
ZE PAK SPÓŁKA AKCYJNA

QUARTERLY FINANCIAL INFORMATION FOR THE PERIOD OF 9 MONTHS ENDED 30 SEPTEMBER 2021

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

TABLE OF CONTENTS

BALANCE SHEET	64
PROFIT AND LOSS ACCOUNT (CALCULATION TYPE)	68
STATEMENT OF CASH FLOW (INDIRECT METHOD)	70
STATEMENT OF CHANGES IN EQUITY	72
ADDITIONAL INFORMATION TO THE CONDENSED FINANCIAL STATEMENTS FOR 9 MONTHS	74
1. GENERAL INFORMATION ABOUT THE COMPANY	74
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	74
3. ASSUMPTIONS OF CONTINUATION OF ECONOMIC ACTIVITY	76
4. MERGER OF COMMERCIAL COMPANIES	76
5. ACCEPTED PRINCIPLES (POLICY) OF ACCOUNTING	76
6. COMPARABILITY OF FINANCIAL DATA FOR THE PREVIOUS PERIOD WITH THE REPORT FOR THE CURRENT PERIOD	77
7. ERROR ADJUSTMENT	85
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	85
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	85
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	85
11. INFORMATION ON THE CREATION, INCREASE, USE OR LIQUIDATION OF THE PROVISIONS	86
12. INFORMATION ON THE PROVISIONS AND ASSETS RELATED TO DEFERRED INCOME TAX	86
13. INFORMATION ON SIGNIFICANT ACQUISITION AND SALES TRANSACTIONS OF TANGIBLE FIXED ASSETS AND ANY SIGNIFICANT LIABILITY DUE TO PURCHASING TANGIBLE FIXED ASSETS	86
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	87
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	87
16. INFORMATION ON THE CHANGE IN THE MANNER (METHOD) OF APPRAISAL OF FINANCIAL INSTRUMENTS, APPRAISED AT FAIR VALUE	87
17. INFORMATION ON THE CHANGES IN THE CLASSIFICATION OF FINANCIAL ASSETS	87
18. INFORMATION ON THE ISSUE, REDEMPTION AND REPAYMENT OF NON-EQUITY AND EQUITY SECURITIES	87
19. EVENTS OF THE ACCOUNTING PERIOD NOT SPECIFIED IN THE BALANCE SHEET AND THE INCOME STATEMENT	88
20. EVENTS OF PREVIOUS YEARS RECOGNISED IN THE FINANCIAL STATEMENT	88
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)	88
22. ADDITIONAL INFORMATION	89

BALANCE SHEET

Assets

	30 September 2021 <i>(unaudited)</i>	30 June 2021 <i>(unaudited)</i>	31 December 2020	30 September 2020 <i>(transformed unaudited)</i>	30 June 2020 <i>(transformed unaudited)</i>
A. Fixed assets	1 531 338	1 539 709	1 497 850	1 462 916	1 462 778
I. Intangible assets	2 057	2 079	5 944	5 391	5 433
1. Development expenses	-	-	-	-	-
2. Goodwill	-	-	-	-	-
3. Other intangible assets	2 057	2 079	5 944	5 391	5 433
4. Prepayments for intangible assets	-	-	-	-	-
II. Tangible fixed assets	1 353 402	1 361 600	1 328 583	1 315 185	1 320 491
1. Tangible assets	1 158 706	1 186 086	1 236 329	1 271 438	1 278 333
a) land (including perpetual usufruct)	1 688	1 690	1 695	10 528	10 530
b) buildings, premises and constructions	339 344	347 307	362 697	370 508	371 648
c) plant and machinery	815 855	835 233	869 948	888 276	894 569
d) motor vehicles	881	931	1 069	1 294	696
e) other	938	925	920	832	890
2. Construction in progress	168 450	148 704	65 303	22 202	22 218
3. Prepayments for construction in progress	26 246	26 810	26 951	21 545	19 940
III. Long-term receivables	-	-	-	-	-
1. from affiliates	-	-	-	-	-
2. from others, of which entity has capital engagement	-	-	-	-	-
3. from others	-	-	-	-	-
IV. Long-term investment	171 071	170 953	157 707	136 407	130 157
1. Property	-	-	-	-	-
2. Intangible fixed assets	-	-	-	-	-
3. Long-term financial assets	171 071	170 953	157 707	136 407	130 157
a) in affiliates	170 647	170 801	157 555	136 255	130 005
– shares	161 850	161 805	155 755	134 105	128 005
– other securities	-	-	-	-	-
– loans granted	6 267	6 466	1 300	1 650	2 000
– other long-term financial assets	2 530	2 530	500	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	424	152	152	152	152
– shares	152	152	152	152	152
– other securities	-	-	-	-	-
– loans granted	-	-	-	-	-
– other long-term financial assets	272	-	-	-	-
4. Other long-term investments	-	-	-	-	-
V. Long-term prepayments and deferred costs	4 808	5 077	5 616	5 933	6 697
1. Deferred tax assets	-	-	-	-	-
2. Other prepayments and deferred costs	4 808	5 077	5 616	5 933	6 697

BALANCE SHEET (cont.)

	1 005 842	759 695	953 859	748 742	559 996
B. Current assets					
I. Inventories	72 557	119 442	71 865	70 071	77 354
1. Raw materials	47 169	50 191	49 175	51 681	58 106
2. Semi-finished goods and work-in-progress	-	-	-	-	-
3. Finished products	-	-	-	-	-
4. Goods	25 388	16 549	22 690	18 390	19 248
5. Inventory prepayments	-	52 702	-	-	-
II. Short-term receivables	650 206	578 765	378 705	254 656	280 878
1. Receivables from affiliates	53 269	83 326	18 582	72 906	43 965
a) trade receivables, due in:	53 269	82 933	18 580	70 767	43 965
– up to 12 months	53 269	82 933	18 580	70 767	43 965
– over 12 months	-	-	-	-	-
b) other	-	393	2	2 139	-
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	596 937	495 439	360 123	181 750	236 913
a) trade receivables, due in:	88 373	73 620	43 813	21 887	32 968
– up to 12 months	88 373	73 620	43 813	21 887	32 968
– over 12 months	-	-	-	-	-
b) taxation, subsidy, customs duty, social security, health insurance and other debtors	4 671	32 581	30 305	19 752	33 989
c) other	503 893	389 238	286 005	140 111	169 956
d) submitted to court	-	-	-	-	-
III. Short-term investments	282 486	60 292	502 636	422 735	199 602
1. Short-term financial assets	282 486	60 292	502 636	422 735	199 602
a) in affiliates	34 242	37 718	46 419	33 421	33 413
– shares	-	-	-	-	-
– other securities	-	-	-	-	-
– loans granted	34 242	34 392	39 419	26 421	26 413
– other short-term financial assets	-	3 326	7 000	7 000	7 000
b) in other entities	360	-	6 550	1 014	-
– shares	-	-	-	-	-
– other securities	-	-	-	-	-
– loans granted	-	-	-	-	-
– other short-term financial assets	360	-	6 550	1 014	-
c) cash and other monetary assets	247 884	22 574	449 667	388 300	166 189
– cash on hand and cash at bank	247 884	22 574	449 667	388 300	166 189
– other cash and cash equivalents	-	-	-	-	-
– other monetary assets	-	-	-	-	-
2. Other short-term investments	-	-	-	-	-
IV. Short-term prepayments and deferred costs	593	1 196	653	1 280	2 162
C. Unpaid share capital (basic)	-	-	-	-	-
D. Own shares	-	-	-	-	-
Total assets	2 537 180	2 299 404	2 451 709	2 211 658	2 022 774

Konin, 26 November 2021

BALANCE SHEET (cont.)

Liabilities and equity

	30 September 2021 <i>(unaudited)</i>	30 June 2021 <i>(unaudited)</i>	31 December 2020	30 September 2020 <i>(transformed unaudited)</i>	30 June 2020 <i>(transformed unaudited)</i>
A. Equity	1 369 193	1 325 545	1 277 167	1 267 393	1 258 190
I. Equity capital	101 647	101 647	101 647	101 647	101 647
II. Reserve capital, including:	1 658 391	1 658 391	1 658 391	1 658 391	1 658 391
– surplus of sales value (issue value) over nominal value of shares	380 030	380 030	380 030	380 030	380 030
III. Revaluation reserve, including:	227 466	227 466	227 466	227 466	227 466
– for fair value revaluation	-	-	-	-	-
IV. Other reserves, including:	3 472	3 472	3 472	3 472	3 472
– created in accordance with the company's articles of association	-	-	-	-	-
– for own shares	-	-	-	-	-
V. Profits (losses) from previous years	(713 809)	(713 809)	(531 395)	(531 395)	(531 395)
VI. Net profit (loss) for the period	92 026	48 378	(182 414)	(192 188)	(201 391)
VII. Deductions from net profit during the period (negative value)	-	-	-	-	-
B. Liabilities and provisions for liabilities	1 167 987	973 859	1 174 542	944 265	764 584
I. Provisions for liabilities	735 498	560 393	994 741	832 444	677 074
1. Deferred tax liability	199 197	221 458	235 935	255 826	257 513
2. Provision for retirement benefits and similar obligations	14 912	16 737	24 302	15 356	17 046
– long-term	11 050	10 938	10 713	11 447	11 359
– short-term	3 862	5 799	13 589	3 909	5 687
3. Other provisions	521 389	322 198	734 504	561 262	402 515
– long-term	85 992	85 916	85 764	85 475	85 394
– short-term	435 397	236 282	648 740	475 787	317 121
II. Long-term liabilities	94 068	82 423	2 648	2 682	2 153
1. To affiliates	-	-	-	-	-
2. To other entities of which entity has capital engagement	-	-	-	-	-
3. To other entities	94 068	82 423	2 648	2 682	2 153
a) loans and credits	93 499	82 099	-	-	-
b) debt securities issued	-	-	-	-	-
c) other financial liabilities	221	324	449	510	61
d) bills of exchange	-	-	-	-	-
e) other	348	-	2 199	2 172	2 092
III. Short-term liabilities	329 274	324 535	175 443	99 257	77 706
1. To affiliates	15 683	37 908	11 583	17 139	16 822
a) trade liabilities:	15 515	28 910	10 784	17 139	14 321
– up to 12 months	15 515	28 910	10 784	17 139	14 321
– over 12 months	-	-	-	-	-
b) other	168	8 998	799	-	2 501

BALANCE SHEET (cont.)

2. Liabilities 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	307 956	280 361	159 013	76 437	54 952
a) loans and credits	8 306	56 083	-	-	-
b) debt securities issued	-	-	-	-	-
c) other financial liabilities	289	248	294	483	294
d) trade liabilities:	29 624	32 388	46 438	29 477	19 629
- up to 12 months	29 624	32 388	46 438	29 477	19 629
- over 12 months	-	-	-	-	-
e) advance payments received	-	-	-	-	-
f) bills of exchange	-	-	-	-	-
g) taxation, customs duty and social security creditors	33 257	38 018	39 547	29 323	24 783
h) payroll	4 305	4 386	5 334	4 252	3 857
i) other	232 175	149 238	67 400	12 902	6 389
4. Special funds	5 635	6 266	4 847	5 681	5 932
IV. Accruals and deferred income	9 147	6 508	1 710	9 882	7 651
1. Negative goodwill	-	-	-	-	-
2. Other accruals and deferred income	9 147	6 508	1 710	9 882	7 651
- long-term	282	294	317	329	340
- short-term	8 865	6 214	1 393	9 553	7 311
Total Liabilities and equity	<u>2 537 180</u>	<u>2 299 404</u>	<u>2 451 709</u>	<u>2 211 658</u>	<u>2 022 774</u>

Konin, 26 November 2021

PROFIT AND LOSS ACCOUNT (calculation type)

	<i>A period of 9 months ended 30 September 2021 (unaudited)</i>	<i>A period of 3 months ended 30 September 2021 (unaudited)</i>	<i>A period of 9 months ended 30 September 2020 (transformed unaudited)</i>	<i>A period of 3 months ended 30 September 2020 (transformed unaudited)</i>
A. Net sales of finished goods, goods for resale and raw materials, of which:	1 461 684	563 175	1 339 005	466 594
– from affiliates	89 844	28 528	49 880	16 248
I. Net sales of finished products	1 288 514	517 739	1 238 244	423 983
II. Net sales of goods for resale and raw materials	173 170	45 436	100 761	42 611
B. Cost of finished products, goods for resale and raw materials sold, of which:	1 368 344	527 644	1 320 538	453 472
– to affiliates	95 315	34 198	47 393	29 499
I. Cost of finished products sold	1 166 197	465 017	1 241 398	416 001
II. Cost of goods for resale and raw materials sold	202 147	62 627	79 140	37 471
C. Gross profit (loss) on sales (A–B)	93 340	35 531	18 467	13 122
D. Selling expenses	1 601	551	1 158	327
E. Administrative expenses	32 189	10 846	36 016	12 162
F. Profit (loss) on sales (C–D–E)	59 550	24 134	(18 707)	633
G. Other operating income	13 098	(3 240)	231 111	2 591
I. Gains on the sale of non-financial fixed assets	6 162	-	2 656	-
II. Grants	35	12	6 862	6 839
III. Revaluation of non-financial assets	-	-	186 000	-
IV. Other operating income	6 901	(3 252)	35 593	(4 248)
H. Other operating expenses	12 582	1 083	336 878	(761)
I. Loss on the sale of non-financial fixed assets	-	-	-	-
II. Impairment of non-financial assets	11 668	9 913	332 537	352
III. Other	914	(8 830)	4 341	(1 113)
I. Operating profit (loss) (F+G–H)	60 066	19 811	(124 474)	3 985
J. Financial income	49 909	48 339	18 941	13 168
I. Dividends and shares in profits, including:	46	46	2 195	2 195
a) from affiliates, including:	-	-	2 137	2 137
– of which the entity has capital engagement	-	-	2 137	2 137
b) from others, including:	46	46	58	-
– of which the entity has capital engagement	-	-	-	-
II. Interest, including:	47 027	46 553	2 184	176
– from affiliates	643	190	637	158
III. Profit on the disposal of financial assets, including:	-	-	-	-
– affiliates	-	-	-	-
IV. Revaluation of investments	632	632	12 218	10 667
V. Other	2 204	1 108	2 344	130
K. Financial costs	54 678	46 754	124 905	(55)
I. Interest, including:	802	286	339	73
– to affiliates	75	75	-	-
II. Loss on the disposal of financial assets, including:	-	-	-	-
– in affiliates	-	-	-	-
III. Impairment of investments	53 544	46 357	121 691	1
IV. Other	332	111	2 875	(129)
L. Gross profit (loss) (I+J–K)	55 297	21 396	(230 438)	17 208

PROFIT AND LOSS ACCOUNT (calculation type) (cont.)

M. Corporate profit tax	<u>(36 729)</u>	<u>(22 252)</u>	<u>(38 250)</u>	<u>8 005</u>
- current part	<u>9</u>	<u>9</u>	<u>8 182</u>	<u>8 062</u>
N. Other mandatory profit reductions (loss increases)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
O. Net profit / (loss) (L–M–N)	<u>92 026</u>	<u>43 648</u>	<u>(192 188)</u>	<u>9 203</u>

Konin, 26 November 2021

STATEMENT OF CASH FLOW (indirect method)

	<i>A period of 9 months ended 30 September 2021 (unaudited)</i>	<i>A period of 3 months ended 30 September 2021 (unaudited)</i>	<i>A period of 9 months ended 30 September 2020 (transformed unaudited)</i>	<i>A period of 3 months ended 30 September 2020 (transformed unaudited)</i>
A. Cash flow from operating activities				
I. Net profit (loss)	92 026	43 648	(192 188)	9 203
II. Adjustments, total	(253 595)	246 952	298 154	235 115
1. Depreciation	82 869	27 637	69 496	23 469
2. Foreign exchange gains (losses)	(131)	306	(67)	(53)
3. Interest and shares in profits (dividends)	(146)	19	(2 540)	(2 325)
4. Profit (loss) on investing activities	916	6	248 622	32
5. Change in provisions	383 371	175 104	445 250	155 370
6. Change in inventories	(692)	46 885	10 001	7 283
7. Change in receivables	(271 502)	(71 441)	55 332	26 708
8. Change in short-term liabilities, except for loans and borrowings	184 762	66 188	(12 451)	19 210
9. Change in prepayments, accruals and deferred income	9 094	2 880	10 207	3 625
10. Other adjustments	(642 136)	(632)	(525 696)	1 796
III. Net cash flow from operating activities (I±II)	(161 569)	290 600	105 966	244 318
B. Cash flow from investing activities				
I. Inflows	25 488	3 907	2 078	883
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:	10 294	3 907	2 078	883
a) in affiliates	10 248	3 861	2 020	825
b) in others	46	46	58	58
– disposal of financial assets	-	-	-	-
– dividends and share in profits	46	46	58	58
– repayment of long-term loans granted	-	-	-	-
– interests	-	-	-	-
– other inflows from financial assets	-	-	-	-
4. Other investing inflows	-	-	-	-
II. Outflows	166 893	23 188	49 107	23 070
1. Purchase of intangible assets and tangible fixed assets	149 217	23 150	42 497	16 460
2. Investments in property and intangible assets	-	-	-	-
3. For financial assets, including:	17 676	38	6 610	6 610
a) in affiliates	17 676	38	6 610	6 610
b) in others	-	-	-	-
– purchase of financial assets	-	-	-	-
– long-term loans granted	-	-	-	-
4. Other investing outflows	-	-	-	-
III. Net cash flow from investing activities (I-II)	(141 405)	(19 281)	(47 029)	(22 187)

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

C. Cash flow from financing activities

I. Inflows	116 804	(36 378)	-	-
1. Net inflows from issue of shares, issue of other capital instruments and additional payments to capital	-	-	-	-
2. Loans and credits	116 804	(36 378)	-	-
3. Issue of debt securities	-	-	-	-
4. Other financial inflows	-	-	-	-
II. Outflows	15 744	9 324	400	74
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	15 000	9 000	-	-
5. Redemption of debt securities	-	-	-	-
6. Relating to other financial liabilities	-	-	-	-
7. Finance lease payments	208	67	94	31
8. Interest paid	536	257	306	43
9. Other financial outflows	-	-	-	-
III. Net cash flow from financial activities (I-II)	101 060	(45 702)	(400)	(74)
D. Total net cash flow (A.III±B.III±C.III)	(201 914)	225 617	58 537	222 057
E. Balance sheet change in cash and cash equivalents,, including:	(201 783)	225 311	58 604	222 110
– change in cash and cash equivalents due to foreign exchange gains/losses	131	(306)	67	53
F. Cash and cash equivalents at the beginning of the period	450 137	22 606	329 696	166 176
G. Cash and cash equivalents at the end of the period (F±D), including	248 223	248 223	388 233	388 233
– of restricted use	5 187	5 187	4 718	4 718

Konin, 26 November 2021

STATEMENT OF CHANGES IN EQUITY

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

STATEMENT OF CHANGES IN EQUITY (cont.)

5.4. Loss from previous years at the beginning of the period	(531 395)	(531 395)	(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)	(531 395)	(531 395)
a) increases	(182 414)	(182 414)	-	-	-
– transfer of loss from previous years to cover	(182 414)	(182 414)	-	-	-
b) decreases	-	-	-	-	-
– loss coverage with supplementary and reserve capital	-	-	-	-	-
5.6. Loss from previous years at the end of the period	(713 809)	(713 809)	(531 395)	(531 395)	(531 395)
5.7. Profit (loss) from previous years at the end of the period	(713 809)	(713 809)	(531 395)	(531 395)	(531 395)
6. Net result	92 026	48 378	(182 414)	(192 188)	(201 391)
a) net profit	92 026	48 378	-	-	-
b) net loss	-	-	(182 414)	(192 188)	(201 391)
c) result impairments	-	-	-	-	-
II. Equity at the end of the period (CB)	1 369 193	1 325 545	1 277 167	1 267 393	1 258 190
III. Equity after proposed result distribution (cover of loss)	1 369 193	1 325 545	1 277 167	1 267 393	1 258 190

Konin, 26 November 2021

ADDITIONAL INFORMATION TO THE CONDENSED FINANCIAL STATEMENTS FOR 9 MONTHS

1. General information about the Company

ZE PAK Spółka Akcyjna („ZE PAK SA”, “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 ZE PAK SA Capital Group (“Group”, “Capital Group”, “ZE PAK SA Group”).

According to the articles of association, the subject of the Company’s activity is the following:

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

The interim condensed 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.

Change of the Company's name

On September 30th, 2021 the District Court Poznań - Nowe Miasto and Wilda in Poznań, IX Commercial Division of the National Court Register registered the amendments the Articles of Association adopted by the Ordinary General Meeting of Shareholders of ZE PAK SA on June 28th, 2021, consisting in the amendment of the Company’s name from Zespół Elektrowni Pątnów-Adamów-Konin Spółka Akcyjna to ZE PAK Spółka Akcyjna, giving § 1 item 1 of the Company’s Articles of Association the following new wording: “The name of the Company is: ZE PAK Spółka Akcyjna”.

The change concerns only the name of the Company, all other data have not changed.

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. Capitalization of borrowing costs.

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 September 30, 2021 (unaudited data):

	Balance sheet value Acc. To AoA	Balance sheet value Acc. to IFRS	Value adjustment
Tangible fixed assets	1 353 402	1 306 394	47 208
Equity	1 369 193	1 210 827	(158 366)
Deferred tax provision	199 167	253 234	54 067

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

	30 September 2021 (unaudited)
AoA net profit	92 026
Adjustment of the tangible fixed assets	6 650
IAS 19 adjustment – Actuarial profits (losses)	(125)
IFRS 16 adjustment	(791)
IFRS net profit	97 760

	30 September 2021 (unaudited)
AoA capital	1 369 193
Adjustment of the tangible fixed assets	(120 996)
IFRS 9 adjustment	(41)
IFRS 16 adjustment	(37 329)
IFRS capital	1 210 827

3. Assumptions 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 19th, 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 Pątnów II Sp. z o.o., and in connection with the change in the rules for presenting the settlement of CO2 costs for 2019.

ZE PAK SA
 QUARTERLY FINANCIAL INFORMATION FOR THE PERIOD OF 9 MONTHS ENDED 30 SEPTEMBER 2021
 (thousand PLN)

BALANCE SHEET - ASSETS

	<i>Published data ZE PAK SA (unaudited)</i>	<i>Dane Elektrownia Pątnów II sp. z o.o. (unaudited)</i>	<i>Data PAK Infrastruktura sp. z o.o. (unaudited)</i>	<i>Transformed data (unaudited)</i>	<i>Exclusions due to the merger (unaudited)</i>
<i>As at 30 September 2020</i>					
A. Fixed assets	1 604 011	630 873	27 717	1 462 916	(799 685)
I. Intangible assets	5 270	121	-	5 391	-
1. Development expenses	-	-	-	-	-
2. Goodwill	-	-	-	-	-
3. Other intangible assets	5 270	121	-	5 391	-
4. Prepayments for intangible assets	-	-	-	-	-
II. Tangible fixed assets	658 366	630 752	26 067	1 315 185	-
1. Tangible assets	616 295	629 076	26 067	1 271 438	-
a) land (including perpetual usufruct)	10 111	413	4	10 528	-
b) buildings, premises and constructions	156 547	204 204	9 757	370 508	-
c) plant and machinery	447 941	424 029	16 306	888 276	-
d) motor vehicles	943	351	-	1 294	-
e) other	753	79	-	832	-
2. Construction in progress	20 526	1 576	-	22 202	-
3. Prepayments for construction in progress	21 545	-	-	21 545	-
III. Long-term receivables	-	-	-	-	-
1. from affiliates	-	-	-	-	-
2. from others, of which entity has capital engagement	-	-	-	-	-
3. from others	-	-	-	-	-
IV. Long-term investment	934 442	-	1 650	136 407	(799 685)
1. Property	-	-	-	-	-
2. Intangible fixed assets	-	-	-	-	-
3. Long-term financial assets	934 442	-	1 650	136 407	(799 685)
a) in affiliates	934 290	-	1 650	136 255	(799 685)
– shares	933 790	-	-	134 105	(799 685)
– other securities	-	-	-	-	-
– loans granted	-	-	1 650	1 650	-
– other long-term financial assets	500	-	-	500	-
b) in other entities of which entity has capital engagement	-	-	-	-	-

ZE PAK SA
 QUARTERLY FINANCIAL INFORMATION FOR THE PERIOD OF 9 MONTHS ENDED 30 SEPTEMBER 2021
 (thousand PLN)

	<i>Published data ZE PAK SA (unaudited)</i>	<i>Dane Elektrownia Pątnów II sp. z o.o. (unaudited)</i>	<i>Data PAK Infrastruktura sp. z o.o. (unaudited)</i>	<i>Transformed data (unaudited)</i>	<i>Exclusions due to the merger (unaudited)</i>
– shares	-	-	-	-	-
– other securities	-	-	-	-	-
– 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	-	-	-	-	-
V. Long-term prepayments and deferred costs	5 933	-	-	5 933	-
1. Deferred tax assets	-	-	-	-	-
2. Other prepayments and deferred costs	5 993	-	-	5 933	-
B. Current assets	302 794	415 420	39 216	748 742	(8 688)
I. Inventories	67 955	2 116	-	70 071	-
1. Raw materials	49 565	2 116	-	51 681	-
2. Semi-finished goods and work-in-progress	-	-	-	-	-
3. Finished products	-	-	-	-	-
4. Goods	18 390	-	-	18 390	-
5. Inventory prepayments	-	-	-	-	-
II. Short-term receivables	110 657	149 595	3 092	254 656	(8 688)
1. Receivables from affiliates	62 082	20 037	2 830	72 906	(12 043)
a) trade receivables, due in:	59 943	20 037	2 830	70 767	(12 043)
– up to 12 months	59 943	20 037	2 830	70 767	(12 043)
– over 12 months	-	-	-	-	-
b) other	2 139	-	-	2 139	-
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	48 575	129 558	262	181 750	3 355

ZE PAK SA
 QUARTERLY FINANCIAL INFORMATION FOR THE PERIOD OF 9 MONTHS ENDED 30 SEPTEMBER 2021
 (thousand PLN)

	<i>Published data ZE PAK SA (unaudited)</i>	<i>Dane Elektrownia Pqtnów II sp. z o.o. (unaudited)</i>	<i>Data PAK Infrastruktura sp. z o.o. (unaudited)</i>	<i>Transformed data (unaudited)</i>	<i>Exclusions due to the merger (unaudited)</i>
a) trade receivables, due in:	18 213	3 674	-	21 887	-
– up to 12 months	18 213	3 674	-	21 887	-
– over 12 months	-	-	-	-	-
b) taxation, subsidy, customs duty, social security, health insurance and other debtors	5 108	14 382	262	19 752	-
c) other	25 254	111 502	-	140 111	3 355
d) submitted to court	-	-	-	-	-
III. Short-term investments	123 428	263 323	35 984	422 735	-
1. Short-term financial assets	123 428	263 323	35 984	422 735	-
a) in affiliates	7 010	-	26 411	33 421	-
– shares	-	-	-	-	-
– other securities	-	-	-	-	-
– loans granted	10	-	26 411	26 421	-
– other short-term financial assets	7 000	-	-	7 000	-
b) in other entities	725	289	-	1 014	-
– shares	-	-	-	-	-
– other securities	-	-	-	-	-
– loans granted	-	-	-	-	-
– other short-term financial assets	725	289	-	1 014	-
c) cash and other monetary assets	115 693	263 034	9 573	388 300	-
– cash on hand and cash at bank	115 693	263 034	9 573	388 300	-
– other cash and cash equivalents	-	-	-	-	-
– other monetary assets	-	-	-	-	-
2. Other short-term investments	-	-	-	-	-
IV. Short-term prepayments and deferred costs	754	386	140	1 280	-
C. Unpaid share capital (basic)	-	-	-	-	-
D. Own shares	-	-	-	-	-
TOTAL ASSETS	1 906 805	1 046 293	66 933	2 211 658	(808 373)

ZE PAK SA
 QUARTERLY FINANCIAL INFORMATION FOR THE PERIOD OF 9 MONTHS ENDED 30 SEPTEMBER 2021
 (thousand PLN)

BALANCE SHEET – LIABILITIES AND EQUITY

	<i>Published data ZE PAK SA (unaudited)</i>	<i>Published data Elektrownia Pątnów II sp. z o.o. (unaudited)</i>	<i>Published data PAK Infrastruktura sp. z o.o. (unaudited)</i>	<i>Transformed data (unaudited)</i>	<i>Exclusions due to the merger (unaudited)</i>
<i>As of 30 September 2020</i>					
A. Equity	1 318 385	687 658	61 035	1 267 393	(799 685)
I. Equity capital	101 647	750 500	60 392	101 647	(810 892)
II. Reserve capital, including:	1 124 377	534 014	-	1 658 391	-
– surplus of sales value (issue value) over nominal value of shares	380 030	-	-	380 030	-
III. Revaluation reserve, including:	227 466	-	-	227 466	-
– for fair value revaluation	-	-	-	-	-
IV. Other reserves, including:	3 472	-	-	3 472	-
– created in accordance with the company's articles of association	-	-	-	-	-
– for own shares	-	-	-	-	-
V. Profits (losses) from previous years	(164 915)	(367 763)	-	(531 395)	1 282
VI. Net profit (loss) for the period	26 338	(229 093)	643	(192 188)	9 925
VII. Deductions from net profit during the period (negative value)	-	-	-	-	-
B. Liabilities and provisions for liabilities	588 420	358 635	5 898	944 265	(8 688)
I. Provisions for liabilities	492 887	336 687	2 870	832 444	-
1. Deferred tax liability	128 308	124 648	2 870	255 826	-
2. Provision for retirement benefits and similar obligations	15 321	35	-	15 356	-
– long-term	11 420	27	-	11 447	-
– short-term	3 901	8	-	3 909	-
3. Other provisions	349 258	212 004	-	561 262	-
– long-term	85 475	-	-	85 475	-
– short-term	263 783	212 004	-	475 787	-
II. Long-term liabilities	2 510	172	-	2 682	-
1. To affiliates	-	-	-	-	-
2. To other entities of which entity has capital engagement	-	-	-	-	-
3. To other entities	2 510	172	-	2 682	-
a) loans and credits	-	-	-	-	-
b) debt securities issued	-	-	-	-	-
c) other financial liabilities	510	-	-	510	-
d) bills of exchange	-	-	-	-	-
e) other	2 000	172	-	2 172	-
III. Short-term liabilities	85 655	19 262	3 028	99 257	(8 688)

ZE PAK SA
 QUARTERLY FINANCIAL INFORMATION FOR THE PERIOD OF 9 MONTHS ENDED 30 SEPTEMBER 2021
 (thousand PLN)

	<i>Published data</i> ZE PAK SA <i>(unaudited)</i>	<i>Published data</i> Elektrownia Pątnów II <i>sp. z o.o. (unaudited)</i>	<i>Published data</i> PAK Infrastruktura <i>sp. z o.o. (unaudited)</i>	<i>Transformed data</i> <i>(unaudited)</i>	<i>Exclusions due to</i> <i>the merger</i> <i>(unaudited)</i>
1. To affiliates	19 441	6 954	2 786	17 139	(12 043)
a) trade liabilities:	19 441	6 954	2 786	17 139	(12 043)
– up to 12 months	19 441	6 954	2 786	17 139	(12 043)
– over 12 months	-	-	-	-	-
b) other	-	-	-	-	-
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	60 533	12 308	242	76 437	3 355
a) loans and credits	-	-	-	-	-
b) debt securities issued	-	-	-	-	-
c) other financial liabilities	483	-	-	483	-
d) trade liabilities:	25 769	3 701	7	29 477	-
– up to 12 months	25 769	3 701	7	29 477	-
– over 12 months	-	-	-	-	-
e) advance payments received	-	-	-	-	-
f) bills of exchange	-	-	-	-	-
g) taxation, customs duty and social security creditors	21 257	7 832	235	29 323	-
h) payroll	4 200	52	-	4 252	-
i) other	8 824	723	-	12 902	3 355
4. Special funds	5 681	-	-	5 681	-
IV. Accruals and deferred income	7 368	2 514	-	9 882	-
1. Negative goodwill	-	-	-	-	-
2. Other accruals and deferred income	7 368	2 514	-	9 882	-
– long-term	329	-	-	329	-
– short-term	7 039	2 514	-	9 553	-
Total Liabilities and equity	1 906 805	1 046 293	66 933	2 211 658	(808 373)

ZE PAK SA
 QUARTERLY FINANCIAL INFORMATION FOR THE PERIOD OF 9 MONTHS ENDED 30 SEPTEMBER 2021
 (thousand PLN)

PROFIT AND LOSS ACCOUNT (calculation type)

	<i>Published data</i> ZE PAK SA <i>(unaudited)</i>	<i>Data</i> Elektrownia Pątnów II sp. z o.o. <i>(unaudited)</i>	<i>Data</i> PAK Infrastruktura sp. z o.o. <i>(unaudited)</i>	<i>Transformed data</i> <i>(unaudited)</i>	<i>Exclusions due to</i> <i>the merger</i> <i>(unaudited)</i>	<i>Presentation</i> <i>correction</i> <i>(unaudited)</i>
<i>As at 30 September 2020</i>						
A. Net sales of finished goods, goods for resale and raw materials, of which:	785 064	617 654	12 589	1 339 005	(76 302)	-
– from affiliates	113 153	440	12 589	49 880	(76 302)	-
I. Net sales of finished products	720 642	581 315	12 589	1 238 244	(76 302)	-
II. Net sales of goods for resale and raw materials	64 422	36 339	-	100 761	-	-
B. Cost of finished products, goods for resale and raw materials sold, of which:	786 084	567 749	12 397	1 320 538	(76 302)	30 610
– to affiliates	96 849	4	12 397	47 393	(61 857)	-
I. Cost of finished products sold	737 021	537 672	12 397	1 241 398	(76 302)	30 610
II. Cost of goods for resale and raw materials sold	49 063	30 077	-	79 140	-	-
C. Gross profit (loss) on sales (A–B)	(1 020)	49 905	192	18 467	-	(30 610)
D. Selling expenses	1 001	157	-	1 158	-	-
E. Administrative expenses	30 680	5 279	57	36 016	-	-
F. Profit (loss) on sales (C–D–E)	(32 701)	44 469	135	(18 707)	-	(30 610)
G. Other operating income	219 705	199	-	231 111	11 207	-
I. Gains on the sale of non-financial fixed assets	2 656	-	-	2 656	-	-
II. Grants	6 862	-	-	6 863	-	-
III. Revaluation of non-financial assets	186 000	-	-	186 000	-	-
IV. Other operating income	24 187	199	-	35 592	11 207	-
H. Other operating expenses	31 630	335 858	-	336 878	-	(30 610)
I. Loss on the sale of non-financial fixed assets	-	-	-	-	-	-
II. Impairment of non-financial assets	5 537	327 000	-	332 537	-	-
III. Other	26 093	8 858	-	4 341	-	(30 610)
I. Operating profit (loss) (F+G–H)	155 374	(291 190)	135	(124 474)	11 207	-
J. Financial income	9 003	10 562	658	18 941	(1 282)	-
I. Dividends and shares in profits, including:	3 477	-	-	2 195	(1 282)	-
a) from affiliates, including:	3 419	-	-	2 137	(1 282)	-
– of which the entity has capital engagement	-	-	-	2 137	-	-

ZE PAK SA
 QUARTERLY FINANCIAL INFORMATION FOR THE PERIOD OF 9 MONTHS ENDED 30 SEPTEMBER 2021
 (thousand PLN)

	<i>Published data</i> ZE PAK SA <i>(unaudited)</i>	<i>Data</i> Elektrownia Pątnów II sp. z o.o. <i>(unaudited)</i>	<i>Data</i> PAK Infrastruktura sp. z o.o. <i>(unaudited)</i>	<i>Transformed data</i> <i>(unaudited)</i>	<i>Exclusions due to</i> <i>the merger</i> <i>(unaudited)</i>	<i>Presentation</i> <i>correction</i> <i>(unaudited)</i>
b) from others, including:	58	-	-	58	-	-
– of which the entity has capital engagement	-	-	-	-	-	-
II. Interest, including:	905	621	658	2 184	-	-
– from affiliates	-	-	637	637	-	-
III. Profit on the disposal of financial assets, including:	-	-	-	-	-	-
– affiliates	-	-	-	-	-	-
IV Revaluation of investments	2 277	9 941	-	12 218	-	-
V. Other	2 344	-	-	2 344	-	-
K Financial costs	122 562	2 343	-	124 905	-	-
I. Interest, including:	309	30	-	339	-	-
– to affiliates	-	-	-	-	-	-
II. Loss on the disposal of financial assets, including:	-	-	-	-	-	-
– in affiliates	-	-	-	-	-	-
III. Impairment of investments	121 691	-	-	121 691	-	-
IV. Other	562	2 313	-	2 875	-	-
L. Gross profit (loss) (I+J–K)	41 815	(282 971)	793	(230 438)	9 925	-
M. Corporate profits tax	15 477	(53 878)	151	(38 250)	-	-
N. Other tax charges	-	-	-	-	-	-
O. Net profit (loss) (L–M–N)	26 338	(229 093)	642	(192 188)	9 925	-

7. Error adjustment

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:

<i>Impairment write-downs</i>	<i>31 December 2020</i>		<i>changes</i>			<i>30 September 2021</i>
			<i>creation</i>	<i>use</i>	<i>liquidation</i>	<i>(unaudited)</i>
Inventories	49 218	2 678	-	32		51 864

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 September 30, 2021, the Company had 37 950.000 MWh of green energy certificates from green energy produced and verified by the ERO. From January 1, 2021 to September 30, 2021, the Company received 297 980.819 MWh certificates for production in October, November and December 2020 and for January, February, March, April, May, June 2021. 11 647.471 MWh for production in July 2021. Certificates of origin were obtained on an ongoing basis. In this period, 306 875.934 MWh was sold on TGE SA, the revenue from this was PLN 49,186 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:

<i>Impairment write-downs</i>	<i>31 December 2020</i>		<i>changes</i>			<i>30 September 2021</i>
			<i>creation</i>	<i>use</i>	<i>liquidation</i>	<i>(unaudited)</i>
Intangible assets	1 278	-	-	-	-	1 278
Tangible fixed assets	2 480 650	-	-	-	298	2 480 352
Financial assets	258 136	7 186	-	-	2	265 320
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 September 2021 increased by 100.9%, and compared to June 2020, even by 122%. 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 September 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 2020	changes			30 September 2021 (unaudited)
		creation	use	liquidation	
Provisions for pension and similar benefits, including:	24 303	1 896	-	11 287	14 912
– provision for retirement and death benefits	11 597	1 103	-	1 164	11 536
– provision for an annual bonus	8 169	304	-	8 473	-
– provision for unused holidays	4 537	489	-	1 650	3 376
Provisions for CO2 emission allowances	640 438	427 023	-	640 455	427 006
Provision for the return of CO2 emission allowances	7 038	283	-	194	7 127
Provisions for reclamation	67 313	33	-	-	67 346
Provision for liquidation	18 451	195	-	-	18 646
Provision for fees	1 264	-	-	-	1 264
Accruals of costs due to titles:	691	8 348	587	381	8 071
– fees for commercial utilization of the environment	-	7 989	-	276	7 713
– duty to redeem property rights	436	359	437	-	358
– provision for costs of current year	255	-	255	-	-
Prepayment income settlement	1 019	508	451	-	1 076
Total	760 517	438 286	1 038	652 317	545 448

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

Within the 9-month-period ended 30 September 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 2,291 thousand,
- A change in the state of provisions decreasing tax burden in the amount of PLN 34,447 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 9 months ended 30 September 2021 the Company:

- acquired or accepted from investment the property plant and equipment worth PLN 4,834 thousand,
- sold and liquidated items of property, plant and equipment with a net value of PLN 43 thousand.

As at September 30, 2021, the Company's liabilities due to the purchase of property, plant and equipment amount to PLN 4,681 thousand.

In the 9-month period ended September 30, 2021, the value of the Company's non-current assets under construction increased by PLN 103,146 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 September 30, 2021, other liabilities towards other entities amount to PLN 232,175 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 222,825 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 409,885 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 64,920 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

ZE PAK 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 9 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 period 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 November 26, 2021, there were no events that were not, and should have been, included in the accounting books and financial statements for the period ended September 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 September 30, 2021, that is until November 26, 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 accounting 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.

Conclusion of a Letter of Intent with Orsted Wind Power

On October 14, 2021 the Company signed a Letter of Intent with Orsted Wind Power A/S with its seat in Fredericia, Denmark.

The intention of the Parties is the implementation and development of wind farm projects in the maritime areas of the Republic of Poland. The cooperation will be developed through joint ventures in which both parties will own 50% of shares. The parties plan to jointly prepare and submit applications for the issuance of permits for the construction and use of artificial islands, structures and devices in the maritime areas of the Republic of Poland for offshore wind farm projects in the upcoming deciding procedure, conducted in accordance with Art. 27d et seq. of the Act of March 21, 1991 on the maritime areas of the Republic of Poland and maritime administration.

The parties intend to define the terms of cooperation in the partnership agreement, which is the subject of negotiations, and in other agreements to be negotiated and concluded in the performance of the agreement.

The implementation of the goal described in the Letter of Intent depends on the fulfilment of the condition precedent in the form of the competent antimonopoly authority issuing a decision granting the parties unconditional consent for cooperation or the expiry of the statutory deadline by which the antimonopoly authority should issue a decision expressing such consent, and after that date, the consent is deemed to have been issued under the law.

Start-up of the Photovoltaic Farm in Brudzew

On October 27, 2021, a solar farm with a capacity of 70 MWp started operating in the Brudzew commune. The value of the investment was nearly PLN 164 million net.

The farm consists of 155 thousand photovoltaic modules with a capacity of 455 Wp each and covers about 100 ha of land. Until recently, it was an area used by Adamów Lignite Mine for opencast lignite mining. While constructing the farm, there were involved former miners who have been retrained and now are implementing new projects related to renewable energy.

Apart from modules, 306 inverters and over 900 km of cables and optical fibres were used for the construction of the power plant. The farm fence itself, with 16 entrance gates, is 12 km long. There are 31 transformer stations on the site of the power plant, each with a capacity of 2MVA.

Annually, the power plant is to produce about 68,188 MWh, which will result in a reduction of CO₂ emissions at the level of 56.7 thousand tons per year.

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 (icfr), including:

- explanations regarding the seasonality or cyclicity of the issuer's activities in the presented period (item 9 of icfr),
- information on significant settlements due to lawsuits (26.1 icfr),
- 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 icfr),
- information regarding the paid (or declared) dividends (item 22 of icfr),
- information on significant events after the balance sheet date (item 33 of icfr).

Konin, 26 November 2021