FY 2024

Report of Management Board on business activities

of the Company and the Dekpol Capital Group

Report of Management Board on business activities

of the Company and the Dekpol Capital Group

for the period from January 1, 2024, to December 31, 2024

Pinczyn, April 25, 2025

Selected achievements in 2024

FY 2024

BUDOWNICTWO

„Build Safely”

1st place at the provincial level for the construction project in Brześć Kujawski. Dekpol Budownictwo was awarded in the "Build Safely" competition organized by PIP

BUDOWNICTWO

AQAP 2110

Dekpol Budownictwo obtained the AQAP 2110 certification, which defines quality requirements that must be met by companies cooperating with NATO.

DEWELOPER

Top Builder

Dekpol Deweloper received the prestigious "Top Builder" award for the Sol Marina development project

DEWELOPER

PLN 464 thousand

This is the amount that Dekpol Deweloper raised for the "Ukochani" foundation through its collaboration with Magdalena Różdżka

STEEL

Higher operating profit

The operating profit of the construction machinery equipment segment in 2024 increased by PLN 9.6 million compared to 2023

DEKPOL GROUP

Sales revenues

In 2024, the Dekpol Group achieved sales revenues of PLN 1.4 billion

DEKPOL GROUP

Net profit

In 2024, the Dekpol Group achieved a net profit of PLN 96.5 million

DEKPOL GROUP

EBITDA

In 2024, the EBITDA of the Dekpol Capital Group amounted to PLN 137.2 million

Table of content

Letter of the President of Management Board

Dear All,

We are pleased to present to you the Annual Report of the Dekpol Group for 2024. As always, I encourage you to read this document, which is preceded by a brief introduction summarizing the key achievements and events of the past twelve months.

The year 2024 was yet another period in which we, as entrepreneurs, had to navigate the consequences of macroeconomic and geopolitical developments—globally, regionally, and in our own country. This was reflected in persistently high business operating costs, limited access to mortgage loans, and high inflation, which affected general consumer sentiment, purchasing power of polish citizens, and the investment decisions of our partners

We are satisfied with the results achieved by the Dekpol Group in 2024—although our ambitions remain high. Despite the demanding and volatile market environment, our performance remained comparable to the record levels of the previous year. Group revenues amounted to PLN 1.4 billion, and EBITDA reached PLN 137.2 million (vs. PLN 132.1 million in 2023). We closed 2024 with a net profit of PLN 96 million compared to PLN 90 million in 2023. Our selective approach to project execution, focus on profitability, high operational efficiency, and internal synergies translated into a satisfactory level of margins. The year 2024 also reaffirmed the effectiveness of our strategy based on diversification of operations.

The General Contracting segment ended 2024 with an order book comparable to the previous year, despite a downturn in the construction market. The company continues to strengthen its expertise in complex building construction, securing more reference projects. Dekpol Budownictwo is recognized as a reliable partner, successfully implementing increasingly advanced and modern solutions in its contracts. It is worth emphasizing the ability to leverage group synergies, particularly through prefabrication operations. As a result, Dekpol Budownictwo ranks among the top companies handling building construction projects.

After several very intense years in the real estate development market, 2024 saw a noticeable cooling in demand. Nevertheless, the sale of residential units by our company Dekpol Deweloper remained on par with the previous year, and we consider the results to be satisfactory. Dekpol Deweloper entered 2025 with a very broad and diversified offering, which provides a strong opportunity to reach a wide range of clients with varying expectations. We are not slowing down and have set ourselves ambitious goals for this year: to sell 510 apartments and achieve revenues of approximately PLN 308 million.

The segment of production of buckets and accessories for construction machines continued to face challenges due to macroeconomic conditions in Poland and worldwide. However, Dekpol Steel focused on improving production processes and optimizing operations, which led to a significant improvement in margins and, consequently, better performance compared to 2023.

In summary, the Dekpol Group is consistently delivering on its operational objectives and maintaining solid financial results, even as the market environment remains challenging—for us and for the entire industry. A strong order portfolio in the General Contracting segment, clearly defined targets for the development business in 2025, and a gradual improvement in operational efficiency in the Steel segment give us a solid foundation to face various market scenarios in the upcoming quarters.

With three stable business pillars, we continue to grow in a sustainable way and maintain a secure financial position, which also enables us to pursue our dividend policy: in October last year, we paid shareholders a dividend of PLN 19.99 million from the 2023 profit, equivalent to PLN 2.39 per share.

We would not be able to celebrate the successes of the past year without our people. I would like to thank the entire team for another year of shared, responsible efforts toward the development of the Dekpol Group.

Mariusz Tuchlin

Mariusz Tuchlin
President of the Management Board
Dekpol Capital Group

Commentary of the Vice-President of Management Board

Dear All,

The year 2024 must be described as a challenging one for entrepreneurs. All of us — to varying degrees and at different times — have felt the effects of political decisions made at the highest global levels. However, I can say with satisfaction that the Dekpol Group is managing very well in these market conditions. Despite having grown significantly as an organization, we have remained a company capable of reacting swiftly and flexibly to changing market conditions, always ready to take on new business challenges and well-prepared for various scenarios.

The consistent implementation of our business objectives was reflected in financial results for 2024, which were comparable in terms of revenue to the record-breaking year of 2023 and higher year-on-year in terms of profit. This allowed us to continue our operations at the planned level and to share the 2023 profit with our shareholders through a dividend, while maintaining a safe net debt/EBITDA ratio of 1.34x.

Our approach to doing business and our achievements are recognized by financing institutions, which translates into the ability to obtain external financing tailored both to market conditions and the nature of our business operations. A prime example is the largest green bond issuance in the history of the DEKPOL Group, conducted in June of last year, through which we raised PLN 225 million. As a result, our group of investors was joined by, among others, the European Bank for Reconstruction and Development (EBRD), which is a great honor for us and an additional motivation to pursue further ambitious goals.

This year, our key priority remains maintaining the financial security and stability of the Dekpol Group, which serve as a solid foundation for further strengthening our market position. This is especially important in the context of the challenges posed by current market environment. We are also continuing to develop ESG-related projects, supported in part by funds raised through the above-mentioned bond issuance. Although the global narrative on this topic is undergoing certain shifts, we believe it is the right direction, and the investments we are planning will not only contribute to improving quality of life but also bring us tangible business benefits in the medium- and long-term perspective.

We are proud that the daily efforts and commitment of the entire Dekpol Group team are recognized by our clients, business partners, and investors. A confirmation of this positive reception is, among others, the recent title of "Construction Company of the 20-Year Period" awarded to us by Builder magazine.

We sincerely thank you for this recognition and remain committed to continuing our consistent work toward the development of the Dekpol Group. I invite you to read the Dekpol Capital Group's Annual Report for the year 2024.

Katarzyna Szymczak-Dampc

Katarzyna Szymczak–Dampc
Vice-President of Management Board
Financial Director
Dekpol Capital Group

The most important events in 2024

The most important events in 2024

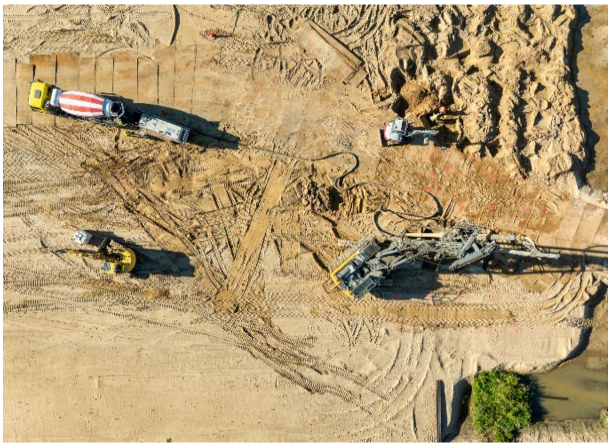
October 2024 **The new CEO of Dekpol Deweloper**

Dekpol Deweloper welcomed a new President of Management Board, Piotr Tarkowski. An economist by education, he has been gaining knowledge and expertise in the real-estate development industry for over 18 years. He has a strong track record of success and has led numerous projects focused on the development of the property market.

December 2024 **Santa's evening with the stars**

Dekpol Deweloper had the honor of organizing a special charity event in support of the Ukochani Foundation, led by Magdalena Różdżka. One of the main highlights was a magical concert by Maciej Zakościelny and his band, which brought the audience into a festive atmosphere full of warmth and joy. During the second charity auction, a total of PLN 304,000 was raised. All funds collected will be donated to the Foundation and will support children and foster families in need.

December 2024 **Signing of the largest contract in the history of Dekpol Budownictwo**



Dekpol Budownictwo has signed the largest contract in its history for the construction of a distribution center in northern Poland. The general contracting scope also includes land development and the necessary infrastructure, with the planned completion date set for the first quarter of 2026.

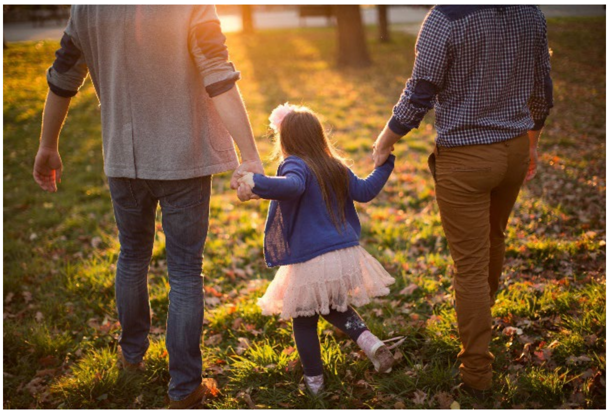
December 2024 **Selection of Dekpol Budownictwo as the contractor for a multifunctional development center**

Dekpol Budownictwo has been selected by the Świdnik municipality as the contractor for the multifunctional development center Świdnik Arena. The design of the modern sports and entertainment hall will provide seating for over 2,000 spectators, with the planned completion date set for the second half of 2026.

December 2024 **We invest in good communication**

At Dekpol S.A., the past year was marked by the theme of "communication," led by Agnieszka M. Staroń MAGA Consulting Coaching Mentoring Szkolenia Facylitacje Konsultacje. Employees completed a full cycle of training sessions, during which they developed skills in both horizontal and vertical communication. They learned what constitutes an effective message, how to create, share, and retain knowledge and information, as well as how to properly build internal processes within the company. All company employees participated in the training. Special focus was given to the management team, from whom flawless communication skills are expected.

December 2024 **We are expanding the activities of the Dekpol Foundation**



The Dekpol Foundation began its operations in July 2024 and can already boast several successes! It has responded positively to 12 requests for support and organized its first event, which involved all employees of the Dekpol Group. This was a holiday initiative, during which the team prepared beautiful gifts for children staying at the Korczak Home in Gdańsk. And this is just the beginning!

REVIEW – PREVIOUS RELEASES FROM 2024

March 2024 **Builder Star Certificate**

Dekpol S.A. was awarded the Builder's Ranking Star certificate in the General Contractors category for the highest revenue in the Pomeranian Voivodeship, for the second year in a row.

April 2024 **Forest planting**

As part of the internal programme 'We care for the environment', Dekpol Construction employees planted nearly 3,000 oak trees in Czarne in the Pomeranian Voivodeship. Similar events have been held at Dekpol Group periodically for two years!

May 2024 **Human Capital Investor Emblem 2024**

Dekpol Budownictwo has been ranked among the best employers in Poland! The company has been awarded the prestigious certificate, which confirms the positive opinions of employees concerning broadly understood professional satisfaction.

September 2024 **Training "Closed loop economy - The Natural Dimension of Business"**

Concern for the environment is an important part of Dekpol Group's corporate culture, so it seeks to use every opportunity to explore this topic. GOZ principles have been discussed in the Group's construction investments and organizational structures, and the "Green Investments of the Future" project has been developed. The training was fully funded by the European Union.

Selected financial data

Selected financial data

Selected financial data of Dekpol Capital Group

	Thousands of PLN		Thousands of EUR	
	01.01.2024-31.12.2024	01.01.2023-31.12.2023	01.01.2024-31.12.2024	01.01.2023-31.12.2023
I. Net revenue from sales of products, goods, and materials	1 404 001	1 568 829	326 193	346 442
II. Profit (loss) on operating activity	120 802	115 877	28 066	25 589
III. Profit (loss) before tax	122 395	116 897	28 436	25 814
IV. Net profit (loss)	96 503	90 366	22 421	19 955
V. Earnings (loss) per ordinary share (in PLN / EUR)	11,54	10,81	2,68	2,39
VI. Net cash flows from operating activity	-22 976	97 079	-5 338	21 438
VII. Net cash flows from investment activity	-12 351	-6 133	-2 870	-1 354
VIII. Net cash flows from financial activity	70 840	-27 733	16 458	-6 124
IX. Total net cash flows	35 513	63 213	8 251	13 959
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
X. Total assets	1 678 114	1 542 797	392 725	354 829
XI. Liabilities and provisions for liabilities	1 038 847	964 934	243 119	221 926
XII. Long-term liabilities	472 287	292 859	110 528	67 355
XIII. Short-term liabilities	566 560	672 075	132 591	154 571
XIV. Equity	639 267	577 863	149 606	132 903
XV. Share capital	8 363	8 363	1 943	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)	76	69	18	15

Selected financial data of the Company Dekpol S.A.

	Thousands of PLN		Thousands of EUR	
	01.01.2024-31.12.2024	01.01.2023-31.12.2023	01.01.2024-31.12.2024	01.01.2023-31.12.2023
I. Net revenue from sales of products, goods, and materials	52 063	54 518	12 096	12 039
II. Profit (loss) on operating activity	5 866	5 956	1 363	1 315
III. Profit (loss) before tax	45 003	12 087	10 456	2 669
IV. Net profit (loss)	43 718	12 378	10 157	2 733
V. Earnings (loss) per ordinary share (in PLN / EUR)	5,23	1,48	1,21	0,33
VI. Net cash flows from operating activity	21 294	3 559	4 947	786
VII. Net cash flows from investment activity	-115 254	42 743	-26 777	9 439
VIII. Net cash flows from financial activity	121 448	-9 871	28 216	-2 180
IX. Total net cash flows	27 489	36 431	6 387	8 045
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
X. Total assets	718 602	530 647	168 173	122 044
XI. Liabilities and provisions for liabilities	393 988	230 236	92 204	52 952
XII. Long-term liabilities	353 971	164 318	82 839	37 792
XIII. Short-term liabilities	40 017	65 918	9 365	15 161
XIV. Equity	324 598	300 412	75 965	69 092
XV. Share capital	8 363	8 363	1 957	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)	39	36	9	8

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 December 31, 2024, and December 31, 2023. Selected items of the profit and loss statement 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 12 months ended December 31, 2024, and 12 months ended December 31, 2023.

	01.01.-31.12.2024	01.01.-31.12.2023
Exchange rate valid at the last day of the period (EUR/PLN)	4,2730	4,3480
Average exchange rate on the period (EUR/PLN)	4,3042	4,5284

1. General information about the Company

General information about the Company

Name (Company):	**Dekpol Spółka Akcyjna**
Short name:	Dekpol S.A.
Headquarter:	ul. Gajowa 31, 83-251 Pinczyn
Phone:	(58) 560-10-60
Website address:	http://www.dekpol.pl/
E-Mail address:	dekpol@dekpol.pl

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 April 11, 2014. The Issuer has a tax identification number TIN 592-21-37-980 and the number REGON 220341682.

The Issuer 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 of April 1, 2014. On April 11, 2014, the District Court Gdańsk-Północ in Gdańsk, VII Commercial Division of the National Court Register, entered the Issuer in the Register of Entrepreneurs of the National Court Register under No. 0000505979 as a joint-stock company.

The Company has been created as a permanent entity.

Since January 8, 2015, Company's shares are listed on the Warsaw Stock Exchange S.A.

Business activities of Dekpol S.A.

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

The current individual areas of company's business activity (general contracting, property development and production activities), as part of the reorganization that has been ongoing in recent years, have been transferred to created subsidiaries.

Branches

The company has no branches or plants within the meaning of the Accounting Act.

Composition of Management Board and Supervisory Board

Composition of the Management Board of Dekpol S.A. as of December 31, 2024:

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

There were no changes in the composition of the Management Board of Dekpol S.A. in 2024.

Composition of the Management Board of Dekpol S.A. 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
Michał Skowron	Vice-President of Management Board

On March 13, 2025 (event after balance sheet date), Mr. Michał Skowron was appointed to Vice-President of the Management Board of Dekpol S.A., effective as of April 1, 2025.

A strong ordering portfolio in the General Contracting segment, clearly defined goals for development activities in 2025, and gradual improvement in operational efficiency in the Steel segment provide us with a solid starting position for various potential market scenarios in upcoming quarters.

Mariusz Tuchlin
President of Management Board

As of December 31, 2024, and as of publication date of this Report, Supervisory Board operates in the following composition:

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

There were no changes in the composition of the Supervisory Board of Dekpol S.A. in 2024 and up until the date of the Report's publication.

Shares and shareholders of the Company

Equity of the Company

As of December 31, 2024, and as of the day of publication of this Report, share capital of Dekpol S.A. amounts PLN 8.362.549,00 and is divided into 8.362.549 ordinary bearer shares with a nominal 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 to 8.362.549 votes at the General Meeting of Shareholders of the Company.

In 2024 and up to the date of publication of this Report, there were no changes in the amount or structure of the Company's share capital.

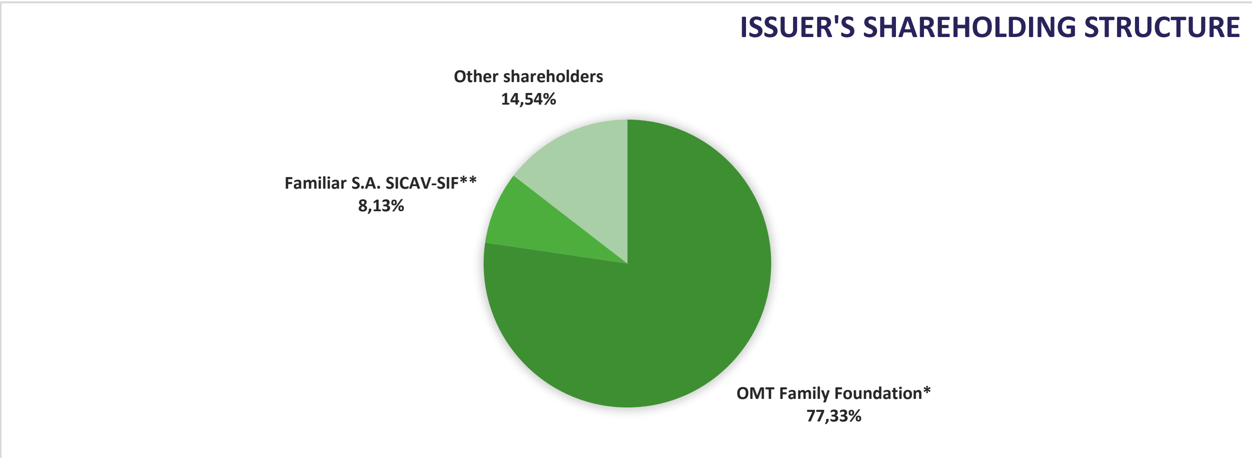
Shareholding structure

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 of December 31, 2024, and as at the date of publication of this report to the best knowledge of Management Board of Dekpol S.A.:

Major Shareholders	Number of shares / Number of votes	Participation in share capital / general number of votes
OMT Family Foundation *	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 management board member of OMT Family Foundation is Mariusz Tuchlin – President of the Management Board of Dekpol. S.A.

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



Agreements that may result in changes in shareholding structure

The Issuer is not in possession of information about contracts (including those concluded after the balance sheet date), because of which changes in the proportions of shares held by existing shareholders and bondholders may occur in the future.

Shareholding of management and supervisory personnel

Information on Issuer's shares held by persons from management and supervisory bodies as of December 31, 2024, and as of the date of publication of this Report:

Specification	Number of shares	Nominal value of shares (in PLN)
Mariusz Tuchlin, President of Management Board - via OMT Family Foundation*	6 466 845	6 466 845

* Mariusz Tuchlin Is the founder and sole member of the Management Board of the OMT Family Foundation.

Other members of the Management Board and Supervisory Board of Dekpol S.A. do not own shares of the Issuer. Members of the Management Board and Supervisory Board of Dekpol S.A. do not own shares or stocks in related entities of the Issuer, except for those indicated in this Report under Organizational and capital connections.

Employees share scheme

The Issuer does not have an employee shares scheme.

Own shares

Dekpol S.A. did not own or acquire own shares in 2024 and did not take any actions to acquire own shares during this period.

Changes in Company's management principles

In 2024, there were no changes to the basic management principles of the Company.

Organizational and capital connections

Dekpol S.A. is the parent company of the Dekpol Capital Group. Ties resulting from having a capital group are presented in in this Report in the point "Structure of the Capital Group".

Furthermore, on March 15, 2024, Dekpol S.A. established the Dekpol Foundation, headquartered in Pinczyn. The mission of the Dekpol Foundation is to focus its activities on providing assistance to those in need, in particular financial support for employees and their families. The Foundation's operations are based on providing aid and support within the territory of the Republic of Poland, especially in areas where the Dekpol Capital Group conducts its business activities, thereby supporting the local community.

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

Company's name	KRS	Nature of connection	Information about the company
City Apart Management Sp. z o.o.	0000300191	98% of shares belong to Mariusz Tuchlin, 98% of votes, 2% of shares and votes belongs to City Apart Management Sol Marina Sp. z o.o.	The company operates in the hotel industry
Grano Group Sp. z o.o.	0000629533	95% of the shares are owned by Mariusz Tuchlin	The company operated as central companies and holdings, except for financial holdings - an entity that also collects shares in companies operating in the hotel industry
OMT Serwis Mariusz Tuchlin Sp. j.	0000893460	Mariusz Tuchlin holds 90% shares in the profits and losses of the Company, he is also a partner authorized to represent it	The company operates in the field of passenger and delivery vehicle rental, as well as construction machinery and equipment
City Apart Management Sol Marina Sp. z o.o.	0000711010	100% of shares and votes belong to Grano Group Sp. z o.o.,	The company will operate in the hotel industry
City Hotel Management Sp. z o.o.	0000589930	100% of the shares belong to Grano Group Sp. z o.o.	The company operates in the hotel industry

OMT Holding Sp. z o.o.	0000852695	95% of shares and votes belong to Mariusz Tuchlin (President of the Management Board of the Company)	The company operates as central companies and holding companies, except for financial holdings
CAM Warszawa Sp. z o.o.	0000849933	100 % shares and votes belong to Grano Group Sp. z o.o.	The company operates as central companies and holding companies, except for financial holdings
CAM Natura Sp. z o.o.	0000710859	100% shares and votes belong to Grano Group Sp. z o.o.	The company operates as central companies and holding companies, except for financial holdings
CAM Pszenna Sp. z o.o.	0001004553	99,6 % shares and votes belong to Grano Group Sp. z o.o.	The company operates in the hotel industry
HLM Sp. z o.o.	0000750704	100% shares and votes belong to Grano Group Sp. z o.o.	The company operates as central companies and holding companies, except for financial holdings
OMT Nieruchomości Sp. z o.o. 1 sp. k.	0000850379	Mariusz Tuchlin is the limited partner with contribution of PLN 5,000; OMT Nieruchomości Sp. z o.o. is the general partner with contribution of PLN 200; share of profits: general partner OMT 1%, limited partner Mariusz Tuchlin 99%	The company is engaged in the management of real estates performed on behalf of hotels and similar accommodation objects, restaurants, and other catering establishments

2. General information about the Capital Group

General information about the Capital Group

Business activities of the Dekpol Group

Dekpol Capital Group conducts operational activities in three 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 equipment for construction machines – manufacturer of buckets and integrated equipment for machines.

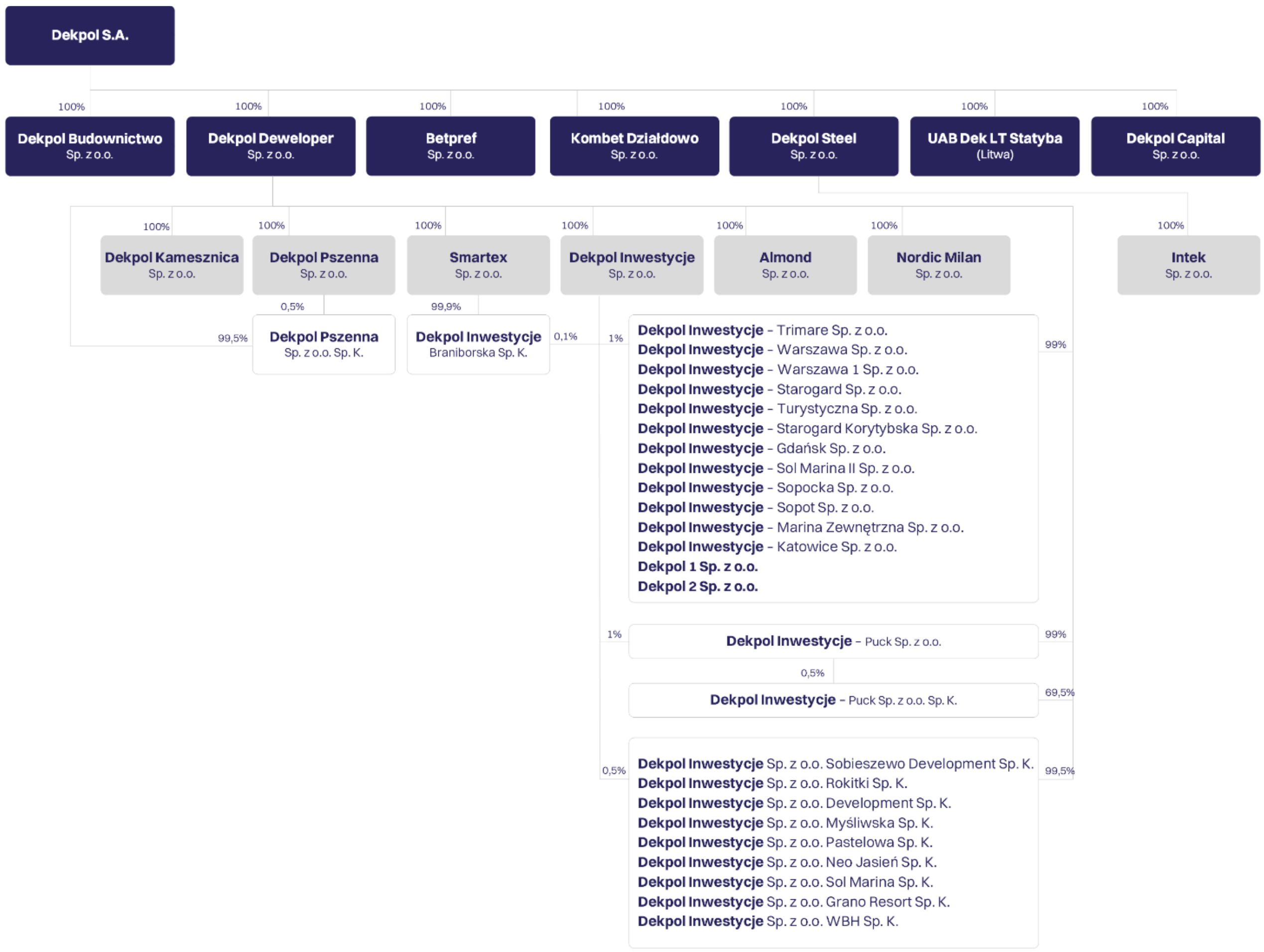
In addition, the Dekpol Group is engaged in the production of prefabricated concrete elements and steel structures.

Structure of the Capital Group

Dekpol Capital Group was composed of Dekpol S.A. as the parent company and direct or indirect subsidiaries of Dekpol S.A.

The organizational structure of the Dekpol Capital Group as of December 31, 2024, and as of publication date of this Report is presented in the diagram below:

ORGANIZATIONAL STRUCTURE OF THE DEKPOL CAPITAL GROUP



The operational activities of the Dekpol Capital Group are carried out by subsidiaries of Dekpol S.A.

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.

Business activities in the field of general contracting are carried out by Dekpol Budownictwo Sp. z o.o.

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.

Property development activities are carried out by special-purpose subsidiaries of Dekpol Deweloper Sp. z o.o.

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 to carry out a real estate development investment under the name Grano Residence in Gdańsk at Pszenna street;
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. – a 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 vehicle to implement smaller real estate development investments, including in Jurata, Hel 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) Dekpol Inwestycje Sp. z o.o. Sol Marina Sp. k. - a special purpose vehicle to carry out a real estate development investment in Wiślinka;
11) Dekpol Inwestycje Sp. z o.o. Sobieszewo Development Sp. k. - a special purpose vehicle for the implementation of smaller property development investments in Gdańsk on the Sobieszewska Island (e.g. Villa Neptun);
12) Nordic Milan Sp. z o.o. - a special purpose vehicle to carry out a real estate development investment in Milanówek;
13) Dekpol Inwestycje – Trimare Sp. z o.o. - a special purpose vehicle established to carry out a property development investment in Sztutowo;
14) Dekpol Inwestycje – Warszawa 1 Sp. z o.o. – a special purpose vehicle established to carry out property development investments in and around Warsaw;
15) Dekpol Inwestycje – Warszawa Sp. z o.o. – a special purpose vehicle established to carry out property development investments in and around Warsaw;
16) Dekpol Inwestycje Starogard Sp. z o. o. - a special purpose vehicle dedicated to a development project in Gdańsk carried out by an entity unrelated to the Dekpol Capital Group; units from this project have been included in the Group's sales offer;
17) Dekpol Inwestycje – Turystyczna Sp. z o.o. – a special purpose vehicle established to implement an investment in Gdańsk on the Sobieszewska Island at Turystyczna street;
18) Dekpol Inwestycje – Puck Sp. z o.o. Sp. k. – a special purpose vehicle established to implement an investment in Puck;
19) Dekpol Inwestycje Gdańsk Sp. z o.o. - a special purpose company established to carry out property development projects in the Pomeranian Voivodeship;
20) Dekpol Inwestycje Starogard Korytybska Sp. z o.o. - a special purpose company established to carry out a property development project in Starogard Gdański at Korytybska street;
21) Dekpol Inwestycje – Sol Marina II Sp. z o.o. - a special purpose company established for the purpose of investment in Wiślinka;
22) Dekpol Inwestycje Sopocka Sp. z o.o. - a special purpose vehicle established to carry out an investment project in Sopot;

23) Dekpol Inwestycje - Sopot Sp. z o.o. - a special purpose vehicle established to carry out an investment project in Sopot;
24) Dekpol Inwestycje - Marina Zewnętrzna Sp. z o.o. – a special purpose vehicle established to manage the lease of berths and maintenance of the outdoor marina at the Sol Marina project (company entered to National Court Register on March 25, 2024);
25) Dekpol Inwestycje - Katowice Sp. z o.o. – a special purpose vehicle established to carry out a real estate development project in Katowice (company entered to National Court Register on April 17, 2024);
26) Dekpol Kamesznica Sp. z o.o. – a special purpose vehicle established to carry out real-estate development projects in southern Poland (company entered to National Court Register on January 9, 2024);
27) Dekpol 1 Sp. z o.o. – a special purpose company established to carry out property development projects (company entered to National Court Register on August 14, 2024);
28) Dekpol 2 Sp. z o.o. – a special purpose company established to carry out property development projects (company entered to National Court Register on August 16, 2024).

Dekpol Deweloper Sp. z o.o. is the sole limited partner of the special purpose vehicles indicated in points 1)–4) and 6)–11) above, as well as the sole shareholder of the companies listed in points 12) and 26). Dekpol Deweloper Sp. z o.o. holds 99% of the shares in the companies mentioned in points 13)–17), 19)–25), and 27)–28), as well as in the company Dekpol Inwestycje – Puck Sp. z o.o. (the general partner of the company listed in point 18) above), with the remaining shares held by a subsidiary of Dekpol Deweloper Sp. z o.o., namely the company Dekpol Inwestycje Sp. z o.o. listed below.

Shareholders of Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k. (point 5) above) are:

1) Dekpol Inwestycje Sp. z o.o. (General partner with a share in profits and losses amounting to 0,1%),
2) Smartex Sp. z o.o. (limited partner with a share in profits and losses amounting to 99,9%).

Shareholders of Dekpol Inwestycje – Puck Sp. z o.o. sp. k. (point 18) above) are:

1) Dekpol Inwestycje – Puck Sp. z o.o. (General partner with a share of profits and losses amounting to 0,5%),
2) Dekpol Deweloper Sp. z o.o. (limited partner with a share in profits and losses amounting to 69,5%),
3) a legal entity not affiliated with the Group (limited partner with a share in profits and losses amounting to 30%).

The subsidiaries of Dekpol Deweloper Sp. z o.o. (Dekpol Deweloper holds 100% of the shares of these companies) are also:

1) Smartex Sp. z o.o. – limited partner of the special purpose vehicle established for the implementation of the development investment in Wrocław at Braniborska Street - Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k;
2) Dekpol Pszenna Sp. z o.o. – general partner of the special purpose vehicle Dekpol Pszenna Sp. z o.o. sp. k., which carried out the development project named Grano Hotel and Grano Residence in Gdańsk, on Pszenna Street;
3) Dekpol Inwestycje Sp. z o.o. – a general partner of limited partnerships holding 1% of the shares in the companies indicated in items 2)-11) in the list above and a partner holding 0.5% of the shares in the companies indicated in items 13)–17), 19)-25) and 27)-28) in the list above and in company Dekpol Inwestycje – Puck Sp. z o.o.;
4) Almond Sp. z o.o. - company, which owns the real-estate property in Gdańsk at 12 Toruńska Street (Hotel Almond).

Production activity

The production activities of the Dekpol Capital Group are carried out by the 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 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% of shares in Intek Sp. z o.o.

Production activity is carried out by Dekpol Steel Sp. z o.o. and its subsidiary Intek Sp. z o.o., as well as by companies Betpref Sp. z o.o. and Kombet Działdowo Sp. z o.o.

The subject of activity of Dekpol Steel Sp. z o.o. is the production and sale of buckets and equipment for construction machines. Intek Sp. z o.o. operates a steel product manufacturing plant in Lubawa. The company focuses on the production of steel structures, solutions for heavy wheel transport, and offshore production. Currently, the certification process related to production for the defense industry has been temporarily suspended due to organizational changes being carried out in the company.

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

Dekpol S.A. also holds 100% of shares in the 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 advisory services in the field of business operations and management.

Other entities in which entities from the Dekpol Capital Group participate

Entities from the Dekpol Capital Group also participate as partners in the following entities that are not part of the Dekpol Group (associates and joint arrangements):

1) Dekpol SPV 1 Sp. z o.o. – an entity established to implement investment projects together with a subsidiary of the President of the Management Board, OMT Holding Spółka z ograniczoną odpowiedzialnością. Dekpol S.A. holds 324 out of 1200 shares in the share capital of this company (amounting to PLN 60,000) and the same share in votes.
2) LM1 SPV Sp. z o.o. – an entity established for the purpose of carrying out construction projects related to the erection of buildings. Since December 2023, Dekpol Capital Sp. z o.o. has held a 19.35% share in the company's share capital and voting rights. The remaining shares are held by another entity not affiliated with the Dekpol Capital Group.
3) LM2 SPV Sp. z o.o. – an entity established for the purpose of implementing construction projects related to building erection. Since December 2023, Dekpol Capital Sp. z o.o. has held a 19.35% stake in the share capital and voting rights of this company. The remaining shares are held by another entity not affiliated with the Dekpol Capital Group.

Entities subject to consolidation

All companies directly and indirectly dependent on the Issuer are subject to full consolidation. Associated companies are valued by use of the equity method.

Own shares

The companies of the Issuer's Capital Group did not own or acquire any of their own shares or stakes in 2024, nor did they take any actions during this period aimed at acquiring their own shares or stakes.

Changes in the structure of the Capital Group

established to carry out development projects in southern Poland. Dekpol S.A. initially held 100% of the shares in the company. 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 vehicle established to manage the lease of mooring spaces and the maintenance of the external marina at the Sol Marina investment. Dekpol Deweloper Sp. z o.o. holds 99% of the shares in this company, while the remaining shares are owned 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 vehicle established to carry out a development project in Katowice. Dekpol Deweloper Sp. z o.o. holds 99% of the shares in this company, with the remaining shares owned by Dekpol Inwestycje Sp. z o.o.

On August 14, 2024, Dekpol1 Sp. z o.o. was entered into the National Court Register – a special-purpose vehicle established to carry out development projects. 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, Dekpol2 Sp. z o.o. was entered into the National Court Register – a special-purpose vehicle established to carry out development projects. 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 22, 2024, Smartex Sp. z o.o. acquired from the previous limited partner of Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k. – an individual not affiliated with the Issuer – all rights and obligations associated with the 10.5% share in profits and losses held by that individual, representing the entirety of their interest in the company. As a result, Smartex Sp. z o.o. became the sole limited partner in Dekpol Inwestycje Sp. z o.o. Braniborska Sp. k., holding a 99.9% share in profits and losses. Dekpol Inwestycje Sp. z o.o. remains the general partner with a 0.1% share in profits and losses.

On March 19, 2025 (event after balance sheet date), an Extraordinary Meeting of Shareholders of Dekpol Deweloper Sp. z o.o. adopted a resolution obligating the company's shareholder (i.e. Dekpol S.A.) to make an additional payment towards the company's capital in the total amount of PLN 6 million. On the same day, Dekpol Deweloper Sp. z o.o., using received funds, made a capital contribution of the same amount to its subsidiary – Almond Sp. z o.o.

Changes in management principles of the Capital Group

In 2024, there were no changes in basic management principles of the Dekpol Capital Group.

Organizational or capital connections

There are no organizational or capital connections of Dekpol Capital Group companies with other entities, other than those indicated above in this Report.

3. Business activities of the Company and the Capital Group

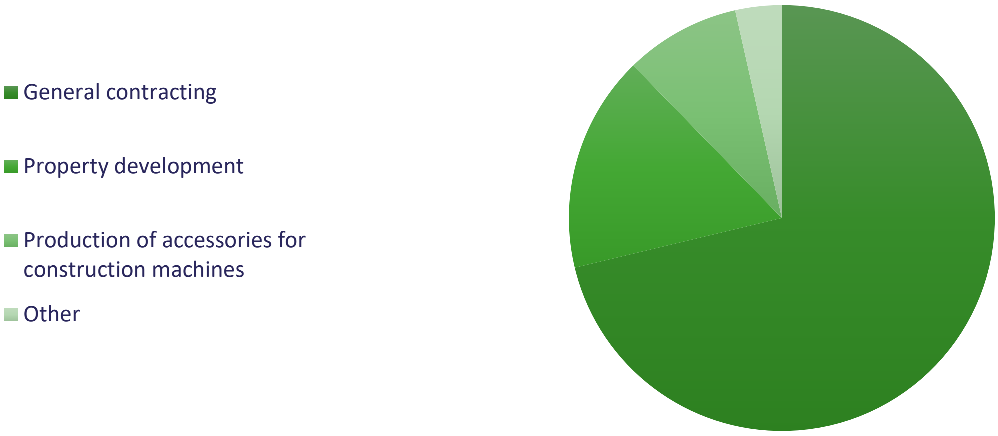
Business activities of the Company and the Capital Group

Key products, goods, and services

Operating segments in reporting period, i.e. in the period 01.01.2024–31.12.2024 (consolidated data):

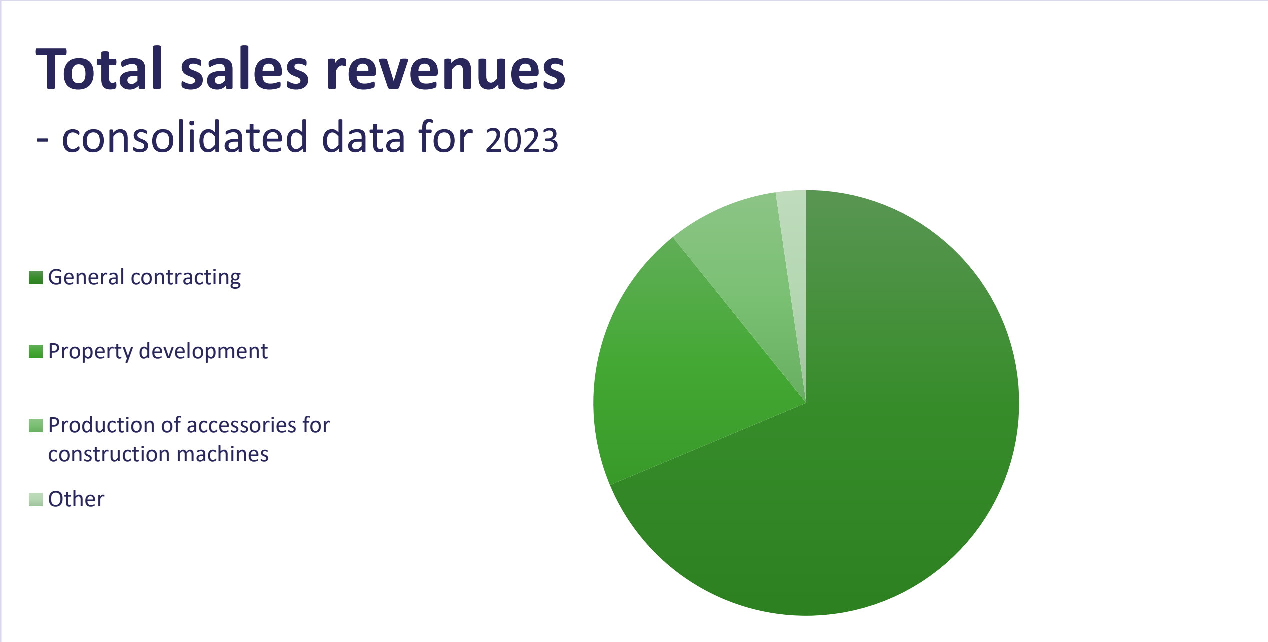
Description	General contracting services	Property development activity	Production of accessories for construction machines	Other	Total
Total sales revenues	1 000 408	230 983	123 136	49 475	1 404 001
Total operating expenses	941 817	155 977	110 540	62 001	1 270 336
Other operating income				34 756	34 756
Other operating expenses				47 619	47 619
Operating result	**58 591**	**75 005**	**12 596**	**-25 389**	**120 803**
Financial revenues				34 995	34 995
Financial expenses				33 402	33 402
Income tax				25 892	25 892
Net result					**96 503**

Total sales revenues
- consolidated data for 2024



Operating segments in previous reporting period, i.e. in the period 01.01.2023–31.12.2023 (consolidated data):

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



Operating segments in reporting period, i.e. in the period 01.01.2024–31.12.2024 (separate data):

Description	General contracting services	Property development activity	Production of accessories for construction machines	Other	Total
Total sales revenues	0	0	0	52 063	52 063
Total operating expenses				48 956	48 956
Other operating income				4 543	4 543
Other operating expenses				1 783	1 783
Operating result				**5 866**	**5 866**
Financial revenues				74 090	74 090
Financial expenses				34 953	34 953
Income tax				1 285	1 285
Net result				**43 718**	**43 718**

Operating segments in previous reporting period, i.e. in the period 01.01.2023 – 31.12.2023 (separate data):

Description	General contracting services	Property development activity	Production of accessories for construction machines	Other	Total
Total sales revenues	0	0	0	54 518	54 518
Total operating expenses	0	0	0	6 524	6 524
Other operating income	0	0	0	2 429	2 429
Other operating expenses	0	0	0	52 657	52 657
Operating result	**0**	**0**	**0**	**5 956**	**5 956**
Financial revenues				35 721	35 721

Financial expenses	29 590	29 590
Income tax	-291	-291
Net result	**12 378**	**12 378**

In 2024, the Dekpol Capital Group's sales revenue amounted to PLN 1,404.00 million, representing a decrease of nearly 11% compared to the previous year. The Group's performance in a rather challenging market environment was driven by slightly lower revenues from the General Contracting segment than the year before, as well as decreased revenues from the Property development segment, while revenues from the segment of Production of accessories for construction machines remained stable at a good level.

The share of the General Contracting segment in the total revenue of the Dekpol Capital Group amounted to over 71% in 2024, and revenue from this segment decreased by PLN 72.43 million compared to 2023. The segment achieved an operating result of PLN 58.59 million, which represents a decrease of approximately 29% compared to December 31, 2023.

In 2024, the Property development segment generated sales revenue of PLN 230.98 million, which is a decrease of PLN 89.51 million compared to 2023. Its share in the total revenue of the Dekpol Capital Group exceeded 16%. The Property development segment achieved an operating profit of PLN 75.01 million, compared to PLN 71.22 million at the end of 2023.

The segment of Production of accessories for construction machines generated revenue of PLN 123.14 million in 2024, which represents a decrease of approximately 12% compared to the previous year. Its share in the total revenue of the Dekpol Capital Group amounted to nearly 9%. The revenue achieved in this segment translated into an operating profit of PLN 12.6 million, marking an increase of PLN 9.63 million compared to 2023.

The sales revenue and operating result of the Dekpol Capital Group, as presented in consolidated financial statement for 2024 and in this Report, are close to the preliminary financial estimates disclosed to the public in current report No. 10/2025 dated March 19, 2025. The Group reported a net profit of PLN 96.5 million, which is PLN 4.5 million higher than the preliminary estimated financial data. EBITDA amounted to PLN 137.2 million, compared to the estimated PLN 134 million disclosed in the aforementioned current report. The net debt/EBITDA ratio ultimately amounted to 1.34, compared to the estimated 1.44.

Satisfactory sales revenue of PLN 1.4 billion, which translated into a record net profit of PLN 96.5 million in 2024.

Details of each segment are presented in the following sections.

General contracting

As of December 31, 2024, within the General Contracting segment, the Capital Group had in its portfolio contracts for external entities with a total contractual net value of over PLN 1,505 million (PLN 1,532 million at the end of 2023 and PLN 1,285 million at the end of the third quarter of 2024), of which projects with a total net value of approximately PLN 973 million remained to be executed after reporting period (approximately PLN 535 million at the end of 2023 and approximately PLN 594 million at the end of the third quarter of 2024).

Meanwhile, within internal operations for the benefit of the Property development segment, Dekpol Budownictwo held contracts with a net value of over PLN 323 million as of the end of 2024 (over PLN 318 million at the end of 2023 and approximately PLN 337 million at the end of the third quarter of 2024), of which approximately PLN 162 million remained to be completed (PLN 94 million at the end of 2023 and approximately PLN 193 million at the end of the third quarter of 2024).

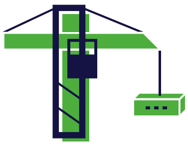
As part of general contracting, industrial, logistic, commercial, service, and residential facilities are implemented along with full external infrastructure (roads, squares, parking lots). Most of the projects are executed on behalf of private investors.

The list of selected external contracts carried out by the Dekpol Group in 2024, in the field of general contracting is presented in the table below:

Ordering party	Description of a project
GMINA MIEJSCA ŚWIDNIK	Construction of a Multifunctional Development Centre in Świdnik
DUDA CARS	Construction of a complex of car sales and service buildings with the necessary infra-structure in Lasocice.
LUBLIN EAST	Development of 7R Park Lublin East I - stage III in Lublin
INSTYTUT BIOCHEMII I BIOFIZYKI POLSKIEJ AKADEMII NAUK	Delivery and installation of the building structure at the H. Arctowski Polish Arctic Station
MEDPHARMA	Extension of the Rehabilitation and Treatment Centre in Nowa Wieś Rzeczna
INWESTOR	Construction of a Distribution Centre in Brześć Kujawski
GRUPA PANATTONI	Construction of an office and staff building and office premises in Żukowo
AS-PL	Construction of a building with office and warehouse functions in Gdańsk
INVESTOR	Construction of a production hall with a technology tower in Bydgoszcz.
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
BIAWAR PRODUKCJA	Extension of the production and warehouse building with technical infrastructure in Białystok.
GRUPA 7R	Construction of warehouse and production buildings with social and office facilities, gatehouse building, pumping station building with a water tank for fire purposes, as well as internal and external installations in Swarożyn.
INWESTOR	Construction of a production and storage facility for electric motor cores together with social and office facilities, land development and technical infrastructure in Brzeg
KOMENDA WOJEWÓDZKA POLICJI	Construction of the Forensic Laboratory of the Voivodship Police Station in Poznań
ACE 7	General contracting of the object Koszalin Power Center
THALES DIS POLSKA	Construction of a production and storage building and a social and administrative building, together with associated buildings, structures, construction equipment and technical infrastructure
LEROY MERLIN INWESTYCJE	Commercial building with parking lots, access roads and technical infrastructure, located in Koszalin

The value of contracts carried out by the Group has been systematically increasing and currently averages over PLN 70 million. The Group also executes larger contracts. As of December 31, 2024, the General Contracting Segment had 7 contracts in its portfolio valued at over PLN 70 million each.

Industrial and logistics projects represent the dominant share of the order portfolio—approximately 80–90% in recent years. As of December 31, 2024, industrial and logistics projects accounted for nearly 87% of the entire order portfolio.



Almost 87% of the ordering portfolio consist industrial-logistic projects.

Dekpol Budownictwo is continuing its development towards achieving advanced specialization in the execution of cubature projects of a higher degree of complexity, as evidenced by successive projects acquired for implementation for leading investors operating in this market.

In 2024, the operations of the General Contracting segment took place in a less favorable market environment compared to the previous year. However, it should be emphasized that the reporting period was once again relatively free from a significant factor affecting business operations — namely, major increases in the prices of construction materials. Moreover, due to the limited number of new projects and declining demand for construction services, material prices began to fall and stabilized at consistently low levels (compared to 2022–2023). Labor costs, depending on the nature of the work, either remained unchanged or increased in line with rises in minimum wages and general wage pressure in the labor market. The greatest challenge in 2024 was primarily the limited number of new large-scale projects from private investors, on which the segment's project portfolio is largely based. Nonetheless, it should be noted that thanks to its competencies and experience — enabling it to carry out a wide range of building construction projects — the General Contracting Segment operated with notable efficiency in the domestic construction market, even amidst significant market turbulence. Additionally, over recent years, the General Contracting Segment has developed internal procedures and processes focused on efficiency, agility, and reducing execution risk (including an effective procurement department working closely with both the cost estimation and project execution teams, and fast contracting and contract management processes).

The challenges of 2024 led to a correction in turnover with contractors not seen in the General Contracting Segment for a long time. Nevertheless, a result of over PLN 1 billion in sales revenue (vs. nearly PLN 1.1 billion in 2023) should still be considered more than satisfactory in the context of the general downturn in the construction industry.

In the final months of 2024, the General Contracting Segment observed continuing threats to the construction sector arising from geopolitical and macroeconomic changes, which contributed to a slowdown in production. These included: limited financing availability for new projects, reduced demand for warehouse space, and ongoing geopolitical and macroeconomic uncertainty.

At the same time, the Management Board is taking active measures to safeguard the financial results of Dekpol Budownictwo Sp. z o.o. at a level consistent with the ambitions of a leader in building construction — currently ranked 13th among the largest Polish construction companies and holding top positions among companies focused exclusively on building construction projects.

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.

Share of sales for projects with higher prestige and standards accounted for 52%.

In 2024, the Dekpol Group carried out residential and commercial development projects in the Tri-City Agglomeration, Rokitki near Tczew, Sztutowo, Wrocław, and Warsaw. The projects included the construction of residential estates and luxury apartment buildings. Projects of higher prestige and standard, targeted at more demanding clients, accounted for 52% of total sales value, despite representing only 30% of the total number of units sold. In its 2024 financial results, the Dekpol Group recognized revenue from 342 residential units in the Property development segment, as well as partial revenue from a Wrocław investment based on an agreement with an institutional entity. In comparison, 478 units were recognized in the segment's revenue in the previous year. As a result, the Property development segment generated nearly PLN 231 million in revenue in 2024. Contracting activity in 2024 — defined as preliminary, real-estate development, and reservation agreements — amounted to 466 units, compared to 472 units in 2023. The value of units sold in 2024 based on these agreements totaled PLN 241 million. Despite the challenging market environment, the Dekpol Capital Group achieved a satisfactory result in its property development activities. The revenue recognized in 2024 was mainly driven by the investments listed below that were handed over for use.

In 2024, sales activities were primarily focused on the following investments:

- Grano Marina Hotel - a building with a total of 130 service units, located in Wiślinka near Sobieszewska Island, part of the "Sol Marina Stage I" investment,
- Sol Marina stage II - a complex of 15 apartment buildings with a total of 127 commercial premises, located in Wiślinka near Sobieszewska Island,
- Sol Marina stage III - a complex of 16 apartment buildings with a total of 140 commercial premises, located in Wiślinka near Sobieszewska Island,
- Baltic Line - apartment building with a total of 60 commercial premises, located on the Sobieszewska Island,
- Baltic Porto - apartment building with a total of 72 service premises, located on the Sobieszewska Island,
- Osiedle Pastelowe stage IIb - 2 residential buildings with a total of 125 residential premises, located in Gdańsk,
- Osiedle Pastelowe stage III - 3 residential buildings with a total of 234 residential premises, located in Gdańsk,
- Neo Jasień stage I - 2 residential buildings with a total of 104 residential premises, located in Gdańsk,
- Neo Jasień stage II - 2 residential buildings with a total of 98 residential premises, located in Gdańsk,
- Trimare stage I - 9 residential buildings with a total of 189 residential premises, located in Sztutowo,
- Osiedle Kociewskie stage III - 3 residential buildings with a total of 141 residential premises, located in Rokitki near Tczew,
- Osiedle Kociewskie stage IV - 3 residential buildings with a total of 117 residential premises, located in Rokitki near Tczew,
- Granaria - 1 apartment building with residential and commercial units, totalling 126 units, located in Gdańsk,
- Pino Resort stage I - 2 apartment buildings with a total of 61 commercial premises, located on the Sobieszewska Island,
- Oval Sky - 1 apartment building with a total of 369 flat units, located in Warsaw.

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

- 2 multi-family residential buildings comprising 125 units as part of the 'Osiedle Pastelowe stage IIB' project in Gdansk,
- 7 apartment buildings, comprising a total of 53 units, forming part of the "Sol Marina Stage III" development located in Wiślinka near Sobieszewska Island,
- 1 apartment building, comprising a total of 126 residential and commercial units, forming part of the 'Granaria' investment in Gdansk,
- 2 apartment buildings, comprising a total of 61 commercial units, forming part of the 'Pino Resort stage I' development on the Sobieszewska Island,
- 2 residential buildings comprising 94 flats, which are part of the 'Kociewskie Osiedle Stage III', located in Rokitki near Tczew,
- 9 apartment buildings comprising 87 flats forming part of the 'Sol Marina Stage III' project located in Wiślinka near Sobieszewska Island.

As of December 31, 2024, 914 units remained available for sale. After the balance sheet date, Dekpol Group conducted a review of preliminary, real-estate development, and reservation agreements concluded in previous years, as a result of which 55 units were returned to the sales offer.

At the end of 2024, there were 914 apartments for sale in portfolio.

Production of accessories for construction machines

The year 2024 was a period of intense challenges for the Bucket and Steel Structure Production Segment, primarily due to the rapidly changing economic situation both domestically and abroad. A particularly noticeable factor was the significant decline in orders from trade partners, which was a direct result of the economic slowdown in Western Europe — especially in the Scandinavian countries and Germany — regions that have long been the main export markets for this segment's products.

In response to limited demand, the Segment focused its efforts on streamlining production processes and increasing operational efficiency. A key priority was optimizing material consumption. The actions undertaken also included reducing inventory levels, which not only freed up financial resources but also improved the unit's operating liquidity. A significant role was also played by initiatives aimed at reducing both fixed and variable costs — through renegotiation of purchasing terms with suppliers and by cutting overhead expenses. All of these measures led to a noticeable improvement in gross margin and EBITDA, representing a positive turnaround compared to 2023.

In 2024, the Segment did not limit itself solely to cost-saving initiatives. At the same time, it actively pursued sales efforts aimed at diversifying its customer base and reducing dependence on fluctuations in a single region or industry. As a result of these efforts, the customer portfolio was expanded.

The Segment's team also focused on developing production flexibility, allowing for quicker adaptation to changing customer requirements — both in terms of technical specifications and delivery schedules. Internal quality management processes were improved, and new solutions were implemented to digitalize selected stages of production and logistics.

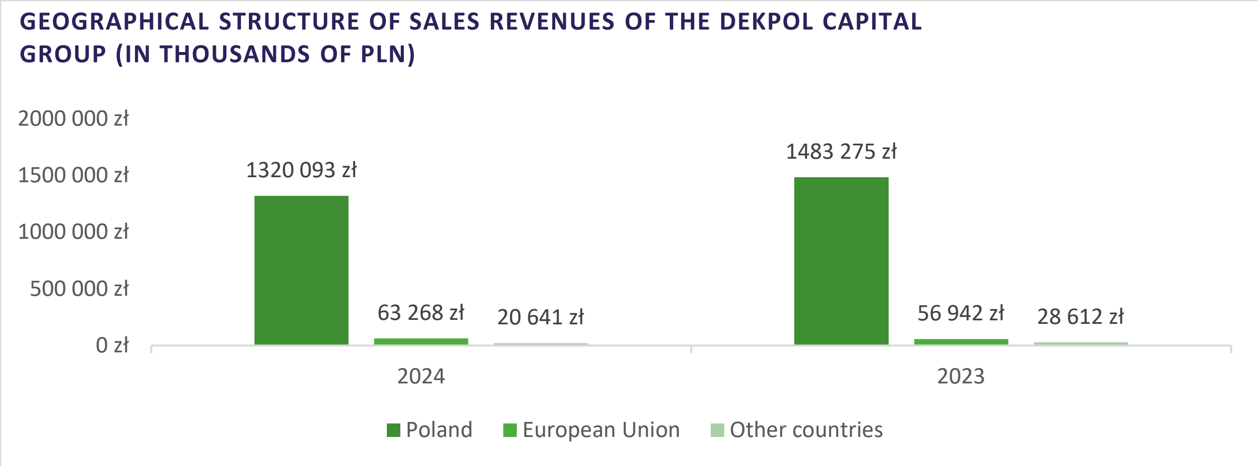
Despite the challenging market environment, 2024 can be regarded as a period of deliberate internal transformation for the Segment, which not only enabled it to weather the downturn but also laid a strong foundation for further growth and expansion. Improved operational efficiency, increased cost discipline, and the acquisition of new clients contributed to a significant improvement in financial performance compared to 2023 — offering an optimistic outlook for the future, even amid ongoing economic uncertainty.

In 2024, the Segment focused on improving production processes, optimizing material usage, reducing inventory levels, and cutting other operating costs, which contributed to an improvement in margins compared to 2023.

Sales markets and sources of supply

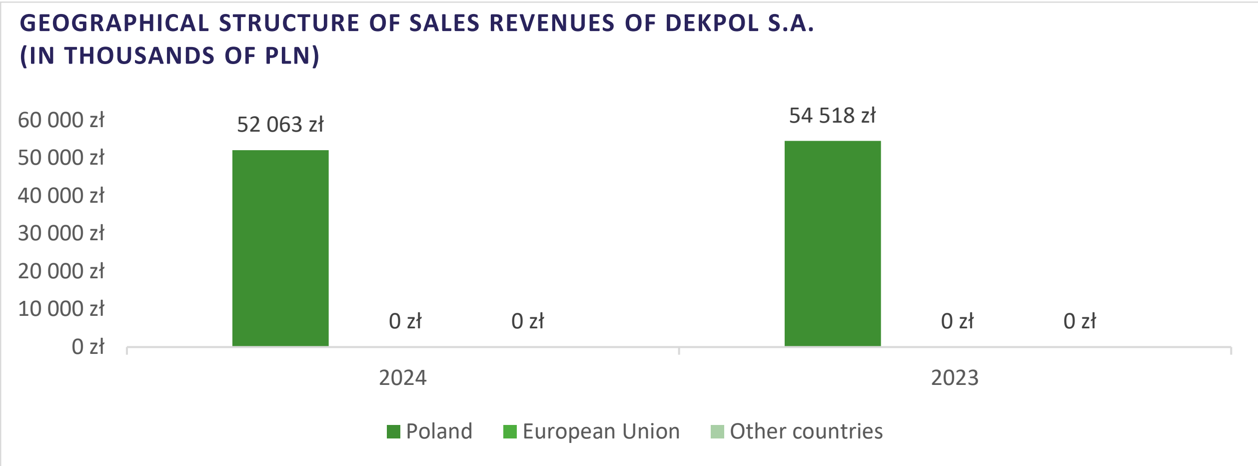
Geographical structure of sales revenues of the Dekpol Capital Group in the period 01.01.2024-31.12.2024 and comparably in the period 01.01.2023–31.12.2023 (in thousands of PLN)

Description	01.01.2024-31.12.2024	01.01.2023-31.12.2023
Poland	1 320 093	1 483 275
European Union	63 268	56 942
Other countries	20 641	28 612
Sales revenues	**1 404 001**	**1 568 829**



Geographical structure of sales revenues of Dekpol S.A. in the period 01.01.2024-31.12.2024 and comparably in the period 01.01.2023–31.12.2023 (in thousands of PLN)

Description	01.01.2024-31.12.2024	01.01.2023-31.12.2023
Poland	52 063	54 518
European Union	0	0
Other countries	0	0
Sales revenues	**52 063**	**54 518**



The companies within the Dekpol Capital Group cooperate with numerous suppliers and customers, with varying turnover levels. In 2024, none of these relationships exceeded 10% of the Dekpol Capital Group's total sales revenue, and thus no dependency on any single external customer or supplier was identified at that level.

The Issuer and companies within the Capital Group rely on long-standing business partners (suppliers and subcontractors) to ensure the delivery of materials and goods necessary for the execution of contracts. This guarantees continuity, timeliness, and flexibility of the supply chain. At the same time, they continuously seek new business partners to minimize risks related to availability and pricing.

In terms of sales structure, the Dekpol Capital Group generated PLN 83.91 million in foreign sales, accounting for nearly 6% of the Group’s total revenue in 2024. This represents a slight increase compared to the previous year, when foreign sales made up 5.5% of total revenue.

Geographically, the highest share of foreign sales in total revenue comes from the construction machinery equipment production segment. Currently, Dekpol Steel Sp. z o.o. exports its products to over 24 countries. With two factories, the company is able to meet both the quality and quantity expectations of existing and new customers. Buckets under the Dekpol Steel brand are in use in Australia, Africa, the Americas, Canada, and across Europe.

Dekpol S.A. conducted its sales exclusively in Poland in 2024, just as in 2023. Dekpol S.A. serves as a holding company within the Dekpol Capital Group, and its sales are primarily intra-group. Accordingly, sales to certain group companies exceeded 10% of Dekpol S.A.'s revenue in 2024. Such sales were made to Dekpol Budownictwo Sp. z o.o. (48% of Dekpol S.A.'s sales revenue), Dekpol Deweloper Sp. z o.o. (15%), and Betpref Sp. z o.o. (12%). As for cooperation with suppliers, Dekpol S.A. works with many partners, and the turnover is diversified. None of the suppliers exceeded 10% of Dekpol S.A.'s total sales revenue in 2024, and therefore, no dependency on any individual external supplier was identified.

Main domestic and foreign investments and capital investments

Dekpol Capital Group

Description	31.12.2024	31.12.2023
Land	20 488	20 441
Buildings and structures	56 950	56 887
Machines and technical devices	46 156	41 692
Vehicles	17 719	15 863
Other fixed assets	4 041	4 690
Fixed assets under construction	10 215	7 802
Advances in respect of fixed assets	737	1 045
Net value of property, plant, and equipment	**156 306**	**148 418**

Dekpol S.A.

Description	31.12.2024	31.12.2023
Land	4 604	4 676
Buildings and structures	204	164
Machines and technical devices	10 678	6 763
Vehicles	862	731
Other fixed assets	618	723
Fixed assets under construction	0	3 173
Advances in respect of fixed assets	668	966
Net value of property, plant, and equipment	**17 633**	**17 196**

The value of fixed assets in the Dekpol Capital Group at the end of 2024 amounted to PLN 156.36 million, representing an increase of approximately PLN 7.89 million compared to 2023. As part of its commitment to continuous growth, the Capital Group invests, among other things, in its fixed assets. In 2024, the Group expanded its land bank and also developed and upgraded its machinery and equipment in its production companies. Investments in fixed assets are financed both through the Group's own financial resources and through external sources such as bonds (particularly in the area of land acquisition), loans, and leasing.

The value of fixed assets in Dekpol S.A. at the end of 2024 amounted to PLN 17.63 million, comparable to the value at the end of 2023 (PLN 17.2 million). The largest portion of these assets consisted of machinery and equipment, as well as land. Dekpol S.A. is the owner of the production facility in Toruń, where its subsidiary Betpref Sp. z o.o. carries out its operational activities.

Major events and agreements from operational activities of the Group in financial year 2024 and after its end

Conclusion of a contract for the execution of an investment in the Opolskie Voivodeship

On March 11, 2024, Dekpol Budownictwo Sp. z o.o. (the Contractor) entered into a construction contract with a third party (the Client) for the execution of a project involving the construction of an industrial facility in the Opolskie Voivodeship. Under the contract, the Contractor will perform construction work and prepare execution designs for the development of a production and warehouse facility along with social and office areas, land development, and technical infrastructure. The lump-sum net remuneration for the Contractor for performing the contract is equivalent to approximately 9% of the Dekpol Capital Group's sales revenue for 2024. The Client has the right to exclude parts of the work from execution, as well as to assign additional works to the Contractor. The investment is scheduled for completion by the end of the first half of 2025.

The contract includes provisions on contractual penalties, including for delays attributable to the Contractor in completing the entire investment or its key stages, delays in remedying defects, or termination of the contract by the Client for reasons attributable to the Contractor. The total amount of contractual penalties may not exceed 12% of the contract value. The Client is also entitled to seek additional compensation under general legal principles, exceeding the amount of contractual penalties, up to the actual damage incurred, including lost profits resulting from the Contractor's failure to meet the investment deadlines due to its own fault.

The contract was concluded following the signing of a letter of intent by both parties on March 4, 2024. The letter of intent confirmed the parties' intention to enter into the contract, with the condition that the Client obtain prior approval from the management board of its parent company.

About signing of the letter of intent, and then about 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.

Conclusion of an agreement and annexes to a construction works contract for the construction of a warehouse building in the Kuyavian-Pomeranian Voivodship

On March 28, 2024, Dekpol Budownictwo Sp. z o.o. (the Contractor) entered into a contract with a third party (the Client) to act as the general contractor for construction works involving the development of a warehouse building with social and office facilities, along with land development and necessary infrastructure, in the Kuyavian-Pomeranian Voivodeship. The subject of the contract included comprehensive execution of the investment, including construction and assembly works, preparation of execution designs and all required documentation, as well as obtaining an occupancy permit. The initial lump-sum net remuneration for the Contractor under the contract was set at an amount equivalent to approximately 10% of the Dekpol Capital Group's sales revenue for 2023. Under the contract, the Client had the right to exclude certain works from the scope of execution, as well as to assign the Contractor additional or substitute works.

The contract was concluded following the signing of a letter of intent by both parties on March 22, 2024. The letter confirmed the parties' intention to conclude the agreement and included the basic terms of the investment, as agreed during negotiations.

On June 25, 2024, the parties signed an annex to the agreement, under which the Client commissioned the Contractor to carry out additional and substitute works. As a result, the total contract value, taking into account all additional works commissioned up to the date of the annex, increased by 23% and amounted to the equivalent of approximately 13% of the Dekpol Capital Group's sales revenue for 2024.

Subsequently, on February 12, 2025 (event after balance sheet date), the parties signed another annex to the agreement, under which the Client modified the scope of works, specifically commissioning additional works to be performed after the final acceptance of the investment (post-acceptance works). As a result, the contract value — including all additional works commissioned by the Client since the previous annex — increased by approximately 21% and represented the equivalent of approximately 16% of the Dekpol Capital Group's sales revenue for 2024, of which the annex dated February 12, 2025, accounted for approximately 3% of the total contract value. The final contract value, including annexes, may increase further in the event of additional works being commissioned, or decrease if the Client fails to obtain permits for some of the works covered by the annex.

The main scope of works under the agreement was completed and officially accepted in December 2024. The deadline for part of the post-acceptance works was set for Q1 2025 and those works were completed on time. The completion of the remaining works depends on the timing of the Client obtaining the required permits.

About signing of the letter of intent, and then about 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, while about conclusion of annexes to the agreement – in current reports no. 31/2024 dated June 25, 2024, and no. 7/2025 dated February 12, 2025.

Conclusion of the promised contract for the transfer of rights to the property in Wrocław

On April 12, 2024, Dekpol Inwestycje Sp. z o.o. Braniborska Sp.k (the Seller) entered into a final sale agreement with an institutional investor (the Buyer), under which the Seller sold, and the Buyer purchased a property located in Wrocław at Braniborska Street, together with the completed investment, for which the parties had signed a final acceptance protocol. The property is a multi-level residential building with a total area of approximately 18,000 m² along with accompanying infrastructure. The total net sale price represented approximately 12% of the Dekpol Capital Group's sales revenue for 2024. According to the preliminary agreement, more than 90% of the sale price had been paid by the Buyer in the form of advance payments prior to the conclusion of the final agreement. The preliminary agreement for the execution and sale of the residential project in Wrocław was signed in 2021. The project was completed in accordance with the parties' expectations.

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

Commencement of development project in Warsaw at Prądzyńskiego Street

On April 19, 2024, Dekpol Inwestycje Sp. z o.o. WBH Sp.k. commenced the development of a real estate investment located at Prądzyńskiego Street in Warsaw. The project involves the construction of a collective residential building with ground-floor commercial units, along with the necessary accompanying infrastructure. The development includes the planned construction of 369 apartment units with a total usable area of approximately 11,500 m² and 6 commercial units with a total usable area of approximately 730 m². The estimated revenue from this project is expected to amount to approximately 17% of the Dekpol Capital Group's sales revenue for 2024. The first units are scheduled to be delivered, and the entire investment is expected to be completed, in Q4 2025. The general contractor for the project is Dekpol Budownictwo Sp. z o.o., which began execution based on the site handover protocol signed on April 19, 2024.

The acquisition of the perpetual usufruct right to the aforementioned property was previously disclosed by the Issuer in current report No. 16/2018 dated March 20, 2018, while the construction permit was reported in current report No. 30/2019 dated October 9, 2019. The permit has since undergone amendments to reflect changing market conditions and Dekpol Group's development plans. The currently held construction permit authorizes the implementation of the project with the parameters described above.

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

Reception of a construction permit for the fifth stage of the multi-family housing estate as a part of the 'Osiedle Kociewskie' project

On April 30, 2024, Dekpol Inwestycje Sp. z o.o. Rokitki Sp.k. received a final construction permit, issued by the Starosty of Tczew, for the construction of Stage V of the "Osiedle Kociewskie" multi-family residential estate, along with the necessary technical infrastructure, in the town of Rokitki. Stage V of the investment includes the construction of 3 residential buildings, comprising a total of 117 units with a combined usable area of approximately 5,600 m². The estimated revenue from the execution of this stage is approximately PLN 39 million. Construction of Stage V of the "Osiedle Kociewskie" development is scheduled to begin at the turn of 2025 and 2026, while completion, including the handover of the first units to customers, is planned for the turn of 2026 and 2027.

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

Reception of a construction permit for the sixth stage of the multi-family housing estate as a part of the 'Osiedle Kociewskie' project

On April 30, 2024, Dekpol Inwestycje Sp. z o.o. Rokitki Sp.k. received a final construction permit, issued by the Starosty of Tczew, for the construction of Stage VI of the "Osiedle Kociewskie" multi-family residential estate, along with the necessary technical infrastructure, in the town of Rokitki. Stage VI of the project involves the construction of three residential buildings containing a total of 117 units with a combined usable area of approximately 5,600 m². The estimated revenue from the execution of this stage is approximately PLN 39 million. Construction of Stage VI of the "Osiedle Kociewskie" development is scheduled to begin at the turn of 2026 and 2027, while completion and handover for occupancy, including the delivery of the first units to customers, is planned for the first half of 2028.

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

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

On May 17, 2024, Dekpol Budownictwo Sp. z o.o. (the Contractor) entered into a contract with a company from the 7R S.A. capital group (the Client) for the design and build execution of a warehouse and production hall with social and office facilities, along with the associated infrastructure, in Barniewice, Pomeranian Voivodeship. The contract includes the preparation of design documentation, comprehensive construction, structural and installation works, as well as obtaining all required consents and permits, including the final occupancy permit. The project is being carried out in two stages, with the second stage being optional and subject to the Client's confirmation for execution by the end of June 2024. On June 24, 2024, the Contractor received confirmation from the Client to proceed with the second stage. The completion of Stage I was initially scheduled for the end of Q3 2024, but the parties later extended the deadline to Q4 2024, by which time Stage I was completed. The original deadline for Stage II was Q1 2025, but the parties agreed to extend it to Q2 2025. The net lump-sum remuneration for executing the investment was set at a level corresponding to approximately 6% of the Dekpol Capital Group's sales revenue for 2024, with Stage II accounting for approximately 56% of the contract value (calculated at the EUR exchange rate as of May 17, 2024). The Client has the right to exclude certain works from execution and to assign the Contractor additional works.

The contract includes provisions on contractual penalties, including for delays in completing the investment and in remedying defects or faults. The total amount of contractual penalties may not exceed 12% of the contract value. If the Client terminates the contract in whole or in part due to reasons attributable to the Contractor, the Contractor is obliged to pay a contractual penalty amounting to 12% of the value of the portion of the contract subject to termination. The Client also has the right to claim damages exceeding the contractual penalties, up to the full amount of the actual loss, under general legal principles.

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

About arrangement of key contract terms, and then about conclusion of the agreement, 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 Client about execution of the second stage of investment – in current report no. 30/2024 dated June 24, 2024.

Conclusion and withdrawal from preliminary agreement for the acquisition of land in Katowice

On July 2, 2024, Dekpol Inwestycje – Katowice Sp. z o.o. (the Buyer) entered into a preliminary agreement with an entity not affiliated with the Dekpol Capital Group (the Seller) for the purchase of undeveloped land properties with a total area of 0.79 hectares, located in Katowice. The agreement also included the transfer to the Buyer of the building permit decision and rights to the design documentation forming the basis for that decision. Under the preliminary agreement, the parties committed to concluding final agreements for the acquisition of the properties, subject to, among other conditions, the City of Katowice not exercising its statutory repurchase right for part of the property (a condition stipulated in favor of the Buyer). Additionally, for part of the properties covered by the preliminary agreement, a suspensive condition applied regarding the City of Katowice not exercising its statutory right of first refusal. The net purchase price of the property represented approximately 6% of Dekpol S.A.'s equity as of the end of 2024. Ownership transfer of the properties, subject to fulfillment of the conditions described above and conclusion of the final agreements, was planned for Q2 2025. The acquired land was intended for a development investment project. The preliminary agreement included provisions allowing for withdrawal from the agreement, in whole or in part, under specified conditions—particularly in the event that the transaction conditions were not met.

On December 30, 2024, the Buyer submitted a statement to the Seller withdrawing from the preliminary agreement. The withdrawal was made following a technical analysis, in accordance with the provisions of the agreement.

About conclusion of the preliminary agreement, the Company announced in current report no. 36/2024 dated July 2, 2024, and about withdrawal from the agreement – in current report no. 64/2024 dated December 30, 2024.

Conclusion of preliminary agreements for the acquisition of land in the Silesian Voivodship and agreements for the transfer of ownership of part of the property

On July 4, 2024, Dekpol Kamesznica Sp. z o.o. (the Buyer) entered into conditional preliminary agreements with private individuals not affiliated with the Dekpol Capital Group (collectively, the Sellers) concerning the planned acquisition by the Buyer of ownership rights and shares in the ownership rights to undeveloped land properties with a total area of approximately 7.76 hectares, located in the Municipality of Milówka, in the Silesian Voivodeship (collectively referred to as the Properties). The agreements also cover the transfer to the Buyer of the building permit decision and the design documentation forming the basis of that decision, under the terms and conditions specified in the preliminary agreements. The agreements provide that the

Buyer may acquire all or only a portion of the Properties covered by the agreements, and the acquisitions are to be carried out in two stages. The total net purchase price for all Properties shall not exceed the equivalent of approximately 8% of the Issuer's equity as of the end of 2024. The agreements allow for either party to withdraw from the agreements, in whole or in part, under the conditions specified therein, particularly in the event that any of the suspensive conditions are not fulfilled. The Properties are intended for a development project involving a service and apartment complex with an estimated usable area of approximately 20,000 m². Project implementation is planned to begin in the first half of 2025 and will be carried out in multiple stages.

In October 2024, the first stage of the property acquisition was completed as planned. The Buyer concluded ownership transfer agreements with the Sellers for land properties totaling approximately 4.4 hectares, purchased for a net price equal to approximately 5% of the Issuer's equity as of the end of 2024.

About conclusion of the preliminary agreement, the Company announced in current report no.38/2024 dated July 4, 2024, and about execution of the I stage of acquisition of the property – in current report no. 50/2024 dated October 11, 2024.

Reception of a construction permit for the seventh stage of the multi-family housing estate as a part of the 'Osiedle Kociewskie' project

On July 10, 2024, Dekpol Inwestycje Sp. z o.o. Rokitki Sp.k. received a final construction permit, issued by the Starosty of Tczew, for the construction of Stage VII of the "Osiedle Kociewskie" multi-family residential estate, along with the necessary technical infrastructure, in the town of Rokitki. Stage VII of the project involves the construction of three residential buildings containing a total of 117 units with a combined usable area of approximately 5,600 m². The estimated revenue from this stage of the investment is approximately PLN 39 million. The construction of Stage VII of the "Osiedle Kociewskie" project is scheduled to begin in the second quarter of 2027, with completion and handover for occupancy, including the delivery of the first units to customers, planned for the third quarter of 2028.

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

Conclusion of a general contracting agreement for an investment in the Pomeranian Voivodship

On July 25, 2024, Dekpol Budownictwo Sp. z o.o. (the Contractor) entered into a general contracting agreement with a company from the Panattoni Group (the Client) for the construction of a production and warehouse facility with office and social spaces, along with associated infrastructure, in Tuchom, Pomeranian Voivodeship. The investment includes preparatory works, preparation of execution and as-built documentation, construction works for the facility and accompanying road infrastructure in accordance with technical specifications and obtaining the occupancy permit. The net lump-sum remuneration for the contracted works was set at the equivalent of approximately 6% of the Dekpol Capital Group's sales revenue for 2024 (calculated at the EUR exchange rate as of July 25, 2024). The agreed completion deadline for all works covered by the contract is Q3 2025.

The contract includes provisions on contractual penalties, including for delays in the execution of the investment or termination of the agreement due to reasons attributable to the Contractor. The total limit of contractual penalties, regardless of the cause, is capped at 10% of the net contract value. The Client reserves the right to seek damages exceeding the amount of the stipulated contractual penalties.

The contract was concluded following the signing of a letter of intent by the parties on January 8, 2024, which confirmed their interest in entering into a general contracting agreement under the agreed basic terms of the investment. The conclusion of the agreement was conditional upon the Client, or an entity designated by the Client acquiring the land for the investment and obtaining the construction permit.

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

Conclusion of an agreement for the transfer of the right of perpetual usufruct of land property in Sopot

On July 29, 2024, Dekpol Inwestycje – Sopot Sp. z o.o. (the Buyer) entered into an agreement with an entity outside the Dekpol Capital Group (the Seller) for the transfer of perpetual usufruct rights to a land property with an area of approximately 2 hectares located in Sopot, along with the associated design documentation (the Property). The transfer agreement was concluded following the City of Sopot's decision not to exercise its right of first refusal, which was a condition for the transaction specified in the conditional property acquisition agreement signed on June 13, 2024. The net purchase price of the Property amounted to the equivalent of approximately 16% of Dekpol S.A.'s equity as of the end of 2024. The Property was acquired to expand the Issuer Capital Group's land bank and to enable the future implementation of a development project.

About conclusion of the preliminary agreement on acquisition of the Property, the Company announced in current report no. 49/2023 dated December 19, 2023, and about conclusion of the contingent agreement – in current report no. 29/2024 dated June 13, 2024.

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

On August 14, 2024, Dekpol Budownictwo Sp. z o.o. (Contractor) signed a contract with a company from the 7R S.A. Capital Group (the Client) for the design and build execution of a production and warehouse hall with social and office facilities, along with associated road and technical infrastructure in Lublin. The contract covers the preparation of design documentation, comprehensive construction, structural, and installation works, as well as obtaining all required permits and approvals, including the final occupancy permit. The investment is scheduled for completion 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 equivalent to approximately 8% of the Issuer Capital Group's sales revenue for 2024 (calculated at the EUR exchange rate on the date of contract signing). The Client has the right to exclude certain works from execution and to assign the Contractor additional or substitute works.

The contract includes provisions on contractual penalties, including for delays in the completion of the investment and in the rectification of defects or faults. The total amount of contractual penalties may not exceed 12% of the remuneration value. If the Client terminates the contract, in whole or in part, for reasons attributable to the Contractor, the Contractor is obligated to pay the Client a contractual penalty amounting to 12% of the value of the portion of the contract subject to termination. The Client is also entitled to claim damages exceeding the contractual penalties, up to the full amount of the actual loss, under general legal principles.

The contract was concluded following the parties' agreement on the key terms of the contract on August 9, 2024, and the signing of the site handover protocol on that day, based on which the Contractor commenced the execution of the investment.

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

Conclusion of annexes to the general contracting agreement for the production facility in Kuyavian-Pomeranian Voivodship

On November 15, 2024, Dekpol Budownictwo Sp. z o.o. (the Contractor) signed an annex with a third-party entity (the Client) to the contract from July 2023 for the general contracting of a production facility in the Kuyavian-Pomeranian Voivodeship. The annex introduced additional, and substitute works. As a result, the net lump-sum remuneration for the works covered by the contract, including all previously commissioned additional and substitute works, increased by approximately 10% compared to the original contract value and amounted to the equivalent of approximately 8% of the Dekpol Capital Group's sales revenue for 2024. The deadline for the completion of all works specified in the contract was extended to Q2 2025 (previously: Q1 2025).

Subsequently, on March 28, 2025 (an event after the balance sheet date), the parties signed another annex to the contract, introducing further additional and substitute works. As a result of this annex, the net lump-sum remuneration for the works covered by the contract—taking into account all previously commissioned additional and substitute works—increased by approximately 15% compared to the value set in the November 2024 annex and now amounts to the equivalent of approximately 9% of the Dekpol Capital Group's sales revenue for 2024. The deadline for completion of all works under the contract was further extended to Q3 2025.

About conclusion of annexes to the agreement, the Company announced in current reports no. 56/20024 dated November 15, 2024, and no. 13/2025 dated March 28, 2025. About conclusion of agreement and commencement to execution of the second stage of the investment – the Company announced in current reports no. 33/2023 dated July 21, 2023, and no. 45/2023 dated October 30, 2023.

Conclusion of a general contracting agreement for a distribution center in the northern part of the country

On December 20, 2024, Dekpol Budownictwo Sp. z o.o. (the Contractor) signed a general contracting agreement with a third-party entity (the Client) for the construction of a distribution center in northern Poland, including land development and necessary infrastructure. The scope of the agreement includes preparation of documentation (excluding the design and documents required to obtain the building permit), comprehensive construction and installation works, and obtaining all required consents and permits, including the final occupancy permit. The investment is scheduled for completion in Q1 2026. The initial estimated net remuneration for the project was set at the equivalent of approximately 34% of the Dekpol Capital Group's sales revenue for 2024. In April 2025 (event after balance sheet date), the parties signed an annex to the agreement increasing the estimated remuneration by 6% due to revaluation and the commissioning of additional and substitute works. The Client still retains the right to exclude certain works from execution, as well as to assign additional or substitute works to the Contractor.

The agreement includes provisions for contractual penalties, including for delays in the execution of the investment and in the rectification of defects or faults. The total amount of contractual penalties may not exceed 10% of the remuneration value. In the event of termination or withdrawal from the contract by the Client for reasons attributable to the Contractor, the Contractor is obliged to pay the Client a contractual penalty of 10% of the contract value. The Client also has the right to claim damages exceeding the amount of contractual penalties. The Client is entitled to withdraw from the contract, in whole or in part, without being obligated to compensate the Contractor, in cases specified in the agreement.

The contract was concluded following the signing of a letter of intent on November 22, 2024, confirming the parties' intention to enter into the agreement and outlining the key terms of the investment, which had been agreed upon during negotiations.

About conclusion of the agreement, the Company announced in current report no. 62/2024 dated December 20, 2024, and about conclusion of the letter of intent – in current report no. 58/2024 dated November 22, 2024.

Conclusion of contract for the construction of a Multifunctional Development Center in Świdnik

On December 27, 2024, Dekpol Budownictwo Sp. z o.o. (“the Contractor”) entered into a contract with the Świdnik Municipality (the Client) for the execution of a design-free “build” project titled “Construction of the Multifunctional Development Center in Świdnik.” The scope of the investment includes the construction of a sports hall building along with surrounding site development, small architectural elements, and necessary infrastructure. The subject of the contract covers the full range of construction works based on the design documentation, furnishing of the facility, and obtaining the final occupancy permit. The investment is scheduled to be completed in Q3 2026. The net lump-sum remuneration for executing the investment has been set at an amount equivalent to approximately 5% of the Dekpol Capital Group’s sales revenue for 2024 and may be subject to indexation under the terms described in the contract. The Client retains the right to exclude certain works from execution as well as to assign additional or substitute works to the Contractor.

The agreement contains standard provisions regarding the right to terminate the contract in cases specified in the contract itself, the Civil Code, and the Public Procurement Law. It also includes provisions on contractual penalties, including in the event of delays in executing the investment or remedying defects. The total maximum amount of contractual penalties is limited to no more than 20% of the net contract value. In the event of termination of the contract due to the Contractor’s fault, the Contractor is required to pay a contractual penalty amounting to 20% of the net remuneration. The provisions on contractual penalties do not exclude or limit the Client’s rights to claim compensation for damages under general legal principles, as provided for by applicable law.

About conclusion of the agreement, the Company announced in current report no. 63/2024 dated December 27, 2024.

Update of information regarding preliminary agreement for the purchase of land property in Wiślinka

On 28 January 2025 (event after balance sheet date), the Company announced that on the basis of a court order granting security of claims, Dekpol S.A. and Dekpol Inwestycje - Sol Marina II Sp. z o.o. (the Buyer, a special purpose vehicle indirectly controlled by Dekpol S.A.) were obliged to suspend all actions related to the preliminary agreement for the purchase of land property with an area of approx. 9 hectares located in Wiślinka, Pruszcz Gdański commune, concluded by the Buyer on 13 January 2023 with an entity from outside the Dekpol Group (the Seller).

The order is related to a dispute between current and former shareholder of the Seller (Entitled). In the order, the Entitled Person was set a deadline for bringing an action to declare the obligation to restore the previous legal status of the aforementioned property. As a part of proceedings, the Entitled Person is to claim, among other things, the annulment of aforementioned pre-initial agreement. If the action is brought, the Company and the Buyer will participate in proceedings by asserting their rights. The Company and the Buyer do not recognize the claims, and the Buyer continues to maintain its desire to acquire the property.

To date, preparatory and design activities have been carried out on the property to obtain the required permits for the development project.

About conclusion of the preliminary purchase agreement of the property, the Company announced in current report no. 2/2023 dated January 13, 2023, and about obligation to prevent from actions related to this agreement – in current report no. 5/2025 dated January 28, 2025.

Conclusion of a preliminary agreement for the acquisition of land property in Sopot

On 27 March 2025 (event after balance sheet date) Dekpol 2 Sp. z o.o. (Buyer) entered into a preliminary agreement with an entity outside the Dekpol Capital Group (Seller) for the acquisition of right of perpetual usufruct to a developed land property with a total area of 0.54 hectares located in Sopot, together with the ownership of the non-residential buildings located thereon (Property).

Under the preliminary agreement, the parties undertook to conclude, by the end of 2025, the final agreement for the purchase of the Property, subject to a condition precedent reserved in favor of the Buyer and stipulating that the Property would be free of encumbrances, except for those permitted under the agreement. The net purchase price of the Property will be equivalent to approximately 6% of the Issuer's equity at the end of 2024.

The preliminary agreement provides for the possibility to withdraw from the agreement in whole or in part in cases specified therein, in particular in the event of non-fulfilment of a condition precedent. In the preliminary agreement, the Seller granted the Buyer permission to use the Property for construction purposes.

The Property to be purchased will be used for the development of a residential and commercial development project. The estimated value of revenue generated by implementation of the aforementioned investment will amount to approximately 7% of the Dekpol Capital Group's revenue for 2024. The commencement of the implementation of the investment is anticipated in Q3 2026.

About conclusion of the preliminary agreement, the Company announced in current report no. 11/2025 dated March 27, 2025.

Selection of tender for construction of the new headquarters of the Musical Theatre in Poznań

On March 28, 2025 (event after balance sheet date), the offer submitted by Dekpol Budownictwo Sp. z o.o. (Contractor) was selected as the most advantageous in the procedure conducted by the Musical Theatre in Poznań (Contracting Authority) under an open tender for the award of a contract. The subject of the contract is the design and execution of construction works as well as the provision of other services and works in order to implement the project entitled: "Construction of the new headquarters of the Musical Theatre in Poznań."

The Contractor's gross offer value for the complete performance of the contract is approximately PLN 491 million. The contract is divided into a basic scope, priced by the Contractor at approximately PLN 375 million gross, and supplementary scopes priced at approximately PLN 116 million gross, which the Contracting Authority may activate by exercising an option right in accordance with the contract conditions. The deadline for the completion of the works and obtaining the occupancy permit, as specified in the contract conditions, is 1,300 calendar days from the date of signing the agreement. Pursuant to the Public Procurement Law of September 11, 2019, contractors who applied for the contract are entitled to appeal procedures. As of the date of publication of this statement, the agreement for the implementation of the investment has not been concluded.

About selection of the offer, the Company announced in current report no. 12/2025 dated March 28, 2025.

Conclusion of a general contracting agreement for a logistics center in central Poland near Łódź

On April 18, 2025 (event after balance sheet date), Dekpol Budownictwo Sp. z o.o. (Contractor) concluded a construction works agreement with a subsidiary of Żabka Group S.A. – Żabka BS Sp. z o.o. (Contracting Authority) for the execution, under the general contracting system in the “design and build” formula, of a warehouse and production facility (logistics center) with freezer and cold storage areas, a dry goods zone, and social-office spaces, with a total area of approximately 42,000 m², along with the associated internal and external infrastructure (including utilities, connections, roads, and public road exits) in central Poland near Łódź.

The subject of the contract includes preparation of design documentation, comprehensive construction and installation works, as well as obtaining approvals and permits, particularly administrative decisions, necessary for the execution of the investment and for obtaining an occupancy permit. The completion of the works entrusted to the Contractor is scheduled for the second half of 2026. The lump-sum net value of the Contractor’s remuneration for the complete execution of the contract amounts to approximately EUR 35 million. The Contracting Authority has the right to exclude certain works from execution, as well as to commission the Contractor with additional, substitute, or optional works.

The contract includes provisions for contractual penalties in favor of the Contracting Authority, covering a standard range of penalties for contracts of this type, due in particular for delays in completing the project or remedying defects and faults, as well as a contractual penalty of 10% of the net contract value in case the Contracting Authority withdraws from the contract due to reasons attributable to the Contractor. The total amount of contractual penalties related to delays in project execution may not exceed 10% of the contract value. The Contracting Authority reserves the right to pursue damages exceeding the amount of the contractual penalty, in accordance with general principles, up to the full amount of the loss incurred.

The Contracting Authority is entitled to withdraw, in whole or in part, from the agreement in cases specified in the contract, including, among others, a decision by the Contracting Authority to discontinue the works or the Contractor's failure to fulfill relevant obligations within the agreed deadlines. The Contractor is entitled to withdraw from the contract in the event that the Contracting Authority fails to settle payments under the terms defined in the agreement.

About conclusion of the agreement, the Company announced in current report no. 15/2025 dated April 18, 2025.

Agreement on key terms of the contract for the construction of a logistics park in the Silesian Voivodeship

On April 18, 2025 (event after balance sheet date), Dekpol Budownictwo Sp. z o.o. (Contractor) agreed with a company from the EQT Real Estate capital group (Investor) on key terms of a contract for the construction of a logistics park in the Silesian Voivodeship, consisting of four halls along with accompanying infrastructure, an access road in accordance with the road investment implementation permit, and utility connections in line with the documentation held by the Investor. The contract formula is lump sum, design and build.

The project will be carried out by the Contractor in four stages. Completion of the first stage (the first hall) is scheduled within 7 months from the handover of the construction site, or within 8 months if the Investor activates the option for fit-out as a freezer and cold storage facility. The execution of the remaining three stages is optional and may be triggered under agreed conditions within 6 months of signing the contract. The duration of those stages will range from 6 to 8 months.

The net remuneration for the execution of Stage I of the investment has been set at approximately 5% of the Issuer Group's 2024 sales revenues, and approximately 7.5% if the cold storage fit-out is activated. The total value of the remaining three stages corresponds to approximately 8% of the Issuer Group's 2024 sales revenues.

As of the date of publication of this report, the investment contract has not yet been concluded.

About arrangement of key terms of the contract, the Company announced in current report no. 16/2025 dated April 18, 2025.

Information on sale of apartments in the first quarter of 2025

Preliminary information on operations of the Dekpol Capital Group in the property development segment in the first quarter of 2025 (post-balance sheet period):

- Number of apartments sold (based on signed reservation, real-estate development, and preliminary agreements): 173. The sales result includes development projects in the following locations: Gdańsk and surrounding areas: 116 agreements, Sobieszewska Island and Vistula Spit: 53 agreements, Warszawa 4 agreements.
- Number of apartments to be recognized in the Group's financial result: 124 apartments. The recognized apartments contributing to the financial result come from development projects in the following locations: Gdańsk and surrounding areas: 80 agreements, Sobieszewska Island and Vistula Spit: 44 agreements.

As of March 31, 2025, the total number of apartments offered for sale by the Group amounted to 801 apartments. The Group's sales offer includes development projects in the following locations: Gdańsk and surrounding areas: 247 apartments, Sobieszewska Island and the Vistula Spit: 232 apartments, Warszawa: 322 apartments.

About apartments sales results in Q1 2025, the company announced in current report no. 14/2025 dated April 15, 2025.

Other events and contracts in the operating area

Reception of use permit for the second stage of the 'Osiedle Pastelowe' project

In February 2024, Dekpol Inwestycje Sp. z o.o. Pastelowa Sp. k. received the use permit issued by the Powiatowy Inspektor Nadzoru Budowlanego in the Poviat-City of Gdańsk for the use of two buildings under construction as a part of the Osiedle Pastelowe Stage II located in Gdańsk at Pastelowa Street.

Change of construction permit for a property in Gdańsk at Pastelowa Street

In February 2025 (event after balance sheet date), Dekpol Inwestycje Sp. z o.o. Pastelowa Sp.k. received a decision issued by the President of Gdańsk approving an amended land development plan and architectural construction design and granting a building permit for a commercial and service building located on Pastelowa Street in Gdańsk. The application was submitted in connection with an investment planned by an entity outside the Issuer's Capital Group, involving the construction of a single-story commercial and service facility within the area of the Pastelowe Estate. The areas covered by the mentioned permit were not designated for any stage of the investment project titled “Osiedle Pastelowe”.

Obtaining permission for a swimming pool and associated infrastructure in Gdańsk, Turystyczna Street

In March 2025 (event after balance sheet date), Dekpol Inwestycje – Turystyczna Sp. z o.o. received a decision issued by the President of Gdańsk granting a building permit for a swimming pool and the necessary technical infrastructure at the complex of recreational buildings located on Turystyczna Street in Gdańsk.

Change of construction permit for PINO RESORT project

In March 2025 (event after balance sheet date) Dekpol Inwestycje - Turystyczna Sp. z o.o. received a decision issued by the President of the City of Gdańsk approving a substitute land development design and architectural and construction design for the PINO RESORT development project in Gdańsk on Sobieszewska Island at Turystyczna Street. The obtained substitute permit is related to the construction of accompanying infrastructure, i.e., among others, an indoor swimming pool and the development of a fragment of land.

Obtaining a use permit for the second stage of the “Neo Jasień” investment

In March 2025 (event after balance sheet date) Dekpol Inwestycje Sp. z o.o. Neo Jasień Sp. k. received the use permit issued by the District Building Control Inspector for the district city of Gdańsk for the use of two buildings constructed within the framework of the Neo Jasień Stage II housing estate, located in Gdańsk at Potęgowska Street.

Loans and borrowings

In the period from January 1 to December 31, 2024, Dekpol Capital Group companies entered into new agreements, under which the following loans were taken:

Company name	Bank name / name of the lender	Transaction type	Amount granted (in thousand PLN)	Currency	Interest	Total debt as at 31.12.2023 (in thousands of PLN)	Currency	Contractual repayment date
Dekpol Budownictwo Sp. z o.o.	mBank S.A.	Working capital loan, agreement no. 10/034/24/Z/VX[2]	50 000	PLN	WIBOR 1M/EURIBOR 1M+margin	0	PLN	2026-06-26
Dekpol Budownictwo Sp. z o.o.	mBank S.A.	Overdraft facility, agreement no. 10/034/24/Z/VX[2]	10 000	PLN	WIBOR 1M/EURIBOR 1M+ margin	0	PLN	2026-06-26
Dekpol Budownictwo Sp. z o.o.	Bank Gospodarstwa Krajowego.	Working capital loan, agreement no. 462401040[1]	5 000	PLN	WIBOR 3M+ margin	0	PLN	2025-04-30
Dekpol Inwestycje-Turystyczna Sp. Z o.o.	mBank S.A.	Working capital loan, agreement no. 10/052/24/Z/OB	25 000	PLN	WIBOR 1M+ margin	0	PLN	2026-02-27
Dekpol Inwestycje sp. z o.o. Rokitki Sp.k.	Consortium of cooperative banks	Working capital loan, agreement no. 6/11/GD/O/24	25 916	PLN	WIBOR 1M+ margin	5 524	PLN	2025-05-30

[1] As of the publication date, the agreement has been amended with regard to its validity period and the amount of the available limit. The current limit is PLN 8 million, intended for a revolving credit facility, and the term of the facility extends until April 2036.

[2] Contract available in PLN or EUR.

During the period from January 1 to December 31, 2024, the Dekpol Capital Group concluded the following loan agreements ahead of schedule upon the borrower's request:

Company name	Bank name / name of the lender	Transaction type	Amount granted (in thousand PLN)	Currency	Interest	Contractual repayment date	Actual termination date
Dekpol Inwestycje Sp. Z o.o. Pastelowa Sp. K	mBank S.A.	Working capital loan	30 400	PLN	WIBOR 1M+ margin	2025-05-30	2024-04-24

List of loans and borrowings from Dekpol S.A. as of December 31, 2024, has been presented in note 12.4 of the Separate Financial Statement of Dekpol S.A.

List of loans and borrowings of the Dekpol Capital Group as of December 31, 2024, has been presented in note 12.2 of the Consolidated Financial Statement of the Dekpol Capital Group S.A.

In the period from January 1 to December 31, 2024, companies from the Dekpol Capital Group granted and incurred the following intra-group loans:

Company name	Name of the lender	Transaction type	Amount limit (in thousand PLN)	Interest	Currency	Debt in nominal value as of 31.12.2024 (in thousands)	Contractual repayment date	Actual repayment date /completion of the loan agreement
Dekpol Deweloper sp. z o.o.	Dekpol S.A.	Borrowing	173 072	WIBOR 6M+ margin	PLN	173 072	2028-06-06	-
Dekpol Capital sp. z o.o.	Dekpol S.A.	Borrowing	2 265	WIBOR 3M+ margin	EUR	0	2025-09-22	2024-12-17
Dekpol Capital sp. z o.o.	Dekpol S.A.	Borrowing	1 000	WIBOR 3M+ margin	PLN	1 000	2025-02-13	-
Dekpol Deweloper sp. z o.o.	Dekpol S.A.	Borrowing	1 900	WIBOR 3M+ margin	PLN	1 900	2025-02-13	-
Dekpol Inwestycje sp. z o.o. Rokitki sp.k.	Dekpol S.A.	Borrowing	2 000	WIBOR 3M+ margin	PLN	2 000	2025-02-13	-
Dekpol Budownictwo sp. z o.o.	Dekpol S.A.	Borrowing	15 000	WIBOR 6M+ margin	PLN	15 000	2028-06-06	-
Dekpol Deweloper Sp. z o.o.	Dekpol S.A.	Borrowing	48 507	WIBOR 3M+ margin	PLN	48 507	2028-12-02	-
Dekpol Inwestycje sp. z o.o. Neo Jasień sp.k.	Dekpol S.A.	Borrowing	3 400	WIBOR 3M+ margin	PLN	3 400	2028-12-02	-
Dekpol Inwestycje- Trimare sp. z o.o.	Dekpol S.A.	Borrowing	20 000	WIBOR 3M+ margin	PLN	20 00	2028-12-02	-
Dekpol Capital sp. z o.o.	Dekpol S.A.	Borrowing	14 678	WIBOR 3M+ margin	PLN	14 678	2028-12-02	-
Dekpol Steel sp. z o.o.	Dekpol S.A.	Borrowing	906	WIBOR 3M+ margin	PLN	906	2028-12-02	-

Intek sp. z o.o.	Dekpol S.A.	Borrowing	2 000	WIBOR 3M+ margin	PLN	2 000	2028-12-02	-
Dekpol Inwestycje sp. z o.o. Rokitki sp.k.	Dekpol S.A.	Borrowing	10 000	WIBOR 3M+ margin	PLN	10 000	2028-12-02	-
Dekpol Deweloper sp. z o.o.	Dekpol S.A.	Borrowing	16 500	WIBOR 3M+ margin	PLN	0	2026-06-27	2024-12-27
Dekpol Deweloper sp. z o.o.	Dekpol S.A.	Borrowing	1 930	WIBOR 3M+ margin	PLN	0	2025-09-22	2024-12-22
Dekpol Deweloper sp. z o.o.	Dekpol S.A.	Borrowing	8 270	WIBOR 6M+ margin	PLN	0	2024-08-24	2024-08-24
Dekpol Inwestycje- Warszawa 1 sp. z o.o.	Dekpol Deweloper sp. z o.o.	Borrowing	1 298	WIBOR 3M+ margin	PLN	0	2026-06-27	2024-12-27
Dekpol Kamesznica sp. z o.o.	Dekpol Deweloper sp. z o.o.	Borrowing	500	WIBOR 6M+ margin	PLN	175	2025-12-31	-
Dekpol Inwestycje sp. z o.o. Puck sp.k.	Dekpol Deweloper sp. z o.o.	Borrowing	2 000	WIBOR 6M+ margin	PLN	510	2025-12-31	-
Dekpol Inwestycje- Sopot sp. z o.o.	Dekpol Deweloper sp. z o.o.	Borrowing	1 500	WIBOR 6M+ margin	PLN	1 500	2026-06-27	2024-12-27
Dekpol Inwestycje- Sopot sp. z o.o.	Dekpol Deweloper sp. z o.o.	Borrowing	73 000	WIBOR 6M+ margin	PLN	73 000	2028-06-06	-
Dekpol Inwestycje sp. z o.o. Puck sp.k.	Dekpol Deweloper sp. z o.o.	Borrowing	300	WIBOR 6M+ margin	PLN	55	2028-06-06	-
Dekpol Inwestycje sp. z o.o. Sol Marina sp.k.	Dekpol Deweloper sp. z o.o.	Borrowing	13 700	WIBOR 3M+ margin	PLN	5 700	2025-02-13	-
Dekpol Inwestycje – Warszawa 1 sp. z o.o.	Dekpol Deweloper sp. z o.o.	Borrowing	300	WIBOR 6M+ margin	PLN	138	2028-06-06	-
Dekpol Inwestycje- Sol Marina II sp. z o.o.	Dekpol Deweloper sp. z o.o.	Borrowing	9 955	WIBOR 6M+ margin	PLN	9 515	2028-06-06	-
Dekpol Inwestycje- Sopocka sp. z o.o.	Dekpol Deweloper sp. z o.o.	Borrowing	21 400	WIBOR 6M+ margin	PLN	21 400	2028-06-06	-
Dekpol Inwestycje- Katowice sp. z o.o.	Dekpol Deweloper sp. z o.o.	Borrowing	2 420	WIBOR 6M+ margin	PLN	2 420	2028-06-06	-
Dekpol Inwestycje sp. Z o.o. Rokitki sp.k.	Dekpol Deweloper sp. z o.o.	Borrowing	1 700	WIBOR 6M+ margin	PLN	1 700	2028-06-06	-
Dekpol Inwestycje- Starogard sp. z o.o.	Dekpol Deweloper sp. z o.o.	Borrowing	18 500	WIBOR 6M+ margin	PLN	17 500	2028-06-06	-
Dekpol Kamesznica sp. z o.o.	Dekpol Deweloper sp. z o.o.	Borrowing	22 200	WIBOR 6M+ margin	PLN	20 200	2028-06-06	-
Dekpol Inwestycje- Warszawa sp. z o.o.	Dekpol Deweloper sp. z o.o.	Borrowing	13 700	WIBOR 3M+ margin	PLN	8 000	2025-02-13	-
Dekpol Inwestycje- Gdańsk sp. z o.o.	Dekpol Deweloper sp. z o.o.	Borrowing	50	WIBOR 6M+ margin	PLN	5	2028-06-06	-

Dekpol Inwestycje sp. z o.o. Sol Marina sp.k.	Dekpol Deweloper sp. z o.o.	Borrowing	1 577	WIBOR 3M+ margin	PLN	1 577	2028-12-02	-
Dekpol Inwestycje- Sopot sp. z o.o.	Dekpol Deweloper sp. z o.o.	Borrowing	1 500	WIBOR 3M+ margin	PLN	1 500	2028-12-02	-
Dekpol Inwestycje- Warszawa 1 sp. z o.o.	Dekpol Deweloper sp. z o.o.	Borrowing	1 298	WIBOR 3M+ margin	PLN	1 298	2028-12-02	-
Dekpol Inwestycje- Starogard sp. z o.o.	Dekpol Deweloper sp. z o.o.	Borrowing	12 667	WIBOR 3M+ margin	PLN	12 667	2028-12-02	-
Dekpol Inwestycje- Warszawa sp. z o.o.	Dekpol Deweloper sp. z o.o.	Borrowing	8 000	WIBOR 3M+ margin	PLN	8 000	2028-12-02	-
Dekpol Inwestycje- Starogard sp. z o.o.	Dekpol Deweloper sp. z o.o.	Borrowing	7 500	WIBOR 3M+ margin	PLN	7 500	2028-12-02	-
Dekpol Inwestycje- Turystyczna sp. z o.o.	Dekpol Deweloper sp. z o.o.	Borrowing	14 100	WIBOR 3M+marża	PLN	14 100	2028-12-02	-
Dekpol Inwestycje sp. z o.o. Grano Resort sp.k.	Dekpol Deweloper sp. z o.o.	Borrowing	350	WIBOR 3M+ margin	PLN	350	2028-12-02	-
Dekpol Inwestycje- Starogard Korytybska sp. z o.o.	Dekpol Deweloper sp. z o.o.	Borrowing	695	WIBOR 3M+ margin	PLN	695	2028-12-02	-

As of December 31, 2024, the total nominal balance of intra-group loans granted by companies within the Dekpol Capital Group amounted to PLN 623,632 thousand, including loans granted by Dekpol S.A. in the total amount of PLN 310,795 thousand, by Dekpol Deweloper Sp. z o.o. in the total amount of PLN 250,362 thousand, and by other companies in the total amount of PLN 62,476 thousand. In 2024, the companies within the Dekpol Capital Group neither granted nor received loans to or from entities outside the Group.

In 2024, the companies from the Dekpol Capital Group have not terminated any loan or borrowing agreements.

Significant Credit Agreements and Their Amendments

Annexes to the multi-purpose premium credit line agreement of the subsidiary with BNP Paribas Bank Polska S.A.

On February 8, 2024, Dekpol Budownictwo Sp. z o.o. signed an annex to the multi-purpose premium credit line agreement dated September 2021 with BNP Paribas Bank Polska S.A., under which the credit line limit was increased to PLN 50 million (previously PLN 40 million), and the availability period of the credit line was extended to January 2025 (previously January 2024).

Subsequently, on January 16, 2025 (event after balance sheet date), the parties signed another annex to the agreement, under which the availability period of the credit line was extended to January 2026, and the credit period to January 2036 (previously September 2031).

Under the multi-purpose credit line, Dekpol Budownictwo Sp. z o.o. may utilize an overdraft facility in PLN or EUR, a guarantee line in PLN, and a letter of credit line in PLN. The interest rate on credit drawn under the facility is based on a variable rate equal to 1M WIBOR/EURIBOR plus the bank's margin. Within the guarantee line, the following types of guarantees may be issued: bid bond, performance bond, defect and liability bond, payment guarantee, lease agreement performance guarantee, and advance payment return guarantee. The collateral for all obligations of Dekpol Budownictwo arising under agreement includes, among others, a surety by the Issuer, a mortgage established on the Issuer's land properties, and other collateral typical for credit agreements. The agreement specifies obligations during its term, including maintaining the Issuer Group's debt ratios at defined levels. The annex includes formal and legal conditions that were required to be met in order to increase the credit line limit under agreement.

About conclusion of annexes to the multi-purpose credit line agreement, the Company announced in current reports no. 6/2024 dated February 8, 2024, and no. 2/2025 dated January 16, 2025.

Annex to the multi-line agreement of the subsidiary with Santander Bank Polska S.A.

On February 14, 2024, Dekpol Budownictwo Sp. z o.o. signed an annex to the multi-line agreement dated February 2023 with Santander Bank Polska S.A., under which the multi-line limit was increased to PLN 85 million (previously PLN 55 million), and the availability period was extended to February 2025 (previously February 2024). Pursuant to the annex, under the multi-line facility, Dekpol Budownictwo Sp. z o.o. may utilize an overdraft facility and a guarantee line in PLN or EUR. The interest rate on credit drawn under the multi-line is based on a variable rate equal to 1M WIBOR/EURIBOR plus the bank's margin. Within the guarantee line, the following types of guarantees may be issued: performance bond, warranty bond, bid bond, payment guarantee, and advance payment return guarantee. The security for all obligations arising under the agreement includes a surety by Dekpol S.A. as well as other forms of collateral typical for credit agreements. The agreement also sets out obligations during its term, including the requirement to maintain Dekpol Group's debt ratios at specified levels.

Subsequently, on February 14, 2025 (event after balance sheet date), Dekpol Budownictwo Sp. z o.o. signed another annex to the agreement, under which the availability period of the limit was extended to February 2026, with no other changes to the agreement parameters.

About conclusion of annexes, the Company announced in current reports no. 7/2024 dated February 14, 2024, and no. 8/2025 dated February 14, 2025.

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

On July 22, 2024, Dekpol Budownictwo Sp. z o.o. entered into a framework agreement with mBank S.A. for a multi-product credit line covering working capital financing up to PLN 60 million. Under the agreement, financing was granted in the form of an overdraft facility up to PLN 10 million and a working capital loan for financing of trade contracts up to PLN 50 million, available in PLN and EUR, with an availability period through June 2026. The interest rate on loans granted under the multi-product line is based on a variable rate tied to WIBOR/ESTR ON or WIBOR/EURIBOR 1M, respectively, plus the bank's margin. The collateral for all obligations of Dekpol Budownictwo under the agreement includes, among others, a mortgage established on a land property in Gdańsk, a suretyship by the Issuer, and other forms of collateral typical for credit agreements. The agreement includes standard covenants during its term, including maintaining debt ratios at specified levels.

Additionally, on July 22, 2024, Dekpol Budownictwo Sp. z o.o. and mBank S.A. 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 the line available until June 30, 2026.

The conclusion of the above agreements was due to the expiration of the availability period of the previous financing in the total amount of PLN 95 million, including financing under the framework agreement referred to in current report no. 39/2023 dated August 7, 2023

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

Other selected credit agreements and their amendments

Agreement and annex to the multi-purpose credit line agreement of the subsidiary with Bank Gospodarstwa Krajowego

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

Subsequently, in January 2025 (event after balance sheet date), the parties signed an annex to the agreement, under which the total limit remained unchanged; however, under the revised terms, the company may now issue bank guarantees up to PLN 22 million and utilize a working capital loan up to PLN 8 million.

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

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

Subsequently, in April 2025 (event after balance sheet date), Intek entered into another annex to the agreement, under which the credit limit may be used until October 2026. Remaining terms of the agreement remained unchanged.

Working capital loan agreement of the subsidiary 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 in Sztum, Bank Spółdzielczy in Malbork, Bank Rumia Spółdzielczy, and Bank Spółdzielczy in Białogard). The loan was granted to finance and partially refinance the costs related to the construction of a property for sale – the implementation of the development project named “Osiedle Kociewskie – Stage III” in Rokitki. The loan was granted in the amount of approximately PLN 25.9 million. The repayment date was set for June 2025.

Conclusion of an annex by the subsidiary to the multi-purpose credit limit agreement with BOŚ Bank S.A.

In September 2024, Dekpol Budownictwo Sp. z o.o. entered into an annex with BOŚ Bank S.A. to the multi-purpose credit limit agreement originally signed in November 2024. The annex extended the availability period of the limit until September 30, 2025 (previously September 2024), while the limit amount and its structure remained unchanged (the company may use up to PLN 50 million for guarantees and up to PLN 20 million for working capital financing).

Working capital loan agreement of the subsidiary with mBank S.A.

In November 2024, Dekpol Inwestycje – Turystyczna Sp. z o.o. entered into a working capital loan agreement with mBank S.A. to finance and refinance expenditures related to the development project named “Pino Resort – Stage 1” located on Turystyczna Street in Gdańsk. The loan was granted in the amount of PLN 25 million. The repayment date was set for February 2026.

Revolving credit agreement of the subsidiary with SGB Bank S.A.

In March 2025 (event after balance sheet date), Dekpol Deweloper Sp. z o.o. entered into a revolving credit agreement with SGB Bank S.A. to finance current needs related to its ongoing business operations. The credit was granted in the amount of PLN 35 million, with a repayment date set for March 2026.

Annex to the overdraft facility agreement of the subsidiary with SGB Bank S.A.

In March 2025 (event after balance sheet date), Dekpol Budownictwo Sp. z o.o. entered into an annex with SGB Bank S.A. to the overdraft facility agreement originally signed in July 2022. Under the annex, the available limit was increased to PLN 20 million (previously PLN 15 million), and the validity period of the limit was extended until December 2027.

Annex to the revolving credit agreement of the subsidiary with SGB Bank S.A.

In March 2025 (an event after the balance sheet date), Dekpol Budownictwo Sp. z o.o. entered into an annex with SGB Bank S.A. to the revolving credit agreement originally signed in July 2022. Under the annex, the validity period of the credit limit was extended until December 2027, while the amount of available limit remained unchanged at PLN 20 million).

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

In April 2025 (event after balance sheet date), Betpref Sp. z o.o. entered into an annex to the multi-purpose credit limit agreement originally signed in April 2021 with Powszechna Kasa Opieki Bank Polski S.A. Under the annex, the term of agreement was amended, and the credit limit is now available until October 2026 (previously April 2025). Pursuant to the agreement, Betpref Sp. z o.o. is entitled to use an overdraft facility of up to PLN 5 million.

Sureties and guarantees

In 2024, the Company and its subsidiaries received and granted sureties within the Dekpol Capital Group. The value of guarantees received and granted within the Dekpol Capital Group in 2024 amounted to PLN 488 million, of which Dekpol S.A. granted guarantees in the amount of approximately PLN 428 million and did not receive any guarantees. Guarantees granted within the Dekpol Capital Group mainly concerned guarantees for financial obligations.

In 2024, the Group companies did not receive any sureties from unrelated entities or did not grant sureties for unrelated entities.

Received and granted guarantees in 2024 in the Dekpol Capital Group

Guarantee type	Granted (in PLN thousand)	Received (in PLN thousand)
Contractual - insurance guarantee	149 417	13 907
Contractual - bank guarantee	50 209	10 439
PLG-FGP BGK guarantee	0	15 000
Total	**199 626**	**39 346**

Received and granted guarantees in 2024 in Dekpol S.A.

Guarantee type	Granted (in PLN thousand)	Received (in PLN thousand)
Contractual - insurance guarantee	25 096	0
Contractual - bank guarantee	0	0
PLG-FGP BGK guarantee	0	0
Total	**25 096**	**0**

Significant Suretyship or Guarantee Agreements and their amendments

The information regarding the guarantee lines held under the multi-purpose credit limit agreements has been described in this Report under the Loans and Borrowings section.

Below are described the other significant agreements for providing guarantees.

Annex to guarantee line agreement with Zurich Insurance plc

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

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

Annex to the cooperation agreement for the issuance of insurance guarantees with Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A.

On February 7, 2025 (event after balance sheet date), Dekpol S.A., Dekpol Budownictwo Sp. z o.o., and Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A. signed an annex to the 2008 cooperation agreement regarding the issuance of insurance guarantees under an assigned guarantee limit. According to the annex, the total guarantee amount for all guarantees issued under the agreement may not exceed PLN 110 million (previously PLN 86 million). The agreement allows for the issuance of insurance guarantees for bid bonds, proper performance of contracts, proper remedy of defects and faults, and advance payment refunds. The limit is renewable. The agreement is concluded for an indefinite period. The claims under the agreement are secured with blank promissory notes issued by the obligated parties, along with promissory note declarations.

About conclusion of the annex, the Company announced in current report no. 6/2025 dated February 7, 2025.

Other Selected Suretyship or Guarantee Agreements and their amendments

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

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

Insurance guarantee agreement with Tokio Marine Europe S.A.

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

Financial instruments

In 2024, Dekpol S.A. and the Dekpol Capital Group had financial resources, including equity and funds from bonds, loans, and borrowings.

The following types of financial risks are significant in business activities of the Dekpol Capital Group:

- **Interest rate risk** – during its operations, companies within the Dekpol Capital Group are exposed to interest rate risk. These companies have financial obligations whose financial cost is primarily calculated based on the variable base interest rate, such as WIBOR (Warsaw Interbank Offered Rate), or the variable base interest rate EURIBOR, along with a fixed margin. Additionally, the companies also have financial obligations whose financial cost is calculated based on a fixed interest rate. The Group continuously monitors its exposure to interest rate risk by analyzing its financial liabilities with variable interest rates. In addition, the Group regularly reviews the terms of interest rate hedging instruments available on the market and subsequently decides whether or not to hedge the interest rate risk. Currently, the Dekpol Capital Group uses derivative instruments such as CAP and IRS.
- **Foreign exchange risk** – due to the continued expansion of operations in foreign currencies, companies within the Dekpol Capital Group are exposed to foreign exchange risk related to their transactions. This risk arises from conducting sales or purchases in currencies other than the domestic currency. The Group largely uses natural hedging, which results in balancing of foreign currency cash flows. In addition to natural hedging, Dekpol Capital Group uses derivative instruments such as Forward (FX) contracts, primarily in relation to general contracting agreements.
- **Credit risk** - Companies within the Dekpol Capital Group are exposed to credit risk, understood as the risk that debtors will fail to meet their obligations, thereby causing losses to the Group. The level of the Group's exposure is primarily reflected in the balance sheet value of trade receivables (both short- and long-term) and other receivables.

  The Group undertakes measures to mitigate credit risk, including analyzing the financial standing of counterparties, monitoring the status of receivables, and initiating debt collection actions. These efforts help the Group minimize its exposure to the risk of uncollectible receivables. In addition, companies within the Group often receive partial advance payments for services rendered. In the case of the general contracting segment, projects are also settled in stages, in accordance with construction work schedules.
- **Liquidity risk** – the Group is exposed to liquidity risk, understood as the risk of losing the ability to meet its obligations as they fall due. This risk arises from potential limitations in access to financial markets, which may result in the inability to obtain new financing or refinance existing debt. In addition, the risk concerns the potential breach of covenants in loan agreements or conditions set forth in bond issuance terms, which could lead to the immediate enforceability of the obligations. Group companies enter into loan agreements with various banks to finance their investments. The repayment schedules of subsequent installments are aligned with the expected cash inflows from the sale of individual projects. Moreover, the Group companies also issue bonds. The Group manages liquidity risk by monitoring payment deadlines and cash requirements for both short-term obligations (operational transactions) and long-term funding needs, based on quarterly updated cash flow forecasts. Cash needs are compared with available funding sources, particularly through the assessment of the ability to obtain financing in the form of loans and bonds, and the possibility of releasing funds from escrow accounts. The maturities of significant assets and liabilities are presented in the accompanying notes to the annual financial statements, where a detailed breakdown of material financial liabilities is also provided. A detailed specification of the values of significant components of financial liabilities has also been provided. The available resources fully enable the fulfillment of financial obligations without any threat to financial liquidity. Both the Issuer and its subsidiaries maintain financial liquidity and settle their liabilities on an ongoing basis. The Management Board of Dekpol S.A. positively assesses the liquidity position of the Issuer and the entire Capital Group and does not perceive any threats in this regard.

Transactions with affiliates

In 2024, the issuer and its subsidiaries did not conclude any transactions with affiliates on terms other than market terms.

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

In 2024, there were no factors or events other than those described in other sections of this Report, including those of an unusual nature, which had a significant impact on operations or results of the Company and the Dekpol Group, as well as on the separate or consolidated financial statements.

4. Economic and financial results of the company Dekpol S.A.

Economic and financial results of the company Dekpol S.A.

Preparation principles of a separate financial statement

Financial statement of Dekpol S.A. for 2024 was prepared in accordance with International Accounting Standards and International Financial Reporting Standards and related interpretations announced in the form of European Commission regulations (hereinafter referred to as IFRS).

Financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future. The statement presents financial position of the Company as of December 31, 2024, and December 31, 2023, results achieved on business operations of the Company and cash flow for the 12 months ended December 31, 2024, and December 31, 2023.

Report of Management Board of Dekpol S.A. on business activities for 2024 was prepared in accordance with the requirements of the Regulation of the Minister of Finance of March 29, 2018, on current and periodic information provided by issuers of securities and on consideration as equivalent the information required by law of the countries outside the EU (consolidated text: Dz. U. z 2018 poz. 757).

Current and predicted financial position of Dekpol S.A.

Analysis of financial position

CALCULATION VARIANT

Description	01.01.-31.12.2024	01.01.-31.12.2023
Sales revenues	52 063	54 518
Own selling costs	39 499	42 213
Gross profit (loss) from sales	**12 564**	**12 306**
Selling costs	628	252
General administrative expenses	8 829	10 192
Other operating income	4 543	6 524
Profit from a bargain purchase	0	0
Other operating expenses	1 783	2 429
Operating profit (loss)	**5 866**	**5 956**
Share In profit (loss) of entities accounted using the equity method	0	0
Financial revenues	74 090	35 721
Financial expenses	34 953	29 590
Profit (loss) before tax	**45 003**	**12 087**
Income tax	1 285	-291
Profit (loss) from continuing operations	43 718	12 378

Net profit (loss)	**43 718**	**12 378**
Other comprehensive income that cannot be transferred to the result	0	0
Other comprehensive income that can be transferred to the result	470	-563
Exchange differences on translating foreign units	0	0
Other comprehensive income before tax	470	-563
Income tax on other comprehensive income that cannot be transferred to the result	0	0
Income tax on other comprehensive income that can be transferred to the result	0	0
Other net comprehensive income	470	-563
Comprehensive income	**44 188**	**11 815**

The Company's sales revenues in 2024 amounted to PLN 52.06 million and were 4.5% (i.e., PLN 2.46 million) lower than in 2023. The Company achieved an operating profit of PLN 5.87 million, compared to PLN 5.96 million in the previous year. This level of operating profit primarily results from Dekpol S.A. performing a holding function within the Dekpol Capital Group. In 2024, the Company generated a net profit of PLN 43.7 million, compared to PLN 12.38 million in 2023. The high level of net profit relative to the operating profit is largely attributable to dividends received by Dekpol S.A. from its subsidiaries during 2024. EBITDA (i.e., operating profit plus depreciation) in 2024 amounted to PLN 9.84 million, compared to PLN 8.61 million in 2023.

Net profit of Dekpol S.A. for 2024 amounted to PLN 43,7 million.

Analysis of material position

Description	31.12.2024	31.12.2023
Fixed assets	**578 056**	**399 255**
Property, plant, and equipment	17 633	17 196
Investment properties	32 853	31 766
Goodwill	0	0
Intangible assets	6 705	7 291
Stocks and shares	232 849	232 704
Trade and other long-term receivables	148	5 582
Other long-term financial assets	285 392	101 444
Deferred income tax assets	2 476	3 272
Current assets	**140 546**	**131 393**
Inventory	9 286	9 619
Receivables due to contracts with clients	0	0
Trade and other short-term receivables	18 675	21 324
Receivables due to current income tax	0	792
Other short-term financial assets	29 118	43 678
Cash and cash equivalents	83 468	55 979
Including cash of limited disposal right	2 370	542
Current assets other than fixed assets or disposal groups classified as held for sale	140 546	131 393

Assets classified as held for sale	0	0
Assets in total	**718 602**	**530 647**

The value of the Company's assets at the end of 2024 amounted to PLN 718.6 million, representing an increase of PLN 187.96 million, or approximately 35.4%, compared to the end of 2023. The value of the Company's fixed assets as of the end of 2024 amounted to PLN 578.06 million, an increase of 44.8% compared to the end of 2023. Fixed assets accounted for as much as 80% of total assets, compared to 75% at the end of 2023.

Description	31.12.2024	31.12.2023
Equity	**324 614**	**300 412**
Share capital	8 363	8 363
Equity from sales of shares over its nominal value	26 309	26 309
Own shares (-)	0	0
Other reserve capital from the valuation	-63	-534
Retained earnings:	290 005	266 274
The result of the current year	43 718	12 378
Other equities	0	0
Liabilities	**393 988**	**230 235**
Long-term liabilities	**353 971**	**164 318**
Deferred income tax provision	15 435	14 981
Liabilities and provisions on employee benefits	62	51
Other long-term provisions	0	0
Long-term credits, borrowings, and debt instruments	331 972	146 177
Other long-term financial liabilities	0	0
Long-term lease liabilities	5 833	2 552
Liabilities from deliveries and services and other long-term liabilities	670	555
Other long-term liabilities	**546**	**555**
Short-term liabilities	**40 017**	**65 918**
Liabilities and provisions on employee benefits	1	1
Other short-term provisions	2 148	1 972
Short-term credits, borrowings, and debt instruments	27 133	52 110
Other short-term financial liabilities	78	1 112
Short-term lease liabilities	2 164	1 059
Liabilities due to contracts with clients	0	0
Trade liabilities and other short-term liabilities	8 493	9 665
Liabilities due to current income tax	1	0
Short-term liabilities other than those related to assets held for sale	40 017	65 918
Liabilities related to assets held for sale	0	0
Total liabilities	**718 602**	**530 647**

As of the end of 2024, the Company's current assets amounted to PLN 140.55 million, compared to PLN 131.39 million at the end of 2023. The largest component of current assets was cash (59% of current assets), which as of December 31, 2024, amounted to nearly PLN 83.47 million—an increase of PLN 27.49 million compared to 2023. Other short-term financial assets totaled PLN 29.12 million, down approximately 33.3% year-on-year. Short-term receivables amounted to PLN 18.68 million, a decrease of 12.4% compared to the previous year, representing 13% of current assets (compared to 16% at the end of 2023).

Equity as of the end of 2024 stood at PLN 324.6 million, an increase of PLN 24.19 million year-on-year. Notably, in 2024 the Company paid a dividend to shareholders in the amount of PLN 19.99 million, which equaled PLN 2.39 per share. Total liabilities increased by PLN 163.77 million year-on-year and amounted to PLN 394 million as of the end of December 2024. The increase in total liabilities was primarily due to increased debt, driven mainly by bond issuances in 2024. Long-term liabilities rose by PLN 189.65 million compared to 2023, while short-term liabilities amounted to PLN 40.03 million at the end of 2024, compared to PLN 65.92 million at the end of 2023.

On December 28, 2023, in compliance with the Act of January 15, 2015, on bonds, the Company published a forecast of its financial liabilities as of December 31, 2024. As of the publication date, the Company projected that its financial liabilities at year-end 2024 would amount to PLN 314.73 million, representing 46.6% of the Company's total liabilities. According to the financial statements presented by the Issuer for 2024, the actual financial liabilities as of December 31, 2024, amounted to PLN 367.18 million, representing 51.1% of the Company's total liabilities. The PLN 52.45 million difference results from higher-than-expected bond issuances in 2024.

In 2024, Dekpol S.A., taking advantage of favorable market conditions, carried out two unsecured bond issuances. The first, in June 2024, was the issuance of M-series bonds with a total nominal value of PLN 225 million. The funds raised allowed the parent company to finance "green" investments by companies within the Dekpol Capital Group, to redeem maturing bonds issued in previous years, and to acquire attractive land (including in Sopot), which was added to the land bank of the development segment. Later, in December 2024, Dekpol S.A. issued N-series bonds with a total nominal value of PLN 102.57 million, intended for the redemption or early redemption of bonds from series P2021A, P2021B, P2023A, and P2023B, which was economically beneficial for the Company.

The difference between the forecasted and the actual level of financial liabilities as of December 31, 2024, is also due to the fact that the proceeds from the N-series bonds had not been fully utilized by the balance sheet date. According to the bond schedules, in December 2024, the Issuer completed early redemptions of the P2021B, P2023A, and P2023B bond series, while the redemption date for the P2021A bond series (with a total nominal value of PLN 23.36 million) was set for February 2025. As a result, at the end of 2024, Dekpol S.A. carried debt from both the N-series bonds and the P2021A bonds, which were redeemed after the balance sheet date using the N-series proceeds. The Company continues to actively monitor its financial position and maintains its debt at levels it considers safe.

Cash flow analysis

Description	01.01.-31.12.2024	01.01.-31.12.2023
Profit (loss) before tax	**45 003**	**12 087**
Adjustments:	**-24 357**	**- 8 015**
Depreciation	3 969	2 649
Change of fair value of investment properties	0	0
Change in fair value of financial assets (liabilities) measured through profit	0	0
Cash flow hedging instruments transferred from capital	0	0
Revaluation write-downs recognized in the financial result	0	0
Profit (loss) on the sale of fixed assets	653	-562
Profits (losses) from foreign exchange differences	-1 565	335
Interest expenses	33 602	26 416
Interest revenues	-30 496	-22 976
Revenues from dividends	-40 000	-10 000
Income tax on profit before tax	0	0
Change in inventories	333	779
Change in receivables	8 876	100 918
Change in liabilities	84	-105 714
Change in reserves	186	140
Cash flow from activities (used in activities)	20 646	4 071
Income tax paid	**649**	**-513**
Net cash from operating activities	**21 294**	**3 559**

Expenses related to acquisition of intangible assets	-237	-887
Inflows from sales of intangible assets	0	0
Expenses related to acquisition of property, plant, and equipment	-1 472	-2 803
Inflows from sales of property, plant, and equipment	3 258	773
Expenses related to acquisition of investment properties	-2 175	0
Inflows from sales of investment properties	0	0
Net expenses for the acquisition of subsidiaries	-155	-10
Net inflows from the sale of subsidiaries	5	0
Expenses for the acquisition of other financial assets	0	0
Inflows from the sale of other financial assets	0	0
Loans granted	**-322 899**	**-61 092**
Repayments received from loans granted	139 383	70 446
Interest received	26 990	25 580
Dividends received	40 000	10 000
Cash flow resulting from the decrease (increase) in the value of short-term deposits and investments	0	0
Net cash from investment activities	**-115 254**	**42 743**
Net inflows from issue of shares	0	0
Inflows from issue of debt securities	0	0
Other inflows (expenses) from financial activities	302 460	69 942
Inflows from received grants	0	0
Redemption of debt securities	0	0
Inflows from loans and borrowings taken out	-124 636	-52 228
Repayment of loans and borrowings	**0**	**0**
Repayment of liabilities under finance lease	-2 925	-1 676
Interest paid	-2 828	-1 264
Dividends paid	-30 637	-24 645
Net cash from financial activities	-19 986	0
Change in net cash and cash equivalents	**121 448**	**-9 871**
Cash and cash equivalents at the beginning of the period	27 489	36 431
Cash and cash equivalents at the end of the period	**55 979**	**19 548**
Including cash of limited disposal right	**83 468**	**55 979**
Net inflows from issue of shares	2 370	542

Cash flows from operating activities in 2024 amounted to PLN 21.29 million. Cash flows from investing activities amounted to (-) PLN 115.25 million, while cash flows from financing activities in 2024 totaled PLN 121.45 million. As a result, the cash balance increased from PLN 55.98 million at the end of 2023 to PLN 83.47 million at the end of 2024.

Key Financial Ratios

Ratio	Recom-mended	2024	2023	Change
Profitability of sales Profit on sales*/sales revenues	Max	5,97%	3,42%	+2,55p.p.
Gross profitability of sales Gross profit/ sales revenues	Max	86,44%	22,17%	+64,27p.p.
Net profitability of sales Net profit / sales revenues	Max	83,97%	22,70%	+61,27 p.p.

Profitability of net assets Net profit/assets	Max	6,08%	2,33%	+3,75p.p.
Return on equity net Net profit/share capital	Max	13,47%	4,12%	+9,35p.p.
Current liquidity Current assets/short-term liabilities	1,4-2,0	3,51	1,99	+1,52
Quick liquidity Current assets – inventories / short-term liabilities	0,8-1,0	3,28	1,85	+1,43
Debt to equity Net debt**/ equity	Max 1,1	0,87	0,49	0,38

* Profit on sales = gross profit on sales - selling costs - general administrative costs
** Net debt = interest-bearing financial liabilities (loans, borrowings, debt securities, finance leases) - cash and cash equivalents

In this section, the Company's financial position is presented using so-called Alternative Performance Measures (APMs) as defined in the ESMA Guidelines ("Alternative Performance Measures (APMs)" – 05/10/2015 ESMA/2015/1415pl). The indicators shown in the table above have been calculated by the Company based on data from the financial statements. However, APMs are not financial data prepared in accordance with International Financial Reporting Standards, are not audited by an independent auditor, and may not be comparable to indicators presented by other companies. Therefore, they serve only as illustrative tools and provide additional information about the Company's financial condition. The Company presents APMs in the scope included in the table above, as these are standard indicators used in financial analysis, making them a useful source of information for potential investors in the Company's securities. When combined with data from the financial statements, these indicators enable a comprehensive assessment of the Company's financial condition. In 2024, the Company did not change the methodology for calculating the indicators, making the figures comparable to those from 2023.

The financial ratios remain at safe levels, confirming that the Company's operations are conducted with solid profitability, liquidity, and solvency. However, given the prevailing economic and political risks, one should be aware of the potential for fluctuations in these indicators in future periods. The Company's profitability ratios increased significantly in 2024 compared to 2023, mainly due to dividends received from subsidiaries. Liquidity ratios also improved as of the end of 2024 compared to the same period of the previous year. This is due to the increase in current assets (including cash) and the simultaneous decrease in short-term liabilities, driven by the repayment of bond debt maturing in 2024. The Company's financial debt increased by PLN 164.17 million compared to December 2023, as a result of bond issues carried out in 2024, which led to a higher debt ratio—although it still remains at a safe level.

Projections of financial results

Dekpol S.A. did not publish projections of the Company's financial results for 2024.

Dividend policy

In 2024, the "Dividend Policy on Profit Distribution of Dekpol S.A." was adopted. The adopted Dividend Policy is an extension of the Company's strategy in the area of managing generated profit. The key objective of Dekpol S.A. is to support further development of its business operations and those of the companies within the Dekpol Capital Group in the markets where they operate, while continuously improving profitability. Effective implementation of these goals requires optimal use of opportunities provided by equity in financing new initiatives.

According to the adopted Dividend Policy, Management Board—after assessing the Company's performance and considering outlook and market conditions—will annually present a recommendation on the distribution of net profit earned in the previous financial year. The dividend amount proposed by Management Board will not exceed 30% of the consolidated net profit for the given year and will depend on an assessment of current financial condition of the Company and the Capital Group, including any constraints arising from incurred liabilities. The portion of profit not designated for distribution will increase supplementary or reserve capital, allowing available capital to be used to achieve Company's and Group's strategic objectives.

Depending on financial position and constraints resulting from incurred liabilities, Management Board may also recommend the distribution of a greater portion of profit than indicated above. Each year, after completing work on financial statements for the previous fiscal year, Management Board conducts a reasoned assessment of the Company's ability to pay dividends, considering the following factors:

- portfolio of ongoing and potential investment projects and the related financing needs,
- level of contractual commitments for the use of external financing,
- level of operating liabilities,
- current liquidity needs in connection with implementation of long-term investment plans,
- level of available cash required by the agreements concluded with the financing institutions.

In accordance with the Dividend Policy, the Company aims to optimally utilize its generated profits in relation to profits earned in individual years, ensure the highest possible return on investments, support sustainable long-term development, and maintain a stable financial position that enables fulfillment of the Company's obligations and the organic growth of the entities within the Capital Group.

In circumstances outlined in the Dividend Policy and in accordance with the Best Practices of WSE Listed Companies 2021, Management Board is entitled to refrain from recommending dividend distribution. In the event of extraordinary circumstances causing material events affecting the Company's operations, implementation of the Dividend Policy may be suspended by Management Board.

The full text of the "Dividend Policy on Profit Distribution of Dekpol S.A." is available on the Company's website at the following address: https://dekpol.pl/lad-korporacyjny/.

At the same time, pursuant to Article 395 § 2 point 2 of the Polish Commercial Companies Code, the final decision on allocation of the Company's net profit for a given financial year—including decision on dividend payment and its amount—rests exclusively with the Ordinary General Meeting of Shareholders of Dekpol S.A.

Dividend payout in 2024

On May 28, 2024, Management Board of Dekpol S.A. adopted a resolution to recommend to the Ordinary General Meeting of Shareholders of the Company the payment of a dividend in the amount of PLN 19,986,492.11, i.e., PLN 2.39 per share. The recommended dividend amount consisted of:

- Company's net profit for 2023 in the amount of PLN 12,377,585.63, which the Company's Management Board recommended to allocate in full to the payment of dividends; and
- amount of PLN 7,608,906.48 transferred from supplementary capital, which was created from previous years' profits.

Management Board's recommendation was positively reviewed by the Company's Supervisory Board on the same day.

On 28 June 2024, the Annual General Meeting of Shareholders of the Company adopted a resolution to allocate the amount of PLN 19,986,492.11, i.e. PLN 2.39 per share, for distribution to shareholders. The dividend amount consisted of:

- net profit for the financial year 2023 in the amount of PLN 12,377,585.63,
- amount of PLN 7,608,906.48 transferred from supplementary capital created from retained earnings.

The Extraordinary General Meeting of Shareholders set the dividend date as of August 1, 2024, and the dividend payment date as of October 31, 2024. All 8,362,549 shares of the Company were covered by the dividend. The dividend was paid on the aforementioned date.

About the above-mentioned events, the company announced in current reports No. 26/2024 of 28 May 2024 and No. 32/2024 dated June 28, 2024.

Issuance and redemption of securities

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. The bonds will be issued in one or multiple series. The final issuance of bonds under the programme may be conducted no later than December 31, 2026. The bonds will be issued in accordance with the provisions of Article 33(1) of the Act of January 15, 2015, on Bonds, whereby, in accordance with the applicable law, there will be no requirement to prepare a prospectus or an information memorandum. The resolution of the Company's Management Board regarding the launch of the bonds issue programme stipulates that the bonds will be issued as unsecured bonds, the interest rate on the bonds will be variable or fixed, and the bond payments will be solely in cash. The bonds will be listed on the alternative trading system organized by the Warsaw Stock Exchange S.A. within the Catalyst market.

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

As a part of the aforementioned bond issuance program, the Company carried out the issuance of series M and series N bonds, which are 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.

Early voluntary redemption of 2022BC-series bonds

In April 2024, Dekpol S.A. exercised its right of early redemption at the issuer’s request and carried out the full redemption of 2022BC-series bonds prior to their maturity date. The Company redeemed all 2022BC-series bonds, i.e., 3,800 bonds with a nominal value of EUR 1,000 each. The original maturity date of the bonds was March 2027.

Issue of M-series bonds

On May 9, 2024, Management Board of Dekpol S.A. adopted a resolution on the issuance of up to 150,000 bearer bonds of M-series, each with a nominal value of PLN 1,000, and a total nominal value of up to PLN 150 million. The resolution provided for the possibility of increasing the number of offered bonds to 225,000 through a separate resolution. Accordingly, on May 27, 2024, Management Board adopted a resolution to increase the maximum number of bonds offered for acquisition to 225,000 units, with a total nominal value of up to PLN 225 million.

Subsequently, on May 27, 2024, Management Board of Dekpol S.A. adopted a resolution to carry out the preliminary allocation of 225,000 bearer bonds of M-series, 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 precedent of final settlement of the bond purchase transaction under the issuance through the system of the Krajowy Depozyt Papierów Wartościowych S.A. (KDPW). KDPW completed final settlement of bonds on June 6, 2024.

The bonds were issued under the bond issuance program adopted by Company’s Management Board on March 20, 2024, as mentioned earlier in this section. The bonds were issued in accordance with Article 33(1) of the Act of January 15, 2015, on Bonds, and, pursuant to applicable legal provisions, the preparation of a prospectus or information memorandum was not required. The bonds were issued at an issue price equal to their nominal value, i.e., PLN 1,000 per bond. The average subscription reduction rate was 34%. The bonds bear variable interest based on the 6M WIBOR base rate plus a margin. Interest on bonds is payable semi-annually. The bonds are unsecured. The redemption of bonds will take place no later than 4 years from the issue date, subject to the Company’s and bondholders’ rights to early redemption and mandatory partial amortization under the Terms and Conditions of Bonds Issue.

On June 3, 2024, Management Board of the Warsaw Stock Exchange adopted a resolution on admission of the Company’s M-series bonds to the alternative trading system on Catalyst, effective from the date of registration of bonds by Krajowy Depozyt Papierów Wartościowych (KDPW). Subsequently, on June 12, 2024, Management Board of the Warsaw Stock Exchange adopted a resolution setting June 14, 2024, as the first trading day of Company’s M-series bonds in the continuous trading system under the short name “DEK0628.” The last trading day of M-series bonds is scheduled for May 30, 2028.

The proceeds from the bond issuance will be allocated to financing ongoing operations of the Issuer’s Group, including refinancing of existing bond series issued by the Issuer. Additionally, an amount of PLN 50 million from the issuance proceeds may be used exclusively for purposes specified in the Terms and Conditions of Bonds Issue, including financing and/or refinancing of selected sustainable development projects and investments, financing and/or refinancing of capital expenditures to expand precast production capacity, development of the offshore segment, as well as development or construction of warehouse-type building projects that either hold or are designed to obtain BREEAM certification. As of the date of publication of this statement, the Company has used funds for ongoing operations, land purchases, and bond redemptions. From the pool designated for "green investments," the Company has so far spent PLN 15 million on general contracting projects seeking 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 and the conditional allocation of these bonds in current Report No. 25/2024 dated May 27, 2024; and the final allocation of bonds in current Report No. 28/2024 dated June 6, 2024.

Establishment of the III Bonds Issue Programme

On May 17, 2024, Management Board of Dekpol S.A. adopted a resolution establishing the III Bonds Issue Programme (PEO III), under which the Company may issue bonds in accordance with Article 33(1) of the Act of January 15, 2015, on Bonds, with a total nominal value not exceeding PLN 250 million. The establishment of the III Bonds Issue Programme was related to the expiry of the validity of the II Bonds Issue Programme.

Under PEO III, the Company may issue one or more bond series within 12 months from the date on which the Company's base prospectus is approved by the Polish Financial Supervision Authority (KNF). The nominal value of a single bond may be PLN 1,000. The basic Terms and Conditions of Bonds Issue are set out in the Company's base prospectus, which was approved by the KNF on January 24, 2025 (event after balance sheet date). Management Board resolution establishing PEO III provides that the bonds may be issued either as unsecured or secured, the interest may be fixed or variable, and payments under the bonds will be made exclusively in cash. Each series of bonds will be issued pursuant to a separate resolution of the Company's Management Board, which will define the final terms of that series, including in particular the currency, issue price, total nominal value of the series, maturity date, interest rate, interest periods, and the terms for applying for admission of that series to trading on a selected regulated market or the alternative trading system Catalyst.

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

Redemption of J-series bonds

In June 2024, Dekpol S.A. redeemed 9,482 of J-series bonds at maturity, each with a nominal value of PLN 1,000. The Company thus completed the full redemption of this bonds series.

Early voluntary redemption of 2022AC-series bonds

In June 2024, Dekpol S.A. exercised its right of early redemption at the issuer's request and completed the full redemption of 2022AC-series bonds prior to their maturity date. The Company redeemed all 2022AC-series bonds, i.e., 2,400 bonds with a nominal value of EUR 1,000 each. The original maturity date of the bonds was March 2027.

Redemption of K/L-series bonds

In August 2024, Dekpol S.A. redeemed 33,279 of K/L-series bonds at maturity, each with a nominal value of PLN 1,000. The Company thus completed the full redemption of this bond series.

Issue of N-series bonds

On October 30, 2024, Management Board of Dekpol S.A. adopted a resolution to issue up to 100,000 bearer bonds of N-series, each with a nominal value of PLN 1,000, and a total nominal value of up to PLN 100 million, with a provision for increasing the number of bonds offered to up to 140,000 through a separate resolution.

On November 25, 2024, Management Board of Dekpol S.A. adopted a resolution to increase the maximum number of N-series bonds offered for subscription to 102,569, with a total nominal value of up to PLN 102,569,000. On the same day, Management Board adopted a resolution to make a preliminary allocation of 102,569 bearer bonds of N-series, each with a nominal value of PLN 1,000 and a total nominal value of PLN 102,569,000. N-series bonds were allocated subject to the condition precedent of the final settlement of bond purchase transaction in the KDPW system. KDPW completed the final settlement of bonds on December 2, 2024.

N-series bonds were issued in accordance with Article 33(1) of the Act of January 15, 2015, on Bonds, at an issue price equal to their nominal value. The average subscription reduction rate was 3.04%. N-series bonds bear variable interest, based on 3M WIBOR rate plus a margin, with interest payments made quarterly. The bonds are unsecured. Redemption of N-series bonds will take place no later than 4 years from the issue date, subject to the Company's and bondholders' rights to early redemption and mandatory partial amortization of bonds under Terms and Conditions of Bonds Issue.

On November 28, 2024, Management Board of the Warsaw Stock Exchange adopted a resolution to admit the Company's N-series bonds to the alternative trading system on Catalyst, effective as of registration of these bonds by KDPW. Subsequently, on December 5, 2024, Management Board of the Warsaw Stock Exchange adopted a resolution designating December 9, 2024, as the first trading day for Company's N-series bonds in the continuous trading system under the short name "DEK1228." The last trading day for N-series bonds is scheduled for November 27, 2028.

The funds raised from the issuance of N-series bonds, less issuance costs, will be allocated first—up to an amount of PLN 100 million—for the acquisition, redemption, or early redemption of Dekpol S.A. P2021B, P2023A, P2023B, and P2021A-series bonds. Any surplus over the above-mentioned PLN 100 million will be used to finance ongoing operations of the Dekpol Capital Group. The surplus funds may be used either prior to or concurrently with the use of funds designated for refinancing of bonds. The allocation of proceeds from the issuance of N-series bonds was specified in this manner by a resolution of the Company's Management Board on November 4, 2024. As of the date of publication of this statement, the Company has used proceeds to redeem P2021B, P2023A, P2023B, and P2021A-series bonds of Dekpol S.A.

N-series bonds were issued under the Bonds Issue Programme (PEO) with a total nominal value not exceeding PLN 400 million, established in March 2024, as referred to earlier in this section. Due to legal requirements related to the conduct of issuance, on October 30, 2024, Management Board of Dekpol S.A. adopted a resolution to amend terms of the bond issuance program to allow for the possibility of issuances requiring the preparation of a prospectus or information memorandum. In the case of N-series bond issuance, the Company prepared appropriate information memorandum in accordance with legal regulations.

About intention to issue N-series bonds and the amendment of terms of bonds issue programme, the Company announced its in current reports No. 53/2024 dated October 30, 2024, and no. 54/2024 dated November 4, 2024; the increase in the maximum number of N-series bonds offered and their conditional allocation in current report no. 59/2024 dated November 25, 2024; and the final allocation of N-series bonds in current report no. 61/2024 dated December 2, 2024.

Early full redemption of P2021B-series bonds

On November 21, 2024, Management Board of Dekpol S.A. decided to redeem, at Issuer's request, all outstanding P2021B-series bonds that had not been cancelled or held by the Issuer, bearing ISIN code PLDEKPL00131. According to the basic and final Terms and Conditions of Bonds Issue (WEO), the original maturity date for P2021B-series bonds was scheduled for September 22, 2025. Pursuant to the aforementioned resolution of the Company's Management Board, early redemption of P2021B-series bonds at the Issuer's request was carried out on December 22, 2024, with the record date for redemption rights set as December 16, 2024. As a result, trading in P2021B-series bonds on the Catalyst regulated market was suspended from December 12, 2024. On the redemption date, the Issuer paid for each P2021B-series bond an amount equal to its nominal value, i.e., PLN 1,000, along with accrued interest of PLN 26.05 per bond. The basis for early redemption at the Issuer's request was point 12 of the basic Terms and Conditions of Bonds Issue. The early redemption was processed through the KDPW in accordance with applicable regulations.

P2021B-series bonds were originally issued in a total of 12,102 bonds, each with a nominal value of PLN 1,000. On December 3, 2024, Management Board of Dekpol S.A. adopted a resolution to cancel 2,049 of its own bonds from P2021B-series. Remaining 10,053 bonds were redeemed on December 22, 2024, in accordance with the above resolution. As a result, as of December 31, 2024, the Company no longer had any liabilities related to P2021B-series bonds.

About final allocation of P2021B-series bonds, the company announced in current report No. 16/2022 dated March 29, 2022, and about early full redemption in current report No. 57/2024 dated November 21, 2024.

Early full redemption of P2023A and P2023B-series bonds

On November 26, 2024, Management Board of Dekpol S.A. decided to redeem, at Issuer's request, all outstanding P2023A-series bonds (ISIN: PLDEKPL00149) and P2023B-series bonds (ISIN: PLDEKPL00156) that had not been cancelled or were not held by the Issuer.

According to the basic and final Terms and Conditions of Bonds Issue (WEO), the original maturity dates for P2023A and P2023B-series bonds were scheduled for June 27, 2026. Pursuant to the above-mentioned resolution of the Company's Management Board, the early redemption of P2023A and P2023B-series bonds at the Issuer's request was carried out on December 27, 2024, with the record date for redemption rights set as December 20, 2024. Consequently, trading in P2023A and P2023B-series bonds on the Catalyst regulated market organized by the Warsaw Stock Exchange (GPW) was suspended as of December 18, 2024. On the redemption date, the Issuer paid for each bond of P2023A and P2023B-series an amount equal to its nominal value, i.e., PLN 1,000, plus accrued interest of PLN 28.30 and an early redemption premium of PLN 5.00 per bond. The basis for early redemption of both bond series at the Issuer's request was point 12 of basic Terms and Conditions of Bonds Issue for each respective bond series. The early redemptions were executed through the KDPW in accordance with its applicable regulations. The early redemption of P2023A and P2023B-series bonds was financed from the proceeds obtained from the issuance of N-series bonds.

P2023A-series bonds were issued in a total of 40,000 units, each with a nominal value of PLN 1,000, and P2023B-series bonds were issued in a total of 30,000 units, also with a nominal value of PLN 1,000 each. On December 3, 2024, Management Board of Dekpol S.A. adopted a resolution to cancel 5,953 of its own bonds from P2023A-series and 2,453 bonds from P2023B-series. The remaining 34,047 of P2023A-series bonds and 27,547 of P2023B-series bonds were redeemed on December 27, 2024, in accordance with the resolution mentioned above. As a result, as of December 31, 2024, the Company had no outstanding liabilities related to P2023A or P2023B-series bonds.

About final allocations of the P2023A and P2023B-series bonds, the Company announced the in current reports No. 23/2023 dated June 27, 2023, and No. 35/2023 dated July 24, 2023, respectively, and the early full redemption of both bond series in Current Report No. 60/2024 dated November 26, 2024.

Redemption of P2021A-series bonds

In December 2024, Management Board of Dekpol S.A. adopted a resolution to cancel 1,233 of its own bonds from P2021A-series. The remaining 23,767 of P2021A-series bonds, each with a nominal value of PLN 1,000, were redeemed on the maturity date specified in Terms and Conditions of Bonds Issue, i.e., on February 13, 2025 (event after balance sheet date). As a result, as of the date of publication of this statement, the Company has no outstanding liabilities related to P2021A-series bonds.

Evaluation of the Company's financial resources management

The management of the Dekpol's financial resources should be considered as correct. The financial position is stable, as evidenced by financial data presented and additional information in the form of liquidity, profitability, and debt ratios provided in this Report.

Due to changes in structures of the Dekpol Capital Group in recent years, the company's available funds are primarily used to support current business operations of its subsidiaries and to repay current financial obligations.

The company is capable to meet its obligations, and as of the publication date of this Report, it does not foresee any future threats in this regard. All risk factors and threats have been described in this Report and in the company's financial statement.

Financial position is stable.

Economic and financial results of the Dekpol Capital Group

Economic and financial results of the Dekpol Capital Group

Preparation principles of consolidated financial statement

Financial statement of Dekpol S.A. for 2024 was prepared in accordance with International Accounting Standards and International Financial Reporting Standards and related interpretations announced in the form of European Commission regulations (hereinafter referred to as IFRS).

Financial statement has been prepared on the assumption that the Group will continue as a going concern in the foreseeable future. The statement presents financial position of the Capital Group as of December 31, 2024, and December 31, 2023, the results achieved on business operations of the Group and cash flow for 12 months ended December 31, 2024, and December 31, 2023.

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

The Dekpol Group performs very well under demanding market conditions. Despite having already reached a significant scale, we have remained an organization capable of responding quickly to changing circumstances—always ready to take on new business challenges and well-prepared to achieve our objectives in a variety of environments.

Katarzyna Szymczak-Dampc
Vice-President of Management Board

Current and predicted financial situation of the Dekpol Capital Group

Analysis of financial position

CALCULATION VARIANT

Description	Note	01.01.-31.12.2024	01.01.-31.12.2023
Sales revenues		1 404 001	1 568 829
Own selling cost		1 154 471	1 343 012
Gross profit (loss) from sales		**249 530**	**225 817**
Selling costs		57 700	51 096
General administrative expenses		58 164	46 941
Other operating revenues	1.6.4	34 756	20 044
Profit from a bargain purchase		0	0
Other operating expenses	1.6.5	47 619	31 947
Operating profit (loss)		**120 802**	**115 877**
Financial revenues	1.6.6	34 995	35 285
Financial expenses	1.6.7	32 735	34 264
Share In profit (loss) of entities accounted using the equity method		-667	0
Profit (loss) before tax		**122 395**	**116 897**
Income tax	1.6.8	25 892	26 531
Profit (loss) from continuing operations		**96 503**	**90 366**
Profit (loss) from discontinued operations		0	0
Net profit (loss)		**96 503**	**90 366**
Total income attributable to non-controlling shareholders		297	1 034
Total income attributable to shareholders of the parent entity		96 207	89 332

Sales revenues amounted to nearly PLN 1,404 million, representing a decrease of approximately PLN 164.83 million (a decline of nearly 11%) compared to 2023. General and administrative expenses as well as selling expenses totaled PLN 115.86 million, compared to PLN 98.04 million in 2023.

At the operating profit level, the Group generated approximately PLN 120.8 million in profit, compared to PLN 115.88 million in the previous year. The Dekpol Group's results remain satisfactory despite a demanding and volatile market environment. The challenging market conditions affected the Group's turnover compared to the same period in 2023. However, despite the decline in revenue, the Group generated a higher operating profit than in the previous year, which demonstrates its operational efficiency and effectiveness.

Net profit at the end of 2024 amounted to PLN 96.5 million, marking a record-high net profit for the Dekpol Capital Group and an increase of PLN 6.14 million (almost 7%) compared to 2023. The Group's EBITDA at the end of 2024 reached PLN 137.2 million, up nearly 4% year-on-year—an achievement that is very satisfactory given the market conditions.

Group EBITDA of PLN 137.2 million and Group net profit of a record PLN 96.5 million.

Analysis of material position

Description	31.12.2024	31.12.2023
Fixed assets	**322 431**	**294 106**
Property, plant, and equipment	156 306	148 418
Intangible assets	6 550	7 122
Goodwill	0	0
Investment properties	100 968	86 019
Stocks and shares	13 099	5 746
Trade and other long-term receivables	6 026	6 836
Other long-term financial assets	3 028	4 782
Deferred income tax assets	36 454	35 183
Current assets	**1 355 683**	**1 248 691**
Inventory	667 144	393 695
Receivables due to contracts with clients	36 406	17 918
Trade receivables and other short-term receivables	297 523	519 882
Receivables due to current income tax	17 206	1 251
Other short-term financial assets	9 076	23 128
Cash and cash equivalents	328 329	292 817
including cash on escrow accounts	45 706	46 092
Current assets other than fixed assets or disposal groups classified as held for sale	1 355 683	1 248 691
Assets classified as intended for sale	0	0
Assets in total	**1 678 114**	**1 542 797**

Description	31.12.2024	31.12.2023
Equity	**639 267**	**577 863**
Share capital	8 363	8 363
Equity from sales of shares over its nominal value	26 309	26 309
Own shares (-)	0	0
Other reserve capital from the valuation	7 283	17 390
Retained earnings:	580 758	505 843
Equity attributable to shareholders of the parent entity	622 713	557 905
Non-controlling shares	16 554	19 958
Liabilities	**1 038 847**	**964 934**
Long-term liabilities	**472 287**	**292 859**
Deferred income tax provision	34 150	31 851
Liabilities and provisions on employee benefits	509	422

Other long-term provisions	0	0
Long-term credits, borrowings, and debt instruments	337 794	203 235
Other long-term financial liabilities	0	0
Long-term lease liabilities	54 135	**23 843**
Liabilities from deliveries and services and other long-term liabilities	45 699	33 509
Short-term liabilities	**566 560**	**672 075**
Liabilities and provisions on employee benefits	49	1 070
Other short-term provisions	111 328	100 439
Short-term credits, borrowings, and debt instruments	110 623	113 976
Other short-term financial liabilities	78	1 112
Short-term lease liabilities	9 479	7 228
Liabilities due to contracts with clients	18 630	41 690
Liabilities from deliveries and services and other short-term liabilities	314 357	382 786
Liabilities due to current income tax	2 016	23 774
Short-term liabilities other than those related to assets held for sale	566 560	672 075
Liabilities connected to assets intended for sale	0	0
Liabilities in total	**1 678 114**	**1 542 797**

As of the end of 2024, the Dekpol Group's total assets amounted to PLN 1,678.11 million, an increase of over PLN 135.32 million compared to 2023, primarily due to an increase in current assets by PLN 106.99 million.

The asset structure continues to demonstrate significant flexibility—fixed assets accounted for approximately 19% of the Group's total assets, the same as in 2023. The value of fixed assets as of the end of 2024 amounted to PLN 322.43 million, an increase of PLN 28.33 million compared to the previous year.

Current assets as of year-end 2024 totaled PLN 1,355.68 million, up approximately PLN 106.99 million from year-end 2023. Inventories represented 49% of current assets, up from 32% a year earlier. Nominally, inventories amounted to PLN 667.14 million in 2024, compared to PLN 393.69 million as of December 31, 2023. Receivables accounted for 22% of current assets and decreased by PLN 222.36 million compared to 2023. As of the end of 2024, the Group recorded an increase in cash, with the balance rising by PLN 35.51 million compared to 2023, reaching PLN 328.33 million. Cash represented 24% of current assets, compared to 23% a year earlier.

Equity in the Dekpol Capital Group amounted to PLN 639.27 million at the end of 2024, an increase of approximately PLN 61.40 million compared to the end of 2023, representing growth of around 11%. Total liabilities accounted for 62% of total equity and liabilities, with short-term liabilities making up 34% of the total. As of December 31, 2024, the nominal value of short-term liabilities was PLN 566.56 million, down PLN 105.52 million compared to the previous year. Long-term liabilities accounted for about 28% of total liabilities and amounted to PLN 472.29 million at the end of 2024, representing an increase of PLN 179.43 million compared to the prior year.

On December 28, 2023, Dekpol S.A., in accordance with requirements of the Act of January 15, 2015, on bonds, published a forecast of the Group's financial liabilities as of December 31, 2024. At the time of publication, the Company projected that the Dekpol Capital Group's financial liabilities would amount to PLN 544.78 million at year-end 2024, representing 32.1% of total liabilities.

Ultimately, according to the consolidated financial statements of the Dekpol Group for 2024, the actual value of financial liabilities as of December 31, 2024, was PLN 512.11 million, representing 30.5% of total liabilities. Thus, the Dekpol Capital Group recorded PLN 32.67 million less in financial liabilities than forecasted. The original assumptions included greater use of current account and working capital credit facilities at the consolidated level, but due to the Group's strong cash position, some entities did not need to activate additional external financing.

Taking advantage of favorable market conditions, Dekpol S.A. conducted two unsecured bond issues in 2024. The first, in June 2024, was the issue of M-series bonds with a total nominal value of PLN 225 million. The funds raised enabled the parent company to support "green" investments by Dekpol Capital Group companies. Then, in December 2024, Dekpol S.A. issued N-series bonds with a total nominal value of PLN 102.57 million, intended for the redemption or early redemption of P2021A, P2021B, P2023A, and P2023B-series bonds, which was economically beneficial for the Company.

In summary, while the Group originally forecast a higher use of credit facilities and lower levels of bond issuance, the actual financing strategy was adjusted due to the above-mentioned factors, and the Dekpol Capital Group's financial liabilities ended up being lower than initially planned in the December 2023 forecast. The Dekpol Capital Group continuously monitors its financial position and maintains its debt levels at a safe level.

The equity value at the end of 2024 amounted to PLN 639.27 million, which indicates an increase compared to the end of 2023 of approximately PLN 61.4 million.

Cash-flow analysis

INDIRECT METHOD

Description	01.01.-31.12.2024	01.01.-31.12.2023
Profit (loss) before tax	**122 395**	**116 897**
Adjustments:	**-90 768**	**13 382**
Depreciation	16 397	16 202
Change of fair value of investment properties	-285	-569
Revaluation write-downs recognized in the financial result	0	-294
Profit (loss) on the sale of fixed assets	130	-622
Profits (losses) due to exchange rate differences	-1 921	-2 483
Interest expenses	19 834	35 256
Interest receivables	-294	-679
Dividend receivables	0	0
Income tax on profit before tax	0	0
Other adjustments	514	0
Change in inventories	-248 283	-15 230
Change in receivables	204 683	-79 588
Change in liabilities	-91 497	8 207
Change in reserves	9 954	53 182
Cash flow from activities (used in activities)	31 627	130 279
Income tax paid	-54 603	-33 200
Net cash from operating activities	**-22 976**	**97 079**
Expenses related to acquisition of intangible assets	-331	-887
Inflows from sales of intangible assets	0	0
Expenses related to acquisition of property, plant, and equipment	-9 643	-6 814
Inflows from sales of property, plant, and equipment	3 309	1 360
Expenses related to acquisition of investment properties	0	0
Inflows from sales of investment properties	0	0
Net expenses for the acquisition of subsidiaries	-8 020	0

Net inflows from acquisition of subsidiaries	0	3
Loans granted	0	0
Repayments received from loans granted	0	3 957
Interest received	287	1 243
Expenses related to acquisition of other financial assets	0	-5 730
Inflows from sales of other financial assets	0	0
Other inflows (outflows) from investing activities	2 046	736
Net cash from investment activities	**-12 351**	**-6 133**
Net inflows from issue of shares	0	0
Acquisition of own shares	0	0
Expenses on changes in interests in subsidiaries that do not result in a loss of control	-4 010	0
Inflows from issue of debt securities	302 460	69 942
Redemption of debt securities	-134 636	-52 228
Inflows from loans and borrowings taken out	23 002	118 756
Repayment of loans and borrowings	-44 995	-122 732
Repayment of liabilities under finance lease	-11 354	-6 932
Interest paid	-38 833	-34 563
Dividends paid	-20 794	0
Inflows from received grants	0	0
Other inflows (expenses) from investment activities	0	23
Net cash from financial activities	**70 840**	**-27 733**
Change in net cash and cash equivalents without exchange differences	35 513	63 213
Change in cash and cash equivalents due to exchange differences	0	146
Net change in cash and cash equivalents	35 513	63 359
Cash and cash equivalents at the beginning of the period	292 817	229 458
Cash and cash equivalents at the end of the period	**328 329**	**292 817**
Including cash of limited disposal right	45 706	46 092

Cash flows from operating activities in 2024 amounted to PLN -22.98 million, compared to PLN 97.08 million in 2023.

Net cash flows from investment activities in 2024 amounted to PLN -12.35 million, compared to PLN -6.13 million in 2023.

Net cash flows from financial activities totaled PLN 70.84 million in 2024, compared to PLN -27.73 million in 2023.

The generated cash flows resulted in an increase in cash balance at the end of 2024 by PLN 35.51 million compared to 2023.

Cash and cash equivalents at the end of 2024 assumed a value of PLN 328.33 million.

Significant off-balance sheet items

Type of guarantee - Balance as of 31.12.2024	Granted (in thousands of PLN)	Received (in thousands of PLN)

Contractual - insurance guarantee	219 728	23 668
Contractual - bank guarantee	82 570	19 638
Guarantee PLG-FGP BGK	-	85 000
Total:	**302 298**	**128 306**

Other	Limit (in PLN thousand)	Balance as of 31.12.2024 (thousands of PLN)
Full factoring BFF Polska SA (Dekpol Budownictwo sp. z o.o.)	14 000	0
Full factoring BFF Polska SA (Dekpol Budownictwo sp. z o.o.)	4 000	0
Full factoring PKO Bank Polski S.A. (Dekpol Budownictwo sp. z o.o.)	30 000	0
Full factoring Santander Bank S.A. (Dekpol Budownictwo sp. z o.o.)	7 000	0
Full factoring Santander Bank S.A. (Dekpol Steel sp. z o.o.)	2 200	535
Total:	**18 000**	**0**

Key financial ratios

Ratio	Recom-mended	2024	2023	Change
Profitability of sales Profit on sales*/sales revenues	Max	9,52%	8,14%	+1,38p.p.
Gross profitability of sales Gross profit/ sales revenues	Max	8,72%	7,45%	+1,27p.p.
Net profitability of sales Net profit / sales revenues	Max	6,87%	5,76%	+1,11p.p.
Profitability of net assets Net profit/assets	Max	5,75%	5,86%	-0,11p.p.
Net return on equity Net profit / equity	Max	15,10%	15,64%	-0,54p.p.
Current liquidity Current assets / short-term liabilities	1,4-2,0	2,39	1,86	+0,53
Quick liquidity Current assets – inventories / short-term liabilities	0,8-1,0	1,22	1,27	-0,06
Debt to EBITDA Net debt **/EBITDA***	Max 4,5	1,34	0,43	+0,91
Debt to equity Net debt**/ equity	Max 1,1	0,29	0,10	+0,19
Ratio of unsecured assets to unsecured debt (Total Assets- 1.3*secured Financial Debt)/unsecured Financial Debt ****	Not less than 2	4,21	-	-

* Profit on sales = gross profit on sales - selling costs - general administrative expenses
** Net debt = interest-bearing financial liabilities (loans, borrowings, debt securities, finance leases) - cash and cash equivalents
*** EBITDA = Operating profit plus depreciation (in the last twelve months)
**** Ratio described in accordance with the requirements of the M-series bond issued in June 2024 and N-series bond issued in December 2024. Under Terms and Conditions of the issue, the ratio must be greater than or equal to 2. Secured financial debt as at 31.12.2024 is PLN 163,933 thousand; Unsecured financial debt as at 31.12.2024 is PLN 348,116 thousand.

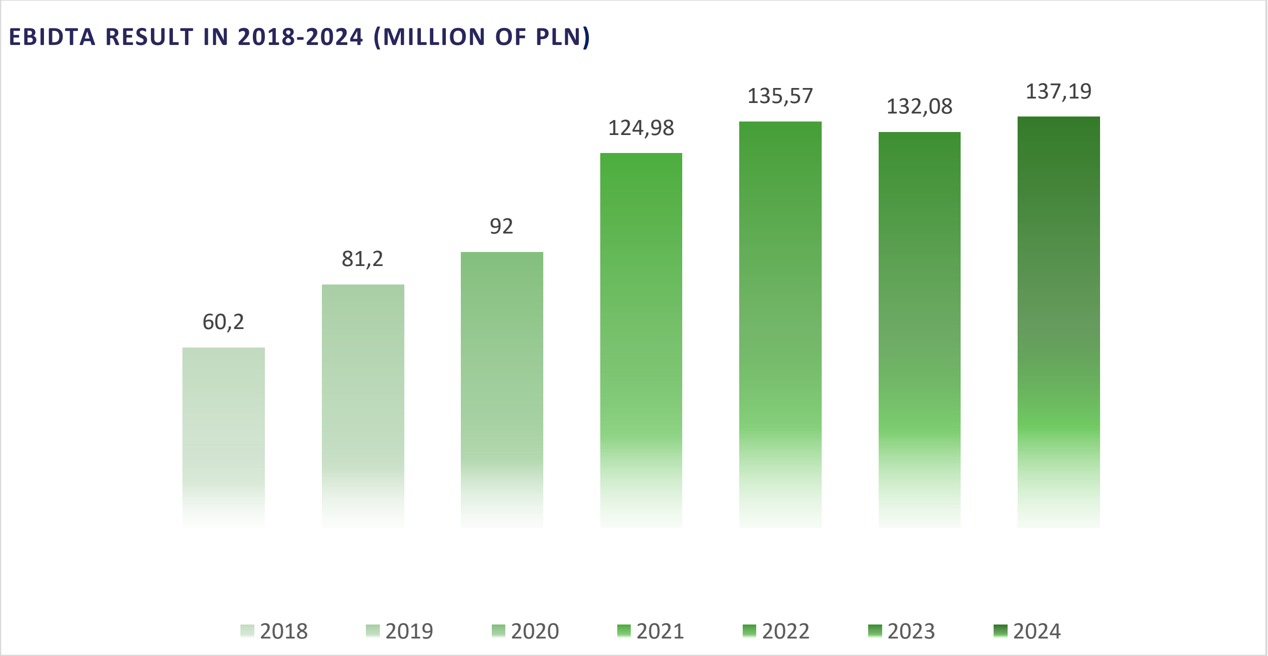
In this section, the Group's financial position is presented using so-called Alternative Performance Measures (APMs) as defined in the ESMA Guidelines ("Alternative Performance Measures (APMs)" – 05/10/2015 ESMA/2015/1415pl). The indicators shown in the table above have been calculated by the Company based on data derived from the consolidated financial statements. However, APMs are not financial data prepared in accordance with International Financial Reporting Standards, are not subject to audit by an independent auditor, and may not be comparable to indicators presented by other companies. Therefore, they serve only as indicative tools and provide additional information regarding the Group's financial condition. The Group presents APMs in the scope shown in the table above, as these are standard indicators used in financial analysis, making them a useful source of information for potential buyers of securities issued by the Company. This information, when combined with the data from the financial statements, allows for a comprehensive assessment of the Group's financial standing. In 2024, the Company did not change the methodology used for calculating these indicators, making them comparable to those for 2023.

The financial ratios remain at safe levels, confirming that the Group's dynamic growth is being conducted while maintaining good profitability, liquidity, and solvency. However, given the prevailing economic and political risks, the likelihood of fluctuations in these indicators in future periods must be taken into account. As of the end of 2024, profitability in the Dekpol Capital Group remained at a relatively similar level to 2023. In terms of liquidity, the Group also continues to maintain safe levels, despite slight fluctuations compared to the previous year.

Historically, the Dekpol Group has been characterized by an elevated level of debt, resulting from its rapid business expansion across nearly all areas of activity. This expansion involved high capital expenditures and increased demand for working capital. In the past two years, the Group has begun to see positive effects from these investments. It is worth noting that during the period under review, the level of indebtedness increased compared to prior years, primarily due to the issuance of M and N-series bonds in 2024. The Company regularly analyzes the possibility of adjusting its debt level with regard to the Group's financial security.

n 2024, due to improvements in receivables collection, the Group was able to manage its debt capital more efficiently, which, by the end of the period, was at a low and safe level. The debt ratios in the Dekpol Capital Group:

- Net Debt / Equity ratio decreased from 1.17 as of December 31, 2018, to 0.75 as of December 31, 2019, and to 0.36 as of December 31, 2020. It further declined to 0.22 as of December 31, 2021, and to 0.10 as of December 31, 2022. As of December 31, 2023, the ratio stood at 0.10, and as of December 31, 2024, it increased slightly to 0.29,
- Net Debt / LTM EBITDA ratio decreased from 3.73 as of December 31, 2018, to 2.24 as of December 31, 2019, then to 1.15 as of December 31, 2020, and to 1.13 as of December 31, 2021 (1.35 excluding the gain from the bargain purchase of Intek). It further declined to 0.78 as of December 31, 2022, and to 0.43 as of December 31, 2023. As of December 31, 2024, the ratio increased to 1.34,
- As a result of systematic growth, the Group has been achieving increasingly better and more stable operating results: in 2018, EBITDA amounted to PLN 60.2 million, in 2019 to PLN 81.2 million, in 2020 to PLN 92 million, and in 2021 to PLN 124.98 million (PLN 104.75 million excluding the gain from the bargain purchase of Intek). In 2022, EBITDA reached PLN 135.57 million, while in 2023 it remained at a similar level at PLN 132.08 million. As of December 31, 2024, EBITDA amounted to PLN 137.2 million.



Projection of financial results

Dekpol S.A. did not publish projections of financial results of the Dekpol Capital Group for 2024.

Issuance and redemption of securities

Information on the issue of securities carried out by Dekpol S.A. can be found in this Report in point Issue of Securities in the section Financial and Economic Results of the Company Dekpol S.A. Other companies within the Dekpol Capital Group did not issue securities in 2024.

Redemption of B-series bonds by a subsidiary

In August 2024, Dekpol Deweloper Sp. z o.o. redeemed, in accordance with the maturity date, 10,000 of B-series bonds with a nominal value of PLN 1,000 each. Thus, Dekpol Deweloper Sp. z o.o. completed full redemption of this bond series.

Early redemption of A and B-series of bonds by the subsidiary

On April 23, 2025 (event after balance sheet date), Dekpol Budownictwo Sp. z o.o. carried out the early redemption of bonds at the request of the Issuer (Dekpol Budownictwo Sp. z o.o.), redeeming 15,000 of A-series bonds and 20,000 of B-series bonds, each with a nominal value of PLN 1,000. As a result, Dekpol Budownictwo Sp. z o.o. completed full redemption of A and B-series bonds.

Evaluation of financial resource management of the Dekpol Group

The financial resource management strategy of the Dekpol Group is based on a financing structure supported by long-term sources of funding. The Group's companies finance their operations using external capital through loans, bonds, borrowings, advance payments, factoring, and leasing. The Group places importance on ensuring that external financing is diversified—both in terms of financial instruments used and financing institutions. The main goals of financial resource and liquidity management within the Group are continuous monitoring of the Group's debt levels, ensuring stable and efficient financing of operations, and effective working capital management. These goals are pursued in response to changing economic and business conditions through effective management of credit, currency, and interest rate risks. The strategy envisions a gradual shift in the coming years from short-term debt used to finance individual construction contracts to long-term financing, with particular emphasis on advance payments from investors, as well as maintaining a safe level of debt over the long term.

The management of financial resources can be considered as appropriate. The financial position is stable, as evidenced by liquidity and profitability ratios presented in this Report.

Free funds within the Group are used to support current business operations of subsidiary companies and to repay current financial obligations.

The Dekpol Group can fulfill its commitments and, as of publication date of this Report, Management Board of Dekpol S.A. does not foresee any future threats in this regard.

5. Development perspectives of the Company and the Dekpol Capital Group

Development perspectives of the Company and the Dekpol Capital Group

Strategy and development directions

Key assumptions of the strategy at the level of the Group and segments

Dekpol Capital Group

In 2024, the Dekpol Capital Group continued to implement its strategy focused on strengthening market position, diversifying operating activities, and building lasting value for shareholders and stakeholders. In the face of dynamic macroeconomic changes and an unstable market environment, a key strategic premise remains the flexible and responsible management of all areas of the Group's operations, while maintaining high operational efficiency and financial resilience.

The Group's strategy is built on several fundamental pillars. The first is operational and managerial integration across segments, enabling better use of resources, cost reduction, and faster exchange of knowledge and experience between the companies within the Group. This not only helps mitigate risks associated with operating in individual segments but also allows for achieving scale and synergy effects—both operationally and in terms of investment.

The second key element of the strategy is revenue diversification—not only through the development of various business lines but also through geographical expansion and the growth of export activities. This kind of diversification allows the Group to reduce its dependence on market cycles in specific sectors and regions, thus building greater resilience to external factors such as raw material price volatility, financing costs, or regulatory changes.

As a part of strategy execution, great importance is also placed on developing internal competencies—both at the managerial and operational levels. The Group invests in human capital development, implements modern management models, and strives to create a stable and engaged work environment. Expert teams, thanks to their industry knowledge and experience, support decision-making processes and implement solutions that enhance the efficiency and quality of executed projects.

Digital transformation and process automation continue to be top priorities. The Group is intensifying its efforts in digitization—both in production and construction, as well as in project management, customer relations, and internal reporting. These initiatives aim to increase process transparency, improve communication, and shorten task completion times, directly impacting operational efficiency and market competitiveness.

One of the ongoing initiatives of Dekpol S.A. and its subsidiaries is the continued integration of ESG (Environmental, Social, Governance) principles into Group operations. In this area, the Group sees opportunities to improve unit-level efficiency, reduce natural resource consumption and environmental impact, and increase employee engagement.

In the medium- and long-term perspective, the Group will continue its focus on strengthening its position in key business segments: general contracting, production of construction equipment attachments, and property development. It also plans to further develop its promising prefabrication operations run by Betpref and Kombet Działdowo.

An important priority for the Dekpol Capital Group in the near future will remain the optimization of all processes within the Group to fully leverage synergy between the various companies and segments. By maintaining organizational flexibility and adaptability, the Group is preparing for further market changes while focusing on maintaining stable results and reinforcing its competitive advantages amid growing cost and regulatory pressures.

Development of Dekpol Group through synergies, diversification, efficiency, digitalization and sustainability.

General Contracting segment

The short-term strategy of the segment assumes organic growth of the enterprise, with the expectation that this will be reflected in improved financial performance. The key priorities remain the development of core operations based on: (1) acquiring new sales markets, (2) selecting an appropriate order portfolio, (3) maintaining a high level of cost discipline, (4) ongoing control, and (5) developing human capital competencies.

In the short- and medium-term commercial strategy, the general contracting segment will continue to focus its acquisition efforts on short-term industrial and logistics construction projects as well as public utility buildings. According to the Company's Management Board, these projects are expected to account for approximately 80% of anticipated revenue in 2025. The segment aims to acquire increasingly complex engineering and technical projects. As of the balance sheet date, the order portfolio secured for 2025 holds the highest historical value. When planning for 2025, the segment assumed high activity in acquiring new projects—seeking to expand into new market areas, whether in terms of territory or through projects that go beyond the segment's core scope. Additionally, the company will carry out contracts for its sister company, Dekpol Deweloper Sp. z o.o.

As in previous years, in 2025 the Management Board will devote considerable attention to the company's internal processes to best adapt them to the economic environment. Effective control of internal operations and the pursuit of internal organizational excellence remain top priorities for the general contracting segment. One example is the planned implementation of modern IT solutions in 2025.

Efficient control of internal processes, as well as the pursuit of intra-organizational excellence, are priorities for the general contracting segment.

Property Development segment

The strategy of the development segment assumes the continuation of development activities in both the popular housing segment and the premium segment, as well as in the investment segment, including the construction of rental apartments and hotels. Dekpol Deweloper Sp. z o.o. intends to continue focusing on the implementation of projects across various segments and on the systematic improvement of its financial results. The company plans to acquire attractive plots of land for the construction of residential and commercial units across the country. Expanding into new markets will allow the company to continue its dynamic growth and increase brand recognition. Both tailoring the offer to the financial capabilities and expectations of clients, as well as intensified marketing efforts, will help maintain a satisfactory level of sales. The land bank owned by the company enables the launch of new developments through to 2030. In 2025, the company intends to commence construction on 5 new projects. It also plans to continue its cooperation with financial institutions in the PRS (Private Rented Sector) market, thereby ensuring access to capital that allows for the optimal execution of development plans. Most investments will be carried out in the Pomeranian Voivodeship, where Dekpol Deweloper Sp. z o.o. holds a stable market position. Based on its current land bank, the company can introduce approximately 4,600 units to the market, with a total usable floor area (PUM) of about 234,000 m^2.

Property development segment assumes growth in the popular, premium and investment construction segments.

Segment of production of accessories for construction machines

The core business of Dekpol Steel Sp. z o.o. is the production and sale of buckets and attachments for construction machinery. At Intek, a company based in Lubawa, production is carried out for clients from the offshore, heavy road transport, mining, and railway industries.

The strategic goal of the construction machinery equipment production segment is to build a strong sales market and to continuously improve efficiency and optimize internal processes. Sales strategy of Dekpol Steel Sp. z o.o. is based on four main directions: the domestic market, where the segment aims to reach a target share of 15% of total revenue, the Scandinavian market, where, through sales diversification, the company aims to generate 35% of total revenue, production for OEM clients, which remains a key objective for the company, with a target share of approximately 15% of total revenues, sales to DACH countries (Germany, Austria, Switzerland), which are crucial for achieving stable diversification of sales channels and gaining control over the company's commercial resources. The company estimates that these goals should be achievable within the next 36 months.

A key priority for the segment remains improving competitiveness, which is being pursued by increasing the efficiency of internal and external processes, improving delivery punctuality, and reducing lead time (LT).).

Dekpol Steel and Intek continuously improve process efficiency.

Implementation of the Company's and Dekpol Group's strategy in 2024

In financial year 2024, as a part of implementation of adopted development strategy, the following actions were taken:

General Contracting Segment

HUMAN CAPITAL

The General Contracting Segment continuously develops and retains a competent team capable of proactive performance. The company emphasizes a team-oriented approach focused on client needs as a key operational principle.

In 2024, the General Contracting Segment implemented organizational values, revamped the structure of the "Dekpol Budownictwo Academy" (an engineering competency development program), and completed a dedicated leadership development program for over fifty managers, conducted in collaboration with the Training Projects Foundation led by Rafał Szczepanik. Following an external audit, the segment was awarded the prestigious "Investor in Human Capital" emblem—becoming the first company in the construction sector to receive this recognition. These long-term investments in human capital form the foundation for maintaining strong dynamics in acquiring contracts from a diverse customer base. They also serve as clear evidence of the company's determination to uphold the highest standards of management and professional development. The segment continued its "From Engineer to Manager" program, which outlines career paths for young engineers. Additionally, the following internal initiatives were carried out: "We Care About Development," "We Care About the Environment," "We Care About Children," and "We Care About Health." Fulfilling the organization's vision of becoming the "General Contractor of First Choice," the company remains committed to implementing a human resources strategy focused on creating and retaining a competent, diverse, and proactive team. This approach is rooted in strong relationships with business stakeholders, responsibility, professionalism, reliability, and mutual trust. The General Contracting Segment continuously brings on board experienced engineers, significantly boosting its technical and delivery capabilities. In 2024, Mr. Piotr Skoraczewski joined the structures and management board of Dekpol Budownictwo Sp. z o.o. He brings twenty years of experience in industrial and logistics construction and is highly regarded for having led some of the largest commercial construction projects in Poland.

AVAILABLE AND ATTRACTIVE OFFER

The segment continuously enhances and expands its offering, which is competitive, accessible, and transparent, based on a local approach: regional Operational Centers, localized cost estimations, and local execution teams. Currently, the offering is being expanded to include public utility construction.

In the General Contracting Segment's development plan, a top priority is the ability to consistently provide clients with attractive and readily available offers. Given its achieved revenue scale, potential, and brand recognition, the segment builds its commercial strategy on:

- a local presence in the markets that are the subject of the company's commercial involvement - involving, among other things, the building of local management, technical and commercial teams (including an office for the local calculation of offers and sales of services) - in 2024 the search began for.
- broadening the spectrum of interest to include new markets and construction segments for the company.
- always attractive level of submitted offers, focusing on the repeatability of business relations.
- increasing the overall quality of the Company's offer, in particular the Design and Build projects.

To implement the above points with maximum momentum, Dekpol Budownictwo Sp. z o.o. appointed Mr. Karol Słupek as a Management Board Member specifically responsible for executing the commercial and marketing strategy. In 2024, the company launched a market analysis aimed at hiring additional personnel responsible for sales, with a focus on carefully selected target markets.

EXPERTISE

The expertise of the general contracting segment's team lies in its continuously deepened knowledge, which the company applies to all its projects. With extensive execution experience—over 100 buildings completed in the last five years—the company is well-positioned to deliver the vast majority of commercial building projects for business partners. The engineering teams' competencies are continually strengthened, and the company actively seeks optimal engineering solutions to meet the market's and clients' needs.

Over the past few years, the Dekpol Group has achieved a leading position among general contractors delivering commercial construction projects, which has been confirmed three times by its listing in PwC's ranking of the 15 largest construction companies. The General Contracting Segment is a specialist in the construction of commercial buildings, including factories, logistics centers, shopping centers and retail parks, car dealerships, hotels, and both economical and premium residential developments—as well as non-standard projects. One of the company's key strengths is its ability to tailor its offering to the current market environment. During the construction process, the segment strives to retain engineering competencies within the organization rather than outsourcing them to other participants. This allows it to offer clients the full spectrum of experience gained over more than 30 years of operations, along with comprehensive service delivery. Together with its sister company, Betpref Sp. z o.o. (a producer of precast elements and steel structures), Dekpol has implemented numerous internal initiatives in 2023–2024 aimed at reducing project delivery costs while maintaining high production quality.

Property Development Segment

The Group's property development segment operates within the framework of the newly established company Dekpol Deweloper Sp. z o.o. Thanks to this, the development activity is separated from other areas of the Group's operation, which in turn reduces business and legal risks, while increasing the organizational and financial independence of Dekpol Deweloper within the Dekpol Capital Group.

The owned and constantly expanded land bank covering land, among others, in the Pomeranian Voivodeship as well as in Wrocław Warsaw and in Kamesznica (southern part of Poland) allows for increasing the number of property development investments offered by the Company in subsequent periods.

The owned and constantly expanded land bank covering land, among others, in the Pomeranian Voivodeship as well as in Wroclaw and Warsaw allows for increasing the number of property development investments offered by the Company in subsequent periods.

Taking into account the schedule for the handover of units in 2024, the building permits already obtained for upcoming investments, and—regarding revenue-recognized sales—the reservation, development, and preliminary agreements already signed, the sales targets for the Development Segment for 2024 were adopted in January 2024 (Dekpol S.A. current report no. 4/2024 dated January 17, 2024). These targets were later updated in October 2024 (Dekpol S.A. current report no. 52/2024 dated October 15, 2024, corrected on October 22, 2024) in response to sales results achieved over the first three quarters of the year. According to the revised targets, Dekpol Group aimed in 2024 to conclude sales agreements (reservation, development, and preliminary) for 550 units (initially 650 units), and to recognize the sale of 340 units in its financial results (initially 500 units). The revenue target was set at PLN 250 million (initially PLN 400 million), which was to include the revenue recognized from the above-mentioned unit sales as well as proceeds from a project in Wrocław.

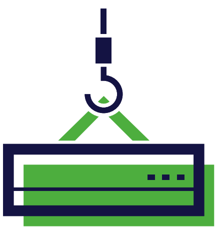
The results achieved in 2024 by the Group in the Development Segment were satisfactory given the current conditions of the real estate development market. Ultimately, the Group concluded new agreements for 466 units in 2024, compared to 472 units in 2023 (based on reservation, development, and preliminary agreements). The number of units recognized in the Group's financial results was 342, compared to 478 units in 2023. The share of higher-standard and premium units in total sales accounted for 52% (while representing 30% of the total number of units sold). As of December 31, 2024, the Group had 914 units available for sale. The total value of units sold in 2024 under the above-mentioned agreements amounted to PLN 241 million, while the value of revenue recognized in the Group's financial results was PLN 223 million.

Segment of Production of accessories for construction machines

In 2024, the segment faced significant challenges resulting from a decline in orders and the economic situation in both domestic and international markets. The execution of 2024 goals was therefore revised in light of market conditions in Poland as well as on export markets. Sales targets were achieved at approximately 78% of the originally set goals. The primary factor influencing the sales level was the economic downturn, particularly the recession in Scandinavian countries and in Germany.

In 2024, the segment focused on improving production processes, optimizing material usage, reducing inventory, and lowering other operational costs. These efforts significantly contributed to improved margins and financial results compared to 2023.

The projects and actions undertaken by the company helped streamline production flow while maintaining high product quality—an attribute for which Dekpol Steel and Intek are well known. The reorganization of the sales department enabled the acquisition of around 20 new clients within the segment's operations, which is an undeniable success for the sales team.



The Betpref and Kombet Działdowo plants constitute an area of great development potential within the Dekpol Group in the perspective market of prefabrication.

Within the Dekpol Capital Group, the prefabrication segment is gaining increasing importance. The companies Betpref and Kombet Działdowo have been continuously developed and equipped with new technological lines since their acquisition. The management boards of these companies consistently strive to strengthen their market position while continuing to optimize operations and expand the use of robotics and automation in production. These efforts are expected to enhance the production capabilities of the prefabrication segment.

Development perspectives for the upcoming financial year

The Capital Group's strategy assumes a stable development of all three business segments and a focus on the implementation of high-margin projects. This will lead to systematic improvement of the financial results achieved. More information on the strategy of the Company and the Capital Group is described on page 88 of this Report.

General Contracting Segment

The segment is pursuing a multi-directional development strategy. In the foreseeable future, its core activities will continue to focus on industrial-logistics and residential construction, along with the ongoing diversification of project types. The General Contracting Segment primarily builds for the logistics and warehousing sector, industry, and for Dekpol Deweloper Sp. z o.o. However, approximately 20% of revenue in the coming year is expected to come from other commercial building projects. The Company's Management Board believes that in today's market realities, an agile approach offers an advantage over specialization in a narrow construction niche. While such specialization has benefits from the repeatability of processes and solutions, it is not seen as the ideal development path in a rapidly changing business environment. At Dekpol Budownictwo Sp. z o.o., the aim is to maintain the attributes of a true engineering and construction firm—with a broad range of technical capabilities and experience across diverse types of projects. It is a company that retains its engineering competencies internally, rather than outsourcing them to other project participants. The company also believes that a strong focus on team competencies will be a key driver of further growth. While achieving its financial objectives, the company places the value of partnership at the forefront of all client relationships. A testament to the trust and appreciation of this partnership is the high proportion of returning clients.

In 2025, the General Contracting Segment aims to further strengthen its competitive advantage in engineering, technical expertise, and operational execution. The segment will also develop a design and R&D division, entirely independent from implementation activities, which will be responsible for creating new engineering solutions and advancing innovation.

Deep involvement in team competency matters will allow for achieving further stages of development.

Property Development Segment

According to the sales targets adopted in January 2025 for the year 2025, Dekpol Group aims to achieve revenue of approximately PLN 308 million in the Developer Segment, which will primarily include the sale of around 570 units recognized in the financial result. The sales target for 2025 with respect to units sold under reservation, developer, and preliminary agreements is 510 units.

These sales targets for 2025 were communicated by the Company in current report No. 4/2025 dated January 21, 2025, with a disclaimer that none of the forward-looking statements above should be interpreted or understood as a guarantee or assurance by the Company or any entity within the Capital Group that such events will occur or that the aforementioned sales targets will be met.

In 2025, Dekpol Deweloper Sp. z o.o. will continue to pursue the diversification of its projects by introducing new offerings in both the standard and premium segments. Furthermore, by continuously expanding its land bank with new plots in locations such as Warszawa, Wrocław, Katowice, and Kraków, the Company intends to enter new markets and attract new customers for its products.

... **The goal for 2025 is set at sales of 510 apartments.**

Segment of production of accessories for construction machines

In 2025, the segment plans to maintain sales at a level similar to 2024, with particular focus on the DACH markets (Germany, Austria, Switzerland).

The segment of production of accessories for construction machines intends to focus in the coming year on building a strong and effective team, expanding its client portfolio and production capacity, digitalizing processes, controlling costs, and broadly developing both employee competencies and technology. The Company's Management Board has decided to initiate actions aimed at creating strong integration between Dekpol Steel Sp. z o.o. and Intek Sp. z o.o., which will enable the use of emerging synergies between the entities. Management Board places particular emphasis on the stability and development of operational resources to effectively implement the adopted strategy. Furthermore, Intek Sp. z o.o. plans a 20% increase in turnover in 2025, mainly by expanding production capacity and building a diversified and stable customer portfolio.

In addition to typical business operations, the segment is also engaged in a number of initiatives focused on process efficiency, employee engagement and motivation, as well as a safe working environment—without forgetting ecology, aiming to reduce energy and CO_2 consumption and minimize the environmental impact of production.

Dekpol Steel Sp. z o.o. consistently strives to maintain its position as a leader in its industry, despite numerous market challenges.

Internal factors important for the development of the Company and the Capital Group

Future results of the Issuer and the Group will depend on the success in implementing the development strategy and the investment plan specified in the strategy of the Dekpol 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 production plants,
- 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 factors that appeared in 2024 and after its end, which may or may have an impact on the Company's and Group's results in subsequent periods, events listed in this Report in the Significant Events and Contracts in the operational area of the Group in financial year 2024 and after its completion should also be included.

Acquisition of new construction contracts and their timely implementation

General Contracting Segment constitutes the largest part of the Dekpol Group's operations. Within this segment, the Group carries out projects both for external clients and for entities within the Dekpol Capital Group as part of the Group's property development activity.

The Group continuously undertakes active efforts to acquire new projects for execution. The Group's commercial strategy is primarily based on the broad spectrum of project types offered by the segment. The Management Board of Dekpol Budownictwo Sp. z o.o. also consistently pursues actions aimed at expanding and enhancing the current offering, which is possible thanks in part to a highly specialized workforce. Furthermore, the Group intends to strengthen its acquisition efforts in central Poland as well as in the western part of the country. The high quality and timely completion of executed contracts are also significant factors that influence future cooperation with contractors.

Development of potential of production plants

Dekpol Capital Group conducts production activities at four manufacturing facilities. Within the segment of production of accessories for construction machines, operations are carried out at the Dekpol Steel Sp. z o.o. plant in Pinczyn and the Intek Sp. z o.o. plant in Lubawa. In the area of prefabrication, the Group owns two production facilities – in Toruń, where operations are conducted by Betpref Sp. z o.o., and in Działdowo, where operations are conducted by Kombet Działdowo Sp. z o.o.

The production facilities in Lubawa, Toruń, and Działdowo were acquired by the Company over the course of the Dekpol Capital Group's development. The Group continuously analyzes investment opportunities at the acquired production facilities, taking into account both the potential of these facilities and the current market situation. In addition, the Group is gradually modernizing the equipment at the aforementioned production facilities.

External factors important for the development of the Company and the Capital Group:

- war in Ukraine and its potential impact on the political and economic situation,
- high level of interest rates,
- labor costs and labor market developments,
- production materials costs,
- geopolitical factors,
- costs of energy carriers.

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

One of the significant external factors that may affect the results of the Company and the entire Capital Group in the coming periods remains the ongoing armed conflict in Ukraine and its broad geopolitical and economic consequences. This situation affects not only political stability in the Central and Eastern European region but also the functioning of commodity, energy, logistics, and labor markets.

An escalation of the conflict or a prolonged state of instability may lead to further increases in energy prices, limited availability of certain construction materials, steel, and raw materials used in production, which may result in higher operating costs in the construction and production segments. In addition, disruptions in supply chains, currency exchange rate volatility, and increased inflationary risk may affect project profitability and the overall financial performance of operations.

The potential impact of the conflict on the economic situation in Germany and the Scandinavian countries—key sales markets or sources of orders for the Group—may also translate into reduced demand in certain segments, particularly in the export of production components or construction services.

The conflict's influence on the social situation and labor market is also significant, including increased staff turnover and wage pressure, especially in regions with a high share of foreign workers. The Group continuously monitors the geopolitical situation and adjusts its operational activities and strategic planning to the changing external conditions, aiming to minimize risks and maintain operational continuity and financial stability.

Nonetheless, the Company's Management Board continuously monitors the political and economic situation in Ukraine and Russia and its impact on operations. The Group consistently takes into account the risk of price increases—particularly for materials and labor—in its cost estimates. Moreover, the Group's diversification of operations by business segment additionally supports the mitigation of adverse effects in a volatile market and geopolitical environment.

Impact related to an increase in interest rates

The high level of interest rates, which persisted throughout 2024, was a significant external factor affecting business operations of the Company and the entire Dekpol Capital Group. As a part of its operations, the Group is exposed to interest rate risk. The previously favorable low cost of capital environment (associated with low interest rates) has been replaced by higher interest rates, which are currently maintained by the Monetary Policy Council (MPC) at 5.75% (as of December 31, 2024).

The monetary policy pursued by the National Bank of Poland, as well as similar actions by central banks in Europe, have resulted in limited financing availability and increased debt servicing costs. As a result, this has affected both financial costs and the investment decisions made by business partners, clients, and individual investors. The condition of the Polish economy, like that of global markets, largely depends on three interrelated factors: economic growth, interest rates, and inflation.

Furthermore, the tightening of money supply in the market affects lending conditions for enterprises, thus necessitating careful liquidity analysis. Consequently, the inability to incur new liabilities contributes to a reduction in investment activity, as few companies are able to finance significant investments and development expenditures from their own funds. Banks are applying more stringent criteria when evaluating loan applications, which means that only enterprises well-prepared for challenging times will have a chance to carry out their investment plans.

Looking ahead to the following year, despite the first signs of potential monetary easing, the Group adopts an attitude of cautious optimism. The ongoing uncertainty regarding the timing and extent of possible interest rate cuts in Poland and Europe necessitates continued prudent management of the Group's financing structure, liquidity, and creditworthiness of individual entities.

Labor costs and labor market developments

In 2024, one of the key cost factors affecting the operations of the Dekpol Capital Group was the rising labor costs, resulting both from the regulatory increase in minimum wages and from growing wage expectations in the labor market. In the context of persistent inflationary pressure and limited availability of qualified labor—particularly in the construction, manufacturing, and specialist services sectors—the Group faced the challenge of ensuring operational continuity while maintaining control over personnel expenses.

Another factor contributing to wage pressure is the successive increases in the statutory minimum wage, which rose to PLN 4,666 gross in the first quarter of 2025. The increase in minimum wages leads not only to additional costs for employers but also to increased wage expectations from other employees. Moreover, the growing difficulty in recruiting new, specialized personnel further impacts the operational landscape for businesses.

In 2025, the Group assumes that labor market pressure will persist, although it may partially ease in the event of an investment slowdown in the private and public sectors. Nevertheless, the Group adopts a cautious outlook regarding the dynamics of personnel costs and continues to implement measures aimed at improving work efficiency, introducing employee retention mechanisms, automating selected processes, and optimizing the employment structure.

In the long term, the Group's ability to remain competitive will depend, among other things, on its capacity to attract and retain key competencies, which will require continued investment in team development, organizational culture, and modern tools for work and human capital management.

Evaluation of the possibility of implementation of investment plants

In the opinion of Management Board, Dekpol Capital Group currently has stable financial foundations that enable execution of planned investment objectives in both the short- and medium-term perspective. These investments primarily include the development of core business activities within individual operating segments, including real estate development projects and the modernization of production infrastructure.

The investment plans for 2025 and subsequent years are aligned with the Group's current financial capabilities. Their implementation is carried out in a balanced manner, taking into account both the level of generated operating cash flow and available external financing sources. The investment financing structure is flexible and based on a combination of own funds, bank loans, and—where applicable—project financing or leasing. Investment activities will be conducted in stages, allowing for flexible responses to changing market conditions and the adjustment of investment schedules to the Group's current financial possibilities.

The Group actively manages its liquidity, and debt levels and maintains relationships with several financial institutions, which ensures access to financing appropriate to the scale of ongoing projects. In 2024, no limitations were encountered in acquiring external capital; however, due to the persistently high interest rates and financial market uncertainty, the Management Board aims to optimize the use of available financing sources in line with market conditions.

As of the date of this Report, the issuer does not identify any significant threats regarding the ability to obtain financing for the planned investments of the Dekpol Capital Group's companies and thus does not anticipate any major obstacles to achieving the Group's potential objectives.

6. Risks and threats factors

Risks and threats factors

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

Risks related directly to the operations of the Issuer and the 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 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 have an impact on extension of the entire product manufacturing process, causing an increase in costs and postponement of payments, which in turn increases the likelihood of a decrease in Issuer's result and disturbance of financial balance. Changes in design are a common occurrence in construction process; however, these changes are often subject to additional valuation. Company's staff shifts these risks towards the investor (Ordering party) informing about future and financial threats. These changes are primarily initiated on investor's side. Changes in costs during implementation relates mainly to long-term investments. As at date of publication of this report, short-term investments constitute the main share in ordering portfolio. In case of long-term investments, which are carried out primarily for Dekpol Deweloper Sp. z o.o., increase in costs is also reflected in increase in sales per 1 m^2 of apartments space, which gives the way to partial recovery of costs. Offers prepared by the Group are updated when the client extends decision time regarding choice of offering party and commencement to construction works. In the event of drastic increases during construction phase, the Group attempts to talk to investors on participation in increase of costs. The effects of the discussions result in partial participation of Ordering Parties in the construction costs.

Mistakes made in management of construction process are mainly related to entering new segments of construction market and entering 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. To compensate the costs incurred, the Group launches instruments in accordance with contractual provisions aimed at project authors and suppliers.

The Issuer assesses the materiality of the aforementioned risk as medium, as in the event of its occurrence, the potential negative impact on the Issuer's operations and financial situation could be significant. The Issuer estimates the probability of this risk materializing as medium.

Risk related to weather conditions

Conducting activity on the wider construction market, the Capital 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, especially 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 Capital Group, while creating a project implementation schedule, assumes typical atmospheric conditions for the given seasons. The Capital 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. Despite 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.

The Issuer assesses the materiality of the above-mentioned risk as low, as in the event of its occurrence, the negative impact on the Issuer's operations and financial situation would not be significant. The Issuer estimates the probability of this risk materializing as medium.

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

In case of the activity conducted by the Capital 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. Their limitation would entail disruption of the entire production process and delay in the completion of projects. In addition, the risk of rising fuel prices, which is an important price-creating factor, must also be considered. 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 Capital 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 Capital Group’s profitability.

The Issuer assesses the materiality of the above-mentioned risk as medium, as in the event of its occurrence, the scale of the negative impact on the Issuer’s operations and financial situation could be considerable. The Issuer estimates the probability of this risk materializing as medium.

Risk related to underestimation of contracts

The Capital 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 Capital 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 Capital 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.

The Issuer assesses the materiality of the above risk as medium, as in the event of its occurrence, the negative impact on the Issuer’s operations and financial condition could be considerable. The Issuer estimates the likelihood of this risk occurring as low.

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

Because the construction process is very complex, it can be a source of risk for the Capital Group. Despite cooperation with renowned and proven contractors and suppliers, as well as ongoing supervision over the performance of works, the Capital 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 Issuer'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 Capital 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 Issuer applies various methods of protection against this type of risk. First, the implemented procedures minimizing delays are applied in the implementation of the investment. Agreements are concluded with permanent and proven suppliers and subcontractors who provide the Capital 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 Issuer's current operations such events have occurred sporadically.

The Issuer assesses the materiality of the above risk as low, as in the event of its occurrence, the negative impact on the Issuer's operations and financial condition would not be significant, among other reasons due to the diversification within the Issuer's contract portfolio. The Issuer estimates the likelihood of this risk occurring as low.

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

Most of the investments carried out as part of the Group's development activities are located in the Pomeranian Voivodeship. In the general contracting and construction equipment manufacturing segments, such geographical concentration generally does not occur. However, this concentration in the development segment leads to a dependence on the local market cycle, which means that the Group must compete with a large number of domestic and foreign companies operating in the real estate development market. These local limitations mean that Dekpol Group's revenues depend to a large extent on the level of investor activity in the residential market in the region. The multitude of competing residential investments may have a negative impact on the Group's revenues in the development segment. This may directly affect the Group's financial results and future growth prospects in the development segment and, consequently, its ability to meet obligations arising from issued bonds.

To mitigate this risk, the Dekpol Group actively seeks new investment opportunities throughout the country, which will increase its independence from the local market situation and contribute to the Group's development. The Issuer's Group includes the company UAB DEK LT Statyba, which was originally established to support the Group's operations in Lithuania in the field of general contracting, as well as to manage future contracts in that country. In addition, group entities own land outside the Pomeranian Voivodeship (including in Warszawa, Wrocław, Katowice, and Kamesznica), where they are carrying out or plan to carry out hotel and/or residential projects.

The Issuer's Group also focuses on strengthening its market position and building competitive advantage by offering high-quality and timely services, as well as comprehensive solutions for private investors, including international corporations expanding their operations in Poland.

The Issuer assesses the materiality of this risk as medium, since its occurrence could have a significant negative impact on the Issuer's operations and financial condition. The Issuer estimates the likelihood of this risk occurring as medium.

Risk related to concentration of general contracting projects on warehouse market

For several years, warehouse projects have constituted a significant portion of Dekpol Group's order portfolio in the general contracting segment (the Group classifies the following as warehouse projects: warehouse halls, production and warehouse halls, production and warehouse halls with office buildings, warehouse and service halls with office buildings). As of the end of December 2024, the share of warehouse projects amounted to approximately 87%. The Issuer recognizes a significant concentration of such projects in its order portfolio. In the event of a downturn or decline in this market segment, the Group may secure fewer contracts, which could have a material negative impact on the Group's revenue, profit levels, and further development.

The concentration on warehouse projects results from the fact that the Issuer's Group has been a leading contractor for such projects in Poland for years. However, the Group is continuously working on diversifying its contract portfolio. The high share of warehouse projects aligns well with the Group's strategy in the general contracting segment, which focuses on short-term contracts with execution periods not exceeding 8–12 months.

The Issuer assesses the materiality of this risk as medium, as its occurrence could have a fairly significant negative impact on the Issuer's operations and financial condition. The Issuer estimates the likelihood of this risk occurring as low.

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 Capital 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 Capital Group. In addition, the Capital 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 Capital 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 Capital Group to the changing market realities, e.g., through actions aimed at reducing costs.

The Issuer assesses the materiality of the above-mentioned risk factor as medium, since, in the event of its occurrence, the scale of the negative impact on the Issuer's operations and financial condition could be fairly significant. The Issuer estimates the likelihood of this risk occurring as low.

Risk of falling apartments prices

Decisions made by Issuer's Group must consider 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 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.

The Issuer assesses the materiality of the aforementioned risk factor as medium, since, if it were to occur, the negative impact on the Issuer's operations and financial position could be fairly significant. The Issuer estimates the likelihood of this risk occurring as medium.

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 Capital Group's financial liquidity and, in extreme cases, lead to financial losses.

The Dekpol Group seeks to mitigate the aforementioned risk by entering into agreements with reliable counterparties; however, it cannot guarantee that such losses will not be incurred in the future. Moreover, all customers interested in using trade credit are subject to verification procedures, and the Group continuously monitors outstanding receivables. It is also important to note that this type of risk is to some extent limited by provisions of the Civil Code concerning payment guarantees for construction works.

In the past, this risk has not materialized in a manner significantly affecting the Group's operations. While there have been occasional delays in payment, these were agreed upon by clients and Group companies, and payments were ultimately made.

The Issuer assesses the materiality of this risk factor as medium, since, if it were to occur, the negative impact on the Issuer's operations and financial position could be fairly significant. The Issuer estimates the likelihood of this risk occurring as low.

Risk related to the implementation of real-estate 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 Deweloper buys ground properties for multi-stage projects (e.g. Neo Jasień, Osiedle Pastelowe, Osiedle Kociewskie, 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:

- 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.

The Issuer assesses the materiality of the above risk factor as medium, since, if it were to occur, the scale of its negative impact on the Issuer's operations and financial position could be fairly significant. The Issuer estimates the likelihood of this risk occurring as medium.

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 Issuer 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.

The Issuer assesses the materiality of the above risk factor as medium, since, if it were to occur, the scale of its negative impact on the Issuer's operations and financial position could be fairly significant. The Issuer estimates the likelihood of this risk occurring as low.

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.

The Issuer assesses the materiality of the above risk factor as low, since, if it were to occur, the scale of its negative impact on the Issuer's operations and financial position would not be significant. The Issuer estimates the likelihood of this risk occurring as low.

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.

The Issuer assesses the materiality of the above risk factor as medium, since, if it were to occur, the scale of its negative impact on the Issuer's operations and financial position could be significant. The Issuer estimates the likelihood of this risk occurring as low.

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 Group's Management Board prepares offers, defines, and optionally negotiates the terms of bids, and prepares 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 Capital 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 management costs of the Company. It cannot be ruled out that changing market conditions will negatively affect the Issuer's ability to acquire new contracts and achieve a satisfactory level of margin. To minimize this risk, the 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.

The Issuer assesses the materiality of the above risk factor as high, since, if it were to occur, the scale of its negative impact on the Issuer's operations and financial position could be significant. The Issuer estimates the likelihood of this risk occurring as medium.

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 Dekpol 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 Group implements industrial construction facilities in the general contracting system. The Dekpol 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. To minimize the risk associated with competition, the 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).

The Issuer assesses the materiality of the above risk factor as high, as its occurrence could have a significant negative impact on the Issuer's operations and financial situation. The Issuer estimates the likelihood of this risk occurring as medium.

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.

Adverse changes in the banking market environment, deterioration in the purchasing power of the Issuer Group's potential customers, or gradual saturation of effective demand related to housing needs may negatively affect the sale of apartments. An increase in interest rates results in a decline in clients' creditworthiness, which may lead to a decrease in demand for the Issuer Group's residential units. A significant factor in this regard, limiting customers' access to credit financing, is also the direct and indirect impact of Recommendations "S" and "T" issued by the Polish Financial Supervision Authority (KNF) for banks and financial institutions dedicated to the mortgage market.

The housing market has seen negative effects on demand due to rising interest rates. The WIBOR 3M and WIBOR 6M rates, which determine mortgage interest rates, currently stand at approximately 6%, compared to 0.25%-0.30% during the second half of 2020 and the first half of 2021. Moreover, according to a KNF recommendation (February 2022), banks, when calculating borrowers' credit capacity, must take into account a potential WIBOR increase of 5 percentage points (instead of the previous 2.5 p.p.). Since February 2023, for fixed or periodically fixed-rate loans, this buffer has been reduced to 2.5 p.p.

In 2022–2023, the Issuer observed tightened mortgage lending criteria and reduced creditworthiness among its customers. During recent years (especially between Q1 2022 and Q2 2023), the share of mortgage-financed buyers among the Issuer's sold units declined. The Issuer estimates that around 90% of apartments sold in 2022–2023 (in value terms) were financed by buyers without the use of mortgage loans. The Issuer notes that a large part of its residential projects are in the premium segment (e.g., Sol Marina), which historically attracts more cash buyers than the popular segment, resulting in a higher share of cash transactions compared to other industry players. Since the beginning of Q3 2023, the Group has observed an increase in the number of mortgage-financed apartment purchases, influenced by interest rate reductions and the introduction of the government program "Safe Mortgage 2%" (Bezpieczny Kredyt 2%).

A potential decline in mortgage availability, as well as a deterioration in the creditworthiness of potential residential unit buyers, may negatively affect the Issuer Group's revenue. Regulatory policy changes that impact banks' creditworthiness assessments and the banks' policies themselves may cause a drop in demand for new housing, thus potentially having a negative effect on the Group's operations, development prospects, financial condition, or results. It is also impossible to predict whether government support programs for homebuyers will continue in the future.

The Issuer assesses the materiality of the above risk factor as high, as its occurrence could have a significant negative impact on the Issuer's operations and financial condition. The Issuer estimates the likelihood of this risk occurring as high.

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 97 of this report, while below on a segmental basis.

General Contracting segment

The construction market in Poland has been strongly affected by the consequences of the armed conflict in Ukraine. Shortages of materials disrupted supply chains, and the outflow of Ukrainian workers were just some of the problems encountered at the beginning of the war. Although the prices of materials and energy carriers have somewhat stabilized, the entire construction industry is now observing a significant increase in investment implementation costs. These high costs have, in turn, had a major impact on investors' decision-making.

Management Board of the Company continuously monitors the situation in eastern Poland and assesses its potential risks for the Group, as the ongoing war in Ukraine continues to pose a potential threat to the construction industry in 2025. The magnitude of this risk is closely correlated with the future course of the conflict in Ukraine.

Property Development segment

The entire real estate development industry is closely monitoring geopolitical developments. The ultimate consequences of the conflict in Ukraine are currently difficult to predict. The impact of military actions on the sector will depend on how events unfold. As of today, the Company has observed that a significant increase in production costs has led to a substantial rise in housing prices. Additionally, higher interest rates have considerably reduced the availability of mortgage loans, which affects both the ability and willingness to invest in real estate.

Segment of production of accessories for construction machines

The ultimate impact of the ongoing war in Ukraine on Dekpol Group's production activities is currently difficult to precisely assess and requires an analysis from both demand-side and cost-side perspectives in the short- and medium-term. The main factor affecting the Group's production operations has been the turmoil caused by disrupted supply chains and rising raw material prices—especially steel—as well as components used in production (such as hydraulic cylinders and tooth systems), along with increased transport costs. The price increases and the need to restructure supply chains have caused significant issues in the Group's production segment. Dekpol continuously monitors all these aspects to appropriately adapt its operations to evolving 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. Because 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 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 the economic slowdown in recent years, 2024 was a period of significant recovery in the Polish economy. Gross Domestic Product (GDP) grew by 2.9% in 2024, which is slightly higher than economists initially forecasted. In Q4 2024 alone, GDP increased by 3.2%, representing a notable 1 percentage point rise compared to the same period in the previous year. Economists indicate that the economic rebound at the end of 2024 was mainly driven by a significant increase in private consumption. However, the pace of private consumption growth still lagged behind the growth in real incomes, primarily due to the ongoing rebuilding of savings, supported by positive real interest rates. Investments in Poland also rose by approximately 1.3% year-on-year, supported by EU funding prospects and substantial military modernization expenditures, but tempered by geopolitical uncertainty and high interest rates, which continue to make private investors cautious. Economists suggest that the results achieved in 2024 allow for an optimistic outlook for 2025.

Interest rates in Poland remain high, a consequence of persistently elevated inflation levels. Currently, the reference rate is 5.75%, a level introduced by the Monetary Policy Council in October 2023. It is expected that interest rates will remain high until inflation returns to the National Bank of Poland's target range (1.5%–3.5%). Analysts anticipate that the first interest rate cuts may occur during 2025.

Inflation in December 2024 was 4.7% y/y, with no change on a monthly basis. Inflation remains above the NBP's target. For the entirety of 2024, average price growth stood at approximately 3.6% compared to the previous year. Analysts note that the pace of price growth slowed compared to the beginning of 2024. However, energy prices and housing-related costs remain the main contributors to the elevated inflation level. Economists also emphasize that disinflation is being hindered by strong wage growth.

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

The Issuer considers the materiality of the above-mentioned risk factor to be high, as its occurrence could have a significant adverse impact on the Issuer's operations and financial condition. The Issuer assesses the probability of this risk occurring as high.

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.

The Issuer assesses the materiality of the above-mentioned risk factor as medium, as its occurrence could have a significant adverse impact on the Issuer's operations and financial condition. The Issuer assesses the probability of this risk occurring as medium.

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 Dekpol 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, etc.

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

The Issuer assesses the materiality of the above risk factor as medium, as in the event of its occurrence, the scale of the negative impact on the Issuer's operations and financial condition could be significant. The Issuer assesses the likelihood of this risk occurring as medium.

Risk associated with construction regulations

Due to the type of activity conducted by the Dekpol 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 relates to 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.

The Issuer assesses the materiality of the above risk factor as medium, as in the event of its occurrence, the scale of the negative impact on the Issuer's operations and financial condition could be significant. The Issuer assesses the likelihood of this risk occurring as medium.

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 each 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 (MIiR) 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, therefore, may lead to a decline in interest in this type of offer. 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.

The Issuer assesses the materiality of the above risk factor as low, as in the event of its occurrence, the scale of the negative impact on the Issuer's operations and financial condition would not be significant. The Issuer assesses the likelihood of this risk occurring as low.

Risks related to financial position

Interest rate risk

The Dekpol Group finances its business operations, among others, through variable interest rate debt (including working capital loans and bonds), and is therefore exposed to interest rate risk. In the event of a significant increase in interest rates, the Group's financial performance may deteriorate due to higher financial costs. Additionally, a high exposure to this risk and improper assessment thereof may negatively affect Group's financial results. The risk is mitigated through the conclusion of interest rate hedging transactions (CAP, IRS).

Current macroeconomic situation related to this risk presents many challenges. Interest rates in Poland remain at a high level, which is a result of persistently elevated inflation. The current reference rate is 5.75%, introduced by the Monetary Policy Council in October 2023. It is expected that high interest rates will be maintained until inflation returns to the target set by the National Bank of Poland (NBP), which is 1.5%–3.5%. Analysts anticipate that the first-interest rate cuts may occur during 2025.

The Issuer assesses the materiality of the above risk as medium, as in the event of its occurrence, the negative impact on the Issuer's operations and financial condition could be considerable. The Issuer assesses the likelihood of this risk occurring as medium.

Currency risk

The Dekpol Group primarily conducts its operations in Poland; however, some contracts within the general contracting segment are concluded in foreign currency (EUR). In this regard, as well as in its export activities, the Group is exposed to foreign exchange risk. An appreciation of the Polish currency against the currencies of countries to which the Group exports its products will lead to a reduction in sales revenues, which in turn will negatively impact the Group's financial results. This risk is mitigated by entering into forward contracts.

In December 2024, the Polish zloty appreciated against the euro, with the EUR/PLN exchange rate temporarily approaching the level of 4.25 and ending the month at 4.27. Economists predict that persistently high interest rates will support the zloty in the first half of 2025.

The Issuer assesses the materiality of the above risk as low, as in the event of its occurrence, the negative impact on the Issuer's operations and financial condition would not be significant. The Issuer assesses the likelihood of this risk occurring as medium.

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.

In December 2024, inflation amounted to 4.7% y/y and remained unchanged on a monthly basis. Inflation continues to exceed the inflation target set by the National Bank of Poland (NBP). For the entire year 2024, the average price increase was approximately 3.6% compared to the previous year. Analysts indicate that the pace of price growth has slowed down compared to the beginning of 2024. The main contributors to the high level of inflation remain electricity prices and housing-related cost increases. Economists note that the decline in inflation continues to be hampered by dynamic growth of wages.

The Issuer assesses the materiality of the above risk as low, as in the event of its occurrence, the negative impact on the Issuer's operations and financial condition would not be significant. The Issuer assesses the likelihood of this risk occurring as medium.

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' 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, considering 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.

The Issuer assesses the materiality of the above risk as medium, since, if it occurs, the scale of the negative impact on the Issuer's operations and financial situation could be quite significant. The Issuer assesses the likelihood of this risk occurring as medium.

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 eliminated. In extreme cases, to meet its liabilities, the Group may be forced to sell some of its assets, which could adversely affect Group's financial position and the possibility of further development.

The Issuer assesses the materiality of the above risk as medium, as in the event it materializes, the scale of its negative impact on the Issuer's operations and financial position could be quite significant. The Issuer assesses the likelihood of this risk occurring as medium.

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. 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.

The above risk factor has not materialized in the Group's operations to date; nevertheless, the Management Board considers its materiality to be medium, as in the event it occurs, the scale of its negative impact on the Group's operations and financial position could be quite significant. Management Board assesses the likelihood of this risk occurring as medium.

Risk associated with the possibility of discontinuing financing through bond issue

Within the Dekpol Group, companies finance their operations through equity and primarily via bonds and loans. As of December 31, 2024, the share of equity financing in the Group's liabilities structure amounted to 38% (PLN 639,267 thousand), while the share of debt financing amounted to 62% (PLN 1,038,847 thousand). As of December 31, 2023, the share of equity financing was 37% (PLN 577,863 thousand), and the share of debt financing was 63% (PLN 964,934 thousand).

The Group uses funds from bond issues primarily to finance its ongoing operations, including the purchase of new land for development projects and as equity contributions to ongoing projects. If the Group's ability to issue bonds becomes limited (for example, due to a decline in demand for bonds, lower competitiveness of bond interest rates compared to bank deposits, increased investor risk aversion, defaults by other issuers, or a decrease in available funds for bond investments), there is a risk that the Company and the Group will no longer be able to finance their operations through bond issues. This would necessitate a stronger focus on debt and credit financing or, in the case of external constraints preventing such financing, a reduction in the scale of operations.

The above factors may adversely affect the Group’s business, financial position or performance, and consequently its ability to meet its obligations under outstanding bonds.

The Group assesses both the probability and materiality of this risk as medium.

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 because 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 Issuer assesses the materiality of the above risk factor as low, since in the event of its occurrence, the negative impact on the operations and financial position of the Issuer's Group would not be significant. The Issuer estimates the likelihood of this risk occurring as low.

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.

This risk factor has not materialized for the Group’s operations so far; however, the Management Board considers its materiality to be high, as in the event of its occurrence, the scale of the negative impact on Group’s operations and financial condition could be significant. Management Board estimates the likelihood of this risk occurring as medium.

7. Corporate governance statement

Corporate governance statement

Indication of a set of corporate governance principles applicable at the Issuer

In 2024, the Company adhered to the principles of corporate governance outlined in the document "Good Practices of Companies Listed on the Warsaw Stock Exchange 2021," adopted by the Warsaw Stock Exchange Council under Resolution No. 13/1834/2021 on March 29, 2021, which came into effect on July 1, 2021. The text of the "Good Practices of Companies Listed on the Warsaw Stock Exchange 2021" is publicly available on the Warsaw Stock Exchange's website: https://www.gpw.pl/dobre-praktyki2021.

The company Dekpol S.A. recognizes the principles of corporate governance as a determinant of behavior and a basic element of corporate culture. The company pays special attention to the transparency of action and open communication with stakeholders in the spirit of dialogue and trust.

Indication of corporate governance principles that were not applied

As of the publication date of this Report, Dekpol S.A. adheres to all corporate governance principles outlined in the document "Good Practices of Companies Listed on the Warsaw Stock Exchange 2021", except for the following principles: 1.3.1., 1.3.2., 1.4., 1.4.1., 1.4.2., 2.1., 2.2., 4.1., 4.3., as well as principle 3.7., which does not apply to the Company.

Principle 1.3.1. In its business strategy, the Company also considers ESG-related topics, particularly including environmental issues, which cover metrics and risks related to climate change, as well as sustainable development matters.

The principle is not applied. The Company does not have a formalized document describing its strategy in the context of ESG factors. Nevertheless, the Company follows elements of ESG policy in its day-to-day operations, and awareness of environmental aspects has long been cultivated within the Company. Many ESG-related elements are practically applied in the Company's ongoing activities. For example, the monitoring and continuous control of processes in terms of quality, environment, and occupational health and safety are carried out based on the implemented and maintained Integrated Management System according to the requirements of EN ISO 9001:2015, EN ISO 14001:2015, and EN ISO 45001:2018. Furthermore, to meet quality requirements concerning the welding of metal materials, the manufacturing of steel and aluminum structures, and concrete prefabricates for the construction industry, the Dekpol Capital Group has implemented and maintains certifications in accordance with PN-EN ISO 3834-2:2021, PN-EN ISO 1090-2:2018, PN-EN 13747:2005 + A2:2010, EN 13225:2013, EN 14992:2007 + A1:2012, EN 15258:2008, and EN 14843:2007. In response to the sustainable development awareness of its investors, the general contracting segment offers project implementation in accordance with BREEAM certification requirements and undergoes annual assessment according to EcoVadis standards. Work is currently underway to develop and adopt a coherent ESG strategy within the Group, which will consider both the individual segments of the Group's operations and the requirements of the CSRD directive and the implemented ESRS sustainability reporting standards. The Company declares its intention to apply this principle in the future.

Principle 1.3.2. In its business strategy, the Company also takes into account ESG-related matters, particularly those concerning social and employee issues. This includes undertaken and planned activities aimed at ensuring gender equality, proper working conditions, respect for workers' rights, dialogue with local communities, and relationships with clients.

The principle is not applied. The Company does not have a formalized document describing its strategy in the context of ESG factors. Nevertheless, the Company shows particular care for social and employee matters in its day-to-day operations. A good example is the adopted Business Conduct Code, which defines standards of behavior relating to:

- transparent conduct of financial transactions, accounting and reporting practices,
- prohibiting the use or participation in corrupt practices involving the direct or indirect receipt or provision of financial benefits,
- avoiding money laundering activities,
- the emergence of a conflict of interest,
- use and management of the company's assets,
- respect the laws and tax regulations of each country in which activities are carried out,
- responsibility for the products and services offered,
- reliable marketing and sales,
- competing in the marketplace in a fair manner,
- prohibition of illegal trading in securities,
- neutrality towards political parties,
- the order to respect human rights,
- non-discrimination of employees,
- safe and hygienic working conditions,
- prohibition of forced labour and child labour,
- freedom of association,
- remuneration and respect for working hours,
- efficient and responsible use of resources respecting the environment and health.

The company declares its willingness to apply this principle in the future. The theme of social and labour issues will be incorporated into the Group's ESG strategy.

Principle 1.4. To ensure proper communication with stakeholders regarding its adopted business strategy, the Company publishes on its website information about the assumptions of its strategy, measurable objectives—especially long-term ones—planned actions, and progress in implementation, defined using both financial and non-financial indicators.

This principle is not applied. The Company publishes information about the Group’s business strategy on its website; however, this information does not include all components indicated in the present principle. The Company will consider applying this principle in the future.

Principle 1.4.1. Information on the strategy in the ESG area should, among others: explain how the decision-making processes in the company and its group entities consider climate change issues, pointing to the resulting risks.

Climate-related issues are considered in the decision-making processes within the Dekpol Group, particularly regarding products delivered to clients that incorporate modern technologies, eco-friendly raw materials and components, responsible waste management, and even the selection of appropriate suppliers. These processes are supported by implemented policies and procedures concerning product quality, environmental protection, and occupational health and safety (OHS). In each process, existing risks and possibilities for preventing or mitigating their negative impacts are analyzed. Oversight of these processes is carried out within the framework of the Integrated Management System or Factory Production Control. Currently, the Company does not have a formal ESG strategy in place, although work is ongoing to develop and adopt a coherent ESG strategy for the Group. This strategy will consider the individual segments of the Group’s operations, the requirements of the CSRD directive, and the ESG reporting standards (ESRS) being implemented. The adopted strategy, along with measurable targets, will be published on the Company’s website. Planned actions and progress toward achieving the targets will be included in annually published sustainability statements.

Principle 1.4.2. The Company does not currently calculate such an indicator; however, it will consider its implementation as part of the work on the ESG strategy. Implementing this indicator requires systemic changes and a precise categorization of individual positions into comparable groups.

If the Company introduces the calculation of this indicator, it will also analyze the need for actions in this area and publish relevant information in its sustainability statement.

Principle 2.1. The company should have a diversity policy for Management Board and the Supervisory Board, adopted respectively by Supervisory Board or the General Meeting of Shareholders. The diversity policy should define goals and diversity criteria in areas such as gender, field of education, specialist knowledge, age, and professional experience, and should indicate the timeframe and method for monitoring the achievement of these goals. In terms of gender diversity, ensuring diversity within the company's bodies requires that the minority share in a given body is not less than 30%.

This principle is not applied. The Company does not have a diversity policy in place for Management Board or Supervisory Board. The diversity mentioned in the principle is maintained with respect to the Company's Management Board but is not present in Supervisory Board. At the same time, the Company emphasizes that Dekpol S.A. is guided by the substantive qualifications of candidates, their competencies, and the long-term needs of the Company. Dekpol S.A. declares that there are no barriers related to gender or other characteristics mentioned in the principle, and that the only criteria for selecting members of Management Board and Supervisory Board and assessing the qualifications of each person for these roles, are: competencies, professional experience and specialist knowledge confirmed by completed courses, diplomas obtained, and projects carried out.

Principle 2.2. Individuals responsible for selecting members of the company's Management Board or Supervisory Board should ensure the versatility of these bodies by appointing individuals who guarantee diversity, enabling, among other things, the achievement of the target minimum minority participation rate of no less than 30%, in accordance with the objectives defined in the adopted diversity policy referred to in Principle 2.1.

This principle is not applied. The diversity referred to in the principle is maintained with respect to the Company's Management Board but is not present in the Supervisory Board. Management Board is appointed by Supervisory Board, while the Supervisory Board is appointed by the General Meeting of Shareholders. At the same time, the Company states that Dekpol S.A. is guided by the substantive qualifications of the candidates, their competencies, and the long-term needs of the Company. Dekpol S.A. declares that there are no barriers related to gender or other characteristics mentioned in Principle 2.1, and that the only criteria for selecting members of Management Board and Supervisory Board, as well as assessing each individual's qualifications for these roles, are: competencies, acquired experience and specialist knowledge confirmed by completed courses, earned diplomas, and executed projects.

Principle 3.7. and principles 3.4 - 3.6 also apply to entities from the company's group that are significant for its operations, if they have designated persons to perform these tasks.

This principle does not apply to the company. Dekpol S.A., as the parent company, manages the internal systems of the entire capital group in a centralized manner. Due to the fact that Dekpol S.A. acts as a holding managing the Capital Group and provides services to entities within the Dekpol Capital Group, separate individuals have not been appointed in the Group entities to perform tasks related to internal systems and functions as referred to in Principles 3.4–3.6. With respect to internal audit, an internal auditor appointed at Dekpol S.A. at the beginning of 2023 organizes and develops the internal control and audit function both for the parent company and simultaneously for all its subsidiaries. Regarding risk management and compliance systems, these systems are maintained within the Group entities, just as they are within the Company, and the management boards of these entities are responsible for their operation.

Principle 4.1. The company should enable its shareholders to participate in the general meeting by means of electronic communication (e-general meeting), if it is justified in view of the shareholders' expectations reported to the company, if it is able to provide the technical infrastructure necessary to conduct such a general meeting of shareholders.

The principle is not applied. The Company does not apply the rule due to the existence of various risks related to the organization of a general meeting with the use of electronic communication means, such as the risk of communication interception, the risk of transmission disruptions, the risk of technical problems or legal risks. The available application does not provide a 100% guarantee of safety and due to the limited possibilities of optimizing the occurring risks, now the Company does not decide to organize a possible one. Dekpol S.A. there are no plans to provide an electronic mode of holding a general meeting, unless such expectations are expressed in large numbers by shareholders.

Principle 4.3. The company provides publicly available real-time broadcast of the general meeting.

The principle is not applied. Due to the lack of demand from shareholders reported to the Company, the Company does not apply the practice of general real-time broadcasting of general meetings. The Company publishes all relevant information on the general meeting in accordance with applicable law, which, in the Company's opinion, ensures transparency and public access to information in this regard. Dekpol S.A. there are no plans to provide real-time broadcasts of general meetings, unless such expectations are expressed in large numbers by shareholders.

Changes in application of the Good Practices of Companies Listed on GPW 2021

As of January 1, 2024, Dekpol S.A. applied all corporate governance principles set out in the document "Best Practice for GPW Listed Companies 2021," except for the principles: 1.3.1, 1.3.2, 1.4, 1.4.1, 1.4.2, 2.1, 2.2, 4.1, 4.3, and 4.14, as well as principles 3.2, 3.7, and 3.10, which did not apply to the Company.

Aiming to achieve high-quality standards in the area of corporate governance, the Company undertook actions throughout 2024 and up to the date of publication of this report to increase the scope of the applied DPSN2021 principles.

On April 25, 2024, the Company published information on the commencement of applying principles 3.2 and 3.10 of DPSN2021, concerning the separation in the structure of units responsible for the tasks of individual systems or functions—unless such separation is not justified due to the company's size or type of activity—and the requirement that the internal audit function be reviewed at least once every 5 years by an independent auditor appointed with the involvement of the audit committee. Previously, the Company considered these principles not applicable.

In line with principle 3.2 of DPSN2021 and considering the Company's size and business profile, it was deemed justified to establish an internal audit unit within the Company's organizational structure at the beginning of 2023. Its purpose is to ensure that the internal control system operates properly, particularly in financial reporting, risk management, and corporate governance. Currently, the Company does not see justification for establishing units responsible for the tasks of other systems and functions as referred to in principle 3.1. Nevertheless, all such systems and functions are maintained within the Company, and their operation is the responsibility of the Management Board. Therefore, the Company considers principle 3.2 to be applied in a manner adequate to existing needs.

In line with principle 3.10 of DPSN2021, the Company has not yet carried out a review of the internal audit function by an independent auditor, as the internal audit was only established in 2023. However, such a review—once every 5 years—is included in the Internal Audit Quality Assurance and Improvement Program. Therefore, the Company considers principle 3.10 to be applied.

Subsequently, on May 27, 2024, the Company published information on the commencement of applying principle 4.14 of DPSN2021, which states that the Company should aim to distribute profits through dividend payments, and retaining the entire profit in the company is permissible only if one of the reasons indicated in the principle applies. The dividend policy adopted by the Company in 2024 takes into account the criteria set out in this principle; therefore, the Company considers this principle to be applied.

Shareholders holding directly or indirectly considerable share packets

Shareholders of Dekpol S.A. holding at least 5% of the total number of votes at the General Meeting of the Company as of December 31, 2024, and as at the date of publication of this Report, according to the best knowledge of Management Board of Dekpol S.A.:

Major shareholders	Number of shares/votes	Share in the share capital / total number of votes
OMT Family Foundation*	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 management board member of OMT Family Foundation is Mariusz Tuchlin – President of the Management Board of Dekpol. S.A.

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

On July 2 and 15, 2024, the Company received notifications that Mariusz Tuchlin had donated all his shares in the Company to OMT Family Foundation, of which he is the founder and sole member of Management Board. The Company reported this event in current reports no. 37/2024 dated July 2, 2024, and no. 41/2024 dated July 15, 2024.

Indication of holders of any securities, which provide special control rights, together with descriptions of rights

Dekpol S.A. did not issue any securities that could provide special control rights to the Issuer.

Indication of any restrictions referring to voting rights

There are no restrictions in the Company regarding the exercise of voting rights, except for those resulting from generally applicable laws.

Indication of any restrictions on the transfer of ownership rights to the issuer's securities

As at the date of publication of this Report, there were no restrictions on the transfer of property rights of the Issuer's securities.

Governing bodies

Management Board

Composition and the rules for appointing and dismissing members of the Management Board

The Issuer's Management Board is composed of one or more Members. The Supervisory Board entrusts one of the Members of the Management Board with the function of the President of the Management Board. Other Members of the Management Board may be entrusted with the function of Vice Presidents of the Management Board.

The term of office of the Members of the Management Board is 5 (five) years and is not joint.

Composition of Management Board of Dekpol S.A. in financial year 2024 and until 31.12.2024:

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

There were no changes in the composition of the Management Board of Dekpol S.A. in 2024.

Composition of the Management Board of Dekpol S.A. 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
Michał Skowron	Vice-President of Management Board

The terms of office of the current Members of the Management Board of Dekpol S.A. expire on December 31, 2030.

Changes in composition of Management Board of Dekpol S.A.

On March 13, 2025 (event after balance sheet date), the Supervisory Board of Dekpol S.A. adopted resolutions regarding appointment of new members to the Company's Management Board:

- Mr. Mariusz Tuchlin for a new term and entrusted him with the function of the President of Management Board,

- Mrs. Katarzyna Szymczak-Dampc for a new term and entrusted her with the function of Vice-President of Management Board,

- Mr. Michał Skowron and entrusted him with the function of Vice-President of Management Board.

Resolutions concerning appointment of Mr. Mariusz Tuchlin and Mrs. Katarzyna Szymczak-Dampc were adopted in connection with the expiry of their previous term of office on December 31, 2024, and came into force on the date of their adoption. Resolution concerning appointment of Mr. Michał Skowron came into force on April 1, 2025.

About changes in the composition of Management Board of Dekpol S.A., the Company announced in current report no. 9/2025 dated March 13, 2025.

Description of the authority's activities and powers

Management Board conducts company's business and represents the Issuer. Provisions of the Company's Articles of Association introduce the principle that all matters related to the Company's activities not reserved by law or Articles of Association for the General Meeting of Shareholders or the Supervisory Board fall within the competence of Management Board. The acquisition and disposal of properties, perpetual usufruct, or share in property or participation in the right of perpetual usufruct of land do not require a resolution of a General Meeting of Shareholders. The acquisition of properties, perpetual usufruct, or share in property or participation in the right of perpetual usufruct of land for a price exceeding PLN 25 million requires the consent of Supervisory Board expressed in the form of a resolution (§15 para. 4 of the Articles of Association). The internal organization and the manner of performing tasks by Management Board are determined by the Regulations of Management Board, adopted by the Supervisory Board (available on the website http://dekpol.pl/lad-korporacyjny/#dokumenty-korporacyjne or https://dekpol.pl/en/corporate-governance/).

The manner of representation of the Issuer is dependent on the size of the Management Board. In the case when it consists of one member, that member has the right to self-representation of the Issuer, while if the Management Board is multi-personal, declarations need to be done by two members of the Management Board or one member of the Management Board plus proxy. Only the President of the Management Board has the self-representation right. On the other hand, each member of the Management Board is entitled and obliged to manage the affairs of the Issuer, to the extent not exceeding his normal activities.

Management Board resolutions are passed by an absolute majority of votes. In case of equality of votes, decides the vote of the President of the Management Board. The validity of the resolutions taken at the meeting of the Management Board, is subject to prior notification to all its members, as well as the fulfillment of the requirement of a quorum, according to which, necessary is the presence of most members of the Management Board, including the President of the Management Board.

Management staff do not have right to decide on the issue or redemption of shares.

Supervisory Board

Composition and the rules for appointing and dismissing members of the Supervisory Board

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

Composition of Supervisory Board of Dekpol S.A. in financial year 2024 and until publication date of this Report:

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

The terms of office of Roman Suszek, Jacek Grzywacz, and Jacek Kędzierski expired on December 31, 2024; however, pursuant to Article 369 §4 in conjunction with Article 386 §2 of the Polish Commercial Companies Code, the mandates of the aforementioned persons will expire on the date of the approval of the financial statements for the year 2024, i.e., in 2025. The term of office of Grzegorz Wąsacz will expire on December 31, 2027, while the term of office of Wojciech Sobczak will expire on December 31, 2029. The mandates of the aforementioned persons will expire on the date of the general meeting of shareholders approving financial statement for the years 2027 and 2029, respectively.

Changes in the composition of the Supervisory Board of Dekpol S.A.

On June 28, 2024, the Ordinary General Meeting of Shareholders of the Company adopted a resolution to appoint Wojciech Sobczak as a Member of Supervisory Board of Dekpol S.A. The resolution was adopted due to expiration of Wojciech Sobczak's previous term as a Member of the Company's Supervisory Board. The Company announced this event in current report No. 34/2024 dated June 28, 2024.

Description of the authority's activities and powers

Supervisory Board exercises permanent supervision over the activities of the Issuer. The competences of the Supervisory Board include:

1. assessment of the financial statement and of the Report of Management Board on business activities of the Issuer for the previous year, in terms of their compliance with books and documents, as well as with the reality and the assessment of the Management Board concerning distribution of profit or covering of loss and the submission of annual written report on the results of this assessment for the General Meeting of Shareholders.
2. suspending in action, for important reasons, individual or all members of the Management Board and delegating members of the Supervisory Board, for a period not longer than three months, to temporarily perform the duties of members of the Management Board, who have been dismissed, have resigned or for other reasons cannot perform their duties.
3. passage and amendments of the Articles of Association of Management Board.
4. setting the remuneration of members of the Management Board.
5. issue of consent for the acquisition, purchase, disposal and encumbrance by the Issuer of stocks or shares in other companies, accession to or resigning from other companies, entities or joint ventures and the acquisition of companies or organized parts of companies belonging to other entities, except for the acquisition by the Company or its subsidiaries of shares or stocks in companies, as well as joining partnerships established in order to implement development projects by the Company or its subsidiaries, without the participation of third parties.
6. giving consent to conclude loan and credit agreements, issue of bonds (with the exception of the issue of convertible bonds or bonds with pre-emptive rights and the issue of subscription warrants), granting sureties, guarantees, pledge, mortgage, transfer of ownership for security or any other personal security or in kind or any other form of liability for the debts of any third parties, with the value of the benefit in excess of PLN 50 million.
7. expressing consent to perform activities free of charge, with a one-off value of the benefit exceeding PLN 0.1 million.
8. approval of the Issuer's budgets and financial plans as well as any changes to these documents.
9. expressing opinions on periodic reports of the Management Board.
10. giving consent to operations on derivative instruments.
11. appointment of statutory auditor to audit the financial statements of the Issuer (consolidated and separate), as well as approval of the terms and conditions of agreement with statutory auditor and approval of the termination by the Issuer of such an agreement.
12. issue of consent on creation and liquidation of branches of the Issuer.
13. issue of consent on dealing by member of the Management Board with competing interests or participation in a competitive company as a partner or member of authorities.
14. expressing consent on the exercise by the Management Board of the Company of the voting right in its subsidiaries in matters specified in the Articles of Association.

15. granting consent for the payment of an advance towards the dividend.
16. other matters reserved for the competence of the Supervisory Board by the provisions of law or the Articles of Association.

Members of the Supervisory Board exercise their rights and duties personally. The functioning of the Supervisory Board determines adopted Regulations of the Supervisory Board, which is subject to approval by the General Meeting of Shareholders https://dekpol.pl/en/corporate-governance/#corporate-documents).

Members of the Supervisory Board are bound to a prohibition of competition within the meaning of art. 380 Commercial Companies Code. The consent to engage in competitive can be granted by the General Meeting of Shareholders.

Audit Committee

In accordance with § 4. 4 of the Regulations of the Supervisory Board, this body is authorized to create internal committees, whose main function is to advise, review and issue of recommendations and assessments in selected matters within the competence of the Supervisory Board. In the resolution on the establishment of the internal committee, it shall follow the indication of the name of the committee, the determination of minimum number of members, the appointment of members of the committee, including its chairman and specification of functioning rules of the committee by identification of issues and tasks of the committee.

In financial year 2024, the Supervisory Board of Dekpol S.A. operated one committee – the Audit Committee. The basis for establishment of the Audit Committee by the Supervisory Board, regardless of provisions of the Articles of Association of Supervisory Board, is the Act of May 11, 2017, on Statutory Auditors, Audit Firms and Public Oversight.

There is no remuneration committee within the Supervisory Board of Dekpol S.A., however, its establishment by Supervisory Board in the future is not excluded, based on the competence specified in § 4 sec. 4 of the Articles of Association of Supervisory Board.

Competences of the Audit Committee and actions undertaken in 2024

The competences of the Audit Committee are stipulated to:

1. monitoring of the financial reporting process,
2. monitoring the sustainability reporting process or the sustainability reporting process of the capital group, including the preparation and tagging of such reports in accordance with Article 63zc of the Accounting Act, as well as the process by which the Company identifies information to be disclosed in accordance with the sustainability reporting standards as defined in Article 63p point 2 of the Accounting Act,
3. monitoring the effectiveness of internal control systems, risk management systems, and internal audit, in particular with regard to financial reporting and sustainability reporting or the sustainability reporting of the capital group, including the preparation and tagging of such reports in accordance with applicable regulations,
4. monitoring the performance of audit activities, in particular the audit firm's examination or assurance of sustainability reporting, taking into account any findings and conclusions of the Polish Audit Oversight Agency resulting from inspections carried out at the audit firm,
5. controlling and monitoring the independence of the statutory auditor and the audit firm, particularly in cases where the audit firm provides the Company with services other than the audit and assurance of sustainability reporting,
6. informing the Supervisory Board about the results of the audit or assurance of sustainability reporting and explaining how this audit or assurance contributed to the reliability of the financial reporting, sustainability reporting, or sustainability reporting of the capital group, as well as the role of the Audit Committee in the audit or assurance process, respectively,
7. assessing the independence of the statutory auditor and granting consent for the provision of permitted non-audit services by the auditor,
8. developing the policy for selecting an audit firm to conduct the audit of financial statements and the policy for selecting an audit firm to carry out the assurance of sustainability reporting,
9. developing the policy on the provision of permitted non-audit or non-assurance services related to sustainability reporting by the audit firm conducting the audit of financial statements or the assurance of sustainability reporting, as well as by entities affiliated with that audit firm and by members of the network to which the audit firm belongs,
10. setting of procedure of election of auditory company,

11. presenting recommendations to the Supervisory Board regarding the appointment of statutory auditors or audit firms, in accordance with the policies referred to in points 8 and 9,
12. submitting recommendations aimed at ensuring the reliability of the financial reporting process, sustainability reporting, or the sustainability reporting of the capital group.

In 2024, the Audit Committee carried out regular internal audit activities within the Company. The Committee was continuously engaged in analyzing financial data and other key aspects within the various segments of the operations of the Company and the Dekpol Capital Group. The Committee informed other members of the Supervisory Board about ongoing activities and provided recommendations regarding the financial statements and the approval of the annual reports of both the Company and the Capital Group. The Audit Committee remained in regular contact with the key statutory auditors of the audit firm and the person responsible for internal audit within the Company.

In 2024, the Audit Committee of the Supervisory Board held 14 meetings. The meetings were conducted both in-person and remotely. All meetings of the Audit Committee were held with full attendance.

Additionally, in 2024, the Audit Committee oversaw the work of the internal auditor, appointed by the Management Board of Dekpol S.A. at the end of 2022. As part of this oversight, the Audit Committee approved the 2025 audit plan, based on risk assessments of individual areas and processes, as well as an update to the Internal Audit Procedure within the Dekpol Capital Group. The Audit Committee monitors the work of the internal auditor by reviewing the reports submitted, including reports from assurance engagements and other activities, the annual report on the functioning of the internal audit in the Dekpol Capital Group, and the report on the implementation of the audit quality assurance program.

Moreover, regular meetings are held between the internal auditor and the Audit Committee, during which ongoing audit tasks and current results are discussed. In 2024, two such meetings were held.

Composition of the Audit Committee

The Audit Committee consists of at least three members, appointed by the Supervisory Board from among its members, for the duration of their term of office as members of the Supervisory Board, provided that at least one member of the Audit Committee shall have qualifications in accounting or auditing and majority of members of Audit Committee, including its President, shall meet the independence criteria in the meaning of the Act of May 11, 2017, on Statutory Auditors (...). At least one member of the Audit Committee shall have knowledge and skills from range of business activities, in which the Issuer carries out its operations, or certain members in descried principles should possess knowledge and skills for this industry. In 2023, the principles of Best Practice for WSE Listed Companies 2021 also applied to the members of the Audit Committee.

In 2024 and until publication date of this Report, The Audit Committee operated in the following composition:

- Jacek Kędzierski - President of the Audit Committee,
- Jacek Grzywacz - Member of the Audit Committee,
- Roman Suszek - Member of the Audit Committee.

In 2024, there were no changes to the composition of the Audit Committee.

Members of the Audit Committee, Mr. Jacek Kędzierski and Mr. Roman Suszek meet criteria of independent members in the meaning of the Statutory Auditors Act, as well as in the meaning of principles of the Best Practices of WSE Listed Companies 2021.

Mr. Jacek Kędzierski and Mr. Jacek Grzywacz meet criteria set in article 129 section 1 of the Statutory Auditors Act. Both – education, as well as professional experience justify affirmation, that they own knowledge and skills in accounting field. All members of the Audit Committee have sufficient knowledge and skills in industry, in which the Company operates.

Jacek Kędzierski

Jacek Kędzierski graduated from the University of Gdańsk with a master's degree in Economic Cybernetics and Computer Science with a specialization in Data Processing and Accounting. Moreover, a member of the Supervisory Board is a graduate of postgraduate studies at the Institute of Legal Sciences of the Polish Academy of Sciences in Warsaw in the field of Information Security Administrator. Jacek Kędzierski has been running a business since 1992; as part of it, he has provided financial and accounting advisory services to entrepreneurs (until 2018), and since 2016 he has been focusing on services in the field of personal data protection as a part of a civil partnership run together with the Member of the Supervisory Board - Grzegorz Wąsacz. Jacek Kędzierski acts as a data protection officer in various entities.

Jacek Grzywacz

Jacek Grzywacz graduated from the Silesian University of Technology in Katowice, Faculty of Organization and Management, with a specialization in Economics, Finance, and Marketing in Enterprises, earning a Master of Science in Engineering in Organization and Management. He also completed the Financial Directors' Program "Corporate Financial Management" organized by the Privatization Center Foundation – Business Development Institute, where he gained knowledge in accounting, economics, and finance. During his over twenty-five-year professional career, he has performed and continues to perform economic and financial advisory tasks related, among others, to restructuring, valuation, and due diligence of enterprises, liquidity management, corporate credit policy management, financial controlling, analysis of investment projects, and advisory on IPO preparation and execution. His core responsibilities have included assessing financial statements of various entities and acquiring and analyzing financial and accounting data to provide conclusions and recommendations to management boards, supervisory boards, or owners. As part of his professional activity, Jacek Grzywacz serves as Chief Financial Officer of a capital group in the meat processing industry with annual sales revenues of approximately PLN 1 billion. From 1999 to 2010, he worked as a staff member in other organizations, and since December 2009 he has been operating through JKG Finanse Sp. z o.o., where he is a partner and President of the Management Board. He is also Chairman of the Supervisory Board of S&A S.A. and a member of the Supervisory Boards of MC COMP S.A. and PTWP S.A. Jacek Grzywacz has previously served on the supervisory boards of companies such as Sento S.A., Agito S.A., APN Promise Sp. z o.o. (2009–2010), and Esotiq&Henderson S.A. (2013–2020). Through his roles in supervisory boards, he has gained further experience and skills in verifying financial/accounting data of companies and capital groups and has participated in drafting prospectuses for companies listed on the Warsaw Stock Exchange. Jacek Grzywacz is also a member of the Audit Committee at PTWP S.A.

Roman Suszek

Roman Suszek graduated in law from the University of Gdańsk, Faculty of Law and Administration. Since 2004, Roman Suszek has been practicing as a counsel at law in the Roman Suszek Legal Advisory Office in Gdańsk, where he provides services to entrepreneurs and public entities. In the years 2012-2020, Roman Suszek also served as a representative in Pannonia Bio Zártkörűen Működő Részvénytársaság (Joint Stock Company, formerly Pannonia Ethanol Zártkörűen Működő Részvénytársaság) with its headquarter in Budapest, Hungary - Branch in Poland with its office in Gdańsk.

Cooperation principles with statutory auditor's firm

The Audit Committee, pursuant to Article 130 of the Act of 11 May 2017 on Statutory Auditors (...), developed the Policy and Procedure for the Selection of the Audit Firm to conduct the audit, as well as the Policy on the Provision of Permitted Non-Audit Services by the audit firm performing the audit.

On 8 April 2025 (event after balance sheet date), the Audit Committee, in connection with amendment of the Accounting Act and the Act on Statutory Auditors (…) regarding sustainability reporting and its assurance, adopted a revised version of policies, which will apply from 1 January 2025:

- Policy and Procedure for Selection of the Audit Firm to conduct the audit of financial statements and the assurance of sustainability reporting of Dekpol Spółka Akcyjna, with its registered office in Pinczyn, and

- Policy on Provision of Permitted Non-Audit and Non-Assurance Services by the audit firm conducting audit of financial statements or assurance of sustainability reporting for Dekpol Spółka Akcyjna, with its registered office in Pinczyn.

Main assumptions of the aforementioned policies:

1. The audit firm is selected by Supervisory Board, subject to the provision that until an authorization for the Supervisory Board to select the audit firm for the assurance of sustainability reporting is introduced into the Articles of Association of Dekpol S.A., such selection shall be made by General Meeting of Shareholders of the Company. Therefore, with regard to ability reporting, the matters assigned below to Supervisory Board should, until relevant amendment to Articles of Association of Dekpol S.A. is made, be understood as referring to the General Meeting of Shareholders of the Company.
2. selection of the audit firm is made based on recommendation from the Audit Committee, resulting from procedure carried out in accordance with Policy and Procedure for Selection of the Audit Firm.
3. selection should be made within a timeframe that allows the audit firm to participate in the inventory of significant assets.
4. Company's bodies involved in selection process, as well as the Audit Committee, are guided by need to ensure impartiality and high quality of the audit, and in particular take into account the following:
   a. knowledge, professional competencies, and reputation of the audit firm and the statutory auditor;
   b. experience of the audit firm and the statutory auditor, in particular in auditing public interest entities and in assurance of sustainability reporting;

   c. audit firm's and the statutory auditor's knowledge of the industry in which the Company operates;
   d. audit firm's ability to perform both the audit of financial statements and assurance of sustainability reporting;
   e. audit firm's ability to offer audit, review, and assurance services within timeframes convenient for the Company;
   f. price of services provided, which should not be excessive compared to market prices for such services.

5. independence of the statutory auditor and the audit firm is controlled and monitored at every stage of the audit firm selection procedure.
6. Company prepares a request for proposal covering the audit of annual financial statements, review of interim financial statements, and the assurance of sustainability reporting for the given financial year, by the end of the third month of that financial year. The request for proposal is published on Company's website.
7. Company is entitled to invite any audit firms to submit offers by sending them request for proposal directly, as well as to conduct negotiations with interested bidders.
8. Company evaluates submitted offers and presents them to the Audit Committee along with a report containing conclusions of selection procedure.
9. Audit Committee reviews offers from audit firms and then presents a recommendation to the Supervisory Board for selection of the audit firm responsible for the audit of financial statements and assurance of sustainability statement. The Audit Committee's recommendation includes at least two options for the selection of the audit firm, with justifications and an indication of the Committee's well-founded preference.
10. Supervisory Board selects the audit firm after reviewing recommendation of the Audit Committee. If the decision of the Supervisory Board regarding selection of the audit firm deviates from Audit Committee's recommendation, Supervisory Board shall justify reasons for not following the Audit Committee's recommendation and shall forward this justification to the General Meeting of Shareholders of the Company.
11. Management Board of the Company concludes an agreement for the audit of financial statements and assurance of sustainability reporting with the audit firm selected by Supervisory Board.
12. It is not permitted for the statutory auditor or the audit firm conducting statutory audit of the Company's financial statements, as well as for members of the network to which the auditor or audit firm belongs, to provide, either directly or indirectly, any prohibited non-audit services to the Company, its parent company, or entities controlled by it, as specified in the Act on Statutory Auditors (…)
13. Audit Committee may decide to grant consent for the above-mentioned entities to provide the Company with permitted services, as referred to in the Act on Statutory Auditors (…), provided that such consent may be granted only after the Audit Committee has conducted an assessment of threats and safeguards to independence, as referred to in Articles 69–73 of the said Act. The provision of permitted services is allowed only to the extent unrelated to the Company's tax policy. No consent from the Audit Committee is required for the assurance of sustainability reporting.
14. audit firm conducting the assurance of the Company's sustainability reporting, nor any member of the network to which the audit firm belongs, may directly or indirectly provide to the Company, its parent entity, or its controlled entities any services referred to in the Act on Statutory Auditors (…). These entities may provide non-audit services other than the prohibited ones mentioned above to the Company, its parent entity, or its controlled entities — provided that such services are approved by the Audit Committee, following an appropriate assessment of threats to independence and the safeguards applied, in accordance with Article 74 of the said Act.
15. audit firm that simultaneously performs assurance of sustainability reporting and statutory audit of the Company's financial statements, as well as any member of the network to which that audit firm belongs, may provide non-audit services other than the prohibited services referred to in the Act on Statutory Auditors (…) to the Company, its parent entity, or entities controlled by it — provided that such services are approved by the Audit Committee after it has conducted an appropriate assessment of the threats to independence and the safeguards applied, in accordance with Article 74 of the said Act.

The first contract for the audit of the financial statements is concluded with the auditing company for a period of not less than two years.

In financial year 2024, the audit firm auditing financial statements of Dekpol S.A. and the Dekpol Capital Group provided non-audit services to the Company. These services included:

- assessment of Supervisory Board's report on remuneration.
- assurance of the sustainability reporting.

An assessment of the audit firm's independence was carried out, and consent was granted for the provision of aforementioned services.

General Meeting of Shareholder and Shareholders rights

Functioning of the General Meeting of Shareholders

According to the art. 399 of Commercial Companies Code, the General Meeting of Shareholders is convened by the Management Board. The Supervisory Board has the right to convene the Ordinary General Meeting of Shareholders, if the Management Board fails to convene it within the time specified in the Commercial Companies Code, and the Extraordinary General Meeting of Shareholders, if it deems it necessary. Moreover, a shareholder or shareholders representing at least half of share capital or at least half of total votes are entitled to convene the General Meeting of Shareholders. Pursuant to Art. 400 of the Commercial Companies Code, a shareholder or shareholders of the Company representing at least one twentieth of the share capital may request that an Extraordinary General Meeting of Shareholders be convened, as well as those certain matters be placed on the agenda of the next General Meeting of Shareholders. Pursuant to § 23 of the Articles of Association, General Meeting of Shareholders may be ordinary or extraordinary. General Meeting of Shareholders is held at the Company's registered office or in Starogard Gdański, Gdańsk, Gdynia, Sopot, or Warsaw. There are no provisions in the Issuer's internal regulations that would change the principles of generally applicable law.

General Meeting of Shareholders is convened by an announcement, that should be made at least three weeks before the General Meeting of Shareholders. The announcement should include the date, time and place of the General Meeting of Shareholders and a detailed agenda. In case of intended changes in the statute, it should be cited existing provisions, as well as the proposed amendments. If it is justified by the large scope of the proposed amendments, the announcement may include a draft new text of uniform Articles of Association along with a list of new or revised provisions of Articles of Association. According to the art. 9 paragraph. 3 of the Act on Trading in Financial Instruments, the condition of participation in the General Meeting of Shareholders of a public company with its headquarter on the territory of Poland, is submission at its headquarter, at least one week before the date of General Meeting of Shareholders, of a certificate, issued to confirm the right of the holder of dematerialized shares to participate in this meeting. Shareholders, after the announcement of convening of General Meeting of Shareholders and no later than the first weekday after the date of registration of participation in the General Meeting of Shareholders, can report to the entity running their securities a demand of the issue of a personal certificate of entitlement on participation right in the General Meeting of Shareholders. Shareholders may participate in the General Meeting of Shareholders personally or by proxy (art. 412 of Commercial Companies Code). Power of attorney to participation in the General Meeting of Shareholders and exercising of voting rights must be granted In written or in electronic form. Regulations of General Meeting of Shareholders (available at https://dekpol.pl/en/corporate-governance/#corporate-documents) indicates ways to verify the notification of granting power of attorney in an electronic form. The proxy is entitled to grant further power of attorney if it results from power of attorney. A proxy may represent more than one shareholder. Shareholders whose shares are registered on the collective account, are eligible to establish separate proxies to exercise the rights from shares, registered on this account. Also, in case of possessing of shares registered in more than one securities account, it is possible to establish separate proxies to exercise the rights from shares, registered on each account.

General Meeting of Shareholders is opened by the Chairman or Vice-Chairman of the Supervisory Board, and then, from the persons entitled to participation in the General Meeting of Shareholders, is being elected the President. Each share carries one vote at the General Meeting of Shareholders. Resolutions are passed by most votes of shareholders present at the General Meeting of Shareholders unless the provisions of the Commercial Companies Code or other applicable laws constitute it otherwise. Resolutions, on which base follows the increase of benefits of Shareholders or depleting their rights, require the consent of all shareholders concerned.

Regulations of General Meeting of Shareholders allow recording of the proceedings by means of electronic information carriers. Recordings of the proceedings of the General Meeting of Shareholders are archived in the Company's registered office and access to them can be provided on the Company's website. Regulations of the General Meeting of Shareholders also allows broadcasting of the proceedings of the General Meeting of Shareholders via Internet and sharing to the public on the Company's website. The General Meeting of Shareholders, in a resolution adopted by an absolute majority of votes, decides on the possible presence at the meeting of media representatives, the recording of their meeting or taking pictures or filming.

General Meeting of Shareholders' authority

In accordance with the provisions of Articles of Association of Dekpol S.A., the following matters require a resolution of the General Meeting of Shareholders:

1. review and approval of the statement of the Management Board on activities of the Company and approval of financial statement for the previous financial year.
2. adoption of resolutions on distribution of profit or covering of loss.

3. granting of approval for members of the Company bodies for execution of their duties.
4. adoption of resolutions on determining the dividend record date and the dividend payment date.
5. The amendment of the Articles of Association.
6. adoption of Regulation of the General Meeting of Shareholders.
7. sale or lease of the enterprise or its organized part and establishing of limited property right on it.
8. resolutions concerning claims damages caused while establishing the Company or while managing or supervising.
9. dissolution, liquidation and merger, division, or transformation of the Company.
10. issue of convertible bonds or bonds with priority rights and subscription warrants.
11. other matters reserved for the General Meeting of Shareholders by law or the Articles of Association.

General Meeting of Shareholders of Dekpol S.A. in 2024

In 2024 there was one General Meeting of Shareholders of Dekpol S.A.

On 28 June 2024, the Ordinary General Meeting of Dekpol S.A. was held, during which resolutions were adopted regarding, among others:

- approval of financial statements and Report of Management Board on business activities of the Company and Dekpol Capital Group for the year 2023,
- granting discharge of duties to the members of the Company's governing bodies,
- appropriation of the Company's net profit for the financial year 2023 and determination of the dividend record date and dividend payment date – more details on page 69 "Dividend Policy",
- adoption of Report of Company's Supervisory Board for the year 2023,
- positive opinion on the Report of Supervisory Board on remuneration of members of Management Board and Supervisory Board for the year 2023,
- amendment of the Company's Articles of Association and authorization of the Supervisory Board to adopt consolidated text – more in point …. Rules for Amending the Company's Articles of Association,
- establishment of a reserve capital earmarked for the payment of dividends and interim dividends,
- appointment of a member of Supervisory Board of Dekpol S.A,
- adoption of Remuneration Policy for Management Board and Supervisory Board members.

The content of all resolutions adopted by the Ordinary General Meeting of Dekpol S.A. was published by the Company in current report No. 35/2024 dated 28 June 2024.

Description of shareholders' rights and the manner of their exercise

Rights (entitlements) and obligations related to the shares of the Issuer, are governed by the provisions of the Commercial Companies Code, other laws, and the provisions of Articles of Association. The terms of reference of shares of A- and B-series are identical, within the framework of the share capital of the Issuer there are no preferred shares.

Rights correlated with the shares have a financial or corporate nature, and their content presents the following description.

Financial rights:

1. The right to participate in profits. Shares of A- and B-series carry equal dividend rights. Adoption of resolutions on determining the dividend record date and the dividend payment date is the prerogative of the General Meeting of Shareholders. With shares are not related other rights to share in the profits of the Issuer.
2. The right of subscription of new shares – is entitled to all shareholders, in proportion to the number of shares (Art. 433 of Commercial Companies Code). However, in the interest of the Issuer, the General Meeting of Shareholders is entitled to deprive the shareholders of right of subscription of new shares completely or partially, and, for the adoption of a resolution in this regard, it is first necessary the announcement in the agenda of the General Meeting of Shareholders and obtaining a majority of at least 4/5 of the votes.
3. The right of participation in the distribution of the residual value of the company – is entitled to all shareholders as the right of participation in the company's assets remaining after satisfying or securing creditors, and the division can take place not earlier than one year after the announcement of the opening of the liquidation and creditors call.
4. The right to dispose of shares - shareholders are entitled to encumber owned shares with pledge or usufruct.

Corporate rights:

1. The right to participate in the General Meeting of Shareholders - is granted to all persons who are shareholders of the Company, sixteen days before the General Meeting of Shareholders,
2. The right to vote at the General Meeting of Shareholders - is entitled to all shareholders, and each share entitles to one vote at the General Meeting of Shareholders. According to the Regulations of the General Meeting of Shareholders, it is possible to vote at the General Meeting of Shareholders by mail, using the form available on the website of the Issuer. A vote cast in a form other than the form made available by the Issuer is invalid,
3. Rights of shareholders, dependent on participation in the share capital or one general number of votes:
   a. the right to convene the General Meeting of Shareholders,
   b. the right to request the convening of the General Meeting of Shareholders,
   c. the right to request certain issues on the agenda of the next General Meeting of Shareholders,
   d. the right to submit before the General Meeting of Shareholders of a drafts of resolutions concerning issues put on the agenda of the General Meeting of Shareholders or matters which might be put on the agenda,
   e. the right to request election of the Supervisory Board by voting in separate groups.
4. The right to propose during the General Meeting of Shareholders of drafts of resolutions concerning issues included in the agenda,
5. The right to ask questions regarding matters on the agenda of the General Meeting,
6. The right to view a list of shareholders entitled to participate in the General Meeting of Shareholders,
7. The right to request copies of requests on matters included in the agenda of the General Meeting of Shareholders,
8. The right to request the attendance list at the General Meeting of Shareholders,
9. The right to information concerning the Issuer - during the General Meeting of Shareholders, Management Board is obliged to provide to shareholders, on their request, information relating to the Issuer, if it is justified for the assessment of a matter on the agenda,
10. The right to request copies of the statement of Management Board on the operations of the company and the financial statement, together with a copy of the report of Supervisory Board and the senior auditor's opinion,
11. The right to review minutes from General Meeting of Shareholders and request the issuance of certified copies of resolutions certified by Management Board,
12. The right to registered depository certificate issued by the entity keeping the securities account,
13. The right to bring an action for overruling of the resolution,
14. The right to bring an action for annulment of the resolution.

Amendment principles of Company's Articles of Association

Amendments to the Company's Articles of Association, pursuant to Art. 430 of the Commercial Companies Code is made by resolution of the General Meeting and entry in the register. Pursuant to Art. 415 of the Commercial Companies Code, a resolution of the General Meeting to amend the Articles of Association is passed by a three-fourths majority of votes. The current Statute of Dekpol S.A. does not contain additional provisions, different from the above-mentioned provisions of the Code of Commercial Companies, regarding the rules for amending the Articles of Association.

In 2024, one amendment to the Articles of Association of Dekpol S.A. was made.

On August 5, 2024, the District Court Gdańsk-Północ in Gdańsk, VII Commercial Division of the National Court Register, registered an amendment to the Company's Articles of Association made by Resolution No. 17 of the Ordinary General Meeting of Shareholders of the Company dated June 28, 2024. The amendment involved the addition of § 9 section 3 and § 21 section 2 point 16 of Articles of Association, as well as the repeal of the existing provisions of § 10 and § 21 section 2 point 15 and adoption of their new wording. The purpose of the amendment to Company's Articles of Association was to enable the Company to make advance payments to shareholders on account of expected dividend. Pursuant to Article 349 § 1 of the Polish Commercial Companies Code, conditions for making such advance payments include inclusion of an appropriate authorization for Management Board in Articles of Association and obtaining the consent of Supervisory Board. The scope of registered amendments to the Company's Articles of Association and the consolidated text of Articles of Association of Dekpol S.A. adopted by resolution of the Supervisory Board pursuant to authorization specified in Resolution No. 18 of the Ordinary General Meeting of Shareholders of the Company dated June 28, 2024, was announced by the Company in current report No. 44/2024 dated August 6, 2024.

Current wording of Articles of Association of Dekpol S.A. can be found on Company's website at the address: https://dekpol.pl/lad-korporacyjny#dokumenty-korporacyjne.

Internal control and risk management systems relating to statement production process of the Company and the Capital Group

The body responsible for financial reporting process of the Issuer and Issuer's Group is Management Board, which also performs internal control tasks in this area with participation of the Audit Committee, Supervisory Board and an audit company selected to audit financial statements.

Currently, in the Dekpol Group, there are no formalized procedures concerning process of preparation of reports for the Company and the Capital Group. Financial Department, reporting to the Chief Financial Officer / Financial Director, is responsible for financial reporting activities. Within Financial Department, the Accounting Department and the Consolidation and Process Support Department have been separated, responsible for, among other things, accounting, bookkeeping, and reporting.

Financial statements and reports are prepared based on data obtained from IT systems. The data is processed appropriately.

The key financial reporting processes include activities in the field of obtaining data from individual entities from the Group, their consolidation, data verification, including their compliance with accounting policy, preparation of financial statements and consolidated financial statements, clarification of doubts raised during audit process. An important process is also the control of tax reserves.

The course of financial reporting processes is controlled by Management Board, as well as Audit Committee and Supervisory Board, which monitor functioning of an internal control system in the field of financial reporting based on constant contacts with Management Board and statutory auditors.

Supervising body analyzes information obtained from Issuer's staff and auditing company, reporting its reservations, and presenting its own observations as to the course of processes, including their timeliness.

Additionally, at the end of 2022, Management Board of Dekpol S.A. appointed position of an internal auditor. The Internal Auditor reports to the Company's Management Board and, simultaneously, to maintain the principle of independence, functionally reports to the Audit Committee of Supervisory Board of Dekpol S.A. The year 2024 was another period in which the Internal Auditor carried out their tasks in accordance with the audit plan and in compliance with International Standards for the Professional Practice of Internal Auditing and the Code of Ethics for Internal Auditors. The Internal Auditor supports the Group's Highest Supervisory Bodies in ensuring that the internal control system operates effectively, which in turn translates into reliability of the data presented in financial reporting.

Diversity policy

In the Company it has not been developed any formal diversity policy in relation to management staff of the Company and its key managers. Functions of members of management and supervisory bodies have been entrusted to particular persons independently of their gender, age or education, and according to their professional background and experience. The key personal decisions concerning election of members of company's bodies are made by General Meeting of Shareholders and Supervisory Board, and in relation to top managers – Management Board.

8. Remuneration policy

Remuneration policy

Remuneration system

On June 28, 2024, the Ordinary General Meeting of Shareholders of the Company adopted a resolution on the adoption of "Remuneration Policy for Members of Management Board and Supervisory Board of Dekpol S.A."

The previously applicable remuneration policy had been adopted by resolution no. 18 of the General Meeting of Shareholders of Dekpol S.A. dated August 31, 2020. Due to Article 90e(4) of the Act on Public Offering (...) indicating that a resolution on remuneration policy must be adopted at least every four years, it was necessary to pass a new resolution on this matter in 2024. However, remuneration policy adopted in 2024 has not undergone any significant changes compared to the previously applicable policy.

The currently applicable Remuneration Policy is available on the Company's website at: http://dekpol.pl/lad-korporacyjny/#dokumenty-korporacyjne.

The principles of remunerating members of the Management Board and Supervisory Board are related to the implementation of the business strategy, long-term interests, and stability of the Company. The basis for determining the total amount of remuneration for members of the Management Board and Supervisory Board is the scope of their duties, individual assessment of the effects of their work, as well as special achievements. The rules and the amount of remuneration of members of the Company's bodies are determined by the Supervisory Board - for the remuneration of the Members of the Management Board and the General Meeting - for the remuneration of the Members of the Supervisory Board.

Terms and amount of remuneration of the Members of Management Board

Terms and amount of remuneration for individual Members of Management Board is determined by Supervisory Board in accordance with "Policy of remuneration of members of Management Board and Supervisory Board of Dekpol S.A.".

The value of salaries, bonuses or benefits paid, due or potentially due to Members of Management Board for the year 2024 shows the below table:

Gross remuneration of management staff of the Issuer in thousands of PLN in 2024

Item	Term of office	Fixed remuneration under an employment contract	Fixed remuneration for performing a function in Issuer's Management Board	Other revenues *	Fixed remuneration for holding functions in governing bodies of subsidiaries
Mariusz Tuchlin	Entire year	PLN 183 600	PLN 231 543	PLN 7 626	PLN
Katarzyna Szymczak-Dampc	Entire year	PLN 108 000	PLN 83 688	PLN 7 177	PLN 120 000
Total		**PLN 291 600**	**PLN 315 231**	**PLN 14 803**	**PLN 120 000**

* Other revenues are employee capital plans, medical care, company car for private use, as well as allowances and other benefits for business travels paid on the basis of lump sums.

In 2024, managing persons did not receive any other awards, benefits, or financial benefits (including conditional or deferred ones). In 2024, members of the Issuer's Management Board were not granted additional benefits in kind for the services they provided.

At the same time, as a part of advisory services provided to subsidiaries, Katarzyna Szymczak-Dampc (Vice-President of Management Board of Dekpol S.A.) received remuneration in the amount of PLN 824,100 for the year 2024.

Agreements concluded with management staff, providing compensations in case of resignation

There are no agreements concluded between the Company and management staff, providing compensations in case of resignation or dismissal from the function without a valid reason or if their removal or dismissal results from the merge of the issuer by acquisition.

Principles and the amount of remuneration of Supervisory Board members

In accordance with provisions of Articles of Association and the "Remuneration Policy of members of Management Board and Supervisory Board of Dekpol S.A.", members of Supervisory Board receive remuneration for their function in the amount determined by a resolution of the General Meeting of Shareholders. Additionally, they are entitled to reimbursement of costs related to participation in works of Supervisory Board.

Pursuant to the resolution of the Ordinary General Meeting of Shareholders of Dekpol S.A. dated 26 June 2023, the monthly remuneration of the Chairman of Supervisory Board was set at PLN 2,800 net, and the monthly remuneration of each of remaining Members of Supervisory Board was set at PLN 2,500 net. Independently of the aforementioned remuneration, compensation for Members of the Audit Committee was set at PLN 500 net per meeting.

The value of remuneration, bonuses or benefits paid, due, or potentially due to Members of the Supervisory Board for 2024 is presented in the table below:

Gross remuneration of persons supervising the Issuer in thousands PLN for 2024

Item	Term of office	Fixed remuneration under an employment contract	Fixed remuneration for performing a function in Issuer's Supervisory Board	Other revenues *	Fixed remuneration for holding functions in governing bodies of subsidiaries
Roman Suszek	Entire year	-	PLN 58 517	PLN 878	_-
Wojciech Sobczak	Entire year	-	PLN 43 640	PLN 655	-
Jacek Grzywacz	Entire year	-	PLN 53 951	PLN 809	-
Jacek Kędzierski	Entire year	-	PLN 52 263	PLN 0	-
Grzegorz Wąsacz	Entire year	-	PLN 43 640	PLN 655	-
Total			**PLN 252 011**	**PLN 2 996**	-

* other revenues are employee capital plans and reimbursement of travel expenses to meetings paid on the basis of lump sums

In 2024, the supervisory personnel did not receive any bonuses, other benefits, or additional financial compensation for performing their functions (including conditional or deferred benefits). In 2024, Members of Supervisory Board of the Issuer were not granted any benefits in kind by the Issuer for services rendered. Members of Issuer's Supervisory Board do not hold positions in governing bodies of other companies within the Dekpol Capital Group and therefore do not receive additional remuneration in this respect. An exception is Mr. Jacek Grzywacz, who, under provision of advisory services for the Issuer, received remuneration on market terms in accordance with provisions of concluded agreement, in a total gross amount of PLN 21,525.

Commitments resulting from pensions and provisions of a similar feature for former Management and Supervisory staff

In 2024, in the Company there were no obligations resulting from pensions or other benefits of a similar nature for former management and supervisory staff, as well as obligations committed in connection with above mentioned pensions.

9. Other information

Other information

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

In 2024, no significant legal proceedings other than those indicated below were pending before a court, arbitration body, or public administration body, concerning liabilities and receivables of the Company or any of its subsidiaries.

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

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

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

On September 26, 2024, the Company received a decision from the Chief of the Authority determining the Company’s corporate income tax liability for the year 2019 in the amount of PLN 22,638,870.00.

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

After analyzing of justification provided in the decision of the Tax Authority, the Company exercised its right to appeal and submitted an objection to the Director of the Tax Administration Chamber in Gdańsk. The Company's use of its right to appeal means that the decision of the Tax Authority is not final and is not subject to enforcement. Therefore, as of the date of this statement, the event has no impact on financial position of the Group.

Management Board concluded that, as of the end of the reporting period, the existence of a present obligation requiring an outflow of resources embodying economic benefits is less likely than its non-existence.

About the receipt of information on the outcome of the customs and tax inspection, the company announced in Current Report No. 17/2023 dated June 16, 2023, and about the decision of the Tax Authority in Current Report No. 49/2024 dated September 27, 2024.

Proceeding at UOKiK

In August 2024, antitrust proceedings initiated pursuant to the decision of the President of the Office of Competition and Consumer Protection (UOKiK) were concluded regarding the imposition of a financial penalty for carrying out a concentration, consisting of the establishment of a joint venture by Dekpol Deweloper Sp. z o.o. and Dekpol Inwestycje – Puck Sp. z o.o., without obtaining the prior consent of the President of UOKiK. In this case, it is important to note that the companies themselves, as a result of internal compliance checks, determined that the concentration required approval from the President of UOKiK and voluntarily reported this (leniency). By decision of the President of UOKiK, a penalty was imposed on the entities; however, the amount is not material from the perspective of the Dekpol Capital Group and does not affect the Group's financial position.

Proceeding with Soletanche Polska Sp. z o.o.

In 2018, Soletanche Polska Sp. z o.o. initiated court proceedings against Dekpol S.A., seeking payment of PLN 0.32 million as remuneration under a contract dated July 2017 for construction works carried out on behalf of a third party – the investor – for a building in Warsaw. In December 2020, Dekpol S.A. filed a lawsuit against Soletanche Polska Sp. z o.o. and Powszechny Zakład Ubezpieczeń S.A. (the insurer of Soletanche Polska Sp. z o.o.) for the payment of approximately PLN 6.86 million plus statutory interest for delay. The claim consisted of damages due to improper performance of obligations by Soletanche Polska Sp. z o.o., acting as a subcontractor. The proceedings were pending before the Regional Court in Gdańsk.

In December 2024, the parties signed an out-of-court settlement. Under the settlement, the Company agreed to pay Soletanche Polska Sp. z o.o. the amount of PLN 0.45 million to extinguish all pending disputes before common courts as well as any potential other disputes. Court settlements in both cases were concluded in January 2025 (event after balance sheet date). A provision for the indicated amount was recognized and is presented in Note 11 to the consolidated financial statement of the Dekpol Capital Group.

Audit company

The auditing company selected to audit the separate financial statement of Dekpol S.A. and the consolidated financial statement of the Dekpol Capital Group for the financial year 2024 is UHY ECA Audyt Sp. z o.o. based in Warsaw, registered in the Register of Entrepreneurs of the National Court Register under the number KRS 0000487588 and entered in the list of auditing companies kept by the Polish Audit Oversight Agency under number 3886.

The audit firm was selected by the Supervisory Board as a result of the procedure specified in the audit firm selection procedure and in accordance with the recommendation of the Audit Committee. Recommendation of the Audit Committee regarding selection of the audit firm met applicable requirements and was prepared following a selection procedure organized by the Company that complied with relevant criteria. The agreement was concluded on August 18, 2023, for a period of 2 years and covers:

- review of the Company's interim financial statements and the interim consolidated financial statements of the Dekpol Capital Group for the period from January 1 to June 30, 2023, and for the period from January 1, 2024, to June 30, 2024,
- audit of the annual financial statements of the Company and the consolidated financial statements of the Dekpol Capital Group for years 2023 and 2024,
- assessment of the remuneration report for years 2023 and 2024 in accordance with Art. 90 of the Act of July 29, 2005, on Public Offering and Conditions for Introducing Financial Instruments to Organized Trading and Public Companies, together with the Attestation Report.

Moreover, on December 16, 2024, the Company signed an agreement with UHY ECA Audyt Sp. z o.o., based in Warsaw, registered in the Register of Entrepreneurs of the National Court Register under number KRS 0000487588 and listed as an audit firm by the Polish Audit Oversight Agency under number 3886, for the provision of assurance services concerning the sustainability reporting of the parent company for the year 2024.

In previous years, the company used the services of the aforementioned auditing firm for audit of the interim financial statement of the Company and the consolidated interim financial statement of the Dekpol Capital Group for the period from January

1 to June 30, 2021, and from January 1 to June 30, 2022, audit of the annual financial statements of the Company and consolidated financial statements of the Dekpol Capital Group for years 2021 and 2022, conducting an assessment of remuneration report and attestation services for years 2021 and 2022.

Moreover, the Deweloper Group's component was audited in terms of the audit of companies within the Developer Group by the auditor – HLB M2 TAX & AUDIT Sp. z o.o., based in Warsaw.

The amount of remuneration paid or due for financial year

Description	2024	2023
Audit of annual financial statement	603	503
Other attestation services	318	155
Including audit of financial statements	168	155
including the assurance of sustainability reporting	150	0
Tax consultancy services	0	0
Other services	0	0
Auditor's remuneration in total	**921**	**659**

The auditor's remuneration includes the fees for the Group auditor, UHY ECA Audyt Sp. z o.o., as well as the component auditor for the Dekpol Deweloper Group – HLB M2 TAX & AUDIT Sp. z o.o., based in Warsaw.

Employee matters

The average employment figures within the structures of the Issuer's Group in the period 2023–2024, broken down into white-collar and blue-collar employees employed under an employment contract, are presented in the table below.

Employment within structures of the Issuer's Group in the period 2023–2024 (average annual employment during the period, in number of persons)

Dekpol S.A.

Item	2024	2023
White-collar employees	92	95
Blue-collar employees	0	0
TOTAL	**92**	**95**

Dekpol Capital Group

Item	2024	2023
White-collar employees	525	478
Blue-collar employees	345	401
TOTAL	**870**	**879**

Employment within structures of the Issuer's Group in the period 2023–2024, as at the end of each period, including persons employed under an employment contract, is presented in the table below.

Employment status within the structures of the Issuer's Group in the period 2023–2024 (as at the end of the period, in persons)

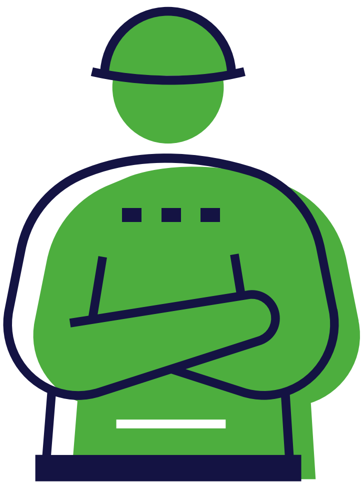
Dekpol S.A.

Item	31.12.2024	31.12.2023
Employment (persons)	96	91

Dekpol Capital Group

Item	31.12.2024	31.12.2023
Employment (persons)	843	904

The Issuer further reports that, as of December 31, 2024, the Dekpol Group companies were working with:



- Dekpol S.A. – 116 persons;
- Dekpol Budownictwo Sp. z o.o. – 372 persons;
- Dekpol Deweloper Sp. z o.o. - 87 persons;
- Dekpol Steel Sp. z o.o. – 167 persons;
- Intek Sp. z o.o. – 138 persons;
- Betpref Sp. z o.o. – 97 persons;
- Kombet Działdowo Sp. z o.o. - 95 persons.

At the end of 2024, the Dekpol Capital Group team consisted of nearly 1100 individuals.

Key Intangible Assets of the Company and the Group

Undoubtedly, intangible assets held by the Company and the Group have a significant impact on enterprise's value. The most important intangible assets that influence business operations and performance of the Company and the Group include:

- Human capital;
- Brand and reputation;
- Relationships with customers and suppliers;
- Know-how;
- Intellectual property.

Human capital

Human resources are one of the most important pillars of development for the Company and the entire Dekpol Capital Group. It is the employees' competencies, knowledge, and experience, as well as their engagement, that drive achievement of organization's strategic goals. A well-prepared team enables the effective building of a competitive advantage in a demanding market.

The Group's structure encompasses three diverse business segments, which requires collaboration with experts from various fields. Each of them contributes significantly—either directly or indirectly—to the success of the entire organization. In the era of advanced technologies and dynamic environmental changes, people remain the key element of the Group's competitive strength and advantage.

Employees within the Company and the Group are engaged, flexible, and ready to take non-standard actions, allowing the organization to easily adapt to changing conditions through process optimization and the implementation of unconventional solutions. It is also worth noting that a modern organization must ensure a positive working environment. At Dekpol S.A. and throughout the Dekpol Capital Group, employees have the opportunity to develop their skills and broaden their knowledge, including through training participation, study subsidies, and engagement in initiatives such as the Dekpol Budownictwo Academy.

Brand and reputation

A strong brand and good reputation are essential elements in building a company's value and achieving long-term success. Properly shaping these aspects can provide a lasting competitive advantage.

Dekpol S.A. and the Dekpol Capital Group are recognizable brands built on customer loyalty. The brand is primarily known for its three core segments: general contracting, property development, and the production of of accessories for construction machines. Recently, the Group's operations related to the production of concrete prefabricated elements have also been gaining increasing importance. The Dekpol brand has been present on the market since 1994, starting as a sole proprietorship. Over the years, the Group has become well known, mainly due to the quality of its products and services as well as its punctuality. This is reflected in the loyalty of clients who eagerly cooperate with Group companies on subsequent projects—such as LPP, Panattoni, 7R, and Leroy Merlin in the general contracting segment, or VOLVO and Komatsu in the segment of production of accessories for construction machines. In the property development segment, the Group also has investment clients who return to take advantage of new offers. Over time, the Dekpol Capital Group has built a reputation as a reliable partner, and this reputation continues to foster trust, which in turn supports long-term development of the business.

Thanks to its many years of market presence and high operational standards, the Group's reputation serves as a catalyst for further growth and expansion, positively influencing the brand's perception by market and business partners.

Relationships with customers and suppliers

In relationships with clients and suppliers, Dekpol S.A. and the Dekpol Capital Group recognize one of the key elements in building their stability, competitiveness, and market value. These relationships have a direct impact on company's financial position and operational flexibility.

Clients and strong relationships influence the Company's image and determine its reputation. At the Company and within the Group, the needs of each client are recognized, which ultimately contributes to customer satisfaction and trust in the Dekpol brand. The Company and Group place great emphasis on building long-term relationships, which significantly affects sales levels and helps reduce operating costs. Additionally, long-standing cooperation with clients enables better communication between the client and Group companies, allowing for quick responses to changing market needs.

Another very important aspect is the relationship with suppliers and subcontractors. Suppliers directly influence the quality, cost, and continuity of supply, which in turn affects stability and competitiveness of Group companies. Because stable and reliable deliveries as well as high quality are of great importance to Dekpol S.A. and the Capital Group, many suppliers have worked with the Company and Group for years. This enables the Group companies to ensure high quality of services and products. Cooperation with proven and long-term suppliers and subcontractors minimizes the risk of delays and supply shortages and creates opportunities for price negotiations while maintaining appropriate quality standards. Importantly, a base of reliable suppliers and subcontractors, along with long-term relationship-building, increases the Company's and Group's resilience to market crises.

Know-how

Specialized knowledge, experience, and an innovative approach—collectively referred to as know-how—constitute one of the pillars of the Capital Group's competitiveness. It is precisely these unique competencies and the ability to implement modern technological solutions that determine effectiveness and quality of projects carried out.

In construction-related segments, the Group applies advanced building technologies that allow for optimization of construction processes. Additionally, great attention is paid to the creation and continuous improvement of both external and internal processes, which significantly enhance project management quality, reduce costs and save time. The ongoing pursuit of innovation enables cost reduction without compromising quality. Equally important is sustainable development, which takes into account the environmental aspects of materials and solutions used.

In the segment of production of accessories for construction machines, essential know-how includes material selection and advanced processing technologies. The company thoroughly verifies the use of appropriate steel, and innovative processing methods allow for the automation of certain tasks. A crucial element is design and engineering, which optimize constructions in aspects such as durability, capacity, and efficiency. An in-house team of engineers enables product customization to meet individual customer needs, boosting satisfaction and trust. Equally important are comprehensive and effective quality control processes that help minimize defects and faults in products.

In the property development segment, know-how effectively builds a competitive edge. Particularly significant elements for creating company value include the ability to analyze and select locations, as well as plan and design investments. Equally important is effective management of the entire construction process and securing capital to finance investments while optimizing budgets. The entire development process relies primarily on effective sales, making marketing and sales strategies essential to building a strong brand. Proper know-how combined with a high level of human capital enables continuous growth in Group's property development segment.

Thanks to a strategy based on know-how, the Group is able to build a strong brand, attract new clients, and thereby increase sales potential, improve profitability and optimize costs.

Intellectual property

Intellectual property is a key component of intangible assets of Dekpol S.A. and the Dekpol Capital Group, directly impacting their market value, competitive advantage and ability to innovate and adapt in a dynamically changing business environment. It encompasses a broad range of assets such as copyrights, technology rights, trademarks, industrial designs, know-how, technical documentation, as well as licenses and certificates confirming compliance with relevant industry standards.

Within the Dekpol Capital Group, particular emphasis is also placed on compliance with applicable norms and regulations—each company in the Group holds the necessary licenses, certifications, and authorizations that confirm the quality and safety of the services provided and the products offered. These documents are regularly updated and renewed, reflecting a responsible approach to industry standards and legal regulations.

From the perspective of investors and business partners, intellectual property is a significant indicator of the organization's maturity and professionalism. Skillful management of these assets increases the attractiveness of the Company and the Group on capital market, facilitates cooperation with external entities, and enables more effective negotiation of contract terms, licenses, or strategic partnerships.

In summary, intellectual property within the Dekpol Capital Group is not merely a formal asset—it is a real tool for strengthening market position, building long-term enterprise value and developing business in a sustainable and innovative way.

Major achievements on R&D field

As a part of the work of Research and Development Department in the General Contracting Segment, the development and implementation of the "Catalogue of Standard Structural Solutions in Dekpol Budownictwo. Steel and Reinforced Concrete Structures of Standard Halls" was completed. Based on many years of experience (including in terms of correctness, reliability, optimal cost of solutions, and construction pace), the catalogue serves as a primary knowledge base for construction site staff regarding standard hall element solutions and outlines acceptable variants within Dekpol Budownictwo Sp. z o.o. At the same time, the solutions indicated in the catalogue serve as guidelines for structural design, especially for external design offices. The catalogue is intended to be continuously updated and developed, ensuring it contains current and optimal solutions.

To complement this catalogue, minimum requirement guidelines for structural designs were also prepared and implemented. Additionally, work began on the creation of a comparable "Catalogue of Standard Solutions for Residential Buildings in Dekpol Budownictwo," with similar objectives. Consequently, a new team was established within the Research and Development Department, focusing on designing and creating standards for residential construction at Dekpol Budownictwo Sp. z o.o. The implementation of prefabrication and the unification of system-based solutions in residential construction will allow for faster project execution while simultaneously increasing quality and reducing the production costs of prefabricated elements.

The Research and Development Team also continuously works on implementing innovative structural connection solutions in both industrial-warehouse and residential construction, using, among others, the Strusoft FEM-Design structural analysis software introduced in 2024. In addition to executing comprehensive structural design projects for buildings constructed by Dekpol Budownictwo Sp. z o.o. and optimizing structural solutions in project documentation provided by investors, the R&D Team has also started preparing 3D models to support the acquisition phase of construction contracts. These 3D models significantly facilitate the discussion of proposed structural solutions and are easily accessible to potential clients of Dekpol Budownictwo Sp. z o.o., for example via Trimble Connect platform.

In 2024, initiatives launched in previous year continued, aiming to define the criteria for rational application of hybrid reinforced concrete and timber structures in buildings, and subsequently to develop standards for structural detailing in such constructions. A collaboration was also established with the Cracow University of Technology to study the susceptibility of flat roof load-bearing sheet connections with steel structures. In 2024, work was completed on defining goals and implementation plan for the BIM methodology, including testing two Common Data Environment (CDE) platform solutions.

Betpref Sp. z o.o. consistently carries out activities aimed at developing its current products as well as creating new solutions. In response to market demand for innovative products, Betpref Sp. z o.o. is continuing efforts to expand its offering in both precast concrete elements and steel structures.

Meanwhile, at Intek Sp. z o.o., the current main area of focus is reduction of CO_2 emissions, both in production process and during use of manufactured accessories.

Environmental issues

Environmental issues have been described in the section concerning sustainability reporting.

Expenditures on culture, sports, charitable institutions, media, social organizations, and trade unions

The Dekpol Capital Group in its activities is guided by the principles of sustainable development, considering the needs of local communities and the natural environment, therefore it engages in social initiatives, supporting sports, cultural events, and educational campaigns. The list of expenses incurred by the Capital Group for these purposes in 2024 is presented below.

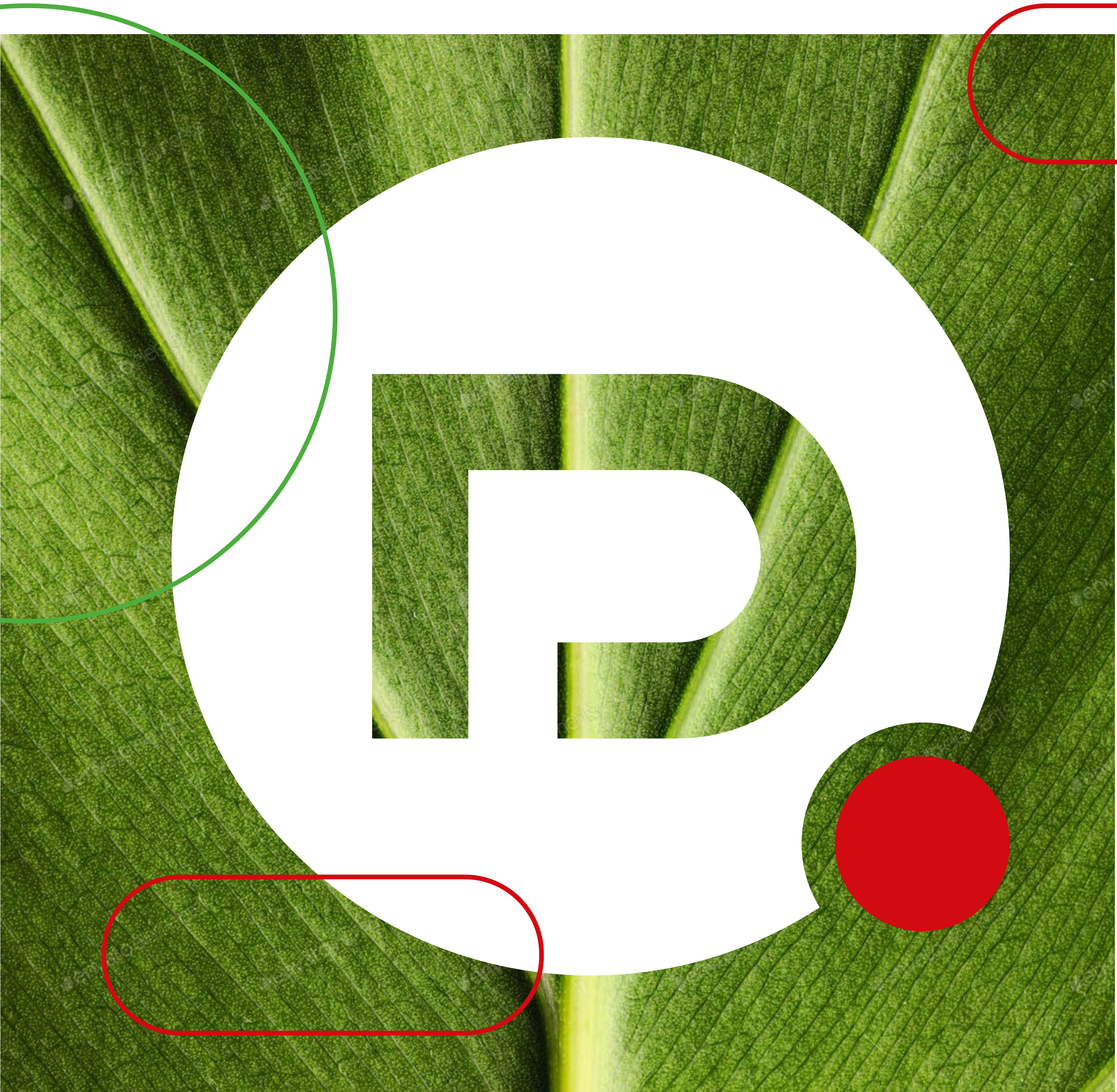
List of expenditures of the Dekpol Capital Group incurred in 2024 related to supporting culture, sport, charities, media, and social organizations

Company	Category	Amount (thousands of PLN)
Dekpol Foundation	Charity activities for the benefit of individuals	26,00
Dekpol Foundation	Social organizations	76,6
Dekpol Foundation	Culture	13,62
Dekpol Foundation	Sport	4,0
Dekpol S.A.	Charity activities for the benefit of individuals	2,0
Dekpol S.A.	Social organizations	109,00
Dekpol S.A.	Culture	26,00
Dekpol Steel Sp. z o.o.	Sport	2,5
Dekpol Deweloper Sp. o.o.	Charity activities for the benefit of individuals	50,00
Dekpol Deweloper Sp. o.o.	Social organizations	20,35
Dekpol Deweloper Sp. o.o.	Sport	60,8

Dekpol Budownictwo Sp. z o.o.	Education	24,0
Dekpol Budownictwo Sp. z o.o.	Sport	50,0
Dekpol Budownictwo Sp. z o.o.	Social organizations	32,31
Total		**497,18**

Sustainability Statement

of the Dekpol Capital Group



dekpol

2024

Sustainability Statement

of the Dekpol Capital Group

for the period from January 1, 2024, to December 31, 2024

drawn up in accordance with European standards
European Sustainability Reporting Standards (ESRS)

Pinczyn, April 25, 2025

Table of content

(ESRS 2) General disclosures

(BP-1) General basis for preparation of sustainability statements

The Dekpol Capital Group S.A. has adopted the following assumptions for the preparation of the Sustainability Statement in accordance with Chapter 6c of the Accounting Act and requirements of sustainability reporting standards (ESRS).

Disclosure of the extent to which the Sustainability Statement covers the upstream and downstream value chain

The Group has prepared the sustainability statement in a consolidated form. The consolidation covers all companies within the organization and is consistent with principles applied in financial statements.

In accordance with Section 5.1 of ESRS 1, a comprehensive approach to reporting on the company's value chain has been adopted, covering both upstream and downstream activities. The report includes material aspects of the value chain, such as raw material extraction, production processes, distribution channels, and end-of-life product management. Certain elements have been excluded from company's disclosures, particularly those that do not meet materiality threshold or are not critical to operations, such as less significant segments of the supply chain or marginal business relationships.

The organization has not made use of the option to omit specific information relating to intellectual property, know-how, or results of innovation, nor permissible omissions granted by member states regarding disclosure of upcoming events or matters under negotiation.

Impact affects people, in this case consumers and end users.	This impact is closely linked to the Group's strategy and business model, which emphasizes the appropriate quality and safety of its products. .

(BP-2) Disclosures in relation to specific circumstances

The time horizons applied by the Dekpol Capital Group are consistent with the ESRS 1 standard.

Estimation of the value chain

The Group used ESRS indicators related to greenhouse gas (GHG) emissions to prepare the sustainability statement, particularly in the context of estimating emissions across the upstream and downstream value chain. In financial year 2024, emission estimates were primarily based on expenditure-based method. The total reported emissions amounted to 9,048,467.060 tCO_2eq, of which 1,500,899.825 tCO_2eq was attributed to the value chain.

In 2024, the Group attempted to obtain data directly from suppliers (e.g., EPD declarations, GHG surveys completed by suppliers including emission factors). In several subsidiaries, EPD declarations provided by suppliers were used. In other cases, indirect sources were applied, such as sectoral data, industry-average data, and other proxy indicators available through the Envirly platform. This platform utilizes data from: AIB (Association of Issuing Bodies), DEFRA, the Deepki website (used for calculating the carbon footprint of products using average primary energy consumption indicators for commercial buildings), tools like

OneClick (used to conduct building life cycle analysis or compare construction materials) and results from previously conducted LCA analyses for BREEAM certification purposes. Emission factors were partially obtained from publicly available online sources—for example, from energy suppliers or for certain waste categories. In future years, the Group plans to increase its efforts to obtain accurate data from across the value chain. It is noted that using data from indirect sources may introduce certain limitations and uncertainties into reported results.

In order to improve the accuracy of indicators used, which include data from the upstream and downstream value chain, the following actions will be undertaken:

- Increasing collaboration within the supply chain – through actively obtaining data from suppliers via surveys or in the form of EPD declarations, in order to reduce dependence on sectoral averages and proxy indicators, which may not fully reflect actual situation.
- Improving IT systems to collect and analyze data directly from the value chain, which will enable more precise measurements.
- Introducing training programs for the sustainability team and the entire organization to ensure the necessary knowledge and skills in collecting and analyzing sustainability-related data. These trainings include data collection methodology, quality control, and data analysis techniques.

In the sustainability report for financial year 2024, quantitative indicators and monetary amounts subject to a high level of measurement uncertainty have been disclosed. In particular, estimates of GHG Scope 3 emissions, which account for approximately 99% of total emissions, are burdened with significant uncertainty due to complexity of data collection within the supply chain. During the double materiality analysis, assessments were made from both a medium- and long-term perspective, which inherently involves a certain level of uncertainty. Financial evaluation of risks and opportunities was mainly based on qualitative data without precise quantitative calculations. Furthermore, the analysis included only partial estimates regarding value chain, especially the supply chain, due to the lack of detailed information from suppliers about primary origin of raw materials and components. When making assumptions and approximations—particularly in the double materiality analysis and GHG emissions calculations—where reliable data (e.g., from the value chain) could not be obtained, the worst-case scenario was assumed.

Sources of uncertainty in estimates and results

The following indicators and monetary amounts, which are subject to a high level of measurement uncertainty, have been disclosed:

- Scope 3 GHG emissions, including emissions from supply chain, estimated using default method of GHG Protocol, which may lead to uncertainty in amounts reported by the Group. This results from the lack of reliable data from most suppliers on emission factors of their products, as well as from collection of upstream and downstream transport data in some of the Group's entities and the use of average emission factors. At this stage, however, the Group is not able to estimate the level of uncertainty associated with these estimates.
- Scope 2 GHG emissions were also partially based on estimated quantities due to the lack of data from investors regarding energy consumed at construction sites.

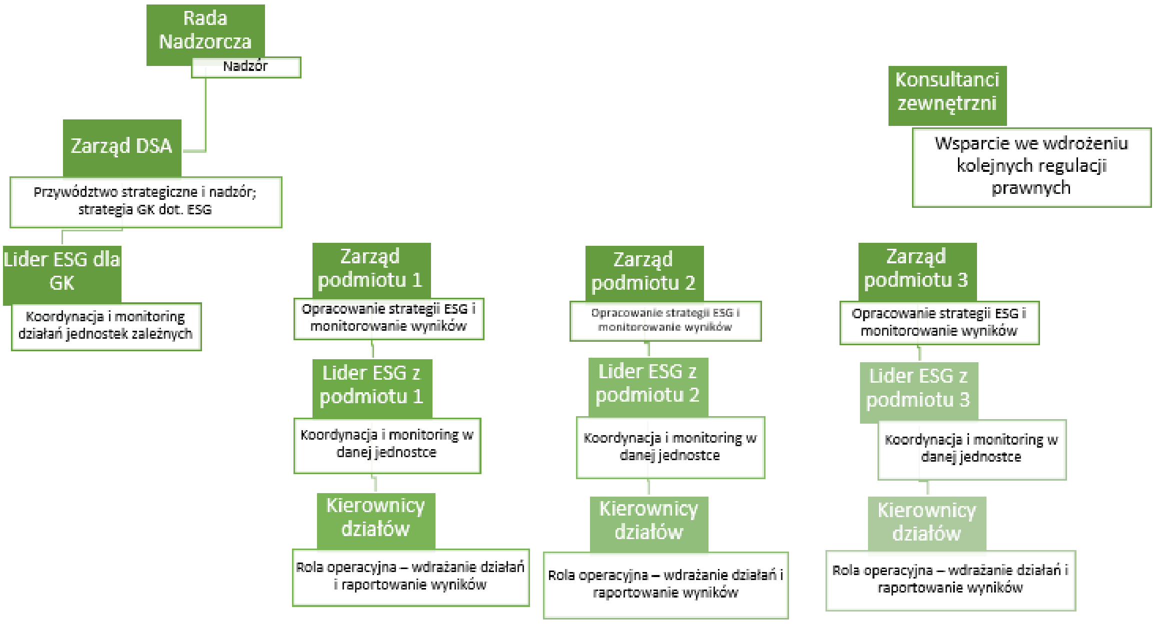
Changes in preparation and presentation of sustainability information compared to previous reporting period

This is the first reporting year in accordance with sustainability reporting standards (ESRS), therefore no adjustments to comparative information from previous years have been made. No material errors have been identified either.

(GOV-1) The role of the administrative, management and supervisory bodies

Composition of these bodies includes: Supervisory Board of Dekpol S.A., which is responsible for monitoring and overseeing general framework as well as evaluating the sustainability report. Next, Management Board of Dekpol S.A., which is responsible for strategic leadership and monitoring sustainability performance reporting. Within the structure of Dekpol S.A., there is also a Sustainability Leader, who coordinates and monitors sustainability actions, including alignment of objectives and results of subsidiaries with the Group's overall goals, implementation of relevant policies and procedures, as well as preparation of sustainability statement.

Attached below is a graphical representation of roles and distribution of ESG responsibilities within the Dekpol Capital Group.



Information on composition and diversity of members of Management Board and Supervisory Board

As of December 31, 2024, Management Board of Dekpol S.A., as the superior entity within the Dekpol Capital Group, consisted of 50% men and 50% women. In contrast, the Supervisory Board was composed of 100% men as of the same date.

The following table summarizes members of Management Board and Supervisory Board of the Dekpol Capital Group

	Dekpol SA
Number of executive members	2
Number of non-executive members	5

Information on representation of employees and other staff

There are no employee representatives in Management Board or Supervisory Board.

Information on experience of members in relation to sectors, products and geographical locations of the company

Dekpol S.A. is managed by a qualified team of professionals. Management Board consists of two members, while Supervisory Board is made up of five persons. Both members of Management Board have experience in the construction industry.

All members of the Audit Committee and Supervisory Board have a university degree, two of which are lawyers, and competence and experience especially in economic and financial consultancy. As a part of their long-term cooperation with the Group through supervision of financial reporting, they have additionally gained experience in the industry in which Dekpol Capital Group operates.

Percentage of independent board members
as of 31.12.2024

80% / 0,8

To ensure the necessary expertise for overseeing sustainability-related matters within the Dekpol Capital Group, a Sustainability Leader was appointed at the Group level. Additionally, each subsidiary within the Group also appointed its own Sustainability Leader. These leaders coordinate implementation of appropriate sustainability actions as well as reporting process of such matters. The Group is supported in expanding its expertise and developing skills in the area of sustainability by an external advisory entity.

In 2024, the deepening of knowledge related to sustainability included:

- workshop on results of dual materiality analysis with presentation of a preliminary proposal for objectives of a balanced development strategy, organized for management staff of Group entities.
- meeting of internal auditor of the Dekpol Capital Group with the Audit Committee functioning within the Supervisory Board of Dekpol S.A. to raise awareness of sustainable development.

The Group discloses only the gender proportion of Management Board and Supervisory Board members. No other diversity criteria have been adopted.

Management Board of Dekpol S.A., as well as management boards of individual subsidiaries, are responsible for setting the overall strategic direction and making key decisions that affect business operations and sustainable development of the entire Group. During reporting period, Management Board did not assign responsibility for monitoring impacts, risks and opportunities, or for managing and overseeing them, to any individual. No reporting structure, control system or management procedures were established in this regard.

On the other hand, Supervisory Board of Dekpol S.A. exercises ongoing supervision over Company's business operations, including evaluation of financial statements, Report of Management Board on business activities of the Company, as well as the sustainability statement.

Management Board of Dekpol S.A., as well as management boards of its subsidiaries, are responsible for managing impacts, risks and opportunities, with the support of senior management and designated individuals within organizational structure. According to Articles of Association of Dekpol S.A., Management Board manages Company's affairs and represents it in all matters. Therefore, there is no established division of responsibilities among Management Board members, nor are roles formally divided in the governance processes, controls and procedures related to impacts, risks and opportunities, their management, or oversight. This role has not been assigned to any specific individual in a managerial position or to any committee.

Within the Dekpol S.A. Capital Group, both Management Board and Supervisory Board play a key role in managing processes, controls and procedures for monitoring, managing and overseeing impacts, risks, and opportunities. Management team is responsible for implementing and maintaining governance frameworks. These frameworks primarily involve developing and implementing policies and control procedures to mitigate risks. In certain entities, such as Dekpol Budownictwo, Dekpol Steel, Intek, and Betpref WKS, regular risk assessments are conducted under the Integrated Management System to identify potential threats and opportunities.

In the Dekpol Capital Group S.A., entities designate individuals within their structures who are responsible for monitoring, managing and overseeing impacts, risks and opportunities within specific areas such as environmental protection, occupational health and safety, and employee matters. Additionally, sustainability leaders have been appointed in entities, who collaborate with designated area-specific personnel and are also responsible for reporting sustainability issues to Management

Boards. However, decisions regarding strategy, setting goals, and defining performance indicators are made by management boards of each entity. The actions implemented must be aligned with overall framework and strategy defined by Management Board of Dekpol S.A.

A detailed system for managing sustainability issues is currently being developed, including determining the scope and frequency of reporting on achievement of goals to be established under the ESG strategy.

At this stage, a formal reporting system has not yet been implemented in the Dekpol Capital Group. The form, scope, and frequency of reporting will be defined individually by each Group entity once the ESG strategy has been developed and adopted. At Dekpol Budownictwo, a model for ESG management has already been established, including the method for setting objectives, responsibility for their implementation and delegation of tasks to subordinate teams. The ESG management model and reporting processes will align with assumptions of ESG strategy, and the process of defining them across all Group entities will be continued in 2025.

At the beginning of 2024, a work schedule was developed for implementing the ESG reporting and management system. Management boards of all Group entities regularly receive progress reports on implementation status.

Within the Dekpol Capital Group, dedicated controls and management procedures for impacts, risks and opportunities are implemented through the Integrated Management Systems and Factory Production Controls.

Roles and responsibilities of Management Board and Supervisory Board

Management Board

Management Board's responsibilities in terms of impact, risks and opportunities arise from the role and responsibilities of this body under the law as well as Articles of Association.

Supervisory Board

Supervisory Board's responsibilities with respect to impact, risks and opportunities arise from its authority to exercise ongoing supervision over the Company's business activities as detailed in its Articles of Association.

(GOV-2) Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Dekpol Capital Group, in cooperation with an external advisor, developed a work schedule at the beginning of 2024 for implementation of a sustainability reporting and management system. As a part of this schedule, a communication strategy regarding sustainability issues will be developed in 2025. At present, management boards of all Group entities periodically receive reports on progress of the work outlined in the schedule. Additionally, several meetings with management boards were held in 2024, organized in cooperation with external advisor. The purpose of these meetings was both to raise awareness of sustainability issues and to present results of double materiality analysis and proposed foundations for sustainability strategy. Furthermore, during a periodic meeting with the Audit Committee of the Supervisory Board of Dekpol S.A., internal auditor presented the Committee members with the status of work completed to date, as well as the next steps and planned actions related to sustainability, including proposed management system and suggested goals for the sustainability strategy. In addition to the aforementioned group-level communication, individual companies organize their own internal communications. For example, in 2024, Dekpol Budownictwo organized an additional training session on general sustainability knowledge and workshops aimed at developing ESG goals.

Impacts, risks, and opportunities related to sustainable development are, within the Capital Group, treated as a part of broader business impacts, risks and opportunities, and are regularly analyzed by Management Board and Supervisory Board. They are taken into account in the Group's strategy and business decisions, depending on specificity and needs of individual areas of business operation. For example, in general contracting segment, atmospheric conditions, including weather anomalies, pose a significant risk that is considered when scheduling work and in contract provisions with investors. Production of prefabricated concrete and steel structures carries considerable risk related to product quality and durability. Errors or negligence could even lead to structural failure. Therefore, strong emphasis is placed on ongoing quality control throughout production process, conducted under Factory Production Control systems. The safety of employees and subcontractors is also of great importance—regular inspections, "safety minutes" on construction sites, reports identifying irregularities, corrective actions to be implemented and deadlines for their implementation are standard practice. Neither Management Board nor Supervisory Board has considered compromising on matters related to impact, risks, and opportunities.

In 2024, only impacts, risks and opportunities were analyzed as a part of double materiality assessment process. Results of this analysis were presented to management boards of all entities within the Dekpol Capital Group.

(GOV-3) Integration of sustainability-related performance in incentive schemes

At this stage, a sustainable development management system has not yet been implemented, and the integration of related results into incentive schemes will fall under responsibility of individual companies within the Group. At the time of preparation of this statement, the Group did not link sustainability-related outcomes with its remuneration policy. Each company will independently decide whether sustainability indicators will be considered as performance evaluation criteria.

Currently, there are no incentive schemes related to sustainable development—including climate-related matters—for members of Management Board and Supervisory Board across the Dekpol Capital Group S.A.

However, individual companies, such as Dekpol Budownictwo, are already working independently on setting sustainability goals.

(GOV-4) Statement on due diligence

In 2024, the Dekpol Capital Group did not fully implement a comprehensive due diligence process in the area of sustainable development in accordance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Below are the stages of due diligence that were partially implemented by the Dekpol Capital Group, limited to disclosures required under specific ESRS.

Basic elements of due diligence process	**Points in the sustainability statement**
Integrating due diligence into corporate governance, strategy and business model	GOV-2; SBM-3
Engagement with affected stakeholders at all key stages of due diligence process	SBM-2; S1-2; S1-3; S2-2; S2-3; S3-2; S3-3; S4-3

Identification and assessment of adverse impacts	IRO-1; SBM-3
Undertaking of action to reduce identified adverse impacts	E1-3; E2-2; E4-3; E5-2; S1-4; S2-4; S3-4; S4-4
Monitoring the effectiveness of these efforts and providing relevant information in this regard	E1-5; E-6; E2-4; E4-5; E5-4; E5-5; S1-14; S1-16; S1-17

(GOV-5) Risk management and internal controls over sustainability reporting

As a part of the sustainability management system being developed within the Group, roles, responsibilities, and accountability of various governing bodies have been defined. Additionally, a team of sustainability reporting leaders has been appointed. These individuals oversee the information provided for the sustainability statement, ensuring it is accurate, reliable and compliant with relevant standards and regulations. The leaders conduct periodic reviews of reported data, coordinate and monitor sustainability activities and supervise reporting of results for the Group. To this end, they identify relevant areas and individuals responsible for providing data for sustainability statement and oversee completeness, accuracy and timeliness of submissions. Management boards of individual entities are responsible for completeness and truthfulness of information submitted as a part of the Sustainability Statement disclosure. The Group-level sustainability leader is responsible for consolidating the data submitted by each entity and reporting results to the Management Board of Dekpol S.A. An external advisor supports the Group in verifying compliance of information presented in the sustainability statement with applicable regulations and standards.

Risk assessment is conducted through a detailed analysis of reporting requirements, including material topics and an evaluation of areas where relevant data resides, particularly in terms of data availability and awareness of sustainability issues within those areas.

During the double materiality analysis and implementation of the sustainability reporting system, the following risks were identified in the sustainability reporting process:

- Risk of delayed, incomplete, or inaccurate data delivery, which may result in a delayed, incomplete or substandard sustainability statement that fails to meet quality requirements. This risk is mitigated through oversight of the data collection process by sustainability leaders, combined with supervision by an external advisor.
- Risk of unavailability of certain data from the value chain, which may result in incomplete reporting or the need to estimate specific data ranges. In future years, this risk can be addressed by working to obtain these data through, among other things, engagement with suppliers and customers, as well as raising their awareness of sustainability issues through appropriate contractual clauses, surveys and declarations, which will help to obtain higher-quality information.
- Risk of existing ERP systems being inadequately adapted for sustainability reporting purposes, which may result in the need to estimate certain data ranges. In response to this risk, in 2024 the Group initiated efforts to adjust ERP systems to enable collection of quantitative data for sustainability reporting. These efforts will be continued in 2025.
- ESG management system, currently in the process of being defined and implemented, may result in the risk of missing or incomplete data. It is necessary to implement appropriate systems in 2025 and to expand existing ones by incorporating a responsibility matrix for collecting and providing data from individual areas.
- Lack of implemented due diligence process as well as certain policies and procedures poses a risk in terms of completeness and quality of data, including data related to implementation of the due diligence process. As a result, further work on this issue is planned in upcoming periods, including implementation of project assessments for compliance with taxonomy (specifically, conducting required due diligence process to qualify the activity as aligned with minimum safeguards). The Group will gradually implement relevant policies and procedures to improve sustainability reporting process, including within the value chain. In 2024, work was already initiated on a Supplier Code of Ethics (Dekpol Budownictwo sp. z o.o.),

a contracting procedure (for production entities), and a grievance policy for key stakeholder groups (employees, workers in the value chain, consumers and end-users, as well as local communities).

- Insufficient awareness of sustainability issues within the Group may result in low-quality data. This risk will be mitigated through oversight by sustainability leaders over the data provided for the statement, as well as through support from an external entity. In subsequent periods, efforts to raise awareness of sustainability—both within the Group and across the value chain—are planned to be continued.

At the same time, they oversee the improvement of processes, implementation of actions, policies and procedures aimed at mitigating identified risks in order to continuously improve the quality and accuracy of the data presented by the Group in sustainability statement.

In 2024, Management Boards of individual entities within the Dekpol Group were regularly informed about the status of planned work, including identified risks and threats, in accordance with the schedule established with external entity supporting the Group. At a meeting held at the end of November 2024, external entity supporting reporting process presented to Management Boards the results of double materiality analysis and preliminary assumptions of the sustainability strategy.

At the beginning of December 2024, a meeting was held with the Audit Committee of the Supervisory Board of Dekpol S.A., during which the Group-level sustainability leader presented to the Audit Committee members the main stages of implementing sustainability, the status of each stage, the proposed sustainability management system, as well as the draft of sustainability strategy. Periodic progress reporting will be continued in 2025.

(SBM-1) Strategy, business model and value chain

Although the sustainability strategy has not yet been implemented within the Dekpol Group, the double materiality analysis conducted in 2024 played a key role in developing its initial framework. In 2025, based on results of this analysis, the Group plans to create a comprehensive sustainability strategy, with objectives aligned both with the analysis and adopted business model. The Group's business strategy is focused on stable growth, built upon operations in three core segments: general contracting, production of accessories for construction machines, and the property development segment. It also includes expansion of a promising area of activity—prefabrication—carried out by plants of Betpref sp. z o.o. and Kombet-Działdowo sp. z o.o.[1].

Significant groups of products and services offered, including changes during reporting period

- **Dekpol Budownictwo:** Dekpol Budownictwo specializes in construction of cubature buildings, ranging from factories, logistics centers, shopping centers and retail parks, car dealerships, to hotels and residential projects—both popular and premium—as well as non-standard developments. The key areas of activity will continue to be industrial-logistics and residential construction. As a part of its short- and medium-term commercial strategy, Dekpol Budownictwo Sp. z o.o. will continue to focus its acquisition efforts on short-term projects related to industrial-logistics construction and public utility buildings.
- **Dekpol Deweloper:** the company specializes in the development of multi-family residential investments and collective housing facilities, acting as the investor. It offers properties in three standards: popular, upgraded, and premium, tailoring

[1] Kombet-Działdowo sp. z o.o. hereinafter referred to as Kombet-Działdowo or Kombet.

its offering to meet the diverse expectations of clients. A particularly extensive segment of the company's operations consists of aparthotels and condohotels.

- **Dekpol Steel[2] and Intek[3]:** Dekpol Steel is a manufacturer of accessories for construction machines. It produces backhoe, skeleton, trapezoidal, loader and grading buckets, both rigid and hydraulically tilting, designed for excavators, loaders, and telescopic handlers. Dekpol Steel buckets are used across various sectors of economy, including quarries, gravel pits, and earthworks. Intek manufactures specialized steel structures used in industries such as offshore, metallurgy, mechanical engineering, machinery, petrochemical, oil & gas, mining, transportation and railways.
- **Betpref-ZPP and Kombet:** both plants manufacture precast concrete elements, in particular columns, beams, loading docks, foundation blocks, retaining walls, precast stair flights, precast balconies, filigran-type floor slabs, road slabs, as well as direct deliveries from the manufacturer to the customer and installation of aforementioned precast elements.
- **Betpref-WKS:** the company manufactures steel structures used in building construction; these primarily include steel hall projects, warehouses and industrial, production, and sports facilities.
- **Dekpol S.A:** as the parent company of the Dekpol Capital Group, it supports all subsidiaries by providing a wide range of services, including IT, legal, accounting, HR and payroll, administrative, financial, and controlling services. In 2024, Dekpol S.A. also generated marginal revenues from the sale of fuels and gravel.

Description of significant markets and customer groups served, including changes during reporting period

- **Dekpol Budownictwo:** in 2024, the Company operated in Poland and Lithuania, with activities in Lithuania limited exclusively to commercial operations. The Company's clients include primarily private investors, clients from the public and public-private sectors, as well as the company Dekpol Deweloper.
- **Dekpol Deweloper:** the Company operates primarily in the Tri-City area, and to a lesser extent in the Warsaw region (including Milanówek), Wrocław, and is preparing an investment in Kamesznica (Żywiec County). The Company's clients include both individuals and companies—private investors as well as an investment fund. The construction projects under this business model are carried out by Dekpol Budownictwo.
- **Dekpol Steel:** the Company's products are sold globally. Significant markets include Scandinavia, Czech Republic and Germany. The main customer groups are original equipment manufacturers (OEMs), construction machinery dealers, as well as individual customers.
- **Intek:** Intek sells its steel structures globally, with a particular focus on the German market.
- **Betpref-WKS:** the company sells steel structures within Poland. However, the main client of Betpref-WKS is a related entity – Dekpol Budownictwo.
- **Betpref-ZPP and Kombet:** the companies' products are sold throughout the country. The highest sales are recorded within a radius of up to 300 km from the plants' headquarters due to transportation costs, as well as long-standing cooperation with contractors from the Warmian-Masurian and Kuyavian-Pomeranian voivodeships. The main customer groups include construction companies, general contractors, developers and individual clients. An important customer for both companies is Dekpol Budownictwo.
- **Dekpol S.A:** business activities of Dekpol S.A. are focused on subsidiaries from among of the Dekpol Capital Group.

Dekpol Group companies do not offer products or services that would be prohibited in certain markets.

---

[2] Dekpol Steel sp. z o.o. hereinafter referred to as Dekpol Steel or DST

[3] Intek sp. z o.o. hereinafter referred to as Intek

Total number of employees, including associates of Dekpol Capital Group at the end of period

1 167 people

broken down into:

- **Dekpol S.A.:** operations located in the Pomeranian Voivodeship, 124 people in total,
- **Dekpol Budownictwo:** operations located throughout Poland, 387 people in total,
- **Dekpol Deweloper:** operations located mainly in the Pomeranian Voivodeship, 109 people in total,
- **Betpref WKS and Betpref ZPP:** operations located in the Pomeranian Voivodeship, 114 people in total,
- **Intek:** operations located in the Warmian-Masurian Voivodeship, 150 people in total,
- **Dekpol Steel** operations located in the Pomeranian Voivodeship, 188 people in total,
- **Kombet** operations located in the Warmian-Masurian Voivodeship, 95 people in total.

Comprehensive income

PLN 1 404 001,3 thousand

The structure of revenue by major Group segment is as follows:

- **General contracting segment:** PLN 1 000 408 thousand
- **Property development segment:** PLN 230 983 thousand
- **Production segment:** PLN 123 136 thousand
- **Other:** PLN 49 475 thousand.

During reporting period, potential impacts, risks and opportunities were taken into account in conducted double materiality analysis, which included Group's significant sectors. A detailed description is provided in disclosure SBM-3.

Sustainability targets for relevant product and service groups, customer categories, geographic areas and stakeholder relationships

- **GK Dekpol:** general objectives in accordance with ESRS are currently being developed for the entire Group. However, apart from the sustainability strategy, the Group has set the following goals for 2025: obtaining information from key suppliers on emission factors of raw materials and materials they provide, as well as information on their origin; implementing a Complaints Policy for the main categories of Group's stakeholders, including own employees, subcontractors and workers in the value chain, customers and end users, as well as local communities.
- **Dekpol Steel and Intek:** the companies' goal for 2025 is to expand further into German and French markets. As a part of this strategy, a decision was made to seek out agents who will be employed to mediate sales. In 2024, there was an increase in orders for unpainted buckets, which allowed for a reduction in CO_2 and VOC emissions associated with painting process, as well as decreased paint consumption. The company plans to continue this sales strategy in 2025.

  In 2024, Dekpol Steel and Intek focused on optimizing production processes and improving employee competencies. For 2025, both companies have set goals to further update processes, incorporate "eco" projects into their offerings, and continue developing their workforce. Additionally, since 2024, the Procurement and Logistics Division, in cooperation with ESG leader, has been updating its system to meet the needs of sustainability reporting.
- **Dekpol Budownictwo:** the Company's goal is to acquire projects that are advanced in terms of engineering and technology. A key priority is to access new sales markets, select an appropriate ordering portfolio and maintain a high level of cost

discipline and ongoing control. The Company places great importance on building relationships with its stakeholders and will deepen its commitment in upcoming year to engage stakeholders further along the value chain.

Development initiatives involving all team members are being continued, especially the *Dekpol Budownictwo Academy* initiative remains a priority as a platform facilitating knowledge exchange between experienced experts and aspiring professionals. Additionally, the “From Engineer to Manager” program defines clear career paths for young engineers.

In upcoming year, the Company will continue programs such as “DBamy o rozwój,” “DBamy o środowisko,” “DBamy o dzieci,” and “DBamy o zdrowie.” The so-called "soft" HR area is expanding dynamically, resulting in continued processes to develop competencies, strengthen team motivation, and conduct employee evaluations. An example of this approach is the ongoing development of a management skills program for several dozen key mid-level managers.

As a part of Dekpol Budownictwo’s development strategy, the ability to offer attractive solutions tailored to customer needs remains a priority. Given the Company’s revenue scale, potential, and market recognition, the commercial strategy is based on a local presence in target markets. This includes building local management, technical and sales teams, as well as establishing cost estimation and service sales offices. The scope of operations will also be expanded to new markets and construction segments, with particular emphasis on the development of "Design and Build" projects.

Together with its sister company Betpref, internal projects are being carried out with the goal of cost optimization while maintaining quality. An independent design and R&D unit has been established, tasked with developing new engineering solutions and strengthening organization's innovation.

In its short- and medium-term commercial strategy, Dekpol Budownictwo will continue to focus on acquiring projects in industrial and logistics construction sector as well as in construction of cubature public utility buildings.

Description of the business model and value chain

- **Dekpol Budownictwo:** business model is based on three pillars: qualified personnel, available and attractive offer and extensive expertise. The company specializes in execution of projects in residential, industrial, logistics, public utility, and hospitality construction segments. Its clients are primarily private investors, with whom the company mainly cooperates on short-term contracts. At the same time, the company is expanding its operations into new markets by undertaking projects for clients from the public and public-private sectors.
- **Dekpol Deweloper:** company’s business model is based on identifying attractive locations, securing financing, carrying out construction projects and selling properties. The key objective is to maximize the value of investments while optimizing costs and minimizing risks. The company’s primary clients are individual customers, most of whom are consumers and end users. Clients are acquired through a variety of distribution channels, including company’s website, real estate portals, sales offices, real estate agencies, partnerships with banks and participation in industry events. Customer relationships are built through sales support, loyalty programs, and after-sales service.
- **Dekpol S.A:** business model focuses on providing a wide range of centrally delivered services to related entities.
- **Dekpol Steel and Intek**: both companies deliver high-quality specialized products made of steel.
- **Betpref-WKS:** Steel Structure Plant of Betpref produces steel structures intended for buildings constructed by general contractors, including Dekpol Budownictwo. Similar to Dekpol Steel and Intek, this company also categorizes its suppliers into steel suppliers, suppliers of other materials and raw materials, industrial chemicals (paints) suppliers, utilities providers, as well as cooperating partners and subcontractors. The main recipient of Betpref-WKS products is Dekpol Budownictwo, as well as other B2B clients carrying out warehouse, production hall, and similar projects.
- **Betpref-ZPP and Kombet:** Both companies specialize in the production of precast concrete elements.

Description of Input Data and the Approach to Collecting, Processing, and Securing Input Data

In the Dekpol Capital Group, the following input data have been identified throughout the entire business model:

- **Market data** - the Group's individual entities regularly analyze changing market trends, current customer preferences or analyze the activities of the competition
- **Financial data** - controlling services provided by Dekpol S.A. to its subsidiaries allow ongoing analysis of periodic financial data, including operating costs, revenues and margins earned. Financial forecasts for future periods are also prepared.
- **Human resources** - the Group cares about the competence and skills of its employees, enabling their professional development and appropriate working and remuneration conditions. In addition, the various entities in the Group review their structures on an ongoing basis and update them as required.
- **Technology and infrastructure** - a team of IT specialists, takes care of the computer equipment, its security, data management systems and the relevant licenses. At the same time, each subsidiary analyses and improves its production processes on an ongoing basis, including automation.
- **Legal and regulatory data** - the Group's legal department ensures that emerging legal regulations are regularly analyzed and properly implemented. Regulatory changes are also analyzed from the level of the entities, along with the adaptation of operational activities to them
- **Opinion and data from customers** – Dekpol Capital Group regularly strives to obtain these opinions, analyze them and respond to any questions, doubts or demands that arise. This is done through customer satisfaction assessments or observation of social media.
- **Internal data** - each of the Group's entities has its own internal indicators or KPIs that it monitors regularly. These include, for example, sales results, the efficiency of production processes or project margins.

Description of outcomes and results in terms of current and expected benefits for customers, investors and other stakeholders

- **Dekpol Budownictwo:** company's business model aims to create long-term value for all stakeholders, including customers, employees, business partners, suppliers, and the broader community, by promoting a culture of innovation, integration, and social responsibility.
- **Dekpol S.A:** Management Boards within the Dekpol Group coordinate the demand for specific types of services. The aim of this centralization is to achieve synergies by consolidating and utilizing the resources of highly specialized employees within a single entity to meet the needs of all subsidiaries.
- **Dekpol Steel and Intek:** Dekpol Steel and Intek undertake a range of activities to ensure the quality of the products they deliver, including a properly adapted quality control process (in accordance with ISO standards) and verification of purchased products. The companies invest in human resources and equipment that enable them to execute projects tailored to customer needs. They build long-term relationships based on trust, openness, and understanding.
- **Betpref-WKS, Betpref-ZPP and Kombet:** precast concrete elements and steel structures provide higher quality and precision in construction, as they are manufactured under controlled factory conditions, which minimizes the risk of execution errors. An additional benefit of using such products in construction is the increased safety on construction sites, as they reduce the need for work at height and limit the time workers spend on-site.

Description of main characteristics of the upstream and downstream value chain and company's position within the value chain

In 2024, the value chain was defined in terms of sustainability. In 2025, the Group will continue to manage the value chain to minimize its negative environmental and social impact.

The value chain at the level of **Dekpol S.A.** includes, in addition to its own operations, the purchase of selected materials, services, and fixed assets such as computers, IT equipment, telephones, machines for the group's leased production plants, office supplies, as well as consulting, auditing, and other services.

As a part of the value chain, diesel fuel is also purchased from petrol stations, which is then delivered to Dekpol Budownictwo construction sites, partially supplying subcontractors as well.

Dekpol Budownictwo operates in the construction services industry. Within the Company's value chain, key elements can be identified, such as subcontractors who assist in executing investment projects, as well as suppliers of materials, construction equipment, and utilities. When carrying out its projects, Dekpol Budownictwo utilizes services from local market partners whenever possible. At the same time, some purchases are made through the central purchasing department. At the downstream end of the Company's value chain are its clients, which include private investors, clients from the public and public-private sectors, as well as Dekpol Deweloper, for whom the company carries out residential and hotel development projects.

The upstream value chain includes both subcontracted service providers involved in carrying out specific scopes of work, as well as suppliers of materials and raw materials. These primarily consist of suppliers of precast concrete elements, steel, cement, membranes, metal sheets and sandwich panels, binders, mineral wool, paving stones, and construction chemicals, with the raw materials' countries of origin spanning the entire globe. Raw materials essential for our key materials include, among others: cement, aggregate, steel scrap, iron alloys, non-ferrous alloys, sand, slag, gypsum, water, fly ash, resin binder, volcanic rock, polymer, polyester mesh, PIR, lime, magnesium oxide and dioxide, granite, clay, crude oil, and fossil fuels used for electricity production.

A key group also includes companies providing design services and utility suppliers, particularly those delivering electricity and diesel fuel. In the downstream value chain, the key stakeholders are clients—both private investors and public sector customers—as well as internal client, Dekpol Deweloper, for whom Dekpol Budownictwo serves as the general contractor, executing residential and hotel investments. Dekpol Budownictwo holds a central position in the value chain, as it integrates competencies in both the design and execution of construction projects.

Dekpol Deweloper: a key stakeholder in the upstream value chain is the general contractor. To a lesser extent, this also includes suppliers of materials or services related to turnkey finishing or interior design services provided to clients. A very important link in the upstream value chain consists of providers of specialized services such as designers, construction supervision and utility suppliers. Within the company's own processes, the most crucial elements of the value chain include market analysis and project location selection, land acquisition, the planning and design phase aligned with market demand and legal regulations, securing financing and budgeting, construction process outsourced to a general contractor, as well as marketing, sales, after-sales support, and property management until its comprehensive sale. In the downstream value chain, individual customers constitute the dominant group.

The Companies: Dekpol Steel and Intek: in their value chain, they primarily distinguish the following suppliers: steel suppliers, suppliers of other materials and raw materials, suppliers of industrial chemicals (especially paints), utility providers, as well as cooperating partners and subcontractors for outsourced work. On the other side of their value chain, they identify B2B customers in the following segments: original equipment manufacturers (OEMs), construction machinery dealers, and individual customers in case of Dekpol Steel; as well as customers from industries such as offshore, metallurgy, mechanical engineering, machinery, petrochemical, oil & gas, mining, transportation and rail in case of Intek.

The companies manufacture accessories for construction machines as well as specialized steel structures, and as such, their operations are primarily based on suppliers of steel, including sheet metal, structural elements, shot, and welding wire, which are most often made of steel originating from Poland, Germany, Italy, and Czech Republic. According to publicly available sources, 80% of steel used in Poland comes from recycling, while in Europe the figure is around 40%.

In addition, both entities purchase paint, solvent, hardener, tools and spare parts for production, personal protective equipment, cleaning agents, and other supplies. Most of products were purchased from Polish suppliers, though the raw materials may have originated from around the world. The companies also work with subcontractors to whom they outsource part of production-related work—all of whom are located in Poland.

Key utilities purchased by companies include electricity and gas. The electricity is sourced from green energy. Wind, solar, and hydro power come entirely from Polish wind farms, photovoltaic installations and hydroelectric plants. Remaining energy comes from lignite sourced from Polish mines (according to publicly available sources). LPG gas is used for heating and powering production machines. It is a byproduct of crude oil, which is extracted in small quantities in Poland but primarily in Saudi Arabia and the United States. A second heating furnace is powered by coal.

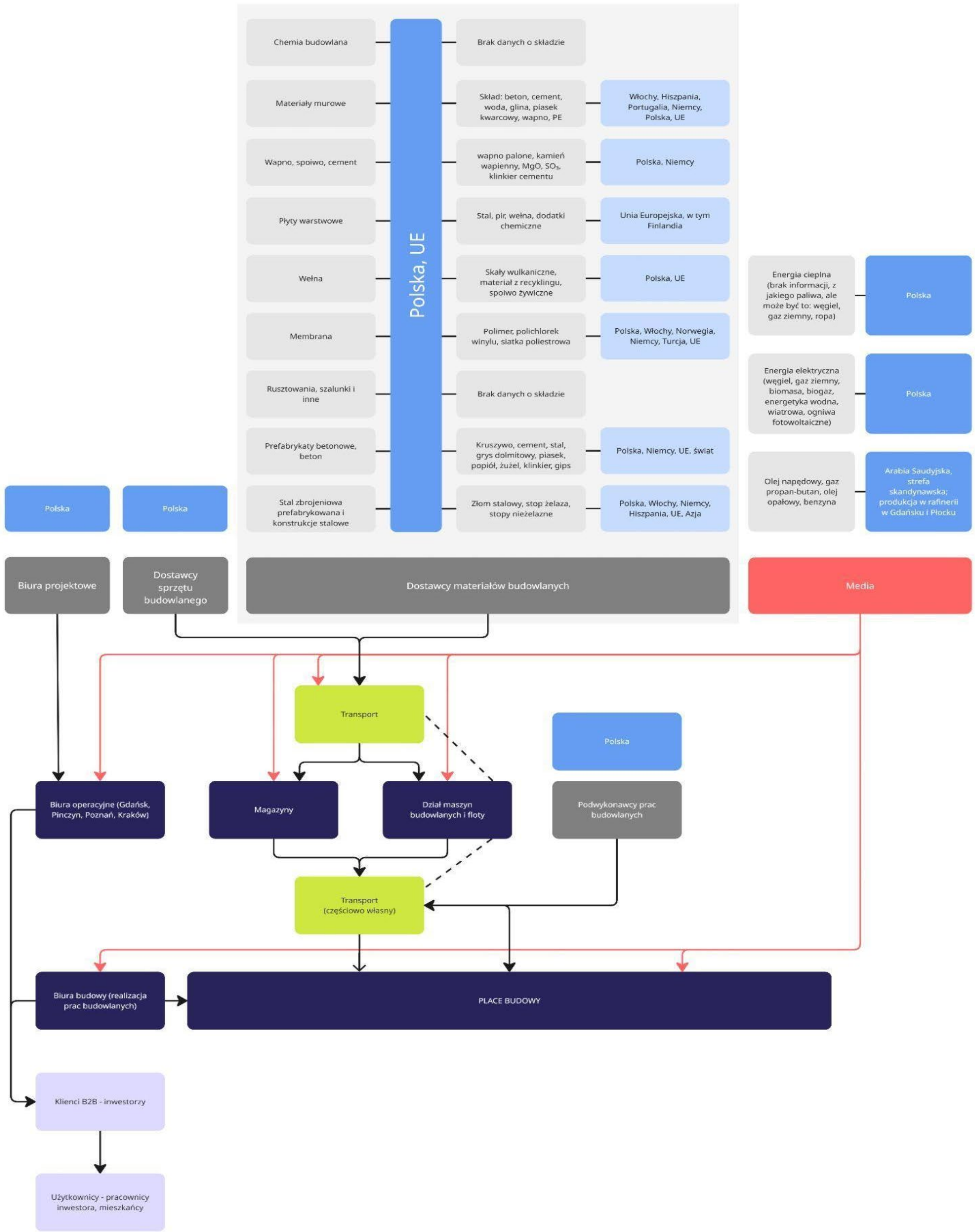
Betpref-WKS as another plant utilizing steel in its production, similarly to Dekpol Steel and Intek, relies primarily on steel suppliers, with the steel in this case also originating mainly from Poland, Germany, Italy, and Czech Republic, and being delivered to Polish distributors. Paint, as well as tools and spare parts for production, are also important products, purchased from Polish suppliers, though they may have been made from raw materials sourced globally. The company cooperates with several subcontractors—all of whom operate within Poland.

The plant is located at the same address as Dekpol Steel and uses the same sources of electricity. In addition, the facility heats a boiler powered by propane. Liquefied propane gas used for heating is one of more environmentally sustainable heating fuels currently available on the market. Propane is also a byproduct of crude oil, which primarily originates from Saudi Arabia and the United States.

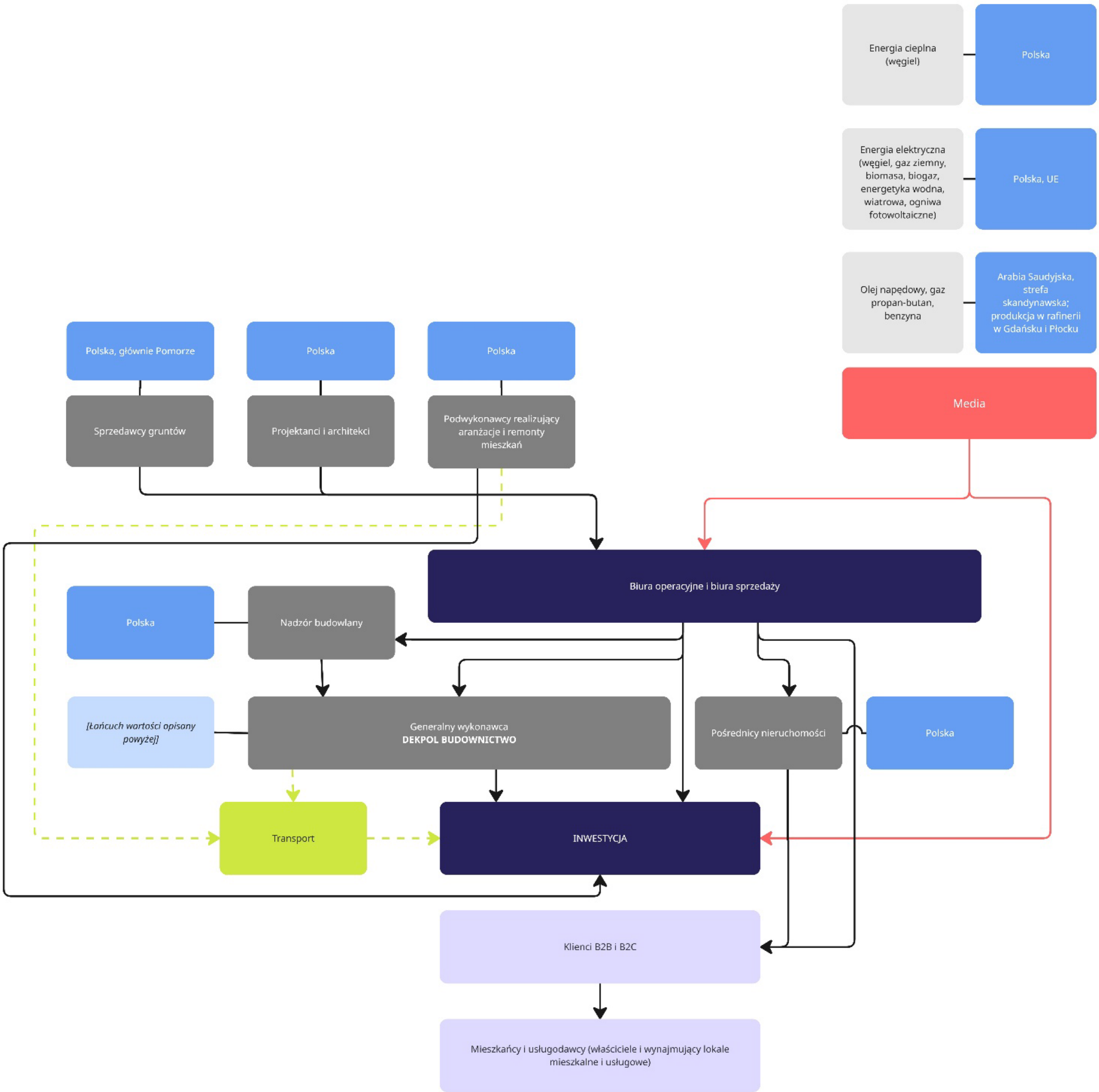
Betpref-ZPP and Kombet: in the upstream value chain, the most important partners for both companies are suppliers of reinforcing steel, cement, aggregates, and other raw materials and industrial chemicals. The companies also collaborate with subcontractors performing specific commissioned tasks. As a part of their own operations, both entities manufacture prefabricated elements for construction sector, making Dekpol Budownictwo one of their key clients. Equally important within their internal operations are supporting departments such as logistics — responsible for organizing transport of products to construction sites — and maintenance, which ensures machinery remains in optimal condition to fulfill orders. The products of both companies are used in residential, industrial, and commercial construction. In the downstream value chain, transport companies are also important stakeholders, providing services to deliver products to customers. The value chain in precast production includes stages from raw material procurement, through design and manufacturing, to assembly and use. Each stage affects efficiency, quality and final cost of the product. High-quality raw materials are used, such as cement, aggregates, chemical admixtures, water and reinforcements. The design and engineering phase is also critical in companies' value chain, as products are tailored to client's specific requirements. Optimization of geometry and structural parameters contributes to cost reduction and increased durability of products. Concrete prefabricates are manufactured in production plants — controlled environments that ensure high quality through, among other things, automated dosing of concrete and chemical admixtures. Factory production control guarantees high quality in terms of strength, weather resistance and compliance with construction standards. This production setup allows for material consumption optimization and waste reduction. Logistics and delivery to construction sites are also essential elements of the value chain.

The detailed value chain of Dekpol Capital Group is shown in the diagrams below

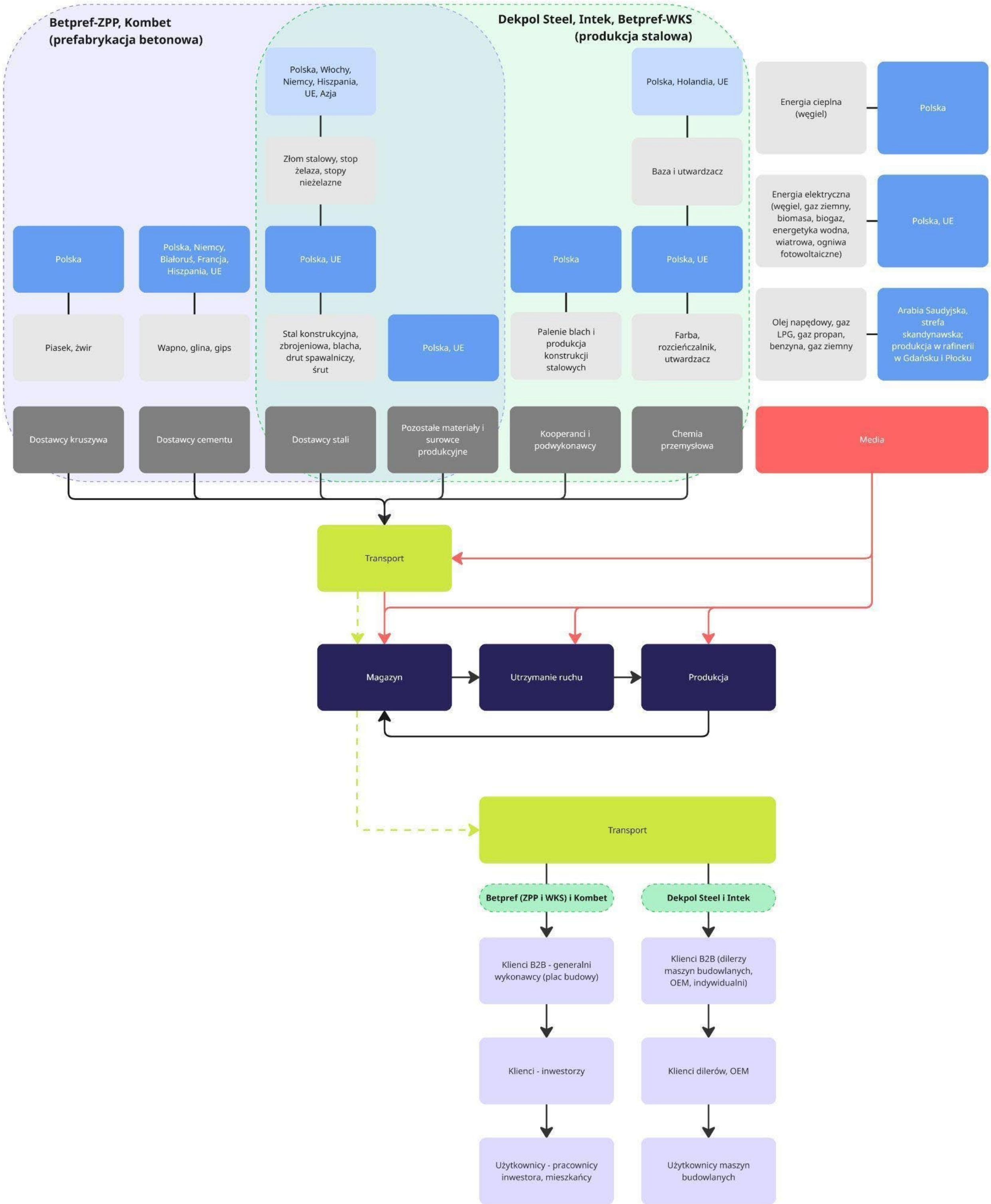
DEKPOL BUDOWNICTWO



DEKPOL DEWELOPER



PRODUCTION COMPANIES (DEKPOL STEEL, INTEK, BETPREF-ZPP, BETPREF-WKS)



Dekpol S.A: position of Dekpol S.A. in the value chain of the Dekpol Capital Group is not significant in terms of revenue share but is crucial in setting main objectives and directions of action, ensuring legal compliance and securing financing.

The downstream value chain includes all subsidiaries within the Group, whereas upstream supplies do not play a significant role on the scale of the entire organization.

(SBM-2) Interests and views of stakeholders

Interests and Opinions of Stakeholders

The Group identified its own employees as the most important stakeholder. Their interests and opinions were taken into account through feedback mechanisms such as anonymous surveys, workshops and meetings based on an open-door policy.

The group of key stakeholders also includes workers in the value chain (suppliers, subcontractors, as well as designers and architects), affected communities, consumers and end-users, investors, financial institutions and governing and supervisory bodies, including shareholders. During reporting period, the Group did not make any changes to its strategy or business model based on stakeholder feedback, nor is it currently prepared to disclose how such feedback was used or what the specific opinions were.

(S1.SBM-2) Own employee resources

In some of Group's entities (Dekpol S.A. – 100%, Dekpol Budownictwo – approximately 60% of employees, from administrative-technical staff to management level), an employee evaluation system has already been implemented. Its purpose is not only to provide feedback on past performance but also to set goals for future periods. Additionally, the system allows employees to share their perspectives on their own work, as well as on working conditions, communication, opportunities for development and other matters. All key information is communicated mainly via email, while in case of production entities—where a significant portion of employees do not have access to company computers—information is shared through publicly accessible notice boards.

In 2024, all employees received a survey regarding sustainability issues. Employees without work' computers were provided with necessary equipment so that they could also express their opinions. The survey asked for their assessment of Group's impact on various sustainability topics and offered opportunity to provide open comments. The Group plans to continue using this form of engagement.

Additionally, in 2024 Dekpol Budownictwo conducted an employee and associate engagement and satisfaction survey. Results of this survey are intended to help identify best practices, improve existing processes and support the double materiality assessment.

The company has also appointed so-called *Value Ambassadors*, whose task is to promote company's core values among its employees and collaborators. These values are Responsibility, Knowledge and Expertise, Ambition, Partnership and Cooperation. Regular meetings are held with Ambassadors to discuss upcoming plans. As a part of employee engagement efforts, staff are asked in anonymous surveys on how they understand each value and what role it plays in their lives. In 2024, themed months were organized to promote each value, serving an educational, awareness-raising and engaging function for both employees and their families.

At Dekpol Budownictwo, there is also a development initiative called *Dekpol Budownictwo Academy*, established as a platform for exchanging experience and knowledge among employees, and to which business partners are also invited. The Academy is held quarterly in a hybrid format: both in-person and online participation. After each Academy meeting, an anonymous survey is sent to participants to evaluate the usefulness of topics discussed and to propose subjects for future sessions.

Management Board of Dekpol Deweloper runs an open-door policy. This means that every employee has the opportunity to speak with a Management Board member about matters important to them. Each department also holds internal meetings to discuss current issues and development-related topics.

At Dekpol S.A. in 2024, the following measures have been taken as a response to reported communication problems:

- regular meetings of the BSC (Business Service Centre) Leaders to exchange relevant information
- intranet sites where employees share mutual knowledge and relevant information: 'Good2know' and 'Skills4you'
- a series of soft training courses to develop skills, including communication, change management, public speaking, time management or team management.

Employees at Dekpol Steel and Intek are also regularly engaged in expressing their opinions during strategic workshops, which in 2024 were held quarterly and, starting in 2025, are conducted monthly. Additionally, daily operational meetings are held with production management. Management Board actively participates in these initiatives. Both companies operate an open-door policy, and a dedicated HR Manager is available to speak with any team member.

To ensure effective communication regarding sustainability impact, governing bodies within the Dekpol Group are regularly informed of views and interests of key stakeholders. This process includes, among other things, discussions and meetings with Management Boards (and the Board of Directors at Dekpol Budownictwo), during which expectations regarding ESG goal setting are addressed.

The purpose of engaging employees and collaborators is to foster a collaborative environment by responding to the needs of this stakeholder group. In addition, efforts are made to continuously raise awareness among employees and collaborators regarding sustainable development.

Employee engagement in company activities serves many purposes, both short- and long-term, and is crucial to organization's success. It leads to increased motivation and employee involvement, improved efficiency and productivity, refinement of the business model and the development of innovation and creativity.

(S2.SBM-2) People working in the value chain

Suppliers, subcontractors and their employees also represent a key stakeholder group. As an "affected party and, at the same time, users of the statement," suppliers were invited in 2024 to participate in a survey in which they assessed Group's impact—both positive and negative—on key aspects of sustainable development.

The goal of stakeholder engagement is to support a collaborative environment on environmental, governance, and social issues, including respect for human rights and provision of safe working conditions. Such engagement also enables assessment of severity and likelihood of impacts.

In the construction segment, subcontractors are the key type of suppliers, as the Group does not have a large number of its own crews, and the construction process involves many specializations such as earthworks, structural works, finishing, installations, and more. As a general contractor, the organization has significant influence over subcontractors and their workers, especially regarding the respect for human rights and the provision of safe working conditions on construction sites. Therefore, to ensure compliance with labor laws and safety regulations on construction sites, the Group includes contract provisions from the very beginning that obligate subcontractors to respect these rights and care for environmental protection. Before work begins on site, subcontractor employees receive occupational health and safety (OHS) training. Their medical examinations, confirming their fitness for specific tasks, are also checked. Regular safety audits and OHS briefings are conducted, during which incidents and observed hazards are discussed, safety education is provided, and preventive measures are shared. Additionally, subcontractor workers undergo OHS training before starting work on the site, and their documentation—such as medical certificates—is verified. Communication with subcontractors and their employees takes place continuously, including during regular meetings with the investor, where subcontractor safety issues are among the topics discussed. The organization actively adjusts its actions based on feedback and signals arising from these periodic meetings with the investor.

Understanding the interests and perspectives of subcontractors and their employees in relation to the business model adopted by the Group is a crucial element in minimizing negative impact.

Another very important group in this category consists of suppliers and their employees. The Group maintains ongoing contact with them as a part of its day-to-day cooperation. In 2024, a survey was sent to key suppliers, allowing them to assess organization's impact on the most important sustainability issues. In this survey, suppliers also had the opportunity to provide additional feedback or submit comments.

In the property development segment, key suppliers include designers, architects, and similar professionals. Therefore, this group was also sent surveys to gather their opinions on the Group's impact on sustainability matters. The results were presented to the management boards of companies during presentation of the double materiality analysis findings.

(S3.SBM-2) Affected communities

Local communities—both those located near construction and development projects as well as those neighboring production facilities—are often the most directly affected and can experience both positive and negative impacts from organization's business activities.

Construction and development projects can cause various inconveniences for local residents. That is why, already at the early investment planning stage, as a part of risk and opportunity assessment process, potential negative impacts on the local community are taken into account, along with actions aimed at eliminating or significantly reducing them. Additionally, any signals or complaints regarding inconveniences for the local community are discussed during meetings with the investor. Sometimes, during the course of a project, additional work is carried out to improve local infrastructure—such as sidewalks or roads—which later serves the entire community. In accordance with applicable regulations, an information board is placed in a visible location at the site entrance. It includes details such as the name and phone number of the site manager, the address of the project, its size, and other key information. Individuals wishing to file a complaint or share their observations can contact the site manager by phone or submit their comments via a contact form available on our website.

At the production plants, potential nuisances resulting from operations are taken into account—for example, by scheduling transport activities during designated hours to minimize disturbances to neighbors' rest. An open-door policy is in place, allowing any member of the local community to discuss issues that matter to them.

In 2024, the Dekpol Foundation was established, focusing on supporting initiatives related to health, sports, education, and culture in areas where the organization operates. Any local community member can submit a request to the Foundation for support of a selected initiative or individual. Requests are usually submitted by email or phone. The Foundation commits to reviewing every submitted request.

The Group actively strives to respond to issues reported by local communities, such as those related to construction projects, which are often expressed through social media. Social media platforms are monitored, and the Group responds to comments and feedback posted there.

In 2024, Intek held a meeting with representatives of the Lubawa City Hall to discuss opportunities for Intek's involvement in community life. Such meetings are planned to be held once a year.

The Group remains committed to further engaging local communities, including through communication and cooperation with local governments, such as the Lubawa City Hall (Intek) and the Zblewo Municipal Office (Dekpol Steel).

Management Board of Dekpol Deweloper is kept regularly informed about key stakeholder groups, the nature and scope of their involvement in design and construction processes, during meetings that present project progress updates. The frequency of these meetings is tailored to specific circumstances of each project.

(S4.SBM-2) Consumers and end-users

Individual clients, as consumers and end users, are present exclusively in the property development segment. There are also potential clients—individuals who could become customers but have either not yet made a purchase decision or have chosen competing offers. Dekpol Deweloper conducts customer satisfaction surveys (targeting end users) at every stage of sales process and maintains ongoing dialogue regarding contract terms, the offer, and the process for addressing and resolving reported defects.

Additionally, in the property development segment, social media is continuously monitored to analyze and respond to feedback from consumers and end users.

The company's management board, as in the case of impacted communities, is regularly informed about opinions and expectations of end users and consumers. This information is shared, among other ways, through presentations of satisfaction survey results (NPS) and reports on the implementation of warranty-related actions. The frequency of reporting is adjusted to the specifics and needs of each situation.

Management and supervisory bodies, including Owners

Stakeholders from this group in 2024 were invited to participate in the sustainability impact survey already mentioned.

Investors

The Organization recognizes shareholders and bondholders as its investors.

Communication with this stakeholder group is conducted primarily through the company's website, where current and periodic reports are published in the investor relations section, including the sustainability statement. Quarterly investor meetings are also organized.

Investors not only influence the Group's decisions and development but also have specific expectations. Therefore, it is essential to provide them with reliable, transparent, and timely information, while ensuring equal access to data that may impact their investment decisions. The interests and perspectives of investors are reflected in the decisions they make, which in turn are mirrored in the Group's strategy and actions.

Financial institutions

This category includes stakeholders such as banks, insurance brokers, brokerage houses, leasing companies and factoring firms. These are highly important stakeholder groups, especially in the construction and property development segment. The projects carried out often require acquisition of external financing. This group also shows a high level of interest in sustainability issues.

The opinions of this stakeholder group are taken into account when making strategic decisions and are often reflected in covenants that the Group is obligated to meet under the terms of cooperation agreements.

(SBM-3) Material impacts, risks and opportunities and their interaction with strategy and business model

Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2)

Material impacts, risks, and opportunities have been identified in accordance with ESRS disclosure requirements. These are presented in the table below.

Among the identified impacts, risks, and opportunities, one organization-specific disclosure was recognized—namely, activities of the Dekpol Foundation under the S3 standard: Affected Communities.

IRO*	The manner in which a material impact affects or may affect people or the environment	Whether and how the impacts result from or are connected to the strategy and business model	Time perspective **	IRO description	Areas of activity and position in the value chain ***
* I-influence; R-risk; O-chance ** KT- short-term; ŚT – medium-term; DT – long-term *** OW – own operations; VC-U - Upstream value chain; VC-D – Downstream value chain					
ESRS E1					
Adaptation to climate change					
opportunity arising from increased financing of sustainable projects, leading to enhanced competitiveness and innovation of the company.			KT, ŚT, DT	Increased financing of sustainable projects – by adapting products and processes to sustainability requirements set by organizations covered by the CSRD directive, Dekpol may gain easier access to "green" financing, such as green bonds or preferential loans, which will help enhance the company's competitiveness and innovation.	OW
Mitigation of climate change					
Transition risk related to higher investment costs of sustainable construction			KT, ŚT	Sustainable construction may involve higher investment costs related to material quality, expertise, certification, and other factors.	OW + VC-U + VC-D
Negative impact resulting from a high level of emissions	This impact may affect local communities, posing a threat to their health.	t is closely correlated to the Group's strategy and business model, which places strong emphasis on reputation in its business relationships, including a commitment to minimizing the negative impacts of its investments on local communities.	KT, ŚT	The construction industry is characterized by a significant carbon footprint associated with the use of materials	OW + VC-U + VC-D
Energy					
Risk of increasing prices for energy consumption			KT, ŚT, DT	Dekpol's business operations are located in Poland, which also faces risks related to energy price volatility. Rising energy prices—resulting from changes in energy policy, market fluctuations, or geopolitical situations—can impact operational costs. High energy costs may lead to increased production expenses. The rise and volatility of energy prices have a direct impact on the cost of manufacturing products that are components used in production.	OW + VC-U + VC-D
Transition risk			KT, ŚT, DT	Investments in renewable and more sustainable energy sources involve high financial outlays related to material quality, expertise, and the implementation of new technologies.	OW + VC-U + VC-D

Negative impact due to high energy consumption	High energy consumption, especially from fossil fuel sources, has a negative impact on both the environment and society through the emission of greenhouse gases.	This impact is linked to the Group's strategy and business model, which aim to reduce energy consumption through process optimization and a transition to renewable energy sources.	KT, ŚT, DT	Dekpol's business operations are associated with high energy consumption—from the production of construction materials, through the building process, to the operation of buildings.	OW + VC-U + VC-D
Potential negative impact of the investment in Kombet	High energy consumption, especially from fossil fuel sources, negatively affects both the environment and society through the emission of greenhouse gases.	Although the Group's strategy and business model aim to reduce energy consumption, the modernization of facilities and automation of processes, while leading to increased energy demand on one hand, will on the other hand result in more efficient energy use.	KT, ŚT, DT	In 2026, the construction of production halls is planned at Kombet, where process automation and new technologies will be implemented. However, this will be associated with high energy demand.	OW + VC-D
Opportunity arising from increased energy efficiency			KT, ŚT, DT	The optimization of production processes and investments in energy-efficient machinery to improve energy efficiency can lead to cost savings and a reduction in the carbon footprint.	OW + VC-D
ESRS E2					
Pollution of air					
Regulatory risk			KT, ŚT, DT	In the event of the introduction of new air pollution emission standards, additional costs will be required for emission fees as well as for adapting existing technology to the new standards (modernization and production process adjustment costs). Furthermore, if the company fails to meet the required emission standards, it may be subject to financial penalties.	OW + VC-U + VC-D
Negative impact on air pollution	Negative impact, affecting both the environment and society through the risk of health issues for local communities.	This impact is linked to the Group's strategy and business model, as the Group, while striving to optimize processes, also takes environmental aspects into account, including the reduction of air pollutants.	KT, ŚT, DT	The production of construction materials and the construction process are associated with significant air pollution. In particular, painting processes in the paint shops of DK Steel, DK Intek, and Betpref contribute to air pollution.	OW + VC-U + VC-D
ESRS E4					
Direct impact drivers of biodiversity loss - Direct exploitation					
Operational risk			KT, ŚT, DT	Dekpol Deweloper may be required to undertake costly compensatory measures for its negative impact, such as creating offset areas or investing in biodiversity protection programs, which increases the company's financial burden.	OW

Negative impact on the natural landscape	The negative impact primarily affects the environment (risk of irreversible losses in biodiversity)	This impact is linked to the Group's strategy and business model, which places strong emphasis on its reputation. All investment projects are carried out in strict compliance with legal requirements, including those related to biodiversity protection.	KT, ŚT, DT	Implementation of investments by Dekpol Deweloper transforms the natural landscape.	OW
ESRS E5					
Resources inflows, including resource use					
Regulatory risk (including operational risk)			KT, ŚT	Due to the global emphasis on sustainable development and the circular economy, more stringent regulations may emerge regarding the reduction of natural resource consumption and the improvement of material efficiency. Dekpol may face the need to comply with standards that impose restrictions on the use of non-renewable resources or materials with a high carbon footprint.	OW+VC-U + VC-D
Economic risks			KT, ŚT	High consumption of natural resources in the construction sector may be threatened by global shortages of these materials. Risks related to supply instability, price fluctuations, or limited availability can significantly affect production costs and delivery timelines. Additionally, fluctuations in raw material prices may lead to increased production costs. Rising resource costs can impact the company's profit margins and its competitiveness in the market.	OW+VC-U + VC-D
Negative impact on the use of raw materials	negative impact affects the environment through the use of resources, which may lead to their depletion	This impact is linked to the Group's strategy and business model, which emphasizes the rational management of materials, including the selection of appropriate, often certified, materials.	KT, ŚT	The construction sector is resource-intensive. Dekpol has a negative impact on resource use due to its reliance on a significant amount of non-recycled raw materials.	OW+VC-U + VC-D
Opportunity arising from the reuse of raw materials and materials			KT, ŚT	Savings resulting from the reuse of raw materials and resources	OW+VC-U + VC-D
Resource outflows related to products and services					
Positive impact of reinforced concrete structures	This impact primarily affects the environment, but also partially impacts society, as reinforced concrete structures are highly durable, allowing residents to use the building safely for a longer period	This impact is linked to the Group's strategy and business model, which continuously seeks new solutions to increase customer satisfaction while also caring for the environment.	KT, ŚT, DT	Reinforced concrete structures are more durable than brick structures, which, during demolition, allows for the reuse of materials and enables easy reconfiguration of space.	OW

Opportunity presented by designing investments on the basis of circular economy principles			KT, ŚT, DT	Designing investments on the basis of circular economy principles	OW
Waste					
Negative impact related to waste	This impact primarily affects the environment through the generation of large amounts of waste—both during the production stage and after the end of product life—including waste that cannot be recycled	This impact is linked to the Group's strategy and business model, which emphasizes the rational management of materials, including waste minimization, responsible segregation, and proper disposal.	KT, ŚT	Dekpol generates large amounts of waste, including waste that is difficult to recycle and hazardous.	OW+VC-U + VC-D
Waste management by subcontractors	Positive impact primarily affects the environment through proper waste management within the supply chain, allowing a larger portion of waste to be recycled and reused	This impact is linked to the Group's strategy and business model, which emphasizes environmental responsibility, including in its relationships with subcontractors.	KT, ŚT	Contract provisions with subcontractors often impose an obligation on them to manage waste responsibly. The aggregate used is entirely sourced from recycling processes, due to the properties of this material, and at Betpref – ZPP, the aggregate comes from post-production waste.	OW+VC-U + VC-D
Land reclamation using the extracted topsoil layer and waste segregation	Positive impact primarily affects the environment, as part of the soil excavated during construction work is reused, thereby reducing the amount of waste.	This impact is linked to the Group's strategy and business model, which places strong emphasis on environmental care.	KT, ŚT	The soil layer excavated during investments is used for land reclamation of areas altered during construction works and for shaping green spaces. Each company has a dedicated person responsible for the precise segregation of waste according to its category.	OW+VC-U + VC-D
Opportunity arising from the efficiency of the circular economy			KT, ŚT	Investments in technologies that enhance resource efficiency can help reduce material costs and decrease waste generation. The implementation of management systems that minimize material losses can improve the company's operational and financial performance.	OW+VC-U + VC-D
ESRS S1					
Working conditions- Secure employment					
Risk of high turnover in the labor market			KT, ŚT, DT	Poor working conditions, such as inadequate compensation, insufficient training, or low-quality work environments, can lead to employee turnover. High turnover generates additional costs related to recruitment, training, and onboarding of new employees, which can impact operational efficiency. Additionally, evolving labor market demands may create pressure to increase wages.	OW
Working conditions - Working time					
Actual positive impact associated with working time model	Positive influence affects people, in this case the employees' own resources.	This impact is linked to the strategy and business model of the group, which realizes how important	KT, ŚT, DT	Flexible working hours (start time between 7 a.m. and [xx]) are regulated in the Work Regulations (start between 7 a.m. and 10 a.m.), along with a hybrid work model (24 days of remote work per year + 1 remote	OW

		human resources are to the functioning of the company.		workday per week + 1 scheduled day per week). In addition, shift work is implemented at Steel, Intek, and Betpref Toruń	
Opportunity associated with effective human resource management			KT, ŚT, DT	The introduction of flexible working hours, remote work options for some administrative employees, and programs supporting work-life balance can attract young talent, who increasingly expect greater flexibility from employers. This can enhance Dekpol's attractiveness in the labor market. Furthermore, investing in automation and robotization of production processes can reduce the need for physical labor in difficult conditions, thereby improving safety and reducing the risk of accidents. Automation can also increase production efficiency and allow for the reskilling of employees into more advanced roles.	OW
Working conditions - Adequate wages					
Real positive impact associated with adequate remuneration	Positive influence affects people, in this case the employees' own resources	This impact is linked to the Group's strategy and business model, which recognizes the importance of human resources for the company's operations.	KT, ŚT, DT	Attractive, competitive salaries and regular salary reviews: Dekpol Budownictwo, Dekpol Deweloper Bonus system: Dekpol Budownictwo, Dekpol S.A., Kombet, Dekpol Deweloper Wellbeing programs: Dekpol Budownictwo Life insurance and private medical care through Luxmed – available in all companies	OW
Risk of skills shortages			KT, ŚT, DT	Construction industry and heavy industry require both manual laborers and highly skilled workers, and a lack of access to such employees can significantly impact production quality and project timelines. This issue may become more pronounced due to an aging population and a limited number of young people entering the technical labor market. Moreover, in order to retain and attract qualified workers, the company may be forced to offer competitive salaries and benefits, which increases operational costs.	OW
Working conditions - Health and safety					
Real positive impact through high health and safety standards	Positive influence affects people, in this case the employees' own resources	This impact is linked to the Group's strategy and business model, which recognizes how important human resources are to the functioning of the company	KT, ŚT, DT	The Group undertakes numerous health and safety (OHS) initiatives on construction sites, including: non-mandatory training sessions, participation in the "Build Safely" (Buduj Bezpiecznie) competition organized by the State Labour Inspection (PIP), the "Safety Month" campaign, OHS briefings ("safety moments"), regular OHS reports linked to bonus schemes, a dedicated OHS section in performance reviews assessing employee engagement in safety compliance, decreasing number of accidents (mainly minor ones), PIP competitions – 4 out of 5 construction sites awarded, training programs that include OHS aspects, training platform currently in development.	OW

Actual negative impact related to the area of health and safety	Influence has an impact on people, in this case their own labor re-sources.	This impact is not linked to the Group's strategy and business model. It is an incidental event.	KT, ŚT, DT	1 fatal accident: Dekpol Steel;	OW
Working conditions - Freedom of association, the existence of works councils and the information, consultation and participation rights of workers					
Actual negative impact due to lack of staff representatives	Influence has an impact on people, in this case their own labor re-sources.	This impact is not linked to the Group's strategy and business model. It is a temporary situation.	KT	No employee representative in most companies (2025: D. Deweloper, DEKPOL S.A.)	OW
Equal treatment and opportunities for all - Gender equality and equal wage for work of equal value					
Actual negative impact related to gender equality	Influence has an impact on people, in this case their own labor re-sources.	This impact is not linked to the Group's strategy and business model. The Group's business model is based on equal opportunities in employment, access to training, and professional development for its employees.	KT, ŚT	No diversity or DEI (Diversity, Equity, and Inclusion) policy in the Group (a medium-term implementation plan is in place). No development programs dedicated to women. No women on Supervisory Boards. No women on the Management Boards of most companies	OW
Risk of limiting access to external funding and con-tracts and meeting scoring requirements			KT, ŚT	An increasing number of investors, clients, and banks require the compa-nies they work with to adhere to equality and diversity standards. Failure to comply with these standards and the lack of reporting on key indica-tors in this area may limit access to new markets and sources of financ-ing.	OW
Equal treatment and opportunities for all - Training and skills development					
Actual positive impact related to ac-cess to training	Influence has an impact on people, in this case their own labor re-sources.	This impact is linked to the Group's strategy and business model, which recognizes the importance of skilled human resources for the company's operations, as well as the significance of employee loyalty and alignment with the organiza-tion's goals.	KT, ŚT, DT	Equal access to training and employee skills development – all compa-nies. Onboarding training – Dekpol Budownictwo	OW
Opportunity associated with invest-ing in training and development of employees			KT, ŚT, DT	Investing in employee development through training, specialized courses, and upskilling programs can enhance their engagement, efficiency, and loyalty to the company. Qualified employees are better equipped to re-spond to technological challenges in the construction and heavy industry sectors and contribute to improving production quality.	OW
ESRS S2					
Working conditions - Working time					

Potential negative impact on the working time of those performing work in the value chain	Impact can affect people, in this case employees in the value chain.	This impact is not linked to the Group's strategy and business model, which clearly states a zero-tolerance policy for such actions in its business relationships	KT, ŚT	Price and delivery time pressure from Dekpol may be a source of negative impact on working hours and wages of employees within the value chain.	VC-U
Working conditions - Adequate wages					
Potential negative impact on the remuneration of those working in the value chain	Impact can affect people, in this case employees in the value chain.	This impact is not linked to the Group's strategy and business model, which clearly states a zero-tolerance policy for such practices in its business relationships.	KT, ŚT	Price and delivery time pressure from Dekpol may be a source of negative impact on working hours and wages of employees within the value chain.	VC-U
Working conditions - Health and safety					
Real positive impact resulting from a wide range of occupational health and safety activities aimed at individuals performing work within the value chain	The impact affects people, in this case subcontractor employees	This impact is linked to the Group's strategy and business model, which recognizes the importance of human resources, including those within the value chain.	KT, ŚT, DT	A wide range of actions concerning workers in the value chain (VC) – including subcontractors on the Group's own construction sites, transport companies, and the evaluation of suppliers with regard to occupational health and safety, among others.	VC-U
Risk of poor working conditions and violations of occupational health and safety (OHS) regulations in the supply chain			KT, ŚT, DT	Failure to comply with occupational health and safety regulations can lead to accidents that may not only disrupt the production process throughout the entire supply chain but also damage the reputation of both the supplier and its business partners and clients.	VC-U
Equal treatment and opportunities for all - Gender equality and equal wage for work of equal value					
Potential positive impact in the area of strengthening labor standards	The impact may affect people, in this case workers within the value chain.	This impact is linked to the Group's strategy and business model, which recognizes the importance of human resources, including those within the value chain.	ŚT, DT	Through the implementation of social audits within the value chain and joining an industry organization working to strengthen labor standards among suppliers in China.	VC-U
Reputational opportunity and opportunity to obtain external financing			ŚT, DT	The Dekpol Group will verify these conditions, creating an opportunity to include the process in declarations aimed at obtaining external financing.	VC-U
Other work-related rights - Child labour and Forced labour					
Potential negative impact on human rights in supplier countries	The impact may affect people, in this case workers within the value chain.	This impact is not linked to the Group's strategy and business model, which clearly states a zero-tolerance policy for such practices in its business relationships.	ŚT, DT	Price and delivery time pressure from Dekpol may be a source of negative impact on human rights in supplier countries, including in areas such as child labor and forced labour.[7] [8]	VC-U

Reputational opportunity and opportunity to obtain external financing			ŚT, DT	Reputational opportunity arising from Dekpol's verification of these conditions, which can be included in declarations to support the acquisition of external financing.	VC-U
ESRS S3					
Communities' economic, social and cultural rights - Adequate housing					
Actual negative impact on local communities related to the nuisances caused by construction activities	The impact affects the local communities where the activities are carried out.	This impact is closely linked to the Group's strategy and business model, which places strong emphasis on reputation in its business relationships, including a commitment to minimizing the negative effects of its investments on local communities.	KT, ŚT, DT	Nuisances related to construction and production; there have been instances of local community opposition to ongoing construction projects (e.g., the Solmarina project); Betpref: emissions into the environment (dust, gases, VOCs); Noise from steel sheet transport at night (eliminated—shifted to the morning shift	OW
Risk of threats to the safety of local communities	The impact affects the local communities where the activities are carried out.	This impact is closely linked to the Group's strategy and business model, which places strong emphasis on reputation in its business relationships, including a commitment to minimizing the negative effects of its investments on local communities.	KT, ŚT, DT	Production facilities and construction sites may pose a safety risk to local residents, especially in the event of technical failures, fires, or chemical spills. Inadequate safety measures can lead to large-scale accidents, resulting in significant costs for remedial actions as well as financial penalties.	OW
Entity specific - Foundation activities					
Positive actual impact through the activities of the Foundation	The impact affects both the company's own workforce and the local communities where it operates.	This impact is closely linked to the Group's strategy and business model, which is committed to responsible business conduct	KT, ŚT, DT	Activities of the Dekpol Foundation (since 2024) in support of employees and local communities; employee integration, social and charitable initiatives;	VC-D
Reputational opportunity related to the activities of the Foundation			KT, ŚT, DT	Reputational opportunity related to the activities of the Dekpol Foundation	VC-D
ESRS S4					
Information-related impacts for consumers and/or end-users - Privacy					
Potential negative impact related to the protection of consumers' personal data	The impact affects the company's own workforce as well as consumers and end users.	This impact is closely linked to the Group's strategy and business model, which emphasizes building positive relationships with stakeholders, including through careful protection of their personal data.	ŚT, DT	Potential negative impact related to the protection of consumers' personal data	OW

Regulatory and reputational risks			ŚT, DT	The company may process personal data of its clients or end users and consumers (homebuyers). Lack of adequate safeguards or failure to comply with data protection regulations (e.g., GDPR) can lead to privacy breaches, resulting in risks of data leaks, legal penalties, and reputational damage.	OW
Personal safety of consumers and/or end-users - Health and safety					
Positive real impact in the area of consumer safety and health	Impacts on people, in this case consumers and end-users.	This impact is closely linked to the Group's strategy and business model, which emphasizes the quality and safety of its products.	KT, ŚT, DT	Standardization of projects is planned to improve products based on experience; these standards will include ESG considerations—favoring environmentally and socially responsible solutions; new technologies continue to emerge, and the Dekpol Group plans to implement them continuously	OW
Accident risk			KT, ŚT, DT	In the property development and construction industry, there is an elevated risk associated with accidents on construction sites or improper use of buildings by end users. Defective construction, poor workmanship, or low-quality materials can lead to accidents (e.g., falls, structural collapses), which in turn may result in serious compensation claims.	OW
Opportunity to build competitive advantage through quality and security	The impact affects people, in this case consumers and end users.	This impact is closely linked to the Group’s strategy and business model, which places strong emphasis on the quality and safety of its products (including through the implementation of ISO standards).	KT, ŚT, DT	The Dekpol Group can gain a competitive advantage through high-quality products and a strong focus on the safety of end users. Offering safe, durable, and reliable products in both the construction and manufacturing sectors can attract more demanding clients. This can lead to increased sales and customer loyalty, higher margins due to better product reputation, and easier access to larger, more prestigious contracts.	OW + VC-D
ESRS G1					
Corporate culture					
Actual negative impact related to corporate culture	The impact affects people—stakeholders of the Group.	This impact is not linked to the Group’s strategy and business model, which places strong emphasis on ethical business conduct. It is a temporary situation.	KT, ŚT	Lack of training, lack of procedures, absence of a compliance department, managers’ lack of knowledge about corporate culture, and absence of group-level values (plan for 2025)	OW
Regulatory risk			KT, ŚT	Failure to align reports with CSRD/ESRS requirements may result in a lack of transparency in the eyes of banks and investors.	OW
Protection of whistle-blowers					
Actual negative impact related to the lack of a whistleblower protection procedure	The impact affects people—both the company’s own workforce and others connected to the organization.	This impact is not linked to the Group’s strategy and business model, which places strong emphasis on ethical business conduct. It is a temporary situation.	KT, ŚT	Despite the lack of a procedure, reports were not ignored in the first half of 2024	OW

Regulatory and financial risk			KT, ŚT	Non-compliance with whistleblower protection regulations may lead to financial penalties as well as lawsuits from affected employees. Moreover, if the company fails to implement effective whistleblower protection mechanisms, employees may fear reporting irregularities. This can result in the concealment of illegal or unethical activities, such as financial fraud, improper environmental practices, or abuses against employees.	OW
Management of relationships with suppliers including payment practices					
Actual negative impact related to payment delays	The impact affects people—in this case, the organization's suppliers and subcontractors.	This impact is linked to the Group's strategy and business model, which places strong emphasis on ethical business conduct and compliance with legal regulations, including the Act on Counteracting Payment Delays. It is a transitional situation.	KT, ŚT	Payment delays occur, including retention of deposits as guarantees for subcontractors (security) – Dekpol Budownictwo; delays resulting from payment delays by investors (payment interdependence); occasionally longer approval processes.	OW
Risk associated with payment delays			KT, ŚT	Practices such as delaying payments to suppliers can negatively affect relationships with business partners, potentially leading to reduced availability of raw materials or increased prices. Additionally, this may result in a loss of trust from suppliers and prompt them to seek more stable business partners.	OW

(IRO-1) Description of the processes to identify and assess material impacts, risks and opportunities

(ESRS 2) Processes to identify and assess material impacts, risks and opportunities

The process of identification and assessment of material impacts, risks, and opportunities of the Capital Group is based on an in-depth analysis of its activities, business relationships, geographic areas and other factors that may cause negative impacts. This includes a comprehensive review of operations, the supply chain, and market presence to identify areas most exposed to potential threats such as climate change, social unrest (including violations of fundamental human rights), and economic instability. The company focuses on understanding potential environmental, social, and governance (ESG) risks in the context of its operations, including its supply chain, customer relationships, and market presence across different geographic regions.

This process was conducted in accordance with requirements of CSRD and ESRS 1 and 2, as well as based on responses published within the Q&A section on the EFRAG website and EFRAG guidelines.

The double materiality analysis process consisted of 8 stages:

1. Conducting a deep review of business activities, geographic areas, and sectors to understand operating context of the Capital Group and to identify Sustainable Development Goals (SDGs) on which it has or may have a material impact—both positive and negative. Initially, value chain mapping was carried out to understand on how Company's business operations may affect environment, society, and corporate governance (ESG), as well as potential risks arising from these activities.
2. Preliminary assessment of sustainability issues in terms of impact materiality, conducted with active involvement of internal subject matter experts possessing knowledge about Company's business operations and its impacts across environmental, social, and governance aspects. Each issue was evaluated based on its actual or potential impact—whether positive or negative—as well as the likelihood and nature of the impact (including its possible irreversibility). The analysis considered short-, medium-, and long-term perspectives in accordance with definitions set out in ESRS 1.
3. Preliminary assessment of sustainability issues in terms of financial materiality, including identification of risks and opportunities based on the scale and likelihood of financial impacts, as well as time horizons. This assessment also involved individuals with appropriate subject matter expertise. An evaluation of potential risks related to human rights violations—such as working conditions in the supply chain—was carried out, adopting the most adverse scenario in cases of uncertainty regarding suppliers' compliance with ethical standards.

Impact assessments and financial materiality

Double materiality analysis (hereinafter: DMA)

Preparations for analysis involved discussions with subject matter experts and relied on the knowledge of coordinators. A dedicated analytical platform was used in the process to support identification and organization of impacts, risks, and opportunities. Each topic was analyzed with reference to four key dimensions:

- **Scope of impact** – assesses how widely a topic affects the environment: the number of stakeholders involved and the geographical area. The greater the scope, the higher the score (0–5).

- **Scale of influence** – took into account the strength of the impact in question. For a negative impact, the magnitude of potential harm was assessed, while for a positive impact, the level of value generated was assessed. It was rated on a scale from 0 to 5.
- **Irreversibility of effects** – this criterion only concerned negative impacts and referred to the possibility of restoring the situation before the incident, both in the environmental and social and corporate governance contexts (e.g. human rights violations).
- **Probability of occurrence** – used when assessing potential impacts that have not yet materialized. Determines whether a phenomenon is hypothetical or whether there is a high risk of it occurring. Also scored on a scale of 0 to 5.

Assessment of financial materiality

The assessment of topics from the perspective of their potential financial impact was conducted at the next stage of the DMA. Issues considered material were those that could noticeably affect financial condition of the organization—including, among others, operating results, financial liquidity, access to capital and financing costs.

Both qualitative and quantitative indicators were used for the analysis, and ratings on a scale from 0 to 5 were determined based on the experience of individual coordinators and their discussions with subject matter experts within companies.

- **Quantitative assessment (Financial Impact Scale)** - considered the impact of a given risk or opportunity on operating performance and was graded on a five-point scale: 0-5,
- **Probability assessment** - in case of opportunities, it was analyzed how much an opportunity could contribute to strengthening organization’s ability to achieve its strategic goals. In contrast, when assessing risks, consideration was given to whether potential events would definitely lead to disruptions in company's business operations.

The entire process was conducted using an external platform, resulting in the development of a materiality matrix and identification of key subtopics along with associated risks and opportunities. To ensure the highest accuracy, meetings were organized at the coordinator level, and, when necessary, subject matter experts were also invited to participate.

So far, no hierarchy of individual impacts, risks, and opportunities has been established.

Regarding decision-making process and related internal control procedures, work is ongoing to develop tools that enable application of risk assessment in this area. This is the first year of risk assessment based on double materiality analysis, and integrating results into existing decision-making process and related internal control procedures requires time.

4. As a part of process of identification and assessment of impacts, consultations were also conducted with a broad range of stakeholders, including employees, suppliers, clients, and financial institutions. Selected groups received surveys (e.g., employees, members of management board and supervisory board, financial institutions, key suppliers, and clients), and in-depth interviews were conducted with the most important business partners. The purpose of these consultations was to understand their expectations, concerns and opinions regarding Company’s business operations and its potential impact on their situation. These discussions helped identify material issues requiring further attention and action.
5. / 6. Verification of preliminary assessments of impacts and financial materiality based on stakeholder feedback. The Company developed a system for evaluating impacts, risks, and opportunities that considers both the severity and scope of potential impacts as well as the likelihood of their occurrence, along with the scale of financial consequences and their probability. This allowed for the identification of threats requiring remedial actions.
7. Development of the double materiality matrix based on completed and verified assessments, which enabled identification of material topics and subtopics.
8. Conducting of a self-assessment of the quality and diligence of the process regarding the level of engagement of management board, internal organizational entities, and stakeholders, as well as the strategic use of the analysis.

The work of the Capital Group included an assessment of procurement processes, supplier and customer relationships to identify potential risks and opportunities related to climate change, human rights, and other ESG issues. To ensure the accuracy of assessment, the Company relied on internal data derived from the knowledge and experience of its own workforce. Additionally, the assessment took into account limited knowledge about the supply chain and the ESG practices applied within it.

The Capital Group has not yet fully implemented a due diligence process. The process of identifying and assessing actual and potential impacts on people and the environment was conducted in accordance with CSRD and ESRS regulations. The Company considered impacts arising from its own operations as well as those related to business relationships.

Based on conducted analysis, key areas of material impact were identified. Both internal and external factors were taken into account, such as stakeholder expectations, regulatory requirements, and market changes, including climate change.

All identified impacts were ranked based on their relative severity and likelihood of occurrence. For risks and opportunities, an analysis of possible financial consequences and their probability was included.

This process also involved analyzing dependencies and interconnections between various areas of Capital Group's business operations. Specific risk areas were identified, such as climate change and human rights violations in the supply chain, which may significantly impact Company's operations and financial results. An approach was adopted that considers both external and internal factors to ensure the most accurate assessment and effective management of these issues.

The Capital Group plans to respond to challenges and revise the analysis of impacts, risks, and opportunities in the event of significant changes in its operations. This process will be subject to continuous monitoring by senior management, who will regularly review the identified impacts, risks, and opportunities. Regulatory changes, changes in the supply chain, or internal company processes may necessitate faster reassessment of material issues and adjustment of actions.

(E1.IRO.1) Description of the processes for identifying and assessing material impacts, risks, and opportunities related to climate change

The Capital Group conducted a comprehensive review of its own locations and operational activities to identify potential and actual impacts, risks, and opportunities related to climate change. The analysis took into account geographical locations of the Group's operations, including ongoing investments, and for the upstream value chain was limited to key suppliers from Poland. The analysis considered regional climate characteristics and exposure to climate risks. Key factors included local temperature trends (e.g., average maximum temperature, precipitation variability, wind dynamics), and geotechnical sensitivity, which could affect infrastructure integrity and operational efficiency.

To carry out this process, consultations were held with various individuals within the companies, as well as with management boards. The specifics of business activities, their direct environmental impact, and resulting regulatory burdens were taken into account.

For selected locations, an assessment was conducted of the risks related to climate impacts on the Group's fixed assets. The analysis included RCP 4.5 and RCP 8.5 scenarios, thus evaluating risks under both moderate and extreme conditions. This approach enables the organization to prepare strategies for various possible future development scenarios. The RCP 4.5 scenario is a stabilization scenario, assuming moderate climate policies and technological progress, leading to an increase in the global average temperature of about 2.5°C by 2100. The RCP 8.5 scenario is a high-emission scenario, assuming minimal climate action, resulting in a global average temperature increase of approximately 4.5°C by 2100. The results indicate that, within the horizon up to 2030, the predicted climate changes (including temperature increases, precipitation intensity, and landslide risk) do not pose a significant threat to the Group's operations. Construction projects are located in areas with low environmental risk, and planning processes include preventive measures related, among others, to geological activity.

The Group conducted its first climate scenario analysis in 2024. The analysis focuses on areas characterized by high climate sensitivity and potential risks, enabling the development of targeted risk management strategies in subsequent periods. Until now, such analysis had not been a part of strategic planning. However, the Group recognizes added value of applying a long-term time perspective to the analysis in the context of its development, especially for effective climate risk management. This analysis allows for strategic planning over a longer horizon, including capital allocation for future planned investments, ensuring that selected locations are not burdened with excessive climate-related risks that could impact their profitability.

The climate scenario analysis is a response to the climate risks identified in financial statement, particularly the need to analyze sudden and severe climate changes during the design phase of ongoing investments. Identifying such risks is important for considerations such as the materials that can be used at a given location and additional protective measures.

As a part of conducted analysis, the data were used from, among other the following sources:

- Klimada platform, providing detailed information on historical and forecasted climate changes in Poland,
- E-mapy Polska, enabling local mapping of environmental hazards and resources,
- IPCC reports,
- Climate Central tools, enabling the identification of climate trends and their potential impacts,

Identification of material impacts revealed that a key area of the Group's environmental impact is emissions generated during production of construction materials, execution of building processes, and operation of facilities. The calculation of Group's total greenhouse gas emissions across scopes I, II, and III is presented in disclosure E1-6. These emissions, typical for the construction sector, are negative in nature and occur at all stages of the Dekpol Capital Group's value chain. To obtain more accurate data regarding emissions intensity of the Group's own operations, data was obtained from energy suppliers, including certificates of origin and declarations concerning energy mix.

Based on the conducted assessment, environmental and business opportunities were also identified, including:

- Possibility of optimization of production processes,
- Implementation of energy-efficient technologies,
- Reduction of the carbon footprint by investing in more efficient equipment,

At the same time, investment risks related to the costs of energy transition and adaptation to increasing regulatory requirements were identified, as well as operational risks arising from potential increases in energy costs or environmental fees.

The impact materiality assessment process was based on the criteria outlined above.

(E2.IRO.1) Description of the processes for identifying and assessing material impacts, risks, and opportunities related to pollution

Dekpol Capital Group conducted an analysis of environmental impacts related both to its own operational activities and within the value chain, aiming to identify key issues in the area of pollution (ESRS E2). One actual negative impact was identified based on-site reviews, documentation analysis, data from KOBIZE, and, most importantly, consultations with subject matter experts—particularly those responsible for environmental protection—including assessments of types and quantities of emissions released into the air. As a result of this analysis, it was determined that the Group's activities may generate a significant environmental impact in terms of atmospheric emissions.

Air as an area of significant influence

Air pollution was classified as a major topic, which was due to several factors:

- Characteristics of operations, in particular building materials production processes, construction projects and production processes, in particular painting processes, which may generate emissions of dust and other substances harmful to air quality.
- Existing regulatory obligations, including data reporting to KOBIZE and payment of environmental fees related to emissions.

On the basis of the assessment, regulatory risks have been identified that translate into increased operating costs as a result of higher environmental charges on the one hand, and high financial penalties in the event of non-compliance with regulatory standards on the other hand.

No opportunities were identified in this area.

During the reporting period under review, there was no formal consultation with local communities on air quality impacts.

Identification of other aspects of pollution

As part of the wider pollution assessment, the Group also analyzed other potential sources of impacts, as required by the ESRS E2 standard. The work included, among others:

- Performance reviews of individual operating units.
- Analysis of compliance with regulations on emissions of hazardous substances.

Special attention was given to the presence of substances of concern (SoC) and substances of very high concern (SVHC). It was found that their use is limited, occurs exclusively within closed technological processes, and is subject to strict safety rules. Issues related to water and soil pollution, as well as microplastics, were not classified as material due to the lack of scale and scope of impacts in the context of the Group's operations.

Data sources and methodology

The assessment process took into account, among other things, data from environmental fee records, the environmental documentation of the units and the results of previous audits and inspections. During the period under review, no violations of emission standards or incidents of an environmental nature were recorded.

(E3.IRO-1) Description of processes for identifying and assessing material impacts, risks, and opportunities related to water and marine resources –Dekpol Capital Group S.A.

Dekpol Capital Group S.A., in preparation for reporting in accordance with ESRS E3, carried out a detailed process of identifying and assessing impacts, risks and opportunities related to water resources. This process included:

- An analysis of the location of all the investments carried out in 2024 by Dekpol Budownictwo and Dekpol Deweloper.
- Assessment of the chemical, quantitative and overall status of surface waters in the vicinity of the project, in accordance with the Water Framework Directive 2000/60/EC and data from the Environmental Information System (ISOK).
- Classification of water stress levels using the Aqueduct Water Risk Atlas (baseline water stress index).
- Identification of local hydrological risks, including brackish water ingress and intensive groundwater abstraction.
- Analysis of the impact of operational activities on local water resources.

All identified locations, including Gdańsk, Tczew, Elbląg, Poznań, Wrocław, and Świebodzin, showed good water quality across all assessed parameters. The level of water stress, according to Aqueduct data, ranges between 20–40%, classified as moderate risk.

In the Tricity area (JCWPd No. 15), where some of Dekpol's investments are located, local threats such as saltwater intrusion and anthropogenic pressure on water resources have been noted. However, official assessments do not indicate exceedance of materiality thresholds according to ESRS.

The Dekpol Capital Group does not use its own water intakes, does not operate activities requiring intensive water resource consumption, nor does it generate significant discharges into water bodies. All investments have access to stable water supply infrastructure. The Company does not engage in maritime transport activities nor utilizes marine resources.

Based on conducted assessment and the absence of significant negative impacts, the topic "Water and Marine Resources" was not recognized as material in the double materiality analysis for the Dekpol Capital Group.

During reporting period, no consultations were conducted with local communities regarding the impact of operations on water resources.

Data sources:

- ISOK – Environmental Information System
- Aqueduct Water Risk Atlas (World Resources Institute)

(E4.IRO-1) Description of processes for identifying and assessing material impacts, risks, and opportunities related to biodiversity and ecosystems

Dekpol Capital Group conducted an analysis of environmental impacts related both to its own operational activities and within the value chain, aiming to identify key issues in the area of biodiversity (ESRS E4). The actual negative impact was identified based on-site reviews, documentation analysis, and, most importantly, consultations with subject matter experts—particularly those responsible for environmental protection and design, including the implementation of environmental decision provisions. These consultations revealed the impacts caused by development activities and, consequently, the associated risks. As a result of this analysis, it was determined that only activities of Dekpol Deweloper may generate a significant environmental impact concerning biodiversity and ecosystems (direct factors contributing to biodiversity loss) in situations involving removal of trees from investment sites.

The Company did not conduct social consultations during reporting year. The need for consultations does not arise from legal obligations but could stem from the business model. However, such forms of interaction with affected communities are not currently being considered.

Tree felling as an area of material impact

The organization locates its investments both on so-called greenfield sites and in urbanized areas. Even with appropriate design, tree removal is usually necessary before construction begins. This results from design phase and constitutes company's own operations. The organization does not use tools to limit tree felling, as they are ineffective from a business perspective. Damage repair is carried out through compensatory measures.

This activity was recognized as material for Dekpol Deweloper due to regulatory obligations that define procedures for cutting down, transplanting, or pruning trees. Every legal tree removal results in financial consequences in two ways: if there is no compensatory planting, a financial penalty is imposed; if there is compensatory planting, it must be maintained for a period specified in the administrative decision or ruling. There is also a risk of illegal tree felling. Penalties depend on factors such as the tree species, its size (measured by trunk circumference at 5 cm above ground), location of felling (e.g., protected area, forest, private or public land), and quantity. However, it was determined that the related costs do not constitute a material financial impact at organizational level.

The company has taken measures to minimize its negative impact in this area. These include planting new trees and protecting existing woodlands. The organization has implemented a design standard that incorporates principles for planting design, focusing on quality and durability. The company manages trees in accordance with environmental decisions. Additionally, guidelines for tree protection on construction sites have been introduced, providing opportunities to enhance protection of existing and newly planted trees.

These measures impose obligations both on company's own operations (proper design and forest management) and on subcontractors (upstream in the value chain). Increasing awareness and more frequent use of tools protecting trees are results of the company's gradual tightening of requirements for designers and subcontractors, who also bear partial responsibility. The compensatory actions stem from legal requirements, project conditions, and the company's own standards of conduct.

The above impact does not affect the Group's strategy, business model, value chain, or decision-making process. Compensatory actions result from administrative decisions, while the company implements pro-quality practices aimed at protecting existing preserved trees and designing new ones. These measures were introduced in 2024.

Data sources and methodology

Assessment process took into account, among other things, data from environmental fee records, environmental documentation of units, and results of previous audits and inspections. No environmental violations or incidents were recorded during the analyzed period.

Criteria used in assessing impacts on endangered species (steps in the methodology):

- Proximity of investments to protected areas (Natura 2000, nature reserves, landscape parks):
    - High risk: ≤ 1 km
    - Medium risk: 1–3 km

    - Low risk: > 3 km
- Habitat type and sensitivity:
    - Aquatic, wetland, forest, dune habitats = high sensitivity
    - Reclaimed, urban areas with low vegetation = low sensitivity
- Data on the occurrence of protected species in the region:
    - Based on Natura 2000 habitat maps, IUCN Red List, RDOŚ data
- Type of investment interference:
    - Large developments and interference with the ecosystem (e.g. marina, fencing, artificial light) = greater risk
    - Small housing developments on converted land = lower risk

Investment	Step 1: Protected area ≤3km	Step 2: Sensitive habitat	Step 3: Threatened species	Step 4: Environmental pressure	Final evaluation
Os. Kociewskie	NO	-	-	-	Unlikely
Os. Pastelowe	NO	-	-	-	Unlikely
Pino Resort	YES	YES	YES	YES	Likely
Sol Marina	YES	YES	YES	YES	Likely
Braniborska 58–68	NO	-	-	-	Not stated
Granaria	YES	YES	NO DATA	YES	Possible (aquatic species)

(E5.IRO-1) Description of processes for identifying and assessing material impacts, risks, and opportunities related to resource use and the circular economy

As a part of the assessment of environmental impacts related to resource use and circular economy issues, Dekpol Capital Group conducted a detailed review of its own operations and selected links in the value chain—both on supplier side and at later stages of the product life cycle. The process was based on an analysis of activities of individual companies within the Group, taking into account local conditions, types of raw materials used, generated waste, and efficiency of applied material management practices.

Information necessary for the assessment was obtained directly from representatives of operational units and then subjected to joint analysis during internal expert consultations.

Use of raw materials and materials

The analysis covered, among others, production facilities as well as general contracting and property development activities. It was established that most of raw materials used by the Group are non-renewable materials, which entails a significant environmental impact, particularly regarding emissions generated during their extraction, processing and transportation.

Key suppliers were identified, and locations of raw material sources were determined. The review also highlighted product groups such as cement, gravel, sand, and reinforcing steel, which have the largest environmental footprint—both in terms of resource consumption and subsequent waste management.

In 2024, the Group generated a total of 12,180.1 tons of waste, of which 0.31% were classified as hazardous waste. Sources of waste generation are diverse: industrial waste dominates in manufacturing companies, while municipal and office waste primarily originates from administrative and service activities. Special-risk waste groups include chemicals, paint residues, resins, and used operational components. All hazardous waste is properly stored and transferred to specialized entities holding required environmental permits.

The intensive use of non-renewable resources and waste generation were recognized as material actual negative environmental impacts within the double materiality assessment in accordance with ESRS E5 requirements. Simultaneously, a real positive impact was identified in general contracting segment through the use of reinforced concrete constructions, which are more durable than traditional materials and easier to reuse during demolition, as well as a positive impact resulting from partial reuse of excavated soil layer for site reclamation. Regarding waste management, a potential positive impact was also identified, arising from contractual provisions with subcontractors imposing an obligation for responsible waste management.

Within the framework of the circular economy, opportunities were identified arising from the reuse of raw materials and materials, as well as design of investments based on circular economy principles. This, in turn, can help reduce material costs and the amount of waste generated. Conversely, failure to leverage these opportunities by the Group, given global emphasis on sustainable development and circular economy, poses regulatory and economic risks. Changes in legal regulations may lead to restrictions on consumption of natural resources, shortages of these resources, and consequently—disruptions in the supply chain or price volatility. This, in turn, may be associated with increased operating costs, reduced profit margins, and decreased competitiveness on the market. For the purpose of the analysis, the following data sources were used: data from BDO database, company's internal documentation, and information obtained from entities involved in waste collection and processing, including declarations.

Additionally, an analysis was conducted on consumption of products and technical and biological materials, taking into account the volume of investments sold in 2024, and quantities of fuels consumed.

The criteria for assessing impacts and recognizing their materiality were presented above.

(G1.IRO-1) Description of processes used for identifying and assessing material impacts, risks, and opportunities

To identify impacts in the area of business conduct, Dekpol Capital Group conducted a comprehensive review of its own operations. The process involved analyzing internal operations, including ethical procedures, anti-corruption policies and whistleblowing systems. A review of relationships with key suppliers was also conducted, and payment practices were analyzed.

To identify material impacts, risks, and opportunities, subject matter experts from areas such as procurement departments and the KODO team were engaged. However, consultations were not conducted with affected communities or other stakeholders of the Group.

Among the Group's material impacts, the following were identified:

- no dedicated compliance department,
- lack of procedures, e.g. anti-corruption, lack of training on some of the existing procedures, e.g. Code of Business Conduct, and thus lack of broad awareness of corporate culture among employees,
- lack of an implemented whistleblower procedure in some of the Group's entities,
- recurring payment delays resulting partly from organization of the Group's invoice approval and payment regulation process, including formal requirements, and partly from contentious situations with suppliers or subcontractors.

In addition to opportunities such as easier access to "green financing," grants, and support programs offered by governments and international organizations—which can support company's further development—significant risks were also identified for companies demonstrating responsible supply chain management and ESG practices. These risks are especially regulatory and financial in nature, arising from financial consequences related either to non-compliance of reports with requirements of Chapter 6c of the Accounting Act and ESRS standards, or to non-compliance with whistleblower protection regulations. Furthermore, additional risks were identified stemming from employees' reluctance to report irregularities such as financial fraud, abuses, or improper practices, which can lead to reputational loss for the Group. Additionally, payment delays can negatively affect Group's business relationships, potentially disrupting supply chain due to loss of trust from suppliers.

The identified impacts are primarily negative if not effectively managed. They mainly concern Group's own operations, particularly areas such as procurement departments, HR, management, shared services center—including finance and financing acquisition departments.

As a part of materiality assessment by IRO concerning ESRS G1 – Business Conduct, Dekpol Capital Group took into account the following criteria:

- location – Dekpol Capital Group operates within the territory of the Republic of Poland, with particular emphasis on the Pomeranian Voivodeship, where Company's headquarters is located. Group's activities cover a wide geographic range at the national level—investments are carried out, among others, in Gdańsk, Poznań, Wrocław, Elbląg, Tczew, and Koszalin. Although the Group's primary area of operation is domestic market, Dekpol also collaborates with foreign contractors, especially concerning the supply of construction materials and services provided within general contracting. Key processes—including building construction, property development activities, and production of accessories for construction machines — are conducted in Poland and are subject to national legal regulations, including environmental laws and standards related to fair business conduct.
- activities – information described above, as well as detailed information about Group's activities, is presented in section SBM-1 of this Statement.
- Sector – Dekpol operates in the construction, real estate, and industrial manufacturing sectors. The sectoral characteristics, along with their connection to risk and opportunity analyses, are presented in sections SBM-1 and SBM-3.
- Transaction structure – while identifying and assessing risks and opportunities related to its operations, Dekpol Capital Group took into account applicable commercial law, public procurement regulations, construction law, and good practices prevailing in the construction and property development sector. The analysis covered both transactions conducted directly by Group's companies and those carried out within subcontracting and project partnerships.

In 2024, no consultations were conducted with affected communities or other internal and external stakeholders on any of the above topics.

(IRO-2) Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

Topics assessed as not relevant

According to the Group's analysis, the following topics were assessed as insignificant:

1. **ESRS E3** Water and marine resources

In addition, within each theme, some sub-themes were assessed as irrelevant:

1. Under **ESRS E2** Pollution, the following sub-themes were considered to be not relevant:
    a. pollution of water, soil, living organisms and food resources,
    b. substances of very high concern and substances of very high concern
    c. microplastics.

During assessment of these subtopics, impacts, risks, and opportunities across the entire value chain of the Capital Group were taken into account. Although Dekpol Deweloper's operations occasionally include water and soil remediation, these do not result from the company's own activities or its value chain. They apply only in cases where the company acquires land previously contaminated by another entity and restores it to safe conditions for planned investments. Therefore, based on the analysis, it was determined that the potential impact of pollution on financial results, reputation, and stakeholders is limited—except in case of air pollution due to volatile organic compound (VOC) emissions in production activities.

The analysis considered various factors, such as the scope and scale of operations, current regulatory environment, and potential financial and reputational consequences related to pollution. As a result, it was concluded that detailed disclosure under ESRS on pollution (with the exception of air pollution) is not currently required, as related risks and opportunities are not considered material to the organization. Nevertheless, the Capital Group will continue to monitor and assess any changes in regulatory environment, operations, and market trends that may influence materiality of this issue in the future.

2. With regard to **ESRS E3** Water and Marine Resources, it was determined that the Capital Group's activities are not dependent on water as a primary resource, and its consumption remains within local regulatory limits. Therefore, potential risks related to water scarcity or contamination were deemed not material. Additionally, current and planned activities do not have a significant impact on marine ecosystems or biodiversity. Capital Group's supply chain is also not exposed to significant risks related to marine resources, such as overfishing or pollution. As a result, disclosure requirements under ESRS E3 were omitted, as they are not material to organization's activities.
3. As part of **ESRS E4** concerning biodiversity and ecosystems, a thorough materiality assessment was conducted, which concluded that the following issues are not material for majority of entities within the Capital Group, with exception of the property development segment:
   a. The impact of supply chain activities on local ecosystems in regions of operation was deemed not material, as direct actions of the Capital Group have a minimal footprint and do not pose a significant threat to biodiversity compared to other industries, such as food sector.
   b. The impact of business model on endangered species was deemed not material, as Capital Group's products do not directly contribute to population decline or extinction of any species. However, in the area of its own construction investments, Dekpol Deweloper does have an actual impact. Its materiality depends on specific environmental conditions present at the site and construction projects being developed by organization.
   c. The impact of operations on soil health and quality—although activities involve changes in land use, they do not cause contamination and, in some cases, contribute to remediation of soil previously polluted by former land users.

This assessment was carried out based on analysis of potential risks and opportunities related to these issues, as well as stakeholder expectations. The Capital Group will continue to monitor and evaluate any changes in the regulatory environment, operations, and market trends that may affect materiality of biodiversity and ecosystems in the future.

4. Under **ESRS S1** Own Workforce, the subtopic "Other Work-Related Rights" was deemed not material. Since Capital Group's workforce is located exclusively in Poland—where legal regulations concerning respect for human rights are of a high standard (including prevention of child labour and forced labour)—this topic was not considered material in the context of organization's activities.
5. For **ESRS S3** Affected Communities, the following subtopics were considered not material:
   a. Civil and political rights of the community
   b. Rights of indigenous people

Due to geographical location of the Capital Group's operations, there is no potential for impact on political and civil rights of communities, and there are no Indigenous peoples present in the areas analyzed. Even in relation to the supply chain, particularly the value chain, a material impact as well as potential risks and opportunities were identified solely in the area of economic, social, and cultural rights.

6. Under **ESRS G1** Business Conduct, the following subtopics were considered not material:
   a. Animal welfare,
   b. Political engagement and lobbying activities,
   c. Corruption and bribery.

This decision was based on an analysis of the impacts, risks and opportunities in the context of the industries in which the Group operates and its business model.

Explanation of how material information to be disclosed in relation to material impacts, risks, and opportunities was determined

Description of method used to determine material information to be disclosed in relation to material impacts, risks, and opportunities is included in disclosure IRO-1, while identified material topics are described in disclosure SBM-3.

Index of reporting requirements and data points covered in this statement, along with references to the corresponding disclosure section:

G1-1	304
G1-2	308
G1-6	311

List of data points included in the cross-cutting and topical standards that arise from other EU legislation [ESRS 2 Appendix B]

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Place in Statement
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		Page 147
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Commission Delegated Regulation (EU) 2020/1816, Annex II		Page 148
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Page 151
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013. Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on social risk	Commission Delegated Regulation (EU) 2020/1816, Annex II		Irrelevant
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		Irrelevant
ESRS 2 SBM- Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Irrelevant
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1816, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Irrelevant
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Page 213
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		Page 213

		of exposures by sector, emissions and residual maturity			
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Page 217
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Page 218
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Page 220
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Page 219
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Page 221
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Page 226
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Page 228
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Page 228
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Page 228
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Page 228
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Page 228

ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1			Page 231
	Indicator number 7 Table #2 of Annex 1			
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 8 Table 2 of Annex 1			Irrelevant
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 12 Table #2 of Annex 1			Irrelevant
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 6.2 Table #2 of Annex 1			Irrelevant
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1			Irrelevant
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 7 Table #1 of Annex 1			Irrelevant
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 10 Table #2 of Annex 1			Page 234
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 14 Table #2 of Annex 1			Page 234
ESRS 2- IRO 1 - E4 paragraph 16 (c) W	Indicator number 11 Table #2 of Annex 1			Page 234
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 12 Table #2 of Annex 1			Page 236
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 15 Table #2 of Annex 1			Page 236
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 13 Table #2 of Annex 1			Page 236
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 9 Table #1 of Annex 1			Page 246
ESRS 2 SBM-3-S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I			Page 251
ESRS 2 SBM-3-S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I			Page 251
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I			Page 252
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II	Page 252
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I			Page 253
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I			Page 253
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I			Page 259

ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II	Page 266
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I		Page 265
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II	Page 267
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I		Page 267
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I		Page 267
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	Page 267
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I		Page 270
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1		Page 271
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1		Page 271
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	Page 271
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19		Delegated Regulation (EU) 2020/1816, Annex II	Page 271
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1		Page 275
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1		Page 281
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	Page 281
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1		Page 286
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1		Page 291

ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	Page 291
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 1[illegible] of Annex 1		Page 298
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	[illegible]		Page 307
ESRS G1-1 Protection of [illegible] tle- blowers paragra[illegible]			Page 308
ESRS G1-4 Fin[illegible] of anti-corru[illegible] bribery law[illegible]			[illegible]nt
ESRS G1[illegible] corrup[illegible] parag[illegible]			

Ta

This section presents information on how and to what extent the activities of the Dekpol Capital Group are associated with economic activities eligible under the taxonomy, in accordance with Article 8 of EU Regulation 2020/852 (the Taxonomy), as well as the extent to which these activities are environmentally sustainable, in accordance with Article 3 of EU Regulation 2020/852 (the Taxonomy). Key performance indicators have been prepared in accordance with requirements set out in EU Delegated Regulation 2021/2178, to the best of our knowledge and with due diligence.

The calculation of Dekpol Group's environmentally sustainable activities was carried out based on:

- Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088,
- Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives,
- Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation,
- Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.
- Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending Delegated Regulation (EU) 2021/2139 establishing additional technical screening criteria for determining the conditions under which certain economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation and for determining whether those activities cause no significant harm to any of the other environmental objectives.

- Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

Information on the assessment of compliance with Regulation (EU) 2020/852

In accordance with currently applicable technical screening criteria, Dekpol Capital Group assessed the nature of activities conducted across its various segments and entities to determine whether they qualify as taxonomy-eligible or non-eligible economic activities under Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, as well as its supplementary delegated regulations on Technical Screening Criteria: 2021/2139, 2021/2178, 2023/2486, 2022/1214, and 2023/2485.

As the first step, individual business segments of the Dekpol Group were verified using NACE/PKD codes to identify which types of activities qualify under taxonomy. Results of this verification are presented in the table below:

Entity of the Dekpol Capital Group	Core business	PKD	NACE code
Dekpol S.A.	Activities of head office and holding companies and Business and other management consultancy activities	70.10.Z and 70.22.Z	M70.10 and M70.22
Dekpol Budownictwo	Building works related to erection of residential and non-residential buildings	41.20.Z	F41.20
Dekpol Deweloper and SPV's	Building works related to erection of residential and non-residential buildings	41.20.Z	F41.20
Dekpol Steel	Manufacture of machinery for mining, quarrying and construction	28.92.Z	C28.92
Intek	Manufacture of machinery for mining, quarrying and construction	28.92.Z	C28.92
Betpref O/Toruń	Manufacture of concrete products for construction purposes	23.61.Z	C23.61
Betpref O/Pinczyn	Manufacture of metal elements of building woodwork	25.12.Z	C25.12
Kombet Działdowo	Manufacture of concrete products for construction purposes	23.61.Z	C23.61
Almond	Rental and operating of own or leased real estate	68.20.Z	L68.20
UAB Dek LT Statyba	Building works related to erection of residential and non-residential buildings	41.20.Z	F41.20
Dekpol Capital	Activities of head office and holding companies and Business and other management consultancy activities	70.10.Z and 70.22.Z	M70.10 and M70.22

After analyzing the profiles and scopes of activity of the Group's entities and the qualification indications in the technical qualification criteria, qualification was determined for the following purposes:

	Mitigating climate change	Adaptation to climate change	Sustainable use and protection of water and marine resources	Transition to a closed loop economy	Pollution prevention and control	Protection and restoration of biodiversity
Dekpol S.A.	Point 8.1	n/a	Brak	Point 4.1	Point 2.4	n/a
Dekpol Budownictwo	Points 7.1 to 7.6	n/a	n/a	Points 3.1, 3.2 and 3.5	Point 2.4	n/a
Dekpol Deweloper and SPV's	Points 7.1, 7.5, 7.6 and 7.7	n/a	n/a	Points 3.1, 3.2 and 3.5	Point 2.4	n/a
Dekpol Steel	n/a	n/a	n/a	n/a	n/a	n/a
Intek	n/a	n/a	n/a	n/a	n/a	n/a
Betpref O/Toruń	n/a	n/a	n/a	n/a	n/a	n/a

Betpref O/Pinczyn	n/a	n/a	n/a	n/a	n/a	n/a
Kombet Działdowo	n/a	n/a	n/a	n/a	n/a	n/a
Almond	n/a	n/a	n/a	n/a	n/a	n/a
UAB Dek LT Statyba	Points 7.1 to 7.6	n/a	n/a	Points 3.1 and 3.2	Point 2.4	n/a
Dekpol Capital	n/a	n/a	n/a	n/a	n/a	n/a

It was assumed that qualification also applies to those aspects of activities that are a part of comprehensively implemented projects by a given entity, even if carried out with involvement of qualified subcontractors. This mainly concerns the execution of construction and property development projects.

Detailed explanations are provided below:

I. **Dekpol Budownictwo sp. z o.o. and UAB Dek LT Statyba** – comprehensively carry out construction projects as a general contractor, including, among others, property development projects for Dekpol Deweloper sp. z o.o. (these projects are carried out exclusively by Dekpol Budownictwo sp. z o.o.). In 2024, UAB Dek LT Statyba did not carry out any projects (the entity carries out projects in Lithuania).

Qualification for specific purposes - justification:

1) **Goal 1 (Mitigating climate change)** – under this objective, the above-mentioned entities were considered eligible for the taxonomy under the following points:
    a. 7.1 – Construction of new buildings is the core activity of the aforementioned entities. The projects carried out involve new residential buildings, industrial facilities, warehouses, hotels, and similar structures.
    b. 7.2 – Renovation of existing buildings is not the main area of activity for the aforementioned entities; however, there are cases where projects are carried out on sites with existing buildings, and these are implemented either by utilizing existing building structures or through full renovation. This applies to buildings located within heritage protection zones. In 2024, such projects were also undertaken, for example: a historic building for Telefonika; the CBZC for the Provincial Police Headquarters; a laboratory building.
    c. 7.3 – Installation, maintenance, and repair of equipment improving energy efficiency – carried out in connection with point 7.2, i.e., as part of the renovation of existing buildings, it is very common to replace less energy-efficient elements with new ones of higher energy efficiency. In the previously mentioned examples from 2024: in the Telefonika building, windows were replaced and new installations were laid; in the CBZC building, wooden joinery was replaced with aluminum, the roof structure and covering were replaced, as well as sanitary and teletechnical systems – all of which contributed to improved energy efficiency.
    d. 7.4 – Installation, maintenance, and repair of electric vehicle charging stations in buildings (and in parking areas adjacent to buildings) – as part of some of the projects carried out (depending on investor requirements), electric vehicle charging stations are installed, for example, at Panattoni, 7R, MAG, Danfoss, Thales, BIMS, and KWO Laboratory facilities.
    e. 7.5 – Installation, maintenance, and repair of instruments and devices for measuring, regulating, and controlling a building's energy performance – such solutions are used in the projects carried out, for example: lighting control sensors (Danfoss), BMS (Building Management System) or facility management systems (Danfoss), greywater systems (7R Lublin, East), irrigation systems using rainwater collected from roof drainage, green roofs (with live plants) on warehouses (7R Lublin, East), and others, depending on investor requirements. The BMS system is implemented in almost all projects, though its complexity varies.
    f. 7.6 – Installation, maintenance, and repair of renewable energy technology systems – photovoltaic systems and heat pumps are frequently installed as part of the projects carried out, depending on agreements with and the requirements of the investor. For example, in 2024, heat pumps were installed in the following projects: BIAWAR, MAG, 7R Barniewice, Danfoss, Pressglass Kaunas, Lidl in Świebodzin, and others. Various heat recovery solutions from cooling systems, generators, and compressors were also installed, e.g., for Iglotex, Thales, and Pressglass. Photovoltaic systems are also widely used, for example in the MAG, 7R Barniewice, Leroy Merlin, 7R Lublin, BIMS, and KWP Laboratory projects.
2) **Goal 2 (Adaptation to climate change) –** the above-mentioned entities were found to be ineligible

3) **Goal 3 – sustainable use and conservation of marine resources** – no points were found under which the above-mentioned entities would qualify for the taxonomy.
4) **Goal 4 – transition to a circular economy** - under these objectives, the above-mentioned entities were considered eligible for the taxonomy under the following points:
    a. 3.1 – Construction of new buildings is the core activity of aforementioned entities. The projects carried out involve new residential buildings, industrial facilities, warehouses, hotels, and similar structures. As general contractors, these entities provide comprehensive execution of construction projects by combining financial, technical, and physical resources (primarily through cooperation with subcontractors) based on agreements with investors.
    b. 3.2 – Renovation of existing buildings is not the main area of activity for the aforementioned entities; however, there are instances where projects are carried out on sites with existing buildings. In such cases, the projects are implemented either by utilizing the existing building structures or through full renovation. This applies in particular to buildings located within heritage protection zones. In 2024, such projects were also undertaken, for example: a historic building for Telefonika; the CBZC building for the Provincial Police Headquarters (KWP); and a laboratory building.
    c. 3.5 – Use of concrete in civil engineering – both entities, as part of the projects they carry out, use structural concrete not only in building structures such as residential and commercial buildings, but also in the construction of civil engineering structures such as internal roads, yards, sidewalks, and other similar infrastructure that does not fall under point 3.4 (i.e., is not related to maintenance).
5) **Goal 5 – pollution prevention and control -** having examined all the points, it was considered that the activities of both entities qualified under one point:
    a. 2.4 – Remediation of contaminated sites and areas – some projects are carried out on previously used sites, for example, former industrial areas where soil contamination is present. In such cases, soil remediation is a necessary part of the project. In 2024, such remediation was carried out as part of an investment for Dekpol Deweloper sp. z o.o. in Sopot.
6) **Goal 6 – Protection and restoration of biodiversity** - no activities were identified under which the aforementioned entities would qualify for taxonomy alignment. Although in some cases project implementation requires ecological supervision and specific actions related to the identification and protection of habitats, ecosystems, and species of flora, fauna, and ichthyofauna—such as habitat relocation or suspension of works during breeding seasons—these measures do not constitute *in situ* conservation.

II. **Dekpol Deweloper sp. Z o.o. and all SPV's from the Dekpol Deweloper Group** – As investors, they purchase land, design residential or commercial developments (e.g., rental apartments, hotels, and others), and commission their construction to Dekpol Budownictwo sp. z o.o.

Qualification for specific purposes - justification:

1) **Goal 1 (Mitigating climate change)** – under this objective, the above-mentioned entities were considered eligible for the taxonomy under the following points:
    a. 7.1 – Construction of new buildings is the core activity of the aforementioned entities. As investors, they design the developments and commission their execution to Dekpol Budownictwo sp. Z o.o.
    b. 7.5 – Installation, maintenance, and repair of instruments and devices for measuring, regulating, and controlling a building's energy performance – such solutions are used in the projects carried out, for example, lighting control sensors or Building Management Systems (BMS). The BMS is implemented in nearly all projects, varying in complexity depending on the specific requirements.
    c. 7.6 – installation, maintenance, and repair of renewable energy technology systems – photovoltaic systems are very often installed as part of the projects carried out, and in some cases, heat pumps are also installed.
    d. 7.7 – Acquisition and ownership of buildings – yes, as investors, the aforementioned entities acquire land on which the developments are carried out. Subsequently, the properties are subdivided, and ownership rights to individual units are established. These ownership rights are then transferred to clients under sales agreements.
2) **Goal 2 (Adaptation to climate change) –** the above-mentioned entities were found to be ineligible
3) **Goal 3 – sustainable use and conservation of marine resources** – no points were found under which the above-mentioned entities would qualify for the taxonomy.
4) **Goal 4 – transition to a circular economy** - under this objective, the above-mentioned entities were considered eligible for the taxonomy under the following points:

a. 3.1 – Construction of new buildings – it is the core business of the above-mentioned entities. As an investor, they design investments and commission their execution to Dekpol Budownictwo sp. Z o.o.
b. 3.5 – Use of concrete in civil engineering – as part of the projects they carry out, the aforementioned entities design sidewalks and internal roads in which concrete is used (with comprehensive project execution by Dekpol Budownictwo sp. z o.o.). This applies practically to all investments.

5) **Goal 5 – pollution prevention and control** – having examined all the points, it was considered that the activities of the above-mentioned entities qualified under one point:
   a. 2.4 – Remediation of contaminated sites and areas – some projects are carried out on previously used sites, such as former industrial areas, where soil contamination is present. In such cases, soil remediation is a necessary part of the project. In 2024, such remediation was carried out as part of a project for Dekpol Deweloper sp. z o.o. in Sopot. Another project has been classified as requiring remediation, but its implementation has been put on hold due to the fact that the land is not yet owned. For yet another project, a decision from the Regional Directorate for Environmental Protection (RDOŚ) is currently pending.

Goal 6 – Protection and restoration of biodiversity - no activities were identified under which the aforementioned entities would qualify for taxonomy alignment. While it is true that some projects require ecological supervision and specific actions related to the identification and protection of habitats, ecosystems, and species of flora, fauna, and ichthyofauna—such as habitat relocation or suspension of work during breeding seasons—these measures do not constitute *in situ* conservation.

III. **Dekpol S.A.** – provides comprehensive services for all entities within the group, including accounting and finance, controlling, IT, HR and payroll, administrative support, financing acquisition, and more. Additionally, Dekpol S.A. owns a gravel pit, and the gravel extracted from it is used in some of the projects carried out by Dekpol Budownictwo sp. z o.o.

1) **Goal 1 (Mitigating climate change)** – under this objective, an entity is considered eligible for the taxonomy under the following points:
   a. Point 8.1 – Data processing: website management (hosting) and related activities – IT department provides services not only for entities within the Dekpol Group but also for other entities personally connected to Dekpol S.A. Both the servers and the entire IT infrastructure are owned by Dekpol S.A.
2) **Goal 4 – transition to a circular economy** – under this objective, an entity was considered eligible for the taxonomy under one point:
   a. Pkt. 4.1 – Provision of data-based IT/OT solutions – as a part of its services, IT department monitors and analyzes performance of servers and all systems for failures and potential failure risks (e.g., when a drop in performance is detected), and immediately responds to warning signals. This helps prevent major breakdowns and extends the lifespan of certain devices (point a); it also monitors lifecycle of computer equipment for necessary maintenance, replacements, etc. (point c). IT department at Dekpol Budownictwo has implemented a building design system that offers various analysis capabilities, including eco-friendly solutions; however, such analyses are not currently taken into account during design phase (point d).
3) **Goal 5 – pollution prevention and control** – under this objective, the entity was considered to qualify under one point:
   a. Point 2.4 – Remediation of contaminated sites and areas – In 2021, Dekpol S.A. obtained a decision from the District Office regarding reclamation of a decommissioned gravel deposit covering an area of 1.93 hectares, to be repurposed as agricultural and forest land.

An assessment was then conducted of the activities of both the above-mentioned entities and the entire Group in terms of conducting business in compliance with the minimum safeguards referred to in Article 18 of Regulation (EU) 2020/852 of the European Parliament and Council.

The primary document governing responsible and ethical business conduct and the respect for human rights is the Business Conduct Code, which applies throughout the Group. This Code outlines core principles that guide the Dekpol Capital Group. These principles are aligned with national legal regulations as well as European and international laws on business and human rights, particularly the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the rights and principles set out in the eight fundamental conventions listed in the ILO Declaration on Fundamental Principles and Rights at Work, and those established in the International Bill of Human Rights.

Additionally, Dekpol Budownictwo, which among other activities carries out property development projects for Dekpol Deweloper, has implemented an ISO management system (including ISO 9001:2015 for quality management, ISO 14001:2015 for environmental management, and ISO 45001:2018 for occupational health and safety management). Within this system, policies, procedures, regulations, and instructions have been adopted to ensure exceptional care for product quality, environmental protection, prevention of negative environmental impacts, and the safety of not only its own employees but also subcontractors, clients, and the local community.

It should be emphasized that environmental care and the need for its protection are demonstrated at every stage of project implementation. During planning and execution phases, significant emphasis is placed on preventive measures to minimize negative environmental impact of operations. In the final phase of project delivery, measures are applied to ensure comfort and safety for future users of premises—for example, adapting greenery around the development to withstand seasonal temperature fluctuations, implementing noise-reduction mechanisms, and using solutions that help reduce CO2 emissions and other harmful substances.

Despite these actions and procedures, the Dekpol Capital Group is currently unable to demonstrate compliance with minimum safeguards referred to in Article 18 of Regulation (EU) 2020/852 due to insufficient evidence and the fact that a due diligence process was not fully implemented during reporting period.

In 2024, the Dekpol Capital Group did not conduct an assessment of its activities eligible under the taxonomy with regard to making a substantial contribution to at least one environmental objective and doing no significant harm to any of environmental objectives, in accordance with aforementioned EU Regulations.

Despite a range of efforts undertaken in support of sustainable development, due to insufficient evidence of compliance of projects implemented with technical screening criteria included in the Taxonomy, the Group does not report any projects carried out in 2024 as taxonomy-aligned.

Contribution to the achievement of multiple objectives

In cases where projects are identified as contributing to the achievement of more than one environmental objective, their alignment will be reported in relation to each of those objectives. If such a breakdown is not feasible, the contribution will be reported under the primary objective. Similarly, disclosure of turnover, capital expenditures, and operating expenditures from these projects will reflect their contribution to all identified objectives or, where a breakdown is not possible, to the primary objective. At the same time, both the turnover from these projects and related indicators are included in numerator of indicators only once. This ensures that the data is not double counted for each of environmental objectives being pursued.

Disaggregation of key performance indicators

Within the Dekpol Capital Group, individual business segments are carried out by separate entities. Additionally, detailed analytics are applied to specific property development and general contracting projects, including their individual stages. As a result, revenue from various sources as well as a portion of operating expenses are directly attributed to specific projects and their phases. However, capital expenditures, along with a significant portion of operating expenses, are not incurred for individual projects but are instead related to overall operations of a given entity. This necessitates disaggregation of these data and allocation of relevant portions to eligible but non-aligned activities, as well as to non-eligible activities under the taxonomy. This allocation is performed at the entity level using proportions based on revenue or costs associated with respective categories.

Information on the avoidance of double counting

Division of activities from individual segments across different entities, as described above, along with detailed analytics applied within the chart of accounts and the use of proportional allocation of capital expenditures and operating expenses related to overall operations of a given entity, enables reliable attribution of revenue, capital expenditures, and operating expenses to numerators of respective indicators. This approach also ensures that each item of revenue, capital expenditure, or operating expense is included in the numerator only once.

To further support avoidance of double counting and the accurate allocation of revenue, capital expenditures, and operating expenses to the respective numerators, a thorough analysis of source data from the accounting records of individual entities is performed. This includes consideration of all consolidation eliminations, with a particular focus on where the expense ultimately resides (e.g., in case of re-invoicing, analysis accounts for target entity and final posting location of expense). Additionally, classification of expenses as either capital expenditures or operating expenses is verified. For example, if a given category qualifies as a capital expenditure under IFRS 16, it is not included in the numerator for operating expenses.

Finally, the data on revenue and capital expenditures are cross-checked against figures from the Dekpol Group's consolidated financial statement.

Key turnover-related indicator – accounting principles and contextual information

Principles for determining sources of turnover related to economic activities that qualify as environmentally sustainable, as well as the method for calculating denominator of the indicator, have been described above.

The numerator of indicator includes only turnover from core sources of activity qualifying as environmentally sustainable, excluding revenue from supporting activities, including re-invoicing.

During reporting period, there was no turnover from taxonomy-aligned economic activities carried out for the Group's own consumption. Additionally, no green bonds or debt securities were issued for the purpose of financing specific projects assessed as taxonomy-aligned.

In 2024, turnover from activities eligible under the taxonomy decreased by 1.82%. This was partly due to an overall decline in the Group's total turnover.

A detailed breakdown of turnover—into revenue from environmentally sustainable activities, revenue from taxonomy-eligible but non-sustainable activities, and revenue from non-eligible activities—is presented in the table Assessment of the Group's Turnover Alignment with the Taxonomy of Environmentally Sustainable Activities.

Key capital expenditure (Capex) indicator – accounting principles and contextual information

Separation of individual business segments into distinct entities allows for reliable allocation of capital expenditures to specific segments (activity classification principles were presented above). However, within a given entity, final division of CAPEX into taxonomy-eligible and non-eligible activities is not always possible. Therefore, estimates have been partially applied:

- For Dekpol S.A., the estimation of CAPEX was based on the ratio of taxonomy-eligible turnover to total turnover,
- For Dekpol Budownictwo, the estimation of CAPEX was based on proportions derived from depreciation costs.

The CAPEX for taxonomy-eligible activities, as estimated based on the above-mentioned assumptions, represents 17% of the total amount reported in this category.

To determine the total capital expenditures, increases in the value of property, plant and equipment as well as intangible assets during the financial year were taken into account, before depreciation, amortization, and any revaluations, including those resulting from remeasurement and impairment.

As a result, the following were assumed to be capital expenditures:

- Increase in property, plant and equipment according to IAS 16.
- Increase in intangible assets according to IAS38.
- increases in the value of investment property, including fair value measurement, according to IAS 40.
- increases in right-of-use assets, including long-term leases and long-term rentals, under IFRS 16.

During reporting period, no capital expenditures were identified as being incurred in connection with a plan to expand taxonomy-aligned economic activities or to enable taxonomy-eligible activities to become aligned with the taxonomy, nor were there expenditures related to the acquisition of products from taxonomy-aligned activities or other purchases aimed at transforming activities into low-emission ones.

In 2024, there was a significant increase in capital expenditures across the entire Group, including both expenditures related to taxonomy-eligible activities and those not eligible under the taxonomy.

A detailed breakdown of capital expenditures into those from environmentally sustainable activities, expenditures from taxonomy-eligible but non-sustainable activities, and those from non-eligible activities is presented in the table Assessment of Group's Capital Expenditures (Capex) Alignment with the Taxonomy of Environmentally Sustainable Activities.

Key operating expenditure (Opex) indicator – accounting principles and contextual information

Separation of individual business segments into distinct entities allows for reliable allocation of operating expenses to specific segments (principles for activity classification were presented above). However, within a given entity, final division of OPEX into taxonomy-eligible and non-eligible activities is not always possible. Therefore, estimates have been partially applied:

- For Dekpol S.A., the estimation of OPEX was based on the ratio of taxonomy-eligible turnover to total turnover,
- For Dekpol Budownictwo, the portion of OPEX that could not be directly classified was estimated based on the cost breakdown by type, while the portion related to vehicle maintenance was estimated based on valuation structure under IFRS 16.

The OPEX for taxonomy-eligible activities, as estimated based on the above-mentioned assumptions, represents 39% of the total amount reported in this category.

To determine the total amount of operating expenses, accounting records were analyzed in terms of expenditures:

- related to maintenance and repairs, as well as expenses for ongoing servicing of property, plant, and equipment (including materials and services),
- costs of short-term rental of vehicles, machinery, and other construction equipment (non-capitalized expenditures),
- service fees related to the long-term rental of property, plant, and equipment (lease payments recognized as capital expenditures in accordance with IFRS 16),
- property maintenance costs, including building security and cleaning services, as well as outsourced services,
- non-capitalized research and development (R&D) costs,
- training and other costs related to adapting human resources to taxonomy-aligned activities.

During reporting period, no operating expenses were identified as being incurred in connection with a plan to expand taxonomy-aligned economic activities or to enable taxonomy-eligible activities to become aligned with the taxonomy. Additionally, there were no expenses related to the acquisition of products from taxonomy-aligned economic activities or other expenditures aimed at transitioning toward low-emission operations.

A detailed breakdown of operating expenses—into those related to environmentally sustainable activities, expenses from taxonomy-eligible but non-sustainable activities, and those from non-eligible activities—is presented in the table Assessment of Group's Operating Expenditures (Opex) Alignment with the Taxonomy of Environmentally Sustainable Activities.

Assessment of the Group's Turnover Alignment with the Taxonomy of Environmentally Sustainable Activities

Financial year 2024	**Year**			**Criteria for significant contribution**						**Criteria for the DNSH principle 'do not cause serious damage'**									
Business activities	**Code or codes**	**Turnover (– in thousands of PLN)**	**Part of turnover**	**Mitigating climate change**	**Adaptation to climate change**	**Water and marine resources**	**Pollution**	**A circular economy**	**Biodiversity**	**Mitigating climate change**	**Adaptation to climate change**	**Water and marine resources**	**Pollution**	**A circular economy**	**Biodiversity**	**Minimum guarantees**	**Participation in activities in line with the systematic (A.1.) or qualifying for systematics (A.2.) Turnover for the year 2023 (18)**	**Category (supporting activities)**	**Category (transition activity)**
2024		Currency	%	%	%	%	%	%	%	T/N	T/N	T/N	T/N	T/N	T/N	T/N	%	E	T
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
A. ACTIVITIES ELIGIBLE FOR SYSTEMATICS																			
A.1. TYPES OF ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (IN LINE WITH THE SYSTEMATIC)																			
Turnover from environmentally sustainable activities (in line with the systematic) (A.1.)		0,0	0,0	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0,0		
Including supportive																			
Including in favor of transition																			
A.2. ACTIVITIES THAT QUALIFY FOR SYSTEMATICS BUT ARE ENVIRONMENTALLY UNSUSTAINABLE (INCOMPATIBLE WITH SYSTEMATICS)																			
Construction of new buildings	**CCM7.1** / CE	1 201 722,6	85,59	N	N/EL	N/EL	EL	EL	N/EL							N	87,4%		

	3.1 I PPC 2.4										
Activities of head offices and management consultancy activities	**CCM 8.1** and CE 3.1	23,1	0,00	N	N/EL	n/EL	N/EL	EL	N/EL	N	0,0
Turnover from systematically eligible but environmentally unsustainable activities (non-systematically compliant activities)) (A.2.)		1 201 745,7	85,59	85,59%	0%	0%	0%	0%	0%	N	87,4%
Total (A.1. + A.2.)		1 201 745,7	85,59	100%	0%	0%	0%	0%	0%	N	87,4%
B. NON-SYSTEMATIC ACTIVITIES											
Turnover from non-eligible activities (B)		202 255,6	14,41								
Total (A+B)		1 404 001,3	100,0								

Assessment of Group's Capital Expenditures (Capex) Alignment with the Taxonomy of Environmentally Sustainable Activities

Financial year 2024	Year			Criteria for significant contribution						Criteria for the DNSH principle 'do not cause serious damage'									
Business activities	Code or codes	Turnover (– in thousands of PLN)	Part of turnover	Mitigating climate change	Adaptation to climate change	Water and marine resources	Pollution	A circular economy	Biodiversity	Mitigating climate change	Adaptation to climate change	Water and marine resources	Pollution	A circular economy	Biodiversity	Minimum guarantees	Participation in activities in line with the systematic (A.1.) or qualifying for systematics (A.2.) Turnover for the year 2023 (18)	Category (supporting activities)	Category (transition activity)
2024	Currency	%	%	%	%	%	%	%	T/N	T/N	T/N	T/N	T/N	T/N	T/N	%	%	E	T
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
A. ACTIVITIES ELIGIBLE FOR SYSTEMATICS																			
A.1. TYPES OF ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (IN LINE WITH THE SYSTEMATIC)																			
Investment expenditures for environmentally sustainable activities (in accordance with the systematic) (A.1.)		0,0	0,0	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0,0	0,0	
Including supportive																			
Including in favor of transition																			
A.2. ACTIVITIES THAT QUALIFY FOR SYSTEMATICS BUT ARE ENVIRONMENTALLY UNSUSTAINABLE (INCOMPATIBLE WITH SYSTEMATICS)																			

Construction of new buildings	**CCM 7.1** / CE 3.1 I PPC 2.4	18 855,2	53,26	N	N/EL	N/EL	EL	EL	N/EL		N	22,9%
Activities of head offices and management consul-tancy activities	**CCM 8.1** and CE 3.1	2,6	0,01	N	N/EL	N/EL	EL	N/EL	N/EL		N	0,0
Capital expenditures from activities that qualify for systematics but are envi-ronmentally unsustaina-ble (activities that do not comply with systematics) (A.2.)		18 857,8	53,27	53,27 %	0%	0%	0%	0%	0%		N	22,9%
Total (A.1. + A.2.)		18 857,8	53,27	53,27 %	0%	0%	0%	0%	0%		N	22,9%
B. NON-SYSTEMATIC ACTIVITIES												
Capital expenditure for non-systematic activities (B)		16 541,4	46,73 %									
Total (A+B)		35 399,2	100%									

Assessment of Group's Operating Expenditures (Opex) Alignment with the Taxonomy of Environmentally Sustainable Activities

Financial year 2024	Year			Criteria for significant contribution						Criteria for the DNSH principle 'do not cause serious damage'									
Business activities	Code or codes	Turnover (– in thousands of PLN)	Part of turnover	Mitigating climate change	Adaptation to climate change	Water and marine resources	Pollution	A circular economy	Biodiversity	Mitigating climate change	Adaptation to climate change	Water and marine resources	Pollution	A circular economy	Biodiversity	Minimum guarantees	Participation in activities in line with the systematic (A.1.) or qualifying for systematics (A.2.) Turnover for the year 2023 (18)	Category (supporting activities)	Category (transition activity)
2024		Currency	%	%	%	%	%	%	%	T/N	T/N	T/N	T/N	T/N	T/N	T/N	%	E	T
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
A. ACTIVITIES ELIGIBLE FOR SYSTEMATICS																			
A.1. TYPES OF ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (IN LINE WITH THE SYSTEMATIC)																			
Operating expenditure for environmentally sustainable activities (in accordance with the systematic) (A.1.)		0,0	0,0	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0,0		
Including supportive																			
Including in favor of transition																			
A.2. ACTIVITIES THAT QUALIFY FOR SYSTEMATICS BUT ARE ENVIRONMENTALLY UNSUSTAINABLE (INCOMPATIBLE WITH SYSTEMATICS)																			
Construction of new buildings	**CCM7.1** / CE	5 712,9	49,03%	N	N/EL	N/EL	EL	EL	N/EL							N	79,2%		

	3.1 I PPC 2.4										
Activities of head offices and management consultancy activities	**CCM 8.1** and CE 3.1	1,9	0,02%	N	N/EL	N/EL	N/EL	EL	N/EL	N	79,2%
Operating expenditure from systematic-eligible but environmentally unsustainable activities (non-systematic activities) (A.2.)		5 938,1	49,04 %	49,04 %	0%	0%	0%	0%	0%	N	79,2%
Total (A.1. + A.2.)		5 938,1	49,04 %	49,04 %	0%	0%	0%	0%	0%	N	79,2%
B. NON-SYSTEMATIC ACTIVITIES											
Operating expenditure for non-systematic activities (B)		5 938,1	50,96 %								
Total (A+B)		11 652,9	100%								

In 2024, the Group's main revenue items from activities included in the taxonomy were revenues from contracts for the construction of new buildings, totaling PLN 1,201,722.6 thousand. The share of turnover from taxonomy-eligible but not environmentally sustainable activities amounted to 85.6% in the reporting period, while turnover from non-eligible activities accounted for 14.4%. Based on the review of projects carried out, no turnover was identified that met all taxonomy criteria allowing it to be classified as taxonomy-aligned.

The share of capital expenditures for taxonomy-eligible but not environmentally sustainable activities amounted to 53.27%, while capital expenditures from non-eligible activities accounted for 46.73%. No capital expenditures were reported from environmentally sustainable (taxonomy-aligned) activities.

The analysis also did not identify any operating expenses (Opex) from environmentally sustainable activities within the Group's total operating expenses. The share of operating expenses from taxonomy-eligible but not environmentally sustainable activities in 2024 amounted to 49.04%, while operating expenses from non-eligible activities accounted for 50.96%.

None of entities within the Dekpol Group conducts, finances or has exposure to activities related to nuclear energy or natural gas as defined in the Delegated Regulation on technical screening criteria, which is confirmed in the table below:

Verse	Activity related to nuclear energy	
1	The company conducts research, development, demonstration, and deployment of innovative electricity generation installations that produce energy through nuclear processes with minimal fuel cycle waste, finances such activities, or has exposure to them.	NO
2	The company engages in the construction and safe operation of new nuclear facilities for the purpose of generating electricity or process heat, including for district heating systems or industrial processes such as hydrogen production, as well as in their safety upgrades using the best available technologies; it finances such activities or has exposure to them.	NO
3	The company engages in the safe operation of existing nuclear facilities that generate electricity or process heat, including for district heating systems or industrial processes such as hydrogen production from nuclear energy, as well as in their safety upgrades; it finances such activities or has exposure to them.	NO
	Activity related to natural gas	
4	The company engages in the construction or operation of installations for electricity generation using fossil gas fuels, finances such activities, or has exposure to them.	NO
5	The company engages in the construction, modernization, and operation of installations for the combined generation of heating/cooling energy and electricity using fossil gas fuels, finances such activities, or has exposure to them.	NO
6	The company engages in the construction, modernization, and operation of installations for heat generation that produce thermal/cooling energy using fossil gas fuels, finances such activities, or has exposure to them.	NO

(E1) Climate change

(E1-1) Transition plan for climate change mitigation

Dekpol Capital Group does not have a climate change mitigation transition plan in place for the reporting period; however, it plans to include this initiative in the sustainable development strategy project, which is intended for publication in 2025.

Decarbonization levers have not yet been defined at the Dekpol Group level, nor has an analysis of potential GHG emissions been conducted. Nevertheless, some entities within the Group have taken initial steps toward developing a transition plan, including establishment of dedicated teams and an analysis of priorities in this area. These companies aim to implement such plans individually between 2025 and 2027.

(E1 SBM-3)

The resilience assessment of the Dekpol Capital Group was based on a climate scenario analysis aimed at evaluating potential impacts of climate change on the Group's assets. The assessment was carried out using two scenarios: RCP 4.5 and RCP 8.5, covering the period 2020–2030, which allowed for consideration of a long-term perspective in the context of the company's development. The analysis of physical risks associated with climate change indicates that, up to 2030, projected changes in temperature, precipitation intensity, wind speeds, and landslide risks are not expected to have a significant impact on Group's business operations, its users, or stakeholders across the value chain. Construction projects are carried out in low-risk areas, and the investment planning process includes measures to minimize the impact of potential threats, including those related to geological activity, thus ensuring financial stability of projects being implemented. Areas of uncertainty do not affect Group's assets or business activities and therefore have not yet been taken into account in the development of the entity's strategy.

Dekpol Group sources from suppliers located across both Poland and the world. However, for the purposes of this analysis, only stakeholders based in Poland were considered. To narrow the scope of suppliers and upstream value chain entities analyzed, selection focused on those with the highest turnover and greatest importance to Group's operations. Their locations were identified as the Pomeranian and Lower Silesian voivodeships.

The climate scenario analysis did not take into account the impact on macroeconomic trends, energy consumption, energy mix, or assumptions regarding technology use. It also did not include estimated projected financial impacts of significant physical and transition risks or actions and resources aimed at climate change mitigation. The Group plans to deepen and expand climate scenario analysis and to monitor results in upcoming years.

(E1-2) Policies related to climate change mitigation and adaptation

During reporting period, the Capital Group did not have policies specifically addressing climate change, as they were not required by law or applicable standards. However, some entities (Dekpol Budownictwo, Dekpol Steel, Intek, and Betpref) plan to expand their existing ISO environmental policies to include this area, while remaining companies will implement new documents in 2025. The Group regularly reviews and updates its policies to align with evolving standards and stakeholder expectations.

(E1-3) Actions and resources in relation to climate change policies

Dekpol Capital Group has identified significant climate-related impacts, including greenhouse gas emissions from its operations and supply chain. To mitigate these risks, companies plan to implement a comprehensive ESG management system.

In order to effectively plan climate change objectives and actions, the Group is taking steps to:

1. Collection of data for climate policy

Scope: own operations and partly value chain (depending on availability of data from partners and suppliers)

Time horizon: 2025 - activities planned and implemented during the year

Expected result: preparation and publication of a climate change policy, based on quantitative and qualitative data collected. The Group in 2025 intends to strengthen the awareness of employees, especially managers, in terms of sustainability.

2. Cooperation with suppliers towards sustainable practices

Scope: value chain (focused on partners and suppliers of raw materials and services)

Time horizon: 2025 and beyond - start of activities in 2025, with a view to their continuation and development in subsequent reporting periods

Expected result: increase the number of suppliers using sustainable practices, including responsible sourcing; improve transparency and quality of environmental data in the supply chain; better prepare the company for ESG reporting requirements and compliance with due diligence regulations.

3. Carbon footprint analysis across the value chain

Scope: entire value chain (including Scope 1, 2 and 3 emissions)

Time horizon: commencement in 2024 and implementation of the study in 2025, with a view to continuing and updating in subsequent years

Expected result: obtaining of a complete picture of the greenhouse gas emissions associated with the organization's activities; providing of a basis for setting reduction targets and climate policies; increasing of transparency in ESG reporting and effectively manage climate risks.

Within the Dekpol Group, each entity individually determines activities and resources in relation to climate policy. They will, however, be consistent with the overall objectives to be set out in the sustainable development strategy and the transformation plan.

4. Integration of renewable energy at suppliers

Scope: value chain (mainly energy and intermediate product suppliers)

Time horizon: 2025–2026 – start of implementation of minimum RES requirements and preparation for audits and support for suppliers

Expected result: increasing of the share of renewable energy throughout the value chain by working with suppliers that use RES; introducing of purchasing standards that include a green energy threshold; improvement of the carbon footprint of products and services from suppliers.

5. Integration of renewable energy at suppliers

Scope: value chain (mainly energy and intermediate product suppliers)

Time horizon: 2025–2026 – start of implementation of minimum RES requirements and preparation for audits and support for suppliers

Expected result: increasing of the share of renewable energy throughout the value chain by working with suppliers that use RES; introducing of purchasing standards that include a green energy threshold; improvement of the carbon footprint of products and services from suppliers.

6. Increasing of a share of RES energy in construction operations

Range: own operations

Time horizon: 2025 and subsequent years - long-term activities, implemented systematically with the development of construction and development projects

Expected result: increasing of energy independence and reducing emissions in operational processes; meeting minimum RES share thresholds; using own PV installations and direct purchases of green energy as elements of a climate strategy.

7. Monitoring of energy consumption on individual investment tasks

Scope: own operations (monitoring of energy consumption as part of ongoing investment projects)

Time horizon: 2024 and subsequent years – ongoing monitoring implemented in 2024 with the possibility of expansion in future years to optimize processes.

Expected result: close tracking of the volume of energy consumed by individual projects; identification of areas for improvement in terms of energy efficiency and possible transition to RES sources, thereby reduction of operating costs and emissions associated with the business. This action alludes to the opportunity arising from increased energy efficiency.

At the same time, Dekpol Deweloper is already taking a number of measures to mitigate climate change:

1. Designing of environmentally friendly solutions in new investments

Scope: own operations of Dekpol Deweloper

Time horizon: 2024 and subsequent years – project activities implemented in current and future investments

Expected result: reduction of environmental impact of investments through design:

- photovoltaic installations in residential and community housing developments (e.g. Pastelowa, Neo Jasień, Osiedle Kociewskie, Pino Resort, Oval Sky),
- heat pump installations (e.g. Trimare),
- rain gardens and retention basins (both open and closed).

These actions are intended to reduce greenhouse gas emissions, improve the energy efficiency of buildings and increase resilience to the effects of climate change.

2. Modernization of the vehicle fleet

Scope: own operations (company vehicle fleet) of Dekpol Deweloper

Time horizon: from 2024 – actions initiated and ongoing

Expected result: reduction of transport-related emissions by gradually replacing oil-only and petrol-only passenger cars with gas and petrol vehicles. Reduction of the fleet's carbon footprint and operating costs.

3. Sustainability inspection of construction sites

Scope: own operations, cooperation with Dekpol Budownictwo

Time horizon: 2024 and subsequent years – initiation and development of the control process

Expected result: Strengthening of sustainability standards by inspecting buildings constructed by Dekpol Budownictwo in terms of processes used and machinery on site. Improvement of environmental efficiency of activities on construction sites.

4. Minimization of paper documentation through CDE

Scope: own operations (project documentation management)

Time horizon: 2024 and subsequent years – implementation and ongoing application

Expected result: reduction in paper consumption and print-related emissions through the use of CDE (Common Data Environment) platform, which enables digital circulation of project and construction documentation.

5. Digitization of design and construction through BIM technology

Scope: own operations (design and implementation processes)

Time horizon: 2024 and subsequent years – implementation and development of BIM approach

Expected result: increased efficiency and precision in investment planning through the use of BIM (Building Information Modelling) technology, enabling building data modelling and collaboration with the CDE platform. Facilitating sustainable investment lifecycle management.

- rain gardens and retention basins are being designed (open and closed)
- Use of the CDE platform, which minimizes the need to print design and construction documentation.

In the near future, companies will publish a code of ethics for suppliers, setting out, among other things, methods for assessing their sustainability practices.

Implementation of the CDE platform as part of the GHG emissions reduction strategy

The company actively contributes to the reduction of greenhouse gas emissions through the implementation of CDE platform and reduction of printed documentation, both design-related and construction-related. In 2024, the system was introduced as a part of two investment projects, and in upcoming years, its application is planned to be gradually expanded to additional projects.

Benefits resulting from implementation of the CDE platform:

- Elimination of paper circulation,

- Acceleration of decision-making processes,
- Minimization of the risk of design and implementation errors at an early stage, reducing the need for costly changes and repairs during construction and operation of the facility,

The CDE platform is a key communication tool in the investment process. It is used by all key stakeholders, including:

- Designers,
- Project supervisors,
- Contractors (Dekpol Budownictwo),
- Investor (Dekpol Deweloper).

Implementation and costs

In 2024, the cost of the platform license amounted to PLN 36,000, while expenditures on human resources related to its operation totaled PLN 50,000. However, these amounts did not constitute significant capital expenditures or operating expenses.

Types of decarbonization levers

Dekpol Capital Group has identified the following types of decarbonization levers. Each of the listed levers has been assigned specific operational actions, such as monitoring energy consumption, designing photovoltaic installations, gradual modernization of vehicle fleet, conducting audits of suppliers and promoting responsible sourcing of raw materials. These actions have been described above in this statement:

- Energy efficiency and reduction of consumption,
- Material efficiency and reduction in consumption,
- Use of renewable energy,
- Withdrawal, replacement or modification of the process,
- Decarbonization of the supply chain,
- Withdrawal, replacement or modification of the product.

(E1-4) Targets related to climate change mitigation and adaptation

Dekpol Capital Group has not yet established measurable, time-bound, results-oriented targets for greenhouse gas emissions reduction. Therefore, no further disclosures in this area will be made for the reporting period. Nevertheless, alongside joint efforts to develop a sustainable development strategy, individual Group companies are taking action and analyzing emission transformation pathways independently, taking into account specific nature of their operations.

In upcoming years, the Group plans to develop and implement a comprehensive ESG strategy, within which specific reduction targets will be set, along with assigned performance indicators and implementation timelines. These targets will be measured, among others, by the organization's carbon footprint (Scopes 1, 2, and 3), share of renewable energy in total energy consumption, and the level of emissions per unit of operational activity.

(E1-5) Energy consumption and mix

Disclosure of energy consumption and energy mix

The energy mix of the Dekpol Capital Group consists of: diesel fuel, gasoline, coal, LPG, propane, natural gas, thermal energy, and electricity, with part of electricity demand covered by guarantees of origin purchased from a green energy supplier. Approximately 12% of the Group's total electricity consumption is covered by guarantees of origin, confirming that the corresponding portion of electricity was generated from renewable sources.

The Group calculated its energy mix based on purchase invoices or, where possible, warehouse consumption data recorded in the ERP system, as well as reports submitted to KOBIZE (the National Centre for Emissions Management), which are required from the following companies: Dekpol Steel, Intek, Betpref, Kombet, and Dekpol Budownictwo. This methodology allows for reliable collection of data, and approval of these reports by KOBIZE for some companies confirms its accuracy. KOBIZE is considered an external authority other than the assurance service provider in accordance with MDR-M b.

Total energy consumption related to the Group's own operations amounts to 31,063.45 MWh, of which 90.48% comes from fossil sources. Energy from renewable sources accounts for 9.52% and consists solely of electricity.

Dekpol Capital Group has no emissions associated with energy use from nuclear sources. The Group does not generate energy nor consume fossil fuels other than those listed in the table. It also does not use fuels from renewable sources. The Group is focused on increasing the use of renewable energy sources to reduce its environmental impact and lower its carbon footprint.

The guarantees of origin for electricity were formally assigned to the entities: Dekpol Steel, Betpref ZPP, and Dekpol Budownictwo. The energy covered by these certificates was used more broadly within the Dekpol Capital Group, also covering electricity consumption by: Dekpol Steel, Betpref WKS, Betpref ZPP, Dekpol Budownictwo, and partially by Dekpol S.A.

In accordance with regulatory requirements, in the absence of market instruments such as guarantees of origin, all purchased electricity must be reported as originating from fossil sources. This means that even if the energy supplier declares a high share of renewable sources in their energy mix, without assigned guarantees of origin, the end user cannot formally classify that energy as "energy from renewable sources." Therefore, in line with current reporting rules, all electricity consumption for which the Group did not obtain certificates has been reported as energy from fossil sources.

Revenue breakdown of the Dekpol Capital Group by sector:

Dekpol Capital Group has identified the following sectors as having significant climate impact, in accordance with sectors listed in Sections A to H and L of the NACE classification (Commission Delegated Regulation (EU) 2022/1288):

- **Dekpol S.A.** – sales of fuels (section G) and sales of gravel (section B)
- **Dekpol Budownictwo and Dekpol Deweloper along with SPV's** – principal activity (section F)
- **production entities: Dekpol Steel, Intek, Betpref and Kombet** – principal activity (section C).

In Dekpol S.A., only revenue from fuel and gravel sales was included.

In remaining entities, revenue from the sale of products was recognized, as revenue from the sale of goods, materials, or services is primarily related to re-invoicing or resale of materials. Therefore, it is not linked to the core activity of these entities, but rather to supporting activities.

	Revenue from sectors with significant climate impact	Revenue from other sectors	Total revenue	Ratio of revenue from sectors with significant climate impacts to total revenue	Ratio of revenue from other sectors to total revenue
Dekpol Capital Group	1 327 892 764	76 108 495	1 404 001 259	94,58%	5,42%

Table 1: Energy mix

Company	Fuel consumption from coal and coal products (MWh):	Consumption of crude oil and petroleum-derived fuels (MWh):	Fuel consumption from natural gas (MWh):	Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources (MWh):	Total consumption of energy from fossil sources (MWh):	Share of fossil sources in total energy consumption (%)	Energy consumption from nuclear sources (MWh)	Fuel consumption from renewable sources, including biomass (also covering industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.) (MWh)	Consumption of purchased or procured electric energy, heat, steam and cooling from renewable sources (MWh):	Consumption of self-generated renewable energy without the use of fuel (MWh)	Total renewable and low carbon energy consumption	Share of renewable sources in total energy consumption	Total energy consumption (MWh)
Dekpol S.A.	0,00	401,65	0,00	121,92	523,57	100%	0,00	0,00	0	0,00	0	0%	523,57
Intek	1095,25	234,63	77,79	1312,85	2720,52	100%	0,00	0,00	0	0,00	0	0%	2720,53
Betpref - WKS	0,00	146,51	0,00	0,00	146,51	38,45%	0,00	0,00	234,49	0,00	234,49	61,55%	380,99
Dekpol Steel	54,26	876,65	0,00	0,00	930,91	36,86%	0,00	0,00	1594,75	0,00	1594,75	63,14%	2525,66
Betpref - ZPP	0,00	2016,14	0,00	0,00	2016,14	84,61%	0,00	0,00	366,78	0,00	366,78	15,39%	2382,92
Kombet	0,00	176,71	1160,55	242,99	1580,25	100%	0,00	0,00	0	0,00	0	0%	1580,25
Dekpol Budownictwo	0,00	17682,93	0,00	1419,12	19102,05	96,17%	0,00	0,00	760,76	0,00	760,76	3,83%	19862,81
Dekpol Deweloper	0,00	0,00	0,00	1086,72	1086,72	100%	0,00	0,00	0	0,00	0	0%	1086,72
Dekpol Capital Group - consolidated data	1149,51	21535,22	1238,34	4183,60	28106,67	90,48%	0,00	0,00	2956,78	0,00	9,52	9,52%	31063,45

(E1-6) Gross Scopes 1, 2, 3 and Total GHG emissions

The Capital Group discloses greenhouse gas emissions from Scopes 1, 2, and 3. The majority of Scope 3 emissions (approximately 95%) have been estimated due to the lack of actual data from the value chain. Total emissions for the Dekpol Capital Group amount to 1,274,444.03 tCO_2, while total market-based greenhouse gas emissions are 1,272,289.92 tCO_2.

To calculate greenhouse gas emissions, emission factors from recognized sources were used, such as Defra (2024 and 2023 editions), AiB 2023, WIOD, Ademe, as well as individual emission factors obtained directly from manufacturers and suppliers of goods. Additionally, where available, data from Environmental Product Declarations (EPDs) for materials or products with similar properties were applied.

Calculations include emissions of all six major greenhouse gases listed in the GHG Protocol: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF_6).

It is important to note that a significant portion of total emissions relates to the use of sold products. For Dekpol Budownictwo and Dekpol Deweloper, these are buildings for which a 60-year lifecycle was assumed. These emissions were estimated based on projected energy use over the entire operational period of buildings.

For Scope 2 emissions, the Dekpol Group applied both: location-based and market-based methods in accordance with GHG Protocol guidelines. In the market-based approach, for some companies, guarantees of origin formally assigned to the consumed energy were taken into account—in those cases, an emission factor of 0 kg CO_2e/kWh was applied. For remaining companies, emission factors provided by energy suppliers were used, based on fuel mix disclosed in accordance with §44 of the Ordinance of the Minister of Climate and Environment of 22 March 2023 on detailed conditions of electricity system operation.

The Dekpol Group did not receive explicit confirmation that the emission factors provided by energy suppliers excluded renewable energy that had been cancelled on behalf of other recipients under the guarantees of origin system. Therefore, there is a potential risk of underestimating emissions related to electricity consumption under the market-based approach. This approach was adopted with due diligence and in a spirit of transparency, based on the best available data at the time of reporting.

There are no biogenic CO_2 emissions from combustion or biodegradation of biomass within the Capital Group.

Dekpol Capital Group includes associated entities: LM 1 SPV sp. z o.o., LM SPV 2 sp. z o.o., and Dekpol SPV 1 sp. z o.o. However, since the Group does not exercise operational control over these entities, it does not report Scope 1 and 2 emissions related to them, in accordance with point 50(b) of ESRS E1.

Dekpol Capital Group S.A.						
Scope	**Category**	**Description**	**Type of data**	**Emission index**	**Data sources**	**Data aggregation**
Scope 1	Combustion from stationary machines	Consumption of fossil fuels (LPG, propane, coal (domestic), natural gas, petrol)	consumption measured in volume units	DEFRA 2024 base	consumption of individual fuels calculated from purchase invoices in each of the seven Dekpol CG Companies, according to the KOBIZE report	separately for each type of fuel
	Combustion from mobile machines	Consumption of fossil liquid fuels by own vehicles (Diesel, LPG, petrol, aviation turbine fuel, fuel oil)	consumption measured in volume units	DEFRA 2024 base	consumption of individual fuels calculated from purchase invoices in each of the seven Dekpol CG Companies, according to the KOBIZE report	separately for each type of fuel
Scope 2	Emissions from electricity consumption	total electricity consumption in kilowatt-hours (kWh) for all purposes	Market Based	indicators published by energy suppliers in accordance with §44 of the Ordinance of the Minister of Climate and Environment of 22 March 2023 on detailed conditions of electricity system operation.	consumption of individual fuels calculated from purchase invoices in each of the seven Dekpol CG Companies	
			Location Based	AIB European Residual Mixes 2023 Association of Issuing Bodies		
Scope 3, Category 1	Purchased goods and services	Information on carbon benchmarks provided directly by producers/suppliers of purchased goods, materials and services or industry averaged benchmarks or amount of expenditure incurred on the purchase of goods and services by purchasing industry. The focus should be on the is-total supply chain, i.e. select major or high-carbon	Weight of purchased goods, materials [kg, Mg] Expenditure related to purchased goods, materials and services [PLN], Carbon footprint of goods, materials and services, expressed in CO2e,	Individual emission factors obtained from EDP declarations for manufacturers/suppliers of listed products- kg CO2eq/tone DEFRA 2024 base	EPD of manufacturers, tonnage of goods/materials purchased - data from purchasing departments, value of goods/materials purchased	separately for each product range for which we have a manufacturer's benchmark
				Internal rates of kg CO2eq/t for product suppliers calculated as a weighted average of the actual rates obtained from the EPD.	tonnage of goods/materials purchased - data from purchasing departments, value of goods/materials purchased	separately for selected products from manufacturers

		producers/suppliers of goods, materials and services. Goods, materials and services that have a minimal impact on the carbon footprint of the organization can be omitted				
				Industry averaged rates kg CO2eq/tone	tonnage of goods/materials purchased - data from purchasing departments, value of goods/materials purchased	separately for assortment groups for which we have an industry index
				expenditure method (WIOD 2016 index)	value of goods/materials/services purchased - data from accounting departments	materials/goods/services broken down by category of expenditure according to NACE codes
Scope 3, Category 2	Capital goods	Machinery, equipment, infrastructure that depreciates (can be used for more than one year). Amount of expenditure incurred on the purchase of goods and services by purchasing branch	Expenditure related to purchased capital goods [PLN] Carbon footprint of the product expressed in CO2e	expenditure method (WIOD 2016 index)	value of capital expenditures by material - data from accounting departments	sectoral categories of investment expenditure according to NACE codes
Scope 3, Category 3	Other emissions related to fuel and electric energy not included in Scope 1 and Scope 2	It includes emissions from the extraction and transport of fuels, from energy generation processes prior to consumption in the company, and losses in energy transmission and distribution (T&D).	kWh, GJ, liters, tons Data on quantities of fuel and energy purchased from Scope 1 and 2	Emissions based on indicators from the DEFRA 2024 and DEFRA 2021 bases	- Reports from suppliers - Energy consumption records - Internal ERP systems	- Aggregation of fuel and energy consumption on an annual basis
Scope 3, Category 4	Transport (upstream)	Transport of products purchased by the company by means of transport not belonging to the organization and not included in Scope 1 and Scope 2	Distance expressed in kilometers and weight of products transported expressed in kilograms (possibly accounting for transport by the expense method in Cat. 1)	expenditure method (WIOD 2016 index)	internal data - accounting departments	aggregation to the total cost of transport services of goods and products purchased by the Group
				indexes from the DEFRA 2024 database	if the transport cost is included in the price of the goods or materials - then it increases the carbon footprint associated with the goods and materials purchased (category 1 above)	

	Distribution (upstream)	Time and amount of storage of goods purchased by the organization in warehouses not belonging to the organization and not previously included in Scope 1 and Scope 2	Quantity stored, expressed in kilograms, and storage period, expressed in number of days	N/A		
Scope 3, Category 5	Waste	Waste generated by organization during reporting period	Type of waste and quantity of waste generated in kilograms	Indexes from DEFRA 2024, DEFRA 2023, ADEME 2021	BDO Statement	waste types according to BDO, in tones
Scope 3, Category 6	Business trips	Travel and accommodation on business trips	Country, number of nights in hotels, means of transport used to get there and back and number of kilometers travelled/flighted	Indexes from DEFRA 2022	employee surveys	
Scope 3, Category 7	Employee commuting	Emissions related to employee commuting	Distance and means of transport for commuting and number of days working remotely (if applicable)	Indexes from DEFRA 2022	employee surveys	
Scope 3, Category 8	Buildings rented from others	Buildings rented from other entities for the organization's use	Information to be provided: type of building (office, retail, residential), leasable area [m2] and year of construction of the building	indicators compiled from the Ministry of Development and Technology publication, Long-term strategy for building renovation. Supporting the renovation of the national building stock and AIB European Residual Mixes 2023 Association of Issuing Bodies	internal data	
Scope 3, Category 9	Transport (downstream)	Transport of goods and products sold by the company by means of transport not belonging to the organization and not included in Scope 1 and Scope 2	Distance in kilometers and weight of products transported in kilograms, value (cost) of transport services	Indexes from DEFRA 2024	internal data - number of km, tonnage - logistics department, value (cost) of transport services - accounting departments data from companies - fuel consumption	aggregation to total costs of transport services of goods and products to customers

	Distribution (downstream)	Time and quantity of storage of goods for sale by the organization in warehouses not owned by the organization and not previously included in Scope 1 and Scope 2	Quantity stored, expressed in kilograms, and storage period, expressed in number of days	N/A	
Scope 3, Category 10	Processing of products sold	Number of semi-finished products sold during reporting period, includes information on emissions that will be generated for the processing of the product.	Amount of electricity, fuels and refrigerants needed to process the products sold	N/A - The Capital Group does not sell semi-finished products with a clearly defined further processing pathway	
Scope 3, Category 11	Use of sold products	Quantity of products sold during the reporting period, emissions generated during the product's use by the end user. Applies to the final product.	Amount of electricity, fuels, and refrigerants required for the use of the final product	Indexes from: AIB European Residual Mixes 2023 Association of Issuing Bodies EPD Declarations DEFRA 2024 AIA-CLF-OneClick LCA RIBA Deepki	LCA of buildings Technical data AIB DEFRA 2024
Scope 3, Category 12	End-of-life treatment of sold products	Refers to emissions from disposal processes or the end-of-life stage of sold products (e.g., scrapping, recycling).	Type of waste and the amount of waste generated in kilograms at the end of the product's life cycle	– Mass data of sold products – Data on disposal methods in accordance with the BDO system (recycling, incineration, landfilling) – Emission values from emission factor databases for individual disposal methods (DEFRA 2023)	DEFRA LCA of buildings Technical data
Scope 3, Category 13	Leased assets by customers	Buildings rented out to other entities by the organization	Information to be provided: type of building (office, commercial, residential), rented area [m^2], and year of construction	N/A	
Scope 3, Category 14	Franchises	Information on Scope 1 and Scope 2 emissions for the organization's franchises	Scope 1 and Scope 2 of franchises	N/A	

Scope 3, Category 15	Investments	Information on Scope 1 and Scope 2 emissions for the organization's investments	Scope 1 and Scope 2 of investments	N/A

Emission intensity

Greenhouse gas emission intensity per net revenue	(tCO_2e / monetary unit)
Total greenhouse gas emissions (location-based method) per net revenue (tCO_2e / monetary unit)	0,0007783
Total greenhouse gas emissions (market-based method) per net revenue (tCO_2e / monetary unit)	0,0007770

Emission scope

GHG emission scope	Dekpol S.A.	Dekpol Budownictwo	Dekpol Deweloper	Dekpol Steel	Intek	Betpref - WKS	Betpref - ZPP	Kombet	Dekpol Capital Group	Base year
Total emissions Scope 1 (tCO_2eq)	98,57	4726,11	46,36	229,40	555,63	4186,04	492,33	278,64	10613,08	2024
Percentage of Scope 1 emissions covered by emissions trading systems (%)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	2024
Total Scope 2 emissions using the location-based method (tCO_2eq)	88,75	1791,93	726,60	1066,28	877,80	156,78	245,24	162,46	5115,84	2024
Total Scope 2 emissions using the market-based method (tCO_2eq)	5,83	1401,89	596,24	0,00	957,55	0,00	0,00	0,20	2961,72	2024
Total Scope 3 emissions (tCO_2eq)	2527,01	688211,46	449145,13	21564,74	3078,65	8631,29	43251,52	42305,31	1258715,12	2024
Category 1 – Purchased goods and services	1584,07	51191,86	2876,55	20384,82	2392,27	7810,16	7670,12	4166,21	98076,05	2024
Category 2 – Capital goods	216,81	520,00	36,63	652,55	116,05	106,01	1445,64	1,75	3095,45	2024
Category 3 – Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	48,97	1528,93	67,41	316,46	331,57	690,90	32352,12	93,52	35429,89	2024
Category 4 – Upstream transportation and distribution	0,00	0,00	0,00	0,00	0,00	0,00	410,19	355,42	765,61	2024
Category 5 – Waste generated in operations	0,57	25,39	3730,07	32,75	11,37	9,51	730,75	0,44	4540,85	2024
Category 6 – Business travel	6,33	321,23	119,62	10,98	22,23	7,06	27,37	141,96	656,77	2024

Category 7 – Employee commuting	62,69	451,43	58,54	130,41	199,17	7,65	108,05	36,83	1054,77	2024
Category 8 – Leased assets	14,62	4,90	1,20	5,80	4,21	0,00	0,00	0,00	30,72	2024
Category 9 – Downstream transportation and distribution)	0,00	0,00	0,00	0,00	0,00	0,00	491,08	37493,16	37984,24	2024
Category 10 – Processing of sold products	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	2024
Category 11 – Use of sold products	590,96	631861,98	439843,03	0,00	0,00	0,00	0,00	0,00	1072295,97	2024
Category 12 - End-of-life treatment of sold products	2,00	2305,76	2412,07	30,96	1,78	0,01	16,20	16,01	4784,78	2024
Category 13 - Leased assets by customers	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	2024
Category 14 - Franchises	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	2024
Category 15 - Investments	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	2024
Total GHG emissions (location-based method (tCO_2eq)	2714,33	694729,50	449918,08	22860,41	4512,08	12974,11	43989,09	42746,42	**1274444,03**	2024
Total GHG emissions (market-based method) (tCO_2eq)	2631,41	694339,46	449787,72	21794,12	4591,84	12817,33	43743,85	42584,16	**1272289,92**	2024

Due to the absence of defined, measurable targets for greenhouse gas emission reduction, Dekpol Capital Group is not presenting detailed information regarding achievement of such targets at this stage.

(E1-7) GHG removals and GHG mitigation projects financed through carbon credits

In 2024, Dekpol Capital Group did not undertake activities related to reduction or removal of greenhouse gas emissions through climate change mitigation projects either outside or within its own value chain. Such initiatives were not financed through purchase of carbon emission allowances.

(E1-8) Internal carbon pricing

The entire Capital Group does not apply internal carbon pricing systems.

(E1-9) Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

In current reporting year, the Group made use of exemption referred to in ESRS 1 Appendix C and does not disclose financial effects.

(E2) Pollution

Dekpol Capital Group does not have a policy in place for mitigating negative impacts related to air pollution, including prevention and control, in connection with identified significant adverse impact and risk of air pollution within its own operations and across the value chain.

Such a policy has not yet been implemented due to the absence of a legal obligation; however, entities within the Dekpol Capital Group are currently in the process of developing policies (and expanding the scope of existing ISO environmental policies) to manage significant impacts, risks and opportunities related to pollution prevention and control, in accordance with CSRD directive.

(E2-2) Actions and resources related to pollution

To effectively plan targets and actions for minimizing pollution, the Group is taking measures within its own operations:

1. Investment in modern construction equipment

Scope: own operations

Time horizon: 2024 with the intention of continuing in upcoming years

Expected result: Replacement of construction equipment and expansion of the machinery fleet with low-emission devices, enabling the reduction of air pollutants emitted during construction processes.

2. Dust emission control

Scope: own operations and partially within the value chain (construction projects carried out on behalf of the investor)

Time horizon: 2024 with the intention of continuing in upcoming years

Expected result: Obtaining reliable data on dust emissions into the air during construction processes, which will enable accurate analysis, and the implementation of targets aimed at minimizing emissions.

3. Implementing measures to minimize the dispersion of dust during construction work

Scope: own operations and partially within the value chain (construction projects carried out on behalf of the investor)

Time horizon: 2024 with the intention of continuing in upcoming years

Expected result: Improved air quality – air purifiers and dust extraction systems help maintain clean air both on construction site and in its surroundings. Protection of equipment and materials – by keeping them clean, their lifespan can be extended. Protection of workers' health and a safer working environment – dust reduction lowers the risk of respiratory illnesses and also improves visibility on the construction site.

(E2-3) Targets related to pollution

Dekpol Capital Group, at the time of reporting, does not have formally established targets for preventing air pollution; however, it plans to set such targets in upcoming years. The companies (Dekpol Steel, Intek, Betpref, and Dekpol Budownictwo) report their emissions via KOBIZE system and use this data to monitor effectiveness of their actions addressing significant impacts, risks, and opportunities related to pollution.

These same companies are also implementing environmental objectives that may involve reducing air pollutants, and they report on effectiveness of these measures during their annual ISO audits. For example, among Betpref-WKS's environmental targets was the goal of reducing environmental contamination risk by training employees in correct use of sorbents—a goal that was achieved in 2024.

(E2-4) Pollution of air, water and soil

The Dekpol Group has identified the pollutants emitted as a result of its own operations, including:

- Pollutants emitted to air from fuel combustion.
- Dust generated by earthmoving, cutting, grinding and transport of bulk materials.
- Emissions from materials used. (All materials supplied at Dekpol Budownictwo comply with national and European requirements. Selected materials have EPD declarations)
- Emissions from production processes (e.g. grinding, welding, painting).

No water or soil contamination was found.

Pollutants emitted from own operations.

Pollutants emitted by operations include volatile organic compounds (VOCs) and particulate matter (PM) into the air as a result of production and technological processes. Every effort is made to mitigate these impacts, primarily by recording energy, raw material, and material consumption. In recent years, an increase in VOC and PM emissions has been observed, mainly due to rising production.

Methodology for calculating emissions of pollutants into the air

The Group has decided to use a calculation method for measuring air pollutant emissions based on KOBIZE reports, environmental usage statements, and permits for the release of gases and dust into the air. Minor air pollutants do not currently obligate companies to conduct measurements, but such a requirement cannot be ruled out in the future.

The process of collecting data for the accounting and reporting of pollutant emissions involves several steps to ensure the accuracy and comprehensiveness of information. The companies conducted a detailed audit of their operations to identify potential emission sources such as industrial processes, energy consumption, and waste management.

As a result of the audit, documents were prepared and agreed upon with relevant administrative authorities. Based on these documents, the facilities obtained permits for the release of gases and dust into the air as well as decisions regarding waste generation. Currently, records are maintained for energy, water, raw materials, and material consumption, operating hours of individual installations, and the quantity and type of waste generated. Additionally, companies monitor how waste is processed by their recipients, ensuring compliance with applicable regulations and standards.

The method of calculating emissions to the air was defined by administrative authority in the permit for release of gases and dust.

Consolidation includes emissions from installations only for which applicable threshold value specified in Annex II to Regulation (EC) No 166/2006 has not been exceeded; therefore, the Group does not disclose quantities of pollutants.

(E2-6) Anticipated financial effects from pollution-related, risks and opportunities

In current reporting year, the Group utilized exemption referred to in ESRS 1 Appendix C and does not disclose financial impacts.

(E4) Biodiversity and ecosystems

(E4.SBM-3) Material impacts, risks and opportunities and their interaction with strategy and business model

Key issues arising from the double materiality assessment in the construction sector (materiality was identified in the area of operations of Dekpol Deweloper). Topics material to the construction sector resulting from the double materiality analysis:

1. MATERIAL TOPIC	ESRS E4 Biodiversity and ecosystems. Direct drivers of biodiversity loss. Direct exploitation
Issue of impact	Removal of trees from areas covered by the investment. Organization locates its investments both on so-called greenfield sites and in urbanized areas. Even with appropriate design, tree removal is usually necessary before construction begins. This results from the design phase (own operations).
Materiality assessment	High impact
Impact on humans or the environment	Negative, actual impact. Organization does not use tools to limit tree cutting because they are ineffective from a business perspective. Remediation consists of compensatory actions. This falls within the area of own operations.
Response and evaluation of the time horizon	Compensatory action resulting from imposed administrative decisions
Impact-related risks	Each legal tree removal results in financial consequences in two ways: if compensatory planting is not carried out, a financial penalty is imposed; if compensatory planting is done, it must be maintained for the period specified in the administrative decision or ruling. There is no significant financial impact at the scale of the entire organization.
Responsibility	- Investment Coordinator at Dekpol Deweloper (design and implementation phase) - Construction Manager at Dekpol Budownictwo (implementation phase)
Subject	Inventory and analysis, landscaping design, obtaining administrative decisions, implementation of administrative decisions

.

2. MATERIAL TOPIC	ESRS E4 Biodiversity and ecosystems. Direct drivers of biodiversity loss. Direct exploitation
Risk issue	Costly compensatory actions. Operational risk – Dekpol Deweloper may be required to undertake expensive compensatory measures due to its negative impact, such as creating replacement areas or investing in biodiversity conservation programs, which increases the company's financial burden (own operations).
Materiality assessment	High risk
Financial implications	Ongoing effects of administrative decisions
Response and evaluation of the time horizon	Compensatory action resulting from imposed administrative decisions in the short and medium term

Summary of investments in terms of impact on biodiversity sensitive areas.

The indicated locations refer to investments that obtained a Building Use Permit decision in 2024.

Investment and location	Sensitive areas	Type of impact	Impact on endangered species	Competent authority
Osiedle Kociewskie, **Rokitki (municipality of Tczew)**	Green areas, change of use from agriculture to construction (soils of category IV)	Habitat fragmentation, soil sealing	Unlikely	municipality of Tczew / Starost office
Osiedle Pastelowe, Jasień, Gdańsk	Urban green areas, bordered by OSTAB, Dolina Potoku Oruńskiego (distance 0,5km)	Reducing plant succession (sea buckthorn), soil sealing	Unlikely	City Council of Gdańsk
Pino Resort, **Sobieszewska Island (Gdańsk)**	Protected Landscape Area of Sobieszewska Island (on the territory)	Pressure on bird habitats, soil sealing	Probable	RDOŚ Gdańsk
Sol Marina, Wiślinka (Martwa Wisła)	Nature Reserve Obszar Natura 2000 „Ujście Wisły" (distance 1,5km)	Interference with aquatic ecosystem, disruption of bird migration, soil sealing	Probable	RDOŚ Gdańsk
Braniborska Street 58–68, Wrocław, city centre	Urbanized area, no direct proximity to sensitive areas	Soil sealing	Not stated	City Council of Wrocław
Granaria, Gdańsk, Granary Island	Post-industrial area, estuary of the Motlawa River, neighborhood of water areas	Urbanization of waterfronts, hydrological and light changes, soil sealing	Possible (aquatic species)	RDOŚ Gdańsk / City Council of Gdańsk

Transition plan regarding biodiversity and ecosystems, and the integration of biodiversity and ecosystems into the strategy and business model

(Currently, there is no company transformation plan regarding biodiversity and ecosystems. Future actions related to preparation of the transformation plan in this area should be linked to the following United Nations Sustainable Development Goals (SDGs):

Goal 15. Life on Land — through actions minimizing the impact of ongoing investments on local habitats (protection of existing tree stands during implementation, transplantation) and implementation of solutions supporting restoration of natural resources, including creation of green areas (compensatory and additional plantings resulting from the project).

Organization has identified and assessed actual negative impacts on biodiversity and ecosystems within its own operations through a double materiality analysis, as well as its own experience. It has identified risks related to the need to carry out costly compensatory actions. The company is unable to disclose other information, including risks and opportunities, consultations with affected communities, involvement in specific impact factors, etc., because it has not developed a comprehensive risk register for the entire organization concerning biodiversity, in accordance with voluntary guidelines of the Taskforce on Nature-related Financial Disclosures (TNFD) Recommendations. The organization is only beginning to prepare for the analysis of this issue in line with these recommendations.

(E4-2) Policies related to biodiversity and ecosystems

Policy [MDR-P]	• **Design standard — Greenery (flora and fauna)**

	• **Performance standard - Protection of biodiversity**

The organization has not implemented a policy on biodiversity protection. Current activities are based on legal requirements and internal standards—Design and Implementation Standard. These standards set qualitative principles for the design and execution of construction works. Until results of the double materiality analysis, Dekpol Deweloper relied on complying with administrative decisions and rulings in accordance with the law. In response to increasing legislative pressure, stakeholder expectations, and growing environmental awareness within the company, Dekpol Deweloper plans to introduce biodiversity protection policies within the next three years and will adapt or develop appropriate procedures to support them.

(E4-3) Actions and resources related to biodiversity and ecosystems

ACTIVITIES [MDR-A]	Removal of trees from development sites
List of activities	• Ongoing analysis of cuttings, replanting and plantings, • obtaining environmental decisions and design, • implementation of administrative and project decisions
Scope of activities	• Own operations • Location: Project area or area where replacement planting is indicated • No interested parties
Perspectives	• short term perspective - negative impact (felling, replanting, planting in the first years) • medium- and long-term perspective - positive impact (planting in subsequent years - increased CO2 absorption efficiency)
Corrective measures	No significant financial input
Previous report	Nd.

The obligation to protect trees and shrubs rests both with the contractor and the investor. The project documentation concerning tree management includes thorough dendrological and, if the situation requires, ornithological information. Currently, the Organization has prepared design standards, including principles for planting new greenery. Work on this standard was completed in 2024, and since then it has been applied in investment projects. After conducting inventory activities, a decision is obtained regarding tree removal or transplantation, which imposes forms of compensatory actions. The species of plants (a closed list of permitted species), their age, maintenance period, and the location of replacement plantings are determined by administrative decisions. These take into account local conditions. The goal of compensatory measures is to plant at least as many trees as are removed; however, depending on individual situation, planting ratio may exceed the number of trees cut down. Tree removal is carried out by a professional arboricultural company. The Organization also has implementation standards regarding biodiversity protection, which include rules for protecting existing trees. Work with flora and fauna is always carried out in accordance with guidelines provided in relevant administrative decisions or rulings and the project documentation. Moreover, regardless of administrative decisions, trees located within construction impact zone are protected from mechanical damage. For this purpose, physical protections such as trunk guards (e.g., made of boards) and protective fencing delineating buffer zones around root systems are used. All of this serves to prevent damage during earthworks, transportation, and material storage. In upcoming years, the Group plans to introduce the principle that inspections related to greenery plantings—particularly trees—and infrastructure associated with greenery maintenance will be conducted by specialists in relevant fields.

Described processes establish the following hierarchy of actions: at the design stage, a dendrological inventory is analyzed to detect conflicts between existing greenery and planned investments. If project modification does not cause negative business impacts, the design is adapted to surroundings, thus avoiding tree removal. In cases of real negative business impacts, the company first opts to restore the tree stand on investment site or at another location and, as a last resort, to provide financial compensation.

(E4-4) Targets related to biodiversity and ecosystems

Goals [MDR-T]	No set objectives in the strategy due to lack of strategy

In 2024, the Group did not establish targets related to biodiversity and ecosystems. It plans to set these along with sustainable development strategy in 2025. Despite the lack of targets, it monitors effectiveness of its actions concerning significant impacts, risks, and opportunities through:

- Due Diligence analysis,
- Inventory studies and environmental decisions issued individually for each event,
- Design standard - Greenery (flora and fauna)),
- Performance standard - Protection of biodiversity.

Each investment is evaluated individually, without correlation to the company's overall activities. The goal is to meet administrative requirements and fulfill project's objectives.

(E4-5) Impact metrics related to biodiversity and ecosystems change

Metrics (indicators) from the ESRS [MDR-M]	• **Ratio of trees cut down to trees planted** • **Records of the number of transplanted trees**

Dekpol Deweloper collected quantitative data on the number of trees that were cut down, transplanted, and related compensatory actions carried out in 2024.

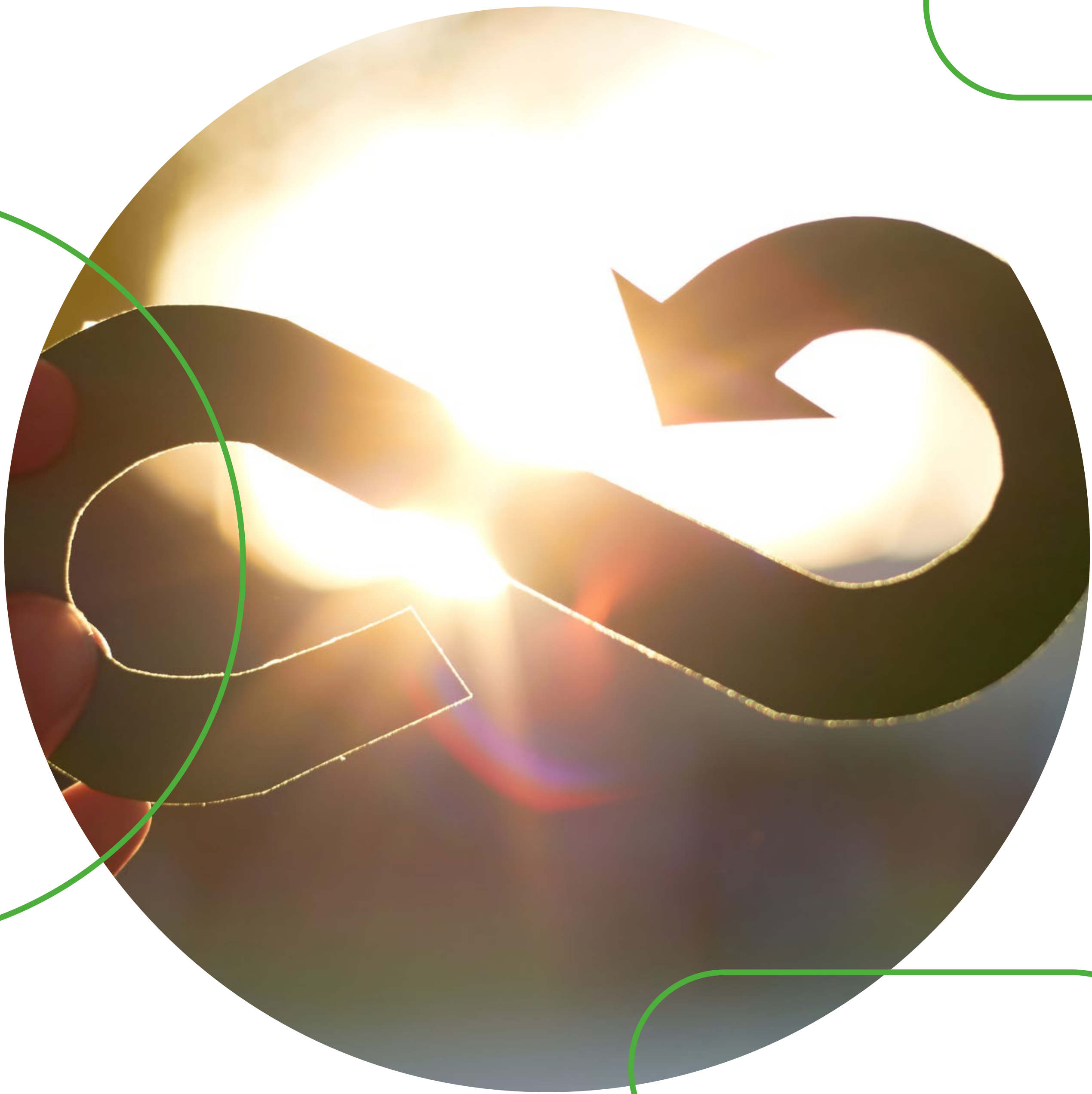
- number of cuttings made: 0,
- number of plantings carried out: 83 trees, 2024
- number of transplants carried out: 0.

The baseline will be the data from 2024. In upcoming years, the Organization also plans to develop qualitative indicators for the investments it designs.

(E4-6) Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities

In current reporting year, Dekpol Deweloper utilized exemption referred to in ESRS 1 Appendix C and does not disclose financial impacts.

(E5) Resource use and circular economy



(E5-1) Policies related to resource use and circular economy.

Dekpol Capital Group does not currently have a policy regarding resource use and circular economy management in its own operations or value chain, as this has not yet been required by law. However, in 2024, the Group began developing a Supplier Code of Ethics, which will establish principles for conduct throughout the upstream and downstream value chains. This Code will require suppliers to favor raw materials from renewable sources and to take actions aimed at reducing consumption of raw materials and natural resources, as well as managing them responsibly according to circular economy principles—including circular design, waste minimization, efficient resource use, regeneration and deposit-return systems.

Dekpol Budownictwo, Dekpol Steel, Intek, and Betpref have implemented environmental management systems based on ISO 14001 requirements (Integrated Management System Policy). The policy of Dekpol Budownictwo relates to the company's own operations and locations of ongoing investments, addressing significant environmental aspects, as well as associated risks and opportunities. The overarching environmental management objective in offices (headquarters, branch offices, construction site offices, etc.) is to minimize the use of natural resources through rational management of electricity and water consumption and maximize recovery of secondary raw materials through proper waste segregation. The primary goal of environmental management is to carry out construction process with the least possible negative impact on the environment, prevent pollution, and comply with legal requirements.

Environmental policies of production companies address issues such as compliance of processes with legal standards and regulations, rational use of natural resources, cooperation with subcontractors and suppliers who have appropriate competencies and operate in accordance with companies' policies, and elimination of non-compliances through in-depth root cause analysis.

Dekpol Budownictwo has also begun to work on implementation of requirements based on EMAS regulation (implementation work has started—with planned verification in May/June 2025). The individuals responsible for implementing and executing these policies are the Health, Safety, and Environment Manager and the Board Representative for ESG, who report directly to the Company's Management Board.

To mitigate regulatory and economic risks related to the circular economy, the Group plans to incorporate this area into its planned ESG strategy, which will serve as overarching policy within the companies. This will enable quick adaptation to changing standards and raw material resource availability and will also create opportunities for savings through product reuse.

(E5-2) Actions and resources related to resource use and circular economy

Activities undertaken by the Group include:

1. Trainings in the construction and property development segment

Training was provided to the professional staff:

- in September 2024, a training course on the circular economy was held for around 20 people from both companies, which was funded by UE.
- training was also held for employees and colleagues on waste management and oil substance neutralization.

Scope: own operations

Time horizon: 2024

Expected result: increasing employee awareness during the design and construction phases about the circular economy will enable more sustainable investment implementation.

2. Implementation of a comprehensive action plan in the area of the circular economy

Scope: own operations (production)

Time horizon: until 2027

Expected result: promotion of efficient resource management and a circular economy, including maximizing and repeatedly using materials in forms that help reduce waste generation and build a sustainable procurement policy.

3. Use of products from previous projects

Scope: own operations

Time horizon: 2024 with the intention of continuing in future years

Expected result: reuse of products from previous projects, such as paints, universal polyurethane solvents, and abrasive blasting media for steel components—which is reused approximately 2–3 times—will help reduce the amount of waste generated and increase the quantity of recyclable waste.

4. Implementation of production planning principles in accordance with the circular economy, including optimal selection of raw materials and increased use of recycled materials.

Scope: own operations (production)

Time horizon: 2024 with the intention of continuing in future years

Expected result: reduction of the amount of waste generated, primarily steel, increasing the use of recycled steel, and reusing steel waste when it meets the requirements of subsequent projects, helps reduce the company's carbon footprint.

5. Selective collection and transfer of waste for disposal and recycling

Scope: own operations

Time horizon: 2024 with the intention of continuing in future years

Expected result: Ensuring maximum waste processing within the circular economy.

6. Implementation of design using BIM technology

Scope: own operations (construction and property development segment)

Time horizon: 2024-2027

Expected result: incorporation of parameters related to the recycling of construction materials into design standards. As a part of a pilot project on one of the ongoing investments, available environmental declarations concerning life cycle analysis (LCA) are being collected. (E5-3) Objectives related to resource use and the circular economy.

At the time of preparation of this statement, specific targets have not yet been formally approved; however, internal analyses and consultations are ongoing with the aim of establishing them in the next reporting period. The scope of planned targets in the area of resource use and circular economy is intended to cover the entire operational activities of the company, and subsequently also the upstream value chain, including sourcing of raw materials and materials from suppliers. During reporting period, the Group preliminarily indicates that these targets will be related to:

- waste minimization,
- electricity saving,
- promoting sustainable consumption and recycling patterns,
- At Dekpol Budownictwo and Dekpol Deweloper, implementation of BIM technology, which will improve the efficiency of construction processes and the quality of projects.

Some entities within the Group (Dekpol Budownictwo, Dekpol Steel, Intek, Betpref) are implementing environmental objectives that may relate to resource use and the circular economy, and they report on effectiveness of these actions during annual ISO audits. For example, among environmental objectives of Dekpol Steel was a goal to reduce waste through self-recycling combined with energy recovery, which was successfully achieved in 2024.

(E5-4) Resource inflows

Dekpol Capital Group sources raw materials necessary for its manufacturing and construction activities primarily from domestic suppliers. Key materials include structural steel, cement, concrete, aggregates, prefabricated elements, and other construction components that form the basis of the Group's main product lines. The companies prefer to purchase materials with EPD certificates and collaborate with qualified suppliers, who, in some entities, are periodically evaluated by buyers on a quarterly basis. Resources acquired for operational activities also include water, energy, industrial and electronic equipment, as well as transportation means.

Dekpol Budownictwo is the key contractor for construction investments within the Group. Raw materials are mainly used in Poland, and the production process relies on purchasing materials according to design requirements without stockpiling excess inventory, which allows for optimizing raw material consumption. Recycled materials such as fly ash, aggregates, and steel are also used. Meanwhile, Dekpol Deweloper carries out residential projects at the developer-ready stage, subcontracting construction to an affiliated company. Occasionally, it performs turnkey finishes, primarily using domestic finishing products such as ceramics, lighting, and furniture. Production companies specialize in steel processing and manufacture of concrete prefabricates.

Consumption of products and technical and biological materials was estimated based on total mass of products sold during reporting period and the quantity of fossil fuels used. This approach allows for capturing both primary materials and fuel consumption data in operational processes.

Consumption of products and technical and biological materials:

Entity	Weight of used products (kg)
Betpref WKS*	13 595,85
Betpref ZPP	16 447 870,00
Dekpol Budownictwo*	110 874 356,65
Dekpol Deweloper	180 199 315,20
Dekpol Steel	29 298 382,81
Intek	1 803 342,20
Kombet	16 253 176,00
Dekpol Capital Group	354 890 038,71

* Due to the lack of data on material consumption, the calculations for 2024 excluded the police headquarters project in Poznań and the road investment in Koszalin carried out by Dekpol Budownictwo. Additionally, full list of products was not included for Betpref-WKS, which also affected the scope of the analyses.

** The method of calculating the weight of consumed products is based on the mass of sold products. In case of Dekpol Deweloper and Dekpol Budownictwo, the mass of sold products corresponds to the mass of buildings. The following databases were used to calculate the building mass:
ICE Database v3.0 (University of Bath) – Circular Ecology.
Data types used:
specific weights (densities) of individual materials [kg/m^3],
Unit CO_2e emissions per 1 kg of material [kg/kg]
Calculation of structural weight in residential construction based on ICE:
1. For a typical building, the volume of each material per 1 m^2 of usable floor area (UFA) was estimated.
2. Volume was multiplied by the material's density.
3. Masses of all materials were summed.

Simplified example:
concrete: ~0,25 m^3/m^2 PU * 2 400 kg/m^3 = 600 kg/m^2 PU
steel: ~10–15 kg/m^2 PU
sum of all materials: ~2 500–3 500 kg/m^2 of UFA (depending on construction)

An estimate of the typical weight share of materials in the structure has been adopted based on design experience.

In industrial construction, due to less complex structure, calculations were based on volume quantities according to project experience, relying on materials used by the Group in execution. MDR-M

In current reporting period, due to the lack of detailed data on specific technical and biological materials used in operational processes, an estimation approach based on the total mass of products sold was applied.

This approach was adopted to ensure consistency and the highest possible accuracy of reported data. The mass of finished products indirectly reflects consumption of raw materials and components, as it represents the sum of components used in production process.

We assume that adopted method allows for a realistic estimation of material consumption levels. In subsequent years, if the same approach is used, it will be possible to include all materials in a consistent and comparable manner.

Due to the lack of data, the Group is unable to specify the mass of reused or recycled components, products, and secondary materials used in manufacture of products and provision of services by the entity (including packaging).

(E5-5) Resource outflows

Products and materials

Projects carried out by Dekpol Budownictwo comply with investor's guidelines; the company does not have its own circular economy standard but offers eco-friendly solutions upon request, including reuse of building elements. Structures are designed for a lifespan of 50 years, roofs come with a 10-year warranty, and equipment has a 2-year warranty (with an option for extension). The buildings undergo regular inspections, and there is also the possibility of reconstruction and expansion.

When designing buildings, Dekpol Deweloper aims to construct non-residential and non-collective living spaces using a skeletal frame structure. This choice allows for easy adaptation of the building in case of a change of function during its lifecycle without the need to alter the load-bearing structure. For residential units and apartments, prefabricated reinforced concrete elements are used, minimizing waste of energy, materials, and raw resources during construction. Interior walls are built from large-format gypsum boards, which reduce the number of joints, installation time, and partition thickness. This eliminates the need for plastering, resulting in material savings and reduced demand for energy and materials. Gypsum boards are also easy to dismantle and sort, which is important for possible future layout changes.

Regarding resource outflows, currently, data on waste that is not subject to recycling is not recorded by Dekpol Deweloper. The company assumes that building elements related to building maintenance have a shorter lifespan compared to the building structure itself, which is accounted for in warranty and liability periods.

Description of key products and materials produced in manufacturing segment that are designed according to circular economy principles:

Dekpol Steel and Intek do not engage in waste management after product withdrawal from use; however, among services they offer are repairs of manufactured products, which extend their lifecycle. The possibility of repair depends on various factors, and quality control departments evaluate each case individually. Nevertheless, potentially every product offered by these companies is repairable.

The products consist of approximately 99% steel, which is practically always recyclable (except in cases where corrosion is very advanced). During preparation for transport, products are loaded onto wooden pallets and secured with appropriate straps, which are returned to company’s facility after transport for reuse within the circular economy.

Betpref-WKS – Steel grates: production of steel grates used in construction of large-scale buildings is carried out in accordance with specified design and structural requirements. Durability of steel grates produced at the facility is strictly dependent on design and purpose of the structure. Regarding durability of corrosion protection coatings, it can be assumed that corrosion begins on average about 10–15 years after the product is delivered to the customer. Type of corrosion protection is determined based on investor's project requirements. The customer receives a warranty consistent with certificate provided by the paint manufacturer, ensuring predictability regarding durability of protective coatings. During warranty period, the company carries out repairs of steel structures under complaint claims.

Company's products consist of approximately 99% steel, which means that in the vast majority of cases, they are recyclable. The only exception may be structures where corrosion is already at an advanced stage, limiting their potential for reuse.

In terms of logistics, products are not packaged, which helps to reduce usage of unnecessary packaging materials. During transport, they are separated by wooden spacers, which return to the manufacturing plant after delivery and are reused.

Currently, the company does not engage in waste management after product withdrawal from use. Due to the nature of its operations—mainly production of steel structures used in construction—the lifecycle of these products is very long, which limits current need to implement such activities. Therefore, this aspect is not planned to be included in the company's strategy for at least next five years. At the same time, the organization does not rule out the possibility of future involvement in this area, especially in the context of potential regulatory changes, market trends, and the development of new technologies related to the circular economy.

Betpref - ZPP and Kombet – concrete prefabricates: Buildings and other structures constructed using products (reinforced concrete prefabricates) have an industry-average durability and lifecycle of at least 50 years, and the quality of products allows exceeding this minimum lifespan threshold.

Products can be repaired or technically reinforced during their service life. Depending on the extent and nature of damage, it does not always require removal of damaged product from further use. In case of mechanical damage, repairs of defects or structural damage can be made using special mortars or preparations. For structural damage, design engineers can propose numerous technical reinforcement methods to ensure that the damage does not affect product's further proper use and suitability for continued service, such as reinforcing structure with carbon fiber tapes or steel strengthening elements attached to the product.

Indicators of recyclable material content are analyzed to minimize environmental impact of our products and packaging by using recyclable materials. To achieve this goal, a policy has been implemented requiring at least 80% recyclable materials in product packaging.

Waste generated

Source of data on quantities of waste generated in 2024 includes invoices received for water consumption and sewage, as well as invoices for the collection of electronic waste and statements from recipient regarding its disposal method according to BDO codes, which constitute direct measurement. The Group transfers waste to authorized companies for disposal in accordance with applicable regulations.

For companies primarily engaged in office work (Dekpol S.A. and Dekpol Deweloper), resource-related impacts are limited. Key waste includes electronic waste generated from IT services provided to related entities by Dekpol S.A. (toners, small household appliances, small IT equipment, computers, televisions) as well as municipal sewage resulting from office use.

Production process involves products and materials designed according to circular economy principles. One key material is steel, whose consumption the company strives to optimize—for example, by using straightening machines for rods made from wire coils and minimizing waste from rods cut from standard lengths. Any steel waste that cannot be avoided during production is handed over to recipients who process and reuse it. Similar actions are taken with wood, plywood, and sawdust waste. Additionally, production process is continuously improved to maximize multiple reuse of formwork plywood and minimize the use of release agents.

In 2024, Dekpol Capital Group generated 12,180.1 tons of waste. Of this, 986.4 tons were not recycled, representing 1.64% of the total waste generated. Total amount of waste sent for disposal amounted to 11,890.1 tons, and the total hazardous waste amounted to 37.54 tons. Generated waste did not include any hazardous or radioactive waste.

Resources outflows – waste sent for disposal

	Type of waste	Type of recovery operation	Total amount of waste generated sent for disposal (t)
Dekpol Capital Group – consolidated data	Hazardous waste	Recycling *	0,584
	Non-hazardous waste	Recycling *	6325,705
Dekpol Steel	Hazardous waste	Recycling *	0
	Non-hazardous waste	Recycling*	1114,358
Betpref-WKS	Hazardous waste	Recycling*	0
	Non-hazardous waste	Recycling*	27,653
INTEK	Hazardous waste	Recycling*	0
	Non-hazardous waste	Recycling*	654,519
DEKPOL S.A.	Hazardous waste	Recycling*	0,584
	Non-hazardous waste	Recycling*	0,435
Betpref - ZPP	Hazardous waste	Recycling*	0
	Non-hazardous waste	Recycling*	263,82
Kombet	Hazardous waste	Recycling*	0
	Non-hazardous waste	Recycling*	91,1
Dekpol Deweloper	Hazardous waste	Recycling*	0
	Non-hazardous waste	Recycling*	0
Dekpol Budownictwo:	Hazardous waste	Recycling*	0
	Non-hazardous waste	Recycling*	4183,82

* Indirect recycling - carried out by waste collectors or other recovery operators.

Resources outflows - waste directed for disposal

	Type of waste	Type of recovery operation	Total amount of waste generated directed for disposal (t)
Dekpol Capital Group – consolidated data	Hazardous waste	Waste landfill	36,956
	Hazardous waste	Other disposal operations	0
	Non-hazardous waste	Waste landfill	52,486
	Non-hazardous waste	Incineration	60
	Non-hazardous waste	Other disposal operations	5401,874
Dekpol Steel	Hazardous waste	Waste landfill	24,289
	Non-hazardous waste	Waste landfill	21,472
Betpref-WKS	Hazardous waste	Waste landfill	7,297
	Non-hazardous waste	Other disposal operations	16,819
INTEK	Hazardous waste	Waste landfill	4,6
	Non-hazardous waste	Incineration	60
	Non-hazardous waste	Other disposal operations	6,415
DEKPOL S.A.	Hazardous waste	Recycling*	0
	Non-hazardous waste	Recycling*	0
Betpref - ZPP	Hazardous waste	Waste landfill	0
	Non-hazardous waste	Waste landfill	30,454
Kombet	Hazardous waste	Waste landfill	0
	Non-hazardous waste	Waste landfill	0,56
Dekpol Deweloper	Hazardous waste	Other disposal operations	0
	Non-hazardous waste	Other disposal operations	4504,920 (sewage)
Dekpol Budownictwo:	Hazardous waste	Waste landfill	0,77

	Non-hazardous waste	Other disposal operations	873,72

In the Dekpol Capital Group, the main waste streams consist of industrial waste generated during production of concrete prefabricates, steel structures and construction machinery equipment, as well as construction waste produced during implementation of construction and property development projects.

To disclose data on the waste generated within the Dekpol Capital Group, both in terms of quantity and the breakdown of materials contained therein, actual data from the BDO database was used. To determine the method of waste management, statements obtained from entities responsible for collecting and processing this waste were utilized.

The table below contains materials present in the waste generated during operations of the Dekpol Capital Group:

	Unit	Dekpol Group – consolidated data
Total waste generated	t(tones)	11827,61
Total amount of non-hazardous waste generated, directed for disposal		5454,36
Total quantity of hazardous waste generated, directed for disposal		36,96
Total amount of non-hazardous waste sent for recycling		6335,71
Total amount of hazardous waste sent for recycling		0,58
Total non-recycled waste		5491,32
Percentage of waste not recycled		46%

Disclosure of materials present in waste

Waste code	Name of waste	Dekpol Steel	Intek	Betpref-ZPP	Betpref-WKS	Kombet	Dekpol S.A.	Dekpol Deweloper	Dekpol Budownictwo
03 01 05	Sawdust, shavings, cuttings, wood, particle board and veneer			X					
07 02 13	Plastic waste			X					
07 02 99	Waste not otherwise specified								X
08 01 11*	Waste paint and varnish containing organic solvents or other dangerous substances	X	X						
08 01 12	Paints and varnish wastes other than those mentioned in 08 01 11				X				
12 01 01	Wastes from turning and sawing of iron and its alloys	X	X						
12 01 02	Particles and dust of iron and its alloys	X	X	X	X				
12 01 04	Non-ferrous metal particles and dusts		X						
12 01 09*	Halogen-free metalworking waste emulsions and solutions		X						
12 01 17	Other grinding wastes other than those mentioned in 12 01 16	X	X		X				
12 01 21	Used grinding bodies other than those mentioned in 12 01 20	X	X		X				
13 02 05*	Halogen-free mineral-based engine, gear and lubricating oils	X							
15 01 01	Paper and cardboard packaging	X			X				X
15 01 02	Plastic packaging	X			X				X
15 01 03	Wood packaging								X
15 01 04	Metal packaging	X							
15 01 06	Mixed packaging waste								X
15 01 10*	Packaging containing residues of or contaminated by dangerous substances	X	X		X				
15 01 11*	Metal packaging containing hazardous porous structural reinforcement elements	X							
15 02 02*	Sorbents, filter materials (including oil filters not included in other groups), wiping cloths (e.g. rags, cloths) and protective clothing contaminated by hazardous substances	X	X		X				
15 02 03	Sorbents, filter materials, wiping cloths (e.g. rags, cloths) and protective clothing other than those mentioned in 15 02 02	X	X						
16 01 03	Used tyres								X

16 02 13*	Discarded equipment containing hazardous components (1) other than those mentioned in 16 02 09 to 16 02 12		X				X		
16 02 14	Discarded equipment other than those mentioned in 16 02 09 to 16 02 13						X		
17 01 01	Concrete wastes and concrete rubble from demolition and renovation								X
17 01 02	Brick rubble								X
17 01 07	Mixed concrete, bricks, tiles and ceramics wastes other than those mentioned in 17 01 06								X
17 02 01	Wood					X			X
17 02 02	Glass								X
17 02 03	Plastics								X
17 03 02	Bitumen other than that mentioned in 17 03 01								X
17 03 08	Waste paper								X
17 04 05	Iron and steel	X	X	X		X			X
17 04 11	Cables other than those mentioned in 17 04 10	X							
17 06 04	Insulating materials					X			X
17 06 05*	Structural materials containing asbestos								X
17 09 04	Mixed construction, renovation and dismantling waste			X		X			X
17 05 04	Soil and soil, including stones, other than those mentioned in 17 05 03								X
	Other	Manual factor (sewage)	Manual factor (sewage)	Manual factor (sewage)	Manual factor (sewage)	Manual factor (sewage)	Manual factor (sewage)	Manual factor (sewage)	Manual factor (sewage)

(E5-6) Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities

In current reporting year, Dekpol Deweloper utilized exemption referred to in ESRS 1 Appendix C and does not disclose financial impacts.

(S1) Own workforce

S1.SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

As a part of materiality assessment, the Capital Group identified areas that impact alignment of its strategy and business model. One of the key areas is the impact on employees, including their working conditions, ensuring occupational health and safety, as well as offering competitive salaries and opportunities for professional development. Other important aspects include working hours, equal treatment of employees, ensuring equal development opportunities, diversity, equal pay for work of equal value, and protection against discrimination and bullying through implementation of appropriate policies, processes, and procedures. The organization's impact on employees is associated with specific risks, such as high turnover or loss of reputation in the labor market, but it also creates opportunities, such as cooperation with a highly qualified and loyal workforce.

It was identified that significant risks and opportunities arise from the business model and interactions with individuals within the value chain.

Flexible working hours have been introduced, and where possible, a hybrid work model is in place. In some entities, an employee evaluation system has been implemented, enabling better communication with staff, precise definition of professional goals, and the ability to express individual needs and expectations.

Own workforce

All of the Group's own workforce resources over which it can exert significant influence are covered by the scope of disclosure in accordance with ESRS 2. The Group's workforce includes both employees hired under employment contracts and collaborators working under B2B or civil-law contracts. The Group's workforce is employed in Poland, a country with advanced legal regulations that eliminate the possibility of significant widespread or systemic negative impacts such as forced labour or child labour. Identified actual negative impacts within the Group are incidental in nature and relate to individual cases. One such incident is a recorded fatal accident at Dekpol Steel. Other identified negative impacts include the lack of a diversity or DEI (Diversity, Equity, and Inclusion) policy in the Group, the absence of development programs dedicated to women, lack of female representation on Supervisory Boards and in Management Boards of most companies, as well as lack of employee representation in the majority of companies. As for actual and potential positive impacts, the Group has identified the following in terms of working conditions: flexible working hours, hybrid work model, shift work, attractive and competitive remuneration with regular salary reviews, bonus systems, and wellbeing programs. In the area of occupational health and safety (OHS), the Group has implemented high OHS standards, many safety initiatives on construction sites, non-mandatory trainings, "Build Safely" competitions (organized by State Labour Inspection), Safety Month campaigns, "Safety Quarters" meetings, regular OHS reports linked to bonuses, and inclusion of employee OHS engagement in performance evaluations, which has contributed to a decline in the number of accidents (mostly minor). The Group also provides equal access to training, employee skills development across all companies, and onboarding training for new hires.

Among identified risks within the Group's workforce are employee turnover and a shortage of qualified workers due to labor market conditions, including working conditions and wage competitiveness, as well as pressure to increase wages. Another identified risk is potential limited access to external financing and contracts if equality and diversity standards are not met, as more and more investors, clients, and banks require compliance with and reporting on these standards. At the same time, the Group sees opportunities within its workforce arising from effective human resource management, including investing in employee training and development, which can enhance engagement, efficiency, and loyalty. Additionally, investments in automation and robotization of production processes may reduce demand for labor in difficult working conditions and lower the risk of accidents. Automation may also increase production efficiency and allow employees to be retrained for more advanced roles.

As a part of efforts to improve working conditions, in 2024 Dekpol Budownictwo conducted an employee satisfaction survey, based on which Value Ambassadors were appointed, and work began on improving communication with employees.

Disclosure S1 includes a description of all policies related to the Group's own workforce and actions that have a positive impact on Group's employees, strengthen opportunities, reduce negative impacts, and minimize existing risks. Within the Group's own workforce, no operations were identified as being exposed to significant risk of forced or compulsory labor, or child labour.

As a part of materiality assessment described in disclosure IRO-1, the Group identified that manual workers within its own workforce are more exposed to occupational health and safety hazards.

(S1-1) Policies related to own workforce

Dekpol Capital Group has implemented the following policies concerning significant impacts, risks, and opportunities related to its own workforce.

Business Conduct Code of the Dekpol Capital Group is in force within the Group and is described in detail in section G1. A formal human rights policy was not in place in 2024. However, according to the Code, Dekpol supports and respects the principle of protecting internationally recognized human rights, particularly as outlined in OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights, and International Bill of Human Rights, and it does not participate in activities that violate human rights. Provisions of the Code apply to the Group's own employees, referenced in "General Principles" section of Dekpol S.A. Remaining companies in the Dekpol Group implement the Code's principles in key processes, decisions, and activities. The Code addresses significant impacts, risks, and opportunities for individuals working in the value chain, which are detailed in disclosure S1-1. The Code is reviewed annually and is publicly available on the Dekpol.pl website and internally through the company intranet.

All subsidiaries within the Group have the option to implement Group policies and procedures or to adopt their own solutions.

In the companies: Dekpol Budownictwo, Intek, Dekpol Steel, Betpref-WKS, and Betpref-ZPP, an Occupational Health and Safety (OHS) policy has been developed along with detailed procedures and instructions in accordance with ISO 45001. Employees are familiarized with occupational risk assessments, and during project execution, receive additional information on potential hazards and risks associated with a given project. To accurately define such risks, a BIOZ (Safety and Health Plan) is prepared along with a safety plan, which must be implemented to minimize the risk of accidents.

The Dekpol Group supports professional development of its employees, although it has not developed a formal training and development policy due to no legal obligation. Nevertheless, the Group enables employees to gain new qualifications and stay updated with industry trends and best practices.

A diversity policy is currently being developed and is planned for implementation in 2025. In the same year, appointment of employee representatives across all Dekpol Group companies is also planned.

Management Board is the highest-level body responsible for implementing workforce-related policies in each company within the Group. However, these matters are typically delegated to the HR Director, HR Manager, or OHS Manager, depending on the company. These managers are responsible for ensuring that all relevant policies are developed, implemented, enforced, and aligned with company's overall strategy and objectives.

Dekpol Group companies share their workforce-related policies through various channels commonly used within organization. These policies are especially published on internal company sites accessible to all employees. Additionally, every implemented policy or procedure is communicated via email or posted on information boards accessible to production employees. This ensures that all those involved in implementation have access to all necessary information. Some companies also provide training sessions for employees on specific procedures. All required policies, procedures, and regulations concerning own workforce are made available in an understandable form, and updates occur whenever there are legal changes or revisions to their content.

Material topic	Document in force	Content	Company	Responsibility for implementation	DMA	I	R	O
Employment security	1. Work Regulations 2. Whistleblower Procedure 3. Procedure for Preventing Mobbing and Discrimination 4. Recruitment Regulations 5. Procedure for Monitoring Sobriety Compliance	1., 3., and 5. All applicable labor law provisions are observed, in particular those regarding zero tolerance for any form of discrimination in employment, harassment, mobbing, or any discriminatory working conditions. These also relate to the rights and responsibilities of both employer and employees. Consultations with employee representatives were held during implementation. 2. Whistleblower Procedure, described in G1, was introduced to enable internal reporting by whistleblowers concerning potential violations in selected areas of EU and national law, excluding labor law. Employee representatives were consulted during its creation. 4. Recruitment Regulations establish the process for selecting and hiring new employees and collaborators. Employee representatives did not participate in its development.	1.All companies 2. Dekpol Budownictwo, Kombet 3. Dekpol S.A., Dekpol Budownictwo 4. Dekpol Budownictwo, Dekpol S.A. 5. DBU, Intek, Dekpol Steel, Betpref-WKS .	1,2,3,4 and 5. Management Board of individual companies	R		High turnover in the labor market – poorer working conditions, such as inadequate remuneration, insufficient training, or low-quality work environments, can lead to employee turnover. High turnover generates additional costs related to recruitment, training, and onboarding of new employees, which can affect operational efficiency. Additionally, changing labor market demands may lead to pressure to increase wages.	
Working time	1. Work Regulations, 2. Remote working regulations	1. Dekpol Capital Group complies with applicable regulations regarding working hours, the right to rest, and flexible working hours, particularly standards for working time and rules for accounting for overtime and days off. Consultations with employee representatives were held during implementation. 2. Regulations also address the circumstances under which remote work and occasional remote work may be performed. Employee representatives did not participate in the development of these regulations.	1. All companies 2. Dekpol S.A., Dekpol Budownictwo, Dekpol Deweloper	1 and 2. Management Board of individual companies	I O	Actual positive impact: Flexible working hours regulated in the Work Regulations, hybrid work model (24 days of remote work + 1 remote workday per week + 1 scheduled workday per week) + shift work at Steel, Intek, and Betpref Toruń		Effective human resource management – introducing flexible working hours, remote work for some administrative employees, and programs supporting work-life balance can attract young talent, who increasingly expect greater flexibility from employers. This can enhance the attractiveness of the Dekpol Capital Group on the labor market. Moreover, investing in automation and robotization of production processes can reduce demand

								for physical labor in difficult conditions, which will contribute to improved safety and a reduction in accident risk. Automation can also increase production efficiency and enable retraining of employees for more advanced roles.
Adequate wage	1. Remuneration Policy 2. Delegation procedure	1. Policy set out terms of remuneration for work and granting of other work-related benefits, including bonuses and awards, allowances for night and overtime work, and others. They also regulate matters related to severance pay, deductions, and remuneration for on-call duty and business travel. Consultations with employee representatives were held during the drafting process. 2. Defines rules applicable to business travel. No consultations with employee representatives were held during implementation.	1 and 2. All companies	1 and 2. Management Board of individual companies	I R	Actual positive impact: Attractive, competitive salaries and regular salary reviews: Dekpol Budownictwo, Dekpol Deweloper. Bonus system: Dekpol Budownictwo, Dekpol S.A., Kombet, Dekpol Deweloper. Wellbeing programs: Dekpol Budownictwo. Life insurance, private medical care with Luxmed – all companies	Shortage of qualified workers –construction and heavy industry sectors require both manual labor and highly skilled workforce. A lack of access to such employees can significantly affect production quality and project delivery timelines. This issue may be exacerbated by an aging population and a limited number of young people entering labor market in technical sectors. Moreover, in order to retain and attract qualified workers, the company may be forced to offer competitive salaries and benefits, which increases operational costs.	
Freedom of association, existence of works councils, and employees' rights to information, consultation, and participation	1. Code of Business Conduct	1. Code defines principles that guide the Group in its operations. These include principles related to respect for human rights (including ensuring proper working conditions and freedom of association), as described above.	1. All companies 2. Dekpol Budownictwo	1. Management Board of individual companies	I	Actual negative impact: Lack of employee representatives in the majority of companies (2025: Dekpol Deweloper, DEKPOL S.A.)		

Occupational health and safety	1. Work Regulations, 2. Quality, health & safety and OS policy based on standards ISO 9001, 14001, 45001	1. Both the employer and the employee are obliged to comply with health, safety and fire regulations. During implementation, consultations were held with employee representatives. 2. Overarching goal is to operate within applicable laws and standards, while also continuously improving Integrated Management System (IMS) in the areas of OHS, environmental protection, and other fields. The policy includes regular risk assessments, occupational health and safety training, and a hazard monitoring system. Consultations with employee representatives are held during implementation process.	1. All companies 2. Dekpol Budownictwo, Intek, Dekpol Steel, Kombet ZKP (Zakładowa Kontrola Produkcji)	1 and 2. Management Board of individual companies	I	Actual positive and actual negative impact: Positive impact: High OHS standards: numerous initiatives promoting occupational health and safety on construction sites, including non-mandatory training, "Build Safely" contests (PIP), the Safety Month campaign, Safety Quarter-Hours, regular OHS reports linked to bonuses, and a dedicated OHS section in performance evaluations focused on employee engagement in safety compliance. These efforts contribute to a reduction in number of accidents (mainly minor). Four out of five construction sites were awarded in PIP contests. Training sessions include OHS topics, and an online training platform is currently being developed. Negative impact: One fatal accident occurred at Dekpol Steel	
Gender equality and equal wage for work of equal value	1. Work Regulations, 2. Diversity policy	1. Regulations prohibit any discrimination in employment, including gender discrimination. Consultation with employee	1. All companies 2. No policy in place	1. Management Board of individual	I R	Actual negative impact: Lack of a diversity or DEI policy within the Group (a medium-term	Restricted access to external financing and contracts, as well as meeting scoring

			representatives took place during implementation.		companies		implementation plan is in place); lack of development programs dedicated to women; no women on Supervisory Boards; no women on Management Boards of most companies	requirements: more and more investors, clients, and banks require the companies they work with to comply with equality and diversity standards. Failure to adhere to these standards and lack of reporting on key indicators in this area may limit access to new markets and sources of financing.	
Training and skills development	1. Staff training and development policy	-		1. No policy in place		I O	Actual positive impact: Access to training equal for all, development of staff competences - all companies; onboarding training: Dekpol Budownictwo		Investment in employee training and development – investing in employee growth through training, specialist courses, and upskilling programs can increase their engagement, efficiency, and loyalty to the company. Qualified employees are better equipped to respond to challenges related to technologies in the construction and heavy industry sectors and can improve production quality.

(S1-2) Processes for engaging with own workers and workers' representatives about impacts

Dekpol Capital Group has not implemented a uniform process for cooperation with human resources across all companies. Each entity defines this individually, depending on its specific characteristics and needs. In most entities within the Dekpol Capital Group, evaluation of effectiveness of employee engagement is irregular and informal. Responsibility for ensuring effective co-operation with employees and implementing the outcomes of this dialogue into organization's strategy lies with Management Board and top-level management.

In Dekpol Budownictwo and Dekpol Deweloper, cooperation with employees takes place directly and on an ongoing basis, whereas in Dekpol S.A., it is conducted through employee representatives who play a key role in consultation process for implemented actions and policies. Dekpol Budownictwo organizes a variety of health and safety (OHS) campaigns targeting all company employees, such as the annual "Safety Month." In 2024, the company also ran a year-long campaign promoting core company values. Representatives from various departments, positions, and locations were invited to act as Value Ambassadors. The aim of appointing Ambassadors was to better understand employee opinions from different locations, reduce distance, and foster direct communication. During campaign promoting values, communication took place via various channels: meetings at the Dekpol Budownictwo Academy, emails, articles on the intranet, anonymous surveys sent to all employees, and direct conversations, including those conducted by Ambassadors. The company also publishes a quarterly newsletter on the intranet, accessible to all employees. In 2024, an employee satisfaction survey was conducted with 69% participation. There are plans to repeat the survey regularly in future periods. Feedback gathered from the satisfaction survey is used to improve communication and processes within the company. Until now, the company has not measured effectiveness of its actions beyond qualitative assessment. These initiatives are the responsibility of the HR Department, the OHS and Environmental Protection Department, as well as the Marketing Department.

At Dekpol Deweloper, a number of informal procedures have been adopted, including onboarding (a system for introducing new employees), internal and external training, motivational activities based on individual and company-wide goals, an internal Dekpol Deweloper site (sharing current news about the capital group, updates, events, etc.), and an employee portal allowing management of HR and formal matters. Dekpol Deweloper has not measured effectiveness of its activities. Responsibility for communication with employees lies with respective managers or department directors to whom the employee is assigned. The company uses various models to engage its employees, such as email communication (general emails grouped by departments – approx. one email per week), surveys (approx. 2–3 times a year), and participation in working groups aimed at developing policies for the entire group (one person per initiative per year). In 2025, the company appointed employee representatives to diversify methods of social dialogue. At Kombet and Betpref in Toruń, employee collaboration is conducted directly and continuously via management board and supervisors. Employees are informed about management decisions orally via supervisors or public notices. Those with corporate email addresses may also receive updates electronically. Employee meetings happen occasionally as needed. Information exchange occurs on a needs basis (AR 24 a). Verbal information is not recorded, though incoming mail is registered, and emails are stored by default. Similarly, decisions are communicated through these channels (AR 27 b). No dedicated financial or human resources are allocated for this purpose, but they are assigned as needed (AR 27 d). The company has no specific procedures in place to address the impact of carbon emission reductions or transition to more climate-friendly operations on its workforce. These matters are addressed as a part of regular communication channels (AR 27 c). Employee feedback influences company decisions, usually through direct interaction, such as decisions regarding employment. The frequency depends on current needs (Point 27 a). The company has not developed a formal method to assess effectiveness of its cooperation with its workforce (Point 27 e).

At Dekpol Steel and Intek, work has begun on implementing an intranet for employees and improving communication with manual workers who do not currently have regular access to internal company websites. Up to now, communication has relied on regular staff meetings, an open-door policy, and surveys. The companies are aiming to formalize their employee engagement procedures, which they intend to complete by 2025.

So far, effectiveness of the above actions has not been measured. Regarding potential impact of carbon emissions reduction and transition to more eco-friendly operations on the workforce, Dekpol Capital Group plans to develop an action plan. At this point, no specific methods have been developed beyond activities already taking place, as described in S1-4.

(S1-3) Processes to remediate negative impacts and channels for own workers to raise concerns

In the Dekpol Capital Group, employees have the opportunity to file complaints. These procedures are outlined, for example, in the Work Regulations and the Code of Business Conduct. According to the Code of Business Conduct, which is described in detail in section G1, employees can approach their direct supervisors or higher-level management. They may also file complaints through personal meetings with representatives of the HR department. Furthermore, employees can escalate their concerns to higher levels of management if they feel the issue was not adequately resolved at initial stage.

The Group is also in the process of implementing a Whistleblower Procedure across remaining companies and a unified Complaints Policy for all group entities. The procedure is described in section on business conduct (G1). It was implemented in 2024 in Dekpol Budownictwo and Kombet and allows for anonymous reporting via a dedicated channel available on dekpol.pl website.

Additionally, Dekpol Budownictwo launched a dedicated email inbox (regulaminpracy@dekpolbudownictwo.pl), through which employees and associates can report concerns, observations, and complaints regarding violations of labor rights, human rights, and minority rights. This mechanism enables reporting of any issue requiring intervention, which is then reviewed and investigated by a designated team. Reporting individual is kept informed about the process, and responses are provided within two weeks from the date of submission. This team consists of HR Department representatives designated in the Work Regulations as contact persons.

All entities in the Group operate an open-door policy. This means that every employee has the right and opportunity to discuss any important issue with both their direct supervisor and senior management. If a decision is not made immediately during conversation, it is communicated without undue delay. The conversation is informal, confidential, and not recorded.

(S1-4) Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Actions undertaken regarding significant impacts, risks, and opportunities related to Dekpol Group's own workforce apply to both the Group's staff and individuals who are not employees but provide ongoing expert services. The actions presented refer to those already implemented in reporting year as well as those planned for upcoming years. The goal of these efforts is to seize opportunities and minimize risks, eliminate negative impacts, and strengthen positive ones. As a result, initiatives undertaken lead to increased employee engagement and retention. HR Department oversees development and implementation of both current and planned actions. Expected outcomes include reduced employee turnover in subsequent reporting periods, improved team competencies, proper placement of talent within organization, increased job satisfaction, and greater transparency in recruitment processes as well as other HR-related processes.

Material topic	Planned or undertaken activities
Employment security	Employment stability: offering employment contracts and permanent cooperation agreements, avoiding contract work agreements. Continuous monitoring and analysis of salaries based on publicly available reports provided by external entities. At Dekpol Deweloper, possibility of renegotiating contract terms is used as a method to motivate and retain valuable employees.
Working time	Overtime hours worked are compensated with time off or payment for overtime hours, in accordance with applicable settlement period. Compliance with working time regulations is ensured. Implementation of a remote work procedure based on an individual employee request, as well as occasional remote work.
Adequate wage	• Continuous monitoring and analysis of salaries based on publicly available reports provided by external entities. • Bonus system. • Wellbeing programs for employees of Dekpol Budownictwo. • Non-wage benefits.
Freedom of association, the existence of works councils and workers' rights to information, consultation and participation	Compliance with legal requirements regarding creation of or joining trade unions or other organizations. Planned appointment of employee representatives in all companies of the Dekpol Capital Group.
Occupational health and safety	• identification of potential hazards and ongoing monitoring of health and safety conditions in the Dekpol Capital Group, • Health and safety training and initiatives, including OHS Quarters at Dekpol Budownictwo, • Safety Month at Dekpol Budownictwo, • Participation in PIP "Build Safely" competitions at Dekpol Budownictwo, • Ongoing OHS reports at Dekpol Budownictwo, • Linking OHS report results to bonuses at Dekpol Budownictwo, • Program: “DBamy o zdrowie” at Dekpol Budownictwo, • BIOZ plan along with safety plan at Dekpol Budownictwo, • ISO 9001, 14001 and 45001 in companies Intek, Dekpol STeel, Betpref-WKS and Dekpol Budownictwo.
Gender equality and equal wage for work of equal value	• Recruitment procedure implemented at Dekpol Budownictwo, • Salaries determined based on competencies and experience, using payroll reports as a basis, • Planned implementation of a diversity policy.
Training and skills development	• Training programs for all employees in the Dekpol Capital Group, including specialist and language courses, • Funding by the Dekpol Capital Group for various forms of education, • Program: “DBamy o rozwój” at Dekpol Budownictwo, • Dekpol Budownictwo Academy, • Managerial competency development program at Dekpol Budownictwo and Dekpol Deweloper,

- Onboarding for new employees at Dekpol Budownictwo,
- Health and Safety (BHP) training and initiatives,
- Safety Month at Dekpol Budownictwo,
- Program "From Engineer to Manager" at Dekpol Budownictwo,
- Employee satisfaction survey conducted in Dekpol Budownictwo. As the only company in the general contracting industry, Dekpol Budownictwo was the laureate of the “Investor in Human Capital” program,
- Planned implementation of an e-learning and onboarding platform in the Dekpol Capital Group,
- Planned talent development program at Dekpol Budownictwo,
- Business coaching sessions for employees of Dekpol Deweloper.

(S1-5) Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Goals [MDR-T]	**No established goals. The goals will be defined after the strategy is set**

Dekpol Capital Group does not have defined goals. Nevertheless, the Group monitors effectiveness of its policies and actions regarding significant impacts, risks, and opportunities. Reasons for employee departures are analyzed, and statistics indicate that only about 4% of resignations were initiated by the employer. Salary levels are continuously monitored for adequacy and comparability. The organization analyzes available market data to adjust offered rates according to changing labor market conditions. For this purpose, it uses reports prepared by professional consulting firms specializing in this area.

Regarding other IROs, the Capital Group does not monitor effectiveness of policies and actions.

(S1-6) Characteristics of the undertaking’s employees

Employment data presented for the Group’s companies come from internal registers maintained by HR Department. The data are shown as of the end of reporting period based on the number of employees. The turnover rate, except for Dekpol Budownictwo, is calculated exclusively for employees hired under employment contracts. Employment data vary significantly depending on the company; therefore, the data below have been grouped based on similarities and presented by individual entities.

At Dekpol Budownictwo, voluntary resignations and dismissals are monitored. Departures are categorized by job position and recorded monthly to ensure precise tracking. The turnover rate is calculated using the average number of employees during the period, accounting for seasonal and other fluctuations in employment.

Fluctuations in the number of employees during reporting period resulted from several factors. In the second and third quarters, a significant slowdown in supply was noted in the market, causing employees to worry about job stability. This slowdown was due to clients' decisions to suspend ongoing investments due to unstable macroeconomic and geopolitical situation. Additionally, in the fourth quarter, there was a significant increase in market wages, especially among employees with relatively short job seniority. Both factors contributed to a rise in the turnover rate—from 16% in the first half of the year to over 30% in the second half.

Gender	Number of employees
Men	799
Women	368
Other	0
Not reported	0
Total employees	1167

100% of employees are employed on the territory of Poland.

Number of employees during reporting period

	Female	Male	Other-1	Not reported	Total
Number of employees (total number)	368	799	0	0	1167
Number of employees employed on a permanent contract (total number)	201	378	0	0	579
Number of temporary employees (total number)	95	162	0	0	257
Number of employees not guaranteed with a fixed number of working hours (total number)	71	257	0	0	328
Number of full-time employees (total number)	296	535	0	0	831
Number of part-time employees (total number	1	7	0	0	8

(1) Gender as self-identified by employees.

(S1-7) Characteristics of non-employee workers in the undertaking's own workforce

Dekpol Capital Group collaborates regularly with individuals providing services under contracts other than employment contracts. These are most often highly qualified experts and specialists. The methodology for preparation of data concerning non-employees within company's workforce included a comprehensive analysis of various sources, including personnel records, contracts with collaborators and service agreements with third parties. It was assumed that all collaborators and interns employed for a period longer than three months were considered a part of the workforce. Temporary or one-off non-employees were excluded from the assumptions, as they do not contribute to the regular workforce. The number of non-employees is reported as a part of the total workforce, enabling a more comprehensive understanding of the workforce composition.

During reporting period, there were no significant fluctuations in the number of non-employees within company's own workforce (below 5%).

Company	Total number of non-employees constituting entity's own workforce *	Total number of employees not constituting entity's own workforce **	Total number of employees not constituting entity's own workforce ***
Dekpol S.A.	30	30	0
Dekpol Budownictwo	160	156	0
Dekpol Deweloper	68	68	0
Betpref - WKS and Betpref - ZPP	25	25	0
Intek	13	13	0
Dekpol Steel	29	29	0
Kombet	3	3	0

* i.e. either persons associated with the entity through contracts for the provision of work ("self-employed persons"), or persons provided by entities primarily engaged in "employment-related activities" (NACE code N78)

** Self-employed persons at the end of the period

*** Persons employed by enterprises mainly engaged in employment activities, at the end of the period

(S1-10) Adequate wages

Adequate wages per country

All entities within the Dekpol Group, including Dekpol Budownictwo, Dekpol S.A., Dekpol Deweloper, Kombet, Intek, Dekpol Steel, Betpref–WKS, and Betpref–ZPP, ensure that employees receive compensation at least in accordance with mandatory reference rate in Poland. None of individuals, whether employees or non-employees, receive wages below this benchmark.

(S1-11) Social protection

All employees of the Dekpol Capital Group are covered by mandatory social protection: protection of minimum wage and its exemption from seizure (an amount exempt from seizure and enforcement). They have coverage during periods of illness and convalescence, parental duties (maternity leave, paternity leave, childcare days, and care allowance for dependents). In case of significant life events such as birth of a child or death of close relatives, employees have the right to special leave.

As for non-employees, they have the possibility to obtain all above-mentioned forms of protection; however, this depends on their payment of voluntary contributions, which are mandatory for employees under employment contracts. The Group is unable to verify whether its contractors actually use available forms of protection.

(S1-13) Training and skills development metrics

The organization has a system for collecting, processing and monitoring employee-related data that supports management of social issues in the area of employment. This system enables acquisition of information concerning, among others, employment structure, turnover rates, absenteeism levels, as well as data related to diversity and employment conditions.

Data are obtained from internal organizational sources, particularly from HR systems and employee records. Relevant organizational units are responsible for ensuring completeness, reliability, and actuality of data, based on internally adopted procedures and compliance with applicable legal regulations, including personal data protection.

These data form the basis for evaluating implementation of social capital strategy and reporting. During reporting period, no significant changes were noted in employee data management system that would affect the quality, scope, or manner of presentation of non-financial data included in this statement.

Company	DSA Dekpol S.A.	Dekpol Budownictwo	Dekpol Deweloper	Betpref - WKS, Betpref - ZPP	Intek	Dekpol Steel	Kombet
Percentage of employees who participated in regular performance and career development reviews — relative to the total number of employees - employment contract	29 100	60	41	0	0	0	0
Average number of training hours per own workforce	6 bd	7	32	bd	bd	bd	1,3
Percentage of female white-collar employees who participated in regular performance and career development reviews — relative to the total number of women - employment contract	18 100	28	bd	0	0	0	0
Average number of training hours per white-collar female employee - employment contract	3 bd	7	9	bd	bd	bd	2,7
Percentage of white-collar male employees who participated in regular performance and career development reviews – relative to the total number of me - employment contract	23 100	50	9	0	0	0	00
Average number of training hours per white-collar male employee - employment contract	9 bd	7	68	bd	bd	bd	1,1 2
Percentage of employees who participated in regular performance reviews and career development – female – out of the total number of women – B2B and civil law contracts	29 100	0,45	100	0	0	0	0
Average number of training hours per employee – woman – B2B and civil law contracts	27 bd	190	b.d	bd	bd	bd	0

Percentage of employees who participated in regular performance and career development reviews – men – out of the total number of men – B2B and civil law contracts	29	100	0,79	100	0	0	0	0
Average number of training hours per employee – men – B2B and civil law contracts	1,14	bd	7	bd	bd	bd	bd	1

* No division between white-collar and blue-collar employees

(S1-14) Health and safety metrics

Among own employees, no fatal accidents or work-related injuries have been reported. There were also no reported cases of poor health resulting from work.

Indicators related to the number of accidents, lost days due to injuries, and cases of poor health remain at zero, taking into account legal limitations regarding data collection.

The following companies: Intek, Dekpol Steel, and Betpref-WKS have an Integrated Management System compliant with PN-EN ISO 9001, PN-EN ISO 14001, and PN-EN ISO 45001 standards, enabling monitoring and control of processes regarding quality, environmental protection, and occupational health and safety (OHS). Within this system, policies such as quality, environmental, OHS, and alcohol policies have been implemented and maintained.

Documents related to OHS, such as procedures, occupational risk assessments, and instructions, are regularly prepared and updated. Employees participate in mandatory training, and selected groups additionally attend specialized courses, including first aid and fire protection. Audits, inspections, and controls are conducted to identify areas requiring improvement and to ensure compliance with regulations.

Management system undergoes internal audits and external certification. Annual internal audits focus on risk assessment, emergency preparedness and employee training effectiveness. This process is based on principles of continuous improvement and compliance with OHS standards. Additionally, the companies have obtained external certification confirming compliance with ISO 45001 requirements.

Dekpol Deweloper organizes mandatory training required by law for all employees, and additional training for selected groups, such as first aid courses. Ad hoc audits and inspections are conducted to identify areas needing improvement and to ensure regulatory compliance.

In the Dekpol Capital Group, with the exception of Dekpol Steel, no fatal cases among employees or collaborators (B2B and civil law contracts) due to work-related injuries or poor health were reported. In Dekpol Steel, there was one fatal incident among own employees (employment contracts) this year resulting from a work-related injury. Additionally, all occupational health and safety management indicators in other entities remain at zero.

Throughout the entire Capital Group, there were also no reported cases of poor health related to work or lost days due to occupational injuries or diseases—this applies to all forms of employment.

Employee data used for reporting purposes are collected based on a standardized internal procedure that defines data sources, frequency of updates as well as responsibilities of respective organizational units.

Data collection process includes, among other things, identification of input data from HR systems, verification of their completeness and compliance, and aggregation of them for sustainable development reporting purposes. Data verification is carried out according to established internal control principles. During reporting period, no significant changes in employee data management system were recorded that would affect the quality, scope, or manner of presentation of non-financial data included in this statement.

Company		Dekpol Capital Group S.A.	Dekpol Budownictwo	Dekpol Deweloper	Betpref - WKS, Betpref - ZPP	Intek	Dekpol Steel	Kombet
Total number of employees as of 31-12-2024 - employment contract	839	94	227	41	89	137	159	92
Number of employees covered by OHS management system - employment contract	839	94	227	41	89	137	159	92
Percentage of unit's employees covered by unit's OHS management system based on legal requirements or recognized standards or guidelines - employment contract	100	100	100	100	100	100	100	100
Number of fatalities resulting from work-related injuries and work-related poor health - employment contract	1	0	0	0	0	0	1	0
Total number of non-employees – B2B and civil law contracts	328	30	160	68	25	13	29	3
Number of RpN (Reverse polish Notation) covered by this OHS management system – B2B and civil law contracts	328	30	160	68	25	13	29	3
Number of RpN, which are covered by unit's OHS management system based on legal requirements or recognized standards or guidelines – B2B and civil law contracts	100	100	100	100	100	100	100	100
Number of work-related accidents subject to reporting – employees	16	0	1	0	1	7	5	2
Total number of hours worked by employees	156650416 5960		422838	68418	178344	256320	306360	168264
Reportable work-related injury rate – employees	63,49	0	2,36	0	5,61	27,31	16,32	11,89

(S1-16) Compensation metrics (pay gap and total compensation)

Compensation metrics (pay gap and total compensation)

Salary indicators for Dekpol Capital Group's own workforce, covering 839 employees as of 31.12.2024, are based on data collected from internal HR system. These data represent a snapshot of total employee compensation for the 2024 calendar year and include salaries, bonuses, and other benefits. To calculate the pay gap, a standard approach defined in relevant regulations was applied, considering both average and median salaries.

The table below shows differences between the salary levels of women and men. This difference is partly due to varying employment structure across different positions. However, the Group does not maintain records that would allow calculation of the pay gap for comparable roles.

Company	Annual total compensation of the highest-paid individual in the entity - employment contract	Annual compensation of the highest-paid individual relative to the median salary (excluding that	Average gross hourly wage rate for male employees - employment contract	Difference in average gross hourly wage rate – men vs. women (employment contract)	Employees – difference between average gross hourly wage rate of male and female employees -	Difference in average gross hourly wage rate – men vs women (B2B, civil law contracts.)

		individual) – employment contract			employment contract	
Dekpol S.A.	397500	4,11	65,84	17,16	17,16	-
Dekpol Budownictwo	568843,71	4,73	73,86	18,27	18,27	85,77
Dekpol Deweloper	224412,66	2,51	59,58	12,59	12,59	-
Betpref - WKS, Betpref - ZPP	246180	2,57	45,9	6,5	6,5	-
Intek	142769,72	1,84	35,81	5,3	5,3	-
Dekpol Steel	250200	2,89	42,53	5,57	5,57	-
Kombet	126445,77	1,6	27,3	13,6	13,6	-

(S1-17) Incidents, complaints and severe human rights impacts

During reporting period, no work-related incidents, complaints, or cases of serious impact on human rights were recorded within the Group's own workforce, including no cases of discrimination or harassment. Throughout the Dekpol Capital Group, except for Dekpol Steel, no fines, sanctions, or compensations were imposed. In Dekpol Steel, the total amount of imposed sanctions was 43,890 PLN.

Total number of reported cases of discrimination, including harassment, was zero. No complaints were received through available whistleblowing channels.

During analyzed period, no serious incidents concerning respect for human rights or violations contrary to UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, or OECD Guidelines for Multinational Enterprises were reported.

There were also no cases of human rights violations requiring the company to undertake remedial actions for affected individuals.

During reporting period, Dekpol Steel reported only one incident related to improper contract termination (lack of sufficient written justification for the termination).

(S2) Workers in the value chain

(S2.SBM-3) Material impacts, risks and opportunities and their interaction with strategy and business model

The Capital Group identifies significant impacts on people working within the value chain, including subcontractors, material suppliers, and employees hired by external companies. The double materiality assessment showed that these impacts stem from the Group's business model, including execution of pressures, service contracting, and cost optimization strategies.

The Group has identified risks and opportunities related to workers in the value chain, concerning risks associated with improper working conditions and violations of OHS regulations. Projects are carried out within strictly defined deadlines, which may lead to non-compliance with OHS regulations and potentially cause accidents. Such incidents can disrupt production process across the entire value chain and also damage Group's reputation. Identified opportunities relate to reputation, as Dekpol Capital Group will verify issues related to child labour and forced labour, as well as gender equality and equal pay, and will include this process in declarations to obtain external financing.

The Capital Group may exert significant influence on the following categories of people performing work within the value chain:

- Persons performing work at the entity's location but not part of its own workforce – these are employees of subcontracting companies,
- Employees working for entities in units from the downstream value chain – these are employees of companies providing services and materials,
- Employees working for entities in units from the downstream value chain – these are employees of companies providing transportation and logistics services,
- Employees working within operations conducted as joint ventures or special purpose entities in which reporting unit participates – employees of companies that are part of consortia.

Elevated risk of forced labour or child labour has been identified in sectors such as raw material extraction (e.g., aggregates, cement), steel scrap recycling, as well as production of iron alloys and non-ferrous metals, particularly in Asia, where there is limited visibility into working conditions.

These impacts are both systemic (e.g., widespread lack of transparency among suppliers) and incidental (e.g., construction accidents, deficiencies in OHS training). The Group plans to increase transparency in the value chain, among other measures, by requiring suppliers to comply with new ethical standards.

Summary of material topics resulting from the double materiality analysis

Material topic	DMA	I	R	O
Working hours	I	Potential negative impact: Price pressure and delivery deadline demands from Dekpol may negatively affect working hours and employee wages within the value chain		
Adequate wage	I	Potential negative impact: Price pressure and delivery deadline demands from Dekpol may cause negative effects on working hours and employee wages within the value chain		

Occupational Health and Safety	I R	Actual positive impact: A wide range of actions related to workers in the value chain — subcontractors on own construction sites; transport companies; supplier assessments in terms of health and safety and other.	Improper working conditions and violation of health and safety regulations in the supply chain — failure to comply with OHS regulations can lead to accidents that not only disrupt production process throughout the entire supply chain but also affect the reputation of both the supplier and their business partners and customers.	
Gender equality and equal wage for work of equal value	I O	Potential positive impact of the Dekpol Group through implementation of social audits in the value chain and joining an industry organization working to strengthen labour standards among suppliers from China.		Reputational opportunity related to the fact that Dekpol will verify these conditions and will be able to include this process in its declarations to secure external financing.
Child labour	I O	Potential negative impact: Price and delivery deadline pressure from Dekpol may be a source of negative impact on human rights in supplier countries, including issues related to child labour and forced labour.		Reputational opportunity connected with the fact, that Dekpol will verify these conditions and will be able to include such a process in its declarations to obtain external financing.
Forced labour	I O	Potential negative impact: price and delivery deadline pressure from Dekpol may cause negative effects on human rights in supplier countries, including child labour and forced labour issues.		Reputational opportunity arising from the fact, that Dekpol will verify these conditions, allowing the company to include this process in its declarations to secure external financing.

Significant risks have been identified through the double materiality analysis process, as well as based on the previous method on how Dekpol Capital Group used to assess positional risks, including those related to projects. The process also took into account publicly available industry information. Significant risks and opportunities arising from impacts and dependencies particularly concern employees working at construction sites and production facilities.

(S2-1) Policies related to value chain workers

Dekpol Capital Group operates under the Code of Business Conduct of the Dekpol Capital Group, which is described in detail in section G1 and also applies to individuals performing work within the value chain. In 2024, the Dekpol Group did not have a dedicated policy on respecting human rights; however, according to the provisions of the Code, Dekpol supports and respects the principle of protecting human rights as recognized by international community in legal regulations—particularly in OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights, and International Bill of Human Rights — and does not engage in activities that violate human rights. The Code also addresses issues related to forced labour and child labour. Its provisions apply to employees in the value chain, as stated in the section “Requirements for business partners,” which indicates that Dekpol collaborates with suppliers, consultants, distributors, and other partners who also uphold principles outlined in the Code. The Code relates to significant impacts, risks, and opportunities for people working within the value chain, which are described in detail in section S2.SBM-3. The Code is reviewed annually and is publicly available on the Dekpol.pl website and in the intranet for Dekpol Group employees. The companies Dekpol Steel, Intek, and Dekpol Budownictwo operate in accordance with requirements of ISO 9001, ISO 14001, ISO 45001, and, in case of Dekpol Budownictwo: AQAP 2110. Certificates are available on the Dekpol.pl website and in the intranet for Dekpol Group employees. These certificates relate to significant impacts, risks, and opportunities for people working in the value chain, as detailed in S2.SBM-3. The policies also extend to employees in the value chain, as evidenced by principle: “cooperation with contractors and suppliers who possess established competencies and meet our quality, environmental protection, and health and safety requirements." The policy monitoring process is described in section 5.1.2 "Customer Orientation" and relates to: Integrated Management System Policy at DEKPOL Budownictwo Sp. z o.o., which is focused on clients through identification of their needs and expectations, which are fulfilled in accordance with applicable regulations for product/service execution while maintaining compliance with legal requirements.

Management staff focuses its attention on the Client by identification of their requirements and expectations regarding products delivered by Dekpol. Awareness of Client's expectations is communicated across all levels of management.

The primary goal is to ensure that all Investor's requirements are understood, clearly defined, and mutually accepted. A review of requirements is conducted prior to the delivery of the product/service, and the Client is informed about all decisions.

Responsibility for achievement of objectives of this process lies with the Technical Director/Branch Director.

Implementation of each client-related process is preceded by collection and documentation of detailed information regarding client's needs and expectations. This activity is referred to as the Client Requirements Review. Information is obtained through written inquiries, interviews, site visits and inspections, client feedback, and similar means.

Each time before signing a contract and during its execution, risks and opportunities related to the contract and its specifics are assessed. Risk and opportunity areas are identified and analyzed in order to plan effective actions to mitigate risks and define the benefits of opportunities. After the contract is completed, an evaluation is carried out to determine how accurate the risk and opportunity analyses were, and this information is used to assess future contracts.

At the beginning of 2025, Dekpol Budownictwo also plans to implement the Health, Safety, and Environmental (HSE) Standards Book for construction works, which will apply to subcontractors. The Standards Book will be attached to every signed contract. Additionally, a PDF link to the Book (the Book will not be provided in printed form) will be sent by contracting person to the representative of the contractor company. Monitoring will be carried out through regular inspections of HSE conditions on construction sites. Interested parties were not involved in creation of these rules.

Within the Dekpol Group, implementation of a Grievance Procedure and a Supplier Code of Conduct is also planned for 2025.

Dekpol Developer, Betpref-ZPP, and Kombet do not have formally adopted policies—by Management Board resolution—regarding persons working in the value chain. Cooperation with contractors, including real estate intermediaries, is regulated through contracts, and ethical principles are based on the Code of Business Conduct of the Dekpol Capital Group.

Currently, there are no dedicated policies concerning cooperation with intermediaries. Contracts include references to the GDPR policy (described in section G1) and safeguard basic principles of work ethics, data protection for both contractual parties and end customers, and outline the rules for conducting transactions with due diligence to conditions and interests of the parties.

In the area of cooperation with individuals who are a part of the value chain workforce and employee representatives, Dekpol Budownictwo has implemented a Health and Safety Management Procedure along with instructions and inspection reports related to occupational health and safety and environmental protection. Each Safe Work Instruction (IBWR) contains a risk assessment for specific tasks and preventive measures. Such an instruction is prepared before a subcontractor is allowed to perform the task.

Responsibility for implementation of these policies lies with Management Boards of the respective companies. Workers in the value chain were not involved in the development of these policies.

Policies/Procedures	• Code of Business Conduct, • ISO 9001, ISO 14001, ISO 45001 at Dekpol Budownictwo, Intek, Dekpol Steel; • Health, Safety, and Environmental (HSE) Standards Book planned to be implemented in 2025 at Dekpol Budownictwo • Grievance Procedure planned to be implemented in 2025, • Supplier Code of Conduct planned to be implemented in 2025.

(S2-2) Processes for engaging with value chain workers about impacts

During task execution phase, Dekpol Budownictwo reports potentially accident-related incidents. Each incident is addressed individually, drawns conclusions and implements preventive measures.

During coordination meetings, supervisory staff from subcontractor companies can report issues occurring on the construction site. In such cases, measures are implemented to improve construction process. Additionally, introductory training sessions are conducted for value chain workers before they begin their work. Coordination meetings are held regularly, once a week, with participation from contractors' representatives and clients. During these meetings, subcontractors' supervisory staff can report problems encountered on the construction site, which are addressed with actions aimed at improvement of investment implementation process. These employees also take part in shaping cooperation processes, such as:

- participation in memoranda of understanding,
- preparation of requests for proposals,
- negotiations with customers and suppliers.

Responsibility for ensuring engagement of supply chain workers and the quality of that engagement lies within organization with Technical Directors, Tendering Department Directors, Purchasing Director, HSE Manager, Chief Operating Officer, and Management Board.

Currently, the company does not have any global framework agreements or contracts with global trade union federations concerning respecting of human rights of individuals working in the value chain.

Effectiveness of value chain worker engagement is assessed during health and safety inspections, where reports are prepared that include preventive actions. These reports contain data such as: date, location, type of irregularity, preventive actions, and the person responsible for correcting irregularity. Furthermore, each irregularity must be addressed with a response including: what was implemented, when it was done, and who reported the correction. These actions are monitored during subsequent inspections.

Additionally, for cooperation are invited organizations such as the State Labour Inspection (PIP), which performs lectures, during which discusses various issues related to health and safety supervision within organization, including: employment legality rules, responsibility for employee safety, and verification of subcontractor companies during inspections. At the same time, it should be noted that Dekpol Budownictwo has not yet implemented a general cooperation process with workers across the entire value chain; however, partial actions are being taken, and further steps in this area are planned. Cooperation and dialogue with subcontractors' employees occur as a part of the company's daily operations. Contact with subcontractor employees is constant and ongoing, and any issues are resolved on a daily basis.

In case of Dekpol Group's manufacturing companies, cooperation with workers in the value chain is also ongoing and tailored to specific needs of parties involved. However, perspective of these workers has had so far limited influence on decision-making processes.

Dekpol Deweloper engages workers in the value chain through training on the use of CDE platform, implementation of BIM technology, and preparation for ESG reporting (e.g., a building's carbon footprint). However, it does not monitor any companies, their employees, designers, investor supervision inspectors, subcontractors, lawyers, or real estate agents.

(S2-3) Processes to remediate negative impacts and channels for value chain workers to raise concerns

Additionally, at the end of 2024, Dekpol Budownictwo and Kombet implemented an internal reporting procedure — the Whistleblower Procedure — which was published on the company website and also applies to workers within the value chain. The procedure allows for anonymous reporting, and a dedicated reporting channel has also been made available online, ensuring safe and confidential submission of concerns and feedback. The procedure is described in section G1-1. It has been published on companies' websites along with full procedure text and instructions on how to submit a report. The available channel enables anonymous reporting.

Problem reporting channels and follow-up monitoring

At Dekpol Budownictwo, coordination meetings with subcontractor companies are used to discuss identified problems and irregularities, including health and safety measures and environmental protection. These meetings provide a space for subcontractors to raise various concerns regarding company's operations. Additionally, during health, safety, and environmental (HSE) inspections carried out on construction sites, conversations are held with workers to identify root causes of any irregularities. The aim is to understand the source of issues and prevent them to spring from the source.

Manufacturing companies within the group have established a framework for responding to and remedying negative impacts on value chain workers. Regular HSE inspections and training sessions are conducted at production facilities, including for value chain workers who visit the sites, such as drivers from transport companies. So far, the entities have not assessed the effectiveness of corrective measures implemented in response to significant negative impacts on value chain workers. Such assessments are planned for the future, after implementation of a grievance procedure.

At Dekpol Deweloper, the terms of cooperation are defined in contracts. However, an individual approach to contractors allows the company to foster good relationships and mutual satisfaction. Currently, the following communication channels are in place: email and phone (each contractor has an assigned contract manager, an employee of the company, whose contact details — including email and phone number — are specified in the contract). If a complaint concerns a specific employee, it can be submitted via a general email address (deweloper@dekpol.pl) or phone number (500 299 464), both of which are available on the website www.dekpoldeweloper.pl/kontakt/. Complaints can also be submitted in person at company offices or via traditional mail. All complaints are treated confidentially. The company has also implemented a whistleblower procedure described in section G1-1 of the Statement, which allows it to monitor remedial processes and ensure the anonymity of submissions. There is no separate procedure for handling corrective actions — each case is addressed individually and tailored to the specific complaint.

(S2-4) Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions and approaches

Dekpol Capital Group's activities to address the significant impacts on those performing work in the value chain and to manage significant risks and exploit significant opportunities are as follows:

Potentially negative impact

Price and delivery deadline pressures from Dekpol can be a source of negative impacts on working time and wages of workers in the value chain, as well as on human rights in supplier countries, including child and forced labour.

Actions

- as a planned action, the elimination of unethical employment practices - working only with subcontractors that comply with labour standards in line with national and international legislation, eliminating illegal employment, forced labour and labour rights violations. Implementation in 2025 of the Supplier Code of Conduct.
- as a planned action - zero tolerance of discrimination and abuse - introduction in 2025 of a procedure to report and prevent incidents of mobbing, discrimination and unethical behavior.

Actual positive impact

A wide range of activities on workers in the value chain - subcontractors on own sites; transport companies, health and safety assessment of suppliers and others.

Actions:

- At Dekpol Budownictwo, the state of safety, health protection, and environmental protection during ongoing investments is systematically monitored through HSE inspections, coordination meetings, introductory training, HSE briefings, organization of Safety Month, and participation in competitions organized by the State Labour Inspection. At the project execution stage, the site manager develops a Health and Safety Plan (BIOZ), which defines required safety standards and provides a detailed list of tasks along with a safety plan. All subcontractor agreements include annexes specifying applicable HSE standards and penalties for non-compliance. During HSE inspections, irregularities are identified, corrective actions are specified, and individuals responsible for monitoring and implementing recommendations are appointed. The HSE specialist verifies implementation of these actions during follow-up inspections, approving or rejecting solutions introduced.
- Being aware of threats associated with improper working and safety conditions among subcontractors, the Dekpol Group includes provisions in subcontractor agreements that require and verify compliance with labor law regulations, particularly in the area of health and safety. This includes, among other things, verification of employees' medical examinations, organization of on-site training, conducting audits, and performing occupational risk assessments for each worker.

- In order to protect the interests of subcontracting companies carrying out construction work under direct contracts with Dekpol Budownictwo, mechanisms have been implemented to ensure transparency and financial security. These include providing the investor with the content of agreements signed with subcontractors, which allows for securing financial resources in the event of general contractor's unjustified failure to settle payments with the subcontractor (in reference to Article 647^1 of the Civil Code, which establishes joint and several liability of the investor and the general contractor for payment of subcontractor's remuneration).

Potentially positive impact

Introducing of social audits in the value chain and joining of an industry organization working to strengthen labour standards in Chinese suppliers.

Actions

- as a planned action in 2025 - implementation at Dekpol Capital Group of a Supplier Code of Conduct with relevant contractual provisions.

Risk

Inadequate working conditions and health and safety violations in the supply chain.

Actions

- In addition to the measures mentioned above, it is planned to implement at Dekpol Budownictwo in the first quarter of 2025 of EHS standards book, which will introduce unified standards applicable to all subcontractors.
- Supplier Code of Conduct is also in development, which will be implemented in 2025 and will be applicable throughout the Dekpol Capital Group, as well as relevant contractual provisions.
- In subsequent years, it is also planned to implement audits and assessments of working conditions and labour practices of suppliers throughout the Dekpol Capital Group to prevent cases of exploitation and ensure compliance with international labour standards.

Reputational opportunity

Dekpol will be verifying these conditions and will be able to include such a process in its declarations to obtain external financing.

Actions

- Improvement of the quality of its projects - by investing in competences of its employees, the company can improve the quality and efficiency of its investments.
- Creation of a reputation as a responsible employer,
- Long-term partnerships with suppliers and subcontractors - working with companies that share values on work ethics and sustainability,
- Membership of the Polish Association of Developers' Companies by Dekpol Deweloper,
- Work with industry organizations and certification bodies to implement ESG best practice across the value chain,
- Promoting sustainability - implementing green solutions that not only reduce the negative impact on environment, but also improve comfort and safety of those working in construction sector,

- As planned and implemented activities strengthening employment stability - engaging in long-term relationships with subcontractors, which promotes better workforce planning and greater stability for employees,
- As a planned action in 2025 - investing in professional development - organization of training courses to improve skills of construction industry workers, including those in the value chain, which increases their competitiveness in the labour market and improves the quality of work carried out, e.g. training in use of CDE, BIM or LCA platforms,
- Continuation of initiatives such as Safety Month and Health and Safety Quadrant at Dekpol Budownictwo.

Expected result

- compliance with ESRS standards and organization's overall sustainability strategy. The plan aims to prevent, mitigate and remediate negative impacts while promoting positive impacts on value chain employees,
- Dekpol Capital Group is developing a systematic action plan to improve working conditions and comply with international standards. The result of training for subcontractors is to prevent negative material consequences such as accidents and injuries, as well as to build awareness of health and safety at work,
- Preventing of incidents of exploitation, increasing of safety and ESRS compliance, improving labour standards at suppliers, increasing of a positive impact on workers in the value chain,
- To date, organization has not systematically measured positive effects of its actions in terms of impact on employees in the value chain.

Evaluation of performance includes, among others:

- number of reports in the system for anonymous reporting of law violations and their solutions,
- number of subcontractors covered by training programmes,
- number of accidents and potential accidents.

Capital Group's actions regarding employees in the value chain will gradually cover the entire value chain and in all Dekpol Capital Group's companies and will be established together with the strategy. To date, there have been no reported cases of serious human rights violations and incidents related to the upstream and downstream value chain.

(S2-5) Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Dekpol Group does not have defined goals. However, at the Group level, it has identified key initiatives: establishment of a joint working group responsible for developing the Supplier Code and the Grievance Procedure, as well as preparation of an ESG strategy that will include specific goals and an action plan to support sustainable development. Despite the lack of defined goals, the Group undertakes actions in line with applicable Code of Business Conduct and ISO standards, which also apply to workers in the value chain. The Group also acknowledges that negative impact can affect any worker in the value chain and plans to implement measures aimed at minimizing such impact.

Dekpol Budownictwo's ambition is to maintain zero (0) serious, collective, and fatal accidents related to its ongoing construction projects. To monitor progress toward this goal, a file has been created in which information about accidents is updated on an ongoing basis. This enables continuous monitoring of the situation and provides information on accident events, near-misses, severity, and frequency. The HSE Department is responsible for data collection.

Betpref-WKS, Dekpol Steel, Intek

Manufacturing companies Betpref-WKS, Dekpol Steel and Intek have set a measurable, results-oriented and time-bound target for supply chain analysis by the end of 2025. In particular, it includes an analysis of:

- 100% of steel suppliers,
- 100% of transport service providers,
- 50% of chemical suppliers.

The goal of this analysis will be to reduce negative impact on internal workforce resources, value chain workers, affected communities, consumers, and end users, while simultaneously increasing positive impact on these groups. The analysis will be conducted in 2025 through a survey among suppliers registered in the internal system as steel suppliers, transport service providers, and chemical suppliers, along with a compliance check against the Supplier Code of Ethics, which is currently being developed. Suppliers will be required to declare in the survey their awareness of the strategy and goals of the company they represent. Each respondent will receive feedback, and in the event of non-compliance with the Code's principles, a corrective program will be proposed. Achieving the goal means cooperating exclusively with contractors who meet conditions outlined in the Code.

Goals [MDR-T]	• Maintaining zero serious, collective, and fatal accidents in connection with ongoing construction projects and improving environmental awareness at Dekpol Budownictwo, • Analysis of 100% of steel suppliers, transport service providers, and chemical suppliers in the manufacturing companies, • no defined targets for other companies.

(S3) Affected communities

(S3.SBM-3) Material impacts, risks and opportunities and their interaction with strategy and business model

Summary of material topics resulting from the double materiality analysis

1. MATERIAL TOPIC	ESRS S3 Affected communities. Economic, social, and cultural rights of communities: adequate housing conditions
Issue of impact	**Nuisance associated with construction and production for communities living in the vicinity:** Execution of construction works and logistics activities of industrial facilities generate noise, dust, and emissions. This can negatively impact the quality of life of local residents, lead to a decrease in property values, and cause health problems. These factors raise concerns and opposition among affected communities, particularly those living in close vicinity to such activities. This, in turn, may affect company's reputation. It impacts both the company's own operations and those of subcontractors (upstream in the value chain).
Materiality assessment	Very high impact
Impact on people or environment	Negative, actual, systemic, or widespread impact. Construction and production activities generate noise that is noticeable in the vicinity of the investment. The company undertakes measures to minimize negative impact, such as scheduling deliveries during daytime hours. This falls within the scope of the company's own operations.
Response and evaluation of time horizon	**Mitigation measures:** • Short-term for construction and production activities (logistics) where negative impacts are due to noise -> minimizing impacts through appropriate scheduling of construction and logistics works, • Medium- to long-term for production activities where accident and disaster risks have been identified -> minimizing impact through strict compliance with OHS rules.
Impact-related risks	Threat to the safety of local communities – production facilities and construction sites can pose risks to the safety of local residents, especially in the event of technical failures, fires, or chemical spills. Inadequate safety measures can lead to large-scale accidents, resulting in significant costs for remediation actions as well as incurred penalties. Depending on the nature of the accident/disaster, financial impact can be very substantial (e.g., risk of property loss or threat to life).
Responsibility	- Site manager at Dekpol Budownictwo (construction of a building) - Management boards of subsidiaries (production)
Topics	Construction schedules, delivery schedules, emissions inspections, OHS inspections

2. MATERIAL TOPIC	ESRS S3 Affected communities. Economic, social, and cultural rights of communities: Entity specific
Issue of impact	**Dekpol Foundation activities:** The Foundation's goal is to support cultural and educational activities and promote a healthy lifestyle among employees, collaborators, their families, as well as residents of the areas where facilities are located and investments are carried out. The Foundation's activities continue the pro bono efforts previously undertaken independently by subsidiaries and aim to develop and leverage synergy resulting from these initiatives (impacts the value chain).
Materiality assessment	High impact
Impact on people or environment	Positive, actual impact. Impact primarily on people, to a lesser extent on the environment. This is an area of activity in the value chain.

Response and evaluation of time horizon	The Foundation is fed from the funds of its subsidiaries. Its impact depends on the size of the grant in any given year. It should therefore be considered in any time perspective: - short, medium and long-term
Impact-related risks	Reputational opportunity related to Dekpol Foundation's activities
Responsibility	Board of Directors of the Foundation
Topics	Ongoing initiatives

(S3-1) Policies related to affected communities

1 TOPIC	Nuisance associated with construction and production to communities living in the vicinity.
Policy/Procedure [MDR-P]	• Lack of existing dedicated policies targeting affected communities, • Grievance Procedure - working group established, planned implementation in 2025.

During reporting period, Dekpol Capital Group did not implement formal policies related to affected communities that would address nuisances associated with construction and production activities. Actions taken so far have proven sufficient to effectively respond to signals and irregularities reported by communities, and therefore no decision has been made to adopt a more systemic approach.

The Code of Business Conduct of the Dekpol Capital Group describes actions that concern affected communities, including Group's commitment to supporting and respecting human rights principles, efficient use of resources and waste minimization, product safety in accordance with REACH regulations, and cooperation with business partners who adhere to these principles. Regarding human rights protection, Dekpol Group does not have a separate formalized procedure—commitments to act in accordance with international standards, including UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, and OECD Guidelines for Multinational Enterprises, are included in the Code of Business Conduct of the Dekpol Capital Group. The Group has not analyzed its compliance with the above-mentioned international guidelines in other areas of impact on affected communities.

Currently, a team at Dekpol S.A. has been established to work on the Grievance Procedure. It will include mechanisms for filing complaints to ensure that concerns from communities and customers are addressed in a timely and effective manner. The Procedure will be directed at affected communities, customers, and other organizations, and it will cover areas not addressed by the Whistleblower Protection Procedure. Work on this policy began in 2024 and is scheduled to be completed in 2025.

2 TOPIC	Dekpol Foundation activities
Policy/Procedure [MDR-P]	• Articles of Association of the Dekpol Foundation • Regulations of the Dekpol Foundation

The Dekpol Foundation, established in 2024, carries out its activities based on its Articles of Association and Regulations, which include a set of procedures and a standard agreement template for applicants.

The Foundation pursues socially or economically beneficial goals in four main areas: health care, environmental protection, support for local communities, and the promotion of physical activity. Its activities are directed toward Dekpol employees and local communities. The Foundation contributes to internal integration processes within the company and represents a reputational opportunity in relation to the social-economic environment.

The Foundation fulfills its objectives particularly through providing assistance, funding, supporting, and aiding individuals and entities that carry out goals defined in the Dekpol Foundation's Articles of Association, as well as through organizing and financing symposia, meetings, training sessions, and courses related to these goals.

The Foundation’s operations are managed by its Board of Directors.

(S3-2) Processes for engaging with affected communities about impacts

Cooperation processes in the area of nuisances related to construction and production

Currently, Dekpol Capital Group does not have a general cooperation process with affected communities. In justified cases, arising from clear expectations of local communities, the Group engages in dialogue with stakeholders, although this is not a part of standard practice and is not based on a formalized procedure. In situations where administrative processes trigger particular social concerns, the Group maintains contact with relevant public administration bodies, such as city and municipal offices or RDOŚ. These institutions, mandated to represent public interest, serve as a reliable source of information for the Group regarding concerns, feedback, and requests raised by the community. Dialogue with these entities is an important element in monitoring the Group’s impact on social and environmental surroundings.

Social consultations are not a legal obligation for the Group. Any such initiatives are driven by business motivations. The Group’s budget does not include a dedicated line item for financing conflict resolution efforts with local communities or clients. In the event such situations arise, the budget for associated costs is determined on a case-by-case basis. Due to the lack of a formalized procedure, management staff assigns specific individuals to handle reported issues.

Cooperation processes in the area of Dekpol Foundation operations

The company is involved in numerous charitable initiatives aimed at local communities, carried out directly by its subsidiaries, and since September 2024, also through the Foundation. These activities are coordinated by Marketing Departments or members of Management Boards, and cooperation takes place at various stages – from identifying needs to assessing the effectiveness of the support – with the frequency of actions adjusted to the nature of specific initiatives and expectations of beneficiaries. The frequency of cooperation depends on the number of submitted support requests and resources allocated for this purpose. The Foundation’s activities have introduced several standardizations related to the process of providing and monitoring support. Due to its recent establishment, the Foundation has not yet developed mechanisms for evaluating effectiveness of cooperation. However, the agreement signed with the recipient includes the Foundation’s right to monitor the use of provided support. For the same reason, feedback has not yet been collected from recipients, including particularly vulnerable groups. The Foundation plans to consider such needs in upcoming year.

The rules for cooperation with affected communities are defined in the Foundation’s Articles of Association and Regulations. Applicants seeking support are required to complete a grant application and enter into a cooperation agreement in the form of a memorandum of understanding. Templates for these documents are included in the Foundation’s Regulations.

The Group has appointed a Foundation Board of Directors consisting of representatives from three companies: the parent company, the construction company, and the property development company.

(S3-3) Processes to remediate negative impacts and channels for affected communities to raise concerns

Remediation processes and reporting channels in the area of nuisances related to construction and production, and within the Foundation.

The companies strive to remedy damages by actively engaging in cooperation with affected communities. An important element of this cooperation is the planned formalization of a grievance submission system. This system will allow communities to report anonymously their concerns and needs directly to companies, and its implementation is expected within upcoming year. This communication channel will be shared across the entire Group.

Currently, Dekpol Capital Group offers publicly accessible ways for affected communities to communicate with the companies. These channels are available on each company's website. Members of local communities can contact the company—Group entities follow an open-door policy. Every submission is forwarded to the appropriate person with the relevant competence and does not go unanswered. However, such submissions are currently not recorded, and their resolution is not subject to evaluation. The Group plans to change this by implementation of mechanisms for reporting concerns and violations as part of the Grievance Procedure. The preparation of the procedure has been entrusted to subject-matter experts and legal professionals who are a part of the Group's internal staff. Public consultations are not planned prior to its implementation.

Existing channels for raising concerns and response mechanisms:

- Contact point for residents (Sales Offices) to raise concerns and propose solutions regarding the impact of the investment on the local environment (implemented at many development projects) - at Dekpol Deweloper,
- Publicly accessible e-mail addresses and telephone numbers posted on websites where residents of neighboring buildings and local communities can make enquiries and report a problem,
- Working directly with community organizations (in some cases, i.e. where such an organization exists and reports the need to safeguard the interests of the local community) to identify key challenges and implement appropriate remedial action - at Dekpol Deweloper,
- Foundation's individual e-mail address.

Dekpol Capital Group companies make the above-mentioned channels available to interested parties; however, they do not assess whether affected communities are aware of these channels or whether they trust them as a means of reporting concerns or needs. The Group also does not have formalized procedures or mechanisms for resolving issues in relations with affected communities, as it has not yet identified a number or scale of such cases that would require formalization of these processes. However, whenever any difficulties arise, the organization always takes action and does not leave issues unresolved. It responds promptly, adjusting appropriate measures to the circumstances in order to minimize any potential negative impacts of its activities.

Monitoring and process improvement systems.

In the event that concerns are raised by local communities — including when notification is submitted by a third party — the Company cooperates with local authorities and community organizations. This cooperation may involve adapting projects to the needs of residents. Manufacturing companies also engage in discussions with local administrations regarding potential collaboration for the benefit of local communities (e.g., Intek held a meeting with representatives of the Lubawa City Hall — the company intends to repeat such activities in upcoming years).

Currently, the Group does not have mechanisms for tracking and evaluating effectiveness of its actions and initiatives in delivering outcomes for communities affected by changes. There are also no defined processes in place for identification of needs of local communities. These will be addressed in upcoming ESG strategy. In the future, the Group plans to monitor submitted grievances and feedback, implement corrective procedures, and avoid similar issues in future projects. One such tool will be the policy developed under the Grievance Procedure.

(S3-4) Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions and approaches

1 TOPIC	Nuisance associated with construction and production for communities living in the vicinity.
Activities and resources [MDR-A]	• Ongoing risk analysis on every construction project, • Incidental remediation of negative impacts, • No significant financial outlay.

Actions related to remedial measures for construction-related nuisances

The analysis of the impact of business activities on the local community is carried out as a part of the risk and opportunity assessment conducted for individual projects. Already at investment preparation stage — during the Due Diligence analysis (at Dekpol Deweloper) and the tendering phase (at Dekpol Budownictwo) — potential threats related to surroundings, such as proximity of buildings or transport routes, are analyzed. The companies do not take initiative to engage in social dialogue. The first contact in this regard usually comes from affected communities themselves. Examples of actions taken in 2024 to prevent, mitigate, or remedy negative impacts:

- Reconstruction and modernization of public infrastructure, e.g., road and pedestrian-cyclist path repairs, improved access to green areas, or revitalization of public spaces (e.g., establishing a pedestrian and vehicle access route at Osiedle Pastelowe construction site, fencing off and designating pedestrian traffic areas at the Sol Marina construction site, inventorying neighboring buildings at the Police Laboratory construction site in Poznań),
- Compensation for residents, e.g. in the form of additional investment in social services,
- Revising investment plans in response to community needs, e.g. by aligning projects with local land-use expectations,
- Environmental compensation measures if the negative impact concerned air pollution, noise or degradation of green spaces (these measures are always taken in agreement with the relevant services).

Assessment of the effectiveness of corrective actions to date is positive, as they have been effective in responding to the claims made and leading to exhaustion of claims.

Actions to mitigate production-related nuisances

TOPIC	Dekpol Foundation activities
Activities and resources [MDR-A]	• In planning pro bono activities, • Financial outlay depending on the contribution of subsidiaries.

Dekpol Foundation began its operations in September 2024. Its mission is to focus its activities on providing assistance to those in need, particularly financial support for employees and their families, as well as local communities in which companies belonging to the Dekpol Capital Group S.A. are actively operating. The Foundation focuses its efforts on issues related to health care, promoting physical activity, environmental protection, and supporting local communities. Its activities continue individual initiatives previously undertaken by the companies. Of the funds allocated to community-related activities, 37% came from Dekpol S.A., 34% from Dekpol Deweloper, and 28% from Dekpol Budownictwo. A single initiative took place at Dekpol Steel, accounting for 1%.

Individual actions taken by companies:

- Charity Picnic,
- Community Harvest Festival,
- Municipal Recitation Review,
- Sports and cultural event – Zblewo,
- WOŚP,
- Donation for flood victims,
- Fundacja Ukochani,
- Catering for fire fighters,
- Fire brigade,
- MINO Sports club,
- Pogoń-Tczew Sports club,
- Płyniemy Polsko scooter rally,
- Tablet for the fire brigade,
- WIETCISA Sports club,
- School Fund Programme Brześć Kujawski,
- 10-tablets for the Rescue and Firefighting Unit of the KP PSP in Pruszcz Gdański,
- Centaurus Foundation - design + construction permit,
- Foundations (Fundacja Dajemy Dzieciom Siłę, Fundacja MARE, Fundacja "Wystarczy chcieć", Stowarzyszenie Rodzin i Osób Niepełnosprawnych RAZEM, Stowarzyszenie Ochrony Zwierząt Ekostraż),
- Equipment for the fire brigade in Bydgoszcz,
- Fire Brigade from Pietrowice Wielkie,
- World Backyard Team Championships.

Actions taken by the Foundation:

- Rebuilding a house after a fire - private individual,
- Sports development - private individual,
- Equipment for a private individual,
- Costumes for a local band,
- House construction,

- Home for people suffering from violence,
- Event for children in hospitals,
- Hall renovation,
- A car for the hospice,
- Scholarship – private individual,
- Gifts for children,
- Sports equipment.

The total amount of the above activities amounted to PLN 497 178,22.

The Group expects the following results:

- Creation of positive relationships with the local community by supporting people in need,
- Creation of public confidence in the Dekpol Group by supporting community initiatives,
- Strengthening of the Dekpol Group's image as a patron of culture by enriching the cultural offer of the region,
- Strengthening local NGOs and social integration through supported initiatives,
- Improving the quality of education and supporting the development of students and schools,
- Improving fire safety and supporting the activities of volunteer fire brigades located in the vicinity of the Group's operations,
- Development of local sport and promotion of physical activity among residents.

In the upcoming year, activities within the Dekpol Foundation are also planned; however, these are not budget-based but incidental. Needs are submitted via an application form.

In 2024, no serious human rights issues or incidents related to affected communities were reported.

(S3-5) Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

1 TOPIC	Nuisances related to construction and production for communities living in the vicinity.
Goals [MDR-T]	No existing dedicated targets.

Dekpol Group is currently in the process of developing specific goals related to managing negative impacts, enhancing positive impacts, and addressing significant risks and opportunities for affected communities. For this purpose, e.g. results of the double materiality analysis conducted in 2024 will be utilized. These goals will be defined as a part of the sustainable development strategy currently being prepared. Work on the strategy has already begun and is expected to be completed within upcoming year. At this stage, there are no plans to involve representatives of affected communities in the process. Despite the absence of formal goals, actions are being taken to minimize negative impacts on affected communities. These are typically incidental events, and each situation is assessed individually within the context of a specific project, without being correlated to the company's overall operations.

2 TOPIC	Dekpol Foundation activities
Goals [MDR-T]	No existing dedicated targets.

Activities of the Foundation, in turn, support the Group in building the image of an organization engaged in life of the local community. The Foundation operates in accordance with established goals outlined in its official documents, although these goals are not formulated according to the SMART methodology.

(S4) Consumers and end- users

S4.SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The following material impacts occur **only within the company Dekpol Deweloper, which is responsible for processes related to consumers and end users**. Only in this organization have buyers of products and services who are natural persons been identified in the business model. **Buyers of residential units** are individual clients who purchase them either to meet their own housing needs or as an investment. Their experience and well-being can be significantly shaped by the way development projects are designed, executed, and serviced after the sale. Material impacts include, among others: quality and safety of residential units, timely completion of investment, compliance with declared standards, transparency of purchase process, and effectiveness of customer service during warranty period. These impacts may be direct (e.g., through the quality of unit's construction) or indirect (e.g., through actions of subcontractors and suppliers in the value chain).

Cooperation with end users takes place at the stage of purchase and continues after the handover of the unit throughout the entire warranty period, which includes:

- Stage of verification of the needs of notified consumers or end-users (individual time depending on needs from 1 day to six months),
- Pre-booking stage of the property to be purchased (approx. 1 month to six months, individual deviations possible),
- stage of conclusion of a binding agreement, i.e. real-estate development agreement/preliminary sales agreement (the time depends on the stage of the project implementation),
- Stage of redesign (during construction of the building),
- Interior design stage (approx. 10 weeks for an individual project),
- Hand-over stage (approx. one week before the hand-over date, arranging a hand-over date with the consumer/end user, hand-over takes a maximum of a few hours),
- Interior design implementation phase (approx. 20 weeks),
- Stage of sales agreements i.e. transferring ownership to the consumer/end user (from acceptance date of 1 day to approx. six months to conclusion of agreement)
- Warranty stage (5 years after hand-over of premises to the client).

1. MATERIAL TOPIC	S4 Consumers and end- users. Information-related impacts on consumers or end-users. Privacy.
Issue of impact	***Risks associated with processing of sensitive data*** Execution of property development agreements requires working with sensitive data of individuals. Contact with this data continues until the end of the warranty period which means a minimum of 5 years of data processing. Affects own operations.
Materiality assessment	Very high impact
Impact on people or environment	Negative, actual impact on people: consumers and end-users. The conditions associated with working on sensitive data create a risk of data leakage or inappropriate processing. Measures should be foreseen to minimize this impact.
Response and evaluation of time horizon	Data leakage or inappropriate processing has occurred in the past and happens today. The Company has taken several measures to mitigate the negative impact: - short, - medium and long term -> minimizing the impact by strictly adhering to data protection policies and all related procedures.
Impact-related risks	Regulatory risk - the company may process personal data of consumers or end users (home buyers). Lack of adequate safeguards or failure to comply with data protection legislation (e.g. GDPR) may lead to privacy breaches, resulting in the risk of data leakage, legal sanctions and reputational damage.

Responsibility	- Data Protection Officer at Dekpol Deweloper
Topics	• GDPR Trainings, • Incident and breach management, • Risk analysis, • Data protection policies and procedures.

2. MATERIAL TOPIC	S4 Consumers and end- users. Information-related impacts on consumers or end-users. Safety and health
Issue of impact	**Risks associated with the misuse or defects of building structures** The quality of construction products and development services delivered by the Group has a direct impact on the safety and usability of buildings. These structures are designed to last for 60 years, and in many cases, even longer. However, improper use can contribute to failures, defects, and faster depreciation of a costly product. Recognizing these risks and seeing opportunities within them, Dekpol Deweloper has for several years been working to improve the quality of constructed buildings and to raise user awareness regarding their proper use. The company has implemented a document called the "Design Standard," which guides investment project planning based on standards gathered and described from previous experiences. The aim is to build on past best practices and avoid flawed solutions. A similar approach to user safety is expected from its business partners; therefore, all Group companies that supply components for construction or carry out the construction phase also have appropriate quality control measures in place for their operations. This impacts the Group's own operations.
Materiality assessment	Very high impact
Impact on people or environment	Positive, actual impact on people and the environment. Proper use of a building is crucial for both safety and building's environmental durability. Improper operation can lead to increased CO_2 emissions due to the formation of thermal bridges and air leaks, frequent repairs, and in extreme cases, even the need to demolish the structure — which contradicts the principles of circular economy (CE) and emission reduction goals. On the other hand, the use of high-quality materials, controlled construction processes, and long-term, conscious use of the building help reduce the risk of failures, increase technical longevity of the structure, and enhance its market value.
Response and evaluation of time horizon	This impact is closely linked to the Group's strategy and business model, which emphasize appropriate quality and safety of its products. Actions to reduce negative impact: Short-, medium-, and long-term → leveraging opportunities
Impact-related risks	**1. RISKS:** In the property development and construction industry, there is an elevated risk associated with accidents on construction sites or improper use of buildings by end users. Faulty construction, poor workmanship, or low-quality materials can lead to accidents (e.g., falls, structural collapses), which in turn may result in serious compensation claims. **2. CHANCES:** Creation of competitive advantage through quality and safety – Dekpol can gain a market edge if it becomes known for high-quality products and a strong commitment to end-user safety. Offering safe, durable, and reliable products in both the construction and manufacturing sectors can attract more demanding consumers. This may lead to increased sales and customer loyalty, higher margins due to a stronger product reputation, and easier access to larger, more prestigious contracts.
Responsibility	• Director of the Investment Department (DDEW) - design stage, Director of the Execution Department (DDEW) - building erection stage, • Construction Manager at Dekpol Budownictwo - building erection stage, • Production Managers (production companies: Kombet, Betpref) - suppliers of the most important elements of the support structure
Topics	• Design processes, • Production processes for components of reinforced concrete structures,

- Implementation processes (erection),
- Use by consumers and end-users.

(S4-1) Policies related to consumers and end-users

1 TOPIC	Risks associated with processing of sensitive data
Policy/Procedure [MDR-P]	• Code of Business Conduct of the Dekpol Capital Group, • Personal Data Protection Policies (PODO), related procedures

The Capital Group does not have a separate policy with respect to human rights. However, Dekpol Group, in protecting sensitive data, follows the principles set out in the Code of Business Conduct, particularly the section titled "Principles of Human Rights and Social Justice – Human Rights," which emphasizes that:

"The Group supports and respects the principle of protecting human rights as recognized by international community in legal regulations, particularly in the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the International Bill of Human Rights, and does not participate in activities that constitute human rights violations."

In this context, protection of sensitive data — such as information about health, ethnic origin, beliefs, sexual orientation, marital status, or employment data — is treated as an expression of **respect for the right to privacy and individual autonomy**, in accordance with Article 12 of the Universal Declaration of Human Rights and Article 8 of the Charter of Fundamental Rights of the European Union.

Additionally, within **Personal Data Protection Policy (PODO)** of Dekpol Deweloper — as the organization that has a direct relationship with the consumer and end user — contains provisions on protection of sensitive data, which also reference international standards:

- OECD Guidelines: Chapter IV - Human rights, Chapter VIII - Consumer protection (including consumer privacy),
- UN Guiding Principles on Business and Human Rights: Principle 12: Respect for privacy as part of human rights,
- International Bill of Human Rights: Article 17 of the ICCPR: 'No one shall be subjected to arbitrary interference with his privacy...'.

The PODO (Personal Data Protection Policy) complies with the 2011 UN requirements, which emphasize the necessity of respecting human rights in business, specifically in the areas of personal data protection and the right to privacy. This compliance is monitored through audits, risk analyses, and data processing impact assessments, all of which are conducted in accordance with requirements of GDPR. Under PODO, the personal data of consumers and end users is processed in accordance with the GDPR and laws governing new technologies. These issues are taken into account in current processes, process changes, and planned processes. All contracts concluded with consumers comply with legal regulations in force in Poland. Due to the identified increased risk associated with personal data protection (working with individuals and processing large volumes of data), Dekpol Deweloper has appointed a Data Protection Officer. In other companies, these matters are handled by the KODO team (Personal Data Protection Coordination Team).

In the past, the company has recorded instances of non-compliance with the UN Guidelines on data protection. These violations were mainly due to employee errors in applying established security procedures and involved consumers. However, each incident was properly addressed.

The policies apply to all end users.

2 TOPIC	Risks associated with the misuse or defects of building structures
Policy/Procedure [MDR-P]	• Code of Business Conduct of the Dekpol Capital Group, • Design standard, • Procedures related to Company Quality Control, • Implementation standard (ISO certification, Dekpol Budownictwo quality control procedures).

Regulations supporting the application of policies:

- General instructions for the use of an Apartment and Common Property,
- Operating and Maintenance Manual for the Facility and the Outdoors and Associated Infrastructure,
- Contracts with consumers,
- Construction defect rectification procedure for property development projects – in preparation.

In fulfilling its responsibility for the safety of consumers and end users of buildings, the Dekpol Group follows principles set out in the Code of Business Conduct, particularly in the section "Principles of Human Rights and Social Justice – Human Rights," which highlights Group's commitment to respecting and supporting human rights recognized by international community.

In line with these principles, the **structural, functional, and operational safety of buildings** designed, constructed, and delivered by the Group is regarded as a part of **realization of human rights to live in a safe environment**. This applies in particular to the protection of:

- right to life and health (Articles 3 and 25 of the Universal Declaration of Human Rights, Articles 2 and 3 of the Convention on Human Rights),
- the right to the safe use of space (Principle 12 of the UN Guiding Principles on Business and Human Rights),
- corporate responsibility for the impact on end-users' lives (Chapters IV and VIII of the OECD Guidelines).

Potential risks resulting from improper use of buildings or hidden technical defects—such as installation failures, structural damage, thermal bridges, dampness, or limited accessibility for persons with disabilities—can lead not only to harm to health or property, but also to violations of users' dignity, right to privacy, comfort, and equal opportunities.

Therefore, in fulfilling its commitments under international guidelines, the Group undertakes preventive actions such as:

- use of high-quality materials and certified technology,
- supervision of the investment process,
- regular technical inspections,
- providing users with full documentation and operating guidelines,
- developing solutions to ensure accessibility and safety for all sections of society.

Execution standards ensure quality across construction site operations. Dekpol Budownictwo, as the general contractor for all property development projects in which Dekpol Deweloper is the investor, holds certifications under which it conducts its construction activities: PN-EN ISO 9001:2015-10 (Quality Management System), PN-ISO 45001:2018-06 (Occupational Health and Safety Management System), and PN-EN ISO 14001:2015-09 (Environmental Management System), in the following scope:

- design and execution,
- for building and industrial facilities,
- road works, waste disposal facilities, networks,
- sanitary installations and equipment.

Civil-law contracts in the form of notarial deeds are concluded with consumers as the basis for the sale of real estates. Regulations protecting consumer interests, as set out in the Act of May 20, 2021, on the Protection of Rights of Buyers of Residential Units and Single-Family Houses and the Developers Guarantee Fund (referred to as the "Developer Act"), are applied.

Dekpol Budownictwo, as the general contractor for all property development projects in which Dekpol Deweloper is the investor, conducts its operations in accordance with recognized international standards for quality, environmental protection, and occupational health and safety. The company holds the following certifications:

- **PN-EN ISO 9001:2015-10** – quality management system,
- **PN-ISO 45001:2018-06** – occupational health and safety management system (OHS),
- **PN-EN ISO 14001:2015-09** – environmental management system.

These certifications cover a wide range of activities, including design and construction of building and industrial facilities, roadworks, sanitary installations, as well as waste management facilities and utility networks. These standards serve as a guarantee of quality and safety at every stage of the construction project implementation.

In accordance with the adopted standards of quality and responsibility, at the time of handing over the unit to the buyer, Dekpol Deweloper also provides a complete set of operating documents, including:

- General instructions for the use of an apartment and common property,
- Operating and Maintenance Manual for the Facility and the Outdoors and Associated Infrastructure.

These documents contain detailed information on the proper use, servicing, and maintenance of the unit, common areas of the building, and site development, thereby supporting conscious and responsible property management by end users.

To improve service quality during the warranty period, Dekpol Deweloper and Dekpol Budownictwo are preparing a document titled "**Procedure for Handling Construction Defects for Development Projects**," which will regulate the process of handling warranty claims between the companies. The aim of this procedure is to streamline the claims handling process for end users, and it will come into effect in 2025.

Consumers or end users have not been involved in the development of these regulations—neither in the past nor in the future. The regulations are based on business experience, adopted business model, defect management statistics, and Net-Promoter Score (NPS) surveys.

All policies developed at the Group level are available on the website www.dekpol.pl or in the intranet for Dekpol Group employees. Upon request, any document can be made available to stakeholders by sending a website link or emailing a PDF file.

(S4-2) Processes for engaging with consumers and end-users about impacts

Risks associated with processing of sensitive data

In this area, the Group has not carried out and does not expect to carry out activities aimed at cooperation with consumers and end-users.

Risks associated with the misuse or defects of building structures

Currently, none of companies has implemented a cooperation process with this group regarding significant, actual positive impacts that affect or may affect these consumers or end users. Consumers and end users are not involved in the development of the business model or strategy. However, such cooperation is possible and depends on individual situation.

(S4-3) Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Risks associated with processing of sensitive data

In case of personal data breaches, a breach register is maintained, the status of proceedings is monitored, and an archive of documentation related to the breach is kept. Each reported breach is handled through a process involving relevant stakeholders. Reports are classified based on the outcome of data protection impact assessment. The effectiveness of corrective measures is assessed for each breach by the Supervisory Authority, particularly in cases where there is a medium or high likelihood of infringement of rights and freedoms of data subjects. A dedicated email address is available: rodo@dekpol.pl.

Information on personal data protection principles is published on the Dekpol Deweloper website and includes the following documents:

- Information on the processing of personal data in connection with the performance of Reservation Agreement,
- Information on the processing of personal data in connection with the performance of Preliminary Agreement,
- Information on the processing of personal data in connection with the performance of Real-Estate Development Agreement,
- Information on the processing of personal data in connection with the performance of Real-Estate Development Agreement under the new Act,
- Information clause on the protection of personal data provided by online platform operators,
- Offer presentation confirmation form of Dekpol Deweloper Sp. z o.o. by an intermediary,
- Information clause on the protection of personal data processed for marketing purposes,
- Grievances submission and handling policy,
- Processing of personal data of individuals with whom Dekpol Deweloper Sp. z o.o. corresponds.

Consumers can submit complaints via an online form or by contacting the Data Protection Officer (DPO) at Dekpol Deweloper through a dedicated email address. All submissions are reviewed, and responses are provided within the timeframe required by GDPR (usually within 30 days). The company analyzes user submissions and complaints to identify potential issues related to personal data protection. Together with other companies in the Group, Dekpol Deweloper plans to implement grievance mechanisms next year that ensure the anonymity of a complainant.

The organization follows a Procedure for Managing Data Security and Personal Data Protection Breaches. Remedial actions include sending an email to individuals whose data were leaked, informing them of the situation and offering an apology; providing guidance to the employee responsible for the breach; and conducting training for both the individual and entire department where the breach occurred. In data protection breach proceedings, individuals whose data security was compromised did not raise any objections. The supervisory authority successfully closed all inquiries, deeming measures taken as sufficient. The procedures to be followed in the event of a breach are described in relevant protocols, which are annexes to the Personal Data Protection Policy.

A personal data protection breach under GDPR is considered an event that serves as a basis for improving implemented data protection system. A breach notification provides the Data Controller with information on what needs to be corrected and improved in the process. The very receipt of a breach notification is itself a measure of GDPR implementation effectiveness (such notifications are most often submitted internally). In such situations, supervisory authority requires the Controller to carry out corrective and preventive actions, which are then subject to evaluation. When analyzing a breach, the Controller assesses its impact (risk-based approach). If the impact assessment indicates a high risk of violating rights and freedoms of the data subject—whose data confidentiality, availability, or integrity was compromised—then, under Article 34 of GDPR, the Controller has a legal obligation to notify the data subject of the incident. This notification gives the individual an opportunity to take additional protective measures (e.g., blocking their PESEL number in the mObywatel app, replacing an ID document, or activating monitoring with BIK). Under GDPR, there is no obligation to obtain a response or acknowledgment from the individual. The Controller does not require feedback to take corrective or preventive actions. Due to the purpose of notification, information must be sent to the data subject without delay, usually even before the breach report is submitted to the authority, which must occur within 72 hours of the incident.

Information provided to the data subject must include (as per Article 34 of GDPR): a description of the nature of personal data breach, the name and contact details of the Data Protection Officer or another contact point for further information; a description of likely consequences of the breach; and a description of measures taken or proposed by the Controller to address the breach. The data subject may contact the Controller at any time for further information, should they wish to do so.

Consumer involvement in evaluating channel effectiveness: effectiveness of corrective measures is assessed for each breach by the Supervisory Authority. This applies to situations where there is a medium or high likelihood of violating rights and freedoms of affected individuals. Consumers are not directly involved in this assessment.

In the context of responsibility for relations with consumers and end users, the Group is working on implementation of a comprehensive Grievance Procedure. This will allow consumers and end users to report irregularities, concerns, and breaches fully anonymously. The goal is to create a safe and accessible mechanism that protects whistleblowers from any form of retaliation or discrimination, while ensuring effective handling of submitted reports. Implementation is planned for the following year.

Risks associated with the misuse or defects of building structures

Channels for raising concerns offered by the entity to consumers or end users allow them to report their doubts and needs, such as phone numbers and email addresses available on company websites. In case of complaints in the property development sector, an additional channel has been launched:

- service hotline to report problems related to the use of the property.
- online reporting platform to electronically record defects and track the progress of their removal.
- Sales offices on the site of the development, where you can make comments and get support with information about the property as long as the last unit is not sold.
- Direct contact with the complaints department (Development Services Department at DDEW - DOI), which deals with complaints regarding the quality of housing and common areas.

Dekpol Deweloper does not involve consumers in evaluating effectiveness of concern-reporting channels.

In the future, the Group plans to implement a Grievance Procedure that will also cover consumers and end users and provide the possibility of anonymous reporting, modeled after whistleblower reporting procedure. Work on this policy began in 2024, with completion planned for 2025.

In addition to internal channels, third-party reporting mechanisms are also available, such as the Office of Competition and Consumer Protection (UOKiK) as well as courts.

Remedial processes and corrective measures for consumers

If it is determined that the company's activities had a significant negative impact on consumers or end users, the following actions are implemented:

- Repair of defects and technical faults under warranty obligations: the company provides a warranty for its developments in accordance with applicable regulations, ensuring a response to reported technical defects. For one investment completed in 2024, where the client was an investment fund, the warranty for over 415 units is valid for 10 years. Defect claims under the warranty are accepted in accordance with the Complaints Submission and Handling Policy, which is available on the publicly accessible company website.

- Compensation program: in justified cases, the company may offer consumers financial compensation, discounts, or other forms of support. For this purpose, an agreement is signed with the consumer.
- Adjustment of construction standards: implementation of improved technologies and materials to prevent similar issues in future projects through the application of design and execution standards.
- Strengthening handover and quality control procedures: implementation of additional inspection stages before the property is handed over for use.
- Support for consumers and end users: with regards to property use, e.g., through educational materials on building operation.

Monitoring and improvement of the systems takes place through:

- Regular “customer satisfaction surveys”: Customer feedback, including that of consumers, is periodically analyzed to identify areas for improvement (NPS surveys). In surveys conducted so far, B2B clients and individual consumers were not separated, so NPS results reflect feedback from both groups.
- Continuous monitoring of complaints and service requests, enabling early detection of recurring issues and implementation of corrective actions.
- Improved communication with consumers, including access to digital reporting platforms and a service hotline. The Group is consistently developing communication tools to ensure consumers have easy and quick access to information and an effective way to report needs and concerns. Currently, the VOX reporting platform is in operation, serving service and handover processes. As a part of ongoing improvement of after-sales service—particularly in the areas of handovers and warranty processes—implementation of new, advanced digital systems is planned for 2025:
    - Develogic – a platform allowing consumers to access sales documents, contracts and payment history,
    - Dalux – a dedicated module for handling defects tickets during the warranty period, integrating communication with the technical department and contractors.

Continuous improvement of its processes, adapting them to evolving regulations and market practices (standards, quality control, feedback, new IT tools).

(S4-4) Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Risks associated with processing of sensitive data

TOPIC 1	Risks associated with processing of sensitive data
Actions and resources [MDR-A]	• Risk analysis conducted on average once a year, • Corrective actions in accordance with procedures, • Insignificant financial expenditures in day-to-day operations; however, penalties may be imposed in the event of violations

The Group identifies actual risks related to the right to privacy (e.g., risk analysis, consultations, internal audits). It also monitors privacy-related risks through the analysis of data requests and audit outcomes.

In response to specific, significant negative impacts, Dekpol Group takes a multifaceted approach. It starts with design and quality actions: Design Standards (2024) are in place, along with 3D design, a BIM pilot program, a CDE platform, Material Approval Sheets, and Quality Assurance Plans.

In marketing and sales, a transparent Privacy Policy is applied, along with data notifications and property usage instructions provided upon handover.

Collaboration within the value chain is strengthened through membership in the Polish Association of Developers, creation of a Supplier Code of Conduct, external audits, and a system of contractual penalties and conditional payments for contractors.

The company has implemented risk analysis and Data Protection Impact Assessment (DPIA) processes to evaluate privacy risks for consumers when processing personal data. Risk analysis is updated annually. A proprietary Excel-based tool is used for this purpose, incorporating defined criteria. This analysis complies with the General Data Protection Regulation (GDPR), specifically Articles 32 and 25, and is also aligned with ISO 31000 standards. The scope of these activities includes both internal operations and the value chain. Procedures for identifying and assessing privacy risks for users have been implemented through:

- Risk analysis of personal data processing for all IT systems in which end-user data is processed,
- Data Protection Impact Assessment (DPIA), applied when implementing new technologies and processes,
- Audit of data processing activities, which identifies potential privacy risks.
- Supplier verification.

Corrective actions

In response to the risks, the following have been implemented:

- Procedures for reporting violations to the DPA within 72 hours,
- Training for employees,
- Technical safeguards such as encryption and two-factor authentication.

All of these actions support not only the environmental and technical efficiency of buildings but also fulfill the Group's commitment to respecting human rights throughout the entire life cycle of the building — in line with the spirit of the UN and OECD Guidelines.

In fulfilling these commitments, decisions related to construction standards and execution quality are made already at the investment planning stage, based on the Design Standard developed by Dekpol Deweloper, described in detail below. Manufacturing companies supplying precast reinforced concrete elements (Betpref, Kombet) implement quality control standards through Factory Production Control. These standards define steps taken to identify, assess, and mitigate any potential risks associated with their products and services. This includes conducting regular risk assessments to identify areas where companies' operations or the supply chain may impact the quality of produced accessories for construction machines or steel structures for the building industry.

Expected results

- Ensuring compliance with RODO and ISO 31000 standards for the processing of personal data.
- Minimizing the risk of breaching consumer privacy and avoiding legal sanctions.

- Increasing staff awareness of data protection.
- Efficient management of possible personal data breach incidents.
- Transparency towards consumers regarding processing of personal data.

Effectiveness monitoring:

In the area of personal data protection, a central unit has been established for the companies within the Dekpol Capital Group S.A. — namely, the Personal Data Protection Coordination Team (KODO). This team is responsible for risk analysis, education and awareness building, and monitoring compliance of personal data processing with legal requirements. The team conducts regular audits, analyzes complaints, and reports results to management and within ESG reports. Additionally, for Dekpol Deweloper, a Data Protection Officer (DPO) has been appointed. ESG coordinators have also been designated in each subsidiary, responsible for preparing the ESG report, which includes disclosures related to personal data protection.

Time horizons

- All activities are implemented during reporting period as a part of ongoing compliance management.
- Risk analysis carried out regularly - at least once a year.
- Audits and training take place periodically.
- DPIA implemented as required (e.g. when implementing new technologies).

In the group of companies from among of Dekpol S.A., 3 data protection breaches and 1 incident were recorded in 2024. For Dekpol Deweloper, there were 2 breaches and 0 incidents.

Risks associated with improper use or defects in construction facilities

TOPIC 2	Risks associated with improper use or defects in construction facilities
Actions and resources [MDR-A]	• Due Diligence analysis before starting the planning and prior to the construction phase of a development investment, • Quality control of precast reinforced concrete production at the plant, • Application of quality, health, safety and environmental control principles during the construction of the building, • Ongoing quality control of the planning, execution and handling of post-commissioning defects through the introduction of one consistent tool at all stages: CDE platform.

Actions are a part of the Group's own operations and may represent significant expenditures.

Currently, the Group does not have a comprehensive, coherent action plan for managing its impact on consumers and end users, risk management, or seizing material opportunities. However, it addresses individual areas identified as risks with appropriate actions tailored to the specific risk or opportunity.

Companies in the construction industry, including manufacturing companies that supply construction products, have identified significant, actual negative impacts on consumers and end users—namely, product safety and quality. Therefore, quality control departments in all production companies, particularly those producing construction products such as Betpref and Kombet, carry out ongoing monitoring to maintain the required quality of products manufactured by their facilities. At the same time, all customer feedback is analyzed in cooperation with sales departments (as customers act on behalf of consumers and end users, safeguarding their legitimate interests). The companies mitigate the risk of defective construction, poor workmanship, or the use of low-quality materials by implementing proper product quality control procedures and selecting materials that comply with the technical design.

The companies are currently developing standards for enforcing contractual requirements with external suppliers and partners, ensuring they adhere to strict guidelines related to safety, product quality, and procedures for responding to defect claims during warranty and guarantee periods. To develop and implement cross-industry standards (Supplier Code) for best practices in responsible marketing and product safety, the Group cooperates with other companies and industry associations, leveraging collective knowledge and resources of its business network to drive positive change (e.g., membership in the Polish Association of Developer Companies).

Actions improving the quality and safety of investment usage and reducing its defect rate

Due to the identified significant impacts on consumers and end users, the Group plans to adopt a systematic approach to **minimize the number of warranty defects and costs associated with their repair**. This is to be achieved through improvement of the quality of design and implementation stages, as well as through educational activities aimed at facility users.

Activities at the design stage will be focused on identification and elimination of defective solutions. In 2024, **Design Standards** were prepared as a result of many years of experience by the company Dekpol Deweloper. These allow designers to choose proven solutions. Implementation of these design standards began in 2025. Since 2024, all investments have been designed using 3D technology, and a pilot BIM model is being developed. Working with a model allows for elimination of collisions and ensures greater awareness in both design and coordination. It also streamlines design and construction processes. One of the most important guidelines is the use of reinforced concrete prefabrication technology. This increases execution quality (as prefabricated elements are produced under factory quality control conditions) and reduces the number of defects on-site (prefabricated elements are designed using 3D technology, which allows for minimization of collisions and errors already at design stage). Due to long duration of a building production process, improvement in quality resulting from implementation of BIM technology is expected to be materialized in medium- to long-term perspective.

Manufacturing companies supplying reinforced concrete prefabricated elements (Betpref, Kombet) implement quality control standards in the form of Factory Production Control. These standards define steps taken to identify, assess, and mitigate any potential risks associated with their products and services. This includes conducting regular risk assessments to identify areas where companies' operations or supply chains may impact the quality of construction machinery equipment or steel structures produced for construction industry.

Activities at the Implementation Stage

General contractor follows a range of good practices and principles related to occupational safety on construction sites and environmental protection. Additionally, for some projects, Dekpol Deweloper requires the contractor to prepare Quality Assurance and Work Execution Plans (PZJ). In upcoming years, the intention is to prepare appropriate documentation for every project. Furthermore, requirements for installed products are increasing. Investor expects Material Approval Sheets for every material and device incorporated into the building, which should also include a description of how to use the product and its performance characteristics.

Currently, both work stages (design and implementation) are carried out on a CDE (Common Data Environment) platform. In 2025, a module for handling defects during warranty phase will be implemented. This will ensure that coordination processes at each stage are controlled and clearly understood by all stakeholders involved in the investment process. CDE platform maintains order in construction documentation and in workflow for drawing approvals, helping to avoid execution errors. The platform is also used for handover works (e.g. fading works and final handovers), and each inspected element is documented with photographs, which protects interests of all parties.

The penultimate activity in management of quality and safety of building use by consumers is the handover process of each unit to the consumer. At this stage, a high-quality user manual is provided, including information on the use of building, development of the site, and the unit itself.

In order to manage effectively with the significant impact on consumers and end users, Dekpol Budownictwo established a Quality Assurance and Control Department, which is responsible for direct handling the complaint resolution process. An internal quality control process has also been implemented, under which Dekpol Budownictwo team verifies condition of the investment before it is handed over for warranty claim handling.

Expected outcomes of this process are to ensure the high quality of products offered and to eliminate defects reported during warranty period, which contributes to increasing the safety of end users.

Warranty claims are handled through the VOX system, which—as previously announced—will be replaced by the Develogic platform (for contracts and financial settlements) and the Dalux platform (for defect management during warranty period). Both systems provide comprehensive tools for managing quality and safety during warranty phase and for tracking the progress of complaint assessments and resolutions.

Effectiveness is monitored through:

- **Net Promoter Score Surveys (NPS):** A customer feedback system has been implemented (without distinguishing between individual and B2B clients), which allows for the collection of information about our consumers' experiences and preferences, as well as monitoring their sentiment-for example, through NPS (Net Promoter Score) surveys. In 2024, a total of 389 surveys were collected at various stages of customer interaction: First Contact (40), Reservation Agreement (42), Real-estate development/Preliminary Agreement (76), Final Notarial Deed (66), Handover (157), After several years (8). The NPS score in 2024 was 92.03%.
- **Number of defects:** as a part of complaint handling process, defects are recorded and analyzed. In 2024, a total of 2,258 claims were submitted. Of these, 1,255 were accepted by the general contractor. Additionally, 101 claims were accepted by Dekpol Deweloper but rejected by the general contractor; these defects were resolved directly by Dekpol Deweloper. As of the end of 2024, 15 claims were still under review. Due to individual circumstances related to defect resolution, 11 agreements were signed with property owners, which settled their claims in full. In line with ESG reporting standards, this type of breakdown will be introduced in following years.
- **Environmental quality monitoring** before and during investment and of the energy efficiency of buildings (energy performance certificate at the design stage and after execution).

Dekpol Deweloper is a member of the Polish Association of Developers. In the context of changing legislation, participation in such an association helps to educate the company’s employees.

The scope of key activities includes both the company’s own operations and its value chain.

These activities were carried out during reporting period (2024) and will be continued in upcoming years.

During reporting period, one court case was ongoing against Dekpol Steel. The case involved a workplace accident suffered by an employee of a B2B client, due to a defect in a product purchased from the company. As of the end of reporting period, the case had not yet been resolved. In addition, Dekpol S.A. was involved in an unresolved court case concerning compensation for decreased value of a residential unit. This case relates to a period prior to the separation of property development segment into Dekpol Deweloper.

(S4-5) Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Risks associated with processing of sensitive data

TOPIC 1	Risks associated with processing of sensitive data
Goals [MDR-T]	No set objectives in the strategy due to lack of strategy

Ratios (Indicators) with ESRS [MDR-M]	Number of incidents and breaches

The Group's objective is to ensure effective protection of consumers' personal data and compliance with legal regulations. The Group has not adopted any additional goals in this area. The purpose of actions taken is to minimize incidents related to personal data protection breaches. Despite the absence of specific sustainability-related goals, the organization undertakes activities in line with GDPR policies and procedures, which help to minimize risks. These risks are continuously monitored in terms of the number of breaches and incidents as well as effectiveness of their resolution.

Risks associated with improper use or defects in construction facilities

TOPIC 2	Risks associated with improper use or defects in construction facilities
Goals [MDR-T]	No set objectives in the strategy due to lack of strategy
Ratios (indicators) with ESRS [MDR-M]	• Y\y decrease in the ratio of complaints to units handed over, • Decrease in the ratio of complaints not taken into account by general contractor to the number of complaints reported;

During reporting period, the Group did not have any established objectives related to managing significant positive impacts or managing risks and opportunities associated with improper use or defects of construction facilities. Currently, all Group companies are in the process of developing goals and detailed tasks in line with ESRS requirements. At this stage, end users or their legitimate representatives are not involved in goal-setting process, nor in monitoring outcomes and drawing conclusions. However, the Group’s ambition is to:

- y\y decrease in the ratio of complaints to units handed over,
- decrease in the ratio of complaints not taken into account by general contractor to the number of complaints reported - particular ambition of Dekpol Deweloper.

When targets are set according to the SMART methodology, it is assumed that they should be in line with the Sustainable Development Goal (SDG):

Goal 3 – Good health and quality of life, through creation of spaces that support safe, healthy lifestyles, such as playgrounds, recreation areas and facilities for pedestrians and cyclists, and safe and healthy buildings.

(G1) Business conduct

(G1-1) Corporate culture and business conduct policies and corporate culture

The principles guiding the Group's business conduct are described in the Code of Business Conduct, which sets out expectations for employees and management regarding integrity, fairness, compliance with the law, and respect for the Group's stakeholders. Business partners are encouraged to adhere to principles outlined in the Code. The Code was developed by Dekpol S.A. as a Group-wide policy. Based on this Code, Dekpol Budownictwo and Dekpol Steel have implemented similar policies individually. Other entities will systematically implement either the Group policy or individual policies in upcoming years.

The corporate culture of the Dekpol Capital Group is shaped by aforementioned Code, as well as by other implemented policies, procedures, and regulations described below. To develop, promote, and evaluate this corporate culture, the Group communicates all newly implemented policies to employees using standard methods within companies—primarily via email. In addition, the Group publishes on its website those policies that extend beyond internal staff matters, such as the Code of Business Conduct.

The responsibility for implementation of policies and procedures lies with management board of each entity. Policies and procedures are adopted through resolutions of management board.

The following policies have been implemented in the Dekpol Capital Group in relation to identified significant sustainability issues:

1. Code of Business Conduct (KPB)

ESRS 2.MDR-P	
Description of key policy content	The Code introduces principles regarding both the respect for human rights (including ensuring proper working conditions and freedom of association, fair compensation, zero tolerance for discrimination, forced labour, and child labour), compliance with applicable legal regulations, as well as principles of ethical business conduct, including transparency in reporting, anti-corruption measures, prevention of conflicts of interest, anti-money laundering, fair competition, and honest marketing practices and customer offerings. Based on the Code, all employees are given equal opportunities according to their competencies, experience, and performance, regardless of gender, race, religion, age, disability, sexual orientation, nationality, political beliefs, trade union membership, or social or ethnic origin. All employees are treated with respect. Discrimination, physical or verbal harassment, criminal threats, and any form of exploitation, forced labour, or child labour are not tolerated.
Significant impacts, risks and opportunities addressed by the policy and monitoring process	The Code relates to identified significant impact of the Dekpol Capital Group's activities in the area of corporate culture, the principles of which it defines. A lack of sufficient managerial awareness regarding Dekpol's corporate culture has been identified. So far, no process has been implemented to monitor effectiveness of this policy.
Scope of application of the policy	All employees and co-workers of the organization are required to comply with provisions of the Code. The Code is also addressed to the Group's business partners, who are encouraged to follow ethical business conduct principles set out in the document. Provisions of the Code apply to key stakeholders of the Dekpol Capital Group, including employees, workers in the value chain, suppliers, local communities, customers, and end users of offered products.
Top level responsible for implementation of the policy	Management Board
Standards or third-party initiatives that the entity commits to comply with through the implementation of a policy	• OECD Guidelines for Multinational Enterprises, • UN Guiding Principles on Business and Human Rights, • International Bill of Human Rights.

Inclusion of key stakeholders in the policy-setting process	• Code of Business Conduct was not consulted with key stakeholders, nevertheless, takes into account their interests by: • clear identification of key stakeholder groups and their interests, • a mechanism for reporting deviations from its provisions, • taking proper account of expectations and, • principles of transparency and accountability.
Method of making the policy available to stakeholders	Code, as a document that extends beyond its own workforce, is published on the website under the link: https://dekpol.pl/kodeks-postepowania/
Entities within the Group that have implemented the policy	The Code is a Group document.

2. MAR Regulations

ESRS 2.MDR-P	
Description of key policy content	MAR regulations include: • Regulations governing the execution and notification of transactions by persons discharging managerial responsibilities and persons closely associated, • Regulations for the performance of information duties and the circulation and protection of confidential information.
Significant impacts, risks and opportunities addressed by the policy and monitoring process	MAR regulations relate to an identified negative impact in the form of absence of a professional compliance department within the Group to oversee adherence to these regulations. This is associated with an identified regulatory risk arising from non-compliance with legal requirements in the area of reporting. Effectiveness of implemented regulations is monitored through identified violations or the lack thereof, particularly violations reported by the Polish Financial Supervision Authority (KNF).
Scope of application of the policy	The MAR regulations apply to all employees and co-workers of the Dekpol Capital Group, especially those with access to material (inside) information.
Top level responsible for implementation of the policy	Management Board
Standards or third-party initiatives that the entity commits to comply with through the implementation of a policy	Regulation (Eu) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on Market Abuse.
Inclusion of key stakeholders in the policy-setting process	Regulations were not consulted with key stakeholders, such as stock market investors. However, they were developed to protect their interests by ensuring equal access to material information and fairness of transactions, in accordance with requirements of the Warsaw Stock Exchange (GPW) and the Polish Financial Supervision Authority (KNF).
Method of making the policy available to stakeholders	Regulations are available on the internal website of Dekpol S.A.
Entities within the Group that have implemented the policy	Dekpol S.A. as a company listed on the WSE.

3. Procedure for whistleblower reporting

ESRS 2.MDR-P	
Description of key policy content	Procedure provides a confidential channel for reporting legal violations, including the option for anonymous reporting, and ensures protection of whistleblowers' identities. It also guarantees that every report will be thoroughly investigated without risk of retaliation against the whistleblower. The procedure defines, among other things, responsibilities of individuals handling reports, available reporting channels, requirements for the content

	of the report, as well as rules for receiving and processing reports. It also outlines the possibility of making external reports and public disclosures.
Significant impacts, risks and opportunities addressed by the policy and monitoring process	Procedure addresses an identified negative impact resulting from the failure to implement procedure across all Group entities, despite a legal obligation to do so. Consequently, regulatory and financial risks have been identified, in the form of potential financial penalties or legal proceedings initiated by affected employees. Moreover, if the company fails to implement effective whistleblower protection mechanisms, employees may be discouraged from reporting irregularities. This could lead to concealment of unlawful or unethical activities, such as financial fraud, improper environmental practices, or abuse of employees. Effectiveness of the procedure will be monitored by analyzing incoming reports, particularly those that are deemed valid.
Scope of application of the policy	Procedure is addressed not only to employees of the Dekpol Capital Group, but also to other individuals who possess information about a legal violation in a work-related context.
Top level responsible for implementation of the policy	Management Board
Standards or third-party initiatives that the entity commits to comply with through the implementation of a policy	• Directive (Eu) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law, OJ. EU. L. of 2019. No. 305 p. 17, • Act of 14.06.2024 on the protection of whistleblowers, Dz. 2024.928 of 24.06.2024.
Inclusion of key stakeholders in the policy-setting process	Procedure has been consulted with staff representatives of entities that have implemented it.
Method of making the policy available to stakeholders	Implementation of the procedure, as well as the procedure itself, was communicated to all employees using standard method for conveying such information. Additionally, it was made available on internal websites of the respective entities and on their public websites, along with a link enabling submission of a report: • Dekpol S.A.: https://dekpol.pl/sygnalisci-dekpol-sa/ • Dekpol Budownictwo: https://dekpol.pl/generalne-wykonawstwo/o-firmie/sygnalisci/ • Kombet: https://sygnaapp.pl/system-zgloszen-wewnetrznych/kombet-dzialdowo/ • Dekpol Deweloper: https://dekpoldeweloper.pl/sygnalisci/
Entities within the Group that have implemented the policy	Dekpol Budownictwo and Kombet - 2024; Dekpol S.A. and Dekpol Deweloper - 2025.
ESRS 2 - reason for not adopting the policy and the timeframe for its implementation	Dekpol Steel, Intek, Betpref are in implementation process of the policy, which is scheduled for 2025. The failure to implement the Procedure across all Group entities in 2024 was due to a prolonged employee consultation phase.

4. IT security procedures

ESRS 2.MDR-P	
Description of key policy content	IT security procedures include: • IT systems security, including backups, periodic security testing, system reviews and maintenance. • Management of personal data processing rights and password management. • Acceptance of third-party software and rules on the use of private telephones for business purposes. • Issuing, returning and reporting the loss of company computer equipment or telephone.
Significant impacts, risks and opportunities addressed by the policy and monitoring process	Procedures operate within the corporate governance framework of the Dekpol Capital Group and address potential negative impacts on Group's stakeholders, such as internal staff, workers in the value chain, consumers, and end users, through failure to fulfill obligation to protect whistleblowers' identities or the personal data of aforementioned stakeholders:

	• G1 - Business conduct - whistleblower protection and corporate culture - regulatory risks associated with whistleblower data protection and compliance, • S4 - Information-related impacts on consumers or end-users - Privacy - Regulatory risks associated with the processing of personal data, • Effectiveness of procedures is monitored through the number of reported incidents or violations of RODO and violations within the whistleblower channel.
Scope of application of the policy	Procedures apply to all employees and co-workers of the Dekpol Capital Group.
Top level responsible for implementation of the policy	Management Board
Standards or third-party initiatives that the entity commits to comply with through the implementation of a policy	No direct standards, however, indirectly linked to: • Regulation (Eu) No 596/2014 of the European Parliament and of the Council on Market Abuse. • Regulation (Eu) No 596/2014 of the European Parliament and of the Council on Market Abuse. • Regulation (EU) 2016/679 of the European Parliament and of the Council (GDPR), • Act of 10 May 2018 on the protection of personal data.
Inclusion of key stakeholders in the policy-setting process	Procedures have been developed by the internal content team and consulted with legal department and GDPR team.
Method of making the policy available to stakeholders	Documents are available on the internal website of Dekpol S.A.
Entities within the Group that have implemented the policy	Procedure implemented at Dekpol S.A. as applicable to Dekpol Capital Group, as an entity providing IT services to subsidiaries.

Anti-bribery and corruption policy

Dekpol Capital Group does not have an anti-corruption or anti-bribery policy in place that complies with United Nations Convention against Corruption. At this time, there are also no specific plans or timelines for implementing such policies in the future.

The Group has not implemented a procedure for the prompt, independent, and objective investigation of incidents related to business conduct, including corruption and bribery incidents.

Disclosure of whistleblower protection

Despite the lack of dedicated whistleblower protection procedures implemented across all Group companies, th Dekpol Capital Group maintains internal reporting channels as a part of its work regulations and Code of Business Conduct. The Group is committed to independent investigation of incidents related to business conduct.

In those Group entities that have implemented a whistleblower protection procedure, the following protections are provided to whistleblowers: possibility to submit anonymous reports, confidentiality of data related to the report, and protection against retaliation. Reports can be submitted via a dedicated system that ensures te aforementioned protections, enables efficient case handling, and allows for communication with the whistleblower. This system is accessible through websites of the Group's entities via a dedicated link:

- Dekpol S.A. https://dekpol.pl/sygnalisci-dekpol-sa/;
- Dekpol Budownictwo https://dekpol.pl/generalne-wykonawstwo/o-firmie/sygnalisci/
- Dekpol Deweloper https://dekpoldeweloper.pl/sygnalisci/
- Kombet https://sygnaapp.pl/system-zgloszen-wewnetrznych/kombet-dzialdowo/.

Procedures include rules for taking follow-up actions in response to reports submitted by whistleblowers. The Group does not currently conduct dedicated whistleblower protection training for all employees. However, employees responsible for handling reports have been trained in reports handling.

At present, the Group does not offer internal training on business conduct. In 2025, training on the Code of Business Conduct is planned for newly hired employees. In subsequent periods, regular training sessions on the Code are planned for all employees.

Employees with access to inside information receive annual training on MAR Regulations.

Individuals with access to personal data undergo biannual training on GDPR Policy and cybersecurity.

Disclosure of functions within the enterprise that are most exposed to the risk of corruption and bribery

Procurement departments of the Dekpol Capital Group companies are particularly exposed to the risk of corruption and bribery due to frequent interactions with suppliers and involvement in high-value transactions. A similar risk applies to sales departments, especially when the bonus system is performance-based, as well as to finance department—in the context of loan agreements, insurance policies, and payment processing. There is also a risk among individuals with access to inside information, both under Regulation (EU) 596/2014 and those with access to proprietary or client project documentation. Additionally, the risk extends to management boards and senior executives due to their decision-making and strategic responsibilities.

(G1-2) Management of relationships with suppliers

In selection of suppliers and cooperation with them, Dekpol Capital Group is guided by its Code of Business Conduct, which encourages the Group's suppliers to adhere to the ethical principles outlined in the document.

Some Group entities evaluate their suppliers and use these assessments to select preferred partners.

- As a part of its Integrated Management System Manual, Dekpol Budownictwo evaluates suppliers based on the following criteria: quality, timeliness of deliveries to date, payment terms, quality and environmental certificates held, Quality Assurance System in place, proposed lead times, opinions on a given supplier, compliance with OSH and environmental protection requirements and compliance with design and technical documentation.
- Dekpol Deweloper, although it does not have an ISO system in place, takes the following into account when selecting and evaluating suppliers: possession of required permits and licenses, submission of required documents and statements prior to commencement of cooperation.

Production entities of the Dekpol Capital Group focus on building long-term relationships with suppliers, verifying delivered products—particularly in terms of quality and durability—and require delivery of appropriate certificates at the time of delivery.

In the supplier selection process, Dekpol Capital Group takes into account social and environmental criteria as described above.

The Group identifies supply chain risks, especially social risks, arising from non-compliance with regulations concerning human rights. At the same time, the Group recognizes its potential impact on workers in the value chain, particularly in relation to working conditions, equal treatment, equal opportunities, and other labour rights, including issues such as child labour and forced labour. Through contractual arrangements with suppliers—including deadlines and delivery terms—Group entities may inadvertently contribute to violations of these rights at upstream of the supply chain. Due to identified risks and impacts, in 2024 the Group began working on a Code of Supplier Ethics. A working group was established, consisting of representatives from all Group entities. Implementation of this Code in supplier relationships is scheduled for 2025. To mitigate negative impacts and identified risks, the Group is also implementing a Whistleblower Procedure, which provides an open channel for reporting violations, and is planning to implement a Grievance Procedure in 2025, which will offer a broader scope of reportable issues.

Currently, Dekpol Capital Group does not have a formal policy to prevent payment delays, but it complies with legal regulations regarding prevention of excessive delays.

G1.MDR-A Minimum disclosure requirement - Actions and resources in relation to material sustainability matters

Actions taken during reporting year regarding identified significant impacts, including those aimed at minimizing significant risks in the area of business conduct, include:

- Raising awareness of sustainable development – Dekpol Budownictwo conducts regular training sessions and environmental audits in accordance with ISO 14001 and analyzes its results. Corrective actions are implemented where necessary. This is a recurring activity and will be continued in upcoming years. Through this initiative, the company aims to minimize the risk of non-compliance with legal regulations, foster a culture of responsibility, and identify areas for optimization, including cost savings and reduced operational expenses. It also presents a reputational opportunity for the company in its relationships with investors and financial institutions.

In order to further minimize identified material risks in the area of business conduct, the Group plans to take the following actions in 2025:

- Establishment of a dedicated compliance department, as well as regular analysis of applicable legal regulations and implementation of adaptation measures in response to legislative changes — implementation is scheduled for 2025. This action is primarily aimed at reduction of risk of non-compliance with legal regulations.
- Implementation of the Code of Supplier Ethics, which will serve as the foundation for establishing supplier evaluation systems in those entities that have not yet conducted such assessments — followed in subsequent years by creation of a sustainable supply chain management system. The Group plans to implement the Code of Supplier Ethics in 2025, with additional actions to follow in upcoming years. Through this initiative, the Group aims primarily to minimize its potential negative impact on respect for human rights within its supply chain. As of reporting date, the Group does not yet have sufficient knowledge in this area, and such knowledge is crucial when making decisions about cooperation with individual suppliers.
- Implementation of legally compliant whistleblower protection procedures in remaining companies of the Group. This action is scheduled for 2025, primarily in response to applicable legal regulations and the risk of financial penalties associated with failure to implement such procedures.
- Implementation of a Grievance Procedure, which will broaden the scope for reporting violations covered by existing procedures — both in terms of types of stakeholders involved and categories of reportable issues. The Group plans to implement this procedure in 2025 as a complement to the Whistleblower Policy, which is currently limited in terms of who may submit a report and what types of violations can be reported through it. The Grievance Procedure is intended to cover the Group's key stakeholders and a wide range of potential violations. The Group expects that this will enable it to gain timely insight into irregularities, allowing for rapid response and resolution.
- Initiation of business ethics training within the Dekpol Capital Group – introduction of a requirement for newly hired employees to familiarize themselves with the Code of Business Conduct starting in 2025, with plans to extend the training to all employees in subsequent years as a part of a recurring training program. The aim of these trainings is to increase awareness among internal staff regarding principles that guide the Group's operations.

Activities planned in 2025 in specific Dekpol Capital Group companies:

- Betpref-WKS, Betpref-ZPP, Kombet, Dekpol Steel and Intek: supplier evaluations will be implemented in accordance with the Code of Supplier Ethics, along with training sessions and informational panels for other stakeholder groups, particularly employees and customers. The aim of these activities is to enhance awareness and knowledge of sustainability issues within the value chain,

- Betpref-WKS, Betpref-ZPP, Kombet, Dekpol Steel and Intek: in 2025, implementation of a contracting procedure is planned, which will define, among other things, principles and timelines for payments as well as conditions for entering into agreements with suppliers. Its objective is to improve supply chain management and minimize the risk of payment delays.

Minimum information the company intends to disclose (as a part of the plan under development) in the context of business conduct-related activities includes:

- ethical and anti-corruption procedures: disclosure of the "zero tolerance" policy toward corruption, procedures for preventing conflicts of interest, and principles of transparency in procurement processes,
- risk management systems: description of implemented methods for identification and assessment of risks related to operational activities, including legal and reputational risks,
- control and monitoring mechanisms: information on internal audits, ethics training, and systems for monitoring compliance with applicable regulations,
- transparency of business processes: disclosure of contracting procedures and methods of communication with stakeholders, which allows for the assessment of alignment between actions and declared values.

In accordance with the above, the scope of key activities concerns Group's operations and the upstream value chain, mainly suppliers located in Poland and affected stakeholder groups, with plans to extend to earlier stages of the upstream value chain in subsequent years.

The double materiality analysis and this statement are being prepared by the Dekpol Capital Group for the first time, hence there is a lack of quantitative and qualitative information regarding progress on actions or action plans disclosed in previous periods.

During reporting period, Dekpol Capital Group did not specify action plans nor allocate specific resources for managing significant sustainability issues, including those related to business conduct. Such plans will be developed as a part of sustainability strategy in 2025. However, the Group does not anticipate significant operating expenses or capital expenditures associated with planned activities.

G1.MDR-T.1 Minimum disclosure requirement - Actions and resources in relation to material sustainability matters

During reporting period, Dekpol Capital Group did not develop measurable sustainability goals, including those related to business conduct. These goals will be developed as a part of the sustainability strategy in 2025. After their implementation, the Group will be able to assess the expected outcomes.

(G1-6) Payment practices

Dekpol Capital Group strives to ensure timely payment settlements. Payment terms are specified in agreements with suppliers or in orders. The Group has also established a dedicated team (within Debt Collection and Operational Support Department of Dekpol S.A.) responsible for monitoring and managing payment processes.

Delays in payments do occur within the Group. In such cases, Group companies act in accordance with the Group's established practices. According to these practices, payment for due and undisputed invoices is made only after submission of a complete set of documents to the protocol, as specified in the contract. Contractors are promptly informed of any formal deficiencies and are required to remedy them, which means payment deadline depends on fulfilling this condition.

Additionally, to minimize the risk of future payment delays, production companies within the Dekpol Capital Group are in the process of developing a Contracting Procedure.

Payment practices in place during reporting year across all companies of the Dekpol Capital Group:

- no uniform payment terms, these are agreed individually with each supplier,
- standard provision in supplier contracts is the law regarding interest notes, which allows any invoice issuer to charge the company interest after the payment deadline has passed.
- main categories of Dekpol Capital Group suppliers: material suppliers, service providers, subcontractors, others — not belonging to any of previously mentioned categories (e.g., local government administration),
- geographical areas from which Dekpol Capital Group suppliers originate: Europe, Asia, North America.

	Betpref-ZPP Betpref-WKS	Kombet	Dekpol Steel	Intek	Dekpol Deweloper	Dekpol Budownictwo	Dekpol S.A.
Average payment time (all) in days	13	6	20	18	32	10	27
Standard payment period (materials) in days	14	17	32	24	53	31	10
Average payment period (materials) in days	14	6	20	19	16	9	35
Standard payment period (services) in days	19 - 26	22	22	73	12	16	13
Average payment period (services) in days	12 - 19	9	21	18	17	20	24
Standard payment period (subcontractor) in days	17	15	19	24	14	28	17
Average payment period (subcontractors) in days	15	5	29	23	34 (clients) and 16 (local government administra-tion)	8	11
Standard payment period (other) in days	6	0	21	17	8	26	No data
Average payment period (other) in days	30	0	17	10	32	13	
Number of payments	6230	2561	8740	4080	9373	65245	No data
Number of compliant pay-ments	950	1049	1191	593	2000	25715	No data
Percentage of compliant	15%	41%	14%	15%	21%	39%	No data
Number of proceedings	1	0	0	1	0	12	No data

Description	Value
Total number of payments in 2024	3162
Number of payments complying with standard payment terms in 2024	903
Percentage of payments complying with standard payment terms	44%
Number of unresolved legal proceedings (concerning payment disputes)	2

The above calculations use actual data on payments made in 2024. Therefore, no representative sample was applied.

In Dekpol Budownictwo (DBU), payments are also project-based, meaning that payment deadlines agreed with suppliers are strictly dependent on payment terms agreed with investors. It may happen, that investors delay their payments, which influences entity's ability to settle its obligations on time.

Mariusz Tuchlin
President of Management Board of Dekpol S.A.

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

Michał Skowron
Vice-President of Management Board of Dekpol S.A.

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

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