

FINANCIAL SUPERVISORY COMMISSION

Quarterly report SA-Q III/ 2017

(In accordance with § 82 section 1 p. 1 of the Regulation of the Minister of Finance of 19 February 2009 - Journal of Laws No. 33, item 259)
(for issuers of securities engaged in manufacturing, construction, trading or service activities)

for 3 quarters of the fiscal year **2017** for the period from **2017.01.01** to **2017.09.30**

date of transfer

Elektrociepłownia "Będzin" S.A. (full name of the issuer)	
BĘDZIN shortened name of the issuer	ENERGY (Sector according to WSE classification in Warsaw)
61-144 (postal code)	Poznań (city/town)
Bolesława Krzywoustego (street)	7 (number)
(phone)	(fax)
ecbedzin@ecb.com.pl (e-mail)	www.ecbedzin.pl (www)
625-000-76-15 (Tax ID)	271740563 (REGON)

SELECTED FINANCIAL DATA (current year)	in PLN k		in EUR k	
	3 quarters cumulatively 2017/ period from 2017-01-01 to 2017-09-30	3 quarters cumulatively 2016/ period from 2016-01-01 to 2016-09-30	3 quarters cumulatively 2017/ period from 2017-01-01 to 2017-09-30	3 quarters cumulatively 2016/ period from 2016-01- 01 to 2016-09-30
I. Net revenue from the sale of products, goods and materials	1 846	1 928	434	441
II. Profit (loss) on operating activities	937	999	220	229
III. Gross profit (loss)	1 373	597	329	137
IV. Net profit (loss)	1 338	685	314	157
V. Net cash flow from operating activities	3 051	-18 250	717	-4 177
VI. Net cash flow from Investing activities	2 401	-217	564	-50
VII. Net cash flow from financial activities	-4 455	18 825	-1 047	4 309
VIII. Net cash flow, total	997	358	234	82
IX. Total assets	157 935	157 922	36 652	35 697
X. Liabilities and provisions for liabilities	64 775	66 100	15 032	14 941
XI. Long-term liabilities	18 800	62 457	4 363	14 118
XII. Short-term liabilities	45 718	3 544	10 610	801
XIII. Equity capital	93 160	91 822	21 619	20 755
XIV. Share capital	15 746	15 746	3 654	3 559
XV. Number of shares	3 149 200	3 149 200	3 149 200	3 149 200
XVI. Profit (loss) per ordinary share (in PLN/EUR)	0,42	0,22	0,10	0,05
XVII. Diluted profit (loss) per ordinary share (in PLN/EUR)	0,42	0,22	0,10	0,05
XVIII. Book value per share (in PLN/EUR)	29,58	29,16	6,87	6,59
XIX. Diluted book value per share (in PLN/EUR)	29,58	29,16	6,87	6,59
XX. Declared or paid dividend per share (in PLN/EUR)				

Balance sheet items in selected financial data have been shown as values at the end of the current quarter (column 3 quarters cumulatively / 2017 period from 2017-01-01 to 2017-09-30) and as values at the end of the previous financial year (column 3 quarters cumulatively / 2016 period from 2016-01-01 to 2016-09-30)

BALANCE	in PLN '000	as at 2017-09-30	as at 2017-06-30	as at 2016-12-31	as at 2016-09-30
Assets					
I. Non-current assets		153 512	154 522	155 351	155 860
1. Intangible and legal assets, including:		32	38	12	16
- advance payments on intangible and legal assets				7	
2. Property, plant and equipment		557	557	557	558
3. Long-term receivables		21 060	21 505	22 365	22 781
3.1 From related parties					
3.2 From other entities		21 060	21 505	22 365	22 781
4. Long-term investments		130 588	131 247	131 247	131 247
4.1 Real estate					
4.2 Intangible and legal assets					
4.3 Long-term financial assets		130 588	131 247	131 247	131 247
a) in related parties		130 588	131 247	131 247	131 247
- shares or stock in subordinate entities priced according to property rights method			659	659	659
b) in other entities					
4.4 Other long-term investments					
5. Long-term prepayments		1 275	1 175	1 170	1 258
5.1 Deferred income tax assets		1 275	1 175	1 170	1 258
5.2 Other prepayments					
II. Current assets		4 423	3 010	2 571	3 593
1. Inventories					
2. Short-term receivables		1 803	1 690	1 613	1 617
2.1 From related parties		40			40
2.2 From other entities		1 763	1 690	1 613	1 577
3. Short-term investments		2 606	1 302	950	1 962
3.1 Short-term financial assets		2 606	1 302	950	1 962
a) in related parties		659			
- shares or stock in subordinate entities priced according to property rights method		659			
b) in other entities					
c) cash and cash equivalents		1 947	1 302	950	1 962
3.2 Other short-term investments					
4. Short-term prepayments		14	18	8	14
Total assets		157 935	157 532	157 922	159 453
Liabilities					
I. Equity		93 160	93 639	91 822	92 186
1. Share capital		15 746	15 746	15 746	15 746
2. Called up share capital (negative value)					
3. Own shares (negative value)					
4. Supplementary capital		60 815	60 815	60 493	60 494
5. Capital from remeasurement of defined benefit plan					
6. Other capital reserves		15 261	15 261	15 261	15 261
7. Accumulated profit (loss) from previous years					
8. Net profit (loss)		1 338	1 817	322	685
9. Write-off on net profit during the financial year (negative value)					
II. Liabilities and provisions for liabilities		64 775	63 893	66 100	67 267
1. Provisions for liabilities		243	165	85	66
1.1 Deferred income tax liabilities reserve		203	157	62	11
1.2 Employee benefits reserve		8	8	8	10
a) long-term					4
b) short-term		8	8	8	6
1.3 Other reserves		32	0	15	45
a) long-term					
b) short-term		32		15	45
2. Long-term liabilities		18 800	19 430	62 457	60 116
2.1 To related parties				1 000	1 000
2.2 To other entities		18 800	19 430	61 457	59 116
a) loans and borrowings		15 300	15 930	17 190	17 820
b) arising from issuance of debt securities				29 768	30 198
c) other		3 500	3 500	14 499	11 098
3. Short-term liabilities		45 718	44 284	3 544	7 071
3.1 To related parties		3 718	2 790	930	918
a) other		3 718	2 790	930	918
3.2 To other entities		41 997	41 491	2 611	6 150
a) credit and loans		2 520	2 510	2 450	2 420
b) due to issue of debt securities		30 307	29 815		
c) due to delivery and services		50	19	40	3 513
d) for taxes, duties, insurance and other benefits		73	100	98	99
e) due to remuneration		18	18	23	18
f) inne		9 029	9 029		100
3.3 Special funds		3	3	3	3
4. Prepayments		14	14	14	14
4.1 Negative company value					
4.2 Other prepayments		14	14	14	14
a) long-term		14	14	14	14
b) short-term					
Total liabilities		157 935	157 532	157 922	159 453
Book value		93 160	93 639	91 822	92 186
Number of shares		3 149 200	3 149 200	3 149 200	3 149 200
Book value per share (in PLN)		29,58	29,73	29,16	29,27
Diluted number of shares		3 149 200	3 149 200	3 149 200	3 149 200
Diluted book value per share (in PLN)		29,58	29,73	29,16	29,27

Profit and loss account - comparative

No.	Name	3rd quarter 2017/ period from 2017-07-01 to 2017-09-30	3 quarters cumulatively 2017/ period from 2017-01-01 to 2017-09-30	3rd quarter 2016/ period from 2016-07-01 to 2016-09-30	3 quarters cumulatively 2016/ period from 2016-01-01 to 2016-09-30
A	Net revenue from sales, including:	622	1 846	687	1 928
-	from affiliated entities	99	249	132	315
I	Net revenue from sales of products	622	1 846	690	1 631
II	Change in the balance of products (increase - positive value, decrease - negative value)			-3	7
III	Manufacturing cost of products for internal purposes				
IV	Net revenue from sales of merchandise and raw materials				290
B	Operating cost	377	905	345	921
I	Amortization	7	16	4	14
II	Materials and energy		1		
III	External services	216	355	132	307
IV	Taxes and charges, including:	8	28	65	93
	- excise tax				
V	Payroll	127	439	125	391
VI	Social security and other benefits	13	48	12	54
VII	Other expenses by kind	6	18	7	12
VIII	Cost of merchandise and raw material sold				50
C	Selling profit (loss) (A-B)	245	941	342	1 007
D	Other operating income	0	0	0	0
I	Profit on disposal of non-financial fixed assets				
II	Grants				
III	Other operating income				
E	Other operating cost	4	4	3	8
I	Loss on disposal of non-financial fixed assets				
II	Actualization of value of non-financial assets				
III	Other operating cost	4	4	3	8
F	Profit (loss) on operating activities (C+D-E)	241	937	339	999
G	Financial revenue	0	2 680	743	1 552
I	Dividends received and share of profits, including:		2 614	700	1 500
-	from affiliated entities		2 614	700	1 500
II	Interest, including:		2	1	2
-	from affiliated entities				
III	Profit on disposal of investments				
IV	Actualization of investment's value				
V	Other		64	42	50
H	Financial cost	774	2 244	718	1 954
I	Interest, including:	774	2 244	718	1 954
-	to related parties	28	80	1	9
II	Loss on disposal of investments				
III	Actualization of investment's value				
IV	Other				
I	Gross profit (loss) (F+G-H)	-533	1 373	364	597
J	Corporate income tax	-54	35	-88	-88
I	current part				
II	deferred part	-54	35	-88	-88
K	Other statutory reductions in profit (increases in loss)				
L	Net profit (loss) (I-J-K)	-479	1 338	452	685

Net profit (loss) (annualized)	974	974	956	956
Weighted average of ordinary shares	3 149 200	3 149 200	3 149 200	3 149 200
Profit (loss) on one ordinary share (PLN)	- 0,15	0,42	0,14	0,22
Diluted weighted average of ordinary shares	3 149 200	3 149 200	3 149 200	3 149 200
Diluted profit (loss) per one ordinary share (PLN)	- 0,15	0,42	0,14	0,22

STATEMENT OF CHANGES IN EQUITY	3rd quarter 2017/ period from 2017- 07-01 to 2017-09- 30	3 quarters cumulatively 2017/ period from 2017-01-01 to 2017-09-30	3rd quarter 2016/ period from 2016-07-01 to 2016-09-30	3 quarters cumulatively 2016/ period from 2016-01-01 to 2016-09-30
I. Equity (Opening Balance)	93 639	91 822	91 501	91 501
a) changes in accountancy policy				
b) revision of basic errors				
I.a. Equity (Opening Balance), after adjusting to comparative data	93 639	91 822	91 501	91 501
1. Opening balance of share capital	15 746	15 746	15 746	15 746
1.1. Changes in share capital				
a) increases (from)				
- issue of shares				
b) reductions (from)				
- redemption of shares				
1.2. Share capital (Closing Balance)	15 746	15 746	15 746	15 746
2. Opening balance of called up share capital				
2.1. Changes in called up share capital				
a) increase (due to)				
b) decrease (due to)				
2.2. Closing balance of called up share capital				
3. Opening balance of own shares				
3.1. Share changes				
a) increase (due to)				
b) decrease (due to)				
3.2. Closing balance of own shares				
4. Opening balance of supplementary capital	60 815	60 493	60 346	60 346
4.1. Changes in supplementary capital	0	322	148	148
a) increase (due to)	0	322	148	148
- issue of shares above face value				
- from profit distribution		322	148	148
<i>reclassification from reserve revaluation reserve (related to ZCP)</i>				
b) decrease (due to)	0	0	0	
- loss coverage				
4.2. Closing balance of supplementary capital	60 815	60 815	60 494	60 494
5. Opening balance of revaluation reserve				
5.1. Changes in revaluation reserve	0	0	0	
a) increase (due to)	0	0	0	
b) decrease (due to)	0	0	0	
- sales of tangible fixed assets				
<i>reclassification from reserve revaluation reserve (related to ZCP)</i>				
5.2. Closing balance of revaluation reserve	0	0	0	
6. Opening balance of other reserve capitals	15 261	15 261	15 261	15 261
6.1. Changes in other reserve capitals	0	0	0	
a) increase (due to)	0	0	0	
b) decrease (due to)	0	0	0	
6.2. Closing balance of other reserve capitals	15 261	15 261	15 261	15 261
7. Opening balance of previous years' profit (loss)		322	148	148
7.1. Opening balance of previous years' profit		322	148	148
a) changes in adopted accounting principles				
b) adjustments of fundamental errors				
7.2. Opening balance of previous years' profit, after adjustments of comparative data	0	322	148	148
a) increase (due to)	0	0	0	
- distribution of profit				
b) decrease (due to)	0	322	148	148
- distribution of profit		322	148	148
7.3. Closing balance of previous years' profit	0	0	0	0
7.4. Opening balance of previous years' loss				
a) changes in adopted accounting principles				
b) adjustments of fundamental errors				
7.5. Opening balance of previous years' loss, after adjustments of comparative data				
a) increase (due to)				
- previous years' loss brought forward				
b) decrease (due to)	0	0	0	
<i>Loss cover with reserve capital</i>				
7.6. Closing balance of previous years' loss	0	0	0	
7.7. Closing balance of previous years' profit (loss)	0	0	0	
8. Net result	-479	1 338	322	685
a) net profit	-479	1 338	322	685
b) net loss				
c) write-offs on profit				
II. Closing balance of equity	93 160	93 160	91 823	92 186
III. Equity including proposed profit distribution (loss coverage)	93 160	93 160	91 823	92 186

CASHFLOW	3rd quarter 2017/ period from 2017- 07-01 to 2017-09- 30	3 quarters cumulatively 2017/ period from 2017-01-01 to 2017-09-30	3rd quarter 2016/ period from 2016-07-01 to 2016-09-30	3 quarters cumulatively 2016/ period from 2016- 01-01 to 2016-09-30
A. Cash flows from operating activities - indirect method				
I. Net profit (loss)	-479	1 338	452	685
II. Total adjustments	2 025	1 713	1 223	-18 935
1. Share in net profit (loss) of subordinated entities accounted for using the equity method				
2. Amortisation and depreciation	7	16	5	14
3. Exchange gains (losses)				
4. Interest and profit sharing (dividend)	776	-369	17	454
5. Profit (loss) on investment activities				
6. Change in provisions	77	158	56	18
7. Change in inventory				
8. Change in receivables	348	1 114	322	-23 752
9. Change in short-term liabilities (excluding credits and loans)	913	907	926	4 443
10. Change in prepayments and accruals	-96	-113	-103	-112
11. Other adjustments				
III. Net cash flows from operating activities (I+II)	1 546	3 051	1 675	-18 250
B. Cash flows from investment activities				
I. Inflows	0	2 614	700	1 500
1. Disposal of intangible and tangible fixed assets				
2. Disposal of investments in real property and in intangible assets				
3. From financial assets, including:	0	2 614	700	1 500
a) in related parties	0	2 614	700	1 500
- sales of financial assets,				
- dividend and profit sharing		2 614	700	1 500
- repayment of granted long-term loans				
- interest				
- other inflows from financial assets				
b) in other entities				
- sales of financial assets,				
- dividend and profit sharing				
- repayment of granted long-term loans				
- interest				
- other inflows from financial assets				
4. Other inflows from investment activities				
II. Outflows	0	213	837	1 717
1. Purchase of intangible assets and tangible fixed assets		34		
2. Investments in real property and intangible assets				
3. For financial assets, including:	0	0	837	1 717
a) in related parties	0	0	837	1 717
- purchase of financial assets			837	1 717
- long-term loans granted				
b) in other entities	0	0	0	0
- purchase of financial assets				
- long-term loans granted				
4. Other outflows from investment activities		179		
III. Net cash flows from investment activities (I-II)	0	2 401	-137	-217
C. Cash flows from financial activities				
I. Inflows	0	0	0	21 640
1. Net inflows from issuance of shares and other capital instruments and from capital contributions				
2. Credits and loans				21 640
3. Issuance of debt securities				
4. Other inflows from financial activities				
II. Outflows	901	4 455	827	2 815
1. Purchase of own shares				
2. Dividend and other payments to shareholders				
3. Profit distribution liabilities other than profit distribution payments to shareholders				
4. Repayment of credits and loans	620	2 751	600	1 400
5. Redemption of debt securities				
6. Payment of other financial liabilities				
7. Payment of liabilities arising from financial leases				
8. Interest	281	1 704	227	1 415
9. Other outflows from financial activities				
III. Net cash flows from financial activities (I-II)	-901	-4 455	-827	18 825
D. Total net cash flows (A.III±B.III±C.III)	645	997	711	358
E. Balance sheet change in cash, including	645	997	711	358
- change in cash due to exchange differences				
F. Cash opening balance	1 302	950	1 251	1 604
G. Closing balance of cash (F±D), including:	1 947	1 947	1 962	1 962
- of limited disposability	1 865	1 865	1 854	1 854

Additional Information

Additional information, presenting the accounting policies adopted in the preparation of the report, data on changes in applied accounting principles, information on adjustments in provisions, deferred tax liabilities and assets, and revaluation write-downs on assets.

Principles for drawing up the report

Elektrociepłownia "Będzin" S.A. presents its financial statement for the period commencing 1 January 2017 and ending on 30 September 2017, as well as, comparable financial data for the period from 1 January 2016 to 30 September 2016.

The financial statements were produced at the going concern assumption whereby the Company will continue its business operations throughout the foreseeable future encompassing period not shorter than that on the year as of the balance sheet date, and the scope of said activity will not be significantly reduced. There are no circumstances whatsoever posing a threat to such continuity.

When preparing the report for the period from 1 January 2017 to 30 September 2017, the accounting policies described in the annual financial statements for 2016 were applied. However, in the scope of presenting the financial result from 2017, the company prepares a comparative statement of profits and losses.

Changes in accounting policies

Since 1 January 2017 Elektrociepłownia "Będzin" S.A. has changed its accounting policy concerning the presentation of business results. The profit and loss balance is prepared by the company in a comparative version. For previous periods - for comparative purposes, the Company presented a comparative profit and loss balance.

Description of significant achievements or failures of the issuer during the period covered by the report, together with a list of the most important events concerning them

In the Elektrociepłownia "Będzin" S.A. Board report there were, nor will there be, no risks and dangers of discontinuation of its business activity in the remaining months of the financial year.

Factors and events that, in the opinion of the issuer, had an impact on the reported financial results

As of 4 August 2014, Elektrociepłownia "Będzin" S.A. has ceased its production in connection with the transfer of organized intangible and tangible assets within the meaning of Article 55¹ of the Polish CC to its subsidiary, i.e. Elektrociepłownia BEDZIN Sp. z o.o.

Due to changes in the Company's activity, its current business profile is holding, together with renting and leasing of fixed assets.

Information on the seasonality or the cyclical nature of the Company's operations

There is no seasonality nor any cyclical nature in the Company's operations.

Write-offs of receivable amounts

Write-offs of property, plants and equipment are made, inter alia, as a result of permanent impairment which, according to Art. 28, sec. 7 of the Polish Accounting Act, occurs when there is a high probability that an asset controlled by the Company will not generate significant future economic benefits in the future.

As of 30 September 2017, write-offs relating to short-term receivables amounted to PLN 8,000.00, including: write-offs of trade and service receivables: PLN 8,000.00.

As of 30 September 2017, write-offs relating to inventories and fixed assets amounted to PLN 14,000.00, including: write-offs of fixed assets: PLN 14,000.00.

As of 30 September 2016, write-offs relating to short-term receivables amounted to PLN 8,000.00, including: write-offs of trade receivables: PLN 8,000.00.

As of 30 September 2016, write-offs relating to inventories and fixed assets amounted to PLN 14,000.00, including: write-offs of fixed assets: PLN 14,000.00.

Provisions

Provisions for liabilities are measured at least as at the balance sheet date, at justified, duly estimated value. The company raises provisions for certain or very likely future liabilities the amount of which can be reliably estimated, in particular for costs of services related to a particular reporting period, such services delivered during the next reporting periods and for long-term and short-term employee benefits. The financial implications of raised provisions are taken to operating costs, other operating costs or financial costs, as appropriate, depending on the type of operation triggering the future liabilities.

Valuation of provisions for service anniversary awards, retirement severance payments, disability severance payments, death benefits and unused holiday allowances, is based on the actuarial valuation made by a professional entered to the list of actuaries, member of the Polish Association of Actuaries. The measurements were made using actuarial techniques, In accordance with the International Financial Reporting Standards. IAS 19 in particular.

The following factors were taken into account when calculating the provisions:

- the basis for calculating the reserve for an employee is the expected amount of severance or reward package the Company is obliged to pay under the Company Collective Labor Agreement,
- an actuarial discount denoting the product of the financial discount and the probability of the person's attaining the age of eligibility for payment,
- the amount of annual write-downs calculated according to the Projected Unit Credit Method,
- probability, as determined by the Multiple Decrement Model,
- financial discount determined on the basis of market rates of return on treasury bonds, whose currency and maturity date coincide with the currency and the estimated date of realization of employee benefits.

Below are tables on changes in long-term and short-term provisions.

Status change of short-term provisions for retirement and similar benefits (by titles in PLNk)	30/09/2017	30/09/2016
a) opening balance	8	6
b) closing balance	8	6

Status change of long-term provisions for retirement and similar benefits (by titles in PLN k)	30/09/2017	30/09/2016
a) opening balance		4
b) closing balance		4

Status change of other short-term provisions (by titles in PLN k)	30/09/2017	30/09/2016
a) opening balance	15	38
b) increases (due to)	32	45
audit	32	45
c) utilization (due to)	15	38
audit	15	38
e) closing balance	32	45

Deferred tax assets and provisions

Deferred income tax provisions are raised in the amount of the future due amount arising from positive temporary differences. Deferred income tax provisions are raised with the consideration of tax rates applicable in the year when tax duty arises

Deferred income tax assets are raised in the amount of the future tax return amount arising from negative temporary differences which, in the future, will reduce the basis for the calculation of the income tax and following deductible tax loss; all determined using the precautionary principle. The amount of deferred tax assets is determined taking into account the income tax rates applicable in the year in which the tax duty arises.

Assets from deferred income tax (in PLNk)	30/09/2017	30/09/2016
provisions for liabilities	8	144
bonds valuation	153	
tax loss	1 114	1 114
TOTAL	1 275	1 258

Provisions from deferred income tax (in PLNk)	30/09/2017	30/09/2016
difference in the balance sheet value and tax value of fixed assets covered by lease agreement	203	11
TOTAL	203	11

Errors of previous periods

The financial statements as at 30 September 2017 do not contain errors of previous periods.

Information on important acquisitions and disposals of tangible fixed assets

In the period from 1 January 2017 to 30 September 2017, the Company has not made any important acquisitions and disposals of tangible fixed assets.

Information about material settlements in court cases

There are currently no proceedings pending against Elektrociepłownia "Będzin" SA, or issued by the Company.

Error adjustment

The financial statements for 30 September 2017 contained no errors.

Information on changes in the economic situation and the Company's operating conditions

According to the Company, there were no changes in the economic situation and operating conditions that would affect the value of its financial assets and liabilities.

Information on sureties, loans and guarantees

On 23 April 2015, Elektrociepłownia "Będzin" S.A. and Bank Polska Kasa Opieki S.A. entered into an agreement to establish a registered pledge on shares in its subsidiary, Elektrociepłownia BĘDZIN Sp. z o.o., and into an agreement on the establishment of financial pledge on shares in said subsidiary.

The Company has established a registered pledge on 768,700 shares in the capital of Elektrociepłownia BĘDZIN Sp. z o.o., which represents 100% of the company's share capital. Pledges were established to secure the Bank's claims under the loan agreement of 16 December 2014, under which the Bank pledged to grant the Company's subsidiary, Energetyczne Towarzystwo Finansowo-Leasingowe Energo-Utech S.A. under the terms of a loan agreement with an investment credit up to a maximum of PLN 94,491.83k. and a VAT credit up to a maximum of PLN 4,000.00k.

The registered pledge was established as collateral for the repayment of the loan agreement, up to the maximum amount of the collateral, i.e. PLN 196,983.65k. At the same time, the Company, as collateral for the repayment of loan agreements, undertook that after acquiring or acquiring new shares, it would establish a registered pledge and a financial pledge with the highest priority of

satisfaction on new shares to the Bank. Under these pledges, the Company has transferred the rights to dividends and other payments to the Bank.

On 15 February 2016, Elektrociepłownia “Będzin” S.A. and ING Bank Śląski S.A. entered into a corporate PLN loan agreement on financing an investment and refinancing of incurred capital expenditures of PLN 21,640k. The interest rate on the loan is determined based on the variable interest rate established by the Bank, based on the WIBOR rate for one-month interbank deposits with an added bank's margin. Total debt is to be repaid in 84 monthly installments. Loan security includes, among others: registered pledge on machinery and equipment being the subject of investment, assignment of receivables from the lease of machinery and equipment, assignment of rights from the insurance policy of machinery and equipment, blank bill of exchange and declaration of submission to enforcement.

Transactions with related parties

The Company did not enter into transactions with related parties on conditions other than market conditions.

Financial instruments

The Company did not change the method of valuation of their financial instruments. The Company has not changed its classification of financial assets.

Information on the issue, redemption and repayment of debt and equity securities

13 April 2015 saw the emission of the entirety of planned bonds, i.e. 3,000 unsecured, dematerialized bearer bonds, entitling only to cash benefits, with a maturity of 3 years, and a nominal value of PLN 10.00k and with the total nominal value of PLN 30,000.00k.

In order to secure bondholders' claims in connection with the bonds issue, a registered pledge was established for 2,240 units, i.e. 100% of non-dematerialized, registered shares of Energetyczne Towarzystwo Finansowo-Leasingowe Energo Utech S.A. with a nominal value of PLN 10.00k.

The registered pledge secures secured receivables up to the highest amount of the collateral, in the amount of PLN 37,200,00.

On 12 October 2015 the Company purchased 50 series A bonds issued on 13 April 2015 with a nominal value of PLN 10k. each, i.e. with a total nominal value of PLN 500k. The bonds were purchased in order to redeem them.

In connection with the maturity of the debt on bonds in April 2018, the Management Board of the Company took steps to prepare the offer of rolling bonds for the next year. Also, the Management Board of the Company started the process of obtaining an industry investor for a subsidiary. The funds obtained from the sale of shares or the increase of the share capital of a subsidiary in accordance with the terms of the bond issue will be allocated to the redemption of bonds.

The Company does not hold nor did it issue any other debt or equity securities.

Information on paid (declared) dividends

In the period from 1 January 2017 to 30 September 2017 the Company did not pay any dividends.

Events occurring after the balance sheet data

On 14 November 2017, the Supervisory Board of Elektrociepłownia “Będzin” S.A. by means of resolution No. 5 / IX / 2017, approved the sale by the Company of a 40% interest in ProMobil Fleet sp. o.o.

Contingent liabilities and assets

On 22 July 2016, the Company accessed the debt of Energetyczne Towarzystwo Finansowo-Leasingowe Energo-Utech S.A. resulting from the factoring agreements concluded on 22 July 2016, with respect to the purchase and financing of lease receivables (agreements no. 879/07/2016, 880/07/2016 and 881/07/2016), on the basis of which PKO BP Faktoring S.A., with its registered office in Warsaw, gave the Debtor a funding limit in the total amount of PLN 20,000,000.00 (twenty million Polish Zloty) until 21 July 2021. Under this agreement, the responsibility of the Debt Accessor and the Debtor is a joint and several liability, and the Factor may request all or part of the benefit of both parties jointly liable or separately from each.

Other important information facilitating the Company's assessment

In the reporting period, there were no other additional events that could affect the assessment of the Company's financial position, financial standing and results.

Krzysztof Kwiatkowski – President of the Management Board

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Poznań, 29 November 2017

Other Information

Description of the organization of the issuer's capital group

Being the parent entity of the Capital Group, Elektrociepłownia “Będzin” S.A. produces consolidated financial statement of the last 9 months 2017 according to International Financial Reporting Standards.

The subsidiaries are:

- Elektrociepłownia BĘDZIN spółka z o.o., with its registered office in Będzin (42-500) at Małobądzka 141, in which the Company holds 100% of shares,
 - Energetyczne Towarzystwo Finansowo-Leasingowe Energo-Utech S.A., with its registered office in Poznań (61-144) at Bolesława Krzywoustego 7, in which the Company holds 100% of shares.
- with an associate:
- ProMobil Fleet spółka z o.o., with its registered office in Poznań (61-707) at Libelta 29/8, in which the Company holds 40% of shares.

Indication of the effects of changes in the structure of the Company

On 4 August 2014, the Company, with its subsidiary Elektrociepłownia BĘDZIN Sp. z o.o., concluded an agreement transferring the ownership of the enterprise on the basis of which the Company was transferred to its subsidiary, i.e. Elektrociepłownia BĘDZIN Sp. z o.o., within the meaning of Article 55¹ of the Polish CC.

Elektrociepłownia “Będzin” S.A. in exchange for the contribution of an organized part of the company, took up 100% of the shares in the subsidiary, i.e. Elektrociepłownia BĘDZIN Sp. z o.o., with a nominal value of PLN 76,820. The value of the shares is based on the net book value of the contributed assets and as of 31 September 2017 amounts to PLN 80,987.

On 15 April 2015 the ownership rights of Energetyczne Towarzystwo Finansowo-Leasingowe Energo-Utech S.A. were transferred to Elektrociepłownia “Będzin” S.A..

As a result of the aforementioned transaction the Company holds 100% of shares (i.e. 2,240 units) of Energetyczne Towarzystwo Finansowo-Leasingowe Energo-Utech S.A.

The purchase of the shares in the amount of PLN 12,098 was financed from own funds derived from the issuance of bonds, Company's own funds, and the latest tranche of shares. According to the agreement it will be paid due 30 June 2018. The main reasons for the purchase of shares of Energetyczne Towarzystwo Finansowo-Leasingowe Energo-Utech S.A. were the formation of the Capital Group, in line with previous strategic assumptions, and diversification of revenue sources.

On 30 June 2016, under the agreements entered, Elektrociepłownia “Będzin” S.A., acquired 54 shares in ProMobil Fleet Sp. z o.o., constituting 40% of all its shares.

On 12 May 2017, Energetyczne Towarzystwo Finansowo-Leasingowe Energo-Utech S.A. acquired 9.995 shares in Energo-Biomasa spółka z o.o., which accounts for 99.95% of all shares.

As a result of the above transactions the Company changed its subject of activity. The Company is a holding company, and develops the business of renting and leasing fixed assets, and providing financial services.

Manufacturing activities in the field of heat and power generation in cogeneration are carried out at a subsidiary – Elektrociepłownia BĘDZIN Sp. z o.o..

Financial services, primarily leasing services, are carried out at a subsidiary - Energetyczne Towarzystwo Finansowo-Leasingowe Energo-Utech S.A..

ProMobil Fleet Sp. z o.o. specializes in long-term car rental services.

Position of the board regarding the possibility of fulfilling previously published forecasts for a given year

Elektrociepłownia „Będzin” S.A. has not published any forecasts of results for the current financial year, and therefore does not present to the Management Board its position on the feasibility of their fulfillment.

Ownership and changes in the shareholding of majority shareholders.

According to the information available to Elektrociepłownia „Będzin” S.A. the shareholders holding over 5% of share capital and holding the same % of votes at the annual general meeting are as follows:

Shareholder	State as at 31 August 2017.**				State as at 29 November 2017.***				Status change	
	shares	votes	shares [%]	votes [%]	shares	votes	shares [%]	votes [%]	purchase	sales
Krzysztof Kwiatkowski*	808 698	808 698	25,68	25,68	935 499	935 499	29,71	29,71	126 801	-
Waldemar Organista	573 146	573 146	18,20	18,20	453 146	453 146	14,39	14,39	-	120 000
Agio Funds TFI S.A.	334 747	334 747	10,63	10,63	334 747	334 747	10,63	10,63	-	-
Bank Gospodarstwa Krajowego	311 355	311 355	9,89	9,89	311 355	311 355	9,89	9,89	-	-
Famililar S.A. SICAV - SIR	271 526	271 526	8,62	8,62	271 526	271 526	8,62	8,62	-	-
State Treasury	157 466	157 466	5,00	5,00	157 466	157 466	5,00	5,00	-	-
Summary	2 456 938	2 456 938	78,02	78,02	2 463 739	2 463 739	78,23	78,23	126 801	120 000

* together with subsidiaries, including Auto Direct S.A., in which the President of the Management Board is a Board Member of Elektrociepłownia „Będzin” S.A. - Mr Grzegorz Kwiatkowski

** Information as at the date of publishing the financial statements for the 1st half of the year 2017.

*** Information as at the date of publishing the financial statements for the three quarters of the year 2017.

Ownership and changes in the shareholding of persons holding managerial and supervisory positions.

The persons managing and supervising Elektrociepłownia „Będzin” S.A. hold the following shares of the Company or rights thereto:

Shareholders	State as at 31 August 2017.**				State as at 29 November 2017.***				Status change	
	shares	votes	shares [%]	votes [%]	shares	votes	shares [%]	votes [%]	purchase	sales
Krzysztof Kwiatkowski*	808 698	808 698	25,68	25,68	935 499	935 499	29,71	29,71	126 801	-
Waldemar Organista	573 146	573 146	18,20	18,20	453 146	453 146	14,39	14,39	-	120 000
Summary	1 381 844	1 381 844	43,88	43,88	1 388 645	1 388 645	44,10	44,10	126 801	120 000

* together with subsidiaries, including Auto Direct S.A., in which the President of the Management Board is a Board Member of Elektrociepłownia „Będzin” S.A. - Mr Grzegorz Kwiatkowski

** Information as at the date of publishing the financial statements for the 1st half of the year 2017.

*** Information as at the date of publishing the financial statements for the three quarters of the year 2017.

Major court proceedings

There are currently no proceedings pending against Elektrociepłownia „Będzin” SA, or issued by the Company.

Information on related party transactions

Elektrociepłownia „Będzin” S.A. has not entered into transactions with related parties on conditions other than market conditions.

Information on sureties, loans and guarantees

Elektrociepłownia „Będzin” S.A. has not provided any sureties, loans or guarantees.

Shares and shares of subsidiaries of Elektrociepłownia „Będzin” S.A. provide collateral for the obtained financing granted to the Company in the form of registered pledges.

On 22 July 2016, the Company accessed the debt of Energetyczne Towarzystwo Finansowo-Leasingowego Energo-Utech S.A. resulting from the factoring agreements concluded on 22 July 2016, with respect to the purchase and financing of lease receivables (agreements no. 879/07/2016, 880/07/2016 and 881/07/2016), on the basis of which PKO BP Faktoring S.A., with its registered office in Warsaw, gave the Debtor a funding limit in the total amount of PLN 20,000,000.00 (twenty million Polish Zloty) until 21 July 2021. Under this agreement, the responsibility of the Debt Accessor and the Debtor is a joint and several liability, and the Factor may request all or part of the benefit of both parties jointly liable or separately from each.

Factors that will have an impact on the achieved results in the future reporting periods, in the issuer's opinion

Elektrociepłownia "Będzin" S.A. is the beneficiary of the income from its holdings and its shares in the subsidiaries, and the amount of said benefits depends on the financial performance of these companies.

An additional impact factor on the results achieved in future reporting periods of Elektrociepłownia "Będzin" S.A. will be the purchase of tangible fixed assets and their transfer into lease to TAMEH POLSKA spółka z o.o. in February 2016. The lease term is 120 months.

Additional information

Balance sheet data in EUR was calculated according to the average National Bank of Poland exchange rate of 31 September 2017 amounting to PLN 4.3091. The income statement in EUR for the nine months of 2017 has been cumulatively calculated at the arithmetic mean of the average exchange rates published by the National Bank of Poland for the last day of each of the 9 months of 2017. i.e. PLN 4.2566.

Balance sheet data for the comparable period of the previous year in EUR was calculated according to the average National Bank of Poland exchange rate of 30 December 2016 amounting to PLN 4.312. The income statement in EUR for the nine months of 2016 has been cumulatively calculated at the arithmetic mean of the average exchange rates published by the National Bank of Poland for the last day of each of the 9 months of 2016. i.e. PLN 4.3688.