

Current report no. 34/2019

Date of issue: 2019-11-20

Abbreviated name of the Issuer: DEKPOL S.A.

Subject: Conclusion of a letter of intent with Iglotex S.A

Legal basis: Article 17 Section 1 MAR – confidential information.

Content of report:

The Management Board of Dekpol S.A. ("The Issuer") informs that on 19th of November 2019 in the evening it concluded with Iglotex S.A. ("The Ordering Party") a letter of intent regarding the selection of the Issuer as the General Contractor for the implementation of works consisting in the design, agreement and construction of a production and storage facility in Skórcz ("Facility").

Pursuant to the general terms and conditions of the contract specified in the letter of intent, the Issuer shall finish the completion of the Facility and obtain the occupancy permit by 30th of July 2020. The value of the Issuer's net remuneration for the execution of the Facility has been set at around 10% of the Issuer's Capital Group sales revenues for year 2018.

The general contracting agreement is to be concluded by 31st of January 2020. Due to the commencement of works after the conclusion of the letter of intent, in case of non-signing the contract in the abovementioned deadline, the works will be suspended and the Ordering Party will be obliged to pay for the works performed and costs incurred.

The letter of intent contains the provisions agreed for the purposes of the contract regarding contractual penalties due in case of, among others delays in construction, as well as in the removal of defects. In the event of withdrawal by the Ordering Party from the contract for reasons for which the Issuer is responsible, the penalty shall be at 12% of net remuneration. The maximum amount of contractual penalties for non-performance or improper performance of the contract by the Issuer may not exceed 10% of the net remuneration.