



GRUPA PBG

(RAFAKO spółka akcyjna with its registered office at ul. Łąkowa 33, Racibórz, Poland, entered in the Register of Businesses of the National Court Register under No. 0000034143)

CURRENT REPORT FILED WITH THE POLISH FINANCIAL SUPERVISION AUTHORITY

DATE: November 3rd 2017

Subject: Execution of share placement agreement

Contents:

Current Report No. 44/2017

The Management Board of RAFAKO S.A. (the “**Company**”) announces that on November 3rd 2017, in connection with the public offering of up to 42,500,000 new Series K ordinary shares with a par value of PLN 2 per share (the “**Offer Shares**” or “**Series K Shares**”) with the pre-emptive rights of existing shareholders retained, and in connection with the seeking of admission of 84,931,998 pre-emptive rights, up to 42,500,000 allotment certificates for Series K shares, and up to 42,500,000 Offer Shares to trading and their listing on the main market of the Warsaw Stock Exchange (the “**Offering**”), the Company has executed a share placement agreement (the “**Agreement**”) with Powszechna Kasa Oszczędności Bank Polskim Spółka Akcyjna Oddział - Dom Maklerski PKO Banku Polskiego w Warszawie of Warsaw and Trigon Dom Maklerski S.A. of Kraków (the “**Joint Offering Brokers**”).

Under the Agreement, the Joint Offering Brokers undertake severally to provide to the Company financial services necessary to organize and carry out the Offering and place the Series K Shares with investors by taking actions customarily performed by investment firms as part of share offerings similar to the Offering, subject to the Agreement and on the terms specified in the Prospectus, such services to be provided with due professional care and diligence required of investment firms operating on capital markets.

The Agreement contains customary conditions precedent and subsequent as well as termination events, including events of force majeure, and provisions concerning truthfulness, correctness and completeness of the representations and warranties made by the Company in the Agreement. If any of the customary conditions referred to above is not fulfilled (in the case of conditions precedent) or does not occur (in the case of conditions subsequent), the parties are exempt from their respective obligations under the Agreement, subject to certain reservations. The Joint Offering Brokers may also terminate the Agreement in the cases provided for therein, particularly if a representation or warranty made by the Company is found to be a false statement of fact or law or if the situation on the financial markets changes significantly, adversely affecting the Offering. The Agreement does not oblige the Joint Offering Brokers, acting jointly or severally, to purchase or sell any financial instruments nor is it a guarantee of successful preparation or execution of any

introduction of financial instruments to organised trading, execution of the Offering or placement of any part of other financial instruments.

The Agreement also includes representations and warranties concerning the Company, its Group and their operations, typically made by issuers of securities in agreements of such type, entered into for the purposes of transactions similar to the Offering. The Agreement contains a share lock-up clause customarily applied in equity offerings similar to the Offering. In particular, the Company has agreed that within 360 days from the first listing of the rights to Series K Shares it shall not, without the Joint Offering Brokers' prior written consent: (a) directly or indirectly offer, issue, purchase, pledge, sell, enter into agreements for the sale of or in any other way dispose of, grant options for, enter into agreements for purchase of options for, purchase options for, enter into agreements for the sale or grant of options for, rights or warrants for the purchase, disposal or sale of Company shares, or securities convertible into Company shares or incorporating other rights to purchase Company shares, nor shall it, with respect to the above, apply for the approval of an issue prospectus or another offering document under the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies; (b) enter into swap transactions or other agreements under which financial consequences of the ownership of Company shares are transferred, in full or in part, directly or indirectly, to another entity, irrespective of whether such swap or transaction described in item (a) above or this item (b) is to be settled through the delivery of Company shares or other securities referred to above, in cash or otherwise; (c) publicly announce any intention which would result in any of the transactions indicated in (a) or (b) above.

In the Agreement, the Company has agreed to indemnify the Joint Offering Brokers and other specified persons against any liability or obligation to pay certain claims, liabilities or expenses that may be raised or claimed against or incurred by the Joint Offering Brokers or such other persons in connection with the Offering.

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This material does not constitute an offer or invitation to subscribe for or purchase any securities issued by RAFAKO S.A. (the "**Company**"). Upon approval by the Polish Financial Supervision Authority, the issue prospectus, prepared in connection with the public offering of Company shares in Poland (the "**Offering**") (the "**Prospectus**"), will be, together with any published supplements and update notices concerning the Prospectus, the only legally binding document containing information on the Company and the public offering of its shares in Poland. The Prospectus has been published and is available on the Company's website (www.rafako.com.pl) and also, for information purposes, on the websites of Powszechna Kasa Oszczędności Bank Polski S.A. Oddział – Dom Maklerski PKO Banku Polskiego w Warszawie (www.dm.pkobp.pl) and Trigon Dom Maklerski S.A. (www.trigon.pl).

This material does not represent advice recommending or suggesting an investment strategy, including an investment recommendation, within the meaning of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market

abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

This material does not constitute an offer to sell or an invitation to subscribe for or purchase any Company securities in the territory of the United States. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**US Securities Act**”), and they may not be offered or sold in the United States unless they are registered under the US Securities Act or exempted from the registration requirements of the US Securities Act. There will be no public offering of the securities in the United States.

The Company, its subsidiaries and other related entities are not liable for any loss or damage arising from the use of this material, any part hereof or any information contained herein, or for any loss or damage arising otherwise in connection with this material.

Legal basis:

Art. 17.1 of the Market Abuse Regulation – inside information.

Agnieszka Wasilewska-Semail, President of the Management Board

Jarosław Dusiło, Vice President of the Management Board