

# POLISH FINANCIAL SUPERVISION AUTHORITY

## CURRENT REPORT NO 14/2022

Name of entity:

Date of submittal:

Fabryka Obrabiarek RAFAMET S.A.  
in Kuźnia Raciborska

23-03-2022

Subject:

Information on the activities of RAFAMET S.A. in connection with the current political and economic situation in Ukraine.

Message:

Due to the ongoing war in Ukraine, in accordance with the recommendation of the Polish Financial Supervision Authority, the Issuer's Management Board, in order to inform about the impact of this armed conflict on the activities and financial results of the Issuer and its Capital Group, hereby informs the following:

1. The Management Board of RAFAMET S.A. conducts activities aimed at definitive withdrawal from participation in the Polish-Russian company j.v. STANRUS-RAFAMET based in Moscow. However, due to the 50% share of the Russian side in this entity, appropriate procedural and legal actions are currently underway, the effect of which will be the effective implementation of the decision described above.
2. The Issuer created a balance sheet provision (write-down on receivables) in the books of 2021 for 100% of unpaid trade receivables from the Russian market in the amount of EUR 50.416,25.
3. The Issuer ceased all canvassing and offering activities in the territory of the Russian Federation and Belarus.
4. The Issuer's subsidiary, i.e. ODLEWNIA RAFAMET Spółka z o.o., informed the Issuer about the deteriorating operating conditions caused by the interruption of the supply chain from the eastern direction of basic batch materials for the production of iron castings, namely pig iron and alloy additives in the form of, amongst others, ferrosilicon and ferromanganese. The sudden change in the direction of deliveries is associated with a significant increase in the prices of components for production and often with the need to secure payments for these deliveries in the form of 100% cash advances. The subsidiary is analyzing the impact of these events on the fulfillment of obligations towards its clients on an ongoing basis and will, in cooperation with them, undertake actions aimed at removing threats caused by the current market situation.
5. The Issuer will present information on the actual impact of the war in Ukraine on the operations of RAFAMET S.A. and the RAFAMET Capital Group in the annual report for 2021.

Legal basis:

Article 17, Item 1 MAR– confidential information.

Vice President

President

Maciej Michalik

E. Longin Wons