

# Basic financials

**Table. Basic figures from consolidated financial statement**

<b>Basic figures from consolidated statement of comprehensive income</b>	<b>In PLN thousand</b>		<b>In EURO thousand</b>	
	<b>For the year ended 31 December 2020</b>	<b>For the year ended 31 December 2019</b>	<b>For the year ended 31 December 2020</b>	<b>For the year ended 31 December 2019</b>
Revenue from sales	1 183 441	1 092 489	264 503	253 961
Cost of sales	-1 073 026	-910 776	-239 825	-211 720
Revenues/costs of compensation for stranded costs	29 824	-7 237	6 666	-1 682
Operating profit	157 091	104 014	35 110	24 179
Profit before tax	157 768	106 450	35 262	24 745
Net profit	125 954	83 827	28 151	19 486
Net profit for the period attributable to ordinary shareholders	123 935	82 917	27 700	19 274
Net profit for the period 1 January 2019 to non-controlling interests	2 019	910	451	212
Basic and diluted earnings per share (in PLN/EUR)	8 320	5 560	1 860	1 290
Other comprehensive income, net of tax	-1 279	-684	-286	-159
Total comprehensive income	124 675	83 143	27 865	19 327
<b>Basic figures from consolidated statement of cash flows</b>				
Net cash flows from operations	154 386	189 273	34 506	43 999
Net cash flows from investments	-162 040	-164 753	-36 217	-38 299
Net cash flows from financial operations	5 543	-27 261	1 239	-6 337
<b>Basic figure from consolidated statement of financial position</b>				
	<b>As at 31 December 2020</b>	<b>As at 31 December 2019</b>	<b>As at 31 December 2020</b>	<b>As at 31 December 2019</b>
Non-current assets	1 846 018	1 826 550	400 021	428 918
Current assets	1 008 295	760 055	218 492	178 480
Total assets	2 854 313	2 586 605	618 513	607 398
Non-current liabilities	660 926	703 766	143 219	165 261
Current liabilities	507 659	321 786	110 007	75 563
Equity attributable to ordinary shareholders	1 679 542	1 556 868	363 947	365 591
Equity attributable to non-controlling interests	6 186	4 185	1 340	983

	In PLN thousand		In EURO thousand	
Equity	1 685 728	1 561 053	365 287	366 574
Number of shares (in thousands)	14 900	14 900	14 900	14 900
Book value and diluted book value per share (in PLN/EUR)	113 140	104 770	24 520	24 600

### Exchange rates of euro used for translation of selected financial data

- Statement of financial position items - average exchange rate announced by NBP as of 31 December 2020 – 4.6148
- Statement of comprehensive income and cash flows items - arithmetic average of average exchange rates announced by NBP as at the end of each month of the period from 1 January to 31 December 2020 – 4.4742
- Statement of financial position items - average exchange rate announced by NBP as of 31 December 2019 – 4.2585
- Statement of comprehensive income and cash flows items - arithmetic average of average exchange rates announced by NBP as at the end of each month of the period from 1 January to 31 December 2019 r. – 4.3018



### [Basic figures from consolidated financial statement](#)

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### Table. Basic ratios (consolidated data)

(%)	from 1 January to 31 December 2020	from 1 January to 31 December 2019
Return on assets (ROA)	4 41	3 24
Return on equity (ROE)	7 47	5 37
<b>Return on capital employed (ROCE)</b>	<b>9 32</b>	<b>6 70</b>



### [Basic ratios \(consolidated data\)](#)

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## Analysis of consolidated net result

### Chart. Consolidated financial result of KOGENERACJA S.A. Group (in PLN million)

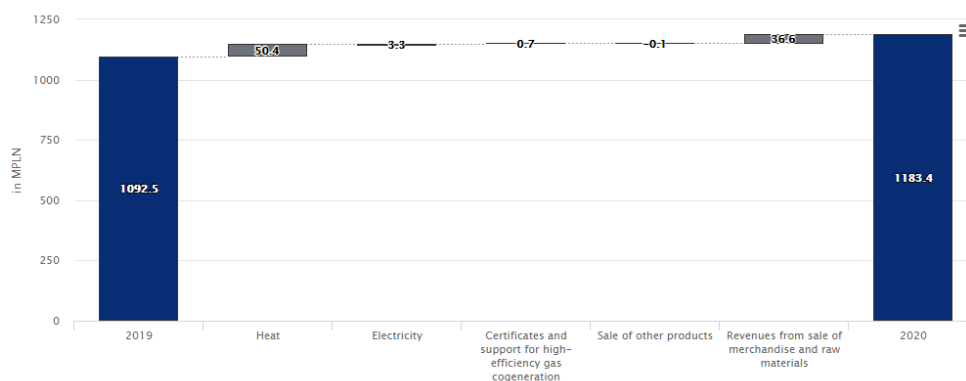
Elimination of intragroup transactions (**IT**) refers to consolidation adjustments. (-0.1 MPLN).

## Chart. Analysis of consolidated net result in 2020 compared to 2019

The consolidated net result of 126 MPLN was higher than in 2019 by 42.2 MPLN mainly due to:

- **-71.3 MPLN** - lower result in sales:
  - +90.9 MPLN higher sales revenues,
  - -162.4 MPLN higher cost of sales,
- **+37.0 MPLN** - decrease in KDT (compensation) costs; change in projected electricity prices to calculate estimated KDT compensations for 2019-2024,
- **-9.9 MPLN** higher sales and management costs,
- **+97.3 MPLN** - higher result in other operations, mainly from selling the CO<sub>2</sub> emission allowances received from the pool of allowances undistributed in previous years,
- **-1.7 MPLN** - lower result in financial operations; lower revenue from financial operations, -2.7 MPLN lower finance costs: +1.0 MPLN,
- **-9.2 MPLN** - higher income tax.

### Chart. Consolidated revenues



**Higher sales revenues** as compared to 2019 by 90.9 MPLN (+8%), mainly due to:

- **+50.4 MPLN** higher revenues from the sale of heat, including 45.2 MPLN in KOGENERACJA S.A., and 5.2 MPLN in EC Zielona Góra S.A.; Volume of heat sales: an increase of 2% in KOGENERACJA S.A. and a 1% drop in EC Zielona Góra S.A. Price: positive impact of the increase in average heat prices.
- **+3.3 MPLN** - higher revenues from energy sales, including
  - **+24.1 MPLN** - higher electricity sales price in EC Zielona Góra S.A. and a 4% lower sales volume,

- **-20.8 MPLN** - lower electricity sales revenues in the Parent Company (approx. 10% higher electricity sales price and 2% lower sales volume)
- **-0.5 MPLN** lower revenues from the sale of certificates in KOGENERACJA S.A.,
- **+36.6 MPLN**; higher revenues from the sale of goods and materials, including mainly: higher revenues from the resale of electricity (by 17.9 MPLN) and higher revenues from selling the CO<sub>2</sub> emission certificates (by 19.4 MPLN), EC Zielona Góra S.A.,
- **-0.1 MPLN** - lower other revenues.

## Consolidated fixed and variable costs

**Chart. Fixed costs**



**Fixed costs** were **higher** than in 2019 by 31.1 MPLN (9%).

**Staff costs** increased by 2.1 MPLN. The main cause for remuneration increase was the higher number of employees. Number of employees at KOGENERACJA S.A. was higher by 47 positions (number of employees as at 31 December 2020 – 405 persons, number of employees as at 31 December 2019 – 358 persons, average employment in 2020 – 373 persons, average employment in 2019 – 351 persons). Employment growth in 2020 was an effect of moving to the Company pursuant to Art. 231 of Act of Labor as of 1 July 2020 the employees employed in the field of asset maintenance in the local branches of PGE Energia Ciepła S.A.

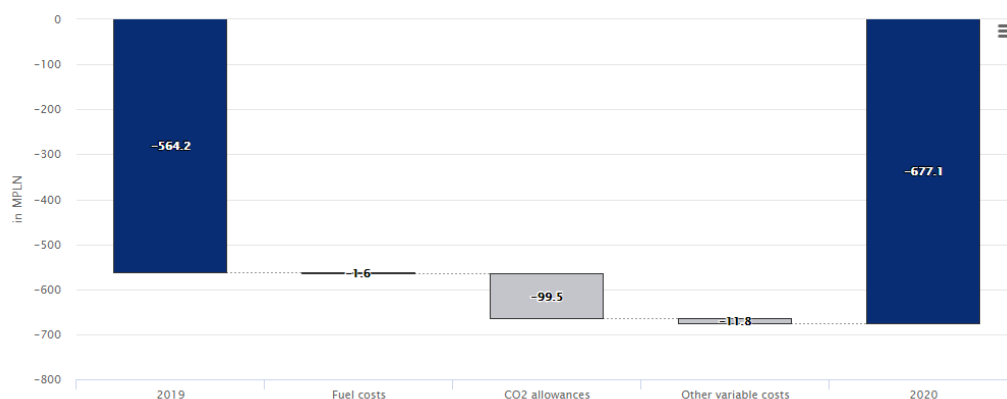
**Repairs costs** increased by 3 MPLN due to bigger scope of repairs in 2020 in comparison to 2019. Increase in overhaul costs in the Parent Company by 1 MPLN and by 2 MPLN in EC Zielona Góra S.A.

**Depreciation** increased by 18.3 MPLN. + 15 MPLN in KOGENERACJA S.A. due to the purchase of new property, plant and equipment (increase by 9.6 MPLN) and

changes in the useful lives of property, plant and equipment (increase by 5.4 MPLN), +3 MPLN in EC Zielona Góra S.A.

**Costs of services** increased by 8 MPLN, owing to higher costs of supporting services.

**Chart. Variable costs**



**Variable costs** were **higher** by 99.5 MPLN compared to 2019.

**The costs of CO<sub>2</sub> shortage and purchase increased by 99.5 MPLN** (73.6 MPLN in KOGENERACJA S.A., 25.9 MPLN in EC Zielona Góra S.A.). The increase in costs resulted from two factors: a higher purchase price of missing allowances and a higher allowance shortage.

The average allowance purchase price was more than twice as high as in 2019. Free CO<sub>2</sub> allowances received in 2020 covered 9.5% of the total emissions: 11% of emission in KOGENERACJA S.A. and 6% in EC Zielona Góra S.A.; CO<sub>2</sub> allowances received in 2019 covered approx. 20% of the total emissions: 24% in KOGENERACJA S.A. and 7% in EC Zielona Góra S.A. CO<sub>2</sub> emission in the Group was lower by approx. 4% than in 2020.

**Fuel costs** increased by 1.6 MPLN:

- **-1.2 MPLN**; higher coal purchase costs: **+11.6 MPLN** lower volume of burnt coal (in 2020 – 15,744 TJ, in 2019: 16 600 TJ), **-12.8 MPLN** higher coal price by about 13%,
- **-3.5 MPLN**; higher costs of biomass consumption: **-4.1 MPLN** higher volume of burnt biomass (in 2020: 568 TJ, in 2019: 415 TJ), **+0.6 MPLN** 9% lower biomass price,
- **+3.1 MPLN**; lower costs of gas consumption in EC Zielona Góra S.A. due to lower volume and higher price of consumption and lower costs of gas consumption in KOGENERACJA S.A. due to higher price of consumption in KOGENERACJA S.A., **+2.8 MPLN** lower gas price, **-0.3 MPLN** lower volume of gas consumed.

**Other variable costs** increased by 11.8 MPLN:

- **-4,3 mln zł**; increase in certificate redemption costs;
- **-7,7 mln zł**; increase in other costs related to energy purchase;

- **+0,2 mln zł**; various decreases.

### Chart. Consolidated financial flows

