

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

***Polenergia S.A. Group***

**DIRECTORS' REPORT ON THE OPERATIONS OF THE POLENERGIA GROUP  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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Warsaw, 25 March 2025

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## 1. Consolidated profit and loss account for a 12-month period ended on 31 December 2024

Within the 12-month period ended on 31 December 2024, the results of Polenergia Group (the “Group”) in terms of the EBITDA and the adjusted net profit amounted to PLN 642.1 million and PLN 307.4 million, respectively, which means a YOY growth of the result by PLN 94.5 million and PLN 33.8 million, respectively.

Polenergia Group Income Statement (PLN m)	12M 2024	12M 2023	Difference YOY	Difference YOY [%]	Q4 2024	Q4 2023	Difference YOY	Difference YOY [%]
<b>Sales revenues, including:</b>	<b>4 320,5</b>	<b>5 615,4</b>	<b>(1 294,9)</b>	<b>-23%</b>	<b>1 304,2</b>	<b>1 535,9</b>	<b>(231,7)</b>	<b>-15%</b>
trading and sales segment	3 143,9	4 639,9	(1 496,1)		989,2	1 272,0	(282,8)	
other	1 176,7	975,5	201,2		315,1	264,0	51,1	
<b>Cost of goods sold, including:</b>	<b>(3 512,1)</b>	<b>(4 938,6)</b>	<b>1 426,4</b>	<b>-29%</b>	<b>(1 125,1)</b>	<b>(1 350,2)</b>	<b>225,0</b>	<b>-17%</b>
trading and sales segment	(2 909,7)	(4 380,2)	1 470,5		(946,2)	(1 227,9)	281,7	
other	(602,4)	(558,4)	(44,0)		(179,0)	(122,3)	(56,7)	
<b>Gross profit on sales</b>	<b>808,4</b>	<b>676,8</b>	<b>131,5</b>	<b>19%</b>	<b>179,1</b>	<b>185,7</b>	<b>(6,7)</b>	<b>-4%</b>
Selling expenses and general overheads	(317,6)	(267,5)	(50,1)		(111,0)	(79,7)	(31,3)	
Other operating revenue/expense	(24,3)	(7,9)	(16,4)		(16,3)	(12,4)	(4,0)	
Auction price settlement	1,3	(20,2)	21,5		1,6	(13,4)	14,9	
<b>A Operating profit (EBIT)</b>	<b>467,8</b>	<b>381,2</b>	<b>86,5</b>	<b>23%</b>	<b>53,3</b>	<b>80,3</b>	<b>(27,0)</b>	<b>-34%</b>
Depreciation/Amortization	174,3	162,1	12,3		44,0	43,4	0,6	
Impairment losses	-	4,3	(4,3)		-	4,2	(4,2)	
<b>EBITDA</b>	<b>642,1</b>	<b>547,6</b>	<b>94,5</b>	<b>17%</b>	<b>97,3</b>	<b>127,8</b>	<b>(30,6)</b>	<b>-24%</b>
<b>B Financial income</b>	<b>54,4</b>	<b>50,1</b>	<b>4,2</b>		<b>17,5</b>	<b>17,7</b>	<b>(0,1)</b>	
<b>C Financial costs</b>	<b>(126,1)</b>	<b>(101,1)</b>	<b>(25,1)</b>		<b>(45,1)</b>	<b>(29,5)</b>	<b>(15,6)</b>	
<b>A+B+C Gross profit (loss)</b>	<b>396,0</b>	<b>330,3</b>	<b>65,7</b>	<b>20%</b>	<b>25,7</b>	<b>68,4</b>	<b>(42,7)</b>	<b>-62%</b>
Income tax	(94,8)	(66,7)	(28,1)	42%	(18,6)	(13,6)	(5,0)	37%
<b>Net profit (loss)</b>	<b>301,2</b>	<b>263,6</b>	<b>37,6</b>	<b>14%</b>	<b>7,1</b>	<b>54,8</b>	<b>(47,7)</b>	<b>-87%</b>
Normalizing adjustments:								
Purchase price allocation (PPA)	0,2	2,8	(2,6)		0,1	0,7	(0,6)	
Foreign exchange differences	3,0	(0,1)	3,1		2,5	(0,3)	2,8	
Loan valuation using the amortized cost method	3,0	3,0	0,0		0,8	0,5	0,3	
Impairment losses **	-	4,3	(4,3)		-	4,2	(4,2)	
<b>Adjusted net profit (loss)*</b>	<b>307,4</b>	<b>273,6</b>	<b>33,8</b>	<b>12%</b>	<b>10,5</b>	<b>59,9</b>	<b>(49,4)</b>	<b>-82%</b>
<b>EBITDA</b>	<b>642,1</b>	<b>547,6</b>	<b>94,5</b>	<b>17%</b>	<b>97,3</b>	<b>127,8</b>	<b>(30,6)</b>	<b>-24%</b>
EBITDA Margin	14,9%	9,8%	5,1%		7,5%	8,3%	-0,9%	
<b>EBITDA (excl. trading segment)</b>	<b>609,8</b>	<b>462,4</b>	<b>147,4</b>	<b>32%</b>	<b>119,5</b>	<b>139,4</b>	<b>(19,9)</b>	<b>-14%</b>
EBITDA margin (excl. trading segment)	51,8%	47,4%	4,4%		37,9%	52,8%	-14,9%	

\*) Adjusted for non-monetary one-off revenue (cost) recognized in a given financial year

\*\*) Reversal of the impairment losses connected with projects development

The sales revenues of Polenergia Group for four quarters of 2024 were lower by PLN 1,294.9 million mainly due to lower revenues in the trading and sales segments (by PLN 1,496.1 million) and in the gas and clean fuels segment (by PLN 18.1 million) which was partly offset by higher revenues in the onshore wind farm segment (by PLN 178.2 million) and distribution (by PLN 24.7 million).

The EBITDA for said period amounted to PLN 642.1 million, and was higher by PLN 94.5 million year on year, mainly due to a better result of the onshore wind power segment (by PLN 164.4 million) which is primarily a consequence of higher electricity prices obtained by the farms, due to the non-extension of the freeze on electricity prices for generators onto 2024. Higher EBITDA compared to the preceding year's result was also recorded in the segments of distribution (by PLN 11.6 million), PV farms (by PLN 6.8 million) and gas and clean fuels (by PLN 7.0 million). The above effects were partly offset by a lower result in the trading and sales segment (by PLN 52.9 million) due to lower result on other prosumer energy business as a result of inventory impairment and lower sales volume of solar panels and heat pumps, lower result on electricity trading and business service mainly related to lower price volatility in energy markets and time shift in green certificate transactions, lower result on RES assets -generated electricity trading as a result of a change in the settlement model taking into account the higher purchase price from RES projects, and higher operating expenses due to the expansion of the Group's scale of operations. Lower EBITDA was also recorded in unallocated segment (by PLN 42.4 million) mainly due to higher operating expenses at the Headquarters resulting from the increased scale of operations and one-off recurring events, i.e., the recognition in 2024 of the costs of salaries of the Management Board

Members whose term of office expired in 2024.

In the fourth quarter of 2024 sales revenues of Polenergia Group dropped by PLN 231.7 million year on year, due to lower revenues in the trading and sales segment (by PLN 282.8 million) partly offset by higher revenues in the gas and clean fuels segment (by PLN 23.6 million) and in the onshore wind farm segment (by PLN 18.8 million).

The EBITDA result of the Group in the fourth quarter of 2024 alone amounted to PLN 97.3 million and was lower by PLN 30.6 million relative to the corresponding period of the preceding year. This was mainly attributable to a lower result in the unallocated segment (by PLN 31.4 million) due to higher operating expenses at Headquarters, in connection with the upscaling of the Group's operations and the occurrence of one-off events, as well as lower results in the distribution (by PLN 13.0 million) and trading and sales (by PLN 10.7 million) segments. The abovementioned effect was partly offset by a higher result in the onshore wind farms segment (by PLN 17.7 million), due to higher electricity prices, and in the gas and clean fuels segment (by PLN 6.3 million).

In the fourth quarter of 2024, significant one-off events occurred, including write-offs, provisions and non-recurring costs, which totaled PLN 54.9 million, of which PLN 22.2 million related to the trading and sales segment, PLN 17.1 million to the distribution segment, and PLN 15.6 million were unallocated costs. After excluding the impact of one-off events, the adjusted EBITDA for such period would have been PLN 152.2 million, which would be a growth by 19% relative to the corresponding period of the preceding year.

In 2024, the adjusted net profit of the Group amounted to PLN 307.4 million, which means growth compared to the performance in the corresponding period of the preceding year by PLN 33.8 million. The change in adjusted net profit during the four quarters of 2024 was primarily due to the factors referred to above affecting EBITDA, partly offset by higher interest and surety expenses, financial expenses due to discounting resulting from deferred costs of dismantling wind turbines and solar panels, the result on derivative transactions and foreign exchange differences, higher depreciation and amortization, and higher income tax related to higher profit before tax of the Group. In the fourth quarter of 2024 alone, the adjusted net profit of the Group amounted to PLN 10.5 million, which means slump compared to the performance in the corresponding period of the preceding year by PLN 49.4 million. The change in adjusted net profit in the fourth quarter of 2024 alone was primarily due to the factors referred to above affecting EBITDA and higher interest expense.

## 2. Detailed commentary regarding financial performance for the 12-month period ended on 31 December 2024 and other significant information on the Group's standing.

Results of Polenergia Group (PLNm)	Onshore Wind Power	Photovoltaics	Gas and Clean Fuel	Trading	Distribution	Unallocated	TOTAL
EBITDA 12M 2024	632,1	16,4	9,7	32,3	32,9	(81,3)	642,1
EBITDA 12M 2023	467,7	9,5	2,7	85,3	21,3	(38,9)	547,6
Difference:	164,4	6,8	7,0	(52,9)	11,6	(42,4)	94,5

In 2024, the onshore wind farm segment (493 MW; growth by 57.2 MW YOY) yielded the EBITDA result that was higher by PLN 164.4 million compared to the corresponding period of the preceding year. Better results of this segment in the period in question has been due to higher electricity prices obtained by the wind farms after the price freeze for generators was no longer continued into 2024. The above effect was partly offset by lower green certificate sales prices obtained by the farms which were lower than the preceding year, as well as by increased operating costs related to, among others, the commencement of operation of the Grabowo and Piekło wind farms. The result on operations in the fourth quarter of

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2024 was higher than the result in the corresponding period of the preceding year by PLN 17.7 million mainly due to higher electricity prices offset in part by lower generation volumes due to lower windiness, lower prices of green certificate and higher operating costs.

The gas and clean fuels segment recorded higher EBITDA result by PLN 7.0 million compared to the corresponding period of the preceding year mainly due to: (i) a better result on the optimization of ENS operation reduced by the lack of additional margin on the Reliability-must-run service; (ii) higher revenues from the Capacity Market due to a higher price per 1MW of contracted power in 2024 vs. 2023; (iii) lower result on heat sales due to lower cost coverage by tariff prices and an additional charge for not collecting minimum volume of gas for heat. The result on operations in the fourth quarter of 2024 was higher than the performance in the corresponding period of the preceding year by PLN 6.3 million, mainly due to: (i) a better result on optimization of ENS operation; (ii) higher revenues from the Capacity Market due to a higher price per 1MW of contracted power in 2024 vs. 2023; (iii) lower result on heat sales due to lower cost coverage by tariff prices and an additional charge for not collecting minimum volume of gas for heat.

The trading and sales segment experienced a drop of the EBITDA result in 2024 by PLN 52.9 million relative to the corresponding period of the preceding year. The drop was driven by: i) lower result on other operations in prosumer energy sector resulting from the impairment loss in inventory acknowledged and lower sales volume of solar panels and heat pumps, ii) lower result on electricity trading and business service related mainly to lower price volatility on energy markets and the timing of transactions involving green certificates, ii) lower result on trade in electricity from RES assets due to the change in the billing model taking into account higher purchase price from RES projects, iv) higher operating costs due to the upscaling of the Group's business. The slump in 2024 was partly offset by: i) better result on trading in wind farm certificates mainly related to the effect of a low base resulting from the transactions performed in 2023, ii) better result on RES aggregation mainly due to additional margin on sale of green certificates. In the fourth quarter of 2024 alone, the trading and sales segment reported a drop of its EBITDA result by PLN 10.7 million relative to the result in the corresponding period of the preceding year. The decline in the result in the fourth quarter of 2024 was driven by: ii) lower result on electricity trading and business service related mainly to lower price volatility on energy markets and the timing of transactions involving green certificates, (ii) lower result on other prosumer energy business taking into account the impairment loss in inventory and lower qualification and rescheduling of applications under the "My Current" program, (iii) lower result on electricity sales resulting from the recognition of a future loss on contracts due to the extension of the freeze on electricity prices for certain customers. The slump in the fourth quarter of 2024 was partly offset by: i) better result on trading in wind farm certificates mainly related to the effect of a low base resulting from the transactions performed in 2023, ii) better result on electricity trading from RES assets due to the contributions to the Settlement Authority's fund obligatory in 2023.

The EBITDA of the distribution segment for the 12 months of 2024 was higher by PLN 11.6 million relative to the corresponding period of the preceding year. Growth of the result is mainly a consequence of a higher unit margin on energy sales in 2024 due to lower electricity purchase price while maintaining sales prices at a level similar to those in the fourth quarter of 2023 and a higher margin on electricity distribution (mainly due to the low base effect resulting from a delay in updating the distribution tariff in 2023). Such better result was partly offset by higher operating expenses related to the upscaling of operations and the costs incurred in connection with the development of electromobility projects. In the fourth quarter alone, the distribution segment's EBITDA result was lower by PLN 13.0 compared to the corresponding period of the preceding year. The drop of the result was affected by a provision for potential reimbursement of compensation received in 2023 in the amount of PLN 17.1 million, partly offset by higher margins on distribution and electricity sales, mainly due to higher volume in the individual customer segment and unit sales margin.

The EBITDA result of the PV farms segment (82 MW) throughout 2024 and in the fourth quarter of 2024 was at a higher level compared to that in the corresponding periods of the preceding year (growth by PLN 6.8 million and PLN 0.6 million, respectively) due to higher energy generation, attributable mainly to the commissioning of the Strzelino photovoltaic farm (45.2 MWp) in the first quarter of 2024. The volume effect was partly offset by lower energy prices achieved in the first half of 2024 and by higher operating costs associated with the increase in installed capacity.

The result under the Unallocated item in the period since January until December 2024 was lower by PLN 42.4 million relative to the corresponding period of 2023 (and lower by PLN 31.4 million in the fourth quarter alone). The change of the 2024 EBITDA result was driven mainly by higher operating expenses at the Headquarters (e.g., payroll and third party services) resulting from the upscaling of business and one-off events being predominantly cost of remuneration of the Management Board Members whose term of office ended in 2024.

The result on financing activity in the period between January and December 2024 was lower year on year by PLN 20.8 million, predominantly due to higher interest and surety expenses, financial expenses from discounting resulting from the deferred costs of dismantling wind turbines and solar panels and the result on derivative transactions, partly offset by higher income from financial sureties. In the fourth quarter alone, the result was lower by PLN 15.7 million, mainly due to higher financial costs of interest.

Higher income tax level in 2024 results from higher income before tax of the Group.

### **The impact of the war in Ukraine and the energy market conditions on the Company's business**

In view of the continued armed conflict in Ukraine, risk factors that may potentially impact the business and financial performance of Polenergia Group 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 as in the initial months, given the achieved diversification of natural gas supplies in the form of LNG supplies also to Poland. Despite the termination of gas transmission through Ukraine at the end of 2024, prices have not changed significantly, as the market had already anticipated such an arrangement.

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 LNG 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 CO<sub>2</sub> 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 following the full-scale armed conflict.

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 Group, persisting high cost of financing resulting from the growth in 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 Group's results related to 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.

The Gas and Clean Fuels segment is, in the opinion of the Management Board, largely immune to the current volatility of prices in the market caused by the outbreak of war in Ukraine. The gas supplies related to the heat generation contracts have already been hedged (in terms of volume and fixed price) for 2024 and 2025. An additional safety feature for thermal power generation is the supply of light heating oil maintained and increased in the first quarter of 2022, as reserve fuel in the event of limited or discontinued supplies of gas. If ENS is called upon to provide system services, the current cost of gas purchase, in accordance with the contracts in force, will be covered by revenues. The continuation of the current gas market and CO<sub>2</sub> emission allowances situation in the long term may reduce the ability to secure production and margin in ENS for the years to follow in the forward market.

In the onshore wind power and PV segment, high volatility of energy prices, combined with variable energy generation from wind and sun, may result in a very significant increase in profile cost, which reduces the achieved effective price of electricity sold. It should also be noted that despite lower electricity prices on the wholesale market and the concurrently continuing low price levels of PMOZE\_A proprietary rights ("green certificates"), the lawmaker did not opt to raise the obligation to redeem certificates of origin to the levels that would ensure the balance between demand and supply. The level of obligation to redeem PMOZE\_A certificates of origin for 2025 is 8.5% in 2025. Such low level of obligation keeps market prices for green certificates at a low level, as a result of reduced demand due to the faster rate of reduction of said obligation relative to the rate of exit of old RES projects from the green certificate system. As at the time of the publication of this report, the Group has wind projects with a total capacity of 227.3 MW which continue to operate in the green certificate system remaining in effect for 15 years after the facility's start-up and are exposed to the risk of price volatility of proprietary rights in the long term.

Due to the significant increase in the installed capacity of RES, especially in the segment of photovoltaic sources, in Poland and the neighboring countries during periods of high RES generation and simultaneous low demand, we increasingly observe negative prices in the market. This means that for the electricity generated during the above mentioned periods of negative energy prices, the generator must pay for selling such electricity to the market. Such situations mainly occur on weekends and holidays. At the same time, for RES generators using the support schemes for clearing, the occurrence of negative prices for at least six consecutive hours entails their inability to clear the production volumes from those hours under the auction system, or no issue by the ERO President of the proprietary rights the production from those hours is entitled to, depending on the support scheme that the RES source participates in.

In addition to negative prices in the market, the RES Segments of Polenergia Group are adversely affected by the occurring situations of oversupply of energy in the market, which happen during periods of low demand for energy in the National Power System (KSE) when concurrent high generation from RES occurs. Because of this phenomenon, during periods when PSE S.A. ("PSE") is unable to further curtail conventional units or export the surplus energy generated, production from individual RES units is reduced. On the operator's (PSE) demand the non-market redispatch of generation units is triggered. Such situation may be subject to financial compensation from PSE, however the waiting time for processing the application and payment of the compensation in question currently takes many months,



which may lead to a situation where such compensation will be paid by PSE the next year. Based on the provisions in the connection agreements, some of the Polenergia Group's RES installations are not entitled to financial compensation for non-market redispatch.

The trading and sales segment as the only one in the Group had a direct exposure to the Ukrainian market through the subsidiary Polenergia Ukraine. Even before the war began, that company curbed its operating activities. Currently, all operations in Ukraine are put on hold, and the Company itself is in the process of liquidation.

The Group has identified increased risk of trading in all markets, including, among others, the risk of recurring increased volatility of electricity and natural gas prices, the risk of failure to meet the demand volume by the customers, the risk of non-payment and non-performance of contracts in view of the unforeseen regulatory changes and the increased risk of insolvency of customers. In the event the risk of dynamic price increases or reductions materializes, deviations in the energy consumption by the customers compared to the contracted volumes may yield a significant result (either positive or negative) that will be disproportionate to the original assumptions. In addition, the increasing market price volatility associated with RES generation may result in a significant decrease in revenues from the Group's RES asset servicing and RES aggregation operations. In response to the changing market conditions, the Group has modified its RES assets generated energy sales strategy and has been aiming at increasing the share of energy sales in OTC transactions, direct sales to the end customers and sales under long term cPPA contracts. Negative exchange rate movements may result in a deterioration of the performance on a Euro-denominated market. At the same time, the strengthening of the Euro may lead to an increase in the value of the required security deposits. The segment is also exposed to the risk of interest rate increases. Higher cost of working capital facility due to high interest rates may result in a drop of the return on the operations. Polenergia Obrót has also been taking measures to monitor safety risks. Any potential attack that would destroy an ICT infrastructure or restrict access of the availability to systems in a company would prevent the company from continuing its commercial business or would restrict such ability. In the event of a more profound consolidation of the generation sector in Poland, with a spin-off of high-emission units from the State Treasury companies, a risk may occur of further aggravated lack of the forward market liquidity, transparency and unreliability of price indices, which may hamper the Group's performance of its operating activity, and affect its revenues.

The distribution segment is protected in the long term against the effects of any investment costs increase and rising interest rates through a tariff mechanism and a so-called "regulatory account". In a short term perspective, until the next distribution tariff update takes place, the Company may experience negative impact of the market changes on the return on the business operations performed.

In a short term perspective, the investment projects implemented by the Group may be affected by the negative impacts of the current market situation. The increase in raw material and product prices on the market and the temporary shortage of employees suffered by subcontractors may result in delays in the implementation of the planned wind and PV farm projects. The persisting high interest rates trigger increase in financing costs, while the increase in raw material and commodity prices combined with the fluctuations of the EUR/PLN exchange rate may lead to an increase in total investment costs. Bottlenecks have been observed in the offshore wind supply chain which may result in the requirement to adjust construction programs of the Bałtyk II and Bałtyk III offshore wind farm projects.

The Group believes the current market situation has not jeopardized the achievement of the underlying objectives set out in the Polenergia Group's strategy for the years 2020-2024.

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## Implementation of the Polenergia Group Strategy for the years 2020-2024

### ***Onshore wind farms and photovoltaic farms***

The Group operates renewable energy projects of 493 MW in the onshore wind power segment, as well as 82 MWp in the PV farm segment.

The Group continues works aimed at the development of three PV farm projects of the total capacity of ca. 102 MWp which secured auction offtake under the RES support auction scheme.

The performance of construction and assembly works for the Szprotawa I and Szprotawa II photovoltaic farm projects with a total capacity of 67 MWp has been progressing according to schedule. At the Szprotawa I project, as at the end of December 2024, works completed included the assembly of structures, construction and installation of MV/LV transformer stations, construction of MV and HV power lines and installation of solar modules and inverters. Finishing work on the GPO station is underway - progress of works: ca. 95%. The delivery and installation of a power transformer is planned for the beginning of the year. At the Szprotawa II project, as at the end of December 2024, works completed included the assembly of structures, construction and installation of MV/LV transformer stations, construction of MV power lines and installation of solar modules and inverters. Performance of the aforementioned works at the Szprotawa I and II projects is about one month ahead of the contractual work program. In Q1 2025, the first voltage application and the start of the facility's technological commissioning are planned.

For the 35 MWp Rajkowy PV farm project, after winning the auction for the sale of energy from renewable sources in 2023, the tender process of collecting questions and bids is underway to appoint the contractor for the comprehensive assembly and electrical works for the project. Negotiations are also underway with suppliers of solar modules and inverters. Meanwhile, discussions are held with potential offtakers for the supply of electricity. By mid 2025 it is planned to apply for the required corporate approvals necessary for implementation of the project.

In December 2024, the auction for the sale of energy from renewable sources was won by the installation under development by a subsidiary Polenergia Farma Wiatrowa Bądecz (Bądecz Wind Farm) (48.3MW).

The Group has been working to further develop wind and PV projects in Poland. Currently, the Group's portfolio includes photovoltaic projects (other than those referred to above) and (onshore) wind projects at a less advanced stage with an aggregate capacity of ca. 1.9 GW. The Group does not exclude the participation of subsidiaries developing wind farm projects and photovoltaic farms in the next RES auctions, as well as subsidiaries developing energy storage projects in the power market auction. Various forms of commercialization of production will be considered for individual projects, including bidding a portion of the production in the RES auctions to come, selling energy to end customers under cPPA contracts or selling energy in the regulated or over the counter market.

The Group is working to further develop wind projects in Romania through its subsidiary Wind Farm Four Srl („WF4”, former Naxxar Wind Farm Four Srl). WF4 continues to develop the wind farm project in seven SPVs. In the fourth quarter of 2024, the business of WF4 was oriented towards the environmental procedure and obtaining the last decisions and permits necessary to approve the local zoning plan (RO: PUZ) and the commencement of the environmental proceedings required for the building permit. The plan under implementation includes an assumption that the wind projects in Romania will reach ready-to-build status in 2026.

One of the company's key strategic goals is to secure energy production from the Group's operating assets over the long term. In order to minimize market risk and stabilize revenues, the Group applies instruments hedging the energy sales such as contracts for difference (auction), PPAs, direct sales to

end customers and forward contracts.

As at the date of publishing this report, for the year 2025, the Group has hedged 89% of its generation target, achieving a weighted average net price of PLN 408/MWh (after deducting the estimated profile cost). The energy sales price for 2025 is lower compared to 2024, due to the downward trend in the electricity forward market and the market expectations for prices to continue dropping.

The table below shows the level of commercialization of electricity from the Group's wind and photovoltaic assets in the years 2025-2029:

	2025	2026	2027	2028	2029
<b>Auction</b>	15%	17%	17%	23%	38%
<b>Other hedging instruments</b>	75%	64%	35%	21%	3%
<b>Total</b>	<b>89%</b>	<b>80%</b>	<b>52%</b>	<b>44%</b>	<b>41%</b>

### **Offshore Wind Farms**

Development works in the offshore wind power segment have been continued. The Group holds 50% of the shares in the companies MFW Bałtyk I Sp. z o.o., MFW Bałtyk II Sp. z o.o. and MFW Bałtyk III Sp. z o.o. preparing to develop three offshore wind farms located in the Baltic Sea with total capacity up to 3000 MW.

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#### **MFW Bałtyk II and MFW Bałtyk III**

With reference to the decisions (separate for each Company) obtained by the Companies on 4 May 2021, the President of the Energy Regulatory Office ("URE President") on granting the right to cover the negative balance for electricity generated in offshore wind farms, respectively, in the MFW Bałtyk II and MFW Bałtyk III, with a capacity of 720 MW each, the European Commission's decision on compatibility with the internal market was issued on 2 August 2024, on 6 November 2024 the URE President issued decisions in favor of MFW Bałtyk II and MFW Bałtyk III setting the price as the basis for covering the negative balance at 319.60 PLN /MWh throughout the 25-year support period. The price set by such decisions is subject, since 2022, to annual adjustment by the average annual index of prices of consumer goods and services from the preceding calendar year, as published in the communication of the President of the Central Statistical Office. According to the decision's rationale, the authority determined in the course of the proceedings that the commencement of works on the MFW Bałtyk II and MFW Bałtyk III projects took place prior to the issuance of the decision by the President of the Energy Regulatory Office, which means that the price that is the base for payment of the negative balance will not be subject to any "claw-back" adjustment.

In order to secure the rights to locate and build a power derivation complex for MFW Bałtyk II, by virtue of a decision of the Director of the Maritime Authority in Gdynia, on 15 January 2024, part of the rights under the decision of the Director of the Maritime Authority in Słupsk No. 4/14 of 19 March 2014 granting permission to lay and maintain the submarine cables within the territorial sea, such cables being part of the offshore transmission infrastructure (decision amended in April 2022 and September 2023) were transferred onto MFW Bałtyk II Sp. z o.o.

As part of the process to obtain executable building permits, on 16 February 2024, the Companies obtained decisions amending the artificial island permits (AIP) for both projects. The need for amendment resulted from the change in the design and implementation assumptions, the alignment of the provisions of the AIP to the results of the analysis performed with respect to the deployment of radars for national defense purposes and the need to ensure compliance with the approved navigation expert reports. During the reporting year, the Companies also finalized the process of securing rights to private

properties along the export cable route through the establishment of transmission easements (with the exception of only 3 plots that were restricted in use through location decisions ("LDs")). Institutional and state-owned properties were covered by the LDs. One private property owner has filed an appeal against the provisions of the location decisions for MFW Bałtyk II and MFW Bałtyk III to the Minister of Development and Technology (the case has not been resolved by the second instance authority by the end of 2024<sup>1</sup>), such appeal not suspending the enforceability of the LDs.

The companies finalized the purchase of the real property for the onshore substation (ONS) and access road in December 2024.

In 2024, a full package (for each Project) of water law decisions, location decisions (LD) and a full package of building permits (BP) were obtained. As of 18 September 2024, all BPs have achieved final and binding status.

Detailed geotechnical research necessary for the design of the foundations of the wind turbines and the offshore substation, and for the design of the power offtake complex was completed by MFW Bałtyk II sp. z o.o and MFW Bałtyk III sp. z o.o Analysis of test results and detailed geotechnical laboratory testing of core samples has begun. On 29 November 2024, a decision was obtained approving geological-engineering documentation to determine the geological-engineering conditions for the foundation of construction objects of linear investments - for the section of cable passage using trenchless technology (landfall).

On 28 June 2024, the companies MFW Bałtyk II and MFW Bałtyk III entered into annexes to the connection agreements with PSE for both projects related to updating the connection schedule, updating the technical conditions for connection to the PSE's grid and adjusting the agreements to current regulatory requirements.

In August 2024, physical preparation works began on the ONS BII and ONS BIII transformer stations. In the following months, an access road, retention basins with agricultural drainage were built, water and electricity connections were made for the site, and a relocation of the MV line took place (redevelopment of the 15 kV overhead line). Construction facilities have been established for the cable laying Contractors, as well as the ONS Contractor. On location of the transformer station site installation works (including rainwater drainage), roadwork (paving of internal roads) and construction (reinforced concrete foundations, delivery of prefabricated foundations, etc.) were in progress. Preparatory works also started within the "Landfall" (HDD drill exit), which consisted of forest clearing, land leveling, reinforcement of traffic routes and preparation of the ground for heavy machinery. Tree felling took place in many sections of the land cable route, along with stump removal.

As part of the implementation of the Projects, continuous active operations in the area of stakeholder management, have been performed including the promotion of the "local content." The projects undertake a number of initiatives in the areas of, without limitation, information, communication, education and supply chain development. Examples of such activities include periodical information meetings with local communities, the opening of a Local Information Point in Łeba, opening of an exhibition on offshore wind energy in the Naval Culture Center - a branch of the National Maritime Museum in Gdańsk, supporting cooperation with Polish companies during e.g. Supplier Days, or participation in educational campaigns.

In the course of ongoing outreach activities, letters were sent in July 2024 to property owners along the cable route notifying them of the planned start of construction work.

In the third quarter of 2024, extensive market sounding was performed with potential lenders to procure

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<sup>1</sup> On 17 January 2025, the authority of the second instance issued a decision on the appeal against the location decision for the onshore cable for the MFW Bałtyk III offshore wind farm upholding the appealed decision.

project finance for the offshore wind farm projects developed by the two companies. In the fourth quarter of 2024, discussions were held with a number of financial institutions. First quarter of 2025 was devoted to establishing a syndicate of financing institutions and negotiating the terms of the loan agreement. The financing process should reach its closing in second quarter of 2025.

Key contracts related to the MFW Bałtyk II and MFW Bałtyk III offshore projects are in place.

Material agreements signed by the end of the fourth quarter of 2024 include:

- Major project contracts with Siemens Gamesa Renewable Energy for the manufacture, supply and service of 100 wind turbines (both contracts entered into in February 2024);
- ESON (electrical system design and delivery of onshore transformer station) (December 2022);
- EPCI offshore export cables (October 2024);
- EPCI inter-array cables (October 2024);
- Foundation design (March 2024);
- Transportation and installation of foundations and OSS (July 2024);
- Installation of wind turbines; Charter contract (September 2024);
- Delivery of an offshore EPC transformer station (August 2024);
- Transition elements - EPC (August 2024);
- Onshore export cable - EPC (September 2024);
- Onshore export cable - construction works (August 2024);
- HDD Landfall (September 2024);
- Chartering CTV crew transport vessels (November 2024).

Detailed information on significant agreements in the area of offshore wind farms can be found in section 18 of the report "Information on concluded agreements significant for the Issuer's activity, including agreements between shareholders (partners), insurance, cooperation or collaboration agreements, known to the Issuer".

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#### MFW Bałtyk I

The Group holds a 50% stake in the company MFW Bałtyk I Sp. z o.o. preparing an offshore wind farm located in the Baltic Sea with a capacity of up to 1560 MW for construction.

The environmental impact report for the project called Morska Farma Wiatrowa [Offshore Wind Farm] Bałtyk I was submitted to RDOŚ in Gdańsk on 21 November 2023. In July 2024, cross-border consultations involving the opinions on the environmental documentation by Danish and Swedish authorities and NGOs were completed. Public consultations were completed in October 2024. The environmental decision for MFW Bałtyk I was issued on 3 December 2024.

On 29 January 2024, an application was submitted for the issuance of a decision on the environmental conditions for the connection infrastructure of the offshore wind farm MFW Bałtyk I, with the procedure formally initiated by RDOŚ in Gdańsk on 20 February 2024. On 20 May 2024, a decision was issued by RDOŚ stating the requirement to conduct an environmental impact assessment and specifying the scope of the report. The EIA report is being prepared, with submission planned by mid-February 2025.

In order to secure the rights to locate and build a power derivation complex for MFW Bałtyk I, by virtue of a decision of the Director of the Maritime Authority in Gdynia, on 15 January 2024, part of the rights

under the decision of the Director of the Maritime Authority in Słupsk No. 4/14 of 19 March 2014 granting permission to lay and maintain the submarine cables within the territorial sea, such cables being part of the offshore transmission infrastructure (decision amended in April 2022 and September 2023) were transferred onto MFW Bałtyk I Sp. z o.o. Preliminary geophysical and geotechnical surveys by MFW Bałtyk I S.A. have been completed in the area of the offshore wind farm and sub-sea cable corridors. The geological work project to identify geological and engineering conditions for the foundation of wind turbines, a substation and associated infrastructure was approved on 2 October 2024. An addendum to the approved documentation is currently being processed, with approval expected in January 2025. On 29 November 2024, a decision was obtained approving geological-engineering documentation to determine the geological-engineering conditions for the foundation of construction objects of linear investments - for the section of cable passage using trenchless technology (landfall) - documentation for all three offshore projects altogether. Private real properties in the mainline of the export cable for MFW Bałtyk I are being secured by agreements to establish transmission easements. Works in this area began in Q1 2024. As at 30 December 2024, 75% of the private properties (56 plots) and one institutional plot were in place. Plots owned by institutions and private plots to which the company will obtain no rights will be secured, similarly to MFW Bałtyk II and MFW Bałtyk III, i.e. under the Act of 24 July 2015 on the preparation and implementation of strategic investments in terms of transmission networks, by means of an administrative decision concerning the location of projects in terms of the power evacuation facilities.

On 11 March 2024, an application was submitted to PSE for a change in the grid connection conditions, i.e. for the specifying of new conditions for connection to the transmission grid of the facility being an HVDC system connected to the energy park module with a 1560 MW DC connection. The project has a grid connection agreement with PSE with connection conditions issued for 1560 MW of HVAC technology. Bearing in mind the economic and technical benefits for the MFW Bałtyk I project, the Management Board of the project companies decided to request a switch of the power evacuation system of the wind farm to HVDC technology. On 22.10.2024, PSE issued new HVDC connection conditions for a 1560 MW offshore wind farm accompanied with draft Annex to the Connection Agreement. It is intended to execute Annex 1 to the Connection Agreement incorporating the change in the technology of power output from the offshore wind farm.

In June 2024, a contract was signed with the Ramboll&Projmors consortium covering design work and consulting on obtaining a building permit for the entire Bałtyk 1 project. Under the contract, a total of 5 elements ("Task") have been launched which is expected to permit timely obtaining (by mid-2027) of the necessary BPs protecting the Project against the loss of AIP and CIMP (Cable installation & maintenance permit).

In connection with the planned use of the 500m buffer of the farm (excluded from development under the artificial island permit), an application was submitted to the Ministry of Infrastructure on 30 September 2024 to amend the permit in this regard and remove the restriction on development of that area. A positive decision on the AIP amendment was obtained on 7 February 2025.

### ***Gas and clean fuels***

In 2024, the Group continued to develop its hydrogen program in line with its 2020-2024 strategy. The program provided for using electricity to produce renewable hydrogen (produced by electrolysis of water using electricity generated from renewable energy sources). Three projects are being implemented under the program: H2Silesia, H2HUB Nowa Sarzyna and eFuels.

The H2Silesia project is being developed by Polenergia's special purpose vehicle H2Silesia sp. z o. o. and involves the construction of a 105 MW large-scale renewable hydrogen production facility for heavy industry and zero-emission transportation. The planned facility will be able to produce ca. 13,000 tons

of hydrogen per year. In addition to the design process, work was underway to prepare an application for a decision on the environmental conditions for the project, along with an environmental impact assessment report.

In February 2024, the European Commission issued a notification decision on State aid for the H2Silesia project under IPCEI Hydrogen Hy2Infra. The notification decision approves the cap of the State aid for the H2Silesia project, however it does not mean yet that Polenergia H2Silesia sp. z o.o. will be granted funding for its implementation, but it is rather an expression of the European Commission's approval of possible member State aid and confirmation that such support will be proportionate and necessary within the meaning of the EU regulations. The decision to grant funding and the determination of the final amount of funding will be made at the national level. The total amount of eligible costs in the project is EUR 218.36 million while the maximum amount of State aid approved by the European Commission may reach EUR 142.77 million which corresponds to the amount of the financing gap in the project. Eligible costs in the project include the supply and installation of electrolyzers, a cooling system, an electrical substation, a water treatment station, a deoxygenation and drying system, compressors, a hydrogen storage facility and a hydrogen distribution station, together with the associated auxiliary installations, buildings and road system, as well as preparatory works, design and commissioning. The Group anticipates that costs of the project exceeding the value of the public subsidy will be covered from funds and sources, such as, among others, equity and an investment loan. The final implementation of the project depends on, among others, a final investment decision and obtaining the required corporate approvals.

The H2HUB Nowa Sarzyna project involves the construction of a pilot facility for the production of renewable hydrogen with a nominal capacity of the electrolyzer of ca. 5 MW which will allow a maximum production of ca. 500 tons of green hydrogen per year. This facility will be located in Nowa Sarzyna at the premises of the Nowa Sarzyna Combined Heat and Power Plant (ENS).

On 7 June 2023, Polenergia's subsidiary H2HUB Nowa Sarzyna sp. z o.o. developing the H2HUB Nowa Sarzyna project, entered into a contract with Hystar AS, based in Høvik, Norway, for the supply and commissioning of a 5 MW electrolyzer (performance under said contract is subject to a final investment decision and has been scheduled for Q1 2026) and a long-term (10 years) electrolyzer maintenance agreement. Also, on 7 June 2023, an agreement was entered into with the International Finance Corporation ("IFC"), a member of the World Bank Group, for cooperation with a view to co-finance the development costs of the H2HUB Nowa Sarzyna project which includes a hydrogen production plant, along with two filling stations and associated infrastructure.

On 27 June 2023, Polenergia's subsidiary Polenergia Elektrociepłownia Nowa Sarzyna (thermal power plant) entered into an agreement with the National Fund for Environmental Protection and Water Management (NFOŚiGW) for the financing of a project "Construction by Polenergia ENS sp. z o.o. of public access hydrogen filling stations in Rzeszów and Nowa Sarzyna." The project's objective is to build two hydrogen filling stations with associated infrastructure, in two locations: in the area bordering on the Nowa Sarzyna thermal power plant and in the city of Rzeszów. The total amount of the grant funding awarded will be up to PLN 20 million. On 8 April 2024, an annex was signed assigning the subsidy to the H2HUB Nowa Sarzyna SPV. According to the annexes, the hydrogen filling stations and associated infrastructure should be put into operation in the first half of 2026, with the subsidy agreement providing for possible changes to the program. A Building Permit for the Nowa Sarzyna installation was obtained. In addition, a Decision on the Zoning Permit for a filling station in Rzeszów was obtained. Concurrently, an Environmental Decision was obtained in the first quarter of 2024, as well as the Zoning Permit for a photovoltaic installation of up to 8 MW that will power the electrolyzer in Nowa Sarzyna.

Talks are underway with green hydrogen customers, during which contractual terms for the supply of hydrogen from the H2HUB Nowa Sarzyna plant are being discussed. In March 2024, a public tender was launched by MPK Rzeszów for the supply and distribution of hydrogen as fuel for FCEV buses. In

October 2024 the tender was finalized, with the submitted bid selected as the winning bid. As a result of legal doubts, the contract for the supply of fuel to MPK Rzeszów could not have been signed by the company.

Within the Group, there is also an eFuels project that has been implemented. The project aims to use renewable hydrogen to produce methanol and renewable jet fuel. The fuel produced as a result of the project will reduce greenhouse gas emissions in air transportation, with no need to build new infrastructure, fuel bases or to develop new aircraft designs. As part of the National Research and Development Center's competition titled "New Technologies in Energy I", the Company was among 6 teams that were awarded funding to implement innovative energy projects. This project is implemented by a consortium led by the Company, with other partners including Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o. and Wrocław University of Technology. On 30 June 2023, the Company completed Phase I of the Project involving development of a Feasibility Study for the project. NCBR evaluated the feasibility study submitted (the outcome of Phase I of the project) by awarding the maximum number of points, thereby allowing the project to proceed into Phase II (construction of a pilot plant and conducting research to upscale the technology to a higher level of technological readiness). Only 3 of the original 11 competing Consortia qualified for Phase II of the NCBR competition. Polenergia S.A., as the leader of the scientific and industrial consortium, has developed and begun implementing the plan for implementing Phase II of the project.

In view of the significant scale of the intended capital expenditures to achieve the major and most prospective strategic goals identified in the business strategy, the Management Board has initiated a review of options in the area of hydrogen strategy and does not rule out deciding in the future, depending on the results of the review, to abandon their further implementation or to change the manner or scope of their implementation.

### ***Trading and Sales***

The Group has been modifying the implementation of its strategy in the trading and sales segment on an ongoing basis, adapting it to the changing market conditions and the rising costs of hedging end users and profiling and balancing RES sources. Offering to end users is done with particular attention to risks and potential costs that may affect the margins realized in the future. The Group continuously recalculates financial risks and costs related to securing the positions of consumers and producers on the futures market. Regulations freezing end-customer energy prices have largely inhibited any opportunities for dynamic sales development; on top of that, high volatility has limited opportunities for external RES aggregation activities. Significant regulatory changes that have been implemented in recent years have resulted in customers being more oriented toward purchases with short or very long terms, and as a result, the Company is also intensively developing a long-term cPPA sales model based on the Group's existing and newly built generation assets, in addition to its traditional sales model.

Activity has been developing successfully in the short term and ultra-short-term market (Intraday Market) for the execution of transactions on the day of delivery, a few hours before physical delivery of energy, using available data on changing market fundamentals. The Company also performs short-term optimization of the operation of RES sources during periods of negative market prices. Trading on own account on wholesale markets (prop trading) is also successively performed, and the implemented trading strategies take advantage of market volatility with a positive effect, while maintaining restrictive measures to limit risk exposure.

The company Polenergia Sprzedaż continues and expands its sales of electricity. One of its main products is the sale of energy generated from renewable sources controlled by the Group. Customers include both business clients and consumer end-users (B2B and B2C). The green energy produced in the Group's generating assets is sold in three models: as a product with the Energy 2051 standard, a



product without this standard, still retaining the guarantee of 100% RES-originating energy and in the PPA+ PayAsProduce model. As part of the intra-group cooperation, sales of products have been continued that combine installation of solar panels heat pumps, energy storage with the supply of green energy. Prosumers were able to take advantage of a unique offer on the market, combining Energia 2051 green energy with a price guarantee for many years. Last year, the Company launched SMART cPPA and SLIM cPPA products with a price guarantee until the end of 2028 or 2030 targeted at B2B customers. In 2024, the Company launched the PPA+ model, combining the supply of energy generated in a RES source with a balancing service with an option to purchase energy based on the forward and SPOT indices of the Commodity Exchange. The Company is actively developing a network of sales partners and is holding talks with institutions and banks regarding the cross-sale model projects. In order to provide adequate customer service and increase the reach of new customer acquisition, a contract has been signed for the implementation of a new Billing system combined with CRM as the main tool for managing distributed sales networks. The system has been implemented for B2B customers, while the implementation of the B2C segment is currently underway. Due to the change in the model of information exchange between market participants, i.e. between trading companies and distribution system operators, the company will have to adapt its IT systems to the Central Energy Market Information System (CEMIS). The Company launched a series of marketing activities aimed at building its image and acquiring sales leads, thus strengthening its position in the market.

As part of its operating activity, in 2024, the company Polenergia Fotowoltaika S.A. installed 19.3 MWp of solar panels and 2019 energy storage facilities, while in the heat pump segment 287 pumps were installed. The Company has been working to expand sales of services in the corporate segment (installations in excess of 50 kWp) and in the maintenance and servicing segment.

### ***Distribution and eMobility***

In the distribution segment, on 28 November 2024, Polenergia Dystrybucja Sp. z o.o. received a decision from the President of the Energy Regulatory Office approving the Tariff for the distribution and sale of electricity. The new Tariff became effective on 13 December 2024, with RAB (Regulatory Asset Base) of PLN 160.2 million. The obligations under the approved Investment Plan III for the years 2019 - 2022 worth PLN 51 m in total are being fulfilled. As part of Investment portfolio III, the Company signed 45 contracts. By the end of Q4 2024, connection agreements were finalized and connection readiness was notified for 77 projects/project phases, and extension of general license was obtained for 30 projects, with further 8 projects expected to obtain general license.

In addition, Polenergia Dystrybucja is also in the course of implementation of the Investment Plan IV for the years 2021 - 2026 worth PLN 105 m in total. By the end of the Q4 2024, the company signed 94 connection agreements, with the total estimated capex reaching PLN 104.89 million which accounts for 99.9% of the Investment portfolio IV. Under the Investment Plan IV, the company completed 95 projects/phases of projects, for which it declared readiness to connect, while general license extensions have been obtained for 26 projects; licenses are also expected to be obtained for another 20 projects.

The company Polenergia eMobility has been actively acquiring locations for the construction of public charging stations throughout the country and has been building further charging stations. On the date of publication of the report 83 charging stations (128 charging points) have been brought into operation. In 2024, the company completed flagship investments such as hubs for fast charging stations along the A2 Motorway (Chociszewo, Rogoziniec, Dopiewiec, Konarzewo, Targowa Górka and Chwałszyce Rest and Service Areas) and the Green Zone of electromobility operating at the Blue City shopping center. In addition, the company has a portfolio of contracts allowing it to build another 209 charging stations. The company has applied in 2022 and 2023 to three programs related to subsidizing charging stations from the National Environmental Protection and Water Management Fund (NFOŚiGW) and CEF

(Connecting Europe Facility). In November 2024, the company made a change to its operator system, switching from Enelion's software to Elocity's solution, which allowed it to implement a roaming service and provide customers with an additional authorization method via RFID cards. This has translated into higher utilization of charging stations and increased the volume of electricity sold through the charging service.

In view of the significant scale of the intended capital expenditures to achieve the strategic goals identified in the business strategy, the Management Board has initiated a review of options in the area of electromobility and does not rule out deciding in the future, depending on the results of the review, to abandon their further implementation or to change the manner or scope of their implementation.

### **Other significant information on the Group's condition**

On 14 August 2024, the Company's Management Board announced that, in connection with the Company's development plans, it had decided to expand the strategic options review announced in the Company's current report No. 4/2024 dated 8 February 2024. The strategic option review covers the implementation of projects within the framework of the strategic objectives identified in the report and selected projects in other business segments of the Polenergia Group in the long term, excluding offshore wind farm projects, as well as strategic assets. In the course of the strategic option review, the Company intends to engage in discussions with various parties, and additional information about the Company and the projects that are the subject of the strategic option review may be disclosed to selected parties, to the extent permitted by applicable law. The Company will provide information to the public on the progress of the strategic option review in accordance with applicable laws.

On 21 May 2024, Mr. Jacek Głowacki resigned from his position as a member of Polenergia S.A.'s Supervisory Board. The resignation was submitted effective as at 21 May 2024.

On 24 September 2024, the Company's Supervisory Board adopted resolutions to appoint the following persons to the Company's Management Board for a new term: Mr. Adam Purwin, appointing him President of the Company's Management Board (CEO); Mr. Andrzej Filip Wojciechowski, appointing him First Vice President of the Company's Management Board for Development (CDO); Mr. Piotr Tomasz Sujecki, appointing him Second Vice President of the Company's Management Board for Finance (CFO); and Mr. Łukasz Buczyński, appointing him Member of the Company's Management Board for Operations (COO). The Members of the Company's Management Board were appointed for a joint three-year term of office commencing the day immediately following the end of the previous term of office of the Management Board, i.e. as of 1 January 2025. In view of the appointment of the new Management Board of the Company, upon the end of the previous three-year term, i.e. on 31 December 2024, mandates of the former members of the Management Board expired.

On 26 September 2024, the Company's Management Board received a statement from Prof. Dr. Krzysztof Oblój on his resignation from the Supervisory Board and his function as a member of the Supervisory Board as of 15 October 2024. The resignation contained no information about the reasons for its submission. On the same day, i.e. 26 September 2024, the Company received a statement from Mansa Investments sp. z o.o., with registered office in Warsaw, on the appointment, effective 16 October 2024, pursuant to the personal authority provided for in Article 5.4.2.(a)(i) of the Company's Statutes, of Dr. hab. Piotr Bartosz Ciżkowicz, professor at SGH [Warsaw School of Economics], to the Supervisory Board.

The Management Board of Polenergia S.A. reported that on 18 and 19 October 2024, the Board received information on the following changes in the composition of the Supervisory Board and the Management Board: Resignation of Mr. Adam Purwin from his position as Member of the Supervisory Board as of 18 October 2024; Appointment of Mr. Adam Purwin Vice Chairman of the Management

Board of the current term as of 19 October 2024 pursuant to a resolution of the Company's Supervisory Board adopted on 18 October 2024. Such appointment expired on 31 December 2024, i.e. with the end of the previous term of office of the Management Board. After the abovementioned date, Mr. Adam Purwin assumed the position of the President of the Company's Management Board while Mr. Mikołaj Franzkowiak was appointed Member of the Company's Supervisory Board as of 19 October 2024, based on a statement by Mansa Investments sp. z o.o., with registered office in Warsaw.

Information on significant agreements for the Company's operations can be found in section 18 of the report "Information on concluded agreements significant for the Issuer's activity, including agreements between shareholders (partners), insurance, cooperation or collaboration agreements, known to the Issuer".

Information on the issuance of bonds and the application of the proceeds can be found in Item 24 of the report, "If securities were issued during the period covered by the report - a description of the Issuer's use of the proceeds until the date of preparation of the directors' report."

### **Financial performance for the 12-month period ended 31 December 2024 by operating segments**

On the following pages a presentation is given of the distribution of the total Group's result in 2024 and in the fourth quarter of 2024 alone, broken down into the operating segments.

12M 2024 (m PLN)	Onshore Wind Power	Photovoltaics	Gas and Clean Fuel	Trading	Distribution	Unallocated	Purchase price allocation	TOTAL
<b>Sales revenues*</b>	<b>768,8</b>	<b>26,5</b>	<b>147,7</b>	<b>3 143,9</b>	<b>207,9</b>	<b>25,9</b>	-	<b>4 320,5</b>
<b>Operating costs, including</b>	<b>(262,5)</b>	<b>(14,8)</b>	<b>(138,6)</b>	<b>(2 909,7)</b>	<b>(174,3)</b>	<b>(11,9)</b>	<b>(0,3)</b>	<b>(3 512,1)</b>
operating costs (without granted green certificates adjustment)	(113,5)	-	-	-	-	-	-	(113,5)
depreciation/amortization	(128,2)	(7,7)	(9,8)	(11,4)	(10,0)	(7,1)	(0,3)	(174,3)
granted green certificates adjustment	(20,8)	-	-	-	-	-	-	(20,8)
<b>Gross profit on sales</b>	<b>506,3</b>	<b>11,7</b>	<b>9,0</b>	<b>234,1</b>	<b>33,6</b>	<b>14,0</b>	<b>(0,3)</b>	<b>808,4</b>
<i>Gross profit on sales margin</i>	<i>65,9%</i>	<i>44,0%</i>	<i>6,1%</i>	<i>7,4%</i>	<i>16,1%</i>	<i>"n/a"</i>	<i>"n/a"</i>	<i>0,2</i>
Selling expenses	-	-	-	(84,1)	-	-	-	(84,1)
General overheads	(14,8)	(1,3)	(8,3)	(96,4)	(11,5)	(101,3)	-	(233,5)
Other operating activities	12,4	(1,7)	(0,8)	(32,7)	0,8	(1,0)	-	(23,0)
including impairment losses	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>503,9</b>	<b>8,7</b>	<b>(0,1)</b>	<b>20,9</b>	<b>22,9</b>	<b>(88,3)</b>	<b>(0,3)</b>	<b>467,8</b>
<b>EBITDA</b>	<b>632,1</b>	<b>16,4</b>	<b>9,7</b>	<b>32,3</b>	<b>32,9</b>	<b>(81,3)</b>	-	<b>642,1</b>
<i>EBITDA Margin</i>	<i>82,2%</i>	<i>61,9%</i>	<i>6,6%</i>	<i>1,0%</i>	<i>15,8%</i>	<i>"n/a"</i>	<i>"n/a"</i>	<i>14,9%</i>
Profit (loss) on financial activities	(68,3)	(8,3)	1,1	(9,7)	(8,0)	21,3	-	(71,8)
<b>Profit (loss) before tax</b>	<b>435,7</b>	<b>0,4</b>	<b>1,0</b>	<b>11,3</b>	<b>14,9</b>	<b>(67,0)</b>	<b>(0,3)</b>	<b>396,0</b>
Income tax	-	-	-	-	-	-	-	(94,8)
<b>Net profit (loss) for period</b>								<b>301,2</b>
Normalizing adjustments:								
Purchase price allocation (PPA)								0,2
Foreign exchange differences								3,0
Loan valuation using amortized cost method								3,0
Impairment losses								-
Net result on the sale of assets								-
<b>Adjusted net profit</b>								<b>307,4</b>
<small>*Revenues from granted but not sold green certificates are presented as decrease of direct costs in accordance with IFRS 15.</small>								
12M 2023 (m PLN)	Onshore Wind Power	Photovoltaics	Gas and Clean Fuel	Trading	Distribution	Unallocated	Purchase price allocation	TOTAL
<b>Sales revenues*</b>	<b>590,7</b>	<b>17,0</b>	<b>165,8</b>	<b>4 639,9</b>	<b>183,2</b>	<b>18,9</b>	-	<b>5 615,4</b>
<b>Operating costs, including</b>	<b>(218,9)</b>	<b>(8,7)</b>	<b>(162,2)</b>	<b>(4 380,2)</b>	<b>(161,4)</b>	<b>(4,3)</b>	<b>(2,8)</b>	<b>(4 938,6)</b>
operating costs (without granted green certificates adjustment)	(108,5)	-	-	-	-	-	-	(108,5)
depreciation/amortization	(120,7)	(4,0)	(9,3)	(10,1)	(8,9)	(6,3)	(2,8)	(162,1)
granted green certificates adjustment	10,3	-	-	-	-	-	-	10,3
<b>Gross profit on sales</b>	<b>371,7</b>	<b>8,2</b>	<b>3,6</b>	<b>259,8</b>	<b>21,8</b>	<b>14,5</b>	<b>(2,8)</b>	<b>676,8</b>
<i>Gross profit on sales margin</i>	<i>62,9%</i>	<i>48,5%</i>	<i>2,2%</i>	<i>5,6%</i>	<i>11,9%</i>	<i>"n/a"</i>	<i>"n/a"</i>	<i>12,1%</i>
Selling expenses	-	-	-	(95,1)	-	-	-	(95,1)
General overheads	(12,3)	(1,2)	(7,6)	(82,4)	(10,2)	(58,8)	-	(172,4)
Other operating activities	(12,5)	(5,7)	(2,7)	(7,1)	0,9	(1,0)	-	(28,1)
including impairment losses	(4,3)	-	-	-	-	-	-	(4,3)
<b>Operating profit</b>	<b>346,9</b>	<b>1,4</b>	<b>(6,6)</b>	<b>75,2</b>	<b>12,4</b>	<b>(45,2)</b>	<b>(2,8)</b>	<b>381,2</b>
<b>EBITDA</b>	<b>467,7</b>	<b>9,5</b>	<b>2,7</b>	<b>85,3</b>	<b>21,3</b>	<b>(38,9)</b>	-	<b>547,6</b>
<i>EBITDA Margin</i>	<i>79,2%</i>	<i>56,2%</i>	<i>1,6%</i>	<i>1,6%</i>	<i>11,6%</i>	<i>"n/a"</i>	<i>"n/a"</i>	<i>9,8%</i>
Profit (loss) on financial activities	(66,3)	(3,9)	1,6	(17,2)	(6,5)	41,3	-	(50,9)
<b>Profit (loss) before tax</b>	<b>280,6</b>	<b>(2,5)</b>	<b>(5,0)</b>	<b>58,0</b>	<b>6,0</b>	<b>(3,9)</b>	<b>(2,8)</b>	<b>330,3</b>
Income tax	-	-	-	-	-	-	-	(66,7)
<b>Net profit (loss) for period</b>								<b>263,6</b>
Normalizing adjustments:								
Purchase price allocation (PPA)								2,8
Foreign exchange differences								(0,1)
Loan valuation using amortized cost method								3,0
Impairment losses								4,3
Net result on the sale of assets								-
<b>Adjusted net profit</b>								<b>273,6</b>
<b>Change of EBITDA yoy</b>	<b>164,4</b>	<b>6,8</b>	<b>7,0</b>	<b>(52,9)</b>	<b>11,6</b>	<b>(42,4)</b>	-	<b>94,5</b>
<small>*Revenues from granted but not sold green certificates are presented as decrease of direct costs in accordance with IFRS 15.</small>								

4Q 2024 (m PLN)	Onshore Wind Power	Photovoltaics	Gas and Clean Fuel	Trading	Distribution	Unallocated	Purchase price allocation	TOTAL
<b>Sales revenues*</b>	197,5	3,0	51,4	989,2	52,5	10,7	-	1 304,2
<b>Operating costs, including</b>	(69,9)	(4,2)	(47,3)	(946,2)	(58,1)	0,5	(0,1)	(1 125,1)
operating costs (without granted green certificates adjustment)	(33,0)	-	-	-	-	-	-	(33,0)
depreciation/amortization	(32,1)	(2,1)	(2,5)	(2,7)	(2,6)	(1,8)	(0,1)	(44,0)
granted green certificates adjustment	(4,9)	-	-	-	-	-	-	(4,9)
<b>Gross profit on sales</b>	127,5	(1,2)	4,1	43,0	(5,6)	11,2	(0,1)	179,1
<i>Gross profit on sales margin</i>	64,6%	-38,8%	8,0%	4,3%	-10,6%	"n/a"	"n/a"	13,7%
Selling expenses	-	-	-	(18,9)	-	-	-	(18,9)
General overheads	(5,8)	(0,4)	(2,2)	(31,0)	(4,0)	(48,6)	-	(92,1)
Other operating activities	4,8	(0,8)	(0,6)	(18,1)	0,8	(0,9)	-	(14,8)
including impairment losses	-	-	-	-	-	-	-	-
<b>Operating profit</b>	126,5	(2,4)	1,4	(25,0)	(8,8)	(38,3)	(0,1)	53,3
<b>EBITDA</b>	158,6	(0,3)	3,9	(22,3)	(6,2)	(36,4)	-	97,3
<i>EBITDA Margin</i>	80,3%	-9,7%	7,6%	-2,3%	-11,8%	"n/a"	"n/a"	7,5%
Profit (loss) on financial activities	(19,4)	(2,2)	0,2	(1,2)	(2,1)	(2,9)	-	(27,5)
<b>Profit (loss) before tax</b>	107,0	(4,6)	1,6	(26,2)	(10,9)	(41,2)	(0,1)	25,7
Income tax	-	-	-	-	-	-	-	(18,6)
<b>Net profit (loss) for period</b>								7,1
Normalizing adjustments:								
Purchase price allocation (PPA)								0,1
Foreign exchange differences								2,5
Loan valuation using amortized cost method								0,8
Impairment losses								-
Net result on sale of assets								-
<b>Adjusted net profit</b>								10,5

\*Revenues from granted but not sold green certificates are presented as decrease of direct costs in accordance with IFRS 15.

  

4Q 2023 (m PLN)	Onshore Wind Power	Photovoltaics	Gas and Clean Fuel	Trading	Distribution	Unallocated	Purchase price allocation	TOTAL
<b>Sales revenues*</b>	178,7	1,6	27,8	1 272,0	49,9	6,0	-	1 535,9
<b>Operating costs, including</b>	(53,7)	(2,4)	(29,4)	(1 227,9)	(42,1)	6,0	(0,7)	(1 350,2)
operating costs (without granted green certificates adjustment)	(34,5)	-	-	-	-	-	-	(34,5)
depreciation/amortization	(32,3)	(1,0)	(2,3)	(3,1)	(2,3)	(1,6)	(0,7)	(43,3)
granted green certificates adjustment	13,1	-	-	-	-	-	-	13,1
<b>Gross profit on sales</b>	124,9	(0,8)	(1,5)	44,1	7,8	11,9	(0,7)	185,7
<i>Gross profit on sales margin</i>	69,9%	-52,6%	-5,5%	3,5%	15,7%	"n/a"	"n/a"	12,1%
Selling expenses	-	-	-	(21,9)	-	-	-	(21,9)
General overheads	(3,7)	(0,3)	(2,1)	(29,8)	(3,6)	(18,3)	-	(57,8)
Other operating activities	(12,7)	(4,9)	(1,1)	(7,0)	0,3	(0,3)	-	(25,7)
including impairment losses	(4,2)	-	-	-	-	-	-	(4,2)
<b>Operating profit</b>	108,5	(6,0)	(4,7)	(14,6)	4,5	(6,7)	(0,7)	80,3
<b>EBITDA</b>	140,9	(0,8)	(2,4)	(11,6)	6,8	(5,1)	-	127,8
<i>EBITDA Margin</i>	78,8%	-54,0%	-8,5%	-0,9%	13,6%	"n/a"	"n/a"	8,3%
Profit (loss) on financial activities	(17,6)	(0,2)	0,6	(3,0)	(1,9)	10,4	-	(11,9)
<b>Profit (loss) before tax</b>	90,9	(6,2)	(4,1)	(17,7)	2,6	3,7	(0,7)	68,4
Income tax	-	-	-	-	-	-	-	(13,6)
<b>Net profit (loss) for period</b>								54,8
Normalizing adjustments:								
Purchase price allocation (PPA)								0,7
Foreign exchange differences								(0,3)
Loan valuation using amortized cost method								0,5
Impairment losses								4,2
Net result on the sale of assets								-
<b>Adjusted net profit</b>								59,9
<b>Change of EBITDA yoy</b>	17,7	0,6	6,3	(10,7)	(13,0)	(31,4)	-	(30,6)

\*Revenues from granted but not sold green certificates are presented as decrease of direct costs in accordance with IFRS 15.

### 3. Legal regime

For details on legislative acts that are relevant to the business of the Polenergia Group, see “Description of material risk factors and threats”.

### 4. Organizational structure of the Group

For a description of the issuer’s group structure, refer to Note 7 to the consolidated financial statements.

### 5. Discussion of key financial and economic data contained in the annual financial statements, in particular factors and events, including non-recurring ones, with a material effect on the Issuer’s operations and profits earned or losses incurred in the financial year, as well as discussion of the Issuer’s development prospects at least during the next financial year

Key economic and financial data concerning the Issuer’s Group performance is presented in the table below:

EBITDA/ Net profit (loss) [PLN m]	12M 2024	12M 2023	Difference
Sales revenues	4 320,5	5 615,4	(1 294,9)
EBITDA	642,1	547,6	94,5
Net profit (loss)	301,2	263,6	37,6
Adjusted net profit (loss)	307,4	273,6	33,8

The year-on-year changes in the performance in 2024 were driven by the following factors:

#### a) On the level of EBITDA (increase by PLN 94.5 million):

- Higher result of the onshore wind farms segment (by PLN 164.4 million) is mainly a consequence of the increase in electricity prices associated with the discontinuation of the cap under the law freezing energy prices in 2023. The above was partly offset by lower green certificate prices and higher operating costs of wind farms mainly due to the inclusion of operating costs of the Piekło and Grabowo wind farms;
- Better result of the PV segment (growth by PLN 6.8 million) due to higher energy generation in the PV segment, attributable mainly to the commissioning of the Strzelino photovoltaic farm in the first quarter of 2024, which was partly offset by lower energy prices in 2024 and by slightly higher operating expenses related to the increase of the installed capacity.
- Better result of the Gas and Clean Fuels segment (by PLN 7.0 million) due to better result on ENS operation optimization and system services (Capacity Market) reduced by lower result on heat.
- Lower performance in the trading and sales segment (by PLN 52.9 million) caused by: i) lower result on other operations in prosumer energy sector resulting from the impairment loss in inventory acknowledged and lower sales volume of solar panels and heat pumps, ii) lower result on electricity trading and business service related mainly to lower price volatility on energy markets and the timing of transactions involving green certificates, ii) lower result on trade in electricity from RES assets due to the change in the billing model taking into account higher purchase price from RES projects, iv) higher operating costs due to the upscaling of the Group’s business. The slump in 2024 was partly offset by: i) better result on trading in wind farm certificates mainly related to the effect of a low base resulting from the transactions performed in 2023, ii) better result on RES aggregation mainly due to additional margin on sale of green certificates.
- Better result of the distribution segment (by PLN 11.6 million) as a consequence of the higher unit margin on energy sales, and higher margin on electricity distribution (related to the low base effect caused by a delay in updating the distribution tariff in the preceding

year). Such better result was partly offset by higher operating expenses related to the upscaling of operations and the costs incurred in connection with the development of electromobility projects.

- Lower result under unallocated item (by PLN 42.4 million) was driven mainly by higher operating expenses at the Headquarters resulting from the upscaling of operations and one-off events including, without limitation, the recognition in 2024 of the costs of salaries of the Management Board Members whose term of office expired in 2024.

**b) On the level of Net Profit (increase by PLN 37.6 million):**

- The EBITDA effect (better result by PLN 94.5 million);
- Higher depreciation (by PLN 12.3 million) resulting primarily from the commissioning of fixed assets in the wind farm and PV farm segment, depreciation related to the dismantling provision established in 2023 and higher depreciation of leased assets under IFRS 16 adjusted for the finished PPA settlement concerning the acquisition of Polenergia Fotowoltaika S.A.
- Lower impairment losses (by PLN 4.3 million) related to development and photovoltaics.

All the abovementioned items contributed to the increase of the operating profit by PLN 86.5 million

- Higher financial income (by PLN 4.2 million) mainly as a consequence of higher surety income partly offset by lower foreign exchange result and lower interest income.
- Higher financial expenses (by PLN 25.1 million) resulting mainly from financial expenses on interest (mainly interest on bonds), discount, higher expenses on derivatives, warranties and foreign exchange.
- Higher income tax level (by PLN 28.1 million) for the four quarters of 2024 results from higher profit of the Group before tax.

**c) On the level of adjusted net profit (increase by PLN 33.8 million):**

- The net profit effect (increase by PLN 37.6 million);
- Reversal of the foreign exchange differences effect (increase by PLN 3.1 million);
- Elimination of the purchase price allocation effect (drop by PLN 2.6 million);
- Reversal of the impairment losses effect (drop by PLN 4.3 million);

**6. Concise outline of significant achievements or failures of the issuer in the reporting period including a list of related major events**

An outline of significant achievements or failures of the Issuer in the reporting period including a list of related major events has been presented in section 2 hereof.

**7. Description of factors and events, in particular those of non-typical nature, of significant impact on the financial performance achieved**

The factors of significant impact on the financial performance have been referred to in sections 2 and 5 hereof.

**8. Identification of shareholders holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the general meeting of shareholders of the Issuer as at the day of delivery of the annual report, including the specification of the number of shares held by such companies, their percentage share in the share capital, number of votes attaching to them and their percentage share in the total number of votes at the general meeting, as**

**well as identification of changes in the ownership structure of substantial share interest of the Issuer in the period since the delivery of the most recent past annual report**

No.	Shareholder	Number of shares	Number of votes	Percentage
1	Mansa Investments sp. z o.o. <sup>1</sup>	33,168 900	33,168 900	42.95%
2	BIF IV Europe Holdings Limited <sup>2</sup>	24,738,738	24,738,738	32.04%
3	Allianz Polska OFE <sup>3</sup>	6,045,142	6,045,142	7.83%
4	Nationale-Nederlanden OFE <sup>4</sup>	4,571,602	4,571,602	5.92%
5	Other (less than 5%)	8,694 531	8,694 531	11.26%
	Total	77,218,913	77,218,913	100%

<sup>1</sup> 100% of shares in Mansa Investments sp. z o.o. is indirectly controlled by Ms. Dominika Kulczyk through the company Kulczyk Holding s.à r.l. As announced on 13 April 2022 (Current Report No. 16/2022 dated 13 April 2022), Mansa Investments sp. z o.o. and BIF IV Europe Holdings Limited are acting in concert, based on an investment agreement entered into on 3 November 2020 (as amended), meeting the criteria referred to in Article 87 section 1 item 5 of the Act on Public Offering and Conditions for Introducing Financial Instruments to the Organized Trading System and on Public Companies. The number of Mansa's shares and votes was given based on Mansa's notice of 26 February 2025 (Current Report No. 11/2025 of 27 February 2025). The same notice informed about entering into a registered and financial pledge agreement between Mansa and Bank Polska Kasa Opieki S.A. on 24 February 2025, concerning 17,760,350 shares in the Company held by Mansa, representing ca. 23% of the Company's share capital and the total number of votes in the Company as at the date of the notice. Mansa retained its entitlement to exercise voting rights on the pledged shares. The notice also shows that Mansa's previous financial pledge of 15,200,000 shares in the Company's share capital expired.

<sup>2</sup> As announced on 13 April 2022 (Current Report No. 16/2022 dated 13 April 2022), Mansa Investments sp. z o.o. and BIF IV Europe Holdings Limited are acting in concert, based on an investment agreement entered into on 3 November 2020 (as amended), meeting the criteria referred to in Article 87 section 1 item 5 of the Act on Public Offering and Conditions for Introducing Financial Instruments to the Organized Trading System and on Public Companies. The number of shares and votes indicated in the table above additionally takes into account information on the number of shares allotted to individual shareholders in the Public Offering of Series AB ordinary bearer shares.

<sup>3</sup> As reported at the Issuer's Annual General Meeting convened for 19 June 2024 (Current Report No. 33/2023 dated 25 June 2024).

<sup>4</sup> As reported at the Issuer's Annual General Meeting convened for 19 June 2024 (Current Report No. 33/2023 dated 25 June 2024).

**9. Identification of effects of changes in the entity's structure, including changes resulting from mergers, acquisitions or disposals of the group entities, long-term investments, splits, restructuring or discontinuation of operations**

In the reporting period, there were no material changes in the entity's structure including ones resulting from mergers, acquisitions or disposals of the issuer's group entities, long-term investments, splits, restructuring or discontinuation of operations, save for the entering of the new companies to the Register of Entrepreneurs of the National Court Register (KRS).

the company Polenergia Farma Wiatrowa 33 sp. z o.o. (entry made on 26 February 2024);

the company Polenergia Farma Wiatrowa 34 sp. z o.o. (entry made on 11 March 2024);

the company Polenergia Farma Wiatrowa 35 sp. z o.o. (entry made on 5 August 2024).

On 27 September 2024, the Company exercised the call option granted under the agreement for the acquisition of 60% of shares in the subsidiary Wind Farm Four Srl (former Naxxar Wind Farm Four Srl) entered into on 5 October 2023 with Naxxar Renewable Energy Management Holding Srl („NRE MH”), as a result of which the Company. acquired the remaining 40% of shares in Wind Farm Four Srl. from NRE MH. Consequently, the Company became the sole shareholder of that company.

According to Reports Nos. 4/2024 and 41/2024, the Company is in the process of reviewing strategic options in the areas of electromobility, hydrogen strategy, new foreign projects and selected projects in the other business segments of the Polenergia Group, excluding offshore wind farm projects, as well as strategic assets, and does not rule out making decisions in the future - depending on the results of the review - to abandon their further implementation or to change the



manner or scope of their implementation. The Company will report the results of the option review in the manner provided for by the provisions of law.

## 10. General information

The Polenergia Group (the “Group”) comprises Polenergia S.A. (the “Company”, the “parent”), formerly Polish Energy Partners S.A. and its subsidiaries. The Company has been established with a Notarized Deed of 17 July 1997 and 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. Since 20 November 2013 the registered office of the Company is located in Warsaw, ulica Krucza 24/26.

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

The Polenergia Group consists of vertically integrated companies operating in the area of energy generation using renewable and gas sources, as well as in the areas of distribution, sales and trading in electrical energy and distributed generation. The Group was formed in the process of consolidating two asset groups controlled by Kulczyk Holding S.à.r.l (former Polenergia Holding S.à.r.l) with registered office in Luxembourg i.e. Polish Energy Partners S.A. (with focus on the development and operation of renewable energy sources, in particular wind farms) and Polenergia Group (with focus on the generation, distribution, sale of and trading in electrical energy and certificates of origin and developing offshore wind farms). In early 2022, the Group acquired a 100% stake in Edison Energia S.A. (presently Polenergia Fotowoltaika and Polenergia Pompy Ciepła), which operates in the distributed generation segment. In 2024 Polenergia S.A. exercised its call option and acquired the remaining 40% stake in Wind Farm Four Srl's share capital, consequently becoming the sole shareholder of that company.

Lifetime of the Company, as well as all member companies of the Group is unlimited.

## 11. Description of the Issuer group's organization, consolidated entities, as well as changes in the Issuer group's organization and reasons for such changes

For a flowchart of the Issuer's group, refer to Note 7 to the Consolidated Financial Statements. All Companies referred to in said Note have been consolidated according to the full method, except for the companies MFW Bałtyk I S.A., MFW Bałtyk II Sp. z o.o., MFW Bałtyk III Sp. z o.o. and Naxxar Wind Farm Four SRL which have been measured using the equity method.

Except as described in section 9 above, no material changes in the Issuer group's organization took place in the reporting period.

## 12. Structure of assets, equity and liabilities in the consolidated balance sheet, including from the perspective of the Issuer group's liquidity

Name	Description	2024	2023	Change YOY
1. Return on equity	Net profit/loss	7.3%	7.4%	-0.2%
	average annual equity			
2. Net return on sales	Net profit/loss	7.0%	4.7%	2.3%
	sales revenue			
3. Liquidity - liquidity ratio I	total current assets	2.86	2.55	0.31
	short term			
4. Receivable rotation cycle (in days)	average annual trade receivables x 365 days	22	16	6
	revenue from sale of products and goods			
5. Debt to assets ratio	(total equity and liabilities - equity) *	42.9%	40.4%	2.4%
	100 total assets			

Return on equity remains at a similar level compared to the preceding year. The net return on sales ratio which indicates the level of profit per every Zloty of sales revenue, has increased relative to 2023. The improvement in the above indicators was driven in particular by the increase of net profit compounded by the decrease in sales revenues compared to the corresponding period of the preceding year (drop by 1.3 billion).

The Group's liquidity, measured with the liquidity ratio I, increased due to a higher current assets to short-term liabilities ratio - (a drop in short term liabilities year on year). The receivables collection rate denoting the waiting time for payment of receivables, has improved by 6 days compared to the preceding year.

The structure of the Group's balance sheet at the end of 2024 has changed mainly due to: an increase in the level of equity, an increase in long-term liabilities mainly due to the issuance of bonds, an increase in property, plant and equipment and financial assets measured through equity method.

## 13. Description of material risk factors and threats, including information on the degree of the Issuer's exposure to such risks or threats

### Risk of changes in the legal and regulatory environment of the energy sector

The Group' operations are subject to numerous Polish, EU and international regulations. Laws, regulations, administrative decisions, positions, opinions, interpretations, guidelines of public administration bodies and grid managers, applicable to the Group's business, are subject to frequent changes (for example: Energy Law, with secondary legislation, has been substantially amended several dozen times since its enactment in 1997). Any potential changes in legal regulations pertaining in particular to business activity, taxes and public levies, labor matters, commercial law, including commercial companies and capital markets, as well as environmental protection and in ESG area, may have a material impact on the operations of the Issuer. The Polish legal system is being harmonized with EU regulations on an ongoing basis.

The described risk has materialized on several occasions in the course of the Group's operations. For example:

The July 2023 amendment to the Energy Law introduced a mechanism for non-market limitation of renewable energy generation by electricity system operators (so-called non-market redispatch) into the Polish legal system. Currently, in order to balance the supply of electricity with the demand for electricity or to ensure the security of operation of the power grid, operators are able, among other things, to issue an order to curtail or even completely shut down the operation of a generating unit which uses wind or solar energy, or of energy warehouse. The Energy Law provides, subject to certain conditions, for the right of generators to be compensated when their operation is curtailed. However, as a rule these compensations do not fully cover possible damages resulting from a generation curtailment or cessation order.

The Act on Emergency Measures adopted following the entry into force of EU Council Regulation (EU) 2022/1854 of 6 October 2022 on emergency intervention to address the issue of high energy prices had a material impact on the Group's financial results. In the law, the legislator has limited the revenues of: electricity generators gained in connection with the generation of electricity, and energy trading companies related to the sale of electricity, respectively. Each such entity was required from December 2022 until the end of the year 2023 to contribute a significant portion of its revenues to a state fund created specifically for this purpose (the Price Difference Payment Fund). Such intervention regulation fundamentally changed the rules of operation of entities on the electricity market. This was particularly visible in the case of RES installations, where the legislator officially imposed the maximum achievable electricity sale price without taking into account the individual economic conditions of the project, or the investor's project commercialization strategy.

Another restriction imposed on companies running business in electricity trading area by the Act on Emergency Measures, successively extended in the years 2023-2025, is the still-present obligation to apply maximum prices in settlements with certain categories of customers. These prices were also reduced. The initial maximum price of 693 PLN/MWh for households was reduced to 500 PLN/MWh from 1 July 2024, while the maximum price for local government units and public utility entities, and micro, small and medium-sized enterprises, was reduced from 785 PLN/MWh to 693 PLN/MWh. Uncertainty on the part of energy companies was reinforced by the successive extension of the price freeze mechanism until the present day. From 1 January 2025 to 30 September 2025 household customers are still entitled to maximum prices.

It should be noted that the intervention mechanism in the electricity price market was characterized by great uncertainty about the correct interpretation of its application, the limit date for its extension and the direction of subsequent amendments to the regulations. The publication of sometimes divergent explanations from authorities and institutions involved in settlements with entities obliged to apply intervention mechanisms to account was also of importance.

It should also be pointed out that irrespective of the exceptional case of Act on Emergency Measures, the activities carried out by the Group are always subject, apart from the provisions generally regulating each business activity, to specific regulations of the energy sector, in particular, the Energy Law, the RES Act, the Act on Promotion of Electricity Generation in Offshore Wind Farms (the Act on Wind Farm Projects), and executive acts, which have a significant impact on development and operation of RES projects.

In late 2024 and early 2025, a package of assumptions was published to amend regulations for the offshore sector, which, in addition to facilitating offshore investments, among other things, significantly modify and supplement the regulations for allowing projects to go to auction, including the auction price, indexation, and reported capacity. Any such amendment in the offshore sector,

due to the long and complicated process of offshore wind farm development, is subject to special review, including with regard to the financial assumptions of the projects in development.

Energy projects under development are affected by the July 2023 planning reform, which implements, without limitation, a new planning procedure and new procedures for locating larger RES installations, particularly PV installations (i.e. the obligation to locate such installations only in areas covered by a local zoning plan). Due to the need for local governments to adopt new plans allowing RES investments, the introduced reform could potentially hinder, prolong or even delay investment processes for RES installations if plans for locating investments are not created within the expected deadline (the so-called investment gap).

Another example of realized regulatory risk includes the still ongoing effects of the Act on Wind Farm Projects, which introduced the so-called 10H rule. According to the rule implemented by the Act on Wind Farm Projects a wind farm may not be built at a distance of less than 10 times the height of a turbine (including raised blades) from residential buildings, forms of nature protection and forest areas. The implementation of the above principle, along with an increased tax base for wind turbines, resulted in inhibiting the development of new wind farm projects, the need to recognize impairment losses in 2016 in the total amount of PLN 55 million in relation to wind farm projects under development and deterioration of the financial situation of companies operating on wind projects. Limitations in locating wind farms were alleviated with the Act of 3 March 2023 amending the Act on Wind Farm Project and Certain Other Acts, under which a wind power plant may be located, built or modified at a distance equal to or greater than ten times the total height of the wind power plant from a residential building or a building with a mixed function, unless the local plan specifies a different distance, expressed in meters, but no less than 700 meters. Current plans for legislative work in this area include the development of new rules for locating wind projects. The project under procedure is a further liberalization of the distance between onshore wind energy installations and residential areas. Among other things, the project provides for the abolition of the general 10H rule and the introduction of a 500 meters distance, including for certain Natura 2000 areas. As at the date of publication of the report, the process of approvals and public consultation on the draft law was completed and is awaiting referral by the Council of Ministers for further parliamentary work.

Factors relevant to the Group's operations also include decisions issued by competent public administration bodies, in particular the President of the Energy Regulatory Office, which are characterized by a high level of arbitrariness and thus are often subject to legal disputes. The legislative and regulatory changes may also, in certain areas, contribute to a lower than expected return on investment in RES.

In the long term, changes in the energy market may also be triggered by the development of nuclear power projects, which may affect the level of electricity prices, among other things.

The Company's representatives participate in the work of working teams at industry organizations and associations in order to monitor and minimize the risk of regulatory changes unfavorable for the Group; however, the Company has very limited possibilities of actually influencing decisions taken at the Community and national level in such scope.

Changes in the European Union and state policies and related changes in legal regulations will have a material impact on the operations of the Group companies in future.

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Risk related to the implementation of Offshore Wind Farm projects, including:

- Risk of increase in investment costs

The offshore wind farm projects implemented in cooperation with the Equinor group currently constitute the largest investment project of the Polenergia Group. These projects are exposed to a number of risks resulting from the market situation and the scale of the projects. The first is the risk of increased investment costs projected for the development and construction phases. The risk is due to high demand for services and supply of key components, changes in raw material prices, inflation or uncertainty in the completeness of information on geotechnical conditions of the seabed. Moreover, a significant increase in the cost of connections to the National Power Grid is observed.

The global offshore wind market was subject to significant changes in the past 3 years, driven by three main factors: (i) the increase in installed power of wind turbines offered by generators; (ii) the collapse of supply chains; and (iii) the increase in component, supply and service costs triggered by rising energy, fuel and metal prices. The very dynamic changes in technology, which allow for increased turbine unit power and productivity, are not correlated with the development of logistics facilities, resulting in bottlenecks in the supply chain, especially for specialized installation vessels. The high demand for installation services, and the supply of offshore wind farm components projected in 2025-2030, juxtaposed with the observed limited market capacity, contributes to the increase in service prices. In addition, the situation is complicated by the return to oil and gas exploration and production in many offshore areas following the outbreak of war in Ukraine, which is contributing to increased competition for skilled workers, ships and other key resources. This difficult situation is compounded by cost increases caused by higher prices for steel, copper and aluminum, which are key raw materials for building offshore wind farm components and main elements of the contractual prices. Further cost drivers comprise potential increase in fuel prices, directly affecting the cost of installation services. All of these factors may increase the cost of project development and construction. The Company manages risk by leveraging the global position of its partner in the offshore wind farms development projects in the Baltic Sea (Equinor), which conducts procurement proceedings using the full market potential of market knowledge resulting from the portfolio of offshore wind farm projects held.

In the case of the MFW Bałtyk II and MFW Bałtyk III projects, additional factor affecting the risk of increased investment costs includes the probability of geotechnical conditions of the Baltic seabed being less favorable than assumed. As at the date of the Risk Factors, the Company identifies risks in the area of foundation installation ("pile driveability"). This risk mainly relates to the installation time of the foundation and the cost of the project. The company is mitigating the risk by conducting 3D UHRS (geophysical surveys). If obstacles to the designed monopile foundation are identified, its designed location will be shifted accordingly within a 50-meter radius.

- Risk of incurring high investment costs before making a final investment decision

The development of offshore wind farms also involves the risk of incurring high investment costs prior to making the final investment decision, which stems from the need to secure capacity from suppliers and collect the data needed to obtain a construction permit. The increased interest in offshore wind energy investment due to implementing global climate policies and the need for European countries to become independent of fossil fuels after the outbreak of war in Ukraine, adds to the problems of planning the supply and performing the construction in the coming years. The market has become one of suppliers and installers who expect hard financial guarantees before booking production and installation capacity, while extending service delivery schedules. Making capacity reservations may result in significant capital expenditures before the final investment decision and the issue of guarantees by the Company for payment of liabilities by the companies

developing offshore wind farm projects. The Company manages risk by optimizing and controlling schedules and the negotiation process in detail during the establishment of the supply chain, and by negotiating commitment limits in the period prior to making FID.

- Risk of delays in project preparation and implementation

Volatility and uncertainty in the market environment, bottlenecks in the supply chain and staff shortages in the market increase the risk of delays in project preparation and implementation. Three streams of project development processes currently critical to timely preparation for construction and implementation as designed include: design processes, construction permitting and supply chain organization. These closely interrelated processes require very efficient and professional coordination and management. They involve a number of consulting and design firms, external teams for permitting, procurement, engineering, stakeholder management at the Equinor partner, suppliers, and more than a dozen institutions and state administration offices and bodies. Limited human resources may also prove to be a problem, due to the high competition in the market and the lack of educated, experienced personnel in the domestic market, as well as the lack of experienced national institutions and administration involved in the development of offshore wind farms. The Company manages this risk by increasing its workforce, searching for the best-prepared employees, and performing education and outreach activities addressed to the administration.

- Global supply chain risks

Another factor contributing to the risk of project delays is the challenging global supply market and limited logistics resources juxtaposed with plans for implementing other major projects in the Baltic. Any delay in the implementation of other projects, resulting in overlapping installation periods, can pose a significant problem in ensuring proper logistics and construction safety. Moreover, any delay within the supply chain (for example, delays in production or installation) can affect subsequent stages of construction. Delays in the use of reserved production and installation periods and restrictions regarding permissible offshore installation periods may result in the need to withhold installations for a period of time, thus incurring increased costs.

- Risk of potential reduction in price of contract for difference

According to the Act on Promotion of Electricity Generation in Offshore Wind Farms, the MFW Bałtyk II and MFW Bałtyk III projects were granted the right to cover the negative balance for electricity generated in an offshore wind farm, based on the decisions of the Energy Regulatory Office issued in 2021. The projects will sell the generated energy to the market; however, they will have the right to cover the so-called negative balance, i.e. the difference between the market price of energy and the support price set by the President of the Energy Regulatory Office. The condition for exercising the right to cover the negative balance is that the European Commission recognizes the aid provided as authorized, as a result of individual notification of state aid. The Commission's task was to determine whether, at the assumed level of internal rate of return ("IRR") of the project, no excessive state aid is provided. By a decision dated 2 August 2024, the European Commission declared state aid granted to MFW Bałtyk II and MFW Bałtyk III projects as compatible with the internal market. Based on the Commission's decision and verification of the projects' financial data by an independent expert, on 6 November 2024, the URE President issued a decision in favor of the MFW Bałtyk II i MFW Bałtyk III offshore wind farms, setting the price used to cover the negative balance at PLN 319.60/MWh for the 25-year support period.

In addition, projects vested with the right to cover negative balance will be subject to additional clawback mechanisms securing against oversupport. The mechanism consists in the following: the individual support price for a project set by the President of the Energy Regulatory Office (Urząd

Regulacji Energetyki URE) is revised again if, prior to starting construction works, there is a significant change in the material and financial parameters of the project implementation, causing a significant (by more than 0.5 percentage points) increase in its internal rate of return. According to the rationale of the aforementioned decision of 6 November 2024, in the course of the proceedings, the authority determined that the commencement of work on the MFW Bałtyk II and MFW Bałtyk III projects took place before the URE President's decision, which meant that the price on which the negative balance is based would not be subject to updating under the so-called clawback mechanism.

The indicated risk will therefore not materialize.

- Risk of changing tax regulations

The Ministry of Finance is proceeding with changes to tax regulations. During the legislative process, objections were raised to the planned new definition of structures, which will result in a significant increase in the tax burden for RES installations. With regard to offshore wind farms, the change in the definition of structures may result in the need to adapt the manufacturing processes of offshore wind turbine parts to the new requirements.

Risk related to the necessity of meeting environmental requirements provided for in the environmental protection regulations

The business operations of the Issuer and individual Group entities are subject to a number of legal regulations regarding environmental protection. In particular, it may be required to obtain environmental conditions decision, integrated permits or sectoral permits for emissions of gases and particulate matter or for waste generation as required under the water law and to timely submit properly structured reports on their use of the environment, or other issues. Ensuring compliance with environmental regulations may require financial expenditure to prepare the relevant documents and adjust the Group's installations to the applicable requirements.

Further, under the EU CO<sub>2</sub> Emissions Trading Scheme, participation permits had to be obtained for installations used in the course of the operations by the Issuer or and other Group companies. Trade in emission allowances is an environmental policy instrument designed to reduce pollutant emissions. Both EU membership and the Kyoto protocol require Poland to participate in the Emissions Trading Scheme. The current period of trade in emission allowances i.e. EU ETS 2021-2030, is governed by the Act amending the Act on Trading in Allowances for Emissions of Greenhouse Gases of 15 April 2021 and certain other acts. Polenergia Elektrociepłownia Nowa Sarzyna, which participates in the Community Emission Trading Scheme, is subject to these regulations.

Polenergia Elektrociepłownia Nowa Sarzyna, which is subject to CO<sub>2</sub> emission reporting obligations, submits an annual emission report (for the previous year) together with an independent verifier's report to National Center for Emissions Management (KOBiZE) every year by 31 March of a given calendar year. All companies using the environment, i.e. emitting gases and dust into the air, having a vehicle fleet or showing other emissions (e.g., SF<sub>6</sub> gases) prepare a report on the use of the environment and, depending on the amount, submit the report to the appropriate Marshal's Office (by 31 March of a given calendar year). Environmental use is also reported in the National KOBiZE Database (by 28 February of a given calendar year). Waste management companies have active accounts in the database on products, packaging and waste management (BDO), where generated waste is reported (until 31 March of a given calendar year).

For offshore wind farm projects, there is a risk associated with implementing the provisions of the environmental decision at the installation stage by restricting the installation of foundations in certain months due to the protection of marine mammals from underwater noise emissions associated with driving the foundations into the seabed. In case of delays in delivery or installation of foundations beyond the permitted period, the installation period will have to be extended for the following year.

#### Risk of competitiveness of RES projects developed by the Group

In order to secure the receipt of electricity produced by RES installations at a fixed price, Group companies developing RES projects participate in the RES support system (the so-called auction system) or enter into long-term power purchase agreements (PPAs).

In the RES support system the obtaining and the amount of support (within the maximum prices set by the regulation) for renewable energy generation depends on winning the auction. As a consequence there exists a risk of obtaining no support for wind farm and photovoltaic farm projects implemented by the Group. At the same time, support granted to RES under the auction-based scheme will secure the generator, as a principle, against market risk in the scope of electricity prices for 15 years.

The Group is working on the further development of wind and photovoltaic projects to achieve the goals set out in the Group's strategy for 2020-2024. Some of the projects took part in the auctions. Currently, 6 wind projects and 8 photovoltaic projects developed by the Group have received auction support.

In a situation where a project of a wind farm or a photovoltaic farm does not receive support through an auction, the manner of such project's further implementation is subject to verification, and alternative forms of securing revenues through the project are examined, in particular, it is possible to build such project to supply electricity directly to the end user, e.g. based on long term electricity sales agreements of PPA type.

With the development of the RES market in Poland, the Company has been observing an increasing risk of competition in this segment, including in particular from new foreign investors with a strong capital base. There is a risk that the projects developed by the Group will not be sufficiently competitive, and consequently the bids submitted in RES auctions will not qualify for support under the system, and customers will not be interested in entering into PPAs with the Group.

In addition, in case of the MFW Bałtyk I offshore wind farm project, which is being prepared to participate in the auction to be held in 2025, there is a risk that the auction will not be organized in 2025. In case of winning the auction the project could receive support in the form of a bilateral contract for difference for a period of 25 years, which, in the case of offshore wind farm projects of the so-called second phase, is essential for their financing and implementation on schedule. It may happen that the auction will not be held although stipulated in the Act on Promotion of Electricity Generation in Offshore Wind Farms, in case of failure to present at least three projects ready to participate in the auction. The SPV is preparing the project in such a way as to minimize the financial impact of any delay in the project. To this end, a project implementation scenario has been developed that assumes that minimal costs will be incurred prior to the auction (the purpose of which is only to perform the necessary preparatory work for further project development and to meet the project's eligibility criteria for the auction). The majority of project development costs are planned to be incurred in the period following the announcement of the auction results (depending on the outcome of the auction).

The above risk already materialized a few times in the Group's activity. For example, in the event of failure to win the RES auction, some projects implemented by the Group were forced to wait until



successive auction or alternatively, the Group analyzed the possibility of entering into power purchase agreements for such projects. In the Group's history, wind farm projects with a total capacity of 199 MW (FW Dębask, FW Szymankowo, FW Kostomłoty and FW Piekło) lost the RES auctions in 2018, but obtained auction support in subsequent auctions in 2019 and 2020. Photovoltaic farm projects with a total capacity of 20.7 MW (FF Sulechów II and FF Sulechów III) lost the RES auctions in 2019, but obtained support as a result of winning the auction in 2020. Similarly, FF Strzelino and FF Świebodzin I projects with a total capacity of 55.7 MW lost the auction in June 2021 only to win in December 2021. Any delay in the implementation of projects due to failure to win the RES auction means that the Group will delay the moment of starting to obtain return on its investments in such projects.

#### Risk related to financial standing of customers and contracting parties

In the area of industrial energy, the Group generates revenues on the basis of long-term contracts for the supply of electricity and heat concluded with one or more consumers. The financial standing of customers and their ability to settle liabilities towards the Group companies is, therefore, of key significance for the success of the Group's projects, its financial results and financial standing. A sudden drop in energy consumption by a customer may also affect energy production efficiency.

Prior to concluding a contract and launching a project, the Issuer thoroughly verifies its potential customers, also with the support of external consultants, checking their ability to settle liabilities towards Issuer' and prospects for the industries they operate in. The Group is very careful in selecting customers, making sure they represent industries with good market prospects. The Company analyses in detail a prospective customer's industrial processes, as well as its power and heat demand. Both parties work together for several months before the launch of a project. Due to increasingly probable deterioration of the financial situation of some enterprises in relation to the difficult macroeconomic situation, the Group identifies the risk of an increase in the level of bad debts. The above was taken into account in the credit risk assessment model, which resulted in maintaining the impairment loss for bad debts in the amount of PLN 42 919 thousand as at 31 December 2024.

In the event of a deterioration in the financial situation of the clients of the Group's entities, in particular due to the deterioration of the economic situation, as well as other factors, such as, without limitation, increased competition in the market on which the Group operates, the Group cannot rule out the loss of customers or contractors, which could adversely affect the financial situation of the Group.

At the same time in the area of trade and sales, due the difficult macroeconomic situation, there remains an increased risk in running commercial activities. This is due to, among other, increased price volatility, decreased liquidity in the markets and increased risk of counterparty's insolvency. The above-mentioned risk factors may also affect liquidity by increasing the level of required security deposits and the level of bad debts. In response to the increased risk, the Company has intensified the current monitoring and analyzes in this area and applies more restrictive verification of contracting parties when concluding new transactions. However, it cannot be ruled out that in the future, deterioration of the financial condition of customers and contracting parties will adversely affect the financial standing of the Group.

The above risk materialized in the Groups' activity in March 2023, when Polenergia Obrót S.A. Was notified by CIME V-E Asset AG ("CIME") about financial difficulties that might cause delays in payments to Polenergia Obrót S.A. under the framework agreement dated 27 February 2020, concluded on the basis of the International Swaps and Derivatives Association Inc. template, and the transaction agreements for 2023 - 2025 ("ISDA") concluded thereunder. At the same time, on 24 March 2023, Polenergia Obrót S.A. stated that invoices for the billing period covering January 2023 and February 2023 were not paid, and addressed CIME with a call for payment of receivables

under ISDA, covering financial instruments based on energy products, and amounts resulting from late payments under ISDA (the "Debt").

In response to the need for restructuring measures, Polenergia Obrót agreed to enter into a package of agreements with CIME and CIME Krzanowice III sp. z o. o., CIME's Polish operating subsidiary ("CIME Krzanowice") in order to secure the interests of Polenergia Obrót to a maximum extent.

On 14 July 2023 Polenergia Obrót and CIME Krzanowice III sp. z o.o. entered into an agreement for the sale of electricity generated at the wind farm owned by CIME Krzanowice for a period of 10 years, under which Polenergia Obrót, as of 1 September 2023, receives all of the energy generated at this wind farm (the "Offtake Agreement"). In order to contractually supplement the provisions of the Offtake Agreement and comprehensively implement the principles of repayment of the Debt owed to Polenergia Obrót, on 3 August 2023 CIME, CIME Krzanowice and Polenergia Obrót entered into an agreement restructuring the Debt, pursuant to which Polenergia Obrót is entitled to set off the Debt against CIME Krzanowice's receivables from Polenergia Obrót for electricity supplied under the Offtake Agreement which will allow for gradual reduction of the level of the Debt over a 10-year time horizon (the "Restructuring Agreement"). In order to secure Polenergia Obrót's rights under the Offtake Agreement and the Restructuring Agreement, CIME Krzanowice, CIME and Polenergia Obrót agreed to establish a registered pledge in favor of Polenergia Obrót on CIME Krzanowice's assets and CIME's shares in the share capital of CIME Krzanowice.

In addition to the business provisions under the aforementioned agreements, Polenergia Obrót S.A. and CIME entered into an agreement partially terminating the ISDA with respect to transactions from the date of this agreement until the end of 2023.

In connection with the above-described event, a valuation of receivables was made based on estimated cash flows related to the performance of the described agreements. The parties have continuously performed their obligations under the Restructuring Agreement and the Offtake Agreement.

At the same time CIME, albeit with delays, was making payments on account of the receivables for derivatives entered into under the ISDA agreement.

#### Risk related to the regulations of the Polish energy market

While the heat market is fully regulated, the electricity and gas markets are only partly controlled by the appropriate authorities. In particular, such authority is the President of the Energy Regulatory Office ("URE"), a central government authority appointed by the Prime Minister. By operation of the Energy Law, the President of URE is competent for fuel and energy market regulation and for promotion of competition in the energy sector. The scope of competence of the President of URE includes granting, changing and revoking licenses for production, storage, transmission, trade in and distribution of fuels and electricity, as well as oversight of entities regulated under the Energy Law in terms of fulfillment of duties resulting from the Energy Law and secondary legislation. Given the advanced stage of implementation of competitive market mechanisms in the power generation sector, enterprises licensed to generate electricity are exempted from the requirement to submit their tariff prices for approval. Tariffs are still mandatory for electricity supplied to households end consumers which do not exercise the right to select the seller (while maintaining the possibility of changing energy supplier by households), and the current wording of the Energy Law regulations and executive acts concerning the principles of establishing tariffs as a principle provide for the coverage of reasonable costs of operations. At the same time it should be pointed out, that prices of electricity generated by the Group, in consideration of the sale to trading companies and consumers exercising the right to select the provider, are not subject to approval by the President of URE.

The above risk already materialized in the Group's activity. For example, in the past there has been an extension of the approval process of electricity tariffs of Polenergia Dystribucja and

Elektrociepłownia Nowa Sarzyna, as a consequence these companies were forced to operate on the basis of outdated rates and fees.

#### Risk of imposition of fines by the President of the Energy Regulatory Office (URE)

The Group is subject to a strict regulatory regime, like all licensed companies operating in the energy market. The President of the Energy Regulatory Office has been entrusted with monitoring compliance with the law and concession obligations. The authority is endowed with a number of powers, including the right to access the energy company's accounts and the right to request any information regarding current operations. Fines are imposed by the URE President in case violations are identified in the conduct of business or granted licenses, or market manipulation or other irregularities are detected. The catalog of violations and correlated fines is broad. There are quota fines resulting directly from a provision of the law. Other fines must fall within the statutory range. Their amount generally corresponds to the gravity of the duty violated.

The amount of fines for the most serious violations may not exceed 15% of the revenue generated in the previous fiscal year by the entrepreneur to be fined, and if the fine is related to business performed under a license (e.g. manufacturing or trading), the amount of the fine may not exceed 15% of the of the revenue generated in such business under license achieved in the previous fiscal year by the entrepreneur to be fined. When imposing the fine, the URE President is obliged to take into account the degree of harmfulness of the act, the degree of culpability, the previous behavior of the entity and its financial capabilities. The URE President may also waive the punishment if the degree of harmfulness of the act is negligible, and the entity has stopped breaching the law or fulfilled the obligation.

In extreme cases, e.g. when violations of the license terms or the conducted business are of a gross nature, the URE President revokes the license, resulting in the withdrawal of the licensee's right to conduct business in the scope of the concession.

Currently, according to information published by the URE President on 14 December 2023, proceedings are underway at market participants to check the correct application of the Act on Emergency Measures. The inspections concern the verification of reports submitted by obligated entities on the fulfillment of the obligation to contribute to the fund during the period from 1 December 2022 to 31 December 2023 (see "Risks of changes in the legal and regulatory environment in the energy sector"). If violations are found, the URE President is authorized to impose a maximum fine of up to 15% of the revenue generated by the entity to be fined in the previous fiscal year.

If the decision to impose a fine is appealed against, the enforcement of fine is suspended. This is because the fine shall be paid within 14 days from the date on which the decision by URE President to impose the fine became final, i.e. was upheld in the rulings of the courts which examined the legitimacy of the decision.

Therefore the Company cannot exclude the risk that the URE President, exercising his inspection authority over the Group, will find irregularities in the fulfillment of regulatory obligations (with the proviso that this could occur if Group entities breach laws or administrative decisions obtained, including licenses). A defense against the unfavorable evaluation of the fulfillment of the obligations by the Group and the imposition of a fine or an excessive amount thereof through court proceedings may then prove necessary.

#### Risks related to court disputes with Polska Energia - Pierwsza Kompania Handlowa sp. z o.o., Tauron Polska Energia S.A., Eolos Polska sp. z o.o. and Jeronimo Martins Polska S.A.

Information on court disputes with Polska Energia – Pierwsza Kompania Handlowa sp. z o.o, Tauron Polska Energia S.A., Eolos Polska sp.z o.o. and Jeronimo Martins Polska S.A. were included in item 15 of the report "Indication of significant proceedings pending before a court, an authority

competent for arbitration proceedings or a public administration authority, concerning the liabilities and receivables of the Issuer or its subsidiary, indicating the subject of the proceedings, the value of the dispute, the date of instituting the proceedings, the parties to the instituted proceedings and the Issuer's position".

There is no assurance that the current proceedings will not result in decisions/judgments unfavorable to the Group. Neither there is assurance that such proceedings or disputes will not be brought against the Group in the future or that they will not be resolved in a way unfavorable to the Group. In addition, any such disputes or legal proceedings, whether grounded or not, may be costly and time-consuming, may distract the attention of the Group's management, and, if resolved unfavorably to the Group, may damage the Group's reputation and increase costs.

#### Risk of volatility in market prices of natural gas and CO2 emission allowances

The Group uses methane-rich natural gas for the generation of electricity and heat at the Nowa Sarzyna CHP Plant. Since 2021 Polenergia Obrót supplied gas fuel to ENS, and received electricity based on the SLA (Service Level Agreement). Any potential problems of Polenergia Obrót with supplying the amount of gas fuel necessary to satisfy the existing demand may lead to limitations on gas fuel supply to customers. In such cases, ENS may fail to fulfill its obligation to supply heat to its contracting consumers and electricity to Polenergia Obrót. The risk of supply limitations is low.

The risk of changes in market prices of gas and CO2 emission allowances is limited by ENS through the SLA mechanism, which ensures the simultaneous securing by Polenergia Obrót S.A. of three products: electricity, natural gas and CO2 emission allowances in the event of a positive margin, that is the so-called CSS (Clean Spark Spread). Polenergia Obrót secures positive CSS for ENS in the forward market while buying natural gas and CO2 emission allowances and selling energy in accordance with the SLA. In case of a change in the price of raw material or energy, production optimization is performed; in case of CSS becoming negative, the hedging performed earlier is reversed.

High prices of forward contracts for natural gas and CO2 emission allowances with respect to prices of contracts for electricity, persisting since 2021, entail negative Clean Spark Spreads (CSS) for the energy production profile of the gas-fired Elektrociepłownia Nowa Sarzyna. Unfavorable CSS spreads for ENS materialize the risk of not being able to hedge forward (e.g. in annual contracts) the positive margin in natural gas power generation. In case of successful hedging of CSS margin, its volatility affects the Group's current financial results in connection with the evaluation of forward transactions hedging the ENS production and sale. The Group analyzes the levels of CSS market spreads for subsequent periods on an ongoing basis and makes decisions on hedging the future margin for ENS depending on market conditions. In 2024, it was not possible to hedge positive spreads for ENS in the forward market for energy supply in 2025. As at the signature hereof in 2025 the situation is the same and there is no possibility of forward hedging of ENS operation for 2026. However, there are times when natural gas and CO2 allowance prices relative to electricity prices ensure positive CSS for ENS - but these include contracting on the SPOT or weekly/monthly market. The Group takes advantage of upcoming opportunities to hedge CSS margin for ENS in such periods and to generate energy subsequently or to reverse the hedged position with gain depending on price changes after the hedge is realized. Since June 2024, with the implemented changes in the balancing market, the volatility of energy prices in the spot market increased, thus increasing the possibility of restarting work in ENS gas facility. Polenergia Obrót has been closely co-operating with ENS to make the economically and technically optimal use of the gas-steam unit.

In principle, natural gas corresponding to the heat production profile is purchased separately. The risk of gas price volatility is minimized through a tariff mechanism that takes into account contracted

raw material purchase costs when calculating rates. For the 2025 Elektrociepłownia Nowa Sarzyna entered into a contract for the purchase of gas for heat production with PGNiG Obrót Detaliczny sp. z o.o.

In the electricity production from natural gas CO<sub>2</sub> is emitted at a rate of about 500kg/1MWh (depending on the efficiency of the plant). Thus, an increase in CO<sub>2</sub> costs by PLN 1/t means an increase in the cost of electricity production from natural gas by approximately PLN 0.5 / MWh. Over the past few years, CO<sub>2</sub> prices increased to the levels periodically exceeding PLN 400/ton, meaning reduced competitiveness of electricity generated in gas units.

In the Group's operations to date, the risk of missing positive CSS spreads has materialized systematically in recent years. The Group did not have the opportunity to secure positive spreads for Elektrociepłownia Nowa Sarzyna on the futures market in energy deliveries in the years 2023 - 2025. At the time of preparing hereof, the contracts for 2026 and 2027 do not provide for such option either.

#### Risk of regulatory changes concerning the support system for generation sources operation in the capacity market and the support system for RES

The Polish energy market is characterized by a material over-exploitation in the scope of conventional production capacities. The above is mainly due to low replacement investments in the recent years. The measures implemented by PSE in recent years within the balancing market (including intervention cold reserve, operational capacity reserve) and several investment decisions made by energy companies controlled by the State Treasury have postponed the risk of insufficient capacity reserve for several years. On 8 December 2017 the Lower House of Parliament (Sejm) adopted the Capacity Market Act. In the following years auctions were carried out for capacity supply for the years 2021-2027. In the auctions held, Elektrociepłownia Nowa Sarzyna contracted capacity up to and including 2029. In July 2025 a carbon dioxide emission limit of 550 g/kWh came into effect determining that only the installations operating below this emission limit will be allowed to participate in the capacity market. As a result of these restrictions, a number of existing capacity market units, especially coal-fired ones, lost the possibility of concluding capacity agreements. The restriction did not cover multi-annual agreements concluded before its introduction, while annual agreements concluded for 2025 remain valid until 30 June 2025. However, as a result of changes in EU regulations made in 2024, derogations were introduced for the above restriction and units not meeting the 550 g/kWh limit may again participate in the capacity market until 2028. For this purpose, so-called supplementary auctions are planned for the supply periods of the second half of 2025 and 2026, 2027 and 2028. In connection with the above, the risk should be taken into account of increased supply of offers in the main auction for 2030 in relation to demand and the resulting relatively low price of the capacity obligation.

Furthermore, it cannot be ruled out that the capacity market will exert an adverse impact on wholesale electricity market prices, which can potentially affect projects whose economic viability rests on revenues from sale of electricity (wind and photovoltaic farms), and which are exposed to the risk of electricity prices. This risk is partly mitigated by hedging the prices of electricity sold from wind and photovoltaic farms in forward contracts and by participating in auction system for RES.

In the Group's operations to date, the risk of changes to the RES support system materialized a few times. With regard to RES support systems, 2015 saw the replacement of the certificate of origin system implemented in 2005 with an auction system for new installations, with the first auctions held in late 2016 following the implementation of the auction system. The RES Act allows for the transition of operating RES installations from the green certificate system to the auction system. Whether the migration auctions will take place is decided by the Council of Ministers, which

determines the auction budgets for the migration auctions in a regulation. No migration auctions have been held since 2021. However, due to the level of reference prices (also taking into account the current costs and efficiency of available technologies), the attractiveness of migration auctions of RES installations built many years ago is significantly limited. These installations, due to the technologies available at the time, are not in position to generate electricity as efficiently as new RES installations.

Some entities operating in the electricity sector are defined as entities under obligation to redeem the certificates of origin in virtue of energy regulations. These entities are required to submit certificates of RES origin for redemption to the URE President or to pay a substitution fee. The entity obliged to fulfill the obligation to redeem certificates of origin may pay a substitution fee, even if the grounds for fulfilling the redemption obligation exist. The amount of the substitution fee is calculated on the basis of the mathematical formula specified in the RES Act. In the past, there have been cases of limiting the amount of the substitution fee that energy companies could pay instead of presenting the RES certificates of origin for redemption to the URE. The originally determined amount of the substitution fee allowed for creating favorable business models and financing energy, in particular wind energy. At that time, the generator could rely on the maximum price of the green certificate limited only by the supply-to-demand ratio. The first reduction in the amount of the substitution fee in 2016 caused a breach of acquired rights of many companies operating in the wind energy sector, which resulted in lawsuits. Subsequent legislative changes resulted in further unfavorable changes which had adverse impact primarily on investors burdened with loans and financing institutions, causing problems with debt restructuring, risk assessment and providing financing for new RES projects. On the other hand, with regard to the determination of the redemption obligation, a trend is observed favorable for energy-intensive companies and unfavorable for RES generators, concerning the reduction of this obligation, which has a direct impact on the prices of property rights arising from certificates of origin.

By virtue of the regulations issued, the Minister of Climate and Environment reduced the quantitative share of the sum of electricity resulting from redeemed certificates of origin confirming the generation of electricity from RES, setting the share at 5% for 2024 (compared to 12% in 2023), to be raised to 8.5% for 2025.

Moreover, the support system for gas and coal-biomass co-generation was also transformed. As part of these changes, the certification system was replaced by the auction system, which began to function only several years after the end of support under the certification system.

According to the amendment to the RES Act passed by the Lower House of Parliament (Sejm) on 11 August 2021, RES auctions will be able to be held until the end of 2027. As a result of extending the period during which it is possible to hold RES auctions, the maximum period to receive support for RES installations will be extended accordingly, i.e. until 30 June 2047.

#### Risk of failure to meet requirements from facility agreements and bond issue terms and conditions

As at 31 December 2024 the Group's total liabilities amounted to PLN 3,227 million, of which the Group's indebtedness under loans granted to Group entities amounted to PLN 1,341 million, and obligations on account of the bonds issue amounted to PLN 763 million. The concluded facility agreements contain a number of requirements to be met by individual design companies or projects run; the breach of such requirements may result in the termination of the facility agreement, making the facility immediately mature or increasing the cost of financing. The terms and conditions of bonds issue include the provisions imposing upon Polenergia S.A. the obligation to maintain the required levels of financial ratios. The Group is analyzing the indebtedness level and the risk of non-fulfillment of the requirements of the facility agreements and bond issue terms and conditions on an on-going basis, remaining in contact with the financing institutions.

In the Group's activities to date, the above risk has materialized to a limited extent and consisted in breaches of less significant provisions of facility agreements and in the incidental non-compliance by special-purpose vehicles with certain requirements relating to financial ratios. However, in each case of failure to meet the requirements concerning financial indicators, the special purpose vehicles of the Group previously notified the relevant bank providing financing about such possibility and each time obtained a waiver in this respect or undertook to immediately take remedial action by contributing additional capital in an amount sufficient to improve the borrower's cash flow and, as a result, achieve the minimum level of the indicator. None of the financing banks ever terminated the facility agreement or initiated enforcement proceedings against any of the Group's entities.

At the Sulechów Photovoltaic Farm, one of the covenants, was not met as at 31.12.2024, and therefore the loan was reclassified as a current liability in the amount of PLN 28.4 million in the consolidated financial statements as at the reporting date. According to the loan agreement, this covenant can be rectified by injecting additional capital from the sponsor, which the sponsor intends to utilize.

#### Risk of non-approval or delayed approval of tariffs by the URE President

The Group companies which generate heat or distribute gas and electricity are required to submit their tariffs to the President of URE for approval in the scope of the sale of heat and electricity and the distribution of gas and electricity. Pursuant to the applicable laws, a tariff should cover the expected reasonable costs of generation of heat, the distribution of heat, natural gas and electricity and the sale of electricity in a particular tariff period, while ensuring a return on capital. Approval of tariffs by the President of URE is aimed to protect consumers against unreasonable price increase. As a consequence, there is a risk that the President of the URE will approve the tariff which will not provide individual companies with adequate return on capital, and potentially not even ensure the coverage of the costs.

There is also a risk of delay in approval of a tariff for a new tariff period, which in consequence means that the producer/distributor/seller is forced to apply the tariff applicable in the previous tariff period, which may not ensure the expected return on capital, or even the coverage of current costs. If such risk materializes, the financial results of the Group may be worse than expected.

The risk related to the heat tariff affects only Elektrociepłownia Nowa Sarzyna. The risk associated with the natural gas distribution tariff relates to Polenergia Kogeneracja sp. z o.o. while the risk associated with the electricity sale and distribution tariff relates to Polenergia Dystrybucja.

#### Risk of volatility in market prices of green certificates and their oversupply

The Group's financial results still depend on the market prices of green certificates, yet to lesser and lesser extent. This support applies only to wind projects launched by 2015 and will expire for the last projects in 2030. The Group analyzes the situation on the green certificate market on an ongoing basis and makes decisions on securing the sale of green certificates from the wind energy segment, taking advantage of the possibility of concluding transactions on the bilateral contracts market and on the exchange market.

The main factor influencing the price of green certificates is the obligation level which determines demand. Pursuant to a regulation of the Minister of Climate and Environment dated 30 August 2024, the obligation to redeem certificates of origin for electricity produced from RES other than agricultural biogas was set at the level of 8,5%% for 2025. Green certificate prices were falling since the beginning of 2024, from 70 to around 40 PLN/MWh, before rising to around 80 PLN/MWh in the wave of the first draft raising the obligation level to 12.5%. However, after public consultations, the eventually announced 8.5% obligation adversely affected green certificate prices, which dropped down to around PLN 40/MWh already in September, and cost even PLN 30/MWh by the end of

2024. Another period with a low level of obligation will result in an increased oversupply of green certificates, which will have a negative impact on the level of market prices for certificates. Purchases of green certificates by energy sellers made for next years' supply are negligible due to low prices and the greater likelihood of low obligation levels being maintained. In the current market, green certificate prices are largely correlated with the current supply of certificates from wind farms, the speed of issuance of property rights by the URE President and purchase strategies for certificate redemption.

The reduction in the level of obligation exceeding the decrease in the supply of certificates related to the termination of support for the oldest projects has been partially set off by higher energy prices. However, a drop down in energy prices may lead to worse financial results for the Group and failure to maintain the financial ratios specified in the facility agreements for individual wind farm projects. Low level of the prices of green certificates and energy persisting over long time could periodically impair the Group's ability to meet its obligations under certain facility agreements or necessitate drawing on guarantees provided by the Issuer in a part of the projects.

The Group reduces its exposure to the risk of a drop in the price of green certificates on an ongoing basis by securing in advance the sales price of certificates and energy corresponding to the production in the coming years.

The above risk already materialized in the Group's activity. For the production of energy from renewable sources the Group obtains approx. 650 thousand MWh from renewable sources. The drop in prices by over PLN 100/MWh observed in the years 2014-2016 meant a decrease in the group's revenues by over PLN 65 million per year. Certificate prices have steadily increased until 2022. In 2022, we saw temporary turbulence in the market caused by regulatory projects, but prices, after falling to around PLN 100/MWh, quickly returned to the level above PLN 200/MWh. After the obligation level was lowered in 2024 and 2025, green certificate prices dropped down to PLN 30/MWh, and it is highly likely that in the following year the obligation will not be high enough to reduce oversupply and cause green certificate prices to rise.

#### Risk related to loss of key personnel

The operations of the Company and other Group companies rely chiefly on the knowledge and experience of highly qualified personnel. However, the Company cannot rule out the risk of not being able to replenish its staff at the rate forced by the growth of the Group's business. The Company currently perceives a shortage in the labor market of experts specializing in the field of renewable energy. In addition, the Company cannot rule out the activities of competitors, both present and future, aimed at taking over the specialists employed by the Group by offering them competitive terms of employment. The labor shortage also poses the risk of overloading currently employed workers and consequently increased turnover/leave.

The Company is taking measures to mitigate the described risks, including, without limitation, by (i) developing the Group's internal organizational culture - based on respect, cooperation and a sense of responsibility through which employees identify with the Group; (ii) maintaining a competitive incentive-loyalty remuneration system (iii) professionalizing leadership in the organization through the implementation of an HR business partnering model involving close cooperation between HRBP and Leaders, which aims to increase the awareness and skills of Leaders in the areas of business/strategy impact, team effectiveness, employee needs, among others, resulting in building more stable and effective teams (iv) knowledge management and an extensive training program, and (v) proceeding with the construction of loyalty and protection programs for key employees, to maintain the level of expertise in the organization. Nevertheless, materialization of this risk in the future cannot be ruled out.

The above risk has not materialized in the Group's operations to date.



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#### Risk related to real estate lease agreements concluded by entities from the Group

In the ordinary course of business of the Group, certain entities within the Group conclude lease agreements for undeveloped real estate with their owners. Next, wind farm projects and photovoltaic farms are implemented on real estate leased by the Group's entities, and transformer stations and accompanying infrastructure (service yards and roads) are built. Lease agreements are mostly entered into for a period of 29 years. The conclusion of lease agreements for the period of up to 30 years is a market standard due to the fact that a lease agreement concluded for a definite term (no more than 30 years) may only be terminated in the cases provided for therein (unlike lease agreements concluded for an indefinite term), thus the former protect the investor. It should be borne in mind that if the lease contract is concluded for a period longer than 30 years, then after 30 years it is assumed that the contract is concluded for an indefinite period, which results in the possibility of termination by the lessor and the lessee while observing statutory deadlines specified in the Civil Code.

Due to the fact that the lease agreements are concluded at an early stage of project development, the term of some lease agreement may be shorter than the planned lifetime of a given wind or photovoltaic farm, or may be shorter than the period of financing with a bank loan. In such a situation, in the next several years' perspective, the Group may be forced to take steps to conclude new agreements in such a way that the lease agreement for a given property used for the implementation of a given component of a wind or photovoltaic farm project is valid at least until the end of the period of the project operation.

The Group does not rule out that in some situations the conclusion of another lease agreement may be difficult, and the negotiations on this matter may take longer and generate additional costs. If the parties fail to agree on the new terms and the lease agreement expires prior to the end of the project's operation period, the Group may be forced to prematurely terminate the operation of a part of the wind/photovoltaic farm.

In the case of lease agreements whose contractual term may turn out to be shorter than the period of financing with bank loan, banks can be expected to demand that additional loan repayment security be established in the absence of the possibility to enter into new lease agreements.

#### Risk of withdrawing from implementing new projects

The Group has been pursuing a significant number of projects in the segment of onshore and offshore wind farms, photovoltaic farms, gas and clean fuel projects, production and storing of renewable hydrogen and investments to develop distribution infrastructure and electric cars charging stations. Projects pursued by the Polenergia Group require significant capital expenditure. The expenditure is particularly high in case of development projects and construction of onshore and offshore wind farms. The Group makes decisions to commence the development stage of a project on the basis of detailed financial models, technical analyses and expert reports prepared by its dedicated Group Development Department. Such analyses include a series of assumptions, related to power generation volume, revenue, production costs, required investment amount and costs of financing.

The Group Development Department has extensive experience in all aspects of project preparation and implementation, such as development, operating activities of facilities or financing, but there is a risk that the Issuer will adopt assumptions more favorable than realistic, which will result in the Group achieving a lower than expected return on investment in a given project. Moreover, the costs of preparing a project, even before the development stage, are also significant, especially in the offshore wind farm construction segment. A project's failure would prevent the Group from recovering such costs.

Moreover, the inability to implement projects may result from changes in the law as exemplified by the Group's cessation of development of wind power projects as a result of coming into force of the provisions of the Act on Wind Farm Projects (Rule 10H, among others) of 20 May 2016.

#### Risk of failure to implement or delay in implementation of investment plans

Failure to implement or delay in the implementation of investment plans involves a risk of failure to reach the assumed operational objectives within the defined time limit. This in turn may cause worse financial results of the Group compared to the results obtained in case the project is completed as planned, and may lead to the failure to comply with the requirements set in the facility agreements.

The implementation of Phase I offshore wind farms involves the risk of delays or failure to implement the project for regulatory, financial and administrative reasons. Changes in regulations, permitting procedures and rising investment costs may affect the timing and profitability of projects. In addition, potential contractual claims may increase budgetary and operational risks. Logistic and technical issues such as delays in the delivery of key components, limited availability of installation units, and difficult real-world geological conditions are also significant challenges. Delays in the construction of connection infrastructure may further hamper the plans. Unpredictable weather conditions and a shortage of skilled professionals also pose significant threats to the timely completion of projects.

Intending to implement the investment plans set forth, the Group is taking steps to minimize such risk e.g. by a set of insurance policies, precise planning and analyzing factors which may affect the achievement of objectives, ongoing monitoring of results and immediate response to any signals showing that the achievement of objectives could be at risk. The Management Board prepares the process of implementing individual projects with particular care, refining all the details of the investment from the technological point of view and providing appropriate financing, however, the actions taken by the Group may turn out to be insufficient.

#### Competition risk in the Group's operation areas

The Group operates in the power market areas, including, in particular, generation of electricity (mainly in wind and photovoltaic farms) and heat, distribution, trading in electricity, sale of heat and electricity and solutions in the field of distributed energy and electromobility. In addition, the Group is developing projects for the production and storage of renewable hydrogen. In all of the above-mentioned areas, the Group competes with other entities active on the market.

For example, the applicable legal regulations causing a systematic increase in demand for energy produced from renewable sources and the implementation of the auction system for new and existing RES capacities increase the risk of competition in this market segment, including the competition from foreign entities with strong capital. The Group collects detailed information on market specificities and competition's projects, which allows for assessing profitability of competition's projects and a potential auction price level. The Group's in-depth analyses allow for an adequate assessment of market situation. At the same time, highly competitive projects are developed with the application of advanced capital and operating expenditure optimization processes, and locations characterized by above-average wind or insolation conditions and relatively low connection costs are selected for development.

In the near future the Group expects the entities hitherto focused on developing projects based on conventional energy sources, particularly coal, to become increasingly active in the renewable energy market and thus become the Group's new direct competitors.

The Group is also observing the entry of large energy groups with global operations to the Polish (off-shore) wind farm market, which may also significantly affect the Group's competitive position in this segment in the near future. Due to the parallel development of several large offshore wind farm

projects in Polish maritime zones and the intensive development in this sector in the European market, competition for resources, supplies, personnel and ports generates a key project risk of potential implementation delays.

As regards electricity sales, the Group is exposed to the risk of losing customers to competitors which have access to power and gas infrastructure on the TPA (third party access) basis. This results in stronger competition among suppliers of electricity and natural gas to end users and may lead to margin decrease.

The Company also cannot rule out that the Group companies' operations may be negatively affected in the near future by a marked increase in the number and capacity of micro-installations.

Group companies that are implementing RES projects and developing electricity distribution networks and electric car charging stations are competing with other entities for access to new locations. Increasing competition is noticeable in the RES sector in particular. In recent years, due to the rapid increase in the number of photovoltaic projects, the number of available sites and connection capacities has decreased significantly, resulting in a reduced pace of project implementation and an increase in the cost of leasing property. After the liberalization of the 10H rule in 2023, similar phenomena began to occur for onshore wind farm projects.

In developing a network of electric car charging stations, a key factors for successful investment involves a location that guarantees a high frequency of charging. The Group notes that competition for prime locations significantly increases rental costs, which negatively affects the profitability of investments.

Polenergia Group's long-standing presence in the energy market and its stable financial position are key factors mitigating the risk of competition. The Group focuses on the long-term operation of its projects, which provides landowners with greater comfort and confidence that the lessee will reliably fulfill its obligations under long-term lease agreements. The Group's additional competitive edge involves its experienced team responsible for new projects development, which implements the process from land acquisition to project construction. The gained experience allows for application of proven procedures and better communication with landlords.

In the activities of the Group to date, the above risk has partially materialized in relation to two companies from the Group and consisted in losing some customers to the competition. The risk materialized in relation to Polenergia Kogeneracja, which provides natural gas distribution and sales services, and Polenergia Dystrybucja, which provides electricity distribution and sales services. In the case of Polenergia Kogeneracja, other natural gas sellers started selling natural gas to customers connected to the gas network of Polenergia Kogeneracja, on the basis of competitive access to the distribution network. Taking into account the volume of distributed gas, the margin lost due to the above may be estimated at PLN 1- 2 million annually. In the case of Polenergia Dystrybucja, due to the competitive pressure in energy sales' only half of the energy distributed by this company is sold by it, hence the margin lost for this reason can be estimated at approximately PLN 2-3 million annually.

#### Risk of foreign exchange rate movements

Within the onshore wind farms segment and the photovoltaic segment, also including the projects in development and under construction, a part of liabilities are denominated in EUR. All foreign currency liabilities in investment projects have already been settled.

Operating projects may make foreign currency payments related to day-to-day operations, but their amount is marginal, so the associated risk is negligible.

As part of the offshore wind farm segment, most capital expenditures are denominated in foreign currencies, mainly in EUR, resulting in significant exposure to currency risk related to the amount of future capital expenditures. The amendments to the Act on Promotion of Electricity Generation in Offshore Wind Farms implemented in 2022 make it possible to denominate in EUR part or all of the revenues from the right to cover the negative balance on the sale of electricity. The described change allows for obtaining debt financing in EUR which reduces currency risk during the construction phase.

The implemented regulatory changes allow for effectively managing currency exposure in offshore wind farm projects after the final investment decision is obtained. Prior to obtaining a final investment decision, and thus prior to mobilizing debt financing, offshore wind farm projects are exposed to currency risk in the realization of capital expenditures, as shareholders' supplementary payments to the projects are made in PLN. After receiving supplementary funding from shareholders, project companies maintain bank account balances in currencies corresponding to the currency structure of future payments. Until the project obtains supplementary financing, the Issuer actively manages its currency exposure related to the amount of future supplementary capital contributions to SPVs involved in the development of offshore wind farm projects. Polenergia S.A. hedged much of the foreign exchange risk associated with equity contributions to offshore wind farm projects by converting its own funds, which will be used to finance these projects.

Polenergia Obrót S.A. is exposed to currency risk as a result of trading in electricity in foreign markets and in connection with participation in the CO<sub>2</sub> emission allowances market. However, the company's exposure to currency risk is largely mitigated by means of natural hedging, i.e. revenues and corresponding costs of purchase, as well as receivables and liabilities, are all generated in foreign currencies. In the case of significant transactions of Polenergia Obrót S.A. in a foreign currency, currency exchange rate hedging transactions are concluded. Risk management at Polenergia Obrót S.A. is governed by the binding Company risk management policy in accordance with the rules described therein.

#### Risk of volatility of electricity market prices

The Group's financial performance is dependent on the market prices of electricity. The Group keeps analyzing the electricity wholesale market on an ongoing basis, making decisions to secure the sale of electricity generated by offshore wind farms, photovoltaic farms, and gas and clean fuels segment.

The Group trades in electricity and gas also on the wholesale market. The results in that business depend on the changes in product market prices and the structure of open positions on the market. For this activity, ongoing risk control is carried out, taking into account the risk mandates granted for individual products and portfolios, as well as daily risk exposure testing using the VaR methodology (value at risk).

The volatility of electricity prices affects the obtained sales prices of electricity produced by the Group's wind and photovoltaic farms and the prices secured for energy customers served by the Group. The effects of lower prices obtained by RES sellers and higher prices by consumers with respect to market prices, are called profiling costs. The level and volatility of profiling costs remains outside the Group's control to a large extent; this system risk, once materialized, may have a significant effect on the results obtained by the Group. This was the case, without limitation, in 2022, when the adverse impact on the business line results was observed in the sale of RES assets of the Group, external RES aggregations and the sale to end consumers. In subsequent years, profiling costs stabilized until 14 June 2024, when balancing market reform was introduced and we saw an increase in profiling costs for wind and photovoltaic farms. An increase in price volatility,

settlement in 15-minute periods and an increase in installed RES capacity may contribute to further inflation of the profile cost and lower obtained sales prices with respect to the average market price of energy.

At the same time, support granted under the RES auction-based scheme for the volume secured by way of auction will protect the generator against market risk for 15 years in the scope of electricity sales' prices. The support solely applies to the projects implemented in the Group which won the RES auction and exclusively in the scope of the volume settled with the Price Settlement Authority. As relatively high market prices were maintained (exceeding the settlement prices with the Price Settlement Authority), in 2024 the support under the auction system adversely impacted the revenues from RES participating in the auction (compared to obtainable market prices). Nevertheless, the prices for photovoltaic farms obtained on the DAM market due to the effect of oversupply of PV power in periods of high insolation and low demand were subject to degradation down to negative levels. Then it was more beneficial to shut down the unit than to generate power and to pay extra for sales on the market. It should be noted that in the event of at least 6 hours in a row with negative prices, generating units are deprived of auction support or green certificates for the volume produced during such a period.

2024 also saw a significant increase in the number of periods when the PSE, due to inability to balance demand and supply during periods of excess RES energy production, often applied non-market capacity restrictions on RES sources, forcing photovoltaic and wind farms to shut down and cease production during such periods. Such situations however compensated by the PSE negatively affect the revenues of the Group's generating units.

Notwithstanding the foregoing, higher prices of electricity generally have a positive impact on the results related to the production of energy from RES, provided that they refer to the period for which the sale was not previously secured, be it in the form of a contract for difference with a fixed price, PPA or on the futures market in standard products at lower prices. In addition, if a contract for the sale of electricity concluded with a customer concerns a specific volume in a selected period (a form of a significant part of contracts), then, given the volatility of electricity generation in RES, the Company purchases or sells on the energy market and supplies the customer with the amount of energy specified in such contract. With dynamic energy price increases and decreases, energy consumption by customers deviating from the contracted values may generate a significant result (both positive and negative), disproportionate to the original assumptions. In accordance with the principle of adjusting the volumes and prices of energy obtained from own and external generation sources, as well as sales volumes and prices to end customers (through portfolio management), the Group minimizes exposure to the risk of changes in market prices of electricity in the trading, sales and distribution segments.

Since 14 June 2024, the balancing market has been operating under new rules, which after the introduction of min. 15-minute settlement periods led to an increase in the cost of non-balancing of the balancing unit, which further strengthened the risk factors associated with the decline in revenues from RES sources.

The onshore wind farm segment in 2024 was hedged in a significant part of the portfolio in the forward market with prices higher than the current market quotations observed in 2024. At the same time, low SPOT prices caused declines in the quotations of contracts for subsequent years, where there is a risk that with a low price of forward hedging and low wind, the Company will have to repurchase the forward hedged energy from the current market at prices significantly higher than the hedging price, which may generate a negative impact on the result. This risk already materialized in certain periods of 2022; therefore the Company changed the approach and in the coming years hedging will be implemented in a flexible manner, with an energy buffer left for the

current market. In addition, the Group is strongly developing the segment of energy sales in long-term PPAs in pay-as-produce and pay-as-forecast formulas, with a fixed or inflation-indexed price. In the event of a long term decline in electricity prices and the resulting lower prices of futures contracts' quotations, the potential of the segment's financial result may be limited for the non-hedged volume in PPAs and in auctions. Moreover, the increase in the number of RES sources may negatively affect the revenues of the onshore wind farm segment and photovoltaic farm segment in the coming years due to the decline in energy prices in the periods of high energy volumes generated in energy sources and in photovoltaic sources, contributing to an increase in profiling costs and the reduction of revenues.

A part of the sales volume of electricity from RES generation assets is hedged on the TGE (Polish Power Exchange) futures market and requires the appropriate level of hedging deposits to be maintained, in the amount depending on the quotations of stock indexes and may be subject to considerable fluctuations. The above risk materialized in 2022 due to high volatility of the production profile of wind farms and combined with a significant increase in market prices resulted in a greater demand for working capital. Polenergia Obrót also enters into contracts with electricity customers that are hedged on the TGE futures market causing the need for margin deposits, which requires increased working capital. In view of the materialization of the above risk factors in 2022, in order to control liquidity, the Group is pursuing a strategy of balancing buying and selling positions in the stock market.

#### Interest rate risk

The proportion of debt in the Group's financing structure is substantial. In line with the Polenergia Group's strategy of maximizing its return on equity, more than 50% of the investment projects are financed with debt. In accordance with the facility agreements entered into by individual Group companies, interest on credit facilities provided to is based on variable interest rates. At the same time the Group continues the strategy of reducing exposure by entering into transactions hedging the interest rate risk.

As at 31 December 2024, approximately 86% of liabilities of the Group's entities under loans and bonds issued were hedged against changes in the level of interest rates. Full hedging was achieved through IRS financial transactions, accounting for about 81% of the loan liabilities of the Group entities and bonds issued. Partial hedging against the change of interest rate level was naturally achieved in Polenergia Dystrybucja in the form of the tariff of the President of the Energy Regulatory Office ("URE") correlated with the WIBOR rate. As Polenergia Dystrybucja operates on the regulated market, its revenues are determined on the basis of the return on capital, namely the weighted average cost of capital (regulatory WACC) defined by the URE President. Most of the parameters in the formula for the regulatory WACC remain constant. The component having the greatest impact on changes in the regulatory WACC is the risk-free rate, which, according to the definition of the URE President, is determined on the basis of the average yield on 10-year Treasury bonds with a fixed interest rate, which are correlated with the WIBOR rate. Loan liabilities at Polenergia Dystrybucja account for about 5% of the Group's loan liabilities and bonds issued. Working capital and renewable loan limits used by the Group to finance operating activities in the trading and sales, distribution, gas and clean fuel segments cannot be hedged against the risk of interest rates' increase. Moreover, the high level of interest rates affects the cost of financing for new projects (including onshore and offshore wind farms and photovoltaic farms) and may have an impact on the assessment of their profitability. As a result, it cannot be excluded that a significant increase in market interest rates above the values forecast by the Group and factored into its project budgets may have a negative effect on the implementation of some elements of the Strategy and the Group's financial performance in the future.

#### Risk of adverse weather conditions affecting electricity generation at the wind farms operated by the Group

The volume of electricity generated by wind and photovoltaic farms depends primarily on wind conditions and insolation. These conditions are characterized by high variability depending on the season and variability in multi-year cycles. Wind conditions in autumn and winter are significantly better than in spring and summer, and sunlight conditions in spring and summer are significantly better than in autumn and winter. In addition, it cannot be ruled out that the wind and sunshine conditions forecast by the Group may prove less favorable than expected and may result in lower-than-expected production volumes.

Moreover, in certain situations, the construction of a new wind farm in the vicinity of the existing project may have a negative impact on the volume of electricity produced in such previously built project.

The volume of electricity generated by a photovoltaic farm depends primarily on local insolation characteristics. These may prove less favorable than expected and result in the actual volume of electricity generated falling below the projected volume.

The decisions on selecting the locations to build wind farms and photovoltaic farms are made by the Issuer based on professional wind and sunlight measurements confirmed by independent and reputable specialists. That said, there can be no assurance that the actual wind conditions or insolation will not be different than those used in the models for specific investment projects.

In the Group's operations, the above risks did not materialize on a sustained basis. Periods of lower windiness that affected the financial results achieved in a given year were offset by periods of higher windiness, which compensated for worse periods. The Company points out that the average windiness for the projects under development was in line with previously adopted assumptions. The Company indicates that the described risk is of short-term (annual) nature and does not have a significant negative impact on the Group's long-term financial position.

#### **14. Statement of compliance with corporate governance rules**

The corporate governance statement is described in Section 7. Standalone Directors' report on the operations of Polenergia S.A.

#### **15. Significant proceedings pending before a court, an authority competent for arbitration proceedings or a public administration authority, concerning the liabilities and receivables of the Issuer or its subsidiary, indicating the subject of the proceedings, the value of the dispute, the date of instituting the proceedings, the parties to the instituted proceedings and the Issuer's position**

Amon sp. z o.o. and Talia sp. z o.o. each filed an action to state ineffectiveness of the declarations of termination by Polska Energia – Pierwsza Kompania Handlowa sp. z o.o. (a company operating within the Tauron Group) of the Agreements for the sale of property rights resulting from certificates of origin confirming the production of electricity in renewable energy sources - wind farms in Łukaszów (Amon) and Modlikowice (Talia) and the Agreements for the sale of electricity generated in the above-mentioned wind farms.

Both companies obtained favorable partial and preliminary judgments upholding the claim in the part regarding the ineffectiveness of the statements of termination by Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. of the contracts in dispute. The judgments were challenged on appeal.

On 20 December 2021 the Court of Appeals in Gdansk announced a judgment in a case brought by Talia sp. z o.o. against Polska Energia - Pierwsza Kompania Handlowa sp. z o.o., dismissing the appeal filed by the above company in its entirety. On 16 August 2022, Polska Energia - Pierwsza

Kompania Handlowa sp. z o.o. filed a cassation appeal. On 17 November 2022 the Court of Appeals in Gdansk announced a judgment in a case brought by Amon sp. z o.o. against Polska Energia - Pierwsza Kompania Handlowa sp. z o.o., dismissing the appeal filed by the above company in its entirety. On 12 June 2023 Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. filed a cassation appeal. Both cassation appeals were accepted for examination by the Supreme Court.

On 31 March 2023, Amon sp. z o.o. received a procedural letter from Polska Energia – Pierwsza Kompania Handlowa sp. z o.o., in a case brought by Amon sp. z o.o. v. Polska Energia – Pierwsza Kompania Handlowa sp. z o.o. including further claims of Amon sp. z o.o. resulting from the failure to perform the above-mentioned contracts by Polska Energia - Pierwsza Kompania Handlowa sp. z o.o., pending before the District Court in Gdańsk, in which letter Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. entered into a counterclaim demanding an award from Amon sp. z o.o. for its benefit the amount of PLN 61.576 thousand with statutory default interest calculated as follows: (i) on the amount of PLN 55.691 thousand - from 31 March 2023 until the date of payment, (ii) on the amount of PLN 5.884 thousand - from the day following the date of direct delivery of a copy of the counterclaim to the attorney of Amon sp. z o.o.

The amount of PLN 55.691 thousand represents contractual penalties demanded by Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. allegedly on the basis of §8 section 1 of the agreement for the sale of property rights arising from certificates of origin confirming the generation of electricity in a renewable energy source - Łukaszów Wind Farm concluded on 23 December 2009 by Amon sp. z o.o. with Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. and allegedly resulting from the failure of Amon sp. z o.o. to meet the number of property rights to be transferred in individual months starting from August 2019.

The amount of PLN 5.884 thousand in turn represents compensation claimed by Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. for the alleged failure of Amon sp. z o.o. to perform an agreement for the sale of electricity generated at a renewable energy source - the Łukaszów Wind Farm, concluded by Amon sp. z o.o. with Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. on 23 December 2009, in the period from 18 November 2022 to 31 December 2022.

On 16 May 2023, the Regional Court of Gdansk served Amon sp. z o.o. with a ruling dated 2 May 2023, leaving the counterclaim by Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. without further consideration. The ruling issued by the Regional Court in Gdansk was based on Article 204 § 1, second sentence, of the Code of Civil Procedure, which stipulates that a counterclaim may be brought no later than in a statement of defense.

On 23 December, 2024, the District Court in Warsaw served Talia sp. z o.o. with a copy of the lawsuit by Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. for payment of the amount of PLN 75,334 thousand with default interest calculated as follows: (i) on the amount of PLN 41.860 thousand - from 8 September 2023 until the date of payment, (ii) on the amount of PLN 33.474 thousand - from the day following the date of serving the copy of the statement of claim to Talia until the date of payment.

The amount of PLN 41.860 thousand represents contractual penalties demanded by Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. allegedly on the basis of §8 section 1 of the agreement for the sale of property rights arising from certificates of origin confirming the generation of electricity in a renewable energy source - Modlikowice Wind Farm concluded on 23 December 2009 by Talia sp. z o.o. with Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. and allegedly resulting from the failure of Talia sp. z o.o. to meet the number of property rights to be transferred in individual months starting from June 2019.

The amount of PLN 33.474 thousand in turn represents compensation claimed by Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. for the alleged failure of Talia sp. z o.o. to perform an agreement for the sale of electricity generated at a renewable energy source - the Łukaszów Wind Farm, concluded by Amon sp. z o.o. with Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. on 23 December 2009, in the period from 21 December 2021 to 30 April 2023.



Talia sp. z o.o. proceeded to analyze the statement of claim and will file a response to the lawsuit within the deadline set by the District Court of Warsaw.

On 28 December 2023 Amon sp. z o.o. filed a second change of the claim against Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. with the Regional Court in Gdansk, in connection with the ineffective termination and non-performance by Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. of long-term contracts for the sale of energy and property rights concluded by Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. with Amon sp. z o.o. By virtue of the aforementioned change of claim, Amon sp. z o.o., in addition to the amounts claimed so far, demands payment of the amount of PLN 18.297 thousand as compensation for failure to perform the aforementioned agreements during their further term.

On 28 December 2023 Talia sp. z o.o. filed a fifth change to the claim against Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. with the Regional Court in Gdansk, in connection with the ineffective termination and non-performance by Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. of long-term contracts for the sale of energy and property rights concluded by Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. with Talia sp. z o.o. By virtue of the above change of the claim, Talia, in addition to the amounts claimed so far, seeks payment of the amount of PLN 12.075 thousand as compensation for non-performance of the aforementioned contracts during their further term.

Amon sp. z o.o. and Talia sp. z o.o. brought an action for damages claims against Tauron Polska Energia S.A. The tort liability for damages of Tauron Polska Energia S.A. is based on the cessation of performance by Polska Energia- Pierwsza Kompania Handlowa sp. z o.o., - a subsidiary of Tauron Polska Energia S.A., of long-term agreements for the sale of electricity generated from renewable sources and long-term agreements for the sale of property rights resulting from certificates of origin confirming the production of electricity from renewable sources, entered into with Amon sp. z o.o. and Talia sp. z o.o.

Witnesses are currently being interviewed orally at hearings and in writing before the Regional Court in Katowice.

On 28 December 2023, Amon sp. z o.o. and Talia sp. z o.o. filed with the Regional Court in Katowice, a second change of the claim against Tauron Polska Energia S.A. covering Amon's and Talia's claims for damages arising after 30 June 2020. Pursuant to the change in question, the claims for damages with interest increased by PLN 29.668 thousand in case of Amon sp. z o.o., and PLN 19.277 thousand in case of Talia sp. z o.o.

Certyfikaty sp. z o.o., Polenergia Obrót S.A. i Green Stone Solutions sp. z o.o. (then under the name: Polenergia Usługi sp. z o.o.) were sued by Eolos Polska sp. z o.o. before the Regional Court in Warsaw XX Economic Department for payment of contractual penalties for termination of agreements on the sale of property rights arising from certificates of origin of electricity generated at renewable energy sources and for payment of receivables on account of balancing costs. The court appointed an expert in the case to prepare an opinion. On 14 December 2023, the court ordered the admission of evidence from a written supplementary expert opinion. The opinion was prepared on 15 May 2024 and served on 25 July 2024. Polenergia Obrót S.A. responded to the letter. On 28 February 2025 at the hearing held the expert presented the clarifications. The court obliged the parties to present their positions in writing.

On 13 July 2021 Polenergia Farma Wiatrowa 1 sp. z o.o. received a statement of claim for compensation for non-contractual use of the real property. The claimants demanded the payment because the access road to one of the wind turbines was located on the real property belonging to the claimants as a result of a court judgment delimiting the property. The real property had previously been owned by another lessor. On 30 June 2023 the District Court in Wąbrzeźno, at a closed session, issued a judgment awarding from Polenergia Farma Wiatrowa 1 sp. z o.o. In favor of the claimants the amount of PLN 18,428.08 for non-contractual use of the property in the period from 13 March 2020 to 31 December 2021. The claimants demanded payment of PLN 52,500.00. Polenergia Farma Wiatrowa 1 Sp. z o.o. did not dispute the validity of the claim during the proceedings, but only the amount claimed. The amount awarded by the Court corresponds to the

position taken by the respondent in the course of the proceedings. The claimant filed an appeal with the Regional Court in Toruń. At a hearing before the Regional Court in Toruń on 15 May 2024, the parties reached a settlement, which means that the dispute is over. Under the settlement, Polenergia Farma Wiatrowa 1 sp. z o.o. will pay the claimant the amount of PLN 35,000.00 as compensation for non-contractual use of the property for the period from 31 May 2020 to 31 December 2021. The parties concluded an annex to the lease agreement, pursuant to which Polenergia Farma Wiatrowa 1 sp. z o.o. paid to the lessors the amounts resulting from the wording of the court settlement.

On 2 June 2023 Polenergia Farma Wiatrowa 1 sp. z o.o. ("Polenergia FW 1") received the lessor's notice of termination of the lease agreement entered into on 26 February 2008 in relation to the real property on which some of wind turbines of Farma Wiatrowa Gawłowice are located, along with associated infrastructure. In the termination notice the lessor stated that in its opinion Polenergia Farma Wiatrowa 1 sp. z o.o failed to provide the bank guarantee in the correct form required by the lease agreement. Polenergia Farma Wiatrowa 1 sp. z o.o did not share the lessor's view of the grounds for termination, and informed the lessor that in the opinion of Polenergia Farma Wiatrowa 1 sp. z o.o the termination was ineffective and the lease agreement was still in force. Polenergia Farma Wiatrowa 1 sp. z o.o was seeking at the same time an amicable resolution of the dispute through direct negotiations aimed at obtaining the withdrawal of the notice of termination of the lease agreement. Finally, following negotiations the Parties agreed and signed the lease agreement (in its new wording) in March 2024, maintaining the continuity of the lease.

Polenergia Obrót S.A. was bound with contracts for energy sale concluded with Jeronimo Martins Polska S.A. ("JMP"), which were terminated by Polenergia Obrót S.A. effective as of 30 June 2022. In connection with the termination of the contracts in question, JMP addressed Polenergia Obrót S.A. with a call for payment of PLN 3.501 thousand and PLN 36.027 thousand, i.e. a total of PLN 39.528 thousand. The claims filed by JMP relate to periods falling after the date of expiry of the sale contracts, and therefore Polenergia Obrót S.A. considers them groundless. Thus, the Company also deems ineffective the statement of JMP on setting off the requested amounts with the receivables of Polenergia Obrót S.A. due to JMP.

On 1 December 2022, Polenergia Obrót S.A. filed a claim against JMP with the Regional Court in Warsaw, demanding payment of PLN 40.853 thousand plus statutory interest for delay in commercial transactions, calculated from the date of filing the claim to the date of payment. The amount of the claim includes the amount of PLN 39.528 thousand of the invoices for energy unpaid by JMP and the amount of PLN 1.324 thousand for accrued interest for the period until the date of filing the claim.

The difference in the value of the claims pursued in relation to the amounts covered by JMP's statement on setting off results from the adjustments of settlements made in the meantime related to the update of measurement data and the submission by Polenergia Obrót S.A. of statements on setting off. In September 2023, JMP served Polenergia Obrót S.A. with a statement of defense. According to the claimant, the content of the statement of defense, as well as the arguments presented in JMP's subsequent pleadings, do not affect the previous assessment of the legitimacy of Polenergia Obrót S.A.'s claim. It is possible for Enerace to join the case as an intervener (on the side of JMP), but this has not yet taken place.

The court also ordered the establishment of a team of experts or an institute in the field of energy, which would undertake the preparation of an opinion determining the amount of the debt owed by JMP to Polenergia Obrót S.A. for the purchase of electricity, and the price of the opinion, as requested by JMP in its response to the statement of claim. In its reply to the statement of defense, Polenergia Obrót S.A. objected to the evidence of expert's opinion, indicating that it was useless to the case. In this scope Polenergia submitted additional pleadings requesting such evidence to be disregarded, with justification.

The first hearing was set for 6 March 2025. The court heard two witnesses (one requested by JMP and the other requested by Polenergia Obrót S.A.) and postponed the hearing for 11 September 2025, when further witnesses will be heard. Polenergia Dystrybucja sp. z o.o. is pursuing collection

cases related to non-payment for delivered electricity. The asserted claims currently total approximately PLN 511 thousand.

On 6 December 2021 the President of the Office of Competition and Consumer Protection („UOKiK”) initiated clarification proceedings with respect to Polenergia Fotowoltaika S.A. based in Warsaw, for preliminary determination whether, as a result of activities related to the services of the sale and installation of photovoltaic installations provided by Polenergia Fotowoltaika S.A., there was a breach justifying the initiation of proceedings to recognize the provisions of the model contract as prohibited, or a breach of consumer interests protected by law justifying the initiation of proceedings regarding practices that breach the collective interests of consumers.

Polenergia Fotowoltaika S.A. submitted to the President of the UOKiK all documents and information requested by the President of the UOKiK in the course of the proceedings.

On 6 September 2024 the President of UOKiK issued a decision to close the clarification proceedings with respect to Polenergia Fotowoltaika S.A. based in Warsaw, for preliminary determination whether, as a result of activities related to the services of the sale and installation of photovoltaic installations provided by Polenergia Fotowoltaika S.A., there was a breach justifying the initiation of proceedings to recognize the provisions of the model contract as prohibited, or a breach of consumer interests protected by law justifying the initiation of proceedings regarding practices that breach the collective interests of consumers.

According to the operative part of the decision, it is not subject to appeal.

Since December 2022, Polenergia Fotowoltaika S.A. has filed 134 claims for payment concerning the collection of receivables under contracts between Polenergia Fotowoltaika S.A. and its customers. Polenergia Fotowoltaika S.A. is party to 53 court proceedings related to claims arising from contracts between Polenergia Fotowoltaika S.A. and its subcontractors or suppliers.

Proceedings initiated by the Marshal of the Wielkopolskie Province against Polenergia Fotowoltaika S.A. to determine the amount of a product fee arrears for the introduction of packaged products to the domestic market for 2020 in the amount of PLN 43,080. On 3 December 2024, a decision was issued requiring Polenergia Fotowoltaika S.A. to pay PLN 43,080. Polenergia Fotowoltaika S.A., having consulted legal counsel, did not appeal the decision. The fee with interest was paid. The authority discontinued the proceedings regarding untimely payment of the fee. On 29 October 2024, the Marshal of the Wielkopolskie Province notified about initiating the proceedings against Polenergia Fotowoltaika S.A. to determine the amount of product fee arrears for the introduction of electronic or electrical equipment (photovoltaic panels) on the domestic market. The Company's legal counsel indicates that the penalty (product fee) may settle at around PLN 1,200,000. The proceedings are pending.

Polenergia Obrót S.A. was obliged to fulfill by 30 June 2023 its obligations under Article 52 section 1 of the Renewable Energy Sources Act and Article 10 section 1 of the Energy Efficiency Act to redeem a certain number of property rights to certificates of origin and energy efficiency certificates for 2022. Already after the balance sheet date, Polenergia Obrót S.A. determined that it had performed 98.05% of this obligation. On 21 July 2023 Polenergia Obrót S.A. made additional payments on account of substitution fees to completely fulfill the obligation. Failure to meet the 30 June 2023 deadline may result in the imposition of fines by the President of the Energy Regulatory Office, in particular under Article 170 section 2 of the Renewable Energy Sources Act.

On 11 March 2025, Polenergia Obrót S.A. received two notices of initiation by the President of the Energy Regulatory Office of two proceedings regarding the imposition of a monetary penalty in connection with the disclosure of the possibility of failure to fulfill for 2022 the obligations to obtain and present for redemption certificates of origin and certificates of origin from biogas, respectively. The indicated breaches of the aforementioned law may result in a monetary fine. The act currently stipulates that the fine may not exceed 15% of the punished entity's revenue generated in the previous tax year, while the President of the Energy Regulatory Office, when imposing the fine, takes into account the scope of violations, the repetitiveness of violations or the financial benefits that may be obtained from the violation. The URE President may also waive the fine if the degree

of harmfulness of the act is negligible, and the entity has stopped breaching the law or fulfilled the obligation. The company is preparing responses to the above-mentioned summons.

During September and October 2023, a number of Polenergia S.A.'s subsidiaries (Polenergia Obrót S.A., Polenergia Sprzedaż sp. z o.o., Polenergia Farma Wiatrowa 3 sp. z o.o. and Polenergia Farma Wiatrowa Dębice/Kostomłoty sp. z o.o.) received notices of initiation ex officio by the President of the Energy Regulatory Office of administrative proceedings regarding the imposition of a monetary penalty in connection with breach of the Act on emergency measures aimed at limiting the amount of electricity prices and supporting certain consumers dated 27 October 2022 by failing to submit to Zarządca Rozliczeń S.A. (Settlement Authority), reports confirming the deduction for the Price Difference Payment Fund within the deadline prescribed by the aforementioned Act.

Polenergia S.A.'s subsidiaries provided the President of the Energy Regulatory Office ("**URE**") with explanations of the reasons for the (usually few days") delays in submitting reports and are awaiting possible further correspondence or decisions, with Polenergia Farma Wiatrowa Dębice/Kostomłoty sp. z o.o., Polenergia Farma Wiatrowa 3 sp. z o.o. and Polenergia Obrót S.A. received a notice that evidentiary proceedings had been completed, and the evidence gathered in the case could be consulted. Two proceedings are pending against Polenergia Obrót S.A. - separately for each of the two breaches of statutory reporting deadlines. In both cases, Polenergia Obrót S.A. also received a notice of completion of evidentiary proceedings. At this stage, the President of the Energy Regulatory Authority is expected to issue and serve decisions on these cases.

The indicated breach of the aforementioned law may result in a monetary fine. The act currently stipulates that the fine may not exceed 15% of the punished entity's revenue generated in the previous financial year, while the President of the Energy Regulatory Office, when imposing the fine, takes into account the degree of harmfulness of the act, the degree of culpability, as well as the past behavior of the entrepreneur and its financial capabilities. The URE President may also waive the fine if the degree of harmfulness of the act is negligible, and the entity has stopped breaching the law or fulfilled the obligation. Polenergia S.A.'s subsidiaries submitted all the delayed reports.

In June 2024 the following Polenergia S.A.'s subsidiaries: - Polenergia Farma Wiatrowa Grabowo Sp. z o.o., Polenergia Farma Wiatrowa 16 Sp. z o.o., and Polenergia Farma Wiatrowa Piekło Sp. z o.o. received interest notes from the Zarządca Rozliczeń S.A. (Settlement Authority) issued by the Ministry of Climate and Environment for a total amount of approximately PLN 664 thousand on account of statutory interest for the untimely transfer of receivables on account of the contribution to the Price Difference Payment Fund. The aforementioned subsidiaries questioned the legal basis for the Ministry of Climate and Environment's interest calculation.

In the letter of 23 May 2024, the President of the Energy Regulatory Office ("**URE**") notified Polenergia Obrót S.A., a subsidiary of Polenergia S.A., of the initiation of administrative proceedings to impose a fine in connection with suspected non-compliance with the obligation to present information on the volume of mandatory stocks to the URE President for verification by the URE President, pursuant to Article 25 section 3 of the Act on Stocks of Crude Oil, Petroleum Products and Natural Gas and the Principles of Handling Situations of Risk to the State's Fuel Security and Disturbances on the Oil Market, of 16 February 2007. In response to the request by the URE President, Polenergia Obrót S.A. provided the missing information and additional clarifications, including after the completion of the evidentiary part of the administrative proceedings. Violation of the obligation in question is subject to a fine ranging from 1% to 15% of the entrepreneur's revenue resulting from activities performed in virtue of a license for trading natural gas with foreign countries. The proceedings were concluded with a decision by the President of the URE dated 29 August 2024 to impose a fine of PLN 276,252.00 on Polenergia Obrót S.A. Polenergia Obrót S.A., having acknowledged the conditions for filing an effective appeal against the aforementioned decision, and taking into account the fact that there are no formal and material grounds for effectively repealing the decision through appeal proceedings, decided not to file an appeal and to pay the fine imposed on the company. The result of Polenergia Obrót S.A. will not be affected, as the fine was paid on 10 September 2024 using the funds from a provision previously set up for this purpose.

Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o. challenged the decision of the President of the Energy Regulatory Office with respect to the final settlement of stranded costs under the Act on the Principles of Covering Costs Arising at Generators in Connection with Early Termination of Long-Term Contracts for the Sale of Power and Electricity (the "LTC Termination Act"). In its decision, the President of the Energy Regulatory Office determined that the amount of PLN 3,758 thousand is due to the Company on account of final settlement of stranded costs, in addition to the already received funds. The Company did not agree with the interpretation of selected provisions of the LTC Termination Act, and appealed against the decision of the President of the Energy Regulatory Office to the Court of Competition and Consumer Protection (SOKiK) in Warsaw, demanding an increase in the amount of funds due to the Company. The value of the subject of the dispute amounts to PLN 13,214 thousand, and the respective impairment loss on receivables was recognized by the Company.

On 23 November 2023, the SOKiK issued a judgment in which it amended the appealed decision and set the amount of the final adjustment of stranded costs at PLN 16,645,912, thus recognizing as legitimate the claim of Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o. concerning the amount of PLN 12,887 thousand and dismissing the claim as to the amount of PLN 327 thousand. On 12 January 2024, Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o. filed an appeal against part of the judgment with regard to the dismissed claim.

On 30 January 2024, the appeal of the URE President against the SOKiK verdict was submitted to the Court of Appeals. On 19 July 2024, the URE President sent a response to the appeal by Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o. against the SOKiK verdict, while on 2 August 2024, Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o. sent a response to the URE President's appeal against the SOKiK verdict to the Court of Appeals. The Court of Appeals scheduled a hearing for 25 March 2025.

On 27 May 2024, Wind Farm Four SRL, with the registered address in Bucharest ("Wind Farm Four"), a subsidiary of Polenergia S.A., received the statement of claim filed by WIP International GmbH ("WIP International") filed to the Second District Court of Bucharest, Romania. On 7 December 2023 Polenergia S.A. acquired 60% of the shares and on 27 September 2024 the remaining 40% shares in Wind Farm Four's share capital. Wind Farm Four currently holds a 20% share in each of the 7 project companies developing a wind farm project in Tulcea district, Romania (the "Project Companies").

Wind Farm Four was sued by the claimant among other defendants (including: Naxxar Renewable Energy Management Holding SRL, with the registered address in Bucharest, which sold shares in Wind Farm Four to Polenergia S.A, the Project Companies and Naxxar Renewable Energy SRL). In the statement of claim the claimant requested that the Court declare the following documents and legal actions invalid or ineffective against him (actio pauliana):

- (i) Annex No. 1 dated 15 December 2022 to the framework cooperation agreement (joint venture-type agreement) signed on 27 March 2021 between Wind Farm Four, Naxxar Renewable Energy SRL and the other shareholders of the Project Companies on granting consent to transfer shares in the Project Companies from Naxxar Renewable Energy SRL to Wind Farm Four;
- (ii) the transfer of the shares package held by Naxxar Renewable Energy SRL in each of the Project Companies to Wind Farm Four, which took place on 15 December, 2022;
- (iii) changes in the share capital and among the holders of shares in Wind Farm Four, viz: (a) the decision dated 17 March 2023 taken by Naxxar Renewable Energy SRL as Wind Farm Four's sole shareholder, to increase Wind Farm Four's share capital through the creation of new shares which were subscribed for by Naxxar Renewable Energy Management Holding SRL, as a result of which Naxxar Renewable Energy Management Holding SRL held 99.01% of all shares in Wind Farm Four; and (b) the transfer of the remaining 0.99% of Wind Farm Four's shares to Naxxar Renewable Energy Management Holding SRL.

On 27 September 2024, Naxxar Renewable Energy Management Holding SRL (the seller) and WIP International, among others, entered into a settlement agreement to settle and terminate, through mutual concessions, all of the claimant's claims, including claims that are the subject of or related to, the statement of claim referred to above. Under the settlement agreement, the claimant completely waived claims against, among others, Polenergia S.A., Wind Farm Four, Naxxar Renewable Energy Management Holding SRL and the Project Companies, their affiliates, subsidiaries, shareholders, representatives, employees, and any other third parties. As a result, the claims were dismissed, and the legal proceedings pending before a Romanian court were discontinued on 15 October 2024. The agreement also included the settlement and termination, through mutual concessions, of all claims of FP Management Holding GmbH ("FPMH"), including those subject to or related to the statement of claim filed by FMPH before the Bucharest Court, VI Civil Division, which, as of the time of the settlement, had not been served on Polenergia S.A. or Wind Farm Four SRL (service of the statement of claim occurred after the settlement agreement had been made). FMPH filed statement of claim against Polenergia S.A. and Wind Farm Four, among other defendants (including: Naxxar Renewable Energy Management Holding SRL, with the registered address in Bucharest, which sold shares in Wind Farm Four to Polenergia S.A, Naxxar Wind Energy Project Zenon SRL). In the statement of claim FPMH requested that the Court declare the following documents and legal actions invalid or ineffective against him (actio pauliana):

- (i) documents relating to the assignment of shares held by Naxxar Wind Energy Project Zenon SRL in the Project Companies;
- (ii) documents regarding the increase in Wind Farm Four's share capital, the admission of defendant Naxxar Renewable Energy Management Holding SRL as a shareholder, and the reduction of Naxxar Wind Energy Project Zenon SRL's percentage share in Wind Farm Four's share capital;
- (iii) Wind Farm Four share assignment agreement between Naxxar Renewable Energy Management Holding SRL and Naxxar Wind Energy Project Zenon SRL;
- (iv) documents relating to the sale of 60% of the shares in Wind Farm Four's share capital to Polenergia S.A., including a share sale agreement dated 5 October 2023 between Polenergia S.A. and Naxxar Renewable Energy Management Holding SRL and a share transfer agreement dated 7 December 2023 between Polenergia S.A. and Naxxar Renewable Energy Management Holding SRL,

and requested an order to restore the parties to the state of affairs prior to the conclusion of the aforementioned documents, i.e. to restore to Naxxar Wind Energy Project Zenon SRL the shares in the Project Companies and in Wind Farm Four, respectively, and to impose upon the defendants the obligation to pay court costs. Under the settlement agreement, the claimant completely waived claims against defendants, among others, Polenergia S.A., and Wind Farm Four, and the Project Companies, their affiliates, subsidiaries, shareholders, representatives, employees, and any other third parties. As a result, the legal proceedings pending before the Romanian court ended with the dismissal of FPMH's claims in their entirety based on the ruling dated 23 December 2024, according to which the Court took into account the settlement agreement reached and the claimant's waiver of the claims covered by the statement of claim.

**16. Key products, merchandise and services, their values and volumes, and the respective shares of individual products, merchandise and services (if material) or their groups in the Issuer's total revenue, as well as the changes of the above in the financial year**

Information on the category and value of revenues generated in specific segments of activity, including the indication of the compared period, were presented in note 10 to the consolidated financial statements.

**17. Information on the issuer's markets, broken down into domestic and foreign markets, on the issuer's supply sources for production materials, goods and services, including information on dependence, if any, on any single customer or supplier, or a group of customers or suppliers, and where the share of a single customer or supplier in total revenue equals or**

**exceeds 10% of total revenue – the name of such supplier or customer, its share in total sales or purchases, and its formal links with the Issuer**

The Group generates revenues from sales of goods and services both on domestic and foreign markets, while revenues generated in Poland represent a vast majority (84% in 2024).

REVENUES BY GEOGRAPHICAL REGIONS	For the 12 months' period ended		Change
	31.12.2024	31.12.2023	r/r
- Domestic market	3 616 681	4 978 303	(1 361 622)
- Foreign market	703 849	637 109	66 740
<b>Total revenue from contracts with customers</b>	<b>4 320 530</b>	<b>5 615 412</b>	<b>(1 294 882)</b>

Owing to the nature of its wholesale business, a significant volume of transactions (both sales and purchases) is executed on the Polish Power Exchange and cleared by Izba Rozliczeniowa Giełd Towarowych (the Warsaw Commodity Clearing House).

Supplier	Goods purchased	Type of link with the Group	2024
Warsaw Commodity Clearing House	Electricity, property rights	no link	45%

Below are presented suppliers of goods and services which accounted for 10% or more of the Group's total revenue in 2024.

Name of Supplier	Goods purchased	Type of link with the Group	2024
Warsaw Commodity Clearing House	Electricity, natural gas and property rights	no link	43%

**18. Agreements significant for the Issuer's business, including agreements between shareholders (partners), insurance contracts, collaboration or cooperation agreements, of which the Issuer is aware**

*Conclusion of PPA and PPA+ between Polenergia Obrót S.A. and Mercedes-Benz Manufacturing Poland sp. z o.o.*

On 8 February 2024, Polenergia Obrót S.A., a subsidiary of Polenergia S.A. entered into PPAs and PPA+s with Mercedes-Benz Manufacturing Poland sp. z o.o., with the registered address in Jawor, concerning the sale of all electricity consumed by Mercedes-Benz Manufacturing Poland sp. z o.o., including the portion of electricity produced by the following renewable energy installations: the Dębsk wind farm with an installed capacity of 121 MW and the Sulechów 3 photovoltaic farm with an installed capacity of 9.84 MW, as well as guarantees of origin of electricity from renewable energy sources in a number corresponding to the amount of electricity sold, and commercial balancing of the needs of Mercedes-Benz Manufacturing Poland sp. z o.o.

The period for the sale of electricity and guarantees of origin under the concluded PPAs and PPA+s started on 1 March 2024 and lasts until 31 December 2027.

With regard to the sale of electricity produced by the Dębisk and Sulechów 3 wind farms, the planned volume of electricity sales refers to a certain portion of the volume to be produced by the Dębisk and Sulechów 3 wind farms during the period. Electricity produced by Dębisk and Sulechów 3 wind farms is sold at a fixed price, with the proviso that the price may be increased or decreased depending on the amount of the averaged CPI index - the average annual index of prices for total consumer goods and services for the previous calendar year published by the Central Statistical Office. The remaining amount of electricity consumed by Mercedes-Benz Manufacturing Poland sp. z o.o. will be sold at a price based on prices on the SPOT market on the exchange commodity market of the Polish Power Exchange, or at a fixed price for a specific amount of electricity, if such a fixed price is established in accordance with the procedure specified in the PPA+.

The total estimated revenue from the sale of electricity and guarantees of origin under the PPAs and PPA+s may amount to about PLN 131,414,173.53 million. In the event of early termination of the PPAs and PPA+s (as a result of the circumstances provided for in each agreement, respectively), a termination fee shall be due to the eligible party in the amount specified in the PPA or PPA+, respectively.

*Conclusion by project companies implementing offshore wind farm projects of contracts for supply of wind turbines and contracts for performance of warranty service*

On 15 February 2024, the project companies MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o., in which Polenergia S.A. holds a 50% share, developing, as part of a joint venture between Polenergia S.A. and Equinor Wind Power AS, the projects for the construction of two offshore wind farms, i.e. MFW Bałtyk II and MFW Bałtyk III, concluded with Siemens Gamesa Renewable Energy sp. z o.o. with the registered address in Warsaw, a company in the Siemens Energy AG group, each project company separately, (i) contracts for the supply of wind turbines for the implementation of the offshore wind farm projects MFW Bałtyk II and MFW Bałtyk III, respectively, and (ii) contracts for the performance of warranty services for the wind turbines included in the offshore wind farms MFW Bałtyk II and MFW Bałtyk III.

The turbine supply contracts cover the design, engineering, delivery, installation supervision and commissioning of a complete set of 100 offshore wind turbines (50 for each wind farm) with a maximum capacity of 14.4 MW each, along with a WTG SCADA (Supervisory Control and Data Acquisition) system.

The contractor's total remuneration under the two turbine supply contracts (i.e. for the MFW Baltic II and MFW Baltic III wind farms), was estimated at approximately EUR 1.66 billion as at the date of these contracts. This amount is not final and will be updated during the term of the turbine supply contracts, as part of the contractor's remuneration is based on rates subject to indexation in terms of prices for certain materials and services, inflation, currency hedging or labor costs. The final remuneration of the contractor will be determined in accordance with the provisions of the turbine supply contracts on the basis of the final completed scope of work and taking into account factors depending on the market situation. The Project Companies estimate the total amount of capital expenditures to be incurred under the turbine supply contracts, including in connection with the exercise of options, at approximately EUR 1.8 billion.

The conclusion of turbine supply contracts is associated with the need for project companies to incur significant capital expenditures before making a final investment decision for the MFW Bałtyk II and MFW Bałtyk III offshore wind farms. The estimated value of capital expenditures to be incurred before the final investment decision, including indexation, is about PLN 88 million and about EUR 88 million.

Both turbine supply contracts contain the same substantive provisions, standard for this type of contract, including a detailed definition of the scope and schedule of work, termination rules, liability rules, including contractual penalties, performance bonds for turbine supply. The differences between the turbine supply contracts reflect the design differences of each offshore wind farm.



Turbine supply contracts guarantee project companies the right to terminate them also without cause, while such termination of turbine supply contracts entails the obligation to pay termination fees to the contractor, the amount thereof increasing over time, depending on at which point turbine supply contracts are terminated. The contractor's agreed remuneration was calculated assuming a so-called back-to-back installation, i.e. the performance of both contracts on a continuous basis. If this assumption fails to materialize due to the failure of the project company in question to proceed with the work for one of the wind farms or the termination of one of the turbine supply contracts, an amount of about EUR 30 million will be added to the contractual price. The conclusion of turbine supply contracts allows the MFW Bałtyk II and MFW Bałtyk III offshore wind farms to be implemented according to the current schedule.

The turbine warranty service contracts cover the maintenance and warranty service of wind turbines included in the MFW Bałtyk II and MFW Bałtyk III offshore wind farms for a period of 5 years. The contractor's total remuneration under the two contracts for performing warranty service on the turbines (i.e. MFW Bałtyk II and MFW Bałtyk III offshore wind farms), was estimated as of the date of these contracts at approximately EUR 384 million, such amount including the initial fee and annual fees payable to the contractor over the 5-year period indicated above.

Fees for services specified in contracts for performing warranty service on turbines will be subject to indexation, the level thereof depending on the industry's producer price index and quarterly data published by Eurostat. Project companies can extend the contractual term for performing warranty service on turbines for another five years, albeit against payment of a higher annual fee to the contractor. Both turbine warranty service contain the same substantive provisions, standard for this type of contract, including a detailed definition of the scope and schedule of work, termination rules or rules of responsibility. The differences between the turbine warranty service contracts reflect the design differences of each offshore wind farm. Under contracts to perform warranty service on wind turbines, the contractor provided performance guarantees to project companies.

Under the contracts, Polenergia S.A. was required to provide payment security in the form of corporate guarantees. Corporate guarantees are issued by Polenergia S.A. for 50% of the value of existing liabilities of project companies towards the contractor. The maximum amount of Polenergia S.A.'s liabilities under corporate guarantees totals (rounded up): (i) up to EUR 27 million and up to PLN 29.6 million for obligations arising between 30 September 2024 and 30 April 2025, and (ii) up to EUR 47.2 million and up to PLN 52 million for obligations arising between 1 May 2025 and 31 July 2025, in each case the corporate guarantees will expire if financial close confirmed by the financing institution (facility agent) is reached. Corporate guarantees also secure payment of termination fees for turbine supply contracts by the project companies.

The contracts for the supply of wind turbines and contracts for the performance of warranty services for wind turbines were concluded under English law.

*Conclusion of significant contracts for production and delivery of foundation structures for monopile type wind turbines by project companies implementing offshore wind farm projects*

On 16 February 2024 MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o. project companies, in which Polenergia S.A. holds a 50% of shares, developing, under a joint venture between Polenergia S.A. and Equinor Wind Power AS, projects for the construction of two offshore wind farms, i.e. MFW Bałtyk II and MFW Bałtyk III, signed contracts with SIF Netherlands B.V. with the registered address in Roermond, Holland, for the production and delivery of foundation structures for monopile type wind turbines. The conclusion of the final contracts was preceded by the signing of reservation agreements on 30 April 2023, subsequently annexed on 29 September 2023 and 12 January 2024.

100 monopiles will be produced under the agreements entered into, 50 for each of the offshore wind farms on which the wind turbines will be set. According to the approved schedule, production work is scheduled to begin in Q2 2025, and to be completed in Q1 2026. The contractor's total remuneration under the two contracts (i.e. MFW Bałtyk II and MFW Bałtyk offshore wind farms) was tentatively set, as of the date of signing the contracts, at approximately EUR 440 million. The remuneration is based on rates indexed by the price inflation index for materials and services used

in production. The remuneration may also be adjusted due to possible changes to foundations' design.

The contracts contain the same substantive provisions, standard for this type of contract, including a detailed definition of the scope and schedule of work, termination rules, liability rules, including contractual penalties, performance bonds provided by the contractor and warranties for the work performed. The fee for early termination of contracts by project companies is directly proportional to the cost of the contractor's production work and the balance of completed and unpaid orders, according to the cost growth curve provided for in the contracts. The contracts provide for a clawback mechanism, reducing cancellation costs if the contractor obtains orders for the same production slot.

The conclusion of the contracts allows the MFW Bałtyk II and MFW Bałtyk III offshore wind farms to be implemented according to the current schedule. In connection with the conclusion of the contracts, Polenergia S.A. was obliged to issue sureties for the obligations of the project companies, including payment of 50% of the contractor's costs incurred in connection with the early termination of the contracts. As of the date of the contracts, the maximum amount of guarantee liabilities on the part of Polenergia S.A. for the two wind farms combined is estimated at approximately EUR 170 million, with the expiration date of Polenergia S.A.'s guarantees in each case being the achievement of financial close confirmed by the financing institution (facility agent).

The contracts were concluded under English law.

In December 2024, the project companies increased their liability limits under corporate guarantees issued to SIF Netherlands B.V. The submission of the increased corporate guarantees was related to the commencement by the contractor of the next phase of performance of the contracts for the production and delivery of foundation structures for monopile type wind turbines involving the ordering of key steel components for foundation structures. The maximum projected amounts of Polenergia S.A.'s guaranteed obligations to the contractor in the period until the financial closing of the projects were increased in such a way that for the MFW Bałtyk II offshore wind farm project, from the previous approx. EUR 99.5 million, the obligations increased to approx. EUR 111.6 million, and for the Bałtyk III offshore wind farm project, from approx. EUR 68 million to an estimated EUR 108.7 million. Financial closing of the projects is scheduled for the second quarter of 2025. Upon reaching financial close of the projects, the corporate guarantees granted will expire.

*Conclusion of contracts for delivery of modules for the Szprotawa I and Szprotawa II photovoltaic farm projects*

On 22 February 2024 the following Polenergia S.A.'s subsidiaries: (i) Polenergia Farma Wiatrowa Namysłów sp. z o. o., developing the Szprotawa I photovoltaic farm project with a total installed capacity of 47 MWp, and (ii) Polenergia Farma Fotowoltaiczna 16 sp. z o.o., developing the Szprotawa II photovoltaic farm project with a total installed capacity of 20 MWp, entered into the contract with Jinko Solar (Chuzhou) Co. Ltd. for the delivery of photovoltaic modules for the Szprotawa I photovoltaic farm and the contract regarding the supplier of photovoltaic modules for the Szprotawa II photovoltaic farm.

The contracts cover the sale of photovoltaic modules manufactured by the supplier, in the quantity required for the implementation of the Szprotawa I photovoltaic farm and the Szprotawa II photovoltaic farm. The terms of the contracts do not deviate from standard market conditions for this type of contract. The contractual provisions relate in particular to: the obligations of the parties, remuneration and settlement rules, liability, including limitation thereof, guarantee for the removal of defects and faults in the delivered modules. The contracts do not provide for the supply of inverters. The total value of the contracts amounts to approximately EUR 8 million. The conclusion of the contracts marked the achievement of an important milestone in the development of the Szprotawa I photovoltaic farm and the Szprotawa II photovoltaic farm.

*Conclusion of an agreement for the transfer of receivables and assumption of debt under the funding agreement by a subsidiary of Polenergia S.A.*

On 8 November 2024 Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o., together with Polenergia H2HUB Nowa Sarzyna sp. z o. o., the subsidiaries of Polenergia S.A. entered into an annex to the funding agreement for the project titled "Construction by Polenergia ENS sp. z o.o. of publicly accessible hydrogen refueling stations in Rzeszów and Nowa Sarzyna" concluded with to the National Fund for Environmental Protection and Water Management.

Pursuant to the annex, Elektrociepłownia Nowa Sarzyna sp. z o.o. and the National Fund for Environmental Protection and Water Management agreed that Polenergia H2HUB Nowa Sarzyna sp. z o.o. will assume all the rights and obligations of Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o. under the funding agreement. The entry of Polenergia H2HUB Nowa Sarzyna sp. z o.o. into the rights and obligations of Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o. has the effect of releasing Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o., from the rights and obligations under the funding agreement from the moment of concluding the annex, to which Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o. will no longer be a party.

The total amount of the project's funding in the form of a subsidy did not change and amounts to PLN 20,000,000, which is about 43% of the project's eligible costs. According to the annex, the hydrogen refueling stations and associated infrastructure should be put into operation in the second half of 2025, with the funding agreement providing for the possibility of changes to the schedule. According to the funding agreement and the annex, the entitlement of Polenergia H2HUB Nowa Sarzyna sp. z o.o. to payment of the subsidy is subject to the fulfillment of conditions commonly used for special-purpose companies in agreements concluded with the National Fund for Environmental Protection and Water Management.

*Conclusion of reservation agreements by project companies implementing offshore wind farm projects and of contracts for preliminary works on transportation and installation of offshore wind turbines foundations and offshore transformer station.*

On 17 April 2024, MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o. project companies, in which Polenergia S.A. holds 50% of shares, developing, under a joint venture between Polenergia S.A. and Equinor Wind Power AS, projects for the construction of two offshore wind farms, i.e. MFW Bałtyk II and MFW Bałtyk III, signed agreements with Heerema Marine Contractors Nederland SE (each project company separately) for reservation and performing preliminary works on transportation and installation of offshore wind turbines foundations and offshore transformer station.

The subject matter of the Reservation Agreements is to commit the parties to continue negotiating in good faith final contracts for the transportation and installation of offshore wind turbine foundations and an offshore transformer station in exchange for reserving by the supplier the availability of installation vessels for implementing MFW Bałtyk II and MFW Bałtyk III projects according to the assumed schedule. The reservation agreements also provided for performing preliminary works, further covered by the final contracts. Reservation agreements could have been terminated by project companies without cause, which would have resulted in an obligation to pay preliminary works performed to the supplier and a cancellation fee, and to pay cancellation and reservation fees to subcontractors.

The cancellation fees could amount to up to about EUR 29.2 million for the two projects. Analogous fees could have been charged to the project companies if final contracts had not been signed by 1 July 2024, subject to the possibility of extending this deadline by the parties. As on 2 July 2024 the project companies entered into the final contracts with Heerema Marine Contractors Nederland SE for the transportation and installation of turbines foundations and offshore transformer stations, the reservation agreements expired.

*The conclusion by the project companies implementing offshore wind farms of reservation agreements for installation vessels and for performing preliminary works to prepare for the installation of offshore wind turbines.*

On 12 May 2024, MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o. project companies, in which Polenergia S.A. holds 50% of shares, developing, under a joint venture between Polenergia S.A. and Equinor Wind Power AS, the projects for the construction of two offshore wind farms, i.e. MFW Bałtyk II and MFW Bałtyk III, signed reservation agreements (for each project company separately) with CADELER A/S with the registered address in Copenhagen (Denmark) for installation vessels and performing preliminary works to prepare for the installation of offshore wind turbines in the two construction projects of MFW Bałtyk II sp. z o.o. and MFW Bałtyk III offshore wind farms.

The subject matter of the reservation agreements was to commit the parties to continue negotiating in good faith the final contracts for the installation of offshore wind turbines for the construction of the MFW Bałtyk II sp. z o.o. and MFW Bałtyk III offshore wind farm projects, in exchange for the supplier's reservation of the availability of installation vessels to perform the wind turbine installation work according to the assumed schedule. The reservation agreements also provided for performing preliminary works, further covered by the final contracts.

The reservation agreements could have been terminated by the project companies without cause, which would have resulted in an obligation for each project company to pay a cancellation fee of EUR 5 million to the supplier. Analogous fees could have been charged to the project companies if final contracts had not been signed by 1 September 2024, subject to the possibility of extending this deadline by the parties. Due to the project companies' conclusion of final contracts for charters for offshore wind turbine installation vessels with CADELER A/S with the registered address in Copenhagen, Denmark on 30 September 2024, the reservation agreements expired.

*Conclusion of reservation agreements and preliminary works for the design and construction of offshore transformer stations on a turnkey basis by design companies implementing offshore wind farm construction projects*

On 14 April 2024, MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o. project companies, in which Polenergia S.A. holds 50% of shares, developing, under a joint venture between Polenergia S.A. and Equinor Wind Power AS, the projects for the construction of two offshore wind farms, i.e. MFW Bałtyk II and MFW Bałtyk III, entered into the agreements (for each project company separately) with Lemants NV with the registered address in Arendonk (Belgium) for reservation and performance of preliminary works for the design and construction of offshore transformer stations, one station for each project.

The subject matter of the reservation agreements was to reserve the resources of the contractor and key subcontractors on an assumed schedule, and to commit the parties to continue negotiating in good faith the final EPC contracts, i.e. for the "turnkey" design and construction of offshore transformer stations (final contracts). The reservation agreements also stipulated that the contractor begin the necessary preliminary works and procurement of materials with long lead times, enabling the timely construction of the two offshore wind farm projects.

Reservation agreements could have been terminated by project companies without cause, resulting in an obligation to pay remuneration for preliminary works performed and a cancellation fee to subcontractors. The cancellation fees could have amounted to up to about EUR 65.5 million for both offshore wind farm projects. Analogous costs could have been incurred by the project companies if, through the fault of the project companies, final contracts had not been signed by 1 August 2024, subject to the parties' ability to extend the deadline. As the project companies entered into final agreements with Lemants NV on 30 August 2024, the reservation agreements expired.

*The conclusion by the project companies implementing offshore wind farms of reservation agreements for performing preliminary works to produce transition components of offshore wind turbines.*

On 28 June 2024, MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o. project companies, in which Polenergia S.A. holds 50% of shares, developing, under a joint venture between Polenergia S.A. and Equinor Wind Power AS, projects for the construction of two offshore wind farms, i.e. MFW

Bałyk II and MFW Bałyk III, signed reservation agreements, each project company separately, with the consortium of Smulders Projects Belgium NV and SIF Netherlands B.V. for performing preliminary works to produce transition components of offshore wind farms.

The purpose of the reservation agreements was to allow suppliers to begin work, to secure the suppliers' main resources, including the availability of the installation port and the availability of selected subcontractors, and to commit the parties to negotiate in good faith the terms of final contracts for the production of transition components for offshore wind turbines used in offshore wind farm projects (final contracts).

Reservation agreements could have been terminated by project companies without cause, which would have resulted in an obligation to pay preliminary works performed and a cancellation fee to the suppliers, and to pay fees to subcontractors. The cancellation fees could amount to up to about EUR 44 million for the two projects. In order to secure the cancellation fees, Polenergia S.A., in accordance with its share in the projects, was obliged to issue Parent Company Guarantee to suppliers up to a total of EUR 22 million for both projects. Due to the project companies' conclusion of final contracts for production of transition components of offshore wind farms with the consortium of Smulders Project Belgium NV and Sif Netherlands B.V. on 30 August 2024, the reservation agreements expired.

*Conclusion of contracts for the transport and installation of offshore wind turbine foundations and offshore transformer stations by the project companies implementing offshore wind farm construction projects*

On 2 July 2024, MFW Bałyk II sp. z o.o. and MFW Bałyk III sp. z o.o. project companies, in which Polenergia S.A. holds 50% of shares, developing, under a joint venture between Polenergia S.A. and Equinor Wind Power AS, projects for the construction of two offshore wind farms, i.e. MFW Bałyk II and MFW Bałyk III, signed contracts (for each project company separately) with Heerema Marine Contractors Nederland SE for the transport and installation of offshore wind turbine foundations and offshore transformer stations (final contracts).

The conclusion of the final contracts was preceded by the signing of reservation agreements on 17 April 2024 by the project companies with the contractor. The subject matter of the final contracts is the transportation and installation of monopile type wind turbine foundations, transition components and offshore transformer stations using specialized installation vessels.

The total remuneration of the contractor under the two contracts (i.e., for both offshore wind farm projects) was tentatively estimated, as of the date of signing the final contracts, at approximately EUR 390 million, with the estimate to be updated approximately 15 months before installation works begin. The final indexed remuneration will depend on, among other things, the final working time of the ships, fuel prices and the cost of contracted subcontractors. The wording of the final contracts is uniform in terms of the main provisions, with design discrepancies. The final contracts contain standard provisions for installation contracts for offshore works.

The contractor will provide the project companies with performance guarantees for the final contracts and will provide a corporate guarantee. In connection with the conclusion of the final contracts, Polenergia S.A. was obliged to provide the contractor with a payment guarantee (Parent Company Guarantee) for liabilities incurred during the period until the project companies reach financial close. The total anticipated maximum value of the payment guarantees granted by Polenergia S.A. for the two offshore wind farm projects amounts totals about EUR 42 million for payments in EUR and about USD 90 million for payments in USD.

*Conclusion of the facility agreement for the FF Szprotawa 1 project*

On 2 July 2024 Polenergia Farma Wiatrowa Namysłów sp. z o.o., a subsidiary of Polenergia S.A., developing the Szprotawa 1 photovoltaic farm project with a total capacity of 47 MWp, as borrower, and mBank S.A. and Pekao S.A., as lenders, entered into the facility agreement.

Under the facility agreement, the lenders will provide the borrower with: (i) a term facility up to a total of PLN 90,000,000.00 million to finance the construction of the Szprotawa 1 photovoltaic farm, with the possibility of increasing the lenders' exposure (upon fulfillment of additional conditions specified in the facility agreement), (ii) a VAT facility up to a maximum total of PLN 20,000,000.00, and (iii) a DSR facility up to a maximum total of PLN 6,500,000.00.

In connection with the facility agreement, the borrower and Polenergia S.A. were obliged to conclude a standard security package used in project finance type transactions. The borrower filed, without limitation, a statement of submission to execution and established a registered pledge on a set of movables and rights, while Polenergia S.A. established a registered pledge and a financial pledge on shares in the borrower and filed statements of submission to execution.

The facility agreement provides for repayment of the term loan and the DSR loan no later than 15 years from the date of project completion or by 16 June 2040 (the earlier of the dates), and the VAT loan within six months from the date of final construction settlement, but no later than 30 April 2026. The interest rate on the credit is set based on the WIBOR reference rate, plus the lenders' margin. The terms of the facility agreement, including those relating to collateral, contractual penalties, mobilization of financing and termination of the facility agreement, are in line with those used in this type of transaction.

*Conclusion of contracts for the supply of key wind farm components and key construction phase contracts by project companies implementing offshore wind farm projects*

On 30 August 2024, MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o. project companies, in which Polenergia S.A. holds 50% of shares, developing, under a joint venture between Polenergia S.A. and Equinor Wind Power AS, projects for the construction of two offshore wind farms, i.e. MFW Bałtyk II and MFW Bałtyk III (each project company separately), entered into: (i) the contract for the production of transition components of offshore wind turbines with a consortium of Smulders Project Belgium NV and Sif Netherlands B.V.; the conclusion of the contracts for the transition components was preceded by the signing of reservation agreements by the project companies with the contractor on 28 June 2024; (ii) the contract for the installation work of onshore export cables with Enprom sp. z o.o., with the registered address in Warsaw; and (iii) the contract for the turnkey design and construction of offshore transformer stations with Lemants NV, with the registered address in Arendonk, Belgium. The conclusion of the contract for the turnkey design and construction of offshore transformer stations was preceded by the signing of reservation agreements by the project companies with the contractor on 14 May 2024.

Under the contracts for the production of transition components, 100 transition components connecting the foundation (monopile) to the wind turbine tower with equipment will be produced, 50 for each of the offshore wind farm projects, with transportation and installation of the transition components provided by Heerema Marine Contractors Nederland SE, under the separate contract. According to the approved schedule, production is scheduled to commence in H1 2025, and to be completed in mid-2026.

The contractor's remuneration is based on rates indexed by the price inflation index for materials (e.g. steel) and services used in production. At the time the contracts for the production of transitional components were concluded, they were estimated at about EUR 328 million. This amount will be updated after the design is finalized and before the steel is ordered. The remuneration may also increase if the project companies launch an optional scope of work.

The contracts guarantee project companies the right to terminate the contracts at any time, subject to the obligation to pay termination fees to the contractor (from 15% to 25% of the unpaid remuneration provided for in the contract). The contracts for the production of transitional components provide for a claw-back mechanism to reduce the costs of potential abandonment of offshore wind farm projects by project companies if the contractor obtains contracts for a comparable project (reimbursement of up to 75% of the value of the termination fee).

The cable installation contracts cover the construction of a cable corridor and the installation of onshore export cables for both offshore wind farm projects. According to the approved schedule, production is scheduled to commence in Q4 2024, and to be completed in July 2026. The work schedule will be aligned with the work schedule stipulated in the cable installation contracts.

The contractor's total remuneration under the two contract for cable installation (i.e., for both offshore wind farm construction projects) was tentatively set, as of the date of signing the cable installation contracts, at approximately PLN 172.6 million. This amount is not final and may be increased during the term of the cable installation contracts through additional work triggered at the request of the project companies. The remuneration is not subject to indexation. The contracts guarantee project companies the right to terminate them also without cause, in which case the contractor is entitled to compensation for works done prior to the termination of the cable installation contract, if the works were completed to the satisfaction of the project company in question.

The scope of work of the contracts for the turnkey design and construction of offshore transformer stations includes the design, procurement of materials and turnkey (EPC) construction of two offshore transformer stations, one for each of the offshore wind farm projects, with transportation and installation of the transformer stations to be provided by Heerema Marine Contractors Nederland SE, under a separate contract. According to the approved schedule, the first design work began in February 2024 on the basis of reservation contracts, while the work is scheduled to be completed in October 2026 for MFW Bałtyk II and in April 2027 for MFW Bałtyk III.

The contractor's total remuneration under the two contract for turnkey design and construction of transformer stations (i.e., for both offshore wind farm construction projects) was tentatively set, as of the date of signing the contracts, at approximately EUR 350 million. The remuneration is based on rates indexed to the price inflation rate for materials used in the production of underwater structures and surface modules of the transformer station. The fee for any early termination of contracts for the turnkey design and construction of offshore transformer stations by project companies is directly proportional to the cost of the contractor's production work and the balance of completed orders, according to the cost growth curve provided for in the contracts for the turnkey design and construction of offshore transformer stations.

The contracts for the production of offshore wind turbine transition components and contracts for the turnkey design and construction of offshore transformer stations were contingent on the provision of sureties (Parent Company Guarantee) by the parties obligated to issue them. Polenergia S.A. was obliged to provide sureties for liabilities arising in the period until financial institutions confirm the granting of financing for offshore wind farm construction projects (project companies reach financial close). The condition was met, and thus the contracts for the production of transition components and the contracts for the turnkey design and construction of offshore transformer stations came into effect. As at 30 August 2024, the maximum total amount of guarantee liabilities on the part of Polenergia S.A. for both offshore wind farm projects is estimated as follows: (i) for contracts for the production of transition components for offshore wind turbines at approximately EUR 100 million, and (ii) for contracts for the turnkey design and construction of offshore transformer stations at approximately EUR 51 million.

The contracts entered into on 30 August 2024 contain similar substantive provisions, standard for this type of contracts, including a detailed definition of the scope and schedule of work, termination rules, liability rules, including contractual penalties, performance bonds provided by the contractor and warranties for the work performed. The differences between the contracts reflect the specifics of contractual performance (offshore/onshore work). The wording of the contracts for the two project companies is the same, taking into account the design differences of each offshore wind farm project. The contracts were concluded under English law. The conclusion of the contracts is associated with the need for the project companies to incur significant capital expenditures (capex) prior to the final investment decision (FID) for the offshore wind farm projects and prior to the confirmation by financial institutions of the granting of financing for both projects (the achievement of financial close by the project companies), the procedure of obtaining the financing being underway. The conclusion of the contracts allows the two offshore wind farm projects to be

performed in accordance with the current schedule and to maintain interfaces with the other contractors for work on both projects.

*Conclusion of contracts by project companies implementing offshore wind farm projects for the design, purchase of materials, construction and delivery of onshore cables, and for bringing export cables ashore*

On 11 September 2024, MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o. project companies, in which Polenergia S.A. holds 50% of shares, developing, under a joint venture between Polenergia S.A. and Equinor Wind Power AS, projects for the construction of two offshore wind farms, i.e. MFW Bałtyk II and MFW Bałtyk III (each project company separately), entered into: (i) the contract for the design, purchase of materials, manufacture and delivery of cables onshore with Tele-Fonika Kable S.A., based in Myślenice, and (ii) the contract for bringing export cables ashore with Visser & Smit Hanab B.V., with the registered address in Papendrecht (Holland).

The scope of the contracts for the design, purchase of materials, construction and delivery of onshore cables includes the design, purchase of materials, construction and delivery of onshore export cables, onshore interconnection cables and onshore fiber-optic cables, including all cable line splicing, grounding and termination work for the two offshore wind farm projects. According to the adopted schedule, completion is planned for Q1 2027 - in the case of MFW Bałtyk II and Q2 2027 - in the case of MFW Bałtyk III.

The contractor's total remuneration under the two contracts for design, purchase of materials, performance and delivery of cables onshore (i.e., for both offshore wind farm construction projects) was tentatively set, as of the date of signing the contracts, at approximately PLN 139.5 million. The amount of the contractor's remuneration is subject to change - in particular, as a result of the application of current prices of materials used in the performance of contracts for the design, purchase of materials, execution and delivery of cables onshore, such as copper and aluminum. contracts for the design, purchase of materials, performance and delivery of onshore cables guarantee the project companies the right to terminate them also without cause, with the termination of the contracts in this manner entailing the obligation to pay the contractor a fee equal to 3% of the remaining remuneration, and documented costs and remuneration of subcontractors concerned with the cancellation. In connection with the conclusion of contract for the design, purchase of materials, construction and delivery of cables onshore, Polenergia S.A. was obliged to issue sureties for the project companies' obligations to the contractor arising during the period until the project companies reach financial close. As at 11 September 2024, the maximum amount of net liabilities guaranteed by Polenergia S.A. for the two offshore wind farm projects under the contracts for design, purchase of materials, construction and delivery of cables onshore is estimated to total about PLN 36 million.

As part of the contract to bring export cables ashore, the contractor undertook to drill four horizontal directional drills (HDD) and install four cable ducts in the landfall area. The drilled holes will make it possible to pull the export cables from the offshore part to land. According to the approved schedule, work was to begin in the Q4 2024 and be completed by the end of 2026.

The contractor's total remuneration under the two contracts for bringing export cables ashore (i.e., for both projects of construction of offshore wind farms) was tentatively set at approximately EUR 31 million, as of the date of signing the contracts. The final remuneration will depend on, among other things, weather conditions and the occurrence of any downtime in the event that conditions are unfavorable.

The contracts for bringing export cables ashore guarantee project companies the right to terminate the contracts also without cause, with the termination of contracts for bringing export cables ashore under this procedure entailing an obligation to pay the contractor an amount equal to 1% of the remaining remuneration. The Contractor shall be entitled to payment for work performed prior to the termination of the contract for bringing export cables ashore, if completed to the satisfaction of the project companies.



The contracts entered into on 11 September 2024 contain similar substantive provisions, standard for this type of contracts, including a detailed definition of the scope and schedule of work, termination rules, liability rules, including contractual penalties, performance bonds provided by the contractor and warranties for the work performed. The differences between the agreements reflect the specifics of contractual performance (offshore/onshore work). The wording of the contracts for the two project companies is the same, taking into account the design differences of each offshore wind farm project. The contracts were concluded under English law. The conclusion of the contracts is associated with the need for the project companies to incur significant capital expenditures (capex) prior to the final investment decision (FID) for both projects and prior to the confirmation by financial institutions of the granting of financing for both projects (the achievement of financial close by the project companies), the procedure of obtaining the financing being underway. The conclusion of the contracts allows the MFW Bałtyk II and MFW Bałtyk III offshore wind farm projects to be performed in accordance with the current schedule as at the date of conclusion of the contracts, and to maintain interfaces with the other contractors for work on both projects. contracts for the design, procurement of materials, construction and delivery of cables onshore and contracts for bringing export cables ashore were among the last major contract to complete securing the supply and installation of power takeoff infrastructure from the two projects.

Conclusion of the facility agreement for the FF Szprotawa 2 project

On 19 September 2024 - Polenergia Farma Fotowoltaiczna 16 sp. z o.o., a subsidiary of Polenergia S.A., developing the Szprotawa 2 photovoltaic farm project with a total capacity of 20 MWp, as borrower, and Pekao S.A., as lenders, entered into a facility agreement. Under the facility agreement, the lender will provide the borrower with: (i) a term facility up to a total of PLN 27,000,000.00 to finance the construction of the Szprotawa 2 photovoltaic farm, with the possibility of increasing the lenders' exposure (upon fulfillment of additional conditions specified in the facility agreement), (ii) a VAT facility up to a maximum total of PLN 7,000,000.00, and (iii) a DSR facility up to a maximum total of PLN 2,800,000.00.

In connection with the credit facility agreement, the borrower and Polenergia S.A. were required to conclude a standard security package used in project finance type transactions. The borrower filed, without limitation, a statement of submission to execution and established a registered pledge on a set of movables and rights, while Polenergia S.A. established a registered pledge and a financial pledge on shares in the borrower and will file statements of submission to execution.

The facility agreement provides for repayment of the term facility and the DSR facility no later than 15 years from the date of project completion or by 16 December 2039 (the earlier of the dates), and the VAT facility within six months from the date of final construction settlement, but no later than 30 April 2026. The interest rate on the credit is set based on the WIBOR reference rate, plus the lenders' margin. The terms of the facility agreement, including those relating to collateral, contractual penalties, mobilization of financing and termination of the facility agreement, are in line with those used in this type of transaction.

Acquisition of the remaining 40% of shares in Naxxar Wind Farm Four SRL, which is developing a wind farm project in Romania, and waiver by the creditors of the claims related to, among other things, the statement of claim against Naxxar Wind Farm Four Srl and the project companies

On 27 September 2024, Polenergia S.A. exercised the call option granted under the agreement for the acquisition of 60% of shares in Naxxar Wind Farm Four Srl, with the registered address in Bucharest, entered into on 5 October 2023 with Naxxar Renewable Energy Management Holding Srl, with the registered address in Bucharest, as a result of which Polenergia S.A. acquired the remaining 40% of shares in Naxxar Wind Farm Four Srl from Naxxar Renewable Energy Management Holding Srl. As a result, Polenergia S.A. became the sole shareholder of Naxxar Wind Farm Four Srl. As at 27 September 2024 Wind Farm Four held 20% of shares in each of the 7 special purpose companies developing a wind farm project in Romania in Tulcea district.

The consideration for 40% of shares in Naxxar Wind Farm Four Srl amounted to EUR 2,800,072.00 and was paid on 27 September 2024. Moreover, on 27 September 2024, Naxxar Renewable Energy

Management Holding SRL and WIP International GmbH, among other, entered into a settlement agreement to settle and terminate, through mutual concessions, all of the claims of WIP International GmbH, including claims that are the subject of or related to the statement of claim of WIP International GmbH made towards, among other: (i) Naxxar Wind Farm Four Srl , (ii) Naxxar Renewable Energy Management Holding Srl, (iii) 7 special purpose companies developing a wind farm project in Romania's Tulcea district, and (iv) Naxxar Wind Energy Project Zenon Srl - the former (prior to Naxxar Renewable Energy Management Holding Srl) owner of shares in Naxxar Wind Farm Four Srl. Under the settlement agreement, WIP International GmbH completely waived claims against, among others, Polenergia S.A., Naxxar Wind Farm Four Srl, Naxxar Renewable Energy Management Holding Srl, 7 special purpose companies implementing wind farm project in Romania, Tulcea district, their affiliates, subsidiaries, shareholders, representatives, employees, and any other third parties. As a result, a release from claims occurred, while the legal proceedings pending before a Romanian court have become unfounded and Polenergia S.A. expects them to be discontinued.

*Conclusion by project companies implementing offshore wind farm construction projects of reservation agreements for charter of installations vessels for offshore wind farms*

On 30 September 2024, MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o. project companies, in which Polenergia S.A. holds 50% of shares, developing, under a joint venture between Polenergia S.A. and Equinor Wind Power AS, projects for the construction of two offshore wind farms, i.e. MFW Bałtyk II and MFW Bałtyk III, signed (for each project company separately) with CADELER AS with the registered address in Copenhagen, Denmark, charter contracts for offshore wind turbine installation vessels, one for each project (final contracts).

The conclusion of the final contracts was preceded by the signing of reservation agreements by the project companies with the contractor on 12 May 2024. As part of the final contracts, the contractor undertook, among other things, to charter two offshore wind turbine installation vessels, load, and transport and install the offshore wind turbines, along with associated installation work.

The total remuneration of the contractor under the two contracts (i.e., for both offshore wind farm projects) was tentatively estimated, as of the date of signing the final contracts, at approximately EUR 128 million, while the final remuneration will be updated to include fuel costs, port fees and emission fees (in total by approx. 4% of the value of the final contracts).

The contractor's remuneration may also increase if the project companies launch additional works. The final contracts contain similar substantive provisions, standard for maritime contracts, including details on the timing of crew mobilization and the schedule of installation work, and rules for termination of the final contracts, liability rules, including contractual penalties.

The contractor will provide the project companies with performance guarantees for the final contracts and will provide a corporate guarantee. The wording of the final contracts for the two project companies is the same, taking into account the design differences of each offshore wind farm project. The final contracts were concluded under English law. The conclusion of the final contracts allows for the installation of wind turbines in the Baltic Sea area at a dedicated location according to the current schedule and with interfaces with the other contractors for the works in the two offshore wind farm projects.

*Joining a development program between Brookfield Power US Holding America Co. and Microsoft Corporation*

On 9 October 2024, Polenergia S.A. decided that the Polenergia Group would join the Development Program established under the Master Power Agreement between Brookfield Power US Holding America Co. and Microsoft Corporation on 29 April 2024, and subsequently annexed on 9 July 2024.

In connection with its entry into the Development Program, Polenergia Obrót S.A., a subsidiary of Polenergia S.A. entered into a back-to-back agreement with Brookfield Power US Holding America Co. on 10 October 2024, under which it agreed to offer Microsoft Corporation, in cooperation with Brookfield Power US Holding America Co. renewable energy projects with a total installed capacity of 100 MW in Poland in 2026. Polenergia Obrót S.A. may offer more renewable energy projects, which will require additional approval from the contracting party. As a result, financial settlement agreements for the purchase of electricity (virtual power purchase agreement) will be concluded with Microsoft Corporation, to which Polenergia Group companies developing renewable energy generation projects will be party.

The Back-to-Back Agreement is the result of Brookfield Power US Holding America Co.'s commitment to Microsoft Corporation, arising under the Master Power Agreement. The purpose of the Master Power Agreement is to establish a Development Program under which Microsoft Corporation will purchase, among other things, all or part of the output of renewable energy projects with a total installed capacity of 100 MW in accordance with the terms and conditions set forth in the financial settlement agreement for the purchase of electricity to be concluded under the aforementioned Development Program.

Under the terms of the back-to-back agreement, Polenergia Obrót S.A. is liable for the so-called shortfall in the event of failure to fulfill its obligation to offer Microsoft Corporation renewable energy projects at least at the level of 85% of the agreed volume. Polenergia Obrót S.A.'s maximum liability is limited to USD 1,500,000. Under a cooperation agreement between Polenergia S.A. and Polenergia Obrót S.A., the above liability was transferred to Polenergia S.A. The Back-to-Back Agreement was concluded for the term of the Master Power Agreement (i.e., until 31 December, 2030) and is terminated if there is an early termination of the Master Power Agreement or if terminated by Polenergia Obrót S.A. after 31 December 2027. The Back-to-Back Agreement is concluded under the laws of the State of New York, with the arbitration located in London.

*Conclusion of contracts by project companies implementing offshore wind farm projects for the charter of crew transport vessels*

On 25 October 2024, MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o. project companies, in which Polenergia S.A. holds 50% of shares, developing, under a joint venture between Polenergia S.A. and Equinor Wind Power AS, projects for the construction of two offshore wind farms, i.e. MFW Bałtyk II and MFW Bałtyk III, signed in total four contracts for chartering crew transport vessels. Each of the project companies entered into two contracts in this regard, one with Northern Offshore Services A/S, with the registered address in Copenhagen, Denmark, and the other with Njord Offshore Ltd. with the registered address in Maud's Court, UK.

Under the contracts, Northern Offshore Services A/S and Njord Offshore Ltd. as ship owners will charter a total of four crew transport vessels to the project companies CTV (Crew Transport Vessels) serving the process of offshore wind farm and transformer station construction at sea and providing servicing during the initial period of operation of offshore wind farm projects, including the technological start-up phase (two vessels for each offshore wind farm project).

MFW Bałtyk II sp. z o.o. entered into contracts for a three-year charter period, while the contracts for MFW Bałtyk III sp. z o.o. were concluded under an option formula (for a three-year period), which can be exercised by the company until 1 September 2026. Each company has the option to optionally extend the contracts for another three years' term. The remuneration for chartering the vessels was set in the contracts at a fixed daily rate, subject to indexation.

MFW Bałtyk II sp. z o.o. estimates the cost of the charter over a three-year period at about EUR 13.5 million, and MFW Bałtyk III sp. z o.o. at about EUR 13.8 million (if it exercises the option). In addition, if the contracts are extended for another three years' term, the additional remuneration to

ship owners is estimated at around EUR 30 million combined for the two offshore wind projects. The expected start date for chartering vessels is Q2 2026 for the MFW Bałtyk II project and Q3 2027 for the MFW Bałtyk III project, respectively.

The contracts contain similar substantive provisions standard for maritime contracts, including the start date and charter period, optional charter extensions, liability rules, mandatory insurance, and termination rules, including termination fees. The contracts were concluded under English law. The conclusion of the contracts was essential for the smooth construction of the two offshore wind farm projects and the transition to the operational phase. The contracts provide flexibility for the use of chartered vessels for each offshore wind farm project.

*Issuance by project companies implementing the offshore wind farm project of requests to commence work and increase of corporate guarantees for contracts for the supply of electrical systems infrastructure and the supply of onshore power station under the EPC formula*

In October 2024 MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o. project companies, in which Polenergia S.A. holds 50% of shares, developing, under a joint venture between Polenergia S.A. and Equinor Wind Power AS, projects for the construction of two offshore wind farms, i.e. MFW Bałtyk II and MFW Bałtyk III, issued requests to commence work on contracts for the supply of electrical system infrastructure and the supply of an onshore power station in the EPC formula concluded with Hitachi Energy Poland sp. z o.o. on 30 December 2022.

The purpose of issuing the request to commence work was to accelerate the commencement of the work covered by the aforementioned contracts in full scope, which involves, among other things, the expansion of the scope of preliminary work and the waiver by the project companies of certain conditions precedent holding up the implementation of the aforementioned contracts. Polenergia S.A. was required to provide increased payment guarantees. The maximum projected amounts of Polenergia S.A.'s guaranteed obligations in the period until the financial closing were increased i.e. for the MFW Bałtyk II offshore wind farm project, from the previous approx. EUR 9.5 million to approx. EUR 28.5 million, and for the Bałtyk III offshore wind farm project, from approx. EUR 8.5 million to an estimated EUR 18.2 million.

*Conclusion of operation and maintenance service contracts by project companies implementing offshore wind farm projects*

On 15 November 2024, MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o. project companies, in which Polenergia S.A. holds 50% of shares, developing, under a joint venture between Polenergia S.A. and Equinor Wind Power AS, projects for the construction of two offshore wind farms, i.e. MFW Bałtyk II and MFW Bałtyk III, concluded contracts with Equinor Polska sp. z o.o. for the provision of services in the scope of operation and maintenance of both projects (i.e. projects for the construction of MFW Bałtyk II and MFW Bałtyk III offshore wind farms).

Under project operation and maintenance service contracts, Equinor Polska sp. z o.o. will provide offshore wind farm operation and maintenance services during the operational phase. The tasks of Equinor Polska sp. z o.o. will include managing projects in operation and providing comprehensive administrative, accounting and operational support for projects. The operation and maintenance service contracts will also provide the projects with access to the service base infrastructure, including offices, warehouse, control room and berth, among others, for the full expected operation period of the project, i.e. 30 years.

In certain cases governed by contracts for the provision of project operation and maintenance services, these contracts may be terminated in the scope of project operation and maintenance services provided by Equinor Polska sp. z o.o.; in such situation, the project companies will be entitled to continue using the service base during the original term of the contracts for the provision of project operation and maintenance services. In the event of termination of service contracts for operation and maintenance of projects in their entirety (based on a limited catalog of premises

specified in the contracts), project companies may exercise the option to purchase a service base (in the event that the conditions provided for the exercise of this option are met). Equinor Polska sp. z o.o. is responsible for the provision, equipment, access and maintenance of the service base.

The service contracts for operation and maintenance of the projects were concluded for a period of up to 30 years from the date of commencing commercial operation of the projects or, if earlier, until the date of decommissioning of the last offshore wind turbine. Monthly dues to Equinor Polska sp. z o.o. payable by both project companies were divided into two components, i.e. remuneration calculated on the basis of variable costs of contracted services (OPEX) and fixed costs related to Equinor Polska sp. z o.o.'s expenditures on the service base (CAPEX) split between the project companies and spread over the full contractual term. The contracts for project operation and maintenance services do not specify the maximum remuneration to be paid to Equinor Polska sp. z o.o. under the two contracts. CAPEX costs were set at around EUR 18 million for each of the project companies. The variable remuneration will be calculated annually for each year of the contracts according to the rates and variables provided for therein, and then approved by Polenergia S.A. and Equinor Wind Power AS. The contracts are concluded prior to the final investment decision, planned by Polenergia S.A. and Equinor Wind Power AS in Q2 2025. If the final investment decision is not made by the end of March 2026 (or any other date agreed upon by the parties), the project companies may terminate the service contracts for the operation and maintenance of the projects against payment of a sum equivalent to the capital expenditures incurred by Equinor Polska sp. z o.o. in connection with building the service base and the costs of discontinuing the construction.

Accordingly, Polenergia S.A. provided a surety to secure the payment of a sum corresponding to the aforementioned capital expenditures by the project companies. The guaranteed liabilities on the part of Polenergia S.A. (corresponding to Polenergia S.A.'s 50% share in the project companies) amounts to EUR 18 million in total for the two project companies. The surety expires once the final investment decisions are made. Service contracts for operation and maintenance of projects were concluded under Polish law. Service contracts for project operation and maintenance which are entered into with a subsidiary of one of the shareholders of the project companies, were concluded on the basis of the no gain no loss principle, with the necessary modifications in terms of OPEX remuneration to Equinor Polska sp. z o.o. resulting from transfer pricing regulations. The concluded project operation and maintenance service contracts with Equinor Polska sp. z o.o. Implement the arrangements Polenergia S.A. and Equinor Wind Power AS made under contracts dated 22 May 2018. The execution of service contracts for project operation and maintenance was a key milestone in the process of obtaining financing for the two projects.

*Conclusion of agreements regarding the sales of electricity and provision of balancing services by the project companies implementing offshore wind farm projects*

On 22 November 2024, MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o. project companies, in which Polenergia S.A. holds 50% of shares, developing, under a joint venture between Polenergia S.A. and Equinor Wind Power AS, projects for the construction of two offshore wind farms, i.e. MFW Bałtyk II and MFW Bałtyk III, each with the connection capacity of 720 MW, signed agreements for the sales of electricity with Danish company Danske Commodities A/S. The subject matter of the electricity sales agreements is the sale of the entire volume of electricity generated at the two offshore wind farm projects.

Due to the planned commissioning of the projects in phases, sales of electricity under electricity sales agreements will commence after the concession for the first phase of each project is obtained. In addition, the electricity sales agreements include the provision of commercial balancing services (including during the commissioning period of subsequent technological phases of a given project) and the role of Danske Commodities A/S as a balancing service provider. Electricity sales agreements are of the nature of wholesale and balancing market access agreements (route-to-market agreements). The task of Danske Commodities A/S will include acting as the entity responsible for balancing the projects, including the settlement of imbalances with Polskie Sieci Elektroenergetyczne S.A., and as the balancing service provider and market operator within the meaning of the Terms and Conditions for the Balancing of Polskie Sieci Elektroenergetyczne S.A.

The electricity sales agreements cover the sale of all guarantees of origin of electricity issued for energy generated at the projects during the contractual term.

The electricity sale price will equal the settlement price determined in the process of single day-ahead market coupling for the Polish market area for a given imbalance settlement period (SDAC). The electricity sales contracts also take into account additional revenues that may arise from the provision of balancing services in accordance with the Terms and Conditions for Balancing of Polskie Sieci Elektroenergetyczne S.A., while the actual production and the possibilities and scope of the balancing services provided will depend, among other things, on the course of the process of connecting offshore wind farms to the power grid, the certification process for the provision of balancing services and the volatility of conditions on the balancing market operated by Polskie Sieci Elektroenergetyczne S.A. Electricity sales contracts are correlated with the method of accounting for revenues of projects secured by the right to cover the negative balance with respect to the price set in the decision of the President of the Energy Regulatory Office issued for the projects, i.e. PLN 319.60/MWh, taking into account the indexation since 2022.

Electricity sales contracts typically contain provisions as to the possibility of early termination in the event of breach and the obligation of the terminating party to pay a fee covering the actual damages and costs incurred as a result of early termination. Electricity sales contracts were concluded until the date on which 3 years from the start of commercial operation will have elapsed. Electricity sales contracts may be extended if the project companies accept a new price offer from Danske Commodities A/S for subsequent periods. The entry into force of the electricity sales contracts is subject to the fulfillment of a condition precedent - that Polenergia S.A. and Equinor Wind Power AS make a final investment decision to implement the projects within a maximum of 18 months from their conclusion, scheduled for Q2 2025. The contract is subject to Polish law.

*Conclusion of loan agreements with Bank Gospodarstwa Krajowego under the National Recovery and Resilience Plan, financing contributions to offshore wind farm projects Bałtyk II and Bałtyk III*

On 18 December 2024, Polenergia S.A. entered into a loan agreement with Bank Gospodarstwa Krajowego for a loan from the National Recovery and Resilience Plan under Investment G3.1.5 "Construction of Offshore Wind Farms", on the basis of which Bank Gospodarstwa Krajowego granted Polenergia S.A. a loan of up to PLN 750,000,000.00.

The loan may be used by Polenergia S.A. exclusively to finance or refinance the eligible costs of the Baltic II and Baltic III offshore wind farm projects: (i) including, but not limited to, expenses related to the offshore portion of the projects, (ii) excluding VAT, financing costs, and those incurred before 1 February 2022. Polenergia S.A. will use the funds obtained from the loan exclusively to make or secure cash contributions to the projects. The loan will be made available for use as of the date of fulfillment of the standard conditions precedent for bank financing specified in the loan agreement.

The date of final repayment of the loan is on the earlier of the following dates: (a) the date falling five (5) years from the date of the first disbursement of the loan; or (b) 30 January 2030, while the loan may have been used no later than by 30 June 2025. The interest rate on the loan will be calculated on the basis of a floating interest rate based on the relevant WIBOR rate plus a margin. The loan was granted at market conditions and will not constitute state aid. The loan is not secured on any asset of Polenergia S.A. or Polenergia Group.

**19. Issuer's organizational or equity links with other entities and main domestic and foreign investments (securities, financial instruments, intangible assets and property), including equity investments outside the group of related entities, and a description of the methods of financing thereof, and structure of main equity deposits or major investments within the Issuer's group in the financial year**

The Group's equity structure is presented in the financial statements. Information on the Issuer's investments, together with a description of the methods of their financing in 2024, are presented in items 2, 18 and 24 hereof.

**20. Significant transactions concluded by the Issuer or the Issuer's subsidiaries with related parties on non-arms' length terms, including the amounts and other details of such transactions**

For information on the Company's related-party transactions, see Note 45 to the Consolidated financial statements.

**21. Credit facility and loan agreements concluded and terminated in the financial year, including at least the amounts, types, interest rates, currencies and maturity dates**

For contracted credits and loans see Note 28 to the Consolidated financial statements.

**22. Loans granted in the financial year, in particular loans granted to the Issuer's related entities, including at least the amounts, types, interest rates, currencies and maturity dates of the loans**

Loans granted are presented in Note 37.1 to the Standalone financial statements.

**23. Sureties and guarantees issued and obtained in the financial year, including without limitation sureties and guarantees issued for the benefit of the Issuer's related entities**

For information on loan sureties or guarantees issued by the Issuer or the Issuer's subsidiary to a single entity or its subsidiaries, see Note 27.1 to the Standalone financial statements and Note 32 to the Consolidated financial statements.

The sureties and guarantees obtained are presented below:

Responsible entity/issuer of surety or guarantee	Basis	Value	Period
Freepoint Commodities Europe LLP / Freepoint Commodities LLC	Trade contract - Polenergia Obrót S.A.	EUR 5,000,000.00	Indefinite term
Fortum Oyi / FORTUM Marketing and Sales Polska SA	Trade contract with Polenergia Obrót S.A.	PLN 11,000,000.00	31.03.2027
PKP Energetyka / PKO BP	Trade contract with Polenergia Obrót S.A.	PLN 12,000,000.00	28.02.2025
Potęgowo Mashav / PEKAO S.A.	SWAP surety for delivery from Polenergia Obrót S.A.	PLN 613,200.00	15.01.2025
Potęgowo Mashav / PEKAO S.A.	SWAP surety for delivery from Polenergia Obrót S.A.	PLN 391,327.20	extended from 09.08.2022 until 09.08.2023, then until 23.08.2024, then until 15.01.2025
Potęgowo Mashav / PEKAO S.A.	SWAP surety for delivery from Polenergia Obrót S.A.	PLN 475,434.00	09.10.2023 extended to 09.10.2024 then to 15.01.2025
Potęgowo Mashav / PEKAO S.A.	SWAP surety for delivery from Polenergia Obrót S.A.	PLN 576,450.00	15.01.2025

Responsible entity/issuer of surety or guarantee	Basis	Value	Period
IGNITIS Polska Sp. z o.o. / OP Corporate Bank	Trade contract with Polenergia Obrót S.A.	EUR 1,000,000.00	31.10.2025
VESTAS - POLAND Sp. z o.o. / VESTAS WIND SYSTEMS A/S	PCG wind turbines delivery, installation and commissioning contract – Polenergia WF Piekło, Polenergia FW 16	Maximum guarantee amount EUR 13,599,400 plus VAT	30.06.2025
VESTAS - POLAND Sp. z o.o. / VESTAS WIND SYSTEMS A/S	PCG wind turbines delivery, installation and commissioning contract – Polenergia FW Grabowo	Maximum guarantee amount EUR 48,860,000 plus VAT	31.07.2025
ONDE / ERGO HESTIA	Performance Bond - FW Piekło	PLN 2,889,270.00 PLN 1,444,635.00 for defects and faults	31.08.2023 defects and faults 31.08.2028.
Bilfinger Tebodin Poland Sp. z o.o. / Skandinawska Enskilda Banken AB S.A. O/Polska	Performance Bond, including obligations under the warranty for defects or quality guarantee - FW Piekło (FW Piekło company)	PLN 112,125.00 from 01.09.2022 the maximum warranty amount was reduced to PLN 33,637.50	15.09.2025
Bilfinger Tebodin Poland Sp. z o.o. / Skandinawska Enskilda Banken AB S.A. O/Polska	Performance Bond, including obligations under the warranty for defects or quality guarantee - FW Piekło (FW Piekło company)	PLN 112,125.00 from 01.09.2022 the maximum warranty amount was reduced to PLN 33,637.50	15.09.2025
WSP POLSKA Sp. z o.o. / HSBC	Performance Bond - FW Grabowo	PLN 246,000.00	30.06.2025
ONDE / ERGO HESTIA	Guarantee for proper removal of defects or faults - FW Szymankowo	PLN 2,339,460.00	09.09.2026
ONDE / ERGO HESTIA	Guarantee for proper removal of defects or faults - FW Dębice/Kostomłoty	PLN 1,973,848.65	18.10.2027
ELECTRUM CONCREO / INTERRISK TU S.A.	Insurance guarantee for removal of defects and faults - FW 3 (Dębsk)	until 31.01.2023 PLN 6,652,932.24 after that date PLN 5,271,460.20	07.11.2025
ONDE S.A. / ERGO HESTIA S.A.	Guarantee for the proper removal of defects or faults - FW 3 (Dębsk)	PLN 5,064,714.47	22.03.2028
P&Q / WARTA S.A.	Insurance guarantee for proper removal of defects - FW 17 SUL II	PLN 711,773.89	06.07.2027
P&Q / WARTA S.A.	Insurance guarantee for proper removal of defects - SUL III	PLN 577,383.02	06.07.2027
PGNiG Obrót Detaliczny / HSBC	Performance bond guarantee	PLN 1,450,000.00	30.06.2026



Responsible entity/issuer of surety or guarantee	Basis	Value	Period
ELECTRUM CONCREO / KUKE S.A.	Guarantee of proper removal of defects and/or faults No. RW/GW/42/829/13895/2023 - FW Grabowo	PLN 4,321,144.70 from 01.04.2024 the guarantee amounts was reduced to PLN 3,086,531.93	01.08.2028
Jan De Nul SA Hellenic Cables S.A. Consortium Bałtyk 2 / Cenergy Holdings S.A.	Due Performance Parent Company Guarantee - Bałtyk 2 cable supply contract	EUR 11,663,940.55 until 01.10.2024; EUR 50,784,589.59 until the expiration date	date of validity of the contract (14.06.2027) + 5 years = 14.06.2032
Jan De Nul SA Hellenic Cables S.A. Consortium Bałtyk 2 / Cenergy Holdings S.A.	Due Performance Parent Company Guarantee - Bałtyk 3 cable supply contract	EUR 12,567,822.99 until 01.10.2024; EUR 55,320,863.39 until the expiration date	date of validity of the contract (14.06.2027) + 5 years = 14.06.2032
Jan De Nul SA Hellenic Cables S.A. Consortium Bałtyk 2 / Allianz . Euler Hermes SA	Performance Bond Guarantee - Bałtyk 2 cable supply contract	EUR 15,157,226.10	the earlier of the following dates: receipt of the Completion Certificate or 12.08.2027.
Jan De Nul SA Hellenic Cables S.A. Consortium Bałtyk 3 / Allianz . Euler Hermes SA	Performance Bond Guarantee - Bałtyk 3 cable supply contract	EUR 16,477,636.50	the earlier of the following dates: receipt of the Completion Certificate or 12.08.2027.
Jan De Nul SA Hellenic Cables S.A. Consortium Bałtyk 2 / Sofidra S.A.	Due Performance Parent Company Guarantee - Bałtyk 2 cable supply contract	EUR 5,463,725.45 until 01.10.2024; EUR 23,788,963.41 until the expiration date	date of validity of the contract (14.06.2027) + 5 years = 14.06.2032
Jan De Nul SA Hellenic Cables S.A. Consortium Bałtyk 2 / Sofidra S.A.	Due Performance Parent Company Guarantee - Bałtyk 3 cable supply contract	EUR 5,887,130.01 until 01.10.2024; EUR 25,913,884.61 until the expiration date	date of validity of the contract (14.06.2027) + 5 years = 14.06.2032
Orange Energia / Orange Polska	Trade contract with Polenergia Obrót S.A.	PLN 10,200,000.00 until 31.01.2025, after which the value is reduced to PLN 5,400,000 until the expiration date, or 0 if the sum of the debtor's payments exceeds the original value	31.07.2026 or 31.01.2025 if the sum of payments exceeds the original value of the guarantee
ORLEN S.A. / ORLEN ENERGIA	Trade contract with Polenergia Obrót S.A.	PLN 25,587,000	31.10.2026
ORLEN S.A. / ORLEN ENERGIA	Trade contract with Polenergia Obrót S.A.	PLN 3,049,000	28.02.2025

Responsible entity/issuer of surety or guarantee	Basis	Value	Period
Northvolt Systems Poland Sp. z o.o. / Northvolt AB	Trade contract with Polenergia Obrót S.A.	PLN 5,529,465	28.02.2028
McDonald franchisees / SOCIÉTÉ GÉNÉRALE, Santander, ING	Trade contracts with Polenergia Obrót S.A.	PLN 5,381,268.63	annual guarantees, to be renewed until 31.05.2028.
AYESA POLSKA SP. Z O.O. / Santander Bank Polska S.A..	Contract for the provision of contract engineer services	PLN 42,750.00	28.02.2027
AYESA POLSKA SP. Z O.O. / Santander Bank Polska S.A..	Contract for the provision of contract engineer services	PLN 127,500.00	28.02.2027
P&Q / Inter Risk TU S.A.	Insurance Performance Bond - FW Namysłów	PLN 8,595,058.58	11.06.2025
AYESA POLSKA SP. Z O.O. / Santander Bank Polska S.A..	Contract for the provision of contract engineer services	PLN 42,750.00	28.02.2027
AYESA POLSKA SP. Z O.O. / Santander Bank Polska S.A..	Contract for the provision of contract engineer services	PLN 127,500.00	28.02.2027
P&Q / Inter Risk TU S.A.	Insurance Performance Bond - FW Namysłów	PLN 8,595,058.58	11.06.2025
P&Q / Inter Risk TU S.A.	Insurance performance bond - FF16	PLN 2,350,244.03	16.07.2025
Orange Energia / Orange Polska	Trade contract with Polenergia Obrót S.A.	PLN 24,200,000.00	31.07.2028
E.ON / E.ON SE	Trade contract with Polenergia Obrót S.A.	PLN 50,000,000.00	31.01.2026
Schattdecor / mBank S.A.	Trade contract with Polenergia Obrót S.A.	PLN 2,800,000.00	31.01.2026
PURO Hotels / Santander Bank Polska S.A.	Trade contract with Polenergia Obrót S.A.	PLN 7,380,000.00	12.12.2025
MERCEDES / ING	Trade contract with Polenergia Obrót S.A.	PLN 6,137,700.00	31.05.2028
HYSTAR AS / SpareBank 1 SMN	Contract for the supply of a device for H2HUB Nowa Sarzyna Sp. z o.o.	EUR 510,000.00	07.12.2026

Responsible entity/issuer of surety or guarantee	Basis	Value	Period
Siemens Gamesa Renewable Energy Sp. z o.o. / Banco Santander, S.A. Filiale Frankfurt	The advance payment bond - Bałtyk 2 turbine supply contract	44.341.193,98 PLN 40.423.152,13 EUR	05.10.2027
Siemens Gamesa Renewable Energy Sp. z o.o. / Banco Santander, S.A. Filiale Frankfurt	The advance payment bond - Bałtyk 3 turbine supply contract	44.341.193,98 PLN 40.423.152,13 EUR	05.10.2028
Sif Netherlands B.V. / Allianz . Euler Hermes SA	Performance Bond Guarantee - Bałtyk 2 foundation supply contract	EUR 2,231,998.15	20.10.2026
Sif Netherlands B.V. / Allianz . Euler Hermes SA	Performance Bond Guarantee - Bałtyk 3 foundation supply contract	EUR 2,174,022.57	20.10.2026
D.Trading / PKO BP	Trade contract with Polenergia Obrót S.A.	PLN 5,916,650.00	31.08.2027
STRABAG, STRABAG Infrastruktura Południe, POLSKI ASFALT, STRABAG BMTI, Hotele Warszawskie Syrena, Mineral Polska / STRABAG SE	PPA z Polenergia Sprzedaż Sp. z o.o.	PLN 6,300,000.00	30.04.2026
InPost & InPost paczkomaty / INTEGER.PL S.A.	Trade contract with Polenergia Obrót S.A.	PLN 14,700,000.00	26.03.2029
D.Trading / PKO BP	Trade contract with Polenergia Obrót S.A.	PLN 5,551,796.00	31.08.2027
D.Trading / PKO BP	Trade contract with Polenergia Obrót S.A.	PLN 5,524,932.00	31.08.2027
D.Trading / PKO BP	Trade contract with Polenergia Obrót S.A.	PLN 5,499,382.00	31.08.2027
D.Trading / PKO BP	Trade contract with Polenergia Obrót S.A.	PLN 2,842,407.00	30.11.2027r
Siemens Gamesa Renewable Energy Sp. z o.o. / Siemens Energy AG	Parent Company Guarantee - Bałtyk 2 Turbine supply contract	EUR 833,750,000.00	26.11.2032
Siemens Gamesa Renewable Energy Sp. z o.o. / Siemens Energy AG	Parent Company Guarantee - Bałtyk 3 Turbine supply contract	EUR 833,750,000.00	15.06.2033
Hitachi Energy Sp. z o.o. / Hitachi Energy Ltd.	Parent Company Guarantee - Bałtyk 2 Turbine supply contract	EUR 120,000,000.00	28.08. 2032

Responsible entity/issuer of surety or guarantee	Basis	Value	Period
Hitachi Energy Sp. z o.o. / Hitachi Energy Ltd.	Parent Company Guarantee - Bałtyk 3 Turbine supply contract	EUR 131,000,000.00	28.08.2033
HITACHI / Société Générale	Performance bond and guarantee - Bałtyk 2	EUR 5,368,850.20 + PLN 16,179,313.03 + SEK 9,892,556.30 + CHF 555,508.03	31.05.2024
HITACHI / Société Générale	Performance bond and guarantee - Bałtyk 3	EUR 5,996,967.00 + PLN 16,837,936.19 + SEK 10,995,599.63 + CHF 593,436.96	30.11.2024
Sif Netherlands B.V. / Sif Holding N.V.	Parent Company Guarantee - Bałtyk 2 Turbine supply contract	EUR 141,4000,000.00	date of expiration of contractual obligations i.e. 16.06.2026 + 5 years = 16.06.2031
Sif Netherlands B.V. / Sif Holding N.V.	Parent Company Guarantee - Bałtyk 3 monopiles contract	EUR 137,900,000.00	date of expiration of contractual obligations, i.e. 30.05.2027 + 5 years = 30.05.2032
Smulders Projects Belgium NV and Sif Netherlands BV / EIFFAGE INFRASTRUCTURES	Due Performance Parent Company Guarantee - Bałtyk 2 transition components contract	EUR 106,750,000.00	date of expiration of contractual obligations, i.e. 22.07.2026 + 5 years = 22.07.2031
Smulders Projects Belgium NV and Sif Netherlands BV / EIFFAGE INFRASTRUCTURES	Due Performance Parent Company Guarantee - Bałtyk 3 transition components contract	EUR 106,750,000.00	date of expiration of contractual obligations, i.e. 10.10.2026 + 5 years = 10.10.2031
Smulders Projects Belgium NV and Sif Netherlands BV / EIFFAGE INFRASTRUCTURES	Due Performance Parent Company Guarantee - Bałtyk 2 transition components contract	EUR 106,750,000.00	date of expiration of contractual obligations, i.e. 22.07.2026 + 5 years = 22.07.2031
Smulders Projects Belgium NV and Sif Netherlands BV / EIFFAGE INFRASTRUCTURES	Due Performance Parent Company Guarantee - Bałtyk 3 transition components contract	EUR 106,750,000.00	date of expiration of contractual obligations, i.e. 10.10.2026 + 5 years = 10.10.2031
Smulders Projects Belgium NV and Sif Netherlands BV / Credit Agricole Corporate And Investment Bank	Performance Bond Guarantee - Bałtyk 2 transition components contract	EUR 9,441,601.00	15.11.2026

Responsible entity/issuer of surety or guarantee	Basis	Value	Period
Smulders Projects Belgium NV and Sif Netherlands BV / Credit Agricole Corporate And Investment Bank	Performance Bond Guarantee - Bałtyk 3 transition components contract	EUR 9,487,378.00	14.09.2026
Smulders Projects Belgium NV and Sif Netherlands BV / Euler Hermes SA	Performance Bond Guarantee - Bałtyk 2 transition components contract	EUR 4,324,829.94	20.10.2026
Smulders Projects Belgium NV and Sif Netherlands BV / Euler Hermes SA	Performance Bond Guarantee - Bałtyk 3 transition components contract	EUR 4,324,829.94	20.10.2026
IEMANS NV / EIFFAGE INFRASTRUCTURES	Due Performance Parent Company Guarantee - design and construction of MFW Bałtyk 2	EUR 175,200,000.00	date of expiration of contractual obligations, i.e. 22.03.2027 + 5 years = 22.03.2032
IEMANS NV / EIFFAGE INFRASTRUCTURES	Due Performance Parent Company Guarantee - design and construction of MFW Bałtyk 3	EUR 175,200,000.00	date of expiration of contractual obligations, i.e. 27.08.2027 + 5 years = 27.08.2032
IEMANS NV / BNP Paribas	Performance Bond - design and construction of MFW Bałtyk 2	EUR 29,775,334.00	01.04.2027
IEMANS NV / BNP Paribas	Performance Bond - design and construction for MFW Bałtyk 3	EUR 29,775,334.00	01.10.2027
HEEREMA MARINE CONTRACTORS NEDERLAND SE / Heerema Marine Contractors Holding Nederland SE	Due Performance Parent Company Guarantee - contract for transport and assembly of foundations for Bałtyk 2	EUR 75,000,000.00	01.04.2026
HEEREMA MARINE CONTRACTORS NEDERLAND SE / Heerema Marine Contractors Holding Nederland SE	Due Performance Parent Company Guarantee - contract for transport and assembly of foundations for Bałtyk 3	EUR 75,000,000.00	01.04.2026
HEEREMA MARINE CONTRACTORS NEDERLAND SE / ING Bank N.V.	Performance Bond Guarantee - contract for transport and assembly of foundations for Bałtyk 2	USD 6,672,578.00	31.03.2026
HEEREMA MARINE CONTRACTORS NEDERLAND SE / ING Bank N.V.	Performance Bond Guarantee - contract for transport and assembly of foundations of Bałtyk 3	USD 6,740,031.00	31.03.2026

Responsible entity/issuer of surety or guarantee	Basis	Value	Period
Tele-Fonika Kable S.A. / Société Générale SA Branch in Poland	Performance Bond - contract for delivery and assembly of cables for Bałtyk 2	PLN 10,463,448.45	12.08.2027
Tele-Fonika Kable S.A. / Société Générale SA Branch in Poland	Performance Bond - contract for delivery and assembly of cables for Bałtyk 3	PLN 10,463,448.45	12.08.2027
Visser Smit Hanab / VWS Verbindingen & Netwerken B.V.	Due Performance Parent Company Guarantee - contract for bringing cables ashore for Bałtyk 2	EUR 15,573,425.00	date of expiration of contractual obligations, i.e. 17.02.2027 + 1 year = 17.02.2028
Visser Smit Hanab / VWS Verbindingen & Netwerken B.V.	Due Performance Parent Company Guarantee - contract for bringing cables ashore for Bałtyk 2	EUR 15,573,425.00	date of expiration of contractual obligations, i.e. 17.02.2027 + 1 year = 17.02.2028
SEAWAY 7 MANAGEMENT AS / HSBC BANK PLC	Performance Bond – internal cabling contract - Bałtyk II	EUR 9,383,252.00	24.09.2026
SEAWAY 7 MANAGEMENT AS / HSBC BANK PLC	Performance Bond - internal cabling contract - Bałtyk III	EUR 9,020,921.10	11.02.2027
SEAWAY 7 MANAGEMENT AS / Subsea 7 S.A.	Due Performance Parent Company Guarantee - internal cabling contract - Bałtyk II	EUR 93,832,520.00	01.04.2031
SEAWAY 7 MANAGEMENT AS / Subsea 7 S.A.	Due Performance Parent Company Guarantee - internal cabling contract - Bałtyk III	EUR 90,209,211.00	01.09.2031
P&Q Sp. z o.o. / InterRisk TU S.A. Vienna IG	Insurance guarantee for removal of defects and faults - FF Strzelino	PLN 4,182,246.00	22.05.2029
WSP POLSKA SP.Z.O.O. . WSP GLOBAL INC. / HSBC BANK	As-built guarantee - FF Strzelino	USD 13,612,69	15.05.2026

#### 24. For issues of securities in the period covered by the report - description of the Issuer's proceeds use until the date of preparation of the report on operations

On 8 February 2024, the Company's Management Board adopted a resolution to initiate the process of granting the Management Board a new authorization to increase the Company's share capital within the limits of authorized capital, enabling the Management Board to perform one or more issues of new shares in the future in order to raise financing for the Company's strategic objectives, which include further implementation of investment projects and development plans (the "New Authorized Capital").

On this basis, the Company's Extraordinary General Meeting on 13 March 2024 resolved to amend the Company's Statutes by adding a new authorization for the Management Board to increase the Company's share capital within the limits of the New Authorized Capital for a period of three years. Pursuant to the resolution, the Management Board was authorized to increase the Company's share

capital by up to PLN 115,828,368 through the issuance of up to 57,914,184 new shares in the Company (the "New Shares") and to deprive the Company's existing shareholders in whole or in part of the subscription rights to the New Shares with the consent of the Supervisory Board. The amendments to the Statutes adopted pursuant to the aforementioned resolution of the General Meeting on 21 March 2024 were entered in the National Court Register.

The provisions of the Statutes relating to the New Authorized Capital stipulate that, in the event of a decision to deprive existing shareholders of the Company of the subscription rights to the New Shares, a preemptive right enabling them to maintain their percentage shareholding in the Company's share capital may be granted to shareholders holding shares of the Company representing at least 0.2% of the Company's share capital, and, in connection with an amendment proposed and passed by the Company's shareholders' proxy at the Company's General Meeting of 13 March 2024, to the persons included in the list of persons authorized to attend this General Meeting.

As at the date of the Resolution, the Management Board:

- planned to raise total proceeds of up to approximately PLN 3.4 billion in 2024-2027 through the issuance of New Shares performed under the New Authorized Capital, although the final number of New Shares issued will depend on market conditions and the price sensitivity of demand for the Company's shares, and thus may be lower than the maximum number of New Shares that may be issued under the New Authorized Capital;

- did not decide on the parameters and timing of potential issues of New Shares under the New Authorized Capital, nor is it certain when such decisions will be made. Decisions on the timing and parameters of future issues of New Shares will be tailored to the Company's actual capital requirements at the time. The Management Board did not rule out resorting to other temporary sources of financing during interim periods. Determination by the Management Board of the key parameters of each issue of New Shares will require approval by the Supervisory Board.

The Management Board will report separately on the use of the authorization to increase the share capital within the limits of the New Authorized Capital in accordance with applicable laws. Until the date of publication of this report, no resolution to increase the Company's share capital under the New Authorized Capital was adopted.

On 11 July 2024, the Company's Management Board adopted a resolution concerning the establishment by Polenergia S.A. of a bond issuance program with an aggregate maximum nominal value of up to PLN 1,000,000,000 (the "Program") and the issuance by the Company of individual series of bonds under the Program (the "Bonds"), to be taken up by qualified investors, subject to the following conditions:

- 1) The Bonds may be issued under the Green Bond formula, including in accordance with the understanding of this term in the Green Bond Principles Guidelines for the Green Bond Issuance Process published in June 2021 (with the June 2022 appendix) by the International Capital Market Association (ICMA);

- 2) The Bonds will be issued in accordance with Article 33, item 1 or 2 of the Bond Law of 15 January 2015;

- 3) The Bonds will be offered in a manner that does not require Polenergia S.A. to: (i) prepare the prospectus referred to in Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published in connection with the public offering of securities or their admission to trading on a regulated market and repealing Directive 2003/71/EC, or (ii) the publication of the information memorandum referred to in Article 38b of the Act on Public Offering and the Conditions for Introducing Financial Instruments to an Organized Trading System and on Public Companies dated 29 July 2005;

- 4) The Bonds will be issued as unsecured;

- 5) The Bonds will be registered in the securities depository maintained by the Krajowy Depozyt Papierów Wartościowych S.A. (National Depository for Securities). ("NDS"). Registration of the Bonds with the depository maintained by the NDS may be carried out in the delivery versus payment mode or with the participation of the issuing agent through recording the Bonds in the records kept by the issuing agent, pursuant to Article 7a section 4 item 4 of the Act on Trading in Financial Instruments of 29 July 2005;

6) The Bonds may be subject to listing in the alternative trading system operated by Giełda Papierów Wartościowych w Warszawie S.A. (the Warsaw Stock Exchange);

7) The Bonds will bear interest. The interest rate will be fixed or variable, based on the reference rate indicated in the terms of issue of the respective series of the Bonds, plus a margin;

8) The purpose of issuing the Bonds is to finance the development, purchase, construction and operation of green projects, and the specific use of the proceeds of the issue will be indicated in the terms and conditions of issue of the respective series of Bonds issued under the Program;

9) The detailed terms and conditions of issuance of the Bonds relating to the Bonds of a given series, including the level of the margin, shall be determined by the Management Board of Polenergia S.A., based on resolutions adopted in this regard, each time by separate issuance resolutions relating to a given series of Bonds or by persons authorized by the Management Board of Polenergia S.A., after the Supervisory Board's prior approval of the draft terms and conditions of issuance of the Bonds.

On 11 July 2024, the Supervisory Board of Polenergia S.A. adopted the resolution approving the establishment by Polenergia S.A. of the Program.

On 10 September 2024, Polenergia S.A. entered into a program agreement for the Program (the "Program Agreement") with Bank Polska Kasa Opieki S.A. ("Bank Pekao"), mBank S.A., (mBank) and Santander Bank Polska S.A. ("Santander") (Bank Pekao, mBank and Santander, hereinafter collectively referred to as the "Banks").

Under the Program Agreement, the Banks assumed an obligation to perform certain duties related to the organization and operation of the Program and the organization and issuance of the Bonds to the extent specified in the Program Agreement.

Pekao Bank acts as the Program's co-organizer, dealer and green bond structuring agent. mBank acts as the Program's co-organizer, dealer and green bond structuring agent. Santander acts as co-organizer of the Program and as a dealer.

On 16 October 2024, Series A Bonds with an aggregate par value of PLN 750,000,000 were issued (the "Series A Bonds", the "Issue"). Basic information on the Issue:

- 1) Issue price of one Series A Bond - PLN 1,000;
- 2) Redemption date of the Series A Bonds - 16 October 2029;
- 3) Early redemption of Series A Bonds - possible at the request of Polenergia S.A. or the bondholder under the terms of the terms of issue of Series A Bonds;
- 4) Issue Purpose: to directly and indirectly finance or refinance the development, acquisition, construction and operation of Green Projects, including in particular offshore wind farms.
- 5) Interest rate: variable - WIBOR 6M + Margin 270 bps p.a.
- 6) Interest periods - semiannual.

On 17 and 18 October 2024, Polenergia S.A. entered into forward interest rate swaps (IRS) with financial institutions, together hedging 75% of Polenergia S.A.'s exposure to WIBOR-based interest rate volatility risk in connection with the Issue.

The WSE Board has set 12 February 2025 as the date for the first listing of the Series A Bonds on the Catalyst Alternative Trading System.

As at the time of the report's publication, the full amount of PLN 750 million from the green bonds issued in 2024 had been allocated to the development of the Bałtyk II and Bałtyk III offshore wind farm projects, with PLN 350 million in 2024 and PLN 400 million in 2025.

## 25. Description of differences between the financial results presented in the full-year report and the financial forecasts for the year, published earlier

The Company does not publish performance forecasts for a given year.



**26. Assessment (and grounds for the assessment) of financial resources management, including in particular an assessment of the ability to repay liabilities as well as an identification of threats, if any, and measures used or intended to be used by the Issuer to mitigate such threats**

The most important part of the Issuer's and the Group's financial liabilities are bank borrowings, described in more detail in the financial statements and obligations on account of bonds issue. As at 31 December 2024 all material liabilities of the Issuer and the Issuer's capital Group were settled in a timely manner.

On the other hand, the volatility of electricity and natural gas prices and the regulating schemes for generators and sellers may result in a decrease in the economic parameters of the Group companies, and even failure to meet the financial ratios specified in the facility agreements and/or in the terms and conditions of bonds issue.

The Group is monitoring the situation and keeping in touch with the financing institutions. If the prices of electricity and green certificates decrease, in a longer run there may be temporary problems with the performance of the obligations resulting from certain credit facility agreements, which in the case of some projects may trigger payment under guarantees issued by Polenergia S.A. For details on the guarantees, see Note 27.1 to the Standalone financial statements.

**27. Evaluation of feasibility of investment plans, including equity investments, in the context of available funds, taking into consideration possible changes in the investment financing structure**

As at 31 December 2024 the Group plans total capital expenditures for fixed assets at approximately PLN 1 232 million in 2025. These amounts will mainly be used for the development of offshore wind power projects, photovoltaics and the implementation of the investment program in the distribution segment.

Polenergia S.A. seeks to finance projects under a project finance model which assumes partial reliance on externally sourced funds.

**28. Assessment of factors and non-recurring events with a bearing on results for the financial year, along with the extent to which such factors or non-recurring events affected the results, and an overview of events which had a material effect on the Issuer group's operations and results in the financial year, or which may have a material effect on its operations and results in future years**

Events with a material effect on the Issuer's business and financial performance are presented in Items 1 and 2 hereof. All of them are typical for the Issuer's business.

**29. Overview of external and internal factors significant to the development of the Issuer's business and description of the development prospects until at least the end of the financial year following the financial year for which the financial statements included in the full-year report have been prepared, taking into consideration the Issuer's market strategy, and an overview of the development policy of the Issuer's group**

External and internal factors affecting the Group's growth

The Issuer's development prospects in the context of changes in its business environment and the new RES Act are presented in the section concerning risk factors and on the Issuer's website at:

<https://www.polenergia.pl/serwis-relacji-inwestorskich/>

Description of the Group's business growth prospects

The Group keeps exploring potential directions for further growth, taking into account the changing legal, regulatory and market environments.

Currently, the Group is focused on:

- further optimizing its operating costs and improving asset efficiency,
- developing new projects and maintaining the existing projects, both in offshore and onshore wind farms and photovoltaic farms in Poland,
- developing projects in the area of energy warehouses (BESS),
- developing onshore wind farm projects in Romania,
- implementing projects from the portfolio of photovoltaic farms that won the auctions in 2022 and 2023,
- preparing to implement the Bądecz wind farm, which won the auction in 2024,
- further developing business in trading segment,
- implementing an investment plan in the distribution area (which targets an increase of the Regulatory Assets Base and a growth in the number of customers connected to the company's network on a permanent basis),
- developing the sales of solutions in the field of distributed energy and electromobility,
- intensifying efforts to grow energy sales to customers not connected to the company's network,
- developing gas and clean fuels segment based on the production and storage of green hydrogen produced in the process of electrolysis from own renewable energy

In view of the significant scale of planned capital expenditures for the implementation of the strategic goals defined in the business strategy, the Management Board proceeded to reviewing options in the area of electromobility, and hydrogen strategy, and expansion abroad, and does not rule out a future decision to abandon their further implementation or to change the manner or scope of their implementation, depending on the results of the review.

More information on the Issuer's Group business development policy is available on the website at: <https://www.polenergia.pl/serwis-relacji-inwestorskich/>

### **30. Changes in basic management policies of the Issuer and its group**

In the financial year 2024 there were no changes to the basic management rules of the Issuer or its Group.

### **31. All agreements concluded between the Issuer and its management staff, providing for compensation in the event of resignation or removal from office without a good reason, or when resignation or removal from office is caused by acquisition of the Issuer by another company**

Mr. **Adam Purwin** was party to two management contracts entered into with the Company in 2024 and remains (currently) a party to a third management contract.

The first management contract covered the period from 18 July 2024 to 18 October 2024 (a definite term being the time of delegation of a Supervisory Board Member to perform the duties of a Management Board Member). The notice period of this contract was two weeks. The management contract included a non-competition clause under which the Company was obliged to pay compensation equal to 100% of the fixed remuneration. The parties also entered into a management contract, which covered the period from 19 October 2024 to 31 December 2024 (a definite term being the time of Mr. Adam Purwin's appointment to the Company's Management Board, together with entrusting the function of Vice President of the Management Board). The notice period of this contract was two weeks. The contract in question also included a non-competition clause under which the Company was obliged to pay compensation equal to 100% of the fixed remuneration. In connection with the appointment of Mr. Adam Purwin to the Management Board for a new term

commencing 1 January 2025, the Parties entered into another management contract for an indefinite term, effective as of 1 January 2025.

Mr. **Andrzej Filip Wojciechowski** is party to a management contract with the Company as of 01.03.2024 for an indefinite period. The notice period was 9 months in the case of termination of the contract before the expiration of the Management Board member's term, and 4.5 months in the case of termination of the contract after the expiration of the Management Board member's term, each time with effect at the end of the calendar month. The parties also entered into a non-competition clause after the termination of the contract, which lasted for nine (9) months, and the compensation payable was equal to 100% of the fixed remuneration. In connection with the appointment of Mr. Andrzej Filip Wojciechowski to the Management Board for a new term beginning 1 January 2025, the parties entered into a consolidating annex to the management contract, effective as of 1 January 2025.

Mr. **Jerzy Zań** is party to an employment contract concluded with the Company. The contract concluded into for an indefinite term. The notice period is 12 months, if the contract is terminated before the expiration of the term of the President of the Management Board, and 6 months if the contract is terminated after the expiration of the term of the of the President of the Management Board. The currently binding employment contract remains in effect until 31 July 2025, when the notice period will expire. Furthermore, upon the termination of the employment relationship, Mr. Jerzy Zań is party to a non-competition agreement that obliges the Company to pay him an amount equal to 100% of his remuneration for 12 months as compensation for refraining from running competitive activity.

Mr. **Michał Michalski** is party to an employment contract concluded with the Company. The contract is entered into for an indefinite term. The notice period of the employment contract was 12 (twelve) months. The currently binding employment contract remains in effect until 31 March, 2025, when the notice period expires. Mr. Michalski was a party to a non-competition agreement providing for the Company's obligation to pay him compensation equal to 100% of the amount of his remuneration. The Company had the right to waive the non-competition clause upon termination of the employment relationship, and the Company exercised this right by filing a statement to that effect, so it will not be required to pay compensation for the compliance with the non-competition obligation.

Mr. **Tomasz Kietliński** is party to an employment contract concluded with the Company. The contract is entered into for an indefinite term. The notice period was 6 months, and expired on 30 September 2024. Furthermore, upon the termination of the employment relationship, Mr. Tomasz Kietliński is party to a non-competition agreement that obliges the Company to pay him an amount equal to 100% of his remuneration as compensation for refraining from running competitive activity. Currently, until 31 March 2025, Mr. Tomasz Kietliński receives compensation for non-competition obligation after termination of employment.

Ms. **Iwona Sierżęga** is party to an employment contract concluded with the Company. The contract is entered into for an indefinite term. The notice period for this agreement is 6 months and will expire on 31 May 2025. In addition, Ms. Iwona Sierżęga is a party to a non-competition agreement after the termination of the employment relationship, providing for the Company's obligation to pay her compensation amounting to 6 times her remuneration for refraining from competitive activities. Compensation is payable in 6 (six) equal installments. The Company is required to pay compensation for compliance with the non-competition obligation after the termination of employment.

Mr. **Piotr Maciołek** is party to an employment contract concluded with the Company. The contract is entered into for an indefinite term. The notice period was 6 months, and will expire on 31 May 2025. Furthermore, upon the termination of the employment relationship, Piotr Maciołek is party to

a non-competition agreement that obliges the Company to pay him an amount equal to 6 times his remuneration as compensation for refraining from competitive activity. Compensation is payable in 6 (six) equal installments. The Company is required to pay compensation for compliance with the non-competition obligation after the termination of employment.

- 32. Value of remuneration, bonuses or benefits, including those under incentive or bonus schemes based on the Issuer's equity, including schemes based on bonds with pre-emptive rights, convertible bonds, subscription warrants (in cash, in kind or in any other form), paid, payable or potentially payable, separately for each member of the Issuer's Management and Supervisory Boards, recognized as costs or resulting from distribution of profit; if the Issuer is the parent, shareholder in a jointly-controlled entity or significant investor - separate information on the value of remuneration and bonuses received for the performance of functions in the governing bodies of subsidiaries; if relevant information is presented in the financial statements - the obligation is deemed fulfilled by including a reference to the part of the financial statements in which such information is provided**

For information on the remuneration of members of the Management and Supervisory Boards, see Note 48 to the Consolidated financial statements.

Moreover, members of the Management Board were also entitled to non-financial benefits, such as company apartments in justified cases or refinancing of accommodation costs, covering or refinancing travel costs, accident insurance, medical insurance and use of company cars.

- 33. Liabilities arising from pensions and similar benefits for former Management and Supervisory Boards or former members of administrative bodies and on liabilities incurred in connection with these pensions, with an indication of the total amount for each category of body; if the relevant information is presented in the financial statements - the obligation is considered fulfilled by indicating the place of their inclusion in the financial statements**

The Issuer does not have the above liabilities

- 34. Total number and nominal value of all shares of the Issuer and shares in the Issuer's related entities, held by members of the Issuer's Management and Supervisory Boards (separately for each person)**

According to the information held by the Company, Ms. Dominika Kulczyk, through Kulczyk Holding S.à r.l., a Luxembourg law company, and Mansa Investments Sp. z o. o. ("Mansa"), holds 33,168,900 ordinary bearer shares of the Company with a total nominal value of PLN 66,337,800, representing approximately 42.95% of all the Issuer's shares (current report no 11/2025 of 27 February 2025). According to a notification received from Mansa, on 24 February 2025, Mansa and Bank Polska Kasa Opieki S.A. entered into a registered and financial pledge agreement, the subject of which is 17,760,350 shares in the Company held by Mansa, representing approximately 23% of the Company's share capital and the total number of votes in the Company as of the date of the notification. Mansa retained the ability to exercise voting rights on the pledged shares. The notice also indicated that an earlier financial pledge of 15,200,000 shares in the Company's share capital held by Mansa had expired (current report No. 11/2025, dated 27 February 2025; the Company reported on the establishment of earlier pledges through notices received from Mansa through current reports No. 42/2022, dated 28 December 2022, No. 24/2023, dated 13 June 2023, and No. 38/2023, dated 28 September 2023). The Company did not receive any other notifications informing of the ownership of the Company's shares by its managers or supervisors.

### **35. Agreements known to the Issuer (including those concluded after the end of the reporting period) which may result in changes in the proportions of shares held by the current shareholders and bondholders**

On 27 February 2025, the Company entered into the agreement with its major shareholders, namely BIF IV Europe Holdings Limited and Mansa Investments Sp. z o.o. (jointly: "Shareholders") a tripartite agreement (the "Tripartite Agreement"). The provisions of this agreement provide, among other things, for the entitlement (but not the obligation) of the Shareholders to recapitalize the Company in the event that the Company is unable to cover from its own funds, including from external financing, the Financial Contribution required to be made to the project companies - MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o. in connection with the implementation by these companies of offshore wind farm projects ("Bałtyk Projects"). In addition, in the event that the above recapitalization scenario fails to equip the Company with sufficient funds to cover the Company's Financial Contribution required for the Bałtyk Projects, the Company may notify Shareholders of the need to provide additional financing. In this case, each Shareholder individually has the right (but not the obligation) to grant loans to the Company with the option to convert them, upon fulfillment of certain conditions, into Company shares. Pursuant to the Tripartite Agreement, the recourse of a given Shareholder related to the use of any guarantee issued under agreements entered into on behalf of the Shareholders providing guarantee lines to the Company for the purpose of securing payment of the Financial Contribution will be converted into loans in an amount equal to the recourse due to each Shareholder. These loans may also be convertible into shares in the Company's share capital. Consequently, the provisions of the Tripartite Agreement may, but to not have to, change the proportion of shares held by the Company's existing shareholders, including the Shareholders.

The Company is not aware of other agreements concluded in 2024 (or those concluded after the balance sheet date), which may result in future changes in the proportions of shares held by the existing shareholders and bondholders, and in particular the Company is not a party to such potential agreements. To the extent required by law, in the past the Company made public the information on agreements between some shareholders which were known to the Issuer.

### **36. Employee stock ownership plan control system**

The Company currently does not have any employee stock ownership plan in place.

### **37. Additional information concerning:**

#### **a) the date of entering into an agreement between the Issuer and an entity authorized to audit the financial statements on the audit or review of financial statements or Consolidated financial statements, and the term of the agreement**

Agreement of 22 July 2024 between Polenergia S.A. and Grant Thornton Polska Spółka z ograniczoną odpowiedzialnością Spółka komandytowa with the registered address in Poznań, ul. abpa Antoniego Baraniaka 88 E for the performance of:

- review of the interim Standalone and Consolidated financial statements for the periods from 1 January 2024 until 30 June 2024 and from 1 January 2025 until 30 June 2025
- audit of the Standalone and Consolidated financial statements for the year ended 31 December 2024 and 31 December 2025.

Moreover, individual Group companies concluded agreements with Grant Thornton Polska Spółka z ograniczoną odpowiedzialnością Spółka komandytowa with the registered address in Poznań, ul. abpa Antoniego Baraniaka 88 E for the audit of their financial statements for the year ended 31 December 2024 and 31 December 2025.

**b) the period and scope of services provided by the selected audit firm to the Group**

In 2024 Group companies used services of the selected audit firm which comprised audits or reviews of their financial statements or Consolidated financial statements, ESG report, as well as additional services, aimed at confirming the fulfillment of concluded facility agreements on the basis of analyses of financial information derived from audited financial statements.

**c) the body that selected the audit firm**

The audit firm is chosen by the Supervisory Board upon the recommendation from the Audit Committee.

**d) Remuneration to the entity authorized to audit financial statements, paid or due for the financial year**

For detailed information on the entity authorized to audit the financial statements see Note 49 to the Consolidated financial statements

**38. Material off-balance-sheet items by entity, type and value**

Off-balance sheet items by entity, type and value are presented in Note 32 to the Consolidated financial statements.