28 July 2026

Pepco Group N.V.

Cancellation of original tender buyback and relaunch at a higher tender price

Pepco Group N.V. ("**Pepco**" or the "**Company**") announces the cancellation of its currently open tender buyback and the simultaneous relaunch of a new, revised pro-rata tender buyback of up to €400 million which offers all shareholders a higher fixed buyback price, and a re-initiated process allowing time for shareholders to consider their tender decision. The terms of the new share buyback are unchanged, apart from a higher buyback price and the associated timetable. The new tender buyback will launch today and is scheduled to be settled on 17 August 2026.

Background

On 13 July 2026, Pepco Group N.V. announced the launch of a pro-rata tender buyback of up to €400 million by way of a time-limited invitation to submit share sale offers (the "**Original Invitation**"), at a purchase price of PLN 41.76 per ordinary share, representing a premium of 8.0% to the 1-day volume-weighted average price ("**1D VWAP**") of the Company's ordinary shares on the Warsaw Stock Exchange on 13 July 2026.

Since that date, the Company's share price has appreciated materially and has traded consistently above that purchase price. The Company's Board of Directors (the "**Board**") regards this price shift as indicative of the market's increasing recognition of the Company's fundamental prospects, and the rapid progress to date of its multi-year transformation programme. The Board welcomes this stronger support and recognition of the Company's underlying value.

As described at the Company's H1 FY26 interim results on 21 May 2026, the current tender buyback was designed to return up to €400 million of surplus capital to shareholders on a pro-rata basis, and enable the Company to achieve a more appropriate level of debt. This pro-rata tender buyback structure was designed to ensure equal treatment for all shareholders and to provide an attractive opportunity for each shareholder to either realise a cash premium for tendered shares, or to instead benefit from overall value accretion due to a lower share count post-tender.

With the Company's shares now trading above PLN 41.76, the terms of the Original Invitation provides the Company's shareholders with a less attractive choice than originally contemplated, including a materially discounted tender price. To improve the options offered to our shareholders, the Board has resolved to cancel the Original Invitation and, simultaneously, to launch a new invitation to submit share sale offers at a higher fixed price of PLN 47.52 and an appropriately re-initiated timeline.

The Board has decided to launch the new invitation now, rather than after the close of the Original Invitation, to provide all shareholders with the same opportunity to make their tender decision based on a higher purchase price and a re-commenced timetable. The pro-rata, open-to-all, fixed-price structure and the other terms of the New Share Buyback (as defined below) retains the design of the Original Invitation.

In this spirit, no sale offers submitted under the Original Invitation will be accepted, and no shares will be acquired by the Company under it. Shareholders who have submitted sale offers under the Original Invitation will have those offers cancelled and any block on their shares released by their custodian. In order to participate in the New Share Buyback, shareholders must submit a new sale offer in accordance with the New Invitation (as defined below).

Overview of New Invitation and New Share Buyback

The Board announces that on 28 July 2026 the Board adopted a resolution cancelling the Original Invitation and a separate resolution launching a new tender buyback acquisition of the Company's shares listed on the Warsaw Stock Exchange by way of a time-limited invitation to submit share sale offers (the "**New Share Buyback**"), establishing detailed conditions and procedures for participation in and execution of the New Share Buyback (the "**New Invitation**").

The size of the total capital return pursuant to the New Share Buyback remains unchanged at up to €400 million. The funding strategy also remains the same, deploying a combination of the Company's existing internal cash reserves and a modest amount of new external debt, increasing pre-IFRS 16 net leverage to approximately 1.0x EBITDA — the middle of the Group's target range of 0.5x to 1.5x — representing a prudent and efficient use of the balance sheet.

The Annual General Meeting of the shareholders of the Company held on 11 March 2026 (the "**AGM**") adopted a resolution authorising the Board to purchase shares in the Company, with the intention to cancel such shares, other than those shares that may, to the extent applicable, be used for the future settlement of vesting awards under the Company's share incentive plans.

The New Invitation is attached to this announcement. Below the Company presents its main goals with respect to the New Share Buyback and New Invitation:

1. The New Share Buyback will involve the acquisition by the Company of no more than 49,083,414 (in words: forty-nine million eighty-three thousand four hundred fourteen) ordinary shares with a nominal value of EUR 0.01 (in words: one eurocent) per share, issued by the Company, which are registered with Krajowy Depozyt Papierów Wartościowych S.A. (National Depository for Securities), under ISIN code: NL0015000AU7, as at the date of publication of the New Invitation representing in the aggregate no more than 8.50% of the share capital of the Company and entitling their holders to exercise jointly no more than 8.99% of the total number of votes at the general meeting of the shareholders of the Company as at the date of the New Invitation (the "**Purchased Shares**").
2. The Purchased Shares will be acquired by the Company under the New Share Buyback with the intention that they will be cancelled following their redemption and the Company's share capital will be accordingly reduced (other than those shares that may, to the extent applicable, be used for the future settlement of vesting awards under the Company's share incentive plans).
3. The buyback price offered per one Purchased Share ("**Purchase Price**") will be equal to PLN 47.52 (in words: forty-seven zloty and 52/100) per Share, representing a premium of 6.0% relative to the 1-day volume-weighted average price ("**1D VWAP**") of the ordinary shares on the Warsaw Stock Exchange over the trading day on 27 July 2026, which was PLN 44.83 and which was selected by the Board of Directors as the market price for the purposes of determining the permissible purchase price under the authorisation granted by the AGM. This Purchase Price also reflects premiums of 6.4%, 10.2% and 20.0% relative to the close price on 27 July 2026, 10-day volume-weighted average price ("**10D VWAP**") and 30-day volume-weighted average price ("**30D VWAP**"), respectively, and a premium of 13.8% to the purchase price offered under the Original Invitation.
4. The maximum aggregate consideration payable for the Purchased Shares is EUR 400,000,000 (the PLN equivalent exchanged at a competitive EUR/PLN rate). If valid Sale Offers are received for a lower amount, the consideration shall be limited to the aggregate value of such accepted Sale Offers.
5. The date of publication of the New Invitation is 28 July 2026. Shareholders may submit Sale Offers in response to the New Invitation from 29 July 2026 to 12 August 2026, in the manner specified in the New Invitation.
6. The Company may purchase no more than 49,083,414 (in words: forty-nine million eighty-three thousand four hundred fourteen) of the Company's shares, and the final number of Purchased Shares will be determined by the Board no later than on 13 August 2026.
7. The indicative date of the acquisition and transfer of ownership of Purchased Shares to the Company (i.e., the Settlement Date) is 17 August 2026.
8. IBEX Retail Investments Limited ("**IBEX**"), the majority shareholder of Pepco, has informed us that it supports the New Share Buyback and plans to tender its full shareholdings of approximately 360 million ordinary shares. The final number of IBEX-owned shares accepted under the New Share Buyback will reflect IBEX's final pro-rata percentage allocation, to be calculated by the Company based on the total number of shares tendered by all tendering Pepco shareholders (including IBEX) during the Sale Offer period.
9. As at the date of the New Invitation, the Company owns 31,417,198 (in words: thirty-one million four hundred seventeen thousand one hundred ninety-eight) treasury shares. Treasury shares are not eligible for participation in the New Share Buyback.
10. The intermediary in the execution and settlement of the New Share Buyback is Erste Bank Polska S.A. – Erste Biuro Maklerskie.
11. J.P. Morgan SE is acting as Capital Markets Adviser to the Company on the New Share Buyback
12. The New Invitation is available on the Company's website (https://www.pepcogroup.eu/investors/regulatory-filings/).

The New Invitation does not constitute a tender offer for the sale or exchange of shares referred to in articles 72a and 73 of the Polish Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies of 29 July 2005 (the "**Public Offering Act**"). In particular, articles 77-77h and 79-79f of the Public Offering Act and the provisions of the Polish Regulation of the Minister of Finance of 23 May 2022 on specimens of tender offers for the sale or exchange of shares of a public company, the manner and procedure for submitting and accepting subscriptions under the tender offer and permissible types of collateral do not apply to this New Invitation. This New Invitation does not constitute an offer within the meaning of article 66 of the Act of 23 April 1964 – Civil Code. The New Invitation should not be construed as an offer to sell or the solicitation of an offer to buy or sell any financial instruments nor shall it constitute an advertisement or promotion of any financial instrument or the Company in any jurisdiction where the foregoing would be prohibited.

The New Invitation does not constitute a recommendation or investment advice or any other recommendation, legal or tax advice or an indication that any investment or strategy is appropriate in the individual circumstances of any person or entity that intends to respond to the New Invitation. Shareholders to which the New Invitation is addressed should take advice from their investment, legal or tax advisers on any matter relating to the New Invitation. Shareholders responding to the New Invitation shall bear all legal, financial and tax consequences of their investment decisions. Shareholders interested in the sale of the shares referred to in the New Invitation should make their own detailed study of the contents of the New Invitation and the publicly available information concerning the Company and carefully analyze and evaluate such information, and their decision to sell shares in the Company should be based on such analysis as they themselves consider appropriate.

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ENQUIRIES

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