Current Report No. 44/2021
Date: 2021-05-17
ERBUD S.A.

Subject
Adoption by the Management Board of Erbud S.A. of a Resolution on the purchase of the Company's Own Shares and the announcement of an Invitation to submit Offers for the sale of the Company's shares.

Legal basis
Article 17(1) of the MAR Regulation - confidential.

Report content:
The Management Board of Erbud S.A. ("Company", "Issuer") announces that, acting pursuant to Resolution No. 18 of the Company's Annual General Meeting of 11 May 2021 on authorising the Company's Management Board to purchase its own shares for redemption and to create a reserve capital for the purchase of its own shares for redemption ("Resolution"), has adopted today a resolution to implement a purchase of the Company's own shares ("Own Shares").
Hereby, the Company discloses information on the material principles for the implementation of the purchase of the Own Shares as specified in the aforementioned Resolution of the Company's Management Board:

1. The Own Shares shall be purchased through an investment company in an off-sale transaction or transactions conducted pursuant to a public invitation to submit offers for the Own Shares ("Offer") by all shareholders of the Company ("Invitation") which shall not constitute: (i) a public call for subscription for the sale or exchange of shares, referred to in Article 73 et seq. of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (i.e. Journal of Laws of 2020, item 2080, as amended) ("Public Offering Act"), (ii) nor an offer within the meaning of Article 66 of the Act of 23 April 1964 Civil Code (i.e.: Journal of Laws of 2020, item 1740, as amended);
2. The total number of Own Shares to be purchased under the Invitation shall not exceed: 160,000 (words: one hundred and sixty thousand);
3. Where the number of the Own Shares offered by shareholders for purchase by the Company in response to the Company's Invitation is in excess of the aggregate number of the Own Shares specified by the Company in the Invitation, the Management Board shall proportionally reduce the bids of shareholders by rounding the fractional number of the Own Shares down to the nearest whole number, so that the total number of the Own Shares shall be equal to the maximum number indicated by the Company in the Invitation, while observing the principle of equal treatment of all shareholders. The Own Shares remaining after the above rounding has been applied (i.e., shares in the number representing the difference between the number of the Own Shares specified by the Company in the Invitation and the total number of shares covered by the reduced and rounded Offers) shall be allocated one by one, starting from the largest share Offers to the smallest ones, until the total number of shares equalling the number in the Invitation is fully allotted;

4. The purchase price for the Own Shares shall be: PLN 125.00 (words: one hundred and twenty-five zloty 00/100) per Own Share and has been determined with consideration of the conditions stipulated in the Resolution;
5. The aggregate amount for which the Company will purchase the Own Shares, together with the costs of their purchase, shall not exceed: PLN 20,000,000 (words: twenty million zloty);
6. The Own Shares shall be purchased from the shareholders for consideration paid from the reserve capital in the amount of PLN 25,000,000 (words, twenty-five million zloty) created for this purpose pursuant to the Resolution, i.e. exclusively from the amount which, pursuant to Article 348(1) of the Commercial Companies Code, may be allocated for distribution among the shareholders.
7. The purpose of the purchase of the Own Shares will be to redeem the Own Shares and subsequently reduce the share capital of the Company, in accordance with Article 359 of the Commercial Companies Code;
8. The purchase of the Own Shares shall be performed, according to the following schedule:
   I. Publication date of the Announcement: 17 May 2021
   II. Commencement date for acceptance of the Offers: 19 May 2021
   III. Closing date for acceptance of the Offers: 7 June 2021
   IV. Expected settlement date for the purchase of the Shares: 10 June 2021
9. The Own Shares purchased shall be fully paid up;
10. The Own Shares purchased by the Company must be fully transferable and free from encumbrances such as, in particular: ordinary, fiscal, registered or financial pledge, attachment by writ of execution, option, right of pre-emption or other right of priority or any other right, encumbrance or restriction created in favour of third parties in rem or of debenture nature;
11. Prior to the commencement of the purchase of the Own Shares, the Company shall make a public announcement of the terms of the Invitation in the form of a current report, on the Company's website: www.erbud.pl as well as on the website of the intermediary investment company, bearing in mind that the Company is a public company and to ensure equal treatment of the Company's shareholders pursuant to Article 20 of the Public Offering Act;
12. The Management Board, at its discretion, considering the interest of the Company, may:
    a) terminate the purchase of the Own Shares at any time,
    b) resign from the purchase of the Own Shares, in whole or in part,
    c) withdraw from the implementation of this Resolution at any time.

Therefore, the Management Board hereby forwards, as an attachment to this Current Report, an announcement of an Invitation to submit Offers for the sale of the Company's Own Shares, in which detailed conditions, deadlines and principles of the transaction for the purchase of the Own Shares have been established, including in particular conditions and deadlines for the submission of Offers by shareholders, principles as well as conditions for the settlement of the transaction for purchase of the Own Shares.