



**CONDENSED SEMI-ANNUAL
FINANCIAL STATEMENTS
FOR H1 2015**

Pinczyn, 31 August 2015

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1 Financial statements for H1 2015

1.1 Balance sheet

	30.06.2015	31.12.2014	30.06.2014 *
ASSETS			
I. Fixed assets	35,006,823.32	26,555,641.60	21,908,991.73
1. Intangible assets, including:	242,198.81	365,736.59	488,625.78
- goodwill	41,994.50	104,986.22	167,977.94
2. Goodwill of subordinates	-	-	-
3. Property, plant and equipment	30,156,733.55	24,445,874.09	14,943,603.15
4. Long term receivables	3,012,168.17	434,527.35	4,439,198.87
4.1. From related entities	-	-	-
4.2. From other entities	3,012,168.17	434,527.35	4,439,198.87
5. Long-term investments	644,253.79	519,682.57	1,240,000.00
5.1. Real property	-	-	1,240,000.00
5.2. Intangible assets	-	-	-
5.3. Long-term financial assets	644,253.79	519,682.57	-
a) in related entities, including:	124,571.22	-	-
- shares or stock in subordinates accounted for using the equity method	124,571.22	-	-
- shares or stock in non-consolidated subsidiaries and jointly-controlled entities	-	-	-
b) in other entities	519,682.57	519,682.57	-
5.4. Other long-term investments	-	-	-
6. Long-term prepayments	951,469.00	789,821.00	797,563.93
6.1. Deferred income tax assets	951,469.00	789,821.00	617,293.00
6.2. Other prepayments and accrued income	-	-	180,270.93
II. Current assets	248,480,138.93	190,295,547.66	159,821,926.34
1. Inventory	150,169,858.80	109,312,163.62	97,555,609.97
2. Short-term receivables	61,674,102.29	53,277,189.00	47,316,092.76
2.1. From related entities	-	-	-
2.2. From other entities	61,674,102.29	53,277,189.00	47,316,092.76
3. Short-term investments	10,002,794.33	5,374,787.24	7,855,999.19
3.1. Short-term financial assets	10,002,794.33	5,374,787.24	7,855,999.19
a) in related entities	-	-	-
b) in other entities	-	-	-
c) cash and cash equivalents	10,002,794.33	5,374,787.24	7,855,999.19
3.2. Other short-term investments	-	-	-
4. Short-term prepayments and accrued income	26,633,383.51	22,331,407.80	7,094,224.42
Total assets	283,486,962.25	216,851,189.26	181,730,918.07

	30.06.2015	31.12.2014	30.06.2014 *
EQUITY & LIABILITIES			
I. Equity	107,430,404.45	74,145,590.48	60,845,714.52
1. Share capital	8,362,549.00	6,410,000.00	6,410,000.00
2. Called-up share capital (negative figure)	-	-	-
3. Own shares (negative figure)	-	-	-
4. Supplementary capital	95,414,514.84	51,103,029.05	51,103,029.05
5. Revaluation capital	-	-	-
6. Other reserve capitals	-	-	-
7. Currency translation differences (subordinates)	-	-	-
a) foreign exchange gains	-	-	-
b) foreign exchange losses	-	-	-
8. Profit (loss) brought forward	-1,369,543.62	-1,369,543.62	-1,369,543.62
9. Net profit (loss)	5,022,884.23	18,002,105.05	4,702,229.09
10. Net profit write-offs during the financial year (negative value)	-	-	-
II. Liabilities and provisions for liabilities	176,056,557.80	142,705,598.78	120,885,203.55
1. Provisions for liabilities	3,194,592.89	2,683,943.72	398,620.06
1.1. Deferred income tax provision	2,534,023.00	2,128,748.00	18,404.00
1.2. Provision for retirement and similar benefits	48,905.19	48,905.19	31,015.34
a) long-term	48,046.97	48,046.97	30,329.10
b) short-term	858.22	858.22	686.24
1.3. Other provisions	611,664.70	506,290.53	349,200.72
a) long-term	-	-	-
b) short-term	611,664.70	506,290.53	349,200.72
2. Long-term liabilities	62,080,467.33	45,580,691.26	48,445,425.21
2.1. To related entities	-	-	-
2.2. To other entities	62,080,467.33	45,580,691.26	48,445,425.21
3. Short-term liabilities	103,812,151.87	91,126,493.19	67,440,242.47
3.1. To related entities	12,391.22	-	-
3.2. To other entities	103,716,703.86	91,097,948.77	67,388,031.52
3.3. Earmarked funds	83,056.79	28,544.42	52,210.95
4. Accruals	6,969,345.71	3,314,470.61	4,600,915.81
4.1. Negative goodwill	-	-	-
4.2. Other accruals and deferred income	6,969,345.71	3,314,470.61	4,600,915.81
a) long-term	3,607,831.77	1,355,574.30	1,355,574.30
b) short-term	3,361,513.94	1,958,896.31	3,245,341.51
Total equity and liabilities	283,486,962.25	216,851,189.26	181,730,918.07
	,	,	,
Book value	30.06.2015	31.12.2014	30.06.2014
Number of shares	8,362,549	6,410,000	6,410
Book value	107,430,404.45	74,145,590.48	60,845,714.52
Number of shares	8,362,549	6,410,000	-
Book value per share (in PLN)	12.85	11.57	-
Diluted number of shares	8,362,549	6,410,000	-
Diluted book value per share (in PLN)	12.85	11.57	-

1.2 Off-balance sheet items

	30.06.2015	31.12.2014	30.06.2014
1. Contingent receivables	-	-	-
1.1. From related entities (due to)	-	-	-
- guarantees and sureties received	-	-	-
1.2. From other entities (due to)	-	-	-
- guarantees and sureties received	-	-	-
Total	-	-	-
2. Contingent liabilities	17,646,600.65	23,439,487.17	19,734,483.51
2.1. To related entities (due to)	-	-	-
- guarantees and sureties granted	-	-	-
2.2. To other entities (due to)	17,646,600.65	23,439,487.17	19,734,483.51
— loan guarantee as requested by the company	-	-	-
- customs guarantees	-	-	-
- other guarantees	17,646,600.65	23,439,487.17	19,734,483.51
- letters of credit	-	-	-
3. Other	-	-	-
Total	17,646,600.65	23,439,487.17	19,734,483.51

1.3 Income statement

	01.01.2015 - 30.06.2015	01.01.2014 - 30.06.2014 *
I. Net revenue from the sale of products, goods and materials	138,483,833.53	103,829,168.64
- from related entities	-	-
1. Net revenues from sales of products	136,138,620.08	97,633,352.69
2. Net revenues from sales of goods and materials	2,345,213.45	6,195,815.95
II. Costs of products, goods and materials sold, including	124,067,283.45	92,921,098.09
- from related entities	-	-
1. Manufacturing cost of products sold	121,989,287.46	86,983,863.26
2. Value of goods and materials sold	2,077,995.99	5,937,234.83
III. Gross profit (loss) on sales (1-11)	14,416,550.08	10,908,070.55
IV. Selling costs	3,098,818.44	1,819,141.68
V. General administrative expenses	3,619,953.00	2,062,203.30
VI. Profit (loss) on sales (III-IV-V)	7,697,778.64	7,026,725.57
VII. Other operating income	1,677,076.14	367,844.40
1. Profit on disposal of non-financial fixed assets	77,423.33	-
2. Subsidies	193,801.20	80,354.36
3. Other operating income	1,405,851.61	287,490.04

VIII. Other operating expenses	1,447,980.71	210,841.60
1. Loss on disposal of non-financial fixed assets	-	10,075.18
2. Revaluation of non-financial assets	-	-
3. Other operating expenses	1,447,980.71	200,766.42
IX. Operating profit (loss) (VI+VII-VIII)	7,926,874.07	7,183,728.37
X. Financial revenues	31,492.14	57,343.95
1. Dividend and shares in profit, including:	-	-
- from related entities	-	-
2. Interest, including:	31,492.14	57,343.95
- from related entities	-	-
3. Profit on disposal of investments	-	-
4. Revaluation of investments	-	-
5. Other	-	-
XI. Financial expenses	1,842,050.98	1,474,413.23
1. Interest, including:	1,818,183.80	1,445,806.67
- to related entities	-	-
2. Loss on disposal of investments	-	-
3. Revaluation of investments	-	-
4. Other	23,867.18	28,606.56
XII. Profit (loss) on business activity (IX+X-XI+/-X11)	6,116,315.23	5,766,659.09
XIII. Extraordinary gains/losses (XIII.1. - XIII.2.)	-	-
1. Extraordinary gains	-	-
2. Extraordinary losses	-	-
XIV. Gross profit (loss) (XIII+/-XIV-XV+XIV)	6,116,315.23	5,766,659.09
XV. Income tax	1,093,431.00	1,064,430.00
a) current tax	849,804.00	853,170.00
b) deferred tax	243,627.00	211,260.00
XVI. Other statutory decrease in profit (increase in loss)	-	-
XVII. Net profit (loss) (XVII-XVIII-XIX+/-XX+/-XXI)	5,022,884.23	4,702,229.09

1.4 Statement of changes in equity

	01.01.2015 - 30.06.2015	01.01.2014 - 31.12.2014	01.01.2014 - 30.06.2014 *
I. Equity at the beginning of the period (OB)	74,145,590.48	57,513,029.05	57,513,029.05
a) amendments to adopted accounting principles (policy)		-281,899.73,,	-281,899.73,,
b) adjustments of fundamental errors		-1,087,643.89	-1,087,643.89
I.a. Equity at the beginning of the period (OB) reconciled with comparative data	74,145,590.48	56,143,485.43	56,143,485.43
1. Share capital at the beginning of the period	6,410,000.00	6,410,000.00	6,410,000.00
1.1. Changes in share capital	1,952,549.00	-	-
a) increases (due to)	-	-	-
- issue of stock (shares)	1,952,549.00	-	-
b) decreases (due to)	-	-	-
1.2. Share capital at the end of the period	8,362,549.00	6,410,000.00	6,410,000.00
2. Called-up share capital at the beginning of the period	-	-	-
2.1. Changes in called-up share capital	-	-	-
a) increases (due to)	-	-	-
b) decreases (due to)	-	-	-
2.2. Called-up share capital at the end of the period	-	-	-
3. Own stock (shares) at the beginning of the period	-	-	-
3.1. Changes in own stock (shares)	-	-	-
a) increases (due to)	-	-	-
b) decreases (due to)	-	-	-
3.2. Own stock (shares) at the end of the period	-	-	-
4. Supplementary capital at the beginning of the period	51,103,029.05	33,314,732.97	33,314,732.97
4.1. Changes in supplementary capital	44,311,485.79	17,788,296.08	17,788,296.08
a) increases (due to)	44,311,485.79	17,788,296.08	17,788,296.08
- share premium	26,309,380.74	-	-
- distribution of profit	18,002,105.05	17,788,296.08	17,788,296.08
b) decreases (due to)	-	-	-
4.2. Supplementary capital at the end of the period	95,414,514.84	51,103,029.05	51,103,029.05
5. Revaluation reserve at the beginning of the period	-	-	-
5.1. Changes in revaluation reserve	-	-	-

a) increases (due to)	-	-	-
b) decreases (due to)	-	-	-
5.2. Revaluation reserve at the end of period	-	-	-
6. Other reserve capitals at the beginning of the period	-	-	-
6.1. Changes in other reserve capitals	-	-	-
a) increases (due to)	-	-	-
b) decreases (due to)	-	-	-
6.2. Other reserve capitals at the end of the period	-	-	-
7. Profit (loss) brought forward at the beginning of the period	16,632,561.43	17,788,296.08	17,788,296.08
7.1. Profit brought forward at the beginning of the period	16,632,561.43	17,788,296.08	17,788,296.08
a) amendments to adopted accounting principles (policy)		-281,899.73	-281,899.73
b) adjustments of fundamental errors		-1,087,643.89	-1,087,643.89
7.2. Profit brought forward, at the beginning of the period, after reconciliation with comparative data	16,632,561.43	16,418,752.46	16,418,752.46
a) increases (due to)	-	-	-
b) decreases (due to)	18,002,105.05	17,788,296.08	17,788,296.08
- distribution of profit	18,002,105.05	17,788,296.08	17,788,296.08
7.3. Profit brought forward at the end of the period	-1,369,543.62	-1,369,543.62	-1,369,543.62
7.4. Loss brought forward at the beginning of the period	-	-	-
a) amendments to adopted accounting principles (policy)	-	-	-
b) adjustments of fundamental errors	-	-	-
7.5. Loss brought forward, at the beginning of the period, after reconciliation with comparative data	-	-	-
a) increases (due to)	-	-	-
b) decreases (due to)	-	-	-
7.6. Loss brought forward at the end of the period	-	-	-
7.7. Profit (loss) brought forward at the end of the period	-	-	-
8. Net profit/loss	5,022,884.23	18,002,105.05	4,702,229.09
a) net profit	5,022,884.23	18,002,105.05	4,702,229.09
b) net loss	-	-	-
c) profit write-offs	-	-	-
II. Equity at the end of the period (CB)	107,430,404.45	74,145,590.48	60,845,714.52
III. Equity, after proposed distribution of profit (coverage of loss)	107,430,404.45	74,145,590.48	60,845,714.52

1.5 Cash flow statement

	01.01.2015 - 30.06.2015	01.01.2014 - 30.06.2014 *
A. Cash flows from operating activity	-	-
I. Net profit (loss)	5,022,884.23	4,702,229.09
II. Total adjustments	-54,382,951.86	-12,564,814.90
1. Minority profits (losses)	-	-
2. Share in net profit (loss) of subordinates evaluated using the equity method	-	-
3. Amortisation and depreciation	1,448,027.44	1,436,048.95
4. Foreign exchange gains (losses)	-77,423.33	-
5. Interest and profit sharing (dividends)	1,826,605.22	1,086,495.01
6. Profit (loss) on investment activity	-	10,075.18
7. Change in provisions	510,649.17	-216,070.89
8. Change in inventory	-40,857,695.18	-9,524,724.97
9. Change in receivables	-12,104,554.11	-6,261,809.73
10. Change in short-term liabilities. except for loans and borrowings	- 467,320.16	- 136,276.07
11. Change in prepayments and accruals	- 4,661,240.91	1,041,577.40
12. Other adjustments		- 129.78
III. Net cash flows from operating activity (I+/-II)	-49,360,067.63,	-7,862,585.81,
B. Cash flows from investment activity	,	,
I. Inflows	1,209,737.92,	1,255,658.69,
1. Disposal of intangible assets as well as property. plant and equipment	79,737.92,	301,346.45,
2. Disposal of investments in real property and intangible assets	1,130,000.00,	-
3. From financial assets. including:	-	327,343.95,
a) in related entities	-	-
- disposal of financial assets	-	-
b) in other entities	-	327,343.95,
4 . Other investment inflows	-	626,968.29,
II. Outflows	7,174,877.43,	6,449,014.07,
1. Acquisition of intangible assets as well as property. plant and equipment	5,148,821.21,	3,246,809.23,
2. Investments in real property and intangible assets	-	-
3. For financial assets. including	124,571.22	-
a) in related entities	124,571.22	-
- acquisition of financial assets	124,571.22	-
b) in other entities	-	-
- acquisition of financial assets	-	-

4. Dividends and other profit sharing paid to minority shareholders	-	-
5. Other investment outflows	1,901,485.00	3,202,204.84
III. Net cash flows from investment activity (I-II)	-5,965,139.51	-5,193,355.38
C. Cash flows from financing activity	-	-
I. Inflows	68,904,532.84	22,203,858.94
1. Net inflows from the issue of stock (shares) and other equity instruments and additional equity contributions:	28,261,929.74	-
2. Loans and borrowings	24,354,617.45	2,203,858.94
3. Issue of debt securities	12,435,493.35	,20,000,000.00
4. Other financial inflows	3,852,492.30	-
II. Outflows	8,951,318.61	16,808,229.17
1. Acquisition of own shares	-	,-
2. Dividends and other payments to shareholders	-	-
3. Profit distribution expenses other than payments to shareholders	-	-
4. Repayment of loans and borrowings	7,091,409.53	2,234,589.39
5. Redemption of debt securities	-	12,500,000.00
6. Due to other financial liabilities	202,810.51	-
7. Payments under finance leases	-	454,820.76
8. Interest	1,657,098.57	1,618,819.02
9. Other financial expenses	-	-
III. Net cash flows from financing activity (I-II)	59,953,214.23	5,395,629.77
D. Total net cash flows (A.II1+/-B.II1+/-C.III)	4,628,007.09	-7,660,311.42
E. Balance-sheet change in cash. including:	4,628,007.09	-7,660,311.42
- change in cash due to foreign exchange gains/losses	-	-
F. Cash at the beginning of the period	5,374,787.24,	15,516,310.61
G. Cash at the end of the period (F+/-D). including:	10,002,794.33,	7,855,999.19
- of limited disposability	1,484,686.08,	52,210.95

* Converted data differs from published data. Explanation of changes described in clause 2.9. Adjustments of errors from previous periods.

2 Notes to the financial statements for H1 2015

2.1 Principles adopted in the preparation of the condensed interim financial statements

The accounting principles adopted in the preparation of the condensed interim financial statements are consistent with the provisions of the Accounting Act of 29 September 1994 (Journal of Laws of 2013, item 330). The principles of the measurement of assets and liabilities as well as profit/loss in the periods presented are consistent with the provisions of the Accounting Act.

In the condensed interim financial statements of Dekpol S.A. for the period of 6 months ended 30 June 2015, the same accounting principles (policy) and calculation methods were followed as in the previous separate annual financial statements. No changes in the accounting principles (policy) applied took place in 1H 2015. No significant changes in estimates took place in 1H 2015.

In 2014 depreciation rates and methods applied were verified and therefore relevant changes were introduced as of 1 January 2015. The changes introduced affected depreciation for 1H 2015, which amounts to PLN 1 448 thousand. If the Company continued to apply the depreciation method according to previous principles, then the depreciation for 1H 2015 would reach PLN 1 807 thousand.

The condensed interim financial statements for the period of 6 months ended 30 June 2015 have been reviewed by an auditor.

The financial statements for 1H 2015 have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future and there are no circumstances indicating the risk to a going concern.

2.2 Description of achievements and failures of the Company

Revenues from sales for 1H 2015 were 33% higher compared to the revenues for 1H 2014 and reached PLN 138 484 thousand. At the same time the Company's net profit was approx. 7% higher than in 1H 2014. The increase in turnover in 1H 2015 significantly impacted the financial performance. In the period covered by the interim financial information the Company carried out the business activity similar to that carried out in 2014, i.e. general contracting, development activity, manufacture of accessories for construction machines and manufacture of steel structures.

Class B shares

A significant achievement of the Issuer was the public offering in Q4 2014 of B class shares, which, apart from PLN 29.3 million raised, preceded the admittance of the Company to trading on the regulated market.

On 2 January 2015 the Management Board of Giełda Papierów Wartościowych w Warszawie S.A. [Warsaw Stock Exchange] ("WSE") adopted a resolution on the admittance as of 2 January 2015 to trading on the parallel market of the WSE of the shares of the Company being the subject of the public offering, i.e. 6 410 000 of ordinary class A bearer shares and 1 952

549 of ordinary class B bearer shares as well as the admittance to the aforementioned trading 1 952 549 rights to B class shares of the Company. On 5 January 2015 the Management Board of Krajowy Depozyt Papierów Wartościowych S.A. [National Depository for Securities] ("NDS") decided to register, as of 8 January 2015, 1 952 549 rights to B class shares of the Company in the depository for securities. On 7 January 2015 the Management Board of WSE adopted a resolution on the introduction as of 8 January 2015 to trading on the parallel market 1.952.549 rights to B class shares of the Company on the condition that the NDS registers such rights to shares on 8 January 2015.

On 7 January 2015 the District Court Gdańsk-Północ in Gdańsk, 7th Commercial Division of the National Court Register registered an increase of the share capital of Dekpol S.A. by way of issue of B class shares.

On 15 January 2015, 6 410 000 A class bearer shares of the Company were registered in the NDS. The registration took place on the basis of a resolution of the Management Board of the NDS of 16 December 2014 pursuant to which the Management Board of the NDS decided to register the aforementioned shares on the condition they are admitted to trading on the regulated market. On 27 January 2015 the Management Board of the NDS adopted a resolution on the admittance of 1 952 549 B class shares of the Company to the depository. The shares were to be admitted to the depository after the WSE had made a decision to introduce these shares to trading on the regulated market and in connection with the closing of accounts kept for the transferable rights to these shares. On 3 February 2015 the Management Board of the WSE adopted a resolution designating 5 February 2015 as the last day of trading in the rights to B class shares and a resolution on the introduction as of 6 February 2015 of A class and B class ordinary bearer shares to trading on the parallel market on the condition that the NDS registers such shares on 6 February 2015. The B class bearer shares of the Company were registered in the NDS as of 6 February 2015. The registration of the above shares took place on the basis of the aforementioned resolution of the Management Board of the NDS of 27 January 2015.

Acquisition of a building lot in Gdańsk

On 22 January 2015 the Issuer concluded a conditional agreement ("Agreement") for the acquisition of the right of perpetual usufruct of the lot referred to below from "Jaglana 3-5" Sp. z o.o. ("Seller") for PLN 22.14 million gross (incl.VAT) on the condition that the commune having the status of the City of Gdańsk does not exercise its pre-emptive right with respect to the subject of the Agreement within the deadline and on the conditions specified in the Real Estate Management Act. On 19 February 2015 the Issuer received an appropriate statement of the President of the City of Gdańsk and therefore the aforementioned condition precedent has been fulfilled. On 10 March 2015, Dekpol and "Jaglana 3-5" Sp. z o.o. concluded an agreement for the transfer of the right of perpetual usufruct of the Lot ("Dispositive Agreement").

The subject of the Agreement and the Dispositive Agreement is the right of perpetual usufruct of the lot having the area of 1 ha. located at Jaglana Street in Gdańsk, for which a building permit for a multi-family residential building with commercial premises has been issued. Utility easement was established on the lot while the right of perpetual usufruct was initially established until 5 December 2030 and then, after changes, until 5 December 2089. The Issuer plans to construct a multi-family residential building with commercial premises on the lot. On the basis of the Dispositive Agreement the Seller also sold to Dekpol the right of ownership to the original copy of the building permit design to which the building permit refers to and the right to use the said design for one construction. The Seller also sold to Dekpol the right of ownership to the original copy of the concept design and transferred the right to use this

concept design. The above rights were sold to Dekpol for the total price of PLN 2.58 million gross.

The acquisition of the right of perpetual usufruct of the Lot and investment projects shall be financed from the funds obtained from the public offering connected with the admittance of A class shares to trading and the issue and admittance of B class shares of the Issuer to the said trading, whereas the Issuer intends to obtain through external financing any amount in excess of PLN 10 million (indicated in the prospectus as the amount for “obtaining land bank for development activity + financing the initial stages of implementation of development projects”).

Annexes to the credit facility agreement with Bank Pekao SA

On 30 January 2015 the annexes (“Annexes”) to loan agreements concluded by the Issuer with Bank Pekao SA (“Bank”) were signed. The said agreements concerned funding in the amount of PLN 15 million and PLN 3 million, respectively (“Loan 1” and “Loan 2” or jointly “Loans”). Under these Annexes the repayment period of both Loans was extended for a year, i.e. until 31 January 2016 and the margin of the Bank was lowered. The Loan bears interest at the 1M WIBOR rate plus the Bank's margin. Moreover, the Issuer undertook not to use the Loan 1 funds for development activity, otherwise the Loan 1 agreement would be terminated. The Issuer undertook to regularly submit insurance policies for the real property indicated in the annex to the Loan 1 agreement to ensure continuity of coverage. The Bank expressed its consent for the separation and sale of the lot having the area of approx 1 ha being a part of the real property serving as collateral for Loan 1 on the condition that the first-class mortgage assigned to the benefit of the Bank is maintained after such changes take place.

A failed attempt at reconciliation

On 2 March 2015 a hearing of the District Court in Wejherowo took place requesting the Company to attempt at reconciliation with Iwona, Arkadiusz, Dariusz and Wioleta Okoniewscy (“Debtor”). The court stated that reconciliation was unsuccessful in this case. On 29 April 2015 an assignment agreement was concluded under which the Company transferred to the purchaser (natural person) claims against the debtor amounting to PLN 3.95 million along with incidental dues in the form of default interest, amounting to PLN 3.6 million.

Revolving loan agreement concluded with the consortium of cooperative banks

On 9 March 2015 an agreement for the revolving consortium loan (“Agreement”) for PLN 8 million (“Loan”) was signed. The Loan was extended to the Company by a consortium of banks: Cooperative Bank in Skórcz (“Initiating Bank”), Cooperative Bank in Puck (“Participant Bank 1”) and Cooperative Bank in Tczew (“Participant Bank 2”) (jointly the “Banks”) for the period between 9 March 2015 and 30 December 2016 (repayment date) and is to be used to finance the construction of multi-family buildings located on the real property in Rokitki Tczewskie belonging to the Company (“Real Property”). The Loan bears interest at the 3M WIBOR rate plus the Banks' margin. Loan collaterals are: (i) blank promissory notes issued for the benefit of each of the Banks, (ii) transfer of rights under an insurance policy up to PLN 9.8 million and assignment of claims from the indicated bank accounts, (iii) powers of attorney for the Initiating Bank to operate the indicated bank accounts and (iv) mortgages on the Real Property up to PLN 1.50 million for the benefit of the Initiating Bank, PLN 5.25 million for the benefit of Participant Bank 1 and PLN 5.25 million for the benefit of Participant Bank 2, respectively. The aforementioned mortgages were established on 11 May 2015. The Agreement also requires the Company to provide documents for the use of 60% of the loan

amount within 2 months from collecting the funds provided under the Loan. The remaining terms and conditions of the Agreement do not significantly differ from the provisions of such type of agreements.

Annex to the agreement with PanLink

On 12 March 2015 an annex to the agreement with PanLink Sp. z o.o. (PanLink) described in the Prospectus of the Issuer under which the Issuer undertook to construct the storage and production hall including office, welfare and technical space was signed. In accordance with the provisions of the annex the deadline for the completion of construction work was moved to 30 June 2015 (by two months). The agreement value also changed; it increased from PLN 16.8 million net to PLN 17.4 million net.

General contractor agreement with Veloces

On 12 March 2015 a general contractor agreement concerning the building permit design and detailed design ("Agreement") with Veloces Sp.K. was signed. The remuneration of the Company under the Agreement amounts to PLN 7.6 million net (PLN 9.4 million gross). The Agreement provides for contractual penalties the total value of which may exceed 10% but not 15% of the contract value. Payment of contractual penalties does not exclude seeking supplementary compensation up to the value of the damage sustained.

Construction work agreement with Unimor Development

On 24 March 2015 the Management Board was notified of the completion by Unimor Development SA ("Employer") the tender procedure for the selection of the contractor of the investment project consisting in converting the multi-purpose building in Gdańsk at Żabi Kruk Street into the Pomerania Office office building. On 16 April 2015 a construction work agreement concerning the said conversion of the building was signed between the Company and the Employer. The Company's remuneration under the contract amounts to PLN 0.5 million net. At the same time, in accordance with prior arrangements with the Employer, after obtaining consent from the Employer's authorities, the scope of the investment project covered by the Agreement shall be extended and the total Company's remuneration shall reach PLN 7.3 million net.

Annex to the agreement with 7R Logistic

On 27 March 2015 an annex was signed to the agreement concluded on 7 July 2014 with 7R Logistic SA valued at PLN 15.2 million net concerning the all-inclusive construction of the office and storage building on the real property located in Sosnowiec along with auxiliary infrastructure. Under the said annex the deadline for the completion of work was moved from 30 April 2015 to 30 July 2015. The remaining terms and conditions of the agreement remained unchanged.

Overdraft facility agreement with Bank Millennium S.A.

On 7 April 2015 the Issuer signed an overdraft facility agreement with Bank Millennium SA ("Agreement"). Under the Agreement an overdraft facility of PLN 12 million was provided to finance the current operations of the Company. The terms and conditions of the loan, including the financial terms, do not significantly differ from arm length's conditions for such type of agreements. The loan is secured by the assignment of claims under the Company's contracts.

Investment loan agreements with Getin Noble Bank

On 8 April 2015 the Company signed with Getin Noble Bank SA ("Bank") three investment loan agreements ("Loans"), each of which is intended for the partial financing of the development investment project consisting in the construction of multi-family residential building including necessary infrastructure in Gdańsk ("Investment Project"). The Loans total PLN 48 million, of which PLN 22 million, PLN 18 million and PLN 8 million will be used to finance stage I, II and III, respectively. The Company is obliged to repay the said amounts by: 20 September 2017 (according to the annex of 13 August 2015 extending the initial deadline of 31 March 2017), 20 January 2018** and 20 September 2018.** The Loans bear interest at the 3M WIBOR rate plus the Bank's margin. The terms and conditions of the said agreements do not differ from arm's length terms.

Particular loans will be disbursed after the following conditions are met (by 31 January 2016 in case of stage I and II and by 31 January 2017 for stage III):

1) establishment of a first priority mortgage on the Investment Project of up to PLN 33 million for stage I which will be increased up to PLN 60 million for stage II and up to PLN 72 million for stage III, whereas after each increase the mortgage will also serve as collateral for previous stages;

2) establishment of collaterals in the form of: (i) a blank promissory note, (ii) powers of attorney with respect to all the accounts of the Company operated by the banks, (iii) assignment of claims under contracts (concluded and being concluded) for the benefit of the Bank with the purchasers of the premises constructed as part of the Investment Project, (iv) assignment of claims under the agreement with regard to property insurance against all construction and assembly risks and after its expiry, assignment of claims under the agreement with regard to property insurance against fire and other misfortunes (v) assignment of claims under the general contractor agreement with respect to the Investment Project

3) collection of supporting documentation and submission to the Bank of the documents indicated in the above agreements, including a confirmation of the Company filing a declaration of its submission to enforcement procedure in connection with the Loans granted pursuant to Art. 97 of the Banking Law;

4) submission of the documents proving that all the decisions necessary for the execution of the Investment Project (and its particular stages) have been issued to the Borrower and that they are valid or issue of a declaration by the Company stating that these decisions have not been appealed against and that the Investment Project may be executed as planned on the basis of the decisions held.

5) prioritising the repayment of the Loans over the payment of all the debt incurred for the Investment Project;

6) confirmation of the correctness of all the parameters assumed with respect to the Investment Project by a person cooperating with the Bank.

Moreover the Company's indebtedness to the Bank due to the loans extended by the Bank reduced by the value of the deposits on the blocked accounts kept in the Bank during the entire crediting period may not exceed PLN 20 million.

** In current account no. 28/2015 of 09.04.2015 loan repayment dates were entered erroneously i.e. 31 January 2018 and 30 January 2018

Annex to the agreement with 7R LOGISTICS Kraków Kokotów

On 8 April 2015 an annex was signed to the agreement described in the Prospectus of the Issuer (valued at PLN 21.8 million) with 7R LOGISTIC Kraków Kokotów Sp. z o.o. concerning the implementation of innovative technology for the automatic identification of goods in the Logistics Centre in Kokotowo. In accordance with the provisions of the annex the deadline for the completion of construction work was moved to 30 September 2015 (the previous deadline was 1 June 2015). The other terms and conditions of the agreement remained unchanged.

Agreement for the construction of the powder paint shop

On 18 May 2015 an agreement was concluded between the Company and one of the manufacturers of wooden and wooden and aluminum windows in Poland ("Contractor"). The agreement is valued at PLN 14.7 million. The Agreement concerns the construction of a powder paint shop having the built-up area of 10 thousand m² and the usable area of 11 thousand m² including installations and infrastructure. The terms and conditions of the Agreement do not differ from the standard provisions of such type of agreements.

Acceptance of the Company's offer in the tender announced by Carrefour Polska Sp. z o.o.

On 17 June 2015 the Issuer was notified of the acceptance by Carrefour Polska Sp. z o.o. ("Employer") of the offer made by the Company for the execution of construction work under General Contracting with respect to remodeling the Commercial Centre Carrefour Morena in Gdańsk consisting in construction work in connection with the change in use of the investment project consisting in the expansion and remodeling of the Commercial Centre Morena in Gdańsk. including the conversion of certain premises into cinemas. commercial and service premises and fitness clubs. The value of the offer accepted ranges between PLN 40-60 million net. The deadline for the completion of work was set for 30 March 2016.

2.3 Description of factors and events having a material impact on financial performance

A typical event having an impact on financial performance was the completion of execution and conclusion/commencement of execution of the contracts enumerated in clause 2.2 as well as the execution of the remaining contracts enumerated in the Prospectus of Dekpol S.A.

There were no other non-typical factors and events having a material impact on the financial performance of the Issuer in 1H 2015.

2.4 Seasonality and cyclicity of the operations of the Company

The operations of the Company are characterised by seasonality typical for the construction industry - an increase in demand for construction services in the period from spring to autumn. The highest revenues from sales are obtained in Q3 and QIV of the year which mainly results from weather conditions and the settlement of contracts at the end of the calendar year. The lowest revenues are. in turn. obtained in Q1 of the year.

Weather anomalies may have an adverse effect on project execution dates which. if extended. may cause the increase of project costs and claims of the customers due to non-performance. Particularly adverse weather conditions during winter may cause the decrease in sales which has a negative impact on the Issuer's performance. Favourable weather conditions in Q1 2015 caused the cyclicity and seasonality usually occurring in this period not occur and did not have an impact on the financial performance of the Issuer.

To meet the mentioned tendencies the Issuer prepared a schedule of activities which minimises their negative impact on financial performance. Flexible working time was introduced accordingly – working hours were extended in the summer and reduced in the winter. This allows us to reduce winter downtime to the minimum and use this period for repairs and maintenance of equipment.

The Issuer strives to prepare the schedules in such a way so as to ensure that interior finishing work inside buildings and the work that can be done at negative temperatures is carried out during winter. Moreover. the Issuer also solicits work connected with external rainwater drainage systems. sanitary sewage systems made of PVC pipes and water networks made of PE pipes which are planned to be performed during the low season when low temperatures do

not particularly influence the quality of the services performed. Winter is also used to carry out the work connected with the solicitation of orders and the planning of future work.

Despite the above, diverse financial performance in particular quarters of the year should be taken into account.

2.5 Write-downs

Inventory write-downs made by the Company as at 30.06.2015 (along with comparable data) are presented below:

Item	30.06.2015	31.12.2014	30.06.2014
Inventory	.00	.00	.00
Total	.00	.00	.00

In 1H 2015 the Company did not make any inventory write-downs and did not release the existing write-downs.

Write-downs for impairment of financial assets, property, plant and equipment as well as intangible assets or other assets made by the Company as at 30.06.2015 (along with comparable data) are presented below:

Item	30.06.2015	31.12.2014	30.06.2014
Property, plant and equipment	-	-	-
Intangible assets	-	-	-
Financial assets	-	-	-
	PLN	PLN	PLN
Receivables	1,432,805.11	1,801,096.37	2,068,712.15
	PLN	PLN	PLN
Total	1,432,805.11	1,801,096.37	2,068,712.15

In 1H 2015 the Company made new write-downs amounting to PLN 163 thousand and released write-downs on receivables amounting to PLN 531 thousand.

2.6 Provisions

Provisions created by the Company as at 30 June 2015 (along with comparable data) are presented below:

Item	30.06.2015	31.12.2014	30.06.2014
Provision for retirement and similar benefits	PLN 48,905.19	PLN 48,905.19	PLN 31,015.34
	PLN	PLN	PLN
Other provisions	611,664.70	506,290.53	349,200.72
	PLN	PLN	PLN
Total	660,569.89	555,195.72	380,216.06

Provisions and deferred income tax assets created by the Company as at 30.06.2015 (along with comparable data) are presented below:

Item	30.06.2015	31.12.2014	30.06.2014
Deferred income tax provision	PLN 2,534,023.00	PLN 2,128,748.00	PLN 18,404.00
Deferred income tax assets	PLN 951,469.00	PLN 789,821.00	PLN 617,293.00

In 1H 2015 the Company increased provisions by PLN 405 thousand and deferred income tax assets by PLN 162 thousand compared to 31.12.2014.

2.7 Property, plant and equipment

2.7.1 Information on material transactions of purchase and sales of property, plant and equipment

In 1H 2015 the Company purchased passenger cars serving its activity connected with general contracting, totalling PLN 290 thousand. In the above period the Company also purchased manufacturing machines and equipment totalling PLN 1 537 thousand and other fixed assets totalling PLN 216 thousand.

2.7.2 Information on a material liability due to the purchase of property, plant and equipment

As at 30.06.2015 there was no material liability due to the purchase of property, plant and equipment.

2.8 Material settlement related to litigation

In the reporting period there were no material settlements related to litigation

2.9 Adjustments of errors from previous periods

During the audit of the financial statements for 2014 the errors which also have an impact on the financial data for the period 01.01-30.06.2014 were adjusted.

Explanation of adjustments between the previously published financial statements for the period 01.01-30.06.2014 and comparable data disclosed in the condensed semi-annual financial statements for the period 01.01-30.06.2014.

1. Change in the presentation of land concerning investment projects completed or in progress: PLN: 28 456 280.90.
2. Adjustments of assets for ODPD PLN: 263 715.00. including those referring to previous years PLN: 250 498.00.
3. Change in the presentation of interest on the loans activated as work in progress PLN: 180 270.93.
4. No related entities.
5. Work in progress concerning long-term contracts is charged to own expenses while revenues from the sale of products and prepayments are increased. PLN: 6 064 440.00.
6. Creation of provisions for unused holiday leaves. PLN: 348 024.36.
7. Wrongly recognised revenue for 2013 – adjustment of accumulated loss/retained profit: PLN 386 100.00.

8. Adjustment of interest calculated on the bonds adjusting the value of bonds: PLN 219 945.21. of which PLN 420 383.56 charged to the accumulated loss/retained profit and PLN 200 438.35 to the increase of profit/loss of the period.
9. Presentation of long-term prepayments and accruals due to the settlement of the subsidy: PLN 1 355 574.30.
10. Adjustment of own cost of the sale of land recognised in the accumulated loss/retained profit: PLN 550 000.00.
11. Adjustment of erroneously calculated interest: PLN 270 000.00.
12. Other

Balance sheet	30.06.2014			30.06.2014
ASSETS	Data published	Adjustment no.	Adjustment amount	Data adjusted
I. Fixed assets	50,101,557.63		- 28 192 565.90	21 908 991.73
1. Intangible assets. including:	488,625.78	-	-	488,625.78
- goodwill	167,977.94	-	-	167,977.94
2. Goodwill of subordinates	-	-	-	-
3. Property, plant and equipment	14,943,603.15	-	-	14,943,603.15
4. Long term receivables	4,439,198.87	-	-	4,439,198.87
4.1. From related entities	,	-	-	-
4.2. From other entities	4,439,198.87	-	-	4,439,198.87
5. Long-term investments	29,696,280.90	-	- 28 456 280.90	1,240,000.00
5.1. Real property	29,696,280.90	1	- 28 456 280.90	1,240,000.00
5.2. Intangible assets	-	-	-	-
5.3. Long-term financial assets	-	-	-	-
a) in related entities. including:	-	-	-	-
- shares or stock in subordinates accounted for using the equity method	-	-	-	-
- shares or stock in non-consolidated subsidiaries and jointly-controlled entities	-	-	-	-
b) in other entities	-	-	-	-
5.4. Other long-term investments	-	-	-	-
6. Long-term prepayments	533,848.93	-	263,715.00	797,563.93
6.1. Deferred income tax assets	353,578.00	2	263,715.00	617,293.00
6.2. Other prepayments and accrued income	180,270.93	-	-	180,270.93
II. Current assets	132,185,645.44		27,636,280.90	159,821,926.34
1. Inventory	75,533,498.14	1.3.5.10	22,022,111.83	97,555,609.97
2. Short-term receivables	47,316,092.76	-	-	47,316,092.76
2.1. From related entities	-	-	-	-
2.2. From other entities	47,316,092.76	-	-	47,316,092.76
3. Short-term investments	8,125,999.19	-	-270,000.00	7,855,999.19

3.1. Short-term financial assets	8,125,999.19	-	-270,000.00	7,855,999.19
a) in related entities	-	-	-	-
b) in other entities	-	-	-	-
c) cash and cash equivalents	8,125 999.19	-	-270,000.00	7,855,999.19
3.2. Other short-term investments	-	-	-	-
4. Short-term prepayments and accrued income	1,210,055.35	3.5	5,884,169.07	7,094,224.42
Total assets	182,287,203.07	-	-556,285.00	181,730,918.07

	30.06.2014			30.06.2014
EQUITY & LIABILITIES	Data published	Adjustment no.	Adjustment amount	Data adjusted
I. Equity	62,271,602.79		-1,425,888.27	60,845,714.52
1. Share capital	6,410,000.00	-	,-	6,410,000.00
2. Called-up share capital (negative figure)	-	-	-	-
3. Own shares (negative figure)	-	-	-	-
4. Supplementary capital	51,103,029.05		,	51,103,029.05,
5. Revaluation capital	-	-	-	-
6. Other reserve capitals	-	-	-	-
7. Currency translation differences (subordinates)	-	-	-	-
a) foreign exchange gains	-	-	-	-
b) foreign exchange losses	-	-	-	-
8. Profit (loss) brought forward	-	2.6.7.8.10.12	-1,369,543.62,	-1,369,543.62,
9. Net profit (loss)	4,758,573.74	zgodnie,z,RZiS	-56,344.65,	4,702,229.09,
10. Net profit write-offs during the financial year (negative value)	-	-	-	-
II. Liabilities and provisions for liabilities	120,015,600.28,		869,603.27	120,885,203.55
1. Provisions for liabilities	50,595.70	-	348,024.36	398,620.06
1.1. Deferred income tax provision	18,404.00	-	-	18,404.00
1.2. Provision for retirement and similar benefits	31,015.34	-	-	31,015.34
a) long-term	30,329.10,	-	-	30,329.10
b) short-term	686.24	-	-	686.24
1.3. Other provisions	1,176.36	-	348,024.36,	349,200.72
a) long-term	-	-	-	-
b) short-term	1,176.36	6	348,024.36,	349,200.72
2. Long-term liabilities	48,445,425.21	-	-	48,445,425.21
2.1. To related entities	6,530,000.00	4,	-6,530,000.00	-
2.2. To other entities	41,915,425.21	4,	6,530,000.00	48,445,425.21
3. Short-term liabilities	66,918,663.56	-	521,578.91	67,440,242.47
3.1. To related entities				-
3.2. To other entities	66,866,452.61	7.8.12	521,578.91	67,388,031.52
3.3. Earmarked funds	52,210.95	-	-	52,210.95

4. Accruals	4,600,915.81	-	-	4,600,915.81
4.1. Negative goodwill		-	-	-
4.2. Other prepayments and accrued income	4,600,915.81	-	-	4,600,915.81
a) long-term	-	9,	1,355,574.30	1,355,574.30
b) short-term	4,600,915.81	9,	-1,355,574.30	3,245,341.51
Total equity and liabilities	182,287,203.07	-	-556,285.00	181,730,918.07

Income statement

	Data published	Adjustment no.	Adjustment amount	Data adjusted
	01.01.2014 - 30.06.2014			01.01.2014 - 30.06.2014
I. Net revenue from the sale of products, goods and materials				
	97,764,728.64	-	6,064,440.00	103,829,168.64
-from related entities	-	-	-	-
1. Net revenues from sales of products	91,568,912.69	5	6,064,440.00	97,633,352.69
2. Net revenues from sales of goods and materials	6,195,815.95	-	-	6,195,815.95
II. Costs of products, goods and materials sold, including	86,856,658.09	,	6,064,440.00	92,921,098.09
-from related entities	-	,-	-	-
1. Manufacturing cost of products sold	80,919,423.26	5	6,064,440.00	86,983,863.26
2. Value of goods and materials sold	5,937,234.83	,	,	5,937,234.83
III. Gross profit (loss) on sales (1-11)	10,908,070.55	-	,-	10,908,070.55
IV. Selling costs	1,819,141.68	,-	,	1,819,141.68
V. General administrative expenses	2,062,203.30	-	,	2,062,203.30
VI. Profit (loss) on sales (III-IV-V)	7,026,725.57	-	,-	7,026,725.57
VII. Other operating income	367,844.40	-	,-	367,844.40
1. Profit on disposal of non-financial fixed assets		-	-	-
2. Subsidies	80,354.36	-	-	80,354.36
3. Other operating income	287,490.04	-	-	287,490.04
VIII. Other operating expenses	210,841.60	-	,-	210,841.60
1. Loss on disposal of non-financial fixed assets	10,075.18	-	-	10,075.18
2. Revaluation of non-financial assets	-	-	-	-
3. Other operating expenses	200,766.42	-	-	200,766.42
IX. Operating profit (loss) (VI+VII-VIII)	7,183,728.37	-	-	7,183,728.37
X. Financial revenues	327,343.95	,	-270,000.00	57,343.95
1. Dividend and shares in profit, including:	-	-	-	-
— from related entities		,	,	-
2. Interest, including:	327,343.95	11	-270,000.00	57,343.95
-from related entities	-	-	-	,-
3. Profit on disposal of investments	-	-	-	-

4. Revaluation of investments	-	-	-	-
5. Other	-	-	-	-
XI. Financial expenses	1,674,851.58	-	-200,438.35	1,474,413.23
1. Interest, including:	1,646,245.02	8	-200,438.35	1,445,806.67
-to related entities	204,808.48	4	-204,808.48	-
2. Loss on disposal of investments	-	-	-	-
3. Revaluation of investments	-	-	-	-
4. Other	28,606.56	-	-	28,606.56
XII. Profit (loss) on business activity (IX+X-XI+/-X11)	5,836,220.74	,	-69,561.65	5,766,659.09
XIII. Extraordinary gains/losses (XIII.1. - XIII.2.)	-	-	-	-
1. Extraordinary gains	-	-	-	-
2. Extraordinary losses	-	-	-	-
XIV. Gross profit (loss) (XIII+/-XIV-XV+XIV)	5,836,220.74	-	-69,561.65	5,766,659.09
XV. Income tax	1,077,647.00	-	-13,217.00	1,064,430.00
a) current tax	853,170.00	-		853,170.00
b) deferred tax	224,477.00	2	-13,217.00	211,260.00
XVI. Other statutory decrease in profit (increase in loss)		-		-
XVII. Net profit (loss) (XVII-XVIII-XIX+/-XX+/-XXI)	4,758,573.74	-	-56,344.65	4,702,229.09

2.10 Changes in economic and business conditions which have a material impact on the fair value of financial assets and liabilities of the Company

In the opinion of the Management Board of the Issuer there were no changes in economic and business conditions which would have had a material impact on the fair value of financial assets and liabilities of the entity.

2.11 Outstanding loans and borrowings and violations of loans and borrowings agreements

None.

2.12 Transactions with related entities

In H1 2015, the Company did not conclude any transactions with related entities which could be regarded, individually or jointly, as material and were concluded under terms other than arm's length terms.

As at the balance-sheet date the related entities of the Company are: Dekpol 1 Sp. z o.o. and Dekpol 1 Sp. z o.o. S.K.A.

2.13 Change of method of determination of fair value of financial instruments

None.

2.14 Changes in classification of financial assets

None.

2.15 Issue, redemption and repayment of non-equity and equity securities

Bond issue programme

On 29 May 2015 the Company adopted a resolution under which it decided to accept the bond issue programme ("Issue Programme") which provides for the issue by the Company of the bonds other than convertible bonds or bonds with priority right in five series ("Tranches") with the total nominal value of all the Tranches not exceeding PLN 50 million ("Bonds"). The purchase of particular Bond Tranches will be offered exclusively to the funds Pioneer FIO and Pioneer Bond – Dynamic Allocation FIO, on the terms and conditions specified in the agreement concluded between the Company and the aforementioned funds (whereas the final wording of the purchase offer and the terms of issue of Bonds of a given Tranche will be determined by separate resolutions of the Management Board).

Bonds will be issued as bearer securities bearing an interest rate equal to 3M WIBOR plus the margin, secured, with the redemption date of each Bond Tranche on the day not later than 48 months from the date of allocation of the first Tranche Bonds. Bonds are issued to obtain funds for the investment project (construction of a multi-family residential building including service premises) on the lot at Jaglana Street in Gdańsk.

Bonds confer the right to cash payments only. The Bondholder is entitled to request early redemption from the Issuer. The Issuer is entitled to early redemption of all or part of the Bonds. There may also be a situation where the Issuer is required to redeem the Bonds early. Bonds will be issued as collateralised securities and will be backed at least by (separately for each tranche):

- establishment to the benefit of the administrator of collaterals for contractual mortgages on the right of perpetual usufruct of the real property located in Gdańsk at 3 Jaglana Street ("Real Property") whose perpetual user is the Company, whereas the mortgages established for particular bond tranches will have equal priority among themselves and the highest priority;
- submission by the Company to each bondholder of a declaration of submission to enforcement pursuant to Art. 777 § 1(5) of the Code of Civil Procedure with regard to the obligations arising under a given bond tranche;
- conclusion of an escrow account agreement allowing the funds to exercise control over the cash flows of the Company as part of the investment project to be executed using the funds obtained from bonds whereas the escrow account agreement concluded in connection with the issue of I-tranche bonds will apply to the bonds of all subsequent tranches.
- granting by Dekpol to the mortgage administrator of an irrevocable power of attorney under which Dekpol will authorise the holder of the power of attorney to submit, on behalf of Dekpol, a statement of intent whereby Dekpol pursuant to Art. 40(1) of the Building Law expresses its consents to transfer to another entity the building permit decision regarding the existing Investment Project and to grant a further power of attorney to the entity which will act as a mortgage administrator in lieu of the current administrator, whereas each holder of a power of attorney will have the right to the grant further powers of attorney;
- establishment of a contractual mortgage up to the highest amount equal to the collateral to the benefit of the collateral administrator acting as a mortgage administrator, on the Issuer's right of perpetual usufruct of the Real Property.

On 12 June 2015 the five contractual mortgages referred to above were entered into the register by the District Court Gdańsk – Północ in Gdańsk. 3rd Division of Land and Mortgage Registers. Particular contractual mortgages were established to secure the claims of bondholders with respect to particular tranches of Bonds up to: PLN 18.75 million. PLN 18.00 million. PLN 13.5 million. PLN 14.25 million and PLN 10.5 million. respectively. i.e. up to PLN 75 million in total. The mortgages established for particular bond tranches have equal priority among themselves and the highest priority. The mortgages were established to the benefit of mortgage administrator – WS Trust Sp. z o.o. (“Mortgage Administrator”) in performance of the provisions of the agreement referred to above. The Mortgage Administrator. in accordance with mortgage administration agreement concluded with the Company. will perform the rights and obligations of a mortgage creditor on its own behalf but to the benefit of the bondholders.

Series C1 bonds

Under the bond issue programme referred to above. on 19.06.2015. the Company allocated 12.500 secured series C1 bearer bonds in book-entry form of a nominal value of PLN 1.000 each and the total nominal value of PLN 12.5 million (“Bonds”) to the funds Pioneer FIO and Pioneer Bond – Dynamic Allocation FIO (jointly the “Funds”). The bonds are negotiable. secured and bearing interest based on the 3M WIBOR rate plus the margin determined on arm length's terms. Interest on Bonds will be paid quarterly. Bonds confer the right to cash payments only. Redemption of bonds is due on 19 June 2019. Bonds will be redeemed on the redemption date for an amount equal to the nominal value plus the interest. Bonds are issued to obtain funds for the execution by the Issuer of an investment project consisting in the construction of a residential building with service premises on the lot at Jaglana Street in Gdańsk (“Investment Project”).

Bond security instruments are: (i) the Issuer's declarations of submission to enforcement pursuant to Art. 777 § 1(5) of the Code of Civil Procedure with respect to the Issuer's financial obligations under the Bonds. submitted to particular Funds up to 150% of the nominal value of the Bonds held by them and giving the right to apply for appending the enforcement clause by 31 December 2019. (ii) contractual mortgage up to the highest amount equal to PLN 18.75 million established to the benefit of the mortgage administrator (WS Trust Sp. z o.o.) on the Issuer's right of perpetual usufruct of the real property located in Gdańsk (iii) the Issuer's declaration to the benefit of the administrator of the above mortgage of submission to enforcement pursuant to Art. 777 § 1(5) of the Code of Civil Procedure from the encumbered real property to satisfy the receivables arising from the Bonds giving the right to apply for appending the enforcement clause by 31 December 2019. (iv) escrow account agreement ensuring control over the cash flows of the Company under the Investment Project. including the funds obtained from the issue of Bonds and the sale of premises as part of the Investment Project in such a manner so that the funds accumulated on the escrow account may be used exclusively for the purposes connected with the execution of the Investment Project and the redemption of Bonds along with any accrued and unpaid interest.

2.16 Declared or paid dividend

In the reporting period the Issuer neither declared nor paid any dividend.

2.17 Events after the balance-sheet date

Cancellation of the issue of series D bonds

On 15 July 2015 the Company decided to issue 200 thousand series D bearer bonds of the nominal value of PLN 100 each ("Bonds"). The issue was to be valued at up to PLN 20 million and the bonds were to be issued to finance current operations of the Company, including the construction of the hotel at Toruńska Street in Gdańsk. On 30 July 2015 the Company as a result of having received from the investors, during meetings, information regarding the possibility of obtaining funds exceeding the value of the current issue, using security, decided to cancel the issue of series D bonds. The intention of the Issuer is to carry out an issue of bonds with a higher value and on modified terms and conditions, in particular with respect to security, potentially taking into account the effect of the said modifications on determining the other terms and conditions of the issue.

Taking up shares in Dekpol 1 Sp. z o.o. SKA by the Issuer

On 30 July 2015 the Company acquired series B shares in the increased share capital of Dekpol 1 Sp. z o.o. SKA ("Dekpol 1 SKA") of the total nominal value of PLN 0.5 million, at the total issue price of PLN 51.51 million, and covered the shares with an in-kind contribution in the form of the right of perpetual usufruct of the real property located in Gdańsk at 12 Toruńska Street, including a lot having the area of 0.34 ha along with the title to the building under construction located on that real property. Dekpol 1 SKA will be responsible for the completion of the investment project carried out by the Company on the aforementioned real property – the construction of Almond Hotel (the value of the asset in the form of real property by way of an in-kind contribution to Dekpol 1 SKA was recorded in the Company books at PLN 36.2 million. The higher value of the in-kind contribution resulted from the fact that the value disclosed in accounting books did not reflect the market value of the real property, the market value of the in-kind contribution was determined by a property appraiser).

On 30 July 2015 the Company also acquired C series shares in the increased share capital of Dekpol 1 SKA ("Dekpol 1 SKA") of the total nominal value of PLN 0.5 million, at the total issue price of PLN 56.36 million and covered the shares with an in-kind contribution in the form of the copyright to the work within the meaning of Art. 1 of the Act of 4 February 1994 on Copyright and Related Rights in the form of the figurative mark "dekpol" present in all the graphic and colour versions used by the Company along with the accompanying descriptors ("Work"). The terms and conditions of the transaction between the Company and Dekpol 1 SKA do not differ from the terms and conditions commonly used in business for such type of transactions. The value of the copyright to the Work in the form of an in-kind contribution to Dekpol 1 SKA was not recorded in the Company books. The value of the in-kind contribution – PLN 56.36 million was confirmed in the auditor's opinion.

Before 30 July 2015 the share capital of Dekpol 1 SKA amounted to PLN 50 thousand. The Issuer holds 100% of shares in the share capital of Dekpol 1 SKA and 100% of shares in the share capital of the only general partner Dekpol 1 SKA, i.e. Dekpol 1 Sp. z o.o.

Transfer of copyrights

On 30 July 2015 Dekpol 1 Sp. z o.o. SKA concluded an agreement for the transfer of copyright under which Dekpol 1 Sp. z o.o. SKA transferred to Dekpol Royalties Sp. z o.o. having its registered office in Pinczyn ("Dekpol Royalties") the copyright to the Work for the total price of PLN 56.26 million + VAT ("Copyright Transfer Agreement"). The terms and conditions of the Copyright Transfer Agreement do not differ from the terms and conditions commonly used in business for such type of agreements. As a result of the conclusion of the Copyright Transfer Agreement Dekpol Royalties obtained copyright to the Work to be administered by it and licensed to the Company. Dekpol 1 Sp. z o.o. SKA holds 100% of shares in the share capital of Dekpol Royalties.

Conclusion of the licence agreement

On 30 July 2015 Dekpol Royalties and the Issuer concluded a licence agreement under which Dekpol Royalties granted to the Company a licence to use the copyright to the Work in the scope in which Dekpol Royalties may use the same (full, non-exclusive licence), without territorial restrictions ("Licence Agreement"). The Licence Agreement for the use of copyright was concluded for unspecified duration with the possibility of termination upon 6-month notice effective at the end of the calendar month. The licence fee for the use of the copyright to the Work shall amount to 2.76% of net revenues (i.e. without VAT) obtained by the Company from the sale of construction services, general contractor services concerning building permit designs and development services and will be increased by VAT, and will be calculated monthly. 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.

Conclusion of a loan agreement by Dekpol 1 Sp. z o.o. SKA

On 30 July 2015 Dekpol 1 SKA as the borrower concluded a loan agreement with Dekpol Royalties as the creditor for PLN 56.26 million ("Loan Agreement"), with the repayment date falling on 31 December 2020. The loan bears a market rate of interest. The repayment of the loan under the Loan Agreement is not secured. The claim of Dekpol Royalties for the payment of the loan amount under the Loan Agreement was set off in full against the corresponding part of the claim of Dekpol 1 SKA for the payment of the remuneration of Dekpol 1 SKA under the Copyright Transfer Agreement described above in this section of the report.

Conclusion of an agreement with 7R Logistic

On 11 August 2015 the Company signed an agreement ("Agreement") with 7R Logistic S.A. ("Employer") under which the Employer requests the Company to execute the investment project consisting in groundwork, the construction of a public road and the construction of a storage hall in Gdańsk Kowale along with welfare space with internal installations, including land development under the "design and construct" system and the performance of any other activities specified in the Agreement. The Company received the notification of award of contract on 23 July 2015. The Agreement covers the preparation and submission to the

Employer of the complete design documentation and then obtaining all the necessary permits, approvals and opinions, except for the building permit. The value of the remuneration for the execution of the work corresponds to 25% of the Issuer's equity. The total contractual penalties which may be calculated by the Employer will not exceed 15% of the Issuer's remuneration. Moreover, regardless of the contractual penalties, if due to the delay on the part of the Contractor, the Employer incurs additional costs connected with the need to hire the persons whose presence at the site is necessary, the Contractor will reimburse the Employer for all such costs. In the event of any delay in the commencement or completion of the removal of any defects in the work in relation to the deadlines specified in the Agreement, the Contractor will pay a contractual penalty of PLN 3.000 or PLN 6.000 for each day of delay, depending on the type of faults and defects. In the event of withdrawal from the Agreement for reasons attributable to the Contractor, the Employer shall have the right to demand a contractual penalty of 10% of the Contractor's remuneration. The Contractor grants a quality guarantee to the Employer for both, designing, materials and equipment used as well as workmanship.

2.18 Contingent liabilities and contingent assets

Since the end of 2013 when the Issuer held contingent liabilities to other entities (not-related) under the guarantee, amounting to PLN 14.85 million, these liabilities rose to PLN 23.44 million by the end of 2014. In the period 01.01.2015 – 30.06.2015 the insurance bid guarantees and performance guarantees totalling PLN 1 779 thousand were signed and the guarantees totalling PLN 7 441 thousand expired. At the same time a bank guarantee of PLN 83 thousand was signed and a guarantee of PLN 215 thousand expired. Contingent liabilities due to the guarantee as at 30.06.2015 amount to PLN 17 646 thousand.

2.19 Change in the methods for the measurement of assets and liabilities and measurement of financial performance

None.

2.20 Other information which may have a material impact on the assessment of the Company's assets, financial position and performance

On 17 April 2015 the Company acquired 100% of shares in the share capital of Heron 3 Sp. z o.o. S.K.A. (currently Dekpol 1 Sp. z o.o. S.K.A.) and 100% of shares in the share capital of Heron 3 Sp. z o.o. (currently Dekpol 1 Sp. z o.o.). Dekpol 1 Sp. z o.o. is the sole general partner of Dekpol 1 Sp. z o.o. S.K.A. In 1H 2015 the above companies did not carry out any operations and did not have a material impact on the activity and financial performance of the Dekpol Capital Group. Therefore the Company did not prepare the consolidated financial statements for 1H 2015. The first consolidated financial statements will be prepared for Q3 2015.

The acquisition of shares in Dekpol 1 Sp. z o.o. and Dekpol 1 Sp. z o.o. S.K.A. constituted one of the stages of activities aimed at the increase of operational efficiency of the Dekpol Capital Group. After the balance-sheet date, Dekpol 1 Sp. z o.o. S.K.A. registered Dekpol Royalties Sp. z o.o., in which it holds 100% of shares and acquired 100% of shares in Almond Sp. z o.o. On 30 July 2015 (an event after the balance-sheet date) the Issuer took up shares in the increased share capital of Dekpol 1 Sp. z o.o. S.K.A., as referred to in section 2.17 above of these financial statements.

In 1H 2015 there were no other events which may have had a material impact on the assessment of the Issuer's assets, financial position and performance.