

The report of the Supervisory Board of the company PGE Polska Grupa Energetyczna S.A. on the results of the evaluation of the following documents: "The standalone financial statements of the company PGE Polska Grupa Energetyczna S.A. for the year 2021 ended 31 December 2021", "The consolidated financial statements of the Capital Group of PGE Polska Grupa Energetyczna S.A. for the year 2021 ended 31 December 2021", "The Management Board's reports on the activities of the company PGE Polska Grupa Energetyczna S.A. and the PGE Capital Group for the year 2021 ended 31 December 2021", "The Management Board's statement of non-financial information related to the company PGE Polska Grupa Energetyczna S.A. and the PGE Capital Group for the year 2021", and the motion of the Management Board of PGE Polska Grupa Energetyczna S.A. to be submitted to the General Meeting and relating to the proposed distribution of the Company's net profit for the financial year 2021.

PGE Polska Grupa Energetyczna S.A.

in the year 2021



Prowadzimy w zielonej zmianie

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1. Introduction.

Acting pursuant to Article 382 § 3 of the Commercial Companies Code and § 18 clause 1 items 1 and 2 of the Statutes of PGE Polska Grupa Energetyczna S.A., and with respect to the content of Article 4a in connection with Article 49b clause 9 and Article 55 clause 2c of the Accounting Act of 29 September 1994 ("Accounting Act"), the Supervisory Board evaluated the following:

- "The standalone financial statements of PGE Polska Grupa Energetyczna S.A. for the year 2021 ended 31 December 2021",
- "The consolidated financial statements of the Capital Group of PGE Polska Grupa Energetyczna S.A. for the year 2021 ended 31 December 2021",
- "The Management Board's report on the activities of the company PGE Polska Grupa Energetyczna S.A. and the PGE Capital Group for the year 2021 ended 31 December 2021",
- "The non-financial information statement of the company PGE Polska Grupa Energetyczna S.A. and the PGE Capital Group for the year 2021",
- The motion of the Management Board to be submitted to the General Meeting of PGE Polska Grupa Energetyczna S.A. and relating to the proposed distribution of the Company's net profit for the financial year 2021.

In its resolution no. 493/XI/2022 of 22 March 2022, the Supervisory Board of PGE Polska Grupa Energetyczna S.A. evaluated positively the following documents:

- "The standalone financial statements of PGE Polska Grupa Energetyczna S.A. for the year 2021 ended 31 December 2021",
- "The consolidated financial statements of the Capital Group of PGE Polska Grupa Energetyczna S.A. for the year 2021 ended 31 December 2021",
- "The Management Board's report on the activities of the company PGE Polska Grupa Energetyczna S.A. and the PGE Capital Group for the year 2021 ended 31 December 2021",
- "The statement of non-financial information related to the company PGE Polska Grupa Energetyczna S.A. and the PGE Capital Group for the year 2021".

Additionally, in the aforementioned resolution, the Supervisory Board of PGE Polska Grupa Energetyczna S.A. accepted the document entitled "The Supervisory Board's evaluation of the financial statements as well as the report on the activities of the company PGE Polska Grupa Energetyczna S.A. and the PGE Capital Group for the year 2021", which, pursuant to §70 clause 1 item 14 and § 71 clause 1 item 12 of the Regulation of the Minister of Finance of 29 March 2018 on current and periodical information to be released by issuers of securities and the conditions for recognising as equivalent information required under the laws of a country which is not a Member State, was published as an element of the standalone annual report and the consolidated annual report of PGE Polska Grupa Energetyczna S.A. and posted on the website www.gkpge.pl.

Besides the Supervisory Board's own analyses, the evaluation was also based on the results of the audits indicated in the reports of the independent certified auditor on the audits of the standalone financial statements of the company PGE Polska Grupa Energetyczna S.A. for the year 2021 and the consolidated financial statements of the PGE Capital Group for 2021. The standalone and consolidated financial statements for the financial year 2021 were audited by the company Deloitte Audit Spółka z ograniczoną odpowiedzialnością sp. k. with its registered office in Warsaw, entered in the register of entities authorised to audit financial statements under registration number 73, the said register being kept in the custody of the Polish Audit Supervision Agency.

Pursuant to Article 382 § 3 of the Commercial Companies Code and § 18 clause 1 item 3 of the Statutes of PGE Polska Grupa Energetyczna S.A., the Supervisory Board of PGE Polska Grupa Energetyczna S.A. is obliged to draw up a report on the results of the aforementioned evaluation and to submit such a report to the General Meeting of the company Polska Grupa Energetyczna S.A.

The Supervisory Board finds as follows:

1. "The standalone financial statements of PGE Polska Grupa Energetyczna S.A. for the year 2021 ended 31 December 2021".

1. The Supervisory Board became acquainted with and analysed "The standalone financial statements of PGE Polska Grupa Energetyczna S.A. for the year 2021 ended 31 December 2021" consisting of the following: the statement of financial position as at 31 December 2021, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the period from 1 January 2021 to 31 December 2021, general information, bases for the preparation of the financial statements, as well as notes and additional information and explanations.
2. The standalone financial statements of the company PGE Polska Grupa Energetyczna S.A. for the financial year 2021:
 - – present truly and fairly the economic and financial position of the Company as at 31 December 2021, as well as its financial result and cash flows for the financial year ended 31 December 2021, in accordance with the applicable International Financial Reporting Standards as approved by the European Union, and the adopted accounting principles (policy);
 - with respect to their form and content, are consistent with the legal regulations applicable to the Company and the provisions of the Company Statutes;

- have been drawn up on the basis of correctly maintained account books, in accordance with the provisions of Chapter 2 of the Accounting Act.

2. "The consolidated financial statements of the Capital Group of PGE Polska Grupa Energetyczna S.A. for the year 2021 ended 31 December 2021".

1. The Supervisory Board became acquainted with and analysed "The consolidated financial statements of the Capital Group of PGE Polska Grupa Energetyczna S.A. for the year 2021 ended 31 December 2021" consisting of the following: the consolidated statement of financial position as at 31 December 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the period from 1 January 2021 to 31 December 2021, general information, bases for the preparation of the financial statements, as well as notes and additional information and explanations.
2. The consolidated financial statements for the financial year 2021:
 - present truly and fairly the economic and financial position of the Group as at 31 December 2021, as well as its financial result and cash flows for the financial year ended 31 December 2021, in accordance with the applicable International Financial Reporting Standards as approved by the European Union, and the adopted accounting principles (policy);
 - with respect to their form and content, are consistent with the legal regulations applicable to the Group and the Statutes of the parent company.

During the course of the analyses of the financial statements, the Audit Committee of the Supervisory Board of PGE Polska Grupa Energetyczna S.A. held regular meetings with the representatives of the audit firm. The Audit Committee became also familiar with the reports of the independent certified auditor on the audit of the annual consolidated financial statements, the standalone financial statements, as well as the final report of the independent certified auditor for the Audit Committee.

In consequence of the above, the Audit Committee recommended that the Supervisory Board evaluate positively the submitted financial statements for the year 2021.

3. "The Management Board's report on the activities of the company PGE Polska Grupa Energetyczna S.A. and the PGE Capital Group for the year 2021 ended 31 December 2021".

1. The report is consistent with the information included in the standalone financial statements and the consolidated financial statements.
2. The Company properly executes its tasks related to its objects specified in § 3 of the Statutes of the company PGE Polska Grupa Energetyczna S.A.
3. The report has been drawn up in accordance with Article 49 and Article 55 clause 2a of the Accounting Act as well as § 70 and § 71 of the Regulation of the Minister of Finance of 29 March 2018 on current and periodical information to be released by issuers of securities and the conditions for recognising as equivalent information required under the laws of a country which is not a Member State.

4. "The non-financial information statement of the company PGE Polska Grupa Energetyczna S.A. and the PGE Capital Group for the year 2021".

The non-financial information statement of the company PGE Polska Grupa Energetyczna S.A. and the PGE Capital Group for the year 2021 is consistent with the requirements of the Accounting Act, which implements Directive 2014/95/EU into the Polish law. The statement presents non-financial information for the period from 1 January to 31 December 2021 and includes consolidated data for the PGE Capital Group and for the parent company – PGE Polska Grupa Energetyczna S.A. As at 31 December 2021 the PGE Capital Group comprised 83 companies in which PGE Polska Grupa Energetyczna SA directly or indirectly holds over 50 percent of shares.

The non-financial information statement covers 37 companies in which employment was reported.

The reporting of non-financial information of PGE Polska Grupa Energetyczna and the PGE Capital Group takes into account selected indexes of the Global Reporting Initiative (GRI) standard in the 2016 version and includes references to the 10 principles of the Global Compact.

The important new elements included in the non-financial information statement for the year 2021 are the following:

- the EU environmental taxonomy,
- the carbon footprint of the PGE Capital Group in three scopes,
- the management of the ESG area,
- the management of the Closed Circuit Economy,
- the approach to climate risk management,
- the approach to managing conflicts of interest.

5. The motion of the Management Board of PGE Polska Grupa Energetyczna S.A. to the General Meeting concerning the distribution of the Company's net profit for the financial year 2021.

In its resolution no. 149/23/2022 of 22 March 2022, in view of the Company's reporting, in the financial statements for the year 2021, a net profit of PLN 1,733,841,007.79 (say: one billion seven hundred and thirty-three million eight hundred and forty-one thousand seven zloty and seventy-nine groszy), the Management Board decided to submit a motion concerning the distribution of the profit for the year 2021 to the General Meeting, proposing to allocate the entire net profit for the year ended 31 December 2021 to the supplementary capital.

Having considered the aforementioned motion, in its resolution no. 494/XI/2022 of 22 March 2022, the Supervisory Board evaluated positively the aforementioned motion of the Management Board to the Ordinary General Meeting of PGE Polska Grupa Energetyczna S.A.

6. Final conclusions.

In view of the above, the Supervisory Board has evaluated positively the following:

- 1) "The standalone financial statements of the company PGE Polska Grupa Energetyczna S.A. for the year 2021 ended 31 December 2021",
- 2) "The consolidated financial statements of the Capital Group of PGE Polska Grupa Energetyczna S.A. for the year 2021 ended 31 December 2021",
- 3) "The Management Board's report on the activities of the company PGE Polska Grupa Energetyczna S.A. and the PGE Capital Group for the year 2021 ended 31 December 2021",
- 4) "The non-financial information statement of the company PGE Polska Grupa Energetyczna SA and the PGE Capital Group for the year 2021",
- 5) The motion of the Management Board to be submitted to the General Meeting of PGE Polska Grupa Energetyczna S.A. and relating to the proposed distribution of the Company's net profit for the financial year 2021,

and recommends that the Ordinary General Meeting of PGE Polska Grupa Energetyczna S.A. approve the documents referred to in items 1-3 above and allocate the Company's net profit for the financial year 2021 to the Company's supplementary capital, in accordance with the motion of the Management Board of PGE Polska Grupa Energetyczna S.A. referred to in item 5 above.

Chairperson of the Supervisory Board
of the company PGE Polska Grupa Energetyczna S.A.

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Anna Kowalik

Members of the Supervisory Board:

Janina Goss /-/ [An illegible signature]

Zbigniew Gryglas /-/ [An illegible signature]

Tomasz Hapunowicz /-/ [An illegible signature]

Marcin Kowalczyk /-/ [An illegible signature]

Grzegorz Kuczyński /-/ [An illegible signature]

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Supervisory Board

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