



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

CURRENT REPORT FILED WITH THE POLISH FINANCIAL SUPERVISION AUTHORITY

DATE: March 17th 2018

Subject: [RAFAKO Group's preliminary, estimated and unaudited consolidated financial data for 2017](#)

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Current Report No. 13/2018

The Management Board of RAFAKO S.A. of Racibórz, entered in the business register of the National Court Register under No. 0000034143, (the "**Company**") announces that following the completion, on March 16th 2018, of financial data aggregation and review for the purposes of the 2017 financial statements, it has decided to publish preliminary financial data as the data differs from the performance figures reported for corresponding periods.

Preliminary consolidated financial data of the Rafako Group:

- sales revenue for 2017: PLN 1,782.6m (down by PLN 92.7m on 2016),
- gross profit for 2017: PLN 150m (up by PLN 25.7m on 2016),
- operating profit for 2017: PLN 46.4m (up by PLN 21.7m on 2016),
- net profit from continuing operations for 2017: PLN 3.2m (down by PLN 7.7m on 2016).

Preliminary separate financial data of the Company:

- sales revenue for 2017: PLN 616.6m (down by PLN 121.6m on 2016),
- gross profit for 2017: PLN 44m (up by PLN 25.5m on 2016),
- operating loss for 2017: PLN 39.8m, relative to operating loss of PLN 62.9m in 2016,
- net loss from continuing operations for 2017: PLN 66.0m (down by PLN 3.8m on 2016).

In the Management Board's opinion, the lower consolidated net profit and separate net profit earned in 2017 are a consequence of the following material factors directly relating to the Company's business:

- a) the Management Board's decision to adjust the valuation of long-term contracts as at December 31st 2017 following a periodic analysis of costs incurred to perform the contracts and a revision of assumptions regarding future revenue and costs relating to the contracts, including those which had a negative impact on the net profit, such as in particular recognition of a PLN 10m loss incurred in connection with replacement of some equipment under a contract to construct a fluidised bed boiler

and due to the recognition of an additional provision for an expected loss of PLN 9.2m under a contract to construct a flue gas denitrification unit, which may be incurred if a proceed order for the project is issued,

- b) recognition of provisions related to the Company's organisational restructuring, whose new phase began on June 21st 2017 (see Current Report No. 17/2017). The final amount of liabilities arising in connection with the reorganisation of the Company will approximate PLN 8.4m and is fully accounted for in the Company's 2017 results, allowing the Company to achieve the originally planned cost savings,
- c) Recovery of the deferred tax asset of PLN 17.2m (deferred tax asset which did not result in cash outflow in the period under review).

The selected consolidated and separate financial data presented above is preliminary and may differ from the final data which will be published in the 2017 full-year report, to be released on April 5th 2018. The financial data is subject to audit by an independent auditor.

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