

Execution of transaction documents for contemplated divestment of assets and delayed disclosure of inside information

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Inside information:

Pursuant to Article 17(1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (the "MAR"), the Management Board of MERCOR S.A. (the "Company") announces that on 22 November 2024 the Company and Kingspan société à responsabilité limitée, a subsidiary of Kingspan Group Plc (the "Investor"), executed a preliminary agreement (the "Agreement") for contemplated divestment of shares in certain entities within the Company's group holding assets involved in the business of: (i) manufacture and sale of natural smoke exhaust systems ("Natural Smoke Exhaust Systems") and (ii) manufacture and sale of complex fire ventilation systems ("Fire Ventilation Systems") (the "Transaction").

Since the Company's operations in the business of Natural Smoke Exhaust Systems and Fire Ventilation Systems in Poland and on other markets are integrated with other business activities, the Transaction would require several preparatory steps before completion. First, assets involved in the business of Natural Smoke Exhaust Systems and Fire Ventilation Systems would have to be spun off into separate entities, whose shares would then be sold to the Investor, or assets unrelated to those business areas would have to be transferred to entities outside the scope of the Transaction (jointly the "Demerger").

As provided for in the Agreement, during the transitional period between its execution and the Transaction closing, the Company would implement the Demerger as follows: assets involved in the business of Natural Smoke Exhaust Systems and Fire Ventilation Systems in Poland and Hungary would be transferred to designated subsidiaries, whose shares would then be acquired by the Investor upon closing. In Spain, assets unrelated to the business of Natural Smoke Exhaust Systems and Fire Ventilation Systems would be transferred to a newly established subsidiary of the Company, whose shares would be excluded from the Transaction. On closing, the Investor would also acquire shares in the Company's subsidiaries operating in the business of Natural Smoke Exhaust Systems and Fire Ventilation Systems in the Czech Republic, Slovakia, Romania, Ukraine and the United Kingdom.

Under the Agreement, the Investor would pay a total consideration of PLN 420 million for the shares in the Company's subsidiaries being divested (the "Divestment Companies"). However, up to PLN 60 million of this amount would be deferred, contingent upon the Divestment Companies achieving specified consolidated EBITDA thresholds generated by the Demerged business (to be ultimately carried out by the Divestment Companies) in the 12 months ending 31 March 2026 ("Target EBITDA"). If no Target EBITDA thresholds are met, no deferred payment will be made to the Company. However, reaching the

specified thresholds would entitle the Company to a deferred payment ranging from PLN 15 million to PLN 60 million.

The Agreement additionally provides that the final price would be subject to adjustments based on the Investor's audit of financial statements as at the closing date, to be performed using a method typical for business acquisition transactions (i.e. the completion accounts method).

Completion of the Transaction is subject to the following conditions precedent: (i) concentration clearance obtained by the Investor from the relevant antitrust authority, (ii) approval from the Company's General Meeting for the transfer of its assets forming an organised part of the business, (iii) completion of the Demerger process, and (iv) approval from the Company's financing banks for the Transaction, including the release of security interests created in favour of those banks over assets to be transferred in the Demerger process to the Divestment Companies.

The Agreement includes standard representations and warranties of the parties concerning the shares and activities of each company involved. In the event of a breach of these representations and warranties or a breach of contractual obligations, the parties will bear liability in accordance with the relevant provisions of the Agreement, within the time limits specified therein.

If the Transaction is successfully completed, the Company's Management Board intends to recommend allocating a significant portion of the proceeds to dividend payments.

At the same time, pursuant to Art. 17(1) of the MAR, the Company hereby publishes delayed inside information concerning the execution on 29 November 2023 of a term sheet outlining preliminary terms of the Transaction and grant of exclusivity for negotiations to the Investor interested in potential acquisition of the Company's assets ("Inside Information").

Delayed Inside Information:

The Management Board of MERCOR S.A. (the "Company") announces that on 29 November 2023 the Company signed a term sheet (the "Term Sheet") with the Investor interested in potential acquisition of the Company's material assets (including shares in certain Group entities), comprising the business of manufacture and sale of natural smoke exhaust systems and fire ventilation systems (the "Potential Transaction"), and granted exclusivity for negotiations to the Investor, thereby confirming its interest in the Investor's bid and willingness to negotiate with a view to entering into legally binding documentation for the Potential Transaction.

At the same time, the Company's Management Board announces that the Term Sheet has not created any legally binding obligations for the Company and completion of the Potential Transaction still remains uncertain.

Information on the review of strategic options will be publicly disclosed by the Company in accordance with applicable laws.

In the Company's opinion, disclosure of information that would in effect confirm its interest in the Investor's final bid could have compromised the Company's legitimate interest and adversely affected its negotiating position by discouraging other potential investors from submitting final bids and misleading market participants."

The direct reason for this delayed disclosure of Inside Information by the Company is the execution of the Agreement relating to the Transaction.

Pursuant to Art. 17(4) of the MAR, the Company will notify the Polish Financial Supervision Authority of the delay in disclosing inside information to the public, including reasons therefor, promptly after the release of this current report.

Legal basis: Article 17(1) and Article 17(4) MAR – Delayed public disclosure of inside information and public disclosure of inside information

MANAGEMENT BOARD OF MERCOR S.A.:

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