

# INVITATION TO SUBMIT OFFERS TO SELL SHARES OF PRZEDSIĘBIORSTWO PRZEMYSŁU SPOŻYWCZEGO PEPEES S.A.

## I. BASIC INFORMATION

This Invitation to submit offers to sell shares in **PRZEDSIĘBIORSTWO PRZEMYSŁU SPOŻYWCZEGO PEPEES Spółka Akcyjna ("Invitation")**, with registered office in Łomża (post code: 18-402), ul. Poznańska 121, registered in the Register of Entrepreneurs of the National Court Register kept by the District Court in Białystok, 12th Commercial Division of the National Court Register under number KRS 0000038455, the share capital of PLN 5,700,000.00 paid in full, NIP (tax identification number) 7181005512, REGON (statistical number) 450096365 ( the "**Company**"), announced in order to implement Resolution No. 24 of the Annual General Meeting of PRZEDSIĘBIORSTWO PRZEMYSŁU SPOŻYWCZEGO PEPEES S.A. dated 25 April 2017 on the authorisation of the Company's Management Board to purchase the Company's treasury shares ("**the Resolution**") pursuant to Article 362 § 1.8 of the Commercial Companies Code and Resolution No. 25 of the Ordinary General Meeting of the PRZEDSIĘBIORSTWO PRZEMYSŁU SPOŻYWCZEGO PEPEES S.A. of 25 April 2017 on the creation of a reserve capital for the purchase of treasury shares

The resolution provides in particular that, inter alia:

- 1) the total number of Treasury Shares to be purchased shall not exceed 19,000,000 (in words: nineteen million) Treasury Shares, representing not more than 20% of the Company's share capital ( including the nominal value of any remaining Treasury Shares which have not been sold by the Company);
- 2) the purchase price per one Treasury Share will neither be lower than PLN 0.30 (say: thirty grosz) nor higher than PLN 1.20 (in words: one zloty and twenty grosz);
- 3) the Management Board's authorisation to buy back Treasury Shares covers a period of 5 years from the date of adoption of the AGM Resolution;
- 4) the Company ' s treasury shares may be bought back in any permissible manner at the discretion of the Management Board, in particular by:
  - a) the buyback programme(s) referred to in Regulation (EU) No 596/2014 of 16 April 2014 on market abuse;
  - b) by submission one or more public offers of buyback;
  - c) block trading;
  - d) concluding transactions outside organised exchange trading.
- 5) buyback of Treasury Shares by the Company may take place , at the discretion of the Management Board, for any purpose permitted by law. Treasury Shares may be purchased in particular for the purpose of:
  - a) redemptions;
  - b) resale against payment;
  - c) use in acquisitions, including shares in other companies;
  - d) offered for purchase against payment to the Management Board members and key employees of the Company and its subsidiaries designated in the relevant resolution of the Annual General Meeting ("Eligible Persons") under the terms and conditions of an incentive and bonus scheme.
- 6) The acquisition of Treasury Shares by the Company shall be financed from the reserve capital established for the purpose of buy back of Treasury Shares from the amount that, pursuant to Article 348 § 1 of the Code of Commercial Companies, may be allocated for distribution on the basis of the relevant resolution of the Annual General Meeting of the Company, and the total purchase price of Treasury Shares, plus the costs of their buyback, shall not be higher than this reserve.

The subject of this Invitation are dematerialised ordinary bearer shares coded as **PLPEPES00018**, which are traded on the regulated market of the Warsaw Stock Exchange ("**Shares**") which the Company intends to acquire for the purposes set out in the AGM Resolution, i.e. alternatively for redemption or resale against payment or use in acquisition transactions or to offer them to Eligible Persons.

*This document does not constitute a call to subscribe for sale or exchange of shares referred to in art. 73 et at. of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005 (uniform text in Journal of Laws of 2020, item 2080 as amended). In particular, Articles 77 and 79 of that Act and the provisions of the Regulation of the Minister of Finance, Funds and Regional Policy of 26 November 2020 on specimen calls to subscribe for the sale or exchange of shares of a public company, the detailed manner of their announcement and the conditions for the acquisition of shares in calls (Journal of Laws of 2020, item 2114) do not apply to the Invitation. This document also does not constitute an offer within the meaning of Article 66 of the Civil Code of 23 April 1964 (uniform text in Journal of Laws of 2020, item 1740 as amended). The Company announced the buyback of its treasury shares by way of an Invitation in view of the public status of the Company and to ensure equal treatment of the Company's shareholders.*

*This Invitation shall be executed exclusively in the territory of the Republic of Poland. Outside the territory of Poland, the Invitation may not be regarded as a proposition or an offer to acquire any securities of the Company. Neither the Invitation nor the securities subject it have been registered, approved or notified in any country other than the Republic of Poland, in particular pursuant to the provisions of the US Securities Act of 1933, as amended.*

*This document should not be regarded as investment, legal or tax advice. On matters relating to the Invitation, the shareholders should seek advice from investment advisers and legal and tax law providers. The entity responding to this Invitation shall bear all legal, financial and tax consequences of its investment decisions.*

*In the absence of such an obligation, this document does not require approval or submission to the Polish Financial Supervision Authority or any other public administrative authority.*

The text of the Invitation was published by the Company in the form of a current report on the day of its announcement and is available at the Company's website: <http://www.pepees.pl/skup-akcji-> and at the website of Dom Maklerski Banku Ochrony Środowiska S.A: <https://bossa.pl/oferta/rynek-pierwotny/skup-akcji>.

Any further information on the procedure for submission of offers to sell Shares in response to this Invitation ("**Offers to Sell Shares**", "**Sale Offers**") may be obtained at the Customer Service Offices of the Brokerage House listed in point X hereof on business days from Monday to Friday during the business hours of the offices or by telephone at (22) 50 43 340.

## **II. SHARES SUBJECT TO THE INVITATION**

On the basis of this Invitation, the Company will acquire in aggregate not more than 2,000,000(in words: two million) Shares, which as at the date of this Invitation constitute not more than 2.11% of the share capital of the Company.

## **III. THE ENTITY ACTING AS INTERMEDIARY IN THE EXECUTION AND SETTLEMENT OF THE ACQUISITION OF SHARES**

The intermediary in execution and settlement of the acquisition of shares under the Invitation is:

**Dom Maklerski Banku Ochrony Środowiska S.A.**

ul. Marszałkowska 78/80, 00-517 Warsaw

e-mail: konsorcjum@bossa.pl

hereinafter referred to as "**DM BOŚ SA**", "**DM BOŚ**", "**Dom Maklerski**"

## **IV. PURCHASE PRICE OF SHARES**

Shares will be purchased at a price of **PLN 1.20** (in words: one zloty and twenty grosz) per Share.

## **V. SCHEDULE FOR THE ACQUISITION OF SHARES UNDER THE INVITATION**

Date of publication of the Invitation: **28.12.2021**

Date of commencement of acceptance of the Offers for Sale of Shares: **29.12.2021**

Closing date for acceptance of Offers for Sale of Shares: **11.01.2022**

Anticipated date of the Shares purchase transaction: **14.01.2022**

The Company reserves the right to withdraw from the Invitation at any time, including after the commencement of the period for acceptance of the Sale Offers and to amend all outstanding terms relating to the Invitation. In the event of cancellation of an Invitation or change of dates concerning the Invitation, relevant information shall be made public in a current report of the Company and published on the websites of the Company and the Brokerage.

## **VI. ENTITIES ENTITLED TO SUBMIT OFFERS TO SELL SHARES IN RESPONSE TO THIS INVITATION**

Entities entitled to submit Sales Offers in response to this Invitation are the Company's shareholders, i.e. natural persons, legal persons and unincorporated organisational units holding Shares ("**the Shareholders**").

The Shares indicated in the Offers to Sell Shares and being the subject of the sale transaction must be fully transferable and free of any encumbrances of any third party rights, in particular such rights whose content prevents their sale in response to this Invitation, e.g. they must not be encumbered with a pledge.

## **VII. PROCEDURE FOR SUBMISSION OF OFFERS TO SELL SHARES**

The subject of the Sales Offers may comprise only unencumbered and unblocked Shares that are recorded in the Shareholder's securities account.

Prior to submission of an Sale Offer, Shareholders should familiarize themselves with the procedures and regulations of the entities which operate the securities accounts on which the Shares are recorded and which accept the Offers for Sale in respect of the execution of transactions in response to the Invitation, the issuance of deposit certificates and the establishment and release of blocking rights in respect of the Shares, in particular the procedure for the submission of the Sale Offers and the fees or commissions charged by such entity for the performance of the foregoing activities.

In order to standardize the documents required to submit the Offer to Sell Shares, a set of forms will be submitted to investment companies operating securities accounts - participants of the National Depository for Securities (Krajowy Depozyt Papierów Wartościowych S.A., "**KDPW**").

Forms submitted by Shareholders shall be properly drawn up and signed, otherwise the submission of the Sale Offer shall be ineffective.

A Shareholder may submit an Offer to Sell for a number of the Company's Shares to which he is entitled which is higher than the number of Shares which are the subject of the Invitation.

The Shareholders may, during the period of acceptance of the Offers to Sell Shares, submit any number of Offers to Sell Shares.

Each of the Sale Offers submitted by a Shareholder should relate to the number of the Company's Shares indicated on the deposit certificate accompanying the Sale Offer. If the number of the Company's Shares indicated in the Sale Offer is not fully covered by the accompanying deposit certificate, such Sale Offer shall not be accepted.

In the event that the number of the Company's Shares indicated in the form of the Sale Offer is lower than the number of the Company's Shares indicated in the deposit certificate, such form of the Sale Offer shall be accepted with the reservation that such Sale Offer shall be executed up to the number of the Shares indicated in such form, and one deposit certificate may be used only to confirm one Sale Offer

It shall not be possible to submit several Sale Offers evidenced by one deposit certificate or one Sale Offer evidenced by several deposit certificates.

The Offer to Sell the Shares must be unconditional and irrevocable, may not contain any reservations and shall be binding on the submitting person (the Shareholder) until the end of the trading session on the day of the transaction of acquisition of the Shares on the basis of the Invitation or until the date of revocation of the Invitation by the Company. All consequences, including the invalidity of the Share Offer, resulting from the submission of the Share Offer not in accordance with this Invitation shall be borne by the Shareholder.

The Company and DM BOŚ shall not be liable to the Shareholder for non-performance of the Share Offer received by DM BOŚ before or after the deadline for acceptance of the Share Offers specified in point V of the Invitation, as well as for the Share Offer submitted in an incorrect manner or illegible, or not accompanied by the relevant documents.

The entity which operates the Shareholder's securities account or which accepts the Sale Offers may charge fees or commissions for performance of actions in connection with handling of the Offers to Sell Shares in accordance with internal regulations and applicable schedules of fees and commissions.

Entities entitled to sell Shares in response to this Invitation may submit Offers to Sell Shares in the following forms:

#### **SUBMISSION OF THE OFFERS TO SELL SHARES IN AN ENTITY THAT OPERATES SHAREHOLDER'S SECURITIES ACCOUNT**

A Shareholder holding Shares in a securities account maintained by an investment company who intends to make an Offer to Sell Shares should submit to the investment company, provided that the entity renders a brokerage service consisting in accepting and forwarding orders to purchase or sell financial instruments referred to in Art. 69.2.1 of the Act on Trading in Financial Instruments, a form of the Offer for Sale including an irrevocable instruction to block the Shares and an irrevocable instruction to issue a settlement instruction.

Each of the investment companies (brokerage offices and houses) shall determine at its own discretion the times and manner of submission of the Sale Offers by the shareholders for whom it operates the accounts on which the shares are held, provided that the Sale Offers may be accepted until the last day for acceptance of the Sale Offers of the shares specified in the Invitation.

If a shareholder holds Shares that it wishes to sell in response to the Announcement in accounts at more than one investment company, it must make an Offer to Sell Shares separately at each of the investment company holding its shares, in respect of the shares held in an account at that investment company.

The rules for identification of the Shareholder who submits a Sale Offer and the procedure for acceptance of a Sale Offer shall be specified by the entity accepting a Sale Offer.

The investment company, which maintains the Shareholder's securities account and accepts the Sale Offer in response to the Invitation shall block the Shares for the settlement of transactions in execution of the Invitation and shall maintain such blockade until the settlement of transactions in execution of the Invitation.

The investment firm shall transmit information to the Brokerage House on the placement of the Offer for Sale under the rules defined in the procedure and the manner of execution of share purchase transactions sent by the Brokerage House.

The Company and the Brokerage House shall not be liable to the Shareholder for any damages arising from the investment company's failure to send information about the Share Offer to the Brokerage House.

Shareholders holding Shares recorded on securities accounts operated by DM BOŚ may place the Share Offers with an irrevocable instruction to block the Shares together with an irrevocable instruction to issue a settlement instruction at the Customer Service Offices of DM BOŚ SA ("COS DM BOŚ SA"),

listed in point X of this Invitation during their opening hours and on the last day for acceptance of the Sale Offers - 4.00 pm.

#### **SUBMISSION OF SALE OFFERS BY SHAREDHOLDERS HOLDING SHARES IN ACCOUNTS IN CUSTODIAN BANKS**

A Shareholder whose shares are deposited in an account with the Custodian Bank or entities duly authorised to act on behalf of such Shareholder intending to sell shares in response to this Invitation should do the following:

- A. give an irrevocable instruction to the entity that maintains the securities account of the Shareholder, on which the Shares belong to the Shareholder, to **block** the Shares together with an irrevocable instruction **to issue** a settlement instruction (so-called paid settlement instruction) transferring the ownership of the Shares to the Company, in accordance with the terms and conditions set forth in the Invitation, and obtain **a deposit certificate** confirming the completion of the abovementioned actions. The instructions should be valid until the end of the trading session on the day of the transfer of the Shares in KDPW; and
- B. submit the following documents indicated in point X hereof to one of the Brokerage House's Customer Service Offices:
  - i) the original of the deposit certificate referred to in A) above,
  - ii) **the Sale Offer** form (the Sale Offer form should be completed and signed in two copies, one for the Shareholder making the Share Offer and the Brokerage House).

Employees of banks operating securities accounts (custodian bank) who make Offers to Sell Shares on behalf of clients holding custodian accounts should be duly authorised by the bank's authorities to make the Offer to Sell Shares and should have a power of attorney granted by their client who is a Shareholder.

The forms submitted by the Shareholders in the Customer Service Points of DM BOŚ should be correctly drawn up and signed, under pain of ineffectiveness of submitting the Sale Offer.

Natural persons responding to the Invitation should present an identity document (ID card or passport) at a selected BOŚ Customer Service Office accepting the Sale Offers, and natural persons representing legal persons or organisational units without legal personality should additionally present a current excerpt from the relevant register or another document confirming the authorisation to act on behalf of the legal person or organisational unit without legal personality (if such authorisation does not result from the presented excerpt from the relevant register).

#### **Presentation of the sale offers in electronic form with a qualified electronic signature**

A shareholder intending to submit an Offer to Sell Shares in electronic form bearing a qualified electronic signature should do the following:

- 1) with the entity that maintains the securities account in which the Shares to be subject to the Share Offer are recorded:
  - a) place an irrevocable instruction **to block** the **Shares**, with the validity date until the end of the trading session on the day of transfer of the ownership of the Shares in KDPW, together with an irrevocable **instruction to issue a settlement instruction** to DM BOŚ,
  - (b) obtain **a deposit certificate** for the Shares with an validity date until the end of the session on the date of transfer of the Shares in KDPW. The certificate must be issued in an electronic form with a qualified electronic signature of a representative of the entity which operates the securities account in which the Shares to be offered for sale are recorded. In the case of a certificate issued in a form other than electronic, it shall not be possible to submit it together with a form bearing a qualified electronic signature;

2) send to the following e-mail address: [konsorcjum@bossa.pl](mailto:konsorcjum@bossa.pl)

- a) the above mentioned **deposit certificate for blocked Shares must be issued in an electronic form with a qualified electronic signature of a representative of the entity which operates the securities account in which the Shares to be subject to the Sale Offers;**
- b) the electronic Sale **Offer** form with the qualified electronic signature of the Shareholder submitting the Sale Offer.

The Shareholders' attention is drawn to the fact that only those Sale Offers will be considered, for which complete documentation is submitted to DM BOŚ not later than on the last day of acceptance of the Sale Offers - 4 p.m.

It should be noted that the relevant decision to accept or declare a Share Offer submitted in electronic form bearing a qualified electronic signature as invalid will be made solely on the basis of an analysis of the documentation submitted. Receipt by DM BOŚ of an e-mail message with attached documentation shall not result in automatic acknowledgement of the submitted Sale Offer as valid.

#### **Acting via a plenipotentiary**

Submission of the Sale Offer by plenipotentiary is possible on the basis of a power of attorney executed in the following form:

- i) a written power of attorney, certified by an employee of DM BOŚ SA or an entity which issued the deposit certificate, or
- (ii) a power of attorney executed in the form of a notarial deed, or
- (iii) a power of attorney with notarised signature.

Unless otherwise provided by law or international agreements to which the Republic of Poland is a party, a power of attorney granted abroad should be certified by a notary public with affixed apostille or authenticated by a Polish diplomatic mission or consular office and translated into Polish by a sworn translator in Poland.

The power of attorney should contain the personal details of the plenipotentiary and the principal and should authorise the plenipotentiary to:

- 1) submit an irrevocable instruction to block the Shares with a validity date until the end of the trading session on the day of the transfer of the Shares in KDPW;
- 2) submit an irrevocable instruction to issue a settlement instruction to the entity that operates the principal's securities account, allowing the transfer of the ownership of the Shares to the Company on the terms and conditions set forth in the Invitation;
- 3) obtain a deposit certificate issued by the entity operating the principal's securities account for blocked Shares in connection with the Invitation;
- 4) submit a deposit certificate and the Sale Offer in response to the Invitation and other necessary statements and information related to the response to the Invitation at one of the DM BOŚ Customer Service Offices.

If the power of attorney is granted to a legal person or organisational unit without legal personality, the person submitting the Sale Offer is obliged, in addition to the document of power of attorney, to present:

- (i) a recent extract from the relevant register and authorisation to make the subscription, if this is not apparent from the extract from the register or
- (ii) in the case of entities established abroad - a current extract from the relevant register or other official document containing basic data on the Plenipotentiary, showing its legal status, manner of representation, as well as names and surnames of the persons authorised to represent it, bearing  
- if the laws or international agreements to which the Republic of Poland is a party do not

provide otherwise - apostille or certified by a Polish diplomatic mission or consular office and translated into Polish by a sworn translator in Poland.

Custodian banks subscribing on behalf of their clients may, in lieu of a power of attorney, submit a statement confirming that they are duly authorised and instructed to subscribe for the sale of the Shares.

#### **VIII. PURCHASE OF SHARES FROM SHAREHOLDERS**

In response to this Invitation, the Company will purchase up to a maximum of **2,000,000 (in words: two million)** Shares from Shareholders who duly submit Offers to sell Shares in the period of their acceptance.

If the number of Shares offered by Shareholders to be purchased by the Company in response to the Company's Invitation is higher than the total number of Shares specified by the Company in the Invitation, the Management Board of the Company shall proportionately reduce the Offers to Sell Shares by rounding down the fractional number of Shares to the nearest whole number, so that the total number of the Shares does not exceed the maximum number indicated by the Company in the Invitation, observing the principle of equal and proportional treatment of all Shareholders. The allocation rate will be expressed to two decimal places.

If after the application of the proportional reduction, the Shares remain unallocated as a result of rounding down, the Company shall purchase the Shares in sequence (one at a time) starting with those Shareholders who have submitted the Offer to Sell the highest number of Shares and, in the case of the Offers to Sell Shares covering the same number of Shares, with those Shareholders who have submitted the Offer to Sell Shares earlier, until the full allocation is made, equal to the maximum number indicated by the Company in the Invitation.

Only Offers to Sell Shares submitted in accordance with the terms and conditions of this Invitation, including the Procedure for Submission of Offers to Sell Shares, will be accepted. In particular, no Sale Offers shall be accepted if they are incorrectly completed or unsigned or if they are accompanied by an incorrectly executed deposit certificate or if the deposit certificate has not been validated by the entity issuing such deposit certificate.

The Shares will be acquired by the Company by way of an off-market transfer of ownership of the Shares from the Shareholders who submit valid Offers to Sell Shares (after taking into account any reduction in accordance with the above provisions of the Invitation).

The transfer of the ownership of Shares to the Company will be settled through KDPW's depository-settlement system on the basis of settlement instructions. DM BOŚ is the intermediary in the settlement.

#### **IX. PAYMENT OF THE PURCHASE PRICE**

Payment of the price for the Shares to be purchased by the Company in response to this Invitation shall be made through KDPW's settlement system, on the basis of settlement instructions issued by the Brokerage House on behalf of the Company and the entities operating the securities accounts of the Shareholders.

The final number of Shares purchased from individual Shareholders multiplied the price per Share may be reduced by commissions and other fees if such commission or fees are charged by the entity which operates the securities account of the Shareholder or the entity which accepts the Sale Offer, in accordance with such entity's tariff of fees. Shareholders intending to make Offers to Sell Shares should contact the entities operating their securities accounts and the entities accepting Offers to Sell in order to determine the amount of fees payable to such entities for the transfer of Shares in response to this Invitation.

The purchase amount of the Shares purchased will be transferred to the cash or bank account of the relevant Shareholder linked to the securities account in which the Shares of that Shareholder were recorded and from which the Shares were transferred to the Company.

## X. CUSTOMER SERVICE OFFICES OF DM BOŚ S.A.

No.	Branch/City	Postal	Street	Phone
1	Bielsko-Biała- AFI*	43-300	Cyniarska 36	+48 500 046 889
2	Gdansk	80-824	Podwale Przedmiejskie 30	(58) 320-88-48
3	Katowice	40-048	Kościuszki 43	(32) 606-76-20
4	Koszalin- AFI*	75-065	Ul. Bp Cz. Domina 9/3	+48 500 046 889
5	Krakow	31-068	Stradomska 5a/10	(12) 433-71-40
6	Łódź	90-368	Piotrkowska 166/168	(42) 636-00-05
7	Olsztyn- AFI*	10-516	Pl. Generała Józefa Bema 2, Lokal 103	+48 500 046 775
8	Poznan	60-523	Dąbrowskiego 79A	(61)841-14-12 (61) 847-91-16
9	Rzeszów	35-017	Moniuszki 8	(17) 850 84 86
10	Szczecin- AFI*	70-535	Wielka Odrzańska 18/2	+48 500 046 775 +48 500 046 782
11	Warsaw	00-517	Marszałkowska 78/80	(22) 50 43 104 801 104 104
12	Wrocław	50-107	Sukiennice 6	(71) 344-82-02

*AFI\* - Investment Company Agent*