

**CURRENT REPORT FILED WITH THE POLISH FINANCIAL SUPERVISION
AUTHORITY IN WARSAW**

DATE: December 17th 2021



Subject: [Execution of annex to contract for construction of two steam units \(2x50 MW\) on Lombok Island \(Indonesia\) \[Current Report No 48/2021\].](#)

Text of the report:

The Management Board of RAFAKO S.A. of Racibórz (the “**Company**”) announces – further to Current Report No. 66/2017 of December 29th 2017 announcing that the consortium comprising the Company and PT Rekayasa Industri as the consortium leader (the “**Consortium**”) and PT PLN (Persero) (the “**Employer**”) signed a conditional contract for the construction of two steam units (2x50 MW) on Lombok Island, Indonesia (the “**Contract**”, and the units covered by the Contract – “**Unit 1**” and “**Unit 2**”) – that on December 17th 2021 it became aware that the Consortium and the Employer signed an annex to the Contract (the “**Annex**”).

The key provisions of the Annex are as follows:

1. It is acknowledged that the original time limits for completing Unit 1 and Unit 2, i.e., respectively 36 and 39 months from the Contract’s entry into force, cannot be met;
2. The Consortium and the Employer agree that in view of the circumstances and events that occurred prior to the execution of the Annex, i.e., a series of earthquakes on Lombok Island (and the resultant changes in design parameters), delays in payments by the Employer to the Consortium, and the COVID-19 pandemic caused by the SARS-CoV-2 virus, within a period of three months from the date of the Annex, which period may be extended by another three months, the parties to the Contract will negotiate the execution of another annex to the Contract, providing for:
 - i. Extension of the time limits for completion of Unit 1 and Unit 2;
 - ii. The Consortium’s claim against the Employer for reimbursement of additional costs related to the performance of the Contract;
3. The Employer agrees that during the negotiation period referred to in Section 2 above it will not impose on the Consortium any contractual penalties in connection with the circumstances referred to in Section 1 above.

The Annex does not decide on the validity of the Consortium’s or the Employer’s assertions and positions with respect to its subject matter, and does not constitute confirmation that the contractual penalties referred to in Section 3 above are due to the Employer.

Legal basis:

Article 17(1) of the Market Abuse Regulation – inside information.

Radosław Domagalski-Łabędzki, President of the Management Board
Maciej Stańczuk, Vice President of the Management Board