

# **ZESPÓŁ ELEKTROWNI PAŃNÓW – ADAMÓW – KONIN SA**

## **INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE PERIOD OF 6 MONTHS ENDED 30 JUNE 2021 INCLUDING THE AUDIT REPORT**

*This is a translation of the document issued originally in Polish language.  
The Polish original should be referred to in matters of interpretation.*

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## BALANCE SHEET

### Assets

|   | 30 June<br>2021<br>(unaudited) | 31 December<br>2020 | 30 June<br>2020<br>(transformed data<br>unaudited) |
|---|--------------------------------|---------------------|--|
| <b>A. Fixed assets</b>                                      | <b>1 539 709</b>               | <b>1 497 850</b>    | <b>1 462 778</b>                                   |
| <b>I. Intangible assets</b>                                 | <b>2 079</b>                   | <b>5 944</b>        | <b>5 433</b>                                       |
| 1. Development expenses                                     | -                              | -                   | -  |
| 2. Goodwill   | -                              | -                   | -  |
| 3. Other intangible assets                                  | 2 079                          | 5 944               | 5 433  |
| 4. Prepayments for intangible assets                        | -                              | -                   | -  |
| <b>II. Tangible fixed assets</b>                            | <b>1 361 600</b>               | <b>1 328 583</b>    | <b>1 320 491</b>                                   |
| 1. Tangible assets  | 1 186 086                      | 1 236 329           | 1 278 333  |
| a) land (including perpetual usufruct)                      | 1 690                          | 1 695               | 10 530   |
| b) buildings, premises and constructions                    | 347 307                        | 362 697             | 371 648  |
| c) plant and machinery                                      | 835 233                        | 869 948             | 894 569  |
| d) motor vehicles   | 931                            | 1 069               | 696  |
| e) other  | 925                            | 920                 | 890  |
| 2. Construction in progress                                 | 148 704                        | 65 303              | 22 218   |
| 3. Prepayments for construction in progress                 | 26 810                         | 26 951              | 19 940   |
| <b>III. Long-term receivables</b>                           | <b>-</b>                       | <b>-</b>            | <b>-</b>   |
| 1. from affiliates  | -                              | -                   | -  |
| 2. from others, of which entity has capital engagement      | -                              | -                   | -  |
| 3. from others  | -                              | -                   | -  |
| <b>IV. Long-term investment</b>                             | <b>170 953</b>                 | <b>157 707</b>      | <b>130 157</b>                                     |
| 1. Property   | -                              | -                   | -  |
| 2. Intangible fixed assets                                  | -                              | -                   | -  |
| 3. Long-term financial assets                               | 170 953                        | 157 707             | 130 157  |
| a) in affiliates  | 170 801                        | 157 555             | 130 005  |
| – shares  | 161 805                        | 155 755             | 128 005  |
| – other securities  | -                              | -                   | -  |
| – loans granted   | 6 466                          | 1 300               | 2 000  |
| – other long-term financial assets                          | 2 530                          | 500                 | -  |
| b) in other entities of which entity has capital engagement | -                              | -                   | -  |
| – shares  | -                              | -                   | -  |
| – other securities  | -                              | -                   | -  |
| – loans granted   | -                              | -                   | -  |
| – other long-term financial assets                          | -                              | -                   | -  |
| c) in other entities  | 152                            | 152                 | 152  |
| – shares  | 152                            | 152                 | 152  |
| – other securities  | -                              | -                   | -  |
| – loans granted   | -                              | -                   | -  |
| – other long-term financial assets                          | -                              | -                   | -  |
| 4. Other long-term investments                              | -                              | -                   | -  |
| <b>V. Long-term prepayments and deferred costs</b>          | <b>5 077</b>                   | <b>5 616</b>        | <b>6 697</b>                                       |
| 1. Deferred tax assets                                      | -                              | -                   | -  |
| 2. Other prepayments and deferred costs                     | 5 077                          | 5 616               | 6 697  |

## BALANCE SHEET (cont.)

|   | <b>759 695</b>   | <b>953 859</b>   | <b>559 996</b>   |
|---|------------------|------------------|------------------|
| <b>B. Current assets</b>  |                  |                  |                  |
| <b>I. Inventories</b>   | <b>119 442</b>   | <b>71 865</b>    | <b>77 354</b>    |
| 1. Raw materials  | 50 191           | 49 175           | 58 106           |
| 2. Semi-finished goods and work-in-progress   | -                | -                | -                |
| 3. Finished products  | -                | -                | -                |
| 4. Goods  | 16 549           | 22 690           | 19 248           |
| 5. Inventory prepayments  | 52 702           | -                | -                |
| <b>II. Short-term receivables</b>   | <b>578 765</b>   | <b>378 705</b>   | <b>280 878</b>   |
| 1. Receivables from affiliates  | 83 326           | 18 582           | 43 965           |
| a) trade receivables, due in:   | 82 933           | 18 580           | 43 965           |
| – up to 12 months   | 82 933           | 18 580           | 43 965           |
| – over 12 months  | -                | -                | -                |
| b) other  | 393              | 2                | -                |
| 2. Receivables from other entities of which entity has capital engagement               | -                | -                | -                |
| a) trade receivables, due in:   | -                | -                | -                |
| – up to 12 months   | -                | -                | -                |
| – over 12 months  | -                | -                | -                |
| b) other  | -                | -                | -                |
| 3. Receivables from other entities  | 495 439          | 360 123          | 236 913          |
| a) trade receivables, due in:   | 73 620           | 43 813           | 32 968           |
| – up to 12 months   | 73 620           | 43 813           | 32 968           |
| – over 12 months  | -                | -                | -                |
| b) taxation, subsidy, customs duty, social security, health insurance and other debtors | 32 581           | 30 305           | 33 989           |
| c) other  | 389 238          | 286 005          | 169 956          |
| d) submitted to court   | -                | -                | -                |
| <b>III. Short-term investments</b>  | <b>60 292</b>    | <b>502 636</b>   | <b>199 602</b>   |
| 1. Short-term financial assets  | 60 292           | 502 636          | 199 602          |
| a) in affiliates  | 37 718           | 46 419           | 33 413           |
| – shares  | -                | -                | -                |
| – other securities  | -                | -                | -                |
| – loans granted   | 34 392           | 39 419           | 26 413           |
| – other short-term financial assets   | 3 326            | 7 000            | 7 000            |
| b) in other entities  | -                | 6 550            | -                |
| – shares  | -                | -                | -                |
| – other securities  | -                | -                | -                |
| – loans granted   | -                | -                | -                |
| – other short-term financial assets   | -                | 6 550            | -                |
| c) cash and other monetary assets   | 22 574           | 449 667          | 166 189          |
| – cash on hand and cash at bank   | 22 574           | 449 667          | 166 189          |
| – other cash and cash equivalents   | -                | -                | -                |
| – other monetary assets   | -                | -                | -                |
| 2. Other short-term investments   | -                | -                | -                |
| <b>IV. Short-term prepayments and deferred costs</b>                                    | <b>1 196</b>     | <b>653</b>       | <b>2 162</b>     |
| <b>C. Unpaid share capital (basic)</b>  | <b>-</b>         | <b>-</b>         | <b>-</b>         |
| <b>D. Own shares</b>  | <b>-</b>         | <b>-</b>         | <b>-</b>         |
| <b>TOTAL ASSETS</b>   | <b>2 299 404</b> | <b>2 451 709</b> | <b>2 022 774</b> |

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## BALANCE SHEET (cont.)

### Liabilities and equity

|   | 30 June<br>2021<br><i>(unaudited)</i> | 31 December<br>2020 | 30 June<br>2020<br><i>(transformed data<br/>unaudited)</i> |
|---|---------------------------------------|---------------------|--|
| <b>A. Equity</b>  | <b>1 325 545</b>                      | <b>1 277 167</b>    | <b>1 258 190</b>   |
| <b>I. Equity capital</b>  | <b>101 647</b>                        | <b>101 647</b>      | <b>101 647</b>   |
| <b>II. Reserve capital, including:</b>                                    | <b>1 658 391</b>                      | <b>1 658 391</b>    | <b>1 658 391</b>   |
| – surplus of sales value (issue value) over nominal value of shares       | 380 030                               | 380 030             | 380 030  |
| <b>III. Revaluation reserve, including:</b>                               | <b>227 466</b>                        | <b>227 466</b>      | <b>227 466</b>   |
| – for fair value revaluation  | -                                     | -                   | -  |
| <b>IV. Other reserves, including:</b>                                     | <b>3 472</b>                          | <b>3 472</b>        | <b>3 472</b>   |
| – created in accordance with the company's articles of association        | -                                     | -                   | -  |
| – for own shares  | -                                     | -                   | -  |
| <b>V. Profits (losses) from previous years</b>                            | <b>(713 809)</b>                      | <b>(531 395)</b>    | <b>(531 395)</b>   |
| <b>VI. Net profit (loss) for the period</b>                               | <b>48 378</b>                         | <b>(182 414)</b>    | <b>(201 391)</b>   |
| <b>VII. Deductions from net profit during the period (negative value)</b> | <b>-</b>                              | <b>-</b>            | <b>-</b>   |
| <b>B. Liabilities and provisions for liabilities</b>                      | <b>973 859</b>                        | <b>1 174 542</b>    | <b>764 584</b>   |
| <b>I. Provisions for liabilities</b>                                      | <b>560 393</b>                        | <b>994 741</b>      | <b>677 074</b>   |
| 1. Deferred tax liability   | 221 458                               | 235 935             | 257 513  |
| 2. Provision for retirement benefits and similar obligations              | 16 737                                | 24 302              | 17 046   |
| – long-term   | 10 938                                | 10 713              | 11 359   |
| – short-term  | 5 799                                 | 13 589              | 5 687  |
| 3. Other provisions   | 322 198                               | 734 504             | <b>402 515</b>   |
| – long-term   | 85 916                                | 85 764              | 85 394   |
| – short-term  | 236 282                               | 648 740             | 317 121  |
| <b>II. Long-term liabilities</b>  | <b>82 423</b>                         | <b>2 648</b>        | <b>2 153</b>   |
| 1. To affiliates  | -                                     | -                   | -  |
| 2. To other entities of which entity has capital engagement               | -                                     | -                   | -  |
| 3. To other entities  | 82 423                                | 2 648               | 2 153  |
| a) loans and credits  | 82 099                                | -                   | -  |
| b) debt securities issued   | -                                     | -                   | -  |
| c) other financial liabilities  | 324                                   | 449                 | 61   |
| d) bills of exchange  | -                                     | -                   | -  |
| e) other  | -                                     | 2 199               | 2 092  |
| <b>III. Short-term liabilities</b>  | <b>324 535</b>                        | <b>175 443</b>      | <b>77 706</b>  |
| 1. To affiliates  | 37 908                                | 11 583              | 16 822   |
| a) trade liabilities:   | 28 910                                | 10 784              | 14 321   |
| – up to 12 months   | 28 910                                | 10 784              | 14 321   |
| – over 12 months  | -                                     | -                   | -  |
| b) other  | 8 998                                 | 799                 | 2 501  |

**BALANCE SHEET (cont.)**

|   |                  |                  |                  |
|---|------------------|------------------|------------------|
| 2. To other entities of which entity has capital engagement | -                | -                | -                |
| a) trade liabilities:                                       | -                | -                | -                |
| – up to 12 months   | -                | -                | -                |
| – over 12 months  | -                | -                | -                |
| b) other  | -                | -                | -                |
| 3. To other entities  | 280 361          | 159 013          | 54 952           |
| a) loans and credits  | 56 083           | -                | -                |
| b) debt securities issued                                   | -                | -                | -                |
| c) other financial liabilities                              | 248              | 294              | 294              |
| d) trade liabilities:                                       | 32 388           | 46 438           | 19 629           |
| – up to 12 months   | 32 388           | 46 438           | 19 629           |
| – over 12 months  | -                | -                | -                |
| e) advance payments received                                | -                | -                | -                |
| f) bills of exchange  | -                | -                | -                |
| g) taxation, customs duty and social security creditors     | 38 018           | 39 547           | 24 783           |
| h) payroll  | 4 386            | 5 334            | 3 857            |
| i) other  | 149 238          | 67 400           | 6 389            |
| 4. Special funds  | 6 266            | 4 847            | 5 932            |
| <b>IV. Accruals and deferred income</b>                     | <b>6 508</b>     | <b>1 710</b>     | <b>7 651</b>     |
| 1. Negative goodwill  | -                | -                | -                |
| 2. Other accruals and deferred income                       | 6 508            | 1 710            | 7 651            |
| – long-term   | 294              | 317              | 340              |
| – short-term  | 6 214            | 1 393            | 7 311            |
| <b>Total Liabilities and equity</b>                         | <b>2 299 404</b> | <b>2 451 709</b> | <b>2 022 774</b> |

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**PROFIT AND LOSS ACCOUNT (calculation type)**

|   | <i>Period of 6 months<br/>ended<br/>30 June 2021<br/>(unaudited)</i> | <i>Period of 6 months<br/>ended<br/>30 June 2020<br/>(transformed data<br/>unaudited)</i> |
|---|--|---|
| <b>A. Net sales of finished goods, goods for resale and raw materials, of which:</b>    | <b>898 509</b>   | <b>872 411</b>  |
| – from affiliates   | 61 316   | 33 632  |
| I. Net sales of finished products   | 770 775  | 814 261   |
| II. Net sales of goods for resale and raw materials                                     | 127 734  | 58 150  |
| <b>B. Cost of finished products, goods for resale and raw materials sold, of which:</b> | <b>840 700</b>   | <b>867 066</b>  |
| – to affiliates   | 61 117   | 17 876  |
| I. Cost of finished products sold   | 701 180  | 825 397   |
| II. Cost of goods for resale and raw materials sold                                     | 139 520  | 41 669  |
| <b>C. Gross profit (loss) on sales (A–B)</b>  | <b>57 809</b>  | <b>5 345</b>  |
| <b>D. Selling expenses</b>  | <b>1 050</b>   | <b>831</b>  |
| <b>E. Administrative expenses</b>   | <b>21 343</b>  | <b>23 854</b>   |
| <b>F. Profit (loss) on sales (C–D–E)</b>  | <b>35 416</b>  | <b>(19 340)</b>   |
| <b>G. Other operating income</b>  | <b>16 338</b>  | <b>228 520</b>  |
| I. Gains on the sale of non-financial fixed assets                                      | 6 162  | 2 656   |
| II. Grants  | 23   | 23  |
| III. Revaluation of non-financial assets  | -  | 186 000   |
| IV. Other operating income  | 10 153   | 39 841  |
| <b>H. Other operating expenses</b>  | <b>11 499</b>  | <b>337 639</b>  |
| I. Loss on the sale of non-financial fixed assets                                       | -  | -   |
| II. Impairment of non-financial assets  | 1 755  | 332 185   |
| III. Other  | 9 744  | 5 454   |
| <b>I. Operating profit (loss) (F+G–H)</b>   | <b>40 255</b>  | <b>(128 459)</b>  |
| <b>J. Financial income</b>  | <b>1 570</b>   | <b>5 773</b>  |
| I. Dividends and shares in profits, including:  | -  | -   |
| a) from affiliates, including:  | -  | -   |
| – of which the entity has capital engagement  | -  | -   |
| b) from others, including:  | -  | -   |
| – of which the entity has capital engagement  | -  | -   |
| II. Interest, including:  | 474  | 2 008   |
| – from affiliates   | 453  | 479   |
| III. Profit on the disposal of financial assets, including:                             | -  | -   |
| – affiliates  | -  | -   |
| IV. Revaluation of investments  | -  | 1 551   |
| V. Other  | 1 096  | 2 214   |
| <b>K Financial costs</b>  | <b>7 924</b>   | <b>124 960</b>  |
| I. Interest, including:   | 516  | 266   |
| – to affiliates   | -  | -   |
| II. Loss on the disposal of financial assets, including:                                | -  | -   |
| – in affiliates   | -  | -   |
| III. Impairment of investments  | 7 187  | 121 690   |
| IV. Other   | 221  | 3 004   |
| <b>L. Gross profit (loss) (I+J–K)</b>   | <b>33 901</b>  | <b>(247 646)</b>  |
| <b>M. Corporate profit tax, incl.:</b>  | <b>(14 477)</b>  | <b>(46 255)</b>   |
| – current part  | -  | 120   |
| <b>N. Other mandatory profit reductions (loss increases)</b>                            | <b>-</b>   | <b>-</b>  |
| <b>O. Net profit (loss) (L–M–N)</b>   | <b>48 378</b>  | <b>(201 391)</b>  |

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## STATEMENT OF CASH FLOW (indirect method)

|  | <i>Period of 6 months<br/>ended<br/>30 June 2021<br/>(unaudited)</i> | <i>Period of 6 months<br/>ended<br/>30 June 2020<br/>(transformed data<br/>unaudited)</i> |
|--|--|---|
| <b>A. Cash flow from operating activities</b>  |  |   |
| <b>I. Net profit (loss)</b>  | <b>48 378</b>  | <b>(201 391)</b>  |
| <b>II. Adjustments, total</b>  | <b>(500 547)</b>   | <b>63 039</b>   |
| 1. Depreciation  | 55 232   | 46 027  |
| 2. Foreign exchange gains (losses)   | (437)  | (14)  |
| 3. Interest and shares in profits (dividends)  | (165)  | (215)   |
| 4. Profit (loss) on investing activities   | 910  | 248 590   |
| 5. Change in provisions  | 208 267  | 289 880   |
| 6. Change in inventories   | (47 577)   | 2 718   |
| 7. Change in receivables   | (200 061)  | 28 624  |
| 8. Change in short-term liabilities, except for loans and borrowings                                       | 118 574  | (31 661)  |
| 9. Change in prepayments, accruals and deferred income   | 6 214  | 6 582   |
| 10. Other adjustments, including:  | (641 504)  | (527 492)   |
| – purchase of CO <sub>2</sub> emission allowances  | (648 054)  | (525 656)   |
| <b>III. Net cash flow from operating activities (I±II)</b>   | <b>(452 169)</b>   | <b>(138 352)</b>  |
| <b>B. Cash flow from investing activities</b>  |  |   |
| <b>I. Inflows</b>  | <b>21 581</b>  | <b>1 195</b>  |
| 1. Sale of intangible assets and tangible fixed assets   | 15 194   | -   |
| 2. Sale of investments in property and intangible assets   | -  | -   |
| 3. From financial assets, including:   | 6 387  | 1 195   |
| a) in affiliates   | 6 387  | 1 195   |
| b) in others   | -  | -   |
| – disposal of financial assets   | -  | -   |
| – dividends and share in profits   | -  | -   |
| – repayment of long-term loans granted   | -  | -   |
| – interests  | -  | -   |
| – other inflows from financial assets  | -  | -   |
| 4. Other investing inflows   | -  | -   |
| <b>II. Outflows</b>  | <b>143 705</b>   | <b>26 037</b>   |
| 1. Purchase of intangible assets and tangible fixed assets   | 126 067  | 26 037  |
| 2. Investments in property and intangible assets   | -  | -   |
| 3. For financial assets, including:  | 17 638   | -   |
| a) in affiliates   | 17 638   | -   |
| b) in others   | -  | -   |
| – purchase of financial assets   | -  | -   |
| – long-term loans granted  | -  | -   |
| 4. Other investing outflows  | -  | -   |
| <b>III. Net cash flow from investing activities (I-II)</b>   | <b>(122 124)</b>   | <b>(24 842)</b>   |
| <b>C. Cash flow from financing activities</b>  |  |   |
| <b>I. Inflows</b>  | <b>153 182</b>   | <b>-</b>  |
| 1. Net inflows from issue of shares, issue of other capital instruments and additional payments to capital | -  | -   |
| 2. Loans and credits   | 153 182  | -   |
| 3. Issue of debt securities  | -  | -   |
| 4. Other financial inflows   | -  | -   |



**STATEMENT OF CASH FLOW (indirect method)(cont.)**

|  |                  |                  |
|--|------------------|------------------|
| <b>II. Outflows</b>  | <b>6 420</b>     | <b>326</b>       |
| 1. Reacquisition of own shares   | -                | -                |
| 2. Dividends and other payments to shareholders                                | -                | -                |
| 3. Outflows due to appropriation of profit other than payments to shareholders | -                | -                |
| 4. Repayment of loans and credits  | 6 000            | -                |
| 5. Redemption of debt securities   | -                | -                |
| 6. Relating to other financial liabilities                                     | -                | -                |
| 7. Finance lease payments  | 141              | 63               |
| 8. Interest paid   | 279              | 263              |
| 9. Other financial outflows  | -                | -                |
| <b>III. Net cash flow from financial activities (I-II)</b>                     | <b>146 762</b>   | <b>(326)</b>     |
| <b>D. Total net cash flow (A.III±B.III±C.III)</b>                              | <b>(427 531)</b> | <b>(163 520)</b> |
| <b>E. Balance sheet change in cash and cash equivalents,, including:</b>       | <b>(427 094)</b> | <b>(163 506)</b> |
| – change in cash and cash equivalents due to foreign exchange gains/losses     | 437              | 14               |
| <b>F. Cash and cash equivalents at the beginning of the period</b>             | <b>450 137</b>   | <b>329 696</b>   |
| <b>G. Cash and cash equivalents at the end of the period (F±D), including</b>  | <b>22 606</b>    | <b>166 176</b>   |
| – of restricted use  | 5 007            | 8 847            |

Konin, 24 September 2021

## STATEMENT OF CHANGES IN EQUITY

|  | <i>Period of 6 months<br/>30 June 2021<br/>(unaudited)</i> | <i>Period of 12 months<br/>ended<br/>31 December 2020</i> | <i>Period of 6 months<br/>ended<br/>30 June 2020<br/>(transformed data<br/>unaudited)</i> |
|--|--|---|---|
| <b>I. Equity at the beginning of the period (OB)</b>   | <b>1 459 581</b>   | <b>1 459 581</b>  | <b>1 459 581</b>  |
| – changes in the adopted accounting principles (policy)                                      | -  | -   | -   |
| – error adjustments  | -  | -   | -   |
| <b>I.a. Equity at the beginning of the period (OB), after adjustments</b>                    | <b>1 459 581</b>   | <b>1 459 581</b>  | <b>1 459 581</b>  |
| 1. Share capital at the beginning of the period  | 101 647  | 101 647   | 101 647   |
| 1.1. Changes in share capital  | -  | -   | -   |
| a) increases   | -  | -   | -   |
| – issue of shares  | -  | -   | -   |
| b) decreases   | -  | -   | -   |
| – redemption of shares   | -  | -   | -   |
| <b>1.2. Share capital at the end of the period</b>   | <b>101 647</b>   | <b>101 647</b>  | <b>101 647</b>  |
| 2. Reserve capital at the beginning of the period  | 1 658 391  | 1 658 391   | 1 658 391   |
| 2.1. Changes in reserve capital  | -  | -   | -   |
| a) increases   | -  | -   | -   |
| – issue of shares above their nominal value  | -  | -   | -   |
| – profit distribution  | -  | -   | -   |
| – disposal of fixed assets   | -  | -   | -   |
| b) decreases   | -  | -   | -   |
| – cover of loss  | -  | -   | -   |
| – redemption of shares   | -  | -   | -   |
| <b>2.2. Reserve capital at the end of the period</b>   | <b>1 658 391</b>   | <b>1 658 391</b>  | <b>1 658 391</b>  |
| 3. Capital from revaluation at the beginning of the period – changes of accountancy policies | 227 466  | 227 466   | 227 466   |
| 3.1. Changes of capital from revaluation   | -  | -   | -   |
| a) increases   | -  | -   | -   |
| b) decreases   | -  | -   | -   |
| – disposal of fixed assets   | -  | -   | -   |
| <b>3.2. Capital from revaluation at the end of the period</b>                                | <b>227 466</b>   | <b>227 466</b>  | <b>227 466</b>  |
| 4. Other reserves at the beginning of the period   | 3 472  | 3 472   | 3 472   |
| 4.1. Changes in other reserves   | -  | -   | -   |
| a) increases   | -  | -   | -   |
| b) decreases   | -  | -   | -   |
| – cover of loss  | -  | -   | -   |
| <b>4.2. Other reserves at the end of the period</b>  | <b>3 472</b>   | <b>3 472</b>  | <b>3 472</b>  |
| 5. Profit (loss) from previous years at the beginning of the period                          | (531 395)  | (531 395)   | (531 395)   |
| 5.1. Profit from previous years at the beginning of the period                               | -  | -   | -   |
| – changes in the adopted accounting principles (policy)                                      | -  | -   | -   |
| – error adjustments  | -  | -   | -   |

## STATEMENT OF CHANGES IN EQUITY (cont.)

|   |                  |                  |                  |
|---|------------------|------------------|------------------|
| 5.2. Profit from previous years at the beginning of the period, after adjustments | -                | -                | -                |
| a) increases  | -                | -                | -                |
| – distribution of profits from previous years                                     | -                | -                | -                |
| b) decreases  | -                | -                | -                |
| – distribution of profit for reserve capital                                      | -                | -                | -                |
| – dividend payment  | -                | -                | -                |
| 5.3. Profit from previous years at the end of the period                          | -                | -                | -                |
| 5.4. Loss from previous years at the beginning of the period                      | (531 395)        | (531 395)        | (531 395)        |
| – changes of accountancy rules  | -                | -                | -                |
| – error adjustments   | -                | -                | -                |
| 5.5. Loss from previous years at the beginning of the period, after adjustments   | (531 395)        | (531 395)        | (531 395)        |
| a) increases  | (182 414)        | -                | -                |
| – transfer of loss from previous years to cover                                   | (182 414)        | -                | -                |
| b) decreases  | -                | -                | -                |
| 5.6. Loss from previous years at the end of the period                            | (713 809)        | (531 395)        | (531 395)        |
| <b>5.7. Profit (loss) from previous years at the end of the period</b>            | <b>(713 809)</b> | <b>(531 395)</b> | <b>(531 395)</b> |
| <b>6. Net result</b>  | <b>48 378</b>    | <b>(182 414)</b> | <b>(201 391)</b> |
| a) net profit   | 48 378           | -                | -                |
| b) net loss   | -                | (182 414)        | (201 391)        |
| c) result impairments   | -                | -                | -                |
| <b>II. Equity at the end of the period (CB)</b>                                   | <b>1 325 545</b> | <b>1 277 167</b> | <b>1 258 190</b> |
| <b>III. Equity after proposed result distribution (cover of loss)</b>             | <b>1 325 545</b> | <b>1 277 167</b> | <b>1 258 190</b> |

Konin, 24 September 2021

## **ADDITIONAL INFORMATION TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR 6 MONTHS**

### **1. General information about the Company**

Zespół Elektrowni Pątnów-Adamów-Konin Spółka Akcyjna ("ZE PAK SA", "the Company") was established by the Notarial Deed of 29 December 1994. The Company's registered office is in Konin at Kazimierska 45.

The Company is entered into the Register of Entrepreneurs under the KRS number 0000021374 assigned on 21 June 2001.

The Company has been operating under the NIP number: 665-00-01-645 assigned on 17 September 1993, and the REGON symbol: 310186795.

The Company has been established for an indefinite period.

The Company is the parent company of the Capital Group of Zespół Elektrowni Pątnów – Adamów – Konin ("Group", "Capital Group", "ZE PAK SA Group").

According to articles of association, the subject of the Company's activities is:

- 1) production and distribution of electricity,
- 2) production and distribution of heat (steam and hot water).

The summary half-year financial statement of ZE PAK SA as developed based on the provisions of the regulation of the Minister of Finances of 29 March 2018 on current and periodic information published by issuers of securities and the conditions for regarding information required by the law of a non-member state as equivalent (Journal of Laws 2018 item 757). The format, basis and scope of the developed statement are in accordance with the requirements of that regulation.

### **2. Determination and clarification of differences in the disclosed data and significant differences regarding the adopted accounting principles (policy) between the statement and the comparable data as well as the statement and the comparable data developed according to IFRS**

The Company is the parent company of the Capital Group, which is obliged to develop a consolidated financial statement in accordance with IFRS standards approved by the EU ("IFRS"). The Company did not prepare and does not prepare an individual financial statement in accordance with IFRS.

The main potential differences between the IFRS and the AoA (DZ.U. 2021 item 217 as amended) developed with the assumption of using the IFRS based on the IFRS 1 guidelines and adoption of the financial data resulting from the consolidated financial statement of the ZE PAK SA Group are presented below. The date of transition of the ZE PAK SA Group to the IFRS is 1 January 2009.

If the financial statement was developed in accordance with the IFRS, the main differences between the accounting principles adopted for the enclosed statement and the IFRS, with the assumption that the date of transition to the IFRS is 1 January 2009:

1. Tangible fixed assets
  - a) Valuation of the tangible fixed assets

According to the IFRS 1, as of the date of the first application of the IFRS, the body can make a fair value quotation of the fixed assets and recognise their fair value as the assumed cost at this date. The Company established the assumed cost of the selected tangible fixed assets by assignment of the fair value of these assets as of 1 January 2009, i.e. the assumed date of transition to the application of the IFRS.

Due to differences in the valuation of property, plant and equipment under the Accounting Act and IFRS, the amount of impairment losses on property, plant and equipment also varies.

- b) Allotment of renovation components

The International Financial Reporting Standards project the allotment within the scope of fixed assets of components, provided that their use period differs from the use period of a given fixed asset. The components are depreciated during their usability period. According to the IFRS, the specific component consists of renovations and periodical inspections. Therefore, the Company allotted the components of the planned values to bear the costs of overhauls and made depreciation of components in the period remaining until the planned commencement of the next renovation. The recognition of this adjustment also resulted in the need to charge the deferred tax.

c) Valuation of land and land perpetual usufruct

According to the AoA, the perpetual usufruct of land is subject to depreciation, and the depreciation write-downs are recognised in the income statement in the prime cost item.

Pursuant to IFRS 16, the perpetual usufruct right to land is classified by the Company as an asset due to the right to use, and on the other side as a lease liability, which reflects its obligation to make lease payments. The right-of-use asset is amortized.

d) Capitalisation of external financing costs

According to the AoA, the Company recognised in the capital work in progress all the costs of servicing liabilities incurred in order to finance them along with the exchange rate differences that took place.

For the purpose of the IFRS, the Company would make an adjustment of the capitalised exchange rate differences on the liabilities incurred in foreign currencies, consisting in the adaptation of the value of these exchange rate differences to the value, in which they comprise the adjustment of the interest costs.

Furthermore, the Company would execute the capitalisation of external financing costs on the liabilities of general nature, used for the financing of capital work in progress.

Due to the above fact, in the financial statement developed according to the IFRS, the Company would capitalise the external financing costs in the value not higher than the financing costs, which would occur if the liabilities were incurred in the functional currency, i.e. PLN.

Described areas of differences between the AoA and the IFRS were identified during the process of development of the Group's consolidated financial statement according to the IFRS and do not include the potential adjustments of the IFRS in relation to transactions with affiliated entities, which were eliminated in the scope of the Group's financial statement.

The International Accounting Standards Board (IASB) introduced many changes into the current accounting principles and issued new standards. New standards and changes to the current standards are still in the works. Furthermore, these standards are subject to the approval process by the EU. In relation to the above, it is possible that the standards, according to which the Company will develop its first financial statement compliant with the IFRS, which can include data from the past years, will differ from the standards used for the development of the below explanatory note describing the differences between the IFRS and the Polish accounting standards.

Furthermore, only a complete financial statement embracing the statement on the financial position, total income statement, statement of changes in the equity, as well as the cash flow statement, and the comparative data and explanatory notes can present the full and reliable view of the Company's financial position, the results of its activities and cash flows in accordance with the IFRS.

The presentation of some of the items of the financial statements according to the AoA and the IFRS can differ. The differences in the presentation will not affect the equity and the Company's net result.

The components of particular items in the financial statement, as well as the scope of additional information to the financial statement compliant with the AoA and the IFRS can differ substantially.

*The following table presents the differences as of 30 June 2021 (unaudited data):*

|                        | <i>Balance sheet value</i> | <i>Balance sheet value</i> | <i>Value adjustments</i> |
|------------------------|----------------------------|----------------------------|--------------------------|
|                        | <i>Acc. to AoA</i>         | <i>Acc. to IFRS</i>        |                          |
| Tangible fixed assets  | 1 361 600                  | 1 314 394                  | (47 206)                 |
| Equity                 | 1 325 545                  | 1 164 354                  | (161 191)                |
| Deferred tax provision | 221 458                    | 274 833                    | 53 375                   |

*Description of the effects of disclosed differences in net profit and equity:*

|  | <u>30 June 2021</u><br>(unaudited) |
|--|------------------------------------|
| AoA net profit                                   | 48 378                             |
| Adjustment of the tangible fixed assets          | 3 826                              |
| IAS 19 adjustment – actuarial profits / (losses) | (98)                               |
| IFRS 16 adjustment                               | (791)                              |
| IFRS net profit                                  | 51 315                             |

|   | <u>30 June 2021</u><br>(unaudited) |
|---|------------------------------------|
| AoA capital                             | 1 325 545                          |
| Adjustment of the tangible fixed assets | (123 821)                          |
| IFRS 9 adjustment                       | (41)                               |
| IFRS 16 adjustment                      | (37 329)                           |
| IFRS capital                            | 1 164 354                          |

### **3. Assumption of continuation of economic activity**

These financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future, i.e. not less than 12 months from the date of the report. As at the date of approval of these financial statements, there are no circumstances identified implying any threats to the continued operation of the Company.

### **4. Merger of commercial companies**

Within the period for which the financial statements were prepared, the Company did not merge with any other business entity, nor did it acquire an organized part of the enterprise.

In previous year, on December 1, 2020, there was a merger of PAK Infrastruktura sp. z o.o. (acquired company) and ZE PAK SA (acquiring company) pursuant to Article 492 § 1 point 1 of the Commercial Companies Code by transferring all assets of PAK Infrastruktura sp. z o.o. for ZE PAK SA.

In previous year, on December 30, 2020, there was a merger of Elektrownia Pątnów II sp. z o.o. (acquired company) and ZE PAK SA (acquiring company) pursuant to Article 492 § 1 point 1 of the Commercial Companies Code by transferring all the assets of Elektrownia Pątnów II sp. z o.o. for ZE PAK SA.

### **5. Accepted principles (policy) of accounting**

The accounting principles adopted by the Company, including the methods of valuation of assets and liabilities and the measurement of the financial result are compliant with the provisions of the Act of Accounting of 29 September 1994 (JoL 2021, item 217) and are described in the financial statements of Zespół Elektrowni Pątnów - Adamów - Konin SA for the financial year ended December 31, 2020, published on April 19<sup>th</sup>, 2021.

#### ***Revenues from the capacity market***

Starting from January 1, 2021, the Company recognizes revenues from the capacity market. Revenues from the capacity market are revenues from the performance of capacity contracts (obligations) concluded as a result of Auction 2021 (primary market) and the performance of the capacity obligation resulting from agreements concluded on the secondary market. The capacity market is a market mechanism aimed at ensuring stable electricity supplies in the long term. After the end of each month, the Company is entitled to remuneration from PSE SA for the performance of the capacity obligation.

### **6. Comparability of financial data for the previous period with the report for the current period**

In the current period, the Company did not change the accounting principles, and therefore it was not required to present numerical information that would ensure comparability of the financial statements for the preceding year with the financial statements for the current financial year. The data presented as at December 31, 2020 are consistent with the end-of-year financial statements for the year ended December 31, 2020, while the data for the period ended June 30,

2021 are not consistent with the Company's interim condensed financial statements for the period ended June 30, 2020. This adjustment was described in the report for 2020.

The table below presents the impact of the adjustment described in the financial statements prepared as at December 31, 2020 on the items of the financial statements as at June 30, 2021. The table shows also the changes in comparative data in connection with the merger with PAK Infrastruktura Sp. z o.o. and Elektrownia Państw II Sp. z o.o., and in connection with the change in the rules for presenting the settlement of CO2 costs for 2019.

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(thousand PLN)

**BALANCE SHEET – ASSETS**

|   | <i>Published data<br/>ZE PAK SA<br/>(unaudited)</i> | <i>Data<br/>Elektrownia<br/>Pańków II sp. z o.o.<br/>(unaudited)</i> | <i>Data<br/>PAK Infrastruktura<br/>sp. z o.o. (unaudited)</i> | <i>Transformed data<br/>(unaudited)</i> | <i>Exclusions due to<br/>the merger<br/>(unaudited)</i> |
|---|---|--|---|---|---|
|   | <i>As at 30 June 2020</i>                           |  |   |   |   |
| <b>A. Fixed assets</b>                                      | <b>1 588 868</b>                                    | <b>644 935</b>   | <b>28 660</b>   | <b>1 462 778</b>                        | <b>(799 685)</b>  |
| <b>I. Intangible assets</b>                                 | <b>5 312</b>  | <b>121</b>   | <b>-</b>  | <b>5 433</b>                            | <b>-</b>  |
| 1. Development expenses                                     | -   | -  | -   | -                                       | -   |
| 2. Goodwill   | -   | -  | -   | -                                       | -   |
| 3. Other intangible assets                                  | 5 312   | 121  | -   | 5 433                                   | -   |
| 4. Prepayments for intangible assets                        | -   | -  | -   | -                                       | -   |
| <b>II. Tangible fixed assets</b>                            | <b>649 017</b>                                      | <b>644 814</b>   | <b>26 660</b>   | <b>1 320 491</b>                        | <b>-</b>  |
| 1. Tangible assets  | 607 885   | 643 788  | 26 660  | 1 278 333                               | -   |
| a) land (including perpetual usufruct)                      | 10 112  | 414  | 4   | 10 530                                  | -   |
| b) buildings, premises and constructions                    | 152 589   | 208 994  | 10 065  | 371 648                                 | -   |
| c) plant and machinery                                      | 444 038   | 433 940  | 16 591  | 894 569                                 | -   |
| d) motor vehicles   | 336   | 360  | -   | 696                                     | -   |
| e) other  | 810   | 80   | -   | 890                                     | -   |
| 2. Construction in progress                                 | 21 192  | 1 026  | -   | 22 218                                  | -   |
| 3. Prepayments for construction in progress                 | 19 940  | -  | -   | 19 940                                  | -   |
| <b>III. Long-term receivables</b>                           | <b>-</b>  | <b>-</b>   | <b>-</b>  | <b>-</b>                                | <b>-</b>  |
| 1. from affiliates  | -   | -  | -   | -                                       | -   |
| 2. from others, of which entity has capital engagement      | -   | -  | -   | -                                       | -   |
| 3. from others  | -   | -  | -   | -                                       | -   |
| <b>IV. Long-term investment</b>                             | <b>927 842</b>                                      | <b>-</b>   | <b>2 000</b>  | <b>130 157</b>                          | <b>(799 685)</b>  |
| 1. Property   | -   | -  | -   | -                                       | -   |
| 2. Intangible fixed assets                                  | -   | -  | -   | -                                       | -   |
| 3. Long-term financial assets                               | 927 842   | -  | 2 000   | 130 157                                 | (799 685)   |
| a) in affiliates  | 927 690   | -  | 2 000   | 130 005                                 | (799 685)   |
| – shares  | 927 690   | -  | -   | 128 005                                 | (799 685)   |
| – other securities  | -   | -  | -   | -                                       | -   |
| – loans granted   | -   | -  | 2 000   | 2 000                                   | -   |
| – other long-term financial assets                          | -   | -  | -   | -                                       | -   |
| b) in other entities of which entity has capital engagement | -   | -  | -   | -                                       | -   |
| – shares  | -   | -  | -   | -                                       | -   |
| – other securities  | -   | -  | -   | -                                       | -   |



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Interim condensed financial statements for the period of 6 months ended 30 June 2021  
(thousand PLN)

|   | <i>Published data</i><br>ZE PAK SA<br>(unaudited) | <i>Data</i><br>Elektrownia<br>PaŃnów II sp. z o.o.<br>(unaudited) | <i>Data</i><br>PAK Infrastruktura<br>sp. z o.o. (unaudited) | <i>Transformed data</i><br>(unaudited) | <i>Exclusions due to</i><br><i>the merger</i><br>(unaudited) |
|---|---|---|---|--|--|
| – loans granted   | -   | -   | -   | -                                      | -  |
| – other long-term financial assets  | -   | -   | -   | -                                      | -  |
| c) in other entities  | 152   | -   | -   | 152                                    | -  |
| – shares  | 152   | -   | -   | 152                                    | -  |
| – other securities  | -   | -   | -   | -                                      | -  |
| – loans granted   | -   | -   | -   | -                                      | -  |
| – other long-term financial assets  | -   | -   | -   | -                                      | -  |
| 4. Other long-term investments  | -   | -   | -   | -                                      | -  |
| <b>V. Long-term prepayments and deferred costs</b>                        | <b>6 697</b>                                      | -   | -   | <b>6 697</b>                           | -  |
| 1. Deferred tax assets  | -   | -   | -   | -                                      | -  |
| 2. Other prepayments and deferred costs                                   | 6 697   | -   | -   | 6 697                                  | -  |
| <b>B. Current assets</b>  | <b>219 870</b>                                    | <b>311 315</b>  | <b>39 551</b>   | <b>559 996</b>                         | <b>(12 090)</b>  |
| <b>I. Inventories</b>   | <b>75 238</b>                                     | <b>2 116</b>  | -   | <b>77 354</b>                          | -  |
| 1. Raw materials  | 55 990  | 2 116   | -   | 58 106                                 | -  |
| 2. Semi-finished goods and work-in-progress                               | -   | -   | -   | -                                      | -  |
| 3. Finished products  | -   | -   | -   | -                                      | -  |
| 4. Goods  | 19 248  | -   | -   | 19 248                                 | -  |
| 5. Inventory prepayments  | -   | -   | -   | -                                      | -  |
| <b>II. Short-term receivables</b>   | <b>94 191</b>                                     | <b>194 335</b>  | <b>3 092</b>  | <b>280 878</b>                         | <b>(10 740)</b>  |
| 1. Receivables from affiliates  | 36 706  | 16 518  | 2 831   | 43 965                                 | (10 740)   |
| a) trade receivables, due in:   | 36 706  | 16 518  | 2 831   | 43 965                                 | (10 740)   |
| – up to 12 months   | 36 706  | 16 518  | 2 831   | 43 965                                 | (10 740)   |
| – over 12 months  | -   | -   | -   | -                                      | -  |
| b) other  | -   | -   | -   | -                                      | -  |
| 2. Receivables from other entities of which entity has capital engagement | -   | -   | -   | -                                      | -  |
| a) trade receivables, due in:   | -   | -   | -   | -                                      | -  |
| – up to 12 months   | -   | -   | -   | -                                      | -  |
| – over 12 months  | -   | -   | -   | -                                      | -  |
| b) other  | -   | -   | -   | -                                      | -  |
| 3. Receivables from other entities  | 57 485  | 177 817   | 261   | 236 913                                | -  |
| a) trade receivables, due in:   | 26 644  | 6 324   | -   | 32 968                                 | -  |
| – up to 12 months   | 26 644  | 6 324   | -   | 32 968                                 | -  |
| – over 12 months  | -   | -   | -   | -                                      | -  |
| b) taxation, subsidy, customs duty, social security, health insurance and | 3 804   | 29 924  | 261   | 33 989                                 | -  |

ZESPÓŁ ELEKTROWNI PAŃNÓW – ADAMÓW – KONIN SA  
Interim condensed financial statements for the period of 6 months ended 30 June 2021  
(thousand PLN)

|  | <i>Published data</i><br>ZE PAK SA<br>(unaudited) | <i>Data</i><br>Elektrownia<br>Państw II sp. z o.o.<br>(unaudited) | <i>Data</i><br>PAK Infrastruktura<br>sp. z o.o. (unaudited) | <i>Transformed data</i><br>(unaudited) | <i>Exclusions due to</i><br><i>the merger</i><br>(unaudited) |
|--|---|---|---|--|--|
| other debtors  |   |   |   |  |  |
| c) other   | 27 037  | 141 569   | -   | 169 956                                | 1 350  |
| d) submitted to court                                | -   | -   | -   | -                                      | -  |
| <b>III. Short-term investments</b>                   | <b>49 080</b>                                     | <b>114 341</b>  | <b>36 181</b>   | <b>199 602</b>                         | -  |
| 1. Short-term financial assets                       | 49 080  | 114 341   | 36 181  | 199 602                                | -  |
| a) in affiliates                                     | 7 000   | -   | 26 413  | 33 413                                 | -  |
| – shares   | -   | -   | -   | -                                      | -  |
| – other securities                                   | -   | -   | -   | -                                      | -  |
| – loans granted                                      | -   | -   | 26 413  | 26 413                                 | -  |
| – other short-term financial assets                  | 7 000   | -   | -   | 7 000                                  | -  |
| b) in other entities                                 | -   | -   | -   | -                                      | -  |
| – shares   | -   | -   | -   | -                                      | -  |
| – other securities                                   | -   | -   | -   | -                                      | -  |
| – loans granted                                      | -   | -   | -   | -                                      | -  |
| – other short-term financial assets                  | -   | -   | -   | -                                      | -  |
| c) cash and other monetary assets                    | 42 080  | 114 341   | 9 768   | 166 189                                | -  |
| – cash on hand and cash at bank                      | 42 080  | 114 341   | 9 768   | 166 189                                | -  |
| – other cash and cash equivalents                    | -   | -   | -   | -                                      | -  |
| – other monetary assets                              | -   | -   | -   | -                                      | -  |
| 2. Other short-term investments                      | -   | -   | -   | -                                      | -  |
| <b>IV. Short-term prepayments and deferred costs</b> | <b>1 361</b>                                      | <b>523</b>  | <b>278</b>  | <b>2 162</b>                           | -  |
| <b>C. Unpaid share capital (basic)</b>               | -   | -   | -   | -                                      | -  |
| <b>D. Own shares</b>                                 | -   | -   | -   | -                                      | -  |
| <b>TOTAL ASSETS</b>                                  | <b>1 808 738</b>                                  | <b>956 250</b>  | <b>68 211</b>   | <b>2 022 774</b>                       | <b>(810 425)</b>   |

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**BALANCE SHEET – LIABILITIES AND EQUITY**

|   | <i>Published data<br/>ZE PAK SA<br/>(unaudited)</i> | <i>Published data<br/>Elektrownia<br/>Pańków II sp. z o.o.<br/>(unaudited)</i> | <i>Published data<br/>PAK Infrastruktura<br/>sp. z o.o. (unaudited)</i> | <i>Transformed data<br/>(unaudited)</i> | <i>Exclusions due to<br/>the merger<br/>(unaudited)</i> |
|---|---|--|---|---|---|
|   | <i>As at 30 June 2020</i>                           |  |   |   |   |
| <b>A. Equity</b>  | <b>1 321 008</b>                                    | <b>674 714</b>   | <b>62 153</b>   | <b>1 258 190</b>                        | <b>(799 685)</b>  |
| <b>I. Equity capital</b>  | <b>101 647</b>                                      | <b>750 500</b>   | <b>60 392</b>   | <b>101 647</b>                          | <b>(810 892)</b>  |
| <b>II. Reserve capital, including:</b>                                    | <b>1 124 377</b>                                    | <b>534 014</b>   | -   | <b>1 658 391</b>                        | -   |
| – surplus of sales value (issue value) over nominal value of shares       | 380 030   | -  | -   | 380 030                                 | -   |
| <b>III. Revaluation reserve, including:</b>                               | <b>227 466</b>                                      | -  | -   | <b>227 466</b>                          | -   |
| – for fair value revaluation  | -   | -  | -   | -                                       | -   |
| <b>IV. Other reserves, including:</b>                                     | <b>3 472</b>  | -  | -   | <b>3 472</b>                            | -   |
| – created in accordance with the company's articles of association        | -   | -  | -   | -                                       | -   |
| – for own shares  | -   | -  | -   | -                                       | -   |
| <b>V. Profits (losses) from previous years</b>                            | <b>(164 914)</b>                                    | <b>(367 763)</b>   | <b>1 282</b>  | <b>(531 395)</b>                        | -   |
| <b>VI. Net profit (loss) for the period</b>                               | <b>28 960</b>                                       | <b>(242 037)</b>   | <b>479</b>  | <b>(201 391)</b>                        | <b>11 207</b>   |
| <b>VII. Deductions from net profit during the period (negative value)</b> | -   | -  | -   | -                                       | -   |
| <b>B. Liabilities and provisions for liabilities</b>                      | <b>487 730</b>                                      | <b>281 536</b>   | <b>6 058</b>  | <b>764 584</b>                          | <b>(12 090)</b>   |
| <b>I. Provisions for liabilities</b>                                      | <b>404 850</b>                                      | <b>269 340</b>   | <b>2 884</b>  | <b>677 074</b>                          | -   |
| 1. Deferred tax liability   | 123 291   | 131 338  | 2 884   | 257 513                                 | -   |
| 2. Provision for retirement benefits and similar obligations              | 17 012  | 34   | -   | 17 046                                  | -   |
| – long-term   | 11 331  | 28   | -   | 11 359                                  | -   |
| – short-term  | 5 681   | 6  | -   | 5 687                                   | -   |
| 3. Other provisions   | 264 547   | 137 968  | -   | 402 515                                 | -   |
| – long-term   | 85 394  | -  | -   | 85 394                                  | -   |
| – short-term  | 179 153   | 137 968  | -   | 317 121                                 | -   |
| <b>II. Long-term liabilities</b>  | <b>2 061</b>  | <b>92</b>  | -   | <b>2 153</b>                            | -   |
| 1. To affiliates  | -   | -  | -   | -                                       | -   |
| 2. To other entities of which entity has capital engagement               | -   | -  | -   | -                                       | -   |
| 3. To other entities  | 2 061   | 92   | -   | 2 153                                   | -   |
| a) loans and credits  | -   | -  | -   | -                                       | -   |
| b) debt securities issued   | -   | -  | -   | -                                       | -   |
| c) other financial liabilities  | 61  | -  | -   | 61                                      | -   |
| d) bills of exchange  | -   | -  | -   | -                                       | -   |
| e) other  | 2 000   | 92   | -   | 2 092                                   | -   |
| <b>III. Short-term liabilities</b>  | <b>74 966</b>                                       | <b>10 306</b>  | <b>3 174</b>  | <b>77 706</b>                           | <b>(10 740)</b>   |

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(thousand PLN)

|   | <i>Published data<br/>ZE PAK SA<br/>(unaudited)</i> | <i>Published data<br/>Elektrownia<br/>Państw II sp. z o.o.<br/>(unaudited)</i> | <i>Published data<br/>PAK Infrastruktura<br/>sp. z o.o. (unaudited)</i> | <i>Transformed data<br/>(unaudited)</i> | <i>Exclusions due to<br/>the merger<br/>(unaudited)</i> |
|---|---|--|---|---|---|
| 1. To affiliates  | 19 123  | 7 008  | 2 781   | 16 822                                  | (10 740)  |
| a) trade liabilities:                                       | 16 622  | 7 008  | 2 781   | 14 321                                  | (10 740)  |
| – up to 12 months   | 16 622  | 7 008  | 2 781   | 14 321                                  | (10 740)  |
| – over 12 months  | -   | -  | -   | -                                       | -   |
| b) other  | 2 501   | -  | -   | 2 501                                   | -   |
| 2. To other entities of which entity has capital engagement | -   | -  | -   | -                                       | -   |
| a) trade liabilities:                                       | -   | -  | -   | -                                       | -   |
| – up to 12 months   | -   | -  | -   | -                                       | -   |
| – over 12 months  | -   | -  | -   | -                                       | -   |
| b) other  | -   | -  | -   | -                                       | -   |
| 3. To other entities  | 49 911  | 3 298  | 393   | 54 952                                  | -   |
| a) loans and credits  | -   | -  | -   | -                                       | -   |
| b) debt securities issued                                   | -   | -  | -   | -                                       | -   |
| c) other financial liabilities                              | 294   | -  | -   | 294                                     | -   |
| d) trade liabilities:                                       | 17 803  | 1 819  | 7   | 19 629                                  | -   |
| – up to 12 months   | 17 803  | 1 819  | 7   | 19 629                                  | -   |
| – over 12 months  | -   | -  | -   | -                                       | -   |
| e) advance payments received                                | -   | -  | -   | -                                       | -   |
| f) bills of exchange  | -   | -  | -   | -                                       | -   |
| g) taxation, customs duty and social security creditors     | 23 291  | 1 106  | 386   | 24 783                                  | -   |
| h) payroll  | 3 808   | 49   | -   | 3 857                                   | -   |
| i) other  | 4 715   | 324  | -   | 6 389                                   | 1 350   |
| 4. Special funds  | 5 932   | -  | -   | 5 932                                   | -   |
| <b>IV. Accruals and deferred income</b>                     | <b>5 853</b>  | <b>1 798</b>   | <b>-</b>  | <b>7 651</b>                            | <b>-</b>  |
| 1. Negative goodwill  | -   | -  | -   | -                                       | -   |
| 2. Other accruals and deferred income                       | 5 853   | 1 798  | -   | 7 651                                   | -   |
| – long-term   | 340   | -  | -   | 340                                     | -   |
| – short-term  | 5 513   | 1 798  | -   | 7 311                                   | -   |
| <b>Total Liabilities and equity</b>                         | <b>1 808 738</b>                                    | <b>956 250</b>   | <b>68 211</b>   | <b>2 022 774</b>                        | <b>(810 425)</b>  |

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(thousand PLN)

**PROFIT AND LOSS ACCOUNT (calculation type)**

|   | <i>Published data<br/>ZE PAK SA<br/>(unaudited)</i> | <i>Data<br/>Elektrownia<br/>PaŃnów II sp. z o.o.<br/>(unaudited)</i> | <i>Data<br/>PAK Infrastruktura<br/>sp. z o.o. (unaudited)</i> | <i>Transformed data<br/>(unaudited)</i> | <i>Exclusions due to<br/>the merger<br/>(unaudited)</i> | <i>Adjustment of<br/>presentation<br/>(unaudited)</i> |
|---|---|--|---|---|---|---|
| <i>As at 30 June 2020</i>   |   |  |   |   |   |   |
| <b>A. Net sales of finished goods, goods for resale and raw materials, of which:</b>    | <b>520 601</b>                                      | <b>398 357</b>   | <b>8 393</b>  | <b>872 411</b>                          | <b>(54 940)</b>   | <b>-</b>  |
| – from affiliates   | 79 888  | 291  | 8 393   | 33 632                                  | (54 940)  | -   |
| I. Net sales of finished products   | 478 520   | 382 288  | 8 393   | 814 261                                 | (54 940)  | -   |
| II. Net sales of goods for resale and raw materials                                     | 42 081  | 16 069   | -   | 58 150                                  | -   | -   |
| <b>B. Cost of finished products, goods for resale and raw materials sold, of which:</b> | <b>517 608</b>                                      | <b>365 526</b>   | <b>8 262</b>  | <b>867 066</b>                          | <b>(54 940)</b>   | <b>30 610</b>   |
| – to affiliates   | 48 761  | 2  | 8 262   | 17 876                                  | (39 150)  | -   |
| I. Cost of finished products sold   | 488 232   | 353 233  | 8 262   | 825 397                                 | (54 940)  | 30 610  |
| II. Cost of goods for resale and raw materials sold                                     | 29 376  | 12 293   | -   | 41 669                                  | -   | -   |
| <b>C. Gross profit (loss) on sales (A–B)</b>  | <b>2 993</b>  | <b>32 831</b>  | <b>131</b>  | <b>5 345</b>                            | <b>-</b>  | <b>(30 610)</b>                                       |
| D. Selling expenses   | 715   | 116  | -   | 831                                     | -   | -   |
| E. Administrative expenses  | 20 331  | 3 485  | 38  | 23 854                                  | -   | -   |
| <b>F. Profit (loss) on sales (C–D–E)</b>  | <b>(18 053)</b>                                     | <b>29 230</b>  | <b>93</b>   | <b>(19 340)</b>                         | <b>-</b>  | <b>(30 610)</b>                                       |
| G. Other operating income   | 209 301   | 9 755  | -   | 230 263                                 | 11 207  | -   |
| I. Gains on the sale of non-financial fixed assets                                      | 2 656   | -  | -   | 2 656                                   | -   | -   |
| II. Grants  | 23  | -  | -   | 23                                      | -   | -   |
| III. Revaluation of non-financial assets  | 186 000   | -  | -   | 186 000                                 | -   | -   |
| IV. Other operating income  | 20 622  | 9 755  | -   | 41 584                                  | 11 207  | -   |
| H. Other operating expenses   | 34 134  | 335 858  | -   | 339 382                                 | -   | (30 610)  |
| I. Loss on the sale of non-financial fixed assets                                       | -   | -  | -   | -                                       | -   | -   |
| II. Impairment of non-financial assets  | 5 185   | 327 000  | -   | 332 185                                 | -   | -   |
| III. Other  | 28 949  | 6 858  | -   | 7 197                                   | -   | (30 610)  |
| <b>I. Operating profit (loss) (F+G–H)</b>   | <b>157 114</b>                                      | <b>(296 873)</b>   | <b>93</b>   | <b>(128 459)</b>                        | <b>11 207</b>   | <b>(30 610)</b>                                       |
| J. Financial income   | 4 667   | 607  | 499   | 5 773                                   | -   | -   |
| I. Dividends and shares in profits, including:  | -   | -  | -   | -                                       | -   | -   |
| a) from affiliates, including:  | -   | -  | -   | -                                       | -   | -   |
| – of which the entity has capital engagement  | -   | -  | -   | -                                       | -   | -   |
| b) from others, including:  | -   | -  | -   | -                                       | -   | -   |

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(thousand PLN)

|   | <i>Published data</i><br>ZE PAK SA<br>( <i>unaudited</i> ) | <i>Data</i><br><i>Elektrownia</i><br><i>PaŃnów II sp. z o.o.</i><br>( <i>unaudited</i> ) | <i>Data</i><br><i>PAK Infrastruktura</i><br><i>sp. z o.o. (unaudited)</i> | <i>Transformed data</i><br>( <i>unaudited</i> ) | <i>Exclusions due to</i><br><i>the merger</i><br>( <i>unaudited</i> ) | <i>Adjustment of</i><br><i>presentation</i><br>( <i>unaudited</i> ) |
|---|--|--|---|---|---|---|
| – of which the entity has capital engagement                | -  | -  | -   | -   | -   | -   |
| II. Interest, including:                                    | 902  | 607  | 499   | 2 008   | -   | -   |
| – from affiliates   | -  | -  | 479   | 479   | -   | -   |
| III. Profit on the disposal of financial assets, including: | -  | -  | -   | -   | -   | -   |
| – affiliates  | -  | -  | -   | -   | -   | -   |
| IV Revaluation of investments                               | 1 551  | -  | -   | 1 551   | -   | -   |
| V. Other  | 2 214  | -  | -   | 2 214   | -   | -   |
| K Financial costs   | 122 372  | 2 588  | -   | 124 960   | -   | -   |
| I. Interest, including:                                     | 266  | -  | -   | 266   | -   | -   |
| – to affiliates   | -  | -  | -   | -   | -   | -   |
| II. Loss on the disposal of financial assets, including:    | -  | -  | -   | -   | -   | -   |
| – in affiliates   | -  | -  | -   | -   | -   | -   |
| III. Impairment of investments                              | 121 691  | -  | -   | 121 691   | -   | -   |
| IV. Other   | 415  | 2 588  | -   | 3 003   | -   | -   |
| <b>L. Gross profit (loss) (I+J–K)</b>                       | <b>39 409</b>  | <b>(298 854)</b>   | <b>592</b>  | <b>(247 646)</b>                                | <b>11 207</b>   | -   |
| M. Corporate profits tax                                    | 10 449   | (56 816)   | 112   | (46 255)  | -   | -   |
| N. Other tax charges  | -  | -  | -   | -   | -   | -   |
| <b>O. Net profit (loss) (L–M–N)</b>                         | <b>28 960</b>  | <b>(242 038)</b>   | <b>480</b>  | <b>(201 391)</b>                                | <b>11 207</b>   | -   |

## 7. Error adjustments of previous periods

In the current period, no corrections of errors were made that could affect the comparability of financial data for the preceding period with the data of the financial statements for the current financial period.

## 8. The amount and nature of items affecting assets, liabilities, equity, net income or cash flows that are abnormal due to their nature, value or frequency

During the current reporting period, there were no events affecting assets, liabilities, equities, net result or cash flow, that were unusual at their type, value or frequency.

## 9. Information on impairment write-downs against provisions value, impairing to the net value possible to achieve and on the reversal of such write-downs

The gross financial result for the current period includes the effects of creating and reversing the provision impairment write-down:

| Impairment write-downs | 31 December<br>2020 | changes  |     |             | 30 June<br>2021<br>(unaudited) |
|------------------------|---------------------|----------|-----|-------------|--------------------------------|
|                        |                     | creation | use | liquidation |                                |
| Inventories            | 49 218              | 1 786    | -   | 32          | 50 972                         |

Certificates of origin of energy arising from the energy production from renewable energy sources and peak load co-generation are presented according to fair value at the end of the month, in which the energy based on renewable sources was produced.

As at June 30, 2021, the Company did not have the property rights to green energy certificates produced and verified by the Energy Regulatory Office. From January 1, 2021 to June 30, 2021, the Company received 196,404.651 MWh certificates for production in October, November and December 2020 and for January, February and March 2021. During this period, an application was submitted for the issuance of 33,704.016 MWh for production in April 2021. Obtaining certificates of origin was performed on an ongoing basis. In the first half of 2021, 243,250.000 MWh was sold on TGE SA, the revenue from this amounted to PLN 36,417 thousand. Valuation of certificates for applications submitted for April, May and June 2021 amounts to PLN 17,982 thousand.

## 10. Information on the write-downs against the impairment of financial assets, tangible fixed assets, non-material and legal values or other assets and the reversal of such write-downs

The gross financial result for the current year includes the effects of creating and reversing impairment write-downs, in particular:

| Impairment write-downs | 31 December<br>2020 | changes  |     |             | 30 June<br>2021<br>(unaudited) |
|------------------------|---------------------|----------|-----|-------------|--------------------------------|
|                        |                     | creation | use | liquidation |                                |
| Intangible assets      | 1 278               | -        | -   | -           | 1 278                          |
| Tangible fixed assets  | 2 480 650           | -        | -   | 16          | 2 480 634                      |
| Financial assets       | 258 136             | 7 186    | -   | -           | 265 322                        |
| Receivables            | 40 077              | 9 020    | -   | -           | 49 097                         |

The company analysed the financial situation and the stock exchange valuation as at the balance sheet date. It was taken into account that the share price of ZE PAK SA from the end of 2020 to June 2021 increased by 5.4%, and compared to June 2020, even by 16.5%. As a result of the analysis, the company did not identify any premises to conduct tests for impairment of property, plant and equipment as at June 30, 2021.

## 11. Information on the creation, increase, use or liquidation of the provisions

The gross financial result for the current year includes the effects of creating the estimates of future obligations, in particular:

| Provisions and accruals                                 | 31 December<br>2020 | changes        |              |                | 30 June<br>2021<br>(unaudited) |
|---|---------------------|----------------|--------------|----------------|--------------------------------|
|   |                     | creation       | use          | liquidation    |                                |
| Provisions for pension and similar benefits, including: | 24 303              | 1 391          | -            | 8 956          | 16 738                         |
| – provision for retirement and death benefits           | 11 597              | 598            | -            | 483            | 11 712                         |
| – provision for an annual bonus                         | 8 169               | 304            | -            | 8 473          | -                              |
| – provision for unused holidays                         | 4 537               | 489            | -            | -              | 5 026                          |
| Provisions for CO2 emission allowances                  | 640 438             | 228 084        | -            | 640 438        | 228 084                        |
| Provision for the return of CO2 emission allowances     | 7 038               | 90             | -            | 194            | 6 934                          |
| Provisions for reclamation                              | 67 313              | 22             | -            | -              | 67 335                         |
| Provision for liquidation                               | 18 451              | 130            | -            | -              | 18 581                         |
| Provision for fees                                      | 1 264               | -              | -            | -              | 1 264                          |
| Accruals of costs due to titles:                        | 691                 | 5 320          | 587          | -              | 5 424                          |
| – fees for commercial utilization of the environment    | -                   | 5 162          | -            | -              | 5 162                          |
| – duty to redeem property rights                        | 436                 | 158            | 437          | 0              | 157                            |
| – provision for costs of current year                   | 255                 | -              | 150          | -              | 105                            |
| Prepayment income settlement                            | 1 019               | 505            | 440          | -              | 1 084                          |
| <b>Total</b>  | <b>760 517</b>      | <b>235 542</b> | <b>1 027</b> | <b>649 588</b> | <b>345 444</b>                 |

## 12. Information on the provisions and assets related to deferred income tax

Within the 6-month-period ended 30 June 2021, there had been a change in the state of the provisions and assets related to deferred income tax, i.e.:

- A change in the state of assets, decreasing tax burden in the amount of PLN 2,263 thousand,
- A change in the state of provisions decreasing tax burden in the amount of PLN 12,214 thousand.

The change results from the dissolution of the asset due to the redemption of CO2 emission allowances and the difference in balance sheet and tax depreciation of fixed assets.

## 13. Information on significant acquisition and sales transactions of tangible fixed assets and any significant liability due to purchasing tangible fixed assets

Within the period of 6 months ended 30 June 2021 the Company:

- Acquired or accepted from investment the property plant and equipment worth PLN 4,517 thousand,
- sold and liquidated items of property, plant and equipment with a net value of PLN 2 thousand.

As at June 30, 2021, the Company's liabilities due to the purchase of property, plant and equipment amount to PLN 8,560 thousand.

In the 6-month period ended June 30, 2021, the value of the Company's non-current assets under construction increased by PLN 83,401 thousand. This increase was mainly due to the outlays related to the adaptation of K-7 boiler at Konin Power Plant for biomass combustion.

As at June 30, 2021, other liabilities towards other entities amount to PLN 149,238 thousand. In this item, the Company presents mainly liabilities related to the variable security related to the purchase of CO2 emission allowances, in the amount of PLN 143,686 thousand.

As at December 31, 2020, other liabilities to other entities amounted to PLN 67,400 thousand. The main amount of this item was liabilities due to the purchase of property, plant and equipment in the amount of PLN 45,580 thousand and liabilities related to the variable security related to the purchase of CO2 emission allowances (EUA) in the amount of PLN 16,909 thousand.

In the item "other receivables from other entities", the Company presents mainly receivables from deposits securing transactions on the Polish Power Exchange and securing the purchase of CO2 emission allowances (EUA) in the amount of PLN 223,766 thousand (as at December 31, 2020 it was PLN 94 PLN 569 thousand), as well as receivables



for stranded costs in the amount of PLN 138,431 thousand (as at December 31, 2020 it was the amount of PLN 83,908 thousand).

#### **14. Information about the failure to repay a bank credit or loan, or the breach of significant provisions of a bank credit or loan agreement, in relation to which no remedial actions have been undertaken until the end of the reporting period**

In the current reporting period, the Company regularly paid all its financial liabilities due to credits or loans. There were no violations of material provisions of credit or loan agreements, with respect to which no remedial actions were taken.

#### **15. Information on the issuer or its subsidiary, concluding one or multiple transactions with associated entities, should they have been concluded under conditions other than market conditions**

Zespół Elektrowni Państw-Adamów-Konin SA and subsidiaries, consolidated under the Group, did not conclude any transactions with the affiliates pursuant to conditions other than market conditions in the period of 6 months of 2021.

#### **16. Information on the change in the manner (method) of appraisal of financial instruments, appraised at fair value**

There have been no changes to the manner (method) of appraising financial instruments according to fair value in the Company's financial statement presented for the current reporting period.

#### **17. Information on the changes in the classification of financial assets**

In the current reporting period, there have been no changes to the classification of financial assets.

#### **18. Information on the issue, redemption and repayment of non-equity and equity securities**

In the period from April 26, 2021 to May 7, 2021, Trigon Dom Maklerski S.A. at the request of the Company, conducted a voluntary buyout of shares in PAK Kopalnia Węgla Brunatnego S.A. based in Kleczew (hereinafter PAK KWBK), under which 52,460 shares of PAK KWBK were purchased for PLN 5.20 per share, with a total value of PLN 272,792.

On May 17, 2021, the Company purchased from PAK Górnictwo Spółka z o.o. a packet of ordinary shares in the amount of 706,547 PAK KWBK shares with a nominal value of PLN 10 each.

Pursuant to Resolution No. 19 of the Ordinary General Meeting of PAK KWBK of June 15, 2021, it was decided to compulsorily buy out 516,338 shares of PAK KWBK for PLN 5.20 per share, with a total value of PLN 2,684,957.60.

The ownership of shares in PAK KWBK, subject to compulsory buyout, was transferred to the Company, therefore the Company holds 100% of its shares.

Pursuant to Resolution No. 3 of the Extraordinary General Meeting of PAK Kopalnia Węgla Brunatnego Adamów S.A. in liquidation (hereinafter PAK KWBA) of April 22, 2021, it was decided to compulsorily buy out 67,500 shares of PAK KWBA for PLN 6.60 per share, with a total value of PLN 445,500.

The ownership of PAK KWBA shares subject to the mandatory buyout was transferred to the Company, therefore the Company holds 100% of PAK KWBA shares.

## **19. Events of the accounting year not specified in the balance sheet and the income statement**

In the reporting period until the date of preparation of these financial statements, that is, until September 24, 2021, there were no events that were not, and should have been, included in the accounting books and financial statements for the period ended June 30, 2021.

## **20. Events of previous years recognised in the financial statement**

Until the date of preparation of the financial statements for the period ended June 30, 2021, that is until September 24, 2021, there were no other significant events relating to previous years that were not, but should have been included in the financial statements for the period of six months ended June 30, 2021 year.

## **21. Information on the changes in the business or economic circumstances that significantly affect the fair value of the entity's financial assets and financial liabilities, regardless of the fact, whether those assets and liabilities are recognised in the fair value or the corrected purchase cost (amortised cost)**

### ***Loan agreement for financing an investment project at Konin Power Plant (adaptation to biomass combustion)***

On January 29, 2021 the Company concluded a loan agreement with Bank Polska Kasa Opieki SA, on the basis of which the Company will be granted a loan in a total amount of up to PLN 160 million, intended for financing the investment project. The aim of the project is to adapt the existing coal-fired unit located on the premises of Konin power plant to biomass combustion. The modernized 50 MWe installation will produce electricity and act as a backup for the already operating biomass unit, supplying heat to the city of Konin. After the completion of the project, the power generation at Konin Power Plant will be approx. 100MWe (2x50MWe) using biomass as the primary fuel.

Pursuant to the agreement, the loan amount is up to PLN 160 million, and the Company undertook to contribute its own share from its own funds, in the amount of at least 20% of the project costs, but not less than PLN 52.8 million. The loan may be used no later than December 31, 2021. The borrower is obliged to repay the loan with interest and other amounts due under the terms of the agreement, with the full repayment of the loan by December 31, 2030.

In order to secure the repayment of receivables, the Company has established collaterals, i.e. a mortgage on the indicated properties of Konin Power Plant; financial and registration pledge on bank accounts maintained by the Company at Bank Pekao S.A. and power of attorney to each of the above bank accounts; transfer as security under insurance policies of the property of Konin Power Plant and assignment of receivables from heat supply contracts for the city of Konin and the Company's declaration of submission to enforcement pursuant to Art. 777 § 1 point 5 of the Code of Civil Procedure.

### ***Impact of the COVID-19 pandemic on the Company's operations***

The situation related to the negative consequences of the COVID-19 pandemic in each subsequent month of 2021 seems to be improving. The increasing number of vaccinated people gives hope that the number of cases will decrease in the coming quarters, and thus the restrictions will be lifted in the coming months. It should also positively influence the higher energy demand.

The company assumes that the consequences of the pandemic situation will be much less severe than last year. Although a negative scenario and subsequent waves of increased disease cannot be ruled out, the adaptability of enterprises is at a much higher level than a year ago.

The past year has proved that the Company is properly prepared to operate in a pandemic. The developed solutions in the field of employee protection, preventing interruptions in production and securing the financial position allow us to assume that in the event of an unfavourable scenario, the functioning of the Company is not burdened with too high risk.

## 22. Additional information

Additional information and disclosures required by the provisions of the Minister of Finance of 29 March 2018 on current and periodic information published by issuers of securities and the conditions for regarding information required by the law of a non-member state as equivalent, which could significantly impact the assessment of the economic, financial situation and, which have been, as a result of the issuer's financial result, included in the explanatory notes to the interim condensed consolidated financial report of ZE PAK Group (iccfr), including:

- explanations regarding the seasonality or cyclicity of the issuer's activities in the presented period (item 9 of iccfr),
- information on significant settlements due to lawsuits (26.1 iccfr),
- information on changes of contingent liabilities or contingent assets, which had occurred from the end of the last financial year (items 26.3 and 27 of iccfr),
- information regarding the paid (or declared) dividends (item 22 of iccfr),
- information on significant events after the balance sheet date (item 33 of iccfr).

Konin, 24 September 2021

## SIGNATURES:

Piotr Woźny  
President of the Management Board .....

Zygmunt Artwik  
Vice President of the Management Board .....

Andrzej Janiszowski  
Vice President of the Management Board .....

Maciej Nietopiel  
Vice President of the Management Board .....

Katarzyna Sobierajska  
Vice President of the Management Board

.....

Aneta Desecka  
Chief Accountant

.....