

Current report 3/2019

Subject: Estimation of selected financial and operating data for the period from 1 January to 31 December 2019.

Acting as persons authorized to represent Zespół Elektrociepłowni Wrocławskich KOGENERACJA S.A. („Parent Company”) we hereby disclose the preliminary selected consolidated financial and operating data for the period from 1 January to 31 December 2019.

Accordingly to preliminary estimates:

- sales of electricity after 12 months of 2019 amounted to 2 557 GWh (including Parent Company 1 092 GWh),
- sales of heat after 12 months of 2019 amounted to 10 545 TJ (including Parent Company 9 344 TJ),
- the consolidated EBITDA after 12 months of 2019 amounted to approximately PLN 247 million,
- the consolidated operational cash-flow after 12 months of 2019 amounted to approximately PLN 112 million,
- the consolidated net profit attributable to the shareholders of the Parent Company amounted to approximately PLN 83 million (PLN 5.55 per share),
- capital expenditures amounted approximately to PLN 162 million.

The most significant impact on the net financial result of the Group in the period from 1 January to 31 December 2019 was a decrease in the estimated expenses from stranded costs compensation regarding termination of long-term power purchase contracts (LTC) by PLN 113 million in comparison to the year 2018. As at 31 December 2019 the estimated expenses from LTC compensations amounted to PLN 7 million (in 2018: PLN 120 million).

The change in the estimated expenses from LTC compensations relates to the subsidiary EC Zielona Góra S.A. and is the result of a significant increase in the forecasted sale price of electricity in 2018-2024. According to the accounting rules the changes in estimates are taken into account prospectively by being recognized in the statement of comprehensive income of the company and of the Group for the period in which a change took place.

The company reserves that the values presented above are estimated and still in the process of preparation. The final values will be presented in the annual report for 2019, the publication of which is scheduled for March 10, 2020.

Detailed legal basis: Article 17(1) MAR.