

Appendix No. 1: Preliminary financial results for the third quarter of 2018

Appendix no. 1 to the current report no. 65/2018

Preliminary results of the CNT Capital Group for Q3 2018
(with division into segments and consolidation exclusions)

Consolidated business segments for the period from 01.01.2018 to 30.09.2018

Type of assortment		A - construction activity	B - trade in energy and gas	C - developer activity	Total
Sales revenues	External sales	59 530	857 967	1 081	918 578
Cost of the segment	Costs of external sales	41 028	863 498	896	905 422
Operating result of the segment		18 502	-5 531	185	13 156
Net profit (loss)		11 115	-7 129	-1 445	2 541

Consolidated business segments for the period from 01.01.2017 to 30.09.2017

Type of assortment		A - construction activity	B- trade in energy and gas	C - developer activity	Total
Sales revenues	External sales	17 544	700 928	399	718 871
Cost of the segment	Costs of external sales	14 475	692 115	394	706 984
Operating result of the segment		3 069	8 813	5	11 887
Net profit (loss)		1 301	4 364	440	6 105

Management Board's comment on the preliminary consolidated results for Q3 2018:

In Q3 2018, the CNT Capital Group generated sales revenues of PLN 918,578,000, which means an increase by PLN 199,707,000 (a 28% increase) compared to the corresponding period of the previous year.

The CNT Capital Group's net profit for Q3 2018 amounted to PLN 2,541 thousand, which means a decrease by PLN 3,564 thousand or 58% as compared to Q3 2017. In the construction segment, the CNT Capital Group observed a significant increase in net profit compared to the corresponding period of the previous year i.e. by PLN 9,814 thousand. In the developer segment, the Capital Group incurred a net loss of (-) PLN 1,455 thousand. The consolidated financial result of the CNT Capital Group was influenced by the loss recorded by the subsidiary GET EnTra sp. z o.o. in the area of trade in electricity and gas resulting, among others, from significant fluctuations and changes in electricity and gas prices on the Polish Power Exchange. The increase in electricity prices and forward contracts with physical delivery for electrical power supply was caused by a combination of several events, including an increase in demand for electricity, failures of the largest power units in the domestic power system, low generation in wind power plants and limitations in the availability of import capacities at the borders of Poland. Moreover, since the beginning of the year, there has been a rapid growth in the prices of carbon dioxide emission allowances on the international market, which directly translates into an increase in the costs of electricity generation, and thus also into an increase in electricity prices. The increase in electricity prices observed in Poland and other EU countries (e.g. Germany and France) is related, among others, to the reform of the European Emissions Trading System (EU ETS)

and a significant increase in the price of coal in the world. In addition, the national electricity grid requires a permanent and intensive modernization. Due to the above, the CNT Capital Group recorded a net loss of PLN 7,129 thousand in the area of the wholesale trade in electricity and gas in Q3 2018.

The consolidated quarterly report of the CNT Capital Group containing full financial data for Q3 2018 will be published on 16 November 2018.