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**REPORT OF THE MANAGEMENT BOARD  
OF GRUPA LOTOS S.A.  
MADE PURSUANT TO ARTICLE 501 § 1 OF THE COMMERCIAL COMPANIES CODE  
PROVIDING THE JUSTIFICATION FOR THE MERGER  
OF POLSKI KONCERN NAFTOWY ORLEN SPÓŁKA AKCYJNA  
WITH  
GRUPA LOTOS SPÓŁKA AKCYJNA**

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**2 JUNE 2022**

## 1. INTRODUCTION AND DEFINITIONS

- 1.1. This Report of the Management Board of Grupa LOTOS is made pursuant to Article 501 § 1 of the Commercial Companies Code in connection with the Merger.
- 1.2. The Report will be made available pursuant to Article 505 § 3<sup>1</sup> of the Commercial Companies Code on the website of Grupa LOTOS at: <https://inwestor.lotos.pl/> and <https://inwestor.lotos.pl/en/>.
- 1.3. The terms used in the Report will have the following meanings or will refer to the following sections of the Report or the Merger Plan:

### **Merger Shares**

has the meaning assigned thereto in Section 3.3. of the Merger Plan and in Section **Błąd! Nie można odnaleźć źródła odwołania.** Of the Report;

### **Shareholder(s) of Grupa LOTOS**

means an entity which, on the Reference Date, will hold shares in Grupa LOTOS registered in its securities account, and with respect to omnibus accounts means the entities indicated by the omnibus account holder to the entity keeping such account as the beneficial owners, as at the Reference Date, of the shares in Grupa LOTOS registered in that account;

### **Expert**

has the meaning assigned thereto in Section 5 of the Report;

### **Competence Centres**

has the meaning assigned thereto in Section 1.1. of the Merger Plan;

### **Information Document**

a document made by PKN ORLEN, exempt from the formal prospectus requirements that does not require the approval of the PFSA or any other financial market regulatory or supervisory authority that will be published in connection with the Merger in accordance with the Prospectus Regulation, Regulation 2021/528 and the Act on Public Offering;

### **Additional Payment**

has the meaning assigned thereto in Section 5.4. of the Merger Plan;

### **Merger Date**

the date on which the Merger is entered in the Register of Business Entities of the National Court Register by the district court having jurisdiction over the registered

office of PKN ORLEN, in accordance with Article 493 § 2 of the Commercial Companies Code;

**Reference Date**

has the meaning assigned thereto in Section 5.1. Of the Merger Plan;

**Energa**

Energa Spółka Akcyjna with its registered seat in Gdańsk, at ul. Aleja Grunwaldzka 472, 80-309 Gdańsk, entered in the Register of Business Entities of the National Court Register under KRS No. 0000271591, the registry files of which are maintained by the District Court Gdańsk – Północ in Gdańsk, VII Commercial Division of the National Court Register, NIP: 9570957722 , REGON: 220353024 , with the share capital of PLN 4,521,612,884.88, paid up in full;

**Commercial Companies Code**

the act of 15 September 2000 – the Commercial Companies Code (consolidated text: Journal of Laws of 2020, item 1526, as amended);

**WSE**

The Warsaw Stock Exchange (*Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna*) with its registered seat in Warsaw;

**Grupa LOTOS**

Grupa LOTOS Spółka Akcyjna with its registered seat in Gdańsk, at ul. Elbląska 135, 80-718 Gdańsk, entered in the Register of Business Entities of the National Court Register under KRS No. 0000106150, the registry files of which are maintained by the District Court Gdańsk – Północ in Gdańsk, VII Commercial Division of the National Court Register, NIP: 5830000960, REGON: 190541636, with the share capital of PLN 184,873,362.00, paid up in full;

**Merging Companies**

PKN ORLEN and Grupa LOTOS jointly;

**Share Exchange Ratio**

the ratio of exchange of the shares in Grupa LOTOS for the shares in PKN ORLEN (Merger Shares) as a result of the Merger, as provided in Section 4 of the Merger Plan;

**PGNiG**

Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna with its registered seat in Warsaw, at ul. Marcina Kasprzaka 25, 01-224 Warsaw, entered in the Register of Business Entities of the National Court Register under KRS No. 0000059492, the registry files of which are maintained by the District Court for the Capital City of Warsaw in Warsaw, XIII Commercial Division of the National Court Register, NIP: 5250008028, REGON: 012216736, with the share capital of PLN 5,778,314,857.00, paid up in full;

**PKN ORLEN**

Polski Koncern Naftowy ORLEN Spółka Akcyjna with its registered seat in Płock, at ul. Chemików 7, 09-411 Płock, entered in the Register of Business Entities of the National Court Register under KRS No. 0000028860, the registry files of which are maintained by the District Court for Łódź-Śródmieście in Łódź, XX Commercial Division of the National Court Register, NIP: 7740001454, REGON: 610188201, with the share capital of PLN 534,636,326.25, paid up in full;

**Merger Plan**

the merger plan prepared pursuant to Articles 498 and 499 of the Commercial Companies Code in connection with the proposed Merger, agreed in writing on 2 June 2022 and signed by the Management Boards of the Merging Companies;

**Merged Company**

PKN ORLEN after the Merger with Grupa LOTOS;

**Merger**

the merger of PKN ORLEN with Grupa LOTOS conducted in compliance with Article 492 § 1(1) of the Commercial Companies Code by transfer of the entire estate (*majątek*) (all of the assets and liabilities) of Grupa LOTOS (Target Company) to PKN ORLEN (Surviving Company), with a simultaneous increase in the share capital of PKN ORLEN by way of the issue of Merger Shares which will be issued by PKN ORLEN to the existing Shareholders of Grupa LOTOS;

**Regulation 2021/528**

Commission Delegated Regulation (EU) 2021/528 of 16 December 2020 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the

Council as regards the minimum information content of the document to be published for a prospectus exemption in connection with a takeover by means of an exchange offer, a merger or a division (Official Journal of the EU L 106/32 of 26 March 2021);

**Prospectus Regulation**

Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71 (Official Journal of the EU L 168/12 of 30 June 2017, as amended);

**Surviving Company**

PKN ORLEN;

**Target Company**

Grupa LOTOS;

**Report**

this report justifying the merger made for the purposes of the Merger pursuant to Article 501 §1 of the Commercial Companies Code by the Management Board of Grupa LOTOS;

**Act on Public Offering**

the act of 29 July 2005 on public offerings, conditions governing the introduction of financial instruments to organised trading, and public companies (consolidated text: Journal of Laws of 2021, item 1983, as amended);

**GMS**

the General Meeting of PKN or the General Meeting of Grupa LOTOS, depending on the context; and

**Management Board**

the Management Board of PKN ORLEN or the Management Board of Grupa LOTOS, depending on the context.

**2. LEGAL BASIS FOR THE MERGER**

- 2.1.** The Merger will be conducted in compliance with Article 492 § 1(1) of the Commercial Companies Code by transfer of the entire estate (*majątek*) comprising all of the rights and obligations (assets and liabilities) of Grupa LOTOS (Target Company) to PKN ORLEN (Surviving Company), with a simultaneous increase in the share capital of PKN ORLEN by way of the issue of Merger Shares which will be issued by PKN ORLEN to the Shareholders of Grupa LOTOS.

- 2.2. Both the Surviving Company and the Target Company are public companies in the meaning given by the Act on Public Offering.
- 2.3. Pursuant to Article 506 § 2 and 4 of the Commercial Companies Code and the terms of the articles of association of each of the Merging Companies, the resolutions regarding the Merger will be presented to the GMS of the Merging Companies and such resolutions will include, specifically: (i) the consent for the Merger Plan; and (ii) the consent for the proposed amendments to the articles of association of PKN ORLEN in connection with the Merger, as listed in Schedule 3 to the Merger Plan. Moreover, the GMS of PKN ORLEN will be presented with the resolution regarding the adoption of the consolidated text of the articles of association of PKN ORLEN that will include the amendments proposed in connection with the Merger, as an amendment of such articles of association.
- 2.4. Based on the abovementioned resolution of the GMS of PKN ORLEN, the share capital of PKN ORLEN will be increased from PLN 534,636,326.25 (five hundred and thirty-four million, six hundred and thirty-six thousand, three hundred and twenty-six and 25/100) up to PLN [●] ([●]) through the issuance of [●] ([●]) ordinary series [●] bearer shares with the nominal value of PLN 1.25 (one and 25/100) each and the total nominal value of PLN [●] ([●]) (the “**Merger Shares**”), which will be subsequently allotted to the Shareholders of Grupa LOTOS in accordance with the terms of Section 5 of the Merger Plan.
- 2.5. PKN ORLEN will take the action required to procure admittance and introduction of the Merger Shares to trading on the regulated market operated by the WSE.
- 2.6. The Offering of the Merger Shares will be a public offering in the meaning of the Prospectus Regulation. Pursuant to Article 1(4)(g) and Article 1(5)(f) of the Prospectus Regulation, no publication of a prospectus will be required in connection with the public offering of the Merger Shares and their admission to trading. Moreover, PKN ORLEN will publish the Information Document in accordance with the requirements defined by the Prospectus Regulation, the Regulation 2021/528 and the Act on Public Offering that will be available on the website of PKN ORLEN at: <https://www.orlen.pl/pl/relacje-inwestorskie/polaczenie-z-Grupa-LOTOS> and <https://www.orlen.pl/en/investor-relations/merger-with-the-LOTOS-Group>.
- 2.7. The Merger depends on the satisfaction of certain legal conditions such as obtaining all of the legally required permits and taking all of the actions required by law in connection with the Merger, specifically including:
  - 2.7.1. preparation by PKN ORLEN of the Information Document in accordance with the requirements of Regulation 2021/528 and delivery of such Information Document to the persons to whom the public offering connected with the Merger is addressed;
  - 2.7.2. obtaining a decision of the European Commission regarding the acceptance by the buyers of the assets transferred in performance of the remedies and conditions of the agreements concluded therewith, as provided in the positive conditional decision of the European Commission of 14 July 2020 on the consent for concentration by way of acquisition of control over Grupa LOTOS by PKN ORLEN (case M.9014 – PKN ORLEN/Grupa LOTOS);
  - 2.7.3. obtaining the consent of the Council of Ministers for the Merger as required under Article 13 section 5 in conjunction with Article 13 section 1(9) and 23 of the act of 16 December

2016 on the rules of managing state property (consolidated text: Journal of Laws of 2021, item 1933, as amended);

- 2.7.4.** no objection from the regulatory authority concerning the secondary acquisition (*nabycie następcze*) by the State Treasury of a significant stake in the Surviving Entity (it is planned to exceed the threshold of 33% of the overall number of votes at the GMS and the share in the share capital) as referred to in Article 3 section 7(2) of the act of 24 July 2015 on control of certain investments (consolidated text: Journal of Laws of 2020, item 2145, as amended).
- 2.8.** The transfer of the entire estate (*majątek*) comprising all of the assets and liabilities of Grupa LOTOS to PKN ORLEN will occur on the Merger Date, as of the date of the registration of the Merger in the Register of Business Entities of the National Court Register by the Registry Court having jurisdiction over the registered seat of PKN ORLEN.
- 2.9.** As of the Merger Date, PKN ORLEN will assume all of the rights and obligations of Grupa LOTOS in compliance with Article 494 § 1 of the Commercial Companies Code (universal succession). Specifically, in accordance with Article 494 § 2 and § 5 of the Commercial Companies Code, PKN ORLEN will acquire, as of the Demerger Date, the permits, concessions and reliefs granted to the Target Company, unless the act or decision on the grant of the permit, concession or relief provides otherwise.
- 2.10.** Pursuant to Article 494 § 4 of the Commercial Companies Code, as of the Demerger Date, the Shareholders of Grupa LOTOS will become the shareholders of PKN ORLEN.
- 2.11.** The Merger Shares will entitle their holders to a share in the profits of PKN ORLEN starting from the first day of the financial year in which the Merger Shares are registered in the securities accounts of the Shareholders of Grupa LOTOS, i.e. from 1 January 2022. The above means that the Merger Shares may participate in the dividend determined in accordance with Article 348 of the Commercial Companies Code based on the financial statements of PKN ORLEN for the financial year commencing on 1 January 2022 and ending on 31 December 2022 r.
- 2.12.** Pursuant to Article 493 § 1 of the Commercial Companies Code, Grupa LOTOS will be dissolved without liquidation proceedings on the date on which it is deleted from the Register of Business Entities of the National Court Register, which will occur no earlier than on the date of registration of the increase of the share capital of PKN ORLEN and the registration of the Merger in the Register of Business Entities of the National Court Register.
- 2.13.** No additional rights will be granted to the Shareholders of Grupa LOTOS or to any specifically entitled persons in Grupa LOTOS.
- 2.14.** The Merged Company will conduct its business under the name: Polski Koncern Naftowy ORLEN Spółka Akcyjna.
- 3. JUSTIFICATION FOR THE RATIO FOR EXCHANGE OF GRUPA LOTOS SHARES INTO PKN ORLEN SHARES**
- 3.1.** In exchange for their shares in Grupa LOTOS in connection with the Merger, Shareholders of Grupa LOTOS will be issued the Merger Shares in the following ratio: [●] (shares in PKN ORLEN): [●] (shares in Grupa LOTOS).

- 3.2. The above means that Shareholders of Grupa LOTOS will receive [●] ([●]) shares in PKN ORLEN (the Merger Shares) in exchange for 1 (one) share in Grupa LOTOS, it being understood that the number of allocated shares will always be a natural number, and Shareholders of Grupa LOTOS will receive Additional Payments in cash in accordance with Section 5.4 of the Merger Plan for any unallocated fractions of the Merger Shares resulting from the application of the Share Exchange Ratio.
- 3.3. Various generally accepted valuation methods were used to establish the share exchange ratio between the Merging Companies. For valuation purposes, it was assumed that both entities operate as independent businesses, and the unit valuations do not account for the proposed remedies required by the European Commission or for the potential synergies.
- 3.4. The analysis of the valuation included, *inter alia*: (i) the valuation based on market multipliers and the valuation based on the sum of the parts method ("**SoTP**"); and (ii) the historical share prices of both Merging Companies (the "**Stock Quotes**"), including volume-weighted average prices and target prices estimated by independent stock exchange analysts who consistently cover both entities (the "**Target Prices Of Stock Market Analysts**").
- 3.5. The high market volatility caused by the Russian invasion in Ukraine was the biggest challenge to calculating the valuation, and as a result there were certain limitations in the analyses provided. For this reason, more importance was attached to the data and reports published after 24 February 2022.
- 3.6. The Management Boards established the Share Exchange Ratio in the course of negotiations after reviewing the valuation results for each of the Merging Companies.

#### 4. **ECONOMIC JUSTIFICATION FOR THE MERGER**

- 4.1. The ongoing energy transition is a huge challenge for companies in the fuel and energy sector as it involves a gradual shift from hydrocarbons and conventional fuels to new energy sources that are more sustainable. Consequently, energy sector companies are forced to revise their strategies, reconfigure their assets and identify new, promising business areas that will guarantee the possibility of long-term development.
- 4.2. Such energy transition challenges can be addressed by a strong and diversified Polish multi-energy concern which is able to face them and compete with European and global entities. The Merger is a milestone in the creation of the said concern, which will control the assets of the Target Company, PKN ORLEN, Energa and PGNiG, and will be the largest company in Central and Eastern Europe, and will be able to face such challenges and implement the most ambitious investments.
- 4.3. The merged concern will strive to achieve operational excellence in existing areas of its activity, such as mining and refining production. The integration of the assets currently held by various entities will result in improved efficiency, and strategic partnerships in this area will contribute to the improvement of energy security in Poland and the region. This is one of the areas in which significant benefits of the Merger have been identified.
- 4.4. In addition, certain strategic development areas have been recognised that will enable the merged concern to diversify its activities and maintain its competitiveness in the long run. By 2030, the concern will hopefully become one of the largest integrated petrochemical producers

in Europe. Additionally, in order to meet the challenges of the transition, the concern would like to invest significant resources in the development of plastics recycling technology.

- 4.5. Another area of strategic development of the merged concern will be the energy sector. The integration of four capital groups, with the Merger as one of its milestones, will allow them to carry out ambitious investments in low and zero-emission energy. The merged concern will become a leader in the renewable energy and low-emission gas energy sectors.
- 4.6. Finally, the merged concern will strive to maintain and strengthen the position of the regional leader in retail sale with over 3,500 petrol stations in seven markets in Central and Eastern Europe and an extensive network of electric vehicle chargers. This is another area where large potential for benefits of the Merger has been identified.
- 4.7. Additionally, the merged concern will have the scale and means allowing for development in the most innovative and often non-commercialised areas, such as, for example, hydrogen, and it is the competencies and assets of the Target Company that would play a key role in this process.
- 4.8. Consequently, the proposed Merger and the related initiatives will contribute to increasing energy security in Poland and the region, which is particularly important in the current geopolitical situation.
- 4.9. The process of consolidation of the above-mentioned four capital groups began in 2018 with the signing of a letter of intent between PKN ORLEN and the State Treasury regarding the potential consolidation of PKN ORLEN and the Target Company. Subsequently, on 14 July 2020, as a result of the Decision issued by the European Commission, PKN ORLEN obtained conditional approval of the European Commission to take over the Target Company. On the same day, PKN ORLEN and the State Treasury signed a letter of intent regarding the acquisition of PGNIG by PKN ORLEN. In the meantime, the acquisition of the Energa Group by PKN ORLEN was completed in the first half of 2020. On 12 May 2021, a cooperation agreement was signed among PKN ORLEN, the Target Company, PGNIG and the State Treasury, concerning the acquisition of control by PKN ORLEN over the Target Company and PGNIG.
- 4.10. The Target Company and PKN ORLEN are leading companies in the refining industry in Central and Eastern Europe. The Merger will allow these entities to achieve the scale of operations and financial stability that will increase their resilience to market changes (the total capitalisation of the companies being integrated amounts to approximately PLN 44 billion as at 1 June 2022). The Merger will contribute to the achievement of a number of positive economic effects, both at the strategic development level and the operational level. The most important of these include:
  - 4.10.1. **Strengthening the investment opportunities of the Merged Company.** The Merger of the Target Company and PKN ORLEN will allow to secure funds for the energy transition, the implementation of advanced investment projects (including the renewable energy and petrochemical industries), more effective acquisitions in Poland, and further geographical expansion in Europe.
  - 4.10.2. **Improving the negotiating position in relation to partners.** By strengthening its status on the European market, the Merged Company will be in a better negotiating position in terms of raw material suppliers, as well as business and technology partners with which it must cooperate in order to develop.
  - 4.10.3. **Ensuring the undisturbed operation of refining installations in Gdańsk.** Considering the current geopolitical situation and, in particular, the possibility of the entry into force

of sanctions or other rules limiting the ability of the Target Company to import raw material from the current sources using the existing infrastructure, the Merger process executed in accordance with the relevant agreements may provide a basis for the undisturbed operation of refining installations in Gdańsk. If the Merger is not finalised, Grupa LOTOS will actively seek new methods of acquiring raw materials for the Gdańsk refinery and related logistics solutions that will provide an alternative to the existing solutions and to those proposed in the Merger documentation, all to ensure the continuing operation of the core business.

- 4.10.4. Securing new contractors as part of the implementation of remedies.** The method of implementation of the remedies required by the European Commission that has been adopted by the Target Company and PKN ORLEN creates unique development opportunities for the Merged Company, its stakeholders and business partners. Grupa LOTOS notes that, thanks to the implementation of the remedies, the Merged Company will be able to perform contracts securing the supply of crude oil to the production facilities of the Merged Company. In particular, PKN ORLEN concluded with Saudi Arabian Oil Company a long-term contract for crude oil supplies that is linked to the Merger process and to the process of securing of an investor for a Joint Venture in the Gdańsk refinery, which will operate as a processing refinery.
- 4.10.5.** The Merged Company will also be bound by a cooperation agreement concluded with Saudi Arabian Oil Company for the purpose of the joint analysis, preparation and implementation of research and development projects, also involving sustainable development technologies, and a cooperation agreement concluded with Saudi Arabian Oil Company and Saudi Basic Industries Corporation for the purpose of the analysis, preparation and implementation of joint investment projects. The aforementioned cooperation creates opportunities for joint investment projects, especially in the petrochemical area, based on the partners' know-how and technologies. If the Merger is not finalised and, consequently, the remedies are not implemented, it will be impossible to benefit from such partnership. If it is finalised, the Merged Company will have the opportunity to further develop as a result of the implementation of remedies, as it will be able to spend at least some of the funds from the sale of petrol stations on further geographic diversification.
- 4.11. Implementation of a number of operational synergies.** The most important of these involve the logistics, crude oil supplies and retail sales to individual customers:
- 4.11.1.** The Merged Company will be able to benefit from basic operating synergies in the areas of raw materials logistics, refinery production, wholesale trade and logistics, and retail sale. In addition to measurable financial gains, these synergies will help achieve certain benefits in terms of increasing resilience to phases of the economic cycle, diversifying sources of income, strengthening the competitive position on foreign markets, expanding the commercial offer, and increasing the role of Poland in the global energy transition.
- 4.11.2.** The Merger will also bring additional benefits that increase the value of primary synergies, whereby it will enable the release of working capital as a result of the reduction of mandatory reserves.

- 4.11.3.** Employees are the pillar of the Merging Companies. Highly qualified, motivated and committed staff is an asset of any organisation, increases its efficiency and provides a competitive advantage. The HR policy, which is aimed at acquiring the best talents and supporting existing employees, and regulates the recruitment and personnel management processes, will remain a key element of the Merged Company. The employees of the Merged Company will continue to benefit from a wide range of social benefits, training courses, promotion opportunities, and the work-life balance culture. The employees of the Merged Company will be fully involved in the process of building the values of the new capital group, which will not require the application of employment reduction regulations (including, in particular, those governing collective redundancies). In addition, the human capital of Grupa LOTOS, which will support the areas of strategic development and centres of excellence, will allow the Merged Company to develop in line with the trends followed by global concerns active in the industry.
- 4.11.4.** The purpose of creating centres of excellence within the Merged Company is to maximize the use of both efficiency synergies and development synergies after the Merger. It is envisaged that competence centres for railway logistics, development of oil competencies, hydrogen technologies, marine fuels and the maintenance of offshore wind farms will be organised in Gdańsk. The key value-building initiatives will include activities implementing the synergies resulting from the Merger, an increase in the efficiency of processes, the development of new areas of activity and the implementation of innovations as part of the integration process.
- 4.11.5.** The Merged Company will also be able to take advantage of a wide range of synergies related to the reduction and optimisation of fixed costs, as well as and the optimisation of operating costs in various business categories, such as laboratory services, logistics, maintenance and engineering, and repairs.
- 4.12.** The potential future synergies following the Merger significantly exceed the costs related to the implementation of remedies.
- 4.13.** As previously announced, the Merged Company envisages maintaining employment stability and strengthening the potential for employee development, as a result of more opportunities to share experience and know-how and due to greater mobility. A coordinated CSR policy, supported by technological partnerships and consolidated human capital of both companies, will allow for more effective identification and development of new solutions responding to the challenges of the energy and petrochemical sectors in terms of sustainable, ecological development, and will enable greater and more comprehensive support of local communities. In addition, the current support of Grupa LOTOS will be continued through continuous involvement in social, cultural and sports initiatives in the Pomeranian Province.
- 4.14.** Upon the closing of the acquisition, the shareholders of the Target Company will subscribe for new shares in the increased share capital of PKN ORLEN and will become its shareholders. The Merger will allow the provision of a more comprehensive and complete product offer to customers, whose needs will be addressed in an integral manner, based on the current and new communication channels, and digital technology.

**5. EXAMINATION OF THE MERGER PLAN BY AN EXPERT**

- 5.1. The Merger Plan will be examined by an expert appointed by the competent registry court (the “**Expert**”).
- 5.2. The Expert will draw up a detailed written opinion in accordance with Article 503 § 1 of the Commercial Companies Code and file it with the competent registry court and the Management Boards of the Merging Companies.
- 5.3. The Expert’s opinion will be published in accordance with Article 505 § 3<sup>1</sup> of the Commercial Companies Code on Grupa LOTOS’ website at the following address: [●].

**6. RECOMMENDATION OF THE MANAGEMENT BOARD OF GRUPA LOTOS**

- 6.1. Taking into account the above, in particular the arguments presented in Section 0 above, the Management Board of Grupa LOTOS is of the opinion that the Merger is justified.
- 6.2. For these reasons, the Management Board of Grupa LOTOS recommends that the GMS of Grupa LOTOS adopts a resolution regarding the Merger and approves the proposed amendments to the Articles of Association of PKN ORLEN, the draft of which is attached as Annex 1 to the Merger Plan.

***SIGNATURES FOLLOW ON THE NEXT PAGE***

**FOR GRUPA LOTOS S.A.**

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**Zofia Paryła**

President of the Management Board

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**Krzysztof Nowicki**

Vice President of the Management Board  
for Mergers and Acquisitions