

FINANCIAL SUPERVISION COMMISSION
CURRENT REPORT NO. 11/2025

Subject Name:

Fabryka Obrabiarek RAFAMET S.A.
in restructuring
in Kuźnia Raciborska

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Topic:

The Issuer's Management Board's decision to start work on increasing the Issuer's share capital and to start work on amending the Company's Articles of Association with respect to the subject of the Company's activities as a result of changes in the Polish Classification of Activities.

Message:

The decision to start work on increasing the Company's share capital is related to the need to increase the amount of the Company's equity and working capital in order to enable the Company to continue its operations, in particular to efficiently carry out and complete the sanitation proceedings. The decision is also justified by the fact that Powszechna Kasa Oszczędności Bank Polski S.A., based in Warsaw, refused to extend the expiration date of the loan agreement in the form of a multi-purpose credit limit dated February 17, 2010, which expired on February 14, 2025.

The decision to start work on amending the Company's Articles of Association with regard to the Company's object of business is due to the fact that the Polish Classification of Business Activities will be changed starting from January 1, 2025, in view of the entry into force of the Decree of the Council of Ministers of December 18, 2024 on the Polish Classification of Business Activities (PKD), which forces the Company to adjust its object of business to the new PKD codes.

As part of the process of increasing the Company's share capital by way of a new share issue under consideration by the Company's Management Board, the new share issue may, according to the current plan of the Company's Management Board, be carried out under the following conditions: (1) the share issue will be carried out as a private placement addressed to a single entity with exclusion of the preemptive rights of existing shareholders, (2) the entire share issue will be offered by the Company for subscription to the Agency for Industrial Development S.A. with its seat in Warsaw (hereinafter the "Agency"), which currently holds 5.008.195 shares in the Company representing 93% of the Company's share capital, (3) the issue price per share will be determined taking into account the Company's financial position.

The funds raised by the Company from a possible capital increase will increase the amount of equity (in the event of a share issue in the amount assumed by the Management Board) , and in the final settlement of these funds, according to the intention of the Management Board, will increase the amount of the Company's net working capital for the continuation of the Company's operations.

The decision taken by the Company's Management Board to begin work on increasing the Company's share capital was favorably reviewed by the Company's Supervisory Board, which passed a relevant resolution today.

Accordingly, today, the Company's Board of Directors has asked the Agency to initiate discussions regarding the possibility of conducting a process of increasing the Company's share capital and taking up shares of the Company's new issue by the Agency.

As a result of the Management Board's planned actions indicated above, there will be, according to its intentions (assuming the Company conducts a new share issue):

- 1) Increasing the amount of the Company's equity;
- 2) Reduction of the Company's current debt;
- 3) Completion of the sanitation proceedings conducted against the Company;
- 4) Obtaining funds for the current execution of contracts being performed and the execution of future contracts.

In addition, the Company's Management Board indicates that in the absence of the Agency's approval of the new issue of the Company's shares in accordance with the contents of this report, the Company's Management Board will consider and present to the Agency the possibility of carrying out a new issue by

way of a public offering addressed exclusively to certain categories of investors, in which case the preparation of a prospectus or other offering document for the purposes of such an offering is not required.

Disclaimer:

This report is for informational purposes only, and the purpose of its publication by the Company is solely to provide information on the Company's activities in connection with the Company's intention to raise funds by way of a new share issue while depriving the Company's existing shareholders of the pre-emptive right to subscribe to the new share issue in full, in order to use the funds for the recapitalization of the Company and the smooth conduct of the sanitation proceedings conducted against the Company. This report does not serve in any way, directly or indirectly, to promote the subscription of new issue shares and is not promotional material prepared or published by the Company for the purpose of promoting new issue shares or their subscription or encouraging, directly or indirectly, their purchase or subscription. The Company has not yet published any materials to promote new issue shares or their subscription.

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Legal basis:

MAR Article 17.1 - confidential information.

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