

Gdańsk, 14 April 2022

**The General Meeting  
of ENERGA Spółka Akcyjna**

**MOTION OF THE MANAGEMENT BOARD OF ENERGA S.A. TO THE GENERAL MEETING OF  
ENERGA S.A. REGARDING THE DISTRIBUTION OF THE COMPANY'S NET PROFIT FOR 2021**

Having regard to Article 395 § 2 (2) and Article 396 § 1, 4 and 5 of the Commercial Companies Code, the Management Board of ENERGA S.A. ('Company') motions to the General Meeting of Company to transfer the Company's net profit for 2021 financial year covering the period from 1 January 2021 to 31 December 2021 in the amount of PLN 210,000,000 (say zlotys: two hundred ten million) entirely to the reserve capital.

**RATIONALE**

In May 2021, the Company approved the Strategic Development Plan of the ENERGA Group for 2021-2030 ("SDP"). The SDP replaced the ENERGA Group Strategy for 2016-2025, defining operating and development framework as well as strategic goals of the ENERGA Group in the 2030 horizon.

The Long-Term Strategic Investment Plan of the ENERGA Group for 2021-2030 ("LTSIP") is the forecasting document of the SDP that reflects assumptions concerning investments in the ENERGA Group. In accordance with the current LTSIP, total outlays on core and additional investment projects of the ENERGA Group planned for 2021-2030 will total approx. PLN 31.5 billion, of which approx. PLN 15.2 billion from 2021 to 2025.

Capital expenditures defined in the LTSIP are necessary to adapt the ENERGA Group to the current and expected changes in the market and regulatory environment and to strengthen its market position. Considerable funds are necessary to effectively implement this ambitious investment plan. To acquire such funds, the Company has concluded agreements with PKN ORLEN S.A., its strategic shareholder, for the financing of two LTSIP projects, namely construction of gas-steam power stations in Ostrołęka and Grudziądz. It is also necessary that the entire net profit for 2021 is retained in the Company.

The existing and planned investments will bring measurable results, such as an increase in the EBITDA: it is expected that achievement of the SDP targets will be reflected by the increase in the consolidated EBITDA in 2030 by over 60% compared to 2020. Consequently, this will translate to measurable benefits for the Company's shareholders in connection with an increase in its value.

It should be also mentioned that the Company's reserves were used as intended to cover the net loss for the financial year of 2020, at PLN 197,000,000. Following coverage of the loss, the reserves decreased to PLN 821,000,000. By replenishing the reserves of the Company, there will be lower demand for borrowing, which will positively impact the debt ratio. This is of particular importance given the current unstable and difficult market situation.

In consideration of the above, the Management Board of ENERGA S.A. requests as first above.

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