

POLISH FINANCIAL SUPERVISION AUTHORITY

Current Report No. 31/2018

Date prepared: 2018-10-09
Short name of the issuer: ELEKTROTIM S.A.
Subject: Information regarding the purchasing by ELEKTROTIM S.A. the remaining shares of the subsidiary (Eltrako Sp. z o.o.) and initiating by ELEKTROTIM S.A. actions heading towards merging with the above-mentioned subsidiary.
Legal grounds: Article 17, section 1 of MAR - Confidential Information

Content of the Report:

ELEKTROTIM S.A. informs about purchasing on 09.10.2018 of 4,000 shares of Eltrako Spółka z ograniczoną odpowiedzialnością [limited liability company] with its seat in Gliwice. The total value of the transaction amounts to PLN 600k. ELEKTROTIM S.A. in 2015 took up 8,000 shares of Eltrako Sp. z o.o. in the increased share capital; the Company informed about the fact with the Current Report no. 57/2015 of 06.10.2015. By 09.10.2018 ELEKTROTIM S.A. possessed 66.67% shares in the capital share of Eltrako Sp. z o.o.

As a result of the purchase of the shares ELEKTROTIM S.A. has become the only partner of Eltrako Sp. z o.o. Given the above, the Board of ELEKTROTIM S.A. intends to carry out the procedure of merger of ELEKTROTIM S.A. and Eltrako Sp. z o.o. resulting in taking over all the assets of Eltrako Sp. z o.o. by ELEKTROTIM S.A.

The merger shall be carried out pursuant to Article 492, paragraph 1, point 1 of the Code of Commercial Companies, by transferring to ELEKTROTIM S.A. (the acquiring company) all the assets of Eltrako Sp. z o.o. (the acquired company) without increasing the share capital of ELEKTROTIM S.A.

The decision on the merger is dictated by economic reasons (rationalisation of costs), simplification of the organizational structure, and the synergy of business processes. Eltrako Sp. z o.o. is a company operating in the power sector and the core activity of the company is constructing LV and MV electrical power grid.

The merger shall be carried out in 2018.