Polenergia

POLENERGIA GROUP

Financial results for 2024

and Group Strategy for 2025-2030

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

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Agenda

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Management Board changes aimed at implementing the development strategy in the area of onshore and offshore wind farms

ADAM PURWIN
Chairman of the Management Board (CEO)

FILIP WOJCIECHOWSKI
1st Vice President (CDO)

PIOTR SUJECKI
2nd Vice President (CFO)

ŁUKASZ BUCZYŃSKI
Management Board Member(COO)

Record financial results

2024

Record financial results

12 months of 2024 vs 12 months of 2023

PLN 1,176.7 million
(+21%)
Revenues
(without Trading & Sales segment)

PLN 642.1 million
(+17%)
EBITDA

PLN 307.4 million
(+12%)
Net Profit (adjusted)

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Record financial results

12 months of 2024 vs 12 months of 2023

1,444 GWh
(+3.6%)
Electricity produced at RES

574 MW
(+8%)
Installed capacity in RES (45.2 MW increase)

3,496 MW
Power of RES projects in development in Poland*

* 1,191 MW of onshore wind farm projects, 805 MW of PV projects, 50% of the 3,000 MW of offshore wind farm projects being developed in partnership with Equinor

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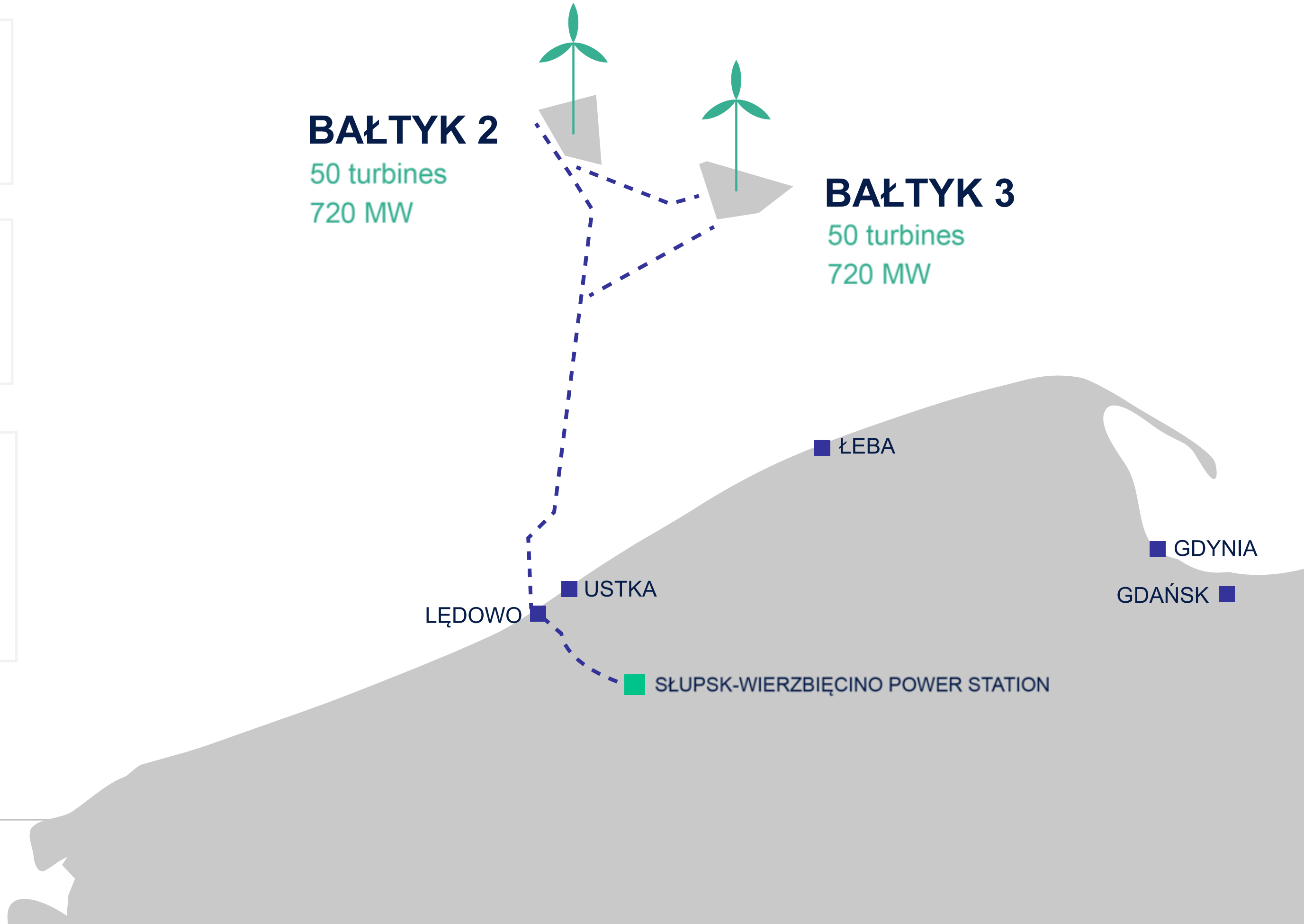
Most important events

First National Recovery Plan loan for construction of offshore wind farms

- Funding from the National Recovery and Resilience Plan in the amount of PLN 750 million will be used to secure contributions to the Bałtyk 2 i Bałtyk 3 offshore wind farm projects.
- The loan may be used by the Company exclusively to finance or refinance costs related to the construction of offshore wind farm projects Bałtyk 2 and Bałtyk 3 with a total capacity of 1440 MW.
- The agreement with the Bank Gospodarstwa Krajowego was concluded on 18 December 2024. The loan was granted on market conditions and does not constitute state aid.
- The loan is not secured on any asset of the Company or Polenergia Group. In order to mitigate the risk of interest rate volatility, IRS transactions were made. In total, the transactions hedge 75.3% of the exposure to WIBOR-based interest rate volatility risk in connection with the Loan.



Polenergia joined the mWIG40 index

The company's promotion to the mWIG40 index confirms the effectiveness of its business strategy.

Debut of Green Bonds

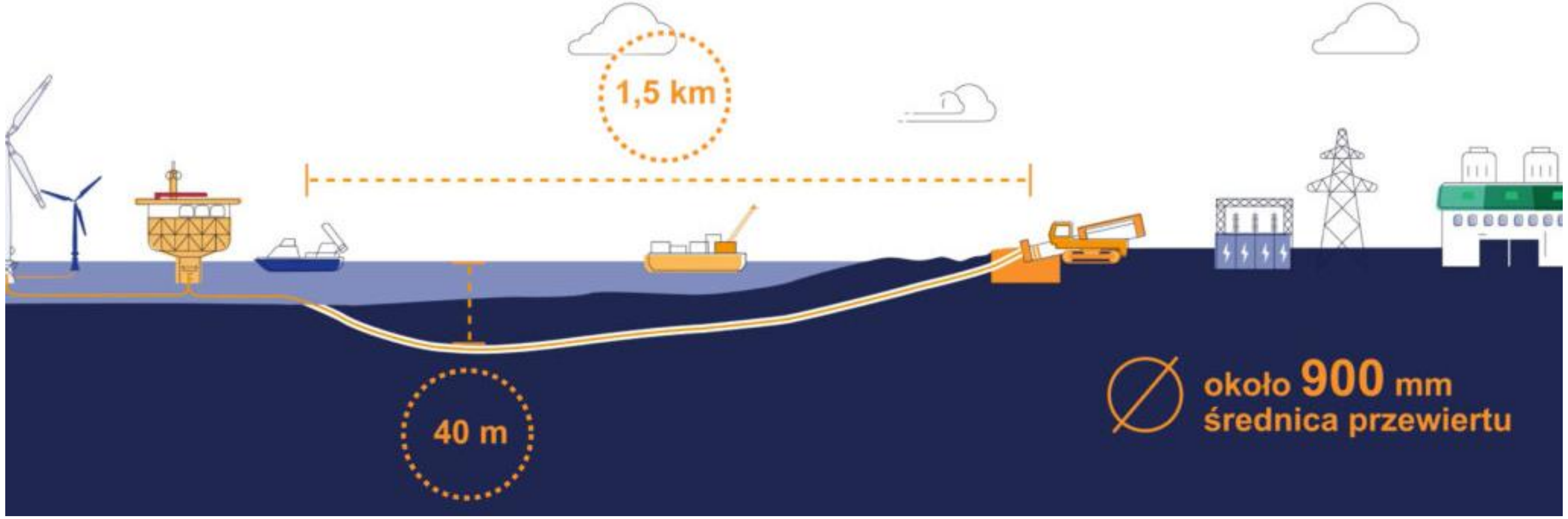
The demand exceeded PLN 1 billion.

In response to the oversubscription, we increased the amount of the issue

from 500 million to 750 million

Drilling under the beach and seabed

We have begun preparatory work in the area of so-called landfall, i.e. at the point where the cables exporting electricity generated at the Bałtyk 2 and 3 offshore wind farms are brought ashore.



- This connection will be built thanks to a specially constructed drilling under the beach and the seabed. Works on building the connection will be performed underground, using a method that is safe for the environment and the surrounding area.

Bałtyk
equinor | Polenergia

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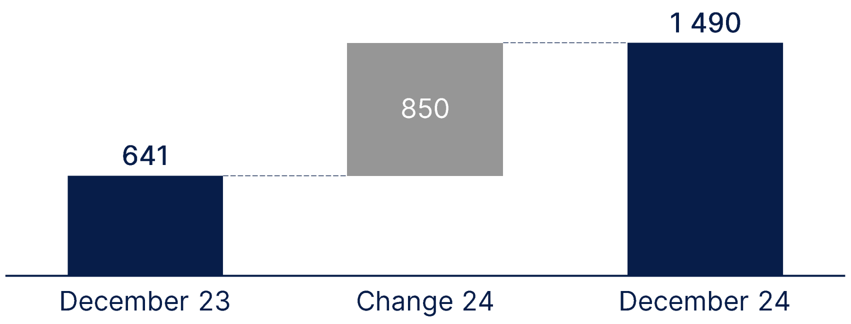
Status of implementation of strategic projects

The implementation of the Bałtyk 2 and Bałtyk 3 projects proceeded according to the schedule

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



In January 2025, another subsidy of PLN 550 million for the Bałtyk 2 & 3 projects was obtained

Key tasks to be completed in Q2 2025:

- Obtaining debt financing
- Making the final investment decision

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

Contracting:

All key contracts for projects implementation were secured

Project Finance - key information:

- In Q4 2024 talks were held with a number of financial institutions
- Q1 2025 was devoted to forming a consortium of financing institutions and negotiating the terms of the facility agreement
- Strong interest from commercial banks and mission investors and export facility agencies
- Competitive financing terms
- Debt share in the project finance is at the level of 80%
- Long tenor due to 25-year CfD contract
- Access to financing in EUR

Permit acquisition process

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

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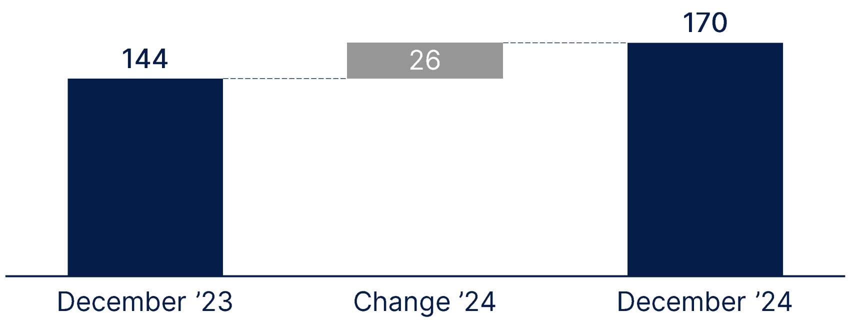
Preparations for participation of the Baltic 1 project in auction are underway.

The expenditures for Bałtyk 1 incurred to date (in million PLN)[1]:



Key tasks to be completed in 2025:

- Participation to the auction

Project key information

- Up to 1 560 MW - project capacity
- Up to 104 turbines
- 81 km from the shoreline

Support system – key principles:

- 512,32 PLN / MWh - reference price
- 25 years – contract for difference duration
- Contract indexed to Polish inflation[2]
- Settlement possible in EUR[3]
- No risk of profile cost – contract settled on an hourly basis

2024 | 2025 | 2026 | 2027 | 2028

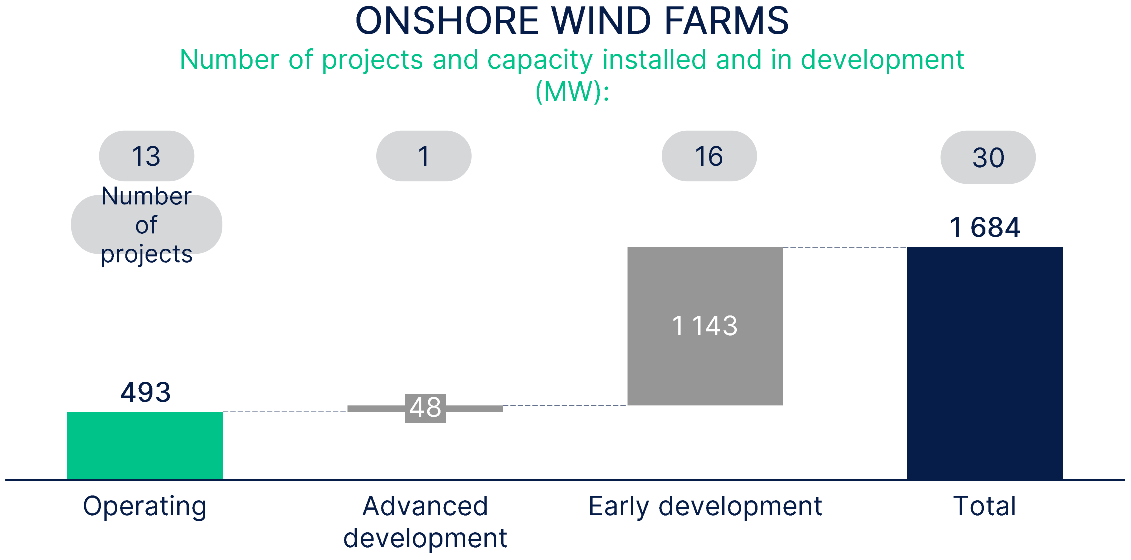
Early development — I — Further development — II

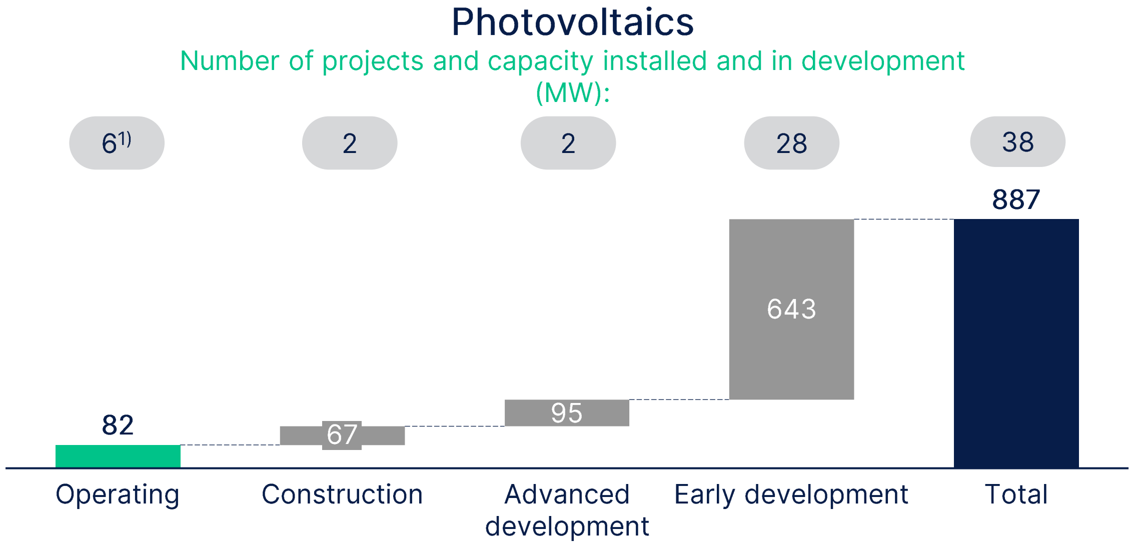
I Bałtyk I Auction CfD: 2025

Bałtyk I COD: 2032 II

1) Carrying value of Bałtyk 1 projects in the consolidated financial statements
2) The currently processed draft amendment proposes introducing a cap on indexation to the inflation target level set by the Monetary Policy Council.
3) The settlement exchange rate has not yet been determined.

Dynamic growth has continued in onshore wind power and photovoltaics





Up to 1996 MW | total nominal capacity of the projects in the development phase, of which:

Up to 1191 MW | onshore wind projects in the development phase in Poland

Onshore wind farm projects in the early phase of development will reach RtB[2] status in the years: 2027-2030+

Up to 805 MW | photovoltaic projects in the development phase in Poland

Photovoltaic projects in the early phase of development will reach RtB[2] status in the years: 2025-2030+

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

Source: Polenergia
1) Includes a 1MW project operating at the Nowa Sarzyna Heat and Power Plant (ENS)
2) RtB - Ready to Build

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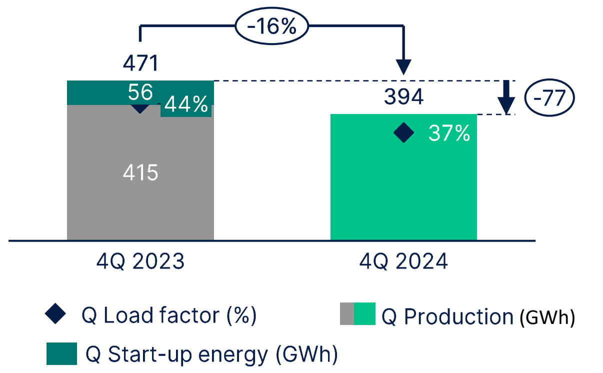
Summary of key operating parameters

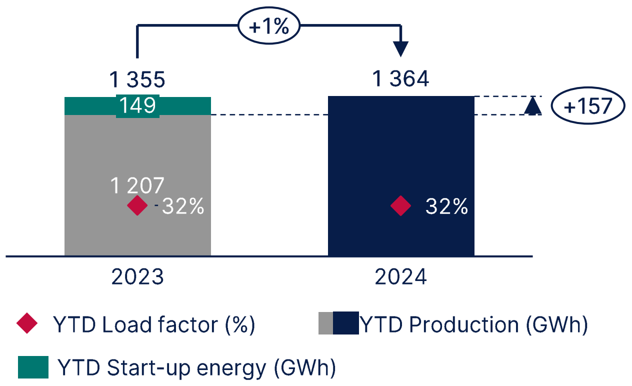
In 2024, we sold electricity at record-high prices.

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

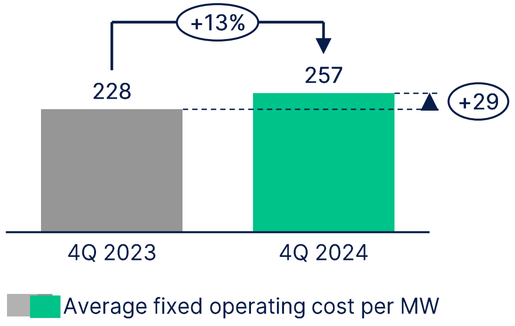
Quarterly data

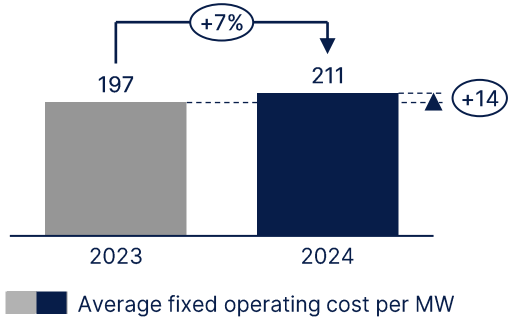


Data YTD

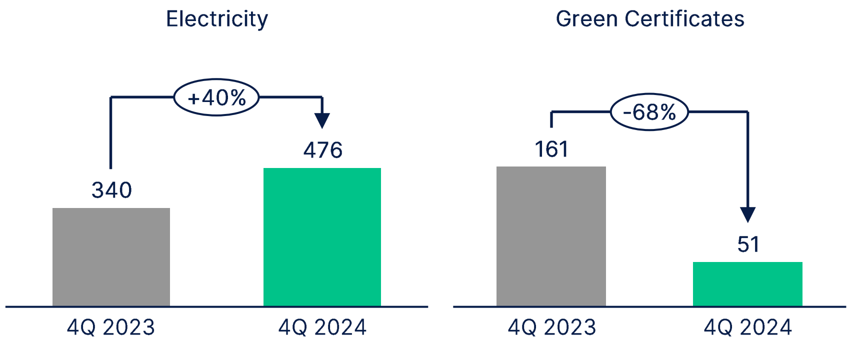


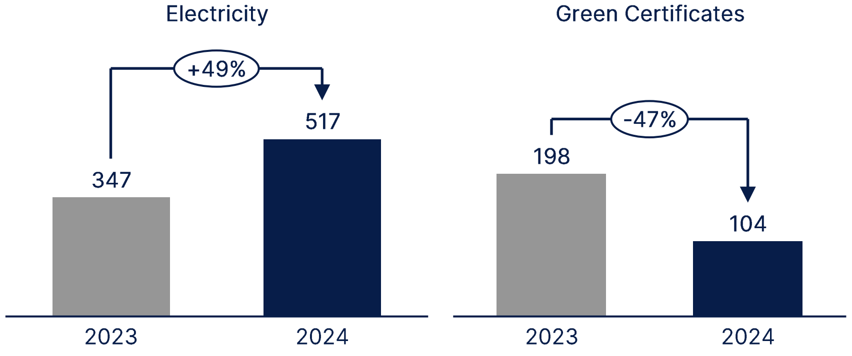
Average fixed operating cost per MW in offshore wind farms [kPLN/MW/year]**





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





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

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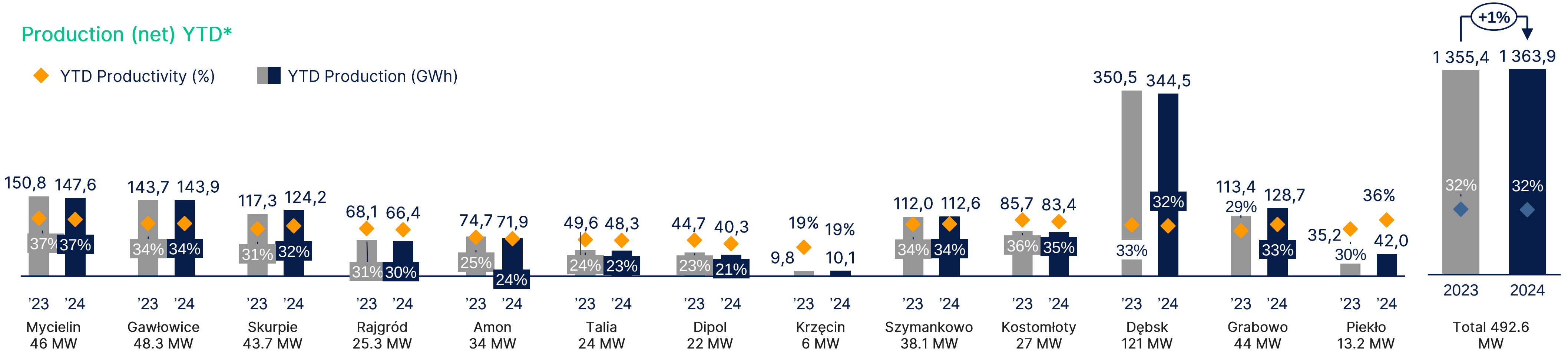
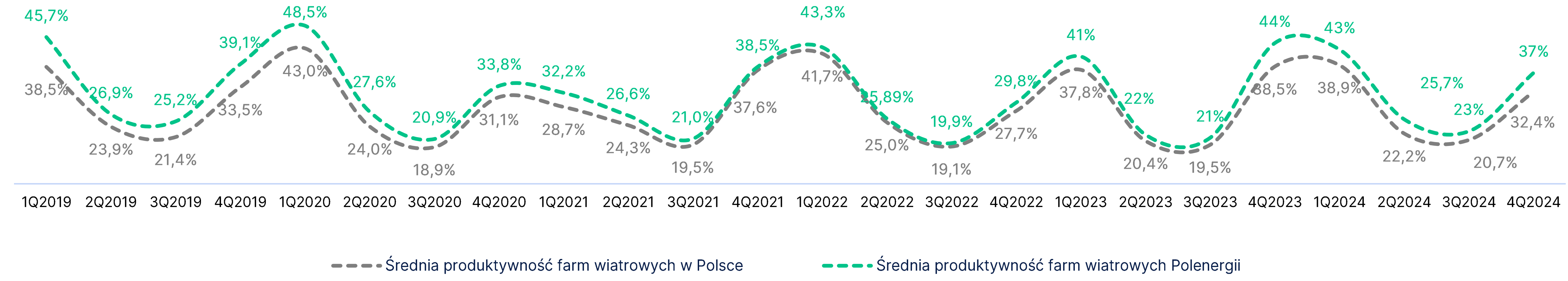
Our projects achieve above-average results thanks to excellent locations and service.

Production (net) YTD*



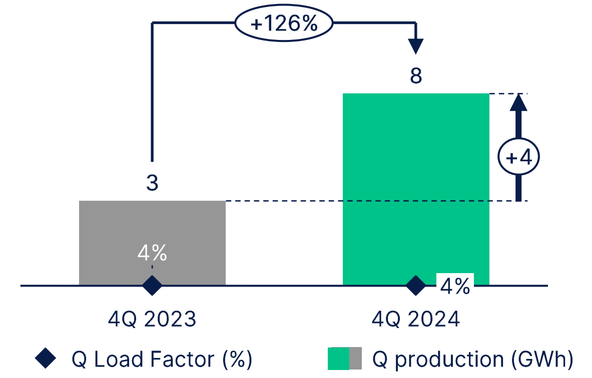
Net productivity of Polenergia farms



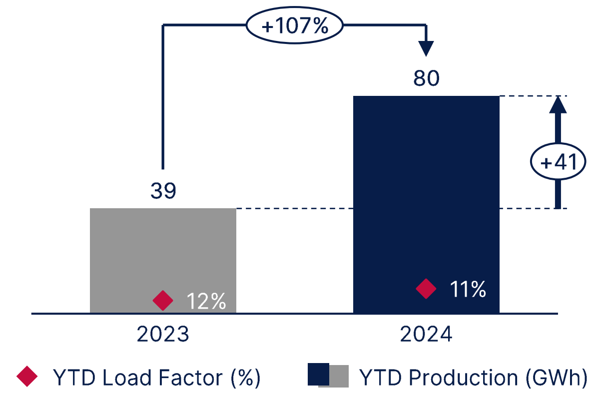
Doubling of energy production from PV thanks to the launch of the Strzelino PV farm (45.2 MW)

Production of photovoltaic farms and productivity %

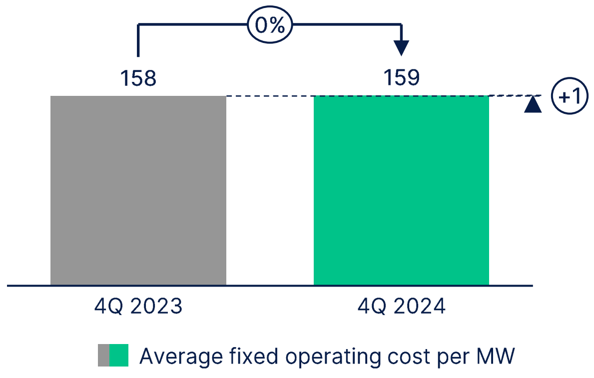
Quarterly data

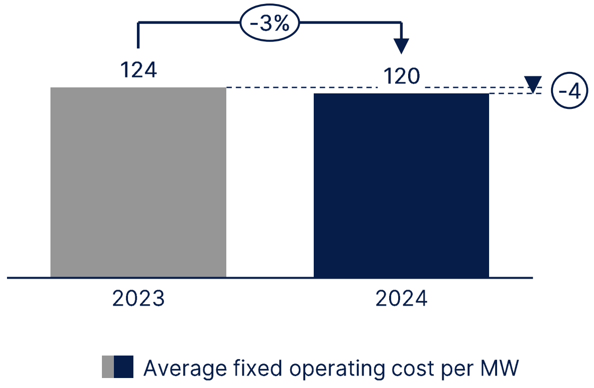


Data YTD

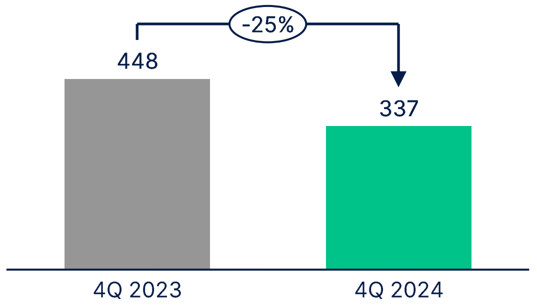


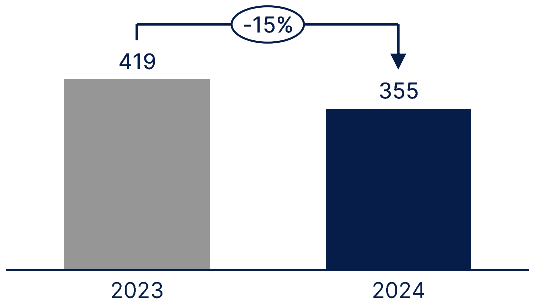
Average fixed operating cost per MW in photovoltaic farms [PLN/MW/year]*





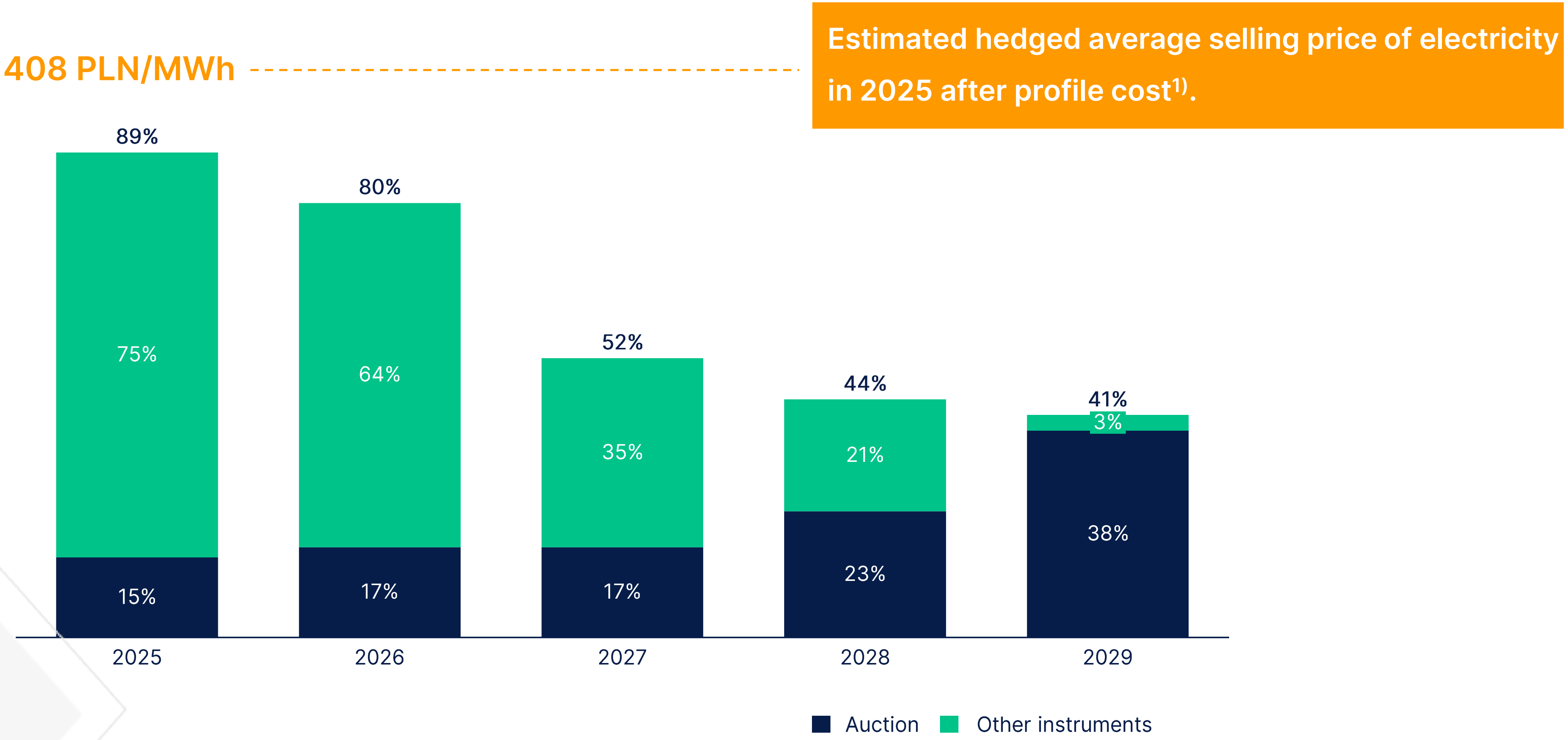
Average revenues per MWh (after balancing and profiling costs) at the Group level [PLN/MWh]





* Average fixed cost per MW in 2024 excluding FF Strzelino

89% of production for 2025 hedged at prices higher than current market rates



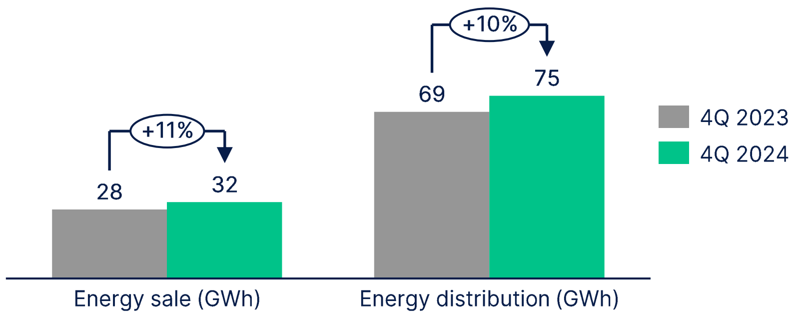
The chart only shows electricity production from operational PV and wind assets, and the projects under construction, exclusive of the production of green certificates and guarantees of origin. The figures do not include the potential output of offshore wind farm projects developed by the Group in partnership with Equinor.

1) The market cost of the profile, calculated based on data published by TGE and PSE in 2024, was 26.4% for PV assets and 13.6% for onshore wind farms.

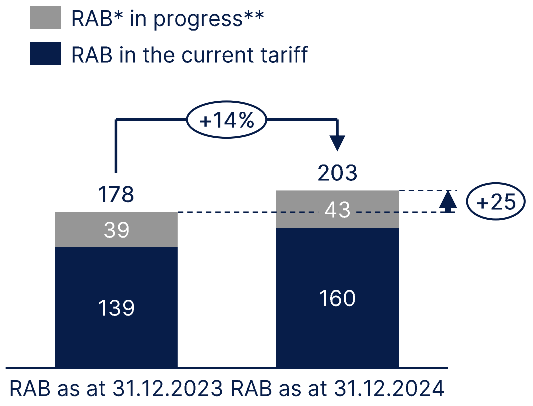
Summary of the key operating parameters - Distribution and Gas and Clean Fuels

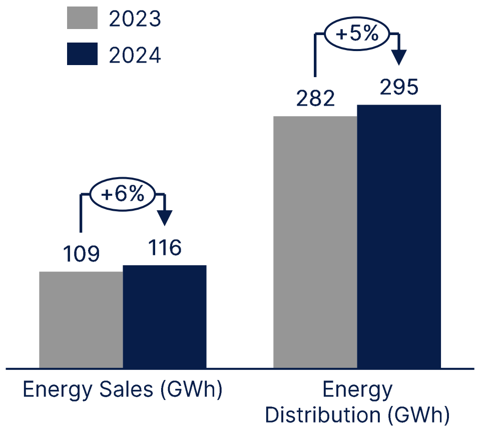
Distribution - RAB [million PLN] and sales [GWh]

Quarterly data

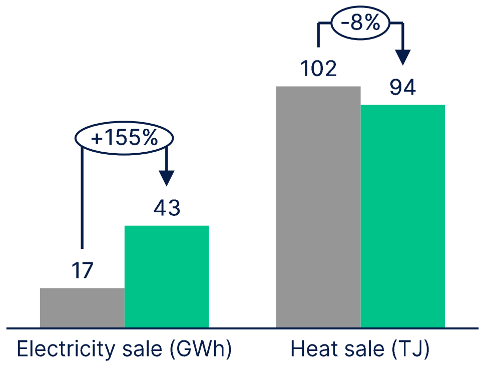


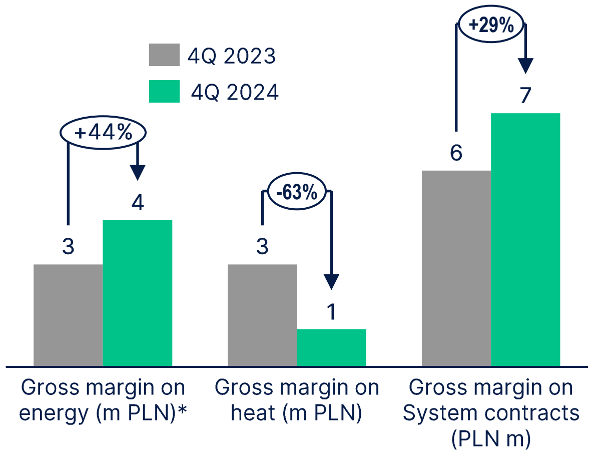
Data YTD

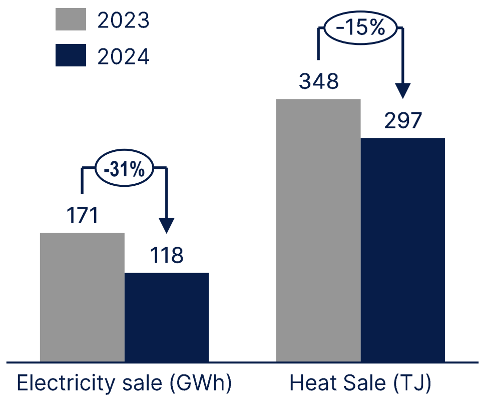


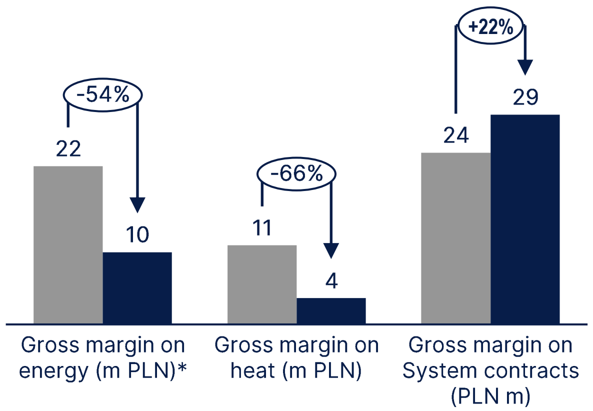


Gas and Clean Fuels– sales [GWh] and margins [PLN million]









* Regulatory value of assets - term explained in the glossary
* Term explained in the glossary

Financial results for 12 months and for Q4 2024

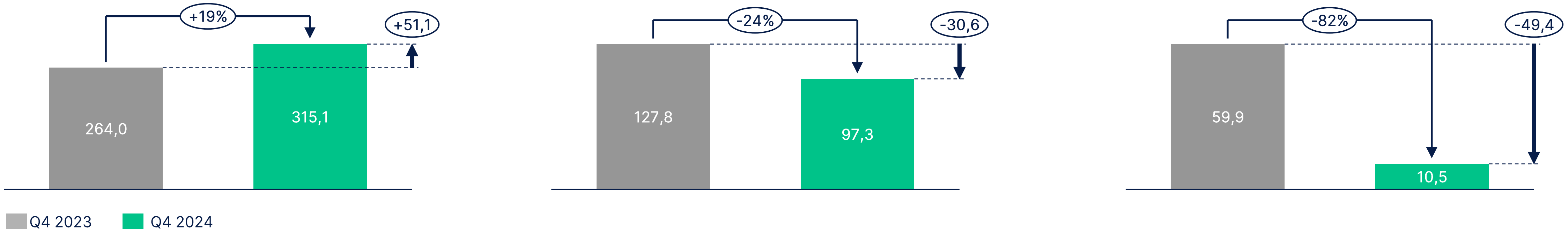
Financial results for 12 months 2024 and for Q4 2024

Revenues
(without Trading and Sales segment)

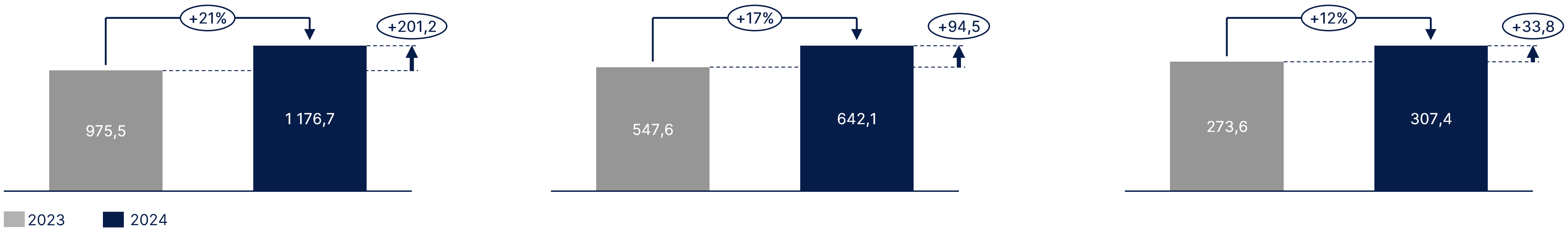
EBITDA

Net Profit
(normalized)

Quarterly data



Data YTD

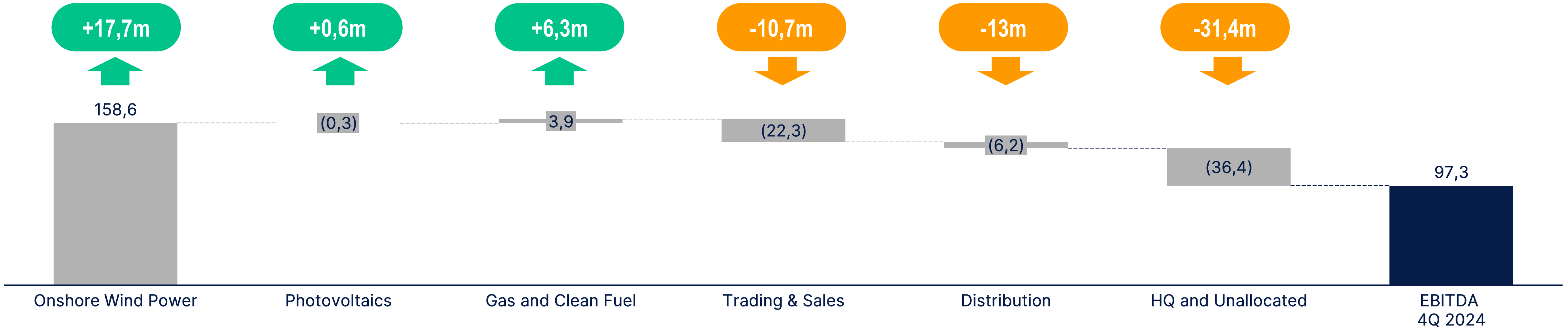


HIGHER RESULT AFTER Q4 2024 MAINLY DUE TO HIGHER RESULT IN ONSHORE WIND FARMS AND DISTRIBUTION, PHOTOVOLTAICS AND GAS AND CLEAN FUELS SEGMENTS, PARTY OFFSET BY LOWER RESULT IN TRADING AND SALES AND UNALLOCATED SEGMENTS

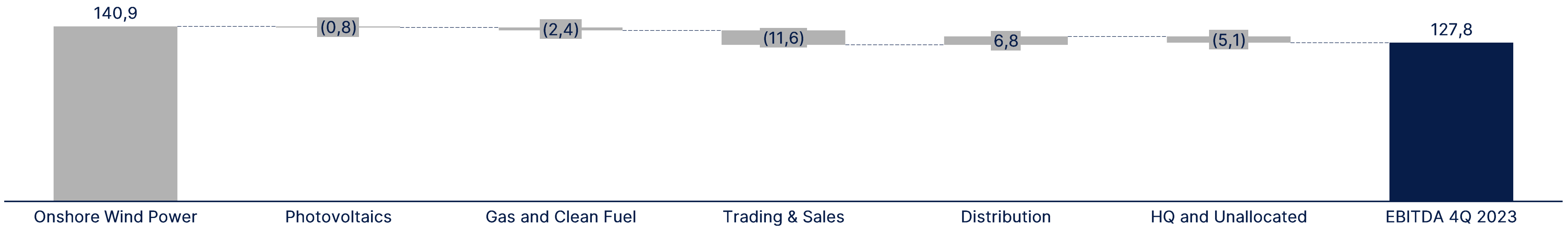
Polenergia

EBITDA structure – Q4 2024 compared to Q4 2023

EBIDTA structure in Q4 2024



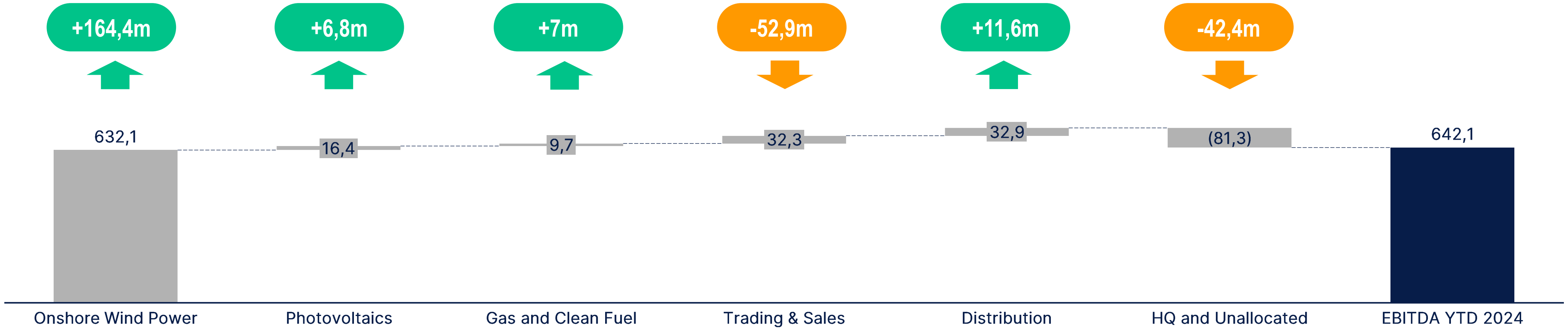
EBIDTA structure in Q4 2023



DECREASE IN RESULT MAINLY DUE TO HIGHER HEADQUARTERS OPERATING EXPENSES (ONE-OFF SETTLEMENTS RELATED TO CHANGES IN THE MANAGEMENT BOARD) AND WRITE-DOWN OF INVENTORY VALUE IN PROSUMER ENERGY IN THE TRADING AND SALES SEGMENT, OFFSET PARTLY BY HIGHER RESULT IN THE ONSHORE WIND FARM SEGMENT AS A CONSEQUENCE OF HIGHER ELECTRICITY SALES PRICES OBTAINED BY WIND FARMS

EBITDA structure – 12 months of 2024 compared to 12 months of 2023

EBITDA structure in 2024



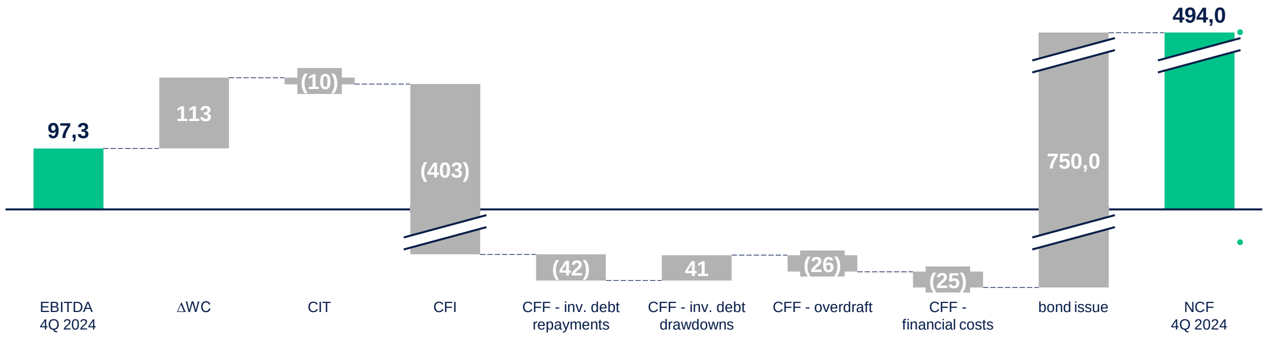
EBITDA structure in 2023

INCREASE IN RESULT MAINLY DUE TO HIGHER ELECTRICITY SALES PRICES OBTAINED BY WIND FARMS, DUE TO THE NON-EXTENSION OF THE ELECTRICITY PRICE FREEZE TO 2024. FOR ENERGY PRODUCERS, PARTLY OFFSET BY DECLINE IN THE TRADING AND SALES SEGMENT (INCLUDING A WRITE-DOWN OF INVENTORY IN THE PROSUMER ENERGY) AND UNALLOCATED SEGMENT (NON-RECURRING SETTLEMENTS RELATED TO CHANGES IN MANAGEMENT BOARD AND GROWTH IN SCALE OF OPERATIONS).

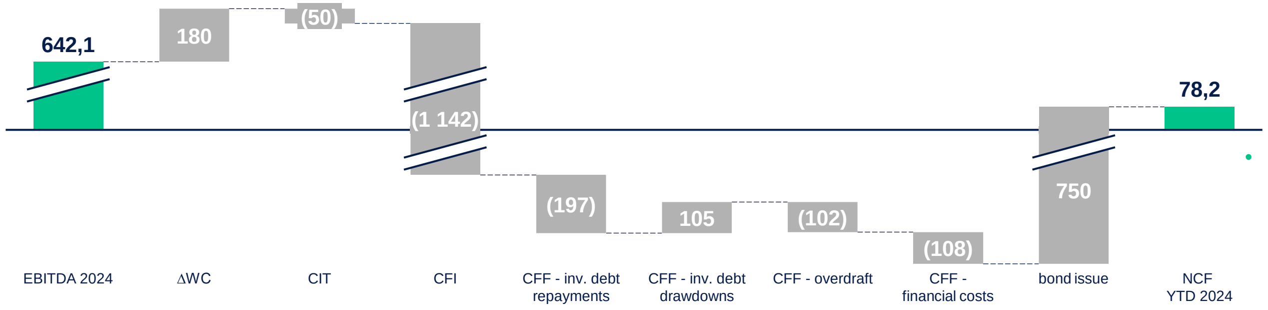
Polenergia

Polenergia Group cash flow

Group cash flow in Q4 2024



Group cash flow YTD



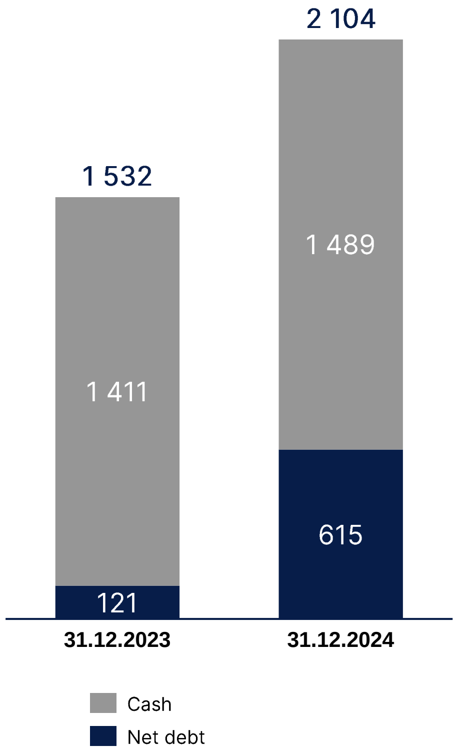
Comment:

- **Cash flow from investment activities:** Capital expenditure made in wind and photovoltaic farms segments (-36.6 million), in particular in the Szprotawa 1 project and the Szprotawa 2 project, and capital expenditure in Polenergia Dystrybucja (-7.1 million) and in other companies (-8.2 million). Subsidies for offshore wind farm projects (-350 million). Payments regarding foreign projects and other (-1.1 million).
- **Cash flow from financial activities:** Scheduled repayment of the investment loan plus interest in the onshore wind farms and photovoltaic segments (-57.8 million). Taking out an investment loan in wind and photovoltaic farm project companies (31.5 million) and in distribution (9 million). Change of the working capital/VAT loan (-26.4 million). Bond issuance (+750 million). Other cash flows (-9.3 million).
- **Cash flow from investment activities:** Capital expenditure made in wind and photovoltaic farms segments (-174.0 million), in particular in the Szprotawa 1 project and the Szprotawa 2 project, and capital expenditure in Polenergia Dystrybucja (-33.4 million) and in other companies (-46.3 million). Subsidies for offshore wind farm projects (-876.0 million) Payments regarding foreign projects and other (-10.5 million).
- **Cash flow from financial activities:** Scheduled repayment of the investment loan plus interest in the onshore wind farms and photovoltaic segments (-266.5 million). Taking out an investment loan in onshore wind farm and photovoltaic farm project companies (89.9 million) and in distribution (15.0 million). Change of the working capital/VAT facility (-101.7 million). Payments of lease liabilities, interest in other segments and other in the amount of (–38.3 million). Bond issuance (+750 million).

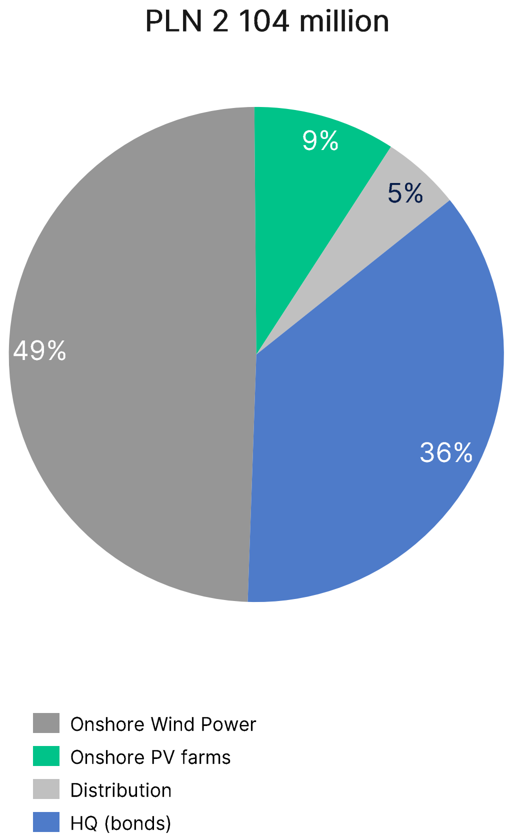
HIGH EXPENDITURES IN OFFSHORE WIND FARM PROJECTS FINANCED MAINLY WITH THE COMPANY OWN FUNDS AND BOND ISSUANCE.

Polenergia Group debt structure as at 31 December 2024

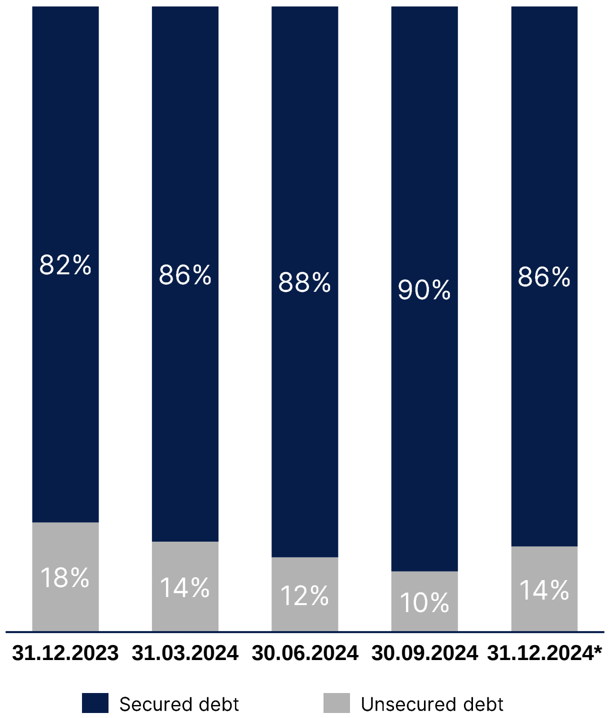
Gross debt
(million PLN)



Debt structure
by segment



Debt structure
- interest rate hedging



INCREASE IN GROSS DEBT COMPARED TO THE END OF 2023 DUE TO THE ISSUANCE OF GREEN BONDS IN 2024. NO CURRENCY RISK IN THE DEBT STRUCTURE.

* Comment on the debt structure as at 31.12.2024: In order to mitigate the risk of WIBOR-based interest rate volatility associated with the bond issue, forward interest rate swaps (IRS) were entered into with financial institutions on 17 and 18 October 2024. In total, the transactions hedge 75% of the Issuer's exposure to WIBOR-based interest rate volatility risk in connection with the bonds issue. At the time of the transaction, the first interest period was already underway, so the debt was hedged from the second interest period, i.e. from 16.04.2025 (in the chart, the hedged part from April 2025 is shown as secured debt).

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Seizing new market opportunities and mitigating risks

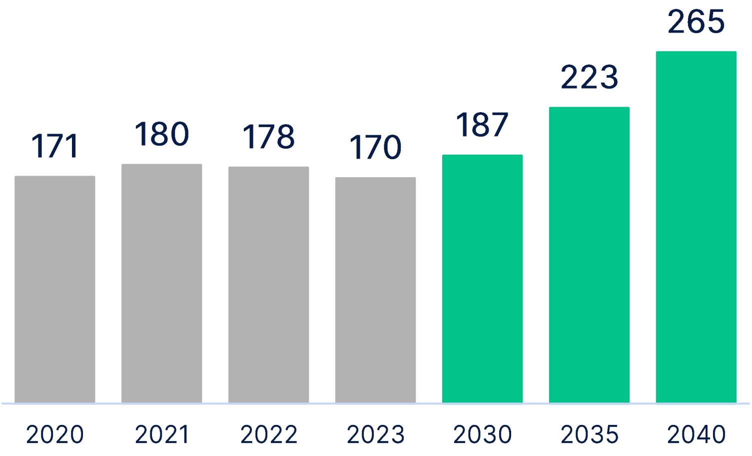
Strategy of Polenergia Group for 2025-2030

Polenergia

The environment and trends favour the development...

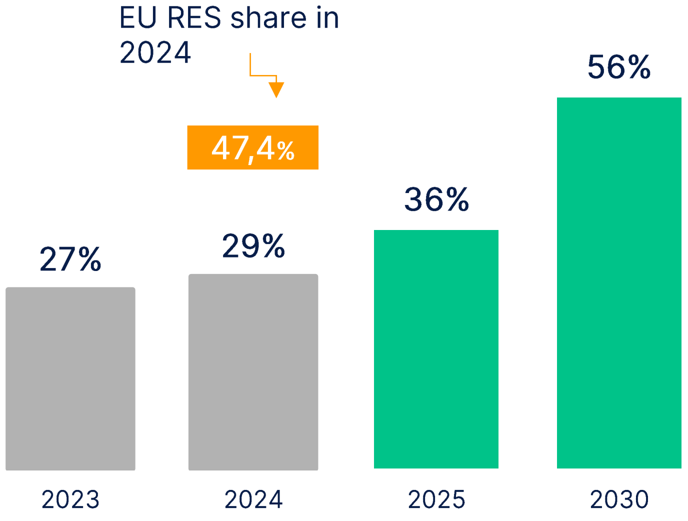
Growing demand for energy

Forecast of energy demand in Poland (in TWh)*



Renewable energy as a driving force for green transformation

Share of rebewable energy in the Polish energy mix*



Own analysis based on PSE data, Eurostat, and Ministry of Climate and Environment (MKiŚ) data.

Technology development

- Dynamic development of digital services supported by AI
- Increasing use of AI in the energy sector
- More efficient RES infrastructure (PV, turbines, energy storage)

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... but market challenges arise

The need to secure a revenue stream from RES assets
as a result of the situation on the RES energy market in Poland (e.g. higher cost of RES technology profile, phasing out of the support system for onshore RES)

Business model to seize new market opportunities and reduce exposure to challenge risks

- Development of the most promising RES market directions
- Focus on revenues hedged with CFDs and PPAs

- Deprioritisation of non-core directions

- Further value creation in synergy with the core business (including through AI)

Leap in Polenergia’s growth by 2030

Generation capacity increase[1)] to
1,5 GW in 2030
from 0,6 GW

Increase in EBITDA result[2)] to approximately
PLN 1,6 billion in 2030

Capital expenditure of approximately **PLN 4,6 billion,** mainly for offshore investments (Bałtyk 1)

1) increase in offshore generation capacity proportional to shareholding in the JV
2) EBITDA level assuming consolidation of the Bałtyk 2 and Bałtyk 3 projects in proportion to shareholding in the JV

Polenergia

Dynamic growth in capacity thanks to offshore

PRIORITY: DEVELOPMENT OF OFFSHORE WIND FARMS

Bałtyk 1, 2 i 3

- Capacity of up to 3000 MW
- More than 4 million households powered by green energy
- First electricity from Bałtyk 2 & 3 (1,44 GW) in 2027
- Commercial phase of use will begin in 2028
- Start of construction of Bałtyk 1 during the strategy period

What does offshore mean to Polenergia?

- Stable high EBITDA
- Inflation-indexed 25-year CFD contract = stable revenues
- Leap in importance of Polenergia on the energy market
- Foundation for further growth beyond 2030

Polenergia

Further development of onshore RES, flexible capacity in the portfolio

ONSHORE WIND FARMS

- Expansion of generation capacity of approx. **50 MW**
- Preparation of remaining projects for RTB phase (current portfolio in early development 1 143 MW)
- Further development of wind project in Romania

↓

- Attractive rate of return
- Maximising Polenergia's resources and know-how

PHOTOVOLTAICS AND ENERGY STORAGE

- Further development of PV projects nearby owned wind farms
- Combining PV with energy storage
- **Total capacity increase of 100 MW**

↓

- Sharing of land, power, connection infrastructure - reduction of CAPEX
- Adding flexible capacity (BESS) to the portfolio

STRENGTHENING PPA SALES (B2B)

- Strengthening the competence and effectiveness of PPA sales to secure the profitability of generation assets

↓

- Stability of future Group revenues

DE-FOCUS

- **Emobility and hydrogen transition** – phasing out activities in these areas

↓

- Acquiring funds for the implementation of projects aimed at maximising profit

CLEANTECH & AI

- Analysis of market opportunities associated with engaging in green technologies and artificial intelligence

↓

- Exposure to further potential breakthrough technologies
- Optimising operations with artificial intelligence

Polenergia

Growth based on profit reinvestment and debt financing is a priority for financial strategy

Sources of financing of the strategy

Own resources, including:

- profits generated
- desinvestments

External funding

- bank loans
- bond issues
- funds from existing or future investors, in the form of:
  - share issues
  - hybrid instruments

Capital expenditures within the strategy horizon – PLN 4,6 billion.

Polenergia

Strong position of Polenergia in 2030 with potential for further growth

- High recurring cash flow every year
- Leading RES portfolio in operations
- Bałtyk 1 offshore wind farm under construction (up to 780 MW additional offshore capacity for Polenergia*)
- Portfolio of further onshore projects ready for construction (RTB phase)
- Sales secured by CFD and PPAs

* 50% share in the JV

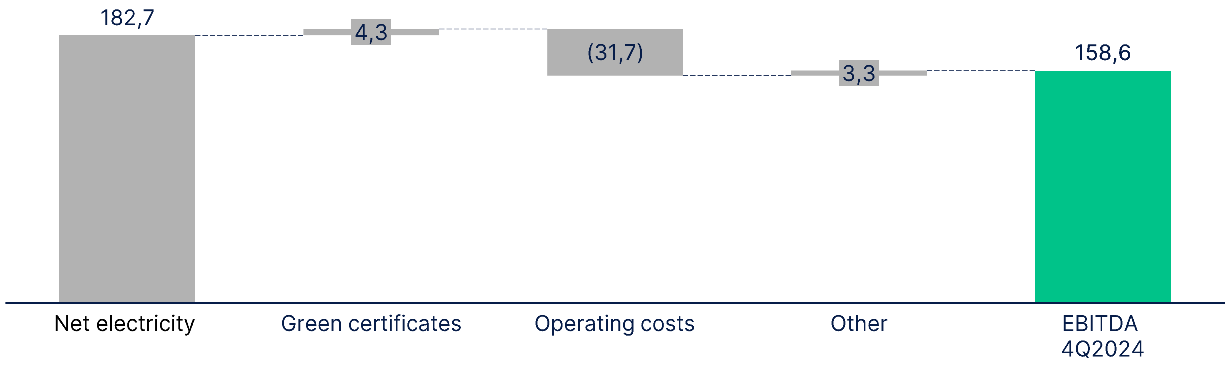
Polenergia

Detailed results of the segments

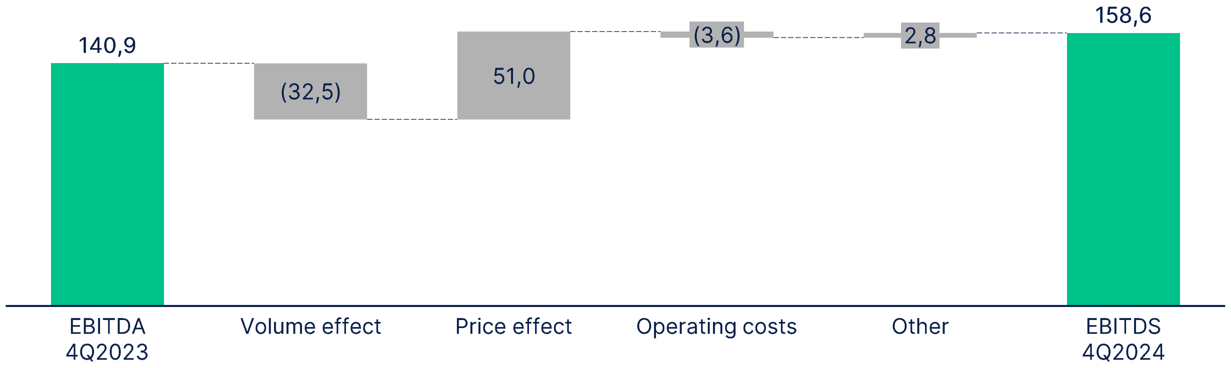
Polenergia

Onshore wind farms - Q4

EBITDA build-up



EBITDA bridge



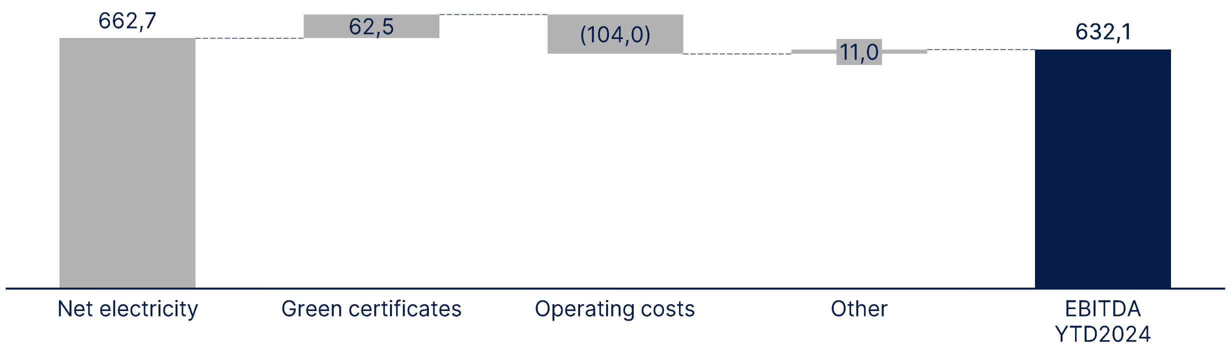
Comment:

- Higher electricity prices related to the expiration of the validity period of limits under the law freezing energy prices in 2023.
- The above partly offset by lower green certificate prices associated with the drop in market prices.
- Negative volume effect due to lower windiness in Q4 2024.
- Operating costs in Q4 2024 higher than in Q4 2023 mainly due to higher costs of technical service and external services.

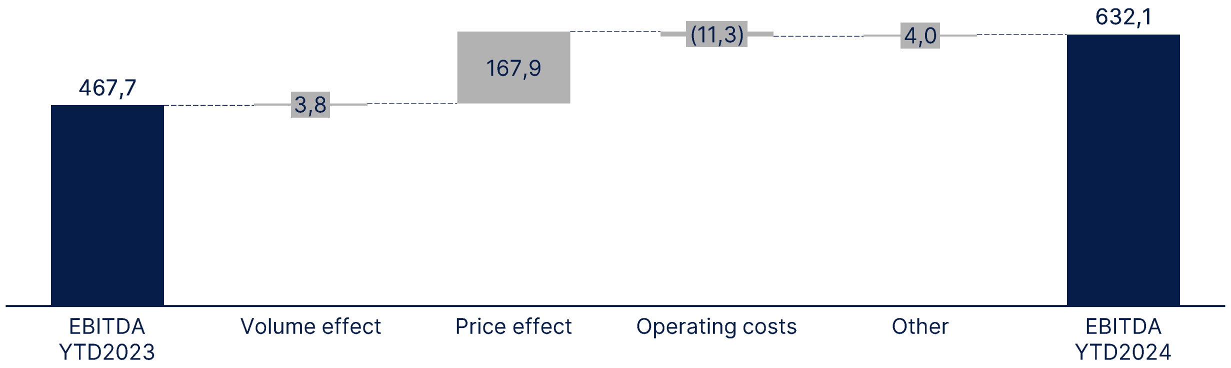
HIGHER ELECTRICITY SALES PRICES, PARTLY OFFSET BY HIGHER OPERATING COSTS, LOWER GREEN CERTIFICATE PRICES AND LOWER PRODUCTION

Onshore wind farms - YTD

EBITDA build-up



EBITDA bridge



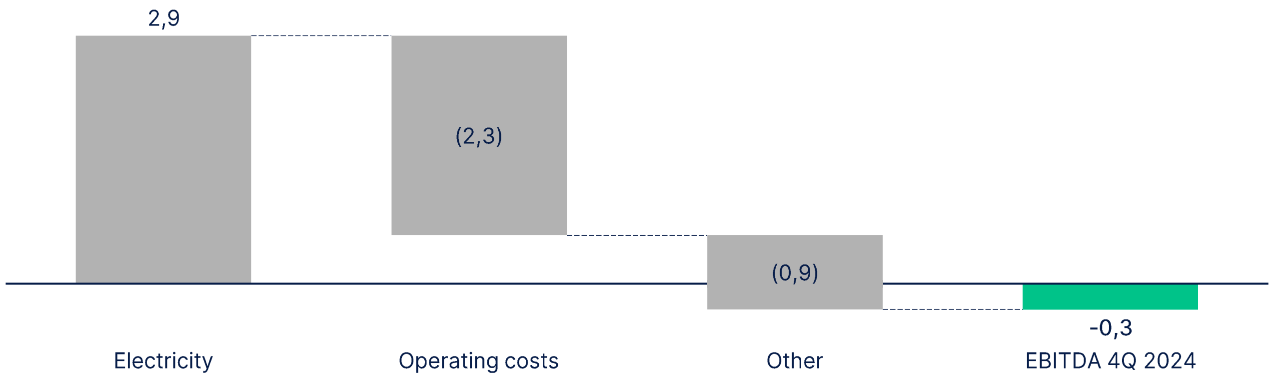
Comment:

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

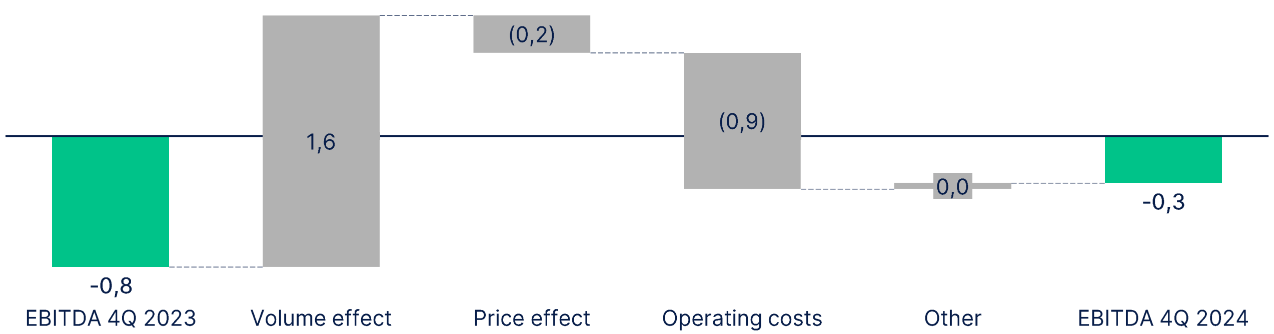
HIGHER ELECTRICITY SALES PRICES, PARTLY OFFSET BY LOWER GREEN CERTIFICATE PRICES AND HIGHER OPERATING COSTS

Photovoltaics - Q4

EBITDA build-up



EBITDA bridge



Comment:

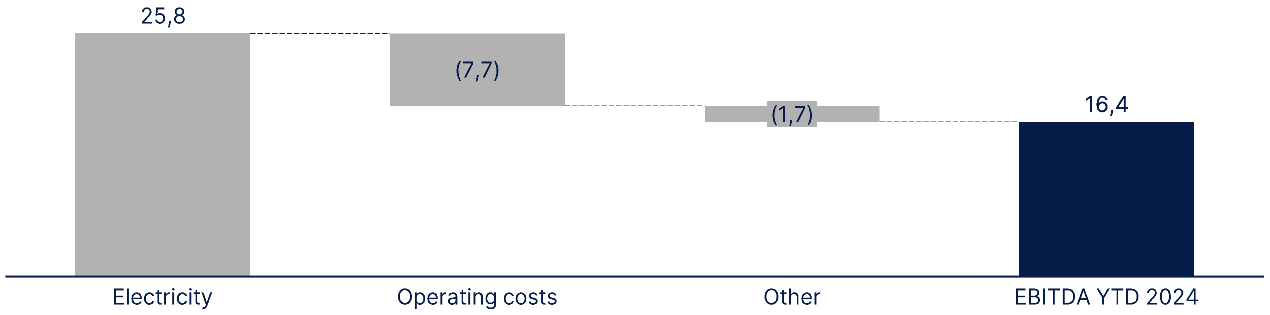
- EBITDA result of the segment in Q4 2024 was at a higher level compared to the result of Q4 2023 (up by PLN 0.6 million) due to higher energy production in the PV segment, mainly due to commissioning of the Strzelino farm in Q1 2024.
- The volume effect was partly offset by lower energy prices obtained in Q4 2024 and higher operating costs associated with the increase in installed capacity.

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

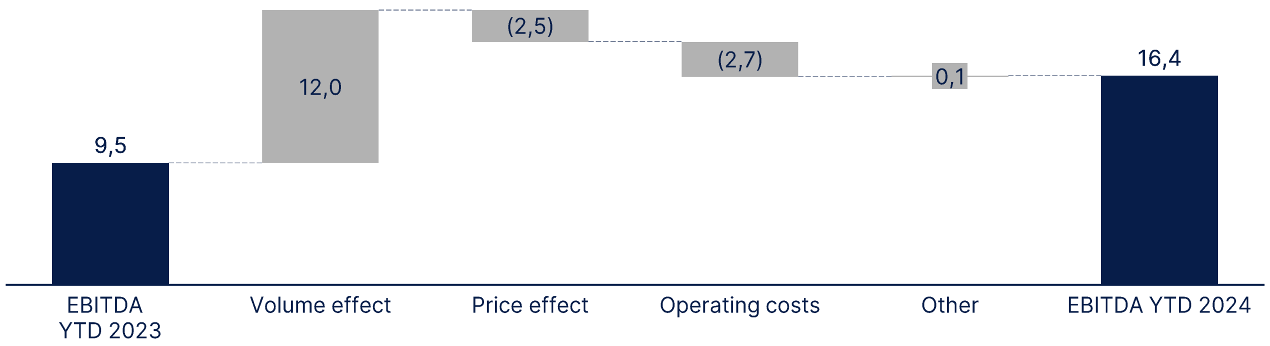
Polenergia

Photovoltaic - YTD

EBITDA build-up



EBITDA bridge



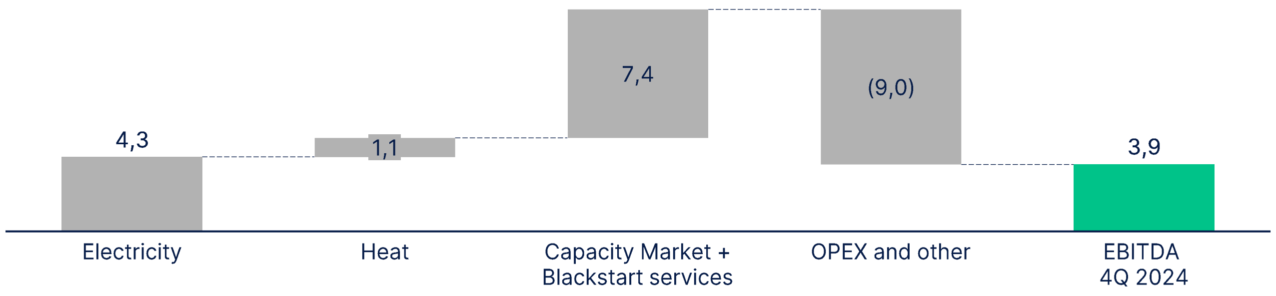
Comment:

- The PV segment's EBITDA in 2024 was higher by PLN 6.8 million compared to 2023 as a result of higher energy production in the PV segment, mainly due to the commissioning of the Strzelino farm in Q1 2024.
- The volume effect was partly offset by lower achieved energy prices in 2024 and higher operating costs related to the increase in installed capacity.

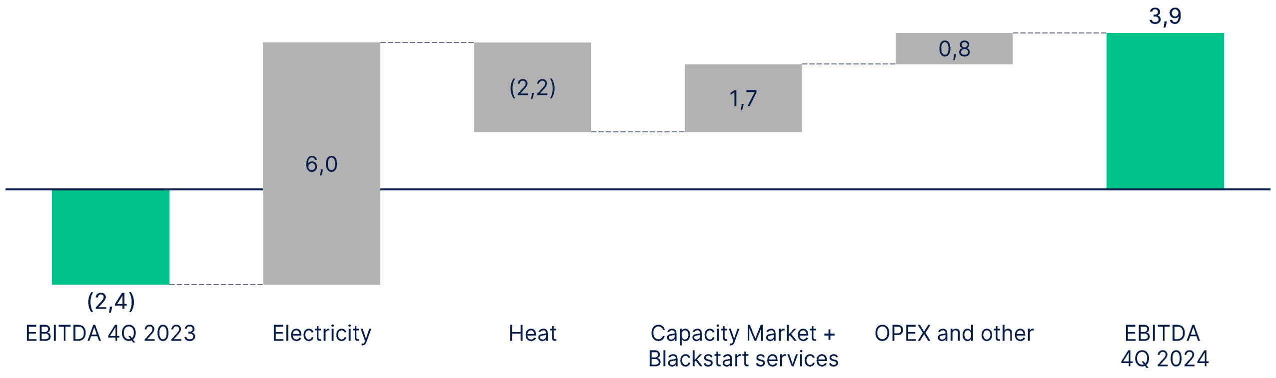
INCREASED RESULT DUE TO HIGHER PRODUCTION VOLUME, PARTLY SET OFF BY LOWER EFFECTIVE PRICE OF ELECTRICITY SALES AND HIGHER DISTRIBUTION COSTS OF THE SEGMENT

Gas and Clean Fuels - Q4

EBITDA build-up



EBITDA bridge



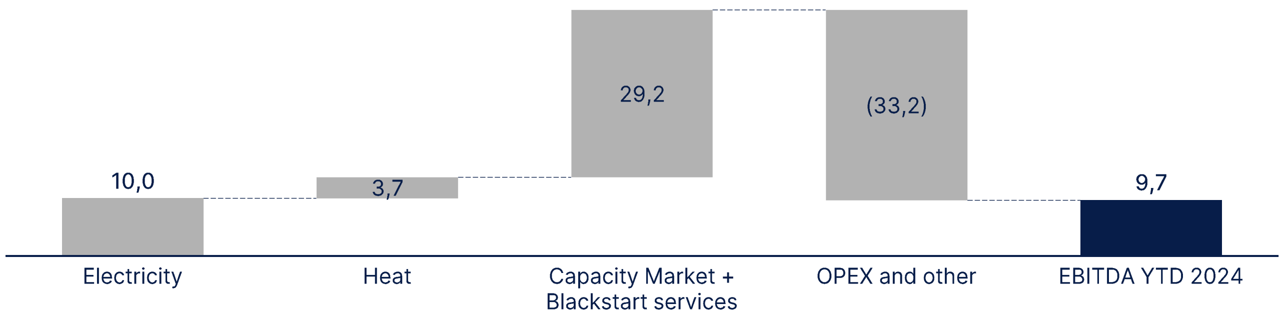
Comment:

- Power - Higher result on electricity is due to the effect of the optimization process of ENS operation in Q4 2024 vs. Q4 2023.
- Heat - lower result on heat in Q4 2024 is due to lower cost coverage by tariff prices and an additional charge for not collecting minimum volume of gas for heat in Q4 2024.
- Capacity Market - higher revenues due to higher price for 1MW of contracted power in 2024 vs. 2023.

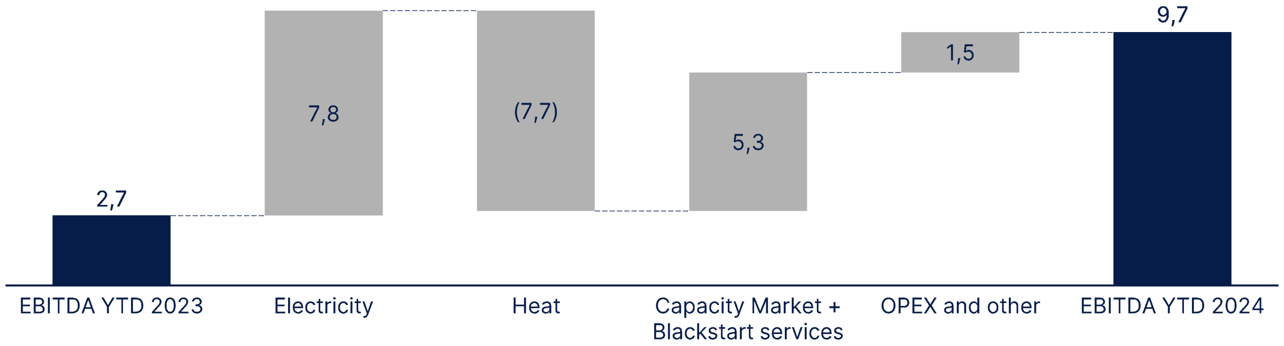
HIGHER EBITDA DUE TO A HIGHER RESULT ON OPTIMIZATION OF THE ELECTRICITY GENERATION PROCESS AND HIGHER RESULT IN THE CAPACITY MARKET, PARTLY OFFSET BY A LOWER RESULT ON HEAT.

Gas and Clean Fuels - YTD

EBITDA build-up



EBITDA bridge



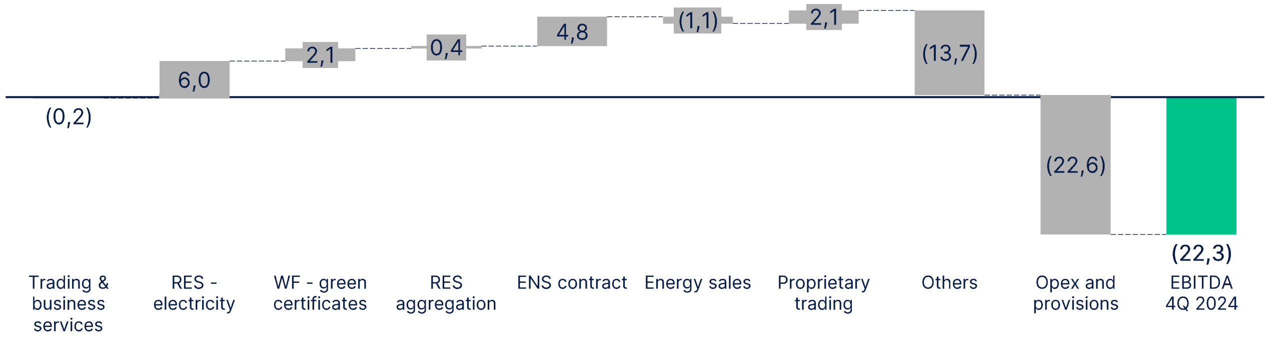
Comment:

- Power - higher result on electricity as a result of the process of optimizing ENS operation in 2024, reduced by the absence of additional margin on the GWS service.
- Heat - lower result on heat in 2024 compared to the same period in 2023 is due to lower coverage of costs by tariff prices and an additional charge for failure to receive minimum amounts of gas for heat in 2024
- Capacity Market - higher revenues due to higher price for 1MW of contracted power in 2024 vs. 2023.

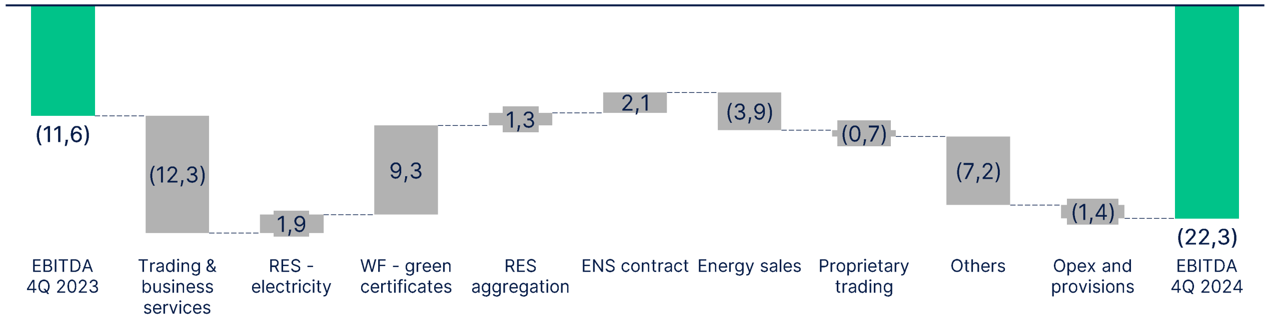
HIGHER LEVEL OF EBITDA DUE TO A HIGHER RESULT ON OPTIMIZATION OF THE ELECTRICITY GENERATION PROCESS AND HIGHER RESULT IN THE CAPACITY MARKET, PARTLY OFFSET BY A LOWER RESULT ON HEAT.

Trading and Sales - Q4

EBITDA build-up



EBITDA bridge



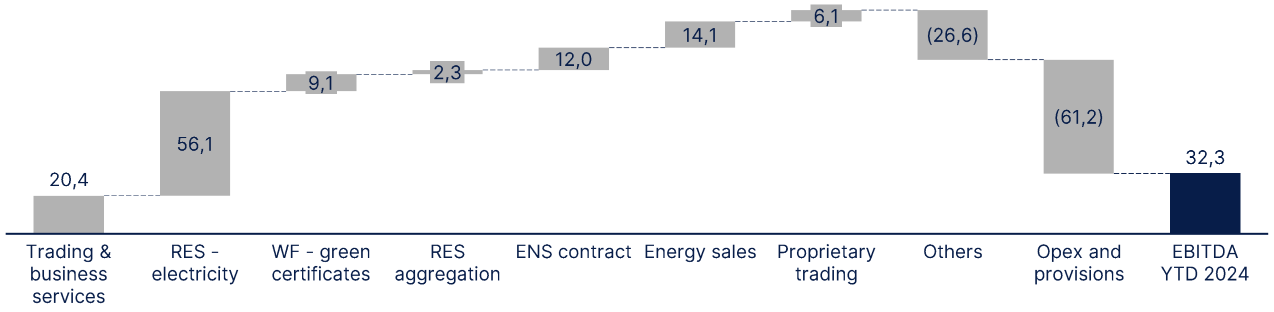
Comment:

- Decrease in EBITDA due to:
  - lower result on electricity trading and business services mainly related to lower price volatility in energy markets and the time shift in the performance of green certificate transactions,
  - lower result on other operations taking into account the impairment write-down of inventory value, lower qualification and postponement of settlements of applications under the Mój Prąd program and lower sales volume of photovoltaic panels and heat pumps,
  - lower result on electricity sales as a consequence of recognizing future loss on contracts due to the extension of the freeze on electricity prices for certain customers.
- The EBITDA decrease partly offset by:
  - higher result on trading in certificates of wind farms mainly related to the effect of a low base resulting from the timing of transactions performed in 2023.,
  - higher result on electricity trading from RES assets due to the contributions to the Settlement Authority's fund binding in 2023.

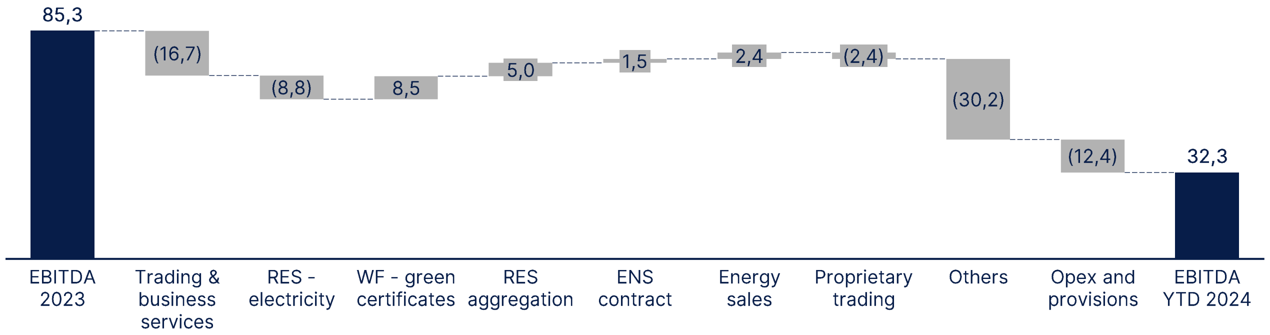
DECREASED RESULT, AMONG OTHER ON TRADING AND BUSINESS SERVICES, SALES OF PROSUMER ENERGY SOLUTIONS, PARTLY OFFSET BY HIGHER RESULT ON CERTIFICATE TRADING

Trading and Sales - YTD

EBITDA build-up



EBITDA bridge



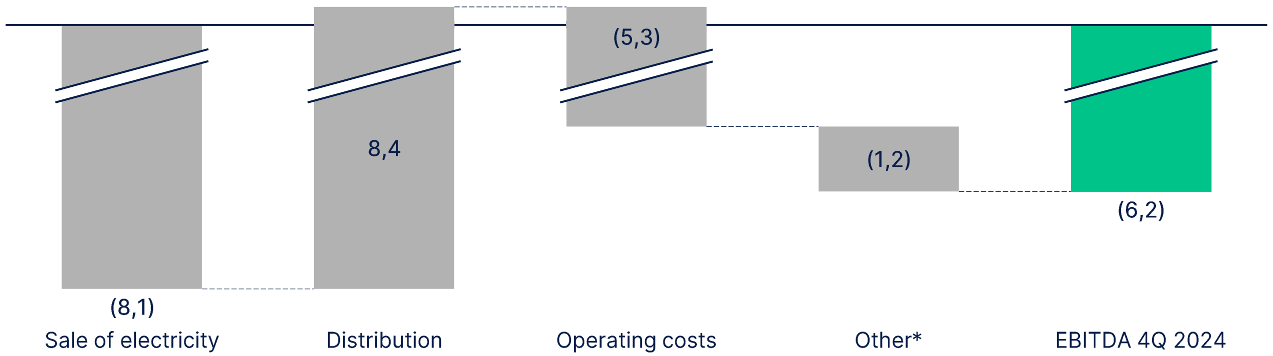
Comment:

- Decrease in EBITDA in the following areas:
  - lower result on other operations taking into account lower volume of sales of photovoltaic panels and heat pumps and impairment write-down of inventory value,
  - electricity trading and business services mainly related to lower price volatility in energy markets and the time shift in the performance of green certificate transactions,
  - trade in electricity from RES assets due to the change in the settlement model taking into account higher purchase price from RES projects,
  - operating costs due to the developing scale of operations of the Group
- The EBITDA decrease partly offset by:
  - higher result on trading in certificates of wind farms mainly related to the effect of a low base resulting from the timing of transactions performed in 2023.
  - higher result on RES aggregation mainly due to additional margin on sale of green certificates.

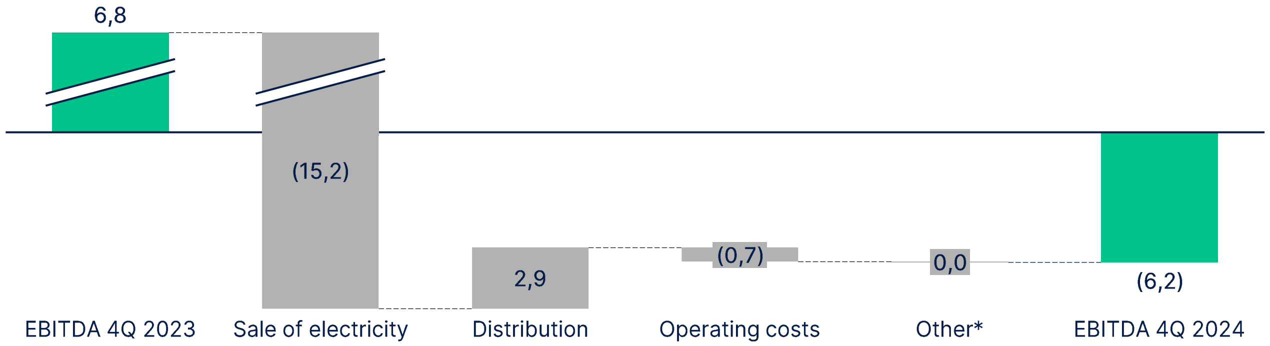
DECREASE IN RESULT ON SALES OF PROSUMER ENERGY SOLUTIONS AND TRADE AND BUSINESS SERVICES

Distribution - Q4

EBITDA build-up



EBITDA bridge



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

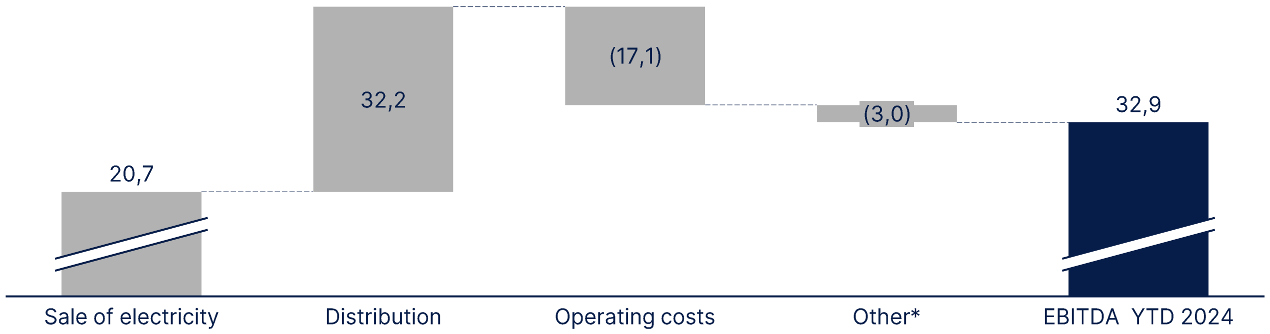
Comment:

- The distribution segment recorded EBITDA at the level by PLN 13.0 million lower compared to the same period last year, mainly due to:
  - a provision set up for the potential return of compensation received in 2023 in the amount of PLN 17.1 million in Polenergia Dystrybucja,
  - higher operating costs related to increased scale of operations.
- EBITDA was partly offset by:
  - higher margin on distribution and electricity sales mainly due to higher volume in the individual customer segment and unit sales margin.

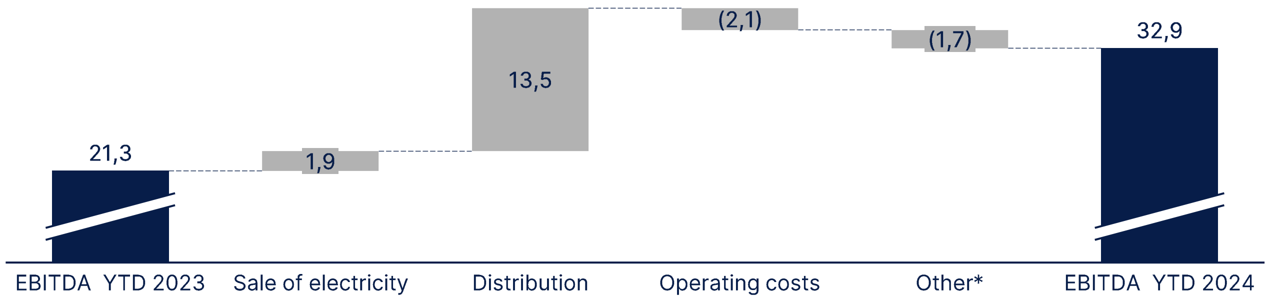
A DECREASE IN EBITDA DUE TO A PROVISION FOR THE REIMBURSEMENT OF COMPENSATION RECEIVED IN 2023, HIGHER OPERATING COSTS PARTLY OFFSET BY HIGHER DISTRIBUTION MARGINS AND HIGHER MARGINS ON ELECTRICITY SALES.

Distribution - YTD

EBITDA build-up



EBITDA bridge



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

Comment:

- The distribution segment recorded a PLN 11.6 million increase in EBITDA compared to the same period last year, mainly due to:
    - higher margin on electricity sales associated with lower electricity purchase price while maintaining sales prices at a similar level until Q4 2023.
    - higher margin on electricity distribution (mainly due to the delay in updating the distribution tariff in H1 2023),
- partly offset by:
    - a provision set up for the potential return of compensation received in 2023 in the amount of PLN 17.1 million,
    - higher operating costs due to increased scale of operations,
    - costs incurred in the development of electromobility projects.

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

Polenergia

Non-financial results. Status of the Group´s Strategy implementation

ESG: Summary of key events (1/2)

E - ENVIRONMENT

- Polenergia and Equinor signed the agreement with Cadeler to provide installation vessels for the transportation and offshore installation of 100 giant wind turbines for the Bałtyk 2 and Bałtyk 3 offshore wind farms. For up-to-date information on the projects, please visit: https://baltyk123.pl/
- Biodiversity Strategy - works in progress. (We are at the **EVALUATE** stage - that is, assessing Polenergia Group's dependence and impact on the environment).
- In cooperation with the League for Nature Protection and the University of Zielona Góra, a book on biodiversity activities undertaken at the Sulechów Photovoltaic Farms - "Green Potential" was written, entitled "Green potential. Photovoltaics as an example of renewable energy sources supporting biodiversity". Link to publication: Zielony potencjał
- Additional measures were taken to support biodiversity in the Sulechów PV area: a lookout for birds of prey was installed and two camera traps for animal observation were purchased.
- Environmental supervision of the earthwork phase at the FF Szprotawa site was completed, and recommendations were implemented, including, without limitation, the erection of two stone piles to support the development of fauna and the planning of meadow seeding on the farm.
- Agrotechnical works necessary for the establishment of a fresh meadow on FW Puck were performed. Seeds for sowing were ordered and a spring work schedule was planned.

ESG NEWS

- Environmental actions taken in 2024 - ESG Service
- Poland's first publicly available, comprehensive scientific publication on meadow ecosystem restoration at Sulechów Photovoltaic Farms: good practices for the RES industry - ESG Service
- Offshore wind farms Baltic getting closer. 2024 Summary - ESG Service

S - SOCIAL RESPONSIBILITY

- **Adoption of the Diversity, Equality and Inclusion Policy** for the Polenergia Group.
- **156 donation agreements were signed** for the amount of PLN 1,537,725.88 - donations were made to non-profit organizations, various associations (helping the elderly, activating women), schools, children's sports clubs and local authorities. All institutions and organizations are located and operate in the area where Polenergia develops its projects.
- **Report on community engagement and actions for biodiversity was prepared** REPORT
- Organizing a **Supplier Day** in cooperation with Sif Group, Smulders and Heerema Marine Contractors. These companies will be responsible for manufacturing, transporting and installing foundations for the Bałtyk 2 and Bałtyk 3 offshore wind farms. The event is addressed to Polish companies that wish to get involved in the offshore supply chain.
- Polenergia and its employees took part in two actions: **Santa Claus for Seniors** and **Noble Parcel**. They managed to collect food, clothing, textiles and footwear, which were used to prepare packages for senior citizens and four families from different regions of Poland. In addition, Polenergia S.A., Polenergia ENS and Polenergia Obrót financed the purchase of household appliances and furniture for needy families. More: Christmas support from Polenergia - ESG Service

ESG NEWS

- Actions taken for diversity and equal opportunities in 2024 - ESG Service
- Education and culture actions taken in 2024 - ESG Service
- Implementation of the Play Green with us!® project in 2024 - ESG Service

ESG: Summary of key events (2/2)

G - CORPORATE GOVERNANCE

- Update of **the Environmental and Social Management System (10 procedures)** - approved 12.2024
- **Development of an ESG risk map for Polenergia - task completed.**
- Organization of internal webinars for employees on ESG issues - the "ESG UNDER THE MAGNIFYING GLASS" series (3 online meetings in Q4).
- Work on ESG procedures for suppliers and on developing an ESG survey for suppliers - in progress.
- Consolidated Sustainability Report for the year 2024 – published: ESG report - ESG Service

RATINGS
- CDP- assessment C
- Sustainalitics - rating 17.5 ↑

ESG AWARDS
2 awards for Polenergia for implementing sustainable development assumptions in business: 1 place in the G category and 3 place in the "ESG Ranking. Responsible Management" in the "Fuels, Energy, Mining" sector.

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

Conclusion of key agreements for Bałtyk 2 and Bałtyk 3 projects

Offshore wind farms

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

- Conclusion of offshore wind turbine installation vessel charter agreements with Cadeler A/S in September 2024. The estimated value of the agreement is approximately EUR 128 million.
- Entering into agreements with Northern Offshore Services A/S and Njord Offshore Ltd. in October 2024 to charter vessels for crew transportation. The estimated value of the agreement is approximately EUR 27 million.
- In October 2024, MFW Bałtyk 2 and MFW Bałtyk 3 issued requests to commence works for contracts for the supply of electrical systems infrastructure and the supply of an onshore substation under the EPC formula entered into with Hitachi Energy Poland Ltd.
- In November 2024, the URE President issued decisions for the MFW Bałtyk 2 i MFW Bałtyk 3, setting the price used as the basis to cover the negative balance at 319.60 PLN/MWh. The price on which the negative balance is based will not be updated under the so-called "claw-back" procedure.
- Conclusion in November 2024 with Equinor Polska sp. z o.o. of service agreements for the operation and maintenance of offshore wind farms in the operational phase.
- Conclusion of a loan agreement between Polenergia SA and Bank Gospodarstwa Krajowego in December 2024 from the National Recovery and Resilience Plan under Investment G3.1.5 "Construction of offshore wind farms" up to PLN 750 million. The loan may be used to finance or refinance the costs of the Bałtyk 2 and Bałtyk 3 offshore wind farm projects.
- Liability limits under corporate guarantees (sureties) issued to SIF Netherlands B.V., the contractor under agreements for the production and delivery of foundation structures for monopile type wind turbines, were increased in December 2024.
- Discussions are underway with potential lenders to secure financing in the project finance formula.

Bałtyk 1 Project:

- Works continued to prepare the project for auction.
- The maximum price for electricity from offshore wind farms that can be offered in the auction is 512.32 PLN/MWh for the Bałtyk 1 Project area.

Polenergia

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

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

Onshore wind farms	• Further development of onshore wind projects. The capacity of the Group's current portfolio of the projects in the development phase in Poland is estimated at approx. 1.2 GW. • The development of wind projects in Romania continued, the activities were oriented towards the environmental procedure to obtain the final decisions and permits necessary for the adoption of the local zoning plan and the commencement of the environmental procedure for a building permit.
Photovoltaics	• Construction commenced of the Szprotawa 1 and Szprotawa 2 projects with a total capacity of 67 MW. • The capacity of the Group's current portfolio of the projects in the development phase in Poland is estimated at approx. 0.7 GW.

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

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

Distribution

- Polenergia Dystrybucja: implementation of IV investment plan of the total value of PLN 105 million.
- Polenergia eMobility*: launching 83 of own charging stations (128 charging points). The company has a portfolio of contracts to build additional 209 charging stations. The company changed its operator system, allowing to implement a roaming service and providing customers with an additional authorization method through RFID cards. In 2024, the company completed flagship investments, such as hubs for fast charging stations along the A2 Motorway and the Green Zone for electromobility operating at the Blue City shopping center.
- In accordance with the Group's new strategy for the years 2025-2030, the Company has decided to gradually withdraw from activities in the field of emobility.

Trading and Sales

Polenergia Obrót:

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

Gas and clean fuels

- ENS: Continued performance of power obligation and provision of black-start and system restoration services for PSE, participation in the secondary power market. As a result of the positive CSS, in January, February, Q3 and Q4 2024 ENS produced energy in a dynamic way.
- H2Silesia: Development of a large scale (105 MW project for generation and storage of hydrogen produced by water electrolysis using own renewable energy. The notification decision was obtained from the European Commission, approving a maximum ceiling of EUR 142.77 million in state aid for the H2Silesia project.

Nowa Sarzyna H2Hub:

- In March 2024, a public tender was issued by MPK Rzeszów for the supply and distribution of hydrogen to fuel FCEV buses. In October 2024, the tender was awarded, with the submitted bid selected as the most advantageous. As a result of legal doubts, the contract for the supply of fuel to MPK Rzeszów could not be signed by the company.
- In accordance with the Group's new strategy for the years 2025-2030, the Company has decided to gradually withdraw from activities in the field of hydrogen technologies.

Polenergia

Appendices

Polenergia

Polenergia secured 89% of energy production target for 2025

Our goal is to enter the next financial year with optimally secured production.

The Group secures energy sales through contracts for difference (auction), PPAs, sales to end customers and forward contracts.

One of Polenergia's strategic goals is to secure long-term prices for energy generated by the Group's assets. These measures are aimed at reducing market risk and ensuring stable and predictable cash flows in the future.

Sales prices for the following years are lower compared to 2024. The downward trend in electricity futures and market expectations of falling prices are responsible for this situation.

The Group wants to take advantage of high market prices, therefore auction volumes were postponed until later in the year.

Polenergia

Policy of commercialization of RES projects in Polenergia Group

Description	Contract for Difference (offshore phase I)	Contract for difference (onshore and PV)	cPPA	Final recipients	Forward Contracts
Period	25 years	15 years	3 up to 10 years	1 up to 8 years	1-2 years
Contracting party	Settlement Authority	Settlement Authority	Large and medium-sized enterprises	SMEs and individual customers	POLPX / OTC market
The possibility of entering into a contract	Individual decision of the URE President for 100% of the volume	Participation in the RES auction	Negotiation with a contractor	Contracting based on standardized products	Ability to conclude transactions at any time
Profile risk	No risk	Risk limited to the difference between the auction price and the average daily price	Individual commercial arrangements	Depending on the contract - the risk is borne by the Group or shared	Group Risk at POLPX, OTC - commercial arrangements
Indexation by inflation	Yes	Yes	Individual commercial arrangements	No	No

Decisions on securing production are made by the Risk Committee, which includes representatives of the Group's Management Board and experts in the areas of electricity trading and sales, market analysis and risk, and finance, based on forecasts from internal and external sources.

Polenergia

Glossary of abbreviations

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

Legal disclaimers

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