PROSPECTUS

FOR

DUKE I S.À R.L.

MANDATORY BUYOUT OFFER

TO

SHAREHOLDERS

IN

AKCIJU SABIEDRĪBA VALMIERAS STIKLA ŠĶIEDRA

02 April 2021

Duke I S.à r.l.
Registration number B247170
Registered office at 11-13 Boulevard de la Foire
L-1528 Luxembourg
Grand Duchy of Luxembourg

AKCIJU SABIEDRĪBA VALMIERAS STIKLA ŠĶIEDRA MANDATORY BUYOUT OFFER PROSPECTUS

prepared under sections 70(2)(1) and 71 of the Financial Instruments Market Act

Luxembourg 02 April 2021

1. The Target

The Mandatory Buyout Offer is targeted at **Akciju sabiedrība VALMIERAS STIKLA ŠĶIEDRA**, registration number 40003031676, registered office at 13 Cempu iela, Valmiera LV-4201, Latvia, phone number +371 64202216, email address latvia@valmiera-glass.com, website address www.valmiera-glass.com (hereinafter the "**Target**").

2. The Offeror

The person making the Mandatory Buyout Offer is Duke I S.à r.l., a private limited company entered on the Trade and Companies Register of the Grand Duchy of Luxembourg, registration number B247170, registered office at 11-13 Boulevard de la Foire, L-1528 Luxembourg, Grand Duchy of Luxembourg (hereinafter the "**Offeror**"). On the date of signing the Price Compliance Assessment for this Offer, the Offeror as the Target's largest shareholder owns 19,872,715 (nineteen million, eight hundred seventy-two thousand, seven hundred and fifteen) shares, representing 83.14% of the total number of shares.

3. The type of offer

The Mandatory Buyout Offer is made under section 66(4)(1) and section 66(4)(2) of the Financial Instruments Market Act (hereinafter "**FIMA**") on the basis that the Offeror has acquired voting rights arising from the acquired shares which reaches or exceeds 30% of the Target's total voting shares and on 29 March 2021 the shareholders meeting of the Target resolved to exclude the Target's shares from the regulated market and the Offeror voted for the resolution.

4. The ISIN code of the shares

LV0000100485 is the ISIN code assigned to the Target shares that are recorded at the central depository Nasdaq CSD SE, registration number 40003242879, registered office at 1 Valnu iela, Riga LV-1050, Latvia (hereinafter the "**Depository**") and are traded on the Baltic Secondary List of the regulated market organiser Nasdaq Riga AS, registration number

40003167049, registered office at 1 Valnu iela, Riga LV-1050, Latvia.

5. The buyout price per share and the method used for its calculation

On 18 October 2019, Vidzeme District Court approved a plan for implementing the Target's legal protection proceedings (hereinafter the "LPP"). A period of two years is set for implementing the Target's LPP, from 18 October 2019.

FIMA sec.74(7) provides that if a court has initiated the Target's LPP, for purposes of the Mandatory Buyout Offer, the price per share must be determined by dividing the Target's liquidation value by the number of issued shares.

The liquidation value is estimated as a value that could be obtained by selling the Target's assets, with the exception of intangibles that cannot be sold as separate assets. The selling costs and the Target's liabilities are then deducted from the estimated value.

The price per share in the Mandatory Buyout Offer under FIMA sec.74(7) is set at EUR 0 (zero euros) based on the liquidation value.

Since the Offeror has acquired a majority of voting shares in the Target for a price resulting in an average price per share of EUR 0.5483, for the purposes of this Mandatory Buy Out Offer, the Offeror offers to buy out the minority shareholders for the nearest monetary value matching the average price in the majority acquisition, i.e. EUR 0.54 (zero euros, fifty-four cents) per share.

Accordingly, the buyout price per share is set at EUR 0.54 (zero euros, fifty-four cents).

6. Procedures and time limits for payment

Payment for the shares will be made through the Depository in accordance with its procedures on the fifth working day after the Mandatory Buyout Offer expires.

On accepting the Mandatory Buyout Offer, a shareholder will submit an application to the credit institution or investment broker company where he holds his financial instruments account, with an instruction form to sell financial instruments, stating that the Target shares are sold under the Mandatory Buyout Offer.

Funds will be transferred from the Offeror's current account held at AS SEB banka, registration number 40003151743, registered office at Meistaru iela 1, Valdlauči, Ķekavas pagasts, Ķekavas novads, LV-1076 (hereinafter "SEB banka") into the current account designated by the Depository, out of which the funds will be transferred to the shareholders' current accounts.

The shares offered for sale will be transferred from the shareholder's financial instruments account into the Offeror's financial instruments account held at SEB banka immediately after the Depository has verified under FIMA sec.80(5) that funds from the Offeror's current account held at SEB banka have been transferred into the current account designated by the Depository.

FIMA sec.80(2) provides that a shareholder who has filed an application accepting the Offer may revoke his acceptance three working days before the Offer expires, by notifying the credit institution or investment broker company where he holds his financial instruments account.

7. Term for the Mandatory Buyout Offer and for announcing its results

The term for the Mandatory Buyout Offer is thirty days after the day on which the Offeror has published a notice in the official gazette *Latvijas Vestnesis* under FIMA sec.73(4).

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

The shareholders may respond to the Mandatory Buyout Offer before 4 p.m. on the last day of the term for the Mandatory Buy Out Offer.

The Offeror will provide the Financial and Capital Market Commission, Nasdaq Riga and the Target with a report on the results of the Offer within five working days after the Mandatory Buyout Offer expires.

The Offeror will publish a notice of the results of the Offer in the official gazette *Latvijas Vestnesis* within five working days after the Mandatory Buyout Offer expires.

8. Acceptance by shareholders

All of the Target's shares are publicly traded, and all the shareholders are therefore subject to the same procedure for accepting the Mandatory Buyout Offer.

A shareholder may accept the Offer by filing an instruction form with the shareholders credit institution or investment broker company where he holds his financial instruments account to sell the shares (hereinafter the "**Instruction**"). The shareholder's Instruction shall provide the following details:

1) The seller's first name, surname and personal identity number (if the shareholder is an individual with a personal identity number) or the first name, surname and birth date (if the shareholder is an individual without a personal identity number), or the name, registration number and registered office (if the shareholder is an entity);
2) The buyer's (Offeror's) name and registration number – Duke I S.à r.l., registration number B247170;
3) The seller's (shareholder's) financial instruments account number where the shares offered for sale are held, and the credit institution or investment broker company where the shareholder holds his financial instruments account;
4) The number of the seller's (shareholder's) current account where he wishes to receive payment for the shares and the name of the credit institution where he holds his current account;
5) The number of the buyer's (Offeror's) financial instruments account and the name of the credit institution where he holds his financial instruments account
   SEB banka
   Account operator: UNLALV2XXXX
   Securities acc. nr in CSD: 00101102 VPLV003921
   PSET: LCDELV22XXX
6) The number of shares to be sold and their ISIN code – LV0000100485;
7) The buyout price per share – EUR 0.54 (zero euros, fifty-four cents);
8) The date of settlement – the fifth working day (inclusive) after the term of the Mandatory Buyout Offer expires;
9) The basis for filing the instruction to sell the shares – acceptance of the Mandatory Buyout Offer from Duke I S.à r.l.

The Instruction will be carried out in accordance with the Depository regulations.

No later than the following working day after receipt of the seller's (shareholder's) application, subject to the deadline and procedures adopted by the Depository, the credit institution or investment broker company where the seller (shareholder) holds his financial instruments account shall enter the application in the Depository's payment system.

A shareholder whose shares are held with the Depository's Initial Register and who wishes to accept the Offer is required to open a financial instruments account at a credit institution or investment broker company before the sale of the shares. The shareholder is required to de-register (transfer) the shares from the Initial Register to the financial instruments account in accordance with the Depository regulations. Once the shares have been transferred to the financial instruments account, the shareholder may accept the Offer as described above.

A list of Depository members – credit institutions and investment broker companies where a financial instruments account can be opened – can be found on the Depository's website https://nasdaqcsd.com/lv/pakalpojumi/pakalpojumi-dalibniekiem/depozitarija-dalibnieki/

All expenses associated with accepting the Mandatory Buyout Offer, i.e. fees charged by the credit institution or investment broker company where the seller (shareholder) holds his financial instruments account, are to be paid by the seller (shareholder).

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

The Target will continue to carry on its current business. No relocation of the material operations of the Target is intended. The Offeror anticipates that the Target will continue employment relationships with its employees according to the terms of their employment contracts and the ongoing needs of the day-to-day operations of the Target.

The Offeror intends to carry out a financial restructuring of the Target and its capital structure for long-term sustainability of the Target's business operations.

Following completion of the Offer, it shall be open to the Offeror to utilise any of the tools and processes available to it as majority shareholder in accordance with Latvian law which may include a right sizing of the capital structure of the Target, particularly in light of the material losses sustained by the Target in recent years. These processes may include initiating a share capital increase and/or a reduction of the nominal value of the shares. To the extent that minority shareholders do not participate on a pro rata basis in future corporate processes alongside larger shareholders, there is the potential for the minority shareholders' stake in the Target to be diluted accordingly, in accordance with the provisions of Latvian corporate law.

The Offeror is a Luxembourg subsidiary of Warwick European Opportunities Holding III LP which is an alternative investment fund managed by Warwick Capital Partners LLP (hereinafter "Warwick.") Warwick is a London based investment manager which focuses on European special situations. The Offeror is making the investment in the Target in accordance with Warwick's investment strategy with an intended timeline of five to seven years.

It is very important to carry out independent investment analysis before making any decisions regarding acceptance of the Mandatory Buyout Offer based on each current shareholders personal and specific circumstances.

The Offeror is not making any representation that any shareholder will or is likely to achieve an increase or decrease in the value of their shares if a shareholder chooses not to accept the Mandatory Buy Out offer or whether a shareholder will earn a profit or incur a loss if the shareholder chooses to accept the Mandatory Buyout Offer.

All investments involve risk, and the past performance of a security, industry, sector, market, financial product, trading strategy, or individual's trading does not guarantee future results or returns. Shareholders individually are responsible for any investment decisions they make. Such decisions should be based solely on an evaluation of their financial circumstances, investment objectives, risk tolerance, and specific circumstances.

If you are in any doubt about the contents of this area of the document or the action you should take, you should seek your own financial advice from an independent financial adviser.

10. Other important information

10.1. *Availability of the prospectus*

The Prospectus can be inspected or a copy received at:

(1) Riga, ZAB Ellex Kļaviņš offices, Kr. Valdemāra ielā 62 from 10:00 to 17:00 by making an appointment in advance by telephone +371 67814848. The prospectus can also be requestd in electronic form or to be sent by post by calling the same number.

(2) Valmiera, AS Valmieras Stikla Škiedra offices, 13 Cempu iela, from 10:00 until 17:00 by making an appointment in advance by telephone +371 64202216. The prospectus can also be requestd in electronic form or to be sent by post by calling the same number.

The Prospectus will be duly posted on the Nasdaq Riga website in accordance with FIMA.

10.2. Minority shareholders' status where such shareholders have not participated in the Offer

After completion of the Offer, the Target's shares will be excluded from the regulated market. Shareholders who have not sold their shares in accordance with the Offer or otherwise have not alienated their shares will continue to own their shares in the Target. The shares will remain in the form of bearer shares in dematerialized form.

The Target will be responsible for the maintenance of the shareholders ledger and will engage the Latvian Central Depository to carry out this function. Shareholders will be able to request confirmation of the ownership of their shares from the Target or the Latvian Central Depository.

Minority Shareholders' rights will be protected in accordance with Latvian law.

10.3. Sale of shares after expiration of mandatory buy out offer and exclusion from the regulated market.

If a shareholder chooses not to accept the mandatory buy out offer, shareholders will no longer be able to trade their shares in the regulated market (Nasdaq secondary list) and any future sale of shares after the delisting will be treated as a private sale for which a shareholder will have to find a buyer independently and negotiate the price of the shares. Therefore, minority shareholders that do not sell their shares during the term of the mandatory buy out offer to the Offeror will, at any time, be able to offer for sale their shares in private transactions to any interested buyer (as per the sale of shares of a private limited company in the ordinary course). The parties will need to agree on the terms of the share sale and the price which may differ from the price offered in accordance with the terms of this Offer. It is possible, therefore, that shareholders who do not participate in the Offer, are unable to secure an equivalent or better price in the future for their shares than the price offered in this Offer.

10.4. Communication with shareholders and notifications procedures after exclusion from the regulated market

Following completion of the Offer, the Target will communicate with the shareholders and provide notifications as it is required to do in accordance with the requirements of the Commercial Law. Information about the Target is published regularly on its website www.valmiera-glass.com.

10.5. No final mandatory offer will be carried out

The Offeror will not carry out a final mandatory offer according to article 81 of the FIMA as the Offeror has not acquired 95% or more shares in the Target and has not entered into any binding agreements to acquire votes that would grant the Offeror 95% or more votes of the total share capital of the Target.

11. Sources to finance the Offer

The Mandatory Buyout Offer is financed from the Offeror's funds, and the Offeror has made a special-purpose deposit in its account at SEB banka, registration number 40003151743, registered office at Meistaru iela 1, Valdlauči, Ķekavas pagasts, Ķekavas novads, LV-1076, which can be used only for financing the Mandatory Buyout Offer. The Offeror's special-purpose deposit is supported by a statement drawn up by SEB banka in accordance with FIMA sec.70(5)(2).

The Target shareholders, except the Offeror, collectively hold 4,030,490 (four million, thirty thousand, four hundred and ninety) shares. Accordingly, if all of the minority shareholders express the desire to sell their shares, the buyout will require EUR 2,176,464.60 (two million, one hundred seventy-six thousand, four hundred and sixty-four euros, sixty cents), which is arrived at by multiplying the number of shares held by the shareholders, except the Offeror, and the buyout price per share offered by the Offeror.

12. Law governing contracts between the Offeror and the shareholders relating to the Offer, and courts to adjudicate their disputes

Contracts between the Offeror and the Target shareholders will be governed by the laws and regulations applicable in the Republic of Latvia.

Any dispute between the Offeror and the Target shareholders is to be referred to the Latvian courts for adjudication in accordance with the laws and regulations applicable in the Republic of Latvia.

For Duke I S.à r.l.

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Anthony Joseph Sugrue

Manager