

Current report no. 4/2016

Date of preparation: 01.02.2016

Abbreviated name of the issuer: DEKPOL S.A.

Subject: Allotment of class E2 bonds

Legal basis: Article 56(1)(2) of the Public Offering Act – Current and Interim Information

Report content:

With reference to current report no. 65/2015 of 11 November 2015 regarding decision on the class E bond issue programme, the Management Board of Dekpol S.A. (“Company”, “Issuer”) hereby reports that on 1 February 2016 it adopted a resolution on allotting 10,000 transferrable covered class E2 bearer bonds of a total par value of PLN 10 million (“Bonds”) to Pioneer Obligacji – Dynamiczna Alokacja Fundusz Inwestycyjny Otwarty and Pioneer Fundusz Inwestycyjny Otwarty. The purpose of the Bond issue is to obtain funds for the construction of a residential multi-family building with commercial premises on the plot at ul. Jaglana in Gdańsk (“Investment”). The issue price and the par value of a single Bond is PLN 1,000. The Bonds give rights to cash benefits only. The Bonds bear interest according to the WIBOR 3M interest rate plus the margin. Interest will be paid on a quarterly basis. Redemption of bonds is due on 27 November 2019. The Bonds will be redeemed via payment of the principal amount, i.e. the amount equal to the par value of one Bond, by the Issuer to the bondholders.

The Bonds will be subject to mandatory earlier redemption contingent upon the sale of flats, commercial premises and garages built within the Investment on the terms as defined in Bond Issue Terms (“BIT”). A bondholder has the right to demand earlier redemption from the Issuer if there are grounds for earlier redemption as per the BIT, including in this case: the Issuer's failure to fulfil the obligations under the Bonds within the stipulated deadlines, the Issuer's use of the funds under the Bonds for purposes other than the purpose of the issue or sale of the premises within the Investment by the Issuer at a lower price than that specified in the BIT. The Bonds may also be redeemed earlier if so requested by the Issuer, but no earlier than 24 months after their allotment date.

The Bonds will be covered by contractual mortgage up to the maximum amount of PLN 15 million, established by the Issuer on 12 January 2016 (current report no. 1/2016) for the mortgage administrator – BSWW TRUST Sp. z o.o. (“Mortgage Administrator”) on the Issuer's perpetual usufruct right to the real property situated in Gdańsk at ul. Jaglana 3 and via an escrow account agreement between the Issuer, the Mortgage Administrator and DNB Bank Polska S.A. The value of the land property at ul. Jaglana 3 established by a certified appraiser, covering the perpetual usufruct right to the land and the ownership of the building in the condition as at 27 February 2015, was PLN 26.8 million. The value of the perpetual usufruct right in the Company's business records is PLN 18 million. Furthermore, the Company has filed a declaration on submitting to enforcement to the benefit of the bondholders and a declaration on submitting to enforcement to the benefit of the Mortgage Administrator.

The value of the Issuer's obligations as at 30 September 2015 was PLN 184.2 million. The prospects regarding the Issuer's obligations until full redemption of the Bonds assume that the obligations will remain at a safe level, appropriate to the scale of the Issuer's operations. According to the Issuer's Management Board, the Company is capable of honouring its obligations arising from the Bonds issued, and the undertaking co-financed via the issue of the Bonds will yield an outcome in the form

of a multi-family residential building with commercial premises on the plot at ul. Jaglana in Gdańsk intended for sale.