

Current Report no. 2/2017 of 16.02.2017

Subject:

Entering into an agreement by the Issuer's Subsidiary

Legal basis:

Article 17(1) of the 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

Content of the report:

The Management Board of Elektrociepłownia „Będzin” S.A. (the “Company”, the “Issuer”) informs that today, i.e. on 16 February 2017, it was notified by the Issuer's subsidiary – Energetyczne Towarzystwo Finansowo-Leasingowe ENERGO – UTECH Spółka Akcyjna with the registered office in Poznań (the “Subsidiary”) that the Subsidiary had entered on 16 February 2017 into another agreement with Bank Polska Kasa Opieki S.A. with the registered office in Warsaw (the “Bank”), namely an Investment Loan Agreement.

From the date of the last current report no. 41/2016 of 24 October 2016, the Subsidiary entered in total into 4 agreements with the Bank (on 12 December 2016, 29 December 2016, 27 January 2017 and 16 February 2017), the total value of which amounts to PLN 13,672,639.69 (say: thirteen million six hundred seventy two thousand six hundred thirty nine zlotys 69/100).

The provisions of the agreements do not differ from those commonly used in the market.

The highest-value agreement is the Investment Loan Agreement no. 2016/533/DDF for **PLN 6,000,000.00** (say: six million zlotys 00/100), entered into on 29 December 2016.

1. Date of entering into the agreement – 29 December 2016

2. Designation of parties to the agreement

- Energetyczne Towarzystwo Finansowo-Leasingowe Energo – Utech Spółka Akcyjna with the registered office in Poznań
- Bank Polska Kasa Opieki S.A. with the registered office in Warsaw

3. Designation of the subject of the agreement

Investment Loan Agreement.

4. Essential terms of the agreement

Loan amount: **PLN 6.000.000,00** (say: six million zlotys 00/100).

Term of the loan: from the date of entering into the Agreement till 30 April 2022

Interest rate: The interest rate on the Loan is variable, based on the WIBOR 1M rate, increased by the Bank's margin.

The security of repayment is provided in the form of:

- blank promissory note with a promissory note agreement,
- registered pledge on future items, the subject of the lease, the purchase of which will be financed under the Investment Loan Agreement,
- assignment of rights under insurance policy of the subject of the lease, the purchase of which will be financed under the Investment Loan Agreement,
- assignment of receivables under the lease agreement covering the subject of the lease, the purchase of which will be financed under the Investment Loan Agreement,

- power of attorney to administer the bank accounts kept at the Bank,
- declaration of submission to enforcement proceedings by the Subsidiary pursuant to Article 777 § 1(5) of the Code of Civil Procedure,
- declaration by the Subsidiary of submission to enforcement proceedings with regard to the release of the item pledged in favour of the Bank under the registered pledge agreement pursuant to Article 777 § 1(4) of the Code of Civil Procedure.

The other provisions of the Agreement do not differ from those commonly used in this type of agreements.

5. Provisions on penalties

The Agreement does not include any provisions on contractual penalties.

6. Stipulations as to condition or deadline

The Agreement does not include stipulations as to any condition or deadline.

7. Designation of the agreement

The Issuer's Management Board decided to publish the aforementioned information due to the significant value of the agreements to the Issuer.

Signatures:

Krzysztof Kwiatkowski - President of the Management Board