Potential Establishment of an Authorized Capital to Finance Strategic Projects

February 2024

Polenergia

Summary

We believe that establishing the authorized capital is essential for a seamless execution of our strategy

1. **Securing funding and fulfilling our commitments to the critical offshore projects**
As the key offshore projects are nearing the CAPEX-intensive construction phase with total (debt & equity) commitments related to Polenergia's 50% share in the projects currently estimated at the level of up to ca. 12bn, having in place a large pool of authorized capital will help the Company to fulfill contractual obligations and execute the projects on schedule.

2. **Capital efficiency**
Without the authorized capital the Company is constrained by two options: a) raising funds in a series of smaller issues, each requiring a lengthy, repetitive approval process, b) raising funds in one large transaction forcing the Company to hold substantial amounts of cash for a longer period – ineffective for shareholders (alternative cost), and the Company (inflation risks).

3. **Speed & flexibility**
Authorized capital will provide substantial flexibility, short time to market, and together with ability to use other, intermediate sources of funding (e.g. bridge financing) allows the Company to set the timing of the potential equity raise(s) to optimize the use of capital.

4. **Cost efficiency**
The proposed structure allowing to exclude pre-emptive rights (while granting priority rights for the eligible shareholders) and raise capital without the need of prospectus, will give the Company an option to substantially decrease the costs of the potential offerings and execute them in the schedule adjusted to the actual capital needs.

5. **Transparency & visibility**
One, large pool of authorized capital with pre-defined range of possible transaction structures and rules (e.g. priority rights for the eligible shareholders) as well as a clear level of max. dilution will give shareholders better visibility into the future.

Source: Polenergia

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Summary

Overview of the key terms of the proposed authorized capital resolution

Element	Authorized capital
Duration of the authorization	• 3 years (max. permitted by the law)
Number of capital raises	• One or multiple SPOs
Type of the SPO	• The resolution leaves the choice of the type of the capital increase to the management and supervisory board with the following options available: • SPO (with pre-emptive rights) with prospectus • SPO (ex-rights) without prospectus through an Accelerated Book Building (ABB) transaction • SPO (ex-rights) with prospectus
Rights issue	• Authorization of the Management Board to exclude pre-emptive rights subject to obligation to obtain consent of the Supervisory Board
Priority Rights	• Shareholders holding not less than 0.2% of the Company's share capital to be given a right to acquire new shares at least on a pro-rata basis
Value of the authorized capital	• Corresponding to the max. number of shares allowed by the regulations, representing ¾ of the share capital (up to 57,914,184 shares) and the issue price(s) • Company's approximate capital needs amounting to PLN 3.4bn whereby the maximum number of issued shares will depend on market conditions and the price sensitivity of demand for the Company's shares and may therefore be lower than the above indicated maximum number of shares that can be issued
Company capital post authorized capital	• Assuming issuance of the max. number of shares allowed by the resolution (up to 57,914,184 shares), the company's capital can increase up to 135,133,097 shares (c. 42.9% dilution) • The priority rights mechanism guarantees at least a pro rata take-up for the shareholders holding not less than 0.2% of the Company's share capital
Pricing mechanism (requires approval by the SB resolution)	• The recommendation of the Management Board, to be approved by the Supervisory Board incl.: • price range or maximum price for the purpose of initiating the book-building • minimum and maximum number of issued shares • the final issue price • the final number of the shares issued
Other authorizations for the Management Board	• Conducting a new issue by the way of a public offering within the meaning of the Prospectus Regulation requiring or exempt from the obligation to publish a prospectus • Determination of the timetable of the transaction • Carrying out the book-building process • Preparation of the issue prospectus if needed

Source: Polenergia

Funding Needs Overview

Polenergia intends to invest most of the proceeds from the 2023 capital raise by the end of 2Q 2024

Area	Use of proceeds summary (PLNm)	Past achievements	Future objectives
Offshore wind	0 0% / 540 / 540 100%	-	Further development of Baltic II & III as well as Baltic I Expenses related to the already signed and expected contracts (mainly prepayments for suppliers) in Baltic II and III projects.
Onshore wind & PV	36 24% / 147 / 111 76%	Expenses related to projects in Poland as well as acquisition and development of assets in Romania	Financing of the construction of Szprotawa I & II Expenses regarding development of: a) portfolio of projects in Poland, and b) portfolio of projects in Romania (subject to the ongoing risk – return analysis)[1)]
eMobility, Hydrogen	9 15% / 63 / Up to 54 85%	Expenditures on the development of EV charging network	Investments in the EV charging infrastructure and development of hydrogen projects (subject to the ongoing risk – return analysis)[1)]
Total	45 6% / 750 / 705 94%		

Funds spent between Oct-Dec '23 / Total / Funds to be spent by 2Q '24

Source: Polenergia

1) The Management has initiated a strategic review of activities in the areas of eMobility, hydrogen, and new international projects, and cannot rule out the possibility, depending on the outcome of the review, of withdrawing from certain projects or changing the scope of the Company's involvement. Such decision will be communicated in a form prescribed by the relevant laws.

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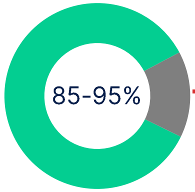
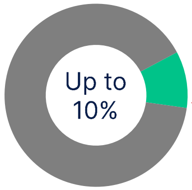
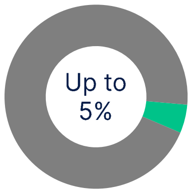
Funding Needs Overview

Authorized capital will enable investment flexibility in the upcoming, CAPEX-intensive period

Area	Approximate share in total funding	Key objectives
Offshore wind		Equity commitments in the construction of Baltic II & III as well as further development of Baltic I to prepare the project for the 2025 auction
Onshore wind & PV	 As the key strategic segment, the offshore will dictate the exact split of funding for other projects	Cost of early stage project development, development of selected Romanian assets to the RtB phase (subject to the ongoing risk – return analysis)[1], construction of Rajkowy PV farm[2]
eMobility, Hydrogen		Potential construction of H2Hub Nowa Sarzyna[2], and/or development costs of other early stage hydrogen projects, and/or continued development of the charging infrastructure (subject to the ongoing risk – return analysis)[1]
Total	The Company estimates the equity requirements, resulting from projects under execution, to amount to ca. PLN 3.4bn within the next three years, a majority of which will finance the offshore projects	

The final use of the issue proceeds may differ from the one presented above, depending on the capital needs and external conditions.

Source: Polenergia

1) The Management has initiated a strategic review of activities in the areas of eMobility, hydrogen, and new international projects, and cannot rule out the possibility, depending on the outcome of the review, of withdrawing from certain projects or changing the scope of the Company's involvement. Such decision will be communicated in a form prescribed by the relevant laws.

2) Subject to Final Investment Decision.

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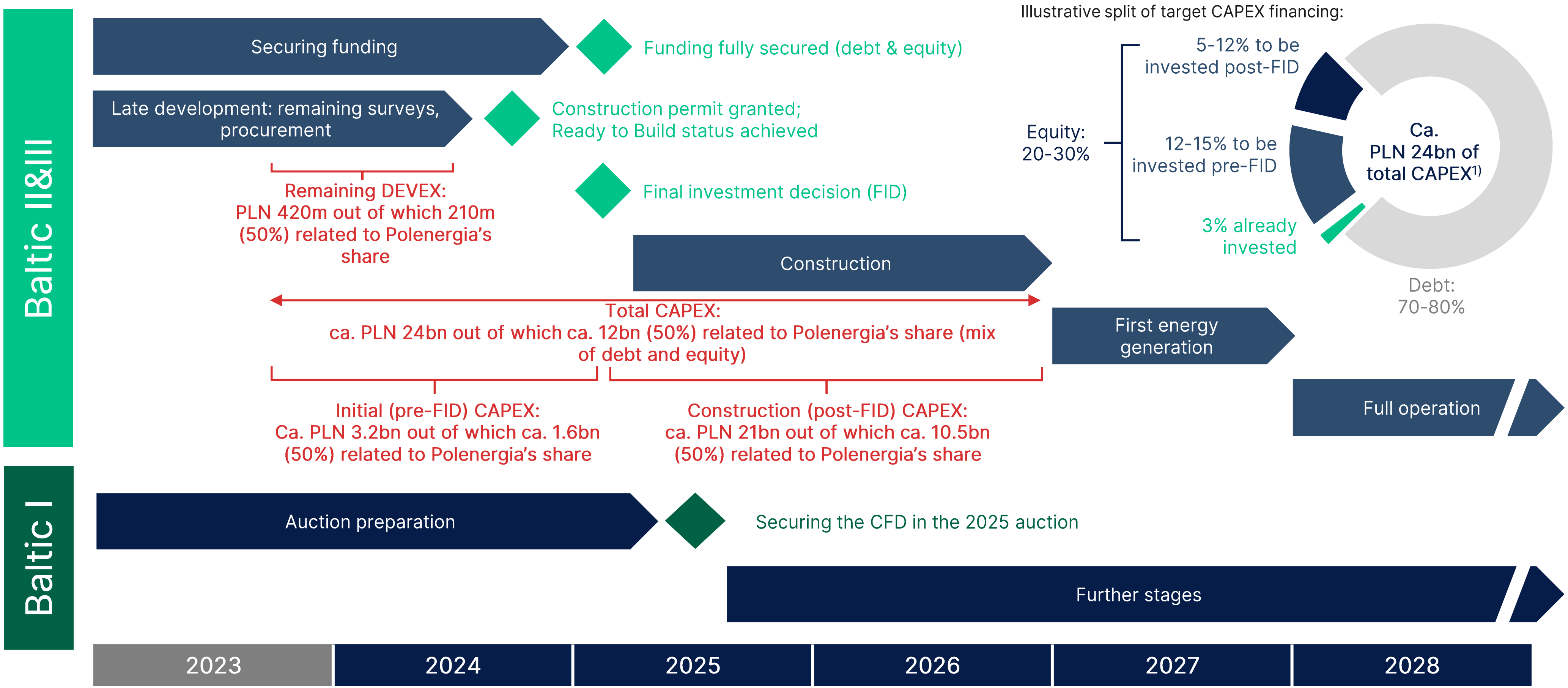
Offshore Financing Overview

2024 initiates a period of significantly higher spending as Baltic II & III are about to enter the CAPEX phase



Source: Polenergia

1) Presented numbers are based on current estimation and are subject to potential changes depending on finial contractual provisions, changes in exchanges rates and indices embedded in price formulas in individual contracts.

Note: Please note that the above schedules are for illustrative purposes only and subject to potential changes.

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Baltic II & III: an illustrative project overview

New equity will allow us to procure and install the key infrastructure, with many works already contracted

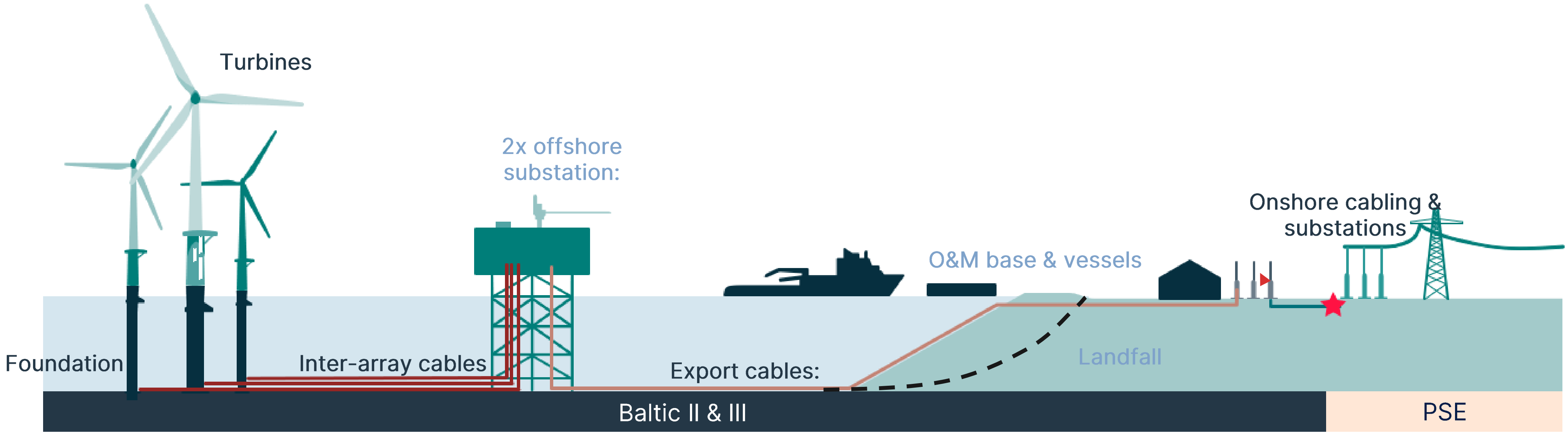
Status and preliminary CAPEX values for the key contracts[1]:

Wind Turbines (Siemens Energy): **EUR** 1.8bn[2]
Electrical system (Hitachi): EUR 251m
Export cable (Hellenic/Jan de Nul): EUR 372m
Inter-array cable (Seaway 7): EUR 187m
Foundations (SIF Netherlands): EUR 440m

Already signed

Marine operations
Offshore substations
Landfall
Expected terms confidential due to ongoing negotiations

To be signed in 2024



Source: Polenergia
1) The final terms achieved by the Company may substantially differ from the figures presented in this presentation as they refer to the estimated contract values at the time of publication of the respective current reports.
2) Estimated total remuneration based on the turbine delivery agreements, including the realization of options, value to be updated as certain costs are subject to price indexation.

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Baltic II & III: an illustrative project overview

Once completed, the offshore projects will operate with attractive economics thanks to scale, commercial terms

Large capacity
With 1,440 MW (2x720 MW) of installed capacity, Baltic II & III will be among the largest projects in the Baltic Sea, allowing us to achieve a substantial economic scale.

Productivity supported by location, unit scale
Thanks to a location with good wind conditions (9-10 m/s) and the choice of large turbine models (236m of rotor diameter) we expect to achieve attractive unit economics.

Long-term revenue stream
25-year CfD covering 100% of volumes[1)] at the max price (PLN 319.6 / MWh to be confirmed in 2024), CPI indexation (starting from 2021), and option to settle the CfD in euros allow us to achieve attractive financing terms.

Standardized O&M costs resulting in high margins
With O&M being the only major cost category and typically ranging EUR 55-115 ths./MW/year[2)]. We estimate the value of our 5-year wind turbine servicing contract at EUR 384m in total[3)].

Gaining substantial know-how
Thanks to Equinor's years of experience we can gain the necessary know-how and secure terms for the execution as well as operation and maintenance of all the projects.

Source: Polenergia
1) Envisaged, state-backed CfD granted for 25 years with a 100,000 hours of power production cap. Notification by European Commission and subsequent confirmation by ERO expected in 2024.
2) Irena, Lazard, European Commission, BVG Associates, please note that over time the figures may evolve.
3) Estimated total cost, with the exact amounts depending , among others on the price indexation of the maintenance services.

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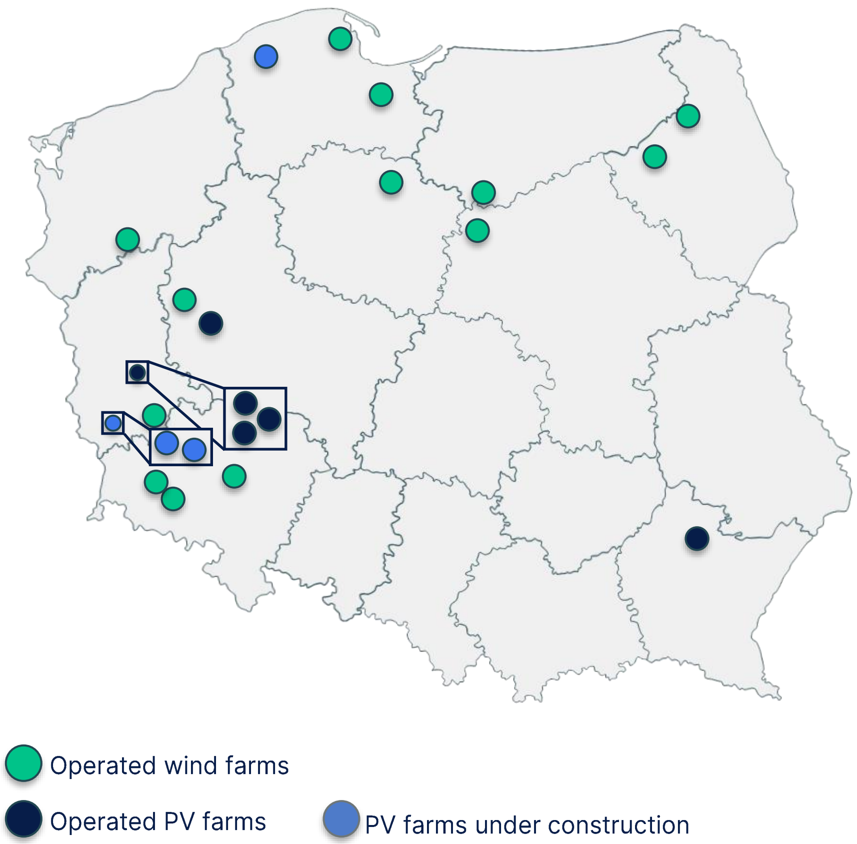
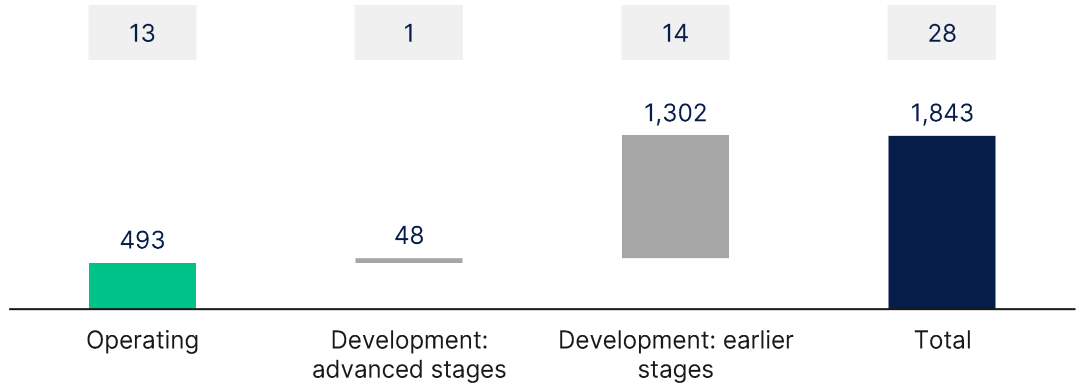
Large Portfolio of On-shore Wind and PV Assets

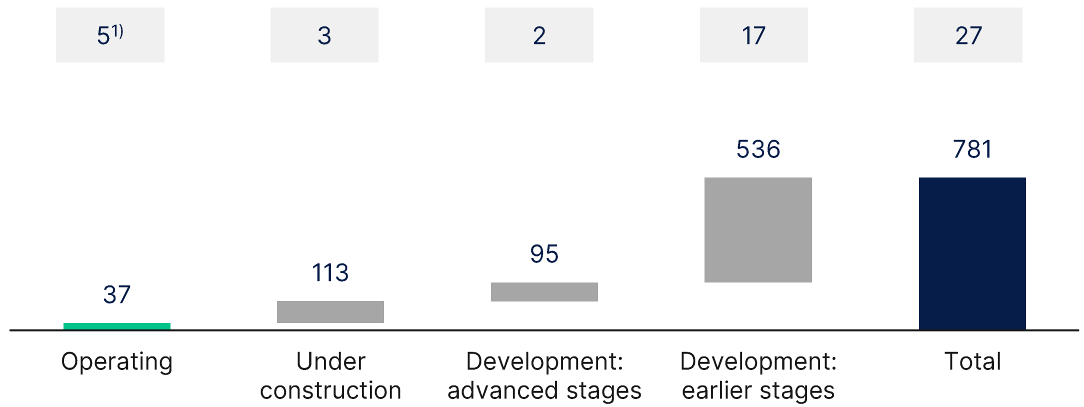
Opportunity to further grow onshore wind and PV portfolios in Poland



Number of projects, and installed and developed on-shore wind capacity (MW):



Number of projects, and installed and developed PV capacity (MW):



Source: Polenergia

1) Includes 1 MW project operated in Elektrociepłownia Nowa Sarzyna (ENS).

Number of projects

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Development of Best-in-Class Onshore Wind Assets

Acquisition of wind farms in Romania is the first meaningful step towards geographical diversification

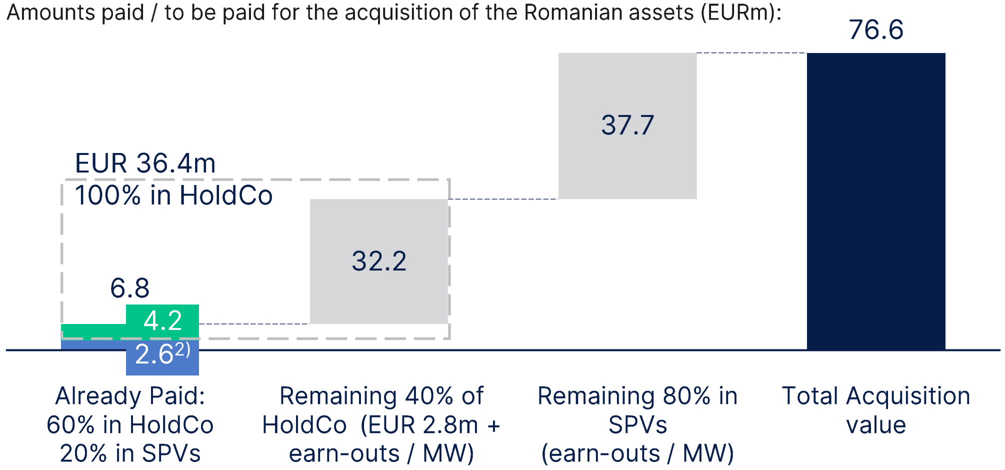
Up to 685.6 MW of total capacity

7 farms with a total of **112 turbines**[1)]

Superior wind conditions with average **speeds of 8m/s**

Located in the coastal **Tulcea County**

Amounts paid / to be paid for the acquisition of the Romanian assets (EURm):



Presented above is the maximum price to be paid for projects over a period of 4 years, assuming full-scale (685.6MW) implementation. Payments are subject to the achievement of certain milestones by the projects.

Subsequent payments depend on decisions to continue investments made at appropriate stages based on results of risk-return analysis[3)].

The above figures do not include DEVEX or CAPEX for projects implementation.

Currently anticipated implementation schedule

Land rights and grid connection permissions secured	Final development stages	CAPEX phase	Operation
Q1 ’24	Q2 ’24 – Q4 ’25	Q4 ’25 – late 2028	2028+

Source: Polenergia
1) According to ATR (grid connection conditions).
2) Payment for 2 capital increases up to 20% of shares in 7 SPVs.
3) The Management has initiated a strategic review of activities in the areas of eMobility and hydrogen as well as new international projects, and cannot rule out the possibility, depending on the outcome of the review, of withdrawing from certain projects or changing the scope of the Company’s involvement. Such decision will be released in a form prescribed by the relevant laws.
Note: Please note that the above schedules are for illustrative purposes only and subject to potential changes.

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This presentation (the “**Presentation**”) is for information purpose only and has been prepared exclusively to communicate to the shareholders’ of Polenergia S.A. (the “**Company**”) the reasoning behind proposal of the Company to establish the new authorised capital of the Company on the conditions announced by the Company in the Current Report No 6/2024 and materials published by the Company on 08 February 2024 and amended on 09 February 2024 in connection with convocation of Extraordinary General Meeting of the Company for 13 March 2024 (https://www.polenergia.pl/walne-zgromadzenia/) (“EGM”) (“**New Authorised Capital**”).

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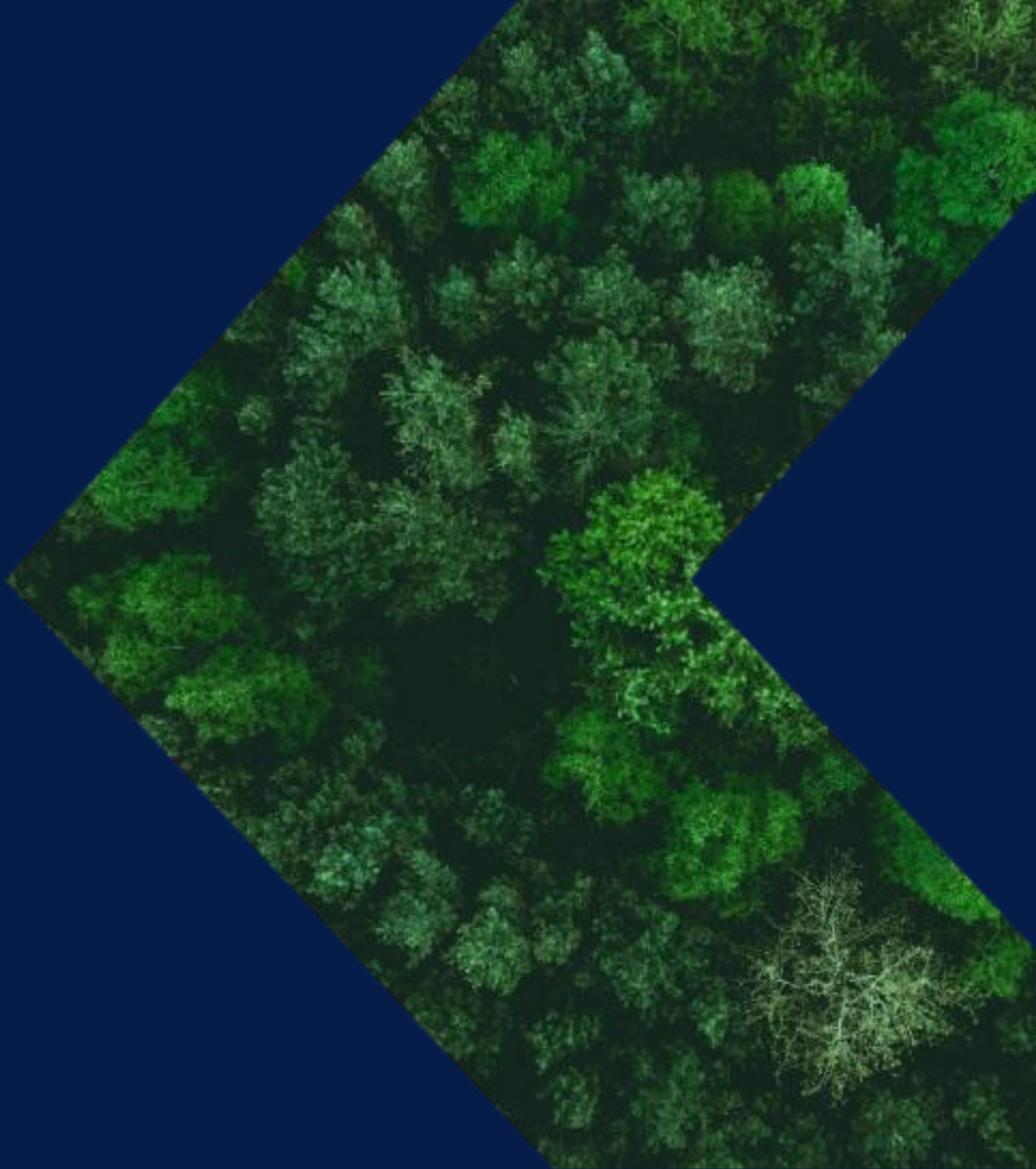

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