

Current report no. 34/2020

Date of issue: 2020-11-16

Abbreviated name of the Issuer: DEKPOL S.A.

Subject: Conclusion with Kallisto 14 Sp. z o.o. of the promised agreement in terms of sales of the property in Swaróżyn

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

Content of report:

Following current reports no. 18/2020 dated 17th of July 2020, as well as current report no. 46/2019 dated 23rd of December 2019 regarding conclusion with Kallisto 14 Sp. z o.o. (“Buyer”, “Ordering Party”) of preliminary agreement in terms of sales of the property (“Preliminary Agreement”) and the general contracting agreement of the investment (“GC Agreement”) and the annexes to the above mentioned agreements, Management Board of Dekpol S.A. (“Issuer”, “Seller”, “General Contractor”) announces, that on 16th of November 2020 in execution of the Preliminary Agreement concluded with the Buyer the promised agreement of sales of the right to land property developed with the building in Swaróżyn of a total area of approx. 14,6 ha (“Property”) and the right to design documentation (“Promised Agreement”).

The property, which is the subject of the Promised Agreement includes Property 1 and Property 2 (according to the designation used in the above-mentioned current reports) together with Building 2 (warehouse and office building) erected thereon, realized as part of the 1st stage of the investment and the expenditure incurred by the Issuer for the construction of Building 1 (construction in progress). The conclusion of the Promised Agreement completes the 1st stage of the investment. Currently, the parties will continue cooperation under the second stage of the investment under the GC Agreement, which, in connection with conclusion of the Promised Agreement, entered into force today and provides for continuation of Building 1 and implementation of Building 3, while the execution of Building 3 has not been initiated by the Ordering Party so far.

The net sale price of the Property developed with Building 2, together with expenditures incurred for construction of Building 1 (construction in progress) and the rights to design documentation amounts over 9% of revenues of the Issuer's Capital Group for 2019, of which more than a half is the value of the above-mentioned outlays on works performed so far related to construction of Building 1 on the Property. Other works related to further implementation of Building 1 and implementation of Building 3, in the total amount of approx. 4% of the revenues of the Issuer's Capital Group for 2019, will be settled on the basis of the GC Agreement. Pursuant to annex to the General Contracting Agreement concluded today, completion date for Building 1 was postponed to February 2021 (the current date was November 2020). The completion date for Building 3 has been set on 8 months from informing Contractor about initiating the commencement of works on Building 3.