

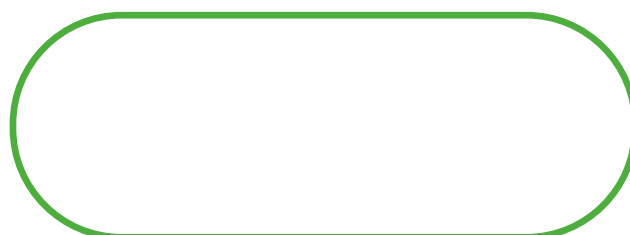
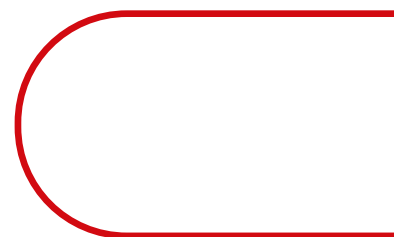
Report of Management Board on business activities



Report of Management Board on business activi- ties

of the Dekpol Capital Group

for the period from January 1, 2024, to June 30, 2024



HY 2024

Pinczyn, September 25, 2024

Selected achievements in 2024

BUDOWNICTWO

Investor Emblem in Human Capital 2024

Dekpol Budownictwo has been ranked among the best employers in Poland. The company was awarded a prestigious certificate that confirms positive employee feedback regarding broadly understood job satisfaction, gathered in an independent, anonymous survey.

BUDOWNICTWO

Completed factory in Łubowo



For Panattoni BTS, the central production facility for Maxcess Europe was completed in the Special Economic Zone in Łubowo Municipality. The investment, covering an area of approximately 13,000 square meters, was carried out under BREEAM certification at the Excellent level.

DEWELOPER

TopBuilder Award 2024

The Sol Marina complex was awarded the TopBuilder 2024 prize by Builder Polska. This prestigious distinction recognizes the highest quality products and innovations in the construction industry.

DEWELOPER

Osiedle Kocięskie



We received construction permit for the seventh stage of the residential complex as part of the Osiedle Kocięskie project.

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The most important events in 2024



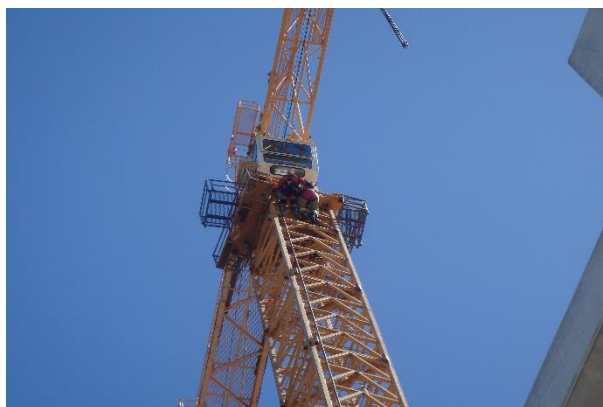
The most important events in 2024

April 2024 Forest planting



As a part of the internal program "Dbamy o środowisko," employees of Dekpol Budownictwo planted nearly 3,000 oak trees in April in Czarne, located in the Pomeranian Voivodeship. This initiative aims, among other things, to help reduce negative climate changes in the future.

May 2024 May - the month of safety



In this year's edition, Dekpol Budownictwo added another important aspect to its campaign – safety. As a part of the initiative, activities such as the evacuation of a crane operator, sapper demonstrations, neutralization of petroleum-based substances, and presentations on how to respond to chemical substance accidents were conducted.

June 2024 Yachting season in Sol Marina



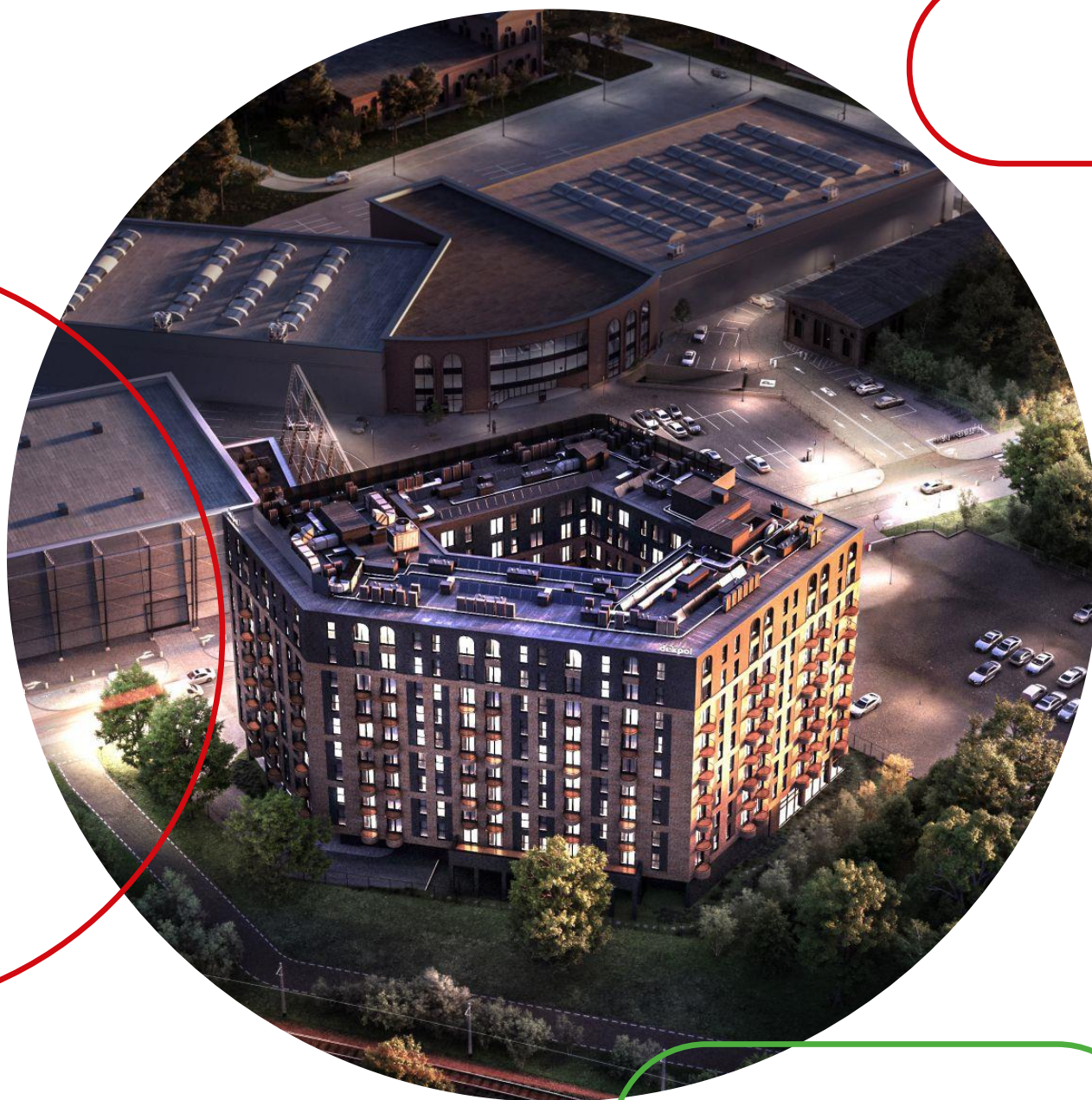
The Sailing Season Opening took place at Sol Marina, attracting many guests. The program included yacht cruises, contests, activities for children, and refreshments. The event was opened by Mateusz Kusznierewicz, Olympic champion and future resident of the complex.

June 2024 Children's art play



In June, Dekpol S.A. organized a fun event for the children of GK Dekpol employees. The task for the younger generation was to present their understanding of the slogan "Safe Holidays" using a chosen method. The kids did an excellent job, and their parents received small gifts on their behalf.

General information about the Capital Group



1. Selected financial data

Selected consolidated financial of the Depol Capital Group for 1H 2024

| Selected consolidated financial data | Thousands of PLN | | Thousands of EUR | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 01.01.2024-30.06.2024 | 01.01.2023-30.06.2023 | 01.01.2024-30.06.2024 | 01.01.2023-30.06.2023 |
| I. Net revenue from sales of products, goods, and materials | 687 310 | 569 565 | 159 435 | 123 470 |
| II. Profit (loss) on operating activity | 48 899 | 38 855 | 11 343 | 8 423 |
| III. Profit (loss) before tax | 55 419 | 34 105 | 12 856 | 7 393 |
| IV. Net profit (loss) | 43 136 | 26 166 | 10 006 | 5 672 |
| V. Earnings (loss) per ordinary share (in PLN / EUR) | 5,16 | 3,13 | 1,20 | 0,68 |
| VI. Net cash flows from operating activity | (4 710) | (4 910) | (1 093) | (1 064) |
| VII. Net cash flows from investment activity | (4 266) | (2 824) | (990) | (612) |
| VIII. Net cash flows from financial activity | 142 843 | 5 435 | 33 135 | 1 178 |
| IX. Total net cash flows | 133 867 | (2 299) | 31 053 | (498) |

| | Thousands of PLN | | Thousands of EUR | |
|--|------------------|------------|------------------|------------|
| | 30.06.2024 | 31.12.2023 | 30.06.2024 | 31.12.2023 |
| X. Total assets | 1 666 102 | 1 542 797 | 386 298 | 354 829 |
| XI. Liabilities and provisions for liabilities | 1 074 704 | 964 934 | 249 178 | 221 926 |
| XII. Long-term liabilities | 430 090 | 292 859 | 99 719 | 67 355 |
| XIII. Short-term liabilities | 644 614 | 672 075 | 149 458 | 154 571 |
| XIV. Equity | 591 398 | 577 863 | 137 120 | 132 903 |
| XV. Share capital | 8 363 | 8 363 | 1 939 | 1 923 |
| 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) | 70,72 | 69,10 | 16,40 | 15,89 |

Selected financial data of the company Depol S.A. for 1H 2024

| Selected separate financial data | Thousands of PLN | | Thousands of EUR | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 01.01.2024-30.06.2024 | 01.01.2023-30.06.2023 | 01.01.2024-30.06.2024 | 01.01.2023-30.06.2023 |
| I. Net revenue from sales of products, goods, and materials | 25 137 | 28 603 | 5 831 | 6 201 |
| II. Profit (loss) on operating activity | 2 249 | 2 779 | 522 | 602 |
| III. Profit (loss) before tax | 42 540 | 12 360 | 9 868 | 2 679 |
| IV. Net profit (loss) | 42 005 | 12 623 | 9 744 | 2 736 |
| V. Earnings (loss) per ordinary share (in PLN / EUR) | 5,02 | 1,51 | 1 17 | 0,33 |
| VI. Net cash flows from operating activity | 8 380 | (1 456) | 1 944 | (316) |
| VII. Net cash flows from investment activity | (38 057) | 19 738 | (8 828) | 4 279 |
| VIII. Net cash flows from financial activity | 178 213 | 25 123 | 41 340 | 5 446 |
| IX. Total net cash flows | 148 536 | 43 405 | 34 456 | 9 409 |
| | | | | |
| | Thousands of PLN | | Thousands of EUR | |
| | 30.06.2024 | 31.12.2023 | 30.06.2024 | 31.12.2023 |
| X. Total assets | 748 040 | 530 647 | 173 438 | 122 044 |
| XI. Liabilities and provisions for liabilities | 425 168 | 230 235 | 98 578 | 52 952 |
| XII. Long-term liabilities | 335 621 | 164 318 | 77 816 | 37 792 |
| XIII. Short-term liabilities | 89 546 | 65 918 | 20 762 | 15 161 |
| XIV. Equity | 322 873 | 300 412 | 74 860 | 69 092 |
| XV. Share capital | 8 363 | 8363 | 1 939 | 1 923 |
| 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) | 38,61 | 35,92 | 8,95 | 8,26 |

Selected balance sheet items presented in EUR have been converted according to the average EUR exchange rate announced by Narodowy Bank Polski (National Bank of Poland) on June 30, 2024 (4,3130 PLN/EUR) and December 31, 2023 (4,3480 PLN/EUR). Selected items of the profit and loss account and the cash flow statement were converted into EUR at the exchange rate announced by Narodowy Bank Polski (National Bank of Poland), being the arithmetic average of exchange rates for EUR applicable on the last day of each completed month in the period of 6 months ended June 30, 2024 and 6 months ended June 30, 2023 (4,3109 PLN/EUR and 4,6130 PLN/EUR respectively).

2. Principles of preparation of the interim condensed separate and consolidated financial statement

The interim condensed consolidated financial statement of the Depol Capital Group for the period of 6 months ended on June 30, 2024 was prepared in accordance with the International Financial Reporting Standard (IFRS) 34 - Interim Financial Reporting and in accordance with the relevant accounting standards applicable to interim financial reporting adopted by the European Union, published and in force at the time of preparing the interim consolidated financial statements using the same principles for the current and comparable period.

The Interim condensed consolidated financial statement of the Depol Capital Group for the period of 6 months ended June 30, 2024, was prepared under assumption, that the Group would continue its business operations in the foreseeable future. The statement presents financial situation the Depol Capital Group as of June 30, 2024, and December 31, 2023, results achieved on business operations by the Group as well as cash flows for six months ended June 30, 2024, and June 30, 2023.

The accounting policies applied to the preparation of the interim condensed consolidated financial statement are consistent with those used in preparation of the annual consolidated financial statement of the Group for the year ended December 31, 2023. There were no changes in the accounting policies applied in the first half of 2024, except for changes in accounting policies that occurred in 2023, so that comparative data as of June 30, 2023, has been restated (the change is described in the financial statement).

In the reporting period, significant changes occurred in estimated amounts and liabilities, as M-series bonds worth 225 million were issued, and Depol S.A. made a resolution on the payout of dividend to shareholders.

The consolidation was prepared by use of a full method and covered all the Issuer's direct and indirect subsidiaries. Associated companies are valued by use of the equity method.

The interim condensed financial statement of the Company Depol S.A. for the period of 6 months ended on June 30, 2024 was prepared in accordance with the International Financial Reporting Standard (IFRS) 34 - Interim Financial Reporting and in accordance with the relevant accounting standards applicable to interim financial reporting adopted by the European Union, published and in force at the time of preparing the interim financial statements using the same principles for the current and comparable period.

The Interim condensed financial statement of Depol S.A. for the period of 6 months ended June 30, 2024, was prepared under assumption, that the Company would continue its business operations in the foreseeable future. The statement presents financial situation of Depol S.A. as of June 30, 2024, and December 31, 2023, results achieved on business operations by the Company as well as cash flows for six months ended June 30, 2024, and June 30, 2023.

The accounting policies applied in preparation of the interim condensed financial statement are consistent with those used in preparation of the annual financial statement of the Company for the year ended December 31, 2023. There were no changes in the accounting policies applied in the first half of 2024. Except for the comparative period, i.e., January 1, 2023 - June 30, 2023, which has been adjusted due to a change in the accounting policy regarding recognition of perpetual usufruct of land (PWUG). Until now, the Group presented current expenses related to fees for PWUG without

recognizing PWUG as a lease in accordance with IFRS 16. However, acknowledging the prevailing interpretation of the IFRS regulations regarding PWUG in reporting practice, the Group has recognized perpetual usufruct for the first time as a lease under IFRS 16 regulations. The Group valued the right to use assets, which increased the value of investment property and inventories on the balance sheet, with a corresponding lease liability. With the retrospective introduction of changes in accounting policy regarding the recognition of leases for perpetual usufruct of land, the Group applied a simplification and did not show the impact of this change on other items in financial statement except for those indicated below. The impact on the items presented in the statement of comprehensive income or the cash flow statement is immaterial due to the low amount of the annual fee for perpetual usufruct of land. The applied simplification also does not have a significant impact on earnings per share and diluted earnings per share reported. The impact of this change on comparative data is presented in the table in consolidated financial statement.

Report of Management Board on business activities of the Dekpol Capital Group for 1H 2024 was prepared in accordance with requirements of the Regulation of the Minister of Finance dated March 29, 2018, on current and periodic information provided by security issuers and on the conditions for recognizing equivalent information required by the law of a non-member state as equivalent information (consolidated text: Journal of Laws of 2018 item 757

The functional currency of the Dekpol Capital Group and the presentation currency for the interim condensed consolidated financial statement as well as the interim separate financial statement of Dekpol S.A., is the Polish Złoty (PLN).

Both, the interim condensed separate as well as consolidated financial statements for the period of 6-months ended on June 30, 2024, were reviewed by a statutory auditor.

3. Information about the Dekpol Capital Group

Operating activities of the Dekpol Capital Group

Dekpol Capital Group conducts operational activities in three main areas:

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

Additionally, within the Dekpol Capital Group, activities related to the production of concrete prefabricates and steel structures are being conducted.

We are performing very well operationally, and the strategic actions and initiatives undertaken by the Team in recent years are paying off, resulting in a satisfying level of margins despite the demanding macroeconomic environment in which we all operate.



Mariusz Tuchlin
CEO

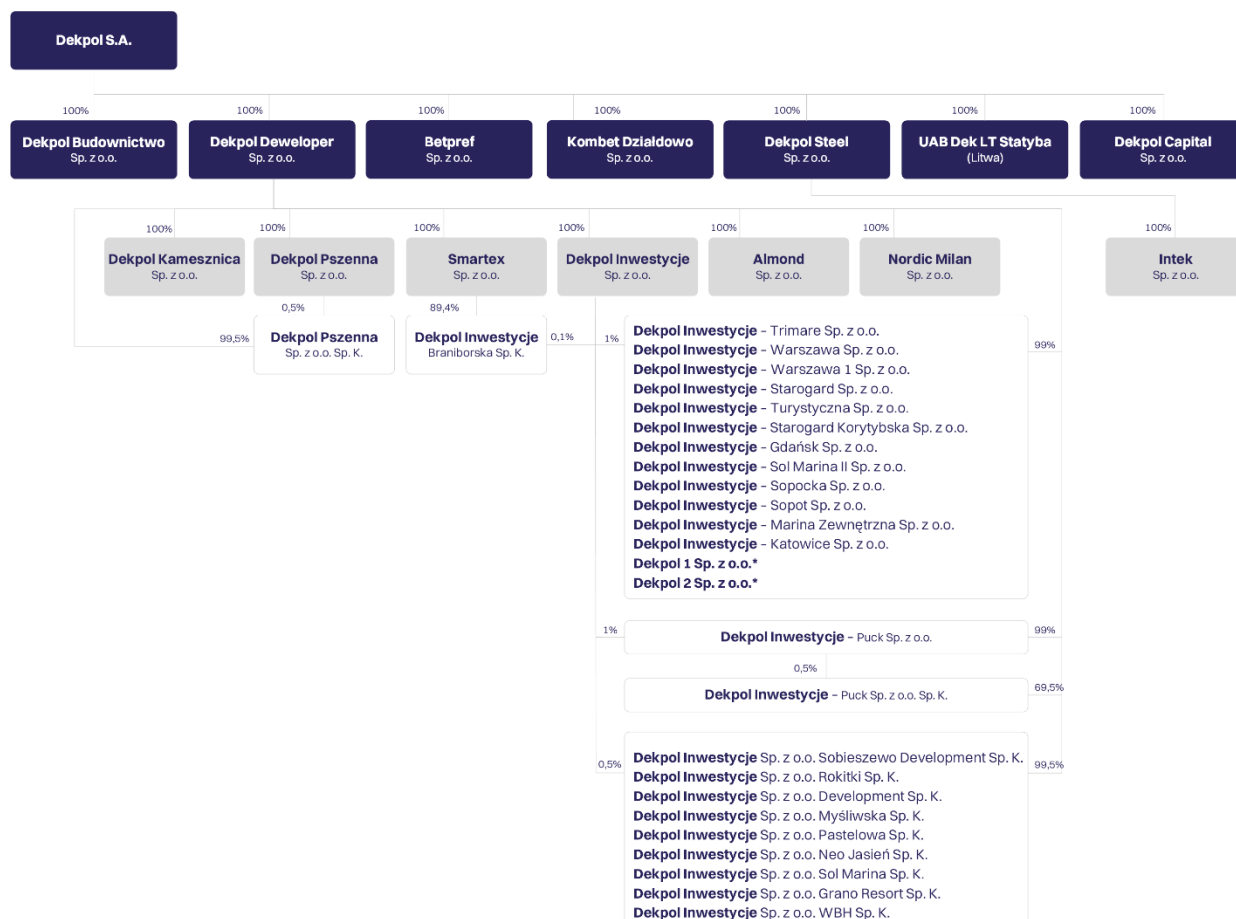
Structure of the Dekpol Capital Group

Dekpol Capital Group consists of the company Dekpol S.A. ("Company", "Dekpol", "Issuer") as the parent entity as well as direct or indirect subsidiaries of Dekpol S.A.

Operating activities of the Capital Group are conducted by subsidiaries.

The organizational structure of the Dekpol Capital Group as of June 30, 2024, as well as at publication date of this Report is presented on the diagram below:

COMPOSITION OF THE DEKPOL CAPITAL GROUP



*Dekpol 1 Sp. z o.o. - company entered in the National Court Register on August 14, 2024 (event after balance sheet date).

*Dekpol 2 Sp. z o.o. - company entered in the National Court Register on August 16, 2024 (event after balance sheet date).

Business activities of Dekpol S.A.

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

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

General contracting activities

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

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

Property development activities

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

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

Individual projects are implemented by subsidiaries - special purpose vehicles:

- 1) Dekpol Pszenna Sp. z o.o. Sp.k. - a special purpose company established to carry out the property development investment in Gdańsk at ul. Pszenna,
- 2) Dekpol Inwestycje Sp. z o.o. Pastelowa Sp.k. - a special purpose company to carry out a property development investment under the name Pastelowa in Gdańsk,
- 3) Dekpol Inwestycje Sp. z o.o. Rokitki Sp.k. - special purpose vehicle to carry out property development investments in Rokitki and Śliwiny near Tczew,
- 4) Dekpol Inwestycje Sp. z o.o. Development Sp. k. - a special purpose company established to carry out the property development investment in e.g. Jurata and Gdańsk,
- 5) Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k. - a special purpose vehicle to carry out a property development investment in Wrocław,
- 6) Dekpol Inwestycje Sp. z o.o. Myśliwska Sp. k. - a special purpose company to carry out a property development investment under the name Foresta in Gdańsk,
- 7) Dekpol Inwestycje Sp. z o.o. Grano Resort Sp. k. - a special purpose company to carry out a property development investment in Gdańsk on the Sobieszewska Island,
- 8) Dekpol Inwestycje Sp. z o.o. WBH Sp. k. - a special purpose vehicle to carry out a real estate development investment in Warsaw at Prądzyńskiego Street 21,
- 9) Dekpol Inwestycje Sp. z o.o. Neo Jasień Sp. k. - a special purpose company to carry out a property development investment under the name Neo Jasień in Gdańsk,

- 10) Depol Inwestycje Sp. z o.o. Sol Marina Sp. k. - a special purpose vehicle to carry out a real estate development investment in Wiślinka,
- 11) Depol Inwestycje Sp. z o.o. Sobieszewo Development Sp. k. - a special purpose vehicle for the implementation of smaller property development investments in Gdańsk on the Sobieszewska Island (e.g., Villa Neptun),
- 12) Nordic Milan Sp. z o.o. - the company performed property development project Eco Milan in Milanówek,
- 13) Depol Inwestycje - Trimare Sp. z o.o. - a special purpose vehicle established to carry out a property development investment in Sztutowo,
- 14) Depol Inwestycje - Warszawa 1 Sp. z o.o. - a special purpose vehicle established to carry out property development investments in and around Warsaw,
- 15) Depol Inwestycje - Warszawa Sp. z o.o. - a special purpose vehicle established to carry out property development investments in and around Warsaw,
- 16) Depol 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 Depol Group,
- 17) Depol Inwestycje - Turystyczna Sp. z o.o. - a special purpose vehicle established to implement an investment in Gdańsk on the Sobieszewska Island at Turystyczna street,
- 18) Depol Inwestycje - Puck Sp. z o.o. Sp. k. - general partner of a special purpose vehicle established to implement an investment in Puck,
- 19) Depol Inwestycje Gdańsk Sp. z o.o. - a special purpose company established to carry out property development projects in the Pomeranian Voivodeship,
- 20) Depol 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,
- 21) Depol Inwestycje - Sol Marina II Sp. z o.o. - A special purpose company established for the purpose of investment in Wiślinka,
- 22) Depol Inwestycje Sopot Sp. z o.o. - a special purpose company established to carry out an investment project in Sopot,
- 23) Depol Inwestycje - Sopot Sp. z o.o. - a special purpose company established to carry out an investment project in Sopot,
- 24) Depol Inwestycje - Marina Zewnętrzna Sp. z o.o. - a special purpose vehicle established to manage the lease of moorings and maintenance of the outdoor marina at the Sol Marina project,
- 25) Depol Inwestycje - Katowice Sp. z o.o. - a special purpose company established to carry out an investment project in Katowice,
- 26) Depol Kamesznica Sp. z o.o. - a special purpose vehicle established to carry out development investments in southern Poland (the company was entered into the National Court Register on January 9, 2024 - on April 8, 2024, the shares in the company were purchased by Depol Deweloper Sp. z o.o. from Depol S.A.),
- 27) Depol 1 Sp. z o.o. - a special purpose vehicle established to carry out property development projects (the company was entered in the National Court Register on August 14, 2024 - an event after balance sheet date),
- 28) Depol 2 Sp. z o.o. - a special purpose vehicle established to carry out property development projects (the company was entered in the National Court Register on August 16, 2024 - an event after balance sheet date).

Depol Deweloper Sp. z o.o. is the only limited partner of the special purpose vehicles specified in points 1) - 4) and 6) - 11) above, as well as the sole partner of the company specified in points 12) and 26). Depol Deweloper Sp. z o.o. owns 99% of shares of the companies listed in points 13)- 17), 19)-25 and 27)-28) as well as in the company Depol Inwestycje - Puck Sp. z o.o. (general partner of the company mentioned in point 18) above), and the remaining shares belong to the subsidiary of Depol Deweloper Sp. z o.o., i.e. below mentioned company Depol Inwestycje Sp. z o.o.

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

- Depol Inwestycje Sp. z o.o. (general partner with a profit and loss share of 0,1%),
- Smartex Sp. z o.o. (limited partner with profit and loss share of 89,4%),
- a natural person not related to the Issuer in any other way (limited partner with a profit and loss share of 10,5%).

Partners for Depol Inwestycje - Puck Sp. z o.o. sp. k. (point 18) above) are:

- Depol Inwestycje - Puck Sp. z o.o. (general partner with profit and loss share of 0,5%),
- Depol Deweloper Sp. z o.o. (limited partner with profit and loss share of 69,5%),

- a legal person not related to the Capital Group (limited partner with a profit and loss share of 30%).

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

- 1) Smartex Sp. z o.o. – limited partner of a special purpose vehicle established to carry out a property development investment in Wrocław at ul. Braniborska - Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k;
- 2) Dekpol Pszenna Sp. z o.o. – general partner of a special purpose vehicle Dekpol Pszenna Sp. z o.o. sp. k., which performed property development investment called Grano Hotel and Grano Residence in Gdańsk at ul. Pszenna;
- 3) Dekpol Inwestycje Sp. z o.o. – general partner of limited partnerships indicated in points 2)-11) in the above table and a partner holding 1% of shares in the companies indicated in points 13)-17), 19)-25) and 27)-28) in the above table and in the company Dekpol Inwestycje – Puck Sp. z o.o.;
- 4) Almond Sp. z o.o. - a company owning real-estate property in Gdańsk at ul. Toruńska 12 (Hotel Almond).

Production activity

Production activities of the Dekpol Capital Group are carried out by the following companies:

- Dekpol Steel Sp. z o.o. based in Pinczyn,
- Intek Sp. z o.o. based in Lubawa,
- Betpref Sp. z o.o. based in Pinczyn,
- Kombet Działdowo Sp. z o.o. based in Komorniki.

Dekpol S.A. holds 100% of shares in companies Dekpol Steel Sp. z o.o., Betpref Sp. z o.o. and Kombet Działdowo Sp. z o.o. Dekpol Steel Sp. z o.o. holds 100% shares in the company Intek Sp. z o.o.

Dekpol Steel Sp. z o.o. is engaged in the production and sale of buckets and accessories for construction machinery. Intek Sp. z o.o. operates a steel products manufacturing plant in Lubawa. The company focuses on the production of steel structures, heavy wheel transport solutions and offshore production.

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

Remaining entities from Dekpol Capital Group

In addition, Dekpol S.A. holds 100% of shares in the following companies:

- UAB DEK LT Statyba - company established to support the construction activities of the Dekpol Capital Group in Lithuania and to manage future general contracting contracts performed in the territory of this country,
- Dekpol Capital Sp. z o.o. - A company established to provide business and management advice.

Other entities in which entities from the Dekpol Group participate (associated companies)

Dekpol S.A. holds 324 from among of 1.200 shares in share capital (amounting to PLN 60.000) of the company Dekpol SPV 1 Sp. z o.o. This entity was established by the company Dekpol S.A. order to implement investment projects together with a subsidiary of the President of the Management Board of Dekpol S.A., i.e. OMT Holding Sp. z o.o. Dekpol S.A. holds shares in the company Dekpol SPV1 sp. z o.o. worth PLN 16,2 thousand.

Dekpol Capital Sp. z o.o. made a cash contribution of a total of PLN 13,749 thousand to LM1 Sp. z o.o., LM2 Sp. z o.o. (associated companies).

As of the balance sheet date, there are shares in associated companies with a total value of PLN 13,766 thousand.

Changes in the structure of the Dekpol Capital Group in 1H 2024 and after balance sheet date

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

On March 25, 2024, Dekpol Inwestycje Marina Zewnętrzna Sp. z o.o. was entered into the National Court Register. - a special-purpose company established to manage the lease of berths and maintenance of the outdoor marina at the Sol Marina project. Dekpol Deweloper Sp. z o.o. holds 99% of the shares in this company, with the remaining shares held by Dekpol Inwestycje Sp. z o.o.

On April 17, 2024, Dekpol Inwestycje - Katowice Sp. z o.o. was entered into the National Court Register. - a special-purpose company established to carry out a property development project in Katowice. Dekpol Deweloper Sp. z o.o. holds 99% of the shares in this company, and the remaining shares are held by Dekpol Inwestycje Sp. z o.o.

On August 14, 2024 (event after balance sheet date), Dekpol1 Sp. z o.o. was entered into the National Court Register. - a special purpose vehicle established to carry out property development investments. Dekpol Deweloper Sp. z o.o. holds 99% of the shares in this company, with the remaining shares held by Dekpol Inwestycje Sp. z o.o.

On August 16, 2024 (event after balance sheet date), Dekpol2 Sp. z o.o. was entered into the National Court Register. - a special purpose vehicle established to carry out property development investments. Dekpol Deweloper Sp. z o.o. holds 99% of the shares in this company, with the remaining shares held by Dekpol Inwestycje Sp. z o.o.

4. Information about the Company Dekpol S.A.

Business activities of the Company

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

Governing Bodies of the Company Dekpol S.A.

Management Board

Management Board of Dekpol S.A. is composed of one or more Members, appointed, or dismissed by Supervisory Board. The Supervisory Board entrusts one of the Members of the Management Board with the function of the President of Management Board. Other Members of Management Board may be entrusted with the function of Vice Presidents of Management Board. The term of office of Members of Management Board is 5 years and is not joint.

Composition of the Management Board of Dekpol S.A. as of June 30, 2024, and as at the date of publication of this Report:

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

The terms of office of the President of Management Board, Mr. Mariusz Tuchlin and Vice-President of Management Board, Mrs. Katarzyna Szymczak-Dampc, will expire on December 31, 2024. Mandates of the above-mentioned persons will expire on the date of approval of financial statements for 2024, thus, in 2025.

In 1H 2024 and until the publication of this report, there were no changes in the composition of the Company's Management Board.

Supervisory Board

Supervisory Board consists of five to seven members. Appointment 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 June 30, 2024, and as at the date of publication of this Report:

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

Terms of office of Mr. Roman Suszek, Mr. Jacek Grzywacz and Mr. Jacek Kędzierski will expire on December 31, 2024, term of office of Mr. Grzegorz Wąsacz will expire on December 31, 2027, while the term of office of Mr. Wojciech Sobczak will expire on December 31, 2029. The mandates of the mentioned persons will expire on the day of the general meeting of shareholders approving financial statements for years 2024, 2027 and 2029 respectively.

Changes in the composition of the Company's Supervisory Board in 1H 2024 and until publication date of this Report

On June 28, 2024, the Ordinary General Meeting of Shareholders of the Company passed a resolution on the appointment of Mr. Wojciech Sobczak as a member of the Supervisory Board of Dekpol S.A. The adoption of the resolution was due to the expiration of Wojciech Sobczak's previous term of office as Member of Supervisory Board of the Company. The Company announced about the event in current report No. 34/2024 dated June 28, 2024.

Structure of share capital

As of June 30, 2024, and as at publication date of this report, the share capital of DEKPOL S.A. amounts to PLN 8,362,549.00 and is divided into 8,362,549 ordinary bearer shares with a par value of PLN 1 each, including:

- 6.410.000 of A-series ordinary bearer shares,
- 1.952.549 of B-series ordinary bearer shares,

which entitle jointly to 8,362,549 votes at the General Meeting of Shareholders of the Company.

In the first half of 2024 and up to the date of publication of this report, there were no changes in the Company's share capital structure.

Shareholding structure

Shareholders of Dekpol S.A. holding at least 5% of the total number of votes at the General Meeting of Shareholders of the Company as at publication date of this report, i.e., on September 25, 2024, according to the best knowledge of Management Board of Dekpol S.A.:

| Major shareholders | Number of shares/number of votes | Share in the share capital / total number of votes |
|---------------------------|----------------------------------|--|
| OMT Fundacja Rodzinna* | 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% |

* The founder and sole board member of OMT Family Foundation is Mariusz Tuchlin – CEO of Dekpol S.A.

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

Shareholders of Dekpol S.A. holding at least 5% of the total number of votes at the General Meeting of Shareholders of the Company as of the date of publication of the previous interim report, i.e. the report for the first quarter of 2024 published on May 29, 2024:

| 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.

On July 2 and July 15, 2024, the Company received notifications that Mariusz Tuchlin had made a donation of all of his shares in the Company to OMT Family Foundation, of which he is the founder and sole member of the Board of Directors.

The Company announced about the event in current reports No. 37/2024 dated July 2, 2024, and no. 41/2024 dated July 15, 2024.

Holding of shares by Management and Supervisory staff

Holding of Company's shares by Members of Management Board and Supervisory Board of Dekpol S.A. as at publication date of this Report, i.e., on September 25, 2024, and as at publication date of the previous periodic report, i.e., the Report for 1Q 2024 published on May 29, 2024:

| Item | Number of shares as at publication date of the Report for 1Q 2024 | Changes | Number of shares as at publication date of the report for 1Q 2024 |
|---|---|--|---|
| Mariusz Tuchlin, President of Management Board - directly | 6.466.845 | Donations made for OMT Family Foundation | 0 |
| Mariusz Tuchlin, President of Management Board - via OMT Family Foundation* | 0 | | 6.466.845 |

* Mariusz Tuchlin is the founder and sole member of the board of OMT Family Foundation

Other members of Management Board and Supervisory Board did not and do not hold any shares of the Company in the period from submission date of the report for 1Q 2024 to the date of submission of this Report.

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

Standpoint of management board regarding feasibility of fulfillment of previously published forecasts of results

The Company did not publish financial results forecasts of the Company and the Dekpol Capital Group for 2024.

5. Business activities of the Company and the Dekpol Capital Group in 1H 2024

Summary of business activities of the Dekpol Capital Group in 1H 2024

The Group's revenues for the period amounted to PLN 687.3 million (an increase of nearly 21% y/y), and the Group's operating profit for the first half of 2024 amounted to PLN 48.9 million, which represents an increase of over PLN 10 million compared to the first half of 2023. The Group ended the first half with a net profit of PLN 43.1 million, marking an increase of nearly PLN 17 million compared to the same period in 2023. As of June 30, 2024, the Group's cash balance exceeded PLN 426.7 million, and the net debt/EBITDA ratio was at a low and safe level of 0.54. The safe debt level within the Group is also confirmed by the net debt/equity ratio, which stood at 0.13 during reporting period.

The revenues of the general contracting segment in the first half of 2024 amounted to approximately PLN 509.3 million, which was 38% higher than in the same period of 2023. This level of revenue translated into an operating profit in the amount of PLN 26.6 million in the first half of 2024 (an increase of nearly 5% y/y). The general contracting segment accounted for over 74% of all revenues achieved by the Dekpol Capital Group during reporting period. The achieved results reflect a strong pipeline of projects contracted in 2023 and the first part of 2024. In the second half of 2024, the segment is observing a downward trend in the number of projects offered and acquired for execution, primarily due to foreign investors delaying investment decisions and geopolitical and macroeconomic changes. Despite unfavorable trends, the Group in the general contracting segment expects good and stable results for 2024.

In the property development segment, the Dekpol Capital Group generated revenues in the amount of PLN 95.9 million (a decrease of just under 7% y/y), while the operating profit for the first half of 2024 amounted to PLN 27.1 million (an increase of nearly 30% y/y). The property development segment accounted for nearly 14% of all revenues achieved by the Dekpol Capital Group during reporting period.

The segment of production of buckets and accessories for construction machines accounted for nearly 9% of the Group's revenues and was the third-largest contributor to sales. The segment's revenues during reporting period amounted to PLN 60.1 million, representing a decline compared to the first half of 2023. Operating profit at the end of June 2024 was just under PLN 7 million, increasing by PLN 3.5 million compared to the same period in 2023. In the segment of production of buckets and accessories for construction machines, the first part of 2024 was a time of intensive efforts aimed at improvement of efficiency of existing production profile. These efforts are yielding initial results in the form of new contracts. The secured contracts and continuously improved and optimized processes provide a positive outlook for upcoming months.

The Group's development strategy, based on three pillars: General Contracting (Dekpol Budownictwo), Production of accessories for construction machines (Dekpol Steel), and the property development segment (Dekpol Deweloper), allows the Group to generate solid results in an unstable and dynamically changing environment. Not insignificant in the perspective of stable development of the Group is the activity in the production of precast concrete products.



In Dekpol's finance team, we continuously work to ensure that the Group has a strong foundation for growth during periods of favorable economic conditions, as well as a robust support system when the market in which we operate becomes more challenging.

Katarzyna Szymczak-Dampc
Vice-President of Management Board

General contracting

In the General Contracting Segment, as of the end of the first half of 2024, the Capital Group had contracts with external entities in its portfolio with a total contractual value of over PLN 1.171 billion net (compared to PLN 1.532 billion at the end of 2023 and PLN 1.507 billion at the end of the first half of 2023). Of this, projects with a total value of approximately PLN 657 million net remained to be completed after reporting period (compared to approximately PLN 535 million at the end of 2023 and over PLN 885 million at the end of the first half of 2023).

Meanwhile, within internal activities for the property development segment, Dekpol Budownictwo had contracts worth nearly PLN 288 million at the end of the first half of 2024 (over PLN 318 million net at the end of 2023, and nearly PLN 413 million at the end of the first half of 2023), with more than PLN 182 million remaining to be completed (compared to PLN 94 million net at the end of 2023, and over PLN 113 million at the end of the first half of 2023).

Within the general contracting segment, projects include industrial, logistics, commercial, service, and residential properties, along with full external infrastructure (roads, squares, parking lots). Most of the projects are carried out on behalf of private investors.

Below is a summary of selected contracts executed by the Dekpol Group as of June 30, 2024, in the field of general contracting:

| Ordering party | Description of a project |
|----------------------------|--|
| BIMS PLUS FHH | Construction of a warehouse hall with a service-office-social section, including the construction of connections and internal installations, in the city of Poznań |
| KOMENDA WOJEWÓDZKA POLICJI | Construction of the Forensic Laboratory of the Provincial Police Headquarters in Poznań |
| BIAWAR PRODUKCJA | Expansion of a production and warehouse building with technical infrastructure in Białystok. |
| INVESTOR | Construction of a production hall with a technology tower in Bydgoszcz. |
| 7R GROUP | Construction of warehouse and production buildings with social and office facilities, gate-house building, pumping station building with a water tank for fire purposes, as well as internal and external installations in Swarzędz. |
| INVESTOR | Construction of a production and storage facility for electric motor cores together with social and office facilities, land development and technical infrastructure in Brzeg |
| LPP | Expansion of the Distribution Center in Brześć Kujawski |
| MEDPHARMA | Expansion of the Therapeutic Rehabilitation Center in Nowa Wieś Rzeczna |
| AS-PL | Construction of a building with office and warehouse functions in Gdańsk |

The value of the contracts executed by the Group is steadily increasing, with the current average value being approximately PLN 70 million. The Group also undertakes larger contracts. As of June 30, 2024, the General Contracting Segment had 7 contracts in its portfolio with a value exceeding PLN 70 million

Industrial and logistics projects dominate the order portfolio, accounting for around 80-90% in recent years. As of June 30, 2024, industrial and logistics projects made up approximately 91% of the entire ordering portfolio.

Business operations of the segment in Q2 2024 took place in a relatively stable market environment, particularly regarding material costs. Unfortunately, the downward trend in the number of projects offered and secured for execution deepened during this quarter. During this period, the Group observed further risks to construction industry, where foreign investors are holding off on making business decisions. This slowdown in investments is noticeable across the entire construction industry and is primarily due to geopolitical, macroeconomic, and sociological changes characteristic of the Polish market, which are leading to reduced production. This includes factors such as limited financing for new projects (on investor side), decreased demand for warehouse space, unfavorable returns for investors, diminishing differences between so-called "old Europe" countries and Poland (e.g., in labor costs or availability of investment properties), and others. At the same time, the general contracting segment is actively taking steps to maintain its acquisition trends (by developing competencies, entering new markets, and expanding into new construction segments) and securing financial results of Dekpol Budownictwo Sp. z o.o. at a level matching ambitions of a market leader in building construction. The company's commercial strategy will not change in foreseeable future, as the decision to base its business operations on a broad range of project types proved successful during the slowdown in the logistics market, maintaining our first-half 2024 results on a stable growth trajectory. Therefore, we are taking steps to continuously enhance and expand our offerings in this direction. In terms of offerings and project execution, a local approach will continue to be promoted—we aim to strengthen our acquisition teams in central and western Poland, and we will also reinforce local project teams, especially in central Poland.

Despite all threats to the construction industry, the Capital Group in the general contracting segment expects to achieve good results for the year 2024.

Property development

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

In the revenues for the first half of 2024, Dekpol Capital Group recognized 168 apartments and partial revenue (recognized according to the progress of work on construction site) from the investment project with an institutional entity in Wrocław at Braniborska Street. In comparison, 181 apartments were recognized in the first half of 2023.

Dekpol Capital Group maintains a stable position in the property development segment. In 1H 2024 the contract signing, including preliminary, real-estate development, and reservation agreements, ultimately reached 236 apartments. For comparison, in the same period of the previous year, there were 198 apartments.

In the first half of 2024, the Group primarily conducted sales for the following investments:

- Grano Marina Hotel - a building with a total of 130 service premises, located in Wiślinka near Sobieszewska Island, part of the "Sol Marina stage I investment",
- Sol Marina stage II - a complex of 15 apartment buildings with a total of 127 commercial premises, located in Wiślinka near Sobieszewska Island,,
- Sol Marina stage III - a complex of 16 apartment buildings with a total of 140 commercial premises, located in Wiślinka near Sobieszewska Island,
- Baltic Line - apartment building with a total of 60 commercial premises, located on Sobieszewska Island,
- Baltic Porto - apartment building with a total of 72 service premises, located on Sobieszewska Island,
- Osiedle Pastelowe stage IIb - 2 residential buildings with a total of 125 residential premises, located in Gdańsk,
- Osiedle Pastelowe stage III - 2 residential buildings with a total of 156 residential premises, located in Gdańsk,
- Neo Jesień stage I - 2 residential buildings with a total of 104 residential premises, located in Gdańsk,
- Neo Jasień stage II - 2 residential buildings with a total of 98 residential premises, located in Gdańsk,
- Trimare stage I - 9 residential buildings with a total of 189 residential premises, located in Sztutowo,
- Osiedle Kociewskie stage III - 3 residential buildings with a total of 129 residential premises, located in Rokitki near Tczew,
- Granaria - 1 apartment building with residential and commercial premises with a total of 126 residential apartments, located in Gdańsk, Poland,
- Pino Resort stage I - 2 residential buildings with a total of 61 residential premises, located on Sobieszewska Island,
- Oval Sky - 1 apartment building with a total of 369 apartment units, located in Warsaw.

In 1H 2024, final use permits were issued for the following investments:

- 2 residential, multi-family buildings, consisting of 125 apartments included in the project "Osiedle Pastelowe stage IIB" in Gdańsk (as of June 30, 2024, 94.4% of apartments have been sold),
- 7 apartment buildings, consisting of a total of 53 apartments, included in the "Sol Marina stage III" project located in Wiślinka near Sobieszewska Island (as of June 30, 2024, 49.1% of apartments have been sold).

As of June 30, 2024, the total number of apartments offered for sale by the Group amounted to 950 apartments.

The plan of Dekpol Capital Group in the property development segment is to achieve revenues of approximately PLN 400 million in 2024, which will primarily consist of sale of around 500 apartments recognized in financial result and revenues from the investment project in Wrocław at Braniborska Street. The planned target for 2024 regarding sales of apartments

based on reservation, real-estate development, and preliminary agreements counts 650 units. The company communicated its sales targets for 2024 in current report no. 4/2024 dated January 17, 2024, while also stating that none of the above forward-looking statements should be understood or interpreted as providing any guarantee or assurance by the Company or entities belonging to the Capital Group that such events will occur and that the specified sales targets will be achieved.

Segment of production of accessories for construction machines

The first quarter of 2024 was a period of further intensive action for Dekpol Steel Sp. z o.o. and Intek Sp. z o.o., aimed at improvement of efficiency of their existing production profile. The companies focused on activities related to optimizing their client portfolio, as customers recognized the quality and timeliness of production, and innovations and initiatives in the ESG area also significantly influenced their purchasing decisions. Furthermore, optimization of operational areas resulted in improved performance. Production of buckets and accessories for construction machines continues to be concentrated in the manufacturing plant located in Pinczyn, while elements of steel structures and components used in the broadly understood offshore industry are produced at the facility in Lubawa.

The actions described above led to the acquisition of several new clients from the offshore industry, transportation sector, and heavy industry by the facility in Lubawa. In the second quarter of 2024, auditing processes for new clients took place in the segment of production of accessories for construction machines at the Lubawa plant, where the company received positive evaluations and feedback. This will translate into tangible contracting results for the third and fourth quarters of 2024. The secured contracts provide a very good outlook for upcoming months.

The facility in Pinczyn is facing a very challenging market for construction machinery in Poland and Europe. It is actively working on improvement of production processes and optimization of costs, which will be crucial for results of the third and fourth quarters of 2024. At the same time, the Pinczyn plant is seeking new markets and clients that would significantly complement its product portfolio and allow for the full utilization of available production capacities.

The production segment accounted for nearly 9% of the Group's revenues in the first half of 2024. Revenues during this period reached PLN 60.14 million (compared to PLN 76.66 million a year ago), while the operating profit amounted to PLN 6.98 million, representing an increase of PLN 3.45 million y/y. Stabilization is expected in the segment, allowing for continuation of the strategy aimed at returning to financial results that enable further development.

Major achievements and failures and the most important events in business activities of the Dekpol Capital Group in 1H 2024

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

On February 8, 2024, Dekpol Budownictwo Sp. z o.o. concluded annex to the agreement from September 2021 on multi-purpose premium credit line with the bank BNP Paribas Bank Polska S.A., based on which the amount of the multi-purpose credit line limit was increased to PLN 50 million (previously PLN 40 million), and the term of the credit line was extended to January 2025 (previously January 2024). According to the annex, within the multi-purpose credit line, Dekpol Budownictwo Sp. z o.o. may use the credit in PLN or EUR current account, PLN guarantee line, and PLN letter of credit line. The interest rate on the credit granted under the multi-purpose line is determined by a variable interest rate equal to the WIBOR/EURIBOR 1M rate plus bank's margin. Under the guarantee line, various guarantees may be issued: bid, performance of the contract, defects and deficiencies removal, payments, lease contract performance, and advance refund. Various securities typical for credit agreements, including the Issuer's guarantee, mortgage established on the Issuer's land properties, and other securities, secure all obligations of Dekpol Budownictwo arising from the agreement. The agreement specifies obligations during its validity period, including maintaining the debt ratios of the Issuer's Capital Group at specified levels. The annex contains formal and legal conditions, the fulfillment of which was necessary to increase the limit under the Agreement.

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

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

On February 14, 2024, Dekpol Budownictwo Sp. z o.o. concluded annex to the agreement from February 2023 multi-line with Santander Bank Polska S.A., under which the multiline limit was increased to PLN 85 million (previously PLN 55 million) and its availability period was extended to February 2025 (previously February 2024). According to the annex, within the multi-line, Dekpol Budownictwo Sp. z o.o. can use a current account credit and a guarantee line in PLN or EUR. The interest rate on the credit granted under the multi-line is determined based on a variable interest rate equal to the WIBOR/EURIBOR 1M rate plus bank's margin. Within the guarantee line, guarantees such as performance, warranty, advance payment, and refund guarantees can be issued. The collateral for all obligations arising from the agreement includes the issuer's guarantee, KUKE S.A. guarantee, general cash deposit, and other typical credit agreement securities. The agreement specifies obligations during its validity period, including maintaining the debt ratios of the Issuer's Capital Group at specified levels.

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

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

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

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

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

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

Launch of bonds issue programme

On March 20, 2024, Management Board of Dekpol S.A. adopted a resolution regarding the launch of a bonds issue programme with a total nominal value not exceeding PLN 400 million. The nominal value of one bond will be PLN 1,000. Bonds will be issued in one or more series. The final issuance of bonds under the programme may be conducted no later than December 31, 2026. The bonds will be issued in accordance with provisions of Article 33, paragraph 1 of the Act of January 15, 2015, on bonds, whereby, in accordance with applicable law, preparation of a prospectus or information memorandum will not be required. The resolution of Company's Management Board regarding launch of bonds issue programme stipulates that bonds will be issued as unsecured bonds, the interest rate on bonds will be variable or fixed, and benefits from bonds will be solely monetary. The bonds will be introduced to the alternative trading system organized by the Warsaw Stock Exchange S.A. as a part of the Catalyst market.

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

As part of the aforementioned bond issuance program, the Company issued M-series bonds in late May and early June this year, as discussed in more detail later in this section.

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

Conclusion of a construction contract and annex to the agreement for the implementation of a warehouse in Kujawsko-Pomorskie Voivodship

On March 28, 2024, Dekpol Budownictwo Sp. z o.o. (the Contractor) entered into an agreement with a third party (Ordering Party) to act as the general contractor for construction works involving construction of a warehouse building with social-office facilities, along with land development and necessary infrastructure, in the Kujawsko-Pomorskie Voivodeship. The subject of the Agreement includes comprehensive execution of the investment, including construction and assembly works, detailed designs, all necessary documentation, and obtaining use permit for the investment. The net lump-sum remuneration for the Contractor for the execution of the investment amounts to approximately 10% of revenues from sales of the Dekpol Capital Group for the year 2023. The Ordering Party has the right to exclude certain works from the execution, as well as to assign additional works to the Contractor. On June 25, 2024, the parties concluded an annex to the Agreement, by virtue of which the Ordering Party commissioned the Contractor to carry out replacement and additional works on the investment, as a result of which the value of the remuneration, taking into account all additional works progressively commissioned by the Ordering Party until the date of conclusion of the annex, increased by 23% and currently constitutes the equivalent of approximately 12% of the Dekpol Capital Group's sales revenues for 2023. The final value of the remuneration may be subject to change in the event of execution of further additional works.

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

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

About signing of the letter of intent, and subsequently on the conclusion of the Agreement, the Company announced in current reports no. 12/2024 dated March 22, 2024, and no. 13/2024 dated March 28, 2024, and about conclusion of the annex to the agreement in current report no. 31/2024 dated June 25, 2024.

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

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

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

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

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

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

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

Annex to guarantee line agreement with Zurich Insurance plc

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

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

Reception of a building permit for the fifth stage of the multi-family housing estate under the project „Osiedle Kociewskie"

On April 30, 2024, Dekpol Inwestycje Sp. z o.o. Rokitki Sp.k. received, issued by the Starosty Office in Tczew, a final building permit for construction of the fifth stage of the "Osiedle Kociewskie" multi-family residential buildings, together with necessary technical infrastructure in Rokitki. As a part of the fifth stage of the investment, it is planned to build 3 residential buildings, which will contain 117 apartments with a total usable floor area of approximately 5.6 thousand square meters. The estimated value of revenues generated from the implementation of the above stage will amount approximately PLN 39 million. The launch of the fifth stage of the "Osiedle Kociewskie" investment is planned for late 2025/early 2026, while completion and commissioning, including the handover of the first apartments to customers is scheduled for late 2026/early 2027.

About reception of building permit, the Company announced in current report no. 19/2024 dated April 30, 2024.

Reception of a building permit for the sixth stage of the multi-family housing estate under the project „Osiedle Kociewskie "

On April 30, 2024, Depol Inwestycje Sp. z o.o. Rokitki Sp.k. received, issued by the Starosty Office in Tczew, a final building permit for construction of the sixth stage of the "Osiedle Kocięskie" multi-family residential buildings, together with necessary technical infrastructure in Rokitki. As a part of the sixth stage of the investment, it is planned to build 3 residential buildings, which will contain 117 apartments with a total usable floor area of approximately 5.6 thousand square meters. The estimated value of revenues generated from the implementation of the above stage will amount approximately PLN 39 million. The launch of the sixth stage of the "Osiedle Kocięskie" investment is planned for late 2026/early 2027, while completion and commissioning, including the handover of the first apartments to customers is scheduled for 1Q 2028.

About reception of building permit, the Company announced in current report no. 20/2024 dated April 30, 2024.

Issue of M-series bonds

On May 9, 2024, Management Board of Depol S.A. adopted a resolution to issue up to 150,000 M-series bearer bonds, with a nominal value of PLN 1,000 each and a total nominal value of up to PLN 150 million. The Company's Management Board resolution allowed for the possibility of increasing the number of bonds offered to 225,000 by a separate resolution. Accordingly, on May 27, 2024, the Company's Management Board passed a resolution to increase the maximum number of bonds offered for purchase to 225,000, with a total nominal value of up to PLN 225 million.

Subsequently, on May 27, 2024, Management Board of Depol S.A. adopted a resolution to provisionally allocate 225,000 M-series bearer bonds, each with a nominal value of PLN 1,000 and a total nominal value of PLN 225 million. The M-series bonds were allocated subject to the condition of final settlement of the bond purchase transaction within the Krajowy Depozyt Papierów Wartościowych (KDPW) system. Krajowy Depozyt Papierów Wartościowych (KDPW) completed the final settlement of bonds on June 6, 2024.

The bonds were issued under the Bonds Issue Programme adopted by Company's Management Board on March 20, 2024, as mentioned in the above point. The bonds were issued in accordance with the procedure specified in Article 33, point 1 of the Bond Act of January 15, 2015, with no requirement to prepare a prospectus or information memorandum under applicable law. The bonds were issued at an issue price equal to the nominal value, i.e., at a price of PLN 1,000 per bond. The average subscription reduction rate was at the level of 34%. The bonds bear variable interest based on the 6-month WIBOR rate plus a margin. Interest on bonds is payable every 6 months. The bonds are unsecured. The redemption of bonds will occur within no more than 4 years from the date of issue, subject to the Company's and bondholders' right to early redemption and mandatory partial amortization of bonds under Terms and Conditions of the Issue.

On June 3, 2024, Management Board of the Warsaw Stock Exchange (GPW) adopted a resolution regarding introduction of the Company's M-series bonds to the alternative trading system on Catalyst, upon registration of these bonds by KDPW. Subsequently, on June 12, 2024, Management Board of GPW adopted resolution setting June 14, 2024, as the first day of listing of 225,000 M-series bonds of the Company in the continuous trading system under the short name "DEK0628."

The funds from the bond issue will be used to finance the ongoing business operations of the Issuer's Group, including refinancing existing series of Issuer's bonds. Additionally, funds from the issuance amounting to PLN 50 million may be allocated exclusively to purposes specified in Terms and Conditions of the Bond Issue, including financing and/or refinancing of designated sustainable development projects and investments, financing and/or refinancing of capital expenditures for increasing production capacity in prefabrication, expansion of the offshore segment, and the development or construction of warehouse-related building projects that either possess or are designed to obtain BREEAM certification.

About intention to issue M-series bonds the Company announced in current report no. 21/2024 dated May 9, 2024. The increase in the maximum number of M-series bonds offered for purchase and the conditional allocation of these bonds were reported in current report no. 25/2024 dated May 27, 2024, while final allocation of bonds was presented in current report no. 28/2024 dated June 6, 2024.

Establishment of the III Bonds Issue Programme of Depol S.A.

On May 17, 2024, Management Board of Depol S.A. adopted resolution to establish the III Bonds Issue Programme (PEO III), under which the Company may issue bonds in accordance with the procedure specified in Article 33, point 1 of the

Bond Act of January 15, 2015, with a total nominal value not exceeding PLN 250 million. The establishment of the III Bonds Issue Programme was related to the expiration of the II Bonds Issue Programme.

Under PEO III, the Company may simultaneously issue one or more series of bonds within 12 months from the date of approval of the Company's base prospectus by the Financial Supervision Authority. The nominal value of one bond will be PLN 1,000. The basic Terms and Conditions of Bonds Issue will be included in the Company's base prospectus. The Management Board's resolution on establishment of PEO III provides that the bonds may be issued as either unsecured or secured bonds, with either variable or fixed interest rates, while obligations under the bonds will be purely monetary. Each subsequent series of bonds will be issued based on a separate resolution of Management Board, which will determine final Terms and Conditions of Issue for that series, including, in particular, the currency, issue price, total nominal value of the series, redemption date, interest rate, interest periods, and the rules for applying for series to be admitted to trading on a selected regulated or alternative trading market, such as Catalyst.

About establishment of PEO III the Company announced in current report no. 23/2024 dated May 17, 2024.

Conclusion of a contract for construction of a storage and production hall in Pomeranian Voivodeship

On May 17, 2024, Dekpol Budownictwo Sp. z o.o. (Contractor) entered into an agreement with a company from the 7R S.A. capital group. (Ordering Party) a contract for the construction in the general contracting system in the "design and build" formula of a warehouse-production hall with social and office facilities, along with the accompanying infrastructure in Barniewice, Pomeranian Voivodeship.

The subject of the contract is the preparation of project documentation, comprehensive construction and installation works, and obtaining all required consents and permits, including the final use permit for the investment. The investment is being carried out in two stages, with the execution of the second stage being optional. The Ordering Party was entitled to call for the execution of this stage by the end of June 2024. On June 24, 2024, the Contractor received confirmation from the Ordering Party to proceed with the execution of the second stage of the investment. The completion of the first stage was scheduled for the end of the third quarter of 2024; however, the parties are currently in discussions regarding extension of this deadline. The completion date for the works under the second stage is set for the first quarter of 2025. The lump-sum net remuneration for the execution of the investment has been set at a level corresponding to approximately 5% of Dekpol Group's sales revenues for the year 2023, with the second stage of the investment accounting for about 56% of the contract value (calculated based on the euro exchange rate as of May 17, 2024). The Ordering Party has the right to exclude certain works from execution, as well as to assign additional works to the Contractor.

The contract includes provisions for contractual penalties, including in cases of delays in completion of the investment or removal of defects. The total amount of contractual penalties cannot exceed 12% of the remuneration. If the Ordering Party terminates the contract, in whole or in part, due to reasons attributable to the Contractor, the Contractor is obliged to pay the Ordering Party a contractual penalty amounting to 12% of the remuneration for the scope affected by the termination. The Ordering Party is entitled to claim damages exceeding the stipulated contractual penalties, under general principles, for the full amount of the incurred loss.

The contract was concluded following the parties' agreement on the key contract terms on March 12, 2024, and the signing of a site handover protocol on the same day, based on which the Contractor commenced the investment work.

About agreement of key contract terms, and then, about conclusion of the contract, the Company announced in current reports no. 10/2024 dated March 12, 2024, and no. 22/2024 dated May 17, 2024, while about decision of the Ordering Party about execution of the second stage - in current report no. 30/2024 dated June 24, 2024.

Conclusion of conditional agreement for acquisition of land property in Sopot

On June 13, 2024, Dekpol Inwestycje - Sopot Sp. z o.o. (Buyer) entered a contract with an entity from outside of the Dekpol Capital Group (Seller) for the acquisition of a plot of land with an area of approximately 2 hectares located in Sopot, along with project documentation (the Property), under the condition that the Municipality of Sopot did not exercise its right of pre-emption. As the Municipality of Sopot did not exercise its right of pre-emption, the parties signed a contract on July 29, 2024 (event after balance sheet date), transferring the right of perpetual usufruct of the Property. The net purchase price of the Property amounted to approximately 16% of Dekpol S.A.'s equity as of June 30, 2024. The Property was

acquired to enlarge the bank of land held by the Issuer's Capital Group and to carry out a future property development project.

About conclusion of the preliminary purchase agreement of the property, the Company announced in current report no. 49/2023 dated December 23, 2023, and about conclusion of conditional agreement – in current report no. 29/2024 dated June 13, 2024.

Ordinary General Meeting of Shareholding of Dekpol S.A. and resolution regarding payout of a dividend

On June 28, 2024, the Ordinary General Meeting of Shareholders of Dekpol S.A. (ZWZ) took place, during which resolutions were adopted regarding, among other things, granting a discharge to the Company's board members, approving financial statement and the report on business activities of the Company and the Dekpol Capital Group for 2023.

The Ordinary General Meeting also adopted a resolution on allocation of profit for the 2023 financial year and the determination of the dividend date and the dividend payment date. According to the resolution, the ZWZ decided to allocate PLN 19,986,492.11 for distribution among shareholders, which amounts to PLN 2.39 per share. The dividend consists of the Company's net profit for 2023 in the amount of PLN 12,377,585.63 and PLN 7,608,906.48 transferred from the reserve capital created from profits of previous years. The ZWZ set the dividend date for August 1, 2024, and the dividend payment date for October 31, 2024. All 8,362,549 shares of the Company are entitled to the dividend.

About resolution regarding payout of dividend, the company announced in current report no. 32/2024 dated June 28, 2024, while the content of all resolutions passed by the ZWZ was published by the Company in current report no. 35/2024 dated June 28, 2024.

Factors and events, including of unusual character, affecting financial statement

In 1H 2024, there were no factors or events other than those described in other sections of this Report, including those of an unusual nature, which could have a significant impact on financial statement of the Company and the Capital Group.

Factors and risks related to the situation in Ukraine are presented on page 33 of this report.

Events after balance sheet date

Conclusion of preliminary agreement for acquisition of land property in Katowice

On July 2, 2024, Dekpol Inwestycje - Katowice Sp. z o.o. (Buyer) entered into a preliminary agreement for the purchase of undeveloped plots of land totaling 0.79 hectares located in Katowice with an entity not affiliated with the Dekpol Capital Group (Seller). This agreement includes the transfer of the building permit decision to the Buyer and rights to the project documentation forming the basis of the decision. Under the preliminary agreement, the parties committed to concluding the definitive contracts for the purchase of the property, subject to, among other conditions, the Municipality of Katowice not exercising its right of repurchase for a part of the property (a condition reserved for the benefit of the Buyer). Additionally, regarding part of the property covered by the preliminary agreement, there is a suspensive condition related to the Municipality of Katowice not exercising its right of pre-emption.

The preliminary agreement provides for the possibility of withdrawal from the contract in a whole or in part under specified circumstances, particularly in the event that the conditions of the transaction are not met. If the aforementioned conditions are fulfilled, the transfer of property ownership as a result of entering into the appropriate contracts is expected to occur in the second quarter of 2025. The net purchase price of the property will amount to approximately 6% of Dekpol S.A.'s equity as of June 30, 2024. The acquired properties will be intended for the implementation of a property development

project that includes residential and commercial construction with an estimated usable floor area of around 12,000 m². The commencement of the project is anticipated in the second half of 2025.

About conclusion of the preliminary agreement, the Company announced in current report no. 36/2024 dated July 2, 2024.

Conclusion of preliminary agreements for the acquisition of land properties in Silesian Voivodeship

On July 4, 2024, Depol Kamesznica Sp. z o.o. (Buyer) entered into conditional preliminary agreements for the acquisition of ownership rights and shares in the ownership of undeveloped plots of land totaling approximately 7.76 hectares, located in the Municipality of Milówka in the Silesian Voivodeship, with individuals not affiliated with the Depol Capital Group (collectively referred to as Seller). This includes the transfer of the building permit decision to the Buyer and the project documentation that forms the basis for the decision, under the terms and conditions specified in the preliminary agreements.

The preliminary agreements stipulate that the Buyer may acquire all or part of Properties covered by the agreements, with the acquisition of individual Properties expected to occur in two stages. The total net purchase price for all Properties will not exceed approximately 8% of the Issuer's equity as of June 30, 2024. The preliminary agreements provide for the possibility of either party withdrawing from the concluded agreements in whole or in part under specified circumstances, particularly in the event that any of the suspensive conditions are not met.

The acquired Properties will be designated for a property development project that includes service and apartment construction with an estimated usable floor area of around 20,000 m². The commencement of the project is anticipated in the first half of 2025 and will be carried out in several stages.

About conclusion of preliminary agreements, the Company announced in current report no. 38/2024 dated July 4, 2024.

Reception of a building permit for the seventh stage of the multi-family housing estate under the project „Osiedle Kociewskie ”

On July 10, 2024, Depol Inwestycje Sp. z o.o. Rokitki Sp.k. received, issued by the Starosty Office in Tczew, a final building permit for construction of the seventh stage of the “Osiedle Kociewskie” multi-family residential buildings, together with necessary technical infrastructure in Rokitki. As a part of the seventh stage of the investment, it is planned to build 3 residential buildings, which will contain 117 apartments with a total usable floor area of approximately 5.6 thousand square meters. The estimated value of revenues generated from the implementation of the above stage will amount approximately PLN 39 million. The launch of the seventh stage of the “Osiedle Kociewskie” investment is planned for 2Q 2027, while completion and commissioning, including the handover of the first apartments to customers is scheduled for 3Q 2028.

About reception of building permit, the Company announced in current report no. 40/2024 dated July 10, 2024.

Conclusion by a subsidiary of a framework agreement for multi-product line with mBank S.A.

On July 22, 2024, Depol Budownictwo Sp. z o.o. entered into a framework agreement with mBank S.A. for a multi-product line that includes working capital financing up to PLN 60 million. Under the agreement, financing was provided in the form of a bank overdraft of up to PLN 10 million and a working capital loan for financing trade contracts of up to PLN 50 million, available in PLN and EUR until June 2026. The interest rates for the loans provided under the multi-product line are set based on a variable interest rate, specifically WIBOR/ESTR ON or WIBOR/EURIBOR 1M, plus the bank's margin. The collateral for all obligations of Depol Budownictwo arising from the Agreement includes, among others, a mortgage established on a plot of land in Gdańsk, the Issuer's guarantee, and other typical securities for loan agreements. The Agreement includes standard obligations during its term, including maintenance of debt ratios at specified levels.

Additionally, on July 22, 2024, Depol Budownictwo Sp. z o.o. and mBank S.A. also entered into a guarantee line agreement, under which guarantees may be issued in PLN and EUR up to a total amount of PLN 35 million, with a utilization period until June 30, 2026.

The conclusion of the above agreements follows the expiration of the previous financing period totaling PLN 95 million,

About conclusion of a framework agreement, the Company announced in current report no. 42/2024 dated July 22, 2024.

Conclusion of a general contracting agreement for investment in Pomeranian Voivodeship

On July 25, 2024, Depol Budownictwo Sp. z o.o. (the Contractor) entered into a general contracting agreement with a company from the Panattoni Group (Ordering Party) for a production and warehouse facility with office and social premises, along with accompanying infrastructure in Tuchom, Pomeranian Voivodeship. The investment includes preparatory work, preparation of execution designs and as-built documentation, carrying out construction works related to the facility, and the accompanying road investment in accordance with the technical specification, as well as obtaining a use permit. The net lump-sum remuneration for the work covered by the agreement was set at approximately 5% of sales revenues of the Depol Capital Group for 2023 (calculated at the euro exchange rate on July 25, 2024). The deadline for completion of all works specified in the agreement was agreed upon for the third quarter of 2025.

The agreement contains provisions regarding contractual penalties, including in case of delays in the execution of the investment or termination of the agreement for reasons attributable to the contractor. The total limit of contractual penalties, regardless of the reason for their imposition, is limited to 10% of net remuneration sum. The Ordering Party has the right to claim compensation exceeding the amount of the stipulated contractual penalty.

The agreement was concluded following the signing of a letter of intent by the parties on January 8, 2024, confirming the parties' interest in conclusion of a general contracting agreement under the agreed basic terms of investment realization. A condition for conclusion of the agreement was the purchase of land for the construction of the investment by the Ordering Party or an entity designated by them, as well as obtaining a building permit.

About signing of a letter of intent and then, about conclusion of the agreement, the Company announced in current reports no. 2/2024 dated January 8, 2024, and no. 43/2024 dated July 25, 2024.

Conclusion of a contract for construction of a storage and production hall in Lublin

On August 14, 2024, Depol Budownictwo Sp. z o.o. (the Contractor) signed a contract with a company from the 7R S.A. capital group (Ordering Party) for the execution in general contracting form of a production and warehouse hall with social and office facilities, as well as accompanying road and technical infrastructure in Lublin under the "design and build" formula.

The subject of the contract is the preparation of project documentation, comprehensive construction and installation works, and obtaining all required approvals and permits, including the final use permit for the investment. The completion of the investment is to take place by the end of the first half of 2025. The net lump-sum remuneration for the execution of the investment was set at a level corresponding to approximately 7% of sales revenue of the Issuer's Capital Group for 2023 (calculated at the euro exchange rate on the date of the contract). The Ordering Party has the right to exclude part of the works from execution, as well as to entrust the Contractor with the execution of additional or substitute works.

The agreement includes provisions regarding contractual penalties, including in case of delays in the execution of the investment and the removal of defects or deficiencies. The total amount of contractual penalties cannot exceed 12% of the remuneration value. In the event of Ordering Party's withdrawal from the contract in whole or in part due to reasons attributable to the Contractor, the Contractor is obliged to pay a contractual penalty in the amount of 12% of remuneration for the scope related to the withdrawal to the Ordering Party. The Ordering Party is entitled to demand, on general terms, compensation exceeding the amount of the stipulated contractual penalties, up to the full extent of incurred damage.

The agreement was concluded as a result of agreeing by the parties on key terms of the contract on August 9, 2024, and signing a protocol transferring construction site on that day, based on which the Contractor commenced the execution of investment.

About the agreement of key contract terms, and the about conclusion of agreement, the Company announced in current reports no. 45/2024 dated August 9, 2024, and no. 46/2024 dated August 14, 2024.

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

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

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

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

The internal factors that appeared in 1H 2024 and after its end, which have had or may have an impact on Company's and Group's results in subsequent periods, also include the events mentioned in the sections "Major achievements and failures and the most important events in business activities of the Depol Capital Group in 1H 2024" and "Events After Balance Sheet Date" of this Report.

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

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

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

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

Although the economic situation has stabilized to some extent, it should be noted that the war across the eastern border has significantly impacted the Polish economy. The economy has slowed down considerably. There has been a significant outflow of workers from Ukraine, who have returned to their home country. Among businesses, uncertainty in decision-making has increased. Each of these factors, individually or in combination, can have a significant negative impact on the economy and on the sector in which the Company operates.

Due to the high volatility and uncertainty of the situation, as of the date of this Report, Management Board is unable to estimate the extent of the war's impact on Company's business operations, which largely depends on the duration of the conflict and further development of the situation in Ukraine and Central and Eastern Europe. Nonetheless, Management Board continuously monitors the impact of the political and economic situation in Ukraine and Russia on its business operations. The Company takes into account the risk of rising prices, particularly for materials and labor, in its ongoing calculations.

Impact related to an increase in interest rates

In the course of its business operations, the Company is exposed to interest rate risk. The favorable low cost of capital for the market (associated with low interest rates) observed in recent years has given way to higher interest rates, which are currently maintained by Rada Polityki Pieniężnej (RPP) at a level of 5.75% (as of June 28, 2024, and on the date of publication of this Report).

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

Additionally, the reduction of the money supply in the market affects the credit conditions for businesses, leading to the necessity of thoroughly analyzing liquidity. Consequently, the inability to incur new obligations will contribute to a limitation of investment activity, as few companies are able to finance significant investments and development expenditures with their own funds. Banks are taking a more rigorous approach to evaluation of loan applications, causing, that only those businesses that are prepared for challenging times, will have the opportunity to realize their investments.

7. Risks and threats factors

From the point of view of the Issuer's future and the Capital Group, the main risks associated with its business operation are as follows:

Risks related directly to business operations of the Issuer's Capital Group

Risk related to the construction process

The main feature of construction activity is the necessity of engaging significant funds throughout the investment implementation period, up to the moment the facility is handed over to the counterparty. The services provided by the Issuer's Capital Group are of individual nature, developed under given conditions and using the available procedures and technologies. Due to the length of the entire construction process, there may be various changes to the conditions set at the

beginning. The entire production and executive process carries a variety of risks. During this time, the following risks may occur:

- current design and executive changes at almost every stage of the process,
- incorrect initial estimation of project implementation costs,
- significant change in costs during the project implementation (increase in the costs of material purchase, increase in employment costs),
- mistakes made in managing the entire construction process,
- errors related to the applied technical and technological solutions,
- rising prices of construction materials and utilities as well as labor costs as compared to the assumptions,
- lacks in the field of construction materials and human resources necessary for implementation of acquired projects.

The above may impact the extension of the entire product manufacturing process, leading to increased costs and a postponement of payments, which consequently raises the likelihood of a decrease in the Group's results and disrupts financial stability. Design changes are a common occurrence in the construction process; however, these changes often require additional valuations. The staff shifts these risks toward the investor (the client), informing them of both deadline and financial threats. These changes are primarily initiated by the investor's side. Changes in costs during implementation mainly concern long-term investments. As of the publication date of this report, short-term investments still constitute the main share of the external ordering portfolio. In the case of long-term investments, primarily carried out for Dekpol Developer Sp. z o.o., the rise in costs is also reflected in the increase in sales per square meter of residential space, providing a pathway for partial cost recovery. Furthermore, the offers prepared by the Group are updated when the client extends the decision-making time regarding the choice of contractor and the start of construction. In the event of drastic increases during construction, the Group engages in discussions with selected investors about sharing in the increased implementation costs. The outcomes of these discussions lead to partial participation by the clients in construction costs.

Mistakes made in management of construction process are mainly related to entering into new segments of construction market and entering into new locations. This risk is minimized with increase in the experience of our staff, appropriate arrangement of construction organigram and unification of construction implementation processes in terms of management and technical aspects. Mistakes related to applied technical and technological solutions mainly result from poorly designed and adopted solutions by designers. In order to compensate the costs incurred, the Group launches instruments in accordance with contractual provisions aimed at project authors and suppliers.

Risk related to weather conditions

Conducting activity on the wider construction market, the Dekpol Group is particularly dependent on atmospheric factors. They have an impact not only on the implementation of construction projects, but also on the seasonality of revenues from sales. Revenues from this activity are traditionally the largest in the summer periods, while they usually decrease in winter periods, in particular in the first quarter of a given year. Weather anomalies may have an adverse effect on the timing of projects, the extension of which may result in increased project costs and customer claims due to non-compliance with contractual conditions. The Group, while creating a project implementation schedule, assumes typical atmospheric conditions for the given seasons. The Group is trying to plan implementation schedules so that during winter periods, it will ensure finishing works inside buildings and perform tasks that can be performed at sub-zero temperatures. In spite of undertaking actions aimed at flattening the revenue structure, it should be taken into consideration the diversity of financial results in individual quarters of the year.

Risk of changes in prices and availability of materials, raw materials and goods

In case of the activity conducted by the Dekpol Group, due to the length of the entire production process, the risk of material price increases is significant, which translates directly into the disruption of the investment budget and its profitability. The same applies to the availability of the necessary materials and raw materials. This risk increased as a result of the armed conflict in Ukraine. Limitation of materials and raw materials would entail disruption of the entire production process and delay in the completion of projects, as well as delays in completion of implemented projects. In addition, the risk of rising fuel prices, which is an important price-creating factor, must also be taken into account as the pricing risk. However, if the overall level of investment increases, there is a risk of lengthening the waiting time for the necessary materials. The occurrence of such a situation may have a negative impact on the Group's financial result and its development prospects.

Therefore, actions are taken to minimize this type of risk by concluding long-term contracts with key suppliers. Thanks to this, it is possible to balance unfavorable factors and more accurate cost planning, translating directly into the Group's profitability.

Risk related to underestimation of contracts

The Group's contracts are based on their previous cost estimation. There is a risk that some of the works may be omitted from incomplete or incorrect recognition, and in the light of the lump-sum character of remuneration for work - the necessity of bearing their costs by the Group itself, and as a result - losses on the investment. This may have a negative impact on the Issuer's operations, financial position or results. It should be explained that the Group performs due diligence in the preparation of offers and employs qualified and experienced cost estimators, while during the implementation of the investment, it verifies the costs incurred in relation to the assumed ones.

Risk related to the contracts being performed, including defects and failures

Due to the fact that the construction process is very complex, in itself it can be a source of risk for the Group. Despite cooperation with renowned and proven contractors and suppliers, as well as ongoing supervision over the performance of works, the Group is not able to fully guarantee the absence of failures or defects in the completed investments. The disclosure of failures or defects may have a negative impact on the Group's market image and its financial result due to the need to incur additional costs related to the removal of the defect or failures. . In addition, long-term removal of defects and failures may lead to failure to meet project deadlines, which will also adversely affect the Group's financial situation, due to the need to pay potential contractual penalties to clients with whom term contracts or payment of amounts resulting from claims for damages have been concluded. It cannot be ruled out that materials used to carry out construction works will have hidden defects that may affect the quality of the investment. In connection with the above, the Dekpol Group applies various methods of protection against this type of risk. Above all, established procedures to minimize delays are applied during the implementation of investments. Agreements are concluded with permanent and proven suppliers and subcontractors who provide the Group with high quality and timely work as well as deferred payments. Also, important here are the efficient procedures for ongoing internal control and monitoring of individual orders. It is worth emphasizing that in the Dekpol Group' current operations such events have occurred sporadically.

Risk related to the concentration of business activities on the local market

The majority of investments carried out by the Issuer in the scope of property development activities are located in the area of the Pomeranian Voivodship. Such concentration causes dependence on economic situation on the local market, as a result of which the Issuer's Group has to compete with large number of domestic and foreign business entities servicing real-estate development market. Such local limitations cause that Issuer's revenues largely depend on the level of investors' activity on residential market in the region. The multiplicity of competitive housing investments may have an impact on reduction of Issuer's Group revenues. This may directly translate into financial result and development perspectives of the Issuer's Group in the future. For mitigation of this risk, the Issuer actively looks for new investment opportunities throughout the country, which will increase independence from the situation on a local market and contribute to Issuer's development. In the structure of the Group, the Issuer owns company UAB DEK LT Statyba, which has historically been established to support business activities of the Issuer's Group in Lithuania in implementation of general contracting projects, as well as for management of future contracts in Lithuania. Currently Dekpol Budownictwo Sp. z o.o. is involved in the process of obtaining certification that enables independent implementation of construction projects in the territory of the Republic of Lithuania. Moreover, the companies from the Issuer's Group own land outside the Pomeranian Voivodeship (Warsaw, Wrocław, Katowice). The Issuer's Group also focuses on strengthening its market position and increasing its competitive advantage by providing high-quality and timely services as well as offering comprehensive solutions for private investors, including investors representing international concerns developing their operations in Poland.

Risk related to concentration of general contracting projects on warehouse market

For several years, participation of warehouse projects in the Dekpol Group's order portfolio has significantly increased (as warehouse projects the Group qualifies: warehouse halls, production and warehouse halls, production and warehouse halls with an office building, warehouse and service halls with an office building). The focus on warehouse projects results from the fact that Dekpol has been a leading contractor of this type of agreements in Poland for many years, moreover, the

dynamic development of the warehouse market in Poland can be observed and it fits well with the strategy of the Issuer's Group in the general contracting segment (focus on short-term contracts, the completion date of which, as a rule, ranges from 6-9 months).

The Dekpol Group notices a significant concentration on this type of projects in its order portfolio. In the event of a collapse / decrease in this market segment, the Company may record a smaller number of contracts, which could potentially have a significant negative impact on the level of generated revenues and profits as well as further development of the Group. Hence, the Company is already taking steps to counteract this eventuality by diversifying of sources of acquisition of construction projects, primarily by expanding sales structure and pricing of general contracting services to respond to business opportunities even more broadly. In addition, the Company systematically uses non-industrial and logistic cubature projects such as car showrooms, passenger service areas or commercial facilities. In this way, the engineering competences of the general contracting team are maintained (and in some cases expanded) in the above-mentioned scope, so that in the event of reduced demand for industrial and logistic halls, a shift towards other types of contracts than those currently being performed is made.

Risk related to changes in market trends

One of the most serious risks is the possibility of changes in market trends. The demand for investment goods is affected by many variables independent of the Group. On the other hand, the revenue generated by the conducted activity is directly affected by demand and supply for construction services. There is a risk of deterioration in the construction market by limiting the amount of investment, which may translate into the level of the margin, and thus - the profitability of the Group. In addition, the Group's revenues depend largely on the activity of investors in the region. A reduction in the level of investment may have an adverse effect on its financial results and development prospects. To mitigate this risk, the Dekpol Group is looking for new contracts in the wider market. This serves to minimize the risk of concentration of activity only on the local market. In addition, the Management Board, in case of adverse market changes, will implement measures aimed at adapting the Dekpol Group to the changing market realities, e.g., through actions aimed at reducing costs.

Risk of falling apartments prices

Decisions made by Issuer's Group must take into account relatively long-time horizon for each investment, as well as significant fluctuations in selling prices of premises during projects implemented, over which the Issuer has no exclusive control. These factors may have a significant impact on Group's profitability and its financial needs. The price level is influenced by supply-demand relationship, which is influenced by e.g. purchasing power of potential customers and available amount of financing costs for the purchase of premises. A drop in apartment prices may have a significant negative impact on business operations, financial situation, results, and development perspectives of the Issuer's Group. Real-estate development market is usually reacting with delay compared to other asset classes, and possible falls in apartments prices may only be seen in longer term. At the present time, the Issuer's Group does not aim to lower the prices of its investments, although in the event of potentially sustained downward trend in prices on the housing estate market, it will be forced to adjust its price lists so that its offer remains competitive on the market.

Risk related to non-payment of receivables by ordering parties

Contracts for the execution of construction works usually include clauses concerning payments for individual construction stages and provisions guaranteeing partial invoicing for performed works. As a result, the risk of payment default for services provided is low. However, there is a risk that, despite the implementation of a given stage of work, the principal fails (or does not meet his / her agreed dates) from the agreed payments, which may lead to limitation of the Group's financial liquidity and, in extreme cases, lead to financial losses. The Dekpol Group tries to limit the above risk by signing contracts with reliable contractors, however, it cannot guarantee that such losses may incur in the future. In addition, all customers who are interested in using the trade credit are subject to verification procedures, and the Group monitors the receivables on an ongoing basis. It is also important that this type of risk is limited to a certain extent by the provisions of the Civil Code regarding payment guarantees for construction works.

Risk related to the implementation of property development projects

The property development project cycle is a long-term cycle (over 24 months), characterized by the need to incur significant financial outlays and the total return of incurred expenses only after the minimum of 2 years. In line with adopted strategy, Dekpol Developer buys ground properties for multi-stage projects (e.g. Neo Jasień, Osiedle Pastelowe, Osiedle Kocięwskie, Sol Marina, Grano Resort in Sobieszewo). The subsequent stages of projects are initiated once a certain

percentage of sales progress in the currently implemented stage is achieved. Companies within the Issuer's Group typically need to fully pay for the land, and the complete development of the land may occur even several years after its acquisition date. Prolonged delays in sales, particularly in an unfavorable macroeconomic situation, may result in the partial or complete non-recovery of the invested funds. As a result, the timing of revenue generation can be significantly postponed relative to the incurred expenses for the execution of a given project.

Costs related to implementation of a property development project and, consequently, financial results of the Group may be significantly affected by such factors as:

- necessity to incur additional costs (also because of their incorrect estimation) or occurrence of circumstances causing a significant change in costs,
- changes in the scope of the project and changes in architectural design project,
- failure in performance of works by contractors within agreed deadlines and to the agreed standard,
- delay in obtaining a use permit,
- delays in completing of documentation necessary for signing of notarial deeds transferring ownership, issued by administrative authorities.

Risk associated with the use of clauses not allowed in contracts concluded as part of the real-estate development activity

The Dekpol Group operates, among others in the property development industry, selling premises largely to consumers. In relations with consumers, the Dekpol Group uses usually developed contract templates. There is a risk of accusation against the Issuer that the formulas used contain prohibited contractual provisions, which, pursuant to Art. 385 (1) §1 of Civil Code it is understood as such unconcerned individual clauses that shape its rights and obligations in a manner contrary to good customs, grossly violating its interests. This may have a negative impact on the Group's operations, financial position or results. It should be explained that the Dekpol Group negotiates contracts with clients and provides the possibility to individually agree their provisions. So far, there have been no proceedings against the Group regarding recognition of the provisions of the template as prohibited.

Risk of accidents at construction site

The Dekpol Group, as conducting construction works as a general contractor during the implementation of individual projects, is responsible for its employees. Exclusion is subject to liability for employees of subcontractors, except for cases resulting from misconduct, negligence on the part of the Group. Minimizing the indicated risk takes place through appropriate organization of work and strict compliance with health and safety at work regulations. However, the risk associated with possible claims for damages in case of an accident at the construction site, which may also affect the timeliness of the work carried out, cannot be excluded.

Risk related to subcontractors

One of factors having a significant impact on proper course of contract implementation is cooperation with subcontractors. In the process of contract execution, the Issuer's Group, apart from its own human resources, takes advantage of services of subcontractors, at the same time taking over from the ordering parties (investors) the risk related to improper performance of terms of contract or untimely performance of the subject of contract by subcontractors. This may result in Group's breach of the contract with the ordering party and lead to claims against the Group and expose it to loss of the reputation of a reliable contractor, which will adversely affect the Group's financial result. The Group tries to reduce this risk by increasing executive resources, appropriate selection of subcontractors and taking steps to build a database of reliable, proven and regularly cooperating subcontractors with appropriate certificates and experience. In addition, the Group, when constructing contracts with subcontractors, specifies terms and conditions, trying to protect them against non-performance or improper performance of contract terms by these entities, mitigating this risk to the subcontractor or supplier.

Limited availability of external subcontractors may also result in an increase in costs incurred on behalf of subcontractors, and thus adversely affect results and financial situation of the Group. It should also be noted that if the Group takes

advantage of services of subcontractors without obtaining the consent of the investor or contractor, it is exposed to contractual risk provided for in some contracts. Moreover, in such cases, provision of Art. 647¹ of the Civil Code providing for joint and several liability of the entity concluding contract with subcontractor (contractor) and the investor for payment of remuneration for services provided by subcontractor. Being aware of this risk, the Group always strives to obtain appropriate approvals from ordering entities.

Risk associated with acquisition of new contracts

The nature of the business activity conducted by the Dekpol Group means that a significant number of contracts is obtained through a tender. The Companies from the Dekpol Group prepare offers, define and optionally negotiate the terms of bids, and prepare the Company for the implementation of these contracts, however, it does not affect the criteria for the assessment of bids, which are the basis for their selection. One of the key factors contributing to the success of the Dekpol Group is the consistent implementation of the development strategy focused on acquiring contracts with the highest profitability. The Group has developed an effective contract valuation system, which, combined with strict cost control, means that the Dekpol Group is currently executing contracts at assumed profitability and achieving good financial results. The Group pays attention to the restructuring and minimization of all cost elements, both at individual stages of the contract execution as well as the general administrative expenses. It cannot be ruled out that changing market conditions will negatively affect the Group's ability to acquire new contracts and achieve a satisfactory level of margin. In order to minimize this risk, the Dekpol Group aims to continuously improve the project management system including the process of bidding and budgeting contracts. In addition, high activity in tender procedures contributes to the continuous improvement of efficiency in obtaining new contracts.

Risk related to competition

Construction market in Poland is served by many business entities, both domestic and foreign, including significant European groups / construction companies. In terms of competition, the Group on the one hand deals with small companies that provide their services on local markets, and on the other with strong capital groups that carry out large and complex construction projects. The Dekpol Group implements industrial construction facilities in the general contracting system. The Group focuses on strengthening its market position and increasing its competitive advantage by providing high quality services and timeliness, as well as offering comprehensive solutions for both private investors and investors representing international concerns developing their operations in Poland. In order to minimize the risk associated with competition, the Dekpol Group carries out his work with the utmost diligence, building the best possible relations with clients. In addition, the Group limits the risk in question by diversifying its operations (implementation of investments as part of general contracting, property development activities, steel structures and elements of construction machines).

Risk of small availability of mortgages / housing loans

Financial crisis and economic slowdown may adversely affect liquidity and financial situation of apartment buyers, which in turn may result in weakening of demand for apartments offered by the Issuer's Group. Demand on housing-estate market is largely dependent on availability of mortgages/housing loans and the ability of their repayment. Due to economic crisis caused by Covid-19 pandemic, banks significantly changed their policy related to granting mortgage loans by tightening criteria for assessing creditworthiness. In particular, a noticeable trend in a mortgage market is the temporary exclusion of income from certain types of economic activity (industries) when assessing creditworthiness, or a significant limitation by banks of access or amount of credit in relation to people employed under civil law contracts. In this regard, it should also be mentioned that many banks have introduced a requirement to make a higher own contribution (lowering the LTV ratio), as well as increasing margins and commissions.

Possible decrease in availability of mortgages/housing loans, as well as deterioration in the creditworthiness of potential buyers of residential estates may adversely affect Issuer's Group's revenues. Changes in regulatory policy affecting banks' creditworthiness assessment and banks' policies in this regard may cause a decrease in demand for new apartments, and thus may have a negative impact on Group's operations, development perspectives, financial situation, or results.

Risks related to the environment in which the Issuer and the Capital Group operate

Risk related to the armed conflict in Ukraine and the current political and economic situation

From the Group's perspective, described on page 33 of this Report, below by segments.

General Contracting segment

The armed conflict in Ukraine poses a potential risk to the construction industry in 2024. First and foremost, one must consider (1) the outflow of workers from Ukraine who are returning to fight in the defensive war, as well as (2) rising prices and (3) a deterioration in the availability of materials due to the increase in raw material prices. The situation of the economic blockade of Russia and the war in Ukraine itself may also impact the construction sector in Poland; however, as of the date of this report, it is not possible to assess the potential effects of, for example, an embargo or unrest in the financial markets. The outflow of workers is a phenomenon occurring on a varied scale among the Company's subcontractors. Additionally, expected increases in the prices of raw materials, building materials, fuels, and utilities necessitate exercising great caution in submitted bids. Furthermore, the offers include expectations regarding advance payments to secure material prices at an early stage of project implementation, and special procedures regarding bidding are also being introduced.

Property Development segment

Entire property development industry is closely following events in the geopolitical arena. The consequences of the conflict in Ukraine are currently difficult to predict. The impact of military action on industries will depend on further development of events. On the one hand, an increase in demand can be expected due to rapidly decreasing number of apartments for rent available on the market, on the other hand, it should take into account possible delays in implementation of projects caused by the outflow of employees from Ukraine employed in the construction segment and a reduction in supply of construction materials. Investment apartments segment should not be at risk, as the monetary situation of the Polish economy continues to encourage investment in real estate to a degree that exceeds potential slowdown caused by investors' concerns about further escalation of the conflict.

Segment of production of accessories for construction machines

Direct and indirect impact of the war in Ukraine on business activities of Dekpol Steel is difficult to precisely predict at the present stage and requires an approach to the analysis of the situation from demand and cost perspective in the short and medium term. The observed turbulences caused by broken supply chains and an increase in prices of raw materials, mainly steel, as well as components used in production (actuators, tooth systems) as well as increase in transport costs will affect all entities operating in the industry. With continued demand for offered products, the key task will be to adjust prices of offered products to the growing cost level in order to protect the margin. In long term perspective, however, it cannot be ruled out that the above factors, as well as limited availability of staff on the part of customers, will affect limitation or suspension of long-term investments, and thus will result in reduction in purchasing of new machines and, consequently, their accessories. Dekpol Steel analyzes all of the above aspects on an ongoing basis in order to properly adapt conducted business activity to market conditions.

The risk related to the macroeconomic situation

The results obtained by the Dekpol Group depend on the macroeconomic situation and the pace of economic growth in the markets on which its operations are conducted. Due to the fact that the Group operates mainly on the Polish market, the shaping of the economic and political situation in Poland has a significant impact on the financial results achieved and the implementation of the strategy. Unfavorable changes, including in particular a slowdown in economic growth, may negatively affect the level of investment expenditures in the economy, lead to a deterioration of the construction market, including through a smaller supply of projects for general contracting, and cause a slowdown in development and deterioration of Group's profitability.

After economic slowdown in 2023, the first half of 2024 showed significantly better GDP growth. Following a 1% growth in Q4 2023, the GDP growth rate in Q1 2024 reached about 2.2 percentage points, and by the end of the first half of 2024, it is estimated to have been around 2.5 percentage points. This improvement was primarily driven by a rebound in consumption and increased activity in the industrial sector. In the second half of 2024, GDP growth is expected to stabilize,

relying almost exclusively on household consumption, as there is still a slowdown in construction, low investment performance, and weak export growth due to the economic conditions in eurozone countries

Interest rates in Poland remain high, which is a result of persistently elevated inflation. Currently, the reference rate stands at 5.75%, a level set by the Rada Polityki Pieniężnej in October 2023. High interest rates are expected to persist until inflation returns to the National Bank of Poland's target range (1.5%-3.5%), which projections suggest will happen in about 1.5 to 2 years.

In June 2024, inflation was at the level of 2.6% y/y, with a monthly increase of 0.1%. June marked another month where the pace of inflation growth rose, driven by higher prices in areas such as recreation, culture, and healthcare. Analysts predict further price increases throughout 2024, partly due to the partial unfreezing of energy prices.

According to available macroeconomic data, the unemployment rate in Poland remains low compared to other European Union countries

Risk of instability of the Polish tax system

Regarding the Polish tax system, there are frequent amendments, incoherence and lack of uniform interpretation of tax law. These inaccuracies entail significant risks related to the tax environment in which the Group operates. Questioning by the tax authorities of tax settlements made by the Issuer, due to discrepancies or changes in interpretation or non-uniform application of tax law by various tax administration authorities, may result in imposing relatively high penalties or other sanctions on the Group. Considering the relatively long period of limitation of tax liabilities, the assessment of tax risk is particularly difficult, however the fulfillment of the risks described above may have a material adverse effect on the Group's operations, financial position or results.

Risk related to the lack of stability of the Polish legal system

The Polish legal system is subject to numerous changes that have a huge impact on the Depol Group's operations. The most important for him are changes made in the following legal provisions: - construction law, - commercial law, - tax law, - labor and social insurance law, - law established by local government units. Introduced legal changes can potentially create a risk related to interpretation problems, lack of case-law practice, unfavorable interpretations adopted by courts or public administration bodies. It should also be remembered that currently interpretation of the provisions is made not only by Polish courts and public administration bodies, but also by the courts of the European Community. These changes may cause problems resulting directly from the lack of a uniform interpretation of the law. Since the knowledge of Community jurisprudence is not common in Poland, and the Polish courts do not always apply it, a situation may arise where the sentence pronounced in Poland will be repealed as incompatible with European law. Changes in legislation or various interpretations of the law can pose a certain risk. Inconsistency, lack of uniform interpretation of laws, frequent amendments, and contradictions between statutes and implementing acts entail significant risks in conducting business activities. Potential changes in regulations may lead to negative consequences for the Group's operations. The implementation of new economic regulations can be associated with interpretational problems, inconsistent court rulings, unfavorable interpretations adopted by public administration authorities, and so on.

Changes in law related to this may affect the legal environment of business operations, including the Depol Group's. In order to minimize the above-described risk, the Depol Group monitors the changes of the law on an ongoing basis and uses professional legal assistance.

Risk associated with construction regulations

Due to the type of activity conducted by the Depol Group, the most important legal acts are regulations in the field of construction law and general execution of implemented investments. The basic duties that should be met and implemented by the Capital Group during the implementation of the investment, as well as before and after its completion, are defined by the Construction Law Act of 7th of July 1994. (Journal of Laws 2019, item 630). In addition, the provisions of the Civil Code regulating the issue of contracts and construction works provide for additional restrictions related to the occurrence of the Group as a general contractor or investor. They were included in Title XVI of the CC, which defined the form and scope of the contract, scope of works, payment guarantee and its amount, information on obstacles and damages at the construction site, a form of partial acceptance, as well as the risk of destruction of the facility. An inappropriate manner of performance of duties is connected with the risk of a delay in the performance of a given project, its suspension or non-performance, and may have a negative impact on the financial result and the operations or organizational situation

obtained by the Capital Group. However, according to best knowledge, contracts for construction works, to which the Dekpol Group was or is a party, contain provisions in accordance with the provisions of the Civil Code.

Risk related to initiatives of public authorities regarding condo hotels and aparthotels

As a part of real-estate development activities, entities from the Issuer's Group have offered and intend to offer in the future sales of premises also in condo hotel and aparthotel model. The subject of the offer is the ownership of a non-residential premises, and conclusion of a lease agreement for this premises with an entity that will conduct operating activities in a given hotel facility (an entity not belonging to the Issuer's Group). In 2019, the Polish Office of Competition and Consumer Protection (UOKiK), the Polish Financial Supervision Authority (KNF) and the Ministry of Investment and Development (MliR) launched an information campaign in which they warned about risks associated with investing in rooms in aparthotels and condo hotels. Although the Issuer agrees with the theses presented in the campaign and sees the need to conduct it, the content of the announcements raised concerns among consumers and the Issuer's clients and, consequently, may lead to a decline in interest in this type of offer. The issuer indicates that it participated in market research conducted by the President of the Office of Competition and Consumer Protection (UOKiK), during which it, among other things, provided information about the principles of cooperation and presented standard contractual patterns used. No proceedings have been initiated against the issuer by the President of UOKiK. It cannot be ruled out that in the future further information campaigns or legislative initiatives will be undertaken, which will result in lack of interest in premises in condo hotels and aparthotels by customers or, because of the introduced security measures and restrictions, will make such investments unprofitable.

Risks related to financial position

Interest rate risk

The Dekpol Group finances its activities, among others with variable rate debt (including working capital loans and bonds). Therefore, it is exposed to interest rate risk. In case of a significant increase in interest rates, the Group's financial results may deteriorate due to increase in financial costs. In addition, high exposure associated with this risk and inappropriate assessment of this risk may adversely affect the Group's financial results. The risk is mitigated through the use of interest rate hedging transactions (CAP, IRS).

The current macroeconomic situation in the area of the discussed risk indicates many challenges. The interest rate is currently maintained at a high level of 5.75%, set by Rada Polityki Pieniężnej (RPP) in October 2023. It can be expected that high interest rates will be maintained by the RPP until inflation returns to the National Bank of Poland's inflation target (1.5%-3.5%) and stabilizes at that level, which according to projections, is expected to happen in about 1.5-2 years.

Currency risk

The Dekpol Group operates mainly in Poland; however, a growing part of the GW segment contracts are concluded in the currency (EUR). In this respect and in the area of export activities, the Group is therefore exposed to the risk of exchange rate fluctuations. Strengthening the exchange rate of the Polish currency against the currencies of the countries to which the Group's products are exported will lead to a decrease in sales revenues, which in turn will have a negative impact on the financial results achieved by the Group. The risk is limited by concluding of forward contracts.

The first half of 2024 led to the strengthening and stabilization of the Polish zloty, despite the ongoing war beyond the eastern border, which continues to create uncertainty among investors. At the end of June 2024, the EUR exchange rate was at the level of 4.313.

Inflation risk

Dekpol Group also identifies the risk of inflation fluctuations, which refers to unpredictable changes in the general level of prices of goods and services in the economy. Fluctuations in inflation have a negative impact on the economy in several aspects. Firstly, inflationary fluctuations lead to uncertainty about future costs and profits, making it difficult for businesses and consumers to make investment decisions. Secondly, inflation erodes the purchasing power of money, which in turn leads to a decline in people's standard of living. Thirdly, inflation fluctuations affect trade as currency fluctuations impact

the prices of exports and imports. The conclusion is that the risk of inflation fluctuations poses a serious threat to economic stability and requires appropriate monetary and fiscal policies to mitigate it, which ultimately affects economic entities.

Inflation in June 2024 reached 2.6% on the y/y basis, and on a monthly basis, it was 0.1%. June was another month where the pace of inflation increased, driven by rising prices in areas such as recreation, culture, and healthcare. Analysts predict that further increases will be recorded throughout 2024, partly due to the partial unfreezing of energy prices.

Risks related to bonds issued

Due to bonds issued, the Group's assets may be depleted, as in case of defaults on repayment of liabilities, including interest payments, the bondholders have grounds to enforce their early redemption, which may significantly deplete the Group's current assets. Nor can it be ruled out that, in case of non-payment of obligations, bondholders - creditors may exercise their right to apply to court to declare bankruptcy. As at the date of publication of this document, the Group has no problem with timely debt bond service. The Group, as at the date of publication of this document, does not identify real risks related to bonds issued. However, taking into account all the risks directly related to the operating activity, the Group does not rule out that in the future there may be problems in the timely repayment of bond liabilities.

Risk related to financing the current business activities

The Dekpol Group finances its activities also with the use of funds from bank loans. As at the date of this report, there are no indications of possible difficulties of Dekpol Group companies with repayment of their obligations under loan agreements. However, the risk of such problems arising in the future cannot be completely eliminated. In extreme cases, in order to meet its liabilities, the Group may be forced.

Risk of breach of obligations provided for in loan agreements and in terms and conditions of bonds issue

Loan agreements concluded by entities from the Group, as well as terms and conditions of bonds issue, provide for obligations to maintain certain financial ratios. The issue of bonds may result in potential breach of these ratios, which in turn may lead to termination of loan agreements by banks or an earlier redemption of issued bonds by bondholders. In addition, some loan agreements of the Group's entities contain provisions providing for the so-called cross-default, which means that the breach of one loan agreement automatically results in the breach of other loan agreements concluded with the same bank. In the event of default under one financing agreement, the existence of cross-infringement provisions may automatically result in default in other agreements. If such default provisions in other contracts are triggered, this could lead to significant losses for the Group and a significant reduction in its access to capital.

Any failures in meeting of obligations under loan agreements or bond issue terms and conditions may result in maturity of debts before originally scheduled repayment date and a significant deterioration in financial liquidity of entities from the Issuer's Group. The above may result in use by bank or bondholders of a security specified in loan agreements, including enforcement against properties encumbered with a mortgage. Thus, there is a risk that properties or other assets belonging to the Group may be seized, which may result in the Group losing some of its significant assets. Events indicated above may have a negative effect on Group's operations, financial condition and results of business operations. In order to prevent the occurrence of indicated circumstances, the Issuer performs on an ongoing basis assessment of debt status and controls the compliance with covenants contained in the loan agreements and terms and conditions of bond issue.

Risk associated with the possibility of discontinuing financing through bond issue

In the Group, the companies finance their business activities through own equity, and primarily through bonds and loans. As of June 30, 2024, the share of equity financing in Group's liabilities structure amounted to 35% (PLN 591,398 thousand), while the share of debt financing amounted to 65% (PLN 1,074,704 thousand). As of December 31, 2023, the share of equity financing in the Group's liabilities structure was 37% (PLN 577,863 thousand), and the share of debt financing was 63% (PLN 964,934 thousand).

The company utilizes funds from bonds primarily to finance the ongoing activities of the Group, including the purchase of new land for development projects and as equity contribution to ongoing projects. In the event of limitations on bond

issuance (including a decline in demand for bonds, less competitive bond interest rates compared to bank deposits, increased investor aversion to risk and bond investment, lack of bond repurchases by other issuers in the market, limited availability of funds for bond investment), there is a risk associated with the possibility of discontinuing financing through bond issuance for the company. This would necessitate a focus on debt financing, credit financing, or, in the event of external factors preventing such options, a reduction in the scale of operational activities. These factors can have a negative impact on the company's operations, financial position, or results, ultimately affecting the company's ability to meet its obligations related to the Bonds.

Risk related to overdue liabilities

The main group of creditors are subcontractors of general contracting services provided by the Issuer. Most of liabilities repaid after maturity date arise as a result of contractor's failure to provide complete documentation. In accordance with internal procedures in force in Issuer's Group, the possibility of making payments for due and undisputed invoices takes place after delivering of a complete set of documents for the report in accordance with contractual provisions. Immediately after notification of deficiencies, contractors are informed about the situation and are obliged to supplement formal deficiencies, so that the payment date depends on fulfillment of the above-mentioned. In the balance of overdue liabilities, there is not a large focus on one subcontractor.

The occurrence of overdue liabilities may affect deterioration of relations with entities performing works for the Group, and in extreme cases, they may stop providing services to the Group and take legal actions. Such proceedings could lead to delays in execution of construction contracts carried out by the Group. The presence of high balances of overdue liabilities may also make difficult to establish cooperation with new contractors. However, it should be borne in mind that the recorded level of overdue liabilities does not differ from the average in the general contracting sector.

The risk of the cyber-attack

The risk of a cyber-attack has emerged in recent years, particularly following the outbreak of the armed conflict in Ukraine. Currently, companies are exposed to hackers and the threat of cyber-attacks. According to Forbes magazine, Poland ranks 20th among countries most vulnerable to cyber-attacks. Available information indicates that the energy and transportation sectors are among the main industries at risk of cyber-attacks, which often involve data theft, particularly personal information. In response to these challenges, the Management Board of the Company has decided to conduct due diligence in this area and purchase a cyber insurance policy to mitigate the consequences of cyber-attacks. All companies within the Group adhere to a unified IT policy.

8. Sureties and guarantees

In the first half of 2024, the Company and its subsidiaries did not provide sureties of loan or borrowing to any single entity or its subsidiary where the total value of existing sureties would be significant.

In the first half of 2024, the Company and its subsidiaries did not provide guarantees for entities not related to the Dekpol Capital Group.

Companies within the Dekpol Capital Group provided and received guarantees related to, among other things, construction work performed. Guarantees issued in the first half of 2024, where the total value of existing guarantees for a single entity or its subsidiary is significant, are listed below.

| Beneficiary | Principal | Guarantee issuer | Product | Guarantee amount (in thousands of PLN) | Currency | Guarantee validity period |
|-------------|-----------|------------------|---------|---|----------|---------------------------|
|-------------|-----------|------------------|---------|---|----------|---------------------------|

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|---|-------------------------------|--|-----------------------|--------|-----|------------|
| LPP Logistics Sp. z o.o. | Dekpol Budownictwo Sp. z o.o. | Powszechny Zakład Ubezpieczeniowy S.A. | Performance guarantee | 18 180 | PLN | 2024-12-30 |
| POSCO Mobility Solution Poland sp. z o.o. | Dekpol Budownictwo Sp. z o.o. | Santander Bank S.A. | Performance guarantee | 11 780 | PLN | 2025-06-30 |

9. Transactions with affiliates

In the first half of 2024, the Company and its subsidiaries did not conclude any transactions with related parties on terms other than market terms.

10. Court litigations, proceedings in arbitration bodies or in public administration bodies

In 1H 2024, there were no significant litigations driven at public administration authorities, legal proceedings or arbitration which could have a material impact on the financial position or profitability of the Company or its subsidiary.

Tax proceedings with Dekpol S.A. following a customs and treasury inspection

In June 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 Tax Administration, as a part of customs and treasury control carried out in the Company by the Pomeranian Customs and Tax Office in Gdynia (the "Authority"), regarding the accuracy of declared tax bases and the correctness of calculating and paying corporate income tax for the year 2019. In the letter, it was indicated that the difference between the corporate income tax calculated by the Authority for the year 2019 and the value indicated by the Company in the CIT 8 declaration amounts PLN 22.8 million, consisting mainly of the tax on acquisition of shares by Dekpol S.A. in exchange for non-monetary contributions in Dekpol Deweloper Sp. z o.o. amounting to PLN 22.6 million. According to the Authority's assessment, the non-monetary contribution did not constitute an organized part of the enterprise (ZCP) of Dekpol S.A.

The Company strongly disagrees with the assessment made. The interpretation of tax law provisions regarding the factual and legal situation presented in the protocol does not find justification in the light of the provisions of applicable law and 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 the Director of the National Tax Information on the grounds of the provisions on goods and services tax in the same factual situation, from which it unambiguously follows that the contributed non-monetary contribution constitutes an Organized Part of the Enterprise (ZCP). Evidence of the organizational separation of property development activities is evident from both the financial statements submitted and the information provided in current reports. The organizational separation of property development activities was clearly indicated by the Company's structure, which had been pointing to it for many years before the contribution was made, and the financial separation had been communicated publicly and to tax authorities multiple times.

In August 2023, a tax proceeding involving the Company was initiated by the decision of the Head of the Pomeranian Customs and Tax Office in Gdynia, which was a consequence of the inspection mentioned above. The subject of the proceeding is the verification of accuracy of declared tax base and correctness of calculating and paying corporate income tax for legal entities for the year 2019 in the context of non-monetary contribution of the Organized Part of the Enterprise (ZCP) by Depol S.A. and acquisition of newly created shares in Depol Deweloper Sp. z o.o.

The Company still completely disagrees with the authority's position regarding non-fulfillment of criteria for the Organized Part of the Enterprise (ZCP) by assets contributed as a non-monetary contribution to Depol Deweloper Sp. z o.o. In the Company's opinion, all criteria ensuring tax neutrality for non-monetary contribution transaction have been met, particularly that the set of assets contributed constitutes, financially, organizationally, and functionally, an organized part of Depol S.A.'s enterprise. Currently, the tax proceeding is in its early stages. The Company is submitting additional arguments and evidence in its procedural documents to the authority, confirming validity of its position. At the same time, the Company questions the justification of reasons cited by the authority in formulating its final conclusions as a result of inspection.

The result of the inspection does not constitute a binding decision of the tax matter for the Company or the Authority. Until a binding decision is obtained, the event has no impact on Group's financial position. The Company will provide updates on the progress of the case in subsequent reports. As of the date of this report's publication, the authority has extended the deadline for the proceedings to October 16, 2024.

UOKiK proceeding

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

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

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

As of publication date of this report, the case has been resolved. In August 2024 (event after balance sheet date), the companies involved in proceedings received a decision from the President of UOKiK. A fine was imposed as a result of the decision; however, the amount is not significant from the perspective of the Depol Capital Group and does not affect the Group's financial position.

Proceeding against Soletanche Polska Spółka z ograniczoną odpowiedzialnością

The Issuer brought an action against Soletanche Polska Sp. z o.o. and Powszechny Zakład Ubezpieczeń S.A. (insurer Soletanche Polska Sp. z o.o.) for the payment of PLN 6.88 million with statutory interest for the delay. The indicated amount consists of claims for damages due to improper performance of the obligation by Soletanche Polska Sp. z o.o. (acting as a subcontractor), i.e. construction works for a third party - the investor. The proceedings are pending before the District Court in Gdańsk. After hearing the witnesses, the court-appointed expert in the case is currently preparing an opinion. The parties responded to the content of the opinion and requested the issuance of a supplementary opinion. The expert prepared a written supplementary opinion, to which the parties to the proceedings responded in writing. Additionally, the Company filed a motion to exclude the expert. At the same time, Soletanche Polska Sp. z o.o. initiated legal proceedings against Depol S.A., seeking payment of PLN 0.32 million. A provision for this amount has been established and is presented in note 11 of the consolidated financial statement of the Depol Capital Group.

The case from the action of Mr. Przemysław Szwonka vs. Depol S.A

The case from the action of Mr. Przemysław Szwonka is pending before the District Court in Gdańsk. Przemysław Szwonka is seeking payment of PLN 0.32 million along with statutory interest for late payment for the period starting June 30, 2016, for work performed on CH Morena investment in Gdańsk. Depol S.A. filed a response to the lawsuit on March 3, 2017, and by a judgment dated October 31, 2022, the District Court awarded Przemysław Szwonka the amount of PLN 0.22 million along with interest. The Company has appealed the judgment of October 31, 2022, to the Court of Appeal in Gdańsk. The appellate proceedings are ongoing. The total value of the case, amounting to PLN 0.32 million, is disclosed in note 11 of the consolidated financial statement of the Depol Capital Group.

At the same time, the Company indicates that other proceedings are described in the consolidated financial statement, included in Note 28, "Conditional Assets and Liabilities.

11. Other information significant for assessment of position of the Capital Group

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

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

In February 2024, Depol Inwestycje Sp. z o.o. Pastelowa Sp. k. received a use permit issued by Powiatowy Inspektor Nadzoru Budowlanego for the city of Gdańsk for two buildings being constructed as a part of Osiedle Pastelowe stage II, located in Gdańsk at Pastelowa Street.

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

In February 2024, Dekpol S.A. entered into an agreement with Powszechny Zakład Ubezpieczeń S.A. for the periodic provision of contractual insurance guarantees. According to the agreement, the available limit amounts PLN 40 million. Within this limit, Dekpol S.A. and Dekpol Budownictwo Sp. z o.o. can issue insurance guarantees for bid security, guarantees for proper contract performance, guarantees for the proper removal of defects and faults, and guarantees for the return of advance payments. The agreement is valid until February 2025.

Establishment of the Dekpol Foundation

In March 2024, Dekpol S.A. established the Dekpol Foundation, based in Pinczyn. The mission of the Dekpol Foundation is to focus its activities on providing assistance to those in need, particularly financial aid for employees and their families. The Dekpol Foundation operates by offering support and assistance within the territory of the Republic of Poland, especially in areas where the Dekpol Capital Group conducts its business activities, thus supporting the local community.

Early voluntary redemption of 2022BC-series bonds at the request of the issuer

In April 2024, Dekpol S.A. exercised its right of early redemption at the issuer's request and redeemed 2022BC-series bonds in full before maturity. The company redeemed all 2022BC-series bonds, i.e. 3,800 bonds with a nominal value of EUR 1,000.00 each. The original maturity date of the bonds was scheduled for March 2027.

Insurance guarantee contract with Tokio Marine Europe S.A.

In April 2024, Dekpol S.A. entered into an agreement with Tokio Marine Europe S.A. regarding the provision of insurance guarantees. According to the agreement, the available limit amounts PLN 45 million. Within this limit, Dekpol S.A. and Dekpol Budownictwo Sp. z o.o. can issue insurance guarantees for bid security, guarantees for proper contract performance, guarantees for the proper removal of defects and faults, guarantees for the return of advance payments, and other types of guarantees accepted by the guarantor. The limit is renewable, and the duration of the agreement is unspecified.

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

In April 2024, Intek signed another annex to the multi-purpose credit limit agreement from 2022 with Powszechna Kasa Opieki Bank Polski S.A. Under the annex, the term of the agreement was amended. The limit is now available until April 2025 (previously April 2024). Under the agreement, Intek Sp. z o.o. is entitled to use a the bank overdraft facility of up to PLN 7 million and to issue bank guarantees.

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

In April 2024, Dekpol Inwestycje Sp. z o.o. Rokitki sp.k. entered into a working capital loan agreement with a consortium of banks (Bank Spółdzielczy w Sztumie, Bank Spółdzielczy w Malborku, Bank Spółdzielczy w Rumii, and Bank Spółdzielczy w Białogardzie) to finance and partially refinance the costs associated with the construction of a property for sale—the development project named “Osiedle Kociewskie – Stage III” in Rokitki. The loan was granted in the amount of approximately PLN 25.9 million. The loan repayment term was set for June 2025.

Subsidiary's multi-purpose line agreement with Bank Gospodarstwa Krajowego

In April 2024, Dekpol Budownictwo Sp. z o.o. entered into an agreement with the Bank Gospodarstwa Krajowego for a multi-purpose line of credit amounting to PLN 30 million. Under this line, the company can issue bank guarantees up to PLN 25 million and utilize a working capital loan of up to PLN 5 million. The loan repayment term is set for June 30, 2025.

Early voluntary redemption of 2022AC-series bonds at the request of the issuer

In June 2024, Dekpol S.A. exercised its right of early redemption at the issuer's request and fully redeemed the bonds of 2022AC-series before their maturity date. The Company redeemed all the 2022AC-series bonds, totaling 2,400 pieces with a nominal value of EUR 1,000.00 for each bond. The original redemption date for the bonds was March 2027.

Redemption of J-series bonds of Dekpol S.A.

In June 2024, Depol S.A. redeemed in accordance with the maturity date 9,482 pieces of J-series bonds with a nominal value of PLN 1,000 per piece. The company thereby made a full redemption of the bonds of this series.

Subsidiary's redemption of B-series bonds

In August 2024 (event after balance sheet date), Depol Deweloper Sp. z o.o. redeemed, according to the maturity date, 10,000 B-series bonds with a nominal value of PLN 1,000 each. Thus, Depol Deweloper Sp. z o.o. made a full redemption of bonds of this series.

Redemption of K/L-series bonds of Depol S.A.

In August 2024 (event after balance sheet date), Depol S.A. redeemed, according to the maturity date, 33,279 units of K/L-series bonds with a nominal value of PLN 1,000 per unit. The company thus redeemed entirely all bonds of this series.

12. Financial ratios

Debt to EBITDA ratio - meaning the ratio of the total value of net debt (total balance sheet value of consolidated interest-bearing liabilities of the Depol Capital Group less cash and cash equivalents) to EBITDA (the sum of operating result and depreciation) amounts as of June 30, 2024: 0,54.

Debt to equity ratio - denoting the ratio of the total value of net debt (as above) to equity of the Depol Capital Group amounts as of June 30, 2024: 0,13.

The ratio of unsecured assets to unsecured debt*—which represents the ratio of consolidated total assets minus secured financial debt multiplied by a factor of 1.3 to unsecured financial debt—was at the level of 4.1 as of June 30, 2024.**

* Ratio described in accordance with the requirements of M-series bonds issued in June 2024. Under the terms of the issue, the ratio must be greater than or equal to 2.

** Secured financial debt as of 30.06.2024 amounts to PLN 141,937 thousand; Unsecured financial debt as of 30.06.2024 is: PLN 361,366 thousand.

Signatures of Members of Management Board:

Mariusz Tuchlin

President of Management Board
Depol S.A.

Katarzyna Szymczak-Dampc

Vice-President of Management Board
Depol S.A.

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