

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

DATE: February 20th 2020

Subject: [Preliminary estimates of separate results as at December 31st 2019 made in the course of work on periodic report \[Current Report No. 9/2020\]](#)

Contents:

The Management Board of RAFAKO S.A. of Racibórz (the “**Company**”) announces that following the completion, on February 20th 2020, of financial data aggregation and review for the purposes of the 2019 financial statements, it has decided to publish separate financial estimates as they differ from the performance figures reported for previous years.

The Company’s preliminary separate financial data was estimated as follows:

- revenue for 2019 was PLN 958,103 thousand (up PLN 314,790 thousand on 2018),
- gross loss for 2019 was PLN 101,409 thousand (versus profit of PLN 61,897 thousand in 2018),
- operating loss for 2019 was PLN 205,537 thousand (versus profit of PLN 3,703 thousand in 2018),
- net loss from continuing operations for 2019 was PLN 217,207 thousand (versus profit of PLN 4,302 thousand in 2018).

In the Management Board’s opinion, the lower separate net profit earned in 2019 was a consequence of the following material factors directly relating to the Company’s business:

- a) decision to adjust the valuation of long-term contracts as a result of periodic analysis of costs incurred in connection with their performance and verification of assumptions concerning future revenue and expenses relating to those contracts, including those with a negative impact on the result, i.e. recognition of losses of approximately PLN 120,000 thousand (one hundred and twenty million złoty), in particular in connection with the performance of contracts in Koźienice (Delivery and installation of a catalytic flue gas NO_x reduction system for AP-1650 boilers 9 and 10 and upgrade of electrostatic precipitators) and Vilnius, Lithuania (Construction of a biofuel-fired CHP plant unit),
- b) decision to recognise impairment losses on bonds and other receivables from PBG S.A. w restrukturyzacji (in restructuring), following a decision issued by the District Court for Poznań-Stare Miasto of Poznań, 11th Commercial Insolvency and Restructuring Division, on February 12th 2020 to open recovery proceedings against the company.

The amounts presented above are estimates and may be subject to change. In the event of material changes to the published estimates, the Company will announce them in a separate current report.

The Company's separate financial statements will be reviewed by an independent auditor in the course of audit of financial statements for 2019.

Legal basis: Article 17 of MAR – Inside information

Paweł Jarczewski – President of the Management Board

Agnieszka Wasilewska-Semail – Vice President of the Management Board