

Current Report no. 62/2015

Issue date: 2015-10-19

Issuer's abbreviated name: Dekpol S.A.

Subject: Allocation of D series bonds

Legal basis: Article 56 (1) (2) of the Act on Public Offering – current and interim information

Report content:

With reference to the current report, no. 60/2015 dated 2 October 2015, regarding the decision of the Management Board of Dekpol S.A. ("Company", "Issuer") with respect to the issuing of D series bonds ("Bonds"), the Company's Management Board announces that on 19 October 2015 it received information that following a final settlement by the National Depository for Securities of the acquisition of the Bonds issued on 16 October 2015, 350 thousand secured bearer D series bonds, with the nominal value of PLN 100 each and a total nominal value of PLN 35 million ("Bonds"), have been allocated. The issue price of one Bond was PLN 100.

Bonds were issued:

- to enable the Issuer to repay loans granted to the Issuer by Bank Spółdzielczy in Skórcz and SGB-Bank S.A. under loan agreement no. Z/50/DZ/2011 dated 29 December 2011 as well as loan agreement no. Z/168/2007 dated 21 May 2007, presented in the Issue Prospectus of Dekpol S.A. and approved by the Polish Financial Supervision Authority on 27 November 2014. The banks' claims thereunder against the Issuer were secured with mortgages specified therein; however, for the said repayment the Issuer will earmark funds raised from the issue amounting to not less than PLN 11.16 million (equivalent to the balance of the nominal value of the loans as of 31 August 2015) plus interest thereon,
- to raise funds for the current operations of the Company, including the construction of the Almond hotel at ul. Toruńska in Gdańsk.

The Bonds are negotiable and bear interest based on the 3M WIBOR rate plus a margin determined on arm's length terms. Interest on the Bonds will be paid quarterly (the interest period). The Bonds do not involve any non-financial performances. Redemption of the Bonds is due on 16 October 2018. The Bonds will be redeemed on the redemption date by the Issuer paying the nominal value of each Bond plus interest thereon to the bondholders. The Bonds may be redeemed earlier at the request of the bondholders on the terms and conditions and in situations specified in the Terms and Conditions of Bond Issue ("TCBI"), including situations where the Issuer defaults on the performance of its obligations under the Bonds or defaults on the ratios related to the Issuer's financial standing and debt specified in the TCBI. The Bonds may also be redeemed earlier at the request of the Issuer at the end of the fourth interest period at the earliest. The Issuer intends to apply for the Bonds to be introduced into the alternative trading system.

In order to secure claims resulting from the Bonds, the Issuer's subsidiary Almond Sp. z o.o. will establish a contractual mortgage of up to PLN 52.5 million on the right of perpetual usufruct of the real property located in Gdańsk at ul. Toruńska, where the construction

project is underway comprising the construction of the Almond hotel. The valuation of the subject of the mortgage made by a valuer as of the mortgage date, i.e. 3 September 2015, is PLN 53.9 million.

The Issuer's Management Board announces that as of the last day of the quarter preceding the publication of a proposal to acquire the Bonds by not more than four months, i.e. as of 30 June 2015, the Issuer had total liabilities estimated at PLN 176.06 million. Prospects for the amount of the Issuer's liabilities until complete redemption of the Bonds envisage maintaining liabilities in an amount adjusted to the scale of operations. In the opinion of the Issuer's Management Board, the Company is capable of meeting its obligations arising out of the Bonds issued.

By issuing the Bonds, the Issuer will raise funds to complete its project comprising the construction of the Almond hotel. Moreover, it will be able to modify its debt structure.

The nominal value of the Bonds issued exceeds 10% of the Company's equity.