

## Other information

### **Organisation of the Issuer's Group**

As the parent undertaking of the Group of Elektrociepłownia "Będzin" SA, the Company prepares condensed interim financial statements for nine months of 2020 in keeping with the International Financial Reporting Standards.

The subsidiaries:

- Elektrociepłownia BĘDZIN z z o.o. based in Będzin (42-500) at: ul. Małobądzka 141, in which the Company holds 100 % interest,
- Energetyczne Towarzystwo Finansowo-Leasingowe Energo-Utech S.A. based in Poznań (61-144), at: ul. Bolesława Krzywoustego 7, in which the Company also holds 100% interest,

Energo-Biomasa Sp. z o.o., in which Energetyczne Towarzystwo Finansowo – Leasingowe Energo-Utech S.A holds 19.99% shares, is a non-consolidated entity and a non-joint-venture.

### **Effects of changes in the Company's structure**

On 4 August 2014 the Company and its subsidiary, Elektrociepłownia BĘDZIN Sp. z o.o., entered into a contract to transfer a title to the enterprise, whereunder the Company transferred the title to the Company's enterprise to its subsidiary, Elektrociepłownia BĘDZIN Sp. z o.o., pursuant to Article 55<sup>1</sup> of the Polish Civil Code.

For contributing an organised part of an enterprise, Elektrociepłownia "Będzin" S.A. acquired 100% of shares in the subsidiary, i.e. Elektrociepłownia "Będzin" Sp. z o.o., at a nominal value of PLN 76,820k. The value of shares is based on the net carrying value of the contributed assets and it amounts to PLN 67,382k as at 30 September 2020.

On 15 April 2015 title to the shares of Energetyczne Towarzystwo Finansowe–Leasingowe Energo-Utech SA was transferred to Elektrociepłownia "Będzin" SA.

Therefore, the Company holds 100% shares (i.e. 2,240 items) of Energetyczne Towarzystwo Finansowo-Leasingowe Energo-Utech S.A.

The acquisition was financed with bonds and the Company's own funds, and the last tranche of PLN 7,277k will be paid by 31 December 2021 as stipulated by respective contracts. The main reasons for the acquisition of Energetyczne Towarzystwo Finansowo-Leasingowe Energo-Utech SA were building the Group in keeping with the strategic assumptions and diversifying income sources.

Following the above transactions, the Company change its object. It is a holding company.

Production activities are respective for Elektrociepłownia Będzin Sp. z o.o., a subsidiary, and they pertain to cogeneration of heat and power.

Financial operations (mainly leasing services), are carried out by Energetyczne Towarzystwo Finansowo-Leasingowe Energo-Utech S.A, a subsidiary.

### **The Issuer's significant achievements or failures in the reporting period along with a list of the most important related events**

The Company closed the contracts for the lease (with the right to collect benefits) of plant and machinery with Tameh Polska Sp. z o.o. by entering into a contract for the sale of the said plant and property to Alior Leasing Sp. z o.o. and Tameh Polska Sp. z o.o.

### **Position of the Management Board on the possibility to realise the previously released performance forecasts for a given year**

Elektrociepłownia "Będzin" S.A. has not released any performance forecasts for this accounting year, hence there is no Board's position on the possibility to realise them.

### **Shareholding and changes in the structure of major shareholders**

To the knowledge of Elektrociepłownia "Będzin" S.A., the shareholders holding over 5% of the share capital and the same share of votes at the annual general meeting are as follows:

Wyszczególnienie	Stan na 30 września 2020 r.**				Stan na 27 listopada 2020 r.***				Zmiana stanu	
	akcje	głosy	akcje [%]	głosy [%]	akcje	głosy	akcje [%]	głosy [%]	zakup	sprzedaż
Krzysztof Kwiatkowski*	884 499	884 499	28,09	28,09	626 462	626 462	19,89	19,89	-	258 037
VALUE Fundusz Inwestycyjny Zamknięty z wydzielonym Subfunduszem 1	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	-	-
Waldemar Witkowski	202 979	202 979	6,45	6,45	307 406	307 406	9,76	9,76	104 427	
Familiar S.A. SICAV - SIR	271 526	271 526	8,62	8,62	271 526	271 526	8,62	8,62	-	-
AUTODIRECT S.A. / G. Kwiatkowski					258 037	258 037	8,19	8,19	258 037	
Skarb Państwa	157 466	157 466	5,00	5,00	157 466	157 466	5,00	5,00	-	-
Podsumowanie	2 162 572	2 162 572	68,68	68,68	2 266 999	2 266 999	71,98	71,98	362 464	258 037

\* wraz ze spółkami zależnymi

\*\* Informacja na dzień publikacji raportu okresowego za I półrocze 2020 r.

\*\*\* Informacja na dzień publikacji raportu okresowego za III kwartał 2020 r.

### **Shareholding and changes in the shareholding structure of persons holding governing and supervisory positions.**

Persons governing and supervising Elektrociepłownia "Będzin" S.A. hold the following shares of the Company or rights attached thereto:

Wyszczególnienie	Stan na 30 września 2020 r.**				Stan na 27 listopada 2020 r.***				Zmiana stanu	
	akcje	głosy	akcje [%]	głosy [%]	akcje	głosy	akcje [%]	głosy [%]	zakup	sprzedaż
Krzysztof Kwiatkowski*	884 499	884 499	28,09	28,09	626 462	626 462	19,89	19,89	-	258 037
Waldemar Witkowski	202 979	202 979	6,45	6,45	307 406	307 406	9,76	9,76	104 427	
Waldemar Organista	103 146	103 146	3,28	3,28	103 146	103 146	3,28	3,28	-	-
Podsumowanie	1 190 624	1 190 624	37,81	37,81	1 037 014	1 037 014	32,93	32,93	104 427	258 037

\* wraz ze spółkami zależnymi

\*\* Informacja na dzień publikacji raportu okresowego za I półrocze 2020 r.

\*\*\* Informacja na dzień publikacji raportu okresowego za III kwartał 2020 r.

### **Major court cases**

There are no court cases pending by or against Elektrociepłownia BĘDZIN S.A. On 2 September a debt enforcement procedure was completed for a payment of PLN 2.8m as the remainder of the price for the purchase of property, plant and equipment, brought by BH Steel-Energia Sp. z o.o. The Company repaid its whole liability.

### **Transactions with affiliated entities**

Elektrociepłownia Będzin S.A. made transactions with affiliated entities only at arm's length.

### **Suretyship/avals and guarantees extended**

On 28 February 2019 the Company issued a blank promissory note with a declaration as a security for the repayment of a revolving loan of PLN 1,300k extended to Energetyczne Towarzystwo Finansowo-Leasingowe ENERGO-UTECH SA, a subsidiary, by Poznański Bank Spółdzielczy. As at 31 December 2019 the revolving loan's balance was PLN 939k and PLN 903k as at 30 September 2020. As the Company entered restructuring, the loan is not being serviced. 80% of the loan amount is secured by the Polish Development Fund.

On 19 June 2019 the Company issued a blank promissory note with a declaration as a security for the

repayment of an investment loan of PLN 6,612k extended to Energetyczne Towarzystwo Finansowo-Leasingowe ENERGO-UTECH SA by mBank SA. As at 31 December 2019 the loan balance was PLN 6,183k and PLN 5,533k as at 30 September 2020. The loan is being timely serviced.

The Company's Board analysed a risk of the creditors enforcing suretyships/avals. Until an arrangement is reached with the creditors, the subsidiary should pay its dues on time and the creditors are unable to terminate their contracts or enforce suretyships/avals. While negotiating arrangement proposals, the Issuer's Board will be working with the creditors on separate arrangement proposals for suretyships/avals. In case negotiations with creditors fail and the subsidiary faces bankruptcy, the creditors may claim a full amount from the suretyship/aval providers.

The shares of the subsidiaries of Elektrociepłownia Będzin S.A. are a surety for the financing extended to the Company. The surety is in the form of registered pledges.

On 22 July 2016 the Company acceded to the debt of Energetyczne Towarzystwo Finansowo-Leasingowe Energo-Utech S.A., a subsidiary, under three factoring agreements (no. 879/07/2016, 880/07/2016 and 881/07/2016) made on 22 July 2016 regarding the purchase and financing of lease receivables, pursuant to which PKO BP Faktoring SA with registered office in Warsaw granted the Debtor a total financing limit of PLN 20 000 000 (say: twenty million zloties) in the period until 21 July 2021. Under the said agreements, the Co-signor's and the Debtor's liability is joint and several, and the Factor may demand that both the Co-signor and the Debtor repay the entire or a portion of debt jointly or individually. As at 31 December 2019 the revolving loan's balance was PLN 4,256k and PLN 4,178k as at 30 September 2020. The subsidiary was granted by PKO Faktoring a deferral period by 31 March 2020 allowing for instalments being reduced to PLN 30k as of November 2020.

#### **Factors which, in the Issuer's view, will affect the performance in future reporting periods**

Elektrociepłownia "Będzin" S.A. is a beneficiary of the revenues from the shares of subsidiaries held, and their amount depends on the subsidiaries' financial performance. No resulting cash-flow in 2020 was recorded. The Company generated cash-flow on the sales of services to subsidiaries.

#### **Other information material for the assessment of the human resources, assets and liabilities, profit or loss and the related changes, as well as information material for the assessment of the Issuer's capacity to repay liabilities.**

The Company has other short-term liabilities to third parties. The Company intends to repay the liabilities with proceeds from the sale of shares in Elektrociepłownia Będzin Sp. z o.o., a subsidiary.

#### **EXTERNAL AND INTERNAL FACTORS VITAL FOR THE ENTERPRISE'S EXPANSION**

The main goal of Elektrociepłownia "Będzin" S.A. is to pursue a strategy focusing on the Company's value growth for the benefit of its shareholders. The Company intends to pursue the strategy of the Group's expansion by continuing and developing its activities while exercising care for the natural environment and by reducing costs related to heat and power generation, and by way of business expansion in financial services.

Factors largely impacting the Company's expansion include:

- Poland's macroeconomic situation and the economic standing of areas respective for the business of the Group's Companies
- political factors,
- legal and regulatory environment,
- positions and decisions of institutions and offices of domestic and European administrative bodies (including Office of Competition and Consumer Protection, European Commission),
- environmental protection,
- situation in the heating and power sectors (decisions of the President of the Energy Regulatory Office as regards the approval of tariffs, CO2 emission allowances, demand for heat and electric power, competition on the heat and power market),
- situation in the financial sector (availability of short-term and long-term business financing, interest rates volatility),
- market's response to new types of financial services offered by the group, mainly in the power industry.

**Additional Information**

The balance sheet figures denominated in EUR were converted at the average NBP rate of 30 September 2020 (4.5268). The profit and loss account figures denominated in EUR for a period of 9 months of 2020 on a cumulative basis were converted at a rate being an arithmetic average of average rates released by NBP and prevailing as at the last day of each of 9 months of 2020, i.e. 4.4420.

The balance sheet figures denominated in EUR for a comparative period in the preceding year were converted at the average NBP rate of 31 December 2019 (4.2585). The profit and loss account figures denominated in EUR for a period of 9 months of 2019 on a cumulative basis were converted at a rate being an arithmetic average of average rates released by NBP and prevailing as at the last day of each of 9 months of 2019, i.e. 4.3086.