

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

DATE: September 17th 2019

Subject: [Commencement of negotiations to amend contract for the Jaworzno project with Nowe Jaworzno Grupa Tauron sp. z o.o. \[Current Report No. 29/2019\].](#)

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Current Report No. 29/2019

The Management Board of RAFAKO S.A. of Racibórz ("**Company**") announces that on September 17th 2019 the Company and its subsidiary E003B7 spółka z ograniczoną odpowiedzialnością of Racibórz ("**SPV**") entered into negotiations with Nowe Jaworzno Grupa TAURON spółka z ograniczoną odpowiedzialnością of Jaworzno ("**Employer**") to amend a contract of April 17th 2014 for the construction of a supercritical 910 MW generating unit at the Jaworzno III Power Plant – Power Plant II: Steam boiler, turbine generator set, main building, electrical and I&C systems ("**Contract**"), which was announced by the Company in Current Report No. 21/2014 of April 17th 2014.

The main purpose of the negotiations is to make certain changes to the Unit's Guaranteed Technical Parameters, to improve the parameters of emissions of certain harmful substances, as well as to the parameters of the permitted fuel for combustion in the Unit. The Company would like to note that, if given, the Employer's consent to extending the scope of work could affect the overall Unit construction schedule and the price of the Contract.

During performance of the Contract, the Company has identified opportunities to ensure that, upon completion of certain optimisation work, tests and analyses, the Unit would comply with the requirements relating to permitted emission levels of selected harmful substances, as set out in the Best Available Techniques Conclusions ("**BAT Conclusions**"), as well as opportunities to extend the range of fuels for combustion in the Unit that would enable the Employer to burn fuels with parameters different from those specified in the Contract while meeting the environmental protection standards defined in the BAT Conclusions. The purpose of making the above changes to the Unit's technical specifications is to reduce emissions of certain harmful substances to the environment, which would be beneficial to the Employer and its stakeholders. In addition, broadening the range of permitted fuels would provide the Employer with new opportunities to purchase fuel on the market, thus reducing the risks related to possible shortages in the supply of coal, which is the fuel specified in the Contract. This would open new commercial opportunities to contract fuel supplies for the Employer.

The Company would like to further note that some of the optimisation measures designed to enable the Unit to meet the new/amended Group B Guaranteed Technical Parameters during Warranty Measurements, can only be implemented after the Unit has been placed in commercial operation and when it is running, and they would require significant engagement of the contractor's and its subcontractors' personnel.

Progress in the negotiations will be announced by the Company in a separate Current Report.

Legal basis: Article 17(1) of the Market Abuse Regulation – Inside information

Helena Fic – Acting President of the Management Board
Agnieszka Wasilewska-Semail – Vice President of the Management Board