

Zespół Elektrowni Pątnów – Adamów – Konin S.A.

Financial statement

For the 12 months period from 01.01.2015 to  
31.12.2015

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

Statement prepared in PLN thousand

**TABLE OF CONTENTS:**

|      |  |    |
|------|--|----|
| I.   | Financial Statement .....  | 4  |
| 1.   | Balance Sheet as of 31.12.2015 .....   | 4  |
| 2.   | Profit and Loss Account for the period 01.01.2015 - 31.12.2015.....  | 7  |
| 3.   | Cash Flow Statement for the period 01.01.2015 - 31.12.2015.....  | 8  |
| 4.   | Changes in Equity Statement as of 31.12.2015 .....   | 10 |
| II.  | Introduction to the statement .....  | 12 |
| 1.   | General information about the Company .....  | 12 |
| 2.   | Composition of the Management Board .....  | 12 |
| 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. .... | 14 |
| 4.   | Assumption of continuation of economic activity .....  | 16 |
| 5.   | Merger of commercial companies.....  | 16 |
| 6.   | Accepted principles (policy) of accounting .....   | 16 |
| 7.   | Changes in the accounting principles (policy) .....  | 30 |
| 8.   | Comparability of financial data for the preceding period with the statement for the current period.....  | 30 |
| 9.   | Error adjustment.....  | 30 |
| III. | Additional information and clarifications .....  | 30 |
| 1.   | Events of the accounting year not specified in the balance sheet and the income statement.....   | 30 |
| 2.   | Events of previous years recognised in the financial statement.....  | 30 |
| 3.   | Significant events of the current period .....   | 31 |
| 4.   | Events after the balance sheet date not recognised in the financial statement.....   | 31 |
| 5.   | Seasonality of the activities .....  | 32 |
| 6.   | Balance sheet.....   | 33 |
| a)   | Fixed assets.....  | 33 |
| b)   | Intangible assets .....  | 38 |
| c)   | Inventory .....  | 40 |
| d)   | Long-term investments .....  | 41 |
| e)   | Short-term Investments .....   | 45 |
| f)   | Share capital .....  | 48 |
| g)   | Equity.....  | 49 |
| h)   | Provisions for liabilities.....  | 50 |
| i)   | Liabilities acc. to items in the balance sheet .....   | 53 |
| j)   | Working capital facilities and investment credits .....  | 56 |
| k)   | Granted loans .....  | 59 |
| l)   | Concluded lease agreements PLN thousand .....  | 61 |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

|     |  |    |
|-----|--|----|
| m)  | Structure of deliveries, works and services receivables acc. to the date of their formation .....  | 62 |
| n)  | List of prepayments and accruals as well as revenues in future periods .....   | 64 |
| o)  | List of groups and liabilities secured on the entity's assets .....  | 65 |
| p)  | Contingent liabilities, including guarantees and sureties granted by the entity.....   | 67 |
| q)  | Contingent receivables including guarantees and sureties granted by the entity.....  | 67 |
| r)  | Legal proceedings .....  | 68 |
| s)  | Other agreements not recognised in the balance sheet.....  | 70 |
| 7.  | Structure of revenues and costs, corporate income tax .....  | 70 |
| a)  | Material and territorial structure of product, goods and services sales revenues.....  | 70 |
| b)  | Information on operations discontinued in the accounting year or to be discontinued in the next year .....   | 71 |
| c)  | Other operating revenues .....   | 71 |
| d)  | Other operating costs.....   | 71 |
| e)  | Financial revenues .....   | 72 |
| f)  | Financial costs.....   | 73 |
| g)  | Corporate income tax – current .....   | 74 |
| h)  | The asset and deferred tax provision .....   | 77 |
| i)  | Cost data by type.....   | 79 |
| j)  | Information on extraordinary profits and losses.....   | 79 |
| k)  | Explanatory notes to the cash flow statement .....   | 79 |
| 8.  | Information about the average employment in the occupational groups.....   | 80 |
| 9.  | Information about the remuneration of the statutory auditor or the entity entitled to audit financial statements .....   | 81 |
| 10. | Remuneration, including the remuneration from profits, paid to the members of the Management Board and supervisory bodies of the Company (the Supervisory Board) ..... | 81 |
| 11. | Loans granted to members of the Management Board and supervisory bodies of the Company (the Supervisory Board).....  | 81 |
| 12. | Transactions with members of the Management Board and supervisory bodies of the Company.....   | 82 |
| 13. | Transactions with related Companies that are not recognised by the consolidated financial statement. ....  | 82 |
| 14. | Transactions with the capital-related Companies that are recognised by the consolidated financial statement. ....  | 83 |
| 15. | CO2 allowances.....  | 85 |
| 16. | Information on fulfilment of the reporting requirements of Article 44 of the Energy Law .....  | 88 |
| 17. | Disbursement of dividend.....  | 93 |
| 18. | Consolidated financial statement .....   | 94 |

## I. Financial Statement

### 1. Balance Sheet as of 31.12.2015

| Assets   | As of 31.12.2015<br>PLN thousands | As of 31.12.2014<br>PLN thousands |
|--|-----------------------------------|-----------------------------------|
| <b>A. Non-current assets</b>                       | <b>2 184 042</b>                  | <b>3 430 880</b>                  |
| <b>I. Intangible assets</b>                        | <b>289 858</b>                    | <b>199 867</b>                    |
| 1. Development expenses                            |                                   |                                   |
| 2. Goodwill  |                                   |                                   |
| 3. Other intangible assets                         | 289 858                           | 199 867                           |
| 4. Prepayments for intangible assets               |                                   |                                   |
| <b>II. Property, plant and equipment</b>           | <b>684 220</b>                    | <b>1 999 969</b>                  |
| 1. Tangible fixed assets                           | 392 252                           | 1 285 911                         |
| a) land (including perpetual usufruct)             | 1 248                             | 1 252                             |
| b) buildings, premises and constructions           | 178 928                           | 589 378                           |
| c) plant and machinery                             | 209 074                           | 691 208                           |
| d) motor vehicles                                  | 1 381                             | 1 790                             |
| e) other   | 1 621                             | 2 283                             |
| 2. Construction in progress                        | 287 639                           | 693 396                           |
| 3. Prepayments for construction in progress        | 4 329                             | 20 662                            |
| <b>III. Long-term receivables</b>                  |                                   |                                   |
| 1. From affiliates                                 |                                   |                                   |
| 2. From other entities                             |                                   |                                   |
| <b>IV. Long-term investments</b>                   | <b>1 205 340</b>                  | <b>1 224 778</b>                  |
| 1. Property  |                                   |                                   |
| 2. Intangible assets                               |                                   |                                   |
| 3. Long-term financial assets                      | 1 205 340                         | 1 224 778                         |
| a) in affiliates                                   | 1 205 189                         | 1 224 627                         |
| - shares   | 1 143 453                         | 1 147 444                         |
| - other securities                                 |                                   |                                   |
| - loans granted                                    | 61 736                            | 77 183                            |
| - other long-term financial assets                 |                                   |                                   |
| b) in other entities                               | 151                               | 151                               |
| - shares   | 151                               | 151                               |
| - other securities                                 |                                   |                                   |
| - loans granted                                    |                                   |                                   |
| - other long-term financial assets                 |                                   |                                   |
| 4. Other long-term investments                     |                                   |                                   |
| <b>V. Long-term prepayments and deferred costs</b> | <b>4 624</b>                      | <b>6 266</b>                      |
| 1. Deferred tax assets                             |                                   |                                   |
| 2. Other prepayments and deferred costs            | 4 624                             | 6 266                             |
| <b>B. Current assets</b>                           | <b>465 329</b>                    | <b>519 818</b>                    |
| <b>I Inventories</b>                               | <b>104 156</b>                    | <b>180 519</b>                    |
| 1. Raw materials                                   | 38 536                            | 42 509                            |
| 2. Semi-finished goods and work-in-progress        |                                   |                                   |
| 3. Finished goods                                  |                                   |                                   |
| 4. Goods   | 64 816                            | 135 722                           |
| 5. Inventory prepayments                           | 804                               | 2 288                             |
| <b>II. Short-term receivables</b>                  | <b>153 828</b>                    | <b>149 294</b>                    |
| 1. Receivables from affiliates                     | 51 587                            | 45 427                            |
| a) trade receivables, due in:                      | 44 187                            | 38 760                            |
| - up to 12 months                                  | 44 187                            | 38 760                            |
| - over 12 months                                   |                                   |                                   |
| b) other   | 7 400                             | 6 667                             |
| 2. Receivables from other entities                 | 102 241                           | 103 867                           |
| a) trade receivables, due in:                      | 78 595                            | 58 007                            |
| - up to 12 months                                  | 78 595                            | 58 007                            |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

|   |                  |                  |
|---|------------------|------------------|
| - over 12 months  |                  |                  |
| b) taxation, subsidy, customs duty, social security, health insurance and other debtors | 8 030            | 31 272           |
| c) other  | 15 616           | 14 588           |
| d) submitted to court   |                  |                  |
| <b>III. Short-term investments</b>  | <b>206 163</b>   | <b>189 489</b>   |
| 1. Short-term financial assets  | 206 163          | 189 489          |
| a) in affiliates  | 23 174           | 15 707           |
| - shares  |                  |                  |
| - other securities  | 7 537            |                  |
| - loans granted   | 15 637           | 15 707           |
| - other short-term financial assets   |                  |                  |
| b) in other entities  |                  |                  |
| - shares  |                  |                  |
| - other securities  |                  |                  |
| - loans granted   |                  |                  |
| - other short-term financial assets   |                  |                  |
| c) cash and other monetary assets   | 182 989          | 173 782          |
| - cash on hand and cash at bank   | 182 989          | 173 782          |
| - other cash and cash equivalents   |                  |                  |
| - other monetary assets   |                  |                  |
| 2. Other short-term investments   |                  |                  |
| <b>IV. Short-term prepayments and deferred costs</b>                                    | <b>1 182</b>     | <b>516</b>       |
| Short-term deferred costs   |                  |                  |
| <b>Total assets</b>   | <b>2 649 371</b> | <b>3 950 698</b> |

Konin, 21 March 2016

Prepared by

Management Board of Elektrowni Pątnów-Adamów-Konin S.A.

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

| LIABILITIES AND EQUITY  | As of 31.12.2015<br>PLN thousands | As of 31.12.2014<br>PLN thousands |
|---|-----------------------------------|-----------------------------------|
| <b>A. Equity</b>  | <b>1 360 431</b>                  | <b>2 995 960</b>                  |
| I. Share capital  | 101 647                           | 101 647                           |
| II. Unpaid share capital (negative value)                         |                                   |                                   |
| III. Treasury shares (negative value)                             |                                   |                                   |
| IV. Reserve capital   | 2 542 060                         | 2 398 399                         |
| V. Revaluation reserve  | 227 531                           | 286 229                           |
| VI. Other reserves  | 5 877                             | 5 877                             |
| VII. Accumulated profits (losses) from previous years             | -834                              | -834                              |
| VIII. Net profit (loss) for the period                            | -1 515 850                        | 204 642                           |
| IX. Deductions from net profit during the period (negative value) |                                   |                                   |
| <b>B. Liabilities and provisions for liabilities</b>              | <b>1 288 940</b>                  | <b>954 738</b>                    |
| I. Provisions for liabilities                                     | <b>374 770</b>                    | <b>241 429</b>                    |
| 1. Deferred tax liability   | 62 920                            | 71 878                            |
| 2. Provision for retirement benefits and similar obligations      | 11 598                            | 27 325                            |
| - long-term   | 10 967                            | 10 969                            |
| - short-term  | 631                               | 16 356                            |
| 3. Other provisions   | 300 252                           | 142 226                           |
| - long-term   | 17 424                            | 17 141                            |
| - short-term  | 282 828                           | 125 085                           |
| II. Long-term liabilities   | <b>536 213</b>                    | <b>338 049</b>                    |
| 1. To affiliates  | 845                               | 339                               |
| 2. To other entities  | 535 368                           | 337 710                           |
| a) loans  | 535 127                           | 325 713                           |
| b) debt securities issued   |                                   |                                   |
| c) other financial liabilities                                    |                                   |                                   |
| d) other  | 241                               | 11 997                            |
| III. Short-term liabilities                                       | <b>343 449</b>                    | <b>342 105</b>                    |
| 1. To affiliates  | 85 602                            | 104 576                           |
| a) trade creditors, payable in:                                   | 75 744                            | 93 172                            |
| - up to 12 months   | 75 744                            | 93 172                            |
| - over 12 months  |                                   |                                   |
| b) other  | 9 858                             | 11 404                            |
| 2. To other entities  | 253 112                           | 232 795                           |
| a) loans  | 79 943                            | 27 921                            |
| b) debt securities issued   |                                   |                                   |
| c) other financial liabilities                                    |                                   | 18                                |
| d) trade liabilities payable in:                                  | 15 184                            | 28 092                            |
| - up to 12 months   | 15 184                            | 28 092                            |
| - over 12 months  |                                   |                                   |
| e) advance payments received                                      | 124                               | 35                                |
| f) bills of exchange payable                                      |                                   |                                   |
| g) taxation, customs duty and social security creditors           | 83 113                            | 75 132                            |
| h) payroll  | 4 067                             | 4 037                             |
| i) other  | 70 681                            | 97 560                            |
| 3. Special funds  | 4 735                             | 4 734                             |
| IV. Accruals and deferred income                                  | <b>34 508</b>                     | <b>33 155</b>                     |
| 1. Negative goodwill  |                                   |                                   |
| 2. Other accruals and deferred income                             | 34 508                            | 33 155                            |
| - long-term   | 15 234                            | 15 562                            |
| - short-term  | 19 274                            | 17 593                            |
| <b>Total equity &amp; liabilities</b>                             | <b>2 649 371</b>                  | <b>3 950 698</b>                  |

Konin, 21 March 2016

Prepared by

Management Board of Elektrowni Pątnów-Adamów-Konin S.A.

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

## 2. Profit and Loss Account for the period 01.01.2015 - 31.12.2015

| Profit and loss account  | For the current fiscal year<br>PLN thousands | For the prior fiscal year<br>PLN thousands |
|--|--|--|
| <b>A. Net sales of finished goods, goods for resale and raw materials, of which:</b> | <b>1 538 913</b>                             | <b>1 631 189</b>                           |
| -from affiliates   | 558 707                                      | 528 811                                    |
| I. Net sales of finished goods   | 1 441 309                                    | 1 513 695                                  |
| II. Net sales of goods for resale and raw materials                                  | 97 604                                       | 117 494                                    |
| <b>B. Cost of finished goods, goods for resale and raw materials sold, of which:</b> | <b>1 555 598</b>                             | <b>1 528 932</b>                           |
| -to affiliates   | 594 784                                      | 526 508                                    |
| I. Cost of finished goods sold   | 1 466 722                                    | 1 418 377                                  |
| II. Cost of goods for resale and raw materials sold                                  | 88 876                                       | 110 555                                    |
| <b>C. Gross profit (loss) on sales</b>   | <b>-16 685</b>                               | <b>102 257</b>                             |
| <b>D. Selling expenses</b>   | <b>3 552</b>                                 | <b>3 438</b>                               |
| <b>E. Administrative expenses</b>  | <b>35 863</b>                                | <b>41 863</b>                              |
| <b>F. Profit (loss) on sales</b>   | <b>-56 100</b>                               | <b>56 956</b>                              |
| <b>G. Other operating income</b>   | <b>1 679</b>                                 | <b>61 625</b>                              |
| I. Gains on the sale of non-financial non-current assets                             | 119  | 1 882                                      |
| II. Grants   | 330  | 332  |
| III. Other   | 1 230  | 59 411                                     |
| <b>1 Other operating expenses</b>  | <b>1 519 160</b>                             | <b>26 833</b>                              |
| I. Loss on the sale of non-financial non-current assets                              |  |  |
| II. Impairment of non-financial assets   | 1 515 167                                    | 19 128                                     |
| III. Other   | 3 993  | 7 705                                      |
| <b>I. Operating profit (loss)</b>  | <b>-1 573 581</b>                            | <b>91 748</b>                              |
| <b>J. Finance income</b>   | <b>87 283</b>                                | <b>136 633</b>                             |
| I. Dividends and shares in profits, of which:  | 84 861                                       | 128 796                                    |
| - from affiliates  | 84 811                                       | 128 695                                    |
| II. Interest, of which:  | 2 395  | 4 265                                      |
| - from affiliates  | 1 292  | 1 622                                      |
| III. Gains on the sale of investments  |  |  |
| IV. Revaluation of investments   |  | 1 702                                      |
| V. Other   | 27   | 1 870                                      |
| <b>K. Finance costs</b>  | <b>33 898</b>                                | <b>5 062</b>                               |
| I. Interest, of which:   | 2 877  | 2 187                                      |
| - from affiliates  | -  | -  |
| II. Loss on the sale of investments  | -  | -  |
| III. Impairment of investments   | 29 266                                       | -  |
| IV. Other  | 1 755  | 2 875                                      |
| <b>L. Gross profit (loss) on ordinary activities</b>                                 | <b>-1 520 196</b>                            | <b>223 319</b>                             |
| <b>M. Result on extraordinary items</b>  |  |  |
| 2 Extraordinary gains  |  |  |
| 91 Extraordinary losses  |  |  |
| <b>N. Gross profit (loss)</b>  | <b>-1 520 196</b>                            | <b>223 319</b>                             |
| <b>O. Taxation</b>   | <b>-4 346</b>                                | <b>18 677</b>                              |
| Corporate profits tax  |  |  |
| <b>P. Other tax charges</b>  |  |  |
| <b>R. Net profit (loss)</b>  | <b>-1 515 850</b>                            | <b>204 642</b>                             |

Konin, 21 March 2016

Prepared by  
Konin SA

Management Board of Zespół Elektrowni Pątnów-Adamów-

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

### 3. Cash Flow Statement for the period 01.01.2015 - 31.12.2015

| Cash flow statement  | For the current fiscal year<br>PLN thousands | For the prior fiscal year<br>PLN thousands |
|--|--|--|
| <b>A. Cash flow from operating activities</b>  |  |  |
| <b>I. Net profit (loss)</b>  | <b>-1 515 850</b>                            | <b>204 642</b>                             |
| <b>II. Adjustments, total</b>  | <b>1 626 618</b>                             | <b>-139 329</b>                            |
| 1. Depreciation  | 83 263                                       | 100 219                                    |
| 2. Foreign exchange gains (losses)   | 183  | -3 677                                     |
| 3. Interest and shares in profits  | -83 276                                      | -128 298                                   |
| 4. Profit (loss) on investing activities   | 1 531 702                                    | -3 514                                     |
| 5. Change in provisions  | 252 684                                      | 78 210                                     |
| 6. Change in inventories   | 76 363                                       | -7 226                                     |
| 7. Change in receivables   | -2 940                                       | -10 323                                    |
| 8. Change in short-term liabilities, except for loans and borrowings                                       | -24 098                                      | 12 623                                     |
| 9. Change in prepayments, accruals and deferred income   | 2 088  | -274                                       |
| 10. Purchase of CO 2 emission allowances   |  |  |
| 11. Other adjustments  | -209 351                                     | -177 069                                   |
| <b>III. Net cash flow from operating activities (I±II)</b>   | <b>110 768</b>                               | <b>65 313</b>                              |
| <b>B. Cash flow from investing activities</b>  |  |  |
| <b>I. Inflows</b>  | <b>102 562</b>                               | <b>148 430</b>                             |
| 1. Sale of intangible assets and tangible fixed assets   | 180  | 2 146                                      |
| 2. Sale of investments in property and intangible assets   | 0  | 0  |
| 3. From financial assets, of which:  | 102 382                                      | 146 284                                    |
| a) in affiliates   | 102 332                                      | 146 123                                    |
| b) in other entities   | 50   | 161  |
| - sale of financial assets   | 0  | 0  |
| - dividends and shares in profits  | 50   | 101  |
| - repayment of long-term loans granted   | 0  | 0  |
| - interest received  | 0  | 60   |
| - other  | 0  | 0  |
| 4. Other investing inflows   | 0  | 0  |
| <b>II. Outflows</b>  | <b>388 751</b>                               | <b>417 090</b>                             |
| 1. Purchase of intangible assets and tangible fixed assets   | 356 342                                      | 417 090                                    |
| 2. Investments in property and intangible assets   |  |  |
| 3. For financial assets, of which:   | 32 409                                       | 0  |
| a) in affiliates   | 32 409                                       | 0  |
| increase the company's capital   | 0  | 10 000 000                                 |
| b) in other entities   | 0  | 0  |
| - purchase of financial assets   | 0  | 0  |
| - long-term loans granted  | 0  | 0  |
| 4. Other investing outflows  | 0  | 0  |
| <b>III. Net cash flow from investing activities (I-II)</b>   | <b>-286 189</b>                              | <b>-268 660</b>                            |
| <b>C. Cash flow from financing activities</b>  |  |  |
| <b>I. Inflows</b>  | <b>312 000</b>                               | <b>355 000</b>                             |
| 1. Net inflows from issue of shares, issue of other capital instruments and additional payments to capital | 0  | 0  |
| 2. Loans and credits   | 312 000                                      | 355 000                                    |
| 3. Issue of debt securities  | 0  | 0  |
| 4. Other financial inflows   | 0  | 0  |
| <b>II. Outflows</b>  | <b>126 829</b>                               | <b>136 266</b>                             |
| 1. Re-acquisition of own shares  | 0  | 0  |
| 2. Dividends and other payments to shareholders  | 60 988                                       | 34 560                                     |
| 3. Outflows due to appropriation of profit other than payments to shareholders                             | 0  | 0  |
| 4. Repayment of loans and borrowings   | 48 319                                       | 90 951                                     |
| 5. Redemption of debt securities   | 0  | 0  |
| 6. Relating to other financial liabilities   | 0  | 0  |



**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

|   |                |                |
|---|----------------|----------------|
| 7. Finance lease payments   | 109            | 32             |
| 8. Interest paid  | 17 148         | 10 101         |
| 9. Other financing outflows   | 265            | 622            |
| <b>III. Net cash flow from financing activities (I-II)</b>                    | <b>185 171</b> | <b>218 734</b> |
| <b>D. Total net cash flow (A.III±B.III±C.III)</b>                             | <b>9 750</b>   | <b>15 387</b>  |
| <b>E. Balance sheet change in cash and cash equivalents, of which:</b>        | <b>9 207</b>   | <b>16 019</b>  |
| - change in cash and cash equivalents due to foreign exchange gains/losses    | -543           | 632            |
| <b>F. Cash and cash equivalents at the beginning of the period</b>            | <b>173 239</b> | <b>157 852</b> |
| <b>G. Cash and cash equivalents at the end of the period (F±D), of which:</b> | <b>182 989</b> | <b>173 239</b> |
| - of restricted use   | 4 825          | 3 756          |

Konin, 21 March 2016

Prepared by

Management Board of Zespół Elektrowni Pątnów-Adamów-Konin S.A.

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

#### 4. Changes in Equity Statement as of 31.12.2015

| Changes in Equity Statement |  | For the current fiscal year<br>PLN thousands | For the prior fiscal year<br>PLN thousands |
|-----------------------------|--|--|--|
| <b>I.</b>                   | <b>Equity at the beginning of the period (OB)</b>  | <b>2 995 960</b>                             | <b>2 825 878</b>                           |
|                             | - adjustments of fundamental errors  |  |  |
| I.a.                        | Equity at the beginning of the period (OB), after adjustments                                    | <b>2 995 960</b>                             | <b>2 825 878</b>                           |
| <b>1.</b>                   | <b>Share capital at the beginning of the period</b>  | <b>101 647</b>                               | <b>101 647</b>                             |
| 1.1.                        | Changes in share capital   | 0  | 0  |
|                             | a) increases   |  |  |
|                             | b) decreases   |  |  |
| <b>1.2.</b>                 | <b>Share capital at the end of the period</b>  | <b>101 647</b>                               | <b>101 647</b>                             |
| <b>2.</b>                   | <b>Unpaid share capital at the beginning of the period</b>                                       |  |  |
| 2.1                         | Changes to unpaid share capital  |  |  |
|                             | a) increases   |  |  |
|                             | b) decreases   |  |  |
| <b>2.2.</b>                 | <b>Unpaid share capital at the end of the period</b>   |  |  |
| <b>3.</b>                   | <b>Treasury shares at the beginning of the period</b>  | <b>0</b>                                     | <b>0</b>                                   |
|                             | a) increases   |  |  |
|                             | b) decreases   |  |  |
| <b>3.1.</b>                 | <b>Treasury shares at the end of the period</b>  | <b>0</b>                                     | <b>0</b>                                   |
| <b>4.</b>                   | <b>Reserve capital at the beginning of the period</b>  | <b>2 398 399</b>                             | <b>2 200 508</b>                           |
| 4.1.                        | Changes in reserve capital   | 143 661                                      | 197 891                                    |
|                             | a) increases (due to)  | 143 661                                      | 197 891                                    |
|                             | - share premium  |  |  |
|                             | - statutory profit appropriation   |  |  |
|                             | - profit appropriation (in excess of statutory amounts)  | 143 654                                      | 197 297                                    |
|                             | - tangible assets sales and liquidation  | 7  | 594  |
|                             | b) decreases   |  |  |
| <b>4.2.</b>                 | <b>Reserve capital at the end of the period</b>  | <b>2 542 060</b>                             | <b>2 398 399</b>                           |
| <b>5.</b>                   | <b>Revaluation reserve at the beginning of the period</b>  | <b>286 229</b>                               | <b>286 823</b>                             |
| 5.1.                        | Changes in revaluation reserve   | -58 698                                      | -594                                       |
|                             | a) increases   |  |  |
|                             | b) decreases (due to)  | 58 698                                       | 594  |
|                             | - disposal of tangible fixed assets  | 7  | 594  |
|                             | - revaluation adjustment   | 58 691                                       |  |
| <b>5.2.</b>                 | <b>Revaluation reserve at the end of the period</b>  | <b>227 531</b>                               | <b>286 229</b>                             |
| <b>6.</b>                   | <b>Other reserves at the beginning of the period</b>   | <b>5 877</b>                                 | <b>5 877</b>                               |
| 6.1.                        | Changes in other reserves  | 0  | 0  |
|                             | a) increases   |  | 0  |
|                             | b) decreases   |  |  |
| <b>6.2.</b>                 | <b>Other reserves at the end of the period</b>   | <b>5 877</b>                                 | <b>5 877</b>                               |
| <b>7.</b>                   | <b>Accumulated profits from previous years at the beginning of the period</b>                    | <b>5 877</b>                                 | <b>5 877</b>                               |
| 7.1.                        | Accumulated profits from previous years at the beginning of the period                           |  |  |
|                             | - adjustments of fundamental errors  |  |  |
| <b>7.2.</b>                 | <b>Accumulated profits from previous years at the beginning of the period, after adjustments</b> | <b>204 642</b>                               | <b>231 857</b>                             |
|                             | a) increases (due to)  | 0  | 0  |
|                             | - appropriation of profit from previous years  |  |  |
|                             | b) decreases (due to)  | 204 642                                      | 231 857                                    |
|                             | - transfer of profit to reserve capital  | 143 654                                      | 197 297                                    |
|                             | - profit appropriation on Intercompany Social Fund   | 60 988                                       | 34 560                                     |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

|             |   |                   |                  |
|-------------|---|-------------------|------------------|
|             | <b>Accumulated profits from previous years at the end of the</b>                                |                   |                  |
| <b>7.3.</b> | <b>period</b>   | <b>0</b>          | <b>0</b>         |
| <b>7.4</b>  | <b>Accumulated losses from previous years at the beginning of the period</b>                    | <b>-834</b>       | <b>-834</b>      |
|             | - adjustments of fundamental errors   |                   |                  |
| <b>7.5</b>  | <b>Accumulated losses from previous years at the beginning of the period, after adjustments</b> | <b>-834</b>       | <b>-834</b>      |
|             | a) increases (due to)   |                   |                  |
|             | - transfer of prior year losses   |                   |                  |
|             | b) decreases  |                   |                  |
| <b>7.6</b>  | <b>Accumulated losses from previous years at the end of the period</b>                          | <b>-834</b>       | <b>-834</b>      |
| <b>8.</b>   | <b>Net result</b>   | <b>-1 515 850</b> | <b>204 642</b>   |
|             | a) net profit   | -1 515 850        | 204 642          |
|             | b) net loss   |                   |                  |
| <b>II.</b>  | <b>Equity at the end of the period (CB)</b>   | <b>1 360 431</b>  | <b>2 995 960</b> |
| <b>III.</b> | <b>Equity, after proposed appropriation of profits (absorption of losses)</b>                   | <b>1 360 431</b>  | <b>2 995 301</b> |

Konin, 21 March 2016  
 Prepared by

Management Board of Zespół Elektrowni Pątnów-Adamów-Konin SA

## **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.

The Company is the parent company of the Capital Group of Zespół Elektrowni Pątnów – Adamów – Konin.

According to articles of association, the subject of the Company's activities is:

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

### **2. Composition of the Management Board**

Financial year 2015 the Management Board started in following composition:

- 1) Katarzyna Muszkat – President of the Board
- 2) Anna Striżyk – Vice-President of the Board
- 3) Piotr Jarosz – Vice-President of the Board
- 4) Sławomir Sykucki – Vice-President of the Board

On 2 October 2015, the Supervisory Board of ZE PAK S.A. adopted a resolutions on appeal from Management Board following persons:

- 1) Katarzyna Muszkat – President of the Board
- 2) Anna Striżyk – Vice-President of the Board
- 3) Piotr Jarosz – Vice-President of the Board

In addition, Mr. Sławomir Sykucki resigned from the position of Vice President of the Management Board with effect from 2 October 2015.

At the same meeting, on 2 October 2015, the Supervisory Board of ZE PAK SA appointed to the Management Board the following persons:

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

---

- 1) Janusz Kaliszuk – President of the Board
- 2) Aneta Lato-Żuchowska – Vice-President of the Board
- 3) Adrian Kaźmierczak – Vice-President of the Board
- 4) Tomasz Zadroga – Vice-President of the Board

Before the adoption of the resolution on the appointment of the Management Board Mr. Tomasz Zadroga made a statement about the resignation of the Supervisory Board of ZE PAK SA with immediate effect.

On 30 October 2015 the Supervisory Board of ZE PAK S.A. adopted a resolution on appeal to the Management Board Mr. Zygmunt Artwik and granting him a position of Vice President of the Management Board.

Since 30 October 2015 the Management Board of the Company acted in the following composition:

- 1) Janusz Kaliszuk – President of the Board
- 2) Aneta Lato-Żuchowska – Vice-President of the Board
- 3) Zygmunt Artwik – Vice-President of the Board
- 4) Adrian Kaźmierczak – Vice-President of the Board
- 5) Tomasz Zadroga – Vice-President of the Board

On 16 November 2015 Mr. Janusz Kaliszuk resigned from the position of President of the Management Board. In connection with the situation on 17 November 2015, the Supervisory Board pursuant to art. 383 § 1 of the Code of Commercial Companies delegated for a period not exceeding 3 months Wojciech Piskorz Member of the Supervisory Board to temporarily perform the duties of the President of the Management Board.

Since 17 November 2015 the composition of the Management Board is as following:

- 1) Wojciech Piskorz – Member of the Supervisory Board delegated for temporarily perform the duties of the President of the Management Board,
- 2) Aneta Lato-Żuchowska – Vice-President of the Board
- 3) Zygmunt Artwik – Vice-President of the Board,
- 4) Adrian Kaźmierczak – Vice-President of the Board
- 5) Tomasz Zadroga – Vice-President of the Board

After the balance sheet date, at its meeting on 11 February 2016, the Supervisory Board of ZE PAK SA adopted a resolution on the appointment of Mr. Aleksander Grad to the composition of the Management Board on 18 February 2016 and appointed him President of the Management Board.

Since 18 February the Management Board of the Company acts in following composition:

- 1) Aleksander Grad – President of the Board
- 2) Aneta Lato-Żuchowska – Vice-President of the Board
- 3) Zygmunt Artwik – Vice-President of the Board
- 4) Adrian Kaźmierczak – Vice-President of the Board

5) Tomasz Zadroga – Vice-President of the 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.

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 write-downs 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.

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

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.

The following table presents the differences as of 31 December 2015

| <b>Adjustment as of 31 December 2015</b> | <b>Balance sheet value<br/>acc. to the PRS</b> | <b>Balance sheet value<br/>acc. to the IFRS</b> | <b>Value adjustment</b> |
|--|--|---|-------------------------|
| Tangible fixed assets                    | 679 891  | 691 419   | 11 528                  |
| Equity                                   | 1 360 431                                      | 1 360 431                                       | -52 500                 |
| Deferred tax provision                   | 62 920   | 125 176   | 62 256                  |

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

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

| <b>31 December 2015</b>                      |            |
|--|------------|
| PSR net profit                               | -1 515 850 |
| Adjustment of the tangible fixed assets      | -448 318   |
| IAS 19 adjustment – Actuarial profits/losses | 85         |

  

| <b>31 December 2015</b>                      |           |
|--|-----------|
| PSR capital                                  | 1 360 431 |
| Adjustment of the tangible fixed assets      | -52 500   |
| IAS 19 adjustment – Actuarial profits/losses | 85        |

#### **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 31 December 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,



**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

---

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.

In accordance with the above mentioned regulations, the Company applies the following methods of assets and liabilities quotation and financial result measurement:

**Tangible fixed assets**

The initial value of fixed assets is recognised in the books of accounts according to purchase prices or costs incurred for their creation, expansion, or modernisation. After the initial recognition, the value of the fixed assets is reduced by redemption and write-downs resulting from permanent loss in value.

During keeping accounts of auxiliary books (analytical accounts) of components of tangible fixed assets, in accordance with article 17 paragraph I point 1 of the Act, the rules arising from the Ordinance no. 35/2003 of the President of the Board, the Chief Executive Officer of the ZE PAK S.A. of 1 July 2003 on the management of the physical assets of the fixed asset should be applied, so:

- Items of a value up to PLN 500 are considered to materials.
- For fixed assets of a value of PLN 500 - 3,500, depreciation writes-downs made once in the month of putting into service was established; in accordance with article 16f p. 3 of the Act on corporate income tax.
- Fixed assets of a value of over PLN 3,500 purchased before 1 January 1997, are depreciated with the straight line method, while fixed assets purchased after 1 January 1997, in accordance with the decision of the Board of the ZE PAK S.A., are depreciated with the declining balance method. The declining balance method applied until the end of 1999. Since 1 January 2000, all newly purchased fixed assets have been depreciated with the straight line method.
- Re-estimation takes place on the basis of separate provisions. The re-estimation result is transferred onto the capital from revaluation. After the sale or liquidation of the fixed asset, the amount remaining in the

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

---

capital from the revaluation is transferred onto the supplementary capital. The last re-estimation took place on 1 January 1995.

- Since 1 January 2000, for tax purposes, for all newly purchased fixed assets, depreciation rates set forth in the annex to the act of 15 February 1992 on corporate income tax as amended have been adopted. In relation to the fixed assets purchased and entered in the records before 1 January 2000, the rates arising from the resolution of the Minister of Finance of 17 January 1997 on the depreciation of fixed assets and intangible assets are applied.
- The necessity of calculated depreciation adjustment in case of the items' price is higher than PLN 3,500 and the planned period of use is shorter than one year was taken into account. In practice, they will be used longer than 1 year.
- Computers and computer sets are depreciated with the straight line method with the ability of application of the increasing ratio, in accordance with article 16i point 3 of the act on corporate income tax act.
- Since January 2001, the rules of balance sheet depreciation of the fixed assets that were subject to evaluation during the privatisation of the Company have been changed. Since 1 January 2001, the fixed assets have been depreciated with the straight line method, in accordance with the expected period of economic use.
- Estimates concerning the period of economic use and the depreciation method are subject to a review at the end of each financial year in order to verify, whether the used methods and the depreciation period are consistent with the expected term structure of economic benefits provided by this fixed asset.
- Fixed assets under construction are valued at least at the balance sheet date, in the amount of total costs in a direct relationship of their purchase or production, lessened by write-downs resulting from permanent loss in value. Within the capital work in progress, investment materials are recognised as well. The capital work in progress is not depreciated until they are completed and put into service.
- External financing costs of the construction, adjustment, assembly, or improvements of fixed assets or intangible assets, for a period of construction, adjustment, assembly, or improvement, are recognised in the value of these assets if these liabilities were incurred for this purpose. Other external financing costs are recognised in an income statement.
- The act, before amendments, assumed an off balance sheet registers of the perpetual usufruct of land. The amended act includes the perpetual usufruct of land in the fixed assets. Pursuant to Art. 2 point 1 of the Act of 29 September 1990 on the amendment of the Act on Land Management and Dispossession (Journal of Laws No. 79, item. 464), the land owned by the State Treasury or a commune that, on 5 December 1990, was managed by state legal persons other than the State Treasury or municipal legal persons became the subject of the perpetual usufruct this day by operation of law. The perpetual usufruct of land acquired in this way was not included in the books, but it is recognised off-balance sheet.
- Pursuant to the Act on accounting, the Company carries out an inventory of the fixed assets every four years. The last inventory of the fixed assets took place in 2010.
- As of the balance sheet date, the Company assesses every time whether the balance sheet value of the recognised assets does not exceed the value of the expected future economic benefits. If there is an indication of such a situation, the balance sheet value of the assets is reduced to net sale price. Write-downs resulting from permanent loss in value are recognised in other operating costs. Write-downs resulting from permanent loss in value concerning the fixed assets, which were re-evaluated on the basis of separate regulations, reduce

the differences transferred onto the capital from revaluation, which were caused by revaluation. Possible excess of the write-down over the differences from revaluation is classified as other operating costs.

### **Intangible assets**

Intangible assets are recognized if it is plausible that, in the future, they will cause inflow of economic benefits to the Company that can be directly associated with these assets. The initial recognition of the intangible assets' value takes place according to purchase prices or production cost. After the initial recognition, the intangible assets are valued according to purchase prices or production cost reduced by redemption and write-downs resulting from permanent loss in value. The intangible assets are depreciated with the straight line method in the period corresponding to the estimated period of their economic use. The expected period of economic use is as follows:

- licenses - 5 years,
- software licenses - 2 years,
- other intangible assets - 5 years.

The intangible assets of an initial value of less than PLN 3,500 are depreciated once in the month of putting into service.

Estimates concerning the period of economic use and the depreciation method are subject to a review at the end of each financial year in order to verify, whether the used methods and the depreciation period are consistent with the expected term structure of economic benefits provided by given intangible assets.

As of the balance sheet date, the Company assesses every time whether the balance sheet value of the recognised assets does not exceed the value of the expected future economic benefits. If there is an indication of such a situation, the balance sheet value of the assets is reduced to net sale price. Write-downs resulting from permanent loss in value are recognised in other operating costs.

### **Long-term receivables**

The long-term receivables include, among others:

- receivables due to paid security deposits (e.g. within lease agreements),
- receivables from entities, with whom a bank conciliation or an arrangement was concluded.

The long-term receivables, as well as other receivables, are valued in accordance with Art. 28 of the Act on accounting during the year, which on the day of purchase or creation – according to the face value and as of the balance sheet date – in the amount of required payment, with caution, reduced by the impairment write-downs made in justified cases.

### **Long-term investments**

The long-term investments are property resources controlled by the entity, which will cause inflow of economic benefits to the entity in the future. The investments may be non-financial assets and, then, occur as:

- real estate,

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

---

- intangible assets,

or they may be financial assets and, then, occur as:

- shares,
- capital contributions in subsidiaries,
- other securities (long-term bills, government bonds, etc.),
- granted long-term loans,
- other long-term assets (bills of exchange, payable orders, deposits, commercial papers).

As of the balance sheet date, the long-term investments are valued according to purchase price reduced by write-downs resulting from permanent loss in value.

The investments in the subsidiaries that are controlled entities, co-subsidiaries, and associated party entities are valued according to the historical expense reduced by possible loss in value.

Commercial papers not quoted on the market are valued as of the balance sheet date with the straight line method, i.e. in the purchase price enlarged by an appropriate part of the discount, falling on the period until the balance sheet date, taking into account the possible loss in value.

**Short-term investments** (excluding cash and financial instruments),

The short-term investments, excluding cash and financial instruments, are valued according to the market price (value), and the short-term investments, for which there is no active market, in other way of a determined fair value.

The effects of increase or decrease in the value of the short-term investments valued according to the market price (value) are classified respectively as financial expense or income.

**Financial assets**

Financial assets, at the time of entry into the books of accounting, are valued according to the cost (purchase price), which is the fair value of the payment. Transaction costs are recognised

in the initial value of these financial instruments. Financial assets are entered into the books of accounting on the transaction date.

After initial recognition, financial assets are classified into one of four categories and valued

in the following way:

| <b>Category</b>  | <b>Valuation method</b>  |
|--|--|
| <b>1.</b> Financial assets maintained to the maturity date | According to the adjusted purchase price (depreciated cost) determined with the effective interest method  |
| <b>2.</b> Granted loans and receivables                    | According to the adjusted purchase price (depreciated cost) determined with the effective interest method. Receivables of a short maturity date, for which no interest rate was determined, valued according to the required payment |
| <b>3.</b> Financial assets destined for trade              | According to the fair value, and profits/losses due to revaluation are recognised in the income statement  |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

---

|   |   |
|---|---|
| <b>4.</b> Available-for-sale financial assets | According to the fair value, and profits/losses due to revaluation are recognised in the income statement until the investment sale or reduction of its value. At this moment, the total profit or loss due to revaluation is transferred to the income statement |
|---|---|

---

The fair value of financial instruments traded on the active market is determined in relation to the prices quoted on this market as of the balance sheet date. In case of the lack of a quoted market price, the fair value is estimated on the basis of the quoted market price of a similar instrument, or on the basis of expected cash flows.

**Permanent loss in value of financial assets**

As of each balance sheet date, the Company assesses whether there is objective evidence of permanent loss in value of a component or a group of financial assets. If such evidence exists, the Company estimates the estimated, possible to recover value of the component of assets and makes an impairment write down resulting from the loss in value, in the amount equal to the difference between the value possible to recover and the balance sheet value. Impairment write-downs against the value of a financial asset component or a portfolio of similar financial assets are determined:

1) in case of financial assets valued at the depreciated purchase cost – as the difference between the value of these assets resulting from the books of accounting as of the valuation date and the amount possible to recover. The amount possible to recover is the present value of the future cash flows expected by the entity, discounted with the effective interest rate previously used by the entity, valuing revalued financial assets' component or a portfolio of similar financial assets' components,

2) in case of the financial assets valued at the fair value – as the difference between the purchase price of an assets' component and its fair value determined as of the valuation date. However, the fair value of debt financial instruments as of the valuation date is understood as the present value of expected future cash flows expected by the entity, discounted with a current market interest rate used for similar financial instruments. The loss cumulated to this day recognised in the capital (fund) from revaluation is classified as finance costs

in the amount not lesser than the one indicated in the write-down reduced by the part directly classified as financial costs,

3) in case of other financial assets – as the difference between the value of the assets' component resulting from the books of accounting and the present value of future cash flows expected by the entity, discounted with the current market interest rate used for similar financial instruments.

**Lease**

The Company is a party of lease agreements, under which it conveys in return for payment to use or taking profits, the foreign fixed assets or intangible assets for an agreed period.

In case of lease agreements, under which there is transfer of, substantially, all the risks and profits resulting from ownership of assets covered by the agreement, the leased assets are recognized as the fixed asset. At the same time, a liability in the amount equal to the current value of minimum lease payments, determined as of the inception the lease date. Lease payments are divided between the financial costs and reduction of balance of the liability in a way allowing obtaining a constant interest rate on the remaining unpaid liability. Financing costs are recognised directly in the income statement.

The fixed assets subject to a financial lease agreement are depreciated in the way specified for own fixed assets. However, if there is uncertainty as transfer of property rights for the subject of the agreement, the fixed assets used under financial lease agreements are then depreciated for the shorter of the two periods: the expected period of use or the lease term. Lease payments under the agreements, which do not meet the conditions of a financial lease agreement, are recognized as costs in the income statement with the straight line methods for the lease term.

If a sale and sale-and-lease-back is a financial lease, then that part of the amount of sales revenue, which exceeds the value recognised in the balance sheet, is deferred in time and depreciated during the period of the lease agreement. If a sale and sale-and-lease-back are operating lease and if the transaction was concluded at prices corresponding to the fair value, any profits and losses arising resulting from that are recognised in the income statement. If the sale price is lower than the fair value, profits and losses resulting from that are recognised in the income statement, except for compensation of the loss with the future lease payments lower than market prices. In such a situation, the loss is deferred in time and settlement in proportion to the lease payments for the period of the expected use of the assets' component. If the sale price exceeds the fair value, the amount exceeding the fair value is deferred in time and settled in revenues for a period of the expected use of the assets' component.

#### **Short- and long-term receivables**

Trade receivables are recognised in the required amount reduced by impairment write-downs. The receivables value is adjusted taking into account the probability of their payment with the impairment write down. The impairment write-downs are classified respectively as other operating costs or financial costs – depending on the type of receivable subject to the impairment write-down. The redeemed, expired, or non-collectible receivables reduce previously made impairment write-downs against their value. The redeemed, expired, or non-collectible receivables, for which no impairment write-downs against their value were made, or the write-downs were not made in full, are classified as other operating costs or financial costs.

#### **Inventory**

Inventory is valued at the lower of the two values: the purchase price (or production cost) and the net sale price. The particular components of the inventory are valued in the following way:

- production fuel – weighted average method,
- spare parts and other materials – weighted average method.

The net sale price is a sale price possible to achieve as of the balance sheet date without the tax on goods and services and the excise tax, reduced by rebates, discounts, etc. and the costs related to accommodation of the component for sale and making this sale.

The Company makes the impairment write-downs against possessed inventories. The impairment write-downs against inventories increase other operating costs.

In the Company, the constant inventory procedure is applied for material stocks. Because the inventory is located in the guarded area and is in a continuous quantity/quality register, each material item must be counted at least once every two years.

The last inventory of the production fuel took place according to the status as of 31 December 2015.

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

---

Certificates of origin of energy acquired free of charge due to the energy production from renewable energy sources, gas, and peak load co-generation are presented according to the fair value on the day, when their granting became certain.

#### **Assets components internally generated**

The cost of internal generation of assets includes costs remaining within the direct relationship with a given product and the justified part of costs related indirectly to their production.

Direct costs include:

- the value of used direct materials,
- direct payments,
- wearing out of specialist tools,
- other costs incurred in relation to bringing the product to the form and place, in which it is on the day of valuation.

A reasonable, appropriate to the period of manufacture of the product part of the indirect costs includes variable indirect production costs corresponding to the level of these costs at the normal use of production capacities. The normal level of production capacities use is the average, in line with expectations in typical conditions production volume for a given number of periods, taking into account the scheduled overhauls.

Production costs, which are the basis of assets valuation, do not include general overheads, sale costs, other operating costs, and financial costs of financial operations. The transfer of generation costs to the assets of ZE PAK S.A. takes place no later than on the balance sheet date.

#### **Equities**

In the Company, there are the following capitals, which, in the balance sheet, are shown according to the face value, namely:

1. Share capital,
2. Supplementary capital,
3. Capital from revaluation,
4. Other reserve capitals.

The share capital is shown in the amount complying with the Company's Articles of Association and the entry into the National Court Register.

The supplementary capital is created from the profit division, an excess from the sale of shares over their nominal value, from the transfer from the Staff Fund, and from the transfer from the reserve capital from revaluation. The advances for dividends paid during the financial year are recognised in the books of accounts and in the balance sheet as a profit division made during the financial year.

#### **Special funds**

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

---

In the Company, there are following special funds:

1. The Company Social Insurance Fund
2. The Staff Fund.

The Act of 4 March 1994 (as amended) on the Company Social Insurance Fund states that the Company Social Insurance Fund is formed by employers employing at least 20 employees in full-time job positions. The Company forms such a fund and makes periodical write-offs in the amount agreed with trade unions. According to the agreement signed with the Trade Unions, the Company administers the Intercompany Social Insurance Fund of the Company and subsidiaries. The balance of the Fund is the accumulated income of the Fund decreased by the non-reclaimable expenses of the Fund. The Company recognises separately the Fund's balance and the assets in the balance sheet.

**Assets and liabilities denominated in foreign currencies**

As of 31 December 2015, the assets and liabilities denominated in currencies other than PLN are converted into PLN using the average exchange rate of the NBP of the balance sheet date. The foreign exchange rate differences arisen from the conversion are respectively recognised in the financial revenues (costs) item, or, in cases specified by the provisions, capitalised in the value of assets.

The following exchange rates were adopted for the purposes of the valuation:

|     | <b>31 December 2015</b> | <b>31 December 2014</b> |
|-----|-------------------------|-------------------------|
| EUR | 4,2615                  | 4,2623                  |
| USD | 3,9111                  | 3,5072                  |

The following assets and liabilities components denominated in foreign currencies were valued in exchange rates other than these shown above.

**Exchange rate differences**

Exchange rate differences concerning settlements denominated in foreign currencies arising on the valuation day and at payment of receivables and liabilities in foreign currencies, are classified appropriately as incomes or costs, and, in duly justified cases, as the production costs of the products or the purchase price of the goods, as well as the purchase price or the production cost of fixed assets, capital work in progress or intangible assets. In the income statement, exchange rate differences are recognised after their compensation.

**Cash at bank**

Domestic cash are recognised at the nominal value. Cash at bank is confirmed on the basis of a confirmation of balances bank form. The cash item recognised in the cash flow statement consists of cash in hand and bank deposits with a maturity date no longer than 3 months, which were not treated as an investment activity.

**Confirmations of balances**



**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

---

The confirmation of receivables and granted loans as of the balance sheet date takes place on the basis of sending written information about balances to all business partners and confirmation of these balances by them.

No written confirmation is required in case of balances referred to in art. 21, paragraph 1, point 3 of the Act, among others:

- disputed and doubtful receivables,
- receivables and liabilities towards employees,
- balances due to liabilities and public-law debts,
- small balances, of which amount does not exceed the posting cost.

Pursuant to the Act materiality principle, if business partners, whose receivable does not exceed 2% of the amount constituting the basis of classification of new assets components as the fixed assets, do not return the confirmation of balance in writing, it is assumed that the balance is satisfactory.

Pursuant to the Act materiality principle, if the receivables balance not exceeding 2% of the amount constituting the basis of classification of the new assets components as the fixed assets shows no change in the last half of the year, they should be credited in other operating costs.

#### **Bank credits and loans**

At the moment of initial recognition, bank credits and loans are recognised according to the cost constituting the value of received cash and covering the costs of obtaining the credit/loan. Then, all bank credits and loans, except for liabilities for trade, are valued according to the adjusted purchase price (depreciated cost), using the effective interest rate. Detailed rules for the valuation of certain liabilities denominated in foreign currencies are shown in the introduction to the financial statement.

Liabilities for trade are valued according to the fair value. The profit or loss due to re-evaluation to the fair value are recognised in the income statement of the current period.

#### **Accrual**

Loans received for financing environmental investments and then redeemed with granting the grant are recognised as other accruals of incomes and settled in the income statement in subsequent periods, in proportion to the depreciation of the fixed assets purchased or produced within funded investments.

The Company makes accruals of costs aimed at assignment of costs concerning a given period to this period. Active accruals include costs related to periods later than the period, in which they were incurred, among others insurance costs, subscriptions, bills of charge discount.

Active accruals also include the part of the estimated costs of future reclamation of ash dumps used by the Company. These costs are recognised at a discounted value and refer to expenditures that the Company will have to incur until complete filling the ash dump.

Moreover, active accruals include the value of the provision created from liquidation of the Company's assets, remaining to the settlement.

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

---

Passive accruals include the value of certificates of origin of energy produced from renewable energy sources, in combination and co-generation using natural gas, which the entity is required to redeem in relation with supply of electricity to final recipients. The provision due to the obligation to present the redemption of certificates of origin of energy produced from renewable energy sources or in peak load co-generation is recognised:

- in a part covered with the certificates of origin held as of the balance sheet date – in the value of the held certificates,
- in a part uncovered with the certificates of origin as of the balance sheet date – at the lower value of the market value of the certificates necessary to fulfil the obligation as of the balance sheet date, and a possible penalty.

Accruals include contractual penalties, compensation from an insurance company, interest exceeding the main receivable, the company's negative value, and subsidies received for production of the fixed assets.

In the accruals item, the Company also presents incomes of the future periods related to the settlement of results on the sale-and-leasebacks.

#### **Replacement proof**

Replacement proofs can be used as documents being the basis of the entries in the books of accounts. They also specify the circumstances (an employee declaration), in which confirmation of a business transaction with the replacement proof (Art. 20 paragraph 4).

The replacement proof should include:

- the date of the business transaction, place and date of issue of the proof,
- the subject, quantity, price, and the value of the purchase, goods, services),
- identification of the person ordering and its destiny.

A manager ordering the purchase must approve the replacement proof. The replacement proofs cannot be issued for purchases subject to VAT.

#### **Inventory**

The inventory of the Company's assets is conducted pursuant to art. 26 and art. 27 of the Act on accounting. Every year, pursuant to a separate ordinance of the President of ZE PAK S.A. an annual inventory plan is established.

#### **Permanent loss in value of assets**

As of each balance sheet date, the Company assesses whether there is objective evidence of permanent loss in value of a component or a group of assets. If such evidence exists, the Company estimates the estimated, possible to recover value of the component of assets and makes an impairment write down resulting from the loss in value, in the amount equal to the difference between the value possible to recover and the balance sheet value. The loss resulting from the loss in value is recognised in the income statement for the current period. In case of the previous re-estimation of assets, the loss reduces the amount of capitals from re-estimation, and then is transferred onto the income statement of the current period.

### **Revenues of goods, products and services sale, as well as interests and dividends**

Sales revenues include due or received amounts from the sale of goods and services (reduced by returns, rebates and discounts). Sales revenues are recognised in the net value, i.e. reduced by the due VAT. Purchased energy sales revenues are recognised as goods sale revenues. The value of purchased energy sale revenues is recognised according to the average price from bilateral agreements.

Sales revenues also include the sales revenues of green and red certificates. At the time of production, the certificates of origin intended for sale are included in the sales revenues, and therefore in order to avoid inflating revenues at the time of selling, the costs of selling certificates are recognised as an adjustment to sales revenues.

Interest revenues are recognised during their calculation (using the effective interest rate), if their receipt is unquestionable.

Due dividends are classified as financial revenues as of the day of the appropriate body of an appropriate company's passing a resolution the division of profit, unless the resolution specifies the other day of the right for the dividend.

### **Operating costs**

The Company keeps the costs accounting by function and by type and develops a by-function income statement.

### **General production costs**

General production costs are settled statistically on sold electricity and thermal energy, as well as other works and services in proportion to the direct payments burdening sold energy, other works, and services.

### **Corporate income tax**

The gross profit adjusted by permanent and temporary differences between the incomes determined for tax needs, and a balance sheet financial result is the basis for calculating the income tax. Temporary differences due to income tax are recognised in the balance sheet as provisions for a deferred income tax (a positive difference) or as active accruals (negative differences). Deferred tax assets and provisions for the deferred tax are compensated in the balance sheet.

### **Provisions**

Provisions are recognised when the Group is burdened with the existing obligation (legal or constructive one) resulting from past events, and it is certain or very likely that the fulfilment of this obligation will result in the necessity of the cash outflow, and when the amount of this liability can be reliably estimated. Provisions for the costs of the liquidation of assets are recognised in the amount of forecast liquidation costs in the current value of these costs. These provisions are recognised as accruals and settled in time for the remaining lifetime of the devices intended for liquidation. In case of devices excluded from the operation, the provisions for the costs of their liquidation are created for the burden of other operating costs. In the provisions item, the Company also recognises the provision for future costs of reclamation of the land, where the Company stores wastes.

### **Deferred income tax**

Deferred income tax is determined using the balance liability method in relation to all temporary differences between the tax values of assets and liabilities and their balance sheet value recognised in the financial statement that occur on the balance sheet date. The provision for the deferred income tax is created in relation to all positive temporary differences, unless the provision for the deferred income tax is created as a result of the depreciation of the company's value or the initial recognition of an assets or liabilities component in a transaction, which is not a merger, and, at the time of its conclusion, it does not influence neither the gross financial result, nor the taxable profit, or the tax loss.

The assets component due to the deferred tax is recognised in relation to all negative temporary differences, as well as unused tax losses transferred to the next years, to the extent that it is probable that the taxable income, which will allow using the above mentioned differences and losses, will be achieved:

In case of negative temporary differences due to the shares in the subsidiaries or associated party entities and shares in co-subsidiaries, the assets' component due to the deferred income tax is recognised in the balance sheet only in the amount that it is probable that, in the predictable future, the above mentioned temporary differences will be reversed, and the taxable income enabling deduction of the negative temporary differences will be achieved.

The balance sheet value of the assets' component due to the deferred income tax is verified on every balance sheet date and reduced to the extent that it is no longer probable that the taxable income sufficient for a partial or complete realisation of the assets' component due to the deferred income tax will be achieved.

The deferred income tax assets and provisions for the deferred income tax are valued using tax rates that, according to the provisions passed by the balance sheet date, will apply in the period, when the assets' component is realised or the provision is redeemed. Deferred tax assets and provisions for the deferred tax are presented in the balance sheet according to the value after compensation.

### **Provisions for leaves, one-time retirement severance payments, anniversary premiums, and survival severance payments**

The employees of the Company are entitled to holiday leaves specified by the provisions of the Labour Code. The Company creates provisions for the cost of unused leaves, for which employees have been entitled until the balance sheet date.

According to the company remuneration system, the employees are entitled to the anniversary premiums after working a certain number of years and for one-time retirement severance payments at the moment of retirement, and survival severance payments. On the basis of independent actuarial calculations in accordance with the International Accounting Standard IAS 19, a provision for severance payments and premiums, which will be paid in the future.

The provision for the cost of the energy reduction is created for the employees and retired people, as well as other authorised groups. The value of the provision is determined on the basis of the calculation of actuarial future liabilities of the Company due to the reduction for electricity. The amount of the costs is estimated annually with individually, for each authorised person separately. The expected cost, which the Company obliges to pay on the basis of the relevant regulations, is the basis for calculation of the provision for an employee. The amount of the provision for a future retired person is the value of the worked part of the benefit.

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

---

In accordance with the International Accounting Standard 19, a suitable provision for current employees of the Company, who are the future retired people, will be created through the average vesting period of the current employees of the Company, which was estimated for 20 years.

The estimated amount of the costs incurred for a current pensioner, a retired person, a widow, a widower or an orphan in a given year takes into account the total value of the energy reduction, and the expected increase in its basis, as well as the likelihood that the authorised person will still maintain entitlement to reduction. The amounts calculated in this way, are discounted as of the balance sheet date, and then summed.

#### **CO2 allowances**

The obtained free CO2 allowances are presented in the financial statement at the nominal value as the allowances intended for own needs at the zero value within the intangible assets item. The emission allowances and their equivalents purchased by the Company for its own needs are recognised as intangible assets. These allowances are valued at the acquisition cost.

The Company creates the provision for liabilities associated with the CO2 allowances deficit in the period, when the actual emission exceeds allocated allowances. The cost of the created provision is presented in the income statement, in the cost of sales.

The provision is created in the amount of:

- in a part covered by the allowances held at the balance sheet date – in the value of the held allowances, i.e. purchased at the balance sheet value, received in the zero value.
- in a part uncovered by the allowances held at the balance sheet date – at the lower value of the market value of the allowances required to fulfil the obligation at the balance sheet date and a possible penalty.

The Company creates the provision for the redemption of certified emission reductions CERs, at the moment of the exchange transaction of CO2 allowances to CERs in the value, at which CERs will be redeemed for a given year. Firstly, the Company redeems the certified emission reductions – CERs acquired through the exchange of CO2 allowances (EUA), then the allowances acquired free of charge, and, finally, the purchased allowances.

As of each balance sheet date, the Company's management decides, in which part the owned certified emission reductions CERs will be allocated to fulfil the obligation of redemption for a given year.

The Company presents information on the quantity and the market value of the held emission allowances in the additional notes and explanations to the financial statement.

In case of the exchange of allowances for certified emission reductions – CERs (the attributable exchange rate for ZE PAK SA is 1% of the obligation to redeem allowances for a given reporting period), the Company presents the effect of the exchange in the income statement within the operating activity as sales revenues.

The result on the sale of the excess of the allowances acquired free of charge is presented in the income statement in the other operating revenues item. The exchange transactions of EUAs for CERs are presented in the cash flow statement, in the cash flows of the operating activity.

## **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 accounting year.

## **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, 21 March 2016

Management Board of Zespół Elektrowni Pątnów –  
Adamów – Konin SA

Prepared by:

## **III. Additional information and clarifications**

### **1. Events of the accounting year not specified in the balance sheet and the income statement**

In the reporting period, until the date of development of this financial statement, i.e. until 21 March 2016, 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 31 December 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 December 2015, i.e. until 19 March 2016, 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 31 December 2015, i.e. until 21 March 2016, 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**

#### **Discussions between the Management Board and the social party**

In the fourth quarter of 2015, the Management Board, having regard to the impact of deteriorating external factors on the Company financial condition, decided to temporarily suspend the financing of the employee pension plan as well as to reduce the statutory bonus attributable to employed workers. The Management Board decisions did not require interference in the content of provisions of the agreements between the employer and employees. At the same time, the Management Board offered the social party temporary suspension of the Corporate Collective Labour Agreement, as a whole or in part. The Management Board's proposals were not accepted by the social party.

On the other hand, after the reporting period closing on 8 February 2016, trade unions acting in ZE PAK S.A. reported, under the Act of 23 May 1991 on resolution of collective disputes, requests related to, among others, new components of the remuneration system, severance payments and work safety.

The Management Board refused to execute the trade unions' requests. The Management Board considered the trade unions' requests on introducing new components to the remuneration system as unacceptable, according to Article 4 paragraph 2 of the Act on resolution of collective disputes. The consequence of failure to take into account the requests, since 8 February 2016, includes the occurrence of a collective dispute between ZE PAK S.A., as an employer, and trade unions, as representation of employees. Until the date of development of this report, the Parties had not taken any further actions in order to conduct a collective dispute, and on 25 February 2016, they published a joint communication on initiating mutual discussions without imposing preconditions, and they declared to refrain from taking actions, which may interfere with the dialogue process, throughout their duration. The parties agreed that the discussions would be held until the end of April with the possibility to modify this date.

#### **Agreement on financial support for PAK KWB Konin S.A.**

In the course of the work related to preparing the description of further strategy of the Company and Capital Group, as well as final projections for banks granting the loan for the final stage of the 1-4 unit modernisation in Pątnów power plant, ZE PAK S.A. and PAK KWB Konin S.A. Management Boards decided to conclude the agreement for reaching the necessary decisions on providing financial support for the investment carried out by PAK KWB S.A. that involves the opening of a new lignite open pit, which is to secure uninterrupted supplies of coal for the purposes of the ZE PAK Capital Group's power plant. On 16 March 2016, a relevant agreement, which constitutes the first stage of setting the rules on developing the necessary decisions between the parties, including the conditions for granting financial support for construction of a new pit, was concluded. The final decisions will be preceded by a design economic and financial analysis of opening a new pit. The final stage will

be to conclude the relevant (final) agreement/agreements on financial support after obtaining the required corporate consents.

## **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.



**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

## 6. Balance sheet

### a) Fixed assets.

| <b>CHANGE IN TANGIBLE FIXED ASSETS (BY TYPE GROUPS)</b> |  |  |  |                              |                         |                |                  |
|---|--|--|--|------------------------------|-------------------------|----------------|------------------|
| <b>In PLN thousand</b>                                  |  |  |  |                              |                         |                |                  |
|   | <b>Period ended 31 December 2015</b>                                       | <b>- land (including perpetual usufruct)</b> | <b>- buildings, premises and constructions</b> | <b>- plant and machinery</b> | <b>- motor vehicles</b> | <b>- other</b> | <b>Total</b>     |
| a)  | <b>Gross value of tangible fixed assets at the beginning of the period</b> | 1 361  | 1 293 822                                      | 3 148 322                    | 3 849                   | 11 528         | 4 458 882        |
| b)  | Increase by:   | 0  | 10 925   | 8 412                        | 732                     | 643            | 20 712           |
|   | Purchase   |  |  | 127                          | 4                       | 56             | 187              |
|   | Relocation from investment   |  |  |                              |                         |                | 0                |
|   | Transfers  |  | 10 925   | 8 285                        | 148                     | 587            | 19 945           |
|   | Other  |  |  |                              | 580                     |                | 580              |
| c)  | Decrease by:   | 0  | 226  | 1 742                        | 844                     | 335            | 3 147            |
|   | Sale and liquidation   |  | 226  | 1 742                        | 844                     | 335            | 3 147            |
|   | Other  |  |  |                              |                         |                | 0                |
| d)  | <b>Gross value of tangible fixed assets at the end of the period</b>       | <b>1 361</b>                                 | <b>1 304 521</b>                               | <b>3 154 992</b>             | <b>3 737</b>            | <b>11 836</b>  | <b>4 476 447</b> |
| e)  | Cumulated amortisation (depreciation) at the beginning of the period       | 109  | 704 444  | 2 457 114                    | 2 059                   | 9 246          | 3 172 972        |
| f)  | Increase by:   | 4  | 38 082   | 42 835                       | 628                     | 707            | 82 256           |
|   | Amortisation of the period   | 4  | 38 082   | 42 835                       | 628                     | 707            | 82 256           |
|   | Transfers  |  |  |                              |                         |                | 0                |
| g)  | Decrease by:   | 0  | 226  | 1 734                        | 790                     | 335            | 3 085            |
|   | Sale and liquidation   |  | 226  | 1 734                        | 790                     | 335            | 3 085            |
| h)  | <b>Cumulated amortisation (depreciation) at the end of the period</b>      | <b>113</b>                                   | <b>742 300</b>                                 | <b>2 498 215</b>             | <b>1 897</b>            | <b>9 618</b>   | <b>3 252 143</b> |
| i)  | Value loss impairment at the beginning of the period                       |  |  |                              |                         |                | 0                |
| -   | Increase   |  | 383 293  | 447 703                      | 459                     | 597            | 832 052          |
| -   | Decrease   |  |  |                              |                         |                | 0                |
| j)  | Value loss impairment at the end of the period                             | 0  | 383 293  | 447 703                      | 459                     | 597            | 832 052          |
| k)  | <b>Net value of tangible fixed assets at the end of the period</b>         | <b>1 248</b>                                 | <b>178 928</b>                                 | <b>209 074</b>               | <b>1 381</b>            | <b>1 621</b>   | <b>392 252</b>   |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

| <b>CHANGE IN TANGIBLE FIXED ASSETS (BY TYPE GROUPS)</b> |  |  |  |                              |                         |                |                  |
|---|--|--|--|------------------------------|-------------------------|----------------|------------------|
| <b>In PLN thousand</b>                                  |  |  |  |                              |                         |                |                  |
|   | <b>Period ended 31 December 2014</b>                                       | <b>- land (including perpetual usufruct)</b> | <b>- buildings, premises and constructions</b> | <b>- plant and machinery</b> | <b>- motor vehicles</b> | <b>- other</b> | <b>Total</b>     |
| <b>a)</b>   | <b>Gross value of tangible fixed assets at the beginning of the period</b> | <b>1 371</b>                                 | <b>1 293 269</b>                               | <b>3 141 494</b>             | <b>3 216</b>            | <b>10 266</b>  | <b>4 449 616</b> |
| b)  | Increase by:   | 8  | 3 307  | 7 376                        | 1 189                   | 1 503          | 13 383           |
|   | Purchase   |  | 9  | 1 854                        | 7                       | 321            | 2 191            |
|   | Relocation from investment   |  | 2 082  | 5 438                        | 951                     | 1 182          | 9 653            |
|   | Transfers  |  |  |                              |                         |                | 0                |
|   | Other  | 8  | 1 216  | 84                           | 231                     |                | 1 539            |
| c)  | Decrease by:   | 18   | 2 754  | 548                          | 556                     | 241            | 4 117            |
|   | Sale and liquidation   | 18   | 2 754  | 548                          | 556                     | 241            | 4 117            |
| <b>d)</b>   | <b>Other</b>   | <b>1 361</b>                                 | <b>1 293 822</b>                               | <b>3 148 322</b>             | <b>3 849</b>            | <b>11 528</b>  | <b>4 458 882</b> |
| <b>e)</b>   | <b>Gross value of tangible fixed assets at the end of the period</b>       | <b>104</b>                                   | <b>668 020</b>                                 | <b>2 398 173</b>             | <b>2 238</b>            | <b>8 747</b>   | <b>3 077 282</b> |
| f)  | Cumulated amortisation (depreciation) at the beginning of the period       | 5  | 38 706   | 59 487                       | 361                     | 740            | 99 299           |
|   | Increase by:   | 5  | 38 706   | 59 487                       | 361                     | 740            | 99 299           |
|   | Amortisation of the period   |  |  |                              |                         |                | 0                |
|   | Transfers  |  |  |                              |                         |                | 0                |
| g)  | Decrease by:   | 0  | 2 282  | 546                          | 540                     | 242            | 3 610            |
|   | Sale and liquidation   |  | 2 282  | 546                          | 540                     | 242            | 3 610            |
|   | <b>Cumulated amortisation (depreciation) at the end of the period</b>      |  |  |                              |                         |                | <b>0</b>         |
| <b>h)</b>   | <b>Value loss impairment at the beginning of the period</b>                | <b>109</b>                                   | <b>704 444</b>                                 | <b>2 457 114</b>             | <b>2 059</b>            | <b>9 245</b>   | <b>3 172 971</b> |
| i)  | Increase   |  |  |                              |                         |                | 0                |
| -   | Decrease   |  |  |                              |                         |                | 0                |
| -   | Value loss impairment at the end of the period                             |  |  |                              |                         |                | 0                |
| j)  | Net value of tangible fixed assets at the end of the period                |  |  |                              |                         |                | 0                |
| <b>k)</b>   | <b>Gross value of tangible fixed assets at the beginning of the period</b> | <b>1 252</b>                                 | <b>589 378</b>                                 | <b>691 208</b>               | <b>1 790</b>            | <b>2 283</b>   | <b>1 285 911</b> |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

| <b>BALANCE SHEET FIXED ASSETS (OWNERSHIP STRUCTURE)</b>                                    | <b>PLN thousands</b> |                   |
|--|----------------------|-------------------|
|  | <b>31-12-2015</b>    | <b>31-12-2014</b> |
| a) proprietary   | 1 223 618            | 1 285 649         |
| b) used under a rental, demise or other agreement, including a lease agreement, including: | 686                  | 262               |
| - financial lease agreements   | 686                  | 262               |
| - operating lease, rental, and demise agreements,  |                      |                   |
| c) impairment write-downs  | 832 052              | 0                 |
| <b>Total balance sheet fixed assets</b>  | <b>392 252</b>       | <b>1 285 911</b>  |

| <b>FIXED ASSETS RECOGNISED OFF-BALANCE SHEET</b>                            | <b>PLN thousands</b> |                   |
|---|----------------------|-------------------|
|   | <b>31-12-2015</b>    | <b>31-12-2014</b> |
| used under a rental, demise or other agreement, including a lease agreement | 87                   | 52                |
| <b>Total fixed assets recognised off-balance sheet</b>                      | <b>87</b>            | <b>52</b>         |

| <b>TANGIBLE FIXED ASSETS</b>                       | <b>PLN thousands</b> |                   |
|--|----------------------|-------------------|
|  | <b>31-12-2015</b>    | <b>31-12-2014</b> |
| a) tangible assets, including:                     | 392 252              | 1 285 911         |
| - land (including the perpetual usufruct of land)  | 1 248                | 1 252             |
| - buildings, premises, and civil engineering works | 178 928              | 589 378           |
| - technical equipment and machinery                | 209 074              | 691 208           |
| - transport equipment                              | 1 381                | 1 790             |
| - other fixed assets                               | 1 621                | 2 283             |
| b) capital work in progress                        | 287 639              | 693 396           |
| c) Advance payments for capital work in progress   | 4 329                | 20 662            |
| <b>Total tangible fixed assets</b>                 | <b>684 220</b>       | <b>1 999 969</b>  |

| <b>Specification</b>     | <b>31.12.2015</b>               |   | <b>31.12.2014</b>               |   |
|--------------------------|---------------------------------|---|---------------------------------|---|
|                          | <b>Construction in progress</b> | <b>Prepayments for construction in progress</b> | <b>Construction in progress</b> | <b>Prepayments for construction in progress</b> |
| <b>In PLN thousand</b>   |                                 |   |                                 |   |
| <b>Initial value</b>     |                                 |   |                                 |   |
| <b>Opening balance</b>   | <b>693 396</b>                  | <b>20 662</b>                                   | <b>220 951</b>                  | <b>43 010</b>                                   |
| Increase, including      | 346 716                         | 0   | 484 480                         | 3 908   |
| Purchase                 | 346 716                         |   | 484 480                         | 3 908   |
| Decrease, including      | 22 526                          | 16 333  | 12 035                          | 26 256  |
| Liquidation              | 20 932                          | 16 333  | 11 859                          | 26 256  |
| Sale                     | 1 594                           |   | 176                             |   |
| <b>Closing balance</b>   | <b>1 017 586</b>                | <b>4 329</b>                                    | <b>693 396</b>                  | <b>20 662</b>                                   |
| <b>Depreciation</b>      |                                 |   |                                 |   |
| Opening balance          |                                 |   |                                 |   |
| <b>Closing balance</b>   | <b>0</b>                        | <b>0</b>  | <b>0</b>                        | <b>0</b>  |
| <b>Impairments OB.</b>   |                                 |   |                                 |   |
| <b>Impairments CB BZ</b> | 729 947                         |   |                                 |   |
| <b>Net value</b>         |                                 |   |                                 |   |
| Opening balance          | 693 396                         | 20 662  | 220 951                         | 43 010  |
| <b>Closing balance</b>   | <b>287 639</b>                  | <b>4 329</b>                                    | <b>693 396</b>                  | <b>20 662</b>                                   |

### **The value impairment test of ZE PAK SA**

In accordance with Art. 7 paragraph 1 and Art. 28 of the Act of 29 September 1994 on accountancy and the National Accounting Standard No. 4 "Value impairment of assets" at the end of every reporting period, the Company's Board evaluates whether there are any prerequisites indicating that there may have occurred a loss in value of components of fixed assets. In case of statement that there are such prerequisites, the Company estimates a recoverable number of assets' components. Therefore, the Company always analyses prerequisites that might affect a loss in value of any of the assets' components, as well as determine the units generating economic benefits within the Company.

According to NAS No. 4, the units generating economic benefits are the smallest identifiable groups of assets which generate cash inflows of the current use that are largely independent of the cash inflows from other assets or groups of assets. If there is any indication that an asset may be impaired, a recoverable amount shall be estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, an entity shall determine the recoverable amount of the unit generating economic benefits, to which the asset belongs.

The premises, which the Board took into account when assessing the need for the test, were the premises resulting from market conditions in the environment, in which the Company runs a business activity, out of which the most important are:

- decreasing electricity prices (due to, among others, growing wind generation, a change in the rules for the provision of operational power reserve services);
- decreasing prices of energy certificates of origin generated in renewable energy sources ("green certificates") due to the oversupply of property rights of renewable energy;
- increasing prices of CO2 allowances (caused by the aggravating climate policy of the European Union).

While distinguishing the units generating economic benefits within the Company's assets, it was primarily important to analyse the autonomy of generated economic benefits in terms of the Company functioning.

ZE PAK SA, apart from the manufacturing operation, within which it is responsible for ensuring a certain level of efficiency of the generating units and implementations of production schedules, is focused on significant operational and financial functions at the Capital Group level.

Conducting the value impairment test of fixed assets, the Company based on the financial model reflecting its strategic priorities for 2016-2047.

In ZE PAK S.A., one unit generating economic benefits was determined, in which the following generation assets operate:

- Pątnów I power plant - operation time until 31 December 2030
- Adamów power plant - operation time until 31 December 2017
- Konin-header power plant - operation time until 30 June 2020
- Konin biomass unit power plant - operation time until 31 December 2047

For each of the above units, it is possible to determine the generated economic benefits, however, these benefits are, to some extent, dependent on each other. Therefore, they had to be considered together as a single unit.

The following assumptions were adopted to estimate the use value of tangible fixed assets:

the forecast of the electricity prices with the division into BASE, PEAK and OFF-PEAK, and the forecast of prices of the CO2 allowances were adopted on the basis of the Report on the energy market in Poland prepared for ZE PAK SA by an independent external consultant,

production assumptions result from the adopted investment and a renovation programme of ZE PAK SA. Reduction of electricity generation from lignite and maintenance of generation for biomass-fired boiler are assumed,

in the structure of total revenue in 2016-2017, on average, 85% are revenues from own and purchased electricity. From 2018, due to the exclusion of production in the Adamów Power Plant, the total revenue will decrease by 40% in relation to 2017. In 2021, another decrease will take place when the units 5 and 6 in the Pątnów Power Plant as well as the boiler part in the Konin Power Plant do not work,

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

the Company assumed the use of free CO2 allowances in the amount resulting from Article 10a of Directive 2003/87/EC of the European Parliament and the Council of 13 October 2003,

the costs of lignite purchased for generation were specified on the basis of the delivery schedule and the prices agreed with the appropriate schedules in financial projections of subsidiaries and on the basis of the agreement signed between ZE PAK S.A. and PAK KWB "Konin" S.A., "Agreement on the financial support for the construction of the Ościsłowo open cast",

the effects of restructuring costs for the withdrawal of the old units in the Konin and Adamów Power Plants were taken into account,

the new mechanisms of model changes of the Polish market including the introduction of the capacity market (electricity and power) and/or mechanisms guaranteeing a return on investments (contracts of differences) were not taken into account,

the weighted average cost of capital after taxation (WACC) in the projection period at the level of 7.22% (in 2014, also 7.22%) was adopted.

The test was conducted on 31 December 2015.

On the basis of the conducted tests, the necessity to recognise the impairment write-downs against property, plant and equipment in the amount of PLN 1,562.000 thousand was found.

| <i>As of 31.12.2015</i> | <i>Tested value</i> | <i>impairment</i> | <i>Value after impairment</i> |
|-------------------------|---------------------|-------------------|-------------------------------|
| ZE PAK S.A.             | 2 922 431           | 1 562 000         | 1 360 431                     |
| total                   | 2 922 431           | 1 562 000         | 1 360 431                     |

The parameter change underlying the evaluation of the recoverable amount changed the present value of the discounted cash flow with the amounts presented below.

**Sensitivity analysis**

Changes of financial parameters underlying the evaluation of the recoverable amount would change the present value of the discounted cash flow with the amounts presented below.

| <b>Zespół Elektrowni Pątnów-Adamów-Konin S.A.</b> | (+)<br>increase by 1,0 p.p. | (-)<br>decrease by 1,0 p.p. |
|---|-----------------------------|-----------------------------|
| Average weighted capital cost                     | (44 m)                      | 52 m                        |
|   | (+)<br>increase by 1%       | (-)<br>decrease by 1%.      |
| Change in sale revenues (price of electricity)    | 80 m                        | (80 m)                      |
|   | (+)<br>increase by 5%       | (-)<br>decrease by 5%.      |
| Change in cost of goods sold (price of 1 EUA)     | (86 m)                      | 86 m                        |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

**b) Intangible assets**

| CHANGE IN INTANGIBLE ASSETS (BY TYPE GROUPS) |  |                      |          |   |            |                         |                                   |         |
|--|--|----------------------|----------|---|------------|-------------------------|-----------------------------------|---------|
| In PLN thousand                              |  |                      |          |   |            |                         |                                   |         |
| Period ended 31 December 2015                |  | a                    | b        | c   |            | d                       | e                                 | Total   |
|  |  | Development expenses | Goodwill | concessions, patents, licenses and similar values, including: |            | Other intangible assets | Prepayments for intangible assets |         |
|  |  |                      |          |   | - software |                         |                                   |         |
| a)   | Gross value of intangible assets at the beginning of the period      |                      |          | 18 027  | 194        | 196 220                 |                                   | 214 247 |
| b)   | Increase by  | 0                    | 0        | 987   | 0          | 209 354                 | 0                                 | 210 341 |
|  | Purchase   |                      |          |   |            | 209 354                 |                                   | 209 354 |
|  | Other  |                      |          |   |            |                         |                                   | 0       |
|  | Transfers  |                      |          | 987   |            |                         |                                   | 987     |
| c)   | Decrease by  | 0                    | 0        | 155   | 155        | 119 344                 | 0                                 | 119 499 |
|  | Liquidation  |                      |          | 155   | 155        | 119 344                 |                                   | 119 499 |
| -  | Other  |                      |          |   |            |                         |                                   |         |
| d)   | Gross value of intangible assets at the end of the period            | 0                    | 0        | 18 859  | 39         | 286 230                 | 0                                 | 305 089 |
| e)   | Cumulated amortisation (depreciation) at the beginning of the period |                      |          | 14 380  | 194        |                         |                                   | 14 380  |
| f)   | Increase by  | 0                    | 0        | 1 003   | 0          | 3                       | 0                                 | 1 006   |
|  | Amortisation of the period   |                      |          | 1 003   |            | 3                       |                                   | 1 006   |
|  | Other  |                      |          |   |            |                         |                                   | 0       |
| g)   | Decrease by  | 0                    | 0        | 155   | 155        | 0                       | 0                                 | 155     |
|  | Liquidation  |                      |          | 155   | 155        |                         |                                   | 155     |
|  | Other  |                      |          |   |            |                         |                                   |         |
| h)   | Cumulated amortisation (depreciation) at the end of the period       | 0                    | 0        | 15 228  | 39         | 3                       | 0                                 | 15 231  |
| i)   | Impairments at the beginning of the period                           |                      |          |   |            |                         |                                   | 0       |
| -  | Increase   |                      |          |   |            |                         |                                   | 0       |
| -  | Decrease   |                      |          |   |            |                         |                                   | 0       |
| J)   | Impairments 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        | 3 631   | 0          | 286 227                 | 0                                 | 289 858 |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

| <b>CHANGE IN INTANGIBLE ASSETS (BY TYPE GROUPS)</b> |  |                      |          |   |            |                         |                                   |         |
|---|--|----------------------|----------|---|------------|-------------------------|-----------------------------------|---------|
| In PLN thousand                                     |  |                      |          |   |            |                         |                                   |         |
| Period ended 31 December 2014                       |  | a                    | b        | c   |            | d                       | e                                 | Total   |
|   |  | Development expenses | Goodwill | concessions, patents, licenses and similar values, including: | - software | Other intangible assets | Prepayments for intangible assets |         |
| a)  | Gross value of intangible assets at the beginning of the period      |                      |          | 28 248  | 194        | 147 275                 |                                   | 175 523 |
| b)  | Increase by  | 0                    | 0        | 2 236   | 0          | 177 011                 | 0                                 | 179 247 |
|   | Purchase   |                      |          | 30  |            | 177 011                 |                                   | 177 041 |
|   | Other  |                      |          |   |            |                         |                                   | 0       |
|   | Transfers  |                      |          | 2 206   |            |                         |                                   | 2 206   |
| c)  | Decrease by  | 0                    | 0        | 12 457  | 0          | 128 066                 | 0                                 | 140 523 |
|   | Liquidation  |                      |          | 12 457  |            | 128 066                 |                                   | 140 523 |
| -   | Other  |                      |          |   |            |                         |                                   | 0       |
| d)  | Gross value of intangible assets at the end of the period            | 0                    | 0        | 18 027  | 194        | 196 220                 | 0                                 | 214 247 |
| e)  | Cumulated amortisation (depreciation) at the beginning of the period |                      |          | 25 876  | 194        |                         |                                   | 25 876  |
| f)  | Increase by  | 0                    | 0        | 921   | 0          | 0                       | 0                                 | 921     |
|   | Amortisation of the period   |                      |          | 921   |            |                         |                                   | 921     |
|   | Other  |                      |          |   |            |                         |                                   | 0       |
| g)  | Decrease by  | 0                    | 0        | 12 417  | 0          | 0                       | 0                                 | 12 417  |
|   | Liquidation  |                      |          | 12 417  |            |                         |                                   | 12 417  |
|   | Other  |                      |          |   |            |                         |                                   | 0       |
| h)  | Cumulated amortisation (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       |
| J)  | Impairments 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 |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

| <b>INTANGIBLE ASSETS (PROPERTY STRUCTURE) in PLN thousand</b>               | <b>31-12-2015</b> | <b>31-12-2014</b> |
|---|-------------------|-------------------|
| a) Own  | 289 858           | 199 867           |
| b) used under rental, lease or other agreement, including leasing agreement |                   |                   |
| <b>Total</b>  | <b>289 858</b>    | <b>199 867</b>    |

| <b>INTANGIBLE ASSETS in PLN thousand</b>                         | <b>30-06-2015</b> | <b>31-12-2014</b> |
|--|-------------------|-------------------|
| a) Development expenses  |                   |                   |
| b) Goodwill  |                   |                   |
| c) concessions, patents, licenses and similar values, including: | 3 631             | 3 647             |
| - Software   |                   |                   |
| d) Other intangible assets                                       | 286 227           | 196 220           |
| e) Prepayments for intangible assets                             |                   |                   |
| <b>Total</b>   | <b>289 858</b>    | <b>199 867</b>    |

| <b>CHANGE IN VALUE OF INTANGIBLE ASSETS (BY TYPE GROUPS) in PLN thousand</b> | <b>31-12-2015</b> | <b>31-12-2014</b> |
|--|-------------------|-------------------|
| a) As of the beginning of the period   | 199 867           | 149 648           |
| - Licenses   | 3 647             | 2 373             |
| - CO2 emission allowances  | 196 220           | 147 275           |
| b) Increase by   | 210 341           | 179 247           |
| - Licenses   | 987               | 2 236             |
| - CO2 emission allowances  | 209 351           | 177 011           |
| - Other  | 3                 |                   |
| c) Decrease by   | 120 350           | 129 027           |
| - Licenses (depreciation and liquidation)                                    | 1 003             | 961               |
| - CO2 emission allowances  | 119 344           | 128 066           |
| - Other  | 3                 |                   |
| d) As of the end of the period   | 289 858           | 199 867           |
| - licenses (depreciation)  | 3 631             | 3 647             |
| - CO2 emission allowances  | 286 227           | 196 220           |

**c) Inventory**

| <b>INVENTORY</b>                               | <b>In PLN thousand</b> |                   |
|--|------------------------|-------------------|
|  | <b>31-12-2015</b>      | <b>31-12-2014</b> |
| a) Materials                                   | 38 536                 | 42 509            |
| b) Semi-finished products and work in progress | 0                      | 0                 |
| c) Finished products                           | 0                      | 0                 |
| d) Goods                                       | 64 816                 | 135 722           |
| e) Advance payments for deliveries             | 804                    | 2 288             |
| <b>Total</b>                                   | <b>104 156</b>         | <b>180 519</b>    |



**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

| Specification                             | 31 December 2015 | 31 December 2014 |
|---|------------------|------------------|
| <b>1. Materials</b>                       | <b>38 536</b>    | <b>42 510</b>    |
| · Production fuel                         | 12 915           | 19 126           |
| · Auxiliary materials                     | 29 397           | 27 216           |
| · Write-down                              | -3 776           | -3 832           |
| <b>2. Goods</b>                           | <b>64 816</b>    | <b>135 721</b>   |
| · Green certificates                      | 77 347           | 161 601          |
| · Red certificates                        | 687              | 821              |
| · Write-down                              | -13 218          | -26 701          |
| <b>3. Advance payments for deliveries</b> | <b>804</b>       | <b>2 288</b>     |
| <b>Total:</b>                             | <b>104 156</b>   | <b>180 519</b>   |

Certificates of origin of energy due to the energy production from renewable energy sources, gas sources, and peak load co-generation are presented according to fair value at the end of the month, in which they were produced.

As of 31 December 2015, the Group in total possessed, according to entries in the records, 591,558.764 MWh of property rights of green certificates and the produced green energy that is not yet verified by ERO, 476,257.575 MWh of which are the already obtained property rights, while 76,744.933 MWh are the green power generation in October and November 2015 awaiting for confirmation in the ERO, and 38,556.256 MWh are the generation of December 2015 awaiting for submission of an application by the Company. The Company submitted the application for granting property rights in January 2016. During the four quarters of 2015, the Group received the outstanding certificates for 2013 in the number of 106,522.800 MWh, the outstanding certificates for the fourth quarter of 2014 in the amount of 83,791.577 MWh, and the certificates for the period from January to September 2015 in the number of 353,057.956 MWh. During the current reporting period, the Group performed generation from renewable sources and presented the green certificates, at prices current at the end of each month, in the balance sheet. The write-down presented in the balance sheet as of 31 December 2015 in the amount of PLN 13,218 thousand concerns revaluation of allowances in possession of the Company on 31 December 2015 to the unit price in the amount of 108.60 PLN/MWh, which have not been liquidised by the Group yet.

#### **d) Long-term investments**

| LONG TERM FINANCIAL ASSETS |  | In PLN thousand |            |
|----------------------------|--|-----------------|------------|
|                            |  | 31-12-2015      | 31-12-2014 |
| a)                         | In subsidiaries                            | 1 205 189       | 1 224 628  |
| -                          | Shares                                     | 1 143 453       | 1 147 444  |
| -                          | Debt securities                            |                 |            |
| -                          | Other securities (by type)                 |                 |            |
| -                          | Granted loans                              | 61 736          | 77 183     |
| -                          | Other long term financial assets (by type) |                 |            |
| b)                         | In jointly controlled entity               | 0               | 0          |
| -                          | Shares                                     |                 |            |
| -                          | Debt securities                            |                 |            |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

|              |   |                  |                  |
|--------------|---|------------------|------------------|
| -            | Other securities (by type)                  |                  |                  |
| -            | Granted loans                               |                  |                  |
| -            | Other long term financial assets (by type)  |                  |                  |
| c)           | In associates                               | 0                | 0                |
| -            | Shares                                      |                  |                  |
| -            | Debt securities                             |                  |                  |
| -            | Other securities (by type)                  |                  |                  |
| d)           | In significant shareholder                  | 0                | 0                |
| -            | Shares                                      |                  |                  |
| -            | Debt securities                             |                  |                  |
| -            | Other securities (by type)                  |                  |                  |
| -            | Granted loans                               |                  |                  |
| -            | Other long term financial assets (by type)  |                  |                  |
| e)           | In shareholder of jointly controlled entity | 0                | 0                |
| -            | Shares                                      |                  |                  |
| -            | Debt securities                             |                  |                  |
| -            | Other securities (by type)                  |                  |                  |
| -            | Granted loans                               |                  |                  |
| -            | Other long term financial assets (by type)  |                  |                  |
| f)           | In parent company                           | 0                | 0                |
| -            | Shares                                      |                  |                  |
| -            | Debt securities                             |                  |                  |
| -            | Other securities (by type)                  |                  |                  |
| -            | Granted loans                               |                  |                  |
| -            | Other long term financial assets (by type)  |                  |                  |
| g)           | In other entities                           | 151              | 151              |
| -            | Shares                                      | 151              | 151              |
| -            | Debt securities                             |                  |                  |
| -            | Other securities (by type)                  |                  |                  |
| -            | Granted loans                               |                  |                  |
| -            | Other long term financial assets (by type)  |                  |                  |
| <b>Total</b> |   | <b>1 205 340</b> | <b>1 224 778</b> |

| Full name of the entity, headquarters     | 1 January 2015   | Increase      | Decrease   | 31 December 2015 | % of possessed 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  | 60 392           |               |            | 60 392           | 100%                  |
| „PAK HOLDCO” sp. z o.o. Konin             | 750 550          |               |            | 750 550          | 100%                  |
| Centrum Usług Informatycznych sp. z o.o.  | 600              |               | 600        | 0                |                       |
| PAK Centrum Badań Jakości sp. z o.o.      | 100              |               | 100        | 0                |                       |
| PAK Górnictwo sp. z o.o.                  | 28 200           |               |            | 28 200           | 100%                  |
| PAK Kopalnia Węgla Brunatnego Konin S.A.  | 109 264          | 14 289        |            | 123 553          | 96,23%                |
| PAK Kopalnia Węgla Brunatnego Adamów S.A. | 67 995           | 10 621        |            | 78 616           | 98,41%                |
| Elektrim-Volt S.A.                        | 118 500          |               |            | 118 500          | 100%                  |
| <b>TOTAL</b>                              | <b>1 147 443</b> | <b>24 910</b> | <b>700</b> | <b>1 171 653</b> | -                     |
| Impairments on fixed financial assets     |                  | -28 200       | -          | -28 200          | -                     |
| <b>BALANCE VALUE</b>                      | <b>1 147 443</b> | <b>-3 290</b> | <b>700</b> | <b>1 143 453</b> | -                     |

| Full name of the entity, headquarters | 1 January 2014 | Increase | Decrease | 31 December 2014 | % of possessed 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%                  |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

|   |                  |          |          |                  |          |
|---|------------------|----------|----------|------------------|----------|
| „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              | 100%     |
| PAK Centrum Badań Jakości w likwidacji sp. z o.o.         | 100              |          |          | 100              | 100%     |
| PAK Górnictwo sp. z o.o.                                  | 28 200           |          |          | 28 200           | 100%     |
| 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%     |
| <b>TOTAL</b>  | <b>1 147 444</b> | <b>0</b> | <b>0</b> | <b>1 147 444</b> | <b>-</b> |
| Impairments on fixed financial assets                     |                  |          |          | -                | -        |
| <b>BALANCE VALUE</b>                                      | <b>1 147 444</b> | <b>0</b> | <b>0</b> | <b>1 147 444</b> | <b>-</b> |

**Period ended 31 December 2015 in PLN thousand**

|  | 31 December 2015 | 31 December 2014 |
|--|------------------|------------------|
| <b>Full name of the entity</b>   |                  |                  |
| Zakłady Pomiarowo-Badawcze Energetyki "Energopomiar" sp. z o.o., Gliwice | 200              | 200              |
| <b>Impairment</b>  |                  |                  |
| Zakłady Pomiarowo-Badawcze Energetyki "Energopomiar" sp. z o.o., Gliwice | -49              | -49              |
| <b>Total</b>   | 151              | 151              |

| SECURITIES< SHARES AND OTHER LONG TERM FINANCIAL ASSETS (BY CURRENCY) | entity | currency | In PLN thousand  |                  |
|---|--------|----------|------------------|------------------|
|   |        |          | 31-12-2015       | 31-12-2014       |
| a) In PLN   |        | PLN      | 1 143 604        | 1 147 595        |
| b) In other currencies (by currency after calculating into PLN)       |        |          |                  |                  |
| b1. In currency   |        |          |                  |                  |
| After calculation into PLN  |        |          |                  |                  |
| -   |        |          |                  |                  |
| other   |        |          |                  |                  |
| <b>Total</b>  |        |          | <b>1 143 604</b> | <b>1 147 595</b> |

| CHANGE IN LONG TERM FINANCIAL ASSETS (BY TYPE GROUPS) | In PLN thousand |            |
|---|-----------------|------------|
|   | 31-12-2015      | 31-12-2014 |
| a) As of the beginning of the period                  | 1 224 779       | 1 237 860  |
| - Shares  | 1 147 595       | 1 147 595  |
| - Granted loans                                       | 77 184          | 90 265     |
| b) Increase by  | 24 909          | 0          |
| - Shares  | 24 909          |            |
| - Granted loans                                       |                 |            |
| c) Decrease by  | 44 348          | 13 082     |
| - Shares  | 28 900          |            |
| - Granted loans (repayment)                           | 15 448          | 13 082     |
| d) As of the end of the period                        | 1 205 340       | 1 224 778  |
| - Shares  | 1 143 604       | 1 147 595  |
| - Granted loans                                       | 61 736          | 77 183     |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

| <b>SECURITIES, SHARES AND OTHER LONG TERM FINANCIAL ASSETS (BY NEGOTIABILITY)</b> | <b>In PLN thousand</b> |                   |
|---|------------------------|-------------------|
|   | <b>31-12-2015</b>      | <b>31-12-2014</b> |
| <b>A. full negotiability, publicly traded (balance value)</b>                     |                        |                   |
| a. shares (balance value):  |                        |                   |
| - revaluation adjustments (for the period)  |                        |                   |
| - value at the beginning of the period  |                        |                   |
| - value by purchase price   |                        |                   |
| b. debentures (balance value):  |                        |                   |
| - revaluation adjustments (for the period)  |                        |                   |
| - value at the beginning of the period  |                        |                   |
| - value by purchase price   |                        |                   |
| c. other – by type groups (balance value):  |                        |                   |
| - revaluation adjustments (for the period)  |                        |                   |
| - value at the beginning of the period  |                        |                   |
| - value by purchase price   |                        |                   |
| <b>B. full negotiability, otc traded (balance value)</b>                          |                        |                   |
| a. shares (balance value):  |                        |                   |
| - revaluation adjustments (for the period)  |                        |                   |
| - value at the beginning of the period  |                        |                   |
| - value by purchase price   |                        |                   |
| b. debentures (balance value):  |                        |                   |
| - revaluation adjustments (for the period)  |                        |                   |
| - value at the beginning of the period  |                        |                   |
| - value by purchase price   |                        |                   |
| c. other – by type groups (balance value):  |                        |                   |
| - revaluation adjustments (for the period)  |                        |                   |
| - value at the beginning of the period  |                        |                   |
| - value by purchase price   |                        |                   |
| <b>C. full negotiability, not listed on market (balance value)</b>                |                        |                   |
| a. shares (balance value):  |                        |                   |
| - revaluation adjustments (for the period)  |                        |                   |
| - value at the beginning of the period  |                        |                   |
| - value by purchase price   |                        |                   |
| b. debentures (balance value):  |                        |                   |
| - revaluation adjustments (for the period)  |                        |                   |
| - value at the beginning of the period  |                        |                   |
| - value by purchase price   |                        |                   |
| c. other – by type groups (balance value):  |                        |                   |
| - revaluation adjustments (for the period)  |                        |                   |
| - value at the beginning of the period  |                        |                   |
| - value by purchase price   |                        |                   |
| <b>D. limited negotiability (balance value)</b>                                   |                        |                   |
| a. shares (balance value):  | 1 171 804              | 1 147 595         |
| - revaluation adjustments (for the period)  | 28 200                 |                   |
| - value at the beginning of the period  |                        |                   |
| - value by purchase price   |                        |                   |
| b. debentures (balance value):  |                        |                   |
| - revaluation adjustments (for the period)  |                        |                   |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

|   |                  |                  |
|---|------------------|------------------|
| - value at the beginning of the period          |                  |                  |
| - value by purchase price                       |                  |                  |
| c. other – by type groups (balance value):      |                  |                  |
| - revaluation adjustments (for the period)      |                  |                  |
| - value at the beginning of the period          |                  |                  |
| - value by purchase price                       |                  |                  |
| Value by purchase price, total                  |                  |                  |
| Value at the beginning of the period, total     |                  |                  |
| Revaluation adjustments (for the period), total | 28 200           |                  |
| <b>Balance value, total</b>                     | <b>1 143 604</b> | <b>1 147 595</b> |

| GRANTED LONG TERM LOANS (BY CURRENCY)                             | entity | currency | In PLN thousand |            |
|---|--------|----------|-----------------|------------|
|   |        |          | 31-12-2015      | 31-12-2014 |
| a) In PLN   |        | PLN      | 61 736          | 77 183     |
| b) In other currencies (by currency and after calculation to PLN) |        |          |                 |            |
| b1. In currency   |        |          |                 |            |
| After calculation into PLN thousand                               |        |          |                 |            |
| Other currencies in PLN thousand                                  |        |          |                 |            |
| Securities, shares and other long term financial assets, total    |        |          | 61 736          | 77 183     |

**e) Short-term Investments**

| SHORT TERM FINANCIAL ASSETS                    | In PLN thousand |            |
|--|-----------------|------------|
|  | 31-12-2015      | 31-12-2014 |
| a) In subsidiaries                             | 23 174          | 15 707     |
| - Shares                                       |                 |            |
| - Dividends and other shares in profits        |                 |            |
| - Debt securities                              |                 |            |
| - Other securities (by type)                   |                 |            |
| - Debentures                                   | 7 537           |            |
| - Granted loans                                | 15 637          | 15 707     |
| b) In jointly-controlled entities              | 0               | 0          |
| - Shares                                       |                 |            |
| - Dividends and other shares in profits        |                 |            |
| - Debt securities                              |                 |            |
| - Other securities (by type)                   |                 |            |
| - Granted loans                                |                 |            |
| c) In associates                               | 0               | 0          |
| - Shares                                       |                 |            |
| - Dividends and other shares in profits        |                 |            |
| - Debt securities                              |                 |            |
| - Other securities (by type)                   |                 |            |
| - Granted loans                                |                 |            |
| d) In significant shareholder                  | 0               | 0          |
| - Shares                                       |                 |            |
| - Dividends and other shares in profits        |                 |            |
| - Debt securities                              |                 |            |
| - Other securities (by type)                   |                 |            |
| - Granted loans                                |                 |            |
| e) In shareholder of jointly-controlled entity | 0               | 0          |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

|   |                |                |
|---|----------------|----------------|
| - Shares                                |                |                |
| - Dividends and other shares in profits |                |                |
| - Debt securities                       |                |                |
| - Other securities (by type)            |                |                |
| - Granted loans                         |                |                |
| f) In parent entity                     | 0              | 0              |
| - Shares                                |                |                |
| - Dividends and other shares in profits |                |                |
| - Debt securities                       |                |                |
| - Other securities (by type)            |                |                |
| - Granted loans                         |                |                |
| g) In other entities                    | 0              | 0              |
| - Shares                                |                |                |
| - Dividends and other shares in profits |                |                |
| - Debt securities                       |                |                |
| - Other securities (by type)            |                |                |
| - Granted loans                         |                |                |
| h) Cash and other cash equivalents      | 182 989        | 173 782        |
| - Cash in hand and on account           | 182 989        | 173 782        |
| - Cash equivalents                      |                |                |
| <b>Total</b>                            | <b>206 163</b> | <b>189 489</b> |

| SECURITIES SHARES AND OTHER SHORT TERM FINANCIAL ASSETS (BY CURRENCY) | entity | currency | In PLN thousand |            |
|---|--------|----------|-----------------|------------|
|   |        |          | 31-12-2015      | 31-12-2014 |
| a) In PLN   |        | PLN      | 7 537           |            |
| b) In other currencies (by currency and after calculation into PLN)   |        |          |                 |            |
| b1. In currency   |        |          |                 |            |
| After calculation in PLN thousand                                     |        |          |                 |            |
| -   |        |          |                 |            |
| Other currencies in PLN thousand                                      |        |          |                 |            |
| <b>Total</b>  |        |          | <b>7 537</b>    | <b>0</b>   |

| SECURITIES SHARES AND OTHER SHORT TERM FINANCIAL ASSETS (BY NEGOTIABILITY) | In PLN thousand |            |
|--|-----------------|------------|
|  | 31-12-2015      | 31-12-2014 |
| A. Full negotiability, publicly traded (balance value)                     |                 |            |
| a. shares (balance value):   |                 |            |
| - Fair value   |                 |            |
| - Market value   |                 |            |
| - Value at the purchase price  |                 |            |
| b. debentures (balance value):   |                 |            |
| - Fair value   |                 |            |
| - Market value   |                 |            |
| - Value at the purchase price  |                 |            |
| c. other – by type groups (balance value):                                 |                 |            |
| - Fair value   |                 |            |
| - Market value   |                 |            |
| - Value at the purchase price  |                 |            |
| B. Full negotiability, not publicly traded (balance value)                 |                 |            |
| a. shares (balance value):   |                 |            |
| - Fair value   |                 |            |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

|   |  |       |
|---|--|-------|
| - Market value  |  |       |
| - Value at the purchase price                               |  |       |
| b. debentures (balance value):                              |  |       |
| - Fair value  |  |       |
| - Market value  |  |       |
| - Value at the purchase price                               |  |       |
| c. other – by type groups (balance value):                  |  |       |
| - Fair value  |  |       |
| - Market value  |  |       |
| - Value at the purchase price                               |  |       |
| C. Full negotiability, not listed on market (balance value) |  |       |
| a. shares (balance value):                                  |  |       |
| - Fair value  |  |       |
| - Market value  |  |       |
| - Value at the purchase price                               |  |       |
| b. debentures (balance value):                              |  |       |
| - Fair value  |  |       |
| - Market value  |  |       |
| - Value at the purchase price                               |  |       |
| c. other – by type groups (balance value):                  |  |       |
| - Fair value  |  |       |
| - Market value  |  |       |
| - Value at the purchase price                               |  |       |
| D. Limited negotiability (balance value)                    |  |       |
| a. shares (balance value):                                  |  |       |
| - Fair value  |  |       |
| - Market value  |  |       |
| - Value at the purchase price                               |  |       |
| b. debentures (balance value):                              |  | 7 537 |
| - Fair value  |  | 7 537 |
| - Market value  |  |       |
| - Value at the purchase price                               |  | 7 500 |
| c. other – by type groups (balance value):                  |  |       |
| - Fair value  |  |       |
| - Market value  |  |       |
| - Value at the purchase price                               |  |       |
| Value by purchase price, total                              |  | 7 500 |
| Value at the beginning of the period, total                 |  | 0     |
| Revaluation adjustments (for the period), total             |  | 37    |
| Balance value, total  |  | 7 537 |

| GRANTED SHORT TERM LOANS (BY CURRENCY)                              | entity | currency | In PLN thousand |               |
|---|--------|----------|-----------------|---------------|
|   |        |          | 31-12-2015      | 31-12-2014    |
| a) In PLN   |        | PLN      | 15 637          | 15 707        |
| b) In other currencies (by currency and after calculation into PLN) |        |          |                 |               |
| b1. In currency   |        |          |                 |               |
| After calculation in PLN thousand                                   |        |          |                 |               |
| -   |        |          |                 |               |
| Other currencies in PLN thousand                                    |        |          |                 |               |
| <b>Total</b>  |        |          | <b>15 637</b>   | <b>15 707</b> |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

| GRANTED LONG TERM LOANS (BY CURRENCY)                               | entity | currency | In PLN thousand |            |
|---|--------|----------|-----------------|------------|
|   |        |          | 31-12-2015      | 31-12-2014 |
| a) In PLN   |        | PLN      | 61 736          | 77 183     |
| b) In other currencies (by currency and after calculation into PLN) |        |          |                 |            |
| b1. In currency   |        |          |                 |            |
| After calculation in PLN thousand                                   |        |          |                 |            |
| -   |        |          |                 |            |
| Other currencies in PLN thousand                                    |        |          |                 |            |
| <b>Total</b>  |        |          | 61 736          | 77 183     |

### f) Share capital

Period concluded on 31 December 2015

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

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

Period concluded on 31 December 2014

| Presentation of shareholders  | Number of shares  | The value of one share in PLN | Percentage share in the share capital | Number of votes   | Percentage share in the number of votes |
|---|-------------------|-------------------------------|---------------------------------------|-------------------|---|
| <b>Zygmunt Solorz Żak</b> ( indirectly ) 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%                                  |
| <b>ING Otwarty Fundusz Emerytalny</b>   | 5 068 410         | 2,00                          | 9,97%                                 | 5 068 410         | 9,97%                                   |
| <b>Other shareholders</b>   | 19 554 270        | 2,00                          | 38,48%                                | 19 554 270        | 38,48%                                  |
| <b>Total:</b>   | <b>50 823 547</b> |                               | <b>100,0%</b>                         | <b>50 823 547</b> | <b>100%</b>                             |

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



**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

**g) Equity**

Period concluded on 31 December 2015

| Specification                 | 1 January 2015   | Disposal of re-estimated fixed assets | Own shares | Creation of the reserve capital | Profit division for 2014 | Impairment on fixed assets previously revalued | Result for the current year | 31 December 2015 |
|-------------------------------|------------------|---------------------------------------|------------|---------------------------------|--------------------------|--|-----------------------------|------------------|
| 1. Issued capital             | 101 647          |                                       |            |                                 |                          |  |                             | 101 647          |
| 2. Own shares                 | 0                |                                       |            |                                 |                          |  |                             | 0                |
| 3. Supplementary capital      | 2 398 399        | 7                                     |            |                                 | 143 654                  |  |                             | 2 542 060        |
| 4. Capital from revaluation   | 286 229          | -7                                    |            |                                 |                          | -58 691  |                             | 227 531          |
| 5. Other reserve capitals     | 5 877            |                                       |            |                                 |                          |  |                             | 5 877            |
| 6. Profit from previous years | -834             |                                       |            |                                 |                          |  |                             | -834             |
| 7. Net profit                 | 204 642          |                                       |            |                                 | -204 642                 |  | -1 515 850                  | -1 515 850       |
| <b>TOTAL</b>                  | <b>2 995 960</b> | <b>0</b>                              | <b>0</b>   | <b>0</b>                        | <b>-60 988</b>           | <b>-58 691</b>                                 | <b>-1 515 850</b>           | <b>1 360 431</b> |

Period concluded on 31 December 2014

| Specification                                  | 1 January 2014   | Disposal of re-estimated fixed assets | Redemption of own shares | Creation of the reserve capital | Profit division for 2013 | Result for the current year | 31 December 2013 |
|--|------------------|---------------------------------------|--------------------------|---------------------------------|--------------------------|-----------------------------|------------------|
| 1. Issued capital                              | 101 647          |                                       |                          |                                 |                          |                             | 101 647          |
| 2. Own shares                                  | 0                |                                       |                          |                                 |                          |                             | 0                |
| 3. Supplementary capital                       | 2 200 508        | 594                                   |                          |                                 | 197 297                  |                             | 2 398 399        |
| 4. Capital from revaluation                    | 286 823          | -594                                  |                          |                                 |                          |                             | 286 229          |
| 5. Other reserve capitals (privatisation fund) | 5 877            |                                       |                          |                                 |                          |                             | 5 877            |
| 6. Profit from previous years                  | -834             |                                       |                          |                                 |                          |                             | -834             |
| 7. Net profit                                  | 231 857          |                                       |                          |                                 | -231 857                 | 204 642                     | 204 642          |
| <b>TOTAL</b>                                   | <b>2 825 878</b> | <b>0</b>                              | <b>0</b>                 | <b>0</b>                        | <b>-34 560</b>           | <b>204 642</b>              | <b>2 995 960</b> |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

| RESERVE CAPITAL  | In PLN thousand  |                  |
|--|------------------|------------------|
|  | 31-12-2015       | 31-12-2014       |
| a) From sale of shares above nominal value   | 380 030          | 380 030          |
| b) Created statutorily   |                  |                  |
| c) Created according to articles of association / agreement, above statutorily (minimum) value | 2 035 350        | 1 891 696        |
| d) Supplements of shareholders   |                  |                  |
| e) other (by type)   |                  |                  |
| - Acquisition of PAK Odsiarczania  | 65 921           | 65 921           |
| - Liquidation of fixed assets  | 60 759           | 60 752           |
| <b>total</b>   | <b>2 542 060</b> | <b>2 398 399</b> |

| REVALUATION RESERVE  | In PLN thousand |                |
|--|-----------------|----------------|
|  | 31-12-2015      | 31-12-2014     |
| a) revaluation of fixed assets   | 227 531         | 286 229        |
| b) profits / losses from valuation of financial instruments, including |                 |                |
| - Valuation of hedging instruments                                     |                 |                |
| c) Differed tax  |                 |                |
| d) Exchange gains/losses from abroad entities                          |                 |                |
| e) other (by type)   |                 |                |
| -  |                 |                |
| <b>Total</b>   | <b>227 531</b>  | <b>286 229</b> |

| OTHER RESERVE CAPITAL (BY DESTINATION) | In PLN thousand |              |
|--|-----------------|--------------|
|  | 31-12-2015      | 31-12-2014   |
| - Privatisation fund                   | 3 472           | 3 472        |
| - Covering the loss                    | 2 405           | 2 405        |
| <b>total</b>                           | <b>5 877</b>    | <b>5 877</b> |

**h) Provisions for liabilities**

| CHANGE IN DEFERRED TAX LIABILITIES |  | In PLN thousand |            |
|------------------------------------|--|-----------------|------------|
|                                    |  | 31-12-2015      | 31-12-2014 |
| 1.                                 | As of the beginning of the period, including:                    | 71 878          | 53 075     |
| a)                                 | Charged to financial result                                      | 71 878          | 53 075     |
| b)                                 | Charged to equity  |                 |            |
| c)                                 | Charged to goodwill or badwill                                   |                 |            |
| 2.                                 | Increase   |                 |            |
| a)                                 | Charged to financial result of the period from transferred gains |                 | 18 803     |
| b)                                 | Charged to equity in connection with transferred gains           |                 |            |
| c)                                 | Charged to goodwill or badwill in connection transferred gains   |                 |            |
| 3.                                 | decrease   |                 |            |
| a)                                 | Charged to financial result of the period from transferred gains | 8 958           |            |
| b)                                 | Charged to equity in connection with transferred gains           |                 |            |
| 4.                                 | As of the end of the period, total                               | 62 920          | 71 878     |
| a)                                 | Charged to financial result                                      | 62 920          | 71 878     |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

|    |                                |  |  |
|----|--------------------------------|--|--|
| b) | Charged to equity              |  |  |
| c) | Charged to goodwill or badwill |  |  |

| <b>CHANGE IN PROVISION FOR RETIREMENT AND SIMILAR OBLIGATIONS (BY TYPE)</b> |                                   | <b>In PLN thousand</b> |                   |
|---|-----------------------------------|------------------------|-------------------|
|   |                                   | <b>31-12-2015</b>      | <b>31-12-2014</b> |
| a)  | As of the beginning of the period | 10 969                 | 79 820            |
| -   | jubilee benefits                  |                        | 27 791            |
| -   | provision for retirement bonuses  | 8 416                  | 7 355             |
| -   | provision for death benefits      | 2 553                  | 2 312             |
| -   | provision for energy equivalent   |                        | 42 362            |
| b)  | Increase by                       | 417                    | 1 302             |
| -   | jubilee benefits                  |                        |                   |
| -   | provision for retirement bonuses  | 417                    | 1 061             |
| -   | provision for death benefits      |                        | 241               |
| -   | provision for energy equivalent   |                        |                   |
| c)  | Utilization                       |                        |                   |
| d)  | Reversal by                       | 419                    | 70 153            |
| -   | jubilee benefits                  |                        | 27 791            |
| -   | provision for energy equivalent   |                        | 42 362            |
| -   | provision for death benefits      | 419                    |                   |
| e)  | As of the end of the period       | <b>10 967</b>          | <b>10 969</b>     |
| -   | jubilee benefits                  | 0                      | 0                 |
| -   | provision for retirement bonuses  | 8 833                  | 8 416             |
| -   | provision for death benefits      | 2 134                  | 2 553             |
| -   | provision for energy equivalent   | 0                      | 0                 |

| <b>CHANGE IN SHORT TERM PROVISION FOR RETIREMENT AND SIMILAR OBLIGATIONS (BY TYPE)</b> |                                   | <b>In PLN thousand</b> |                   |
|--|-----------------------------------|------------------------|-------------------|
|  |                                   | <b>31-12-2015</b>      | <b>31-12-2014</b> |
| a)   | As of the beginning of the period | 16 356                 | 6 662             |
| -  | jubilee benefits                  | 15 826                 | 3 018             |
| -  | provision for retirement bonuses  | 530                    | 338               |
| -  | provision for death benefits      |                        | 3 306             |
| -  | provision for energy equivalent   |                        |                   |
| b)   | Increase by                       | 101                    | 13 000            |
| -  | jubilee benefits                  |                        | 12 808            |
| -  | provision for retirement bonuses  | 101                    | 192               |
| -  | provision for death benefits      |                        | 0                 |
| -  | provision for energy equivalent   |                        |                   |
| c)   | Utilization by                    | 15 383                 |                   |
| -  | jubilee benefits                  | 15 383                 |                   |
| d)   | Reversal by                       | 443                    | 3 306             |
| -  | jubilee benefits                  | 443                    |                   |
| -  | provision for retirement bonuses  |                        |                   |
| -  | provision for death benefits      |                        |                   |
| -  | provision for energy equivalent   |                        | 3 306             |
| e)   | As of the end of the period       | <b>631</b>             | <b>16 356</b>     |
| -  | jubilee benefits                  | 0                      | 15 826            |
| -  | provision for retirement bonuses  | 631                    | 530               |
| -  | provision for death benefits      |                        | 0                 |
| -  | provision for energy equivalent   | 0                      | 0                 |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

| CHANGE IN OTHER LONG TERM PROVISION (BY TYPE) |                                   | In PLN thousand |               |
|---|-----------------------------------|-----------------|---------------|
|   |                                   | 31-12-2015      | 31-12-2014    |
| a)  | As of the beginning of the period | 17 141          | 21 751        |
| -   | Reclamation provision             | 2 470           | 4 042         |
| -   | Liquidation provision             | 14 671          | 17 709        |
| b)  | Increase by                       | 1 748           | 0             |
| -   | Reclamation provision             |                 |               |
| -   | Liquidation provision             | 1 748           |               |
| c)  | Utilization by                    | 0               | 17            |
| -   | Reclamation provision             |                 | 17            |
| -   | Liquidation provision             |                 |               |
| d)  | Reversal by                       | 1 465           | 4 593         |
| -   | Reclamation provision             | 1 465           | 1 555         |
| -   | Liquidation provision             |                 | 3 038         |
| e)  | As of the end of the period       | <b>17 424</b>   | <b>17 141</b> |
| -   | Reclamation provision             | 1 005           | 2 470         |
| -   | Liquidation provision             | 16 419          | 14 671        |

| CHANGE IN OTHER SHORT TERM PROVISION (BY TYPE) |                                       | In PLN thousand |                |
|--|---------------------------------------|-----------------|----------------|
|  |                                       | 31-12-2015      | 31-12-2014     |
| a)   | As of the beginning of the period     | 125 085         | 129 978        |
| -  | Provision for CO2 emission allowances | 122 030         | 128 066        |
| --   | Provision for URE penalty             | 1 500           | 1 500          |
| -  | Reclamation provision                 | 1 555           | 342            |
| -  | Liquidation provision                 | 0               | 70             |
| -  | Agreement penalty KWB Konin           |                 |                |
| b)   | Increase by                           | 279 449         | 123 585        |
| -  | Provision for CO2 emission allowances | 279 449         | 122 030        |
| -  | Reclamation provision                 |                 | 1 555          |
| c)   | Utilization by                        | 121 482         | 128 408        |
| -  | Provision for CO2 emission allowances | 119 344         | 128 066        |
| -  | Provision for URE penalty             | 1 500           |                |
| -  | Reclamation provision                 | 638             | 342            |
| -  | Liquidation provision                 |                 |                |
| d)   | Reversal by                           | 224             | 70             |
| -  | Provision for CO2 emission allowances |                 |                |
| -  | Reclamation provision                 | 224             |                |
| -  | Liquidation provision                 |                 | 70             |
| -  | Agreement penalty KWB Konin           |                 |                |
| e)   | As of the end of the period           | <b>282 828</b>  | <b>125 085</b> |
| -  | Provision for CO2 emission allowances | 282 135         | 122 030        |
| -  | Provision for URE penalty             | 0               | 1 500          |
| -  | Reclamation provision                 | 693             | 1 555          |
| -  | Liquidation provision                 | 0               | 0              |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

**i) Liabilities acc. to items in the balance sheet**

| <b>SHORT-TERM LIABILITIES</b>   | <b>31-12-2015</b> | <b>31-12-2014</b> |
|---|-------------------|-------------------|
| a) for subsidiaries   | 85 602            | 93 938            |
| - 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:                             | 75 744            | 87 176            |
| - up to 12 months   | 75 744            | 87 176            |
| - over 12 months  |                   |                   |
| - advance payments received for deliveries                                  |                   |                   |
| - bill of exchange liabilities  |                   |                   |
| - other (by type)   | 9 858             | 6 762             |
| b) for co-subsidiaries  | 0                 | 0                 |
| c) for associates   |                   | 10 638            |
| - credits and loans, including:   |                   |                   |
| - of a long-term repayment period   |                   |                   |
| - debt stocks liabilities   |                   |                   |
| - other financial liabilities, including:                                   |                   |                   |
| - deliveries and services of the maturity date:                             |                   | 5 996             |
| - up to 12 months   |                   |                   |
| - over 12 months  |                   |                   |
| - advance payments received for deliveries                                  |                   |                   |
| - other   |                   | 4 642             |
| d) for a significant investor   | 0                 | 0                 |
| e) for a shareholder of the co-subsidiary                                   | 0                 | 0                 |
| f) for a parent company   | 0                 | 0                 |
| g) for other entities   | 253 112           | 232 795           |
| - credits and loans, including:   |                   |                   |
| - of a long-term repayment period   |                   |                   |
| - debt stocks liabilities   |                   |                   |
| - dividends   |                   |                   |
| - Long term in payment period   | 79 943            | 27 921            |
| - deliveries and services of the maturity date:                             | 15 184            | 28 092            |
| - up to 12 months   | 15 184            | 28 092            |
| - over 12 months  |                   |                   |
| - advance payments received for deliveries                                  | 124               | 35                |
| - bill of exchange liabilities  |                   |                   |
| - taxes, duties, insurances and other provisions                            | 83 113            | 75 132            |
| - remunerations   | 4 067             | 4 037             |
| - lease agreement liabilities   |                   | 18                |
| - other   | 22                | 21                |
| - capital work in progress acquisition liabilities                          | 65 876            | 93 120            |
| - the State Fund for Rehabilitation of Disabled Persons (PFRON) liabilities | 113               | 113               |
| - security deposits   | 328               | 145               |
| - the Intercompany Social Insurance Fund (MFŚS) liabilities                 | 3 519             | 2 829             |
| - deductions from the pay roll  | 823               | 1 332             |
| h) special funds (by title)   | 4 735             | 4 734             |
| - the Company Social Fund   | 4 680             | 4 679             |
| - the Staff Fund  | 55                | 55                |
| <b>Total short-term liabilities</b>   | <b>343 449</b>    | <b>342 105</b>    |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

| SHORT TERM LIABILITIES (BY CURRENCY)                                | entity | currency | In PLN thousand |                |
|---|--------|----------|-----------------|----------------|
|   |        |          | 31-12-2015      | 31-12-2014     |
| a) In PLN   |        | PLN      | 343 443         | 342 099        |
| b) In other currencies (by currency and after calculation into PLN) |        |          | 6               | 6              |
| b1. In currency   |        | EUR      | 1               | 6              |
| After calculation into PLN  |        |          |                 |                |
| -   |        |          |                 |                |
| Other currencies in PLN   |        |          |                 |                |
| <b>total</b>  |        |          | <b>343 449</b>  | <b>342 105</b> |

| LONG TERM LIABILITIES                          | In PLN thousand |            |
|--|-----------------|------------|
|  | 31-12-2015      | 31-12-2014 |
| a) To subsidiaries                             | 254             | 150        |
| - Credits and loans                            | 0               | 0          |
| - Securities                                   |                 |            |
| - Other, including                             |                 |            |
| - Financial leasing                            |                 |            |
| - Other  | 254             | 150        |
| b) To jointly controlled entities              | 0               | 0          |
| - Credits and loans                            | 0               | 0          |
| - Securities                                   |                 |            |
| - Other, including                             |                 |            |
| - Financial leasing                            |                 |            |
| - Other  |                 |            |
| c) To associated entities                      | 591             | 189        |
| - Credits and loans                            | 0               | 0          |
| - Securities                                   |                 |            |
| - Other, including                             |                 |            |
| - Financial leasing                            | 591             | 189        |
| - Other  |                 |            |
| d) To significant shareholder                  | 0               | 0          |
| - Credits and loans                            | 0               | 0          |
| - Securities                                   |                 |            |
| - Other, including                             |                 |            |
| - Financial leasing                            |                 |            |
| - Other  |                 |            |
| e) To shareholder of jointly controlled entity | 0               | 0          |
| - Credits and loans                            |                 |            |
| - Securities                                   |                 |            |
| - Other, including                             |                 |            |
| - Financial leasing                            |                 |            |
| - Other  |                 |            |
| f) To parent company                           | 0               | 0          |
| - Credits and loans                            |                 |            |
| - Securities                                   |                 |            |
| - Other, including                             |                 |            |
| - Financial leasing                            |                 |            |
| - Other  |                 |            |
| g) To other entities                           | 535 368         | 337 710    |
| - Credits and loans                            | 535 127         | 325 713    |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

|  |                |                |
|--|----------------|----------------|
| - Securities   |                |                |
| - Other, including                                     |                |                |
| - Financial leasing                                    |                |                |
| - Other  |                | 281            |
| - Construction of fixed assets in progress liabilities | 241            | 11 716         |
| <b>total</b>   | <b>536 213</b> | <b>338 049</b> |

| <b>LONG-TERM LIABILITIES WITH A REPAYMENT PERIOD REMAINING FROM<br/>THE BALANCE SHEET DATE</b> | <b>PLN thousand</b> |                   |
|--|---------------------|-------------------|
|  | <b>31-12-2015</b>   | <b>31-12-2014</b> |
| a) over 1 year to 3 years  | 180 761             | 101 544           |
| b) over 3 years to 5 years   | 161 756             | 89 556            |
| c) over 5 years  | 193 696             | 146 949           |
| <b>Total long-term liabilities</b>   | <b>536 213</b>      | <b>338 049</b>    |

| <b>LONG TERM LIABILITIES (BY CURRENCY)</b>                          | <b>entity</b> | <b>currency</b> | <b>In PLN thousand</b> |                   |
|---|---------------|-----------------|------------------------|-------------------|
|   |               |                 | <b>31-12-2015</b>      | <b>31-12-2014</b> |
| a) In PLN   |               | PLN             | 536 213                | 338 049           |
| b) In other currencies (by currency and after calculation into PLN) |               |                 |                        |                   |
| b1. In currency   |               |                 |                        |                   |
| After calculation into PLN  |               |                 |                        |                   |
| -   |               |                 |                        |                   |
| Other currencies in PLN   |               |                 |                        |                   |
| <b>total</b>  |               |                 | <b>536 213</b>         | <b>338 049</b>    |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

---

**j) Working capital facilities and investment credits**

**Overdraft facilities as of 31 December 2015 PLN thousand**

| From                  | Item         | Object of credit   | Creditor           | (Agreement no. )<br>of                 | Credit<br>currency | Credit amount | Indebtedness as of 31.12.2013 |           |            | Repayment date |
|-----------------------|--------------|--------------------|--------------------|--|--------------------|---------------|-------------------------------|-----------|------------|----------------|
|                       |              |                    |                    |  |                    |               | Total                         | long-term | short-term |                |
| <b>Other entities</b> | 1.           | Overdraft facility | Bank Pekao SA      | (88/2005)<br>z 20.12.2005              | PLN                | 80 000        | -                             | -         | -          | 30-09-2016     |
|                       | 2.           | Overdraft facility | PKO Bank Polski SA | (270-<br>1/10/RB/2006)<br>z 25.08.2006 | PLN                | 90 000        | -                             | -         | -          | 25-11-2016     |
|                       | 3.           | Overdraft facility | ING Bank Śląski SA | z 28.03.2007                           | PLN<br>thousand    | 30 000        | -                             | -         | -          | 28-03-2016     |
|                       | <b>Total</b> |                    |                    |  |                    |               | <b>200 000</b>                | -         | -          | -              |



**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

**Overdraft facilities as of 31 December 2014 PLN thousand**

| From                  | Item | Object of credit   | Creditor               | (Agreement no. )<br>of                 | Credit<br>currency | Credit amount  | Indebtedness as of 31.12.2013 |           |            | Repayment date |
|-----------------------|------|--------------------|------------------------|--|--------------------|----------------|-------------------------------|-----------|------------|----------------|
|                       |      |                    |                        |  |                    |                | Total                         | long-term | short-term |                |
| <b>Other entities</b> | 1.   | Overdraft facility | Bank Zachodni WBK S.A. | (1199/108/01)<br>z 10.08.2001          | PLN                | 5 000          | -                             | -         | -          | 30-11-2015     |
|                       | 2.   | Overdraft facility | Bank Pekao SA          | (88/2005)<br>z 20.12.2005              | PLN                | 80 000         | -                             | -         | -          | 30-09-2015     |
|                       | 3.   | Overdraft facility | PKO Bank Polski SA     | (270-<br>1/10/RB/2006)<br>z 25.08.2006 | PLN                | 90 000         | -                             | -         | -          | 25-10-2015     |
|                       | 4.   | Overdraft facility | ING Bank Śląski SA     | z 28.03.2007                           | PLN                | 30 000         | -                             | -         | -          | 28-03-2015     |
| <b>Total</b>          |      |                    |                        |  |                    | <b>205 000</b> | -                             | -         | -          |                |

**Investment loans as of 31.12.2015 PLN thousand**

| From                  | Item         | Object of credit                                   | Creditor   | (Agreement no. )<br>of | Credit<br>currency<br>PLN thousand | Indebtedness as of 31.12.2015 |               |               | Repayment date |
|-----------------------|--------------|--|--|------------------------|------------------------------------|-------------------------------|---------------|---------------|----------------|
|                       |              |  |  |                        |                                    | Total                         | long-term     | short-term    |                |
| <b>Other entities</b> | Loan B       | Refinancing of full payment of IOS credit facility | Consortium of banks: mBank, BGK, Millennium, PEKAO SA i PKO BP | 13.03.2014r.           | PLN                                | 82 027                        | 69 727        | 12 300        | 20-12-2023     |
|                       | <b>Total</b> |  |  |                        |                                    |                               | <b>82 027</b> | <b>69 727</b> | <b>12 300</b>  |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

| Other entities | Item   | Object of credit                       | Creditor  | (Agreement no. ) of | Credit currency<br>PLN thousand | Indebtedness as of 31.12.2015 |                |               | Repayment date |
|----------------|--------|--|---|---------------------|---------------------------------|-------------------------------|----------------|---------------|----------------|
|                |        |  |   |                     |                                 | Total                         | long-term      | short-term    |                |
|                |        |  |   |                     |                                 |                               |                |               |                |
|                | Loan A | Modernization of Units 1-4 in Pątnów I | Consortium of banks mBank, BGK, Millennium, PEKAO SA i PKO BP | 13.03.2014 r.       | PLN                             | 533 043                       | 465 400        | 67 643        | 20-12-2023     |
| <b>Total</b>   |        |  |   |                     |                                 | <b>533 043</b>                | <b>465 400</b> | <b>67 643</b> |                |

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

| Other entities | Item   | Object of credit                                   | Creditor   | (Agreement no. ) of | Credit currency<br>PLN thousand | Indebtedness as of 31.12.2014 |               |               | Repayment date |
|----------------|--------|--|--|---------------------|---------------------------------|-------------------------------|---------------|---------------|----------------|
|                |        |  |  |                     |                                 | Total                         | long-term     | short-term    |                |
|                |        |  |  |                     |                                 |                               |               |               |                |
|                | Loan B | Refinancing of full payment of IOS credit facility | Consortium of banks: mBank, BGK, Millennium, PEKAO SA i PKO BP | 13.03.2014r.        | PLN                             | 89 638                        | 79 362        | 10 276        | 20-12-2023     |
| <b>TOTAL</b>   |        |  |  |                     |                                 | <b>89 638</b>                 | <b>79 362</b> | <b>10 276</b> |                |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

| Other entities | Item   | Object of credit                       | Creditor  | (Agreement no. ) of | Credit currency<br>PLN<br>thousand | Indebtedness as of 31.12.2014 |                |               | Repayment date<br>long-term |
|----------------|--------|--|---|---------------------|------------------------------------|-------------------------------|----------------|---------------|-----------------------------|
|                |        |  |   |                     |                                    | Total                         | long-term      | Total         |                             |
|                |        |  |   |                     |                                    |                               |                |               |                             |
|                | Loan A | Modernization of Units 1-4 in Pątnów I | Consortium of banks mBank, BGK, Millennium, PEKAO SA i PKO BP | 13.03.2014 r.       | PLN                                | 263 996                       | 246 351        | 17 645        | 20-12-2023                  |
| <b>TOTAL</b>   |        |  |   |                     |                                    | <b>263 996</b>                | <b>246 351</b> | <b>17 645</b> |                             |

**k) Granted loans**

As of 31.12.2015

|              | Item.          | Object o loan                            | Loan granted to                  | Agreement dated     | Currency                   | Loan amount | Assets as of  | including:          |               | Repayment date      |               |
|--------------|----------------|--|----------------------------------|---------------------|----------------------------|-------------|---------------|---------------------|---------------|---------------------|---------------|
|              |                |  |                                  |                     |                            |             | 31-12-2015    | Long-term           | Short-term    |                     |               |
| Affiliates   | 1.             | Construction of 460 MW unit in Pątnów II | Elektrownia Pątnów II Sp. z o.o. | 12-11-2002          | Amount in PLN equal to EUR | 34 099      | 17 091        | +1                  | 13 640        | 3 410 --            | 15-10-2020    |
|              |                |  |                                  |                     |                            |             | =             | -                   | +1            | 41                  |               |
|              |                | =  | 13 640                           | =                   | 3 451                      |             |               |                     |               |                     |               |
|              | 136 164 72 830 | 72 830 <sup>3</sup>                      | +1                               | 58 125 <sup>3</sup> | 14 531                     |             |               |                     |               |                     |               |
|              |                |  |                                  |                     |                            |             | =             | - <sup>3</sup>      | +1            | 174 <sup>3</sup>    |               |
|              |                |  |                                  |                     |                            |             | =             | 58 125 <sup>3</sup> | =             | 14 705 <sup>3</sup> |               |
|              | 2.             | Construction of 460 MW unit in Pątnów II | Elektrownia Pątnów II Sp. z o.o. | 13-03-2006          | PLN                        | 11 065      | 4 542         | +1                  | 3 611         | 903 --              | 15-10-2020    |
|              |                |  |                                  |                     |                            |             | =             | -                   | +1            | 29                  |               |
|              |                |  |                                  |                     |                            |             |               | =                   | 3 611         | 931                 |               |
| <b>Total</b> |                |  |                                  |                     |                            |             | <b>77 373</b> |                     | 61 736        | 15 434              |               |
|              |                |  |                                  |                     |                            |             |               |                     | 0 PLN         | +1                  | 203           |
|              |                |  |                                  |                     |                            |             |               |                     | <b>61 736</b> | =                   | <b>15 637</b> |

<sup>1/</sup> Interest accrued as of 31 December 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 of 31 December 2015, amounting to 4.2615.

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

**As of 31.12.2014**

|                   | Item.                                    | Object o loan                            | Loan granted to                  | Agreement dated     | Currency                   | Loan amount   | Assets as of   | including:     |                | Repayment date |            |
|-------------------|--|--|----------------------------------|---------------------|----------------------------|---------------|----------------|----------------|----------------|----------------|------------|
|                   |  |  |                                  |                     |                            |               | 31-12-2013     | Long-term      | Short-term     |                |            |
| <b>Affiliates</b> | 1.                                       | Construction of 460 MW unit in Pątnów II | Elektrownia Pątnów II Sp. z o.o. | 12-11-2002          | Amount in PLN equal to EUR | 34 099        | 20 514         | + <sup>1</sup> | 17 049         | 3 410 --       | 15-10-2020 |
|                   |  |  |                                  |                     |                            |               |                | =              | -              | + <sup>1</sup> |            |
|                   |  |  | =                                | 17 049              | =                          | 3 465         |                |                |                |                |            |
|                   | 136 164 <sup>2</sup>                     | 87 437 <sup>3</sup>                      | + <sup>1</sup>                   | 72 670 <sup>3</sup> | 14 534                     |               |                |                |                |                |            |
|                   |  | =  | - <sup>3</sup>                   | + <sup>1</sup>      | 233 <sup>3</sup>           |               |                |                |                |                |            |
|                   |  | =  | 72 670 <sup>3</sup>              | =                   | 14 767 <sup>3</sup>        |               |                |                |                |                |            |
| 2.                | Construction of 460 MW unit in Pątnów II | Elektrownia Pątnów II Sp. z o.o.         | 13-03-2006                       | PLN                 | 11 065                     | 5 454         | + <sup>1</sup> | 4 513          | 903 --         | 15-10-2020     |            |
|                   |  |  |                                  |                     |                            |               | =              | -              | + <sup>1</sup> |                | 37         |
|                   |  |  |                                  |                     |                            |               |                | 4 513          | =              | 940            |            |
| <b>Total</b>      |  |  |                                  |                     |                            | <b>92 891</b> |                | 77 183         | 15 437         |                |            |
|                   |  |  |                                  |                     |                            |               |                | 0              | + <sup>1</sup> | 270            |            |
|                   |  |  |                                  |                     |                            |               |                | <b>77 183</b>  | =              | <b>15 707</b>  |            |

<sup>1/</sup> Interest accrued as of 31 December 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 of 31 December 2014, amounting to 4.2623.

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

**I) Concluded lease agreements PLN thousand**

**As of 31.12.2015**

|                | Item. | Object of lease   | Financing party      | Agreement of:     | Lease currency | Indebtedness as of 31.12.2014 |            |            | Repayment date |
|----------------|-------|-------------------|----------------------|-------------------|----------------|-------------------------------|------------|------------|----------------|
|                |       |                   |                      |                   |                | total                         | long-term  | short-term |                |
| Other entities | 1.    | VOLKSWAGEN PASSAT | Polkomtel Sp. z o.o. | 20 July 2015      | PLN            | 111                           | 94         | 17         | 19.07.2019     |
|                | 2.    | VOLKSWAGEN PASSAT | Polkomtel Sp. z o.o. | 13 March 2015 r.  | PLN            | 363                           | 303        | 60         | 18.03.2019     |
|                | 3.    | AUDI A6           | Polkomtel Sp. z o.o. | 17 October 2014r. | PLN            | 189                           | 146        | 43         | 02.11.2018     |
|                | 4.    | VOLKSWAGEN GOLF   | Polkomtel Sp. z o.o. | 13 March 2015 r.  | PLN            | 57                            | 48         | 9          | 18.03.2019     |
| <b>TOTAL</b>   |       |                   |                      |                   |                | <b>720</b>                    | <b>591</b> | <b>129</b> |                |

**As of 31.12.2014**

|                | Item. | Object of lease   | Financing party      | Agreement of:                           | Lease currency | Indebtedness as of 31.12.2014 |            |            | Repayment date |
|----------------|-------|-------------------|----------------------|---|----------------|-------------------------------|------------|------------|----------------|
|                |       |                   |                      |   |                | total                         | long-term  | short-term |                |
| Other entities | 1.    | VOLKSWAGEN PASSAT | Energo-Utech SA      | 5 May 2012 r.<br>nr 15/O/ENUT/2012      | PLN            | 7                             | -          | 7          | 20-04-2015     |
|                | 2.    | VOLKSWAGEN PASSAT | Energo-Utech SA      | 15 October 2012 r.<br>nr 37/O/ENUT/2012 | PLN            | 11                            | -          | 11         | 20-09-2015     |
|                | 3.    | AUDI A6           | Polkomtel Sp. z o.o. | 17 October 2014r.                       | PLN            | 231                           | 189        | 41         | 02-11-2018     |
| <b>TOTAL</b>   |       |                   |                      |   |                | <b>249</b>                    | <b>189</b> | <b>60</b>  |                |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

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

| <b>SHORT-TERM RECEIVABLES</b>  | <b>31-12-2015</b> | <b>31-12-2014</b> |
|--|-------------------|-------------------|
| a) from related entities   | 51 587            | 45 426            |
| - deliveries and services of the repayment period:                       | 44 187            | 38 760            |
| - up to 12 months  | 44 187            | 38 760            |
| - over 12 months   |                   |                   |
| - claimed at court   |                   |                   |
| - other  | 7 400             | 6 666             |
| b) receivables from other entities                                       | 102 241           | 103 868           |
| - deliveries and services of the repayment period:                       | 78 595            | 58 007            |
| - up to 12 months  | 78 595            | 58 007            |
| - over 12 months   |                   |                   |
| - taxes, grants, duties, social and health insurances and other benefits | 8 030             | 31 272            |
| - claimed at court   |                   |                   |
| - other  | 15 616            | 14 589            |
| <b>Total net short-term receivables</b>                                  | <b>153 828</b>    | <b>153 828</b>    |
| c) receivables impairment write-downs                                    | 35 636            | 35 125            |
| <b>Total gross short-term receivables</b>                                | <b>189 464</b>    | <b>184 419</b>    |

**(GROSS) DELIVERIES AND SERVICES RECEIVABLES – OF A REPAYMENT PERIOD REMAINING FROM THE BALANCE SHEET DATE:**

|   | <b>31-12-2015</b> | <b>31-12-2014</b> |
|---|-------------------|-------------------|
| a) up to 1 month  | 120 889           | 96 604            |
| b) over 1 month to 3 months   | 796               | -1 406            |
| c) over 3 months to 6 months  |                   | 42                |
| d) over 6 months to 1 year  |                   | 42                |
| e) over 1 year  |                   |                   |
| f) overdue receivables  | 33 461            | 33 846            |
| <b>Total (gross) deliveries and services receivables</b>                        | <b>155 146</b>    | <b>129 126</b>    |
| g) Impairment write-downs against the deliveries and services receivables value | 32 364            | 32 361            |
| <b>Total (net) deliveries and services receivables</b>                          | <b>122 782</b>    | <b>96 767</b>     |

| <b>SHORT TERM RECEIVABLES FROM AFFILIATES</b>   | <b>In PLN thousand</b> |                   |
|---|------------------------|-------------------|
|   | <b>31-12-2015</b>      | <b>31-12-2014</b> |
| a) Trade receivables, including:                | 44 187                 | 38 760            |
| - From subsidiaries                             | 44 187                 | 38 760            |
| - From jointly controlled entities              |                        |                   |
| - From associates                               |                        |                   |
| - From significant shareholder                  |                        |                   |
| - From shareholder of jointly controlled entity |                        |                   |
| - From parent company                           |                        |                   |
| b) Other, including:                            | 7 400                  | 6 667             |
| - From subsidiaries                             | 7 400                  | 6 667             |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

|   |               |               |
|---|---------------|---------------|
| - From jointly controlled entities              |               |               |
| - From associates                               |               |               |
| - From significant shareholder                  |               |               |
| - From shareholder of jointly controlled entity |               |               |
| - From parent company                           |               |               |
| c) In court, including:                         | 0             | 0             |
| - From subsidiaries                             |               |               |
| - From jointly controlled entities              |               |               |
| - From associates                               |               |               |
| - From significant shareholder                  |               |               |
| - From shareholder of jointly controlled entity |               |               |
| - From parent company                           |               |               |
| <b>Total net receivables from affiliates</b>    | <b>51 587</b> | <b>45 427</b> |
| d) Impairment on receivables from affiliates    | 508           |               |
| <b>Total gross receivables from affiliates</b>  | <b>52 095</b> | <b>45 427</b> |

| CHANGE IN WRITE-DOWNS ON SHORT-TERM RECEIVABLES | In PLN thousand |               |
|---|-----------------|---------------|
|   | 31-12-2015      | 31-12-2014    |
| As of the beginning of the period               | 35 125          | 35 121        |
| a) Increase by                                  | 516             | 9             |
| - Write down calculation                        | 516             | 9             |
| b) Decrease by                                  | 5               | 5             |
| - Repayment                                     | 5               | 5             |
| - Reversal                                      |                 |               |
| <b>At the end of the period</b>                 | <b>35 636</b>   | <b>35 125</b> |

| GROSS SHORT TERM RECEIVABLES (BY CURRENCY)                          | entity | currency | In PLN thousand |                |
|---|--------|----------|-----------------|----------------|
|   |        |          | 31-12-2015      | 31-12-2014     |
| a) In PLN   |        | PLN      | 189 464         | 184 419        |
| b) In other currencies (by currency and after calculation into PLN) |        |          |                 |                |
| b1. In currency   |        |          |                 |                |
| After calculation into PLN  |        |          |                 |                |
| -   |        |          |                 |                |
| Other currencies in PLN   |        |          |                 |                |
| <b>total</b>  |        |          | <b>189 464</b>  | <b>184 419</b> |

| (GROSS) OVERDUE DELIVERIES AND SERVICES RECEIVABLES – DIVIDED INTO RECEIVABLES NOT REPAYED IN THE PERIOD: | 31-12-2015    | 31-12-2014    |
|---|---------------|---------------|
| a) up to 1 month  | 1 096         | 1 238         |
| b) over 1 month to 3 months   | 3             | 244           |
| c) over 3 months to 6 months  |               | 5             |
| d) over 6 months to 1 year  |               | 7             |
| e) over 1 year  | 32 362        | 32 352        |
| Total (gross) overdue deliveries and services receivables   | <b>33 461</b> | <b>33 846</b> |
| f) overdue impairment write-downs against the deliveries and services receivables value                   | 32 362        | 32 359        |
| <b>Total (net) overdue deliveries and services receivables</b>  | <b>1 099</b>  | <b>1 488</b>  |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

**n) List of prepayments and accruals as well as revenues in future periods**

| SHORT TERM PREPAYMENTS |  | In PLN thousand |            |
|------------------------|--|-----------------|------------|
|                        |  | 31-12-2015      | 31-12-2014 |
| a)                     | Prepaid expenses, including              | 1 182           | 515        |
| -                      | Subscription                             | 11              | 12         |
| -                      | Liquidation of assets                    | 886             | 147        |
| -                      | Payment for participation in TGE in 2016 | 45              | 146        |
| -                      | Payment for protection of trade mark     | 5               | 7          |
| -                      | Payments for support of IT               | 44              | 105        |
| -                      | Costs of licenses incorporation          | 191             | 99         |
| b)                     | Other                                    |                 |            |
| <b>Total</b>           |  | <b>1 182</b>    | <b>516</b> |

| LONG TERM PREPAYMENTS |                                  | In PLN thousand |              |
|-----------------------|----------------------------------|-----------------|--------------|
|                       |                                  | 31-12-2015      | 31-12-2014   |
| a)                    | Prepaid expenses, including      | 1 664           | 3 066        |
| -                     | Reclamation                      | 0               | 1 394        |
| -                     | Liquidation of assets            | 886             | 1 179        |
| -                     | Costs of licenses incorporation  | 778             | 493          |
| b)                    | Other, including:                | 2 960           | 3 200        |
| -                     | Financing costs, settled in time | 2 960           | 3 200        |
| <b>total</b>          |                                  | <b>4 624</b>    | <b>6 266</b> |

| OTHER ACCRUALS AND DEFERRED INCOME |   | In PLN thousand |               |
|------------------------------------|---|-----------------|---------------|
|                                    |   | 31-12-2015      | 31-12-2014    |
| a)                                 | Accruals  | 18 895          | 17 151        |
| -                                  | Long term   |                 |               |
| -                                  | Short term  | 18 895          | 17 151        |
|                                    | Annual bonus provision  | 15 808          | 13 924        |
|                                    | Provision for unused holidays   | 1 732           | 1 754         |
|                                    | Provision for current year  | 147             | 120           |
|                                    | The obligation to redeem the Property Rights - "green certificates"   | 575             | 852           |
|                                    | The obligation to redeem the Property Rights - "red certificates"   | 95              | 69            |
|                                    | The obligation to redeem the Property Rights - "violet certificates"  | 31              | 30            |
|                                    | The obligation to redeem the Property Rights - "white certificates"   | 282             | 281           |
|                                    | The obligation to redeem the Property Rights - "yellow certificates"  | 225             | 121           |
| b)                                 | Deferred income   | 15 613          | 16 004        |
| -                                  | Long term   | 15 234          | 15 562        |
|                                    | Donation settled in time  | 1 640           | 1 968         |
|                                    | The difference between the value specified in the contract net provided in the form of contributions in kind of tangible assets, and their price evidential | 13 594          | 13 594        |
| -                                  | Short term  | 379             | 442           |
|                                    | Donation settled in time  | 330             | 332           |
|                                    | Compensations from insurance company  | 41              | 102           |
|                                    | Other   | 8               | 8             |
| <b>total</b>                       |   | <b>34 508</b>   | <b>33 155</b> |



**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

**o) List of groups and liabilities secured on the entity's assets**

| Item | Secured assets  | Status as of 31 December 2015 |                 |              |  | Status as of 31 December 2014 |                 |              |  |
|------|---|-------------------------------|-----------------|--------------|--|-------------------------------|-----------------|--------------|--|
|      |   | credit/loan amount            | security amount | currency     | security amount expressed in % of the assets | credit/loan amount            | security amount | currency     | security amount expressed in % of the assets |
| 1.   | <b>Registered and financial pledge</b>  | 1 200 000                     | 2 040 000       | PLN thousand | 48,12%                                       | 1 200 000                     | 2 040 000       | PLN thousand | 51,65%                                       |
| 1.1  | Registered pledge on a set of ZE PAK's assets (power units no. 1-4 in the Pątnów Power Plant) for mBank in relation to the credit of PLN 1.2 billion of 13.03.2014 <sup>7</sup>                         | 1 200 000                     | 2 040 000       | PLN thousand | 48,12%                                       | 1 200 000                     | 2 040 000       | PLN thousand | 51,65%                                       |
| 1.2  | 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>7</sup>   | 1 200 000                     | 2 040 000       | PLN thousand | 48,12%                                       | 1 200 000                     | 2 040 000       | PLN thousand | 51,65%                                       |
| 1.3  | 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 13.03.2014 <sup>7</sup>      | 1 200 000                     | 2 040 000       | PLN thousand | 48,12%                                       | 1 200 000                     | 2 040 000       | PLN thousand | 51,65%                                       |
| 2.   | <b>Registered and financial pledge on shares in subsidiaries</b>  | 117 534                       | 400 000         | EUR thousand | 48,22% <sup>6</sup>                          | 145 763                       | 400 000         | EUR thousand | 51,76% <sup>6</sup>                          |
|      |   | 00                            | 339 750         | PLN thousand |  | 15 0000                       | 339 750         | PLN thousand |  |
| 2.1  | Registered and financial 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 S.A. (ZE PAK as the guarantor of the "Pątnów II" project) <sup>1</sup> | 117 534                       | 400 000         | EUR thousand | 40,21% <sup>3</sup>                          | 145 763                       | 400 000         | EUR thousand | 43,16% <sup>4</sup>                          |
|      |   | 00                            | 339 750         | PLN thousand | 8.01%  | 15 0000                       | 339 750         | PLN thousand | 8.60%  |
| 3.   | <b>Mortgage</b>   | -                             | -               | PLN thousand | -  | -                             | -               | PLN thousand | -  |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

|     |   |           |           |              |                     |           |           |              |                     |
|-----|---|-----------|-----------|--------------|---------------------|-----------|-----------|--------------|---------------------|
| 3.1 | Contractual joint mortgage established on real estates in Konin, which consist of lots nos. 89/20, 89/53, 89/57, 89/55, 89/56, and 89/21, as well as on real estates in the Kazimierz Biskupi Commune, which consist of lots nos. 148/26, 148/28, and 148/34, for which the District Court in Konin keeps the land registry of the following numbers: KN1N/00072269/2, KN1N1/00072270/2, KN1N/00073272/3, KN1N/00073273/0, KN1N/00091529/2 for mBank in relation to the credit of PLN 1.2 billion of 13 March 2014 <sup>7</sup> | 1 200 000 | 2 040 000 | PLN thousand | 48,12% <sup>8</sup> | 1 200 000 | 2 040 000 | PLN thousand | 51,65% <sup>6</sup> |
|-----|---|-----------|-----------|--------------|---------------------|-----------|-----------|--------------|---------------------|

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.

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

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

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

7/ 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

8/ The amounts of these securities cannot be aggregated, as they regard a single credit, of which the maximum amount of security is PLN 2 040 million.

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

**p) Contingent liabilities, including guarantees and sureties granted by the entity**

| CONTINGENT LIABILITIES TO AFFILIATES (BY TYPE) |   | In PLN thousand |                |
|--|---|-----------------|----------------|
|  |   | 31-12-2015      | 31-12-2014     |
| a)   | Granted guarantees and warranties, including: | 175 339         | 184 072        |
| -  | To subsidiaries                               | 175 339         | 184 072        |
| -  | To jointly controlled entities                |                 | -              |
| -  | To associates                                 |                 | -              |
| -  | To significant shareholder                    |                 | -              |
| -  | To shareholder in jointly controlled entity   |                 | -              |
| -  | To parent company                             |                 | -              |
| b)   | Other, including:                             | 1 245           | 1 130          |
| -  | Employees                                     | 1 245           | 1 130          |
| -  | To subsidiaries                               |                 | -              |
| -  | To jointly controlled entities                |                 | -              |
| -  | To associates                                 |                 | -              |
| -  | To significant shareholder                    |                 | -              |
| -  | To shareholder in jointly controlled entity   |                 | -              |
| -  | To parent company                             |                 | -              |
| <b>Total</b>                                   |   | <b>176 584</b>  | <b>185 202</b> |

| CONTINGENT LIABILITIES TO OTHERS (BY TYPE) |   | In PLN thousand  |                  |
|--|---|------------------|------------------|
|  |   | 31-12-2015       | 31-12-2014       |
| a)   | Granted guarantees and warranties, including: | 0                | 0                |
| b)   | Other conventional liabilities                | 4 520 000        | 4 520 000        |
| <b>total</b>                               |   | <b>4 520 000</b> | <b>4 520 000</b> |

**q) Contingent receivables including guarantees and sureties granted by the entity**

| CONTINGENT RECEIVABLES FROM AFFILIATES (BY TYPE) |  | In PLN thousand |            |
|--|--|-----------------|------------|
|  |  | 31-12-2015      | 31-12-2014 |
| a)   | Received guarantees and warranties, including: | 3 080           | 470        |
| -  | From subsidiaries                              | 3 080           | 470        |
| -  | From jointly controlled entities               |                 |            |
| -  | From associates                                |                 |            |
| -  | From significant shareholder                   |                 |            |
| b)   | Other, including:                              |                 |            |
| -  | From jointly controlled entities               |                 |            |
| -  | From associates                                |                 |            |
| -  | From significant shareholder                   |                 |            |
| <b>total</b>                                     |  | <b>3 080</b>    | <b>470</b> |

| CONTINGENT RECEIVABLES FROM OTHER ENTITIES (BY TYPE) |                                    | In PLN thousand |                |
|--|------------------------------------|-----------------|----------------|
|  |                                    | 31-12-2015      | 31-12-2014     |
| a)   | Received guarantees and warranties | 342 894         | 383 054        |
| b)   | Received bills of exchange         | 29 048          | 31 371         |
| <b>total</b>   |                                    | <b>371 942</b>  | <b>414 425</b> |

## **r) 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 S.A. 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 and waits for setting the hearing date.

### **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

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

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,
- the proceeding for July 2008 is subject to the recognition of our cassation appeal by the Supreme Administrative Court, the hearing date has not been set yet,

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

In case of EP II, the proceeding for all period (one case) was included in the cause lists of the Provincial Administrative Court after the decision of the Head of Customs Chamber negative for the Company. We do not have analyses because the Company did run activities in 2001 and there is no data.

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.

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

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.

**s) Other agreements not recognised in the balance sheet**

As of 31 December 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.**

| NET PRODUCT SALES REVENUES (MATERIAL STRUCTURE-TYPES OF ACTIVITIES) | 31-12-2015       | 31-12-2014       |
|---|------------------|------------------|
| - Electricity   | 1 228 074        | 1 283 063        |
| - including: from related entities                                  | 438 394          | 416 504          |
| - Certificates of origin of energy                                  | 33 547           | 63 327           |
| - including: from related entities                                  |                  |                  |
| - Exchange of EUAs for CERs   |                  |                  |
| - Heat energy   | 60 908           | 58 340           |
| - including: from related entities                                  | 33               | 65               |
| - Services  | 118 780          | 108 965          |
| - including: from related entities                                  | 117 117          | 107 373          |
| Goods and materials   | 97 604           | 117 494          |
| <b>Total net products sales revenues</b>                            | <b>1 538 913</b> | <b>1 631 189</b> |
| - including: from related entities                                  | 558 707          | 528 811          |

| NET PRODUCT SALES REVENUES (TERRITORIAL STRUCTURE) | 31-12-2015       | 31-12-2014       |
|--|------------------|------------------|
| a) in country                                      | 1 441 309        | 1 513 695        |
| - including: from related entities                 | 555 544          | 523 942          |
| b) export  |                  |                  |
| Total net products sales revenues                  | <b>1 441 309</b> | <b>1 513 695</b> |
| - including: from related entities                 | 555 544          | 523 942          |

| NET GOODS AND MATERIALS SALES REVENUES (MATERIAL STRUCTURE-TYPES OF ACTIVITIES) | 31-12-2015    | 31-12-2014     |
|---|---------------|----------------|
| - trade of electricity  | 93 873        | 111 853        |
| - including: from related entities  | 0             | 0              |
| - Other materials   | 3 731         | 5 641          |
| - including: from related entities  | 3 163         | 4 869          |
| -   |               |                |
| Total net goods and materials sales revenues                                    | <b>97 604</b> | <b>117 494</b> |
| - including: from related entities  | 3 163         | 4 869          |

| NET GOODS AND MATERIALS SALES REVENUES (TERRITORIAL STRUCTURE) | 31-12-2015 | 31-12-2014 |
|--|------------|------------|
| a) in country  | 97 604     | 117 494    |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

|   |               |                |
|---|---------------|----------------|
| - including: from related entities                  | 3 163         | 4 869          |
| b) export   |               |                |
| <b>Total net goods and materials sales revenues</b> | <b>97 604</b> | <b>117 494</b> |
| - including: from related entities                  | 3 163         | 4 869          |

**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 31 December 2015.

**c) Other operating revenues**

| OTHER OPERATING REVENUES |  | In PLN thousand |               |
|--------------------------|--|-----------------|---------------|
|                          |  | 31-12-2015      | 31-12-2014    |
| a)                       | Reversal of provision:                       | 351             | 48 359        |
| -                        | Employee benefits provision                  |                 | 45 668        |
| -                        | Impairment of fixed assets                   |                 | 51            |
| -                        | Assets liquidation provision                 |                 |               |
| -                        | Reclamation provision                        | 295             | 2 572         |
| -                        | Impairment on materials                      | 56              | 68            |
| -                        | Violet certificates of origin                |                 |               |
| b)                       | Other, including:                            | 1 328           | 13 266        |
| -                        | Donations                                    | 330             | 332           |
| -                        | Agreement penalties                          | 40              |               |
| -                        | Insurance compensations                      | 753             | 5 245         |
| -                        | Surpluses                                    |                 | 1 632         |
| -                        | Impairment on receivables                    | 1               | 1             |
| -                        | Profit on sale of non-financial fixed assets | 119             | 1 882         |
| -                        | Return of costs of proceeding                | 1               | 2 280         |
| -                        | Other  | 84              | 1 894         |
| <b>total</b>             |  | <b>1 679</b>    | <b>61 625</b> |

**d) Other operating costs**

| OTHER OPERATING COSTS |  | In PLN thousand |            |
|-----------------------|--|-----------------|------------|
|                       |  | 31-12-2015      | 31-12-2014 |
| a)                    | Created provisions:                          | 886             | 0          |
| -                     | Liquidation of fixed assets                  | 886             |            |
| -                     | Provision for costs and losses               |                 |            |
| b)                    | Other, including:                            | 1 518 274       | 26 833     |
| -                     | Loss on sale of non-financial fixed assets   |                 | 0          |
| -                     | Electric supplies damage                     | 272             | 603        |
| -                     | Donations                                    | 206             | 293        |
| -                     | Court proceeding costs                       | 653             | 3          |
| -                     | Commercial use of environment fees           |                 |            |
| -                     | Write down of certificates of origin „green” |                 | 3 123      |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

|              |   |                  |               |
|--------------|---|------------------|---------------|
| -            | Energy equivalent paid to pensioners          |                  | 3 069         |
| -            | Recycling of materials                        | 614              |               |
| -            | Revaluation of tangible fixed assets          | 1 503 309        |               |
| -            | Revaluation of certificates of origin „green” | 11 858           | 19 128        |
| -            | Revaluation of certificates of origin „red”   | 0                |               |
| -            | Cost of maintenance of social facilities      | 0                | 109           |
| -            | Agreement penalties                           | 1 043            |               |
| -            | Costs of fixed assets liquidation             |                  | 86            |
| -            | Other   | 319              | 419           |
| <b>total</b> |   | <b>1 519 160</b> | <b>26 833</b> |

**e) Financial revenues**

| FINANCIAL REVENUES FROM DIVIDENDS AND SHARES IN PROFITS              | PLN thousands |                |
|--|---------------|----------------|
|  | 31-12-2015    | 31-12-2014     |
| a) from related entities, including:                                 | 84 811        | 128 695        |
| - from subsidiaries  | 84 811        | 128 695        |
| - from co-subsidiaries   |               |                |
| - from associates  |               |                |
| - from a significant investor  |               |                |
| - from a shareholder of the co-subsidiary                            |               |                |
| - from a parent company  |               |                |
| b) from other entities   | 50            | 101            |
| <b>Total financial revenues from dividends and shares in profits</b> | <b>84 861</b> | <b>128 796</b> |

| FINANCIAL REVENUES FROM INTEREST              | PLN thousands |              |
|---|---------------|--------------|
|   | 31-12-2015`   | 31-12-2014   |
| a) from granted loans                         | 1 144         | 1 622        |
| - from related entities, including:           | 1 144         | 1 622        |
| - from subsidiaries                           | 1 144         | 1 622        |
| - from co-subsidiaries                        |               |              |
| - from associates                             |               |              |
| - from a significant investor                 |               |              |
| - from a shareholder of the co-subsidiary     |               |              |
| - from a parent company                       |               |              |
| - from other entities                         |               |              |
| b) other interest                             | 1 251         | 2 643        |
| - from related entities, including:           |               |              |
| - from subsidiaries                           | 149           |              |
| - from co-subsidiaries                        |               |              |
| - from associates                             |               |              |
| - from a significant investor                 |               |              |
| - from a shareholder of the co-subsidiary     |               |              |
| - from a parent company                       |               |              |
| - from other entities                         | 1 102         | 2 643        |
| <b>Total financial revenues from interest</b> | <b>2 395</b>  | <b>4 265</b> |

| OTHER FINANCIAL REVENUES              | PLN thousands |            |
|---------------------------------------|---------------|------------|
|                                       | 31-12-2015    | 31-12-2014 |
| a) positive exchange rate differences | 0             | 1 787      |
| - realised                            | 0             | 1 787      |



**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

|                                       |           |              |
|---------------------------------------|-----------|--------------|
| - unrealised                          |           | 632          |
| b) redeemed provisions (for)          | 0         | 3            |
| - return of a capital contribution    |           |              |
| - interest for late payments          |           | 3            |
| c) other, including:                  | 27        | 1 782        |
| - profit from investment disposal     |           | 0            |
| - adjustment of a granted loan        |           | 1 702        |
| - other                               | 27        | 80           |
| <b>Total other financial revenues</b> | <b>27</b> | <b>3 572</b> |

**f) Financial costs**

| FINANCIAL COSTS DUE TO INTEREST              | PLN thousands |              |
|--|---------------|--------------|
|  | 31-12-2015    | 31-12-2014   |
| a) on credits and loans                      | 2 851         | 2 177        |
| - for affiliates, including:                 |               |              |
| - for subsidiaries                           |               |              |
| - for co-subsidiaries                        |               |              |
| - for associates                             |               |              |
| - for a significant investor                 |               |              |
| - for a shareholder of the co-subsidiary     |               |              |
| - for a parent company                       |               |              |
| - for other entities                         | 2 851         | 2 177        |
| b) other interest                            | 26            | 10           |
| - for affiliates, including:                 |               |              |
| - for subsidiaries                           |               |              |
| - for co-subsidiaries                        |               |              |
| - for associates                             |               |              |
| - for a significant investor                 |               |              |
| - for a shareholder of the co-subsidiary     |               |              |
| - for a parent company                       |               |              |
| - for other entities                         | 26            | 10           |
| <b>Total financial costs due to interest</b> | <b>2 877</b>  | <b>2 187</b> |

| OTHER FINANCIAL COSTS                                | PLN thousands |              |
|--|---------------|--------------|
|  | 31-12-2015    | 31-12-2014   |
| a) negative foreign exchange differences, including: | 722           | 0            |
| - realised   | 179           |              |
| - unrealised   | 543           |              |
| b) created provisions (for)                          | 416           | 1 045        |
| - asset liquidation provision discount               | 416           | 1 045        |
| c) other, including:                                 | 29 883        | 1 830        |
| - receivables impairment write-downs                 | 2             | 3            |
| - investment revaluation                             | 29 266        |              |
| - other  | 615           | 1 827        |
| <b>Total other financial costs</b>                   | <b>31 021</b> | <b>2 875</b> |

Revaluation of investment value in 2015 in amount of PLN 28 million concerns impairment of PAK Górnictwo subsidiary.

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

**g) Corporate income tax – current**

| Current income tax |   | PLN thousands    |                  |
|--------------------|---|------------------|------------------|
|                    |   | 31 December 2015 | 31 December 2014 |
| 1)                 | Gross profit (loss)   | -1 520 196       | 223 319          |
| 2.                 | Consolidation adjustments   |                  |                  |
| 3.                 | Differences between profit ( loss) and taxable income ( by title)   | 1 568 879        | -271 438         |
| -                  | <b>Costs and losses not recognised by the tax laws for the acquisition costs, including the fixed:</b>            | <b>2 422</b>     | <b>2 636</b>     |
|                    | - donations under the income deductions   |                  | 10               |
|                    | - other donations   | 206              | 283              |
|                    | - depreciation of fixed assets from subsidies   | 87               | 100              |
|                    | - benefits for the Trade Unions   | 63               | 63               |
|                    | - the employees assigned to trade unions  | 188              | 186              |
|                    | - depreciation write-downs for the use of a car of the value exceeding EUR 20 000                                 | 169              | 152              |
|                    | - Civil Liability and Accident and Theft premiums of the value of a car more than 20 000 ECU                      |                  | 7                |
|                    | - paid compensation   | 11               |                  |
|                    | - representation costs  | 290              | 494              |
|                    | - budget interest   |                  | 8                |
|                    | - payments for the State Fund for Rehabilitation of Disabled Persons (PFRON)                                      | 1 400            | 1 331            |
|                    | - costs of the Supervisory Board  | 4                | 2                |
|                    | - written off receivables + VAT   | 1                |                  |
|                    | URE penalty   | 3                |                  |
|                    | - survival benefit  |                  |                  |
|                    | - VAT paid in EUR to a domestic supplier  |                  |                  |
|                    | - non-recoverable VAT   |                  |                  |
|                    | - restructuring costs   |                  |                  |
| -                  | <b>Costs and losses not recognised by the tax laws for the acquisition costs, including the time-limited (+):</b> | <b>1 922 631</b> | <b>152 414</b>   |
|                    | - accrued interest on credits and loans   | 78               | 126              |
|                    | - exchange of EUAs for CERs to be used next year  |                  |                  |
|                    | - receivables impairment write-downs  | 5                |                  |
|                    | - provision for an annual bonus   | 12 886           | 12 774           |
|                    | - provision for receivables   |                  |                  |
|                    | - difference between tax and balance sheet depreciation   | -23 613          | -17 364          |
|                    | - accrued costs of the audit  | 147              | 120              |
|                    | - provision for leave, anniversary premiums   | 99               | 304              |
|                    | - revaluation of materials  |                  |                  |
|                    | - unpaid remuneration related to the contract of mandate  | 66               | 87               |
|                    | - social security contributions (ZUS) from remuneration of November and December this year                        | 2 517            | 2 715            |
|                    | - RMB green certificates  | 575              | 852              |
|                    | - RMB red certificates  | 95               | 69               |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

|   |                 |                 |
|---|-----------------|-----------------|
| - RMB yellow certificates   | 226             | 121             |
| - RMB purple certificates   | 31              | 30              |
| - RMB white energy  | 282             | 281             |
| - provision of CO2 emission allowances  | 279 448         | 122 030         |
| - sales cost of green certificates  | 116 978         | 29 226          |
| - provision for liquidation of assets   | 1 302           | 1 045           |
| - revaluation of tangible fixed assets  | 1 503 309       |                 |
| - revaluation of shares value   | 28 200          |                 |
| <b>- Tax costs unrecognized as a result of the financial year (-)</b>                                 | <b>7</b>        | <b>455</b>      |
| - paid commission on the credit settled in time   | 7               | 455             |
| <b>- The revenues, which in accordance with tax regulations, are not included in the tax base (-)</b> | <b>137 671</b>  | <b>177 979</b>  |
| - income from green and red certificates  | 46 993          | 40 368          |
| - income in the amount of the depreciation write-down   | 330             | 332             |
| - accrued interest on granted loans   | 239             | 268             |
| - valuation of the account and settlements  |                 | 543             |
| - the received dividend   | 84 812          | 128 796         |
| - valuation of the loan for Pątnów II - capital   | 5 234           | 6 297           |
| - valuation of the loan for Pątnów II - (interest)  |                 | 2               |
|   |                 |                 |
| - accrued compensation for damages  |                 | 1 200           |
| - accrued interest on the account   | 63              | 173             |
| <b>- Tax revenues unrecognized as a result of the financial year (+)</b>                              | <b>16 158</b>   | <b>2 556</b>    |
| - the paid contractual penalty  |                 | 2 212           |
| - the sale of test production   | 15 891          |                 |
| - paid interest on the granted loans accrued in the previous years                                    | 267             | 344             |
| <b>- Other changes in the tax base provided in the tax regulations</b>                                | <b>-234 654</b> | <b>-250 610</b> |
| - paid remuneration and social security contributions (ZUS) for the previous year                     | -2 801          | -2 566          |
| - redemption of the provision for receivables   | -2              | -2              |
| - the paid annual bonus   | -26 386         | -12 748         |
| - paid agreement penalties  |                 | 4 721           |
| - received compensations calculated in previous year  | 1 200           |                 |
| - the reversal of valuation of the loan granted for Pątnów II (interest)                              | 2               | -2              |
| - the reversal of valuation of the loan granted for Pątnów II (capital)                               | 6 297           | 4 599           |
| - the reversal of cash valuation and settlements  | 543             | -89             |
| - the redeemed provision for social assets  |                 | -511            |
| - interest received on the account, accrued in the previous year                                      | 173             | 63              |
| - payment for the audit   | -120            | -135            |
| - the redeemed provision for social assets  | -443            | -59 157         |
| - paid interest on the granted credits and loans accrued in the previous years                        |                 | -951            |
| - liquidation of fixed assets (tax and balance sheet value)   | 8               | -484            |
| - yellow certificates purchased to cover the obligation for the previous year                         | -422            | -187            |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

|           |  |               |                |
|-----------|--|---------------|----------------|
|           | - a charge for purple certificates for the previous year                     |               | -23            |
|           | - a charge for white certificates  |               |                |
|           | - the redeemed provision for charges for colored certificates                | -10           | 0              |
|           | - the incurred costs of liquidation of the fixed assets – the used provision | -638          |                |
|           | - the incurred costs of reclamation – the used provision                     | -295          | -359           |
|           | - the paid charge for the operating lease                                    | -119          | -32            |
|           | - the redeemed provision for liquidation of assets                           |               | -2 572         |
|           | - the purchase of EUAs, CERs, ERUs   | -209 351      | -177 011       |
|           | - reversal of impairment on materials  | -56           | -68            |
|           | - reversal of holidays provision   | -22           |                |
|           | - the accrued MEGADDEX contractual penalty                                   | -2 212        | -2 192         |
|           | - the return of costs previously considered as non-tax-deductible expenses   |               | -906           |
| <b>4.</b> | <b>Basis for income tax taxation</b>   | <b>48 683</b> | <b>-48 119</b> |
|           | <b>-donations</b>  |               |                |
|           | <b>Deduction of losses from previous years</b>                               | <b>24 413</b> |                |
| <b>5.</b> | <b>Basis for income tax taxation</b>   | <b>24 270</b> |                |
| <b>6.</b> | <b>Income tax at 19 %</b>  | <b>4 611</b>  | <b>0</b>       |
| <b>7.</b> | <b>Increases, omissions, exemptions, deductions and tax reductions</b>       |               | <b>-126</b>    |
| <b>8.</b> | <b>Current income tax (disclosed) in the tax period, including:</b>          | <b>4 611</b>  | <b>-126</b>    |
|           | - Disclosed in profit & loss account   | 4 611         | -126           |
|           | - Concerning positions increasing or decreasing of equity                    |               |                |
|           | - Concerning positions increasing or decreasing of goodwill or badwill       |               |                |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

**h) The asset and deferred tax provision**

Status as of 31.12.2015

| Item      | Title   | Asset         | Provision      |
|-----------|---|---------------|----------------|
| <b>1)</b> | <b>costs and losses, which will reduce or increase the tax base in the future, including:</b>     |               |                |
|           | - annual bonus  | 3 003         |                |
|           | provision for audit costs   | 28            |                |
|           | provision for anniversary premiums, the energy equivalent, retirement benefits, survival benefits | 2 204         |                |
|           | provision for leave   | 329           |                |
|           | accrued interest on credits and loans   | 39            |                |
|           | provision for materials   | 718           |                |
|           | RMB green certificates  | 109           |                |
|           | RMB red certificates  | 18            |                |
|           | RMB white energy  | 54            |                |
|           | RMB purple certificates   | 6             |                |
|           | RMB yellow certificates   | 43            |                |
|           | provision for liquidation of assets   | 2 783         |                |
|           | incurred costs of the liquidation of SMT El. Pątnów   |               |                |
|           | provision for financial assets  | 2 220         |                |
|           | provision for receivables   | 369           |                |
|           | tax and balance sheet depreciation of fixed assets  |               | 55 658         |
|           | impairment write-down of the fixed assets   |               |                |
|           | valuation of the cash and foreign exchange account, settlements                                   |               |                |
|           | social security contributions (ZUS) from remuneration   | 478           |                |
|           | unpaid remuneration – contracts of mandate  | 13            |                |
|           | costs related to the future sale of assets  | 3             |                |
|           | provision for reclamation   | 323           |                |
|           | The tax and balance sheet subsidy of fixed assets in the sale-and-leaseback.                      | 215           |                |
|           | Accrued write-off for MFŚS  |               |                |
|           | the Elektrim Megadex contractual penalty  |               |                |
|           | provision of CO2 emission allowances  | 47 621        |                |
|           | purchased EUAs, CERs, ERUs  |               | 54 383         |
| <b>2)</b> | <b>the revenues, which will increase the tax base in the future</b>                               |               |                |
|           | accrued interest on the granted loan, deposits  |               | 57             |
|           | loan valuation  |               | 995            |
|           | green and red certificates in stock   |               | 12 315         |
|           | accrued RAFAKO contractual penalty  |               |                |
|           | accrued compensation for property damages   |               |                |
|           | paid commission on the credit settled in time   |               | 88             |
|           | valuation of the cash and foreign exchange account, settlements                                   |               |                |
|           | <b>TOTAL:</b>   | <b>60 576</b> | <b>123 496</b> |
|           | <b>The presented amount, deferred income tax</b>  |               | <b>62 920</b>  |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

**Status as of 31.12.2014**

| Item   | Title   | Asset         | Provision      |
|--|---|---------------|----------------|
| <b>1)</b>  | <b>costs and losses, which will reduce or increase the tax base in the future, including:</b>               |               |                |
|  | 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             |                |
|  | Reclamation provision   | 499           |                |
|  | Tax and balance sheet donation (distinction) of fixed assets in reversal leasing                            | 238           |                |
|  | 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 current period   | 9 142         |                |
| <b>2)</b>  | <b>the revenues, which will increase the tax base in the future</b>   |               |                |
|  | accrued interest on the granted loan, deposits  |               | 84             |
|  | loan valuation  |               | 1 196          |
|  | green and red certificates in stock   |               | 25 787         |
|  | Calculated compensation for assets damages  |               | 228            |
|  | Paid credits facility fee settled in time   |               | 87             |
|  | valuation of the cash and foreign exchange account, settlements   |               | 103            |
| <b>TOTAL:</b>                                    |   | <b>53 065</b> | <b>124 943</b> |
| <b>The presented amount, deferred income tax</b> |   |               | <b>71 878</b>  |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

**i) Cost data by type**

| COSTS BY TYPE   | 31-12-2015       | 31-12-2014       |
|---|------------------|------------------|
| a) depreciation   | 83 263           | 100 219          |
| b) materials and energy consumption                                   | 780 702          | 823 649          |
| c) external services  | 182 972          | 206 835          |
| d) taxes and charges  | 322 541          | 205 173          |
| e) remuneration   | 111 674          | 98 929           |
| f) social security and other benefits                                 | 26 889           | 29 547           |
| g) other costs by type (for)  | 11 542           | 12 400           |
| <b>Total costs by type</b>  | <b>1 519 583</b> | <b>1 476 752</b> |
| change in inventories, products and prepayments                       | -13 258          | -12 778          |
| The cost of manufacturing products for the own needs (negative value) | -188             | -296             |
| Costs of sales (negative value)                                       | -3 552           | -3 438           |
| Overheads (negative value)  | -35 863          | -41 863          |
| Cost of manufacturing the sold products                               | 1 466 722        | 1 418 377        |

**j) Information on extraordinary profits and losses**

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

**k) Explanatory notes to the cash flow statement**

| Law of obligations   | 31 December 2015 | 31 December 2014 |
|--|------------------|------------------|
| The balance sheet change in long-term and short-term liabilities | 199 508          | 318 459          |
| Change in credits as well as long-term and short-term loans      | -261 436         | -262 682         |
| Change in lease liabilities                                      | 38 302           | -199             |
| Change in liabilities due to the construction in accumulation    | -472             | -42 955          |
| <b>Change in liabilities in the cash flows statement</b>         | <b>-24 098</b>   | <b>12 623</b>    |

| Receivables   | 31 December 2015 | 31 December 2014 |
|---|------------------|------------------|
| Change in Balance sheet receivables                   | -4 534           | -10 323          |
| Change in receivables due to purchase of fixed assets | 1 594            |                  |
| <b>Change in receivables in cash flow</b>             | <b>-2 940</b>    | <b>-10 323</b>   |

| Provisions | 31 December 2015 | 31 December 2014 |
|------------|------------------|------------------|
|------------|------------------|------------------|

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

|   |                |               |
|---|----------------|---------------|
| The balance sheet change in provisions                  | 133 341        | -49 856       |
| Provision due to the redemption of CERs                 | 119 343        | 128 066       |
| <b>Change in provisions in the cash flows statement</b> | <b>252 684</b> | <b>78 210</b> |

| Investment activity  | 31 December 2015 | 31 December 2014 |
|--|------------------|------------------|
| Profit/loss on disposal of non-financial fixed assets                    | -119             | -1 882           |
| Profit/loss on disposal of investments                                   | 312              | 0                |
| Investment abandonment   |                  | 0                |
| Disclosure of fixed assets   |                  | -1 632           |
| Revaluation of fixed assets  | 1 503 309        | 0                |
| Revaluation of shares  | 28 200           | 0                |
| Payment return to the capital  |                  | 0                |
| <b>Profit (loss) on investment activities in the cash flow statement</b> | <b>1 531 702</b> | <b>-3 514</b>    |

|                             | Cash - the balance sheet | Cash - CF (cash flow) | The value of foreign exchange differences |
|-----------------------------|--------------------------|-----------------------|---|
| 31.12.2014                  | 173 782                  | 173 239               | 543                                       |
| 31.12.2015                  | 182 989                  | 182 989               | 0   |
| <b>Change of the status</b> | <b>-9 207</b>            | <b>-9 750</b>         | <b>543</b>                                |

| CASH AND CASH EQUIVALENTS (BY CURRENCY)                             | entity | currency | In PLN thousand |            |
|---|--------|----------|-----------------|------------|
|   |        |          | 31-12-2015      | 31-12-2014 |
| a) In PLN   |        | PLN      | 182 986         | 147 211    |
| b) In other currencies (by currency and after calculation into PLN) |        | EUR      |                 |            |
| b1. In currency   |        | EUR      | 1               | 6 234      |
| After calculation into PLN  |        |          | 3               | 26 571     |
| -   |        |          |                 |            |
| Other currencies in PLN   |        | GBP      |                 |            |
| total   |        |          | 182 989         | 173 782    |

## 8. Information about the average employment in the occupational groups

| Specification   | 2015          | 2014          |
|---|---------------|---------------|
| <b>1. Employees in positions directly related to production</b> | <b>961,26</b> | <b>933,75</b> |
| · Operation employees   | 961,26        | 933,75        |



**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

|                                 |                 |                 |
|---------------------------------|-----------------|-----------------|
| <b>2. Service employees</b>     | <b>314,89</b>   | <b>283,50</b>   |
| · Material management employees | 27,53           | 19,00           |
| · Other employees               | 287,36          | 264,50          |
| <b>3. Management employees</b>  | <b>73,95</b>    | <b>72,00</b>    |
| · Management Board              | 3,16            | 3,00            |
| · Management (Proxies)          | 21,33           | 19,25           |
| · Managers                      | 49,46           | 49,75           |
| <b>4. Other employees</b>       | <b>0</b>        | <b>0</b>        |
| <b>TOTAL</b>                    | <b>1 350,10</b> | <b>1 289,25</b> |

**9. Information about the remuneration of the statutory auditor or the entity entitled to audit financial statements**

| Specification         | 31 December 2015 | 31 December 2014 |
|-----------------------|------------------|------------------|
| 1. Mandatory auditing | 215              | 195              |
| 2. Other services     | 102              | 245              |
| <b>Total:</b>         | <b>317</b>       | <b>440</b>       |

**10. Remuneration, including the remuneration from profits, paid to the members of the Management Board and supervisory bodies of the Company (the Supervisory Board)**

| Specification                                    | 31 December 2015 | 31 December 2014 |
|--|------------------|------------------|
| 1. Remuneration of the Management Board members  | 3 838            | 2 509            |
| 2. Remuneration of the Supervisory Board members | 970              | 1 020            |
| <b>Total:</b>                                    | <b>4 808</b>     | <b>3 529</b>     |

**11. Loans granted to members of the Management Board and supervisory bodies of the Company (the Supervisory Board)**

In the financial year and the previous year, any loans were granted to members of the Management Board and supervisory bodies of the Company

## 12. Transactions with members of the Management Board and supervisory bodies of the Company

In the financial year, the Company did not conduct any significant transactions with members of the Management Board and supervisory bodies as well as their spouses, relatives or relatives by affinity in direct line up to the second degree or persons, who, due to adoption, custody or guardianship, are connected with the managing person, or the one being in the supervisory bodies of the entity, or the companies, in which they are major shareholders (shareholders or partners).

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

Year concluded on 31 December 2015

| <i>Entity</i>                | <i>Sale</i> | <i>Purchase</i> | <i>Receivables</i> | <i>Liabilities</i> |
|------------------------------|-------------|-----------------|--------------------|--------------------|
| Megadex Serwis Sp. z o.o.    | 13          | 118 668         | 509                | 7 859              |
| Polkomtel sp. z o.o.         | 86          | 1 670           | 9                  | 1 178              |
| PLUS BANK SA                 | 2           |                 |                    |                    |
| Verano sp. z o.o.            | 10          |                 |                    |                    |
| Laris Investments sp. z o.o. |             | 202             |                    |                    |
| <b>Total</b>                 | <b>111</b>  | <b>120 540</b>  | <b>518</b>         | <b>9 037</b>       |

Year concluded on 31 December 2014

| <i>Entity</i>                | <i>Sale</i>  | <i>Purchase</i> | <i>Receivables</i> | <i>Liabilities</i> |
|------------------------------|--------------|-----------------|--------------------|--------------------|
| Elektrim Magadex S.A.        | 13           | 91 486          |                    | 5 816              |
| Polkomtel sp. z o.o.         | 1 976        | 941             | 15                 | 411                |
| Laris Investments sp. z o.o. |              | 204             |                    | 0                  |
| <b>Total</b>                 | <b>1 989</b> | <b>92 631</b>   | <b>15</b>          | <b>6 227</b>       |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

**14. Transactions with the capital-related Companies that are recognised by the consolidated financial statement.**

| 31 December 2015                                  | PAK Serwis sp. z o.o. | El PAK sp. z o.o. | Infranstruktura sp. z o.o. | PAK-Holdco sp. z o.o. | Elektrownia Pątnów II sp. z o.o. | PAK Centrum Usług Informatycznych sp. z o.o. in liquidation | PAK Centrum Badań Jakości sp. z o.o. in liquidation | PAK Górnictwo sp. z o.o. | Energoinwest Serwis sp. z o.o. | PAK KWB Konin S.A. | PAK KWB Adamów S.A. | PAK Volt S.A. | EKO-Surowce sp. z o.o. | EL PAK Serwis sp. z o.o. | Aquakon sp. z o.o. | TOTAL   |
|---|-----------------------|-------------------|----------------------------|-----------------------|----------------------------------|---|---|--------------------------|--------------------------------|--------------------|---------------------|---------------|------------------------|--------------------------|--------------------|---------|
| Purchase  | 93 392                | 54 283            | 13 645                     | 0                     | 185                              | 0   | 0   | 0                        | 3 840                          | 388 016            | 262 990             | 5             | 2 505                  | 0                        | 1 047              | 819 908 |
| Sale  | 6 386                 | 2 074             | 17 339                     | 48                    | 87 818                           | 0   | 0   | 162                      | 810                            | 4 292              | 1 843               | 437 804       | 694                    | 699                      | 243                | 560 212 |
| Interest - financial costs                        |                       |                   |                            |                       |                                  |   |   |                          |                                |                    |                     |               |                        |                          |                    | 0       |
| Interest - financial income                       |                       |                   |                            |                       | 1 143                            |   |   |                          |                                | 149                |                     |               |                        |                          |                    | 1 292   |
| Received dividends and shares in profits          | 24 384                | 3 000             | 3 096                      | 41 913                |                                  | 1 618   | -312  |                          |                                |                    |                     | 10 800        |                        |                          |                    | 84 499  |
| Foreign exchange rate differences - costs         |                       |                   |                            |                       |                                  |   |   |                          |                                |                    |                     |               |                        |                          |                    | 0       |
| Foreign exchange rate differences - income        |                       |                   |                            |                       | 360                              |   |   |                          |                                |                    |                     |               |                        |                          |                    | 360     |
| Receivables due to deliveries, works and services | 693                   | 138               | 1 988                      |                       | 8 904                            |   |   | 7                        | 161                            | 798                | 312                 | 30 938        | 92                     | 112                      | 29                 | 44 172  |
| Liabilities due to deliveries, works and services | 14 555                | 9 164             | 1 399                      |                       | 86                               |   |   |                          | 891                            | 24 855             | 18 143              | 200           | 464                    | 0                        | 324                | 70 081  |
| Granted loans                                     |                       |                   |                            |                       | 77 373                           |   |   |                          |                                |                    |                     |               |                        |                          |                    | 77 373  |
| Received loans                                    |                       |                   |                            |                       |                                  |   |   |                          |                                |                    |                     |               |                        |                          |                    | 0       |
| Other receivables                                 |                       |                   | 1 594                      |                       | 5 806                            |   |   |                          |                                | 7 537              |                     |               |                        |                          |                    | 14 937  |
| Granted advance payments                          |                       |                   |                            |                       |                                  |   |   |                          |                                |                    |                     |               |                        |                          |                    | 0       |
| Other liabilities                                 | 5 541                 | 1 768             |                            |                       | 4                                |   |   |                          |                                |                    |                     |               | 16                     |                          |                    | 7 329   |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

| 31 December 2014                                  | PAK Serwis sp. z o.o. | El PAK sp. z o.o. | Infrastuktura sp. z o.o. | PAK-Holdco sp. z o.o. | Elektrownia Pątnów II sp. z o.o. | PAK Centrum Usług Informatycznych sp. z o.o. in liquidation | PAK Centrum Badań Jakości sp. z o.o. in liquidation | PAK Górnictwo sp. z o.o. | Energoinwest Serwis sp. z o.o. | PAK KWB Konin S.A. | PAK KWB Adamów S.A. | PAK Volt S.A. | EKO-Surowce sp. z o.o. | EL PAK Serwis sp. z o.o. | TOTAL          |
|---|-----------------------|-------------------|--------------------------|-----------------------|----------------------------------|---|---|--------------------------|--------------------------------|--------------------|---------------------|---------------|------------------------|--------------------------|----------------|
| Purchase  | 97,033                | 54,329            | 12,377                   | 0                     | 58                               | 5,963   | 5,982   | 0                        | 2,105                          | 373,858            | 285,930             | 3             | 844                    | 0                        | <b>838,482</b> |
| Sale  | 7,887                 | 1,612             | 13,871                   | 60                    | 84,066                           | 416   | 387   | 146                      | 255                            | 2,273              | 1,240               | 415,862       | 213                    | 247                      | <b>528,535</b> |
| Interest - financial costs                        |                       |                   |                          |                       |                                  |   |   |                          |                                |                    |                     |               |                        |                          | <b>0</b>       |
| Interest - financial income                       |                       |                   |                          |                       | 1,621                            |   |   |                          |                                |                    |                     |               |                        |                          | <b>1,621</b>   |
| Received dividends and shares in profits          |                       |                   |                          |                       |                                  |   |   |                          |                                |                    |                     |               |                        |                          | <b>0</b>       |
| Foreign exchange rate differences - costs         |                       |                   |                          |                       |                                  |   |   |                          |                                |                    |                     |               |                        |                          | <b>0</b>       |
| Foreign exchange rate differences - income        |                       |                   |                          |                       | 3,044                            |   |   |                          |                                |                    |                     |               |                        |                          | <b>3,044</b>   |
| Receivables due to deliveries, works and services | 1,227                 | 131               | 1,434                    | 68                    | 5,189                            | 0   | 0   | 14                       | 119                            | 943                | 248                 | 28,913        | 207                    | 88                       | <b>38,581</b>  |
| Liabilities due to deliveries, works and services | 31,339                | 9,511             | 1,269                    | 0                     | 4,927                            | 0   | 0   | 0                        | 281                            | 20,719             | 18,578              | 200           | 332                    | 0                        | <b>87,157</b>  |
| Granted loans                                     |                       |                   |                          |                       | 92,890                           |   |   |                          |                                |                    |                     |               |                        |                          | <b>92,890</b>  |
| Received loans                                    |                       |                   |                          |                       |                                  |   |   |                          |                                |                    |                     |               |                        |                          | <b>0</b>       |
| Other receivables                                 |                       |                   |                          |                       | 6,667                            |   |   |                          |                                |                    |                     |               |                        |                          | <b>6,667</b>   |
| Granted advance payments                          |                       |                   |                          |                       |                                  |   |   |                          |                                |                    |                     |               |                        |                          | <b>0</b>       |
| Other liabilities                                 | 685                   | 5,279             |                          |                       |                                  |   |   |                          |                                | 565                | 354                 |               |                        |                          | <b>6,883</b>   |

## 15. 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 code according to KPRU III | 2013             | 2014             | 2015             | 2016             | 2017             | 2018             | 2019             | 2020*         |
|----------------------|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|---------------|
|                      |   | (in tonnes)      | (in tonnes)      | (in tonnes)      | (in tonnes)      | (in tonnes)      | (in tonnes)      | (in tonnes)      | (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        |
| <b>Total</b>         |   | <b>7 101 112</b> | <b>6 554 753</b> | <b>5 695 833</b> | <b>4 345 043</b> | <b>3 296 691</b> | <b>2 631 121</b> | <b>1 965 897</b> | <b>55 714</b> |

\*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.

In December 2013, the Ministry of Environment issued a sample of the material and financial statement, which is annually sent by the Company to the Ministry of Environment in the scope of incurred investment expenses for the investment tasks reported to the National Investment Plan in order to use derogation for power engineering within Article 10c of the ETS Directive. For the incurred investment expenses in the period from 1 July 2013 to 30 June 2014, ZE PAK SA submitted a material and financial statement and, at the same time, applied for 2,241.959 free EUAs, which were received by the Company in April 2015, and which were used for redemption for 2014.

On 3 April 2014, the Resolution of the Council of Ministers of 31 March 2014 (amended on 10 April 2015) on the list of systems other than generating electricity included in the system of greenhouse gas emission allowance trading in the reporting period commencing on 1 January 2013, together with the number of allowances granted to them resulting from Art. 10a for heat generation, was issued.

Then, on 10 April 2014, the Resolution of the Council of Ministers of 8 April 2014 (amended on 31 April 2015) on the list of systems generating electricity included in the system of greenhouse gas emission allowance trading in the reporting period commencing on 1 January 2013 and the number of allowances granted to them under Art. 10c (derogations for power engineering) was issued.

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

As of 1 January 2015, the Company possessed EUAs purchased in the number of 10,697.412 tonnes. In April 2015, the Company received free EUAs resulting from Art. 10c for 2014 in the number of 2,241.959 EUAs, so that, in April 2015, the Company had 12,939.371 EUA units in total for the needs of redemption. Then, at the end of April 2015, the redemption of emissions for 2014 in the number of 10,085.564 EUAs was made. After the redemption, there were 2,853.807 EUAs, which were transferred to redeem emissions for 2015, in the Company. Furthermore, in April 2015, ZE PAK SA obtained free emission allowances under Art. 10a resulting from heat generation for 2015 in the number of 121,398 EUAs.

It should be also noted that in 2014, the purchase of ERUs under the current settlement period, which were then used by the Company for redemption for 2014, and at the same time, the Company used the opportunity to purchase 11% EUAs in order to exchange them for cheaper CERs or ERUs (10% from the period of 2008 – 2012, and 1% from the period of 2013 – 2020), and at the same time, it finished the exchange of EUAs to CERs or ERUs in the period of 2013 – 2020.

On 30 September 2015, the Company submitted the material and financial statement to the Ministry of Environment concerning free EUAs of Article. 10 c for the executed investment expenses in the period from 1 July 2014 to 30 June 2015, applying for granting of free EUAs in the number of 329,417 units.

In III quarters of 2015, the Company purchased 6,044.000 EUAs, which together with the purchase in the IV quarter provides a total amount of 6,714.785 purchased EUAs, including those for the purposes of redemption in 2015 that were purchased in the amount of 6,602.884 EUAs.

In tables presented below, carbon dioxide allowances granted in the scope of the National Allocation, purchased on the secondary market including with division into the part used for their own purposes, and the one sold in period concluded on 31 December 2014 and 31 December 2013.

| (in tonnes)              | <b>31.12.2015</b>        |              |
|--------------------------|--------------------------|--------------|
|                          | CO2 emission             |              |
| <b>EUAs</b>              | Balance as of 01.01.2014 | 10 697       |
|                          | Acquired                 | 6 715        |
|                          | Free received            | 2 363        |
|                          | Redemption**             | -10 086      |
|                          | Sale                     | -            |
|                          | Exchange                 |              |
|                          | Balance as of 31.12.2015 | <b>9 689</b> |
| <b>CERs</b>              | Balance as of 01.01.2015 |              |
|                          | Acquired                 |              |
|                          | Redemption               | -            |
|                          | Sale                     | -            |
|                          | CERs/EUAs exchange       |              |
| Balance as of 31.12.2015 |                          |              |
| <b>ERUs</b>              | Balance as of 01.01.2015 |              |
|                          | Acquired                 |              |
|                          | Redemption               |              |
|                          | Sale                     |              |
|                          | ERUs/EUAs exchange       |              |
|                          | Balance as of 31.12.2015 | 0            |

| (in tonnes) | <b>31.12.2014</b> |
|-------------|-------------------|
|-------------|-------------------|

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

|             |  |               |
|-------------|--|---------------|
|             | CO2 emission*                          | 10 086        |
| <b>EUAs</b> | Balance as of 01.01.2014               | 11 558        |
|             | Acquired                               | 7 156         |
|             | Redemption                             | -10 597       |
|             | Sale                                   | -             |
|             | ERUs/EUAs exchange                     | 438           |
|             | CERs/EUAs exchange                     | 147           |
|             | Free received EUAs Article 10a and 10c | 1 995         |
|             | <b>Balance as of 31.12.2014</b>        | <b>10 697</b> |
| <b>CERs</b> | Balance as of 01.01.2014               | 146           |
|             | Acquired                               | -             |
|             | Redemption                             | -             |
|             | Sale                                   | -             |
|             | CERs/EUAs exchange                     | -146          |
|             | <b>Balance as of 31.12.2014</b>        | <b>0</b>      |
| <b>ERUs</b> | Balance as of 01.01.2014               | 146           |
|             | Acquired                               | 292           |
|             | Redemption                             | -             |
|             | Sale                                   | -             |
|             | ERUs/EUAs exchange                     | -438          |
|             | <b>Balance as of 31.12.2014</b>        | <b>0</b>      |

## **16. Information on fulfilment of the reporting requirements of Article 44 of the Energy Law**

Starting from the financial statements for the year concluded on 31 December 2014, new reporting requirements related to energy companies have been in force.

Article 44 of the Energy Law Act, which obliges energy companies (referring to the Accounting Act) to draw up and disclose the financial statements that comprise the balance sheet and income statement by conducted activities, was amended.

With a view to the purpose aspect of the provisions of the Act, i.e. striving to ensure equal treatment of the customers and the elimination of cross-subsidies, as well as disclosure obligations with respect to the market regulator, the Company's business is divided into the three following segments: "Electricity", "Heat", "Other activities."

### Income statement:

The Company drew up the Income Statement in accordance with the Accounting Act provisions and it keeps a register of expenses based on their nature.

The revenues from the sale of electricity, revenues from the sale of property rights and revenues from system services are presented in the income statement in the activity of "Electricity". The revenues from the heat sale were shown in the activity of "Heat". The revenues from sales of other services were presented as "Other activities"

The ZE PAK SA company keeps a register of prime costs by their nature and recognises the costs incurred during the reporting period and of this period within the framework of the costs of the conducted business. Prime costs are divided into variable costs and fixed costs.

Variable costs depend on the extent of production of electricity and heat, and these are the costs of the consumption of coal, biomass, auxiliary liquid fuels, such as heavy fuel oil or heating oil and limestone flour, costs of consumption of chemicals for technological purposes, charges for the economic use of the environment in terms of water, post-production waste and volatile pollutant emissions into the air, and costs of CO<sub>2</sub> allowances. The costs depended on the extent of production also include costs related to the sale of energy: excise tax, statutory charges related to certification and participation in open energy markets.

The other costs are fixed costs.

The costs are recorded at the Cost Centre (the place where a cost is created)

The distribution keys, on the basis of which the prime costs, at the expense of own production of electricity and heat and the remaining service activity called "Works and services", are a basis for the settlement of costs for each activity.

The variable costs are settled using "the physical cost sharing method" in the combined economy based on the efficiency of boilers and heat exchangers. Using this method, the distribution of chemical energy from fuels to produce heat and electricity is made. Allocating the cost of fuel for electricity generating units is made by the ECT method used in the energy sector. Other variable costs of production, which depend on the production



**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

extent, are allocated with the use of a key of "the chemical energy from fuels," however the costs related to the energy sale are divided using the amount of the sold electricity of a given generating unit.

Fixed costs are settled by a key of the maximum capacity of electricity and heat. The distribution key of fixed costs was based on "Industry cost statement for energy sector."

The costs of electricity used to produce heat are settled using the unit cost of the first degree electricity production, both from the group of variable and fixed costs.

Separation of costs for "Works and services" is conducted with a contribution key of individual organisational units in the service and providing services for recipients.

The short statement of results for individual activities for 2014 and 2015 is presented below.

**2015**

| Year concluded on 31 December 2015       | Total             | Electricity      | Heat          | Other activities | Unassigned items  |
|--|-------------------|------------------|---------------|------------------|-------------------|
| <b>Sales revenues</b>                    | <b>1 538 913</b>  | <b>1 353 698</b> | <b>62 704</b> | <b>122 511</b>   |                   |
| <b>Costs of sold goods and materials</b> | <b>1 555 598</b>  | <b>1 409 592</b> | <b>56 367</b> | <b>89 639</b>    |                   |
| Selling costs                            | 3 552             | 3 479            |               | 73               |                   |
| Costs of the Management Board            | 35 863            |                  |               |                  | 35 863            |
| Other operating revenues                 | 1 679             |                  |               |                  | 1 679             |
| Other operating costs                    | 1 519 160         |                  |               |                  | 1 519 160         |
| <b>Operating profit</b>                  | <b>-1 573 581</b> | <b>-59 373</b>   | <b>6 337</b>  | <b>32 799</b>    | <b>-1 553 344</b> |
| Financial revenues                       | 87 283            |                  |               |                  | 87 283            |
| including dividends                      | 84 861            |                  |               |                  | 84 861            |
| Financial costs                          | 33 898            |                  |               |                  | 33 898            |
| <b>Gross profit</b>                      | <b>-1 520 196</b> | <b>-59 373</b>   | <b>6 337</b>  | <b>32 799</b>    | <b>-1 499 959</b> |
| Income tax                               | -4 346            |                  |               |                  | -4 346            |
| <b>Net profit</b>                        | <b>-1 515 850</b> | <b>-59 373</b>   | <b>6 337</b>  | <b>32 799</b>    | <b>-1 495 613</b> |

**2014**

| Year concluded on 31 December 2014       | Total            | Electricity      | Heat          | Other activities | Unassigned items |
|--|------------------|------------------|---------------|------------------|------------------|
| <b>Sales revenues</b>                    | <b>1 631 189</b> | <b>1 457 414</b> | <b>59 170</b> | <b>114 605</b>   | <b>0</b>         |
| <b>Costs of sold goods and materials</b> | <b>1 528 932</b> | <b>1 383 892</b> | <b>51 259</b> | <b>93 781</b>    | <b>0</b>         |
| Selling costs                            | 3 438            | 3 396            | 0             | 42               | 0                |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

|                               |                |                  |              |               |                |
|-------------------------------|----------------|------------------|--------------|---------------|----------------|
| Costs of the Management Board | 41 863         | 0                | 0            | 0             | 41 863         |
| Other operating revenues      | 61 625         | 0                | 0            | 0             | 61 625         |
| Other operating costs         | 26 834         | 22 251           | 0            | 0             | 4 583          |
| <b>Operating profit</b>       | <b>91 747</b>  | <b>47 875</b>    | <b>7 911</b> | <b>20 782</b> | <b>15 179</b>  |
| Financial revenues            | 136 633        | 0                | 0            | 0             | 136 633        |
| including dividends           | 128 796        | 0                | 0            | 0             | 128 796        |
| Financial costs               | 5 061          | 0                | 0            | 0             | 5 061          |
| <b>Gross profit</b>           | <b>223 319</b> | <b>47 875</b>    | <b>7 911</b> | <b>20 782</b> | <b>146 751</b> |
| Income tax                    | 18 677         | 0                | 0            | 0             | 18 677         |
| <b>Net profit</b>             | <b>204 642</b> | <b>1 457 414</b> | <b>7 911</b> | <b>20 782</b> | <b>128 074</b> |

Balance sheet:

In the balance sheet, the selected items, for which figures can be reliably presented, were shown.

Intangible assets are divided on the basis of a detailed analysis of the economic content of entries in the book of accounts of individual accounts included in a given item of the balance sheet in order to establish a direct relationship with a specific separate activity of the Company.

Tangible fixed assets were divided according to the depreciation key registered on individual cost positions including the division into electricity, heat and other activities.

CO2 allowances – were allocated according to the key resulting from accrued costs on the individual cost positions including the division into electricity and heat.

The capital work in progress as well as advance payments for capital work in progress were allocated on the basis of a detailed analysis of the economic content of individual entries in the book of accounts and balances of individual accounts being part of a given item of the balance sheet.

Inventories were allocated on the basis of the following distribution keys:

Materials – production fuel, according to a contribution key of the cost of fuel consumption registered on the cost positions including the division into electricity and heat.

Other materials were divided on the basis of the structure of revenues by type of activities.

Certificates of origin of the Renewable Energy Sources (RES) – are assigned as follows:

- green certificates – in their entirety to electricity

- red certificates – in their entirety to heat.

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

Short-term receivables represent only trade receivables, and were divided on the basis of the revenues registered on the analytic accounts, which are appropriate for given types of activities.

Short-term liabilities include only trade liabilities, and they were allocated by the cost key in relation to the costs registered on the individual items relevant to a particular segment of activity.

The item of provisions and prepayments is limited to the provision for the cost of purchasing emission allowances, and it was allocated on the basis of the key resulting from registered costs on different cost positions including the division into electricity and heat.

Selected items of the balance sheet in the division into the types of activities

**2015**

| <u>ASSETS</u>   | Total          | Electricity    | Heat         | Other         |
|---|----------------|----------------|--------------|---------------|
| <b>OTHER INTANGIBLE ASSETS</b>                                  | <b>289 858</b> | <b>279 043</b> | <b>8 361</b> | <b>2 454</b>  |
| a) Intangible assets - CO2 allowances                           | 286 227        | 277 866        | 8 361        | 0             |
| b) other  | 3 631          | 1 177          |              | 2 454         |
| <b>TANGIBLE FIXED ASSETS</b>                                    | <b>684 220</b> | <b>779 608</b> | <b>911</b>   | <b>12 608</b> |
| <b>1. Fixed assets</b>  | <b>392 252</b> | <b>380 074</b> | <b>911</b>   | <b>11 267</b> |
| a) Lands (including the perpetual usufruct of land)             | 1 248          | 1 190          | 9            | 49            |
| b) Buildings, premises, as well as civil engineering facilities | 178 928        | 172 110        | 613          | 6 205         |
| c) Technical equipment and machinery                            | 209 074        | 203 898        | 278          | 4 898         |
| d) Transport equipment  | 1 381          | 1 321          | 7            | 53            |
| e) Other fixed assets   | 1 621          | 1 555          | 4            | 62            |
| <b>2. Capital work in progress</b>                              | <b>287 639</b> | <b>286 298</b> | <b>0</b>     | <b>1 341</b>  |
| <b>3. Advance payments for capital work in progress</b>         | <b>4 329</b>   | <b>4 329</b>   | <b>0</b>     | <b>0</b>      |
| <b>INVENTORIES</b>  | <b>104 156</b> | <b>99 346</b>  | <b>1 966</b> | <b>2 039</b>  |
| <b>1. Materials</b>   | <b>38 536</b>  | <b>35 217</b>  | <b>1 279</b> | <b>2 039</b>  |
| a) production fuel without biomass                              | 7 384          | 7 148          | 236          | 0             |
| b) biomass  | 5 531          | 5 531          |              |               |
| c) other  | 25 621         | 22 539         | 1 043        | 2 039         |
| <b>2. Property rights</b>                                       | <b>64 816</b>  | <b>64 129</b>  | <b>687</b>   | <b>0</b>      |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

|  |                |                    |              |               |
|--|----------------|--------------------|--------------|---------------|
| a) green certificates                            | 64 129         | 64 129             |              | 0             |
| b) red certificates                              | 687            |                    | 687          | 0             |
| <b>3. Advanced payments for deliveries</b>       | <b>804</b>     |                    |              | <b>0</b>      |
| <b>TRADE RECEIVABLES</b>                         | <b>122 782</b> | <b>100 637</b>     | <b>8 714</b> | <b>13 431</b> |
| <b><u>LIABILITIES</u></b>                        | <b>Total</b>   | <b>Electricity</b> | <b>Heat</b>  | <b>Other</b>  |
| -  |                |                    |              |               |
| <b>PROVISIONS FOR LIABILITIES - CO2 EMISSION</b> | <b>282 135</b> | <b>273 909</b>     | <b>8 226</b> | <b>0</b>      |
| <b>SHORT-TERM TRADE RECEIVABLES</b>              | <b>90 928</b>  | <b>82 399</b>      | <b>3 292</b> | <b>5 237</b>  |
| <b>PREPAYMENTS RECEIVED FOR DELIVERIES</b>       | <b>124</b>     | <b>124</b>         |              |               |

**2014**

| <b><u>ASSETS</u></b>   | <b>Total</b>     | <b>Electricity</b> | <b>Heat</b>   | <b>Other</b>  |
|--|------------------|--------------------|---------------|---------------|
| <b>OTHER INTANGIBLE ASSETS</b>                                 | <b>199 867</b>   | <b>191 871</b>     | <b>5 683</b>  | <b>2 313</b>  |
| a) Intangible assets - CO2 allowances                          | 196 219          | 190 536            | 5 683         | 0             |
| b) other   | 3 648            | 1 335              |               | 2 313         |
| <b>TANGIBLE FIXED ASSETS</b>                                   | <b>1 999 969</b> | <b>1 935 295</b>   | <b>52 034</b> | <b>12 640</b> |
| <b>1. Fixed assets</b>   | <b>1 285 911</b> | <b>1 221 237</b>   | <b>52 034</b> | <b>12 640</b> |
| a) Lands (including the perpetual usufruct of land)            | 1 252            | 1 210              | 17            | 25            |
| b) Buildings, premises as well as civil engineering facilities | 589 378          | 557 905            | 23 446        | 8 027         |
| c) Technical equipment and machinery                           | 691 208          | 658 347            | 28 328        | 4 533         |
| d) Transport equipment   | 1 790            | 1 713              | 44            | 33            |
| e) Other fixed assets  | 2 283            | 2 062              | 199           | 22            |
| <b>2. Capital work in progress</b>                             | <b>693 396</b>   | <b>693 396</b>     | <b>0</b>      | <b>0</b>      |
| <b>3. Advance payments for capital work in progress</b>        | <b>20 662</b>    | <b>20 662</b>      | <b>0</b>      | <b>0</b>      |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

|  |                |                    |               |               |
|--|----------------|--------------------|---------------|---------------|
| <b>INVENTORIES</b>                               |                |                    |               |               |
|  | <b>180 519</b> | <b>176 643</b>     | <b>2 233</b>  | <b>1 643</b>  |
| <b>1. Materials</b>                              |                |                    |               |               |
|  | <b>42 509</b>  | <b>39 497</b>      | <b>1 369</b>  | <b>1 643</b>  |
| a) production fuel                               | 19 126         | 18 605             | 521           | 0             |
| b) other   | 23 383         | 20 892             | 848           | 1 643         |
| <b>2. Property rights</b>                        |                |                    |               |               |
|  | <b>135 722</b> | <b>134 901</b>     | <b>821</b>    | <b>0</b>      |
| a) green certificates                            | 134 901        | 134 901            | 0             | 0             |
| b) red certificates                              | 821            |                    | 821           |               |
| <b>3. Advance payments for deliveries</b>        |                |                    |               |               |
|  | <b>2 288</b>   | <b>2 245</b>       | <b>43</b>     | <b>0</b>      |
| <b>TRADE RECEIVABLES</b>                         |                |                    |               |               |
|  | <b>96 767</b>  | <b>76 408</b>      | <b>10 133</b> | <b>10 226</b> |
|  |                |                    |               |               |
| <b><u>LIABILITIES</u></b>                        | <b>Total</b>   | <b>Electricity</b> | <b>Heat</b>   | <b>Other</b>  |
| -  |                |                    |               |               |
|  |                |                    |               |               |
| <b>PROVISIONS FOR LIABILITIES - CO2 EMISSION</b> |                |                    |               |               |
|  | <b>122 030</b> | <b>118 495</b>     | <b>3 535</b>  | <b>0</b>      |
| <b>SHORT-TERM TRADE RECEIVABLES</b>              |                |                    |               |               |
|  | <b>121 264</b> | <b>109 979</b>     | <b>4 058</b>  | <b>7 227</b>  |
| <b>PREPAYMENTS RECEIVED FOR DELIVERIES</b>       |                |                    |               |               |
|  | <b>35</b>      | <b>35</b>          |               |               |

## 17. Disbursement of dividend

On 29 June 2015, the ZE PAK S.A. Ordinary General Meeting adopted the Resolution No. 5 on the distribution of the net profit for the financial year of 2014 in the amount of PLN 204,642 thousand as follows:

- a) the amount of PLN 60,988 thousand was assigned for the dividend payment,
- b) the amount of PLN 143,654 thousand assigned for funding the Company supplementary capital.

The date of determining the right to the dividend (dividend day) was established on 28 September 2015, and the date of the dividend payment on 14 October 2015.

## 18. Consolidated financial statement

The ZE PAK SA Capital Group, where the Company is the parent company, will draw up the consolidated financial statement for 31 December 2015, including statements of the following companies:

| Item | Name  | Registered 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  |
| 4.   | "Elektrownia Pątnów II" sp. z o.o.                      | Konin             | Electricity production   | 100% of shares<br>the indirect share through PAK HOLDCO |
| 5.   | PAK HOLDCO sp. z o.o.                                   | Konin             | holding activities   | 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 services and repair                | 100% of shares of PAK SERWIS                            |
| 8.   | CENTRUM USŁUG INFORMATYCZNYCH sp. z o.o. in liquidation | Konin             | IT services  | 100 % of shares liquidated in I half of 2015.           |
| 9    | PAK Centrum Badań Jakości sp. z o.o. in liquidation     | Konin             | tests, measurement and chemical analyses                         | 100 % of shares liquidated in I half of 2015.           |
| 10.  | PAK KWB KONIN S.A.                                      | Konin             | coal extraction  | 95,23 of shares   |
| 11.  | PAK KWB ADAMÓW  | Adamów            | coal extraction  | 98,41 % of shares                                       |
| 12.  | PAK VOLT S.A.   | Warszawa          | electricity sales  | 100% of shares  |
| 13.  | Aquakon sp. z o.o.                                      | Sompolno          | Production and sale of mineral                                   | 92,57% of shares  |
| 14.  | EL PAK Serwis sp. z o.o.                                | Konin             | repair services of electrical devices and automation             | 100% of shares  |
| 15.  | EKO Surowce sp. z o.o.                                  | Konin             | Rail transport of coal, vulcanisation services, the sale of coal | 96,23% of shares  |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

| SHARES IN SUBSIDIARIES |  |                               |  |  |  |  |                                   |                           |                               |                             |   |  |
|------------------------|--|-------------------------------|--|--|--|--|-----------------------------------|---------------------------|-------------------------------|-----------------------------|---|--|
| In PLN thousand 2015   |  |                               |  |  |  |  |                                   |                           |                               |                             |   |  |
|                        | a  | b                             | c  | d  | e  | f  | g                                 | h                         | i                             | j                           | k   | l  |
|                        | Name of the company and legal form   | headquarter                   | Scope of activity  | type of relationship (subsidiary, jointly controlled entity, associate, with details of direct and indirect) | Consolidation method / equity method or indication that the entity is not subject to consolidation / equity method i | the date of acquisition of control / joint control / significant influence | Value of shares by purchase price | Value adjustments (total) | Balance sheet value of shares | Percent of possessed equity | Share in overall number of votes at general meeting | indication, other than that referred to in subparagraph j) or k) basis for control / joint control / significant influence |
| 1                      | Przedsiębiorstwo Remontowe "PAK SERWIS" sp. z o.o.                               | 62-510 Konin, Przemysłowa 158 | construction and installation services and repair                | subsidiary   | full method  | 26.11.1999   | 9 985                             |                           | 9 985                         | 100                         | 100   |  |
| 2                      | Przedsiębiorstwo Serwisu Automatyki i Urządzeń Elektrycznych "EL Pak" sp. z o.o. | 62-510 Konin, Przemysłowa 158 | repair services of electrical devices and automation             | subsidiary   | full method  | 26.11.1999   | 1 857                             |                           | 1 857                         | 100                         | 100   |  |
| 3                      | "Elektrownia Pątnów II" sp. z o.o.   | 62-510 Konin, Kazimierska 45  | Electricity production   | subsidiary   | full method  | 13.02.2001   | 750 500                           |                           | 750 500                       | 100                         | 100   | indirectly   |
| 4                      | "PAK HOLDCO" sp. z o.o.  | 62-510 Konin, Kazimierska 45  | holding activities   | subsidiary   | full method  | 11.07.2005   | 750 550                           |                           | 750 550                       | 100                         | 100   |  |
| 5                      | "PAK Infrastruktura" sp. z o.o.  | 62-510 Konin, Kazimierska 45  | services of the energy installations management                  | subsidiary   | full method  | 11.07.2005   | 60 392                            |                           | 60 392                        | 100                         | 100   |  |
| 6                      | "PAK Górnictwo" sp. z o.o.   | 62-510 Konin, Kazimierska 45  | lignite extraction   | subsidiary   | full method  | 30.10.2008   | 28 200                            | -28 200                   | 0                             | 100                         | 100   |  |
| 7                      | "Energoinvest Serwis" sp. z o.o.   | 62-510 Konin, Spółdzielców 3  | construction and installation services and repair                | subsidiary   | full method  | 27.01.2003   | 1 050                             |                           | 1 050                         | 100                         | 100   | indirectly   |
| 8                      | "PAK Kopalnia Węgla Brunatnego Konin" S.A.                                       | 62-540 Kleczew, 600 lecia 9   | lignite extraction   | subsidiary   | full method  | 18.07.2012   | 123 553                           |                           | 123 553                       | 96,23                       | 96,23   |  |
| 9                      | "PAK Kopalnia Węgla Brunatnego Adamów" S.A.                                      | 62-700 Turek, Uniejowska 9    | lignite extraction   | subsidiary   | full method  | 18.07.2012   | 78 616                            |                           | 78 616                        | 98,41                       | 98,41   |  |
| 10                     | "Aquakon" sp. z o.o.   | 62-610 Sompolno, Police       | Production and sale of mineral                                   | subsidiary   | full method  | 18.07.2012   | 506                               | 24                        | 530                           | 92,57                       | 92,57   | indirectly   |
| 11                     | "Eko-Surowce" sp. z o.o.   | 62-540 Kleczew, 600 lecia 9   | Rail transport of coal, vulcanisation services, the sale of coal | subsidiary   | full method  | 18.07.2012   | 100                               |                           | 100                           | 96,23                       | 96,23   | indirectly   |
| 12                     | "Elektrim-Volt" S.A.   | 00-834 Warszawa, Pańska 77/79 | Sale of electricity  | subsidiary   | full method  | 01.10.2012   | 118 500                           |                           | 118 500                       | 100                         | 100   |  |
| 13                     | EL PAK Serwis sp. z o.o.   | 62-510 Konin, Przemysłowa 158 | repair services of electrical devices and automation             | subsidiary   | full method  | 26.03.2014   | 500                               |                           | 500                           | 100                         | 100   | indirectly   |

**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

| SHARES IN SUBSIDIARIES |  |                               |  |  |  |  |                                   |                           |                               |                             |   |  |
|------------------------|--|-------------------------------|--|--|--|--|-----------------------------------|---------------------------|-------------------------------|-----------------------------|---|--|
| In PLN thousand 2014   |  |                               |  |  |  |  |                                   |                           |                               |                             |   |  |
| No.                    | a  | b                             | c  | d  | e  | f  | g                                 | h                         | i                             | j                           | k   | l  |
|                        | Name of the company and legal form   | headquarter                   | Scope of activity  | type of relationship (subsidiary, jointly controlled entity, associate, with details of direct and indirect) | Consolidation method / equity method or indication that the entity is not subject to consolidation / equity method i | the date of acquisition of control / joint control / significant influence | Value of shares by purchase price | Value adjustments (total) | Balance sheet value of shares | Percent of possessed equity | Share in overall number of votes at general meeting | indication, other than that referred to in subparagraph j) or k) basis for control / joint control / significant influence |
| 1                      | Przedsiębiorstwo Remontowe "PAK SERWIS" sp. z o.o.                               | 62-510 Konin, Przemysłowa 158 | construction and installation services and repair                | subsidiary   | full method  | 26.11.1999   | 9 985                             |                           | 9 985                         | 100                         | 100   |  |
| 2                      | Przedsiębiorstwo Serwisu Automatyki i Urządzeń Elektrycznych "EL Pak" sp. z o.o. | 62-510 Konin, Przemysłowa 158 | repair services of electrical devices and automation             | subsidiary   | full method  | 26.11.1999   | 1 857                             |                           | 1 857                         | 100                         | 100   |  |
| 3                      | "Elektrownia Pątnów II" sp. z o.o.   | 62-510 Konin, Kazimierska 45  | Electricity production   | subsidiary   | full method  | 13.02.2001   | 750 500                           |                           | 750 500                       | 100                         | 100   | indirectly   |
| 4                      | "PAK HOLDCO" sp. z o.o.  | 62-510 Konin, Kazimierska 45  | holding activities   | subsidiary   | full method  | 11.07.2005   | 750 550                           |                           | 750 550                       | 100                         | 100   |  |
| 5                      | "PAK Infrastruktura" sp. z o.o.  | 62-510 Konin, Kazimierska 45  | services of the energy installations management                  | subsidiary   | full method  | 11.07.2005   | 60 392                            |                           | 60 392                        | 100                         | 100   |  |
| 6                      | "PAK Centrum Usług Informatycznych" sp. z o.o.                                   | 62-510 Konin, Kazimierska 45  | IT services  | subsidiary   | full method  | 18.05.2006   | 100                               |                           | 100                           | 100                         | 100   |  |
| 7                      | "PAK Centrum Badań Jakości" sp. z o.o.   | 62-510 Konin, Przemysłowa 158 | tests, measurement and chemical analyses                         | subsidiary   | full method  | 11.10.2007   | 600                               |                           | 600                           | 100                         | 100   |  |
| 8                      | "PAK Górnictwo" sp. z o.o.   | 62-510 Konin, Kazimierska 45  | lignite extraction   | subsidiary   | full method  | 30.10.2008   | 28 200                            |                           | 28 200                        | 100                         | 100   |  |
| 9                      | "Energoinwest Serwis" sp. z o.o.   | 62-510 Konin, Spółdzielców 3  | construction and installation services and repair                | subsidiary   | full method  | 27.01.2003   | 1 050                             |                           | 1 050                         | 100                         | 100   | indirectly   |
| 10                     | "PAK Kopalnia Węgla Brunatnego Konin" S.A.                                       | 62-540 Kleczew, 600 lecia 9   | lignite extraction   | subsidiary   | full method  | 18.07.2012   | 109 264                           |                           | 109 264                       | 85                          | 85  |  |
| 11                     | "PAK Kopalnia Węgla Brunatnego Adamów" S.A.                                      | 62-700 Turek, Uniejowska 9    | lignite extraction   | subsidiary   | full method  | 18.07.2012   | 67 995                            |                           | 67 995                        | 85                          | 85  |  |
| 12                     | Ochrona Osób i Mienia "Asekuracja" sp. z o.o.                                    | 62-540 Kleczew, 600 lecia 9   | Security services  | subsidiary   | full method  | 18.07.2012   | 361                               | 964                       | 1 325                         | 85                          | 85  | indirectly   |
| 13                     | "Aquakon" sp. z o.o.   | 62-610 Sompolno, Police       | Production and sale of mineral                                   | subsidiary   | full method  | 18.07.2012   | 506                               | 24                        | 530                           | 81,8                        | 81,8  | indirectly   |
| 14                     | "Eko-Surowce" sp. z o.o.   | 62-540 Kleczew, 600           | Rail transport of coal, vulcanisation services, the sale of coal | subsidiary   | full method  | 18.07.2012   | 100                               |                           | 100                           | 85                          | 85  | indirectly   |



**Zespół Elektrowni Pątnów - Adamów - Konin SA**  
**Financial statement for the period of 12 months from 01.01.2015 to 31.12.2015**

|    |   | lecia 9                         |  |            |             |            |         |      |         |       |       |            |
|----|---|---------------------------------|--|------------|-------------|------------|---------|------|---------|-------|-------|------------|
| 15 | "KWE" sp. z o.o.                              | 62-540 Kleczew, 600 lecia 9     | Wind farms, electricity production                   | subsidiary | full method | 18.07.2012 | 300     | -200 | 100     | 42,5  | 42,5  | indirectly |
| 16 | Centrum Zdrowia i Relaksu "Verano" sp. z o.o. | 78-100 Kołobrzeg, Sikorskiego 8 | SPA and holiday services                             | subsidiary | full method | 18.07.2012 | 2 072   | -458 | 1 614   | 21,25 | 21,25 | indirectly |
| 17 | "Elektrim-Volt" S.A.                          | 00-834 Warszawa, Pańska 77/79   | Sale of electricity                                  | subsidiary | full method | 01.10.2012 | 118 500 |      | 118 500 | 100   | 100   |            |
| 18 | EL PAK Serwis sp. z o.o.                      | 62-510 Konin, Przemysłowa 158   | repair services of electrical devices and automation | subsidiary | full method | 26.03.2014 | 500     |      | 500     | 100   | 100   | indirectly |

**Konin 21 March 2016**

**Management Board of Zespół Elektrowni Pątnów – Adamów-Konin SA**

**Prepared by:**