

Current Report No. 68/2015

Date Prepared: 27 November 2015

Issuer's Abbreviated Name: Dekpol S.A.

Subject: Allocation of E1 series bonds

Legal basis: Article 56, section 1, item 2 of the Act on Public Offering – current and interim information

Content of the Report:

Referring to current report no. 65/2015 of 11 November 2015 concerning the decision on the E series bond issue programme, the Management Board of Dekpol S.A. ("Company", "Issuer") announces that, on 27 November 2015, it passed a resolution on the allocation of 10,000 negotiable secured bearer E1 series bonds with the total nominal value of PLN 10 million ("Bonds") for the benefit of Pioneer Bonds – Dynamic Allocation Open-End Investment Fund and Pioneer Open-End Investment Fund. The Bonds are issued to obtain funds for the construction of a multi-family residential building with retail parts on a plot of land on Jaglana Street in Gdańsk ("Investment Project").

The issue price and nominal value of one bond is PLN 1 thousand. The Bonds confer the right to cash payments only. The Bonds bear interest at the 3M WIBOR rate plus the margin. Interest will be paid on a quarterly basis. The redemption of the Bonds is due on 27 November 2019. The Bonds will be redeemed by the payment of the principal amount equivalent to the nominal value of one Bond for each Bond by the Issuer for the benefit of the bondholders.

The Bonds will be subject to obligatory early redemption contingent upon the sale of residential and commercial premises and garages built as part of the Investment Project on the terms and conditions set forth in the Bond Issue Terms and Conditions. The Bondholder is obliged to submit a request for early redemption to the Issuer in the event there is the basis for early redemption as defined in the Bond Issue Terms and Conditions, including but not limited to the following cases: the Issuer does not meet the bond obligations on time, the Issuer allocates funds from the Bonds contrary to the purpose of the issue or the Issuer sells the premises being the subject of the Investment Project at a price lower than the one specified in the Bond Issue Terms and Conditions. The Bonds may also be subject to early redemption at the request of the Issuer, not earlier than after 24 months from their allocation.

The Bonds will be secured by a contractual mortgage established by the Issuer up to the highest sum equivalent to PLN 15 million for the benefit of the mortgage administrator, BSWW TRUST Sp. z o.o. ("Mortgage Administrator"), on the Issuer's perpetual usufruct right to the real estate situated at 3 Jaglana Street, and the escrow account agreement concluded between the Issuer, Mortgage Administrator and DNB Bank Polska S.A. The subject of the mortgage has been valued by an authorised expert at PLN 26.8 million. Moreover, the Company will submit declarations of submission to enforcement for the benefit of the bondholders and a declaration of submission to enforcement for the benefit of the Mortgage Administrator.

The value of obligations incurred by the Issuer as of 30 September 2015 amounts to PLN 184.2 million. It is envisaged that the amount of the Issuer's obligations until the complete redemption of the Bonds will be maintained at a level adjusted to the scale of operations undertaken by the Issuer. The Issuer's obligations will be maintained at a safe level. The Management Board of the Issuer assesses that the Company is capable of fulfilling the bond obligations. The enterprise co-financed through the issue of bonds will result in the construction of a multi-family residential building with retail parts on the plot of land on Jaglana Street in Gdańsk intended for sale.