

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

DATE: April 24th 2023

**Subject: Agreement signed with Korporacja Ubezpieczeń Kredytów Eksportowych S.A. to convert debt into Company shares [Current Report No. 40/2023]****Text of the report:**

The Management Board of RAFAKO S.A. w restrukturyzacji (in restructuring) of Racibórz (the "**Company**") announces that on April 24th 2023, the Company and Korporacja Ubezpieczeń Kredytów Eksportowych S.A. of Warsaw ("**KUKE**") entered into an agreement to convert KUKE's claims covered by the scheme of arrangement made in the course of the Company's restructuring proceedings, which was approved by a final decision of the District Court of Gliwice, 12th Commercial Division, issued on January 13th 2021 in case with court docket No. XII GRz 5/20, into shares in the Company's share capital (the "**Arrangement**" and the "**Agreement**").

The material provisions of the Agreement are as follows:

1. It has been agreed that KUKE's claims against the Company covered by the Arrangement and included in Group 2, which are to be converted into shares in the Company's share capital, are claims totalling PLN 33,690,644.64 (thirty-three million, six hundred and ninety thousand, six hundred and forty-four zloty, 64/100) ("**Debt Subject to Conversion**");
2. Subject to the conditions precedent referred to in Section 5 below, KUKE will have the right and obligation to subscribe for 21,056,652 (twenty-one million, fifty-six thousand, six hundred and fifty-two) shares out of the Company shares issued pursuant to Resolution No. 3 of the Company's Extraordinary General Meeting of April 17th 2023 (the "**Shares**");
3. It has been agreed that the conversion of Debt Subject to Conversion into Shares will be carried out as part of the Company's share capital increase, in accordance with Resolution No. 3 of the Company's Extraordinary General Meeting of April 17th 2023;
4. It has been agreed that the Shares will be subscribed for by KUKE in exchange for a contribution in kind in the form of Debt Subject to Conversion (at nominal value), at the issue price set forth in Resolution No. 3 of the Company's Extraordinary General Meeting of April 17th 2023;
5. KUKE's right and obligation to subscribe for the Shares will be subject to the following conditions precedent:
  - i. execution of an unconditional agreement to dispose of Company shares held directly and indirectly by PBG S.A. w restrukturyzacji w likwidacji (in restructuring in liquidation) of Wysogotowo ("**PBG**") in the performance of the conditional agreement for the sale of shares concluded between PBG, MS GALLEON GmbH of Vienna ("**MSG**") and the Company on March 24th 2022, which was announced by the Company in Current Report No. 17/2022 of March 24th 2022;
  - ii. withdrawal of the request to amend the Arrangement, which was announced by the Company in Current Report No. 11/2023 of February 10th 2023, and discontinuation of the procedure to amend the Arrangement, the opening of which the Company announced in Current Report No. 19/2023 of March 8th 2023, and performance by the Company of the Arrangement in accordance with its terms; and

- iii. the coming into force of the settlement agreement of March 31st 2023 made 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, E003B7 Sp. z o.o. of Racibórz, which is the Company's wholly-owned subsidiary (the "**Subsidiary**"), and TAURON Wytwarzanie S.A. of Jaworzno 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**"), and the 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 execution of which is a condition precedent to the Settlement Agreement coming into force, on such terms as will be acceptable to KUKI;
- iv. execution by the Company of a contract with Vilnius Kogeneracinė Jėgainė of Vilnius for the construction of a biomass-fired co-generation unit comprising fluidised bed boilers, biomass storage and feeding systems, and flue gas treatment system as part of construction of a new CHP plant in Vilnius, on such terms as will be acceptable to KUKI;
- v. recapitalisation of the Company by MSG with an amount not lower than the amount of the Company' negative equity by making a cash contribution towards an increase in the Company's share capital or by providing the Company with debt financing in the form of a subordinated loan;
- vi. performance by the Company of the obligations set forth in the Agreement.

**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