

LPP

Information on the intention to seizure the control over the Company by Semper Simul Foundation - declassification of delayed confidential information

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The Management Board of LPP SA [Company, Issuer] informs that on 16th of October 2020 it received from the shareholder, Semper Simul Foundation with its registered office in Valetta, Malta [Semper Foundation], an information on conclusion with Sky Foundation [SKY Foundation] on 15th of October 2020 of a conditional framework agreement on the transaction on exchange of 175.000 registered preference shares, entitling to 875,000 votes at the general meeting of the Company held by SKY Foundation for the number of bearer shares as agreed by the parties, held by Semper Foundation, whereas the acquisition by Semper Foundation of 175.000 registered shares shall be made indirectly.

The Semper Foundation currently holds a block of shares giving it the right to 31.5% of the total number of votes at the Company's general meeting. However, due to the indirect acquisition from SKY Foundation of a package of 175,000 registered preference shares, entitling to 875,000 votes at the Company's general meeting, the Semper Foundation will exceed the threshold of 33% of the total number of votes at the Company's general meeting. The above will result in the obligation of the Semper Foundation to announce a call to subscribe for the sale of the Company's shares in the amount resulting in the achievement of 66% of the total number of votes, in accordance with the provisions of Art. 73 sec. 2 of the Act of July 29, 2005 *on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies*. Regardless of the above-mentioned actions, the Semper Foundation announced that it hold talks with other shareholders regarding the possibility of indirectly acquiring further shares of the Company. Potential acquisition of shares from other shareholders will be done in a number that will not cause the exceed by the Semper Foundation of 66% of the total number of votes in the Company.

According to information received, the key conditions for the implementation of the above-mentioned framework agreement are in particular:

- i) obtaining by the Semper Foundation of the consent of President of the Office of Competition and Consumer Protection [UOKiK] for the concentration, and
- ii) approval by the Company's Supervisory Board of the sale of the preference shares held by SKY Foundation.

The Issuer will inform about the decision of the President of UOKiK in the mode of the next current report. Simultaneously, with regards to the second of the indicated conditions, the Issuer will inform in the mode of another current report should the process cannot be continued, ie the Company's Supervisory Board shall not consent to the sale of the subjective shares.

According to the information received, the Semper Foundation notified today the President of UOKiK of the intention of concentration in order to initiate appropriate anti-monopoly proceedings.

At the same time, the Management Board of the Company informs that, inter alia, due to a very preliminary stage, lack of agreement on key terms, the expected spread out of the process of making agreements between the Semper Foundation and the SKY Foundation and the potential negative impact on the Company's operations in the event of an unsuccessful process, the Company decided to delay the public disclosure of the receipt on August 26, 2019 of information from the administrator of the Semper Foundation about: [i] receipt by the Semper Foundation from the SKY Foundation of information on: considering by this entity of the sale of held block of Company's shares together with an inquiry regarding the interest of Semper Foundation in the acquisition of part or all of this block , [ii] expressing by the Semper Foundation its initial interest in starting talks regarding the purchase of part or all of the Company's shares held by the SKY Foundation, [iii] considering by Semper Foundation of the structure of transaction, including the potential sale of ordinary bearer shares of the Company, [iv] commencement by the Semper Foundation of talks with several other significant shareholders regarding the acquisition of the Company's shares by the Semper Foundation.

In the Issuer's opinion, the intended transaction is in the interest of the Company and its stakeholders, including shareholders. The potential transaction will result in the maintenance of the stability of the Company's shareholding focused on its long-term development and maintenance of the shareholding structure based on the family profile with which the Company is identified. Such state of affairs is in line with the ability to achieve the long-term goals as well as the business objectives of the Company. Simultaneously, bearing in mind the expressed intentions of the SKY Foundation covering the intention to dispose of the preference shares held, the lack of agreement on conducting this process between the Semper Foundation and the SKY Foundation could result in the emergence of significant shareholders in the Company's shareholding structure with diverse, incompatible investment horizons and profiles. A potential destabilization of the shareholding structure could result in the rise of different shareholders' expectations regarding the time perspective of the implementation of the adopted long-term goals and business assumptions of the Company. A similar effect could be caused by an information on potential risks related to the destabilization of the shareholding structure. At the same time, the immediate disclosure of delayed confidential information to the public could have created, in Company's opinion, a risk of a negative impact on the result of the negotiations conducted by the above-mentioned shareholders of the Company, especially that as at the time of receipt of this information by the Company, the probability of the intended transaction was relatively low. The above could violate the legitimate interests of the Issuer and the interests of its shareholders. At the same time, the Issuer informs that the information provided in this report consume the content of the above-mentioned delayed confidential information.

Art. 17 paragraph 1 of the MAR – inside information

Signatures: Przemysław Lutkiewicz – Vice President of the Management Board
Sławomir Łoboda – Vice President of the Management Board