Current Report No. 31/2020 (05:40 p.m.)

Date: 1 July 2020

Topic:

Adoption by the Management Board of Erbud S.A. of a resolution on the buyback of the Company's own shares and announcement of an invitation to submit offers for the sale of the Company's shares

Legal Basis:

Article 17(1) MAR – confidential information.

Content of the Report:

The Management Board of Erbud S.A. (the "**Company**", the "**Issuer**") announces that today, acting on the basis of the resolution No. 15/2020 of the Ordinary General Meeting of the Company dated 30 June 2020 on authorising the Management Board of the Company to purchase own shares for redemption and creating a reserve capital for the purchase of own shares for redemption, it adopted a resolution on the buyback of the Company's own shares ("**Own Shares**").

Below, the Company provides information on the most important principles of conducting the buyback of Own Shares presented in the above-mentioned resolution of the Company's Management Board:

1. Own Shares will be purchased through an investment firm in transactions or off-session transactions carried out by way of a public invitation to all shareholders of the Company to make offers for the sale of Own Shares (the "**Offer**") (the "**Invitation**"), which shall not in any event constitute: (i) a public invitation to subscribe for the sale or exchange of shares referred to in Article 73 and the following of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading and Public Companies (unified version Journal of Laws of 2019, item 623, as amended) (the "**Public Offer Act**"), (ii) an offer within the meaning of Article 66 of the Act of 23 April 1964 Civil Code (unified version Journal of Laws of 2019, item 1145, as amended);
2. the total number of Own Shares purchased under the Invitation will not exceed: 412 500 (four hundred twelve thousand five hundred);
3. if the number of Own Shares offered by the shareholders to be purchased by the Company in response to the Company's Invitation is higher than the total number of Own Shares specified by the Company in the announced Invitation, the Management Board will reduce the shareholders' offers proportionally by rounding down the fractional number of Own Shares to the nearest whole number so that the total number of Own Shares is equal to the maximum number indicated by the Company in the announced Invitation, while maintaining the principle of equal treatment of all shareholders. Own Shares remaining after the above rounding (i.e. shares in the number constituting the difference between the number of Own Shares specified by the Company in the announced Invitation and the total number of shares covered by reduced and rounded sales offers) will be allocated one after another, starting from the largest sales offers to the smallest ones, until the total allocation of shares in the number equal to the number in the announced Invitation;
4. the price at which Own Shares will be purchased equals: PLN 40.00 (forty zloty) for one Own Share and has been determined taking into account the conditions specified in the Resolution;
5. the total amount for which the Company will purchase Own Shares, together with the costs of their purchase, will not exceed the amount of PLN 16,500,000 (sixteen million five hundred thousand);
6. Own Shares will be purchased from the shareholders for the consideration paid from the funds from the reserve capital amounting to PLN 16,500,000 (sixteen million five hundred thousand), specially created for this purpose on the basis of the Resolution, i.e. exclusively from the amount which, pursuant to Art. 348(1) of the Code of Commercial Companies and Partnerships, may be distributed to the shareholders.

7. the purpose of Own Shares purchase will be to redeem the Own Shares and subsequently reduce the Company's share capital, pursuant to Art. 359 of the of the Code of Commercial Companies and Partnerships;
8. Own Shares will be purchased in accordance with the following schedule
   a) the day of announcement of the Invitation: 1 July 2020,
   b) the date of commencement of acceptance of the Offers from shareholders: 6 July 2020,
   c) the date of closing of acceptance of the Offers from shareholders: 17 July 2020,
   d) expected date of the purchase of Own Shares by the Company: 22 July 2020.
9. Own Shares purchased shall be fully paid up;
10. Own Shares purchased by the Company must be fully transferable and free and clear of any encumbrances, such as in particular: ordinary, fiscal, registered or financial pledge, attachment in enforcement proceedings, option, pre-emption right or other priority right or any other right, encumbrance or restriction established for the benefit of third parties of a in rem or in debt nature;
11. prior to the commencement of the buyback of Own Shares, the Company will publicly announce the terms of the Invitation in the form of a current report, on the Company's website: www.erbud.pl and on the website of the intermediary investment firm, bearing in mind that the Company is a public company and in order to ensure equal treatment of the Company's shareholders in accordance with Article 20 of the Public Offer Act;
12. the Management Board, at its discretion, acting in the interest of the Company may:
    a) terminate the purchase of Own Shares at any time,
    b) abandon the purchase of Own Shares in whole or in part,
    c) withdraw at any time from the implementation of this Resolution.

In connection with the foregoing, the Management Board presents as an attachment to this current report an announcement of the invitation to submit offers for the sale of the Company's Own Shares, which sets forth the detailed terms, conditions, deadlines and rules for conducting Own Share purchase transactions, in particular the terms and conditions and deadlines for the submission of Offers by shareholders, the terms and conditions for settling the Own Share purchase transactions.

Attachment:

1. Invitations to submit offers for the sale of Company's Own Shares