

Current Report no. 17/2013 of 26 November 2013

Conclusion of significant contracts - taking up shares of a subsidiary company, in kind contribution, financial lease agreements

Legal basis:

Par 56.1.2 of the Act on Public Offering – current and periodic information.

The Management Board of Farmacol S.A. - The Issuer - hereby reports to have, on 25 November 2013, received a copy of the minutes from the Extraordinary Shareholders' Meeting of FARMACOL FINANSE Spółka z o.o. Wrocław Spółka Komandytowo Akcyjna with its registered office in Wrocław (National Court Number [KRS] 0000481171), that was held on 21 November 2013 and recorded by a notary public. The Issuer holds 99% of shares of the Company, while FARMACOL FINANSE Sp. z o.o. in Katowice, the Issuer's one-person subsidiary company, is the Company's general partner.

The Extraordinary General Shareholders' Meeting of FARMACOL FINANSE Spółka z o.o. Wrocław SKA adopted a resolution on the increase of the share capital of that company by the amount PLN 3,850,000.00 from the current amount of PLN 50,000.00 to PLN 3,900,000.00 (three million nine hundred and thousand PLN), through the issue of:

- 300,000 new series "B" registered shares numbered 000,001 to 300,000 by private subscription, issue price tantamount to par value, i.e. PLN 10.00 per share;
- 85,000 new series "C" registered shares numbered 00,001 to 85,000 by private subscription, issue price tantamount to par value, i.e. PLN 10.00 per share;

The shares in the FARMACOL FINANSE Spółka z o.o. Wrocław SKA increased share capital were taken up by the issuer's subsidiaries including:

1. „CEFARM – WROCŁAW – CENTRUM ZAOPATRZENIA FARMACEUTYCZNEGO” S.A. with its registered office in Wrocław, which took up 49,038 series "B" registered shares numbered 000,001 to 049,038 with the value of PLN 490,380.00 in exchange for the following non-cash contributions:
 - a) The right to the perpetual usufruct of plots: 33/1 located in Wrocław at ul. Tadeusza Kosciuszki 55, 33/2 located in Wrocław at ul. Tadeusza Kosciuszki 55a and 33/3 located in Wrocław at ul. Stawowa 10, together with the ownership of the buildings, building structures and equipment located on these plots but constituting a separate ownership title entered into the land and mortgage register under no. WR1K/ 00093812/3;
 - b) The right to the perpetual usufruct of the plot 13/1 located in Wrocław at ul. Rakowiecka 63, entered into the land and mortgage register under no. WR1K/ 00093812/3; No WR1K/ 00032698/2,
 - c) The right to the perpetual usufruct of the plot 13/5 located in Wrocław at ul. Rakowiecka 65, 13/7 located in Wrocław at ul. Rakowiecka 67a, 13/8 located in Wrocław at ul. Rakowiecka and 13/9 located in Wrocław at ul. Rakowiecka 67, together with the ownership of the buildings, building structures and equipment located on this plot but constituting a separate

ownership title and entered into the land and mortgage register under no. WR1K/00027613/5;

of the total value in the amount of PLN 59,410,730.00 gross, where the value of the contribution in kind made to cover the new shares issue over the par value of shares taken up in exchange for the contribution in kind shall be allocated to reserve capital;

2. Przedsiębiorstwo Zaopatrzenia Farmaceutycznego „CEFARM - SZCZECIN” S.A. SKA with its registered office in Katowice, which took up 15, 783 series “B” registered shares numbered from 049,039 to 064,821 with the value of PLN 157,830.00 in exchange for the following non-cash contributions: the ownership right to the premises constituting a developed plot no. 1/2 located in Szczecin, ul. Pomorska 132, entered into land and mortgage register under no. SZ1S/00158112/2, of the total value in the amount of PLN 19,122,000.00 gross, where the value of the contribution in kind made to cover the new shares issue over the par value of shares taken up in exchange for the contribution in kind shall be allocated to reserve capital;
3. CEFARM BIAŁYSTOK S.A. with its registered office in Wrocław, which took up 33,739 series “B” registered shares numbered from 064,822 to 098,560 with the value of PLN 337,390.00 in exchange for the following non-cash contributions:

- a) The right to the perpetual usufruct of the plot no. 215 located in Białystok at ul. Sienkiewicza 71/73 together with the ownership of the buildings, building structures and equipment located on this plot but constituting a separate ownership title entered into land and mortgage register no. BI1B/00032922/0;
- b) The ownership of a developed plot no. 327/11 located in Białystok at ul. Gen. Franciszka Kleeberga 34, entered into the land and mortgage register under no. BI1B/00076897/5;

of the total value in the amount of PLN 40,875.755.72 gross, where the value of the contribution in kind made to cover the new shares issue over the par value of shares taken up in exchange for the contribution in kind shall be allocated to reserve capital;

4. Przedsiębiorstwo Zaopatrzenia Farmaceutycznego „CEFARM - SZCZECIN” S.A. with its registered office in Szczecin, which took up 11,962 series “B” registered shares numbered from 098,561 to 110,522 with the value of PLN 119,620.00 in exchange for the following non-cash contributions:
 - a) The right to the perpetual usufruct of the plot no. 18/13 located in Szczecin at ul. Księża Ziemowita 10 together with the ownership of the buildings, building structures and equipment located on this plot but constituting a separate ownership title entered into land and mortgage register no. SZ1S/00168790/1;
 - b) The right to the perpetual usufruct of the plot no. 46/2 located in Szczecin at ul. Księża Ziemowita 10k together with the ownership of the buildings, building structures and equipment located on this plot but constituting a separate ownership title entered into land and mortgage register no. SZ1S/00170401/5;
 - c) The right to the perpetual usufruct of the plot no. 18/8 located in Szczecin at ul. Księża Ziemowita 10b together with the ownership of the buildings, building structures and equipment located on this plot but constituting a separate ownership title entered into land and mortgage register no. SZ1S/00170402/2;
 - d) The right to the perpetual usufruct of the plot no. 18/9 located in Szczecin at ul. Księża Ziemowita 10h together with the ownership of the buildings, building structures and equipment located on this plot but constituting a separate ownership title entered into land and mortgage register no. SZ1S/00168791/8;

- e) The right to the perpetual usufruct of the plot 1/1 located in Szczecin at ul. Widuchowska, 1/12 located in Szczecin at ul. Widuchowska, 8/1 located in Szczecin at ul. Widuchowska and 18/1 in Szczecin at ul. Księża Ziemowita 10 and 18/6 located in Szczecin at ul. Księża Ziemowita 10c together with the ownership of the buildings, building structures and equipment located on this plot but constituting a separate ownership title, and entered into the land and mortgage register under no. SZ1S/00085010/4;
- f) The right to the perpetual usufruct of the plot no. 18/10 located in Szczecin at ul. Księża Ziemowita 10g together with the ownership of the buildings, building structures and equipment located on this plot but constituting a separate ownership title entered into land and mortgage register no. SZ1S/00170397/3;
- g) The right to the perpetual usufruct of the plot no. 18/2 located in Szczecin at ul. Księża Ziemowita 10 together with the ownership of the buildings, building structures and equipment located on this plot but constituting a separate ownership title entered into land and mortgage register no. SZ1S/00170398/0;
- h) The 4/5 share of right to the perpetual usufruct of the plot no. 18/14 located in Szczecin at ul. Księża Ziemowita together with the 4/5 share of the ownership of the buildings, building structures and equipment located on this plot but constituting a separate ownership title entered into land and mortgage register no. SZ1S/00167971/7;
- i) The right to the perpetual usufruct of the plot no. 19/7 located in Szczecin at ul. Dębogórska together with the ownership of the buildings, building structures and equipment located on this plot but constituting a separate ownership title entered into land and mortgage register no. SZ1S/00170396/6;
- j) The right to the perpetual usufruct of the plot no. 1/2 located in Szczecin at ul. Widuchowska together with the ownership of the buildings, building structures and equipment located on this plot but constituting a separate ownership title entered into land and mortgage register no. SZ1S/00168792/5;
- k) The 673/1000 share of the right to the perpetual usufruct of the plot no. 255 located in Szczecinek at ul. 28 lutego 26 together with the 673/1000 interest of the ownership of buildings, building structures and equipment located on this plot but constituting a separate ownership title entered into land and mortgage register no. KO11/00007992/1;

of the total value in the amount of PLN 14,492,000.00 gross, where the value of the contribution in kind made to cover the new shares issue over the par value of shares taken up in exchange for the contribution in kind shall be allocated to reserve capital;

5. FARMACOL Spółka Akcyjna with its registered office in Katowice, which took up 163,128 series "B" registered shares numbered from 110,523 to 273,650 with the total par value of PLN 1,631,280.00 in exchange for the following non-cash contributions:

- a) The right to the perpetual usufruct of the plot no. 43/3 located in Dąbrówka Dopiewo commune, poznański powiat, Wielkopolska region, entered into the land and mortgage register under no. PO1P/00100031/1;WR1K/ 00093812/3; No WR1K/ 00100031/1,
- b) The ownership of the property constituting an undeveloped plot no. 1017/6 located in Opole at u. Chorzowska entered into the land and mortgage register under no. OP1O/00102647/7;
- c) The ownership of the property constituting an undeveloped plot no. 58/1 located in Zakopane entered into the land and mortgage register under no. NS1Z/00030938/1;

- d) The ownership of the property consisting of undeveloped plots of land number: 706/3, 727/5 and 732 located in Zakopane entered into the land and mortgage register under no. NS1Z/00010286/9;
- e) The right to the perpetual usufruct of an undeveloped plot of land no. 53/103 developed plot no. 53/103 located in Żerniki, Kórnik commune, poznański powiat, Wielkopolska region, entered into the land and mortgage register under no. PO1P/00045717/8;
- f) The right to the perpetual usufruct of the plot 6/6 located in Katowice at Rzepakowa 2 and 8/3 located in Katowice together with the ownership of the buildings, building structures and equipment located on this plot but constituting a separate ownership title entered into land and mortgage register no. KA1K/00030262/5;
- g) The right to the perpetual usufruct of the plot no. 194/3 located in Rogoźnica, Głogów Małopolski commune, rzeszowski powiat, Podkarpacie region, entered into the land and mortgage register under no. RZ1Z/00112508/5;
- h) The ownership of property consisting of developed plots no. 194/2, 194/5 and 196/1 located in Rogoźnica, Głogów Małopolski commune, rzeszowski powiat, Podkarpacie region, entered into the land and mortgage register under no. RZ1Z/00041252/6;
- i) The ownership of property consisting of developed plots no. 77/2, 77/3, 77/4, 77/5, 77/9, 77/10, 77/11 and 77/14 located in Gdańsk at ul. Nowy Świat 18 entered into the land and mortgage register under no. GD1G/00114205/2;
- j) The right to the perpetual usufruct of the plot 4/48 located in Macierzysz Research Centre, Ożarów Mazowiecki commune, Warszawski Zachodni powiat, Mazowsze region, and no. 15 located in Ożarów Mazowiecki, Ożarów Mazowiecki commune, Warszawski Zachodni powiat, Mazowsze region with the ownership of the buildings, building structures and equipment located on this plot but constituting a separate ownership title entered into land and mortgage register no. WR1K/00026432/2;
- k) The right to the perpetual usufruct of the plot no. 4/74 located in Macierzysz Research Centre, Ożarów Mazowiecki commune, Warszawski Zachodni powiat, Mazowsze region, together with the ownership of the buildings, building structures and equipment located on this plot but constituting a separate ownership title entered into land and mortgage register no. WA1P/00089568/3;
- l) The right to the ownership of the property constituting an undeveloped plot no. 3211/34 located in Ustroń, Ustroń commune, cieszyński powiat, Silesia region, entered into the land and mortgage register under no. BB1C/00076846/3;
- m) The right to the ownership of the property constituting an undeveloped plot no. 4024/39 located in Ustroń, Ustroń commune, cieszyński powiat, Silesia region, entered into the land and mortgage register under no. BB1C/00072177/4;

of a total value in the amount of PLN 197,635,170.00 gross, where the value of the contribution in kind made to cover the new shares issue over the par value of shares taken up in exchange for the contribution in kind shall be allocated to reserve capital;

6. Przedsiębiorstwo Zaopatrzenia Farmaceutycznego „CEFARM - KIELCE” S.A. with its registered office in Kielce, which took up 26,350 series “B” registered shares numbered from 273,651 to 300,000 with the value of PLN 263,500.00 in exchange for the following non-cash contributions:

- a) The right to the perpetual usufruct of: a plot no. 2/14 located in Kielce, ul. Hubalczyków 30 and 3/16 located in Kielce at ul. Hubalczyków 30 together with the ownership of the

buildings, building structures and equipment located on this plot but constituting a separate ownership title entered into land and mortgage register no. SZ1S/00128392/4;

- b) The right to the perpetual usufruct of: plot 390/22 located in Kielce ul. Artwińskiego, 390/25 located in Kielce, ul. Artwińskiego, 390/30 located in Kielce, ul. Jagiellońska, 390/32 located in Kielce, ul. Jagiellońska, 390/33 located in Kielce, ul. Jagiellońska, 390/34 located in Kielce, ul. Jagiellońska, 391/5 located in Kielce, ul. Jagiellońska 70, 391/6 located in Kielce, ul. Jagiellońska 70, 391/7 located in Kielce, ul. Jagiellońska 70, and 391/8 located in Kielce, ul. Jagiellońska 70 along with the ownership in the parcel of land property separate from buildings, structures and equipment on this plot but constituting a separate ownership title, and entered into the land and mortgage register under no. K11L/00073806/9;
- c) 24618/29140 share of right to the perpetual usufruct of plots no. 390/28 located in Kielce, ul. Jagiellońska, 390/29 located in Kielce at ul. Jagiellońska and 390/31 located in Kielce at ul. Jagiellońska together with 24618/29140 interest of ownership of the buildings, building structures and equipment located on this plot but constituting a separate ownership title entered into land and mortgage register no. K11L/00098587/8;

of a total value in the amount of PLN 31,923,408.36 gross, where the value of the contribution in kind made to cover the new shares issue over the par value of shares taken up in exchange for the contribution in kind shall be allocated to reserve capital;

7. Przedsiębiorstwo Zaopatrzenia Farmaceutycznego „CEFARM - KIELCE” S.A. SKA with its registered office in Katowice, which took up 77,515 series “C” registered shares numbered from 00,001 to 77,515 with the value of PLN 775,150.00 in exchange for the following non-cash contributions:

- a) Rights to the "Farmacol" trade mark which is owned by the Company.
- b) Rights to the "Cefarm24.pl" trade mark which is owned by the Company.

of a total value in the amount of PLN 95,504,580.00 gross, where the value of the contribution in kind made to cover the new shares issue over the par value of shares taken up in exchange for the contribution in kind shall be allocated to reserve capital;

8. „FARMATEKA” Spółka z o.o. with its registered office in Katowice, which took up 7,485 series “C” registered shares numbered from 77,516 to 85,000 with the value of PLN 74,850.00 in exchange for the non-cash contribution in the form of the rights to the "Farmateka" trade mark which is the ownership of the Company of a total value of PLN 9,222,540.00 gross, where the value of the contribution in kind made to cover the new shares issue over the par value of shares taken up in exchange for the contribution in kind shall be allocated to reserve capital;

In addition, the Issuer hereby informs that on the day of the Extraordinary General Shareholders' Meeting of FARMACOL FINANSE Spółka z o.o. Wrocław SKA, located in Wrocław all the real property being the contribution in kind, was brought into the company by new shareholders pursuant to separate notarial deeds.

Concurrently, the Issuer informs that on 21 November 2013, in connection with the transfer of rights of the above mentioned real properties, FARMACOL FINANSE Spółka z o.o. Wrocław SKA with its registered office in Wrocław (the financier) and the Issuer concluded

1. 6 financial lease contracts for the period of 10 years of a total value of PLN 203,687,915.49 (including the value of the leased asset, financial costs, handling fee), relating to

- a) the right to the property consisting of an undeveloped plot no. 53/68 and developed plot no. 53/103 located in Żerniki, Kórnik commune, poznański powiat, Wielkopolska region, entered into the land and mortgage register under no. PO1D/00045717/8;
 - b) The right to the perpetual usufruct of plot no. 6/6 located in Katowice, ul. Rzepakowa 2 and 8/3 located in Katowice at ul. Rzepakowa together with the ownership of the buildings, building structures and equipment located on this plot but constituting a separate ownership title entered into land and mortgage register no. KA1K/00030262/5;
 - c) The right to the ownership of the property constituting an undeveloped plot no. 194/3 located in Rogoźnica, Głogów Małopolski commune, rzeszowski powiat, Podkarpacie region, entered into the land and mortgage register under no. RZ1Z/00112508/5 as well the ownership rights to the property consisting of developed plots no. 194/2, 194/5 and 196/1 located in Rogoźnica, Głogów Małopolski commune, entered into the land and mortgage register under no. RZ1Z/00041252/6;
 - d) Ownership of property consisting of developed plots no. 77/2, 77/3, 77/4, 77/5, 77/9, 77/10, 77/11 and 77/14 located in Gdańsk at ul. Nowy Świat 18 entered into the land and mortgage register under no. GD1G/00114205/2;
 - e) The right to the perpetual usufruct of plot no. 4/48 located in Macierzysz Research Centre, Ożarów Mazowiecki commune, Warszawski Zachodni powiat, Mazowsze region, and no.15 located in Ożarów Mazowiecki, Ożarów Mazowiecki commune, Warszawski Zachodni powiat, Mazowsze region together with the ownership of the buildings, building structures and equipment located on this plot but constituting a separate ownership title entered into land and mortgage register no. WA1P/00026432/2 and the right to perpetual usufruct of the plot 4/74 located in Macierzysz Research Centre, Ożarów Mazowiecki commune, Warszawski Zachodni powiat, Mazowsze region together with the ownership of the buildings, building structures and equipment located on this plot but constituting a separate ownership title entered into land and mortgage register no. WA1P/00089568/3;
 - f) The ownership of a property constituting a developed plot no. 1/2 located in Szczecin ul. Pomorska 13, entered into the land and mortgage register under no. SZ1S/00158112/2.
2. CEFARM BIAŁYSTOK S.A. with its registered office in Białystok [*concluded*] a financial lease contract for the period of 10 years with a value 27,382,755.70 PLN (including the value of the leased asset, financial costs, handling fee), on the right of ownership of real property no. 327/11 located in Białystok, ul. Gen. Franciszka Kleeberga 34, entered into the land and mortgage register under no. BI1B/00076897/5;
 3. „CEFARM – WROCŁAW – CENTRUM ZAOPATRZENIA FARMACEUTYCZNEGO” S.A. with its registered office in Wrocław [*concluded*] a lease agreement for a period of 10 years with a value of PLN 39,685,102.31 (including the value of the leased asset, financial costs, handling fee), on the right of perpetual usufruct of the plot number 13/1 located in Wrocław ul. Rakowiecka 63, entered into the land and mortgage register under no WR1K/00032698/2 and the right of perpetual usufruct of land number: 13/5 located in Wrocław at ul. Rakowiecka 65, 13/7 located in Wrocław at ul. Rakowiecka 67a, 13/8 located in Wrocław at ul. Rakowiecka and 13/9 located in Wrocław at ul. Rakowiecka 67, together with the ownership of the buildings, building structures and equipment located on this plot but

constituting a separate ownership title and entered into the land and mortgage register under no. WR1K/ 00027613/5;

The actions performed are part of a long term asset restructuring programme run within the Issuer's capital group.

Signatures of duly authorised representatives of the company:

- 1.) Krzysztof Sitko - Member of the Management Board,

- 2.) Kamil Kirker - Member of the Management Board,