

## **Current Report no. 19/2020 of 05.08.2020**

### **Subject:**

Supplement to the Annual Report and Consolidated Annual Report with the Report of independent statutory auditor on the audit of the annual financial statements and Report of independent statutory auditor on the audit of the consolidated financial statements along with an adjustment to the Consolidated financial statements and Individual financial statements

### **Legal basis:**

Article 56 (1) (2) of the Act on Public Offering - current and periodic information

### **Content of the Report:**

The Management Board of Elektrociepłownia "Będzin" S.A. (the "Issuer") hereby publishes the content of the opinion of statutory auditor on the Annual Report for 2019 and Consolidated Annual Report for 2019.

The Company will provide the adjusted and supplemented Annual Report for 2019 and Consolidated Annual Report for 2019 along with all the appendices as well as the adjusted Consolidated financial statements and the Individual financial statements.

As a result of adjustments to the Consolidated financial statements:

- the balance sheet total in the consolidated statement of financial position increased by TPLN 355,
- the net result in the consolidated statement of comprehensive income increased by TPLN 8,811, mainly as a result of adjustment to the provision for deferred tax on the value of fixed assets;
- the equity increased by TPLN 9,166,
- total net flows increased by TPLN 13 as a result of adjusting cash flows from operating activities by TPLN 52,602, an increase in cash flows from investing activities by TPLN 41,738, mainly as a result of moving over expenses for the purchase of CO2 to operating activities, and from financial activities by TPLN 10,853, mainly due to moving over expenses related to the cost of financing lease agreements to operating activities.

In addition, the following was made:

- adjustments for errors in the opening balance are described in Note 9, including the third column in the Consolidated statement of financial position, the Consolidated statement of comprehensive income and the Consolidated cash flow statement
- adjustments to the distribution of equity between segments in the Note on "Operating Segments".

The aforementioned adjustments were also reflected in the respective notes.

Additionally, the following disclosures were made more detailed:

- more detailed presentation of the assumptions of the restructuring plan and process at Energo-Utech S.A. in connection with the accelerated arrangement proceedings
- description for the note on "Going Concern" regarding liquidity situation in the Capital Group
- description of the impact of COVID-19 on the Capital Group
- description regarding fixed asset impairment testing
- update of the Note on "Events after the end of the reporting period".

As a result of adjustments to the Individual financial statements, the following disclosures were made more detailed: the disclosure regarding going concern (Note 2 in the Introduction to the financial statements), write-down of shares in subsidiaries (Note 6 of the Additional notes and information), contingent liabilities (Note 10 of the Additional notes and information) and events after the balance

sheet date regarding the impact of COVID-19 on the situation of the Company and its subsidiaries (Note 22 of the Additional notes and information).

Due to the fact that the Report of independent statutory auditor on the audit of the Consolidated financial statements and the Report of independent statutory auditor on the audit of the Individual financial statements had been submitted to the company this afternoon, the Supervisory Board was not able to see the results of the conducted audits presented in these reports. The material was submitted to the Supervisory Board. Consequently, the Issuer will provide the required statements and opinions of the Supervisory Board after they are received.

Detailed legal basis:

§ 15 (4) of Regulation of the Minister of Finance of 29 March 2018 on current and periodic information published by issuers of securities and conditions for recognising information required by the laws of a non-member state as equivalent (Journal of Laws of 2018 item 757)

**Signature:**

Krzysztof Kwiatkowski – President of the Management Board

Bartosz Dryjski – Member of the Management Board