Current Report No. 2/2022

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Subject: Concluding a preliminary agreement for the acquisition of 100% of shares in LOTOS Terminale Spółka Akcyjna covering the business of an independent logistics operator and the production and sale of bitumen, together with a loan agreement for the financing of the transaction

The Management Board of UNIMOT S.A. with its registered office in Zawadzkie (the "Company", the "Issuer") announces that on 12 January 2022 its wholly-owned subsidiary, i.e. Unimot Investments Sp. z o.o. with its registered office in Warsaw (the "Buyer" or "Unimot Investments") signed the following preliminary agreement with Grupa LOTOS Spółka Akcyjna with its registered office in Gdańsk (the "Seller" or "Lotos CG") a preliminary agreement to purchase 100% of shares entitling to exercise 100% of votes at the general meeting (the "Shares") of LOTOS Terminale Spółka Akcyjna with its registered office in Czechowice-Dziedzice ("Lotos Terminale") (the "Preliminary Agreement") (the "Transaction").

The Transaction takes place as part of the implementation by Polski Koncern Naftowy Orlen S.A. ("PKN Orlen") a number of disinvestments foreseen in the remedies set out in the European Commission's conditional decision of 14 July 2020 for the concentration involving PKN Orlen's acquisition of control over Lotos CG (the "Remedies").

The acquisition of the Shares by the Purchaser will take place as a result of the signing of the final Share Purchase Agreement (the "Promised Agreement"), upon the fulfilment of a number of conditions precedent and upon payment of the price, the mechanism for the determination of which is described later in this report (the "Price").

The purpose of the Transaction is for the Issuer's capital group to enter the business of an independent fuel logistics operator based on its own infrastructure (the "ILO Business") and the production of modified bitumen together with the further development of trade in bitumen products (the "Bitumen Business"). The assets associated with these Businesses will ultimately be contributed to Lotos Terminals prior to the signing of the Promised Agreement.

The ILO Business will comprise nine fuel terminals with a total current capacity of 350,000 m^3, including five terminals currently owned by Lotos Terminale: in Czechowice-Dziedzice, Jasło, Piotrków Trybunalski, Poznan and Rypin, as well as four terminals currently owned by PKN Orlen: in Boleslawiec, Szczecin, Gutkowo and Gdansk. Upon completion of the ongoing development work, storage capacity will increase to 410,000 m^3. As a result of the Transaction, the Issuer's capital group will become the third player in the fuel storage market (after PERN and PKN Orlen) in terms of volume. Additionally, after PKN Orlen completes the modernisation and expansion of the marine terminal in Szczecin, the Issuer will have at its disposal approximately 10,000 m^3 of capacity dedicated to aviation fuel and 40,000 m^3 dedicated to diesel oil. The Bitumen business, in turn, will include asphalt production facilities in Jasło and Czechowice-Dziedzice, spun off from Lotos Asfalt Sp. z o.o., along with a sales department, as well as a ten-year contract for the Seller's supply of asphalt products and raw material for their production in quantities of up to 500,000 tonnes per year, making the Issuer's capital group the second player in the bitumen sales market by volume.

The price has been determined based, inter alia, on valuations prepared by financial advisers and internal analyses and will be subject to adjustment for the value of net debt and changes in working capital as at the closing date of the Transaction. Given the stated pricing mechanism and the value of the investments that the Buyer has committed to finance, the Buyer's estimated near-term commitment to the Transaction will be at least PLN 450 million.

The Transaction shall come into effect upon the fulfilment of all necessary conditions for the completion of the merger of PKN Orlen and Lotos CG, including the non-exercise of pre-emptive rights by eligible entities.

The Agreement provides for a number of safeguards relating to the performance of the Parties' mutual obligations standard for this type of transaction, including in particular the Buyer's obligation not to sell the acquired Shares and shares in subsidiaries of Lotos Terminals for a period of 10 years from the date of closing of the Transaction, excluding exemptions from the established lock-up and reserving the pre-emptive right in favour of the Seller, as well as a change of control clause obliging the owners - Mr Adam Sikorski and his family - to maintain control by holding at least 50% of the capital and votes in UNIMOT S. A. secured by the right of repurchase of shares in Lotos Terminals by the Seller (the "Call Option") for a period of 15 years from the date of closing of the Transaction

A number agreements were concluded or agreed together with the Preliminary Agreement to ensure the operational continuity of the acquired assets and their operation within the agreed parameters after the separation from Lotos CG and PKN Orlen. Amongst others, within the ILO Business a ten-year agreement was concluded for the provision of fuel storage services by Lotos Terminals to PKN Orlen, and within the Bitumen Business an agreement for the use of the rights to the MODBIT trademark and the rights to asphalt product manufacturing technology. Following the closing of the Transaction, the acquired assets will also include RCEkoenergia Sp. z o.o., based in Czechowice-Dziedzice, a wholly owned subsidiary of Lotos Terminals, and Lotos Infrastruktura S.A., based in Jasło, providing utility and infrastructure supply services.

The Buyer will finance the acquisition of the Shares, as well as the coverage of expenses related to the modernisation and expansion of the Piotrków Trybunalski terminal, using the Issuer's own funds and bank financing under a loan agreement (the "Loan Agreement") entered into by Unimot Investments (as borrower) with mBank S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Bank Polska Kasa Opieki S.A (jointly the "Banks") (as lenders) in the total amount of PLN 360 million.

The Loan Agreement includes, inter alia, bridge financing repayable within 12 months of the closing of the Transaction, secured by a registered pledge over a block of 1,250,000 shares held by Zemadon Ltd. The bridge financing will be repaid in the manner provided for in the Loan Agreement, without excluding the raising of funds from a public issue of shares of the Issuer. The remaining financing provided for in the Loan Agreement was granted for a period of up to six years. In addition to the security in the form of a registered pledge, the Agreement provides for standard provisions relating to security, including through a civil law surety by UNIMOT S.A. for part of the credits. The Loan Agreement also provides for the impossibility of paying dividends at least in the current year, which will affect the UNIMOT Group's existing dividend policy.

The acquisition is in line with the strategy to diversify revenue sources and expand the Group's own value chain, as envisaged in the UNIMOT Group's Business Strategy for 2018-2023. Thanks to the acquisition of the ILO Business and the Bitumen Business, the scale of the Group's operations will significantly increase, and the acquired businesses will have a significant impact on the consolidated financial results of the Issuer.

According to the Management Board's preliminary estimates, supported by internal and external analyses - the impact of the acquired businesses on the Issuer's consolidated EBITDA after the closing of the transaction may reach approximately PLN 70-100 million of EBITDA per year in the first few years.

If the conditions stipulated in the Agreement regarding the profitability of the businesses are fulfilled, the Seller will receive additional remuneration in the future as an additional payment to the Seller of amounts dependent on future results, under the so-called earn-out mechanism.

The Issuer considered the above information confidential due to its strategic nature and the significant impact of the Transaction on the level of debt and future financial performance.

The Company announces that to the extent related to the conclusion of the Preliminary Agreement, together with the execution agreements, this current report constitutes confidential information, the disclosure of which was delayed on 12 January 2022 at 01:21, pursuant to Article 17(4) MAR. The above confidential information has been delayed until PKN Orlen has completed the work aimed at implementing the Remedies.

In the Issuer's opinion, the delay in the disclosure of the above confidential information met, at the time of the decision to delay, the conditions set out in the MAR and in the European Securities and Markets Authority's guidelines for the delay of disclosure of confidential information of 20 October 2016:

- The immediate disclosure of information on the conclusion of the Preliminary Agreement and the Implementing Agreements posed a risk of violating the legitimate interests of the Issuer and its capital group by possibly negatively impacting the possibility of the Seller and PKN Orlen to complete the work to implement the Remedies, which would have a direct negative impact on the Buyer's ability to complete the Transaction. In the Company's opinion, the disclosure of information on the conclusion of the Preliminary Agreement could have an impact on the course of negotiations with the parties to the other agreements conducted by the Seller and PKN Orlen, and thus exclude the possibility of fulfilling the basic condition for the Preliminary Agreement to come into effect in the form of completion of work aimed at implementation of the Remedies, which is the basic condition for obtaining the Commission's approval of the concentration.
- The public announcement of the conclusion of the Preliminary Agreement prior to the completion of work aimed at implementing the Remedies and thus excluding the possibility of fulfilling the basic condition for the Preliminary Agreement to come into effect, may have resulted in an incorrect assessment of this information and its potential impact on the value of the Issuer's shares by the public. In the Issuer's opinion, there were no indications that the delayed disclosure of the Confidential Information may have misled the public.
- The confidentiality of the delayed Confidential Information was ensured, in particular, through the internal information circulation and protection procedures implemented at the level of the Issuer's capital group, as well as the procedures for handling delayed Confidential Information.

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