

Merger Plan

**PUCKATOR EUROPEAN DISTRIBUTION CENTRE
spółka z ograniczoną odpowiedzialnością**

and

PUCKATOR spółka z ograniczoną odpowiedzialnością

under Article 492.1.1) and subsequent Articles of the Commercial Companies Code
by transferring all the assets of the acquired company to another acquiring company

This plan of merger by acquisition (hereinafter: **Merger Plan**) prepared according to Article 498 of the Commercial Companies Code and Article 499 of the Commercial Companies Code, has been agreed, accepted and signed on 28th November 2022, between the following companies:

1. the company **PUCKATOR EUROPEAN DISTRIBUTION CENTRE spółka z ograniczoną odpowiedzialnością** with registered seat in Wrocław, Graniczna 8AA street, 54 – 610 Wrocław, entered in the Register of Entrepreneurs of the National Court Register kept by the District Court for Wrocław – Fabryczna in Wrocław, VI Commercial Department of the National Court Register under the number 0000905978, NIP: 8943170010, REGON: 389391683 (hereinafter: **the Acquiring Company**);
2. the company **PUCKATOR spółka z ograniczoną odpowiedzialnością** with registered seat in Iłowa, Borowska 8 street, 68 – 120 Iłowa, entered in the Register of Entrepreneurs of the National Court Register kept by the District Court in Zielona Góra, VIII Commercial Department of the National Court Register under the number 0000697773, NIP: 9241909627, REGON: 368418562 (hereinafter: **the Acquired Company**).

The Acquiring Company and the Acquired Company shall be hereinafter jointly referred to as **the Merging Companies**.

The Merging Companies intend to merge in order to:

1. reduce the operating costs of the Merging Companies, which have so far operated as separate entities, by concentrating such operations in a single entity;
2. limit mutual transactions and settlements between the Merging Companies;
3. optimization of the capital structure through its simplification as part of the consolidation of business activities in a single entity.

I. INDICATION OF THE COMPANIES PARTICIPATING IN THE MERGER

THE ACQUIRING COMPANY

The Acquiring Company is PUCKATOR EUROPEAN DISTRIBUTION CENTRE spółka z ograniczoną odpowiedzialnością with registered seat in Wrocław, Graniczna 8AA street, 54 – 610 Wrocław, entered in the Register of Entrepreneurs of the National Court Register kept by the District Court for Wrocław – Fabryczna in Wrocław, VI Commercial Department of the National Court Register under the number 0000905978, NIP: 8943170010, REGON: 389391683.

As at the date of preparing the Merger Plan, the share capital of the Acquiring Company amounts to PLN 5,000.00 (in words: five thousand PLN 00/100) and is divided into 100 (in words: one hundred) shares of the nominal value of PLN 50.00 (in words: fifty PLN 00/100) each.

The sole Shareholder of the Acquiring Company is:

1. PUCKATOR HOLDINGS LIMITED – holding 100 (in words: one hundred) shares of PLN 50.00 (in words: fifty zlotys 00/100) each, with the total nominal value of PLN 5,000.00 (in words: five thousand zlotys 00/100).

As at the date of preparing the Merger Plan, the Management Board of the Acquiring Company is composed of:

1. Nicholas Mark Howard – Chairman of the Management Board,
2. Matthew Jason Shaw – Member of the Management Board - Chief Sales and Marketing Officer,
3. Simon Jonathan Thomas – Member of the Management Board - Chief Operating Officer,
4. Eduardo Relanzon Martinez – Member of the Management Board,
5. Elena Pella – Member of the Management Board - Chief Financial Officer.

If the Management Board is composed of one or more persons, each member of the Management Board shall be individually authorised to act for and on behalf of the Company and to make representations and sign on behalf of the Company.

THE ACQUIRED COMPANY

The Acquired Company is PUCKATOR spółka z ograniczoną odpowiedzialnością with registered seat in Iłowa, Borowska 8 street, 68 – 120 Iłowa, entered in the Register of Entrepreneurs of the National Court Register kept by the District Court in Zielona Góra, VIII Commercial Department of the National Court Register under the number 0000697773, NIP: 9241909627, REGON: 368418562.

As at the date of preparing the Merger Plan, the share capital of the Acquired Company amounts to PLN 5,000.00 (in words: five thousand PLN 00/100) and is divided into 100 (in words: one hundred) shares of the nominal value of PLN 50.00 (in words: fifty PLN 00/100) each.

The sole shareholder of the Merged Company is:

1. PUCKATOR HOLDINGS LIMITED – holding 100 (in words: one hundred) shares of PLN 50.00 (in words: fifty zlotys 00/100) each, with the total nominal value of PLN 5,000.00 (in words: five thousand zlotys 00/100).

As at the date of preparing the Merger Plan, the Management Board of the Acquired Company is composed of:

1. Nicholas Mark Howard – Chairman of the Management Board.

In case of the one-person Management Board the statements on behalf of the Company are submitted by the Management Board member. If the Management Board consists of two or more persons, members of the Management Board acting jointly or one member of the

Management Board acting together with a proxy are required to make representations on behalf of the Company.

II. GENERAL PROVISIONS

The merger of the Companies included in the Merger Plan provides for merger by acquisition, pursuant to Article 492 § 1 Item 1) of CCC.

The basis for the merger according to Article 506 § 1 of CCC will be resolutions of the Extraordinary General Meeting of Shareholders of the Merging Companies, which according to Article 522 § 5 of CCC will be placed in the minutes prepared by a notary public and will include consent to the Merger Plan as well as to the proposed amendments to the Agreement of the Acquiring Company.

III. THE MANNER OF THE COMPANIES' MERGER

The Merger of the Companies will be effected by transferring all the assets of the Acquired Company to the Acquiring Company in exchange for the shares that the Acquiring Company will issue to the shareholders of the Acquired Company, with the simultaneous increase of the share capital of the Acquiring Company.

The share capital of the Acquiring Company shall be increased, pursuant to the resolution of the Extraordinary General Meeting of Shareholders, from PLN 5.000,00 (in words: five thousand zlotys 00/100) to PLN 10.000,00 (in words: ten thousand zlotys 00/100), i.e. by PLN 5.000,00 (in words: five thousand PLN 00/100), by creating 100 (in words: one hundred) new shares, with the nominal value of PLN 50,00 (in words: fifty zlotys 00/100) each.

The Shareholders of the Merging Companies have agreed to waive:

2. preparation by the Management Board of each of the Merging Companies of a written report justifying the merger, its legal basis and economic justification and in particular the share exchange ratio, pursuant to Article 501 § 1.1 of the CCC in connection with Article 503¹ item 1 of CCC;
3. fulfilling the obligation of information, i.e. the Management Board of each of the Merging Companies informing each other about all significant changes in the scope of assets and liabilities which occurred between the date of preparing the Merger Plan and the date of adopting the merger resolution, pursuant to Article 501 § 2 of CCC in connection with Article 503¹ item 2 of CCC;
4. examination of the Merger Plan by an expert with respect to its correctness and reliability, pursuant to Article 503¹ item 3 of CCC.

IV. NUMBER AND VALUE OF SHARES OF THE ACQUIRING COMPANY GRANTED TO THE SHAREHOLDERS OF THE ACQUIRED COMPANY

VALUATION OF THE ACQUIRING COMPANY

Taking into account the values disclosed in the balance sheet of the Acquiring Company, prepared as of 31 October 2022, it has been determined that the value of the assets of the

Acquiring Company amounts to PLN **-1.876.250,33 (in words: minus one million eight hundred and seventy-six thousand two hundred and fifty zlotys 33/100)**. The share capital of the Acquiring Company consists of 100 (in words: one hundred) shares. Therefore, the value of one share determined by the accounting method, after rounding to two decimal places, is PLN -18,762.50 (in words: eighteen thousand seven hundred and sixty-two zlotys 50/100).

VALUATION OF THE ACQUIRED COMPANY

Taking into account the values disclosed in the balance sheet of the Acquired Company, prepared as of 31st October 2022, it has been determined that the value of the assets of the Acquired Company amounts to PLN **-398,520.72 (in words: minus three hundred and ninety-eight thousand five hundred and twenty zloty 72/100)**. The share capital of the Acquired Company consists of 100 (in words: one hundred) shares. Therefore, the value of one share determined by the accounting method, after rounding to two decimal places, is PLN -3,985.20 (in words: minus three thousand nine hundred and eighty-five zlotys 20/100).

METHOD OF VALUATION OF THE COMPANY'S ASSETS APPLIED FOR DETERMINING THE NUMBER AND VALUE OF THE ACQUIRING COMPANY'S SHARES ALLOTTED TO THE SHAREHOLDERS OF THE ACQUIRED COMPANY

Taking into the negative equity values of the Acquiring Company and the Acquired Company, there are difficulties in determining the share exchange parity based on the valuation of the book values of the Merging Companies. Considering that the Merging Companies are under the control of the same entity, i.e. PUCKATOR HOLDINGS LIMITED, which remains the sole shareholder of both the Acquired Company and the Acquiring Company, it is reasonable to determine the exchange parity in a contractual manner.

It should be pointed out that the provisions of the Commercial Companies Code do not prejudice that the share exchange parity must be based on mathematical methods of valuation. Indeed, the case law allows for the possibility that the shareholders of the companies participating in the merger make the determination of the exchange parity in a contractual manner that does not directly follow from any valuation method. As indicated in the doctrine:

1. *(...) the view that a purely contractual determination of the exchange parity, i.e. abstracting from any method of valuation, i.e. determining the parity in accordance with the will and interests of the shareholders, should be considered accurate (see E.W. Maruszewska, Mergers, p. 48). However, this is a rather exceptional situation, assuming agreement of all shareholders without violating the economic interests of the minority. (Rodzynekiewicz M. Kodeks spółek handlowych. Tom IV. Łączenie, podział i przekształcanie spółek. Przepisy karne. Komentarz. Art. 491-633 [in:] Opalski A. (ed.) Kodeks spółek handlowych. Tom IIA-IV. Komentarz, Warsaw 2016);*
2. *(...) the admissibility of determining (...) parity in a purely "contractual" manner, i.e. reflecting the actual will of the merger participants, cannot be rejected a priori, even if the exchange parity so determined is not based on any known valuation method. (Krześ S. [in:] Jacyszyn J. (ed.) Komentarz do Kodeksu spółek handlowych, Warsaw 2001, p. 596);*

3. (...) a practically momentous case, where the determination of the exchange parity may abstract to a greater or lesser extent from the known methods of valuation, is the case of a merger of companies, at least one of which (and in particular the merging company or some of the companies uniting per unionem) has negative equity. (Rodzynkiewicz M., Komentarz do art. 503 ksh [in:] Opalski A. (ed.) KSH, Tom IV, Warsaw 2016, p. 215).

The only limitation on the free arrangements of the parties in the above regard remains Article 154 § 3 of CCC, according to which shares may not be subscribed for below their nominal value, which is to prevent fictitious coverage of share capital, which, however, is not the case in the present situation.

THE RATIO OF EXCHANGE OF SHARES OF THE ACQUIRED COMPANY FOR SHARES OF THE ACQUIRING COMPANY. THE NUMBER AND VALUE OF THE ACQUIRING COMPANY'S SHARES GRANTED TO THE SHAREHOLDERS OF THE ACQUIRED COMPANY

With the above in mind, the ratio (parity) of exchange of shares of the Acquired Company for shares of the Acquiring Company was referred to the nominal value of shares of the Merging Companies.

Due to the fact that the nominal value of one share in the Acquired Company and in the Acquiring Company is the same and amounts to PLN 50,00 (in words: fifty zlotys 00/100), **the exchange parity has been set contractually and amounts to 1:1, i.e. a shareholder of the Acquired Company for one share of the Acquired Company will acquire one share of the Acquiring Company.** In exchange for 100 (say: one hundred) shares of the Acquired Company with a nominal value of PLN 50,00 (say: fifty zlotys 00/100) each, 100 (say: one hundred) new shares of the Acquiring Company with a nominal value of PLN 50,00 (say: fifty zlotys 00/100) each will be created.

DETAILED RULES FOR THE AWARD OF SHARES IN THE ACQUIRING COMPANY

The shares awarded as a result of the merger will be allocated to the shareholders of the Acquired Company according to the amount of the contribution made to cover the share capital of the Acquired Company.

With the above in mind:

1. the shareholder PUCKATOR HOLDINGS LIMITED, which holds 100 % of the shares in the share capital of the Acquired Company, shall be allotted 100 (in words: one hundred) shares with a nominal value of PLN 50.00 (in words: fifty PLN 00/100) each, with a total nominal value of PLN 5.000,00 (in words: five thousand zlotys 00/100).

V. AMOUNT OF ADDITIONAL CONTRIBUTION

In connection with the Merger, no additional contribution of shareholders is predicted.

VI. SHAREHOLDING STRUCTURE OF THE ACQUIRING COMPANY AFTER THE MERGER

As a result of the merger:

1. the existing shareholder PUCKATOR HOLDINGS LIMITED will hold 200 (in words: two hundred) shares of PLN 50,00 (in words: fifty zlotys 00/100) each, by the total par value of PLN 10,000.00 (in words: ten thousand zlotys 00/100), which shall constitute 100 % of the share capital of the Acquiring Company.

VII. DATE FROM WHICH THE SHARES GRANTED TO THE SHAREHOLDERS OF THE ACQUIRED COMPANY ENTITLE THEM TO PARTICIPATE IN THE COMPANY'S PROFITS

The shares granted to the shareholders of the Acquired Company entitle them to participate in the profits of the Acquiring Company as of 1 January 2023.

VIII. SPECIAL BENEFITS FOR THE SHAREHOLDERS OF THE MERGING COMPANYS AND OTHER PERSONS PARTICIPATING IN THE MERGER

No special benefits referred to in Article 518 § 1.4) of CCC shall be conferred upon the shareholders of the Merging Company or any other persons participating in the merger.

IX. OTHER ASPECTS OF THE MERGER

Pursuant to the disposition of Article 500 § 2¹ of CCC the Merger Plan on 28th November 2022 will be made available to the public free of charge on the websites of the Merging Companies, i.e:

1. for the Acquiring Company – at: www.puckator.pl;
2. for the Acquired Company – at: www.puckator-hurt.pl.

X. MERGER RESULTS

Pursuant to Article 493 § 1 of CCC, the Acquired Company shall be dissolved without liquidation on the date of its deletion from the Register of Entrepreneurs of the National Court Register.

Pursuant to Article 493 § 2 of CCC, the merger shall be effected on the date of entering the merger into the register of entrepreneurs having jurisdiction over the Acquiring Company's seat (hereinafter: the **Merger Date**).

Pursuant to Article 494 § 1 of CCC, the Acquiring Company will acquire all rights and obligations of the Acquired Company as of the Merger Date.

Pursuant to Article 494 § 2 of CCC, in particular the permissions, licenses and concessions that were granted to the Acquiring Company on the Merger Date will be transferred to the Acquiring Company unless otherwise stipulated by the law or decision on granting the permit, license or concession.

Pursuant to Article 494 § 4 of CCC, on the Merger Date the Shareholders of the Acquired Company become Shareholders of the Acquiring Company.

XI. APPENDICES

In accordance with Article 518 § 2 of CCC in connection with Article 499 § 2 and 3 of the Commercial Companies Code, the following are attachments to the Merger Plan:

1. Appendix No. 1 – Draft resolution of the Extraordinary Meeting of Shareholders of the Acquiring Company on the Companies' Merger;
2. Appendix No. 2 – Draft resolution of the Extraordinary General Meeting of Shareholders of the Acquired Company on the Companies' Merger;
3. Appendix No. 3 – Draft amendments to the Articles of Association of the Acquiring Company;
4. Appendix No. 4 – Determination the value of the Acquired Company's assets as of a specified date in the month preceding the submission of the proposal to announce the Merger Plan;
5. Appendix No. 5 – Determination of the value of the Acquiring Company's assets as of a specified date in the month preceding the submission of the proposal to announce the Merger Plan;
6. Appendix No. 6 – Statement of the accounting books of the Acquired Company prepared for the purpose of the merger as at 31 October 2022, i.e., as of a specified date in the month preceding the submission of the application for the announcement of the Merger Plan, using the same methods and in the same layout as the last annual balance sheet;
7. Appendix No. 7 – Statement on the accounting books of the Acquiring Company prepared for the purpose of the merger as at 31 October 2022, i.e. on a specified date in the month preceding the submission of the proposal to announce the Merger Plan, using the same methods and the same layout as the last annual balance sheet.

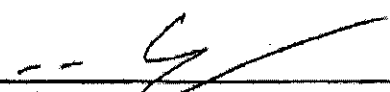
Wrocław, 28th November 2022

On behalf of the Acquired Company:

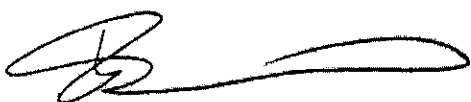


Nicholas Mark Howard
Chairman of the Management Board

On behalf of the Acquiring Company:



Nicholas Mark Howard
Chairman of the Management Board



Matthew Jason Shaw
Chief Sales and Marketing Officer

S. J. Thomas

Simon Jonathan Thomas
Chief Operating Officer



Eduardo Relazon Martinez
Member of the Management Board



Elena Pella
Chief Financial Officer