

Current report no. 31 / 2018

Date of issue: 2018-05-17

Abbreviated name of the issuer: DEKPOL S.A.

Subject: Conclusion of a construction agreement with Panattoni Europe Sp. z o.o.

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

Content of report:

Following current report no. 4/2018 dated 18th of January 2018 and no. 19/2018 dated 28th of March 2018 concerning the selection of DEKPOL S.A. ("Company", "Issuer") as the general contractor for the execution of structural works concerning construction of two storage buildings in Gdańsk ("Investment"), the Management Board of DEKPOL S.A. informs that on 17th of May 2018 received a signed by Panattoni Development Europe ("Investor", an entity that took over the rights and obligations related to the implementation of the Investment from Panattoni Europe sp. z o. o.) contract for construction works ("Agreement").

The subject of the Agreement includes the construction of two storage buildings with a social and office part with an area of approx. 16.6 thousand m² and 25.1 thousand m² of accompanying facilities, internal roads, paved squares and parking lots with the necessary infrastructure. Completion of construction works as well as reception of use permit for the first storage building (in connection with which the Company shall get net remuneration in the amount of about 5% of revenues of Dekpol Capital Group for year 2017, calculated according to the exchange rate of EUR to PLN dated 16th of May 2018) shall follow until 30th of July 2018. After completion of the above mentioned stage, the Ordering Party shall within 8 months to inform the Company about starting of the second stage of works regarding another building, for which the Company is entitled to a net remuneration of approx. 5% of revenues of the Dekpol Capital Group for year 2017, calculated according to the exchange rate of EUR to PLN dated 16th of May 2018. If the Investor confirms the commencement of construction of the second building after 30th of January 2019, the Issuer is entitled to request the Investor to increase the remuneration for works related to this building, and if the parties do not sign an appropriate annex to the Agreement, the Company is entitled to submit to the Investor a statement of resignation about the execution of the second building.

The Agreement includes provisions concerning contractual penalties in case of delays in execution of construction works. Total number of contractual penalties cannot exceed 20% of remuneration value. The investor may claim supplementary compensation on general terms. In case of refusal of granting earlier access to the completed part of the facility and signing the protocol regarding the status of works, the Investor may terminate the Contract with immediate effect and / or demand a payment of a contractual penalty in the amount of 15% of remuneration, regardless of any limitations to the contractual penalties. The aforementioned contractual penalty does not exclude the possibility of seeking additional compensation by the Investor in accordance with general legal principles.