

Current report no. 73/2018

Date of issue: 2018-10-29

Abbreviated name of the Issuer: DEKPOL S.A.

Subject: Allocation of F4 series bonds

Legal basis: Article 17 Section 1 MAR – confidential information.

Content of report:

Following the Current Report No. 74/2017 of 20<sup>th</sup> of December 2017 regarding the program for the issue of series F bonds and current reports No. 1/2018 of 4<sup>th</sup> of January 2018, No. 45/2018 of 14<sup>th</sup> of June 2018 and No. 58/2018 of 9<sup>th</sup> of August 2018 regarding the allocation of series F1, F2 and F3 bonds, the Management Board of DEKPOL SA ("Company") informs that on 29<sup>th</sup> of October 2018 adopted a resolution to allocate 13,000 of F4 series bonds of a nominal value of PLN 1,000 each and a total nominal value of PLN 13 million ("Bonds") to Pekao Fundusz Inwestycyjny Otwarty and Pekao Obligacji - Dynamiczna Alokacja Fundusz Inwestycyjny Otwarty (previously: Pioneer Fundusz Inwestycyjny Otwarty and Pioneer Obligacji - Dynamiczna Alokacja Fundusz Inwestycyjny Otwarty).

The bonds were issued at the issue price equal to the nominal value of the Bonds. The Bonds are transferable bearer securities, not in the form of a document, bearing interest at the WIBOR 3M interest rate plus a margin with interest paid out in three-month periods. The Bonds are limited to cash benefits only.

The purpose of the issue of the Bonds is to raise funds for the implementation of an investment consisting in the construction of a residential and service building complex as part of the "Grano Residence" project in Gdańsk at Pszenna, Chmielna and Żytnia streets. Funds from the issue of the Bonds will be transferred by the Issuer to Dekpol Pszenna sp. z o. o. sp. k. (The company realizing the investment - "SPV").

The redemption date of the Bonds is 4<sup>th</sup> of January 2022.

The Issuer is entitled to earlier redemption of all or part of the Bonds. In the cases specified in the Terms of Issue of Bonds, the Issuer is obliged to make obligatory early redemption of the Bonds. In addition, the Bondholder is entitled to submit to the Issuer in certain cases the demand for early redemption of the Bonds.

The Bonds will be secured by: (i) a contractual mortgage established for the security administrator up to the amount of PLN 13.5 million on the perpetual usufruct right to the real estate on which the investment is carried out; (ii) an escrow account agreement to which cash for the sale of premises will be deposited; (iii) surety granted by SPV up to PLN 13.5 million; (iv) transferring as security for all shares in the share capital of the general partner SPV to the security administrator; (v) an irrevocable offer to transfer all of SPV's limited liability and rights to a security administrator; (vi) the power of attorney granted to the security administrator, under which the Issuer authorized the proxy to submit a declaration of intent expressed by the Issuer pursuant to article 40 section 1 of the Construction Law, the consent to transfer to a third party a decision on a construction permit regarding the investment and to grant a further power of attorney, to the entity that will act as a mortgage administrator in place of the current administrator, in case the decision on the building permit will be transferred to SPV, then SPV will be required to provide the above powers of attorney; (vii) an agreement under which the securities administrator obtains a legal title (e.g. copyrights or license) to fully use the project documentation related to the investment and the option of freely

disposing of that title for other entities; (viii) assignment of receivables from the insurance policy regarding the property and the investment realized on it. In addition to the establishment of the security described above, declarations of submission to enforcement pursuant to Art. 777 § 1 point 5 of the Code of Civil Procedure by the Issuer to the Bondholders and by SPV to the security administrator have been made.

The bonds were issued in the mode of Article 33 point 2 of the Act on Bonds.