

Poznań, 11 August 2020

Statement of the Supervisory Board

pursuant to § 71 (1) (8)

of the Regulation of the Minister of Finance of 29 March 2018

Pursuant to § 71 (1) (8) of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information published by issuers of securities and conditions for recognising information required by the laws of a non-member state as equivalent, the Supervisory Board of Elektrociepłownia „Będzin” S.A. states as follows:

- 1) the Company complies with the provisions of law regarding the appointment, composition and functioning of the audit committee, including the fulfilment by its members of the criteria of independence and requirements for having knowledge and skills in the industry in which the issuer operates and in the field of accounting or auditing of financial statements,
- 2) the Audit Committee at the Company performed the tasks of the audit committee provided for in the applicable provisions of law.

Janusz Niedźwiecki - Chairman of the Supervisory Board
by authority of the Supervisory Board

Poznań, 11 August 2020

OPINION OF THE SUPERVISORY BOARD OF ELEKTROCIEPŁOWNIA “BĘDZIN” S.A. ON GROUNDS FOR REFUSAL TO ISSUE AN OPINION EXPRESSED IN THE REPORT OF INDEPENDENT STATUTORY AUDITOR ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS.

Pursuant to § 71 (1) (11) of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information published by issuers of securities and conditions for recognising information required by the laws of a non-member state as equivalent, having noted the Position of the Company’s Management Board on grounds for refusal to issue an opinion expressed in the Report of independent statutory auditor on the audit of the consolidated financial statements, the Supervisory Board of Elektrociepłownia „Będzin” S.A. expresses the following opinion:

“The Position of the Management Board includes the information required by law and, to the extent necessary, refers to the grounds for refusal to issue an opinion by the statutory auditor expressed in the Report on the audit of the consolidated financial statements. The Supervisory Opinion shares the position of the Management Board on the activities undertaken. The Supervisory Board points to the existence of material uncertainty as to the ability of Capital Group Elektrociepłownia „Będzin” S.A. to continue as a going concern, on which assumption the statements have been prepared. It is due to, among others, factors on which the Company has a limited influence, in particular the successful completion of the accelerated arrangement proceedings of Energo-Utech S.A. and the situation of the energy and coal sectors, affecting the situation of Elektrociepłownia Będzin Sp. z o.o.”

Supervisory Board of Elektrociepłownia "Będzin" S.A.

Janusz Niedźwiecki - Chairman of the Supervisory Board
by authority of the Supervisory Board

**Assessment by the Supervisory Board of Elektrociepłownia "Będzin" S.A.
regarding the report on operations of Capital Group Elektrociepłownia „Będzin” S.A.
and the consolidated financial statements in terms of their compliance with the books,
documents and facts**

pursuant to §71 (1) (12) of the Regulation of the Minister of Finance of 29 March 2018

Acting pursuant to Article 382 § 3 of the Commercial Companies Code and § 71 (1) (12) of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information published by issuers of securities and conditions for recognising information required by the laws of a non-member state as equivalent, the Supervisory Board of Elektrociepłownia „Będzin” S.A. resolves as follows:

1. The Supervisory Board read the report of the Management Board on operations of the Capital Group Elektrociepłownia „Będzin” S.A. in 2019 and the consolidated financial statements of the Company for 2019, comprising:
 - 1) Consolidated statement of financial position, showing as of 31 December 2019 total assets and liabilities of TPLN 465 748 (say: four hundred sixty five million seven hundred forty eight thousand zlotys),
 - 2) Consolidated statements of profit or loss and other comprehensive income, showing as of 31 December 2019 a net loss of TPLN 104 879 (say: one hundred four million eight hundred seventy nine thousand zlotys),
 - 3) Consolidated statement of changes in equity for the period from 1 January 2019 to 31 December 2019, showing a decrease in equity by TPLN 105 050 (say: one hundred five million fifty thousand zlotys),
 - 4) Consolidated cash flow statement for the period from 1 January 2019 to 31 December 2019, showing a net decrease in cash by the amount of TPLN 7 836 (say: seven million eight hundred thirty six thousand zlotys),
 - 5) notes to the Consolidated financial statements of the Capital Group for 2019,

The Supervisory Board read the Report of independent statutory auditor on the audit of the annual financial statements of the Company along with recommendation of the Audit Committee and assessed the reports referred to in Section 1 in terms of their compliance with the books, documents and facts without raising reservations in the above scope.

Rationale for the assessment by the Supervisory Board

The Supervisory Board of Elektrociepłownia "Będzin" S.A. made an assessment of the Report on operations of the Capital Group Elektrociepłownia "Będzin" S.A. and the consolidated financial statements for 2019 in terms of their compliance with the books, documents and facts on the basis of knowledge about the Company and its operations as well as activities undertaken in connection with the preparation, examination and evaluation of the reports, in particular based on the analysis of:

- 1) the content of the aforementioned reports submitted by the Management Board of the Company,
- 2) accounting documents and books as well as information provided by the Management Board of the Company,
- 3) results of additional checks carried out in selected financial and operational areas,
- 4) information and recommendations of the Audit Committee on the course, results and significance of the audit for the reliability of financial reporting in the Company and the role of the Committee in the process of assessing the financial statements and the report on operations.

In its assessment, the Supervisory Board gave also consideration to the results of meetings of the Audit Committee with representatives of Deloitte Audyt Spółka z ograniczoną odpowiedzialnością Spółka komandytowa with the registered office in Warsaw, including with a lead auditor, recommendation of the Audit Committee and content of the report of independent statutory auditor on the audit of the consolidated financial statements of the Company.

The Supervisory Board points to the existence of material uncertainty as to the ability of Capital Group Elektrociepłownia „Będzin” S.A. to continue as a going concern, on which assumption the statements have been prepared. It is due to, among others, factors on which the Company has a limited influence, in particular the successful completion of the accelerated arrangement proceedings of Energo-Utech S.A. and the situation of the energy and coal sectors, affecting the situation of Elektrociepłownia Będzin Sp. z o.o. A detailed description of the statutory auditor’ reservations can be found in the report of independent statutory auditor on the audit of the consolidated financial statements of the Company. The Supervisory Board noted the Position of the Company’s Management Board on grounds for refusal to issue an opinion expressed in the Report of independent statutory auditor on the audit of the consolidated financial statements.

Janusz Niedźwiecki

Wiesław Glanowski

Waldemar Organista

Mirosław Leń

Wojciech Sobczak