

Date of issue: 1 March 2017

Current report no 2/2017

**Notification from the insurer concerning the intention to execute a performance bond issued with regard to a significant agreement concluded by the Issuer**

Legal basis: Art. 17.1 of the Market Abuse Regulation

**Content of the report:**

The Management Board of **ARCUS S.A.** (hereinafter “**the Issuer**”) hereby discloses the information on receiving a letter from an insurer – Ergo Hestia S.A. (hereinafter “**Ergo-Hestia**”) dated 28 February 2017 concerning the request of Energa Operator S.A. (hereinafter “**Energa**”) for payment under the performance bond issued by Ergo-Hestia with regard to the Implementation Agreement concluded on 1 February 2013 between the Issuer, T-matic Systems S.A. (hereinafter “**T-matic**”) and Energa, the subject of which was the delivery and setting up of the meter infrastructure as the Issuer informed in current report no 4/2013 (hereinafter “**the Agreement**”) – within the scope covering the claims of Energa against the Issuer and T-matic resulting from alleged improper performance of the Agreement (current report no 25/2015).

In accordance with aforementioned letter of Ergo-Hestia, and in view of the claims instigated and upheld by Energa as a beneficiary of above indicated performance bond, Ergo-Hestia – considering that the formal requirements of this bond were met, announces the execution of the performance bond in the coming days, through the payment for the benefit of Energa of the guarantee amount of PLN 9,597,702.30.

The Issuer also points out that the execution of the performance bond allows Ergo-Hestia to request the Issuer or T-matic to reimburse the funds paid to Energa.

The Issuer objects both the claims of Energa and the announced payment under the execution of performance bond deeming them as wholly unfounded. The Issuer shall consider the further legal measures to be undertaken with regard to unjustified and unfounded claims of Energa, particularly in view of a lawsuit filed with the court by the Issuer and T-matic as to the annulment of the Agreement (current report no 24/2015).

**Legal basis:**

Art. 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.

**SIGNATURES OF PERSONS REPRESENTING THE COMPANY:**

**Michał Czeredys** – President of the Management Board

**Rafał Czeredys** – Member of the Management Board