



POLENERGIA GROUP

Financial results for H1 2024



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



JERZY ZAŃ

President of the Management Board

- Nearly 25 years of experience in finance and banking
- Specializes in green projects financing
- Vice-President of the Management Board of Bank Ochrony Środowiska (2019-2023)
- Graduated from the Warsaw School of Economics, in Finance and Banking
- MBA Executive, Carlson School of Management, University of Minnesota



**ANDRZEJ FILIP
WOJCIECHOWSKI**

Vice-President of the Management Board

- Experience in European companies in various industries
- Responsible for development of new projects
- Specializes in business transformations and building growth strategies
- Experience in crisis management and team building
- Graduated from the Łazarski University and obtained MBA from Carlson School of Management



IWONA SIERŻĘGA

Member of the Management Board

- Almost 25 years in the energy sector
- Responsible for the operation of generation sources and the clean fuels and environmental protection division
- CFO, CEO, General Manager of Nowa Sarzyna Combined Heat and Power Plant (2006-18)
- Member of the Management Board of Polenergia S.A. (since '19)
- Graduated from the University of Economics in Cracow and obtained MBA at the Stockholm University



PIOTR MACIOŁEK

Member of the Management Board

- Over 20 years in the Polenergia Group
- Chief Operating Officer (2016-2023)
- Responsible for marketing and sales and distribution segments
- Experience in Telekomunikacja Polska, Sony Music Entertainment Poland, Master Foods Poland
- Graduated from the Faculty of Management at the University of Warsaw
- Obtained MBA at the University of Minnesota



ADAM PURWIN

Member of the Management Board

- 25 years of experience in financial management, implementation of financing and M&A transactions
- Experienced manager - serving as CEO, CFO, member of the management board in private and public companies, including, without limitation: PKP Cargo, Advanced World Transport, Nunatak Capital,
- Graduated in law at the University of Białystok, professional education in M&A and Structured Finance

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**Most important
information about the Group**



Poland's largest private energy group backed by strong strategic investors



CONTINUOUS SUPPORT OF THE FOUNDERS ACTING AS A STRATEGIC INVESTOR

The Kulczyk family is **the founder of the Polenergia Group** and has continuously played the role of a strategic investor in the **Group**. Dominika Kulczyk has supported the Company's activities by serving as **Chairwoman of the Supervisory Board**.



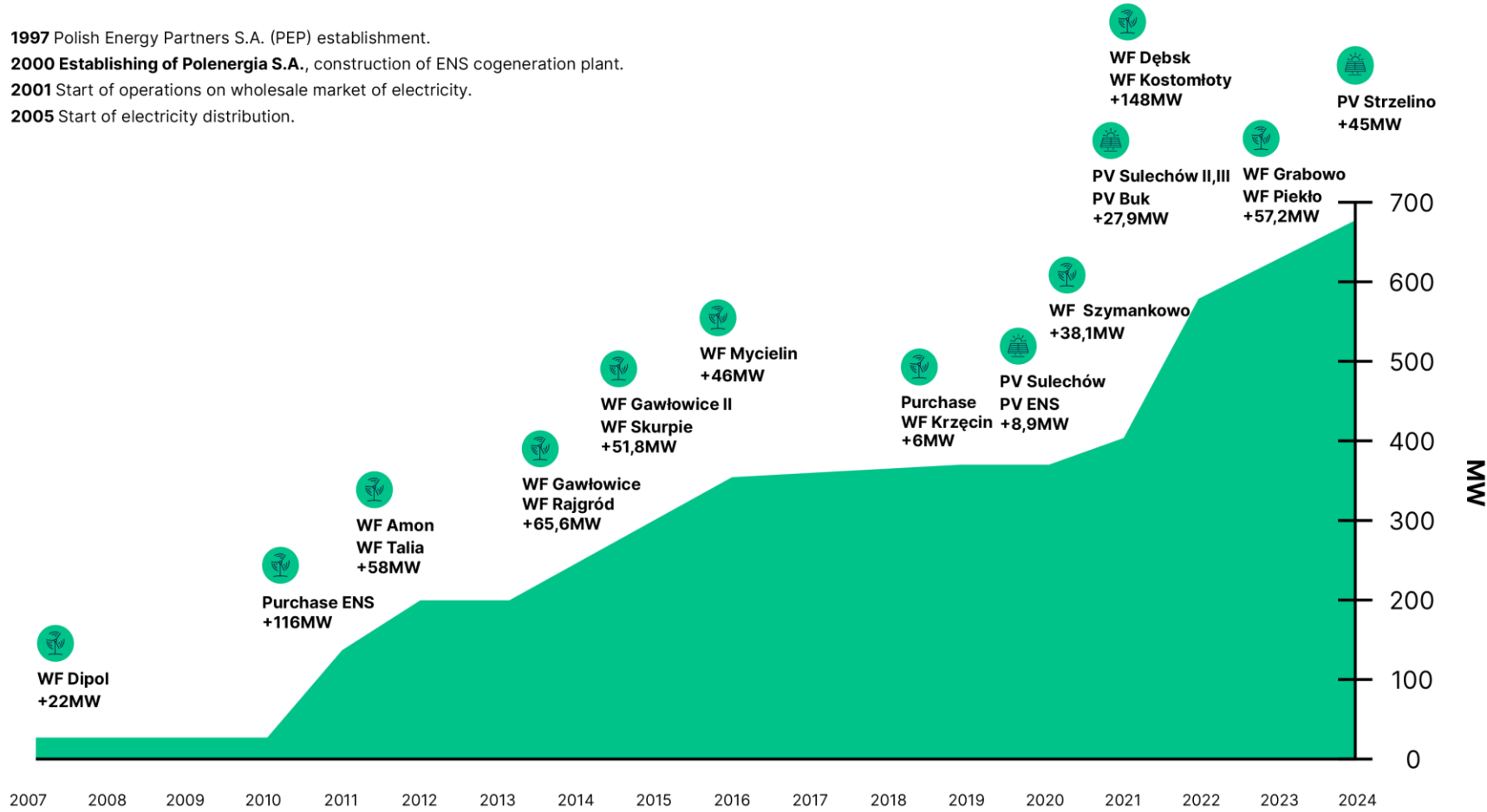
BROOKFIELD GLOBAL INVESTMENT FUND AS ONE OF THE LEADING SHAREHOLDERS

Brookfield has more than USD 850 billion in assets under management, manages RES projects with a total value of USD 102 billion, with a **33 GW capacity portfolio and a 155 GW pipeline**. The Fund is directly involved in implementing the Company's Development Strategy.

Over 20 years as a leader of Polish renewables market

Key events in the Group's history

- 1997 Polish Energy Partners S.A. (PEP) establishment.
- 2000 Establishing of **Polenergia S.A.**, construction of ENS cogeneration plant.
- 2001 Start of operations on wholesale market of electricity.
- 2005 Start of electricity distribution.



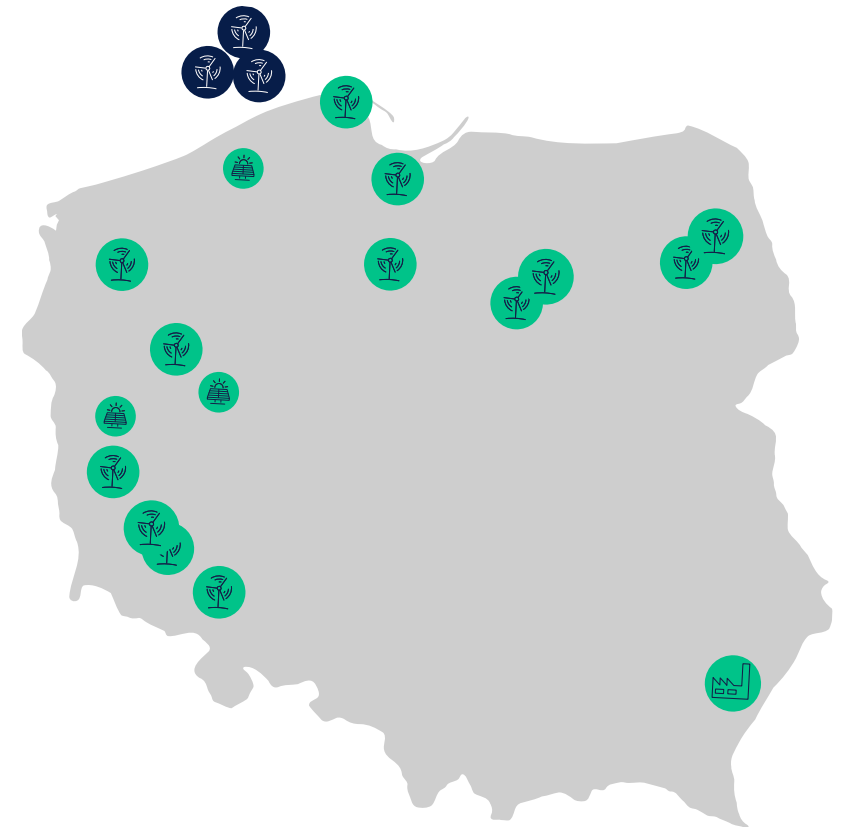
2010 – kick-off of Baltyk 1, 2 and 3 offshore wind farms development.

2012 – purchase of PEP shares by Kulczyk Investments.

2018 – 50% of offshore wind projects sold to Equinor.

2021 – Brookfield acquires Polenergia shares.

Group's asset map



In H1 2024, we launched FF Strzelino, the largest photovoltaic farm in the Group's history

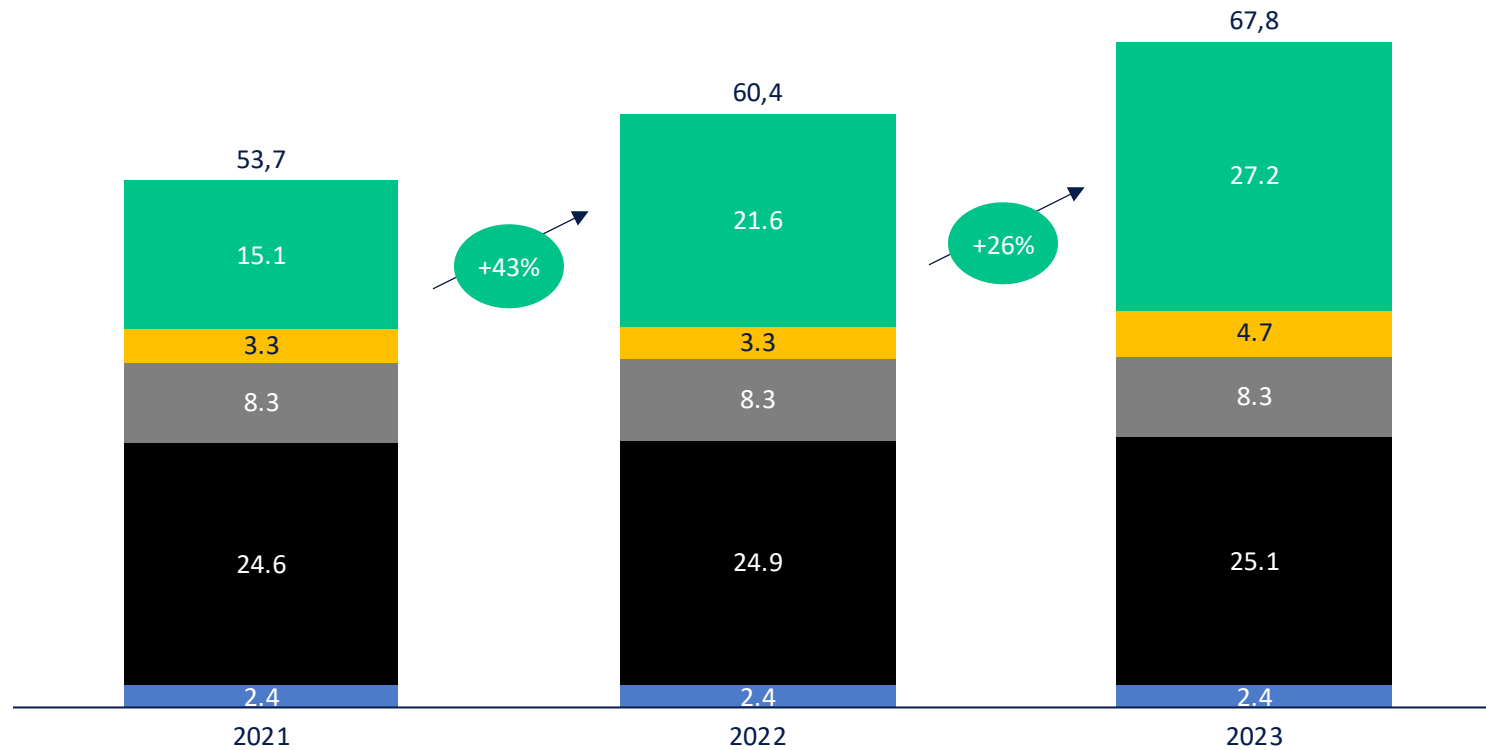




RES in Poland. Development dynamics

The national electricity system in Poland - current status

Structure of installed capacity in the NPS [GW]



- Professional water power plants
- Professional hard coal power plants
- Professional brown coal power plants
- Gas power plants
- RES

Installed photovoltaic capacity in Poland as at 01.07.2024:



Installed capacity of wind farms in Poland as at 01.07.2024:



Source: PSE

THE SHARE OF RES IN THE POLISH ENERGY MIX HAS BEEN STEADILY GROWING:

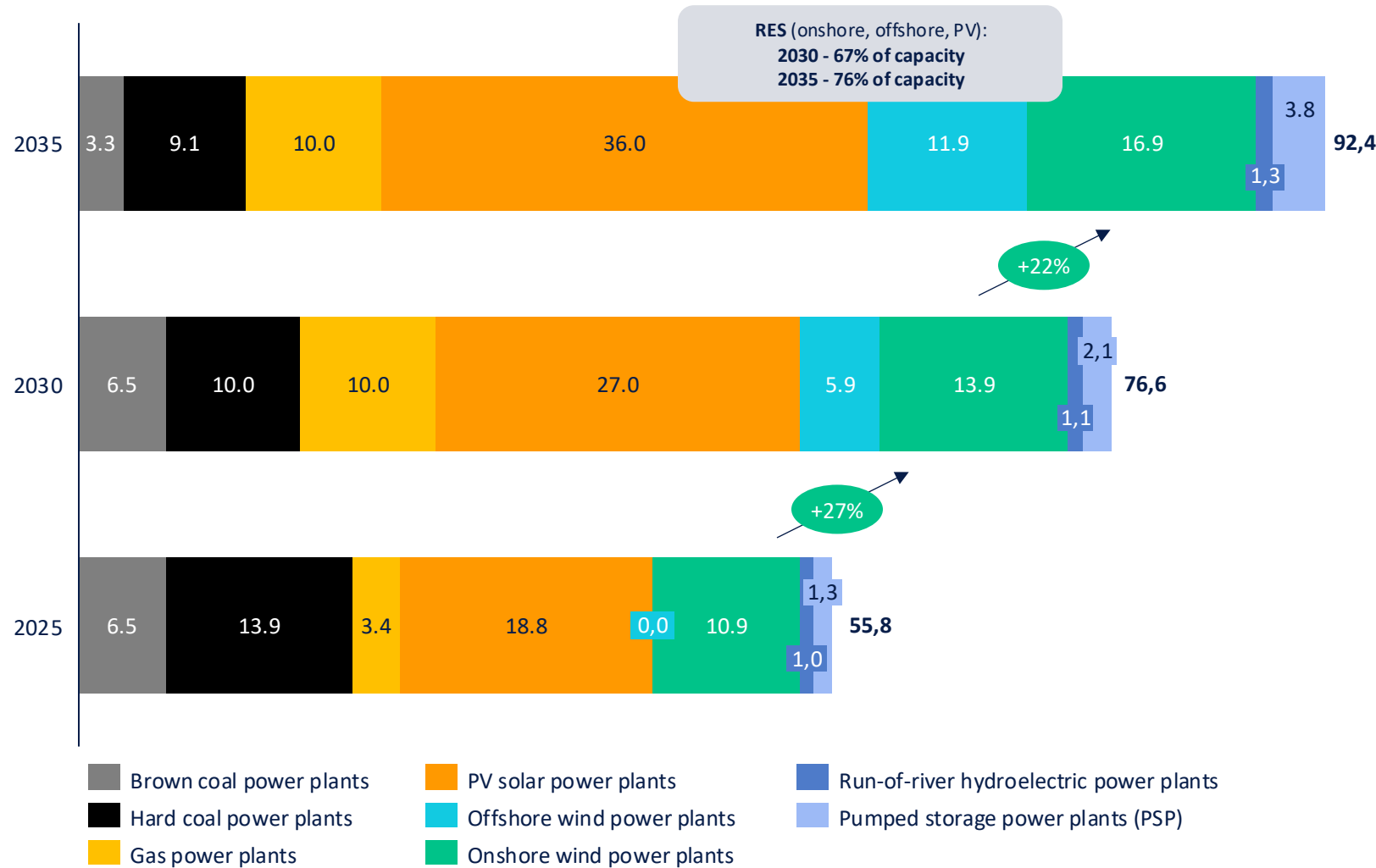
In July 2024 nearly 33% of the energy produced came from renewable sources.

Comparing installed capacity between May 2023 and May 2024: PV capacity increased by **30% to 17.9 GW**, wind capacity grew by **8% to 9.3 GW**.



The national power system in Poland - forecasts for selected technologies

Forecast structure of installed capacity until 2035 [GW]



The September 2023 assumptions clearly indicate **the significant role to be played by renewable energy sources in future electricity mix** in Poland.

For selected technologies, PV and onshore wind sources will already account for as much as 54% of installed capacity already in 2025. It should be pointed out, however, that according to PSE data, **the installed PV capacity has already exceeded the assumed values.**

Offshore wind farms, PV installations and onshore wind farms will account for 67% of installed capacity in 2030, to reach 76% in 2035.

Source: KPEiK/PEP2040

RES in Poland - dynamics and prospects for development



Acceleration of decarbonization

- The expected so-called ambitious scenario and goals of the National Energy and Climate Plan will force further **prioritization of RES development** and accelerate the implementation of favorable regulations
- The expected **regulatory stabilization** and pressure to decarbonize the assets of the State Treasury companies will have impact on the entire energy market



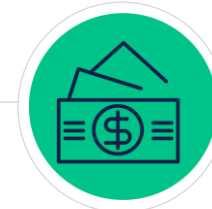
Steady increase in the share of RES capacity in the Polish mix

- **Offshore wind** projects will play a special role in achieving the decarbonization goals.
- Moreover, the potential of onshore wind farms is expected to be released by further **liberalization of the Act on Wind Farm Projects**
- Technological development and the development of support instruments such as **hybrid projects, cable pooling or energy storage facilities** will allow the use of synergies and RES balancing



Large-scale investments in the grid unlocking the RES potential

- National Recovery Plan funds are expected to be directed to associated projects related to e.g. energy transmission
- This means **accelerating investments in key infrastructure and modernization of transmission networks**
- The expenditures of the Polish Power Grid and the expenditures of the main Distribution System Operators over the next decade may reach the level of **PLN 200 billion**



Favorable conditions and flexible market mechanism

- We note **high demand for green energy** among wholesale customers
- The interest in, and awareness of, **multi-year PPAs** for the sale of green energy has been growing among corporate customers. **Poland is a leading market in this regard.** This model allows asset financing to be extended beyond existing support systems



Summary of key events

of Q2 2024



H1 2024 vs. H1 2023



PLN 616.0 m (+24%)
Revenues (without trading segment)



PLN 394.6 m (+28%)
EBITDA



PLN 222.4 m (+31%)
Net Profit (adjusted)



769 GWh (+14%)
Electricity produced in RES



574 MW (+22%)
Installed capacity in RES
(102 MW increase)



3556 MW
Power RES projects
in development in Poland*

* 1,309 MW of onshore wind farm projects, 747 MW of PV projects, 50% of the 3,000 MW of offshore wind farm projects being developed in cooperation with Equinor.





Summary of key events



INCREASE IN PRODUCTION DUE TO INTENSIVE GROWTH OF THE GROUP'S MANUFACTURING CAPACITY

Positive volume effect due to the commissioning of the Piekło (13.2 MW) and Grabowo (44 MW) wind farms in Q3 2023, and the completion of the Strzelino photovoltaic farm (45.16MW) in Q1 2024.



ESTABLISHMENT OF A GREEN BOND ISSUANCE PROGRAM

On 11 July the program to issue green bonds with a nominal value of up to PLN 1 billion was established. The purpose of the issue is to finance the development, acquisition, construction and operation of green projects.



STRATEGIC OPTIONS IN THE GROUP UNDER REVIEW

The Management Board decided to expand the scope of the review of strategic options, which originally focused on electromobility, hydrogen strategy and new foreign projects. The review will also include selected projects in other business segments of the Group, excluding offshore wind farm projects, and strategic assets. No decisions to select specific strategic options for individual projects have been made so far.



THE PRICE SECURED FOR 71% OF THE GROUP'S TARGET ELECTRICITY PRODUCTION FOR 2025


In H1 2024 the Group continued its strategy of securing the production of generation assets, based, without limitation, on contracts for difference, energy sales on the regulated market, PPAs or direct sales to end customers.



EUROPEAN COMMISSION APPROVES STATE AID FOR BALTIC 2 AND BALTIC 3 PROJECTS

The Commission approved a support price not exceeding PLN 319.60/MWh for electricity generated by the projects. The next step will be to obtain a decision from the ERO President setting a specific price (not higher than that resulting from the Commission's decision) constituting, after indexation by inflation, the basis for settlement of the contract for difference. The ERO President has 90 days from receipt of information on the Commission's decision to make a decision.

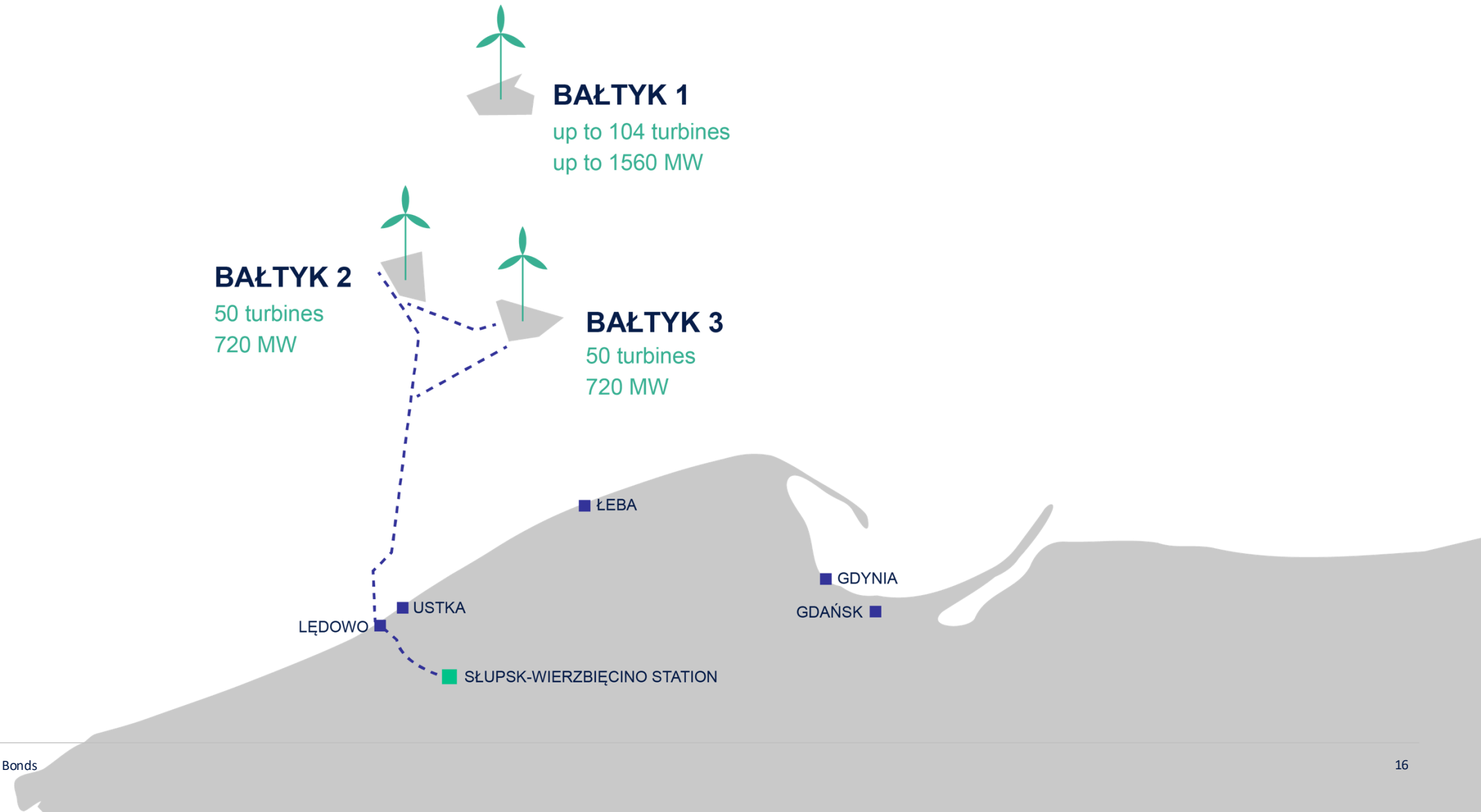
 **Polenergia**



**Status of implementation
of strategic projects.
Green Bonds**



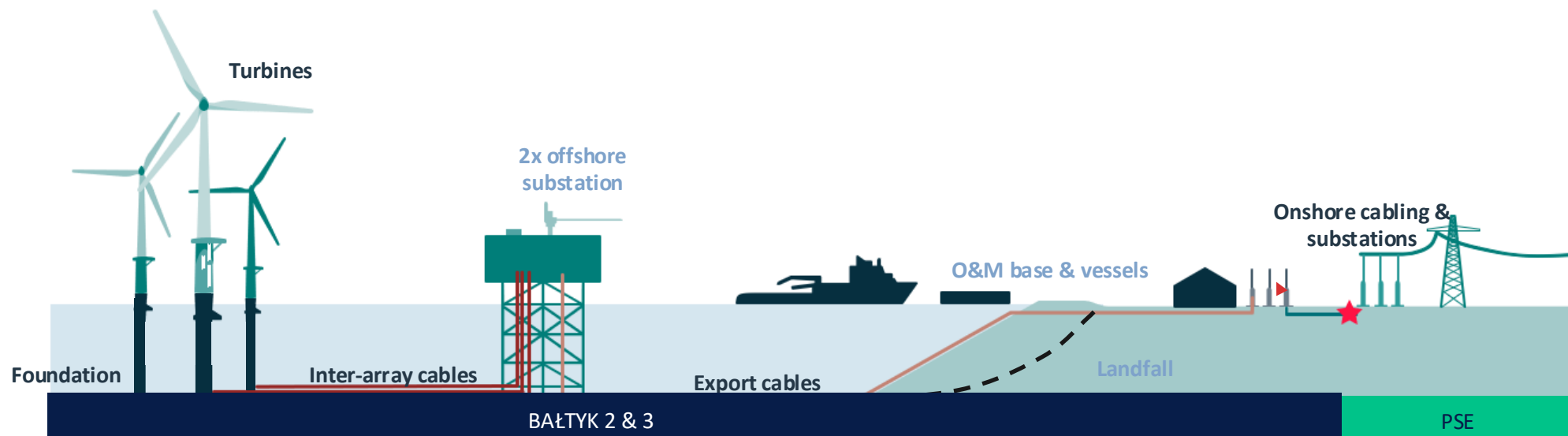
Up to 3,000 MW - total capacity of 3 wind farms in development in the Baltic Sea





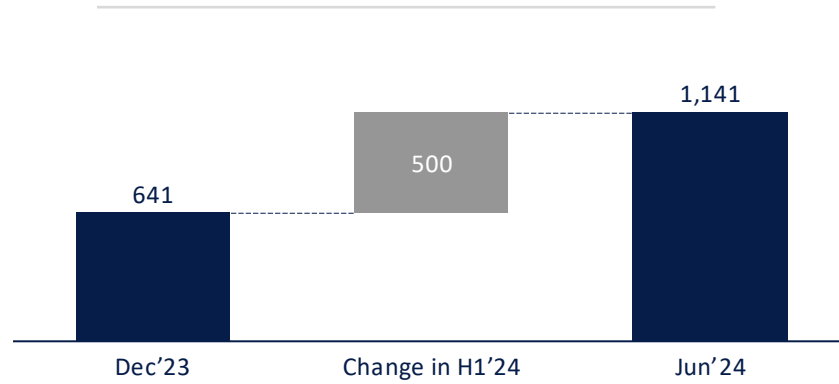
Polenergia and Equinor - complete set of building permits

- The Bałtyk 2 and Bałtyk 3 projects implemented by Polenergia and Equinor have obtained a **COMPLETE SET OF OFFSHORE AND ONSHORE BUILDING PERMITS**
- The Pomeranian governor issued a total of **17 permits**, including, without limitation:
 - the installation of **100 offshore wind turbines**
 - the installation of **2 offshore power substations**
 - the installation of **2 land stations** with infrastructure
 - laying of **export and array cables**
- The first preparatory works on land will begin already in **2024**
- The first power will start to be generated in both projects in **2027**



Implementation of the Bałtyk projects proceeding as scheduled

The expenditures for Bałtyk 2 & 3 incurred to date (in million PLN)¹⁾:



Key activities until the end of Q1 2025:



Obtaining a complete set of building permits



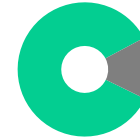
Obtaining debt financing



Making the final investment decision

1) Carrying value of Bałtyk 2 and 3 projects in the consolidated financial statements

Contracting:



The majority of contracts for projects' implementation has been secured

Project Finance - key information:

- Strong interest from commercial banks and mission investors and export agencies
- Competitive financing terms
- Debt share in the project finance is at the level of 70-80%
- Long tenor due to 25-year CfD contract
- Access to financing in EUR

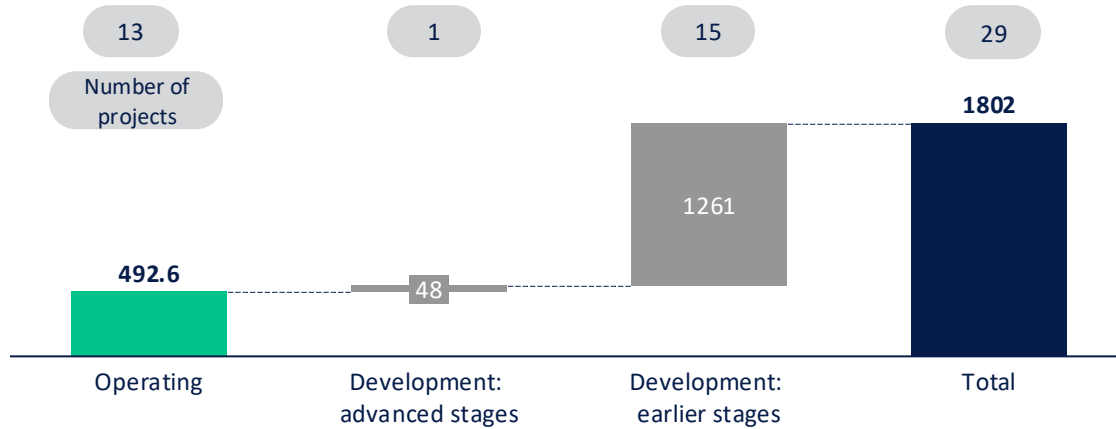
Permit acquisition process

- ✓ Location decision for offshore farm
- ✓ Grid connection agreement
- ✓ Permits for laying and using submarine cables
- ✓ Geotechnical studies
- ✓ Wind measurements
- ✓ Environmental Decision
- ✓ Offshore building permits
- ✓ Onshore building permits

Continued dynamic growth in onshore wind power and photovoltaics

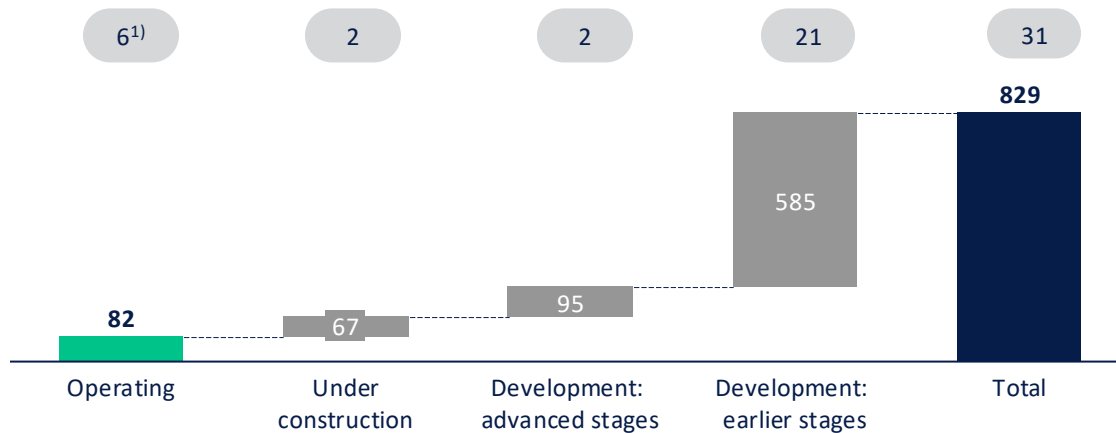
ONSHORE WIND FARMS

Number of projects and capacity installed and in development (MW):



Photovoltaics

Number of projects and capacity installed and in development (MW):



Up to 2056 MW | total nominal capacity of the projects in the development phase, of which:



Up to 1309 MW | onshore wind projects in the development phase in Poland



Onshore wind farm projects in the early phase of development will reach RtB² status in the years: **2027-2029**



Up to 747 MW | photovoltaic projects in the development phase in Poland



Photovoltaic projects in the early phase of development will reach RtB² status in the years: **2025-2029**

Projects in the development phase are exposed to a number of risks that may cause the scale of investment to be reduced, or the time schedule to be extended

Source: Polenergia

1) Includes a 1MW project operating at the Nowa Sarzyna Heat and Power Plant (ENS)

2) RtB - Ready to Build

Polenergia launches the Green Bond program

Background information



The Management Board passed a resolution to establish a program aimed at **FINANCING THE DEVELOPMENT, ACQUISITION, CONSTRUCTION AND OPERATION OF GREEN PROJECTS**



Debt securities issued under this formula will meet the criteria of **GREEN BOND PRINCIPLES** developed by the International Capital Market Association



The bonds will be issued in series and will bear interest, and their total maximum nominal value has been set at **PLN 1 BILLION**



Polenergia's first Green Bonds **WILL BE ISSUED IN 2024**



**Summary of key
operational parameters**





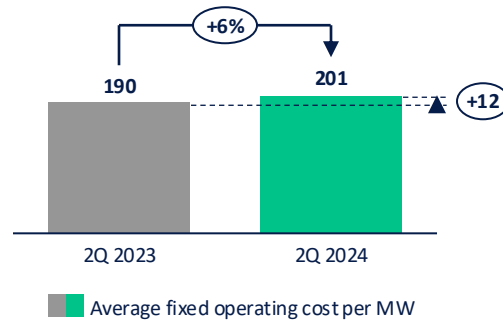
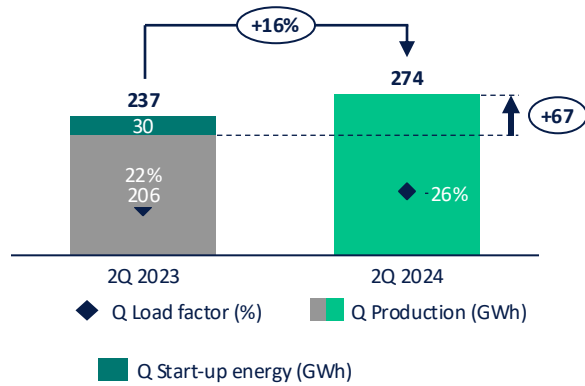
Summary of key operating parameters - Onshore wind farms

Production of operational onshore wind farms, start-up energy and productivity%*

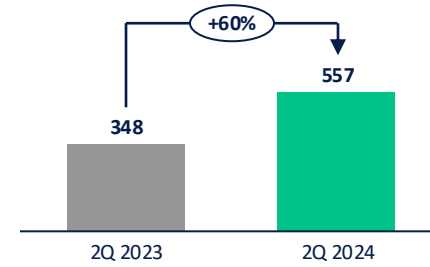
Average fixed operating cost per MW in offshore wind farms [kPLN/MW/year]**

Average revenues per MWh (after balancing and profiling costs) at the Group level [PLN/MWh]

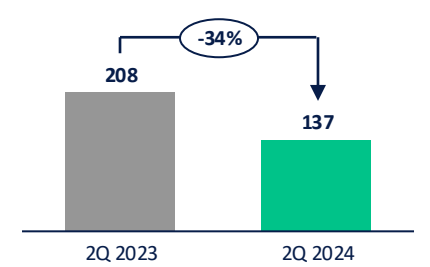
Quarterly data



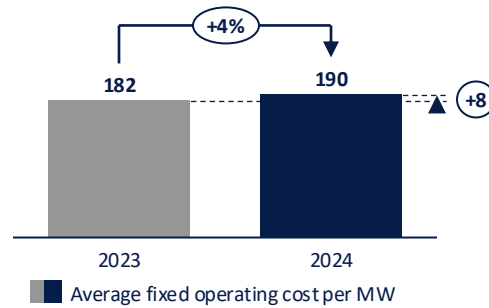
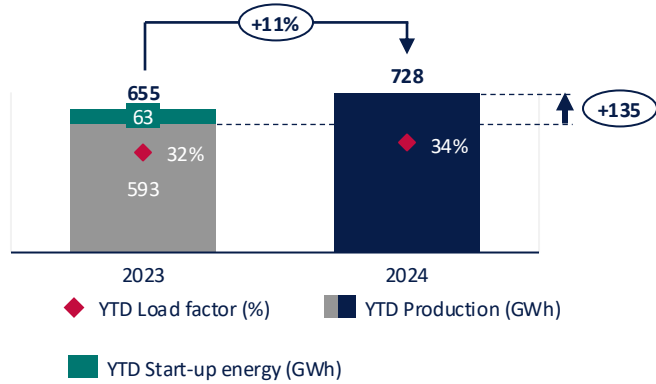
Electricity



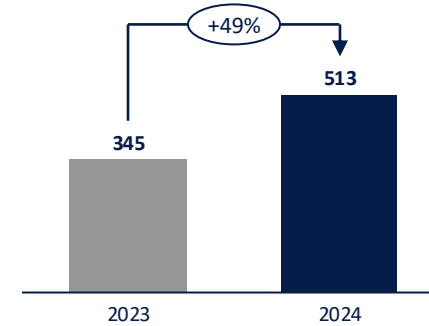
Green Certificates



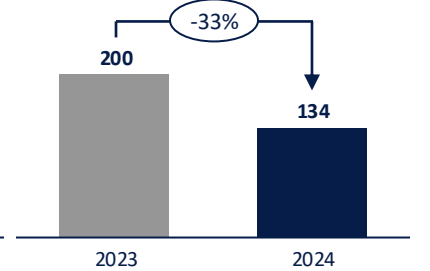
Data YTD



Electricity



Green Certificates

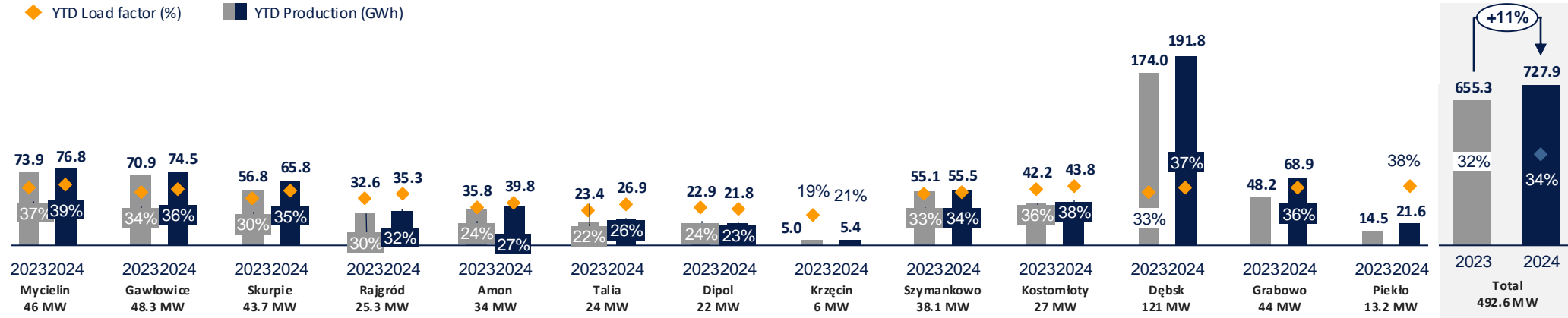


* Productivity in 2023 excluding FW Grabowo and FW Piekło.
 ** Average fixed cost per MW in 2023 excluding FW Grabowo and FW Piekło.

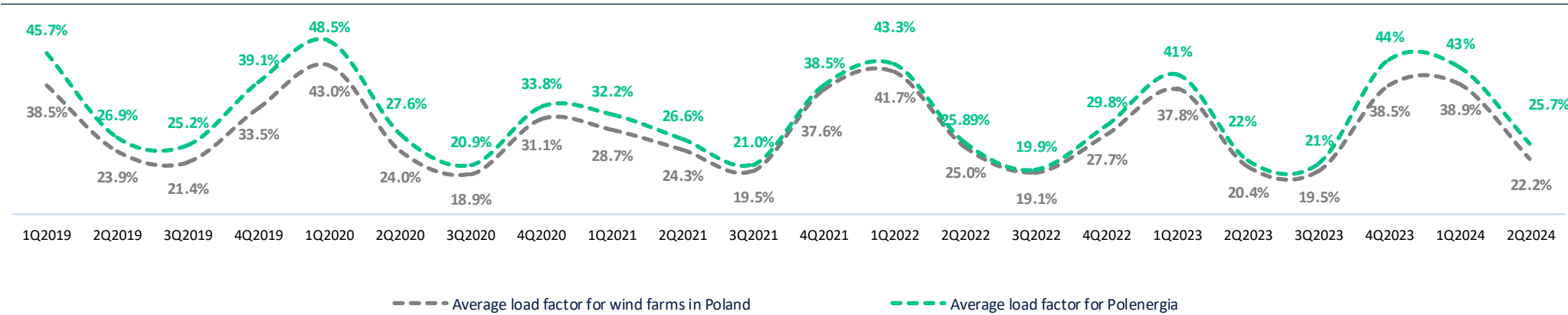
Summary of key operating parameters - Onshore wind farms

Production (net) YTD*

◆ YTD Load factor (%) ■ YTD Production (GWh)



Net productivity of Polenergia farms



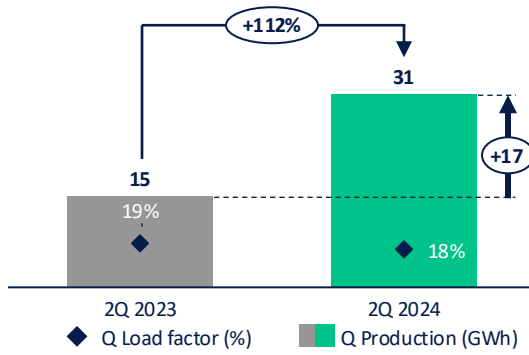
* Total productivity in H1 2023 excluding the production of FW Grabowo and FW Piekło



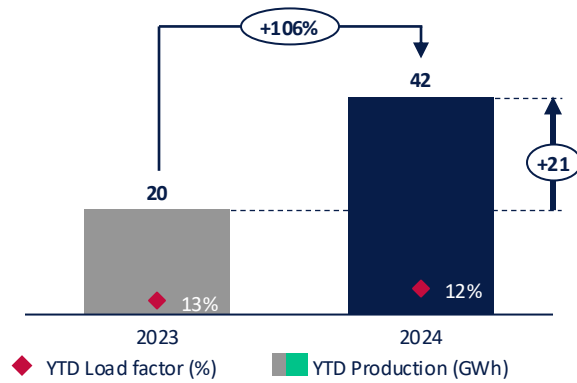
Summary of key operating parameters - photovoltaic farms

Production of photovoltaic farms and productivity %

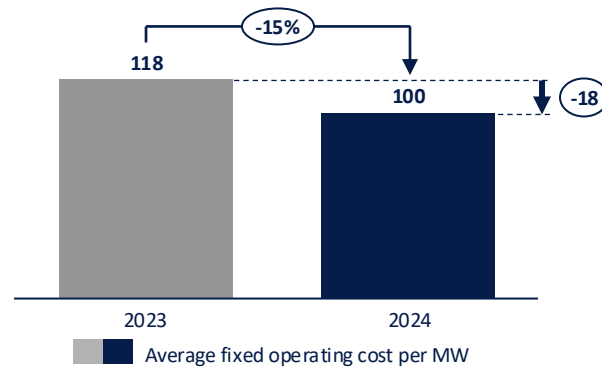
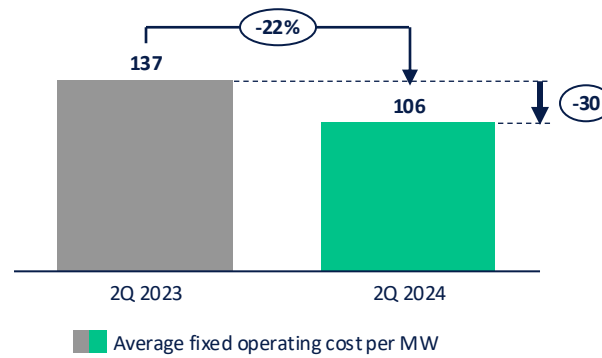
Quarterly data



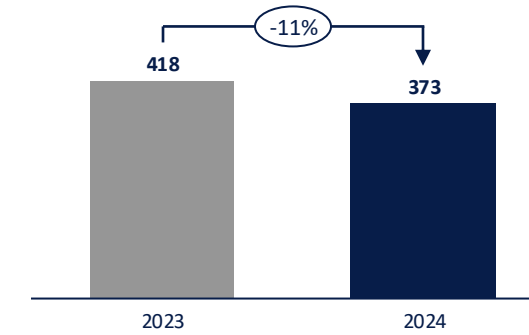
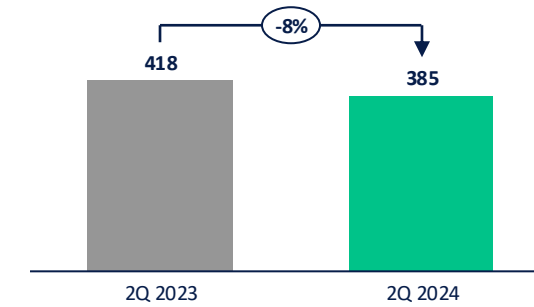
Data YTD



Average fixed operating cost per MW in photovoltaic farms [thousand PLN/MW/year]*



Average revenues per MWh (after balancing and profiling costs) at the Group level [PLN/MWh]



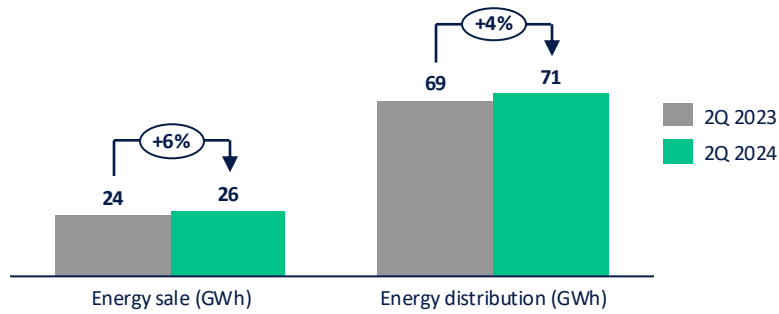
* Average fixed cost per MW in 2024 excluding FF Strzelino



Summary of the key operating parameters - Distribution and Gas and Clean Fuels

Distribution - RAB [million PLN] and sales [GWh]

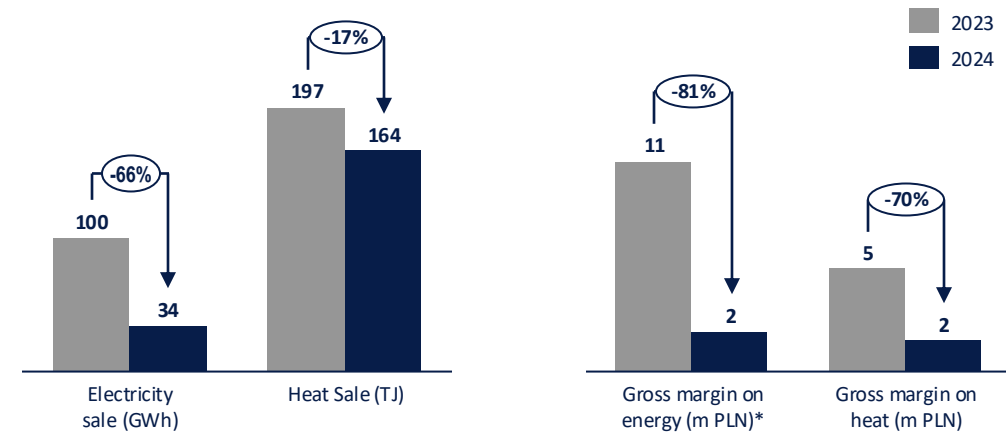
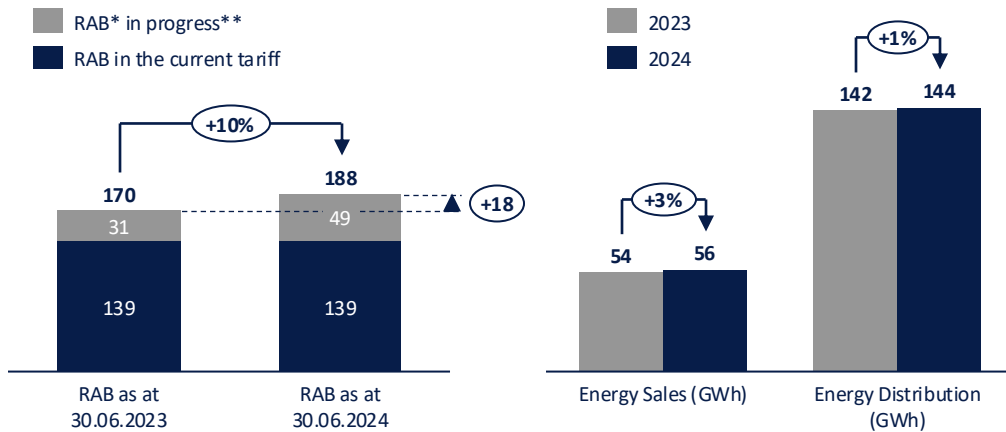
Quarterly data




Gas and Clean Fuels – sale [GWh] and average prices [PLN/MWh]



Data YTD





**Financial results
for H1 2024
and Q2 2024**



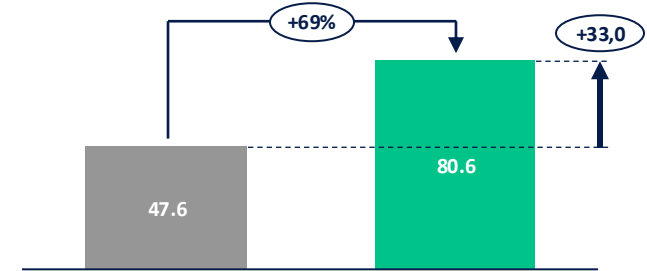
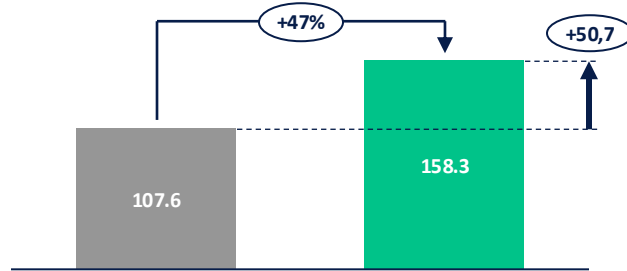
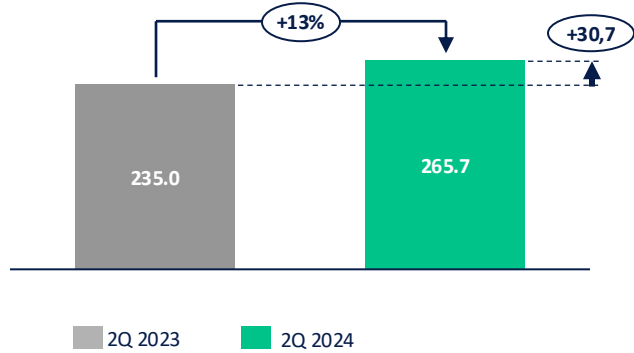
Financial results for H1 2024 and Q2 2024

Revenues
(without Trading and Sales segment)

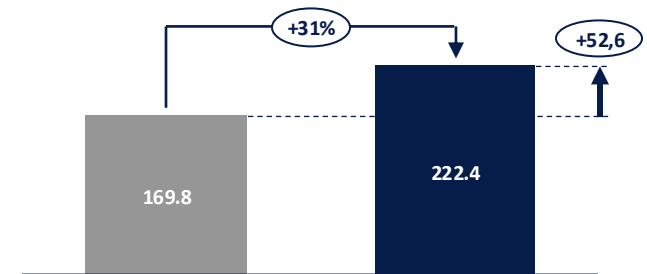
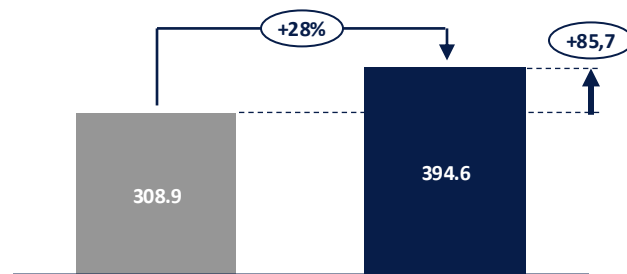
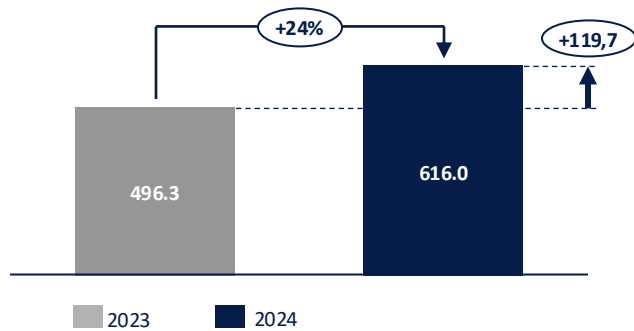
EBITDA

Net Profit
(normalized)

Quarterly data



Data YTD

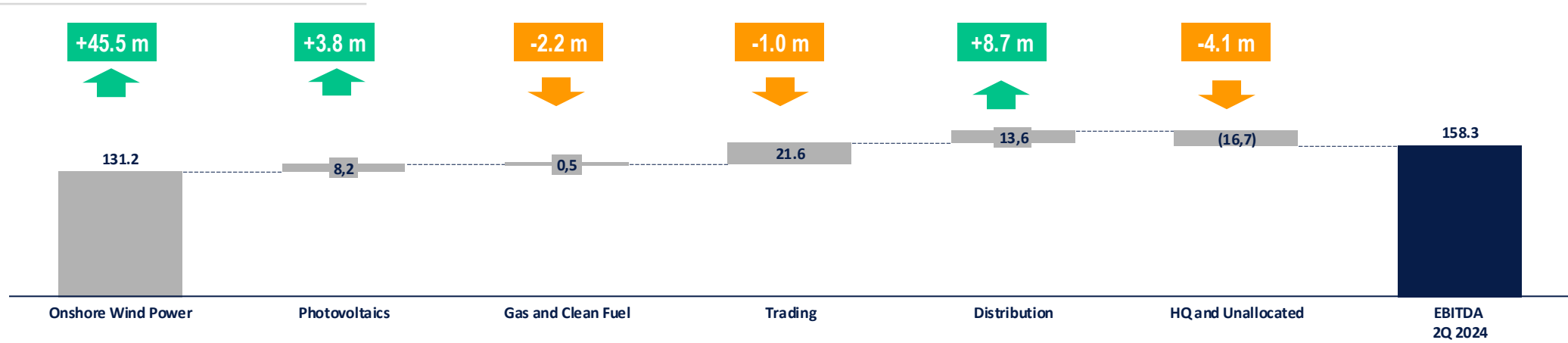


HIGHER RESULT IN H1 2024 MAINLY DUE TO HIGHER RESULT IN ONSHORE WIND FARMS AND DISTRIBUTION SEGMENTS, PARTY OFFSET BY LOWER RESULT IN TRADING AND SALES AND UNALLOCATED SEGMENTS



EBITDA structure – Q2 2024 compared to Q2 2023

EBITDA structure in Q2 2024



EBITDA structure in Q2 2023

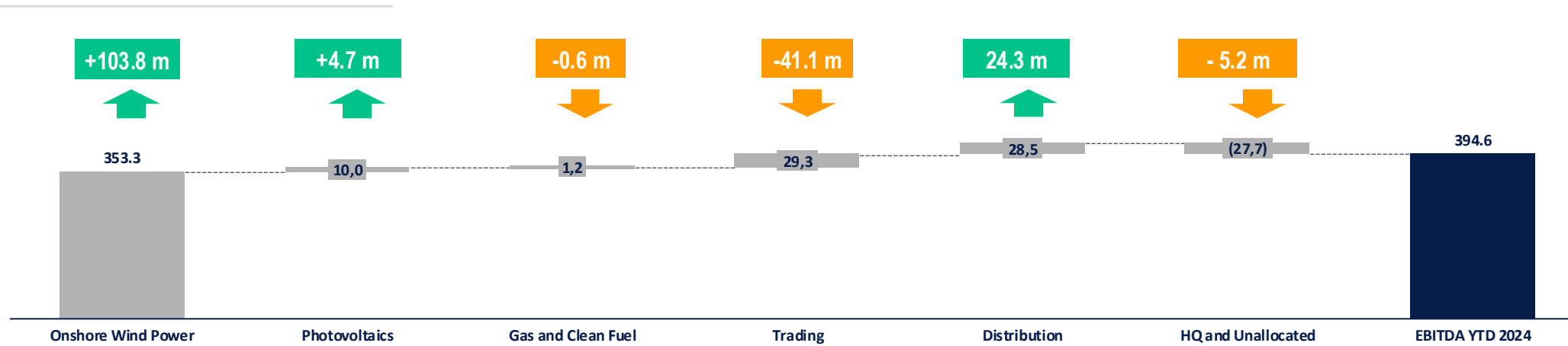


INCREASED RESULT IN SEGMENTS: ONSHORE WIND FARMS, DISTRIBUTION AND PHOTOVOLTAICS, LOWER RESULT IN SEGMENTS: TRADING AND SALES, HEAD OFFICE AND UNALLOCATED, AND GAS AND CLEAN FUELS.



EBITDA structure – H1 2024 compared to H1 2023

EBITDA structure in 2024



EBITDA structure in 2023

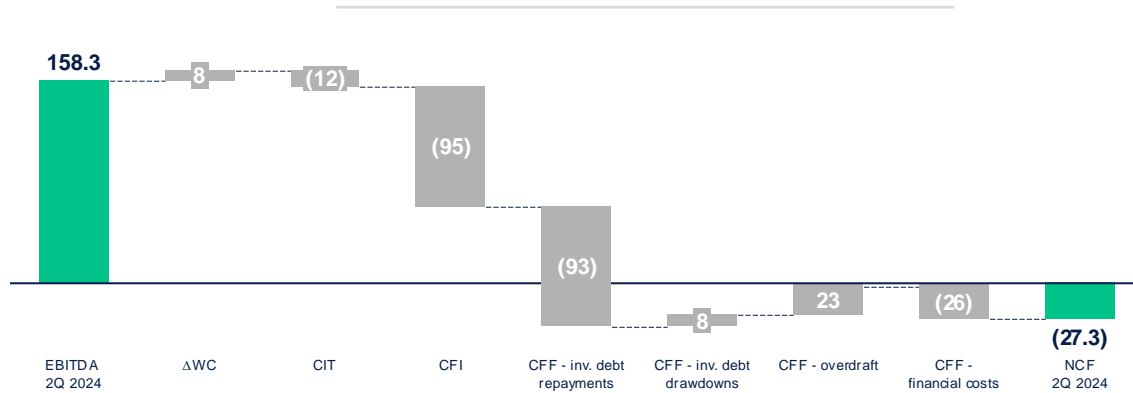


INCREASED RESULT IN ONSHORE WIND FARMS, DISTRIBUTION AND PHOTOVOLTAICS SEGMENTS, PARTLY SET OFF BY LOWER RESULT IN TRADING AND SALES, GAS AND CLEAN FUELS, HEADQUARTERS AND UNALLOCATED SEGMENTS



Polenergia Group cash flow

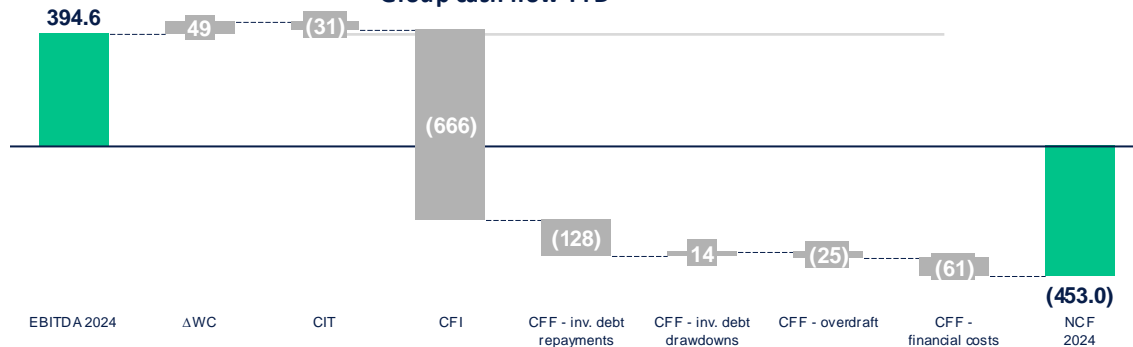
Group cash flow in Q2 2024



Comment:

- **Cash flow from investment activities:** Capital expenditure made in wind and photovoltaic farms segments (-77,1 million), including 50.9 million in the Szprotawa 1 project and 14.9 million in the Szprotawa 2 project, and capital expenditure in Polenergia Dystrybucja (- 8.2 million) and in other companies (-9.5 million).
- **Cash flow from financial activities:** Scheduled repayment of the investment loan plus interest in the onshore wind farms and photovoltaic segments (-110.2 million). Taking out an investment loan in wind and photovoltaic farm project companies (6.5 million) and in distribution (2.0 million). Change of the working capital/VAT loan (+22.8 million). Other cash flows (-8.1 million).

Group cash flow YTD



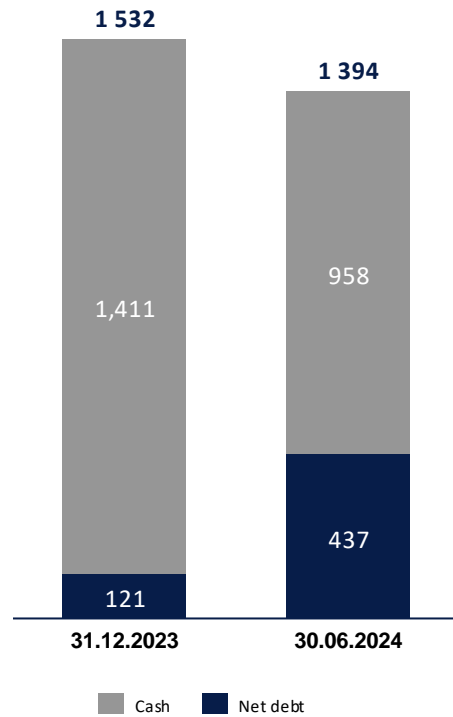
- **Cash flow from investment activities:** Capital expenditure made in wind and photovoltaic farms segments (-102.2 million), including 63.7 million in the Szprotawa 1 project and 18.8 million in the Szprotawa 2 project, and capital expenditure in Polenergia Dystrybucja (- 15.3 million) and in other companies (-23.1 million). Premiums to offshore wind farm projects (-526.0 million) and other projects (-0.3 million).
- **Cash flow from financial activities:** Scheduled repayment of the investment loan plus interest in the onshore wind farms and photovoltaic segments (-167.3 million). Taking out an investment loan in onshore wind farm and photovoltaic farm project companies (8.4 million) and in distribution (6.0 million). Change of the working capital/VAT loan (-24.9 million). Payments of lease liabilities, interest in other segments and other in the amount of -21.3 million.



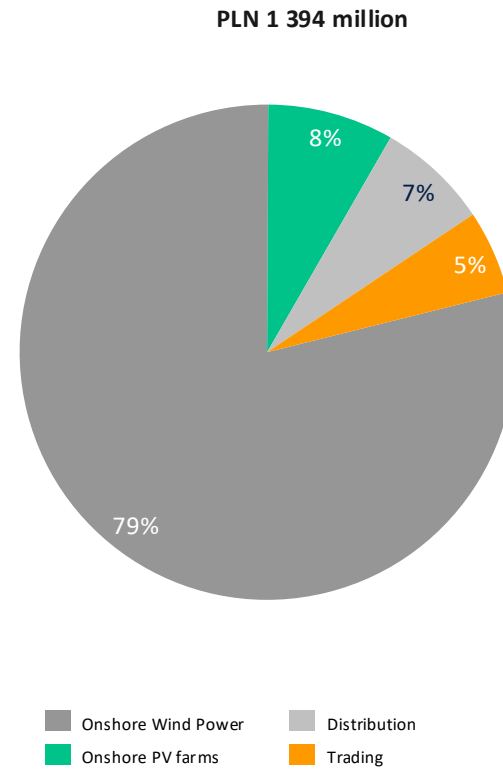
HIGH EXPENDITURES IN OFFSHORE WIND FARM PROJECTS FINANCED MAINLY WITH THE COMPANY OWN FUNDS.

Polenergia Group debt structure as at 30 June 2024

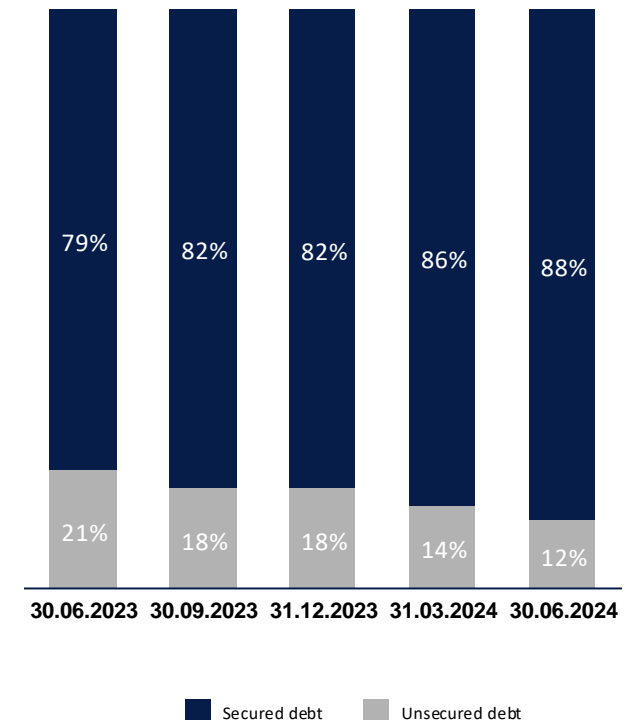
Gross debt
(million PLN)



Debt structure
by segment



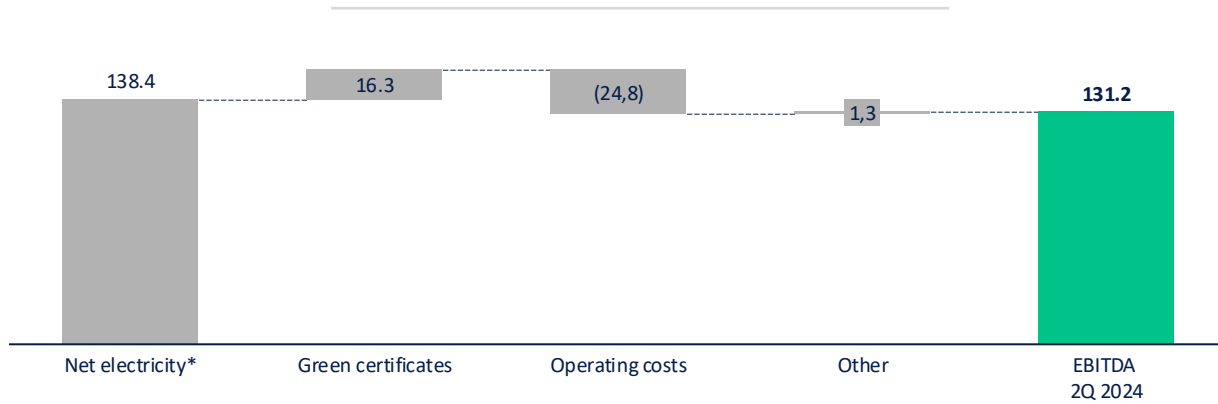
Debt structure
- interest rate hedging



DECREASE OF GROSS DEBT COMPARED TO THE END OF 2023, NO CURRENCY RISK IN THE DEBT STRUCTURE. DEBT COST HEDGED IN 88% FOR BANK LOANS, INCLUDING 93% OF INVESTMENT LOANS.

Onshore wind farms - Q2

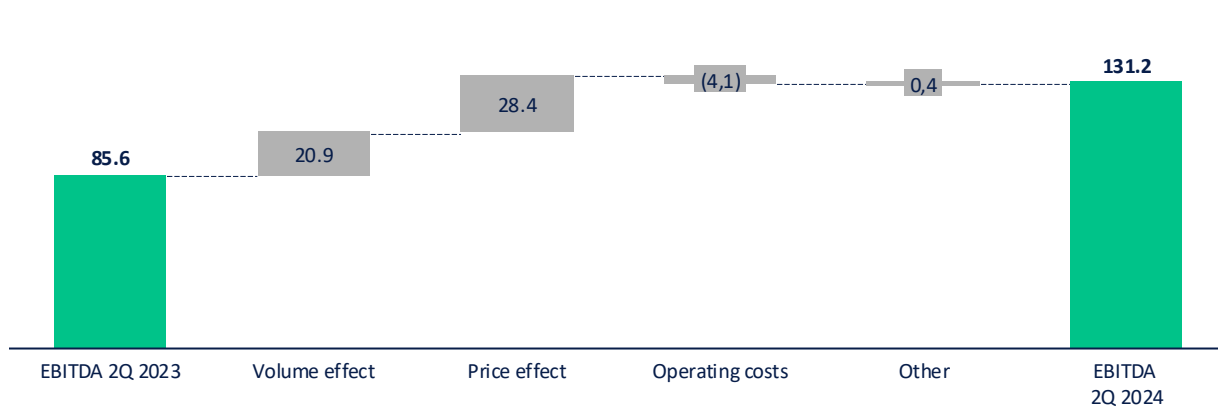
EBITDA build-up



Comment:

- Higher electricity prices related to the expiration of the validity period of limits under the law freezing energy prices. Higher production volume due to the start of operation of the Grabowo and Piekło wind farms and higher windiness.
- The above partly offset by lower green certificate prices associated with the drop in market prices.
- The operating costs in Q2 2024 higher than in Q2 2023 mainly due to taking into account of the operational costs of the Piekło and Grabowo wind farms.

EBITDA bridge

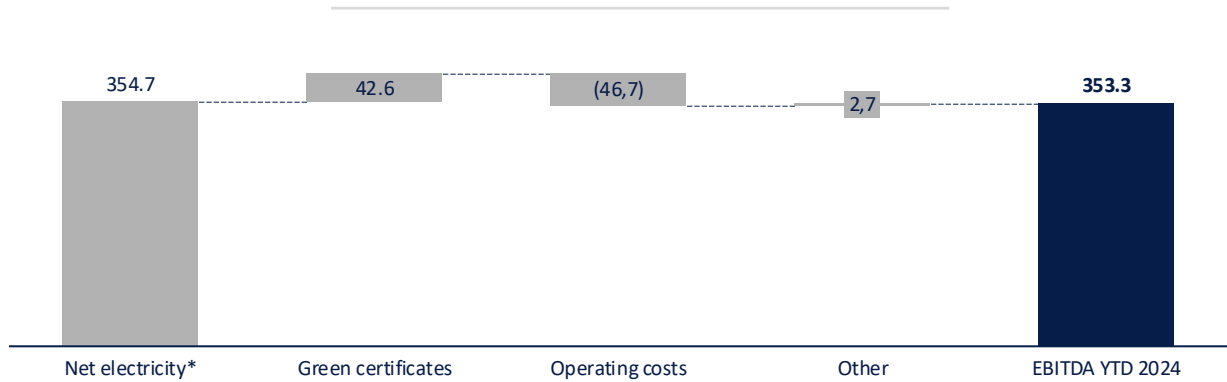


HIGHER ELECTRICITY SALES PRICES AND HIGHER PRODUCTION VOLUME, PARTLY OFFSET BY HIGHER OPERATING COSTS AND LOWER GREEN CERTIFICATE PRICES.



Onshore wind farms - YTD

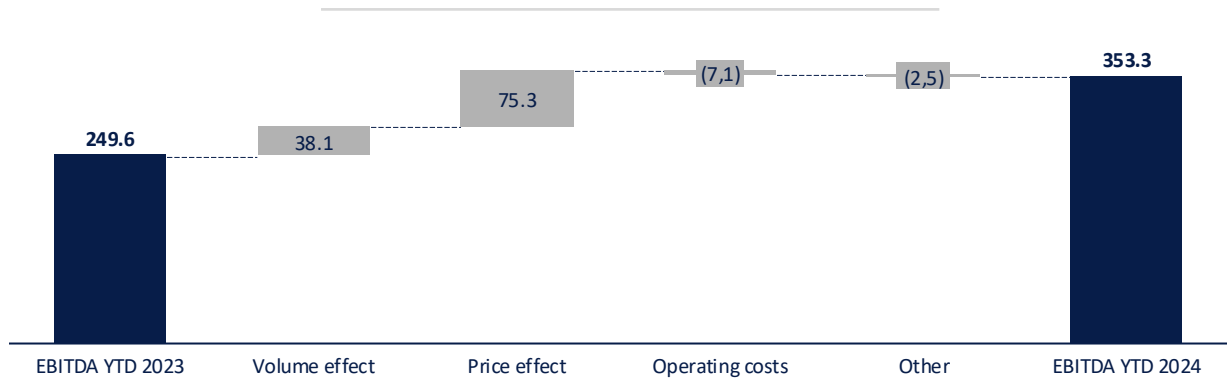
EBITDA build-up



Comment:

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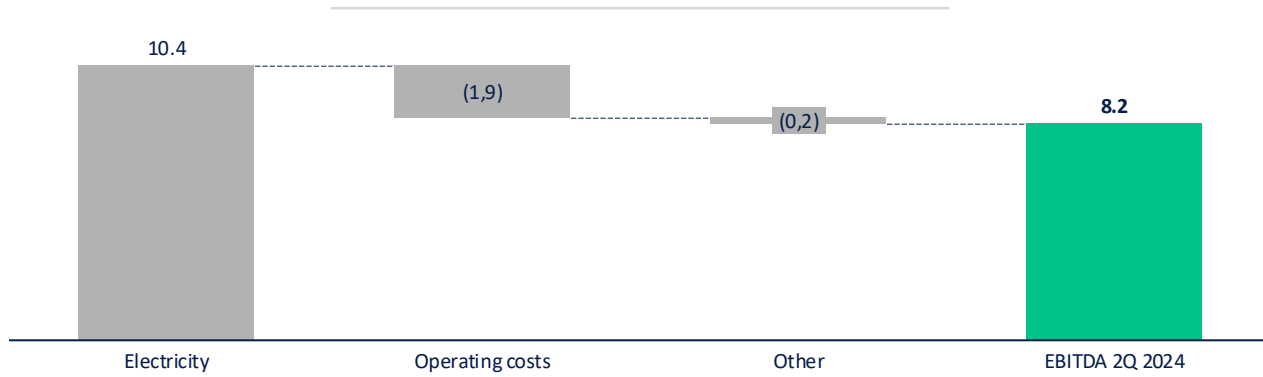
EBITDA bridge



HIGHER PRODUCTION VOLUME AND HIGHER SALE PRICES OF ELECTRICITY, PARTLY SET OFF BY HIGHER OPERATING COSTS

Photovoltaics - Q2

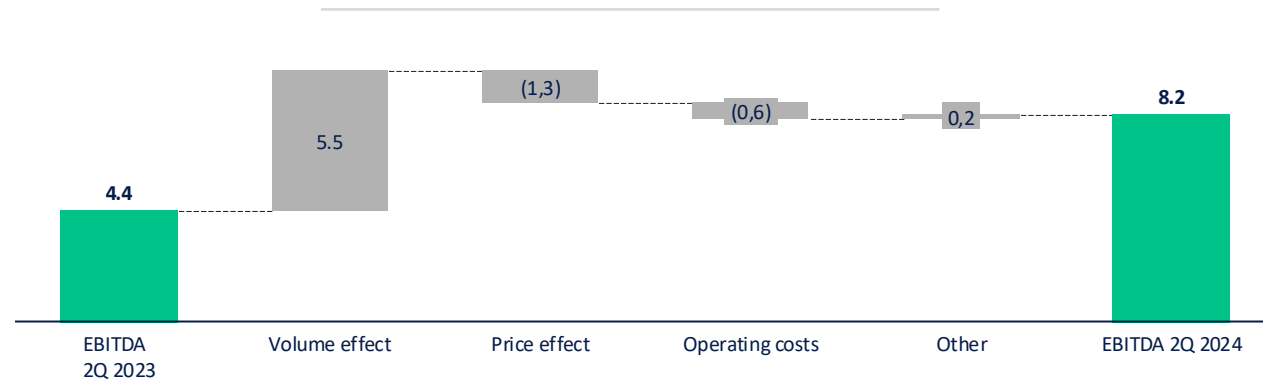
EBITDA build-up



Comment:

- Segment EBITDA result in Q2 2024 was at a higher level compared to the result of Q2 2023 (up by PLN 3.8 million) due to higher energy production in the PV segment, mainly due to commissioning of the Strzelino farm in Q1 2024.
- The volume effect was partly offset by lower energy prices obtained in Q2 2024 and slightly higher operating costs associated with the increase in installed capacity.

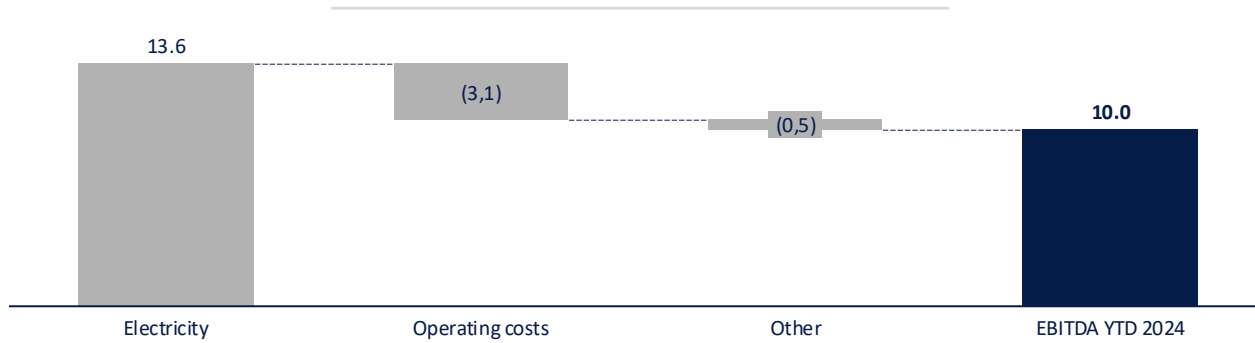
EBITDA bridge



HIGHER RESULT DUE TO HIGHER PRODUCTION (COMMISSIONING OF THE STRZELINO FARM - 45.2 MW) PARTLY OFFSET BY LOWER EFFECTIVE ENERGY SALES PRICE

Photovoltaics - YTD

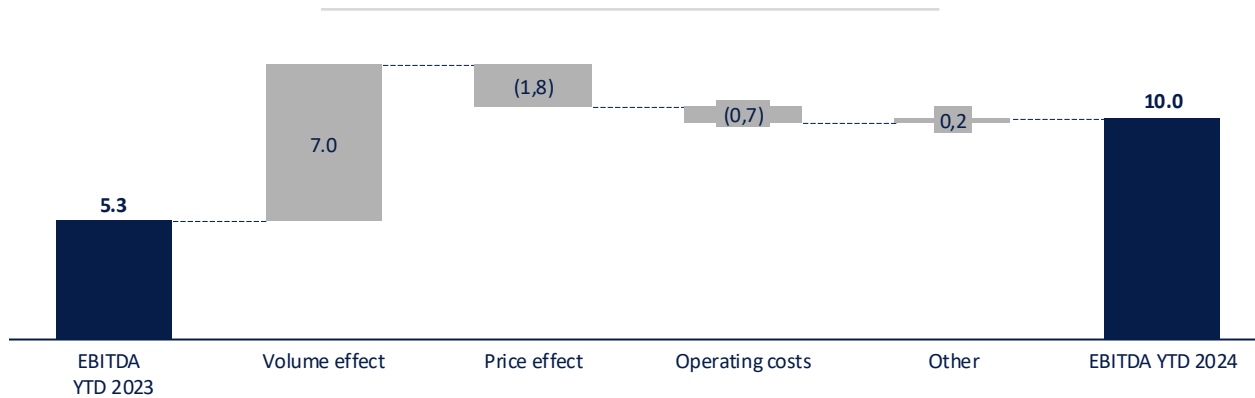
EBITDA build-up



Comment:

- The PV segment's EBITDA after the first half of 2024 was higher by PLN 4.7 million compared to the same period in 2023 due to higher energy production in the PV segment, mainly due to the commissioning of the Strzelino farm in Q1 2024.
- The volume effect was partly offset by lower achieved energy prices in H1 2024 and slightly higher operating costs related to the increase in installed capacity.

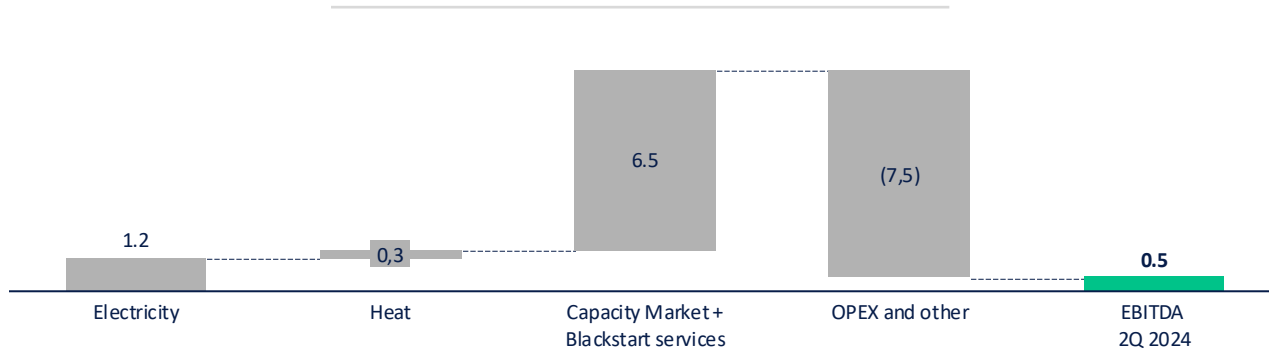
EBITDA bridge



INCREASED RESULT DUE TO HIGHER PRODUCTION VOLUME, PARTIALLY OFFSET BY LOWER EFFECTIVE SELLING PRICE OF ELECTRICITY AND HIGHER SEGMENT OPERATING COSTS

Gas and Clean Fuels - Q2

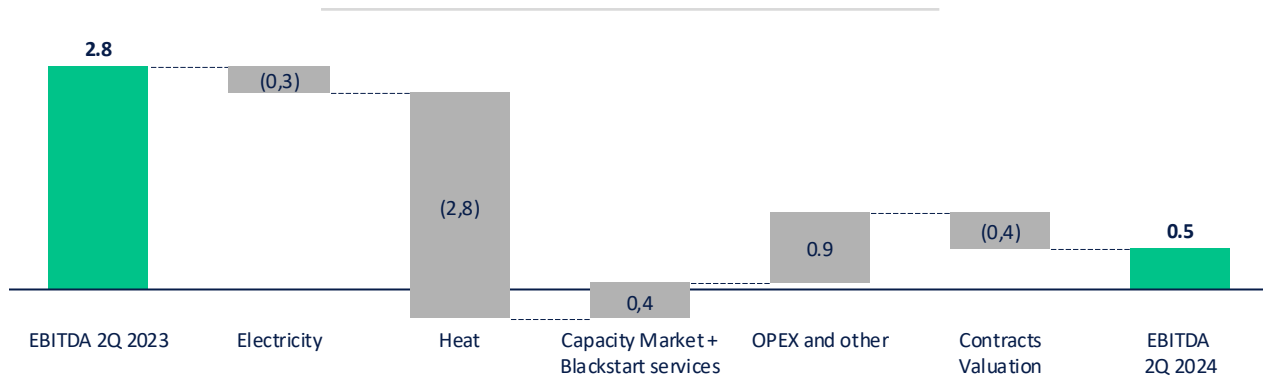
EBITDA build-up



Comment:

- Energy - lower result on electricity is due to the effect of the optimization process of ENS operation in Q2 2023 vs. Q2 2024.
- Heat - lower result on heat in Q2 2024 is due to lower cost coverage by tariff prices and an additional charge for not collecting minimum volume of gas for heat in Q2 2024.
- Power Market - higher revenues due to higher price per 1MW of contracted power in 2024 vs. 2023, less sale of power obligation during maintenance shutdown in Q2 2024.
- OPEX - additional operating revenues from project sales in Q2 2024.

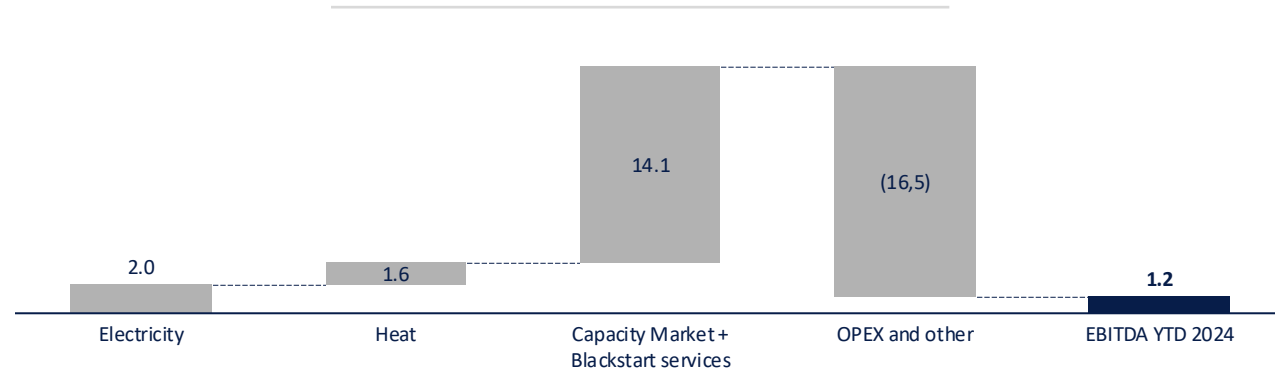
EBITDA bridge



LOWER EBITDA DUE TO LOWER RESULT ON HEAT AND LOWER RESULT ON ELECTRICITY, PARTLY OFFSET BY A HIGHER RESULT ON THE POWER MARKET AND ADDITIONAL OTHER OPERATING REVENUES.

Gas and Clean Fuels - YTD

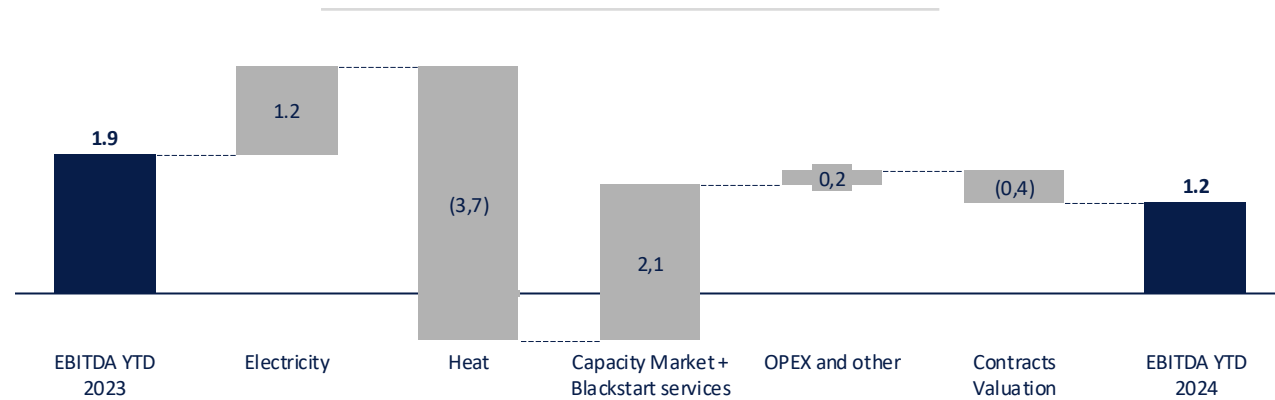
EBITDA build-up



Comment:

- Energy - higher result on electricity as a result of the process of optimizing ENS operation in H1 2024, reduced by the absence of additional margin on the GWS service Q1 2023 = PLN 1.2 million).
- Heat - the lower result on heat in H1 2024 compared to the same period in 2023 is due to lower coverage of costs by tariff prices and an additional charge for failure to receive minimum amounts of gas for heat in Q1 and Q2 2024.
- Power Market - higher revenues due to higher price per 1MW of contracted power in 2024 vs. 2023, less sale of power obligation during maintenance shutdown in Q2 2024.

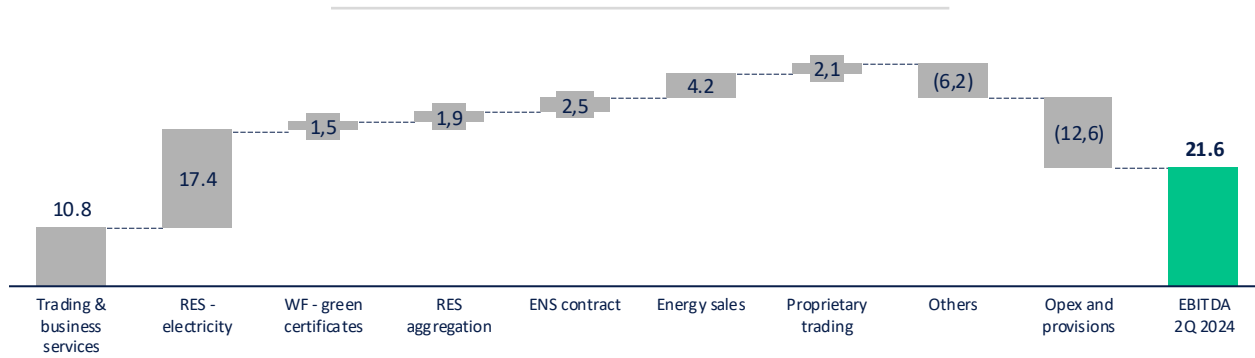
EBITDA bridge



EBITDA AT LOWER LEVEL DUE TO LOWER RESULT ON HEAT, OFFSET BY HIGHER RESULT ON THE POWER MARKET AND HIGHER RESULT ON OPTIMIZING THE ELECTRICITY GENERATION PROCESS.

Trading and Sales - Q2

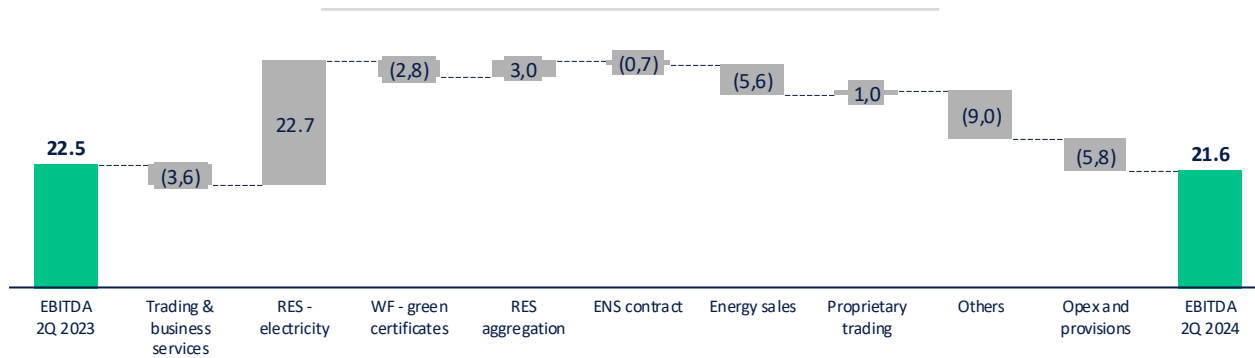
EBITDA build-up



Comment:

- Decrease in EBITDA due to:
 - lower result on other operations taking into account lower volume of sales of photovoltaic panels and heat pumps,
 - lower result on energy sales due to lower unit margins on performed contracts,
 - lower result on electricity trading and business services mainly related to the distribution of the result obtained during the year,
 - lower result in trading in wind farm certificates due to the decrease in the sale price of green certificates.
 - higher operating costs due to the developing scale of operations of the Group
- The EBITDA decrease partly offset by:
 - higher result on electricity trading from RES assets due to the contributions to the Settlement Authority's fund binding in 2023,
 - higher result on RES aggregation mainly due to additional margin on sale of green certificates.

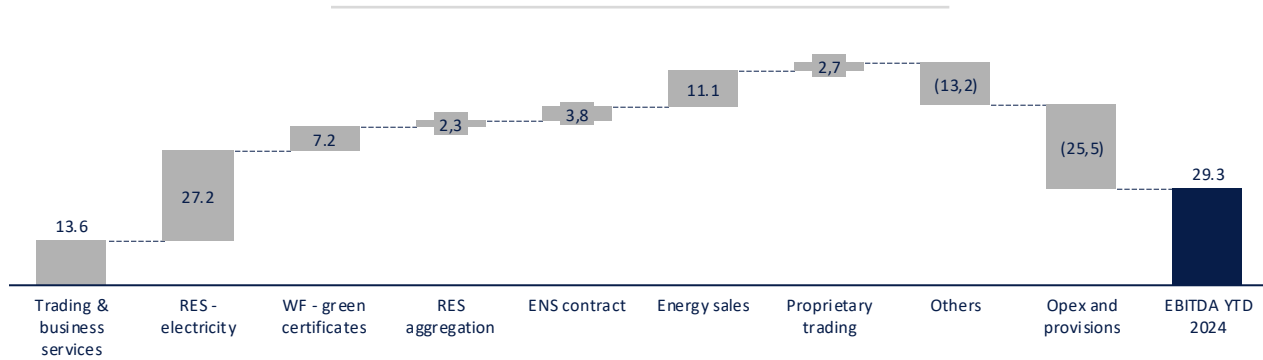
EBITDA bridge



DECREASE IN THE RESULT, WITHOUT LIMITATION, ON SALES OF PROSUMER ENERGY SOLUTIONS, ENERGY SALES AND TRADING AND BUSINESS SERVICES, PARTLY OFFSET BY HIGHER RESULT ON TRADING OF ENERGY FROM RES

Trading and Sales - YTD

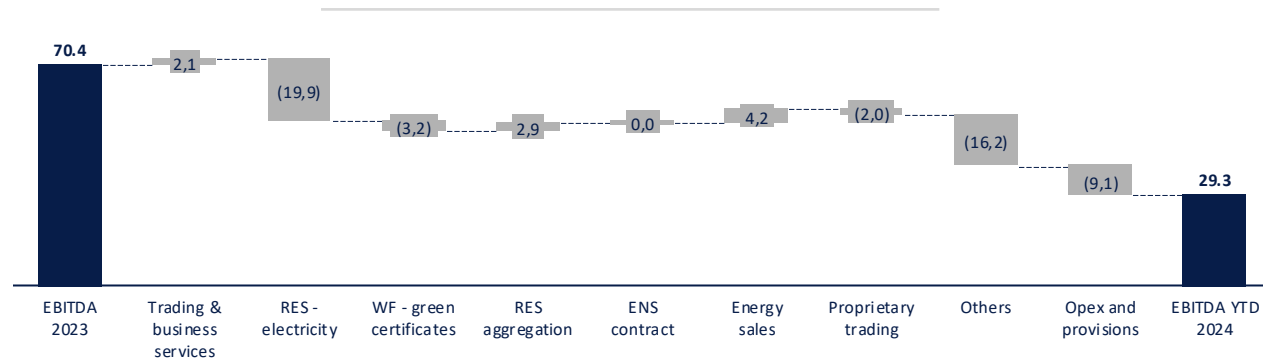
EBITDA build-up



Comment:

- Decrease in EBITDA in the following areas:
 - trade in electricity from RES assets due to the change in the settlement model taking into account higher purchase price from RES projects,
 - lower result on other operations taking into account lower volume of sales of photovoltaic panels and heat pumps,
 - trading in wind farm certificates due to the decrease in the sale price of green certificates.
 - operating costs due to the developing scale of operations of the Group
- The EBITDA decrease partly offset by:
 - higher result on electricity sales due to lower cost of end-customer consumption profile.
 - higher result on RES aggregation mainly due to additional margin on sale of green certificates.
 - higher result on trading and business services mainly related to the effect of a low base resulting from the timing of transactions performed in 2023.

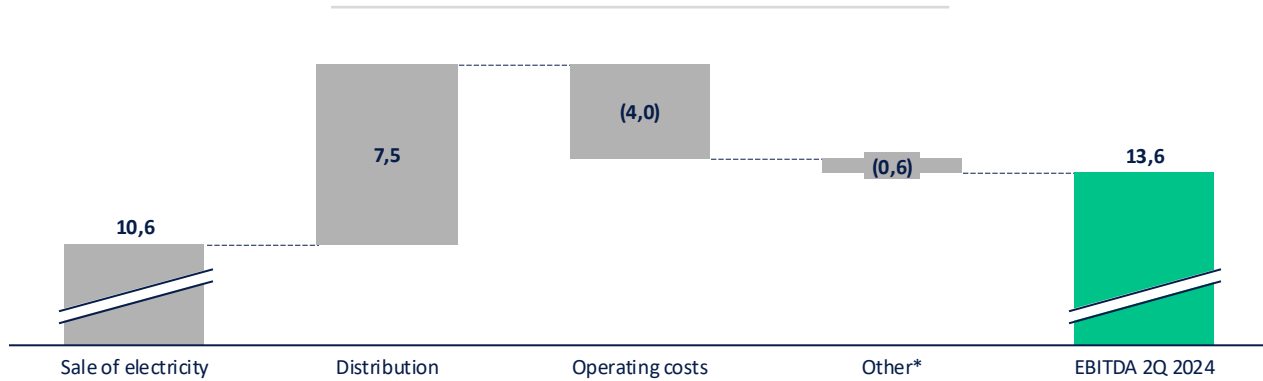
EBITDA bridge



DECREASE IN RESULT ON TRADING OF ENERGY FROM RES AND SALES OF PROSUMER ENERGY SOLUTIONS

Distribution - Q2

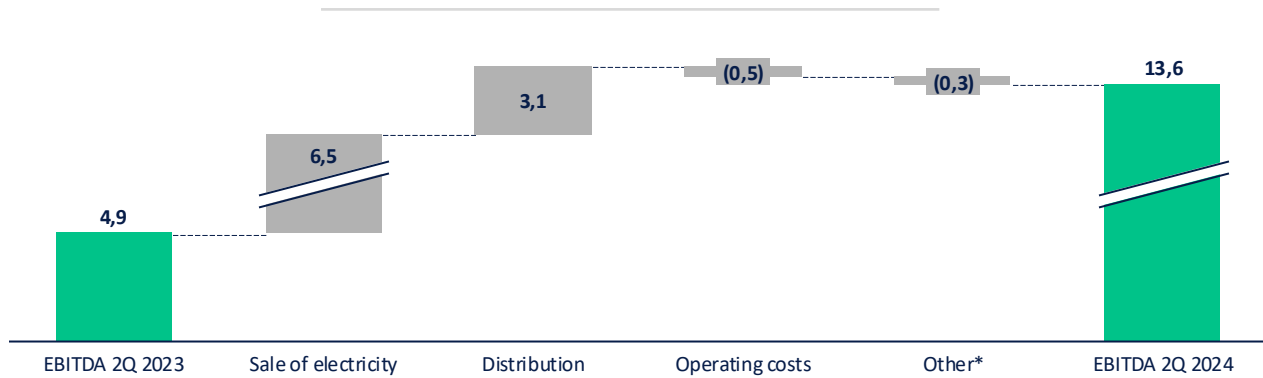
EBITDA build-up



Comment:

- The distribution segment recorded EBITDA at the level by PLN 8.7 million higher compared to the same period last year, mainly due to:
 - higher margin on distribution (mainly due to low base effect in Q2 2023 caused by the delay of the tariff update),
 - higher margin on electricity sales associated with lower electricity purchase price while maintaining sales prices at similar levels until Q4 2023.
- EBITDA was partly offset by:
 - higher operating costs due to increased scale of operations,
 - costs incurred in the development of electromobility projects.

EBITDA bridge



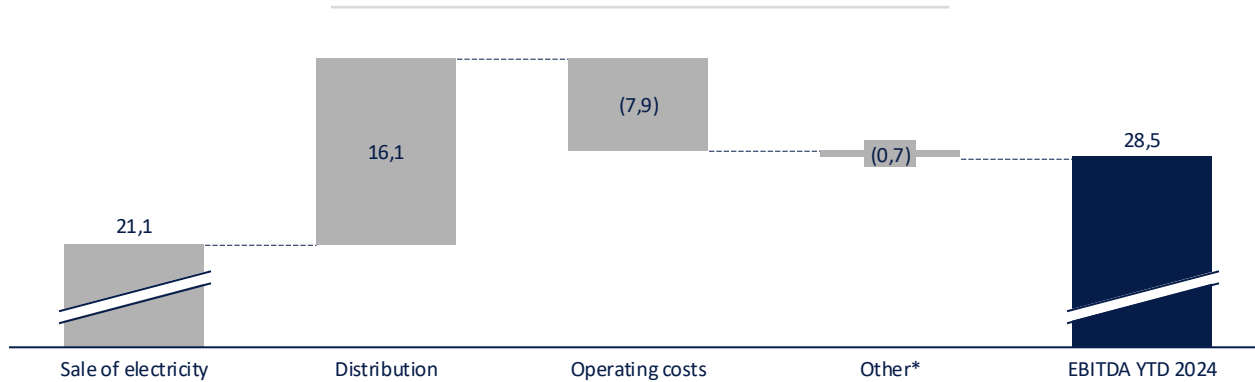
* takes into account the result of Polenergia Kogeneracja and Polenergia eMobility



INCREASE IN EBITDA DUE TO HIGHER MARGIN ON DISTRIBUTION AND HIGHER MARGIN ON ELECTRICITY SALES.

Distribution - YTD

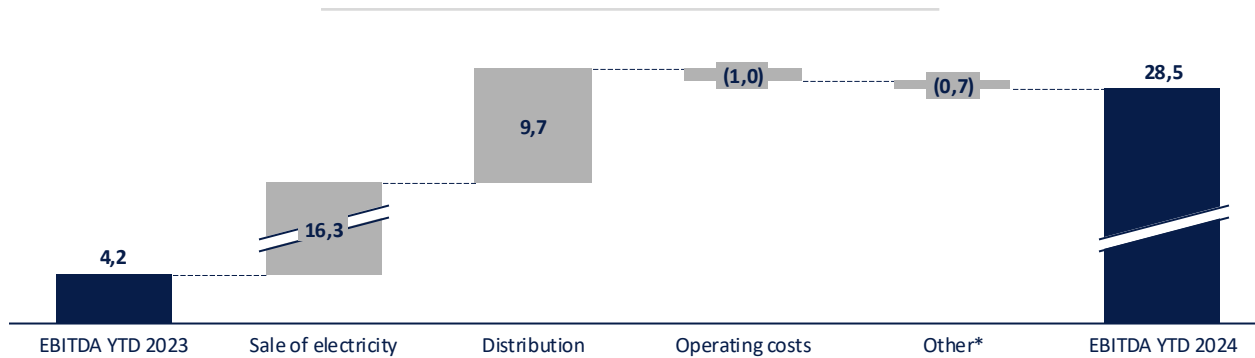
EBITDA build-up



Comment:

- The distribution segment recorded a PLN 24.3 million increase in EBITDA compared to the same period last year, mainly due to:
 - higher margin on electricity sales associated with lower electricity purchase price while maintaining sales prices at a similar level until Q4 2023.
 - higher margin on electricity distribution (mainly due to the delay in updating the distribution tariff in H1 2023),
- partly offset by:
 - higher operating costs due to increased scale of operations,
 - costs incurred in the development of electromobility projects.

EBITDA bridge



* takes into account the result of Polenergia Kogeneracja and Polenergia eMobility



INCREASE IN EBITDA DUE TO HIGHER MARGIN ON DISTRIBUTION AND HIGHER MARGIN ON ELECTRICITY SALES.



**Non-financial results.
Progress of the Group's
Strategy implementation**



ESG: summary of key developments (1/3)



ENVIRONMENT

- Scope3 measurement tool is being developed
- **Biodiversity strategy - in preparation** (we are at the LOCALIZATION stage: identifying Polenergia's interaction with the environment)
- A book on biodiversity measures taken at the photovoltaic farm in Strzelino is being prepared in continued co-operation with the League for the Preservation of Nature and the University of Zielona Góra.
- Eco-canoeing combined with cleaning up the Liwiec River was organized for Polenergia employees.

ESG NEWS

- [Polenergia is the leader of the "ESG Ranking. Responsible Management"](#)
- [Polenergia's Suleszek in Sulechów](#)
- [Biodiversity at the Strzelino Photovoltaic Farm](#)
- [Bee Day with Polenergia](#)
- [Eco Canoeing - Together for Cleaner Rivers](#)

Data are collected for the Consolidated Sustainability Report for 2024, in accordance with the CSRD and based on the ESRS (including Taxonomy)



SOCIAL RESPONSIBILITY

- Internal ESG webinar (ZOOM ON ESG) - educational campaign for employees (3 meetings were held)
- **WE HAVE THE POWER!** - the competition for grants for volunteerism and the implementation of charitable activities has been **completed**. 8 charity projects were organized with the participation of 60 Polenergia employees from April to June 2024
- **INCREASE THE POWER!** - Sports challenge for over 200 employees of Polenergia (support for the CukierAsy charity organization), which lasted from April to June 2024, was completed

EDUCATIONAL PROGRAM

The second edition of the Play green with us![®] educational program has ended

Teachers provided more than 2,600 lessons under the program. Nearly 7,000 students took part in eco-classes, eco-projects and eco-competitions. Over 270 teachers were involved.

Data are collected for the Consolidated Sustainability Report for 2024, in accordance with the CSRD and based on the ESRS (including Taxonomy)



ESG: summary of key developments (3/3)



CORPORATE GOVERNANCE

- The Green Bond Framework (GBF) document was created and is ready for Second Party Opinion (SPO)
- Assessment of ESG risks - identification is in progress (end of the process - 3Q 2024)
- Work has begun on ESG survey of suppliers and ESG procedures for suppliers

RATINGS

- CDP - assessment C
- Sustainalitics - rating 17.5 ↑

ESG AWARDS

2 awards for adopting sustainability assumptions in business: 1 place in the G category and 3 place in the "ESG Ranking. Responsible Management" competition in the "Fuels, Energy, Mining" sector.

Data are collected for the Consolidated Sustainability Report for 2024, in accordance with the CSRD and based on the ESRS (including Taxonomy)





Progress of the Group's strategy implementation (1/3)

Conclusion of key agreements for Bałtyk 2 and Bałtyk 3 projects

Bałtyk 2 and Bałtyk 3 projects (total planned capacity of approx. 1.4 GW):

- In February 2024 a contract with Siemens Gamesa for the supply of wind turbines and a contract to perform warranty service on the wind turbines were entered into. The estimated value of the contracts is about EUR 1.8 billion and about EUR 384 million, respectively.
- In February 2024 the contract with SIF Netherlands B.V. was entered into for the manufacture and delivery of foundation structures for wind turbines of monopile type. The estimated value of the contract is approximately EUR 440 million.
- In May 2024 reservation agreements were entered into with CADELER A/S for installation vessels and for performing preliminary works to prepare for the installation of offshore wind turbines.
- In May 2024 agreements were entered into with Lemants NV for reservation and performing preliminary works for the design and construction of offshore substations.
- In June 2024 agreements were entered into with Smulders Projects Belgium NV and Sif Netherlands BV for reservation and performing preliminary works for the production of transition components for offshore wind turbines.
- In July 2024 agreements were entered into with Heerema Marine Contractors Nederland SE for the transportation and installation of foundations for turbines and offshore transformer stations.
- Obtaining all construction permits for the offshore part of the projects by July 2024, works on the remaining permits for the onshore part are at an advanced stage.
- Discussions are underway with potential lenders to secure financing in the project finance formula.
- The European Commission approved a support price not exceeding PLN 319.60/MWh for electricity generated by the projects.

Bałtyk 1 Project:

- Works have continued to prepare the project for auction.



Offshore
wind farms



Progress of the Group's strategy implementation (2/3)

Start of construction of photovoltaic farms Szprotawa 1 and 2 (67 MW)



Onshore wind farms

- Further development of onshore wind projects. The estimated capacity of the Group's current portfolio of the projects in the early phase of development in Poland is over 1.3 GW.
- The development of wind projects in Romania continued, the activities were oriented towards the pending environmental procedure to obtain the final decisions and permits necessary for the local development plan.



Photovoltaics

- The Strzelino photovoltaic farm (about 45.16 MW) will obtain a license to generate electricity in March 2024.
- Construction commenced of the Szprotawa 1 and Szprotawa 2 projects with a total capacity of 67 MW.
- In November 2023, the FF Szprotawa 2 (20 MW) and FF Rajkowy (35 MW) projects received auction support.
- The capacity of the Group's current portfolio of the projects in the early phase of development in Poland is estimated at approx. 0.7 GW.

Progress of the Group's strategy implementation (3/3)

The Group has been developing the sales model under long-term cPPAs and continues to implement the IV investment plan for 2021-2026 in the Distribution segment



Distribution

- **Polenergia Dystrybucja:** IV investment plan of the total value of PLN 105 million is being implemented.
- **Polenergia eMobility:** launching 45 of its own publically available charging stations (66 charging points). The company has a portfolio of contracts to build additional 220 charging stations. In 2022 and 2023, the company applied in 3 programs related to subsidizing the charging stations by the National Fund for Environmental Protection and Water Management (NFOŚiGW). In 2023 it applied in CEF program (Connecting Europe Facility).



Trading and Sales

- Polenergia Obrót:**
- The adaptation of the strategy implementation to changing market conditions and the increasing costs of securing end users and profiling and balancing RES sources.
 - Intensive development of the sales model in long-term cPPAs based on the Group's generation assets.
 - Development of operations in the short-term and ultra-short-term market (Intraday Market) for performing transactions on the day of delivery, hours before physical delivery of energy.
 - Trading on own account on wholesale markets (prop trading) is performed, and the implemented strategies take advantage of market volatility with a positive effect, while maintaining risk exposure.
 - **Polenergia Sprzedaż:** sales of green energy generated at the Group's assets to business and individual customers.
 - **Polenergia Fotowoltaika:** Development of the offer mainly aimed at customers who own single-family houses. The product portfolio, which includes photovoltaic systems and heat pumps, has been expanded to include energy warehouses. Expansion into the Czech market is underway.



Gas and clean fuels

- **ENS:** Continued performance of power obligation and provision of black-start and system restoration services for PSE, participation in the secondary power market. In January, February and June 2024, as a result of the positive CSS, ENS produced power dynamically .
 - **H2Silesia:** Development of a large scale (105 MW) project for generation and storage of hydrogen produced by water electrolysis using own renewable energy. The notification decision was obtained from the European Commission, approving a maximum ceiling of EUR 142.77 million in state aid for the H2Silesia project.
- Nowa Sarzyna H2Hub:**
- Conclusion of a contract for the supply and commissioning of a 5 MW electrolyzer partly financed (EUR 600 thousand) by the International Finance Corporation (IFC).
 - In June 2023 an agreement was concluded with the National Fund for Environmental Protection and Water Management (NFOŚiGW) to subsidize the construction of two hydrogen refueling stations with accompanying infrastructure, in the amount of PLN 20 million. A tender was performed, and binding bids were received. The tender will be awarded at the turn of Q2/Q3 2024.

 Polenergia



Q&A

 **Polenergia**



Appendices

Glossary of abbreviations



Term



Definition

Revenues on account of granted and yet unsold green certificates	Revenues are presented without the adjustment resulting from IFRS 15 in order to maintain data transparency, in particular the price effect. Pursuant to IFRS 15, granted certificates of origin should be presented as a reduction of the cost of sale under the income from granted certificates of origin item and the cost of certificates of origin sold - at the time of sale. Revenues from granted but not yet sold green certificates presented on slides 17 and 18 include the provisions for revenues set up at the time of production of certificates of origin, while the cost of sales is not adjusted for these revenues.
Net electricity	Revenues from sales of electricity less cost of balancing and profile
EBITDA	Gross profit minus financial income plus financial costs plus depreciation plus impairment loss on non-financial fixed assets (including goodwill)
RAB	Regulatory asset base - the value of assets on the basis of which the Energy Regulatory Office determines the distribution tariff
RAB in transit	Expenditure already incurred, but not reflected in the distribution tariff. Such expenditure will be included in subsequent tariff updates
MW	Megawatt
MWh, GWh	Megawatt hour, Gigawatt hour
TJ, GJ	Terajoule, Gigajoule
RES	Renewable Energy Sources
Proprietary trading	Trade on own account using own funds
SLA	Service Level Agreement
SEG	Social, Environment and Governance
EHS	Environment, Health and Safety
YTD	Year-to-date, cumulative from the beginning of the year
Act on price freezing	Act on special solutions to protect electricity consumers in 2023 in connection with the situation on the electricity market, implemented on 7 October 2022.
CSS	Gross margin from the sale of a unit of electricity in gas-fired generating units. (<i>Clean Spark Spread</i>).

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THANK YOU

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