

Current Report No. 5/2016

Date Prepared: 3 March 2016

Abbreviated name of the Issuer: DEKPOL S.A.

Subject: Withdrawal from a copyright transfer agreement and a loan agreement

Legal basis: Article 56, section 1, item 2 of the Polish Act on Public Offering – current and interim information

Content of the report:

Referring to current report no. 46/2015 of 31 July 2015 concerning, inter alia, the conclusion by the subsidiaries of Dekpol S.A. ("Company", "Issuer"), i.e. Dekpol 1 Sp. z o.o. S.K.A. and Dekpol Royalties Sp. z o.o. of the following agreements:

- a) An agreement on the transfer of the proprietary rights to the work within the meaning of Article 1 of the Act of 4 February 1994 on Copyright and Related Rights in the form of the figurative mark "dekol" present in all the graphic and colour versions used by the Company, including the accompanying descriptors ("Work"). Pursuant to the foregoing agreement, Dekpol Royalties Sp. z o.o. acquired the proprietary rights to the "Work" from Dekpol 1 Sp. z o.o. S.K.A. for PLN 56.26 million plus VAT (hereinafter referred to as the "Work Transfer Agreement");
- b) An agreement for a loan of PLN 56.26 million granted by Dekpol 1 Sp. z o.o. S.K.A. for the benefit of Dekpol Royalties Sp. z o.o. (hereinafter referred to as the "Loan Agreement");

The Management Board of the Issuer announces that, on 2 March 2016, Dekpol Royalties Sp. z o.o. submitted a statement on withdrawal from the Work Transfer Agreement to Dekpol 1 Sp. z o.o. S.K.A. Dekpol Royalties Sp. z o.o. was fully authorised to withdraw from the Work Transfer Agreement in accordance with the provisions thereof.

In connection with the fact that the Loan Agreement was concluded in order to provide Dekpol Royalties Sp. z o.o. with financing sufficient to fulfil the obligation to make payment resulting from the Work Transfer Agreement, after withdrawing from the Agreement, Dekpol Royalties Sp. z o.o. submitted a statement on withdrawal from the Loan Agreement to Dekpol 1 Sp. z o.o. S.K.A., an act to which it was fully authorised under the provisions of the Loan Agreement.

Following the two acts of withdrawal from the agreements as described above, Dekpol 1 Sp. z o.o. S.K.A. has become the owner of the proprietary rights to the "Work". Consequently, the Issuer and Dekpol Royalties Sp. z o.o., on 2 March 2016, terminated the licence agreement characterised in item C of current report no. 46/2015.

On 2 March 2016, Dekpol S.A. and Dekpol 1 Sp. z o.o. S.K.A. simultaneously concluded a licence agreement for the proprietary rights to the Work, in force by 30 June 2016 (hereinafter referred to as the "Licence Agreement"). The licence fee for the use of the proprietary rights to the Work will amount to 2.76% of net revenue (i.e. without VAT) obtained by the Issuer from the sale of construction services, general contractor services concerning building permit designs and development services and will be increased by VAT and charged on a monthly basis. The remaining terms and conditions of the Licence Agreement do not differ from the terms and conditions commonly used in business for such type of agreements.

The foregoing facts do not cause financial effects for the Issuer, who will pay licence fees for the use of the proprietary rights to the Work at the same rate and under the same terms of payment as until

now. Moreover, they do not influence the individual financial condition of Dekpol S.A. and the financial condition of the Capital Group.

The value of the Work Transfer Agreement and Loan Agreement exceeded 10% of the value of the Issuer's equity.