

Poznań, 12 May 2021

From:

**Management Board
of ENEA S.A. in Poznań**

ul. Górecka 1, 60-201 Poznań

"ClientEarth Prawnicy dla Ziemi" Foundation in Warsaw

Mokotowska 33/35, 00-560 Warsaw

Re.: obligation of the Company's Management Board to provide information to a shareholder on the basis of a decision of the District Court for Poznań Nowe Miasto and Wilda in Poznań of 2 September 2020 (file ref. PO.VIII.Ns-Rej.KRS 2426/20/596).

Dear Sirs and Madams,

In performance of the obligation imposed on the Management Board of ENEA S.A. in Poznań ("**Company**") pursuant to Art. 429 § 1 of the Commercial Company Code Act of 15 September 2000 (consolidated text in the Journal of Laws of 2020 Item 1526), in connection with a Decision of the District Court in Poznań, the 10th Commercial and Appeal Division of 15 February 2021 (file ref. X Ga 1129/20) dismissing the appeal against the decision of the Regional Court for Poznań Nowe Miasto and Wilda in Poznań, 8th Commercial Division of KRS of 2 September 2020 (file ref. PO.VIII.Ns-Rej.KRS 2426/20/596), the Management Board of the Company hereby gives its response to a question from a shareholder, the "ClientEarth Prawnicy dla Ziemi" Foundation in Warsaw.

By decision of the District Court for Poznań Nowe Miasto and Wilda in Poznań, the 8th Commercial Division of KRS of 2 September 2020 (file ref. PO.VIII.Ns-Rej.KRS 2426/20/596), the Company's Management Board was obligated as follows:

"Provide the "CLIENTEARTH Prawnicy dla Ziemi" Foundation with information: on the assessments (analyses, consultations and any independent consulting) on the basis of which the company claims that the "OSTROŁĘKA C" project will be profitable and disclose analyses substantiating such an assessment by the company."

Pursuant to Current Report no. 55/2020 of 22 December 2020 with an update on the execution of the Ostrołęka C project as well as Current Report no. 56/2020 of 22 December 2020 on the signing of agreements on the Ostrołęka C project, which concluded on the definitive abandonment of the Ostrołęka C project as a coal-fired power plant, and given the considerable period of time that passed in the period from the moment the question was actually asked at the Extraordinary General Meeting of the Company on 24 September 2018 until the moment the Courts issued the aforementioned decisions obligating the Company to provide the information (and since during that period of time significant legal and factual changes occurred affecting the Ostrołęka C project, as well as changes in the regulatory, economic and market conditions independent from the stakeholders of the Ostrołęka C project), the Management Board of the

Company in its response to the shareholder's question will use the past tense to reflect the fact that the information that was current as of the date of the Company's Extraordinary General Meeting held on 24 September 2018 is no longer current on the date the answer is given, due to the significant changes pertaining to the project itself as well as changes in the economic environment.

To provide information on all independent consulting, on the basis of which the Company projected profitability of the Ostrołęka C project, the Management Board of the Company hereby reports that at the moment Resolution no. 3 of the Extraordinary General Meeting of the Company was adopted on 24 September 2018, the invalidity of which was ruled by decision of the Regional Court in Poznań of 31 July 2019 (file ref. no. IX GC 1118/18) and before the adoption of which the shareholder asked the question to the Company's Management Board, the Company focused its analyses of the Ostrołęka C Power Plant investment project on two aspects:

1. first of all, on the aspect of energy security, which was the key aspect analyzed in the context of joining the Ostrołęka C project, and
2. second, on the assumption of profitability of the Ostrołęka C project.

On the date of the Extraordinary General Meeting of the Company of 24 September 2018, the Company made an **assumption** of the project's profitability as the basis of its participation in the Ostrołęka C project. However, it must be strongly emphasized that at the time it was an **assumption** rather than a final, closed and complete analysis or study pointing to the profitability of the Ostrołęka C project. As at 24 September 2018 it was not possible to make projections of profits of the Ostrołęka C project on the basis of completed and closed assessments due to several fundamental reasons, with the key ones being:

1. firstly, not all arrangements concerning the financing model of the Ostrołęka C project had been closed at that date,
2. secondly, the outcome of the Capacity Market auction, which was of key importance for this project, had not been known at that date; this is something that the Company emphasized in its press releases and also noted in the answer given during the Extraordinary General Meeting of the Company on 24 September 2018.

Accordingly, as at 24 September 2018, the completion and closing of any profitability assessment of the project (analysis or external consulting) would be premature.

The high-level approval, which was the subject matter of the deliberations at the Extraordinary General Meeting of the Company of 24 September 2018 was not the final of the corporate approvals required for commencing the construction of the project.

As the Company reported in its Current Report no. 61/2018 of 15 November 2018, on the date of the report there was still no consent of the Company's Supervisory Board approving the issue of the Work Commencement Order.

Since the list of corporate approvals was not exhausted, the Company could reasonably wait for the outcome of the Capacity Market auction and continue its talks on the financing of the project, in order to incorporate the financial parameters (the expected terms and conditions of financing and terms and the conditions of the support received) in the final financial model before the Work Commencement Order is issued.

Only after those unknown parameters were determined, a complete and final assessment of



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project profitability could have been prepared; and even such an assessment, as stated during the Extraordinary General Meeting of the Company of 24 September 2018, had to be constantly updated, because of changes in fuel prices, changes in CO₂ emission prices and due to other market factors.

The key part of the answer to the question is that as of 24 September 2018 and before that date the Company had not published any communication containing a firm assertion that the Ostrołęka C Project would be profitable. The communications only stated that such was the assumption made for that project, but they also informed that the Company continued talks on the financing of the project and was waiting initially for the final shape and then for the outcome of the Capacity Market auction.

Respectfully yours,