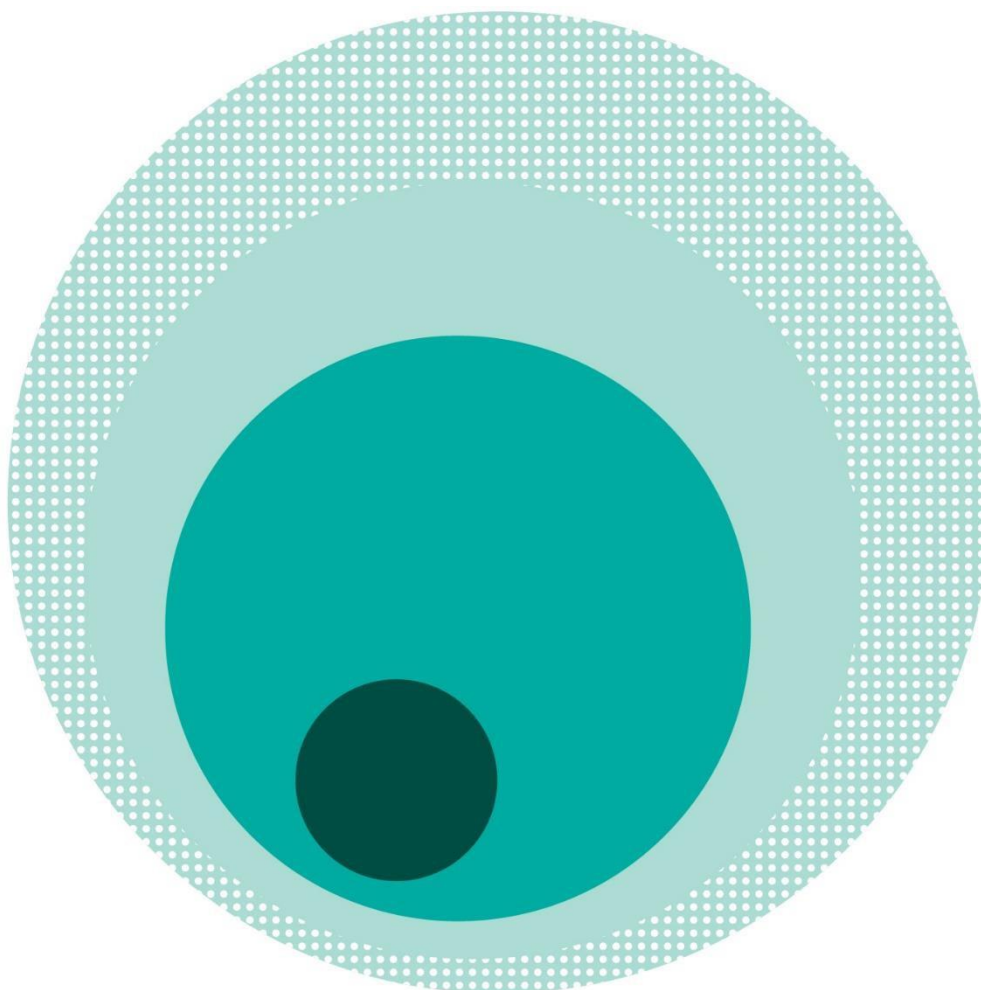


DEKPOL S.A.

REPORT OF THE STATUTORY AUDITOR
ON THE AUDIT OF THE ANNUAL SEPARATE
FINANCIAL STATEMENT
AS OF 31.12.2023

27.04.2024



REPORT OF THE INDEPENDENT STATUTORY AUDITOR

To the General Meeting of Shareholders and the Supervisory Board of Dekpol S.A.

Report from audit of the annual separate financial statement

Opinion

We have conducted an audit of the annual separate financial statement of Dekpol S.A. ("the Company"), which includes the separate statement of financial position as of December 31, 2023, as well as the separate statement of comprehensive income, the separate statement of changes in equity, the separate statement of cash flows for the fiscal year from January 1 to December 31, 2023, and additional information containing an introduction to the financial statements with a description of accounting principles adopted and additional explanatory notes ("the separate financial statement").

Our opinion on the enclosed separate financial statement:

- presents a true and fair view of the financial and material situation of the Company as of December 31, 2023, and its financial performance and cash flows for the fiscal year ended on that day in accordance with International Financial Reporting Standards approved by the European Union and the adopted accounting policies,
- is consistent in form and content with applicable regulations and the Articles of Association of the Company,
- was prepared based on properly kept accounting books in accordance with provisions of Chapter 2 of the Accounting Act of September 29, 1994 (the "Accounting Act" - consolidated text: Journal of Laws of 2023, item 120, as amended).

This opinion is consistent with additional report for the Audit Committee, which we issued on April 26, 2024.

Opinion's basis

Our audit was conducted in accordance with the National Standards on Auditing in the wording of the International Standards on Auditing adopted by the resolution of the National Council of Statutory Auditors No. 3430/52a/2019 dated March 21, 2019, on national auditing standards and other documents, as amended, and the resolution of the Council of the Polish Agency for Audit Oversight No. 38/I/2022 dated November 15, 2022, on national quality control standards and National Standard on Auditing 220 (Revised) ("KSB"), as well as pursuant to the Act of May 11, 2017, on Statutory Auditors, Audit Firms, and Public Oversight ("Statutory Auditors Act" – consolidated text: Journal of Laws of 2023, item 1015, as amended) and EU Regulation No. 537/2014 of April 16, 2014, on specific requirements regarding statutory audits of public-interest entities, repealing Commission Decision 2005/909/EC ("EU Regulation" – Official Journal of the EU L158 of 27.05.2014, p. 77, as amended). Our responsibility under these standards is further described in the section of our report entitled "Auditor's Responsibility for the Audit of

the Financial Statements.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (“IESBA Code”) adopted by the resolution of the National Council of Statutory Auditors No. 3431/52a/2019 dated March 25, 2019, on the principles of professional ethics for statutory auditors, as amended, and with other ethical requirements applicable to auditing financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. During the audit, the key statutory auditor and the audit firm remained independent of the Company in compliance with the independence requirements specified in the Statutory Auditors Act and the EU Regulation.

We believe that the audit evidence we have obtained is adequate and appropriate to provide the basis for our opinion.

Key Audit Matters

Key audit matters are matters that, according to our professional judgment, were the most significant while auditing the separate financial statement for the current reporting period. They include the most significant assessed risks of material misstatement, including the assessed caused by fraud. We referred to these matters in the context of our audit of the separate financial statement, in forming of our opinion, and summarized our reaction to these risks and in cases where we considered appropriate, we presented the key observations related to these risks. We do not express a separate opinion on these matters.

Key audit matter	How our audit referred to this matter
<p>Shares in subsidiaries – pricing and value loss risk</p> <p>In financial statement prepared as of December 31, 2023, the Company disclosed investments in subsidiaries under position "Shares and equity interests" with a value of PLN 232,704 thousand, representing 44% of the balance sheet total.</p>	<p>Our procedures regarding the identified key audit matter included, among others:</p> <ol style="list-style-type: none"> 1. understanding the internal control environment for the process of identifying indicators and conducting impairment tests on the value of shares and stocks in subsidiary companies;

Management Board evaluated the existence of indicators suggesting that any of the assets comprising "Shares and equity interests" may have incurred an impairment loss and concluded that no such indicators exist, despite the increase in market interest rates. Due to separate reporting requirements for individual subsidiaries, Management Board, with the assistance of external experts, estimated the recoverable value of selected equity interests and shares in the subsidiaries.

The issue was identified as key due to the value of assets indicated above, which is significant for the separate financial statement, as well as due to the subjective judgment of the Company's management staff regarding the need to conduct impairment tests, and due to the applied judgment and estimation elements, including future cash flows or discount rates, which are the basis for assessing the recoverable value of shares.

Reference to disclosure in financial statement

The company included disclosures regarding its shares in subsidiaries in financial statement under point „ Subsidiary and related entities”, and „ Rules for the pricing of assets and liabilities and financial results, adopted in the preparation of the financial statement” in the sub-point “Shares and stocks in subsidiary entities as well as in Note 4 "Stocks and shares" of the separate financial statement.

2. an assessment of the judgments and estimates made by the Management Board of the Company that form the basis for determining the existence of indicators that may indicate impairment of the value of shares in subsidiaries.
3. Analysis of financial statements of subsidiary entities as well as an examination of their plans and budgets for the next financial year.
4. comparison of the values of shares and stocks listed in the Company's assets with the book value of the net assets of those entities listed in their financial statements, to identify indicators of potential impairment.
5. inquiries to the Management Board of the Company and the Boards of the subsidiary entities aimed at better understanding of their financial and asset position, realized and anticipated financial results and cash flows of selected subsidiary entities.
6. obtaining and discussing with the Group's auditor the component of data and information regarding Dekpol Deweloper Sp. z o.o. to identify indications of impairment of the company's share.
7. critical evaluation of the assumptions and estimates adopted by the Management Board to determine the recoverable value of shares and stocks, including:
 - comparing the assumptions made about future cash flows with budgets and medium-term plans and assessing the validity of these plans.
 - an analysis of the key assumptions made by the Management Board regarding future cash flows in the context of current and expected conditions,

- an analysis of the validity of key macroeconomic assumptions and the methodology used to calculate discount rates, including the accuracy of their calculations.

We have also assessed the scope of disclosures in the financial statements regarding the shares and stocks in subsidiaries.

Financial assets (loans granted) – pricing and value loss risk

In financial statement prepared as of December 31, 2023, the Company disclosed, within the position "Other financial assets" (long- and short-term), loans granted in the amount of PLN 145.122 thousand. The granted loans represent 27% of the balance sheet total and were granted to related entities. The Management Board assessed the existence of indications that the value of the granted loans may have been impaired but did not identify any such indications.

The issue has been identified as significant due to the value of financial assets mentioned above, which is material to the separate financial statement, as well as due to the subjective judgement of the Company's management staff regarding the need to perform impairment losses tests.

Our procedures regarding the identified key audit matter included, among others:

1. verification of compliance of the pricing of granted loans with the adopted accounting policies and applicable accounting regulations.
2. analysis of the correctness of classification of long-term and short-term portion in the statement of financial position.
3. Understanding the internal control environment for the process of identifying indicators and performing impairment tests of granted loans.
4. evaluation of the risk of impairment of the granted loans by analyzing financial situation of the entities to which the Company has granted loans and analyzing plans and budgets of these entities for the next financial year.
5. inquiries to the Management Board of the Company and to the Management Boards of subsidiary companies to which the Company has granted loans, aimed at better understanding of financial and material situation, as well as the realized and expected financial results and cash flows of selected subsidiary companies.

Reference to disclosure in financial statement

The Company disclosed information on granted loans in introduction to financial statement in point „*Rules for the pricing of assets and liabilities and financial results, adopted in the preparation of the financial statement*” in the sub-point “*Financial instruments*” as well as in note 5 “*Other financial assets*” of the separate financial statement.

6. obtaining and discussing with the statutory auditor of the Group's elements of the data and information to identify indicators of impairment of loans granted to companies within the Dekpol Deweloper Group.

We have also assessed the extent of disclosures in financial statement relating to participation in subsidiaries.

Sources of financing of business activities – pricing, completeness, payment and obtaining abilities

In the financial statement prepared as of December 31, 2023, the Company reported long- and short-term loans, borrowings, and debt instruments in the total amount of PLN 198.287 thousand, including short-term liabilities in the amount of PLN 52.110 thousand.

The issue has been identified as key due to the value of the mentioned liabilities, which is significant for the separate financial statement, as well as due to approaching repayment deadlines of selected liabilities and other requirements included in loan agreements and bond issuance conditions, failure to comply with which could have a significant impact on the Company's situation.

Reference to disclosure in financial statement

Our procedures regarding the identified key audit matter included, among others:

1. verification of compliance of valuation of loans and borrowings as well as issued bonds with adopted accounting principles and IFRS/IAS regulations.
2. analysis of the completeness of the inclusion of interest on loans and issued bonds.
3. verification of the completeness of the recognition of liabilities based on independently obtained confirmations of balances from banks, as well as through obtaining, at our request, confirmation of the debt position from Krajowy Depozyt Papierów Wartościowych in case of issued bonds.

The Company has included disclosures regarding the measurement of financial liabilities in the introduction to the financial statement under the heading "*Principles for the measurement of assets and liabilities and measurement of financial performance adopted in the preparation of the financial statements*" in the sub-point "*Financial instruments*" and in Note 12 "*Financial liabilities*" of the separate financial statement.

4. detailed analysis of the conditions of bond issues, regarding repayment terms of obligations and compliance by the Company and the Capital Group with the financial conditions agreed in financing agreements (covenants).
5. analysis of the Company's ability to settle its obligations from the issued bonds within the next 12 months from the balance sheet date.
6. analysis of the plans and budgets of the parent company and significant subsidiaries for 2023, as well as their implementation in the first months of this year.
7. inquiries to the Management Board of the Company and Management Boards of subsidiaries, aimed at better understanding of the financial and asset situation, as well as realized and expected financial results and cash flows within the Capital Group.
8. analysis of events after the balance sheet date, including information contained in current stock exchange reports, in the context of the Company's plans and ability to raise additional external financing.

We have also assessed the extent of disclosures in financial statement relating to financial liabilities.

Responsibility of the Management Board and Supervisory Board for the separate financial statement

Management Board is responsible for preparing, on the basis of correctly kept accounting books of the separate financial statement, that presents a true and fair view of the property and financial situation and financial results of the Group in accordance with the International Financial Reporting Standards approved by the European Union, adopted accounting principles (policy) and the applicable laws and statute, as well as internal control, which the Management Board considers necessary to enable the preparation of consolidated financial statement without material distortion caused by fraud or error.

While preparing the separate financial statement, the Company's Management Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, if applicable, matters related to going concern and adopting the principle of going concern as an accounting basis, except when the Management Board intends to liquidate the Company, either abandon doing business or there is no real alternative for liquidation or discontinuation of business activities.

The Company's Management Board and the members of the Supervisory Board are responsible for ensuring that the separate financial statements meet the requirements of the Accounting Act. The members of the Supervisory Board are responsible for overseeing the Company's financial reporting process.

Statutory Auditor's responsibility for auditing the separate financial statement

Our objectives are to obtain reasonable assurance that the separate financial statement does not contain any material misstatement due to fraud or error and to issue a report containing our opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that a test conducted in accordance with the NSR will always detect the existing significant distortion. Distortions may arise because of fraud or error and are considered material if it can reasonably be expected that, individually or in aggregate, they could influence users' business decisions made on the basis of these separate financial statement.

The scope of the audit does not include assurance as to the future profitability of the audited Company nor the effectiveness or efficiency of conducting the affairs of the Company by the Management Board currently or in the future.

During audit process in accordance with the NSR, we apply professional judgment and maintain professional skepticism, as well as:

- we identify and assess risks of material misstatement of the separate financial statement caused by fraud or error, we design and conduct audit procedures that address these risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not recognizing a significant misstatement due to fraud is greater than that resulting from the error, as the fraud may involve collusion, falsification, intentional omissions, misrepresentation or circumvention of internal control.
- we gain an understanding of the internal control appropriate to the audit to design audit procedures that are appropriate under the certain circumstances, but not to express an opinion on the effectiveness of the Company's internal control.
- we assess the appropriateness of the accounting principles (policies) used and the reasonableness of accounting estimates and related disclosures made by the Management Board of the Company.

we draw a conclusion on the appropriateness of the Company's Management Board's application of going concern assumption as an accounting basis and based on the audit evidence, whether there is significant uncertainty related to events or conditions that may substantially doubt the Company's ability to continue as a going concern. If we conclude that there is significant uncertainty, we require that we draw attention in our auditor's report to related disclosures in the separate financial statement or, if such disclosures are inadequate, we modify our opinion. Our applications are based on audit evidence obtained up

to the date of our audit report, however future events or conditions may cause the Company to cease its business activities.

- we assess the overall presentation, structure and content of the separate financial statement, including disclosure, whether the separate financial statement presents the underlying transactions and events in a manner that ensures a fair presentation.

We provide the Supervisory Board with information about, among other the planned scope and time of the audit and significant findings of the audit, including any significant weaknesses of internal control that we will identify during the audit.

We submit to the Supervisory Board a statement that we have complied with the relevant ethical requirements regarding independence and that we will inform them of all connections and other matters that could reasonably be considered to pose a threat to our independence and, where applicable, we report security measures applied.

From among the matters forwarded to the Supervisory Board, we determined those matters that were most significant during the audit of the separate financial statement for the current reporting period and therefore we considered them as the key issues of the audit. We describe these matters in our auditor's report, unless laws or regulations prohibit public disclosure or when, in exceptional circumstances, we determine that the issue should not be presented in our report because it would reasonably be expected that the negative consequences would outweigh the benefits of such a report. information for the public interest.

Other information, including report from business activities

Other information includes the Report on the Group's business activities for financial year ended December 31, 2023 ("Report on Business Activities") together with the declaration on application of corporate governance principles, referred to in art. 49b section 1 of the Accounting Act, which are separate parts of this Report and the Annual Report for financial year ended December 31, 2023 ("Annual report") (together "Other information").

Responsibility of the Management Board and Supervisory Board

Management Board is responsible for preparation of the report on operations in accordance with applicable laws.

Management Board and members of the Supervisory Board are obliged to ensure that the Report on the Company's business activities along with the separated part meet the requirements provided for in the Accounting Act.

Responsibility of the statutory auditor

Our opinion on the audit of the separate financial statement does not include other information. In connection with the audit of the separate financial statement, it is our duty to review other information and, in doing so, consider whether other information is not materially inconsistent with the separate financial statement, or our knowledge gained during the audit or otherwise appear significantly distorted. If, based on the work performed, we find significant distortions in other information, we are required to inform about it in our audit report. Our duty in accordance with the requirements of the Act on certified auditors is also to issue an opinion on whether the report on the Company's business activities has been prepared in accordance with the regulations and whether it is consistent with the information contained in the separate financial statement. Furthermore, we are required to report whether the Company has prepared a statement on non-financial information and to issue an opinion on whether the Company has included the required information in the statement on the application of corporate governance.

We obtained the report on business activities before the date of this audit report, and the Annual Report will be available after this date. If we find a significant distortion in the Annual Report, we are obliged to inform the Supervisory Board.

Opinion about Report on business activities

Based on the work carried out during the study, in our opinion, the Report on the Company's business activities:

- was drawn up in accordance with Article 49 of the Accounting Act and paragraph 71 of the Regulation of the Ministry of Finance dated March 29, 2018, regarding current and periodic information provided by issuers of securities and requirements for recognition of information required by the law of a Non-Member state as equivalent ("Regulation on current and periodic information" – Dz. U. pos. 757 as amended.),
- is consistent with the information contained in the separate financial statement.

In addition, in the light of the knowledge about the Company and its environment obtained during our audit, we declare that we have not identified significant distortions in the Report on the Company's business activities.

Opinion regarding declaration of application of corporate governance

In our opinion, in the declaration on the application of corporate governance, the Company has included the information set out in paragraph 70, section. 6 point 5 of the Regulation on current and periodic information. In addition, in our opinion, information indicated in paragraph 70, section 6, point 5 letters c–f, h and i of this Regulation contained in the declaration on the application of corporate governance are consistent with the applicable regulations and information contained in the separate financial statement.

Information on non-financial matters

In accordance with requirements of the Act on statutory auditors, we confirm that the Company prepared Report on non-financial information referred to in Art. 49b paragraph. 1 of the Accounting Act as a separate part of the Report on business activities.

We have not performed any assurance work with respect to the non-financial report, and we do not express any assurance thereon.

Report concerning other legal requirements and regulations

Non-audit services statement

To the best of our knowledge and belief, we declare that the non-audit services we provide to the Company comply with the laws and regulations in force in Poland and that we have not provided non-audit services that are prohibited under Art. 5 (1) of the EU Regulation and Article 136 of the Act on statutory auditors. Non-audit services that we provided to the Company and its subsidiaries in the audited period are listed in Note 10 of the Report of the Management Board on Company's business operations.

Selection of the statutory audit company

We were selected to audit the separate financial statement of the Company by a resolution of the Supervisory Board of the Company of August 01, 2023. We audit the separate financial statement of the Company for the third time.

The key statutory auditor on the audit resulting in this independent auditor's report is Mr. Piotr Woźniak.

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Evidence Number 11625

acting on behalf of UHY ECA Audyt Spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw, entered on the list of audit companies under number 3886 on behalf of which the key statutory auditor audited the separate financial statement.

Poznań, 27.04.2024