

Polenergia S.A.

**DIRECTORS' REPORT ON THE OPERATIONS OF POLENERGIA S.A.
FOR THE YEAR ENDED 31 DECEMBER 2025**

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1. Profit and loss account of Polenergia S.A. for a 12-month period ended 31 December 2025

Polenergia S.A. Income Statement (PLN k)	12M 2025	12M 2024	Difference YoY
Sales revenues	81 432	62 784	18 648
Cost of sales	(61 582)	(48 792)	(12 790)
Gross profit on sales	19 850	13 992	5 858
Other operating revenue	2 343	444	1 899
General overheads expenses	(115 224)	(100 840)	(14 384)
Other operating expenses	(1 521)	(1 409)	(112)
Operating profit (EBIT)	(94 552)	(87 813)	(6 739)
Depreciation/Amortization	8 382	7 056	1 326
EBITDA	(86 170)	(80 757)	(5 413)
Financial income	634 743	177 406	457 337
<i>including dividends</i>	559 756	129 313	430 443
Financial costs	(451 162)	(25 540)	(425 622)
Gross profit (loss)	89 029	64 053	24 976
Income tax	(1 673)	6 981	(8 654)
Net profit (loss)	87 356	71 034	16 322

The increase in sales revenue in 2025 compared with the preceding year is primarily attributable to a larger cost base (an increase in selling expenses) and, consequently, to a greater allocation of costs to operating companies (+10.8 million), to companies in development (+2.9 million), and to companies dealing with the offshore wind farm projects (+5 million).

The selling expenses were by PLN 12.8 million higher in 2025 compared to that incurred in 2024, resulting mainly from the Group's growth.

In aggregate, costs by type increased by PLN 27 million. A detailed breakdown of total costs by type is presented in Note 29 to the standalone financial statements.

General overheads were by PLN 14.4 million higher than the preceding year as a result of an increase in operating expenses (growth-related costs of the group, salaries and employee benefits, third-party services) and costs billed under SSC services.

In 2025, other operating revenues were higher by PLN 1.9 million compared with other operating revenues recognized in 2024, primarily as a result of a higher reversal of impairment allowances on receivables.

In 2025, other operating expenses were by 0.1 million higher than other operating expenses in 2024, mainly due to higher donations made in 2025.

Operating profit (EBIT) dropped by PLN 6.7 million down to the level of PLN -94.6 million, mainly due to higher third-party service and payroll costs, lower profit before tax on sales and higher other operating expenses and lower other operating revenues.

On the level of EBITDA, the Company reported a loss of PLN -86.2 million (which is a lower result by PLN 5.4 million compared to 2024).

Financial income in 2025 was by PLN 457.3 million higher than that achieved in 2024, primarily due to higher dividend income (by PLN 430.4 million) and high cash level permitting generating interest gains on deposits.

The finance costs in 2025 amounted to PLN 451.2 million and were higher by PLN 425.6 million than in 2024. The increase in financial expenses is mainly attributable to higher costs associated with servicing debt financing (bonds and loans). Total interest expense: PLN 117.6 million, debt security: PLN 30.8 million, costs related to the servicing of offshore wind farm projects: total costs PLN 26.9 million, costs associated with the launching of RCF: PLN 5 million and costs related to impairment adjustments arising from the discontinuation of photovoltaic and wind farm projects in the development phase; impairment also affected operational photovoltaic farms based on year-end impairment tests of equity interests, as well as on the companies: POLPV, H2HUB and H2Silesia: total impairment losses amounted to ca. PLN 255 million.

Income tax in 2025 amounted to PLN -1.7 million and was by PLN 8.7 million higher than in the preceding year. The higher income tax burden resulted mainly from discontinuing recognition of an asset for tax losses, due to the low probability of utilizing those losses.

As a result of the abovementioned events, the Company reported a net profit for the period of 12 months ended 31 December 2025 amounting to PLN 87.4 million.

2. Legal regime

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

3. Organizational structure of the Group

For a description of the structure of Polenergia S.A.’s Group that Polenergia S.A belongs to (the “Group”), refer to Note 7 to the Consolidated financial statements.

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

A detailed analysis of economic and financial data which presents Group’s full performance can be found in the Director’s Report on the Group’s operations.

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

Major economic and financial data (PLN k)	12M 2025	12M 2024	Difference YoY
Sales revenues	81,432.0	62,784.0	18,648.0
EBITDA	-86,170.0	-80,757.0	-5,413.0
Net profit (loss)	87,356.0	71,034.0	16,322.0

In comparison with 2024, performance in the year ended 31 December 2025 was driven by the following factors:

- a) On the level of EBITDA (lower result by PLN 5.4 million relative to 2024):

- General overheads were higher (by PLN 14.4 million) driven by an increase in operating expenses (growth-related costs of the group, salaries, bonuses and employee benefits, third-party services) and additional costs related to the finalization of the Bałtyk I project,
 - Partly offset by higher profit on sales before tax (PLN 5.9 million), and higher SSC revenues resulting from a higher allocation of costs to operating companies, companies in the development phase, and the Bałtyk projects,
 - Slightly higher other operating expenses (by PLN 0.1 million) mainly due to higher amounts of donations made in 2025,
 - Higher other operating revenues (PLN 1.9 million), primarily due to a higher reversal of impairment allowances on receivables.
- b) On the level of Net Profit (increase by PLN 16.3 million relative to the 2024 result):
- The EBITDA effect (lower result by PLN 5.4 million relative to 2024),
 - Higher depreciation/amortization (by PLN 1.3 million) resulting from the lease of the new office space (increased depreciation of leased fixed assets),
 - Financial revenues higher by PLN 457.3 million, primarily attributable to the dividends received and high cash balances which permitted generating interest gains on deposits,
 - The increase in financial expenses by PLN 425.6 million is mainly attributable to higher financial expenses associated with servicing debt financing (bonds and loans). Total interest expense: PLN 117.6 million, debt security: PLN 30.8 million, costs related to the servicing of offshore wind farm projects: total costs PLN 26.9 million, costs associated with the launching of RCF: PLN 5 million and costs related to impairment adjustments arising from the discontinuation of photovoltaic and wind farm projects in the development phase; impairment also affected operational photovoltaic farms based on year-end impairment tests of equity interests, as well as on the companies: POLPV, H2HUB and H2Silesia: total impairment losses amounted to ca. PLN 255 million.
 - An increased income tax burden by PLN 8.7 million resulting from the discontinuation of recognition of the deferred tax asset arising from tax loss.

GROWTH PROSPECTS

Polenergia S.A. (the "Company") is a holding company of the Polenergia Group (the "Group"). This means that in this document we refer to the development prospects of the Polenergia Group as a whole, rather than solely to the activities of the Polenergia S.A. company. The holding company performs managerial and strategic functions for its subsidiaries, focusing on defining the Group's development directions, coordinating activities and creating value across the entire value chain.

Onshore wind farms and photovoltaic farms

The Company operates renewable energy projects of the capacity of 493 MW in the onshore wind power segment, as well as 149 MWp in the PV farm segment.

The implementation of the Szprotawa I and II PV farm projects with a total capacity of 67 MWp has come to an end. In early April 2025, technological commissioning of the facility began. The project obtained all necessary operating permits and concessions for electricity generation and was handed over for operation.

With respect to the Rajkowy photovoltaic farm project with a capacity of 35 MWp, following the successful auction for the sale of energy from renewable energy sources in 2023, resolutions approving the final investment decision were adopted in June 2025, which means that the corporate approvals necessary for the implementation of the project were obtained. A contract was entered into with the contractor for installation and electrical works, as well as contracts with suppliers of, among others, photovoltaic modules and inverters. In September 2025, the first construction works began – earthworks and construction site facilities. In the fourth quarter of 2025, deliveries of all key components commenced. A loan agreement was executed in December 2025. All works have been performed in line with the work program and budget. Construction is scheduled to be completed in 2026.

Following its successful bid in the December 2024 auction for the sale of electricity originating from renewable energy sources (with respect to less than 1% of the volume of planned electricity generation), the Polenergia Farma Wiatrowa Bądecz wind farm project (48.3 MW) is currently in the process of obtaining the remaining necessary documents and administrative decisions required before the final investment decision is made.

In addition to projects in operation, the Group has a portfolio of projects in the medium and early stages of development, including wind farms (ca. 1 GW) and photovoltaic farms (ca. 0.9 GW). The Group does not exclude the participation of subsidiaries developing wind farm projects and photovoltaic farms in the next RES auctions, as well as subsidiaries developing energy storage projects, in the capacity market auction. Various forms of commercialization of production will be considered for individual projects, including bidding a portion of the production in the RES auctions to come, selling energy to end customers under PPA contracts or selling energy in the regulated or over the counter market.

The Group is also working on developing a portfolio of battery energy storage system (BESS) projects. These include predominantly projects that will be complementary to the Group's existing wind farms and PV farms or those in development. The Group currently has a portfolio of BESS projects with a capacity of ca. 700 MW at various stages of development. The first projects are likely to reach the ready-to-build status in 2026. Detailed information on material contracts from the perspective of the Company's operations, including those relating to energy storage can be found in section 11 *"Information on concluded contracts significant for the Issuer's activity, including contracts between shareholders (partners), insurance, cooperation or collaboration contracts known to the Issuer"*.

The Group continues to develop wind projects in the Romanian market through its subsidiary Wind Farm Four Srl ("WF4"). WF4 is performing development work on a wind farm project portfolio of the total connection capacity up to 685.6 MW developed by seven special purpose vehicles. In the reported financial year, WF4's activities focused on meeting the grid connection conditions obtained in June 2023, in particular by submitting building permits for the generation components of the projects to the relevant electricity system operator, in accordance with the applicable provisions of Romanian law. In the second quarter of 2025, project companies obtained local zoning plans (Plan Urbanistic Zonal – PUZ). During the second half of the year, works were carried out under the DTAC procedure (Documentatia Tehnica pentru obtinerea Autorizatiei de Construire), including preparing technical documentation and obtaining administrative decisions, consents, and permits required pursuant to the urban planning certificate for the individual projects. On 12 December 2025, the project companies obtained final building permits (Autorizația de Construire) for the power-generating portion of the wind farms. As of the date of this report, further development work is underway, including, in particular, in terms of obtaining a building permit for the infrastructure to evacuate power from the planned wind farms. According to the current schedule, the projects should achieve full ready-to-build status (RTB) by the end of 2026, while the final investment decision (FID) is planned for the second quarter of 2027.

One of the company's key strategic goals is to secure energy production from the Group's operating assets over the long term. To maximize value by managing the quality and predictability of revenues, the Group focuses on selling the volume of generated electricity through the following channels: contracts for difference (auctions) and power sales agreements to end customers, in particular PPAs, forward and spot contracts.

As at 31.12.2025, the Group hedged 92% of its generation target for the year 2026, achieving a weighted average net price of PLN 410/MWh (after deducting the estimated profile cost). The energy sales price for 2026 is lower compared to 2025, due to the downward trend in the electricity forward market.

The table below shows the level of commercialization of electricity from the Group's wind and photovoltaic assets in the years 2026-2030:

	2026	2027	2028	2029	2030
Auction	19%	18%	25%	40%	40%
Other hedging instruments	73%	50%	35%	15%	15%
Total	92%	68%	60%	55%	55%

Offshore wind farms (MFW)

Development works in the offshore wind power segment have been continued. The Group holds a 50% interest in the companies MFW Bałtyk I sp. z o.o. ("MFW BI", "MFW Bałtyk I", "Bałtyk I") (and, through it, also controls 50% of the shares in MFW Bałtyk I S.A.), MFW Bałtyk II sp. z o.o. ("MFW BII", "MFW Bałtyk II", "Bałtyk II") and MFW Bałtyk III sp. z o.o. ("MFW BIII", "MFW Bałtyk III", "Bałtyk III"), which are developing three offshore wind farms located in the Baltic Sea with an aggregate capacity of up to 3,000 MW.

MFW Bałtyk II and MFW Bałtyk III

The Group holds 50% of the shares in the companies MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o. building offshore wind farms with the capacity of 720 MW each. These are the projects in Phase I of the support system that could be applied for until 31 March 2021.

In the first half of 2025, key decisions and approvals were obtained giving rise to the commencement of works in terms of HDD (horizontal directional drilling) through the landfall. In the second half of 2025, decisions from the Ministry of Climate and Environment were obtained approving the geological and engineering documentation for the MFW BII and MFW BIII areas, also the geological and engineering documentation for the BII and BIII offshore cables was submitted for approval.

Key activities within the scope of PEP (Project Execution and Permitting) responsibilities are focused on ensuring full formal and legal readiness for the commencement of construction works for the individual components of the MFW Bałtyk II and III project. These include oversight of the implementation of permitting plans and the ongoing fulfillment of obligations arising from administrative decisions and the provisions of law required for the commencement and execution of individual works.

As part of the activities, permitting readiness was secured for key offshore activities - campaigns to remove boulders and hazardous materials in the areas of cables and farms, as well as the scour protection at the foundation locations for the turbines and the MFW Bałtyk II offshore substation.

In December 2025, the decisions granting building permits for the onshore substation and the onshore

cable of MFW Bałtyk II were amended, allowing the conditions for implementing the project to be adjusted to the project's current status. In addition, with respect to updates of administrative decisions, an amendment to the environmental decisions for MFW Bałtyk II and MFW Bałtyk III is being processed. The decisions are expected to be issued in the second quarter of 2026.

Throughout 2025, construction work continued on the ONS Bałtyk II and ONS Bałtyk III substations, 220 kV and 400 kV cable lines for Bałtyk II and Bałtyk III, and the landfall crossing (HDD drilling in the sea-land area). As part of the initial offshore works, in 2025 a boulder removal campaign and a hazardous materials removal campaign were carried out in the area of the offshore cables and the BII and BIII farms.

As part of the implementation of the Projects, continuous active operations in the area of stakeholder management, information, communication and education have been performed. A temporary compensation system for fishermen has been prepared and implemented in connection with the coexistence of fishing activities with the construction of the MFW Bałtyk II and MFW Bałtyk III offshore wind farms. In addition, there is ongoing dialog with project stakeholders, including the local community in the vicinity of the project sites.

On 19 May 2025 the shareholders of the companies MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o., i.e. Polenergia S.A. ("Polenergia S.A" or "Company") and Equinor Wind Power AS adopted resolutions of the general meeting of shareholders of the project companies on making Final Investment Decisions (FID) triggering the construction phase of the offshore wind farms Bałtyk II and Bałtyk III and approving budgets and development plans of the above projects for the construction phase ("Business Plan").

According to the approved Business Plan, completion and commissioning of the projects is planned for the first half of 2028 for Bałtyk II and the second half of 2028 for Bałtyk III. The first power generation from both projects is planned for 2027.

The total capital expenditures and operating expenses of the construction phase projected in the Business Plan (excluding financing costs during construction) will be about EUR 3.2 billion for MFW Bałtyk II and about EUR 3.2 billion for MFW Bałtyk III, the JV partners being responsible for providing financing in equal shares.

The project will be implemented under the project finance formula provided by a syndicate of Polish and international financial institutions. Repayment of project finance will be based on future cash flows generated by the Bałtyk II and Bałtyk III projects.

As at the date of adoption of the resolutions, the Management Board of Polenergia S.A. anticipated that Polenergia S.A.'s equity contribution to the projects would be financed with funds from the National Plan for Recovery and Resilience under a loan granted to the Company by Bank Gospodarstwa Krajowego, green bonds issued by the Company, the Company's equity funds and settlements for energy generated and injected into the grid during the technological start-up period before reaching the operational phase.

On 20 May 2025, the companies MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o. completed the process of entering into facilities agreements to finance the construction of offshore wind farms Bałtyk II and Bałtyk III ("Facilities Agreements").

The Facilities Agreements were entered into with a syndicate of ca. thirty Polish and international financial institutions.

Based on the Facilities Agreements, the project companies obtained financing under the (non-recourse) project finance formula to finance their expenditures in the amount of ca. EUR 2.9 billion for MFW Bałtyk II sp. z o.o. and ca. EUR 2.9 billion for MFW Bałtyk III sp. z o.o. The financing period

covers the construction period and the subsequent 22 years.

In addition, in the event of project cost overruns or lower than expected cash flows during the start-up period of projects, Polenergia S.A. may be required to make an additional equity contribution of up to EUR 280 million. In this regard, the Company's obligation will be secured by bank guarantees issued on behalf of Polenergia S.A. and the Company's corporate guarantee.

In addition, in accordance with the Facilities Agreements, the project companies will have an option to use additional and standby credit facilities in the total amount of ca. EUR 230 million for MFW Bałtyk II sp. z o.o. and ca. EUR 240 million for MFW Bałtyk III sp. z o.o.

The interest rate on project finance funding will be calculated on the basis of variable interest rates based on EURIBOR or WIBOR, plus appropriate margins.

The terms and conditions of the Facilities Agreements provide for the establishment of certain securities by the project companies. Those terms and conditions further provide that Polenergia S.A. shall be a party to certain agreements and actions taken in connection with the project finance and the security established, including, but not limited to, an intercreditor agreement, a shareholder support agreement and the related aforementioned Escrow Accounts agreement and parent company guarantees, as well as the gaps agreement, the shareholder security assignment agreement, and the pledge agreement on the shares of Polenergia S.A. in the share capital of the project companies MFW Bałtyk II and MFW Bałtyk III and on the Escrow Accounts. In connection with the pledge on the shares, the Company made standard statements of submission to enforcement.

The project finance is not secured on any of the Company's or Polenergia Group's assets except for pledges on the Polenergia S.A.'s shares in the share capital of the project companies, Escrow Accounts and assignment of shareholder loans.

On 22 May 2025, the companies MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o. fulfilled the conditions precedent specified in the Facilities Agreements. Polenergia S.A. is responsible for contributing approximately EUR 123 million, deposited in full on the Company's dedicated bank accounts ("Escrow Accounts"). The releasing of funds from the Escrow Accounts to finance the equity contribution of Polenergia S.A. will continue until 2028.

Also, upon fulfillment of the conditions precedent, the contingent hedging transactions entered into under the Deal Contingent Hedge formula were novated to cover target interest rate hedging transactions. In accordance with the Facilities Agreements, the companies MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o. have entered into transactions to hedge exchange rate and interest rate risks. In total, those transactions hedge about 90% of the Project Companies' planned exposure to EURIBOR-based interest rate volatility, while the forward currency transactions cover nearly 100% of the currency risk associated with capital expenditures.

Repayment of project finance will be based on future cash flows generated by the Bałtyk II and Bałtyk III projects.

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

Material agreements signed by the end of 2025 include:

- Major project contracts with Siemens Gamesa Renewable Energy for the manufacture, supply and service of 100 wind turbines (both contracts entered into in February 2024);
- ESON (electrical system design and delivery of onshore transformer station) (December 2022);
- EPCI offshore export cables (October 2024);
- EPCI inter-array cables (October 2024);

- Foundation design (March 2024);
- Transportation and installation of foundations and OSS (July 2024);
- Installation of wind turbines; Charter contract (September 2024);
- Delivery of an offshore EPC transformer station (August 2024);
- Transition elements - EPC (August 2024);
- Onshore export cable - EPC (September 2024);
- Onshore export cable - construction works (August 2024);
- HDD Landfall (September 2024);
- Chartering CTV crew transport vessels (November 2024).
- Scour protection of the wind turbine and offshore transformer station foundations (February 2025).
- By the date of release of this report, the Company has entered into the following material annexes amending material agreements:
 - Two annexes to the agreements for transport and installation of turbine foundations and offshore substations dated 2 July 2024, with Heerema Marine Contractors Nederland SE. The annexes implement a planned recalculation of the contractor's remuneration in connection with the determination of the final base scenario of the works performed by the contractor.
 - As a result of the recalculation, the contractor's total remuneration under the two contracts is now estimated at ca. EUR 457 million, an increase of ca. EUR 67 million compared with the projections made at the contracting stage. The abovementioned revaluation, including the expected increase of the value of the agreements was included in capital expenditures (CAPEX) at the stage of drafting budgets and development plans of the projects for the construction phase, the approval of which was announced by the Company in current report No. 29/2025. The contractor's final remuneration will depend on, among other thing, current fuel prices and exchange rate fluctuations.
 - Annexes to the agreements for the supply and installation of offshore export cables dated 5 October 2023, entered into with Jan De Nul Luxembourg SA Hellenic Cables S.A. Consortium Bałtyk 2 spółka jawna [general partnership] and Jan De Nul Luxemburg SA Hellenic Cables S.A. Consortium Baltic 3 general partnership.
 - Under such annexes, the contractors' scope of work has been expanded to include the removal of boulders along the route of the offshore export cables. The works will be performed by a subcontractor - Helix Robotics Solutions Ltd. The total cost of the annexes is estimated at ca. EUR 29 million for both projects. The amounts specified therein cover, without limitation, the provision of vessels, removal of boulders identified during the final stage of geological surveys, supervision and management of the works by the contractors. The final remuneration of the contractors will depend on, without limitation, the vessels' operating time and current fuel prices. The abovementioned increase in the total value of the agreements was included in capital expenditures (CAPEX) at the stage of drafting budgets and development plans of the projects for the construction phase, the approval of which was announced by the Company in current report No. 29/2025.

MFW Bałtyk I

The Group holds a 50% stake in the company MFW Bałtyk I sp. z o.o. which holds 100% of the shares in the company MFW Bałtyk I S.A. pursuing construction of an offshore wind farm located in the Baltic Sea with a capacity of up to 1,560 MW. It is a project under phase II of the support system with an

auction scheduled for 17 December 2025.

The environmental conditions decision for MFW Bałtyk I was issued on 3 December 2024 and became final and binding on 7 April 2025. Proceedings are underway regarding the issuance of an environmental conditions decision for the grid connection infrastructure of the MFW Bałtyk I offshore wind farm.

On 13 October 2025, the permit for the construction and use of artificial islands and structures in Polish maritime areas for MFW Bałtyk I was amended, which will have a positive impact on the project implementation process. The process of obtaining the necessary permits and decisions is currently underway. In the third quarter of 2025, opinions on location decisions for the offshore and onshore parts were obtained with respect to the export cable and six out of seven technical expert reports required under the Maritime Safety Act reports were submitted for approval.

Works related to the next stage of geological and geotechnical investigations in the onshore area are currently underway, and their progress reflects the current work program of the MFW Bałtyk I project. For private properties situated along the route of the MFW Bałtyk I export cable, a model for acquiring title to land was adopted based on the establishment of transmission easements in the form of civil-law contracts. With respect to institutional properties and plots for which obtaining easements may be difficult, rights to the land will be secured by a location decision issued pursuant to the Act of 24 July 2015 on the Preparation and Implementation of Strategic Investments in Transmission Grids.

As part of the planned administrative procedure to obtain a location decision pertaining to the land designated for the ONS substation and the access road, steps were taken to establish the terms and conditions with the property's lessee. This process was concluded by signing an agreement specifying the amount of compensation due.

On 9 December 2025, the Minister of Climate and Environment issued a decision approving an addendum to the geological works plans and specifications for the purpose of determining geological and engineering conditions, covering the expansion of the area for 3D seismic surveys and the design of optional SBP (sub-bottom profiler) seismic geophysical investigation. This permit is the basis for conducting investigation covered by its scope.

On 9 June 2025, the President of the Energy Regulatory Office published an announcement of the auction for the support for offshore wind farms. On the same day, MFW Bałtyk I submitted its prequalification application. The auction is aimed at granting the right to cover the negative balance for electricity generated by offshore wind farms. On 6 November 2025, the Energy Regulatory Office (URE) sent a certificate of admission to the auction for MFW Bałtyk I with a capacity of 1,560 MW (the maximum capacity of the MFW Bałtyk I offshore wind farm).

In the second half of 2025, works focused on preparations for participation in the offshore auction, with numerous economic and technical analyses of the MFW Bałtyk I project carried out.

On 17 December 2025, the first Polish offshore wind farm auction was held, its results being announced by the Energy Regulatory Office on 18 December 2025.

The MFW Bałtyk I offshore wind farm project was awarded a 25-year Contract for Difference (CfD) under Poland's first offshore wind energy auction for Phase II projects. The Bałtyk I project secured the highest price (PLN 492.32/MWh) among all winning bids, as well as the highest capacity of 1,560 MW. The success in auction results in the company's obligation to generate and feed into the grid for the first time electricity generated in the offshore wind farm after obtaining a general license, within 7 years from the closing date of the auction session.

Development of gas and hydrogen projects

In view of the significant scale of planned capital expenditures to achieve the strategic goals set out in the business strategy, the Management Board, as a result of the review of the strategic options in the area of hydrogen projects, decided to phase out further development of this branch of the Group's business.

The Polenergia Group has two hydrogen projects in the development phase: H2Silesia and H2HUB Nowa Sarzyna.

The H2Silesia project as part of the operations of a special purpose vehicle, Polenergia H2Silesia sp. z o. o., provided for the construction of a 105 MW large-scale renewable hydrogen production facility for heavy industry and zero-emission transportation. The planned facility would be able to produce ca. 13,000 tons of hydrogen per year.

In February 2024, the European Commission issued a notification decision on State aid for the H2Silesia project under IPCEI Hydrogen Hy2Infra. On 13 June 2025, information was received that Bank Gospodarstwa Krajowego (BGK) had recommended the H2Silesia project for non-refundable support. The ultimate implementation of the project, however, remained contingent upon external criteria, such as entering into contracts securing the terms of hydrogen supply, the satisfaction of appropriate economic criteria, the availability of public funds and financing for the Project, the obtaining of the required corporate approvals, as well as the results of the strategic options review process.

On 18 September 2025, Polenergia S.A. was informed that Bank Gospodarstwa Krajowego had withdrawn from signing an agreement with Polenergia H2Silesia sp. z o.o., concerning non-refundable support for the abovementioned project. The withdrawal from the agreement was the result of an assessment by BGK which came to the conclusion that the changes to the project proposed by the subsidiary related to adapting the project to current market conditions and the ongoing review of strategic options in the area of hydrogen strategy were not feasible. In view of the above, a decision was made to establish an impairment charge on assets with respect to Polenergia H2Silesia sp. z o.o. in the amount of ca. PLN 5.4 million.

Following the withdrawal by Bank Gospodarstwa Krajowego from signing the agreement with the subsidiary, the Company has been monitoring alternative support programs and any potential new call for applications that may be announced by BGK. Ongoing activities are focused on assessing the feasibility of restoring the value of the H2Silesia project in light of the State aid notification under the IPCEI Hy2Infra.

The H2HUB Nowa Sarzyna project provided for the construction of a pilot facility for the production of renewable hydrogen with a nominal capacity of the electrolyzer of ca. 5 MW which would allow a maximum production of ca. 500 tons of green hydrogen per year.

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

The company H2HUB Nowa Sarzyna sp. z o.o. entered into a subsidy agreement with the National Environmental Fund (NFOŚiGW) for the project whose objective is to build two hydrogen filling stations with associated infrastructure, in two locations: Nowa Sarzyna and Rzeszów. The total amount of the grant funding awarded was up to PLN 20 million. According to the agreement, the hydrogen filling

stations and associated infrastructure should be put into operation in the second half of 2027, with the subsidy agreement providing for possible changes to the program. A building permit for the installation in Nowa Sarzyna, and a decision on the development conditions for the refueling station in Rzeszów were issued. Concurrently, a building permit was issued in the first quarter of 2025 for a photovoltaic installation of up to 8 MW that would power the electrolyzer in Nowa Sarzyna.

The Company is conducting a review of strategic options regarding the future direction of development of the H2HUB Nowa Sarzyna project, as a result of which decisions will be made from the perspective of the most efficient and commercially viable scenarios.

Also a project called eFuels was being implemented, within the Group. The project's goal was to use renewable hydrogen to produce methanol and renewable jet fuel. As part of the National Research and Development Center's („NCBiR”) competition titled "New Technologies in Energy I", the Company was among 6 teams that were awarded funding to implement innovative energy projects. In view of the decision to phase out its operations in the hydrogen sector, on 7 April 2025, Polenergia S.A., as the consortium leader, filed an application to discontinue implementation of the project. The current prospects for the project's implementation offer no chance to complete the tasks scheduled in the second phase within the time-frame specified by NCBiR. On 3 December 2025, an audit by an independent auditor was submitted to NCBiR which identified no irregularities in the project's implementation. The Company is currently awaiting NCBiR's opinion regarding the submitted request to discontinue project implementation. On the basis of NCBiR's opinion, a decision will be issued regarding the settlement of the grants previously received by the consortium implementing the project.

On 11 December 2025 Polenergia's subsidiary - Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o., with registered office in Nowa Sarzyna (“ENS”. Nowa Sarzyna Thermal Power Plant”), participated in the main auction in the capacity market for the delivery year 2030. During the auction, ENS offered total capacity obligation of 114 MW for 2030. The auction was concluded in the second round with the closing price of PLN 465.02/kW/year for CMU located within the system. The agreement between PSE, Zarządca Rozliczeń S.A. (Price Settlement Authority) and ENS was entered into for a one-year term.

On 17 December 2025, Polenergia S.A. entered into a preliminary, conditional agreement with Axpo Polska sp. z o.o. ("Axpo") for the sale of 100% of the shares in Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o. ("ENS"). [The fulfillment of the condition] precedent should take place no later than four months from the date of conclusion of the Agreement. The execution of the final agreement transferring the title to the Shares was conditional upon the fulfillment of a condition precedent requiring Axpo to obtain the approval of the anti-monopoly authority for the acquisition of the shares. Upon fulfillment of said condition, on 30 January 2026, the parties executed the final agreement. The final total price for the shares was ca. PLN 139.7 million.

Polenergia Obrót/ Sprzedaż (Trading and Sales)

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

intensively developing a long-term cPPA sales model based on the Group's existing and newly built generation assets, in line with the Strategy

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

A plan to merge Polenergia Obrót S.A. with Polenergia Sprzedaż sp. z o.o. was published on 31 July 2025. A key objective of the merger is to simplify the structure and increase efficiency in entering into long-term PPAs, in line with the 2025 - 2030 strategy adopted in March 2025. This decision means full integration of the competencies of energy sales and trading in a single entity, simplification of management processes and greater financial transparency of the Group in the context of, among others, financial data reporting. After the merger, the contracts will remain in force and will be handled by the merged entity. Customers of both companies will be kept informed about the merger process. During the course of the merger process, the B2C activities carried out by Polenergia Sprzedaż Sp. z o.o. were discontinued. The merger of the Companies became effective on 31 December 2025.

As part of its operating activity, in 2025, the company Polenergia Fotowoltaika S.A. installed 9.3 MWp of solar panels and 1,791 energy storage facilities. The Company has been working to expand sales of services in the corporate segment (installations in excess of 50 kWp) and in the maintenance and servicing segment.

Distribution and eMobility

In the distribution segment, on 28 November 2024, Polenergia Dystrybucja Sp. z o.o. received a decision from the President of the Energy Regulatory Office approving the Tariff for the distribution and sale of electricity. The new Tariff became effective on 13 December 2024, with RAB (Regulatory Asset Base) of PLN 160.2 million. On 17.02.2025, the Company received a decision from the President of the Energy Regulatory Authority (URE) correcting the Tariff with regard to pass-through charges. Simultaneously, since 7 October, the process of approval by the President of the Energy Regulatory Office of the new Tariff for the distribution and sale of electricity has been underway.

A key issue in the distribution segment was the obtaining by Polenergia Dystrybucja Sp. z.o.o. on 28 November 2025, pursuant to the decision of the President of the Energy Regulatory Office DRE.WOSE.4111.2.26.15.2024.POW, of an extension of the validity of the general license for the distribution of electricity until 31 December 2040, and the amendment of the decision insofar as it designates Polenergia Dystrybucja Sp. z.o.o. as the operator of the electricity distribution system for the period from 20 July 2009 to 31 December 2040."

In the electricity sales segment, Polenergia Dystrybucja Sp. z o.o. also obtained, on 28 November 2025, an extension of validity of the general license until 31 December 2035. The obligations under the approved Investment Plan III for the years 2019 - 2022 worth PLN 51 million in total are continued to be fulfilled. As part of Investment portfolio III, the Company signed 45 contracts. By the end of the fourth quarter of 2025, connection agreements were finalized and connection readiness was notified for 80 projects/project phases, and extension of general license was obtained for 36 projects, with further 14 projects expected to obtain general license.

In addition, Polenergia Dystrybucja Sp. z.o.o. is also in the process of implementing Investment Plan IV for the years 2021-2026. By the end of the fourth quarter of 2025, the company signed 97 connection

agreements. Under Investment Plan IV, the company completed 131 projects/phases of projects, for which it declared readiness to connect, while general license extensions have been obtained for 41 projects; general licenses are also expected to be obtained for another 18 projects.

In view of the significant scale of planned capital expenditures to achieve the strategic goals set out in the business strategy, the Management Board reviewed the strategic options in the area of electromobility and decided to phase out further development of this branch of the Group's business. By the end of 2025, Polenergia eMobility Sp. z.o.o. opened 99 charging stations (153 charging points) for customers, having launched three stations in the fourth quarter as part of prior commitments.

In 2025, the Company also completed a strategic project to build a comprehensive charging infrastructure along the concession stretch of the A2 motorway at eight Service Areas (MOP).

Polenergia eMobility currently holds a portfolio of contracts conferring the title to land that permit construction of further 172 charging stations.

5. Structure of assets, equity and liabilities in the balance sheet, including from the perspective of the Issuer's liquidity

Name	Description	Value 2025	Value 2024	Change YOY
1. Return on equity	Net profit/loss	2.5%	2.0%	0.5 pp.
	average annual equity			
2. Net return on sales	Net profit/loss	107.3%	113.1%	-4.8 pp.
	sales revenue			
3. Liquidity - liquidity ratio I	total current assets	4.83	9.95	-4.68
	see short term			
4. Receivable rotation cycle (in days)	average annual trade receivables x 365 days	334	306	28.1
	revenue from sale of products and merchandise			
5. Debt to assets ratio	(total equity and liabilities - equity) * 100	33.0%	19.4%	13.5 pp.
	total assets			

In 2025, there was an increase in net profit (by PLN 16.3 million) together with an increase in equity (by PLN 46.2 million) relative to 2024. Due to the growth of net profit, the return on equity ratio increased by 0.5 percentage points.

The net return on sales also improved, primarily due to an increase in net profit by PLN 16.3 million (23% YOY), accompanied by a concurrent increase in revenues by PLN 18.6 million (29.7% YOY).

Liquidity, measured by the liquidity ratio I, decreased compared to the preceding year, due to an increase in current liabilities (mainly as a result of an increase in accruals, trade creditors and the emergence of the short-term portion of liabilities from loans and borrowings) and a decrease in total current assets (primarily due to a reduction in cash).

There was an increase in the collection period rate. The relatively high average collection rate (334 days) remains due to the fact that companies dealing with development projects in the Group are invoiced once a year, which translates into a high level of receivables at the end of the calendar year.

There was a significant change in the balance sheet structure as at the end of 2025. Compared to the preceding year, the Company's financial assets and liabilities from loans and borrowings have increased significantly. A noticeable decrease in the balance of cash and cash equivalents is also observed, due to the transfer of funds to an ESCROW account and their disclosure under financial assets.

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

Polenergia S.A. ("Company") is a holding company of Grupa Kapitałowa Polenergia (Polenergia Capital Group) ("Group") This means that this report refers to the development prospects of the Polenergia Group as a whole, and not only to the activities of Polenergia S.A. itself. The holding company exercises management and strategic functions over its subsidiaries, focusing on defining the Group's development directions, coordinating activities and creating value throughout the business chain.

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

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

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

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

The Act on Emergency Measures adopted following the entry into force of EU Council Regulation (EU) 2022/1854 of 6 October 2022 on emergency intervention to address the issue of high energy prices had a material impact on the Group's financial results. In the law, the legislator has limited the revenues of: electricity generators gained in connection with the generation of electricity, and energy trading companies related to the sale of electricity, respectively. Each such entity was required from December 2022 until the end of the year 2023 to contribute a significant portion of its revenues to a state fund created specifically for this purpose (the Price Difference Payment Fund). Such intervention

regulation fundamentally changed the rules of operation of entities on the electricity market. This was particularly visible in the case of RES installations, where the legislator officially imposed the maximum achievable electricity sale price without taking into account the individual economic conditions of the project, or the investor's project commercialization strategy.

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

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

However, regardless of the special case of the enactment of the Act on Emergency Measures, the Group's operations are always subject to, in addition to the laws generally regulating any business activity, specific regulations of the energy sector, which significantly affect the development and conduct of business in the energy sector.

In November 2025, amendments to the Law on Promoting Electricity Generation in Offshore Wind Farms and a number of other laws of fundamental importance to the offshore sector went into effect. In addition to facilitating offshore projects, the amendment introduced significant changes for offshore wind farm projects participating in auctions, including a limitation on the annual valorization of the auction price by the medium-term inflation target set by the Monetary Policy Council. Any such amendment in the offshore sector, due to the long and complicated process of offshore wind farm development, is subject to special review, including with regard to the financial assumptions of the projects in development.

Another example of realized regulatory risk includes the still ongoing effects of the Act on Wind Farm Projects, which introduced the so-called 10H rule. According to the rule implemented by the Act on Wind Farm Projects a wind farm may not be built at a distance of less than 10 times the height of a turbine (including raised blades) from residential buildings, forms of nature protection and forest areas. The implementation of the above principle, along with an increased tax base for wind turbines, resulted in inhibiting the development of new wind farm projects, the need to recognize impairment losses in 2016 in the total amount of PLN 55 million in relation to wind farm projects under development and deterioration of the financial situation of companies operating on wind projects. Limitations in locating wind farms were alleviated with the Act of 3 March 2023 amending the Act on Wind Farm Project and Certain Other Acts, under which a wind power plant may be located, built or modified at a distance equal to or greater than ten times the total height of the wind power plant from a residential building or a building with a mixed function, unless the local plan specifies a different distance, expressed in meters, but no less than 700 meters. In 2025, the government was aiming to pass an amendment law providing for further liberalization of the distance between onshore wind energy installations and residential development to a distance of no less than 500 meters from the property line, and providing for a number of simplifications for project development, particularly with regard to environmental and planning procedures. Ultimately, the amendment bill was vetoed by the President of Poland. The

government announced some simplifications by amending implementing regulations, but the minimum distance of 700 meters was maintained.

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

Regulatory risks for the Group may arise in connection with the work initiated in Q4 2025 at the Ministry of Energy on a draft law reinstating the stock exchange obligation. The essence of the planned solutions consists in, among other things, the introduction of mandatory sales of 80% of energy by electricity generators, including RES generators through the Polish Power Exchange (POLPX). If enacted, the amendments as proposed by the Ministry of Energy would result in the need to change the strategy for the commercialization of RES energy in the long term, including with regard to PPAs, the need to review available refinancing opportunities for owned RES projects compliant with the stock exchange obligation, or product restrictions for new end users. The Company has taken active steps to mitigate this risk, joining industry demands opting for the exclusion of RES from the bond, pointing out, among other things, the negative impact of such a solution on the PPA market and the lack of improvement in the liquidity of the forward electricity market, which remains one of the main goals of the proposed solution of the draft Law introducing the stock exchange obligation. In the long term, changes in the energy market may also be triggered by the development of nuclear power projects, which may affect the level of electricity prices, among other things.

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

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

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

- Risk of increase in investment costs

The offshore wind farm projects implemented in cooperation with the Equinor group currently constitute the largest investment project of the Polenergia Group. These projects are exposed to a number of risks resulting from the market situation and the scale of the projects. The first is the risk of increased investment costs projected for the development and construction phases. The risk is due to high demand for services and supply of key components, changes in raw material prices, inflation or uncertainty in the completeness of information on geotechnical conditions of the seabed. The global offshore wind market was subject to significant changes in the past years, driven by three main factors: (i) increase in installed power of wind turbines offered by generators; (ii) the collapse of supply chains; and (iii) the increase in component, supply and service costs triggered by rising energy, fuel and metal prices. The very dynamic changes in technology, which allow for increased turbine unit power and productivity, are not correlated with the development of logistics facilities, resulting in bottlenecks in the supply chain, especially for specialized installation vessels. The high demand for installation services, and the supply of offshore wind farm components projected in 2025-2030, juxtaposed with the observed limited market capacity, contributes to the increase in service prices. In addition, the situation is complicated by the return to oil and gas exploration and production in many offshore areas following the outbreak of war in Ukraine, which is contributing to increased competition for skilled workers, ships

and other key resources. This difficult situation is compounded by cost increases caused by higher prices for steel, copper and aluminum, which are key raw materials for building offshore wind farm components and main elements of the contractual prices. Further cost drivers comprise potential increase in fuel prices, directly affecting the cost of installation services. All of these factors may increase the cost of project development and construction. The Company manages risk by leveraging the global position of its partner in the offshore wind farms development projects in the Baltic Sea (Equinor), which conducts procurement proceedings using the full market potential of market knowledge resulting from the portfolio of offshore wind farm projects held.

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

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

Securing a contract for difference in the course of the winning offshore auction in December 2025 for the Bałtyk I Offshore Wind Farm project and the correlated obligation to generate and feed electricity from the farm into the grid under the concession within seven years also carries the risk of incurring relatively high investment costs before a final investment decision (FID) is made. This is due to the need to secure production capacity and supplier availability, as well as to gather the data needed to obtain a construction permit. The increased interest in offshore wind energy investment due to implementing global climate policies and the need for European countries to become independent of fossil fuels after the outbreak of war in Ukraine, adds to the problems of planning the supply and performing the construction in the coming years. The market has become one of suppliers and installers who expect hard financial guarantees before booking production and installation capacity, while extending service delivery schedules. Making capacity reservations well in advance may result in significant capital expenditures before the final investment decision (which is the condition for commencing the construction of the project) and the issue of guarantees by the Company for payment of liabilities by the company developing offshore wind farm projects. The Company manages risk by optimizing and controlling schedules and the negotiation process in detail during the establishment of the supply chain, and by negotiating commitment limits in the period prior to making FID.

- Risk of delays in project preparation and implementation

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

- Global supply chain risks

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

- Risk of changing tax regulations

In January 2025, the Law on Local Taxes and Fees changed the definition of structures, resulting in an increase in the tax burden for RES installations.

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

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

Further, under the EU CO2 Emissions Trading Scheme, participation permits had to be obtained for installations used in the course of the operations by the Issuer or and other Group companies. Trade in emission allowances is an environmental policy instrument designed to reduce pollutant emissions. Both EU membership and the Kyoto protocol require Poland to participate in the Emissions Trading Scheme. The current period of trade in emission allowances i.e. EU ETS 2021-2030, is governed by the Act amending the Act on Trading in Allowances for Emissions of Greenhouse Gases of 15 April 2021 and certain other acts. Polenergia Elektrociepłownia Nowa Sarzyna Sp. z o.o., which participates in the Community Emission Trading Scheme, was subject to these regulations in 2025.

Polenergia Elektrociepłownia Nowa Sarzyna Sp. z o.o., which belonged to the Polenergia Group in 2025, is subject to CO2 emission reporting obligations, submits an annual emission report (for the previous year) together with an independent verifier's report to National Center for Emissions Management (KOBIZE) every year by 31 March of a given calendar year. All companies using the environment, i.e. emitting gases and dust into the air, having a vehicle fleet or showing other emissions (e.g., SF6 gases) prepare a report on the use of the environment and, depending on the amount, submit the report to the appropriate Marshal's Office (by 31 March of a given calendar year). Environmental use is also reported in the National KOBIZE Database (by 28 February of a given calendar year). Waste management companies have active accounts in the database on products, packaging and waste management (BDO), where generated waste is reported (until 31 March of a given calendar year).

For offshore wind farm projects, there is a risk associated with implementing the provisions of the environmental decision at the installation stage by restricting the installation of foundations in certain months due to the protection of marine mammals from underwater noise emissions associated with

driving the foundations into the seabed. In case of delays in delivery or installation of foundations beyond the permitted period, the installation period will have to be extended for the following year.

Risk of competitiveness of RES projects developed by the Group

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

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

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

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

Risk related to financial standing of customers and contracting parties

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

Prior to concluding a contract and launching a project, the Issuer thoroughly verifies its potential customers involving a dedicated internal team, and also external channels, checking their ability to timely settle liabilities towards Issuer' and prospects for the industries they operate in. The Group is very careful in selecting customers, making sure they represent industries with good market prospects. The credit risk assessment process is formalized and includes verification of the financial condition of contracting parties, their market environment and Compliance aspects. After the agreement, the exposure is adequately secured and the cooperation is subject to cyclical monitoring. The Company analyses in detail a prospective customer's industrial processes, as well as its power and heat demand. Both parties work together for several months before the launch of a project. Due to the difficult macroeconomic situation, increasing the likelihood of deterioration in the financial condition of some companies, the Group identifies the risk of an increase in the level of bad debts. The above was taken into account in the credit risk assessment model, which resulted in maintaining the impairment loss for bad debts in the amount of PLN 40 710 thousand as at 31 December 2025 .

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

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

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

In response to the need for restructuring measures, Polenergia Obrót S.A. agreed to enter into a package of agreements with CIME and CIME Krzanowice III Sp. z o. o., CIME's Polish operating subsidiary, ("CIME Krzanowice") in order to secure the interests of Polenergia Obrót to a maximum extent. As a result, on 14 July 2023 Polenergia Obrót, CIME and CIME Krzanowice entered into an offtake agreement for a period of 10 years for the sale of electricity generated at the wind farm owned by CIME Krzanowice, pursuant to which Polenergia Obrót from 1 September 2023 receives all of the energy generated at that wind farm (the "Offtake Agreement"), and a Debt restructuring agreement, pursuant to which Polenergia Obrót is entitled to set off the Debt against CIME Krzanowice's receivables from Polenergia Obrót for the electricity under the Offtake Agreement (the "Restructuring Agreement"). In addition, the parties entered into registered pledge agreements in favor of Polenergia Obrót on the assets of CIME Krzanowice and CIME's holdings in the share capital of CIME Krzanowice (the "Pledges").

In 2025, the Parties signed an annex to the Restructuring Agreement and the Offtake Agreement, updating the terms to allow faster repayment of the Debt in the event of a successful expansion of CIME Krzanowice's generation capacity. In addition, in order to duly secure Polenergia Obrót S.A.'s rights against CIME and CIME Krzanowice, the parties concluded annexes to the Pledges, a registered pledge on the shares of Silesian Power S.A., which includes shares in CIME Krzanowice, and committed to conclude registered pledges on new generation assets of CIME Krzanowice. In connection with the above-described event, a valuation of receivables was made based on estimated cash flows related to the performance of the described agreements. The parties have continuously performed their obligations under the Restructuring Agreement and the Offtake Agreement.

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

Risk related to the regulations of the Polish energy market

The electricity and gas markets are partly controlled by the appropriate authorities. In particular, such authority is the President of the Energy Regulatory Office ("URE"), a central government authority appointed by the Prime Minister. By operation of the Energy Law, the President of URE is competent for fuel and energy market regulation and for promotion of competition in the energy sector. The scope of competence of the President of URE includes granting, changing and revoking licenses for production, storage, transmission, trade in and distribution of fuels and electricity, as well as oversight of entities regulated under the Energy Law in terms of fulfillment of duties resulting from the Energy

Law and secondary legislation. Given the advanced stage of implementation of competitive market mechanisms in the power generation sector, enterprises licensed to generate electricity are exempted from the requirement to submit their tariff prices for approval. Tariffs are still mandatory for electricity supplied to households end consumers which do not exercise the right to select the seller (while maintaining the possibility of changing energy supplier by households), and the current wording of the Energy Law regulations and executive acts concerning the principles of establishing tariffs as a principle provide for the coverage of reasonable costs of operations. At the same time it should be pointed out, however, that prices of electricity generated by the Group, in consideration of the sale to trading companies and consumers exercising the right to select the provider, are not subject to approval by the President of URE.

The above risk already materialized in the Group's activity. For example, in the past there has been an extension of the approval process of electricity tariffs of Polenergia Dystrybucja Sp. z o.o. and Elektrociepłownia Nowa Sarzyna Sp. z o.o, as a consequence these companies were forced to operate on the basis of outdated rates and fees.

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

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

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

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

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

In 2025, two Group Companies were imposed fines by the URE President for failing to timely submit reports to the Price Settlement Authority confirming the write-off for the Price Difference Payment Fund during the technology start-up period. The decisions are not final, the Company disagrees with the decisions to impose fines (questions the obligation to pay the write-off in the pre-concession period), and appealed through the URE President to the District Court in Warsaw - the Court of Competition and Consumer Protection against all decisions.

Risk of court disputes with Eolos Polska Sp. z o.o. and Jeronimo Martins Polska S.A.

The information on court disputes with Eolos Polska Sp. z o.o. and Jeronimo Martins Polska S.A. were presented in item 15 of the report "Indication of significant proceedings pending before a court, an authority competent for arbitration proceedings or a public administration authority, concerning the liabilities and receivables of the Issuer or its subsidiary, indicating the subject of the proceedings, the value of the dispute, the date of instituting the proceedings, the parties to the instituted proceedings and the Issuer's position".

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

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

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

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

High prices of forward contracts for natural gas and CO2 emission allowances with respect to prices of forward contracts for electricity entail negative Clean Spark Spreads (CSS) for the energy production profile of the gas-fired Elektrociepłownia Nowa Sarzyna Sp. z. o.o. Unfavorable CSS spreads for Elektrociepłownia Nowa Sarzyna Sp. z. o.o materialize the risk of not being able to hedge forward (e.g., in annual contracts) the positive margin in natural gas power generation. In case of changed of these conditions and successful hedging of CSS margin, its volatility affects the Group's current financial results in connection with the evaluation of forward transactions hedging the ENS production and sale by Elektrociepłownia Nowa Sarzyna Sp. z. o.o. The Group analyzes the levels of CSS market spreads for subsequent supply periods on an ongoing basis and makes decisions on hedging the future margin for ENS depending on market conditions. In 2025, it was not possible to hedge positive spreads for ENS in annual contracts for 2026, while positive CSS spreads allowed ENS to hedge its energy production in monthly contracts for January and February 2026. The execution of these hedges allows ENS to realize its energy production, along with additional optimization of the unit's operation in the SPOT market. The Group takes advantage of opportunities to secure CSS margins for ENS even in short daily periods and later produce energy or reverse the hedge at a profit. As price volatility in the balancing market increased, so did the volatility of energy prices in the DAM market, which increased the potential for short-term commissioning and operation of the gas unit of Elektrociepłownia Nowa

Sarzyna Sp. z. o.o. Polenergia Obrót S.A. has been closely co-operating with ENS to make the economically and technically optimal use of the gas-steam unit.

In principle, natural gas corresponding to the heat production profile is purchased separately. The risk of gas price volatility is minimized through a tariff mechanism that takes into account contracted raw material purchase costs when calculating rates. Elektrociepłownia Nowa Sarzyna entered into contracts for the purchase of gas for heat production with PGNiG Obrót Detaliczny Sp. z o.o. for the years 2025-2026.

In the Group's operations to date, the risk of missing positive CSS spreads has materialized systematically in recent years. The Group did not have the opportunity to secure positive spreads for Elektrociepłownia Nowa Sarzyna on the futures market in annual and quarterly contracts for energy supplies in the years 2023 - 2026. Occasionally, it was possible to secure monthly or weekly contracts. At the time of preparing hereof, the contracts for 2027 and 2028 do not provide for such option either.

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

The Polish energy market is characterized by a material over-exploitation in the scope of conventional production capacities. The above is mainly due to low replacement investments in the recent years. The measures implemented by PSE in recent years within the balancing market (including intervention cold reserve, operational capacity reserve) and several investment decisions made by energy companies controlled by the State Treasury have postponed the risk of insufficient capacity reserve for several years. On 8 December 2017 the Sejm adopted the Capacity Market Act. In the following years auctions were carried out for capacity supply for the years 2021-2027. In the auctions held, Nowa Sarzyna Combined Heat and Power Plant contracted capacity up to and including 2029. In July 2025 a carbon dioxide emission limit of 550 g/kWh came into effect which determined that only installations operating below this emission limit are allowed to participate in the capacity market. As a result of these restrictions, a number of /existing power market units, especially coal-fired ones, lost the ability to enter into power contracts. The restriction did not extend to multi-year contracts concluded before the restriction came into effect, while annual contracts concluded for 2025 remain valid until 30 June 2025. However, as a result of a change in EU regulations made in 2024, derogations were introduced for the above restriction and units not meeting the 550g/kWh limit may again participate in the power market until 2028. For this purpose, the so-called supplementary auctions for the delivery periods of the second half of 2025, 2026, 2027 and 2028 are envisaged. As a result, one should take into account the risk of an increased supply of bids in the main auction for 2030 in relation to demand and the resolution of the auction with a relatively low price of the power obligation. Furthermore, it cannot be ruled out that the capacity market will exert an adverse impact on wholesale electricity market prices, which can potentially affect projects whose economic viability rests on revenues from sale of electricity (wind and photovoltaic farms), and which are exposed to the risk of electricity prices. This risk is partly mitigated by hedging the prices of electricity sold from wind and photovoltaic farms in forward contracts and by participating in auction system for RES.

In the Group's operations to date, the risk of changes to the RES support system materialized a few times. With regard to RES support systems, 2015 saw the replacement of the certificate of origin system implemented in 2005 with an auction system for new installations, with the first auctions held in late 2016 following the implementation of the auction system. The RES Act allows for the transition of operating RES installations from the green certificate system to the auction system. Whether the migration auctions will take place is decided by the Council of Ministers, which determines the auction budgets for the migration auctions in a regulation. No migration auctions have been held since 2021. However, due to the level of reference prices (also taking into account the current costs and efficiency of available technologies), the attractiveness of migration auctions of RES installations built many

years ago is significantly limited. These installations, due to the technologies available at the time, are not in position to generate electricity as efficiently as new RES installations.

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

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

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

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

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

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

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

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

Risk related to loss of key personnel

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

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

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

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

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

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

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

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

Risk of withdrawing from implementing new projects

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

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

In addition, the inability to implement some projects may be due to changes in legislation.

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

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

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

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

Competition risk in the Group's operation areas

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

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

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

The Group is also observing the entry of large energy groups with global operations to the Polish (offshore) wind farm market, which may also significantly affect the Group's competitive position in this segment in the near future. Due to the parallel development of several large offshore wind farm projects in Polish maritime zones and the intensive development in this sector in the European market, competition for resources, supplies, personnel and ports generates a key project risk of potential implementation delays.

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

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

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

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

In the activities of the Group to date, the above risk has partially materialized in relation to two companies from the Group and consisted in losing some customers to the competition. The risk materialized in relation to Polenergia Kogeneracja Sp. z o.o., which provides natural gas distribution and sales services, and Polenergia Dystrybucja Sp. z o.o., which provides electricity distribution and sales services. In the case of Polenergia Kogeneracja Sp. z o.o, other natural gas sellers started selling natural gas to customers connected to the gas network of Polenergia Kogeneracja, on the basis of competitive access to the distribution network. Taking into account the volume of distributed gas, the margin lost due to the above may be estimated at PLN 1- 2 million annually. In the case of Polenergia

Dystrybucja, due to the competitive pressure in energy sales' only half of the energy distributed by this company is sold by it, hence the margin lost for this reason can be estimated at approximately PLN 2-3 million annually.

Risk of foreign exchange rate movements

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

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

As part of the offshore wind farm segment, most capital expenditures are denominated in foreign currencies, mainly in EUR, resulting in significant exposure to currency risk related to the amount of future capital expenditures. The amendments to the Act on Promotion of Electricity Generation in Offshore Wind Farms implemented in 2022 make it possible to denominate in EUR part or all of the revenues from the right to cover the negative balance on the sale of electricity. The described change allowed, in the offshore MFW Bałtyk II and MFW Bałtyk III projects, to obtain debt financing in EUR, which reduces currency risk during the construction phase. Significant capital expenditures in currencies other than the EUR in these projects, were hedged with fx-forward transactions in accordance with the spending schedule for the contract. In addition, Polenergia S.A. hedged much of the foreign exchange risk associated with the payment of the remaining equity to the financed offshore wind farm projects through the conversion of its own funds.

MFW Bałtyk I project which has not yet obtained a final investment decision, and thus prior to mobilizing debt financing is exposed to currency risk in the realization of capital expenditures, as shareholders' supplementary payments to the projects are made in PLN. After receiving supplementary funding from shareholders, the project company maintains bank account balances in currencies corresponding to the currency structure of future payments. Until the project obtains supplementary financing, the Issuer actively manages its currency exposure related to the amount of future supplementary capital contributions to SPVs involved in the development of offshore wind farm projects.

Polenergia Obrót S.A. is exposed to currency risk as a result of trading in electricity in foreign markets and in connection with participation in the CO2 emission allowances market. However, the company's exposure to currency risk is largely mitigated by means of natural hedging, i.e. revenues and corresponding costs of purchase, as well as receivables and liabilities, are all generated however in foreign currencies. In the case of significant transactions of Polenergia Obrót S.A. in a foreign currency, currency exchange rate hedging transactions are concluded. Risk management at Polenergia Obrót S.A. is governed by the binding Company risk management policy in accordance with the rules described therein.

Risk of volatility of electricity market prices

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

The Group trades in electricity and gas also on the wholesale market. The results in that business depend on the changes in product market prices and the structure of open positions on the market. For this activity, ongoing risk control is carried out, taking into account the risk mandates granted for

individual products and portfolios, as well as daily risk exposure testing using the VaR methodology (value at risk).

The volatility of wholesale electricity prices affects the obtained sales prices of electricity produced by the Group's wind and photovoltaic farms and the prices secured for energy customers served by the Group. The effects of lower prices obtained by RES sellers and higher prices by consumers with respect to market prices, are called profiling costs. The level and volatility of profiling costs is related, among other, to the volatility of generation of energy from RES sources, and as a system risk it remains outside the Group's control to a large extent. This system risk, once materialized, may have a significant effect on the results obtained by the Group. This was the case, without limitation, in 2022, when the adverse impact on the business line results was observed in the sale of RES assets of the Group, external RES aggregations and the sale to end consumers. In subsequent years, profiling costs stabilized until 14 June 2024, when balancing market reform was introduced and we saw an increase in profiling costs for wind and photovoltaic farms. The increase in price volatility, billing in 15-minute periods and the overall increase in RES capacity is contributing to further profile cost inflation, which we are currently observing especially for PV sources. This results in lower obtained sales prices for RES energy in relation to the average market price of energy.

At the same time, support granted under the RES auction-based scheme for the volume secured by way of auction will protect the generator against market risk for 15 years in the scope of electricity sales' prices. The support solely applies to the projects implemented in the Group which won the RES auction and exclusively in the scope of the volume settled with the Price Settlement Authority. As relatively high market prices were maintained (exceeding the settlement prices with the Price Settlement Authority), in 2025 the support under the auction system adversely impacted the revenues from wind farms participating in the auction (compared to obtainable market prices). For photovoltaic farms, the situation was no longer so clear-cut, and support under the auction system helped stabilize photovoltaic farm revenues. It should be mentioned that the prices for photovoltaic farms obtained on the SPOT market due to the effect of oversupply of PV power in periods of high insolation and low demand were subject to degradation down to negative levels. Then it was more beneficial to shut down the unit than to generate power and to pay extra for sales on the market. In the event of at least 6 hours in a row with negative prices, generating units are deprived of auction support or green certificates for the volume produced during such a period.

The year 2025 brought a deepening phenomenon of non-market redispatching of renewable energy sources, i.e. periods in which PSE, due to the inability to balance demand and supply in the system during excess production of energy from RES, often applied non-market limits on the RES capacity, forcing photovoltaic and wind farms to shut down and cease production during these periods. Such situations, although compensated by the PSE, negatively affect the revenues of the Group's generating units. The curtailed assets of the Polenergia Group apply for compensation on an ongoing basis, but their award is contingent on the operator's decision, and the waiting time for a decision is very long.

RES generation-related results continue to benefit from higher hedged futures market prices in standard products. However, if a contract for the sale of electricity was concluded with a customer and concerns a specific volume in a selected period (a form of a significant part of contracts), then, given the volatility of electricity generation in RES, the Company purchases or sells on the energy market and supplies the customer with the amount of energy specified in such contract. With dynamic energy price increases and decreases, energy consumption by customers deviating from the contracted values may generate a significant result (both positive and negative), disproportionate to the original assumptions. In accordance with the principle of adjusting the volumes and prices of energy obtained from own and external generation sources, as well as sales volumes and prices to end customers (through portfolio management), the Group minimizes exposure to the risk of changes in market prices of electricity in the trading, sales and distribution segments.

As of 11 July 2025 Poland joined the Platform for the International Coordination of Automated frequency restoration and Stable System Operation) (PICASSO), which led to a further increase in the cost of non-balancing a balancing unit and further strengthened the risk factors associated with the decline in revenues from RES sources.

In 2025 the onshore wind farm segment was hedged in a significant portion of the portfolio in the futures market with prices higher than the current market quotations observed in 2025. At the same time, SPOT price levels resulted in lower contract quotations for future years than in previous years. In this connection there is a risk that in low wind conditions, the Company will have to buy back the hedged energy from the SPOT market at prices much higher than the hedging price, which may have a negative impact on the result. This risk already materialized in certain periods of 2022, therefore the Company has changed the approach and in the coming years hedging is implemented in a flexible manner and with an energy buffer left for the SPOT market. In addition, the Group is strongly developing the segment of energy sales in long-term PPAs in pay-as-produce and pay-as-forecast formulas, with a fixed or inflation-indexed price. In the event of a long term decline in electricity prices and the resulting lower prices of futures contracts' quotations, the potential of the segment's financial result may be limited for the non-hedged volume in PPAs and in auctions. Moreover, the increase in the number of RES sources may negatively affect the revenues of the onshore wind farm segment and photovoltaic farm segment in the coming years due to the cannibalization effect, that is the decline in energy prices in the periods of high energy volumes generated in energy sources and in photovoltaic sources, contributing to an increase in profiling costs and the reduction of revenues. The remedy for such a scenario will be the development of energy storage facilities.

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

Interest rate risk

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

As at 31 December 2025, approximately 104% of the Group entities' loan obligations and bonds issued were hedged against changes in interest rate levels. The temporarily occurring over-hedging is due to a slight shift in the timing of loan disbursements relative to the timing of IRS transaction settlements in the MFW Bałtyk I and MFW Bałtyk III projects under construction, resulting in a point ineffectiveness of the hedge that does not significantly affect its overall effectiveness. Full hedging in the Group was achieved through IRS financial transactions, accounting for about 102% of the investment loan liabilities of the Group entities and bonds issued. Partial hedging against the change of interest rate level was naturally achieved in Polenergia Dystrybucja Sp. z o.o. in the form of the tariff of the President of the Energy Regulatory Office correlated with the WIBOR rate. As Polenergia Dystrybucja Sp. z o.o. operates on the regulated market, its revenues are determined on the basis of the return on capital, namely the weighted average cost of capital (regulatory WACC) defined by the URE President.

Most of the parameters in the formula for the regulatory WACC remain constant. The component having the greatest impact on changes in the regulatory WACC is the risk-free rate, which, according to the definition of the URE President, is determined on the basis of the average yield on 10-year Treasury bonds with a fixed interest rate, which are correlated with the WIBOR rate. Loan liabilities at Polenergia Dystrybucja Sp. z.o.o. account for about 2% of the Group's loan liabilities and bonds issued. Working capital and renewable loan limits used by the Group to finance operating activities in the trading and sales, distribution, gas and clean fuel segments cannot be hedged against the risk of interest rates' increase. Moreover, the high level of interest rates affects the cost of financing for new projects (including onshore and offshore wind farms and photovoltaic farms) and may have an impact on the assessment of their profitability. As a result, it cannot be excluded that a significant increase in market interest rates above the values forecast by the Group and factored into its project budgets may have a negative effect on the implementation of some elements of the Strategy and the Group's financial performance in the future.

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

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

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

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

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

7. Statement of compliance with corporate governance rules

a) The corporate governance rules applicable to the Issuer and the place where the rules are publicly available

The Issuer, as a public company whose shares are listed on Giełda Papierów Wartościowych w Warszawie S.A. [Warsaw Stock Exchange] obliged to apply the corporate governance rules included in the document entitled "Best Practices of GPW Listed Companies 2021". The document is available on the GPW website at [www: http://corp-gov.gpw.pl/](http://corp-gov.gpw.pl/)

b) Information on the extent to which the Issuer has waived the provisions of the set of corporate governance principles referred to in letter a), identification of such provisions and an explanation of the reasons for such waiver.

Information on the Company's application of the principles contained in the Collection of Best Practices for Companies Listed on the Warsaw Stock Exchange 2021 was updated and published by the Company in the EIB report.

Presently, the Company applies 58 out of 63 principles of the Best Practices for Companies Listed on the Warsaw Stock Exchange 2021. The Company waived a total of five principles, including: one principle from Chapter *Information Policy and Communication with Investors* (Principle 1.4.2.), three principles from Chapter *Management Board and Supervisory Board* (Principles: 2.1., 2.2., 2.11.6.), one principle from Chapter *Internal Systems and Functions* (Principle 3.4.). 2.1., 2.2., 2.11.6.), one principle from the Chapter *Internal Systems and Functions* (Principle 3.4) The reasons for waiving application of the aforementioned principles are explained in the information concerning the Company's application of the principles contained in the Collection of Best Practices for Companies Listed on the Warsaw Stock Exchange. The Company applies all the rules in the chapter *General Meeting and Investor Relations and Remuneration*.

c) Key features of the Issuer's internal control and risk management systems used in the preparation of standalone financial statements of the Group companies and the Group's Consolidated financial statements

The Management Board is responsible for the Group's internal control and risk management systems applied in the preparation of financial statements. Periodic financial statements and directors reports are prepared by the Accounting Department and the Controlling and Investor Relations Department, under the supervision of the Chief Financial Officer, who is also the President of the Management Board.

Data contained in the financial statements are sourced from the financial and accounting system, in which all business events are recorded in accordance with the Group's Accounting Policy approved by the Management Board, based on the International Financial Reporting Standards or the Polish Accounting Standards. The documents are reviewed by authorized persons for their formal, accounting and factual correctness

The effectiveness of the internal control system is ensured through the designed, implemented and systematically improved control mechanisms comprising the system, such mechanisms being described in detailed internal regulations, namely the regulations and procedures approved by the Group's Management Board. These regulations govern, without limitation, the circulation of accounting documents, description of accounting evidence, making purchases on behalf of the Group, incurring liabilities by the Group, carrying out the inventory process, selling fixed assets and items owned by the Group, decision-making process in the Group, the budgeting process and the integrated risk management system.

Systematic and methodical improvement of the internal control system in the Issuer's organization remains within the competence of the Internal Control and Risk Management Department, as a separate unit in the structure, performing tasks under close supervision of Polenergia Group Management.

Data security is ensured by continuous review and update of access right restrictions and the strength of the password system protecting the financial and accounting records, as well as by the Group's procedures for data backup and storage.

Full-year and half-year (consolidated and standalone) financial statements are subject to audit (full-year reports) or review (half-year reports) by an independent auditor appointed by the Supervisory Board under the authorization provided for in the Issuer's Statutes.

The audited annual financial statements of the Group are approved by the General Meeting, upon acceptance by the Management Board, and assessment by the Supervisory Board.

After the accounting closing of each calendar month, the Group prepares management reports including an analysis of key financial data and ratios and a comparison of current financial performance with the adopted budget, along with an explanation of material deviations from the budget, if any. Management reports are distributed among the members of the Management Board every month, and among the Supervisory Board they are distributed every quarter.

Subject to systematic evaluation and improvement, the internal control system provides reasonable assurance that material risks are properly identified, evaluated and managed at an early stage, and ensures, among others, the accuracy of the information contained in the financial statements.

Thanks to these controls, the Company's financial statements are reliable, correct and clear, as confirmed by the auditor's opinions.

d) Shareholders holding directly or indirectly major holdings of shares, along with an indication of the numbers of shares and percentages of the share capital held by such shareholders, and the numbers of votes and percentages of the total vote that such shares represent at the General Meeting

Information concerning shareholders who hold, directly or indirectly, significant shareholdings is presented below:

No.	Shareholder	Number of shares	Number of votes	Percentage
1	Mansa Investments sp. z o.o. ¹	33,702,946	33,702,946	43.65%
2	BIF IV Europe Holdings Limited ²	24 738 738	24,738,738	32.04%
3	Allianz Polska OFE ³	5,499,085	5,499,085	7.12%
4	Nationale-Nederlanden OFE ⁴	4,571,000	4,571,000	5.92%
5	Other (less than 5%)	8,707,144	8,707,144	11.28%
	Total	77,218,913	77,218,913	100%

¹ 100% of shares in Mansa Investments sp. z o.o. is indirectly controlled by Ms. Dominika Kulczyk through the company Kulczyk Holding s.à r.l. As announced on 13 April 2022 (Current Report No. 16/2022 dated 13 April 2022), Mansa Investments sp. z o.o. and BIF IV Europe Holdings Limited are acting in concert, based on an investment agreement entered into on 3 November 2020 (as amended), meeting the criteria referred to in Article 87 section 1 item 5 of the Act on Public Offering and Conditions for Introducing Financial Instruments to the Organized Trading System and on Public Companies. The number of Mansa's shares and votes was given based on Current Report No. 3/2026 dated 22 February 2026. On 26 February 2025, Polenergia S.A. was informed about entering into a registered and financial pledge agreement between Mansa and Bank Polska Kasa Opieki S.A. on 24 February 2025, concerning 17,760,350 shares in the Company held by Mansa, representing ca. 23% of the Company's share capital and the total number of votes in the Company as at the date of the notice. Mansa retained its entitlement to exercise voting rights on the pledged shares. Subsequently, on 6 November 2025 (Current Report No. 57/2025), Polenergia S.A. received notice of the establishment of a pledge on 15,408,550 shares of the Company held by Mansa.

² As announced on 13 April 2022 (Current Report No. 16/2022 dated 13 April 2022), Mansa Investments sp. z o.o. and BIF IV Europe Holdings Limited are acting in concert, based on an investment agreement entered into on 3 November 2020 (as amended), meeting the criteria referred to in Article 87 section 1 item 5 of the Act on Public Offering and Conditions for Introducing Financial Instruments to the Organized Trading System and on Public Companies. The number of shares and votes of BIF IV Europe Holdings Limited has been given based on Current Report No. 3/2026 dated 22 January 2026.

³ The number of shares and votes of Allianz Polska OFE was given based on Current Report No. 3/2026 dated 22 January 2026.

⁴ The number of shares and votes of Nationale-Nederlanden OFE was given based on Current Report No. 3/2026 dated 22 January 2026.

e) Holders of any securities conferring special control powers, and description of those powers

The Issuer did not issue any securities conferring special control powers

f) Any restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the Company's cooperation, the financial rights attaching to securities are separated from the holding of securities

There are no restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the Company's cooperation, the financial rights attaching to securities are separated from the holding of securities.

g) Any restrictions on transfer of ownership rights to the Issuer's securities

The Company statutes does not contain restrictions on transfer of ownership rights to the Issuer's securities.

h) Rules governing the appointment and removal of the Company's management personnel and such personnel's powers, particularly the power to make decisions to issue or buy back shares

The Company's Management Board consists of one or more members, generally appointed for a joint three-year term (subject to Articles 5.11.2.(a) and 5.11.2.(b) of the Company's Statutes), including the President of the Management Board and the Vice-President of the Management Board.

Subject to Article 5.11. of the Company's Statutes (impasse regarding the appointment of a member of the Management Board), members of the Management Board of the Company are appointed by the Supervisory Board, which also determines the number of the Management Board members appointed for a given term of office.

Material Deadlock I

In the event of a vacancy in the office of any Member of the Management Board caused by removal, resignation, death, or any other reason preventing the performance of the duties of a Member of the Management Board, such an event shall be understood as "Material Deadlock I". Any removal of a member of the Management Board by an entitled shareholder exercising personal rights shall be treated in an equivalent manner.

The Supervisory Board should, within 15 business days of the emergence of Material Deadlock I , adopt a resolution on the composition of the Management Board (by appointing a new member or members of the Management Board or by deciding not to fill the vacated position). If the Supervisory Board fails to adopt a relevant resolution within the aforesaid time limit (for reasons such as lack of quorum and regardless of the number of meetings held, including where adjournment is necessary), the entitled shareholders shall have the following personal rights ("Personal Rights")

- a) an entitled shareholder holding at least 20% of the shares (including the shares held by its affiliates within the meaning of the Company's Statutes, however without double-counting) and holding a greater number of shares than the other entitled shareholder shall have the personal right to appoint and remove two members of the Management Board for an independent three-year term, including the President of the Management Board (who shall have a casting vote in the event of a tie, in line with Article 5.10.7); and
- b) an entitled shareholder holding a smaller number of shares in the Company than the other entitled shareholder and holding at least 20% of the shares (including the shares held by its affiliates, however without double-counting) shall have the Personal Right to appoint and remove two members of the Management Board for an individual three-year term, including the Vice President of the Management Board for Finance (CFO),

provided that, upon the occurrence of Material Deadlock I, the President of the Management Board and the Vice-President of the Management Board for Finance (CFO) shall meet the following qualification requirements: (i) at least seven years of experience in senior managerial positions, (ii) documented leadership capabilities and strategic management skills, (iii) knowledge of the principles of financial and operational management of large enterprises, and (iv) compliance with the requirements set forth in the Commercial Companies Code. Notwithstanding those specific requirements, the

Supervisory Board is authorized to adopt a resolution to establish alternative or additional requirements.

Material Deadlock II

If a vacancy arises in the office of a Member of the Management Board as a result of the expiration of the term of office (regardless of any potential continuation of the mandate in accordance with Article 5.11.7), and no resolution of the Supervisory Board (a reserved discretion for the Supervisory Board) regarding the appointment of Members of the Management Board for a new term shall be adopted prior to the expiration of that term, such an event shall be deemed a "Material Deadlock II". In the event that Material Deadlock II occurs, the entitled shareholders may exercise their Personal Rights as of January 1 of the relevant year (the first day of the new term of office).

New members or a new member of the Management Board shall be appointed, and the mandates of all incumbent members of the Management Board shall automatically expire if:

- a) Personal Rights are exercised by any of the Entitled Shareholders in whole or in part (i.e., in relation to at least 1 (one) of the 2 (two) members of the Management Board) in accordance with Article 5.11.1, 15.11.2 or 15.11.4 of the Statutes; or
- b) The Supervisory Board adopts a resolution concerning the appointment of new members of the Management Board upon the occurrence of Material Deadlock I or Material Deadlock II.

In the event of the occurrence of Material Deadlock II, no exercise of the Personal Right by any of the entitled shareholders and the Supervisory Board's failure to adopt a resolution concerning the composition of the Management Board for the new term, the mandates of the members of the Management Board serving at that time shall expire on the date of the General Meeting approving the financial statements for the last full financial year of their service as members of the Management Board.

In the event of the occurrence of Material Deadlock II, and provided none of the entitled shareholders has exercised their Personal Right and the Supervisory Board has failed to adopt a resolution on the composition of the Management Board for the new term, the mandates of the members of the Management Board serving at that time shall expire on the date of the General Meeting approving the financial statements for the last full financial year during which they served as members of the Management Board.

The Management Board manages the Company's business and represents it before third parties. The Company representation shall be governed as follows: a joint act of two members of the Management Board or of one Board member with a Commercial Proxy shall be required for making any representations and signing documents on behalf of the Company.

Any matters related to the management of the Company which do not fall within the exclusive scope of competence of the General Meeting or the Supervisory Board under the law or the Statutes fall within the scope of powers and responsibilities of the Management Board.

The Management Board is authorized to increase the Company's share capital by no more than PLN 115,828,368 through the issuance of no more than 57,914,184 new ordinary bearer shares with a par value of PLN 2.00 each (the "Authorized Capital").

The Management Board's authorization to increase the Company's share capital within the limits of the Authorized Capital shall expire after three years from the date of entry in the register of entrepreneurs of the amendment to the Company's Statutes adopted by Resolution No. 3/2024 of the Extraordinary General Meeting of the Company dated 13 March 2024, introducing the Authorized Capital.

- i) Rules governing amendments to the Statutes of the Issuer

To amend the Statutes a resolution of the General Meeting adopted by a majority of $\frac{3}{4}$ votes and an entry in the Register of Entrepreneurs of the National Court Register are required.

- j) The manner of operation of the General Meeting and its key powers, the description of the shareholders' rights and the manner of exercising those rights, including in particular the rules stipulated in the rules of procedure of the General Meeting, if such rules have been adopted, unless the relevant information follows directly from the provisions of law.

1) Description of the mode of operation of the General Meeting

The General Meeting operates pursuant to (i) the Commercial Companies Code, (ii) other generally applicable laws, (iii) the Statutes and (iv) the Rules of Procedure of the General Meeting.

The right to participate in the General Meeting is vested only in entities that are shareholders of the Company sixteen days before the date of the General Meeting (date of registration of participation in the General Meeting). Such persons should request the entity keeping the securities account to issue a personal certificate confirming the right to participate in the General Meeting, no earlier than after the announcement of convening the General Meeting and no later than on the first business day after the date of registration of participation in the General Meeting. The Company establishes a list of shareholders, as well as pledgees and users entitled to vote, to participate in the General Meeting on the basis of a list prepared by the entity maintaining the securities depository.

Shareholders may participate in the General Meeting in person or by proxy. The power of attorney to participate in the General Meeting should be granted in writing or in electronic form. Furthermore, in the case of powers of proxy granted by legal persons or partnerships, a document confirming authorization of the persons granting the power of proxy to represent the shareholder should be attached.

Resolutions of the General Meeting are voted on in an open ballot. Resolutions are voted on in a secret ballot if the law so requires (e.g. in personnel matters) or upon a shareholder's request.

General Meetings are convened by posting a notice on the Company's website and in the manner prescribed for disclosure of current information in accordance with the provisions of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies Such a notice should be published at least twenty-six days prior to the date of the General Meeting

2) Key powers of the General Meeting

The powers of the General Meeting include matters specified in the Commercial Companies' Code.

Moreover, the powers of the General Meeting are stipulated in Article 5.3. of the Company Statutes and include the following matters reserved for the General Meeting: ("Matters reserved for the OGM" within the meaning of the Company Statutes), which require a resolution of the General Meeting:

- (a) the disposal of the enterprise of the Company or an organized part thereof, or establishment of Charges thereupon; for the avoidance of doubt, this does not apply to the Disposal of stocks / shares held by the Company in any of the Group Companies, which is a matter reserved for the SB, as provided for in Article 5.5.1 (d) of the Statutes;
- (b) a significant change in the scope of the Company's activity within the meaning of Art. 416 of the Commercial Companies' Code;
- (c) liquidation and dissolution of the Company and appointment of the Company's liquidators;
- (d) merger of the Company with other entities, division and transformation of the Company;

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- (e) increasing the share capital of the Company;
 - (f) reduction of the share capital of the Company, redemption of Shares and purchase of own Shares;
 - (g) issue of convertible bonds or bonds with priority rights and issue of subscription warrants, options and other securities convertible into or granting rights to newly issued Shares;
 - (h) amendments to the Statutes;
 - (i) approving the new regulations or changing the existing rules of procedure of the General Meeting;
 - (i) payment of dividends by the Company in a manner other than in accordance with the Profit Sharing Policy; and
 - (k) granting consent to the exclusion of the shareholder's pre-emptive right with regard to new shares issued within the authorized capital, if the Supervisory Board does not consent to such exclusion.

The General Meeting is also entitled, in certain cases, to appoint and dismiss members of the Supervisory Board (in virtue of Articles 5.4.2.(b) and 5.4.2.(c) of the Statutes and on the terms set out therein). Moreover, pursuant to Art. 368 § 4 sentence 2 of Commercial Companies' Code (CCC), the General Meeting may dismiss a member of the Management Board.

3) Shareholders' rights and the manner of exercising those rights

Shareholders' key rights include the right to participate in and exercise voting rights at the General Meeting. Shareholders may participate in the General Meeting by videoconference or using electronic communication means, in accordance with the rules set forth in the Rules of Procedure for the General Meeting or in the detailed rules for participation in the General Meeting using electronic communication means.

Shareholders representing at least half of the share capital or at least half of the total votes in the company may convene an Extraordinary General Meeting. The shareholders appoint the chairman of such Meeting (Article 399 § 3 of CCC).

Moreover, a shareholder or shareholders representing at least one twentieth of the share capital may request that the General Meeting be convened and that certain matters be placed on the agenda of the General Meeting (art. 400 §1 of the CCC). A shareholder or shareholders representing at least one twentieth of the share capital may also request that certain matters be placed in the agenda of the next General Meeting. The request should be submitted to the Management Board no later than twenty-one days prior to the set date of the Meeting and should include justification or a draft resolution regarding the proposed agenda item (Article 401 § 1 of CCC). Shareholders also have the right to file lawsuits for the annulment or revocation of the General Meeting's resolution in the event of the occurrence of the prerequisites indicated in Articles 422 and 425 of the Commercial Companies Code.

- k) Description of the operation of the Issuer's management, supervisory or administrative bodies and their committees, including an indication of the composition of these bodies and changes occurred during the last financial year

Composition of the Supervisory Board

The Supervisory Board consists of eight members appointed for an independent three-year term. If members of the Supervisory Board are elected by voting in separate groups, the Supervisory Board elected in this mode consists of seven members. As long as the Company is a public company within the meaning of the provisions of the Act of 29 July 2005 on Public Offering and Conditions for Introducing Financial Instruments to Organized Trading and on Public Companies, the Supervisory Board will consist of two members of the Supervisory Board meeting the independence criteria set out in Art. 129 sec. 3 of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight.

As at 1 January 2025 the Supervisory Board was composed of:

No	Name and surname	Position
1	Dominika Kulczyk	Chairwoman of the Supervisory Board
2	Mikołaj Franzkowiak	Member of the Supervisory Board
3	Szymon Adamczyk	Member of the Supervisory Board, independent Member of the Supervisory Board
4	Orest Nazaruk	Member of the Supervisory Board, independent Member of the Supervisory Board
5	prof. Piotr Ciżkowicz	Member of the Supervisory Board
6	Ignacio Paz-Ares Aldanondo	Member of the Supervisory Board
7	Emmanuelle Rouchel	Member of the Supervisory Board
8	Thomas O'Brien	Member of the Supervisory Board

In 2025, there were several changes in the composition of the Company's Supervisory Board. On 12 March 2025, the Company received a statement from BIF IV Europe Holdings Limited on the revocation of Mr. Thomas Joseph O'Brien from the Company's Supervisory Board with immediate effect, and a statement from BIF IV Europe Holdings Limited on the appointment of Ms. Inés Bargaueño as a member of the Company's Supervisory Board with immediate effect.

Subsequently, on 7 August 2025, the Company received the resignation of Mr. Mikołaj Franzkowiak from the Company's Supervisory Board. In turn, on 13 August 2025, Mansa Investments Sp. z o.o., exercising its personal power, submitted to the Company a statement on the appointment of Mr. Jacek Santorski to the Company's Supervisory Board.

As of 31 December 2025, the composition of the Supervisory Board was as follows:

No	Name and surname	Position
1	Dominika Kulczyk	Chairwoman of the Supervisory Board
2	Inés Bargaueño	Member of the Supervisory Board
3	Szymon Adamczyk	Member of the Supervisory Board, independent Member of the Supervisory Board
4	Orest Nazaruk	Member of the Supervisory Board, independent Member of the Supervisory Board
5	prof. Piotr Ciżkowicz	Member of the Supervisory Board
6	Ignacio Paz-Ares Aldanondo	Member of the Supervisory Board
7	Emmanuelle Rouchel	Member of the Supervisory Board
8	Jacek Santorski	Member of the Supervisory Board

Members of the Supervisory Board are appointed as follows:

- (a) no more than six members of the Supervisory Board on the basis of personal rights vested in Mansa and Brookfield, respectively (each of them referred to as the "Eligible Shareholder") according to the following rules:
 - (i) an Eligible Shareholder holding at least 22.80% of the Shares shall have the personal right to appoint three members of the Supervisory Board;
 - (ii) an Eligible Shareholder holding less than 22.80% but at least 20% of the Shares shall have the personal right to appoint two members of the Supervisory Board;
 - (iii) an Eligible Shareholder holding less than 20% but at least 10% of the Shares shall have the personal right to appoint one member of the Supervisory Board;

- (b) two members of the Supervisory Board will meet the independence criteria specified in Art. 129 sec. 3 of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight and they will be appointed by the General Meeting, where:
- (i) each shareholder may propose candidates for independent members of the Supervisory Board, with the proviso that such an independent member may not, directly or indirectly, at any time be involved in, cooperate with or benefit from activities competitive to the Company or any Group Company, or be related to any entity or person conducting such competitive activity;
 - (ii) each Eligible Shareholder holding at least 20% of the Shares will be excluded from exercising the voting right over the appointment of one independent member of the Supervisory Board (such exemption does not apply to the appointment of a second independent member of the Supervisory Board, and for the avoidance of doubt, such exclusion expires when the share of a given Eligible Shareholder falls below 20% of the Shares);
 - (iii) in the event that the General Meeting fails to appoint an independent member of the Supervisory Board in the manner described in Article 5.4.2.(b)(ii) of the Statutes, the exclusion of voting rights referred to in Article 5.4.2.(b)(ii) of the Statutes does not apply to the appointment of such an independent member of the Supervisory Board at each subsequent General Meeting until such independent member is appointed; and
- (c) Supervisory Board members who are not appointed in accordance with Article 5.4.2 (a) of the Statutes are appointed and dismissed by the General Meeting by simple majority of votes of all shareholders.

The Audit Committee and the Operational Supervision Committee operate within the Supervisory Board.

The Audit Committee is composed of three members. The Audit Committee includes members of the Supervisory Board referred to in Article 5.4.2.(b) of the Statutes and persons referred to in Art. 129 sec. 1 and sec. 5 of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight.

In 2025 the Audit Committee was composed of:

No	Name and surname	Position
1	Orest Nazaruk	Chairman of the Audit Committee of the Supervisory Board
2	Szymon Adamczyk	Member of the Audit Committee of the Supervisory Board
3	Mikołaj Franzkowiak	Member of the Supervisory Board Audit Committee until 7 August 2025*
4	Jacek Santorski	Member of the Supervisory Board Audit Committee as of 18 August 2025**

* On 7 August 2025, Mr. Mikołaj Franzkowiak's membership in the Supervisory Board Audit Committee expired due to his resignation as a member of the Supervisory Board.

** On 18 August 2025. The Issuer's Supervisory Board appointed Mr. Jacek Santorski as a member of the Audit Committee.

Composition of the Operational Supervision Committee

No	Name and surname	Position
1	Ignacio Paz-Ares Aldanondo	Member of the Operational Supervision Committee until 21 May 2025*
2	Thomas O'Brien	Member of the Operational Supervision Committee until 12 March 2025**
3	Mikołaj Franzkowiak	Chairman of the Operational Supervision Committee from 19 October 2024 to 21 May 2025 and Member of the Operational Committee until 7 August 2025. ***
4	prof. Piotr Ciżkowicz	Member of the Operational Committee until 21 May 2025 and Chairman of the Committee from 21 May 2025. ****
5	Emmanuelle Rouchel	Member of the Operational Supervision Committee from 21 May 2025 *****
6	Inés Bargaueño	Member of the Operational Supervision Committee from 21 May 2025*****
7	Jacek Santorski	Member of the Operational Supervision Committee from 18 August 2025*****

* On 21 May 2025 the Issuer's Supervisory Board dismissed Mr. Ignacio Paz-Ares Aldanondo from the Operational Supervision Committee.

** On 12 March 2025, Mr. Thomas O'Brien's membership in the Operational Supervision Committee expired due to his resignation as a member of the Supervisory Board.

*** On 7 August 2025, Mr. Mikołaj Franzkowiak's membership in the Operational Supervision Committee expired due to his resignation as a member of the Supervisory Board.

**** On 21 May 2025 the Issuer's Supervisory Board appointed prof. Piotr Ciżkowicz as Chairman of the Operational Supervision Committee.

***** On 21 May 2025 the Issuer's Supervisory Board appointed Ms. Emmanuelle Rouchel as member of the Operational Supervision Committee.

***** On 21 May 2025 the Issuer's Supervisory Board appointed Ms. Inés Bargaueño as member of the Operational Supervision Committee.

***** On 18 August 2025 the Issuer's Supervisory Board appointed Mr. Jacek Santorski as member of the Operational Supervision Committee.

Information on the Audit Committee

Based on the declarations submitted, Mr. Orest Nazaruk and Mr. Szymon Adamczyk, the Supervisory Board members, meet the independence criteria set forth in the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight. Mr. Orest Nazaruk has knowledge in the field of audits of financial statements and accounting, and also has knowledge and qualifications in the sector in which the Company operates, thanks to the experience gained, inter alia, Arthur Andersen, State Treasury Ministry and PGNiG Energia. Mr. Szymon Adamczyk has comprehensive knowledge and many years of experience in the field of company management and corporate supervision. Mr. Mikołaj Franzkowiak acting as member of the Audit Committee had comprehensive knowledge and skills in the industry in which the Company operates. Mr. Jacek Santorski has comprehensive knowledge and skills in the industry in which the Company operates, thanks to, among other things, serving as a Member of the Issuer's Supervisory Board in 2022-2024.

During the last financial year, the Audit Committee held six meetings and the Audit Committee passed resolutions outside of its meetings.

The main assumptions of the policy for selecting an audit firm to perform audit and provide permitted services other than audit, by the audit firm, by entities related to this audit firm, and by a member of the audit firm's network, reflect the requirements resulting in particular from the provisions of the Act of 11 May 2017 on Statutory Auditors, audit Firms and Public Oversight and Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on detailed requirements for statutory audits of public interest entities, repealing Commission Decision 2005/909/EC.

In conformity with the Company policy concerning the selection of certified auditor and audit firm, the following criteria are applied in selection of an Auditor:

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- reputation and experience in provision of audit services;
 - prior experience (negative/positive) from cooperation (if any);
 - experience in audits of financial statements in companies of similar size and profile of operations;
 - audit costs;
 - audit duration;
 - additional circumstances which enable minimizing the costs and audit-related organizational effort of the Polenergia Group.

The selection of the audit firm was carried out in compliance with the binding procedure. The auditing firm auditing the financial statements provided additional permitted services in 2024, consisting in reviewing the interim financial statements and confirming the fulfillment of the conditions of the credit facility agreements, based on the analyzed financial information from the financial statements audited by the Auditor, and assessing the information included in the remuneration report as required under Article 90g sections 1-5 and 8 of the Act on Public Offering and Conditions for Introducing Financial Instruments to the Organized Trading System and on Public Companies dated 29 July 2005.

Mode of operation of the Supervisory Board

The Supervisory Board operates pursuant to (i) the Commercial Companies Code, (ii) other generally applicable laws, (iii) the Statutes and (iv) the Rules of Procedure for the Supervisory Board.

- (a) The following matters fall within the competence of the Supervisory Board and constitute "Matters Reserved for the SB":
- (i) approving the Business Plan, Annual Budgets and any Ad Hoc Budgets, as well as any changes thereto, changing the Required Investment Criteria or approving new ones and approving New Projects;
 - (ii) except for (a) transactions related to Qualified Rejected New Businesses and (b) concluding guarantees and sureties by Polenergia Obrót S.A. in accordance with the Budget and strategy for the Trade and Sales operating segment and based on mandates and risk limits approved in accordance with the currently applicable Risk Management Policy for Polenergia Obrót SA, incurring financial debt (including guarantees and sureties) or concluding sale and leaseback transactions or other financial transactions with a single or total value in excess of EUR 30,000,000 in the current financial year, and the creation of Charges on assets, including shares and other participation rights in connection with such financial transactions;
 - (iii) except for transactions related to Qualified Rejected New Businesses, entering or incurring other Charges on or incurring other liabilities relating to assets, including shares and other participation rights, in connection with transactions other than those listed in Article 5.51 (b) of the Statutes, with a single value or the total value in the current financial year exceeding EUR 15,000,000;
 - (iv) except for transactions related to Qualified Rejected New Businesses, the acquisition of assets or disposal of assets, including the acquisition or disposal of shares or other participation rights, with a single capital value in excess of EUR 30,000,000 or where the total capital value of all such transactions (irrespective of their individual value) in the current financial year would exceed EUR 60,000,000, and the Regulations submitted to the Supervisory Board for approval pursuant to Article 5.63 (d) of the Statutes;
 - (v) performance, termination or amendment of a Material Agreement;
 - (vi) except for transactions related to Qualified Rejected New Businesses, conclusion, termination or amendment of other contracts resulting in expenses exceeding EUR 15,000,000 calculated as:

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- (i) for fixed-term contracts - an estimate for the entire term of the contract, and (ii) for open-ended contracts - an annual estimate;
 - (vii) initiation, redemption or conclusion of a settlement in court proceedings for an amount exceeding EUR 15,000,000;
 - (viii) any transactions with a shareholder or a Related Entity of the shareholder;
 - (ix) approval of the remuneration of members of the Management Board and the changes thereto, including bonuses, employee share programs or other agreements of a similar nature;
 - (x) approval of the Group's hedging strategy and any changes thereto;
 - (xi) decision to grant financing by shareholders in a manner other than at the Company level;
 - (xii) changes in the Profit Sharing Policy;
 - (xiii) consent to the payment of advances on account of the expected dividend in a manner other than in accordance with the Profit Sharing Policy;
 - (xiv) appointing, suspending and revoking members of the Management Board;
 - (xv) approving new or changing existing rules of procedure of the Management Board or specific regulations regarding participation in meetings of the Management Board using electronic means of communication;
 - (xvi) approving new or changing existing rules of procedure of the Supervisory Board or detailed regulations regarding participation in meetings of the Supervisory Board using electronic means of communication;
 - (xvii) approving the accounting principles, policies and practices and any changes thereto, except for changes in the accounting principles, policies and practices that are reasonably requested by the Company's statutory auditor to ensure compliance with applicable law or which do not impact the level of profit or provisions available for distribution to shareholders;
 - (xviii) exercising by the Group Company of call options with respect to the block of shares/stock and other participation rights held by the Co-investor of the Significant Subsidiary in the Significant JV;
 - (xix) exercising by the Company of voting rights in a Significant Subsidiary, at a general meeting, shareholders' meeting or other appropriate body or forum, in matters listed in Article 5.3.1 of the Statutes or in items (a) to (r) of Article 5.5.1 of the Statutes;
 - (xx) approving of an Alternate Plan for a Significant JV that may be presented by the Management Board;
 - (xxi) making a payment, reduction in capital, redemption of shares or acquisition of own shares, which is prohibited under Art. 30 of the AIFM Directive, to the extent applicable to any of the shareholders in relation to the Company;
 - (xxii) expressing consent to the exclusion of the shareholder's pre-emptive right with regard to the New Shares issued as part of the Target Capital; and
 - (xxiii) appointing an Appraiser;
 - (xxiv) expressing consent to the Management Board's exercise of the authorizations referred to in Article 4.10;
 - (xxv) selecting an audit firm to audit the financial statements and consolidated financial statements, and selecting an audit firm to attest to the sustainability reporting;
 - (xxvi) approving the Management Board's decision to launch the Extraordinary Financing.

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- (b) The matters listed in Articles 5.5.1 (b) to 5.5.1 (v) of the Statutes do not require additional approval by the Supervisory Board, provided that they are expressly provided for in the Annual Budget applicable at a given time for a given year or the relevant Ad Hoc Budget approved by the Supervisory Board. Supervisory Board pursuant to Article 5.5.1 (a) of the Statutes.
- (c) The following matters fall within the competence of the Supervisory Board and constitute "Limited Matters Reserved for the SB":
- (i) incurring financial debt or concluding sale and leaseback transactions or other financial transactions with a single or total value exceeding EUR 75,000,000 in the current financial year, and establishing Charges on assets, including shares and other participation rights in connection with such financial transactions;
 - (ii) incurring other liabilities (including guarantees and sureties) or establishing Charges on assets, including shares / stocks and other participation rights, in connection with transactions other than those listed in Article 5.6.1 (a) of the Statutes, with a single value or total value in the current financial year exceeding EUR 75,000,000;
 - (iii) incurring financial debt or entering into transactions that would involve financial or other obligations of the Company limiting the distribution of profits by the Company to shareholders in accordance with the Profit Distribution Policy, including by reducing the amount that would otherwise constitute the Minimum Payout;
 - (iv) subject to the provisions of Article 5.6.3. of the Statutes, the acquisition of assets or the Disposal of Assets, including the acquisition or Disposal of shares / stocks or other participation rights with a single capital value in excess of EUR 100,000,000;
 - (v) any transactions with a shareholder or a Related Entity of the shareholder;
 - (vi) decision to grant financing by shareholders in a manner other than at the Company level;
 - (vii) approving the accounting principles, policies and practices and any changes thereto, except for changes in the accounting principles, policies and practices that are reasonably requested by the Company's statutory auditor to ensure compliance with applicable law or which do not impact the level of profit or provisions available for distribution to shareholders;
 - (viii) changes in the Profit Sharing Policy;
 - (ix) approving new or changing the existing rules of procedure of the General Meeting or specific rules of procedure regarding participation in the sessions of the General Meeting with the use of electronic means of communication;
 - (x) exercising by the Company of voting rights in a Significant Subsidiary, at a general meeting, shareholders' meeting or other appropriate body or forum, in the matters listed in Articles 5.6.1 (a) to 5.6.1 (g) of the Statutes.
 - (xi) expressing consent to the Management Board's exercise of the authorizations referred to in Article 4.10;
 - (xii) exercising by the Company of its personal rights in a Significant Subsidiary regarding the appointment, suspension or removal of members of the Management Board or Supervisory Board in accordance with the provisions of the Articles of Association or the statutes of such Significant Subsidiary;
 - (xiii) making a decision to amend the qualification requirements for the positions of Chairman of the Management Board and Vice President of Finance (CFO) set forth in Article 5.11.2 of the Company's Statutes.
- (d) The matters listed in Article 5.6.1 of the Statutes do not require additional approval by the Supervisory Board, as long as they are expressly provided for in the Annual Budget applicable at a given time for a

given year or the relevant Ad Hoc Budget, approved by the Supervisory Board in accordance with Article 5.5.1 (a) of the Statutes with a vote "for" cast by at least one member of the Supervisory Board appointed by each Eligible Shareholder holding at least 10% of the Shares

- (e) If the Supervisory Board, acting in accordance with Article 5.6.1 (d) of the Statutes fails to approve the proposed sale of an asset (including Group Company stocks / shares) to a bona fide third party buyer solely on account of a member of the Supervisory Board appointed by the Eligible Shareholder holding less than 20% of the Company's Shares voting against such a resolution, then the Management Board, at the request of the Supervisory Board members who voted for the approval of the above-mentioned sale of the asset, may (at its own discretion) authorize the Entity Issuing the Fairness Opinion to conduct assessment of the proposed transaction, including its financial and other material terms and conditions, and presentation of a fairness opinion to the Company and the Supervisory Board. In such case:
- (i) The Entity Issuing the Fairness Opinion should act with the utmost care and professionalism, in order to conduct an appropriate analysis of the given asset and the proposed terms of the sale transaction to issue an opinion as to whether the proposed terms of the sale transaction are financially fair for the Company (or, respectively, the Group Company being the beneficial seller) ("Fairness Opinion");
 - (ii) The Entity Issuing the Fairness Opinion will present the Fairness Opinion draft to the Company and the Supervisory Board along with any underlying and supporting valuations, reports and analyzes; both the Company and members of the Supervisory Board may, within two weeks of receiving the above, submit their comments and questions to the draft;
 - (iii) The Entity Issuing the Fairness Opinion will address the Fairness Opinion to the Company and the Supervisory Board;
 - (iv) if, after completion of the above-mentioned procedure, the Fairness Opinion confirms that the proposed terms of the sale transaction are financially fair for the Company (or the Group Company being the actual seller, respectively), the matter will be re-presented to the Supervisory Board for approval, but this time as a Case Reserved for the SB and not a Restricted Case Reserved for SB.
- (f) In addition to the powers of the Supervisory Board provided for by applicable law, as well as in Articles 5.5.1, 5.6.1 and in other provisions of the Statutes, the following matters require the prior consent of the Supervisory Board expressed by a simple majority of votes:
- (i) any donation or other gratuitous benefits of EUR 50,000 or more as part of a single transaction or series of related transactions in a given financial year;
 - (ii) conclusion, termination or amendment of sponsorship, marketing or other agreements resulting in expenses of at least EUR 100,000 as part of a single transaction or a series of related transactions in a given financial year, calculated as: (i) for fixed-term contracts, an estimate for the entire term of the contract, and (ii) for open-ended contracts - an annual estimate;
 - (iii) conclusion, termination or amendment of agreements for consultancy, consulting services or similar agreements resulting in expenditure with a total value in the current financial year of at least EUR 200,000, calculated as: (i) for fixed-term contracts - an estimate for the entire term of the contract, and (ii) for open-ended contracts - an annual estimate;
 - (iv) with the exception of transactions related to Qualified Rejected New Businesses, incurring financial debt or concluding sale and leaseback transactions or other financial transactions with a one-off or total value in excess of EUR 5,000,000 in the current financial year, and establishing Charges on assets, including shares / stocks and other rights to participate in connection with such financial transaction;

- (v) except for transactions related to Qualified Rejected New Businesses, entering into other obligations (including guarantees and sureties) or establishing Charges on assets, including shares/stock and other participation rights, in connection with transactions other than those listed in Article 5.7.1 (d) of the Statutes, with a single value or total value in the current financial year exceeding EUR 3,000,000;
 - (vi) the acquisition of assets or the Disposal of Assets, including the acquisition or Disposal of shares / stocks or other participation rights with a capital value in excess of EUR 1,000,000;
 - (vii) except for transactions related to Qualified Rejected New Businesses, conclusion, termination or modification of other contracts resulting in expenses exceeding EUR 1,000,000 calculated as: (i) for fixed-term contracts - an estimate for the entire term of the contract, and (ii) for open-ended contracts - an annual estimate;
 - (viii) commencing, redeeming or concluding a settlement in court or out-of-court proceedings for an amount exceeding EUR 500,000;
 - (ix) exercising by the Company of voting rights in a Significant Subsidiary, at a general meeting, shareholders meeting or other appropriate body or forum in the matters listed in Articles 5.7.1 (a) to 5.7.1 (h) of the Statutes and
 - (x) exercising by the Company or its representatives of other corporate rights in a Significant JV with respect to matters reserved for a Group Company or its representatives in relevant corporate documents, shareholder / shareholder agreements or similar agreements relating to such a Significant JV, which would not otherwise constitute Cases Reserved for SB.
- (g) The matters listed in Article 5.7.1 of the Statutes do not require additional approval by the Supervisory Board, as long as they are expressly provided for in the Annual Budget applicable at the time for a given year or the relevant Ad Hoc Budget, approved by the Supervisory Board in accordance with Article 5.5.1 (a) of the Statutes.

Management Board

The Company's Management Board consists of one or more members, generally appointed for a joint three-year term (subject to Articles 5.11.2.(a) and 5.11.2.(b) of the Company's Statutes), including the President of the Management Board and the Vice-President of the Management Board.

Subject to Article 5.11 of the Company's Statutes (impasse regarding the appointment of a member of the Management Board), members of the Management Board of the Company are appointed, suspended and dismissed by the Supervisory Board, which also determines the number of the Management Board members appointed for a given term of office.

As at 1 January 2025 the Management Board of the Company was composed of:

No	Name and surname	Position
1	Adam Purwin	President of the Management Board
2	Andrzej Filip Wojciechowski	First Vice-President of the Management Board
3	Piotr Tomasz Sujecki	Second Vice-President of the Management Board
4	Łukasz Buczyński	Member of the Management Board

On 19 December 2025, the Company received information that Łukasz Buczyński, a Management Board Member, had resigned from the Management Board, effective at the end of the day on 19 December 2025. The Issuer informed about the above events in current report No. 65/2025 of 19 December 2025.

As at 31 December 2025 the Management Board of the Company was composed of:

No	Name and surname	Position
1	Adam Purwin	President of the Management Board
2	Andrzej Filip Wojciechowski	First Vice-President of the Management Board
3	Piotr Tomasz Sujecki	Second Vice-President of the Management Board

The Management Board operates pursuant to (i) the Commercial Companies Code, (ii) other generally applicable laws, (iii) the Statutes and (iv) the Rules of Procedure for the Management Board.

The Management Board conducts the Company's day-to-day operations, including making decisions and incurring liabilities under the Ordinary Business Procedure (within the meaning of Article 9.1.29. of the Company Statutes) Matters going beyond the Ordinary Business Procedure require approval by a resolution of the Management Board.

The Management Board manages the Company's business and represents it before third parties

- l) Description of the diversity policy applied to the administrative, management and supervisory bodies of the Issuer with regard to, in particular, age, gender or education and professional experience, the objectives of such diversity policy, the method of implementation thereof and effects in a given reporting period, and in the event the Issuer does not apply such a policy - an explanation of such a decision

The Company currently does not apply a diversity policy for its management and supervisory bodies, but has taken active steps to adopt such a policy in the future. In accordance with the adopted Polenergia Group Sustainable Development Strategy 2025-2030 with an outlook to 2035, the Company plans to bring gender participation in Polenergia Group structures in line with regulations implemented at the European Union level by 2030. The Company also plans to adopt a Diversity Policy.

- m) Indication of significant proceedings pending before a court, an authority competent for arbitration proceedings or a public administration authority, concerning the liabilities and receivables of the Issuer or its subsidiary, indicating the subject of the proceedings, the value of the dispute, the date of instituting the proceedings, the parties to the instituted proceedings and the Issuer's position

The pending proceedings are described in item 8 "Indication of proceedings pending before a court, a body competent for arbitration proceedings or a public administration body" and in item 6 "Counterparty Risk".

These points apply to Grupa Kapitałowa Polenergia (Polenergia Capital Group) (the "Group") because Polenergia S.A. (the "Company") is its holding company. This means that this report refers to the development prospects of the Polenergia Group as a whole, and not only to the activities of Polenergia S.A. itself. The holding company exercises management and strategic functions over its subsidiaries, focusing on defining the Group's development directions, coordinating activities and creating value throughout the business chain.

- n) In the case of an Issuer that is a small, medium or large entity within the meaning of Article 3 section 1 item 1b-1d of the Accounting Act, respectively - constituting a separate part of this report sustainability reporting, which is subject to sustainability reporting attestation.

Polenergia S.A. is not an issuer that meets the criteria set forth in Articles 63 q and 63 r section 1 of the Accounting Act.

Polenergia S.A., according to the criteria of the Accounting Act of 29 September, 1994, did not meet the prerequisites for the company's sustainability reporting obligation in 2025, the subject scope of which is defined in Article 63r section 1 of the Accounting Act of 29 September 1994. However, in order

to meet the expectations of stakeholders and due to good internal practices of transparent information on the Company's sustainable development, such report was drawn up.

The sustainability report is part of Polenergia S.A.'s consolidated Management Board report. It constitutes a separate document entitled "Consolidated Sustainability Report for the year ended 31 December 2025", which is attached as Appendix 1 to the above report.

The report complies with the requirements set for companies in Article 49b (5) of the Accounting Act and the Act on Statutory Auditors, Audit Firms and Public Oversight and certain other acts, and was prepared on the basis of European Sustainability Reporting Standards ESRS (reporting indicators in accordance with the CSRD, i.e. Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No. 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU with regard to corporate sustainability reporting). The corporate sustainability report was also audited by an independent auditor.

8. Indication of significant proceedings pending before a court, an authority competent for arbitration proceedings or a public administration authority, concerning the liabilities and receivables of the Issuer or its subsidiary, presentation of the subject of the proceedings, the value of the dispute, the date of instituting the proceedings, the parties to the instituted proceedings and the Issuer's position:

On 28 April 2025, Amon Sp. z o.o. and Talia Sp. z o.o. entered into a settlement with TAURON Polska Energia S.A. ("Tauron") and Polska Energia - Pierwsza Kompania Handlowa Sp. z o.o. (Tauron's subsidiary). The primary purpose of the settlement agreements was to amicably end all court disputes between Amon Sp. z o.o. and Talia Sp. z o.o. against Polska Energia - Pierwsza Kompania Handlowa Sp. z o.o., and between Amon Sp. z o.o. and Talia Sp. z o.o. against Tauron Polska Energia S.A. As a result of the settlements reached, all litigations were terminated, including the pending disputes brought by both Amon Sp. z o.o. and Talia Sp. z o.o. against Polska Energia - Pierwsza Kompania Handlowa Sp. z o.o. and Tauron Polska Energia S.A., and brought by Polska Energia - Pierwsza Kompania Handlowa Sp. z o.o. against Amon Sp. z o.o. and Talia Sp. z o.o.

Certyfikaty Sp. z o.o., Polenergia Obrót S.A. and Green Stone Solutions Sp. z o.o. (then under the name: Polenergia Usługi Sp. z o.o.) were sued by Eolos Polska Sp. z o.o. for payment of contractual penalties for the termination of agreements for the sale of property rights resulting from certificates of origin for electricity generated in renewable energy sources and for the payment of balancing costs. The District Court in Warsaw, in a judgment dated 1 October 2025, awarded jointly and severally against Certyfikaty Sp. z o.o., Polenergia Obrót S.A. and Green Stone Solutions Sp. z o.o. the amount of PLN 24,025 thousand with statutory interest for delay in favor of Eolos Polska Sp. z o.o. in connection with the alleged non-performance of two framework agreements for the sale of property rights arising from certificates of origin of electricity generated in renewable energy sources concluded by the legal predecessor of Certyfikaty Sp. z o.o. on 23 December 2010, which, according to the defendant companies, expired on 5 January 2016. The judgment is not enforceable as not final. Certyfikaty Sp. z o.o., Polenergia Obrót S.A. and Green Stone Solutions Sp. z o.o. Appealed against the judgment to the District Court in Warsaw.

Polenergia Obrót S.A. was bound with contracts for energy sale concluded with Jeronimo Martins Polska S.A. ("JMP"), which were terminated by Polenergia Obrót S.A. effective 30 June 2022. On 1 December 2022, Polenergia Obrót S.A. filed a lawsuit against JMP for payment in the District Court in Warsaw. The amount of the main claim of Polenergia Obrót S.A. includes the amount of PLN 39.528 thousand of the invoices for energy unpaid by JMP and the amount of PLN 1.324 thousand for accrued interest for the period until the date of filing the claim. Evidence proceedings are currently pending before the Court of First Instance.

As at 31 December 2025 Polenergia Fotowoltaika S.A. filed 72 claims for payment concerning the collection of receivables under contracts between Polenergia Fotowoltaika S.A. and its customers. Polenergia Fotowoltaika S.A. is party to 21 court proceedings related to claims arising from contracts with its customers, subcontractors or suppliers. At the same time, 22 bailiff enforcement cases are pending, in which Polenergia Fotowoltaika S.A. is the applicant.

On 16 December 2025 Polenergia Fotowoltaika S.A. as a result of the final decision of the Local Government Board of Appeals in Poznań of 6 November 2025, paid a product fee on the introduction of electrical and electronic equipment in 2020 to the Marshal of the Mazowieckie Voivodeship in the amount of PLN 1,197,542 plus interest in the amount of PLN 756,879. Polenergia Fotowoltaika S.A. filed a complaint with the WSA against the decision of the Local Government Board of Appeals in question.

Polenergia Obrót S.A. was obliged to fulfill its obligations under Article 52 section 1 of the Law on Renewable Energy Sources (RES Law) by 30 June 2023. On 11 March 2025 Polenergia Obrót S.A. received two notices from the President of the Energy Regulatory Office (URE), i.e. about the initiation of two proceedings regarding the imposition of penalty in connection with the disclosure of the possibility of failure to fulfill the obligations resulting from the a/m regulation to obtain and present for redemption the certificates of origin (RES Green obligation) and the certificates of origin from biogas (RES Blue obligation), respectively, with respect to the year 2022. After administrative proceedings, the URE President imposed penalties on the Company: by decision of 20 October 2025, a fine of PLN 1,461,369 for failure to meet the 2022 RES Green obligation, and by decision of 4 November 2025, a fine of PLN 49,403 for failure to meet the 2022 RES Blue obligation. The Company, in fulfillment of the aforementioned obligations, on 21 July 2023, paid substitution fees of PLN 1,406,240 (RES Green Obligation) and PLN 38,103 (RES Blue Obligation). The penalties in question were imposed in the minimum amount (the product of the amount of the unpaid substitution fee x 1.3) because the URE President considered that the company had not fulfilled its obligations by the statutory deadline of 30 June 2023, while it was impossible to fulfill it with the substitute fee. Accordingly, on 27 October 2025, the Company applied to the National Environmental Protection and Water Management Fund for reimbursement of the aforementioned substitution fees that had been unduly paid. The substitution fees paid were refunded in full. As a result, the actual ailment to the Company from the penalties imposed by the URE President amounted to PLN 55,155 (RES Green Obligation) and PLN 11,300 (RES Blue Obligation), respectively.

The President of the Energy Regulatory Authority is conducting administrative proceedings to impose a fine in connection with delays in submitting reports to the Zarządca Rozliczeń S.A. (Price Settlement Authority) confirming the write-off for the Price Difference Payment Fund on the basis of the Law of 27 October 2022 on Emergency Measures to limit the amount of electricity prices and support for certain consumers. The proceedings concern Polenergia Obrót S.A., Polenergia Sprzedaż Sp. z o.o., Polenergia Farma Wiatrowa 3 Sp. z o.o. and Polenergia Farma Wiatrowa Dębice/Kostomłoty Sp. z o.o. The indicated breach of the aforementioned law may result in a monetary fine. The act currently stipulates that the fine may not exceed (in an extreme case) 15% of the punished entity's revenue generated in the previous financial year, while the President of the Energy Regulatory Office, when imposing the penalty, takes into account the degree of harmfulness of the act, the degree of culpability, as well as the past behavior of the entrepreneur and its financial capabilities when imposing the penalty. The URE President may also waive the punishment if the degree of harmfulness of the act is negligible, and the entity has stopped breaching the law or fulfilled the obligation. Polenergia S.A.'s subsidiaries submitted all the delayed reports. On 10 September 2025, the URE President issued two decisions to impose fines, respectively - to Polenergia Obrót S.A. in the amount of PLN 68,483 for an 8-day delay in submitting the report, and to Polenergia Sprzedaż Sp. z o.o. in the amount of PLN 1,000

for a 1-day delay. The companies waived the appeal and paid the penalty from a provision created for this purpose.

In June 2024 the following Polenergia S.A.'s subsidiaries: - Polenergia Farma Wiatrowa Grabowo Sp. z o.o., Polenergia Farma Wiatrowa 16 Sp. z o.o., and Polenergia Farma Wiatrowa Piekło Sp. z o.o. received interest notes from the Settlement Administrator S.A. issued by the Ministry of Climate and Environment for a total amount of approximately PLN 664 thousand on account of statutory interest for the untimely transfer of receivables on account of the write-off for the Fund Difference Payment Fund. In the correspondence with Zarządca Rozliczeń S.A the aforementioned subsidiaries questioned the legal basis for the calculation of interest by the Ministry of Climate. As of the date of this report, the Zarządca Rozliczeń S.A has not taken a position on the companies' doubts.

On 25 March 2025 Polenergia Elektrociepłownia Nowa Sarzyna Sp. z o.o. finally terminated the dispute with the President of the Energy Regulatory Office with respect to the final settlement of stranded costs under the Act on the Principles of Covering Costs Arising at Generators in Connection with Early Termination of Long-Term Contracts for the Sale of Power and Electricity. The Court of Appeals in Warsaw upheld the judgment of the Court of Competition and Consumer Protection

in Warsaw awarding the company the amount of PLN 12,887 thousand and dismissing the claim as to the amount of PLN 327 thousand. On 12 June 2025, the URE President filed a cassation appeal with the Supreme Court against the above-mentioned ruling. As of the date of this report, the Supreme Court has not ruled on whether to accept the cassation appeal by the President of the Energy Regulatory Office for consideration.

On 27 November 2025 Polenergia Farma Wiatrowa Grabowo. z o.o. and Polenergia Farma Wiatrowa 16 Sp. z o.o.) (hereinafter jointly: "Companies") received 9 and 6 decisions of the URE President, respectively, regarding the imposition of fines in connection with violations of Article 25 section 1 of the Act on Emergency Measures, by failing to timely submit to Zarządca Rozliczeń S.A. 9 reports confirming the write-off for the Price Difference Payment Fund during the technological start-up period of the above-mentioned sources in the total amount of PLN 2.578 million (Grabowo WF) and PLN 0.299 million (WF 16). The decisions are not final. On 11.12.2025, both Companies, through the URE President, filed appeals to the District Court in Warsaw - Court of Competition and Consumer Protection challenging each of 15 decisions. According to the Companies, accounting for electricity produced in the period before obtaining a concession and formally commencing business as an electricity generator did not form the basis for calculating the Write-off for the Fund, and consequently the Companies were not required to report on this account. Until a final judgment is issued, the Companies will not be required to pay fines.

On 13 October 2025, the URE President initiated administrative proceedings ex officio on the determination of the expiration of the decision dated 27 May 2014 to grant Polenergia Obrót S.A. a concession to trade in natural gas with foreign countries ("OGZ Concession"). The reason for the initiation of these proceedings was the Company's failure, for a period of 12 consecutive months, to perform purchase and sale transactions of natural gas in the framework of the business covered by the OGZ Concession. According to Article 42b section 1 of the Energy Law, a license to trade in natural gas with foreign countries expires if an energy company, within the scope of the granted license, fails to trade in natural gas with foreign countries for consecutive 12 months. As a result of this provision, the OGZ Concession granted to the Company by the aforementioned decision expired by operation of law on 15 August 2025, as confirmed by the URE President in a decision dated 28 October 2025, in which he declared the OGZ concession expired.

Within the framework of labor disputes across the Group, a total of 5 labor disputes were reported to have been initiated in 2025, with a total litigation value of 1.36 million. All proceedings are at the first

instance court stage (various stages of consideration) and concern the circumstances of the termination of cooperation. No cases of employer defaults or unaccounted-for benefits occurred.

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

NET REVENUES FROM SALE OF PRODUCTS (BUSINESS STRUCTURE - TYPES OF ACTIVITY) (thousand PLN)	2025	%	PLN 2024	%
- revenues from consulting and advisory projects	77,662	95.4%	59,195	94.30%
- revenues from rental	1,993	2.4%	1,955	3.10%
- other	1,777	2.2%	1,634	2.60%
Revenues, total	81,432	100.0%	62,784	100.00%

10. Information on the issuer's markets, broken down into domestic and foreign markets, on the issuer's supply sources for production materials, goods and services, including information on dependence, if any, on any single customer or supplier, or a group of customers or suppliers, and where the share of a single customer or supplier in total revenue equals or exceeds 10 % of total revenue – the name of such supplier or customer, its share in total sales or purchases, and its formal links with the Issuer

The company generates revenue with customers in domestic and foreign markets:.

	For the 12 months' period ended		Change
	31.12.2025	31.12.2024	y/y
- foreign markets	2,657		
- Polish market	78,775	62,784	15,991
Total revenues from agreements with customers	81,432	62,784	18,648

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

For information on the significant agreements see item 15 of the Director's Report of Grupa Kapitałowa Polenergia S.A. In the part "Information on concluded agreements significant for the Issuer's business, including agreements between shareholders (partners), insurance contracts, collaboration or cooperation agreements". We refer to the Group's situation because Polenergia S.A. is its holding company.

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

The Group's equity structure is presented in the financial statements.

Information on the Issuer's investments, together with a description of the methods of their financing in 2025, are presented in item 2 and 33 of the Consolidated Director's Report on the Operations of the Polenergia Capital Group.

13. Significant transactions concluded by the Issuer or the Issuer's subsidiaries with related parties on non-arms' length terms, including the amounts and other details of such transactions - the obligation is considered as fulfilled by indicating the place of inserting the relevant information in the financial statements

For information on the Company's related-party transactions, see Note 44 to the Consolidated financial statements.

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

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

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

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

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

For information on loan or credit sureties or guarantees issued by the Issuer or the Issuer's subsidiary to a single entity or to a subsidiary, see Note 27.1 to the Standalone financial statements and Note 31 to the Consolidated financial statements.

Information on the sureties and guarantees received is presented in item 31 of the Consolidated Directors' Report on the Operations of the Polenergia Capital Group.

17. For issues of securities in the period covered by the report - description of the Issuer's proceeds use until the date of preparation of the Director's report

No issuance of securities in 2025, while the proceeds from the 2024 bond issue were used:

On 16 October 2024, the Series A Bonds with an aggregate par value of PLN 750,000,000 (the "Series A Bonds", the "Issue") were issued, with a maturity date of 16 October 2029. The purpose of the Issue is to directly and indirectly finance or refinance the development, acquisition, construction and operation of Green Projects, including in particular offshore wind farms. The WSE Board has set 12 February 2025 as the date for the first listing of the Series A Bonds on the Catalyst Alternative Trading System under the name "PEP1029". As at the time of the report's publication, the full amount of PLN 750 million from the green bonds issued in 2024 had been allocated to the development of the Bałtyk II and Bałtyk III offshore wind farm projects, with PLN 350 million in 2024 and PLN 400 million in 2025.

18. Description of differences between the financial results presented in the full-year report and the financial forecasts for the year, published earlier (million PLN)

In 2025 the Company did not publish performance forecasts on a standalone basis.

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

The most important part of the Issuer's and the Group's financial liabilities are bank borrowings, loan from Bank Gospodarstwa Krajowego and obligations on account of bonds issue, described in more

detail in the financial statements. As at 31 December 2025 all material liabilities of the Issuer and the Issuer's capital Group were settled in a timely manner.

Volatility in electricity and natural gas prices, as well as regulatory mechanisms for power generators and sellers, may result in a decline in the economic performance of Group companies, which may lead to a failure to meet the financial ratios stipulated in the loan agreements and/or the terms and conditions of the bond issue, resulting in a breach of the loan agreement or providing grounds for early redemption of the bonds.

The Group is monitoring the situation in this scope, the performance of financial ratios and debt level, and is remaining in contact with the financing institutions on an ongoing basis. A potential decline in electricity and green certificate prices in the longer term may result in periodic problems in the implementation of obligations arising from certain loan agreements, which may require the improvement of financial indicators under the terms specified in the agreement, the prepayment of the loan or trigger payment under guarantees granted by Polenergia S.A. for individual projects. For details on the guarantees, see Note 27.1 to the Standalone financial statements.

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

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

As at 31 December 2025, the Group plans 2026 total capital expenditures for fixed assets at approximately PLN 530 million. These amounts will mainly be used for the development and construction of onshore RES projects (i.e., wind, battery and, to a lesser extent, photovoltaic projects). An important part of the capital expenditure will involve bringing the wind projects in Romania to the "ready to build" phase (and taking full control). The Group intends to finance these projects from its own earned funds and, at a later stage, from external financing under the project finance formula.

In addition, the Issuer, together with Norwegian Equinor, is pursuing the construction of the MFW Bałtyk II and MFW Bałtyk III projects through special purpose vehicles (in which it holds 50% of the shares) and as part of project finance obtained. Sources of project financing are secured in the financing structure of special purpose vehicles, therefore in 2026 the Company does not plan to commit its own capital to finance the construction of these projects.

In addition, on 17 December 2025, MFW Bałtyk I offshore wind farm, another project being developed in joint venture with Equinor obtained support in the form of a contract for difference (CfD) in the first Polish offshore auction. Polenergia S.A. is working with Equinor to further develop this project in preparation for a final investment decision (FID). The Issuer is conducting detailed analyses on how to finance the capital expenditures required preparing the project for the FID stage.

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

Events having a material effect on the Issuer's business and financial performance are presented in items 1 and 4 hereof. All of them are typical for the Issuer's business.

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

External and internal factors affecting the Group's growth

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

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

Description of the Group's business growth prospects

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

Currently, the Group is focused on:

- further optimizing its operating costs and improving asset efficiency,
- developing new offshore wind power projects,
- developing new projects and maintaining the existing projects, both in offshore and onshore wind farms and photovoltaic farms in Poland,
- developing projects in the area of energy warehouses (BESS),
- developing onshore wind farm projects in Romania,
- implementing projects from the portfolio of photovoltaic farms that won the auctions in 2022 and 2023,
- preparing to implement the Bądecz wind farm, which won the auction in 2024,
- further developing business in trading segment,
- implementing an investment plan in the distribution area (which targets an increase of the Regulatory Assets Base and a growth in the number of customers connected to the company's network on a permanent basis),
- focusing on revenue secured by CfD and PPA contracts,
- intensifying efforts to grow energy sales to customers not connected to the company's network,
- analyzing market opportunities related to involvement in green technologies and artificial intelligence.

Deprioritization of non-core directions.

Due to the significant scale of planned capital expenditures to achieve the strategic goals set out in the business strategy, the Management Board has begun to withdraw from projects in the electromobility, hydrogen and overseas expansion segments, although it does not rule out future activity in these areas.

More information on the Issuer's Group business development policy is available on the website at:

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

23. Changes in basic management policies of the Issuer and its group

In the financial year 2025 there were no changes to the basic management rules of the Issuer or its Group.

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

Mr. Piotr Sujecki is party to an employment contract concluded with the Company. The contract is entered into for an indefinite term. Mr. Piotr Sujecki is party to a non-competition agreement providing for the Company's obligation to pay him compensation equal to 100% of his remuneration for a period of 9 months.

Mr. Łukasz Buczyński is party to an employment contract with the Company entered into for an indefinite period. The currently binding employment contract remains in effect until 30 June 2026, when the notice period will expire. Mr. Łukasz Buczyński is party to a non-competition agreement providing for the Company's obligation to pay him compensation equal to 100% of his remuneration. The Company had the right to waive the non-competition clause upon termination of the employment relationship, and the Company exercised this right so it will not be required to pay compensation for the compliance with the non-competition obligation.

Mr. Adam Purwin is party to a management contract with the Company entered into for an indefinite period. Mr. Adam Purwin is also party to a non-competition agreement providing for the Company's obligation to pay him compensation equal to 100% of his remuneration for a period of 12 months.

Mr. Andrzej Filip Wojciechowski, in connection with his appointment to the Management Board for the new term beginning 1 January 2025, is party to a management contract with the Company for an indefinite period. Mr. Andrzej Filip Wojciechowski is party to a non-competition agreement providing for the Company's obligation to pay him compensation equal to 100% of his remuneration for a period of 12 months.

Mr. Jerzy Zań was party to an employment contract concluded with the Company for an indefinite period. The employment contract remained in effect until 31 July 2025, when the notice period expired. Furthermore, upon the termination of the employment relationship, Mr. Jerzy Zań is party to a non-competition agreement providing for the Company's obligation to pay him the amount equal to 12 times the remuneration as compensation for refraining from running competitive activity.

Mr. Michał Michalski is party to an employment contract concluded with the Company for an indefinite period. The employment contract remained in effect until 31 March 2025, when the notice period expired. Mr. Michał Michalski was a party to a non-competition agreement providing for the Company's obligation to pay him compensation equal to 100% of the amount of his remuneration. The Company had the right to waive the non-competition clause upon termination of the employment relationship, and the Company exercised this right, so it was not required to pay compensation for the compliance with the non-competition obligation.

Mr. Tomasz Kietliński was party to an employment contract concluded with the Company for an indefinite period. Furthermore, upon the termination of the employment relationship, Mr. Tomasz Kietliński was party to a non-competition agreement that obliges the Company to pay him an amount equal to 100% of his remuneration as compensation for refraining from running competitive activity.

The Company was required to pay compensation for compliance with the non-competition obligation after the termination of employment relationship until 31 March 2025.

Ms. Iwona Sierżęga was party to an employment contract concluded with the Company for an indefinite period. Furthermore, upon the termination of the employment relationship, Ms. Iwona Sierżęga was party to a non-competition agreement that obliges the Company to pay her an amount equal to 6 times her remuneration as compensation for refraining from running competitive activity. Compensation was payable in 6 (six) equal installments. The Company was required to pay compensation for compliance with the non-competition obligation after the termination of employment until 30 November 2025.

Mr. Piotr Maciołek was party to an employment contract concluded with the Company for an indefinite period. Furthermore, upon the termination of the employment relationship, Mr. Piotr Maciołek was party to a non-competition agreement that obliges the Company to pay him an amount equal to 6 times the remuneration as compensation for refraining from running competitive activity. Compensation was payable in 6 (six) equal installments. The Company was required to pay compensation for compliance with the non-competition obligation after the termination of employment until 30 November 2025.

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

The Issuer does not have the above mentioned liabilities

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

For information on the remuneration of members of the Management and Supervisory Boards, see Note 41 to the Standalone financial statements.

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

The Company does not have incentive or bonus programs based on the Issuer's capital.

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

According to the information held by the Company, Ms. Dominika Kulczyk, through Kulczyk Holding S.à r.l., a Luxembourg law company, and Mansa Investments Sp. z o. o. ("Mansa"), holds 33,702,946 ordinary bearer shares of the Company, constituting approximately 43.65% of all shares of the Issuer (current report No. 3/2026 of 22 January 2026). According to a notification received from Mansa, on 24 February 2025, Mansa and Bank Polska Kasa Opieki S.A. entered into a registered and financial pledge agreement, the subject of which is 17,760,350 shares in the Company held by Mansa,

representing approximately 23% of the Company's share capital and the total number of votes in the Company as of the date of the notification. Mansa retained the ability to exercise voting rights on the pledged shares. Subsequently, on 6 November 2025 (Current Report No. 57/2025), Polenergia S.A. received information that a pledge had been established on 15,408,550 Mansa shares in the Company. The Company did not receive any other notifications informing of the ownership of the Company's shares by its managers or supervisors.

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

The Company is not aware of other agreements concluded in 2025 (or those concluded after the balance sheet date), which may result in future changes in the proportions of shares held by the existing shareholders and bondholders, and in particular the Company is not a party to such potential agreements. To the extent required by law, in the past the Company made public the information on agreements between some shareholders which were known to the Company.

29. Agreements significant for the Issuer's business, including agreements between shareholders (partners), insurance contracts, collaboration or cooperation agreements, of which the Issuer is aware, entered into after the balance sheet date.

On 27 January 2026, as part of its Development Program, the Issuer's subsidiary, Farma Wiatrowa Bądecz Sp. z o.o., entered into a 15-year virtual power purchase agreement ("vPPA" or "Agreement") with a global company. The vPPA is a financial agreement covering 100% of the energy generated by the RES Power Producer, a wind power plant with an installed capacity of 48.3 MW (the "Installation"). The agreement also includes the sale by the Installation to the Buyer of environmental attributes understood as any environmental benefits of renewable electricity, currently the Guarantees of Origin. The RES Energy Producer plans to start generating power by the end of the third quarter of 2029 at the latest. The agreement secures the project's total revenues from the sale of electricity and the Guarantees of Origin throughout the term of the Agreement at an expected level of approximately PLN 600,000,000 - 800,000,000 net.

On 29 January 2026, as part of its Development Program, the Issuer's subsidiary, Polenergia Farma Fotowoltaiczna 2 Sp. z o.o., entered into a 15-year virtual power purchase agreement ("vPPA" or "Agreement") with a global company. This is a financial agreement covering 100% of the energy generated by the RES Power Producer, a photovoltaic power plant with an installed capacity of 34.65 MW (the "Installation"). The agreement also includes the sale by the Installation of environmental attributes understood as any environmental benefits of renewable electricity, currently the Guarantees of Origin. The RES Energy Producer plans to start generating power no later than at the beginning of the second quarter 2027. The vPPA secures the project's total revenues from the sale of electricity and the Guarantees of Origin throughout the term of the Agreement at an expected level of approximately PLN 130,000,000 - 180,000,000 net.

On 30 January 2026 the Issuer entered in the final sale agreement with Axpo Polska Sp. z o.o. ("Axpo") of 100% of shares in Polenergia Elektrociepłownia Nowa Sarzyna Sp. z o.o. ("ENS") (the "Shares") (the "Final Agreement"), pursuant to a preliminary conditional agreement for the sale of the Shares entered into on 17 December 2025 with Axpo. The conclusion of the Final Agreement took place after the fulfillment of a condition precedent involving Axpo's obtaining approval from the antitrust authority for the acquisition of the Shares. The total final price for the Shares is approximately PLN 139.7 million.

30. Employee stock ownership plan control system

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

31. Additional information**a) concerning the date of entering into an agreement between the Issuer and an entity authorized to audit the financial statements on the audit or review of financial statements or consolidated financial statements, and the term of the agreement**

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

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

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

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

In 2025 Group companies used services of the selected audit firm which comprised audits or reviews of their financial statements or Consolidated financial statements, audits of the sustainable development report, as well as additional services, aimed at confirming the fulfillment of concluded facility agreements on the basis of analyses of financial information derived from audited financial statements.

c) The body that selected the audit firm

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

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

The total amount of the remuneration under the above-mentioned agreements is presented in Note 43 to the Standalone Financial Statements.

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

Off-balance sheet items by entity, type and value are presented in Note 27 to the Standalone financial statements.