

**STATEMENT OF THE MANAGEMENT BOARD OF
CIECH S.A. WITH ITS REGISTERED SEAT IN WARSAW OF 23 MARCH 2023**

**REGARDING THE PUBLIC TENDER OFFER TO SUBSCRIBE FOR THE SALE OF
SHARES IN CIECH S.A. PUBLISHED 9 MARCH 2023 BY KI CHEMISTRY S.À R.L. WITH
ITS REGISTERED SEAT IN LUXEMBOURG**

The Management Board of Ciech S.A. with its registered seat in Warsaw (the “**Company**”), acting pursuant to Article 80, sections 1-2 of the Act of 29 July 2005 on Public Offering, the Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (the “**Act**”), hereby presents its position (the “**Statement**”) regarding the public tender offer announced on 9 March 2023 pursuant to Article 72a, section 1 of the Act by KI Chemistry S.à r.l. with its registered seat in Luxembourg, the current majority shareholder of the Company (the “**Tenderor**”), to subscribe for the sale of shares in the Company (the “**Tender Offer**”) announced in connection with the Tenderor’s plan to exceed up to 100% of the overall number of votes at the general meeting of the Company.

Pursuant to the Tender Offer document, the Tenderor intends to acquire, as a consequence of the Tender Offer, 25,747,857 (twenty-five million, seven hundred and forty-seven thousand, eight hundred and fifty-seven) shares in the Company, which constitute approximately 48.86% (forty-eight and eighty-six hundredths percent) of the share capital of the Company and the overall number of votes at the general meeting of the Company (the “**Shares**”).

According to the Tender Offer document, as at the date of the announcement of the Tender Offer, the Tenderor holds 26,952,052 (twenty-six million, nine hundred fifty-two thousand, fifty-two) shares in the Company directly authorizing it to exercise 26,952,052 (twenty-six million, nine hundred fifty-two thousand, fifty-two) votes at the general meeting of the Company, which constitute approximately 51.14% (fifty-one and fourteen hundredths percent) of the overall number of votes at the general meeting of the Company.

Pursuant to the Tender Offer document, neither the parent entities nor subsidiaries of the Tenderor hold any shares in the Company.

In addition, according to the Tender Offer document, the Tenderor is not a party to an agreement referred to in Article 87, section 1(5) and (6) of the Act with respect to shares of the Company or the Company itself.

The Tender Offer was announced subject to the following conditions:

- (a) the conclusion by the Tenderor and the Company of an organizational agreement to establish strategic cooperation between these entities (the “**Agreement**”); and
- (b) the adoption by the general meeting of the Company of resolutions to amend the Articles of Association of the Company, including:
 - i. a change in the method of appointing members of the supervisory board of the Company (the “**Supervisory Board**”), pursuant to which members of the Supervisory Board will be appointed by the general meeting of the Company, provided that a shareholder representing more than 50% of the Company’s share capital will have the right to appoint and dismiss members of the Supervisory Board in a number representing a majority of persons comprising the Supervisory Board as of the date of exercise of this right. This right will expire as soon as the shareholder ceases to be a shareholder of the Company or his share in the Company’s share capital falls to 50% or below. If members of the Supervisory Board are elected by voting in separate groups, each group may elect only one member of the Supervisory Board, and a shareholder who participates in a group may not participate in the election of members of the Supervisory Board in another group or in the vote by which seats on the Supervisory Board not filled by voting in separate groups are filled;

- ii. the introduction of a quorum of the general meeting of the Company amounting to 15% of the Company's share capital; and
- iii. authorization of the management board of the Company (the “**Management Board**”) to increase the share capital within the authorized capital by an amount not exceeding PLN 197,625,710.00 (one hundred and ninety-seven million, six hundred and twenty-five thousand, seven hundred and ten zlotys) (the “**Authorized Capital**”) by way of one or multiple increases in the share capital through the issuance of ordinary bearer shares of successive series, excluding subscription rights in full for all existing shareholders. Within the framework of the Authorized Capital, the Management Board will also be authorized to issue subscription warrants pursuant to Article 444 §7 of the Act of 15 September 2000 – the Code of Commercial Companies (Polish Journal of Laws of 2022, item 1467). An increase in the share capital within the limits of the Authorized Capital will require the approval of the Supervisory Board and the adoption of a relevant resolution by the Management Board. Shares issued as part of a share capital increase within the limits of the Authorized Capital will be allowed to be granted in exchange for cash and in-kind contributions.

Pursuant to the Tender Offer document, the Tenderor expects that all conditions covered by the Tender Offer document will be fulfilled by the end of the subscription period, i.e no later than the date of 12 April 2023, unless the subscription period is extended or shortened,.

Under the Tender Offer document, the Tenderor declared that the acquisition of the Shares under the Tender Offer is not dependent on the fulfillment of legal conditions, other than those indicated above, and does not require obtaining a decision of the competent authorities.

1. Basis for the drafting of the Statement and reservations

For the purposes of drafting this Statement, the Management Board analyzed the following external sources of information and data available thereto:

- (a) the Tender Offer;
- (b) the arithmetic mean of the average daily prices of the Shares weighted by volume in the period of the three months preceding the announcement of the Tender Offer (the “**Announcement**”);
- (c) the arithmetic mean of the average daily prices of the Shares weighted by volume in the period of the six months preceding the Announcement;
- (d) the available information on the Company's financial and balance sheet position, including data contained in periodic reports published by the Company up to the date of this Statement, in particular financial statements;
- (e) the available data on the macroeconomics of the segments in which the Group operates, the projected demand and supply situation for each segment, economic and factual factors and knowledge of the industry in which the Group and its group companies operate;
- (f) other materials that the Management Board considered necessary in connection with the preparation of this Statement.

In order to determine whether the price presented in the Tender Offer corresponds to the fair value of the shares in the Company, the Management Board, acting pursuant to Article 80, section 3 of the Act, mandated reputable third parties - Lazard & Co., Limited (“**Lazard**”) and Rothschild & Co Polska sp. z o.o. (“**Rothschild**”) -- to prepare an opinion on the price offered for the Shares in the Tender Offer, subject to the restrictions and qualifications stipulated in such opinion (the “**Fairness Opinion**”).

On 22 March 2023, Lazard and Rothschild presented the Management Board with two independent Fairness Opinions, in which Lazard and Rothschild, respectively stated, following their own individual

analyses, that the price offered in the Tender Offer corresponds to the fair value of the Company's shares. Lazard and Rothschild provide services in accordance with an agreement concluded with the Company, and they do not represent any other entity in connection with the Tender Offer, nor are they responsible towards any other entity, besides the Company, for rendering services in connection with the Tender Offer or the contents of this Statement. The Fairness Opinions are attached to this Statement.

The Management Board did not mandate any additional third-party reviews or analyses in connection with the Tender Offer or the content thereof other than the Fairness Opinions, apart from the usual legal advice on the Tender Offer process.

In connection with the information supplied by the Company regarding its business, including that subjected to a third-party review as referred above, the Management Board accepts no responsibility for the accuracy, reliability, completeness or adequacy of the information serving as the basis of this Statement.

The position of the Management Board presented in this document does not constitute a recommendation to buy or sell shares in the Company or any other financial instruments as referred to in *Regulation (EU) No. 596/2014 of the European Parliament and of the Council 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 or in Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No. 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest.*

In particular, the Management Board emphasizes the possibility that there may be different views on the value of the Company than those expressed in this Statement or the Fairness Opinions. Pursuant to Article 80, section 2 of the Act, the position of the Management Board of the Company is based on the information provided by the Tenderor in the Tender Offer. Each investor that makes an investment decision regarding the Shares in connection with this position of the Management Board regarding the Tender Offer needs to, based on all of the relevant information, including the information supplied by the Tenderor and the Company, specifically in connection with compliance with the relevant information requirements, make its own assessment of the investment risk involved in the holding, continued holding or acquisition of financial instruments, inclusive of seeking individual advice or recommendations from licensed advisors to the extent necessary to make the right decision. The decision concerning the sale of the Shares in response to the Tender Offer must be an independent decision of each shareholder of the Company. In particular, each shareholder of the Company, for the purposes of analyzing the ways in which it may respond to the Tender Offer, should assess the investment risk related thereto and all of the legal and/or tax implications in respect thereof.

2. The impact of the Tender Offer on the Company's interests, including employment in the Company, the Tenderor's strategic plans regarding the Company and their probable impact on employment in the Company and the location of the Company's operations.

In the Tender Offer document, the Tenderor indicated that the Tender Offer constitutes a voluntary tender offer within the meaning of Article 72a, section 1 of the Act, and that if, as a result of the Tender Offer, it directly holds shares in the Company entitling it to no less than 95% of the total number of votes at the general meeting of the Company, the Tenderor intends to carry out a compulsory buyout of the shares belonging to the remaining shareholders, in accordance with applicable regulations, and thereafter to have all the Company's shares withdrawn from trading on the main market operated by the Warsaw Stock Exchange (*Giełda Papierów Wartościowych w Warszawie S.A.*) (the "WSE") and the General Standard sub-segment market operated by Börse Frankfurt.

Pursuant to the wording of the Tender Offer document, the acquisition of the Shares under the Tender Offer is part of the Tenderor's long-term strategic financial investment. The Tenderor's intention is to continue supporting the Company in its current and planned activities, initiating actions aimed at

strengthening its market and financial position by unifying and streamlining corporate governance in processes related to the implementation of strategic decisions.

Based on the Tender Offer document, in light of the observed phenomena and potential risks, the Tenderor concludes that the formula for building value based on the stock market has currently exhausted itself, and withdrawing the Company from the public market will allow it to compete more effectively on global markets based on a new ownership model, and thus a mechanism for making key decisions flexibly in a short period of time.

According to the Tender Offer document, following the Tender Offer, the Tenderor does not plan to make any changes regarding the location of the Company's operations or its employment policy; in particular, it does not plan to reduce employment at the Company. The Tenderor has not provided any other or more detailed information on the effect of the Tender Offer on the Company's employment and the location of its operations. In the opinion of the Management Board, there are no grounds to conclude that the Tender Offer will have a negative impact on employment at the Company or a change in the location of its operations. As of the date of the Statement, the announcement of the Tender Offer has not had any impact on employment at the Company and its group.

The Management Board approves the Tenderor's declaration that the acquisition of the Shares under the Tender Offer is an element of the Tenderor's long-term strategic financial investment, as well as its declaration to continue to support the Company in its current and planned activities and to initiate actions aimed at strengthening its market and financial position. In addition, taking into account the intention to support the Company in its current and planned activities, the Management Board approves the Tenderor's intention to maintain the Company's current business profile, employment policy and location of the Company's operations, and in particular believes that the implementation of the Tenderor's strategic plans will have no impact on employment.

Given the above, the Management Board positively assesses the impact of the Tender Offer on the Company's interests.

3. Position of the Management Board concerning the price for the Shares offered in the Tender Offer

With respect to the price offered in the Tender Offer, the Management Board notes that, pursuant to Article 79 of the Act, the price for the Shares in the Company offered in the Tender Offer cannot be lower than:

- (a) the average market price in the three-month period preceding the Announcement, during which the shares were traded on the main market of the WSE;
- (b) the average market price in the six-month period preceding the Announcement, during which the shares were traded on the main market of the WSE;
- (c) the highest value of the objects or rights that were provided by the Tenderor or by entities that are parties to the agreement concluded therewith as referred to in Article 87, section 1(5) of the Act, in exchange for the Shares subject to the Tender Offer in the 12 months prior to the Announcement.

The average market price is the arithmetic mean of the average daily prices of the shares in the Company weighted by trading volume on the WSE during the relevant period.

Based on the Tender Offer document:

- (a) the arithmetic mean of the average daily prices of the Shares weighted by volume in the period of the three months preceding the Announcement during which the Shares were traded on the main market of the WSE is PLN 42.63 per Share;

- (b) the arithmetic mean of the average daily prices of the Shares weighted by volume in the period of the six months preceding the Announcement during which the Shares were traded on the main market of the WSE is PLN 37.91 per Share;
- (c) in the period of the 12 months prior to the Announcement, neither the Tenderor, its subsidiaries, parent entities nor third parties referred to in Article 87, section 1(3)(a) of the Act purchased or undertook to purchase, directly or indirectly, any Shares in the Company, for cash or in-kind contributions.

The price offered in the Tender Offer is PLN 49.00 (forty-nine zlotys) per Share and thus is not lower than the price specified by the Tenderor in the Tender Offer in accordance with (a)-(c) above.

Pursuant to the requirements of Article 80, section 2 of the Act, the Management Board, taking into account in particular both Fairness Opinions, declares that, in its opinion, the price offered in the Tender Offer reflects the fair value of the Company.

The position of the Management Board, in accordance with Article 80, section 1 of the Act, will be communicated to representatives of the Company's and its group companies' employee organizations.

Attachments:

1. the Fairness Opinion prepared on 22 March 2023 by Lazard; and
2. the Fairness Opinion prepared on 22 March 2023 by Rothschild.

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Dawid Jakubowicz <i>Member of the Management Board</i>	
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Kamil Majczak <i>Member of the Management Board</i>	Jarosław Romanowski <i>Member of the Management Board</i>