

Current Report no. 13/2020 of 18.06.2020

Subject:

Making impairment write-offs in the value of the company's assets

Legal basis

Article 17 (1) of the Regulation on market abuse (MAR) – confidential information

Content of the Report:

The Management Board of Elektrociepłownia „Będzin” S.A. with the registered office in Poznań (“Issuer”, “Company”) hereby informs that in the course of works carried out by the Management Board of the Company on the consolidated report for 2017, on 18.06.2020 the Issuer's Management Board was informed by the Management Board of its subsidiary, Elektrociepłownia Będzin Sp. z o.o., that as a result of the asset impairment test performed, it decided to make an impairment write-off in the value of the company's assets as at the balance sheet date of 31.12.2019.

The tests performed show an impairment totalling PLN 58 871 thousand.

Furthermore, on 18.06.2020 the Management Board of Elektrociepłownia „Będzin” S.A. was informed by the Management Board of its subsidiary, Energetyczne Towarzystwo Finansowe – Leasingowe Energo-Utech S.A., that as a result of the analysis of losses on receivables, the relevant write-offs were made in the amount of PLN 42 219 thousand as at the balance sheet date of 31.12.2019.

Additionally, the Issuer's Management Board conducted an impairment analysis of the disclosed customer relationships, as a result of which a write-off totalling PLN 2 894 thousand was made.

As a result of the write-offs made, the total write-off amount of PLN 103 984 thousand will be charged to the result of the Capital Group Elektrociepłownia „Będzin” S.A. for 12 months of 2019.

The Issuer's Management Board also informs that making an impairment write-off in the value of the subsidiary's assets will have a significant impact on financial results of the Issuer and the Issuer's Capital Group for 2019.

The Management Board of the Company informs that the above financial data are provisional and may differ from the final financial data that will be included in the consolidated report for 2019, set to be published by the Company on 30 June 2020.

Detailed legal basis:

This Report has been prepared in compliance with the provisions of Article 17 (1) of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

Signature:

Krzysztof Kwiatkowski – President of the Management Board

Bartosz Dryjski – Member of the Management Board