

**Recommendation of the Management Board of CIECH S.A.
regarding the allocation of profit for 2022**

The Management Board of CIECH S.A. hereby recommends to the Annual General Meeting of CIECH S.A. the following distribution of the net profit generated by the Company in the financial year beginning on 1 January **2022** and ending on 31 December 2022 in the amount of **PLN 612,255,371.67** (in words: six hundred and twelve million two hundred and fifty-five thousand three hundred and seventy-one and 67/100):

1. allocating the amount of **PLN 79,049,863.50** (in words: seventy-nine million forty-nine thousand eight hundred and sixty-three zlotys and 50/100), for the payment of dividend to shareholders, which means that the value of the dividend per share will amount to **PLN 1.50** (in words: one zloty 50/100), which - taking into account the interim dividend for the financial year beginning on 1 January 2022 and ending on 31 December 2022 in the amount of **PLN 79,049,863.50** (in words: seventy-nine million forty-nine thousand eight hundred and sixty-three zlotys and 50/100), i.e. **PLN 1.50** (in words: one zloty 50/100) per share paid by the Company pursuant to Resolution of the Management Board No. 194/2022 of 15 November 2022 - fully exhausts the amount of dividend for shareholders, causing the remaining dividend for the financial year **2022** for shareholders to amount to **PLN 0,00**.
2. allocating the remaining amount, i.e. **PLN 533,205,508.17** (in words: five hundred and thirty-three million two hundred and five thousand five hundred and eight zlotys and 17/100):
 - 2.1. in its entirety, to the reserve capital, whose creation is applied by the Management Board and which is to be created by the General Meeting and to be used for the payment of dividends and dividend advances, alternatively
 - 2.2. if such reserve capital is not created by the General Meeting, adding the remaining amount to the supplementary capital.

At the same time, the Management Board of CIECH S.A. recommends to the Annual General Meeting of CIECH S.A. waiving the determination of the dividend date and the dividend payment date due to the fact that the already paid advance on dividend fully exhausts the dividend and there is no amount to be paid out to shareholders as dividend.

Rationale

In December 2022, the Company paid to its shareholders an interim dividend as an advance for the expected dividend for 2022. It justified the payment with the good situation of the Company and forecasted profit. The forecast proved to be true and the Company generated a profit which fully covers the interim dividend paid. The amount of the advance payment was PLN 79,049,863.50 (in words: seventy-nine million forty-nine thousand eight hundred and sixty-three zlotys and 50/100), i.e. PLN 1.50 per share. Currently, the recommended distribution of profit shall consider the advance payment made. Therefore, the Management Board recommendation assesses keeping the profit in remaining scope in the Company, and allocate it for the supplementary capital.

In the remaining scope, the Management Board believes that the continuously uncertain economic situation, including high inflation and fluctuations on the commodity market, as well as the unresolved military and political situation in Ukraine, require prudent approach in the preparation of the Company for unforeseen events.

Management Board of CIECH S.A.