

Current Report No. 29/2021 as of 28 June 2021

Subject:

Update of information on the Agreement with PGG S.A.

Report content:

With reference to current report no. 56/2020 of 30 December 2020, on the update of information on the Coal Purchase and Sale Agreement with PGG S.A., concluded by Elektrociepłownia BĘDZIN sp. z o.o. (hereinafter referred to as "the Subsidiary") on 2 October 2017, (hereinafter referred to as "the Agreement"), the Management Board of Elektrociepłownia "Będzin" S.A. (hereinafter referred to as "the Issuer") informs that on 27 July 2021, in the afternoon, the Subsidiary received a declaration of withdrawal from the Agreement from Polska Grupa Górnicza S.A. (hereinafter referred to as the PGG") in the non-performed portion containing the information that the withdrawal takes place for reasons attributable to the Subsidiary.

The Issuer explains that in its opinion the aforementioned Agreement was duly terminated and in a valid way by the Subsidiary and, as a result of the above, the Agreement was terminated at the end of 2020 without any indemnification liability to either Party (Art. 18 sec. 3 in fine). It is the intention of the Issuer to agree with the PGG on the rules of settlement of the existing cooperation and contractual obligations as well as to clarify any differences in interpretation in this respect.

The Issuer shall provide information about important decisions in this aspect in relevant reports.

Furthermore, the Issuer maintains the position expressed in the Report of the Management Board of the Parent Company on the operations of Elektrociepłownia "Będzin" S.A. Group of Companies in 2020, (taking into account the requirements regarding the disclosure of the report of the Management Board on the operation of the Parent Company for the aforementioned period).

Legal basis:

Art. 17 sec. 1 of MAR

Signatures:

Kamil Kamiński– Member of the Management Board

Bartosz Dryjski– Member of the Management Board