In case of divergence between the language versions, the Polish version shall prevail.

Polenergia S.A. Group

CONSOLIDATED QUARTERLY REPORT

FOR THE FIRST QUARTER OF 2020

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Warsaw, 18 May 2020

Contents

A. INTRODUCTION TO THE CONSOLIDATED QUARTERLY REPORT

1. Consolidated income statement for a 3-month period ended on 31 March 2020

Within the 3-month period ended on 31 March 2020, the results of Polenergia Group in terms of the adjusted (normalized) EBITDA and net profit amounted to PLN 94.1 m and PLN 51.1 m, respectively, which means growth compared to the corresponding period of the preceding year by PLN 13.8 m and PLN 11.1 m, respectively.

	Polenergia Group Income Statement (PLN m)	3M 2020	3M 2019	Difference YOY	Difference YOY [%]
	Sales revenues, including:	**459,0**	**714,7**	**(255,7)**	**-36%**
	trading segment	287,8	535,0	(247,2)	
	other	171,1	179,6	(8,5)	
	Cost of goods sold, including:	**(381,8)**	**(651,4)**	**269,6**	**41%**
	trading segment	(279,3)	(530,0)	250,6	
	other	(102,5)	(121,5)	19,0	
	Gross profit on sales	**77,2**	**63,2**	**13,9**	**22%**
	Selling expenses and general overheads	(10,1)	(9,4)	(0,7)	-7%
	Other operating revenue/expense	1,6	0,5	1,1	227%
A	**Operating profit (EBIT)**	**68,6**	**54,3**	**14,4**	**27%**
	Depreciation/Amortization	25,3	25,5	(0,2)	
	Impairment losses	0,1	0,4	(0,3)	
	EBITDA	**94,1**	**80,3**	**13,8**	**17%**
	Normalizing adjustments:				
	Purchase price allocation (PPA)	-	-	-	-
	Adjusted EBITDA*	**94,1**	**80,3**	**13,8**	**17%**
B	Financial income	3,3	1,8	1,5	
C	Financial costs	(11,8)	(12,3)	0,5	*
A+B+C	**Gross profit (loss)**	**60,2**	**43,8**	**16,4**	**37%**
	Income tax	(10,3)	(6,8)	(3,4)	-50%
	Net profit (loss)	**49,9**	**37,0**	**12,9**	**35%**
	Normalizing adjustments:				
	Purchase price allocation (PPA)	2,1	2,1	-	
	Foreign exchange differences	(1,3)	0,2	(1,5)	
	Loan valuation using the amortized cost method	0,3	0,3	(0,0)	
	Impairment losses **	0,1	0,4	(0,3)	
	Adjusted net profit (loss)*	**51,1**	**40,0**	**11,1**	**28%**
	Adjusted EBITDA*	**94,1**	**80,3**	**13,8**	**17%**
	Adjusted EBITDA Margin*	20,5%	11,2%	9,3%	
	Adjusted EBITDA (excl. trading segment)	**88,3**	**77,2**	**11,1**	**14%**
	Adjusted EBITDA margin (excl. trading segment)	51,6%	43,0%	8,6%	

*) Adjusted for non-monetary one-off revenue (cost) recognized in a given financial year

**) The impairment losses in Development segment

The sales revenues of Polenergia Group in the first quarter of 2020 were lower by PLN 255.7 m year on year, mainly due to lower revenues in the trading segment (by PLN 247.2 m) and in the conventional energy segment (by PLN 21.8 m), which was partly offset by higher revenues in the wind farm segment (by PLN 9.5 m).

The adjusted EBITDA in the period in question amounted to PLN 94.1 m and exceeded by PLN 13.8 m the one in the first quarter of the preceding year. This has been mainly due to better performance in the wind power segment resulting from higher generation volumes and higher prices of green certificates and electricity, partly offset by lower performance of the conventional energy segment as a result of no revenues from gas cost compensation (in December 2019 a long-term contract for the purchase of gas covered by the compensation scheme was terminated) and lower revenues from the stranded cost compensation (the compensation system coming to an end in 2020).

2. Detailed comments regarding financial performance for the 3-month period ended on 31 March 2020 and other material information on the position of the Group

A PLN 22.8 m increase of EBIDTA was observed in the wind power segment in the first quarter of 2020 against the first quarter of 2019. This has been mainly due to better performance in the wind power segment resulting from higher generation volumes and higher prices of green certificates and electricity. This upside effect was partly offset by higher total balancing and profile costs. In addition, in 2020 a change in cost and revenue disclosure took place in the wind power segment. As a result of the change of the formula applied to determine the electricity price in the Gawłowice, Skurpie, Rajgród and Mycielin wind farms, the profile costs were disclosed by way of a reduction of the sales price of electricity. Prior to that the profile costs had been disclosed under operating cost. Also, as of the first quarter of 2020, the Group has been disclosing its revenues from the certificates of origin granted, but not yet sold, by way of reducing the cost of goods sold (adjustment by PLN 11.5 m was recognized in the first quarter).

The EBITDA of the conventional energy segment dropped by PLN 13.3 m as a result of no revenues from gas cost compensation (in December 2019 a long-term contract for the purchase of gas covered by the compensation scheme was terminated) and lower revenues from the stranded cost compensation (the compensation system coming to an end in 2020).

EBITDA of the trading segment for Q1 2020 exceeded that of the corresponding period of the preceding year by PLN 2.7 m due to the higher performance of the wind farm-originating green certificates trading (higher sales prices) and the better result on the trading portfolio due to transactions optimizing the hedging of the Group's own asset production. The impact of those factors was partly offset by lower performance on wind farm-generated electricity sales (higher than projected generation of electricity in Q1 2020 sold at a market price that was lower than the contractual purchase price from wind farms) and higher operating costs.

The distribution segment experienced growth of EBITDA by PLN 0.9 m in Q1 2020, which predominantly resulted from the refund of the overpaid in prior years real estate tax and higher margin on energy sales.

As of 2020, the Group recognizes a separate segment of photovoltaics in its financial performance, as the operating phase commenced for 8 PV projects totaling 8 MW (Sulechów I), which won the support in an auction under the RES support scheme. During the first quarter of 2020 this segment yielded PLN 0.3 m of EBITDA.

EBIDTA of the development and implementation segment was similar to one achieved the preceding year.

The balance under the Unallocated item in 2020 was higher by PLN 0.2 m year on year, predominantly due to higher EBITDA on biomass operations (by 0.7 m) and lower HQ costs resulting from the drop in the non-deductible VAT expenses partly offset by the increase in operating costs.

As a consequence of the foregoing events, the adjusted EBITDA margin excluding the trading segment amounted to 51.6%, and was higher by 8.6 pp year on year.

The result on financial operations in Q1 2020 was higher compared against the preceding year by PLN 2.0 m mainly due to higher financial income (by PLN 1.5 m) and lower finance costs (by PLN 0.5 m). The difference at the financial income level is attributed mainly to the financial instruments measurement in the conventional energy segment (PLN 1.4 m), the impact of f/x differences (PLN 0.4 m) and higher interest gains (PLN 0.3 m). Said difference has been reduced by PLN 0.7 m in view of the one-off result attributable to the winding-up of a subsidiary, which was recognized in 2019. The reduction of the finance costs is mainly attributable to lower interest expenses (PLN 0.4 m) due to the decrease of the Group's debt.

The change in the income tax level compared to the preceding year results from the higher gross profit of the Group in Q1 2020 and the measurement of the green certificate inventory.

In addition, the net profit was impacted by impairment losses of non-financial fixed assets in the development and implementation segment amounting to PLN 0.1m.

Other material information on the position of the Group

In view of the COVID-19 outbreak, risk factors that may potentially impact the business and financial performance of the Group have been being monitored and identified on an ongoing basis. The Management Board has taken steps to mitigate the adverse impact of the coronavirus, however the severity and magnitude of such impact are difficult to estimate at this stage.

As a result of the epidemic, there are changes in the market environment resulting in high volatility of the prices of financial and commodity instruments, including fluctuation of the prices of electricity, gas and CO2 emission allowances. In the long term perspective, the COVID-19 epidemics may affect the economic growth in Poland and adversely impact the situation on the Polish energy market. On top of that, the observed financial phenomena of importance to the Group include lower interest rates and weakening of the Polish zloty against the euro.

Towards the end of Q1 2020 employees of the Group switched to remote working using telecommunications means, in all areas it was feasible, while the regular employment level was maintained. All vital operating processes have been on schedule, with significant management processes handled remotely.

The impact of the COVID-19 outbreak on the distribution segment started materializing in Q1 2020 through lower electricity sales volume resulting from the reduced energy demand (mainly in shopping malls). With the rising likelihood of the financial standing of certain companies deteriorating and in view of the ban on payment collection-related power disconnections during the outbreak, the Group has identified a risk of increased level of bad debts in the distribution segment. The above was included in the credit risk estimation model, which resulted in increase of the expected loses by PLN 233 k in the first quarter of 2020. Furthermore, the company Polenergia Dystrybucja launched a daily monitoring system of receivables and has been in constant touch with its largest customers. On the other hand, no information has yet been received by the company about any delay in implementation of the projects included in the investment portfolio. In relation to the current situation, the impairment test in the distribution segment was performed which showed no need to adjust the value of such assets.

In the trading segment, as a result of the COVID-19 outbreak, the trading business risk increased due to more intense price volatility, lower liquidity on the markets and higher likelihood of insolvent trading partners. Abovementioned risk factors may also have impact on liquidity through increased level of the required security deposits and level of bad debts. In the face of increased likelihood of those risks materializing, a decision has been made to intensify ongoing monitoring and analytical activities and to apply a more stringent verification of contractors when entering into new transactions.

In the conventional energy segment which is based to a large extent on the work of production staff on power equipment, very stringent occupational health rules have been put in force and the general repair work schedule has been changed to pay attention only to the defects arising in recent operations and urgent repairs. Moreover, an emergency plan has been prepared for Nowa Sarzyna CHP for maintaining production process continuity by the staff working with accommodation on-site.

The wind power segment remains largely immune to the current volatility of electricity prices throughout 2020 and 2021 given the fact that for the large portion of the portfolio the energy sales price for these years has been secured on the forward market. Should the drop in energy prices continue for a long time and result in forward contract quotes reduction, the potential of the financial performance of the segment in subsequent years may be limited. The wind project companies and their O&M partners have an inventory of spare parts in stock, however where a non-typical failure occurs, the risk of unavailability of less frequently replaced elements may limit or delay certain servicing measures.

The PV projects that won the RES auctions and received support enjoy a 15-year guaranteed sales of energy at an agreed price. In view of the above, the current volatility of energy prices has no impact on the performance in the PV segment.

The Group is in talks with banks on the financing for the construction of wind farms that were successful in the December 2019 RES auction. The COVID-19 epidemic may have an impact on delaying the financing process due to the expected lower willingness of the banking sector to finance projects and increased financing costs. On top of that, the forex market fluctuations may impact the budgets of the projects, while the constraints in certain segments of the economy may affect the implementation of construction schedules. The current situation, due to the low level of interest rates, also creates favorable conditions for entering into transactions hedging the interest rates during the loan period.

At the same time, without major disruptions related to the COVID-10 epidemic, the implementation of FW Szymankowo project is in progress. At the time the report was prepared, there was no risk of delaying the planned completion of construction. For other wind farm projects, that received support in the RES auction in December 2019, the implementation contracts are being prepared without any obstacles. Contractors for construction and electrical works as well as turbine suppliers declare that they will carry out their works without significant interference. Regarding other wind power and PV projects in their early stage development, the restrictions affecting site inspections and face to face meetings with local authorities, as well as the delays in completing certain administrative procedures, result in the extended duration of the development process of those projects. The impact of the COVID-19 outbreak on the progress of works relating to the offshore wind farms has not yet been identified.

On 26 February 2020 the subsidiaries Polenergia Farma Wiatrowa 23 Sp. z o.o. and Dipol Sp. z o.o. entered into facilities agreement with mBank S.A. up to PLN 31.8 m purposed to refinancing of Dipol Sp. z o.o. outstanding debt, filling up debt service reserve accounts of Polenergia Farma Wiatrowa 23 Sp. z o.o. and Dipol Sp. z o.o., and refinancing of Polenergia S.A. equity contributed to Polenergia Farma Wiatrowa 23 Sp. z o.o. and Dipol Sp. z o.o. The loan agreement provide for the repayment of term loans no later than 7 years from facilities agreement signing date. In relation to the loan agreement, on 18 March 2020, the companies Polenergia Farma Wiatrowa 23 Sp. z o.o. and Dipol Sp. z o.o concluded interest rate hedging transactions corresponding to 95% of the loan amount.

On 14 April 2020 the subsidiaries Polenergia Farma Wiatrowa 3 Sp. z o.o. (implementing the „Dębsk” wind farm project), Polenergia Farma Wiatrowa Dębice/Kostomłoty Sp. z o.o. (the „Kostomłoty” project) and Polenergia Farma Wiatrowa Szymankowo Sp. z o.o. (the „Szymankowo” project) entered into loan agreements with Mansa Investment Sp. z o.o. up to PLN 233 m. In view of the above, the Issuer entered into three surety agreements with the parent company Mansa Investments Sp. z o.o. that will secure the repayment of the loans under the loan agreements concluded, with each surety agreement covering 150% of the respective loan amount.

The company Farma Wiatrowa 17 Sp. z o.o. implementing the PV projects Sulechów I was awarded a concession by the President of the Energy Regulatory Office (URE) for the electricity generation in the period 24 January 2020 - 31 December 2030. The Sulechów I projects were fully commissioned into operation, thus entering the operating stage, in the first quarter of 2020.

The Group does not exclude participation of its subsidiaries Polenergia Farma Wiatrowa Piekło Sp. z o.o. and Polenergia Farma Wiatrowa 16 Sp. z o.o. developing a 13.2 MW Piekło wind farm project in another forthcoming RES auction. As part of the wind projects portfolio, apart from four project with a total capacity of 199 MW with building permits, the Group also owns two projects with total planned capacity of 82 MW, which have been impaired, and their realization depends on obtaining relevant permissions. Also, the Group intends to have next photovoltaic projects with the total capacity of ca. 27 MW ready to participate in the forthcoming auction and further PV projects with the total capacity of ca.

108 MW are at their early stage of development.

The Biomass project restructuring has been continued. Talks are in progress with potential buyers of Biomasa Wschód, in cooperation with the bank which finances the plant's business.

In the distribution segment, on 27 February 2020 the President of the Energy Regulatory Office approved the new tariff for Polenergia Dystrybucja for electricity sales to households. Also, the approved investment plan for the years 2019-2022 totaling PLN 51m has been under implementation.

Litigation between Amon Sp. z o.o. and Talia Sp. z o.o. versus Tauron Polska Energia S.A. and Tauron's subsidiary – Polska Energia-Pierwsza Kompania Handlowa Sp. z o.o. is pending. Detailed information about the current status of litigation cases has been provided under item B.9 hereof.

The Group is effectively holding 50% of the shares in the companies Polenergia Bałtyk I S.A., MFW Bałtyk II Sp. z o.o. and MFW Bałtyk III Sp. z o.o. preparing to develop three offshore wind farms located in the Baltic Sea with total capacity up to 3000 MW. The date of construction of those farms depends on when the relevant regulatory framework is in place.

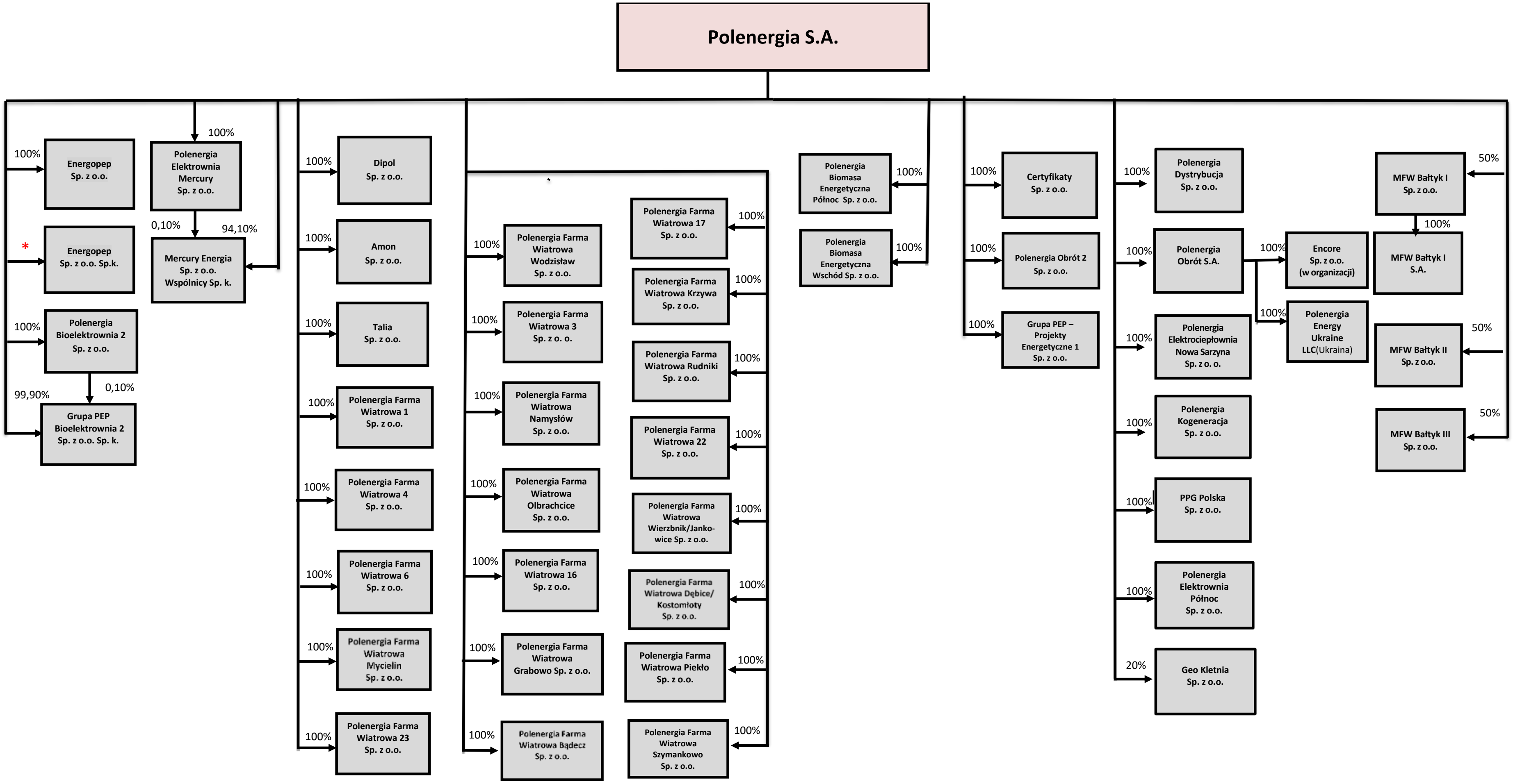
The next page presents the Group's result achieved in 2020 Q1 broken down into operating segments.

3M 2020 (PLN m)	Wind Power	Conventional Energy	Trading	Distribution	PV	Development and implementation activity	Unallocated	Purchase price allocation	TOTAL
Sales revenues*	81,3	58,8	287,8	24,3	0,5	-	6,2	-	459,0
Operating costs, including	(13,9)	(58,5)	(279,3)	(20,4)	(0,4)	(0,1)	(6,6)	(2,5)	(381,8)
operating costs (without granted green certificates adjustment)	(9,6)								
depreciation/amortization	(15,8)	(4,7)	(0,0)	(1,4)	(0,2)	-	(0,6)	(2,5)	(25,3)
Granted green certificates adjustment	11,5								
Gross profit on sales	**67,4**	**0,4**	**8,5**	**3,9**	**0,1**	**(0,1)**	**(0,4)**	**(2,5)**	**77,2**
Gross profit on sales margin	*82,9%*	*0,7%*	*3,0%*	*15,9%*	*23,9%*	*"n/a"*	*"n/a"*	*"n/a"*	*16,8%*
General overheads	(0,7)	(1,7)	(2,8)	(1,1)	(0,1)	(0,0)	(3,5)	-	(10,0)
Other operating activities	0,8	(0,2)	0,0	0,6	-	(0,1)	0,3	-	1,4
including imairment losses	-	-	-	-	-	(0,1)	-	-	(0,1)
Operating profit	**67,5**	**(1,5)**	**5,7**	**3,3**	**0,1**	**(0,3)**	**(3,7)**	**(2,5)**	**68,6**
EBITDA	**83,4**	**3,2**	**5,8**	**4,7**	**0,3**	**(0,2)**	**(3,0)**	**-**	**94,1**
EBITDA Margin	*102,5%*	*5,5%*	*2,0%*	*19,2%*	*57,6%*	*"n/a"*	*"n/a"*	*"n/a"*	*20,5%*
Purchase price allocation (PPA)	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	**83,4**	**3,2**	**5,8**	**4,7**	**0,3**	**(0,2)**	**(3,0)**	**-**	**94,1**
Adjusted EBITDA Margin	*102,5%*	*5,5%*	*2,0%*	*19,2%*	*57,6%*	*"n/a"*	*"n/a"*	*"n/a"*	*20,5%*
Profit (loss) on financial activities	(10,6)	1,8	(0,3)	(0,6)	(0,2)	(0,0)	1,5	-	(8,5)
Profit (loss) before tax	**56,9**	**0,3**	**5,4**	**2,7**	**(0,1)**	**(0,3)**	**(2,1)**	**(2,5)**	**60,2**
Income tax									(10,3)
Net profit (loss) for period									**49,9**
Normalizing adjustments:									
Purchase price allocation (PPA)									2,1
Foreign exchange differences									(1,3)
Loan valuation using amortized cost method									0,3
Impairment losses									0,1
Adjusted net profit									**51,1**

Revenues from granted, but not yet sold green certificates are presented under IFRS 15 through reduction in cost of goods sold (adjustment in amount of PLN 11.5m was presented in 1 quarter of 2020).

3M 2019 (PLN m)	Wind Power	Conventional Energy	Trading	Distribution	PV	Development and implementation activity	Unallocated	Purchase price allocation	TOTAL
Sales revenues	71,8	80,6	535,0	23,8	-	0,0	3,4	-	714,7
Operating costs	(27,0)	(67,5)	(530,0)	(20,0)	-	(0,1)	(4,3)	(2,5)	(651,4)
including depreciation/amortization	(15,7)	(5,5)	(0,0)	(1,2)	-	-	(0,6)	(2,5)	(25,5)
Gross profit on sales	**44,8**	**13,1**	**5,0**	**3,7**	**-**	**(0,1)**	**(0,9)**	**(2,5)**	**63,2**
Gross profit on sales margin	*62,4%*	*16,3%*	*0,9%*	*15,7%*		*"n/a"*	*"n/a"*	*"n/a"*	*8,8%*
General overheads	(0,8)	(1,7)	(2,1)	(1,4)	-	(0,3)	(2,9)	-	(9,2)
Other operating activities	0,8	(0,4)	0,1	0,2	-	(0,5)	(0,0)	-	0,2
including imairment losses	-	-	-	-	-	(0,5)	0,0	-	(0,4)
Operating profit	**44,8**	**11,1**	**3,0**	**2,5**	**-**	**(0,8)**	**(3,8)**	**(2,5)**	**54,3**
EBITDA	**60,5**	**16,5**	**3,1**	**3,7**	**-**	**(0,4)**	**(3,3)**	**-**	**80,3**
EBITDA Margin	*84,3%*	*20,5%*	*"n/a"*	*15,8%*		*"n/a"*	*"n/a"*	*"n/a"*	*11,2%*
Purchase price allocation (PPA)	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	**60,5**	**16,5**	**3,1**	**3,7**	**-**	**(0,4)**	**(3,3)**	**-**	**80,3**
Adjusted EBITDA Margin	*84,3%*	*20,5%*	*0,6%*	*15,8%*		*"n/a"*	*"n/a"*	*"n/a"*	*11,2%*
Profit (loss) on financial activities	(11,0)	(0,4)	(2,0)	(0,5)	-	0,7	2,7	-	(10,4)
Profit (loss) before tax	**33,8**	**10,7**	**1,0**	**2,0**	**-**	**(0,1)**	**(1,1)**	**(2,5)**	**43,8**
Income tax									(6,8)
Net profit (loss) for period									**37,0**
Normalizing adjustments:									
Purchase price allocation (PPA)									2,1
Foreign exchange differences									0,2
Loan valuation using amortized cost method									0,3
Impairment losses									0,4
Adjusted net profit									**40,0**
Change of adjusted EBITDA yoy	**22,8**	**(13,3)**	**2,7**	**0,9**	**0,3**	**0,2**	**0,2**	**-**	**13,8**

3. Organizational structure of the Group



*0,1% przysługuje spółce Energopep Sp. z o.o., 33,9 % POL-SA, 33% POL-D, 33% Dipol;

B. INTERIM CONDENSED FINANCIAL STATEMENTS FOR A 3-MONTH PERIOD ENDED ON 31 MARCH 2020

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
As at 31 March 2020

ASSETS

	Note	31.03.2020	31.12.2019
I. Non-current assets		**1 881 920**	**1 881 025**
1. Tangible fixed assets		1 620 467	1 630 749
2. Intangible assets		6 644	9 281
3. Subordinated entities goodwill	4.8	69 613	69 613
4. Financial assets		25 650	10 159
5. Financial assets measured using the equity method		153 643	153 643
6. Long term receivables		2 786	3 842
7. Deferred income tax assets		2 665	3 695
8. Prepayments and accrued income		452	43
II. Current assets		**775 191**	**598 736**
1. Inventories		49 120	38 331
2. Trade receivables		63 977	85 667
3. Income tax receivable		922	789
4. Other short term receivables		60 368	45 662
5. Prepayments and accrued income		12 785	6 434
6. Short term financial assets		183 682	76 148
7. Cash and equivalent		404 337	345 705
Total assets		**2 657 111**	**2 479 761**

EQUITY AND LIABILITIES

	Note	31.03.2020	31.12.2019
I. Shareholders' equity		**1 345 245**	**1 295 244**
Equity attributable to the shareholders of the parent company		**1 344 309**	**1 294 316**
1. Share capital		90 887	90 887
2. Share premium account		557 983	557 983
3. Reserve capital from option measurement		13 207	13 207
4. Other capital reserves		403 764	403 661
5. Retained profit (loss)		228 578	119 567
6. Net profit		49 890	109 011
Non-controlling interests		**936**	**928**
II. Long term liabilities		**954 610**	**939 429**
1. Bank loans and borrowings		730 206	732 400
2. Deferred income tax provision		71 815	68 416
3. Provisions	4.12	22 392	22 392
4. Accruals and deferred income		49 302	50 100
5. Other liabilities		80 895	66 121
III. Short term liabilities		**357 256**	**245 088**
1. Bank loans and borrowings		50 583	50 015
2. Trade payables		81 128	74 339
3. Income tax payable		559	5 565
4. Other liabilities		207 600	96 293
5. Provisions	4.12	1 973	2 108
6. Accruals and deferred income		15 413	16 768
Total equity and liabilities		**2 657 111**	**2 479 761**

(PLN K)

INTERIM CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT
For a 3-month period ended on 31 March 2020

	Note	For 3 months ended 31.03.2020	For 3 months ended 31.03.2019
			restated data
Revenues from contracts with clients	4.1	454 718	700 879
Other revenues	4.1	4 259	13 786
Cost of goods sold	4.2	(381 812)	(651 442)
Gross sales profit		**77 165**	**63 223**
Other operating revenues	4.3	2 246	1 761
Selling expense	4.2	(159)	(244)
General overheads	4.2	(9 959)	(9 204)
Other operating expenses	4.4	(644)	(1 271)
Financial income	4.5	3 302	1 823
Financial costs	4.6	(11 775)	(12 266)
Profit before tax		**60 176**	**43 822**
Income tax	4.11	(10 278)	(6 835)
Net profit		**49 898**	**36 987**
Net profit attributed to:		**49 898**	**36 987**
Parent company shareholders		49 890	36 990
Non-controling shareholders		8	(3)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For a 3-month period ended on 31 March 2020

	For 3 months ended 31.03.2020	For 3 months ended 31.03.2019
Net profit for period	**49 898**	**36 987**
Other comprehensive income that may be reclassified to profit and loss account once specific conditions are met		
Cash flow hedges	103	119
F/X translation differences	-	(582)
Other net comprehensive income	**103**	**(463)**
COMPREHENSIVE INCOME FOR PERIOD	**50 001**	**36 524**
Comprehensive income for period:	50 001	36 524
Parent company shareholders	49 993	36 527
Non-controlling shareholders	8	(3)

(PLN K)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For a 3-month period ended on 31 March 2020

	Note	For 3 months ended 31.03.2020	For 3 months ended 31.03.2019
A.Cash flow from operating activities			
I.Profit (loss) before tax		**60 176**	**43 822**
II.Total adjustments		**26 314**	**(139)**
1.Depreciation		25 332	25 544
2.Foreign exchange losses (gains)		238	162
3.Interest and profit shares (dividends)		11 062	11 216
4.Losses (gains) on investing activities		495	762
5. Income tax		(11 047)	(4 340)
6.Changes in provisions		(135)	-
7.Changes in inventory		(10 790)	(2 319)
8.Changes in receivables		(115 718)	334 127
9.Changes in liabilities, excluding bank loans and borrowings		135 695	(356 176)
10.Changes in accruals		(8 410)	(8 165)
11. Other adjustments		(408)	(950)
III.Net cash flows from operating activities (I+/-II)		**86 490**	**43 683**
B.Cash flows from investing activities			
I. Cash in		**119**	**14**
1. Disposal of intangibles and tangible fixed assets		119	-
2. Other investment inflows		-	14
II.Cash out		**12 920**	**3 574**
1. Acquisition of tangible fixed assets		11 797	3 564
2. For financial asstes, including:		1 123	10
a) acquisition of financial assets		1 123	10
III.Net cash flows from investing activities (I-II)		**(12 801)**	**(3 560)**
C.Cash flows from financing activities			
I.Cash in		**31 804**	**42 751**
1.Loans and borrowings		31 804	42 751
II.Cash out		**46 805**	**93 405**
1.Repayment of loans and borrowings		34 469	79 214
2.Lease payables		1 894	3 684
3.Interest		10 313	10 322
4.Other financial expenses		129	185
III.Net cash flows from financing activities (I-II)		**(15 001)**	**(50 654)**
D.Total net cash flows (A.III+/-B.III+/-C.III)		**58 688**	**(10 531)**
E.Increase/decrease in cash in the balance sheet, including:		**58 632**	**(10 555)**
- change in cash due to f/x differences		(56)	(24)
F.Cash at beginning of period		**345 705**	**311 857**
G.Cash at end of period, including:		**404 337**	**301 302**
- restricted cash	4.7	38 182	30 142

(PLN K)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For a 3-month period ended on 31 March 2020

	Share capital	Share premium account	Reserve capital from option measurement	Other capital reserves	Retained profit	Net profit	F/X translattion differences	Equity attributable to the shareholders of the parent company	Non-controlling interest	Total equity
As at January 2020	**90 887**	**557 983**	**13 207**	**403 661**	**228 578**	**-**	**-**	**1 294 316**	**928**	**1 295 244**
Comprehensive income for reporting period										
- Net profit (loss) for reporting period	-	-	-	-	-	49 890	-	49 890	8	49 898
- Other comprehensive income for period	-	-	-	103	-	-	-	103	-	103
As at 31 March 2020	**90 887**	**557 983**	**13 207**	**403 764**	**228 578**	**49 890**	**-**	**1 344 309**	**936**	**1 345 245**

	Share capital	Share premium account	Reserve capital from option measurement	Other capital reserves	Retained profit	Net profit	F/X translattion differences	Equity attributable to the shareholders of the parent company	Non-controlling interest	Total equity
As at January 2019	**90 887**	**601 911**	**13 207**	**402 612**	**75 639**	**-**	**582**	**1 184 838**	**903**	**1 185 741**
Comprehensive income for reporting period										
- Net profit (loss) for reporting period	-	-	-	-	-	36 990	-	36 990	(3)	36 987
- Other comprehensive income for period	-	-	-	119	-	-	(582)	(463)	-	(463)
As at 31 March 2019	**90 887**	**601 911**	**13 207**	**402 731**	**75 639**	**36 990**	**-**	**1 221 365**	**900**	**1 222 265**

(PLN K)

1. Information on the rules applied in preparation of the interim condensed consolidated financial statements

1.1 The rules underlying the interim condensed consolidated financial statements

These interim condensed consolidated financial statements have been prepared in accordance with the International Accounting Standard 34 and cover a 3-month period commencing on 1 January and ending on 31 March 2020, as well as the comparable period since 1 January until 31 March 2019, and in the case of the balance sheet - as at 31 December 2019. In accordance with the applicable laws, these interim condensed consolidated financial statements for the 3 months ended on 31 March 2020 were not subject to a review by a chartered auditor, while the comparative data for the financial year ended 31 December 2019 have been audited by a chartered auditor.

These consolidated financial statements have been prepared in accordance with the historical cost method, except for the following material items in the balance sheet:

- derivatives which have been measured at fair value.

IFRS include standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

Some entities within the Group keep their own accounting books in line with the accounting policies (principles) set forth by the Accounting Act of 29 September 1994 (the "Act") as amended and rules issued based on such Act ("Polish Accounting Standards"). These consolidated financial statements include adjustments which have not been included in the Group entities' accounting books, in order to align the financial statements of such entities with the requirements of IFRS.

These interim condensed consolidated financial statements have been prepared on the assumption that the Company and the Group companies will continue as going concerns in the foreseeable future, that is for at least 12 months after the reporting date, i.e. 31 March 2020.

1.2 Rules applied in preparation of the financial statements

The accounting principles applied by the Group have been outlined in the consolidated financial statements of Polenergia Group for 2019 published on 9 March 2020. Said Financial Statements provided detailed information on the principles and methods of measuring assets and liabilities, as well as measuring the financial result, the method of preparing financial statements and gathering comparable data. Such principles have been applied on a consistent basis.

Disclosure of revenues from certificates of origin granted and other revenues

The Group changed its accounting policy in terms of disclosure of revenues from:

- certificates of origin granted with a view to reflect the economic content of the transaction more realistically - as reduction of the cost of goods sold;
- funds to pay the stranded costs and gas costs - under Other Revenues;
- measurement of future contracts for the purchase/sale of electricity and gas - under Other Revenues;
- the carbon dioxide emission allowance - under Other Revenues.

In prior periods the abovementioned revenue sources used to be recognized under "Sales revenues/ Revenues from customer contracts". The change was made with a view to reflect the economic content of transactions more realistically.
The change of policy has had a significant impact on the comparative data, that is why the Group has decided to revise such comparative data. Such impact on comparative data is shown in the table below:

	before change 31.03.2019	change	after change 31.03.2019
Sales revenues	714 665	(714 665)	-
Revenues from contracts with clients	-	700 879	700 879
Other revenues	-	13 786	13 786

	before change 31.03.2019	change	after change 31.03.2019
Selling certificates of orgin	-	16 974	16 974
Income from granted certificates of orgin	-	(16 974)	(16 974)

1.3 Functional and reporting currency

The functional currency of the parent company and other companies included in these consolidated financial statements as well as the reporting currency of these consolidated financial statements is Polish Zloty.

Cash, bank loans and other monetary assets and liabilities denominated in currencies other than the functional currency are translated into such functional currency at the prevailing exchange rate on the transaction day. Foreign exchange differences on translation and settlement of items are recognized in finance income or cost, as appropriate. Changes in the measurement of derivatives designated as hedging instruments for hedge accounting purposes are recognized in accordance with the applicable hedge accounting policies.

The following exchange rates were used for measurement purposes:

	31.03.2020	31.12.2019	31.03.2019
USD	4.1466	3.7977	3.8365
EUR	4.5523	4.2585	4.3013
GBP	5.1052	4.9971	4.9960

1.4 Seasonality and cyclical nature of operations

The Group has been operating in the business of electrical energy generation from renewable sources. Wind conditions which determine the electricity production in wind farms are unevenly distributed throughout the year. In autumn and winter they are significantly better than in spring and summer. The Group resolved to build wind farms in locations selected based on professional wind measurements confirmed by independent and reputable experts. However, there can be no assurance that the actual wind conditions will be no different than those used in the Group's models for specific investment projects. Likewise, for PV farms it is the sun exposure conditions, which also are unevenly distributed throughout the year, that determine the uneven distribution of the electricity generation by those farms. During the spring and summer season, the sun exposure is much better than in autumn or winter.

The Group also operates on the industrial power outsourcing market. The Group's key customers use heat and electricity supplied by the Group for production purposes at their industrial facilities. Heat and electricity supply business is not subject to seasonal fluctuations.

2. Adjusted EBITDA and Adjusted Net Profit

The indices of EBITDA, adjusted EBITDA and adjusted net profit attributable to owners of the parent are not defined in the accounting standards.

The Group presents data on its EBITDA, adjusted EBITDA and the adjusted net profit allocated to the parent company shareholders in order to present the Group's results to the exclusion of certain elements that have no impact on the core business of the Group and that do not generate cashflows in the reporting period.

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Neither the level of EBITDA, nor of the adjusted EBITDA nor of the adjusted net profit allocated to the parent company shareholders have been defined in IFRS, hence these figures may be derived differently by other entities. The definitions of the foregoing indices have been provided in the Consolidated financial statements of Polenergia Group for 2019 published on 9 March 2020.

EBITDA and Adjusted EBITDA

	For 3 months ended	
	31.03.2020	31.03.2019
Profit before tax	60 176	43 822
Fianancial revenues	(3 302)	(1 823)
Financial costs	11 775	12 266
Depreciation/Amortization	25 332	25 544
Development - related impairment loss	107	453
Biomass - related impairment loss	-	(6)
EBITDA	**94 088**	**80 256**

Adjusted net profit (loss) attributed to parent shareholders

	For 3 months ended	
	31.03.2020	31.03.2019
NET PROFIT attributed to parent shareholders	**49 890**	**36 990**
Unrealized foreign exchange net (gains)/losses	(1 309)	163
(Income)/Cost from measurement of long-term borrowings	326	336
Development - related impairment loss	107	453
Biomass - related impairment loss	-	(6)
Purchase price allocation:		
Depreciation/Amortization	2 532	2 532
Tax	(480)	(480)
Adjusted NET PROFIT attributed to parent shareholders	**51 066**	**39 988**

3. Operating segments

For management purposes, the Group has made an analysis aimed at identifying relevant segments. As a result of such analysis, the following operating segments have been identified, being identical with the reporting segments:

- wind power segment, involving generation of electricity using wind,
- conventional energy segment comprising the generation of heat and electricity,
- segment of trading in electricity and certificates of origin, as well as in other energy market instruments, and - as part of the trading segment - sale of electricity to industrial customers and provision of market access services to energy producers that use renewable energy sources,
- distribution segment comprising the distribution and sale of electricity to commercial, industrial and household customers,
- photovoltaics segment comprising electricity generation using the sunlight,
- development and implementation segment comprising the development and construction of onshore wind farms, offshore wind farms and photovoltaic power plants.

After the development of the biomass segment comprising the production of pellet from energy plants had been abandoned, the Management Board resolved to refrain from identifying such segment and to include the results of the biomass operations under the “Unallocated” item.

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The Management Board has been separately monitoring the operating performance of the segments in order to make decisions regarding allocation of resources, evaluation of the effects of such allocation and the operating performance. The basis for the evaluation of the operating performance is operating profit or loss plus depreciation/amortization, which are, to some extent, measured differently than the operating profit or loss in the consolidated financial statements, as indicated in the table below. Income tax is monitored at the Group level and is not allocated to segments. Unallocated assets comprise the Company's cash.

Transaction prices used in transactions between the operating segments are determined on an arm's length basis, similarly to the transactions with non-related parties. Any and all consolidation adjustments are allocated to individual segments.

The Warsaw Commodity Clearing House is the only customer with whom the Group generated no less than 10% of total revenues of the Group. 99.9% of the segments' assets are located in Poland.

For 3 months ended 31.03.2020	Wind Power	Conventional Energy	Trading and energy sales	Distribution	Photovoltaics	Developer and implementation activity	Unallocated *)	Purchase price allocation	Total
Revenues from contracts with clients	81 291	57 689	284 749	24 288	465	-	6 236	-	454 718
Other revenues	-	1 160	3 099	-	-	-	-	-	4 259
Total revenues	81 291	58 849	287 848	24 288	465	-	6 236	-	458 977
Net sales profit (loss)	**67 350**	**397**	**8 507**	**3 850**	**111**	**(142)**	**(376)**	**(2 532)**	**77 165**
General overheads	(683)	(1 698)	(2 818)	(1 145)	(52)	(15)	(3 548)	-	(9 959)
Interest income/(expense)	(9 634)	39	(44)	(538)	(147)	21	1 201	-	(9 102)
Financial revenue/(expense) on unrealized f/x differences	(2)	438	1 197	-	-	-	(17)	-	1 616
Other financial revenue/(expense)	(1 000)	1 286	(1 468)	(76)	(31)	(44)	346	-	(987)
Other operating revenue/(expense)	845	(209)	42	599	-	(107)	273	-	1 443
Profit/loss before tax	**56 876**	**253**	**5 416**	**2 690**	**(119)**	**(287)**	**(2 121)**	**(2 532)**	**60 176**
Income tax	-	-	-	-	-	-	(10 758)	480	(10 278)
Net profit/loss	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**49 898**
EBITDA **)	83 361	3 229	5 757	4 671	268	(157)	(3 041)	-	94 088
Segment assets	1 353 038	253 150	298 958	131 380	22 573	113 794	-	-	2 172 893
Unallocated assets	-	-	-	-	-	-	484 218	-	484 218
Total assets	**1 353 038**	**253 150**	**298 958**	**131 380**	**22 573**	**113 794**	**484 218**	**-**	**2 657 111**
Segment liabilities	882 160	63 073	233 500	88 183	442	1 829	-	-	1 269 187
Unallocated liabilities	-	-	-	-	-	-	32 525	10 154	42 679
Total liabilities	**882 160**	**63 073**	**233 500**	**88 183**	**442**	**1 829**	**32 525**	**10 154**	**1 311 866**
Depreciation/Amortization	15 849	4 739	26	1 367	209	-	610	2 532	**25 332**

*) HQ costs not allocated to other segments and biomass

**) EBITDA - definition in Note 2

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For 3 months ended 31.03.2020		Wind Power	Conventional Energy	Trading and energy sales	Distribution	Photovoltaics	Unallocated *)	Total
- revenue from sale and distribution of electricity	over time	57 899	50 929	275 030	22 303	465	-	406 626
- revenue from certificates of orgin	over time	23 388	-	7 668	-	-	-	31 056
- revenue from sale of heat	over time	-	6 714	-	-	-	-	6 714
- revenue from consulting and advisory services	over time	-	-	-	-	-	1 018	1 018
- revenue from lease and operator services	over time	-	-	-	862	-	-	862
- revenue from sale of pellets	over time	-	-	-	-	-	5 124	5 124
- revenue from lease	over time	4	-	-	-	-	94	98
- revenue from sale and distribution of gas	over time	-	-	1 401	1 120	-	-	2 521
- other revenue	point in time	-	46	650	3	-	-	699
Total revenue from clients		**81 291**	**57 689**	**284 749**	**24 288**	**465**	**6 236**	**454 718**
- revenues from the valuation of futures contracts	over time	-	-	3 081	-	-	-	3 081
- revenues from the stranded costs and cost of gas	over time	-	1 160	-	-	-	-	1 160
- revenues from CO2 emission allowances	point in time	-	-	18	-	-	-	18
Total other revenue		**-**	**1 160**	**3 099**	**-**	**-**	**-**	**4 259**
Total sales revenues		**81 291**	**58 849**	**287 848**	**24 288**	**465**	**6 236**	**458 977**

Consolidated Quarterly Report for Q1 2020 ended on 31 March 2020 (PLN K)

restated data

For 3 months ended 31.03.2019	Wind Power	Conventional Energy	Trading and energy sales	Distribution	Developer and implementation activity	Unallocated *)	Purchase price allocation	Total
Revenues from contracts with clients	71 826	61 492	540 388	23 791	2	3 380	-	700 879
Other revenues	-	19 153	(5 367)	-	-	-	-	13 786
Total revenues	71 826	80 645	535 021	23 791	2	3 380	-	714 665
Net sales profit (loss)	**44 812**	**13 136**	**5 048**	**3 744**	**(87)**	**(898)**	**(2 532)**	**63 223**
General overheads	(818)	(1 669)	(2 119)	(1 398)	(279)	(2 921)	-	(9 204)
Interest income/(expense)	(10 082)	(261)	(1 417)	(447)	32	2 327	-	(9 848)
Financial revenue/(expense) on unrealized f/x differences	(40)	9	(144)	-	(1)	(25)	-	(201)
Other financial revenue/(expense)	(880)	(113)	(460)	(55)	682	432	-	(394)
Other operating revenue/(expense)	833	(391)	111	163	(453)	(17)	-	246
Profit/loss before tax	**33 825**	**10 711**	**1 019**	**2 007**	**(106)**	**(1 102)**	**(2 532)**	**43 822**
Income tax	-	-	-	-	-	(7 315)	480	(6 835)
Net profit/loss	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**36 987**
EBITDA **)	60 535	16 536	3 057	3 749	(366)	(3 255)	-	80 256
Segment assets	1 348 869	285 401	437 167	133 733	79 719	-	-	2 284 889
Unallocated assets	-	-	-	-	-	456 749	6 788	463 537
	-	-	-	-	-	-		-
Total assets	**1 348 869**	**285 401**	**437 167**	**133 733**	**79 719**	**456 749**	**6 788**	**2 748 426**
Segment liabilities	934 524	96 425	372 833	81 879	3 022	-	-	1 488 683
Unallocated liabilities	-	-	-	-	-	16 854	20 624	37 478
Total liabilities	**934 524**	**96 425**	**372 833**	**81 879**	**3 022**	**16 854**	**20 624**	**1 526 161**
Depreciation/Amortization	15 708	5 460	17	1 240	-	587	2 532	**25 544**

*) HQ costs not allocated to other segments and biomass

**) EBITDA - definition in Note 2

Consolidated Quarterly Report for Q1 2020 ended on 31 March 2020 (PLN K)

restated data

For 3 months ended 31.03.2019		Wind Power	Conventional Energy	Trading and energy sales	Distribution	Developer and implementation activity	Unallocated *)	Total
- revenue from sale and distribution of electricity	over time	50 986	54 643	515 378	22 244	-	-	643 251
- revenue from certificates of orgin	over time	20 836	(26)	5 959	-	-	-	26 769
- revenue from sale of heat	over time	-	6 827	-	-	-	-	6 827
- revenue from consulting and advisory services	over time	-	-	-	-	-	1 022	1 022
- revenue from lease and operator services	over time	-	-	-	219	-	-	219
- revenue from sale of merchandise	point in time	-	-	-	-	-	35	35
- revenue from sale of pellets	over time	-	-	-	-	-	2 264	2 264
- revenue from lease	over time	4	-	-	-	2	59	65
- revenue from sale and distribution of gas	over time	-	-	16 380	1 323	-	-	17 703
- other revenue	point in time	-	48	2 671	5	-	-	2 724
Total revenue from clients		**71 826**	**61 492**	**540 388**	**23 791**	**2**	**3 380**	**700 879**
- revenues from the valuation of futures contracts	over time	-	-	(5 697)	-	-	-	(5 697)
- revenues from the stranded costs and cost of gas	over time	-	19 153	-	-	-	-	19 153
- revenues from CO2 emission allowances	point in time	-	-	330	-	-	-	330
Total other revenue		**-**	**19 153**	**(5 367)**	**-**	**-**	**-**	**13 786**
Total sales revenues		**71 826**	**80 645**	**535 021**	**23 791**	**2**	**3 380**	**714 665**

Consolidated Quarterly Report for Q1 2020 ended on 31 March 2020 (PLN K)

4. Other notes

4.1 Sales revenue

	restated data	
	For 3 months ended	
	31.03.2020	31.03.2019
- revenue from sale and distribution of electricity	406 626	643 251
- revenue from certificates of orgin	31 056	26 769
- revenue from sale of heat	6 714	6 827
- revenue from consulting and advisory services	1 018	1 022
- revenue from lease and operator services	862	219
- revenue from sale and distribution of gas	2 521	17 703
- revenue from sale of merchandise	-	35
- revenue from sale of pellets	5 124	2 264
- revenue from lease	98	65
- other	699	2 724
Total revenue from clients	**454 718**	**700 879**
- revenues from the valuation of futures contracts	3 081	(5 697)
- revenues from the stranded costs and cost of gas	1 160	19 153
- revenues from CO2 emission allowances	18	330
Total other revenue	**4 259**	**13 786**
Total sales revenue	**458 977**	**714 665**

4.2 Cost according to type

	restated data	
	For 3 months ended	
	31.03.2020	31.03.2019
- depreciation	25 332	25 544
- materials and power consumption	50 751	58 888
- third party services	10 781	10 866
- taxes, duties and fees	4 977	5 614
- salaries	9 123	7 610
- social security and other benefits	1 312	1 339
- other cost by type	490	673
Total cost by type	**102 766**	**110 534**
- marchandise and materials sold (+)	300 654	550 356
- selling certificates of orgin	22 775	16 974
- income from granted certificates of orgin	(34 265)	(16 974)
- selling expenses (-)	(159)	(244)
- general overheads (-)	(9 959)	(9 204)
Total cost of goods sold	**381 812**	**651 442**

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4.3 Other operating revenues

	For 3 months ended	
	31.03.2020	31.03.2019
- reversal of impairment losses, including:	210	120
- receivables remeasured write-downs	64	115
- non-current fixed assets impairment losses	146	5
- reversal of provisions, including:	135	-
- litigation provision	135	-
- other, including:	1 901	1 641
- compensation and additional payments	1 030	202
- grant settelment	798	799
- gains on disposal of non financial fixed assets	66	1
- other	7	639
Total other operating revenues	**2 246**	**1 761**

4.4 Other operating expenses

	For 3 months ended	
	31.03.2020	31.03.2019
- asset impairment losses, including:	581	598
- receivables	328	146
- non-current fixed assets	253	452
- other, including:	63	673
- other development-related cost	26	79
- other	37	594
Total other operating costs	**644**	**1 271**

4.5 Financial income

	For 3 months ended	
	31.03.2020	31.03.2019
- financial income from interest on deposit and loans	1 388	1 085
- interest from lease	54	28
- f/x differences, including:	442	7
- unrealized	442	(23)
- realized	-	30
- other surety - related fees	2	-
- valuation of financial instruments	1 416	-
- other	-	703
Total financial revenue	**3 302**	**1 823**

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4.6 Financial expenses

	For 3 months ended	
	31.03.2020	31.03.2019
- interest expenses	10 544	10 961
- f/x differences, including:	242	253
- unrealized	(1 174)	178
- realized	1 416	75
- commission an other fees	534	588
- measurement of financial liabilities *)	403	415
- other	52	49
Total financial cost	**11 775**	**12 266**

*) refers to bank loans measured at amortized cost

4.7 Cash flows

Restricted cash	For 3 months ended	
	31.03.2020	31.03.2019
- cash frozen for loan repayment	25 290	18 323
- frozen cash for deposit	2 901	7 790
- frozen cash for long-term and mid-term refurbishment	4 146	3 911
- środki pieniężne na rachunkach VAT - split-payment	5 845	118
Total	**38 182**	**30 142**

4.8 Goodwill

A at 31 March 2020 goodwill amounted to PLN 69 m and included the following segments and cash generating centers:

- PLM 25m - distribution - including the companies Polenergia Dystrybucja and Polenergia Kogeneracja;
- PLN 44m - trading - including the company Polenergia Obrót.

The Group has not identified any grounds for goodwill impairment due to the COVID-19 pandemics. The impact of the COVID-19 pandemics has been elaborated on in chapter A2 hereof.

4.9 Fair value of futures and forward contracts

Futures and forward contracts to buy or sell electricity, gas and CO2 entered into by Polenergia Obrót S.A. subsidiary are classified as derivatives and are accounted for in accordance with the standards applicable to derivative instruments. Accordingly, such contracts are measured at fair value, with changes in fair value recognized under the profit and loss account. Gains or losses on the measurement of contracts are disclosed on a net basis under revenue or selling expenses, as appropriate. Measurement is performed with respect to the outstanding part of the contracts broken down into a current portion to be completed within 12 months from the reporting date, and a long term portion to be completed in subsequent years.

The table below includes information on financial assets and liabilities the Group measured at fair value and classified at specific levels of the fair value hierarchy:

- Level 1 – quoted prices in active markets for identical assets or liabilities (no adjustment),
- Level 2 – assets and liabilities measurement inputs other than quoted market prices included under Level 1 that are observable for the variables from active markets,
- Level 3 – assets and liabilities measurement inputs determined otherwise than based on the variables from active markets.

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Derivatives are pairs of futures contracts (long and short positions) entered into on stock exchanges for speculative purposes and measured with the model using market parameters, i.e. the market price of an instrument discounted using relevant interest rates (Level 2). The impact of unobserved data, if any, was immaterial to the measurement of derivatives.

	For 3 months ended	
	31.03.2020	31.03.2019
Result of measurement of derivatives	3 118	(5 723)

Financial instrument category

31.03.2020	Level 2	Total
Short term assets	181 727	181 727
Long term assets	24 098	24 098
Total	**205 825**	**205 825**

31.03.2020	Level 2	Total
Short term liabilities	176 233	176 233
Long term liabilities	23 660	23 660
Total	**199 893**	**199 893**

Net fair value	**5 932**	**5 932**

The abovementioned long term and short term asset and liability figures do not include all items that add up to the asset and liability amount in the consolidated balance sheet as at 31 March 2020.

The aggregate effect of the EE and gas market prices increase by 1% will make the gross sales profit increase by PLN 61 k. The calculation was performed with respect to futures and forward contracts to buy or sell electricity, classified as derivatives measured at fair value.

Fair value of other financial assets and liabilities enumerated below is not materially different from their carrying amount:

- long term receivables,
- trade debtors and other receivables.
- cash and equivalent,
- bank loans and borrowings,
- trade creditors and other payables.

	Category	Carrying amount		Fair Value	
		31.03.2020	31.12.2019	31.03.2020	31.12.2019
Financial asstes					
Futures and forward contracts	Level 2	205 825	83 945	205 825	83 945
Financial liabilities					
Bank	Level 2	780 789	782 415	780 789	782 415
SWAP	Level 2	2 109	2 236	2 109	2 236
Futures and froward contracts	Level 2	199 893	79 419	199 893	79 419

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4.10 Trade debtors and other receivables

In the period ended on 31 March 2020 the bad debt credit losses for trade debtors increased and amounted to PLN 2,994 k.

Due to the greater risk of the level of bad debts in the distribution segment, the Group included in the credit risk estimation model an increase of the expected losses by PLN 233 k in the first quarter of 2020. The impact of the COVID-19 pandemics has been elaborated on in chapter A2 hereof.

The payment default rates and the calculation of credit losses as at 31 March 2020 have been presented in the table below:

		Receivavles from individual customers			
	Total	Current 0-30 days	30-60 days	60-90 days	>90 days
31.03.2020	22 671	21 043	233	367	1 028
Expected credit losses	1 508	-	-	-	1 508
31.12.2019	15 904	14 492	-	157	1 255
Expected credit losses	1 180	-	-	-	1 180

		Receivavles from corporate customers			
	Total	Current 0-30 days	30-60 days	60-90 days	>90 days
31.03.2020	44 076	41 522	513	62	1 979
Expected credit losses	1 486	-	-	-	1 486
31.12.2019	72 533	70 349	97	31	2 056
Expected credit losses	1 590	-	-	-	1 590

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4.11 Effective tax rate

	For 3 months ended	
	31.03.2020	31.03.2019
Income tax charged to the profit and loss account, including	**10 278**	**6 835**
Current tax	5 919	835
Deferred tax	4 359	6 000
Profit (Loss) before tax	**60 176**	**43 822**
Tax on gross profit at effective tax rate of 19%	11 433	8 326
Adjustments to prior years current income tax	(15)	(1)
Non-deductible costs:	**(1 140)**	**(1 490)**
- permanent differences	(57)	79
- asset from tax losses in the Special Economic Zone	(10)	33
- temporary difference on which no tax asset/provision is established *)	(1 073)	(1 602)
Income tax in the profit and loss account	**10 278**	**6 835**

*) This item concerns mainly non-recognition of an asset if there is a risk related to deduction of losses in the future

4.12 Changes in provisions

Change in short term and long term provisions

	31.03.2020	31.12.2019
Provisions at beginning of the period	**24 500**	**32 889**
- recognition of provisions	-	607
- reversal of provisions	(135)	(8 996)
Provisions at end of the period	**24 365**	**24 500**

5. Interest bearing bank loans and borrowings

On 26 February 2020, the companies Dipol Sp. z o.o. („Dipol") and Polenergia Farma Wiatrowa 23 Sp. z o.o. („FW23") entered into a facilities agreement with mBank S.A. for the total overdraft capped at PLN 32,800 k to be allocated to:

- refinancing of the outstanding amount of the facility extended to Dipol by Raiffeisen Bank International AG (taken over from Raiffeisen Bank Polska S.A.) under the agreement dated 23 November 2005 for the purpose of financing the construction of a 22 MW wind farm in Puck, with the debt as at the refinancing day amounting to EUR 3,284.5 k including accrued interest,
- partial refinancing of the equity contribution of Polenergia S.A. to Dipol and funding the debt service reserve as required by the a/m facility agreement,
- partial refinancing of the equity contribution of Polenergia S.A. to FW23.

The facility was disbursed on 5 March 2020 in the amount of PLN 21,583.2 k at a request of Dipol and in the amount of PLN 5,145 k at a request of FW23. The disbursements of the a/m amounts made the facility reach the contractual cap of the funds to be drawn down.
The maturity of the a/m facility for both companies has been contractually agreed to be 26 February 2027.
Repayment of the debt under the a/m facility agreement is secured by the registered pledge over the shares, assets and accounts, assignment of receivables, power of attorney to manage cash on the

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companies' accounts, the subordination agreement, the statement of voluntary submission to enforcement.
On 18 March 2020, the companies Dipol and FW23 concluded interest rate hedging transactions corresponding to 95% of the of the facility amount.

6. Information on the issue, redemption and repayment of debentures and equity securities

The Group has issued no debentures. By the date of this report, the parent company has not issued any debentures in the Q1 period ended on 31 March 2020.

7. Information on dividend distributed (or declared) in total and per share, broken down into ordinary and preferred shares

No dividend distribution took place within the 3-month period ended on 31 March 2020.

8. Information on changes in contingent liabilities or contingent assets that occurred since the end of the last financial year

On 31 January 2020, the last two contracts of Polenergia Obrót S.A. covered by the guarantees issued by KI ONE S.A. (former business name: Kulczyk Investments S.A.) to CEZ in the amount of EUR 1,000 k and to ENEA in the amount of PLN 5,000 k, whereupon both guarantees expired with final effect.

On 31 March 2020, the guarantee issued by Alpiq AG covering the obligations of Alpiq Energy SE under the contract with Polenergia Obrót S.A. expired.

On 20 February 2020, the guarantee issued by Siemens Aktiengesellschaft covering the obligations of Siemens Sp. z o.o. towards Polenergia Farma Wiatrowa 1 Sp. z o.o. under the contract for the supply of wind turbines to the Gawłowice project expired.

9. Identification of proceedings before a court, an arbitral tribunal or public administration body with respect to liabilities or receivables of the issuer or an Issuer's subsidiary

In the case instituted by the subsidiary Amon Sp. z o.o. versus Polska Energia - Pierwsza Kompania Handlowa Sp. z o.o. ("PKH"), PKH lodged an appeal against the judgment of the District Court in Gdańsk dated 25 July 2019. On 21 February 2020, the reply of Amon to said appeal was sent to the Court of Appeals in Gdańsk. The Court of Appeals in Gdańsk had scheduled a hearing for 27 April 2020, however subsequently said hearing was cancelled.

In the case instituted by the subsidiary Talia Sp. z o.o. versus Polska Energia - Pierwsza Kompania Handlowa Sp. z o.o. ("PKH"), on 6 March 2020 the District Court in Gdańsk with a partial and preliminary judgment granted the claim of Talia Sp. z o.o. in that part which referred to ruling ineffective the notices of termination made by PKH of the Contract for the Sale of Proprietary Interest in Certificates of Origin Confirming Generation of Electrical Energy in a Renewable Energy Source - Wind Farm in Modlikowice dated 23 December 2009 and the Contract for the Sale of Electrical Energy Generated in a Renewable Energy Source - Wind Farm in Modlikowice dated 23 December 2009, entered into with Talia. The Court also determined that in principle the claims for damages raised by Talia against PKH on account of non-performance by PKH of the Contracts for the Sale of Proprietary Interest were justified.

In the case instituted by the subsidiaries Amon Sp. z o.o. and Talia Sp. z o.o. versus Tauron Polska Energia S.A. in view of the breaking of long-term contracts for the sale of energy and proprietary interest entered into by a subsidiary of Tauron, Polska Energia-Pierwsza Kompania Handlowa Sp. z o.o. with Amon and Talia, on 27 January 2020 an initial hearing was held at the District Court in Katowice, during which the Court, among others, dismissed the Tauron's request to refrain from questioning the witnesses and to confine the scope of the hearing, which resulted in further witnesses being summoned to appear at the hearing scheduled for 2 March and 16 March 2020. Said hearings were cancelled, though.

In the case instituted by Eolos Sp. z o.o. against the subsidiaries Certyfikaty Sp. z o.o. and Polenergia Obrót S.A., two hearings were held before the District Court in Warsaw (on 27 September 2019 and on

13 December 2019). The hearing scheduled for 8 April 2020 was cancelled in view of the restrictions due to the COVID-19 pandemics. The next hearing will be scheduled ex officio.

10. Information on any surety issued by the Issuer or any subsidiary with respect to a loan or a borrowing or any guarantee issued jointly to a single entity or a subsidiary of such entity, if the total amount of the existing sureties and guarantees is material

As at 31 March 2020 the Group has issued no third party guarantees.

11. Other information that, in the Issuer's opinion, is important in the evaluation of its personnel, property and financial situation, as well as in the assessment of its financial performance and changes thereof and information that is important for the assessment of the Issuer's ability to perform its obligations.

In the opinion of the Group, there is no information, other than that presented herein, that would be important for the assessment of the Group's ability to perform its obligations.

12. Identification of factors that, in the opinion of the Issuer, will impact its performance in the perspective of at least the immediately following quarter

The Group believes in the perspective of further quarters significant impact on its performance (consolidated and single-company one) will be exerted by the following factors:

- windiness levels on locations of the wind farms of: Puck, Łukaszów, Modlikowice, Gawłowice, Rajgród, Skurpie, Mycielin and Krzęcin,
- insolation levels on location of the PV farm of Sulechów;
- prices of electricity and green certificates,
- final wording of the regulations affecting the Issuer's business,
- potential price volatility of CO_2 emission allowances, natural gas, biomass and availability of those raw materials,
- financial standing of the Company's customers,
- macroeconomic situation of Poland,
- market interest rates,
- availability and cost of debt financing,
- the developments relating to the COVID-19 pandemics.

13. Liquidity risk

The Group monitors the risk of its funds being insufficient to pay liabilities as they fall due through periodic liquidity planning. Such tool takes into account the maturities of investments and financial assets (e.g. accounts receivable, other financial assets) and forecast cash flows from operating activities.

The Group aims at balancing the continuity and flexibility of financing by using different funding sources, including account overdrafts, credit facilities, finance lease contracts and lease-to-own contracts.

The table below shows the Group's financial liabilities by maturity as at 31 March 2020 and 31 December 2019, based on maturity in terms of undiscounted contractual payments.

31.03.2020	Up to 3 months	From 3 months to 12 months	From 1 year to 5 years	In excess of 5 years	Total
Interest bearing loans and borrowings	23 996	61 575	330 494	627 854	**1 043 919**
Other liabilities	203 634	-	35 754	-	**239 388**
Liabilities for deliveries and sevices	81 128	-	-	-	**81 128**
Lease liabilities	2 530	3 626	23 563	59 477	**89 196**

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31.12.2019	Up to 3 months	From 3 months to 12 months	From 1 year to 5 years	In excess of 5 years	Total
Interest bearing loans and borrowings	21 405	65 609	343 427	631 838	**1 062 279**
Other liabilities	92 595	-	11 324	-	**103 919**
Liabilities for deliveries and sevices	74 339	-	-	-	**74 339**
Lease liabilities	3 857	2 222	22 726	61 356	**90 161**

14. Information on significant related party transactions

Major transactions with associates in the period ended 31 March 2020 include:

31.03.2020	Revenues	Receivables
MFW Bałtyk I S.A.	164	164
MFW Bałtyk II Sp. z o.o.	277	277
MFW Bałtyk III Sp. z o.o.	278	278
Total	**719**	**719**

Following significant related party transactions took place in the 3-month period ended on 31 March 2020:

31.03.2020	Revenues	Receivables
Mansa Investments Sp. z o.o.	98	107
Kulczyk Holding Sarl	108	186
Polenergia Usługi Sp. z o.o.	33	-
Polenergia International Sarl	81	557
Total	**320**	**850**

Following significant transactions with related parties with personal relations took place in the 3-month period ended on 31 March 2020:

31.03.2020	Revenues	Costs	Receivables	Libilities
Autostrada Eksploatacja S.A.	316	-	315	-
Beyond.pl Sp. z o.o.	328	90	256	-
Ciech Sarzyna S.A.	1 553	302	1 312	119
Ciech Pianki Sp. z o.o.	126	-	95	-
Ciech Vitrosilicon S.A.	1 363	-	1 080	-
Ciech Soda Polska S.A.	12 541	-	5 156	-
Ciech Żywice Sp. z o.o.	5 910	136	1 718	54
Total	**22 137**	**528**	**9 932**	**173**

All transactions have been effected on arm's length terms.

15. Identification of event which occurred following the day of preparation of the quarterly condensed financial statements and not included in such financial statements however potentially significantly impacting the future financial performance of the Issuer

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On 14 April 2020 loan agreements up to the cap of PLN 233,000,000 ("Loan Agreements") were entered into by the company Mansa Investment Sp. z o.o. ("Mansa") as the lender, with the Issuer's subsidiaries: Polenergia Farma Wiatrowa 3 Sp. z o.o. (Dębsk Wind Farm), Polenergia Farma Wiatrowa Dębice/Kostomłoty Sp. z o.o. (Kostomłoty Wind Farm) and Polenergia Farma Wiatrowa Szymankowo Sp. z o.o. (Szymankowo Wind Farm) as borrowers. The loan agreements were entered into on arm's length terms which was confirmed by an opinion issued by an independent advisor. In addition, the loan agreements contain re-negotiation clauses regarding change of the interest rates in case the market situation should change significantly. In view of the above, the Issuer entered into three surety agreements with the parent company Mansa that will secure the repayment of the loans under the Loan Agreements concluded, with each surety agreement covering 150% of the respective loan amount.

On 30 April 2020, the subsidiary Polenergia Farma Wiatrowa Mycielin Sp. z o.o. effected an IRS interest rate risk hedging transaction. Said transaction increased the hedged rate of the investment loan debt to 90%, with concurrent extension of the hedge term until 15 December 2027.

C. OTHER INFORMATION PERTAINING TO THE CONSOLIDATED QUARTERLY REPORT

1. Discussion of key financial and economic data contained in the interim financial statements, in particular factors and events, including non-recurring ones, with a material effect on the Issuer's operations and profits earned or losses incurred in the financial year, as well as discussion of the Issuer's development prospects at least during the next financial year

Key economic and financial data concerning the Issuer's performance is presented in the table below:

Major economic and financial data (PLN m)	3M 2020	3M 2019	Difference
Sales revenues	459,0	714,7	(255,7)
EBITDA	94,1	80,3	13,8
Adjusted EBITDA with the elimination of the effect of purchase price allocation	94,1	80,3	13,8
Net profit (loss)	49,9	37,0	12,9
Adjusted net profit with the elimination of the effect of purchase price allocation, unrealized f/x differences, impairment losses, loas valuation and net gain/loss on disposal of assets	51,1	40,0	11,1

The year-on-year changes in the performance in the first quarter of 2020 were driven by the following factors:

a) On the level of EBITDA (increase by PLN 13.8 m):

- Better performance of the wind power segment (by PLN 22.8 m) resulting predominantly from higher production volume and higher prices of green certificates and electricity, partly offset by higher total balancing and profile costs;
- The lower EBITDA of the conventional energy segment (by PLN 13.3 m) resulting from no revenues from gas cost compensation (in December 2019 a long-term contract for the purchase of gas covered by the compensation scheme was terminated) and lower revenues from the stranded costs compensation (the compensation system coming to an end in 2020);
- Better performance of the trading segment (by PLN 2.7 m) resulting, without limitation, from higher profit on wind farm green certificates trading (higher sales prices) and higher profit on the trading portfolio due to the own asset-based production hedge optimizing transactions, partly offset by lower result on wind farm electricity sales (higher than projected generation of electricity in Q1 2020 sold at a market price that was lower than the contractual purchase price from wind farms) and higher operating costs;
- Better performance in the distribution segment (by PLN 0.9 m), due to the refund of the overpaid prior years' real estate tax and higher energy sales margin;
- The result of the photovoltaics segment (PLN 0.3 m) which the Group recognizes as a separate item as of 2020 because of the commencement of the operating stage by 8 PV projects totaling 8 MW (Sulechów I) which won the support in an auction under the RES support scheme;
- Lower costs in the development and implementation segment (by PLN 0.2 m) allocated to profit and loss account;
- Higher balance under Unallocated item (by PLN 0.2 m) due to higher EBITDA on biomass operations (by 0.7 m) and lower HQ costs resulting from the drop in the non-deductible VAT expenses partly offset by the increase in higher wages.

b) On the level of the adjusted EBITDA (increase by PLN 13.8 m):

- The EBITDA effect described above (better result by PLN 13.8 m);

c) On the level of Net profit/loss (increase by PLN 12.9 m) driven by:

- The EBITDA effect (better result by PLN 13.8 m);
- Lower depreciation (by PLN 0.2 m) resulting primarily from lower depreciation in the conventional energy segment (lower value of depreciable repairs and lower depreciation rate due to a longer depreciation period for repairs) partly offset by commissioning of fixed assets in PV segment;
- Impairment losses effect (drop by PLN 0.3 m) resulting from lower impairment losses in the development and implementation segment;

Hence, higher operating profit (by PLN 14.4 m).

- The difference on the financial income level (higher by PLN 1.5 m) is attributable to the financial instruments measurement in the conventional energy segment (PLN 1.4 m), the impact of f/x differences (PLN 0.4 m) and higher interest gains (PLN 0.3 m). Said difference has been reduced by PLN 0.7 m in view of the one-off result attributable to the winding-up of a subsidiary that was recognized in 2019.
- The reduction of the finance costs (by PLN 0.5 m) is mainly attributable to lower interest expenses (by PLN 0.4 m) due to the decreasing Group's debt;
- Higher income tax (by PLN 3.4 m) due to higher income subject to taxation in 2020 and the measurement of the green certificate inventory.

d) On the level of adjusted net profit - with the removal of the effects of acquisition price allocation, unrealized f/x differences, impairment losses, loan measurement and discount measurement (increase by PLN 11.1 m):

- Impact of higher Net Profit/Loss (better result by PLN 12.9 m);
- Elimination of the purchase price allocation effect (neutral effect);
- Elimination of the effect of unrealized foreign exchange differences (minus PLN 1.5 m);
- Elimination of the effect of measurement of bank loans (neutral effect);
- Reversal of the effect of impairment losses (minus PLN 0.3 m).

2. Concise outline of significant achievements or failures of the issuer in the reporting period including a list of related major events

Outline of significant achievements or failures of the Group in the reporting period including a list of related major events has been provided in part A.2 hereof - *Detailed comments regarding financial performance for the 3-month period ended 31 March 2020 and other significant information on the position of the Group.*

3. Management Board's position on the feasibility of meeting the previously published forecasts for a given year in light of the results presented in the quarterly report

The Group publishes no performance forecast for future years.

4. Description of factors and events, in particular those of non-typical nature, of significant impact on the financial performance achieved

The factors of significant impact on the financial performance of the Group have been referred to in sections A.2 and C.1 hereof.

5. Identification of shareholders holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the general meeting of shareholders of the Issuer as at the day of delivery of the quarterly report, including the specification of the number of shares held by such companies, their percentage share in the share capital, number of

votes attaching to them and their percentage share in the total number of votes at the general meeting, as well as identification of changes in the ownership structure of substantial share interest of the Issuer in the period since the delivery of the most recent past quarterly report

No	Shareholder	Number of shares held	Number of votes	Shareholding
1	Mansa Investments Sp. z o.o. *)	23 467 043	23 467 043	51,64%
2	China - Central and Eastern Europe Investment Co-operation Fund SCS SICAV-SIF**)	7 266 122	7 266 122	15,99%
3	Nationale Netherlanden	2 570 000	2 570 000	5,66%
4	Generali OFE	3 000 000	3 000 000	6,60%
5	Aviva OFE	3 732 687	3 732 687	8,21%
6	Others	5 407 695	5 407 695	11,90%
	Total	**45 443 547**	**45 443 547**	**100,00%**

*) Kulczyk Holding S.à r.l., a company established and operating under the laws of Luxemburg, holds 100 % of shares in Mansa Investments sp. z o.o.
**) through a subsidiary Capedia Holdings Limited of Nicosia, Cyprus.

6. Identification of effects of changes in the entity's structure, including changes resulting from mergers, acquisitions or disposals of the group entities, long-term investments, splits, restructuring or discontinuation of operations

In the first quarter of 2020 there were no mergers, acquisitions or disposals of the group entities, long-term investments, splits, restructuring or discontinuation of operations.

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D. QUARTERLY FINANCIAL INFORMATION OF THE COMPANY POLENERGIA S.A.

INTERIM CONDENSED STANDALONE BALANCE SHEET
as at 31 March 2020

ASSETS

	31.03.2020	31.12.2019
I. Non-current assets	**869 377**	**875 134**
Tangible fixed assets	9 408	9 024
Intangible assets	72	74
Financial assets	855 368	861 854
Long term receivables	1 800	1 856
Deferred income tax assets	2 729	2 326
II. Current assets	**279 173**	**271 051**
Trade receivables	5 907	12 218
Income tax receivable	33	-
Other short term receivables	951	909
Prepayments and accrued income	3 006	4 148
Short term financial assets	16 869	16 700
Cash and equivalent	252 407	237 076
Total assets	**1 148 550**	**1 146 185**

EQUITY AND LIABILITIES

	31.03.2020	31.12.2019
I. Shareholders' equity	**1 122 329**	**1 117 680**
Share capital	90 887	90 887
Share premium account	557 611	557 611
Reserve capital from option measurement	13 207	13 207
Other capital reserves	349 478	349 478
Capital from merger	89 782	89 782
Retained profit (loss)	16 715	(26 826)
Net profit /(loss)	4 649	43 541
II. Long term liabilities	**15 755**	**15 397**
Provisions	21	21
Other liabilities	15 734	15 376
III. Short term liabilities	**10 466**	**13 108**
Trade payables	389	602
Income tax payable	-	422
Other liabilities	3 428	4 133
Provisions	910	910
Accruals and deferred income	5 739	7 041
Total equity and liabilities	**1 148 550**	**1 146 185**

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INTERIM CONDENSED STANDALONE INCOME STATEMENT
for the 3-month period ended on 31 March 2020

	For 3 months ended 31.03.2020	For 3 months ended 31.03.2019
Sales revenues	3 891	3 915
Sales revenues	**3 891**	**3 915**
Cost of goods sold	(3 495)	(3 549)
Gross sales profit	**396**	**366**
Other operating revenues	62	-
General overheads	(4 353)	(3 830)
Other operating expenses	(4)	(42)
Financial income	8 368	2 868
including dividend	6 500	-
Financial costs	(165)	(1 291)
Proft (loss) before tax	**4 304**	**(1 929)**
Income tax	345	303
Net profit (loss)	**4 649**	**(1 626)**

INTERIM CONDENSED STANDALONE STATEMENT OF COMPREHENSIVE INCOME
for the 3-month period ended on 31 March 2020

	For 3 months ended 31.03.2020	For 3 months ended 31.03.2019
Net profit (loss)	**4 649**	**(1 626)**
Other net comprehensive income	**-**	**-**
COMPREHENSIVE INCOME FOR PERIOD	**4 649**	**(1 626)**

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INTERIM CONDENSED STANDALONE STATEMENT OF CHANGES IN EQUITY
for the 3-month period ended on 31 March 2020

	Share capital	Share premium account	Reserve capital from option measurement	Other capital reserves	Capital from merger	Retained loss	Net profit	Total equity
As at January 2020	**90 887**	**557 611**	**13 207**	**349 478**	**89 782**	**16 715**	**-**	**1 117 680**
Other comprehensive income for period								
Net loss for reporting period	-	-	-	-	-	-	4 649	4 649
As at 31 March 2020	**90 887**	**557 611**	**13 207**	**349 478**	**89 782**	**16 715**	**4 649**	**1 122 329**

	Share capital	Share premium account	Reserve capital from option measurement	Other capital reserves	Capital from merger	Retained loss	Net loss	Total equity
As at January 2019	**90 887**	**601 539**	**13 207**	**349 478**	**89 782**	**(70 755)**	**-**	**1 074 138**
Other comprehensive income for period								
Net loss for reporting period	-	-	-	-	-	-	(1 626)	(1 626)
As at 31 March 2019	**90 887**	**601 539**	**13 207**	**349 478**	**89 782**	**(70 755)**	**(1 626)**	**1 072 512**

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INTERIM CONDENSED STANDALONE STATEMENT OF CASH FLOWS
for the 3-month period ended on 31 March 2020

	For 3 months ended	
	31.03.2020	31.03.2019
A.Cash flow from operating activities		
I.Profit (loss) before tax	**4 304**	**(1 929)**
II.Total adjustments	**(1 695)**	**3 325**
Depreciation	469	440
Foreign exchange losses (gains)	-	23
Interest and profit shares (dividends)	(6 763)	(1 532)
Losses (gains) on investing activities	(25)	1 258
Income tax	(513)	-
Changes in receivables	6 325	3 722
Changes in short term liabilities, excluding bank loans and borrowings	(1 029)	(162)
Changes in accruals	(159)	(424)
III.Net cash flows from operating activities (I+/-II)	**2 609**	**1 396**
B.Cash flows from investing activities		
I. Cash in	**21 137**	**81 224**
1. Dipsosal of intangibles and tangible fixed asstes	27	-
2. From financial assets, including:	21 110	81 224
- dividends and shares in profits	6 500	-
- repayment of loans given	-	46 000
- interest	40	15
- other inflows from financial assets	14 570	35 209
II.Cash out	**7 962**	**110 859**
1. Acquisition of intangible and tangible fixed assets	31	180
2. For financial assets, including:	7 931	110 679
- acquisition of financial assets	7 931	37 679
- loans given	-	73 000
III.Net cash flows from investing activities (I-II)	**13 175**	**(29 635)**
C.Cash flows from financing activities		
I.Cash in	**-**	**-**
II.Cash out	**453**	**468**
1.Lease payables	354	443
2.Interest	99	25
III.Net cash flows from financing activities (I-II)	**(453)**	**(468)**
D.Total net cash flows (A.III+/-B.III+/-C.III)	**15 331**	**(28 707)**
E.Increase/decrease in cash in the balance sheet, including:	**15 331**	**(28 731)**
- change in cash due to f/x differences	**-**	**(24)**
F.Cash at the beginning of period	**237 076**	**208 555**
G.Cash at the and of period, including:	**252 407**	**179 824**
- restricted cash	311	3

Consolidated Quarterly Report for Q1 2020 ended on 31 March 2020 (PLN K)

COST ACCORDING TO TYPE

	For 3 months ended	
	31.03.2020	31.03.2019
- depreciation	469	440
- materials and power consumption	98	75
- third party services	2 016	2 032
- taxes, duties and fees	205	905
- salaries	4 407	3 395
- social security and other benefits	633	504
- other cost by type	20	28
Total cost by type	**7 848**	**7 379**
- general overheads (-)	(4 353)	(3 830)
Total cost of goods sold	**3 495**	**3 549**

Consolidated Quarterly Report for Q1 2020 ended on 31 March 2020 (PLN K)