

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

DATE: October 18th 2023

Subject: Management Board's decision to prepare bankruptcy petition [Current Report No. 103/2023].**Text of the report:**

The Management Board of RAFAKO S.A. (the "Company") of Racibórz announces that today it has passed a resolution to initiate the preparation of a bankruptcy petition in respect of the Company.

The resolution is not equivalent to the Management Board's decision to file for the Company's bankruptcy.

The resolution outlines a list of material circumstances that will guide the final decision of the Management Board on whether or not to file for the Company's bankruptcy. These are:

- 1) approval from the Company's key creditors holding claims covered by the arrangement executed by the Company for entry into agreements with the Company to extend the payment deadlines for outstanding arrangement instalments at least until November 30th 2023;
- 2) execution of an agreement between the Company and the Company's creditors who have issued a performance bond in favour of Tauron Wytwarzanie S.A. (the legal successor of Nowe Jaworzno Grupa Tauron sp. z o.o.) in connection with Contract No. 2013/0928/Ri entitled 'Development of new coal-fired generation capacities at TAURON Wytwarzanie S.A. – Construction of a supercritical 910 MW power generation unit at Jaworzno III Power Plant – Power Plant II: steam generator, turbine generator set, main building, electrical and I&C systems' (the "Jaworzno Performance Bond") to the extent necessary to enable the continued daily operations of the Company's subsidiary, E003B7 Sp. z o.o. w restrukturyzacji (in restructuring) and to support ongoing discussions between the Company and the creditors who have issued the Jaworzno Performance Bond, aimed at the conversion of their claims into shares in the Company's increased share capital;
- 3) confirmation of the feasibility of implementing a process that could restore the Company's equity to a positive value;
- 4) execution of an agreement between the Company and JSW KOKS S.A. regarding Contract No. 18/U/2019 of June 12th 2019 entitled "Improvement of energy efficiency at JSW KOKS S.A. – Construction of a coke gas power generation unit at JSW KOKS S.A. KKZ Branch - Radlin Coking Plant" on terms and conditions enabling the Company to continue the performance of the contract and supporting ongoing discussions aimed at agreeing on and execution of a final annex/settlement agreement for the parties' claims under the contract;
- 5) approval from the Company's creditors holding security interests in the Company's subsidiaries: (i) Przedsiębiorstwo Gospodarki Lokalami DOM sp. z o.o. of Racibórz, and (ii) Energotechnika Engineering sp. z o.o. of Gliwice, to release the shares in these companies from existing security arrangements, and to create new security interests in these companies in favour of PFR Fundusz Inwestycyjny Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych as security for a loan to be advanced to the Company in the performance of a commitment letter received by the Company from PFR Fundusz Inwestycyjny Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych on October 6th 2023;
- 6) receipt by the Company of a commitment letter for a guarantee to be issued under the PLN 50m insurance facility by Korporacja Ubezpieczeń Kredytów Eksportowych S.A.; and
- 7) receipt by the Company of declarations from its key shareholders indicating their willingness to vote in favour of resolutions to amend the resolutions passed by the Company's

General Meeting on April 14th 2023 and July 26th 2023 concerning an increase in the Company's share capital and a conditional increase in the Company's share capital, by removing all provisions that make the effectiveness of these resolutions contingent on additional actions, including the adoption of additional resolutions by the Company's General Meeting.

The Company's Management Board has emphasised that the circumstances described above significantly impact the Company's ability to continue as a going concern. The Management Board believes that if the aforementioned circumstances do not materialise or if the Company is unable to secure favourable terms and conditions related to these circumstances, there is an elevated risk of failure in the Company's investor process and its broader efforts to enhance the Company's equity position.

The Management Board will decide whether to submit a bankruptcy petition in respect of the Company based on a subsequent analysis to be conducted by the Company's Management Board during its ongoing efforts to facilitate the realisation of the aforementioned circumstances.

Legal basis:

Article 17(1) of the Market Abuse Regulation – inside information.

Dawid Jaworski – President of the Management Board

Michał Sikorski – Member of the Supervisory Board delegated to temporarily perform the duties of a Member of the Management Board.