

**Subject: Statement of the Management Board of Pfeiderer Group S.A. regarding the tender offer to subscribe for the sale of the shares in the Company published on 11 July 2019 by Volantis Bidco B.V.**

Current report No. 29/2019

The management board of Pfeiderer Group S.A. (the “**Management Board**”) (the “**Company**”), acting pursuant to Article 80 of the Act of 29 July 2005 on Public Offering, the Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (the “**Act**”), hereby presents the position of the Company’s Management Board regarding the tender offer to subscribe for the sale of the shares in the Company announced on 11 July 2019 pursuant to Article 73 section 1 of the Act by Volantis Bidco B.V. (the “**Statement**”) (the “**Tender Offer**”) together with the opinion of Trigon Investment Banking Spółka z ograniczoną odpowiedzialnością i Wspólnicy Spółka Komandytowa regarding the price offered for the shares in the Company in the Tender Offer (the “**Fairness Opinion**”).

The Statement and the Fairness Opinion are attached to this current report.

This report was issued pursuant to Article 80 of the Act.

July 29th, 2019

Time: 17:10

**STATEMENT OF THE MANAGEMENT BOARD OF PFLEIDERER GROUP S.A.  
WITH ITS REGISTERED SEAT IN WROCLAW OF 29 JULY 2019  
REGARDING THE PUBLIC TENDER OFFER TO SUBSCRIBE FOR THE SALE OF  
THE SHARES IN PFLEIDERER GROUP S.A. PUBLISHED ON 11 JULY 2019 BY  
VOLANTIS BIDCO B.V., WITH ITS REGISTERED SEAT IN AMSTERDAM**

The management board of Pfleiderer Group S.A., with its registered seat in Wrocław (the “**Management Board**”) (the “**Company**”), acting pursuant to Article 80 sections 1 – 2 of the Act of 29 July 2005 on Public Offering, the Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (the “**Act**”), hereby presents its position regarding the public tender offer announced on 11 July 2019 pursuant to Article 73 section 1 of the Act by Volantis Bidco B.V., with its registered seat in Amsterdam (the “**Bidder**”), to subscribe for the sale of the shares in the Company (the “**Tender Offer**”) announced in connection with the Bidder’s intention to achieve no more than 66% of the overall number of the votes at the general meeting of the Company.

Pursuant to the wording of the Tender Offer, the Bidder intends to acquire, as a consequence of the Tender Offer, 23,519,515 (twenty-three million, five hundred and nineteen thousand, five hundred and fifteen) shares in the Company, which constitute approximately 36.35% (thirty-six point thirty-five percent) of the share capital of the Company and the overall number of votes at the general meeting of the Company and authorising the holder thereof to 23,519,515 votes at the general meeting of the Company (the “**Shares**”).

Pursuant to the wording of the Tender Offer, as at the date of the announcement of the Tender Offer, the Bidder holds 19,183,149 (nineteen million, one hundred and eighty-three thousand, one hundred and forty-nine) shares in the Company authorising it to exercise the same number of votes, which constitute approximately 29.65% (twenty-nine point sixty-five) of the share capital of the Company and the overall number of votes at the general meeting of the Company. The Bidder’s parent entities and subsidiaries do not hold any shares in the Company.

Pursuant to the wording of the Tender Offer, the Bidder is not, and in the period of the 12 (twelve) months prior to the date of announcement of the Tender Offer was not, a party to any of the agreement referred to in Article 87 section 1(5) of the Act.

The Tender Offer was announced on the condition of the satisfaction of the following requirements:

- (a) the subscription under the Tender Offer for at least 16,868,046 (sixteen million, eight hundred and sixty-eight thousand and forty-six) Shares in the Company representing the same number of votes, which constitute approximately 26.07% (twenty-six point zero seven percent) of the Company’s share capital and the overall number of votes at the general meeting of the Company; and
- (b) the issuance by the European Commission of a decision granting unconditional consent to a concentration of undertakings pursuant to Article 6(1)(b) of Council Regulation (EC) No. 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the “**Merger Regulation**”) comprising the assumption of control over the Company by way the Bidder’s acquisition of the Shares or the lapse of the time limit within which such consent should be granted in accordance with Article 10(6) of the Merger Regulation,

provided that the Bidder reserves the right to take its decision on the acquisition of the Shares despite a failure to satisfy the above-mentioned conditions.

## 1 Reservations

For the purposes of drafting this statement, the Management Board analysed the following external sources of information and data available thereto:

- (a) the Tender Offer;
- (b) the market prices of the shares in the Company in the six months preceding the announcement of the Tender Offer;
- (c) the publicly available information regarding the operations, the financial condition and the current market prices of selected similar companies; and
- (d) other materials that the Management Board considered necessary in connection with the presentation of this position.

In order to verify whether the price presented in the Tender Offer corresponds to the fair value of the shares in the Company, the Management Board, acting pursuant to Article 80 section 3 of the Act, mandated a third party, i.e. Trigon Investment Banking Spółka z ograniczoną odpowiedzialnością & Wspólnicy Spółka Komandytowa, with its registered seat in Warsaw (“**Trigon**”), to prepare an opinion on the price offered for the Shares in the Tender Offer, subject to the restrictions and qualifications stipulated in such opinion (the “**Opinion on the Share Price**”).

On 26 July 2019, Trigon presented the Management Board with the Opinion on the Share Price. Trigon stated in the Opinion on the Share Price that the price offered in the Tender Offer reflects the fair value of the Company. Trigon is the financial advisor to the Company and does not represent any entity in connection with the Tender Offer and is not responsible for providing the protection offered to its clients with respect to advisory services rendered in connection with the Tender Offer or the content of this document or any other matter to any entity other than the Company. The Opinion on the Share Price is attached to this document.

For the purposes of preparing this position, subject to a review of external sources of information and data as referred to above, the Management Board has not taken any actions to obtain, collect or analyse any data that does not originate from the Company. The Management Board did not mandate any additional third-party reviews or analyses in connection with the Tender Offer or the content thereof other than the Opinion on the Share Price.

Subject to the information supplied by the Company regarding its business, including those subjected to a third-party audit, the Management Board accepts no liability for the accuracy, reliability, completeness or adequacy of the information serving as the basis of this position.

The position of the Management Board presented in this document does not constitute a recommendation to buy or sell the shares in the Company or any other financial instruments as referred to in *Regulation (EU) No. 596/2014 of the European Parliament and of the Council 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 or 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.*

Each investor that makes an investment decision regarding the Shares in connection with this position of the Management Board regarding the Tender Offer needs to, based on all of the relevant information, including the information supplied by the Bidder and the Company, specifically in connection with compliance with the relevant information requirements, make its own assessment of the investment risk involved in the holding, continued holding or acquisition of financial instruments, inclusive of seeking individual advice or recommendations from licensed advisors to the extent necessary to make the right decision. The decision concerning the sale of the Shares in response to the Tender Offer must be an independent decision of each shareholder of the Company. In particular, each shareholder of the Company, for the purposes of analysing the ways in which it may respond to the Tender Offer, should assess the investment risk related thereto and all of the legal and/or tax implications in respect thereof.

## **2 The impact of the Tender Offer on Company's interests, the Bidder's strategic plans regarding the Company and the opinion of the Management Board on the strategic plans of the Bidder**

In the Tender Offer, the Bidder did not include any information on the impact of the Tender Offer on Company's interests as well as the Bidder's strategic plans regarding the Company. In accordance with the Tender Offer, following the completion of the Tender Offer, the Bidder will consider the commencement of talks with the shareholders of the Company that did not respond to the Tender Offer in order to establish whether the continued listing of the shares in the Company on the regulated market operated by the Warsaw Stock Exchange (*Giełda Papierów Wartościowych w Warszawie S.A.*) (the "WSE") complies with the Company's strategy or if delisting the shares in the Company from the regulated market operated by the WSE is a more advantageous solution that would improve the Company's business prospects. Irrespective the outcome of such discussions with remaining shareholders of the Company, the Management Board is of the opinion that increasing the overall number of shares held by the Bidder in the share capital of the Company, as a result of the Tender Offer, will be in the Company's interest.

While the Management Board cannot qualitatively assess the Bidder's strategic plans vis-a-vis the Management Board's current strategic objectives, the Management Board notes that the Bidder, a company indirectly controlled by various funds advised and/or managed by Strategic Value Partners LLC and its affiliates, incorporated and existing under the laws of the United States of America, having its registered office in Wilmington, Delaware, 19808, USA ("SVP"), has ample qualifications, knowledge and experience, that ultimately may inure to the Company's benefit. Thus, the Management Board believes that the Tender Offer is in the interest of the Company. Additionally, the Management Board believes, that the Tender Offer will result in stabilizing the stakeholders structure with an industry investor as a majority shareholder which may facilitate potential future discussions relating to the Company's growth and increasing its value for the shareholders.

## **3 Position of the Management Board concerning the impact that the Tender Offer could have on the location of the Company's business in the future**

In the Tender Offer, the Bidder did not include any information regarding the impact that the Tender Offer might have on the location of the Company in the future. In connection with the above, there are no grounds to claim that the Bidder intends to change the location of the Company's business.

#### **4 Position of the Management Board concerning the impact that the Tender Offer could have on employment in the Company**

In the Tender Offer, the Bidder did not include any information regarding the impact of the Tender Offer on employment in the Company. In the opinion of the Management Board, there are no grounds to claim that the Tender Offer will have an adverse impact on employment in the Company.

#### **5 Position of the Management Board concerning the price for the Shares offered in the Tender Offer**

With respect to the price offered in the Tender Offer, the Management Board notes that, pursuant to Article 79 of the Act, the price for the Shares in the Company offered in the Tender Offer cannot be lower than:

- (a) the average market price in the six-month period preceding the announcement of the Tender Offer during which the shares were traded on the main market of the WSE;
- (b) the highest price paid for the shares that are the subject of the Tender Offer by the entity required to announce such tender offer, any subsidiaries or parent entities thereof, or by entities who are parties to the agreement concluded therewith as referred to in Article 87, section 1(5) of the Act, in the 12 months prior to the announcement of the Tender Offer; or
- (c) the highest value of the things or rights that were provided by the entity required to announce such tender offer, any subsidiaries or parent entities thereof, or by entities who are parties to the agreement concluded therewith as referred to in Article 87, section 1(5) of the Act, in exchange for the shares subject to the public tender offer in the 12 months prior to the announcement of the Tender Offer.

The average market price is the arithmetic mean of the average daily prices of the shares in the Company weighted by trading volume on the WSE during the relevant period.

Based on the wording of the Tender Offer:

- (a) The market price determined as the arithmetic mean of the average daily prices of the Shares weighted by volume in the period of the 6 (six) months preceding the announcement of the Tender Offer during which the Shares were traded on the main market of the WSE is PLN 25.17 (twenty-five zlotys and 17/100) per one Share;
- (b) In the period of the 12 (twelve) months prior to the announcement of the Tender Offer, the Bidder issued, to the parent entities of the Bidder, i.e. Field Point Acquisitions S.a r.l., Field Point IV S.a r.l., Field Point V S.a r.l., Brookside S.a r.l., Kings Forest S.a r.l. and Yellow Sapphire S.a r.l., companies organised and existing under the laws of the Netherlands, new shares in the share capital of the Company in exchange for the shares in the Company contributed in kind to pay for the new shares issued by the Bidder. In exchange for 19,183,149 (nineteen million, one hundred and eighty-three thousand, one hundred and forty-nine) bearer shares in the Company contributed in kind, the Bidder delivered 99,999 (ninety-nine thousand, nine hundred and ninety-nine) newly issued shares in the Bidder with a nominal value of EUR 1.00 (one euro) each and a total nominal value of EUR 99,999.00 (ninety-nine thousand, nine hundred and ninety-nine euros) and a total value of approximately EUR 110,540,977.00 (one hundred and ten million, five hundred and forty thousand, nine hundred and seventy-seven euros), representing approximately EUR 5.76 (five euros 76/100) per one share in the Company,

i.e. PLN 24.50 (twenty-four zlotys 50/100), based on the EUR/PLN exchange rate of 0.2352 (Bloomberg – opening rate of 8 July 2019);

- (c) The Bidder is not, nor in the 12 month period prior to the announcement of the Tender Offer was a party to any agreement referred to in Article 87 section 1(5) of the Act.

The price offered in the Tender Offer is PLN 25.17 (twenty-five zlotys 17/100) per Share and thus is not lower than the price specified in points a through c above. In accordance with the above, the Management Board declares that the price offered in the Tender Offer complies with the minimum price requirements as presented in Article 79 of the Act.

Pursuant to the requirements of Article 80 section 2 of the Act, the Management Board, taking into account the Opinion on the Share Price, declares that, in its opinion, the price offered in the Tender Offer reflects the fair value of the Company.



**Zbigniew Prokopowicz**  
*President of the Management Board*  
(interim)



**Nico Reiner**  
*Member of the Management Board*



**Frank Herrmann**  
*Member of the Management Board*



**Stefan Zinn**  
*Member of the Management Board*

Warsaw, 26 July 2019

Management Board of Pfeiderer Group S.A.  
ul. Strzegomska 42AB  
53-611 Wrocław  
Poland

Dear Sirs,

Trigon Investment Banking Spółka z ograniczoną odpowiedzialnością i Wspólnicy Spółka Komandytowa ("**Trigon**" or "**we**") has been engaged by Pfeiderer Group S.A. ("**Pfeiderer**" or "**Company**") to issue a Fairness Opinion ("**Opinion**") specifying whether the price of PLN 25.17 per share ("**Price**") offered by Volantis Bidco B.V. with its registered office in Amsterdam (the "**Tenderer**"), which is a company indirectly controlled by funds managed by Strategic Value Partners LLC with its registered office in Wilmington, Delaware, USA, in a public tender to subscribe for the sale of up to 23,519,515 shares in the Company representing 36.35% of the total number of votes at the General Meeting of the Company ("**Tender**" or "**Transaction**") is fair from a financial point of view.

The purpose of the Opinion is to support the Management Board of the Company in preparing its opinion on the Tender, required in accordance with art. 80 of the Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies (the "**Act**") to the extent that the Price proposed in the Tender corresponds to the Company's fair value. This opinion has been prepared as part of the mandate agreement dated 17 July 2019 between Pfeiderer and Trigon.

### **Documents**

In connection with the preparation of our Opinion, we reviewed the following documents:

- a) Publicly available historical financial statements of the Company
- b) Selected operational and financial information about the Company, including presentations for investors summarizing the results of the Company
- c) Historical listing and trading in the Company's shares on the Warsaw Stock Exchange
- d) Financial results and stock quotes of shares of identified publicly listed companies with a comparable profile of activity
- e) Financial terms, where publicly available, of comparable acquisitions
- f) Publicly available analytical reports on the Company
- g) Market reports on markets in which the Company operates
- h) Contents of the announced Tender
- i) Discussions with the Company's Management Board regarding the above documents and information;
- j) Other documents, analyses, information and other factors we deemed appropriate.

The documents listed above under points (a) - (j) are referred to as "**Documents**" later in this letter.

### **Assumptions**



During the preparation of the Opinion we made, in consultation with the Company, the following assumptions:

- a) All Documents, both publicly available and those that were provided to us by the Company or its advisors, were prepared properly and reliably based on the most accurate, currently available estimates and to the best knowledge of the Company. We have not verified the veracity, accuracy or completeness of the Documents
- b) The Company has provided us with all Documents that may have influenced this Opinion or that may have been relevant in any way for the preparation of this Opinion
- c) All Documents provided to us are up-to-date, remain in effect and have not been altered by any action taken after their submission that has not been disclosed to us

The assumptions mentioned above under points (a) - (c) are called "**Assumptions**" later in this letter.

### **Reservations and Restrictions**

The opinion is subject to the following reservations and restrictions:

- a) During the course of our work, we have relied on the assurance of Pfeiderer's Management Board confirming the lack of facts and circumstances that could indicate any incorrectness or contradiction of the Assumptions. Trigon does not bear any responsibility for the independent verification of the Assumptions, nor for the Documents received from the Company and analyzed by Trigon
- b) This Opinion is based on the specific Documents and specific Assumptions listed above, which may differ from assumptions which may have been made by auditors
- c) We have not verified the accuracy of any information, statements or assurances contained in the Documents
- d) Whenever we state in the Opinion that we have made a given assumption, it must be assumed that no verification has been carried out in relation to the matters which are the subject of such assumption
- e) We are not responsible for any work done by other entities involved in the Tender. Consequently, we assume that the results of the work carried out by the advisors involved in the Tender are in accordance with the relevant provisions of applicable law and that they are reliable and not misleading
- f) We have not audited the Company's accounting books for the purpose of this Opinion
- g) We have not carried out an independent valuation of the assets and liabilities of the Company or any of its subsidiaries. In addition, we have not assessed the solvency of the Company or the fair value of the Company in light of the provisions of law relating to bankruptcy or insolvency
- h) We do not express opinions on legal and tax issues. In particular, we do not express an opinion on the tax consequences of the Transaction (or any other alternative transaction), financial condition of any entity, legal capacity, legal conditions and the ability of any entity to enter into agreements or arrangements in connection with the Transaction, or the validity or enforceability of any documents
- i) The opinion is limited to determining whether the proposed price is fair from a financial point of view

- j) We conducted our analysis based on the scenario of the Company's operation as an independent entity and therefore, in the estimation of fair valuation, we did not include any potential synergies resulting from the Transaction
- k) We do not express an opinion as to whether any alternative transaction may be more advantageous for the Company
- l) We have not carried out or received an assessment of the creditworthiness and financial condition of the Company
- m) Our Opinion, for obvious reasons, is based on the economic and market conditions prevailing at the date of the Opinion and on the information made available to us as at the date of the Opinion. This means that changes to these terms and information, subsequent to the date of issue, may affect this Opinion, with Trigon not required to update, change, or re-issue the Opinion
- n) Our Opinion was issued exclusively for the benefit of the Management Board of the Company and may be used only as part of the information package required to evaluate the Tender in accordance with the requirements of the Act. The content of this Opinion may not be used (including its citation or other forms of communication), should not be relied on, and the Opinion may not give rise to any rights or obligations to any other entity, including Pfeiderer's creditors and shareholders
- o) Our Opinion is not a recommendation within the meaning of art. 76 of the Act of 29 July 2005 on Trading in Financial Instruments, as amended, and should not be treated as a recommendation within the meaning of § 3 of the Regulation of the Minister of Finance of October 19, 2005 on information being recommendations regarding financial instruments, their issuers or exhibitors
- p) Please be advised that Trigon, as well as its related companies, may, as part of its core business operations, trade on Pfeiderer's shares, bonds and other financial instruments on its own account and for the account of its clients. Similarly, Trigon and its related companies may hold a long and short position on the above shares, bonds and other financial instruments. Trigon exercises due diligence that in the event of a conflict of interest there is no violation of the interests of its clients
- q) We do not act as Pfeiderer's advisor in connection with the Tender. Trigon does not express any opinion regarding the decision of Pfeiderer's Management Board regarding the assessment of the Tender;
- r) We have prepared the above Opinion on behalf of Pfeiderer and we will receive a fixed fee for its preparation. The payment and validity of our remuneration does not depend on the success of the Tender.

The reservations and restrictions listed above in points (a) - (r) are called "**Reservations and Restrictions**" later in this letter.

### Opinion

**Based on the Documents and Assumptions mentioned above, and based on our knowledge and experience, taking into account the Reservations and Restrictions set out above, we believe that, at the date of the Opinion, the price of PLN 25.17 per share proposed by the Tenderer in the Tender is fair from a financial point of view.**

The Opinion contained in this document has been prepared for the Management Board of the Company and may be used only as information for the purpose of presenting the position of the Management Board regarding the Tender, in accordance with the requirements of the Act. Trigon does not bear any

responsibility in relation to the publication or content of the Opinion to any persons, entities or bodies other than the Management Board of Pfeiderer.

In addition, the Opinion does not constitute a recommendation addressed to any entity regarding the validity of an answer or its absence to the Tender, or on whether the Tender should be carried out. We also do not express an opinion on the possible price of the Company's shares in the event the Tender is not successful. The Opinion should not be treated as an opinion of a certified auditor within the meaning of the Act of 15 September 2020 – Code of Commercial Companies and other relevant provisions. The opinion refers only to the Price and Trigon does not express its opinion on the other terms of the Tender.

This letter is confidential and neither the letter nor its content may be disclosed, reproduced, summarized or cited in any public document, and may not be disclosed to any person without the prior written consent of Trigon, excluding the purpose for which the letter has been prepared, i.e. as an attachment to the position of the Management Board regarding the Tender and excluding the situation in which the disclosure of this letter is required by Polish law.

Yours Faithfully,



**Wojciech Pątkiewicz**  
Member of the Management Board