

In case of divergence between the language version, the Polish version shall prevail

POLENERGIA S.A.

**INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024
INCLUDING THE REPORT OF THE INDEPENDENT AUDITOR**

*Jerzy Wacław Zań – President
of the Management Board*

*Andrzej Filip Wojciechowski - Vice President
of the Management Board*

*Iwona Maria Sierżęga – Member
of the Management Board*

*Piotr Łukasz Maciołek - Member
of the Management Board*

*Adam Mariusz Purwin – Member
of the Management Board*

*Agnieszka Grzeszczak – Director
Accounting Department*

Warsaw, 20 August 2024

1. Interim condensed balance sheet

As at 30 June 2024

ASSETS

	Note	30.06.2024	31.12.2023
I. Non-current assets		2 991 030	2 414 133
Tangible fixed assets		13 420	15 135
Intangible assets		456	565
Financial assets	2.5	2 968 916	2 392 881
Deferred income tax assets		6 435	3 745
Prepayments and accrued income		1 803	1 807
II. Current assets		605 635	1 080 851
Trade receivables		24 893	44 105
Income tax receivable		-	19
Other short term receivables		1 553	1 501
Prepayments and accrued income		7 961	12 106
Short term financial assets		68 607	73 882
Cash and equivalent		502 621	949 238
Total assets		3 596 665	3 494 984

EQUITY AND LIABILITIES

	Note	30.06.2024	31.12.2023
I. Shareholders' equity		3 558 095	3 441 992
Share capital		154 438	154 438
Share premium account		2 240 960	2 240 960
Reserve capital from option measurement		13 207	13 207
Other capital reserves		970 431	810 528
Capital from merger		89 782	89 782
Retained profit (loss)		(26 826)	(26 826)
Net profit/(loss)		116 103	159 903
II. Long term liabilities		6 739	8 805
Provisions	2.4	693	693
Lease liabilities		6 046	8 112
III. Short term liabilities		31 831	44 187
Trade payables	2.5	1 428	5 271
Lease liabilities	2.5	6 277	5 858
Other liabilities	2.5	2 883	7 569
Provisions	2.4	5 374	4 270
Accruals and deferred income	2.5	15 869	21 219
Total equity and liabilities		3 596 665	3 494 984

Interim condensed profit and loss account

For the 6-month period ended 30 June 2024

	Note	For 6 months ended		unaudited	unaudited
		30.06.2024	30.06.2023	For 3 months ended 30.06.2024	30.06.2023
Revenues from contracts with clients		24 688	20 683	13 306	10 600
Sales revenues		24 688	20 683	13 306	10 600
Cost of goods sold		(22 699)	(19 192)	(10 399)	(9 919)
Gross sales profit		1 989	1 491	2 907	681
Other operating revenues		67	145	65	145
General overheads		(32 771)	(26 841)	(21 085)	(14 769)
Other operating expenses		(237)	(241)	(235)	(152)
Financial income		150 884	143 348	138 443	102 327
including dividend		129 313	115 626	129 313	91 626
Financial costs		(6 540)	(961)	(2 062)	(536)
Profit before tax		113 392	116 941	118 033	87 696
Income tax	2.3	2 711	(427)	2 052	660
Net profit		116 103	116 514	120 085	88 356
Earnings per share:					
– basic earnings (loss) for period attributable to parent company shareholders		1,50	1,74	1,56	1,32
– diluted earnings (loss) for period attributable to parent company shareholders		1,50	1,74	1,56	1,32

Interim condensed statement of other comprehensive income

For the 6-month period ended 30 June 2024

	For 6 months ended		unaudited	unaudited
	30.06.2024	30.06.2023	For 3 months ended 30.06.2024	30.06.2023
Net profit	116 103	116 514	120 085	88 356
Other net comprehensive income	-	-	-	-
COMPREHENSIVE INCOME FOR PERIOD	116 103	116 514	120 085	88 356

Interim condensed statement of changes in equity

for the 6-month period ended 30 June 2024

	Share capital	Share premium account	Reserve capital from option measurement	Other capital reserves	Capital from merger	Retained loss	Net profit (loss)	Total equity
As at January 2024	154 438	2 240 960	13 207	810 528	89 782	133 077	-	3 441 992
Other comprehensive income for period								
Net profit (loss) for reporting period	-	-	-	-	-	-	116 103	116 103
Transactions with owners of the parent recognized directly in equity								
Allocation of profit/loss	-	-	-	159 903	-	(159 903)	-	-
As at 30 June 2024	154 438	2 240 960	13 207	970 431	89 782	(26 826)	116 103	3 558 095

for the 6-month period ended 30 June 2023

	Share capital	Share premium account	Reserve capital from option measurement	Other capital reserves	Capital from merger	Retained loss	Net profit	Total equity
As at January 2023	133 604	1 515 557	13 207	690 205	89 782	93 497	-	2 535 852
Other comprehensive income for period								
Net profit for reporting period	-	-	-	-	-	-	116 514	116 514
Allocation of profit/loss	-	-	-	120 323	-	(120 323)	-	-
As at 30 June 2023	133 604	1 515 557	13 207	810 528	89 782	(26 826)	116 514	2 652 366

Interim condensed statement of cash flows

for the 6-month period ended 30 June 2024

	For 6 months ended	
	30.06.2024	30.06.2023
A.Cash flow from operating activities		
I.Profit (loss) before tax	113 392	116 941
II.Total adjustments	(115 982)	(140 955)
Depreciation	3 409	3 114
Foreign exchange losses (gains)	140	2
Interest and profit shares (dividends)	(132 865)	(128 026)
Losses (gains) on investing activities	(697)	(45)
Income tax	41	(10 392)
Changes in provisions	1 104	864
Changes in receivables	19 160	4 600
Changes in short term liabilities, excluding bank loans and borrowings	(5 073)	(8 747)
Changes in accruals	(1 201)	(2 325)
III.Net cash flows from operating activities (I+-II)	(2 590)	(24 014)
B.Cash flows from investing activities		
I. Cash in	187 001	301 523
1. Disposal of intangibles and tangible fixed assets	11	45
2. From financial assets, including:	186 304	301 478
- dividends and shares in profits	129 313	115 626
- repayment of loans given	-	169 407
- interest	-	6 209
- other inflows from financial assets	56 991	10 236
3. Other investment inflows	686	-
II.Cash out	627 559	333 417
1. Acquisition of intangible and tangible fixed assets	63	1 232
2. For financial assets, including:	627 496	332 185
- acquisition of financial assets	627 449	332 185
- loans given	47	-
III.Net cash flows from investing activities (I-II)	(440 558)	(31 894)
C.Cash flows from financing activities		
I.Cash in	-	-
II.Cash out	3 469	2 988
1. Lease payables	3 073	2 551
2. Interest	396	437
III.Net cash flows from financing activities (I-II)	(3 469)	(2 988)
D.Total net cash flows (A.III+/-B.III+/-C.III)	(446 617)	(58 896)
E.Increase/decrease in cash in the balance sheet, including:	(446 617)	(58 898)
- change in cash due to fx differences	-	(2)
F.Cash at the beginning of period	949 238	426 125
G.Cash at the end of period, including:	502 621	367 227
- restricted cash	316	180

2. Notes and Explanations

2.1 Accounting principles (policy) applied

These interim condensed financial statements of the Company as at 30 June 2024 comply with International Accounting Standard 34.

The accounting principles applied have been outlined in the financial statements for 2023 published on 26 March 2024. Said financial statements provided detailed information on the principles and methods of measuring assets and liabilities, as well as measuring the financial result, the method of preparing financial statements and gathering comparable data. Such principles have been applied on a consistent basis.

These financial statements have been prepared based on the going concern assumption for the Company in foreseeable future, that is for no fewer than 12 months following the reporting day, i.e., following 30 June 2024.

2.2 Seasonality and cyclical nature of operations

Seasonality and cyclical nature of operations have no significant impact on the Company business.

2.3 Income tax

	For 6 months ended		For 3 months ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Current income tax	(22)	4 664	(22)	(2 466)
Current income tax charge	(22)	4 664	(22)	(2 466)
Deferred income tax	(2 689)	(4 237)	(2 030)	1 806
Related to temporary differences and their reversal	(2 689)	(4 237)	(2 030)	1 806
Income tax charged to the profit and loss account	(2 711)	427	(2 052)	(660)

	For 6 months ended	
	30.06.2024	30.06.2023
Income tax charged to the profit and loss account, including	(2 711)	427
Current tax	(22)	4 664
Deferred tax	(2 689)	(4 237)
Profit (Loss) before tax	113 392	116 941
Tax on gross profit at effective tax rate of 19%	21 544	22 219
Adjustments to prior years current income tax	(20)	-
Non-deductible costs:	345	196
- temporary difference on which no tax asset/provision is established	(11)	-
Non-taxable income:	(24 580)	(21 988)
- dividends	(24 569)	(21 969)
- other	(11)	(19)
Income tax in the profit and loss account	(2 711)	427

2.4 Provisions

	30.06.2024	31.12.2023
Long term provisions		
- pension plan and related provision	693	693
Total long term provisions	693	693
Short term provisions		
- pension plan and related provision	78	78
- accrued holiday leave provision	5 296	4 192
Total short term provisions	5 374	4 270
Change in long term and short term provisions		
	30.06.2024	31.12.2023
Provisions at the beginning of the period	4 963	3 674
- recognition of provisions	1 340	1 545
- application provisions	(236)	(256)
Provisions at the end of the period	6 067	4 963

2.5 Amounts having a significant impact on the items of assets, liabilities, equity, net financial result or cash flows

a) Financial assets

	30.06.2024	31.12.2023
- share or stock in non-listed companies	2 946 886	2 376 428
- loans given	22 030	16 453
Total long term financial assets	2 968 916	2 392 881
	30.06.2024	31.12.2023
- derivative instruments	-	3 545
- loans given	68 607	70 337
Total short term financial assets	68 607	73 882

Financial asset impairment test in subsidiaries

In the first half of 2024, the Company identified no rationale for impairment testing of financial assets.

Financial asset impairment loss test in jointly controlled entities

In its consolidated financial statements for 2023, the Company reported that due to the strategic nature of offshore wind farm projects and their crucial implementation phase, the Management Board decided to perform impairment tests for these projects at least once per financial year until construction is completed. Appropriate disclosures regarding the results of these tests will be included in the final annual financial statements.

b) Right-of-use assets

Right-of-use assets under lease	30.06.2024	31.12.2023
Building, premises	8 436	10 042
Vehicles	3 905	3 824
Total	12 341	13 866

c) Liabilities

	30.06.2024	31.12.2023
- trade payables	1 428	5 271
- from related entities	5	175
- from other entities	1 423	5 096
- lease liabilities	6 277	5 858
- other liabilities	2 883	7 569
- budget payments receivable	2 414	7 462
- special funds	379	24
- other	90	83
Total short term liabilities	10 588	18 698

d) Fair value

As at 30 June 2024, the Company held no financial instruments that would be measured at fair value.

Fair value of other financial assets and liabilities enumerated below is not materially different from their carrying amount:

- long term receivables,
- trade debtors and other receivables.
- financial assets, including borrowings,
- cash and equivalent,
- bank loans and borrowings,
- other long term liabilities,
- trade creditors and other payables.

e) Cash flows

Explanation of differences between changes in certain items in the statement of financial position and changes in the statement of cash flows

Receivables:	30.06.2024	30.06.2023
- change in short-term and long-term receivables, net, in the statement of financial position	19 160	3 933
- change in other receivables	-	667
Change in receivables in the statement of cash flows	19 160	4 600
Liabilities:	30.06.2024	30.06.2023
- change in liabilities, net of borrowings, in the statement of financial position	(10 176)	(13 417)
- change in finance lease liabilities	1 558	1 255
- change in financial liabilities	3 545	3 415
Change in liabilities in the statement of cash flows	(5 073)	(8 747)

2.6 Changes to estimates

In the 6-month period ended 30 June 2024, the Company made no significant changes to its estimates.

2.7 Dividend distribution

No dividends were paid by the parent in the 6-month period ended 30 June 2024. No dividends are intended to be paid by the parent in the second half-year of 2024.

2.8 Revenue and profit/loss in individual operating segments

The main source of revenue for the Company is the service provision business. Given low complexity of its business, the Company does not distinguish any segments other than the core one.

2.9 Information on changes in contingent liabilities or contingent assets

During the six months ended 30 June 2024, following changes occurred in contingent liabilities:

On 12 February 2024, acting to order of the Company, Santander Bank Polska S.A. ("Santander") issued two guarantees securing the payment of rents and real estate tax under the lease agreement entered into by Polenergia Farma Wiatrowa 1 Sp. z o.o. with AGRO-WRONIE Sp. z o.o. for the amounts of PLN 525.7 thousand and PLN 15.2 thousand, respectively. Both guarantees expire on 9 February 2025.

On 29 February 2024, the Company issued Payment Guarantees to secure payments under the contract entered into by MFW Bałtyk II Sp. z o.o. and MFW Bałtyk III Sp. z o.o. with the supplier of monopiles, SIF NETHERLANDS B.V. to the amounts of EUR 99,500 thousand and EUR 68,000 thousand, respectively. Both guarantees expire on 31 December 2028.

On 12 April 2024, the Company signed a surety agreement in favor of CIECH Sarzyna S.A. ("CIECH") for the liabilities of the company Polenergia H2HUB Nowa Sarzyna Sp. z o.o. ("H2HUB NS") under the lease agreement entered into with CIECH by Polenergia ENS Sp. z o.o. subsequently assigned onto H2HUB NS. The surety is capped at PLN 936 thousand and expires one year following the termination of the aforementioned lease agreement, i.e., 31 March 2053.

On 6 June 2024, acting on behalf of the Company, Santander Bank Polska S.A. ("Santander") together with UniCredit Bank S.A. ("Unicredit") issued connection guarantees in favor of CNTEE Transelectrica S.A., on behalf of the project companies developing a wind farm project in Romania, in which the Subsidiary Naxxar Wind Farm Four SRL has significant influence. The total value of the guarantees issued is RON 13,885 thousand, and they expire on 31 December 2025.

On 28 June 2024, the Company issued a Payment Guarantee to the SIF NETHERLANDS/Smulders Projects Belgium consortium, with whom MFW Bałtyk II Sp. z o.o. and MFW Bałtyk III Sp. z o.o. entered into a contract for the installation of monopiles. Both guarantees were issued up to the maximum amount of EUR 10,812.5 thousand each, with the expiration date of 1 September 2024.

The Company has been issuing guarantees and sureties within the Polenergia S.A. group that meet the recognition criteria of financial guarantees according to IFRS 9, with the fair value of the all the financial guarantees issued calculated as a discounted sum of payments amounting to PLN 25,629 thousand as at 30 June 2024.

As at 30 June 2024, the Company has no guarantees or sureties received.

2.10 Information on material transactions with associates

30.06.2024	Revenues	Receivables
Amon Sp. z o.o.	395	218
Dipol Sp. z o. o.	325	191
Polenergia eMobility Sp. z o.o.	165	74
Polenergia Dystrybucja Sp. z o.o.	847	457
Polenergia Elektrociepłownia Nowa Sarzyna Sp. z o.o.	388	303
Polenergia Farma Fotowoltaiczna 2 Sp. z o.o.	124	101
Polenergia Farma Fotowoltaiczna 3 Sp. z o.o.	103	98
Polenergia Farma Fotowoltaiczna 9 Sp. z o.o.	128	48
Polenergia Farma Fotowoltaiczna 13 Sp. z o.o.	105	99
Polenergia Farma Wiatrowa 1 Sp. z o.o.	504	325
Polenergia Farma Wiatrowa 4 Sp. z o.o.	580	391
Polenergia Farma Wiatrowa 6 Sp. z o.o.	480	302
Polenergia Farma Wiatrowa Bądecz Sp. z o.o.	160	153
Polenergia Farma Wiatrowa Dębice/ Kostomłoty Sp. z o.o.	717	502
Polenergia Farma Wiatrowa Grabowo Sp. z o.o.	535	320
Polenergia Farma Wiatrowa Mycielín Sp. z o.o.	605	386
Polenergia Farma Wiatrowa Namysłów Sp. z o.o.	298	289
Polenergia Farma Wiatrowa Olbrachcice Sp. z o.o.	101	94
Polenergia Farma Wiatrowa Piekło Sp. z o.o.	135	82
Polenergia Farma Wiatrowa Rudniki Sp. z o.o.	124	55
Polenergia Farma Wiatrowa Szymankowo Sp. z o.o.	596	390
Polenergia Farma Wiatrowa 10 Sp. z o.o.	100	94
Polenergia Kogeneracja Sp. z o.o.	227	253
Polenergia Obrót S.A.	2 029	964
Polenergia Sprzedaż Sp. z o.o.	1 174	507
Polenergia Farma Wiatrowa 16 Sp. z o.o.	130	79
Polenergia Farma Wiatrowa 17 Sp. z o.o.	156	79
Polenergia Farma Wiatrowa 22 Sp. z o.o.	144	139
Polenergia Farma Wiatrowa 23 Sp. z o.o.	281	158
Polenergia Farma Wiatrowa 3 Sp. z o.o.	1 346	1 049
Polenergia Obrót 2 Sp. z o.o.	324	201
Talia Sp. z o.o.	373	201
Polenergia Farma Fotowoltaiczna 16 Sp. z o.o.	126	121
Polenergia H2Silesia Sp. z o.o. (Polenergia Farma Fotowoltaiczna 17 Sp. z o.o.)	360	354
Polenergia Fotowoltaika SA	-	2 076
Polenergia H2HUB Nowa Sarzyna Sp z o.o.	2 013	821
Naxxar Winf farm Four S.R.L	-	157
Other	1 955	1 724
Total	18 153	13 855

Loans to affiliated companies:

30.06.2024	Lon balance
Polenergia Dystrybucja Sp. z o.o.	4 103
Polenergia Fotowoltaika S.A.	8 116
Polenergia Fotowoltaika S.A.	6 183
Polenergia Fotowoltaika S.A.	12 307
Polenergia Fotowoltaika S.A.	12 201
Polenergia Fotowoltaika S.A.	29 800
Naxxar Wind Farm Four S.R.L.	4 754
Naxxar Wind Farm Four S.R.L.	13 173
Total	90 637

2.11 Events following the reporting date

On 18 July 2024, acting pursuant to Article 383 sec. 1 of the Commercial Companies Code, the Supervisory Board adopted a resolution by virtue of which it decided to second Mr. Adam Mariusz Purwin, Member of the Supervisory Board, to temporarily act as Member of the Management Board for a period of three months from the date of the resolution.

On August 13, 2024, the Management Board of Polenergia S.A., received information that the European Commission ("Commission") had issued a decision confirming the compatibility with the internal market (the "Commission Decision") of the public aid granted to MFW Bałtyk II sp. z.o.o. and MFW Bałtyk III sp. z.o.o. through the decision of the President of the Energy Regulatory Office dated May 4, 2021 on granting the right to cover the negative balance for the offshore wind farm projects MFW Bałtyk 2 and MFW Bałtyk 3 ("Projects"). The Commission's decision was issued in an individual notification procedure, following which the Commission raised no objections to the public aid granted at a level not exceeding PLN 319.60/MWh for electricity generated and injected into the grid under each of the Projects. In accordance with the provisions of the Act on Promotion of Electricity Generation in Offshore Wind Farms, the next step will be to obtain a decision from the President of the Energy Regulatory Office setting a specific price (not higher than the one resulting from the Commission's decision) constituting, after inflation indexation, the basis for settlement of the contract for difference during the 25-year support period. The regulatory authority has 90 days from the date of receipt of information about the Commission's decision to issue the decision.

On August 14th, 2024, the Management Board of Polenergia S.A. announced that in connection with the Company's development plans, it had decided to expand the review of Strategic options announced in the Company's Current Report No. 4/2024 dated February 8th, 2024 (the "Review of Strategic Options") (the "Report"). As of the date of this announcement, the Review of Strategic Options on the terms set out in the Report covers the implementation of projects within the strategic objectives identified in the Report and selected projects in other business segments of the Polenergia Group in the long term, excluding offshore wind farm projects and strategic assets. In the course of the Review of Strategic Options, the Company intends to engage in discussions with various entities, and additional information about the Company and the projects subject to the Review of Strategic Options may be provided to selected entities to the extent permitted by applicable laws. Both the schedule and the final outcome of the Review of Strategic Options are uncertain as of the date of this information. So far, no decisions have been made regarding the selection of a specific strategic option for individual projects, and it is

uncertain whether and when such decisions will be made in the future. The Issuer will publish information on the progress of the Review of Strategic Options in accordance with applicable law.