

Current report no. 31/2021

Date of issue: 2021-07-21

Abbreviated name of the Issuer: DEKPOL S.A.

Subject: Conclusion of the general contracting agreement on construction of a production plant in Lithuania

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

Content of report:

Following current report no. 29/2021 dated 9<sup>th</sup> of July 2021 in terms of selection of a subsidiary as the general contractor for the investment in Lithuania, Management Board of Dekpol S.A. ("Company", "Contractor") announces that on 21<sup>st</sup> of July 2021 was informed that Press Glass UAB based in Lithuania ("Ordering Party") had signed an agreement with the Company (being a party to the contract in place of a subsidiary) on performance as a general contractor of construction works consisting in construction of a production plant with development, infrastructure and accompanying facilities and other elements indicated in the project, located in the Special Economic Zone in Kaunas, Lithuania ("Agreement").

Under Agreement, the Company will also perform other agreed activities, including preparation of executive and as-built documentation.

The deadline for implementation of the subject of Agreement has been set for June 2022. The total net remuneration of the Company for performance of the above-mentioned investment has been set at approx. 8% of revenues of the Capital Group of the Company for 2020 (converted at EUR exchange rate as at 21<sup>st</sup> of July 2021).

The agreement provides for contractual penalties, inter alia in case of delays in performance of the Agreement and delay in removal of defects and faults. In addition, the parties of Agreement have the right to demand payment of a contractual penalty in the amount of 10% of the contract price for withdrawal from Agreement for reasons attributable to the other party to the Agreement. The maximum value amount of contractual penalties may not exceed 10% of remuneration. The parties are entitled to claim compensation for the damage in full, on general terms. Each party has the right to withdraw from the Agreement in cases specified in the Agreement. The contractor is entitled to subcontract some of the works.

Pursuant to the Agreement, the parties agreed that the final contractor for the subject of Agreement will be Dekpol Budownictwo Sp. z o.o. after obtaining relevant authorizations to conduct business activities in the field of construction works in Lithuania.