FY 2023

Separate Financial Statement

Dekpol Spółka Akcyjna

dekpol

FY 2023

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Dekpol Spółka Akcyjna

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

prepared in accordance with International Financial Reporting Standards

Pinczyn, April 26, 2023

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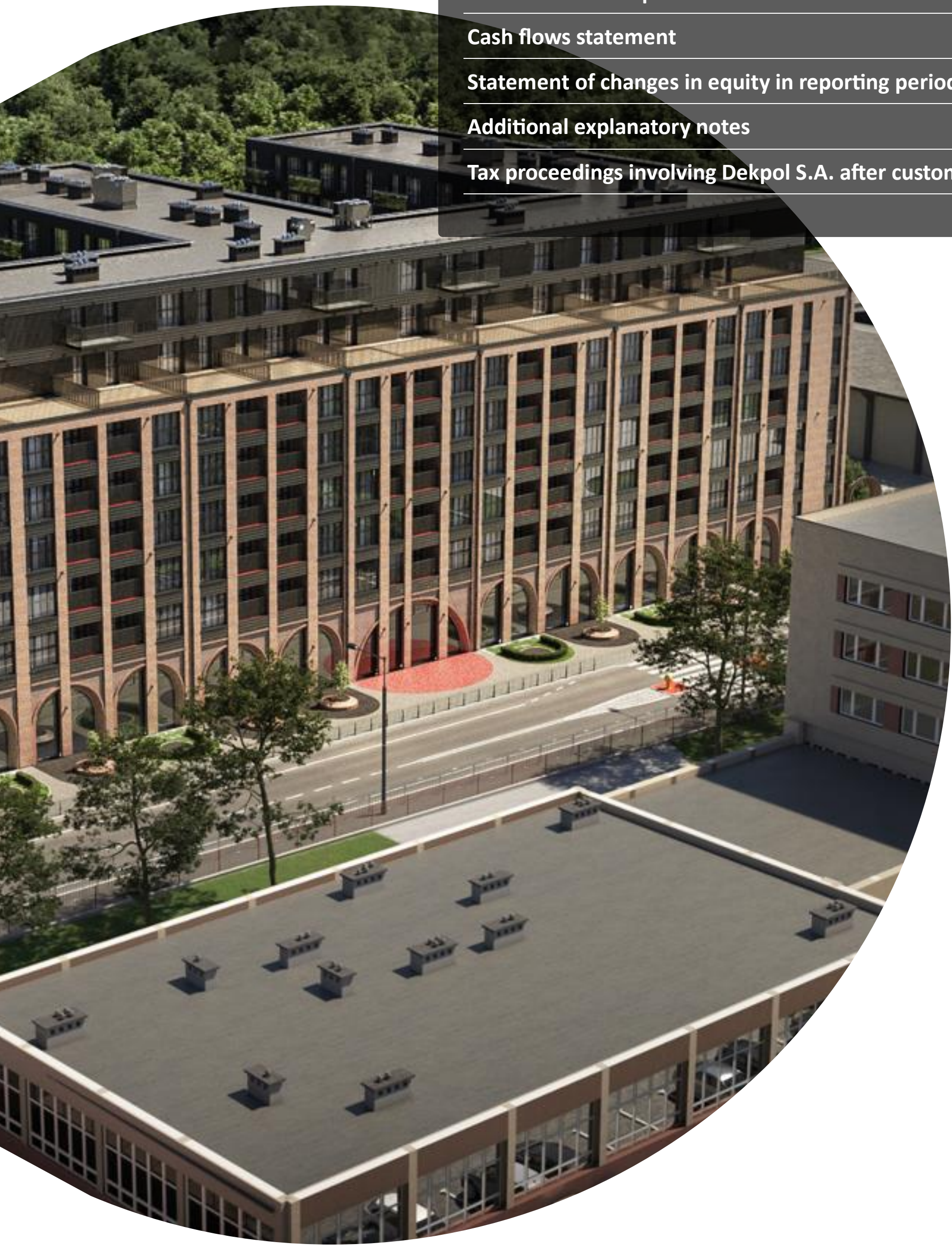

Selected financial data

	thousand PLN		thousand 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	54 518	276 201	12 039	58 913
II. Profit (loss) on operating activity	5 956	8 254	1 315	1 761
III. Profit (loss) before tax	12 087	1 494	2 669	319
IV. Net profit (loss)	12 378	1 208	2 733	258
V. Earnings (loss) per ordinary share (in PLN / EUR)	1,48	0,14	0,33	0,03
VI. Net cash flows from operating activity	3 559	54 489	786	11 622
VII. Net cash flows from investment activity	42 743	-55 354	9 439	-11 807
VIII. Net cash flows from financial activity	- 9 871	5 811	-2 180	1 239
IX. Total net cash flows	36 431	4 946	8 045	1 055
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
X. Total assets	530 647	610 494	122 044	130 172
XI. Liabilities and provisions for liabilities	230 235	321 815	52 952	68 619
XII. Long-term liabilities	164 318	148 048	37 792	31 567
XIII. Short-term liabilities	65 918	173 767	15 161	37 051
XIV. Equity	300 412	288 679	69 092	61 553
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)	36	35	8	7

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 of National Bank of Poland, 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.

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Introduction to the financial statement

General Information

Name and location of the reporting entity

Dekpol S.A.

ul. Gajowa 31, 83-251 Pinczyn

Registration Court, register number

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

The main shareholder of the Company (77,13% of share capital) is Mr. Mariusz Tuchlin, who came into the possession of shares of the DEKPOL Company on 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 on 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
Activities of holding companies	PKD – 64.20
Accounting, bookkeeping, and auditing activities; tax consultancy	PKD – 69.20Z
Activities of head office and holding companies, excluding financial holding companies	PKD – 70.10.
Building works related to erection of residential and non-residential buildings	PKD – 41.20
Retail sale of fuel for motor vehicles in fuel stations	PKD – 47.30.Z
Operation of gravel and sand pits; mining of clays and kaolin	PKD – 08.12.Z
Manufacture of metal structures and parts of structures	PKD – 25.11.Z
Rental and leasing of construction machinery and equipment	PKD – 77.32 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.

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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

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:

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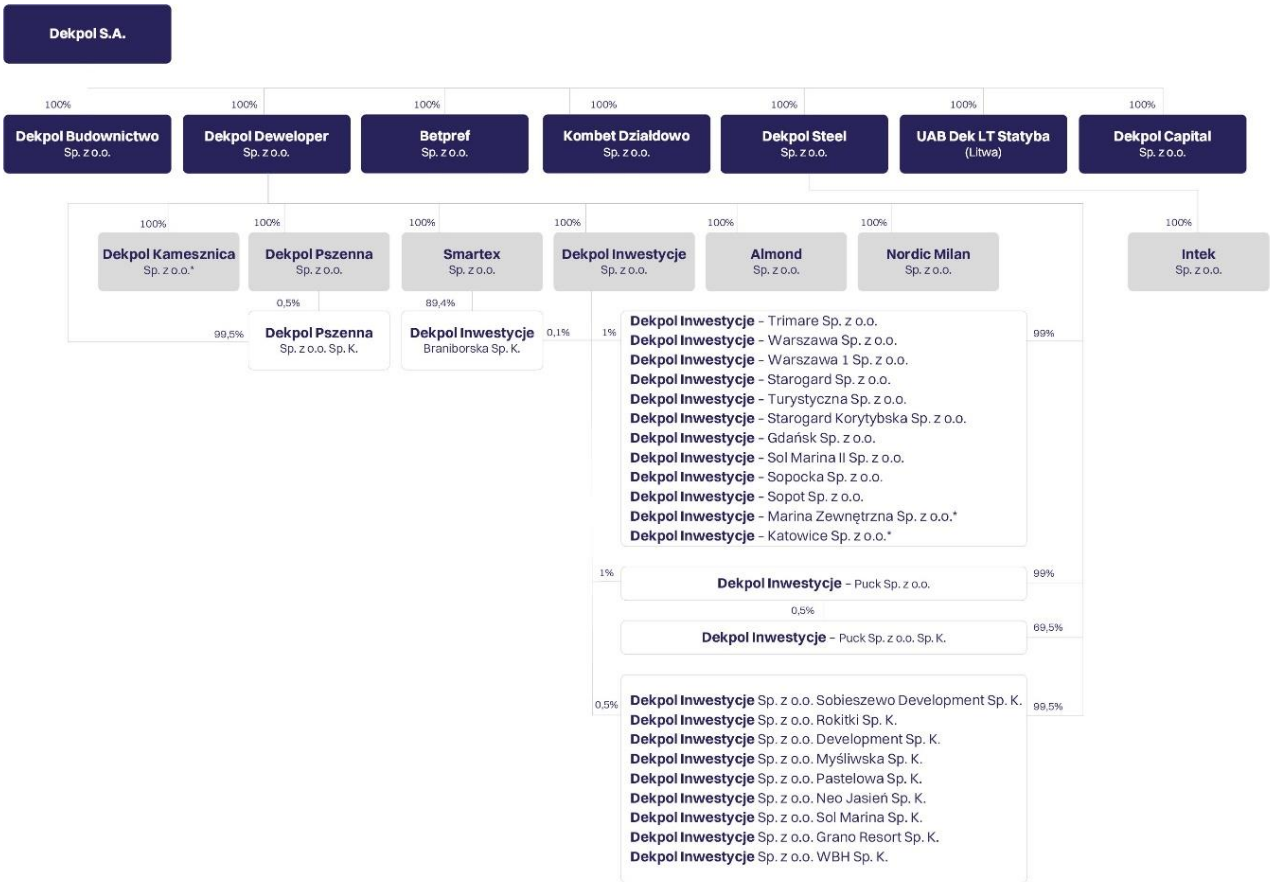
THE ORGANIZATIONAL STRUCTURE OF THE DEKPOL CAPITAL GROUP



*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. A more detailed description of business activities and relations between the companies from the Dekpol Capital Group can be found further in this statement.

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). The value of shares in DEKPOL SPV1 as of the balance sheet date is PLN 16,200.

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

Company's name	KRS	Nature of correlation	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
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

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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

Legal basis for preparation of financial statement

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

- Going concern,
- Accrual,
- Continuity of presentation.
- The company prepares the profit and loss statement in a multiple-step variant.
- The Company prepares its cash flow statement using an indirect method.
- The financial statement is presented in thousands of PLN.

Date of approval of the financial statement for publication

The financial statement was approved as of April 26, 2024.

Functional currency and the reporting currency

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

Continued operations

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

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

Pricing to fair value

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

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

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

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

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

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

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

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

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

Property, plant and equipment

Property, plant and equipment are subject to initial recognition at the acquisition price or production cost.

The acquisition price or production costs are subject to an increase by costs of disassembly and removal of an item of property, plant and equipment and renovation of the place of using it, if the Company is obliged to do so.

The acquisition price or production costs are not subject to adjustment by foreign exchange differences related to liabilities financing the acquisition of an asset accrued up to the date of putting an asset into use, unless it results from the policy adopted in the scope of hedge accounting.

The acquisition price or production costs are subject to an increase by costs of interest on liabilities financing the acquisition of an asset accrued up to the date on which an asset is ready for use.

After the initial recognition, the Company evaluates property, plant and equipment at the acquisition price or production cost less depreciation write-offs (purchase price or production cost model).

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 less selling costs, whichever is lower, and are not subject to depreciation - according to MSSF 5 "Non-Current Assets Held for Sale and Discontinued Operations”.

Valued at the time of acquisition, the rights of use recognized as part of fixed assets are subject to straight-line depreciation over the entire period of use and financing.

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.

Financed by leasing obligations of rights to use are initially valued at cost, which includes the present value of future lease payments, as well as any additional costs and fees incurred at the beginning or before the start of financing. In subsequent periods, the right of use is valued according to the cost model: it undergoes straight-line depreciation over the entire period of financing and use of the right, and its valuation is subject to modification in correspondence with changes in contract terms and changes in the valuation of the leasing obligation.

The company uses discounted value of debts divided in to long- and short-term debts. The value of debt is updated if lease period is changed or if prediction of buying out abilities will change (updated according to discount rate) or if the lease charges will change due to other than rate changes (updated with no changes to discount rate). The difference in value is written according to changes in right to use value changes.

The company presents the rights to use the assets in the financial statements in items appropriate if the leased asset was owned by the company. Lease obligations are recognized as other financial liabilities. The relevant information required by IFRS 16 is disclosed in the additional 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 (concluded for the period less than 1 year), or
- where lease value does not exceed 40.000,00 PLN.

If the Company performs a leaseback transaction, it qualifies lease as operating lease or financial lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset. The lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of the underlying asset.

In case of operating lease, the Company recognizes asset as financial asset, and it recognizes provided incomes with linear method during the lease duration).

In the case of a finance lease, the Company recognizes a net investment in the lease, determined at the amount of the qualifying lease payments discounted using the lease interest rate. When own products are leased out, the fair value of the product or the lower value of discounted lease payments is recognized as sales revenues. If the lease interest rate is lower than the market rate, the discounted lease payments are determined using the market rate.

If the Company enters into a sale and leaseback transaction, the transaction is accounted for depending on whether the transfer of the asset qualifies as a sale. Any gain on disposal of the asset to the lessor is recognized in profit or loss in proportion to the value of the rights transferred to the lessor, provided that the asset is transferred that qualifies as a sale. In the absence of such a transfer, no gain is recognized, the assets are not excluded, and the payment received is recognized as a financial liability.

Intangible assets (IA)

The Company initially recognizes IA acquired in separate transactions at acquisition prices, while IA produced by the Company at a production cost.

If software licenses or similar assets are acquired, costs of implementation of software incurred until the date of bringing it to the assumed fitness for purpose specified by the Company's Management Board should be recognized under the IA initial value. The implementation costs do not include costs of employee trainings which encumber profit or loss on the date they are incurred.

Only IA meeting the criteria specified for development works may be classified as IA produced by the Company. Goodwill, trademarks etc. are not classified as IA, if produced by the Company.

After the initial recognition, the Company evaluates IA at the purchase price or cost of production less amortization write-offs, in accordance with the purchase price or production cost model.

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 time of acquisition, the rights of use recognized as part of investment properties are subject to straight-line depreciation over the entire period of use and financing.

Stocks and shares in subsidiaries

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

All the above companies are subject to full consolidation.

Direct subsidiaries of Dekpol S.A.:

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

5. UAB DEK LT Statyba – a company established to support the Company's operations in Lithuania, as well as to manage future contracts in general contracting field in Lithuania.
6. Kombet Działdowo Sp. z o.o.- a company whose 100% shares were purchased by Dekpol S.A. in August 2022. The subject of the company's activity is the production of precast concrete elements.
7. Dekpol Capital Sp. z o.o.- a company, 100% of whose shares are held by Dekpol S.A. The company was registered in the National Court Register on December 4, 2023, a company established for business and management.

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.

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 1 SPV Spółka z ograniczoną odpowiedzialnością – an entity established to implement investment projects together with a subsidiary of the President of the Management Board, OMT Holding Spółka z ograniczoną odpowiedzialnością. Dekpol S.A. holds 324 out of 1,200 shares in the share capital of this company (amounting to PLN 60,000). As of the publication date, the number of shares held by Dekpol S.A. has not changed.

Associated companies are valued using the equity method.

DEKPOL Capital Group's reorganization process

Changes in the structure of Dekpol Capital Group

On 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 of its shares in Dekpol Kamesznica Sp. z o.o. to Dekpol Deweloper Sp. z o.o.

On March 26, 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.

Financial instruments

Classification and valuation

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

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

A financial liability is any liability, that:

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

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

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

The financial asset component is measured at amortized cost if:

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

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

- The financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows and to sell assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- In addition, the Group company has the right to irrevocably designate an investment in equity instruments that is not held for trading, which at the initial recognition was designated as measured at fair value through other comprehensive income (otherwise, such an investment would be measured at fair value through profit or loss). Cumulative amounts in other comprehensive income cannot be reclassified to profit or loss, even if the investment is removed from the statement of financial position. Such an investment is a non-monetary item. If the item is denominated in a foreign currency, exchange differences are recognized in other comprehensive income. Dividends are recognized in profit or loss.
- The financial asset component is measured at fair value through profit or loss in all other cases. Receivables for goods and services related to construction contracts being fulfilled and for advances (although not classified as financial instruments) are classified as short-term receivables, as they are expected to be settled in the normal course of the entity's operating cycle.
- Receivables for warranty deposits and loans with a maturity of less than 12 months are recognized as current assets. Long-term receivables for warranty deposits are discounted to their present value using effective interest rates.
- Assets are removed from the accounting records when the rights to receive cash flows have expired or been transferred and the substantial risks and rewards of ownership have been transferred.
- Revenue from interest on financial assets (valued at either amortized cost, fair value through profit or loss, or fair value through other comprehensive income) is recognized as financial income.
- Financial liabilities, after initial recognition, are classified as measured at amortized cost, except for financial liabilities measured at fair value through profit or loss (such as those designated as held for trading), which are measured at fair value. In the case of a financial liability related to bonds, the Company has applied a simplification that does not have a material effect on the measurement of the liability and has recognized the linear cost of issuance through an active RMK instead of using an effective interest method.

The impairment of financial assets due to expected credit losses

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

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

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

In the calculation under the simplified model of IFRS 9, trade receivables for related parties are not included as of the balance sheet date, as there were no lost receivables based on history.

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

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

Derivatives and hedge accounting

The company is a party to 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.

In 2023, in order to limit the risk of an increase in the interest rate, the company entered into CAP transactions, and to limit the risk of an interest rate swap, it entered into an IRS transaction, as a result of which a portion of the effective hedge of a negative value of gross PLN 659 thousand was recognized in the valuation, presented in the capital as a net value of PLN -534 thousand.

	31.12.2023 r.	31.12.2022 r.
Equity	**300 412**	**287 776**
Share capital	8 363	8 363
Capital from the sale of shares above their nominal value	26 309	26 309
Other capitals	265 740	253 104
including revaluation reserve for FX forward	-534	29
Own shares (-)	0	0
Reserve capital	0	0
Profit (loss) from previous years	0	0
The result of the current year	**12 378**	**306**

Separate financial Statement of Dekpol S.A. for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 18

Inventory

Inventories are valued at acquisition prices or production costs, not higher than the net realizable value.

To the cost of production of work in progress or finished products, the Company includes all direct costs and variable indirect costs of producing the inventory component as well as the part of fixed indirect costs that was incurred 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.

Valued at the time of acquisition, the rights of use recognized as part of inventory are subject to straight-line depreciation over the entire period of use and financing. The interest on the leasing obligation financing these rights is subject to capitalization.

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 Company includes in the cash and cash equivalents with limited availability the funds:

- which serve as collateral for bank guarantees,
- collected in split payment accounts,
- accumulated in open trust 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 § 15-20 IAS 32 "Financial Instruments - Presentation”, i.e. equity instruments include only instruments that do not have a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable. Depending on the legal regulations, capitals are recognized as share capital, supplementary capital or reserve capital.
- In the case of issuing compound instruments, consisting of an equity instrument and a financial liability (e.g. bonds convertible into shares), the Company separates and measures the equity instrument presenting its value as equity.

- Retained earnings - depending on the shareholders' decision, presented as supplementary or reserve capitals. They are valued at their nominal value.
- The effects of the valuation of assets and liabilities recognized directly in equity - presented as reserve capitals. They are valued at their nominal value.
- Undivided result from previous years. It is valued at the nominal value.

Equity is not subject to revaluation, except for hyperinflation.

Reserves

The company creates reserves for the following employee benefits:

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

The company creates the following provisions for other titles:

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

Accrued expenses

The company settles over time incurred costs that relate to future reporting periods. In particular, billing in proportion to the passage of time shall cover:

- Insurance costs.
- Subscription costs.
- Costs of utilities, rents, pre-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

Revenues and costs obtained from the sale of financial instruments are recognized at the date of excluding the disposed financial instrument from the balance sheet in accordance with MSSF 9.

Revenue is measured at fair value of the payment. If the payment date is deferred, the revenue should be recognized at the discounted amount at the date of creation. The discount value is the interest (financial) income recognized in accordance with the effective interest rate during the deferred payment period. Revenue is not discounted if the payment period does not exceed 180 days.

Thus, the Company recognizes revenues from contracts with customers only if all 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, as long as there is a high probability that in the future there will be no reversal of revenue recognition as a result of revaluation.

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

- the customer simultaneously receives and benefits from the benefits as it is provided,
- 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 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).

Dividends should be recognized when the shareholders' right to receive them is established.

Financial revenues

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

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

Costs

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

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

External financing costs

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

Principles of accounting for construction contracts

For construction contracts in progress which do not constitute a property development activity, and for which obligations to perform services for the benefit of the client are fulfilled over time, the Company recognizes revenues over time, measuring the degree of complete fulfillment of this obligation to perform services based on the advancement of works.

The progress of work, if possible, is determined 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).

Accounting for costs of property development activities

To the cost of manufacturing objects as part of development activities, costs that meet the criteria for the technical cost of manufacturing are recognized, including:

- Direct manufacturing costs,
- Indirect costs associated with the construction of the facilities, in particular:
    - Logistics department costs (fuel, car maintenance, logistics management, drivers' remuneration when cars are used on various projects) - accounted for development projects and general contracting according to the key of direct manufacturing costs.

- Costs of the procurement department of general contracting and development activities - accounted for development projects and general contracting according to the direct production cost key.

The company extracts accounting devices (accounts) for each development project (Order). The criterion for separating the Order is the estimated time of completion of construction of all objects (buildings and structures) covered by the given order and the similarity of the objects covered by the Order. As part of a single order, expenditure on the production of facilities whose planned completion of use differs by more than 6 months (i.e. the earliest object completed under the order will be completed earlier than 6 months before the last object completed under the order) should not be included. Within one order should not include objects for which the estimated cost of producing PU (usable floor space of the premises) differs more than by 20%. After completing the order, the costs are billed per square meter of PU according to the following algorithm:

- TKW 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 1m2 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 Company - decided to organize itself based on the criterion of diversified products and services. A segment is not separated if the segment's income or profit / loss or assets represent less than 10% of all segments' revenues, profits / losses, or assets, respectively, and at least 75% consolidated revenues, profits and assets are presented by segment from IFRS 8 "Operating segments”.

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

Disclosures regarding the fair value of assets and liabilities

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

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

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

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

Earnings per share

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 business operations of Dekpol S.A. the following types of financial risks are relevant:

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

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

Credit risk - the Company is exposed to credit risk, understood as the risk that debtors will not meet their obligations and thus cause the Company to incur losses. Due to the ongoing monitoring of receivables and undertaking debt collection activities, the Company's exposure to the risk of bad debts is limited. Credit risk is understood as the possibility of the Company's debtors defaulting on their obligations and is related to three main areas:

- creditworthiness of customers with whom sales transactions are concluded,
- creditworthiness of financial institutions with which the Company enters into hedging transactions, or which act as intermediaries in their conclusion, as well as those in which free funds are invested,
- financial condition of subsidiaries - borrowers.

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

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

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

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

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

In 2023, there was an excess of 10% of the Company's sales revenue from one contractor.

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

Liquidity risk – the Company is exposed to the risk of losing liquidity, understood as the risk of losing the ability to pay liabilities within specified time limits. The risk results from a potential restriction of access to financial markets, which may result in the inability to obtain new financing or refinance its debt. Moreover, the risk relates to the situation of a potential breach of the covenants of loan agreements or contained in the terms of bond issue, which may result in the immediate maturity of liabilities. The company enters into loan agreements to finance investments with various banks. The terms of repayment of subsequent installments are adjusted to the expected revenues from the sale of individual investments. Moreover, the Company issues bonds. The Company manages the liquidity risk by monitoring payment dates and demand for cash in the scope of servicing short-term payments (current transactions) and long-term demand for cash based on cash flow forecasts updated on a quarterly basis. The demand for cash is compared with the available sources of obtaining funds (including by assessing the ability to obtain financing in the form of loans and bonds, the possibility of releasing funds from escrow accounts). The maturity dates of significant assets and liabilities are presented in additional notes to the annual financial statements. It also includes a detailed specification of the value of significant components of financial liabilities.

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

Capital management

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

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

Important assessments and judgements

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

the anticipated period of economic usability of fixed assets and intangible assets,

write-downs on assets, including, among others, assets held for sale,

progress of works determined for the purposes of settlement of construction service contracts together with specification of the planned margin realized on the contract, discounts, projected salary increases, and actuarial assumptions used in calculating provisions for retirement and pension benefits,

fair value of investment property,

future tax results 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 MSSF. The methodology for determining accounting estimates is applied consistently to the last reporting period, except for the methodology for estimating revaluation write-offs for credit losses related to trade receivables, in accordance with the methodology specified in MSSF 15 "Revenue from contracts with clients". In the opinion of the Management Board, the application of a new methodology for estimating receivables write-offs would not significantly affect the comparative data. Changes to revaluation write-offs are presented in the further part of the information in additional explanatory notes to individual asset items.

Additional disclosures regarding valuation principles

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

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

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

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

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

Leases – The company as a lessor

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

Specification of revenues from operating lease agreements:

Data in thousands of PLN	2023	2022
Operating lease income	3 206	2 710
- including floating lease payments that are not index or rate dependent	0	0

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

Data in thousands of PLN	2024	2025	2026	2027	2028	The following years until 2032
Undiscounted lease payments to be received in the following years	3 286	3 368	3 453	3 539	3 627	19 543

Leases – The company as a lessee

The company is a party to financial and operating lease agreements. The leased assets are used in the Company's operating activities. The Company uses simplifications regarding short-term leases (up to 12 months) and low-value leases (value of the leased asset below PLN 40,000), without recognizing them as the right to use assets. Such leases are not relevant to the Company's operations.

In the period covered by the historical data, the company was not a party to a leaseback or sublease agreement, there were no variable lease payments. In 2023, the Company was a party to a leaseback agreement, from which a profit of PLN 384 thousand was generated, settled over time in accordance with the term of the lease agreement. As of the balance sheet date, the remaining value to be settled amounts PLN 320 thousand, presented in the balance sheet under "Deferred income".

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

Additional disclosures regarding the right to use assets are presented below:

Data in thousands of PLN	2023	2022
Machines and devices (net)	3 287	1 318
Means of transport (net)	778	1 089
Other fixed assets (net)	682	0
Depreciation of the right to use assets recognized as fixed assets in the period	614	494
Increases in the rights to use assets during the period	3 604	330
Interest costs on lease liabilities	294	116

As at the balance sheet date, the Company has balances for short-term leasing in the amount of PLN 1.059 thousand and for the long-term in the amount of PLN 2.552 thousand.

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

The accounting principles (policies) used to prepare the financial statements are consistent with those used in the preparation of the Company's annual financial statements for the year ended on December 31, 2022, except for minor changes (which have no significant effect on the reporting data) and the application of new or amended standards and interpretations applicable to annual periods beginning on or after January 1, 2023.

In the reporting period, no errors concerning previous years were found in the financial statements published so far that would have a significant impact on the financial result and / or equity. The 2023 financial statements are prepared with the application of new or amended standards and interpretations applicable to annual periods beginning on January 1, 2023, and later.

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.

Prior application of standards and interpretations

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

Introduction of new standards applied for the first time from January 1, 2023.

Changes to IAS 1 "Presentation of Financial Statements", replaces the requirement to disclose significant accounting policy information with those that are material. From the current detailed descriptions of accounting policies, the standard requires the inclusion of entity-specific information necessary to understand the choices and judgments made in selecting accounting policies. Changes to IAS 1 also clarify issues related to breaches of covenants in credit agreements and the associated requirement to classify debt as short-term liabilities. The change had no impact on the financial statements.

Changes to IAS 8 „Accounting Policies, Changes in Accounting Estimates and Errors", concerns the introduction of a definition of accounting estimates into the standard: Accounting estimates are monetary amounts in the financial statements that are subject to valuation uncertainty. The change did not affect the financial statements.

Changes to IAS 12 „Income Taxes" introduce a requirement to recognize deferred tax from specified transactions, and additionally, another change to IFRS 12 introduces an exemption from determining deferred tax in connection with changes in tax regulations related to the global minimum tax. The Board introduced the principle that if positive and negative temporary differences arise simultaneously from a transaction in the same amount, assets and deferred tax liabilities should be recognized even when the transaction does not result from a combination and has no impact on the financial or tax result. This means the necessity to recognize assets and deferred tax liabilities. The principle that assets and liabilities for deferred income tax are offset against each other if offset by assets and liabilities for current tax remains unchanged. The change introduces a temporary exemption from recognizing deferred tax resulting from the implementation of international tax reform (Pillar II) and the obligation to provide additional disclosures related to it. The change did not affect the financial statements.

The new accounting standard IFRS 17 "Insurance Contracts" has revolutionized the accounting approach to agreements that meet the definition of insurance contracts. It changes the valuation principles and the recognition of profits and losses in each reporting period and introduces significant changes in the reporting of insurance contracts. The guidelines of the standard largely rely on estimates and assumptions. The introduction of this standard not only affects insurers but also encompasses all agreements in which one party assumes non-financial risks. The new standard did not affect the Company's financial statement.

The standards approved by the IASB for application 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

Standards and amendments to standards adopted by the IASB, but not yet endorsed by the EU

IFRS 14 „ Regulatory Deferral Accounts" – According to the decision of the European Commission, the endorsement process of a preliminary version of the standard will not be initiated before the final version of the standard is released (applicable for annual periods beginning on or after January 1, 2016),

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. The effective date has been indefinitely deferred by the IASB.

Changes to IAS 21 "The Effects of Changes in Foreign Exchange Rates" – lack of exchangeability (effective for annual periods beginning on or after January 1, 2025).

Statement of financial position

Assets

Description	Note	31.12.2023	31.12.2022
Fixed assets	**1.**	**399 255**	**378 988**
Property, plant, and equipment		17 196	13 611
Investment properties	2.	31 766	31 754
Goodwill		0	0
Intangible assets	3.	7 291	6 565
Stocks and shares		232 704	232 694
Trade and other long-term receivables		5 582	6 916
Other long-term financial assets		101 444	83 353
Deferred income tax assets		3 272	4 094
Current assets		**131 393**	**231 506**
Inventory		9 619	10 398
Receivables due to contracts with clients		0	0
Trade and other short-term receivables		21 324	120 845
Receivables due to current income tax		792	0
Other short-term financial assets		43 678	80 715
Cash and cash equivalents		55 979	19 548
including cash of limited disposal right		542	0
Current assets other than fixed assets or disposal groups classified as held for sale		131 393	231 506
Assets classified as held for sale		0	0
Assets in total		**530 647**	**610 494**

Liabilities

Description	Note	31.12.2023	31.12.2022
Equity	**10**	**300 412**	**288 679**
Share capital	10.1	8 363	8 363
Equity from sales of shares over its nominal value		26 309	26 309
Own shares (-)		0	0
Other reserve capital from the valuation		-534	29
Retained earnings:		266 274	253 978
The result of the current year		**12 378**	**1 208**
Other capital shares		0	0
Liabilities		**230 235**	**321 815**
Long-term liabilities	**13.1**	**164 318**	**148 048**
Deferred income tax provision	18.4	14 981	15 290

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Liabilities and provisions on employee benefits	11.	51	41
Other long-term provisions	11.	0	0
Long-term credits, borrowings, and debt instruments	12.	146 177	131 035
Other long-term financial liabilities		0	0
Long-term lease liabilities	12.	2 552	846
Liabilities from deliveries and services and other long-term liabilities	13.1	555	836
Other long-term liabilities	13.1	555	836
Short-term liabilities	**13.2**	**65 918**	**173 767**
Liabilities and provisions on employee benefits	11.	1	1
Other short-term provisions	11.	1 972	1 842
Short-term credits, borrowings, and debt instruments	12.	52 110	55 530
Other short-term financial liabilities	12.	1 112	0
Short-term lease liabilities	12.	1 059	777
Liabilities due to contracts with clients		0	0
Liabilities from deliveries and services and other short-term liabilities	13.2	9 665	115 042
Liabilities due to current income tax	13.2	0	574
Short-term liabilities other than those related to assets held for sale		65 918	173 767
Liabilities related to assets held for sale		0	0
Liabilities in total		**530 647**	**610 494**

Separate financial Statement of Dekpol S.A. for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN)

Statement of comprehensive income

CALCULATION VARIANT

Description	Note	01.01.-31.12.2023	01.01.-31.12.2022
Sales revenues	15.1	54 518	276 201
Costs of goods sold	15.3	42 213	262 706
Gross profit (loss) from sales		**12 306**	**13 495**
Selling costs	15.2	252	484
General administrative expenses	15.2	10 192	8 009
Other operating income	15.4	6 524	5 191
Profit from a bargain purchase		0	0
Other operating expenses	15.5	2 429	1 940
Operating profit (loss)		**5 956**	**8 254**
Share in the profit (loss) of entities accounted for using the equity method		0	0
Financial revenues	16.1	35 721	11 816
Financial costs	16.2	29 590	18 576
Profit (loss) before tax		12 087	1 494
Income tax	17.1	-291	286
Profit (loss) from continuing operations		12 378	1 208
Net profit (loss)		**12 378**	**1 208**
Other comprehensive income that cannot be transferred to the result		0	0
Other comprehensive income that can be transferred to the result		-563	29
Exchange differences on translating foreign units		0	0
Other comprehensive income before tax		-563	29
Income tax on other comprehensive income that cannot be transferred to the result		0	0
Income tax on other comprehensive income that can be transferred to the result		0	0
Other net comprehensive income		-563	29
Comprehensive Income		**11 815**	**1 237**

Separate financial Statement of Dekpol S.A. for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 32

Cash flows statement

INDIRECT METHOD

Description	01.01.-31.12.2023	01.01.-31.12.2022
Profit (loss) before tax	**12 087**	**1 494**
Adjustments:	**-8 015**	**53 784**
Depreciation	2 649	2 318
Change of fair value of investment properties	0	0
Change in fair value of financial assets (liabilities) measured through profit or loss	0	0
Cash flow hedging instruments transferred from capital	0	0
Revaluation write-offs recognized in the financial result	0	0
Profit (loss) on the sale of fixed assets	-562	-360
Profits (losses) due to exchange rate differences	335	-181
Interest expenses	26 416	17 312
Interest receivables	-22 976	-8 153
Dividend receivables	-10 000	0
Income tax on profit before tax	0	0
Change in inventories	779	2 127
Change in receivables	100 918	-7 551
Change in liabilities	-105 714	48 812
Change in reserves	140	-538
Cash flow from activities (used in activities)	4 071	55 278
Income tax paid	-513	-789
Net cash from operating activities	**3 559**	**54 489**
Expenses related to acquisition of intangible assets	-887	-1 390
Inflows from sales of intangible assets	0	0
Expenses related to acquisition of property, plant, and equipment	-2 803	-2 214
Inflows from sales of property, plant, and equipment	773	137
Expenses related to acquisition of investment properties	0	-378
Inflows from sales of investment properties	0	0
Net expenses for the acquisition of subsidiaries	-10	-16 205
Net inflows from the sale of subsidiaries	0	15 936
Expenses for the acquisition of other financial assets	0	-50
Inflows from the sale of other financial assets	736	0
Loans granted	-61 092	-66 633
Repayments received from loans granted	70 446	11 478
Interest received	25 580	3 966
Dividends received	10 000	0
Cash flow resulting from the decrease (increase) in the value of short-term deposits and investments	0	0
Net cash from investment activities	**42 743**	**-55 354**

Separate financial Statement of Dekpol S.A. for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN)

Net inflows from issue of shares	0	0
Inflows from issue of debt securities	69 942	29 835
Other inflows (expenses) from financial activities	0	-1 100
Inflows from received grants	0	0
Redemption of debt securities	-52 228	0
Inflows from loans and borrowings taken out	0	12 800
Repayment of loans and borrowings	-1 676	-20 832
Repayment of liabilities under finance lease	-1 264	-741
Interest paid	-24 645	-14 151
Dividends paid	0	0
Net cash from financial activities	**-9 871**	**5 811**
Change in net cash and cash equivalents	**36 431**	**4 946**
Cash and cash equivalents at the beginning of the period	19 548	14 602
Cash and cash equivalents at the end of the period	**55 979**	**19 548**
Including cash of limited disposal right	542	2 850

Separate financial Statement of Dekpol S.A. for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 34

Statement of changes in equity in reporting period

Description	Share capital	Capital from the sale of shares above their nominal value	Own shares (-)	Other reserve capital from the valuation	Retained earnings	Other capital shares	Non-controlling interests	Total
Balance at the beginning of the period	**8 363**	**26 309**	**0**	**29**	**253 978**	**0**	**0**	**288 679**
Error corrections of previous years	0	0	0	0	0	0	0	0
Balance at the beginning of the period after changes	8 363	26 309	0	29	253 978	0	0	288 679
Net profit (loss)	**0**	**0**	**0**	**0**	**12 378**	**0**	**0**	**12 378**
Other net comprehensive income	0	0	0	-563	0	0	0	-563
Comprehensive Income	0	0	0	-563	12 378	0	0	11 815
Issue of shares	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	0	0
Acquisition of own shares	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	-81	0	0	0
Changes in equity in total	**0**	**0**	**0**	**-563**	**12 297**	**0**	**0**	**11 734**
Balance at the end of the period	**8 363**	**26 309**	**0**	**-534**	**266 274**	**0**	**0**	**300 412**

Separate financial Statement of Dekpol S.A. for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN) 35

Statement of changes in equity in previous reporting period

Description	Share capital	Capital from the sale of shares above their nominal value	Own shares (-)	Other reserve capital from the valuation	Retained earnings	Other capital shares	Non-controlling interests	Total
Balance at the beginning of the period	**8 363**	**26 309**	**0**	**0**	**252 688**	**0**	**0**	**287 360**
Error corrections of previous years	0	0	0	0	81	0	0	81
Balance at the beginning of the period after changes	8 363	26 309	0	0	252 770	0	0	287 442
Net profit (loss)	**0**	**0**	**0**	**0**	**1 208**	**0**	**0**	**1 208**
Other net comprehensive income	0	0	0	29	0	0	0	29
Comprehensive Income	0	0	0	29	1 208	0	0	1 237
Issue of shares	0	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	0	0
Acquisition of own shares	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0	0
Changes in equity in total	**0**	**0**	**0**	**29**	**1 208**	**0**	**0**	**1 237**
Balance at the end of the period	**8 363**	**26 309**	**0**	**29**	**253 978**	**0**	**0**	**288 679**

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Additional explanatory notes

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1. Property, Plant and Equipment

1.1. Property, Plant and Equipment

Description	31.12.2023	31.12.2022
Land	4 676	4 756
Buildings and structures	164	173
Machines and technical devices	6 763	4 933
Vehicles	731	1 108
Other fixed assets	723	506
Fixed assets under construction	3 173	1 965
Advances in respect of tangible fixed assets	966	171
Net value of property, plant, and equipment	**17 196**	**13 611**

Separate financial Statement of Dekpol S.A. for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN)

1.2. Property, plant, and equipment in reporting period

Description	Land	Buildings and structures	Machines and technical devices	Vehicles	Other fixed assets	Fixed assets under construction	Advances for fixed assets	Total
Gross carrying amount at the beginning of the period	**6 004**	**219**	**10 306**	**3 992**	**1 479**	**1 965**	**171**	**24 136**
Direct acquisitions	0	0	3 554	250	724	1 500	0	6 028
Adoption of fixed assets under construction	0	0	0	0	0	-292	0	-292
Increases due to business combinations	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0
Reduction / increase due to the OPE contribution	0	0	0	0	0	0	0	0
Decreases due to sales	0	0	-690	0	-548	0	0	-1 238
Decreases due to liquidation	0	0	-352	-213	0	0	0	-565
Other adjustments	0	0	0	3	0	0	796	799
Gross carrying amount at the end of the period	6 004	219	12 818	4 033	1 655	3 173	966	28 869
Accumulated amortization at the beginning of period	**-1 248**	**-46**	**-5 374**	**-2 885**	**-973**	**0**	**0**	**-10 525**
Increase in depreciation for the period	-80	-9	-1 635	-532	-231	0	0	-2 488
Increases due to business combinations	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0
Reduction / increase due to the OPE contribution	0	0	0	0	0	0	0	0
Decreases due to liquidation	0	0	610	114	0	0	0	724
Decreases due to sales	0	0	344	0	271	0	0	615
Other adjustments	0	0	0	0	0	0	0	0
Redemption value at the end of the period	-1 328	-55	-6 055	-3 303	-933	0	0	-11 674
Impairment allowances at the beginning of the period	0	0	0	0	0	0	0	0
Additions during the period	0	0	0	0	0	0	0	0
Impairment allowances at the end of the period	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net value at end of period	**4 676**	**164**	**6 763**	**731**	**723**	**3 173**	**966**	**17 196**

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

Separate financial Statement of Dekpol S.A. 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	0	0
Real estate leased	31 766	31 754
Advances for investment properties	0	0
Net carrying amount	**31 766**	**31 754**

2.2. Investment properties in reporting period

Description	**Land not leased**	**Investment properties leased**	**Advances for investment properties**	**Total**
Investment properties at the beginning of the period	0	31 754	0	31 754
Property purchase	0	0	0	0
Reversal of an impairment loss	0	0	0	0
Impairment write-off (-)	0	0	0	0
Other changes (reclassifications, transfers, etc.) (+/-)	0	0	0	0
Revaluation to fair value (+/-)	0	12	0	12
Investment properties at the end of the period	**0**	**31 766**	**0**	**31 766**

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

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

Pairwise comparison method

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

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

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

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

Income from the lease of the investment property located in Pinczyn amounted to PLN 614 thousand and of real estate located in Toruń PLN 2,52 thousand. At the same time, the costs incurred on the above-mentioned investment properties in 2023, respectively: Pinczyn PLN 238 thousand and Toruń PLN 337 thousand.

3. Goodwill and other intangible assets

3.1. Intangible assets

Description	31.12.2023	31.12.2022
Goodwill	0	0
Patents and licenses	653	200
Development costs	0	0
Other intangible assets	6 638	6 366
Intangible assets net	**7 291**	**6 565**

A significant value among other intangible assets represents the implementation of the ERP system called IFS Applications in 2023, with a gross amount of PLN 6,561,000. The years 2021-2022 were a period of implementation, testing, and system adaptation. The integrated ERP system supports the Dekpol Capital Group in faster development of processes and helps in providing reliable information about assets, construction projects, and relationships with contractors.

3.2. Intangible assets in reporting period

Description	Goodwill	Patents and licenses	Development costs	Other intangible assets	Total
Gross carrying amount at beginning of period	**1 141**	**1 964**	**0**	**6 366**	**9 471**
Acquisition	0	615	0	272	887
Reclassifications	0	0	0	0	0
Reduction / increase due to the OPE contribution	0	0	0	0	0
Decreases due to liquidation	0	-218	0	0	-218
Gross carrying amount at end of period	**1 141**	**2 360**	**0**	**6 638**	**10 140**
Amortization value at the beginning of the period	**-1 141**	**-1 765**	**0**	**0**	**-2 906**
Increase in amortization for the period	0	-161	0	0	-161
Reclassifications	0	0	0	0	0
Decrease / increase due to the OPE contribution	0	0	0	0	0
Decreases due to liquidation	0	218	0	0	218
Amortization value at the end of the period	**-1 141**	**-1 707**	**0**	**0**	**-2 849**
Impairment allowances at the beginning of the period	0	0	0	0	0
Impairment allowances at the end of the period	0	0	0	0	0

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Net value at the end of period	**0**	**653**	**0**	**6 638**	**7 291**

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

4. Stocks and shares

Stocks and shares	Headquarter	Value without deductions		% of owned shares / % of votes / % share in profits	
Company name		**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**
UAB DEK LT Stadyba (Litwa)	Litwa	10	10	100%	100%
Betpref Sp. z o.o.	Pinczyn	1 076	1 076	100%	100%
Dekpol Deweloper Sp. z o.o.	Pinczyn	165 362	165 362	100%	100%
Dekpol Steel Sp. z o.o.	Pinczyn	43 735	43 735	100%	100%
Dekpol Budownictwo Sp. z o.o.	Pinczyn	2 859	2 859	100%	100%
Kombet Sp. z o.o.	Działdowo	16 205	16 205	100%	100%
Dekpol Capital Sp. o.o.	Pinczyn	5	0	100%	100%
Dekpol Kamesznica Sp. z o.o.	Pinczyn	5	0	100%	100%
Total:		**229 258**	**229 248**		

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5. Other financial assets

5.1. Other financial assets

Description	31.12.2023	31.12.2022
Derivatives	0	0
Other long-term financial assets	2 046	2 770
Long-term granted loans	99 397	80 584
Other long-term financial assets	**101 444**	**83 353**
Short-term loans	43 225	77 792
Units in Open Investment Funds	0	0
Other short-term financial assets	0	0
Other short-term financial instruments	453	2 923
Other short-term financial assets	**43 678**	**80 715**

To limit the risk of an increase in the interest rate associated with the company's financial liabilities (bonds), the Company entered CAP transactions on May 5, 2022, in the amount of PLN 19,150 million. The fair value of the CAP option was disclosed in the position of other short-term financial assets. The option covers the period from May 23, 2022, to August 22, 2024. The option holder receives interest at a positive difference between WIBOR 6M and a rate of 3.5%. The option's valuation in the part that constitutes an effective hedge is included in the revaluation reserve (as described above).

To limit the risk of an increase in the interest rate associated with the company's financial liabilities (bonds), the Company entered CAP transactions on May 5, 2022, in the amount of PLN 11 million. The fair value of the CAP option was disclosed in the position of other short-term financial assets. The option covers the period from May 23, 2022, to August 22, 2024. The option holder receives interest at a positive difference between WIBOR 6M and a rate of 3.5%. The option's valuation in the part that constitutes an effective hedge is included in the revaluation reserve (as described above).

At the same time, to limit the risk of changing interest rates, the Company entered an IRS transaction.

The Company Dekpol S.A, to limit the risk of an increase in interest rates related to the company's financial obligations (credit), concluded two IRS transactions on March 11 and 14, 2022 for a total of 1.055 million EUR. The fair value of the IRS was disclosed in the Other short-term financial assets position. The IRS transaction covers the period from March 15, 2022, to July 16, 2026. As a result of the transaction, the Company receives a fixed interest rate of 0.7%. The valuation as of December 31, 2023, amounted to PLN 72,000.

Then the Company entered IRS transactions on August 30, 2022, to limit the risk of an increase in the interest rate associated with the company's financial obligations (credit), for a total of 2.738 million EUR. The fair value of the IRS was disclosed in the position of "other short-term financial assets". The IRS transaction covers the period from August 30, 2022, to August 31, 2029. As a result of the above transaction, the Company receives a fixed rate of 2.45%. The valuation as of December 31, 2023, amounted to 31,000 PLN.

To limit the risk of an increase in the interest rate associated with the company's financial obligations (bonds), the Company entered an IRS transaction on September 30, 2022, for an amount of 2.4 million EUR. The fair value of the IRS was disclosed in the "other short-term financial assets" position. The IRS transaction covers the period from September 30, 2022, to March 29, 2027. As a result of the above transaction, the Company receives a fixed rate of 3.11%. The valuation as of December 31, 2022, amounted to PLN -146 thousand.

The total valuation of the IRS transactions as of December 31, 2023, amounted to PLN - 105,000, presented as other short-term financial liabilities.

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However, the total value after valuation for CAP amounted to PLN 453 thousand (as above in item- Derivative short-term financial instruments).

Borrowings granted as at: 31.12.2023	Borrower	Value	Balance	Currency	Interest rate	Contractual repayment date
Long-term:						
Borrowing from Dekpol S.A.	Dekpol Deweloper Sp. z o.o.	2 352	2 352	EUR	EURIBOR 6M+margin	2027-03-29
Borrowing from Dekpol S.A.	Dekpol Deweloper Sp. z o.o.	3 724	3 724	EUR	EURIBOR 6M+ margin	2027-03-29
Borrowing from Dekpol S.A.	Dekpol Budownictwo Sp. z o.o.	20 000	15 469	PLN	WIBOR 3M+ margin	2025-02-13
Borrowing from Dekpol S.A.	Dekpol Steel Sp. z o.o.	2 000	211	EUR	Fixed	2025-02-13
Borrowing from Dekpol S.A	Dekpol Inwestycje Sp. Z o.o. Rokitki Sp.k.	8 000	8 000	PLN	WIBOR 3M+ margin	2026-06-27
Borrowing from Dekpol S.A	Dekpol Inwestycje Trimare Sp. zo.o.	20 000	20 000	PLN	WIBOR 3M+ margin	2026-06-27
Borrowing from Dekpol S.A	Dekpol Inwestycje Sp. Z o.o. Neo Jasień Sp.	3 400	3 400	PLN	WIBOR 3M+ margin	2026-06-27
Borrowing from Dekpol S.A	Dekpol Deweloper Sp. z o.o.	18 600	18 600	PLN	WIBOR 3M+ margin	2026-06-27
Borrowing from Dekpol S.A	Intek Sp. z o.o.	2 000	2 000	PLN	WIBOR 3M+ margin	2026-06-27
Borrowing from Depol S.A.	Dekpol Capital Sp. z o.o.	5 700	5 700	PLN	WIBOR 3M+ margin	2025-02-13
TOTAL long-term		**77 700**	**73 169**	**PLN**	-	-
		8 076	**6 287**	**EUR**		
Short-term:						
Borrowing from Dekpol S.A.	Dekpol Deweloper Sp. z o.o.	20 000	20 000	PLN	WIBOR6M+ margin	2024-08-23
Borrowing from Dekpol S.A.	Dekpol Deweloper Sp. z o.o.	9 336	9 336	PLN	WIBOR6M+ margin	2024-08-23
Borrowing from Dekpol S.A.	Dekpol Deweloper Sp. z o.o.	1 544	1 544	PLN	WIBOR6M+ margin	2024-08-23
Borrowing from Dekpol S.A.	Dekpol Deweloper Sp. z o.o.	11 000	11 000	PLN	WIBOR6M+ margin	2024-06-22
TOTAL short-term		**41 880**	**41 800**	**PLN**	-	-

6. Inventories

6.1. Structure of inventories

Description	31.12.2023	31.12.2022
Materials balance values	159	112
Semi-finished products and work in progress balance value	0	0
Premises under construction balance value	0	

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Goods balance values	9 460	10 286
Finished products balance values	0	0
Finished premises balance value	0	
Inventories	**9 619**	**10 398**

The “Goods” item includes land that is being sold in stages to a subsidiary. The land will be used for a development project.

6.2. Inventory write-offs

Description	31.12.2023	31.12.2022
Inventory write-offs at the beginning of period	0	0
Inventory write-offs created in period	0	0
Inventory write-offs reversal in period (-)	0	0
Inventory write-offs other changes	0	0
Inventory write-offs at the end of period	**0**	**0**

7. Receivables

7.1. Long-term receivables

Description	31.12.2023	31.12.2022
Deposits from construction services	136	912
Deposits from other titles	0	0
Other receivables	5 446	6 004
Receivables write-offs (-)	0	0
Long-term receivables	5 582	6 916
Long-term deferred charges	0	0
Trade and other long-term receivables	**5 582**	**6 916**

The interest rate applied to discount long-term receivables is 7.82%. The receivable is due on March 31, 2025. The remaining receivable from the subsidiary company Almond is unsecured.

7.2. Long-term receivables write-offs

Description	31.12.2023	31.12.2022
Status at the beginning of period	0	0
Write-offs as cost in period	0	0
Write-off terminated addend as income in period (-)	0	0
Write-offs used (-)	0	0

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Other changes (net FX differences from settlement)	0	0
Status at the end of period	**0**	**0**

7.3. Short-term receivables

Description	31.12.2023	31.12.2022
Net trade receivables	19 071	118 267
Receivables due to other taxes, duties, and social security	513	380
Deposits from construction services balance value	0	1 454
Deposits from other titles	46	0
Prepay and advance payment balance value	338	57
Other receivables balance value	143	139
Dividend receivables - short-term	0	0
Trade receivables and other receivables	**20 111**	**120 297**
Short-term deferred charges	1 213	548
Trade and other short-term receivables	**21 324**	**120 845**

7.4. Short-term receivables write-offs

Description	31.12.2023	31.12.2022
Status at the beginning of period	**8 347**	**10 092**
Write-offs as cost in period*	1 021	1 256
Write-offs terminated added as income in period (-)	-2 742	-2 371
Write-offs used (-)	-814	-631
Other changes (net FX differences from settlement)	0	0
Status at the end of period	**5 812**	**8 347**

*The write-off includes the risk of expected credit losses determined based on a simplified model according to IFRS 9 (PLN 266,000), as well as additional write-offs for expected credit losses created for selected counterparties where a significant increase in credit risk has been identified.

In the calculation according to the simplified model of IFRS 9, as of the balance sheet date, it does not include trade receivables from related parties because, based on history, there have been no uncollectible receivables. The Company's exposure to credit risk according to the simplified model of IFRS 9 as of the balance sheet date, December 31, 2023, for trade receivables exposed to risk:

Credit losses in terms	Gross value of receivables	ECL	Write-off for expected credit losses
On-time	101	0,27%	0
From 1 to 30 days	146	0,39%	1
From 31 to 60 days	2	1,79%	0
From 61 to 90 days	2	2,13%	0
From 91 to 180 days	430	2,63%	11
From 181 to 1 year	16	5,59%	1
Over one year	333	75,96%	253

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Write-off value in total	**1 030**		**266**

7.5. Maturity structure in reporting period

Description	Overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 year to 2 years	From 2 to 5 years	Over 5 years	Total
Long-term receivables	0	0	0	0	0	5 582	0	0	5 582
Trade receivables	664	10 907	7 498	2	0	0	0	0	19 071
Prepayments and payables	0	7	332	0	0	0	0	0	338
Deposits from construction services	0	0	0	0	0	0	0	0	0
Deposits from other titles	16	0	0	0	30	0	0	0	46
Receivables due to current income tax	0	0	792	0	0	0	0	0	792
Receivables due to other taxes	0	513	0	0	0	0	0	0	513
Other receivables	**0**	**143**	**0**	**0**	**0**	**0**	**0**	**0**	**143**
Receivables in total	**7 426**	**4 823**	**8 622**	**2**	**30**	**5 582**	**0**	**0**	**26 486**

7.6. Maturity structure in previous reporting period

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

7.7. 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	18 407	146	4	419	15	80	19 071
Prepayments and payables	338	0	0	0	0	0	338
Deposits from construction services	0	0	0	0	0	0	0

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Deposits from other titles	30	0	16	0	0	0	46
Receivables due to current income tax	792	0	0	0	0	0	792
Receivables due to other taxes	513	0	0	0	0	0	513
Other receivables	**143**	**0**	**0**	**0**	**0**	**0**	**143**
Overdue receivables	**20 224**	**146**	**20**	**419**	**15**	**80**	**20 903**

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	112 247	3 091	712	346	644	1 227	118 267
Prepayments and payables	57	0	0	0	0	0	57
Deposits from construction services	20	0	1 434	0	0	0	1 454
Deposits from other titles	0	0	0	0	0	0	0
Receivables due to current income tax	0	0	0	0	0	0	0
Receivables due to other taxes	380	0	0	0	0	0	380
Other receivables	**139**	**0**	**0**	**0**	**0**	**0**	**139**
Overdue receivables	**112 842**	**3 091**	**2 146**	**346**	**644**	**1 227**	**120 297**

8. Cash

8.1. Cash specifics

Description	31.12.2023	31.12.2022
Bank accounts	2 558	5 151
cash of limited disposal rights	542	2 850
Cash in deposit	0	0
Short-term deposits	53 391	14 367
Other cash and cash equivalent	31	30
Cash and cash equivalents	**55 979**	**19 548**

9. Deferred charges

9.1. Active deferred charges

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Description	31.12.2023	31.12.2022
Insurance	176	241
Guarantees	0	0
Commissions on the sale of premises	0	0
Other	1 037	307
Including annual fee for Microsoft 365 license	682	0
Deferred charges in total	**1 213**	**548**

10. Equities

10.1. 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
B-Series	1 952 549	1 952 549	0	0
Total:	**8 362 549**	**8 362 549**	**0**	**0**

10.2. Changes in number of shares

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

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

11. Provisions

11.1. Provisions specifics

Separate financial Statement of Dekpol S.A. for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN)

Description	31.12.2023	31.12.2022
Provisions for employee benefits - long-term	**51**	**41**
Other long-term provisions	**0**	**0**
Provisions for employee benefits - short-term	**1**	**1**
Provisions for unused holidays	703	754
Provisions for court litigations	49	49
Provisions for losses on construction contracts	0	0
Provisions for guarantee repairs	0	0
Provision for contract costs	0	0
Provisions for employee bonuses	1 081	904
Other provisions	138	94
Other short-term provisions	**1 972**	**1 801**

The valuation of provisions for employee benefits was carried out based on the report of an independent expert (actuary)

Calculation methodology

The method required by International Accounting Standard No. 19, the so-called Projected Unit Credit Method, also known as the accrued benefit method in relation to length of service, was used to determine liabilities. This methodology is consistent with the methodology prescribed by the National Accounting Standard (NAS 6) and the National Actuarial Standard (NSA 1) "Valuation of Employee Benefit Obligations."

The essence of this method is to view each period of employment as giving rise to an additional unit of non-wage benefit entitlement. Considering the above definition, the value of future liabilities is calculated as the accumulated portion of future benefits, considering the projected increase in the salary underlying the future benefits.

The valuation was done using the individual method, separately for each eligible person. In determining the liabilities, the probabilities of achieving entitlement to individual benefits were also considered. The probability of attaining entitlement to individual benefits is understood as the probability of attaining the appropriate length of service or of the employee living to an appropriate age if he or she remains in an employment relationship with the current employer.

Assumptions adopted

The value of provisions for employee benefits 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 relates only to employees employed at the Company as of a given date and does not consider employees who are yet to be hired.

The following tables show the interest rate adopted for valuation and the nominal growth rates of the benefit bases adopted after consultation with the Company's representatives in subsequent periods.

Base growth rate (over the period)	**Salary 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%

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

Discount rate (during the period)	Risk-free rate

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01.01.2024 and further (each year)	5,10 %

The 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.

The probability of disability retirement was assumed to be 0.2%.

To estimate the probability of resignation from employment at the Company, data for previous years were analyzed (taking into account, among other things, age, gender, length of service, form of employment), and information on the labor market in Poland and the industry in question 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 base points.

11.2. Changes in provisions in reporting period

Description	For retirement benefits	For unused holidays	For court litigations	For guarantee repairs	For losses from contracts	For contract costs	For employee bonuses	Other	Total
Status at the beginning of period	42	754	49	0	0	0	904	94	1 842
Increase of provisions accounted as cost in period	11	703	0	0	0	0	177	138	1 029
Utilization of provisions accounted as revenue in period (-)	0	0	0	0	0	0	0	0	0
Utilization of provisions (-)	0	-754	0	0	0	0	0	-94	-848
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	**52**	**703**	**49**	**0**	**0**	**0**	**1 081**	**138**	**2 024**

11.3. Changes in provisions in previous reporting period

Description	For retirement benefits	For unused holidays	For court litigations	For guarantee repairs	For losses from contracts	For contract costs	For employee bonuses	Other	Total
Status at the beginning of period	34	650	56	0	0	0	1 604	79	2 422
Increase of provisions accounted as cost in period	8	754	0	0	0	0	0	94	856
Utilization of provisions accounted as revenue in period (-)	0	0	-7	0	0	0	-700	0	-707
Utilization of provisions (-)	0	-650	0	0	0	0	0	-79	-729
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	**42**	**754**	**49**	**0**	**0**	**0**	**904**	**94**	**1 842**

12. Financial liabilities

Separate financial Statement of Dekpol S.A. for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN)

12.1. Specification of financial liabilities

Description	31.12.2023	31.12.2022
Other short-term financial liabilities	0	0
Other financial liabilities short-term	1 112	0
Loans, borrowings, and short-term debt-instruments	52 110	55 530
Short-term lease liabilities	1 059	777
Short-term financial liabilities	**54 280**	**56 307**
Other long-term financial liabilities	0	0
Loans, borrowings, and long-term debt-instruments	146 177	131 035
Long-term lease liabilities	2 552	846
Long-term financial liabilities	**148 730**	**131 881**
Total financial liabilities	**203 010**	**188 188**

12.2. Maturity of financial liabilities in reporting period

Description	overdue	Up to 1 month	1-3 months	over 3 months up to 1 year	from 1 to 2 years	from 2 to 5 years	over 5 years	Total
Long-term loans	0	0	0	0	3 289	6 588	2 941	12 818
Long-term borrowings	0	0	0	0	0	0	0	0
Long-term bonds	0	0	0	0	50 500	105 281	0	155 782
Long-term leases	0	0	0	0	858	1 947	0	2 805
Long-term derivative liabilities	0	0	0	0	0	0	0	0
Short-term loans	0	294	581	2 572	0	0	0	3 447
Shor-term borrowings	0	0	0	0	0	0	0	0
Short-term bonds	0	0	4 649	64 014	0	0	0	68 663
Short-term leases	0	108	202	930	0	0	0	1 240
Short-term derivative liabilities	0	0	0	1 112	0	0	0	1 112
Financial liabilities - maturity	**0**	**402**	**5 432**	**68 628**	**54 647**	**113 816**	**2 941**	**245 867**

In 2023, the maturity of financial liabilities, as a measure of liquidity risk, was prepared based on undiscounted contractual cash flows and includes principal as well as interest payments. Amounts in currency have been translated into PLN according to the exchange rate of the National Bank of Poland at the end of the period, and interest payments have been calculated based on the interest rate prevailing in the last interest period before December 31, 2023, and December 31, 2022.

The value of interest payments due as of the balance sheet date amounted to PLN 41,299 thousand.

12.3. Maturity of financial liabilities in previous reporting period

Description	overdue	Up to 1 month	1-3 months	over 3 months up to 1 year	from 1 to 2 years	from 2 to 5 years	over 5 years	Total
Long-term loans	0	0	0	0	1 121	1 868	12 842	15 831

Separate financial Statement of Dekpol S.A. for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN)

Long-term borrowings	0	0	0	0	0	0	0	0
Long-term bonds	0	0	0	0	88 275	27 683	0	115 959
Long-term leases	0	0	0	0	550	297	0	846
Long-term derivative liabilities	0	0	0	0	0	0	0	0
Short-term loans	0	93	187	3 743	0	0	0	4 024
Shor-term borrowings	0	0	0	0	0	0	0	0
Short-term bonds	0	0	0	50 751	0	0	0	50 751
Short-term leases	0	59	116	602	0	0	0	777
Short-term derivative liabilities	0	0	0	0	0	0	0	0
Financial liabilities - maturity	**0**	**152**	**303**	**55 097**	**89 946**	**29 848**	**12 842**	**188 188**

12.4. Conditions of financial liabilities

Due to loans and borrowings in nominal values (in thousands)

Loans and borrowings as at 31.12.2023	Value of loan /borrowing*	Balance	Currency	Interest rate	Contractual repayment date
Long-term					
PKO BP investment loan 54 1020 1462 0000 3739 0134 7483	1 175	378	EUR	EURIBOR 1M+margin	2026-07-16
PKO investment loan 82 1020 1462 0000 7896 0154 4808	2 317	2 204	EUR	EURIBOR 1M+ margin	2030-08-24
TOTAL long-term	**0**	**0**	**PLN**	-	-
	3 492	**2 582**	**EUR**	-	-
Short-term					
PKO BP investment loan 54 1020 1462 0000 3739 0134 7483	239	262	EUR	EURIBOR 1M+ margin	2026-07-16
PKO investment loan 82 1020 1462 0000 7896 0154 4808	387	418	EUR	EURIBOR 1M+ margin	2030-08-24
Other	0	8	PLN		
	0	**8**	**PLN**	-	-
TOTAL short-term	**626**	**680**	**EUR**	-	-

Loans and borrowings as at 31.12.2023	Collateral
PKO BP investment loan 54 1020 1462 0000 3739 0134 7483	Mortgage, assignment of receivables from insurance policy, bill of exchange, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code by the Borrower
PKO investment loan 82 1020 1462 0000 7896 0154 4808	Mortgage, assignment of receivables from insurance policy, bill of exchange, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code by the Borrower

Due to loans and borrowings in nominal values (in thousands)

Loans and borrowings as at 31.12.2022	Value of loan /borrowing*	Balance	Currency	Interest rate	Contractual repayment date
Long-term					
PKO BP investment loan 54 1020 1462 0000 3739 0134 7483	617	617	EUR	EURIBOR 1M+ margin	2026-07-16
PKO investment loan 82 1020 1462 0000 7896 0154 4808	2 577	2 577	EUR	EURIBOR 1M+ margin	2030-08-24
TOTAL long-term	**3 194**	**EUR**	**3 194**	**EUR**	-
	0	**PLN**	**0**	**PLN**	-
Short-term					
PKO BP investment loan 54 1020 1462 0000 3739 0134 7483	259	259	EUR	EURIBOR 1M+ margin	2026-07-16
PKO investment loan 82 1020 1462 0000 7896 0154 4808	161	161	EUR	EURIBOR 1M+ margin	2030-08-24
Other		16	PLN	-	-
	0	**16**	**PLN**	-	-
TOTAL short-term	**420**	**420**	**EUR**	-	-

* Nominal value

Loans and borrowings as at 31.12.2022	Collateral
PKO BP investment loan 54 1020 1462 0000 3739 0134 7483	Mortgage, assignment of receivables from insurance policy, bill of exchange, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code by the Borrower
PKO investment loan 82 1020 1462 0000 7896 0154 4808	Mortgage, assignment of receivables from insurance policy, bill of exchange, declaration of submission to enforcement under Art. 777 of the Civil Procedure Code by the Borrower

Due to bonds

Bonds as of the end of reporting period 31.12.2023	Value	Balance	Currency	Interest rate	Repayment date
Long-term					
P2021A-series bonds	25 000	25 000	PLN	WIBOR 3M+ margin	2025-02-13
P2021B-series bonds	12 102	12 102	PLN	WIBOR 3M+ margin	2025-09-22
2022AC-series bonds	2 400	2 400	EUR	EURIBOR 6M+ margin	2027-03-29
2022BC[2]-series bonds	3 800	3 800	EUR	EURIBOR 6M+ margin	2027-03-29
P2023A-series bonds	40 000	40 000	PLN	WIBOR 3M+ margin	2026-06-27
P2023A-series bonds	30 000	30 000	PLN	WIBOR 3M+ margin	2026-06-27
TOTAL long-term	**6 200**	**6 200**	**EUR**	-	-
	107 102	**107 102**	**PLN**	-	-
Short-term					

J-series bonds	11 000	11 000	PLN	WIBOR 6 M+ margin	2024-06-22
K-series bonds	39 150	39 150	PLN	WIBOR 6M+ margin	2024-08-23
	0	**0**	**EUR**	-	-
TOTAL short-term	**50 150**	**50 150**	**PLN**	-	-

[1] On 09/08/2021 the K and L series were assimilated and currently both appear together under the name and ISIN code of the K series
[2] As of the date of publication, the 2022BC-series bonds have been redeemed in full at the request of the Issuer

Bonds as of 31.12.2023	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
J-series bonds	n/a
K-series bonds	n/a
P2023A-series bonds	n/a
P2023B-series bonds	n/a

Due to bonds

Bonds as of the end of reporting period 31.12.2022	Value	Balance	Currency	Interest rate	Repayment date
Long-term					
P2021A-series bonds	25 000	25 000	PLN	WIBOR 3M+ margin	2025-02-13
P2021B-series bonds	12 102	12 102	PLN	WIBOR 3M+ margin	2025-09-22
2022AC-series bonds	2 400	2 400	EUR	EURIBOR 6M+ margin	2027-03-29
2022BC-series bonds	3 800	3 800	EUR	EURIBOR 6M+ margin	2027-03-29
J-series bonds	11 000	11 000	PLN	WIBOR 6 M+ margin	2024-06-22
K-series bonds	39 150	39 150	PLN	WIBOR 6M+ margin	2024-08-23
TOTAL long-term	**87 252**	**87 252**	**PLN**	-	-
	6 200	**6 200**	**EUR**	-	-
Short-term					
I-series bonds	50 000	50 000	PLN	WIBOR 6 M+ margin	2023-10-28
	50 000	**50 000**	**PLN**	-	-
TOTAL short-term	**0**	**0**	**EUR**	-	-

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
J-series bonds	n/a
K-series bonds	n/a
I-series bonds	mortgage and a declaration of submission to enforcement pursuant to Art. 777 of the Civil Procedure Code of the mortgage debtor

II Bonds Issue Programme

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On April 24, 2023, the Financial Supervision Commission (KNF) approved the base prospectus of the II Bonds Issue Programme of Dekpol S.A., thus the II Bonds Issue Programme (PEO II) established by the resolution of the Company's Management Board from December 2022 came into force. Under the PEO II, the Company could issue bonds in the manner specified in Article 33(1) of the Act of January 15, 2015, on Bonds. Bonds with a total nominal value not exceeding PLN 150 million could be issued in one or more series within 12 months from the date of the prospectus approval by the KNF. Bonds could be issued both as unsecured and secured. The interest rate on bonds could be variable or fixed, and the bond payments could be solely monetary. The issuance of subsequent series of bonds was to be made each time based on a resolution of the Company's Management Board specifying the final terms of the issuance of a given series, including, in particular, the currency of the bonds of that series, the issue price, the unit and total nominal value of the bonds of that series, the redemption date, the interest rate, interest periods, and the rules for applying for the introduction of the bonds of that series to trading on the selected regulated market or alternative Catalyst trading system.

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

Issue of P2023A-series bonds under II Bonds Issue Programme

On June 2, 2023, Management Board of Dekpol S.A. adopted a resolution regarding the issuance within the PEO II of up to 40,000 of P2023A-series bearer bonds of with a nominal value of PLN 1,000 each and a total nominal value of up to PLN 40,000,000. The issuance of bonds 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.

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

On June 22, 2023, Management Board of Dekpol S.A. adopted a resolution regarding the preliminary allocation of 40,000 of P2023A-series bearer bonds with a nominal value of PLN 1,000 each and a total nominal value of PLN 40,000,000. The P2023A-series bonds were allocated subject to the suspensive condition of making the final settlement of the acquisition transactions of bonds within the issuance in the KDPW system. The bonds were issued based on Article 33(1) of the Bond Act. The bonds were issued at an issue price of PLN 996 (in the case of subscription submission by June 11, 2023) per bond and PLN 998 (in the case of subscription submission after this date) per bond. The nominal value of the allocated bonds amounted to approximately PLN 39.9 million. The subscription reduction rate was 11.2%. The bonds were allocated to 709 investors. The interest rate on the bonds is variable and amounts to 5.50% + WIBOR 3M on an annual basis. Bond interest is payable 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 the Terms and Conditions of Bonds Issue, including, among others, in case the Dekpol Capital Group exceeds certain debt ratios. The Company may demand early redemption of the bonds on any interest payment date, paying a premium of 0-1% of the nominal value of the bonds subject to redemption, depending on the date of the redemption request.

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

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

About the events related to issue 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 and 24/2023 dated June 27, 2023, and no. 27/2023 dated June 30, 2023.

Issue of P2023B-series bonds under 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 on the conclusion of an agreement with the Company for the registration in the securities deposit under the ISIN code PLDEKPL00156, for up to 30,000 P2023B-series bearer bonds 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 preliminary allocation of 30,000 of P2023B-series bearer bonds with a nominal value of PLN 1,000 each and a total nominal value of PLN 30,000,000. The P2023B-series bonds were allocated subject to the suspensive condition of making the final settlement of the acquisition transactions of bonds within the issuance in the KDPW system. The bonds were issued based on Article 33(1) of the Bond Act. The bonds were issued at an issue price equal to the nominal value. The subscription reduction rate was 23.45%. The bonds were allocated to 485 investors. The interest rate on the bonds is variable and amounts to 5.50% + WIBOR 3M on an annual basis. Bond interest is payable 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 the bonds in standard cases specified in the terms of the bond issuance, including, among others, in case the Dekpol Capital Group exceeds certain debt ratios. The Company may demand early redemption of the bonds on any interest payment date, paying a premium of 0-1% of the nominal value of the bonds subject to redemption, depending on the date of the redemption request.

On July 21, 2023, Management Board of the Warsaw Stock Exchange (GPW) adopted a resolution regarding the admission of 30,000 of P2023B-series bonds of the Company to trading on the primary market Catalyst, effective from the registration date of these bonds by KDPW. The adoption of the aforementioned resolution fulfilled the condition for registering the bonds in KDPW. On July 24, 2023, KDPW made the final settlement of the bonds, thus the issuance of P2023B-series bonds was completed. On July 26, 2023, Management Board of GPW adopted a resolution to introduce 30,000 of P2023B-seires bonds of the Company to trading on the primary market, 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 abbreviated name DKP626. Additionally, Management Board of GPW set the last trading date for the aforementioned bonds to be June 22, 2026.

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

About the events related to issue 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 and 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. The bonds will be issued in one or multiple 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 the provisions of Article 33(1) of the Act of January 15, 2015, on Bonds, whereby, in accordance with the applicable law, there will be no requirement to prepare a prospectus or an information memorandum. The resolution of the Company's Management Board regarding the launch of the bonds issue programme stipulates that the bonds will be issued as unsecured bonds, the interest rate on the bonds will be variable or fixed, and the bond payments will be solely in cash. The bonds will be listed on the alternative trading system organized by the Warsaw Stock Exchange S.A. within the Catalyst market.

The issuance of individual series of bonds will be carried out each time based on separate resolutions of the Company's Management Board, which will specify the detailed parameters of the respective bond issuance. The Company is entitled to make multiple issuances under the program 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.

13. Trade liabilities

13.1. Long-term liabilities

Description	31.12.2023	31.12.2022
Deposits received	555	836
Other liabilities (long-term)	0	0
Long-term deferred charges	0	0
Liabilities from deliveries and services and other long-term liabilities	**555**	**836**

13.2. Short-term liabilities

Description	31.12.2023	31.12.2022
Liabilities from deliveries and services	6 799	111 541
Prepayments and advances received for deliveries	0	0
Short-term deposits received	53	1 011
Payroll liabilities	617	586
Other short-term liabilities	46	42
Other taxes, duties, and social security liabilities	1 830	1 853
Trade liabilities and other liabilities	**9 345**	**115 033**
Deferred income	320	9
Liabilities from deliveries and services and other short-term liabilities	**9 665**	**115 042**

13.3. Maturity of liabilities in reporting period

Description	Overdue	Up to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 to 2 years	From 2 to 5 years	Over 5 years	Total
Long-term deposits received	0	0	0	0	0	0	555	0	555
Other long-term liabilities – other titles	0	0	0	0	0	0	0	0	0
Long-term liabilities	**0**	**0**	**0**	**0**	**0**	**0**	**555**	**0**	**555**
Trade liabilities	459	2 670	3 110	318	242	0	0	0	6 799
Prepayments and deposits received for supplies	0	0	0	0	0	0	0	0	0
Short-term received bails	53	0	0	0	0	0	0	0	53
Liabilities due to other taxes	0	1 830	0	0	0	0	0	0	1 830
Liabilities due to remunerations	0	617	0	0	0	0	0	0	617
Other short-term liabilities	0	46	0	0	0	0	0	0	46
Short-term liabilities	**843**	**4 832**	**3 110**	**318**	**242**	**0**	**0**	**0**	**9 345**

Separate financial Statement of Dekpol S.A. for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN)

13.4. Maturity of liabilities in previous reporting period

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

13.5. 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	6 340	259	103	9	33	55	6 799
Prepayments and deposits received for supplies	0	0	0	0	0	0	0
Short-term received bails	0	0	0	0	0	53	53
Liabilities due to other taxes	1 830	0	0	0	0	0	1 830
Liabilities due to remunerations	617	0	0	0	0	0	617
Other short-term liabilities	46	0	0	0	0	0	46
Short-term liabilities	**8 833**	**259**	**103**	**9**	**33**	**108**	**9 345**

13.6. Overdue liabilities in previous reporting period

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

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14. Deferred income

14.1. Specification of deferred income in reporting period

Description	Short-term	Long-term	Total
Grants received	0	0	0
Deferred charges	96	224	320
Other charges	0	0	0
Liabilities – deferred charges in total	**96**	**224**	**320**

The deferred income item relates to the deferred settlement of the gain on the leaseback.

14.2. Specification of deferred income in previous reporting period

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

15. Operating revenues and costs

15.1. Sales revenues

Description	01.01.-31.12.2023	01.01.-31.12.2022
Revenues from sales of products	671	162 426
Revenues from sales of services	30 023	26 178
Revenues from sales of goods and materials*	23 824	87 597
Sales revenues	**54 518**	**276 201**

*The value of material sales in 2023 resulted from purchases made by Dekpol S.A. due to historically held buyer limits, and subsequent transfers to target subsidiaries were made.

15.2. Costs by type

Description	01.01.-31.12.2023	01.01.-31.12.2022
Cost of goods and materials sold	22 184	84 968
Remuneration	9 578	8 126
Depreciation	2 649	2 318

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Employee benefits	1 974	1 819
Consumption of materials and energy	1 115	16 992
Outsourced services	13 486	153 528
Taxes and fees	666	587
Other costs by type	1 013	1 942
Costs by type	52 665	270 280
Administrative expenses	-10 192	-8 009
Selling costs	-252	-484
Own work capitalized	-866	0
Movements in the balance of products	858	919
Own selling cost	**42 213**	**262 706**

15.3. Own selling cost

Description	31.12.2023	31.12.2022
Cost of product sold	718	164 610
Cost of services sold	19 311	13 128
Cost of goods and materials sold	22 184	84 968
Own selling cost	**42 213**	**262 706**

15.4. Other operating revenues

Description	01.01.-31.12.2023	01.01.-31.12.2022
Pricing of investment properties to its fair value	112	247
Release of provisions	0	7
Fines and compensations	29	141
Grants	9	3
Overdue liabilities	0	0
Scrap yield	0	0
Bonus from turnover	0	0
Surplus stock	0	0
Other titles	3 521	2 246
Re-invoices	0	0
Write-offs for inventories reversal in period (-)	0	0
Impairment write-offs on receivables reversal in period (-)	2 742	2 434
Profit on disposal of non-financial fixed assets	111	114
Revenues on disposal of non-financial fixed assets – manual adjustment	0	0
Profit from a bargain purchase	0	0
Other operating revenues	**6 524**	**5 191**

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15.5. Other operating costs

Description	01.01.-31.12.2023	01.01.-31.12.2022
Pricing of investment properties to its fair value	100	0
Establishment of provisions	0	0
Cost related to acquisition of subsidiaries	0	0
Cost of defects repairs	0	33
Donations	403	144
Handover of a road investment	0	0
Receivables noted	0	0
Contractual penalties	0	0
Material losses	8	0
Court litigation costs	230	0
Compensations	353	6
Inventory deficits	0	0
Re-invoicing costs	0	0
Write-offs for inventories creation in period	0	0
Impairment write-offs on receivables creation in period	1 021	1 256
Loss on disposal of non-financial fixed assets	0	0
Other titles	315	501
Other operating costs	**2 429**	**1 940**

16. Financial revenues and expenses

16.1. Financial revenues

Description	01.01.-31.12.2023	01.01.-31.12.2022
Interests	25 721	11 465
Profit from sale of financial assets	0	0
Dividends	10 000	0
Reversal of write-offs	0	0
Other financial revenues	0	0
Surplus of positive exchange differences over the negative ones	0	351
Pricing of financial instruments at fair value	0	0
Financial revenues	**35 721**	**11 816**

16.2. Financial expenses

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Description	01.01.-31.12.2023	01.01.-31.12.2022
Other financial costs	1 224	738
Interests	27 053	17 631
Write-offs	0	0
Loss from sale of financial assets	0	0
Surplus of negative exchange differences over the positive ones	1 272	0
Pricing of financial instruments at fair value	42	207
Financial expenses	**29 590**	**18 576**

17. Income tax

17.1. Income tax

Description	31.12.2023	31.12.2022
Current income tax	-804	1 028
Deferred income tax	513	-742
Income tax	**-291**	**286**

17.2. Effective taxation rate

Description	31.12.2023	31.12.2022
Current income tax for previous periods included in financial result	**-804**	**0**
Profit (loss) before tax	12 087	1 494
Probable income tax	**2 296**	**284**
Reconciliation of differences that permanently do not constitute tax deductible costs	**- 1 736**	**-47**
Fees for PFRON	26	12
Dividends	-1 900	0
Representation costs	31	17
Costs of penalties and mandates	0	2
Other costs	107	-78
Income tax not included in the asset and reserve for deferred income tax	**-47**	**0**
Deduction of income tax	0	49
Income tax recognized in financial result	**-291**	**286**

18. Deferred income tax

Separate financial Statement of Dekpol S.A. for the period from 01.01.2023 to 31.12.2023 (data in thousands of PLN)

18.1. Deferred income tax

Description	31.12.2023	31.12.2022
Assets and provisions due to deferred income tax per balance at the beginning of the period	11 196	11 932
Deferred tax assets at the beginning of the period	4 094	2 060
Deferred tax provisions at the beginning of the period	15 290	13 992
Financial result (+/-)	-291	-742
Other comprehensive income (+/-)	0	7
Accounting for a business combination	0	0
Other (including net exchange differences on translation)	803	0
Assets and provisions due to deferred income tax per balance at the end of the period	**11 709**	**11 196**
Assets due to deferred income tax	3 272	4 094
Provision due to deferred income tax	14 981	15 290

18.2. Deferred income tax assets in reporting period

Description	Balance at the beginning of period	Financial result	Other comprehensive income	settlement of the connection	other changes	Total
Pricing of liabilities in revised purchase price	0	0	0	0	0	0
Assets write-offs	990	114	0	0	0	1 104
Provisions for employee benefits	8	2	0	0	0	10
Other provisions	2 819	-928	0	0	0	1 891
Other titles as a basis for establishment of assets for deferred income tax	276	-10	0	0	0	267
Deferred income tax assets	**4 094**	**-822**	**0**	**0**	**0**	**3 272**

18.3 Deferred income tax assets in previous reporting period

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

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18.4. Deferred income tax provisions in reporting period

Description	Balance at the beginning of period	Financial result	Other comprehensive income	settlement of the connection	other changes	Total
Overestimation of financial assets (positive differences)	9 465	-7	0	0	0	9 458
Depreciation of fixed assets	164	649	0	0	0	812
Trade receivables	1 765	-1 026	0	0	0	739
Construction contracts	0	0	0	0	0	0
Pricing of liabilities in revised purchase price	465	12	0	0	0	477
Deferred tax from pricing of investment property	2 633	-69	0	0	0	2 564
Other titles as a basis for establishment of assets for deferred income tax	798	132	0	0	0	930
Deferred income tax provision	**15 290**	**-309**	**0**	**0**	**0**	**14 981**

18.5. 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
Overestimation of financial assets (positive differences)	9 458	0	7	0	0	9 465
Depreciation of fixed assets	153	11	0	0	0	164
Trade receivables	463	1 302	0	0	0	1 765
Construction contracts	0	0	0	0	0	0
Pricing of liabilities in revised purchase price	496	-31	0	0	0	465
Deferred tax from pricing of investment property	2 496	138	0	0	0	2 633
Other titles as a basis for establishment of assets for deferred income tax	926	-128	0	0	0	798
Deferred income tax provision	**13 992**	**1 291**	**7**	**0**	**0**	**15 290**

19. Financial instruments

19.1. Financial instruments – assets

Description	31.12.2023	31.12.2022
Assets evaluated at fair value through financial result	0	0
Shares in FIO (OIF)	0	0
Capital investments	0	0
Financial assets evaluated at fair value through other comprehensive income	0	0
Hedging financial instruments	453	2 923

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Financial assets excluded from the scope of IFRS 9 classification	232 704	232 694
Stocks and shares in subsidiaries	232 688	232 678
Stocks and shares in associates and jointly controlled entities	16	16
Financial assets evaluated in depreciated cost	225 348	307 330
Cash and cash equivalents	55 979	19 548
Trade and other receivables	24 699	126 637
Loans and receivables	142 622	158 376
Other financial assets	2 046	2 770
Financial assets	**458 504**	**542 947**

19.2. 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	**3 611**	**1 623**
Lease	3 611	1 623
Financial liabilities evaluated at depreciated cost	**205 695**	**299 953**
Bonds	184 090	166 710
Loans	14 197	19 855
Borrowing received	0	0
Trade and other liabilities	7 408	113 388
Other financial liabilities	0	0
Financial liabilities	**210 418**	**301 576**

20. Risks of financial instruments

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

Description	PLN	EUR	Other	Total
Stocks and shares	232 694	10	0	232 704
Borrowings granted	114 566	28 056	0	142 622
Trade receivables and other receivables	24 296	404	0	24 699
Cash and cash equivalents	55 490	489	0	55 979
Derivative financial instruments	453	0	0	453
Other financial assets	2 046	0	0	2 046
Financial assets (+):	**429 545**	**28 960**	**0**	**458 504**
Loans, borrowings, and other debt instruments	155 204	43 083	0	198 287
Financial lease	1 865	1 746	0	3 611

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Trade liabilities and other liabilities	6 929	479	0	7 408
Derivative financial instruments	1 112	0	0	1 112
Other financial liabilities	0	0	0	0
Financial liabilities (-):	**165 110**	**45 308**	**0**	**210 418**
Exposure on FX risk in total	**264 435**	**-16 348**	**0**	**248 087**

20.2. Exposure to FX risk in previous reporting period

(amounts in currency after conversion to PLN)

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

If the EUR exchange rate were higher or lower by 3% as of December 31, 2023, then financial assets would be higher or lower by PLN 1,843 thousand, and financial liabilities would be higher or lower by PLN 1,169 thousand - due to negative or positive exchange rate differences resulting from the revaluation of receivables, loans granted, funds held in bank accounts, and trade payables. To mitigate the risk of exchange rate fluctuations, in currency settlements related to export sales and import purchases.

20.3. Exposure to interest rate risk in reporting period

(applies to instruments valued at adjusted purchase price)

Description	Variable interest rate	Fixed interest rate	Total
Short-term financial liabilities (evaluated in APP)	51 319	2 961	54 280
Loans and own receivables (evaluated in APP)	132 396	10 226	142 622
Long-term financial liabilities (evaluated in APP)	127 067	21 663	148 730
Financial instruments - exposure to interest rate risk	**-45 990**	**-14 398**	**-60 388**

Interest rate risk

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Dekpol finances its activities, among others using variable interest rate debt (including revolving loan and bonds). Therefore, it is exposed to interest rate risk. In the event of a significant increase in interest rates, the Company's financial results may deteriorate due to an increase in financial costs. Additionally, high exposure related to this risk and incorrect assessment of this risk may adversely affect the financial results of the Company. An increase in the base rate by 0.5 percentage points would result in an increase in financial costs of approximately 900,000 PLN, if the balance of variable interest rate liabilities remained unchanged throughout the entire financial year.

20.4. Exposure to interest rate risk in previous reporting period

(applies to instruments valued at adjusted purchase price)

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

21. Geographical structure

Description	31.12.2023	31.12.2022
Poland	54 518	197 646
European Union	0	78 524
Other countries	0	32
Sales revenues	**54 518**	**276 201**
Poland	530 647	610 494
European Union	0	0
Other countries	0	0
Assets	**530 647**	**610 494**

22. Construction services

22.1. Agreements for construction services

Description	31.12.2023	31.12.2022
Revenues from construction contracts recognized in the period	0	162 383
The costs of construction contracts incurred during the period	0	63 387
Costs due to loss provisions	0	0
Result set in agreements on construction services in a period	0	98 997
Bail stopped by contractors	0	2 454
Advances received for construction contracts	0	0

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Receivables from construction contracts	0	0
Liabilities due to construction contracts	0	0

The company does not present segmental note due to the inclusion of data in the consolidated financial statements of Dekpol S.A., as the parent entity (in accordance with IFRS 8). In 2022, there was a sale of a settled construction contract, and in 2023, the company practically conducted holding activities.

23. Transactions with affiliates

23.1. 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**

23.2. Transactions and balances with affiliates in reporting period

Description	Consolidated	Subsidiary not consolidated	Associated and interdependent	Other affiliated
Short-term liabilities	3 380	0	0	194
Long-term liabilities	0	0	0	0
Short-term receivables	18 314	0	0	131
Long-term receivables	5 446	0	0	0
Loans received	0	0	0	0
Loans granted	142 947	0	0	0
Cost of interest	0	0	0	0
Dividends granted	10 000	0	0	0
Dividends paid	0	0	0	0
Revenue from interest	23 825	0	0	0
Net purchases (without VAT)	462	0	0	454
Net sales (without VAT)	49 943	0	0	20
Revenue from sureties	2 999	0	0	0
Costs of sureties	1 224	0	0	0

23.3. Transactions and balances with affiliates in previous reporting period

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

24. Other information

24.1. Average number of FTE's

Description	31.12.2023	31.12.2022
White-collar employees	95	91
Blue-collar employees	0	0
Average number of FTE's	**95**	**91**

24.2. Auditor's remuneration

Description	31.12.2023	31.12.2022
Audit of annual financial statements	132	75
Review of financial statements	90	76
Tax advisory	0	0
Other services	0	0
Auditor's remuneration in total	**222**	**151**

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25. Events after balance sheet date

There were no other significant events after the balance sheet date that were not considered in this Financial Statement and in the Report of Management Board on business activities of the Group.

Sale of shares in the company Dekpol Kamesznica Sp. z o.o.

On April 8, 2024 (event after balance sheet date), Dekpol Deweloper purchased from Dekpol S.A. shares in Dekpol Kamesznica Sp. z o.o., which was purchased for the purpose of carrying out investments to carry out development projects in southern Poland.

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 an agreement with Powszechny Zakład Ubezpieczeń S.A. for the periodic provision of contract insurance guarantees. According to the agreement, the limit made available is PLN 40 million. Within the limit made available, the Issuer and the Issuer's subsidiary Dekpol Budownictwo may issue insurance guarantees of payment of a bid bond, performance bonds, guarantees of proper removal of defects and faults and guarantees of advance payment reimbursement.

The agreement is valid until February 2025.

Insurance guarantee contract with Tokio Marine Europe S.A.

In April 2024 (event after balance sheet date), Dekpol S.A. entered into an agreement with Tokio Marine Europe S.A. for the provision of insurance guarantees. According to the agreement, the limit made available is PLN 45 million. Within the made available limit, the Issuer and the Issuer's subsidiary Dekpol Budownictwo may issue insurance guarantees of payment of defects, performance bonds, guarantees of proper removal of defects and faults and guarantees of advance payment refund and other types of guarantees accepted by the Guarantor. The limit is renewable, and the duration of the agreement is indefinite.

Annex to the guarantee line agreement with Zurich Insurance plc

On April 22, 2024 (event after balance sheet date), Dekpol S.A. received 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. Under the annex, the amount of the guarantee limit made available under the agreement was increased to EUR 12.5 million (previously EUR 8.25 million). Pursuant to the agreement, tender guarantees, advance payment refunds, due performance of the contract, removal of defects or faults, as well as counter-guarantees and other accepted types of guarantees may be issued under the revolving guarantee line. Guarantees issued under the contract are valid for a period of no more than 72 months from the date of issuance. Claims related to the contract are secured by a blank promissory note with a promissory note declaration and a statement of submission to execution. The agreement specifies the principal's obligations, among others, to maintain the economic and financial situation at a certain level. The agreement was concluded for an indefinite period with a 30-day notice period.

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

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

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

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 greater than the economic consequences caused by the COVID-19 pandemic. The situation in the east is very dynamic, with most enterprises analyzing the potential impact on their operations in the near and distant future.

According to the company's assessment, the main areas indirectly affected by the current situation are primarily: 1) labor availability, 2) raw materials, their prices, and availability, 3) currency exchange rate fluctuations, 4) the situation in the banking and financial market.

The war on Poland's eastern border has significantly impacted the Polish economy. The economy has slowed down significantly, and many supply chains have been disrupted. There has been a significant outflow of Ukrainian workers from the labor force, who have returned to their home country. Among economic entities, there has been increased uncertainty in decision-making. Although the economic situation has somewhat stabilized, it should be noted that this is strongly correlated with the further course of Russia's invasion of Ukraine.

Each of the above elements, individually or in combination, can have a significant negative impact on the economy, as well as on the sector in which the Company operates.

As a result of the ongoing conflict in Ukraine and the actions taken by the aggressor, the factors described above may impact the development prospects, achieved results, and financial situation of the Company. Due to the high variability and uncertainty of the situation, as of the date of preparation of this report, the Management is unable to estimate the extent of the war's impact on the Company's operations, which largely depends on the duration of the conflict and further developments in Ukraine and Central and Eastern Europe. Nevertheless, the Management continuously monitors the impact of the political and economic situation in Ukraine and Russia on its operations. The Company consistently considers the risk of rising prices, especially material and labor costs, in its prepared calculations.

Impact related to high interest rates

Within its operations, the Company is exposed to interest rate risk. The positive effect of low capital costs (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) brought the reference rate to 6.84% by the end of 2022, while changes introduced by the Monetary Policy Council in 2023 led to a reduction in interest rates to 5.75% by the end of December 2023

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

Additionally, limiting the amount of money in the market affects the terms of loans for businesses, thereby necessitating a thorough analysis of liquidity. Consequently, the inability to take on new obligations will contribute to a reduction in investment activity, as few companies can finance significant investments and development expenditures from their own resources. Banks are taking a more stringent approach to evaluating loan applications, meaning that only companies prepared for challenging times will have a chance to implement their investments.

27. Liabilities and conditional liabilities

27.1. Specification of liabilities and conditional assets

Description	31.12.2023	31.12.2022

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Conditional liabilities towards affiliates – guarantees and sureties of repayment of financial liabilities	658 036	526 393
Conditional liabilities towards affiliates - guarantees of satisfactory performance of contracts	0	0
Other conditional liabilities	61 900	115 989
Conditional liabilities towards affiliates	**719 936**	**642 382**
Granted guarantees and sureties of repayment of financial liabilities	126	126
Granted guarantees of satisfactory performance of contracts - insurance	3 204	56 725
Granted guarantees of satisfactory performance of contracts - banking	8 943	22 647
Court litigations	0	0
Other conditional liabilities	0	0
Conditional liabilities towards non-affiliates	**12 273**	**79 498**
Conditional liabilities	**732 209**	**721 880**
Received guarantees and sureties of repayment of liabilities from non- affiliates	0	0
Received guarantees of satisfactory performance of contracts from non-affiliates - insurance	3 075	3 343
Received guarantees of satisfactory performance of contracts from non-affiliates - banking	3 900	3 389
Conditional receivables – other court litigations (taxation proceedings)	22 639	0
Other conditional assets from non-affiliates	0	0
Conditional assets from non-affiliates	**29 614**	**6 732**
Received guarantees and sureties of repayment of liabilities from affiliates	128 418	82 000
Received guarantees of satisfactory performance of contracts from affiliates	0	0
Other received guarantees and sureties from affiliates	11 906	87 842
Received guarantees and sureties from affiliates	**140 324**	**169 842**
Conditional assets	**169 939**	**176 574**

Tax proceedings involving 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 because 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.

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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.

28. Earnings per share

Description	31.12.2023	31.12.2022
Net profit (loss) attributable to shareholders of parent entity	12 378	1 208
Profit from a bargain purchase		
Pricing of financial instruments at fair value		
Pricing of financial instruments at fair value		207
Weighted average number of ordinary shares (in thousands)	8 363	8 363
Major earning per share (in PLN)	**1,48**	**0,14**
Weighted average diluted number of ordinary shares (in thousands)	**8 363**	**8 363**
Net profit (loss) attributable to shareholders of parent entity	12 378	1 208
Diluted learning per share (in PLN)	1,48	0,14
Net profit (loss) from continued operations attributable to shareholders of parent entity	1,48	0,14
Weighted average number of ordinary shares (in thousands)	8 363	8 363
Basic earnings per share from continuing operations (in PLN)	**1,48**	**0,14**
Weighted average diluted number of ordinary shares (in thousands)	**8 363**	**8 363**
Net profit (loss) on continued operations attributable to equity holders of the parent entity	**12 378**	**1 208**
Diluted earnings per share from continuing operations (in PLN)	**1,48**	**0,14**

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.

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