FY 2023

Consolidated Financial Statement

of the Dekpol Capital Group

FY 2023

Consolidated financial statement

of the Dekpol Capital Group S.A.

for the period from January 1, 2023, to December 31, 2023

Prepared in accordance
with International Financial
Reporting Standards

Pinczyn, April 26, 2024

Table of content

Selected financial data

	Thousands of PLN		Thousands of EUR	
	01.01.2023-31.12.2023	**01.01.2022-31.12.2022**	**01.01.2023-31.12.2023**	**01.01.2022-31.12.2022**
I. Net revenue from sales of products, goods, and materials	1 568 829	1 386 848	346 442	295 810
II. Profit (loss) on operating activity	115 876	120 050	25 589	25 606
III. Profit (loss) before tax	116 897	97 887	25 814	20 879
IV. Net profit (loss)	90 366	78 909	19 955	16 831
V. Earnings (loss) per ordinary share (in PLN / EUR)	10,81	9,44	2,39	2,01
VI. Net cash flows from operating activity	97 079	102 781	21 438	21 923
VII. Net cash flows from investment activity	-6 133	-34 381	-1 354	-7 333
VIII. Net cash flows from financial activity	-27 733	-28 900	-6 124	-6 164
IX. Total net cash flows	63 213	39 500	13 959	8 425
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
X. Total assets	1 542 797	1 409 427	354 829	300 524
XI. Liabilities and provisions for liabilities	964 934	932 466	221 926	198 824
XII. Long-term liabilities	292 859	277 136	67 355	59 092
XIII. Short-term liabilities	672 075	655 330	154 571	139 732
XIV. Equity	577 863	476 961	132 903	101 700
XV. Share capital	8 363	8 363	1 923	1 783
XVI. Number of shares at the end of the period	8 362 549	8 362 549	8 362 549	8 362 549
XVII. Book value per share (in PLN / EUR)	69,10	57,04	15,89	12,16

The above financial data for 2023 and the corresponding period of 2022 have been converted into EUR according to the following principles:

- individual items of assets and liabilities - at the average exchange rate announced on the day:
    - December 31, 2023 – 4,3480 PLN / EUR
    - December 31, 2022 – 4,6899 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 January 1 to December 31, 2023 – 4,5284 PLN / EUR
    - from January 1 to December 31, 2022 – 4,6883 PLN / EUR.

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 4

Introduction to the financial statement

General Information

Name and location of the reporting entity or other identification data

Dekpol S.A.
Headquarter of the entity: ul. Gajowa 31, 83-251 Pinczyn, Polska
Legal form: joint-stock company
Country of registration: Poland
The registered office address of the entity: Ul. Gajowa 31, 83-251 Pinczyn
Basic place of business: Pinczyn
A description of the nature and principal scope of the entity's activities:

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

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

Name and location of the reporting entity (parent 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 December 18, 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 April 1, 2014, minuted within Notarial Deed by a notary Janina Ciechanowska at the Notary Office in Starogard Gdanski, Repertory 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 April 11, 2014.

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

Since January 8, 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 code
Building works related to erection of residential and non-residential buildings	PKD – 28.92.Z

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 5

Manufacture of machinery for mining, quarrying and construction	PKD – 41.1.Z
Activities of head offices and holding companies, excluding financial holdings	PKD – 41.20.Z
Works related to the construction of other civil engineering structures	PKD – 42.9.Z
Retail sale of fuel for motor vehicles at service stations	PKD – 68.10.Z
Operation of gravel and sand pits; mining of clays and kaolin	PKD – 68.20.Z
Manufacture of metal structures and parts of structures	PKD – 47.30.Z
Demolition and preparation of the site for construction	PKD – 08.12.Z
Renting and leasing of construction machinery and equipment	PKD – 25.11.Z

Presented reporting periods

The financial statement is presented for the period from January 1, 2023, to December 31, 2023. The comparative financial data is presented for the period from January 1, 2022, to December 31, 2022.

The company Dekpol 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 Dekpol S.A. as of December 31, 2023, and 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 Dekpol S.A. in 2023 and until the publication of the statement.

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

Composition of the Supervisory Board of Dekpol S.A. as of December 31, 2023, and as at the date of publication of this statement

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

In 2023, the composition of the Supervisory Board of Dekpol S.A. has not changed.

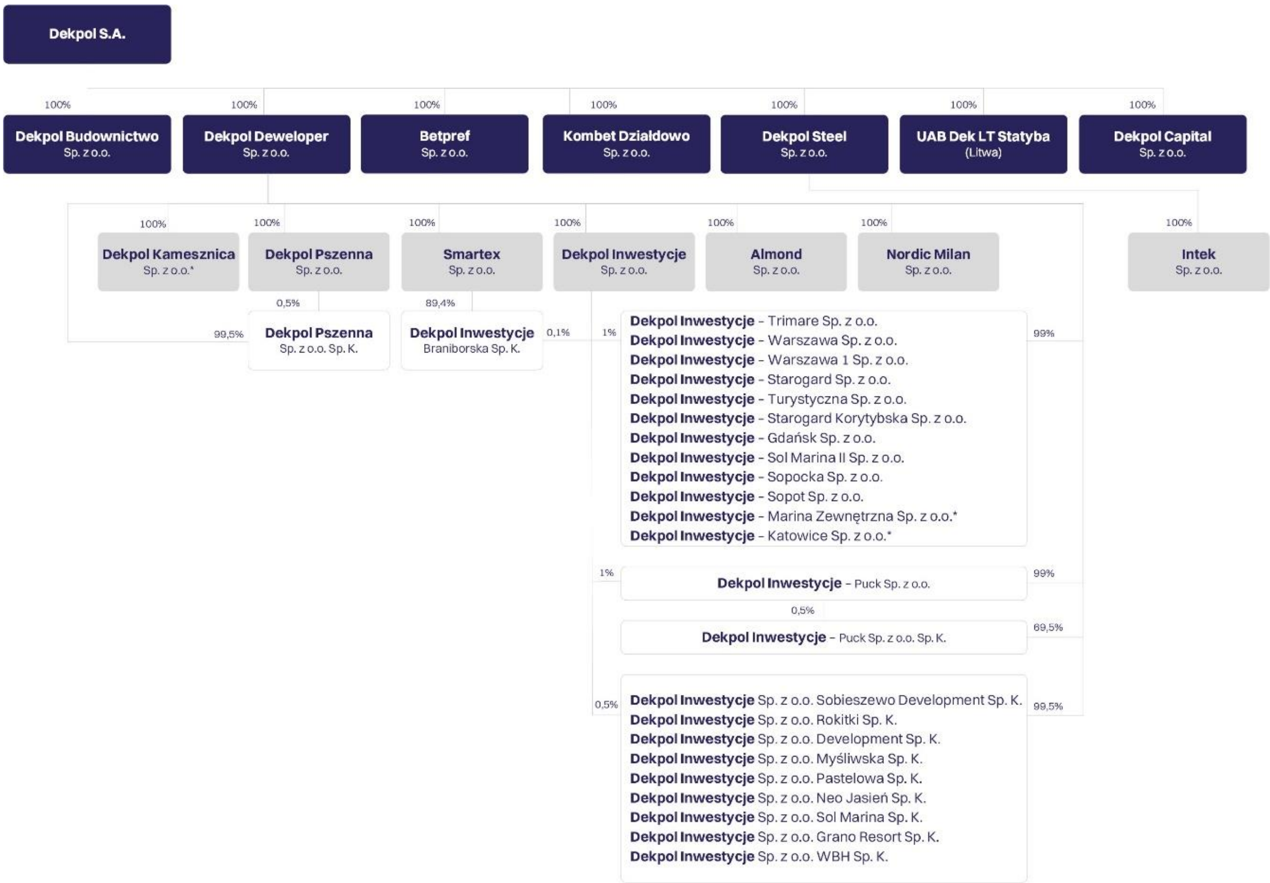
Subsidiaries and related entities

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 6

As of December 31, 2023, Dekpol S.A. was part of the Dekpol Capital Group as the parent company and direct or indirect subsidiaries of Dekpol S.A.

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

COMPOSITION OF THE DEKPOL CAPITAL GROUP



*Dekpol Kamesznica Sp. z o.o. – company entered in the National Court Register on January 9, 2024 (event after balance sheet date)

*Dekpol Inwestycje Marina Zewnętrzna Sp. z o.o. - company entered in the National Court Register on March 26, 2024 (event after balance sheet date)

*Dekpol Inwestycje Katowice Sp. z o.o. – company entered in the National Court Register on April 17, 2024 (event after balance sheet date)

All companies presented in the diagram above are subject to full consolidation.

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. 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 324 out of 1200 shares in the share capital of this company (amounting to PLN 60,000).

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,
7. Dekpol Capital Sp. z o.o.- a company established for business and management purposes.

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.
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 a property in Gdańsk at Toruńska street 12 (Hotel Almond).
6. Dekpol Kamesznica Sp. z o.o.- special purpose vehicle established to carry out real-estate development projects in southern Poland (the company was entered in the National Court Register on January 9, 2024 - an event after the balance sheet date, on April 8, 2024, shares in the company were acquired by Dekpol Deweloper Sp. z o.o. from Dekpol S.A.).

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.
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.
18. Dekpol Inwestycje – Sol Marina II Sp. z o.o. - A special purpose company established for the purpose of investment in Wiślinka
19. Dekpol Inwestycje Sopocka Sp. z o.o. - a special purpose vehicle established to carry out an investment project in Sopot.
20. Dekpol Inwestycje Sopot Sp. z o.o. – a special purpose vehicle established to carry out an investment project in Sopot.
21. Dekpol Inwestycje Marina Zewnętrzna Sp. z o.o. – Special purpose vehicle established to manage the lease of berths and maintenance of the outdoor marina at the Sol Marina project.
22. Dekpol Inwestycje Katowice Sp. z o.o. – special purpose vehicle established to carry out a real estate development project in Katowice (company entered into the National Court Register on April 17, 2024 - event after balance sheet date).

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

1. Dekpol Inwestycje – Puck Sp. z o.o. Sp. k. – a special purpose vehicle established 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 of December 31, 2023, 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 and Dekpol Kamesznica Sp. z o.o. (company purchased on April 8, 2024 - an event after balance sheet date).

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., Dekpol Inwestycje Sol Marina II Sp. z o.o., Dekpol Inwestycje Starogard Korytybska Sp. z o.o., Dekpol Inwestycje Sopocka Sp. z o.o., Dekpol Inwestycje Sopot Sp. z o.o. , Dekpol Inwestycje Marina Zewnętrzna Sp. z o.o.(entered in the National Court Register on March 26, 2024 event after balance sheet date) Dekpol Inwestycje Katowice Sp. z o.o. (company entered in the National Court Register on April 17, 2024 - an event after balance sheet date) in which holds 99% shares, while Dekpol Inwestycje Sp. z o.o holds 1% of shares.

Dekpol Deweloper Sp. z o.o. as the limited partner and Dekpol Inwestycje - Puck Sp. z o.o. are general partners of the company Dekpol Inwestycje – Puck Sp. z o.o. Sp. k. Another limited partner is an external entity – Olewnik Sp. z o.o. 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, 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%.

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.

Changes in the structure of Dekpol Capital Group - Dekpol Capital Group's reorganization process

On January 2, 2023, 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.

On October 13, 2023, Dekpol Deweloper Sp. z o.o. sold all its shares in Mineral Group Sp. z o.o. (i.e. 50 out of 101 shares in the share capital of this company amounting to PLN 5,050). This entity was established to carry out activities related to mineral exploration and extraction. The value of the share disposal transaction was not significant from the point of view of the scale of operations and financial results of the Dekpol Group. On November 21, 2023, Dekpol Inwestycje Sopot Sp. z o.o. was entered into the National Court Register - a special-purpose vehicle established to carry out investments in Sopot.

On December 4, 2023, a limited liability company Dekpol Capital Sp. z o.o. was entered into the National Court Register - a company established for business and management purposes.

On January 9, 2024 (an event after the balance sheet date), Dekpol Kamesznica Sp. z o.o. was entered into the National Court Register. - a special purpose vehicle established to carry out development investments in southern Poland. 100% of the shares in the company were held by Dekpol S.A. On April 8, 2024, Dekpol S.A. sold all its shares in Dekpol Kamesznica Sp. z o.o. to Dekpol Deweloper Sp. z o.o.

On March 25, 2024 (event after balance sheet date), Dekpol Inwestycje Marina Zewnętrzna Sp. z o.o. was entered into the National Court Register - a special purpose vehicle established to manage the lease of berths and maintenance of the outdoor marina at the Sol Marina project.

On April 17, 2024 (event after balance sheet date), Dekpol Inwestycje - Katowice Sp. z o.o. was entered into the National Court Register - a special-purpose vehicle established to carry out a real-estate development project in Katowice.

Legal basis for preparation of financial statement

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

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

The company prepares the profit and loss statement in a multiple-step variant and the cash flow statement – by use of an indirect method.

Platform of used International Financial Reporting Standards

Statement of compliance

This financial statement has 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 in 2023:

- IFRS 17 „Insurance contracts" and changes to IFRS 17.
- Changes to IFRS 17 Insurance Contracts – application of IFRS 17 and IFRS 9 for the first time - comparative data
- Changes to IAS 1 „Presentation of Financial Statements" – and the IFRS Board Guidance on Disclosure of Accounting Policies in Practice - the issue of materiality in relation to accounting policies
- Changes to IAS 8 „Accounting Policies, Changes in Accounting Estimates and Errors" – definition of accounting estimates
- Changes to IAS 12 „Income Taxes" – the obligation to recognize deferred income tax in relation to assets and liabilities arising from a post-single transaction
- Changes to IAS 12 „Income Taxes" - global minimum income tax (Pillar Two)

In Company's opinion, amendments to the standards and interpretations identified above do not have a material impact on the financial statement.

Prior application of standards and interpretations

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

Introduction of new IFRS standards

The following standards and interpretations have been issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee, which were not yet effective in the reporting year and have not been previously applied by the Company.

Approved by IASB for use after January 1, 2024:

- Changes to IFRS 16 „Leases" – lease liability in sales and sale-leaseback transactions
- Changes to IAS 1 „Presentation of Financial Statements" - clarification of liabilities as short-term or long-term
- Changes to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" - financing agreements with suppliers

Approved by IASB for use after January 1, 2025:

- Changes to IAS 21 "The Effects of Changes in Foreign Exchange Rates" – lack of exchangeability

Amendments rejected or deferred by the EU (approved by the IASB for application after January 1, 2016):

- IFRS 14 „ Regulatory Deferral Accounts
- Changes to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" concerning the sale or transfer of assets between an investor and its associates or joint ventures

In this financial statement, the Company has not decided to early apply the following published standards, interpretations, or changes to existing standards before their effective date. The Company is currently analyzing how the implementation of the above standards and interpretations may affect financial statement and the accounting policies applied by the Company.

Date of approval of the financial statement for publication

The financial statement was approved for publication on April 26, 2024.

Functional currency and reporting currency

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

Consolidation principles

The consolidated financial statement includes the financial statement of the Parent Company and the financial statements of the entities controlled by the Parent Company prepared as of the balance sheet date.

Subsidiary entities are subject to full consolidation from the date control is acquired by the Group. Consolidation ceases when control is lost. The total income of subsidiary entities is attributed to the owners of the Parent Company as well as to non-controlling interests, even if this attribution results in a negative balance of non-controlling interests. The financial statements of subsidiary entities are prepared for the same reporting period as the Parent Company's financial statements, using the same accounting principles.

The full consolidation of subsidiary entities has been performed as described below, regardless of the extent of ownership by the Parent Company in the subsidiary:

- All relevant assets and liabilities of subsidiary entities and the Parent Company have been fully aggregated,
- All relevant revenue and cost items of subsidiary entities and the Parent Company have been fully aggregated,

- After aggregation, adjustments and consolidation eliminations were made.

The following items have been excluded from the consolidated financial statement:

- the value of equity interests held by the Parent Company and other entities subject to consolidation in subsidiary entities,
- intercompany receivables and payables, as well as other similar settlements, between entities included in the consolidation,
- revenues and expenses related to business transactions conducted between entities included in the consolidation,
- financial revenues and expenses incurred between subsidiary entities,
- unrealized profits and losses arising from transactions conducted between entities included in the consolidation,
- accrued or paid dividends by subsidiary entities to the Parent Company and other subsidiary entities.

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

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

Fixed assets

- 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).
- Regarding 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 deprecation 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 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, if 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 fewer selling costs, whichever is lower, and are not subject to depreciation - according to MSSF 5 "*Non-Current Assets Held for Sale and Discontinued Operations".*

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%

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.
- Financing by leasing liabilities of rights to use are initially measured at cost, i.e. include the present value of future lease payments as well as additional costs and fees incurred at the inception or before the commencement of financing. In subsequent periods, the right of use is valued using the cost model: it undergoes straight-line depreciation over the entire financing and usage period and is subject to valuation adjustments in correspondence to changes in contract terms and changes in the valuation of the leasing liability.
- The company records the discounted value of liability as long-term and short-term obligations. The value of the liability is subject to updates if the lease term changes or if estimates regarding the exercise of purchase options for the leased asset change (update using a new discount rate), or if the estimated lease payments change due to events other than changes in interest rates (update using existing discount rate). Changes in the value of liabilities are reflected correspondingly with changes in the value of rights to use the asset component.
- The company presents in financial statement the rights to use assets in positions appropriate as if the leased asset were owned by the company. Lease liabilities are recognized as other financial liabilities. Relevant information required by IFRS 16 is disclosed 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 40.000,00 PLN.
- If the Company is a lessor, it classifies leases as operating or finance leases. A lease is classified as a finance lease if substantially all the risks and rewards incidental to ownership of the underlying asset are transferred. A lease is classified as an operating lease if substantially all the risks and rewards incidental to ownership of the underlying asset are not transferred.
- In case of operating lease, the Company recognizes asset as financial asset, and it recognizes provided incomes with linear method during the lease duration (possible promotional incentives are spread over time).
- 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.

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 14

  If the Company enters 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.
- Regarding 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 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 properties

- 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.
- Valued at the acquisition date, rights of use recognized within investment property are subject to straight-line depreciation over the entire period of use and financing.

Valuation of shares in subsidiaries and related entities

- The company values investments in subsidiary and associated entities initially at their acquisition cost, and then, after the acquisition date, their value is adjusted based on the change in the investor's interest in the net assets of the invested entity. In the consolidated financial statement, subsidiary entities are consolidated using the full consolidation method, while associated entities are valued using the equity method.

Combinations of entities or businesses under common control

According to IFRS 3 paragraph 2 point (c), combinations of entities or businesses under common control are excluded from the scope of IFRS 3. In such cases, the provisions of IAS 8 paragraphs 10-12 apply, which state that in the absence of specific guidance in IFRS for a particular transaction, the entity's management decides on selecting an appropriate accounting policy. Once selected, the chosen accounting policies should be consistently applied in the future. The selected accounting policies should exhibit the following characteristics:

- providing relevant information to decision-makers,
- fair presentation of the financial position, financial performance, and cash flows of the entity,
- reflecting the economic substance of transactions,
- freedom from abuses,
- compliance with the principle of prudence,
- ensuring completeness in all material aspects.

When selecting an appropriate accounting policy, the following are taken into consideration:

- IFRS regulations related to similar and related issues,
- definitions, recognition criteria, and valuation concepts for assets, liabilities, revenues, and expenses in accordance with the conceptual framework for the preparation and presentation of financial statements.
- Management Board of the entity may also consider the application of:
    - Other accounting standards (e.g., Polish accounting regulations, US Generally Accepted Accounting Principles, etc.),
    - accepted market practices.

However, the applied standards cannot be in contradiction with IFRS and the conceptual framework.

Acquisition of non-controlling shares

- According to IFRS 3, non-controlling interests, which do not give the holder the right to a proportional share in the net assets of the subsidiary, are initially valued at fair value on the acquisition date. On subsequent balance sheet dates, the value of non-controlling interests is updated to reflect the total attributable income to non-controlling shareholders.

Transactions with other related entities

Other related companies are unconsolidated controlled entities, joint ventures, or entities significantly influenced or controlled by a key management personnel of the Parent Company or subsidiary entities of the Group, or their close family members.

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 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.

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 periods after initial recognition, financial assets are measured at:

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

Financial asset component is measured at amortized cost if:

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

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

- financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows and to sell assets, and
- 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 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 (ESP).

Impairment of financial assets

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 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 15 (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 because 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.

Inventories

- 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 because 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 if 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 split payment accounts
- accumulated in escrow accounts.

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 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.
    - W 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. Billing in proportion to the passage of time shall cover:

- Insurance costs.
- Subscription costs.
- Costs of utilities, rents, pre-paids 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, based on 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 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

- 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 the following conditions are met:
    - the parties to the contract have concluded a contract and are required to perform their obligations,
    - the entity can identify the rights of each party regarding the goods or services to be transferred.
    - the entity can 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, if there is a high probability that in the future there will be no reversal of revenue recognition because 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,
  - because 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,
  - because 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 a part or all of the amount of variable remuneration only to the extent that there is a high probability that 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).

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 settlement of 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 based on 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 based on 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).

Settlement of 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 to 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 1m2 PU = [(PKZR) – (POPS)*(CPOPS)]/(PUO)

    Where:

    - TKW – technical manufacturing cost
    - PKZR – total order costs incurred
    - POPS – area of auxiliary facilities subject to sale (garages, basements)
    - CPOPS – expected selling price per square meter of ancillary facilities
    - PUO – total usable area of premises
- The above algorithm assumes that auxiliary areas are valued according to expected sales revenues, similarly to auxiliary production. The costs of shared facilities are billed proportionally per square meter of PU.
- If the data as part of a given order has been completed and is subject to sale or commissioning before the completion of other objects (if other objects are planned to be completed no later than within 6 months from the completion of the first object under the order), then the costs are calculated per square meter of PU of the completed object according to the following algorithm:
    - FTKW 1m^2 PU = [(PKZR) + (FKZR) – (POPS)*(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".

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

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

The Group specifies geographic segments as a supplementary reporting model.

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

Segmentation corresponds to the division into similar products or services.

Disclosures regarding the fair value of assets and liabilities

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

Other financial assets (valuation of derivatives) are valued using level 2 hierarchy methods.

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

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

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

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** – during its operations, companies within the Dekpol Capital Group are exposed to interest rate risk. These companies have financial obligations whose financial cost is primarily calculated based on the variable base interest rate, such as WIBOR (Warsaw Interbank Offered Rate), or the variable base interest rate EURIBOR, along with a fixed margin. Additionally, the companies also have financial obligations whose financial cost is calculated based on a fixed interest rate.
- **Foreign exchange risk** – due to the continued expansion of operations in foreign currencies, companies within the Dekpol Capital Group are exposed to foreign exchange risk related to their transactions. This risk arises from conducting sales or purchases in currencies other than the domestic currency. The company largely utilizes natural hedging, which helps balance the cash flows and mitigate the impact of foreign exchange fluctuations.
- **Credit risk** – the company is exposed to credit risk, which is the risk that debtors will fail to fulfill their obligations and thereby cause losses for the company. Through ongoing monitoring of receivables and undertaking debt collection actions, the company limits its exposure to the risk of uncollectible receivables. In the case of the sale of residential and commercial properties, there is no risk of uncollectible receivables as they are sold on an installment basis. However, for construction services, the company receives partial advances for the services rendered and settles the construction stages according to the agreed schedule.

  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 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,
  - Trade receivables,
  - 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:

  - Current receivables
  - Receivables overdue by 1 to 30 days
  - Receivables overdue by 31 to 60 days
  - Receivables overdue by 61 to 90 days
  - Receivables overdue by 91 to 180 days
  - Receivables overdue by 180 to 1 year
  - over 1 year

The company, according to IFRS 9, 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 considers the impact of macroeconomic factors.

Regarding receivables from sales and services, which constitute the most significant class of assets exposed to credit risk, as well as assets from customer contracts, the company's management assesses that the company is not exposed to excessive credit risk in relation to significant counterparties. The Dekpol Capital Group has a low degree of credit risk concentration in terms of receivables balances from sales, services, and contracts. The companies within the Dekpol Capital Group collaborate with multiple suppliers and customers, and the transactions with them are diverse. None of these counterparties accounted for more than 10% of the Group's sales revenue in 2023, and at this level, there is no identified dependence on individual external customers or supplier.

As a result, provisions for bad debts are estimated collectively, and receivables are grouped based on their overdue periods.

- **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 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 largely 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 activities of the Company have been described in detail in the Report of Management Board on business activities.

Capital Management

The main goal of the Group's capital management is to ensure the ability to continue operations, maintain safe capital ratios, and good credit rating. The Group 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 indebtedness of the Group includes loans, borrowings, liabilities from debt securities issuance, liabilities from financial leasing, liabilities from supplies and services, and other liabilities, reduced by cash and cash equivalents. Equity includes shareholders' equity attributable to the Parent Company.

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-offs 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 considered 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 IFRS. 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 IFRS 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.

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

The accounting policies applied in the preparation of the financial statement are consistent with those applied in the preparation of the Company's annual financial statement for the year ended December 31, 2022, except for the change described below regarding the perpetual usufruct right of land and minor changes (which do not have a significant impact on financial data) and the application of new or amended standards and interpretations applicable for annual periods beginning on January 1, 2023, and thereafter.

The Group has changed its accounting policy regarding recognition of the perpetual usufruct right of land (PURL). Previously, the Group presented current costs related to PURL fees without recognizing PURL as a lease in accordance with IFRS 16. However, recognizing the prevailing interpretation of IFRS regulations in financial reporting practice regarding PURL, the Group has, for the first time, recognized the perpetual usufruct right as a lease under IFRS 16. The Group has measured the right to use the assets, which increased the balance sheet value of investment property and inventories, and correspondingly recognized a lease liability.

When retrospectively introducing changes in the accounting policy regarding the recognition of the perpetual usufruct right of land as a lease, the Group applied simplification and did not show the impact of this change on other financial statement items than those indicated below. The impact on items presented in the statement of comprehensive income or the cash flow statement is insignificant due to the low annual fee for the perpetual usufruct right of land. The applied simplification also does not have a significant impact on earnings per share and diluted earnings per share reported in the statement.

The Group has changed the presentation method of valuing construction contracts, which in 2022 were reported “per balance”, and are now reported on a gross basis.

The impact of this change on the comparative data is presented in the table below:

Statement of financial position

Assets

Description	Correction 2022	Data before correction 01.01.-31.12.2022	Transformed data 01.01.-31.12.2022
Fixed assets	**4 678**	**282 275**	**286 954**
Property, plant, and equipment	0	148 754	148 754
Investment properties	0	6 745	6 745
Goodwill	0	0	0
Intangible assets	4 679	80 817	85 496
Stocks and shares	0	40	40
Trade and other long-term receivables	0	17 583	17 583
Other long-term financial assets	0	4 281	4 281
Deferred income tax assets	0	24 055	24 055
Current assets	**17 969**	**1 104 504**	**1 122 473**
Inventory	3 199	396 497	399 696
Receivables due to contracts with clients	14 770	0	14 770
Trade and other short-term receivables	0	459 990	459 990
Receivables due to current income tax	0	409	409
Other short-term financial assets	0	18 150	18 150
Cash and cash equivalents	0	229 458	229 458
including cash of limited disposal right	0	12 724	12 724
Current assets other than fixed assets or disposal groups classified as held for sale	17 969	1 104 504	1 122 473
Assets classified as held for sale	0	0	0
Assets in total	**22 648**	**1 386 779**	**1 409 427**

Liabilities

Description	Correction 2022	Data before correction 01.01.-31.12.2022	Transformed data 01.01.-31.12.2022
Equity	**0**	**476 961**	**476 961**
Share capital	0	8 363	8 363
Equity from sales of shares over its nominal value	0	26 309	26 309
Own shares (-)	0	0	0
Other reserve capital from the valuation	0	7 572	7 572
Retained earnings:	0	415 793	415 793
Other capital shares	0	0	0
Share capital attributable to the parent entity	0	458 037	458 037
Non-controlling shares	0	18 924	18 924
Liabilities	**22 648**	**909 818**	**932 466**
Long-term liabilities	**7 875**	**269 261**	**277 136**
Deferred income tax provision	0	28 631	28 631

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 29

Liabilities and provisions on employee benefits	0	334	334
Other long-term provisions	0	0	0
Long-term credits, borrowings, and debt instruments	0	184 922	184 922
Other long-term financial liabilities	0	0	0
Long-term lease liabilities	7 875	11 814	19 689
Liabilities from deliveries and services and other long-term liabilities	0	43 560	43 560
Short-term liabilities	**14 773**	**640 557**	**655 330**
Liabilities and provisions on employee benefits	0	368	368
Other short-term provisions	0	51 267	51 267
Short-term credits, borrowings, and debt instruments	0	123 443	123 443
Other short-term financial liabilities	0	0	0
Short-term lease liabilities	3	6 557	6 560
Liabilities due to contracts with clients	14 770	12 795	27 565
Liabilities from deliveries and services and other short-term liabilities	0	425 825	425 825
Liabilities due to current income tax	0	20 302	20 302
Short-term liabilities other than those related to assets held for sale	14 773	640 557	655 330
Liabilities related to assets held for sale	0	0	0
Liabilities in total	**22 648**	**1 386 779**	**1 409 427**

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 30

Statement of financial position

Assets

Description	Note	31.12.2023	31.12.2022	31.12.2021
Fixed assets		**294 106**	**286 954**	**280 981**
Property, plant, and equipment	1.	148 418	148 754	122 387
Investment properties	3.	7 122	6 745	5 750
Goodwill	3.	0	0	0
Intangible assets	2.	86 019	85 496	99 471
Stocks and shares	4.	5 746	40	40
Trade and other long-term receivables	7.1	6 836	17 583	13 079
Other long-term financial assets	5.	4 782	4 281	8 497
Deferred income tax assets	17.2	35 183	24 055	31 757
Current assets		**1 248 691**	**1 122 473**	**1 080 819**
Inventory	6.	393 695	399 696	266 389
Receivables due to contracts with clients	7.2	17 918	14 770	110 006
Trade and other short-term receivables	7.2	519 882	459 990	513 797
Receivables due to current income tax	7.2	1 251	409	0
Other short-term financial assets	5.	23 128	18 150	0
Cash and cash equivalents	8.	292 817	229 458	190 627
including cash of limited disposal right	8.	46 092	12 724	17 383
Current assets other than fixed assets or disposal groups classified as held for sale		**1 248 691**	**1 122 473**	**1 080 819**
Assets classified as held for sale		0	0	0
Assets in total		**1 542 797**	**1 409 427**	**1 361 800**

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 31

Liabilities

Description	Note	31.12.2023	31.12.2022	31.12.2021
Equity		**577 863**	**476 961**	**387 268**
Share capital	9.	8 363	8 363	8 363
Equity from sales of shares over its nominal value		26 309	26 309	26 309
Own shares (-)		0	0	0
Other reserve capital from the valuation		17 390	7 572	-2 308
Retained earnings:		505 843	415 793	336 225
Share capital attributable to the parent entity		557 905	458 037	368 589
Non-controlling shares		19 958	18 924	18 679
Liabilities		**964 934**	**932 466**	**974 532**
Long-term liabilities	**12.1**	**292 859**	**277 136**	**286 912**
Deferred income tax provision	17.4	31 851	28 631	45 975
Liabilities and provisions on employee benefits		422	334	337
Other long-term provisions		0	0	0
Long-term credits, borrowings, and debt instruments		203 234	184 922	200 316
Other long-term financial liabilities		0	0	0
Long-term lease liabilities		23 843	19 689	10 475
Liabilities from deliveries and services and other long-term liabilities		33 509	43 560	29 809
Short-term liabilities	**12.2**	**672 075**	**655 330**	**687 620**
Liabilities and provisions on employee benefits		1 070	368	100
Other short-term provisions		100 439	51 267	68 377
Short-term credits, borrowings and debt instruments		113 976	123 443	113 786
Other short-term financial liabilities		1 112	0	7 214
Short-term lease liabilities		7 228	6 560	4 537
Liabilities due to contracts with clients		41 690	27 565	0
Liabilities from deliveries and services and other short-term liabilities		382 786	425 825	489 662
Liabilities due to current income tax		23 774	20 302	3 944
Short-term liabilities other than those related to assets held for sale		**672 075**	**655 330**	**687 620**
Liabilities related to assets held for sale		0	0	0
Liabilities in total		**1 542 797**	**1 409 427**	**1 361 800**

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 32

Statement of comprehensive income

CALCULATION VARIANT

Description	Nota	01.01.-31.12.2023	01.01.-31.12.2022
Sales revenues	14.1	1 568 829	1 386 848
Costs of goods sold	14.3	1 343 012	1 182 208
Gross profit (loss) from sales		**225 817**	**204 640**
Selling costs	14.2	51 097	45 272
General administrative expenses	14.2	46 941	38 958
Other operating income	14.4	20 044	19 616
Profit from a bargain purchase		0	7 076
Other operating expenses	14.5	31 947	19 976
Operating profit (loss)		**115 876**	**120 050**
Financial revenues	15.1	35 285	13 597
Financial costs	15.2	34 264	35 760
Profit (loss) before tax		**116 897**	**97 887**
Income tax	16.1	26 531	18 978
Profit (loss) from continuing operations		**90 366**	**78 909**
Profit (loss) from discontinued operations		0	0
Net profit (loss)		**90 366**	**78 909**
Net profit (loss) attributable to non-controlling shareholders		1 034	118
Net profit (loss) attributable to the shareholders of the parent entity		89 332	78 791

Description	01.01.-31.12.2023	01.01.-31.12.2022
Net profit (loss)	90 366	78 909
Other comprehensive income that cannot be transferred to the result	0	0
Other comprehensive income that can be transferred to the result	9 802	9 857
Cash flow hedging instruments	9 802	9 859
Exchange differences on translating foreign units	0	-2
Other comprehensive income before tax	9 802	9 857
Income tax on other comprehensive income that cannot be transferred to the result	-16	-23
Income tax on other comprehensive income that can be transferred to the result	0	0
Other net comprehensive income	9 818	9 880
Comprehensive Income	100 184	88 789
Comprehensive income attributable to non-controlling shareholders	1 034	118
Comprehensive income attributable to equity holders of the parent entity	**99 150**	**88 671**

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 33

Earnings per share

Profit (loss) per ordinary share:		
Basic earnings (basic loss) per share from continuing operations	11,86	10,60
Basic earnings (basic loss) per share from discontinued operations	0	0
Profit (loss) per ordinary share	**11,86**	**10,60**
Diluted profit (loss) per ordinary share:		
Diluted profit (diluted loss) per share from continuing operations	11,86	10,60
Diluted profit (diluted loss) per share from discontinued operations	0	0
Diluted profit (loss) per ordinary share	**11,86**	**10,60**

Cash flows statement

INDIRECT METHOD

Description	01.01.-31.12.2023	01.01.-31.12.2022
Profit (loss) before tax	**116 897**	**97 887**
Adjustments:	**13 382**	**20 549**
Depreciation	16 202	15 519
Change of fair value of investment properties	-569	-510
Revaluation write-offs recognized in the financial result	-294	0
Profit (loss) on the sale of fixed assets	-622	-419
Profits (losses) due to exchange rate differences	-2 483	-5 426
Interest expenses	35 256	32 750
Interest receivables	-679	-358
Dividend receivables	0	0
Income tax on profit before tax	0	-747
Other adjustments	0	593
Change in inventories	-15 230	-133 310
Change in receivables	-79 588	167 713
Change in liabilities	8 207	-21 066
Change in reserves	53 182	-34 190
Cash flow from activities (used in activities)	130 279	118 436
Income tax paid	-33 200	-15 655
Net cash from operating activities	**97 079**	**102 781**
Expenses related to acquisition of intangible assets	-887	-1 468
Inflows from sales of intangible assets	0	0
Expenses related to acquisition of property, plant, and equipment	-6 814	-6 627
Inflows from sales of property, plant, and equipment	1 360	2 397
Expenses related to acquisition of investment properties	0	-12 507
Inflows from sales of investment properties	0	0
Net expenses for the acquisition of subsidiaries	0	-16 206
Net inflows from sales of subsidiaries	2	0
Loans granted	0	0
Repayments received from loans granted	3 957	0
Interest received	1 243	30
Expenses for acquisition of other financial assets	-5 730	0
Other inflows (expenses) from investment activities	736	0
Net cash from investment activities	**-6 133**	**-34 381**
Net inflows from issue of shares	0	0
Acquisition of own shares	0	0
Inflows from issue of debt securities	69 942	29 835
Redemption of debt securities	-52 228	-25 622
Inflows from loans and borrowings taken out	118 756	51 437

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 35

Repayment of loans and borrowings	-122 731	-48 829
Repayment of liabilities under finance lease	-6 932	-6 987
Interest paid	-34 563	-27 332
Dividends paid-out	0	0
Inflows from grants received	0	0
Other inflows (expenses) from financial activities	23	-1 402
Net cash from financial activities	**-27 733**	**-28 900**
Net change of cash and cash equivalents without FX differences	**63 213**	**39 500**
Change of cash and cash equivalents due to FX differences	146	-669
Change in net cash and cash equivalents	63 359	38 831
Cash and cash equivalents at the beginning of the period	229 458	190 627
Cash and cash equivalents at the end of the period	292 817	229 458
Including cash of limited disposal right	46 092	13 625

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 36

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	Equity attributable to equity holders of the parent company	Non-controlling interests	Total
Balance at the beginning of the period	**8 363**	**26 309**	**0**	**7 572**	**415 793**	**458 037**	**18 924**	**476 961**
Error corrections of previous years	0	0	0	0	0	0	0	0
Balance at the beginning of the period after the changes	**8 363**	**26 309**	**0**	**7 572**	**415 793**	**458 037**	**18 924**	**476 961**
Net profit (loss)	0	0	0	0	89 332	89 332	1 034	90 366
Other net comprehensive income	0	0	0	9 818	0	9 818	0	9 818
Comprehensive Income	0	0	0	9 818	89 332	99 150	1 034	100 184
Issue of shares	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	718	718	0	718
Total changes in equity	**0**	**0**	**0**	**9 818**	**90 050**	**99 868**	**1 034**	**100 902**
Balance at the end of the period	**8 363**	**26 309**	**0**	**17 390**	**505 843**	**557 905**	**19 958**	**577 863**

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 37

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	Equity attributable to equity holders of the parent company	Non-controlling interests	Total
Balance at the beginning of the period	**8 363**	**26 309**	**0**	**-2 308**	**336 225**	**368 589**	**18 679**	387 268
Error corrections of previous years	0	0	0	0	0	0	**0**	0
Balance at the beginning of the period after the changes	**8 363**	**26 309**	**0**	**-2 308**	**336 225**	**368 589**	**18 679**	**387 268**
Net profit (loss)	0	0	0	0	78 791	78 791	**118**	78 909
Other net comprehensive income	0	0	0	9 880	0	9 880	**0**	9 880
Comprehensive Income	0	0	0	9 880	78 791	88 671	**118**	88 789
Issue of shares	0	0	0	0	0	0	**0**	0
Dividends	0	0	0	0	0	0	**0**	0
Other changes	0	0	0	0	777	777	**127**	904
Total changes in equity	**0**	**0**	**0**	**9 880**	**79 568**	**89 448**	**245**	**89 693**
Balance at the end of the period	**8 363**	**26 309**	**0**	**7 572**	**415 793**	**458 037**	**18 924**	**476 961**

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN)

Additional explanatory notes

to the consolidated financial statement
of the Dekpol Capital Group

Table of explanatory notes

1. Property, Plant, and Equipment

1.1. Property, Plant, and Equipment

Description	31.12.2023	31.12.2022
Land	20 441	19 061
Buildings and structures	56 887	59 249
Machines and technical devices	41 692	45 367
Vehicles	15 863	17 020
Other fixed assets	4 690	3 985
Fixed assets under construction	7 802	3 901
Advances in respect of tangible fixed assets	1 045	171
Net value of property, plant, and equipment	**148 418**	**148 754**

Depreciation of tangible fixed assets is included in the following items of the income statement:

Description	31.12.2023	31.12.2022
Cost of goods sold	12 777	12 715
General administrative expenses	2 684	2 283
Sales costs	787	521
Total depreciation of property, plant, and equipment	**16 248**	**15 519**

The Group recognizes rights of use in connection with its perpetual usufruct of land. The Group presents these values in the balance sheet in individual pre-defined balance sheet items and the total valuation of these rights amounts to:

	Perpetual usufruct right		
Description	**Investment properties**	**Inventory**	**Own land**
Value at the beginning of the period	**4 679**	**3 199**	**808**
Lease acceptance	0	2 766	0
Other increases	0	0	0
Depreciation	-70	-37	-23
Early termination of contract	0	0	0
Other reductions	0	-139	0
Reclassifications	0	0	0
Value at the end of the period	**4 609**	**5 789**	**785**

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 43

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	**20 337**	**63 941**	**71 156**	**31 576**	**6 327**	**3 901**	**171**	**197 409**
Direct acquisitions	0	62	4 067	2 997	1 822	4 539	78	13 566
Adoption of fixed assets under construction	0	189	0	0	212	-486	0	-85
Increases due to business combinations	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	-107	0	-107
Reduction / increase due to the OPE contribution	0	0	0	0	0	0	0	0
Decreases due to sales	0	0	-899	-383	-761	0	0	-2 043
Decreases due to liquidation	0	0	-650	-617	-101	0	0	-1 368
Other adjustments	1 999	0	-49	104	0	-46	796	2 803
Gross carrying amount at the end of the period	**22 336**	**64 192**	**73 625**	**33 678**	**7 498**	**7 802**	**1 045**	**210 176**
Accumulated amortization at the beginning of period	**-1 570**	**-4 421**	**-25 790**	**-14 556**	**-2 342**	**0**	**0**	**-48 678**
Increase in depreciation for the period	-326	-2 885	-7 446	-4 235	-917	0	0	-15 808
Reclassifications	0	0	0	0	0	0	0	0
Reduction / increase due to the OPE contribution	0	0	0	0	0	0	0	0
Decreases due to sales	0	0	460	202	337	0	0	999
Decreases due to liquidation	0	0	841	322	114	0	0	1 276
Other adjustments	0	0	0	452	0	0	0	453
Depreciation value at end of period	**-1 896**	**-7 306**	**-31 934**	**-17 815**	**-2 808**	**0**	**0**	**-61 758**
Impairment allowances at the beginning of the period	0	0	0	0	0	0	0	0
increases 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	**20 441**	**56 887**	**41 692**	**15 863**	**4 690**	**7 802**	**1 045**	**148 418**

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN)

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	**12 154**	**54 360**	**59 409**	**25 697**	**4 406**	**2 086**	**470**	**158 582**
Direct acquisitions	1 416	1 225	9 148	6 962	541	2 132	-299	21 124
Adoption of fixed assets under construction	0	0	338	14	190	-196	0	345
Increases due to business combinations	6 777	8 944	3 849	248	1 346	0	0	21 164
Reclassifications	0	-37	8	0	37	-120	0	-112
Reduction / increase due to the OPE contribution	0	0	0	0	0	0	0	0
Decreases due to sales	0	-551	-1 481	-1 036	-52	0	0	-3 120
Decreases due to liquidation	0	0	-334	-187	-53	0	0	-574
Other adjustments	0	0	219	-121	-88	0	0	10
Gross carrying amount at the end of the period	**20 348**	**63 941**	**71 156**	**31 576**	**6 327**	**3 901**	**171**	**197 420**
Accumulated amortization at the beginning of period	**-1 255**	**-2 409**	**-19 423**	**-11 489**	**-1 619**	**0**	**0**	**-36 195**
Increase in depreciation for the period	-32	-2 851	-6 731	-4 790	-786	0	0	-15 189
Reclassifications	0	0	0	0	0	0	0	0
Reduction / increase due to the OPE contribution	0	0	0	0	0	0	0	0
Decreases due to sales	0	9	918	519	0	0	0	1 445
Decreases due to liquidation	0	0	101	88	30	0	0	219
Other adjustments	0	0	-416	126	0	0	0	-289
Depreciation value at end of period	-1 287	-4 692	-25 790	-14 556	-2 342	0	0	-48 666
Impairment allowances at the beginning of the period	0	0	0	0	0	0	0	0
increases 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	**19 061**	**59 249**	**45 367**	**17 020**	**3 985**	**3 901**	**171**	**148 754**

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN)

2. Investment properties

2.1. Investment properties

Description	31.12.2023	31.12.2022
Land not leased	13 310	13 017
Properties leased	72 709	72 479
Advances for investment properties	0	0
Net carrying amount	**86 019**	**85 496**

including: the value of the right of use at the balance sheet date, PLN 4,609 thousand and PLN 4,679 thousand respectively.

Land not leased - corresponds to level 2 of the fair value hierarchy as the valuation was prepared based on market prices per sq m for properties of a similar nature and location. The historical transaction prices are subject to adjustment for impairment over time but also for the differentiating features of the individual properties. These adjustments are relatively low, and the key determinant of the valuation remains market values and hence the ability to classify these assets into level 2 of the fair value hierarchy.

The valuation of assets from level 2 of the hierarchy in the reporting period affected the financial result by a total of PLN +293 thousand.

Properties leased - correspond to level 3 of the fair value hierarchy, as the valuation was prepared based on a financial projection and the discounted cash flow method. This approach to valuation was necessary because the subject of the valuation is a hotel building with land owned by the Almond company and there are not many market transactions for this type of property.

The hotel is leased under a contract between Almond Sp. z o.o., the owner of the property, and City Hotel Management Sp. z o.o., the hotel operator, from 30 June 2016 to 31 March 2033.

The discounted operating income method of the hotel business was used to value the hierarchy level 3 assets; hence the valuation results are primarily sensitive to: (i) the operational risk of realizing the assumed income and cash flows and (ii) the market risk of interest rate volatility for the discount rate applied at 7.7%.

Sensitivity analysis of the asset valuation from hierarchy level 3 based on unobservable inputs, for interest rate volatility +/- 3 percentage points and income volatility +/- 10%:

Sensitivity analysis		**Income adjustment**		
		Minimal risk	Valuation	Maximal risk
		10%	0%	-10%
Discount	4,7%	83 000	75 500	67 900
	7,7%	74 900	**68 100**	61 300
	10,7%	67 900	61 700	55 500

With such assumed input volatility, the valuation results deviate by PLN +14.9 million / PLN -12.6 million.

The valuation of assets from level 3 of the hierarchy in the reporting period affected the financial result by a total of PLN +300 thousand.

2.2. Investment properties in reporting period

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 46

Description	Land not leased	Investment properties leased	Advances for investment properties	Total
Investment properties at the beginning of the period	13 017	72 479	0	85 496
Increases due to item combinations	0	0	0	0
Property purchase	0	0	0	0
Other changes (reclassifications, transfers, etc.) (+/-)	0	0	0	0
Revaluation to fair value (+/-)	293	300	0	593
Investment properties at the end of the period	**13 310**	**72 709**	**0**	**86 19**

2.3. Investment properties in previous reporting period

Description	Land not leased	Investment properties leased	Advances for investment properties	Total
Investment properties at the beginning of the period	30 222	69 246	0	99 468
Increases due to item combinations	0	0	0	0
Property purchase	12 507	0	0	12 507
Other changes (reclassifications, transfers, etc.) (+/-)	-30 222	3 233	0	-26 989
Revaluation to fair value (+/-)	510	0	0	510
Investment properties at the end of the period	**13 017**	**72 479**	**0**	**85 496**

3. Goodwill and other intangible assets

3.1. Intangible assets

Description	31.12.2023	31.12.2022
Goodwill	0	0
Patents and licenses	653	213
Development costs	0	0
Other intangible assets	6 469	6 533
Intangible assets net	**7 122**	**6 746**

A significant value in other intangible assets is represented by the implementation of the ERP class system IFS Applications in 2023, with a gross amount of PLN 6,561 thousand. The years 2021-2022 were a period of introduction, testing, and adaptation of the system.

The integrated ERP system supports DEKPOL Group in the faster development of processes and helps in providing reliable information about assets, construction projects, and relationships with contractors.

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 47

3.2. Intangible assets in reporting period

Amortization of intangible assets has been included in the following items of the profit and loss statement:

Description	31.12.2023	31.12.2022
Cost of goods sold	0	0
General administrative expenses	389	327
Sales costs	5	3
Total depreciation of intangible assets	**394**	**330**

Description	Goodwill	Patents and licenses	Development costs	Other intangible assets	Total
Gross carrying amount at beginning of period	**1 141**	**2 174**	**224**	**7 093**	**10 632**
Acquisition	0	615	0	272	887
Reduction / increase due to the OPE contribution	0	0	0	0	0
Decreases due to liquidation	0	-425	0	-5	-430
Gross carrying amount at end of period	**1 141**	**2 364**	**221**	**7 360**	**11 086**
Depreciation value at beginning of period	**-1 141**	**-1 948**	**-321**	**-667**	**-4 077**
Reduction / increase due to the OPE contribution	0	0	0	0	0
Increase in depreciation for the period	0	-168	3	-229	-394
Decreases due to liquidation	0	427	0	5	432
Depreciation value at end of period	**-1 141**	**-1 689**	**-319**	**-890**	**-4 039**
Impairment allowances at the beginning of the period	0	-22	98	-1	75
Impairment allowances at the end of the period	0	-22	98	-1	75
Net value at the end of period	**0**	**653**	**0**	**6 469**	**7 122**

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**	**1 956**	**224**	**5 678**	**8 999**
Acquisition	0	269	0	137	406
Reduction / increase due to the OPE contribution	0	0	0	0	0
Decreases due to liquidation	0	0	0	-13	-13
Gross carrying amount at end of period	**1 141**	**2 221**	**224**	**6 864**	**10 451**
Depreciation value at beginning of period	**-1 141**	**-1 652**	**-224**	**-152**	**-3 169**
Reduction / increase due to the OPE contribution	0	0	0	0	0
Increase in depreciation for the period	0	-150	0	-180	-330
Decreases due to liquidation	0	0	0	0	0

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 48

Depreciation value at end of period	**-1 141**	**-1 802**	**-224**	**-332**	**-3 499**
Impairment allowances at the beginning of the period	**0**	**-82**	**0**	**0**	**-82**
Impairment allowances at the end of the period	**0**	**-206**	**0**	**0**	**-206**
Net value at the end of period	**0**	**213**	**0**	**6 533**	**6 746**

4. Stocks and shares

As at the balance sheet date, there are shares in associated companies with a total value of PLN 5.746 thousand.

Dekpol S.A. holds shares in Dekpol SPV1 sp. z o.o. with a value of PLN 16,2 thousand.

The shares held by Dekpol Deweloper Sp. z o.o. in Mineral Group Sp. z o.o. were sold in 2023 for a value of PLN 24 thousand.

On November 2, 2023, Dekpol Capital Sp. z o.o. was registered, in which Dekpol S.A. holds 100% of the shares with a value of PLN 5 thousand. At the same time, Dekpol Capital Sp. z o.o. made a cash contribution to an associated company on December 5, 2023, in the amount of PLN 5.7 million. Furthermore, Dekpol Capital Sp. z o.o. made a cash contribution to another associated company in the amount of PLN 8 million (event after balance sheet date).

5. Other financial assets

5.1. Other financial assets

Description	31.12.2023	31.12.2022
Derivatives	0	0
Other long-term financial assets	4 782	4 281
Long-term granted loans	0	0
Other long-term financial assets	**4 782**	**4 281**
Short-term loans	0	4 544
Units in Open Investment Funds	0	0
Other short-term financial assets	0	0
Derivative short-term financial assets	23 128	13 606
Other short-term financial assets	**23 128**	**18 150**

Other long-term financial assets of the value of PLN 4.8 million include long-term deposits, which serve as collateral for guarantees related to construction contracts. As for other short-term financial assets, they consist of derivative instruments valued at fair value (level 2) in the following Companies:

- Dekpol Budownictwo sp. z o.o., to hedge the exchange rate of future forward transactions arising from concluded or probable construction service contracts whose revenues are denominated in a currency other than the Company's functional currency, is a party to Forward/SWAP derivative transactions on currencies. As a result of the effectiveness measurement of the hedge in the current period, the effective portion with a gross value of PLN 21,853 thousand was recognized.
- In order to mitigate the risk of interest rate, increases related to the company's financial liabilities, Dekpol Deweloper entered into a CAP transaction on May 5, 2022, for an amount of PLN 20 million. The fair value of the CAP option is disclosed under other short-term financial assets. The option covers the period from May 23, 2022, to August 23, 2024. The option holder

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 49

receives interest in the amount of the positive difference between WIBOR 6M and the rate of 3.5%. The valuation of the option, in the portion that constitutes an effective hedge, is recorded in other financial assets in current period in the amount of PLN 317 thousand.

- To mitigate the risk of interest rate increases related to the company's financial liabilities (bonds), Dekpol S.A. entered a CAP transaction on May 5, 2022, for an amount of PLN 12.9 million. The fair value of the CAP option is disclosed under other short-term financial assets. The option covers the period from May 23, 2022, to August 23, 2024. The option holder receives interest in the amount of the positive difference between WIBOR 6M and the rate of 3.5%. The valuation of the option, in the portion that constitutes an effective hedge, is recorded in the revaluation reserve (as described above). At the same time, to mitigate the risk of interest rate increases related to financial liabilities (loan), Dekpol S.A. entered two IRS transactions on March 11 and 14, 2022, for a total amount of EUR 1.055 million. The fair value of the IRS is disclosed under other short-term financial assets. The IRS transaction covers the period from March 15, 2022, to July 16, 2026. As a result of this transaction, the Company receives a fixed interest rate of 0.7%. The valuation as of December 30, 2023, amounted to PLN 72 thousand. Additionally, to mitigate the risk of interest rate increases related to the company's financial liabilities (loan), Dekpol S.A. entered an IRS transaction on August 30, 2022, for an amount of EUR 2.738 million. The fair value of the IRS is disclosed under other short-term financial assets. The IRS transaction covers the period from August 30, 2022, to August 31, 2029. As a result of this transaction, the Company receives a fixed interest rate of 2.45%. The valuation as of December 31, 2023, amounted to PLN -31 thousand.

Subsequently, to mitigate the risk of interest rate increases related to the company's financial liabilities (bonds), Dekpol S.A. entered IRS transaction on September 30, 2022, for an amount of EUR 2.4 million. The fair value of the IRS is disclosed under other short-term financial assets. The IRS transaction covers the period from September 30, 2022, to March 29, 2027. As a result of this transaction, the Company receives a fixed interest rate of 3.11%. The valuation as of December 31, 2023, amounted to PLN -146 thousand.

The total valuation of the aforementioned IRS transactions as of December 31, 2023, amounted to PLN -105 thousand.

Meanwhile, the total fair value of the CAP option amounted to PLN -286 thousand.

6. Inventories

6.1. Structure of inventories

Description	31.12.2023	31.12.2022
Materials balance values	27 604	40 205
Goods balance values	11 554	4 197
Finished products balance values	8 229	10 729
Semi-finished products and work in progress balance value	9 844	10 540
Premises under construction balance value	207 851	272 507
Finished premises balance value	128 614	61 518
Inventories	**393 695**	**399 6**

1.2. Inventory write-offs

Description	31.12.2023	31.12.2022
Inventory write-offs at the beginning of period	2 187	2 455
Inventory write-offs created in period	3 574	1 067
Inventory write-offs reversal in period (-)	683	285
Inventory write-offs other changes	0	-1 050

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 50

Inventory write-offs at the end of period	**5 078**	**2 187**

7. Receivables

7.1. Long-term receivables

Description	31.12.2023	31.12.2022
Deposits from construction services	6 326	17 174
Deposits from other titles	510	264
Other receivables	0	0
Receivables write-offs (-)	0	0
Long-term receivables	6 836	17 437
Long-term deferred charges	0	145
Trade and other long-term receivables	**6 836**	**17 583**

The interest rate used to discount the long-term receivable is 7.82%.

7.2. Impairment losses on long-term receivables

Description	31.12.2023	31.12.2022
Status at the beginning of period	0	0
Write-offs as cost in period	0	0
Write-offs used (-)	0	0
Write-off terminated addend as income in period (-)	0	0
Other changes (net FX differences from conversion)	0	0
Status at the end of period	**0**	**0**

7.3. Short-term receivables

Description	31.12.2023	31.12.2022
Net trade receivables	392 112	324 437
Receivables due to other taxes, duties and social security	30 321	37 914
Deposits from construction services balance value	29 284	47 432
Deposits from other titles	342	358
Prepay and advance payment balance value	57 860	41 117
Other receivables balance value	753	735
Dividend receivables - short-term	0	0
Trade receivables and other receivables	**510 673**	**451 992**
Short-term deferred charges	9 209	7 998

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 51

Trade and other short-term receivables	**519 882**	**459 990**

7.4. Impairment losses on short-term receivables

Description	31.12.2023	31.12.2022
Status at the beginning of period	17 633	16 081
Write-offs terminated added as income in period (-)	-5 593	-4 535
Write-offs used (-)	-808	-2 086
Write-offs as cost in period	5 278	8 127
Other changes (net FX differences from conversion)	0	46
Status at the end of period	**16 510**	**17 633**

The write-off includes the risk of expected credit losses determined based on the simplified model in accordance with IFRS 9 (PLN 7,958 thousand) and additional write-offs for expected credit losses created for selected counterparties for whom a significant increase in credit risk has been recognized.

The write-off includes standard risk determined based on historical data in accordance with IFRS 9 and additional write-offs created for selected counterparties.

The Group's exposure to credit risk according to the simplified IFRS 9 model as of the balance sheet date of December 31, 2023, for trade receivables exposed to risk:

	General contracting	Production	Other	Total
Credit losses in terms				
On-time	707	39	0	**746**
From 1 to 30 days	110	8	1	**119**
From 31 to 60 days	250	44	0	**294**
From 61 to 90 days	490	10	0	**500**
From 91 to 180 days	106	209	11	**326**
From 181 to 1 year	216	33	1	**250**
Over one year	5 148	322	253	**5 723**
Write-off value in total	**7 027**	**665**	**266**	**7 958**

7.5. Maturity structure in the 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	4	712	5 831	290	6 836
Trade receivables	138 885	141 379	111 124	724	0	0	0	0	392 112
Prepayments and payables	0	55 446	2 414	0	0	0	0	0	57 860
Deposits from construction services	28 774	510	0	0	0	0	0	0	29 284
Deposits from other titles	189	99	0	11	44	0	0	0	342
Receivables due to other taxes	0	30 285	37	0	0	0	0	0	30 321

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 52

Other receivables	143	229	380	0	0	0	0	0	753
Receivables in total	**167 990**	**227 949**	**114 747**	**775**	**47**	**712**	**5 831**	**290**	**518 341**

7.6. Maturity structure in the 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	7 784	0	0	0	0	630	7 627	1 542	17 583
Trade receivables	115 105	190 136	19 196	0	0	0	0	0	324 437
Prepayments and payables	0	41 060	57	0	0	0	0	0	41 117
Deposits from construction services	39 678	4 512	2 373	427	442	0	0	0	47 432
Deposits from other titles	278	80	0	0	0	0	0	0	358
Receivables due to other taxes	0	36 933	981	0	0	0	0	0	37 914
Other receivables	217	512	0	6	0	0	0	0	735
Receivables in total	**163 062**	**273 233**	**22 607**	**433**	**442**	**630**	**7 627**	**1 542**	**469 576**

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	253 320	31 914	86 220	7 888	6 383	6 386	392 112
Prepayments and payables	57 860	0	0	0	0	0	57 860
Deposits from construction services	510	606	1 016	436	14 048	12 668	29 284
Deposits from other titles	141	0	39	24	0	139	342
Receivables due to other taxes	29 564	757	0	0	0	0	30 321
Other receivables	610	101	31	16	-5	0	753
Overdue receivables	**342 838**	**33 378**	**87 306**	**8 365**	**20 425**	**19 193**	**511 505**

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	209 332	56 916	41 780	5 582	8 889	1 938	324 437
Prepayments and payables	41 117	0	0	0	0	0	41 117
Deposits from construction services	7 754	4 427	6 291	6 494	8 858	13 608	47 432
Deposits from other titles	80	9	14	0	128	127	358
Receivables due to other taxes	37 914	0	0	0	0	0	37 914
Other receivables	518	96	0	121	0	0	735
Overdue receivables	**296 715**	**61 448**	**48 085**	**12 197**	**17 875**	**15 673**	**451 993**

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 53

7.9. Active deferred charges

Description	31.12.2023	31.12.2022
Insurance	2 566	692
Guarantees	1 597	347
Commissions on the sale of premises	2 415	3 777
Costs of execution of contracts	1 426	1 199
Other	1 205	1 983
Deferred charges in total	**9 209**	**7 998**

The item "Other" includes a fee for a Microsoft 365 license valued at PLN 682 thousand.

8. Cash

8.1. Cash specifics

Description	31.12.2023	31.12.2022
Bank accounts	64 218	146 533
cash of limited disposal rights	46 092	13 625
Cash in deposit	1	2
Short-term deposits	228 566	80 493
Other cash and cash equivalent	31	2 430
Cash and cash equivalents	**292 817**	**229 458**

Cash of limited disposal rights includes cash held in escrow accounts and funds in split payment accounts as of the balance sheet date. The release of funds from escrow accounts by the supervising banks is strictly tied to the schedules of real estate development projects.

9. Equities

9.1. Share capital

Description	31.12.2023	31.12.2022
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 31.12.2023	The number of shares issued as of 31.12.2022	The number of shares authorized for issue as of 31.12.2023	The number of shares authorized for issue as of 31.12.2022
A-Series	6 410 000	6 410 000	0	0

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 54

B-Series	1 952 549	1 952 549	0	0
Total:	**8 362 549**	**8 362 549**	**0**	**0**

9.2. Changes in number of shares

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

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

10. Provisions

10.1. Provisions specifics

Description	31.12.2023	31.12.2022
Provisions for retirement benefits - short-term	**1 070**	**46**
Provisions for employee benefits - short-term	1 070	46
Provisions for retirement benefits - long-term	**422**	**334**
Provisions for employee benefits - long-term	422	334
Other long-term provisions	**0**	**0**
Provisions for unused holidays	2 982	3 056
Provisions for court litigations	999	1 726
Provisions for losses on construction contracts	0	0
Provisions for guarantee repairs	8 006	7 252
Provision for contract costs	74 695	32 227
Provisions for employee bonuses	2 991	4 257
Other provisions	10 765	2 939
Other short-term provisions	**100 439**	**51 458**
Provisions	**101 930**	**51 838**

The valuation of provisions for employee benefits was based on a report by an independent expert (actuary).

Calculation methodology

The method used to determine liabilities is the Projected Unit Credit Method, as required by International Accounting Standard 19, also known as the method of accrued benefits in proportion to length of service. This methodology is consistent with the methodology recommended by the National Accounting Standard (NAS 6) and the National Actuarial Standard (NAS 1) "Valuation of Liabilities for Employee Benefits."

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 55

The essence of this method is to consider each period of employment as generating an additional unit of entitlement to a post-employment benefit. According to this definition, the value of future liabilities is calculated as the accumulated portion of future benefits, considering the projected increase in salary, which forms the basis for future benefits.

The valuation was conducted individually for each eligible person. When determining the liabilities, the probabilities of attaining the rights to specific benefits were also considered. The probability of attaining the rights to specific benefits is understood as the likelihood of reaching the required length of service or the employee reaching the appropriate age, provided they remain employed with the current employer.

Assumptions used

The value of provisions for employee benefits in the Entity was calculated as of the balance sheet date of December 31, 2023, according to the submitted data as of December 31, 2023.

The provision for employee benefits concerns only the employees employed by the Entity on that date and does not include employees who will be hired in the future.

The tables below present the discount rate used for valuation and the nominal rates of increase in the basis for benefits in subsequent periods, as agreed upon in consultation with the Entity's representatives.

Base growth rate (over the period)	Remuneration in the company
01.01.2024-31.12.2024	4,5%
01.01.2025-31.12.2025	4,5%
01.01.2026-31.12.2026	4,5%
01.01.2027 and further (each year)	4,5%

Information: the above growth rates are given in nominal terms (i.e. actual growth, not above inflation)

Discount rate (in the period)	Risk-free rate
01.01.2024 and further (each year)	5,10 %

Probability of death q_x for a person of age x was determined based on the Polish Life Expectancy Tables 2022 published by the Central Statistical Office (GUS).

The probability of **disability retirement was assumed at 0.2%**.

To estimate the probability of resignation from employment at the Unit, data for previous years was analyzed (taking into account, inter alia, age, gender, length of service, form of employment) and information on the labor market in Poland and the relevant industry was additionally analyzed. The probability was described by a function depending on age, gender, and form of employment (if enough data was available); the table below shows the values for the baseline points.

10.2. 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	**470**	**3 056**	**1 726**	**7 252**	**0**	**32 227**	**3 311**	**3 795**	**51 838**
Increase of provisions accounted as cost in period	1 163	1 616	470	1 335	0	46 485	446	7 670	59 185
Utilization of provisions accounted as revenue in period (-)	-141	0	-1 197	0	0	0	0	-149	-1 487
Utilization of provisions (-)	0	-1 690	0	-580	0	-4 017	-767	-551	-7 605
Increase by merger of entities	0	0	0	0	0	0	0	0	0

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 56

Reclassifications and other changes	0	0	0	0	0	0	0	0	0
Status as of the end of period	**1 492**	**2 982**	**999**	**8 006**	**0**	**74 695**	**2 991**	**10 765**	**101 930**

10.3. 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	**436**	**3 383**	**1 253**	**5 719**	**0**	**44 227**	**2 099**	**11 452**	**68 570**
Increase of provisions accounted as cost in period	352	2 366	480	1 578	0	27 904	2 407	3 584	38 671
Utilization of provisions accounted as revenue in period (-)	-180	-930	-7	0	0	-39 897	-1 195	-534	-42 743
Utilization of provisions (-)	-139	-1 763	0	-46	0	-7	0	-10 707	-12 661
Increase by merger of entities	0	0	0	0	0	0	0	0	0
Reclassifications and other changes	0	0	0	0	0	0	0	0	0
Status as of the end of period	**470**	**3 056**	**1 726**	**7 252**	**0**	**32 227**	**3 311**	**3 795**	**51 838**

11. Financial liabilities

11.1. Specification of financial liabilities

Description	31.12.2023	31.12.2022
Other long-term financial liabilities	0	0
Loans, borrowings, and long-term debt instruments	203 235	184 922
Long-term lease liabilities	23 843	19 689
Long-term financial liabilities	**227 077**	**204 611**
Other short-term financial liabilities	1 112	0
Loans, borrowings, and short-term debt instruments	113 976	123 443
Short-term lease liabilities	7 228	6 560
Short-term financial liabilities	**122 316**	**130 004**
Total financial liabilities	**349 393**	**334 615**

11.2. Conditions of financial liabilities

Due to loans and borrowings (in nominal value)

Loans and borrowings as of 31.12.2023	Company	Loan value	Balance	Currency	Interest rate	Contractual repayment date

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN)

Long-term:						
PKO BP, investment loan, agreement no. 69 1020 1462 0000 7396 0169	Dekpol Steel Sp. z o.o.	1 643	1 605	EUR	EURIBOR 3M+margin	2032-01-26
mBank S.A., Working capital loan, agreement no. 10/070/23/Z/OB[2]	Dekpol Inwestycja Sp. z o.o. Pastelowa sp.k	30 400	14 675	PLN	WIBOR 1M+ margin	2025-05-30
PKO BP investment loan, agreement no. 54 1020 1462 0000 7396 0134 7483	Dekpol S.A.	1 175	378	EUR	EURIBOR 1M+ margin	2026-07-16
PKO BP investment loan, agreement no. 82 1020 1462 0000 7896 0154 4808	Dekpol S.A.	2 317	2 204	EUR	EURIBOR 1M+ margin	2030-08-24
Other	-	-	-	-	-	-
TOTAL long-term		**5 135**	**4 187**	**EUR**	**-**	**-**
		30 400	**14 675**	**PLN**	**-**	**-**
Short-term:						
PKO BP, investment loan, agreement no. 69 1020 1462 0000 7396 0169	Dekpol Steel Sp. z o.o.	224	418	EUR	EURIBOR 3M+ margin	2032-01-26
PKO BP investment loan, agreement no. 54 1020 1462 0000 7396 0134 7483	Dekpol S.A.	239	262	EUR	EURIBOR 1M+ margin	2026-07-16
PKO BP investment loan, agreement no. 82 1020 1462 0000 7896 0154 4808	Dekpol S.A.	387	387	EUR	EURIBOR 1M+ margin	2030-08-24
mBank, Working capital loan, agreement no. 10/034/19/Z/LF	Dekpol Budownictwo Sp. z o.o.	15 000	0	PLN	WIBOR 1M+ margin	2024-06-28
mBank, overdraft facility, agreement no. 10/033/19/V/VV[1]	Dekpol Budownictwo Sp. z o.o.	10 000	33	PLN	WIBOR O/N / ESTR O/N+ margin	2024-06-28
Santander, overdraft facility, agreement no. K00029/23[1,3]	Dekpol Budownictwo Sp. z o.o.	10 000	0	PLN	WIBOR 1M/EURIBOR 1M+ margin	2024-02-14
PKO BP overdraft facility, agreement no. LKW 13 1020 1462 0000 7202 0402 4551[1]	Dekpol Budownictwo Sp. z o.o.	6 000	0	PLN	WIBOR 3M/EURIBOR 3M+ margin	2026-12-15
PKO BP renewable working capital loan, agreement no. LKW 13 1020 1462 0000 7202 0402 4551[1]	Dekpol Budownictwo Sp. z o.o.	55 000	18 000	PLN	WIBOR 3M/EURIBOR 3M+ margin	2026-12-15
PKO BP renewable working capital loan, agreement no. LKW 11 1020 1462 0000 7902 0401 1631	Dekpol Budownictwo Sp. z o.o.	13 000	0	PLN	WIBOR 1M/EURIBOR 1M+ margin	2024-06-27
BNP Paribas, overdraft facility, multipurpose premium credit line agreement, no. WAR/8803/21/497/CB[1,4]	Dekpol Budownictwo Sp. z o.o	3 000	0	PLN	WIBOR 1M/EURIBOR 1M+ margin	2024-01-16
mBank S.A., Renewable loan, agreement no. 10/003/22/Z/LF[1]	Dekpol Budownictwo Sp. z o.o	20 000	0	PLN	WIBOR 1M/EURIBOR 1M+ margin	2024-06-27
mBank S.A., Renewable loan, agreement no. 10/013/22/Z/PX[1]	Dekpol Budownictwo Sp. z o.o	30 000	0	PLN	WIBOR 1M/EURIBOR 1M+ margin	2024-07-31

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 58

SGB-Bank S.A., revolving loan, agreement no. 118/UK05/2000251/22	Dekpol Budownictwo Sp. z o.o	20 000	0	PLN	WIBOR 3M+ margin	2025-07-14
SGB- Bank S.A, overdraft facility, agreement no. 119/UK01/2000251/22	Dekpol Budownictwo Sp. z o.o.	15 000	0	PLN	WIBOR 3M+ margin	2025-07-14
Bank Ochrony Środowiska, renewable working capital loan, agreement no. S/53/07/2022/1098/K/LKW	Dekpol Budownictwo Sp. z o.o.	20 000	0	PLN	WIBOR 3M+ margin	2024-09-30
PKO Faktoring Sp. z o.o., agreement no. 2464/08/2021	Dekpol Budownictwo sp. z o.o.	30 000	0	PLN	WIBOR 1M/EURIBOR 1M+ margin	Indefinite period
PKO BP, overdraft facility, agreement no. LKW 40 1020 1462 0000 7102 0389 1900[1]	Dekpol Steel Sp. z o.o.	20 000	16 514	PLN	WIBOR 3M/EURIBOR 3M+ margin	2026-11-14
Santander Factoring Sp. z o.o., agreement no. 3673/5447/2019[1,5]	Dekpol Steel Sp. z o.o.	9 800	2 109	PLN	WIBOR 1M/EURIBOR 1M+ margin	2024-01-26
Santander Factoring Sp. z o.o., agreement no. 405/7131/2022[1,5]	Dekpol Steel Sp. z o.o.	26 000	8 213	PLN	WIBOR 1M/EURIBOR 1M+ margin	2024-01-26
PKO BP overdraft facility, agreement no. 23 1020 1462 0000 7802 0416 5015	Betpref Sp. z o.o.	5 000	0	PLN	WIBOR 3M+ margin	2025-04-19
PKO BP, overdraft facility, agreement no. LKW 79 1020 1462 0000 7402 0392 1897[1,6]	Intek Sp. z o.o.	7 000	5 492	PLN	WIBOR 3M/EURIBOR 3M+ margin	2024-04-27
PKO BP S.A., overdraft facility, agreement no. LKW 65 1020 1462 0000 7102 0405 1694[1]	Kombet Działdowo Sp. z o.o.	3 000	0	PLN	WIBOR 1M/EURIBOR 1M+ margin	2025-09-13
Other		-	11	PLN	-	-
TOTAL short-term		**850**	**1 067**	**EUR**	-	-
		317 800	**50 372**	**PLN**		

[1] Dual-currency limit with possibility to use in PLN and EUR.
[2] As of the date of publication, the agreement has been terminated at the request of the Borrower.
[3] As at the date of publication, the contract has been amended regarding the amount of the available limit and the term. The contract currently runs until February 2025.
[4] As at the date of publication, the contract has been amended regarding the amount of the available limit and the term. The contract now runs until January 2025.
[5] As of the date of publication, the contract has been extended until January 2025.
[6] As of the date of publication, the contract has been extended until April 2025

Loans as of 31.12.2023	Company	Collateral
PKO BP, investment loan, agreement no. 69 1020 1462 0000 7396 0169	Dekpol Steel Sp. z o.o.	Mortgage on real estate, assignment of rights under the insurance contract for the secured property, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code
mBank S.A., working capital loan, agreement no. 10/070/23/Z/OB.	Dekpol Inwestycje sp. z o.o. Pastelowa Sp.k	declaration of submission to enforcement under Art. 777 of the Civil Procedure Code of the Borrower, mortgage on real estate, assignment of rights under the insurance contract for the secured property, cession from contract, subordination of the loan, support agreement of Dekpol Deweloper
PKO BP investment loan, agreement no. 54 1020 1462 0000 7396 0134 7483	Dekpol S.A.	Mortgage, assignment of rights under the insurance contract for the secured property, bill of exchange, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code of the Borrower
PKO BP investment loan, agreement no. 82 1020	Dekpol S.A.	Mortgage, assignment of rights under the insurance contract for the secured property,

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 59

1462 0000 7896 0154 4808		bill of exchange, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code of the Borrower
mBank, Working capital loan, agreement no. 10/034/19/Z/LF	Dekpol Budownictwo Sp. z o.o.	Mortgage on real estate, assignment of rights under the insurance contract for the secured property, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code, surety *
mBank, overdraft facility, agreement no. 10/033/19/V/VV	Dekpol Budownictwo Sp. z o.o.	Mortgage on real estate, assignment of rights under the insurance contract for the secured property, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code, surety*
Santander, overdraft facility, agreement no. K00029/23	Dekpol Budownictwo Sp. z o.o.	declaration of submission to enforcement under Art. 777 of the Civil Procedure Code, surety, cession from contracts
PKO BP overdraft facility and renewable working capital loan, agreement no. LKW 13 1020 1462 0000 7202 0402 4551	Dekpol Budownictwo Sp. z o.o.	Mortgage on real estate, assignment of rights under the insurance contract for the secured property, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code, cession from contracts, guarantee of BGK, bill of exchange for BGK
PKO BP renewable working capital loan, agreement no. LKW 11 1020 1462 0000 7902 0401 1631	Dekpol Budownictwo Sp. z o.o.	Mortgage on real estate, assignment of rights under the insurance contract for the secured property, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code, cession from contracts, guarantee of BGK, bill of exchange for BGK
BNP Paribas, overdraft facility, multipurpose premium credit line agreement, no. WAR/8803/21/497/CB	Dekpol Budownictwo Sp. z o.o	blank promissory note, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code, surety *, Mortgage on real estate
mBank S.A., Renewable loan, agreement no. 10/003/22/Z/LF	Dekpol Budownictwo Sp. z o.o	Mortgage on real estate, assignment of rights under the insurance contract for the secured property, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code, surety *
mBank S.A., Renewable loan, agreement no. 10/013/22/Z/PX	Dekpol Budownictwo Sp. z o.o	Mortgage on real estate, assignment of rights under the insurance contract for the secured property, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code, surety *
SGB-Bank S.A., revolving loan, agreement no. 118/UK05/2000251/22	Dekpol Budownictwo Sp. z o.o	declaration of submission to enforcement under Art. 777 of the Civil Procedure Code, cession from contracts, blank promissory note
SGB- Bank S.A, overdraft facility, agreement no. 119/UK01/2000251/22	Dekpol Budownictwo Sp. z o.o.	declaration of submission to enforcement under Art. 777 of the Civil Procedure Code Mortgage on real estate, blank promissory note
Bank Ochrony Środowiska, renewable working capital loan, agreement no. S/53/07/2022/1098/K/LKW	Dekpol Budownictwo Sp. z o.o.	declaration of submission to enforcement under Art. 777 of the Civil Procedure Code, mortgage on real estate, blank promissory note, security interest on movable property, guarantee of BGK, blank promissory note in favor of BGK, cession from contracts
PKO Faktoring Sp. z o.o., agreement no. 2464/08/2021	Dekpol Budownictwo sp. z o.o.	Surety
PKO BP, overdraft facility, agreement no. LKW 40 1020 1462 0000 7102 0389 1900	Dekpol Steel Sp. z o.o.	guarantee of BGK, bill of exchange for BGK, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code
Santander Factoring Sp. z o.o., agreement no. 3673/5447/2019	Dekpol Steel Sp. z o.o.	blank promissory note, pełnomocnictwo do rachunku bankowego
Santander Factoring Sp. z o.o., agreement no. 405/7131/2022	Dekpol Steel Sp. z o.o.	guarantee of BGK, blank promissory note in favor of BGK, blank promissory note, power of attorney over bank account
PKO BP overdraft facility, agreement no. 23 1020 1462 0000 7802 0416 5015	Betpref Sp. z o.o.	Mortgage on real estate, assignment of rights under the insurance contract for the secured property, surety, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code
PKO BP, overdraft facility, agreement no. LKW 79 1020 1462 0000 7402 0392 1897	Intek Sp. z o.o.	Mortgage on real estate, assignment of rights under the insurance contract for the secured property, blank promissory note, accession to debt of Dekpol Steel, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 60

PKO BP S.A., overdraft facility, agreement no. LKW 65 1020 1462 0000 7102 0405 1694	Kombet Działdowo Sp. z o.o.	Mortgage on real estate, assignment of rights under the insurance contract for the secured property, surety, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code

* The surety will be released subject to receipt of identical declarations of release of security from the other financing banks

Loans and borrowings as of 31.12.2022	Company	Loan value	Balance	Currency	Interest rate	Contractual repayment date
Long-term						
PKO BP investment loan, agreement no. 54 1020 1462 0000 7396 0134 74831	Dekpol S.A.	617	617	EUR	EURIBOR 1M + margin	16.07.2026
PKO BP investment loan, agreement no. 82 1020 1462 0000 7896 0154 48082	Dekpol S.A.	2 577	2 577	EUR	EURIBOR 1M + margin	24.08.2030
PKO BP, investment loan, agreement no. 69 1020 1462 0000 7396 0169 44593	Dekpol Steel Sp. z o.o.	1 811	1 811	EUR	EURIBOR 3M + margin	26.10.2032
Other	-	-	-	-	-	-
Total loans and borrowings long-term		**0**	**0**	**PLN**	**-**	**-**
		5 005	**5 005**	**EUR**	**-**	**-**
Short-term						
PKO BP investment loan, agreement no. 54 1020 1462 0000 7396 0134 74831	Dekpol S.A	259	259	EUR	EURIBOR 1 M + margin	16.07.2026
PKO BP investment loan, agreement no. 82 1020 1462 0000 7896 0154 48082	Dekpol S.A.	161	161	EUR	EURIBOR 1 M + margin	24.08.2030
PKO BP, investment loan, agreement no. 69 1020 1462 0000 7396 0169 44593	Dekpol Steel Sp. z o.o.	224	224	EUR	EURIBOR 3 M+ margin	26.10.2032
PKO BP, Working capital loan, within multipurpose line, agreement no. LKW 11 1020 1462 0000 7902 0401 16314	Dekpol Budownictwo Sp. z o.o.	25 000	24 745	PLN	WIBOR 1M/EURIBOR 1M+ margin	27.06.2024
ING- ALEO discount agreement no. 891/2020/00001802/00	Dekpol Budownictwo Sp. z o.o.	2 500	1 475	PLN	WIBOR 1M + margin	31.12.2022
mBank, Working capital loan, agreement no. 10/034/19/Z/LF	Dekpol Budownictwo Sp. z o.o.	15 000	6 080	PLN	WIBOR 1M + margin	30.06.2023
mBank, overdraft facility, agreement no. 10/033/19/Z/VV4	Dekpol Budownictwo Sp. z o.o.	10 000	0	PLN	WIBOR O/N / ESTR O/N+ margin	30.06.2023
Santander, overdraft facility, agreement no. K01263/174,5	Dekpol Budownictwo Sp. z o.o.	10 000	2	PLN	WIBOR 1M/EURIBOR 1M+ margin	22.02.2023
PKO BP renewable working capital loan, agreement no. LKW 13 1020 1462 0000 7202 0402 45514	Dekpol Budownictwo sp. z o.o.	18 000	1 954	PLN	WIBOR 3M + margin	15.11.2023

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 61

PKO BP overdraft facility, agreement no. LKW 13 1020 1462 0000 7202 0402 45514	Dekpol Budownictwo Sp. z o.o.	6 000	0	PLN	WIBOR 3M/EURIBOR 3M+ margin	15.11.2023
BNP Paribas, overdraft facility, multipurpose premium credit line agreement no. WAR/8803/21/497/CB4,6	Dekpol Budownictwo Sp. z o.o.	3 000	0	PLN	WIBOR 1M/EURIBOR 1M+ margin	15.01.2023
mBank S.A., Renewable loan, agreement no. 10/003/22/Z/LF4	Dekpol Budownictwo Sp. z o.o.	20 000	0	PLN	WIBOR 1M/EURIBOR 1M+ margin	30.06.2023
mBank S.A., Renewable loan, agreement no. 10/003/22/Z/PX4,7	Dekpol Budownictwo Sp. z o.o.	30 000	0	PLN	WIBOR 1M/EURIBOR 1M+ margin	30.06.2023
SGB-Bank S.A, revolving loan, agreement no. 118/UK05/2000251/22	Dekpol Budownictwo Sp. z o.o.	20 000	13	PLN	WIBOR 3M + margin	14.07.2025
SGB-Bank S.A, overdraft facility, agreement no. 119/UK05/2000251/22	Dekpol Budownictwo Sp. z o.o.	15 000	0	PLN	WIBOR 3M + margin	14.07.2025
Bank Ochrony Środowiska, renewable working capital loan, agreement no. S/53/07/2022/1098/K/LKW	Dekpol Budownictwo Sp. z o.o.	20 000	0	PLN	WIBOR 3M + margin	30.09.2024
PKO Faktoring Sp. z o.o., agreement no. 2464/08/20218	Dekpol Budownictwo Sp. z o.o.	2 000	0	EUR	WIBOR 1M/EURIBOR 1M+ margin	Indefinite period
PKO BP S.A., overdraft facility, agreement no. LKW 40 1020 1462 0000 7102 0389 19004	Dekpol Steel Sp. z o.o.	20 000	11 123	PLN	WIBOR 3M/EURIBOR 3M+ margin	15.11.2023
CITI Bank Handlowy S.A., trade loan, agreement no. RWK/URHK/DS. /04/20224	Dekpol Steel Sp. z o.o.	5 000	0	PLN	WIBOR 3M/EURIBOR 3M+ margin	Indefinite period
Santander Factoring Sp. z o.o., agreement no. 3673/5447/20194,9	Dekpol Steel Sp. z o.o.	12 000	2 618	PLN	WIBOR 1M/EURIBOR 1M+ margin	31.10.2023
Santander Factoring Sp. z o.o., agreement no. 4305/7131/20224	Dekpol Steel Sp. z o.o.	33 000	9 137	PLN	WIBOR 1M/EURIBOR 1M+ margin	27.12.2023
PKO BP overdraft facility, agreement no. 18 1020 1462 0000 7402 0378 6613	Betpref Sp. z o.o.	3 000	0	PLN	WIBOR 3M + margin	19.04.2023
PKO BP S.A., overdraft facility, agreement no. LKW 79 1020 1462 0000 7402 0392 18974,10	Intek Sp. z o.o.	7 000	6 908	PLN	WIBOR 1M/EURIBOR 1M+ margin	26.01.2023
PKO BP S.A., overdraft facility, agreement no. 65 1020 1462 0000 7102 0405 16944	Kombet Działdowo Sp. z o.o.	3 000	0	PLN	WIBOR 1M/EURIBOR 1M+ margin	13.09.2025
Other			72	PLN		
Total loans and borrowings short-term		**277 500**	**64 127**	**PLN**	-	-
		2 644	**3 288**	**EUR**		

[1] The original amount of the loan was EUR 1 055 000 for the long-term and short-term parts (after conversion from PLN).
[2] The original amount of the loan was, for the long-term and short-term parts, EUR 2,738 thousand
[3] The original amount of the loan was EUR 2,035 thousand for the long-term and short-term parts.
[4] Dual-currency limits with possibility to use in PLN and EUR
[5] As at the date of publication, the contract has been converted to a multi-line contract, with a term of 14 February 2024.
[6] As at the date of publication, the multi-purpose line agreement has been extended until 16 January 2024. The overdraft limit remained unchanged.

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 62

[7] As at the date of publication, the agreement has been changed to a framework agreement under which the company can use a limit of PLN 50 million (up to PLN 50 million for working capital credit and up to PLN 20 million for bank guarantees). The agreement has been extended until 29 December 2023.
[8] As at the date of publication, the agreement has been amended as regards the amount of the limit. The limit is now PLN 18 million
[9] As at the date of publication, the amount of the limit has been changed. The limit is currently PLN 9.8 million
[10] As of the date of publication, the contract has been extended until 27 April 2023.

Loans and borrowings as of 31.12.2022	**Collateral**
PKO BP investment loan, agreement no. 54 1020 1462 0000 7396 0134 7483	Mortgage, assignment of rights under the insurance contract for the secured property, bill of exchange, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code of the Borrower
PKO BP investment loan, agreement no. 82 1020 1462 0000 7896 0154 4808	Mortgage, assignment of rights under the insurance contract for the secured property, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code of the Borrower
PKO BP investment loan, agreement no. 69 1020 1462 0000 7396 0169 4459	Mortgage on real estate, assignment of rights under the insurance contract for the secured property, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code
PKO BP, working capital loan within multipurpose line, agreement no. LKW 11 1020 1462 0000 7902 0401 1631	Mortgage on real estate, assignment of rights under the insurance contract for the secured property, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code, cession from contracts, liquidity guarantee of BGK, blank promissory note on favor of BGK
ING- ALEO discount agreement no. 891/2020/00001802/00	Surety, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code of the Borrower and the Guarantor
mBank, Working capital loan, agreement no. 10/034/19/Z/LF	Mortgage on real estate, assignment of rights under the insurance contract for the secured property, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code, surety
mBank, overdraft facility, agreement no. 10/033/19/Z/VV	Mortgage on real estate, assignment of rights under the insurance contract for the secured property, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code, surety
Santander, overdraft facility, agreement no. K01263/1	declaration of submission to enforcement under Art. 777 of the Civil Procedure Code, surety, cession from contracts
PKO BP overdraft facility and renewable loan, agreement no. LKW 13 1020 1462 0000 7202 0402 4551	Mortgage on real estate, assignment of rights under the insurance contract for the secured property, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code, cession from contracts, liquidity guarantee of BGK, blank promissory note in favor of BGK
BNP Paribas, overdraft facility, multipurpose premium credit line agreement no. WAR/8803/21/497/CB	blank promissory note, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code, surety, mortgage on real estate
mBank S.A., Renewable loan, agreement no. 10/003/22/Z/LF	Mortgage on real estate, assignment of rights under the insurance contract for the secured property, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code, surety
mBank S.A., Renewable loan, agreement no. 10/003/22/Z/PX	Mortgage on real estate, assignment of rights under the insurance contract for the secured property, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code, surety
SGB-Bank S.A, revolving loan, agreement no. 118/UK05/2000251/22	declaration of submission to enforcement under Art. 777 of the Civil Procedure Code, cession from contracts, blank promissory note
SGB-Bank S.A, overdraft facility, agreement no. 119/UK05/2000251/22	declaration of submission to enforcement under Art. 777 of the Civil Procedure Code, mortgage on real estate, blank promissory note
Bank Ochrony Środowiska, renewable working capital loan, agreement no.	declaration of submission to enforcement under Art. 777 of the Civil Procedure Code, mortgage on real estate, blank promissory note, security interest on movable property, guarantee of BGK, cession from contracts

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 63

S/53/07/2022/1098/K/LKW	
PKO Faktoring Sp. z o.o., agreement no. 2464/08/2021	surety
overdraft facility, agreement no. PKO BP S.A. 40 1020 1462 0000 7102 0389 01900	guarantee of BGK, blank promissory note in favor of BGK, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code
Trade loan at Bank Handlowy CITI w Warszawie S.A. agreement no. BWH/URHK/DS./04/2022	blank promissory note, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code
Factoring agreement with Santander Factoring Sp. z o.o. – agreement no. 3673/5447/2019	blank promissory note, power of attorney over bank account
Factoring agreement with Santander Factoring Sp. z o.o. agreement no. 4305/7131/2022	guarantee of BGK, blank promissory note in favor of BGK, blank promissory note, power of attorney over bank account
overdraft facility, agreement no. PKO BP S.A. 18 1020 462 0000 7402 0378 6613	Mortgage on real estate, assignment of rights under the insurance contract for the secured property, surety, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code
PKO BP S.A., overdraft facility, agreement no. LKW 79 1020 1462 0000 7402 0392 1897	Mortgage on real estate, assignment of rights under the insurance contract for the secured property, blank promissory note, accession to debt of Dekpol Steel, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code
PKO BP S.A., overdraft facility, agreement no. 65 1020 1462 0000 7102 0405 1694	Mortgage on real estate, assignment of rights under the insurance contract for the secured property, surety, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code

Due to bonds

Bonds as of 31.12.2023	Company	Nominal value	Balance	Currency	Interest rate	Repayment date
Long-term:						
P2021A-series bonds	Dekpol S.A.	25 000	25 000	PLN	WIBOR 3M+ margin	2025-02-13
P2021B-series bonds	Dekpol S.A.	12 102	12 102	PLN	WIBOR 3M+ margin	2025-09-22
2022AC-series bonds	Dekpol S.A.	2 400	2 400	EUR	EURIBOR 6M+ margin	2027-03-29
2022BC-series bonds[2]	Dekpol S.A.	3 800	3 800	EUR	EURIBOR 6M+ margin	2027-03-29
P2023A-series bonds	Dekpol S.A.	40 000	40 000	PLN	WIBOR 3M+ margin	2026-06-27
P2023B-series bonds	Dekpol S.A.	30 000	30 000	PLN	WIBOR 3M+ margin	2026-06-27
A-series bonds	Dekpol Budownictwo Sp. z o.o.	15 000	15 000	PLN	WIBOR 6M+ margin	2025-04-30
B-series bonds	Dekpol Budownictwo SP. z o.o.	20 000	20 000	PLN	WIBOR 6M+ margin	2025-10-30
		6 200	**6 200**	**EUR**		
TOTAL long-term		**142 102**	**142 102**	**PLN**	-	-
Short-term:						

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 64

J-series bonds	Dekpol S.A.	11 000	11 000	PLN	WIBOR 6M+ margin	2024-06-22
K-series bonds [1]	Dekpol S.A.	39 150	39 150	PLN	WIBOR 6M+ margin	2024-08-23
B-series bonds	Dekpol Deweloper Sp. z o.o.	10 000	10 000	PLN	WIBOR 6M+ margin	2024-08-01
TOTAL short-term		**60 150**	**60 150**	**PLN**		

[1] On 08.09.2021, series K and L were assimilated and now both appear under the name and ISIN code of series K.
[2] As at the date of publication, Series 2022BC has been redeemed at the request of the Issuer

Bonds as of 31.12.2023 r.	Collateral
P2021A-series bonds	n/a
P2021B-series bonds	n/a
2022AC-series bonds	Transfer of loan receivables
2022BC-series bonds	Transfer of loan receivables
P2023A-series bonds	n/a
P2023B-series bonds	n/a
A-series bonds (Dekpol Budownictwo Sp. z o.o.)	Mortgage on real estate, cession of rights from an insurance agreement related to the above-mentioned real estate, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code of the Issuer and mortgage debtor
B -series bonds (Dekpol Budownictwo Sp. z o.o.)	Mortgage on real estate, cession of rights from an insurance agreement related to the above-mentioned real estate, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code of the Issuer and mortgage debtor
J-series bonds	n/a
K-series bonds	n/a
B-series bonds (Dekpol Deweloper Sp. Z o.o.)	declaration of submission to enforcement under Art. 777 of the Civil Procedure Code of the Guarantor

Bonds at the end of reporting period 31.12.2022	Company	Value	Balance	Currency	Interest rate	Repayment date
Long-term						
J-series bonds	Dekpol S.A.	11 000	11 000	PLN	WIBOR 6M+ margin	2024-06-22
K-series bonds [1]	Dekpol S.A.	39 150	39 150	PLN	WIBOR 6M+ margin	2024-08-23
P2021A-series bonds	Dekpol S.A.	25 000	25 000	PLN	WIBOR 6M+ margin	2025-02-13
P2021B-series bonds	Dekpol S.A.	12 102	12 102	PLN	WIBOR 6M+ margin	2025-09-22
2022AC-series bonds	Dekpol S.A.	2 400	2 400	EUR	EURIBOR 6M+ margin	2027-03-29
2022BC-series bonds	Dekpol S.A.	3 800	3 800	EUR	EURIBOR 6M+ margin	2027-03-29
B-series bonds	Dekpol Deweloper Sp. z o.o.	10 000	10 000	PLN	WIBOR 6M+ margin	2024-08-01
A-series bonds	Dekpol Budownictwo Sp. Z o.o.	15 000	15 000	PLN	WIBOR 6M+ margin	2025-04-30
B-series bonds	Dekpol Budownictwo Sp. z o.o.	20 000	20 000	PLN	WIBOR 6M+ margin	2025-10-30
Total long-term bonds		**132 252**	**132 252**	**PLN**	-	

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 65

		6 200	6 200	EUR		
Short-term						
I-series bonds	Dekpol S.A.	50 000	50 000	PLN	WIBOR 6M+ margin	2023-10-28
Total short-term bonds		**50 000**	**50 000**	**PLN**		

1 On 08.09.2021, series K and L were assimilated and now both appear under the name and ISIN code of series K.

Bonds as of 31.12.2022	**Collateral**
P2021A-series bonds	n/a
P2021B-series bonds	n/a
2022AC-series bonds	Transfer of loan receivables
2022BC-series bonds	Transfer of loan receivables
A-series bonds (Dekpol Budownictwo Sp. z o.o.)	Mortgage on real estate, cession of rights from an insurance agreement related to the above-mentioned real estate, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code of the Issuer and mortgage debtor
B-series bonds (Dekpol Budownictwo Sp. z o.o.)	Mortgage on real estate, cession of rights from an insurance agreement related to the above-mentioned real estate, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code of the Issuer and mortgage debtor
J-series bonds	n/a
K-series bonds	n/a
B-series bonds (Dekpol Deweloper Sp. Z o.o.)	Surety and declaration of submission to enforcement under Art. 777 of the Civil Procedure Code of the Guarantor
I-series bonds	Mortgage on real estate and declaration of submission to enforcement under Art. 777 of the Civil Procedure Code of the mortgage debtor

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

Parent entity

II Bonds Issue Programme

On April 24, 2023, the Polish Financial Supervision Authority (KNF) approved the Base Prospectus for the II Bonds Issue Pro-gramme of Dekpol S.A., which consequently brought into effect the II Bonds Issue Programme (PEO II) established by the resolu-tion of Company's Management Board in December 2022. Under PEO II, the Company was authorized to issue bonds in accord-ance with Article 33, point 1 of the Act of January 15, 2015, on Bonds. In total, bonds with a total nominal value not exceeding PLN 150 million could be issued, in one or more series, within 12 months from the date of KNF's prospectus approval. Bonds could be issued both as unsecured and secured. The interest on bonds could be variable or fixed, and bond payments could be solely monetary. Subsequent series of bond issuances were to be made based on resolutions of the Company's Management Board determining final terms of each series, including, in particular, the currency of the bonds, issue price, separate and total nominal value of the bonds, maturity date, interest rate, interest periods, and the procedures for introducing the bonds of each series to trading on a selected regulated market or alternative trading system Catalyst.

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

Issue of P2023A-series bonds within II Bonds Issue Programme

On June 2, 2023, Management Board of Dekpol S.A. adopted a resolution regarding issuance, under PEO II, of up to 40,000 of P2023A-series bearer bonds with a nominal value of PLN 1,000 each and a total nominal value of up to PLN 40,000,000. The bond issuance was conducted based on the prospectus in the form of a public offering within the meaning of the provisions of the Act of July 29, 2005, on Public Offering (...). The subscription for bonds took place from June 5 to June 19, 2023.

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 66

On June 20, 2023, the Krajowy Depozyt Papierów Wartościowych S.A. (KDPW) issued a statement regarding conclusion of an agreement with the Company for registration of securities in the securities deposit under the ISIN code PLDEKPL00149, for up to 40,000 of P2023A-series bonds of the Company. The condition for the registration of bonds was their admission to trading on a regulated market.

On June 22, 2023, Management Board of Dekpol S.A. adopted a resolution for preliminary allocation of 40,000 P2023A-series bearer bonds with a nominal value of PLN 1,000 each and a total nominal value of PLN 40,000,000. The allocation of P2023A-series bonds was conditional upon final settlement of bond acquisition transactions within the issuance system of KDPW. The bonds were issued based on Article 33(1) of the Bond Act. The bonds were issued at an issue price of PLN 996 (for subscriptions submitted by June 11th of this year) per bond and PLN 998 (for subscriptions submitted after this date) per bond. The total nom-inal value of the allocated bonds was approximately PLN 39.9 million. The subscription reduction rate was 11.2%. The bonds were allocated to 709 investors. The bonds carry a variable interest rate of 5.50% + WIBOR 3M on an annual basis. Bond interest is paid every 3 months. The bonds are unsecured. The maturity date of the bonds is June 27, 2026. The bondholder has the right to demand early redemption of the bonds under standard circumstances specified in Term and Conditions of Bonds Issue, including, among others, if the Dekpol Capital Group exceeds certain leverage ratios. The Company may demand early redemption of the bonds on any interest payment date, paying a premium ranging from 0-1% of the nominal value of the bonds subject to redemp-tion, depending on the date of the redemption request.

On June 23, 2023, Management Board of the Warsaw Stock Exchange (GPW) adopted a resolution regarding admission of 40,000 bonds of the Company, of P2023A-series, to trading on the Catalyst primary market, effective from the registration of these bonds by KDPW. The adoption of the aforementioned resolution fulfilled the condition for registering bonds in KDPW. On June 27, 2023, the Company received information about final settlement of bonds by KDPW, thus the issuance of P2023A-series bonds came into effect. On June 28, 2023, Management Board of GPW adopted a resolution to introduce 40,000 bonds of the Compa-ny, of P2023A-series, for trading on the primary market with effect from June 30, 2023, designated by KDPW under the code "PLDEKPL00149" and to list the aforementioned bonds in the continuous trading system under the short name "DEK0626". Additionally, Management Board of GPW set the date for the last listing of the aforementioned bonds to June 22, 2026.

The proceeds from the issuance of bonds will be allocated to finance current business operations of the Dekpol Capital Group.

About issuance of P2023A-series bonds, the Company announced in current reports no. 16/2023 dated June 2, 2023, no. 18/2023 dated June 20, 2023, no. 19/2023 dated June 22, 2023, no. 20/2023 dated June 23, 2023, no. 23/2023, no. 24/2023 dated June 27, 2023, and no. 27/2023 dated June 30, 2023.

Issue of P2023B-series bonds within II Bonds Issue Programme

On July 4, 2023, Management Board of Dekpol S.A. adopted a resolution regarding the issuance of up to 30,000 of P2023B-series bearer bonds with a nominal value of PLN 1,000 each and a total nominal value of up to PLN 30,000,000. The bond issuance was conducted within the framework of the II Bonds Issue Programme, based on the prospectus in the form of a public offering within the meaning of the provisions of the Act of July 29, 2005, on public offering (...). The subscription for bonds took place from July 5 to July 14, 2023.

On July 12, 2023, KDPW issued a statement confirming conclusion of an agreement with the Company for the registration in the deposit of securities under the ISIN code PLDEKPL00156, for up to 30,000 bearer bonds of series P2023B of the Company. The condition for the registration of bonds was their admission to trading on the regulated market.

On July 19, 2023, Management Board of Dekpol S.A. adopted a resolution regarding the initial allocation of 30,000 bearer bonds of P2023B-series with a nominal value of PLN 1,000 each and a total nominal value of PLN 30,000,000. The allocation of P2023B-series bonds was made subject to the suspensive condition of final settlement of bond acquisition transactions within the framework of the issuance in the KDPW system. The bonds were issued based on Article 33(1) of the Bond Act. The bonds were issued at the issue price equal to the nominal value. The subscription reduction rate was 23.45%. The bonds were allocated to 485 investors. The bonds carry a variable interest rate of 5.50% + WIBOR 3M on an annual basis. Bond interest is paid every 3 months. The bonds are unsecured. The redemption of the bonds will take place on June 27, 2026. The bondholder has the right to demand early redemption of bonds in standard cases specified in Terms and Conditions of Bonds Issue, including, among others, in the event of the Dekpol Capital Group exceeding certain debt ratios. The Company may demand early redemption of the bonds on any interest payment date by paying a premium of 0-1% of the nominal value of the bonds subject to redemption, depending on the date of submission of the request.

On July 21, 2023, Management Board of the Warsaw Stock Exchange (GPW) adopted a resolution regarding the admission of 30,000 bonds of P2023B-series of the Company for trading on the Catalyst primary market, with the registration of these bonds by KDPW.

The adoption of the aforementioned resolution constituted the fulfillment of the condition for the registration of bonds in KDPW. On July 24, 2023, KDPW completed final settlement of bonds, thus the issuance of P2023B-series bonds took place. On July 26, 2023, Management Board of GPW adopted a resolution to introduce 30,000 bonds of P2023B-series of the Company for trading on the primary market of the Warsaw Stock Exchange, effective from July 28, 2023, identified by KDPW with the code PLDEKPL00156, and to list the aforementioned bonds in the continuous trading system under the short name DKP626. Additionally, the GPW Management Board set the last trading date for the aforementioned bonds as June 22, 2026.

The proceeds from the issuance of the bonds will be allocated to finance the ongoing business activities of the Dekpol Capital Group.

About events related to the issuance of P2023B-series bonds, the Company announced in current reports no. 28/2023 dated July 4, 2023, no. 31/2023 dated July 18, 2023, no. 32/2023 dated July 19, 2023, no. 34/2023 dated July 21, 2023, no. 35/2023, no. 36/2023 dated July 24, 2023, and no. 37/2023 dated July 27, 2023.

Launch of bonds issue programme

On March 20, 2024 (event after balance sheet date), Management Board of Dekpol S.A. adopted a resolution regarding the launch of a bonds issue programme with a total nominal value not exceeding PLN 400 million. The nominal value of one bond will be PLN 1,000. Bonds will be issued in one or more series. The final issuance of bonds under the programme may be conducted no later than December 31, 2026.

The bonds will be issued in accordance with provisions of Article 33, paragraph 1 of the Act of January 15, 2015, on bonds, whereby, in accordance with applicable law, preparation of a prospectus or information memorandum will not be required. The resolution of Company's Management Board regarding launch of bonds issue programme stipulates that bonds will be issued as unsecured bonds, the interest rate on bonds will be variable or fixed, and benefits from bonds will be solely monetary. The bonds will be introduced to the alternative trading system organized by the Warsaw Stock Exchange S.A. as a part of the Catalyst market.

The issuance of individual series of bonds will be carried out each time under separate resolutions of the Company's Management Board, specifying detailed parameters of issuance of bonds. The Company is entitled to carry out multiple issuances under the programme up to the total amount of issued and unredeemed bonds equal to PLN 400 million, along with their redemption, regardless of their quantity and size, provided that the total nominal value of unredeemed bonds and those for which an issuance order has been placed does not exceed PLN 400 million.

About the launch of a bonds issue programme, the Company announced in current report no. 11/2024 dated March 20, 2024.

Subsidiaries

Annex to the multi-purpose premium credit line of a subsidiary company with BNP Paribas Bank Polska S.A.

On January 16, 2023, Dekpol Budownictwo Sp. z o.o. entered into an annex to the September 2021 multi-purpose premium credit line agreement with BNP Paribas Bank Polska S.A., under which it was entitled to use the multi-purpose line in the amount of PLN 40 million (previously PLN 30 million), available until January 16, 2024.

Subsequently, on February 8, 2024 (event after balance sheet date), another annex to the aforementioned agreement was concluded, whereby the amount of the multi-purpose credit line limit was increased to PLN 50 million, and the availability period of the credit line was extended until January 2025. According to the annex, within the multi-purpose credit line, Dekpol Budownictwo Sp. z o.o. may use the credit in PLN or EUR current account, PLN guarantee line, and PLN letter of credit line. The interest rate on the credit granted under the multi-purpose line is determined by a variable interest rate equal to the WIBOR/EURIBOR 1M rate plus bank's margin. Under the guarantee line, various guarantees may be issued: bid, performance of the contract, defects and deficiencies removal, payments, lease contract performance, and advance refund. Various securities typical for credit agreements, including the Issuer's guarantee, mortgage established on the Issuer's land properties, and other securities, secure all obligations of Dekpol Budownictwo arising from the agreement. The agreement specifies obligations during its validity period, including maintaining the debt ratios of the Issuer's Capital Group at specified levels. The annex contains formal and legal conditions, the fulfillment of which was necessary to increase the limit under the Agreement.

About conclusion of the annex to the multi-purpose credit line agreement, the Company announced in current report no. 6/2024 dated February 8, 2024.

Factoring agreement of a subsidiary company with Santander Faktoring Sp. z o.o.

On January 26, 2023, Dekpol Steel Sp. z o.o. entered into a factoring agreement with Santander Faktoring Sp. z o.o., under which it can utilize a factoring limit of PLN 2.2 million. Initially, the company was entitled to use the limit until October 31, 2023. In October 2023, the agreement was extended until December 2023, and then the term of the agreement was extended several times (in December 2023, January, and February 2024), as a result of which, as of the publication date of this report, the agreement is valid until January 31, 2025roku.

Multiline agreement and annex to subsidiary agreement with Santander Bank Polska S.A.

On February 28, 2023, Dekpol Budownictwo Sp. z o.o. entered into a multi-line agreement with Santander Bank Polska S.A. Under the agreement, the subsidiary was authorized to utilize, within the limit of PLN 55 million, a current account credit and a guarantee line available until February 14, 2024.

Subsequently, on February 14, 2024 (event after balance sheet date), an annex to the aforementioned agreement was concluded, based on which the limit of the multi-line was increased to PLN 85 million, and the period of its availability was extended until February 2025. According to the annex, within the multi-line, Dekpol Budownictwo Sp. z o.o. can use a current account credit and a guarantee line in PLN or EUR. The interest rate on the credit granted under the multi-line is determined based on a variable interest rate equal to the WIBOR/EURIBOR 1M rate plus bank's margin. Within the guarantee line, guarantees such as performance, warranty, advance payment, and refund guarantees can be issued. The collateral for all obligations arising from the agreement includes the issuer's guarantee, KUKE S.A. guarantee, general cash deposit, and other typical credit agreement securities. The agreement specifies obligations during its validity period, including maintaining the debt ratios of the Issuer's Capital Group at specified levels.

About conclusion of the annex to the multi-line agreement, the Company announced in current report no. 7/2024 dated February 14, 2024.

Annexes to the subsidiary's framework agreement with mBank S.A.

On March 7, 2023, Dekpol Budownictwo Sp. z o.o. entered into an annex with mBank S.A. to the framework agreement from March 2022, whereby the limit of the line for financing Dekpol Budownictwo Sp. z o.o.'s current operations was increased to PLN 50 million (previously PLN 30 million). According to the annex, Dekpol Budownictwo Sp. z o.o. could utilize revolving credits (sublimit up to PLN 50 million) and contract guarantees (sublimit up to PLN 20 million) in PLN and EUR, within the line made available until December 2023 (the line's validity period also serving as the repayment term for the credits).

On August 7, 2023, another annex to the aforementioned framework agreement was concluded, extending the availability period of the line until July 2024. Within this line, Dekpol Budownictwo Sp. z o.o. can utilize revolving credits (sublimit up to PLN 50 million) and contract guarantees (sublimit up to PLN 30 million) in PLN and EUR. The interest rate for revolving credits is equal to the WIBOR/EURIBOR 1M rate plus bank's margin. The agreement includes formal-legal conditions, the fulfillment of which was necessary to increase the limit, as well as obligations during the validity period of the agreement, including maintaining debt ratios at specified levels. The collateral for the bank's receivables arising from the agreement includes, among others, a consolidated contractual mortgage on land properties and other typical securities for credit agreements.

About conclusion of the annexes to the agreement, the Company announced in current reports no. 7/2023 dated March 7, 2023, and no. 39/2023 dated August 7, 2023.

Annex to subsidiary's bank overdraft agreement with PKO BP S.A.

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

Subsequently, on April 25, 2024 (event after balance sheet date), Intek concluded another annex to the aforementioned agreement with bank PKO BP S.A. On the basis of the annex, the term of the agreement was changed. The limit is available until April 27, 2025.

Annex to subsidiary's bank overdraft agreement with PKO BP S.A.

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

Annex to subsidiary's factoring limit agreement with PKO Faktoring S.A.

On July 21, 2023, Dekpol Budownictwo Sp. z o.o. concluded with PKO Faktoring S.A. an annex to the factoring limit agreement. The annex increased the available limit from PLN 18 million to PLN 30 million. The limit is available for an indefinite period.

Subsidiary's working capital loan agreement with mBank S.A.

On July 25, 2023, Dekpol Inwestycje Sp. z o.o. Pastelowa sp.k. entered into a working capital loan agreement with mBank S.A., for the financing and refinancing of expenses related to the implementation of the development project called "Osiedle Pastelowe - stage IIB" in Gdańsk, at Pastelowa Street. The loan was granted in the amount of PLN 30.4 million with the loan repayment date set for May 30, 2025.

Subsequently, on March 18, 2024 (event after balance sheet date), the debt was repaid, and the agreement was terminated at the request of the borrower.

Conclusion by subsidiary company of an annex to the agreement with PKO BP S.A.

On November 14, 2023, Dekpol Steel Sp. z o.o. entered into an annex to the multicurrency credit limit agreement from November 2021 with Bank Powszechna Kasa Opieki Bank Polski S.A. According to the annex, the company is authorized to use the limit until November 16, 2026 (previously November 2023), and the available amount remains unchanged at PLN 20 million.

Annexes to subsidiary's multi-purpose credit limit agreements with PKO BP S.A.

On December 15, 2023, Dekpol Budownictwo Sp. z o.o. entered into an annex to the multicurrency credit agreement from April 2019 with Powszechna Kasa Oszczędności Bank Polski S.A., because of which the credit limit provided under the agreement was increased by PLN 72 million, to a total of PLN 90 million. Within the provided credit limit, sub-limits were granted for the current account credit up to PLN 6 million for financing current obligations, revolving working capital credit up to PLN 55 million for financing general contracting contracts, and bank guarantees issued to secure obligations and revolving credit for repayment of disbursements from guarantees up to PLN 55 million. The limit can be utilized in PLN or EUR currencies. The credit limit was granted until November 2026.

The interest rate on the credit is determined based on variable interest rate equal to the WIBOR/EURIBOR 3M rate, plus bank's margin. Collateral for the bank's receivables arising from the Agreement includes, among others, collective contractual mortgage on the land property, a guarantee provided by Bank Gospodarstwa Krajowego, and other collateral typical for credit agreements. The Agreement contains formal and legal conditions, compliance with which was necessary to increase the limit, as well as commitments during the term of the Agreement, including maintaining debt ratios at specified levels.

In connection with the increase in the limit mentioned above, the parties signed an annex to the multicurrency credit limit agreement in the amount of PLN 50 million, concluded in June 2022 with availability until June 2024. Under the annex, the credit limit resulting from this agreement was reduced by PLN 37 million, to a total of PLN 13 million.

About conclusion of the annexes, the Company announced in current report no. 47/2023 dated December 15, 2023.

Subsidiary's working capital loan agreement with a consortium of banks

On April 26, 2024, Dekpol Inwestycje Sp. z o.o. Rokitki sp.k. entered into a revolving credit agreement with a consortium of banks (Bank Spółdzielczy in Sztum, Bank Spółdzielczy in Malbork, Bank Rumia Spółdzielczy, and Bank Spółdzielczy in Białogard) to finance and partially refinance the costs associated with the construction of a property for sale - the implementation of a development project under the name "Osiedle Kociewskie – stage III" in Rokitki. The credit was granted in the amount of approximately PLN 25.9 million. The repayment date of the credit was set for June 30, 2025.

11.3. Maturity of financial liabilities in the 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 derivative liabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Long-term bonds	0	0	0	0	85 984	105 281	0	191 265
Long-term borrowings	0	0	0	0	0	0	0	0
Long-term loans	0	95	191	858	19 068	8 976	5 901	35 090
Long-term leases	0	0	363	0	6 349	6 535	42 364	55 612
Short-term derivative liabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Short-term leases	0	585	1 312	5 063	0	0	0	6 960
Short-term bonds	0	0	5 251	74 570	0	0	0	79 821
Short-term borrowings	0	0	0	0	0	0	0	0
Short-term loans	0	917	1 161	56 099	0	0	0	58 176
Financial liabilities - maturity	**0**	**1 597**	**8 277**	**136 590**	**111 401**	**120 792**	**48 265**	**426 924**

In 2023, the maturity of financial liabilities, as a measure of liquidity risk, was prepared based on undiscounted contractual cash flows and includes both principal and interest payments. Amounts in foreign currencies were converted to Polish zloty according to the NBP exchange rate at the end of the period, and interest payments were calculated based on the interest rate applicable in the last interest period before December 31, 2023, and December 31, 2022.

The value of interest due as of the balance sheet date amounted to PLN 78,643 thousand.

11.4. Maturity of financial liabilities in the 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 derivative liabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Long-term bonds	0	0	0	0	98 135	63 220	0	161 355
Long-term borrowings	0	0	0	0	0	0	0	0
Long-term loans	0	0	0	0	2 171	5 020	17 132	24 323
Long-term leases	351	0	0	0	7 011	3 371	1 049	11 782
Short-term derivative liabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Short-term leases	244	481	930	4 934	0	0	0	6 589
Short-term bonds	0	0	525	50 751	0	0	0	51 276
Short-term borrowings	0	0	4 006	0	0	0	0	4 006
Short-term loans	0	8 663	12 116	48 585	0	0	0	69 364
Financial liabilities - maturity	**595**	**9 144**	**17 577**	**104 270**	**107 317**	**71 611**	**18 181**	**328 695**

12. Liabilities

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 71

12.1. Long-term liabilities

Description	31.12.2023	31.12.2022
Deposits received	30 542	43 560
Other liabilities (long-term)	0	0
Other long-term liabilities	**30 542**	**43 560**
Long-term deferred charges	2 967	0
Liabilities from deliveries and services and other long-term liabilities	**33 509**	**43 560**

12.2. Short-term liabilities

Description	31.12.2023	31.12.2022
Liabilities from deliveries and services	253 148	204 593
Prepayments and advances received for deliveries	69 659	171 585
Short-term deposits received	43 424	25 086
Payroll liabilities	4 984	4 859
Other short-term liabilities	339	303
Other taxes, duties, and social security liabilities	8 403	15 753
Trade payables and other payables	**379 957**	**422 179**
Deferred income	2 830	3 645
Liabilities from deliveries and services and other short-term liabilities	**382 786**	**425 824**

12.3. Maturity of liabilities in the 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	2	2 982	23 150	4 408	30 542
Other long-term liabilities – other titles	0	0	0	0	0	0	0	0	0
Long-term liabilities	**0**	**0**	**0**	**0**	**2**	**2 982**	**23 150**	**4 408**	**30 542**
Trade liabilities	88 148	138 485	25 088	684	405	338	0	0	253 148
Prepayments and deposits received for supplies	0	61 352	8 279	28	0	0	0	0	69 659
Short-term received bails	16 363	1 814	2 126	7 510	15 612	0	0	0	43 424
Liabilities due to other taxes	0	7 412	991	0	0	0	0	0	8 403
Liabilities due to remunerations	0	4 984	0	0	0	0	0	0	4 984
Other short-term liabilities	80	258	0	0	0	0	0	0	339
Short-term liabilities	**104 591**	**214 305**	**36 484**	**8 221**	**16 018**	**338**	**0**	**0**	**379 957**

12.4. Maturity of liabilities in the previous reporting period

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 72

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	300	564	486	894	29 163	828	11 325	43 560
Other long-term liabilities – other titles	0	0	0	0	0	0	0	0	0
Long-term liabilities	**0**	**300**	**564**	**486**	**894**	**29 163**	**828**	**11 325**	**43 560**
Trade liabilities	85 705	76 588	42 300	0	0	0	0	0	204 593
Prepayments and deposits received for supplies	76	130 612	218	40 679	0	0	0	0	171 585
Short-term received bails	16 896	757	3 808	2 664	961	0	0	0	25 086
Liabilities due to other taxes	718	13 641	702	417	275	0	0	0	15 753
Liabilities due to remunerations	464	4 395	0	0	0	0	0	0	4 859
Other short-term liabilities	66	228	0	0	9	0	0	0	303
Short-term liabilities	**103 925**	**226 221**	**47 028**	**43 760**	**1 245**	**0**	**0**	**0**	**422 179**

12.5. 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	165 168	83 983	2 941	527	234	294	253 148
Prepayments and deposits received for supplies	69 659	0	0	0	0	0	69 659
Short-term received bails	27 062	603	2 041	1 542	4 120	8 058	43 424
Liabilities due to other taxes	8 403	0	0	0	0	0	8 403
Liabilities due to remunerations	4 984	0	0	0	0	0	4 984
Other short-term liabilities	339	0	0	0	0	0	339
Short-term liabilities	**275 614**	**84 586**	**4 982**	**2 069**	**4 354**	**8 352**	**379 957**

12.6. 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	118 888	62 290	16 731	1 204	4 770	710	204 593
Prepayments and deposits received for supplies	171 509	76	0	0	0	0	171 585
Short-term received bails	8 190	838	1 580	2 181	3 493	8 804	25 086
Liabilities due to other taxes	15 035	718	0	0	0	0	15 753
Liabilities due to remunerations	4 395	464	0	0	0	0	4 859
Other short-term liabilities	237	62	4	0	0	0	303
Short-term liabilities	**318 254**	**64 448**	**18 315**	**3 385**	**8 263**	**9 514**	**422 179**

12.7. Specification of deferred charges in reporting period

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 73

Description	Short-term	Long-term	Total
Grants received	312	2 967	3 279
Deferred charges	2 234	283	2 518
Other charges	0	0	0
Liabilities – deferred charges in total	**2 547**	**3 250**	**5 797**

* Deferred income relates, among other things, to the deferred settlement of a gain on sale for a sale-leaseback.

12.8. Specification of deferred charges in previous reporting period

Description	Short-term	Long-term	Total
Grants received	357	3 279	3 636
Deferred charges	0	9	9
Other charges	0	0	0
Liabilities – deferred charges in total	**357**	**3 288**	**3 645**

13. Lease

13.1. Leases – The Company as a lessor

The group acts as a lessor in the scope of property lease agreements, particularly in the case of the Almond Hotel property. The leasing of this property is of an operational nature. Regarding the properties subject to operational lease agreements, the Company retains full ownership rights while granting the right to use the properties to tenants under the terms specified in the agreements. Additionally, the Company possesses investment properties that are not subject to operational lease agreements, presented as "non-leased land." The Company is not a lessor in the context of financial lease agreement.

Specification of revenues from operating lease agreements:

Data in thousand PLN	2023	2022
Operating lease income	2 922	2 045
- including floating lease payments that are not index or rate dependent	0	0

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

Data in thousand PLN	2024	2025	2026	2027	2028	2029	The following years until 2033
Undiscounted lease payments to be received in the following years	3 737	3 830	3 926	4 024	4 125	4 228	14 201

13.2. Leases – The company as a lessee

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 74

The assets subject to leasing agreements are used in the Company's operational activities. The Company applies simplifications regarding short-term lease agreements (up to 12 months) and leases of low value (lease asset value below PLN 4,000), not recognizing them as rights to use assets. Such leases are not significant to the Company's operations.

During the historical period covered by the data, the Company was not a party to sale-leaseback or sublease agreements, and variable lease payments did not occur.

The leasing agreements do not include options for extension or termination, residual value guarantees, or covenants. There was one non-commenced lease agreement, for which the Company would have been the lessee.

Additional disclosures regarding the right to use assets are set out below:

Data in thousands of PLN	2023	2022
Machines and devices (net)	9 491	4 761
Other fixed assets (net)	3 003	708
Means of transport (net)	11 248	7 460
Depreciation of the right to use assets	6 665	2 441
Increases in the rights to use assets during the period	7 601	9 009
Interest costs on lease liabilities	1 519	678

As at the balance sheet date, the Group has balances for short-term leases of PLN 7 228 thousand and for long-term leases of PLN 23 843 thousand.

14. Operating revenues and costs

14.1. Sales revenues

Description	01.01.-31.12.2023	01.01.-31.12.2022
Revenues from sales of products	1 492 249	1 307 680
Revenues from sales of services	17 799	8 609
Revenues from sales of goods and materials	58 781	70 560
Sales revenues	**1 568 829**	**1 386 848**

14.2. Costs by type

Description	01.01.-31.12.2023	01.01.-31.12.2022
Cost of goods and materials sold	54 425	63 823
Remuneration	82 925	78 819
Depreciation	16 202	15 519
Employee benefits	20 746	18 561
Consumption of materials and energy	402 810	482 051
Outsourced services	861 670	683 775
Taxes and fees	5 471	5 516
Other costs by type	13 411	14 102

Costs by type	1 457 661	1 362 167
Administrative expenses	-46 941	-38 752
Selling costs	-51 096	-45 272
Own work capitalized	-1 043	1 689
Movements in the balance of products	-15 568	-97 445
Own selling cost	**1 343 012**	**1 182 386**

14.3. Own selling cost

Description	01.01.-31.12.2023	01.01.-31.12.2022
Cost of product sold	1 281 664	1 104 108
Cost of services sold	6 924	14 454
Cost of goods and materials sold	54 425	63 823
Own selling cost	**1 343 012**	**1 182 386**

14.4. Other operating revenues

Description	01.01.-31.12.2023	01.01.-31.12.2022
Profit on disposal of non-financial fixed assets	201	770
Profit on disposal of non-financial fixed assets – manual adjustment	0	0
Re-invoices	0	0
Pricing of investment properties to its fair value	593	510
Release of provisions	2	7
Fines and compensations	10 163	4 203
Grants	404	705
Overdue liabilities	0	0
Scrap yield	0	0
Bonus from turnover	0	0
Surplus stock	541	127
Write-offs for inventories reversal in period (-)	683	285
Impairment write-offs on receivables reversal in period (-)	5 578	4 599
Profit from a bargain purchase	0	7 076
Other titles	1 880	1 334
Other operating revenues	**20 044**	**19 616**

14.5. Other operating costs

Description	01.01.-31.12.2023	01.01.-31.12.2022
Write-offs for inventories creation in period	3 574	1 067
Pricing of investment properties to its fair value	0	0

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 76

Establishment of provisions	1 070	1 941
Cost related to acquisition of subsidiaries	0	0
Cost of defects repairs and scrap page	75	221
Donations	587	411
Handover of a road investment	0	990
Inventory deficits	555	715
Receivables	13	20
Contractual penalties	21	188
Material losses	57	2
Court litigation costs	230	0
Re-invoicing costs	0	0
Compensations	14 129	3 576
Write-offs for inventories creation in period	5 232	8 018
Loss on disposal of non-financial fixed assets	83	86
Other titles	6 320	2 740
including provision for contract costs	*4 000*	*0*
Other operating costs	**31 947**	**19 977**

15. Financial revenues and expenses

15.1. Financial revenues

Description	**01.01.-31.12.2023**	**01.01.-31.12.2022**
Interests	5 112	809
Profit from sale of financial assets	20	0
Dividends	0	0
Reversal of write-offs	0	0
Other financial revenues	8 424	4 297
including deposit discount on construction contracts	*8 424*	*0*
Surplus of positive exchange differences over the negative ones	4 248	4 122
Pricing of financial instruments at fair value	17 481	4 369
Financial revenues	**35 285**	**13 597**

15.2. Financial expenses

Description	**01.01.-31.12.2023**	**01.01.-31.12.2022**
Other financial costs	1 921	8 651
Interests	22 747	25 728
Write-offs	0	0
Loss from sale of financial assets	22	0

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 77

Surplus of negative exchange differences over the positive ones	8 717	1 136
Pricing of financial instruments at fair value	858	245
Financial expenses	**34 264**	**35 760**

16. Income tax

16.1. Income tax

Description	01.01.-31.12.2023	01.01.-31.12.2022
Current income tax	36 873	34 970
Deferred income tax	-10 342	-15 992
Income tax	**26 531**	**18 978**

16.2. Effective taxation rate

Description	01.01.-31.12.2023	01.01.-31.12.2022
Current income tax for previous periods included in financial result	319	-28
Profit (loss) before tax	**116 897**	**90 838**
Probable income tax	**22 210**	**16 179**
Fees for PFRON	111	16
Dividends	0	0
Representation costs	110	284
Costs of penalties and mandates	904	407
Other costs	3 880	1 254
Reconciliation of differences that permanently do not constitute tax deductible costs	**5 004**	**1 961**
Income tax not included in the asset and reserve for deferred income tax	**- 903**	**-5 330**
Deduction of income	**-99**	**6 196**
Income tax recognized in financial result	**26 531**	**18 978**

17. Deferred income tax

17.1. Deferred income tax

Description	01.01.-31.12.2023	01.01.-31.12.2022
Assets and provisions due to deferred income tax per balance at the beginning of the period	4 576	14 219
Other comprehensive income (+/-)	2 507	1 787
Accounting for a business combination	0	0
Financial result (+/-)	-10 342	-15 992

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN)

Other (including net exchange differences on translation)	-73	4 562
Assets and provisions due to deferred income tax per balance at the end of the period	-3 332	4 576
Assets due to deferred income tax	35 183	24 055
Provision due to deferred income tax	31 851	28 631

17.2. 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	237	-138	0	0	100	198
Assets write-offs	2 827	371	0	0	0	3 199
Other titles as a basis for establishment of assets for deferred income tax	4 390	2 072	16	0	-100	6 378
Provisions for employee benefits	1 163	81	0	0	0	1 244
Other provisions	15 437	8 683	0	0	43	24 163
Other liabilities	0	0	0	0	0	0
Deferred income tax assets	**24 055**	**11 070**	**16**	**0**	**43**	**35 183**

17.3 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	10	-10	0	0	0	0
Assets write-offs	2 648	422	0	0	0	3 070
Other titles as a basis for establishment of assets for deferred income tax	4 930	-371	-518	0	0	4 041
Provisions for employee benefits	683	454	0	0	0	1 136
Other provisions	14 704	1 102	0	0	0	15 807
Other liabilities	0	0	0	0	0	0
Deferred income tax assets	**22 974**	**1 598**	**-518**	**0**	**0**	**24 055**

17.4. 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
Deferred tax from pricing of investment property	6 076	-13	0	0	0	6 063
Depreciation of fixed assets	4 294	1 578	0	0	127	5 999
Inventories	0	0	0	0	0	0
Trade receivables	121	-251	0	0	641	511
Construction contracts	0	0	0	0	0	0

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 79

Other titles as a basis for establishment of assets for deferred income tax	2 803	-5 854	0	-59	2 585	-525
Liabilities due to employee benefits	1 042	0	0	0	0	1 042
Provisions for employee benefits	83	0	0	0	0	83
Other provisions	11 548	0	0	0	0	11 548
Pricing of liabilities in revised purchase price	680	1 816	0	0	0	2 496
Overestimation of financial assets (positive differences)	1 984	2 650	0	0	0	4 634
Deferred income tax provision	**28 631**	**-74**	**0**	**-59**	**3 353**	**31 851**

17.5. Deferred income tax provisions in previous reporting period

Description	Balance at the beginning of period	Financial result	Other comprehensive income	settlement of the connection	other changes	Total
Deferred tax from pricing of investment property	5 842	235	0	0	0	6 076
Depreciation of fixed assets	1 237	-502	0	3 559	0	4 294
Inventories	0	0	0	0	0	0
Trade receivables	245	-124	0	0	0	121
Construction contracts	6 923	-8 502	0	0	1 579	0
Other titles as a basis for establishment of assets for deferred income tax	9 695	-10 849	0	0	3 957	2 803
Liabilities due to employee benefits	1 042	0	0	0	0	1 042
Provisions for employee benefits	83	0	0	0	0	83
Other provisions	11 548	0	0	0	0	11 548
Pricing of liabilities in revised purchase price	496	184	0	0	0	680
Overestimation of financial assets (positive differences)	**374**	**-26**	**1 636**	**0**	**0**	**1 984**
Deferred income tax provision	**37 483**	**-19 584**	**1 636**	**3 559**	**5 536**	**28 631**

18. Financial instruments

18.1. Financial instruments – assets

Description	31.12.2023	31.12.2022
Financial assets evaluated at fair value through financial result	0	0
Financial assets evaluated at fair value through other comprehensive income	0	0
Hedging financial instruments	23 128	13 606
Financial assets excluded from the scope of IFRS 9 classification	5 746	40
Financial assets evaluated in depreciated cost	**744 091**	**669 798**
Cash and cash equivalents	292 817	229 458
Trade and other receivables	446 492	431 515
Loans and receivables	0	4 544

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 80

Other financial assets	4 782	4 281
Financial assets	**772 965**	**683 445**

18.2. Financial instruments – liabilities

Description	31.12.2023	31.12.2022
Financial liabilities evaluated at fair value through financial result	0	0
Financial liabilities evaluated at fair value through other comprehensive income	0	0
Hedging financial instruments	1 112	0
excluded from the scope of IFRS 9 classification	31 071	26 249
Lease	31 071	26 249
Financial liabilities evaluated at depreciated cost	**644 324**	**581 605**
Bonds	230 019	212 631
Loans	87 192	93 687
Borrowing received	0	2 048
Trade and other liabilities	327 113	273 239
Other financial liabilities	0	0
Financial liabilities	**676 507**	**607 854**

19. Risks of financial instruments

19.1. Exposure to FX risk in reporting period

Description	PLN	EUR	Other	Total
Stocks and shares	5 746	0	0	5 746
Borrowings granted	0	0	0	0
Trade receivables and other receivables	295 226	151 204	62	446 492
Other financial assets	4 782	0	0	4 782
Cash and cash equivalents	227 182	65 633	2	292 817
Derivative financial instruments	23 128	0	0	23 128
Financial assets (+):	**556 064**	**216 837**	**64**	**772 965**
Loans, borrowings, and other debt instruments	242 199	75 012	0	317 211
Financial lease	25 752	4 205	0	29 957
Trade liabilities and other liabilities	314 292	13 911	24	328 227
Derivative financial instruments	1 112	0	0	1 112
Other financial liabilities	0	0	0	0
Financial liabilities (-):	**583 353**	**93 129**	**24**	**676 507**

If, as of December 31, 2023, the EUR exchange rate had been 3% higher or lower, financial assets would have been PLN 6,505 thousand higher or lower, and financial liabilities would have been PLN 2,794 thousand higher or lower, because of foreign exchange losses or gains arising from the translation of receivables, loans granted, cash held in bank accounts and trade payables. To mitigate the risk of exchange rate fluctuations, foreign currency settlements related to export sales and import purchases.

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 81

19.2. Exposure to FX risk in previous reporting period

Description	PLN	EUR	Other	Total
Stocks and shares	40	0	0	40
Borrowings granted	4 544	0	0	4 544
Trade receivables and other receivables	195 802	235 713	0	431 515
Other financial assets	4 281	0	0	4 281
Cash and cash equivalents	153 898	75 555	5	229 458
Derivative financial instruments	13 606	0	0	13 606
Financial assets (+):	**372 172**	**311 268**	**5**	**683 445**
Loans, borrowings, and other debt instruments	243 365	65 001	0	308 366
Financial lease	21 966	4 283	0	26 249
Trade liabilities and other liabilities	446 658	19 035	46	465 739
Derivative financial instruments	0	0	0	0
Other financial liabilities	0	0	0	0
Financial liabilities (-):	**711 990**	**88 318**	**46**	**800 354**

19.3. Exposure to interest rate risk in reporting period

Description	Variable interest rate	Fixed interest rate	Total
Long-term financial liabilities (evaluated in APP)	190 878	34 921	225 799
Short-term financial liabilities (evaluated in APP)	118 243	4 293	122 535
Loans and own receivables (evaluated in APP)	0	0	0

An increase in the variable base rate by 0.5 p.p., would result in an increase in finance costs of approximately PLN 1,5456 thousand, if the balance of liabilities based on the variable interest rate would remain unchanged throughout the financial year.

19.4. Exposure to interest rate risk in previous reporting period

Description	Variable interest rate	Fixed interest rate	Total
Long-term financial liabilities (evaluated in APP)	161 666	42 945	204 611
Short-term financial liabilities (evaluated in APP)	127 005	2 998	130 004
Loans and own receivables (evaluated in APP)	-12 712	17 256	4 544

19.5. Result of implementation of accounting policy

The Company applied hedge accounting in the reporting period. As a result of measuring the effectiveness of the hedge, an effective portion of PLN 20,700 thousand gross was recognized, presented in the revaluation reserve at a net value of PLN 17,390 thousand..

	31.12.2023	31.12.2022
Equity	577 863	479 325

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 82

Share capital	8 363	8 363
Capital from sales of shares over its nominal value	26 309	26 309
Other reserves from valuation /derivative instruments/	17 390	7 577
Own shares (-)	0	0
FX exchanges from conversion	-5	-5
Non-controlling shares	19 958	18 924
Reserves	0	0
Retained earnings:	**505 843**	**418 157**

20. Operating segments

20.1. Revenues, result and other in reporting period

Description	General contracting	Property development	Production of accessories for construction machines	Other	Total
Sales revenues in total	1 072 839	320 495	139 552	35 943	1 568 829
Operating expenses in total	990 061	249 276	136 590	65 122	1 441 049
Other operating revenues		0	0	20 044	20 044
Other operating expenses		0	0	31 947	31 947
Operating result	82 778	71 218	2 962	-41 082	115 877
Financial revenues		0	0	35 285	35 285
Financial expenses		0	0	34 264	34 264
Income tax		0	0	26 531	26 531
Net result	**82 778**	**71 218**	**2 962**	**-66 592**	**90 366**

20.2. Revenues, result and other in previous reporting period

Description	General contracting	Property development	Production of accessories for construction machines	Other	Total
Sales revenues in total	1 001 546	183 802	157 404	44 096	1 386 848
Operating expenses in total	929 930	142 978	147 635	45 895	1 266 438
Other operating revenues	0	0	0	19 616	19 616
Other operating expenses	0	0	0	19 977	19 977
Operating result	71 616	40 824	9 769	-2 160	120 049
Financial revenues	0	0	0	13 597	13 597
Financial expenses	0	0	0	35 760	35 760
Income tax	0	0	0	18 978	18 978
Net result	**71 616**	**40 824**	**9 769**	**-43 301**	**78 908**

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN)

The Group does not present the total assets and total liabilities for each reporting segment because these amounts are not regularly provided to the Management Board.

The revenue from sales transactions with one external customer (Customer 1) represents approximately 18% of the total group revenue. This revenue does not refer to the general contracting segment.

20.3. Geographical structure

Description	31.12.2023	31.12.2022
Poland	1 483 275	1 129 528
European Union	56 942	219 217
Other countries	28 612	38 103
Sales revenues	**1 568 829**	**1 386 848**
Poland	1 527 342	1 383 473
European Union	9 429	8 058
Other countries	6 027	6 677
Assets	**1 542 797**	**1 398 208**

21. Construction services

21.1. Agreements for construction services

Description	31.12.2023	31.12.2022
Revenues from construction contracts recognized in the period	1 072 839	1 001 546
The costs of construction contracts incurred during the period	990 061	929 930
Costs due to loss provisions	0	0
Result set in agreements on construction services in a period	82 778	71 616
Bail stopped by contractors	37 210	57 353
Advances received for construction contracts	12 999	40 679
Receivables from construction contracts	17 918	14 770
Liabilities due to construction contracts	41 690	27 565

Construction contracts are financially settled with investors in the following manner:

- during the progress of work - partially in accordance with the work progress, based on settlement documents confirming the completion of specific tasks and other contractual obligations, including interim payment certificates, partial acceptance protocols - partial invoice, and
- after the completion of work - based on final documents such as final acceptance protocols, confirming the completion of the works and fulfillment of contractual obligations required for final settlement - final invoice.

Payment terms for construction services provided by the Company are usually set for 30 days, with the exception that for some contracts, the Company receives financing in the form of advance payments before commencing the work, which are settled progressively through partial invoices and a final invoice.

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 84

Deposits retained by counterparties	01.01.-31.12.2023	01.01.-31.12.2022
Retained by recipients - to be returned after 12 months	7 820	16 262
Retained by recipients - to be returned within 12 months	29 390	46 084
Total deposits retained by counterparties	37 210	62 346

Deposits received from counterparties	01.01.-31.12.2023	01.01.-31.12.2022
Retained with suppliers - to be returned after 12 months	40 032	42 710
Retained with suppliers - to be returned within 12 months	43 367	24 070
Total deposits retained by counterparties	83 399	66 780

Deposits from construction contracts with a payment period of more than one year during the reporting period were discounted and are shown in the statement of financial position at present value.

The following table shows the effects of discounting recognized in the balance sheet and income statement:

	01.01.-31.12.2023
Discount on deposits retained by recipients - to be returned after 12 months	1 637
Discount on deposits withheld from suppliers - to be returned after 12 months	-10 061
Discount recognized in the income statement - other financial income	8 424

The interest rate used to discount the long-term deposits was 7.82%.

Active contracts cumulatively until the balance sheet date

Assets under construction contracts	01.01.-31.12.2023	01.01.-31.12.2022
Balance at the beginning of the period	78 252	81 447
Loss of value	0	0
Valuation adjustments	0	0
Transfer to receivables (invoicing)	-60 334	-81 447
Valuation at the end of the period	17 918	14 770
Balance at the end of the period	17 918	14 770

Liabilities under construction contracts	01.01.-31.12.2023	01.01.-31.12.2022
Balance at the beginning of the period	91 047	0
Valuation adjustments	0	0
Transfer to revenues (execution)	-91 047	0
Valuation at the end of the period	41 690	27 565
Balance at the end of the period	41 690	27 565

Other liabilities due to contracts with clients	01.01.-31.12.2023	01.01.-31.12.2022
Balance at the beginning of the period	173 892	111 443
Advances paid	258 653	387 421
Transfer to revenues (execution)	-362 886	-324 971
Valuation at the end of the period	0	0
Balance at the end of the period	69 659	173 892

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 85

Total transaction price allocated to benefits that were not met	01.01.-31.12.2023	01.01.-31.12.2022
Other	0	0
Sale of premises	174 690	192 363
Construction contracts	543 239	662 998

The company estimates that all contracts concluded in 2023 will be settled no later than in the years 2024-20256.

22. Transactions with affiliates

22.1. Personal ties

Personal ties with other companies, in which Mr. Mariusz Tuchlin (serving as the President of Management Board of the Issuer and the main shareholder) holds a significant share, as of the date of publication of this report:

Company's name	KRS	Nature of tie	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, except for 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 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, except for 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, except for financial holdings

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 86

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, except for financial holdings
CAM Pszenna Sp. z o.o.	0001004553	- 99,6 % shares and votes belong to Grano Group Sp. z o.o.	The company operates in the hotel industry
HLM	0000750704	100% of shares and votes belong to Grano Group Sp. z o.o.	The company operates as central companies and holding companies, except for financial holdings
OMT Nieruchomości Sp. z o.o. 1 sp. k.	0000850379	Mariusz Tuchlin is the limited partner with contribution of PLN 5,000; OMT Nieruchomości Sp. z o.o. is the general partner with contribution of PLN 200; share of profits: general partner OMT 1%, limited partner Mariusz Tuchlin 99%	The company is engaged in the management of real estates performed on behalf of hotels and similar accommodation objects, restaurants, and other catering establishments

22.2. Benefits for managerial staff

Description	31.12.2023	31.12.2022
Short-term employee benefits	609	1 090
Benefits from termination of work agreements	0	0
Payments in form of own shares	0	0
Other benefits	15	23
Benefits for managerial staff	**624**	**1 113**

22.3. Transactions and balances with affiliates in reporting period

Description	Consolidated	Subsidiary not consolidated	Associated and interdependent	Other affiliated	Total
Net purchases (without VAT)	0	0	0	3 777	3 777
Revenue from interest	0	0	0	0	0
Net sales (without VAT)	0	0	0	8 322	8 322
Cost of interest	0	0	0	0	0
Loans received	0	0	0	0	0
Loans granted	0	0	0	0	0
Short-term receivables	0	0	0	4 957	4 957
Long-term receivables	0	0	0	0	5 446
Short-term liabilities	0	0	0	725	725
Long-term liabilities	0	0	0	0	0
Dividends granted	0	0	0	0	0
Dividends paid	0	0	0	0	0

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 87

Revenue from sureties	0	0	0	0	0
Costs of sureties	0	0	0	0	0

22.4. Transactions and balances with affiliates in previous reporting period

Description	Consolidated	Subsidiary not consolidated	Associated and interdependent	Other affiliated	Total
Net purchases (without VAT)	0	0	0	3	3
Revenue from interest	0	0	0	328	328
Net sales (without VAT)	0	0	0	1 185	1 185
Cost of interest	0	0	0	815	815
Loans received	0	0	0	2 048	2 048
Loans granted	0	0	0	4 544	4 544
Short-term receivables	0	0	0	117	117
Long-term receivables	0	0	0	0	0
Short-term liabilities	0	0	0	649	649
Long-term liabilities	0	0	0	0	0
Dividends granted	0	0	0	0	0
Dividends paid	0	0	0	0	0
Revenue from sureties	0	0	0	0	0
Costs of sureties	0	0	0	0	0

23. Other information

23.1. Average number of FTE's

Description	31.12.2023	31.12.2022
White-collar employees	478	459
Blue-collar employees	401	480
Average number of FTE's	**879**	**938**

The issuer also informs that as of December 31, 2023, the total employment level in Dekpol S.A. and its directly and indirectly subsidiary companies amounted to:

- Dekpol S.A. – 111 persons
- Dekpol Budownictwo Sp. z o.o. – 377 persons,
- Dekpol Deweloper Sp. z o.o. 71 persons,
- Dekpol Steel Sp. z o.o. – 189 persons,
- Intek Sp. z o.o. – 153 persons,
- Betpref Sp. z o.o. – 122 persons,
- Kombet Działdowo Sp. z o.o. - 93 persons.

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 88

23.2. Auditor's remuneration

Description	31.12.2023	31.12.2022
Audit of annual financial statements	503	546
Review of financial statements	155	42
Tax advisory	0	0
Other services	0	0
Auditor's remuneration in total	**659**	**588**

The auditor's remuneration comprises the remuneration of auditor of the Dekpol Group, i.e. the company UHY ECA Audyt Sp. z o.o. and the auditor of the Dekpol Deweloper Group, i.e. HLB M2 AUDIT PIE Sp. z o.o, based in Warsaw.

24. Disclosure of climate issues

Climate risk is becoming an increasingly significant factor, especially in construction activities but also in manufacturing operations. It is important to consider both the impact of this risk on these business segments and the impact of construction and manufacturing activities on climate change. Sudden and severe changes in climatic conditions require in-depth analysis at the investment design stage, particularly regarding materials that can be used in a given location and additional protective elements. Therefore, entities within the Dekpol Group constantly seek new, eco-friendly solutions to offer clients and investors. Simultaneously, we are changing and modernizing our own machinery and vehicle fleet to newer, lower-emission models. We are gradually transitioning to energy purchase agreements with suppliers that produce 100% renewable energy. We are considering the construction of a photovoltaic farm to power the entire Group. We also pay attention to the important concept of a circular economy: we strive to minimize waste and ensure its preparation for reuse through proper segregation and selecting responsible companies for its collection and management. We use materials with EPD certification. We strive to minimize water usage on construction sites. We also ensure the care for biodiversity.

All actions taken by the entire Dekpol Group to counteract climate change are detailed in the non-financial report.

The Dekpol Group enters into energy purchase agreements for the various segments of its operations:

- Production plants,
- Construction and development investments.

Production plants

For the needs of the Dekpol Group's production plants, fixed-term contracts are concluded with energy suppliers. At the end of 2022, most facilities entered into agreements with Axpo Polska Sp. z o.o., an entity holding a certificate confirming that 100% of the energy supplied to our facilities is covered by guarantees of origin or other certificates confirming the production of energy from renewable sources and certifying inclusion among conscious and responsible energy consumers.

Starting in 2023, the above-mentioned renewable energy purchase agreements were concluded by Dekpol Steel Sp. z o.o. and Betpref Sp. z o.o. Other entities have already entered into such agreements—Intek Sp. z o.o. starting from 2025, Kombet Działdowo Sp. z o.o. starting from 2024.

As of December 31, 2023, contracts have been concluded with all production companies for a term ending in 2028. In 2024, contracts for the year 2029 are in the process of being concluded.

The terms of the contracts include guaranteed fixed prices for each year of their duration. These prices are negotiated with each new contract. Although the contracts specify an annual energy consumption forecast for a given facility, there are no provisions for penalties for exceeding or underutilizing this forecast. The contracts stipulate penalties from the seller only in the event of termination before the end of the contract term.

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 89

In addition to the contracts concluded with the energy seller, Dekpol Group's production companies have distribution agreements with Energa-Operator S.A. The prices of fees charged under these agreements are regulated by the Energy Regulatory Office (URE).

Construction and development investments

Dekpol Budownictwo Sp. z o.o. and Dekpol Deweloper Sp. z o.o. are engaged in general contracting and property development activities, respectively.

Energy purchase agreements for real-estate development projects of Dekpol Deweloper Sp. z o.o. are concluded under Dekpol Budownictwo Sp. z o.o., which acts as the general contractor for these projects until their completion. These contracts are fixed term, usually for the expected duration of construction, with the possibility of early termination (usually with one month's notice). Similar to the production facilities, energy sales agreements are made with Axpo Polska Sp. z o.o. whenever possible (out of 13 energy purchase agreements in effect in 2023, 10 were with Axpo Polska Sp. z o.o.). Concurrently, distribution agreements are made with Energa – Operator S.A., Energa – Obrót S.A., Tauron Polska Energia S.A., and Stoen Operator Sp. z o.o.

The energy purchase agreements with Axpo Polska Sp. z o.o. include an annual consumption forecast but do not impose penalties for exceeding or underutilizing this forecast. Penalties from the seller are only applied in the event of contract termination before the end of the term or without the agreed notice period. The pricing conditions of these agreements are based on the Day-Ahead Market prices of the Polish Power Exchange (TGE), meaning they are variable.

The remaining three energy purchase agreements with Energa – Obrót S.A. include a commitment to purchase specific amounts of energy annually and impose penalties for underutilizing these amounts, as well as for contract termination before the end of the term or without the agreed notice period. However, so far, we have not been charged any penalties—in such cases, contract terms are usually negotiated, and the terminated contract is replaced with a new one for a new project. The energy purchase prices are fixed according to the agreed price list.

For other construction projects carried out by Dekpol Budownictwo Sp. z o.o. for external, unrelated investors, most energy purchase agreements are made by the investors themselves, who then invoice the general contractor for the costs. Dekpol Budownictwo Sp. z o.o. therefore has no influence over the terms of these agreements or the choice of energy supplier. For the remaining projects, contracts are made under the same conditions as for development projects. The following table presents the ratio of energy purchase agreements concluded by Dekpol Budownictwo Sp. z o.o. and external investors:

Type of contract	Number of projects	Total energy invoices	Ratio
contract concluded by an external investor	27	1 512	65,2%
contract concluded by Dekpol Budownictwo	9	808	34,8%
Total	**36**	**2 320**	**100,0%**

25. Events after balance sheet date

Conclusion of a letter of intent on general contracting of investments in Pomeranian Voivodeship

On January 8, 2024 (event after balance sheet date), Dekpol Budownictwo Sp. z o.o. signed a letter of intent with a third party (Ordering Party) confirming mutual interest in conclusion of a general contractor agreement for construction of a building comprising warehouse, production, technical, and office-social premises, in the Pomeranian Voivodeship. In the event of conclusion of a general contracting agreement, the completion date of the investment was specified in the letter of intent as the first quarter of 2025. The remuneration for the work was determined in the letter of intent as the net equivalent of approximately 5% of the Dekpol Capital Group's sales revenues for the year 2023. The letter of intent does not constitute a contract and is not binding. The parties are acting in good faith to conclude a general contracting agreement for the investment, defining final terms of its implementation by the end of May 2024. A condition for conclusion of the agreement is the acquisition by the Ordering Party or a party indicated by them of the land for the construction of the investment and obtaining a construction permit.

About signing of the letter of intent, the Company announced in current report no. 2/2024 dated January 8, 2024.

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN)

Conclusion of a construction contract for the implementation of an investment in Opolskie Voivodship

On March 11, 2024 (event after balance sheet date), Dekpol Budownictwo Sp. z o.o. (Contractor) entered into an agreement with a third party (Ordering Party) for the execution of construction works related to the implementation of an investment comprising the construction of an industrial facility in the Opolskie Voivodeship. Under the agreement, the Contractor will carry out construction works and detailed design projects for the construction of a production-warehouse facility with office-social facilities, site development, and technical infrastructure. The lump sum net remuneration for the Contractor for the implementation of the subject matter of the agreement amounts to the equivalent of approximately 8% of the sales revenues of the Dekpol Capital Group for the year 2023. The Ordering Party has the right to exclude certain works from the implementation, as well as to entrust the Contractor with the execution of additional works. The investment will be completed by the end of the first half of 2025.

The agreement includes provisions regarding contractual penalties, including in the event of delays attributable to the Contractor in the execution of the entire or key stages of the Investment, delays in rectifying defects, and the Ordering Party’s withdrawal from the Agreement for reasons attributable to the Contractor. The total amount of contractual penalties may not exceed 12% of the value of the remuneration. The Ordering Party is entitled to claim supplementary damages exceeding the amount of contractual penalties, up to the actual amount of damage incurred, as well as for lost profits resulting from the Contractor's failure to meet the investment deadlines due to its fault.

The agreement was concluded because of the signing by the parties on March 4, 2024 (event after balance sheet date) of a letter of intent. The letter of intent confirmed the parties' willingness to conclude the agreement, with the condition that the conclusion of the agreement was subject to prior approval by the management board of the Ordering Party’s controlling entity.

About signing of the letter of intent and then the conclusion of the agreement, the Company announced in current reports no. 8/2024 dated March 5, 2024, and no. 9/2024 dated March 11, 2024.

Arrangement of key terms and conditions of the contract for the construction of a and production hall in the Pomeranian Voivodeship

On March 12, 2024 (event after balance sheet date), Dekpol Budownictwo Sp. z o.o. agreed with a third party (Ordering Party) on key terms of the contract to act as the general contractor for construction works, including construction of a warehouse-production hall with social-office facilities and accompanying infrastructure in the Pomeranian Voivodeship.

The investment will be carried out in two stages. Completion of the first part of the hall is scheduled for the third quarter of 2024, while the completion of the second part of the hall is optional, and confirmation of its implementation is expected by the end of June of this year. The net remuneration for the execution of the investment has been set at approximately 5% of the revenue from sales of the Issuer's Capital Group for 2023, with the second stage accounting for approximately 56% of the contract value (converted at the euro exchange rate on March 12, 2024).

The parties agreed that Dekpol Budownictwo Sp. z o.o. will commence the investment based on the above agreements and the protocol of handing over the construction site signed on March 12, 2024. As of the publication date of this report, negotiations are ongoing between the parties regarding the final content of the construction works contract.

About arrangement of key contract terms, the Company announced in current report no. 10/2024 dated March 12, 2024.

Conclusion of a construction contract for the implementation of a warehouse in Kujawsko-Pomorskie Voivodship

On March 28, 2024 (event after balance sheet date), Dekpol Budownictwo Sp. z o.o. (the Contractor) entered into an agreement with a third party (Ordering Party) to act as the general contractor for construction works involving construction of a warehouse building with social-office facilities, along with land development and necessary infrastructure, in the Kujawsko-Pomorskie Voivodeship.

The subject of the Agreement includes comprehensive execution of the investment, including construction and assembly works, detailed designs, all necessary documentation, and obtaining use permit for the investment. The net lump-sum remuneration for the Contractor for the execution of the investment amounts to approximately 10% of revenues from sales of the Dekpol Capital

Group for the year 2023. The Ordering Party has the right to exclude certain works from the execution, as well as to assign additional works to the Contractor. The investment will be completed in the fourth quarter of 2024.

The Agreement contains provisions regarding contractual penalties, including in the event of delays attributable to the Contractor in the execution of the Investment or its stages, as well as in the rectification of defects or faults. In the event of termination or withdrawal from the Agreement by the Ordering Party due to reasons attributable to the Contractor, the contractual penalty amounts to the equivalent of 10% of the lump-sum remuneration. The total amount of contractual penalties due to each party from all titles may not exceed 10% of the contractual remuneration. The Ordering Party is entitled to claim damages exceeding the amount of contractual penalties.

The Agreement was concluded because of signing of a letter of intent by the parties on March 22, 2024 (event after balance sheet date). The letter of intent confirmed the parties' intention to enter into agreement and contained the basic terms of investment's implementation, which were agreed upon by the parties during the negotiations.

About signing of the letter of intent, and subsequently on the conclusion of the Agreement, the Company announced in current reports no. 12/2024 dated March 22, 2024, and no. 13/2024 dated March 28, 2024.

Information about sales of apartments in the first quarter of 2024

Preliminary information regarding the activities of the Dekpol Capital Group in the property development segment in the first quarter of 2024 (period after balance sheet date):

- number of sold units: 115 units compared to 93 units sold in the first quarter of 2023 (based on signed reservation, real-estate development, and preliminary agreements),
- the number of units to be recognized in the financial results of the Group: 104 units compared to 108 units recognized in the first quarter of 2023.

As of March 31, 2024, the total number of units offered for sale by the Group amounted 625 apartments.

In the first quarter of 2024, the Group primarily conducted sales in the following developments:

- Grano Marina Hotel - a building with a total of 130 service premises, located in Wiślinka near Sobieszewska Island, part of the "Sol Marina stage I investment”,
- Sol Marina stage II - a complex of 15 apartment buildings with a total of 127 commercial premises, located in Wiślinka near Sobieszewska Island,
- Sol Marina stage III - a complex of 16 apartment buildings with a total of 140 commercial premises, located in Wiślinka near Sobieszewska Island,
- Baltic Line - apartment building with a total of 60 commercial premises, located on the Sobieszewska Island,
- Baltic Porto - apartment building with a total of 72 service premises, located on the Sobieszewska Island,
- Osiedle Pastelowe, stage IIb- 2 residential buildings with a total of 125 residential premises, located in Gdańsk,
- Osiedle Pastelowe stage III - 1 residential building with a total of 78 residential premises, located in Gdańsk,
- Neo Jasień stage I - 2 residential buildings with a total of 104 residential premises, located in Gdańsk,
- Neo Jasień stage II- 2 residential buildings with a total of 98 residential premises, located in Gdańsk,
- Trimare stage I - 9 residential buildings with a total of 189 residential premises, located in Sztutowo,
- Osiedle Kociewskie stage III - 3 residential buildings with a total of 141 residential premises, located in Rokitki near Tczew,
- Granaria - 1 apartment building with a total of 126 apartment units located on Granary Island in Gdańsk,
- Pino Resort stage I – 2 apartment buildings with a total of 61 commercial premises, located on the Sobieszewska Island.

In the first quarter of 2024, final use permits were issued for two residential, multi-family buildings comprising 125 apartments included in the "Osiedle Pastelowe Stage IIB" project in Gdansk (as of March 31, 2024, approximately 94% of the apartments had been sold).

About results of sales of apartments in the first quarter of 2024. the Company announced in current report no. 14/2024 dated April 11, 2024.

Reception of use permit for the second stage of the investment "Osiedle Pastelowe"

On February 19 (event after balance sheet date) Dekpol Inwestycje Sp. z o.o. Pastelowa Sp. k. received the use permit issued by the Powiatowy Inspektor Nadzoru Budowlanego in the Poviat-City of Gdańsk for the use of two buildings under construction as a part of the Osiedle Pastelowe Stage II located in Gdańsk at Pastelowa Street.

Contract of mandate for the provision of insurance guarantees with Powszechny Zakład Ubezpieczeń S.A.

In February 2024 (event after balance sheet date), Dekpol S.A. entered into a contract with Powszechny Zakład Ubezpieczeń S.A. for the periodic provision of contractual insurance guarantees. According to the concluded agreement, the provided limit amounts PLN 40 million. Within the provided limit, the Issuer and its subsidiary, Dekpol Budownictwo, may issue insurance guarantees for payment of earnest money, guarantees for proper performance of the contract, guarantees for proper rectification of defects and deficiencies, as well as guarantees for refund of advances. The contract is valid until February 2025.

Insurance guarantee agreement with Tokio Marine Europe S.A.

In April 2024 (event after balance sheet date), Dekpol S.A. entered into a contract with Tokio Marine Europe S.A. for the provision of insurance guarantees. According to the concluded agreement, the provided limit amounts PLN 45 million. Within the provided limit, Dekpol S.A. and Dekpol Budownictwo Sp. z o.o. may issue insurance guarantees for payment of earnest money, guarantees for proper performance of the contract, guarantees for proper rectification of defects and deficiencies, as well as guarantees for refund of advances, and other types of guarantees accepted by the guarantor. The limit is renewable, and the duration of the contract is indefinite.

Conclusion of the promised agreement for the transfer of rights to a real estate in Wrocław

On April 12, 2024 (event after balance sheet date), Dekpol Inwestycje sp. z o.o. Braniborska sp.k (the Seller) entered into a promised sale agreement with an institutional investor (the Buyer), whereby the Seller sold and the Buyer purchased a property located in Wrocław at Braniborska Street, along with a completed investment, for which the parties signed a final acceptance protocol. The property comprises a multi-level residential building with a total area of approximately 18,000 square meters, including accompanying infrastructure, for a net total price equivalent to approximately 11% of the revenues from sales of the Dekpol Capital Group for the year 2023. According to the preliminary agreement, over 90% of the price was paid by the Buyer in the form of advances before the conclusion of the promised agreement. The preliminary agreement for the implementation and sale of the residential project in Wrocław was concluded in 2021. The implementation of the aforementioned project has been completed.

About conclusion of the preliminary agreement, the Company announced in current report no. 11/2021 dated March 9, 2021, while conclusion of the promised agreement was announced in current report no. 15/2024 dated April 12, 2024.

Commencement of real-estate development project in Warsaw at Prądzyńskiego Street

On April 19, 2024 (event after balance sheet date), Dekpol Inwestycje sp. z o.o. WBH sp.k. commenced implementation of a property development project located at Prądzyńskiego Street in Warsaw.

The investment involves construction of a residential building with services on the ground floor, along with necessary accompanying infrastructure. The project includes construction of 369 apartment units with a total usable area of approximately 11,500 square meters, as well as 6 service units with a total usable area of approximately 730 square meters. The estimated value of expected revenues from the implementation of the investment is equivalent to approximately 15% of revenues from sales of the Dekpol Capital Group for the year 2023. The handover of the first units and the completion of the entire investment will be finalized in the fourth quarter of 2025. Dekpol Budownictwo Sp. z o.o. is the general contractor for the investment and based on the protocol of handover of the construction site signed on April 19, 2024, it has commenced the implementation of the investment.

About the acquisition of the perpetual usufruct right to the aforementioned property, the Issuer announced in current report no. 16/2018 dated March 20, 2018, while obtaining construction permit was announced in current report no. 30/2019 dated October 9, 2019, with subsequent modifications aimed at adapting to changing market conditions and planned activities of the Issuer. The current construction permit allows for the implementation of the investment with parameters mentioned above.

About commencement of the investment implementation, the Company announced in current report no. 16/2024 dated April 19, 2024.

Annex to guarantee line agreement with Zurich Insurance plc

On April 22, 2024 (event after balance sheet date), a mutually signed annex to the guarantee line agreement concluded in December 2020 by Dekpol S.A. and Dekpol Budownictwo Sp. z o.o. with Zurich Insurance plc Niederlassung für Deutschland based in Frankfurt am Main was received by Dekpol S.A. Under the annex, the amount of the guaranteed limit provided under the agreement was increased to EUR 12.5 million (previously EUR 8.25 million). According to the agreement, within the renewable guarantee line, tender guarantees, advance payment guarantees, guarantees for proper performance of the contract, guarantees for rectification of defects or deficiencies, as well as counter-guarantees and other accepted types of guarantees may be granted. Guarantees issued under the agreement are valid for a period not exceeding 72 months from the date of issuance. Claims related to the agreement are secured by blank promissory notes together with a promissory note declaration and a statement of submission to execution. The agreement specifies the obligations of the principal, including maintaining the economic and financial situation at a specified level. The agreement was concluded for an indefinite period with a thirty-day notice period.

About conclusion of the annex, the Company announced in current report no. 17/2024 dated April 22, 2024.

Factors and events, including unusual character, affecting business activities and financial statement

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

The armed conflict between Russia and Ukraine has a significant impact on the construction and manufacturing market in Poland. According to many specialists, the difficulties seem to be greater than the economic consequences caused by the COVID-19 pandemic. The situation in the east is very dynamic, and most companies are analyzing the potential impact on their operations in the near and distant future.

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

The war beyond the eastern border has significantly impacted the Polish economy. The economy has noticeably slowed down, and many supply chains have been disrupted. In the labor market, there has been a significant outflow of workers from Ukraine who have returned to their homeland. Among economic entities, there is increased uncertainty in decision-making. Although the economic situation has now stabilized to some extent, it should be noted that this is closely correlated with further course of Russia's invasion to Ukraine.

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

Impact related to an increase in interest rates

As a part of its business operations, the Group is exposed to interest rate risk. The positive market effect of low cost of capital (associated with low interest rates) observed in recent years has given way to higher interest rates. The cycle of increases announced by the Monetary Policy Council (RPP) raised the reference rate to 6.84% by the end of 2022, while changes introduced by the Monetary Policy Council (RPP) in 2023 led to a reduction in interest rates to 5.75% by the end of December 2023.

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

Additionally, reduction of the amount of money in the market translates into credit conditions for businesses, consequently necessitating thorough liquidity analysis. Therefore, the inability to take on new obligations will contribute to limiting investment activity since few businesses can finance significant investments and development expenses from their own funds. Banks are more stringent in assessing credit applications, which means that only companies prepared for difficult times will have the opportunity to carry out their investments.

26. Liabilities and conditional liabilities

26.1. Specification of liabilities and conditional assets

Description	31.12.2023	31.12.2022
Conditional liabilities towards affiliates - guarantees of satisfactory performance of contracts	0	0
Conditional liabilities towards affiliates – guarantees and sureties of repayment of financial liabilities	0	0
Other conditional liabilities towards affiliates	0	0
Conditional liabilities towards affiliates	0	0
Granted guarantees of satisfactory performance of contracts - insurance	225 351	157 848
Granted guarantees of satisfactory performance of contracts - banking	92 784	64 471
Granted guarantees and sureties of repayment of financial liabilities	126	126
Court litigations	0	0
Other conditional liabilities*	22 639	14 532
Conditional liabilities towards non-affiliates	318 261	236 976
Conditional liabilities	**318 261**	**236 976**
Received guarantees of satisfactory performance of contracts from affiliates	0	0
Received guarantees and sureties of repayment of liabilities from affiliates	0	0
Other conditional assets from affiliates	0	0
Conditional assets from affiliates	0	0
Received guarantees of satisfactory performance of contracts from non-affiliates - insurance	23 157	5 680
Received guarantees of satisfactory performance of contracts from non-affiliates - banking	15 417	6 715
Received guarantees and sureties of repayment of liabilities from non- affiliates	112 300	96 800
Conditional receivables - Court litigations	0	0
Other conditional assets from non-affiliates	0	0
Conditional assets from non-affiliates	150 874	109 195
Conditional assets	**150 874**	**109 195**

The Group also provides guarantees for the work performed. A significant portion of the responsibility in this regard lies with subcontractors.

Consolidated financial Statement of the Dekpol Capital Group for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 95

Tax proceedings with Dekpol S.A. after customs and treasury inspection

On June 16, 2023, Dekpol S.A. received the result of an inspection conducted based on Article 54(1)(1) and Article 82(1) and (2) of the Act of November 16, 2016, on the National Fiscal Administration, concerning the accuracy of declared tax bases and the correctness of calculating and paying corporate income tax for the year 2019. This inspection was carried out by Pomorski Urząd Celno-Skarbowy w Gdyni (the Authority) as a part of a customs and fiscal control conducted at the Company. In the letter, it was indicated that the difference between the corporate income tax calculated by the Authority for the year 2019 and the amount indicated by the Company in the CIT 8 declaration is PLN 22.8 million, including in particular the tax due to the acquisition of shares by Dekpol S.A. in exchange for a non-cash contribution in Dekpol Deweloper Sp. z o.o. in the amount of PLN 22.6 million*. According to the Authority, the contributed non-cash assets did not constitute an organized part of the enterprise (OPE) of Dekpol S.A.

The Company strongly disagrees with the assessment made. The method of interpretation of tax law provisions regarding the existing factual situation presented in the protocol lacks justification in the light of the provisions of the applicable law, as well as the case law of administrative courts concerning cases with a similar factual and legal situation. Furthermore, on December 27, 2018, the Company obtained an individual interpretation issued by Director of Krajowa Informacja Skarbowa regarding provisions of VAT tax in the same factual situation, which unambiguously indicates that the contributed non-cash assets constitute an OPE. Evidence of the segregation of a part of the enterprise arises both from the financial statements submitted and the information provided in current reports. The organizational separation of the development activity was clearly evident from the Company's structure, which had been indicating this for many years before the contribution was made, and the financial distinctiveness had been communicated publicly and to the tax authorities on multiple occasions.

On August 3, 2023, by the decision of the Chief of Pomorski Urząd Celno-Skarbowy w Gdyni, a tax proceeding involving the Company was initiated as a result of the audit mentioned above. The subject of the proceeding is to verify the accuracy of the declared tax bases and the correctness of the calculation and payment of corporate income tax (CIT) for the year 2019, in the context of the contribution-in-kind transaction by Dekpol S.A. and the acquisition of newly created shares in Dekpol Deweloper Sp. z o.o.

The Company still completely disagrees with the Authority's position regarding the failure of the assets contributed as an in-kind contribution to Dekpol Deweloper Sp. z o.o. to meet the criteria of an Organized Part of an Enterprise (ZCP). In the Company's view, all criteria ensuring the tax neutrality of the contribution-in-kind transaction have been met, particularly as the contributed assets constituted, from a financial, organizational, and functional perspective, an organized part of Dekpol S.A.'s enterprise. The Company presents additional arguments and evidence supporting its position in procedural documents submitted to the authority. At the same time, the Company questions the validity of reasons cited by the Authority in formulating the final conclusions because of the inspection.

About reception of information regarding inspection result, the Company announced in current report no. 17/2023 dated June 16, 2023. The audit result does not constitute a binding decision for either the Company or the Authority regarding the tax matter. Until binding decisions are obtained, the event remains without impact on financial position of the Group. The Company will continue to provide updates on proceeding in subsequent reports.

At the same time, it should be noted that the specificity of business activities conducted by the Dekpol Capital Group involves a multitude of proceedings related to the enforcement of claims arising from completed projects. There are cases where companies within the Dekpol Capital Group act as defendants – typically, this is associated with investments carried out as part of property development activities or general contracting. The Group's business activity also involves proceedings initiated by companies within the Dekpol Capital Group as plaintiffs.

Proceeding at UOKiK

In accordance with the decision of the President of the Office of Competition and Consumer Protection (UOKiK), antitrust proceedings have been initiated to impose a fine for carrying out a concentration, consisting of the establishment of a joint venture by Dekpol Deweloper Sp. z o.o. and Dekpol Inwestycje – Puck Sp. z o.o., without obtaining the consent of the President of UOKiK.

In this case, it is extremely important that the entrepreneurs themselves, as a result of the conducted checks, determined that the concentration carried out required the consent of the President of the Office of Competition and Consumer Protection (UOKiK) and reported it to the President of UOKiK. The potential penalty will be at a low level because:

- the entrepreneurs themselves reported to the President of UOKiK (voluntary disclosure),

- the markets in which the concentration took place are highly competitive markets and the entrepreneurs themselves have shares in them,
- concentration does not pose any threat to the state of concentration,
- authority's previous case law confirms that in similar cases the penalties imposed were at a low level.

27. Earnings per share

Description	01.01.-31.12.2023	01.01.-31.12.2022
Net profit (loss) attributable to shareholders of parent entity	99 150	88 671
Weighted average number of ordinary shares (in thousands)	8 363	8 363
Major earning per share (in PLN)	**11,86**	**10,60**
Net profit (loss) attributable to shareholders of parent entity	90 150	88 671
Weighted diluted average number of ordinary shares (in thousands)	8 363	8 363
Diluted learning per share (in PLN)	**11,86**	**10,60**
Net profit (loss) from continued operations attributable to shareholders of parent entity	11,86	10,60
Weighted average number of ordinary shares (in thousands)	8 363	8 363
Basic earnings per share from continuing operations (in PLN)	11,86	10,60
Net profit (loss) on continued operations attributable to equity holders of the parent entity	**90 150**	**88 671**
Weighted average diluted number of ordinary shares (in thousands)	**8 363**	**8 363**
Diluted earnings per share from continuing operations (in PLN)	**11,86**	**10,60**

Signatures of Members of the Management Board:

Mariusz Tuchlin
President of Management Board
Dekpol S.A.

Katarzyna Szymczak-Dampc
Vice-President of Management Board Dekpol S.A.

Signature of person responsible for bookkeeping:

Anna Miksza
Chief Accountant Officer
Dekpol S.A.

Dekpol Capital Group S.A.
ul. Gajowa 31, Pinczyn
+48 58 560 10 60
dekpol@dekpol.pl
dekpol.pl

NIP: 592-21-37-980
REGON: 220341682
KRS: 0000505979
BDO: 000002512