

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

DATE: December 23rd 2022

VERIFIED  
ENVIRONMENTAL  
MANAGEMENT  
REG. NO. PL. 2.24.001.5

Subject: [Implementation agreement relating to decision to grant public aid to RAFAKO \[Current Report 90/2022\]](#)

**Text of the report:**

Further to Current Reports (i) No. 27/2021 of July 9th 2021 announcing that on July 9th 2021 Agencja Restrukturyzacji Przemysłu S.A. of Warsaw (“**ARP**”) issued a decision (Case No. BZR.7701.86.2020) to grant RAFAKO S.A. of Racibórz (the “**Company**”) restructuring aid within the meaning of the Act of July 16th 2020 on Granting Public Aid for the Rescuing or Restructuring of Undertakings (the “**Decision**”), thus granting the Company’s request in its entirety, and (ii) No. 89/2022 of December 21st 2022 announcing that on December 21st 2022 ARP issued a decision amending the Decision, the Management Board of the Company hereby announces that on December 23rd 2022 the Company executed an agreement with ARP and Trigon Dom Maklerski S.A. to implement the Decision through the issue of bonds to be acquired by the Polish State Treasury – Minister of Economic Development and Technology, with ARP acting for and on behalf of the State Treasury, as a means of granting restructuring aid under the Decision (the “**Bonds**” and the “**Implementation Agreement**”).

The Management Board further announces that, in accordance with the Implementation Agreement:

1. The purpose of the Bonds is to enable the grant of restructuring aid to implement the Decision;
2. The Bonds will be bearer bonds, in book-entry form, registered with the National Securities Depository, which will not be listed on a regulated market or in an alternative trading system;
3. A total of 100 (one hundred) Bonds will be issued in three series, i.e. Series N comprising 33 (thirty-three) Bonds, Series O comprising 33 (thirty-three) Bonds and Series P comprising 34 (thirty-four) Bonds;
4. The Bonds will be issued through a private placement (directed to a single entity): the first bondholder will be the State Treasury – Minister of Economic Development and Technology;
5. The nominal value and issue price per Bond will be PLN 1,000,000.00 (one million złoty), adding up to the total nominal value and issue price of PLN 100,000,000.00 (one hundred million złoty);
6. The Bonds will not be subject to any restrictions on sale;
7. The Bonds will bear interest at a rate of 5% per annum on the nominal value of the Bonds outstanding, without interest compounding, with the proviso that if the Company fails to deliver on its obligation to offer its convertible bonds to the State Treasury – Minister of Economic Development and Technology, the interest rate on the Bonds will be increased to 6% per annum, starting from the date on which, pursuant to the Implementation Agreement, the Company was obliged to make such offer of its convertible bonds to the State Treasury;
8. The maturity dates of the Bonds will be as follows:
  - i. For the Series N Bonds – December 31st 2028;
  - ii. For the Series O Bonds – December 31st 2029;
  - iii. For the Series P Bonds – December 31st 2030;

9. Interest on the Bonds will be paid on a one-off basis for the entire period until maturity of all the Bonds or until the Early Redemption Date, as referred to in Section 10. below;
10. The Company will be obliged to redeem the Bonds early at the bondholder's request – on the Early Redemption Date – in the event of any default on its obligations under the terms of the Bonds or the applicable law;
11. The Company has undertaken that – on or before December 31st 2025, and in any case not later than six months after the cessation of statutory restrictions arising under Art. 448.3 of the Commercial Companies Code on the General Meeting's ability to pass a resolution regarding a conditional increase of the Company's share capital for the purpose of issuing convertible bonds – to offer to the bondholder its convertible bonds in a nominal amount equal to the nominal value of the Bonds, at the corresponding issue price, in which case the issue price of the convertible bonds will be set off against the claim for the principal amount of the Bonds;
12. In the case of the Company's convertible bonds referred to above, if they are converted into Company shares, such conversion will take place in accordance with the terms and conditions of the Company's convertible bonds;
13. Security for the Bonds will comprise:
  - i. first-ranking registered pledges created by the Company in favour of the bondholder on Rafako trademark protection rights up to a maximum security amount of PLN 150,000,000.00 (one hundred and fifty million złoty) and civil-law pledges created on the trademark protection rights;
  - ii. blank promissory note issued by the Company in favour of the bondholder, together with a promissory note declaration authorising the bondholder to fill the note with an amount of up to PLN 150,000,000.00 (one hundred and fifty million złoty);
  - iii. statement by the Company on voluntary submission to enforcement pursuant to Art. 777.1.5 of the Code of Civil Procedure, up to a total maximum amount of PLN 150,000,000.00 (one hundred and fifty million złoty);
14. The Bonds will be issued on the basis of **(i)** resolutions passed by the Management Board and Supervisory Board of the Company, specifying the terms and conditions of the Bonds to be issued pursuant to the Implementation Agreement, and **(ii)** the Implementation Agreement.

Promptly upon the issue of the Bonds, the Company will communicate that fact in a separate current report.

Legal basis:

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

Radosław Domagalski-Łabędzki – President of the Management Board  
Dawid Jaworski – Vice President of the Management Board