

CURRENT REPORT FILED WITH THE POLISH FINANCIAL SUPERVISION AUTHORITY

DATE: October 17th 2019

Subject: [Update on negotiations to amend contract for the Jaworzno project with Nowe Jaworzno Grupa Tauron sp. z o.o. \[Current Report No. 32/2019\].](#)

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Current Report No. 32/2019

Further to Current Report No. 29/2019 of September 17th 2019, RAFAKO S.A. of Racibórz (“**RAFAKO**”, the “**Company**”) announces that on October 17th 2019 the Company, acting through its subsidiary E003B7 spółka z ograniczoną odpowiedzialnością of Racibórz (“**SPV**”), and Nowe Jaworzno Grupa TAURON spółka z ograniczoną odpowiedzialnością of Jaworzno (“**Employer**”) closed negotiations of key amendments to 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.

In the course of the negotiations, the parties agreed that certain additional tasks will be performed under the Contract. These include delivery of an additional layer of catalyst and an additive dispensing system for the flue gas desulfurization unit to reduce mercury emissions as well as extension of the fuel mix to enable combustion of a wider range of coal types.

After the generating unit is placed in service, the consortium will carry out optimisation tasks to check whether the unit meets the changed technical parameters.

The implementation of these changes will have a positive effect on the technical and environmental parameters of the unit and will help to optimise its costs during operation. The expanded scope of work will reduce emissions of noxious substances from the unit, and the extended fuel mix will allow the TAURON Group to achieve greater flexibility in coal procurement.

The parties agreed that an annex to the Contract will need to be signed regarding in particular its price and construction schedule. During the negotiations, the parties agreed that the VAT-exclusive price specified in the Contract will be increased by PLN 52,308,355.89 and that the placement-in-service report in respect of the unit must be signed within 69 months and 15 days from the date of the Contract, but not later than on January 31st 2020. All amendments to the Contract covered by the negotiations require corporate approvals and may require approval from certain other parties. The Company will issue a separate current report to announce the execution of an annex to the Contract reflecting the changes set out above.

Legal basis: Art. 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