

**Current Report No. 16/2020**

Date: October 21st 2020

**Execution of placement agreement and commencement of bookbuilding as part of private placement of new Series D ordinary bearer shares issued by MLP Group S.A.**

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Further to Current Report No. 13/2020 of October 12th 2020, the Management Board of MLP Group S.A. of Pruszków (the “**Issuer**”, the “**Company**”), acting in the performance of the obligation set out in (i) Articles 17(1) and 17(4) of 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 (the “**MAR**”), and in conjunction with the provisions of (ii) Resolution 1 of the MLP Group S.A. Management Board of October 12th 2020 on the increase of the Company’s share capital through the issue of up to 1,650,000 (one million, six hundred and fifty thousand) Series D ordinary bearer shares on the basis of the authorisation provided for in Art. 9a of the Company’s Articles of Association (the “**Series D Shares**”), full waiver of existing shareholders’ pre-emptive rights to acquire all Series D Shares, definition of the rules of distribution of Series D Shares, etc. (the “**Issue Resolution**”),

The Company’s Management Board announces that on October 21st 2020 the Company entered into a conditional share placement agreement (the “**Placement Agreement**”) with Pekao Investment Banking S.A. (as global coordinator and joint bookrunner) (“**Pekao IB**”) and Bank Polska Kasa Opieki Spółka Akcyjna - Biuro Maklerskie Pekao (as joint bookrunner and settlement agent) (“**BM Pekao**”, hereinafter jointly: the “**Managers**”) and that a bookbuilding process has commenced as part of a public offering addressed to qualified investors or investors within the meaning of Article 1(4)(d) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”) and subscription for up to 1,650,000 (one million, six hundred and fifty thousand) Series D Shares issued by the Company (the “**New Share Offering**”).

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Tax Identification Number (NIP): 534-10-12-136, Industry Identification Number (REGON): 010971300, share capital: PLN 4,528,313.75, paid up in full  
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Israel Land Development Company Ltd. of Bnei Brak, Israel (“**ILDC**”) has sent to the Company and Pekao IB, acting as global coordinator of the Offering, a statement that irrespective of the shares offered in the New Share Offering it will subscribe for Series D Shares in a number that will ensure that ILDC maintains its existing equity interest in the Company.

The Management Board of MLP Group S.A. warrants that it will allot Series D Shares in such a way as to ensure that ILDC subscribes for Series D Shares in accordance with the above declaration.

The New Share Offering is made on the terms set out in the Issue Resolution and in the Management Board’s resolution of October 20th 2020 to determine the opening and closing dates for subscription for Series D ordinary bearer shares in the Company, the opening and closing dates of book building for Series D shares, and the form of the agreement on subscription for Series D ordinary bearer shares in the Company (Series D share subscription agreements) (the “**Management Board Resolution**”).

ILDC’s participation is to enable the ILDC Group, directly and through its subsidiaries, to maintain an unchanged equity interest in the Company. At the same time, it will be possible as part of the transaction to change the equity interests held by the individual ILDC subsidiaries in the Company. ILDC’s right to subscribe for Series D Shares excludes the right of ILDC subsidiaries as investors meeting the Eligible Investor criteria set out below.

The execution of the New Share Offering and the admission of Series D Shares and, subject to fulfilment of regulatory requirements for such admission and introduction, of the allotment certificates for Series D Shares (the “Allotment Certificates”) to trading on the regulated market operated by the Warsaw Stock Exchange (the “WSE”) do not require the Company to publish a prospectus or any other information or offering document within the meaning of applicable laws.

The book building for Series D Shares will commence on the date of issue of this Current Report and will be carried out as an accelerated book building process, in accordance with the rules described below, and will end no later than on October 22nd 2020.

Series D Shares will be offered in the Republic of Poland through a public offering exempt from the obligation to publish a prospectus within the meaning of applicable laws or other information or offering document for the purposes of such offering addressed solely to: (a) qualified investors referred to in Article 4(1)(a) of the Prospectus Regulation, (b) investors referred to in Article 1(4)(d) of the Prospectus Regulation, including Eligible Investors (as defined below) within the meaning of the Issue Resolution.

Investors who will be invited to subscribe for Series D Shares through private placement within the meaning of Art. 431.2.1 of the Commercial Companies Code will be selected taking into account the results of the book building process. In order to participate in the book building process, each investor should enter into (unless it is already party to such an agreement) an appropriate agreement for accepting and transferring orders with the Offering Manager to whom the investor intends to submit its declaration of demand.

The Management Board will allot Series D Shares to the Company’s Shareholders – those who meet the criteria specified in the Issue Resolution, participate in the book building process and submit, in the book building process, information (i.e. a certificate from the entity maintaining their securities account) confirming

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the number of Company shares held as at the end of the day on the Preference Date (as defined below) is not less than 1% (one percent) of the total number of shares in the Company (“**Eligible Investors**”) – in such a way that the Eligible Investors are allotted Series D Shares in a number that will at least enable them to maintain their shares in the total voting rights at the Company’s General Meeting, held by them as at the day preceding the opening date of the book building process (the “Preference Date”).

In order to exercise the pre-emptive right to subscribe for Series D Shares on the terms set out in the Issue Resolution, the Eligible Investors should send, by 2.00 pm on October 22nd 2020, information about the number of Company shares held by them as at the end of day on the Preference Date, i.e. on October 20th 2020. The information should specify at least the details of the Eligible Investor and the number of Company shares held by that Eligible Investor at the end of the day on the Preference Date, i.e. October 20th 2020. The information should be sent to the Offering Manager through which the Eligible Investor participates in the book building process for Series D Shares. In determining whether the “Eligible Investor” criterion is met, the aggregate number of Company shares held by all funds managed by one management company is taken into account.

In accordance with the Management Board Resolution, after closing of the book building process and determining the issue price, Series D Shares will be allotted initially in accordance with the following rules:

- (i) first, Series D Shares will be allotted to ILDC in a number that will enable ILDC to maintain, directly and through its subsidiaries, an unchanged equity interest in the Company, with the proviso that it will be possible as part of the transaction to change the equity interests held in the Company by the individual ILDC subsidiaries. ILDC’s right to subscribe for Series D Shares excludes the right of ILDC subsidiaries as investors meeting the Eligible Investor criteria set out above;
- (ii) second, the remaining Eligible Investors will be initially allotted Series D Shares in such a way that their shares in the total voting rights at the Company’s General Meeting are maintained;
- (iii) third, Series D Shares will be initially allotted to the Eligible Investors (to the extent of the subscription order in excess of the number of shares allotted pursuant to (ii) above) and to other investors who place orders in the book building process – at the Management Board’s discretion upon consultation with Pekao IB.

Series D Shares not covered by orders placed in the book building process may be initially allotted by the Management Board, at its own discretion upon consultation with Pekao IB, to investors who have submitted declarations of demand for Series D Shares or to other investors entitled to participate in the Offering and the book building process.

The issue price of Series D Shares will be determined by the Company’s Management Board, with the consent of the Supervisory Board, primarily based on the results of the book building process among institutional investors, as well as taking into account all circumstances affecting the determination of the issue price, including in particular macroeconomic and economic conditions, conditions prevailing on the capital markets during the book building process, the Company’s financial condition at the time of the New Share Offering, as well as current events and their impact on the Company’s business prospects.

Immediately after the Company publishes, in the form of a current report, the information on the agreed issue price of Series D Shares, the Company will begin to conclude agreements on subscription for Series D

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Shares (subscription agreements) with investors from the initial allotment list, and investors will be obliged to pay the issue price of Series D Shares subscribed for by them.

Series D Shares subscription agreements are expected to be signed by investors by October 26th 2020 and cash payments for Series D Shares will be made by the dates specified in these agreements, i.e. by October 26th 2020. If Series D Shares subscription agreements are not signed or if investors from the initial allotment list fail to pay for their subscription orders by the end of day on October 26th 2020, it will be possible to hold an additional subscription and make cash payments for Series D Shares on October 27th 2020. Pursuant to the Placement Agreement, the Offering Managers undertook to provide services to the Company for the purposes of placing Series D Shares on the terms stipulated in the Placement Agreement, including in particular to exercise due care in soliciting potential investors. The Placement Agreement does not oblige the Offering Managers to purchase or sell any financial instruments nor is it a guarantee of preparing or executing an introduction of financial instruments of the Company to organised trading, executing the Offering or placing any other financial instruments of the Company. The Placement Agreement sets forth standard conditions precedent for updating the Offering Managers' commitments, typically found in similar agreements concluded as part of transactions similar to the New Share Offering, including conditions relating to the occurrence of force majeure and a material adverse change in the Company's situation. The Placement Agreement also defines termination triggers usually provided for in agreements of this type. Pursuant to the Placement Agreement, the Offering Managers may terminate the Placement Agreement in particular if a representation or warranty made by the Company therein is found to be a false statement of fact or law or if the situation on the financial markets changes significantly, adversely affecting the possibility to carry out the New Share Offering. The Placement Agreement also includes representations and warranties relating to the Company, its Group and their operations, whose scope and nature is typical for representations and warranties made by securities issuers in agreements of this type concluded as part of transactions similar to the New Share Offering. In accordance with the terms of the Placement Agreement, the Offering Managers and other persons specified in the Placement Agreement will be indemnified against specified claims, liabilities or costs which may be lodged against or sought from the Offering Managers or such other persons in connection with the Placement Agreement (the indemnity clause).

Subject to standard exemptions, the Company agreed that without the consent of the Global Coordinator, i.e. Pekao IB, it will not issue, sell or offer any existing Company shares for 360 (three hundred and sixty) days from the date of execution of an annex to the Placement Agreement to determine the issue price.

The Management Board and the Global Coordinator have received a warranty from ILDC to the effect that ILDC will not sell (or publicly announce a plan to sell) Series D Shares for 360 (three hundred and sixty) days from the date on which the issue price of Series D Shares was determined.

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## IMPORTANT NOTICE

*This current report has been prepared in accordance with Article 17(1) of the MAR.*

*This current report is for information only. The Company publishes it exclusively to provide important information about the terms and conditions of its share offering. This current report is not intended, directly or indirectly, to promote the offering, subscription for or purchase of Company shares referred to herein (“Series D Shares”) and does not constitute an advertisement or promotional material prepared or published by the Company for the purpose of promoting, subscribing for or offering Series D Shares, or encouraging investors, directly or indirectly, to subscribe for Series D Shares. To date, the Company has not published any materials to promote or subscribe for Series D Shares and does it intend to publish any such materials after the date of issue of this current report.*

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*In connection with the matters covered by this current report, no prospectus will be made available and no such prospectus is required to be prepared (under the Prospectus Regulation). This current report and the description of the terms and conditions of the New Share Offering contained herein are for information only; the information contained herein is addressed only to persons who are (i) qualified investors within the meaning of the Prospectus Regulation and (ii) investors referred to in Article 1(4)(d) of the Prospectus Regulation (iii) other persons who may be notified thereof in accordance with the applicable laws (all such*

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*This current report contains (or may contain) certain forward-looking statements relating to the Company's current expectations and predictions of future events. Forward-looking statements, which sometimes contain words such as "aim", "anticipate", "believe", "intend", "plan", "estimate", "expect" and words of similar import, reflect the beliefs and expectations of the Company's Management Board, and involve a number of risk factors, uncertainties and possible falsification of adopted assumptions, which may be updated in the future, and the occurrence or updating of which is beyond the Company's control, and may cause actual results to differ significantly from any expected results expressed or implied in forward-looking statements. The statements contained in this current report concerning past trends or activities should not be considered a statement that such trends or activities will continue in the future. The information contained in this current report may be changed without prior notice and, except as required by applicable laws, the Company is not liable or obliged to, and does not intend to, publicly update or review any forward-looking statements contained herein. The forward-looking statements should not be unduly relied on, as they merely reflect beliefs as at the date of issue of this current report. Nothing in this current report constitutes or is intended to constitute an earnings forecast or estimate, or is intended to imply that the Company's earnings in the current or future financial year will match or exceed the Company's historical or published earnings. In view of these risks, uncertainties and assumptions that may be revised in the future, the recipient should not place undue reliance on forward-looking statements as a forecast of actual results or otherwise.*

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Legal basis:

Article 17(1) of MAR – inside information.

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