

Independent Auditor's Report on the Audit of the Annual Financial Statements of

Energa S.A.

with the registered office in Gdańsk for the financial year

from 1st January 2023 till 31st December 2023



ethics
quality
transparency
competences

TRANSLATION

This document is a free translation of the independent Auditors' Report issued in Polish in electronic format. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation to enhance understanding. The binding Polish original should be referred to in matters of interpretation

Independent Auditor's Report

To General Meeting of Energa Spółka Akcyjna

Opinion on the Financial Statements

We have audited the accompanying annual financial statements of Energa Spółka Akcyjna, with its registered office in Gdańsk at al. Grunwaldzka 472, hereinafter referred to as the "Company", for the financial year from 1st January 2023 till 31st December 2023, which comprise the statement of financial position as of 31st December 2023, the profit and loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the financial year then ended that day and related notes including significant accounting principles (policies) and other explanatory information, hereinafter referred to as the "financial statements".

The financial statements have been prepared in electronic format as a file entitled O16.6.1 SF ENERGA_MSSF_2023 from 06.03.2024 and have been signed with electronic signatures by the Management Board on 23rd April of 2024.

The annual financial statements have been prepared in accordance with applicable financial reporting framework of International Accounting Standards, International Financial Reporting Standards and related interpretations published as a Commission Regulation, hereinafter referred to as "IFRS EU".

In our opinion, the accompanying annual financial statements of Energa Spółka Akcyjna:

- give true and fair view of the financial position of the Company as of 31.12.2023, and of its financial performance and its cash flows for the financial year then ended in accordance with IFRS EU and applied accounting principles (policies),
- comply, as to the form and content, as well as with provisions of the Company's memorandum or articles of association that affect its content.
- have been prepared, based on the properly kept accounting records in accordance with the provisions of Chapter 2 of the Accounting Act of 29 September 1994, on accounting applicable to audits financial statements prepared for periods ending 31st December 2023, hereinafter referred to as the "Accounting Act".

Our opinion on the financial statement is consistent with the additional Report for The Audit Committee that we have issued on 24th April 2024.

Basis for Opinion

We conducted our audit in accordance with the National Standards on Auditing, being the International Standards on Auditing as adopted in Poland by the National Board of Certified Auditors and National Standard on Auditing 220 (Z) adopted by the Polish Agency for Audit Oversight, hereinafter referred to as the "National Standards on Auditing" ("NSA"), and with the Act dated 11 May 2017 on statutory auditors, audit firms and public oversight, hereinafter referred to as the "Statutory Auditors Act", applicable to audits of financial statements prepared for periods ending 31st December 2023 and also Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (OJ L 158 of 27 May 2014, p. 77 and OJ L 170, of 11 June 2014, p. 66), hereinafter referred to as "Regulation 537/2014".

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Federation of Accountants, hereinafter referred to as "IESBA Code" as adopted in Poland by the National Board of Certified Auditors, and with the independence requirements under the Statutory Auditors Act and Regulation 537/2014. We have also fulfilled our other ethical responsibilities required by the Statutory Auditors Act and the IESBA Code. During the audit, the key statutory auditor and the audit firm remained independent from the Company in accordance with the independence requirements specified in the Statutory Auditors Act and Regulation 537/2014.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those that, in our professional judgment, were most significant during the audit of the financial statements for the current reporting period. They include the most significant assessed risks of material misstatement, including assessed risks of material misstatement due to fraud. We have addressed these matters in the context of our audit of the financial statements as a whole and in forming our opinion, and have summarized our response to these

risks and, where we considered it appropriate, provided key observations related to these risks.

We do not express a separate opinion on these matters.

Key audit matter: Recoverable amount of shares in subsidiaries and jointly controlled entities

Was the key audit matter a most significant assessed risks of material misstatements: YES

Description of the key audit matter	How the matter was addressed in the audit
<p>The company has significant investments in subsidiaries and jointly controlled entities, their value as at 31st December 2023 was PLN 7,558 million. In relation to some of these investments, impairment loss was made in previous years.</p> <p>As at 31st December 2023, the Company analyzed the indications for impairment loss of those shares, and as a result, it conducted impairment tests. As a result of the tests, Company has not recognised a new impairment loss, but in relation to one of the entities the entire impairment loss in the amount of PLN 25 million was reversed. (note 10)</p> <p>As a key audit matter we recognized the significant estimates which Management Board of the Parent Company accepted in DCF model, on the basis of which the recoverable amount of shares was determined, in particular the key macroeconomic assumptions, as well as the adopted discount rates.</p>	<p>Our audit procedures included in particular:</p> <ul style="list-style-type: none"> - understanding the internal audit environment regarding the process of estimating the basis for recognizing the impairment loss of shares for which impairment premises have been identified; - critical assessment of the key assumptions and estimates adopted by the Management Board of the Parent Company, taking into account the specificity of the activities of individual subsidiaries, as to the calculation of future expected cash flows, including: <ul style="list-style-type: none"> - assessment of the rationality of the projections of future cash flows, including the assumed levels of revenues, costs and investment outlays, and checking the degree of implementation of historical forecasts used for valuation in the previous year; - critical analysis of the key long-term macroeconomic assumptions adopted by the Group, including inflation, developed by the Management Board of the Parent Company; - assessment of assumptions regarding the development of electricity price paths, prices of CO2 emission allowances, and the number of free allowances; - critical analysis of the methodology for calculating discount rates and the correctness of their calculation; - assessment of the correctness and completeness of disclosures in the Entity's financial statements in terms of disclosure of key assumptions for tests and sensitivity analyses.

Other Matters - Audit Scope

The Company's financial statements for the year ended 31st December 2022 were audited by a certified public accountant acting

on behalf of another auditing firm, who expressed an unqualified opinion) on those statements on 27th April 2023.

Responsibilities of the Management Board and the Supervisory Board for the Financial Statements

The Company's Management Board is responsible for preparing, on the basis of properly kept books of accounts, financial statements

that give true and fair view of the property and financial situation and the financial result of the Company, pursuant to the IFRS EU, the

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adopted accounting principles (policy), the laws and regulations applicable to the Company and its Articles of Association.

The Company's Management Board is also responsible for internal audit which it considers necessary to prepare financial statements that are free from material misstatement due to fraud or error.

In preparing the financial statements, the Management Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board

either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management Board and the Supervisory Board members are obliged to ensure that the financial statements meet the requirements set out in the Accounting Act. The Supervisory Board members are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above-mentioned standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The scope of the audit does not include ensuring the future profitability of the Company or the efficiency or effectiveness of conducting its affairs by the Company's Management Board now or in the future.

During an examination in accordance with the National Standards on Auditing, we use professional judgment and maintain professional scepticism; furthermore:

- we identify and assess the risks of material misstatement of the financial statements due to fraud or error, design and perform audit procedures appropriate to those risks, and obtain audit evidence that is sufficient and appropriate to form the basis of our opinion. The risk of undetected material misstatement resulting from fraud is greater than that resulting from error because fraud may involve collusion, forgery, intentional omissions, misrepresentation or circumvention of internal controls;
- we obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we assess the appropriateness of the accounting principles (policies) used, the reasonableness of the accounting estimates and related disclosures made by the Company's Management Board;
- we conclude on the appropriateness of the Company's Management Board's application of the going concern basis of accounting and, based on the audit evidence obtained, whether there is a material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we

conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to related disclosures in the financial statements or, if such disclosures are inadequate, we modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our auditor's report; however, future events or conditions may cause the Company to cease to continue as a going concern;

- we evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate to the Supervisory Board and Audit Committee information concerning the audit, in particular regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have submitted to the Audit Committee a statement that we have complied with the relevant ethical requirements regarding independence and have communicated with the Committee all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

From among the matters communicated to the Supervisory Board, we have identified those that were most significant during the audit of the financial statements for the current reporting period and that we have therefore judged to be the key audit matters. We describe these matters in our auditor's report in the Key Audit Matters section, except for those matters in respect of which the laws and regulations prohibit their public disclosure, or where, in exceptional circumstances, we decide that the matter should not be presented in our report, as it could be reasonably expected that the negative consequence would outweigh the public benefit of disclosing such information.

Under the Statutory Auditors Act we are also required to express an opinion in the auditor's report on whether the financial statements comply, as to the form and content, with applicable laws as well as the Company's Articles of Association and whether they have been prepared based on the properly kept accounting records. We report on these matters based on the work undertaken in the course of the audit.

Other Information, Including a Management Report

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Other information is financial and non-financial information included in the annual report, other than the financial statements and auditor's report. Other information includes the Management report on the Company's activities for the year ended 31st December 2023, together with the statement on the application of corporate governance referred to in Article 49, paragraph 2a of the Accounting Act, and the report on non-financial information referred to in Article

49b paragraph 9 of the Accounting Act, which are separate parts of the management report, together "Other Information."

Responsibility of the Management Board and the Supervisory Board

The Management Board is responsible for the preparation of the Other Information pursuant to the laws and regulations in force.

recognizing as equivalent the information required by laws of non-EU member states, hereinafter referred to as "Regulation on Current and Periodic Information".

The Management Board and the Supervisory Board members are obliged to ensure that the Management Report and its separate parts comply with the Accounting Act and the Regulation of the Minister of Finance dated 29th March 2018 on current and periodic information to be published by issuers of securities and conditions for

Auditor's Responsibilities

Our opinion on the audit of the financial statements does not cover the Other Information. In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears materially misstated. If, based on the work we have performed, we identify material misstatements in the Other Information, we are required to report this in our auditor's report.

whether the report on the Company's activities was prepared pursuant to the laws and regulations in force, and whether it is consistent with the information contained in the financial statements.

In addition, we are required to report whether the Company has prepared a statement on non-financial information and to issue an opinion on whether the Company has included the required information in its corporate governance statement.

Our responsibility in accordance with the requirements of the Statutory Auditors Act, is also our obligation to issue an opinion on

Management Report

The Management Report was prepared together with the Consolidated Management Report for the Capital Group Energa Spółka Akcyjna as a single document in electronic format as a file entitled O16.7 240419_SprZarządu z dzGrupy i Energi SA w 2023

r._DRAFT, and has been signed with electronic signatures by the Management Board on 23rd April 2024.

Opinion on the Management Report

In our opinion, based on the work undertaken in the course of the audit, the accompanying Management Report of Energa Spółka Akcyjna for the financial year ended on 31st December 2023 discloses:

- in all material respects, the information required under Article 49 of the Accounting Act and section 70) of the Regulation on Current and Periodic Information,

- the information provided in the Management Report is consistent with the disclosures in the audited annual financial statements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit we have not identified any material misstatements in the Management Report.

Opinion on the Corporate Governance Statement

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In our opinion, based on the work undertaken in the course of the audit of the annual financial statements:

- the corporate governance statement includes the information specified in section 70(6)(5) of the Regulation on Current and Periodic Information,

the information specified in section 70(6)(5) c)-f), h) and i) of this Regulation and included in the statement is consistent with applicable law and the information in the audited financial statements.

Information on the Preparation of a Non-financial Information Report

As required by the Statutory Auditors Act, we report that the Company's Management Board has included in its Management Report information on the preparation of a separate non-financial information report referred to in Article 49b paragraph 9 of the Accounting Act, and that the Company's Management Board has prepared such a separate report. This report was prepared together

with the non-financial information report of the Capital Group Energa SA as a single document.

We have not performed any attestation work on the separate report on non-financial information and do not express any assurance on it.

Other information and statements required under Regulation 537/2014

Appointment of the audit firm and the period of total uninterrupted engagement

We were appointed to audit the annual financial statements of the Company under a resolution of Supervisory Board no 66/VII/2023

dated 3rd November 2023. The financial statements of the Company, as a public interest entity, we have audited first time.

Non-audit services

To the best of our knowledge and belief, we declare that we did not provide any non-audit services which are prohibited under the

provisions of Article 5(1) of Regulation 537/2014 during the periods indicated therein.

Wojciech Adrianowski
Statutory Auditor No. 10225

Key Statutory Auditor
on behalf of PKF Consult Spółka z ograniczoną odpowiedzialnością Sp. k.
the audit firm number 477

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02-695 Warsaw

Gdańsk, date 24th April 2024

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