

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

DATE: April 25th 2023

Subject: [Update on Jaworzno project – execution of an agreement between the Company, the Subsidiary, the Guarantors and TAURON Wytwarzanie S.A. \[Current Report No. 41/2023\]](#)

VERIFIED  
ENVIRONMENTAL  
MANAGEMENT  
REG. NO. PL 2.24-001-5**Text of the report:**

Further to (i) 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, and (ii) Current Report No. 39/2023 of April 24th 2023 announcing that the Contractor, the Subsidiary and TAURON Wytwarzanie signed an annex to the Settlement Agreement, the Management Board of RAFAKO S.A. w restrukturyzacji (in restructuring) of Racibórz (the “**Company**”) announces that on April 24th 2023 the Company, the Subsidiary, TAURON Wytwarzanie and the guarantors who issued performance bonds for the Contract (the “**Guarantors**”) entered into an agreement on payment by the Guarantors to TAURON Wytwarzanie of the amount of PLN 240,000,000.00 (two hundred and forty million złoty, 00/100) referred to in the Settlement Agreement (the “**Agreement**”).

The Management Board would like to clarify that, as stated in Current Report No. 27/2023 of March 31st 2023, execution of the Agreement between the Company, the Subsidiary, TAURON Wytwarzanie and the Guarantors constituted – save for the provisions which, pursuant to the Settlement Agreement, come into force regardless of the Settlement Agreement coming into force – a condition precedent to the Settlement Agreement coming into force.

The material provisions of the Agreement are as follows:

1. confirmation by the Guarantors of the receipt from TAURON Wytwarzanie of a call for payment under performance bonds for the Contract of the amount of PLN 240,000,000.00 (two hundred and forty million złoty) referred to in the Settlement Agreement (the “**Call for Payment Amount**”);
2. confirmation by the Guarantors that the Call for Payment Amount will be paid by April 25th 2023;
3. TAURON Wytwarzanie’s representation that, subject to the Settlement Agreement coming into force, it will issue no further calls for payment under performance bonds for the Contract (in excess of the Call for Payment Amount);
4. TAURON Wytwarzanie’s representation that upon payment of the Call for Payment Amount it releases the Guarantors from further liability under the performance bonds for the Contract as of the effective date of the Settlement Agreement;

5. the Guarantors' statement that, subject to the Settlement Agreement coming into force, they will not seek reimbursement of the Call for Payment Amount from TAURON Wytwarzanie.

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