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Abbreviated name of Issuer : DEKPOL S.A.

Subject : Conclusion of an annex to the agreement concerning cooperation at execution of works relating to construction of "Na Fali" housing estate in Gdynia

Legal basis : Article 17 section 1 MAR (Market Abuse Regulation) – inside information.

Content of report:

Management Board of Dekpol S.A. („Company”, „Ordering Party) announces, that today concluded with Pozbud T&R S.A. (“Contractor”) an annex to the agreement on cooperation (“Agreement”) concerning execution of construction works relating to construction of “Na Fali” housing estate in Gdynia consisting of a complex of five residential buildings (“Investment”).

The annex widens the subject of Agreement from execution of a part of works into execution as a general contractor of a project called “Multifamily Residential Building B1, B2, B3, B4, B5 Kosakowo, Tadeusza Kościuszki Street – Na Fali”. Construction works will be carried out from materials and by use of machines delivered by the Contractor.

Fixed remuneration amount for execution of currently agreed range of works has been estimated for the value of net PLN 21 million (initial value of the contract amounted PLN 2 million). In case of change in range of works, the remuneration value will change. Contractor is obliged to perform works as mentioned in the Agreement within timeframes resulting from the agreed schedule, nevertheless completion of obligations resulting from the Agreement has been planned for 30th of September 2018.

In case of delay in execution of works or in case of defects removal, Contractor will pay the Ordering Party the contractual penalty in the amount of 0,5% of net remuneration for each day of delay during the first seven days, and then in the amount of 1,0% of net remuneration for each another day. Moreover, each contracting party may claim the payment of contractual penalty in the amount of 10% of net remuneration in case of withdrawal from the agreement due to reasons attributable to the counterparty. Claiming as well as payment of contractual penalty does not exclude to claim compensation on general principles.

Contractor will provide the Ordering Party with 36-months guarantee on all works performed by the Contractor. The Contractor is obliged to remove all notified defects within 3 working days from notification day but not later than until 10th day starting from notification date. In case of violation of the above mentioned deadlines, the Ordering Party is entitled to delegate the removal of defects to the 3rd party or its self-execution at the expense of the Contractor. In such cases, the Ordering Party will charge the Contractor with the costs and the contractual penalty in the amount of 10% of net value.

Other terms of Agreement do not differ from terms generally used in such type of agreements.

Within the investment „Na Fali” the Company aims to build entirely 220 flats of a total usable area of 10,3 thousands of m². The project will be carried out in the 3rd quarter of 2018, and the first premises will be handed over in the 4th quarter of 2017. Estimated net value of the project amounts PLN 48,8 million. As of the day of publication of this report, the Company concluded already 163 preliminary agreements for purchase of apartments put into sale.