

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

DATE: April 25th 2023

Subject: **Recognition of provision [CR 46/2023]****Text of the report:**

The Management Board of RAFAKO S.A. of Racibórz (the “**Company**”) hereby announces that in connection with:

1. execution 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, a subsidiary wholly owned by the Company (the “**Subsidiary**”), and TAURON Wytwarzanie S.A. of Jaworzno (“**TAURON Wytwarzanie**”), of the settlement agreement with respect to 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**”), as well as the amending annex to the Contract, as announced by the Company in Current Report No. 27/2023 of March 31st 2023;
2. execution between the Company, the Subsidiary, TAURON Wytwarzanie, and the guarantors who had issued performance bonds for the Contract (the “**Guarantors**”) of the agreement referred to in the Company’s Current Report No. 41/2023 of April 25th 2023 (the “**Multilateral Agreement**”);
3. execution between the Company, the Subsidiary and the Guarantors of the agreement referred to in the Company’s Current Report No. 42/2023 of April 25th 2023;
4. payment on April 25th 2023 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, in accordance with the provisions of the Settlement Agreement and the Multilateral Agreement (the “**Call for Payment Amount**”), which payment was announced by the Company in Current Report No. 44/2023 of April 25th 2023;
5. entry into force on April 25th 2023 of the Settlement Agreement, as announced by the Company in Current Report No. 44/2023 of April 25th 2023;
6. assumption by the Company towards the Guarantors, under a surety provided for the Subsidiary’s liabilities, of responsibility to settle the Subsidiary’s liabilities arising from the Call for Payment Amount in case of the latter’s default;

on April 25th 2023, the Company’s Management Board resolved to recognise a provision of up to PLN 240,000,000.00 (two hundred and forty million złoty, 00/100) for the Company’s liabilities towards the Guarantors in case it is obliged to settle the Call for Payment Amount (the “**Provision**”).

The Company’s Management Board further explains that the Provision will affect its separate and consolidated net financial results in 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