



ZESPÓŁ ELEKTROCIĘPŁOWNI WROCLAWSKICH

**KOGENERACJA SA**

***SUPERVISORY BOARD'S REPORT***  
***ON THE APPRAISAL OF THE FOLLOWING:***

- **Financial statements for the financial year 2018**
- **Consolidated financial statements for the financial year 2018**
- **Management Board's report on the operations of the Company's and the Group's for 2018**
- **Management Board's motion on the distribution of profit for the financial year 2018**

Wrocław, 18 April 2019

**REPORT**

**submitted by the Supervisory Board**

**of Zespół Elektrociepłowni Wrocławskich KOGENERACJA S.A.**

<b><i>Chairman</i></b>	Jakub Frejlich
<b><i>Vice Chairman</i></b>	Radosław Woszczyk
<b><i>Secretary</i></b>	Roman Nowak
<b>Members</b>	Raimondo Eggink
	Maciej Jankiewicz
	Radosław Pobol

Pursuant to §17(2), items 1) – 2) of the Company's Articles of Association, Article 382 §3 and Article 395 §5 of the Polish Code of Commercial Partnerships and Companies as well as the provisions of the Accounting Law of 29 September 1994 (Dz. U. [Journal of Laws] No. 121, item 591, as amended), the Supervisory Board appraised the financial statements, the consolidated financial statements, the Management Board's report on the Company and Group's operations, and the Management Board's motion concerning the distribution of profit for the financial year 2018.

#### **I. The result of the appraisal of the separate financial statements for the financial year 2018**

The Supervisory Board states that the appraised separate financial statements for the financial year 2018, consisting of:

- The statement of total income for the financial year from 1 January 2018 to 31 December 2018, showing a positive total income of **PLN 76,365 thousand**, and the net profit for the financial year starting from 1 January 2018 to 31 December 2018 in the amount of **PLN 77,036 thousand**;
- The statement of financial position prepared as at 31 December 2018, with total assets and total liabilities amounting to **PLN 1.738.083 thousand**;
- The cash flow statement for the financial year from 1 January 2018 to 31 December 2018, showing an increase in the cash level by the amount of **PLN 5,069 thousand**;
- The statement of changes in equity for the financial year from 1 January 2018 to 31 December 2018, showing an increase in equity by the amount of **PLN 36,135 thousand**;
- Notes to the separate financial statements;

were prepared in accordance with the Company's books and documents as well as with the facts, as confirmed by the report of the independent statutory auditor on the audit of the annual financial statements – the company **Ernst & Young Audyt Polska Sp. z o.o. Sp. k.**

## II. The result of the appraisal of the consolidated financial statements for the financial year 2018

Pursuant to Article 395 §5 of the Code of Commercial Companies and §7, section 6, item 1 of the Supervisory Board's Regulations, as well as the provisions of the Accounting Law of 29 September 1994 (Dz. U. [Journal of Laws] No. 121, item 591, as amended), the Supervisory Board appraised the consolidated financial statements for the financial year 2018.

The consolidation covered the following entities:

- Zespół Elektrociepłowni Wrocławskich KOGENERACJA Spółka Akcyjna – parent company,
- Elektrociepłownia "Zielona Góra" Spółka Akcyjna.

The Supervisory Board states that the consolidated financial statements for the financial year 2018, consisting of:

- The consolidated statement of total income for the financial year from 1 January 2018 to 31 December 2018, showing a positive total income of **PLN 10,599 thousand**, and the net profit for the financial year from 1 January 2018 to 31 December 2018 in the amount of **PLN 11,270 thousand**;
- The consolidated statement of financial standing prepared as at 31 December 2018, with total assets and total liabilities amounting to **PLN 2.385.277 thousand**;
- The consolidated cash flow statement for the financial year from 1 January 2018 to 31 December 2018, showing an increase in the cash level by the amount of **PLN 2,065 thousand**;
- The consolidated summary of changes in the equity capital for the financial year from 1 January 2018 to 31 December 2018, showing a decrease in the equity by the amount of **PLN 30,038 thousand**;
- Notes to the consolidated financial statements;

were prepared in accordance with the Company's books and documents as well as with the facts, as confirmed by the report of the independent statutory auditor on the audit of the annual consolidated financial statements – the company **Ernst & Young Audyt Polska Sp. z o.o. Sp. k.**

### III. The result of the appraisal of the Management Board's report on the operations of the Company and the Group for 2018

The information contained in the *Management Board's report on the Company's and Group's operations for the financial year 2018* is in accordance with the financial statements. According to the Supervisory Board, the *Management Board's report on the Company's and Group's operations for the financial year 2018* has been prepared in accordance with the Company's books and documents as well as with the facts.

In light of the appraisals presented in sections I–III of this Report, and taking into consideration the available information, the Supervisory Board considers it expedient to recommend that the Ordinary General Meeting grants discharge to the following persons for performing their functions in the Company's Management Board in the financial year 2018:

- Wojciech Heydel            President of the Management Board  
– for the period from 1 January to 28 March 2018
- Marek Salmonowicz      Member of the Management Board  
– for the period from 1 January to 9 April 2018
- Maciej Tomaszewski      Member of the Management Board  
– for the period from 1 January to 9 April 2018
- Krzysztof Wrzesiński      Member of the Management Board  
– for the period from 1 January to 28 March 2018
- Krzysztof Wrzesiński      acting as the President of the Management Board  
– for the period from 28 March to 9 April 2018
- Piotr Frąszczak          President of the Management Board  
– for the period from 9 April to 29 November 2018
- Krzysztof Skóra          Member of the Management Board  
– for the period from 9 April to 29 November 2018
- Radosław Woszczyk        acting as the President of the Management Board  
– for the period from 29 November to 13 December 2018
- Paweł Strączyński        Member of the Management Board  
– for the period from 29 November to 31 December 2018
- Paweł Szczeszek          President of the Management Board  
– for the period from 13 December to 31 December 2018

**IV. The result of the appraisal of the Management Board's motion concerning the distribution of profit for the financial year 2018**

The Supervisory Board positively appraises the Management Board's motion to the Ordinary General Meeting of Shareholders to distribute the net profit for the financial year 2018 in the amount of **PLN 77,036,079.00** (say: PLN seventy-seven million thirty-six thousand seventy-nine 00/100), which assumes allocating the entire net profit for 2018 to reserve capital.