

# INVITATION TO TENDER FOR THE SALE OF SHARES OF PRZEDSIĘBIORSTWO PRZEMYSŁU SPOŻYWCZEGO PEPEES S.A.

## I. BASIC INFORMATION

This Invitation to tender for the sale of shares in **PRZEDSIĘBIORSTWO PRZEMYSŁU SPOŻYWCZEGO PEPEES Spółka Akcyjna** (the "**Invitation**"), with its registered office in Łomża (postal code: 18-402), at ul. Poznańska 121, entered in the Register of Entrepreneurs of the National Court Register maintained by the District Court in Białystok, 12th Commercial Division of the National Court Register under KRS 0000038455, with the share capital of PLN 5,700,000.00 paid in full, NIP 7181005512, REGON 450096365 (the "**Company**"), announced in order to implement Resolution No. 24 of the Annual General Meeting of PRZEDSIĘBIORSTWO PRZEMYSŁU SPOŻYWCZEGO PEPEES S.A. of 25 April 2017 on authorising the Company's Management Board to purchase the Company's treasury shares (the "**Resolution**") pursuant to Article 362(1)(8) of the Code of Commercial Partnerships and Companies and Resolution No. 25 of the Annual General Meeting of PRZEDSIĘBIORSTWO PRZEMYSŁUSPOŻYWCZEGO PEPEES S.A. of 25 April 2017 on the creation of a reserve capital for the purchase of treasury shares.

In particular, the resolution provides that, i.e.:

- 1) the total number of Treasury Shares purchased will not be greater than 19,000,000 (say: ninety million) Treasury Shares, representing no more than 20% of the Company's share capital (including the nominal value of any remaining Treasury Shares not sold by the Company);
- 2) the purchase price per Treasury Share will not be lower than PLN 0.30 (say: thirty Polish groszy) or higher than PLN 1.20 (say: one Polish złoty 20/100);
- 3) authorisation of the Management Board to purchase Treasury Shares covers a period of 5 years from the date on which the AGM resolution is adopted;
- 4) purchase of the Company's treasury shares may be carried out in any permissible manner at the discretion of the Management Board, in particular through:
  - a) buyback programme(s) referred to in the Regulation of the European Parliament and of the Council (EU) No. 596/2014 of 16 April 2014 on market abuse;
  - b) making one or more offers to purchase publicly;
  - c) block trading;
  - d) undertaking transactions outside organised exchange trading.
- 5) acquisition of Treasury Shares by the Company may be made at the discretion of the Management Board for any purpose permitted by law. Treasury Shares may be purchased particularly for the purpose of:
  - a) redemption;
  - b) resale against payment;
  - c) use in acquisitions, including shares in other companies;
  - d) offered for purchase against payment to the 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 the incentive and bonus scheme.
- 6) The acquisition of Treasury Shares by the Company will be financed from the capital established for the purpose of acquiring Treasury Shares from the amount which, pursuant to Article 348(1) of the Code of Commercial Partnerships and Companies, may be allocated for distribution, pursuant to an appropriate resolution of the Company's General Meeting, and the total purchase price of Treasury Shares, plus the costs of their acquisition, shall not exceed this reserve capital.

The subject of this Invitation is related to 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 indicated in the AGM Resolution, i.e. alternatively for redemption or resale against payment or use in acquisition transactions or to offer to Eligible Persons.

*This document does not constitute a tender offer for the sale or exchange of shares referred to in Article 73 et seq. of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies of 29 July 2005 (i.e. Polish 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 (Polish 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 Act of 23 April 1964 Civil Code (i.e. Polish Journal of Laws of 1740, as amended). The Company announced the repurchase of its treasury shares by way of an Invitation in view of the public status of the Company and to ensure the equal treatment of the Company's shareholders.*

*This Invitation is subject to execution exclusively in the territory of the Republic of Poland. Outside the territory of Poland, the Invitation may not be deemed as an offer or an offer to acquire any securities of the Company. Neither the Invitation nor the securities covered by 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. (The Securities Act of 1933, as amended).*

*This document should not be deemed as investment, legal or tax advice. On matters related to the Invitation, shareholders should seek advice from investment advisers and legal and tax law providers. The entity responding to this Invitation bears all legal, financial and tax liability for its investment decisions.*

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

The text of the Invitation was published by the Company in the form of a current report on the date of its announcement and is available on the Company's website: <http://www.pepees.pl/skup-akcji> and on 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 the submission of Offers to sell Shares in response to this Invitation ("Offers to Sell Shares," "Sales Offers") may be obtained at the Customer Service Points of Dom Maklerski listed at X hereof on business days from Monday to Friday during the business hours of these offices or by telephone at (22) 50 43 340.

## **II. SHARES COVERED BY THE INVITATION**

Based on this Invitation, the Company shall acquire the total of up to 1,967,172 (say: one million nine hundred and sixty-seven thousand one hundred and seventy-two) Shares which, as of the date the Invitation is announced, represent up to 2.07% of the share capital of the Company.

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

The entity acting as an intermediary in the execution and settlement of the acquisition of shares is

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

ul. Marszałkowska 78/80, 00-517 Warsaw

e-mail: [konsorcjum@bossa.pl](mailto:konsorcjum@bossa.pl)

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

#### **IV. SHARE PURCHASE PRICE**

Shares will be purchased at the price of **PLN 1.20** (say: one Polish złoty 20/100) per Share.

#### **V. SCHEDULE FOR THE ACQUISITION OF SHARES COVERED BY THE INVITATION**

Date of publication of the Invitation: **14/02/2022**

Commencement date of the acceptance of Offers to Sell Shares: **15/02/2022**

Closing date for the acceptance of Offers to Sell Shares: **22/02/2022**

Expected date of the Shares purchase transaction: **25/02/2022**

The Company reserves the right to withdraw from the Invitation at any time, including after the commencement of the acceptance period for Sales Offers and to amend all outstanding dates related hereto. In the event of the Invitation being cancelled or dates concerning the Invitation being changed, relevant information will be made public in a current report of the Company and published on the websites of the Company and Dom Maklerski.

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

The entities authorised to submit Sales Offers in response hereto are the Company's shareholders, i.e. natural persons, legal persons and unincorporated organisational units holding Shares ("**Shareholders**").

Such Shares as may be indicated in 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 hereto, e.g. they must not be encumbered with any liens.

#### **VII. TENDER FOR THE SALE OF SHARES PROCEDURE**

Only unencumbered and unblocked Shares may be offered for sale recorded in the Shareholder's securities account.

Prior to submitting the Sales Offer, the Shareholders should familiarise themselves with the procedures and regulations of the entities which maintain the securities accounts on which such Shares are recorded and which accept the Sales Offers 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 Shares, in particular the procedure for the submission of Sales Offers and fees or commissions charged by such an entity for the performance of the aforementioned activities.

In order to standardise the documents required to submit the Offer to Sell Shares, a set of forms will be submitted to the investment firms keeping the securities accounts – the participants of Krajowy Depozyt Papierów Wartościowych S.A. ("**KDPW**").

Forms submitted by the Shareholders should be properly drawn up and signed, under the pain of nullity of the submission of the Sales Offer.

The Shareholder may submit the Sales Offer for a number of the Company's Shares to which they are entitled which is higher than the number of Shares which are the subject hereof.

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

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

If the Company's Shares indicated in the Sales Offer form is less than the number of Shares of the Company indicated in the deposit certificate, such a Form of the Sales Offer will be accepted

with the stipulation that the Sales Offer will be executed up to the number of Shares indicated in the form, provided that one deposit certificate may be used only to confirm one Sales Offer and it is not possible to submit several Sales Offers confirmed by one deposit certificate or one Sales Offer confirmed by several deposit certificates.

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

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

The entity which maintains the Shareholder's securities account or which accepts the Sales Offers may charge fees or commissions for performing actions in relation to the handling of the Offer to Sell Shares according to internal regulations and applicable schedules of fees and commissions.

Shareholders authorised to sell Shares in response hereto may submit their Offers to Sell Shares in the following forms:

**PLACING OFFERS TO SELL SHARES WITH THE ENTITY THAT MAINTAINS THE SECURITIES ACCOUNT  
OF THE SHAREHOLDER**

The Shareholder holding Shares in the securities account maintained by the investment firm intending to make the Offer to Sell Shares should submit to the investment firm, provided that the entity renders brokerage services consisting in accepting and forwarding orders to purchase or sell financial instruments referred to in Article 69(2)(1) of the Act on Trading in Financial Instruments, a form of the Sales Offer including an irrevocable instruction to block the Shares and an irrevocable instruction to issue a settlement instruction.

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

If the shareholder holds Shares that they wish to sell in response to the Announcement in accounts at more than one investment firm, they must make an Offer to Sell Shares separately at each of the investment firms holding their shares in respect of shares held in respective accounts at those investment firms.

The rules for the identification of the Shareholder who submits the Sales Offer and the procedure for the acceptance of the Offer is specified by the entity accepting it.

The investment firm which maintains the securities account of the Shareholder and which accepts the Sales Offer in response to the Invitation establishes the blockade of the Shares for the settlement of transactions in exercise of the Invitation and maintains such blockade until the settlement of transactions in exercise of the Invitation.

The investment firm transmits to Dom Maklerski such information as is related to the placement of the Sales Offer under the rules defined in the procedure and mode of execution of share purchase transactions sent by Dom Maklerski.

The Company and Dom Maklerski are not liable to the Shareholder for any damage caused as a result of the investment firm's failure to send information about the Offer to Sell Shares to Dom Maklerski.

Shareholders holding Shares recorded on securities accounts maintained by DM BOŚ may submit Offers to Sell Shares with an irrevocable instruction to block the Shares with an irrevocable instruction to

the issue of the settlement instruction at the Customer Service Points of Dom Maklerski ("CSPs of DM BOŚ S.A.") listed at X hereof during their working hours and by 4 p.m. on the last day of acceptance of the Sales Offers.

#### **SUBMISSION OF OFFERS TO SELL SHARES BY SHAREHOLDERS HOLDING SHARES ON ACCOUNTS WITH CUSTODIAN BANKS**

The Shareholder whose shares are deposited in an account with the Custodian Bank or entities duly authorised to act on behalf of such a Shareholder intending to sell shares in response to this Invitation should proceed as follows:

- A. submit 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 (referred to as the 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 **the deposit certificate** confirming the completion of the aforementioned actions. The instructions should be valid until the end of the trading session on the day of the transfer of the Shares in the NDS; and
- B. submitted to one of the Customer Service Points of Dom Maklerski indicated in X hereof:
  - (i) the original of the deposit certificate referred to in (A) above,
  - (ii) **the form of the Offer to Sell Shares** (the Sales Offer form should be completed and signed in two copies, one for the Shareholder making the Offer to Sell Shares and the other for Dom Maklerski).

Employees of banks holding 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 such Offers to Sell Shares and have a power of attorney granted by their client being a Shareholder.

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

Natural persons responding to the Invitation should present an identity document (ID card or passport) at a selected Customer Service Point of BOŚ accepting the Offer to Sell Shares, and natural persons representing legal persons or organisational units without legal personality should additionally present the 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 an authorisation does not result from the presented excerpt from the relevant register).

#### **Submission of the offer to sell shares in electronic form with a qualified electronic signature**

The shareholder intending to submit the Offer to Sell Shares in electronic form bearing a qualified electronic signature should proceed as follows:

- 1) with the entity that maintains the securities account in which the Shares are recorded to be subject to the Offer to Sell Shares:
  - a) place an irrevocable instruction **to block Shares**, with the expiry date until the end of the trading session on the day of transferring the ownership of such Shares in the NDS, together with an irrevocable **instruction to issue a settlement instruction** to DM BOŚ,
  - b) obtain **the deposit certificate** for Shares with an expiry date until the end of the trading session on the date of transferring such Shares to the NDS. The certificate must be issued in electronic form bearing a qualified electronic signature of a representative of the entity which maintains the securities account in which such Shares as may be subject to the Offer to Sell Shares are recorded. In the case of the certificate issued in a form other than electronic, it is not possible to submit it together with a form bearing a qualified electronic signature;
- 2) send to the following e-mail address: **konsorcjum@bossa.pl**
  - a) with **respect** to blocked Shares, the aforementioned deposit certificate must be issued in electronic form bearing a qualified electronic signature of a representative of the entity which maintains the securities account in which such Shares subject to the Offer to Sell Shares are recorded.
  - b) the form of the **Offer to Sell Shares** in electronic form with a qualified electronic signature

of the Shareholder making the Offer to Sell Shares.

It is brought to the Shareholders' attention that only those Offers to Sell Shares for which complete documentation is submitted to DM BOŚ no later than on the last day of acceptance of Offers to Sell Shares by 4 pm will be considered.

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

#### **Acting through a proxy**

The submission of the Offer to Sell Shares through a proxy is possible based on 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 drawn up in the form of a notarial deed, or
- iii) a power of attorney with a 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 and provided with an apostille or authenticated by a Polish diplomatic mission or consular office and translated into Polish by a translator sworn in Poland.

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

- 1) submit an irrevocable instruction to block Shares with a validity date until the end of the trading session on the day of transferring such Shares to the NDS;
- 2) submit to the entity which maintains the principal's securities account an irrevocable instruction to issue a settlement instruction allowing the transfer of the ownership of Shares to the Company on the terms and conditions set forth in the Invitation;
- 3) receive the deposit certificate issued by the entity maintaining the securities account of the principal, for blocked Shares in relation to the Invitation;
- 4) submit the deposit certificate and the Offer to Sell Shares in response to the Invitation and other necessary statements and information related to the response to the Invitation at one of the Customer Service Points of BOŚ BOS.

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

- i) a recent extract from the relevant register and authority 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 Proxy, from which follows its legal status, manner of representation, as well as full names of the persons authorised to represent it, bearing

- unless otherwise provided by law or international agreements to which the Republic of Poland is a party, an apostille or authenticated by a Polish diplomatic mission or consular office and translated into Polish by a translator sworn in Poland.

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

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

In response hereto, the Company will purchase up to **2,000,000 (say: two million)** Shares from Shareholders who submit valid Offers to Sell Shares within the time limit for acceptance.

If the number of Shares offered by Shareholders to be acquired 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 will proportionately reduce Offers to Sell Shares by rounding down the fractional number of Shares to the nearest whole number, so that the total number of 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 up, the Company will 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 Submission Procedure for Offers to Sell Shares, will be accepted. In particular, no Offer to Sell Shares will be accepted if incorrectly completed or unsigned or if accompanied by an incorrectly executed deposit certificate or if the deposit certificate is not validated by the entity issuing such a deposit certificate.

Shares will be acquired by the Company through the over-the-counter transfer of ownership of Shares from the Shareholders who submit valid Offers to Sell Shares (after taking into account any reduction in accordance with the aforementioned provisions of the Invitation).

The transfer of Shares to the Company will be settled through the depository-settlement system of the NDS based on settlement instructions. DM BOŚ is the intermediary in the settlement.

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

The payment of the price for Shares to be purchased by the Company in response hereto shall be made through the settlement system of the NDS, based on settlement instructions issued by Dom Maklerski on behalf of the Company and the entities maintaining the securities accounts of the Shareholders.

The amount multiplied by the final number of Shares purchased from individual Shareholders and the price per Share may be reduced by commissions and other fees if such commission or fees are charged by the entity maintaining the securities account of the Shareholder or the entity accepting the Sales Offer, in accordance with the tariff of fees of such an entity. Shareholders intending to make Offers to Sell Shares should contact the entities maintaining 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 hereto.

The purchase amount of 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 POINTS OF DM BOŚ S.A.

No.	Branch/City	Code	Street	Phone
1	Bielsko-Biała- ICA*	43-300	Cyniarska 36	+48 500 046 889
2	Gdańsk	80-824	Podwale Przedmiejskie 30	(58) 320-88-48
3	Katowice	40-048	Kościuszki 43	(32) 606-76-20
4	Koszalin- ICA*	75-065	ul. Bp. Cz. Domina 9/3	+48 500 046 849
5	Krakow	31-068	Stradomska 5a/10	(12) 433-71-40
6	Łódź	90-368	166/168 Piotrkowska St	(42) 636-00-05
7	Olsztyn- ICA*	10-516	Pl. Generała Józefa Bema 2, Lokal 103	+48 500 046 775
8	Poznań	60-523	Dąbrowskiego 79A	(61)841-14-12 (61) 847-91-16
9	Rzeszów	35-017	Moniuszki 8	(17) 850 84 86
10	Szczecin- ICA*	70-535	Wielka Odrzańska 18/2	+48 500 046 726 +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

ICA\* - Investment Company Agent