0	-224	-2 596
Increase in amortization for the period	0	-212	0	0	-212
Reclassifications	0	0	0	0	0
Decrease / increase due to the OPE contribution	0	-174	0	224	49
Decreases due to liquidation	0	0	0	0	0
Amortization value at the end of the period	-1 141	-1 617	0	0	-2 759
Impairment allowances at the beginning of the period	0	0	0	0	0
Impairment allowances at the end of the period	0	0	0	0	0
Net value at the end of period	0	91	0	5 236	5 327

4. Stocks and shares

Stocks and shares	Headquarter	Value without deductions		% of owned shares / % of votes / % share in profits	
Company name		31.12.2022	31.12.2021	31.12.2022	31.12.2021
Dekpol 1 Sp. z o.o. S.K.A.	Pinczyn	0	108 013	0	100%
Dekpol 1 Sp. z o.o.	Pinczyn	0	14	100%	100%
UAB DEK LT Stadyba (Lithuania)	Litwa	10	10	100%	100%
Betpref Sp. z o.o.	Pinczyn	1 076	50	100%	100%
Dekpol Deweloper Sp. z o.o.	Pinczyn	165 362	141 953	100%	100%
Dekpol Steel Sp. z o.o.	Pinczyn	43 735	43 735	100%	100%
Dekpol Budownictwo Sp. z o.o.	Pinczyn	2 859	2 859	100%	100%
Kombet sp. z o.o.	Działdowo	16 205	0	100%	
Total:		229 248	296 634		

On June 30, 2022, the merger of companies was registered in the National Court Register: Dekpol 1 Sp. z o.o., Dekpol 1 Sp. z o.o. s.k.a., Dekpol Royalties Sp. z o.o. (Acquired Companies) and Dekpol Deweloper Sp. z o.o. (Acquiring Company).

The acquired entities were under the control of Dekpol S.A. before the acquisition transaction, and the settlement of this transaction was made by acquiring the assets of the Acquired Companies by Dekpol Deweloper in exchange for shares in this company. The transaction costs constituted costs of the period and charged the financial result of the Acquiring Company. At the same time, as a result of the transaction, Dekpol Deweloper took control of Almond Sp. z o.o., whose shares were a key asset in Dekpol 1 Sp. z o.o. s.k.a.

The transaction did not affect the value of shares/stocks expressed in the acquisition price. There was only a shift in value between the shares of the Acquired Companies and Dekpol Deweloper. At the same time, with the merger, there was an increase and redemption of shares, and in the next step, a conversion of part of the liability into a loan. As a result of this transaction, the value of shares of Dekpol Deweloper Sp. z o.o. was recognized at PLN 163,362 thousand.

5. Other financial assets

5.1. Other financial assets

Description	31.12.2022	31.12.2021
Derivatives	0	0
Other long-term financial assets	2 770	2 770
Long-term granted loans	80 584	40 690
Other long-term financial assets	83 353	43 459
Short-term loans	77 792	0
Units in Open Investment Funds	0	0
Other short-term financial assets*	2 923	56 328
Other short-term financial assets	80 715	56 328

In order to limit the risk of an increase in the interest rate associated with the company's financial liabilities (obligations), the Company entered into CAP transactions on May 5, 2022, in the amount of PLN 12.9 million. The fair value of the CAP option was disclosed in the position of other short-term financial assets. The option covers the period from May 23, 2022 to August 23, 2024. The option holder receives interest at a positive difference between WIBOR 6M and a rate of 3.5%. The option's valuation in the part that constitutes an effective hedge is included in the revaluation reserve (as described above). At the same time, in order to limit the risk of changing interest rates, the Company entered into an IRS transaction.

The Company DEKPOL S.A. in order to limit the risk of an increase in interest rates related to the company's financial obligations (credit), concluded two IRS transactions on March 11 and 14, 2022 for a total of 1.055 million EUR. The fair value of the IRS was disclosed in the Other short-term financial assets position. The IRS transaction covers the period from March 15, 2022 to July 16, 2026. As a result of the transaction, the Company receives a fixed interest rate of 0.7%. The valuation as of December 30, 2022 amounted to PLN 41,000.

Then DEKPOL S.A. entered into IRS transactions on August 30, 2022, in order to limit the risk of an increase in the interest rate associated with the company's financial obligations (credit), for a total of 2.738 million EUR. The fair value of the IRS was disclosed in the position of "other short-term financial assets". The IRS transaction covers the period from August 30, 2022, to August 31, 2029. As a result of the above transaction, the Company receives a fixed rate of 2.45%. The valuation as of December 30, 2022, amounted to 125,000 PLN.

Next, DEKPOL S.A. entered into an IRS transaction on September 30, 2022, in order to limit the risk of an increase in the interest rate associated with the company's financial obligations (bonds), for an amount of 2.4 million EUR. The fair value of the IRS was disclosed in the "other short-term financial assets" position. The IRS transaction covers the period from September 30, 2022, to March 29, 2027. As a result of the above transaction, the Company receives a fixed rate of 3.11%. The valuation as of December 30, 2022, amounted to 271 thousand PLN.

The total valuation of the aforementioned IRS transactions as of December 30th, 2022 was 399,000 PLN.

The valuation of both options represents a value of 2,923,000 PLN.

Borrowings granted as at: 31.12.2022	Borrower	Value	Balance	Currency	Interest rate	Contractual repayment date
Long-term:						
Borrowing from Depol S.A.	Depol Deweloper sp. z o.o.	2 352	2 352	EUR	EURIBOR 6M+margin	29.03.2027
Borrowing from Depol S.A.	Depol Deweloper Sp. z o.o.	3 724	3 724	EUR	EURIBOR 6M+ margin	29.03.2027
Borrowing from Depol S.A.	Depol Deweloper Sp. z o.o.	20 000	20 000	PLN	WIBOR6M+ margin	23.08.2024
Borrowing from Depol S.A.	Depol Deweloper Sp. z o.o.	9 336	9 336	PLN	WIBOR6M+ margin	23.08.2024
Borrowing from Depol S.A.	Depol Deweloper Sp. z o.o.	1 544	1 544	PLN	WIBOR6M+ margin	23.08.2024
Borrowing from Depol S.A.	Depol Deweloper Sp. z o.o.	11 000	11 000	PLN	WIBOR6M+ margin	22.06.2024
Borrowing from Depol S.A.	Depol SPV 1 sp. z o.o.	7 800	3 957	PLN	WIBOR 12M+ margin	31.12.2024
Borrowing from Depol S.A.	Depol Budownictwo sp. z o.o.	20 000	10 411	PLN	WIBOR 3M+ margin	13.02.2025
Borrowing from Depol S.A.	Depol Steel sp. z o.o.	4 300	4 011	EUR	EURIBOR 12M+ margin	31.12.2024
TOTAL long-term		69 680	56 248	PLN	-	-
		10 376	6 735	EUR		
Short-term:						
Borrowing from Depol S.A.	Depol Deweloper Sp. z o.o.	7 664	7 664	PLN	WIBOR 6M+ margin	28.10.2023
Borrowing from Depol S.A.	Depol Deweloper Sp. z o.o.	11 000	10 936	PLN	WIBOR 6M+ margin	28.10.2023
Borrowing from Depol S.A.	Depol Inwestycje Sp. z o.o. Rokitki sp.k.	10 000	8 000	PLN	WIBOR 6M+ margin	28.10.2023
Borrowing from Depol S.A.	Depol Inwestycje – Tri-mare Sp. z o.o.	20 000	20 000	PLN	WIBOR 6M+ margin	28.10.2023
Borrowing from Depol S.A.	Depol Inwestycje sp. z o.o. Neo Jasień Sp.k.	7 000	3 400	PLN	WIBOR 6M+ margin	28.10.2023
TOTAL short-term		55 664	50 000	PLN	-	-

6. Inventories

6.1. Structure of inventories

Description	31.12.2022	31.12.2021
Materials balance values	112	128
Semi-finished products and work in progress balance value	0	933
Premises under construction balance value	8 814	9 648
Goods balance values	472	815
Finished products balance values	0	0
Finished premises balance value	1 000	1 000
Inventories	10 398	12 525

6.2. Inventory write-offs

Description	31.12.2022	31.12.2021
Inventory write-offs at the beginning of period	0	0
Inventory write-offs created in period	0	0
Inventory write-offs reversal in period (-)	0	0
Inventory write-offs other changes	0	0
Inventory write-offs at the end of period	0	0

7. Long-term receivables

Description	31.12.2022	31.12.2021
Deposits from construction services	912	1 010
Deposits from other titles	0	0
Other receivables	6 004	7 754
Receivables write-offs (-)	0	0
Long-term receivables	6 916	8 764
Long-term dereffed charges	0	0
Trade and other long-term receivables	6 916	8 764

7.1. Long-term receivables

The value of other receivables includes the due for the performance of construction services with a deferred payment date.

7.2. Long-term receivables write-offs

Description	31.12.2022	31.12.2021
Status at the beginning of period	0	0
Write-offs as cost in period	0	0
Write-off terminated addend as income in period (-)	0	0
Write-offs used (-)	0	0
Other changes (net FX differences from settlement)	0	0
Status at the end of period	0	0

7.3. Short-term receivables

Description	31.12.2022	31.12.2021
Receivables due to contracts with clients net	118 267	69 873
Prepay and advance payment balance value	57	457
Deposits from construction services balance value	1 454	1 807
Deposits from other titles	0	0
Receivables due to other taxes, duties and social security	380	1 060
Other receivables balance value	139	307
Dividend receivables - short-term	0	0
Trade receivables and other receivables	120 297	73 504
Short-term prepayments	548	334
Trade and other short-term receivables	120 845	73 838

7.4. Short-term receivables write-offs

Description	31.12.2022	31.12.2021
Status at the beginning of period	10 092	9 528
Write-offs as cost in period	1 256	3 368
Write-offs terminated added as income in period (-)	-2 371	-2 565
Write-offs used (-)	-7 722	-238
Other changes (net FX differences from settlement)	0	0
Status at the end of period	1 256	10 092

The value of expected losses is 1,256, however, due to the Credit Risk Mitigation Agreement, the Company maintains write-offs amounting to PLN 8,347 thousand.

Expected credit losses according to simplified model IFRS 9 as at balance sheet date: 31.12.2022.

Credit losses in terms	Write-off value
On-time	18
From 1 to 30 days	85
From 31 to 60 days	25
From 61 to 90 days	10
From 91 to 180 days	27
From 181 to 1 year	101
Over one year	990
Write-off value in total	1 256

7.5. Structure of payables by payment terms in reporting period

Description	Overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 year to 2 years	From 2 to 5 years	Over 5 years	Total
Long-term receivables	0	0	0	0	0	6 024	94	799	6 916
Trade receivables	6 020	14 232	82 192	15 402	421	0	0	0	118 267
Prepayments and payables	0	0	57	0	0	0	0	0	57
Deposits from construction services	1 434	3	0	0	17	0	0	0	1 454
Deposits from other titles	0	0	0	0	0	0	0	0	0
Receivables due to other taxes	0	380	0	0	0	0	0	0	380
Other receivables	0	139	0	0	0	0	0	0	139
Receivables in total	7 454	14 754	82 249	15 402	438	6 024	94	799	127 212

7.6. Structure of payables by payment terms in previous reporting period

Description	Overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 year to 2 years	From 2 to 5 years	Over 5 years	Total
Long-term receivables	0	0	0	0	0	7 764	1 000	0	8 764
Trade receivables	5 738	24 866	6 218	33 050	0	0	0	0	69 873
Prepayments and payables	0	457	0	0	0	0	0	0	457
Deposits from construction services	861	0	0	0	946	0	0	0	1 807
Deposits from other titles	0	0	0	0	0	0	0	0	0
Receivables due to other taxes	0	1 060	0	0	0	0	0	0	1 060
Other receivables	0	307	0	0	0	0	0	0	307
Receivables in total	6 599	26 690	6 218	33 050	946	7 764	1 000	0	82 268

7.7. Structure of overdue receivables in reporting period

Description	Non-overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	Over 1 year	Total
Trade receivables	112 247	3 091	712	346	644	1 227	118 267
Prepayments and payables	57	0	0	0	0	0	57
Deposits from construction services	20	0	1 434	0	0	0	1 454
Deposits from other titles	0	0	0	0	0	0	0
Receivables due to other taxes	380	0	0	0	0	0	380
Other receivables	139	0	0	0	0	0	139
Overdue receivables	112 842	3 091	2 146	346	644	1 227	120 297

7.8. Structure of overdue receivables in previous reporting period

Description	Non-overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	Over 1 year	Total
Trade receivables	64 135	1 125	484	742	3 387	0	69 873
Prepayments and payables	0	457	0	0	0	0	457
Deposits from construction services	946	0	858	3	0	0	1 807
Deposits from other titles	0	0	0	0	0	0	0
Receivables due to other taxes	1 060	0	0	0	0	0	1 060
Other receivables	307	0	0	0	0	0	307
Overdue receivables	66 448	1 582	1 342	745	3 387	0	73 504

8. Cash

8.1. Cash specifics

Description	31.12.2022	31.12.2021
Bank accounts	5 151	13 215
cash of limited disposal rights	0	0
Cash in deposit	0	0
Short-term deposits	14 367	10
Other cash and cash equivalent	30	1 376
Cash and cash equivalents	19 548	14 602

9. Deferred charges

9.1. Active deferred charges

Description	31.12.2022	31.12.2021
Insurance	241	211
Guarantees	0	0
Commissions on the sale of premises	0	0
Other	307	123
Deferred charges in total	548	334

10. Equities

10.1. Share capital

Description	31.12.2022	31.12.2021
Number of shares	8 363	8 363
Nominal value of the share (PLN)	1 000	1 000
Share capital	8 363	8 363

Equity	The number of shares issued as of 31.12.2022	The number of shares issued as of 31.12.2021	The number of shares authorized for issue as of 31.12.2022	The number of shares authorized for issue as of 31.12.2021
A-Series	6 410 000	6 410 000	0	0
B-Series	1 952 549	1 952 549	0	0
Total:	8 362 549	8 362 549	0	0

10.2. Changes in number of shares

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

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

11. Provisions

11.1. Provisions specifics

Description	31.12.2022	31.12.2021
Provisions for employee benefits - long-term	41	33
Other long-term provisions	0	0
Provisions for employee benefits - short-term	1	1
Provisions for unused holidays	754	650
Provisions for court litigations	49	56
Provisions for losses on construction contracts	0	0
Provisions for guarantee repairs	0	0
Provision for contract costs	0	0
Provisions for employee bonuses	904	1 604
Other provisions	94	79
Other short-term provisions	1 801	2 389

11.2. Changes in provisions in reporting period

Description	For retirement benefits	For unused holidays	For court litigations	For guarantee repairs	For losses from contracts	For contract costs	For employee bonuses	Other	Total
Status at the beginning of period	79	1 270	906	5 000	47 138	0	2 435	326	57 155
Increase of provisions accounted as cost in period	0	134	56	0	0	0	0	79	269
Utilization of provisions accounted as revenue in period (-)	0	0	0	0	0	0	0	0	0
Utilization of provisions (-)	0	0	0	0	0	0	-831	-31	-862
Increase by merger of entities	0	0	0	0	0	0	0	0	0
Reclassifications and other changes	-46	-755	-906	-5 000	-47 138	0	0	-295	-54 140
Status as of the end of period	34	650	56	0	0	0	1 604	79	2 422

11.3. Changes in provisions in previous reporting period

Description	For retirement benefits	For unused holidays	For court litigations	For guarantee repairs	For losses from contracts	For contract costs	For employee bonuses	Other	Total
Status at the beginning of period	79	1 270	906	5 000	47 138	0	2 435	326	57 155
Increase of provisions accounted as cost in period	0	134	56	0	0	0	0	79	269
Utilization of provisions accounted as revenue in period (-)	0	0	0	0	0	0	0	0	0
Utilization of provisions (-)	0	0	0	0	0	0	-831	-31	-862
Increase by merger of entities	0	0	0	0	0	0	0	0	0
Reclassifications and other changes	-46	-755	-906	-5 000	-47 138	0	0	-295	-54 140
Status as of the end of period	34	650	56	0	0	0	1 604	79	2 422

12. Interest-bearing liabilities

12.1. Specification of interest-bearing liabilities

Description	31.12.2022	31.12.2021
Other short-term financial liabilities	0	0
Loans, borrowings and short-term debt-instruments	55 530	39 702
Short-term lease liabilities	777	861
Short-term financial liabilities	56 307	40 563
Other long-term financial liabilities	0	0
Loans, borrowings and long-term debt-instruments	131 035	127 855
Long-term lease liabilities	846	1 181
Long-term financial liabilities	131 881	129 036
Total financial liabilities	188 188	169 599

12.2. Due of interest-bearing liabilities in reporting period

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 borrowings	0	0	0	0	1 121	1 868	12 842	15 831
Long-term bonds	0	0	0	0	0	0	0	0
Long-term leases	0	0	0	0	88 275	27 684	0	115 959
Long-term borrowings	0	0	0	0	550	297	0	846

Long-term derivative liabilities	0	0	0	0	0	0	0	0
Short-term loans	0	93	187	3 743	0	0	0	4 024
Short-term borrowings	0	0	0	0	0	0	0	0
Short-term bonds	0	0	0	50 751	0	0	0	50 751
Short-term leases	0	59	116	602	0	0	0	777
Short-term derivative liabilities	0	0	0	0	0	0	0	0
Financial liabilities - due	0	152	303	55 097	89 946	29 848	12 842	188 188

12.3. Due of interest-bearing liabilities in previous reporting period

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 borrowings	0	0	0	0	4 239	0	0	4 239
Long-term bonds	0	0	0	0	0	0	0	0
Long-term leases	0	0	0	0	0	123 616	0	123 616
Long-term borrowings	0	0	0	0	649	532	0	1 181
Long-term derivative liabilities	0	0	0	0	0	0	0	0
Short-term loans	0	0	0	39 702	0	0	0	39 702
Shor-term borrowings	0	0	0	0	0	0	0	0
Short-term bonds	0	0	0	0	0	0	0	0
Short-term leases	0	0	0	861	0	0	0	861
Short-term derivative liabilities	0	0	0	0	0	0	0	0
Financial liabilities - due	0	0	0	40 563	4 889	124 148	0	169 599

12.4. Loans and borrowings (in thousands of PLN)

Loans and borrowings as at 31.12.2022	Value	Currency	Balance	Currency	Interest rate	Contractual repayment date
Long-term						
PKO BP investment loan 54 1020 1462 0000 7396 0134 7483 ¹	617	EUR	617	EUR	EURIBOR1M+margin	16.07.2026
PKO BP investment loan 82 1020 1462 0000 7896 0154 4808 ²	2 577	EUR	2 577	PLN	EURIBOR1M+ margin	24.08.2030
Total loans and long-term loans	3 194		3 194	PLN		-
Short-term						
PKO BP investment loan 54 1020 1462 0000 7396 0134 7483 ¹	259	EUR	259	EUR	EURIBOR1M+ margin	16.07.2026
PKO BP investment loan 82 1020 1462 0000 7896 0154 4808 ²	161	EUR	161	EUR	EURIBOR1M+ margin	24.08.2030
Other			16	PLN		
Total loans and short-term loans	420		420	EUR		-
	0		16	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 of 31.12.2022	Collateral
PKO BP investment loan 54 1020 1462 0000 7396 0134 7483	mortgage, assignment of receivables from insurance policy, bill of exchange, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code by the Borrower
PKO BP investment loan 82 1020 1462 0000 7896 0154 4808	mortgage, assignment of receivables from insurance policy, bill of exchange, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code by the Borrower

Loans and borrowings as at 31.12.2021	Value	Balance	Currency	Interest rate	Contractual repayment date
Long-term					
PKO BP investment loan 54 1020 1462 0000 7396 0134 7483	5 817	4 240	PLN ¹	WIBOR 1M ¹ + margin	16.07.2026
Total loans and long-term loans	5 817	4 240	PLN		-
Short-term					
SGB-Bank S.A. revolving loan, agreement number REW/2200155/2020/2	30 000	18 715	PLN	WIBOR 3M + margin	14.07.2022
SGB-Bank S.A. overdraft facility, agreement no. KRB/2200155/2020/1	15 000	0	PLN	WIBOR 3M + margin	14.07.2022

PKO BP overdraft facility, agreement no. LKW 38 1020 1462 0000 7102 0368 2028	3 000	0	PLN	WIBOR 1M + margin	15.07.2022
PKO BP revolving loan, agreement number LKW 38 1020 1462 0000 7102 0368 2028	22 000	19 795	PLN	WIBOR 1M + margin	15.07.2022
PKO BP investment loan 54 1020 1462 0000 7396 0134 7483	1 183	1 183	PLN ¹	WIBOR 1M ¹ + margin	16.07.2026
Other		9	PLN		
Total loans and short-term loans	0	0	EUR	-	-
	71 183	39 702	PLN	-	-

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

Loans and borrowings as at 31.12.2021	Collateral
PKO BP investment loan 54 1020 1462 0000 7396 0134 7483	joint mortgage, assignment of claims from an insurance policy, bill of exchange, statement of submission to enforcement under Article 777 of the Code of Civil Procedure by the Borrower
SGB-Bank S.A. revolving loan, agreement number REW/2200155/2020/2	assignment of claims from GW contracts, promissory note, PLG-FGP BGK guarantee, accession to the debt of Dekpol Budownictwo Sp. z o.o., declaration of submission to enforcement in accordance with Article 777 of the Civil Procedure Code by the Borrower and the Accessioning Party to the debt
SGB-Bank S.A. overdraft facility, agreement no. KRB/2200155/2020/1	Mortgage, promissory note, PLG-FGP BGK guarantee, joining the debt of Dekpol Budownictwo Sp. z o.o., statement on submission to enforcement in accordance with Article 777 of the Code of Civil Procedure by the Borrower, Joining Borrower and Mortgage Debtor.
PKO BP, Multi-Purpose Credit Line Agreement 38 1020 1462 0000 7102 0368 2028 (includes an overdraft and working capital loan)	joint mortgage, assignment of claims from insurance policy, assignment of claims from GW contracts, bill of exchange, PLG-FGP BGK guarantee, accession to debt of Dekpol Budownictwo Sp. z o.o., declaration of submission to enforcement under art. 777 of the Code of Civil Procedure by the Borrower and the Acceding Party to the debt

Bonds (nominal value):

Bonds as of the end of reporting period 31.12.2022	Nominal value	Balance	Currency	Interest rate	Date of repayment
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 at 31.12.2022	Collateral
I-series bonds	mortgage and a declaration of submission to enforcement pursuant to Art. 777 of the Civil Procedure Code of the mortgage debtor
J-series bonds	n/a
K-series bonds *	n/a
P2021A-series bonds	n/a
P2021B-series bonds	n/a
2022AC-series bonds	n/a
2022BC-series bonds	n/a

Bonds (nominal value):

Bonds as of the end of reporting period 31.12.2021	Nominal value	Balance	Currency	Interest rate	Date of repayment
Long-term					
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
Long-term bonds in total	125 150	125 150	PLN	-	-
Short-term					
-	-	-	-	-	-
Short-term bonds in total	0	0	PLN	-	-

* On 09/08/2021 the K and L series were assimilated and currently both appear together under the name and ISIN code of the K series

Bonds as at 31.12.2022	Collateral
I-series bonds	mortgage up to the amount of PLN 75,000,000.00 on developed real estate located in Warsaw at Prądzyńskiego street 21, owned by Dekpol Inwestycje Sp. z o.o. WBH Sp. k LMR No. WA4M / 00386892/3 and a declaration of submission to enforcement pursuant to Art. 777 of the Civil Procedure Code of the mortgage debtor
J-series bonds	n/a
K-series bonds	n/a
P2021A-series bonds	n/a

Issue of P2021B-series bonds as a part of Bonds Issue Programme

On February 24, 2022, Management Board of Dekpol S.A. adopted a resolution regarding the issuance of up to 50,000 bearer bonds of P2021B series with an issue price equal to the nominal value of PLN 1,000 each and a total nominal value of up to PLN 50 million ("Bonds"). Then, on March 18, 2022, a resolution of the Company's Management Board amending the resolution of February 24, 2022 regarding the issuance of the Bonds came into force. According to the amendment, the size of the P2021B series bond issue was reduced to 15,000 Bonds with an issue price equal to the nominal value of PLN 1,000 each and a total nominal value of up to PLN 15 million, and the use of the proceeds from the Bonds issuance was designated for the current business operations of the Issuer's Capital Group.

On March 18, 2022, the resolution of Management Board of the Company came into force regarding the approval by the Polish Financial Supervision Authority (KNF) of the supplement to the prospectus containing the above-mentioned changes. The change in the parameters of the Bond issue was related to the current situation in the financial market, mainly determined by the ongoing aggression of Russia towards Ukraine. Initially, the purpose of the funds raised from the Bond issue was to be the early redemption of the Series I Bonds upon the Issuer's request, by the date of payment of interest for the III interest period in accordance with Terms and Conditions of the Series I Bond issue, and any surplus was to be allocated to the current business operations of the Group. In view of the risk of not achieving the originally assumed full proceeds from the issue, the Issuer decided to abandon the intention of early redemption of Series I Bonds and to conduct only the issuance of Bonds with a lower value that would satisfy the demand expressed by investors, but at the same time would not significantly increase the Group's debt.

The issuance of bonds was carried out on the basis of a prospectus approved by the Polish Financial Supervision Authority (KNF) on April 21, 2021, in a public offering within the meaning of the Act of July 29, 2005, on public offerings (...). The bonds were issued on the basis of Art. 33 para. 1 of the Bond Act, under the adopted bond issuance program in 2020. According to the Final Terms and Conditions of the Bonds Issue, the interest rate on the Bonds is variable and amounts to 4.60% + WIBOR 3M on an annual basis. Interest on the Bonds is payable every 3 months. The Bonds are not secured. The redemption of Bonds will take place on September 22, 2025. The Bondholders have the right to demand early redemption of Bonds in standard cases specified in the Terms and Conditions of Bond Issue, including in the event of the Group exceeding certain debt ratios. The Company may demand early redemption of the Bonds on any interest payment date, paying a premium of 0-1.25% of the nominal value of the Bonds subject to redemption, depending on the date of submission of the request.

On March 24, 2022, Management Board of Dekpol S.A. adopted a resolution on preliminary allocation of 12,102 bearer bonds of series P2021B with a nominal value of PLN 1,000 each and a total nominal value of PLN 12,102,000. The bonds of series P2021B were allocated subject to a suspensive condition of the final settlement of transaction for the acquisition of Bonds under the issuance by Krajowy Depozyt Papierów Wartościowych S.A. (KDPW) On March 29, 2022, the Company received information about the final settlement of the Bonds by KDPW. Thus, the issuance of bonds of series P2021B was successfully completed.

On March 9, 2022, KDPW issued a statement regarding registration of up to 50,000 series P2021B bonds of the Company in the securities depository. The registration of bonds was to take place based on settlement orders submitted after the resolution on the admission of the bonds to trading on the regulated market was adopted. The condition for the registration of bonds was their admission to trading on the regulated market. Subsequently, due to the resolution of the Issuer's Management Board

regarding the change of the emission parameters, on March 25, 2022, KDPW issued a statement on change in the number of bonds subject to registration to 15,000 (previously 50,000).

On March 25, 2022, Management Board of the Warsaw Stock Exchange (GPW) passed a resolution regarding the admission of 12,102 series P2021B bonds issued by the Company to trading on the Catalyst primary market, effective from the registration of the Bonds by KDPW. On March 30, 2022, Management Board of GPW passed a resolution to introduce 12,102 series P2021B bearer bonds issued by the Company to trading on the Catalyst primary market, effective from April 4, 2022. Additionally, GPW's Management Board set the last trading day for the Bonds for September 11, 2025.

About the above mentioned event the Company announced in current reports no. 9/2022 dated February 24, 2022, no. 10/2022 dated March 9, 2022, no. 12/2022 dated March 18, 2022, no. 13/2022 dated March 24, 2022, no. 14/2022 dated March 25, 2022, no. 15/2022 dated March 28, 2022, no. 16/2022 and 17/2022 dated March 29, 2022 and no. 19/2022 dated March 31, 2022.

Annex to the Investment loan agreement of the Company with PKO BP

On March 7, 2022, Dekpol S.A. entered into an amendment to the investment loan agreement dated July 17, 2020, with PKO BP. Based on the amendment, PKO BP converted the amount of the loan indebtedness from PLN to EUR. As a result of the currency change, the amount of the indebtedness on the date of the amendment amounted 1.05 million EUR. The reference rate also changed from WIBOR1M to EURIBOR1M. The other terms of the agreement remained unchanged. The agreement is valid until July 16, 2026.

In addition, on March 11 and 14, 2022, Dekpol S.A. entered into interest rate swap transactions (IRS) with PKO BP in order to limit the adverse impact of changes in market interest rates on cash flows and to minimize financing costs.

CAP Options transactions

On May 5th, 2022, Dekpol S.A. entered into two CAP transactions with BNP Paribas Bank Polska S.A., for amounts of PLN 19.15 million and PLN 11 million, respectively. The purpose of entering into the CAP transactions is to limit the risk of an increase in the interest rate associated with the company's financial obligations.

Investment loan agreement of the Company with PKO BP

On August 25, 2022, Dekpol S.A. entered into an investment loan agreement with PKO BP in the amount of 2.74 million EUR. The loan was granted to refinance expenses related to the purchase of shares in Kombet Działdowo Sp. z o.o. The loan repayment is due on August 30, 2030.

Additionally, on August 30, 2022, Dekpol S.A. entered into interest rate swap transactions (IRS) with PKO BP, aimed at limiting the unfavorable impact of changes in market interest rates on cash flows and minimizing financial costs.

Issue of 2022AC-series bonds

On September 29, 2022, Dekpol S.A. issued series 2022 AC bonds in the amount of 2.4 million EUR with a final redemption date of March 29, 2027. The issued bonds will be partially redeemed in the amount of 360,000 EUR on March 29, 2026 and in the amount of 360,000 EUR on September 29, 2026. The bonds are secured and bear interest based on the EURIBOR6M rate plus a margin. The proceeds from the bond issue were used to provide an intragroup loan to the subsidiary Dekpol Deweloper Sp. z o.o. for the partial early redemption of the C series bonds of that company. The 2022 AC bonds will not be traded on an organized market.

In addition, on September 30, 2022, the company entered into interest rate swap (IRS) transactions with PKO BP S.A. to limit the adverse impact of changes in market interest rates on cash flows and minimize financial costs.

Issue of 2022BC-series bonds

On October 6, 2022, Dekpol S.A. issued series 2022BC bonds for the amount of 3.8 million EUR with a final redemption date on March 29, 2027. The issued bonds will be subject to partial redemption in the amount of 570,000 EUR on March 29, 2026, and 570,000 EUR on September 29, 2026. The bonds are secured and bear interest at the EURIBOR 6M rate plus a margin. The funds from the bond issue were allocated to provide an intra-group loan to the subsidiary company, Dekpol Deweloper Sp. z o.o., to finance the company's operational activities. Series 2022BC bonds will not be traded on an organized market.

13. Trade liabilities

13.1. Long-term liabilities

Description	31.12.2022	31.12.2021
Deposits received	836	86
Other liabilities (long-term)	0	1 100
Other long-term liabilities	836	1 186
Long-term prepayments	0	0
Liabilities from deliveries and services and other long-term liabilities	836	1 186

13.2. Short-term liabilities

Description	31.12.2022	31.12.2021
Liabilities from deliveries and services	111 541	61 015
Prepayments and advances received for deliveries	0	0
Short-term deposits received	1 011	148
Other taxes, duties and social security liabilities	1 853	723
Payroll liabilities	586	444
Other short-term liabilities	42	19
Trade payables and other payables	115 033	62 350
Deferred income	9	0
Liabilities from deliveries and services and other short-term liabilities	115 042	62 350

13.3. Liabilities by payment term in reporting period

Description	Overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Long-term deposits received	0	0	0	0	0	0	825	11	836
Other long-term liabilities – other titles	0	0	0	0	0	0	0	0	0
Long-term liabilities	0	0	0	0	0	0	825	11	836
Trade liabilities	8 942	4 123	97 834	463	180	0	0	0	111 541
Prepayments and deposits received for supplies	0	0	0	0	0	0	0	0	0
Short-term received bails	628	382	0	0	0	0	0	0	1 011
Liabilities due to other taxes	0	1 853	0	0	0	0	0	0	1 853
Liabilities due to remunerations	0	586	0	0	0	0	0	0	586
Other short-term liabilities	0	42	0	0	0	0	0	0	42
Short-term liabilities	9 570	6 987	97 834	463	180	0	0	0	115 033

13.4. Liabilities by payment term in previous reporting period

Description	Overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Long-term deposits received	0	0	0	0	0	0	75	11	86
Other long-term liabilities – other titles	0	0	0	0	0	1 100	0	0	1 100
Long-term liabilities	0	0	0	0	0	1 100	75	11	1 186
Trade liabilities	9 662	40 987	2 376	7 991	0	0	0	0	61 015
Prepayments and deposits received for supplies	0	0	0	0	0	0	0	0	0
Short-term received bails	0	148	0	0	0	0	0	0	148
Liabilities due to other taxes	0	723	0	0	0	0	0	0	723
Liabilities due to remunerations	0	444	0	0	0	0	0	0	444
Other short-term liabilities	0	19	0	0	0	0	0	0	19

Short-term liabilities	9 662	42 321	2 376	7 991	0	0	0	0	62 350
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13.5. Overdue liabilities in reporting period

Description	Non-overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	Over 1 year	Total
Trade liabilities	103 524	5 971	1 497	63	40	444	111 541
Prepayments and deposits received for supplies	0	0	0	0	0	0	0
Short-term received bails	382	628	0	0	0	0	1 011
Liabilities due to other taxes	1 853	0	0	0	0	0	1 853
Liabilities due to remunerations	586	0	0	0	0	0	586
Other short-term liabilities	42	0	0	0	0	0	42
Short-term liabilities	106 388	6 600	1 497	63	40	445	115 033

13.6. Overdue liabilities in previous reporting period

Description	Non-overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	Over 1 year	Total
Trade liabilities	51 353	7 628	1 022	168	285	558	61 015
Prepayments and deposits received for supplies	0	0	0	0	0	0	0
Short-term received bails	148	0	0	0	0	0	148
Liabilities due to other taxes	723	0	0	0	0	0	723
Liabilities due to remunerations	444	0	0	0	0	0	444
Other short-term liabilities	19	0	0	0	0	0	19
Short-term liabilities	52 688	7 628	1 022	168	285	558	62 350

14. Deferred income

14.1. Specification of deferred income in reporting period

Description	Short-term	Long-term	Total
Grants received	0	0	0
Deferred charges	0	9	9
Other charges	0	0	0
Liabilities – deferred charges in total	0	9	9

14.2. Specification of deferred income in previous reporting period

Description	Short-term	Long-term	Total
Grants received	0	0	0
Deferred charges	0	0	0
Other charges	0	0	0
Liabilities – deferred charges in total	0	0	0

15. Operating revenues and costs

15.1. Sales revenues

Description	01.01.-31.12.2022	01.01.-31.12.2021
Revenues from sales of products	162 426	100 152
Revenues from sales of services	26 178	31 336
Revenues from sales of goods and materials	87 597	78 817
Sales revenues	276 201	210 305

In the reporting period, revenues to the largest contractor amounted to approximately 35% of the total revenues.

15.2. Costs by type

Description	01.01.-31.12.2022	01.01.-31.12.2021
Cost of goods and materials sold	84 968	76 801
Remuneration	8 126	7 671
Depreciation	2 318	2 123
Employee benefits	1 819	1 382
Consumption of materials and energy	16 992	5 920
Outsourced services	153 528	101 726
Taxes and fees	587	579
Other costs by type	1 942	2 531
Costs by type	270 280	198 733
Administrative expenses	-8 009	-7 259
Selling costs	-484	-864
Own work capitalized	0	-2 169
Movements in the balance of products	919	6 502
Own selling cost	262 706	194 943

15.3. Own selling cost

Description	31.12.2022	31.12.2021
Cost of product sold	164 610	98 175
Cost of services sold	13 128	19 967
Cost of goods and materials sold	84 968	76 801
Own selling cost	262 706	194 943

15.4. Other operating revenues

Description	01.01.-31.12.2022	01.01.-31.12.2021
Pricing of investment properties to its fair value	247	1 680
Release of provisions	7	0
Fines and compensations	141	596
Grants	3	28
Overdue liabilities	0	0
Scrap yield	0	0
Bonus from turnover	0	0
Surplus stock	0	0
Other titles	2 246	2 014
Re-invoices	0	0
Write-offs for inventories reversal in period (-)	0	0

Impairment write-offs on receivables reversal in period (-)	2 434	2 565
Profit on disposal of non-financial fixed assets	114	99
Profit from a bargain purchase	0	0
Other operating revenues	5 191	6 981

15.5. Other operating costs

Description	01.01.-31.12.2022	01.01.-31.12.2021
Pricing of investment properties to its fair value	0	0
Establishment of provisions	0	56
Cost related to acquisition of subsidiaries	0	0
Cost of defects repairs and scrap page	33	0
Donations	144	283
Handover of a road investment	0	2 072
Receivables	0	0
Other titles	501	617
Contractual penalties	0	0
Material losses	0	1
Court litigation costs	0	161
Compensations	6	42
Inventory deficits	0	0
Re-invoicing costs	0	0
Write-offs for inventories creation in period	0	0
Impairment write-offs on receivables creation in period	1 256	3 368
Loss on disposal of non-financial fixed assets	0	0
Other operating costs	1 940	6 599

16. Financial revenues and expenses

16.1. Financial revenues

Description	01.01.-31.12.2022	01.01.-31.12.2021
Interests	11 465	2 736
Profit from sale of financial assets	0	0
Dividends	0	27 847
Reversal of write-offs	0	0
Other financial revenues	0	0
Surplus of positive exchange differences over the negative ones	351	0
Pricing of financial instruments at fair value	0	179
Financial revenues	11 816	30 762

16.2. Financial expenses

Description	01.01.-31.12.2022	01.01.-31.12.2021
Other financial costs	738	1 059
Interests	17 631	10 038
Write-offs	0	0
Loss from sale of financial assets	0	0
Surplus of negative exchange differences over the positive ones	0	172
Pricing of financial instruments at fair value	207	0
Financial expenses	18 576	11 269

17. Income tax

17.1. Income tax

Description	31.12.2022	31.12.2021
Current income tax	1 028	939
Deferred income tax	-742	56
Income tax	286	995

17.2. Effective taxation rate

Description	31.12.2022	31.12.2021
Current income tax for previous periods included in financial result	0	0
Profit (loss) before tax	1 494	27 114
Probable income tax	284	5 152
Reconciliation of differences that permanently do not constitute tax deductible costs	-47	-4 213
Fees for PFRON	12	6
Dividends	0	-5 291
Representation costs	17	5
Costs of penalties and mandates	2	3
Other costs	-78	1 064
Income tax not included in the asset and reserve for deferred income tax	0	56
Deduction of income tax	49	0
Income tax recognized in financial result	286	995

18. Deferred income tax

18.1. Deferred income tax

Description	31.12.2022	31.12.2021
Assets and provisions due to deferred income tax per balance at the beginning of the period	11 932	6 933
Deferred tax assets at the beginning of the period	2 060	13 704
Deferred tax provisions at the beginning of the period	13 992	20 637
Financial result (+/-)	-742	56
Other comprehensive income (+/-)	7	849
Accounting for a business combination	0	4 094
Other (including net exchange differences on translation)	0	0
Assets and provisions due to deferred income tax per balance at the end of the period	11 196	11 932
Assets due to deferred income tax	4 094	2 060
Provision due to deferred income tax	15 290	13 992

18.2. Deferred income tax assets in reporting period

Description	Balance at the beginning of period	Financial result	Other comprehensive income	settlement of the connection	other changes	Total
Pricing of liabilities in revised purchase price	10	-10	0	0	0	0
Assets write-offs	1 214	-224	0	0	0	990
Provisions for employee benefits	6	2	0	0	0	8
Other provisions	578	2 241	0	0	0	2 819
Other titles as a basis for establishment of assets for deferred income tax	252	24	0	0	0	276
Deferred income tax assets	2 060	2 034	0	0	0	4 094

18.3 Deferred income tax assets in previous reporting period

Description	Balance at the beginning of period	Financial result	Other comprehensive income	settlement of the connection	other changes	Total
Pricing of liabilities in revised purchase price	0	10	0	0	0	10
Assets write-offs	1 126	89	0	0	0	1 214
Provisions for employee benefits	15	-9	0	0	0	6
Other provisions	9 934	226	0	-9 582	0	578
Other titles as a basis for establishment of assets for deferred income tax	2 630	-28	-849	-1 502	0	252
Deferred income tax assets	13 704	288	-849	-11 083	0	2 060

18.4. Deferred income tax provisions in reporting period

Description	Balance at the beginning of period	Financial result	Other comprehensive income	settlement of the connection	other changes	Total
Overestimation of financial assets (positive differences)	9 458	0	7	0	0	9 465
Depreciation of fixed assets	153	11	0	0	0	164
Trade receivables	463	1 302	0	0	0	1 765
Construction contracts	0	0	0	0	0	0
Pricing of liabilities in revised purchase price	496	-31	0	0	0	465
Deferred tax from pricing of investment property	2 496	138	0	0	0	2 633
Other titles as a basis for establishment of assets for deferred income tax	926	-128	0	0	0	798
Deferred income tax provision	13 992	1 291	7	0	0	15 290

18.5. Deferred income tax provisions in previous reporting period

Description	Balance at the beginning of period	Financial re-sult	Other com-prehensive in-come	settlement of the connec-tion	other changes	Total
Overestimation of financial assets (positive differences)	9 756	0	0	-298	0	9 458
Depreciation of fixed assets	459	-306	0	0	0	153
Trade receivables	1 088	-625	0	0	0	463
Construction contracts	6 691	0	0	-6 691	0	0
Pricing of liabilities in revised purchase price	21	475	0	0	0	496
Deferred tax from pricing of investment property	2 088	408	0	0	0	2 496
Other titles as a basis for establishment of assets for deferred income tax	534	393	0	0	0	926
Deferred income tax provision	20 637	344	0	-6 990	0	13 992

19. Financial instruments

19.1. Financial instruments – assets

Description	31.12.2022	31.12.2021
Long-term receivables	6 916	8 764
Trade and other short-term receivables	119 917	72 444
Receivables due to contracts with clients net	118 267	69 873
Prepayments and advances balance value	57	457
Dividend receivables - short-term	0	0
Loans and receivables	158 376	40 690
Other financial assets	5 692	59 098
Other long-term financial assets	2 923	56 328
Shares in FIO (OIF)	0	0
Other short-term financial assets	2 923	56 328
Stocks and shares in entities	232 694	275 968
Stocks and shares in subsidiaries	232 678	275 952
Stocks and shares in associates and jointly controlled entities	16	16
Assets evaluated at fair value through financial result	0	0
Cash and cash equivalents	19 548	14 602
Financial assets	543 143	471 566

18.2. Financial instruments – liabilities

Description	31.12.2022	31.12.2021
Liabilities evaluated at fair value through financial result	0	0
Liabilities evaluated at nominal value	304 058	233 135
Liabilities evaluated at depreciated cost	304 058	233 135

20. Risks of financial instruments

20.1. Exposure to FX risk in reporting period (amounts in currency after conversion to PLN)

Description	PLN	EUR	Other	Total
Stocks and shares	232 684	10	0	232 694
Loans and own receivables (valued in the APP)	111 070	47 306	0	158 376
Trade receivables and other financial receivables	120 017	6 816	0	126 833
Derivatives	0	0	0	0
Other financial assets	5 692	0	0	5 692
Cash and cash equivalents	12 233	7 316	0	19 548
Financial assets (+):	481 695	61 448	0	543 143
Loans, borrowings and other debt instruments	152 708	33 856	0	186 565
Financial lease	1 546	77	0	1 623
Derivatives	0	0	0	0
Trade liabilities and other financial liabilities	110 851	5 018	0	115 870
Financial liabilities (-):	265 106	38 952	0	304 058
Exposure on FX risk in total	216 589	22 497	0	239 086

If as of December 31, 2022, the EUR exchange rate was higher or lower by 3%, then the Company's financial assets would be higher or lower by PLN 1,843 thousand and financial liabilities higher or lower by PLN 1,019 thousand due to negative or positive exchange rate differences resulting from the conversion of receivables, loans granted, funds held in bank accounts, and trade payables.

20.2. Exposure to FX risk in previous reporting period (amounts in currency after conversion to PLN)

Description	PLN	EUR	Other	Total
Stocks and shares		0	0	0
Loans and own receivables (valued in the APP)	42 754	706	0	43 459
Trade receivables and other financial receivables	70 743	11 525	0	82 268
Derivatives	0	0	0	0
Other financial assets	275 968	0	0	275 968
Cash and cash equivalents	14 542	60	0	14 602
Financial assets (+):	404 007	12 291	0	416 298
Loans, borrowings and other debt instruments	167 557	0	0	167 557
Financial lease	1 965	77	0	2 042
Derivatives	0	0	0	0
Trade liabilities and other financial liabilities	49 748	13 776	11	63 536
Financial liabilities (-):	219 270	13 853	11	233 135
Exposure on FX risk in total	184 737	-1 562	-11	183 163

20.3. Exposure to interest rate risk in reporting period (applies to instruments valued at adjusted purchase price)

Description	Variable interest rate	Fixed interest rate	Total
Short-term financial liabilities (evaluated in APP)	54 431	1 876	56 307
Loans and own receivables (evaluated in APP)	147 345	11 031	158 376
Long-term financial liabilities (evaluated in APP)	105 549	26 332	131 881
Financial instruments - exposure to interest rate risk	-12 635	-17 177	-29 813

Interest rate risk

Dekpol finances its activities, among others using variable interest rate debt (including revolving loan and bonds). Therefore, it is exposed to interest rate risk. In the event of a significant increase in interest rates, the Company's financial results may deteriorate due to an increase in financial costs. Additionally, high exposure related to this risk and incorrect assessment of this risk may adversely affect the financial results of the Company. An increase in the base rate by 0.5 percentage points would result in an increase in financial costs of approximately 800,000 PLN, assuming that the balance of variable interest rate liabilities remained unchanged throughout the entire financial year.

20.4. Exposure to interest rate risk in previous reporting period (applies to instruments valued at adjusted purchase price)

Description	Variable interest rate	Fixed interest rate	Total
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Short-term financial liabilities (evaluated in APP)	40 563	0	40 563
Loans and own receivables (evaluated in APP)	42 685	775	43 459
Long-term financial liabilities (evaluated in APP)	129 036	0	129 036
Financial instruments - exposure to interest rate risk	-126 914	775	-126 140

21. Operating segments

21.1. Revenues, result and other in reporting period

Description	General contracting	Property development	Production of steel structures and accessories	Other	Exclusions	Total
Revenues from external clients	162 587	0	0	113 615	0	276 201
Revenues from other segments	0	0	0	0	0	0
Sales revenues in total	162 587	0	0	113 615	0	276 201
Other operating revenues	0	0	0	5 191	0	5 191
Other operating expenses	0	0	0	1 940	0	1 940
Operating expenses in total	162 456	18	0	108 725	0	271 199
Operating result	131	-18	0	8 141	0	8 254
Financial revenues	0	0	0	11 465	0	11 465
Financial expenses	0	0	0	18 225	0	18 225
Income tax	0	0	0	286	0	286
Net result	131	-18	0	1 095	0	1 208

21.2. Revenues, result and other in previous reporting period

Description	General contracting	Property development	Production of steel structures and accessories	Other	Exclusions	Total
Sales revenues in total	94 086	6 010	0	110 208	0	210 305
Other operating revenues	0	0	0	6 981	0	6 981
Other operating expenses	0	0	0	6 599	0	6 599
Operating expenses in total	94 059	4 252	0	104 756	0	203 066
Operating result	27	1 758	0	5 835	0	7 620
Financial revenues	0	0	0	30 762	0	30 762
Financial expenses	0	0	0	11 269	0	11 269
Income tax	0	0	0	995	0	995
Net result	27	1 758	0	24 333	0	26 118

21.3. Geographical structure

Description	31.12.2022	31.12.2021
Poland	197 646	190 070
European Union	78 524	20 206
Other countries	32	29
Sales revenues	276 201	210 305
Poland	610 494	526 668
European Union	0	10 576
Other countries	0	0
Assets	610 494	537 244

22. Construction services

22.1. Agreements for construction services

Description	31.12.2022	31.12.2021
Revenues from construction contracts recognized in the period	162 383	94 074
The costs of construction contracts incurred during the period	63 387	94 034
Costs due to loss provisions	0	0
Result set in agreements on construction services in a period	98 997	40
Bail stopped by contractors	2 454	2 899
Advances received for construction contracts	0	0
Receivables from construction contracts	0	0
Liabilities due to construction contracts	0	0

23. Transactions with affiliates

23.1. Benefits for managerial staff

Description	31.12.2022	31.12.2021
Short-term employee benefits	1 090	983
Benefits from termination of work agreements	0	0
Payments in form of own shares	0	0
Other benefits	23	208
Benefits for managerial staff	1 113	1 191

23.2. Transactions and balances with affiliates in reporting period

Description	Consolidated	Subsidiary not consolidated	Associated and interdependent	Other affiliated
Short-term liabilities	96 940	0	0	256
Long-term liabilities	0	0	0	0
Short-term receivables	109 173	0	0	117
Long-term receivables	6 004	0	0	0
Loans received	0	0	0	0
Loans granted	153 831	0	0	4 544
Cost of interest	0	0	0	0
Dividends granted	0	0	0	0
Dividends paid	0	0	0	0
Revenue from interest	11 006	0	0	328
Net purchases (without VAT)	94 211	0	0	178
Net sales (without VAT)	181 730	0	0	3

23.3. Transactions and balances with affiliates in previous reporting period

Description	Consolidated	Subsidiary not consolidated	Associated and interdependent	Other affiliated
Short-term liabilities	19 055	0	0	166
Long-term liabilities	1 100	0	0	0
Short-term receivables	111 868	0	0	173
Long-term receivables	7 754	0	0	0
Loans received	0	0	0	0
Loans granted	36 473	0	4 216	0

Cost of interest	0	0	0	0
Dividends granted	27 847	0	0	0
Dividends paid	0	0	0	0
Revenue from interest	507	0	0	0
Net purchases (without VAT)	1 059	0	0	432
Net sales (without VAT)	101 462	0	0	0

24. Other information

24.1. Average number of FTE's

Description	31.12.2022	31.12.2021
White-collar employees	91,00	82,00
Blue-collar employees	0,00	0,00
Average number of FTE's	91,00	82,00

24.2. Auditor's remuneration

Description	31.12.2022	31.12.2021
Audit of annual financial statements	40	79
Review of financial statements	25	42
Tax advisory	0	0
Other services	0	0
Auditor's remuneration in total	65	121

25. Events after balance sheet date

There were no other significant events after the balance sheet date that were not taken into account below or in Financial Statement (point 25) and in Report of Management Board on business activities of the Group.

II Bonds Issue Programme

On December 7, 2022, Management Board of Dekpol S.A. adopted a resolution on the Second Bonds Issue Programme with a total nominal value not exceeding PLN 150 million (PEO II). The PEO II established by Management Board came into effect together with the approval on April 24, 2023 (an event after balance sheet date) by the Polish Financial Supervision Authority (KNF) of the basic prospectus of the Second Bonds Issue Programme of Dekpol S.A. Under the PEO II, the Company may issue bonds in the manner specified in Article 33(1) of the Act of January 15, 2015 on bonds. Bonds with a total nominal value not exceeding PLN 150 million may be issued in one or more series within 12 months from the date of approval of the prospectus by the KNF. Bonds may be issued both as unsecured and secured bonds. The interest on bonds may be variable or fixed. The bond payments will be in cash only. 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.

26. Factors and events, including those of an unusual nature, that impact the operations and financial reporting

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

On 24th of February 2022, Russian troops invaded Ukraine. In the opinion of the Company, the main areas which may be indirectly affected by the current situation are mainly the following: 1) availability of workforce, 2) raw materials, their prices and availability, 3) fluctuations in the currency market, 4) the situation on the banking and financial market.

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

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

Moreover, the war may weaken the zloty, raise inflation and increase pressure on interest rate hikes. The situation on the banking and financial markets may have an impact on the Company's obtaining financing in future periods, and in the

Company's opinion, the situation and sentiment in the financial markets will largely depend on the further development of the situation in Ukraine.

The factors described above may have an impact on the Group's development prospects, results and financial position. However, at the moment, it is not possible to predict the scale of this impact, which largely depends on the duration of the conflict and further developments in Ukraine and Central-Eastern Europe.

Effect of covid-19 virus on financial results

The COVID-19 virus and its subsequent variants continue to be a factor influencing the global and Polish economy, despite the ongoing vaccinations. Depol Budownictwo identifies potential risks that may affect individual areas of activity, resulting directly or indirectly from the current situation. It cannot be ruled out that in this situation there may be delays in project implementation due to the occurrence of force majeure circumstances. On the other hand, the economic crisis caused by the Covid-19 pandemic may have an impact on the financial situation of the Company's contractors, which may result in delays in the payment of the Company's receivables, or even the complete insolvency of these contractors.

Impact related to an increase in interest rates

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

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

The actions of the National Bank of Poland related to successive interest rate hikes aim to limit the amount of money on the market, which directly translates into more expensive loans for the Company's clients. As a result, some clients will not be able to afford to take out bank financing for the purchase of properties offered by the Depol Developer Group, as even small increases in interest rates translate into much higher debt servicing costs. Therefore, the inability to take on new obligations will contribute to a reduction in demand for properties. Banks will be much more stringent in assessing creditworthiness.

27. Liabilities and conditional liabilities

27.1. Specification of liabilities and conditonal assets

Description	31.12.2022	31.12.2021
Conditional liabilities towards affiliates – guarantees and sureties of repayment of financial liabilities	526 393	441 765
Conditional liabilities towards affiliates - guarantees of satisfactory performance of contracts	0	0
Other conditional liabilities	115 989	151 450
Conditional liabilities towards affiliates	642 382	593 214
Granted guarantees and sureties of repayment of financial liabilities	126	0
Granted guarantees of satisfactory performance of contracts - insurance	56 725	105 053
Granted guarantees of satisfactory performance of contracts - banking	22 647	28 811
Court litigations	0	0
Other conditional liabilities	0	0
Conditional liabilities towards non-affiliates	79 498	133 865
Conditional liabilities	721 880	727 079

Received guarantees and sureties of repayment of liabilities from non- affiliates	0	0
Received guarantees of satisfactory performance of contracts from non-affiliates - insurance	3 343	3 208
Received guarantees of satisfactory performance of contracts from non-affiliates - banking	3 389	5 447
Conditional receivables - Court litigations	0	0
Other conditional assets from non-affiliates	0	0
Conditional assets from non-affiliates	6 732	8 655
Received guarantees and sureties of repayment of liabilities from affiliates	82 000	137 900
Received guarantees of satisfactory performance of contracts from affiliates	0	0
Other conditional assets	87 842	140 000
Conditional assets from affiliates	169 842	277 900
Conditional assets	176 574	286 555

28. Earnings per share

Description	31.12.2022	31.12.2021
Net profit (loss) attributable to shareholders of parent entity	1 208	26 118
Profit from a bargain purchase	0	0
Pricing of financial instruments at fair value	0	179
Pricing of financial instruments at fair value	207	0
Weighted average number of ordinary shares (in thousands)	8 363	8 363
Major earning per share (in PLN)	0,14	3,12
Weighted average diluted number of ordinary shares (in thousands)	8 363	8 363
Net profit (loss) attributable to shareholders of parent entity	1 208	26 118
Diluted learning per share (in PLN)	0,14	3,12
Net profit (loss) from continued operations attributable to shareholders of parent entity	0,14	3,12
Weighted average number of ordinary shares (in thousands)	8 363	8 363
Basic earnings per share from continuing operations (in PLN)	0,14	3,12
Weighted average diluted number of ordinary shares (in thousands)	8 363	8 363
Net profit (loss) on continued operations attributable to equity holders of the parent entity	1 208	26 118
Diluted earnings per share from continuing operations (in PLN)	0,14	3,12

29. Construction services

Contracts for construction services - active contracts cumulatively until the balance sheet date

Active construction contracts	01.01.-31.12.2022	01.01.-31.12.2021
As at the beginning of the period	0	39 517
Loss of value	0	0
Valuation adjustments	0	0
Transfer to receivables (invoicing)	0	-39 517
End of period valuation	0	0
As at the end of the period	0	0

Liabilities under construction contracts	01.01.-31.12.2022	01.01.-31.12.2021
As at the beginning of the period	0	0
Valuation adjustments	0	0
Transfer to receivables (invoicing)	0	0
End of period valuation	0	0
As at the end of the period	0	0

Other liabilities due to contracts with clients	01.01.-31.12.2022	01.01.-31.12.2021
As at the beginning of the period	0	6 193
Advances paid	0	6 258
Transfer to revenues (execution)	0	-12 452
End of period valuation	0	0
As at the end of the period	0	0

Total transaction price allocated to benefits	01.01.-31.12.2022	01.01.-31.12.2021
Construction contracts	0	65 902
Sale of premises	0	0
Other	0	0

Signatures of all Members of the Management Board of the Company:

Mariusz Tuchlin

President of Management Board
Dekpol Capital Group

Katarzyna Szymczak-Dampc

Vice-President of Management Board
Dekpol Capital Group

Signature of person responsible for bookkeeping:

Anna Miksza

Chief Accountant Officer
Dekpol Capital Group

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