



**THE CAPITAL GROUP OF GRUPA KĘTY S.A.
CONSOLIDATED QUARTERLY REPORT
FOR Q.1, 2020**

POLISH FINANCIAL SUPERVISION AUTHORITY
Consolidated quarterly report QSr 1/2020

(compliant with paragraphs 60.2 and 62.1 of the Regulation on current and interim information for the issuers of securities running manufacturing, construction, commercial or service business) for the first quarter of the reporting year 2020, covering the period from 1 January 2020 to 31 March 2020, comprising the interim condensed consolidated financial statements in accordance with International Accounting Standard No. 34 *Interim Financial Reporting* ('IAS 34') approved by the EU, in Polish zlotys (PLN), supplementary information to the quarterly report and quarterly financial information of Grupa Kęty S.A. in Polish zlotys (PLN).

22 April 2020

(date of submission)

GRUPA KĘTY SPÓŁKA AKCYJNA	
(full name of the issuer)	
KETY	Metal sector [met]
(short name of the issuer)	(sector in accordance with the Warsaw Stock Exchange classification/ industry)
32-650	Kęty
(postal code)	(city)
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(street)	(number)
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549-000-14-68	070614970
(tax identification number – NIP)	(statistical identification number – REGON)

THE CAPITAL GROUP OF GRUPA KĘTY S.A.

SELECTED FINANCIAL DATA

Data referring to the condensed consolidated financial statements in accordance with IFRS				
ITEMS OF THE STATEMENTS OF PROFIT OR LOSS COMPREHENSIVE INCOME AND CASH FLOWS	PLN '000		EUR '000	
	Q.1, 2020	Q.1, 2019	Q.1, 2020	Q.1, 2019
Net sales revenue	828,951	778,885	188,557	181,203
Profit on operating activities	108,401	76,620	24,657	17,825
Profit before tax	102,590	71,767	23,336	16,696
Net profit	83,340	58,126	18,957	13,523
Net profit (loss) attributable to owners of the parent	83,305	57,949	18,949	13,482
Total net income (loss)	74,162	66,323	16,869	15,430
Total net income (loss) attributable to owners of the parent	74,127	66,146	16,861	15,389
Net cash flow from operating activities	117,344	123,151	26,692	28,650
Net cash flow from investing activities	(42,252)	(52,432)	(9,611)	(12,198)
Net cash flow from financing activities	(15,553)	(12,924)	(3,538)	(3,007)
Total net cash flows	59,539	57,795	13,543	13,446
Net earnings per share attributable to owners of the parent (in PLN/EUR)	8.70	6.07	1.98	1.41
Diluted net earnings per share attributable to owners of the parent (in PLN/EUR)	8.69	6.06	1.98	1.41
BALANCE SHEET ITEMS	31.03.2020	31.12.2019	31.03.2020	31.12.2019
Total assets	2,937,919	2,778,510	645,370	652,462
Liabilities and provisions for liabilities	1,383,717	1,300,005	303,960	305,273
Long-term liabilities	623,194	560,337	136,897	131,581
Short-term liabilities	760,523	739,668	167,063	173,692
Equity attributable to owners of the parent	1,552,835	1,477,173	341,110	346,876
Share capital	67,851	67,825	14,905	15,927
Number of shares	9,581,797	9,569,947	9,581,797	9,569,947
Book value per share (in PLN/EUR)	162.06	154.36	35.60	36.25
Diluted book value per share (in PLN/EUR)	162.04	154.18	35.59	36.20
Data referring to the quarterly financial disclosure of Grupa Kęty S.A.				
ITEMS OF THE STATEMENTS OF PROFIT OR LOSS, COMPREHENSIVE INCOME, AND CASH FLOWS	PLN '000		EUR '000	
	Q.1, 2020	Q.1, 2019	Q.1, 2020	Q.1, 2019
Net sales revenue	285,941	289,018	65,041	67,239
Profit on operating activities	9,728	1,341	2,213	312
Gross profit	6,019	(1,010)	1,369	(235)
Net profit	4,605	(1,031)	1,047	(240)
Net comprehensive income	(3,018)	2,954	(686)	687
Net cash flow from operating activities	(9,032)	19,617	(2,054)	4,564
Net cash flow from investing activities	(18,549)	(21,162)	(4,219)	(4,923)
Net cash flow from financing activities	31,644	14,660	7,198	3,411
Total net cash flows	4,063	13,115	924	3,051
Earnings per share (in PLN/EUR)	0.48	(0.11)	0.11	(0.03)
Diluted earnings per share (in PLN/EUR)	0.48	(0.11)	0.11	(0.03)
BALANCE SHEET ITEMS	31.03.2020	31.12.2019	31.03.2020	31.12.2019
Total assets	1,249,289	1,170,449	274,430	274,850
Liabilities and provisions for liabilities	574,029	493,998	126,096	116,003
Long-term liabilities	303,710	272,654	66,716	64,026
Short-term liabilities	270,319	221,344	59,381	51,977
Equity	675,260	676,451	148,334	158,847
Share capital	67,851	67,825	14,905	15,927
Number of shares	9,581,797	9,569,947	9,581,797	9,569,947
Book value per share (in PLN/EUR)	70.47	70.68	15.48	16.60
Diluted book value per share (in PLN/EUR)	70.46	70.60	15.48	16.58

The above financial figures for the first quarter of 2020 and 2019 were translated into EUR as follows:

- assets and liabilities – at the mean exchange rate of the National Bank of Poland (NBP) as at 31 March 2020 – 4.5523 PLN/EUR, and as at 31 December 2019 – 4.2585 PLN/EUR;

- the items of the statements of profit or loss, comprehensive income, and cash flows – at the exchange rate being the arithmetic mean of the exchange rates of the NBP for the last two days of each month: Q.1, 2020 – 4.3963 PLN/EUR, and Q.1, 2019 – 4.2978 PLN/EUR.

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**THE CAPITAL GROUP OF GRUPA KĘTY S.A.
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR Q.1, 2020, ENDED ON 31 MARCH 2020, PREPARED IN ACCORDANCE
WITH IAS 34**

(PLN '000)

I. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Interim condensed consolidated statement of profit or loss

	Note	Q.1, 2020	Q.1, 2019
Total operating revenue, including:		831,121	780,911
Revenue from contracts with customers	8	828,951	778,885
- including from sales to associates		(137)	32
Other operating revenue		2,170	2,026
Share in net profit of entities accounted for using the equity method		255	211
Change in the level of product inventories and work in progress		9,028	(8,780)
Cost of manufacturing of products for own needs		3,018	2,540
Total operating costs, including:		(735,021)	(698,262)
Depreciation		(37,191)	(33,451)
Materials and energy, and the value of trade goods and materials sold		(508,765)	(487,781)
Third-party services		(58,852)	(55,725)
Taxes and fees		(4,214)	(3,412)
Employee benefits		(119,570)	(112,251)
Revaluation of financial assets – IFRS 9		(862)	29
Other operating costs		(5,567)	(5,671)
Profit on operating activities		108,401	76,620
Financial revenue		422	446
Finance costs		(6,233)	(5,299)
Profit before tax		102,590	71,767
Income tax	11	(19,250)	(13,641)
Net profit on continued operations		83,340	58,126
Attributable to non-controlling interests		35	177
Attributable to owners of the parent		83,305	57,949
Earnings per share attributable to owners of the parent (PLN)	35		
Basic		8.70	6.07
Diluted		8.69	6.06

In the presented periods, the Group did not discontinue any operations.

Interim condensed consolidated statement of comprehensive income

	Q.1, 2020	Q.1, 2019
Net profit for the period	83,340	58,126
Other comprehensive income recognised in profit or loss	(9,178)	8,197
Cumulative translation adjustment for related parties	2,119	867
Valuation of cash flow hedging instruments	(13,705)	8,936
Result on cash flow hedging transactions	(208)	92
Income tax related to other comprehensive income recognised in profit or loss	2,616	(1,698)
Comprehensive income for the period	74,162	66,323
Comprehensive income attributable to:		
Non-controlling interests	35	177
Owners of the parent	74,127	66,146

Interim condensed consolidated balance sheet

ASSETS	Note	31.03.2020	31.12.2019
I. Non-current assets		1,672,924	1,680,333
Property, plant and equipment		1,440,842	1,438,981
Right-of-use assets		36,875	44,587
Intangible assets		43,999	37,244
Goodwill		20,026	19,867
Investment properties		3,524	3,315
Interests in associates		5,630	4,978
Long-term receivables		6,184	5,930
Advance payments for the purchase of property, plant and equipment		4,616	10,329
Deferred tax assets		111,228	115,102
II. Current assets		1,264,995	1,098,177
Inventories	16	456,574	448,810
Income tax receivables		2,446	1,929
Trade and other receivables	14	636,255	537,151
Contractual assets	15	2,574	3,899
Short-term investments		87	90
Derivative financial instruments	31	3,928	2,706
Cash and cash equivalents	9	163,131	103,592
Total assets		2,937,919	2,778,510

Interim condensed consolidated balance sheet (continued)

EQUITY/LIABILITIES	Note	31.03.2020	31.12.2019
I. Equity		1,554,202	1,478,505
Share capital		67,851	67,825
Share premium		39,221	38,018
Non-registered capital from the issue of shares		411	0
Capital from share based payments		26,579	26,392
Result on cash flow hedging transactions		(511)	(303)
Capital from the revaluation of hedging instruments		(10,184)	905
Capital from the revaluation of property, plant and equipment		2,368	2,368
Retained earnings		1,452,882	1,369,869
Cumulative translation adjustment for foreign companies		(25,782)	(27,901)
Equity attributable to owners of the parent		1,552,835	1,477,173
Equity attributable to non-controlling interests		1,367	1,332
II. Long-term liabilities		623,194	560,337
Liabilities related to loans	18	502,286	437,360
Lease liabilities	19	22,131	21,419
Other liabilities	22.1	1,337	1,310
Provisions	17	512	721
Provisions for employee benefits		17,126	16,807
Deferred income		36,346	36,731
Deferred tax liability		43,456	45,989
III. Short-term liabilities		760,523	739,668
Liabilities related to loans	18	301,432	369,583
Lease liabilities	19	2,743	4,015
Income tax payables		18,062	14,101
Trade payables and other liabilities	22.2	362,717	294,749
Contractual liabilities	22.3	12,746	13,037
Provisions and accruals	17	44,182	40,250
Derivative financial instruments	31	16,501	1,722
Deferred income		2,140	2,211
Total equity/liabilities		2,937,919	2,778,510

Interim condensed consolidated statement of changes in equity

	Share capital	Share premium	Non-registered capital from the issue of shares	Capital from share based payments	Result on cash flow hedging transactions	Capital from the revaluation of hedging instruments	Capital from the revaluation of property, plant and equipment	Retained earnings	Cumulative translation adjustment for subsidiaries	Equity attributable to owners of the parent	Equity attributable to non-controlling interests	Total equity
Present year												
Equity as at 1 January 2020	67,825	38,018	0	26,392	(303)	905	2,368	1,369,869	(27,901)	1,477,173	1,332	1,478,505
Comprehensive income for the period:	0	0	0	0	(208)	(11,089)	0	83,305	2,119	74,127	35	74,162
<i>Net profit for the period</i>	0	0	0	0	0	0	0	83,305	0	83,305	35	83,340
<i>Other comprehensive income</i>	0	0	0	0	(208)	(11,089)	0	0	2,119	(9,178)	0	(9,178)
Costs of share options	0	0	0	187	0	0	0	0	0	187	0	187
Dividends	0	0	0	0	0	0	0	(292)	0	(292)	0	(292)
Issue of shares	26	1,203	411	0	0	0	0	0	0	1,640	0	1,640
Equity as at 31 March 2020	67,851	39,221	411	26,579	(511)	(10,184)	2,368	1,452,882	(25,782)	1,552,835	1,367	1,554,202
Previous year												
Equity as at 1 January 2019	67,763	33,900	0	24,322	(531)	(7,365)	2,841	1,305,735	(30,414)	1,396,251	791	1,397,042
Comprehensive income for the period:	0	0	0	0	92	7,238	0	57,949	867	66,146	177	66,323
<i>Net profit for the period</i>	0	0	0	0	0	0	0	57,949	0	57,949	177	58,126
<i>Other comprehensive income</i>	0	0	0	0	92	7,238	0	0	867	8,197	0	8,197
Valuation of share based payments	0	0	0	427	0	0	0	0	0	427	0	427
Dividends	0	0	0	0	0	0	0	(400)	0	(400)	0	(400)
Equity as at 31 March 2019	67,763	33,900	0	24,749	(439)	(127)	2,841	1,363,284	(29,547)	1,462,424	968	1,463,392

Interim condensed consolidated statement of cash flows

	Q.1, 2020	Q.1, 2019
Cash flow from operating activities		
Profit before tax	102,590	71,767
Adjustments:	49,026	40,617
Share in net profit of entities accounted for using the equity method	(255)	(211)
Depreciation	37,191	33,451
Recognition/(reversal) of write-downs	(122)	60
Profit from net currency translation differences	6,908	418
(Profit)/loss from sales of property, plant and equipment	(78)	(164)
Interest	4,815	6,266
Proceeds/(expenses) related to hedging instruments recognised in equity	(208)	92
Costs of share based payments	187	427
Other items (net)	588	278
Cash flow from operating activities before the change of working capital and tax payment	151,616	112,384
Change in inventories	(7,764)	23,946
Change in net receivables	(98,115)	(71,061)
Change in short-term liabilities, except for loans and leases	79,882	66,201
Change in provisions	4,042	4,336
Change in deferred income	(456)	222
Cash flow from operating activities before tax	129,205	136,028
Tax paid	(11,861)	(12,877)
Net cash from operating activities	117,344	123,151
Cash flow from investing activities		
(+) Proceeds:	596	666
Sales of intangible assets, and property, plant and equipment	596	666
(-) Expenses:	(42,848)	(53,098)
Acquisition of intangible assets, and property, plant and equipment	(42,848)	(53,098)
Net cash from investing activities	(42,252)	(52,432)
Cash flow from financing activities		
(+) Proceeds:	49,802	80,408
Issue of shares	1,640	0
Proceeds from loans and credits	48,162	80,408
(-) Expenses:	(65,355)	(93,332)
Dividends to non-controlling interests	(292)	(400)
Repayment of loans and borrowings	(60,288)	(88,283)
Payment of lease liabilities	(1,166)	(1,215)
Interest on borrowings	(3,609)	(3,434)
Net cash from financing activities	(15,553)	(12,924)
Total net cash flows:	59,539	57,795
Cash and cash equivalents at the beginning of the period	103,592	100,681
Cash and cash equivalents at the end of the period	163,131	158,476

Supplementary information and explanatory notes

1. General information

These interim condensed consolidated financial statements of Grupa Kęty S.A. cover the period of 3 months of 2020 ended on 31 March 2020 and provide comparative data for the period of 3 months of 2019 ended on 31 March 2019 as well as figures as at 31 December 2019.

The above figures have not been audited by a statutory auditor.

The Grupa Kęty S.A. Capital Group ('the Group') comprises the parent company, namely Grupa Kęty S.A. ('parent company', 'the parent', 'the Company'), and its subsidiaries (see note 2).

Grupa Kęty S.A. is a company incorporated in Poland, **with its registered office in Kęty, ul. Kościuszki 111**, entered into the Register of Entrepreneurs under the number **KRS 0000121845**, using the tax identification number (**NIP**): **549-000-14-68** and statistical number (**REGON**): **070614970**. Grupa Kęty S.A. is also registered in the products and packaging database and in the waste management database under the number **BDO 000007710**.

The shares of Grupa Kęty S.A. are listed at the Warsaw Stock Exchange and identified with the **ISIN PLKETY000011** code.

The lifetime of the parent company as well as of the Capital Group companies is unlimited.

The core business of the Group includes:

- production, trade and services related to the processing of aluminium and its alloys;
- manufacturing of plastic and paper packaging materials;
- production, trade and services related to aluminium façade systems and window and door systems, special systems (fire-resistant doors and partition walls, smoke-resistant partitions), roller-shutter systems and roll-up gates for the construction industry.

In addition, the Group is involved in the provision of speciality construction services associated with the preparation and assembly of aluminium systems, trade intermediation, supplies, marketing and other activities.

As at the date of approving these statements for publication, the parent company Management Board consisted of:

1. Mr Dariusz Mańko – President of the Management Board/CEO,
2. Mr Rafał Warpechowski – Member of the Management Board/CFO
3. Mr Piotr Wysocki – Member of the Management Board/Vice CEO,
4. Mr Tomasz Greła – Member of the Management Board.

2. Group composition

The Group consists of Grupa Kęty S.A. and the following subsidiaries:

Company name	Registered office	Core business	Parent's name	Percentage of share capital as at 31.03.2020	Percentage of share capital as at 31.12.2019	Date of control take-over	Operating segment
Alupol LLC	Borodianka, Ukraine	Production of aluminium profiles	Aluform Sp. z o.o	100.00%	100.00%	12/2004	EPS
Aluform Sp. z o.o.	Tychy, Poland	Production and trade services	Grupa Kęty S.A.	100.00%	100.00%	06/2009	EPS
Grupa Kety Italia SRL	Milan, Italy	Commercial intermediation	Grupa Kęty S.A.	100.00%	100.00%	05/2014	EPS
Aluminium Kety EMMI d.o.o.	Slovenska Bistrica, Slovenia	Processing of aluminium profiles	Aluform Sp. z o.o	100.00%	100.00%	06/2016	EPS
Aluminium Kety Deutschland GmbH	Dortmund, Germany	Trade and marketing services	Aluform Sp. z o.o	100.00%	100.00%	06/2016	EPS
Aluminium Kety CSE s.r.l.	Ostrava, Czech Republic	Trade and marketing services	Aluform Sp. z o.o	100.00%	100.00%	07/2017	EPS
Aluprof S.A.	Bielsko-Biała, Poland	Sales of aluminium façade systems and roller shutters for the construction industry	Grupa Kęty S.A.	100.00%	100.00%	06/1998	ASS

Aluprof Hungary Kft.	Dunakeszi, Hungary	Sales of aluminium systems	Aluprof S.A.	100.00%	100.00%	07/2000	ASS
Aluprof Deutschland GmbH	Schwanewede, Germany	Sales of aluminium systems	Aluprof S.A.	100.00%	100.00%	02/2005	ASS
Aluprof System Romania SRL	Bucharest, Romania	Sales of aluminium systems	Aluprof S.A.	100.00%	100.00%	05/2005	ASS
Aluprof System Czech s.r.o.	Ostrava, Czech Republic	Sales of aluminium systems	Aluprof S.A.	100.00%	100.00%	05/2005	ASS
Aluprof UK Ltd.	Altrincham, UK	Sales of aluminium systems	Aluprof S.A.	100.00%	100.00%	05/2006	ASS
ROMB S.A.	Złotów, Poland	Production and provision of services	Aluprof S.A.	100.00%	100.00%	04/2007	ASS
Aluprof System Ukraina Sp. z o.o.	Kiev, Ukraine	Sales of aluminium systems	Aluprof S.A.	100.00%	100.00%	11/2009	ASS
Aluprof Serwis Sp. z o.o.	Bielsko-Biała, Poland	Scientific research and development works	Aluprof S.A.	100.00%	100.00%	01/2012	ASS
Marius Hansen Facader A/S	Viborg, Denmark	Sales of aluminium systems	Aluprof S.A.	100.00%	100.00%	6/2014	ASS
Aluprof System USA Inc	Wilmington, USA	Distribution of aluminium systems for the construction industry	Aluprof S.A.	100.00%	100.00%	7/2014	ASS
Aluprof Belgium N.V.	Dendermonde, Belgium	Sales of aluminium systems	Aluprof S.A.	100.00%	100.00%	6/2015	ASS
Aluprof Netherlands B.V.	Rotterdam, Netherlands	Sales of aluminium systems	Aluprof S.A.	55.00%	55.00%	4/2017	ASS
Alupol Packaging S.A.	Tychy, Poland	Production and trade in plastic packaging	Grupa Kęty S.A.	100.00%	100.00%	04/1998	FPS
Alupol Packaging Kęty Sp. z o.o.	Kęty, Poland	Production and trade in plastic packaging	Alupol Packaging S.A.	100.00%	100.00%	05/2009	FPS
Alupol Films Sp. z o.o.	Oświęcim, Poland	Production and trade in plastic packaging	Alupol Packaging Kęty Sp z o. o.	100.00%	100.00%	12/2014	FPS
Dekret Centrum Rachunkowe Sp. z o.o.	Kęty, Poland	Accounting and bookkeeping services	Grupa Kęty S.A.	100.00%	100.00%	09/1999	Other

The percentage of share capital is equal to the total number of votes.

3. Basis for the interim condensed consolidated financial statements preparation

These interim condensed consolidated financial statements have been prepared in accordance with the International Accounting Standard No. 34 *Interim Financial Reporting*, adopted by the EU ('IAS 34').

These interim condensed consolidated financial statements have been prepared in Polish zlotys ('PLN') and all values, unless otherwise specified, are presented in thousands of PLN.

These interim condensed consolidated financial statements have been prepared based on the assumption that the Group companies will continue as a going concern in the foreseeable future.

In the opinion of the Group, as at the date of preparing these financial statements the coronavirus pandemic has not had a significant negative effect on the operations of the Group. An ongoing assessment related to the effect of the coronavirus pandemic is carried out based on the analysis of many factors which may change in the future. In reference to the analysis, as at the date of preparing these statements, the Management Board considers that there is no threat to the continuation of the Group operations in the foreseeable future, covering the period of at least 12 months of the balance-sheet date.

These interim condensed consolidated financial statements were approved for publication on 22 April 2020.

The interim condensed consolidated financial statements do not cover all information and disclosures required to be made in the annual consolidated financial statements, and must be read together with the consolidated financial statements of the Group for the year ended 31 December 2019, which was approved for publication by the Management Board on 26 March 2020.

The Management Board of Grupa Kęty S.A. declares that according to their best knowledge these interim condensed consolidated financial statements and comparable data have been prepared in accordance with the Group accounting policies in force and they present a true and fair view of the assets, the financial standing and the financial result of the Group.

The new or changed standards and interpretations which have been applied for the first time in 2020 have no significant impact on the interim condensed consolidated financial statements of the Group.

4. Significant accounting principles (policy)

The accounting principles (policy) applied in preparing these interim condensed consolidated financial statements are consistent with the ones applied in preparing the annual consolidated financial statements of the Group for the year ended 31 December 2019.

The Group decided not to apply earlier any standard, interpretation or amendment that have been issued but are not yet effective in the light of the European Union regulations.

5. Estimation areas

The main accounting estimates made are presented in the respective explanatory notes to the interim condensed consolidated financial statements:

- estimates concerning the recognition and measurement of lease contracts are presented in note 20;
- estimates concerning the write-downs of inventories are presented in note 16;
- estimates concerning the write-downs of receivables are presented in note 14;
- estimates concerning the write-downs of goodwill are presented in note 13;
- estimates concerning provisions and accruals are presented in note 17;
- estimates concerning deferred tax assets are presented in note 11;
- estimates concerning the valuation of net assets of associates are presented in note 26;
- estimates concerning energy-related assets are presented in note 34;
- estimates concerning investment properties are presented in note 34;
- estimates concerning financial instruments are presented in note 31;
- estimates concerning the fair value of the share options plan for the management staff are presented in note 33;
- estimates concerning the valuation of long-term construction contracts are presented in note 8.
The Group applies the percentage-of-completion method for the settlement of long-term contracts. The method requires the Group to estimate the proportion of the works already completed to the total budgeted costs. If the percentage of completion were higher by 5% than the percentage estimated by the Group, the revenue for the reporting period would increase by PLN 2,002,000 (3 months of 2019: PLN 3,341,000). If the actual costs of construction contracts in progress as at the balance-sheet date were higher at the time of their completion than the budgeted costs by 1%, the gross result would decrease by PLN 1,211,000 (3 months of 2019: PLN 849,000);
- estimates concerning the impairment of property, plant and equipment are presented in note 12.2;
- estimates concerning depreciation rates are presented in the consolidated financial statements for the year 2019.

A detailed description of the assumptions made in the particular areas of estimates is provided in the consolidated financial statements for the year 2019.

In the reporting period, there were no other changes in estimates, except for the ones described above.

6. Seasonal nature of operations

The Capital Group operates in three business segments, offering a broad portfolio of products sold to many sectors of economy. Nearly half of the sales is directed to foreign markets. The development and diversification of the products offered by the segments in the recent time has reduced the impact of seasonality on the operations of the Group.

It is practically imperceptible at the FPS, whereas at the EPS and the ASS higher demand for products is typically observed in the second and third quarters compared to the first and fourth quarters, which is related to weather conditions and production cycles in the construction business – a target sector of a major part of the

Group products. Nevertheless, the impact of differences between the first and second quarters of a year has not been significant in the recent periods.

7. Information on operating segments

The Management Board determined business segments on the basis of reports they read, which are used when making decisions. The Group management reporting is based on operating segments. The organisation and management of the Group are based on segment division in reference to the type of products and services offered. Each of the segments constitutes a business unit or a set of business units offering different products and handling different markets.

The Group settles transactions between individual segments as if they referred to non-related entities, namely with the application of the present market prices.

Operating segments of the Group are identical with the reporting segments presented in these consolidated financial statements.

The Capital Group operations comprise four basic operating areas and are divided into:

- the Extruded Products Segment ('EPS') – production and sale of aluminium profiles;
- the Aluminium Systems Segment ('ASS') – production and sales of systems for the construction industry and the provision of construction services related to their assembly;
- the Flexible Packaging Segment ('FPS') – production and sales of packaging and polypropylene films;
- 'Other' – containing figures of the so-called Centres, i.e. the units of Grupa Kęty S.A. responsible for the centrally managed areas (IT, finance, PR, IR, risk management, capital investments, HR) and figures of Dekret Centrum Rachunkowe Sp. z o.o. which provides accounting and HR services for the Capital Group companies.

Note 2 presents the assignment of the particular subsidiaries to business segments.

7.1. Financial results of the segments

The segments' operations are assessed mainly on the basis of revenue, operating profit (EBIT), operating profit plus depreciation and amortisation (EBITDA), and capital expenditure.

The tables below present revenue and profits as well as assets and liabilities of the particular operating segments of the Group.

Q.1, 2020

Operating segments	FPS	EPS	ASS	Other	Eliminations	Total
Statement of profit or loss						
Sales	245,027	318,422	335,094	4,384	(73,976)	828,951
- outside the Group	245,015	249,449	334,550	71	3	829,088
- to related parties	12	68,973	544	4,313	(73,979)	(137)
Write-downs of inventories	(615)	(49)	(93)	0		(757)
Write-downs of receivables	9	(270)	(601)	0	0	(862)
Write-downs of property, plant and equipment, and intangible assets	0	122	0	0	0	122
Operating profit (EBIT)	40,925	20,664	50,405	(4,301)	708	108,401
Depreciation	9,139	16,596	10,722	719	15	37,191
EBITDA	50,064	37,260	61,127	(3,582)	723	145,592
Interest income	277	49	95	2	0	423
Interest costs	(1,428)	(1,926)	(1,445)	(80)	0	(4,879)
Profit before tax	37,681	19,459	51,526	(6,648)	572	102,590
Income tax	(7,066)	(3,926)	(9,299)	1,181	(140)	(19,250)
Net profit	30,615	15,533	42,227	(5,467)	432	83,340
Balance sheet						
Total assets	1,061,356	1,071,896	899,528	347,901	(442,762)	2,937,919
Liabilities	404,666	545,209	439,242	102,970	(108,370)	1,383,717
Other data						
Capital expenditure on property, plant and equipment	11,696	15,010	9,008	91	0	35,805

Q.1, 2019

Operating segments	FPS	EPS	ASS	Other	Eliminations	Total
Statement of profit or loss						
Sales	200,397	326,461	328,771	3,955	(80,699)	778,885
- outside the Group	200,380	250,338	328,066	69	0	778,853
- to related parties	17	76,123	705	3,886	(80,699)	32
Write-downs of inventories	0	(67)	0	0	0	(67)
Write-downs of receivables	0	1	28	0	0	29
Write-downs of property, plant and equipment, and intangible assets	0	43	0	0	0	43
Operating profit (EBIT)	28,991	13,389	36,600	(3,956)	1,596	76,620
Depreciation	7,092	16,272	9,174	904	9	33,451
EBITDA	36,083	29,661	45,774	(3,052)	1,605	110,071
Interest income	0	233	0	32	0	265
Interest costs	(1,339)	(1,733)	(1,487)	(136)	0	(4,695)
Profit before tax	27,255	11,053	35,481	(3,616)	1,594	71,767
Income tax	(3,922)	(3,336)	(7,134)	1,057	(306)	(13,641)
Net profit	23,333	7,717	28,347	(2,559)	1,288	58,126
Balance sheet						
Total assets	988,344	1,113,818	934,099	319,082	(445,073)	2,910,270
Liabilities	414,324	581,560	497,440	66,971	(113,417)	1,446,878
Other data						
Capital expenditure on property, plant and equipment	8,120	15,465	8,723	599	(1)	32,906

The 'Eliminations' item contains inter-segment transactions and consolidation adjustments.

In the statement of profit or loss it is mainly related to the sale of aluminium profiles by the EPS to the ASS. As regards assets and liabilities, eliminations comprise mainly investments in financial assets (shares and interests) and inter-segment settlements.

All of the transactions are concluded on arm's length basis.

8. Item structure of revenue from contracts with customers

	Q.1, 2020	Q.1, 2019
Products, including:	716,065	645,156
- the EPS	311,700	319,422
- the FPS	236,800	189,104
- the ASS	234,828	211,079
Consolidation adjustments**	(67,263)	(74,449)
including to related parties*	(125)	28
Services, including:	5,683	5,347
- the EPS	4,020	3,691
- the FPS	1,592	2,249
- the ASS	2,045	1,273
- services of the central units	4,384	3,955
Consolidation adjustments***	(6,358)	(5,821)
including to related parties*	(12)	3
Construction services of the ASS	1,859	27,964
Trade goods, including:	8,803	10,733
- the EPS	643	674
- the FPS	5,965	8,270
- the ASS	2,195	1,789
Materials, including:	96,541	89,685
- the EPS	2,061	2,674
- the FPS	670	775
- the ASS	94,167	86,664
Consolidation adjustments****	(357)	(428)
including to related parties*	0	1

Total sales revenue	828,951	778,885
including from related parties	(137)	32

*Refers to an associate, information in note 26.

**Refers mainly to aluminium profiles sale by the EPS to the ASS.

***Refers mainly to the cooperation between the ASS and the EPS, and services of the central units provided to the segments.

****Refers mainly to aluminium scrap sales by the ASS to the EPS.

9. Cash and cash equivalents

Cash at bank bears interest at variable rates, the value of which depends on the interest rate on overnight bank deposits. Short-term term deposits are made for periods of various lengths, from one day to one month depending on the Group current demand for cash and bear interest at the applicable interest rates.

The fair value of cash and cash equivalents is presented in the table below.

	31.03.2020	31.12.2019
Bank deposits (current accounts) and short-term deposits	163,094	103,552
Cash in hand	37	38
Other cash	0	2
Total	163,131	103,592

As at 31 December 2020, the Group had PLN 17,385,000 of restricted availability cash in its VAT accounts (31 December 2019: PLN 7,434,000). The cash may be used only for the purpose of output VAT, CIT, PIT and ZUS [social security] payments to authorities or as VAT payments to the Company suppliers.

As at 31 March 2020, the Group had undrawn credit funds granted amounting to PLN 390,139,000 with regard to which all conditions precedent had been complied with (31 December 2019: PLN 358,968,000).

10. Dividends paid and proposed for payment

As at the date of approval of these financial statements for publication the formal decision regarding the recommendation on dividend payment for 2019 had not been taken. In Q.1, 2020 and Q.1, 2019 the parent company did not pay out dividends. Dividend was paid by subsidiary Aluprof Netherlands B.V., which means that the minority shareholders of that company received PLN 292,000 dividend (Q.1, 2019: PLN 400,000).

11. Income tax

The main components of the tax payables are as follows:

Income tax structure	Q.1, 2020	Q.1, 2019
Current tax	(15,437)	(12,483)
Deferred tax	(3,813)	(1,158)
Income tax recognised in the statement of profit or loss	(19,250)	(13,641)

12. Property, plant and equipment

12.1. Purchase and sale

	Q.1, 2020	Q.1, 2019
Acquisition of property, plant and equipment	34,926	33,569
Net value of property, plant and equipment sold	433	502
Profit (loss) on sale of property, plant and equipment	78	164

12.2. Impairment losses

Owing to the occurrence of macroeconomic impairment indicators referred to in IAS 36, the Group carried out impairment tests for the property, plant and equipment held. The tests did not reflect any impairment of the assets as at the balance-sheet date. The tests assumed negative indicators, which were realistic as at the date of these financial statements in the opinion of the Group, namely that in 2020 there would occur a temporary

decrease of profit on operating activities generated from the second to the fourth quarters compared to the budget assumptions for that period.

In Q.1, 2020, the Group reversed write-downs of property, plant and equipment amounting to PLN 122,000 due to the assets sale (in Q.1, 2019 there were PLN 60,000 write-downs reversed).

13. Write-downs of goodwill

The impairment tests for goodwill did not reflect any impairment. The assumptions for the tests carried out are described in note 12.2.

14. Short-term receivables

	31.03.2020	31.12.2019
Net receivables:	636,255	537,151
Trade receivables	608,199	507,119
- including from related parties*	92	209
Deposits on account of transactions hedging the aluminium price	26	919
Receivables from employees	261	183
Other	3,583	5,666
Total net financial receivables (under IFRS 7)	612,069	513,887
Public law receivables (except for income tax)	9,501	15,380
Prepayments (trade-related) for suppliers	10,065	3,534
Prepaid expenses	4,620	4,350
Total net non-financial receivables	24,186	23,264

*Refers to an associate.

In Q.1, 2020 the Group recognised write-downs of receivables amounting to PLN 862,000 (in Q.1, 2019 there were reversed write-downs amounting to PLN 29,000). The write-downs were recognised in a separate item of the statement of profit or loss entitled 'Write-downs of financial assets – IFRS 9'.

Trade receivables do not bear interest and usually have 30 to 90 days maturity.

The Group has implemented a policy related to sales only to verified customers and applies receivables insurance with specialised companies. Consequently, according to the management's opinion, there is no additional credit risk exceeding the level established by the write-down of the Group receivables. The fair value of receivables is close to their book value.

15. Contractual assets

	31.03.2020	31.12.2019
Contractual assets recognised in the balance sheet	2,574	3,899

In accordance with the Group estimates, the above contractual assets will be realised within up to 12 months. According to the Group estimates, there are no probable loss indications and, therefore, no impairment of contractual assets has been recognised.

16. Inventories

	31.03.2020	31.12.2019
Materials	192,271	196,171
Work in progress	107,427	91,546
Finished products	147,264	154,082
Trade goods	9,612	7,011

Total	456,574	448,810
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In Q.1, 2020 the Group recognised write-downs of inventories amounting to PLN 757,000 (in Q.1, 2019 there were recognised write-downs amounting to PLN 67,000). The recognitions and reversals of write-downs of inventories are reflected by the Group in the items 'Other operating costs' and 'Other operating revenue', respectively.

17. Provisions and accruals

	01.01.2020	Increases	Utilisation	Currency translation differences	31.03.2020
Long-term provisions:	17,528	342	(535)	303	17,638
provision for jubilee bonuses and retirement benefits	16,807	120	(100)	299	17,126
provision for warranty repairs	721	222	(435)	4	512
Short-term provisions	1,822	0	(12)	2	1,812
provision for jubilee bonuses and retirement benefits	589	0	(2)	2	589
provision for warranty repairs	1,233	0	(10)	0	1,223
Short-term accruals:	38,428	16,977	(13,540)	505	42,370
unused holiday	7,050	7,358	(4,925)	85	9,568
annual bonuses	17,352	5,280	(4,922)	133	17,843
indemnities	3,704	0	0	0	3,704
costs of services in progress	8,758	3,689	(2,272)	214	10,389
financial statements audits	251	17	(214)	4	58
Other	1,313	633	(1,207)	28	767

	01.01.2019	Increases	Utilisation	Reversal/Shift	Currency translation difference	31.03.2019
Long-term provisions:	13,174	168	(108)	(13)	1	13,222
provision for jubilee bonuses and retirement benefits	12,675	168	(108)	(13)	1	12,723
provision for warranty repairs	499	0	0	0	0	499
Short-term provisions	1,934	0	0	8	2	1,944
provision for jubilee bonuses and retirement benefits	686	0	0	8	2	696
provision for warranty repairs	1,248	0	0	0	0	1,248
Short-term accruals:	32,949	15,057	(10,435)	0	(344)	37,227
unused holiday	7,449	6,090	(3,400)	0	1	10,140
annual bonuses	16,497	4,612	(5,345)	0	47	15,811
indemnities	3,704	0	0	0	0	3,704
costs of services in progress	3,807	3,800	(799)	0	(1)	6,807
financial statements audits	250	55	(137)	0	29	197
Other	1,242	500	(754)	0	(420)	568

18. Bank loans**Long-term loans**

Borrower	Lender	Loan currency	31.12.2019	Increases/ (decreases)	31.03.2020
Grupa Kęty S.A.	PKO BP S.A.	PLN	135,025	(12,481)	122,544
Grupa Kęty S.A.	Bank BGŻ BNP Paribas SA	PLN/EUR	78,500	45,272	123,772
Alupol Packaging Kęty sp. z o.o.	Bank BGŻ BNP Paribas SA	PLN	34,711	3,819	38,530
Alupol Packaging Kęty sp. z o.o.	Bank BGŻ BNP Paribas SA	EUR	4,344	(4,344)	0
Alupol Packaging Kęty sp. z o.o.	Bank BGŻ BNP Paribas SA	PLN	32,218	(5,788)	26,430
Alupol Packaging Kęty sp. z o.o.	mBank S.A.	EUR	355	2	357
Alupol Packaging Kęty sp. z o.o.	Bank BGŻ BNP Paribas SA	EUR	634	(634)	0
Romb	Bank BGŻ BNP Paribas SA	PLN	14,332	(133)	14,199
Aluprof S.A.	ING Bank Polska S.A.	PLN	15,529	40,932	56,461
Aluprof S.A.	Bank Pekao S.A.	PLN	28,333	0	28,333
Aluprof S.A.	Bank BGŻ BNP Paribas SA	PLN	99	(99)	0
Alupol Films sp. z o.o.	Bank BGŻ BNP Paribas SA	PLN	1,999	(200)	1,799
Alupol Films sp. z o.o.	mBank S.A.	PLN	35,000	0	35,000
Alupol Films sp. z o.o.	Bank BGŻ BNP Paribas SA	PLN	579	(579)	0
Alupol Films sp. z o.o.	Bank BGŻ BNP Paribas SA	EUR	9,993	(3,995)	5,998
Alupol Films sp. z o.o.	mBank S.A.	EUR	45,709	3,154	48,863
Total			437,360	64,926	502,286

Short-term loans

Borrower	Lender	Loan currency	31.12.2019	Increases/ (decreases)	31.03.2020
Grupa Kęty S.A.	Bank PKO BP S.A.*	PLN	46,490	7,861	54,351
Grupa Kęty S.A.	Bank PKO BP S.A.	PLN/EUR	0	3,688	3,688
Grupa Kęty S.A.	Bank BGŻ BNP Paribas SA	PLN/EUR	161	(161)	0
Grupa Kęty S.A.	ING Bank Polska S.A.	PLN	1,651	(1,651)	0
Grupa Kęty S.A.	Bank Pekao S.A.	PLN	63,424	(6,261)	57,163
Grupa Kęty S.A.	Bank Societe Generale S.A.	EUR	11,543	(463)	11,080
Alupol Packaging Kęty sp. z o.o.	Bank PKO BP S.A.	PLN	3,231	11,256	14,487
Alupol Packaging Kęty Sp. z o.o.	Bank Pekao S.A.	PLN/USD	20,649	2,335	22,984
Alupol Packaging Kęty Sp. z o.o.	Bank BGŻ BNP Paribas SA	PLN	23,163	1,089	24,252
Aluprof S.A.	Bank Pekao S.A.	PLN	79,890	(37,269)	42,621
Aluprof S.A.	Societe Generale S.A.	PLN	12,002	(12,002)	0
Aluprof S.A.	ING Bank Polska	PLN	48,942	(41,732)	7,210
ROMB S.A.	Bank PKO BP S.A.	PLN	8,421	(59)	8,362
Alupol Films sp. z o.o.	Bank Pekao S.A.	EUR	26,645	3,500	30,145
Alupol Films sp. z o.o.	Bank BGŻ BNP Paribas SA	PLN	30	(30)	0
Alupol Films sp. z o.o.	mBank S.A.	EUR	4,995	465	5,460
Aluform sp. z o.o.	Bank Pekao S.A.	EUR	29	(29)	0
Aluminium Kety Emmi d.o.o.	Bank Pekao S.A.	EUR	18,316	1,313	19,629
Total			369,583	(68,150)	301,432

*Short-term part of long-term loans.

In Q.1, 2020 and as at 31 December 2019, the Group complied with all credit/loan covenants.

The Group loans bear interest at variable rates determined on arm's length basis in reference to WIBOR/EURIBOR/LIBOR plus the bank margin.

Standard agreements on the above short-term working capital loans are concluded for a period of one year with maturity dates falling in the second half of the next subsequent year.

19. Lease liabilities

Maturity date:	31.03.2020	31.12.2019
Short-term	2 743	4 015
From 1 to 3 years	9 201	8 958
More than 3 years	12 930	12 461
Total	24 874	25 434

20. Leases

Costs of lease contracts recognised in the statement of profit or loss for 12 months:

Costs on account of	Q.1, 2020	Q.1, 2019
Lease interest	(205)	(242)
Depreciation	(881)	(979)
Low-value lease	(112)	(115)
Short-term lease	(141)	(153)
Total	(1,339)	(1,489)

Value of future lease payments

	31.03.2020	31.12.2019
Value of future lease payments	57,972	56,426
Discount	(33,098)	(30,992)
Present value of lease liabilities	24,874	25,434
Including short-term lease	2,743	4,015

Weighted average incremental borrowing rate which the Group as the lessee applied to lease liabilities as at 31 March 2020 amounted to 4.03% (31 December 2019 – 4.02%).

20.1. Group as a lessor

	31.03.2020	31.12.2019
Gross lease investment	2,144	2 223
Up to 1 year	975	974
Between 1 and 5 years	1,169	1 249
Present value of minimum lease payments	2 006	2,094
Up to 1 year	899	919
Between 1 and 5 years	1,107	1 175
Unearned finance income (discount)	138	129
Unguaranteed residual value vested in the lessor	787	706

21. Equity securities – employee share plans

The Capital Group plan of vesting shares to its selected employees as well as the principles of the plan valuation are described in detail in the consolidated financial statements for 2019.

The shares taken up under the employee share plan are presented in note 32.

The Group recognises the plan costs proportionally to the vesting period of the rights to options.

22. Trade payables and other liabilities

22.1. Long-term liabilities

As a performance bond for construction services for a part of construction contracts, the Company receives security deposits. In the event of any defects that the supplier fails to eliminate pursuant to such a bond, the Group may retain the security deposit and use it to repair such defects.

	31.03.2020	31.12.2019
Building security deposits	1,337	1,310

22.2. Short-term trade payables and other liabilities

	31.03.2020	31.12.2019
Short-term liabilities:	362,717	294,749
Trade liabilities	286,571	215,414
On account of property, plant and equipment purchase	11,171	28,090
Payroll payables	20,464	18,172
Total financial liabilities (under IFRS 7)	318,206	261,676
Public law payables (except for income tax payables)	35,347	28,926
Other	9,164	4,147
Total non-financial liabilities	44,511	33,073

Principles and conditions of payment of the aforementioned financial liabilities:

Trade payables do not bear interest and are usually settled within 30–60 days. Other liabilities do not bear interest and their average payment period is one month. The said liabilities are not secured with the Company assets.

22.3. Contractual liabilities

	31.03.2020	31.12.2019
Contractual liabilities related to construction contracts	0	83
Contractual liabilities related to other contracts (advance payments for deliveries)	12,746	12,954
Total	12,746	13,037

The contracts with the customers provide that the above amounts should be realised within up to 12 months.

23. Explanation of the reasons for material changes in the items of revenue and costs

In Q.1, 2020, compared to the corresponding period of the preceding year, material changes in the particular items of revenue and costs included:

- increase in sales revenue by PLN 50,066,000, which resulted from higher sales volume as well as changes in the prices of the basic raw materials and exchange rates;
- increase in depreciation costs by PLN 3,740,000, which resulted from the Group investments;
- increase in the costs of materials and energy consumption by PLN 20,984,000, which resulted from higher sales volume and the related increase in output as well as changes in the prices of the basic raw materials and exchange rates, and a growth in the inventories of finished products and work in progress. The quotations of the average aluminium price in Q.1, 2020 were by ca. 9% lower y/y, with simultaneous weakening of PLN to USD by roughly 4%;
- increase in the costs of external services by PLN 3,127,000, which resulted mainly from higher production and sales, and the observed growth of unit prices of services;
- increase in the costs of employee benefits by PLN 7,319,000, which resulted mainly from the extended scale of the Group operations, and contributed to headcount increase and growth in payroll;
- change in the balance of finished products and work in progress inventories of PLN 9,028,000 in Q.1, 2020 compared to PLN (8,780,000) in Q.1, 2019, which resulted from higher value of finished products and work in progress in the first quarter of 2020, whereas in the first quarter of 2019 the balances had been lower;

- higher finance costs by PLN 934,000, which resulted from higher costs of interest by PLN 198,000. The remaining amount of change was related to higher foreign exchange losses, whereas in Q.1, 2019 there were foreign exchange gains.

24. Discontinued operations

In Q.1, 2020 and Q.1, 2019, the Group did not discontinue any significant operations.

25. Business combinations and acquisitions of non-controlling interests

In Q.1, 2020 and Q.1, 2019 there were no such transactions.

26. Investments in associates

In the reporting period, the Group did not acquire any new associates.

As at 31 March 2020, the Group held 45.5% of shares in Aluprof USA LLC with its registered office in New York.

Company name	Place of business	Core business	Majority Investor	Percentage of share capital as at		Profit (loss) allocated to the major investor as at		Accumulated value of shares as at		Segment
				31.03.2020	31.12.2019	31.03.2020	31.12.2019	31.03.2020	31.12.2019	
Aluprof USA LLC	USA	Distribution of aluminium systems	Aluprof System USA	45,5%	45,5%	255	152	5 630	4 978	ASS

27. Objectives and principles of financial risk management

The objectives and principles of financial risk management have not changed compared to those published in the consolidated financial statements for the year 2019.

Below presented is the detailed information concerning fair values of financial instruments that can be estimated.

- Cash and cash equivalents, short-term bank deposits and short-term bank loans. The fair value of the said instruments is close to their carrying amounts due to their short-term maturity.
- Trade receivables, other receivables, trade payables and other liabilities. The fair value of the said instruments is close to their carrying amounts due to their short-term nature.
- Long-term bank loans and lease. The fair value of the instruments is close to their carrying amounts due to the fluctuating nature of their interest rates as well as the market level of the margin.
- Financial derivatives are recognised at fair value determined as at the balance-sheet date.

28. Capital management

The main aim of the Group capital management process is to retain good credit rating and safe equity ratios which support the Group operating activities and increase shareholder value.

The Group manages the capital structure and amends it as a result of changes in economic conditions. To retain or adjust the capital structure, the Group may change the value of dividend payable to the shareholders, return capital to shareholders or issue new shares. In the reporting periods, no changes were introduced to the objectives, principles and processes in that area.

The basic objective of capital management is to maximise the return on equity (ROE) while maintaining a secure and flexible structure of finance. When preparing the specific guidelines, the division into business segments is taken into account as well as the necessity of maintaining current operating liquidity by the companies within the segments, and development objectives financing in accordance with the assumed plans.

In the reporting periods presented, no changes were introduced to the objectives, principles and processes in that area.

The Group monitors the return on equity using the ROE ratio, which is calculated as net profit to equity.

The finance structure is monitored by the net financial leverage ratio, which is calculated as net debt to total equity, as well as the net debt to EBITDA ratio, whereas EBITDA is understood as operating profit plus depreciation and amortisation. The Group net debt includes interest-bearing loans and borrowings, less cash and cash equivalents.

The policy of the Company accepts the leverage ratio at the maximum level of 50%, and net debt to EBITDA ratio at the maximum level of 2.5.

	31.03.2020	31.12.2019
EBITDA (operating profit plus depreciation and amortisation) in the last 12 months	558,652	523,131
Net profit (in the last 12 months)	320,826	295,435
Interest-bearing borrowings and lease liabilities	828,592	832,377
Cash and cash equivalents	(163,131)	(103,592)
Net debt	665,461	728,785
Equity	1,554,202	1,478,505
Net financial leverage	30%	33%
Net debt to EBITDA	1,19	1,39
ROE	21%	20%

29. Contingent liabilities

	31.03.2020	31.12.2019
Bank performance bonds for construction contracts	15,172	14,383
Insurance performance bonds for construction contracts	1,914	2,175
Subsidies (in the period of conditions fulfilment)	5,401	5,401
Total	22,487	21,959

Construction-related guarantees refer to the proper performance of construction service contracts, and their validity dates depend on the terms and conditions of the particular contracts.

30. Future investment liabilities

Contractual liabilities related to the purchase of property, plant and equipment, by operating segments	31.03.2020	31.12.2019
Extruded Products Segment	9,533	10,748
Flexible Packaging Segment	16,105	9,325
Aluminium Systems Segment	3,911	2,356
Total	29,549	22,429

31. Derivative financial instruments

Financial assets	31.03.2020	31.12.2019
Currency forward contracts hedging cash flows	3,093	56
Futures contracts hedging cash flows related to the purchase of aluminium	835	2,650
Total	3,928	2,706

Financial liabilities	31.03.2020	31.12.2019
Currency forward contracts hedging cash flows	408	1,374
Futures contracts hedging cash flows related to the purchase of aluminium	16,093	348
Total	16,501	1,722

Compared to the principles described in the consolidated financial statements for 2019, the Group has not introduced any changes in the method of classification and valuation of financial instruments.

The fair value of futures and forwards is calculated on the basis of the present net value of the future cash flows related to such contracts and quoted market prices of forward contracts determined with the use of the present interest rates. Forward/futures contracts and derivative instruments which cannot be classified as hedging instruments are recognised as instruments held for trading.

The fair value of currency forward contracts is determined by reference to the present forward rates of contracts with similar maturity.

The valuation is based on market valuations of identical transactions at commercial banks.

32. Shareholding structure and transactions with management staff

32.1. Shareholding structure

Entity	Number of shares 31.03.2020	Percentage of capital	Number of shares 31.12.2019	Percentage of capital
Nationale Nederlanden OFE	1,847,000	19.28%	1,829,832	19.12%
OFE AVIVA Santander	1,723,000	17.98%	1,735,302	18.13%
OFE PZU ZŁOTA JESIEŃ	952,419	9.94%	943,654	9.86%
AEGON PTE	693,079	7.23%	694,474	7.26%
MetLife OFE	500,000	5.22%	534,584	5.58%
PTE Allianz Polska	494,262	5.16%	489,576	5.12%
Other	3,372,037	35.19%	3,342,525	34.93%
Total	9,581,797	100.00%	9,569,947	100.00%

32.2. Transactions with members of the Management Board

In the reporting period, the Group did not enter into any transactions with members of the Management Board apart from those described in note 32.3.

32.3. Costs of remuneration of the Group senior management

The Group key management staff include: members of the Supervisory Board of the parent company and members of the Management Board of the parent company.

Management Board:	Q.1, 2020	Q.1, 2019
Remuneration at the parent company	603	653
Provisions for annual bonuses and other benefits at the parent company	1,329	1,367
Costs of treasury share options at the parent company	75	160
Total costs of the Management Board remuneration at the parent company	2,007	2,180

Remuneration at other Group companies	109	217
Provisions for annual bonuses and other benefits at other Group companies	165	116
Costs of share options for work at other Group companies	22	92
Total costs of remuneration at other Group companies	296	425
Total consideration for the Management Board members	2,303	2,605

There are no agreements between the parent company and the managing persons which would provide for any compensation in the case of their resignation or dismissal from their positions for no important reason or where their dismissal would be related to the Issuer's merger by acquisition, except for the conditions included in the term of notice or non-competition agreements.

Remuneration of the members of the Company Supervisory Board:

	<i>Q.1, 2020</i>	<i>Q.1, 2019</i>
Supervisory Board	227	214
Total	227	214

32.4. Participation of senior management in the employee share plan

In the reporting period, the Management Board took up 10,500 shares of the Company under the third part of the 2012 plan.

Under the plan, as at the balance-sheet date, the Management Board hold options entitling them to take up 14,700 shares from the first part of the 2015 plan, and 9,450 shares from the second part of the 2015 plan.

In addition, the members of the Management Board hold the rights to the following number of share options. The final number of share options that the Management Board will be able to exercise will depend on the satisfaction of the plan conditions.

Number of share options in the vesting period granted to members of the Management Board	Number of granted options	End date of the vesting period	Estimated number of options meeting the vesting conditions
Share options from the third part of the 2015 plan	21 000	30.09.2020	7 371

33. Shares issue and capital increase

Below presented is the method of settling proceeds from the issue of employee shares under the management options plan.

Shares	Number of shares	Year of acquisition	Value (PLN '000)	Amounts accounted for as share capital	Amounts accounted for as share premium
E series shares – 2006 plan	13,375	2013	1,669	33	1,636
F series shares – 2009 plan	85,200	2013	6,547	213	6,334
F series shares – 2009 plan	9,000	2014	1,059	23	1,036
E series shares – 2006 plan	4,350	2014	543	11	532
F series shares – 2009 plan	43,200	2014	5,082	108	4,974
F series shares – 2009 plan	12,750	2014	1,601	32	1,569
F series shares – 2009 plan	48,450	2015	6,083	121	5,962
G series shares – 2012 plan	11,705	2016	1,371	29	1,342
G series shares – 2012 plan	24,683	2016	2,890	62	2,828
G series shares – 2012 plan	11,604	2017	1,35	29	1,330
G series shares – 2012 plan	31,720	2017	3,714	78	3,636
G series shares – 2012 plan	23,747	2018	2,780	59	2,721

G series shares – 2012 plan	17,500	2019	2,049	44	2,005
H series shares – 2015 plan	7,000	2019	2,130	17	2,113
G series shares – 2012 plan	10,500	2020	1,229	26	1,203
H series shares – 2015 plan	1,350	2020	411	0	0
TOTAL	356,134		40,517	885	39,221

34. Methods of measurement at fair value (fair value hierarchy)

The detailed principles of fair value measurement are described in the consolidated financial statement for 2019.

As compared to the previous financial year, the Group did not change the method of fair value measurement.

Derivatives are recognised as assets when their measurement is positive, and as liabilities when their measurement is negative. Gains and losses due to changes in the fair value of derivatives which do not meet the principles of hedge accounting are recognised in the statement of profit or loss.

Fair value hierarchy	Fair value hierarchy level	31.03.2020	31.12.2019
Assets			
Investment properties	3	3,524	3,315
Energy-related assets	3	5,288	5,411
Hedging derivatives	2	3,928	2,706
Total		12,740	11,432
Liabilities			
Hedging derivatives	2	16,501	1,722
Total		16,501	1,722

35. Earnings per share

Basic earnings per share are calculated by dividing net profit for the period assigned to regular shareholders of the Group by the weighted average number of ordinary shares issued and outstanding in the period.

Diluted earnings per share are calculated by dividing net profit for the period assigned to regular shareholders of the Group by the weighted average number of ordinary shares issued and outstanding in the period.

	Q.1, 2020	Q.1, 2019
Net profit attributable to owners of the parent	83,305	57,949
Weighted average number of ordinary shares assumed for the calculation of earnings per share	9,577,301	9,545,447
Weighted average number of ordinary shares assumed for the calculation of diluted earnings per share	9,588,649	9,568,608
Basic earnings per share from the basic profit for the period attributable to owners of the parent (in PLN)	8.70	6.07
Diluted earnings per share from the basic profit for the period attributable to owners of the parent (in PLN)	8.69	6.06

During the reporting period, the entitled staff took up 10,500 shares from the 2012 plan, and 1,350 shares from the 2015 plan.

The entitled staff held options to take up 35,000 shares under the first part of the 2015 plan, and 25,650 shares under the second part of the 2015 plan, at the price of PLN 304.24 per share in both cases.

The average market price of the Company shares in the period of 3 months of 2020 was PLN 356.36. The closing price as at 31 March 2020 was PLN 317.

The potential number of ordinary shares associated with the employee options plan increasing the number of shares and assumed for the calculation of diluted earnings per share is 11,348.

36. Grupa Kęty S.A. transactions with its related companies

Intra-group transactions in the period from 1 January 2020 to 31 March 2020 and as at 31 March 2020

Related company	Sales	Purchases	Receivables	Liabilities
Aluprof S.A.	66,495	591	71,657	283
Alupol Packaging S.A.	432	0	323	0
Aluprof UK Ltd.	22	0	8	0
Dekret Sp. z o.o.	234	506	68	208
Aluprof Hungary Kft.	45	30	46	276
Alupol LLC	726	2,414	328	1,827
Romb S.A.	3,039	58	3,411	0
Aluform Sp. z .o.o.	280	14,262	151	7,847
Alupol Packaging Kęty Sp. z o.o.	1,147	0	713	0
Alupol Films Sp. z o.o.	146	0	117	0
Aluprof System Czechy s.r.o.	1	0	0	0
Aluprof Belgium N.V.	19	0	6	0
Aluminium Kęty EMMI d.o.o	1,616	720	1,165	139
Grupa Kęty Italia s.r.l	0	480	0	410
Aluminium Kęty Deutschland GmbH	0	327	131	345
Aluprof System Romania s.r.l	4	0	1	0
Aluprof Netherlands B.V.	0	0	1	0
Aluminium Kęty CSE s.r.o	0	123	0	87
Total	74,206	19,511	78,126	11,422

Apart from the above mentioned transactions the Company did not enter into any other intercompany transactions in the 3 months of 2020.

The transactions with the Management Board and the Supervisory Board are described in note 32 to the interim condensed consolidated financial statements.

37. Post-balance-sheet events

Apart from those referred to in these statement, there were no significant events post the balance-sheet date which should be included herein.

II. OTHER INFORMATION APPLICABLE TO THE CONSOLIDATED QUARTERLY REPORT**1. Summary of the Issuer's material accomplishments or failures in the reporting period and a list of the respective key events**

Despite the pandemic of the SARS-Cov-2 virus ('coronavirus') causing the COVID-19 disease, announced by the World Health Organisation (WHO), and the state of epidemic emergency announced by the Government of Poland on 20 March in accordance with the Act on Preventing and Combating Infections and Infectious Diseases, the portfolio of orders fulfilled by the Capital Group in Q.1, 2020 contributed to generating high production capacity utilisation rates (over 90% both at the Extruded Products Segment and the Flexible Products Segment) and, consequently, high profitability of operations. Higher sales were also generated by the Aluminium Systems Segment.

Admittedly, in the second half of March some of the foreign companies of the Capital Group (i.e. the companies of the EPS in Slovenia, Ukraine and Italy, and the companies of the ASS in the UK, Belgium and Romania) recorded lower revenues due to limited orders and suspension of production by their contractors, but the situation did not significantly affect the consolidated results in the discussed period.

Consolidated sales revenue in Q.1, 2020 increased by 6% compared to the corresponding period of the preceding year, despite aluminium prices in PLN lower by 6%. It was possible thanks to higher sales volume, particularly on export markets. Sales volume increased at the Extruded Products Segment by approximately 8% and at the Flexible Packaging Segment by as much as 45%. Such fast growth rate at the FPS resulted from the effective utilisation of the new production capacity (the second line for BOPP film production commissioned at the end of the third and beginning of the fourth quarters of 2019).

Higher revenue, lower prices of some raw materials, and the exports-favourable weakening of PLN against foreign currencies contributed to the generation by the Capital Group of PLN 108.4 million of consolidated profit on operating activities, i.e. 41% growth compared to Q.1, 2019.

The consolidated net profit equalled PLN 83.3 million in the discussed period and was higher by 44% compared to Q.1, 2019.

Cash flows on operating activities amounting to PLN 117.3 million enabled capital expenditure financing in the amount of PLN 42.3 million, mainly related to the projects pending, as well as repayment of interest and net debt reduction by roughly PLN 63 million compared to the end of 2019. Owing to the pandemic and the regulations introduced in Poland for the purpose of reducing the rate of the disease spreading, the labour organisation at the particular Group companies was modified in order to ensure employee safety and continued customer service. Owing to the uncertainty as to the scale of the economic consequences of that situation and the duration of the pandemic and its influence on the operations of the Group, a series of scenarios were prepared as well as optimisation plans, which include limitation or postponing some of the operating and capital expenditures.

2. Factors with significant impact on the results of the present quarter

Demand for the Company products

Higher sales volume was recorded by all the three segments of the Capital Group. The lower value of sales reflected by the EPS, despite volume increase by 8% compared to Q.1, 2019. reflects specifically aluminium prices in PLN lower by 6% and, in effect, lower prices of the segment products.

A detailed specification of domestic and foreign sales is presented below.

Segment (PLN million)	Revenue in Q.1	Growth rate	Poland	Foreign markets
Extruded Products Segment	318.4	-2%	162.8	155.6
Aluminium Systems Segment	335.1	+2%	214.1	121.1
Flexible Packaging Segment	245.0	+22%	117.6	127.4

Exchange rates

As estimated, over half of the sales are denominated in foreign currencies, mainly EUR. On the costs side, also half of the costs are expressed in foreign currencies, mainly in USD and EUR. In the reporting period, the average EUR/PLN exchange rate was 4.33 and was similar to that in the corresponding period of the preceding year. The average USD/PLN rate in Q.1, 2020 was 3.92, compared to 3.79 in Q.1, 2019.

With regard to the FX position of the Capital Group, PLN depreciation against EUR has a positive impact on exports profitability and the competitive position on the Polish market. In addition, the Capital Group companies have trade receivables and liabilities in foreign currencies. From that point of view, EUR and USD fluctuations against PLN, and USD against UHR (the settlements between the companies of the Capital Group in Poland and in Ukraine are made in USD) are of key importance here.

Prices of basic raw materials

Aluminium, aluminium scrap, sheet aluminium and aluminium foil are the basic raw materials at the Capital Group, accounting for approximately 50% of the costs of materials. The Group is, thus, exposed to the risk of increased prices of the raw material, considering the fact that it cannot in any way influence the prices quoted at the London Metal Exchange (LME), which are the pricing base for the contracts concluded by the Group companies. In the discussed period the average aluminium price was 1,713 USD per tonne, i.e. a drop by 9% in USD and by 6% when translated into PLN compared to the corresponding period of the preceding year. Changes in the materials prices in a short period of time may affect the profitability of operations, particularly at the Extruded Products Segment and the Aluminium Systems Segment, as the price changes are transferred to customers with a certain delay (1–1.5 months at the EPS, and 3–6 months at the ASS). A factor which stabilised the generated results were transactions hedging the aluminium purchase prices.

Debt

At the end of the reporting period, the Capital Group had PLN 502.3 million of long-term loans and PLN 301.4 million of short-term loans. Roughly 24% of the value of loans is held in foreign currencies (mainly EUR), which is reflected in the statement of profit or loss by way of monthly measurement of the impact of foreign currency rate fluctuations on the value of the loans.

Other

In the reporting period, there were no other significant factors or events, especially of exceptional nature, with a significant impact on the generated financial results, apart from those mentioned in these notes and in the interim condensed consolidated financial statements for the first quarter of 2020.

3. Factors which in the Issuer's opinion are likely to influence its results generated within the perspective of at least one quarter

The factors which will influence the results generated by the KĘTY Capital Group within the perspective of at least the subsequent quarter will be identical as described above.

Demand for the Company products

It is expected that the growth rate of the FPS revenue will be maintained at over 10%, whereas the ASS and the EPS may experience a drop in revenue by over 10% compared to the corresponding period of the preceding year.

Exchange rates

Considering the FX position of the Capital Group, any possible appreciation of PLN against EUR will be negative for the sales and margins. Therefore, the Management Board of Grupa Kęty S.A. intends to maintain a part of debt in foreign currencies and to continue the policy of hedging currency risk with forward and futures contracts. In addition, the financial result may be affected by the fluctuations of the Ukrainian currency against USD due to the persisting level of debt between the Ukrainian and Polish companies of the Capital Group.

Prices of basic raw materials

It is estimated that the aluminium prices shall remain under pressure, which means a further drop of the aluminium average price.

Debt

It is estimated that the value of the Group net debt in the coming months may be higher due to the possible seasonal increase of the scale of operations and the possible extension of working capital turnover cycle.

4. Description of changes in the organisation of the Issuer and the Capital Group

In the reporting period there were no material changes in the structure of the Capital Group.

5. The Management Board's stand regarding the published projections

In face of the absence of exact data regarding the scale, influence and duration of limitations related to the coronavirus epidemic, the Management Board of Grupa Kęty S.A. has prepared a series of possible scenarios of the situation development and has been currently monitoring the situation of the Capital Group. The scenario which is now deemed to be the most probable one assumes the possibility of sales reduction at the EPS and ASS in the second and third quarters of 2020 by several to over 10%, and the scale of operations of the FPS as planned. The impact of

the aforesaid assumptions does not result in any departures from the basic parameters of the 2020 projection, covering the operating profit, EBITDA or net profit of the Capital Group, for more than 10%. This means that at the present moment the Management Board sustains the projection published on 5 February 2020. Should any decision be made with regard to the projection adjustment, it will be disclosed in the prescribed manner.

6. Shares held by the Company managing and supervising persons as at the date of this report publication

In accordance with the declarations made as at the last day of the reporting period, the persons managing the Company held 221,021 ordinary bearer shares of Grupa Kęty S.A., including: Dariusz Mańko 159,718 shares (growth by 17,500 shares y/y), Rafał Warpechowski 0 shares, Piotr Wysocki 44,435 shares, Tomasz Grela 16,868 shares (growth by 4,200 shares y/y). In addition, within the incentive plan adopted at the General Meeting on 23 April 2015, the Management Board members held:

- the right to acquire 10,500 K series bonds with the pre-emptive right to take up H series ordinary bearer shares, and in that number: Dariusz Mańko – 6,300 bonds, Piotr Wysocki – 4,200 bonds, in accordance with the terms and conditions of the plan;
- the right to acquire 9,450 L series bonds with the pre-emptive right to take up H series ordinary bearer shares, and in that number: Dariusz Mańko – 4,050 bonds, Piotr Wysocki – 2,700 bonds, and Tomasz Grela – 2,700 bonds, in accordance with the terms and conditions of the plan;
- the right to acquire 21,000 M series bonds with the pre-emptive right to take up H series ordinary bearer shares, and in that number: Dariusz Mańko – 9,000 bonds, Piotr Wysocki – 6,000 bonds, and Tomasz Grela – 6,000 bonds, in accordance with the terms and conditions of the plan.

The supervising staff did not have any shares of Grupa Kęty S.A.

7. Important court litigations, arbitration proceedings or administrative proceedings

In the reporting period, no proceedings were initiated or were pending against the Issuer or its subsidiaries before a court or public administration authority concerning any liabilities or claims of the Issuer or its subsidiaries, whose total value would amount to at least 10% of the Issuer's equity.

8. Intercompany transactions

From the beginning of the reporting year, in the period covered by this report, there were made intercompany transactions of the total value exceeding the PLN equivalent of EUR 500,000. These were transaction of typical or routine nature, whereas their terms and conditions complied with the current operations of the Issuer and its subsidiaries.

9. Information on security bonds for loans and borrowings or guarantees granted by the Issuer or its subsidiaries

In the reporting period, the Issuer and its subsidiaries did not grant any security bonds for loans and borrowings, or any guarantees jointly to a single entity outside the Capital Group or a subsidiary of such entity, whose total value would amount to at least 10% of the Issuer's equity.

10. Other information material for the assessment of the Issuer's headcount, assets, financial standing and the capability of paying liabilities by the Issuer

Apart from the information disclosed in these interim condensed consolidated financial statements for Q.1, 2020, the Management Board is not aware of any information which would have a material impact on the assessment of the headcount, assets and financial standing of Grupa Kęty S.A. and the Grupa Kęty S.A. Capital Group.

GRUPA KĘTY S.A.
QUARTERLY FINANCIAL DISCLOSURE FOR Q.1, 2020

(PLN '000)

III. QUARTERLY FINANCIAL DISCLOSURE OF GRUPA KĘTY S.A.**Separate statement of profit or loss**

	Q.1, 2020	Q.1, 2019
Total operating revenue, including:	286,476	289,597
Revenue from contracts with customers	285,941	289,018
Other operating revenue	535	579
Change in the level of products and work in progress	10,486	(11,130)
Cost of manufacturing of products for own needs	1,248	1,502
Total operating costs, including:	(288,482)	(278,628)
Depreciation	(12,817)	(12,160)
Materials and energy, and the value of trade goods and materials sold	(199,551)	(193,551)
Third-party services	(39,820)	(37,507)
Taxes and fees	(1,487)	(1,355)
Employee benefits	(33,640)	(33,436)
Revaluation of financial assets	(270)	1
Other operating costs	(897)	(620)
Profit on operating activities	9,728	1,341
Financial revenue	25	221
Finance costs	(3,734)	(2,572)
Profit before tax	6,019	(1,010)
Income tax	(1,414)	(21)
Net profit on continued operations	4,605	(1,031)
Basic net earnings per share (PLN)	0.48	(0.11)
Diluted net earnings per share (PLN)	0.48	(0.11)

In the reporting period, the Company did not discontinue any operations.

Separate statement of comprehensive income

	Q.1, 2020	Q.1, 2019
Net profit for the period	4,605	(1,031)
Other comprehensive income recognised in profit or loss, including:	(7,623)	3,985
Valuation of cash flow hedging instruments	(9,155)	4,806
Result on cash flow hedging transactions	(208)	93
Income tax related to other comprehensive income	1,740	(914)
Comprehensive income for the period	(3,018)	2,954

**All items of other comprehensive income will be reclassified to profit or loss when certain conditions are met in further periods.*

Separate balance sheet

ASSETS	31.03.2020	31.12.2019
I. Non-current assets	887,024	888,214
Property, plant and equipment	497,271	498,562
Intangible assets	6,963	6,993
Right-of-use assets	11,846	11,888
Shares and interests	369,544	369,440
Advance payments for the purchase of property, plant and equipment	1,400	1,331
II. Current assets	362,265	282,235
Inventories	102,647	96,212
Income tax receivables	2,159	1,498
Trade and other receivables	246,157	176,324
Derivative financial instruments	592	1,554
Cash and cash equivalents	10,710	6,647
Total assets	1,249,289	1,170,449
EQUITY/LIABILITIES		
I. Equity	675,260	676,451
Share capital	67,851	67,825
Share premium	39,221	38,018
Non-registered capital from the issue of shares	411	0
Capital from the revaluation of property, plant and equipment	2,369	2,369
Capital from share based payments	26,579	26,392
Capital from the revaluation of hedging instruments cash flows	(6,156)	1,259
Result on cash flow hedging transactions	(511)	(303)
Retained earnings	545,496	540,891
II. Long-term liabilities	303,710	272,654
Liabilities related to loans	246,315	213,525
Lease liabilities	3,621	3,579
Provisions	0	107
Provisions for employee benefits	1,947	1,947
Subsidies	28,039	28,258
Deferred income tax provision	23,788	25,238
III. Short-term liabilities	270,319	221,344
Liabilities related to loans	126,282	123,269
Lease liabilities	177	177
Trade payables and other liabilities	116,340	81,079
Contractual liabilities	1,316	705
Provisions and accruals	17,020	14,960
Derivative financial instruments	8,193	134
Subsidies	991	1,020
Total equity/liabilities	1,249,289	1,170,449

Separate statement of cash flows

	Q.1, 2020	Q.1, 2019
Cash flow from operating activities		
Profit before tax	6,019	(1,010)
Adjustments:	18,506	14,492
Depreciation	12,817	12,160
Recognition/(reversal) of write-downs of property, plant and equipment	(122)	0
Net (profit) loss from currency translation differences	3,892	197
(Profit)/loss from sales of property, plant and equipment	95	(38)
Interest	1,950	1,803
Realised result on transactions hedging the price of aluminium recognised in equity	(208)	92
Costs of share based payments	82	221
Net value of property, plant and equipment liquidated	0	57
Cash flow from operating activities before the change of working capital and tax payment	24,525	13,482
Change in inventories	(6,435)	26,410
Change in net receivables	(69,833)	(56,442)
Change in short-term liabilities, except for loans	42,793	36,367
Change in provisions	1,952	2,395
Change in subsidies	(248)	(245)
Cash flow from operating activities before tax	(7,246)	21,967
Tax (paid)/refunded	(1,786)	(2,350)
Net cash from operating activities	(9,032)	19,617
Cash flow from investing activities		
(+) Proceeds:	73	38
Sales of intangible assets, and property, plant and equipment	73	38
(-) Expenses:	(18,622)	(21,200)
Acquisition of intangible assets, and property, plant and equipment	(18,622)	(21,200)
Net cash from investing activities	(18,549)	(21,162)
Cash flow from financing activities		
(+) Proceeds:	59,233	24,667
Net proceeds from the issue of shares	1,640	0
Proceeds from loans and credits	57,593	24,667
(-) Expenses:	(27,589)	(10,007)
Repayment of loans	(26,340)	(8,747)
Interest on loans	(1,249)	(1,083)
Payment of lease liabilities	0	(177)
Net cash from financing activities	31,644	14,660
Total net cash flows:	4,063	13,115
Cash and cash equivalents at the beginning of the period	6,647	15,857
Cash and cash equivalents at the end of the period	10,710	28,972

Separate statement of changes in equity

Present year	Share capital	Share premium	Non-registered capital from the issue of shares	Capital from the revaluation of property, plant and equipment	Capital from share based payments	Capital from the revaluation of hedging instruments	Result on cash flow hedging transactions	Retained earnings	Total equity
	Equity as at 1 January 2020	67,825	38,018	0	2,369	26,392	1,259	(303)	540,891
Comprehensive income for the period:	0	0	0	0	0	(7,415)	(208)	4,605	(3,018)
<i>Net profit for the period</i>	0	0	0	0	0	0	0	4,605	4,605
<i>Other comprehensive income</i>	0	0	0	0	0	(7,415)	(208)	0	(7,623)
Costs of share based payments	0	0	0	0	187	0	0	0	187
Issue of shares	26	1,203	411	0	0	0	0	0	1,640
Equity as at 31 March 2020	67,851	39,221	411	2,369	26,579	(6,156)	(511)	545,496	675,260
Previous year									
Equity as at 1 March 2019	67,763	33,900	0	2,842	24,322	(3,208)	(532)	564,503	689,590
Comprehensive income for the period:	0	0	0	0	0	3,892	93	(1,031)	2,954
<i>Net profit for the period</i>	0	0	0	0	0	0	0	(1,031)	(1,031)
<i>Other comprehensive income</i>	0	0	0	0	0	3,892	93	0	3,985
Costs of share based payments	0	0	0	0	427	0	0	0	427
Equity as at 31 March 2019	67,763	33,900	0	2,842	24,749	684	(439)	563,472	692,971

Signatures of all Members of the Management Board

Dariusz Mańko

President of the Management Board

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Rafał Warpechowski

Member of the Management Board

.....

Piotr Wysocki

Member of the Management Board

.....

Tomasz Grela

Member of the Management Board

.....

Signature of the person entrusted with bookkeeping

Andrzej Stempak

*President of the Management Board**Dekret Centrum Rachunkowe Sp. z o.o.*

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