

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

DATE: December 20th 2019

Subject: Notification from National Centre for Research and Development of RAFAKO's qualifying for Phase III of '200+ units – innovative technology to change operational regime of 200 MWe power generating units' Project [Current Report No. 40/2019]

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Current Report No. 40/2019

The Management Board of RAFAKO S.A. (the "Company") announces that on December 20th 2019 it was notified by the National Centre for Research and Development in Warsaw (NCBiR) that the Company had qualified for Phase III of the '200+ units – innovative technology to change the operational regime of 200 MWe power generating units' Project ('200+ Units Programme'), the purpose of which is to develop an innovative low-cost technology to significantly change the operation of 200 MWe power generating units.

The project is being implemented under an Agreement with NCBiR concerning its execution and financing under the 200+ Units Programme. In Phase III of the project, the method developed in Phases I and II will be implemented on a reference unit made available by Tauron Wytwarzanie S.A.

The total amount granted by NCBiR to finance the work performed under Phase III is PLN 86,552,458.60, inclusive of VAT.

The launch of Phase III was conditional upon RAFAKO S.A.'s provision of a promissory note to serve as a performance bond in respect of the Agreement with NCBiR for an amount equal to the amount of the grant, as well as the submission of documents confirming its right to use the reference generating unit for the work to be performed in Phase III.

As the Company has fulfilled the conditions for launching Phase III, it was included in the final list of entities qualified for Phase III, signed by the Head of NCBiR.

The 200+ Units Programme is expected to be completed on March 31st 2021.

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

Paweł Jarczewski – President of the Management Board

Agnieszka Wasilewska-Semail – Vice President of the Management Board