

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

DATE: March 5th 2023

**Subject: Execution of annex to agreement to Conditional Share Purchase Agreement concerning Company shares [Current Report No. 17/2023]****Text of the report:**

The Management Board of RAFAKO S.A. of Racibórz (the "Company") – further to: (i) Current Report No. 17/2022 of March 24th 2022 announcing the execution of a Conditional Share Purchase Agreement between the Company, PBG S.A. w restrukturyzacji w likwidacji (in restructuring in liquidation) of Wysogotowo ("PBG") and MS GALLEON GmbH of Vienna (the "Investor") (the "Share Purchase Agreement") and of an Investment Agreement between the Company and the Investor (the "Investment Agreement"), (ii) Current Report No. 29/2022 of May 8th 2022 announcing the execution of an annex to the Investment Agreement between the Company and the Investor, (iii) Current Report No. 45/2022 of June 30th 2022 announcing the execution between the Company, PBG and the Investor of an agreement regarding the Share Purchase Agreement, (iv) Current Report No. 57/2022 of July 29th 2022 announcing an agreement to extend the deadline for closing the transaction under the Share Purchase Agreement, (v) Current Report No. 73/2022 of September 15th 2022 announcing the execution between the Company, PBG and the Investor of an agreement regarding the Share Purchase Agreement, and (vi) Current Report No. 79/2022 of October 31st 2022 announcing an agreement to extend the deadline for closing the transaction under the Share Purchase Agreement, and (vii) Current Report No. 85/2022 of December 1st 2022 announcing, among other things, that by November 30th 2022 there had been no further extension, or an agreement to extend, the deadline set in the Share Purchase Agreement for the fulfilment of the Conditions Precedent, the Investor's obligation to purchase 7,665,999 Company shares held by PBG ("PBG Shareholding") and shares in Multaros Trading Company Limited of Limassol ("Multaros" and "Multaros Shares", as appropriate), and thus indirectly 34,800,001 Company shares held by Multaros ("Multaros Shareholding" and "Conditions Precedent", as appropriate), and that not all of the Conditions Precedent defined in the Share Purchase Agreement had been fulfilled – announces that on March 5th 2023 the Company, PBG, and the Investor executed Annex 1 to the Share Purchase Agreement ("Annex")

The material provisions of the Annex are as follows:

1. the Parties to the Share Purchase Agreement have confirmed their intention to continue taking measures to consummate the transaction contemplated by the Share Purchase Agreement;
2. a new closing date of the transaction contemplated by the Share Purchase Agreement has been determined, which will fall no later than April 30th 2023;
3. the Parties to the Share Purchase Agreement have assumed that by April 7th 2023 they will execute another annex to the Share Purchase Agreement on the actions to be taken by the Parties to the Share Purchase Agreement on the closing date of the transaction contemplated by it;
4. the Parties to the Share Purchase Agreement have confirmed that the following Conditions Precedent have been satisfied:
  - i. the Investor has obtained the consent of the President of the Office of Competition and Consumer Protection to the acquisition of control over the Company by the Investor;
  - ii. the Investment Agreement has been concluded;

- iii. the Company has ensured post-shutdown unit re-synchronisation with respect to the subject matter of Contract No. 2013/0928/Ri for the development of new coal-fired generation capacities at TAURON Wytwarzanie S.A. – construction of supercritical 910 MW generating unit at the Jaworzno III Power Plant – Power Plant II: steam boiler, turbine generator set, main building, electrical and I&C systems;
  - iv. the Company has signed with JSW KOKS S.A. of Zabrze an annex to the contract relating to the Radlin project;
  - v. the Company has signed an agreement with PGE Górnictwo i Energetyka Konwencjonalna S.A. of Bełchatów, whereby final financial settlements between the Company and PGE Górnictwo i Energetyka Konwencjonalna S.A. of Bełchatów are confirmed;
  - vi. the Company's Extraordinary General Meeting has passed a resolution concerning: (i) a conditional increase of the Company's share capital and (ii) a reduction of the Company's share capital, on the terms set out in the Investment Agreement, as well as adopting other resolutions required to provide financing to the Company by the Investor in accordance with the Investment Agreement;
  - vii. PBG has obtained the consent of its bondholders to the sale by PBG of the PBG Shareholding and the Multaros Shareholding (indirectly through the sale of Multaros Shares) to the Investor; registered pledges and other security interests over the PBG Shareholding and the Multaros Shareholding have been released;
  - viii. a judge-commissioner appointed for PBG in the restructuring proceedings has granted its consent for the sale of the PBG Shareholding and the Multaros Shares;
5. the Company has committed to submitting to the Investor for acceptance, by March 31st 2023, evidence of satisfying the following Conditions Precedent under the Share Purchase Agreement:
- i. the Company makes financial settlements or enters into an agreement with Operator Gazociągów Przesyłowych GAZ-SYSTEM S.A. of Warsaw regarding financial settlements relating to the contracts for the execution of Goleniów-Płoty and Tłocznia Kędzierzyn-Koźle projects, on terms satisfactory to the Investor;
  - ii. the Company signs a contract or agreement with the institutions providing financing to the Company and its Group, concerning the refinancing or the terms of further financing of the Company and its Group, on terms satisfactory to the Investor;
  - iii. the Company and PBG sign an agreement governing their mutual settlements and the sale of PBG's shareholding in RAFAKO Engineering sp. z o.o.;
6. the Company has committed to making all reasonable efforts to enable satisfaction, by April 17th 2023, of the following Conditions Precedent, whose fulfilment is subject to the Investor taking certain actions:
- i. the Investor conducts a due diligence assessment of the Company with a result satisfactory to the Investor;
  - ii. the Company's General Meeting appoints at least one member of the Company's Supervisory Board designated by the Investor;
  - iii. the Investor signs an agreement or agreements concerning: (i) purchase by the Investor of at least 50% of the total amount of all debt covered by the arrangement in the Company's restructuring proceedings, on terms satisfactory to the Investor, and (ii) purchase by the Investor of at least 50% of Company shares acquired by the Company's creditors in the execution of the arrangement in the Company's restructuring proceedings;
7. the Investor, subject to the fulfilment by the Company of its commitment as specified in item 5 above by the prescribed deadline, has committed to promptly resuming the due diligence process on the Company and Multaros and completing it by April 17th 2023;

8. both PBG and the Investor may withdraw from the Share Purchase Agreement if the Company fails to fulfil any of its commitments under the Annex or if, in the opinion of PBG or the Investor, in the course of fulfilling a Condition Precedent a significant risk arises that not all of the Conditions Precedent will be satisfied by their respective deadlines and the Company fails to implement the agreed remedies;
9. both PBG and the Investor may withdraw from the Share Purchase Agreement if the annex referred to in item 3 above is not executed by April 7th 2023, with the proviso that PBG will not be entitled to make such withdrawal following confirmation by the Investor of the satisfaction (or waiver) of all the Conditions Precedent and acceptance by the Investor as satisfactory of evidence submitted by the Company to the Investor as provided for in item 5 above.

The Annex became effective upon its execution.

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