

Polenergia Group

Financial results for 2023

March 2024

Polenergia © 2024



Agenda

01. Summary of key events in 2023
02. Summary of key operational parameters
03. Financial results for Q4 2023 and entire 2023
04. Progress of the Group's strategy implementation

Summary of key events in 2023

Polenergia in numbers

Year 2023



1 394 GWh (+31% y/y)

Electricity produced in RES



PLN 975.5m (+22% y/y)

Revenues (without Trading and Sales segment)



530 MW

Incl. increase by 178 MW (+51% r/r)

Total capacity installed in RES



PLN 547.6m (+55% y/y)

EBITDA



3 594 MW (+17% r/r)

Total capacity of projects in development in Poland



PLN 273.6m (+69% y/y)

Net profit adjusted*

* Term explained in the glossary

Summary of the most important events

INTENSIVE INCREASE OF THE GROUP'S GENERATION CAPACITY



- Putting into operation wind projects with a total capacity of 178 MW. In 2023, the construction of the Dębsk, Piekło and Grabowo projects was completed.
- Finalization of the construction of the Strzelino PV (45.16MW) and final investment decision for the photovoltaic projects: Szprotawa I and II (67MW).

SIGNING KEY-AGREEMENTS FOR THE IMPLEMENTATION OF OFFSHORE WIND FARMS BAŁTYK II AND III (1,440 MW)



- Signing contracts for the supply of wind turbines with Siemens Gamesa Renewable Energy and monopiles for projects with SIF Netherlands B.V., internal cables with Seaway7 AS, export cables with Jan De Nul Luxemburg SA and Hellenic Cables SA. and foundation design with Rambøll.

THE GENERAL MEETING OF SHAREHOLDERS APPROVED THE RESOLUTION ON THE TARGET CAPITAL OF THE COMPANY



- The company plans to carry out share issues in the years 2024-2027, the value of which may reach PLN 3.4 billion. Most of the capital obtained this way will be allocated to the implementation of Polenergia's strategic projects - the construction of wind farms in the Baltic Sea.

FOREIGN OPERATIONS



- Acquisition of shares in Naxxar Wind Farm Four in Romania, developing one of the largest wind farm projects in this part of Europe.
- Polenergia Fotowoltaika, specialising in distributed energy, started operations on the Czech market.

MILESTONES IN DEVELOPMENT OF HYDROGEN PROJECTS



- Further development of the H2HUB Nowa Sarzyna project (including purchase of electrolyser).
- Receipt of the notification decision of the European Commission approving the maximum ceiling of public aid for the H2Silesia project at the level of EUR 142.77 million.

FURTHER SECURING LONG-TERM ENERGY PRODUCTION IN PPA CONTRACTS



- Conclusion of PPAs, including with McDonalds, Mercedes-Benz Manufacturing Poland or Northvolt will allow for long-term production security and stabilization of generated results. Creating value by minimizing risk.

DYNAMIC GROWTH OF THE PORTFOLIO OF NEW WIND AND PHOTOVOLTAIC PROJECTS IN POLAND



- The total capacity of projects in development is approximately 3.6 GW, including onshore wind and photovoltaic farm projects in Poland (2.1 GW), offshore wind farm projects in the Baltic Sea (1.5 GW*).

* 50% of the total capacity of the Bałtyk I, Bałtyk II, Bałtyk III Offshore Wind Farm projects with a total capacity of 3 GW.

Summary of key operational parameters

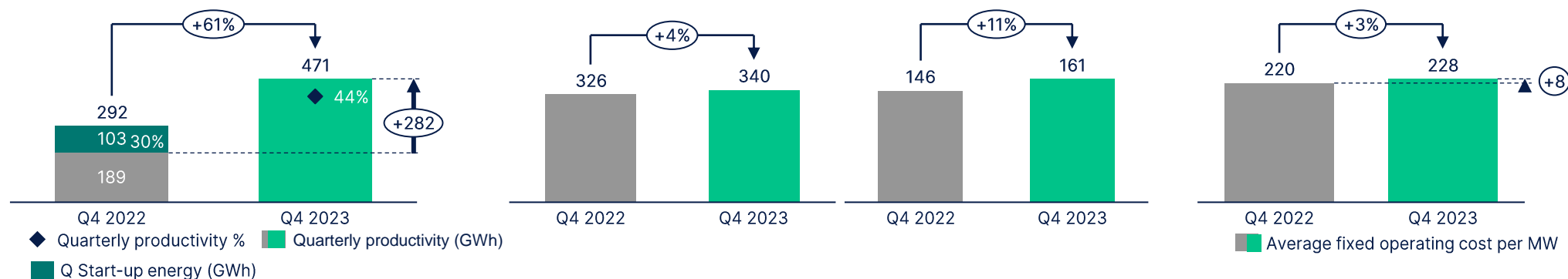
Summary of key operating parameters - Onshore wind farms

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

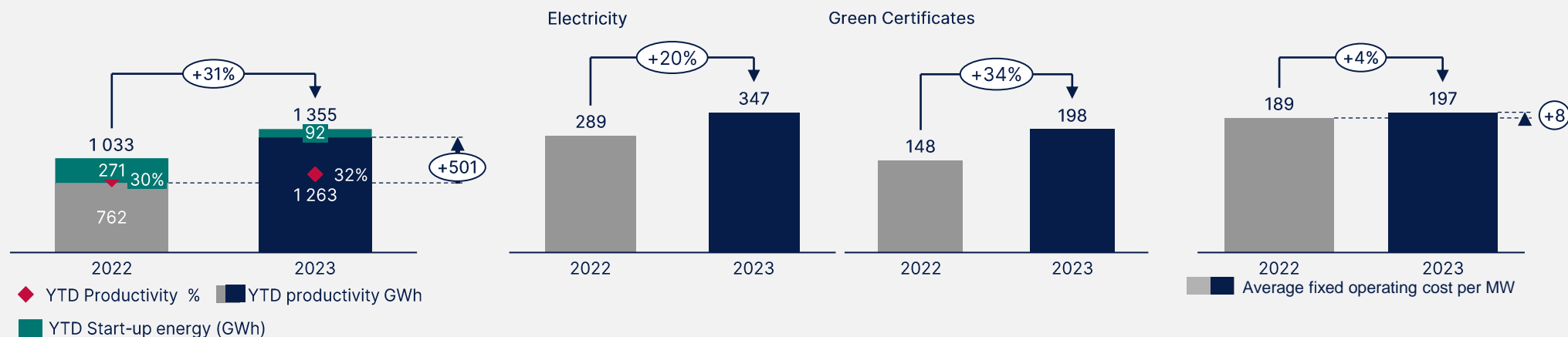
Average revenues per MWh (after balancing and profiling costs) at the Group level [PLN/MWh]

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

Quarterly data



Data YTD

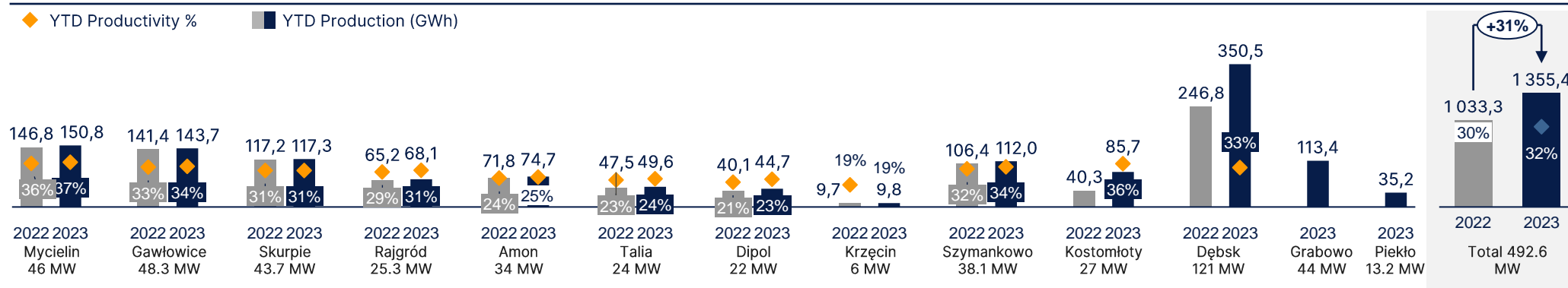


* Productivity in 2022 excluding Dębsk WF and Kostomłoty WF, productivity in 2023 excluding Grabowo WF and Piekło WF.

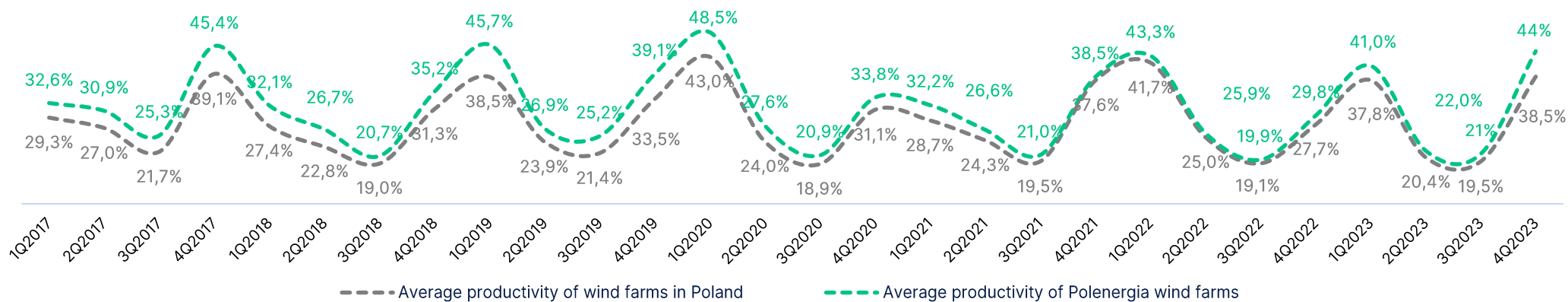
** Average fixed cost per MW in 2022 excluding Dębsk WF and Kostomłoty WF and average cost per MW in 2023 excluding Grabowo WF and Piekło WF.

Summary of key operating parameters - Onshore wind farms

Production (net) YTD*



Net productivity of Polenergia farms



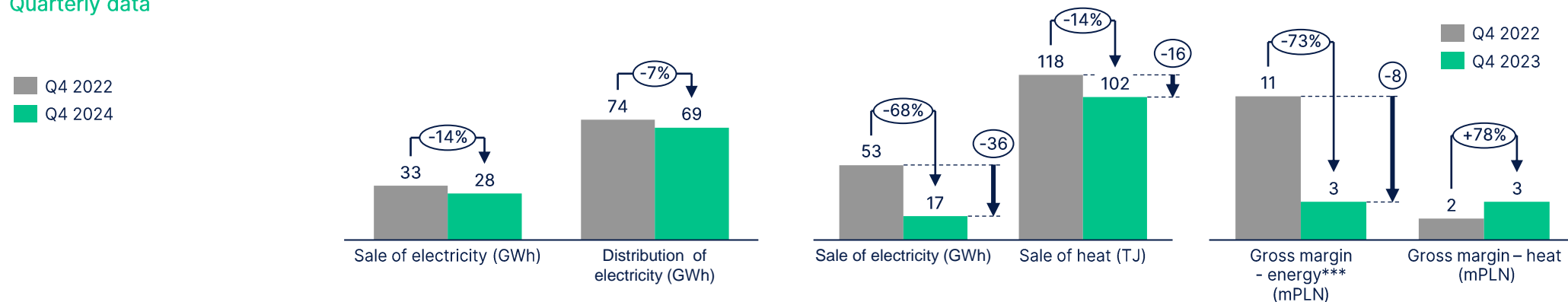
* Total productivity in 2022 excluding the production of Kostomłoty WF and Dębsk WF

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

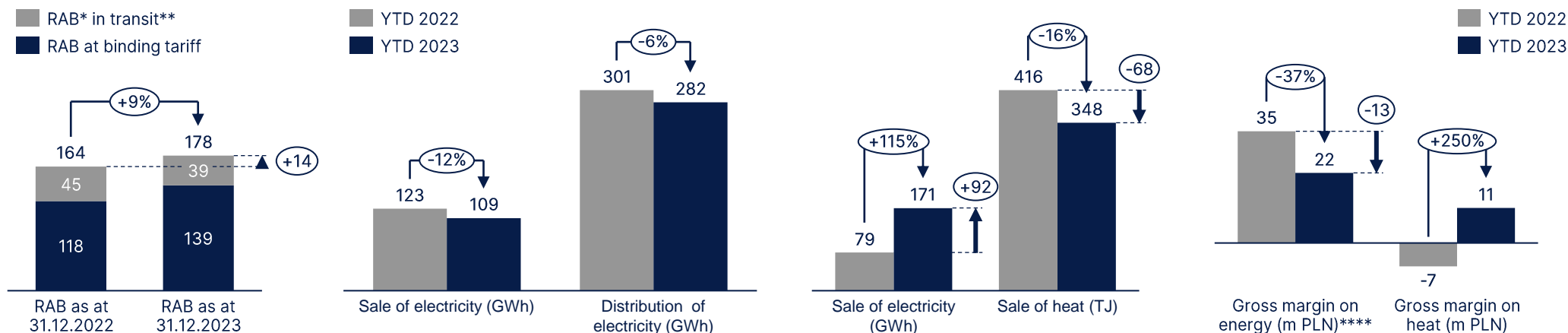
Distribution – RAB [mPLN] and sale [GWh]

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

Quarterly data



Data YTD



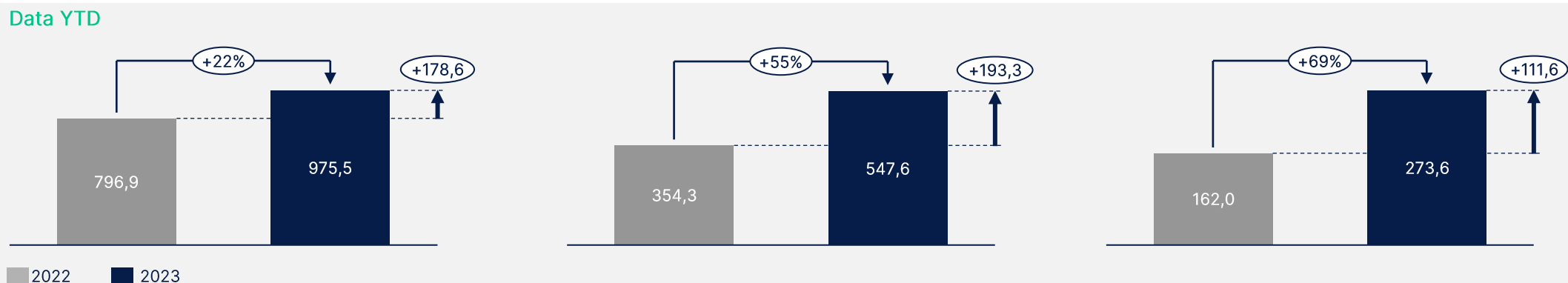
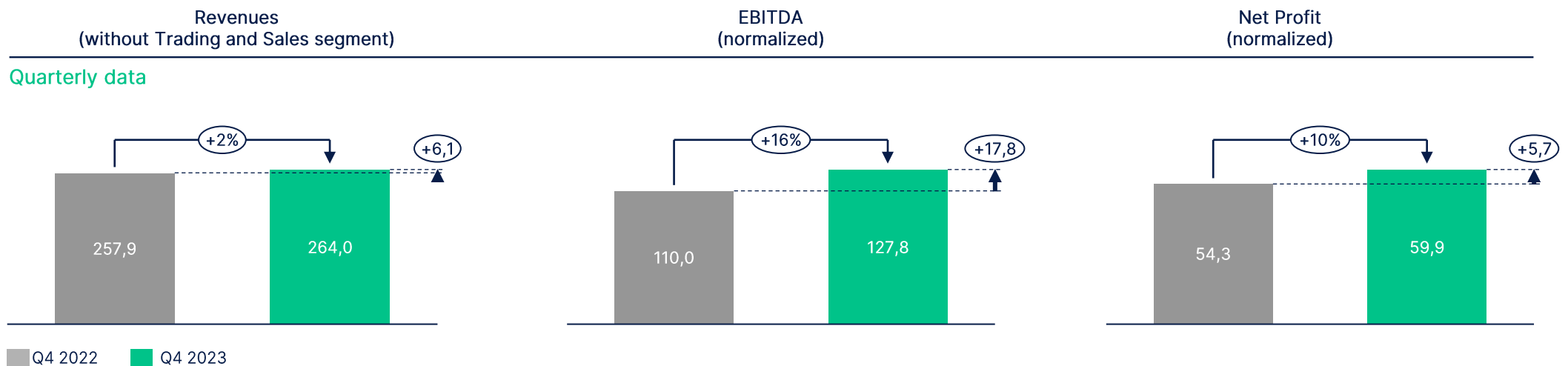
* Regulatory value of assets - term explained in the glossary

** Term explained in the glossary

*** Gross margin at the ENS level, without taking into account the impact of optimization including a part of 2023, recognized in the consolidated financial results of the Group in 2021 and 2022.

Financial results of Q4 2023 and entire 2023

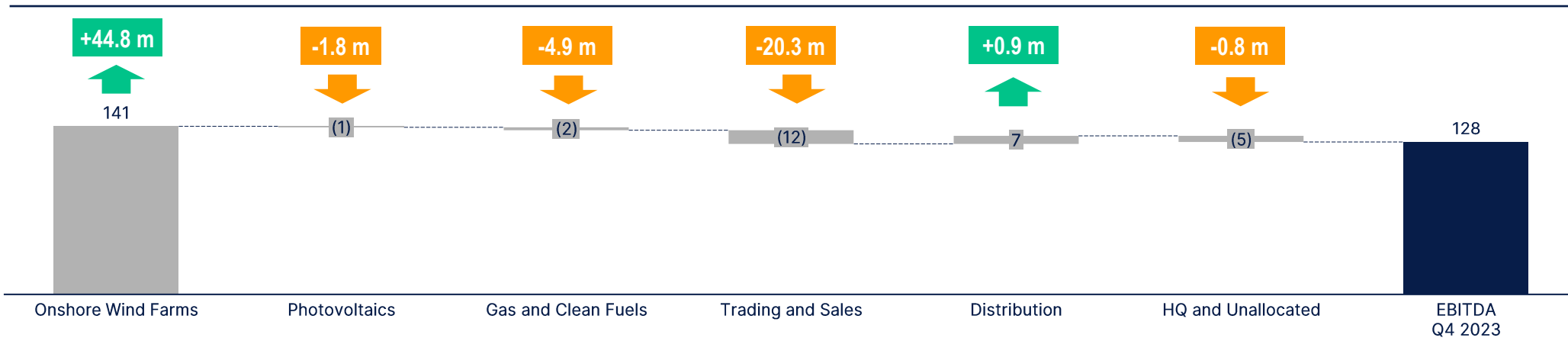
Financial results of Q4 2023 and entire 2023



HIGHER RESULT IN 2023 MAINLY DUE TO HIGHER RESULT IN ONSHORE WIND FARMS AND TRADING AND SALES SEGMENTS, PARTY OFFSET BY LOWER RESULT IN DISTRIBUTION AND UNALLOCATED SEGMENTS

EBITDA structure – Q4 2023 compared to Q4 2022

EBITDA structure in Q4 2023



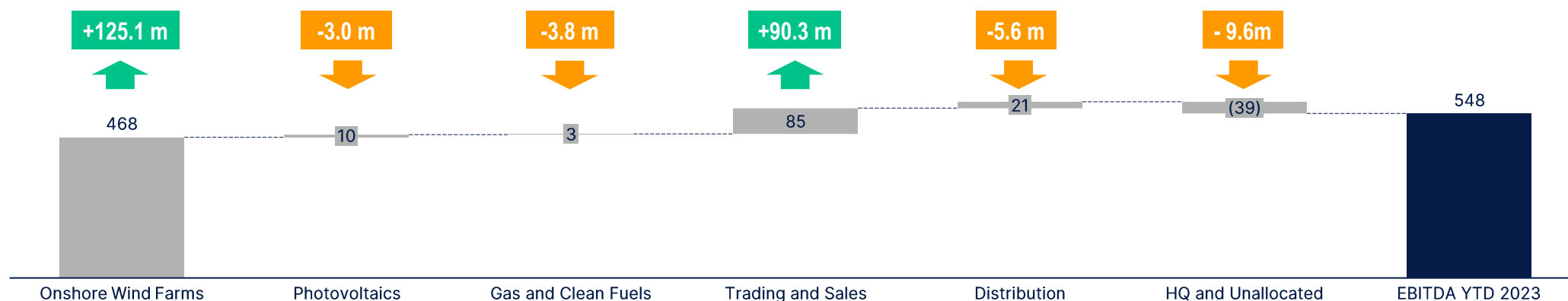
EBITDA structure in Q4 2022



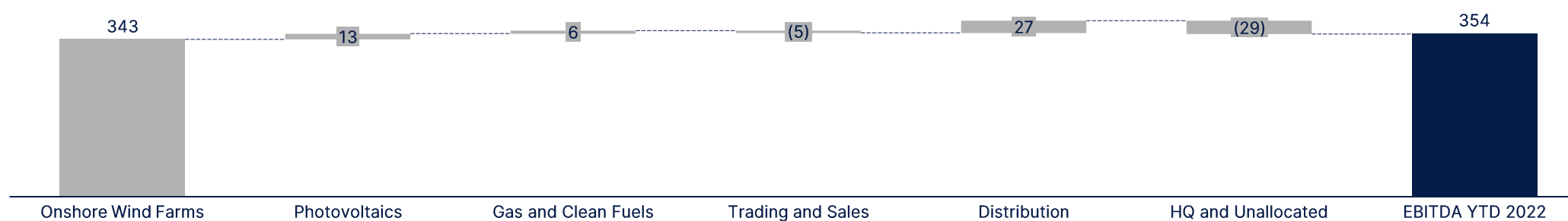
HIGHER RESULT IN SEGMENTS: ONSHORE WIND FARMS AND DISTRIBUTION, LOWER RESULT IN TRADING AND SALES, GAS AND CLEAN FUELS, HQ AND UNALLOCATED AND PHOTOVOLTAIC SEGMENTS

EBITDA structure – 2023 compared to 2022

EBITDA structure in 2023



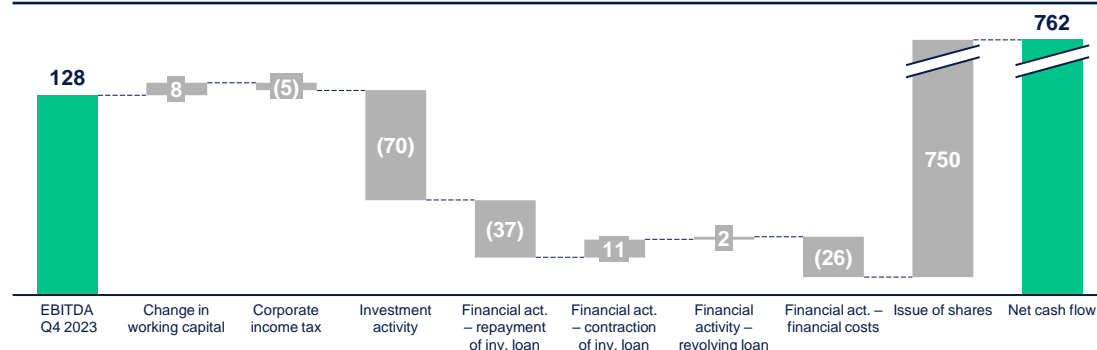
EBITDA structure in 2022



HIGHER RESULT OF ONSHORE WIND FARMS, AND TRADING AND SALES SEGMENTS, PARTLY SET OFF BY LOWER RESULT OF DISTRIBUTION, GAS AND CLEAN FUELS, PHOTOVOLTAICS, HQ AND UNALLOCATED SEGMENTS.

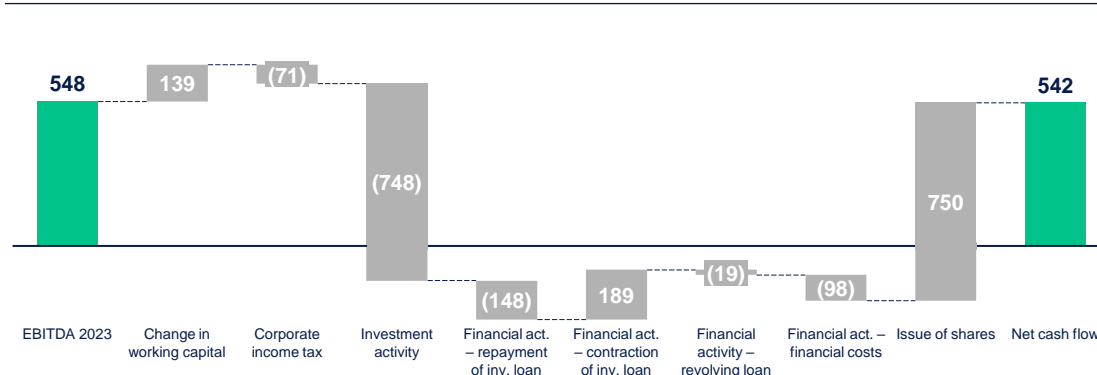
Polenergia Group cash flow

Group cash flow in Q4 2023



- Cash flow from investment activities: Capital expenditures incurred in wind and photovoltaic farm projects (-11.8 million) and capital expenditures in Polenergia Dystrybucja (-7.9 million), eMobility (-7.2 million), hydrogen projects (-6.1 million) and other companies (-2.6 million). Purchase of 60% stake in Naxxar (-29.6 million) and other expenditures (-5.3 million).
- Cash flow from financial activities: Scheduled repayment of the investment loan plus interest in the onshore wind and photovoltaics (-53.4 million) and distribution (-1.3 million) segments. Taking out an investment loan in wind and photovoltaic farm project companies (6.5 million) and in distribution (5 million). Change of the working capital/VAT loan (+1.7 million). Other cash flows (-7.7 million). Proceeds from share issue in the amount of 750 million.

Group cash flow YTD



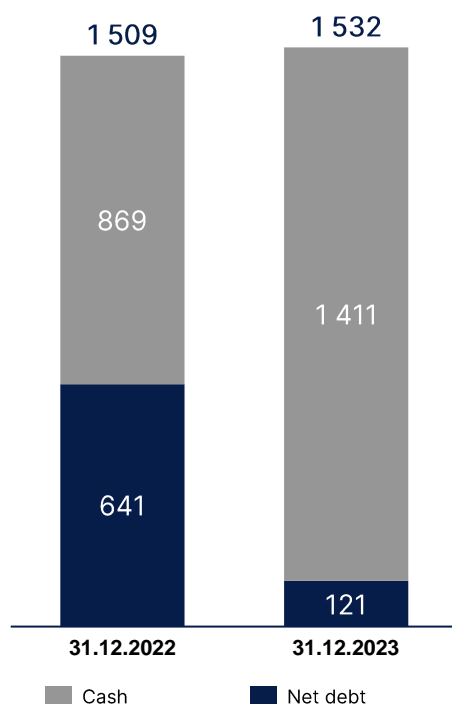
- Cash flow from investment activities: Capital expenditure made in wind and photovoltaic farms segments (-264,4 million), including 27.3 million in the Dębsk, 79.5 million in the Grabowo, 122.3 million in the Strzelino and 17.6 million in the Piekło projects, capital expenditure in Polenergia Dystrybucja (-28.7 million) and in other companies (-27.7 million). Supplementary payments towards offshore wind farms projects (-390.1 million). Payment for shares in Polenergia Fotowoltaika (-3.4 million), purchase of 60% stake in Naxxar (-29.6 million) and other expenditures (-4.4 million).
- Cash flow from financial activities: Scheduled repayment of the investment loan plus interest in the onshore wind farms and photovoltaics (-212.8 million) and distribution (-5.2 million) segment. Taking out an investment loan in onshore wind farm and photovoltaic farm project companies (170.9 million) and in distribution (18.5 million). Change of the working capital/VAT loan (-19.2 million). Payments of lease liabilities, interest in other segments and other in the amount of - 27.8 million. Proceeds from share issue in the amount of 750 million.



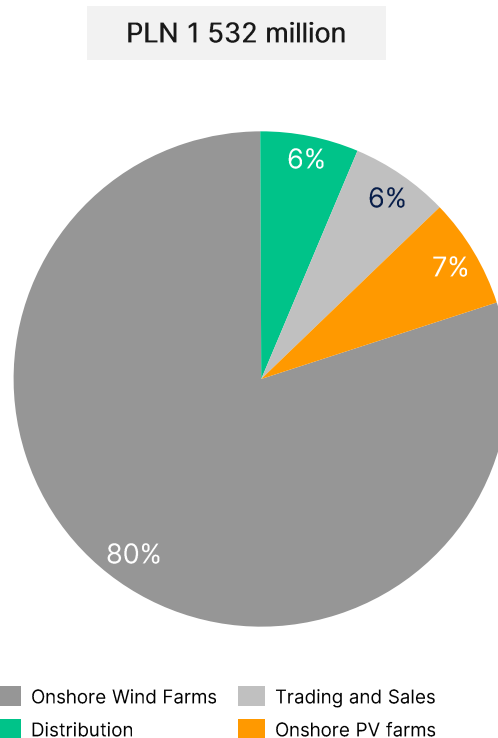
HIGH INVESTMENT EXPENDITURES IN ONSHORE AND OFFSHORE WIND FARM PROJECTS AND PHOTOVOLTAIC FARMS MAINLY FINANCED WITH PROCEEDS FROM THE ISSUE

Polenergia Group debt structure as at 31 December 2023

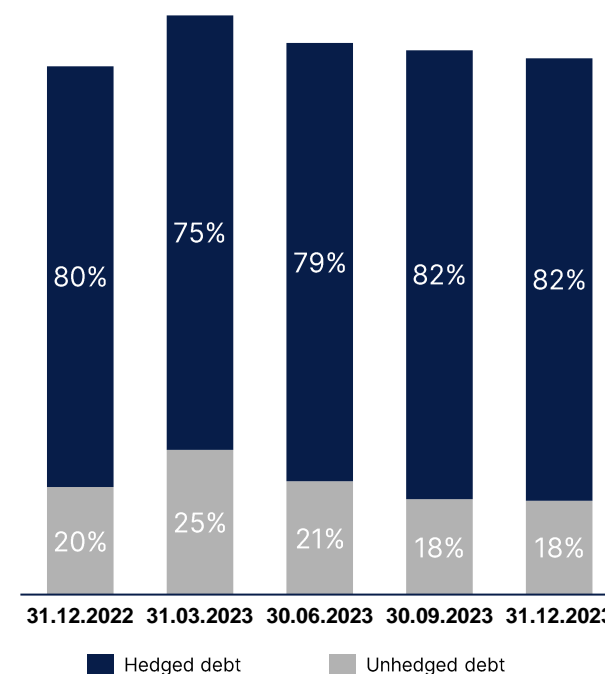
Gross debt (mPLN)



Debt structure as per segments



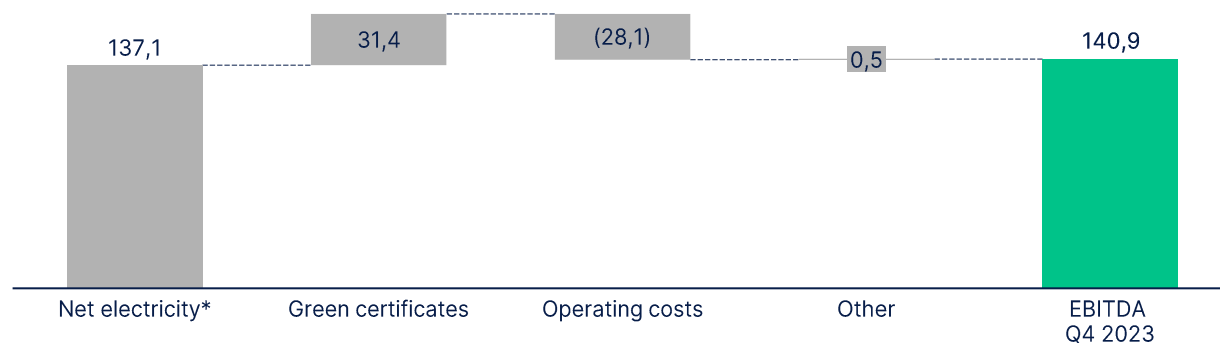
Debt structure - interest rate hedging



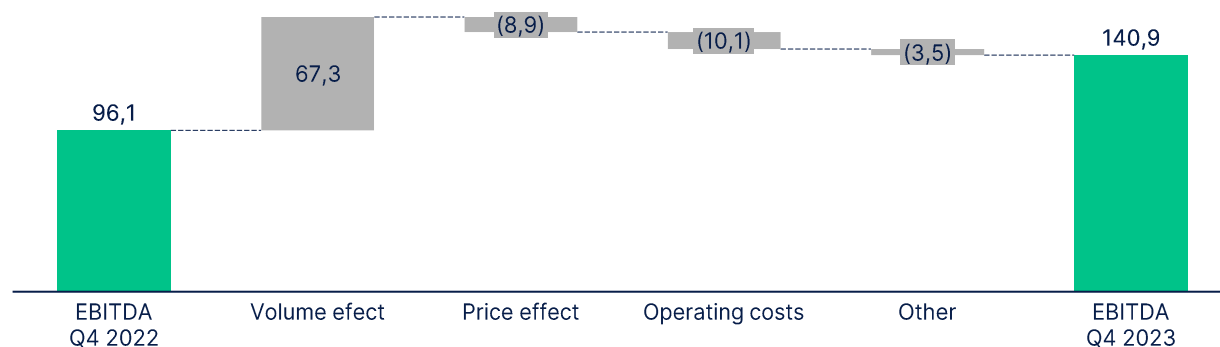
SIGNIFICANT REDUCTION OF NET DEBT COMPARED TO THE END OF 2022 DUE TO INCREASE OF CASH BALANCE FOLLOWING THE ISSUE OF SHARES. NO CURRENCY RISK IN THE DEBT STRUCTURE. DEBT COST HEDGED IN 82% FOR BANK LOANS, INCLUDING 88% OF INVESTMENT LOANS.

Onshore wind farms - Q4

EBITDA build-up



EBITDA bridge



Comment

- ▶ Higher volume of produced electricity due to the generation licence obtained by the Dębsk (January 2023) and the Kostomłoty (October 2022) farms and the production in start-up phase in the Piekło and Grabowo farms (both farms obtained the generation licence in Q3 2023), high windiness in Q4 2023
- ▶ Lower sales prices related to the accession of the Dębsk and Kostomłoty projects to the RES auction support system, partially offset by an increase in electricity and green certificate sales prices relative to Q4 2022 (when the prices resulting from hedging transactions entered into in previous years were binding) for some assets.
- ▶ The operating costs in Q4 2023 higher than in Q4 2022 mainly due to taking into account of the costs related to the maintenance of the Dębsk, Kostomłoty, Piekło and Grabowo wind farms.
- ▶ Revenues from awarded but not yet sold green certificates* and related selling costs are presented without IFRS 15 adjustment (as opposed to the presentation in the consolidated annual report).

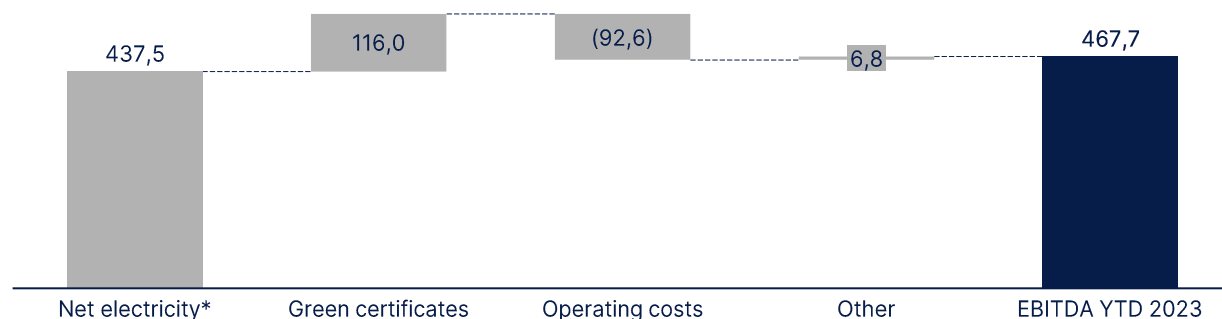


HIGHER PRODUCTION VOLUMES AND ELECTRICITY SALES PRICES, WITHIN THE LIMITS IMPOSED BY THE ACT FREEZING THE PRICES OF ENERGY AND GREEN CERTIFICATES, PARTLY OFFSET BY HIGHER OPERATING COSTS

* term explained in the glossary of abbreviations

Onshore wind farms - YTD

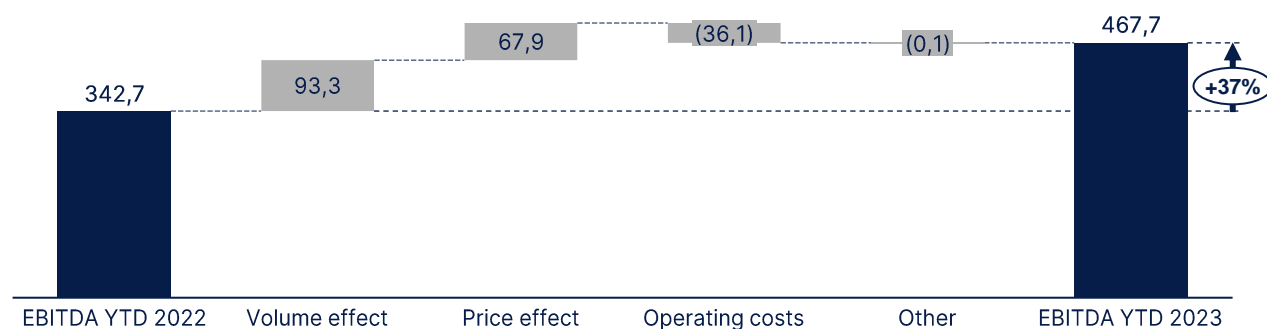
EBITDA build-up



Comment

- ▶ Higher net energy production volume due to construction of new wind farms.
- ▶ Increase in sales prices of electricity and green certificates at the segment level compared to 2022 (when the binding prices resulted from hedging transactions concluded in previous years).
- ▶ Increase in operating expenses, mainly due to including the costs associated with the maintenance of Dębsk, Kostomłoty, Piekło and Grabowo wind farms
- ▶ The "Other" item includes the reimbursement of the overpaid 2017 real estate tax for the Skurpie wind farm received in 2022.
- ▶ Revenues from awarded but not yet sold green certificates* and related selling costs are presented without IFRS 15 adjustment (as opposed to the presentation in the consolidated annual report).

EBITDA bridge

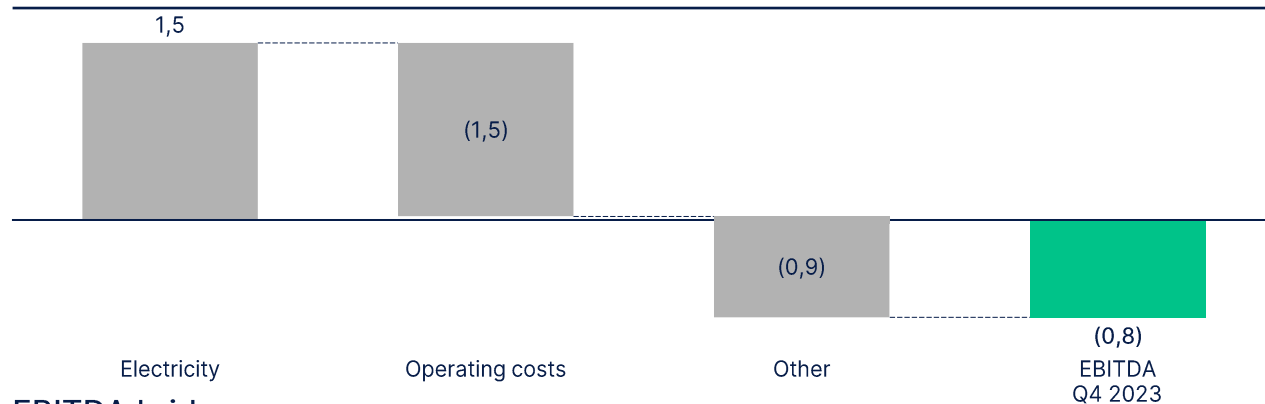


HIGHER PRODUCTION VOLUME AND HIGHER SALE PRICES OF ELECTRICITY AND GREEN CERTIFICATES, PARTLY SET OFF BY HIGHER OPERATING COSTS

* term explained in the glossary of abbreviations

Photovoltaics - Q4

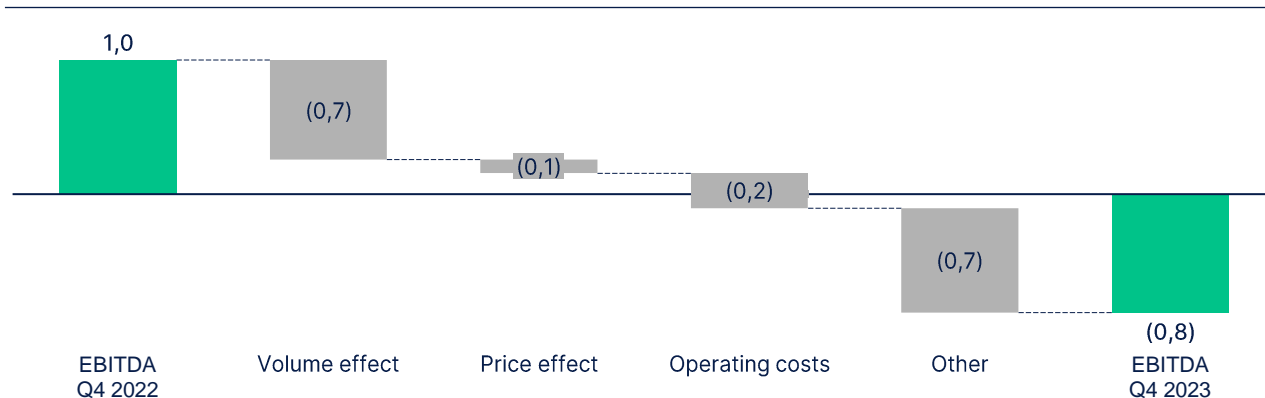
EBITDA build-up



Comment

- ▶ The result in the segment consists of revenues from the sale of electricity generated by the Sulechów I (8 MW), Sulechów II (11.7 MW), Sulechów III (9.8 MW) and Buk (6.4 MW) PV farms.
- ▶ The segment's EBITDA in Q4 2023 was at a lower level compared to the result in Q4 2022 (a decrease of -1.8 million PLN) due to a lower effective selling price at the farms, lower production in Q4 2023 higher operating costs in Q4 2023 related to the full operating period of the Buk PV farm, which began operations at the end of September 2022, and higher costs related to the development of the projects in the development phase.
- ▶ Volume produced in Q4 2023 by the Sulechów I farm was fully settled under the auction system. Sulechów II entered the auction system in November 2023. The volume produced by the Sulechów III and Buk during the period was sold at a price capped at the statutory price limit.

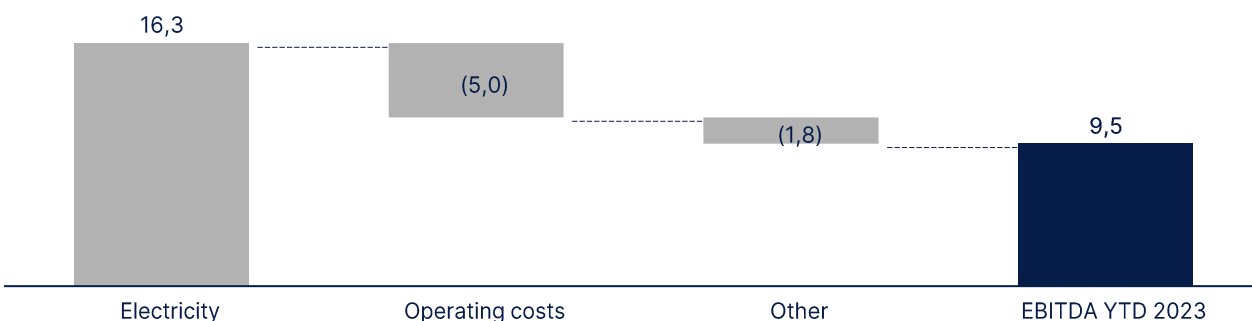
EBITDA bridge



LOWER RESULT DUE TO LOWER EFFECTIVE SELLING PRICE OF ELECTRICITY IN Q4 AND LOWER PRODUCED VOLUME

Photovoltaic - YTD

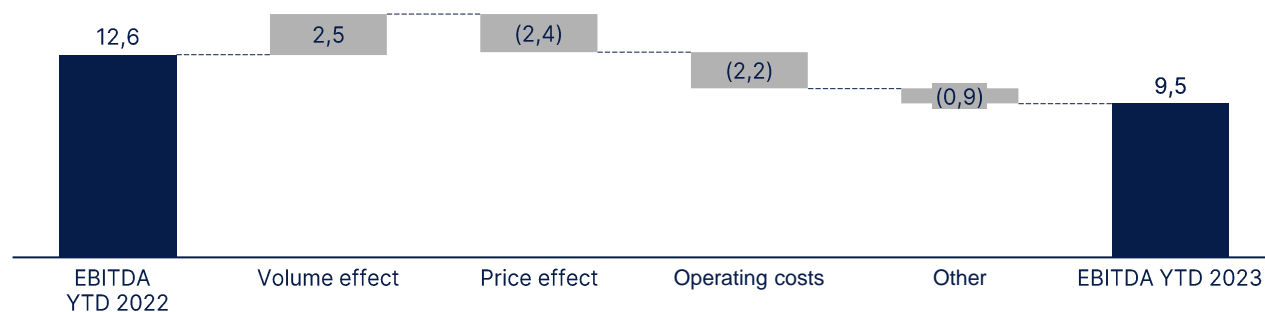
EBITDA build-up



Comment

- ▶ The PV segment's EBITDA was lower by PLN 3 million compared to the same period in 2022 due to the lower effective sales price of electricity in all farms, and higher operating expenses compared to 2022 (for a part of the projects the year 2023 was the first fully operational period).
- ▶ This effect was partly offset by higher production in 2023 compared to 2022.
- ▶ The volume generated in 2023 by the Sulechów I farm was fully accounted for under the auction system. Sulechów II entered the auction system in November 2023. The volume produced by the Sulechów III and Buk was sold at a price capped at the statutory price limit.

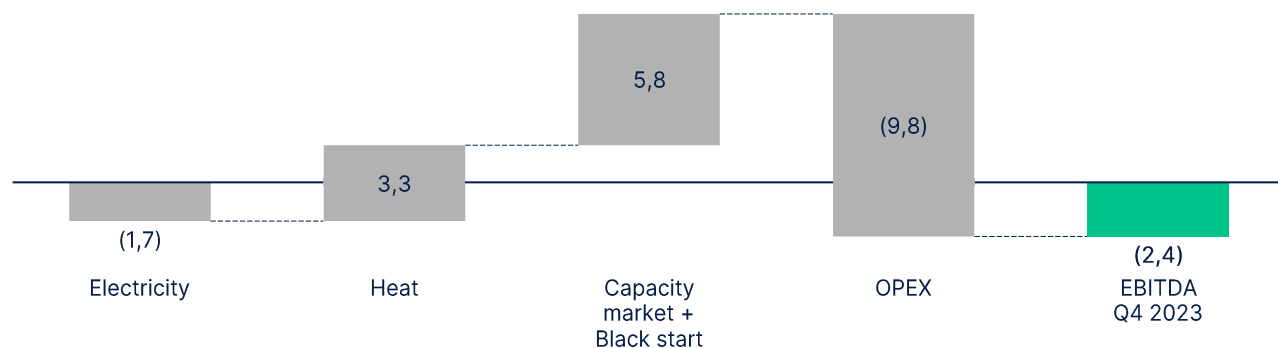
EBITDA bridge



DECREASED RESULT DUE TO LOWER EFFECTIVE PRICE OF ELECTRICITY SALES AND HIGHER OPERATING COSTS OF THE SEGMENT

Gas and Clean Fuels - Q4

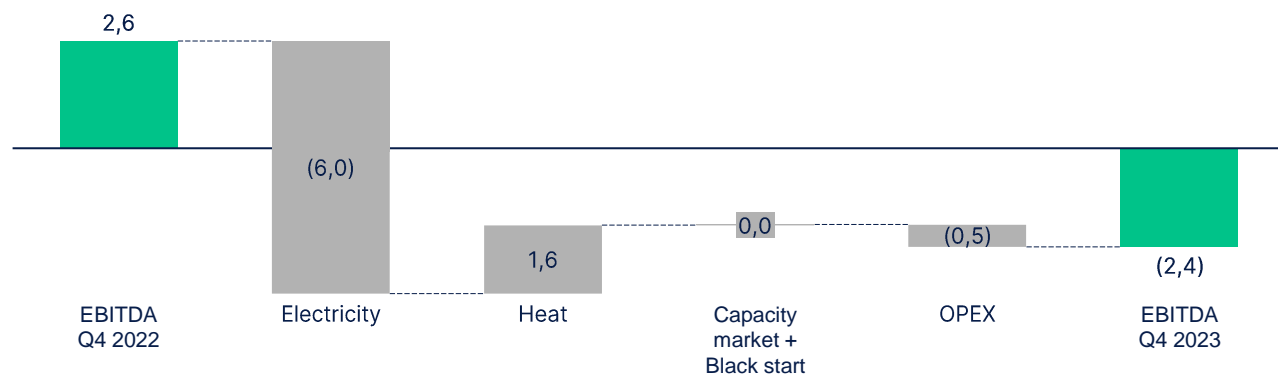
EBITDA build-up



Comment

- ▶ Energy - lower result on electricity as a result of the optimization process of ENS operation and additional margin on GWS service in Q4 2022 (5.5 million).
- ▶ Heat - higher result on heat in 2023 was due to better heat generation efficiency as a result of modernization performed and lower gas price.
- ▶ OPEX - higher costs of the transmission fee, gas price increase (increase in Gaz-System's tariff prices) and higher costs of due to higher inflation in 2023 vs. 2022.

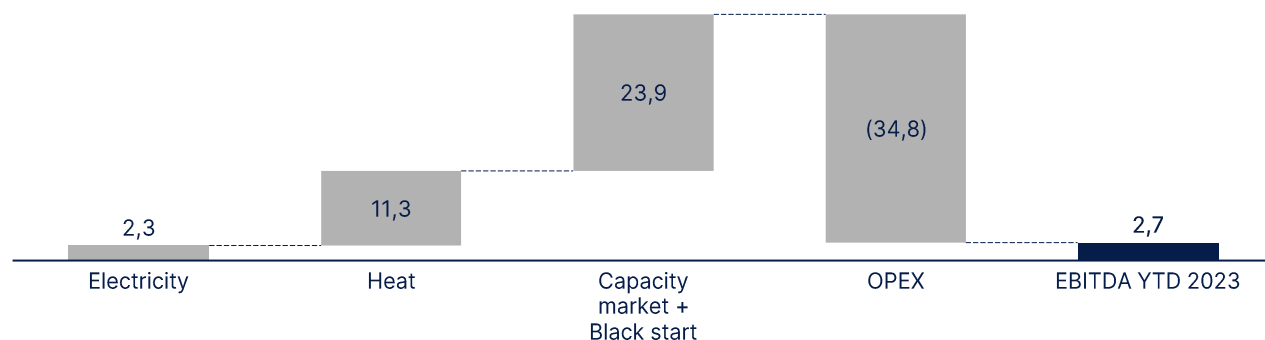
EBITDA bridge



LOWER EBITDA DUE TO A LOWER RESULT ON ELECTRICITY AND HIGHER FIXED COSTS PARTLY OFFSET BY A HIGHER RESULT ON HEAT.

Gas and Clean Fuels - YTD

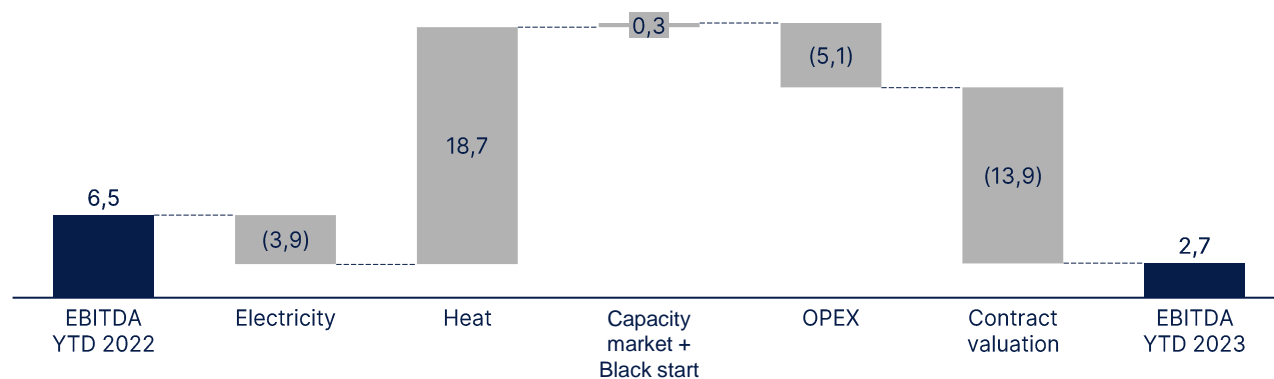
EBITDA build-up



Comment

- ▶ Lower result on electricity (taking into account the valuation of contracts) due to the ENS operation optimization process (mainly the evaluation in Q1 2022 of hedging and reversal transactions related to part of 2023 = 13.9 million) and a lower margin on the provision of the GWS service.
- ▶ Higher result on heat in 2023 was due mainly to better heat generation efficiency as a result of modernization performed and lower gas price.
- ▶ OPEX - higher costs of the transmission fee, gas price increase (increase in Gaz-System's tariff prices) and higher costs of due to higher inflation in 2023 vs. 2022.

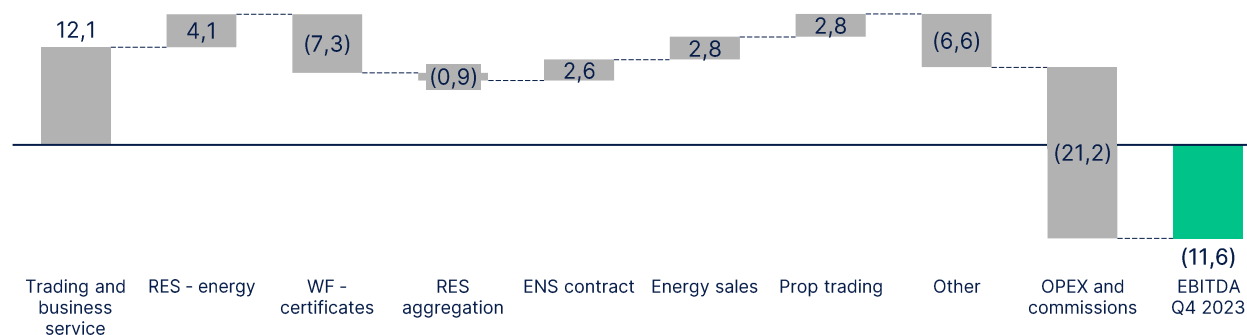
EBITDA bridge



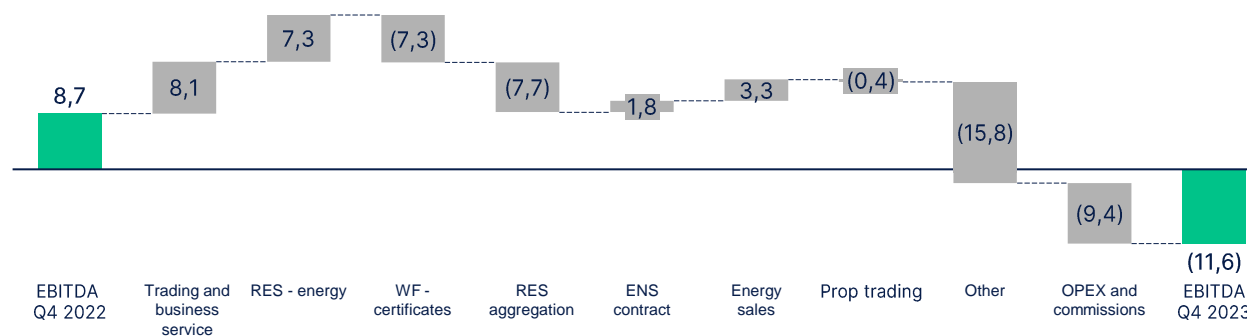
LOWER EBITDA DUE TO A LOWER RESULT ON OPTIMIZATION OF THE ELECTRICITY GENERATION PROCESS AND HIGHER FIXED COSTS PARTLY OFFSET BY A HIGHER RESULT ON HEAT.

Trading and Sales - Q4

EBITDA build-up



EBITDA bridge



Comment

► EBITDA decrease due to:

- lower result on green certificates trading due to lower market prices for green certificates,
- lower result on RES aggregation as a consequence of a one-time event in Q4 2022, i.e. the conclusion of agreements with customers partly offsetting the negative margin of earlier periods,
- lower result on other operations, including margin on sales of photovoltaic panels and heat pumps,
- higher operating costs due to increased scale of operations.

► EBITDA decrease partly offset by:

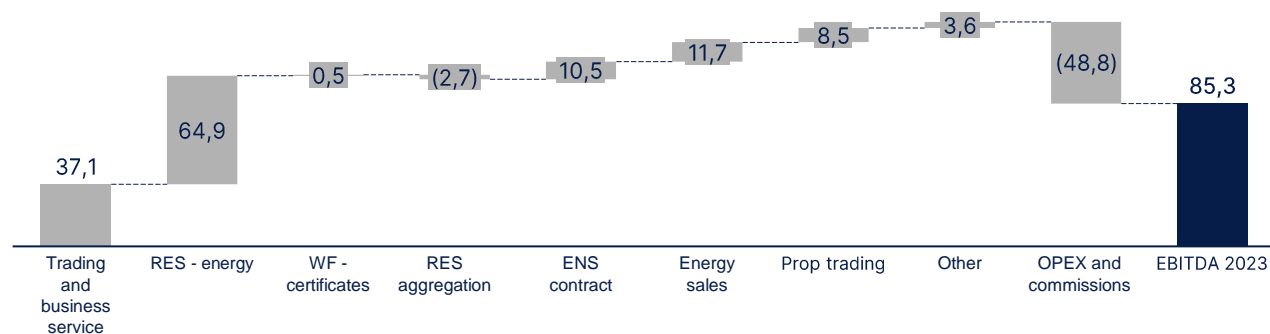
- higher result on trading and business service related to using price volatility on energy markets,
- higher result on energy sales from RES assets due to higher energy sales prices and lower impact of wind profile costs (compared to the hedged sales price).



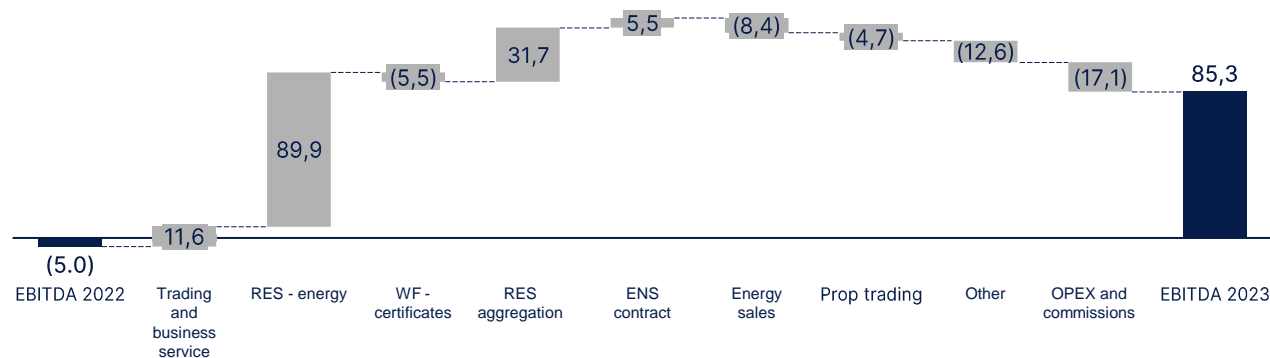
DECREASE IN THE RESULT ON GREEN CERTIFICATE TRADING, RES AGGREGATION, SALES OF PROSUMER ENERGY SOLUTIONS AND INCREASE IN OPERATING COSTS

Trading and Sales - YTD

EBITDA build-up



EBITDA bridge



Comment

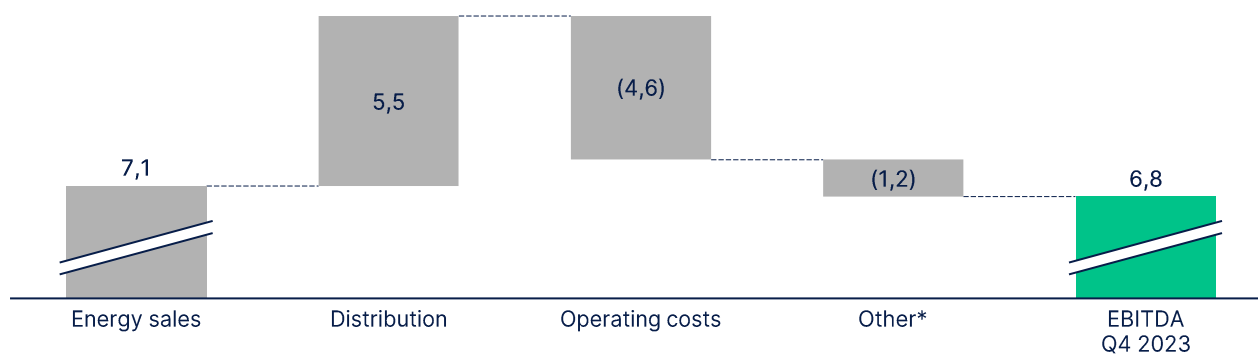
- ▶ EBITDA increase in the following areas:
 - energy sales from RES assets due to higher energy sales prices and lower impact of wind profile costs (compared to the hedged sales price) and higher volume due to the increased portfolio of generation projects,
 - RES aggregation, mainly as a consequence of terminating the contracts with a negative margin (resulting from dynamic changes on the electricity market) in 2022,
 - trading and business service related to using the price volatility on energy markets,
 - ENS service contract using the short term volatility of *Clean Spark Spread*,
- ▶ The EBITDA increase was partly offset by:
 - lower result on energy sales mainly related to the recognition of a one-time result on the valuation of forward transactions last year,
 - lower result on green certificates trading due to a decrease in market prices of green certificates,
 - lower result on other operations including margin on sales of photovoltaic panels and heat pumps,
 - lower margin on prop trading activities,
 - higher operating costs due to increased scale of operations.



HIGHER MARGIN ON ENERGY TRADING FROM GROUP ASSETS, RES AGGREGATION AND TRADING AND BUSINESS SERVICE AND CONTRACT WITH ENS

Distribution - Q4

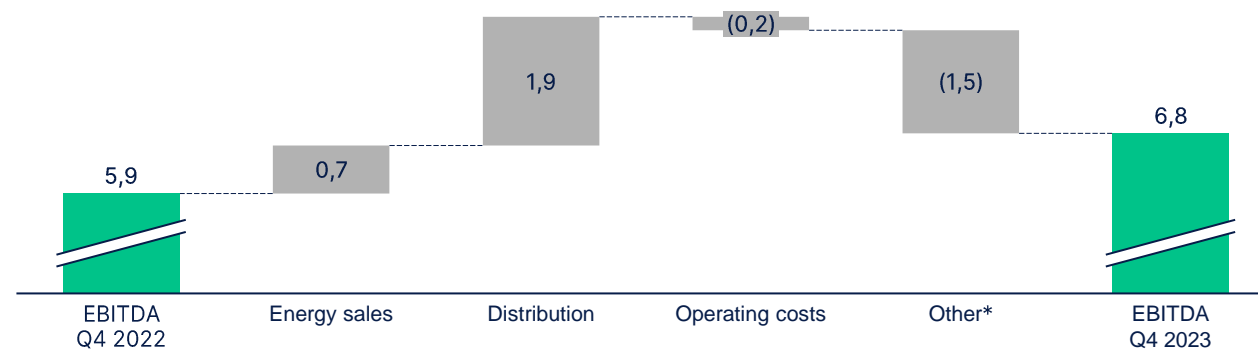
EBITDA build-up



Comment

- ▶ The distribution segment recorded EBITDA 0.9 million higher compared to the same period last year, mainly due to:
 - entry into force of the new distribution tariff (13.05.2023),
 - higher revenues on account of connection fees.
- ▶ offset by:
 - lower margin on the sale of electricity due to lower sales volume
 - higher operating costs due to increased scale of operations,
 - costs incurred in the development of electromobility projects.

EBITDA bridge

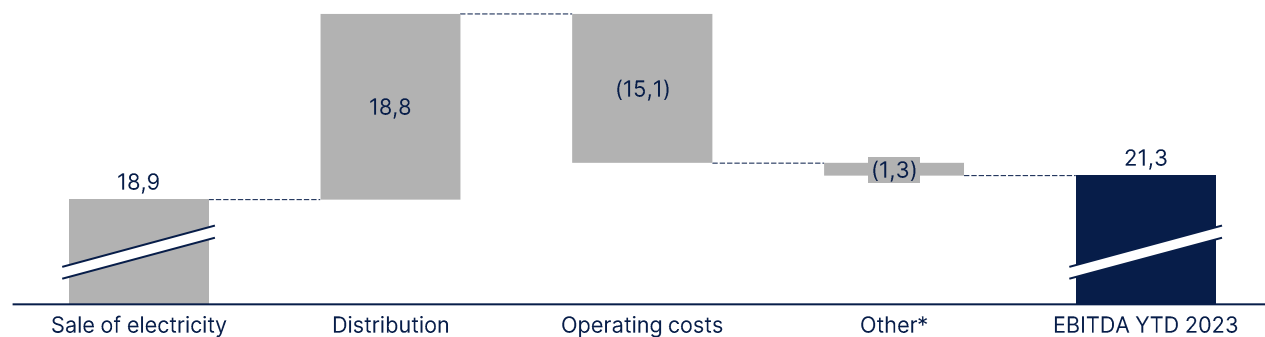


EBITDA OF THE DISTRIBUTION SEGMENT HIGHER BY 0.9M IN Q4 2023 COMPARED TO THE RESULTS IN THE SAME PERIOD OF LAST YEAR.

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

Distribution - YTD

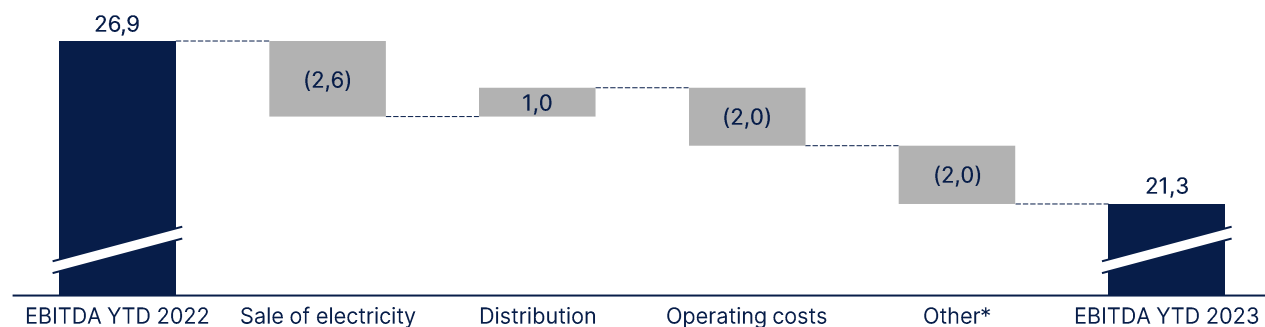
EBITDA build-up



Comment

- ▶ The distribution segment recorded a PLN 5.6 million decrease in EBITDA compared to the same period last year, mainly due to:
 - lower unit margin on energy sales in the first half of the year,
 - lower margin on electricity distribution (mainly due to the delay in updating the distribution tariff),
 - higher operating costs resulting from increased scale of operations,
- ▶ partly offset by:
 - higher revenues from connection fees.

EBITDA bridge









DECREASE IN EBITDA DUE TO LOWER UNIT MARGIN ON ENERGY SALES, LOWER MARGIN ON ELECTRICITY DISTRIBUTION AND HIGHER OPERATING COSTS.

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

Progress of the Group's strategy implementation





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

Finalization of the construction of the Strzelino photovoltaic farm (45.2 MW), conclusion of key agreements for the MFW Baltic II and MFW Baltic III projects

Area	Status
 Onshore wind farms	 <ul style="list-style-type: none"> ▶ In the second half of August, the Piekło wind farm project (13.2 MW), which received support under the RES support auction system, was completed, and in September the Grabowo wind farm project (44 MW) was completed.
 Photovoltaics	 <p>Projects in advanced phase of development:</p> <ul style="list-style-type: none"> ▶ Strzelino Photovoltaic Farm with a capacity of approx. 45.16 MW, which received support under RES auction in December 2021, obtained Use Permit. Key contracts were concluded in Q1 2023, the investment loan agreement was entered into in May 2023. The project is awaiting Generation Licence. ▶ PV Szprotawa II and PV Rajkowy won the November RES auction. ▶ Conclusion of contracts for EPC and supply of photovoltaic modules for Szprotawa I and Szprotawa II projects and commencement of their construction
 Offshore wind farms	 <p>The projects in advanced development phase – MFW Bałtyk II and MFW Bałtyk III (total planned capacity of approx. 1.4 GW):</p> <ul style="list-style-type: none"> ▶ On 15 February 2024, MFW Bałtyk II and MFW Bałtyk III entered into the contracts with Siemens Games Renewable Energy Sp. z o.o., a company from the Siemens Energy AG group, for the supply of wind turbines for the implementation of the MFW Bałtyk II and MFW Bałtyk III offshore wind farm projects, respectively, and the contracts for the performance of warranty services for the wind turbines composing the offshore wind farms. The Project Companies estimate the total amount of capital expenditures to be incurred under the contracts, including in connection with the exercise of options, at approximately EUR 1.8 billion. ▶ On 16 February 2024, the MFW Bałtyk II and MFW Bałtyk III project companies entered into contracts with SIF Netherlands B.V. for the manufacture and delivery of monopile – type foundation structures for wind turbines. Under the contracts 100 monopiles will be produced on which wind turbines will be mounted. 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 was tentatively set, as of the date of signing the agreements, at about EUR 440 million. <p>Projects in the early phase of development:</p> <ul style="list-style-type: none"> ▶ Continued work on the MFW Bałtyk I project, aimed at preparing the project for auction.





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

Continued intensive development of the Group's operations, acquisition of new locations for the construction of charging stations by Polenergia eMobility and continued implementation of the IV investment plan by Polenergia Dystrybucja.

Area	Status
 Distribution	 <ul style="list-style-type: none"> Polenergia Dystrybucja has been implementing IV investment plan for the years 2021-2026 for the total amount of PLN 105 million in compliance with the prior adopted schedule. Polenergia eMobility has been actively acquiring locations for the construction of public charging stations throughout the country, and building further charging stations. The Company has been developing functionalities of the software system for operating charging stations and for customer service in the client application. A call center service has also been launched. In 2022 and 2023, the company applied in 3 programs related to subsidizing the charging stations by the National Fund for Environmental Protection and Water Management (NFOŚiGW) and in 2023 applied in 1 CEF program (Connecting Europe Facility).
 Trading and Sales	 <ul style="list-style-type: none"> The Group is modifying the strategy implemented in the trading and sales segment, adapting to changing market conditions and the increasing costs of securing end users and profiling RES sources. Offering to end users is carried out with particular attention to risks and potential costs that may affect realized margins. The Group continuously recalculates financial risks and costs related to securing the positions of consumers and producers on the futures market. The implemented regulations limiting energy sales prices and deductions payable to the Price Settlement Authority fund which were in force until the end of 2023 largely inhibited the possibility of dynamic development of sales and activities related to the aggregation of external RES. The Company has been intensively developing a sales model in long-term cPPAs based on the Group's existing and newly built generation assets. 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. Trading on own account on wholesale markets (prop trading) is successively performed, and the implemented trading strategies take advantage of market volatility with a positive effect, while maintaining restrictive measures to limit risk exposure. In 2023, the Company pursued its prosumer energy strategy. The offer is mainly aimed at customers with single-family homes. In its product portfolio, the Company has, among other things, photovoltaic installations and heat pumps. Additionally, in 2023, the company enriched its offer with energy storage. Customers signing a contract to purchase the company's products also have the option to change their electricity supplier to Polenergia Sprzedaż.

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

Polenergia has been actively participating in humanitarian support for refugees from Ukraine, supporting the development of future staff in the energy sector, providing environmental and climate education, and taking up activities to strengthen relations with local communities.

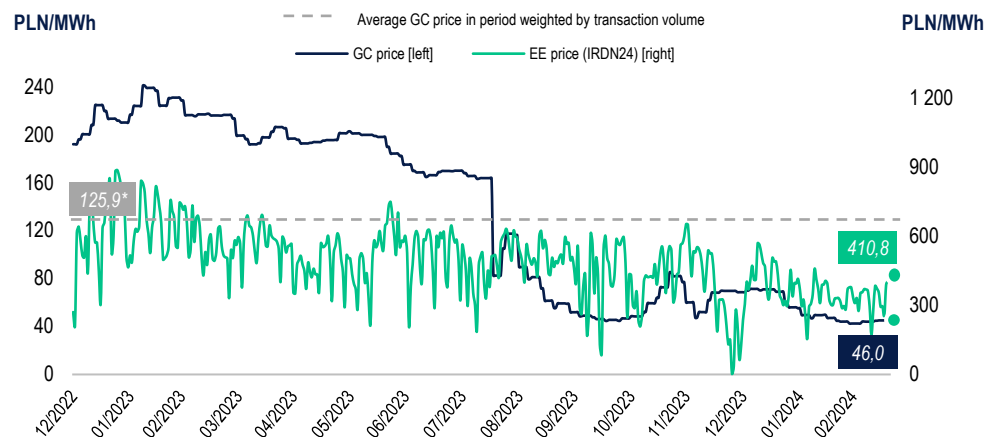
Area	Status
 Gas and clean fuels	 <ul style="list-style-type: none"> ▶ In 2023 the EC Nowa Sarzyna (Heat and Power Plant), as the participant in the Capacity Market has continued to perform the capacity obligation as per the contract entered into with Polskie Sieci Elektroenergetyczne and to provide the black start and system restoration service for PSE. ENS also participates in the secondary power market. Due to the emergence of positive CSS, ENS produced energy in a dynamic way from May to December 2023 using an optimized operating model. ▶ Polenergia has been developing a large scale 105 MW project for generation and storage of hydrogen produced by water electrolysis using its own renewable energy. The project has received a notification decision from the European Commission, approving a maximum ceiling of EUR 142.77 million in state aid for the H2Silesia project. ▶ The Company concluded a contract for the delivery and commissioning of an electrolyzer with a capacity of 5 MW. The Company received financing from the International Finance Corporation (IFC) to implement the project, in the amount of up to EUR 600 thousand. ▶ ENS has been preparing for the production of renewable hydrogen and for the co-combustion of natural gas with hydrogen, and actively participates in the creation and development of the Subcarpathian Hydrogen Valley. ▶ In June 2023 Polenergia Elektrociepłownia Nowa Sarzyna entered into an agreement with the National Fund for Environmental Protection and Water Management (NFOŚiGW) to subsidize a project for the construction of two hydrogen refueling stations, along with accompanying infrastructure, in two locations: in the area bordering Elektrociepłownia Nowa Sarzyna and in Rzeszów. The total amount of subsidy awarded will amount up to PLN 20 million. A bidding process has also been underway to select an EPC contractor for the project.
 Corporate Social Responsibility	 <p>The Company:</p> <ul style="list-style-type: none"> ▶ Is involved in humanitarian aid for refugees from Ukraine. This is a continuation of the support for male and female refugees residing in the municipality of Nowa Sarzyna and Pelplin. Additionally, psychological support is provided for Ukrainian pupils attending primary schools in Warsaw (Mobile Psychologist campaign by Stowarzyszenie Q Zmianom). ▶ Actively works to support the development of future staff: involvement in the organization of classes at the Academy of ESG Women Leaders (support for women) organized by the Lesław Paga Foundation. ▶ Organizes educational events for employees to increase sustainability knowledge (webinar "ESG under a magnifying glass") ▶ Takes actions for D&I (Diversity and Inclusion), supported Rural Women's Associations, Senior Clubs and organizations acting in favor of people with disabilities. ▶ Actively promotes charitable activities by organizing employee volunteering (organization of collections: for Senior persons "Open your Heart for Christmas" and Szlachetna Paczka (Noble Parcel) - helping 5 families, helping animals from 3 shelters; MAMY MOC! grant competition for employees enabling the implementation of one's own idea for volunteer work) ▶ Implements the "Eco Office" project: involving female employees in the collection of electro-waste. ▶ Is involved in ecological and climate education activities: the second edition of the Play with us in green!® project including the promotion of the "Climate Reading" campaign and supports the organization of ecological competitions. ▶ Takes actions to strengthen relationship with local communities, maintained a dialog with representatives of municipalities and associations operating within the Group's projects.

Appendices

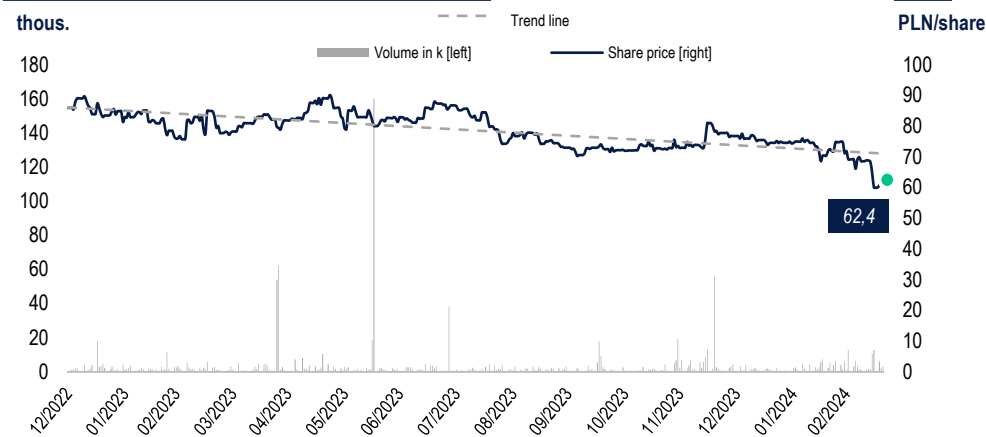


Key indexes and market prices

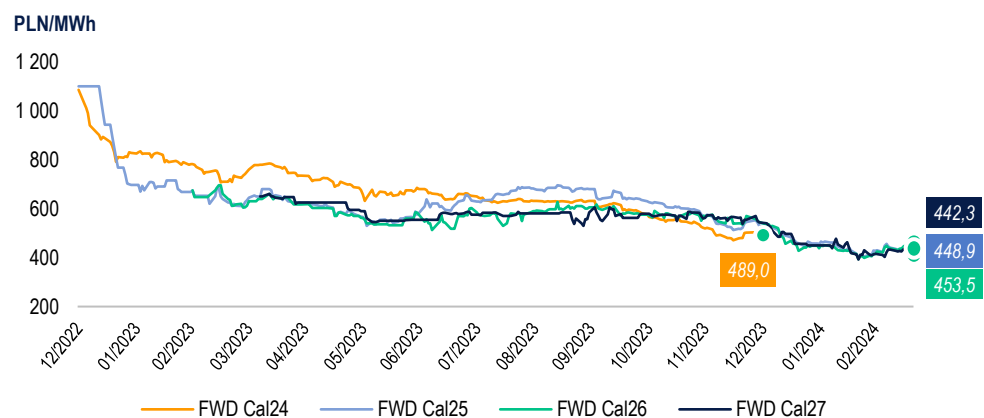
Prices of green certificates and electricity



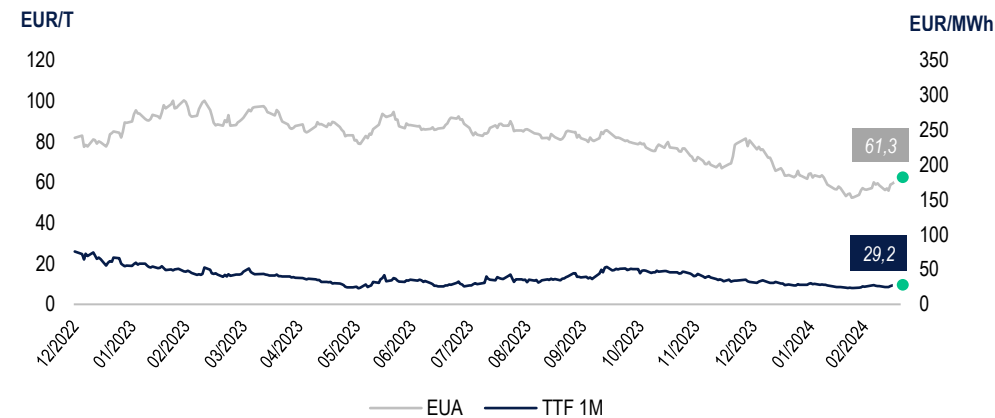
Stock exchange price quotations of Polenergia S.A. shares



Forward electricity prices



CO₂ emission allowance quotations and gas price on TTF



* Average GC price weighted against the transaction volume in the corresponding period of the preceding year was: 183.5 PLN/MWh

Glossary of abbreviations



Term



Definition

Revenues on account of granted and yet unsold green certificates	<p>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.</p> <p>Revenues from granted but not yet sold green certificates presented on slides 16 and 17 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.</p>
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
Net profit adjusted	Net profit adjusted is defined as net profit without taking into account economic events such as: accounting for the purchase price as at the acquisition date, impairment losses on non-financial fixed assets (including goodwill) and impairment losses on financial assets measured using the equity method, net finance profit/loss related to measurement of borrowings using the amortized cost method, unrealized foreign exchange gains or losses, operating result resulting from the change in the Group's strategy, impact of income tax on the economic events listed above.
TJ, GJ	Terajoule, Gigajoule
RES	Renewable Energy Sources
Proprietary trading	Trade on own account using own funds
SLA	Service Level Agreement
SEG	Social, Environment and Governance
EHS	Environment, Health and Safety
YTD	Year-to-date, cumulative from the beginning of the year
Act on price freezing	Act on special solutions to protect electricity consumers in 2023 in connection with the situation on the electricity market, implemented on 7 October 2022.
CSS	Gross margin from the sale of a unit of electricity in gas-fired generating units (<i>Clean Spark Spread</i>).



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