

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

DATE: March 21st 2023

Subject: **Execution of another annex to agreement reached as part of mediation with TAURON Wytwarzanie [CR 22/2023]**

Text of the report:

Further to (i) Current Report No. 9/2023 of February 7th 2023 announcing that in the course of the mediation process before the Arbitration Court at the Office of the General Counsel to the Republic of Poland (the “**Arbitration Court**”), an agreement was reached on February 7th 2023 (the “**Agreement**”) between RAFAKO S.A. w restrukturyzacji of Racibórz (the “**Company**”), Mostostal Warszawa S.A. of Warsaw (“**Mostostal**”; and the Company and Mostostal jointly the “**Contractor**”), E003B7 Sp. z o.o. of Racibórz, a wholly-owned subsidiary of the Company (the “**Subsidiary**”), and TAURON Wytwarzanie S.A. of Jaworzno (“**TAURON Wytwarzanie**”), (ii) Current Report No. 16/2023 of February 28th 2023 announcing that the final terms of the settlement agreement between the Contractor, the Subsidiary and TAURON Wytwarzanie had not been agreed upon by February 28th 2023 and that the Contractor, the Subsidiary and TAURON Wytwarzanie were continuing negotiations and mediation before the Arbitration Court to agree on the final terms of the settlement agreement, (iii) Current Report No. 18/2023 of March 7th 2023 announcing that on March 7th 2023 the Contractor, the Subsidiary and TAURON Wytwarzanie executed Annex 1 to the Agreement (“**Annex 1**”) in the course of the mediation process before the Arbitration Court, and (iv) Current Report No. 21/2023 of March 20th 2023 announcing that on March 20th 2023 the Contractor, the Subsidiary and TAURON Wytwarzanie agreed on the key terms of the future settlement agreement, the Management Board of the Company hereby announces that on March 21st 2023 another annex to the Agreement, subsequent to Annex 1, was executed (“**Annex 2**”).

The key provisions of Annex 2 concern extension, with respect to the dates set forth in the Agreement as amended by Annex 1, of the following deadlines:

1. until April 28th 2023 – the deadline set by the Contractor for TAURON Polska Energia S.A. of Katowice (“**TAURON PE**”) to comply with the Company’s call for payment and submission of the relevant declaration, addressed to TAURON PE, on the issuance of which call the Company reported in its Current Report No. 3/2023 of January 13th 2023, with the reservation that the extension does not constitute a waiver of any claims;
2. until April 28th 2023 – the deadline set by the Contractor for TAURON Wytwarzanie to comply with the Company's call for payment and submission of the relevant declaration, addressed to TAURON Wytwarzanie, on the issuance of which call the Company reported in its Current Report No. 3/2023 of January 13th 2023, with the reservation that the extension does not constitute a waiver of any claims;
3. until April 24th 2023 –the deadline set by TAURON Wytwarzanie for the Contractor and the Subsidiary to comply with TAURON Wytwarzanie’s call for payment of liquidated damages and compensation, addressed to the Contractor and the Subsidiary, on the receipt of which call the Company reported in its Current Report No. 1/2023 of January 11th 2023 (the “**Call for Payment from TAURON Wytwarzanie**”) in

respect of the part of the sum covered by the Call for Payment from TAURON Wytwarzanie amounting to PLN 549,820,561.76 (five hundred and forty-nine million, eight hundred and twenty thousand, five hundred and sixty-one zloty, 76/100), with the reservation that the extension does not constitute a waiver of any claims, including TAURON Wytwarzanie's undertaking to refrain from enforcing any claims arising as a result of or in connection with the performance of Contract No. 2013/0928/Ri for the development of new coal-fired generation capacities at TAURON Wytwarzanie S.A. – construction of a 910 MW supercritical power generation unit at the Jaworzno III Power Plant – Power Plant II: steam boiler, turbine generator set, main building, electrical and I&C systems (the “**Contract**”) to the extent stated in the Call for Payment from TAURON Wytwarzanie, in respect of the amount of PLN 762,619,657.15 (seven hundred and sixty-two million, six hundred and nineteen thousand, six hundred and fifty-seven zloty, 15/100) until April 28th 2023, and in respect of the amount of PLN 549,820,561.76 (five hundred and forty-nine million, eight hundred and twenty thousand, five hundred and sixty-one zloty, 76/100) until April 24th 2023, and with the reservation that the declaration may not be interpreted as acknowledgement of any debt by the Contractor or the Subsidiary or as change of the existing position of the Contractor or the Subsidiary with respect to the Call for Payment from TAURON Wytwarzanie;

4. until April 28th 2023 – the effective term of the Contractor's, the Subsidiary's and TAURON Wytwarzanie's undertakings to refrain from raising any monetary or non-monetary claims against each other and towards financing institutions, including any demands/calls for payment and any non-monetary demands, and to refrain from filing any petitions, requests, notices or claims with any judicial or administrative authority, with the reservation that the extension does not constitute a waiver of any claims.

In addition, the Company's Management Board indicates that Annex 2 stipulates that:

1. the Contractor and TAURON Wytwarzanie confirm that, pursuant to its declaration of March 20th 2023, the Contractor extended until April 28th 2023 the deadline set for TAURON Wytwarzanie to comply with the Contractor's demand (within the meaning of Art. 649³.1 of the Polish Civil Code) to provide a payment guarantee (within the meaning of Art. 649¹.1 of the Polish Civil Code) for the remuneration due to the Contractor under the Contract, on which demand the Company reported in its Current Report No. 88/2022 of December 15th 2022;
2. based on what the Contractor and TAURON Wytwarzanie perceive as a realistic option, an amicable settlement may be reached, and the Contractor's and TAURON Wytwarzanie's dispute over termination of the Contract and all other outstanding issues between them may be resolved, by March 23rd 2023;
3. extension of the deadlines under the Annex does not in any way restrict TAURON Wytwarzanie from taking steps to use the performance bonds provided for in the Contract, including taking any corporate or other action to use them after April 24th 2023;
4. entry into force of Annex 2 is subject to the condition precedent that the Contractor delivers to TAURON Wytwarzanie, by March 23rd 2023, documents confirming extension of the validity term of the performance bonds for the Contract (their terms unchanged) at least until April 28th 2023.

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