

Current report no. 20/2016

Date of issue: 2016-08-04

Abbreviated name of Issuer: Dekpol S.A.

Subject: Allocation of C4 Series bonds

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

Content of report:

In reference to current report No. 34/2015 dated 29 May 2015, concerning decision of Management Board of Dekpol S.A. ("Company", "Issuer") on adoption of bond issue programme, Management Board of the Company informs that on 4 August 2016 adopted resolution on allotment of 9,500 units of transferable secured bearer bonds of series C4 in non-document form with total nominal value of PLN 9.5 million ("Bonds") to the following funds: Pioneer Fundusz Inwestycyjny Otwarty and Pioneer Obligacji - Dynamiczna Alokacja Fundusz Inwestycyjny Otwarty.

The purpose of Bonds issue is to raise funds for the execution of Issuer's investment consisting of construction on a building plot at Jaglana Street in Gdańsk of residential building along with services parts ("Investment"). Bonds have been issued for an issue price equal to the nominal value. Bonds shall bear interest at the interest rate equal to WIBOR3M plus margin. Interests will be paid quarterly. Redemption date of Bonds falls on June 19, 2019.

Coverage of bonds constitute:

(i) contractual mortgage to the maximum amount of PLN 14.25 million established on 12 December 2015 for a mortgage administrator on entitled to Issuer right of perpetual usufruct of real estate property located in Gdańsk at Jaglana Street, about which the Issuer informed in Current Report No. 37/2015.

(ii) escrow account agreement ensuring control of cash flows of the Company within investment, including e.g. funds raised from Bonds issue and sales of apartments within investment in such a way that the funds gathered on escrow account could be used exclusively for purposes related to the execution of investment and redemption of Bonds and programme-bonds of series E along with outstanding and unpaid interests.

(iii) Issuer's declaration of submission to enforcement pursuant to Article 777 § 1(5) of Code of Civil Procedure with regards to cash obligations arising from Bonds submitted to particular Funds up to the amount equal to ratio of Bonds subscribed by individual Subscriber and 150% of nominal value of one Bond and entitling to make request for declaration of enforceability until 31 December 2019.

(iv) Issuer's declaration in favor of mentioned above mortgage administrator on submission to enforcement under Art. 777 § 1 point 5 of the Code of Civil Procedure of encumbered property in order to satisfy claims arising from Bonds entitling to make request for declaration of enforceability until 31 December 2019.