

Current report no. 11/2021

Date of issue: 2021-03-09

Abbreviated name of the Issuer: DEKPOL S.A.

Subject: Conclusion of a preliminary contract for the implementation and sale of a residential project in Wrocław

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

Content of report:

Management Board of Dekpol S.A. ("Issuer") informs that on 9th of March 2021, the Issuer's subsidiary - Dekpol Inwestycje sp. z o.o. Braniborska sp.k ("Seller") concluded a preliminary sale agreement ("Preliminary Agreement") with the institutional investor ("Buyer"), pursuant to which:

- the Seller undertook to implement a residential investment on a property located in Wrocław at Braniborska street, which is a multi-storey residential building with a total area of approx. 18 thousand m² with accompanying infrastructure ("Investment"),
- the Sellers and the Buyers undertook to conclude a contract for the transfer of rights to the Real Estate together with the completed Investment (Promised Agreement) for the total price being the equivalent of approx. 20% of the consolidated revenues of the Dekpol Capital Group for 2019 ("Price").

The condition for the conclusion of the Final Agreement is, in particular, the signing of the final investment acceptance protocol. Financing of individual stages of the Investment will be carried out by the Buyer in the form of an advance (10% of the Price), and then advance funding (forward funding). The completion of the Investment and the signing of the Final Agreement is planned for the second half of 2023.

The Preliminary Agreement contains provisions on contractual penalties due in case of, inter alia, delays in the implementation of the Investment. The maximum total amount of contractual penalties has been set at a few percent of the Price. Each party has the right to withdraw from the Preliminary Agreement in the event of a material breach of obligations by the other party. If the Buyer withdraws from the Agreement for reasons attributable to the Seller, the Seller shall reimburse the Buyer for all amounts paid by the Buyer towards the Price, and the down payment will be refunded in double amount.

The Preliminary Agreement includes a formal condition that is to be met in the current month of 2021. If it is not met, the Issuer will inform about it in the form of a current report.

The Issuer informed about the signing of the letter of intent regarding the planned sale in the current report No. 26/2020 of 1st of October 2020 and in subsequent reports, on the extension of the deadline for the conclusion of the preliminary agreement (the last one - No. 6/2021 of 1st of February 2021), and about the investment agreement regarding the Real Estate - in the current report No. 62/2017 of 15th of November 2017 and 39/2020 of 22nd of December 2020.