

Current Report 24/2019

Subject: Result of main capacity market auction for the year 2024

The Management Board of the company Zespół Elektrociepłowni Wrocławskich KOGENERACJA Spółka Akcyjna („Issuer”) discloses that he was informed that on 6 December 2019 the PGE Polska Grupa Energetyczna S.A. (“PGE”) a parent company within the meaning of art. 4 § 1 section 4a) of the Commercial Companies Code, informed in Current Report No. 36/2019 about the result of the auction of the capacity market for 2024 (main auction). Below, the Issuer announces unchanged information provided by PGE:

“The Management of PGE Polska Grupa Energetyczna S.A. (“PGE”) discloses that on December 6, 2019, as a result of capacity market auction for the year 2024 (the main auction), total capacity obligation of not less than 4332 MW has been contracted for generation units owned by PGE Group.

Auction clearing price has been set within the range between 235,91 and 269,58 PLN/kW/year and on the basis of article 38 par. 1 of the Capacity Market Act of December 8, 2017 - the price will be disclosed by PSE S.A within 3 business days.

Total capacity obligation involves:

- 1 335 MW for new units (17-years capacity contract)
- not less than 2 957 MW for units being modernized (including 2 598 MW with 5-years capacity contract and 359 MW with 7-years capacity contract)
- 40 MW for existing units (1-year capacity contract)

The above capacity obligations are not final results of capacity auction.

Final results are to be published by the President of Energy Regulatory Office on its website (in the section Biuletyn Informacji Publicznej) on the first business day following 21st day after the close of capacity auction. Until then all capacity obligation contracts are conditional..”

Due to integrated activities related to the capacity market, internally regulated between PGE Polska Grupa Energetyczna S.A. and the companies of the PGE Capital Group, including the Issuer, the Company is currently unable to determine its obligations related to the capacity market.

Detailed legal basis: Article 17(1) MAR.