

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

***Polenergia S.A. Group***

**CONSOLIDATED QUARTERLY REPORT**

**FOR THE THIRD QUARTER OF 2019**

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Warsaw, 15 November 2019

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**A. INTRODUCTION TO THE CONSOLIDATED QUARTERLY REPORT**

## 1. Consolidated profit and loss account for a 9-month period ended on 30 September 2019

Within the 9-month period ended on 30 September 2019, the results of Polenergia Group (the Group) in terms of the adjusted (normalized) EBITDA and net profit amounted to PLN 200.4m and PLN 82.9m, respectively, which signifies growth compared to the corresponding period of the preceding year by PLN 78.7m and PLN 74.4m, respectively.

Polenergia Group Income Statement (PLN m)	9M 2019	9M 2018	Difference YOY	Difference YOY [%]	Q3 2019	Q3 2018	Difference YOY	Difference YOY [%]
<b>Sales revenues, including:</b>	<b>1 947,6</b>	<b>2 560,8</b>	<b>(613,1)</b>	<b>-24%</b>	<b>643,4</b>	<b>987,0</b>	<b>(343,6)</b>	<b>-35%</b>
trading segment	1 470,3	2 133,8	(663,5)		479,1	835,7	(356,6)	
other	477,3	427,0	50,3		164,3	151,3	13,0	
<b>Cost of goods sold, including:</b>	<b>(1 800,1)</b>	<b>(2 485,5)</b>	<b>685,4</b>	<b>28%</b>	<b>(590,2)</b>	<b>(939,2)</b>	<b>348,9</b>	<b>37%</b>
trading segment	(1 454,4)	(2 141,1)	686,7		(473,6)	(826,1)	352,5	
other	(345,7)	(344,4)	(1,3)		(116,6)	(113,0)	(3,6)	
<b>Gross profit on sales</b>	<b>147,5</b>	<b>75,3</b>	<b>72,3</b>	<b>96%</b>	<b>53,2</b>	<b>47,9</b>	<b>5,3</b>	<b>11%</b>
Selling expenses and general overheads	(26,9)	(30,5)	3,7	12%	(7,7)	(9,4)	1,7	18%
Other operating revenue/expense	2,6	1,4	1,1	78%	1,7	2,8	(1,1)	-39%
<b>A Operating profit (EBIT)</b>	<b>123,2</b>	<b>46,2</b>	<b>77,1</b>	<b>167%</b>	<b>47,1</b>	<b>41,2</b>	<b>6,0</b>	<b>14%</b>
Depreciation/Amortization	76,1	71,8	4,3		25,1	23,7	1,4	
Impairment losses	1,1	16,4	(15,3)		0,3	(0,5)	0,8	
Profit on loss of control over subsidiaries***	-	(12,0)	12,0		-	-	-	
<b>EBITDA</b>	<b>200,4</b>	<b>122,4</b>	<b>78,0</b>	<b>64%</b>	<b>72,6</b>	<b>64,4</b>	<b>8,2</b>	<b>13%</b>
Normalizing adjustments:								
Purchase price allocation (PPA)	-	(0,7)	0,7	100%	-	-	-	
<b>Adjusted EBITDA*</b>	<b>200,4</b>	<b>121,7</b>	<b>78,7</b>	<b>65%</b>	<b>72,6</b>	<b>64,4</b>	<b>8,2</b>	<b>13%</b>
<b>B Financial income</b>	<b>4,5</b>	<b>4,8</b>	<b>(0,3)</b>		<b>1,2</b>	<b>1,7</b>	<b>(0,5)</b>	
<b>C Financial costs</b>	<b>(36,9)</b>	<b>(47,8)</b>	<b>10,9</b>		<b>(12,1)</b>	<b>(11,9)</b>	<b>(0,1)</b>	
<b>A+B+C Gross profit (loss)</b>	<b>90,8</b>	<b>3,1</b>	<b>87,7</b>	<b>2811%</b>	<b>36,3</b>	<b>30,9</b>	<b>5,4</b>	<b>17%</b>
Income tax	(16,2)	(16,4)	0,1	1%	(7,3)	(6,9)	(0,4)	-6%
<b>Net profit (loss)</b>	<b>74,6</b>	<b>(13,2)</b>	<b>87,8</b>	<b>663%</b>	<b>28,9</b>	<b>24,0</b>	<b>4,9</b>	<b>20%</b>
Normalizing adjustments:								
Purchase price allocation (PPA)	6,2	5,6	0,6		2,1	2,1	-	
Foreign exchange differences	0,1	0,2	(0,1)		(0,1)	(0,2)	0,1	
Loan valuation using the amortized cost method	1,0	6,8	(5,8)		0,3	(0,6)	0,9	
Impairment losses**	1,1	16,4	(15,3)		0,3	(0,5)	0,8	
Net profit / loss on sale of offshore WF	-	(7,2)	7,2		-	(4,2)	4,2	
<b>Adjusted net profit (loss)*</b>	<b>82,9</b>	<b>8,5</b>	<b>74,4</b>	<b>873%</b>	<b>31,6</b>	<b>20,6</b>	<b>11,0</b>	<b>54%</b>
<b>Adjusted EBITDA*</b>	<b>200,4</b>	<b>121,7</b>	<b>78,7</b>	<b>65%</b>	<b>72,6</b>	<b>64,4</b>	<b>8,2</b>	<b>13%</b>
Adjusted EBITDA Margin*	10,3%	4,8%	5,5%		11,3%	6,5%	4,8%	
<b>Adjusted EBITDA (excl. trading segment)</b>	<b>191,2</b>	<b>137,0</b>	<b>54,2</b>	<b>40%</b>	<b>69,3</b>	<b>58,1</b>	<b>11,2</b>	<b>19%</b>
Adjusted EBITDA margin (excl. trading segment)	40,1%	32,1%	8,0%		42,2%	38,4%	3,8%	

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

\*\*) Net change in the amount of impairment losses on assets

\*\*\*) Refers to transfer of interest in offshore wind farms

Sales revenues of the Group for the three quarters of 2019 were lower by PLN 613.1m due to lower revenues in the trading segment (by PLN 663.5m), partly offset by higher revenues mainly in the wind farm segment (by PLN 57.1m).

The adjusted EBITDA in the period in question amounted to PLN 200.4m and exceeded by PLN 78.7m the one in the corresponding period of the preceding year, mainly due to better performance of the wind power segment (by PLN 58.2m) resulting from higher production volume and higher prices of green certificates and electricity, as well as due to better performance of the trading segment (by PLN 24.5m) resulting mainly from better result on electricity trading. The growth of the adjusted EBITDA was partly offset by lower result in the conventional energy segment by PLN 7.2m, mainly because of no revenues from yellow certificates.

In the third quarter of 2019, the Group's sales revenues dropped by 35% year on year, affected by lower sales revenues in the trading segment.

Adjusted EBITDA for said period amounted to PLN 72.6m, and was higher by PLN 8.2m year on year, mainly due to a better result of the wind power segment, partly offset by worse result in the conventional energy and trading segments.

## **2. Detailed comments regarding financial performance for the 9-month period ended on 30 September 2019 and other significant information on the position of the Group**

The wind power segment experienced a PLN 58.2m year-on-year increase in EBITDA, with the EBITDA increase in the third quarter alone of PLN 14.1m. Better performance of this segment resulted from higher production volume of green certificates (by 101 GWh) and electricity (by 99 GWh), as well as higher average prices of green certificates and electricity. The increased operating costs result, on the other hand, from the reversal in 2018 of part of historic costs of technical service at Mycielin wind farm resulting from the settlement with Vestas, which was partly offset by lower lease costs driven by changes in the accounting standards (enactment of IFRS 16).

EBITDA of the conventional energy segment declined by PLN 7.2m year on year, with a reduction of PLN 6.0m in the third quarter alone. The drop in performance results from lack of revenues from yellow certificates following the expiration, with the end of 2018, of the existing support system for gas cogeneration and by lower revenues by PLN 5.6m from gas compensation in Q3 (lower adjustment for 2018 compared to the adjustment for 2017). The impact of this factor has been partly offset by higher revenues from stranded costs compensation in 2019.

The cumulative EBITDA in the trading segment was higher by PLN 24.5m YOY, due to better performance of electricity trading, better sales of green certificates resulting from higher sales prices and lower operating expenses, as well as lower commission costs. The impact of those factors was inhibited by the increase of the profile and balancing costs thus yielding a worse result on electricity sales by wind farms. In the third quarter alone, EBITDA of the trading segment was lower by PLN 3.0m due to a lower result on the trading portfolio and lower result on other contracts given the one-off transactions closed in Q3 2018, partly offset by higher spread on the wind farm portfolio in view of higher sales prices of green certificates and lower operating expenses and commission costs.

The distribution segment showed a growth of EBITDA by PLN 0.7m in 2019 due to higher distribution margin, lower operating expenses (lower real estate tax) and higher other operating revenues (the refund of the real estate tax and release of the litigation provision) offset by lower energy sales margin in HY1 2019. Better EBITDA by PLN 0.6m in Q3 alone was mainly the effect of higher energy sales margin made possible by partial electricity price release as of 1 July 2019.

Following the transfer of assets of Biomasa Południe and Biomasa Północ plants in 2018 and in view of the ongoing restructuring process in the biomass segment, the Group refrained from disclosing the result of the biomass segment in its financial reports under a separate item. The financial performance of Biomasa Wschód has been recorded under Unallocated item. Biomasa Wschód has been continuing its performance under the contracts for the delivery of pellet, with ongoing pursuit of the buyer for this plant.

The result under Unallocated item in 2019 was better by PLN 2.7m compared to the corresponding period of the preceding year due to higher other operating expenses resulting from VAT adjustment for the period 12.2017 - 11.2018, lower headquarters external services costs and the costs resulting from the sale of shares in the companies developing offshore wind farms projects and the costs of servicing two calls for share transfer, borne in 2018. Better result under the Unallocated item (by PLN 2.5m) in Q3 is, in addition, the effect of including the positive impact of the biomass segment's result of PLN 0.8m resulting from the decision to discontinue its disclosure in 2019 under a separate item.

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

As a consequence of the abovementioned developments, the adjusted EBITDA margin excluding the trading segment amounted to 40.1%, and was higher by 8.0 pp year on year. In Q3 2019, in turn, this index amounted to 42.2% and was higher by 3.8 pp year on year.

The result on financial operations in 2019 was better compared against the preceding year by PLN 10.6m predominantly due to lower finance costs (by PLN 10.9m). The reduction of the finance costs was mainly attributable to financial liabilities measurement (PLN 7.5m), in particular the loan measurement in Amon and Talia projects using the effective interest rate in the second quarter of 2018 following completion of debt reprofiling, and lower interest expense (by PLN 3.4m).

Lower income tax (by PLN 0.1m) resulted mainly from the impact of the income tax on the sale of shares in offshore wind farm projects in 2018.

In addition, the net profit was impacted by impairment losses of non-financial fixed assets in the development and implementation segment amounting to PLN 1.1m.

#### **Other material information on the position of the Group**

In 2019 new service contracts were entered into for five wind farms that permit extending the period of wind turbines servicing.

On 29 March 2019 Amon Sp. z o.o. and Talia Sp. z o.o. subsidiaries entered into service agreements with Siemens Gamesa Renewable Energy Sp. z o.o. for the term of 23 years. Execution of said agreements permits extending the service term of the wind turbines of the a/m wind farms up to 30 years.

On 8 May 2019 the subsidiaries Polenergia Farma Wiatrowa 1 Sp. z o.o., Polenergia Farma Wiatrowa 4 Sp. z o.o. and Polenergia Farma Wiatrowa 6 Sp. z o.o. signed annexes to the service agreements with Siemens Gamesa Renewable Energy Sp. z o.o. Said agreements cover the servicing of turbines until 31 January 2045 for the projects of Gawłowice, Rajgród and Skurpie. Execution of said annex permits extending the service term of the wind turbines of the a/m wind farms up to 30 years.

On 4 April 2019 the subsidiary Elektrociepłownia Nowa Sarzyna Sp. z o.o. entered into an agreement with the related party Polenergia Obrót S.A for the sale of electricity with a one-year term since 1.01.2020 until 31.12.2020. Also, on 4 April 2019, Elektrociepłownia Nowa Sarzyna, acting under the framework agreement with PGNiG Supply & Trading GmbH Sp. z o.o. Oddział w Polsce, entered into a contract for the supply of gas fuel with a one-year term since 1.01.2020 until 1.01.2021.

Biomass projects restructuring has been continued. The company Grupa PEP - Biomasa Energetyczna Południe Sp. z o.o. is currently in liquidation, while the pursuit for the investing company for Biomasa Energetyczna Wschód Sp. z o.o. is continued, in cooperation with the lending bank. The company Polenergia Biomasa Energetyczna Wschód Sp. z o.o. entered into agreements with Enea Elektrownia Połaniec and Energa Elektrownie Ostrołęka for the supply of pellet in 2020 and is currently preparing to participate in the tender for the supply in subsequent years. In addition, a memorandum of understanding was signed with the lending bank under which the investment loan repayment schedule was modified to reflect the company's position.

Litigation between Amon Sp. z o.o. and Talia Sp. z o.o. and Polska Energia – Polska Kompania Handlowa Sp. z o.o. is pending. Detailed information about the current status of litigation cases have been provided under item B.9 hereof.

The development has been completed of 8 photovoltaic farms with total capacity of 8 MW that were successful bidders in a 2018 auction and thus were granted the right to cover the negative balance with reference to the price for the produced electricity quoted in the auction for a 15-year period. An operating permit was issued for this project. The Group is preparing photovoltaic power plant projects with total capacity up to 20 MW to participate in the auction scheduled for December 2019 for renewable energy sources. Further projects with the capacity of 40 MW are at their early stage of development.

On 22 October 2019 the subsidiary Farma Wiatrowa 17 Sp. z o.o. (Wind Farm 17) developing 8 photovoltaic power plants with total capacity of 8 MW, entered into a facility agreement with ING Bank Śląski S.A. for the term financing up to PLN 40,000,000 and the loan to service Value Added Tax

payments up to PLN 4,500,000. The Bank will grant a loan to the Company to refinance the capital expenditures for the development of 8 photovoltaic farms with total capacity of 8 MW amounting to max. PLN 15,500,000 and will provide financing for the development of further photovoltaic farms with total capacity of up to 12 MW, and to service VAT payments up to PLN 29,000,000, subject to, among others, the successful bid of the Company in the auction for renewable energy sources and subject to an investment decision regarding the project.

On 5 November 2019 the subsidiary Polenergia Farma Wiatrowa Szymankowo Sp. z o.o., entered into a loan agreement with the European Bank for Reconstruction and Development, mBank S.A. and ING Bank Śląski S.A. for the financing of wind farm construction up to PLN 107,000,000 and the loan to service VAT payments during the construction period up to PLN 20,000,000.

In addition, Polenergia Farma Wiatrowa Szymankowo Sp. z o.o., entered into agreement with:

- Siemens Gamesa Renewable Energy Sp. z o.o. and Siemens Gamesa Renewable Energy A/S for the delivery, installation and commissioning of 11 wind turbines G132 HH 134 with a capacity of 3.465 MW each (38.115 MW in total). The supply and installation of turbines and the launch of the Farma Wiatrowa are planned for the period from August 2020 to March 2021;
- Siemens Gamesa Renewable Energy Sp. z o.o. for the service and availability of wind turbines including the provision of maintenance services for the said wind turbines for a period of 25 years from the date of commissioning,
- Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A. for the construction of Wind Farm Szymankowo Sp. z o.o.

The Group continues work to create a 161 MW wind farm project portfolio based on the revenue from the energy market or its long term contracts. The Group has not excluded its participation in any potential auction for wind farm that may take place in 2019.

In the distribution segment, the President of the Energy Regulatory Office (URE) approved a new tariff for electricity distribution for the company Polenergia Dystrybucja, calculated based on the reasonable and planned cost of business for a 12-month period. In the part concerning electricity trading to households the prices are governed by the "Act on freezing the electricity prices". Also, the approved investment plan for the years 2019-2022 totaling PLN 51m has been under implementation.

The Group prepares three offshore wind farms (Polenergia Bałtyk I S.A., MFW Bałtyk II Sp. z o.o. and MFW Bałtyk III Sp. z o.o.) located on Baltic Sea with total capacity up to 3000 MW for construction. The date of construction of those farms will depend on when the relevant regulatory framework is in place. According to the contract executed in Q2 2018 with Statoil Holding Netherlands B.V (currently Equinor), the Group currently holds 50% of shares in the companies MFW Bałtyk II Sp. z o.o. and MFW Bałtyk III Sp. z o.o. With respect to Polenergia Bałtyk I S.A., a preliminary agreement was entered into for the transfer of a 50% interest in the company dealing with the development and construction of offshore wind farms onto Wind Power AS, a company within the Equinor group. According to the current report 10/2019 dated 5 March 2019, one of the conditions precedent was fulfilled in that an unconditional consent of the President of the Completion and Consumer Protection Authority was obtained for the establishment of a joint venture.

On 28 January 2019 the company MFW Bałtyk II Sp. z o. o. was granted the connection terms allowing to connect an offshore wind farm with the total capacity of 240 MW. The fact the abovementioned connection terms have been obtained means that a potential increase of the total capacity of the offshore wind farms developed by MFW Bałtyk II Sp. z o. o. and MFW Bałtyk III Sp. z o. o. from 1200 MW to 1440 MW is possible.

On 30 January 2019 the company Polenergia Bałtyk I S.A. was granted the connection terms for the developed project of an offshore wind farm Bałtyk Północny. According to those terms, connection has



been provided for of an offshore wind farm of the total capacity of 1560 MW. The fact the abovementioned connection terms have been obtained means that a potential increase of the total capacity of the offshore wind farms developed by MFW Bałtyk II Sp. z o. o., MFW Bałtyk III Sp. z o. o. and Polenergia Bałtyk I S.A. up to 3000 MW is possible. Further, on 14 March 2019 MFW Bałtyk III sp. z o.o. obtained a decision on the environmental conditions for the construction of offshore electricity transmission infrastructure to connect the intended offshore electrical energy stations with the National Energy System. The total output power to be transmitted through the infrastructure is up to 1440 MW.

On 30 September 2019 Polenergia S.A entered into Annex 1 to the preliminary conditional agreement for the transfer of 50% of shares in the subsidiary Polenergia Bałtyk I S.A. with Wind Power AS dated 20 December 2018. Under the annex the date of executing the final agreement specified in the preliminary agreement was set for 31 December 2019.

On 18 October 2019 Polenergia S.A. executed an amending agreement to the preliminary conditional agreement for the transfer of 50% of shares in the subsidiary Polenergia Bałtyk I S.A. with Wind Power AS dated 20 December 2018. The amending agreement replaced the condition precedent of obtaining the legally binding registration by the Court of Registration of the resolution concerning the transformation of Polenergia Bałtyk I S.A. into a limited liability company with some new conditions:

- unconditional, final and effective transfer by the Issuer of all shares in Polenergia Bałtyk I S.A. to MFW Bałtyk I sp. z o.o. as contribution in kind in exchange for the shares in the share capital of MFW Bałtyk I sp. z o.o.
- legally binding decision of the competent Court of Registration concerning the entry in the commercial register of the National Court Register stating the share capital increase of MFW Bałtyk I sp. z o.o.

On the following pages a presentation is given of the distribution of the total Group result within 9 months of 2019 broken down into the operating segments.

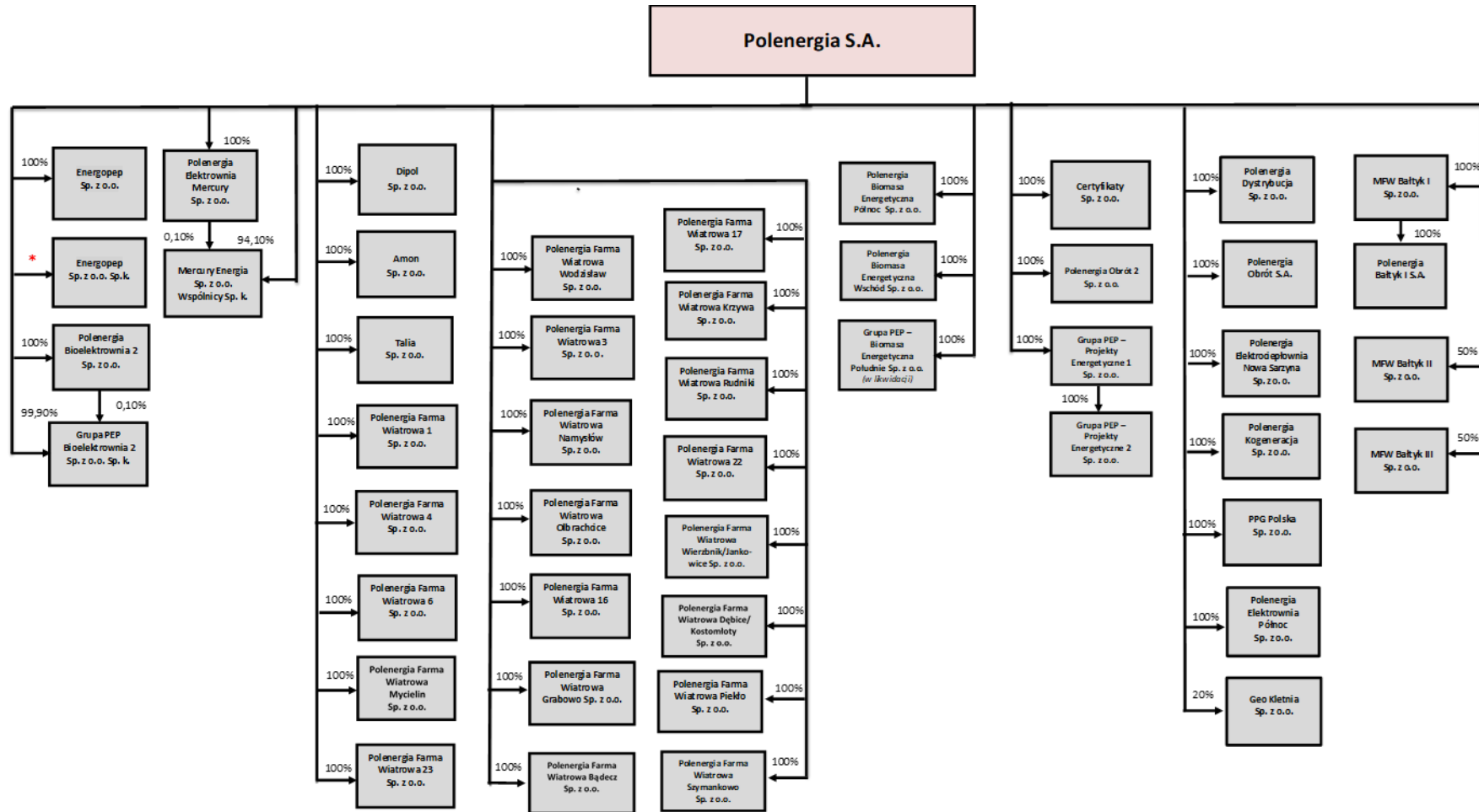
9M 2019 (PLN m)	Wind Power	Conventional Energy	Trading	Distribution	Developer and implementation activity	Unallocated	Purchase price allocation	TOTAL
Sales revenues	156.2	238.9	1 470.3	69.6	0.0	12.6	-	1 947.6
Operating costs	(80.4)	(183.3)	(1 454.4)	(58.8)	(0.3)	(15.4)	(7.6)	(1 800.1)
including depreciation/amorization	(47.1)	(15.8)	(0.1)	(3.7)	-	(1.8)	(7.6)	(76.1)
<b>Gross profit on sales</b>	<b>75.8</b>	<b>55.7</b>	<b>15.9</b>	<b>10.8</b>	<b>(0.3)</b>	<b>(2.8)</b>	<b>(7.6)</b>	<b>147.5</b>
Gross profit on sales margin	48.5%	23.3%	1.1%	15.5%	"n/a"	"n/a"	"n/a"	7.6%
General overheads	(2.3)	(4.9)	(7.1)	(4.2)	(0.3)	(7.8)	-	(26.5)
Other operating activities	2.8	(1.6)	0.3	2.3	(1.1)	(0.5)	-	2.2
including impairment losses	-	-	-	-	(1.1)	-	-	(1.1)
<b>Operating profit</b>	<b>76.3</b>	<b>49.2</b>	<b>9.1</b>	<b>8.9</b>	<b>(1.7)</b>	<b>(11.1)</b>	<b>(7.6)</b>	<b>123.2</b>
<b>EBITDA</b>	<b>123.4</b>	<b>65.0</b>	<b>9.2</b>	<b>12.6</b>	<b>(0.6)</b>	<b>(9.3)</b>	-	<b>200.4</b>
EBITDA Margin	79.0%	27.2%	0.6%	18.1%	"n/a"	"n/a"	"n/a"	10.3%
Purchase price allocation (PPA)	-	-	-	-	-	-	-	-
<b>Adjusted EBITDA</b>	<b>123.4</b>	<b>65.0</b>	<b>9.2</b>	<b>12.6</b>	<b>(0.6)</b>	<b>(9.3)</b>	-	<b>200.4</b>
Adjusted EBITDA Margin	79.0%	27.2%	0.6%	18.1%	"n/a"	"n/a"	"n/a"	10.3%
Profit (loss) on financial activities	(33.3)	(0.3)	(2.2)	(1.6)	0.8	4.4	-	(32.4)
<b>Profit (loss) before tax</b>	<b>42.9</b>	<b>48.9</b>	<b>6.9</b>	<b>7.3</b>	<b>(0.9)</b>	<b>(6.7)</b>	<b>(7.6)</b>	<b>90.8</b>
Income tax	-	-	-	-	-	-	-	(16.2)
<b>Net profit (loss) for period</b>								<b>74.6</b>
Normalizing adjustments:								
Purchase price allocation (PPA)								6.2
Foreign exchange differences								0.1
Loan valuation using amortized cost method								1.0
Impairment losses								1.1
<b>Adjusted net profit</b>								<b>82.9</b>

9M 2018 (PLN m)	Wind Power	Conventional Energy	Trading	Distribution	Developer and implementation activity	Unallocated	Purchase price allocation	TOTAL
Sales revenues	99.1	246.6	2 133.8	64.7	0.0	15.9	0.7	2 560.8
Operating costs	(77.7)	(185.1)	(2 141.1)	(54.1)	(0.3)	(19.7)	(7.6)	(2 485.5)
including depreciation/amorization	(42.7)	(16.2)	(0.0)	(3.4)	-	(1.8)	(7.6)	(71.8)
<b>Gross profit on sales</b>	<b>21.4</b>	<b>61.5</b>	<b>(7.3)</b>	<b>10.5</b>	<b>(0.2)</b>	<b>(3.8)</b>	<b>(6.9)</b>	<b>75.3</b>
Gross profit on sales margin	21.6%	25.0%	-0.3%	16.3%	"n/a"	"n/a"	"n/a"	2.9%
General overheads	(1.9)	(4.7)	(8.1)	(3.9)	(0.2)	(11.2)	-	(30.0)
Other operating activities	3.0	(0.8)	0.0	1.9	0.5	(15.6)	-	(11.1)
including impairment losses	-	-	-	-	0.4	(16.8)	-	(16.4)
<b>Operating profit</b>	<b>22.5</b>	<b>56.1</b>	<b>(15.3)</b>	<b>8.5</b>	<b>(0.0)</b>	<b>(30.7)</b>	<b>(6.9)</b>	<b>34.2</b>
<b>EBITDA</b>	<b>65.2</b>	<b>72.3</b>	<b>(15.3)</b>	<b>12.0</b>	<b>(0.4)</b>	<b>(12.0)</b>	<b>0.7</b>	<b>122.4</b>
EBITDA Margin	65.8%	29.3%	"n/a"	18.5%	"n/a"	"n/a"	100.0%	4.8%
Purchase price allocation (PPA)	-	-	-	-	-	-	(0.7)	(0.7)
<b>Adjusted EBITDA</b>	<b>65.2</b>	<b>72.3</b>	<b>(15.3)</b>	<b>12.0</b>	<b>(0.4)</b>	<b>(12.0)</b>	-	<b>121.7</b>
Adjusted EBITDA Margin	65.8%	29.3%	"n/a"	18.5%	"n/a"	"n/a"	"n/a"	4.8%
Profit (loss) on financial activities	(43.1)	(1.5)	(4.4)	(1.3)	0.0	19.3	-	(31.1)
<b>Profit (loss) before tax</b>	<b>(20.6)</b>	<b>54.5</b>	<b>(19.8)</b>	<b>7.2</b>	<b>0.0</b>	<b>(11.4)</b>	<b>(6.9)</b>	<b>3.1</b>
Income tax	-	-	-	-	-	-	-	(16.4)
<b>Net profit (loss) for period</b>								<b>(13.2)</b>
Normalizing adjustments:								
Purchase price allocation (PPA)								5.6
Foreign exchange differences								0.2
Loan valuation using amortized cost method								6.8
Impairment losses								16.4
0								(7.2)
<b>Adjusted net profit</b>								<b>8.5</b>
<b>Change of adjusted EBITDA yoy</b>	<b>58.2</b>	<b>(7.2)</b>	<b>24.5</b>	<b>0.7</b>	<b>(0.2)</b>	<b>2.7</b>	-	<b>78.7</b>

Q3 2019 (PLN m)	Wind Power	Conventional Energy	Trading	Distribution	Development and implementation activity	Unallocated	Purchase price allocation	TOTAL
Sales revenues	40,4	94,9	479,1	23,4	0,0	5,6	-	643,4
Operating costs	(26,4)	(62,2)	(473,6)	(19,5)	(0,1)	(5,9)	(2,5)	(590,2)
including depreciation/amortization	(15,7)	(5,0)	(0,0)	(1,2)	-	(0,6)	(2,5)	(25,1)
<b>Gross profit on sales</b>	<b>14,0</b>	<b>32,7</b>	<b>5,5</b>	<b>3,9</b>	<b>(0,1)</b>	<b>(0,3)</b>	<b>(2,5)</b>	<b>53,2</b>
Gross profit on sales margin	34,5%	34,5%	1,2%	16,7%	"n/a"	"n/a"	"n/a"	86,8%
General overheads	(0,7)	(1,6)	(2,4)	(1,4)	(0,0)	(1,6)	-	(7,7)
Other operating activities	1,0	(0,9)	0,1	1,7	(0,3)	0,1	-	1,6
including impairment losses	-	-	-	-	(0,3)	0,0	-	(0,3)
<b>Operating profit</b>	<b>14,2</b>	<b>30,2</b>	<b>3,2</b>	<b>4,2</b>	<b>(0,5)</b>	<b>(1,8)</b>	<b>(2,5)</b>	<b>47,1</b>
<b>EBITDA</b>	<b>29,9</b>	<b>35,2</b>	<b>3,3</b>	<b>5,5</b>	<b>(0,1)</b>	<b>(1,2)</b>	-	<b>72,6</b>
EBITDA Margin	74,1%	37,1%	"n/a"	23,3%	"n/a"	"n/a"	-	11,3%
Purchase price allocation (PPA)	-	-	-	-	-	-	-	-
<b>Adjusted EBITDA</b>	<b>29,9</b>	<b>35,2</b>	<b>3,3</b>	<b>5,5</b>	<b>(0,1)</b>	<b>(1,2)</b>	-	<b>72,6</b>
Adjusted EBITDA Margin	74,1%	37,1%	"n/a"	23,3%	"n/a"	"n/a"	"n/a"	11,3%
Profit (loss) on financial activities	(11,5)	0,4	(0,7)	(0,6)	0,0	1,4	-	(10,9)
<b>Profit (loss) before tax</b>	<b>2,7</b>	<b>30,7</b>	<b>2,6</b>	<b>3,6</b>	<b>(0,4)</b>	<b>(0,4)</b>	<b>(2,5)</b>	<b>36,3</b>
Income tax	-	-	-	-	-	-	-	(7,3)
<b>Net profit (loss) for period</b>								<b>28,9</b>
Normalizing adjustments:								
Purchase price allocation (PPA)								2,1
Foreign exchange differences								(0,1)
Loan valuation using amortized cost method								0,3
Impairment losses								0,3
<b>Adjusted net profit</b>								<b>31,5</b>
Q3 2018 (PLN m)	Wind Power	Conventional Energy	Trading	Distribution	Development and implementation activity	Unallocated	Purchase price allocation	TOTAL
Sales revenues	28,2	98,0	835,7	21,2	0,0	3,9	-	987,0
Operating costs	(26,7)	(60,6)	(826,1)	(17,9)	(0,1)	(5,2)	(2,5)	(939,2)
including depreciation/amortization	(14,3)	(5,4)	(0,0)	(1,2)	(0,0)	(0,3)	(2,5)	(23,7)
<b>Gross profit on sales</b>	<b>1,5</b>	<b>37,4</b>	<b>9,6</b>	<b>3,3</b>	<b>(0,1)</b>	<b>(1,2)</b>	<b>(2,5)</b>	<b>47,9</b>
Gross profit on sales margin	5,3%	38,1%	1,1%	15,4%	"n/a"	"n/a"	"n/a"	4,8%
General overheads	(0,6)	(1,3)	(3,1)	(1,2)	(0,1)	(2,9)	-	(9,2)
Other operating activities	0,7	(0,2)	(0,2)	1,6	0,4	0,2	-	2,5
including impairment losses	-	-	-	-	0,5	0,0	-	0,5
<b>Operating profit</b>	<b>1,6</b>	<b>35,8</b>	<b>6,3</b>	<b>3,7</b>	<b>0,3</b>	<b>(4,0)</b>	<b>(2,5)</b>	<b>41,2</b>
<b>EBITDA</b>	<b>15,9</b>	<b>41,2</b>	<b>6,3</b>	<b>4,9</b>	<b>(0,2)</b>	<b>(3,7)</b>	-	<b>64,4</b>
EBITDA Margin	56,4%	42,1%	0,8%	22,9%	"n/a"	"n/a"	"n/a"	6,5%
Purchase price allocation (PPA)	-	-	-	-	-	-	-	-
<b>Adjusted EBITDA</b>	<b>15,9</b>	<b>41,2</b>	<b>6,3</b>	<b>4,9</b>	<b>(0,2)</b>	<b>(3,7)</b>	-	<b>64,4</b>
Adjusted EBITDA Margin	56,4%	42,1%	0,8%	22,9%	"n/a"	"n/a"	"n/a"	6,5%
Profit (loss) on financial activities	(10,0)	(0,9)	(2,0)	(0,4)	(0,0)	15,0	-	1,7
<b>Profit (loss) before tax</b>	<b>(8,4)</b>	<b>34,9</b>	<b>4,3</b>	<b>3,3</b>	<b>0,3</b>	<b>(1,0)</b>	<b>(2,5)</b>	<b>30,9</b>
Income tax	-	-	-	-	-	-	-	(6,9)
<b>Net profit (loss) for period</b>								<b>24,0</b>
Normalizing adjustments:								
Purchase price allocation (PPA)								2,1
Foreign exchange differences								(0,2)
Loan valuation using amortized cost method								(0,6)
Impairment losses								(0,5)
Net profit / loss on sale of offshore WF								(4,2)
<b>Adjusted net profit</b>								<b>20,6</b>
<b>Change of adjusted EBITDA yoy</b>	<b>14,1</b>	<b>(6,0)</b>	<b>(3,0)</b>	<b>0,6</b>	<b>0,0</b>	<b>2,5</b>	<b>-</b>	<b>8,2</b>

**3. Organizational structure of the Group**



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

**B. INTERIM CONDENSED FINANCIAL STATEMENTS FOR A 9-MONTH PERIOD ENDED ON  
30 SEPTEMBER 2019**

**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET**  
**As at 30 September 2019**
**ASSETS**

	Note	30.09.2019	31.12.2018
<b>I. Non-current assets</b>		<b>1 897 721</b>	<b>1 877 422</b>
1. Tangible fixed assets		1 615 509	1 589 271
2. Intangible assets		11 539	19 466
3. Subordinated entities goodwill	4.8	69 613	69 613
4. Financial assets	4.9	21 105	22 538
5. Financial assets measured using the equity method		167 826	161 838
6. Long term receivables		3 897	4 146
7. Deferred income tax assets		8 189	10 507
8. Prepayments and accrued income		43	43
<b>II. Current assets</b>		<b>612 806</b>	<b>1 176 860</b>
1. Inventories		35 099	34 971
2. Trade receivables	4.10	106 622	116 010
3. Income tax receivable		740	5 849
4. Other short term receivables		62 250	59 863
5. Prepayments and accrued income		5 834	5 927
6. Short term financial assets	4.9	101 507	642 383
7. Cash and equivalent		300 754	311 857
<b>Total assets</b>		<b>2 510 527</b>	<b>3 054 282</b>

**EQUITY AND LIABILITIES**

	Note	30.09.2019	31.12.2018
<b>I. Shareholders' equity</b>		<b>1 260 424</b>	<b>1 185 741</b>
<b>Equity attributable to the shareholders of the parent company</b>		<b>1 259 489</b>	<b>1 184 838</b>
1. Share capital		90 887	90 887
2. Share premium account		557 983	601 911
3. Reserve capital from option measurement		13 207	13 207
4. Other capital reserves		403 286	402 612
5. Retained profit (loss)		119 567	72 235
6. Net profit (loss)		74 559	3 404
7. F/X translation differences		-	582
<b>Non-controlling interests</b>		<b>935</b>	<b>903</b>
<b>II. Long term liabilities</b>		<b>953 757</b>	<b>954 389</b>
1. Bank loans and borrowings		750 331	792 259
2. Deferred income tax provision		67 294	69 196
3. Provisions	4.12	22 298	22 302
4. Accruals and deferred income		50 899	53 367
5. Other liabilities	4.9	62 935	17 265
<b>III. Short term liabilities</b>		<b>296 346</b>	<b>914 152</b>
1. Bank loans and borrowings		47 197	113 119
2. Trade payables		112 007	129 391
3. Income tax payable		4 571	345
4. Other liabilities	4.9	112 811	646 593
5. Provisions	4.12	1 599	10 587
6. Accruals and deferred income		18 161	14 117
<b>Total equity and liabilities</b>		<b>2 510 527</b>	<b>3 054 282</b>

**INTERIM CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**for a 9-month period ended on 30 September 2019**

	Note	For 9 months ended		For 3 months ended	
		30.09.2019	30.09.2018	30.09.2019	30.09.2018
				unaudited	unaudited
Sales revenues	4.1	1 947 627	2 560 762	643 398	987 006
Cost of goods sold	4.2	(1 800 078)	(2 485 489)	(590 216)	(939 154)
<b>Gross sales profit</b>		<b>147 549</b>	<b>75 273</b>	<b>53 182</b>	<b>47 852</b>
Other operating revenues	4.3	6 633	8 218	3 008	3 553
Selling expense	4.2	(401)	(507)	(59)	(222)
General overheads	4.2	(26 458)	(30 027)	(7 665)	(9 200)
Other operating expenses	4.4	(4 079)	(18 766)	(1 320)	(802)
Financial income	4.5	4 498	4 783	1 202	1 664
Financial costs	4.6	(36 921)	(47 837)	(12 080)	(11 941)
Profit on loss of control over subsidiaries		-	11 983	-	-
<b>Profit (loss) before tax</b>		<b>90 821</b>	<b>3 120</b>	<b>36 268</b>	<b>30 904</b>
Income tax	4.11	(16 230)	(16 367)	(7 330)	(6 883)
<b>Net profit (loss)</b>		<b>74 591</b>	<b>(13 247)</b>	<b>28 938</b>	<b>24 021</b>
<b>Net profit (loss) attributed to:</b>		<b>74 591</b>	<b>(13 247)</b>	<b>28 938</b>	<b>24 021</b>
Parent company shareholders		74 559	(13 243)	28 929	24 016
Non-controlling shareholders		32	(4)	9	5
<b>Earnings (loss) per share:</b>					
Weighted average of ordinary shares		45 443 547	45 443 547	45 443 547	45 443 547
- basic earnings (loss) for period attributable to parent company shareholders		1,64	-0,29	0,64	0,53
- diluted earnings (loss) for period attributable to parent company shareholders		1,64	-0,29	0,64	0,53

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**for a 9-month period ended on 30 September 2019**

		For 9 months ended		For 3 months ended	
		30.09.2019	30.09.2018	30.09.2019	30.09.2018
				unaudited	unaudited
<b>Net profit (loss) for period</b>		<b>74 591</b>	<b>(13 247)</b>	<b>28 938</b>	<b>24 021</b>
<b>Other comprehensive income that may be reclassified to profit and loss account once specific conditions are met</b>					
Cash flow hedges		674	839	263	650
F/X translation differences		(582)	(54)	-	(5)
<b>Other net comprehensive income</b>		<b>92</b>	<b>785</b>	<b>263</b>	<b>645</b>
<b>COMPREHENSIVE INCOME FOR PERIOD</b>		<b>74 683</b>	<b>(12 462)</b>	<b>29 201</b>	<b>24 666</b>
Comprehensive income for period:		74 683	(12 462)	29 201	24 666
Parent company shareholders		74 651	(12 458)	29 192	24 661
Non-controlling shareholders		32	(4)	9	5

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for a 9-month period ended on 30 September 2019**

	Note	For 9 months ended	
		30.09.2019	30.09.2018
<b>A.Cash flow from operating activities</b>			
<b>I.Profit (loss) before tax</b>		<b>90 821</b>	<b>3 120</b>
<b>II.Total adjustments</b>		<b>93 223</b>	<b>111 446</b>
1.Depreciation		76 126	71 800
2.Foreign exchange losses (gains)		453	592
3.Interest and profit shares (dividends)		33 982	41 543
4.Losses (gains) on investing activities		659	5 183
5. Income tax		(6 637)	(20 600)
6.Changes in provisions		(8 992)	(1 139)
7.Changes in inventory		-	(2 529)
8.Changes in receivables	4.7	549 814	(769 748)
9.Changes in short term liabilities, excluding bank loans and borrowings	4.7	(553 890)	786 856
10.Changes in accruals	4.7	2 185	(741)
11. Other adjustments		(477)	229
<b>III.Net cash flows from operating activities (I+/-II)</b>		<b>184 044</b>	<b>114 566</b>
<b>B.Cash flows from investing activities</b>			
<b>I. Cash in</b>		<b>200</b>	<b>104 106</b>
1. Disposal of intangibles and tangible fixed assets		186	3 467
2. From financial asstes, including:		-	102 193
a) disposal of financial asstes		-	101 447
b) other inflows from financial asstes		-	746
3. Cash from disposal of subsidiary		-	(1 554)
4. Other investment inflows		14	-
<b>II.Cash out</b>		<b>49 266</b>	<b>44 628</b>
1. Acquisition of tangible fixed assets		43 176	18 040
2. For financial asstes, including:		6 090	26 588
a) acquisition of financial assets		6 090	26 588
<b>III.Net cash flows from investing activities (I-II)</b>		<b>(49 066)</b>	<b>59 478</b>
<b>C.Cash flows from financing activities</b>			
<b>I.Cash in</b>		<b>7 671</b>	<b>39 710</b>
1.Loans and borrowings		7 671	39 710
<b>II.Cash out</b>		<b>153 723</b>	<b>175 634</b>
1.Repayment of loans and borrowings		118 301	139 624
2.Lease payables		4 918	421
3.Interest		30 248	34 761
4.Other financial expenses		256	828
<b>III.Net cash flows from financing activities (I-II)</b>		<b>(146 052)</b>	<b>(135 924)</b>
<b>D.Total net cash flows (A.III+/-B.III+/-C.III)</b>		<b>(11 074)</b>	<b>38 120</b>
<b>E.Increase/decrease in cash in the balance sheet, including:</b>		<b>(11 103)</b>	<b>38 031</b>
- change in cash due to fx differences		(29)	(89)
<b>F.Cash at beginning of period</b>		<b>311 857</b>	<b>297 898</b>
<b>G.Cash at end of period, including:</b>		<b>300 754</b>	<b>335 929</b>
- restricted cash	4.7	30 634	104 826



**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
for a 9-month period ended on 30 September 2019**

	Share capital	Share premium account	Reserve capital from option measurement	Other capital reserves	Retained profit	Net profit (loss)	F/X translation differences	Equity attributable to the shareholders of the parent company	Non-controlling interest	Total equity
<b>As at January 2019</b>	90 887	601 911	13 207	402 612	75 639	-	582	1 184 838	903	1 185 741
<b>Comprehensive income for reporting period</b>										
- Net profit (loss) for reporting period	-	-	-	-	-	74 559	-	74 559	32	74 591
- Other comprehensive income for period	-	-	-	674	-	-	(582)	92	-	92
<b>Transactions with owners of the parent recognized directly in equity</b>										
- Allocation of profit/loss	-	(43 928)	-	-	43 928	-	-	-	-	-
<b>As at 30 September 2019</b>	90 887	557 983	13 207	403 286	119 567	74 559	-	1 259 489	935	1 260 424

	Share capital	Share premium account	Reserve capital from option measurement	Other capital reserves	Retained profit	Net profit (loss)	F/X translation differences	Equity attributable to the shareholders of the parent company	Non-controlling interest	Total equity
<b>As at January 2018</b>	90 887	680 777	13 207	401 970	(6 414)	-	635	1 181 062	926	1 181 988
<b>Change of accounting principles in line with IFRS 9</b>	-	-	-	-	(217)	-	-	(217)	-	(217)
<b>As at 1 January 2018 (converted)</b>	90 887	680 777	13 207	401 970	(6 631)	-	635	1 180 845	926	1 181 771
<b>Comprehensive income for reporting period</b>										
- Net profit (loss) for reporting period	-	-	-	-	-	(13 243)	-	(13 243)	(4)	(13 247)
- Other comprehensive income for period	-	-	-	839	-	-	(54)	785	-	785
<b>Transactions with owners of the parent recognized directly in equity</b>										
- Allocation of profit/loss	-	(78 866)	-	-	78 866	-	-	-	-	-
<b>As at 30 September 2018</b>	90 887	601 911	13 207	402 809	72 235	(13 243)	581	1 168 387	922	1 169 309

## **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 International Accounting Standard 34 and cover the 9-month period from 1 January to 30 September 2019 and the comparative period from 1 January to 30 September 2018, while also including data for the third quarters of 2019 and 2018, and with respect to the balance sheet - as at 31 December 2018. In accordance with the applicable laws, these interim condensed consolidated financial statements for the 9 months ended 30 September 2019 have been reviewed by an independent auditor, while the comparative data for the financial year ended 31 December 2018 have been audited by an independent 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. 30 September 2019.

### **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 2018 published on 4 March 2019. 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 compiling comparable data. Such principles have been applied on a consistent basis, except for the adoption of IFRS 16 Lease

### **1.3 Changes to International Financial Reporting Standards**

As of 1 January 2019 the Group adopted a new financial reporting standard IFRS 16 Lease. According to the transition provisions in IFRS 16, the new principles were adopted retrospectively, with recognition of the cumulative effect of initial implementation of the new standard under equity as at 1 January 2019. Consequently, there has been no adjustment of the comparative data for the financial year 2018 (modified retrospective approach).

The disclosure of the lease payables and right-of-use assets, along with the application of estimates and assessments, practical expedients and impact on the statement of the financial position and equity as at 1 January 2019 was presented in the interim consolidated financial statements as at 30 June 2019.

In the period between 1 January 2019 and 30 September 2019 the total depreciation cost of the right-of-use assets amounted to PLN 3,355 k. Interest expense on lease payables increased and amounted to PLN 702 k within the 9-month period ended on 30 September 2019.

## 1.4 Functional and reporting currency

The functional currency and the reporting currency of these consolidated financial statements is Polish Zloty.

Transactions denominated in currencies other than the functional currency are translated into the functional currency at the rate of exchange prevailing on the transaction date.

Cash, bank borrowings and other monetary assets and liabilities denominated in currencies other than the functional currency are translated as at the balance sheet date into the functional currency at the exchange rate prevailing on the transaction date (for entities having the Polish zloty as their functional currency, the average rate quoted by the NBP is used). 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:

	30.09.2019	31.12.2018	30.09.2018
USD	4.0000	3.7597	3.6754
EUR	4.3736	4.3000	4.2714
GBP	4.9313	4.7895	4.8055

## 1.5 Seasonality and cyclical nature of operations

The Group 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. Wind conditions which determine the output of wind farms are uneven during 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 not be different than those used in the Group's models for specific investment projects.

## 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 lead to no cashflows in the reporting period.

Neither the level of EBITDA, nor the adjusted EBITDA nor 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 2018 published on 4 March 2019.

**EBITDA and adjusted EBITDA**

	For 9 months ended		unaudited	unaudited
	30.09.2019	30.09.2018	For 3 months ended 30.09.2019	30.09.2018
Profit/(loss) before tax	90 821	3 120	36 268	30 904
Financial revenues	(4 498)	(4 783)	(1 202)	(1 664)
Financial costs	36 921	47 837	12 080	11 941
Depreciation/Amortization	76 126	71 800	25 128	23 706
Profit on loss of control over subsidiaries	-	(11 983)	-	-
Development - related impairment loss	1 096	(416)	314	(458)
Biomass - related impairment loss	(27)	16 827	-	(14)
<b>EBITDA</b>	<b>200 439</b>	<b>122 402</b>	<b>72 588</b>	<b>64 415</b>
Purchase price allocation:				
Long term contract measurement	-	(681)	-	-
<b>Adjusted EBITDA</b>	<b>200 439</b>	<b>121 721</b>	<b>72 588</b>	<b>64 415</b>

**Adjusted net profit (loss) attributed to parent shareholders**

	For 9 months ended		unaudited	unaudited
	30.09.2019	30.09.2018	For 3 months ended 30.09.2019	30.09.2018
<b>NET PROFIT (LOSS) attributed to parent shareholders</b>	<b>74 559</b>	<b>(13 243)</b>	<b>28 929</b>	<b>24 016</b>
Unrealized foreign exchange net (gains)/losses	93	177	(79)	(205)
(Income)/Cost from measurement of long-term borrowings	1 012	6 765	334	(592)
(Net profit) on loss of control over subsidiaries	-	(7 199)	-	(4 246)
Development - related impairment loss	1 096	(416)	314	(458)
Biomass - related impairment loss	(27)	16 827	-	(14)
Purchase price allocation:				
Depreciation/Amortization	7 596	7 596	2 532	2 532
Long term contract measurement	-	(681)	-	-
Tax	(1 440)	(1 311)	(480)	(480)
<b>Adjusted NET PROFIT (LOSS) attributed to parent shareholders</b>	<b>82 889</b>	<b>8 515</b>	<b>31 550</b>	<b>20 553</b>

**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 production of electricity,
- conventional energy segment comprising the generation of heat and electricity,
- trading segment dealing with the sale of electricity, certificates of origin and other energy market instruments,
- distribution segment comprising the distribution and sale of electricity to commercial, industrial and household customers,
- 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 those operations under "Unallocated" item.

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 assets of the segments are located in Poland.

For 9 months ended 30.09.2019	Wind Power	Conventional Energy	Trading and energy sales	Distribution	Developer and implementation activity	Unallocated *)	Purchase price allocation	Total
Sales revenue from external customers	156 172	238 927	1 470 301	69 603	5	12 619	-	1 947 627
<b>Net sales profit (loss)</b>	<b>75 787</b>	<b>55 656</b>	<b>15 924</b>	<b>10 810</b>	<b>(268)</b>	<b>(2 764)</b>	<b>(7 596)</b>	<b>147 549</b>
General overheads	(2 307)	(4 852)	(7 071)	(4 163)	(295)	(7 770)	-	(26 458)
Interest income/(expense)	(30 458)	(390)	(560)	(1 420)	107	3 125	-	(29 596)
Financial revenue/(expense) on unrealized f/x differences	(322)	204	27	-	(1)	(23)	-	(115)
Other financial revenue/(expense)	(2 565)	(155)	(1 711)	(212)	651	1 280	-	(2 712)
Other operating revenue/(expense)	2 803	(1 568)	294	2 265	(1 123)	(518)	-	2 153
<b>Profit/loss before tax</b>	<b>42 938</b>	<b>48 895</b>	<b>6 903</b>	<b>7 280</b>	<b>(929)</b>	<b>(6 670)</b>	<b>(7 596)</b>	<b>90 821</b>
Income tax	-	-	-	-	-	(17 670)	1 440	(16 230)
<b>Net profit/loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74 591</b>
<b>EBITDA **)</b>	<b>123 397</b>	<b>65 049</b>	<b>9 207</b>	<b>12 629</b>	<b>(590)</b>	<b>(9 253)</b>	<b>-</b>	<b>200 439</b>
Segment assets	1 322 019	288 159	241 649	130 150	112 887	-	-	2 094 864
Unallocated assets	-	-	-	-	-	413 935	1 728	415 663
<b>Total assets</b>	<b>1 322 019</b>	<b>288 159</b>	<b>241 649</b>	<b>130 150</b>	<b>112 887</b>	<b>413 935</b>	<b>1 728</b>	<b>2 510 527</b>
Segment liabilities	873 155	67 956	168 741	78 190	19 757	-	-	1 207 799
Unallocated liabilities	-	-	-	-	-	22 630	19 674	42 304
<b>Total liabilities</b>	<b>873 155</b>	<b>67 956</b>	<b>168 741</b>	<b>78 190</b>	<b>19 757</b>	<b>22 630</b>	<b>19 674</b>	<b>1 250 103</b>
Depreciation/Amortization	47 114	15 813	60	3 717	-	1 826	7 596	76 126

\*) HQ costs not allocated to other segments and biomass

\*\*\*) EBITDA - definition in Note 2

For 9 months ended 30.09.2019	Wind Power	Conventional Energy	Trading and energy sales	Distribution	Developer and implementation activity	Unallocated *)	Purchase price allocation	Total
- przychody ze sprzedaży i dystrybucji energii	over time	109 486	146 080	1 432 355	65 070	-	-	1 752 991
- przychody z tytułu kosztów osieroconych i kosztów gazu	over time	-	76 896	-	-	-	-	76 896
- przychody netto z tytułu sprzedaży i dystrybucji gazu	over time	-	-	25 322	3 757	-	-	29 079
- inne przychody	point in time	46 686	15 951	12 624	776	5	12 619	88 661
<b>Total sales revenues</b>		<b>156 172</b>	<b>238 927</b>	<b>1 470 301</b>	<b>69 603</b>	<b>5</b>	<b>12 619</b>	<b>1 947 627</b>

For 9 months ended 30.09.2018	Wind Power	Conventional Energy	Trading and energy sales	Distribution	Developer and implementation activity	Unallocated *)	Purchase price allocation	Total
Sales revenue from external customers	99 118	246 601	2 133 777	64 667	5	15 913	681	2 560 762
<b>Net sales profit (loss)</b>	<b>21 442</b>	<b>61 540</b>	<b>(7 283)</b>	<b>10 539</b>	<b>(248)</b>	<b>(3 802)</b>	<b>(6 915)</b>	<b>75 273</b>
General overheads	(1 944)	(4 657)	(8 076)	(3 877)	(230)	(11 243)	-	(30 027)
Interest income/(expense)	(32 764)	(1 136)	(3 862)	(1 289)	89	6 326	-	(32 636)
Gain on loss of control over subsidiaries	-	-	-	-	-	11 983	-	11 983
Financial revenue/(expense) on unrealized f/x differences	(523)	90	132	84	(2)	1	-	(218)
Other financial revenue/(expense)	(9 844)	(488)	(712)	(108)	(42)	994	-	(10 200)
Other operating revenue/(expense)	3 020	(814)	13	1 875	462	(15 611)	-	(11 055)
<b>Profit/loss before tax</b>	<b>(20 613)</b>	<b>54 535</b>	<b>(19 788)</b>	<b>7 224</b>	<b>29</b>	<b>(11 352)</b>	<b>(6 915)</b>	<b>3 120</b>
Income tax	-	-	-	-	-	(17 678)	1 311	(16 367)
<b>Net profit/loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13 247)</b>
<b>EBITDA **)</b>	<b>65 191</b>	<b>72 296</b>	<b>(15 297)</b>	<b>11 971</b>	<b>(432)</b>	<b>(12 008)</b>	<b>681</b>	<b>122 402</b>
Segment assets	1 252 251	268 165	1 117 112	130 900	73 033	-	-	2 841 461
Unallocated assets	-	-	-	-	-	477 664	11 848	489 512
<b>Total assets</b>	<b>1 252 251</b>	<b>268 165</b>	<b>1 117 112</b>	<b>130 900</b>	<b>73 033</b>	<b>442 415</b>	<b>11 848</b>	<b>3 330 973</b>
Segment liabilities	906 228	103 637	1 042 545	71 401	489	-	-	2 124 300
Unallocated liabilities	-	-	-	-	-	9 444	27 920	37 364
<b>Total liabilities</b>	<b>906 228</b>	<b>103 637</b>	<b>1 042 545</b>	<b>71 401</b>	<b>489</b>	<b>9 444</b>	<b>27 920</b>	<b>2 161 664</b>
Depreciation/Amortization	42 673	16 227	49	3 434	-	1 821	7 596	71 800

\*) HQ costs not allocated to other segments and biomass

\*\*\*) EBITDA - definition in Note 2

For 9 months ended 30.09.2018	Wind Power	Conventional Energy	Trading and energy sales	Distribution	Developer and implementation activity	Unallocated *)	Purchase price allocation	Total
- revenue from sale and distribution of electricity	70 742	102 202	1 919 587	58 663	-	-	-	2 151 194
- revenue from stranded costs and cost of gas	-	119 576	-	-	-	-	-	119 576
- revenue from sale and distribution of gas	-	-	204 461	5 204	-	-	-	209 665
- other revenue	28 376	24 823	9 729	800	5	15 913	681	80 327
<b>Total sales revenues</b>	<b>99 118</b>	<b>246 601</b>	<b>2 133 777</b>	<b>64 667</b>	<b>5</b>	<b>15 913</b>	<b>681</b>	<b>2 560 762</b>

## 4. Other notes

### 4.1 Sales revenue

	For 9 months ended		For 3 months ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
- revenue from sale and distribution of electricity	1 752 991	2 151 194	571 279	831 219
- revenue from certificates of origin	52 915	43 828	14 017	16 635
- revenue from CO2 emission allowances	567	287	8	(31)
- revenue from sale of heat	15 835	15 449	4 317	4 115
- revenue from consulting and advisory services	2 835	2 112	833	801
- revenue from lease and operator services	753	781	308	257
- revenue from sale of merchandise	35	471	-	193
- revenue from sale of pellets	9 554	13 128	4 653	2 852
- revenue from lease	191	148	93	77
- revenue from stranded costs and cost of gas	76 896	119 576	41 095	60 710
- revenue from sale and distribution of gas	29 079	209 665	5 410	67 384
- other revenue	5 976	4 123	1 385	2 794
<b>Total sales revenue</b>	<b>1 947 627</b>	<b>2 560 762</b>	<b>643 398</b>	<b>987 006</b>

### 4.2 Cost according to type

	For 9 months ended		For 3 months ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
- depreciation	76 126	71 800	25 128	23 706
- materials and power consumption	159 493	151 779	55 167	39 605
- third party services	33 601	37 250	11 283	12 979
- taxes, duties and fees	16 357	17 178	4 463	5 744
- salaries	24 274	23 547	8 371	8 361
- social security and other benefits	3 728	3 546	1 089	1 043
- other cost by type	1 739	2 328	441	722
<b>Total cost by type</b>	<b>315 318</b>	<b>307 428</b>	<b>105 942</b>	<b>92 160</b>
- merchandise and materials sold (+)	1 511 619	2 208 595	491 998	856 416
- selling expenses (-)	(401)	(507)	(59)	(222)
- general overheads (-)	(26 458)	(30 027)	(7 665)	(9 200)
<b>Total cost of goods sold</b>	<b>1 800 078</b>	<b>2 485 489</b>	<b>590 216</b>	<b>939 154</b>



### 4.3 Other operating revenues

	For 9 months ended		For 3 months ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
- reversal of impairment losses, including:	536	1 255	389	774
- receivables remeasured write-downs	510	120	389	109
- non-current fixed assets impairment losses	26	1 135	-	665
- reversal of provisions, including:	1 615	565	1 580	-
- litigation provision	1 610	-	1 580	-
- site reclamation	-	300	-	-
- other	5	265	-	-
- other, including:	4 482	6 398	1 039	2 779
- compensation and additional payments	766	2 238	57	1 746
- grant settlement	2 426	2 398	805	799
- revenue from lease of non-current fixed assets	-	30	-	30
- gains on disposal of non financial fixed assets	216	1 363	45	143
- other	1 074	369	132	61
<b>Total other operating revenues</b>	<b>6 633</b>	<b>8 218</b>	<b>3 008</b>	<b>3 553</b>

### 4.4 Other operating expenses

	For 9 months ended		For 3 months ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
- asset impairment losses, including:	2 428	18 119	495	328
- receivables	1 333	179	181	178
- inventories	-	394	-	(43)
- non-current fixed assets	1 095	17 546	314	193
- other, including:	1 651	647	825	474
- penalties, fines compensation payable	4	-	-	-
- other development-related cost	184	182	57	81
- loss on disposal of non-financial fixed assets	5	37	1	37
- other	1 458	428	767	356
<b>Total other operating costs</b>	<b>4 079</b>	<b>18 766</b>	<b>1 320</b>	<b>802</b>

### 4.5 Financial income

	For 9 months ended		For 3 months ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
- financial income from interest on deposit and loans	3 333	3 671	986	1 172
- interest from lease	64	93	8	30
- fx differences, including:	398	615	204	63
- unrealized	183	217	77	(285)
- realized	215	398	127	348
- valuation of financial liabilities	-	390	-	390
- other surety - related fees	-	9	-	9
- other	703	5	4	-
<b>Total financial revenue</b>	<b>4 498</b>	<b>4 783</b>	<b>1 202</b>	<b>1 664</b>

### 4.6 Financial expenses

	For 9 months ended		For 3 months ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
- interest expenses	32 993	36 400	10 904	11 826
- fx differences, including:	839	843	212	(199)
- unrealized	298	435	(20)	(539)
- realized	541	408	232	340
- commission an other fees	1 595	1 748	516	631
- measurement of financial liabilities *)	1 249	8 742	412	(341)
- other	245	104	36	24
<b>Total financial cost</b>	<b>36 921</b>	<b>47 837</b>	<b>12 080</b>	<b>11 941</b>

\*) refers to bank loans measured at amortized cost

## 4.7 Cash flows

<b>Restricted cash</b>	<b>For 9 months ended</b>	
	<b>30.09.2019</b>	<b>30.09.2018</b>
- cash frozen for loan repayment	19 082	17 539
- frozen cash for deposit	6 878	83 119
- frozen cash for long-term and mid-term refurbishment	-	4 062
- other frozen cash	4 674	106
<b>Total</b>	<b>30 634</b>	<b>104 826</b>

### Explanation of differences between changes in certain items in the statement of financial position and changes in the statement of cash flows

<b>Receivables:</b>	<b>For 9 months ended</b>	
	<b>30.09.2019</b>	<b>30.09.2018</b>
- change in short-term and long-term receivables, net, in the statement of financial position	7 250	(6 236)
- deconsolidation of sold subsidiary	(57)	(739)
- change in financial receivables	542 621	(762 845)
- change in other receivables	-	72
<b>Change in receivables in the statement of cash flows</b>	<b>549 814</b>	<b>(769 748)</b>

<b>Liabilities:</b>	<b>For 9 months ended</b>	
	<b>30.09.2019</b>	<b>30.09.2018</b>
- change in liabilities, net of borrowings, in the statement of financial position	(505 496)	784 133
- change in finance lease liabilities	(44 944)	412
- change in investment commitments	(3 986)	110
- deconsolidation of sold subsidiary	(231)	1 177
- change in financial liabilities	767	1 024
<b>Change in liabilities in the statement of cash flows</b>	<b>(553 890)</b>	<b>786 856</b>

<b>Accruals and deferrals:</b>	<b>For 9 months ended</b>	
	<b>30.09.2019</b>	<b>30.09.2018</b>
- change in accruals and deferrals in the statement of financial position	1 669	(1 860)
- billing for commissions on loans	424	383
- settlement of subsidies in time	92	-
- deconsolidation of sold subsidiary	-	736
<b>Change in accruals and deferrals in the statement of cash flows</b>	<b>2 185</b>	<b>(741)</b>

## 4.8 Goodwill

A at 30 September 2019 goodwill amounted to PLN 69m 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.

#### 4.9 Fair value of futures and forward contracts

Futures and forward contracts to buy or sell electricity, gas and CO<sup>2</sup> 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 measures at fair value and classifies 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.

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.

	<b>For 9 months ended</b>	
	<b>30.09.2019</b>	<b>30.09.2018</b>
Result of measurement of derivatives	(3 603)	(3 644)

#### Financial instrument category

<b>30.09.2019</b>	<b>Level 2</b>	<b>Total</b>
Short term assets	101 426	101 426
Long term assets	17 226	17 226
<b>Total</b>	<b>118 652</b>	<b>118 652</b>

<b>30.09.2019</b>	<b>Level 2</b>	<b>Total</b>
Short term liabilities	95 125	95 125
Long term liabilities	15 079	15 079
<b>Total</b>	<b>110 204</b>	<b>110 204</b>

<b>Net fair value</b>	<b>8 448</b>	<b>8 448</b>
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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 30 September 2019.

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	
		30.09.2019	31.12.2018	30.09.2019	31.12.2018
<b>Financial asstes</b>					
Futures and forward contracts	Level 2	118 652	661 276	118 652	661 276
<b>Financial liabilities</b>					
Bank	Level 2	797 528	905 378	797 528	905 378
SWAP	Level 2	2 698	3 472	2 698	3 472
Futures and froward contracts	Level 2	110 204	640 293	110 204	640 293

#### 4.10 Trade debtors and other receivables

In the period ended on 30 September 2019 the bad debt write-off for trade debtors increased and amounted to PLN 2,900 k.

	30.09.2019	31.12.2018
<b>As at the beginning of the period</b>	<b>2 077</b>	<b>2 340</b>
- Increase	1,359	276
- Application	(26)	(193)
- Reversal	(510)	(346)
<b>As at the end of the period</b>	<b>2,900</b>	<b>2,077</b>

Below is a classification of trade receivables into impairment stages:

	Total	Step 1	Step 2
30.09.2019	106 622	105 723	899
31.12.2018	116 010	114 824	1 186

#### 4.11 Effective tax rate

	For 9 months ended	
	30.09.2019	30.09.2018
<b>Income tax charged to the profit and loss account, including</b>	<b>16 230</b>	<b>16 367</b>
Current tax	15 974	16 740
Deferred tax	256	(373)
<b>Profit (Loss) before tax</b>	<b>90 821</b>	<b>3 120</b>
Tax on gross profit at effective tax rate of 19%	17 256	593
Adjustments to prior years current income tax	8	20
<b>Non-deductible costs:</b>	<b>(839)</b>	<b>15 772</b>
- permanent differences	504	346
- asset from tax losses in the Special Economic Zone	(70)	305
- temporary difference on which no tax asset/provision is established *)	(1 273)	15 121
<b>Non-taxable income:</b>	<b>(195)</b>	<b>(18)</b>
- other	(195)	(18)
<b>Income tax in the profit and loss account</b>	<b>16 230</b>	<b>16 367</b>

\*) 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

	30.09.2019	31.12.2018
<b>Provisions at beginning of the period</b>	<b>32 889</b>	<b>26 563</b>
- recognition of provisions	-	7 463
- reversal of provisions	(8 992)	(1 094)
- application provisions	-	(43)
<b>Provisions at end of the period</b>	<b>23 897</b>	<b>32 889</b>

### 5. Interest bearing bank loans and borrowings

On 12 July and 31 July 2019, Polenergia Biomasa Energetyczna Wschód Sp. z o.o. („BEW”) executed further annexes to the Investment Facility Agreement 2011/34 entered into on 10 October 2011 with Bank PEKAO S.A. („PEKAO”). The provisions of the annexes refer to the change of the repayment schedule, the allocation of a frozen amount to secure debt service, consenting to BEW making certain payments to intragroup contracting parties which had previously been banned and provisional waiver on testing financial ratios.

On 30 September 2019 Polenergia Obrót S.A. signed Annex 6 to the agreement 2015/217/DDF for multipurpose overdraft facility. According to the Annex, the company extended the term of the overdraft until 30 September 2020 and obtained an increased overdraft limit by PLN 10,000 k up to PLN 40,000 k. The Annex also modified the terms of application of the PLN 170,000 k overdraft granted for bank guarantees.

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

The Group has issued no debentures. Until the date of this report the parent company has not issued any debentures in the Q3 period ended on 30 September 2019.

## **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 9-month period ended on 30 September 2019.

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

On 2 January 2019 Polenergia Obrót S.A. ("POLO") received a bank guarantee signed in 19 December 2018 with Control Process S.A., issued by Alior Bank S.A. up to the amount of PLN 1,600k expiring on 19 December 2019, which was subsequently extended until 31 December 2020.

On 31 January 2019 the bank guarantee issued in the amount of PLN 300k to POLO at a request of ELEKTRIX by Mbank S.A. expired.

On 31 March 2019 a guarantee issued in the name of POLO for EDF by Kulczyk Investment in the amount of EUR 1,000 K expired.

On 18 April 2019 POLO received a corporate guarantee issued by FORTUM Marketing and Sales Polska in the name of FORTUM Markets Polska SA up to the amount of PLN 2,000k expiring on 28 February 2021.

On 30 June 2019 a guarantee issued under the guarantee facility issued to POLO by ENEA S.A. in the name of ENEA Trading Sp. z o.o. was extended until 30 June 2022. Also, the amount of the guarantee was changed from PLN 5,000k to PLN 2,000k.

On 16 April 2019 the guarantee issued at a request of Electrum Sp. z o.o. by PKO Bank Polski S.A. in relation to the contract for the performance of electrical works for Polenergia Farma Wiatrowa 1 Sp. z o.o. as part of the extension of Gawłowice project expired.

On 31 January 2019 the guarantee issued at a request of Electrum Sp. z o.o. by PKO Bank Polski S.A. in relation to the contract for the performance of electrical works for Polenergia Farma Wiatrowa 4 Sp. z o.o. expired.

On 15 January 2019 the guarantee issued at a request of Electrum Sp. z o.o. by PKO Bank Polski S.A. in relation to the contract for the performance of electrical works for Polenergia Farma Wiatrowa 4 Sp. z o.o. as part of the extension of Skurpie project expired.

On 1 July 2019, at a request of PGNiG Obrót Detaliczny Sp. z o.o., Bank Gospodarstwa Krajowego (BGK) acting under Annex 4 increased the amount of the bank guarantee issued on 27 December 2016 for the company Polenergia Kogeneracja Sp. z o.o. up to PLN 1,473.4k and extended the term of such guarantee until 30 June 2020.

## **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**

On 25 July 2019 the District Court in Gdańsk issue a partial and preliminary judgment in the case instituted by the Company's subsidiary Amon Sp. z o.o. versus Polska Energia - Pierwsza Kompania Handlowa Sp. z o.o. (PKH). In such judgment the Court granted the claim of Amon Sp. z o.o. in that part which referred to the ruling ineffective the notices of termination made by the company Polska Energia – Pierwsza Kompania Handlowa 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 Łukaszów dated 23 December 2009 and the Contract for the Sale of Electrical Energy Generated in a Renewable Energy Source - Wind Farm in Łukaszów dated 23 December 2009, entered into with Amon. Thus, said termination notices have no legal effect of terminating both contracts, which consequently, after the expiry of the termination period, i.e. following 30 April 2015 shall remain in full force with respect to all their provisions and they shall be binding upon parties. The Court also determined that in principle the claims for damages raised by Amon against PKH on account of non-performance by PKH of the Contracts for the Sale of Proprietary Interest were justified. Said judgment is not yet valid and binding and may be complained against.

On 20 August 2019 the Company's subsidiary Amon Sp. z o.o. filed a claim against a subsidiary of Tauron Polska Energia S.A. - Polska Energia - Pierwsza Kompania Handlowa Sp. z o.o in view of the breaking of long-term contracts for the sale of energy and proprietary interest entered into by PKH with Amon. Amon claims payment of PLN 29,009k as compensation, together with interest and litigation cost. The filing of a new action by Amon results from the fact that with the partial and preliminary judgment dated 25 July 2019 the District Court in Gdańsk granted the claim of Amon in that part which referred to the ruling ineffective the notices of termination made by PKH of the contracts for the sale of energy and proprietary interest.

In addition, the Company's subsidiary Talia sp. z o.o. filed with the District Court in Gdańsk the third modification of its action against PKH in view of the breaking of long-term contracts for the sale of energy and proprietary interest entered into by PKH with Talia Under the modification letter Talia claims payment of PLN 19,308k as compensation together with interest.

In consequence, Amon Sp. z o.o. currently claims payment of PLN 69,487k, with Talia Sp. z o.o. claiming PLN 46,078k.

The District Court in Katowice, in the case instituted by the Company's subsidiaries Amon Sp. z o.o. and Talia Sp. z o.o. against 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, scheduled the initial hearing for 20 January 2020, with subsequent hearings scheduled for 2 March and 16 March 2020 and summoned witnesses to appear at the hearings.

In the case instituted by Eolos Sp. z o.o. against the Company's subsidiaries Certyfikaty Sp. z o.o. and Polenergia Obrót S.A., the initial hearing was held before the District Court in Warsaw on 27 September 2019 with the successive one scheduled for 13 December 2019.

**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 30 September 2019 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,
- prices of electricity and green certificates,
- final wording of the regulations affecting the Issuer's business,
- potential price volatility of CO<sub>2</sub> emission allowances, natural gas, biomass and availability of those raw materials,
- financial standing of the Company's customers,
- macroeconomic situation of Poland,
- WIBOR level.

### 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 30 September 2019 and 31 December 2018, based on maturity in terms of undiscounted contractual payments.

<b>30.09.2019</b>	<b>Up to 3 months</b>	<b>From 3 months to 12 months</b>	<b>From 1 year to 5 years</b>	<b>In excess of 5 years</b>	<b>Total</b>
Interest bearing loans and borrowings	50 519	66 157	376 983	627 591	<b>1 121 250</b>
Other liabilities	124 011	9 153	42 582	-	<b>175 746</b>
Liabilities for deliveries and services	112 007	-	-	-	<b>112 007</b>

<b>31.12.2018</b>	<b>Up to 3 months</b>	<b>From 3 months to 12 months</b>	<b>From 1 year to 5 years</b>	<b>In excess of 5 years</b>	<b>Total</b>
Interest bearing loans and borrowings	84 523	177 057	398 166	675 205	<b>1 334 951</b>
Other liabilities	640 197	390	23 271	-	<b>663 858</b>
Liabilities for deliveries and services	129 391	-	-	-	<b>129 391</b>

### 14. Information on significant related party transactions

Major transactions with associates in the period ended 30 September 2019 include:

<b>30.09.2019</b>	<b>Revenues</b>	<b>Receivables</b>
Polenergia Bałtyk I S.A.	312	559
MFW Bałtyk II Sp. z o.o.	813	813
MFW Bałtyk III Sp. z o.o.	816	816
<b>Total</b>	<b>1 941</b>	<b>2 188</b>

Following significant related party transactions took place in the 9-month period ended on 30 September 2019 (all transactions on arm's length terms):

<b>30.09.2019</b>	<b>Revenues</b>	<b>Receivables</b>
Kulczyk Holding Sarl	561	44
Polenergia International Sarl	266	266
<b>Total</b>	<b>827</b>	<b>310</b>



### 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

On 18 October 2019 Polenergia S.A. (the Company) executed an amending agreement (the "Amending Agreement") to the preliminary conditional agreement "Preliminary Agreement") for the transfer of 50% of shares in the subsidiary Polenergia Bałtyk I S.A. with Wind Power AS dated 20 December 2018. The Parties to the Amending Agreement replaced the condition precedent of obtaining the legally binding registration by the Court of Registration of the resolution concerning the transformation of Polenergia Bałtyk I S.A. into a limited liability company with some new conditions:

- unconditional, final and effective transfer by the Company of all shares in Polenergia Bałtyk I S.A. to MFW Bałtyk I sp. z o.o. as contribution in kind in exchange for the shares in the share capital of MFW Bałtyk I sp. z o.o.
- legally binding decision of the competent Court of Registration concerning the entry in the commercial register of the National Court Register stating the share capital increase of MFW Bałtyk I sp. z o.o.

On 22 October 2019 the subsidiary Farma Wiatrowa 17 Sp. z o.o. (Wind Farm 17) entered into a facility agreement with ING Bank Śląski S.A. for the term financing up to PLN 40.000k and the loan to service Value Added Tax payments up to PLN 4,500k. The Bank will grant a loan to the Company to refinance the capital expenditures for the development of 8 photovoltaic farms with total capacity of 8MW amounting to max. PLN 15,500k and will provide financing for the development of further photovoltaic farms with total capacity of up to 12 MW, and to service VAT payments up to PLN 29,000k, subject to, among others, the successful bid of the Company in the auction for renewable energy sources and subject to an investment decision regarding the project.

On November 5, 2019:

- The Issuer - as the sponsor, a subsidiary of the Issuer - Polenergia Farma Wiatrowa Szymankowo spółka z ograniczoną odpowiedzialnością ("Farma Wiatrowa") - as a borrower, and the European Bank for Reconstruction and Development, mBank S.A., ING Bank Śląski S.A. - as lenders ("Lenders") concluded a Loan Agreement ("Loan Agreement"). Under the Loan Agreement, the Lenders will grant Farma Wiatrowa investment loan in the total amount of up to PLN 107.000k to finance the construction of Farma Wiatrowa and a VAT loan during the construction period up to PLN 20.000k. The Loan Agreement provides the repayment of the investment loan no later than by June 10, 2037 and VAT loan not later than by March 31, 2022. The interest rate on loans equals WIBOR plus bank margin.
- Farma Wiatrowa concluded with Siemens Gamesa Renewable Energy Sp. z o.o. ("SGRE") and Siemens Gamesa Renewable Energy A/S contract for the delivery, installation and commissioning of 11 G132 HH 134 wind turbines with a capacity of 3.465 MW each (38.115 MW in total) ("TSA"). The supply and installation of turbines and the launch of the Farma Wiatrowa are planned for the period from August 2020 to March 2021.
- In addition, Farma Wiatrowa concluded a contract with SGRE for the service and availability of wind turbines ("SMA") for Farma Wiatrowa. SMA relates to the provision of maintenance services for the said wind turbines for a period of 25 years from the date of commissioning, including scheduled inspections, repairs, supply of maintenance and spare parts, remote monitoring and other related activities. SGRE also guarantees an appropriate level of turbine availability under the service contract and in the event of failure to comply with these requirements will be required to pay compensation to Farma Wiatrowa.
- Farma Wiatrowa concluded contract for the construction of 38,115 MW Szymankowo Farma Wiatrowa ("BoP") with Przedsiębiorstwo Budownictwa Drogowo-Inżynieryjnego S.A. ("PBDI"). The contract is to be completed by June 2021. BoP concerns the implementation of Farma Wiatrowa by PBDI: comprehensive works in the construction industry in the field of building foundations and soil reinforcements for wind turbines, adaptation of access roads for oversized transport, modernization of existing roads, construction of service roads, assembly platforms and comprehensive assembly and power works construction works for the 30/110 kV GPO station together with MV, HV and fiber optic cable network for the purposes of Farma Wiatrowa implementation.

**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 Group's performance is presented in the table below:

Major economic and financial data (PLN m)	9M 2019	9M 2018	Difference
Sales revenues	1 947,6	2 560,8	(613,1)
EBITDA	200,4	122,4	78,0
Adjusted EBITDA with the elimination of the effect of purchase price allocation	200,4	121,7	78,7
Net profit (loss)	74,6	(13,2)	87,8
Adjusted net profit with the elimination of the effect of purchase price allocation, unrealized fx differences, impairment losses, loan valuation and net gain/loss on disposal of assets	82,9	8,5	74,4

The year-on-year changes in the performance in three quarters of 2019 were driven by the following factors:

**a) EBITDA (increase by PLN 78.0m):**

- Better performance of the wind power segment (by PLN 58.2m) resulting predominantly from higher production volume and higher prices of green certificates and electricity, by - respectively – 101 GWh and 99 GWh and from higher sales prices;
- Lower performance in the conventional energy segment (by PLN 7.2m) results from lack of revenues from yellow certificates following the expiration, with the end of 2018, of the existing support system for gas cogeneration and by lower Q3 revenues by PLN 5.6m from gas compensation for 2018 compared to the adjustment for 2017;
- Better performance in the trading segment (by PLN 24.5m) due to better performance of electricity trading, better sales of green certificates at higher sales prices and lower operating expenditures, as well as lower commission costs partly offset by increased profile and balancing costs, hence lower performance on sales of electricity generated by wind farms;
- Better performance of the distribution segment (by PLN 0.7m) due to higher distribution margin, lower operating expenses (lower real estate tax) and higher other operating revenues (the refund of the real estate tax and release of the litigation provision) offset by lower energy sales margin;
- Better performance in the Unallocated item (by PLN 2.7m) due to higher other operating expenses resulting from VAT adjustment, lower headquarters external services costs and the costs resulting from the sale of shares in the companies developing offshore wind farms projects and the costs of servicing two calls for share transfer borne in 2018, as well as inclusion of the positive performance of PLN 0.8m in the biomass segment;
- Higher costs in the development and implementation segment (by PLN 0.2m) allocated to profit and loss account;

**b) Adjusted EBITDA (increase by PLN 78.7m):**

- The EBITDA effect described above (better result by PLN 78.0m);
- Elimination of the purchase price allocation effect (plus PLN 0.7m);

**c) Net profit/loss (increase by PLN 87.8m) driven by:**

- Impact of EBITDA (better result by PLN 78.0m);
- Higher depreciation (by PLN 4.3m) resulting mainly from higher depreciation in the wind farm segment given the reversal of impairment losses at Mycielin wind farm and the change of presentation method of lease cost required by the change of the accounting standards (after IFRS 16 came into force);
- Impact of impairment losses (delta of PLN 15.3m compared to the three quarters of the preceding year) resulting mainly from recognition of impairment loss on the biomass projects in 2018;
- Lower financial revenues (by PLN 0.3m) due to lower interest gains (by PLN 0.3 m) adverse impact of exchange rate differences (by PLN 0.2m) and lower other financial income (by PLN 0.4m) partly offset by positive result on the winding-up of a subsidiary (by PLN 0.7m);
- Lower finance costs (by PLN 10.9) as a result of the measurement of financial liabilities, mainly the loan measurement in Amon and Talia (by PLN 7.5m) in 2018 and lower interest expense (by PLN 3.4m);
- Impact of the transfer of shares in offshore wind farm projects in 2018 (minus PLN 12.0);
- Lower income tax (by PLN 0.1m).

**d) 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 74.4m):**

- Impact of EBITDA (better result by PLN 87.8m);
- Elimination of the purchase price allocation effect (plus PLN 0.6m);
- Elimination of the effect of unrealized exchange differences (minus PLN 0.1m);
- Elimination of the effect of measurement of bank loans (minus PLN 5.8m);
- Reversal of the effect of impairment losses (minus PLN 15.3);
- Elimination of the effect of the offshore wind farm sale (plus PLN 7.2m).

**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 9-month period ended 30 September 2019 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 Nederlanden	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%
	<b>Total</b>	<b>45 443 547</b>	<b>45 443 547</b>	<b>100,00%</b>

\*) **Kulczyk Holding S.à r.l.**, a company established and operating under the laws of Luxembourg, holds 100 % of shares in **Mansa Investments sp. z o.o.**

\*\*) through a subsidiary Capedia Holdings Limited of Nicosia, Cyprus.

NN Investment Partners Towarzystwo Funduszy Inwestycyjnych S.A. („NN TFI S.A.”) notified the Company about the change of the aggregate share of votes of the investment funds managed by NN TFI S.A. in the total number of votes in the Company. Prior to the change the investment funds managed by NN TFI S.A. held in aggregate 2,346,156 shares of the Company which corresponded to 5.17% of the share capital of the Company and entitled to exercising 2,346,156 votes in the Company which corresponded to 5.17% of the total number of votes in the Company. Currently, the investment funds managed by NN TFI S.A. hold in aggregate 2,234,117 shares of the Company which corresponds to 4.92 % of the share capital of the Company and entitles to exercising 2,234,117 votes in the Company which corresponds to 4.92 % of the total number of votes in the Company. The drop below the threshold of 5% of the total number of votes in the Company was due to the sale of the Company shares performed on 13 August 2019 by NN FIO Akcji 2.

- 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 third quarter of 2019 there were no mergers, acquisitions or disposals of the group entities, long-term investments, splits, restructuring or discontinuation of operations.

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

**INTERIM CONDENSED BALANCE SHEET  
as at 30 September 2019**

	<b>30.09.2019</b>	<b>31.12.2018</b>
<b>I. Non-current assets</b>	<b>856 996</b>	<b>844 764</b>
Tangible fixed assets	3 865	1 375
Intangible assets	76	123
Financial assets	845 430	836 002
Long term receivables	1 911	2 160
Deferred income tax assets	5 714	5 104
<b>II. Current assets</b>	<b>225 495</b>	<b>247 842</b>
Inventories	-	10 362
Trade receivables	21 200	10 865
Income tax receivable	-	3 986
Other short term receivables	7 888	7 922
Prepayments and accrued income	1 521	3 152
Short term financial assets	45 161	3 000
Cash and equivalent	149 725	208 555
<b>Total assets</b>	<b>1 082 491</b>	<b>1 092 606</b>

**EQUITY AND LIABILITIES**

	<b>30.09.2019</b>	<b>31.12.2018</b>
<b>I. Shareholders' equity</b>	<b>1 061 286</b>	<b>1 074 139</b>
Share capital	90 887	90 887
Share premium account	557 611	601 539
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)	(26 826)	(26 826)
Net profit (loss)	(12 853)	(43 928)
<b>II. Long term liabilities</b>	<b>1 307</b>	<b>301</b>
Provisions	21	21
Other liabilities	1 286	280
<b>III. Short term liabilities</b>	<b>19 898</b>	<b>18 166</b>
Trade payables	169	760
Other liabilities	12 688	10 260
Provisions	649	767
Accruals and deferred income	6 392	6 379
<b>Total equity and liabilities</b>	<b>1 082 491</b>	<b>1 092 606</b>

**INTERIM CONDENSED PROFIT AND LOSS ACCOUNT  
for the 9-month period ended on 30 September 2019**

	For 9 months ended		For 3 months ended	
			unaudited	unaudited
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
Sales revenues	21 618	10 605	13 936	3 473
<b>Sales revenues</b>	<b>21 618</b>	<b>10 605</b>	<b>13 936</b>	<b>3 473</b>
Cost of goods sold	(20 717)	(9 412)	(13 621)	(3 112)
<b>Gross sales profit</b>	<b>901</b>	<b>1 193</b>	<b>315</b>	<b>361</b>
Other operating revenues	2 333	2	1 056	-
General overheads	(10 406)	(12 949)	(2 458)	(3 583)
Other operating expenses	(1 326)	(61)	(50)	(50)
Financial income	6 575	60 872	1 700	4 717
including dividend	-	51 465	-	1 462
Financial costs	(11 535)	(92 251)	(944)	(1 633)
<b>Profit (loss) before tax</b>	<b>(13 458)</b>	<b>(43 194)</b>	<b>(381)</b>	<b>(188)</b>
Income tax	605	(8 893)	37	275
<b>Net profit (loss)</b>	<b>(12 853)</b>	<b>(52 087)</b>	<b>(344)</b>	<b>87</b>

**INTERIM CONDENSED STANDALONE STATEMENT OF COMPREHENSIVE INCOME  
for the 9-month period ended on 30 September 2019**

	For 9 months ended		For 3 months ended	
			unaudited	unaudited
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
<b>Net profit (loss)</b>	<b>(12 853)</b>	<b>(52 087)</b>	<b>(344)</b>	<b>87</b>
<b>Other net comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>COMPREHENSIVE INCOME FOR PERIOD</b>	<b>(12 853)</b>	<b>(52 087)</b>	<b>(344)</b>	<b>87</b>



**INTERIM CONDENSED STANDALONE STATEMENT OF CHANGES IN EQUITY  
for the 9-month period ended on 30 September 2019**

	Share capital	Share premium account	Reserve capital from option measurement	Other capital reserves	Capital from merger	Retained loss	Net loss	Total equity
<b>As at January 2019</b>	90 887	601 539	13 207	349 478	89 782	(70 754)	-	1 074 139
<b>Other comprehensive income for period</b>								
Net loss for reporting period	-	-	-	-	-	-	(12 853)	(12 853)
Allocation of profit/loss	-	(43 928)	-	-	-	43 928	-	-
<b>As at 30 September 2019</b>	90 887	557 611	13 207	349 478	89 782	(26 826)	(12 853)	1 061 286

	Share capital	Share premium account	Reserve capital from option measurement	Other capital reserves	Capital from merger	Retained loss	Net loss	Total equity
<b>As at January 2018</b>	90 887	680 405	13 207	349 478	89 782	(105 692)	-	1 118 067
<b>Other comprehensive income for period</b>								
Net loss for reporting period	-	-	-	-	-	-	(52 087)	(52 087)
Allocation of profit/loss	-	(78 866)	-	-	-	78 866	-	-
<b>As at 30 September 2018</b>	90 887	601 539	13 207	349 478	89 782	(26 826)	(52 087)	1 065 980

**INTERIM CONDENSED STANDALONE STATEMENT OF CASH FLOWS**  
**for the 9-month period ended on 30 September 2019**

	<b>For 9 months ended</b>	
	<b>30.09.2019</b>	<b>30.09.2018</b>
<b>A.Cash flow from operating activities</b>		
<b>I.Profit (loss) before tax</b>	<b>(13 458)</b>	<b>(43 194)</b>
<b>II.Total adjustments</b>	<b>16 998</b>	<b>28 811</b>
Depreciation	1 391	576
Foreign exchange losses (gains)	24	(32)
Interest and profit shares (dividends)	(1 065)	(56 364)
Losses (gains) on investing activities	9 635	91 605
Income tax	3 981	(9 606)
Changes in provisions	(118)	(87)
Changes in inventory	10 362	-
Changes in receivables	(10 052)	3 618
Changes in short term liabilities, excluding bank loans and borrowings	1 196	(1 800)
Changes in accruals	1 644	901
<b>III.Net cash flows from operating activities (I+/-II)</b>	<b>3 540</b>	<b>(14 383)</b>
<b>B.Cash flows from investing activities</b>		
<b>I. Cash in</b>	<b>126 030</b>	<b>234 070</b>
1. Disposal of intangibles and tangible fixed assets	170	140
2. From financial assets, including:	125 860	213 958
- disposal of financial assets	-	101 447
- dividends and shares in profits	-	8 662
- repayment of loans given	89 000	97 043
- interest	651	1 111
- other inflows from financial assets	36 209	5 695
2. Other investment inflows	-	19 972
<b>II.Cash out</b>	<b>187 070</b>	<b>228 207</b>
1. Acquisition of intangible and tangible fixed assets	981	357
2. For financial assets, including:	186 089	227 850
- acquisition of financial assets	55 549	57 650
- loans given	130 540	170 200
<b>III.Net cash flows from investing activities (I-II)</b>	<b>(61 040)</b>	<b>5 863</b>
<b>C.Cash flows from financing activities</b>		
<b>I.Cash in</b>	<b>-</b>	<b>-</b>
<b>II.Cash out</b>	<b>1 305</b>	<b>231</b>
1.Lease payables	1 205	212
2.Interest	100	19
<b>III.Net cash flows from financing activities (I-II)</b>	<b>(1 305)</b>	<b>(231)</b>
<b>D.Total net cash flows (A.III+/-B.III+/-C.III)</b>	<b>(58 805)</b>	<b>(8 751)</b>
<b>E.Increase/decrease in cash in the balance sheet, including:</b>	<b>(58 830)</b>	<b>(8 719)</b>
- change in cash due to fx differences	(25)	32
<b>F.Cash at the beginning of period</b>	<b>208 555</b>	<b>168 096</b>
<b>G.Cash at the end of period, including:</b>	<b>149 725</b>	<b>159 377</b>
- restricted cash	40	27

**COST ACCORDING TO TYPE**

	For 9 months ended		For 3 months ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
- depreciation	1 391	576	476	178
- materials and power consumption	271	213	107	77
- third party services	16 138	8 650	11 703	2 183
- taxes, duties and fees	882	1 509	(303)	184
- salaries	11 049	10 138	3 716	3 724
- social security and other benefits	1 330	1 198	364	332
- other cost by type	62	77	16	17
<b>Total cost by type</b>	<b>31 123</b>	<b>22 361</b>	<b>16 079</b>	<b>6 695</b>
- general overheads (-)	(10 406)	(12 949)	(2 458)	(3 583)
<b>Total cost of goods sold</b>	<b>20 717</b>	<b>9 412</b>	<b>13 621</b>	<b>3 112</b>