

Current Report No. **8/2018**

Report Date:

21 February 2018; 1:36 PM

Abbreviated name of the issuer:

DOM DEVELOPMENT S.A.

Subject:

Execution of a material agreements with a general contractor

Legal basis:

Article 17.1 of the Market Abuse Regulation – inside information

The Report:

The Management Board of Dom Development S.A. with its registered seat in Warsaw (the "Company"), hereby informs that, on 21 February 2018, the Company and Budimex S.A. with its registered seat in Warsaw entered into an agreement regarding the construction, on a general contractor basis, of phase II of the "Marina Mokotów II" housing investment ("Phase II") in the Mokotów district in Warsaw.

The net remuneration payable to Budimex S.A. for the completion of the above-mentioned agreement amounts to PLN 125,881,577.48 (in words: one hundred and twenty-five million, eight hundred and eighty-one thousand, five hundred and seventy-seven Polish zloty and forty-eight grosz) net which will be increased by VAT due with respect thereto.

Moreover, on 21 February 2018, the Company and Budimex S.A. have signed an appendix to the agreement from 27 June 2017 regarding the construction, on a general contractor basis, of phase I of the "Marina Mokotów II" housing investment ("Phase I") in the Mokotów district in Warsaw. By virtue of this appendix, the net remuneration payable for the completion of the above-mentioned agreement amounts to PLN 112,200,351.89 (in words: one hundred and twelve million, two hundred thousand, three hundred and fifty-one Polish zloty and eighty-nine grosz) net which will be increased by VAT due with respect thereto.

Phase I will comprise of 306 flats and 13 commercial units. The construction of this phase will be commenced in the second quarter of 2018 and will be completed in the fourth quarter of 2019.

Phase II will comprise of 430 flats and 14 commercial units. The construction of this phase will be commenced in the third quarter of 2018 and will be completed in the second quarter of 2020.

The total value of contractual penalties cannot exceed 12% (twelve percent) of the value of the remuneration payable for the completion of the above-referenced agreements. The Company has the right to seek damages in excess of the reserved contractual penalties. The terms and conditions of said agreement do not differ from the generally applied standards for this type of agreement.

The information about said agreements was qualified by the Management Board as insider information due to the substantial total value, compared to the Company's scale, and the size and value of the project. Moreover, the Management Board of the Company informs that the value of all concluded contracts with Budimex S.A. amounts to PLN 238,081,929.37 (in words: two hundred and thirty-eight million, eighty-one thousand, nine hundred and twenty-nine zloty and thirty-seven grosz) net.

Signatures of persons representing the Company:

Janusz Zalewski – Vice President of the Management Board

Małgorzata Kolarska – Vice President of the Management Board