



ZESPÓŁ ELEKTROCIĘPŁOWNI WROCŁAWSKICH

KOGENERACJA SA

Wrocław, 5 March 2018

Dear Shareholders,

I would like to invite you to read Annual Report of Zespół Elektrociepłowni Wrocławskich KOGENERACJA S.A. for 2017.

2017 was an another good year for the Company. KOGENERACJA S.A. achieved over 101 MPLN of net profit. Even if the financial results were lower than in 2016, due to lower by 46 MPLN dividend from EC „Zielona Góra” S.A., the KOGENERACJA results from sales in both years were similar (in 2017 the before tax results from sales was of 88 MPLN vs. 86 MPLN obtained in the previous year).

The year 2017 was plenty of events important from the Company’s perspective, starting with the change of majority Shareholder. The 13th November 2017, after almost two-year sale process, the transaction of EDF in Poland assets acquisition (including KOGENERACJA S.A.) was finalized by PGE S.A. Group. Therefore, PGE Polska Grupa Energetyczna S.A. became indirectly the majority Shareholder of KOGENERACJA S.A. (50% + 1 share). KOGENERACJA S.A. Supervisory Boards’ compositions were also changed.

At the end of 2017 the Management Board of PGE Polska Grupa Energetyczna S.A. has announced the District Heating Strategy for the years 2018-2023 and 2030 perspective. The Strategy contains many important provisions, including electricity and heat cogeneration promotion, important expenditures in production assets modernization and district heating networks development. The heat business significance was increased by extracting a new business line form PGE S.A. structures – PGE Energia Ciepła. All these revisions are very good for KOGENERACJI S.A. as they create an opportunity for obtaining the prompt decision regarding the power restitution in CHP Czechnica site. It should be also mentioned that in 2017 KOGENERACJA S.A. has intensified the preparatory works for that investment, by drawing up the necessary analysis, within “New Czechnica” project.

A lot of attention of the medias in 2017 caught the “disappearance” of one chimney in CHP Wrocław site. This 120-meter-high concrete construction (already out of order) was being disassembled using a dedicated crusher. The demolition works were executed next to running site installations and the whole project was accomplished safe and with success.

The safety remains the Company’s priority. The “0 accident” training centre opening was an important event for us in this area. It was created within the “partnership for safety” programme whose objective is to increase the awareness in safety area among KOGENERACJA and external companies workers by providing them information regarding safe work execution, first aid or fire protection.

We continue to develop the competences of our staff. In frame of “Ready for the future” programme the trainings are executed for the Company workers.



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One of KOGENERACJA strategic objectives is being the reliable energy supplier. The modernization projects as well as pro-efficiency programmes enable to maintain the high availability of installations and low generation costs. The Company also carries out the pro-environmental programmes and operations for local heat market development and district heating networks expanding. In 2017 we've continued the cooperation with Wrocław authorities as well as with heat distributor – Fortum Power and Heat Polska Sp. z o.o. m.in. within the KAWKA programme aiming at so called “low emission” reduction.

As the social responsible Company in 2017 we've continued the actions in order to support for example heat customers being in difficult financial condition, public benefit organizations or disabled persons activity increasing. Once again these actions were appreciated by the Warsaw Stock Exchange in Warsaw and KOGENERACJA S.A. for the eighth time was found itself in the Respect Index group of listed companies.

On behalf of Company Management Board and myself I would like to assure you that KOGENERACJA S.A. will remain also in the future the reliable energy supplier as well as the entity which care for the environment and which maintain high profitability of its activity.

Let me invite you once again to read the Report where you can find more details and data for 2017.

Your faithfully

Wojciech Heydel
President of the Management Board
of KOGENERACJA S.A.