

Current report no. 41/2019

Date of issue: 2019-12-09

Abbreviated name of the Issuer: Dekpol S.A.

Subject: Conclusion of an agreement regarding the construction of a warehouse and production center in Rumia at Działkowców street

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

Content of report:

With reference to current report No. 29/2019 of 3<sup>rd</sup> of October 2019 regarding the conclusion of a letter of intent with Tricity North Sp. z o.o. ("Tricity") the Management Board of Dekpol S.A. ("Issuer", "Company", "Contractor") informs that on 9<sup>th</sup> of December 2019, the Company received a bilaterally signed contract for construction works ("Agreement") covering the execution and commissioning of a warehouse and production center with office and employee facilities and with a guardhouse and pumping station, in Rumia at Działkowców Street, with a total area of approx. 45,000 sq m. The Issuer shall complete the investment and obtain an occupancy permit by March 2020.

The Company's net remuneration for the investment is approx. 8% of the Issuer's Capital Group revenues for 2018 (converted at the euro exchange rate of 9<sup>th</sup> of December 2019).

The agreement provides for a number of contractual penalties, including in case of a delay for reasons attributable to the Contractor resulting in a delay in meeting the deadlines for completion of works, a delay of the so-called early access, deadlines indicated in the schedule and deadlines for removing defects, with the limit of the listed penalties being 10% of the contract price. In addition, the parties to the Agreement have the right to demand payment of a contractual penalty of 10% of the contract price for withdrawal from the Agreement for reasons attributable to the other party to the Agreement. The parties have the right to claim supplementary compensation for damages up to the full amount of the damage. The issuer may entrust subcontractors with some construction works, however he is responsible for their actions and omissions as for his own. The Agreement contains provisions regarding the right to withdraw from the Agreement by Tricity, including if the Contractor fails to perform any of his significant duties in accordance with the schedule, the Contractor will carry out work in a manner that violates the provisions or if due to force majeure or third party actions the project implementation becomes impossible or the schedule will be shifted by at least 3 months.