

Current report no. 41/2020

Date of issue: 2020-12-31

Abbreviated name of the Issuer: DEKPOL S.A.

Subject: Transfer to a subsidiary of the organized part of the enterprise functioning under the name "General Contracting Department"

Legal basis: Article 17 Section 1 MAR (Market Abuse Regulation) – inside information.

Content of report:

Management Board of Dekpol S.A. („Issuer”, „Company”) announces, that on 31st of December 2020 concluded with the Issuer’s subsidiary, i.e. Dekpol Budownictwo Sp. z o.o. (“Dekpol Budownictwo”) the agreement consisting in the transfer by the Company to Dekpol Budownictwo of the organized part of the enterprise of a value of PLN 137, 2 million including a set of tangible and intangible assets of the Issuer, separated organizationally, functionally and financially, intended for providing of business activities in accordance with art. 55 (1) of the Civil Code, covering in particular comprehensive implementation of investments in the field of construction and assembly works commissioned by investors, and whereas the organized part of the enterprise is a separate department within Issuer's structures operating under the name "General Contracting Department" and may be treated as the independent enterprise individually carrying out these tasks (ZCP).

The ZCP includes, among other things: rights and obligations under employment contracts and all employee files relating to the transferred employees, stocks of materials, fixed and movable assets and equipment, intangible assets, receivables from contractors, cash, rights resulting from contracts with investors, subcontractors, service providers, suppliers, customers, rights and obligations resulting from contracts concluded with financial institutions and lease agreements, lease of movable property, intellectual property rights, administrative decisions, concessions, licenses, permits, certificates and others.

The transfer of ZCP will take place as an in-kind contribution to cover share capital in connection with acquisition by Company as of today of 1,399,900 new shares in Dekpol Budownictwo of a total nominal value of PLN 69 995 million. After increase, the share capital of Dekpol Budownictwo amounts to PLN 70 million. In accordance with agreement concluded, the ZCP will be treated as the separate Company (ZCP) with effect from 1st of January 2021.

The consent for disposal of ZCP was approved by Extraordinary General Meeting of Shareholders of the Company by resolution no. 4 dated 30th of December 2019, about which the Issuer announced in current report no. 47/2019 from 30th of December 2019.