

Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, September 12th 2022

Current Report No. 52/2022

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Second notification of the shareholders of PGNiG S.A. of the intended merger of PGNiG S.A. with PKN ORLEN S.A.

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In reference to current reports of Polskie Górnictwo Naftowe i Gazownictwo S.A. ("PGNiG", the "Company") No. 18/2021, 40/2021, 16/2022, 42/2022, 46/2022 and 49/2022, acting pursuant to Article 504 §1 of the Act of 15 September 2000 – the Commercial Companies Code (the "CCC"), the management board of PGNiG hereby notifies of the intended merger of the Company with PKN ORLEN S.A. ("PKN ORLEN").

The merger will be conducted pursuant to Article 492 § 1(1) of the CCC by transfer of the entire estate (majątek) of the Company (the target) to PKN ORLEN (the acquiring company) in exchange for the shares which will be allotted by PKN ORLEN to the Company shareholders (the "Merger"). The transfer of the entire estate comprising all the assets and liabilities of the Company to PKN ORLEN will occur on the date of registration of the Merger in the Register of Business Entities of the National Court Register by the registry court that has jurisdiction over the registered office of PKN ORLEN (the "Merger Date"). As of the Merger Date, PKN ORLEN will acquire all the rights and obligations of the Company in accordance with Article 494 § 1 of the CCC (universal succession). Pursuant to Article 494 § 4 of the CCC, the shareholders of the Company will become the shareholders of PKN ORLEN as of the Merger Date.

On 29 July 2022, the Company and PKN ORLEN signed a merger plan (the "Merger Plan") which was published in current report of PGNiG No. 42/2022.

The merger requires the adoption of a resolution of the general meeting of each of the merging companies. Based on the Merger Plan, the general meeting of the Company and the general meeting of PKN ORLEN have been presented with resolutions regarding the Merger that need to be adopted. Those resolutions will specifically include (a) a consent to the Merger Plan; and (b) a consent to the proposed amendments to the Articles of Association (statut) of PKN ORLEN in connection with the Merger (the "Merger Resolutions"). In order to adopt the Merger Resolutions, the Company will convene a general meeting in accordance with the CCC and the Articles of Association (statut) of the Company.

The Merger Plan as well as the other documents that will be published by the Company in connection with the Merger, i.e.:

1. draft Merger Resolutions which will be presented for adoption to the general meeting of the shareholders of the Company;
2. draft Merger Resolutions which will be presented for adoption to the general meeting of the shareholders of PKN ORLEN;
3. draft amendments to the Articles of Association (statut) of PKN ORLEN;
4. a document presenting the value of the estate (assets and liabilities) of the Company (executed pursuant to Article 499 § 2(2) of the CCC);
5. a document presenting the value of the estate (assets and liabilities) of PKN ORLEN (executed pursuant to Article 499 § 2(2) of the CCC);
6. the financial statements of the Company and reports on the activities of the management board of the Company for the financial years 2019, 2020 and 2021, including audit reports;
7. the financial statements of PKN ORLEN and reports on the activities of the management board of PKN ORLEN for the financial years 2019, 2020 and 2021, including audit reports;
8. a report of the management board of the Company made for the purposes of the merger as referred to in Article 501 of the CCC;
9. a report of the management board of PKN ORLEN made for the purposes of the merger as referred to in Article 501 of the CCC; and
10. an expert opinion as referred to in Article 503 § 1 of the CCC,

– will be available continuously (in electronic form with a printout option) on the Company's investor relations website until the completion of the general meeting adopting the Merger Resolutions, at <https://pgnig.pl/relacje-inwestorskie/polaczenie-z-pkn-orlen>.

This notification is the second notification of the shareholders of the Company within the meaning of Article 504 § 1 of the CCC.

At the same time, in reference to current report No. 49/2022, the Company re-announces that it has been informed by PKN ORLEN that:

(a) PKN ORLEN has obtained confirmation in the form of an opinion from an independent audit firm that the Merger will not be qualified as a reverse acquisition within the meaning of IFRS 3 – Business Combinations (the International Financial Reporting Standard adopted by Commission Regulation (EC) No. 1126/2008 of 3 November 2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council, OJ L z 2008 No. 320, p. 1 as amended);

(b) the foregoing means that PKN ORLEN is eligible for an exemption from the obligation to prepare a prospectus in accordance with the provisions of 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/EC (OJ L of 2017 No. 168, p. 12 as amended), in connection with the issuance and admission to trading of PKN ORLEN's shares issued pursuant to the resolution, the draft of which is attached as Schedule 1 to the Merger Plan, for the purpose of granting them PGNIG's

shareholders (the "Merger Shares"), under the condition that a document for the purposes of the exemption (the so-called "Exemption Document") referred to in the 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 (OJ L No. 106 of 26.03.2021, p. 32) ("Regulation (EU) 2021/528") is prepared and published, which document is not subject to approval by the Polish Financial Supervision Authority.

(c) PKN ORLEN will prepare and publish the Exemption Document referred to in Regulation (EU) 2021/528;

(d) as a result of the above, the legal condition of the Merger, previously identified and mentioned in the Merger Plan, in the form of preparation of a prospectus by PKN ORLEN and submission by PKN ORLEN of an application to the Polish Financial Supervision Authority for approval of the prospectus and issuance of a decision on its approval, as well as making the prospectus available to the persons to whom the public offering related to the Merger is addressed (see Sections 3.4 and 9.1. of the Merger Plan), has become outdated and will not apply to the Merger;

(e) The expert auditor who examined the Merger Plan was informed of the auditing firm's opinion as well as PKN ORLEN's intention to prepare the Exemption Document instead of a prospectus and concluded that this circumstance had no effect on his audit conclusions. While examining the Merger Plan, the expert auditor deemed that the forgoing of the preparation of a prospectus and the adoption of the Exemption Document in its place as an alternative solution is a technical change resulting from the provisions of law, which does not constitute a basis for changing the substance of the opinion on the Merger Plan.

Legal basis: Article 504 § 1 of the Act of 15 September 2000 – the Commercial Companies Code.