

Standpoint of the Management Board of LPP SA with its registered office in Gdańsk, dated 7 December 2020, on the tender offer for the sale of shares, announced on 20 November 2020 by the Semper Simul Foundation

Acting under Article 80 paragraphs 1 and 2 of the Act of 29 July 2005 on the Public Offering and the Terms and Conditions for Introducing Financial Instruments into Organised Trading and on Public Companies (consolidated text: Journal of Laws of 2020, item 2080) (further referred to as "**Public Offering Act**"), the Management Board of LPP spółka akcyjna with its registered office in Gdańsk, at ul. Łąkowa 39/44, 80-769 Gdańsk, entered into the Register of Entrepreneurs kept by the National Court Register under number KRS 0000000778, NIP (taxpayer's identification number) 5831014898, REGON (statistical identification number) 190852164, of a share capital of PLN 3,704,846.00, paid up in full, the registry files of which are kept by the District Court for Gdańsk-North in Gdańsk, 7th Economic Division of the National Court Register (further referred to as "**Management Board**" and "**Company**", respectively), presents its standpoint on the tender offer announced on 20 November 2020 by the Semper Simul Foundation (further referred to as "**Tenderer**"), for the sale of the Company's shares. The tender offer was announced under Article 73 paragraph 2 of the Public Offering Act in connection with the prior indirect acquisition by the Tenderer of shares in a quantity that results in exceeding 33% of the total number of votes at the General Meeting of the Company (further referred to as "**Tender Offer**"). The Tender Offer is aimed at the acquisition by the Tenderer of shares giving right, jointly with shares already held (directly and indirectly), to exercise no more than 66% of the total number of votes in the Company.

All shares specified in the Tender Offer are dematerialised ordinary bearer shares admitted and introduced to trading on the regulated market operated by Giełda Papierów Wartościowych w Warszawie SA (the Warsaw Stock Exchange, further referred to as "**WSE**"), and registered in the depository kept by Krajowy Depozyt Papierów Wartościowych SA (further referred to as "**KDPW**") and marked with ISIN PLLPP0000011 code.

As provided for in the Tender Offer:

- as a result of the Tender Offer, the Tenderer intends to acquire 111 (one hundred and eleven) ordinary shares in the Company's share capital, constituting 0.006% of the Company's share capital and representing 0.003% of the total number of votes at the General Meeting of the Company;
- as at the date of announcing the Tender Offer, the Tenderer held, directly and indirectly, 746,488 shares in the Company, constituting 40.30% of the Company's share capital

and giving right to 2,146,488 votes constituting 65.997% of the total number of votes at the General Meeting of the Company.

- the above-mentioned shares held by the Tenderer comprise:
 - a) directly, 175,000 registered preference shares in the Company and 144,208 ordinary shares in the Company,
 - b) indirectly, through subsidiaries, the remaining 175,000 registered preference shares in the Company and 252,280 ordinary bearer shares in the Company;
- upon completion of the Tender Offer, the Tenderer, together with its subsidiaries, intends to reach up to 2,146,599 (two million one hundred forty six thousand five hundred and ninety nine) votes at the General Meeting of the Company, constituting up to 66.00% votes at the General Meeting of the Company, being incorporated in 746,599 (seven hundred forty six thousand five hundred and ninety nine) shares in the Company, constituting 40.30% of the Company's share capital, including:
 - a) no more than 396,599 (three hundred ninety six thousand five hundred and ninety nine) dematerialised bearer shares in the Company, giving right to 396,599 (three hundred ninety six thousand five hundred and ninety nine) votes at the General Meeting of the Company, constituting 21.41% of the Company's share capital and representing 12.19% of the total number of votes at the General Meeting of the Company; and
 - b) 350,000 (three hundred fifty thousand) non-dematerialised registered shares in the Company, preferred in terms of votes and giving right to 1,750,000 (one million seven hundred fifty thousand) votes at the General Meeting of the Company, constituting 18.89% of the Company's share capital and representing 53.81% of the total number of votes at the General Meeting of the Company.
- The Tender Offer has been announced without any legal conditions.

I. IMPACT OF THE TENDER OFFER ON THE COMPANY'S INTEREST

As provided for in the Tender Offer, it was announced in performance of the obligation stemming from Article 73 paragraph 2 subparagraph 1 of the Public Offering Act. Due to the indirect acquisition i.e. the acquisition of shares in entities holding shares in the Company, the Tenderer has exceeded the threshold of 33% of the total number of votes at the General Meeting of Company. Consequently, the Tenderer is obliged either to announce a tender offer for the sale of shares or to sell shares in a number that results in reaching no more than 33% of the total number of votes. In this legal environment, the Tenderer has announced the Tender Offer. Furthermore, the Tenderer noted that it intended to increase its shareholding in the

Company (directly and indirectly, through subsidiaries) to 66.00% of votes at the General Meeting of the Company, constituting 40.30% of the Company's share capital.

As provided for in the Tender Offer, following the acquisition of Shares as a result thereof, the Tenderer has no intention of introducing any substantial changes in the Company's current operations.

The Tenderer is a private foundation the goal of which is to secure the long-term continuity of the owner's supervision and to keep the whole shareholding owned in the Company as part of the Foundation's property (a single entity eliminating the risk of selling shareholding in parts by future owners). The above is aimed at upholding a long-term and multi-generational role of the Foundation as investor in the Company, ensuring its further development, strengthening its market competitiveness and at executing its strategy.

In consideration of the above-mentioned information, the Management Board holds the view that the Tender Offer complies with the Company's interest. In the opinion of the Management Board, the compliance of the Tender Offer with the Company's interests stems, in particular, from the following circumstances:

- a) due to the attainment by the Tenderer of the threshold of about 66% of the total number of votes at the General Meeting of the Company, the continuity of the owner's supervision will be ensured on a long-term basis; stabilisation of the Company's shareholdings is in the Company's interest; and
- b) the circumstances indicate that the Tenderer recognises the Tender Offer and preceding transactions as a long-term investment, which, from the Company's perspective, facilitates planning its development in a long-term perspective and executing its current strategy and should also make it possible to enter into ventures increasing the Company's goodwill.

II. STANDPOINT OF THE MANAGEMENT BOARD ON EMPLOYMENT IN THE COMPANY

The Tender Offer lacks information on its impact on employment in the Company. However, in the opinion of the Management Board, there are no grounds for acknowledging that the Tender Offer will adversely affect employment in the Company and, in particular, cause any employment reductions.

III. STANDPOINT OF THE MANAGEMENT BOARD ON THE TENDERER'S STRATEGIC PLANS FOR THE COMPANY

In the Tender Offer, the Tenderer made a statement that it had no intention of introducing any substantial changes in the Company's current operations following the acquisition of shares based thereon.

In the opinion of the Management Board, as indicated by the earlier strategic plans of the Tenderer regarding the will to secure long-term continuity of the owner's supervision, preserve the shareholding kept in the Company and ensure its further development, the Tenderer intends to build the Company's long-term multi-generational position, strengthen its market competitiveness based on stable shareholdings kept by those interested in long-term results and to ensure its long-term and unhindered development. Therefore, the Management Board expects that, in the near future, the Company's operations will be continued principally unchanged.

Consequently, in the opinion of the Management Board, there are no grounds for recognition that the Tender Offer will significantly affect employment in the Company and location of its future operations.

IV. STANDPOINT OF THE MANAGEMENT BOARD ON THE PRICE FOR SHARES IN THE COMPANY, PROPOSED IN THE TENDER OFFER

The share price (i.e. the sale price offered by the Tenderer to other shareholders) is PLN 8,406 (eight thousand four hundred and six Polish zlotys).

The said price is significantly higher than the minimum price fixed under Article 79 paragraphs 1 and 2 of the Public Offering Act due to fact that:

- a) an arithmetic average of average daily prices weighted by the volume of the Company's shares traded at the WSE from the last 6 months preceding the announcement of the Tender Offer, during which shares were traded on the regulated market of the WSE, is PLN 6,739.36 (six thousand seven hundred and thirty nine Polish zlotys 36/100) per share;
- b) neither the Tenderer nor its subsidiaries or parent companies:
 - (i) paid, during 12 months before announcement of the Tender Offer, for shares specified therein (i.e. for dematerialised bearer shares in the Company before announcing the Tender Offer), any price whatsoever due to the lack of transactions concluded by those entities and involving chargeable acquisition of dematerialised bearer shares in the Company in the said period;
 - (ii) handed over, during 12 months before announcement of the Tender Offer, any goods or transferred any rights in exchange for Shares specified in the Tender

Offer (i.e. for dematerialised bearer shares in the Company before announcing the Tender Offer).

However, in the said period:

- (iii) for shares in SKY SPV Limited with its registered office in Birkirkara, holding 175,000 registered preference shares in the Company, constituting 9.45% of the Company's share capital and giving right to 875,000 votes at the General Meeting of the Company, which constitutes 26.90% of the total number of votes at the General Meeting of the Company, the Tenderer undertook to pay the total price of PLN 1,471,050,000, which means that, indirectly, the Tenderer undertook to pay the price of PLN 8,406 per non-dematerialised registered preference share in the Company.

Additionally, it should be noted that the subject matter of the transaction referred to in point (iii) above was shares in the Company, other than shares specified in the Tender Offer. As part of this transaction, the Tenderer acquired indirectly registered shares preferred in terms of votes (fivefold). The shares specified in the Tender Offer are dematerialised ordinary bearer shares. Under Article 79 paragraphs 1 and 2 of the Public Offering Act, it is required to fix the price in a tender offer taking into account transactions of the same kind. Nonetheless, the Tenderer offers a price identical with the price for the acquisition of registered shares preferred in terms of votes.

In consideration of the above-mentioned circumstances, the Management Board holds the view that the price corresponds to the Company's fair value.

V. RESERVATIONS

When drawing up this standpoint, the Management Board analysed the following information and data:

- a) the Tender Offer,
- b) market prices of shares in the Company from the period of 6 months preceding the announcement of the Tender Offer as well as available market assessments and recommendations of independent analysts,
- c) in-house analyses.

The Management Board has taken no action to obtain, collect or analyse any data not deriving from the Company. The Management Board has placed no assignment for any additional external research or analyses in connection with the Tender Offer and its wording.

Subject to the information provided by the Company on its operations, the Management Board takes no responsibility for the accuracy, reliability, completeness or adequacy of the remaining information serving as the basis for presenting this standpoint.

The standpoint of the Management Board, presented in this document, should not be recognised as a recommendation to acquire or transfer financial instruments, as referred to in Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest or in the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC .

Each investor making an investment decision involving shares in the Company based on the Tender Offer should evaluate itself, based on all respective information available, including that delivered by the Tenderer and the Company, the investment risk related to the transfer, further ownership or acquisition of financial instruments, including shares in the Company. Furthermore, any such investor should seek individual advice from, or recommendations of, licensed investment advisors to the extent required to make a relevant decision. The decision involving the sale of shares in the Company as a result of the Tender Offer is an independent decision of each shareholder of the Company. In particular, when analysing a prospective reply to the Tender Offer, each shareholder of the Company should assess the investment risk involved as well as any legal or tax implications in that respect.

The Management Board emphasises that there may be opinions on the Company's goodwill, differing from those presented in this document.