

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

DATE: September 24th 2020

Subject: Recognition of provisions and impairment losses [Current Report No. 50/2020]

Contents:

Further to Current Report No. 43/2020 of August 28th 2020 announcing the estimated financial and operational highlights of RAFAKO S.A. w restrukturyzacji (in restructuring) of Racibórz (the “**Company**”) for the first half of 2020 (January 1st to June 30th 2020), the Management Board of the Company hereby announces that on September 24th 2020 it decided, acting in line with the principle of prudent valuation, to recognise provisions for identified risks to contract performance and impairment losses on assets, for a total amount of PLN 166.54m.

The largest of the provisions, amounting to PLN 95.86m, was recognised in connection with the risk of incurring additional costs of works carried out under the project to construct a new CHP plant in Vilnius, Lithuania (the Vilnius Project).

The provisions and impairment losses will have a negative impact on the Company’s financial performance in the first half of 2020.

Legal basis:

Art. 17.1 of the Market Abuse Regulation – inside information.

Mariusz Zawisza, President of the Management Board
Ewa Porzucek, Vice President of the Management Board