



CURRENT REPORT No. 55/2023

EXECUTION OF THE AGREEMENT

Date of issue: 19/06/2024

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Abbreviated name of the issuer: **MIRBUD S.A.**

Subject: **Completion of subscription of series L shares, allotment of series L shares. Declaration of the Management Board on the adjustment of share capital increased through the issuance of series L shares**

Legal basis: Article 17(1) MAR Regulation – confidential information

Report content:

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The Management Board of MIRBUD S.A., with its registered office in Skierniewice (the “**Company**”) announces that on 10 June 2024, the Company concluded an agreement to act as transaction advisor and offer shares (the “**Mandate Agreement**”), with IPOPEMA Securities S.A. acting as the sole global coordinator, bookrunner, offering agent and settlement agent (the “**Offer Manager**”) and that the process of book-building commenced for a private subscription of no less than 1 (in words: one) and no more than 18,348,800 (in words: eighteen million, three hundred and forty-eight thousand, eight hundred) ordinary bearer shares of series L (representing up to 19.99% of all of the existing shares in the Company as at the date of the Issue Resolution) pursuant to the authorisation provided for in Article 10a of the Company’s Articles of Association (the “**Series L Shares**”) to be issued by the Company (the “**New Shares Offering**”).

The Company intends to use the net proceeds from the conducted issuance of the Series L Shares, less the costs of the issuance, to continue the most important development projects currently being implemented by the Company, i.e. to develop the railway infrastructure construction division (“**Aim**”).



1”) and to develop the road infrastructure construction division (“**Aim 2**”). The Company estimates the total capital expenditures for these purposes to be approximately PLN 280-290 million.

As part of Aim 1, the Company has identified entities operating in the area of rail infrastructure construction that could potentially be acquisition targets. Some of these have expressed initial interest in pursuing further discussions. The Company would like to acquire an entity in the rail segment with relevant experience and competence in rail projects, and then use its resources and potential synergies to develop the Company's group. Following an acquisition, depending on the entity acquired, the Company does not preclude recapitalising such acquired entity in order to adapt its fleet of machinery, including the purchase of additional equipment. The Company estimates the total investment outlays related to an acquisition as described above and the entity's possible recapitalisation at approximately PLN 190-210 million in total. The amount of the investment in equipment will depend on the infrastructure that the acquired entity already has at its disposal. In the case of an investment in an entity of greater value, the Company does not exclude the use of external financing.

As part of Aim 2, the Company plans to purchase four asphalt batching plants (one stationary and three mobile), which will enable further expansion in the road construction segment. Thanks to the mobile nature of the asphalt plants, the Company will be able to transport them to more remote construction sites, thus becoming independent from local material suppliers. The Company estimates the total capital expenditure associated with the construction and installation of the above-mentioned surrounds at approximately EUR 20 million (approximately PLN 80-90 million).

The capital expenditures indicated under Aim 1 and Aim 2 are planned to be covered by the Company from the funds raised through the issuance and by using other sources of financing (e.g. finance leases or the Company's own funds).

The use of the proceeds from the issuance of the Series L Shares indicated above is preliminary and indicative, in accordance with the Company's current development plans and needs. The Company's plans for the use of the proceeds from the issuance of the Series L Shares may be subject to change at a later stage, including depending on the course and outcome of the issuance of the Series L Shares, as well as on, inter alia, the situation in the sector, macroeconomic conditions, contracts won by the Company and the timetable of ongoing projects.

The Company reserves the right to allocate the funds raised through the issuance between Aim 1 and Aim 2, mentioning that it considers Aim 1 to be a priority.

The process commences immediately after the publication of this current report, and it will be conducted as an accelerated book-building process on the terms described below (and attached to this current report) and is expected to last no longer than until the end of 13 June 2024.

The New Shares Offering will be conducted on the terms set forth in: (a) Resolution No. 4/2024 of the Management Board of the Company dated 10 June 2024 on increasing the share capital of MIRBUD S.A. within the limits of the authorised capital by way of issuing ordinary series L shares, depriving the existing shareholders of the entire pre-emptive right to all series L shares, the dematerialisation of series L shares and rights to series L shares, application for the admission and introduction of series L shares or rights to series L shares to trading on a regulated market, amendments to the company's articles of association and authorisation to conclude an agreement on the registration of series L shares and rights to series L shares with a securities depository (the “**Issue Resolution**”); and (b) Resolution



No. 5/2024 of the Management Board of the Company of 10 June 2024 on the determination of detailed rules for the subscription of series L ordinary shares (the “**Management Board Resolution**”), and pursuant to the authorisation provided for in Article 10a of the Articles of Association of the Company. The number of Series L Shares that will be offered in the book-building process will be no more than 18,348,800 (in words: eighteen million, three hundred and forty-eight thousand, eight hundred) Series L Shares.

The Series L Shares will be offered in the territory of Poland in a public offer addressed solely to: (a) qualified investors or investors within the meaning of Article 1(4)(a) 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**”); or (b) investors acquiring securities with a total value of at least EUR 100,000 per investor, referred to in Article 1 (4)(d) of the Prospectus Regulation and, during the book-building process, who make a declaration or declarations to subscribe for Series L Shares at a price not lower than the issue price of the Series L Shares as finally determined by the Management Board of the Company pursuant to the rules set out in the Issue Resolution. The Series L Shares will also be offered in the form of a private placement directed towards institutional investors outside of the United States of America and Poland in accordance with Regulation S under the U.S. Securities Act of 1933, as amended.

The conduct of the New Shares Offering, the admission of the Series L Shares and, if the regulatory requirements for such admission and introduction are met, the rights to the Series L Shares, regarding trading on the regulated market operated by the Warsaw Stock Exchange (*Giełda Papierów Wartościowych w Warszawie S.A.*), will not require that the Company make available to the public a prospectus or any other information or offering document within the meaning of applicable law.

The public offering of the subscription for the Series L Shares will be carried out under the exemption from the obligation to publish a prospectus as referred to in Article 3(1) of the Prospectus Regulation.

In the case of a public offering of Series L Shares carried out in reliance on an exception to the obligation to publish a prospectus or other information/offering document for the purposes of such offering in accordance with applicable law, participation in such offering by the relevant Eligible Investor (as defined below) must not result in a breach of the conditions for the application of such exception.

The selection of investors to whom offers to acquire Series L Shares, by way of private subscription within the meaning of Article 431 § 2 item (1) of the act of 15 September 2000 – the Commercial Companies Code (the “**CCC**”), will be made taking into account the results of the book-building process.

The Management Board of the Company will allocate, in the first instance, to the shareholders of the Company who meet the criteria set out in the Issue Resolution and who participate in the book-building process and who present, during the book-building process, information (i.e. a certificate of the entity maintaining the securities account) confirming that they were shareholders of the Company as at the end of 6 May 2024 (the “**Preference Date**”) or were on the list of persons entitled to participate in the Extraordinary General Meeting of the Company on 6 May 2024, prepared in accordance with Articles 406³ and 407 of the CCC, with priority over other investors, the Series L Shares in such a way that, if taken up in full by the relevant shareholder, it will enable him to maintain his percentage interest in the share capital of the Company (the “**Priority Right**”), bearing in mind, however, that the Series L



Shares will only be offered to qualified investors (within the meaning of Article 2(e) of the Prospectus Regulation) and to investors referred to in Article 1(4)(d) of the Prospectus Regulation who, during the book-building process, submit a declaration or declarations to acquire Series L Shares at a price not lower than the issue price of the Series L Shares as finally determined by the Management Board of the Company pursuant to the rules set forth in the Issue Resolution. Enclosing a certificate on holding shares in the Company as at the Preference Date is not required in the case of shareholders intending to exercise the Priority Right who were included in the list of persons entitled to participate in the Extraordinary General Meeting of the Company on 6 May 2024 drawn up in accordance with Articles 406³ and 407 of the CCC.

The Series L Shares will only be offered to qualified investors (within the meaning of Article 2(e) of the Prospectus Regulation) and investors referred to in Article 1(4)(d) of the Prospectus Regulation who, during the book-building process, submit a declaration or declarations to subscribe for Series L Shares at a price not lower than the issue price of the Series L Shares as finally determined by the Management Board of the Company pursuant to the terms of the Issue Resolution. Subject to the foregoing, any person or entity who, as at the end of the Preference Date, held shares in the Company representing no less than 0.35% of the Company's share capital or who was on the list of persons entitled to attend the Extraordinary General Meeting of the Company on 6 May 2024, prepared in accordance with Art. 406³ and Art. 407 of the CCC, will confirm this fact and declare his intention to subscribe for the Series L Shares on the terms and conditions resulting from the Issue Resolution ("**Eligible Investors**") provided that (i) the participation of an Eligible Investor may not result in a breach of the conditions for the application of the exemption from the obligation to publish a prospectus referred to in Article 1.4(a) or (d) of the Prospectus Regulation, (ii) the Series L Shares will be offered only to qualified investors (within the meaning of Article 2(e) of the Prospectus Regulation) and to the investors referred to in Article 1.4(d) of the Prospectus Regulation, and (iii) the shares in the Company held by pension funds, investment funds, insurance companies or other entities managed by the same general pension company, the same investment fund company or the same asset management institution will be aggregated for the purposes of calculating the priority threshold (i.e. shares in the Company held at the end of the Preference Date representing not less than 0.35% of the share capital of the Company)..

Each Eligible Investor may designate another entity or person to exercise the Priority Right in place of the Eligible Investor (in whole or in part) or in parallel with it (in the part not exercised by such Eligible Investor) (the "**Designated Eligible Investor**"). The exercise of the Priority Right by the Designated Eligible Investor will not lead to the inapplicability of the exemption from the obligation to publish the prospectus referred to in Article 1.4(a) or (d) of the Prospectus Regulation for the purposes of the public offering of the Series L Shares. The Eligible Investor may also not designate as a Designated Eligible Investor an entity or person in relation to which the offering of the Series L Shares would constitute a breach of applicable laws or would require the Company to comply with additional legal requirements, including a registration notification or filing of the Series L Shares or their offering.

In the event that, after the offering and allotment of all of the Series L Shares covered by the Priority Right, there remain Series L Shares not covered by the orders placed in the book-building process, the Management Board of the Company will first allot the remaining Series L Shares to the Eligible Investors or the Designated Eligible Investors (as the case may be) who have declared their intention to acquire a larger number of Series L Shares than the number of Series L Shares they are entitled to



under the Priority Right; in the event that the Eligible Investors and Designated Eligible Investors (as the case may be) declare a combined intention to subscribe for more Series L Shares than the maximum number of Series L Shares, the allotment of the remaining Series L Shares will be made in relation to the relevant Eligible Investor and his or her Designated Eligible Investors (as the case may be) in proportion to the percentage interest of such Eligible Investor in the share capital of the Company as if the total number of Series L Shares held by the Eligible Investors participating (either directly or through the Designated Eligible Investors) in the allotment of the remaining Series L Shares will be 100%, whereby, in the event of the designation of a Designated Eligible Investor, the number of remaining Series L Shares allotted to such Designated Eligible Investor and all of its Designated Eligible Investors will not exceed, in aggregate, the number of Series L Shares that would have been allotted to such Designated Eligible Investor had it not designated any Designated Eligible Investors or, subsequently, to other investors of its choice and at its discretion.

Regarding shareholders other than qualified investors (within the meaning of Article 2(e) of the Prospectus Regulation) who were on the list of persons entitled to attend the Extraordinary General Meeting of the Company on 6 May 2024, prepared in accordance with Articles 406³ and 407 of the CCC and who declare their willingness to subscribe for Series L Shares on the terms and conditions resulting from the Issue Resolution, and who, as at the Preference Date, held shares in a number not entitling them to subscribe for shares with a value of at least EUR 100,000 under the Priority Right, the Management Board of the Company will endeavour to allocate Series L Shares to such shareholders, but only on the condition that they subscribe for at least EUR 100,000 worth of Series L Shares and the Management Board of the Company has an adequate pool of Series L Shares available after the allocation of Series L Shares to qualified investors (within the meaning of Article 2(e) of the Prospectus Regulation) or non-qualified investors who are entitled to subscribe under the Priority Right for shares with a value of at least EUR 100,000 in each case, in accordance with the terms and conditions set out in the Issue Resolution. In the event that such investors declare their intent to participate in the offer, the number of shares they hold will be decisive. An investor holding a larger number of shares will be given priority over other investors until the pool of shares referred to in this paragraph has been exhausted.

The issue price of the Series L Shares will be determined by the Management Board of the Company primarily based on the results of the book-building process.

Immediately after the Company announces to the public, in the form of a current report, information on the determined issue price of the Series L Shares, the Company will proceed to conclude agreements with investors to form an initial allocation list to subscribe for Series L Shares (subscription agreements).

It is anticipated that the subscription agreements for the Series L Shares will be concluded by the investors (both retail and institutional) by 19 June 2024, and the payment of cash contributions for the Series L Shares will be made on the dates indicated in the subscription agreements, i.e. no later than 19 June 2024, by 4:00 p.m..

Pursuant to the Mandate Agreement, the Offer Manager has agreed to act as the coordinator, bookrunner and settlement agent for the New Shares Offering, to provide services to the Company for the placement of the Series L Shares on the terms and conditions set forth therein, in particular to exercise due diligence to attract potential investors. The Mandate Agreement does not constitute an



obligation on the part of the Offer Manager to purchase or sell any financial instruments and does not guarantee the preparation or conducting of the introduction of the Company's financial instruments into the organised trading system, the execution of the New Shares Offering or the placement of any other financial instruments of the Company. The Mandate Agreement contains standard conditions precedent found in agreements of this type entered into in transactions similar to the New Shares Offering. The Mandate Agreement also sets forth the conditions entitling the Company to terminate it, typical of agreements of this type. Pursuant to the Mandate Agreement, the Offer Manager is entitled to terminate the Mandate Agreement, in particular, if the Company grossly breaches the Mandate Agreement, or if the situation on the financial markets changes in a material way, consequently negatively affecting the possibility of carrying out the New Shares Offering. The Mandate Agreement also contains representations and warranties regarding the Company, its capital group and its business, to the extent typically made by issuers of securities in agreements of this type entered into in transactions similar to the New Shares Offering. Under the terms of the Mandate Agreement, the Offer Manager and other persons named therein will be indemnified against liability and performance with respect to certain claims, liabilities or costs that may be asserted against or raised against the Offer Manager or such other persons in connection with the Mandate Agreement (i.e. the indemnification clause).

Subject to standard exclusions, the Company has undertaken that, without the prior written consent of the Offer Manager, it will not, inter alia, issue, offer, pledge, sell, encumber, contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of any securities of the Company for a period of 360 (in words: three hundred and sixty) days from the date of the first listing of the rights to the Series L Shares or the Series L Shares on the regulated market operated by the WSE.

The Management Board of the Company further informs that the Chairman of the Management Board of the Company, Jerzy Mirgos, concluded a lock-up agreement on 10 June 2024 with the Offer Manager, pursuant to which Jerzy Mirgos, has undertaken not to dispose, during the period from the date of concluding the lock-up agreement until the lapse of 360 (in words: three hundred and sixty) days from the date of the first listing of rights to the Series L Shares or the Series L Shares on the regulated market operated by the WSE, whichever occurs first, he will hold as at the date of the lock-up agreement, of shares in the Company without the prior consent of the Offer Manager (in particular, Jerzy Mirgos has undertaken not to dispose of or offer to dispose of such shares, subject to the exceptions provided for in the above-mentioned agreement). Exceptions to the prohibition on the disposal of shares include the standard provisions for this type of agreement regarding the possibility of selling the Company's shares in, inter alia, a tender offer for the sale of the Company's shares or as part of a share buy-back by the Company.

IMPORTANT INFORMATION

This current report has been prepared in accordance with Article 17 (1) 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 Directive 2003/124/EC, 2003/125/EC and 2004/72 EC and Article 56(1)(2) act of 29 July 2005 on public offering, the conditions governing the introduction of financial instruments to organised trading, and on public companies.



This current report is for informational purposes only. The Company publishes it solely for the purpose of providing relevant information regarding the terms of the offering of shares in it. This current report does not serve in any way, directly or indirectly, to promote the offer, subscription or purchase of the shares in the Company referred to in this current report (the “**Series L Shares**”), and does not constitute advertising or promotional material prepared or published by the Company for the purpose of promoting the Series L Shares, their subscription or offer, or to encourage investors, directly or indirectly, to subscribe for the Series L Shares. The Company has not yet published, and does not intend to publish after the date of this current report, any materials to promote the Series L Shares or their subscription. This current report is not an advertisement within the meaning of Article 22 of the Prospectus Regulation.

This current report and the information contained herein are not intended for publication, announcement or distribution, directly or indirectly, in whole or in any part, in the United States, Australia, Canada, Japan, South Africa or other countries where publication, announcement or distribution would be unlawful. This current report is for informational purposes only and does not constitute an offer to issue or the solicitation of an offer to subscribe for shares in the share capital of the Company in the United States of America, Australia, Canada, Japan or South Africa or any other country or jurisdiction. This current report has not been approved by any regulatory authority or stock exchange. Failure to comply with these restrictions may constitute a violation of the securities laws of the relevant jurisdiction.

The Series L Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or with any state securities regulatory authority or with any authority of other jurisdictions of the United States and may not be offered, sold, pledged, taken up, resold, transferred or delivered, directly or indirectly, within the United States without registration under the U.S. Securities Act, except for transactions not subject to or exempt from registration under the U.S. Securities Act and in compliance with applicable state securities laws and the provisions of such laws in other jurisdictions of the United States. The Series L Shares have not been approved, disapproved or recommended by the U.S. Securities and Exchange Commission, state securities commissions in the United States or other regulatory authorities in the United States. None of these authorities has substantively evaluated or approved the offering of the Series L Shares. Subject to certain exceptions, the securities referred to in this current report may not be offered or sold in the United States of America, Australia, Canada, Japan, the Republic of South Africa or to or for the account or benefit of citizens or residents of the United States of America, Australia, Canada, Japan or the Republic of South Africa and persons of those countries.

The Series L Shares are not being offered to the public in the United States of America, the United Kingdom or any other country outside of Poland. Any offering of Series L Shares will be made in accordance with the rules under the Prospectus Regulation and exempt from the requirement to prepare a prospectus.

No prospectus will be provided in connection with the matters that are the subject of this current report and the preparation of such prospectus is not required (pursuant to the Prospectus Regulation). This current report and the description of the terms and conditions of the offering of the New Shares Offering contained herein are for informational purposes only; the information contained herein is addressed solely to persons who are: (i) qualified investors within the meaning of the Prospectus Regulation; or (ii) investors referred to in Article 1.(4)(d) of the Prospectus Regulation (all such persons



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This current report has been published by the Company, which is also solely responsible for it. IPOPEMA Securities S.A. (in its role as global coordinator, bookrunner and settlement and offering agent) (the “**Manager**”), its affiliates and its representatives do not and will not assume any responsibility and make no representation or warranty, expressed or implied, regarding the accuracy or completeness of this current report or any other written or oral information made available or accessible to the public to any of the interested parties or their advisors. Such liability is therefore hereby completely excluded.

The Manager is acting solely for the Company and not for any other party in connection with the offer or subscription of the Series L Shares and will not be liable to anyone other than the Company in the context of providing coverage to its clients or providing advice with respect to the offer or subscription of the Series L Shares or other matters referred to in this current report. Other than any duties and obligations that may be imposed on the Manager under applicable law, neither the Manager nor any of its affiliates assumes any responsibility for the content of the information contained in this current report or for any other statements made or purported to be made by or on behalf of the Manager or its affiliates in connection with the Company, the Series L Shares, their offering or subscription. Accordingly, the Manager and each of its affiliates will have no liability, whether arising in tort, contract or otherwise (except as noted above), with respect to any statements or other information contained in this current report, and makes no representation or warranty, express or implied, as to the accuracy, completeness or sufficiency of the information contained in this current report. The Manager may participate in the offering on a commercial basis.

The distribution of this current report or information about the offering or subscription of the Series L Shares may be restricted by law in certain jurisdictions. The Company and the Manager and its affiliates have not taken any action that would or is intended to permit a public offering of the Series L Shares in any other jurisdiction or to cause this current report or any other offering or publicity material relating to the Series L Shares to be held or distributed in any other jurisdiction where it may be prohibited pursuant to the relevant regulations.

Persons distributing any part of this current report must ensure that it is lawful to do so. Persons (including, without limitation, “nominees” and trustees) who have a contractual or other legal obligation to provide copies of this current report should seek appropriate advice before doing so. Persons who come into possession of this current report are required by the Company and the Manager to read and observe the relevant restrictions.

This current report contains (or may contain) certain forward-looking statements relating to the Company's current expectations and projections of future events. These statements, which sometimes use words such as “intend”, “anticipate”, “believe”, “intend”, “plan”, “estimate”, “expect” and words of similar meaning, reflect the beliefs and expectations of the Company's management and involve a number of risks, uncertainties and possible falsification of the assumptions made, which may update in the future, the occurrence or updating of which are beyond the Company's control and may cause



actual results to differ materially from any expected results expressed or implied by the forward-looking statements. The statements in this current report regarding past trends or activities should not be considered a representation that such trends or activities will continue in the future. The information contained in this current report is subject to change without notice and, except as required by applicable law, the Company assumes no responsibility or obligation to publicly update or revise any forward-looking statements contained herein, nor does it intend to do so. Undue reliance should not be placed on forward-looking statements that reflect only beliefs as of the date of this current report. None of the statements contained in this current report constitute or are intended to constitute a forecast or estimate of earnings, nor are they intended to imply that the Company's earnings in the current or future fiscal year will match or exceed the Company's historical or published earnings. Due to the aforementioned risk factors, uncertainties and assumptions subject to future revision, the recipient should not place undue reliance on forward-looking statements as a forecast of actual results or otherwise.

This current report does not identify or suggest, and is not intended to identify or suggest, any risks (direct or indirect) that may be associated with an investment in the Series L Shares. Any investment decision to subscribe for or purchase Series L Shares under the offer or subscription of such shares must be made solely on the basis of publicly available information that has not been independently verified by the Manager.

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This current report does not constitute an invitation to underwrite, subscribe for or otherwise acquire or dispose of any securities in any jurisdiction. This current report does not constitute a recommendation regarding an investor's decision to offer or subscribe for the Series L Shares. Each investor or potential investor should conduct its own investigation, analysis and evaluation of the business and data described in this current report and publicly available information. The price and value of securities may go up as well as down. Past performance is not a guide to future performance.

Signatures of representatives:

Jerzy Mirgos – President of the Management Board

Paweł Korzeniowski – Member of the Management Board