

Current report no. 7/2016

Date of issue: 2016-04-01

Abbreviated name of the issuer: Dekpol S.A.

Breach of conditions for the issue of D series bonds

Legal basis: Article 56 Paragraph 1 Point 1 of the Act on quotations – confidential information

Report contents:

In relation to current report no. 62/2015 of 19 October 2015 on the issue of D series secured bonds (Bonds), the Management of DEKPOL S.A. (Company) announces the occurrence of an event described in the conditions for the issue of the Bonds, which event constitutes the basis for the earlier purchase of the Bonds, namely about the lack of the update of the entries in the I-O section of the land and mortgage register maintained for the property which is the subject of the investment in the form of the construction of the Almond hotel (Property), which update should have consisted in removing from this section buildings that have been demolished.

The Company announces that the land and mortgage register already contains the land marking as urban areas, either undeveloped or during the process of development. In spite of the disclosure of the entry mentioned above, the Court has not removed the buildings from the I-O section of the land and mortgage register. On this account, the Company has again submitted a request for the correction of the I-O section of the register, namely for removing all the already disclosed buildings. The removal has not yet occurred. The Company has submitted a written request to the Court for quickening the entry (removal). At the moment the Company is awaiting the entry mentioned above by the court.

As many as 350,000 D series Bonds were issued on 16 October 2015 as coupon secured bearer bonds with a variable interest rate and nominal value of 100 PLN each. The maturity of the Bonds is scheduled for 16 October 2018. The Issuer timely fulfils all obligations derived from the Bonds issued.