

Racibórz, April 29th 2019

Dear Shareholders, Customers, Partners,

Dear Colleagues,

The announcement of full-year performance figures is always a good opportunity to share with you my thoughts about the previous year and to thank you for what we achieved together during the year. It is time for a summary and also for presenting the Company's plans, objectives and prospects.

Let me begin by discussing two issues pivotal to RAFAKO's business: the implementation of the Group's largest ever project in the power construction segment and ensuring a full order book.

The construction of a 910 MW generation unit at the Jaworzno III Power Plant is progressing as planned and within the contract budget. The construction process is very well organised. The project is of utmost importance for Poland's energy security. It is also extremely important for RAFAKO as it confirms that we are perfectly suited to do the job of general contractor. Commissioning is in progress and assembly work is nearing completion on the construction site as the deadline for delivering the project to the Employer is approaching fast. On-schedule completion of the Jaworzno project will make it possible to release the performance bond and thus increase RAFAKO's ability to secure new guarantee limits which could be used to win and perform new contracts. Releasing the financial surplus generated by the special purpose vehicle E003B7 Sp. z o.o. will also play a part as it will help build RAFAKO's value.

At the end of 2018, our order book was worth PLN 2.8bn. We updated the Company's strategy and presented our 2018 objectives as regards winning contracts in the Group's both strategic business segments. I am extremely glad to confirm that we have achieved those objectives.

In 2018, we signed contracts worth nearly PLN 900m (approximately PLN 700m in the power construction segment and PLN 200m in the gas and oil segment). Moreover, in February 2019 we signed a contract for the construction of the Kędzierzyn gas compressor station for almost PLN 170m, VAT exclusive. Including this contract, for which we started to bid still in 2018, the value of new contracts in RAFAKO's order book has exceeded PLN 1bn.

Without a doubt, the environment in which RAFAKO is present keeps changing. The market where we operate is changing and so are the regulations, especially those governing environmental protection. The attitude towards the sector of coal-based power generation, which for many years has been our key customer and on which we based our business, is evolving too. However, this by no means is a barrier to expanding RAFAKO's operations. Quite the opposite, the developments on the market are an incentive for us to grow, search for new markets and diversify our activities. We would not be so optimistic about the prospects for the market if Poland was not undergoing a transformation in terms of its energy policy.

In line with its strategy, RAFAKO is actively involved in numerous tender procedures in both business segments and expects to win more significant contracts. We estimate the market's potential at over PLN 15bn by the end of 2021. Our ability to bid for and win contracts largely depends on access to financing sources, which is difficult today for most of the companies operating in our sector. On the positive note, I would like to point out that since the beginning of 2019 RAFAKO has secured new bank guarantee facilities of more than PLN 80m. However, this is still not enough to harness our entire potential in placing bids and tap the opportunities offered by the market. I therefore hope that the Company's and the RAFAKO Group's 2018 financial performance figures will make financial institutions more willing to provide us with access to funding.

In 2018, the RAFAKO Group's operating profit and net profit (attributable to owners of the parent) totalled PLN 40.5m and PLN 33.6m, respectively, and revenue amounted to PLN 1,268.8bn. The Group delivered EBITDA of PLN 55.4m.

In 2018, on a separate basis, RAFAKO posted operating profit of PLN 3.7m (compared with a loss of PLN 37.1m in 2017) and PLN 4.3m in net profit (relative to a loss of PLN 64.1m), on revenue of PLN 643.3m. EBITDA for 2018 came in at PLN 14.6m.

With the aim of fostering growth of the Company's shareholder value through the implementation of our strategy, we consistently strive to build, based on RAFAKO, Poland's largest provider of specialised technological solutions for the power sector and the oil and gas industry in Poland and abroad. Our current position as the leader of the Polish power construction market and our involvement in the largest energy projects in Poland is the first step towards achieving this goal. We also continue to be active in modernisation of heat and power infrastructure as well as ensuring compliance with BAT regulations. Thanks to the PBG Group's capabilities and credentials, we are an active participant of the oil and gas market. We have been reorganising the entire RAFAKO Group and changing the structure of the PBG Group with a view to meeting our strategic objectives. We have also made appropriate changes on RAFAKO's governing bodies.

Nothing of what I have said above would have been possible without the combined efforts of all our employees, the perseverance of the Management Board, the support from the Supervisory Board and the understanding of our actions on the part of the Shareholders.

To conclude, let me again thank all the Shareholders, Customers and Partners for their support and positive attitude. I would like to thank my closest Colleagues and all RAFAKO Employees for their daily input into building the Company's future.

Yours faithfully,