

Current report no. 62/2017

Date of issue: 2017-11-15

Abbreviated name of the Issuer: DEKPOL S.A.

Subject: Purchase of shares in company and conclusion of investment agreement relating to execution of the real-estate development project in Wrocław

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

Content of report:

Management Board of Dekpol S.A. („Company”, „Issuer”) announces, that on 15<sup>th</sup> of November 2017 concluded with present shareholders an agreement of purchase of shares consisting jointly 61,9% of shares in the company Smartex Sp. z o.o. („Smartex”). The above mentioned shares have been purchased for the value of PLN 4,8 million in total. Smartex is the owner of the land property of an area of 0,6 ha located in Wrocław at Braniborska Street („Property”).

In addition, on 15<sup>th</sup> of November 2017, the Issuer concluded with the natural person (the owner of 37,7% of shares in Smartex company („Shareholder”)) an investment agreement, as a part of which the parties aim to perform together real-estate development project consisting in construction on the Property of an object with residential-commercial functions of a targeted area of a dozen thousands or so m<sup>2</sup>, as well as sales or rental of constructed in this object apartments and commercial premises. The investment will be performed by established for this purpose by parties limited partnership („SPV”), which shall obtain construction permit for the object. The Issuer will be the general contractor for this investment. In accordance with provisions of the investment agreement, until 30<sup>th</sup> of September 2023, the Issuer will purchase from the Shareholder 37,7% of shares in Smartex Company, while the right to real-estate property will be transferred on the established SPV. As a target, the Company will own approximately 90% of shares in profits and losses generated by SPV.

In connection with the above mentioned, as of today the Company concluded with the Shareholder a preliminary agreement, based on which, the Parties are obliged to conclude the promised sales agreement for the benefit of the Company of 37,7% of shares in Smartex company owned by the Shareholder for gross amount of PLN 11 million in total. Preliminary Agreement has been concluded under suspensive conditions, which consist, among other things, in conclusion by parties of preliminary limited partnership agreement („SPV”) and reception of the final decision concerning land development conditions for the property, as well as construction permit. Suspensive conditions have been reserved for the benefit of the Company. The promised agreement will be concluded within 1 month since the date of fulfillment of the last suspensive condition, however in case of lack of fulfillment of conditions until 30<sup>th</sup> of June 2023, the Company will be entitled to withdraw from the Agreement within next 6 months.