



***Report of the ENEA S.A. Supervisory Board  
on its activity in 2023.***

Poznań, 13 May 2024

## 1. Information on the term of office of the Supervisory Board and its activity during the year.

In 2023, the ENEA S.A. Supervisory Board operated as the Supervisory Board of the 11th term of office.

## 2. Composition of the Supervisory Board, functions served, changes in the Supervisory Board's composition during the financial year.

As at 1 January 2023, the Company's Supervisory Board of the 11th term operated in the following composition:

1. Mr. Rafał Włodarski – Supervisory Board Chairman,
2. Mr. Roman Stryjski – Supervisory Board Deputy Chairman,
3. Mr. Mariusz Pliszka – Supervisory Board Secretary,
4. Mr. Łukasz Ciołko – Supervisory Board Member,
5. Mr. Mariusz Damasiewicz – Supervisory Board Member,
6. Ms. Aneta Kordowska – Supervisory Board Member,
7. Mr. Tomasz Lis – Supervisory Board Member,
8. Mr. Paweł Łącki – Supervisory Board Member,
9. Mr. Mariusz Romańczuk – Supervisory Board Member,
10. Mr. Piotr Zborowski – Supervisory Board Member.

In 2023, the composition of the ENEA S.A. Supervisory Board changed in the following way:

- 1) on 4 January 2023, the Company received Mr. Rafał Włodarski's resignation from the position of an ENEA S.A. Supervisory Board Member, including the function of the Company's Supervisory Board Chairperson, effective as of as at 4 January 2023,
- 2) on 13 March 2023, the Company's Extraordinary General Meeting adopted a resolution by the power of which Ms. Aleksandra Agatowska, as of that date, was appointed to the ENEA S.A. Supervisory Board of the 11th term of office.
- 3) on 13 March 2023, the Extraordinary General Meeting of ENEA S.A. elected Mr. Łukasz Ciołko as Chairman of the ENEA S.A. Supervisory Board.
- 4) on 4 July 2023, the Company received Mr. Piotr Zborowski's resignation from the position of an ENEA S.A. Supervisory Board Member, effective as of 4 July 2023,
- 5) on 31 July 2023, the Company received Ms. Aleksandra Agatowska's resignation from the position of an ENEA S.A. Supervisory Board Member, effective as of 31 July 2023.

In connection with the above changes, as at 31 December 2023, the composition of the Supervisory Board was as follows:

1. Mr. Łukasz Ciołko – Supervisory Board Chairman,
2. Mr. Roman Stryjski – Supervisory Board Deputy Chairman,
3. Mr. Mariusz Pliszka – Supervisory Board Secretary,
4. Mr. Mariusz Damasiewicz – Supervisory Board Member,
5. Ms. Aneta Kordowska – Supervisory Board Member,
6. Mr. Tomasz Lis – Supervisory Board Member,
7. Mr. Paweł Łącki – Supervisory Board Member,
8. Mr. Mariusz Romańczuk – Supervisory Board Member.

On 29 January 2024, the Company received a statement from the Minister of State Assets that the Minister of State Assets exercised his power to dismiss a member of the ENEA S.A. Supervisory Board pursuant to § 24 sec. 1 of the Company's Statute. According to the statement received, the Minister of State Assets, in the exercise of the powers conferred on him, dismissed Mr. Łukasz Ciołko from the Company's Supervisory Board, effective as of 29 January 2024.

On 29 January 2024, the Company received a statement from the Minister of State Assets that the Minister of State Assets exercised his power to appoint a member of the ENEA S.A. Supervisory Board pursuant to § 24 sec. 1 of the Company's Statute. According to the statement received, the Minister of State Assets, in the exercise of the powers conferred on him, appointed Ms. Agata Ewa Michalska-Olek to the Company's Supervisory Board, effective as of 30 January 2024.

On 30 January 2024, the Extraordinary General Meeting of ENEA S.A. adopted a resolution, by the power of which, as of that date, the following were dismissed from the ENEA S.A. Supervisory Board of the 11th term of office:

1. Mr. Roman Stryjski,
2. Mr. Paweł Marian Łącki,
3. Ms. Aneta Kordowska.

On 30 January 2024, the Extraordinary General Meeting of ENEA S.A. adopted a resolution, by the power of which, as of that date, the following were appointed to the ENEA S.A. Supervisory Board of the 11th term of office:

1. Ms. Ewa Bagińska,
2. Mr. Zbigniew Szymczak,
3. Mr. Piotr Szymanek,
4. Mr. Michał Gniatkowski,
5. Ms. Monika Starecka.

Additionally, on 30 January 2024, the Extraordinary General Meeting of ENEA S.A. elected Ms. Ewa Bagińska as Chairwoman of the ENEA S.A. Supervisory Board.

On 2 February 2024, the Company's Supervisory Board elected Ms. Monika Starecka to serve as Deputy Chairwoman of the ENEA S.A. Supervisory Board.

As of the date of publication of this Report, the Company's Supervisory Board is composed of 10 members and operates in the following composition:

1. Ms. Ewa Bagińska – Supervisory Board Chairwoman,
2. Ms. Monika Starecka – Supervisory Board Deputy Chairwoman,
3. Mr. Mariusz Pliszka – Supervisory Board Secretary,
4. Mr. Mariusz Damasiewicz – Supervisory Board Member,
5. Mr. Michał Gniatkowski – Supervisory Board Member,
6. Mr. Tomasz Lis – Supervisory Board Member,
7. Ms. Agata Michalska-Olek – Supervisory Board Member,
8. Mr. Mariusz Romańczuk – Supervisory Board Member,
9. Mr. Piotr Szymanek – Supervisory Board Member,
10. Mr. Zbigniew Szymczak – Supervisory Board Member.

### **3. Activity of the ENEA S.A. Supervisory Board**

In 2023, the Supervisory Board of the 11th term of office held 14 meetings altogether and adopted a total of 122 resolutions.

The supervisory and oversight activities of the Supervisory Board in the 2023 financial year covered, among others, the following issues:

#### **1) Appointment of a certified auditor to audit the financial statements**

In 2023, the Supervisory Board did not elect a new certified auditor, but it extended cooperation with the current audit firm.

Given that, on 28 January 2021, the Supervisory Board selected PricewaterhouseCoopers spółka z ograniczoną odpowiedzialnością Audyt sp.k. as the audit firm for ENEA S.A. for 2021-2022, on 23 February 2023, the Supervisory Board agreed to enter into:

- a) Annex 1 extending the Agreement of 19 March 2021 for an audit of financial statements and a review of interim financial statements with PricewaterhouseCoopers sp. z o.o. Audyt sp.k. for 2023-2025 and amending other provisions of the Agreement,
- b) Annex 2 to Agreement of 19 March 2021 for an audit of financial statements and a review of interim financial statements with PricewaterhouseCoopers sp. z o.o. Audyt sp.k. regarding adjustment of the fee for 2022.

#### **2) Approval of annual material and financial plans**

On 22 March 2023, the Supervisory Board approved the Material and Financial Plan of ENEA S.A. for 2023 and the Material and Financial Plan of the ENEA Group for 2023.

### **3) Issuing opinions on all matters submitted by the Management Board to the General Meeting for consideration**

- a) On 22 March 2023, the Supervisory Board issued a positive assessment of:
- The Standalone Financial Statements of ENEA S.A. for the financial year ended 31 December 2022 and the Consolidated Financial Statements of the ENEA Group for the financial year ended 31 December 2022,
  - The Management Board Report on the Activity of ENEA S.A. and the ENEA Group in 2022.
- b) On 26 April 2023, the Supervisory Board issued a positive opinion on the motion from the Company's Management Board on the distribution of the net profit for the financial year ended 31 December 2022 in the amount of PLN 2,448,024,226.61, with the entire amount to be allocated to increase the reserve capital to implement the planned investment projects.
- c) On 26 April 2023, the Supervisory Board issued a positive opinion and recommended that the Ordinary General Meeting grants a discharge to all the ENEA S.A. Management Board Members on the performance of their duties in the financial year 2022.
- d) On 21 November 2023, the Supervisory Board issued a positive opinion on amendments to the Company's Articles of Association.
- e) On 22 December 2023, the Supervisory Board issued a positive opinion for the ENEA S.A. Management Board to commence the process of pursuing claims for liability for damages from the Management Board members and Supervisory Board members of ENEA S.A. towards ENEA S.A. in connection with the decisions regarding ENEA S.A.'s investment in the Ostrołęka C power unit.

### **4) Approval of the Company's Organizational Rules and Regulations**

In 2023, the ENEA S.A. Supervisory Board approved three rounds of amendments to the Company's Organizational Rules and Regulations and adopted their consolidated version.

### **5) Granting approvals to the Management Board**

In 2023, the Supervisory Board granted approvals to the Management Board of the Company with regard to, among other things:

- a) sponsorship and donation agreements, i.e.:
- to enter into donation agreements for the benefit of the ENEA Foundation in the total amount of PLN 16,500,000.00, to be used for the Foundation's statutory goals,
  - to enter into a named sponsor's agreement with the Zielona Góra Speedway Club in the net amount of PLN 1,000,000.00,
  - to enter into a named sponsor's agreement for IRONMAN Gdynia and IRONMAN 70.3 Poznań triathlon competitions with Sport Evolution Group sp. z o.o., in the net amount of PLN 1,400,000.00,
  - to enter into a named sponsor's agreement with Piłski Klub Sportowy "Polonia Piła" sp. z o.o. in the net amount of PLN 1,000,000.00,
  - to enter into a sponsorship agreement with Jagiellonia Białystok Sportowa Spółka Akcyjna in the net amount of PLN 1,400,000.00,
  - to enter into a (multi-year) agreement with Stadion Poznań sp. z o.o. selected following a procurement procedure for a named sponsorship service for a stadium in Poznań, in the net amount of PLN 12,000,000.00,
  - to enter into a named sponsor's agreement with the "Energetyk" Sports Club with its registered office in Poznań, in the net amount of PLN 900,000.00,
  - to enter into a named sponsor's agreement with the Astoria Bydgoszcz S.A. Basketball Club, in the net amount of PLN 700,000.00,
  - to enter into a named sponsor's agreement with the Community Association Organization of the Academic Sports Society in Poznań, in the net amount of PLN 600,000.00,
  - to enter into a named sponsor's agreement with the Sports Club of the Academic Sports Society of the Jacob of Paradies Academy in Gorzów Wlkp., in the net amount of PLN 750,000.00,

- to enter into a named sponsor's agreement of the "KS Piła" team with the Piła Sports Club Association, in the net amount of PLN 800,000.00,
  - to enter into a (multi-year) agreement with the Polish Olympic Committee selected following a procurement procedure for a named sponsorship service for the Polish Olympic Committee, in the net amount of PLN 50,000,000.00,
  - to enter into a (multi-year) agreement with the Polish Basketball Federation selected following a procurement procedure for a named sponsorship service for the Polish Basketball Federation, in the net amount of PLN 6,000,000.00,
  - to enter into a sponsorship agreement for the benefit of the Industria Kielce team in domestic and international competitions with the Iskra Kielce Sports Club, in the net amount of PLN 1,600,000.00,
- b) consulting and legal services agreements, i.e.:
- to enter into a master agreement up to the net amount of PLN 1,900,000.00 with the Contractors who have submitted the most favorable offers in the procedure for the provision of legal services to ENEA S.A. in the area of strategic projects for the years 2023-2025, excluding legal representation and related advisory services, and up to the net amount of PLN 1,500,000.00 with the Contractors who have submitted the most favorable offers in the procedure for the provision of legal services to ENEA S.A. in the area of the Company's operating activity for the years 2023-2025, excluding legal representation and related advisory services,
  - to enter into annexes to master agreements for the provision of operational business consulting services to ENEA S.A., extending their term until up to 30 April 2023,
  - to enter into agreements for the provision of operational consulting services to ENEA S.A., where the total maximum remuneration of the Contractors does not exceed the net amount of PLN 1,900,000.00,
  - to enter into agreements with Contractors selected as a result of a public procurement procedure to provide operational business consulting services to ENEA S.A. in accordance with the Public Procurement Law, where the total maximum remuneration of the Contractors does not exceed the net amount of PLN 5,000,000.00,
  - to amend master agreements with agencies providing support to ENEA S.A. in respect to sponsorship marketing and event activities, by extending their term until 31 December 2024 and increasing the value of the Contractors' maximum remuneration to the net amount of PLN 11,080,000.00,
  - to enter into arrangements to master agreements for the provision of legal services to ENEA S.A. in the area of strategic projects for the years 2023-2025, excluding legal representation and related advisory services, increasing the amount designated for the provision of services by the net amount of PLN 1,900,000.00,
  - to enter into master agreements with Contractors to be selected in a procurement procedure for the selection of an agency supporting ENEA S.A. in the area of sponsoring marketing and event activities, for the total amount of the Contractors' maximum fee not exceeding the net amount of PLN 14,205,000.00,
  - to enter into an agreement with Deloitte Advisory spółka z ograniczoną odpowiedzialnością sp.k. for the preparation of non-financial reports of the ENEA Group for the years 2023 and 2024, with the net remuneration of the Contractor of PLN 1,892,000.00,
  - to enter into an agreement for legal representation and legal representation advisory services with the law firm Rymarz, Zdort, Maruta, Wachta, Gasinski, Her i Wspólnicy Partners sp.k. with its registered office in Warsaw, with the maximum net remuneration amount not exceeding PLN 280,000.00,
  - to enter into an agreement with Pekao Investment Banking S.A. for the provision of services consisting in the preparation of a valuation of shares in Lubelski Węgiel "Bogdanka" S.A. for the purpose of a possible transaction to sell all shares held by ENEA S.A. in Lubelski Węgiel "Bogdanka" S.A. to the State Treasury, with a maximum total remuneration for the Contractor not exceeding the net amount of PLN 400,000.00,
- c) agreements to raise financing for the ENEA Group and to provide financial collateral, i.e.:

- for ENEA S.A. to issue corporate guarantees for the benefit of Goldman Sachs Paris Inc. et Cie. for an indefinite term, with a termination option by ENEA S.A. with 30 days' notice, up to the maximum amount of EUR 170,000,000,
  - for ENEA S.A. to incur a financial obligation exceeding the equivalent of PLN 20,000,000.00 resulting from entering into the "Facilities Agreement up to PLN 2,500,000,000",
  - to increase the collateral provided in the form of a corporate guarantee for the benefit of Macquarie Bank Europe DAC by EUR 100,000,000 up to the amount of EUR 170,000,000,
  - for ENEA S.A. to incur a liability of up to PLN 500,000,000.00 by ENEA S.A. entering into Annex No. 2 to Multicurrency Overdraft Facility Agreement No. 43 1020 1026 0000 1202 0544 1565 of 3 October 2022 with Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna in the amount of up to PLN 500,000,000.00,
  - to incur a liability by extending the term of the Overdraft Facility Agreement No. WK20-000026 of 7 September 2020 with Bank Gospodarstwa Krajowego until 28 July 2025, the subject matter of which is granting a credit limit of up to PLN 1,250,000,000.00 to ENEA S.A.,
  - to provide asset collateral in connection with the maintenance of bank financing provided to PAD-RES Genowefa sp. z o.o. by Santander Bank Polska S.A. and BNP Paribas Bank Polska S.A. (Financing Banks) as a result of the performance of the Preliminary Share Purchase Agreement of 19 December 2022 (GEM Project), by creating, for the benefit of the Financing Banks of PAD-RES Genowefa sp. z o.o., a registered pledge on the shares held by ENEA S.A. in PAD-RES Genowefa sp. z o.o. together with collateral for this registered pledge in the amount of PLN 250,391,250.00 and subordination of amounts due to ENEA S. A. from PAD-RES Genowefa sp. z o.o. under subrogation agreements with an estimated value of approximately PLN 28,000,000.00 in favor of the financing banks, for the repayment of the loan by PAD-RES Genowefa sp. z o.o.,
  - to increase the collateral provided in the form of a corporate guarantee for the benefit of Macquarie Bank Europe DAC by EUR 80,000,000 up to the amount of EUR 250,000,000,
  - for ENEA S.A. to extend a surety for the benefit of Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna in the amount of PLN 200,000,000.00 for liabilities of ENEA Power&Gas Trading sp. z o.o. arising under forward contracts for greenhouse gas emission allowances and FX forward contracts until 30 June 2027,
  - to enter into agreements to establish a bank guarantee facilities with a total guarantee limit of up to PLN 900,000,000.00 for a period of 2 years, with a maximum total amount to be paid to contractors not exceeding PLN 12,060,000.00, as well as the granting by ENEA S.A. of property guarantees and sureties for the benefit of ENEA Group companies,
  - to extend, until 31 December 2026, the term of the surety extended in the maximum total amount of up to PLN 3,400,000,000.00 under Surety Agreement No. CRU/U/1100/9000065355/2022 of 11 March 2022, as amended, for the benefit of Powszechna Kasa Oszczędności Bank Polski S.A. for the liabilities of ENEA Trading sp. z o.o.,
  - to incur a liability of up to PLN 500,000,000.00 by entering into Annex No. 3 to Multicurrency Overdraft Facility Agreement No. 43 1020 1026 0000 1202 0544 1565 of 3 October 2022, as amended with Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna in the amount of up to PLN 500,000,000.00,
  - for ENEA S.A. to incur a financial liability exceeding the equivalent of PLN 20,000,000.00 arising from a loan granted by the European Investment Bank ("Approved Credit") in the total amount of PLN 2,000,000,000.00,
- d) subscription, acquisition or disposal of shares in other companies, i.e.
- acquisition of 100% of the shares in PRO-WIND sp. z o.o., the owner of the operational 10 MW Tarnów photovoltaic farm, for a purchase price of 100% of the shares not exceeding PLN 44,500,000.00,
  - subscription to shares in the increased share capital of Elektrownia Ostrołęka sp. z o.o. with a par value of PLN 50.00 and an issue price of PLN 202,657,409.15 per share,

- sale of a maximum of 7,328,923 shares in Polimex Mostostal S.A., which represents, after rounding, 3.04% of the share capital of Polimex Mostostal S.A. and, after rounding, 3.04% of the total number of votes at the general meeting of Polimex Mostostal S.A., at a price not lower than PLN 2.50 per share, in an accelerated bookbuilding (ABB) transaction through the intermediation of the IPOPEMA Securities S.A. investment firm, to selected investors,
  - subscription to 2,370,000 new shares with a par value of PLN 50.00 each, for a total par value of PLN 118,500,000.00, created in connection with the increase of the share capital of ENEA Nowa Energia sp. z o.o.; for the implementation of an investment entailing the increase in the share capital of ENEA Nowa Energia sp. z o.o. by PLN 118,500,000.00 and ENEA S.A. providing security in the form of a parent company guarantee agreement for the obligations of Farma Wiatrowa Bejsce sp. z o.o. in favor of OX2 Construction AB, on the condition that ENEA Nowa Energia sp. z o.o. acquires 100% of shares in Farma Wiatrowa Bejsce sp. z o.o.,
- e) approval of additional benefits for Management Board Members, i.e.:
- for the Company to cover the costs of individual training to improve the English language skills of Mr. Rafał Mucha, ENEA S.A. Management Board Member for Financial Matters, in an amount not exceeding the 2023 budget, i.e. up to the net amount of PLN 15,000.00,
  - for the Company to cover the costs of individual training to improve the English language skills of Mr. Dariusz Szymczak, ENEA S.A. Management Board Member for Corporate Matters, in an amount not exceeding the 2023 budget, i.e. up to the net amount of PLN 15,000.00,
  - for the Company to cover the costs of individual training to improve the English language skills of Mr. Paweł Majewski, President of the ENEA S.A. Management Board, in an amount not exceeding the limit set forth for the calendar year 2023, i.e. up to the net amount of PLN 7,860.50,
- f) the following operations, i.e.:
- to specify how the voting rights should be exercised at the Extraordinary Shareholder Meeting of ENEA Elektrownia Połaniec S.A. (as a Material Subsidiary) with regard to amendments to the Company's Articles of Association,
  - to specify how the voting rights should be exercised at the Extraordinary Shareholder Meeting of ENEA Operator Sp. z o.o. (as a Material Subsidiary) with regard to amendments to the Company's Articles of Association and amendments to the resolution on the rules for setting remuneration of Management Board Members,
  - to amend the Investment Agreement concluded on 8 April 2022 between ENEA S.A. and the State Treasury to amend Appendix 3 to the Investment Agreement (Schedule), which had no effect on the total value of the Schedule,
  - to conclude Annex No. 1 to the Investment Agreement of 8 April 2022 between ENEA S.A. and the State Treasury,
  - to enter into a long-term lease for the holiday resort in Pogorzelica,
  - for ENEA S.A. to join the European Energy Forum,
  - for ENEA S.A. to fund prizes in a lottery for individual customers of ENEA S.A. with the total value of PLN 200,000.00,
  - to discharge debt through a court settlement between ENEA S.A. and PGE Energetyka Kolejowa S.A. in Warsaw (previously operating under the name of PKP Energetyka S.A.) in a litigation pending under file number XX GC 1166/15,
  - to enter into Annex No. 1 to the Loan Agreement of 13 September 2022 between ENEA S.A. and ENEA Operator sp. z o.o.

#### **6) Granting consent to Management Board Members to sit on the governing bodies of other companies, associations and foundations**

In 2023, the ENEA S.A. Supervisory Board's resolution of 28 January 2021 was in force, which regarded granting consent to the ENEA S.A. Management Board Members to sit on the Supervisory Boards of ENEA Group companies.

In 2023, the Company's Supervisory Board gave consent to Mr. Jakub Kowaleczko, the ENEA S.A. Management Board Member for Commercial Matters, to:

- to continue to serve as a Member of the Supervisory Board of Lotos Kolej sp. z o.o. with its registered office in Gdańsk,
- to continue to serve as a Member of the Supervisory Board of EuRoPol GAZ S.A. with its registered office in Warsaw.

**Additionally, the Supervisory Board carried out the following activities:**

- adopted the Rules and Regulations of the ENEA S.A. Supervisory Board,
- adopted the Rules and Regulations of the Supervisory Board Committees, i.e. the Audit Committee, the Nominations and Remuneration Committee and the Strategy and Investment Committee,
- approved the ENEA Group Promotion Plan for 2023 and then an Update of the ENEA Group Promotion Plan for 2023,
- upheld the positive opinion on the Report for H1 2022 on settlement of New Funds and Benefits within the meaning of the Investment Agreement of 8 April 2022 between ENEA S.A. and the State Treasury,
- approved Management Objectives (KPIs) for ENEA S.A. Management Board Members in 2023,
- made a positive assessment of Related Party transactions concluded in 2022 with respect to the fulfillment of the arm's length criterion and the criterion of entering into transactions in the ordinary course of business of the Company,
- issued a positive opinion on ENEA S.A.'s Report on representation expenditures, expenses on legal services, marketing services, public relation services and social communication services and on management consultancy services for the year ended on 31 December 2022,
- submitted the Representations prepared in accordance with requirements of the Minister of Finance's Regulation of 29 March 2018 on current and periodic information disclosed by issuers of securities and conditions for considering the information required by laws of a non-member state as equivalent,
- issued a positive opinion on the *Report on implementing the "ENEA Group Promotion Plan for 2022"*,
- issued a positive assessment of the Report for H2 2022, the Annual Report for 2022 and the Report for H1 2023 on settlement of New Funds and Benefits in connection with the Investment Agreement signed on 8 April 2022 between ENEA S.A. and the State Treasury,
- appointed a Member to the ENEA S.A. Supervisory Board Nominations and Remuneration Committee and a Member to the ENEA S.A. Supervisory Board Strategy and Investment Committee for the 11th joint term of office,
- adopted the wording of the "Report on remuneration of ENEA S.A. Management Board and Supervisory Board Members in 2022" and decided to authorize and obligate the Company's Management Board to present it to the Ordinary General Meeting of ENEA S.A.,
- adopted the wording of the Representation in connection with the review of the Report on remuneration in 2022 by a certified auditor and decided to authorize and obligate the Company's Management Board to present it to the certified auditor,
- adopted the "Report of the Supervisory Board of ENEA S.A. on its activity in 2022" and decided to submit it to the Ordinary General Meeting of ENEA S.A.,
- adopted the resolution on the interpretation of the provisions of Supervisory Board Resolution No. 13/X/2022 of 23 March 2022 to approve the Management Objectives (KPIs) for ENEA S.A. Management Board Members for 2022,
- adopted two resolutions on the achievement of Management Objectives in 2022 and setting the amount of the due Variable Remuneration to be paid out to ENEA S.A. Management Board Members,
- conducted the recruitment procedure for the positions of the ENEA S.A. Management Board Member for Commercial Matters,
- decided to enter into a Management Services Agreement with Mr. Jakub Kowaleczko and authorize the Supervisory Board Chairperson to enter into the Agreement,



- decided to change the Management Objectives (KPIs) for ENEA S.A. Management Board Members for 2023, by modifying the Non-Financial Management Objective “DSO quality regulation” and supplementing the section describing the Financial Objectives and criteria for their implementation and settlement,
- approved the Annual Audit Plan for 2024,
- approved the Budget of the Group’s Audit and Control Department for 2024,
- approved the ENEA Group Promotion Plan for 2024,
- accepted the terms and conditions of the D&O liability insurance for members of governing bodies of ENEA Group companies,
- issued a positive opinion for the ENEA S.A. Management Board to commence the process of pursuing claims for liability for damages from the Management Board members and Supervisory Board members of ENEA S.A. towards ENEA S.A. in connection with the decisions regarding ENEA S.A.’s investment in the Ostrołęka C power unit.

**The Supervisory Board reviewed the information from the Management Board, relating in particular to:**

- fulfillment of the information obligations to the Supervisory Board as referred to in Article 380<sup>1</sup> of the Commercial Company Code,
- economic and financial results of the Company and ENEA Group,
- composition of the governing bodies of ENEA S.A.’s subsidiaries,
- costs of the Management Board and Supervisory Board of ENEA S.A. and of consulting in the Company,
- costs of Management Boards, Supervisory Boards and consulting in the ENEA Group Companies,
- social situation in the ENEA Group companies,
- up-to-date balances of inventories of bituminous coal in the production units of the ENEA Group,
- status of the works within the program of “Spin-off of coal-fired generating assets of the ENEA Group to the National Energy Security Agency (NABE)”,
- ongoing activity of the ENEA Foundation.

The activities of the Supervisory Board of ENEA S.A. were documented in the minutes of the meetings of the Supervisory Board in 2023.

#### **4. Appointments, dismissals and suspensions in the performance of functions of Management Board Members by the ENEA S.A. Supervisory Board and seconding Supervisory Board Members to perform functions of Management Board Members.**

On 6 July 2023 the Company’s Supervisory Board adopted a resolution to appoint Mr. Jakub Kowaleczko, effective as of 17 July 2023, to the position of ENEA S.A. Management Board Member for Commercial Matters for the joint term of office commenced on the day following the date of holding the Ordinary General Meeting of ENEA S.A. which approved the financial statements for 2021.

On 21 November 2023, the ENEA S.A. Supervisory Board adopted a resolution to dismiss Mr. Rafał Mucha, Management Board Member for Financial Matters, from the ENEA S.A. Management Board, effective as of 30 November 2023.

#### **5. Committees of the ENEA S.A. Supervisory Board**

In its activities, the Supervisory Board was assisted by Committees acting as collective advisory and opinion-giving bodies of the Supervisory Board, appointed from among the Supervisory Board Members. In 2023, there were two permanent Committees of the Supervisory Board:

- Audit Committee,
- Nominations and Remuneration Committee,
- Strategy and Investment Committee.

##### **a) Audit Committee of the ENEA S.A. Supervisory Board**

As at 1 January 2023, the composition of the Company's Supervisory Board Audit Committee of the 11th term was as follows:

1. Mr. Tomasz Lis<sup>1) 2) 3)</sup> – Committee Chairman,
2. Ms. Aneta Kordowska<sup>1) 2)</sup> – Committee Member,
3. Mr. Mariusz Damasiewicz<sup>1) 3)</sup> – Committee Member,
4. Mr. Mariusz Pliszka<sup>1) 3)</sup> – Committee Member,
5. Mr. Roman Stryjski<sup>1)</sup> – Committee Member.

<sup>1)</sup> An independent member within the meaning of Article 129(3) of the Act of 11 May 2017 on certified auditors, audit firms and public supervision and within the meaning of the corporate governance principles included in the Best Practice for WSE Listed Companies 2021,

<sup>2)</sup> A member having knowledge and skills in the area of accounting or auditing financial statements,

<sup>3)</sup> A member having knowledge and skills in the industry in which the issuer operates.

On 30 January 2024, the Extraordinary General Meeting of ENEA S.A. dismissed Mr. Roman Stryjski and Ms. Aneta Kordowska from the Company's Supervisory Board.

On 2 February 2024, by Resolution No. 13/XI/2024, the ENEA S.A. Supervisory Board appointed Ms. Agata Michalska-Olek and Mr. Michał Gniatkowski to the Audit Committee.

As of the date of preparing this Report, the Audit Committee of the Company's Supervisory Board was composed of the following members:

1. Mr. Tomasz Lis<sup>1) 2) 3)</sup> – Committee Chairman,
2. Mr. Mariusz Damasiewicz<sup>1) 3)</sup> – Committee Member,
3. Mr. Michał Gniatkowski<sup>1)</sup> – Committee Member,
4. Ms. Agata Michalska-Olek<sup>1)</sup> – Committee Member,
5. Mr. Mariusz Pliszka<sup>1) 3)</sup> – Committee Member.

<sup>1)</sup> An independent member within the meaning of Article 129(3) of the Act of 11 May 2017 on certified auditors, audit firms and public supervision and within the meaning of the corporate governance principles included in the Best Practice for WSE Listed Companies 2021,

<sup>2)</sup> A member having knowledge and skills in the area of accounting or auditing financial statements,

<sup>3)</sup> A member having knowledge and skills in the industry in which the issuer operates.

In 2023, the Audit Committee held 7 meetings and adopted 14 Resolutions, regarding the following, among others:

- amendments to the document: "I. Policy for the selection of an audit firm to conduct an audit in ENEA S.A. II Policy for the provision of acceptable services other than audit by an audit firm. III. Procedure for the selection of an audit firm.",
- issuing a recommendation for the ENEA S.A. Supervisory Board to assist the ENEA S.A. Supervisory Board in making a decision regarding:
  - entering into Annex 1 extending the Agreement No. CRU/U/1100/9000057022/2021 of 19 March 2021 with PricewaterhouseCoopers sp. z o.o. Audyt sp.k. for an audit of financial statements and a review of interim financial statements for 2023-2025 and amending other provisions of the Agreement,
  - entering into Annex 2 to Agreement No. CRU/U/1100/9000057022/2021 of 19 March 2021 with PricewaterhouseCoopers sp. z o.o. Audyt sp.k. for an audit of financial statements and a review of interim financial statements, regarding adjustment of the fee for 2022,
- approval of information for the Supervisory Board on the results of the audit of financial statements of ENEA S.A. and the ENEA Group for the financial year ended 31 December 2022,
- approval, by the ENEA S.A. Supervisory Board Audit Committee, of the Final Report on Audit Task No. 1/2023 "Audit of the Overall Assessment of the Internal Control System at ENEA S.A." and provision of management information on the assessment of the internal control system at ENEA S.A. to the ENEA S.A. Supervisory Board,
- adoption of the Report of the ENEA S.A. Supervisory Board Audit Committee on its activities in 2022,
- evaluation of the methods of auditing the Condensed Interim Standalone Financial Statements of ENEA S.A. for the period from 1 January 2023 to 30 June 2023 and the Condensed Interim Consolidated Financial Statements of the ENEA Group for the period from 1 January 2023 to 30 June 2023,
- adoption of the Report of the ENEA S.A. Supervisory Board Audit Committee on its activities in H1 2023,
- consent to the provision of an acceptable service other than audit by PricewaterhouseCoopers Polska

Spółka z ograniczoną odpowiedzialnością Audyt Sp.k. to Lubelski Węgiel "Bogdanka" S.A.,

- an opinion on the Annual Audit Plan for 2024 and submission thereof to the ENEA S.A. Supervisory Board for approval,
- an opinion on the Budget of the Group's Audit and Control Department for 2024 and submission thereof together with an opinion to the ENEA S.A. Supervisory Board for approval.

In 2023, the Audit Committee also familiarized itself with the Management Board's information on:

- Final Report on Audit no. 14/2022 entitled "Audit of the Prosumer Settlement Process",
- Final Report on Audit no. 15/2022 entitled "Performance of the Procurement Process for deliveries and services in the IT area in the ENEA Group",
- "Report on the Activity of the Group Audit and Control Department for 2022",
- Final Report on Audit Task no. 2/2023 entitled "Financial Audit verifying that there are no corruptive funds in the Company's structures",
- Final Report on Audit Task no. 3/2023 entitled "Audit of the process of recruitment and contract execution with ENEA Serwis Employees",
- Final Report on Audit Task no. 5/2023 entitled "Audit of the process of executing and constructing prosumer agreements",
- "Report in the risk management area in the ENEA Group in 2022",
- Final Report on Audit Task no. 4/2023 entitled "Audit of management of consulting and legal services in ENEA Ciepło in 2020-2022",
- Collective Report on Audit Task no. 6/2023 entitled "Audit of the business continuity management system in ENEA Group companies" and Final Report on Audit Task no. 6/2023 entitled "Audit of the business continuity management system in ENEA Group companies" – Report for ENEA S.A.,
- Final Report on Audit Task no. 7/2023 entitled "Audit in the area of timeliness and correctness of invoicing Clients of ENEA S.A.",
- Final Report on Audit Task no. 8/2023 entitled "Audit of waste management in ENEA Pomiary",
- Final Report on Audit Task no. 9/2023 entitled "Audit in the area of investments in main supply points (GPZ) completed in 2020-2022 by ENEA Operator",
- Final Report on Audit Task no. 10/2023 entitled "Audit of verification of the activity of the Managing Unit of the Procurement Management Division",
- Final Report on Audit Task no. 11/2023 entitled "Audit of investments completed in 2020-2022 in ENEA Oświetlenie Sp. z o.o.",
- "Report on the activity of the Group Audit and Control Department for H1 2023",
- Final Report on Audit Task no. 12/2023 entitled "Audit of investments completed in ENEA Nowa Energia in the area of renewable energy sources (photovoltaic farms and wind farms)",
- Final Report on Audit Task no. 13/2023 entitled "Audit in the area of securing fuels for manufacturing heat energy and electricity",
- Final Report on Audit Task no. 16/2023 entitled "Audit to assess adequacy of activities taken at ENEA Centrum in order to ensure and maintain necessary human resources to perform the key processes in the ENEA Group".

Pursuant to § 2, sec. 5 and 6 of the Rules and Regulations of the ENEA S.A. Supervisory Board Audit Committee, after each Committee meeting, the Audit Committee submitted minutes of the meetings as well as semi-annual and annual reports on its activities to the Supervisory Board for review.

In H1 2023, the Audit Committee took the following actions regarding auditing financial statements for the financial year ended 31 December 2022:

- 1) On 14 March 2023, the Audit Committee discussed with representatives of the auditor, PricewaterhouseCoopers Polska sp. z o.o. Audyt sp. k., preliminary results and the methodology of the audit of the consolidated statements of the ENEA Group and the standalone statements of ENEA S.A. for the financial year ended 31 December 2022.
- 2) On 21 March 2023, the Audit Committee:
  - a) familiarized itself with draft reports of the certified auditor, presented by representatives of the auditor, PricewaterhouseCoopers Polska sp. z o.o. Audyt sp. k., regarding the audit of the drafts of the Standalone Financial Statements of ENEA S.A. for the financial year ended 31 December 2022 and the Consolidated Financial Statements of the ENEA Group for the financial year ended 31 December 2022,
  - b) reviewed the draft report of the auditor, PricewaterhouseCoopers Polska sp. z o.o. Audyt sp. k., for the Audit Committee, including a summary of the audit of the standalone and consolidated financial statements for the financial year ended 31 December 2022,
  - c) familiarized itself with the drafts of: the Standalone Financial Statements of ENEA S.A. for the financial year ended 31 December 2022 and the Consolidated Financial Statements of the ENEA Group for the financial year ended 31 December 2022,
  - d) familiarized itself with the drafts of: the Management Board Report on the Activity of ENEA S.A. and the ENEA Group in 2022 and the Consolidated Report on Payments for Public Administration in 2022.
- 3) On 21 March 2023, the Audit Committee approved and did not report any reservations about the adopted methods of auditing of the Standalone Financial Statements of ENEA S.A. for the financial year ended 31 December 2022 and the Consolidated Financial Statements of the ENEA Group for the financial year ended 31 December 2022.

On 12 September 2023, the Members of the ENEA S.A. Supervisory Board Audit Committee, after discussing with representatives of the auditor, PricewaterhouseCoopers Polska sp. z o.o. Audyt sp. k., the methodology of reviewing the Condensed Interim Standalone Financial Statements of ENEA S.A. for the period from 1 January 2023 to 30 June 2023 and the Condensed Interim Consolidated Financial Statements of the ENEA Group for the period from 1 January 2023 to 30 June 2023, approved and did not report any reservations about the adopted review methods of financial statements.

On 16 April 2024, the Audit Committee adopted and resolved to present the ENEA S.A. Supervisory Board with:

- information for the Supervisory Board on the results of the audit of the financial statements of ENEA S.A. and the ENEA Group for the financial year ended 31 December 2023,
- Report of the ENEA S.A. Supervisory Board Audit Committee on its activities in 2023.

#### **b) Nominations and Remuneration Committee of the ENEA S.A. Supervisory Board**

As of 1 January 2023, the composition of the Company's Supervisory Board Nominations and Remuneration Committee of the 11th term was as follows:

1. Mr. Roman Stryjski<sup>1)</sup> - Committee Chairman,
2. Mr. Łukasz Ciołko<sup>1)</sup> - Committee Member,
3. Mr. Mariusz Romańczuk<sup>1)</sup> - Committee Member,
4. Mr. Rafał Włodarski - Committee Member,
5. Mr. Piotr Zborowski<sup>1)</sup> - Committee Member.

<sup>1)</sup>An independent member within the meaning of the corporate governance principles included in the Best Practice for WSE Listed Companies 2021.

In 2023, the following changes were made to the composition of the Nominations and Remuneration Committee:

- on 4 January 2023, the Company received Mr. Rafał Włodarski's resignation from the position of an ENEA S.A. Supervisory Board Member, effective as of 4 January 2023,
- on 26 April 2023, by Resolution No. 36/XI/2023 the ENEA S.A. Supervisory Board appointed Mr. Paweł Łącki a Member of the Nominations and Remuneration Committee for the period of the 11th joint term,
- on 4 July 2023, the Company received Mr. Piotr Zborowski's resignation from the position of an ENEA S.A. Supervisory Board Member, effective as of 4 July 2023,

In connection with the above changes, as at 31 December 2023, the composition of the Company's Supervisory Board Nominations and Remuneration Committee of the 11th term was as follows:

1. Mr. Roman Stryjski<sup>1)</sup> - Committee Chairman,
2. Mr. Łukasz Ciołko<sup>1)</sup> - Committee Member,
3. Mr. Paweł Łącki - Committee Member,
4. Mr. Mariusz Romańczuk<sup>1)</sup> - Committee Member.

<sup>1)</sup> An independent member within the meaning of the corporate governance principles included in the Best Practice for WSE Listed Companies 2021.

On 29 January 2024, the Company received a statement from the Minister of State Assets that the Minister of State Assets exercised his power to dismiss a member of the ENEA S.A. Supervisory Board pursuant to § 24 sec. 1 of the Company's Articles of Association. According to the statement received, the Minister of State Assets, in the exercise of the powers conferred on him, dismissed Mr. Łukasz Ciołko from the Company's Supervisory Board, effective as of 29 January 2024.

On 30 January 2024, the Extraordinary General Meeting of ENEA S.A. dismissed Mr. Roman Stryjski and Mr. Paweł Łącki from the Company's Supervisory Board.

On 2 February 2024, by Resolution No. 14/XI/2024, the ENEA S.A. Supervisory Board appointed the following persons to the Nominations and Remuneration Committee: Ms. Ewa Bagińska, Ms. Monika Starecka, Ms. Agata Michalska-Olek, Mr. Michał Gniatkowski and Mr. Zbigniew Szymczak.

On 20 February 2024, by Resolution No. 1/XI/2024, the Nominations and Remuneration Committee elected Ms. Ewa Bagińska Chairperson of the Company's Supervisory Board's Nominations and Remuneration Committee for the joint 11th term.

As of the date of preparing this Report, the Nominations and Remuneration Committee was composed of the following members:

1. Ms. Ewa Bagińska<sup>1)</sup> - Committee Chairperson,
2. Mr. Michał Gniatkowski<sup>1)</sup> - Committee Member,
3. Ms. Agata Michalska-Olek<sup>1)</sup> - Committee Member,
4. Mr. Mariusz Romańczuk<sup>1)</sup> - Committee Member,
5. Ms. Monika Starecka<sup>1)</sup> - Committee Member,
6. Mr. Zbigniew Szymczak<sup>1)</sup> - Committee Member.

<sup>1)</sup> An independent member within the meaning of the corporate governance principles included in the Best Practice for WSE Listed Companies 2021.

In 2023, the Nominations and Remuneration Committee held 8 meetings and adopted 8 resolutions. The Committee's meetings focused mainly on drafting recommendations for the Supervisory Board regarding:

- proposals for Management Objectives for the ENEA S.A. Management Board Members for 2023,
- the achievement of Management Objectives in 2022 and setting the amount of the due Variable Remuneration to be paid out to ENEA S.A. Management Board Members. The Committee adopted two Resolutions with regard to the above. Resolution No. 3/XI/2023 adopted by the Committee on 21 June 2023 regarded recommendations to confirm the achievement of:

1. the financial objectives set for the 2022 financial years, in the following scope:
  - a) KPI no. 2– net debt/EBITDA in the ENEA Group,
  - b) KPI no. 3– ratio of non-current assets to equity in the ENEA Group,
  - c) KPI no. 4– total debt ratio in the ENEA Group,
2. the non-financial objectives set for the 2022 financial years, in the following scope:
  - a) KPI no. 1– Execution of key investments in the distribution network,
  - b) KPI no. 2– DSO quality regulation,
  - c) KPI no. 3– The ENEA Group's participation in the capacity market,
  - d) KPI no. 4– Transformation of power generation technology of units 1-8 of the Koźienice Power Plant,
  - e) KPI no. 5– Production of commercial coal by LW Bogdanka S.A.,

f) KPI no. 6– Electricity sales volume at ENEA S.A.,

g) KPI no. 7– Organizational management efficiency in the ENEA Group,

and setting the amount of the due Variable Remuneration to be paid out to the ENEA S.A. Management Board Members.

Resolution No. 5/XI/2023 adopted by the Committee on 6 July 2023 concerned recommendations to confirm the achievement of the financial objective set for the 2022 financial year, i.e. KPI no. 1– EBITDA of the ENEA Group and setting the amount of the due Variable Remuneration to be paid out to the ENEA S.A. Management Board Members.

- adoption of a resolution on the interpretation of the provisions of Resolution No. 13/X/2022 adopted by the Supervisory Board on 23 March 2022 to approve the Management Objectives (KPIs) for ENEA S.A. Management Board Members for 2022,
- entering into a Management Services Agreement with Mr. Jakub Kowaleczko and authorizing the Supervisory Board Chairperson to enter into the Agreement,
- modification of the Management Objectives (KPIs) for the ENEA S.A. Management Board Members for 2023. With regard to the above, the Committee adopted two Resolutions on recommendations to modify the Non-financial Management Objective– DSO quality regulation” and supplement the provisions in the part describing the Financial Objectives.

Pursuant to § 2, sec. 2 and 3, of the Rules and Regulations of the ENEA S.A. Supervisory Board Nominations and Remuneration Committee, after each Committee meeting, the Nominations and Remuneration Committee submitted minutes of the meetings as well as semi-annual and annual reports on its activities to the Supervisory Board for review.

In the period under discussion, the Supervisory Board’s Nominations and Remuneration Committee also held meetings to open envelopes with applications submitted in the recruitment procedure for the position of the ENEA S.A. Management Board Member for Commercial Matters, initiated by Resolution No. 61/XI/2023 adopted by the ENEA S.A. Supervisory Board on 21 June 2023 and to assess the applications in terms of satisfaction of the formal requirements defined in the advertisement on initiating the recruitment procedure. After opening the envelopes with applications in the recruitment procedure for the position of the ENEA S.A. Management Board Member for Commercial Matters, the Nominations and Remuneration Committee of the ENEA S.A. Supervisory Board prepared minutes from the opening of the envelopes with applications in the recruitment procedure.

### **c) Strategy and Investment Committee of the ENEA S.A. Supervisory Board**

As at 1 January 2023, the composition of the Company’s Supervisory Board Strategy and Investment Committee of the 11th term was as follows:

- |                            |                       |
|----------------------------|-----------------------|
| 1. Mr. Rafał Włodarski     | - Committee Chairman, |
| 2. Mr. Łukasz Ciołko       | - Committee Member,   |
| 3. Mr. Mariusz Damasiewicz | - Committee Member,   |
| 4. Mr. Tomasz Lis          | - Committee Member,   |
| 5. Mr. Mariusz Pliszka     | - Committee Member,   |
| 6. Mr. Mariusz Romańczuk   | - Committee Member,   |
| 7. Mr. Piotr Zborowski     | - Committee Member.   |

In 2023, the following changes in the composition of the Strategy and Investment Committee took place:

- on 4 January 2023, the Company received Mr. Rafał Włodarski’s resignation from the position of an ENEA S.A. Supervisory Board Member, effective as of 4 January 2023,
- on 26 April 2023, by Resolution No. 35/XI/2023, the ENEA S.A. Supervisory Board appointed Ms. Aleksandra Agatowska a Member of the Strategy and Investment Committee for the period of the 11th joint term,
- on 23 May 2023, the Members of the Strategy and Investment Committee elected Ms. Aleksandra Agatowska as the Chairperson of the Company’s Supervisory Board’s Strategy and Investment Committee for the 11th joint term,
- on 4 July 2023, the Company received Mr. Piotr Zborowski’s resignation from the position of an ENEA S.A. Supervisory Board Member, effective as of 4 July 2023,

- on 31 July 2023, the Company received Ms. Aleksandra Agatowska's resignation from the position of an ENEA S.A. Supervisory Board Member, effective as of 31 July 2023,
- on 12 September 2023, the Members of the Strategy and Investment Committee elected Mr. Tomasz Lis as the Chairman of the Company's Supervisory Board's Strategy and Investment Committee for the 11th joint term.

Given the above changes, as at 31 December 2023, the composition of the Company's Supervisory Board Strategy and Investment Committee of the 11th term was as follows:

1. Tomasz Lis - Committee Chairman,
2. Łukasz Ciołko - Committee Member,
3. Mariusz Damasiewicz - Committee Member,
4. Mariusz Pliszka - Committee Member,
5. Mariusz Romańczuk - Committee Member.

On 29 January 2024, the Company received a statement from the Minister of State Assets that the Minister of State Assets exercised his power to dismiss a member of the ENEA S.A. Supervisory Board pursuant to § 24 sec. 1 of the Company's Articles of Association. According to the statement received, the Minister of State Assets, in the exercise of the powers conferred on him, dismissed Mr. Łukasz Ciołko from the Company's Supervisory Board, effective as of 29 January 2024.

On 2 February 2024, by Resolution No. 15/XI/2024, the ENEA S.A. Supervisory Board appointed Mr. Piotr Szymanek and Mr. Zbigniew Szymczak to the Strategy and Investment Committee.

As of the date of preparing this Report, the Strategy and Investment Committee was composed of the following members:

1. Mr. Tomasz Lis - Committee Chairman,
2. Mr. Mariusz Damasiewicz - Committee Member,
3. Mr. Mariusz Pliszka - Committee Member,
4. Mr. Mariusz Romańczuk - Committee Member,
5. Mr. Piotr Szymanek - Committee Member,
6. Mr. Zbigniew Szymczak - Committee Member.

In 2023, the Strategy and Investment Committee held 3 meetings and adopted 5 Resolutions, regarding, among others, the following:

- an opinion on the Investment Plan of the ENEA Group for 2023, being an integral part of the Material and Financial Plan of the ENEA Group for 2023,
- opinion on the Investment Plan of ENEA S.A. for 2023, being an integral part of the Material and Financial Plan of ENEA S.A. for 2023,
- adoption of the Report of the ENEA S.A. Supervisory Board Strategy and Investment Committee on its activities in 2022,
- election of the Chairperson of the ENEA S.A. Supervisory Board Strategy and Investment Committee for the 11th joint term of office.

During its meetings in 2023, the Strategy and Investment Committee also reviewed regular information from the Management Board on:

- execution of material investment projects in the ENEA Group, degree of their progress and completion in relation to the investment plan,
- monitoring of the pursuit of the ENEA Group Development Strategy until 2023 with an outlook to 2040.

Pursuant to § 2, sec. 2 and 3 of the Rules and Regulations of the ENEA S.A. Supervisory Board Strategy and Investment Committee, after each Committee meeting, the Strategy and Investment Committee submitted minutes of the meetings as well as semi-annual and annual reports on its activities to the Supervisory Board for review.

## **6. Information on assessment of: the Standalone Financial Statements of ENEA S.A. for the financial year ended 31 December 2023, the Consolidated Financial Statements of ENEA Group for the financial year ended 31 December 2023, the Management Board Report on the Activity of ENEA S.A. and the ENEA Group in 2023, and the motion of**

## **the Management Board on the proposed coverage of the net loss for the period from 1 January 2023 to 31 December 2023.**

Acting pursuant to Article 382 § 3 of the Commercial Company Code, the Supervisory Board evaluated the statements referred to in Article 395 § 2 item 1 and § 5 of the Commercial Company Code, i.e.:

1. The Management Board Report on the Activity of ENEA S.A. and the ENEA Group in 2023;
2. The Standalone Financial Statements of ENEA S.A. for the financial year ended 31 December 2023, including the following statements reviewed by the certified auditor:
  - the standalone statement of financial position as at 31 December 2023 showing a balance of assets and liabilities in the amount of PLN 22,574,103 thousand (twenty two billion five hundred seventy four million one hundred and three thousand Polish zloty),
  - the standalone statement of comprehensive income for the period from 1 January 2023 to 31 December 2023, showing a net loss of PLN 1,602,940 thousand (one billion six hundred two million nine hundred forty thousand Polish zloty) and comprehensive income of PLN - 1,739,275 thousand (minus one billion seven hundred thirty nine million two hundred seventy five thousand Polish zloty),
  - the standalone statement of changes in equity for the financial year from 1 January 2023 to 31 December 2023 showing a decrease in equity by PLN 1,739,275 thousand (one billion seven hundred thirty nine million two hundred seventy five thousand Polish zloty),
  - the standalone statement of cash flows, showing a decrease in cash by PLN 500,343 thousand (five hundred million three hundred forty three thousand Polish zloty),
  - notes to the standalone financial statements including a description of key accounting policies applied and other explanations;
3. Consolidated Financial Statements of the ENEA Group for the financial year ended 31 December 2023, including the following statements verified by the certified auditor:
  - the consolidated statement of financial position showing, as at 31 December 2023, on the assets side and on the equity and liabilities side, a total of PLN 39,110,745 thousand (thirty nine billion one hundred ten million seven hundred forty five thousand Polish zloty),
  - the consolidated statement of comprehensive income for the period from 1 January 2023 to 31 December 2023, showing a net loss of PLN 442,623 thousand (four hundred forty two million six hundred twenty three thousand Polish zloty) and comprehensive income of PLN -675,129 thousand (minus six hundred seventy five million one hundred twenty nine thousand Polish zloty),
  - the consolidated statement of changes in equity for the financial year from 1 January 2023 to 31 December 2023 showing a drop in equity by PLN 706,512 thousand (seven hundred six million five hundred twelve thousand Polish zloty),
  - the consolidated statement of cash flows showing an increase in cash by PLN 1,462,417 thousand (one billion four hundred sixty two million four hundred seventeen thousand Polish zloty),
  - notes to the consolidated financial statements including a description of key accounting policies applied and other explanations;

After having read the certified auditor's Audit Report drawn up by PricewaterhouseCoopers spółka z ograniczoną odpowiedzialnością Audyt sp.k., and having thoroughly examined the above documents, the Supervisory Board concludes that the Standalone Financial Statements of ENEA S.A. for the financial year ended 31 December 2023, the Management Board Report on the Activity of ENEA S.A. and the ENEA Group in 2023 and the Consolidated Financial Statements of the ENEA Group the financial year ended 31 December 2023 are in conformity with the books of account and accounting records and documents of the Company and the facts and therefore it hereby issues a positive assessment of the Reports and recommends that the Ordinary General Meeting of ENEA S.A. should examine and approve them.

In connection with the motion by the ENEA S.A. Management Board, the ENEA S.A. Supervisory Board issued a positive opinion on:

- the ENEA S.A. Management Board's proposal to cover the ENEA S.A.'s net loss for the financial year covering the period from 1 January 2023 to 31 December 2023 in the amount of PLN 1,602,940 thousand from future profits;



- the recommendation not to pay out a dividend for the financial year from 1 January 2023 to 31 December 2023.

## **7. Evaluation of the Company's standing in the consolidated approach with evaluation of the internal control system and the risk management system, compliance system and internal audit functions, with information on actions taken by the supervisory board to carry out the evaluation.**

In 2023, the ENEA Group had to face the events that significantly affected the activity of companies in the energy sector and their financial performance. Despite the demanding and volatile market and regulatory environment, the ENEA Group's financial and operating performance reached the expected level. The 2023 performance largely depended on the newly introduced legislative solutions aimed at restraining the consequences of increasing electricity prices for some buyers, the political events unfolding beyond Poland's eastern border and the macroeconomic circumstances, especially inflation and interest rate levels.

In 2023, EBITDA of the ENEA Group increased by PLN 4,077,848 thousand compared to the corresponding period of the comparative year, from PLN 2,219,994 thousand to PLN 6,297,842 thousand. In each segment of the ENEA Group's activity, the change in EBITDA was as follows:

- In the Mining Area, an EBITDA growth of PLN 715,830 thousand (up to PLN 1,326,430 thousand), impacted by the increase in the coal sales price, compensated by a fall in the sales volume (the effect of geological events connected with longwall squeezing which occurred at the end of 2022, as well as problems with its reactivation in H1 2023), with simultaneously higher costs of operating activities,
- In the Distribution Area, an increase in EBITDA by PLN 493,155 thousand (up to PLN 1,821,851 thousand) was driven by the higher margin realized on the concession business, with a simultaneous increase in operating expenses and a decrease in the result on other operating activities.
- In the Generation Area, the EBITDA higher by PLN 3,295,275 thousand (up to PLN 3,605,484 thousand) was largely driven by an EBITDA growth in the System Power Plants Segment and the RES Segment. There was an increase in margins from generation concessions (among other things, the effect of the year-ago base for forward power supply contracts, for which the costs required to fulfill the contracts exceeded the expected benefits– the result of an event at LW Bogdanka S.A. involving longwall squeezing and reduction of volumes delivered to the power plants in the ENEA Group making it necessary to purchase an expensive raw material from third party suppliers), an increase in revenues from the Capacity Market, an increase in revenues from Regulatory System Services, and an increase in Green Unit margins (mainly the effect of higher electricity prices, with an increase in the unit cost of biomass). The Heat Segment saw a decline in EBITDA, which was influenced by, among other things, a decline in the unit margin on heat. In addition, there was an increase in costs due to the write-off for the Price Difference Fund, an increase in fixed costs across the Generation Area and the result of the remeasurement of CO<sub>2</sub> contracts (in the System Power Plants Segment) was recognized as positive.
- In the Trading Area, the EBITDA loss lower by PLN 46,150 thousand (down to PLN -29,850 thousand) is mainly due to the use of provisions related to onerous contracts and a higher result from the remeasurement of CO<sub>2</sub> contracts. At the same time, despite the operation of the compensation system, margins in the retail market declined.

In 2023, Return on Assets and Return on Equity were negative because of the fact that in 2023, the ENEA Group incurred a net loss of PLN 442,623 thousand. The net result was affected, apart from the result on operating activities, mainly by the impairment losses on non-financial non-current assets. In 2023, the Return on Assets (ROA) was -1.1% (0.3% in 2022) and the Return on Equity (ROE) was -2.9% (0.7% in 2022).

In 2023, LW Bogdanka S.A., an ENEA Group subsidiary, produced a net volume of nearly 7.1 million tons and sold 6.7 million tons of bituminous coal (compared to 2022: 8.4 million tons of net production, 8.4 million tons of sales of coal).

Over 24 thousand renewable sources, including micro installations, were connected to the distribution grid of ENEA Operator Sp. z o.o. in 2023. At the end of 2023, the total number of RES sources connected to the distribution grid of ENEA Operator was over 176 thousand. Sales of distribution services to end users amounted to 20.0 TWh (compared to 2022: 20.3 TWh).

In 2023, the ENEA Group's total net production of electricity was 21.3 TWh, which means a decrease by almost 4.9 TWh compared to 2022 (26.2 TWh). The total volume of energy generated from renewable sources reached nearly 2.3 TWh and was higher by 0.3 TWh relative to the previous year.

In 2023, the sales volume of electricity and gaseous fuel to retail customers was 22.8 TWh, and was 0.8 TWh lower. Sales of electricity were 22.2 TWh, which is lower by 0.6 TWh compared to the previous year's level (22.8 TWh). Sales of gaseous fuel to retail customers went down by 0.2 TWh, nearly to 0.7 TWh.

In 2023, the ENEA Group made capital expenditures of nearly PLN 3,711 million, of which PLN 86 million was spent on projects related directly to environmental protection.

Taking into account, among others, the instability of the macroenvironment, dynamic situation in the energy market, etc., it must be stated that in 2023, the ENEA Group lived up to the events that afflicted all the energy market participants. The Group displayed effectiveness during that demanding time, which translated into achievement of financial and operating performance at a level making it possible to maintain the current financial rating and to maintain the loan covenants.

Fitch Ratings, an independent external financial institution, in a communication issued on 18 April 2023, changed ENEA S.A.'s rating outlook from negative to stable and affirmed the Company's long-term foreign- and local-currency issuer default ratings at 'BBB'. In its communication of 15 April 2024, the agency confirmed the maintenance of a stable rating outlook for ENEA S.A. and also affirmed the Company's long-term foreign- and local-currency ratings at 'BBB'. "BBB" national rating means that an issuer or an issue represents a moderate level of default risk relative to other issuers in Poland.

The Net Debt/EBITDA ratio reached a safe level of 0.85 (1.73 in 2022). A growth in net debt and an increase in EBITDA were recorded.

In 2023, ENEA S.A. generated a loss of PLN -762,149 thousand on operating activities. The loss higher by PLN 694,691 thousand relative to 2022, in spite of the operation of the compensation system, was caused mainly by a higher realized margin on the retail market. At the same time, lower use of the provision related to onerous contracts was observed.

The total sales of electricity to retail end users were 22.2 TWh in 2023 and were 2.7% lower relative to 2022. As at 31 December 2023, the number of end users was more than 2.7 million and was comparable to the corresponding period in the previous year.

In 2023, ENEA S.A. incurred a net loss of PLN 1,602,940 thousand (a decrease in the net result by PLN 4,050,964 thousand compared to 2022). The net result was affected, apart from the result on operating activities, mainly by the impairment losses for the shares of ENEA Wytwarzanie and impairment loss for the shares of ENEA Elektrownia Połaniec S.A.

In 2023, the net return on sales of ENEA S.A. was -8.2% (19.7% in 2022), and the rate of return on equity was -13.0% (17.4% in 2022).

In accordance with the "Corporate Governance Principles for Supervised Institutions"<sup>1</sup> and the "Best Practice for WSE Listed Companies 2021"<sup>2</sup>, ENEA S.A. carried out the annual review of internal control, risk management and compliance systems and the internal audit function. The goal was to verify adequacy and effectiveness of the aforementioned systems and internal audit functions implemented at the Company level. The review was carried out based on the key elements of the internal control system defined according to the COSO I model, which consists of: the internal control environment, risk management, controls, monitoring and supervision.

The following in particular were on agenda of the Audit Committee's sessions in 2023: Reports on tasks performed by the Group Audit and Control Department at ENEA S.A. and ENEA Group Companies (including the Final Report titled "Audit of the overall assessment of the internal control system at ENEA S.A."), Report on the Group's Audit and Control Department's activity for 2022 and the Report on the risk management area in the ENEA Group in 2022.

In the opinion of the Supervisory Board Audit Committee, the aforementioned actions undertaken in 2023 in ENEA S.A. contributed to the strengthening of the internal control, risk management and compliance systems and the internal audit function.

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<sup>1</sup> Published by the Polish Financial Supervision Authority – Chapter 8 Key internal systems and functions.

<sup>2</sup> Published by the Warsaw Stock Exchange – Chapter III Internal systems and functions.

With regard to the **internal control environment**, it gave a positive opinion on the activities aimed at improving the Compliance System<sup>3</sup>, in the context of the efforts to establish business relationships with reliable Contractors who comply with the law and the ENEA Group's ethical standards.

The ENEA Group's secondary regulation entitled "Contractor Review Procedure at ENEA Group" (in effect since January 2020 and subsequently amended) defines the assumptions for the process of periodic review of ENEA S.A.'s contractors with respect to the Compliance Standards in effect in the ENEA Group (contained, in particular, in the Compliance Policy, the ENEA Group Code of Ethics and the Code of Conduct for Contractors of the ENEA Group). Additionally, solutions have been developed for the operational implementation of the assumptions arising from this procedure. The implementation of the periodic review of ENEA S.A.'s contractors with respect to the Compliance Standards in 2023 was given a positive assessment.

The implementation of the Compliance System in the area of cooperation with Contractors has been strengthened by designing a path to report unreliable contractors to the ENEA S.A. purchasing unit. In 2024, there are plans to adopt measures to further improve the flow of information and communication in the ENEA S.A.'s regular contractor review process.

In the area of **enterprise risk management**, a positive assessment was given to the practical implementation of the organizational assumptions for the shared risk management process adopted for use in the ENEA Group (including ENEA S.A.) in February 2023. A shared risk is a risk that, if materialized, may adversely affect the continuity of operation of a critical process in an ENEA Group company other than the company that manages this risk.

In 2023, the recipients of shared risks (i.e. the employees of the company suffering the consequences of their materialization) took part in consultations about the risks, and received ongoing information from the owners on operational events related to shared risks.

From Q4 2023, the enterprise risk management process (which includes shared risks) was implemented with the support of a new IT tool called e-risk. Using this tool, a periodic assessment of enterprise risks and a review of risk registers was carried out to identify new risks and changes in the status of existing ones.

In the area of **"controls"**, the assessment covered adequacy of the controls within the framework of structured invoices, given the legal requirements for the Company in this respect. A positive assessment was given to the implementation of the "Structured Invoice" project run since October 2021 and aimed at adapting IT systems to the regulations arising from the amended Act amending the VAT Act and certain other acts (with respect to the obligation to issue structured sales invoices and to receive purchase invoices via the National Electronic Invoicing System (KSeF)).

The assessment was issued based on a review of the status of work carried out in this project. The project entails modifications to 7 IT systems such as SKOK-O, SAP, IFS, EOD, PasCom, Wapro Fakturka, KWHotel. In the implementation of the project, a contract was signed in December 2023 to modify the SKOK-O billing system, which will enable the issuance of structured invoices to electricity consumers.

Positive assessment was also given to the controls designed to mitigate the risk of not issuing an invoice or issuing an invoice that does not comply with the applicable template.

The work planned for 2024 includes, among others: operational implementation of solutions adapting IT systems to the provisions of the amended VAT Act.

The activities mentioned above will allow the controls for issuing and receiving of structured invoices from KSeF, thereby fulfilling the Company's legal obligations in relation to KSeF.

In the area of **monitoring and supervision**, ENEA S.A.'s management of crisis communication and its supervision of the ENEA Group companies responsible for communication were positively assessed. The organizational assumptions governing the allocation of tasks and responsibilities are described in the internal regulation entitled "Rules of Crisis Communication in the ENEA Group" and are in real life implemented by the ENEA S.A.'s press service function.

Plans for 2024 include the work on improving the process and introducing operational solutions that can positively influence the flow of information between ENEA S.A. and ENEA Group companies and increase the efficiency of supervision in the crisis communication process.

The ENEA S.A. Supervisory Board Audit Committee believes that the function performed by the following units is an important element of the Company's internal control system in the area of **monitoring and supervision**:

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<sup>3</sup> The Compliance System is one of the corporate governance systems that is subject to monitoring and evaluation. At the level of ENEA S.A. and the entire Group, the definition of the Compliance system and the rules of its functioning have been defined in the ENEA Group Compliance Policy. According to the ENEA Group Compliance Policy, efforts aimed at establishing business relationships with reliable Contractors who comply with the law and the ENEA Group's ethical standards, is one of the elements of the Compliance System.

- Audit Committee of the Supervisory Board,
- Internal audit and internal control.

In 2023, the **Audit Committee** implemented in particular the following tasks:

1. Monitored the financial reporting process.
2. Monitored effectiveness of the internal control, risk management and compliance systems and the internal audit function.
3. Held meetings with the certified auditor and monitored the certified auditor's independence.
4. Monitored the reliability of the financial information presented by the Company, in particular by way of reviewing the appropriateness and consequences of applying the accounting methods adopted by ENEA S.A. and the ENEA Group (including the criteria for consolidation of financial statements of Group companies).
5. Notified the Supervisory Board of the results of the audit of financial statements of ENEA S.A. and the ENEA Group for the financial year ended 31 December 2022, explaining how the audit contributed to the reliability of financial reporting in the Company and the role of the Audit Committee in the auditing process.
6. Participated in the process of developing the Annual Audit Plan for 2024 by issuing opinions on it and submitting it to the Supervisory Board for approval.
7. Issued opinions on and submitted the annual budget of the Group's Audit and Control Department for 2024 to the Supervisory Board for approval.
8. Held regular meetings with the Director of the Group's Audit and Control Department during which it discussed the findings from the Audit Tasks and advisory activities, including any recommendations issued thereunder, and monitored the reaction of the Company's Management Board to the foregoing.

In 2023, the **internal audit function operating within ENEA S.A.**, carried out by the Group's Audit and Control Department, was functionally subordinate to the Audit Committee, formally to the President of the Company's Management Board, reporting on the outcomes of Audit Tasks in parallel to both the ENEA S.A. Management Board and the Audit Committee— which ensured the independence of the internal audit function.

The internal audit activities carried out in 2023 contributed to the improvement of operational activities of ENEA Group companies, including ENEA S.A., by:

- performance of Audit Tasks and advisory activities,
- monitoring the status and effectiveness of implementation of recommendations issued.

The tasks planned for 2024 include, among others:

- performing, with the support of external auditors: (i) an audit of the business continuity management system in ENEA Group companies"; (ii) a security audit of the IT system used to provide a critical service,
- improving cooperation with Audited and Controlled Units regarding the streamlining of processes in ENEA Group companies.

The **Compliance System**, implemented and consistently developed in the ENEA Group, aims to achieve and maintain an organizational level ensuring that employees and managerial staff of the ENEA Group conduct business activities in a fair, ethical manner, coherent and compliant with legal and regulatory duties as well as adopted internal regulations.

Considering that awareness of the Compliance system in the ENEA Group among employees of the ENEA Group makes it easier for them to make the right decisions in situations where they have doubts if they act in compliance with generally applicable laws, internal regulations and ethical principles, the Compliance Office at ENEA S.A. and the Compliance Officer of the ENEA Group carried out numerous activities to increase efficiency of the Compliance system, while placing emphasis on developing corporate culture promoting ethical and lawful conduct among employees and business partners of the ENEA Group.

In 2023, the Compliance Office at ENEA S.A. completed the rebuilding and update the Compliance tab on the ENEA Group Intranet. Four modules devoted to Compliance issues were created, i.e.:

- the Compliance knowledge base module, which was designed to enable ENEA Group employees to freely get acquainted with key information in the area of Compliance. It is a source of knowledge on issues such as corruption, conflict of interest, fair competition, and includes guidance on who an ENEA Group employee should contact in case of doubts in the Compliance area, and to whom they should turn when they become aware of a Violation within the ENEA Group,

- the Compliance regulations module, in which an ENEA Group employee can directly access internal regulations in effect in the ENEA Group relating to the Compliance area, for example the regulation named the Rules for Offering and Receiving Gifts in the ENEA Group;
- the Campaigns, Training and Additional Materials module, in which an ENEA Group employee can access pages describing campaigns, such as the #EneaJestFair Campaign, as well as e-learning training courses and useful links, and
- the Contact module, which contains information on organizational units in the ENEA Group or persons responsible for carrying out tasks in the ENEA Group's Compliance area, and a link to the ENEA Group Breach Reporting Form and the form used to report offering or receiving a gift.

Being obliged to keep a library of ENEA S.A.'s documents available to employees, the ENEA S.A. Compliance Office created a new document library on the sharepoint platform that offers improved functionality and allows the required regulations to be found effectively and efficiently in a short amount of time. For employees, the document library is the main source of knowledge of both current and archived normative acts of ENEA S.A. and the ENEA Group's secondary acts.

In 2023, the Compliance Office at ENEA S.A. continued the ENEA News cycle of articles on Compliance. The employees of the ENEA Group received a refresher course on the rules applicable within the ENEA Group on issues such as conflicts of interest, including a description of the forms they can take and how to avoid them.

Considering the need to adapt the operations carried out by the ENEA Group to the generally applicable law, including the European directives, the ENEA S.A. Compliance Office continuously monitors the publications in the Compliance area that refer to new regulations and planned legal changes, to ensure compliance of the solutions introduced in the organization with national and European regulations that have a significant impact on the operation of the Compliance System in the ENEA Group.

In 2023, apart from activities related to the development of the Compliance System in the ENEA Group, ongoing activities were performed as part of the operation of the ENEA Group's Compliance System, including, above all, active participation in drafting internal regulations and issuing opinions on internal regulations with regard to Compliance, in cooperation with persons dedicated to the Compliance area in each entity of the ENEA Group within the Compliance Management and Legal Services Division, focused on identification and assessment of potential compliance risks, detection of potential violations and ongoing monitoring of amendments to law in the Compliance area.

The ENEA S.A. Supervisory Board assessed that the system for disseminating knowledge among employees adopted in the Company and the ENEA Group operates correctly with respect to the area connected with ensuring compliance of activities carried out by the ENEA Group with the applicable standards set forth in the provisions of generally applicable law and internal regulations as well as ethical norms through e-learning courses, articles published in the press and on websites and the Intranet.

According to the ENEA S.A. Supervisory Board, the system for reporting violations adopted in the Company and the ENEA Group has been adjusted to the currently binding laws. On the transposition date of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of whistleblowers (OJ EU L 305 p. 17) into the Polish legal system, the whistleblowing system in the ENEA Group will be subjected to repeated legal analysis.

The ENEA S.A. Supervisory Board believes that Compliance System in force in the Company and the ENEA Group addresses both internal and external expectations, while constituting an important element of responsible governance.

In connection with the performed supervisory activities, the ENEA S.A. Supervisory Board assessed favorably the measures and mechanisms adopted in the Company and the ENEA Group ensuring transparency and clarity of its activities, functioning in compliance with the law and promoting positive ethical models.

## **8. Assessment of the Company's application of corporate governance principles and the manner of fulfillment of the disclosure requirements concerning the application of corporate governance principles specified in the Stock Exchange Rules and Regulations pertaining to current and periodic information provided by securities issuers.**

Considering the requirement set forth in Rule 2.11.4 of the "Best Practice for WSE Listed Companies 2021" (DPSN 2021), under which, in addition to activities resulting from the provisions of law, once a year the supervisory board should prepare and submit to the general meeting of shareholders an assessment of the

company's application of corporate governance principles and its manner of fulfillment of the disclosure obligations concerning compliance with these principles defined in the Stock Exchange Rules and Regulations and regulations on current and periodic reports published by issuers of securities, in 2023 and in 2024 (by the date of approving this report) the Supervisory Board analyzed the application of the corporate governance principles defined in DPSN 2021 and the manner of performance of the following obligations by ENEA S.A.:

- disclosure requirements to publish, in the Electronic Information Database, current reports concerning incidental violations of or resignation from application of individual corporate governance principles,
- disclosure requirements to publish a corporate governance statement in the annual Management Board Activity reports,
- disclosure requirements to publish specific information on ENEA S.A.'s website.

The above analysis covered, among others, the following documents, information and circumstances:

- Current Report No. 1/2021 of 29 July 2021 regarding the status of application of the principles included in the collection of the "Best Practice for WSE Listed Companies 2021",
- annual reports for 2022 published in 2023, which included, in the Management Board Report, a representation of the ENEA S.A. Management Board on the application of corporate governance principles as laid down in the "Best Practice for WSE Listed Companies 2021",
- published annual reports for 2023, which included, in the Management Board Report, a representation of the ENEA S.A. Management Board on the application of corporate governance principles as laid down in the "Best Practice for WSE Listed Companies 2021",
- corporate governance information published on ENEA S.A.'s website,
- the actual status of application of the "Best Practice for WSE Listed Companies" in ENEA S.A.

On 29 July 2021, ENEA S.A. published current report no. 1/2021 on information on the status of application of the principles included in the collection of the "Best Practice for WSE Listed Companies 2021". In 2023, ENEA S.A. applied the principles laid down in the "Best Practice for WSE Listed Companies 2021".

Having read the above documents and information, the Supervisory Board concluded that no events occurred in 2023 would significantly affect the scope of application of the corporate governance rules established by the Stock Exchange and previously communicated by the Company.

In 2023, the Company complied with all principles included in the "Best Practice for WSE Listed Companies 2021", except for principles 1.4.2., 2.1., 2.2., 4.1., 4.3., 4.8. and 4.9.1.

Following an analysis, the Supervisory Board concluded that information provided in fulfillment of the disclosure requirements related to the application of corporate governance principles corresponds to the actual status of application in ENEA S.A. of the rules contained in the "Best Practice for WSE Listed Companies 2021" and that it is exhaustive and includes, to a sufficient extent, substantive details on the application of corporate governance principles by ENEA S.A.

In view of the foregoing, the ENEA S.A. Supervisory Board has issued a positive opinion on the Company's observance of corporate governance principles and fulfillment of the disclosure requirements concerning the application of corporate governance principles specified in the Stock Exchange Rules and Regulations pertaining to current and periodic information provided by securities issuers. The Supervisory Board shares the opinion of the Management Board that in line with the adequacy principle, at present it is no longer justified to follow some of the DPSN 2021 rules included in the Best Practice which the Company renounced.

## **9. Assessment of reasonability of the Company's sponsorship and charitable activities and expenditures specified in Rule 1.5 DPSN 2021.**

In performance of Rule 2.11.5 in conjunction with 1.5 of the Code of Best Practice for WSE Listed Companies 2021, the ENEA S.A. Supervisory Board examined the Management Board's report on sponsorship and charitable activities and the expenditures specified in the report.

The Supervisory Board has been monitoring the sponsorship activities pursuant to the "Rules for conducting sponsorship activities in the ENEA Group" in effect in the Company (4th edition, in effect since 7 May 2021), and pursuant to the "Best Practices for conducting sponsorship activities in State Treasury-owned companies" published on 15 June 2016. The Supervisory Board approves the ENEA Group Promotion Plan and issues an opinion on Annual Information on the performance of the ENEA Group Promotion Plan.

The Promotion Plan includes a sponsorship plan, plan of marketing activities and plan of CSR activities for the ENEA Group. Sponsorship projects performed in the ENEA Group are evaluated in terms of effectiveness of funds involved in accordance with the rules defined in the “Research methodology of selecting, planning, analyzing and reporting effectiveness of sponsorship activities” (4th edition), in effect as of 7 May 2021. The ENEA Group follows a policy of sponsorship activities which involves achievement of assumed objectives in accordance with the best market practice and in compliance with principles of business ethics. The portfolio of sponsorship projects includes projects in the field of sports, culture and community engagement

The procedure for approval by the relevant corporate bodies of ENEA S.A. of the annual sponsorship report, which is a part of the report on the Promotion Plan, is defined by the “Procedure for preparing, performing and reporting the Promotion Plan for the ENEA Group” (2nd edition), in effect since 7 May 2021.

In 2020, a secondary regulation entitled the “ENEA Group Communication Policy” (first edition), effective as of 10 March 2020, was adopted, which supplements the internal regulations in line with the “Recommended standards for the compliance management system on counteracting corruption and the whistleblower protection system in companies listed on markets organized by the Warsaw Stock Exchange” in the sponsorship area.

With respect to the charitable activities, the Supervisory Board receives regular reports on the activities of the ENEA Foundation and also authorizes the Company to enter into a donation agreement for the benefit of the ENEA Foundation. On 19 October 2023, the Supervisory Board examined a report on the activities of the ENEA Foundation in the period from 1 January 2023 to 30 September 2023 containing a list of individual donations specifying the beneficiary, the awarded amount and the purpose of the funds.

The Supervisory Board believes that the ENEA Group Promotion Plan for 2023 has allowed the Group to carry out and achieve the assumed level of economic/marketing effectiveness of the sponsorship activities carried out by the Company. The ENEA Group Promotion Plan for 2023 adopted by the Supervisory Board has contributed to the achievement of the main goals of sponsorship activities pursued by companies with State Treasury shareholding, as set forth in the document named “Best Practices for conducting sponsorship activities in State Treasury-owned companies” of 15 June 2016, i.e.:

- promoting (broadcasting and strengthening) the company’s brand by increasing the level of its awareness, recognition and reach,
- building a positive image of the company by shifting associations from the sponsored entity to the company,
- supporting promotional and sales activities of the company,
- reaching key stakeholders of the company, such as customers, business partners, shareholders, investors or the local community, with the message,
- building the company’s reputation and gaining public recognition and sympathy.

On 17 April 2024 the ENEA S.A. Supervisory Board formally gave a positive opinion on the Annual Information on the Implementation of the ENEA Group Promotion Plan, i.e. the “Report on the Implementation of the ENEA Group Promotion Plan in 2023” and raised no objections regarding the Report on Marketing Activities and Corporate Social Responsibility, while at the same time expressing its concern about the reasons underlying numerous sponsorship projects in 2023. The Supervisory Board also noted the need for additional analysis and an audit of the sponsorship are to review how effective the activities carried out in 2023 were and how consistent they were with the company’s strategy.

## **10. Evaluation of related party transactions**

In performance of the provisions of Chapter 4b of the Act of 29 July 2005 on Public Offerings and the Terms and Conditions for Introducing Financial Instruments to an Organized Trading System and on Public Companies, the Supervisory Board of ENEA S.A. conducted a periodic assessment of significant transactions concluded with related entities. Based on an analysis of transactions with related parties in 2023 presented by the Company’s Management Board in the summary report on material transactions, on 17 April 2024 the Supervisory Board issued a favorable assessment of transactions with related parties in 2023, stating that:

- material transactions had been concluded with related parties on an arm’s length basis, as part of the ordinary core activity of ENEA Group companies, in the Mining, Generation, Distribution and Other Activities segments,
- the parties to the transactions shaped the terms and conditions of cooperation on typical market terms,
- the transactions were concluded on exchanges or followed tender proceedings/price negotiations; for some transactions a comparative analysis was carried out in order to confirm their market character.

## **11. Assessment of the fulfillment by the Management Board of disclosure duties towards the Supervisory Board, as referred to in Article 380<sup>1</sup> of the Commercial Company Code.**

Pursuant to Article 380<sup>1</sup> § 1-5 of the Commercial Company Code, management boards of joint-stock companies are required to provide the supervisory board, without any additional request, with information regarding the company and, to the extent held by the management board, regarding subsidiaries and related parties, about:

- 1) resolutions of the management board and their subject matter– at each meeting of the supervisory board unless instructed otherwise by the supervisory board,
- 2) situation of the company, including its assets, and material circumstances related to the company's business, in particular in the operational, investment and human resources areas– at each meeting of the supervisory board unless instructed otherwise by the supervisory board,
- 3) progress made in the pursuit of designated directions of growth in the company's business, with an indication of deviations, if any, from previously set directions and justification for such deviations– at each meeting of the supervisory board unless instructed otherwise by the supervisory board,
- 4) transactions and other events or circumstances significantly or potentially affecting the company's financial standing, including its profitability or liquidity– promptly following the occurrence of such events or circumstances,
- 5) changes in any information previously provided to the supervisory board if such changes significantly or potentially affect the company's standing– promptly following the occurrence of such events or circumstances.

The fulfillment of the obligations referred to in items 2-5 includes information held by the management board regarding subsidiaries and related parties.

Such information should be presented in writing, except when it is impossible to ensure this form of communication due to the need to share the requisite information instantaneously. The supervisory board may also consent to the admissibility of providing such information in any other form. The company's articles of association may exclude or restrict the said disclosure duties.

With reference to the said legal regulation, in 2023 the Company had in place the document entitled "Principles governing the provision of information specified in Article 380<sup>1</sup> CCC to the Supervisory Board" adopted by the Supervisory Board on 14 December 2022. In the above document, the Supervisory Board defined the deadlines and the form of provision of the said information and clarified, among other issues, that the information indicated in Article 380<sup>1</sup> §1(1)-(3) of the Commercial Company Code regarding the Company and in Article 380<sup>1</sup> §1(2)-(3) of the Commercial Company Code regarding ENEA S.A. subsidiaries operating in the fields of electricity generation, heat generation, electricity distribution or electricity trading will be submitted to each meeting, but not more frequently than once per month. This provision is a safeguard against redundant efforts in periods when it is necessary to convene supervisory board meetings more frequently than once per month. In turn, as regards the information specified in Article 380<sup>1</sup> §1(4)-(5) of the Commercial Company Code concerning the Company and the said subsidiaries, the new rules introduced the obligation to present such information immediately after the occurrence of certain events or circumstances, but not later than within 7 days of their occurrence.

Moreover, in the same document, the Supervisory Board specified the time limits for the Management Board to provide information on subsidiaries other than those mentioned above, according to which the information indicated in Article 380<sup>1</sup> §1(2)-(3) of the Commercial Company Code should be provided to the Supervisory Board once per quarter, while the information indicated in Article 380<sup>1</sup> §1(4)-(5) of the Commercial Company Code should be provided immediately after the occurrence of certain events or circumstances, but not later than within 7 days of their occurrence.

The principles adopted by the Supervisory Board also stipulate that the Supervisory Board Chairperson may provide the Company's Management Board with the Supervisory Board's guidelines and recommendations regarding the detailed scope of information arising from Article 380<sup>1</sup> of the Commercial Company Code.

The Supervisory Board is of a favorable opinion on the performance by the Management Board of the disclosure duties towards the Supervisory Board, as referred to in Article 380<sup>1</sup> of the Commercial Company Code.

## **12. Evaluation of the method of preparation or submission, to the Supervisory Board by the Management Board, of information, documents, reports or clarifications**



**requested in the manner provided for in Article 382 § 4 of the Commercial Company Code.**

According to Article 382 § 4 of the Commercial Company Code enacted on 13 October 2022, in order to perform its duties, the supervisory board may examine all company documents, review the company's assets and request the management board, commercial proxies or persons employed in the company under an employment contract or performing specific activities for the company on a regular basis under a work product agreement, a mandate contract or any other contract of a similar nature, to prepare or provide any information, documents, reports or clarifications regarding the company, in particular pertaining to its business or assets. Such requests may also concern information, reports or clarifications held or to be provided by a corporate authority or an obligated person regarding subsidiaries or related parties. Such information, documents, reports or clarifications must be provided to the supervisory board promptly, but not later than within two weeks from the date of the request to the obligated authority or person unless a longer period is specified in the request. The management board may not restrict access by supervisory board members to information, documents, reports or clarifications requested by them.

The Supervisory Board is of a favorable opinion on the method of preparation and submission by the Company's Management Board of information, documents, reports or clarifications requested in the manner provided for in Article 382 § 4 of the Commercial Company Code.

**13. Information on the total fees due from the Company for all audits commissioned by the Supervisory Board during the financial year in the manner specified in Article 382<sup>1</sup> of the Commercial Company Code.**

In 2023, the ENEA S.A. Supervisory Board did not use the services of and did not select an advisor to the supervisory board, and therefore the Company did not incur any expenses on this account.

**14. Information on the implementation of the diversity policy with regard to the Management Board and the Supervisory Board**

According to "Information on the status of the company's application of the recommendations and rules laid down in the Best Practice for WSE Listed Companies 2021", no formalized diversity policy has been put in place to date by ENEA S.A. with regard to the Company's corporate authorities or key managers. However, diversity principles are applied within the Company.

The Company's Management Board and Supervisory Board are currently composed of both women and men.

On 23 February 2024, the ENEA S.A. Supervisory Board appointed Ms. Dalida Gepfert to the position of ENEA S.A. Management Board Member for Corporate Matters, effective as of 1 May 2024, for the joint term of office commenced on the day following the date of holding the Ordinary General Meeting of the Company which approved the financial statements for 2021.

The current gender mix in the Company's corporate bodies does not ensure differentiation at a level of at least 30%. It should be emphasized that the Company endeavors to ensure that the appointment of its governing bodies and key managers is each time conducted pursuant to the commonly binding legal regulations and preceded by a thorough analysis of the experience, competence, skills and substantive preparation of each candidates, regardless of other non-substantive criteria, including, without limitation, sex or age.

**Signatures of Members of the ENEA S.A. Supervisory Board:**

1. Ewa Bagińska – Supervisory Board Chairwoman \_\_\_\_\_
2. Monika Starecka – Supervisory Board Deputy Chairwoman \_\_\_\_\_
3. Mariusz Pliszka – Supervisory Board Secretary \_\_\_\_\_
4. Mariusz Damasiewicz – Supervisory Board Member \_\_\_\_\_
5. Michał Gniatkowski – Supervisory Board Member \_\_\_\_\_

6. Tomasz Lis – Supervisory Board Member \_\_\_\_\_
7. Agata Michalska-Olek – Supervisory Board Member \_\_\_\_\_
8. Mariusz Romańczuk – Supervisory Board Member \_\_\_\_\_
9. Piotr Szymanek – Supervisory Board Member \_\_\_\_\_
10. Zbigniew Szymczak – Supervisory Board Member \_\_\_\_\_

Poznań, 13 May 2024