
Prospectus for Mandatory Offer of Share Repurchase

concerning

Liplat Holding SIA

mandatory offer to repurchase shares in Grindeks AS

23 May 2019

Liplat Holding SIA
registration number 40203206071
registered office at 23 Raunas iela
Riga LV-1039, Latvia

Prospectus for Mandatory Offer to Repurchase Shares in Grindeks AS
prepared under sections 70(2)(1) and 71 of the Financial Instruments Market Act

Riga, 23 May 2019

1. The Target Company

The Target Company of the Mandatory Share Repurchase Offer is Grindeks AS, registration number 40003034935, registered office at 53 Krustpils iela, Riga LV-1057, Latvia, phone +371 67083500, fax +371 67083505, grindeks@grindeks.lv, www.grindeks.lv (hereinafter the “Target Company”).

2. The Offeror

The person making the Mandatory Share Repurchase Offer is Liplat Holding SIA, a private limited company entered on the commercial register of the Latvian Enterprise Registry on 11 April 2019, registration number 40203206071, registered office at 23 Raunas iela, Riga LV-1039, Latvia (hereinafter the “Offeror”).

The Offeror holds 6,962,878 (six million, nine hundred sixty-two thousand, eight hundred and seventy-eight) shares in the Target Company, representing 72.64% of its total shares on the date of signing this Prospectus. Mr Kirovs Lipmans (Latvian ID number 051140-11828) has a 43.33% stake in the Offeror, Ms Anna Lipmane (Latvian ID number 120348-10641) has a 21.67% stake in the Offeror, and Mr Filips Lipmans (Latvian ID number 250178-11805) has a 0.05% stake in the Offeror. Dashdirect Limited (Cyprus registration number HE 275245, registered office at 6 Karaiskaki, City House, CY-3032, Limassol, Cyprus), a company controlled by Filips Lipmans (hereinafter “Dashdirect Limited”) has a 34.95% stake in the Offeror on the date of signing this Prospectus.

3. The type of offer

The Offeror makes a mandatory offer of share repurchase, which should be made by any person under section 66(4)(1) of the Financial Instruments Market Act that directly or indirectly acquires voting power conferred by shares to the extent that the person’s voting power reaches or exceeds 30% of the total voting shares in a public limited company. The Mandatory Share Repurchase Offer is made under paragraph 56 of the Transition Rules of the Financial Instruments Market Act, given that 2,172,437 (two million, one hundred seventy-two thousand, four hundred and thirty-seven) shares in the Target Company were recorded on the financial instrument account of Dashdirect Limited as a company controlled by Filips Lipmans on 20 May 2019, with persons making a concerted effort to increase their stake in the Target Company. Dashdirect Limited is currently an immediate shareholder in the Offeror.

The Offeror is the largest shareholder in the Target Company. The Offeror holds a total of 6,962,878 (six million, nine hundred sixty-two thousand, eight hundred and seventy-eight)

shares in the Target Company, or 72.64% of its total shares.

4. The ISIN code of shares in the Target Company

The ISIN code of shares in the Target Company recorded at the Latvian Central Depository Nasdaq CSD SE, registration number 40003242879, registered office at 1 Valnu iela, Riga LV-1050, Latvia (hereinafter the “Depository”) and placed on the Baltic Official List of the regulated market organiser Nasdaq Riga AS, registration number 40003167049, registered office at 1 Valnu iela, Riga LV-1050, Latvia (hereinafter “Nasdaq Riga”) is LV0000100659.

5. The repurchase price and methods used for computing it

The repurchase price is EUR 12.59 (twelve euros and fifty-nine cents) for one share in the Target Company.

The repurchase price has been computed according to methods specified by section 74(1) of the Financial Instruments Market Act by choosing the one that leads to the highest repurchase price. The repurchase price has been computed according to the method prescribed by section 74(1)(3) of the Financial Instruments Market Act, i.e. the value of one share has been computed by dividing the Target Company’s net assets by the number of its issued shares. The repurchase price in the Mandatory Share Repurchase Offer cannot be lower than the one calculated on the basis of the Target Company’s consolidated financial statements for 2017 approved by its general meeting of shareholders by dividing the Target Company’s group net assets by the number of its issued shares.

6. Procedures and time limits for paying for shares

Payment for shares in the Target Company will be made through the Depository on the fifth working day after the Mandatory Share Repurchase Offer expires.

Payment for shares in the Target Company will be made under the procedures laid down by the Depository. If the due date for payment falls on a Saturday, Sunday or public holiday, the next working day will be considered the due date.

A shareholder accepting the Mandatory Share Repurchase Offer will give the credit institution or investment broker company at which he has a financial instrument account an order to sell financial instruments stating that shares in the Target Company are sold under the Mandatory Share Repurchase Offer.

Funds will be transferred from the Offeror’s account at Luminor Bank AS Latvian Branch, registration number 40203154352, registered office at 12 Skanstes iela, Riga LV-1013, Latvia (hereinafter “Luminor Branch”) to an account designated by the Depository, from which the funds will then be transferred to the shareholders’ bank accounts.

The shares in the Target Company offered for sale will be transferred from the shareholder’s financial instrument account to the Offeror’s financial instrument account at Luminor Branch immediately after the Depository has verified under section 80(5) of the Financial Instruments Market Act that funds from the Offeror’s account at Luminor Branch have been transferred to the account designated by the Depository.

Under section 80(2) of the Financial Instruments Market Act, a shareholder that has accepted a share repurchase offer may revoke it by filing an appropriate request 3 (three) working days before the offer expires and notifying this to the credit institution or investment broker company at which the shareholder has a financial instrument account.

7. The time limit for the Offer and the time limit for announcing its results

The time limit for the Mandatory Share Repurchase Offer is 30 (thirty) days after the day on which the Offeror publishes details of the Offer in the official gazette “Latvijas Vestnesis” in accordance with section 73(4) of the Financial Instruments Market Act.

If the Offer expires on a Saturday, Sunday or public holiday, the next working day will be considered the last day of the Offer.

The Target Company’s shareholders may respond to the Offer by 4 p.m. on its last day.

The Offeror shall file a statement of the Offer results with the Financial and Capital Market Commission, with Nasdaq Riga as organiser of the regulated market, and with the Target Company immediately but no later than within 5 (five) working days after the Offer expires.

The Offeror shall publish a notice of the Offer results in the official gazette “Latvijas Vestnesis” within 5 (five) working days after the Offer expires.

8. Terms for accepting the Offer

All shares in the Target Company are publicly traded, and all of the Target Company’s shareholders are therefore offered the same procedure for accepting the Mandatory Share Repurchase Offer.

The Target Company’s shareholder may accept the Mandatory Share Repurchase Offer by giving the credit institution or investment broker company at which he has a financial instrument account an order to sell shares in the Target Company (hereinafter the “Order”).

The Order should give the following details:

- 1) The seller’s first name, surname and ID number (if the shareholder is an individual with an ID number) or the first name, surname and date of birth (if the shareholder is an individual without an ID number) or the company name, registration number and registered office (if the shareholder is an entity);
- 2) The company name and registration number of the buyer (Offeror) – Liplat Holding SIA, registration number 40203206071;
- 3) The number of the seller’s (shareholder’s) financial instrument account that carries the shares in the Target Company offered for sale, and the credit institution or investment broker company at which the shareholder has a financial instrument account;
- 4) The number of the seller’s (shareholder’s) bank account in which the shareholder wishes to receive payment for the shares, and the credit institution at which he has an account;
- 5) The number of shares in the Target Company to be sold and their ISIN code – LV0000100659;
- 6) The repurchase price of one share in the Target Company – EUR 12.59 (twelve euros and fifty-nine cents);
- 7) The payment date – the fifth day (included) from the expiry of the Mandatory Share Repurchase Offer; and
- 8) The basis for giving the order to sell shares – acceptance of the Mandatory Share Repurchase Offer from Liplat Holding SIA.

The Order will be carried out by the Depository in accordance with its rules.

No later than the next working day (subject to the final deadline and procedures prescribed by the Depository) after receiving an application from the seller (shareholder), the credit

institution or investment broker company at which he has a financial instrument account should enter the application on the Depository's payment system.

A shareholder whose shares in the Target Company are kept on the Depository's initial register (hereinafter the "Initial Register") and who wishes to accept the Offer, should open a financial instrument account at a credit institution or investment broker company before the sale. The shareholder will deregister (transfer) shares from the Initial Register to the financial instrument account in accordance with the Depository's rules. After the shares have been deregistered (transferred), the shareholder receives the Offer as described above.

A list of credit institutions and investment broker companies (Depository members) at which a financial instrument account can be opened is available from the Depository website: <https://nasdaqcsd.com/lv/pakalpojumi/pakalpojumi-dalibniekiem/depozitarija-dalibnieki/>.

All expenses related to acceptance of the Mandatory Share Repurchase Offer (service fees charged by the credit institution or investment broker company at which the seller (shareholder) has a financial instrument account) will be paid by the seller (shareholder).

9. The Offeror's intentions for the Target Company's future business

The Offeror has no plans to change the Target Company's business strategy, and the Target Company will continue in its current line of business. There are no plans to relocate the Target Company. The Offeror expects that the Target Company will retain its employees under their employment contracts.

10. Other relevant details

The conditions giving effect to the Prospectus are set out in the administrative agreement between the Offeror's shareholders and the Financial and Capital Market Commission.

The Prospectus can be read or a copy received from the law firm PricewaterhouseCoopers Legal at 21-21 Kr. Valdemara iela, Riga LV-1010, 7th floor, within the time limit of the Mandatory Share Repurchase Offer, on working days from 9 a.m. to 5 p.m. An appointment should be made by calling assistant barrister Janis Gavars on +371 67094400.

The Prospectus will be posted on the Nasdaq Riga website in accordance with the procedure and time limit prescribed by the Financial Instruments Market Act.

11. Sources of financing the Offer

To finance the Mandatory Share Repurchase Offer, the Offeror and Luminor Branch have entered into a loan agreement to provide funds that can be used solely for financing the Offer. The Offeror has also made a target deposit at Luminor Branch which the Offeror may only use to pay for the share repurchase under the Mandatory Share Repurchase Offer.

The Target Company's shareholders, except the Offeror, hold a total of 2,622,122 (two million, six hundred twenty-two thousand, one hundred and twenty-two) shares.

Accordingly, if all of the Target Company's minority shareholders express a desire to sell their shares, the share repurchase will require EUR 33,012,515.98 (thirty-three million, twelve thousand, five hundred fifteen euros and ninety-eight cents), which represents the number of shares in the Target Company held by its shareholders, except the Offeror, multiplied by the repurchase price of one share in the Target Company offered by the Offeror.

12. Law governing contracts between the Offeror and the Target Company's shareholders concerning the Offer, and courts adjudicating their mutual disputes

Any contracts between the Offeror and the Target Company's shareholders are governed by the law applicable in Latvia.

Any dispute between the Offeror and the Target Company's shareholders will be adjudicated by the Latvian courts in accordance with the law applicable in Latvia.

For Liplat Holding SIA:

.....

Kirovs Lipmans
chairman of the board