

Current report no. 19/2017

Date of issue: 2017-05-08

Abbreviated name of Issuer: DEKPOL S.A.

Subject: Conclusion of agreements concerning financing of business activities of the Company with SGB-Bank S.A.

Legal basis: Article 17 section 1 MAR (Market Abuse Regulation) – inside information

Content of report:

Management Board of DEKPOL S.A. („Company”) announces, that on 8 May 2017 concluded with SGB-Bank S.A. (“Bank”) agreement concerning organization and issue of dematerialized and secured bearer shares of a total nominal value of PLN 1000 each and joint nominal value not more than PLN 35 million (“Bonds”). Bonds issue will take place not later than on 31 December 2017 with the purpose of financing of property investments, including application of assets from bonds issue on financing or refinancing of properties purchase or on purchase of perpetual usufruct.

Bonds will be issued in two separate tranches of a joint nominal value equal respectively PLN 15 and 20 million. Issue of each tranche of bonds will have non-public character in the meaning of Public Offer of Financial Instruments Act. Based on conditions agreed with the Bank, the Bank is obliged to acquire Bonds either on written request of the Company or at agreed with the Company issue date at the price equal to nominal value, provided that the Company meets formal requirements and provides required documents prior issue date. Issue of each series of Bonds will be performed on the basis of resolution of Company’s Management Board and on the basis of Issue Conditions formed in accordance with framework conditions set in agreement with the Bank.

Bonds interests rate will be variable, based on WIBOR 6M rate plus margin and will be paid half-yearly. Redemption of Bonds will take place not later than after 4 years from issue date of particular series, nevertheless, always not later than until 30 April 2021. Bonds will be redeemed at price equal to nominal value. The Company will be entitled to earlier redemption of all or some part of Bonds. Bondholders will be entitled to earlier redemption of Bonds in certain violation cases. Legal collateral of issued bonds constitute among others mortgage to the amount of PLN 52,5 million provided for the benefit of mortgage administrator on perpetual usufruct of land property and building as a separate real-estate property, owned by the Company Almond Sp. z o.o. located in Gdańsk at Toruńska street (“Property”), as well as cession of debt from contracts concluded by the Company of a value not smaller than net PLN 22 million.

Furthermore, the Company announces, that on 8 May 2016, concluded with the Bank an agreement concerning operating loan (“Loan”) in the amount of PLN 20 million. Financial assets from this loan will be used for bridging financing of property investments until the start of Bonds issue programme. Period, for the time of which the Loan was granted, as well as repayment deadline will end on 30 September 2017, but not later than until 7th day after meeting of the last condition of launching of the second tranche of Bonds issue. Loan will bear interests equal to WIBOR 3M plus margin for the Bank. Collateral of Loan repayment constitute, among others: own blank promissory note along with declaration of exchange and mortgage set for the benefit of the Bank on perpetual usufruct of the property to the amount of PLN 30 million.