

Current report no. 23/2018

Report date:

16 May 2018, 10:51 AM

Abbreviated name of the Issuer

DOM DEVELOPMENT S.A.

Subject:

**Major general contracting agreement entered into with Dom Development Construction Sp. z o.o.,
a subsidiary of the Issuer**

Legal basis:

Art. 17 par. 1 item 2 of the Market Abuse Regulation – inside information

Report content:

The Management Board of Dom Development S.A. with its registered office in Warsaw (the “Company”) announces that on 16 May 2018 an agreement concerning the development of the “Żoliborz Artystyczny” residential project in the area of Rydygiera street in Warsaw was signed by the Company with Dom Development Construction Sp. z o.o. with its registered office in Warsaw, a 100% controlled subsidiary of the Company.

The net fee to be paid to Dom Development Construction Sp. z o.o. for the completion of the object of the said agreement is PLN 353 112 355.00 (in words: three hundred and fifty-three million one hundred and twelve thousand three hundred and fifty-five zlotys) plus applicable VAT.

The “Żoliborz Artystyczny” project to be developed under the agreement involves three phases:

- Phase I: (261 residential units and 12 retail units), with the building works to commence in Q2 2018, and to be completed in Q4 2019;
- Phase II: (467 residential units and 22 retail units), with the building works to commence in Q1 2019, and to be completed in Q3 2020;
- Phase III: (472 residential units and 22 retail units) with the building works under this phase to commence in Q2 2020, and to be completed in Q4 2021.

The commencement dates for Phase II and III may be accelerated at the request of the Company.

The total for the liquidated damages may not exceed 15% (fifteen percent) of the contractual fee for the completion of the object of the said agreement. The Company has the right to seek damages in excess of the stipulated liquidated damages. The provisions of the agreement do not differ from standard ones commonly used in such agreements.

Information about the said agreement has been classified by the Management Board as inside information, because of the large value for the scale of the Company and as it is the first agreement that was entered into with Dom Development Construction Sp. z o.o. as a part of project development diversification strategy of the Company which had been announced by the Management Board in current report no. 11/2018 of 22 March 2018.

Signatures of the persons representing the Company

Jarosław Szanajca, President of the Management Board

Janusz Zalewski, Vice President of the Management Board