

CURRENT REPORT
FILED WITH THE POLISH FINANCIAL SUPERVISION AUTHORITY
DATE: April 28th 2020

Subject: **Preliminary estimates of separate results as at December 31st 2019 made in the course of work on periodic report [Current Report No. 14/2020]**

Contents:

The Management Board of RAFAKO S.A. of Racibórz (the “Company”) announces that following the completion, on April 28th 20th 2020, of financial data aggregation and review for the purposes of the 2019 financial statements, it has decided to publish preliminary separate financial results as they differ from the figures reported for previous years.

Preliminary separate financial data of the Company:

- revenue for 2019: PLN 949,995 thousand (up PLN 306,682 thousand on 2018),
- gross loss for 2019: PLN 112,562 thousand (versus profit of PLN 61,897 thousand in 2018),
- operating loss for 2019: PLN 240,295 thousand (versus profit of PLN 3,703 thousand in 2018),
- net loss from continuing operations for 2019: PLN 257,956 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) the Management Board’s decision to adjust the valuation of long-term contracts as a result of a periodic analysis of costs incurred in connection with their performance and a review of assumptions relating to future revenue and expenses under those contracts, including those with a negative effect on the result, i.e. recognition of a loss of approximately PLN 142m in connection with the performance of contracts;
- b) the Management Board’s 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 any 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 the audit of the financial statements for 2019.

Legal basis: Article 17 of MAR – Inside information

Agnieszka Wasilewska-Semail, Vice President of the Management Board
Jacek Drozd, Vice President of the Management Board