

POLENERGIA OBRÓT SPÓŁKA AKCYJNA

**Financial statements
for the financial year from 1 January to 31 December 2015**

Polenergia Obrót S.A.

Financial statements for the financial year from 1 January to 31 December 2015

To the Shareholders of Polenergia Obrót S.A.

Approval of the financial statements

The Accounting Act of 29 September 1994 (consolidated text – Journal of Laws of 2013, item 330, as amended) requires that the Management Board prepare annual financial statements giving a fair and clear view of the Company's financial position as at the end of a financial year and of its results of operations for that year.

In preparing these financial statements appropriate accounting policies in respect of the Company's operations were adopted and applied on a consistent basis.

The valuation of assets and equity & liabilities and the determination of the profit or loss are based on the assumption that the Company will continue as a going concern in the foreseeable future without materially curtailing the scope of its operations and without being put into liquidation or declared bankrupt.

These financial statements have been prepared in accordance with the Accounting Act and are presented in the following order:

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Arkadiusz Zieleźny
Chairman of the Management Board

Marek Krzysteczko
Member of the Management Board

Agnieszka Grzeszczak
Person responsible for preparing
the financial statements

Warsaw, 29 February 2016

Introduction

1. The Company

- a) Polenergia Obrót Spółka Akcyjna was established in 2001. The Company's registered office is in Warsaw, at ul. Krucza 24/26.
- b) The Company is entered in the Register of Businesses with the reference number KRS 0000043658. It was entered in the Register by the District Court for the Capital City of Warsaw, 19th Business Department of the National Court Register, Tax Identification Number (NIP): 5262098617, Statistical Business Identification Number (REGON): 012789596.
- c) The Company's operations consist of, amongst others:
 - trading in electric energy;
 - trading in property rights;
 - trading in fuel gas.
- d) As stated in the Company's Articles of Association, the duration of the Company's operations is unlimited.
- e) During the financial period, the following people were on the Company's Management Board:
 - Arkadiusz Zieleźny – Chairman of the Management Board;
 - Marek Krzysteczko – Member of the Management Board.

2. Financial statements

- a) The financial statements have been prepared in accordance with the Accounting Act of 29 September 1994 (consolidated text – Journal of Laws of 2013, item 330, as amended), on the historical cost basis, except for forward contracts for the purchase and sale of energy which are stated at fair value.
- b) The financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future and that there are no circumstances indicating any threats to its continuing in operation.

Introduction (cont.)

3. Major accounting policies

a) Tangible fixed assets and intangible assets

Fixed assets and intangible assets are stated at cost (the cost of purchase or manufacture) or at revalued amounts (fixed assets only), less accumulated depreciation/amortization and impairment write-downs.

The cost of purchase or manufacture of fixed assets under construction, fixed assets and intangible assets also includes the cost of servicing liabilities incurred to finance them over the period of construction, installation and preparation. Improvement costs increase the cost of purchase or manufacture of fixed assets.

Third party fixed assets or intangible assets used under a lease contract are recognized as non-current assets, provided that the contract meets the criteria set out in the Act.

The costs of completed development projects carried out by the Company for its own purposes and incurred prior to commencing production or applying a technology are recognized as intangible assets if the conditions set out in the Act are met.

Fixed assets under construction are stated at total costs directly attributable to their purchase or manufacture, less impairment write-downs. They are stated at cost of purchase or manufacture. The costs directly attributable to the purchase or manufacture of fixed assets under construction include in particular: the costs of wages & salaries and remuneration-related charges, the costs of external services, and the costs of business trips.

In the event of changes to production technologies, earmarking a given asset for scrapping, discontinuing its use or other reasons which give rise to the impairment of such fixed asset or intangible asset, a write-down is charged to other operating expenses. If the reason for recognizing an impairment write-down in respect of fixed assets or intangible assets has ceased to exist, the whole or a part of the previously recognized write-down increases the value of a given asset and is recognized in other operating income.

Depreciation/Amortization is recognized on a straight line basis. While determining a depreciation/amortization period and an annual depreciation/amortization rate, the economic useful life of a given fixed asset or intangible asset is taken into account. Depreciation/Amortization periods and rates are verified on a regular basis.

Annual depreciation rates for the principal categories of fixed assets are as follows:

- | | |
|---|-----------|
| • buildings, offices, apartments, civil and marine engineering facilities | 2.5% |
| • plant and machinery | 10% - 30% |
| • vehicles | 20% - 33% |
| • other fixed assets | 5% - 20% |

Introduction (cont.)

Annual amortization rates for intangible assets are as follows:

- | | |
|---------------------------|--------|
| • computer software | 50% |
| • IT system | 10% |
| • other intangible assets | 20-50% |

Fixed assets under construction and land, including rights to perpetual usufruct of land, are not depreciated.

Tangible fixed assets and intangible assets with a price of less than PLN 3 500.00 are charged to costs at the time of purchase.

b) Investments

Other long-term investments

Shares in subordinated entities classified as long-term investments are stated at cost of purchase, less impairment write-downs.

The effects of periodical valuation of financial assets, including derivative instruments with the exclusion of hedged items and hedging instruments, are recognized accordingly in financial income or financial costs of the reporting period in which the revaluation was performed.

Short-term investments

The effects of the periodical valuation of financial assets, including derivative instruments with the exclusion of hedged items and hedging instruments, are recognized accordingly in financial income or financial costs of the reporting period in which the revaluation was performed.

Forward contracts

Forward contracts for the sale and purchase of electric energy and fuel gas are measured at fair value, with changes in the fair value being recognized in the income statement. The result on the measurement of the contracts is presented on a net basis in sales or selling costs.

The measurement is performed in respect of the non-exercised portion of contracts broken down into the short-term portion which will be exercised within 12 months from the balance sheet date and the long-term portion which will be exercised in the following years. The effects of the measurement of forward contracts are recognized accordingly in other long-term financial assets, other short-term financial assets, other long-term financial liabilities, and other short-term financial liabilities.

Introduction (cont.)

c) Receivables

Receivables are stated at amounts due, taking account of the prudence principle, and carried net of write-downs.

The value of receivables is written down depending on the likelihood of their being collected.

d) Inventories

Inventories are stated at the lower of the actual cost of purchase and the net realizable value.

The effects of inventory write-downs are charged to other operating expenses. In circumstances justified by the necessary, long-term preparation of goods for resale or finished goods for sale or by the long-term manufacture of finished goods, the cost (of purchase or manufacture) is increased by the cost of servicing liabilities incurred to finance the stocks of goods for resale or finished goods over the period of their preparation for sale or manufacture and by related foreign exchange losses, less related revenue.

Prepayments for inventories are stated at amounts due, taking account of the prudence principle. Prepayments comprise amounts paid for purchased property rights the ownership of which has not yet been transferred to the Company.

The Company's goods for resale comprise mainly property rights (commodities) arising from certificates of origin for green energy. Goods for resale are recorded in terms of volume and value.

e) Monetary assets

Monetary assets are assets in the form of the local currency, foreign currencies and foreign exchange instruments. Monetary assets also include accrued interest income from financial assets.

Financial assets payable or due within three months of being received, issued, purchased or placed (deposits) are recognized as cash and cash equivalents for cash flow reporting purposes.

Introduction (cont.)

f) Prepayments and deferred costs

Prepayments and deferred costs are recognized in respect of costs incurred, relating to future reporting periods.

Prepayments and deferred costs are recognized on a pro rata basis in the income statement. The timing and method of recognition in the income statement corresponds to the nature of the expenses being recognized, taking account of the prudence principle.

g) Equity

The share capital is stated at the amount stipulated in the Company's Articles of Association and entered in the court register.

Capital contributions declared but not made are recognized as share capital not paid up.

h) Provisions for liabilities

Provisions for liabilities are stated at valid, reliably estimated amounts.

Provisions are recognized for:

- certain or highly probable future liabilities whose amounts may be reliably estimated, in particular for losses arising from current contracts, including those related to guarantees and warranties granted, loans and the outcome of litigation pending;
- future liabilities arising from restructuring if, in accordance with other regulations, the Company is required to restructure or if there are binding agreements to that effect, and the restructuring plans enable the amount of such future liabilities to be reliably estimated;
- probable liabilities which relate to the current reporting period, in particular with regard to the obligation to provide, in the future, goods and services relating to current activities, to unknown persons, the amount of which can be estimated even though the timing of a liability is as yet unknown, including amounts relating to guarantee and warranty services in respect of durable products sold.

i) Liabilities

Financial liabilities (except for financial liabilities held for trading, derivative instruments which constitute liabilities and hedged items) are measured no later than as at the end of a reporting period at amortized cost.

Liabilities other than financial liabilities are stated at amounts due.

Introduction (cont.)

j) Accruals

Accruals are recognized at the amounts of probable liabilities which relate to the current reporting period, in particular with regard to goods and services provided to the Company by its suppliers when the amount of a liability can be reliably estimated.

The accruals referred to above are presented in “Trade payables” in the balance sheet.

Accruals are recognized on a pro rata basis in the income statement. The timing and method of recognition in the income statement corresponds to the nature of the expenses being recognized, taking account of the prudence principle.

k) Deferred tax

The Company recognizes a deferred tax provision and determines deferred tax assets in respect of temporary differences between the carrying values of assets and liabilities and their tax bases, and tax loss carryforwards.

Deferred tax assets are determined at the amount of corporate income tax recoverable in the future in respect of deductible temporary differences which will result in a lower tax base in the future and the carryforward of tax losses, taking account of the prudence principle.

A deferred tax provision is recognized at the amount of corporate income tax payable in the future in respect of taxable temporary differences, i.e. differences which will result in a higher tax base in the future.

A deferred tax provision and deferred tax assets are determined at the tax rates applicable in the year in which the related tax obligation arose.

A deferred tax expense or income representing the difference between deferred tax provisions and assets as at the end and the beginning of a given reporting period is recognized in the income statement, whereas the deferred tax provisions or assets relating to transactions which are recognized in equity are also recognized in equity.

l) Revenue recognition

Sales revenue is recognized at the time goods for resale are delivered, if the Company has transferred the significant risks and rewards arising from ownership rights to the goods, or at the time services are provided. Sales are recognized net of value-added taxes and any discounts allowed.

Introduction (cont.)

m) Balance sheet and income statement for each type of the Company's activities

In accordance with Article 44 of the Energy Law, Polenergia Obrót maintains its accounting records in such a manner as to enable expenses and revenue, gains and losses to be calculated separately for its business activities which consist of trading in energy and trading in fuel gases.

For the years 2015 and 2014, a separate balance sheet and income statement were prepared separately for each type of the Company's business activities. The individual balance sheet and income statement lines were divided as follows:

- the expenses and balance sheet lines which may be directly attributed to a given type of activity were allocated using the direct method;
- other indirect expenses and balance sheet lines which may not be directly attributed to individual types of activities are allocated using a formula based on the revenue structure.

Pursuant to the resolution of the Management Board of Polenergia Obrót S.A. No. 1/204/15 of 4 February 2015 on the division of the individual Balance Sheet and Income Statement lines, a division formula was adopted. The division formula for 2015 compared with 2014 is as follows:

	2015	2014
Electric energy	93.56%	97.53%
Fuel gases	1.45%	0.02%
Other activities	4.98%	2.44%

Financial statements as at and for the year ended 31 December 2015

BALANCE SHEET

	Note	31.12.2015 PLN	31.12.2014 PLN
ASSETS			
Non-current assets		14 987 749.90	3 144 799.97
Tangible fixed assets	3,4,5	135 269.31	41 201.02
Fixed assets		135 269.31	41 201.02
Plant and machinery		21 930.15	24 627.04
Vehicles		113 339.16	16 573.98
Long-term receivables		8 000 000.00	-
From related entities	6	8 000 000.00	-
Long-term investments	13	4 839 605.81	872 549.95
Long-term financial assets		4 839 605.81	872 549.95
In other entities		4 839 605.81	872 549.95
- other long-term financial assets		4 839 605.81	872 549.95
Long-term prepayments and deferred costs	8	2 012 874.78	2 231 049.00
Deferred tax assets	8,22	2 012 874.78	2 231 049.00
Current assets		212 504 642.96	194 071 758.28
Inventories		786 992.54	162 829.96
Goods for resale		786 992.54	162 829.96
Short-term receivables	6,7	91 884 172.78	72 198 573.63
From related entities	29	6 110 010.15	2 749 986.52
Trade receivables, due:		6 110 010.15	2 749 986.52
- within 12 months		6 110 010.15	2 749 986.52
From other entities		85 774 162.63	69 448 587.11
Trade receivables, due:		77 874 448.92	57 193 854.05
- within 12 months		77 874 448.92	57 193 854.05
Taxation, State subsidies, customs duties, social and health insurance, and other benefits receivable		3 509 799.74	8 956 184.49
Other		4 389 913.97	3 298 548.57
Short-term investments		119 430 083.84	121 369 388.85
Short-term financial assets		119 430 083.84	121 369 388.85
In related entities		2 188 573.70	2 092 795.62
- loans granted		2 188 573.70	2 092 795.62
In other entities	13	101 744 259.15	114 208 587.37
- other short-term financial assets		101 744 259.15	114 208 587.37
Cash & cash equivalents and other monetary assets		15 497 250.99	5 068 005.86
- cash in hand and at bank		15 497 250.99	5 068 005.86
Short-term prepayments and deferred costs	8	403 393.80	340 965.84
Total assets		227 492 392.86	197 216 558.25

BALANCE SHEET (cont.)

	Note	31.12.2015 PLN	31.12.2014 PLN
EQUITY AND LIABILITIES			
Equity		19 424 135.32	13 979 494.01
Share capital	10	15 102 069.00	15 091 869.00
Supplementary capital		8 352 658.13	7 567 392.87
Business combination reserve		11 131.00	11 131.00
Accumulated losses		(8 690 898.86)	(13 281 609.52)
Net profit for the year	11	4 649 176.05	4 590 710.66
Liabilities and provisions for liabilities		208 068 257.54	183 237 064.24
Provisions for liabilities	22	2 880 911.51	2 631 232.00
Deferred tax provision		2 880 911.51	2 631 232.00
Long-term liabilities	14	3 678 214.01	570 503.92
To other entities		3 678 214.01	570 503.92
Other financial liabilities	13, 14	3 587 786.73	568 022.40
Other		90 427.28	2 481.52
Short-term liabilities		199 627 131.53	178 710 290.35
To related entities	29	32 406 689.90	19 373 686.32
Trade payables, due:		32 406 689.90	19 373 686.32
- within 12 months		32 406 689.90	19 373 686.32
- after 12 months			
Other			
To other entities		167 220 441.63	159 336 604.03
Loans and borrowings		-	7 443 098.59
- working capital loans in PLN		-	7 443 098.59
Other financial liabilities	13	88 171 343.61	100 986 989.68
Trade payables, due:		78 999 532.69	50 843 943.27
- within 12 months		78 999 532.69	50 843 943.27
Taxation, customs duties, social insurance and other benefits payable		49 565.33	62 572.49
Accruals and deferred income	9	1 882 000.49	1 325 037.97
Other accruals and deferred income		1 882 000.49	1 325 037.97
- short-term		1 882 000.49	1 325 037.97
Total equity and liabilities		227 492 392.86	197 216 558.25

INCOME STATEMENT

	Note	2015 PLN	2014 PLN
Net sales and sales equivalents, including:	16	2 194 906 398.50	1 991 429 655.40
- to related entities	29	70 861 857.63	29 354 927.21
Net sales of goods for resale and materials		2 194 906 398.50	1 991 429 655.40
Operating expenses		2 184 530 863.27	1 983 631 849.41
Amortization and depreciation		35 229.23	27 392.60
Materials and energy used		17 859.21	20 850.27
External services		2 118 849.32	2 373 615.89
Taxes and charges		3 848 979.86	1 644 518.17
Wages and salaries		3 412 978.33	3 168 103.49
Social insurance and other benefits		308 673.99	393 210.20
Other expenses by nature		94 804.33	54 931.20
Cost of sales of goods for resale and materials		2 174 693 489.00	1 975 949 227.59
Profit/(Loss) on sales		10 375 535.23	7 797 805.99
Other operating income	17	8 343.18	8 804.52
Other		8 343.18	8 804.52
Other operating expenses	18	1 556.59	945 865.52
Losses on disposal of non-financial non-current assets		-	117 000.00
Other		1 556.59	828 865.52
Operating profit/(loss)		10 382 321.82	6 860 744.99
Financial income	19	414 649.40	522 972.74
Interest income, including:		363 967.04	522 015.02
- from related entities	29	95 778.08	92 795.62
Foreign exchange gains		50 682.36	-
Other		-	957.72
Financial costs	20	5 679 941.44	1 488 167.77
Interest expense		2 643.96	26 010.31
Foreign exchange losses		-	15 015.09
Other		5 677 297.48	1 447 142.37
Profit on ordinary activities before tax		5 117 029.78	5 895 549.96
Profit/(Loss) before tax		5 117 029.78	5 895 549.96
Income tax expense	21,22	(467 853.73)	(1 304 839.30)
Net profit/(loss) for the year		4 649 176.05	4 590 710.66

CASH FLOW STATEMENT

	Note	2015 PLN	2014 PLN
Cash flows from operating activities			
Net profit/(loss)		4 649 176.05	4 590 710.66
Total adjustments		13 078 915.37	(20 610 341.51)
Amortization and depreciation		35 229.23	19 592.60
Interest and shares in profits (dividends)		(363 967.04)	(522 015.02)
(Gains)/Losses on investing activities		3 994 639.14	-
Income tax		467 853.73	1 285 670.30
(Increase)/Decrease in inventories		(624 162.58)	330 406.38
(Increase)/Decrease in receivables	23	(11 188 326.79)	(109 808 925.16)
Increase/(Decrease) in short-term liabilities, excluding loans and borrowings	23	31 467 649.86	87 050 698.67
Change in prepayments, accruals and deferred income		494 534.56	909 430.72
Other adjustments		(11 204 534.74)	124 800.00
Net cash from operating activities		17 728 091.42	(16 019 630.85)
Cash flows from investing activities			
Cash inflows		286 660.50	429 219.40
Disposal of intangible assets and tangible fixed assets		18 471.54	-
From financial assets, including:		268 188.96	429 219.40
a) in other entities		268 188.96	429 219.40
- other cash inflows from financial assets – interest		268 188.96	429 219.40
Cash outflows		(12 142 408.20)	(2 004 024.87)
Purchase of intangible assets and tangible fixed assets		(141 908.20)	(4 024.87)
On financial assets, including:		(12 000 500.00)	(2 000 000.00)
a) in related entities		(12 000 500.00)	(2 000 000.00)
Net cash from investing activities		(11 855 747.70)	(1 574 805.47)

CASH FLOW STATEMENT (cont.)

	Note	2015 PLN	2014 PLN
Cash flows from financing activities			
Cash inflows		12 000 000.00	7 443 098.59
Net cash inflows from issuance of shares		12 000 000.00	-
Loans and borrowings		-	7 443 098.59
Cash outflows		(7 443 098.59)	(384 030.61)
Repayment of loans and borrowings		(7 443 098.59)	(384 030.61)
Net cash from financing activities		4 556 901.41	7 059 067.98
Net increase/(decrease) in cash and cash equivalents		10 429 245.13	(10 535 368.34)
Cash and cash equivalents as at the beginning of the year		5 068 005.86	15 603 374.20
Change in cash and cash equivalents in the balance sheet, including:		10 429 245.13	(10 535 368.34)
- net change in cash and cash equivalents		10 429 245.13	(10 535 368.34)
Cash and cash equivalents as at the end of the year, including:		15 497 250.99	5 068 005.86
- restricted cash and cash equivalents		-	-

STATEMENT OF CHANGES IN EQUITY

	2015 PLN	2014 PLN
Equity as at the beginning of the year	13 979 494.01	9 388 783.35
Equity as at the beginning of the year, as adjusted	13 979 494.01	9 388 783.35
Share capital as at the beginning of the year	15 091 869.00	13 617 000.00
Changes in share capital	10 200.00	1 474 869.00
increase	10 200.00	1 474 869.00
- issue of shares	10 200.00	1 474 869.00
Share capital as at the end of the year	15 102 069.00	15 091 869.00
Supplementary capital as at the beginning of the year	7 567 392.87	7 567 392.87
Changes in supplementary capital	785 265.26	-
increase	11 989 800.00	-
- share premium	11 989 800.00	-
decrease	(11 204 534.74)	-
- in respect of an adjustment to equity as a result of the transfer of an OPE to Grupa PEP - Obrót 1 Sp. z o.o.	(11 204 534.74)	-
Supplementary capital as at the end of the year	8 352 658.13	7 567 392.87
Business combination reserve as at the beginning of the year	11 131.00	1 486 000.00
Changes in business combination reserve	-	(1 474 869.00)
decrease	-	(1 474 869.00)
- in respect of an adjustment to equity as a result of the business combination with Polenergia Certyfikaty	-	(1 474 869.00)
Business combination reserve as at the end of the year	11 131.00	11 131.00
Unappropriated profits/(Accumulated losses) as at the beginning of the year	(13 281 609.52)	(14 688 310.94)
Accumulated losses as at the beginning of the year, as adjusted	(13 281 609.52)	(14 688 310.94)
decrease	4 590 710.66	1 406 701.42
- transfer of profit	4 590 710.66	1 406 701.42
Accumulated losses as at the end of the year	(8 690 898.86)	(13 281 609.52)
Unappropriated profits/(Accumulated losses) as at the end of the year	(8 690 898.86)	(13 281 609.52)
Net profit/loss	4 649 176.05	4 590 710.66
- net profit	4 649 176.05	4 590 710.66
Equity as at the end of the year	19 424 135.32	13 979 494.01
Equity, as adjusted for the proposed appropriation of profit (offset of loss)	19 424 135.32	13 979 494.01

Additional notes and explanations

1. Foreign currency exchange rates

Exchange rates in force as at the last day of the year	31.12.2015	31.12.2014
	PLN	PLN
EUR/PLN exchange rate	4.2615	4.2623
GBP/PLN exchange rate	5.7862	5.4648

Average exchange rates for the year	31.12.2015	31.12.2014
	PLN	PLN
EUR/PLN exchange rate	4.1843	4.1845
GBP/PLN exchange rate	5.7675	5.1919

2. Spin-off of an Organized Part of the Enterprise

Pursuant to Resolution No. 1 of the Extraordinary General Shareholders' Meeting of Polenergia Obrót S.A. dated 14 July 2015, on the basis of Article 529 § 1 of the Commercial Companies Code, the Company was divided. The division took the form of transfer some of the assets of the Company, as the company being divided, constituting an organized part of the enterprise, related to the Company's activities consisting of trading in certificates of origin of electric energy, on the basis of long-term contracts concluded with entities from outside the Polenergia S.A. Group, to Grupa PEP – Obrót 1 Sp. z o.o. The division of the Company involved the transfer of its other reserves, i.e. its share capital was not decreased. As a result of the said spin-off, the Company's supplementary capital decreased by PLN 11 204 534.74.

Based on the data for 2015, the estimated levels of the revenue and expenses relating to these activities were as follows:

- revenue	11 271 293
- expenses	11 269 733
- profit	1 560

The assets and equity & liabilities of the Organized Part of the Enterprise transferred to Grupa PEP – Obrót 1 Sp. z o.o. are presented below:

	31.12.2015
	PLN
ASSETS	
Current assets	11 737 500.15
Inventories	2 618 520.96
Goods for resale	2 618 520.96
Short-term investments	9 118 979.19
Short-term financial assets	9 118 979.19
Cash & cash equivalents and other monetary assets	9 118 979.19
- cash in hand and at bank	9 118 979.19

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Total assets	11 737 500.15
EQUITY AND LIABILITIES	
Equity	11 204 534.74
Supplementary capital	11 204 534.74
Liabilities and provisions for liabilities	532 965.41
Short-term liabilities	532 965.41
To other entities	532 965.41
Trade payables, due:	532 965.41
- within 12 months	532 965.41
Total equity and liabilities	11 737 500.15

Additional notes and explanations (cont.)

3. Tangible fixed assets – changes during the year

	Plant and machinery	Vehicles	Other fixed assets	Total
	PLN	PLN	PLN	PLN
Gross value as at 01.01.2015	99 980.80	21 618.24	30 230.28	151 829.32
Additions:	26 648.04	115 260.16	-	141 908.20
- purchase	26 648.04	115 260.16	-	141 908.20
Disposals:	(17 527.39)	(21 618.24)	(2 101.56)	(41 247.19)
- sale	-	(21 618.24)	-	(21 618.24)
- reclassification	(17 527.39)	-	(2 101.56)	(19 628.95)
Gross value as at 31.12.2015	<u>109 101.45</u>	<u>115 260.16</u>	<u>28 128.72</u>	<u>252 490.33</u>
Accumulated depreciation as at 01.01.2015	75 353.76	5 044.26	30 230.28	110 628.30
Additions:	29 344.93	5 884.30	-	35 229.23
- depreciation	29 344.93	5 884.30	-	35 229.23
Disposals:	(17 527.39)	(9 007.56)	(2 101.56)	(28 636.51)
- sale	-	(9 007.56)	-	(9 007.56)
- reclassification	(17 527.39)	-	(2 101.56)	(19 628.95)
Accumulated depreciation as at 31.12.2015	<u>87 171.30</u>	<u>1 921.00</u>	<u>28 128.72</u>	<u>117 221.02</u>
Net value				
As at 01.01.2015	<u>24 627.04</u>	<u>16 573.98</u>	-	<u>41 201.02</u>
As at 31.12.2015	<u>21 930.15</u>	<u>113 339.16</u>	-	<u>135 269.31</u>

Due to the spin-off of an organized part of the enterprise, the Company transferred some of its tangible fixed assets to the spun-off entity.

Additional notes and explanations (cont.)

4. Fixed assets – by ownership title

	31.12.2015	31.12.2014
	PLN	PLN
The Company's own fixed assets	21 930.15	24 627.04
Fixed assets used under finance lease contracts	113 339.16	16 573.98
Total fixed assets in the balance sheet	135 269.31	41 201.02

During the financial year fixed assets were not written down.

The Company had no liabilities to the State Budget or the local authorities in respect of obtaining ownership rights to buildings and structures as at the balance sheet date.

5. Expenditure on non-financial non-current assets

Expenditure on non-financial non-current assets amounted to PLN 141 908.20 in the current financial year, including environmental protection expenditure of PLN 0. In 2016, the Company is not planning to incur any expenditure on new non-financial non-current assets.

6. Ageing analysis of receivables

	31.12.2015	31.12.2014
	PLN	PLN
Receivables from related entities	14 110 010.15	2 749 986.52
Current	9 764 811.17	2 749 986.52
Overdue	4 345 198.98	-
up to 30 days	4 345 128.80	-
90-180 days	70.18	-
Receivables from related entities	14 110 010.15	2 749 986.52
From other entities	82 945 509.85	62 264 914.98
Current	76 977 924.33	52 602 608.45
Overdue	6 033 987.42	9 662 306.53
up to 30 days	941 663.15	4 591 245.60
over 180 days	5 092 324.27	5 071 060.93
Write-downs of receivables	5 071 060.93	5 071 060.93
Receivables from other entities	77 874 448.92	57 193 854.05

Additional notes and explanations (cont.)

7. Write-downs of receivables

	2015	2014
	PLN	PLN
As at the beginning of the year	5 071 060.93	4 247 350.24
Increases	-	823 710.69
As at the end of the year	<u>5 071 060.93</u>	<u>5 071 060.93</u>

In 2015, the Company analysed the balance of overdue receivables. As a result of this analysis, it did not find it necessary to increase the write-down of trade receivables.

8. Prepayments and deferred costs

	31.12.2015	31.12.2014
	PLN	PLN
Long-term prepayments and deferred costs		
Deferred tax assets	2 012 874.78	2 231 049.00
	<u>2 012 874.78</u>	<u>2 231 049.00</u>
Short-term prepayments and deferred costs		
Property insurance	9 000.00	7 010.12
Market share – annual charges	277 445.50	192 181.80
Information services	7 227.38	34 552.48
Annual charges – licences	6 289.24	5 840.00
Guarantee fees	100 043.72	101 077.82
Other short-term prepayments and deferred costs	3 387.96	303.62
	<u>403 393.80</u>	<u>340 965.84</u>
	<u>2 416 268.58</u>	<u>2 572 014.84</u>

Additional notes and explanations (cont.)

9. Accruals

	31.12.2015	31.12.2014
	PLN	PLN
Short-term accruals		
Provision for holiday pay	267 020.48	1 083 500.00
Provision for bonuses	1 440 200.00	241 537.97
Other	174 780.01	-
	<u>1 882 000.49</u>	<u>1 325 037.97</u>

10. Share capital

As at 31 December 2015, the Company's share capital consisted of 296 119 equal and indivisible shares with a par value of PLN 51 each.

As at 31.12.2015, the Company's shareholder was:

Shareholder's name	Number of shares held	Par value of shares held	Type of shares held	Votes (%)
Neutron Sp. z o.o.	296 119	15 102 069.00	ordinary	100.00%
	<u>296 119</u>	<u>15 102 069.00</u>		<u>100.00%</u>

On 10 June 2015, the Company's share capital was increased to PLN 15 102 069.00 (i.e. by PLN 10 200) by issuing 200 D series shares with a par value of PLN 51 each.

11. Net profit/loss for the year

The net profit for the financial year from 1 January to 31 December 2014 amounted to PLN 4 590 710.66. Pursuant to the resolution of the Ordinary General Shareholders' Meeting dated 18 March 2015, the profit was earmarked for offsetting the accumulated losses.

As at 31.12.2015, the Company's supplementary capital amounted to PLN 8 352 658.13, and the accumulated losses amounted to PLN 8 690 898.86. The net profit for the financial year from 1 January to 31 December 2015 amounted to PLN 4 649 176.05. The Management Board has proposed that the supplementary capital of PLN 8 352 658.13 be earmarked for offsetting the accumulated losses. Moreover, it recommends that the net profit be appropriated as follows:

- PLN 338 240.73 (7.3%) to be earmarked for offsetting the accumulated losses;
- PLN 2 310 935.32 (49.7%) to be earmarked for transfer to the supplementary capital;
- PLN 2 000 000 (43%) to be paid out as a dividend.

Additional notes and explanations (cont.)

12. Loans and borrowings

On 18 August 2015, the Company concluded an agreement with a bank for a multi-purpose credit limit of PLN 120 million which comprises:

- Guarantee line of up to PLN 100 million;
- Overdraft facility of up to PLN 20 million.

As at 31 December 2015, the utilization of the limit was as follows:

- Overdraft facility – PLN 0.

At Polenergia Obrót's request, the bank issues guarantees for Polenergia Obrót's counterparties. The guarantees issued by the bank are not recognized in Polenergia Obrót's balance sheet. As at 31.12.2015, PLN 73.3 million worth of the limit had been utilized.

13. Measurement of derivative instruments

	31.12.2015	31.12.2014
	PLN	PLN
Gains/Losses on derivative instruments	<u>1 298 609.38</u>	<u>9 476 611.14</u>
Short-term asset	101 744 259.15	114 208 587.37
Long-term asset	<u>4 839 605.81</u>	<u>872 549.95</u>
Total	<u>106 583 864.96</u>	<u>115 081 137.32</u>
Short-term liability	88 171 343.61	100 986 989.68
Long-term liability	<u>3 587 786.73</u>	<u>568 022.40</u>
Total	<u>91 759 130.34</u>	<u>101 555 012.08</u>

Starting from 1 January 2013 the Company has classified long-term contracts for the purchase / sale of energy as derivative instruments which are subject to standards applicable to derivative instruments. As a result, such contracts are measured at fair value, with changes in the fair value being recognized in the income statement. The result on the measurement of the contracts is presented on a net basis in sales. The measurement is performed in respect of the non-exercised portion of the contracts broken down into the short-term portion which will be exercised within 12 months from the balance sheet date and the long-term portion which will be exercised in the following years. The forward contracts were measured using a model which makes use of market parameters, i.e. market prices discounted using interest rates. The effect of unobservable data (if any) was not material to the measurement of the derivative instruments. The forward contracts relate to deliveries and collection of electric energy and fuel gas. They are executed through physical delivery of goods, which is governed in the transmission agreements between Polenergia Obrót and the Operators of the Electric Power and Gas Transmission Systems. Deliveries of goods are settled on a daily, 10-day or monthly basis, with immediate or deferred payment, depending on the contractual arrangements with the counterparties.

Additional notes and explanations (cont.)

14. Long-term liabilities – by maturity

	31.12.2015	31.12.2014
	PLN	PLN
Liabilities to other entities	3 678 214.01	570 503.92
• over 1 year to 3 years	3 678 214.01	570 503.92
	<u>3 678 214.01</u>	<u>570 503.92</u>

15. Financial risk management objectives and policies

Due to its operations the Company is exposed to the following financial risks:

- credit risk;
- liquidity risk;
- commodity risk;
- currency risk;
- interest rate risk.

The financial risks are related to the following financial instruments: borrowings within the Group, trade receivables and payables, finance leases, cash and cash equivalents, and forward contracts for electric energy. The accounting policies applicable to the above instruments are described in the Introduction to the Financial Statements. The Company's risk management policies are concentrated on minimizing possible adverse effects on its results of operations. At present, complete documentation regulating the risk management process is being implemented. The types of risk and the policies for managing these risks are described below.

The credit risk is the risk that the Company will suffer financial losses as a result of a customer or counterparty which is party to a financial instrument defaulting on its contractual obligations, and it is mainly related to the recoverability of receivables. The Company follows a credit policy in accordance with which the exposure to credit risk is monitored on a current basis. As regards overdue receivables, the Company analyses their amounts, records write-downs and, in justified circumstances, files legal claims. A table presenting the balance of receivables is presented in Note 5.

The liquidity risk is the risk that the Company will not be able to pay its financial liabilities as they fall due. As regards liquidity management the Company concentrates on analysing in detail the inflow of receivables and the maturity dates of liabilities, on-going monitoring of bank accounts and maintaining open credit lines.

Additional notes and explanations (cont.)

The commodity risk is related to the Company's operations on the power market which is characterized by the high volatility of prices. The commodity risk management is aimed at maintaining the exposure to this risk within acceptable limits while optimizing the return on this risk.

The currency risk is related to the possibility of changes in the cash flows generated by the Company as a result of the volatility of the exchange rates of the currencies in which these amounts are denominated. The Company is exposed to the currency risk as a result of being engaged in cross-border trading in electric energy and participating in the market for CO₂ emission rights. The Company manages the currency risk by maintaining the exposure to this risk within acceptable limits.

The interest rate risk to which the Company is exposed is related to concluded agreements in respect of loans and borrowings, finance leases, as well as financial assets in the form of bank deposits and loans granted.

16. Segmental analysis of net sales of finished goods, goods for resale and materials by business and geographical area

Description	Domestic sales	Export sales	Total
	PLN	PLN	PLN
Sales of services	1 658 884.82	-	1 658 884.82
to related entities	1 658 884.82	-	1 658 884.82
- property right management services	198 890.29	-	198 890.29
- trade and technical operator services (OHT)	180 801.94	-	180 801.94
- trade balancing services	1 255 192.59	-	1 255 192.59
- other	24 000.00	-	24 000.00
Sales of goods for resale and materials	1 813 376 850.30	378 572 054.00	2 191 948 904.30
to related entities	69 202 972.81	-	69 202 972.81
- electric energy	15 906 331.97	-	15 906 331.97
- property rights	53 296 640.84	-	53 296 640.84
to unrelated entities	1 744 173 877.49	378 572 054.00	2 122 745 931.49
- electric energy	1 670 547 819.29	367 118 838.95	2 037 666 658.24
- gas	30 391 794.50	-	30 391 794.50
- property rights	43 234 263.70	11 453 215.05	54 687 478.75
Other revenues	1 298 609.38	-	1 298 609.38
- measurement of contracts	1 298 609.38	-	1 298 609.38
Total sales	1 816 334 344.50	378 572 054.00	2 194 906 398.50

Additional notes and explanations (cont.)

17. Other operating income

	2015	2014
	PLN	PLN
Other, including:	8 343.18	8 804.52
- gains on sale of non-current assets	5 860.86	-
- bad debt collection	-	8 804.52
- other	2 482.32	-
	8 343.18	8 804.52

18. Other operating expenses

	2015	2014
	PLN	PLN
Losses on scrapping non-financial non-current assets	-	117 000.00
Other, including:	1 556.59	828 865.52
- write-downs of receivables	-	828 865.52
- other	1 556.59	-
	1 556.59	945 865.52

19. Financial income

	2015	2014
	PLN	PLN
Accrued interest on:	363 967.04	522 015.02
- borrowings granted	95 778.08	93 854.78
- bank deposits	205 187.73	335 113.92
- trade receivables	25 584.87	25.21
- cash and cash equivalents	36 431.23	93 021.11
- other	985.13	-
Other, including:	50 682.36	957.72
- foreign exchange gains	50 682.36	-
- other	-	957.72
	414 649.40	522 972.74

20. Financial costs

	2015	2014
	PLN	PLN
Accrued interest on:	2 643.96	26 010.31
- borrowings received	-	638.31
- overdue State Budget payables	294.00	13.20
- bank loans	1 905.44	21 930.43
- trade payables	94.43	2 636.97
- lease liabilities	350.09	791.40
Other, including:	5 677 297.48	1 462 157.46
- foreign exchange losses	-	15 015.09
- guarantees and pledges	787 617.21	929 118.65
- commissions earned	715 507.86	442 235.95
- other	173 672.41	75 787.77
- loss on the sale of shares	4 000 500.00	-
	5 679 941.44	1 488 167.77

Additional notes and explanations (cont.)

21. Income tax expense

	2015	2014
	PLN	PLN
Profit before tax	5 117 029.78	5 895 549.96
Non-deductible costs	902 972.50	104 340 463.92
Non-taxable income	(449 764.76)	(116 824 701.40)
Taxable income which is not accounting income	101 868 274.55	45 952 585.04
Tax-deductible costs which are not accounting costs	(103 069 593.96)	(44 125 838.35)
Net profit of the limited partnership	(2 699 560.64)	-
Tax base	<u>1 669 357.47</u>	<u>(4 761 940.83)</u>
Utilization of tax loss	1 669 357.47	-
Tax base	<u>-</u>	<u>-</u>
Current income tax (19%/19%)	-	-
Change in deferred tax	<u>(467 853.73)</u>	<u>(1 304 839.30)</u>
Corporate income tax recognized in the Income Statement	<u><u>(467 853.73)</u></u>	<u><u>(1 304 839.30)</u></u>

The tax authorities may examine the Company's books of account and tax settlements within five years of the end of the year in which the related tax returns were filed, and they may charge the Company with additional tax together with penalties and default interest. In the opinion of the Management Board, there are no circumstances indicating the possibility of any material liabilities arising in this respect.

Additional notes and explanations (cont.)

22. Deferred tax

	31.12.2015	31.12.2014
	PLN	PLN
Taxable temporary differences between the book values of assets and their tax bases, including:		
- interest accrued – not yet received	21 263.34	-
- interest on borrowings	188 573.70	92 795.60
- measurement of contracts	14 824 734.62	13 526 125.24
- accrued income	-25 345.61	219 426.51
- unrealized foreign exchange differences	153 466.13	10 246.03
Total taxable temporary differences	15 162 692.18	13 848 593.38
Taxable temporary differences included in the calculation of the deferred tax provision	15 162 692.18	13 848 593.38
Deferred tax provision (at 19%/19%)	2 880 911.51	2 631 232.00
Deductible temporary differences between the book values of assets and liabilities and their tax bases, including:		
- provisions recognized	2 352 432.69	1 535 132.98
- brokerage services	142 928.40	148 966.00
- amortization/depreciation – deferred charges	-	46 441.47
- other	-	98 764.55
Total deductible temporary differences	2 495 361.09	1 829 305.00
Deductible temporary differences included in the calculation of the deferred tax asset	2 495 361.09	1 829 305.00
Tax loss carryforwards	8 098 716.70	9 913 062.16
Tax losses included in the calculation of the deferred tax asset	8 098 716.70	9 913 062.16
Deferred tax assets (19%/19%)	2 012 874.78	2 231 049.00
Change in the deferred tax asset	(467 853.73)	(1 304 839.00)
Tax loss carryforwards	Amount of tax loss carryforwards as at 31.12.2015	Amount of tax loss carryforwards as at 31.12.2014
Tax loss for 2012	2 770 608.44	4 439 965.90
Tax loss for 2013	566 167.43	711 155.43
Tax loss for 2014	4 761 940.83	4 761 940.83
	8 098 716.70	9 913 062.16

Additional notes and explanations (cont.)

23. Reconciliation of cash flows

	2015	2014
	PLN	PLN
(Increase)/Decrease in short-term receivables presented in the balance sheet	(19 685 599.15)	(40 386 619.71)
Adjustment for the measurement of contracts	8 497 272.36	(69 441 474.45)
Adjustment for income tax receivable	-	19 169.00
Adjustment for receivables acquired as part of an organized part of the enterprise from Polenergia Sp. z o.o. (currently Polenergia Usługi Sp. z o.o.)	-	-
(Increase)/Decrease in receivables presented in the cash flow statement	(11 188 326.79)	(109 808 925.16)
Increase/(Decrease) in short-term trade payables presented in the balance sheet	41 188 593.00	27 496 284.76
Increase/(Decrease) in liabilities in respect of contracts presented in the balance sheet	(9 795 881.74)	59 554 413.91
Increase/(Decrease) in other liabilities presented in the balance sheet	74 938.60	-
Adjustment for the increase/(decrease) in liabilities in respect of the purchase of financial assets – leases	-	-
Increase/(Decrease) in short-term liabilities, excluding loans and borrowings presented in the cash flow statement	31 467 649.86	87 050 698.67

The amount of PLN 11 204 534.74 presented in the Cash Flow Statement, in “Other adjustments”, is the result of the decrease in the supplementary capital due to the transfer of an organized part of the enterprise to Grupa PEP-Obrót 1 Sp. z o.o.

24. Consolidation

The entity which prepares consolidated financial statements at the mid level of the Group to which the Company belongs is Polenergia S.A., with its registered office in Warsaw, ul. Krucza24/26, entered in the National Court Register, with the reference number 0000026545.

The entity which prepares consolidated financial statements at the ultimate level of the Group to which the Company belongs is Kulczyk Investments S.A., with its registered office in Luxembourg, 15 Rue Edward Steichen, registered with the R.C.S. in Luxembourg, with the reference number B126198.

25. Post balance sheet events

No significant events affecting the Company’s financial position as at the balance sheet date occurred between the balance sheet date and the date on which the financial statements were signed.

Additional notes and explanations (cont.)

26. Employment levels

In the financial year, the average number of employees (by category) was as follows:

	2015	2014
	Number of employees	Number of employees
Blue-collar workers	0	0
White-collar workers	6	7
Average number of employees	6	7

27. Remuneration of the Management Board and Supervisory Board

Remuneration paid and payable amounted to:

	2015	2014
	PLN	PLN
Management Board	1 858 640.00	1 460 646.95

28. Transactions with the members of the management and supervisory bodies

In 2015, the Company did not grant any loans or similar benefits to the members of the management or supervisory bodies.

Polenergia Obrót S.A.
Financial statements as at and for the year ended 31 December 2015

Additional notes and explanations (cont.)

29. Transactions with related entities

	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	PLN	PLN	PLN	PLN
	Receivables	Receivables	Liabilities	Liabilities
Polenergia S.A.	-	-	153 792.66	217 831.11
Polenergia Dystrybucja Sp. z o.o.	1 261 301.84	2 691 826.86	25 560 413.11	13 402 689.24
Polenergia Kogeneracja Sp. z o.o.	2 460.00	2 460.00	-	-
Polenergia Biogaz Sp. z o.o.	-	-	99 313.63	60 852.48
Certyfikaty Sp. z o.o.	-	-	636.30	-
PB Energy Zalesie Sp. z o.o.	-	-	143 736.30	65 364.73
PB Energy Żórawina Sp. z o.o.	-	-	159 530.77	26 035.08
Grupa PEP - Farma Wiatrowa 1 Sp. z o.o.	433.14	5 570.01	-	3 221 364.90
Grupa PEP - Farma Wiatrowa 4 Sp. z o.o.	5 355.53	-	-	-
Grupa PEP - Farma Wiatrowa 6 Sp. z o.o.	1 337.61	(8 583.42)	1 960 182.44	1 419 878.29
Polenergia Farma Wiatrowa Mycielín Sp. z o.o.	195 502.54	-	3 087 948.56	-
Grupa PEP Finansowanie Projektów Sp. z o.o.	8 000 000.00	-	-	-
Dipol Sp. z o.o.	70.18	35 538.64	-	240 629.94
Amon Sp. z o.o.	166 713.19	-	298 055.63	-
Talia Sp. z o.o.	111 597.83	-	151 032.51	-
Energopep Sp. z o.o. S.K.	4 345 128.80	-	-	-
ENS Sp. z o.o.	20 109.49	23 174.43	-	-
Kulczyk Holding S.A.	-	-	608 336.00	535 002.00
Kulczyk Investments S.A.	-	-	183 711.99	184 038.55
	14 110 010.15	2 749 986.52	32 406 689.90	19 373 686.32

The introduction and the additional notes and explanations form an integral part of the financial statements.

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Financial statements as at and for the year ended 31 December 2015

Additional notes and explanations (cont.)

	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	PLN	PLN	PLN	PLN
	Loans granted	Loans granted	Loans received	Loans received
Polenergia Holding S.a.r.l.	2 188 573.70	2 092 795.62	-	-
	2 188 573.70	2 092 795.62	-	-
	2015	2014	2015	2014
	PLN	PLN	PLN	PLN
	Operating income	Operating income	Operating expenses	Operating expenses
Polenergia S.A.	-	-	1 020 360.37	404 585.25
Polenergia Usługi Sp. z o.o.	-	-	-	689 451.24
Polenergia Dystrybucja Sp. z o.o.	16 977 490.98	28 697 209.01	310 372 642.14	182 620 492.48
Polenergia Kogeneracja Sp. z o.o.	24 000.00	6 000.00	-	-
Polenergia Biogaz Sp. z o.o.	-	-	12 626.73	60 299.17
Mercury Energia Sp. k.	660 025.50	247 618.09	-	-
PB Energy Zalesie Sp. z o.o.	-	8 281.30	2 331 671.80	3 495 248.63
PB Energy Żórawina Sp. z o.o.	32 571.03	-	1 002 553.75	577 578.50
Grupa PEP - Farma Wiatrowa 1 Sp. z o.o.	60 603.59	25 229.09	52 258 753.99	5 143 387.57
Grupa PEP - Farma Wiatrowa 4 Sp. z o.o.	37 514.71	-	8 450 317.33	-
Grupa PEP - Farma Wiatrowa 6 Sp. z o.o.	44 941.28	28 503.20	29 501 568.07	3 633 044.50
Polenergia Farma Wiatrowa Mycielin Sp. z o.o.	193 711.82	-	3 058 394.16	-
Dipol Sp. z o.o.	286 924.73	80 234.08	7 439 785.46	6 750 303.70
Amon Sp. z o.o.	613 434.31	-	627 150.35	-
Talia Sp. z o.o.	410 133.46	-	411 777.91	-
Energopep Sp. z o.o. S.K.	47 419 569.84	-	-	-
ENS Sp. z o.o.	3 198 238.38	261 852.44	-	88 661.93
Soda Polska Ciech SA	902 698.00	-	-	-
	70 861 857.63	29 354 927.21	416 487 602.06	203 463 052.97

The introduction and the additional notes and explanations form an integral part of the financial statements.

Additional notes and explanations (cont.)

	2015	2014	2015	2014
	PLN	PLN	PLN	PLN
	Financial income	Financial income	Financial costs	Financial costs
Grupa PEP Finansowanie Projektów Sp. z o.o.	-	-	4 000 500.00	-
Kulczyk Holding S.A.	-	-	608 336.00	535 002.00
Kulczyk Investments S.A.	-	-	179 281.21	184 038.55
Polenergia Holding S.a.r.l.	95 778.08	92 795.62	-	23 479.10
KI Energy Trading GmbH	-	-	-	186 599.00
	95 778.08	92 795.62	4 788 117.21	929 118.65

Additional notes and explanations (cont.)**30. Significant transactions with related parties**

In the financial year covered in the financial statements, the Company did not conclude any significant transactions other than on an arm's length basis with its related parties.

31. Fees of a registered audit company

The fees paid or payable to a registered audit company for the financial year ended 31 December 2015 and 31 December 2014:

	2015	2014
	PLN	PLN
Audit of the financial statements	18 000.00	20 000.00

Additional notes and explanations (cont.)

32. Balance sheet and income statement for each type of the Company's activities presented in accordance with Article 44 of the Energy Law

The financial statements present information regarding the balance sheet and income statement separately for each of the Company's business activities in accordance with the requirements of Article 44 of the Act of 10 April 1997 – the Energy Law (Journal of Laws of 2012, item 1059, as amended), including ensuring equal treatment of customers and elimination of cross-subsidizing among the activities.

In the financial statements, other activities were presented separately, relating to, among other things, revenue from the sale of property rights to certificates of origin – the increase in revenue from these activities is due to the increase in the sales volume.

BALANCE SHEET	31.12.2015 PLN				
ASSETS	Total	including:	Electric energy	Fuel gases	Other activities
Non-current assets	14 987 749.90		4 170 137.19	2 710 542.79	8 107 069.92
Tangible fixed assets	135 269.31		126 562.12	1 964.96	6 742.23
Long-term receivables	8 000 000.00		-	-	8 000 000.00
Long-term investments	4 839 605.81		2 160 267.61	2 679 338.20	-
Long-term prepayments and deferred costs	2 012 874.78		1 883 307.46	29 239.63	100 327.69
Current assets	212 504 642.96		184 502 203.25	19 192 816.09	8 809 623.62
Inventories	786 992.54		-	-	786 992.54
Short-term receivables	91 884 172.78		86 228 655.47	603 777.77	5 051 739.54
Short-term investments	119 430 083.84		97 882 924.45	18 586 156.39	2 961 003.00
Short-term prepayments and deferred costs	403 393.80		390 623.33	2 881.93	9 888.54
Total assets	227 492 392.86		188 672 340.44	21 903 358.88	16 916 693.54

Financial statements as at and for the year ended 31 December 2015

Additional notes and explanations (cont.)

BALANCE SHEET		31.12.2015			
		PLN			
EQUITY AND LIABILITIES		Total including:	Electric energy	Fuel gases	Other activities
Equity	19 424 135.32	1 276 041.18	2 321 218.21	15 826 875.93	
Share capital	15 102 069.00	6 564 250.62	936 985.34	7 600 833.04	
Supplementary capital	8 352 658.13	7 484 959.64	-	867 698.49	
Business combination reserve	11 131.00	-	-	11 131.00	
Accumulated losses	(8 690 898.86)	(10 036 094.06)	41 577.06	1 303 618.14	
Net profit for the year	4 649 176.05	4 747 884.62	1 342 655.81	(1 441 364.38)	
Liabilities and provisions for liabilities	208 068 257.54	187 396 299.27	19 582 140.66	1 089 817.61	
Provisions for liabilities	2 880 911.51	2 695 469.28	41 848.99	143 593.24	
Deferred tax provision	2 880 911.51	2 695 469.28	41 848.99	143 593.24	
Long-term liabilities	3 678 214.01	1 566 315.20	2 107 391.64	4 507.17	
Other liabilities	3 678 214.01	1 566 315.20	2 107 391.64	4 507.17	
Short-term liabilities	199 627 131.53	181 373 657.33	17 405 561.52	847 912.68	
Trade payables	32 406 689.90	31 798 696.67	11 505.53	596 487.70	
Other liabilities	167 220 441.63	149 574 960.66	17 394 055.99	251 424.98	
Accruals and deferred income	1 882 000.49	1 760 857.45	27 338.51	93 804.53	
Other accruals and deferred income	1 882 000.49	1 760 857.45	27 338.51	93 804.53	
Total equity and liabilities	227 492 392.86	188 672 340.44	21 903 358.88	16 916 693.54	

The introduction and the additional notes and explanations form an integral part of the financial statements.

Financial statements as at and for the year ended 31 December 2015

Additional notes and explanations (cont.)

BALANCE SHEET	31.12.2014			
	PLN			
	Total including:	Electric energy	Fuel gases	Other activities
Assets				
Non-current assets	3 144 799.97	3 065 404.83	23 841.68	55 553.46
Intangible assets	-	-	-	-
Tangible fixed assets	41 201.02	40 184.74	8.97	1 007.31
Long-term investments	872 549.95	849 203.05	23 346.90	-
Long-term prepayments and deferred costs	2 231 049.00	2 176 017.04	485.81	54 546.15
Current (short-term) assets	194 071 758.28	191 291 877.36	286 690.10	2 493 190.82
Inventories	162 829.96	-	-	162 829.96
Short-term receivables	72 198 573.63	69 863 197.52	183 724.78	2 151 651.32
Short-term investments	121 369 388.85	121 091 383.97	102 932.92	175 071.96
Short-term prepayments and deferred costs	340 965.84	337 295.87	32.40	3 637.57
Total assets	197 216 558.25	194 357 282.19	310 531.78	2 548 744.28

Additional notes and explanations (cont.)

	31.12.2014				
	PLN				
	Total	including:	Electric energy	Fuel gases	Other activities
BALANCE SHEET					
Equity and liabilities					
Equity	13 979 494.01		11 623 745.80	242 796.99	2 112 951.22
Share capital	15 091 869.00		14 174 880.22	201 219.93	715 768.85
Supplementary capital	7 567 392.87		7 484 959.64	-	82 433.23
Business combination reserve	11 131.00		-	-	11 131.00
Unappropriated profits/(Accumulated losses)	-13 281 609.52		-13 900 609.76	-	619 000.24
Net profit/(loss) for the year	4 590 710.66		3 864 515.69	41 577.06	684 617.90
Liabilities and provisions for liabilities	183 237 064.24		182 733 536.40	67 734.79	435 793.06
Provisions for liabilities	2 631 232.00		2 566 328.96	572.95	64 330.08
Deferred tax provision	2 631 232.00		2 566 328.96	572.95	64 330.08
Long-term liabilities	570 503.92		570 442.71	0.54	60.67
Other liabilities	570 503.92		570 442.71	0.54	60.67
Short-term liabilities	178 710 290.35		178 304 410.68	66 872.77	339 006.91
Bank and other loans	7 443 098.59		7 259 504.10	1 620.74	181 973.75
Trade payables	70 217 629.59		70 061 881.82	244.43	155 503.34
Other liabilities	101 049 562.17		100 983 024.75	65 007.60	1 529.81
Accruals and deferred income	1 325 037.97		1 292 354.05	288.53	32 395.40
Other accruals and deferred income	1 325 037.97		1 292 354.05	288.53	32 395.40
Total equity and liabilities	197 216 558.25		194 357 282.19	310 531.78	2 548 744.28

The introduction and the additional notes and explanations form an integral part of the financial statements.

Financial statements as at and for the year ended 31 December 2015

Additional notes and explanations (cont.)

INCOME STATEMENT	2015			
	PLN			
	Total including:	Electric energy	Fuel gases	Other activities
Net sales and sales equivalents, including:	2 194 906 398.50	2 053 621 828.58	31 883 875.63	109 400 694.29
Net sales of goods for resale and materials	2 194 906 398.50	2 053 621 828.58	31 883 875.63	109 400 694.29
Operating expenses	2 184 530 863.27	2 046 576 396.55	30 207 895.84	107 746 570.88
Amortization and depreciation	35 229.23	32 961.55	511.75	1 755.93
Materials and energy used	17 859.21	16 709.63	259.43	890.16
External services	2 118 849.32	1 986 951.34	29 765.59	102 132.39
Taxes and charges	3 848 979.86	2 730 662.18	288 664.83	829 652.85
Wages and salaries	3 412 978.33	3 193 287.33	49 577.96	170 113.04
Social insurance and other benefits	308 673.99	288 804.86	4 483.89	15 385.23
Other expenses by nature	94 804.33	88 701.84	1 377.16	4 725.33
Cost of sales of goods for resale and materials	2 174 693 489.00	2 038 238 317.81	29 833 255.24	106 621 915.95
Profit/(Loss) on sales	10 375 535.23	7 045 432.03	1 675 979.79	1 654 123.41
Other operating income	8 343.18	-	-	8 343.18
Other, including:	8 343.18	-	-	8 343.18
Other operating expenses	1 556.59	-	-	1 556.59
Other	1 556.59	-	-	1 556.59
Operating profit/(loss)	10 382 321.82	7 045 432.03	1 675 979.79	1 660 910.00
Financial income	414 649.40	387 958.71	6 023.32	20 667.37
Interest income, including:	363 967.04	340 538.74	5 287.10	18 141.20
Foreign exchange gains	50 682.36	47 419.97	736.23	2 526.16

The introduction and the additional notes and explanations form an integral part of the financial statements.

Additional notes and explanations (cont.)

Financial costs	5 679 941.44	1 571 804.80	24 403.34	4 083 733.30
Interest expense, including:	2 643.96	2 473.77	38.41	131.78
Other	5 677 297.48	1 569 331.03	24 364.93	4 083 601.52
Profit on ordinary activities before tax	5 117 029.78	5 861 585.94	1 657 599.77	(2 402 155.93)
Profit/(Loss) before tax	5 117 029.78	5 861 585.94	1 657 599.77	(2 402 155.93)
Income tax expense	467 853.73	1 113 701.33	314 943.96	(960 791.56)
Net profit/(loss) for the year	4 649 176.05	4 747 884.62	1 342 655.81	(1 441 364.38)

Financial statements as at and for the year ended 31 December 2015

Additional notes and explanations (cont.)

INCOME STATEMENT	2014				
	PLN				
	Total	including:	Electric energy	Fuel gases	Other activities
Net sales and sales equivalents, including:	1 991 429 655.40		1 942 308 244.22	433 634.57	48 687 776.61
Net sales of goods for resale and materials	1 991 429 655.40		1 942 308 244.22	433 634.57	48 687 776.61
Operating expenses	1 983 631 849.41		1 936 595 850.05	382 094.69	46 653 904.67
Amortization and depreciation	27 392.60		26 716.92	5.96	669.71
Materials and energy used	20 850.27		20 335.97	4.54	509.76
External services	2 373 615.89		2 273 832.04	455.94	99 327.91
Taxes and charges	1 644 518.17		1 369 740.07	494.81	274 283.30
Wages and salaries	3 168 103.49		3 089 957.77	689.86	77 455.87
Social insurance and other benefits	393 210.20		383 511.12	85.62	9 613.46
Other expenses by nature	54 931.20		53 576.24	11.96	1 342.99
Cost of sales of goods for resale and materials	1 975 949 227.59		1 929 378 179.93	380 346.00	46 190 701.66
Profit/(Loss) on sales	7 797 805.99		5 712 394.17	51 539.88	2 033 871.94
Other operating income	8 804.52		-	-	8 804.52
Other	8 804.52		-	-	8 804.52
Other operating expenses	945 865.52		-	-	945 865.52
Losses on disposal of non-financial non-current assets	117 000.00		-	-	117 000.00
Other	828 865.52		-	-	828 865.52
Operating profit/(loss)	6 860 744.99		5 712 394.17	51 539.88	1 096 810.94

The introduction and the additional notes and explanations form an integral part of the financial statements.

Financial statements as at and for the year ended 31 December 2015

Additional notes and explanations (cont.)

Financial income	522 972.74	510 072.88	113.88	12 785.98
Interest income	522 015.02	509 138.79	113.67	12 762.57
Other	957.72	934.10	0.21	23.41
Financial costs	1 488 167.77	1 451 460.02	324.05	36 383.70
Interest expense	26 010.31	25 368.73	5.66	635.92
Foreign exchange losses	15 015.09	14 644.72	3.27	367.10
Other	1 447 142.37	1 411 446.57	315.12	35 380.68
Profit on ordinary activities before tax	5 895 549.96	4 771 007.03	51 329.71	1 073 213.22
Profit/(Loss) before tax	5 895 549.96	4 771 007.03	51 329.71	1 073 213.22
Income tax expense	-1 304 839.30	-906 491.34	-9 752.64	-388 595.32
Net profit/(loss) for the year	4 590 710.66	3 864 515.69	41 577.06	684 617.90