

Current Report No. 6/2024

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Subject: Information on the final settlement of the acquisition of shares in LOTOS Terminale S.A. (currently: UNIMOT Terminale sp. z o.o.) and adjustment of preliminary estimated selected financial data for Q4 2023

With reference to Current Reports No. 22/2023 of 8 August 2023, 24/2023 of 11 September 2023, and 5/2024 of 5 April 2024, the Management Board of UNIMOT S.A., with its registered office in Zawadzkie (the "Issuer"), announces the final settlement of the acquisition of shares in LOTOS Terminale S.A. (currently: UNIMOT Terminale sp. z o.o., "UNIMOT Terminale").

The final settlement of the transaction was made after independent experts completed the process of identification and valuation to fair value of the assets acquired, the liabilities assumed and the valuation of the Issuer Group's liabilities under the purchase price adjustment mechanisms.

Taking the above into account, the Issuer's Management Board announces that as a result of the final settlement of the transaction, the following items will be recognised in the Issuer Group's consolidated financial statements for 2023:

1. The fair value of the acquisition consideration of PLN 390 million, including funds paid on the date of acquisition: PLN 267 million and estimate of contingent payment: PLN 123 million;
2. fair value of assets acquired of PLN 1,285 million, including fixed assets: PLN 956 million and current assets: PLN 329 million;
3. the value of liabilities acquired in the amount of PLN 460 million;
4. bargain purchase profit of PLN 435 million (calculated as the fair value of the assets acquired less the value of the liabilities and the fair value of the consideration).

The Issuer provides below explanations related to the final settlement of the transaction of acquisition of shares in UNIMOT Terminale:

1. the Issuer Group, in addition to the funds paid on the date of acquisition in the amount of PLN 267 million, additionally refinanced Lotos Terminale's credit liabilities in the amount of PLN 100 million.
2. the estimate of the conditional payment in the amount of PLN 123 million was calculated on the basis of the agreed mechanism for calculating the additional payment for the acquired Lotos Terminale shares (the so-called earn-out), which depends on the performance of Unimot Bitumen sp. z o.o.. The conditional payment is dependent on Unimot Bitumen sp. z o.o. meeting the following two conditions simultaneously between 2023 and 2032: exceeding the benchmark EBITDA margin and exceeding the benchmark result set in the agreement for each year. The earn-out payments will be made upon repayment of the loans financing the acquisition, which is expected to take place no later than 2028.
3. the level of fixed assets in the amount of PLN 956 million was influenced in particular by the recognition of tangible fixed assets at their fair values in the amount of PLN 591 million and the recognition of an intangible asset (PLN 319 million) resulting from the concluded contract whose subject matter is the sale for 10 years to UNIMOT Bitumen sp. z o.o. of bitumen from the production plant in Gdańsk belonging to Orlen in a total volume of up to 500,000 tonnes per year (the "Bitumen Contract").
4. current assets in the amount of PLN 329 million largely consisted of cash and cash equivalents and trade receivables. At the same time, the Issuer Group assumed liabilities totalling PLN 460 million.

Their level was influenced in particular by trade liabilities (PLN 143 million) and credit liabilities incurred by the acquired companies, referred to above.

The Issuer's Management Board draws particular attention to the fact that it is aware of the existence of environmental risks, land contamination and the potential possibility of groundwater contamination on the acquired sites, which may potentially give rise to the need to incur remediation costs under environmental law in the future. It should be emphasised that, at this stage, the Issuer's Management Board is unable to correctly determine whether the contamination requiring remediation will occur and what the timing of the contamination and the timing of potential remediation works to remove it will be, i.e. the timing of the outflow, as well as the locations for which these works would be necessary. In addition, the environmental review carried out did not unambiguously demonstrate whether contamination requiring remediation under current legislation had occurred, and showed that, should groundwater contamination occur in the future, the estimates of remediation costs depending on the choice of option and method were significantly divergent, and it was not possible to indicate the probability ratios of the potential occurrence of this risk.

The agreement for the acquisition of shares in UNIMOT Terminale provides for reimbursement to the UNIMOT Group by the seller of the costs of remediation, above the amount of 10% of the purchase price up to the amount of 100% of the purchase price, in the event that the need for such costs is proven within 10 years of the end of the year in which the transaction took place. However, the Management Board is aware that the materialisation of environmental risks may result in the need to incur costs in excess of the reimbursement agreed with the seller as mentioned above, as well as risks may emerge after 10 years.

Taking the above into account and based on the available analyses of environmental risks, the Issuer reports that the potential range of costs in the event of the need for remediation at all locations is from approximately PLN 180 million to approximately PLN 600 million. However, due to, inter alia, the impossibility of conducting a reliable valuation, the Issuer's Management Board - on the basis of the applicable provisions of IFRS (International Financial Reporting Standards) - did not recognise contingent liabilities on account of environmental risks and, consequently, did not include potential costs of environmental risks in the final settlement of the transaction for the acquisition of Lotos Terminale shares. Thus, the bargain purchase profit is not encumbered by a potential environmental provision.

In addition, the Issuer's Management Board draws attention to the fact that the valuation of the Bitumen Contract constituting the basis for recognition of its intangible value (PLN 319 million) was prepared on the assumption that UNIMOT Bitumen sp. z o.o. will continue its operations in the present form for 10 years. In the event that the Bitumen Contract is not extended for a further period, the Issuer's Management Board perceives the need for a significant change in operations, not excluding its restructuring or liquidation of a part of the assets, which may involve significant costs. At this stage, the Issuer's Management Board is unable to estimate the level of these costs. Nevertheless, these costs could not be included in the accounting for the transaction under the IFRS standards applicable to the Issuer.

The recognition of a bargain purchase profit in the financial statements is a non-cash and non-recurring accounting event. Therefore, both Adjusted EBITDA and the basis for calculating dividend values will not include this accounting item.

As a result of the settlement of the acquisition of Lotos Terminale S.A. shares, the Issuer's Management Board informs that the estimated financial results for Q4 2023, which were presented in Current Report No. 4/2024 of 9 February 2024, have been changed. After taking into account the

disclosures referred to above and other circumstances that occurred after the publication of Current Report No. 4/2024 of 9 February 2024, the consolidated financial data for Q4 2023 amount to:

1. total revenue: PLN 3,049 million,
2. EBITDA (i.e. earnings before interest, taxes, depreciation and amortisation): PLN 461 million,
3. Adjusted EBITDA (i.e. EBITDA adjusted for the estimated valuation of the compulsory reserves of liquid and gaseous fuels, reasonable time-shifting of costs and revenues and non-recurring events): PLN 47 million.

Legal basis:

Article 17(1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (MAR Regulation).

Persons representing the Company:

Filip Kuropatwa, Vice-President of the Management Board