

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

DATE: February 16th 2022

Subject: [Receipt of conditional offer concerning acquisition of Company shares and its financing \(Current Report No. 12/2022\)](#)

Text of the report:

The Management Board of RAFAKO S.A. of Racibórz (the “**Company**”) announces that on February 16th 2022 it received a conditional offer, addressed to the Company, the Administrator of PBG S.A. w restrukturyzacji (in restructuring) of Wysogotowo (“**PBG**”) and the international adviser referred to in the Company’s Current Report No. 65/2020 of December 22nd 2020, from a reputable international investor (the “**Investor**”), to acquire 42,466,000 Company shares currently held by PBG (7,665,999 shares) and Multaros Trading Company Limited of Limassol (“**Multaros**”) (34,800,001 shares), as well as to provide additional (debt) financing to the Company (the “**Offer**”).

The Offer:

1. Concerns the purchase by the Investor of all 42,466,000 Company shares currently held by PBG and Multaros;
2. Stipulates the following conditions precedent with respect to the acquisition of Company shares currently held by PBG and Multaros:
 - i. The Investor obtains the consent of the President of the Office of Competition and Consumer Protection (or other competent anti-trust authorities in countries other than Poland, if applicable) to acquire the Company shares;
 - ii. The Company ensures post-shutdown unit re-synchronisation with respect to the subject matter of Contract No. 2013/0928/Ri for the development of new coal-fired generation capacities at TAURON Wytwarzanie S.A. – construction of supercritical 910 MW generating unit at the Jaworzno III Power Plant – Power Plant II: steam boiler, turbine generator set, main building, electrical and I&C systems, signed between the Company and Nowe Jaworzno Grupa TAURON Sp. z o.o.;
 - iii. The Company makes financial settlements or enters into an agreement with Operator Gazociągów Przesyłowych GAZ-SYSTEM S.A. of Warsaw regarding financial settlements relating to the contracts for the execution of Goleniów-Płoty and Tłocznia Kędzierzyn-Koźle projects, on terms acceptable to the Company and the Investor;
 - iv. The Company signs with JSW KOKS S.A. of Zabrze an annex relating to the Radlin project, on terms acceptable to the Company and the Investor;
 - v. The Company makes financial settlements or enters into an agreement with PGE Górnictwo i Energetyka Konwencjonalna S.A. of Bełchatów, whereby final financial settlements between the Company and PGE Górnictwo i Energetyka Konwencjonalna S.A. of Bełchatów are confirmed, on terms acceptable to the Company and the Investor;
 - vi. The Company signs contracts or agreements with the institutions providing financing to the Company’s Group, concerning the refinancing or the terms of further financing of the Company and its Group, on terms acceptable to the Company and the Investor;
 - vii. A conditional investment agreement is signed;

- viii. The Investor conducts a due diligence assessment of the Company with a result satisfactory to the Investor;
 - ix. A member designated by the Investor is appointed to the Company's Supervisory Board within a time limit specified by the Investor;
 - x. Agreements are executed which guarantee that the Investor purchases 50% or more of the Company's arrangement debt together with the Company's shares or allotment certificates to be taken up by the arrangement creditors, on terms acceptable to the Investor;
 - xi. The Company's Extraordinary General Meeting approves the issue of bonds convertible into shares for the Investor in order to convert the debt referred to in item x above, or other resolutions required to provide the Company with additional financing are passed;
 - xii. The provisions of transaction documentation are agreed;
3. According to the Offer, the additional financing (refinancing) for the Company would be provided as a result of conversion of the debt referred to in Section 2.x. above into bonds convertible into Company shares, with the target amount of the additional financing and its parameters to be agreed after further analysis by the Investor;
 4. The Offer stipulates the following conditions precedent regarding the additional financing to be provided to the Company:
 - i. The acquisition by the Investor of the Company shares currently held by PBG and Multaros is financially closed;
 - ii. The Investor or an entity designated by the Investor executes conditional agreements guaranteeing that the Investor purchases from selected creditors of the Company the shares or allotment certificates to be taken up by the Company's arrangement creditors, on terms acceptable to the Investor;
 - iii. Other terms and conditions, if any, set forth in the conditional investment agreement;
 5. The Investor will be obliged to execute the transaction envisaged in the Offer upon its acceptance and fulfilment of the conditions precedent set out above; however, the Investor may waive some of the conditions precedent;
 6. The Offer has been made for a limited time.

The Offer is not related to the letter of intent referred to in the Company's Current Report No. 5/2022 of January 21st 2022. The Company continues to hold parallel talks with the investor referred to in this Current Report.

Legal basis:

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

Radosław Domagalski-Łabędzki – President of the Management Board

Maciej Stańczuk – Vice President of the Management Board