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

Polenergia S.A.

FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS

FOR THE YEAR ENDED 31 DECEMBER 2024

INCLUDING THE REPORT OF THE INDEPENDENT AUDITOR ON THE AUDIT PERFORMED

Adam Mariusz Purwin – President of the Management Board

Andrzej Filip Wojciechowski - First Vice President of the Management Board

Piotr Tomasz Sujecki - Second Vice President of the Management Board

Łukasz Buczyński - Member of the Management Board

Agnieszka Grzeszczak – Director Accounting Department

Warsaw, 25 March 2025

Contents

(PLN k)

1. Balance sheet

As at 31 December 2024

ASSETS

	Note	31.12.2024	31.12.2023
I. Non-current assets		**3 476 102**	**2 414 133**
Tangible fixed assets	15	14 411	15 135
Intangible assets	14	376	565
Financial assets	17	3 449 052	2 392 881
Deferred income tax assets	23	10 851	3 745
Prepayments and accrued income		1 412	1 807
II. Current assets		**883 227**	**1 080 851**
Trade receivables	18	61 086	44 105
Income tax receivable	18	-	19
Other short term receivables	18	1 628	1 501
Prepayments and accrued income	19	13 469	12 106
Short term financial assets	20	1 178	73 882
Cash and equivalent	21	805 866	949 238
Total assets		**4 359 329**	**3 494 984**

EQUITY AND LIABILITIES

	Note	31.12.2024	31.12.2023
I. Shareholders' equity		**3 512 398**	**3 441 992**
Share capital	22	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		969 803	810 528
Capital from merger		89 782	89 782
Retained profit (loss)		(26 826)	(26 826)
Net profit /(loss)		71 034	159 903
II. Long term liabilities		**758 137**	**8 805**
Bonds issues	37.3	750 000	-
Provisions	26	775	693
Lease liabilities		5 409	8 112
Other liabilities		1 953	-
III. Short term liabilities		**88 794**	**44 187**
Bonds issues	37.3	13 352	-
Trade payables	24	8 022	5 271
Lease liabilities	24	7 021	5 858
Other liabilities	24	10 448	7 569
Provisions	26	5 674	4 270
Accruals and deferred income	25	44 277	21 219
Total equity and liabilities		**4 359 329**	**3 494 984**

(PLN k)

2. Profit and loss account

For the year ended 31 December 2024

	Note	For 12 months ended	
		31.12.2024	31.12.2024
Revenues from contracts with clients	28	60 829	51 972
Other revenues	28	1 955	2 534
Sales revenues		**62 784**	**54 506**
Cost of goods sold	29	(48 792)	(39 977)
Gross sales profit		**13 992**	**14 529**
Other operating revenues	30	444	698
General overheads	29	(100 840)	(58 482)
Other operating expenses	31	(1 409)	(1 029)
Financial income	32	177 406	210 315
including dividend		129 313	159 950
Financial costs	33	(25 540)	(6 252)
Profit before tax		**64 053**	**159 779**
Income tax	23	6 981	124
Net profit		**71 034**	**159 903**

3. Statement of other comprehensive income

For the year ended 31 December 2024

	For 12 months ended	
	31.12.2024	31.12.2023
Net profit for period	**71 034**	**159 903**
Other comprehensive income that may be reclassified to profit and loss account once specific conditions are met		
Cash flow hedges	(628)	-
Other net comprehensive income	**(628)**	**-**
COMPREHENSIVE INCOME FOR PERIOD	**70 406**	**159 903**

(PLN k)

4. Changes in equity statement

For the year ended 31 December 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	-	-	-	-	-	-	71 034	71 034
Other net comprehensive income	-	-	-	(628)	-	-	-	(628)
Transactions with owners of the parent recognized directly in equity								
Allocation of profit/loss	-	-	-	159 903	-	(159 903)	-	-
As at 31 December 2024	**154 438**	**2 240 960**	**13 207**	**969 803**	**89 782**	**(26 826)**	**71 034**	**3 512 398**

(PLN k)

For the year ended 31 December 2023

	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 2023	**133 604**	**1 515 557**	**13 207**	**690 205**	**89 782**	**93 497**	**-**	**2 535 852**
Other comprehensive income for period								
Net loss for reporting period	-	-	-	-	-	-	159 903	159 903
Transactions with owners of the parent recognized directly in equity								
Issue of shares	20 834	725 403	-	-	-	-	-	746 237
Allocation of profit/loss	-	-	-	120 323		(120 323)	-	-
As at 31 December 2023	**154 438**	**2 240 960**	**13 207**	**810 528**	**89 782**	**(26 826)**	**159 903**	**3 441 992**

(PLN k)

5. Statement of cash flows

For the year ended 31 December 2024

	For 12 months ended 31.12.2024	31.12.2023
A.Cash flow from operating activities		
I.Profit (loss) before tax	**64 053**	**159 779**
II.Total adjustments	**(102 177)**	**(189 209)**
Depreciation	7 056	6 297
Foreign exchange losses (gains)	315	188
Interest and profit shares (dividends)	(150 766)	(175 235)
Losses (gains) on investing activities	(1 014)	464
Income tax	41	(10 271)
Changes in provisions	1 486	1 289
Changes in receivables	(19 061)	(10 481)
Changes in short term liabilities, excluding bank loans and borrowings	37 832	1 924
Changes in accruals	22 090	(3 384)
Other adjustments	(156)	-
III.Net cash flows from operating activities (I+/-II)	**(38 124)**	**(29 430)**
B.Cash flows from investing activities		
I. Cash in	**276 961**	**386 069**
1. Disposal of intangibles and tangible fixed assets	596	369
2. From financial assets, including:	275 647	385 700
- dividends and shares in profits	129 313	159 950
- repayment of loans given	76 488	169 407
- interest	6 767	6 209
- other inflows from financial assets	63 079	50 134
3. Other investment inflows	718	-
II.Cash out	**1 124 393**	**577 438**
1. Acquisition of intangible and tangible fixed assets	776	3 150
2. For financial assets, including:	1 123 617	569 868
- acquisition of financial assets	1 084 109	552 355
- loans given	39 508	17 513
3.Other investing expenses	-	4 420
III.Net cash flows from investing activities (I-II)	**(847 432)**	**(191 369)**
C.Cash flows from financing activities		
I.Cash in	**750 000**	**755 000**
1. Net proceeds from the issue of shares and other equity instruments, and capital contributions	-	750 000
2.Loans and borrowings	-	5 000
3. Issuance of debt securities	750 000	-
II.Cash out	**7 816**	**11 085**
1.Repayment of loans and borrowings	-	5 000
2.Lease payables	7 005	5 202
3.Interest	811	883
III.Net cash flows from financing activities (I-II)	**742 184**	**743 915**
D.Total net cash flows (A.III+/-B.III+/-C.III)	**(143 372)**	**523 116**
E.Increase/decrease in cash in the balance sheet, including:	**(143 372)**	**523 113**
- change in cash due to f/x differences	-	(3)
F.Cash at the beginning of period	**949 238**	**426 125**
G.Cash at the end of period, including:	**805 866**	**949 238**
- restricted cash	1 601	2 416

(PLN k)

6. General information

Polenergia S.A. (former Polish Energy Partners S.A.), (business name altered by way of an inscription in the National Court Register (KRS) dated 11 September 2014), (the "Company"), was founded by way of executing a Notarized Deed on 17 July 1997. The Company has been registered with the National Court Register kept by the District Court for the city of Warsaw, Commercial Division XII of the National Court Register under number KRS 0000026545. The Company was assigned the statistical number REGON 012693488. The registered office of the Company is located in Warsaw, 24/26 Krucza St.

Stock of Polenergia S.A. is listed at the Warsaw Stock Exchange.

Polenergia S.A. is a parent company of the first Polish private energy sector group consisting of vertically integrated companies operating in the area of energy generation using both conventional and renewable sources, as well as in the areas of distribution and trading in electrical energy.

The lifetime of the Company is unlimited.

6.1. Periods covered by these financial statements

These financial statements cover the year ended on 31 December 2024 and comprise comparable financial data for the year ended on 31 December 2023.

Composition of the Company Management Board as at 31 December 2024:

Jerzy Wacław Zań	President of the Management Board
Adam Purwin	Vice 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	Management Board Member

Composition of the Company Management Board as the day of publishing these financial statements:

Adam Purwin	President of the Management Board
Andrzej Filip Wojciechowski	Vice President of the Management Board
Piotr Tomasz Sujecki	Vice President of the Management Board
Łukasz Buczyński	Management Board Member

On 27 February 2024, the Company received information that:

- Dr. Michał Michalski, President of the Management Board, filed his resignation from his membership in the Management Board and his position of the President of the Management Board, effective as at 27 February 2024, 18:00 hours.
- Tomasz Kietliński, Vice President of the Management Board, filed his resignation from his membership in the Management Board and his position of the Vice President of the Management Board, effective as at 27 February 2024, 19:00 hours.

On 1 March 2024, the Company's Supervisory Board appointed the following members of the Company's Management Board:

(PLN k)

- Mr. Jerzy Wacław Zań, entrusting him with the position of the President of the Company's Management Board (CEO) and Chief Financial Officer (CFO) and
- Mr. Andrzej Filip Wojciechowski, entrusting him with the position of Vice President of the Company's Management Board.

The President and Vice President of the Company's Management Board were appointed for the period until the end of the present joint three-year term of the Management Board, i.e., up to and including 31 December 2024.

On 18 July 2024, the Company's Supervisory Board adopted a resolution pursuant to which it decided to second Mr. Adam Purwin, a member of the Company's Supervisory Board, to temporarily act as a member of the Company's Management Board for a period of 3 months from the date of the resolution.

On 24 September 2024, the Company's Supervisory Board adopted a resolution to appoint the following persons to the Management Board for a new term, i.e., as of 1 January 2025:

- Mr. Adam Purwin, entrusting him with the position of the President of the Company's Management Board (CEO),
- Mr. Andrzej Filip Wojciechowski, entrusting him with the position of the First Vice President of the Company's Management Board for Development (CDO),
- Mr. Piotr Tomasz Sujecki, entrusting him with the position of the Second Vice President of the Management Board for Finance (CFO),.
- Mr. Łukasz Buczyński, entrusting him with the position of the Member of the Management Board for Operations (COO)..

In view of the appointment of the new Management Board of the Company, upon the end of the current three-year term, i.e., on 31 December 2024, mandates of all other members of the Management Board expired.

On 19 October 2024, Mr. Adam Purwin was appointed Vice President of the Management Board of the current term pursuant to a resolution of the Company's Supervisory Board adopted on 18 October 2024. The appointment expired on 31 December 2024.

Composition of the parent company Supervisory Board as at 31 December 2024 was as follows:

Dominika Kulczyk	Chair of the Supervisory Board
Thomas O'Brien	Deputy Chair of the Supervisory Board
Szymon Adamczyk	Member of the Supervisory Board
Orest Nazaruk	Member of the Supervisory Board
Ignacio Paz-Ares Aldanondo	Member of the Supervisory Board
Emmanuelle Rouchel	Member of the Supervisory Board
Prof. Piotr Ciżkowicz	Member of the Supervisory Board
Mikołaj Franzkowiak	Member of the Supervisory Board

Composition of the parent company Supervisory Board as at the date of publication of these financial statements:

Dominika Kulczyk	Chair of the Supervisory Board
Szymon Adamczyk	Member of the Supervisory Board
Orest Nazaruk	Member of the Supervisory Board
Ignacio Paz-Ares Aldanondo	Member of the Supervisory Board
Emmanuelle Rouchel	Member of the Supervisory Board
Prof. Piotr Ciżkowicz	Member of the Supervisory Board

Mikołaj Franzkowiak	Member of the Supervisory Board
Inés Bargueño	Member of the Supervisory Board

On 29 February 2024, the Company received the resignation of Mr. Andrzej Filip Wojciechowski from his position as Member of the Supervisory Board The resignation was submitted effective as at 29 February 2024.

On 29 February 2024, the Company received a representation from the shareholder, Mansa Investments sp. z o.o. about the appointment, under the personal authority provided for in Article 5.4.2(a)(i) of the Company Statutes, of Mr. Jacek Głowacki Member of the Supervisory Board, effective as at 29 February 2024.

On 21 May 2024, the Company received the resignation of Mr. Jacek Głowacki from his participation in the Supervisory Board and from his position as Member of the Supervisory Board

On 22 May 2024, the Company received a representation from Mansa Investments sp. z o.o. on the appointment of Mr. Adam Purwin to the Company's Supervisory Board.

On 26 September 2024, the Company received a statement from Prof.dr.hab. Krzysztof Obłój on his resignation from the Supervisory Board and from his position a Member of the Supervisory Board as of 15 October 2024. On the same day, i.e., 26 September 2024, the Company received a representation from Mansa Investments sp. z o.o., with registered office in Warsaw, on the appointment, effective 16 October 2024, of Professor dr. hab. Piotr Bartosz Ciżkowicz, professor at SGH [Warsaw School of Economics], to the Supervisory Board.

On October 18 and 19, the Company received information about the resignation of Mr. Adam Purwin from his position as Member of the Supervisory Board, effective 18 October 2024, and the appointment of Mr. Mikołaj Franzkowiak as Member of the Company's Supervisory Board, effective 19 October 2024.

On 12 March2025, Mr. Thomas O'Brien was removed from the Supervisory Board with immediate effect.

On 12 March2025, Ms. Inés Bargueño was appointed as a member of the Supervisory Board with immediate effect.

7. Going concern assumption

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 end of reporting period day, i.e., following 31 December 2024.

Polenergia S.A. is a holding company with business focusing mainly on investments in the companies operating in the area of generation of energy from renewable and conventional sources, as well as distributions, trading and sale of energy. In addition, the Company provides support services to subsidiaries.

In view of the continued armed conflict in Ukraine, risk factors that may potentially impact the business and financial performance of the Company have been being monitored and identified on an ongoing basis.

The ongoing war in Ukraine until the end of 2024 brought no battlefield results, neither has it brought the parties any closer to a ceasefire. The impact of the conflict itself on energy commodity quotations in Europe is no longer so significant, given the achieved diversification of natural gas supplies in the form of LNG supplies. Even the termination of gas transmission through Ukraine with the end of 2024 caused no significant change in prices, as it had been anticipated by the markets.

Throughout 2024, prices in the natural gas market depended on weather factors and the situation in global gas markets related to recovering demand especially from the power industry, as well as the supply situation related to the availability of production, among others at facilities in the North Sea, or handling capacity in ports in the United States. The winter period of 2024/2025 resulted in higher commodity prices due to lower RES generation in EU countries and faster depletion of European gas storage. Following the gas price increase and greater generation from carbon-based sources, the prices of CO2 emission allowances and electricity have also risen on European markets. Nevertheless, this is quite normal at this time of year, the current prices being well below the levels of the 2022 energy crisis.

(PLN k)

What currently poses a threat to energy markets are diversion actions and elements of hybrid conflict in the form of damages to submarine cables for the transmission of energy, gas, or other energy infrastructure facilities within the EU countries. Energy prices in Europe could also be adversely affected by planned sanctions on purchases of Russian LNG which still remains an important volume for Spain or France. It should also be kept in mind at all times that the political situation remains unstable, and uncertainty about, among other things, the decision of the administration of the new US president could contribute to possible upward movements in commodity and energy prices in Europe.

In terms of financial factors relevant to the Company, persisting high cost of financing resulting from the level of interest rates, volatility of the Polish Zloty exchange rate vis-à-vis the Euro and the US dollar were observed, as well as a risk of increased costs related to the hedging of transactions in commodity markets. The changes in the balancing market implemented as of 14 June 2024 increased the cost of RES sources balancing and profiling in HY2 2024, which adversely affects the Company's results related the exploitation of RES sources. In the coming years, we expect further increases in the profile cost with increasing saturation with RES in the National Energy System and decreasing supply of energy from conventional sources.

8. Identification of consolidated financial statements

The Company prepared consolidated financial statements for the year ended on 31 December 2024 which was approved for publication on 25 March 2025.

9. Company investments

As at 31 December 2024 the Company held investments in the following subsidiaries:

No.	Subsidiaries and Associates	Share of Parent Company	Comments
1	Polenergia Farma Fotowoltaiczna 1 sp. z o.o.	100%	
2	Polenergia Farma Fotowoltaiczna 2 sp. z o.o.	100%	
3	Polenergia Farma Fotowoltaiczna 3 sp. z o.o.	100%	
4	Polenergia Farma Fotowoltaiczna 4 sp. z o.o.	100%	
5	Polenergia Farma Fotowoltaiczna 5 sp. z o.o.	100%	
6	Polenergia Farma Fotowoltaiczna 6 sp. z o.o.	100%	
7	Polenergia Farma Fotowoltaiczna 7 sp. z o.o.	100%	
8	Polenergia Farma Fotowoltaiczna 8 sp. z o.o.	100%	
9	Polenergia Farma Fotowoltaiczna 9 sp. z o.o.	100%	
10	Polenergia Farma Fotowoltaiczna 10 sp. z o.o.	100%	
11	Polenergia Farma Fotowoltaiczna 11 sp. z o.o.	100%	
12	Polenergia Farma Fotowoltaiczna 12 sp. z o.o.	100%	
13	Polenergia Farma Fotowoltaiczna 13 sp. z o.o.	100%	
14	Polenergia Farma Fotowoltaiczna 14 sp. z o.o.	100%	
15	Polenergia Farma Fotowoltaiczna 15 sp. z o.o.	100%	
16	Polenergia Farma Fotowoltaiczna 16 sp. z o.o.	100%	

(PLN k)

17	Polenergia H2Silesia sp. z o.o.	100%
18	Polenergia Farma Fotowoltaiczna 19 sp. z o.o.	100%
19	Polenergia Farma Wiatrowa 1 sp. z o.o.	100%
20	Polenergia Farma Wiatrowa 3 sp. z o.o.	100%
21	Polenergia Farma Wiatrowa 4 sp. z o.o.	100%
22	Polenergia Farma Wiatrowa 6 sp. z o.o.	100%
23	Polenergia Farma Wiatrowa 10 sp. z o.o.	100%
24	Polenergia Farma Wiatrowa 11 sp. z o.o.	100%
25	Polenergia Farma Wiatrowa 12 sp. z o.o.	100%
26	Polenergia Farma Wiatrowa 13 sp. z o.o.	100%
27	Polenergia Farma Wiatrowa 14 sp. z o.o.	100%
28	Polenergia Farma Wiatrowa 15 sp. z o.o.	100%
29	Polenergia Farma Wiatrowa 16 sp. z o.o.	100%
30	Polenergia Farma Fotowoltaiczna Sulechów sp. z o.o.	100%
31	Polenergia Farma Wiatrowa 18 sp. z o.o.	100%
32	Polenergia Farma Wiatrowa 19 sp. z o.o.	100%
33	Polenergia H2HUB Nowa Sarzyna sp. z o.o.	100%
34	Polenergia Farma Wiatrowa 21 sp. z o.o.	100%
35	Polenergia Farma Wiatrowa 22 sp. z o.o.	100%
36	Polenergia Farma Wiatrowa 23 sp. z o.o.	100%
37	Polenergia Farma Wiatrowa 24 sp. z o.o.	100%
38	Polenergia Farma Wiatrowa 25 sp. z o.o.	100%
39	Polenergia Farma Wiatrowa 26 sp. z o.o.	100%
40	Polenergia Farma Wiatrowa 27 sp. z o.o.	100%
41	Polenergia Farma Wiatrowa 28 sp. z o.o.	100%
42	Polenergia Farma Wiatrowa 29 sp. z o.o.	100%
43	Polenergia Farma Wiatrowa Bądecz sp. z o.o.	100%
44	Polenergia Farma Wiatrowa Dębice/Kostomłoty sp. z o.o.	100%
45	Polenergia Farma Wiatrowa Grabowo sp. z o.o.	100%
46	Polenergia Farma Wiatrowa Krzywa sp. z o.o.	100%
47	Polenergia Farma Wiatrowa Mycielin sp. z o.o.	100%
48	Polenergia Farma Wiatrowa Namysłów sp. z o.o.	100%
49	Polenergia Farma Wiatrowa Olbrachcice sp. z o.o.	100%
50	Polenergia Farma Wiatrowa Piekło sp. z o.o.	100%
51	Polenergia Farma Fotowoltaiczna Buk sp. z o.o.	100%
52	Polenergia Farma Wiatrowa Szymankowo sp. z o.o.	100%
53	Polenergia Farma Wiatrowa Wodzisław sp. z o.o.	100%
54	Amon sp. z o.o.	100%
55	Dipol sp. z o.o.	100%
56	Talia sp. z o.o.	100%
57	Polenergia Farma Fotowoltaiczna Strzelino sp. z o.o.	100%
58	Polenergia Sprzedaż sp. z o.o.	100%
59	Polenergia Dystrybucja sp. z o.o.	100%
60	Polenergia Kogeneracja sp. z o.o.	100%
61	Polenergia eMobility sp. z o.o.	100%
62	Certyfikaty sp. z o.o.	100%
63	Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o.	100%
64	Polenergia Elektrownia Północ sp. z o.o.	100%
65	Inwestycje Rolne sp. z o.o.	100%

(PLN k)

66	Polenergia H2HUB 1 sp. z o.o.	100%	
67	Polenergia H2HUB 2 sp. z o.o.	100%	
68	Polenergia H2HUB 3 sp. z o.o.	100%	
69	Polenergia H2HUB 4 sp. z o.o.	100%	
70	Polenergia H2HUB 5 sp. z o.o.	100%	
71	Polenergia Farma Wiatrowa 30 sp. z o.o.	100%	
72	Polenergia Farma Wiatrowa 31 sp. z o.o.	100%	
73	Polenergia Farma Wiatrowa 32 sp. z o.o.	100%	
74	Polenergia Farma Wiatrowa 33 sp. z o.o.	100%	
75	Polenergia Farma Wiatrowa 34 sp. z o.o.	100%	
76	Polenergia Farma Wiatrowa 35 sp. z o.o.	100%	
77	Polenergia Obrót S.A.	100%	
78	Polenergia Energy Ukraine LLC	100%	Polenergia Obrót S.A. is the company's parent company.
79	MFW Bałtyk I sp. z o.o.	50%	
80	MFW Bałtyk I S.A.	100%	MFW Bałtyk I sp. z o.o. is the company's parent company.
81	MFW Bałtyk II sp. z o.o.	50%	
82	MFW Bałtyk III sp. z o.o.	50%	
83	Polenergia Fotowoltaika S.A.	100%	
84	Polenergia Pompy Ciepła sp. z o.o.	100%	Polenergia Fotowoltaika S.A. is the company's parent company.
85	Zielony Ryś sp. z o.o.	100%	Polenergia Fotowoltaika S.A. is the company's parent company.
86	Polenergia Solární s.r.o.	100%	Polenergia Fotowoltaika S.A. is the company's parent company.
87	Wind Farm Four SRL	100%	
88	Eolian Areea SRL	20%	
89	Eolian Efect SRL	20%	
90	Eolian Express SRL	20%	
91	Magnum Eolvolt SRL	20%	
92	Eolian Spark SRL	20%	
93	Spark Wind Energy SRL	20%	
94	Harsh Wind SRL	20%	

Acquisition of the remaining 40% stake in Wind Farm Four Srl, formerly: Naxxar Wind Farm Four Srl developing a wind farm project in Romania

On 27 September 2024, the Company exercised the call option granted under the agreement to acquire a 60% stake in Bucharest-based company Wind Farm Four Sarl, as a result of which the Company acquired the remaining 40% stake for a consideration of EUR 2,800 thousand. As a result, the Company became the sole shareholder of Wind Farm Four Sarl which holds a 20% stake in each of the 7 SPVs developing the wind farm project in Romania's Tulcea county.

10. Accounting principles (policy) applied

The accounting principles (policies) applied in preparation of the financial statements are consistent with those applied in preparation of the Company financial statements for the year ended 31 December 2024.

10.1. New and modified standards and interpretations applied

Changes in the standards or interpretation effective as of 2024

Below, new or amended standards and interpretations have been presented, as applicable as of 1 January 2024 or thereafter. Such changes had no material impact on the financial statements of the Company.

- Amendment to IAS 1 “Presentation of Financial Statements”

  The effective date is annual periods beginning 1 January 2024, changes approved by the European Commission.

  This amendment clarifies that, as at the reporting date, an entity does not take into account covenants that will have to be met in the future when considering the classification of liabilities into long-term or short-term. Instead, the entity should disclose information about such covenants in the notes to the financial statements.
- Amendment to IAS 1 “Presentation of Financial Statements”

  The effective date is annual periods beginning 1 January 2024, changes approved by the European Commission.

  The IAS Board provided for more precise classification of liabilities under short- and long-term liabilities, predominantly in two aspects:
  - ✓ it has been specified that such classification depends on the rights accruing to an entity as at the reporting date,
  - ✓ the management's intentions of early or late payment of a liability shall be disregarded.
  - ✓ Amendment to IAS 1 “Presentation of Financial Statements”
- Amendment to IFRS 16 “Leases””

  The effective date is annual periods beginning 1 January 2024, changes approved by the European Commission.

  The change is more specific about the requirements with respect to measurement of a lease liability arising from a sale and leaseback transactions. It is meant to prevent incorrect recognition of the transaction effect in that part which refers to the retained right of use in the event lease payments are variable and independent from any index or rate.
- Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures"

  The effective date is annual periods beginning 1 January 2024, changes approved by the European Commission.

  This amendment describes the characteristics of reverse factoring arrangements ("Supplier finance arrangements") and introduces the requirement of additional disclosures.

Applying a standard or interpretation prior to the effective date thereof

In these financial statements no standard or interpretation has been voluntarily applied prior to its effective date.

The published standards and interpretations that did not yet apply to periods commencing 1 January 2024 and thereafter and their impact on the financial statements of the Company

Until the date of these financial statements, new or amended standards and interpretations were published which apply to annual periods subsequent to 2024. The list also includes amendments, standards and interpretations that have been published, but not yet approved by the European Union.
The Company estimates that such amendments will have no material impact on the financial statements of the Company

- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates".

  The effective date is annual periods beginning 1 January 2025, changes approved by the European Commission.

  This amendment clarifies how an entity should assess whether a currency is exchangeable and how it should determine the exchange rate when there is a lack of exchangeability. The amendment also requires disclosures that allow users of financial statements to understand the impact of a lack of exchangeability.

- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" regarding the classification and measurement of financial instruments.

  The effective date is annual periods beginning 1 January 2026, changes not approved by the European Commission.

  Amendments to IFRS 9 provide for a possibility to choose the accounting principle with respect to the timing of expiration of a liability when payment is made through an electronic payment system (provided certain conditions are met).

  The amendments to IFRS 9 on the SPPI test provide guidance to help assess whether the contractual cash flows are consistent with the basic lending arrangement. In addition, the amendments introduce a clearer definition of the "non-recourse" feature.

  The amendments to IFRS 9 also provide additional guidance on the characteristics of contractually linked instruments.

  The amendments to IFRS 7 add new disclosure requirements:

  - ✓ relating to investments in equity instruments designated as measured at fair value through other comprehensive income,
  - ✓ for each class of financial assets measured at amortized cost or fair value through other comprehensive income, as well as for financial liabilities measured at amortized cost.

- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" regarding PPAs (Contracts Referencing Nature-dependent Electricity).

  The effective date is annual periods beginning 1 January 2026, changes not approved by the European Commission.

  The amendments to IFRS 9 include information about which PPAs can be used in hedge accounting and what specific terms are permitted in such hedging. The amendments to IFRS 7 introduce new disclosure requirements for PPAs as defined in the amendments to IFRS 9.

- Amendments to IFRS 1, IFRS7, IFRS 9, IFRS 10, IAS 7

  The effective date is annual periods beginning 1 January 2026, changes not approved by the European Commission.

  Annual Improvements - organizational changes only.

- New IFRS 18, "Presentation and Disclosures in Financial Statements."

  The effective date is annual periods beginning 1 January 2027, the standard not approved by the European Commission.

  The new standard will replace IAS 1 “Presentation of Financial Statements”. IFRS 18 introduces, among others:

  - ✓ new structure of the profit and loss account,
  - ✓ increased data aggregation and disaggregation requirements,
  - ✓ requirements to disclose management-defined performance measures.

- New IFRS 19 "Subsidiaries without public accountability: disclosures".

  The effective date is annual periods beginning 1 January 2027, the standard not approved by the European Commission.

This standard applies to subsidiaries without public accountability, for which their parent company prepares consolidated financial statements in line with IFRS. The new IFRS 19 exempts disclosures required by other standards, and replaces them with a new list.

10.2. The rules underlying these financial statements

These financial statements have been prepared in accordance with the International Accounting Standards/ International Financial Reporting Standards (IAS/IFRS) approved by the European Union.

IFRS include standards and interpretations approved by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”).
According to the applicable provisions of law, these financial statements for the financial year ended on 31 December 2024, together with the comparable data for the financial year ended on 31 December 2023 have been audited by chartered auditor.

These financial statements have been prepared in line with the historical cost principle.

10.3. Significant measures based on estimates and professional judgment

Certain information provided in these consolidated financial statements are based on the Company’s assessment and professional judgment. So derived estimates may often not reflect the actual performance.
The underlying assumptions regarding the future and other key uncertainty factors as at the balance sheet date have been discussed below. They are connected with a material risk of significant adjustment of balance sheet assets and liabilities in the immediately following financial year and include:

- impairment of investments in subsidiaries and jointly controlled entities - referred to in more detail in Note 17,
- deferred tax resulting from uncertainty regarding the value of assets and liabilities in the balance sheet, as well as the assets from tax loss clearance what will be settled against future tax gains estimated based on the Company's assumptions - referred to in more detail in Note 23,
- trade receivables impairment losses - referred to in more detail in Note 18.
- pension plan and related provision, provision for unused holiday leaves,
- Lease term - When measuring the lease payable, the Company estimates the lease term which covers:
  - irrevocable lease term,
  - terms, where a lease extension option exists, provided there is sufficient certainty to assume that the lessee will exercise such option,
  - terms, where a lease termination option exists, provided there is sufficient certainty to assume that the lessee will not exercise such option.

  In its assessment whether the Company will exercise its option to extend or will not exercise its option to terminate, the Company considers all material facts and circumstances which are an economic incentive for the Company to exercise or not exercise a given option. The items considered include, without limitation:

  - contractual terms regarding lease fees in optional terms,
  - significant investments in the leased object,
  - termination costs,
  - the significance of the underlying asset for the Company's business,
  - terms of exercising the option.

  The lease payable disclosed in the balance sheet reflects the best estimates with respect to the lease term, however any future change of circumstances may result in an increased or reduces lease payable and in recording a corresponding adjustment under the right of use assets.

The uncertainty of estimates stems mainly from the macroeconomic assumptions, as well as those assumptions which are unique for the Company and applied when measuring assets and liabilities.

In the year ended 31 December 2024 no changes were made in determining the Company's estimates that would impact any information disclosed in the financial statements.

10.4. Measurement currency and currency of the financial statements

The reporting currency and the functional currency of these financial statements is Polish Zloty.

10.5. Intangible Assets

Intangible assets which have been separately acquired or produced (provided they meet the criteria for being recognized as development expenditure) are initially recognized at acquisition or production cost. The acquisition cost of intangible assets acquired in a business combination transaction is equivalent to their fair value as at the date of the combination. Following initial recognition, intangible assets are recognized at acquisition or production cost less accumulated amortization and impairment losses, if any. With the exception of capitalized development expenditure, expenditure on intangible assets produced by the Company is not capitalized and is charged to expenses in the period it was incurred.

The Company determines whether intangible assets have definite or indefinite useful lives. Intangible assets with definite useful lives are amortized over their useful lives and tested for impairment each time there is an indication of impairment. The amortization period and method with respect to intangibles with a definite useful life are reviewed at the end of each financial year or more frequently. Changes in the expected useful life or pattern of consumption of the future economic benefits embodied in an asset are disclosed by changing the amortization period or amortization method, as appropriate, and are accounted for as changes in accounting estimates. Amortization charges on intangible assets with definite useful lives are recognized under profit or loss in the category that corresponds to the function of a given intangible asset.

Intangible assets with indefinite useful lives and those which are not used are tested for impairment annually with respect to individual assets or at the level of the relevant cash generating unit.

Expected useful lives are as follows:

Patents, licenses	1 year
Software	2–5 years
Other intangible assets	5 years

Any gain or loss on the disposal of intangibles is determined by way of subtracting the carrying amount of the disposed intangible fixed asset from net proceeds from such disposal. Such gain or loss is recognized in the profit and loss under other operating revenue or other operating costs at the time the buyer takes control over such disposed intangible asset, in line with the requirements of IFRS 15 (see item "Sales revenue" in this section of notes to the financial statements). The amount of consideration payable as part of the intangible disposal transaction is determined in line with the requirements of IFRS 15 concerning the determining of the transaction price.

10.6. Non-current fixed assets

Non-current fixed assets are measured at acquisition cost/production cost less depreciation and impairment losses, if any.

The initial value of non-current fixed assets is represented by their acquisition cost plus all costs directly related to such acquisition and bringing such assets to the working condition for its intended use. The cost also includes the cost of replacing component parts of plant and equipment, which is recognized when incurred if relevant recognition criteria are fulfilled. Costs incurred after a non-current fixed asset has been placed in service, such as costs of maintenance or repair, are charged to the profit and loss account when incurred.

Upon acquisition, non-current fixed assets are divided into components of material value which can be assigned various economic useful lives. The overhaul cost is also deemed a component thereof.

non-current fixed assets other than land property are depreciated using the straight-line method over their estimated useful lives.

Buildings, structures, premises and civil engineering structures	20 years
Plant and equipment	2.5−20 years
Vehicles	2.5−5 years
Other non-current fixed assets	5−7 years

Residual values, useful lives and methods of depreciation of assets are reviewed annually and, if necessary, adjusted effective as of the beginning of the financial year just ended.

Individual fixed assets are recognized separately and depreciated over their useful lives.

Any gain or loss on the disposal of non-current fixed assets is determined by way of subtracting the carrying amount of such non-current fixed asset from net proceeds from such disposal. Such gain or loss is recognized in the profit and loss under other operating revenue or other operating costs at the time the buyer takes control over such disposed non-current asset, in line with the requirements of IFRS 15 (see item "Sales revenue" in this section of notes to the financial statements). The amount of consideration payable as part of the intangible disposal transaction is determined in line with the requirements of IFRS 15 concerning the determining of the transaction price.

10.7. Impairment losses on non-financial fixed assets

An assessment is made by the Company as at the end of each reporting period whether there is any indication that any of non-financial fixed assets may be impaired. If it is found such indications exist, or if it is required to perform annual impairment test, the Group estimates the recoverable amount of a given asset or a cash-generating unit to which a given asset belongs.

The recoverable amount of an asset or a cash-generating unit is the higher of the asset's or cash-generating unit's fair value less selling costs of such asset or unit, or its value in use. In the event the carrying amount of an asset exceeds its recoverable amount, impairment takes place and an impairment loss is recognized, reducing the asset's carrying amount to the established recoverable amount. In assessing value in use, the projected cash flows are discounted to their present value using a pre-tax discount rate which reflects current market assessments of the time value of money and the risks specific to a given asset. Impairment losses with respect to assets in continuing operations are recognized in those expense categories which are consistent with the function of the impaired asset.

As at end of each reporting period the Company makes an assessment whether there is any indication that the previously recognized impairment loss of an asset is redundant or whether it should be reduced. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if and to the extent there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such event, the carrying amount of the asset is increased up to its recoverable amount. Such increased amount may not exceed the carrying amount of the asset that would have been determined (after accumulated amortization/depreciation) if no impairment losses had been recognized on that asset in the preceding years. Reversal of an impairment loss is immediately recognized as income in the profit and loss account. Following reversal of an impairment loss, in subsequent periods the amortization/depreciation charge related to a given asset is adjusted so that its revised carrying amount, less its residual value, can regularly be written down over the remaining useful life of the asset.

10.8. Investments in subsidiaries, associates and jointly controlled entities

Investments in subsidiaries, associates and jointly controlled entities include holding interest in entities that are not listed on active market. Such interest is disclosed in the balance sheet at historical cost less impairment losses, if any.

As at each end of reporting period day the Company performs an analysis of shares it holds in subsidiaries and jointly controlled entities for identification of any indications of impairment of a given project.

In case such indications have been identified, for such projects the Company performs an analysis including, without limitation, a comparison of the share value with the net asset worth of subsidiaries or, where the shares value exceeds the net assets of a company, with the financial projections developed. i.e., impairment tests for the tested businesses.

The impairment loss is recognized as an amount of the excess of the balance sheet value of an asset over its recoverable amount. The recoverable amount is the higher of the two: the assets' fair value less selling expenses or their value in use.

Those shares which have been identified as impaired are evaluated on each end of reporting period day for indications of a potential reversal of such impairment loss.

10.9. Financial assets

The Company categorizes financial assets as follows:

- Financial assets measured at amortized cost,
- Financial assets measured at fair value through profit or loss,
- Financial assets measured at fair value under other comprehensive income,

The classification depends on the model the Company has adopted for financial instrument management and the terms of contractual cash flows from such instruments. The Company reclassifies investments in debt instruments only when the asset management model changes.

Recognition and derecognition

Financial assets are recognized whenever the Company becomes a party to contractual provisions of a given instrument. Financial assets are excluded from accounting books when the right to generate cash flows on account of such financial assets expired or were transferred and the Company transferred substantially all the risk and all benefits attributable to the ownership title.

Measurement as at the initial recognition

On initial recognition, financial assets are recognized by the Company at fair value plus – in the case of financial assets other than those measured at fair value through profit or loss – any transaction costs directly attributable to the purchase of such financial asset. Transaction costs attributable to financial assets measured at fair value through profit or loss are recognized in profit or loss.

Financial assets measured at amortized cost

Debt instruments held to obtain contractual cash flows that include solely payment of principal and interest (SPPI), are measured at amortized cost. Interest income is measured using the effective interest rate method and disclosed under "financial income" presented under the profit or loss account. Expected credit losses are recognized in line with the accounting principle referred to in Note 10.11 and presented under "financial expenses" item. In particular, the Company classifies the following under that category:

- trade receivables,
- loans that meet the SPPI requirement test which are disclosed, in line with the business model, as "held in order to generate cash flows",
- cash and equivalent.

Financial assets at fair value through profit or loss

Those assets which do not meet the measurement criteria at amortized cost or at fair value under other comprehensive income are measured at fair value through profit or loss. In the year ended on 31 December 2023 there were no financial assets measured at fair value through profit or loss.

10.10. Lease

The Company as a lessor

As a lessor, the Company recognizes the contracts as financial lease if they involve transfer of substantially all risk and benefits from the ownership of the underlying asset. Otherwise, lease is treated as operating lease. In the year ended 31 December 2023, the Company recognized an allowance for finance lease receivables arising from the sole agreement under this title.

The Company as a lessee

The assets leased by the Company include office premises, vehicles and equipment. Usually, contracts are entered into for a definite term, between 3 and 6 years, with an option to extend such contract, as referred to hereinbelow.

Recognition of lease payables

As at the initial recognition date, lease payments included in the lease liability measurement discounted to the present value include the following types of payments for the right to use the underlying asset throughout the lease term:

- fixed lease payments less any lease incentives receivable,
- variable lease payments dependent on market indices,
- amounts expected to be paid as guaranteed residual value of the leased asset,
- purchase option exercise price, provided sufficient certainty exists as to such exercise,
- penalties for termination of lease if the lessee may exercise termination option.

Lease payments related to the lease extension option are also included in the measurement of liability, provided that sufficient certainty exists that such option will be realized.

Lease payments are discounted at the lease discount rate, or in the event it is impossible to easily determine such rate, the lessee’s incremental rate is applied. The Company has assumed that the marginal interest rate should reflect the cost of financing that would be incurred to finance the purchase of an asset of similar value to the right-of-use asset under the right of use. When estimating the discount rate, the Company considered the following contractual features: type, tenor, currency and potential spread the Company would have to pay to any financial institution providing financing.

Lease payments are allocated between the principal and finance cost. Lease payables have been recognized in the balance sheet under an individual item. The finance costs are charged to profit or loss throughout the term of the lease contract so as to achieve fixed periodic interest rate on the outstanding balance of the amount payable for each given period.

Payments related to short-term lease of equipment and vehicles, as well as the lease of low value assets are recognized under cost, according to a straight line method, in the profit and loss account. Short-term lease denotes lease contracts with the term of 12 or fewer months. Low value assets include computer hardware the value of which does not exceed PLN 20 thousand.

Recognition of the right-of-use assets

The right-of-use assets are measured at cost which includes:

- the initial measurement amount of the lease payable,

(PLN k)

- any lease payments made on or before the commencement date less the lease incentives received,
- any upfront direct costs.

The right-of-use assets are recognized in the balance sheet under the same item where the base assets owned by the Company would be recognized. Depreciation of the right-of-use assets has been recognized under the profit and loss account under general overheads.

10.11. Impairment of financial assets

IFRS 9 requires that the impairment loss on account of the expected credit loss for financial assets be estimated notwithstanding whether or not any indications giving rise to such impairment loss occurred. Said standard provides for a 3-grade classification of financial assets, impairment-wise. (1) Grade 1 – where credit risk has not increased significantly since initial recognition and where entities are required to determine ECL based on a 12-month loss-occurrence risk; (2) Grade 2 – where credit risk has increased significantly since initial recognition and where entities are required to determine ECL based on the lifetime loss-occurrence risk; (3) Grade 3 – where a financial asset is credit-impaired.

The 3-grade model is applied to all financial assets excepting short term trade receivables for which the Company uses impairment losses throughout the entire lifetime of a given financial instrument.

Trade receivables from individually significant entities (customers buying large volume of goods in a given segment, with cooperation based on long-term contracts) - estimation of expected impairment is based on an analysis of contracting parties' insolvency risk.

The Company also applies the 3-grade model to cash, however in this case, the Management Board believes that impairment is immaterial.

10.12. Foreign currency transactions

Transactions denominated in currencies other than Polish zloty are translated into Polish zlotys at the rate of exchange prevailing on the transaction date.

Cash, bank loans and other monetary assets and liabilities denominated in currencies other than Polish zloty are translated into Polish zlotys at the average rate quoted by NBP. Foreign exchange differences on translation are recognized in finance income or cost, as appropriate.

Non-cash assets and liabilities recognized at historical cost denominated in foreign currencies are disclosed at historical foreign exchange rate as at the transaction day. Non-cash assets and liabilities recognized at fair value denominated in foreign currencies are translated to their fair value at the exchange rate prevailing on the day the measurement through fair value occurs.

The following exchange rates were used for measurement purposes:

	31.12.2024	31.12.2023
USD	4.1012	3.9350
EUR	4.2730	4.3480
GBP	5.1488	4.9997

10.13. Cash

Cash disclosed in the statement of cash flows comprise cash in hand, bank deposits, shares in investment funds, treasury bills and bonds not classified as investing activities (in excess of 3 months). Cash at bank deposits meet the SPPI test and the “held to collect” business model test, therefore they are measured at amortized cost less the impairment loss determined as per the expected credit loss model.

10.14. Prepayments and Accruals

Prepayments are recognized in case the Company bears expenses that refer to the future reporting periods, in particular they include estimated accrued revenues, insurance and subscriptions prepayments.

Accruals are recognized at probable amounts of current-period liabilities, in particular they include estimated future premiums and costs of third party services.

10.15. Equity

Share capital is shown in the amount defined in the Statutes, and entered in the court register. Any difference between the fair value of consideration received and the par value of shares is recognized in statutory reserve funds under share premium account. Where shares are repurchased, relevant payment amounts are charged to equity and disclosed in the balance sheet as treasury shares. Declared capital contributions to be made in future are disclosed as called up but unpaid capital.

Other reserves arose from statutory write-downs of profits generated in previous financial years, while the option measurement reserve arose in connection with the option program and is not subject to distribution in the form of dividends.

The merger capital is the result of the merger of the companies which took place in accordance with Article 492 sec. 1 item 1 of the Commercial Companies Code, through the transfer of all assets and liabilities of the Company Neutron sp. z o.o. ["the acquired company"], the Company Grupa PEP Finansowanie Projektów Sp. z o.o. ["acquired company"] and the Company Grupa PEP Uprawy Energetyczne Sp. z o.o. ["acquired company"] onto the Company Polenergia S.A. ["acquiring company"] [merger by acquisition], using the accounting settlement method of pooling of interests without closing the accounting books..

In accordance with the requirements of the Commercial Companies Code, the Company is required to create a capital reserve to cover the loss, such reserve being presented in the balance sheet as Share premium. After each financial year, at least 8% of net profit disclosed in the Company financial statements should be contributed to statutory reserve funds, until the funds reach at least one-third of the share capital. While it is the General Meeting that resolves how to spend such statutory reserve funds and capital reserves, part of statutory reserve funds equal to one-third of the share capital, may only be spend to cover the loss disclosed in the financial statements and may not be used for any other purpose.

As at 31 December 2024 there are no other restrictions that would apply to distribution of dividend.

10.16. Provisions

Provisions are recorded whenever the Company is under an existing obligation (by operation of law or by common practice) resulting from past events and when it is certain or very likely that performance of such obligation will necessitate the outflow of resources with inherent economic benefits and when it is possible to provide a reliable estimation of the amount of such obligation.

Where expenditure required to settle the obligation is expected by the Company to be reimbursed by another party (e.g., under an insurance agreement), the reimbursement is recognized as a separate asset only when virtual certainty exists that it will be actually received. Cost related to a given provision is recognized in profit or loss net of any recoveries. If the effect of the time value of money is material, the amount of a provision is determined by discounting the projected future cash flows to their present value, using a pre-tax discount rate reflecting the current market estimates of the time value of money, as well as any risk associated with a given obligation. If the discount method is applied, an increase in the provision as a result of the passage of time is recognized as finance costs.

10.17. Provision for length-of-service awards and retirement pays

In accordance with the company remuneration systems, the Company employees are entitled to retirement pays. Retirement pays are one-off benefits, paid out when an employee retires. Amounts of such retirement pays depend on the length of service and the average remuneration of the employee. The Company recognizes a provision for future retirement pay obligations through profit or loss in order to allocate costs to the periods to which they relate. Accrued obligations are equal to the amount of discounted future payments, taking into account employee turnover, and relate to the period ending on the reporting date. Information on demographics and employee turnover is based on historical data.

10.18. Interest-bearing bank loans, borrowings and other debt instruments

All bank loans, borrowings and other debt instruments are initially recognized at fair value net of transaction costs associated with such loan or borrowing.

After initial recognition, interest-bearing loans, borrowings and other debt instruments are measured at amortized cost using the effective interest rate method.

Amortized cost includes the incremental costs, as well as any discounts or premiums obtained in connection with the liability.

Any gains or losses are taken to profit and loss account when the liability is derecognized or accounted for using the effective interest rate method.

10.19. Trade payables and other payables

Short-term trade payables are recognized at nominal amounts payable in view of a negligible discount effect.

Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading, and financial liabilities initially designated as financial liabilities at fair value through profit or loss.

Financial liabilities are classified as held for trading if they have been acquired for the purpose of being sold in the near future. Derivative financial instruments, including separated embedded derivatives, are also classified as held for trading, unless they are considered as effective hedges.

Financial liabilities may be designated as financial liabilities measured at fair value through profit or loss on initial recognition if the following criteria are met: (i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases, (ii) the liabilities are part of financial liabilities of the Company that are managed and measured based on fair value, according to a documented risk management strategy, or (iii) the financial liabilities contain embedded derivative instruments which should be presented separately, whenever they cannot be measured separately.

Financial liabilities other than financial instruments measured at fair value through profit or loss are measured at amortized cost using the effective interest rate method.

The Company derecognizes a financial liability when it has been extinguished, that is when the obligation specified in the contract has either been discharged or canceled or has expired. When an existing debt instrument between the same parties is replaced by another instrument whose terms are substantially different, the Company treats such replacement as if the former financial liability was extinguished and recognizes a new liability. Similarly, material modifications to the terms of a contract concerning an existing financial liability are presented by the Company as the original liability being extinguished and a new financial liability being recognized. Any differences in the respective carrying amounts arising in connection with such replacement are charged to the profit and loss account.

Other non-financial liabilities include, in particular, value added tax payable to tax authorities and liabilities under prepayments received, to be settled through the supplies of merchandise, services or fixed assets. Other non-financial liabilities are recognized at their amounts due.

10.20. Financial guarantee contracts as per IFRS 9

The Company enters into financial guarantee contracts, e.g., surety where it undertakes to indemnify the creditor against any loss that may arise in connection with the default in payment by the relevant companies.

Such contracts are measured at fair value, according to IFRS 9. Such fair value has been estimated to be the present value of future payments subject to a discount rate based on the risk rate for the assets. The measurement of the present value of payments on account of sureties has been presented in Note 27.1 Guarantees and sureties granted.

10.21. Recognition of revenue

10.21.1. Net revenues from sale of services

The principles in IFRS 15 refer to any and all revenue yielding contracts. The core principle of the new standard is that revenue is recognized at the moment of transfer of control over the goods or services to a customer in the amount of the transaction price. Any goods or services which are sold in packages but can be identified separately in a package must be recognized individually, on top of that any discounts and rebates affecting the transaction price must in principle be allocated to individual elements of the package. The accounting policies applicable to individual revenue categories have been listed below.

Revenue from the provision of services of a continuous nature is recognized in the course of fulfilling the performance obligation by transferring the promised service to the customer. These include revenues from consulting and advisory projects and rental income. The method used to recognize revenue is based on outlays.

10.21.2. Interest

Interest gains are recognized gradually as interest accrues (using the effective interest rate method, where the effective interest rate is one which discounts future cash flows over the estimated life of the financial instruments) relative to the net carrying amount of a given financial asset.

10.21.3. Dividends

Dividends are recognized when the shareholders' rights to receive distribution are established.

10.21.4. Lease income (operating lease)

Revenues from rental (lease) are recognized on a straight line basis throughout the lease term for contracts in progress.

10.22. Taxes

10.22.1. Current tax

Current tax asset and income tax payable for the current period and for previous periods are measured at the amount expected to be paid to (or recovered from) tax authorities, using the tax rates and tax legislation that have been enacted or substantively enacted as at the end of the reporting period.

10.22.2. Deferred tax

For the purposes of financial reporting, deferred tax is calculated using the balance-sheet liability method in relation to temporary differences existing as at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts as disclosed in the financial statements.

A deferred tax liability provision is recognized for all taxable temporary differences:

- except where the deferred tax liability provision arises from the initial recognition of goodwill or the initial recognition of an asset or liability attributable to a transaction other than business combination and, at the time of the transaction, affecting neither the pre-tax profit/loss nor the taxable profit or loss, and
- in the case of taxable temporary differences attributable to investments in subsidiaries or associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled by the investor and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, as well as unused tax credits and unused tax losses brought forward, to the extent it is probable that taxable income will be available against which the deductible temporary differences, tax credits and tax losses can be utilized:

- except to the extent that the deferred tax asset related to deductible temporary differences arises from the initial recognition of an asset or liability attributable to a transaction other than business combination, and, at the time of the transaction, affects neither the pre-tax profit/loss nor the taxable profit or the tax loss, and
- in the case of deductible temporary differences attributable to investments in subsidiaries or associates and interests in joint ventures, deferred tax asset is only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilized.

The carrying amount of a deferred tax asset is reviewed as at the end of each reporting period and is gradually reduced to the extent it is no longer probable that sufficient taxable income will be generated to allow the deferred tax asset to be realized in full or in part. As at the end of each reporting period, any unrecognized deferred tax asset is reassessed and recognized to the extent that it is probable that future taxable income will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liability provisions are calculated using tax rates expected to be effective at the time of realization of the asset or liability, based on tax rates (and tax legislation) effective at the end of the reporting period or tax rates (and tax legislation) which at the reporting date are certain to be effective in the future.

Income tax on items posted directly to equity is recognized in equity rather than in the profit and loss account.

Deferred tax assets and deferred tax liability provisions are offset by the Company if and only if it has a legally enforceable right to offset current tax asset and income tax payable, and the deferred tax relates to the same taxpayer and the same tax authority.

10.22.3. Value Added Tax

Revenue, expenses, assets and liabilities are recognized net of VAT, except in the following cases:

- where the value added tax paid on the purchase of assets or services is not recoverable from the tax authorities; in such a case it is recognized as part of the acquisition price of a given asset or as part of the cost item, and
- in the case of receivables and payables which are recognized inclusive of VAT.

The net amount of the value added tax which is recoverable from or payable to tax authorities is disclosed in the balance sheet under receivables or payables, as appropriate.

(PLN k)

10.23. Earnings per share

Basic earnings per share are calculated as the quotient of net profit for a given period attributable to holders of ordinary shares in the Company and the weighted average number of ordinary shares outstanding in the period.

Diluted earnings per share are calculated as the quotient of net profit for a given period attributable to holders of ordinary shares (net of interest on redeemable preference shares convertible into ordinary shares) and the weighted average number of ordinary shares outstanding in the period (adjusted for the effect of dilutive options and dilutive redeemable preference shares convertible into ordinary shares).

10.24. Contingent liabilities and assets

A contingent liability is understood as an obligation to make a payment or provide a service which may arise upon the occurrence or non-occurrence of certain future events. Contingent liabilities are not recognized in the balance sheet, however information on contingent liabilities is disclosed, unless the probability of the outflow of resources embodying economic benefits is negligible.

Contingent receivables are not recognized in the balance sheet, but information on contingent receivables is disclosed if the inflow of resources embodying economic benefits is likely to occur.

11. Operating segments

The Company’s business in comprised in a single operating segment. Sales revenues include mainly the services provided, referred to in more detail in Note 28.

In 2024, sales revenues received from:

- MFW Bałtyk I S.A. amounted to PLN 6,763 thousand, which accounted for ca. 11% of the Company's sales revenue,
- MFW Bałtyk II Sp. z o.o. amounted to PLN 7,384 thousand, which accounted for ca. 12% of the Company's sales revenue
- MFW Bałtyk III Sp. z o.o. amounted to PLN 7,391 thousand, which accounted for ca. 12% of the Company's sales revenue

12. Earnings per share

	For 12 months ended	
	31.12.2024	31.12.2023
Net profit (loss)	71 034	159 903
Average weighted number of ordinary shares	77 218 913	68 400 162
Profit (Loss) per ordinary share (in PLN)	0,92	2,34

13. Profit allocation

On 19 June 2024, the Company's Annual General Meeting of Shareholders resolved that the profit generated in 2023 in the amount of PLN 159,903 thousand would be transferred to reserve capital, which could be used in the future to distribute dividends.

(PLN k)

14. Intangible Assets

31.12.2024	concessions, patents, licenses and similar entitlements obtained	Total intangibles
1. Gross value of intangible assets at beginning of period	**2 910**	**2 910**
a) increase (due to)	26	26
- purchase	26	26
2. Gross value of intangible assets at end of period	**2 936**	**2 936**
3. Cumulative depreciation at beginning of period	**(2 345)**	**(2 345)**
- current period depreciation	(215)	(215)
4. Cumulative depreciation at end of period	**(2 560)**	**(2 560)**
5. Impairment losses at beginning of period	-	**-**
6. Impairment losses at end of period	**-**	**-**
7. Net value of intangible assets at beginning of period	**565**	**565**
8. Net value of intangible assets at end of period	**376**	**376**

31.12.2023	concessions, patents, licenses and similar entitlements obtained	total intangibles
1. Gross value of intangible assets at beginning of period	**2 469**	**2 469**
a) increase (due to)	441	441
- purchase	441	441
2. Gross value of intangible assets at end of period	**2 910**	**2 910**
3. Cumulative depreciation at beginning of period	**(2 220)**	**(2 220)**
- current period depreciation	(125)	(125)
4. Cumulative depreciation at end of period	**(2 345)**	**(2 345)**
5. Impairment losses at beginning of period	-	**-**
6. Impairment losses at end of period	**-**	**-**
7. Net value of intangible assets at beginning of period	**249**	**249**
8. Net value of intangible assets at end of period	**565**	**565**

(PLN k)

15. Non-current fixed assets

31.12.2024	building, premises and civil and water engineering	plant and machinery	vehicles	other non-current fixed assets	total non-current fixed assets
1. Gross value of non-current fixed assets at beginning of period	**21 367**	**2 281**	**7 547**	**807**	**32 002**
a) increases (due to)	689	482	5 156	59	6 386
- purchase	-	482	5 156	59	5 697
- other	689	-	-	-	689
b) reductions (due to)	(18)	(160)	(1 063)	(150)	(1 391)
- sale and retirement	(18)	(160)	(1 063)	(150)	(1 391)
2. Gross value of non-current fixed assets at end of period	**22 038**	**2 603**	**11 640**	**716**	**36 997**
3. Cumulative depreciation at beginning of period	**(11 286)**	**(1 359)**	**(3 536)**	**(686)**	**(16 867)**
- current period depreciation	(4 644)	(357)	(1 801)	(39)	(6 841)
- reductions (due to)	5	157	817	143	1 122
- sale and retirement	5	157	817	143	1 122
3. Cumulative depreciation at end of period	**(15 925)**	**(1 559)**	**(4 520)**	**(582)**	**(22 586)**
4. Impairment losses at beginning of period	**-**	**-**	**-**	**-**	**-**
6. Impairment losses at end of period	**-**	**-**	**-**	**-**	**-**
7. Net value of non-current fixed assets at beginning of period	**10 081**	**922**	**4 011**	**121**	**15 135**
8. Net value of non-current fixed assets at end of period	**6 113**	**1 044**	**7 120**	**134**	**14 411**

(PLN k)

31.12.2023	building, premises and civil and water engineering	plant and machinery	vehicles	other non-current fixed assets	total non-current fixed assets
1. Gross value of non-current fixed assets at beginning of period	**20 000**	**1 835**	**6 335**	**798**	**28 968**
a) increases (due to)	1 367	446	2 253	9	4 075
- purchase	-	446	2 253	9	2 708
- other	1 367	-	-	-	1 367
b) reductions (due to)	-	-	(1 041)	-	(1 041)
- sale and liquidation	-		(1 041)	-	(1 041)
2. Gross value of non-current fixed assets at end of period	**21 367**	**2 281**	**7 547**	**807**	**32 002**
3. Cumulative depreciation at beginning of period	**(6 920)**	**(1 021)**	**(3 159)**	**(636)**	**(11 736)**
- current period depreciation	(4 366)	(338)	(1 418)	(50)	(6 172)
- reductions (due to)	-	-	1 041	-	1 041
- sale and liquidation	-		1 041	-	1 041
3. Cumulative depreciation at end of period	**(11 286)**	**(1 359)**	**(3 536)**	**(686)**	**(16 867)**
4. Impairment losses at beginning of period	**-**	**-**	**-**	**-**	**-**
6. Impairment losses at end of period	**-**	**-**	**-**	**-**	**-**
7. Net value of non-current fixed assets at beginning of period	**13 080**	**814**	**3 176**	**162**	**17 232**
8. Net value of non-current fixed assets at end of period	**10 081**	**922**	**4 011**	**121**	**15 135**

(PLN k)

16. Right-of-use assets

The tangible fixes asset worth includes the right of use assets of the following carrying amount, with the following underlying asset categories, which were subject to the following depreciation in 2024:

Right-of-use assets under lease	31.12.2024	31.12.2023
Building, premises	6 116	10 042
Vehicles	6 925	3 824
Total	**13 041**	**13 866**

Right-of-use depreciation	31.12.2024	31.12.2023
Building, premises	4 615	4 283
Plant and machinery	1 760	1 395
Total	**6 375**	**5 678**

The lease payable figure is presented in Note 35.

The most significant lease contracts in progress in 2024 include the rental of office space and the lease-to-own of the vehicles. The lease fees are subject to variable interest rate calculated against WIBOR.

17. Long term financial assets

The Company reviews its investment in subsidiaries based on their net assets as at the balance sheet date. Should indications of impairment be identified, the Company estimates the recoverable value. No indications were identified for these assets.

	31.12.2024	31.12.2023
- share or stock in non-listed companies	3 399 606	2 376 428
- loans given	49 446	16 453
Total long term financial assets	**3 449 052**	**2 392 881**

Shares or stock are disclosed in the balance sheet at historical cost less impairment, if any, while loans are measured at amortized cost using the effective interest rate method. less impairment, if any.

Shares or stock in non-listed companies:

	31.12.2024	31.12.2023
As at the beginning of the period	2 376 428	1 279 631
- capital increase	1 086 257	1 146 931
- return of supplementary payments towards capital	(63 079)	(50 134)
As at the end of the period	**3 399 606**	**2 376 428**

(PLN k)

	31.12.2024			31.12.2023		
	Gross value	Impairment losses	Net value	Gross value	Impairment losses	Net value
In subsidiaries	1 786 119	(85 735)	1 700 384	1 638 941	(85 735)	1 553 206
In joint ventures	1 699 222	-	1 699 222	823 222	-	823 222
Total	**3 485 341**	**(85 735)**	**3 399 606**	**2 462 163**	**(85 735)**	**2 376 428**

Financial asset impairment loss test in jointly controlled entities

Bearing in mind that offshore wind farm projects are a strategic investment of the Company and given the fact that they are entering a key phase of implementation, the Management Board decided to perform impairment tests for ongoing offshore wind farm projects at least once each financing year until construction is completed.

In view of the fact that determining fair value of the offshore wind farms projects is impeded because there is no active market and the regulatory framework under which other similar projects operate in the European market is inconsistent, it was decided that the recoverable value would be determined based on value in use.

The tested assets are presented as long-term financial assets in the Group's balance sheet. The value in use of the assets was determined based on the free cash flow to equity (FCFE) method in accordance with the practice applied to impairment testing of the in previous years.

Guided by market practice and the fact that, due to the nature of the assets under test, long-term forecasts are more reliable, the issuer's management adopted for analysis a period exceeding 5 years, i.e. until 2058 for MFW Bałtyk II sp. z o.o. and MFW Bałtyk III (the "Offshore Projects"), while for the MFW Bałtyk I S.A. project ("MFW Bałtyk I") - until 2062. In the Group's opinion, such a period of analysis is reasonable due to the fact that the key parameters of the Offshore Projects, such as energy sales price, productivity, capital expenditures and maintenance costs of the projects, are mostly known and come from studies performed, contracts signed or negotiated, or have been determined based on the knowledge gained from other investments both on the part of the Group and Equinor which is the Group's partner in the implementation of the Offshore Projects. However, in the case of MFW Bałtyk I it was considered that the expertise and experience gained by the Company and Equinor at the stage of preparing the Offshore Projects was sufficient to permit preparing a forecast for the entire life of the assets. In addition, the Polenergia Group has the ability to forecast cash flows for a comparably long period of time, since the specific nature of the Group's projects requires regular development and updating of financial forecasts for the entire life of the investment, which are required and approved by financing institutions and on the basis of which the repayment schedule for long-term loans is established.

Impairment test of the MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o. projects. ("Offshore Projects")

Key assumptions:

- The Group holds a 50% interest in companies developing offshore wind farm projects in the Baltic Sea and has been continuing development work together with its partner, Equinor.
- The total intended installed capacity of the Offshore Projects is 1,440 MW.
- The planned commissioning of the Offshore Projects will take place in 2028.
- Capital expenditures have been estimated on the basis of signed and negotiated agreements or knowledge gained from the implementation of other investments by partners in the Offshore Projects.

- The selling price of electricity was estimated on the basis of the maximum support price granted by the URE President, indexed annually by the inflation rate.
- The productivity of the Offshore Projects was estimated based on current technical assumptions and data from wind measurement campaigns.
- The price growth rate during the forecast period is equal to the inflation rate forecast by the National Bank of Poland published on 8 November 2024. After 2027, the inflation rate was assumed at the NBP's inflation target of 2.5%.
- A discount rate of 10.5% was assumed as determined based on the CAPM model against the assumptions provided by the Company's external advisor.
- The measurement does not include the residual value of assets at the end of the forecast period.

As at 31 December 2024 the carrying value of tested shares was PLN 1529 million. As a result of the share impairment test, the Group concluded that no impairment loss was required for these shares.

Sensitivity Analysis

Based on the available projections, sensitivity tests have been performed. The tests have proven that impact on the value in use of the tested shares is exerted mainly by the fluctuations of the discount rate and fluctuations of the level of capital expenditure. It should also be emphasized that a change in market electricity prices has a negligible impact on the value in use of the tested shares, since the selling price of electricity for the Offshore Projects is determined on the basis of the maximum support price granted by the President of URE, escalated annually by the inflation rate.

In the case of MFW Bałtyk II sp. z o.o. an increase in the discount rate by 1 p.p. or an increase in the level of capital expenditures by 5% will entail no change in the assessment whether the shares are impaired or not.

In the case of MFW Bałtyk III sp. z o.o. an increase in the discount rate by 1 p.p. will entail no change in the assessment whether the shares are impaired or not. In contrast, a 5% increase in the level of capital expenditures will result in an impairment loss of PLN 59 million.

Impairment test - MFW Bałtyk I S.A. project.

Key assumptions:

- The Group holds a 50% interest in the company developing an offshore wind farm project in the Baltic Sea and has been continuing development work together with its partner, Equinor.
- The planned commissioning of MFW Bałtyk I will take place in 2032.
- Capital expenditures have been estimated on the basis of signed and negotiated agreements or knowledge gained from the implementation of other investments by partners in the Offshore Projects.
- The sales price of electricity was estimated based on the maximum support price for Phase II projects, as specified in the draft regulation for areas in the more remote areas of the Central Shoal. This price is subject to annual indexation by the inflation rate.
- The productivity of the MFW Bałtyk I was estimated based on current technical assumptions and data from wind measurement campaigns.
- The price growth rate during the forecast period is equal to the inflation rate forecast by the National Bank of Poland published on 8 November 2024. After 2027, the inflation rate was assumed at the NBP's inflation target of 2.5%.
- A discount rate of 10.5% was assumed as determined based on the CAPM model against the assumptions provided by the Company's external advisor.
- The measurement does not include the residual value of assets at the end of the forecast period.

As at 31 December 2024 the carrying value of tested shares was PLN 169.9 million. As a result of the share impairment test, the Group concluded that no impairment loss was required to be recognized for these shares.

Sensitivity Analysis

Based on the available projections, sensitivity tests have been performed. The tests have proven that impact on the useful value of the tested shares is exerted predominantly by the fluctuations of the discount rate, changes of the level of capital expenditure and price fluctuations in contract for difference.

An 1 percentage point increase in the discount rate, a 5% change in capital expenditures, or a 5% variation of the price in contract for difference will entail no change in the assessment whether assets have been impaired.

Financial asset impairment loss test in subsidiaries in the Photovoltaics segment

The Group performed an analysis of any indications of share value impairment as at 31 December 2024. With regard to the shares held in the photovoltaics segment, indications have been identified that justify an impairment test of the shares. The analysis showed that the increasing magnitude of curtailment and the more frequent occurrence of negative prices during peak production hours are important factors justifying the test.

As the Group's photovoltaic projects have their electricity sales price secured for a period of 15 years from the start of operations in the form of a contract for difference and a defined useful life, it was decided that the recoverable amount would be determined based on the value in use. Determining the fair value for these projects is difficult because of the secured price of selling electricity in a fixed-price contract for difference (such price varying for each project). This fact means that available market benchmarks for this type of project may not be reliable.

The value in use of the shares was determined based on the free cash flow to equity owners and creditors (FCFF) method in line with the practice applied to impairment testing in previous years and in line with the fact that all tested assets have long term debt financing attributable to them.

Guided by market practice and the fact that, due to the specific nature of the tested assets, long-term forecasts are more reliable, the issuer's management adopted a period longer than 5 years for the analysis, i.e. until 2055. In the Group's opinion, such period of analysis is justified because it is in line with the economic useful life of the assets which was confirmed by an external market advisor.

In addition, the Polenergia Group has the ability to forecast cash flows for a comparably long period of time, since the specific nature of the Group's projects requires regular development and updating of financial forecasts for the entire life of the investment, which are required and approved by financing institutions and on the basis of which the repayment schedule for long-term loans is established. The models used to determine the recoverable value of assets were verified by the banks financing the projects.

Key assumptions:

- Electricity generation was estimated based on the installed capacity of 81 MW.
- Productivity indices were adopted based on analyses prepared by external consultants,
- Due to module degradation, a reduction of photovoltaic cell productivity of 0.4% per year on the average was assumed,
- Electricity sales prices were assumed at the level consistent with the contracts in place and for the volume not secured by contracts - based on the forecast of market electricity prices,
- Assumptions regarding the profile costs and market electricity prices have been provided by a reputable market consultant,
- The operating expenses forecast is based on contracts in place, with indexation in subsequent years,
- The price growth rate during the forecast period was assumed at the level consistent with the inflation rate forecast by the National Bank of Poland published on 8 November 2024. Beyond 2027, the inflation rate was assumed at the NBP's inflation target of 2.5%,
- The measurement includes the cost of dismantling the projects at the end of their useful life,

- The discount rate of 5.92% was assumed, as established based on the standard formula for the weighted average cost of capital (WACC), based on the assumptions provided by an external advisor and the Company's internal data,
- The measurement does not include the residual value of assets at the end of the forecast period.

As at 31 December 2024, the carrying value of tested assets was PLN 179.6 million. As a result of the share impairment test, the Group concluded that no impairment loss was required to be recognized for these shares.

Sensitivity Analysis

Based on the available projections, sensitivity tests have been performed. The tests have proven that impact on the utility value of the tested shares is exerted mainly by the fluctuations of the discount rate and variations of electricity profile cost throughout the forecast period.

A 1 p.p. increase in the discount rate or a change in the level of the profile cost of electricity during the forecast period will bring about no change in the assessment whether or not the shares are impaired.

Asset impairment test for the assets of Polenergia Fotowoltaika

The Group performed an analysis of any indications of share value impairment as at 31 December 2024. With respect to the company Polenergia Fotowoltaika indications were identified that would necessitate an impairment test concerning the shares. The results of the analysis showed that the value of the shares recognized in Polenergia S.A.'s standalone financial statements significantly exceeded the net asset value of Polenergia Fotowoltaika.

Determining the fair value for this type of project is difficult as there is no active market and because the company operates in diversified areas, including both the sale of solutions for prosumers (including solar panels, heat pumps, energy storage) and the intermediation in electricity generated by the Group's generation assets. As a result, available market benchmarks for this type of project may not be reliable. In view of the above, it was decided that the recoverable value would be determined based on the value in use.

The value in use of the shares was determined based on the discounted cash flow to equity holders and creditors (FCFF) method.

In accordance with guidelines of IAS 36 and in view of the dynamic changes in the distributed generation market, the issuer's management adopted a detailed projection period covering 2025-2029 for analysis, increased to include the residual value.

Key assumptions:

- Continued operations in all existing segments (photovoltaics and energy storage for B2C, B2B SME markets, photovoltaics for large enterprises) based on the existing and currently developed products.
- Average margins on the sale of installations in real terms have been assumed at the historic margin levels.
- Continuation of implemented optimizations in the OPEX area.

As at 31 December 2024, the carrying value of tested assets was PLN 136 million. As a result of the share impairment test, the Group concluded that no impairment loss was required to be recognized for these shares.

Sensitivity Analysis

Based on the available projections, sensitivity tests have been performed. The tests have proven that impact on the value in use of the tested assets is exerted mainly by the fluctuations of the discount rate and fluctuations of the volume of solar panels sold.

A 1 p.p. increase in the discount rate or a 1% change in the volume of solar panels sold will entail no change in the assessment whether or not shares have been impaired.

Asset impairment test for the assets of the company Polenergia Sprzedaż

The Group performed an analysis of any indications of share value impairment as at 31 December 2024. With respect to the company Polenergia Sprzedaż indications were identified that would necessitate an impairment test concerning the shares. The results of the analysis show that the company has negative net assets.

Determining fair value for this type of project is difficult due to the fact that the company was established to commercialize the electricity generated by the Group's assets and has a hedged purchase price for energy in long-term contracts. As a result, available market benchmarks for this type of project may not be reliable. In view of the above, it was decided that the recoverable value would be determined based on the value in use.

The value in use of the shares was determined based on the discounted cash flow to equity holders and creditors (FCFF) method.

Guided by market practice and with due regard to the specific nature of the tested assets, according to which long-term forecasts are more reliable, the issuer's management adopted a period longer than 5 years for the analysis, i.e. until 2050. In the Group's view, such a horizon of the analysis is justified because the company commercializes electricity generated by Group assets with a similar useful life.

In addition, the Polenergia Group has the ability to forecast cash flows for a comparably long period of time, since the specific nature of the Group's projects requires regular development and updating of financial forecasts for the entire life of the investment, which are required and approved by financing institutions and on the basis of which the repayment schedule for long-term loans is established.

Key assumptions:

- Continued sales of electricity generated from the Group's renewable energy assets to a diversified customer base, comprising mainly the SME and prosumer sectors, under medium- and long-term contracts, carried out by the internal sales team and using external partners.
- Development of electricity sales in the PPA channel, including the PPA+ model.
- Average energy sales margins in real terms have been assumed at the historic margin levels.
- The forecast of operating expenses was made on the basis of historical data, taking into account planned development and projected indexation in subsequent years.

As at 31 December 2024, the carrying value of tested shares was PLN 32 million. As a result of the share impairment test, the Group concluded that no impairment loss was required to be recognized for these shares.

Sensitivity Analysis

Based on the available projections, sensitivity tests have been performed. The tests have proven that impact on the utility value of the tested assets is exerted mainly by the fluctuation of the discount rate and fluctuation of electricity prices.

A 1 p.p. increase in the discount rate or a 1% change of energy price will entail no change in the assessment whether or not shares have been impaired.

(PLN k)

18. Short term receivables

	31.12.2024	31.12.2023
- trade receivables	61 086	44 105
- from related entities	61 038	44 036
- from other entities	48	69
- income tax receivable	-	19
- other receivables	1 628	1 501
- other	1 628	1 501
Total net short-term receivables	**62 714**	**45 625**
- receivables remeasured write-downs	3 386	3 486
Total gross short-term receivables	**66 100**	**49 111**

For transactions with associates see Note 39.

Trade debtors bear no interest and are typically payable within 7– 45 days.

As at 31 December 2024, impairment losses on uncollectible trade debtors amounted to PLN 3,386 thousand (in 2023: PLN 3,486 thousand).

	31.12.2024	31.12.2023
As at the beginning of the period	**3 486**	**3 512**
- Increase	-	200
- Reversal	(100)	(226)
As at the end of the period	**3 386**	**3 486**

Below is a classification of trade receivables into impairment stages:

	Total	Grade 2
31.12.2024	61 086	61 086
31.12.2023	44 105	44 105

Changes of the carrying amount of trade receivables within the current reporting period have been presented in the table below:

Trade debtors - gross value	31.12.2024	31.12.2023
As at the beginning of the period	**47 390**	**36 989**
Generated	96 126	81 313
Paid	(79 246)	(70 912)
As at the end of the period	**64 270**	**47 390**

The expected credit losses as at 31 December 2024 are shown in the table below:

		Receivables from corporate customers			
	Total	Current 0-30 days	30-60 days	60-90 days	>90 days
31.12.2024	64 272	60 855	32	33	3 352
Expected credit losses	(3 186)	-	-	-	(3 186)
31.12.2023	47 391	43 819	115	1	3 456
Expected credit losses	(3 286)	-	-	-	(3 286)

(PLN k)

19. Accruals

	31.12.2024	31.12.2023
- insurance	771	613
- subscriptions	46	35
- accrued revenue	11 143	10 396
- other	1 509	1 062
Total prepayments and accrued income	**13 469**	**12 106**

As at 31 December 2024 accrued revenues of PLN 11,143 thousand (2023: PLN 10,396 thousand) result from the provision of services to subsidiaries.

20. Short-term financial assets

	31.12.2024	31.12.2023
- derivative instruments	1 178	3 545
- loans given	-	70 337
Total short term financial assets	**1 178**	**73 882**

Borrowings are measured at amortized cost calculated using the effective interest rate method.

21. Cash and equivalent

	31.12.2024	31.12.2023
Cash and equivalent, including:	805 866	949 238
- cash at hand and in bank	805 866	949 238
Total	**805 866**	**949 238**

Cash at banks earns interest at floating rates linked to interest rates for overnight deposits. Short-term deposits are placed for various periods, from one day to one month, depending on the Company's immediate cash requirement, and earn interest at interest rates determined for them.

As at 31 December 2024 restricted cash amounted to PLN 1,601 thousand (2023: PLN 2,416 thousand).

The entity uses a three-grade model for cash. In the opinion of the Management Board, impairment, if any, would be immaterial and has not been recognized in the financial statements, as the Company avails itself only of services of reputable financial institutions.

(PLN k)

22. Share capital and capital reserves

22.1. Significant shareholders

Shareholders holding 5% or more of the total number of shares as at the date of issue of these financial statements include:

No	Shareholder	Number of shares held	Number of votes	Shareholding
1	Mansa Investments Sp. z o.o. *)	33 168 900	33 168 900	42,95%
2	BIF IV Europe Holdings Limited	24 738 738	24 738 738	32,04%
3	Allianz Polska OFE	6 045 142	6 045 142	7,83%
4	Nationale-Nederlanden OFE	4 571 602	4 571 602	5,92%
5	Other	8 694 531	8 694 531	11,26%
	Total	**77 218 913**	**77 218 913**	**100%**

*) Kulczyk Holding S.à r.l. holds 100 % of shares in the company Mansa Investments Sp. z o.o.

23. Income tax

23.1. Tax charges

	For 12 months ended	
	31.12.2024	31.12.2023
Current income tax	(22)	7 492
Current income tax charge	(22)	7 492
Deferred income tax	(6 959)	(7 616)
Related to temporary differences and their reversal	(6 959)	(7 616)
Income tax charged to the profit and loss account	(6 981)	(124)

23.2. Deferred income tax

	Balance sheet	Profit and loss account	Capital	Balance sheet
Deferred income tax	**01.01.2024**			**31.12.2024**
Deferred income tax provision				
Tangible fixed assets	2 625	(157)	-	2 468
Receivables	2 242	40	(147)	2 135
Loans and borrowings	21	224	-	245
Deferred income tax provision before tax	**4 888**	**107**	**(147)**	**4 848**

(PLN k)

Deferred income tax assets				
Tangible fixed assets	108	(108)	-	-
Cash	-	554	-	554
Borrowings	728	(121)	-	607
Liabilities	2 821	2 078	-	4 899
Provisions	4 976	4 663	-	9 639
Deferred income tax asset	**8 633**	**7 066**	**-**	**15 699**

Deferred income tax expense		**(6 959)**		
Net deferred tax (assets)/provision	**(3 745)**		**(147)**	**(10 851)**

	31.12.2024	31.12.2023
Deferred income tax liability		
with maturity following 12 months	2 713	2 646
with maturity within 12 months	2 135	2 242
Deferred income tax asset		
with maturity following 12 months	5 453	2 821
with maturity within 12 months	10 246	5 812
Deferred income tax liabilities (assets)	**(10 851)**	**(3 745)**

23.3. Effective tax rate

	For 12 months ended	
	31.12.2024	31.12.2023
Income tax charged to the profit and loss account, including	**(6 981)**	**(124)**
Current tax	(22)	7 492
Deferred tax	(6 959)	(7 616)
Profit (Loss) before tax	**64 053**	**159 779**
Tax on gross profit at effective tax rate of 19%	12 170	30 358
Adjustments to prior years current income tax	(22)	-
Non-deductible costs:	**5 399**	**(103)**
- permanent differences	1 047	(61)
- temporary difference on which no tax asset/provision is established	4 352	(42)
Non-taxable income:	**(24 528)**	**(30 379)**
- dividends	(24 569)	(30 391)
- other	41	12
Income tax in the profit and loss account	**(6 981)**	**(124)**

(PLN k)

24. Short term liabilities

	31.12.2024	31.12.2023
- trade payables	8 022	5 271
- from related entities	152	175
- from other entities	7 870	5 096
- lease liabilities	7 021	5 858
- other liabilities	10 448	7 569
- budget payments receivable	10 247	7 462
- special funds	74	24
- other	127	83
Total short term liabilities	**25 491**	**18 698**

For transactions with associates see Note 39.

Trade payables bear no interest and are typically settled within 14 days.

Other liabilities bear no interest, except for the lease payables.

25. Accruals

	31.12.2024	31.12.2023
- future bonuses, salaries and wages	39 641	18 349
- third party services	4 636	2 870
Total short term accruals and deferred income	**44 277**	**21 219**

26. Provisions

	31.12.2024	31.12.2023
Long term provisions		
- pension plan and related provision	775	693
Total long term provisions	**775**	**693**
Short term provisions		
- pension plan and related provision	60	78
- accrued holiday leave provision	5 614	4 192
Total short term provisions	**5 674**	**4 270**

Change in long term and short term provisions

	31.12.2024	31.12.2023
Provisions at the beginning of the period	**4 963**	**3 674**
- recognition of provisions	2 110	1 545
- application provisions	(624)	(256)
Provisions at the end of the period	**6 449**	**4 963**

27. Contingent liabilities

27.1. Guarantees and sureties granted

Amon Sp. z o.o. and Talia Sp. z o.o.

On 27 December 2012, the Company issued a surety for the blank promissory note issued by Talia Sp. z o.o. to "Agro-Tak" Zagrodno Bronisław Tabisz Leszek Kachniarz S.j. on account of the existing lease agreement, with the term until 7 December 2035. The maximum amount under the promissory note is capped at PLN 500 thousand.

As at 31 December 2024 there were no liabilities under the a/m agreement, however the fair value of the compensation related to the surety agreement was subject to measurement which showed PLN 38.3 thousand.

On 21 April 2015, the Company issued a surety for the blank promissory note issued by Amon Sp. z o.o. to Przedsiębiorstwo Rolne Łukaszów on account of the existing lease agreement with the term until 22 June 2035. The maximum amount under the promissory note is capped at PLN 900 thousand.

As at 31 December 2024 there were no liabilities under the a/m agreement, however the fair value of the surety agreement was subject to measurement which showed PLN 66.0 thousand.

On 29 June 2018, the Company issued a surety for the liabilities of Amon Sp. z o.o. and Talia Sp. z o.o. under the loan agreements both companies entered into on 1 June 2010 as amended, in particular the amendment of 28 June 2018 which changed and restated said loan agreements. The surety was granted to both companies up to the total amount of PLN 6,700 thousand, with the fair value of the surety agreement subject to measurement which as at 31 December 2024 gave PLN 154.6 thousand for both companies in total.

Polenergia Obrót S.A.

On 30 May 2017, the Company entered into an agreement with Polenergia Obrót S.A. subsidiary ("POLO") for the issue of the guarantee facility to the contractors of POLO. The guarantees issued under the a/m agreement have been capped at PLN 45,000 thousand. This Agreement has been entered into for indefinite term.

Under the a/m cap, as at 31 December 2024, the Company remained the issuer of:

- a guarantee issued to CEZ a.s. on 27 September 2018, with the last change on 16 December 2024 for EUR 500 thousand expiring on 31 January 2026;
- a guarantee issued to PGE Obrót S.A. on 6 May 2022 for PLN 2,000 thousand expiring on 31 May 2025;
- a guarantee issued to PGE Obrót S.A. on 28 February 2023 for PLN 2,000 thousand d expiring on 31 December 2025;
- a guarantee issued to Vitol Gas and Power B.V on 9 March 2023, last change on 22 February 2024, for EUR 500 thousand expiring on 28 February 2025;
- a guarantee issued to HANDEN on 15 January 2023 for PLN 1,000 thousand expiring on 31 January 2025;
- a guarantee issued to EDF Trading on 23 March 2023 for EUR 500 thousand expiring on 31 March 2025;
- a guarantee issued to Equinor on 11 October 2023, the last change on 131 July 2024 for EUR 4,700 thousand expiring on 30 September 2025;
- guarantees issued on 11, 18 and 24 September 2024 to D.Trading in the total amount of PLN 8,496.7 thousand, all with an expiration date of 1 February 2026.

Measurement covered fair value of the guarantees issued as at 31 December 2024 totaling PLN 146.7 thousand.

On 30 September 2024, the Company agreed to extend the surety of 24 January 2022 for the liabilities of POLO in connection with the signing an annex extending the duration of the overdraft facility granted to it by Bank Pekao S.A. capped at PLN 150,000 thousand until 30 September 2025. As at 31 December 2024, measurement applied to the fair value of the surety which amounted to PLN 661.9 thousand.

On 2 December 2021, the Company issued a surety for the liabilities of POLO under the overdraft facility granted by Deutsche Bank Polska S.A. capped at PLN 30,000 thousand increased on 18 January 2023 to PLN 100,000 thousand and expiring on 10 January 2025. As at 31 December 2024, measurement applied to the fair value of the surety which amounted to PLN 16.2 thousand.

In December 2023, the Company issued 88 guarantees on behalf of POLO under the packages of contracts for the sale of electricity to the McDonald's restaurant chain up to a total value equal to PLN 8,500 thousand and expiring on 31 December 2028. As at 31 December 2024, fair value of the guarantees amounted to PLN 280.5 thousand in total.

On 19 December 2024, the Company issued a guarantee on behalf of POLO under a contract for the supply and sale of electricity to InPost Sp. z o.o. up to PLN 14,700 thousand with an expiration date of 26 March 2029. As at 31 December 2024, fair value of the guarantees amounted to PLN 513.1 thousand.

Cap on guarantees

On 20 November 2020, the Company signed an Agreement for a cap on guarantees with Santander Bank Polska S.A.("Santander") as amended by respective annexes, the last of which in the current reporting year was signed on 31 May 2024, specifying the rules for issuing guarantees.

After the amendments the cap is PLN 85,000, with the availability since the day of executing the cap agreement until 30 November 2024. As at 31 December 2024, the Company was in the process of negotiating an extension of the limit for future periods. The maximum tenor of a guarantee cannot exceed 36 months for hydrogen projects, 47 months for onshore projects and 120 months for offshore projects. The guarantees issued relate to the URE auctions for wind farm and PV farm projects, the support system for offshore wind farms, connection agreements, tender proceedings and other collateral under signed Agreements.

Within the aforementioned limit, as at 31.12.2024, active guarantees issued amounted to a total of PLN 73,404.4 thousand. As at 31 December 2024, measurement applied to the fair value of the guarantees issued by Santander which amounted to PLN 2,402.6 thousand in total.

On 25 November 2024, the Company signed Guarantee Agreement with mBank S.A.("mBank") specifying the terms of issuing guarantees for the obligations of Romanian subsidiaries to CNTEE TRANSLELECTRICA SA. The total amount of the Guarantees issued under the a/m agreement is PLN 11,925.9 thousand. As at 31 December 2024, measurement applied to the fair value of the guarantees which amounted to PLN 99.0 thousand.

Project support agreements

On 2 July 2024, the Company entered into the project support agreement with the banks that granted the loan to Polenergia Farma Wiatrowa Namysłów Sp. z o.o. for the construction of the PV farm. Under said agreement the Company gave a surety to pay any excess in case of the project's budgeted cost overrun, up to the maximum amount of PLN 6,332.0 thousand The surety expires on the day of completion of the project's construction phase, i.e., on 30 November 2025. As at 31 December 2024, measurement applied to the fair value of the surety which amounted to PLN 46.3 thousand.

On 19 September 2024, the Company entered into the project support agreement with the bank that granted the loan to Polenergia Farma Fotowoltaiczna 16 Sp. z o.o. for the construction of a PV farm. Under said agreement the Company gave a surety to pay any excess in case of the project's budgeted cost overrun, up to the maximum amount of PLN 2,007.2 thousand The surety expires on the day of completion of the project's construction phase, i.e., on 31 January 2026. As at 31 December 2024, measurement applied to the fair value of the surety which amounted to PLN 17.4 thousand.

Sureties for lease agreements

On 12 January 2023, the Company issued a surety for payment of obligations under land lease agreements entered into by Polenergia Obrót 2 Sp. z o.o. with Dawid Mirosław Ulenberg and Sylwia Dorota Ulenberg up to a total amount of PLN 900 thousand with an expiration date of 12 January 2053. As at 31 December 2024, measurement applied to the fair value of the sureties which amounted to PLN 214.8 thousand.

On 12 April 2024, the Company issued a surety for the liabilities of H2HUB Nowa Sarzyna Sp. z o.o. ("H2HUB NS") to CIECH Sarzyna S.A. ("CIECH") to the amount of PLN 936 thousand, on account of the real estate lease agreement signed by Elektrociepłownia Nowa Sarzyna Sp. z o.o. ("ENS") with CIECH, the rights under which were assigned by ENS to H2HUB NS. The surety expires on 31 March 2053, and its fair value is PLN 216.9 thousand as at 31 December 2024.

On 21 March 2023, the Company signed a surety agreement regarding the obligations of Polenergia Emobility Sp. z o.o. ("eMobility") under the Subsidy Agreement signed by eMobility with the National Fund for Environmental Protection and Water Management in Warsaw ("NFOŚ"), together with subsequent annexes. The surety became effective on the date of the first disbursement of funds under the aforementioned subsidy agreement, i.e., 13 December 2024. The term of the surety will end after a period of 6 months of the expiration of all eMobility's obligations under the aforementioned subsidy agreement. The fair value of the surety as at 31 December 2024 was PLN 242.1 thousand.

Parent Company Guarantees (PCG) for offshore.

On 30 January 2023, the Company issued guarantees to secure obligations under the contract entered into by MFW Bałtyk II Sp. z o.o. („MFW BII") and MFW Bałtyk III Sp. z o.o. („MFW BIII") with Hitachi Energy Poland Sp. z o.o. in the amounts of EUR 9.500 thousand and EUR 8.550 thousand, respectively. On 11 July 2024 and 31 October 2024, MFW BII and MFW III respectively, issued requests to commence works in accordance with the provisions of the contract, which obligated the Company to increase the limits of the guarantees issued to the maximum amounts of EUR 28,500 thousand and EUR 18,200 thousand, respectively. Both guarantees will expire on the date when the conditions for disbursement of the first tranche of the loan granted for the construction of offshore wind farms are met. As at 31 December 2024, measurement applied to the fair value of the guarantees which amounted to PLN 261.9 thousand and PLN 192.6 thousand, respectively.

On 3 November 2023, POLSA issued guarantees to secure obligations under the contract entered into by MFW BII and MFW BIII with Jan De Nul & Hellenic Cables S.A. in the amounts of EUR 17,127.6 thousand and EUR 18,454,9 thousand, respectively. On 1 October 2024, the amounts of liabilities under the guarantees issued increased, in accordance with the provisions thereof, up to EUR 74,573.5 thousand and EUR 81,234.7 thousand, respectively. Both guarantees will expire on the date when the conditions for disbursement of the first tranche of the loan granted for the construction of offshore wind farms are met. As at 31 December 2024, measurement applied to the fair value of the guarantees which amounted to PLN 673.6 thousand and PLN 852.5 thousand, respectively.

On 29 February 2024, the Company issued guarantees to secure the obligations of MFW BII and MFW BIII under the contract with Sif Netherlands B.V. with limit amounts of EUR 99.500 thousand and EUR 68,000 thousand, respectively. On 20 December 2024, the guarantee amounts were increased in accordance with relevant annexes to EUR 111,599.9 thousand for MFW BII obligations and to EUR 108,701.1 thousand for MFW BIII obligations. Both guarantees will expire on the date when the conditions for disbursement of the first tranche of the loan granted for the construction of offshore wind farms are met. As at 31 December 2024, measurement applied to the fair value of the guarantees which amounted to PLN 1,108.9 thousand and PLN 1,099.3 thousand, respectively.

On 14 August 2024, the Company issued guarantees to secure the obligations of MFW BII and MFW BIII under the contract with Heerema Marine Contractors with limit amounts of EUR 20,810.7 thousand each and USD 44,854,8 thousand each. Both guarantees will expire on the date when the conditions for disbursement of the first tranche of the loan granted for the construction of offshore wind farms are met. As at 31 December 2024, measurement applied to the fair value of the guarantees which amounted to PLN 624.5 thousand and PLN 624.5 thousand, respectively.

On 27 September 2024, the Company issued guarantees to secure the obligations of MFW BII and MFW BIII under the contract with Siemens Gamesa Renewable Energy Sp. z o.o. with limit amounts of EUR 13,474.4 thousand each and PLN 14,780.4 thousand each. Both guarantees will expire on the date when the conditions for disbursement of the first tranche of the loan granted for the construction of offshore wind farms are met. As at 31 December 2024, measurement applied to the fair value of the guarantees which amounted to PLN 173.5 thousand and PLN 173.5 thousand, respectively.

On 27 September 2024, the Company issued guarantees to secure the obligations of MFW BII and MFW BIII under the contract with the consortium of Sif Netherlands / Smulders Projects Belgium with limit amounts of EUR 57,500.0 thousand and EUR 42,500,0 thousand, respectively. Both guarantees will expire on the date when the conditions for disbursement of the first tranche of the loan granted for the construction of offshore wind farms are met. As at 31 December 2024, measurement applied to the fair value of the guarantees which amounted to PLN 558.6 thousand and PLN 400.0 thousand, respectively.

On 14 October 2024, the Company issued guarantees to secure the obligations of MFW BII and MFW BIII under the contract with Tele-Fonika Kable, with limit amounts of PLN 17,787.9 thousand each. Both guarantees will expire on the date when the conditions for disbursement of the first tranche of the loan granted for the construction of offshore wind farms are met. As at 31 December 2024, measurement applied to the fair value of the guarantees which amounted to PLN 42.9 thousand and PLN 42.4 thousand, respectively.

On 15 November 2024, the Company issued guarantees to secure the obligations of MFW BII and MFW BIII under the contract for the provision of operation and maintenance services with Tele-Equinor Polska Sp. z o.o., with limit amounts of PLN 9,000.0 thousand each. Both guarantees will expire on the date when the final investment decision on the construction of the offshore wind farms is made. As at 31 December 2024, measurement applied to the fair value of the guarantees which for both guarantees amounted to PLN 84.7 thousand each.

On 4 December 2024, the Company issued guarantees to secure the obligations of MFW BII and MFW BIII under the contract with Iemants NV, with limit amounts of EUR 25,430.9 thousand each. Both guarantees will expire on the date when the conditions for disbursement of the first tranche of the loan granted for the construction of offshore wind farms are met. As at 31 December 2024, measurement applied to the fair value of the guarantees which amounted to PLN 239.9 thousand and PLN 235.2 thousand, respectively.

27.2. Litigation

The Company is not a party in any proceedings before any common court.

27.3. Tax settlements

Tax settlements and other regulated areas of activity (e.g., customs or foreign exchange control) are subject to inspection by administrative bodies, which are authorized to impose high penalties and sanctions. As the legal regulations regarding these issues in Poland are relatively new, they are often ambiguous and inconsistent. Differences in the interpretation of tax legislation are frequent, both within public administration bodies and between those bodies and businesses, leading to uncertainty and conflicts. Consequently, tax risk in Poland is substantially higher than in countries with more mature tax systems.

Tax settlements may be subject to inspection for a period of five years from the end of the calendar year in which the tax payment was made. Such inspections may result in additional tax liabilities for the

(PLN k)

Company on top of the existing ones. The Company is of the opinion that as at 31 December 2024 sufficient provisions were established for the recognized and quantifiable tax risk.

27.4. Capital expenditure

As at 31 December 2024, the Company plans that the Company's capital expenditure on capital investments in the Company in the form of subsidizing subsidiaries and associates will reach ca. PLN 1 185 million in total. Such amounts will be mainly earmarked for the development of projects in offshore and onshore wind power sector.

28. Sales revenue

	For 12 months ended	
	31.12.2024	31.12.2023
- revenue from consulting and advisory services	59 195	50 387
- other revenue	1 634	1 585
Revenue from contracts with customers	**60 829**	**51 972**
- revenue from lease	1 955	2 534
Total other revenue	**1 955**	**2 534**
Total sales revenue	**62 784**	**54 506**

29. Cost according to type

	For 12 months ended	
	31.12.2024	31.12.2023
- depreciation	7 056	6 297
- materials and power consumption	3 163	1 823
- third party services	47 797	36 879
- taxes, duties and fees	(297)	245
- salaries	82 274	46 789
- social security and other benefits	9 478	6 361
- other cost by type	161	65
Total cost by type	**149 632**	**98 459**
- general overheads (-)	(100 840)	(58 482)
Total cost of goods sold	**48 792**	**39 977**

30. Other operating revenues

	For 12 months ended	
	31.12.2024	31.12.2023
- reversal of impairment losses, including:	100	226
- receivables remeasured write-downs	100	226
- other, including:	344	472
- grant settlement	-	100
- gains on disposal of non financial fixed assets	328	369
- other	16	3
Total other operating revenues	**444**	**698**

(PLN k)

31. Other operating expenses

	For 12 months ended	
	31.12.2024	31.12.2023
- asset impairment losses, including:	-	200
- expected credit loss	-	200
- other, including:	1 409	829
- other development-related cost	1 388	804
- other	21	25
Total other operating costs	**1 409**	**1 029**

32. Financial income

	For 12 months ended	
	31.12.2024	31.12.2023
- financial revenues from dividends and profit sharing earnings	129 313	159 950
- financial income from interest on deposit and loans	34 221	42 858
- f/x differences, including:	-	751
- unrealized	-	759
- realized	-	(8)
- other surety - related fees	13 872	6 750
- other	-	6
Total financial revenue	**177 406**	**210 315**

In the period ended 31 December 2024 and 31 December 2023, the Company received dividend distributions and advance payments against expected profit from the following companies:

	For 12 months ended	
	31.12.2024	31.12.2023
Dipol Sp. z o.o.	5 506	4 496
Polenergia Farma Wiatrowa 23 Sp. z o.o.	2 192	1 590
Polenergia Farma Wiatrowa Mycielin Sp. z o.o.	-	30 881
Polenergia Farma Wiatrowa 4 Sp. z o.o.	20 196	-
Polenergia Farma Wiatrowa 1 Sp. z o.o.	35 695	-
Polenergia Farma Wiatrowa 6 Sp. z o.o.	13 841	-
Polenergia Elekrociepłownia Nowa Sarzyna Sp. z o.o.	7 000	24 000
Polenergia Farma Wiatrowa 3 Sp. z o.o.	22 233	78 728
Polenergia Farma Wiatrowa Szymankowo Sp. z o.o.	5 820	7 357
Polenergia Farma Wiatrowa Dębice/Kostomłoty Sp. z o.o.	3 723	12 898
Polenergia FW Grabowo Sp. z o.o	13 107	-
Total	**129 313**	**159 950**

(PLN k)

33. Financial expenses

	For 12 months ended	
	31.12.2024	31.12.2023
- interest expenses	14 149	880
- f/x differences, including:	1 981	-
- unrealized	3 076	-
- realized	(1 095)	-
- commission and other fees	5 852	4 497
- other	3 558	875
Total financial cost	**25 540**	**6 252**

34. Cash flows

Reasons for differences between changes of certain items in the balance sheet and the changes resulting from the cash flow statement

Receivables:	31.12.2024	31.12.2023
- change in short-term and long-term receivables, net, in the statement of financial position	(17 108)	(11 148)
- change in financial receivables	(775)	-
- change in other receivables	(1 178)	667
Change in receivables in the statement of cash flows	**(19 061)**	**(10 481)**

Liabilities:	31.12.2024	31.12.2023
- change in liabilities, net of borrowings, in the statement of financial position	769 395	(5 338)
- change in finance lease liabilities	1 540	3 847
- change in bonds liabilities	(736 648)	-
- change in financial liabilities	3 545	3 415
Change in liabilities in the statement of cash flows	**37 832**	**1 924**

Accruals and deferrals:	31.12.2024	31.12.2023
- change in accruals and deferrals in the statement of financial position	22 090	380
- costs related to the issue of shares transferred to equity	-	(3 764)
Change in accruals and deferrals in the statement of cash flows	**22 090**	**(3 384)**

35. Debt

Debt payables include lease. The expenses related to such payables are recognized under profit/loss and charged to the financial expenses.

31.12.2024	Bonds	Leasing	Total
As at the beginning of the period	**-**	**13 970**	**13 970**
Inflows from debt incurred	750 000	4 946	4 946
financing received	750 000	4 946	4 946
Interest accruing	13 352	796	796
Debt payments	-	(7 815)	(7 815)
principal repayments	-	(7 005)	(7 005)
interest paid	-	(810)	(810)
Valuation	-	533	533
As at the end of the period	**763 352**	**12 430**	**12 430**

36. Objectives and policies of financial risk management

Financial instruments held or issued by the Company may bring about occurrence of one or several types of material risks.

The key financial instruments used by the Company include credit and short-term deposits. The primary purpose of such financial instruments is to maintain funds to finance the Company's operations. The Company also holds other financial instruments, such as trade payables and receivables and loans arising directly in the course of its business. In addition, the Company issued bonds in October 2024, and hedged the related interest rate risk by entering into an IRS (Interest Rate Swap) transaction hedging 75% of the volume.

The major types of risk arising out of the Group’s financial instruments include: interest rate risk, foreign exchange risk, credit risk and liquidity risk. The Management Board establishes and verifies rules for managing each of these types of risk; the rules are briefly discussed below. The Company also monitors the risk of market prices with respect to all financial instruments it holds.

36.1. Foreign exchange risk

The foreign exchange risk on operating activity in the Company is marginal as only insignificant transactions are denominated in foreign currency. The Company has no major open foreign exchange position in its balance sheet. On the other hand, most of the revenues and costs of the Company are realized in Polish Zlotys.

Polenergia S.A. has a currency risk associated with equity contributions to its offshore wind farm projects. This risk has largely been hedged by the currency conversion of own funds which will be used to finance offshore wind farm projects that incur a significant portion of their expenses in EUR. The average conversion rate of the funds was 4.28. The measurement to fair value was recognized in the profit and loss account.

Cash flow hedges (in EUR thousand)

Maturity date of the hedging instrument	Collateral value	FX rate	Hedging instrument
2025-2028	169 000	4,28	Cash

36.2. Interest rate risk

In the table below the fair value is determined of the Company's financial instruments exposed to the interest rate risk, according to aging categories.

31.12.2024

INTEREST RATE RISK							
Variable interest rate	<1 year	1–2 years	2–3 years	3–4 years	4–5 years	>5 years	Total
Bonds	13 352	-	-	-	750 000	-	763 352
Lease	7 021	3 422	1 362	625	-	-	12 430
Loans granted	-	44 838	-	-	-	-	44 838
Fixed interest rate	<1 year	1–2 years	2–3 years	3–4 years	4–5 years	>5 years	Total
Cash assets	805 866	-	-	-	-	-	805 866
Loans granted	-	4 608	-	-	-	-	4 608

31.12.2023

INTEREST RATE RISK							
Variable interest rate	<1 year	1–2 years	2–3 years	3–4 years	4–5 years	>5 years	Total
Lease	5 858	5 656	2 232	224	-	-	13 970
Loans granted	70 337	12 796	-	-	-	-	83 133
Fixed interest rate	<1 year	1–2 years	2–3 years	3–4 years	4–5 years	>5 years	Total
Cash assets	949 238	-	-	-	-	-	949 238
Loans granted	-	3 657	-	-	-	-	3 657

As at 31 December 2024 the company recognized PLN 775 thousand in other comprehensive income being a component of equity on account of the effective portion of the measurement of the hedging instrument to the fair value.
The purpose of the hedging transactions is to mitigate the effect of interest rate movements on future, highly probable bond interest payments.

Hedge accounting seeks to eliminate the risk of an accounting mismatch between the time when gains or losses on a hedging instrument and those on the hedged item are recognized. As at 31 December 2024 the Group held the following hedging instruments for cash flow hedge accounting purposes:

Interest rate risk hedges (in PLN thousand)

Maturity date of the hedging instrument	Hedging Instrument Value	Hedged interest rate	Hedging instrument
16.10.2029	0*	4,91%	Forward start IRS
Total	**0**		

** - The initial security period begins on 16.04.2025.*

The variable interest rate of financial instruments is updated at less than one year intervals. Other financial instruments of the Company that have not been shown in the tables above bear no interest, thus they are not exposed to the interest rate risk.

(PLN k)

36.3. Credit risk

The Company enters into transactions with companies enjoying sound credit standing. All customers willing to avail themselves of a supplier credit are subject to detailed credit check procedures. Moreover, thanks to ongoing monitoring of receivables, the Company's exposure to bad debt risk is insignificant.

With respect to trade debtors and other financial assets of the Company, such as cash and cash equivalents, loans granted, credit risk is related to the counterparty's inability to pay, with the maximum exposure to such risk being equal to the carrying amount of such instruments. The Company holds cash in bank accounts solely in reputable financial institutions. Loans are given to associates for which the risk of non-payment is minimized by their business. In addition, the Company bears the credit risk in connection with the sureties given to associates whose business and financial performance are monitored on an ongoing basis.

36.4. Liquidity risk

The Company monitors the risk of its funds being insufficient to pay liabilities at maturity through periodic liquidity planning tool. Such tool takes into account the maturities of investments and financial assets (e.g., accounts receivable, other financial assets) and forecast cash flows from operating activities.

The Company aims at balancing the continuity and flexibility of financing by using different funding sources, such as, for example lease contracts, revolving facility and bond issue. On top of that, the liquidity risk includes also the guarantees and sureties issued by the Company and referred to in more detail in Note 27.1.

The table below shows the Company's financial liabilities (except for the guarantees and sureties issued as referred to in Note 27.1) as at 31 December 2024 and as at 31 December 2023 according to their maturity based on contractual undiscounted payments.

31.12.2024	Up to 3 months	From 3 months to 12 months	From 1 year to 5 years	In excess of 5 years	Total
Bonds liabilities	-	59 723	942 789	-	**1 002 512**
Other liabilities	10 448	-	1 953	-	**12 401**
Liabilities for deliveries and services	8 022	-	-	-	**8 022**
Lease liabilities	1 916	5 673	5 822	-	**13 411**

31.12.2023	Up to 3 months	From 3 months to 12 months	From 1 year to 5 years	In excess of 5 years	Total
Other liabilities	7 569	-	-	-	**7 569**
Liabilities for deliveries and services	5 271	-	-	-	**5 271**
Lease liabilities	1 567	4 664	8 768	-	**14 999**

(PLN k)

37. Financial instruments

37.1. Loans given

As at 31.12.2024

Borrower	Date of loan	Lon balance	Interest rate	Repayment commencement date
Polenergia Dystrybucja Sp. z o.o.	20.11.2014	4 608	FIXED 8.12%	bullet repayment 31.12.2026
Polenergia Fotowoltaika S.A.	03.08.2022	25 000	WIBOR 3M + 3 %	31.12.2026
Wind Farm Four S.R.L.	05.10.2023	4 858	EURIBOR 3M +3 %	31.12.2026
Wind Farm Four S.R.L.	07.12.2023	14 980	EURIBOR 3M +3 %	31.03.2026
Total		**49 446**		

As at 31.12.2023

Borrower	Date of loan	Lon balance	Interest rate	Repayment commencement date
Polenergia Dystrybucja Sp. z o.o.	20.11.2014	3 657	fixed 8.12%	bullet repayment 31.12.2026
Polenergia Fotowoltaika S.A.	04.01.2022	7 773	Wibor 3M + 3 %	31.12.2024
Polenergia Fotowoltaika S.A.	28.01.2022	5 921	Wibor 3M + 3 %	31.12.2024
Polenergia Fotowoltaika S.A.	04.03.2022	11 785	Wibor 3M + 3 %	31.12.2024
Polenergia Fotowoltaika S.A.	29.04.2022	11 685	Wibor 3M + 3 %	31.12.2024
Polenergia Fotowoltaika S.A.	03.08.2022	28 537	Wibor 3M + 3 %	31.12.2024
Naxxar Wind Farm Four S.R.L.	05.10.2023	4 636	EuroWibor 3M +3 %	31.03.2024
Naxxar Wind Farm Four S.R.L.	07.12.2023	12 796	EuroWibor 3M +3 %	31.03.2026
Total		**86 790**		

Loans are measured at amortized cost, the measurement result is not material.

37.2. Financial assets

The following changes in financial assets occurred during the period ended 31 December 2024:

Company	Share capital increase	Refund of additional share capital contributions
Polenergia Farma Wiatrowa 10 Sp. z o.o.	528	-
Polenergia Farma Wiatrowa Krzywa Sp. z o.o.	407	-
Polenergia Farma Wiatrowa Szymankowo Sp. z o.o.	-	11 976
Polenergia Farma Wiatrowa Dębice/ Kostomłoty Sp. z o.o.	-	2 209
Polenergia Farma Wiatrowa Bądecz Sp. z o.o.	436	-
Polenergia Farma Wiatrowa 3 Sp. z o.o.	-	18 410
Polenergia Farma Wiatrowa Grabowo Sp. z o.o.	-	24 396
Polenergia Farma Wiatrowa Namysłów Sp. z o.o.	45 383	-

(PLN k)

Polenergia Farma Wiatrowa Olbrachcice Sp. z o.o.	334	-
MFW Bałtyk II Sp. z o.o.	425 000	-
MFW Bałtyk III Sp. z o.o.	425 000	-
MFW Bałtyk I Sp. z o.o.	26 000	-
Polenergia eMobility Sp. z o.o.	19 875	-
Polenergia Elektrownia Północ Sp. z o.o.	81	-
Polenergia Farma Fotowoltaiczna 1 Sp. z o.o.	222	-
Polenergia Farma Fotowoltaiczna 2 Sp. z o.o.	957	-
Polenergia Farma Fotowoltaiczna 3 Sp. z o.o.	390	-
Polenergia Farma Fotowoltaiczna 4 Sp. z o.o.	200	-
Polenergia Farma Fotowoltaiczna 5 Sp. z o.o.	1 050	-
Polenergia Farma Fotowoltaiczna 6 Sp. z o.o.	135	-
Polenergia Farma Fotowoltaiczna 7 Sp. z o.o.	500	-
Polenergia Farma Fotowoltaiczna 8 Sp. z o.o.	2 638	-
Polenergia Farma Fotowoltaiczna 10 Sp. z o.o.	1 580	-
Polenergia Farma Fotowoltaiczna 11 Sp. z o.o.	305	-
Polenergia Farma Fotowoltaiczna 12 Sp. z o.o.	221	-
Polenergia Farma Fotowoltaiczna 13 Sp. z o.o.	1 135	-
Polenergia Farma Fotowoltaiczna 14 Sp. z o.o.	95	-
Polenergia Farma Fotowoltaiczna 15 Sp. z o.o.	92	-
Polenergia Farma Fotowoltaiczna 16 Sp. z o.o.	21 014	6 088
Polenergia H2Silesia Sp. z o.o.	2 945	-
Polenergia Farma Wiatrowa 14 Sp. z o.o.	1 080	-
Polenergia Fotowoltaika S.A.	50 000	-
Polenergia Farma Wiatrowa 29 Sp. z o.o.	1 135	-
Polenergia Farma Wiatrowa 11 Sp. z o.o.	90	-
Polenergia Farma Wiatrowa 12 Sp. z o.o.	1 240	-
Polenergia Farma Wiatrowa 13 Sp. z o.o.	1 033	-
Polenergia Farma Wiatrowa 15 Sp. z o.o.	690	-
Polenergia Farma Wiatrowa 18 Sp. z o.o.	678	-
Polenergia Farma Wiatrowa 19 Sp. z o.o.	125	-
Polenergia H2HUB Nowa Sarzyna Sp z o.o.	11 200	-
Polenergia Farma Wiatrowa 25 Sp. z o.o.	270	-
Polenergia Farma Wiatrowa 26 Sp. z o.o.	335	-
Polenergia Farma Wiatrowa 27 Sp. z o.o.	310	-
Polenergia Farma Wiatrowa 28 Sp. z o.o.	300	-
Polenergia Farma Wiatrowa 30 Sp. z o.o.	147	-
Polenergia Farma Wiatrowa 31 Sp. z o.o.	250	-
Polenergia Farma Wiatrowa 32 Sp. z o.o.	445	-
Polenergia Farma Wiatrowa 33 Sp. z o.o.	147	-
Polenergia Farma Wiatrowa 34 Sp. z o.o.	132	-
Polenergia Farma Wiatrowa 35 Sp. z o.o.	98	-
Polenergia H2HUB 1 Sp. z o.o.	22	-
Polenergia H2HUB 2 Sp. z o.o.	22	-
Polenergia H2HUB 3 Sp. z o.o.	25	-
Polenergia H2HUB 4 Sp. z o.o.	25	-
Polenergia H2HUB 5 Sp. z o.o.	21	-
Polenergia Sprzedaż Sp. z o.o.	28 000	-
Wind Farm Four S.R.L	11 914	-
Total	**1 086 257**	**63 079**

37.3. Bonds issued

On 16 October 2024, the issue of Series A bearer bonds of the total par value of PLN 750,000 thousand was completed. Series A bonds were allocated to a total of 57 investors with a final redemption date of 16 October 2029, with the Company's call option prior to the final date on the terms of the Terms and Conditions of the Bond Issue.

The purpose of the Bond Issue is to apply the proceeds for direct and indirect financing or refinancing of the development, acquisition, construction and operation of Green Projects, including in particular offshore wind farms.

The interest rate on the bonds is based on the 6M base rate plus a relevant margin. Payment days for interest accrued on the par value of the bonds shall occur on a semi-annual basis. The Company hedged the risk of fluctuations of interest rates related to the bond issue in 75% by entering into IRS transactions.

Under the terms of the bond issue, the Company is required to report the following financial covenants:

a) The asset coverage ratio, calculated as the ratio of adjusted consolidated equity to adjusted consolidated assets, as at a given calculation date should not be less than 1.5;
b) The interest coverage ratio, calculated as the ratio of operating cash flow plus distributions received from subsidiaries and equity injections by shareholders and proceeds from the sale of intangible assets, property, plant and equipment and financial assets to financial debt charges in the recent 12 months preceding the relevant calculation date, should not be less than 0.33.

37.4. Bank loans and credits

On 5 June 2023, Polenergia S.A. signed an agreement with Santander Bank Polska S.A. (also acting as the facility agent and the security agent) and Bank Polska Kasa Opieki S.A., for a revolving facility up to the limit of PLN 300,000 thousand to finance the development of projects in subsidiaries permitted by the loan agreement, by subsidizing the activities listed in the agreement.
The credit limit under the signed agreement was made available until 5 June 2026 and provides for the possible extension for further terms. The facility repayment is secured by a pledge of bank accounts, a power of attorney to the accounts and a statement of submission to enforcement.

On 18 December 2024, Polenergia S.A. signed a loan agreement with Bank Gospodarstwa Krajowego under the National Recovery and Resilience Plan as part of Investment G3.1.5 Construction of Offshore Wind Farms. The loan amount granted is PLN 750,000 thousand, with the final repayment term of up to 5 years from the date of the first disbursement, but no later than 30 June 2025.
The interest rate on the loan is based on a 6M base rate, plus an relevant margin. Interest payments are to be made on a semi-annual basis. As of 31 December 2024, the Company had not yet drawn down any funds under the loan.

38. Capital management

The primary objective behind the Company's capital management is to maintain good credit rating and safe capital ratios, in order to support the Company's operations and build shareholder value.

The Company manages its capital structure and modifies it in response to changes in the economic environment. In order to maintain or adjust its capital structure, the Company may make changes regarding dividend distribution, return the capital to the shareholders, or issue new shares. In the years ended 31 December 2024 and 31 December 2023, no changes were made in the capital structure management objectives, policies and processes.

The Company monitors its capital position using the leverage ratio, calculated as the ratio of net debt to the sum of total equity and net debt. The Company's net debt includes interest-bearing loans, borrowings and bonds issued, less cash and cash equivalents.

(PLN k)

	31.12.2024	31.12.2023
Interest under borrowings	763 352	-
Less cash and cash equivalents	(805 866)	(949 238)
Net debt	**(42 514)**	**(949 238)**
Share capital	3 512 398	3 441 992
Total capital	**3 512 398**	**3 441 992**
Capital and net debt	**3 469 884**	**2 492 754**
Leverage ratios	-1%	-38%

39. Information on significant transactions with associates

Significant transactions closed by the Company with related parties in individual periods have been shown in the table below:

31.12.2024	Sales revenues	Financial income	Receivables
Amon Sp. z o.o.	903	88	312
Dipol Sp. z o. o.	981	5 510	243
Polenergia eMobility Sp. z o.o.	421	1	106
Polenergia Dystrybucja Sp. z o.o.	2 027	1 050	628
Polenergia Elektrociepłownia Nowa Sarzyna Sp. z o.o.	1 101	7 000	170
Polenergia Farma Fotowoltaiczna 1 Sp. z o.o.	111	-	133
Polenergia Farma Fotowoltaiczna 2 Sp. z o.o.	202	70	297
Polenergia Farma Fotowoltaiczna 3 Sp. z o.o.	254	-	289
Polenergia Farma Fotowoltaiczna 4 Sp. z o.o.	173	-	196
Polenergia Farma Fotowoltaiczna 6 Sp. z o.o.	87	-	106
Polenergia Farma Fotowoltaiczna 7 Sp. z o.o.	235	-	258
Polenergia Farma Fotowoltaiczna 9 Sp. z o.o.	247	19	54
Polenergia Farma Fotowoltaiczna 11 Sp. z o.o.	168	-	199
Polenergia Farma Fotowoltaiczna 12 Sp. z o.o.	153	-	204
Polenergia Farma Fotowoltaiczna 13 Sp. z o.o.	265	-	294
Polenergia Farma Fotowoltaiczna 15 Sp. z o.o.	104	-	107
Polenergia Farma Wiatrowa 1 Sp. z o.o.	1 262	35 797	430
Polenergia Farma Wiatrowa 4 Sp. z o.o.	1 356	20 364	539
Polenergia Farma Wiatrowa 6 Sp. z o.o.	1 218	13 892	316
Polenergia Farma Wiatrowa Bądecz Sp. z o.o.	381	16	474
Polenergia Farma Wiatrowa Dębice/ Kostomłoty Sp. z o.o.	1 288	3 932	558
Polenergia Farma Wiatrowa Grabowo Sp. z o.o.	804	13 484	586
Polenergia Farma Wiatrowa Krzywa Sp. z o.o.	229	-	259
Polenergia Farma Wiatrowa Mycielin Sp. z o.o.	1 447	178	569
Polenergia Farma Wiatrowa Namysłów Sp. z o.o.	718	904	960
Polenergia Farma Wiatrowa Olbrachcice Sp. z o.o.	215	22	306
Polenergia Farma Wiatrowa Piekło Sp. z o.o.	216	47	104
Polenergia Farma Wiatrowa Rudniki Sp. z o.o.	260	18	71
Polenergia Farma Wiatrowa Szymankowo Sp. z o.o.	1 190	6 108	601
Polenergia Farma Wiatrowa 10 Sp. z o.o.	243	-	300
Polenergia Farma Wiatrowa Wodzisław Sp. z o.o.	185	-	221
Polenergia Kogeneracja Sp. z o.o.	649	-	123
Polenergia Obrót S.A.	4 860	367	1 793
Polenergia Sprzedaż Sp. z o.o.	3 039	2	730

(PLN k)

Polenergia Farma Wiatrowa 16 Sp. z o.o.	193	46	91
Polenergia Farma Wiatrowa 17 Sp. z o.o.	246	66	141
Polenergia Farma Wiatrowa 22 Sp. z o.o.	269	4	356
Polenergia Farma Wiatrowa 23 Sp. z o.o.	814	2 193	177
Polenergia Farma Wiatrowa 3 Sp. z o.o.	2 050	23 144	1 470
Polenergia Farma Fotowoltaiczna Strzelino Sp. z o.o.	242	245	245
Talia Sp. z o.o.	900	58	274
Polenergia Farma Fotowoltaiczna 16 Sp. z o.o.	298	185	354
Polenergia H2Silesia Sp. z o.o.	1 136	-	1 159
Polenergia Farma Wiatrowa 14 Sp. z o.o.	274	-	346
Polenergia Fotowoltaika S.A.	295	5 840	584
Polenergia Farma Wiatrowa 11 Sp. z o.o.	148	-	185
Polenergia Farma Wiatrowa 12 Sp. z o.o.	160	-	202
Polenergia Farma Wiatrowa 13 Sp. z o.o.	139	-	210
Polenergia Farma Wiatrowa 29 Sp. z o.o	159	-	176
Polenergia Farma Wiatrowa 15 Sp. z o.o.	156	-	151
Polenergia Farma Wiatrowa 18 Sp. z o.o.	121	-	155
Polenergia Farma Wiatrowa 21 Sp. z o.o.	128	-	147
Polenergia Farma Wiatrowa 24 Sp. z o.o.	113	-	145
Polenergia Farma Wiatrowa 25 Sp. z o.o.	109	-	128
Polenergia Farma Wiatrowa 26 Sp. z o.o.	158	-	156
Polenergia H2HUB Nowa Sarzyna Sp z o.o.	3 158	12	2 095
Wind Farm Four S.R.L	10	1 350	175
Mansa Investments Sp. z o.o.	175	-	25
Green Stone Solutions Sp. z o.o.	130	-	27
Other	1 138	-	1 044
Total	**39 711**	**142 012**	**22 754**

31.12.2024	Sales revenues	Financial income	Receivables
MFW Bałtyk I S.A.	7 089	72	8 366
MFW Bałtyk I Sp. z o.o.	29	-	22
MFW Bałtyk II Sp. z o.o.	7 693	5 496	15 563
MFW Bałtyk III Sp. z o.o.	7 733	4 500	14 323
Total	**22 544**	**10 068**	**38 274**

family ties

31.12.2024	Sales revenues	Costs
Krucza Inwestycje Sp. z o.o.	149	9 206
Beyond.pl Sp. z o.o.	-	749
Master BIF IV UK Holdings Ltd	-	339
Tortoli Sp z o.o.	100	-
DFlights Sp.z o.o.	-	1 000
Other	-	25
Total	**249**	**11 319**

The interest in and loans given to associates are referred to in Note 37.1 and Note 37.2.
All transactions with related parties have been executed on arm’s length terms.

(PLN k)

40. Headcount

As at 31 December 2024 and as at 31 December 2023 the Company employees divided into professional groups included:

	31.12.2024	31.12.2023
Parent company Management Board	5	4
Parent company employees *)	178	152
Total	**183**	**156**

*) parental leave employees included

41. Information on the total amount of remuneration and awards (in cash or in kind) paid to the members of the managing and supervising authorities of the Company

In the years 2024 and 2023 the remuneration of the Management Board Members amounted to:

	31.12.2024	31.12.2023
Adam Purwin	762	-
Andrzej Filip Wojciechowski	1 825	-
Jerzy Zań	2 126	-
Michał Michalski	2 831	3 811
Tomasz Kietliński	2 473	1 985
Iwona Sierżęga	2 162	1 784
Piotr Maciołek	2 115	1 519
Jarosław Bogacz	-	1 081
Total	**14 294**	**10 179**

The remuneration of members of the Management Board includes the base salary under employment, bonuses and additional monetary or non-monetary benefits such as private medical care package, motor insurance policy, a company car, hotel accommodation and commuting expenses.
Certain Management Board members are party to a mutual agreement on termination of employment within the next 6–12 months. If a Management Board member being party to such agreement resigns, the Company is required to pay a severance benefit equal to 100% of the remuneration received by such Management Board member over the last 6-12 months.

In the years 2024 and 2023 the remuneration of the Supervisory Board Members amounted to:

	31.12.2024	31.12.2023
Szymon Adamczyk	72	72
Piotr Ciżkowicz	13	-
Mikołaj Franzkowiak	15	-
Jacek Głowacki	15	-
Orest Nazaruk	84	84
Krzysztof Obłój	60	-
Adam Purwin	11	-
Andrzej Filip Wojciechowski	15	-
Hans E. Schweickardt	-	70
Total	**285**	**226**

(PLN k)

42. Transactions with members of the Company's Management Board and Supervisory Board, their spouses, siblings, ascendants, descendants, or other closely related persons

In the period ended 31 December 2024, there were no transactions with members of the Management Board and Supervisory Board, their spouses, siblings, ascendants, descendants, or other closely related persons.

43. Information on remuneration of a certified auditor or entity authorized to audit the financial statements

The table below shows the fees of the entity licensed to audit financial statements paid or payable for the year ended 31 December 2024 and the year ended 31 December 2023, broken down into the type of service:

Type of service	**31.12.2024**	**31.12.2023**
Audit and verification of the financial statements	400	262
Other services	126	28

44. Material events after the reporting date

By the date of preparation of these financial statements, i.e., by 25 March 2025, , no events occurred that would not have been disclosed in the accounting books of the reporting period.