

Date of issue: 12 May 2017

Current report no 7/2017

**Information on the issuance by the insurer of a new guarantee of payment to Energa-Operator S.A. of the amount covering claims in connection with litigation concerning execution of a significant agreement between the Issuer and Energa-Operator S.A.**

Legal basis: Art. 17.1 of the Market Abuse Regulation

### Content of the report:

With reference to the current reports no 5/2017 and 6/2017, the Management Board of **ARCUS S.A.** (hereinafter “**the Issuer**”) hereby notifies that on 9 May 2017 has received information on the issuance by the insurer, that is by STU Ergo-Hestia S.A. (“Ergo-Hestia”) in execution of the decision of the Court of Appeals in Gdańsk of 13 April 2017 as referred to in the current report no 5/2017 (“the Decision”) – of a guarantee document dated 12 May 2017 (“Guarantee”), in which Ergo-Hestia undertook to pay irrevocably and unconditionally, in accordance with the terms of the Guarantee, to Energa-Operator S.A. (“Energa”) the amount of PLN 9,597,702.30 in the event of final termination to the detriment of the Issuer and T-matic Systems S.A. (“T-matic”) of the court proceedings initiated by the Issuer and T-matic against Energa with reference to the claims secured by the Decision (injunctive relief) (following the safeguard procedure initiated by the Issuer's and T-matic and ended with the issuance of the Decision), as referred to in the current report no 6/2017.

The guarantee is valid until 31 December 2017, starting from the day on which Energa will reimburse to Ergo-Hestia the amount of PLN 9,597,702.30 received from Ergo-Hestia in the execution by Ergo-Hestia, upon the request of Energa, of earlier granted (for the benefit of Energa) performance bond issued in connection with 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 the Decision, the issue of the Guarantee was a condition for Energa to reimburse the above mentioned amount to Ergo Hestia within 30 days of the date of the Decision.

At the request of the Issuer and T-matic and on the basis of written annexes, the validity period of the Guarantee shall be extended by subsequent annual periods to 30 December each year, until the final completion of the court's proceedings.

The guarantee was issued on the basis of an agreement concluded on 12 May 2017 between Ergo-Hestia, the Issuer and T-matic, which envisages among others (with due account of the necessity to prepare appropriate annexes in the cases of extending the Guarantee period) the following collateral to cover the amount potential recourse claims of Ergo-Hestia against the Issuer and T-matic (in case the Guarantee is executed for the benefit of Energa): (i) voluntary submission by the

Issuer to enforcement under the notarial deed in accordance with Art. 777 of the Civil Procedure Code, (ii) registered pledge on the Issuer's working capital, (iii) transfer of receivables attributable to the Issuer, (iv) deposit on the account of Ergo Hestia, (v) mortgage on jointly owned property.

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