

Zielona Góra, 19.10.2020

**Press Release from the Management Boards of Lumel S.A. as the Buyer and Relpol S.A. as the Seller for the transfer to the Buyer of an organized part of the enterprise.**

On October 19, 2020, the Parties concluded a transfer agreement for Lumel S.A. as the Purchaser of an organized part of an enterprise constituting organizationally, functionally and financially a set of tangible and intangible components, intended for the implementation of economic tasks related to the production and sale of CZIP series protection controllers and stationary SMP radiation monitors along with maintenance services, operating in Relpol SA as Sellers under the internal name of "Zakład Polon". The agreement comes into force on 01/12/2020, provided that a resolution is adopted by the shareholders of Relpol S.A.

Due to the wide experience of both companies in the market segment such as electrical power engineering and industrial automation, strategic development and specialization plans, the management boards of the companies concluded that the transfer of "Zakład Polon" into the structures of Lumel S.A. will be a step that will allow the best use of the new opportunities and potential for development and market expansion for both companies.

The LUMEL brand, well-known and recognized not only on the Polish market, will ensure the organization, production and sale of devices, providing high-quality products to existing customers and ensuring product development also to future customers, while continuing cooperation with Polish universities. The production of CZIP protection controllers and SMP radiation monitors will be carried out in a newly built factory located in Zielona Góra, to which LUMEL S.A. has also transferred the current production of measuring devices and combined it in the most modern production technologies in line with the concept of industry 4.0.

The Polish company RELPOL S.A., equally known and recognized all over the world, intends to focus on investments and development of production potential in new relay solutions for prospective market segments based on renewable energy sources, reducing energy consumption in energy and industrial automation, electromobility, and transport. Obtaining co-financing in the amount of PLN 12,746,103.05 for a project with a total investment value of PLN 31,620,524.80 as part of the Intelligent Development Operational Program for the "DEVELOPMENT OF INDUSTRIAL BISTABLE RELAYS AND INDUSTRIAL TECHNOLOGIES OF THEIR PRODUCTION", along with an investment in a new production hall, the Company it will implement the strategic development plan.

*"I am extremely delighted with the agreement we concluded with Relpol S.A., our long-term business partner. The CZIP family control protection units will expand Lumel's offer with modern solutions in the medium voltage segment. Lumel, along with other companies belonging to an international capital group, has access to the global sales and service market for this product line. Radiation monitors are a new but very interesting business area for us..*

*This acquisition is part of the long-term development strategy of the Lumel and our group. Recently, we have completed the largest investment since the company's inception, an investment in the Lumel 4.0 new technologies plant, where production started 5 months ago. It gave us a chance to implement new ambitious projects, including from the green energy or automotive sector. New products for the medium voltage segment or a project in the field of gamma radiation monitoring are another such opportunity for development.*

*And although I realize that the time in the world for business and for all of us is not the easiest time, we will continue to make strategic decisions that have an impact on the long-term development of the business" - said Dinesh Musalekar - President of LUMEL SA and LUMEL ALUCAST.*



Since 1954, the LUMEL brand has been known around the world for the production of the highest quality measuring equipment and high-pressure castings. It achieved a high position on the market thanks to a consistently pursued development policy, employee competence and modern means of design, production and research techniques. It provides comprehensive solutions for the energy and industrial automation sectors as well as for the automotive, chemical, metallurgical, HVAC and food industries. LUMEL S.A. is the production of industrial automation devices for measurement, processing, regulation, registration, transmission and visualization of industrial processes, services in the field of design and construction of automation systems, services in the field of EMS, technical consulting.

*“After RELPOL's long adventure with the production of medium CZIP protection devices and stationary radiation monitors, the continuation and development of this business will be carried out by LUMEL, our business partner and neighbour with the best competences for this. For our company, this transaction will allow us to focus on the implementation of the strategic plan to modernize the product portfolio and technological facilities for the production of relays at our main plant in Żarach. ” - said Sławomir Bialik - President of RELPOL S.A.*



Relpol S.A. is a well-known European manufacturer of relays, sockets and accessories, operating in the industry since 1958, and its main plant is located in Żary. With a turnover of about PLN 120 million, the company is at the forefront of the largest European manufacturers of relays and a leader in the domestic market of relay manufacturers, 70% of which is exported to Western Europe, Russia and other markets around the world and 30% to the domestic market. About four thousand special versions of relays and sockets manufactured by the capital group are used in many areas of industry, e.g. industrial and energy automation, power electronics, industrial and consumer electronics, telecommunications, household appliances, photovoltaics, automotive, etc. "Zakład Polon" producing CZIP protection controllers and SMP radiation monitors, accounts for about 5% of the company's turnover.

In the opinion of the Management Boards, the transfer of an organized part of the enterprise will be an undertaking that will bring benefits to all stakeholders of both companies, customers, owners, employees and the environment.

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