

## CURRENT REPORT FILED WITH THE POLISH FINANCIAL SUPERVISION AUTHORITY

DATE: November 10th 2020

Subject: [Adoption by RAFAKO S.A. w restrukturyzacji \(in restructuring\) of arrangement proposals in restructuring process \[Current Report No. 58/2020\]](#)

### Contents:

Further to Current Report No. 44/2020 of September 2nd 2020 announcing that a procedure to approve the arrangement had been opened and an application had been submitted to *Monitor Sądowy i Gospodarczy* in order to announce the opening of the procedure to approve the arrangement made under the Restructuring Law of May 15th 2015 (the “Restructuring Law”), as amended by the Act of June 19th 2020 on subsidies for interest payments on bank loans granted to entrepreneurs affected by the COVID-19 situation and on simplified procedure to approve arrangements due to COVID-19, the Management Board of RAFAKO S.A w restrukturyzacji (in restructuring) (the “Company”) hereby announces that in the course of the simplified restructuring procedure it has approved a set of arrangement proposals to creditors whose claims are covered by the arrangement. The adopted arrangement proposals are as follows:

### Group 1: creditors holding principal claims of no more than PLN 10,000 (ten thousand złoty), not classified into other groups:

1. repayment of 100% of a principal claim, on a one-off basis, by the last business day of the month following the month in which the decision sanctioning the arrangement was declared final;
2. full cancellation of interest accrued on the principal claim until and after the date preceding the Debtor’s arrangement date, as well as full cancellation of any other incidentals, including enforcement costs, incurred until the date preceding the Debtor’s arrangement date.

### Group 2: creditors holding principal claims of more than PLN 10,000 (ten thousand złoty), not classified into other groups:

1. repayment of 60% of a principal claim, payable in 20 equal instalments at three-monthly intervals, by the last business day of the calendar month falling at the end of each three-month period, with the first repayment instalment due in the first full calendar month following the twelve-month period after the date on which the decision sanctioning the arrangement was declared final;
2. conversion of 20% of the principal claim into newly issued Debtor shares, in accordance with Art. 156.1.4, Art. 169.3 and Art. 169.4 of the Restructuring Law, on the following terms:
  - 1) the Debtor’s share capital will be increased by no less than PLN 2.00 (two złoty) and no more than PLN 100,000,000.00 (one hundred million złoty), i.e. from PLN 254,863,996.00 to no less than PLN 254,863,998.00 and no more than PLN 354,863,996.00, through the issue of no fewer than one (1) and no more than



- 50,000,000 (fifty million) Series L ordinary bearer shares with a par value of PLN 2.00 per share (the “**Series L Shares**”);
- 2) the rights of pre-emption and first refusal with respect to the Series L Shares will be disappplied in full;
  - 3) the Series L Shares will be ordinary bearer shares;
  - 4) the issue price per Series L Share will be PLN 2.00 (two zloty);
  - 5) for each PLN 2.00 of the principal claim, the creditor will acquire one new Series L Share in the Debtor’s increased share capital with a par value of PLN 2.00;
  - 6) if the claim amount needs to be rounded off in order to correlate it with the corresponding multiple of the par value per share, the amount will be rounded downwards to the nearest multiple of the par value per share, while any resulting difference between the claim amount and the value of shares will be cancelled;
  - 7) the Series L Shares will carry the right to dividend as from January 1st of the calendar year following the year in which the decision to enter the share capital increase in the Business Register of the National Court Register becomes final;
  - 8) the Series L Shares and resulting allotment certificates for Series L Shares will exist as dematerialised securities, to be converted into book-entry form within the meaning of the Polish Act on Trading in Financial Instruments of July 29th 2005. The Debtor’s Management Board will be authorised to enter into an agreement with Krajowy Depozyt Papierów Wartościowych S.A. of Warsaw as the Central Securities Depository of Poland (the “**CSDP**”) on registration of the Series L Shares and allotment certificates for Series L Shares in the securities depository maintained by the CSDP with a view to their conversion into book-entry form;
  - 9) the Series L Shares and allotment certificates for Series L Shares will sought to be admitted and introduced to trading on the regulated market operated by the Warsaw Stock Exchange (the “**WSE**”), upon fulfilment of the relevant criteria and conditions, as set down in the applicable laws and WSE regulations, for admission of the Debtor shares to trading on the regulated market. The Debtor’s Management Board will be authorised to submit the relevant applications, as required by the WSE regulations, for admission and introduction of the Series L Shares and allotment certificates for Series L Shares to trading on the regulated market, as referred to above;
3. cancellation of the balance of the principal claim;
  4. full cancellation of interest accrued on the principal claim until and after the date preceding the Debtor’s arrangement date, as well as full cancellation of any other incidentals, including enforcement costs, incurred until the date preceding the Debtor’s arrangement date.

**Group 3: creditors holding (monetary) claims on account of damages for improper performance of any non-monetary obligations, creditors holding claims on account of liquidated damages, as well as creditors holding tort claims:**

1. repayment of 5% of a principal claim, payable in 20 equal instalments at three-monthly intervals, by the last business day of the calendar month falling at the end of each three-month period, with the first repayment instalment due in the first full calendar month following the twelve-month period after the date on which the decision sanctioning the arrangement was declared final;
2. cancellation of the balance of the principal claim;
3. full cancellation of interest accrued on the principal claim until and after the date preceding the Debtor’s arrangement date, as well as full cancellation of any other incidentals, including enforcement costs, incurred until the date preceding the Debtor’s arrangement date.

**Group 4: Social Insurance Institution (ZUS) in respect of claims under social security contributions to be funded by the Debtor as an employer, contributions to the Labour Fund, the Guaranteed Employee Benefit Fund, and the Bridge Pension Fund, the Debtor's own social security and health insurance contributions and other amounts owed by the Debtor to the Social Insurance Institution, as well as other public creditors (including foreign entities) in respect of contributions, taxes and other public levies:**

1. repayment of 100% of a claim, i.e. both the principal amount and incidentals, including interest (accrued until and after the Debtor's arrangement date) and enforcement costs;
2. repayment divided into 24 equal instalments, payable at two-monthly intervals, by the last business day of the calendar month falling at the end of each two-month period, with the first instalment payable in the first full calendar month following the nine-month period after the date on which the decision sanctioning the arrangement was declared final.

**Group 5: creditors holding claims secured over the Debtor's assets by a mortgage, pledge, registered pledge, treasury pledge, marine mortgage or assignment by way of security of goods, receivables or other rights:**

1. repayment of 100% of a claim, i.e. both the principal amount and incidentals, including interest (accrued until and after the Debtor's arrangement date) and enforcement costs, including those provided for under the relevant agreement creating the security interest;
2. repayment divided into eight annual instalments, where:
  - a) the first instalment, equal to 3% of the claim, will be payable by the last business day of 2021,
  - b) the second instalment, equal to 8% of the claim, will be payable by the last business day of 2022,
  - c) the third instalment, equal to 8% of the claim, will be payable by the last business day of 2023,
  - d) the fourth instalment, equal to 8% of the claim, will be payable by the last business day of 2024,
  - e) the fifth instalment, equal to 8% of the claim, will be payable by the last business day of 2025,
  - f) the sixth instalment, equal to 8% of the claim, will be payable by the last business day of 2026,
  - g) the seventh instalment, equal to 25% of the claim, will be payable by the last business day of 2027,
  - h) the eighth instalment, equal to 32% of the claim, will be payable by the last business day of 2028.

**Group 6: creditors holding solely interest claims which, due to the satisfaction and discharge of the principal liability prior to the arrangement date, have been converted into principal claims:**

1. repayment of 7% of a principal claim, payable in 20 equal instalments at three-monthly intervals, by the last business day of the calendar month falling at the end of each three-month period, with the first repayment instalment due in the first full calendar month following the twelve-month period after the date on which the decision sanctioning the arrangement was declared final;
2. cancellation of the balance of the principal claim;

3. full cancellation of interest accrued on the principal claim until and after the date preceding the Debtor's arrangement date, as well as full cancellation of any other incidentals, including enforcement costs, incurred until the date preceding the Debtor's arrangement date.

**Group 7: creditors having close relations with the Debtor, within the meaning of Art. 116 of the Restructuring Law:**

1. repayment of 6% of a principal claim, payable in 20 equal instalments at three-monthly intervals, by the last business day of the calendar month falling at the end of each three-month period, with the first repayment instalment due in the first full calendar month following the twelve-month period after the date on which the decision sanctioning the arrangement was declared final;
2. cancellation of the balance of the principal claim;
3. full cancellation of interest accrued on the principal claim until and after the date preceding the Debtor's arrangement date, as well as full cancellation of any other incidentals, including enforcement costs, incurred until the date preceding the Debtor's arrangement date.

Legal basis:

Article 17(1) of the Market Abuse Regulation – inside information

Mariusz Zawisza, President of the Management Board

Ewa Porzucek, Vice President of the Management Board