



This report is prepared for the Warsaw Stock Exchange SA within the framework of the Analytical Coverage Support Program 3.0.

632/2022/AR

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
Unimot	Buy	95.0	Overweight	Łukasz Prokopiuk, CFA

Event: Planned purchase of railway transport entity.

The Company informed that it agreed on initial conditions to purchase a 100% stake in Olavion. Olavion is a rail shipments transport Company. Based on a current license it offers railway transport services in Poland in addition to shipping services in Poland and abroad. It possesses a qualified, experienced workforce of 64 workers (including 40 train drivers) and it has 15 transport trains. In the 9 months of 2022 Olavion has transported 750 thousand tonnes of merchandise and its full year transport capacity is estimated at 1.5 million tonnes. The aim of this M&A is to supplement the Company's transport and logistic abilities.

The shareholders of Olavion (current main shareholders + management) agreed to sell 90% of possessed shares for a price which will be agreed in the planned agreement. The price of the shares may be impacted by a earn-out mechanism enabling the shareholders to participate in dividends based on average earnings in 2023-2024. The remainin 10% shares of Olavion are to be sold at a price which is to be agreed on the basis of generated earnings and after the full 2024 financial results are published.

Expected impact: *Neutral. The price for the logistical assets is not known and we do not know the current results of the entity. In the current circumstances the acquisition of logistical assets may be necessary in the fuel import business: the purchase target is correct, in our view.*

The report is not a recommendation within the meaning of 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 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.