



GRUPA PBG

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

DATE: July 24th 2018

Subject: Execution of contract for construction of flue gas desulfurization unit II at Ostrołęka Power Plant B.

Contents:

Current Report No. 28/2018

Further to Current Report No. 27/2018 of July 18th 2018, the Management Board of RAFAKO S.A. (the “**Company**”) announces that the Consortium of the Company (as the Consortium Leader) and ENERGA Serwis Sp. z o.o. of Ostrołęka (as the Consortium Member) has signed with ENERGA Elektrownie Ostrołęka S.A. of Ostrołęka (the “**Employer**”) a contract for the construction of flue gas desulfurization unit II at the Ostrołęka Power Plant B (the “**Contract**”).

The total value of the Contract is PLN 199,250,000, VAT exclusive (PLN 245,077,500, VAT inclusive), of which PLN 126,250,000 (VAT exclusive), or approximately 63.3% of the Contract's value, is the Company's consideration.

The Contract completion deadline is June 30th 2020.

The aggregate value of contractual penalties for any breach under the Contract is limited to 25% of the Contract's value inclusive of VAT. The Employer has the right to seek additional compensation on general terms in excess of the amount of contractual penalties provided for in the Contract. Liability for non-performance or improper performance of the Contract may not exceed 100% of the Contract's value inclusive of VAT.

The other terms and conditions of the Contract do not differ from the terms and conditions commonly applied in contracts of this kind.

Legal basis: Art. 17.1 of the Market Abuse Regulation – inside information.

Agnieszka Wasilewska-Semail, President of the Management Board

Jarosław Duśiło, Vice President of the Management Board