### Independent Auditor's Review Report on the Condensed Financial Statements for the 6 month period ended 30 June 2015

### To the Supervisory Board and Shareholders' Meeting of Zespół Elektrowni Pątnów – Adamów – Konin S.A.

1. We have reviewed the accompanying condensed half year financial statements of Zespół Elektrowni Pątnów – Adamów – Konin S.A. ('the Company') located in Konin, Kazimierska 45 street including the balance sheet as at 30 June 2015, the profit and loss account, the statement of changes in equity, the cash flow statement for the period from 1 January 2015 to 30 June 2015 and other explanatory notes ('the condensed financial statements').

The scope and format of the accompanying condensed financial statements for the 6 month period ended 30 June 2015 is prescribed by the Decree of the Minister of Finance dated 19 February 2009 on current and periodic information published by issuers of securities and conditions for recognition as equivalent the information required by laws of non-EU member states (Journal of Laws 2014.133 with subsequent amendments – 'the Decree on current and periodic information').

- 2. The Company's Management Board is responsible for the compliance of the condensed financial statements with the required applicable accounting policies. Our responsibility was to issue a report on these consolidated financial statements, based on our review.
- 3. We conducted our review in accordance with the provisions of the law binding in Poland and national auditing standards issued by the National Council of Statutory Auditors in Poland. These standards require that we plan and perform our review to obtain moderate assurance as to whether the financial statements are free of material misstatement. The review was mainly based on applying analytical procedures to the financial data, inspection of accounting records and discussions with the management of the Company as well as its employees. The scope<sup>1</sup> of a review differs significantly from an audit of financial statements, the objective of which is to express an opinion on whether financial statements comply with the required applicable accounting policies, and on the truth and fairness<sup>2</sup> of the financial statements. Consequently, the review does not enable us to obtain sufficient assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

<sup>&</sup>lt;sup>1</sup> Translation of the following expression in Polish language: "zakres i metoda"

<sup>&</sup>lt;sup>2</sup> Translation of the following expression in Polish language: *"rzetelności i jasności"* 

4. Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed financial statements are not in accordance with the required applicable accounting principles set out in the Accounting Act dated 29 September 1994 (Journal of Laws 2013.330 with subsequent amendments), the appropriate related regulations and also in accordance with requirements prescribed by the Decree on current and periodic information.

on behalf of Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k. Rondo ONZ 1, 00-124 Warsaw Reg. No 130

Key Certified Auditor

Robert Klimacki Certified auditor No. 90055

Warsaw, 31 August 2015

### Zespół Elektrowni Pątnów – Adamów – Konin S.A.

## Condensed financial statement for the 6 months period ended 30 June 2015

together with independent auditors review report

This is a translation of the document issued originally in Polish language. The Polish original should be referred to in matters of interpretation.

Statement made in PLN thousand

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### I. Financial Statement

### 1. Balance sheet as of 30 June 2015

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|--|---|---|---|--|
| 1. D<br>2. G<br>3. C<br>4. P<br>11. T<br>1. T<br>4. D<br>6<br>6<br>6<br>7<br>7<br>8<br>7<br>8<br>7<br>8<br>7<br>8<br>7<br>8<br>7<br>8<br>7<br>8<br>7<br>8  | Development expenses<br>Goodwill<br>Other intangible assets<br>Property, plant and equipment<br>Gangible fixed assets<br>() land (including perpetual usufruct)<br>() buildings, premises and constructions<br>() plant and machinery<br>() motor vehicles<br>() other<br>Construction in progress<br>Prepayments for construction in progress<br>Cong-term receivables   | 0<br>0<br>197 417<br>0<br><b>2 139 547</b><br>1 254 405<br>1 250<br>573 431<br>675 386<br>2 029<br>2 309<br>872 300                                     | 0<br>199 867<br>0<br><b>1 999 969</b><br>1 285 911<br>1 252<br>589 378<br>691 208<br>1 790<br>2 283   | 0<br>0<br>102 643<br>0<br><b>1 811 272</b><br>1 332 370<br>1 245<br>606 221<br>721 051<br>1 403  |
| <ol> <li>G</li> <li>G</li> <li>G</li> <li>G</li> <li>F</li> <li>G</li> <li>G</li></ol>  | Goodwill<br>Other intangible assets<br>Prepayments for intangible assets<br>Property, plant and equipment<br>Fangible fixed assets<br>() land (including perpetual usufruct)<br>() buildings, premises and constructions<br>() plant and machinery<br>() motor vehicles<br>() other<br>Construction in progress<br>Prepayments for construction in progress<br>Cong-term receivables  | 0<br>197 417<br>0<br><b>2 139 547</b><br>1 254 405<br>1 250<br>573 431<br>675 386<br>2 029<br>2 309<br>872 300  | 0<br>199 867<br>0<br><b>1 999 969</b><br>1 285 911<br>1 252<br>589 378<br>691 208<br>1 790<br>2 283   | 0<br>102 643<br>0<br><b>1 811 272</b><br>1 332 370<br>1 245<br>606 221<br>721 051<br>1 403   |
| <ol> <li>G. C.</li> <li>A. P.</li> <li>J. T.</li> <li>T.</li> <li>T.</li> <li>T.</li> <li>T.</li> <li>T.</li> <li>C.</li> <li>C.</li> <li>C.</li> <li>C.</li> <li>C.</li> <li>T.</li> <li>T.</li></ol>   | Other intangible assets<br>Prepayments for intangible assets<br>Property, plant and equipment<br>Fangible fixed assets<br>() land (including perpetual usufruct)<br>() buildings, premises and constructions<br>() plant and machinery<br>() motor vehicles<br>() other<br>Construction in progress<br>Prepayments for construction in progress<br>cong-term receivables  | 197 417<br>0<br><b>2 139 547</b><br>1 254 405<br>1 250<br>573 431<br>675 386<br>2 029<br>2 309<br>872 300   | 199 867<br>0<br><b>1 999 969</b><br>1 285 911<br>1 252<br>589 378<br>691 208<br>1 790<br>2 283  | 102 643<br>0<br><b>1 811 272</b><br>1 332 370<br>1 245<br>606 221<br>721 051<br>1 403  |
| <ol> <li>P</li> <li>P</li> <li>T</li> <li>T</li> <li>a</li> <li>b</li> <li>c</li> <li>d</li> <li>e</li> <li>c</li> <li>d</li> <li>d</li> <li>e</li> <li>c</li> <li>d</li> <li>d</li> <li>e</li> <li>a</li> <li>a</li> <li>a</li> <li>a</li> <li>a</li> </ol>   | Prepayments for intangible assets<br>Property, plant and equipment<br>Gangible fixed assets<br>) land (including perpetual usufruct)<br>b) buildings, premises and constructions<br>) plant and machinery<br>1) motor vehicles<br>e) other<br>Construction in progress<br>Prepayments for construction in progress<br>ong-term receivables  | 0<br>2 139 547<br>1 254 405<br>1 250<br>573 431<br>675 386<br>2 029<br>2 309<br>872 300   | 0<br><b>1 999 969</b><br>1 285 911<br>1 252<br>589 378<br>691 208<br>1 790<br>2 283   | 0<br><b>1 811 272</b><br>1 332 370<br>1 245<br>606 221<br>721 051<br>1 403   |
| <ul> <li>II. P</li> <li>I. T</li> <li>a</li> <li>b</li> <li>c</li> <li>c</li> <li>d</li> <li>d</li> <li>e</li> <li>e</li> <li>e</li> <li>e</li> <li>e</li> <li>e</li> <li>e</li> <li>a</li> <li>a</li> </ul>   | Property, plant and equipment<br>angible fixed assets<br>) land (including perpetual usufruct)<br>) buildings, premises and constructions<br>) plant and machinery<br>1) motor vehicles<br>2) other<br>Construction in progress<br>Prepayments for construction in progress<br>ong-term receivables   | <b>2 139 547</b><br>1 254 405<br>1 250<br>573 431<br>675 386<br>2 029<br>2 309<br>872 300   | <b>1 999 969</b><br>1 285 911<br>1 252<br>589 378<br>691 208<br>1 790<br>2 283  | <b>1 811 272</b><br>1 332 370<br>1 245<br>606 221<br>721 051<br>1 403  |
| 1. T<br>a<br>b<br>c<br>d<br>e<br>e<br>2. C<br>2. C<br>3. P<br>III. L<br>1. F<br>7. L<br>1. F<br>1. P<br>2. Ir<br>3. L<br>3. L<br>a<br>a  | angible fixed assets<br>) land (including perpetual usufruct)<br>) buildings, premises and constructions<br>) plant and machinery<br>I) motor vehicles<br>e) other<br>construction in progress<br>Prepayments for construction in progress<br>ong-term receivables  | 1 254 405<br>1 250<br>573 431<br>675 386<br>2 029<br>2 309<br>872 300   | 1 285 911<br>1 252<br>589 378<br>691 208<br>1 790<br>2 283  | 1 332 370<br>1 245<br>606 221<br>721 051<br>1 403  |
| a<br>b<br>c<br>c<br>d<br>e<br>e<br>2.<br>C<br>3.<br>P<br>III.<br>L<br>1.<br>F<br>C<br>F<br>II.<br>L<br>1.<br>F<br>IV.<br>L<br>1.<br>P<br>II.<br>2.<br>II.<br>2.<br>C<br>3.<br>P<br>J<br>0<br>2.<br>C<br>3.<br>P<br>1.<br>C<br>2.<br>C<br>3.<br>P<br>1.<br>C<br>2.<br>C<br>3.<br>P<br>2.<br>C<br>3.<br>P<br>2.<br>C<br>3.<br>P<br>2.<br>C<br>3.<br>P<br>2.<br>C<br>3.<br>P<br>1.<br>C<br>2.<br>C<br>3.<br>P<br>2.<br>C<br>3.<br>P<br>2.<br>C<br>3.<br>P<br>2.<br>C<br>3.<br>P<br>2.<br>C<br>3.<br>P<br>1.<br>C<br>1.<br>C<br>3.<br>P<br>1.<br>C<br>1.<br>C<br>3.<br>P<br>2.<br>C<br>3.<br>P<br>1.<br>C<br>1.<br>C<br>3.<br>P<br>2.<br>C<br>3.<br>P<br>2.<br>C<br>3.<br>P<br>2.<br>C<br>3.<br>P<br>2.<br>C<br>3.<br>P<br>2.<br>C<br>3.<br>P<br>2.<br>C<br>3.<br>P<br>2.<br>C<br>3.<br>P<br>2.<br>C<br>3.<br>C<br>3.<br>P<br>2.<br>C<br>3.<br>C<br>3.<br>C<br>3.<br>C<br>3.<br>C<br>3.<br>C<br>3.<br>C<br>3.<br>C   | <ul> <li>and (including perpetual usufruct)</li> <li>buildings, premises and constructions</li> <li>plant and machinery</li> <li>motor vehicles</li> <li>other</li> <li>construction in progress</li> <li>repayments for construction in progress</li> <li>cong-term receivables</li> </ul>   | 1 250<br>573 431<br>675 386<br>2 029<br>2 309<br>872 300  | 1 252<br>589 378<br>691 208<br>1 790<br>2 283   | 1 245<br>606 221<br>721 051<br>1 403   |
| b<br>c<br>d<br>e<br>2. C<br>3. P<br>III. L<br>1. F<br>2. F<br>IV. L<br>1. P<br>2. Ir<br>3. L<br>3. L<br>a  | <ul> <li>buildings, premises and constructions</li> <li>plant and machinery</li> <li>motor vehicles</li> <li>other</li> <li>construction in progress</li> <li>repayments for construction in progress</li> <li>ong-term receivables</li> </ul>  | 573 431<br>675 386<br>2 029<br>2 309<br>872 300   | 589 378<br>691 208<br>1 790<br>2 283  | 606 221<br>721 051<br>1 403  |
| c,<br>d<br>e<br>2. C<br>3. P<br>III. L<br>1. F<br>2. F<br>IV. L<br>1. P<br>2. Ir<br>3. L<br>a<br>-   | ) plant and machinery<br>) motor vehicles<br>) other<br>Construction in progress<br>Prepayments for construction in progress<br>ong-term receivables  | 675 386<br>2 029<br>2 309<br>872 300  | 691 208<br>1 790<br>2 283   | 721 051<br>1 403   |
| d<br>e<br>2. C<br>3. P<br>111. L<br>1. F<br>2. F<br>1V. L<br>1. P<br>2. Ir<br>3. L<br>3. L<br>4  | <ul> <li>a) motor vehicles</li> <li>b) other</li> <li>construction in progress</li> <li>b) prepayments for construction in progress</li> <li>cong-term receivables</li> </ul>   | 2 029<br>2 309<br>872 300   | 1 790<br>2 283  | 1 403  |
| e<br>2. C<br>3. P<br>111. L<br>1. F<br>2. F<br>1V. L<br>1. P<br>2. Ir<br>3. L<br>3. L  | ) other<br>Construction in progress<br>Prepayments for construction in progress<br><b>ong-term receivables</b>  | 2 309<br>872 300  | 2 283   |  |
| 2. C<br>3. P<br>III. L<br>1. F<br>2. F<br>IV. L<br>1. P<br>2. Ir<br>3. L<br>a<br>-   | Construction in progress<br>Prepayments for construction in progress<br>ong-term receivables  | 872 300   |   | 2 450  |
| 3. P<br>III. Lu<br>1. F<br>2. F<br>IV. Lu<br>1. P<br>2. Ir<br>3. Lu<br>a   | repayments for construction in progress<br>ong-term receivables   |   | 693 396   | z 450  |
| <ol> <li>III. L</li> <li>F</li> <li>F</li> <li>IV. L</li> <li>I. P</li> <li>Ir</li> <li>Ir</li> <li>A</li> </ol>   | ong-term receivables  | 12 842  | 050 050   | 446 613  |
| 1. F<br>2. F<br>IV. L<br>1. P<br>2. Ir<br>3. L<br>a<br>-   |   |   | 20 662  | 32 289   |
| 2. F<br>IV. Lu<br>1. P<br>2. Ir<br>3. Lu<br>a  | rom affiliates  | 0   | 0   | 0  |
| IV. Lo<br>1. P<br>2. Ir<br>3. Lo<br>a<br>-   |   | 0   | 0   | 0  |
| 1. P<br>2. Ir<br>3. L<br>a<br>-  | rom other entities  | 0   | 0   | 0  |
| 2. Ir<br>3. L<br>a<br>-  | ong-term investments  | 1 244 916   | 1 224 779   | 1 238 141  |
| 3. L<br>a<br>-   | Property  | 0   | 0   | 0  |
| a<br>-   | ntangible assets  | 0   | 0   | 0  |
| -  | ong-term financial assets   | 1 244 916   | 1 224 779   | 1 238 141  |
|  | ) in affiliates   | 1 244 765   | 1 224 628   | 1 237 990  |
| -  | shares  | 1 168 739   | 1 147 444   | 1 147 444  |
|  | other securities  | 0   | 0   | 0  |
| -  | loans granted   | 76 026  | 77 184  | 90 546   |
| -  | other long-term financial assets  | 0   | 0   | 0  |
| b  | ) in other entities   | 151   | 151   | 151  |
| -  | shares  | 151   | 151   | 151  |
| -  | other securities  | 0   | 0   | 0  |
| -  | loans granted   | 0   | 0   | 0  |
| -  | other long-term financial assets  | 0   | 0   | 0  |
| 4. C   | Other long-term investments   | 0   | 0   | 0  |
| V. L   | ong-term prepayments and deferred costs   | 5 044   | 6 266   | 7 476  |
| 1. D   | Deferred tax assets   | 0   | 0   | 0  |
|  | Other prepayments and deferred costs  | 5 044   | 6 266   | 7 476  |
| в. с   | Current assets  | 450 430   | 519 817   | 530 447  |
| l Ir   | nventories  | 186 755   | 180 519   | 182 512  |
| 1. R   | law materials   | 53 390  | 42 509  | 47 494   |
| 2. S   | emi-finished goods and work-in-progress   | 0   | 0   | 0  |
|  | inished goods   | 0   | 0   | 0  |
|  | Goods   | 117 602   | 135 722   | 131 728  |
|  | nventory prepayments  | 15 763  | 2 288   | 3 290  |
|  | hort-term receivables   | 141 671   | 149 294   | 140 463  |
|  | Receivables from affiliates   | 57 806  | 45 426  | 60 532   |
|  | )trade receivables, due in:   | 42 422  | 38 759  | 56 022   |
|  | · · · · · · · · · · · · · · · · · · ·   | 42 422  | 38 759  |  |
| -  | up to 12 months   |   |   | 56 022   |

| ota | Il assets   | 4 037 354   | 3 950 698      | 3 689 979  |
|-----|---|-------------|----------------|------------|
|     | Short-term deferred costs                                   | 2 268       | 515            | 4 417      |
| v.  | Short-term prepayments and deferred costs                   | 2 268       | 515            | 4 417      |
|     | Other short-term investments                                | 0           | 0              | 0          |
|     | - other monetary assets                                     | 0           | 0              | 0          |
|     | - other cash and cash equivalents                           | 0           | 0              | 0          |
|     | - cash on hand and cash at bank                             | 96 134      | 173 782        | 186 791    |
|     | c) cash and other monetary assets                           | 96 134      | 173 782        | 186 791    |
|     | - other short-term financial assets                         | 0           | 0              | 0          |
|     | - loans granted   | 0           | 0              | 0          |
|     | - other securities  | 0           | 0              | 0          |
|     | - shares  | 0           | 0              | 0          |
|     | b) in other entities  | 0           | 0              | 0          |
|     | - other short-term financial assets                         | 0           | 0              | 10 201     |
|     | - loans granted   | 16 080      | 15 707         | 16 264     |
|     | - other securities  | 7 522       | 0              | 0          |
|     | - shares  | 23 002      | 0              | 10 204     |
|     | a) in affiliates  | 23 602      | 15 707         | 16 264     |
|     | Short-term financial assets                                 | 119 736     | 189 489        | 203 055    |
| _   | Short-term investments                                      | 119 736     | <b>189 489</b> | 203 055    |
|     | c) other<br>d) submitted to court                           | 12 515<br>0 | 14 588<br>0    | 9 943<br>0 |
|     | insurance and other debtors                                 | 14 464      | 31 272         | 22 554     |
|     | b) taxation, subsidy, customs duty, social security, health |             |                |            |
|     | - over 12 months  | 0           | 0              | 0          |
|     | - up to 12 months   | 56 886      | 58 008         | 47 434     |
|     | a)trade receivables, due in:                                | 56 886      | 58 008         | 47 434     |
|     | Receivables from other entities                             | 83 865      | 103 868        | 79 931     |
|     | b) other  | 15 384      | 6 667          | 4 510      |

Konin, 31 August 2015

Prepared by

| LIAB  | ILITIES AND EQUITY (in PLN thousand )                         | As of 30.06.2015<br>(unaudited) | As of 31.12.2014 | As of 30.06.2014<br>(unaudited) |
|-------|---|---------------------------------|------------------|---------------------------------|
| Α.    | Equity  | 2 937 594                       | 2 995 960        | 2 953 272                       |
| ι.    | Share capital   | 101 647                         | 101 647          | 101 647                         |
| п.    | Unpaid share capital (negative value)                         | 0                               | 0                | 0                               |
| ш.    | Treasury shares (negative value)                              | 0                               | 0                | 0                               |
| IV.   | Supplementary capital   | 2 542 058                       | 2 398 399        | 2 398 396                       |
| v.    | Revaluation reserve   | 286 224                         | 286 229          | 286 232                         |
| VI.   | Other reserves  | 5 877                           | 5 877            | 5 877                           |
| VII.  | Accumulated profits (losses) from previous years              | -834                            | -834             | -834                            |
| VIII. | Net profit (loss) for the period                              | 2 622                           | 204 642          | 161 954                         |
| IX.   | Deductions from net profit during the period (negative value) | 0                               | 0                | 0                               |
| в.    | Liabilities and provisions for liabilities                    | 1 099 760                       | 954 738          | 736 707                         |
| Ι.    | Provisions for liabilities                                    | 217 365                         | 241 429          | 237 800                         |
| 1.    | Deferred tax liability  | 62 685                          | 71 878           | 60 390                          |
| 2.    | Provision for retirement benefits and similar obligations     | 11 642                          | 27 325           | 92 786                          |
|       | - long-term   | 11 281                          | 10 969           | 86 351                          |
|       | - short-term  | 361                             | 16 356           | 6 435                           |
| 3.    | Other provisions  | 143 038                         | 142 226          | 84 624                          |
|       | - long-term   | 16 992                          | 17 141           | 22 103                          |
|       | - short-term  | 126 046                         | 125 085          | 62 521                          |
| н.    | Long-term liabilities   | 508 532                         | 338 049          | 199 053                         |
| 1.    | To affiliates   | 749                             | 339              | 104                             |
| 2.    | To other entities   | 507 783                         | 337 710          | 198 949                         |
|       | a) loans  | 497 793                         | 325 713          | 180 055                         |
|       | b) debt securities issued                                     | 0                               | 0                | 0                               |
|       | c) other financial liabilities                                | 0                               | 0                | 3                               |
|       | d) other  | 9 990                           | 11 997           | 18 891                          |
| III.  | Short-term liabilities  | 323 232                         | 342 105          | 246 461                         |
| 1.    | To affiliates   | 93 919                          | 104 576          | 99 588                          |
|       | a)trade creditors, payable in:                                | 85 471                          | 93 172           | 80 902                          |
|       | - up to 12 months   | 85 471                          | 93 172           | 80 902                          |
|       | - over 12 months  | 0                               | 0                | 0                               |
|       | b) other  | 8 448                           | 11 404           | 18 686                          |
| 2.    | To other entities   | 223 274                         | 232 795          | 141 527                         |
|       | a) loans  | 52 307                          | 27 921           | 10 792                          |
|       | b) debt securities issued                                     | 0                               | 0                |                                 |
|       | c) other financial liabilities                                | 4                               | 18               | 31                              |
|       | d)trade liabilities payable in:                               | 31 008                          | 28 092           | 29 484                          |
|       | - up to 12 months   | 31 008                          | 28 092           | 29 484                          |
|       | - over 12 months  | 0                               | 0                | 0                               |
|       | e) advance payments received                                  | 98                              | 35               | 37                              |
|       | f) bills of exchange payable                                  | 0                               | 0                | 0                               |
|       | g) taxation, customs duty and social security creditors       | 17 200                          | 75 132           | 19 193                          |
|       | h) payroll  | 4 050                           | 4 037            | 3 613                           |
|       | i) other  | 118 607                         | 97 560           | 78 377                          |
| 3.    | Special funds   | 6 039                           | 4 734            | 5 346                           |
| IV.   | Accruals and deferred income                                  | 50 631                          | 33 155           | 53 393                          |
| 1.    | Negative goodwill   |                                 | 0                | 0                               |
| 2.    | Other accruals and deferred income                            | 50 631                          | 33 155           | 53 393                          |
|       | - long-term   | 15 396                          | 15 562           | 15 448                          |
|       | - short-term  | 35 235                          | 17 593           | 37 945                          |
| Tota  | l equity & liabilities  | 4 037 354                       | 3 950 698        | 3 689 979                       |

Konin, 31 August 2015

### 2. Profit and Loss Account for the period from 1 January 2015 to 30 June 2015

| Profit and loss account   | 01.01.2015- 30.06.2015<br>(unaudited) | 01.01.2014 - 30.06.2014<br>(unaudited) |
|---|---------------------------------------|--|
| Net sales of finished goods, goods for resale and raw                         | 700 546                               | 005 (70)                               |
| materials, of which:  | 798 516                               | 805 673                                |
| -from affiliates  | 269 112                               | 265 242                                |
| Net sales of finished goods   | 742 709                               | 764 533                                |
| Net sales of goods for resale and raw materials                               | 55 807                                | 41 140                                 |
| Cost of finished goods, goods for resale and raw<br>materials sold, of which: | 781 272                               | 739 635                                |
| -to affiliates  | 267 151                               | 260 430                                |
| Cost of finished goods sold   | 731 532                               | 700 783                                |
| Cost of goods for resale and raw materials sold                               | 49 740                                | 38 852                                 |
| Gross profit (loss) on sales  | 17 244                                | 66 038                                 |
| Selling expenses  | 1 341                                 | 1 569                                  |
| Administrative expenses   | 16 860                                | 19 243                                 |
| Profit (loss) on sales  | -957                                  | 45 226                                 |
| Other operating income  | 1 040                                 | 3 629                                  |
| Gains on the sale of non-financial non-current assets                         | 96                                    | 39                                     |
| Grants  | 166                                   | 259                                    |
| Other   | 778                                   | 3 331                                  |
| Other operating expenses  | 45 377                                | 8 170                                  |
| Loss on the sale of non-financial non-current assets                          | 0                                     | 0                                      |
| Impairment of non-financial assets  | 43 760                                | 4 397                                  |
| Other   | 1 617                                 | 3 773                                  |
| Operating profit (loss)   | -45 294                               | 40 685                                 |
| Finance income  | 44 148                                | 130 781                                |
| Dividends and shares in profits, of which:                                    | 42 947                                | 128 796                                |
| - from affiliates   | 42 898                                | 128 796                                |
| Interest, of which:   | 1 190                                 | 1658                                   |
| - from affiliates   | 666                                   | 833                                    |
| Gains on the sale of investments  | 000                                   | 0                                      |
| Revaluation of investments  | 0                                     | 325                                    |
| Other   | 11                                    | 2                                      |
| Finance costs   | 5 415                                 | 1 203                                  |
|   | <b>5 415</b><br>1 453                 | 408                                    |
| Interest, of which:   | 1435                                  |  |
| - from affiliates   |                                       | 0                                      |
| Loss on the sale of investments   | 0                                     | 0                                      |
| Impairment of investments<br>Other  | 1 385<br>2 577                        | 0<br>795                               |
|   |                                       |  |
| Gross profit (loss) on ordinary activities                                    | -6 561                                | 170 263                                |
| Result on extraordinary items   |                                       |  |
| Extraordinary gains   |                                       |  |
| Extraordinary losses  |                                       | 470.000                                |
| Gross profit (loss)   | -6 561                                | 170 263                                |
| Taxation  | -9 183                                | 8 309                                  |
| Corporate profits tax   | -9 183                                | 8 309                                  |
| Other tax charges   |                                       |  |
| Net profit (loss)   | 2 622                                 | 161 954                                |

Konin, 31 August 2015

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### 3. Cash Flow Statement for the period from 1 January 2015 to 30 June 2015

| 1. Net profit (loss)         2 622         161 95           1. Adjustments, total         -50 981         142 30         147 30         47 06           2. Foreign exchange gains (losses)         1849         -29         3         142 30         -29           3. Interest and shares in profits         -42 161         -129 20         -216         -33           5. Change in investing activities         -216         -33         -37         -39 22         -30<   | Cash flow statement  | 01.01.2015-<br>30.06.2015<br>(unaudited) | 01.01.2014 -<br>30.06.2014<br>(unaudited) |
|--|--|--|---|
| II. Adjustments, total-50 981-1.32 30.1. Depredication.1.74 702. Foreign exclanage gains (losses).1.8493. Interest and shares in profits.4.2 1612. Jack erest and shares in profits.4.2 1612. Change in provisions.6.23 075. Change in provisions.6.23 076. Change in receivables.23 0577. Change in receivables.23 0578. Change in short-term liabilities, except for loans and borrowings.4.64 6429. Change in prepayments, accruals and deferred income.1.17 10210. Other adjustments.1.17 1028. Cash flow from operating activities (1211).4.8 3599. Cash erist prepayments, accruals and deferred income.1.17 10210. Other adjustments.1.27 94511. Sale of intragible assets and tangible fixed assets.1.128. Cash flow from investing activities.01. Sale of intragible assets, of which:.27 9452. Sale of investments in property and intangible assets.00.02. Sale of investing inforts.00.00.00.00.00.00.00.00.00.00.00.01. Sale of innacial assets of which:.29 4950.00.00.00.00.00.00 <td< td=""><td>A. Cash flow from operating activities</td><td></td><td></td></td<>  | A. Cash flow from operating activities   |  |   |
| 1. Depreciation       41 743       47 06         2. Foreign exchange gains (losses)       1849       -29         2. Interest and shares in profits       42 161       129 22         4. Profit (loss) on investing activities       216       -33         5. Change in provisions       6237       9222         7. Change in receivables       23 057       307         8. Change in investing activities (except for loans and borrowings       -64 642       -52 66         9. Change in provisions       -117 102       -80 78         8. Change in investing activities (EIII)       -48 339       29 44         9. Change in provision investing activities (EIII)       -48 35       29 45         10. Other adjustments       -117 102       -80 78         8. Cash flow from operating activities (EIII)       -48 35       29 45         11. Net cash flow from operating activities (EIII)       -48 35       29 45         12. Sale of investing activities       0       -4         13. Ford financial assets, of which:       27 945       124 30         15. also for investing activities       0       -4         2. also of investing activities       0       -4         2. also of investing activities       0       -4         2. alsof of investi  | I. Net profit (loss)   | 2 622                                    | 161 954                                   |
| 2. Foreign exchange gains (losses)1 849-293. Interest and shares in profits-24 1611.29224. Profit (loss) on investing activities216-35. Change in inventories-6 23 792236. Change in inventories-6 23 792237. Change in receivables23 05737078. Change in stort-term liabilities, except for loans and borrowings-64 642-52 669. Change in prepayments, actruals and deferred income17 01715 20010. Other adjustments-117 102280 788. Change ins flow from operating activities (L11)-48 35929 648. Cash flow from investing activities (L11)-28 057124 3001. Sale of intangible assets and tangible fixed assets112663. Foor financial assets, of which:27 945124 124a. Ja in diffiates27 945124 124b) in other entities044- entities044- entities044- entities044- entities044- entities044- entities044- entities044- entities26 94942- other044- entities044- entities044- entities044- entities044- entities044- entities044- entities29 49546 <td< td=""><td>II. Adjustments, total</td><td>-50 981</td><td>-132 306</td></td<>  | II. Adjustments, total   | -50 981                                  | -132 306                                  |
| 3. Interest and shares in profits 4. 21 1 1 22 22 4. 20 4. Profit (loss) on investing activities 21 6 3. 5. Change in provisions 52 79 74 58 6. Change in viewtories 62 37 30 70 70 70 12 20 22 70 4. Set 64 64 22 30 57 30 70 70 70 15 20 50 6. Change in viewtories 64 64 22 52 66 9. Change in prepayments, accurals and deferred income 10 70 17 15 20 10 Other adjustments 1.17 102 4.80 78 22 44 70 100 100 70 70 70 70 70 70 70 70 70 70 70 70 7  | 1. Depreciation  | 41 743                                   | 47 061                                    |
| 4. Profit (loss) on investing activities216-315. Change in provisions92 7974 586. Change in investories-6 23792 227. Change in receivables23 0573078. Change in hort-term liabilities, except for loans and borrowings-6 64 6252 669. Change in prepayments, accruals and deferred income17 01715 2010 Other adjustments-117 102-80 788. Cash flow from investing activities (±11)-88 7828 057124 3001. Sale of intangible assets and tangible fixed assets112602. Sale of intangible assets and tangible fixed assets112602. Sale of intangible assets, of which:27 945124 2303. Form financial assets, of which:27 945124 24b) in affiliates0-0-04. Other entities0-0-04. Other investing inflows0-0-04. Other investing inflows0-0-04. Other investing inflows0-0-04. Other investing outflows0-0-04. Oth   | 2. Foreign exchange gains (losses)   | 1 849                                    | -297                                      |
| 5. Change in provisions       95 279       74 58         6. Change in inventories       -6 237       9 222         7. Change in receivables       23 057       3 07         8. Change in short-term liabilities, except for loans and borrowings       -64 642       -52 66         9. Change in prepayments, accruals and deferred income       17 017       15 20         10. Other adjustments       -111 102       -80 78         11. Net cash flow from operating activities (Etil)       -48 359       29 64         8. Cash flow from investing activities (Etil)       -48 359       29 64         1. Sale of intangible assets and tangible fixed assets       112       67         3. From financial assets, of which:       27 945       124 23         a) in affinities       29 945       124 18         b) in other entities       0       0         - repayment of long-term loans granted       0       0         - other       0       0       0         - other       0       0       0         - Or financial assets       21 94 95       0       0         - repayment of long-term loans granted       0       0       0         - Other investing inflows       0       0       0       0  | 3. Interest and shares in profits  | -42 161                                  | -129 224                                  |
| 6. Change in inventories         -6 237         -9 22           7. Change in receivables         23 057         307.           8. Change in short-term liabilities, except for loans and borrowings         -66 642         -52 66.           9. Change in preparyments, actuals and deferred income         17 017         15 200           10 Other adjustments         -117 102         -60 78.           8. Cah flow from operating activities (ttll)         48 359         28 057         124 300           8. Cah flow from investing activities (ttll)         48 359         28 057         124 300           1. Sale of investments in property and intangible assets         10         0         0         0           3. Form financial assets, of which:         27 945         124 180         0         0         0           3. Form financial assets         0         0         0         0         0         0           a sile of financial assets         0         0         0         0         0         0           - repayment of long-term loans granted         0         0         0         0         0         0           - other         0         0         0         0         0         0         0         0         0         0   | 4. Profit (loss) on investing activities   | 216                                      | -39                                       |
| 7. Change in receivables       23 057       3 07         8. Change in short-term liabilities, except for loans and borrowings       -46 642       -52 66         9. Change in prepayments, accruals and deferred income       117 102       -80 78         10. Other adjustments       -117 102       -80 78         11. Net cash flow from operating activities (itil)       -48 359       29 64         8. Cash flow from investing activities       112 102       -60         1. Sale of intragible assets and tangible fixed assets       112 102       -60         2. Sale of investments in property and intangible assets       0       0       -60         3. From financial assets, of which:       27 945       124 138       -114 130         a) in affiliates       27 945       124 138       -10       -40         a) in affiliates       27 945       124 138       -10       -40   | 5. Change in provisions  | 95 279                                   | 74 581                                    |
| 8. Change in short-term liabilities, except for loans and borrowings       -64 642       -52 66         9. Change in prepayments, accruals and deferred income       17 017       15 20         10 Other adjustments       -17 17 102       -80 78         10 Other adjustments       -81 78       29 64         8. Cash flow from investing activities (Lt1)       -88 359       29 64         8. Cash flow from investing activities (Lt1)       -88 359       29 64         9. Sale of intangible assets and tangible fixed assets       0       0         1. Sale of intancial assets, of which:       27 945       124 138         2. Sale of innacial assets, of which:       27 945       124 138         b) in other entities       0       0       0         - eduditiancial assets       0       0       0         - eduditiancial assets       0       0       0         - eduditiancial assets       0       0       0       0         - eduditiancial assets       0       0       0       0       0         - eduditiancial assets       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       <   | 6. Change in inventories   | -6 237                                   | -9 220                                    |
| 9. Change in prepayments, accruals and deferred income       17 017       15 20         10 Other adjustments       117 102       -80 78.         11. Net cash flow from investing activities (i±ll)       48 359       29 64.         8. Cash flow from investing activities (i±ll)       28 057       124 30         1. Sale of intangible assets and tangible fixed assets       0       0         1. Sale of investments in property and intangible assets       0       0         3. From financial assets, of which:       27 945       124 13.         b) in affiliates       27 945       124 13.         b) in affiliates       0       0       0         cividends and shares in profits       0       0       0         l. nottflows       26 46 434       220044       220 44       220 44       24       24  | 7. Change in receivables   | 23 057                                   | 3 074                                     |
| 9. Change in prepayments, accruals and deferred income       17 017       15 20         10 Other adjustments       117 102       -80 78.         11. Net cash flow from investing activities (i±ll)       48 359       29 64.         8. Cash flow from investing activities (i±ll)       28 057       124 30         1. Sale of intangible assets and tangible fixed assets       0       0         1. Sale of investments in property and intangible assets       0       0         3. From financial assets, of which:       27 945       124 13.         b) in affiliates       27 945       124 13.         b) in affiliates       0       0       0         cividends and shares in profits       0       0       0         l. nottflows       26 46 434       220044       220 44       220 44       24       24  | 8. Change in short-term liabilities, except for loans and borrowings                   | -64 642                                  | -52 669                                   |
| 10 Other adjustments       -117 102       -80 78         III. Net cash flow from operating activities (1211)       -48 359       29 64         B. Cash flow from investing activities       28 057       124 30         1. Sale of intangible assets and tangible fixed assets       112       66         2. Sale of investments in property and intangible assets       0       0         3. from financial assets, of which:       27 945       124 138         b) in other entities       0       0       44         -sale of financial assets       0       0       0         -sale of financial assets       0       0       0       0         -sale of financial assets       0  |  | 17 017                                   | 15 209                                    |
| III. Net cash flow from operating activities       -48 359       29 64         B. Cash flow from investing activities       -12 430         I. Inflows       28 057       124 300         1. Sale of intangible assets and tangible fixed assets       -112       67         2. Sale of investments in property and intangible assets       -27 945       124 18         a) in affiliates       27 945       124 18         b) in other entities       -0       -4         - sale of financial assets, of which:       27 945       124 18         b) in other entities       -0       -4         - sale of financial assets       -0       -4         - repayment of long-term loans granted       -0       -4         - repayment of long-term loans granted       -0       -4         1. Notflows       -26 633       220 44         1. Purchase of intangible assets and tangible fixed assets       216 939       -20         2. Investments in property and intangible assets       -0       -0         3. For financial assets, of which:       29 495       -0       -0         1. Notflows       -218 377       -96 14       -0       -0         1. Notflows from insue of shares, issue of other capital instruments and additional       -0       -0  |  |  | -80 782                                   |
| B. Cash flow from investing activities       28 057       124 300         1. Sale of intangible assets and tangible fixed assets       112       66         2. Sale of investments in property and intangible assets       0       0         3. Form financial assets, of which:       27 945       124 138         a) in affiliates       27 945       124 138         b) in other entities       0       0         - sale of financial assets       0       0         - sale of shares in profits       0       0         - repayment of long-term loans granted       0       0         - other       0       0       0         4. Other investing inflows       0       0       0         1. Purchase of intangible assets and tangible fixed assets       216 939       220 444         2. Unvestments in property and intangible assets       216 939       220 444         3. For financial assets, of which:       29 495       0       0         9. In affiliates       29 495       0       0       0       0         1. Purchase of financial assets       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0       0  | -  |  | 29 648                                    |
| Inflows         28 057         124 300           1. Sale of intangible assets and tangible fixed assets         112         663           2. Sale of investments in property and intangible assets         0         0           3. from financial assets, of which:         27 945         1224 23           a) in affiliates         27 945         124 183           b) in other entities         0         0         0           - sale of financial assets         0         0         0         0           - dividends and shares in profits         0 <td< td=""><td></td><td></td><td></td></td<>   |  |  |   |
| 1. Sale of intangible assets and tangible fixed assets112662. Sale of investments in property and intangible assets003. From financial assets, of which:27 945124 23a) in affiliates27 945124 18b) in other entities00c) sale of financial assets00c) dividends and shares in profits00c) dividends and shares in profits00c) enter entities00c) enter entities00c) other001. Outflows246 634220 4411. Purchase of intangible assets and tangible fixed assets216 939220 4412. Investments in property and intangible assets216 939220 4423. For financial assets, of which:29 495002. Investments in property and intangible assets0003. For financial assets, of which:29 4950001. Net cash flow from investing activities (I-III)-218 37796 142002. Cash flow from financing activities (I-III)-218 37796 1420003. Issue of shares, issue of other capital instruments and additional00002. Lonas and credits209 000191 00000003. Issue of debt securities0000003. Issue of debt securities00000003. Issue of debt secu   | -  | 28 057                                   | 124 300                                   |
| 2. Sale of investments in property and intangible assets       0       0         3. From financial assets, of which:       27 945       124 23         a) in affiliates       27 945       124 18         b) in other entities       0       04         - sale of financial assets       0       0         - sale of financial assets       0       0         - repayment of long-term loans granted       0       0         - repayment of long-term loans granted       0       0         - other       0       0       0         4. Other investing inflows       0       0       0         1. Outflows       246 434       2200 44!       220 44!         1. Purchase of intangible assets and tangible fixed assets       216 939       220 44!         2. Investments in property and intangible assets       29 495       0         3. For financial assets, of which:       29 495       0       0         1. outflows       29 495       0       0       0         1. outgrase of financial assets       0       0       0       0       0         1. outgrase of financial assets       0       0       0       0       0       0       0       0       0       0  |  |  | 69  |
| 3. From financial assets, of which:       27 945       124 23         a) in affiliates       27 945       124 18         b) in other entities       0       0         - sale of financial assets       0       0         - dividends and shares in profits       0       0         - dividends and shares in profits       0       0         - repayment of long-term loans granted       0       0         - other       0       0       0         - other       0       0       0         1. Outflows       216 939       220 444       220 444         2. Investments in property and intangible fixed assets       216 939       220 444         2. Investments in property and intangible assets       216 939       220 444         2. Investments in property and intangible assets       29 9495       0         3. For financial assets, of which:       29 9495       0       0         . purchase of financial assets       0       0       0       0       0         . long-term loans granted       0       0       0       0       0       0       0         . long-term loans granted       0       0       0       0       0       0       0       0   |  | 0  | 0   |
| a) in affiliates27 945124 180b) in other entities044- sale of financial assets044- dividends and shares in profits044- repayment of long-term loans granted00- interest received00- other00- other investing inflows00- other investing inflows001. Outflows246 434220 4442. Investments in property and intangible assets216 939220 4442. Investments in property and intangible assets216 93902. Investments in property and intangible assets0003. For financial assets, of which:29 495000000001. purchase of financial assets00001. purchase of financial assets00001. purchase of financial assets00001. purchase of financial assets00002. long-term loans granted00003. So financial asset of other capital instruments and additional<br>payment to capital0002. Loans and credits209 000191 0000003. Sue of debt securities000004. Other innecial inflows000002. Loans and credits209 000191 000000  |  | 27 945                                   | 124 231                                   |
| b in other entities         0         44           - sale of financial assets         0         0           - dividends and shares in profits         0         0           - dividends and shares in profits         0         0           - repayment of long-term loans granted         0         0           - interest received         0         0         0           - other         0   |  |  | 124 186                                   |
| - sale of financial assets         0         0           - dividends and shares in profits         0         0           - repayment of long-term loans granted         0         0           - interest received         0         0           - other         0         0           - Other         0         0           1. Outflows         246 434         220 443           1. Purchase of intangible assets and tangible fixed assets         216 939         220 443           2. Investments in property and intangible assets         216 939         220 443           2. Investments in property and intangible assets         219 935         0           a) in affiliates         29 495         0         0           b) in other entities         0         0         0         0           - purchase of financial assets         0   | ·  |  | 45  |
| - dividends and shares in profits       0       44         - repayment of long-term loans granted       0       0         - interest received       0       0         - other       0       0       0         - other investing inflows       0       0       0         I. Outflows       246 434       220 443       220 443         2. Investments in property and intangible fixed assets       216 939       220 443         2. Investments in property and intangible assets       29 495       0         3. For financial assets, of which:       29 495       0       0         a) in affiliates       29 495       0   |  |  | 0   |
| repayment of long-term loans granted       0       0         - interest received       0       0         - other       0       0         - other       0       0         4. Other investing inflows       0       0         10. Outflows       246 434       220 443         1. Purchase of intangible assets and tangible fixed assets       216 939       220 443         2. Investments in property and intangible assets       29 495       0         2. Investments in property and intangible assets       29 495       0         2. Investments in property and intangible assets       29 495       0         3. For financial assets, of which:       29 495       0       0         a) in affiliates       29 495       0 <td< td=""><td></td><td></td><td>45</td></td<>   |  |  | 45  |
| - interest received       0       0         - other       0       0         - other       0       0         I. Outer investing inflows       0       0         I. Outflows       246 434       220 443         1. Purchase of intangible assets and tangible fixed assets       216 939       220 443         2. Investments in property and intangible assets       29 495       0         3. For financial assets, of which:       29 495       0         a) in affiliates       29 495       0       0         b) in other entities       0       0       0       0         - purchase of financial assets       0  |  |  | 0   |
| - other       0       0         4. Other investing inflows       0       0         10. Outflows       246 434       220 443         1. Purchase of intangible assets and tangible fixed assets       216 939       220 443         2. Investments in property and intangible assets       21       29 495       0         2. Investments in property and intangible assets       29 495       0       0         3. For financial assets, of which:       29 495       0 </td <td></td> <td></td> <td>0</td>  |  |  | 0   |
| A. Other investing inflows00II. Outflows246 434220 4431. Purchase of intangible assets and tangible fixed assets216 939220 4432. Investments in property and intangible assets216 939220 4432. Investments in property and intangible assets29 49503. For financial assets, of which:29 4950a) in affiliates29 49500b) in other entities000- purchase of financial assets000- long-term loans granted0004. Other investing outflows00010. Net cash flow from investing activities (I-II)-218 377-96 142C. Cash flow from financing activities (I-III)-218 377-96 1421. Inflows209 000191 000191 0001. Net inflows from issue of shares, issue of other capital instruments and additional<br>payments to capital002. Loans and credits0003. Issue of debt securities0004. Other financial inflows00010. Il Outflows19 33895 0551. Re-acquisition of own shares0002. Dividends and other payments to shareholders000  |  |  | 0   |
| II. Outflows246 434220 4431. Purchase of intangible assets and tangible fixed assets216 939220 4432. Investments in property and intangible assets29 49503. For financial assets, of which:29 4950a) in affiliates29 4950b) in other entities00- purchase of financial assets00- long-term loans granted004. Other investing outflows0011. Net cash flow from investing activities (I-II)-218 377-96 143C. Cash flow from financing activities001. Inflows209 000191 0001. Net inflows from issue of shares, issue of other capital instruments and additional<br>payments to capital002. Loans and credits0003. Issue of debt securities0004. Other financial inflows0003. Issue of debt securities0004. Other financial inflows0003. Issue of debt securities0004. Other financial inflows0001. Re-acquisition of own shares0002. Dividends and other payments to shareholders0002. Dividends and other payments to shareholders000  | 4. Other investing inflows   |  | 0   |
| 2. Investments in property and intangible assets<br>3. For financial assets, of which:<br>a) in affiliates<br>b) in other entities<br>- purchase of financial assets<br>- purchase of financial assets<br>- long-term loans granted<br>4. Other investing outflows<br>10. Net cash flow from investing activities (I-II)<br>C. Cash flow from financing activities<br>I. Inflows<br>C. Cash flow from financing activities<br>I. Inflows<br>1. Net inflows from issue of shares, issue of other capital instruments and additional<br>payments to capital<br>2. Loans and credits<br>3. Issue of debt securities<br>4. Other financial inflows<br>1. Sue of debt securities<br>4. Other financial inflows<br>1. Re-acquisition of own shares<br>2. Dividends and other payments to shareholders<br>0 (1)<br>2. Dividends and other payments to shareholders<br>0 (1)<br>2. Dividends and other payments to shareholders<br>0 (1)<br>2. Dividends and other payments to shareholders<br>0 (1)<br>3. Issue of other paym | II. Outflows   | 246 434                                  | 220 449                                   |
| 2. Investments in property and intangible assets3. For financial assets, of which:29 495a) in affiliates29 495b) in other entities0- purchase of financial assets0- long-term loans granted04. Other investing outflows011. Net cash flow from investing activities (I-II)-218 377-96 142-96 14212. Loans and credits013. Issue of shares, issue of other capital instruments and additional02. Loans and credits03. Issue of debt securities04. Other financial inflows013. Issue of debt securities014. Other financial inflows015. Inflows02. Dividends and other payments to shareholders015. Dividends and other payments to shareholders016. Dividends and other payments to shareholders017. Dividends and other payments to shareholders018. Dividends and other payments to shareholders019. Dividends and other payments to shareholders010. Dividends and other payments to shareholders017. Dividends and other payments to shareholders018. Dividends and other payments to shareholders019. Dividends and other payments to shareholders017. Dividends and other payments to shareholders018. Dividends and other payments to shareholders019. Dividends and other payments to shareholders010. Dividends and other payments to shareholders0 <td>1. Purchase of intangible assets and tangible fixed assets</td> <td></td> <td>220 449</td>   | 1. Purchase of intangible assets and tangible fixed assets                             |  | 220 449                                   |
| a) in affiliates29 4950b) in other entities00- purchase of financial assets00- long-term loans granted004. Other investing outflows0011. Net cash flow from investing activities (I-II)-218 377-96 148C. Cash flow from financing activities1. Inflows209 000191 0001. Net inflows from issue of shares, issue of other capital instruments and additional<br>payments to capital002. Loans and credits209 000191 0003. Issue of debt securities0004. Other financial inflows00010 utflows19 33895 05701. Re-acquisition of own shares0002. Dividends and other payments to shareholders0002. Dividends and other payments to shareholders000  |  |  |   |
| a) in affiliates29 4950b) in other entities00- purchase of financial assets00- long-term loans granted004. Other investing outflows0011. Net cash flow from investing activities (I-II)-218 377-96 148C. Cash flow from financing activities1. Inflows209 000191 0001. Net inflows from issue of shares, issue of other capital instruments and additional<br>payments to capital002. Loans and credits209 000191 0003. Issue of debt securities0004. Other financial inflows00010 utflows19 33895 05701. Re-acquisition of own shares0002. Dividends and other payments to shareholders0002. Dividends and other payments to shareholders000  |  | 29 495                                   | 0   |
| <ul> <li>purchase of financial assets</li> <li>purchase of financial assets</li> <li>long-term loans granted</li> <li>O</li> <li>O</li></ul>   | a) in affiliates   | 29 495                                   | 0   |
| - long-term loans granted 0 4. Other investing outflows 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0  | b) in other entities   | 0  | 0   |
| 4. Other investing outflows00III. Net cash flow from investing activities (I-II)-218 377-96 149C. Cash flow from financing activities-218 377-96 149I. Inflows209 000191 0001. Net inflows from issue of shares, issue of other capital instruments and additional<br>payments to capital002. Loans and credits209 000191 0003. Issue of debt securities0004. Other financial inflows0001. Re-acquisition of own shares0002. Dividends and other payments to shareholders0001. Re-acquisition of own shares0002. Dividends and other payments to shareholders000   | - purchase of financial assets   | 0  | 0   |
| 4. Other investing outflows00III. Net cash flow from investing activities (I-II)-218 377-96 149C. Cash flow from financing activities-218 377-96 149I. Inflows209 000191 0001. Net inflows from issue of shares, issue of other capital instruments and additional<br>payments to capital002. Loans and credits209 000191 0003. Issue of debt securities0004. Other financial inflows0001. Re-acquisition of own shares0002. Dividends and other payments to shareholders0001. Re-acquisition of own shares0002. Dividends and other payments to shareholders000   | - long-term loans granted  | 0  | 0   |
| C. Cash flow from financing activities209 000191 0001. Inflows209 000191 0001. Net inflows from issue of shares, issue of other capital instruments and additional<br>payments to capital002. Loans and credits209 000191 0003. Issue of debt securities0004. Other financial inflows00011 Outflows19 33895 0511. Re-acquisition of own shares0002. Dividends and other payments to shareholders000  | 4. Other investing outflows  | 0  | 0   |
| I. Inflows209 000191 0001. Net inflows from issue of shares, issue of other capital instruments and additional<br>payments to capital002. Loans and credits209 000191 0003. Issue of debt securities0004. Other financial inflows00011 Outflows19 33895 0501. Re-acquisition of own shares0002. Dividends and other payments to shareholders000  | III. Net cash flow from investing activities (I-II)                                    | -218 377                                 | -96 149                                   |
| 1. Net inflows from issue of shares, issue of other capital instruments and additional<br>payments to capital002. Loans and credits209 000191 0003. Issue of debt securities004. Other financial inflows0011 Outflows19 33895 051. Re-acquisition of own shares002. Dividends and other payments to shareholders00   | C. Cash flow from financing activities   |  |   |
| payments to capital02. Loans and credits209 0003. Issue of debt securities04. Other financial inflows011 Outflows19 3381. Re-acquisition of own shares02. Dividends and other payments to shareholders0  | I. Inflows   | 209 000                                  | 191 000                                   |
| 2. Loans and credits209 000191 0002. Loans and credits003. Issue of debt securities004. Other financial inflows0011 Outflows19 33895 051. Re-acquisition of own shares002. Dividends and other payments to shareholders00  | 1. Net inflows from issue of shares, issue of other capital instruments and additional |  |   |
| 3. Issue of debt securities04. Other financial inflows011 Outflows19 3381. Re-acquisition of own shares02. Dividends and other payments to shareholders0   | payments to capital  | 0  | 0   |
| 4. Other financial inflows0II Outflows19 33895 051. Re-acquisition of own shares002. Dividends and other payments to shareholders00  | 2. Loans and credits   | 209 000                                  | 191 000                                   |
| II Outflows19 33895 051. Re-acquisition of own shares002. Dividends and other payments to shareholders00   | 3. Issue of debt securities  | 0  | 0   |
| 1. Re-acquisition of own shares02. Dividends and other payments to shareholders0   | 4. Other financial inflows   | 0  | 0   |
| 2. Dividends and other payments to shareholders 0  | II Outflows  | 19 338                                   | 95 057                                    |
|  | 1. Re-acquisition of own shares  | 0  | 0   |
| 3. Outflows due to appropriation of profit other than payments to shareholders 0   | 2. Dividends and other payments to shareholders  | 0  | 0   |
|  | 3. Outflows due to appropriation of profit other than payments to shareholders         | 0  | 0   |

| 4. Repayment of loans and borrowings                                       | 10 714  | 90 951  |
|--|---------|---------|
| 5. Redemption of debt securities   |         |         |
| 6. Relating to other financial liabilities                                 | 46      | 15      |
| 7. Finance lease payments  |         |         |
| 8. Interest paid   | 8 578   | 4 091   |
| 9. Other financing outflows  |         |         |
| III. Net cash flow from financing activities (I-II)                        | 189 662 | 95 943  |
| D. Total net cash flow (A.III±B.III±C.III)                                 | -77 074 | 29 442  |
| E. Balance sheet change in cash and cash equivalents, of which:            | -77 648 | 29 028  |
| - change in cash and cash equivalents due to foreign exchange gains/losses | -464    | -28     |
| F. Cash and cash equivalents at the beginning of the period                | 173 239 | 157 852 |
| G. Cash and cash equivalents at the end of the period (F±D), of which:     | 96 055  | 186 908 |
| - of restricted use  | 5 174   | 14 042  |

Konin, 31August 2015 Prepared by

### 4. Changes in Equity Statement as of 30 June 2015

| Changes in Equity Statement |  | 01.01.2015-<br>30.06.2015<br>(unaudited) | 01.01.2014 -<br>31.12.2014 | 01.01.2014 -<br>30.06.2014<br>(unaudited) |
|-----------------------------|--|--|----------------------------|---|
|                             | Equity at the beginning of the period (OB)<br>- adjustments of fundamental errors  | 2 995 960                                | 2 825 878                  | 2 825 878                                 |
|                             | Equity at the beginning of the period (OB), after adjustments  | 2 995 960                                | 2 825 878                  | 2 825 878                                 |
| 1.                          | Share capital at the beginning of the period   | 101 647                                  | 101 647                    | 101 647                                   |
| 1.1.                        | Changes in share capital   |  |                            |   |
|                             | a) increases   |  |                            |   |
|                             | b) decreases   |  |                            |   |
|                             | -redemption of treasury shares   |  |                            |   |
| 1.2.                        | Share capital at the end of the period   | 101 647                                  | 101 647                    | 101 647                                   |
| 2.                          | Unpaid share capital at the beginning of the period  |  |                            |   |
| 2.1                         | Changes to unpaid share capital  |  |                            |   |
|                             | a) increases   |  |                            |   |
|                             | b) decreases   |  |                            |   |
| 2.2.                        | Unpaid share capital at the end of the period  |  |                            |   |
| 3.                          | Treasury shares at the beginning of the period   | 0  | 0                          | C   |
| •••                         | a) increases   | ·  | •                          |   |
|                             | b) decreases   |  |                            |   |
|                             | -redemption of own shares  |  |                            |   |
| 3.1.                        | Treasury shares at the end of the period   | 0  | 0                          | (   |
|                             |  |  |                            |   |
| 4.                          | Supplementary capital at the beginning of the period   | 2 398 399                                | 2 200 508                  | 2 200 50                                  |
| 4.1.                        | Changes in Supplementary capital   |  |                            |   |
|                             | a) increases (due to)  | 143 659                                  | 197 891                    | 197 88                                    |
|                             | - share premium  |  |                            |   |
|                             | - statutory profit appropriation   |  |                            |   |
|                             | - profit appropriation (in excess of statutory amounts)  | 143 654                                  | 197 297                    | 197 297                                   |
|                             | - tangible assets sales and liquidation  | 5  | 594                        | 592                                       |
|                             | b) decreases   |  |                            |   |
| 4.2.                        | Supplementary capital at the end of the period   | 2 542 058                                | 2 398 399                  | 2 398 39                                  |
| 5.                          | Revaluation reserve at the beginning of the period   | 286 229                                  | 286 823                    | 286 823                                   |
| 5.1.                        |  | -5                                       | -594                       | -59                                       |
| 0.1                         | a) increases   | 0  | 001                        |   |
|                             | b) decreases (due to)  | 5  | 594                        | 59:                                       |
|                             | - disposal of tangible fixed assets  | 5  | 594                        | 59:                                       |
|                             | - revaluation adjustment   | 5  | 554                        |   |
| 5.2.                        | Revaluation adjustment<br>Revaluation reserve at the end of the period   | 286 224                                  | 286 229                    | 286 232                                   |
| -                           |  |  |                            |   |
| 6.                          | Other reserves at the beginning of the period  | 5 877                                    | 5 877                      | 5 873                                     |
| 6.1.                        | Changes in other reserves  |  |                            |   |
|                             | a) increases   |  |                            |   |
|                             | b) decreases   |  |                            |   |
| 6.2.                        | Other reserves at the end of the period  | 5 877                                    | 5 877                      | 5 877                                     |
|                             | Accumulated profits from previous years at the beginning of  |  |                            |   |
| 7.                          | the period   | 204 642                                  | 231 857                    | 231 857                                   |
| 7 1                         | Accumulated profits from previous years at the beginning of  | 204 642                                  | 221 057                    | 224.055                                   |
| 7.1.                        | the period   | 204 642                                  | 231 857                    | 231 857                                   |
|                             | <ul> <li>adjustments of fundamental errors</li> <li>Accumulated profits from previous years at the beginning of</li> </ul> |  |                            |   |
|                             | Accumulated profits from previous years at the beginning of  |  |                            |   |
| 7.2                         | the period, after adjustments  | 204 642                                  | 231 857                    | 231 85                                    |

|      | Equity at the end of the period (CB)  | 2 937 594 | 2 995 960 | 2 953 272 |
|------|---|-----------|-----------|-----------|
|      | b) net loss   |           |           |           |
|      | a) net profit   | 2 622     | 204 642   | 161 954   |
| 8.   | Net result  | 2 622     | 204 642   | 161 954   |
| 7.6  | period  | -834      | -834      | -834      |
|      | Accumulated losses from previous years at the end of the                                      |           |           |           |
|      | b) decreases  |           |           |           |
|      | - transfer of prior year losses   |           |           |           |
|      | a) increases (due to)   |           |           |           |
| 7.5  | Accumulated losses from previous years at the beginning of the period, after adjustments      |           |           |           |
|      | - adjustments of fundamental errors   |           |           |           |
| 7.4  | the period  | -834      | -834      | -834      |
|      | Accumulated losses from previous years at the beginning of                                    |           |           |           |
| 7.3. | period  | 0         | 0         | (         |
|      | Accumulated profits from previous years at the end of the                                     | 00 500    | 54 500    | 54 500    |
|      | - dividend payment  | 60 988    | 34 560    | 34 56     |
|      | - transfer of profit to Supplementary capital   | 143 654   | 197 297   | 197 297   |
|      | <ul> <li>appropriation of profit from previous years</li> <li>b decreases (due to)</li> </ul> | 204 642   | 231 857   | 231 85    |

Konin, 31 August 2015 Prepared by

### II. Introduction to the statement

### 1. General information about the Company

Zespół Elektrowni Pątnów-Adamów-Konin Spółka Akcyjna ("ZE PAK S.A.", "the Company") was established by the Notarial Deed of 29 December 1994. The Company's registered office is in Konin at Kazimierska 45.

The Company is entered into the Register of Entrepreneurs under the KRS number 0000021374 assigned on 21 June 2001.

The Company operated under the NIP number: 665-00-01-645 assigned on 17 September 1993, and the REGON symbol: 310186795.

The duration of the Company is indefinite.

ZE PAK S.A. is parent company to Zespół Elektrowni Pątnów- Adamów- Konin Capital Group.

According to Articles of Association the main scope of activities are:

- 1. production and distribution of electricity
- 2. production and distribution of heat (steam and hot water)

### 2. Composition of the Management Board

In the reporting period, the Company's Management Board composition was as follows:

| Katarzyna Muszkat | President of the Management Board         |
|-------------------|---|
| Anna Striżyk      | Vice-President of the Management<br>Board |
| Piotr Jarosz      | Vice-President of the Management<br>Board |
| Sławomir Sykucki  | Vice-President of the Management<br>Board |

During the reporting period and till the day of issuing of this report there were no changes in composition of the Management Board.

# 3. Description and clarification of differences in the disclosed data and significant differences regarding the adopted accounting principles (policy) between the statement and the comparable data as well as the statement and the comparable data developed acc. to the IAS.

The Company is the parent company of the Capital Group, which is obliged to develop a consolidated financial statement in accordance with IFRS standards approved by the EU ("IFRS"). The Company did not prepare and does not prepare an individual financial statement in accordance with IFRS.

The main potential differences between the IFRS and the PRS developed with the assumption of using the IFRS based on the IFRS 1 guidelines and adoption of the financial data resulting from the consolidated financial statement of the ZE PAK Group are presented below. The date of transition of the ZE PAK SA Group to the IFRS is 1 January 2009.

If the financial statement was developed in accordance with the IFRS, the main differences between the accounting principles adopted for the enclosed statement and the IFRS, with the assumption that the date of transition to the IFRS is 1 January 2009, would be especially related to the following aspects:

- 1. Tangible fixed assets
- a) Valuation of the tangible fixed assets

According to the IFRS 1, as of the date of the first application of the IFRS, the body can make a fair value quotation of the fixed assets and recognise their fair value as the assumed cost at this date. The Company established the assumed cost of the selected tangible fixed assets by assignment of the fair value of these assets as of 1 January 2009, i.e. the assumed date of transition to the application of the IFRS.

b) Allotment of renovation components

The International Financial Reporting Standards project the allotment within the scope of fixed assets of components, provided that their use period differs from the use period of a given fixed asset. The components are depreciated during their usability period. According to the IFRS, the specific component consists of renovations and periodical inspections. In relation to the above, the Company has allotted components of values planned to be transferred to the renovation costs, as well as depreciation of the components in the period until the projected commencement of the next renovation. The recognition of this adjustment also resulted in the need to charge the deferred tax.

c) Valuation of land and perpetual usufruct

According to the PRS, the perpetual usufruct of land is subject to depreciation, and the depreciation writedowns are recognised in the income statement in the prime cost item.

For the purpose of the IFRS, due to the unspecified period of economic use of the perpetual usufruct of land, the Company would eliminate the recognised depreciation write-downs.

### d) Capitalisation of external financing costs

According to the PRS, the Company recognised in the capital work in progress all the costs of servicing liabilities incurred in order to finance them along with the exchange rate differences that took place.

For the purpose of the IFRS, the Company would make an adjustment of the capitalised exchange rate differences on the liabilities incurred in foreign currencies, consisting in the adaptation of the value of these exchange rate differences to the value, in which they comprise the adjustment of the interest costs.

Furthermore, the Company would execute the capitalisation of external financing costs on the liabilities of general nature, used for the financing of capital work in progress.

Due to the above fact, in the financial statement developed according to the IFRS, the Company would capitalise the external financing costs in the value not higher than the financing costs, which would occur if the liabilities were incurred in the functional currency, i.e. PLN.

The areas of differences between the PRS and the IFRS described below were identified during the process of development of the Group's consolidated financial statement according to the IFRS and do not include the potential adjustments of the IFRS in relation to transactions with affiliated entities, which were eliminated in the scope of the Group's financial statement.

The International Accounting Standards Board (IASB) introduced many changes into the current accounting principles and issued new standards. New standards and changes to the current standards are still in the works. Furthermore, these standards are subject to the approval process by the EU. In relation to the above, it is possible that the standards, according to which the Company will develop its first financial statement compliant with the IFRS, which can include data from the past years, will differ from the standards used for the development of the below explanatory note describing the differences between the IFRS and the Polish accounting standards.

Furthermore, only a complete financial statement embracing the statement on the financial position, total income statement, statement of changes in the equity, as well as the cash flow statement, and the comparative data and explanatory notes can present the full and reliable view of the Company's financial position, the results of its activities and cash flows in accordance with the IFRS.

The presentation of some of the items in the financial statements according to the Polish accounting standards and the IFRS can differ. The differences in the presentation will not affect the equity and the Company's net result.

The components of particular items in the financial statement, as well as the scope of additional information to the financial statement compliant with the Polish accounting standards and the IFRS can differ substantially.

|                             | Balance sheet value | Balance sheet value | Mala a dia tang ant |  |
|-----------------------------|---------------------|---------------------|---------------------|--|
| Adjustment as of 30.06.2015 | Acc. PAR            | Acc. MSSF           | Value adjustment    |  |
| Tangible fixed assets       | 2 126 705           | 2 500 394           | 373 689             |  |
| Equity                      | 2 937 594           | 3 238 506           | 300 912             |  |
| Deferred tax provision      | 62 685              | 133 247             | 70 562              |  |

The following table presents the differences as of 30 June 2015 (unaudited data):

Description of the effects of disclosed differences in net profit and equity:

|  | 30.06.2015 |
|--|------------|
| PSR net profit                               | 2 622      |
| Adjustment of the tangible fixed assets      | -36 295    |
| IAS 19 adjustment – Actuarial profits/losses | 6          |

|  | 30.06.2015 |
|--|------------|
| PSR capital                                  | 2 937 594  |
| Adjustment of the tangible fixed assets      | 300 912    |
| IAS 19 adjustment – Actuarial profits/losses | 6          |

### 4. Assumption of continuation of economic activity

The financial statement was developed with the assumption of continuing business activity by the Company in the near future, at least 12 months after the balance sheet date, i.e. after 30 June 2015.

As of signature of this financial statement, The Company's Board states that there are no facts and premises, which would affect the opportunity to continue activities by the Company.

### 5. Merger of commercial companies

In the reporting period, for which the financial statements were developed, there was no merger pursuant to Article 492, paragraph 1, point 1 of the Code of Commercial Companies with other commercial company.

### 6. Accepted principles (policy) of accounting

The Company operates on the basis of following legal acts:

- 1. The Act on accounting of 29 September 1994 (consolidated text Journal of Laws no. 2013, item 330, as amended hereinafter "UoR", "the Act"),
- 2. The Corporate Income Tax Law of 15 February 1992 (Journal of Laws of 2000, no. 54, item 654) as amended,
- 3. The Resolution of the Minister of Finance of 19 February 2009 on the current and periodical information submitted by issuers of stocks, as well as conditions for the recognition as equally important of information required by the regulations of the law of a country not comprising a Member State (Journal of Laws of 2009, no. 33, item 259) as amended,

4. The Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies (consolidated text Journal of Laws of 2009 no. 185, item 1439 as amended).

The Company introduced following ordinances to be used in the scope of methods of assets and liabilities quotation:

- 1. The ordinance no 35 of the ZE PAK S.A. in Konin President of 01 July 2003 in case of the management of the physical assets of the fixed asset,
- 2. The ordinance no 34 of the ZE PAK S.A. in Konin President of 01 July 2003 in case of the Corporate Chart of Accounts for ZE PAK S.A.

The financial statement was developed in accordance with the historical expense convention which was modified in terms of:

- intangible assets,
- tangible assets,
- investments in subsidiary entities and other long-term investments,
- other short-term investments (excluding cash and financial assets),
- financial instruments.

### 7. Changes in the accounting principles (policy)

The financial statements for the current and preceding period was developed using the identical accounting principles (policy) as well as the methods of presentation of data in the financial statement.

### 8. Comparability of financial data for the preceding period with the statement for the current period

In the current period, the Company made no changes to the accounting principles or error adjustments, thus it was not obligated to present numerical information ensuring comparability of the financial statement data for the previous year with the statement for the current period.

### 9. Error adjustment

The current period featured no adjustments of errors, which would affect the comparability of the financial data for the preceding period with the data of the financial statement for the current period.

Konin, 31 June 2015

Prepared by:

### III. Additional information and clarifications

### 1. Events of the accounting year not specified in the balance sheet and the profit & loss account

In the reporting period, until the date of development of this financial statement, i.e. until 31 August 2015, there were no events after the balance sheet date, which were not recognised, and should have been recognised, in the books of account and the financial statement for the period concluded on 30 June 2015.

### 2. Events of previous years recognised in the financial statement

Until the date of development of the financial statement for the period concluded on 30 June 2015, i.e. until 31 August 2015, there were no other significant events regarding the previous years, which should be recognised (but were not recognised) in the financial statement for the accounting year.

### 3. Significant events of the current period

Until the date of development of the financial statement for the period concluded on 30 June 2015, i.e. until 31 August 2015, there were no other significant events regarding the current period, which would require additional disclosure in this financial statement.

### 4. Events after the balance sheet date not recognised in the financial statement

Until the date of development of the financial statement for the period concluded on 30 June 2015, i.e. until 31 August 2015, there were no events, which were not recognised in this financial statement.

### 5. Seasonality of the activities

The Company's activities are not seasonal; therefore the presented results are not subject to substantial fluctuation throughout the year

### 6. Balance sheet

### a) Fixed assets.

#### CHANGES IN FIXED ASSETS (ACC. GROUPS BY TYPE)

|    | ANGES IN FIXED ASSETS (ACC. GROUPS BY TYPE)                |  |  |                                      |                      |                      |                    |  |  |  |  |
|----|--|--|--|--------------------------------------|----------------------|----------------------|--------------------|--|--|--|--|
|    | In PLN thousand  |  |  |                                      |                      |                      |                    |  |  |  |  |
|    | Period ended 30 June 2015                                  | - Land (including<br>fight of perpetual<br>usufruct) | - buildings, premises<br>and engineering<br>constructions on land<br>and water | - technical devices and<br>machinery | - means of transport | - other fixed assets | Total fixed assets |  |  |  |  |
| a) | gross value of fixed assets at the beginning of the period | 1 361  | 1 293 822  | 3 148 322                            | 3 849                | 11 529               | 4 458 883          |  |  |  |  |
| b) | increase (including)                                       | 0  | 3 465  | 5 404                                | 525                  | 351                  | 9 745              |  |  |  |  |
|    | purchase   |  |  | 74                                   | 2                    | 28                   | 104                |  |  |  |  |
|    | adoption from investment                                   |  |  |                                      |                      |                      | 0                  |  |  |  |  |
|    | transfers  |  | 3 465  | 5 330                                | 58                   | 323                  | 9 176              |  |  |  |  |
|    | other  |  |  |                                      | 465                  |                      | 465                |  |  |  |  |
| c) | decrease (including)                                       | 0  | 0  | 1 659                                | 784                  | 324                  | 2 767              |  |  |  |  |
|    | liquidation, sale, transfer                                |  |  | 1 659                                | 784                  | 324                  | 2 767              |  |  |  |  |
| d) | gross value of fixed assets at the end of the period       | 1 361  | 1 297 287  | 3 152 067                            | 3 590                | 11 556               | 4 465 861          |  |  |  |  |
| e) | cumulated depreciation at the beginning of the period      | 109  | 704 444  | 2 457 114                            | 2 059                | 9 246                | 3 172 972          |  |  |  |  |
| f) | increase (including)                                       | 2  | 19 412   | 21 217                               | 278                  | 325                  | 41 234             |  |  |  |  |
|    | depreciation of the period                                 | 2  | 19 412   | 21 217                               | 278                  | 325                  | 40 909             |  |  |  |  |
|    | transfers  |  |  |                                      |                      |                      | 0                  |  |  |  |  |
| g) | decrease (including)                                       | 0  | 0  | 1 650                                | 776                  | 324                  | 2 750              |  |  |  |  |
|    | liquidation, sale  |  |  | 1 650                                | 776                  | 324                  | 2 750              |  |  |  |  |
|    | other  |  |  |                                      |                      |                      | 0                  |  |  |  |  |
| h) | cumulated depreciation at the end of the period            | 111  | 723 856  | 2 476 681                            | 1 561                | 9 247                | 3 211 456          |  |  |  |  |
| i) | impairment at the beginning of the period                  |  |  |                                      |                      |                      | 0                  |  |  |  |  |
| -  | increase   |  |  |                                      |                      |                      | 0                  |  |  |  |  |
| -  | decrease   |  |  |                                      |                      |                      | 0                  |  |  |  |  |
| j) | impairment at the end of the period                        |  |  |                                      |                      |                      | 0                  |  |  |  |  |
| k) | net value of fixed assets at the end of the period         | 1 250  | 573 431  | 675 386                              | 2 029                | 2 309                | 1 254 405          |  |  |  |  |

| CH | ANGES IN FIXED ASSETS (ACC. GROUPS BY TYPE)                |  |  |                                      |                      |                      |                    |
|----|--|--|--|--------------------------------------|----------------------|----------------------|--------------------|
|    |  |  | In PLN thousand  |                                      |                      |                      |                    |
|    | Period ended 31 December 2014                              | - Land (including<br>fight of perpetual<br>usufruct) | - buildings, premises<br>and engineering<br>constructions on land<br>and water | - technical devices and<br>machinery | - means of transport | - other fixed assets | Total fixed assets |
| a) | gross value of fixed assets at the beginning of the period | 1 371  | 1 293 269  | 3 141 494                            | 3 216                | 10 266               | 4 449 616          |
| b) | increase (including)                                       | 8  | 3 307  | 7 376                                | 1 189                | 1 503                | 13 383             |
|    | purchase   |  | 9  | 1 854                                | 7                    | 321                  | 2 191              |
|    | adoption from investment                                   |  | 2 082  | 5 438                                | 951                  | 1 182                | 9 653              |
|    | transfers  |  |  |                                      |                      |                      | 0                  |
|    | other  | 8  | 1 216  | 84                                   | 231                  |                      | 1 539              |
| c) | decrease (including)                                       | 18   | 2 754  | 548                                  | 556                  | 241                  | 4 117              |
|    | liquidation, sale, transfer                                | 18   | 2 754  | 548                                  | 556                  | 241                  | 4 117              |
| d) | gross value of fixed assets at the end of the period       | 1 361  | 1 293 822  | 3 148 322                            | 3 849                | 11 528               | 4 458 882          |
| e) | cumulated depreciation at the beginning of the period      | 104  | 668 020  | 2 398 173                            | 2 238                | 8 747                | 3 077 282          |
| f) | increase (including)                                       | 5  | 38 706   | 59 487                               | 361                  | 740                  | 99 299             |
|    | depreciation of the period                                 | 5  | 38 706   | 59 487                               | 361                  | 740                  | 99 299             |
|    | transfers  |  |  |                                      |                      |                      | 0                  |
|    | other  |  |  |                                      |                      |                      | 0                  |
| g) | decrease (including)                                       | 0  | 2 282  | 546                                  | 540                  | 242                  | 3 610              |
|    | liquidation, sale  |  | 2 282  | 546                                  | 540                  | 242                  | 3 610              |
|    | other  |  |  |                                      |                      |                      | 0                  |
| h) | cumulated depreciation at the end of the period            | 109  | 704 444  | 2 457 114                            | 2 059                | 9 245                | 3 172 971          |
| i) | impairment at the beginning of the period                  |  |  |                                      |                      |                      | 0                  |
| -  | increase   |  |  |                                      |                      |                      | 0                  |
| -  | decrease   |  |  |                                      |                      |                      | 0                  |
| j) | impairment at the end of the period                        |  |  |                                      |                      |                      | 0                  |
| k) | net value of fixed assets at the end of the period         | 1 252  | 589 378  | 691 208                              | 1 790                | 2 283                | 1 285 911          |

| СН | ANGES IN FIXED ASSETS (ACC. GROUPS BY TYPE)                |  |  |                                   |                      |                      |                    |
|----|--|--|--|-----------------------------------|----------------------|----------------------|--------------------|
|    |  |  | In PLN thousand  |                                   |                      |                      |                    |
|    | Period ended 30 June 2014                                  | - Land (including<br>fight of perpetual<br>usufruct) | - buildings, premises<br>and engineering<br>constructions on land<br>and water | - technical devices and machinery | - means of transport | - other fixed assets | Total fixed assets |
| a) | gross value of fixed assets at the beginning of the period | 1 370  | 1 293 269  | 3 141 494                         | 3 216                | 10 266               | 4 449 615          |
| b) | increase (including)                                       | 0  | 1 313  | 3 917                             | 571                  | 1 299                | 7 100              |
|    | purchase   |  | 9  | 1 491                             | 1                    | 262                  | 1 763              |
|    | adoption from investment                                   |  |  |                                   |                      |                      | 0                  |
|    | transfers  |  | 1 304  | 2 426                             | 570                  | 1 037                | 5 337              |
|    | other  |  |  |                                   |                      |                      | 0                  |
| c) | decrease (including)                                       | 18   | 2 747  | 235                               | 346                  | 136                  | 3 482              |
|    | liquidation, sale, transfer                                | 18   | 2 747  | 235                               | 346                  | 136                  | 3 482              |
|    | other  |  |  |                                   |                      |                      | 0                  |
| d) | gross value of fixed assets at the end of the period       | 1 352  | 1 291 835  | 3 145 176                         | 3 441                | 11 429               | 4 453 233          |
| e) | cumulated depreciation at the beginning of the period      | 104  | 668 020  | 2 398 173                         | 2 238                | 8 747                | 3 077 282          |
| f) | increase (including)                                       | 3  | 19 870   | 26 187                            | 147                  | 368                  | 46 575             |
|    | depreciation of the period                                 | 3  | 19 870   | 26 187                            | 147                  | 368                  | 46 575             |
|    | transfers  |  |  |                                   |                      |                      | 0                  |
|    | other  |  |  |                                   |                      |                      | 0                  |
| g) | decrease (including)                                       | 0  | 2 276  | 235                               | 347                  | 136                  | 2 994              |
|    | liquidation, sale  |  | 2 276  | 235                               | 347                  | 136                  | 2 994              |
|    | other  |  |  |                                   |                      |                      | 0                  |
| h) | cumulated depreciation at the end of the period            | 107  | 685 614  | 2 424 125                         | 2 038                | 8 979                | 3 120 863          |
| i) | impairment at the beginning of the period                  |  | 511  |                                   |                      |                      | 511                |
| -  | increase   |  |  |                                   |                      |                      | 0                  |
| -  | decrease   |  | 511  |                                   |                      |                      | 511                |
| j) | impairment at the end of the period                        |  |  |                                   |                      |                      | 0                  |
| k) | net value of fixed assets at the end of the period         | 1 245  | 606 221  | 721 051                           | 1 403                | 2 450                | 1 332 370          |

|                          | 30.                                   | 06.2015   | 31                                    | .12.2014  | 30                                    | .06.2014  |
|--------------------------|---------------------------------------|---|---------------------------------------|---|---------------------------------------|---|
|                          |                                       |   |                                       |   |                                       |   |
| specification            | Fixed assets<br>under<br>construction | Prepayments for<br>fixed assets under<br>construction | Fixed assets<br>under<br>construction | Prepayments for<br>fixed assets under<br>construction | Fixed assets<br>under<br>construction | Prepayments for<br>fixed assets under<br>construction |
| Initial value            |                                       |   |                                       |   |                                       |   |
| Initial balance          | 693 396                               | 20 662  | 220 951                               | 43 010  | 220 951                               | 43 010  |
| Increase (including):    | 188 381                               | 0   | 484 480                               | 3 908   | 231 791                               | 3 908   |
| Purchase                 | 188 381                               |   | 484 480                               | 3 908   | 231 791                               | 3 908   |
| Other                    |                                       |   |                                       |   |                                       |   |
| Transfer from investment |                                       |   |                                       |   |                                       |   |
| Decrease (including)     | 9 477                                 | 7 820   | 12 035                                | 26 256  | 6 129                                 | 14 629  |
| Liquidation              | 9 477                                 | 7 820   | 11 859                                | 26 256  | 6 129                                 | 14 629  |
| Sale                     |                                       |   | 176                                   |   |                                       |   |
| Other                    |                                       |   |                                       |   |                                       |   |
| Closing balance          | 872 300                               | 12 842  | 693 396                               | 20 662  | 446 613                               | 32 289  |
| Depreciation             |                                       |   |                                       |   |                                       |   |
| Initial balance          |                                       |   |                                       |   |                                       |   |
| Closing balance          | 0                                     | 0   | 0                                     | 0   | 0                                     | 0   |
| Impairment IB            |                                       |   |                                       |   |                                       |   |
| Impairment CB            |                                       |   |                                       |   |                                       |   |
| Net value                |                                       |   |                                       |   |                                       |   |
| Initial balance          | 693 396                               | 20 662  | 220 951                               | 43 010  | 220 951                               | 43 010  |
| Closing balance          | 872 300                               | 12 842  | 693 396                               | 20 662  | 446 613                               | 32 289  |

### b) Intangible assets

| CHA  | NGES IN INTANGIBLE ASSETS (ACC. GROUPS BY TYPE)                 |                          |           |        |                                       |                     |                               |                            |
|------|---|--------------------------|-----------|--------|---------------------------------------|---------------------|-------------------------------|----------------------------|
|      |   |                          | In PLN th | ousand |                                       |                     |                               |                            |
|      |   | а                        | b         |        | С                                     | d                   | e                             |                            |
| Peri | od ended 30 June 2015   | Research and development | Goodwill  |        | icenses and similar<br>es, including: | Other<br>intangible | Prepayments<br>for intangible | Total intangible<br>assets |
|      |   | costs                    |           |        | - software                            | assets              | assets                        |                            |
| a)   | Gross value of intangible assets at the beginning of the period |                          |           | 18 027 | 194                                   | 196 219             |                               | 214 246                    |
| b)   | Increase (including)  | 0                        | 0         | 300    | 0                                     | 117 102             | 0                             | 117 402                    |
|      | Purchase  |                          |           |        |                                       | 117 102             |                               | 117 102                    |
|      | Transfers   |                          |           | 300    |                                       |                     |                               | 300                        |
| c)   | Decrease (including)  | 0                        | 0         | 155    | 155                                   | 119 344             | 0                             | 119 499                    |
|      | Liquidation   |                          |           | 155    | 155                                   | 119 344             |                               | 119 499                    |
| d)   | Gross value of intangible assets at the end of the period       | 0                        | 0         | 18 172 | 39                                    | 193 977             | 0                             | 212 149                    |
| e)   | Cumulated depreciation at the beginning of the period           |                          |           | 14 379 | 194                                   |                     |                               | 14 379                     |
| f)   | increase (including)  | 0                        | 0         | 508    | 0                                     | 0                   | 0                             | 508                        |
|      | Depreciation of the period                                      |                          |           | 508    |                                       |                     |                               | 508                        |
| g)   | decrease (including)  | 0                        | 0         | 155    | 155                                   | 0                   | 0                             | 155                        |
|      | Liquidation   |                          |           | 155    | 155                                   |                     |                               | 155                        |
| h)   | Cumulated depreciation at the end of the period                 | 0                        | 0         | 14 732 | 39                                    |                     | 0                             | 14 732                     |
| i)   | Impairments at the beginning of the period                      |                          |           |        |                                       |                     |                               | 0                          |
| -    | Increase  |                          |           |        |                                       |                     |                               | 0                          |
| -    | Decrease  |                          |           |        |                                       |                     |                               | 0                          |
| 1)   | Impairment at the end of the period                             | 0                        | 0         | 0      | 0                                     | 0                   | 0                             | 0                          |
| k)   | Net value of intangible assets at the end of the period         | 0                        | 0         | 3 440  | 0                                     | 193 977             | 0                             | 197 417                    |

| CH  | ANGES IN INTANGIBLE ASSETS (ACC. GROUPS BY TYPE)                |                          |           |                                  |                           |                     |                               |                            |
|-----|---|--------------------------|-----------|----------------------------------|---------------------------|---------------------|-------------------------------|----------------------------|
|     |   |                          | In PLN th | ousand                           |                           |                     |                               |                            |
|     |   | а                        | b         |                                  | С                         | d                   | е                             |                            |
| Pei | riod ended 31 December 2014                                     | Research and development | Goodwill  | patents, licer<br>values, inclue | nses and similar<br>ding: | Other<br>intangible | Prepayments<br>for intangible | Total intangible<br>assets |
|     |   | costs                    |           |                                  | - software                | assets              | assets                        |                            |
| a)  | Gross value of intangible assets at the beginning of the period |                          |           | 28 248                           | 194                       | 147 275             |                               | 175 523                    |
| b)  | Increase (including)  | 0                        | 0         | 2 236                            | 0                         | 177 011             | 0                             | 179 247                    |
|     | Purchase  |                          |           | 30                               |                           | 177 011             |                               | 177 041                    |
|     | Transfers   |                          |           | 2 206                            |                           |                     |                               | 2 206                      |
| c)  | Decrease (including)  | 0                        | 0         | 12 457                           | 0                         | 128 066             | 0                             | 140 523                    |
|     | Liquidation   |                          |           | 12 457                           |                           | 128 066             |                               | 140 523                    |
| d)  | Gross value of intangible assets at the end of the period       | 0                        | 0         | 18 027                           | 194                       | 196 220             | 0                             | 214 247                    |
| e)  | Cumulated depreciation at the beginning of the period           |                          |           | 25 876                           | 194                       |                     |                               | 25 876                     |
| f)  | increase (including)  | 0                        | 0         | 921                              | 0                         | 0                   | 0                             | 921                        |
|     | Depreciation of the period                                      |                          |           | 921                              |                           |                     |                               | 921                        |
| g)  | decrease (including)  | 0                        | 0         | 12 417                           | 0                         | 0                   | 0                             | 12 417                     |
|     | Liquidation   |                          |           | 12 417                           |                           |                     |                               | 12 417                     |
| h)  | Cumulated depreciation at the end of the period                 | 0                        | 0         | 14 380                           | 194                       | 0                   | 0                             | 14 380                     |
| i)  | Impairments at the beginning of the period                      |                          |           |                                  |                           |                     |                               | 0                          |
| -   | Increase  |                          |           |                                  |                           |                     |                               | 0                          |
| -   | Decrease  |                          |           |                                  |                           |                     |                               | 0                          |
| 1)  | Impairment at the end of the period                             | 0                        | 0         | 0                                | 0                         | 0                   | 0                             | 0                          |
| k)  | Net value of intangible assets at the end of the period         | 0                        | 0         | 3 647                            | 0                         | 196 220             | 0                             | 199 867                    |

| СН | ANGES IN INTANGIBLE ASSETS (ACC. GROUPS BY TYPE)                |                          |           |                                 |                           |                     |                            |                            |
|----|---|--------------------------|-----------|---------------------------------|---------------------------|---------------------|----------------------------|----------------------------|
|    |   |                          | In PLN th | ousand                          |                           |                     |                            |                            |
|    |   | а                        | b         |                                 | С                         | d                   | е                          |                            |
| Pe | riod ended 30 June 2014   | Research and development | Goodwill  | patents, licer<br>values, inclu | nses and similar<br>ding: | Other<br>intangible | Prepayments for intangible | Total intangible<br>assets |
|    |   | costs                    |           |                                 | - software                | assets              | assets                     |                            |
| a) | Gross value of intangible assets at the beginning of the period |                          |           | 28 054                          | 194                       | 147 275             |                            | 175 329                    |
| b) | Increase (including)  | 0                        | 0         | 817                             | 0                         | 80 730              | 0                          | 81 547                     |
|    | Purchase  |                          |           | 817                             |                           | 80 730              |                            | 81 547                     |
|    | Transfers   |                          |           |                                 |                           |                     |                            | 0                          |
| c) | Decrease (including)  | 0                        | 0         | 0                               | 0                         | 128 066             | 0                          | 128 066                    |
|    | Liquidation   |                          |           |                                 |                           | 128 066             |                            | 128 066                    |
| -  | Other   |                          |           |                                 |                           |                     |                            | 0                          |
| d) | Gross value of intangible assets at the end of the period       | 0                        | 0         | 28 871                          | 194                       | 99 939              | 0                          | 128 810                    |
| e) | Cumulated depreciation at the beginning of the period           |                          |           | 25 681                          | 194                       |                     |                            | 25 681                     |
| f) | increase (including)  | 0                        | 0         | 486                             | 0                         | 0                   | 0                          | 486                        |
|    | Depreciation of the period                                      |                          |           | 486                             |                           |                     |                            | 486                        |
| g) | decrease (including)  | 0                        | 0         | 0                               | 0                         | 0                   | 0                          | 0                          |
|    | Liquidation   |                          |           |                                 |                           |                     |                            | 0                          |
| h) | Cumulated depreciation at the end of the period                 | 0                        | 0         | 26 167                          | 194                       | 0                   | 0                          | 26 167                     |
| i) | Impairments at the beginning of the period                      |                          |           |                                 |                           |                     |                            | 0                          |
| -  | Increase  |                          |           |                                 |                           |                     |                            | 0                          |
| -  | Decrease  |                          |           |                                 |                           |                     |                            | 0                          |
| ٦) | Impairment at the end of the period                             | 0                        | 0         | 0                               | 0                         | 0                   | 0                          | 0                          |
| k) | Net value of intangible assets at the end of the period         | 0                        | 0         | 2 704                           | 0                         | 99 939              | 0                          | 102 643                    |

### c) Inventory

| Specification                      |            | In PLN thousand |            |  |
|------------------------------------|------------|-----------------|------------|--|
| specification                      | 30-06-2015 | 31-12-2014      | 30-06-2014 |  |
| 1. materials                       | 53 390     | 42 509          | 47 494     |  |
| Production fuel                    | 20 090     | 19 126          | 12 695     |  |
| Auxiliary materials                | 37 132     | 27 215          | 38 699     |  |
| · Write-down                       | -3 832     | -3 832          | -3 900     |  |
| 2. Goods                           | 117 602    | 135 722         | 131 728    |  |
| · Green certificates               | 186 625    | 161 601         | 145 999    |  |
| · Red certificates                 | 1 005      | 822             | 366        |  |
| · Write-down                       | -70 028    | -26 701         | -14 637    |  |
| 3. Advance payments for deliveries | 15 763     | 2 288           | 3 290      |  |
| Total                              | 186 755    | 180 519         | 182 512    |  |

Certificates of origin of energy due to the energy production from renewable energy sources, gas, and peak load co-generation are presented according to fair value on the end of the month when it was produced. As of 30 June 2015, according to entries in the book of accounts, the Company possessed 1 094 780,160 MWh of ownership units from green certificates produced. However, not all ownership units had approval certificates issued by the Energy Regulatory Office (URE). In the I half of 2015 Company received overdue certificates for 2013 in amount of 106 522,800 MWh and overdue certificates for the IV quarter of 2014 in amount of 83 791,577 MWh. At the balance day the Company expects for receiving certificates of origin for production in 2015 in amount of 94 703,989 MWh – submitted notice for production in IV and V 2015 and not submitted for VI 2015. During reporting period Group produced in renewable sources and presented in balance sheet green certificates in prices from the end of each month i.e. in prices from range 106,51 – 155,52 PLN/MWh, but highest prices ware from the beginning of 2015. Presented in the balance sheet as at 30 June 2015 impairment in amount of PLN 70 020,2 thousand concerns fair value of green certificates as inventory as of 30 June 2015 equal to price of single certificate at the level of 106,51 PLN/MWh, to those certificates which Group still poses.

### d) Long-term investments

|    |   | In PLN thousand |            |                                |  |  |  |
|----|---|-----------------|------------|--------------------------------|--|--|--|
| LO | NG TERM FINANCIAL ASSETS                    | 30-06-2015      | 31-12-2014 | <b>30-06-2014</b><br>1 237 990 |  |  |  |
| a) | In subsidiaries                             | 1 244 765       | 1 224 628  |                                |  |  |  |
| -  | Shares                                      | 1 168 739       | 1 147 444  | 1 147 444                      |  |  |  |
| -  | Debentures                                  |                 |            |                                |  |  |  |
| -  | Other securities (by type)                  |                 |            |                                |  |  |  |
| -  | Granted loans                               | 76 026          | 77 184     | 90 546                         |  |  |  |
| -  | Other long term financial assets (by type)  |                 |            |                                |  |  |  |
| b) | In jointly-controlled entities              | 0               | 0          | 0                              |  |  |  |
| -  | Shares                                      |                 |            |                                |  |  |  |
| -  | Debentures                                  |                 |            |                                |  |  |  |
| -  | Other securities (by type)                  |                 |            |                                |  |  |  |
| -  | Granted loans                               |                 |            |                                |  |  |  |
| -  | Other long term financial assets (by type)  |                 |            |                                |  |  |  |
| c) | In affiliates                               | 0               | 0          | 0                              |  |  |  |
| -  | Shares                                      |                 |            |                                |  |  |  |
| -  | Debentures                                  |                 |            |                                |  |  |  |
| -  | Other securities (by type)                  |                 |            |                                |  |  |  |
| d) | In significant shareholder                  | 0               | 0          | 0                              |  |  |  |
| -  | Shares                                      |                 |            |                                |  |  |  |
| -  | Debentures                                  |                 |            |                                |  |  |  |
| -  | Other securities (by type)                  |                 |            |                                |  |  |  |
| -  | Granted loans                               |                 |            |                                |  |  |  |
| -  | Other long term financial assets (by type)  |                 |            |                                |  |  |  |
| e) | In shareholder of jointly-controlled entity | 0               | 0          | 0                              |  |  |  |
| -  | Shares                                      |                 |            |                                |  |  |  |
| -  | Debentures                                  |                 |            |                                |  |  |  |
| -  | Other securities (by type)                  |                 |            |                                |  |  |  |
| -  | Granted loans                               |                 |            |                                |  |  |  |
| -  | Other long term financial assets (by type)  |                 |            |                                |  |  |  |
| f) | In parent company                           | 0               | 0          | 0                              |  |  |  |
| -  | Shares                                      |                 |            |                                |  |  |  |
| -  | Debentures                                  |                 |            |                                |  |  |  |
| -  | Other securities (by type)                  |                 |            |                                |  |  |  |
| -  | Granted loans                               |                 |            |                                |  |  |  |
| -  | Other long term financial assets (by type)  |                 |            |                                |  |  |  |
| g) | In other entities                           | 151             | 151        | 151                            |  |  |  |
| -  | Shares                                      | 151             | 151        | 151                            |  |  |  |
| -  | Debentures                                  |                 |            |                                |  |  |  |
| -  | Other securities (by type)                  |                 |            |                                |  |  |  |
| -  | Granted loans                               |                 |            |                                |  |  |  |
| -  | Other long term financial assets (by type)  |                 |            |                                |  |  |  |
| То | tal long-term financial assets              | 1 244 916       | 1 224 779  | 1 238 141                      |  |  |  |

#### As of 30.06.2015 in PLN thousand

| Full name of entity, subsidiary                           | 01 January 2015 | increase | decrease | 30 June 2015 | % of possessed<br>equity |
|---|-----------------|----------|----------|--------------|--------------------------|
| "PAK SERWIS" sp. z o.o. Konin                             | 9 985           |          |          | 9 985        | 100%                     |
| "EL PAK" sp. z o.o. Konin                                 | 1 857           |          |          | 1 857        | 100%                     |
| "PAK INFRASTRUKTURA"<br>sp. z o.o. Konin                  | 60 393          |          |          | 60 393       | 100%                     |
| "PAK HOLDCO" sp. z o.o. Konin                             | 750 550         |          |          | 750 550      | 100%                     |
| PAK Centrum Usług Informatycznych w likwidacji sp. z o.o. | 600             |          | 600      | 0            | 100%                     |
| PAK Centrum Badań Jakości w likwidacji sp. z o.o.         | 100             |          | 100      | 0            | 100%                     |
| PAK Górnictwo sp. z o.o.                                  | 28 200          |          |          | 28 200       | 100 %                    |
| PAK Kopalnia Węgla Brunatnego Konin S.A.                  | 109 264         | 11 583   |          | 120 847      | 94,10%                   |
| PAK Kopalnia Węgla Brunatnego Adamów S.A.                 | 67 995          | 10 412   |          | 78 407       | 98,15%                   |
| PAK - Volt S.A.   | 118 500         |          |          | 118 500      | 100%                     |
| Total   | 1 147 444       | 21 995   | 700      | 1 168 739    | -                        |
| Impairment  |                 |          | -        | -            | -                        |
| BALANCE SHEET VALUE                                       | 1 147 444       | 21 995   | 700      | 1 168 739    | -                        |

### As of 31.12.2014 in PLN thousand

| Full name of entity, subsidiary                           | 01 January 2014 | increase | decrease | 31 December 2014 | % of possessed<br>equity |
|---|-----------------|----------|----------|------------------|--------------------------|
| "PAK SERWIS" sp. z o.o. Konin                             | 9 985           |          |          | 9 985            | 100%                     |
| "EL PAK" sp. z o.o. Konin                                 | 1 857           |          |          | 1 857            | 100%                     |
| "PAK INFRASTRUKTURA"                                      | co 202          |          |          | co 202           | 100%                     |
| sp. z o.o. Konin  | 60 393          |          |          | 60 393           |                          |
| "PAK HOLDCO" sp. z o.o. Konin                             | 750 550         |          |          | 750 550          | 100%                     |
| PAK Centrum Usług Informatycznych w likwidacji sp. z o.o. | 600             |          |          | 600              | 100%                     |
| PAK Centrum Badań Jakości w likwidacji sp. z o.o.         | 100             |          |          | 100              | 100%                     |
| PAK Górnictwo sp. z o.o.                                  | 28 200          |          |          | 28 200           | 91%                      |
| PAK Kopalnia Węgla Brunatnego Konin S.A.                  | 109 264         |          |          | 109 264          | 85%                      |
| PAK Kopalnia Węgla Brunatnego Adamów S.A.                 | 67 995          |          |          | 67 995           | 85%                      |
| PAK - Volt S.A.   | 118 500         |          |          | 118 500          | 100%                     |
| TOTAL   | 1 147 444       | 0,00     | 0,00     | 1 147 444        | -                        |
| Impairment  |                 |          | -        |                  | -                        |
| BALANCE SHEET VALUE                                       | 1 147 444       | 0,00     | 0,00     | 1 147 444        | -                        |

#### As of 30.06.2014 in PLN thousand

| Full name of entity, subsidiary                           | 01 January 2014 | increase | decrease | 30 June 2014 | % of possessed<br>equity |
|---|-----------------|----------|----------|--------------|--------------------------|
| "PAK SERWIS" sp. z o.o. Konin                             | 9 985           |          |          | 9 985        | 100%                     |
| "EL PAK" sp. z o.o. Konin                                 | 1 857           |          |          | 1 857        | 100%                     |
| "PAK INFRASTRUKTURA"                                      | 60 393          |          |          | 60 393       | 100%                     |
| sp. z o.o. Konin  | 00 393          |          |          | 00 393       |                          |
| "PAK HOLDCO" sp. z o.o. Konin                             | 750 550         |          |          | 750 550      | 100%                     |
| PAK Centrum Usług Informatycznych w likwidacji sp. z o.o. | 600             |          |          | 600          | 100%                     |
| PAK Centrum Badań Jakości w likwidacji sp. z o.o.         | 100             |          |          | 100          | 100%                     |
| PAK Górnictwo sp. z o.o.                                  | 28 200          |          |          | 28 200       | 91%                      |
| PAK Kopalnia Węgla Brunatnego Konin S.A.                  | 109 264         |          |          | 109 264      | 85%                      |
| PAK Kopalnia Węgla Brunatnego Adamów S.A.                 | 67 995          |          |          | 67 995       | 85%                      |
| PAK - Volt S.A.   | 118 500         |          |          | 118 500      | 100%                     |
| TOTAL   | 1 147 444       | 0,00     | 0,00     | 1 147 444    | -                        |
| Impairment  |                 |          | -        | -            | -                        |
| BALANCE SHEET VALUE                                       | 1 147 444       | 0,00     | 0,00     | 1 147 444    | -                        |

| In PLN thousand   |            |            |            |  |  |  |  |  |
|---|------------|------------|------------|--|--|--|--|--|
| Full name of entity<br>Other entities                                       | 30-06-2015 | 31-12-2014 | 30-06-2015 |  |  |  |  |  |
| Zakłady Pomiarowo-Badawcze Energetyki<br>"Energopomiar" sp. z o.o., Gliwice | 200        | 200        | 200        |  |  |  |  |  |
| Impairments   |            |            |            |  |  |  |  |  |
| Zakłady Pomiarowo-Badawcze Energetyki                                       |            |            |            |  |  |  |  |  |
| "Energopomiar" sp. z o.o., Gliwice  | -49        | -49        | -49        |  |  |  |  |  |
| Total long-term   | 151        | 151        | 151        |  |  |  |  |  |

### e) Share capital

### As of 30.06.2015

| Presentation of shareholders   | Number of<br>shares | The value<br>of one<br>share in<br>PLN | Percentage share in the share capital | Number of<br>votes | Percentage<br>share in the<br>number of votes |
|--|---------------------|--|---------------------------------------|--------------------|---|
| <b>Zygmunt Solorz Żak</b> ( indirect )through:<br>Elektrim S.A., Embud Sp. z o.o.,IPOPEMA 116<br>FIZ Aktywów Niepublicznych, Trigon XIX<br>FIZ, Argumenol Investment Company Limited | 26 200 867          | 6 200 867 2,00 51,55%                  |                                       | 26 200 867         | 51,55%  |
| ING Otwarty Fundusz Emerytalny   | 5 068 410           | 2,00                                   | 9,97%                                 | 5 068 410          | 9,97%   |
| Other  | 19 554 270          | 2,00                                   | 38,48%                                | 19 554 270         | 38,48%  |
| Total  | 50 823 547          |  | 100,0%                                | 50 823 547         | 100%  |

#### As of 31.12.2014

| Presentation of shareholders  | Number of<br>shares | The value<br>of one<br>share in<br>PLN | Percentage share in the share capital | Number of<br>votes | Percentage<br>share in the<br>number of votes |
|---|---------------------|--|---------------------------------------|--------------------|---|
| <b>Zygmunt Solorz Żak</b> ( indirect ) through:<br>Elektrim S.A., Embud Sp. z o.o., Argumenol<br>Investment Company Limited | 26 200 867          | 2,00                                   | 51,55%                                | 26 200 867         | 51,55%  |
| ING Otwarty Fundusz Emerytalny  | 5 068 410           | 2,00                                   | 9,97%                                 | 5 068 410          | 9,97%   |
| Other   | 19 554 270          | 2,00                                   | 38,48%                                | 19 554 270         | 38,48%  |
| Total   | 50 823 547          |  | 100,0%                                | 50 823 547         | 100%  |

#### As of 30.06.2014

| Presentation of shareholders   | Number of<br>shares | The value<br>of one<br>share in<br>PLN | Percentage share in the share capital | Number of<br>votes | Percentage<br>share in the<br>number of votes |
|--|---------------------|--|---------------------------------------|--------------------|---|
| <b>Zygmunt Solorz Żak</b> ( indirect ) through:<br>Elektrim S.A., Embud Sp. z o.o., Polsat Media<br>B.V., Anokymma Limited | 26 200 867          | 2,00                                   | 51,55%                                | 26 200 867         | 51,55%  |
| ING Otwarty Fundusz Emerytalny   | 5 382 005           | 2,00                                   | 10,59%                                | 5 382 005          | 10,59%  |
| Other  | 19 240 675          | 2,00                                   | 37,86%                                | 19 240 675         | 37,86%  |
| Total  | 50 823 547          |  | 100,0%                                | 50 823 547         | 100%  |

According to the Company's knowledge, on the basis of orders submitted by the shareholders.

### f) Equity

|   | In PLN thousand |  |                                  |                                       |                                |                                |              |  |  |
|---|-----------------|--|----------------------------------|---------------------------------------|--------------------------------|--------------------------------|--------------|--|--|
| Specification                             | 1 January 2015  | Disposal of re-<br>estimated fixed<br>assets | Redemption of<br>treasury shares | Creation of<br>the reserve<br>capital | Distribution of<br>2014 profit | Profit of<br>current<br>period | 30 June 2015 |  |  |
| 1. Share capital                          | 101 647         |  |                                  |                                       |                                |                                | 101 647      |  |  |
| 2. Treasury shares                        | 0               |  |                                  |                                       |                                |                                | 0            |  |  |
| 3. Supplementary<br>capital               | 2 398 399       | 5  |                                  |                                       | 143 654                        |                                | 2 542 058    |  |  |
| 4. Revaluation reserve                    | 286 229         | -5   |                                  |                                       |                                |                                | 286 224      |  |  |
| 5. Other reserves<br>(privatisation fund) | 5 877           |  |                                  |                                       |                                |                                | 5 877        |  |  |
| 6. Profit from previous years             | -834            |  |                                  |                                       |                                |                                | -834         |  |  |
| 7. Net profit                             | 204 642         |  |                                  |                                       | -204 642                       | 2 622                          | 2 622        |  |  |
| TOTAL                                     | 2 995 960       | 0  | 0                                | 0                                     | -60 988                        | 2 622                          | 2 937 594    |  |  |

|   | In PLN thousand |  |                                  |                                       |                                |                                |                     |  |  |  |
|---|-----------------|--|----------------------------------|---------------------------------------|--------------------------------|--------------------------------|---------------------|--|--|--|
| Specification                             | 1 January 2014  | Disposal of re-<br>estimated fixed<br>assets | Redemption of<br>treasury shares | Creation of<br>the reserve<br>capital | Distribution of<br>2013 profit | Profit of<br>current<br>period | 31 December<br>2014 |  |  |  |
| 1. Share capital                          | 101 647         |  |                                  |                                       |                                |                                | 101 647             |  |  |  |
| 2. Treasury shares                        | 0               |  |                                  |                                       |                                |                                | 0                   |  |  |  |
| 3. Supplementary capital                  | 2 200 508       | 594  |                                  |                                       | 197 297                        |                                | 2 398 399           |  |  |  |
| 4. Revaluation reserve                    | 286 823         | -594   |                                  |                                       |                                |                                | 286 229             |  |  |  |
| 5. Other reserves<br>(privatisation fund) | 5 877           |  |                                  |                                       |                                |                                | 5 877               |  |  |  |
| 6. Profit from previous<br>years          | -834            |  |                                  |                                       |                                |                                | -834                |  |  |  |
| 7. Net profit                             | 231 857         |  |                                  |                                       | -231 857                       | 204 642                        | 204 642             |  |  |  |
| TOTAL                                     | 2 825 878       | 0  | 0                                | 0                                     | -34 560                        | 204 642                        | 2 995 960           |  |  |  |

|   | In PLN thousand |  |                                |          |                           |              |  |  |  |
|---|-----------------|--|--------------------------------|----------|---------------------------|--------------|--|--|--|
| Specification                             | 1 January 2014  | Disposal of re-<br>estimated fixed<br>assets | Distribution of<br>2013 profit | Dividend | Profit for current period | 30 June 2014 |  |  |  |
| 1. Share capital                          | 101 647         |  |                                |          |                           | 101 647      |  |  |  |
| 2. Treasury shares                        |                 |  |                                |          |                           | 0            |  |  |  |
| 3. Supplementary<br>capital               | 2 200 508       | 591  | 197 297                        |          |                           | 2 398 396    |  |  |  |
| 4. Revaluation reserve                    | 286 823         | -591   |                                |          |                           | 286 232      |  |  |  |
| 5. Other reserves<br>(privatisation fund) | 5 877           |  |                                |          |                           | 5 877        |  |  |  |
| 6. Profit from previous<br>years          | -834            |  |                                |          |                           | -834         |  |  |  |
| 7. Net profit                             | 231 857         |  | -197 297                       | -34 560  | 161 954                   | 161 954      |  |  |  |
| TOTAL                                     | 2 825 878       | 0  | 0                              | -34 560  | 161 954                   | 2 953 272    |  |  |  |

### g) Provisions

| сц | CHANGE IN DEFFERED TAX PROVISIONS                                 |            | In PLN thousand |            |
|----|---|------------|-----------------|------------|
| Сп | ANGE IN DEFFERED TAX PROVISIONS                                   | 30-06-2015 | 31-12-2014      | 30-06-2014 |
| 1. | Deffered tax provision at the beginning of the period, including: | 71 878     | 53 075          | 53 075     |
| a) | To profit   | 71 878     | 53 075          | 53 075     |
| b) | To share capital  |            |                 |            |
| c) | To goodwill or negative goodwill                                  |            |                 |            |
| 2. | Increase  |            | 18 803          | 7 315      |
| 3. | Decrease  | 9 193      |                 |            |
| 4. | Deffered tax provision at the end of the period, total            | 62 685     | 71 878          | 60 390     |
| a) | To profit   | 62 685     | 71 878          | 60 390     |
| b) | To share capital  |            |                 |            |
| c) | To goodwill or negative goodwill                                  |            |                 |            |

| СН | ANGE IN LONG-TERM PROVISION FOR RETIREMENT | In PLN thousand |            |            |  |  |
|----|--|-----------------|------------|------------|--|--|
| BE | NEFITS AND SIMILAR (BY TYPE)               | 30-06-2015      | 31-12-2014 | 30-06-2014 |  |  |
| a) | At the beginning of the period             | 10 969          | 79 820     | 79 820     |  |  |
| -  | provision for jubilee benefits             |                 | 27 791     | 27 791     |  |  |
| -  | provision for retirement bonuses           | 8 416           | 7 355      | 7 355      |  |  |
| -  | provision for death benefits               | 2 553           | 2 312      | 2 312      |  |  |
| -  | provision for energy equivalent            |                 | 42 362     | 42 362     |  |  |
| b) | increase (including)                       | 312             | 1 302      | 6 531      |  |  |
| -  | provision for jubilee benefits             |                 |            | 4 061      |  |  |
| -  | provision for retirement bonuses           | 239             | 1 061      | 1 002      |  |  |
| -  | provision for death benefits               | 73              | 241        | 169        |  |  |
| -  | provision for energy equivalent            |                 |            | 1 299      |  |  |
| c) | Consumption of provision                   |                 |            |            |  |  |
| d) | Reversal of provision (including)          |                 | 70 153     |            |  |  |
| -  | provision for jubilee benefits             |                 | 27 791     |            |  |  |
| -  | provision for energy equivalent            |                 | 42 362     |            |  |  |
| e) | At the end of the period                   | 11 281          | 10 969     | 86 351     |  |  |
| -  | provision for jubilee benefits             |                 |            | 31 852     |  |  |
| -  | provision for retirement bonuses           | 8 655           | 8 416      | 8 357      |  |  |
| -  | provision for death benefits               | 2 626           | 2 553      | 2 481      |  |  |
| -  | provision for energy equivalent            |                 |            | 43 661     |  |  |

| CHANGE IN SHORT-TERM PROVISION FOR RE | TIREMENT | In PLN thousand |            |            |  |  |
|---------------------------------------|----------|-----------------|------------|------------|--|--|
| BENEFITS AND SIMILAR (BY TYPE)        |          | 30-06-2015      | 31-12-2014 | 30-06-2014 |  |  |
| a) At the beginning of the period     |          | 16 356          | 6 662      | 6 662      |  |  |
| - provision for jubilee benefits      |          | 15 826          | 3 018      | 3 018      |  |  |
| - provision for retirement bonuses    |          | 530             | 338        | 338        |  |  |
| - provision for death benefits        |          |                 |            |            |  |  |
| - provision for energy equivalent     |          |                 | 3 306      | 3 306      |  |  |
| b) increase (including)               |          | 0               | 13 000     | 0          |  |  |
| - provision for jubilee benefits      |          |                 | 12 808     |            |  |  |
| - provision for retirement bonuses    |          |                 | 192        |            |  |  |
| - provision for death benefits        |          |                 | 0          |            |  |  |
| - provision for energy equivalent     |          |                 |            |            |  |  |
| c) Consumption of provision           |          | 15 383          |            |            |  |  |
| - provision for jubilee benefits      |          | 15 383          |            |            |  |  |
| d) Reversal of provision (including)  |          | 612             | 3 306      | 227        |  |  |
| - provision for jubilee benefits      |          | 443             |            | 110        |  |  |
| - provision for retirement bonuses    |          | 169             |            | 11         |  |  |
| - provision for death benefits        |          |                 |            |            |  |  |
| - provision for energy equivalent     |          |                 | 3 306      | 106        |  |  |
| e) At the end of the period           |          | 361             | 16 356     | 6 435      |  |  |
| - provision for jubilee benefits      |          | 0               | 15 826     | 2 908      |  |  |
| - provision for retirement bonuses    |          | 361             | 530        | 327        |  |  |
| - provision for death benefits        |          | 0               | 0          | 0          |  |  |
| - provision for energy equivalent     |          | 0               | 0          | 3 200      |  |  |

| CHANGE IN OTHER LONG-TERM PROVISIONS (BY TYPE) |                                      | In PLN thousand |            |            |  |
|--|--------------------------------------|-----------------|------------|------------|--|
|  |                                      | 30-06-2015      | 31-12-2014 | 30-06-2014 |  |
| a)   | At the beginning of the period       | 17 141          | 21 751     | 21 751     |  |
| -  | Reclamation provision                | 2 470           | 4 042      | 4 042      |  |
| -  | Liquidation provision                | 14 671          | 17 709     | 17 709     |  |
| b)   | increase (including                  | 1 540           |            | 352        |  |
| -  | Reclamation provision                |                 |            |            |  |
| -  | Liquidation provision                | 1 540           |            | 352        |  |
| c)   | Consumption of provision (including) |                 | 17         |            |  |
| -  | Reclamation provision                |                 | 17         |            |  |
| -  | Liquidation provision                |                 |            |            |  |
| d)   | Reversal of provision (including)    | 1 689           | 4 593      |            |  |
| -  | Reclamation provision                | 1 689           | 1 555      |            |  |
| -  | Liquidation provision                |                 | 3 038      |            |  |
| e)   | At the end of the period             | 16 992          | 17 141     | 22 103     |  |
| -  | Reclamation provision                | 781             | 2 470      | 4 042      |  |
| -  | Liquidation provision                | 16 211          | 14 671     | 18 061     |  |

| CHANGE IN OTHER SHORT-TERM PROVISIONS (BY TYPE) |   | In PLN thousand |            |            |
|---|---|-----------------|------------|------------|
|   |   | 30-06-2015      | 31-12-2014 | 30-06-2014 |
| a)  | At the beginning of the period                              | 125 085         | 129 978    | 129 978    |
| -   | CO2 allowances provision                                    | 122 030         | 128 066    | 128 066    |
|   | URE penalty provision                                       | 1 500           | 1 500      | 1 500      |
| -   | Reclamation provision                                       | 1 555           | 342        | 342        |
| -   | Liquidation provision                                       |                 | 70         | 70         |
| -   | KWB Konin agreement penalty                                 |                 |            |            |
| b)  | increase (including)  | 120 304         | 123 585    | 60 804     |
| -   | CO2 allowances provision                                    | 120 304         | 122 030    | 60 804     |
| -   | Reclamation provision                                       |                 | 1 555      |            |
| -   | Liquidation provision (reclassification from long-<br>term) |                 |            |            |
| c)  | Consumption of provision (including)                        | 119 343         | 128 408    | 128 261    |
| -   | CO2 allowances provision                                    | 119 343         | 128 066    | 128 066    |
| -   | Reclamation provision                                       |                 | 342        | 195        |
| -   | Liquidation provision                                       |                 |            |            |
| d)  | Reversal of provision (including)                           |                 | 70         |            |
| -   | CO2 allowances provision                                    |                 |            |            |
| -   | Reclamation provision                                       |                 |            |            |
| -   | Liquidation provision                                       |                 | 70         |            |
| -   | KWB Konin agreement penalty                                 |                 |            |            |
| e)  | At the end of the period                                    | 126 046         | 125 085    | 62 521     |
| -   | CO2 allowances provision                                    | 122 991         | 122 030    | 60 804     |
| -   | URE penalty provision                                       | 1 500           | 1 500      | 1 500      |
| -   | Reclamation provision                                       | 1 555           | 1 555      | 147        |
| -   | Liquidation provision                                       | 0               | 0          | 70         |

### h) Liabilities acc. to items in the balance sheet

|    |   | In PLN thousand |            |            |  |
|----|---|-----------------|------------|------------|--|
|    | SHORT-TERM LIABILITIES                        | 30-06-2015      | 31-12-2014 | 30-06-2014 |  |
| a) | for subsidiaries                              | 80 695          | 93 938     | 87 696     |  |
| -  | credits and loans, including:                 |                 |            |            |  |
| -  | of a long-term repayment period               |                 |            |            |  |
| -  | debt stocks liabilities                       |                 |            |            |  |
| -  | dividends                                     |                 |            |            |  |
| -  | other financial liabilities, including:       |                 |            |            |  |
| -  | deliveries and services of the maturity date: | 72 367          | 87 176     | 73 941     |  |
| -  | up to 12 months                               | 72 367          | 87 176     | 73 941     |  |
| -  | over 12 months                                |                 |            |            |  |
| -  | advance payments received for deliveries      |                 |            |            |  |
| -  | bill of exchange liabilities                  |                 |            |            |  |
| -  | other (by type)                               | 8 328           | 6 762      | 13 755     |  |
| b) | for co-subsidiaries                           | 0               | 0          | 0          |  |
| c) | for associates                                | 13 224          | 10 638     | 11 892     |  |
| -  | credits and loans, including:                 |                 |            |            |  |
| -  | of a long-term repayment period               |                 |            |            |  |
| -  | debt stocks liabilities                       |                 |            |            |  |
| -  | dividends                                     |                 |            |            |  |
| -  | other financial liabilities, including:       |                 |            |            |  |
| -  | deliveries and services of the maturity date: | 13 104          | 5 996      | 6 961      |  |
| -  | up to 12 months                               |                 |            |            |  |
| -  | over 12 months                                |                 |            |            |  |
| -  | advance payments received for deliveries      |                 |            |            |  |
| -  | bill of exchange liabilities                  |                 |            |            |  |
| -  | other (by type)                               | 120             | 4 642      | 4 931      |  |
| d) | for a significant shareholder                 | 0               | 0          | C          |  |
| e) | for a shareholder of the co-subsidiary        | 0               | 0          | C          |  |
| f) | for a parent company                          | 0               | 0          | 0          |  |
| g) | for other entities                            | 223 274         | 232 795    | 141 528    |  |
| -  | credits and loans, including:                 |                 |            |            |  |
| -  | of a long-term repayment period               | 52 307          | 27 921     | 10 792     |  |
| -  | debt stocks liabilities                       |                 |            |            |  |
| -  | dividends                                     | 60 988          |            | 34 560     |  |
| -  | other financial liabilities, including:       |                 |            |            |  |
| -  | deliveries and services of the maturity date: | 31 008          | 28 092     | 29 484     |  |
| -  | up to 12 months                               | 31 008          | 28 092     | 29 484     |  |
| -  | over 12 months                                |                 |            |            |  |
| -  | advance payments received for deliveries      | 98              | 35         | 37         |  |
| -  | bill of exchange liabilities                  |                 |            |            |  |

| -   | taxes, duties, insurances and other provisions                               | 17 200  | 75 132  | 19 193  |
|-----|--|---------|---------|---------|
| -   | remunerations  | 4 050   | 4 037   | 3 613   |
| -   | lease agreement liabilities  | 4       | 18      | 31      |
| -   | other  | 147     | 21      | 27      |
| -   | capital work in progress acquisition liabilities                             | 51 940  | 93 120  | 38 191  |
| -   | the State Fund for Rehabilitation of Disabled Persons<br>(PFRON) liabilities | 122     | 113     | 111     |
| -   | security deposits  | 155     | 145     | 258     |
| -   | the Intercompany Social Insurance Fund (MFŚS) liabilities                    | 3 858   | 2 829   | 3 893   |
| -   | deductions from the pay roll   | 1 397   | 1 332   | 1 338   |
| h)  | special funds (by title)   | 6 039   | 4 734   | 5 346   |
| -   | the Company Social Fund  | 5 984   | 4 679   | 5 291   |
| -   | the Staff Fund   | 55      | 55      | 54      |
| Tot | al short-term liabilities  | 323 232 | 342 105 | 246 461 |

| LONG-TERM LIABILITIES WITH A REPAYMENT PERIOD | In PLN thousand |            |            |  |  |  |  |
|---|-----------------|------------|------------|--|--|--|--|
| REMAINING FROM THE BALANCE SHEET DATE         | 30-06-2015      | 31-12-2014 | 30-06-2014 |  |  |  |  |
| a) over 1 year to 3 years                     | 163 733         | 101 544    | 57 863     |  |  |  |  |
| b) over 3 years to 5 years                    | 140 192         | 89 556     | 54 428     |  |  |  |  |
| c) over 5 years                               | 204 607         | 146 949    | 86 762     |  |  |  |  |
| Total long-term liabilities                   | 508 532         | 338 049    | 199 053    |  |  |  |  |

## i) Overdraft facility and investment loans

#### Overdraft facilities as of 30.06.2015 in PLN thousand

| From     | No. | aubiaat               | Creditor               | (Agreement no. )                       | Credit   | Credit amount | Inc   | debtedness as at 30.06 | .2015      | - Repayment date |
|----------|-----|-----------------------|------------------------|--|----------|---------------|-------|------------------------|------------|------------------|
|          | NO. | subject               | Creator                | of                                     | currency | Credit amount | Total | long-term              | short-term | Repayment date   |
|          | 1.  | Overdraft<br>facility | Bank Zachodni WBK S.A. | (1199/108/01)<br>z 10.08.2001          | PLN      | 5 000         | -     | -                      | -          | 30-11-2015       |
| entities | 2.  | Overdraft<br>facility | Bank Pekao SA          | (88/2005)<br>z 20.12.2005              | PLN      | 80 000        | -     | -                      | -          | 30-09-2015       |
| Other e  | 3.  | Overdraft<br>facility | PKO Bank Polski SA     | (270-<br>1/10/RB/2006)<br>z 25.08.2006 | PLN      | 90 000        | -     | -                      | -          | 25-10-2015       |
|          | 4.  | Overdraft<br>facility | ING Bank Śląski SA     | z 28.03.2007                           | PLN      | 30 000        | -     | -                      | -          | 28-03-2016       |
|          |     |                       |                        |  | Total    | 205 000       | -     | -                      | -          |                  |

#### Investment loans as of 30.06.2015 in PLN thousand

|            |             |   |  |                   |          | Ind    | ebtedness as at 30.06.2 | 015        |                |
|------------|-------------|---|--|-------------------|----------|--------|-------------------------|------------|----------------|
| ies        | No.         | subject   | Bank   | Agreement<br>date | Currency | Total  | long-term               | short-term | Repayment date |
| r entities |             |   |  |                   |          |        |                         |            |                |
| From other | Kredyt<br>B | Refinancing of IOS investment facility repayment. | Consortium of<br>banks: mBank,<br>BGK, Millennium,<br>PEKAO SA i PKO<br>BP | 13.03.2014r.      | PLN      | 86 972 | 74 547                  | 12 425     | 20-12-2023     |
|            |             |   |  |                   | Total    | 86 972 | 74 547                  | 12 425     |                |

|            |             |  |  |                   |          | Ind     | ebtedness as at 30.06.2 | <br>015    |                |
|------------|-------------|--|--|-------------------|----------|---------|-------------------------|------------|----------------|
| ties       | No          | subject  | Bank   | Agreement<br>date | Currency | Total   | long-term               | short-term | Repayment date |
| r entities |             |  |  |                   |          |         |                         |            |                |
| From other | Kredyt<br>A | Retrofit of units 1-4 in Patnów I Power<br>Plant | Consortium of<br>banks: mBank,<br>BGK, Millennium,<br>PEKAO SA i PKO<br>BP | 13.03.2014r.      | PLN      | 463 128 | 423 246                 | 39 882     | 20-12-2023     |
|            |             |  |  |                   | Total    | 463 128 | 423 246                 | 39 882     |                |

#### Overdraft facilities as of 31.12.2014 in PLN thousand

| From     | No. | subject               | Creditor               | (Agreement no. )                       | Currence | Credit amount | Inc   | debtedness as at 31.12 | .2014      | Denovment dete |
|----------|-----|-----------------------|------------------------|--|----------|---------------|-------|------------------------|------------|----------------|
|          | NO. | subject               | Creator                | of                                     | Currency | Credit amount | Total | long-term              | short-term | Repayment date |
|          | 1.  | Overdraft<br>facility | Bank Zachodni WBK S.A. | (1199/108/01)<br>z 10.08.2001          | PLN      | 5 000         | -     | -                      | -          | 30-11-2015     |
| entities | 2.  | Overdraft<br>facility | Bank Pekao SA          |  | PLN      | 80 000        | -     | -                      | -          | 30-09-2015     |
| Other e  | 3.  | Overdraft<br>facility | PKO Bank Polski SA     | (270-<br>1/10/RB/2006)<br>z 25.08.2006 | PLN      | 90 000        | -     | -                      | -          | 25-10-2015     |
|          | 4.  | Overdraft<br>facility | ING Bank Śląski SA     | z 28.03.2007                           | PLN      | 30 000        | -     | -                      | -          | 28-03-2015     |
|          |     |                       |                        |  | Total    | 205 000       | -     | -                      | -          |                |

#### Investment loans as of 31.12.2014 in PLN thousand

|            |             |   |  | Agreement<br>date |          | Inde   | ebtedness as at 31.12.2 | 014        |                |
|------------|-------------|---|--|-------------------|----------|--------|-------------------------|------------|----------------|
| ies        | No.         | subject   | Bank   |                   | Currency | Total  | long-term               | short-term | Repayment date |
| r entities |             |   |  |                   |          |        |                         |            |                |
| From other | Kredyt<br>B | Refinancing of IOS investment facility repayment. | Consortium of<br>banks: mBank,<br>BGK, Millennium,<br>PEKAO SA i PKO<br>BP | 13.03.2014r.      | PLN      | 89 638 | 79 362                  | 10 276     | 20-12-2023     |
|            |             | •   |  |                   | Total    | 89 638 | 79 362                  | 10 276     |                |

|               |             |  |  |                   |          | Inde    | ebtedness as at 31.12.2 | 014        |                |
|---------------|-------------|--|--|-------------------|----------|---------|-------------------------|------------|----------------|
|               | No.         | subject  | Bank   | Agreement<br>date | Currency | Total   | long-term               | short-term | Repayment date |
| entities      |             |  |  |                   |          |         |                         |            |                |
| From other er | Kredyt<br>A | Retrofit of units 1-4 in Patnów I Power<br>Plant | Consortium of<br>banks: mBank,<br>BGK, Millennium,<br>PEKAO SA i PKO<br>BP | 13.03.2014r.      | PLN      | 263 996 | 246 351                 | 17 645     | 20-12-2023     |
|               |             |  |  |                   | Total    | 263 996 | 246 351                 | 17 645     |                |

#### Overdraft facilities as of 30.06.2014 (unaudited) in PLN thousand

| Friend   | N   | aubie et              | Creditor               | (Agreement no. )                       | <b>C</b> | Cue dit en eurot | Inde  | btedness as at 30.06. | 2014       |                |
|----------|-----|-----------------------|------------------------|--|----------|------------------|-------|-----------------------|------------|----------------|
| From     | No. | subject               | Creditor               | of                                     | Currency | Credit amount    | Total | long-term             | short-term | Repayment date |
|          | 1.  | Overdraft<br>facility | Bank Zachodni WBK S.A. | (1199/108/01)<br>z 10.08.2001          | PLN      | 5 000            | -     | -                     | -          | 30-11-2014     |
| entities | 2.  | Overdraft<br>facility | Bank Pekao SA          | (88/2005)<br>z 20.12.2005              | PLN      | 80 000           | -     | -                     | -          | 30-09-2014     |
| Other e  | 3.  | Overdraft<br>facility | PKO Bank Polski SA     | (270-<br>1/10/RB/2006)<br>z 25.08.2006 | PLN      | 90 000           | -     | -                     | -          | 25-10-2014     |
|          | 4.  | Overdraft<br>facility | ING Bank Śląski SA     | z 28.03.2007                           | PLN      | 30 000           | -     | -                     | -          | 28-03-2015     |
|          |     |                       |                        |  | Total    | 205 000          | -     | -                     | -          |                |

#### Investment loans as of 30.06.2014 in PLN thousand

|                |    |   | Bank   | Agreement date |          | Ir     | debtedness as at 30.06.20 | 014        | Repayment<br>date |
|----------------|----|---|--|----------------|----------|--------|---------------------------|------------|-------------------|
| From           |    | subject   |  |                | Currency | Total  | long-term                 | short-term |                   |
| Other entities | 1. | Refinancing of IOS investment facility repayment. | Consortium of<br>banks: mBank,<br>BGK, Millennium,<br>PEKAO SA i PKO<br>BP | 13.03.2014r.   | PLN      | 89 842 | 83.784                    | 6.057      | 20-12-2023        |
|                |    |   |  |                | Total    | 89 842 | 83.784                    | 6.057      |                   |

|                |     |  |  |                 |          | Ir      | ndebtedness as at 30.06.20 | 014        |                   |
|----------------|-----|--|--|-----------------|----------|---------|----------------------------|------------|-------------------|
| From           | No. | subject  | Bank   | Agreement date: | Currency | Total   | long-term                  | short-term | Repayment<br>date |
|                |     |  |  |                 |          |         |                            |            | uule              |
| Other entities | 1.  | Retrofit of units 1-4 in Patnów I Power<br>Plant | Consortium of<br>banks: mBank,<br>BGK, Millennium,<br>PEKAO SA i PKO<br>BP | 13.03.2014r.    | PLN      | 101 006 | 96 271                     | 4 735      | 20-12-2023        |
|                |     |  |  |                 | Total    | 101 006 | 96 271                     | 4 735      |                   |

## j) Loans granted

#### As of 30.06.2015 in PLN/EUR thousand

| Granted      | No.  | subject                   | Loan                     | Agreement  | Currency         | Loan amount              | Assets as of            |            | inclu                   | ding       |                         | Repayment  |
|--------------|------|---------------------------|--------------------------|------------|------------------|--------------------------|-------------------------|------------|-------------------------|------------|-------------------------|------------|
| to           | NO.  | subject                   | granted to               | date       | currency         | Loan amount              | 30-06-2015              | Long-term  |                         | Short-term |                         | date       |
|              |      |                           |                          |            |                  |                          |                         |            | 17 049 EUR              |            | 3 410 EUR               |            |
|              |      | Construction              |                          |            | American         | 34 099 EUR               | 20 639 EUR              | +1         | -                       | +1         | 179 EUR                 |            |
|              | 1.   | Construction<br>of 460 MW | Elektrownia<br>Patnów II | 12-11-2002 | Amount<br>in PLN |                          |                         | =          | 17 049 EUR              | =          | 3 590 EUR               | 15-10-2020 |
| ies          |      | unit in<br>Patnów II      | Sp. z o.o.               | 12-11-2002 | equal to<br>EUR  |                          |                         |            | 71 513 PLN <sup>3</sup> |            | 14 302 PLN              | 15-10-2020 |
| subsidiaries |      | Fathow II                 |                          |            | LOIN             | 136 169 PLN <sup>2</sup> | 86 570 PLN <sup>3</sup> | +1         | _ 3                     | +1         | 754 PLN <sup>3</sup>    |            |
| sqns         |      |                           |                          |            |                  |                          |                         | =          | 71 513 PLN <sup>3</sup> | =          | 15 057 PLN <sup>3</sup> |            |
|              |      | Construction              | Elektrownia              |            |                  |                          |                         |            | 4 513 PLN               |            | 903 PLN                 |            |
|              | 2.   | of 460 MW<br>unit in      | Pątnów II                | 13-03-2006 | PLN              | 11 067 PLN               | 5 536 PLN               | +1         | -                       | +1         | 120 PLN                 | 15-10-2020 |
|              |      | Pątnów II                 | Sp. z o.o.               |            |                  |                          |                         | =          | 4 513 PLN               | =          | 1 023 PLN               |            |
|              |      |                           |                          |            |                  |                          |                         |            | 76 026 PLN              |            | 15 205 PLN              |            |
|              | Tota |                           | Total                    | 92 106 PLN |                  | 0,00 PLN                 | +1                      | 875 PLN    |                         |            |                         |            |
|              |      |                           |                          |            |                  |                          |                         | 76 026 PLN | =                       | 16 080 PLN |                         |            |

<sup>1</sup>/ Interest accrued as of 30.06.2015.

<sup>2</sup>/ Loan value acc. to the exchange rates of the date of granting its instalments and capitalisation.
 <sup>3</sup>/ Average EUR/PLN exchange rate according to the table of the National Bank of Poland as of

30.06.2015.,equal to 4,1944

#### As of 31.12.2014

| Granted      | No. | auhiaat                   | Loan                     | Agreement  | Currency         | Loan amount              | Assets as of            |            | inclu                   | ding       |                         | Repayment  |  |   |           |   |         |  |
|--------------|-----|---------------------------|--------------------------|------------|------------------|--------------------------|-------------------------|------------|-------------------------|------------|-------------------------|------------|--|---|-----------|---|---------|--|
| to           | NO. | subject                   | granted to               | date       | currency         | Loan amount              | 31-12-2014              |            | Long-term               | Short-term |                         | date       |  |   |           |   |         |  |
|              |     |                           |                          |            |                  |                          |                         |            | 17 049 EUR              |            | 3 410 EUR               |            |  |   |           |   |         |  |
|              |     |                           |                          |            |                  | 34 099 EUR               | 20 514 EUR              | +1         | -                       | +1         | 55 EUR                  |            |  |   |           |   |         |  |
|              | 1   | Construction<br>of 460 MW | Elektrownia              | 12 11 2002 | Amount<br>in PLN |                          |                         |            | 17 049 EUR              | =          | 3 465 EUR               | 15 10 2020 |  |   |           |   |         |  |
| ies          | 1.  | unit in<br>Patnów II      | Pątnów II<br>Sp. z o.o.  | 12-11-2002 | equal to<br>EUR  |                          |                         |            | 72 670 PLN <sup>3</sup> |            | 14 534 PLN              | 15-10-2020 |  |   |           |   |         |  |
| subsidiaries |     | rątiiow ii                |                          |            | LOK              | 136 164 PLN <sup>2</sup> | 87 437 PLN <sup>3</sup> | +1         | _ 3                     | +1         | 233 PLN <sup>3</sup>    |            |  |   |           |   |         |  |
| sqns         |     |                           |                          |            |                  |                          |                         | =          | 72 670 PLN <sup>3</sup> | =          | 14 767 PLN <sup>3</sup> |            |  |   |           |   |         |  |
|              |     | Construction              | Flatterin                |            |                  |                          |                         |            | 4 514 PLN               |            | 903 PLN                 |            |  |   |           |   |         |  |
|              | 2.  | of 460 MW<br>unit in      | Elektrownia<br>Pątnów II | 13-03-2006 | PLN              | 11 065 PLN               | 5 454 PLN               | +1         | -                       | +1         | 37 PLN                  | 15-10-2020 |  |   |           |   |         |  |
|              |     | Pątnów II                 |                          |            |                  | Pątnow II<br>Sp. z o.o.  |                         |            |                         | 15 05 2000 |                         |            |  | = | 4 514 PLN | = | 940 PLN |  |
|              |     |                           |                          |            |                  |                          |                         | 77 184 PLN |                         | 15 437 PLN |                         |            |  |   |           |   |         |  |
|              |     |                           |                          |            |                  | Total                    | 92 891 PLN              |            | 0,00 PLN                | +1         | 270 PLN                 |            |  |   |           |   |         |  |
|              |     |                           |                          |            |                  |                          | 77 184 PLN              | =          | 15 707 PLN              |            |                         |            |  |   |           |   |         |  |

<sup>1</sup>/ Interest accrued as of 31.12.2014.

 <sup>2</sup>/ Loan value acc. to the exchange rates of the date of granting its instalments and capitalisation.
 <sup>3</sup>/ Average EUR/PLN exchange rate according to the table of the National Bank of Poland as of 31.12.2014., equal to 4,2623.

#### As of 30.06.2014 (unaudited)

| Granted      | No. | auhiaat                   | Loan                     | Agreement  | Cumpanau         | Loan amount              | Assets as of             |                          | inclu                   | ding |                         | Repayment            |            |    |   |           |         |           |  |
|--------------|-----|---------------------------|--------------------------|------------|------------------|--------------------------|--------------------------|--------------------------|-------------------------|------|-------------------------|----------------------|------------|----|---|-----------|---------|-----------|--|
| to           | NO. | subject                   | granted to               | date       | Currency         | Loan amount              | 30-06-2014               |                          | Long-term Short-        |      | Short-term              | date                 |            |    |   |           |         |           |  |
|              |     |                           |                          |            |                  |                          |                          |                          | 20 459 EUR              |      | 3 410 EUR               |                      |            |    |   |           |         |           |  |
|              |     |                           |                          |            |                  | 34 099 EUR               | 34 099 EUR               | 34 099 EUR               | 34 099 EUR              |      | 34 099 EUR              | 34 099 EUR           | 24 109 EUR | +1 | - | +1        | 240 EUR |           |  |
|              | 1   | Construction<br>of 460 MW | Elektrownia              | 12 11 2002 | Amount<br>in PLN |                          | =                        |                          | 20 459 EUR              | =    | 3 650 EUR               | 15 10 2020           |            |    |   |           |         |           |  |
| ie.          | 1.  | unit in<br>Patnów II      | Pątnów II<br>Sp. z o.o.  | 12-11-2002 | equal to<br>EUR  |                          |                          |                          | 85 130 PLN <sup>3</sup> |      | 14 188 PLN              | 15-10-2020           |            |    |   |           |         |           |  |
| subsidiaries |     | rątiow i                  |                          |            | EUK              | 136 164 PLN <sup>2</sup> | 136 164 PLN <sup>2</sup> | 100 316 PLN <sup>3</sup> | +1                      | _ 3  | +1                      | 998 PLN <sup>3</sup> |            |    |   |           |         |           |  |
| sqns         |     |                           |                          |            |                  |                          |                          | =                        | 85 130 PLN <sup>3</sup> | =    | 15 186 PLN <sup>3</sup> |                      |            |    |   |           |         |           |  |
|              |     | Construction              |                          |            |                  |                          |                          |                          | 5 416 PLN               |      | 903 PLN                 |                      |            |    |   |           |         |           |  |
|              | 2.  | of 460 MW<br>unit in      | Elektrownia<br>Pątnów II | 13-03-2006 | PLN              | 11 065 PLN               | 6 494 PLN                | +1                       | -                       | +1   | 175 PLN                 | 15-10-2020           |            |    |   |           |         |           |  |
|              |     | Pątnów II                 |                          | •          | •                |                          | Pątnow II<br>Sp. z o.o.  |                          |                         |      |                         |                      |            |    |   | 5 416 PLN | =       | 1 078 PLN |  |
|              |     |                           |                          |            |                  |                          |                          |                          | 90 546 PLN              |      | 15 091 PLN              |                      |            |    |   |           |         |           |  |
|              |     |                           |                          |            |                  | Total                    | 106 810 PLN              |                          | 0,00 PLN                | +1   | 1 173 PLN               |                      |            |    |   |           |         |           |  |
|              |     |                           |                          |            |                  |                          |                          |                          | 90 546 PLN              | =    | 16 264 PLN              |                      |            |    |   |           |         |           |  |

<sup>1</sup>/ Interest accrued as of 30.06.2014.

 <sup>2</sup>/ Loan value acc. to the exchange rates of the date of granting its instalments and capitalisation.
 <sup>3</sup>/ Average EUR/PLN exchange rate according to the table of the National Bank of Poland as of 30.06.2014, equal to 4,1609

### k) Lease agreements in PLN thousand

| From     | No. | subject           | Financing party                      | Agreement of:                      | Currency | Ir    | debtedness as at 30.06.2 | 015        | Repayment  |
|----------|-----|-------------------|--------------------------------------|------------------------------------|----------|-------|--------------------------|------------|------------|
| FIOIII   | NO. | subject           | Financing party                      | Agreement of.                      | currency | total | Long-term                | Short-term | date       |
|          | 1.  | VOLKSWAGEN PASSAT | Energo-Utech SA                      | 5 May 2012 r.<br>nr 15/O/ENUT/2012 | PLN      | 4     | -                        | 4          | 20-04-2015 |
| Other o  | 2.  | VOLKSWAGEN PASSAT | Polkomtel Sp. z o.o. 13 March 2015r. |                                    | PLN      | 392   | 328                      | 64         | 20-09-2015 |
| entities | 3.  | AUDI A6           | Polkomtel Sp. z o.o.                 | 17 October 2014r.                  | PLN      | 210   | 164                      | 46         | 02-11-2018 |
|          | 4.  | VOLKSWAGEN GOLF   | Polkomtel Sp. z o.o.                 | 13 March 2015r.                    | PLN      | 61    | 52                       | 9          | 18-03-2019 |
|          |     | •                 |                                      |                                    | Total    | 668   | 544                      | 123        |            |

| From           | No. | subject           | Financing party      | Agroomont of                            | curronay | In    | debtedness as at 31.12.2 | 014        | Repayment  |
|----------------|-----|-------------------|----------------------|---|----------|-------|--------------------------|------------|------------|
| From           | NO. | subject           | Financing party      | Agreement of:                           | currency | total | Long-term                | Short-term | date       |
| Q              | 1.  | VOLKSWAGEN PASSAT | Energo-Utech SA      | 5 May 2012 r.<br>nr 15/O/ENUT/2012      | PLN      | 7     | -                        | 7          | 20-04-2015 |
| Other entities | 2.  | VOLKSWAGEN PASSAT | Energo-Utech SA      | 15 October 2012 r. nr<br>37/O/ENUT/2012 | PLN      | 11    | -                        | 11         | 20-09-2015 |
| Sa             | 3.  | AUDI A6           | Polkomtel Sp. z o.o. | 17 October 2014r.                       | PLN      | 231   | 189                      | 41         | 02-11-2018 |
|                |     |                   |                      |   | Total    | 249   | 189                      | 60         |            |

| From              | No. | subject           |                 | A                                       | Curronau | In    | 014       | Repayment  |            |
|-------------------|-----|-------------------|-----------------|---|----------|-------|-----------|------------|------------|
| From No.          |     | subject           | Financing party | Agreement of:                           | Currency | total | Long-term | Short-term | date       |
| Other<br>entities | 1.  | VOLKSWAGEN PASSAT | Energo-Utech SA | 5 May 2012 r.<br>nr 15/O/ENUT/2012      | PLN      | 17    | -         | 17         | 20-04-2015 |
| er<br>ties        | 2.  | VOLKSWAGEN PASSAT | Energo-Utech SA | 15 October 2012 r. nr<br>37/O/ENUT/2012 | PLN      | 17    | 3         | 14         | 20-09-2015 |
|                   |     |                   |                 |   | Total    | 34    | 3         | 31         |            |

# l) Structure of deliveries, works and services receivables acc. to the date of their formation

| SU | PPLIES AND SERVICES RECEIVABLES (GROSS) FROM THE DATE OF |            | In PLN thousand |            |
|----|--|------------|-----------------|------------|
| BA | LANCE DAY TILL REPAYMENT DATE:                           | 30-06-2015 | 31-12-2014      | 30-06-2014 |
| a) | Up to 1 month  | 97 241     | 96 604          | 95 912     |
| b) | 1 to 3 months  | 1 143      | -1 406          | 7 540      |
| c) | 3 to 6 months  |            | 41              | 3          |
| d) | 6 months to 1 year                                       |            | 41              | 3          |
| e) | Over 1 year  |            |                 |            |
| f) | Overdue  | 34 026     | 33 846          | 35 116     |
| To | tal supplies and services receivables (gross)            | 132 410    | 129 126         | 138 574    |
| g) | Impairment in supplies and services receivables          | 32 363     | 32 361          | 35 118     |
| To | tal supplies and services receivables (net)              | 100 047    | 96 765          | 103 456    |

## m) Prepayments and accruals and future periods revenues

| <b>с</b> 11 | ORT-TERM PREPAYMENTS                     |            | In PLN thousand |            |
|-------------|--|------------|-----------------|------------|
| эп          | ORI-TERINI PREPATIVIENTS                 | 30-06-2015 | 31-12-2014      | 30-06-2014 |
| a)          | Prepayments, including:                  | 2 268      | 515             | 4 417      |
| -           | Magazine subscriptions                   |            | 12              |            |
| -           | Property liquidation                     | 886        | 147             | 254        |
| -           | Prepayment for TGE participation in 2015 |            | 146             |            |
| -           | Payment for protection of trade mark     | 5          | 6               | 6          |
| -           | Payment for support of IT system         |            | 105             | 14         |
| -           | Cost of license incorporation            | 99         | 99              |            |
| -           | Property insurance                       |            |                 | 2 775      |
| -           | Write-off for ZFŚS                       | 1 278      |                 | 1 368      |
| b)          | Other prepayments                        |            |                 |            |
|             |  |            |                 |            |
| То          | tal short-term prepayments               | 2 268      | 515             | 4 417      |

|    | NG-TERM PREPAYMENTS            |            | In PLN thousand |            |
|----|--------------------------------|------------|-----------------|------------|
| 10 | NG-TERIVI PREPATIVIEN IS       | 30-06-2015 | 31-12-2014      | 30-06-2014 |
| a) | Prepayments, including:        | 1 773      | 3 066           | 3 919      |
| -  | Reclamation                    | 0          | 1 394           | 1 394      |
| -  | Liquidation                    | 1 329      | 1 179           | 2 525      |
| -  | Cost of license incorporation  | 444        | 493             | 0          |
| b) | Other prepayments, including:  | 3 271      | 3 200           | 3 557      |
| -  | Financing costs, deferred cost | 3 271      | 3 200           | 3 557      |
| То | tal long-term prepayments      | 5 044      | 6 266           | 7 476      |

| ~  |  | li         | n PLN thousand |            |
|----|--|------------|----------------|------------|
| 01 | HER PREPAYMENTS AND ACCRUALS   | 30-06-2015 | 31-12-2014     | 30-06-2014 |
| a) | Accruals   | 34 821     | 17 151         | 36 378     |
| -  | Long-term (by type)  |            |                |            |
| -  | Short-term (by type)   | 34 821     | 17 151         | 36 378     |
|    | Provision for annual bonus   | 8 335      | 13 924         | 7 830      |
|    | Provision for unused leave   | 3 239      | 1 754          | 3 253      |
|    | Provision for current year costs   | 0          | 120            |            |
|    | Payment for commercial use of environment  | 22 789     |                | 24 768     |
|    | Duty of redemption of certificates of origin – "green certificates"  | 282        | 852            | 512        |
|    | Duty of redemption of certificates of origin – "red certificates"  | 47         | 69             |            |
|    | Duty of redemption of certificates of origin – gas payment "violet"  | 16         | 30             | 15         |
|    | Duty of redemption of certificates of origin – "white energy"  | 0          | 281            |            |
|    | Duty of redemption of certificates of origin – gas payment "yellow"  | 113        | 121            |            |
| b) | Deffered income  | 15 810     | 16 004         | 17 015     |
| -  | Long-term (by type)  | 15 396     | 15 562         | 15 448     |
|    | Deffered grant   | 1 802      | 1 968          | 1 854      |
|    | Difference between the net value of assets transferred in the form of contributions in-kind and their fixed prices, specified in the agreement | 13 594     | 13 594         | 13 594     |
| -  | Short-term (by type)   | 414        | 442            | 1 567      |
|    | Deffered grant   | 332        | 332            | 519        |
|    | Insurance company compensations  | 74         | 102            | 1 040      |
|    | Other  | 8          | 8              | 8          |
| То | tal other prepayments  | 50 631     | 33 155         | 53 393     |

### n) List of groups and liabilities secured on the entity's assets

|     |  |                       |                    |              | childy 5 uss                                       |                       |                    |              |  |
|-----|--|-----------------------|--------------------|--------------|--|-----------------------|--------------------|--------------|--|
|     |  | As of 30 Ju           | une 2015 in PLN    | I/EUR ti     | nousand  | As of 31 Dece         | mber 2014 in P     | LN/EUR       | thousand   |
| No. | Secured assets   | credit/loan<br>amount | security<br>amount | curren<br>cy | security amount<br>expressed in %<br>of the assets | credit/loan<br>amount | security<br>amount | curren<br>cy | security<br>amount<br>expressed in<br>% of the<br>assets |
| 1.  | Registered and financial pledge  | 1 200 000             | 2 040 000          | PLN          | 50,51%   | 1 200 000             | 2 040 000          | PLN          | 51,65%   |
| 1.1 | Registered pledge on a set of ZE PAK's assets<br>(power units no. 1-4 in the Pątnów Power Plant)<br>for mBank in relation to the credit of PLN 1.2<br>billion of 13.03.2014 <sup>5</sup>                     | 1 200 000             | 2 040 000          | PLN          | 50,51%   | 1 200 000             | 2 040 000          | PLN          | 51,65%   |
| 1.2 | Registered pledge on bank accounts of ZE PAK SA<br>for mBank in relation to the credit of PLN 1.2<br>billion of 13.03.2014 <sup>5</sup>  | 1 200 000             | 2 040 000          | PLN          | 50,51%   | 1 200 000             | 2 040 000          | PLN          | 51,65%   |
| 1.3 | Financial pledge on cash on the ZE PAK SA's bank<br>accounts in the following banks: mBank, BGK,<br>PEKAO SA, PKO BP, Millennium in relation to the<br>credit of PLN 1.2 billion of 13.03.20148 <sup>5</sup> | 1 200 000             | 2 040 000          | PLN          | 50,51%   | 1 200 000             | 2 040 000          | PLN          | 51,65%   |
|     | Registered and financial pledge on shares in   | 131 784               | 400 000            | EUR          | 10 050/ <sup>4</sup>                               | 145 763               | 400 000            | EUR          | F4 700/ <sup>4</sup>                                     |
| 2.  | subsidiaries   | 0,00                  | 339 750            | PLN          | 49,95% <sup>4</sup>                                | 15 000                | 339 750            | PLN          | 51,76% <sup>4</sup>                                      |
| 2.1 | Registered and financial pledge on shares of ZE<br>PAK S.A. in PAK Infrastruktura Sp. z o.o. and PAK<br>HOLDCO Sp. z o.o. for BRE Bank S.A. (ZE PAK as   | 131 784               | 400 000            | EUR          | 41,54% <sup>2</sup>                                | 145 763               | 400 000            | EUR          | 43,16% <sup>3</sup>                                      |
|     | the guarantor of the "Pątnów II" project) <sup>1</sup>   | 0,00                  | 339 750            | PLN          | 8,41%  | 15 000                | 339 750            | PLN          | 8,60%  |
| 3.  | Mortgage   | -                     | -                  | PLN          | -  | -                     | -                  | PLN          | -  |
| 3.1 | Contractual joint capped rate and ordinary<br>mortgage on real estates in Konin for mBank in<br>relation to the credit of PLN 1.2 billion of 13<br>March 20147 <sup>5</sup>                                  | 1 200 000             | 2 040 000          | PLN          | 50,51% <sup>6</sup>                                | 1 200 000 000,00      | 2 040 000          | PLN          | 51,65% <sup>6</sup>                                      |

1/ Securities of the syndicated loan of EUR 240.00 million and the loan of PLN 226.00 million for Elektrowni Pątnów II sp. z o.o. The syndicated loan was granted by the following banks: PEKAO S.A., BRE BANK S.A. and EBOR. The loan was granted by NFOŚiGW. Pledge on shares of ZE PAK S.A. in PAK Infrastruktura sp. z o.o. and PAK HOLDCO sp. z o.o. for BRE Bank SA

2/ Percentage share in the conversion of EUR 400,000,000.00 into PLN according to the average EUR/PLN exchange rate of 30 June 2015 amounting to 4,1944 3/ Percentage share in the conversion of EUR 400,000,000.00 into PLN according to the average EUR/PLN exchange rate of 31 December 2014 amounting to 4,2623

4/ Total share of the amounts of security of EUR 400,000,000.00 and PLN 339,750,000.00  $\,$ 

5/ Securities of the syndicated loan of PLN 1.2 billion for ZE PAK SA granted by mBank, BGK, Millennium, PKO BP and PEKAO SA, signed on 13 March 2014

6/ The amounts of this securities cannot be aggregated, as they regard a single credit, of which the maximum amount of security is PLN 2.040 million.

|     |   | As of 30 June 2014 in PLN/EUR thousand |                    |          |  |  |  |  |
|-----|---|--|--------------------|----------|--|--|--|--|
| No. | Secured assets  | credit/loan<br>amount                  | security<br>amount | currency | security amount<br>expressed in % of<br>the assets |  |  |  |
| 1.  | Registered and financial pledge   | 191 000                                | 2 040 000          | PLN      | 55,34%   |  |  |  |
| 1.1 | Registered pledge on the power unit no. 3 at the Pątnów Power $\mbox{Plant}^1$  |  |                    |          |  |  |  |  |
| 1.2 | Registered pledge on the power unit no. 4 at the Pątnów<br>Power Plant <sup>1</sup>   | 0,00                                   | 0,00               | PLN      | 0,00%  |  |  |  |
| 1.3 | Registered and financial pledge on rights and cash from the A and B bank account agreements of ZE PAK in PEKAO S.A. and PKO BP S.A. <sup>1</sup>  |  | -,                 |          |  |  |  |  |
| 1.4 | Registered and financial pledge on rights and cash from the IOS bank account agreements of ZE PAK in PKO BP <sup>1</sup>  | 0,00                                   | 0,00               | PLN      | 0,00%  |  |  |  |
| 1.5 | Registered pledge on a set of moveable assets comprising the Fume Desulphurisation System in the Pątnów Power Plant $^1$  | 0,00                                   | 0,00               | PLN      | 0,00%  |  |  |  |
| 1.6 | Registered pledge on a set of ZE PAK's assets (power units no. 1-4<br>in the Pątnów Power Plant) for mBank in relation to the credit of<br>PLN 1.2 billion of 13.03.2014 <sup>8</sup>   | 191 000                                | 2 040 000          | PLN      | 55,34%   |  |  |  |
| 1.7 | Registered pledge on bank accounts of ZE PAK SA for mBank in relation to the credit of PLN 1.2 billion of 13.03.2014 <sup>8</sup>   | 191 000                                | 2 040 000          | PLN      | 55,34%   |  |  |  |
| 1.8 | Financial pledge on cash on the ZE PAK SA's bank accounts in the following banks: mBank, BGK, PEKAO SA, PKO BP, Millennium in relation to the credit of PLN 1.2 billion of 13.03.20148 <sup>8</sup>   | 191 000                                | 2 040 000          | PLN      | 55,34%   |  |  |  |
|     |   | 159 450                                | 400 000            | EUR      | 54 DC0/7   |  |  |  |
| 2.  | Registered and financial pledge on shares in subsidiaries   | 30 000                                 | 339 750            | PLN      | 54,36%′  |  |  |  |
| 2.1 | Registered and financial pledge on shares of ZE PAK S.A. in PAK<br>Infrastruktura Sp. z o.o. and PAK HOLDCO Sp. z o.o. for BRE Bank   | 159 445                                | 400 000            | EUR      | 45,15% <sup>3</sup>                                |  |  |  |
|     | S.A. (ZE PAK as the guarantor of the "Pątnów II" project) <sup>2</sup>  | 30 000                                 | 339 750            | PLN      | 9,22%  |  |  |  |
| 3.  | Mortgage  | -                                      | -                  | PLN      | -  |  |  |  |
| 3.1 | Contractual joint capped rate and ordinary mortgage on lots with<br>the land registry number KW 72269 and KW 72270 in Konin<br>Pątnów and Kamienica in the Kazimierz Biskupi Commune for<br>PEKAO S.A. and PKO BP S.A. <sup>1</sup>   | 0,00                                   | 0,00               | PLN      | 0,00% <sup>6</sup>                                 |  |  |  |
| 3.2 | Contractual joint mortgage established on real estates in Konin<br>and Kazimierz Biskupi Commune, for which the District Court in<br>Konin keeps the land registry of the following numbers:<br>KN1N/00072269/2, KN1N1/00072270/2, KN1N/00073272/3,<br>KN1N/00073273/0, KN1N/00091529/2 for mBank in relation to<br>the credit of PLN 1.2 billion of 13 March 2014 <sup>8</sup> | 191 000                                | 2 040 000          | PLN      | 55,34%   |  |  |  |

1/ Security of the syndicated loan of PLN 306 million for PAK Odsiarczanie sp. z o.o. for PKO BP S.A. and PEKAO S.A. On 30 November 2011, as result of a merger between ZE PAK S.A. and PAK Odsiarczanie Sp. z o.o., the loan was taken over by ZE PAK SA. On 2 January 2014, the loan was fully repaid by ZE PAK SA.

2/ Securities of the syndicated loan of EUR 240.00 million and the loan of PLN 226.00 million for Elektrowni Pątnów II sp. z o.o. The syndicated loan was granted by the following banks: PEKAO S.A., BRE BANK S.A. and EBOR. The loan was granted by NFOŚiGW. Pledge on shares of ZE PAK S.A. in PAK Infrastruktura sp. z o.o. and PAK HOLDCO sp. z o.o. for BRE Bank SA

3/ Percentage share in the conversion of EUR 400,000,000.00 into PLN according to the average EUR/PLN exchange rate of 30 June 2014 amounting to 4,1609

4/ Percentage share in the conversion of EUR 400,000,000.00 into PLN according to the average EUR/PLN exchange rate of 31 December 2013 amounting to 4,1472

5/ The amounts of this securities cannot be aggregated, as they regard a single credit, of which the maximum amount of security is PLN 240 million.

6/ The amounts of this securities cannot be aggregated to point 3, as they regard only one loan, which the maximum amount of security is PLN 2.040 million.

7/ Total share of the amounts of security of EUR 400,000,000.00 and PLN 339,750,000.00

8/ Securities of the syndicated loan of PLN 1.2 billion for ZE PAK SA granted by mBank, BGK, Millennium, PKO BP and PEKAO SA, signed on 13 March 2014.

| o) Contingent liabilities, including guarantees and sureties granted by the entity |            |              |            |  |  |  |  |  |  |  |
|--|------------|--------------|------------|--|--|--|--|--|--|--|
| CONTINGENT LIABILITIES TO RELATED ENTITIES (BY TYPE)                               | In         | PLN thousand |            |  |  |  |  |  |  |  |
| CONTINGENT LIABILITIES TO RELATED ENTITIES (BT TTPE)                               | 30-06-2015 | 31-12-2014   | 30-06-2014 |  |  |  |  |  |  |  |
| a) Granted guarantees and warranties:  | 175 339    | 184 072      | 174 072    |  |  |  |  |  |  |  |
| - to subsidiaries  | 175 339    | 184 072      | 174 072    |  |  |  |  |  |  |  |
| - to jointly-controlled entities   |            | -            | -          |  |  |  |  |  |  |  |
| - to affiliates  |            | -            | -          |  |  |  |  |  |  |  |
| - to significant shareholder   |            | -            | -          |  |  |  |  |  |  |  |
| - To shareholder of jointly-controlled entity                                      |            | -            | -          |  |  |  |  |  |  |  |
| - to parent company  |            | -            | -          |  |  |  |  |  |  |  |
| b) other (by type)   | 1 130      | 1 130        | 1 130      |  |  |  |  |  |  |  |
| - to employees   | 1 130      | 1 130        | 1 130      |  |  |  |  |  |  |  |
| - to subsidiaries  |            | -            | -          |  |  |  |  |  |  |  |
| - to jointly-controlled entities   |            | -            | -          |  |  |  |  |  |  |  |
| - to affiliates  |            | -            | -          |  |  |  |  |  |  |  |
| - to significant shareholder   |            | -            | -          |  |  |  |  |  |  |  |
| - to shareholder of jointly-controlled entity                                      |            | -            | -          |  |  |  |  |  |  |  |
| - tor parent company   |            | -            | -          |  |  |  |  |  |  |  |
| Total contingent liabilities to related entities                                   | 176 469    | 185 202      | 175 202    |  |  |  |  |  |  |  |

#### liabiliti includir ... . . ----

| CONTINGENT LIABILITIES TO OTHER ENTITIES (BY TYPE) |  | In PLN thousand |            |            |
|--|--|-----------------|------------|------------|
|  |  | 30-06-2015      | 31-12-2014 | 30-06-2014 |
| a)   | Granted guarantees and warranties            | 0               | 0          | 0          |
| b)   | Other contingent liabilities                 | 4 520 000       | 4 520 000  | 2 120 000  |
| То   | tal contingent liabilities to other entities | 4 520 000       | 4 520 000  | 2 120 000  |

## p) Contingent receivables including guarantees and sureties received by the entity

| CONTINGENT RECEIVABLES FROM RELATED ENTITIES (BY In PLN thousand |  |            |                       |     |  |
|--|--|------------|-----------------------|-----|--|
| ТΥ   | PE)  | 30-06-2015 | 30-06-2015 31-12-2014 |     |  |
| a)   | Received guarantees and warranties, including:   | 3 080      | 470                   | 470 |  |
| -  | from subsidiaries                                | 3 080      | 470                   | 470 |  |
| -  | from jointly-controlled entities                 |            |                       |     |  |
| -  | from affiliates                                  |            |                       |     |  |
| -  | from significant shareholder                     |            |                       |     |  |
| -  | from shareholder of jointly-controlled entity    |            |                       |     |  |
| -  | from parent company                              |            |                       |     |  |
| b)   | Other (by type)                                  |            |                       |     |  |
| -  | from subsidiaries                                |            |                       |     |  |
| -  | from jointly-controlled entities                 |            |                       |     |  |
| -  | from affiliates                                  |            |                       |     |  |
| -  | from significant shareholder                     |            |                       |     |  |
| -  | from shareholder of jointly-controlled entity    |            |                       |     |  |
| -  | from parent company                              |            |                       |     |  |
| То   | tal contingent receivables from related entities | 3 080      | 470                   | 470 |  |

| CONTINGENT RECEIVABLES FROM OTHER ENTITIES (BY |  | In PLN thousand |            |            |
|--|--|-----------------|------------|------------|
| TY   | PE)  | 30-06-2015      | 31-12-2014 | 30-06-2014 |
| a)   | Received guarantees and warranties             | 375 685         | 383 055    | 349 098    |
| b)   | Received bills                                 | 31 310          | 31 372     | 31 280     |
| То   | tal contingent receivables from other entities | 406 995         | 414 427    | 380 378    |

## q) Legal proceedings

#### Proceedings due to failure to perform obligation to maintain stocks of fuel

On 17 September 2008 and 29 May 2009, the URE President initiate proceedings due to impose a pecuniary penalty on the ZE PAK SA Company due to failure to perform obligation to maintain stocks of fuel securing continuity of supplies of electricity and heat to recipients on 31 December 2007, 31 March 2008, 1 July 2008, 1 September 2008, 1 October 2008, 1 November 2008, 1 December 2008, 1 January 2009, 1 February 2009, and 01 March 2009.

On the basis of the decision of the President of the Energy Regulatory Office of 28 December 2010, ZE PAK SA was imposed the pecuniary penalty due to failure to perform obligation to maintain stocks of fuel in the quantity securing continuity of supplies of electricity and heat to recipients in 2008 and 2009 in the amount of PLN 1,500 thousand. The Company redeemed the provision to pay the penalty in full. On 17 January 2011, the Company appealed against the URE President before the Regional Court of Warsaw – SOKiK.

On 30 January 2014, the SOKiK decided about a dismissal of the company's appeal against the URE President's decision. After getting acquainted with the justification to the SOKiK's judgment, on 30 April 2014, the Company appealed before the Court of Appeal of Warsaw.

On 13 May 2015, the Court of Appeal in Warsaw dismissed the Company's appeal against the judgement of the Court for Protection of Competition and Consumers ("SOKiK") of 30 January 2014, which resulted in upholding the decision of the President of ERO. The Company expects delivery of the judgement of the Court of Appeal with justification, and upon analysis, it will make a decision concerning a cassation appeal filing to the Supreme Court.

#### Proceedings in case of the excise tax excess payment

In light of the regulations mandatory within the European Union, especially regulations of Article 21 paragraph 5 of the Energy Directive, in relation to Article 6 paragraph 1 of the Horizontal Directive, after 1 January 2006, the object of excise tax is sale of energy at the last stage of trade, i.e. sale by the distributor to the final recipient (consumer). Taxation with this tax does not cover an earlier stage of trade, e.g. between the producer of electricity and its distributor. In this case, the tax obligation arises at the time of supply of electricity to the consumer.

Due to the above fact, pursuant to Article 75 § 1, in relation to Article 75 § 2 of the Act of 29 August 1997 – Tax Ordinance (Polish Journal of Laws of 1997; Dz. U. no. 137, item 926 as amended), ZE PAK S.A. submitted applications for stating overpayment of the excise tax for 2006, 2007, 2008 as well as January and February 2009 for the total amount of PLN 626,000 thousand, with the justification that pursuant to the regulations of the EU law and the judicial decisions of the Provincial Administrative Courts, the activities executed by ZE PAK S.A. are not subject to excise tax. Particular applications were recognised at the following levels: Customs Office in Kalisz, Customs Chamber in Poznań and currently the Provincial Administrative Court in Poznań as well as the Supreme Administrative Court.

In relation to the decisions of the Administrative Courts in the cases of other energy companies regarding the overpaid excise tax, ZE PAK S.A., in cooperation with a tax advisor, analysed the resolution I GPS 1/11 of the Supreme Administrative Court of 22 June 2011 where the Supreme Administrative Court recognised that the pass-through of tax to the price excludes the possibility of refunding the excess payment. The justification of the resolution allows for the assumption of the risk that tax authorities will dismiss any claims regarding the refunding of overpayments indicating that the tax proceeding is not appropriate for such type of claims. In such case, it is possible to seek them under civil law, as a result of which expiration (on the grounds of civil law this

term is 3 years) becomes a significant issue. In relation to the above fact, on 10 February 2012, ZE PAK S.A. submitted to the District Court of Warszawa Śródmieście a summons for the State Treasury for a conciliatory hearing for the amount of approx. PLN 626,460 thousand and thus stopped the statute of limitation. The conciliatory settlement was not reached since during the hearing of 16 April 2012, case ref. no. VI Co 311/12, the representatives of the Treasury did not agree to settle. Simultaneously, on 14 September 2012, while waiting for the results of the tax proceedings regarding the previously submitted applications for excess payment, the Company submitted in writing, to the Customs Chamber in Poznań, additional explanations in the form of results of a detailed economic study, the purpose of which was to demonstrate whether the Company suffered a loss related to the payment of the excise tax, to which it was not obligated. The Company is of the opinion that the submitted document also applies to other overpayment applications from the entire period embraced by the proceedings, i.e. between January 2006 and February 2009. Ultimately, all applications were included in the cause lists of the Provincial Administrative Court (WSA) and the Supreme Administrative Court (NSA). As of the date of development of this statement, the status of the proceeding is as follows:

- Twenty two cases for the period of January 2006 - November 2007 (excluding November 2006) are conducted from the start by the Head of the Customs Office, after they were returned from the Supreme Administrative Court. We included monthly economic analyses of punitive damage. On 18 August 2014, the Company received twenty two decisions of the Head of the Customs Office dismiss the statement of overpayment. On 1 September this year, the Company submitted 22 appeals against decisions of the Head of the Customs Office to Head of the Customs Chamber, and currently, after the negative decision of the Head of the Customs Office, complaints have been filed and we are waiting for the setting date of the hearing before the Provincial Administrative Court in Poznań,

- 14 proceedings for the period of December 2007 - February 2009 (excluding July 2008) is suspended in the Provincial Administrative Court. These proceedings also included economic analysis,

- the proceeding for November 2006 was concluded with a negative result in the Supreme Administrative Court of 8 December 2011

- the proceeding for July 2008 has reached the recognition of our cassation appeal by the Supreme Administrative Court. Unfortunately, at the hearing of 29 April 2015, the Supreme Administrative Court dismissed the Company's cassation appeal and pointed out that it fully agrees with the Provincial Administrative Court of Poznań in the judgement, against which the cassation appeal was submitted.

The Company will make further actions depending on the provisions of the issued decisions.

On 1 March 2009, the Act of 6 December 2008 on excise tax came into effect and pursuant to which sale of electric energy to an entity, which is not its final recipient is not subject to excise tax.

# The proceeding due to the Company's failure to perform obligation of sales of electricity on commodity

exchanges

The proceeding due to impose a pecuniary penalty on the ZE PAK SA Company due to failure to disclose irregularities based on failure to perform obligations specified in Article 49a paragraph 1 of the Act – Energy Law, that is obligation to sale electricity produced in the period between 01 January 2011 and 31 December 2011 on commodity exchanges.

On 30 June 2014, the President of the Energy Regulatory Office ("the URE President") issued a decision, in which he concluded that the Company failed to perform obligation specified in Article 49a paragraph 1 of the Act – Energy Law that is obligation to sale electricity produced in the period between 01 January 2011 and 31 December 2011 on commodity exchanges and imposed the pecuniary penalty on the Company in the amount of PLN 204,250.

On 21 July 2014, the Company appealed against the URE President before the Regional Court of Warsaw – the Court for Protection of Competition and Consumers.

On 31 December 2014, the URE President, after consideration of the Company's appeal, issued a decision, in which he changed the appealed decision reducing the pecuniary penalty to PLN 10.000 thousand.

On 23 January 2015, the Company paid the pecuniary penalty in the reduced amount and did not appeal against the decision.

The case is completed.

## r) Other agreements not recognised in the balance sheet

As of 30 June 2015 and of 31 December 2014, the Company possessed no significant agreements, which were not recognised in the balance sheet.

## 7. Structure of revenues and costs, corporate income tax

### a) Material and territorial structure of product, goods and services sales revenues.

| N                   | IET PRODUCT SALES REVENUES (MATERIAL STRUCTURE-TYPES | In PLN ti  | nousand    |
|---------------------|--|------------|------------|
| 0                   | OF ACTIVITIES)                                       | 30-06-2015 | 30-06-2014 |
| -                   | Electricity  | 622 525    | 640 598    |
| -                   | Certificates of origin of energy                     | 27 395     | 34 546     |
| 1                   | Heat energy  | 33 192     | 30 856     |
| I                   | Services   | 59 597     | 58 533     |
| -                   | Goods and materials                                  | 55 807     | 41 140     |
| Total sales revenue |  | 798 516    | 805 673    |
| -                   | Including: from related entities                     | 269 112    | 265 242    |

# b) Information on operations discontinued in the accounting year or to be discontinued in the next year

Zespół Elektrowni Pątnów Adamów Konin S.A. has not discontinued any operations during the accounting year concluded on 30 June 2015.

## c) Other operating revenues

|    |  | In PLN thou | sand       |
|----|--|-------------|------------|
| от | HER OPERATING REVENUES                   | 30-06-2015  | 30-06-2014 |
| a) | Reversal of the provision (including)    | 295         | 0          |
| -  | Provision for employee benefits          |             |            |
| -  | Impairment on fixed assets               |             |            |
| -  | Provision for property liquidation       |             |            |
| -  | Reclamation provision                    | 295         |            |
| -  | Impairment on materials                  |             |            |
| -  | "Violet" certificates of origin          |             |            |
| b) | Other, including:                        | 745         | 3 629      |
| -  | Grants                                   | 166         | 259        |
| -  | Penalties                                |             |            |
| -  | Compensations from the insurance company | 430         | 981        |
| -  | Surpluses                                |             |            |
| -  | Impairment on receivables                | 1           | 1          |
| -  | Profit on sale of non-financial assets   | 96          | 39         |
| -  | Return of litigation costs               | 1           |            |
| -  | Other                                    | 51          | 2 349      |
| To | tal other operating revenues             | 1 040       | 3 629      |

# d) Other operating costs

|    |  | In PLN thousand |            |
|----|--|-----------------|------------|
| 01 | HER OPERATING COSTS                                      | 30-06-2015      | 30-06-2014 |
| a) | Creation of provision (on)                               | 443             | 2 850      |
| -  | Liquidation of assets                                    | 443             |            |
| -  | Losses and costs   |                 | 2 850      |
| b) | other, including:  | 44 934          | 5 320      |
| -  | Loss on sale of non-financial assets                     |                 |            |
| -  | Failure of power equipment                               | 90              |            |
| -  | Donations  | 206             |            |
| -  | Cost of proceedings                                      | 647             |            |
| -  | Write-off in certificates of origin "green certificates" |                 | 4 398      |
| -  | Energy equivalent for pensioners                         | 2               |            |
| -  | Update of certificates of origin "green certificates"    | 43 753          |            |
| -  | Update of certificates of origin "red certificates"      | 7               |            |
| -  | Penalties  |                 | 206        |
| -  | Other  | 229             | 716        |
| To | tal other operating costs                                | 45 377          | 8 170      |

# e) Financial income

| EIN  | IANCIAL INCOME FROM DIVIDENDS AND SHARES IN PROFITS       | In PLN thousand |            |
|------|---|-----------------|------------|
| FIIN | IANCIAL INCOME FROM DIVIDENDS AND SHARES IN PROFILS       | 30-06-2015      | 30-06-2014 |
| a)   | From related entities, including:                         | 42 898          | 128 796    |
| -    | Subsidiaries  | 42 898          | 128 695    |
| -    | Jointly-controlled entities                               |                 |            |
| -    | Affiliates  |                 |            |
| -    | Significant shareholder                                   |                 |            |
| -    | Shareholder of jointly-controlled entity                  |                 |            |
| -    | Parent company  |                 |            |
| b)   | Other entities  | 49              | 101        |
| Tot  | tal financial income from dividends and shares in profits | 42 947          | 128 796    |

|    |  | In PLN thous | and        |
|----|--|--------------|------------|
|    | FINANCIAL INCOME FROM INTEREST           | 30-06-2015   | 30-06-2014 |
| a) | From granted loans to                    | 601          | 833        |
| -  | Related entities, including:             | 601          | 833        |
| -  | Subsidiaries                             | 601          | 833        |
| -  | Jointly-controlled entities              |              |            |
| -  | Affiliates                               |              |            |
| -  | Significant shareholder                  |              |            |
| -  | Shareholder of jointly-controlled entity |              |            |
| -  | Parent company                           |              |            |
| -  | Other entities                           |              |            |
| b) | Other interest                           | 589          | 825        |
| -  | Related entities, including:             |              |            |
| -  | Subsidiaries                             | 65           |            |
| -  | Jointly-controlled entities              |              |            |
| -  | Affiliates                               |              |            |
| -  | Significant shareholder                  |              |            |
| -  | Shareholder of jointly-controlled entity |              |            |
| -  | Parent company                           |              |            |
| -  | Other entities                           | 524          | 825        |
| То | tal financial income from interest       | 1 190        | 1 658      |

|     |                                | In PLN th  | ousand     |
|-----|--------------------------------|------------|------------|
|     | OTHER FINANCIAL INCOME         | 30-06-2015 | 30-06-2014 |
| a)  | Exchange gains                 | 0          | 0          |
| -   | Realized                       |            |            |
| -   | Unrealized                     |            |            |
| b)  | Consumed provisions (of which) | 3          | 2          |
| -   | Return of additional equity    |            |            |
| -   | Interest from overdue payments | 3          | 2          |
| c)  | Other, including:              | 8          | 325        |
| -   | Profit on sale of investment   |            |            |
| -   | Update of value of investment  |            | 325        |
| -   | Other                          | 8          |            |
| Tot | al other financial income      | 11         | 327        |

# f) Financial costs

| -   |  | In PLN thou | sand       |
|-----|--|-------------|------------|
| FIN | ANCIAL COSTS DUE TO INTEREST             | 30-06-2015  | 30-06-2014 |
| a)  | Credits and loans                        | 1 444       | 404        |
| -   | To related entities, including:          |             |            |
| -   | Subsidiaries                             |             |            |
| -   | Jointly-controlled entities              |             |            |
| -   | Affiliates                               |             |            |
| -   | Significant shareholder                  |             |            |
| -   | Shareholder of jointly-controlled entity |             |            |
| -   | Parent company                           |             |            |
| -   | Other entities                           | 1 444       | 404        |
| b)  | Other interest                           | 9           | 4          |
| -   | To related entities, including:          |             |            |
| -   | Subsidiaries                             |             |            |
| -   | Jointly-controlled entities              |             |            |
| -   | Affiliates                               |             |            |
| -   | Significant shareholder                  |             |            |
| -   | Shareholder of jointly-controlled entity |             |            |
| -   | Parent company                           |             |            |
| -   | Other entities                           | 9           | 4          |
| To  | al financial costs due to interest       | 1 453       | 408        |

| OTHER FINANCIAL COSTS |   | In PLN tho | usand      |
|-----------------------|---|------------|------------|
| 01                    | HER FINANCIAL COSTS                         | 30-06-2015 | 30-06-2014 |
| a)                    | Exchange losses, including:                 | 1 909      | 443        |
| -                     | Realized                                    | 1 442      | 414        |
| -                     | Unrealized                                  | 467        | 29         |
| b)                    | Creation of provision (of)                  | 208        | 352        |
| -                     | Discount provision for property liquidation | 208        | 352        |
| c)                    | Other, including:                           | 1 845      | 0          |
| -                     | Impairment in receivables                   |            |            |
| -                     | Update of investment value                  | 1 385      |            |
| -                     | Other                                       | 460        |            |
| То                    | tal other financial costs                   | 3 962      | 795        |

# g) Corporate income tax - current

| ~~~ |   | In PLN thous | sand       |
|-----|---|--------------|------------|
| 00  | RPORATE INCOME TAX CURRANT  | 30-06-2015   | 30-06-2014 |
| 1.  | Gross Profit (loss)   | -6 561       | 170 263    |
| -   | Costs and losses permanently not recognised by the tax laws for the acquisition costs (+) | 1 278        | 1 291      |
| -   | Costs and losses temporarily not recognised by the tax laws for the acquisition costs (+) | 163 941      | 83 259     |
| -   | Revenues not included in the tax base (-)   | 76 115       | 161 451    |
| -   | Tax revenues unrecognised in the result of the financial year (+)                         | 0            | 4 931      |
| -   | Other changes in the tax base provided in the tax regulations                             | -141 615     | - 92 337   |
| 4.  | Income tax base   | -59 072      | 5 956      |
|     | - gifts   |              | 10         |
| 5.  | Income tax base   |              | 5 946      |
| 6.  | Income tax  | 0            | 1 130      |
| 7.  | Tax increases, foregones, exemptions, deductions and reductions                           | 9            | 9          |
| 8.  | Adjustment for the previous years   |              | - 145      |
| 8.  | Current income tax, including:  | 9            | 994        |
| -   | showed in the income statement  | 9            | 994        |
| -   | relating to items that increased or decreased the equity                                  |              |            |
| -   | relating to items that decreased or increased goodwill or negative goodwill               |              |            |

| DEFERRED INCOME TAX SHOWED IN THE INCOME STATEMENT |  | In PLN th  | nousand    |
|--|--|------------|------------|
| U  | EFERRED INCOME TAX SHOWED IN THE INCOME STATEMENT  | 30-06-2015 | 30-06-2014 |
| -  | decrease (increase) due to generation and reversal of temporary differences  | -9 192     | 7 315      |
| -  | decrease (increase) due to a change in tax rates   |            |            |
| -  | decrease (increase) due to the previously unrecognised tax loss, tax relief, or temporary difference of the previous period              |            |            |
| -  | decrease (increase) due to the write-off of the deferred income tax assets or inability to use the provision for the deferred income tax |            |            |
| -  | other deferred tax components (by title)   |            |            |
| -  |  |            |            |
| Т  | otal deferred income tax   | -9 192     | 7 315      |

## h) The asset and deferred tax provision

#### As of 30.06.2015

| No. | Subject   | Assets | Provision |
|-----|---|--------|-----------|
| 1)  | costs and losses, which will reduce or increase the tax base in the future, including:            |        |           |
|     | - annual bonus  | 1 584  |           |
|     | provision for audit costs   | 0      |           |
|     | provision for anniversary premiums, the energy equivalent, retirement benefits, survival benefits | 2 212  |           |
|     | provision for leave   | 615    |           |
|     | accrued interest on credits and loans   | 30     |           |
|     | provision for materials   | 728    |           |
|     | RMB green certificates  | 54     |           |
|     | RMB red certificates  | 9      |           |
|     | RMB white energy  | 0      |           |
|     | RMB purple certificates   | 3      |           |
|     | RMB yellow certificates   | 22     |           |
|     | provision for liquidation of assets   | 2 659  |           |
|     | incurred costs of the liquidation of SMT El. Pątnów   |        |           |
|     | provision for financial assets  | 2 220  |           |
|     | provision for receivables   | 4 951  |           |
|     | tax and balance sheet depreciation of fixed assets  |        | 62 437    |
|     | valuation of the cash and foreign exchange account, settlements                                   | 1      |           |
|     | social security contributions (ZUS) from remuneration   | 511    |           |
|     | unpaid remuneration – contracts of mandate  | 16     |           |
|     | costs related to the future sale of assets  | 3      |           |
|     | provision for reclamation   | 444    |           |
|     | The tax and balance sheet subsidy of fixed assets in the sale-and-leaseback.                      | 226    |           |
|     | provision of CO2 emission allowances  | 23 368 |           |
|     | purchased EUAs, CERs, ERUs  |        | 36 856    |
|     | tax loss for current period   | 9 277  |           |
|     | tax loss for this year  | 11 224 |           |
| 2)  | the revenues, which will increase the tax base in the future                                      |        |           |
|     | accrued interest on the granted loan, deposits  |        | 171       |
|     | loan valuation  |        | 932       |
|     | green and red certificates in stock   |        | 22 344    |
|     | paid commission on the credit settled in time   |        | 87        |
|     | valuation of the cash and foreign exchange account, settlements                                   |        | 15        |
|     | TOTAL:  | 60 157 | 122 842   |
|     | The presented amount, deferred income tax   |        | 62 685    |

### As of 31.12.2014

| No. | Subject   | Assets | Provision |
|-----|---|--------|-----------|
| 1)  | costs and losses, which will reduce or increase the tax base in the future, including:            |        |           |
|     | - annual bonus  | 2 646  |           |
|     | provision for audit costs   | 23     |           |
|     | provision for anniversary premiums, the energy equivalent, retirement benefits, survival benefits | 5 192  |           |
|     | provision for leave   | 333    |           |
|     | accrued interest on credits and loans   | 24     |           |
|     | provision for materials   | 728    |           |
|     | RMB green certificates  | 162    |           |
|     | RMB red certificates  | 13     |           |
|     | RMB white energy  | 53     |           |
|     | RMB purple certificates   | 6      |           |
|     | RMB yellow certificates   | 23     |           |
|     | provision for liquidation of assets   | 2 536  |           |
|     | incurred costs of the liquidation of SMT El. Pątnów   |        |           |
|     | provision for financial assets  | 2 220  |           |
|     | provision for receivables   | 4 951  |           |
|     | tax and balance sheet depreciation of fixed assets  |        | 60 176    |
|     | impairment write-down of the fixed assets   |        |           |
|     | valuation of the cash and foreign exchange account, settlements                                   |        |           |
|     | social security contributions (ZUS) from remuneration   | 516    |           |
|     | unpaid remuneration – contracts of mandate  | 17     |           |
|     | costs related to the future sale of assets  | 3      |           |
|     | provision for reclamation   | 499    |           |
|     | The tax and balance sheet subsidy of fixed assets in the sale-and-leaseback.                      | 238    |           |
|     | Accrued write-off for MFŚS  |        |           |
|     | the Elektrim Megadex contractual penalty  | 420    |           |
|     | provision of CO2 emission allowances  | 23 186 |           |
|     | purchased EUAs, CERs, ERUs  |        | 37 282    |
|     | tax loss for 2013.  | 134    |           |
|     | tax loss for this year  | 9 142  |           |
| 2)  | the revenues, which will increase the tax base in the future                                      |        |           |
|     | accrued interest on the granted loan, deposits  |        | 84        |
|     | loan valuation  |        | 1 196     |
|     | green and red certificates in stock   |        | 25 787    |
|     | accrued compensation for property damages   |        | 228       |
|     | paid commission on the credit settled in time   |        | 87        |
|     | valuation of the cash and foreign exchange account, settlements                                   |        | 103       |
|     | TOTAL:  | 53 065 | 124 943   |
|     | The presented amount, deferred income tax   |        | 71 878    |

### As of 30.06.2014 (unaudited)

| No. | Subject   | Assets | Provision |
|-----|---|--------|-----------|
| 1)  | costs and losses, which will reduce or increase the tax base in the future, including:            |        |           |
|     | annual bonus  | 1 488  |           |
|     | provision for audit costs   |        |           |
|     | provision for anniversary premiums, the energy equivalent, retirement benefits, survival benefits | 17 629 |           |
|     | provision for leave   | 618    |           |
|     | accrued interest on credits and loans   | 62     |           |
|     | provision for materials   | 741    |           |
|     | RMB green certificates  | 97     |           |
|     | RMB red certificates  |        |           |
|     | RMB white energy  |        |           |
|     | RMB purple certificates   | 3      |           |
|     | provision for liquidation of assets   | 2 917  |           |
|     | incurred costs of the liquidation of SMT El. Pątnów   |        |           |
|     | provision for financial assets  | 2 220  |           |
|     | provision for receivables   | 4 951  |           |
|     | tax and balance sheet depreciation of fixed assets  |        | 59 825    |
|     | impairment write-down of the fixed assets -   |        |           |
|     | valuation of the cash and foreign exchange account, settlements                                   | 23     |           |
|     | social security contributions (ZUS) from remuneration   | 447    |           |
|     | unpaid remuneration – contracts of mandate  | 13     |           |
|     | costs related to the future sale of assets  | 3      |           |
|     | provision for reclamation   | 531    |           |
|     | the tax and balance sheet subsidy of fixed assets in the sale-and-leaseback.                      | 240    |           |
|     | Accrued write-off for MFŚS  |        |           |
|     | the Elektrim Megadex contractual penalty  | 937    |           |
|     | provision of CO2 emission allowances  | 11 553 |           |
|     | purchased EUAs, CERs, ERUs  |        | 18 989    |
|     | tax loss for 2013.  | 172    |           |
| 2)  | the revenues, which will increase the tax base in the future                                      |        |           |
|     | accrued interest on the granted loan, deposits  |        | 257       |
|     | loan valuation  |        | 936       |
|     | green and red certificates in stock   |        | 25 028    |
|     | accrued RAFAKO contractual penalty  |        |           |
|     | valuation of the cash and foreign exchange account, settlements                                   |        |           |
|     | TOTAL:  | 44 645 | 105 035   |
|     | The presented amount, deferred income tax   |        | 60 390    |

## i) Cost data by type

|     |   | In PLN t   | housand    |
|-----|---|------------|------------|
|     | COST BY TYPE  | 30-06-2015 | 30-06-2014 |
| a)  | depreciation  | 41 743     | 47 061     |
| b)  | materials and energy consumption                                    | 392 900    | 406 838    |
| c)  | external services   | 85 077     | 91 993     |
| d)  | taxes and charges   | 137 475    | 78 048     |
| e)  | remuneration  | 67 818     | 50 496     |
| f)  | social security and other benefits                                  | 16 627     | 16 478     |
| g)  | other costs by type (for)   | 5 964      | 9 128      |
| То  | tal costs by type   | 747 604    | 700 042    |
| cha | ange in inventories, products and prepayments                       | 2 208      | 21 748     |
|     | e cost of manufacturing products for the own needs (negative<br>ue) | -79        | -195       |
| Со  | sts of sales (negative value)                                       | -1 341     | -1 569     |
| Ov  | erheads (negative value)  | -16 860    | -19 243    |
| Со  | st of manufacturing the sold products                               | 731 532    | 700 783    |

## j) Information on extraordinary profits and losses

During the financial period, extraordinary profits or losses did not occur.

## k) Explanatory notes to the cash flow statement

| Liabilities in PLN thousand                                      | 30-06-2015 | 30-06-2014 |
|--|------------|------------|
| The balance sheet change in long-term and short-term liabilities | 151 611    | 83 820     |
| Change in credits as well as long-term and short-term loans      | -196 466   | -99 895    |
| Change in lease liabilities                                      | -419       | 15         |
| Change in liabilities due to dividend                            | -60 988    | -34 560    |
| Change in liabilities due to the construction in accumulation    | 41 620     | -2 049     |
| Change in liabilities in the cash flows statement                | -64 642    | -52 669    |

| Liabilities in PLN thousand                      | 30-06-2015 | 30-06-2014 |
|--|------------|------------|
| The balance sheet change in provisions           | -24 064    | -53 485    |
| Provision due to the redemption of CERs          | 119 343    | 128 066    |
| Change in provisions in the cash flows statement | 95 279     | 74 581     |

| Investment activity   | 30-06-2015 | 30-06-2014 |
|---|------------|------------|
| Profit/loss on disposal of non-financial fixed assets             | -96        | -39        |
| Profit/loss on disposal of investments                            | 312        |            |
| Investment abandonment  |            |            |
| Disclosure of fixed assets  |            |            |
| Revaluation of fixed assets                                       |            |            |
| Payment return to the capital                                     |            |            |
| Profit (loss) on investment activities in the cash flow statement | 216        | -39        |

| Receivables in PLN thousand                      | 30-06-2015 | 30-06-2014 |
|--|------------|------------|
| Change in balance of receivables                 | 7 623      | -1 491     |
| Receivables due to dividends                     | 15 434     | 4 565      |
| Change in balance of receivables in CF Statement | 23 057     | 3 074      |

| Accruals and provisions in PLN thousand           | 30-06-2015 | 30-06-2014 |
|---|------------|------------|
| Change in balance of long-term provisions         | 1 222      | -3 430     |
| Change in balance of short-term provisions        | -1 752     | -4 049     |
| Change in balance of accruals                     | 17 476     | 19 131     |
| Cost of financing for activation                  | 71         | 3 557      |
| Change in accruals and provisions in CF Statement | 17 017     | 15 209     |

# 8. Transactions with related Companies that are not recognised by the consolidated financial statement.

### 6 months period ended 30 June 2015

| Entity                       | Sale | Purchase | Receivables | Liabilities |
|------------------------------|------|----------|-------------|-------------|
| Elektrim S.A.                |      |          |             |             |
| PAI MEDIA S.A.               |      |          |             |             |
| Elektrim Magadex S.A.        |      |          |             |             |
| Megadex Serwis Sp. z o.o.    | 7    | 57 437   | 742         | 12 838      |
| Energia-Nova S.A.            |      |          |             |             |
| Polkomtel sp. z o.o.         | 43   | 562      | 15          | 709         |
| Centernet S.A.               |      |          |             |             |
| WKS Śląsk Wrocław S.A.       |      |          |             |             |
| Laris Investments sp. z o.o. |      | 101      |             | 21          |
| Total                        | 49   | 58 100   | 757         | 13 568      |

#### 6 months period ended 30 June 2014

| Entity                       | Sale | Purchase | Receivables | Liabilities |
|------------------------------|------|----------|-------------|-------------|
| Elektrim S.A.                |      |          |             |             |
| PAI MEDIA S.A.               |      |          |             |             |
| Elektrim Magadex S.A.        |      |          |             |             |
| Megadex Serwis Sp. z o.o.    | 6    | 39 506   |             | 11 891      |
| Energia-Nova S.A.            |      |          |             |             |
| Polkomtel sp. z o.o.         | 42   | 84       | 9           | 19          |
| Centernet S.A.               |      |          |             |             |
| WKS Śląsk Wrocław S.A.       |      |          |             |             |
| Laris Investments sp. z o.o. |      | 102      |             |             |
| Total                        | 48   | 39 692   | 9           | 11 910      |

# 9. Transactions with the capital-related Companies that are recognised by the consolidated financial statement.

| 01-01-2015 -<br>30-06-2015                              | PAK Serwis<br>sp. z o.o. | El PAK<br>sp. z o.o. | Infranstruktura<br>sp. z o.o. | PAK-<br>Holdco<br>sp. z o.o. | Elektrownia<br>Pątnów II<br>sp. z o.o. | PAK Centrum<br>Usług<br>Informatycznych<br>sp. z o.o. w<br>likwidacji | PAK<br>Centrum<br>Badań<br>Jakości sp.<br>z o.o. w<br>likwidacji | PAK<br>Górnictwo<br>sp. z o.o. | Energoinwest<br>Serwis sp. z o.o. | PAK KWB<br>Konin S.A. | PAK KWB<br>Adamów<br>S.A. | PAK Volt<br>S.A. | EKO-<br>Surowce<br>sp. z o.o | EL PAK<br>Serwis sp.<br>z o.o. | AQUAKON<br>sp. z o.o. | Total   |
|---|--------------------------|----------------------|-------------------------------|------------------------------|--|---|--|--------------------------------|-----------------------------------|-----------------------|---------------------------|------------------|------------------------------|--------------------------------|-----------------------|---------|
| Purchase  | 43 144                   | 31 183               | 6 823                         |                              | 116                                    |   |  |                                | 1 734                             | 185 931               | 122 913                   | 2                | 1 057                        |                                | 121                   | 393 024 |
| Sale  | 3 555                    | 991                  | 7 853                         | 24                           | 44 233                                 |   |  | 80                             | 341                               | 2 114                 | 923                       | 208 239          | 226                          | 359                            | 123                   | 269 061 |
| Interest - financial costs                              |                          |                      |                               |                              |  |   |  |                                |                                   |                       |                           |                  |                              |                                |                       | 0       |
| Interest - financial income                             |                          |                      |                               |                              | 601                                    |   |  |                                |                                   | 65                    |                           |                  |                              |                                |                       | 666     |
| Received dividends and shares in profits                | 12 000                   |                      | 3 096                         |                              |  | 1 618   | -312   |                                |                                   |                       |                           | 10 800           |                              |                                |                       | 27 202  |
| Foreign exchange rate<br>differences - costs            |                          |                      |                               |                              | 1 385                                  |   |  |                                |                                   |                       |                           |                  |                              |                                |                       | 1 385   |
| Foreign exchange rate<br>differences - income           |                          |                      |                               |                              |  |   |  |                                |                                   |                       |                           |                  |                              |                                |                       | 0       |
| Receivables due to<br>deliveries, works and<br>services | 676                      | 211                  | 1 614                         |                              | 9 297                                  |   |  | 16                             | 120                               | 798                   | 328                       | 29 186           | 68                           | 60                             | 31                    | 42 405  |
| Liabilities due to<br>deliveries, works and<br>services | 18 801                   | 6 022                | 1 399                         |                              | 20                                     |   |  |                                | 834                               | 26 496                | 18 649                    | 200              | 268                          |                                | 28                    | 72 717  |
| Granted loans   |                          |                      |                               |                              | 92 106                                 |   |  |                                |                                   |                       |                           |                  |                              |                                |                       | 92 106  |
| Received loans  |                          |                      |                               |                              |  |   |  |                                |                                   |                       |                           |                  |                              |                                |                       | 0       |
| Other receivables                                       | 12 384                   | 3 000                |                               |                              |  |   |  |                                |                                   | 7 522                 |                           |                  |                              |                                |                       | 22 906  |
| Granted advance<br>payments                             |                          |                      |                               |                              |  |   |  |                                |                                   | 12 195                |                           |                  |                              |                                |                       | 12 195  |
| Other liabilities                                       | 3 065                    | 5 298                |                               |                              | 4                                      |   |  |                                |                                   |                       |                           |                  | 16                           |                                |                       | 8 383   |

| 01-01-2014 -<br>30-06-2014                              | PAK Serwis<br>sp. z o.o. | El PAK<br>sp. z o.o. | Infranstruktura<br>sp. z o.o. | PAK-<br>Holdco<br>sp. z o.o. | Elektrownia<br>Pątnów II<br>sp. z o.o. | PAK Centrum<br>Usług<br>Informatycznych<br>sp. z o.o. | PAK<br>Centrum<br>Badań<br>Jakości sp.<br>z o.o. | PAK<br>Górnictwo<br>sp. z o.o. | Energoinwest<br>Serwis sp. z o.o. | PAK KWB<br>Konin S.A. | PAK KWB<br>Adamów<br>S.A. | PAK Volt<br>S.A. | Total   |
|---|--------------------------|----------------------|-------------------------------|------------------------------|--|---|--|--------------------------------|-----------------------------------|-----------------------|---------------------------|------------------|---------|
| Purchase  | 45 496                   | 20 546               | 6 189                         |                              | 24                                     | 5 520   | 5 981  |                                | 918                               | 188 045               | 147 397                   |                  | 420 116 |
| Sale  | 3 737                    | 602                  | 6 928                         | 2                            | 47 743                                 | 398   | 370  | 65                             | 33                                | 325                   | 218                       | 204 739          | 265 160 |
| Interest - financial costs                              |                          |                      |                               |                              |  |   |  |                                |                                   |                       |                           |                  | 0       |
| Interest - financial income                             |                          |                      |                               |                              | 833                                    |   |  |                                |                                   |                       |                           |                  | 833     |
| Received dividends and shares in profits                |                          |                      |                               |                              |  |   |  |                                |                                   |                       |                           |                  | 0       |
| Foreign exchange rate<br>differences - costs            |                          |                      |                               |                              |  |   |  |                                |                                   |                       |                           |                  | 0       |
| Foreign exchange rate<br>differences - income           |                          |                      |                               |                              | 325                                    |   |  |                                |                                   |                       |                           |                  | 325     |
| Receivables due to deliveries, works and services       | 698                      | 128                  | 1 419                         |                              | 25 728                                 | 73  | 69   | 7                              | 17                                | 209                   | 135                       | 27 527           | 56 010  |
| Liabilities due to<br>deliveries, works and<br>services | 19 279                   | 9 731                | 1 269                         |                              | 14                                     | 50  | 1 728  |                                | 404                               | 21 250                | 19 989                    | 200              | 73 914  |
| Granted loans   |                          |                      |                               |                              | 106 810                                |   |  |                                |                                   |                       |                           |                  | 106 810 |
| Received loans  |                          |                      |                               |                              |  |   |  |                                |                                   |                       |                           |                  | 0       |
| Other receivables                                       |                          |                      |                               |                              |  |   |  |                                |                                   |                       |                           |                  | 0       |
| Granted advance<br>payments                             |                          |                      |                               |                              |  |   |  |                                |                                   | 1 485                 |                           |                  | 1 485   |
| Other liabilities                                       | 4 887                    | 3 224                |                               |                              |  | 4 334   | 1 414  |                                |                                   |                       |                           |                  | 13 859  |

## 10. CO2 allowances

Since 01 January 2013, the next reporting period of 2013 – 2020 concerning CO2 allowances has been applicable. This period's assumption is granting the Company the free EUA allowances resulting from the production of heat. Although, power engineering was additionally covered by the opportunity of derogation. Derogation resulting from Article 10c of the ETS Directive is based on granting additional free allowances, provided that declared investment expenses for investments reported to the National Investment Plan are paid.

In 26 September 2013, the Ministry of Economy, in consultation with the Ministry of Environment, submitted a list of installations producing electricity, which are covered by the EU ETS system with free allowances for carbon dioxide emissions in the reporting period 2013-2020. The presented list is consistent with the Polish Application on the transitional allocation of free allowances for the modernization of electricity generation based on Article 10c paragraph 5 of Directive 2003/87/EC of the European Parliament and of the Council (the so-called derogation application) that meets the requirements of the Commission Decision of 13 July 2012 C (2012) 4609.

The following table shows the obtainable quantities of free CO2 allowances for the installation of the Company generating electricity.

| Operator             | Installation<br>code according<br>to | 2013        | 2014        | 2015        | 2016        | 2017        | 2018        | 2019        | 2020*       |
|----------------------|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                      | KPRU III                             | (in tonnes) |
| Pątnów I Power Plant | PL-0021-05                           | 3 624 320   | 3 350 223   | 2 912 158   | 2 216 534   | 1 677 877   | 1 337 214   | 994 681     | 2 445       |
| Adamów Power Plant   | PL-0023-05                           | 2 176 736   | 2 010 426   | 1 748 088   | 1 334 657   | 1 014 045   | 810 985     | 607 774     | 22 270      |
| Konin Power Plant    | PL-0022-05                           | 1 300 056   | 1 194 104   | 1 035 587   | 793 852     | 604 769     | 482 922     | 363 442     | 30 999      |
| Total                |                                      | 7 101 112   | 6 554 753   | 5 695 833   | 4 345 043   | 3 296 691   | 2 631 121   | 1 965 897   | 55 714      |

\*In 2020, the complete liquidation of free allocation of CO2 allowances, granted under the derogation for electricity generators, will take place. As a result, in 2020, the Group will be entitled only to significantly lower limits of free allowances granted in connection with the heat production.

Granting of free CO2 emission allowances for the 2013 - 2020 period, in accordance with Article 10c of the ETS Directive, is conditioned by the fulfilment by an entity receiving emission allowances, a certain level of investment expenses, which were reported to the National Investment Plan (KPI), attached to the derogation application.

On 03 April 2014, the resolution of the Council of Ministers of 31 March 2014 on the list of systems other than producing electricity included in the system of greenhouse gases allowances trade in the reporting period commencing on 1 January 2013 and the number of allowances granted to them was issued. Thus, on 8 April this year, ZE PAK obtained free CO2 allowances for 2013 and 2014 resulting from the production of the electricity in the number of 312,468 EUAs.

Then, on 10 April 2014, the resolution of the Council of Ministers of 8 April 2014 on the list of systems producing electricity included in the system of greenhouse gases allowances trade in the reporting period commencing on 1 January 2013 and the number of allowances granted to them was issued. As a result, on 12 April this year, The Company obtained free CO2 allowances resulting from Article 10c (derogations) in the number of 1,682,800 EUAs.

After introduction of opportunity to exchange ERUs and CERs for equivalent EUAs into the EU ETS register, on 31 March this year, the Company exchanged ERUs into EUAs in the number of c. 0.44 million, remaining CERs in the number about 0.15 million for exchange into EUAs later.

On 14 April 2014, the allowances in the number of 10,596,756 tonnes for 2013 were redeemed.

In the four-quarter period of 2014, the Company purchased nearly 7.2 million EUAs (of which 2.9 million EUAs for 2015) and 0.29 million ERUs. Purchasing ERUs, the Company used the opportunity to purchase 11% EUAs in order to exchange them for cheaper CERs or ERUs (10% from the 2008-2012 period, and 1% from the 2013-2020 period) and, in the same time, finished exchange of EUA/CER units or ERUs in the 2013-2020 period.

In September 2014, the Company submitted the material and financial statement for the period between 01 July 2013 and 30 June 2014 on realisation of investment expenses incurred for tasks reported to the National Investment Plan and, at the same time, applied for 2,241,959 free EUAs.

In December 2014, the Company exchanged 0.15 million CERs (146,070 CERs) for EUAs.

After these operations as of 1 January 2015 balance of EUA account of the Company was equal to 10,7 million EUA.

In the I half of 2015 PAK purchased 3 994 000 EUA's. At the same time in April 2015 ZE PAK received "free" allocation of EUA's according to Art. 10 c in amount of 2 241 959 EUA (according to resolution of RM as of 13 April 2015 changing the resolution of RM as of 8 April 2014), which ware used to for redemption 2014 r. and 121 398 EUA free allowances according to Article 10a. (according to resolution of RM as of 10 April 2015 changing resolution of RM as of 31 March 2014), which are to be used in 2016 for redemption of 2015. At the end of April 2015 ZE PAK redeemed 10 085 564 EUA's as coverage of 2014 emissions. According to mentioned above balance of EUA as of 30.06 2015 is 6 969 205 EUA.

## 11. Dividend payment

On 29 June 2015 Ordinary General Meeting of the ZE PAK S.A. adopted a resolution No. 5 on distribution of net profit for the financial year 2014 in amount of PLN 204 642 thousand in presented below manner:

a) amount equal to PLN 60 988 thousand was allocated for dividend payment,

b) amount equal to PLN 143 654 thousand was allocated for supplementary capital of the Company.

Day of the dividend is placed on 28 September 2015, and day of the dividend payment is placed on 14 October 2015.

## 12. Consolidated financial statement

The ZE PAK SA Capital Group, where the Company is the parent company, will draw up the consolidated financial statement for 30 June 2015, including statements of the following companies:

| Item | Name  | Registered<br>office | Activity profile   | Commitment  |
|------|---|----------------------|--|---|
| 1.   | PAK SERWIS sp. z o.o.                                       | Konin                | construction and installation services and repair                    | 100% of shares  |
| 2.   | EL PAK sp. z o.o.   | Konin                | repair services of electrical devices and automation                 | 100% of shares  |
| 3.   | PAK GÓRNICTWO sp. z o.o.                                    | Konin                | coal extraction  | 100% of shares, 9% of which held<br>the indirect share through PAK<br>Centrum Badań Jakości |
| 4.   | "Elektrownia Pątnów II" sp. z o.o.                          | Konin                | construction of the 464 MW<br>power unit                             | 100% of shares<br>the indirect share through PAK<br>HOLDCO                                  |
| 5.   | PAK HOLDCO sp. z o.o.                                       | Konin                | exercising the rights of the held<br>shares of Elektrownia Pątnów II | 100% of shares  |
| 6.   | PAK INFRASTRUKTURA sp. z o.o.                               | Konin                | services of the energy installations management                      | 100% of shares  |
| 7.   | ENERGOINWEST SERWIS sp. z o.o.                              | Konin                | construction and installation<br>services and repair                 | 100% of shares of PAK SERWIS  |
| 8.   | CENTRUM USŁUG<br>INFORMATYCZNYCH sp. z o.o. w<br>likwidacji | Konin                | comprehensive IT services  | 100 % shares, Liquidation of the company in I half of 2015                                  |
| 9    | PAK Centrum Badań<br>Jakości sp. z o.o. w likwidacji        | Konin                | tests, measurement and chemical<br>analyses                          | 100 % shares, Liquidation of the company in I half of 2015                                  |
| 10.  | PAK KWB KONIN S.A.  | Kleczew              | coal extraction  | 94,10 % shares  |
| 11.  | PAK KWB ADAMÓW  | Adamów               | coal extraction  | 98,15 % shares  |
| 12.  | PAK VOLT S.A.   | Warszawa             | electricity sales  | 100% shares   |
| 13.  | Aquakon sp. z o.o.  | Sompolno             | Production and trade of mineral waters                               | 90,53 % shares<br>The indirect share through PAK<br>KWB Konin                               |
| 14.  | EKO-Surowce sp. z o.o.                                      | Kleczew              | Railway transport of lignite , sale of lignite                       | 94,10 % shares<br>The indirect share through PAK<br>KWB Konin                               |
| 15.  | EL PAK Serwis sp. z o.o.                                    | Konin                | repair services of electrical devices<br>and automation              | 100 % shares EL PAK   |

Konin, 31 August 2015

The Management Board of Zespołu Elektrowni Pątnów – Adamów-Konin SA

Prepared by

# ZESPÓŁ ELEKTROWNI PĄTNÓW-ADAMÓW-KONIN S.A.

# MANAGEMENT BOARD'S REPORT ON ZE PAK S.A. OPERATIONS FOR THE I HALF OF 2015

*This is a translation of the document issued originally in Polish language. The Polish original should be referred to in matters of interpretation.* 

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# 1. SELECTED FINANCIAL DATA

|  | PLN thousand                     | PLN thousand                     | EUR thousand     | EUR thousand     |
|--|----------------------------------|----------------------------------|------------------|------------------|
|  | 6 months of 2015                 | 6 months of 2014                 | 6 months of 2015 | 6 months of 2014 |
|  | period                           | period                           | period           | period           |
|  | from 01.01.2015<br>to 30.06.2015 | from 01.01.2014<br>to 30.06.2014 | from 01.01.2015  | from 01.01.2014  |
|  | 10 30.00.2013                    | 10 30.00.2014                    | to 30.06.2015    | to 30.06.2014    |
| Net sales revenue from sale of products, goods and materials | 798 516                          | 805 673                          | 193 154          | 192 819          |
| Profit/Loss from operational activities                      | (45 294)                         | 40 685                           | (10 956)         | 9 737            |
| Gross Profit/Loss  | (6 561)                          | 170 263                          | (1 587)          | 40 748           |
| Net Profit/Loss  | 2 622                            | 161 954                          | 634              | 38 760           |
| Net cash flow from operational                               |                                  |                                  |                  |                  |
| activities   | (48 359)                         | 29 648                           | (11 698)         | 7 096            |
| Net cash flow from investing                                 |                                  |                                  |                  |                  |
| activities   | (218 377)                        | (96 149)                         | (52 823)         | (23 011)         |
| Net cash flow from financing                                 | 100.660                          | 05.042                           | 15.055           | 22.0.42          |
| activities   | 189 662                          | 95 943                           | 45 877           | 22 962           |
| Net cash flow  | (77 074)                         | 29 442                           | (18 643)         | 7 046            |
| Profit per share<br>(in PLN/EUR per share)                   | 0,05                             | 3,19                             | 0,01             | 0,76             |
| Average weighted number of                                   |                                  |                                  |                  |                  |
| shares   | 50 823 547                       | 50 823 547                       | 50 823 547       | 50 823 547       |
|  |                                  |                                  |                  |                  |
|  | PLN thousand                     | PLN thousand                     | EUR thousand     | EUR thousand     |
|  | as of                            | as of                            | as of            | as of            |
|  | 30.06.2015                       | 31.12.2014                       | 30.06.2015       | 31.12.2014       |
| Total assets   | 4 037 354                        | 3 950 698                        | 962 558          | 926 893          |
| Non-current assets   | 3 586 924                        | 3 430 881                        | 855 170          | 804 937          |
| Current assets   | 450 430                          | 519 817                          | 107 388          | 121 957          |
| Total equity   | 2 937 594                        | 2 995 960                        | 700 361          | 702 897          |
| Share capital  | 101 647                          | 101 647                          | 24 234           | 23 848           |
| Liabilities and provisions for                               |                                  |                                  |                  |                  |
| liabilities  | 1 099 760                        | 954 738                          | 262 197          | 223 996          |
| Long-term liabilities  | 508 532                          | 338 049                          | 121 241          | 79 311           |
| Short-term liabilities                                       | 323 232                          | 342 105                          | 77 063           | 80 263           |
| Book value per share<br>(in PLN/EUR per share)               | 57,80                            | 58,95                            | 13,78            | 13,83            |
| Average weighted number of                                   | 57,80                            | 50,75                            | 13,70            | 13,03            |
| shares   | 50 823 547                       | 50 823 547                       | 50 823 547       | 50 823 547       |
|  |                                  |                                  |                  |                  |

Above financial data were converted into EUR according to the following exchange rates:

• particular items of statement of comprehensive income (Profit & loss account) and statement of cash flows (Cash flow) – according to the exchange rate constituting an arithmetic average of average exchange rates set out by the National Bank of Poland at the end of every month of the reporting period starting from 1 January 2015 to 30 June 2015, which is 4,1341 EUR/PLN and starting from 1 January 2014 to 30 June 2014, which is 4,1784 EUR/PLN;

• particular items of the Statement of financial position (Balance sheet) according to average EUR/PLN exchange rate published by the National Bank of Poland as of 30 June 2015, which is 4,1944 EUR/PLN and as of 31 December 2014, which is 4,2623 EUR/PLN.

# 2. DESCRIPTION OF THE COMPANY AND THE CAPITAL GROUP

#### 2.1. Basic information

As at 30 June 2015 the ZE PAK Capital Group (hereinafter referred to as the Group, ZE PAK Capital Group or GK ZE PAK) is composed of a dominant entity Zespół Elektrowni Pątnów-Adamów-Konin S.A. and fourteen subsidiaries i.e. Elektrownia Pątnów II Sp. z o.o. (hereinafter referred to as the EPII), PAK Volt S.A., PAK Kopalnia Węgla Brunatnego Adamów S.A. (hereinafter referred to as the PAK KWBA S.A.), PAK Kopalnia Węgla Brunatnego Konin S.A. (hereinafter referred to as the PAK KWBK S.A.), PAK Kopalnia Węgla Brunatnego Konin S.A. (hereinafter referred to as the PAK KWBK S.A.), Przedsiębiorstwo Remontowe PAK Serwis Sp. z o.o. (hereinafter referred to as the PAK Serwis Sp. z o.o.), EL PAK Serwis Sp. z o.o. (hereinafter referred to as the PAK Serwis Sp. z o.o.), EL PAK Serwis Sp. z o.o., Ochrona Osób i Mienia ASEKURACJA Sp. z o.o. in liquidation, Aquakon Sp. z o.o., PAK Infrastruktura Sp. z o.o. All companies belonging to the Group are seated in Poland. Consolidation covers all the above-mentioned companies and the effect of consolidation of one subsidiary of PAK KWBK S.A. (Ochrona Osób i Mienia Asekuracja Sp. z o.o. in liquidation) is not significant for the result of the Capital Group.

The companies which are of the biggest importance for the Group due to the scale of their operations are: ZE PAK S.A. and Elektrownia Pątnów II Sp. z o.o., dealing with production of electricity and heat, and PAK KWBA S.A. and PAK KWBK S.A., dealing with lignite mining. Apart from the core business, the Group comprises also other companies which perform e.g. construction and erection works, maintenance works, provide services, deal with production and trade to meet demand from and offer complex services for industry.

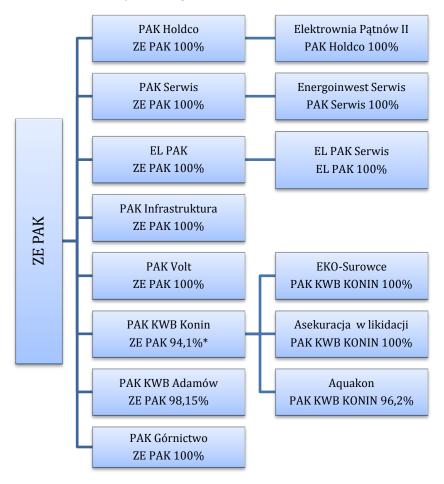
The production facilities of the Group include four lignite-fired power plants located in the central part of Poland in the Wielkopolskie voivodship. These are the Pątnów II Power Plant which is equipped with a supercritical power unit, Pątnów I Power Plant, Adamów Power Plant and Konin Power Plant equipped additionally with 55 MW power unit with biomass fired boiler. Total achievable gross power output of the production facilities of the Group was 2462 MWe as of 30 June 2015.

The Group's mining assets are concentrated in three companies. (1) The PAK KWBK, which currently operates on Jóźwin, Tomisławice and Drzewce open casts, (2) the PAK KWBA, which operates on Adamów and Koźmin open casts as well as (3) PAK Górnictwo S.A. which executes works related to search and identification of lignite deposits in the areas of Poniec-Krobia and Oczkowice in the southern Wielkopolskie Province.

Majority of the Group's sales revenue is derived from sale of electricity (both generated within the Group and purchased for resale) and revenue from energy certificates. This is supplemented by revenues from sale of heat and from construction contracts. An additional sales revenue, which depends on the level of electricity prices on the market as well as the volume of generated electricity, is revenue from termination of long-term contracts for sale of electricity (Power Purchase Agreements), generated by Elektrownia Pątnów II Sp. z o.o. ZE PAK S.A., by purchasing lignite mines, provided the Group with an access to continuous supplies of lignite for its own power plants located in the direct vicinity of mines. The vertically integrated Group allows for optimization of lignite inventories and supplies while coordinating lignite extraction with its requirements for this fuel. The requirements for biomass are satisfied by the supplier of this raw material.

#### 2.2. Structure

Picture 1: Structure of the Group as at 30 June 2015



\* As at 30 June 2015 ZE PAK S.A. share in capital of PAK KWBK S.A. presented in share book is 85%, and not includes shares acquired from employees.

| Table 1: Listing of the Group companies | (without ZE PAK S.A.) |
|---|-----------------------|
|---|-----------------------|

| Entity  | Registered office                   | Scope of activity  | Percentage of capital held by<br>Group as of: |            |
|---|-------------------------------------|--|---|------------|
|   |                                     |  | 30.06.2015                                    | 31.12.2014 |
| Przedsiębiorstwo<br>Remontowe "PAK<br>SERWIS" sp. z o.o.                    | 62-510 Konin<br>ul. Przemysłowa 158 | Construction and repair services   | 100,00%                                       | 100,00%    |
| Przedsiębiorstwo<br>Serwisu Automatyki<br>i Urządzeń "EL PAK"<br>sp. z o.o. | 62-510 Konin<br>ul. Przemysłowa 158 | Services related to industrial automatics and electric appliances maintenance    | 100,00%                                       | 100,00%    |
| "Elektrownia Pątnów II"<br>sp. z o.o.                                       | 62-510 Konin<br>ul. Kazimierska 45  | Electric energy production and<br>distribution from the new 464 MW<br>power unit | 100,00%*                                      | 100,00%*   |
| "PAK – HOLDCO"<br>sp. z o.o.  | 62-510 Konin<br>ul. Kazimierska 45  | Holding activity   | 100,00%                                       | 100,00%    |
| "PAK Infrastruktura"<br>sp. z o.o.  | 62-510 Konin<br>ul. Kazimierska 45  | General construction of engineering objects, not classified elsewhere            | 100,00%                                       | 100,00%    |
| "PAK Centrum Usług<br>Informatycznych"<br>sp. z o.o. w likwidacji           | 62-510 Konin<br>ul. Kazimierska 45  | IT services  | -   | 100,00%    |

#### ZESPÓŁ ELEKTROWNI PĄTNÓW – ADAMÓW – KONIN S.A. MANAGEMENT BOARD'S REPORT ON ZE PAK S.A. OPERATIONS FOR THE I HALF OF 2015

| "PAK Centrum Badań<br>Jakości" sp. z o.o.<br>w likwidacji        | 62-510 Konin<br>ul. Przemysłowa 158   | Research and chemical analysis   | -        | 100,00%  |
|--|---------------------------------------|--|----------|----------|
| "PAK GÓRNICTWO"<br>sp. z o.o.                                    | 62-510 Konin<br>ul. Kazimierska 45    | Lignite extraction   | 100,00%  | 100,00%  |
| Energoinwest Serwis<br>sp. z o.o.                                | 62-510 Konin<br>ul. Spółdzielców 3    | Construction and repair services   | 100,00%* | 100,00%* |
| PAK Kopalnia Węgla<br>Brunatnego Konin S.A.                      | 62-540 Kleczew<br>ul. 600-lecia 9     | Lignite extraction   | 94,1%**  | 85,00%   |
| PAK Kopalnia Węgla<br>Brunatnego Adamów<br>S.A.                  | 62-700 Turek<br>ul. Uniejowska 9      | Lignite extraction   | 98,15%   | 85,00%   |
| Ochrona Osób i Mienia<br>"ASEKURACJA"<br>sp. z o.o. w likwidacji | 62-540 Kleczew<br>ul. 600-lecia 9     | Security guard services relating to people and property  | 94,1%*   | 85%*     |
| "Aquakon" sp. z o.o.   | 62-610 Sompolno<br>Police             | Mechanical services, repairs,<br>reclamation of land, production and<br>trade of mineral water | 90,5%*   | 81,8%*   |
| Eko-Surowce sp. z o.o.   | 62-540 Kleczew<br>ul. 600-lecia 9     | vulcanization services, sale of lignite  | 94,1%*   | 85%*     |
| KWE sp. z o.o.   | 62-540 Kleczew<br>ul. 600-lecia 9     | Preparation for construction of wind farms, generation of electricity                          | -        | 42,5%*   |
| PAK-Volt S.A.  | 00-834 Warszawa<br>ul. Pańska 77/79   | Trade of electricity   | 100,00%  | 100,00%  |
| EL PAK Serwis<br>sp. z o.o.                                      | 62-510 Konin<br>ul. Przemysłowa 158   | Repair and maintenance of electric<br>equipment, repair and maintenance<br>of machines.        | 100,00%* | 100,00%* |
| Centrum Zdrowia i<br>Relaksu "Verano" sp. z<br>o.o.              | 78-100 Kołobrzeg<br>ul. Sikorskiego 8 | SPA services   | 23,53%*  | 21,25%*  |

\* indirect share via companies from ZE PAK Group.

\*\* As at 30 June 2015 ZE PAK S.A. share in capital of PAK KWBK S.A. presented in share book is 85%, and not includes shares acquired from employees.

#### 2.3. Composition of the Management Board

The Management Board of ZE PAK S.A. as at the day of submission of the report, included the following members:

- Katarzyna Muszkat President of the Management Board
- Anna Striżyk Vice President of the Management Board
- Piotr Jarosz Vice President of the Management Board
- Sławomir Sykucki Vice President of the Management Board

In I half of 2015 there were no changes in the Management Board of the parent company.

### 3. SIGNIFICANT EVENTS AFFECTING THE GROUP'S ACTIVITY

# 3.1. Significant achievements and failures during the period covered by the report

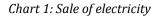
#### Short description of the achieved financial results

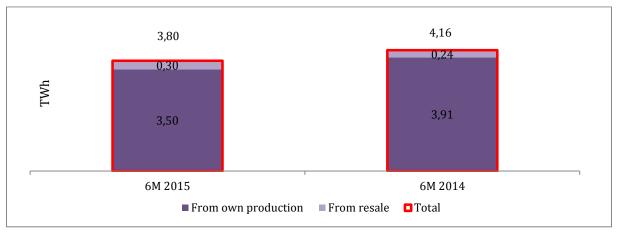
In 2015, net income from sales of products, goods and materials in the first half-year amounted to PLN 798,516 thousand and they decreased by PLN 7,157 thousand in comparison to the first half-year of 2014, i.e. by 0.89%.

The Company recorded a decrease in revenues from sale of electricity by PLN 2,694 thousand, i.e. by 0.40%, as a result of the decrease in volume of sale by 0.36 TWh, i.e. by 8.64%, as the average price increased by PLN 14.74/MWh, i.e. by 9.02%.

In the first half-year, the obtained revenues from sale of property rights was also lower by PLN 7,151 thousand, i.e. by 20.70% due to the lower average market price of green certificates by PLN 85.35/MWh, i.e. 39.72%, and as the volume of production increased at the same time by 0.04 TWh, i.e. by 26.34%.

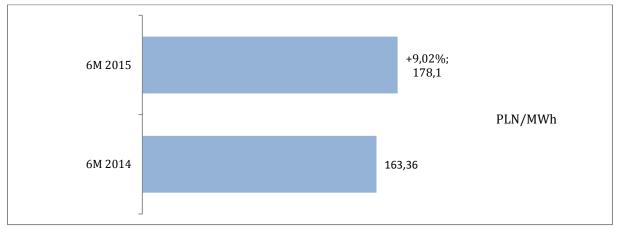
The revenues from sale of heat in the first half-year of 2015 were higher than those achieved in the first half-year of the previous year by PLN 2,337 thousand, i.e. 7.57%, thanks to higher executed production and price.



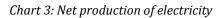


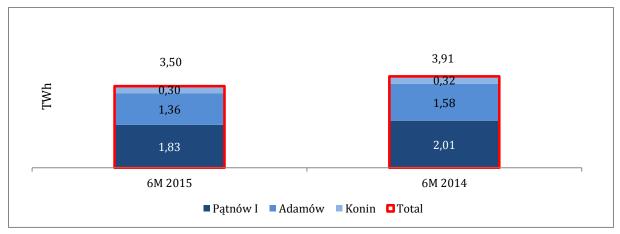
Source: own data

Chart 2: Average electricity sale prices



Source: own data





#### Source: own data

#### Table 2: Specification of sales revenue

|  | PLN thousand                             | PLN thousand                             | PLN thousand | %        |
|--|--|--|--------------|----------|
|  | 6 months period<br>ended 30 June<br>2015 | 6 months period<br>ended 30 June<br>2014 | change       | dynamics |
| Revenue from sales of products             | 742 709                                  | 764 533                                  | (21 824)     | (2,85)   |
| Revenue from sale of ware:                 | 683 112                                  | 705 999                                  | (22 887)     | (3,24)   |
| <ul> <li>electricity</li> </ul>            | 622 525                                  | 640 598                                  | (18 073)     | (2,82)   |
| <ul> <li>certificates of origin</li> </ul> | 27 395                                   | 34 546                                   | (7 151)      | (20,70)  |
| – heat                                     | 33 192                                   | 30 855                                   | 2 337        | 7,57     |
| Revenue from sale of services              | 59 597                                   | 58 533                                   | 1 064        | 1,82     |
| Revenue from sale of goods and materials   | 55 807                                   | 41 140                                   | 14 667       | 35,65    |
| Revenue from sale of goods (electricity)   | 53 725                                   | 38 346                                   | 15 379       | 40,11    |
| Revenue from sale of materials             | 2 082                                    | 2 794                                    | (712)        | (25,48)  |
| Sale revenue including:                    | 798 516                                  | 805 673                                  | (7 157)      | (0,89)   |
| Electricity (products and goods)           | 676 250                                  | 678 944                                  | (2 694)      | (0,40)   |

Table 3: Chosen items from profit and loss account

|  | PLN thousand    | PLN thousand    | PLN thousand | %        |
|--|-----------------|-----------------|--------------|----------|
|  | 6 months period | 6 months period | change       | dynamics |
|  | ended 30 June   | ended 30 June   |              |          |
|  | 2015            | 2014            |              |          |
| Net revenue from sales of products, goods and materials, |                 |                 |              |          |
| including:   | 798 516         | 805 673         | (7 157)      | (0,89)   |
| Cost of sold products, goods and                         |                 |                 |              |          |
| materials, including:                                    | 781 272         | 739 635         | 41 637       | 5,63     |
| <ul> <li>Cost of products sold</li> </ul>                | 731 532         | 700 783         | 30 749       | 4,39     |
| <ul> <li>Value of goods and materials sold</li> </ul>    | 49 740          | 38 852          | 10 888       | 28,02    |
| Gross Profit (loss) from sale                            | 17 244          | 66 038          | (48 794)     | (73,89)  |
| Selling expenses   | 1 341           | 1 569           | (228)        | (14,53)  |
| Administrative expenses                                  | 16 860          | 19 242          | (2 382)      | (12,38)  |
| Profit (loss) on sales                                   | (957)           | 45 226          | (46 183)     | -        |
| Other operating income                                   | 1 040           | 3 629           | (2 589)      | (71,34)  |
| Other operating expenses                                 | 45 377          | 8 170           | 37 207       | 455,41   |
| Operating profit (loss)                                  | (45 294)        | 40 685          | (85 979)     | -        |
| Finance income   | 44 148          | 130 781         | (86 633)     | (66,24)  |
| Finance costs  | 5 415           | 1 203           | 4 212        | 350,12   |
| Gross profit (loss) on ordinary activities               | (6 561)         | 170 263         | (176 824)    | -        |
| Gross profit (loss)                                      | (6 561)         | 170 263         | (176 824)    | -        |
| Income tax   | (9 183)         | 8 309           | (17 492)     | -        |
| Net profit (loss)  | 2 622           | 161 954         | (159 332)    | (98,38)  |

#### Table 4: Costs by type

|                                    | PLN thousand                             | PLN thousand                             | PLN thousand | %        |
|------------------------------------|--|--|--------------|----------|
|                                    | 6 months period<br>ended 30 June<br>2015 | 6 months period<br>ended 30 June<br>2014 | change       | dynamics |
| Depreciation/Amortization          | 41 743                                   | 47 061                                   | (5 318)      | (11,30)  |
| materials and energy consumption   | 392 900                                  | 406 838                                  | (13 938)     | (3,43)   |
| external services                  | 85 077                                   | 91 993                                   | (6 916)      | (7,52)   |
| taxes and charges, including:      | 137 475                                  | 78 048                                   | 59 427       | 76,14    |
| - cost of CO <sub>2</sub> emission | 120 304                                  | 60 804                                   | 59 500       | 97,86    |
| remuneration                       | 67 818                                   | 50 496                                   | 17 322       | 34,30    |
| social security and other benefits | 16 627                                   | 16 478                                   | 149          | 0,90     |
| other costs by type                | 5 964                                    | 9 128                                    | (3 164)      | (34,66)  |
| Value of products and goods sold   | 49 740                                   | 38 852                                   | 10 888       | 28,02    |
| Total costs by type                | 797 344                                  | 738 894                                  | 58 450       | 7,91     |

The cost of production of the products sold amounted to PLN 731,532 thousand in the first half-year of 2015 and in relation to 2014, it is higher by PLN 30,749 thousand, i.e. by 4.39%. The increase in production costs was influenced by mainly higher costs of  $CO_2$  emission by PLN 59,500 thousand, i.e. by 97.86%.

Value of goods and materials sold in the first half-year amounted to PLN 49,740 thousand and was higher in comparison with the previous half-year by PLN 10,888 thousand, i.e. by 28.02%, as a result of a higher volume of acquired electricity for re-sale by 0.06 TWh.

Selling expenses in the first half-year of 2015 amounted to PLN 1,341 thousand and were lower by PLN 228 thousand, i.e. by 14.53%.

Administrative expenses in the half-year amounted to PLN 16,860 thousand and were lower by PLN 2,382 thousand, i.e. by 12.38%.

Other operating income in the first half of 2015 years amounted to PLN 1,040 thousand. In relation to the previous half-year, it decreased by PLN 2,589 thousand, i.e. by 71.34%. Other operating expenses amounted to PLN 45,377 thousand and were higher by PLN 37,207 thousand, i.e. by 455.41%. The higher value of other operating expenses was caused by an impairment write-down against the value of green certificate inventories in the amount of PLN 43,327 thousand as a result of the evaluation of their inventories to the price of PLN 106.51.

In the first half-year of 2015, the Company recorded an operating loss in the amount of PLN 45,294 thousand.

Like in the previous year, the level of positive achieved results was influenced by a positive financial activities result, which amounted to PLN 38,733 thousand and was, largely, the result of dividends received from subsidiaries in the amount of PLN 42,948 thousand.

Despite the positive effect of the result on financial activities in the first half-year, the Company incurred a gross loss in the amount of PLN 6,561 thousand. As a result of the negative net deferred tax, the net profit in the first half-year of 2015 amounted to PLN 2,622 thousand. In relation to the half-year of the previous year, it decreased by PLN 159,332 thousand, i.e. by 98.38%.

# The description of factors and events, especially unusual events, substantially affecting the assets, liabilities, capital, net financial result or cash flows.

ZE PAK S.A., in the "inventories" balance sheet item, recognises, among others, the asset in the form of the generated and unsold energy certificates of origin, the so-called "green certificates". At the end of June 2015, inventories of green certificates constituted the equivalent of the production of 1,094,780 MWh of energy from RES. In accordance with a significant decrease of the certificate prices, also the valuation of the held by the Company certificates of origin. As a result of the revaluation, the Company decided to make the impairment write-down against inventories of the green certificates in the amount of PLN 43,753 thousand. The price, to which the value of one certificate amounted to PLN 106.51 was overestimated.

#### Execution of the investment programme

In the period from 1 January to 30 June 2015, the investment expenses in the Company amounted to PLN 188,381 thousand. The investment tasks executed in this period mostly regarded the Pątnów I power plant.

The investment tasks currently executed and planned in the Company are focused on two areas:

1. Continuation of the final stage of the modernisation process of units 1-4 in the Pątnów I Power Plant, including the execution of investment tasks, among others, related to the construction of the nitrogen oxide  $(NO_X)$  emission reducing system (in order to reduce the  $NO_X$  emission to the projected level of 0.74 kg/MWh after 2015) as well as those crucial for the operation of the units (including, among others, carbonisation and cooling systems) in order to improve the safety and operation of electricity production to the projected level of 37.5% after 2015, and the decrease of  $CO_2$  emissions to the projected level of 1.05 Mg/MWh after 2015.

In the first half of 2015, modernisation works on units No. 1 and 2 in the Pątnów Power Plant were continued. On both units, the works were executed in accordance with the signed schedules with annexes to the contracts, in which the key deadlines of completion of tasks were specified:

- commissioning of the unit no 1 31 August 2015
- commissioning of the unit no 2 22 December 2015.

The basic modernisation works were completed on the unit No. 1. On 20 May 2015, the first passing of steam from the boiler to the turbine. The first synchronisation of the unit No. 1 of the Public Power System (PPS) was executed on 26 May 2015. They were two very important "milestones" of modernisation of the unit No. 1. From that moment, testing various technological systems, which are part of the range of the adjustment operation of the unit, was started. The adjustment of the combustion process in the combustion chamber, among others, was executed. Tests of the automatic adjustment of each system were conducted. The generator heating test was conducted, the electric power of the turbo set, which is close to the nominal value of 220 MWe, was achieved. The correct operation of individual automatic adjustment systems during alternate deceleration and acceleration mode of the turbine operation within the load of 150 - 190 MWe. Master regulators of the boiler and turbine were included in the coordinated operation mode. The tests of "hot" distribution on the secondary air system were completed.

The assembly of the boiler pressure part of the primary and secondary circuits of the boiler in the entire range. The internal pressure test of the primary circuit, with the participation of the Office of Technical Inspection, was executed. The works connected with thermal insulation of the boiler and other boiler systems are continued. In the scope of the turbine No. 2, the activities on the LP (low-pressure) once-through part of the boiler were completed. Final mechanical works that concern start up the condensing steam turbine auxiliaries are in progress.

The course of the modernisation works on both units does not threat meeting the deadlines of units commissioning.

The original investment schedule assumed that with the acceptance of the unit 1 to operation, the investment tasks in the unit 3 will start (analogous with the acceptance to operation of the unit 2, the investment tasks of the unit 4 was to be started). The Company's investment programme was developed in the market conditions which are different from the ones currently occurring in the energy market, and in particular in the sector of the electricity producers. The change of the economic and legal conditions, including the decrease in the profitability of production in coal-fired power plants, currently justifies a re-analysis of the effectiveness of the investment tasks planned for the units No. 3 and 4. It should take into account, in particular, the current and expected economic, legal and technical conditions, including the assessment of viability of incurring the investment expenses related to the requirements concerning the BAT conclusions, which will be announced within the framework of the IED.

Considering the above fact, the decision on starting the investment works in the units 3 and 4 will be made after conducting the re-analysis of economic assumptions for these units.

The Company is closely monitoring all reports of potential legislative and legal changes related to the energy market. Having regard to the difficult situation in all Polish professional power plants as well as the government assurances, URE (Energy Regulatory Office) and PSE S.A. can hope that the essential decisions which improve the economic condition of conventional power plants in a short- and long-term basis, should be reached soon. The legal solutions, which would permanently influence the shape of the future energy market (relatively the power market), can play an important role in assessing the planned investments.

2. Preparations for execution of the investment involving the start-up of a high-efficiency electricity and heat production facility by way of construction of a gas and steam unit with a capacity of approx. 120 MWe and approx. 90 MWt as well as a gas-fired peak load boiler with a capacity of approx. 40 MWt (dedicated to the supply of heat for the city of Konin), the commissioning of which is initially planned for 2018. The execution of this investment would allow replacing the lignite-fire units in the Konin Power Plant and obtaining additional revenues from the sale of yellow certificates.

In the last half of the year, the procedure of selecting the contractor of the investment task was initiated, and it was called: "The 'turnkey' construction of the gas-steam unit with the peak-load boiler house in the Konin Power Plant and provision of service of the steam turbine generators" was also initiated.

After completion of the first stage of the procedure, i.e. pre-qualification, invitations with the request to prepare a pricing for execution of this task were sent to selected entities. In the second quarter of 2015, bidders were provided with answers to the asked questions. The answers clarified the relevant details of the terms of reference.

The efforts to obtain a building permit for construction of a gas transmission pipeline to the Konin Power Plant are also continued.

Deliberations are also conducted with financial institutions in order to ensure external financing for the planned investment.

# **3.2.** Other significant events of the reporting period and events after the balance sheet date

There was no other significant events of the reporting period as well as from the day of the end of the I half 2015 till the date of publication of this report.

## 4. INFORMATION ON SIGNIFICANT PROCEEDINGS PENDING BEFORE A COURT, A BODY COMPETENT FOR ARBITRATION PROCEEDINGS OR A PUBLIC ADMINISTRATION BODY RELATED TO ZE PAK S.A. OR SUBSIDIARIES CONSOLIDATED UNDER THE GROUP

In the first half of 2015, Zespół Elektrowni Pątnów-Adamów-Konin S.A. was not a party in any proceedings pending before a court, a body competent for arbitration proceedings or a public administration body, whose single or total value would exceed 10% of equity of ZE PAK S.A., except the ones specified below.

In light of the regulations mandatory within the European Union, especially regulations of Article 21 paragraph 5 of the Energy Directive, in relation to Article 6 paragraph 1 of the Horizontal Directive, after 1 January 2006, the object of excise tax is sale of energy at the last stage of trade, i.e. sale by the distributor to the final recipient (consumer). Taxation with this tax does not cover an earlier stage of trade, e.g. between the producer of electricity and its distributor. In this case, the tax obligation arises at the time of supply of electricity to the consumer.

Due to the above fact, pursuant to Article 75 § 1, in relation to Article 75 § 2 of the Act of 29 August 1997 – Tax Ordinance (Polish Journal of Laws of 1997; Dz.U. no. 137, item 926, as amended), ZE PAK S.A. submitted applications for stating overpayment of the excise tax for 2006, 2007, 2008, as well as January and February 2009 for the total amount of PLN 626,000 thousand, with the justification that pursuant to the regulations of the EU law and the judicial decisions of the Provincial Administrative Courts, the activities executed by ZE PAK S.A. are not subject to the excise tax. Particular applications were recognised at the following levels: the Customs Office in Kalisz, the Customs Chamber in Poznań, and, currently, the Provincial Administrative Court in Poznań, as well as the Supreme Administrative Court.

In relation to the decisions of the Administrative Courts in the cases of other energy companies in the subject of the overpaid excise tax, ZE PAK S.A., in cooperation with a tax advisor, analysed the resolution I GPS 1/11 of the Supreme Administrative Court of 22 June 2011, where the Supreme Administrative Court recognised that the pass-through of the tax load to the price excludes the possibility of refunding the overpayment. The justification of the resolution allows for the assumption of the risk that tax authorities will dismiss any claims regarding the refunding of overpayments indicating that the tax proceeding is not appropriate for such type of claims. In such case, it is possible to seek them under civil law, as a result of which expiration (on the grounds of civil law this term is 3 years) becomes a significant issue. In relation to the above fact, on 10 February 2012, ZE PAK S.A.

submitted to the District Court of Warszawa Śródmieście a summons for the State Treasury for a conciliatory hearing for the amount of approx. PLN 626,406 thousand and thus stopped the statute of limitation.

A conciliatory settlement was not reached since during the hearing of 16 April 2012, the representatives of the Treasury did not agree to settle. Simultaneously, the Company, waiting for the results of the tax proceedings regarding the previously submitted application for overpayment, submitted in writing, on 14 September 2012, in the Customs Chamber in Poznań, additional explanations in the form of results of a detailed economic analysis, the purpose of which was to demonstrate whether the Company suffered loss related to the payment of excise tax to which it was not obliged. The Company's opinion is that the submitted document also applies to other overpayment applications from the entire period embraced by the proceedings, i.e. between January 2006 and February 2009. Ultimately, all applications were included in the cause lists of the Provincial Administrative Court (WSA) and the Supreme Administrative Court (NSA).

As of the date of development of this statement, the status of the proceeding is as follows: 22 cases for the period January 2006 – November 2007 (excluding November 2006) are conducted from the beginning by the Head of the Customs Office, when cases were referred from the Supreme Administrative Court. On 18 August 2014, the Company received 22 decisions of the Head of the Customs Office refusing ascertaining overpayment. On 1 September, the Company submitted 22 appeals from the decision of the Head of the Customs Office to the Director of the Customs Chamber, and, currently, after receiving negative decisions of the Head of the Customs Office, appeals have been submitted, and the Company awaits for the specification of the date of hearing in the Provincial Administrative Court in Poznań. 14 proceedings for the period December 2007 – February 2009 (excluding July 2008) are suspended in the Provincial Administrative Court. These proceedings also included the presentation of annual economic analyses, whereas the proceeding for November 2006 was concluded with a negative result in the Supreme Administrative Court, and the proceeding for July 2008 is subject to the recognition of our cassation appeal by the Supreme Administrative Court, and the date of the hearing has not yet been specified. The Company will make further actions depending on the provisions of the issued decisions. On 1 March 2009, the Act of 6 December 2008 on excise tax came into effect and, pursuant to the act, sale of electric energy to an entity which is not its final recipient is not subject to the excise tax.

Other judicial cases are presented in paragraph III. 6. q). of the ZE PAK S.A. financial statement for the period ended 30 June 2015.

## 5. INFORMATION REGARDING THE SHAREHOLDING STRUCTURE

Share capital of ZE PAK is represented by 50.823.547 shares. Shares are ordinary. Each share gives right to one vote at General Meeting of Shareholders.

# 5.1. Shareholders holding, either directly or indirectly through subsidiaries, at least 5% of the total number of votes

Table 5: List of shareholders holding, either directly or indirectly through subsidiaries, at least 5% of the total number of votes at the Company's General Meeting as of the date of submission of this half year report\*

|   |  | %  |
|---|--|--|
| Shareholder   | Number of shares<br>and corresponding<br>number of votes at<br>the General<br>Meeting* | Share [%] in<br>the total<br>number of<br>shares/votes |
| Zygmunt Solorz-Żak (indirectly) through:  | 26 200 867   | 51,55  |
| – Elektrim S.A.   | 196 560  | 0,39   |
| – Embud Sp. z o.o.  | 592 533  | 1,16   |
| <ul> <li>IPOPEMA 116 Fundusz Inwestycyjny Zamknięty Aktywów<br/>Niepublicznych</li> </ul> | 4 500 000  | 8,85   |
| – Trigon XIX Fundusz Inwestycyjny Zamknięty   | 10 004 001   | 19,68  |
| - Argumenol Investment Company Limited  | 10 907 773   | 21,46  |
| ING OFE   | 5 068 410  | 9,97   |

\* According to the information available to the Company on the basis of the submission of notifications on the acquisition / disposal of shares.

# 5.2. List of the shareholding structure of the management and supervising personnel

Table 6: List of management and supervising personnel holding ZE PAK S.A. shares, including the number of held shares, as of the date of submission of this half year report\*

|   |   |  | %  |
|---|---|--|--|
| Shareholder   | Position in the<br>Company's<br>authorities             | Number of shares<br>and the<br>corresponding<br>number of votes at<br>the General<br>Meeting | Share [%] in<br>the total<br>number of<br>shares/votes |
| Zygmunt Solorz-Żak (indirectly)<br>through:   | President of the<br>Supervisory Board<br>of the Company | 26 200 867   | 51,55  |
| – Elektrim S.A.   | 1 0   | 196 560  | 0,39   |
| – Embud Sp. z o.o.  |   | 592 533  | 1,16   |
| <ul> <li>IPOPEMA 116 Fundusz Inwestycyjny<br/>Zamknięty Aktywów Niepublicznych</li> </ul> |   | 4 500 000  | 8,85   |
| – Trigon XIX Fundusz Inwestycyjny Zamknięty   |   | 10 004 001   | 19,68  |
| - Argumenol Investment Company Limited  |   | 10 907 773   | 21,46  |

\* According to the information available to the Company on the basis of the submission of notifications on the acquisition / disposal of shares.

## 6. OPINION OF THE MANAGEMENT BOARD ON THE POSSIBILITY OF EXECUTION OF FINANCIAL FORECASTS PUBLISHED EARLIER

Zespół Elektrowni Pątnów-Adamów-Konin S.A. has not published any financial forecasts.

## 7. INFORMATION REGARDING THE PAID OR DECLARED DIVIDENDS

At the Ordinary General Meeting, which took place on 29 June 2015 there was adopted a resolution on distribution of ZE PAK S.A. net profit for the operation year 2014 in amount of PLN 204 642 447,41 as specified:

- assignment of the amount of PLN 60 988 256,40 to the payment of dividend, which means that one share will account for PLN 1,20,
- assignment of PLN 143 654 191,01 to the supplementary capital of the Company.

Day of the assignment of the right to the dividend is settled on 28 September 2015, and the day of dividend payment as on 14 October 2015.

## 8. INFORMATION ON THE CONCLUSION BY ZE PAK S.A. OR ENTITIES CONSOLIDATED UNDER THE GROUP OF SIGNIFICANT TRANSACTIONS WITH ENTITIES AFFILIATED PURSUANT TO CONDITIONS OTHER THAN MARKET CONDITIONS

Zespół Elektrowni Pątnów-Adamów-Konin S.A. and companies consolidated under the Group have not concluded transactions with entities affiliated pursuant to conditions other than market conditions in the first half of 2015.

## 9. INFORMATION ON GRANTING BY ZE PAK S.A. OR ENTITIES CONSOLIDATED UNDER THE GROUP OF SIGNIFICANT GUARANTEES, SURETIES, CREDITS OR LOANS

Zespół Elektrowni Pątnów-Adamów-Konin S.A. and companies consolidated under the Group have not granted guarantees, sureties, credits or loans in the first half of 2015, the standalone or total value of which would comprise 10% of ZE PAK S.A.'s equity.

### **10. INFORMATION CONCERNING THE ISSUE, REDEMPTION, AND REPAYMENT OF NON-EQUITY AND CAPITAL SECURITIES**

In the first half of 2015 ZE PAK S.A. did not make any issuance and redemptions of equity and capital securities.

## 11. FACTORS WHICH, IN THE MANAGEMENT BOARD'S OPINION, WILL AFFECT THE COMPANY'S RESULTS IN THE PERSPECTIVE OF AT LEAST ONE QUARTER

The process of forecasting future results of the Zespół Elektrowni Pątnów-Adamów-Konin S.A. must include a wide range of factors, actually, potentially, or theoretically, existent in the branch and markets, in which the Company conducts its activities. These are factors which originate both from the inside of the Company as well as from its environment. In the view of the Board, they can be divided into factors, which occur constantly in all periods as well as those, which occur incidentally in the period, which is concerned by a given periodical report.

The most important factors with constant impact on the Company's results include the following:

- macro-economic trends in the Polish economy and the demand for electricity;
- regulatory environment;
- electricity prices;
- prices and supply of certificates of origin;
- fuel costs, coal extraction costs;
- CO<sub>2</sub> allowance costs;
- seasonality and meteorological conditions;
- the investment expenses, especially entitling to receive free CO<sub>2</sub> allowances;
- EUR/PLN exchange rate, the level of interest rates.

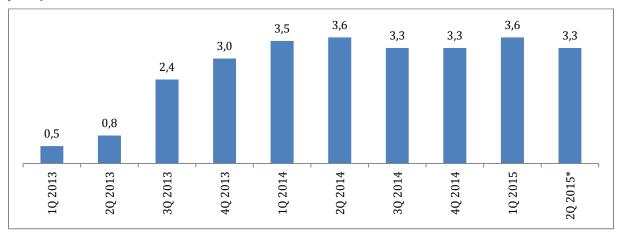
Furthermore, the important factor that could have a significant impact on the Company's financial results in the coming quarters includes the value impairment test result of the Company. The last such test was conducted on 30 June 2015 and its result did not justify the write-down for asset components. However, it should be noted that the valuation model of the Company's assets shows a sensitivity to the range of parameters, among others, the ones described in this section. Therefore, in the face of further deterioration of the operational perspectives, both market ones and those having its origin in the legal conditions, the assumptions for the valuation model of the Company's assets can change, and consequently the value impairment test result may resulted in the necessity of making the write-downs against the asset components in the future. Another test for the Company's impairment of assets will be conducted on 31 December 2015.

# **11.1.** Macro-economic trends in the Polish economy and the demand for electricity

When conducting activities within the territory of Poland and obtaining most revenues from the sale of electricity, it is necessary to take into consideration the macro-economic trends in the Polish economy. A very significant factor is the increase in the real GDP and industrial production in Poland, the development of the service sector as well as the increase in individual consumption. All of the aforementioned factors significantly affect the demand for electricity and its consumption.

The dynamics of the gross domestic product ("GDP") in the first quarter of 2015 was 3.6% and equalised the level recorded in the first half of 2014, and in the second quarter, it returned to the levels recorded in the second half of 2014, reaching 3.3%. The reading related to the second quarter was clearly below expectations, which were to increase at a higher level, or at least the same one as in the first quarter of 2015. Despite some disappointment related to the data for the second quarter of 2015, it should be noted that the stable GDP growth

rate at the similar level is already quoted since more than year and a half, and the further disclose data concerning the economy are rather in favor of maintaining this trend in subsequent months of the year. Nevertheless, it should be noted that the basis for readings in the coming quarters is getting higher.



*Chart 4: GDP dynamics (%) in relation to the analogous quarter of the year before (yearly average fixed prices)* 

\* "Fast estimation of gross domestic product for the II quarter 2015" Source: own development based on the Central Statistical Office data.

By analysing data related to the growth rate of the industrial production in the first half of 2015, it occurred that the sold industrial production was by 4.6% higher compared with the same period of the previous year, when the growth by 4.3% was recorded, and the construction and assembly production was only 1.0% higher than last year, when the growth by 9.8% was recorded. The increase in the dynamics of the retail sales for the period since June 2015 amounted to 3.9% in comparison with the same period of the previous year. The trend in the retail sales remains strong, supported by a very good situation on the labor market, better consumer confidence as well as the moderate growth of credits for households. The relatively high increases of the real wage bill, which are at the highest levels since 2008 (6.8% in the first quarter and 5.2% in the second quarter), constitute the confirmation of positive trends, and a factor supporting the consumer demand. The sustaining recovery lacks significant inflation stresses, which encouraged the Monetary Policy Council to lower basic interest rates by as many as 50 basis points in March.

Based on the data from the functioning of the Public Power System and the Balancing Market, presented by Polskie Sieci Elektroenergetyczne S.A., it is visible that the national electricity consumption in the first half of 2015, in comparison with the analogous period of the previous year, increased by 1.85%. While in January there was a slight decrease in consumption, in all other months of the half of the year, the increase in consumption was recorded. In addition to the weather conditions (slightly warmer January and smaller deviations in other months), the impact on consumption was also the result of the stable pace of economic development, including the dynamics of growth in industrial production. In the period from January to June 2015, the total electricity production increased by 2.94%, while there were no significant changes in the electricity generation structure of two main (taking into account the volume of the produced electricity) resources. The electricity production of hard coal decreased by 1.21% and in case of the brown coal increased by 2.02%. The dynamic generation growth from wind sources, was recorded again, this time by 21.94%. Generation from wind sources has grown rapidly in the last half of the year due to both the increase in the installed capacities and excellent wind conditions, especially in the first half of this period. In stepped manner, in comparison to the analogous period of the previous year, the production from gas sources increased by as many as 67.44%, which can probably be related to the reintroduction of support for the production in co-generation. The adverse balance in the foreign trade decreased - the increase of import over the export of electricity decreased in the half of the year by over 68% in the first half of 2015, the trade balance amounted to 0.38 TWh while in the first half of 2014, the import increase was even 1.2 TWh.

### **11.2. Regulatory environment**

The entities conducting activities in the electricity market are subject to strict regulation. Their functioning is regulated by primarily the Energy Law Act, shaping, among others, rules for implementing the obligation of public sale of the part of the produced energy, as well as the principles of support for specific technologies for energy production. In addition, the functioning of the entities of the sector of electricity producers is determined

by EU regulations and directives as well as international conventions on, among others, environment protection and climate change (including  $CO_2$  emission). It is also necessary to take into consideration the regulations of the tax law as well as interpretations and recommendations issued by the Energy Regulatory Office.

In the first half of this year, especially significant changes occurred in the legal environment regulating the sphere of energy production from renewable energy sources. On 20 February 2015, after several years of works, the Act on renewable energy sources (RES) was passed. The most important provisions of the Act include the maintenance of the current system of support based on the certificates of origin of energy from RES (green certificates) for existing RES systems. The auction system is to start operation from 2016 and the current RES producers will have the choice whether to take part in it, or to stay in the current certificate system. In the auction system, it is the government that will decide on the quantity of renewable energy it needs and prepare auctions for its delivery for particular technologies and volume of sources. The auction will be won by the producer who proposes the lowest price. In return, the support will be guaranteed to the producer. The scope of the cost optimisation will include lowering the support for the so called multi-fuel (co-firing) firing systems. The provisions also included elimination of support mechanisms for water turbine plants with the installed capacity of above 5 MW, which produced electricity for the first time before the entry of the act into force. The Act also includes regulations regarding prosumers (simultaneous energy producers and consumers) producing energy from RES in micro- and small systems. These energy producers will be able to sell the produced excess energy, which is not used for their own purposes in permanent prices for 15 years.

On 8 July 2015, the European Parliament approved regulations for the creation of the market stability reserve (MSR) for the EU market for the  $CO_2$  emission allowances. According to the original arrangements, the reserve was to be launched since 2021, however, under the heavy pressure of some EU countries, the date of its start up was accelerated and the rules of its operation were modified. Since the very beginning, Poland was against the creation of the reserve, and then it tried to mobilise a group of EU countries, which would obstruct the modified rules for the creation of the market stability reserve coming into force. The main assumptions of the gained changes include the creation of the market stability reserve in 2018 as well as start up it since 1 January 2019, and the transfer to the provision 900 million of allowances withdrawn from the market within the so-called backloading. Initially, in accordance with the adopted principles, those allowances were to reach the market again. By the end of 2025, 10% of allowances are to be excluded from the reserve within the GDP of less than 90% of the EU average). According to the creators' assumptions, MSR is aimed at influencing the prices of the  $CO_2$  emission allowances, and then, by interfering the market mechanism, it aims to contribute to control their prices depending on the needs the process of implementing the assumptions of the EU climate policy.

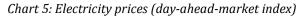
At the end of July, the Parliament (Sejm) supported the draft amendment to the Energy Law on the wholesale energy market integrity and transparency, which implements the REMIT regulation to the Polish Union law. The amendment to the law introduces penalties for the failure to comply with obligations as well as the abuses associated with the operation in the energy market. The penalties for using the internal information for manipulation or trying to manipulate in the energy trade, or for the failure to report the transaction data, were passed. The new rules provide the President of the Energy Regulatory Office (ERO) with competence to ensure effective monitoring of the energy market in order to detect the potential abuse. The cooperation in this area with the EU institution, the Agency for the Co-operation of Energy Regulators (ACER), will be an important aspect. The new rules provide the President of the Energy Regulatory Office with tools similar to the ones used by the Office of Competition and Consumer Protection (UOKiK). The President of the Energy Regulatory Office was obliged to control and execute the investigations on manipulation and misuse information in the energy market. Moreover, the President will have the ability to impose financial penalties for breach the provisions of the regulation.

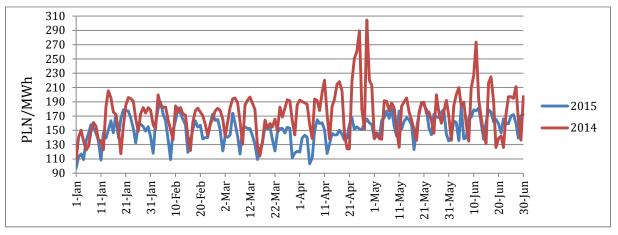
### **11.3.** Electricity prices

Company generates most of their revenues from the production and sales of electricity, therefore the price for which it sells electricity is very important for the results of its activities. In addition, the Company practices the purchase of energy on the market of electricity and re-sale to recipients.

The first half of the year was characterised by a significant decrease of the average energy price in relation to the same period of the previous year. The energy on the SPOT market has been getting cheaper from the first day of the year. Referring the price level of transactions concluded on this market, year-on-year, a decrease by about PLN 21 is observed (the analysis of the semi-annual BASE rate calculated as the arithmetic mean of all quotations of the index in the day-ahead market in the first half of 2015). Indeed, the level of stock prices on the SPOT market is influenced by such factors like the size of the wind generation rate, Nordpool import transmission capacities, the reserves in the National Power Grid, as well as weather conditions. The first months of the year were characterised by excellent wind conditions, for example, in January, wind power plants covered

over 8.5% of the demand for power in the National Power Grid. Moreover, March and April also provided good conditions for the wind generation. In the entire first half of the year, the wind generation covered 6.3% of the demand for power. The relatively high temperatures in the first quarter of 2015, in relation to the average ones of the previous years, were another factor supporting the decrease of prices in the energy market. Purchasers contracting energy in advance probably did not consider such high temperatures, and, thus, the reduced energy demand. In order to get rid of the contracted excesses, they created additional price pressure on the market. A factor that also influenced on the quotations of the energy prices on the SPOT market was the change in the rules for the provision of the operational power reserve service with introduction of the hourly budget and the modification of the concept of reasonable costs of obtaining operational power reserve. In relation to the introduced change, energy prices during peak hours were adjusted. A difficult situation in the coal mining industry could also have an impact on energy prices in the first half of the year. Kopalnia Węglowa, the largest mining company in Europe, started to sell its growing coal lignite inventories offering the constantly dropping prices, which were not previously recorded in the market, it resulted in pressure on other mining companies and consequently reduced the prices of raw materials for producers of the energy based on hard coal.

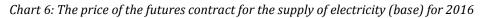




Source: own development based on the data (the Polish Power Exchange)

On the electricity futures market of the Polish Power Exchange, the most liquid instrument, the BASE\_Y-16 one-year future contract, was quoted at ever lower levels over the first half of 2015. The most dynamic decrease was recorded in the first quarter, when the price decreased from PLN 180 to about PLN 162 in the middle of April. Since that moment, the contract price moved in a narrow range without falling below PLN 161, and at the same time, not growing more than PLN 164.

The level of the future contract quotations is largely determined by the SPOT market moods, and the predictions related to the carbon market moods concerning the plan to withdraw the excess of allowances to the provision (MSR – Market Stability Reserve) constituted an important variable. In the first half of this year, the arrangements in this regard strongly influenced the level of price quotations of energy in subsequent years.





Source: own development based on the market data (the Polish Power Exchange)

#### 11.4. Prices and supply of certificates of origin

Due to the fact that a part of the generated electricity derives from the co-incineration of biomass (forest and agricultural) and the production of heat includes high-efficiency co-generation, a producer is entitled to green and red certificates, provided that they fulfil specific regulatory requirements. The number of obtained certificates of origin is significantly higher than the number of certificates that the Company is obligated to present for redemption, thus it is possible to dispose their excess to other market participants.

Comparing the green certificate prices in the first half of 2015 and the analogous period of the previous year, the differences in the quoted levels are clearly visible. In addition, the continuous downward trend of the green certificate prices in 2015 is very unfavorable. Almost from the beginning of the year, from the level of about PLN 160, the prices are continuously decreasing, at the same time reaching the level close to PLN 105 at the end of the half of the year. Currently, in the face of such a strong downward pressure caused by the surplus of green certificates of the energy origin, it seems that the only change of this trend can occur as a result of a new RES act coming into force, which will limit to some extent the support for the biomass co-firing systems and eliminate the support for the so-called "big" hydrological systems which produce the energy.



Chart 7: Average price of certificate of origin for RES produced energy

Source: own development based on the market data (the Polish Power Exchange)

#### 11.5. Fuel costs, coal extraction costs

The most important element of the costs related to electricity and heat production in the GK ZE PAK companies is the fuel cost. The prices of fuel largely determine the competitiveness of particular electricity production processes. The ZE PAK CG power plants produce most of their electricity from lignite, but they also use forest

and agricultural biomass. Furthermore, heavy and light heating oil is used in minimum quantities for heating purposes in the process of electricity production.

Two lignite mines, PAK KWBA S.A. and PAK KWBK S.A., which are the only suppliers of lignite to the ZE PAK Capital Group power plants, satisfy the entire demand of generation assets for this basic fuel. Therefore, the ZE PAK Capital Group does not rely on external suppliers and eliminates the exposure to potential fluctuations of lignite prices. Nevertheless, there is the exposure to the fluctuations in prices of other used fuels (mainly biomass) and part of the costs related to the extraction of lignite depends on the factors which remain outside the direct control of the Group.

### **11.6.** CO<sub>2</sub> allowance costs

The activities in the scope of production of electricity and heat from conventional sources, and thus the operational results, are largely dependent on the number of free  $CO_2$  allowances granted in a given period. The number of allowances possible to be obtained for power engineering were specified in Article 10c of the ETS directive and the amounts that can be physically obtained by particular systems depend on the expenses incurred for investments which are recorded in the National Investment Plan. The Group is obligated to purchase the other part of the missing allowances at the free market.

The CO<sub>2</sub> emission allowances market largely depends on political decisions taken at the EU level. It was also visible in the analysed half of the year, when the CO<sub>2</sub> emission allowance prices were changing together with the projections concerning the details of the MSR (Market Stability Reserve) functioning. The main uncertainties for the market participants were the date of the reserve start up and the manner of treatment of the 900 million allowances withdrawn from the system within the "backloading." According to the original assumptions, the MSR was to start functioning from 2021, but earlier reports about willingness to start up the reserve, reported by some EU countries, resulted in increases on the CO<sub>2</sub> emission allowances market. Analogous information about the disagreement of the group of countries (including Poland) to change the date of the introduction of the MSR contributed to periodic price drops on the market. Finally, in July, the European Parliament enacted the provisions according to which MRS is to start operation at the beginning of 2019, and 900 million of allowances withdrawn from the market within the so-called backloading do not come back to the market, but to the MRS pool. Such a shape of the provisions became crucial support for the rate increase of the CO<sub>2</sub> emission allowances.



Chart 8: Price of the futures contract for the supply of EUA

Source: Own development based on the market data (ICE)

### 11.8. Seasonality and meteorological conditions

The demand for electricity and heat, especially among consumers, is subject to season fluctuation. So far, the practice showed that the consumption of electricity was higher in the winter (mainly due to low temperatures and shorter days) and lowered in the summer (due to the summer period, higher ambient temperatures, and a longer day). In the last couple of years, there is an increase in the demand for electricity in the summer, which is mainly caused by the rising number of used air conditioners and cooling devices

Regardless of the above described factors, the meteorological conditions are becoming increasingly important for the Company's production level. The current Company's activities has not been significantly subject to seasonality in demand, due to the low costs, the units' operation was conducted on a continuous basis (at the base) for almost all year. Currently, taking into account the increasing share of RES in the segment of electricity producers, primarily including wind sources, by estimating the Company's production volume, the weather conditions, especially wind ones, are becoming increasingly important. Statistically, the periods of the best wind conditions are the first and the fourth quarters. It should be noted that in the periods of exceptionally good wind conditions, and when the production by wind turbines is high, the demand for electricity produced by the Company's power plants can be subject to periodic reductions.

#### **11.9.** Investment expenses

The activities in the coal extraction and energy production sector requires substantial investment expenses. The Group's generation assets require periodical renovations and on-going modernisation, both due to the increasing strictness of requirements in the scope of environmental protection as well as the need for improvement of electricity production effectiveness. The level of investment expenses had major impact, and according to expectations will still have major impact, on the results of the operating activities, level of debt and cash flows. Delays in execution, changes of the investment programme, and excess in the budget can have severe impact on the investment expenses incurred in the future, as well as on the results, financial position and perspectives of development.

#### 11.10. EUR/PLN exchange rate, the level of interest rates

Despite the fact that the Company conducts its activities in Poland, where it incurs costs and gains revenues in PLN, there is a couple of significant factors which make the financial results dependent on the exchange rate of EUR/PLN and the level of WIBOR and EURIBOR interest rates.

The most important factors include:

- ZE PAK SA use debt financing based on a variable interest rate.
- The transactions related to the EUA purchase are settled in EUR.

Currently ZE PAK S.A. does not use instruments which limit the risk resulting from the changes in the exchange rate. Management Boards are constantly monitoring the financial position and market situation and can make the decision to use financial instruments limiting the exchange rate risk, if needed. According to the Risk Management Principles adopted by the ZE PAK S.A., possible transactions will have the form of security and will be adapted to the secured item in terms of volume and maturity date. The decision on the choice of the security instrument will also include the following: price, market liquidity, product simplicity, easiness of quotation and accounting as well as flexibility.

Exposure of the Company to risk caused by the changes of interest rates mainly concerns long-term financial liabilities related to the financing of investments in ZE PAK S.A. Company uses financial liabilities, mostly variable rate credits and loans. At present ZE PAK S.A. do not hedge interest rate risk.

The EUR/PLN exchange rate in the first quarter of 2015 has fallen sharply, going down to the level below 4.00 in the middle of April, from that moment, the trend changed into the upward one. The increase lasting from the middle of April reached the quotation level of EUR/PLN 4.2, however it is by PLN 0.10 less than at the beginning of the half of the year. The euro weakness in relation to other currencies of the first quarter should be associated with the assets buying programme (mainly debentures issued by the euro area countries) initiated by the European Central Bank ("ECB"). The attractiveness of the Polish zloty against the euro was also caused by the level of real interest rates in Poland, which were still at relatively high level in comparison with the currently recorded levels of real interest rates in many economies, not only of the euro area. In the second quarter, the mark on the PLN quotations was made by the uncertainty related to a manner of solving the issue of the Greek debt, and to some extent, also the course of the election campaign and the potential impact of some election promises on the future condition of the Polish economy.

#### Chart 9: Average EUR/PLN exchange rate



Source: own development based on NBP average exchange rate tables

### **12. DECLARATIONS OF THE MANAGEMENT BOARD**

# 12.1. Declaration on the reliability of development of the financial statement

The Management Board of Zespół Elektrowni Pątnów-Adamów-Konin S.A. hereby declares that, according to its best knowledge, the ZE PAK S.A. Financial statement for the half of the year concluded on 30 June 2014 and the comparative data were developed in accordance with the current principles of accounting and that they realistically and reliably reflect the property and financial position, as well as the financial result of the ZE PAK S.A. Furthermore, we declare that the Management Board's Statement from the ZE PAK S.A. activity for the half of the year concluded on 30 June 2015 provides a true picture of the development and achievement as well as situations of the ZE PAK S.A., including a description of basic risks and threats.

#### 12.2. Declaration on the entity authorised to audit the financial statement

The Management Board of Zespół Elektrowni Pątnów-Adamów-Konin S.A. hereby declares that the entity authorised to audit financial statements, executing the half-yearly condensed financial statement of the ZE PAK S.A. for the half of the year concluded on 30 June 2015, was chosen in accordance with the provisions of law, and that the entity as well as statutory auditors, who conducting this review, fulfilled the criteria to issue the impartial and independent report on the audited half-yearly financial statement, according to the applicable regulations and professional standards.