

Dear Sirs,

We present to you the financial statements of ZE PAK for 2020, which was an absolutely breakthrough year in the history of the Company. In the directions of the new strategy announced on October 1, 2020, ZE PAK, as the first energy company in Poland producing electricity from coal, announced a complete withdrawal from generating electricity from coal by 2030. This date was not chosen by chance - it coincides with the cut-off date indicated in the Paris Agreement as the date of abandonment of energy generation from coal by all European Union countries.

Declarations regarding the exit from the production of electricity from coal and the plan announced by the Company to build over 1,200 MW of capacity in renewable energy sources in the next 10 years are part of the process of accelerated energy transformation in Poland, which will be supported by EU funds made available under the National Reconstruction Plan, the budgetary perspective of the European Union for the years 2021-2027 and under the Just Transition Fund.

It is worth remembering that ZEPAK systematically reduces CO₂ emissions related to the production of electricity from lignite. In 2015, the Company's power plants emitted over 12.2 million tonnes of CO₂. Meanwhile, the data for 2020 shows that this emission was only 5.5 million tonnes, which means that over the course of 6 years, the emission reduction made by ZEPAK is over 55%. As ZE PAK is responsible for approx. 60% of CO₂ emissions in Wielkopolska, the decision to withdraw by the Company from the production of electricity from coal allowed the local authorities of Wielkopolska to submit a declaration of intention to achieve climate neutrality in the region in 2040, i.e. 10 years before the date on which the European Union achieved climate neutrality. There is no doubt that the provision of a specific date for the end of electricity production from coal by ZE PAK and the announcement of the climate neutrality plan for Wielkopolska in 2040 significantly increases the chances of the Company and the region to obtain EU funds supporting the energy transformation of ZE PAK and the fair transformation of Eastern Wielkopolska - one of the mining regions of Poland.

In 2020, we started activities related to the construction within ZE PAK Capital Group of a structure concentrated under the company PAK Polska Czysta Energia. In this structure, we concentrate green assets of ZE PAK and those companies of the Group that will support the energy transformation of the Group. In activities related to the energy transformation of ZE PAK, we want to provide special care and support to our employees, supporting them in retraining and acquiring new professional skills. In August, we created a RES Training Center in Konin Power Plant, where our employees undergo training courses that allow them to acquire skills in the assembly and installation of photovoltaic panels. Within six months, we managed to create 17 full-time jobs for these people, thanks to which photovoltaic panels on the 70 MW solar farm we are building in Brudzew are installed by employees who were employees of the mining sector a few months ago. As part of supporting our employees, together with the trade unions operating in ZE PAK Capital Group, we are working on a comprehensive program of supporting the re-qualification and gaining new jobs by employees of the Capital Group, which we intend to jointly submit for financing from the Just Transition Fund.

This year we will continue all the activities described above related to the implementation of the new directions of ZE PAK strategy. The quality of the investment projects planned by us, related to the construction of large-scale renewable energy sources, is confirmed by the acquisition in the first quarter of 2021 of bank financing up to PLN 325 million for the implementation of two projects - the construction of another biomass boiler with a capacity of 50 MW at the Konin Power Plant and the construction of a photovoltaic farm with a capacity of 70 MW in Brudzew. We are working on launching new projects and we will focus on using the Just Transition Fund in such a way that it provides real

support for our employees and contributes to the creation of new jobs in Eastern Wielkopolska, which will replace jobs liquidated in the mining sector and coal energy.

We have a lot of work to do. We will keep you updated on the progress and effects of our activities.

Yours faithfully,

Piotr Woźny

President of the Management Board of ZE PAK SA