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Making a decision to sell shares in a subsidiary.

The Management Board of Relpol S.A. in Żary announces that it has made a decision on the sale of 80% of shares held by Relpol S.A. in Relpol M, a company registered in Belarus.

The sale of this company will not affect the results of Relpol S.A. or the consolidated results of the Relpol Capital Group. Relpol M was not consolidated.

The share capital of this company amounts to PLN 158 thousand, sales revenues generated in 2017 amounted to PLN 567 thousand (in the 1st quarter of 2018, they amounted to PLN 98 thousand). In 2017, the company recorded a net loss of PLN 12 thousand (for the 1st quarter of 2018, the loss amounted to approx. PLN 2 thousand).

The company was established and incorporated as a commercial company for the purpose of selling Relpol on the Belarusian market. However, due to a change in the market situation since the company was established in 1997, a small volume of sales of the goods of Relpol S.A. by this entity, a decreasing significance of the company for the operations and development of the capital group, lack of prospects for its dynamic development and generating profits, as well as the increasing reporting obligations recognised in the operating costs of both companies, the Management Board of Relpol S.A. has decided to sell its shares.

First, Relpol will make a proposal to repurchase the shares to the second shareholder. In the absence of its interest, Relpol will look for other buyers. The price was determined on the basis of a mixed property and income valuation method, based on the individual situation of that company.

Relpol S.A. intends to continue and develop its business activity on the Belarusian market through further cooperation with that company, as well as with current and new distributors on the basis of trade agreements concluded between them and Relpol S.A.

Legal basis: Legal basis: Art. 17 sec. 1 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

Signatures: Sławomir Bialik – President of the Management Board Krzysztof Pałgan – Vice President of the Management Board
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