

Gdańsk, 6 May 2021

## **GENERAL MEETING**

### **ENERGA Spółka Akcyjna**

#### **MOTION OF THE MANAGEMENT BOARD OF ENERGA S.A. TO THE GENERAL MEETING OF ENERGA S.A. REGARDING COVERAGE OF THE COMPANY'S NET LOSS FOR THE 2020 FINANCIAL YEAR**

Having regard to Article 395 § 2 (2) and Article 396 § 5 of the Commercial Companies Code, the Company Management Board motions to the General Meeting of ENERGA S.A. to cover the Company's net loss of PLN 197,000,000 (in words: one hundred ninety-seven million) for the 2020 financial year covering the period from 1 January 2020 to 31 December 2020 entirely from the reserve capital.

#### **RATIONALE**

The Company's financial statements for the 2020 financial year show a net loss of PLN 197,000,000 (in words: one hundred ninety seven million).

The loss was reported mainly due to impairment write-offs on the holdings in subsidiaries: ENERGA Kogeneracja Sp. z o.o. and Energa Finance AB, in the total amount of PLN 176,000,000. Additionally, a provision of PLN 218,000,000 was recognized for settlement with Elektrownia Ostrołęka Sp. z o.o. as a result of the general contractor's proposal to settle the project involving construction of the Ostrołęka C Power Plant, and a loan of PLN 188,000,000 to Ostrołęka C Power Plant was written off.

The above events are of a non-cash nature. They impact the Company's net results without effecting EBITDA.

Additionally, it should be pointed out that by Resolution No. 23 of the Extraordinary General Meeting of ENERGA S.A. of 3 September 2013, a reserve capital was created at the Company, which, based on that act, may be used, among others, by to cover the Company's losses. As at 31 December 2020, the reserve capital was equal to PLN 1,018,000,000.

Having regard to the above, the Management Board of ENERGA S.A. motions as written above.

**For the Management Board of ENERGA S.A.**

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*Vice-President of the Management Board for Operations Dominik Wadecki*

*Vice-President of the Management Board for Communication Adrianna Sikorska*

*Vice-President of the Management Board for Finance Marek Kasicki*

*Vice-President of the Management Board for Corporate Affairs Iwona Waksmundzka-Olejniczak*