

Current report no. 17/2016

Date of issue: 2016-07-29

Abbreviated name of Issuer: DEKPOL S.A.

Subject: Allocation of E3 series bonds

Legal basis: Art. 17 sec. 1 MAR (Market Abuse Regulation) – inside information

Content of report:

In reference to current report No. 65/2015 dated 11 November 2015 regarding decision on bonds issue program of series E, Management Board of Dekpol S.A. ("Company", "Issuer") announces that on 29 July 2016 adopted a resolution on allocation of transferable, secured bearer bonds of series E3 with a total nominal value of PLN 10 million ("Bonds") for Pioneer Fundusz Inwestycyjny Otwarty with its registered office in Warsaw, subfunds Pioneer Obligacji Plus, Pioneer Pieniężny and Pioneer Pieniężny Plus.

The purpose of bonds issue program is to raise funds for the execution of second stage of construction of multifamily residential building with services parts on the building plot at Jaglana Street in Gdańsk. The bonds shall bear interest at the interest rate equal to WIBOR 3M plus margin. The redemption date falls on November 27, 2019.

Bonds are secured by conventional mortgage up to the maximum amount of PLN 15 million, established by the Issuer on 12 January 2016 on granted to Issuer perpetual usufruct on the property located at Jaglana Street 3 (Current Report No. 1/2016), as well as by entering into agreement of escrow account between the Issuer, the mortgage administrator and the bank. In addition, the Company shall submit declarations of submission to execution in favor of bondholders and a declaration of submission to execution in favor of mortgage administrator.

At the same time, on 29 July 2016, the Issuer has entered into an agreement with Pioneer Fundusz Inwestycyjny Otwarty and Pioneer Obligacji – Dynamiczna Alokacja Fundusz Inwestycyjny Otwarty on changes in conditions of bond issue program of series C and E, according to which the funds allocated on escrow accounts relating to bonds of series C could be used also for the redemption of series E bonds, as well as funds held in escrow account relating to series E bonds could also be used for the redemption of series C bonds.