

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

DATE: April 24th 2023

**Subject: Update on Jaworzno project – execution of an annex to settlement
agreement with TAURON Wytwarzanie Current Report No. 39/2023]****Text of the report:**

Further to Current Report No. 27/2023 of March 31st 2023, announcing that in the course of the mediation process held before the Arbitration Court at the Office of the General Counsel to the Republic of Poland between the Company, Mostostal Warszawa S.A. of Warsaw (“**Mostostal**”; the Company and Mostostal jointly: the “**Contractor**”), E003B7 Sp. z o.o. of Racibórz, which is the Company’s wholly-owned subsidiary (the “**Subsidiary**”), and TAURON Wytwarzanie S.A. of Jaworzno (“**TAURON Wytwarzanie**”), a settlement agreement was signed in connection with 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 “**Settlement Agreement**”, the “**Contract**”), and an amending annex to the Contract was executed, the Management Board of RAFAKO S.A. w restrukturyzacji (in restructuring) of Racibórz (the “**Company**”) announces that on April 24th 2023 the Contractor, the Subsidiary and TAURON Wytwarzanie signed Annex to No. 1 to the Settlement Agreement (the “**Annex**”).

The amendments made to the Settlement Agreement under the Annex consisted in changing the condition precedent to the Settlement Agreement coming into force which is referred to in Section 10 v. of the Company’s Current Report No. 27/2023 of March 31st 2023 and relates to the execution, by April 24th 2023, of an agreement between the Company, the Subsidiary and the guarantors who issued performance bonds for the Contract regarding mutual settlements between the Company, the Subsidiary and the guarantors, and acceptance of the Settlement Agreement by the guarantors. The condition was changed by removing the provision that the coming into force of the Settlement Agreement and the agreement with the guarantors is conditional on RAFAKO making a settlement with Ignitis Grupe AB or its subsidiaries with respect to these parties’ mutual claims in connection with the project and the dispute referred to in the Company’s Current Report No. 62/2022 of August 5th 2022 (the “**Ignitis Settlement**”).

As a result, the Ignitis Settlement is not a condition precedent to the coming into force of the Settlement Agreement and the agreement between the Company, the Subsidiary and the guarantors who issued performance bonds for the Contract, which is referred to in Section 10 v. of the Company’s Current Report No. 27/2023 of March 31st 2023.

No other amendments have been made to the Settlement Agreement under the Annex. The Annex and the amendment to the Settlement Agreement provided for therein became effective upon execution of the Annex.

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 BoardVERIFIED
ENVIRONMENTAL
MANAGEMENT
REG. NO. PL 2.24-001-5