

Current report no. 50/2019

Date of issue: 2019-12-31

Abbreviated name of the Issuer: DEKPOL S.A.

Subject: Transfer to an subsidiary of an organized part of the enterprise operating under the name "Buckets Production Department"

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

Content of report:

The Management Board of Dekpol S.A. ("Issuer", "Company") informs that on 31st of December 2019 concluded with a subsidiary of the Issuer, i.e. Dekpol Steel Sp. z o.o. ("Dekpol Steel") agreement on the transfer by the Company to Dekpol Steel of an organized part of the enterprise with a value of PLN 100,2 million, covering a set of tangible and intangible assets of the Issuer, separated in organizational, functional and financial terms, intended to conduct business in accordance with article 551 of the Civil Code, covering in particular the production and sale of buckets and accessories for construction machines, which organized part of the enterprise is a separate department within the Issuer's structures operating under the name "Buckets Production Department" and can constitute an independent enterprise performing these tasks independently (OPE).

The OPE includes built-up real estate, rights and obligations under employment contracts and all employee files regarding transferred employees, related to OPE receivables and payables, stocks of materials, fixed assets and movable property and items of equipment, rights from bank accounts, rights arising from contracts with customers, subcontractors, suppliers, customers, intellectual property rights, obtained administrative decisions, concessions, licenses, permits, authorisations, certificates and others.

The transfer of OPE will take place by way of an in-kind contribution to cover the share capital in connection with the Company's taking up today 1.000.000 new shares in Dekpol Steel with a total nominal value of PLN 50 million. After the increase, the share capital of Dekpol Steel amounts to PLN 50,005 million. Pursuant to the concluded agreement, OPE will be issued on 1st of January 2020.

The Extraordinary General Meeting of the Company approved the sale of OPE in resolution No. 5 of 30th of December 2019, of which the Issuer informed in current report No. 47/2019 of 30th of December 2019.