**Current report no.:** 22/2022

**Date:** 2022-05-27

**Subject:**

Adoption by the Management Board of ERBUD S.A. of a resolution on the execution of acquisition of own shares of the Company and the announcement of an invitation to tender for the sale of the Company's shares

**Legal basis:**

Article 17(1) MAR - confidential information.

**Report content:**

The Management Board of ERBUD S.A. (the "**Company"**, the "**Issuer**") hereby announces that, acting pursuant to Resolution No. 24/2022 of the Company's Annual General Meeting of May 20, 2022 on authorizing the Company's Management Board to acquire the Company's own shares for the purpose of their redemption and appointing a proxy authorized to represent the Company in transactions involving the acquisition of the Company's own shares from shareholders who are simultaneously members of the Company's Management Board ("**Authorizing Resolution**") as well as Resolution No. 22/2022 of the Company's Supervisory Board dated April 21, 2022 on consenting to the Company's operations to proceed with the repurchase of the Company's own shares for their redemption, today adopted a resolution to proceed with the repurchase of the Company's own shares (the "**Own Shares**"; the "**Management Board Resolution**").

Below the Company provides information on the material principles of implementation of the repurchase of the Own Shares specified in the Management Board Resolution:

1. The Own Shares will be purchased through an investment firm in an off-schedule transaction or transactions conducted by means of a public invitation to tender the Own Shares (the "**Offer**") by all shareholders of the Company (the "**Invitation**"), which in no event shall constitute: (i) the public 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 Organized Trading, and Public Companies dated July 29, 2005 (the "**Polish Act on Public Offering**"), (ii) nor an offer within the meaning of Article 66 of the Act of April 23, 1964, the Civil Code;

2. the total number of the Own Shares to be acquired by the Company as a result of the Invitation shall not exceed 166,666 (one hundred sixty six thousand six hundred sixty six) shares;

3. should the number of the Own Shares offered by shareholders for purchase by the Company in response to the Invitation be greater than the total number of the Own Shares specified by the Company in the announced Invitation, the Management Board shall reduce proportionally the Shareholders' Offers, rounding down the fractional number of the Own Shares to the nearest whole number so that the total number of the Own Shares equals the maximum number of the Company's Own Shares to be acquired as a result of the Invitation as indicated by the Company in the Invitation while observing the principle of equal treatment of all shareholders. The remaining Own Shares after the above rounding-down (i.e. the number of the Own Shares equal to the difference between the maximum number of the Own Shares determined by the Company in the Invitation announced and the total number of the Own Shares covered by the reduced and rounded-down Offers) shall be allocated sequentially, starting with the largest Offers and ending with the smallest ones, until the whole number of the Own Shares equal to the maximum number of the Own Shares to be acquired by the Company as a result of the Invitation announced in the Invitation is allocated;

4. the price at which the Own Shares will be purchased shall be PLN 120.00 (one hundred and twenty zlotys) per one Own Share and has been determined with consideration of the conditions set forth in the Authorizing Resolution;

5. the total amount to be paid by the Company for the acquired Own Shares, including their acquisition costs, shall not exceed PLN 20,000,000 (twenty million zloty);

6. the Own Shares will be purchased from shareholders for consideration paid from the reserve capital amounting to PLN 77,736,302.25 (seventy seven million seven hundred thirty six thousand three hundred two zloty 25/00), specially created for this purpose under the Resolution No. 6/2022 of the Ordinary General Meeting of the Company dated May 20, 2022 on the allocation of profit earned in the financial year 2021 and to create a reserve capital for acquiring the Company's Own Shares for the purpose of their redemption, i.e. exclusively from the amount that, pursuant to Article 348(1) of the Code of Commercial Companies, may be designated for distribution among shareholders;

7. in accordance with Art. 359 of the Commercial Companies Code, the purpose of the acquisition of the Own Shares will be their redemption and related reduction of the Company's share capital;

8. the repurchase of the Own Shares will be conducted, according to the following schedule:

a) the date of announcement of the Invitation: May 27, 2022,

b) the date of commencement of acceptance of the Offers from the shareholders: June 01, 2022,

c) the closing date for receipt of the Offers from shareholders: June 14, 2022,

d) the expected date of acquisition of the Own Shares by the Company: June 20, 2022.

9. the Own Shares purchased by the Company shall be fully paid up;

10. the Own Shares acquired by the Company must be fully transferable and free from any encumbrances, such as, in particular, ordinary, fiscal, registered or financial pledge, attachment in execution proceedings, option, pre-emptive right or other right of priority or any other right, encumbrance or restriction established in favour of third parties of a tangible or obligatory nature;

11. The Management Board, at its discretion, guided by the interest of the Company, may terminate the acquisition of the Own Shares at any time or abandon the acquisition of the Own Shares in whole or in part.

In connection with the above, the Management Board encloses herewith the Invitation containing detailed terms, deadlines and conditions for the acquisition of the Own Shares, in particular terms and deadlines for submission of the Offers by Shareholders, as well as terms and conditions for settlement of the Own Share acquisition transactions.

Attachment:

1. Invitation.