

Current report no. 69/2015

Date prepared: 18 December 2015

Issuer's Abbreviated Name: Dekpol S.A.

Subject: Allocation of C3 series bonds

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

Content of the Report:

Referring to current report no. 34/2015 of 29 May 2015 concerning the decision of the Management Board of Dekpol S.A. ("Company", "Issuer") on the bond issue programme, the Management Board of Dekpol S.A. announces that on 18 December 2015 it passed a resolution to allocate 9,000 secured bearer C3 series bonds, not having the form of a document, with the nominal value of PLN 1,000 each and the total nominal value of PLN 9 million ("Bonds") for the benefit of the following funds: Pioneer Open-End Investment Fund and Pioneer Bond – Dynamic Allocation Open-End Investment Fund.

The Bonds were issued at an issue price equivalent to their nominal value. The bonds are negotiable and secured, and bear variable interest based on the 3M WIBOR rate plus the margin. Interest on Bonds will be paid quarterly. The Bonds confer the right to cash payments only. Redemption of bonds is due on 19 June 2019. The Bonds will be redeemed by the payment of the principal amount plus interest by the Issuer for the benefit of the bondholder.

Bonds are issued to obtain funds for the execution by the Issuer of an investment project consisting in the construction of a residential building with service premises on the plot at Jaglana Street in Gdańsk ("Investment Project").

The Bond securities consist of the following:

(i) a contractual mortgage of up to the highest amount equal to PLN 13.5 million, established for the benefit of the mortgage administrator on the Issuer's right of perpetual usufruct of the Real Estate, located in Gdańsk at ul. Jaglana, about which the Issuer gave notification in current report no. 37/2015. The subject of the mortgage has been valued by an authorised expert at PLN 26.8 million.

(ii) an escrow account agreement guaranteeing that the cash flow of the Company as part of the Investment Project, including, among other things, funds obtained from the issue of the Bonds and sale of premises as part of the Investment Project, be controlled in such a way that funds on the escrow account may be dedicated solely to purposes related to the implementation of the Investment Project and the redemption of the Bonds together with due but outstanding interest.

(iii) a statement of the Issuer on the submission to enforcement pursuant to Article 777 § 1 item 5 of the Code of Civil Procedure with regard to the cash liabilities of the Issuer resulting from the Bonds, submitted to individual purchasers of the Bonds, up to 150% of the nominal value of the Bonds they hold and entitling them to submit an application for appending the enforcement clause by 31 December 2019.

(iv) a statement of the Issuer for the benefit of the mortgage administrator on submission to enforcement pursuant to Article 777 § 1 item 5 of the Code of Civil Procedure with regard to the mortgaged real estate in order to meet the outstanding liabilities resulting from the Bonds. The statement gives authorisation to submit an application for appending the enforcement clause by 31 December 2019.

The value of the 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.