

Current report no. 46/2015

Drawn up on: 31 July 2015

Subject matter

Transfer of the copyright to the "dekpól" mark as well as conclusion of a licence agreement and a loan agreement

Legal grounds

Article 56 (1) (2) of the Offering Act – current and periodic information

Content:

The Management Board of DEKPOL S.A. ("Company") announces that:

A.

On 30 July 2015 a transaction was performed where the Company acquired series C shares in the increased share capital of Dekpol 1 Sp. z o.o. S.K.A. with its registered office in Pinczyn ("Dekpol 1 SKA") with a total nominal value of PLN 0.5 million at a total issue price of PLN 56.36 million, and that those shares were covered with a non-cash contribution in the form of proprietary copyright to a work within the meaning of Article 1 of the Act dated 4 February 1994 on Copyright and Related Rights in the form of the word and figurative mark "dekpól" occurring in all graphic and colour variants used by the Company, together with accompanying descriptors ("Work").

The terms and conditions of the transaction between the Company and Dekpol 1 SKA do not differ from terms and conditions commonly used in such transactions. The value of the proprietary copyright to the Work contributed to Dekpol 1 SKA was not recognised in the Company's accounting books. The value of the contribution, i.e. PLN 56.36 million, was confirmed in the opinion of the statutory auditor.

Before 30 July 2015 the share capital of Dekpol 1 Sp. z o.o. SKA amounted to PLN 50 thousand. At the same time, on 30 July 2015 a transaction was performed where the Company acquired series B shares in the increased share capital of Dekpol 1 Sp. z o.o. SKA with a total nominal value of PLN 0.5 million at a total issue price of PLN 51.51 million, and those shares were covered with a non-cash contribution in the form of a right of perpetual usufruct to the real estate situated in Gdańsk at ul. Toruńska 12 comprising plots with an area of 0.34 ha together with a right of ownership to the building under construction situated on that real estate. Dekpol 1 SKA will be responsible for completing the investment project carried out by the Company on the real estate specified above, i.e. the construction of Hotel Almond (the value of the asset in the form of the real estate contributed to Dekpol 1 SKA was recognised in the Company's accounting books at PLN 36.2 million. The higher value of the contribution results from the fact that the value disclosed in the accounting books did not reflect the market value of the real estate. The market value of the non-cash contribution was determined by a real estate appraiser).

Before 30 July 2015 the share capital of Dekpol 1 Sp. z o.o. SKA amounted to PLN 50 thousand. Both before and after the above transactions the Company held 100% of shares in the share capital of Dekpol 1 SKA and 100% of votes at the General Meeting of Dekpol 1 SKA. At the same time the Company holds 100% of shares in the share capital of the only general partner of Dekpol 1 SKA, i.e. Dekpol 1 Sp. z o.o., and 100% of votes at the meeting of shareholders. The Management Board of Dekpol 1 Sp. z o.o. is composed of the members of the Company's Management Board, i.e. Mr Mariusz Tuchlin, the President of the Company's Management Board, acts as the President of the Management Board of Dekpol 1 Sp. z o.o. while Mr Rafał Dietrich, a Member of the Company's Management Board, acts as a Member of the Management Board of Dekpol 1 Sp. z o.o.

B.

On 30 July 2015 Dekpol 1 SKA concluded an agreement for the transfer of proprietary copyright under which Dekpol 1 SKA disposed of the proprietary copyright to the Work to Dekpol Royalties Sp. z o.o. with its registered office in Pinczyn ("Dekpol Royalties") for a total price of PLN 56.26 million + VAT ("Agreement for the Disposal of Proprietary Copyright").

The terms and conditions of the Agreement for the Disposal of Proprietary Copyright do not differ from terms and conditions commonly applied in such agreements. As a result of concluding the Agreement for the Disposal of Proprietary Copyright, Dekpol Royalties obtained proprietary copyright to the Work which [copyright] it will manage, and it will grant a licence to the Company.

Dekpol 1 SKA holds 100% of shares in the share capital of Dekpol Royalties and 100% of votes at the meeting of shareholders. Mr Rafał Dietrich, a Member of the Company's Management Board, is the sole Member of the Management Board of Dekpol Royalties.

C.

On 30 July 2015 Dekpol Royalties and the Company concluded a licence agreement pursuant to which Dekpol Royalties granted a licence to the Company to use the proprietary copyright to the Work in such a scope in which Dekpol Royalties was entitled to that right (a worldwide non-restricted, non-exclusive licence) ("Licence Agreement"). The Licence Agreement for the use of the proprietary copyright was concluded for an indefinite period of time, subject to a six month notice effective as of the end of a relevant calendar month.

The licence fee for using the proprietary copyright to the Work shall amount to 2.76% of net revenues (i.e. net of VAT) earned by the Company from the sale of construction services, services of general contracting for construction projects and development services plus VAT, on the stipulation that it will be calculated on a monthly basis. The other terms and conditions of the Licence Agreement do not differ from terms and conditions commonly applied in such agreements.

D.

On 30 July 2015 Dekpol 1 SKA, as the lender, concluded an agreement with Dekpol Royalties, as the borrower, for a loan of PLN 56.26 million ("Loan Agreement"), maturing on 31 December 2020. The interest on the loan was determined at the market level. The repayment of the loan under the Loan Agreement is not secured. The claim of Dekpol Royalties to pay out the amount of the loan under the Loan Agreement was set off completely against the part attributable to it of the claim of Dekpol 1 SKA to pay monetary compensation due to Dekpol 1 SKA pursuant to the Agreement for the Disposal of Proprietary Copyright.

In the opinion of the Company, the conclusion of the above agreements will have a positive influence on its financial standing through improving the efficient management of the Company's assets.