

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

DATE: August 5th 2020

Subject: **Execution of preliminary agreement to sell RAFAKO EBUS shares and preliminary agreement to sell organised part of business [Current Report No. 37/2020]**

Contents:

Current Report No. 37/2020

Further to Current Report No. 2/2020 of January 16th 2020, Current Report No. 30/2020 of June 30th 2020 and Current Report No. 34/2020 of July 31st 2020, the Management Board of RAFAKO S.A. of Racibórz (the “**Company**”) announces that today the Company has executed:

- 1) with Agencja Rozwoju Przemysłu Spółka Akcyjna of Warsaw (“**ARP**”) a preliminary agreement to sell all shares in RAFAKO EBUS spółka z ograniczoną odpowiedzialnością of Racibórz (“**EBUS**”), a subsidiary of the Company, (the “**Preliminary Share Sale Agreement**”), whereby the parties have agreed to enter into an agreement to sell all shares in EBUS in consideration of payment of the selling price of PLN 15,000.00;
- 2) with EBUS, with the involvement of ARP, a preliminary agreement to sell an organised part of business operating as the Company’s branch under the name Rafako Spółka Akcyjna Oddział w Solcu Kujawskim (the “**Organised Part of Business**”) (the “**Preliminary Agreement to Sell the Organised Part of Business**”), whereby the have parties agreed to enter into an agreement to sell the Organised Part of Business in consideration of payment of the selling price of PLN 30,985,000.00.

Under the Preliminary Share Sale Agreement, the Company and ARP have agreed to enter into a conditional agreement to sell all shares in EBUS, subject to fulfilment of the relevant conditions precedent, including: (1) obtaining positive results of the tests of the technological solutions comprising the Organised Part of Business, (2) the Company and ARP obtaining the required corporate approvals, (3) the Company obtaining relevant financing institutions’ consent to sell the EBUS shares and the organised part of business as well as to lift relevant encumbrances, (4) obtaining consent of the Company’s key trading partners to transfer any contractual rights and obligations relating to the Organised Part of Business, (5) execution by the Company and EBUS, with the involvement of ARP, of the final agreement to sell the Organised Part of Business.

The conditional final agreement to sell the EBUS shares will be concluded by September 10th 2020, provided that by September 9th 2020 all the conditions precedent have been satisfied (except for the condition set out in (5) above, which will be satisfied as part of the closing, and except for the conditions set out in (1) and (4) above, if they are waived by ARP). The conditional final agreement to sell the EBUS shares will be executed after the Company and EBUS, with the involvement of ARP,

have entered into the final agreement to sell the Organised Part of Business. The conditional final agreement to sell the EBUS shares will include a condition precedent that the consideration for the Organised Part of Business be paid to the Company (in accordance with to the final agreement to sell the Organised Part of Business entered into in performance of the Preliminary Agreement to Sell the Organised Part of Business). At the time of the transfer of ownership of all shares in EBUS to ARP, the Organised Part of Business will be owned by EBUS. As part of the closing, an extraordinary general meeting of EBUS will adopt a resolution to increase the share capital of EBUS, with all the new shares offered for subscription by ARP. Part of EBUS' proceeds from the share capital increase will be used to pay the consideration for the Organised Part of Business.

The Parties are entitled to rescind the Preliminary Share Sale Agreement on the terms and conditions set forth therein, which are commonly applied in agreements of this type. The conditions precedent to conclusion of the final agreement to sell the Organised Part of Business are the same as for conclusion of the final agreement to sell EBUS shares. The ownership of the Organised Part of Business will be transferred from the Company to EBUS when the selling price for the Organised Part of Business is credited to the Company's bank account. The Parties are entitled to rescind the Preliminary Agreement to Sell the Organised Part of Business on the terms and conditions set forth therein, which are commonly applied in agreements of this type. The execution of the final agreement to sell all EBUS shares and the execution of the final agreement to sell the Organised Part of Business will be announced by the Company in a separate current report.

Legal basis: Article 17(1) of the Market Abuse Regulation – Inside information

Michał Sikorski – member of the Supervisory Board delegated to temporarily perform the duties of a member of the Management Board.

Jacek Drozd – Vice President of the Management Board