

RESOLUTION NO. 20/VI/2023
of the Supervisory Board of TAURON Polska Energia S.A
of 29 March 2023

concerning: adoption of the “Opinion of the Supervisory Board of TAURON Polska Energia S.A. on the economic viability of the capital commitment of TAURON Polska Energia S.A. in the financial year 2022 in other commercial law entities”.

Acting pursuant to § 20 (1)(6) of the Articles of Association of TAURON Polska Energia S.A., the Supervisory Board of TAURON Polska Energia S.A. resolves as follows:

§ 1

The „Opinion of the Supervisory Board of TAURON Polska Energia S.A. on the economic viability of the capital commitment of TAURON Polska Energia S.A. in the financial year 2022 in other commercial law entities” that is attached to this resolution is hereby adopted..

§ 2

The Resolution shall enter into force as of the day of its adoption.

The resolution was adopted in an open ballot by:

6 votes for, 0 votes against and 2 votes abstaining

*Attachment to Resolution of the
Supervisory Board of TAURON Polska Energia S.A.
No. 20/VI/2023 of 29 March 2023*

**Opinion of the Supervisory Board of TAURON Polska Energia S.A.
on the economic viability of the capital commitment
of TAURON Polska Energia S.A.
in the financial year 2022 in other commercial law entities**

The Supervisory Board of TAURON Polska Energia S.A. (TAURON), acting pursuant to § 20(1)(6) of the Articles of Association of TAURON Polska Energia S.A. positively evaluates the capital commitment of TAURON Polska Energia S.A. in of the following commercial law entities in the financial year 2022:

Acquisition of shares in the increased share capital of TAURON Wydobycie S.A.

In connection with the ongoing process aimed at the disposal of shares in the subsidiary, TAURON Wydobycie S.A. (hereinafter referred to as: TWD) for the benefit of the State Treasury, the share capital of TWD was increased by PLN 39 776 010.00 through the issue of new 3 977 601 registered shares, “Ł” series with a par value of PLN 10.00 per share, which were offered to TAURON, as the sole shareholder of TWD, by way of closed subscription, at an issue price of PLN 1 000.00 per share, i.e. for the total amount of PLN 3 977 601 000.00 and covered by a cash contribution. The surplus of the issue price of each “Ł” series share in the increased share capital of TWD, over its par value, in the amount of PLN 990.00 per share, i.e. in the total amount of PLN 3 937 824 990.00 , was transferred to the supplementary capital of TWD.

In connection with the above process, TAURON took up an increase in TWD's share capital in order to repay TWD's debt to TAURON.

On 21 October 2022, TAURON signed a contingent agreement with the State Treasury, represented by the Minister of State Assets, for the sale of 100% of the shares held by TAURON in the share capital of TWD.

As of 31 December 2022, the ownership of TWD shares was transferred from TAURON to the State Treasury.

As a result of the disposal of TWD shares, TAURON Group has ceased its commercial coal mining and production operations since 2023, which is in line with the TAURON Group's Strategy adopted on 22 June 2022 and is expected to allow for increased opportunities to expand the investor base in order to raise funds for the implementation of investment projects and thus facilitate the implementation of the strategic objectives contained in the TAURON Group's Strategy.

Investment in corporate venture capital (CVC) funds

Continuing to build the TAURON Group's strategic position in the area of start-ups, in 2022, TAURON continued to invest in corporate venture capital (CVC) funds that had been established in 2018 under agreements concluded by, among others, TAURON, the Polish Development Fund and EEC Magenta spółka z ograniczoną odpowiedzialnością (Managing Entity).

TAURON participates in the of two funds created under the PFR Starter programmes: FIZ and BRIDGE VC / PFR NCBR CVC. The main objective of activities of the funds is provide support to innovative businesses in the energy sector, including by enabling them to participate in acceleration programmes, investing in start-ups under the PFR Starter FIZ programme, as well as ensuring further financing rounds under the PFR NCBR CVC programme.

Ultimately, the capitalisation of the fund established under the PFR Starter FIZ programme will amount to PLN 50 million, and for the fund created under the PFR NCBR CVC programme - PLN 160 million. The share of TAURON in the funds shall not exceed 25% (the Company exposure at a level not higher than PLN 12.45 million) and 49% (the Company exposure at a level not higher than PLN 78.37 million), respectively.

The investments of TAURON are implemented through the acquisition of newly issued shares of EEC Magenta spółka z ograniczoną odpowiedzialnością 2 ASI spółka komandytowo - akcyjna (hereinafter referred to as EEC Magenta CVC) and EEC Magenta spółka z ograniczoną odpowiedzialnością ASI spółka komandytowo - akcyjna (hereinafter referred to as EEC Magenta Starter).

In 2022, TAURON contributed the total amount of PLN 20 106 200.00 to EEC Magenta CVC as part of three capital increases, including:

- 1) on 17 February 2022, it took up 68 202 shares for the amount of PLN 6 820 200,
- 2) on 11 May 2022, it took up 84 946 shares for the amount of PLN 8 494 600,
- 3) on 20 October 2022, it took up 47 914 shares for the amount of PLN 4 791 400.

The share capital structure of EEC Magenta CVC after the completion of the above transactions is as follows: TAURON: 48.03%, EEC Ventures2: 2.94%, PFR NCBR CVC: 49.03%.

In 2022, TAURON did not provide capital injection to EEC Magenta Starter.

Purchase of shares in PGE Baltic 4 sp. z o.o. Company by TAURON

On 28 September 2022, TAURON, as the purchaser and PGE Polska Grupa Energetyczna S.A., as the seller, concluded a disposal agreement for the sale of shares in the project company PGE Baltica 4 sp. z o.o., dedicated to the implementation of offshore wind power investment projects in the Polish Exclusive Economic Zone.

The above preparations of TAURON Group to participate in offshore farm construction projects are in line with the implementation of the priority set out in the TAURON Group's Strategy in the scope of the development of renewable sources and emission reduction.

As a result of the transaction concluded, TAURON acquired 526 shares with a total nominal value of PLN 526 000 in the share capital of PGE Baltica 4, constituting 45% of the share capital and providing the same number of votes at the Shareholders' Meeting of the aforementioned company. The remaining shares are held by PGE.

Reorganisation activities in TAURON Group companies related to the Programme for the spin-off of the TAURON Group's Coal Generation Assets to NABE

In 2022, in connection with the preparation of the TAURON Group's coal generating assets for disposal to the State Treasury, in line with the assumptions of the Governmental National Energy Security Agency (NABE) Concept, the reorganisation activities of TAURON Group companies were carried out, which included the following activities related to the transfer of ownership of shares in the following companies:

- 1) the ownership of 87 897 shares in TAURON Serwis sp. z o.o., representing 95.61% of the share capital of this company and 180 000 shares in Bioeko Grupa TAURON sp. z o.o., representing 100% of the share capital of this company, was transferred from TAURON to TAURON Wytwarzanie S.A,
- 2) the division of TAURON Wytwarzanie S.A. was carried out by spinning off and transferring the separated assets (the Investments Division) to a newly established company - TAURON Inwestycje sp. z o.o. As a result of the aforementioned division, the share capital of TAURON Wytwarzanie S.A. was reduced by PLN 77 986 600, corresponding to the value of the net assets of the organised part of the enterprise of TAURON Wytwarzanie S.A. - Investment Branch, i.e. from the amount of PLN 106 236 230 to the amount of PLN 28 249 630. The share capital of TAURON Inwestycje sp. z o.o. amounts to PLN 779 800. All shares in the share capital of TAURON Inwestycje sp. z o.o. were assigned to TAURON,
- 3) merger of TAURON Wytwarzanie S.A. (the Acquiring company) with Nowe Jaworzno Grupa TAURON sp. z o.o. (the Acquired Company) was performed, following the transfer of ownership of 100% of the shares in Nowe Jaworzno Grupa TAURON sp. z o.o. from TAURON to TAURON Wytwarzanie S.A.
