

Current report no. 24/2016

Date of issue: 2016-11-14

Abbreviated name of Issuer: DEKPOL S.A.

Subject: Conclusion of agreement concerning general execution of multifamily buildings in Milanówek

Legal basis: Art. 17 sec. 1 MAR (Market Abuse Regulation) – inside information.

Content of report:

Management Board of Dekpol S.A. ("Issuer") announces that on 14 November 2016 entered into contract with ISLAND Sp. z o.o., headquartered in Warsaw ("Purchaser"), concerning construction works and general contracting services ("Agreement") of investment project, consisting of four multifamily buildings in an organized housing estate with underground parking lots and necessary infrastructure in Milanówek ("Object").

The purpose of an agreement is to build comprehensively the "turnkey" object and to put it into use in favor of the Purchaser. Agreement's net value parties agreed in the amount of approx. 8% of net sales revenues of Dekpol Capital Group for the year 2015.

Agreement has been concluded for a time of execution by Issuer of all arising obligations, but not later than 30 September 2018, however agreed term may be extended due to the lack of obtainment by Purchaser of investment financing until the day of 31 March 2017. In addition, failure in obtainment of financing within this term, creates for each party the right of termination of Contract, nevertheless, the Purchaser shall pay for work already done by Issuer.

In case of Issuer's delay regarding the date of execution of construction works enabling final acceptance to be done by Purchaser in the above mentioned date, the Issuer will pay the Purchaser contractual penalty of 0.01% of net flat-rate remuneration for each day of delay. In case of withdrawal from Agreement by Purchaser for reasons attributable to the Company, Issuer acquires a claim for payment of contractual penalties in the amount of 10% of net flat-rate remuneration. The sum of all contractual penalties from all titles under agreement may not exceed 10% of net flat-rate remuneration. Other conditions of agreement do not differ from standard conditions foreseen in this types of agreement.