# CURRENT REPORT FILED WITH THE POLISH FINANCIAL SUPERVISION AUTHORITY

**DATE: February 12th 2019**

**Subject:** Agreement with Bank Gospodarstwa Krajowego in connection with 2x50 MW Lombok project (Current Report No. 2/2019)

**Contents:**

Current Report No. 2/2019

Further to:

1) Current Report No. 66/2017 of December 29th 2017 announcing the conclusion of a conditional contract for construction of two steam units (2x50 MW) on Lombok Island (Indonesia) (the "**Contract**") between the consortium comprising RAFAKO S.A. of Racibórz (the "**Company**") and PT. Rekayasa Industri as the Consortium Leader (the "**Consortium**") on the one hand and PT Perusahaan Listrik Negara (Persero) ("**PT PLN**") on the other,
2) Current Report No. 10/2018 of February 21st 2018 announcing the execution by Bank Gospodarstwa Krajowego and PT PLN of a credit facility agreement whereby Bank Gospodarstwa Krajowego granted to PT PLN financing for the Lombok project (the "**Credit Facility Agreement**"),

the Management Board of the Company announces that on February 12th 2019 the Company and Bank Gospodarstwa Krajowego signed the Direct Agreement in relation to the Export Contract, which defines the consequences of the Company's failure to meet the requirement to maintain an at least 40% share of components sourced in Poland (the "**Polish share**") in net revenue from the Contract (the "**Direct Agreement**"). The Direct Agreement was signed with respect to the Credit Facility Agreement executed by Bank Gospodarstwa Krajowego and PT PLN and insured with Korporacja Ubezpieczeń Kredytów Eksportowych S.A. ("**KUKE**"). An export credit facility guaranteed by the State Treasury through KUKE has to meet the Polish share requirement.

The Direct Agreement imposes the obligation to pay a contractual penalty if the Company fails to meet the requirement of the Polish share in net revenue from the Contract, and sets the maximum amount of the contractual penalty which may be imposed on the Company at EUR 80,816,250.00. The potential penalty amount is

reduced as PT PLN repays the facility and as KUKE makes earlier insurance payments (if any).
If the Polish share requirement is not met (which is in the Company's sole discretion), the insurance policy with KUKE expires and the penalty then serves as collateral for Bank Gospodarstwa Krajowego. The Company has been performing the Contract as it is obliged to towards Bank Gospodarstwa Krajowego and KUKE, and thus it does not expect a necessity to pay the contractual penalty.

The terms and conditions of the Direct Agreement 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, Vice President of the Management Board
Jarosław Dusiło, Vice President of the Management Board