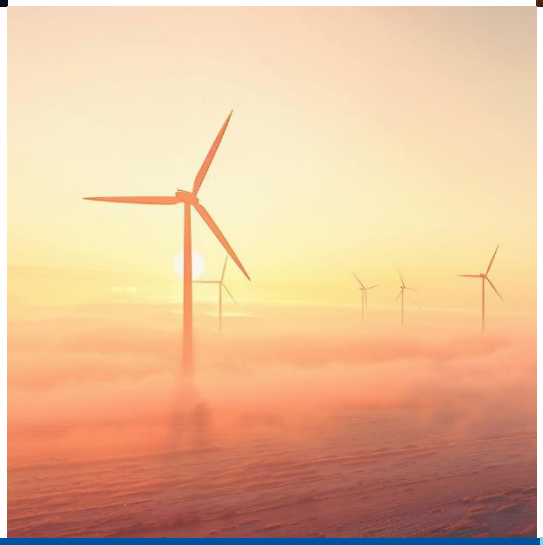

Management Board Report
on the Activity of the ENEA Group
in H1 2024

Poznań, date of publication: 18 September 2024

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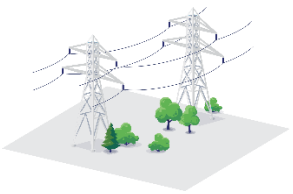
1. Operating summary of H1 2024

ENEA Group in numbers

ENEA has 18.2 thousand employees



MINING	GENERATION	DISTRIBUTION	TRADING
26.0%	**6.2 GW**	**2.8 million**	**2.7 million**
share in the steam coal market in Poland	total installed capacity	users of distribution services	customers
403 million tons	**490 MW**	**124.9 thousand km**	**12.5 TWh**
mining potential of 4 mining concession areas	installed RES capacity	distribution lines, including connections	sales of electricity and gaseous fuel to retail customers in H1 2024
3.5 million tons	**9.8 TWh**	**9.9 TWh**	**33**
net coal production in H1 2024	net energy production in H1 2024	electricity supplied in H1 2024	Customer Service Offices (including 32 stationary offices and 1 mobile office)

In H1 2024, the ENEA Group generated EBITDA of PLN 3,470.4 million (up by PLN 1,154.2 million y/y).

The Generation Area posted EBITDA of PLN 1,665.3 million (up by PLN 598.0 million y/y). The higher EBITDA was largely driven by improved EBITDA in the System Power Plants Segment. There was an increase in the turnover margin, an increase in revenues from the Capacity Market, Regulatory System Services and Balancing Capacity, while the result of the generation concession declined. The RES Segment saw a decrease in EBITDA due to the realization of a lower margin on the Green Unit (mainly as a result of lower electricity prices, with a decrease in the unit cost of biomass). The Heat Segment saw a decline in EBITDA, which was influenced by, among other things, a decline in the unit margin on heat, while fixed costs increased. In the Generation Area as a whole, the effect of the base of the corresponding period of the previous year relating to the costs incurred for the charge for the Price Difference Fund is significant.

The Mining Area generated EBITDA of PLN 270.8 million (down by PLN 252.3 million y/y). The lower EBITDA resulted from a decrease in revenue from sales of coal. Despite the increase in coal sales volume, a lower sales price was realized.

The Distribution Area posted EBITDA of PLN 1,159.7 million (up by PLN 300.3 million y/y). The improvement in EBITDA was driven by a greater margin realized on the concession business and a higher result on other operating activities. At the same time, operating expenses went up.

The Trading Area posted EBITDA of PLN 195.9 million (up by PLN 124.8 million y/y). The higher EBITDA was largely due to an increase in the margin on the retail market. At the same time, there was a decline in recognized compensation income and a decline in the use of provisions related to onerous contracts.

- Capital expenditures totaled **PLN 1,332 million**
- Production of commercial coal was **3.5 million tons**
- Sales of commercial coal stood at **3.6 million tons**
- The Group produced nearly **9.8 TWh** of electricity
- Sales of heat in the Generation segment totaled **3.3 PJ**
- Sales of distribution services to end users reached nearly **10.0 TWh**
- Sales of electricity to retail customers totaled **12.5 TWh**

+

- Lower costs of purchase of electricity and gas
- Lower costs of consumption of materials and supplies
- No contribution to the Price Difference Fund
- Higher revenue from sales of goods and materials
- Higher revenue from sales of coal
- Higher revenue from the Capacity Market
- Higher revenue from sales of heat
- Higher result on other operating activities

-

- Lower revenue from sales of electricity
- Lower compensation revenue
- Higher employee benefit costs
- Lower use of the provision related to onerous contracts
- Lower revenue from sales of gas
- Higher costs of third-party services

2. Organization and activity of the ENEA Group

2.1. Events during the reporting period up to the date of the report

January

On 10 January 2024, an increase was registered in the share capital of Polimex Mostostal S.A. by PLN 1,000,000.00, that is from PLN 484,737,604.00 to PLN 485,737,604.00, by floating 500,000 series S ordinary bearer shares with a par value of PLN 2.00 each. ENEA S.A.'s stake in the company's share capital diminished from 16.22% to 16.19%. On 23 January 2024, as a result of the exercise of call option 11 (acquisition of shares), ENEA S.A.'s stake in the company's share capital increased from 16.19% to 16.24% and the number of shares held increased by 125,000, that is from 39,312,524 shares to 39,437,524 shares.

On 26 January 2024, a conditional agreement was entered into between ENEA S.A. and ENERGA S.A. providing for the sale by ENEA S.A. of 9,124,822 shares in Elektrownia Ostrołęka sp. z o.o., constituting 50% of the share capital of Elektrownia Ostrołęka sp. z o.o., to ENERGA S.A. for PLN 42,000,000.00 on the condition precedent that the National Support Center for Agriculture (KOWR) refrains from exercising its preemptive right to purchase shares in Elektrownia Ostrołęka sp. z o.o., vested under Article 3a(1)(1) of the Act of 11 April 2003 on the Formation of the Agricultural System within the time limit specified in Article 3a(4) thereof. As the above condition precedent was fulfilled, on 4 April 2024 ENEA S.A. and ENERGA S.A. signed the Agreement on the transfer of shares in Elektrownia Ostrołęka Sp. z o.o. (Transfer Agreement), under which the legal title to the transfer shares was transferred from the seller, i.e. ENEA S.A., to the buyer, i.e. ENERGA S.A., upon execution of the Transfer Agreement.

February

On 14 February 2024, ENEA Operator sold 18,312 shares in Sfinks Polska S.A. Thus, ENEA Operator is no longer a shareholder of this company.

On 14 and 26 February 2024, ENEA Operator sold 55,046 shares in Zakład Budowy Maszyn ZREMB-CHOJNICE S.A. Thus, ENEA Operator is no longer a shareholder of this company.

On 29 February 2024, an increase in the share capital of PAD RES Genowefa (currently PV Genowefa) was registered in accordance with a resolution of the Extraordinary General Meeting of PAD RES Genowefa adopted on 12 December 2023, by PLN 2,500,000.00 to PLN 2,505,000.00 through the creation of new 50,000 shares with a par value of PLN 50.00 each and a total par value of PLN 2,500,000.00. All shares in the company's increased share capital were subscribed for by ENEA S.A. and covered by a cash contribution in the total amount of PLN 2,500,000.00.

March

On 19 March 2024, the Extraordinary General Meeting of PV Genowefa adopted a resolution to make additional cash contributions to the company's share capital, in accordance with which ENEA S.A., as the sole shareholder, was required to make additional contributions of PLN 75.00 per share, or PLN 3,757,500.00 in total, to the company's bank account. The cash contributions were subsequently made.

April

On 17 April 2024, an increase was registered in the share capital of Polimex Mostostal S.A. by PLN 1,500,000.00, that is from PLN 485,737,604.00 to PLN 487,237,604.00, by floating 750,000 series S ordinary bearer shares with a par value of PLN 2.00 each. ENEA S.A.'s stake in the company's share capital diminished from 16.24% to 16.19%. On 30 April 2024, as a result of the exercise of call option 12 (acquisition of shares), ENEA S.A.'s stake in the company's share capital increased from 16.19% to 16.26% and the number of shares held increased by 187,500, that is from 39,437,524 shares to 39,625,024 shares.

May

On 16 May 2024, an increase in the share capital of ENEA ELKOGAZ by PLN 15,000,000.00, that is from PLN 39,000,000.00 to PLN 54,000,000.00, was registered by the National Court Register.

June

On 5 June 2024, ENEA Nowa Energia sp. z o.o. with its registered office in Radom acquired a 100% stake in WMC SPV 4 sp. z o.o. with its registered office in Warsaw. In turn, on 24 June 2024, the company acquired a 100% stake in WMC SPV 2 sp. z o.o. with its registered office in Warsaw. Both companies thus acquired operate photovoltaic farms.

July

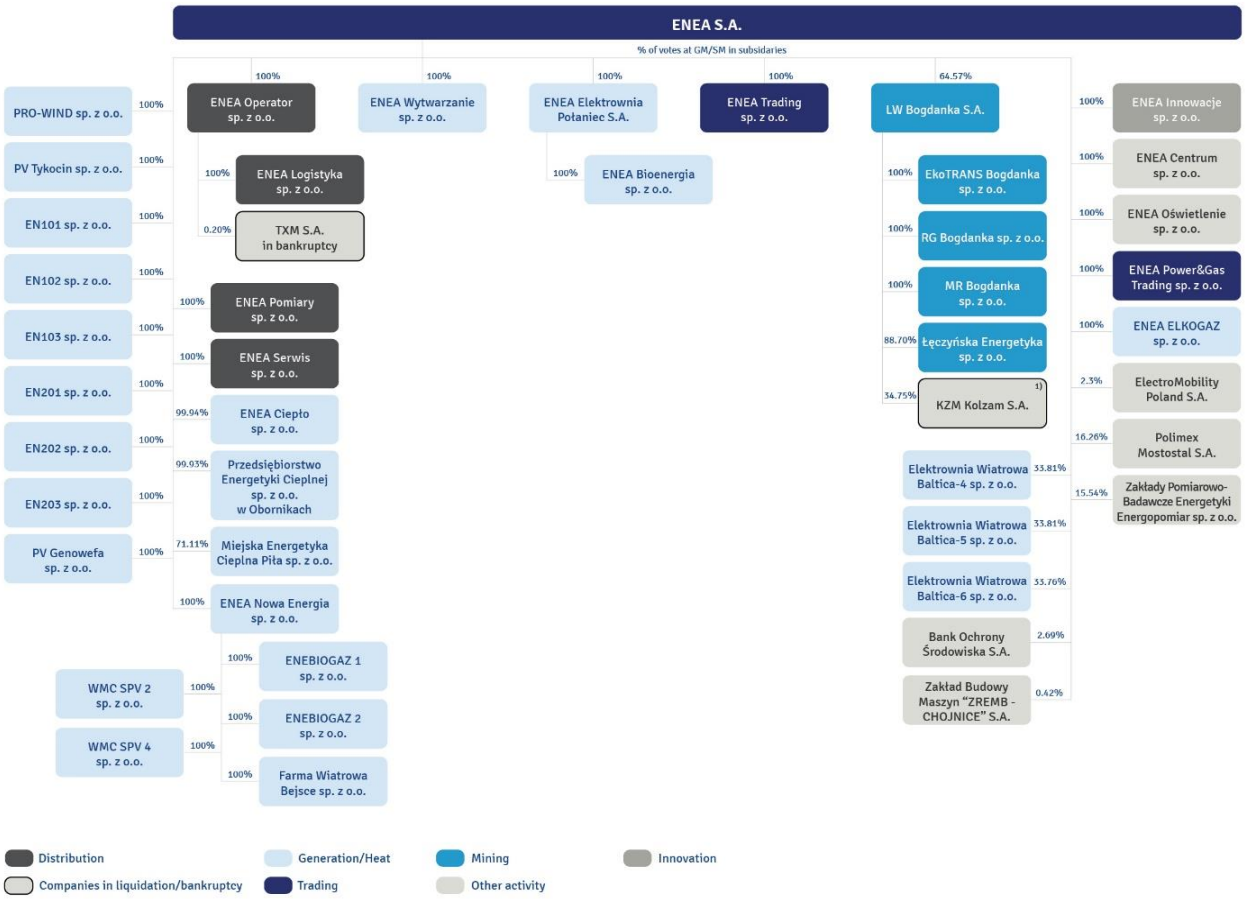
On 22 July 2024, an increase was registered in the share capital of Polimex Mostostal S.A. by PLN 1,000,000.00, that is from PLN 487,237,604.00 to PLN 488,237,604.00, by floating 500,000 series S ordinary bearer shares with a par value of PLN 2.00 each. ENEA S.A.'s stake in the company's share capital diminished from 16.26% to 16.23%. On 5 August 2024, as a result of the exercise of call option 13 (acquisition of shares), ENEA S.A.'s stake in the company's share capital increased from 16.23% to 16.28% and the number of shares held increased by 125,000, that is from 39,625,024 shares to 39,750,024 shares.

On 23 July 2024, the Extraordinary General Meeting of ENEA Innowacje sp. z o.o., by Resolution No. 1, decided to dissolve ENEA Innowacje sp. z o.o. with its registered office in Warsaw following a liquidation process.

August

On 7 August 2024, ENEA S.A. established a company by the name of ENEA Eko sp. z o.o. with its registered office in Warsaw. The company's share capital is PLN 11,000,000.00. ENEA S.A. subscribed for 100% shares in the company. On 12 August 2024, ENEA Eko sp. z o.o. was entered in the Register of Commercial Undertakings kept by the National Court Register.

2.2. Structure of the ENEA Group – as at 30 June 2024



[1] Ruling on discontinuation of the bankruptcy proceedings / the company does not conduct any business activity.

There are 8 leading entities in the ENEA Group, namely ENEA S.A. (trading in electricity), ENEA Operator sp. z o.o. (distribution of electricity), ENEA Wytwarzanie sp. z o.o., ENEA Elektrownia Połaniec S.A. and ENEA Nowa Energia sp. z o.o. (generation and sales of electricity), ENEA Trading sp. z o.o. and ENEA Power&Gas Trading sp. z o.o. (wholesale of electricity) and LW Bogdanka S.A. (coal mining). The Group's structure also includes other companies which are direct and indirect subsidiaries of ENEA S.A. and companies in which ENEA S.A. holds minority shares.[2]

[2] Hereinafter, the names of the companies may be presented without the abbreviation of their legal form. Whenever the terms "Company" or "Issuer" are mentioned, this means ENEA S.A.

Major changes in the ENEA Group's structure and organization

In H1 2024, the ENEA Group's structure and organization underwent the following changes:

– liquidation of ENEA Innowacje – the ENEA Group is changing its model of conducting innovation projects with a view to increasing their efficiency. Competences in this area will be allocated to business areas that serve as competence centers for the Group, providing optimal resources for innovation development. The process will be coordinated at the Group level. The Group will roll out technologies that are new but have already been proven;

– putting in order the previously dispersed RES area by relocating the necessary resources to ENEA Nowa Energia. ENEA Nowa Energia will seek to further improve the quality and competence in the RES area, thereby providing a solid foundation for the pursuit of the Group's ambitious RES asset development strategy.

Major changes in ENEA S.A.'s structure and organization

The Company's organizational structure has been considerably streamlined, including through the establishment of new units intended to pursue new tasks in the areas of ESG, energy transition, occupational safety and others. ENEA S.A.'s new organizational framework will translate into more efficient management and improve the daily operation of the Company and the whole Group by creating conditions

for organizational development in various business areas. In the Management Board's opinion, this is a necessary step to prepare the ENEA Group to face the market challenges expected to transpire in the coming years, thereby enabling the organization to make spot-on decisions at every management level and thus support the achievement of our objectives and the fulfillment of our commitments to customers and shareholders.

Accordingly, amendments were made to the Rules and Regulations of ENEA S.A.'s Organizational Units – with effect from 1 September 2024, existing structures and processes aimed at improving strategic and operational efficiency were updated. The amendments include (without limitation): (i) establishment of a Transition Department responsible for the effective use and energy transition of the Group's assets, (ii) establishment of an ESG Department responsible for the deployment of responsible business standards and sustainable development of the organization, (iii) establishment of an IT Department responsible for the Group's digital transition, (iv) establishment of an Occupational Health, Safety and Environment Department responsible for protecting the environment and improving occupational safety in the Company. In parallel, the Rules and Regulations of the ENEA S.A. Management Board were amended to reflect the reduced number of Management Board Members from 6 to 4, and a new division of powers between Management Board Members was introduced to optimize management.

Capital investments

In H1 2024, ENEA Nowa Energia acquired a 100% stake in WMC SPV 4 sp. z o.o. and WMC SPV 2 sp. z o.o.

On 7 August 2024, ENEA S.A. established a company by the name of ENEA Eko sp. z o.o. Considering the ongoing energy transition process, ENEA S.A. intends to develop its competences in energy efficiency and other areas. ENEA Eko will play a key role in managing a portfolio of new energy transition products and services for end users in the business segment. Also, the company, by developing relationships with ENEA's customers, will create and integrate business and organizational processes in the areas of end-user power generation and renewable energy trading. In parallel, the company will pursue the task of developing and maintaining the Group's energy management system and provide such services to industrial customers.

The remaining description of processes related to capital investments is included in the *Condensed interim consolidated financial statements of the ENEA Group for the period from 1 January to 30 June 2024*.

2.3. ENEA Group's business areas

2.4. Growth strategy

ENEA S.A. is carrying out advanced work on updating the ENEA Group's growth strategy. The modified strategy will set new directions for the Group's growth corresponding to market challenges and define its ambitions and aspirations in the long term.

As part of the strategy update endeavor, work is underway on scenarios involving coal assets. The strategic directions focus on the development of RES, development and improvement of flexibility of the distribution network, energy efficiency and optimization of consumption, use of gas as a transition fuel, effective energy transition of heat, using distributed sources, digital transition, including cyber security, ensuring physical security of assets, sustainable organization ensuring quality for customers, job security and employee engagement, building a socially responsible, efficient company and increasing shareholder value.

2.5. Financing

2.5.1. External financing – security issues, bonds, loans

ENEA S.A. finances the investment program using financial surpluses from its business activities and external debt. The ENEA Group pursues an investment financing model whereby ENEA S.A. acquires funds from external sources and distributes them to its subsidiaries. Going forward, ENEA S.A. will focus on ensuring appropriate diversification of external funding sources for its intended investments.

In H1 2024, ENEA S.A. did not execute any new bond issue program agreements. On 18 April 2024, the ENEA S.A. Management Board adopted a resolution on its intention to issue bonds under the *Bond Issuance Program Agreement up to a maximum amount of PLN 5,000,000,000* ("Bond Issuance Program Agreement") with a total value of up to PLN 2,000 million in Q2 2024, as disclosed by the Company in Current Report No. 18/2024. Then, on 10 May 2024, the Management Board decided to issue two series of bonds under the Bond Issuance Program Agreement, each with a value of PLN 1,000 million, maturing in May 2027 and May 2030. The securities bear interest at a floating interest rate equal to the sum of WIBOR for 6-month deposits and a margin.

On 21 May 2024, the Company completed the repurchase of ENEA0624 series bonds ("Bonds"), entered in the Central Securities Depository (KDPW S.A.) under registration no. ISIN PLENEA000096, from their holders. The Company purchased 8,276 Bonds with a par value of PLN 0.1 million each and a total par value of PLN 827.6 million. The Bonds were purchased for redemption in accordance with Article 76(1) of the Bond Act of 15 January 2015. Detailed information on this matter was disclosed by the Company in Current Report No. 24/2024.

As at 30 June 2024, ENEA S.A.'s nominal debt on account of bonds and loans aimed at financing the investment program totaled PLN 6,186 million, of which PLN 3,480 million was incurred under long-term loans and PLN 2,706 million was attributable to bonds.

Some ENEA Group companies entered into external financing agreements. As at 30 June 2024, the total nominal amount of external debt under loans and borrowings (without ENEA S.A.'s external sources of debt) was PLN 103 million. In H1 2024, ENEA Group companies did not terminate any loan or borrowing agreements.

2.5.2. Sureties and guarantees granted

In H1 2024, ENEA S.A. extended two types of security interest in the form of corporate sureties and guarantees.

On 29 April 2024, ENEA S.A. entered into a surety agreement with Polskie Sieci Elektroenergetyczne S.A. ("PSE") for the liabilities of its subsidiary ENEA Elektrownia Połaniec S.A. ("ENEA Połaniec") up to PLN 20,000 thousand. The liabilities include PSE's receivables from ENEA Połaniec for the due performance of an agreement involving settlements for energy on the Balancing Market. The surety covers ENEA Połaniec's liabilities to PSE until 31 December 2025.

On 26 June 2024, ENEA S.A. issued a corporate guarantee to Shell Energy Europe B.V. for the liabilities of its subsidiary ENEA Trading sp. z o.o. ("ENEA Trading") arising from the ISDA 2002 Master Agreement along with the Schedule to the ISDA 2002 Master Agreement and the Credit Support Annex to the Schedule to the ISDA Master Agreement, up to a maximum amount of EUR 70,000 thousand, for an indefinite term with a termination option at ENEA S.A.'s discretion with a 30-day notice. The liabilities include receivables of Shell Energy Europe B.V. from ENEA Trading for forward transactions related to CO_2 emission allowances executed by ENEA Trading.

As at 30 June 2024, the total value of the off-balance sheet items on account of suretyships and corporate guarantees extended by ENEA S.A. was PLN 8,997,547 thousand.

As at 30 June 2024, the total value of the bank guarantees extended upon orders from ENEA S.A. was PLN 77,240 thousand.

The table below presents the largest bank guarantees extended upon orders from ENEA S.A. in H1 2024 under the concluded bank guarantee agreements (size threshold > PLN 2 million):

Security granting date	Security validity date	Secured entity	Purpose of the agreement	Security form	Security amount [PLN 000s]
1 January 2024	31 January 2025	State Treasury – Military Infrastructure Management.	Proper performance bond	under a guarantee facility of up to PLN 110,000 thousand	2,913

2.5.3. Intra-group financing – bonds

Currently, in the Distribution area, ENEA S.A. has intra-group bond issue programs in place with a total initial par value of PLN 2,371 million. These programs have been fully utilized and are redeemed in installments. As at 30 June 2024, the total nominal exposure arising from intra-Group bonds held by ENEA S.A. was PLN 1,180 million.

In H1 2024, ENEA S.A. did not enter into any new intra-Group program agreements providing for the issuance of bonds to finance ENEA Group companies.

2.5.4. Intra-group financing – loans

In H1 2024, ENEA S.A. did not enter into any new loan agreements with other ENEA Group companies or other companies in which it holds an equity stake. During the reporting period ended 30 June 2024, ENEA Nowa Energia drew down two tranches of the PLN 200 million loan extended in 2023, for a total of PLN 150 million, thereby utilizing the entire available loan amount. PRO-WIND, under the loan agreement entered into in 2023 for PLN 17.5 million, released one tranche of the loan in the amount of PLN 0.8 million, thus utilizing the entire available loan amount. After the balance sheet date (24 July 2024), ENEA S.A. entered into Annex 1 to the loan agreement with PRO-WIND Sp. z o.o. for up to PLN 17.5 million, amending only the loan repayment schedule, whereas the final loan repayment date remained unchanged.

As at 30 June 2024, the nominal debt of the companies under the loans granted to them by ENEA S.A. totaled PLN 6,963 million. Detailed information on the loan agreements signed by ENEA S.A. and active in H1 2024 and their utilization is presented in the table below.

Starting date	Ending date	Company	Value of agreements PLN million	Loan amount taken out in H1 2024 PLN million	Interest rate	Loan debt as at 30 June 2024 PLN million
March 2020	July 2028	ENEA Operator	4,849	0	Base rate + margin	4,409
January 2020	December 2026	ENEA Wytwarzanie	2,200	0	base rate + margin	1,782
February 2020	December 2026	ENEA Elektrownia Połaniec	500	0	base rate + margin	500
June 2021	December 2031	Miejska Energetyka Cieplna Piła	15	0	Base rate + margin	7
July 2023	June 2028	ENEA ELKOGAZ	20	0	Base rate + margin	20
August 2023	June 2039	PRO-WIND	20	1	Base rate + margin, fixed	19
September 2023	January 2027	PV Genowefa	25	0	Fixed	25
December 2023	December 2034	ENEA Nowa Energia	200	150	Base rate + margin	200
August 2023	December 2024	ENEA Trading	100[1]	0[1]	Base rate + margin	0[1]

[1] Loan granted in EUR. The balance presented in the table above is also shown in EUR. Under the loan agreement entered into in August 2023 between ENEA S.A. and ENEA Trading sp. z o.o. for EUR 100 million, ENEA Trading sp. z o.o. drew down loan tranches in the total amount of EUR 203.6 million in H1 2024 and in parallel repaid EUR 203.6 million. As at 30 June 2024, the balance on the loan was 0.

The amounts presented in the table above in the columns “Value of agreements in PLN million” and “Loan debt as at 30 June 2024 in PLN million” refer to total values of all the signed agreements between ENEA S.A. and the respective company and the total value of the respective company’s debt to ENEA as at 30 June 2024.

2.5.5. Related party transactions

In H1 2024, ENEA S.A. and its subsidiaries did not enter into any related-party transactions on a non-arm's length basis. Information on transactions with related parties entered into by ENEA S.A. or its subsidiaries is provided in note 23 to the *Condensed interim consolidated financial statements of the ENEA Group for the period from 1 January to 30 June 2024*.

3. Risk management

The ENEA Group is exposed to risks in each segment of its activity. The risk materialization may have a significant adverse effect on the continuity of business of individual companies of the Group as well as their financial standing and ability to achieve strategic goals. The awareness of these risks requires maintaining, using, and constantly improving a formalized and integrated enterprise risk management (ERM) system. Its framework is laid down in the *ENEA Group Enterprise Risk Management Policy*.

The information presented below shows major risks to which the ENEA Group was exposed in H1 2024 with key mitigating measures.

Financial risks

Risk of deterioration or loss of liquidity

- cash flow planning in the current and strategic horizon
- implementation of the ENEA Group's financing strategy

Risk of a breach of financing agreements

- monitoring of banking covenants in the ENEA Group
- aggregation of information on the occurrence or absence of events that may result in a breach of covenants provided for in financing agreements

Risk of losses due to counterparty default (including credit risk)

- conducting structured activities in the area of credit risk management and debt collection

Risk of interest rate volatility

- ongoing monitoring of exposure to the risk of unfavorable changes in interest rates in consideration of the current limits adopted for this risk
- hedging with IRS derivative transactions

Risk of exchange rate volatility

- keeping the currency limits updated and monitoring them on an ongoing basis
- hedging with FX Forward transactions

Risk of a rating downgrade

- ongoing consultations with a credit rating agency

Market risks

Risk of volatility of prices of electricity and related products (price risk)

- continuous analysis of the fuel and energy market
- improving methods and tools to optimize commodity portfolios
- maintaining and developing competence to manage commodity risk

Risk of electricity imbalance

- monitoring and analyzing causes of electricity imbalance
- regular monitoring of security in the Balancing Market

Strategic risks

Risk of adverse legal changes in Poland and the EU and risk of uncertainty of legislative environment

- monitoring draft legislative amendments and their impacts
- forecasting potential effects of regulatory changes in the company's planned financial result

Risk of compromised ICT security caused by cyberattacks

- ongoing analysis of ICT security and responding to ICT security incidents
- conducting an information campaign among employees regarding ICT security principles
- conducting tests of implemented systems

Risk of delayed implementation or non-implementation of the project to build CCGT units

- monitoring the implementation of the various stages of the project
- optimization of the process of obtaining external financing

Risk of a loss of key generation and distribution infrastructure as a result of natural disasters or other force majeure events

- visual inspections and check-ups
- capital expenditure projects

Risk of a loss of revenue from the Capacity Market

- optimization of upgrade schedules

Risk of inefficient implementation of investments and strategic initiatives

- diversification of acquisition targets
- monitoring of the environment, ongoing analysis, long-term plans to align the implementation of strategic goals with changing conditions

Risk of maintaining a biomass supply chain that meets the criteria required by law

- consultations with the Ministry of Climate and Environment.
- consultations with biomass suppliers

Regulatory and legal risks associated with the adopted methodology for calculating the amount of contributions to the Price Difference Fund

- consultations with market participants

Operating risks

Risk of failure of the key generation and distribution infrastructure

- maintaining technical infrastructure in proper order to prevent failures
- observing procedures and instructions
- major overhauls and ongoing repairs

Risk of unavailability of key IT and OT systems

- updating software and creating backup copies
- monitoring system infrastructure

Risk of losing pending lawsuits

- granting powers-of-attorney to professional representatives
- establishing/updating provisions for future potential losses

Risk associated with difficulties in ensuring personnel with appropriate experience and competences

- organizing paid traineeships and apprenticeships, cooperation with endorsed schools
- ensuring a transparent, competitive and motivational remuneration system
- activities in the area of employer branding in order to win the best candidates for work, including activities addressed to students and graduates

Risk related to collective disputes, strikes and social conflicts resulting from employees' dissatisfaction with economic and social situation

- maintaining active and regular dialog with the social stakeholder
- proper selection of internal communication media

Risk of a personal data security breach

- conducting an information campaign among employees, including induction and periodic training on personal data protection
- securing personal data processing systems through system security measures (forcing changes of passwords, firewall, antivirus software)
- streamlining processes based on identified incidents
- regular periodic reviews and assessment of personal data processing systems with regard to their security

Risk of a breach of stock exchange disclosure obligations

- ongoing review of information and events with a view to disclosure obligations

Risk of an ineffective process of sales agreement processing with regard to reports, readings and invoicing

- analysis of unsettled Employee Pension Schemes, correctness of agreements, price lists
- communication with customers, DSOs and the automation area
- cooperation on changes to service systems

Risk of losses in capacity caused by hydrologic conditions

- analyzing the possibility of implementing an alternative technological solution

Risk of interruption of fuel supplies

- diversification of supply sources and service providers

Risk of corruption, conflict of interest and unfair competition in the ENEA Group

- building employee awareness and support from the compliance area
- periodic monitoring and reporting on incidents of corruption, conflict of interest and unfair competition

Risk of failure to attain the planned sales volume of generated electricity

- monitoring the market and contracting volumes for future periods

Risk of exceeding the parameters resulting from environmental permits and decisions or of failure to obtain the required permits and decisions

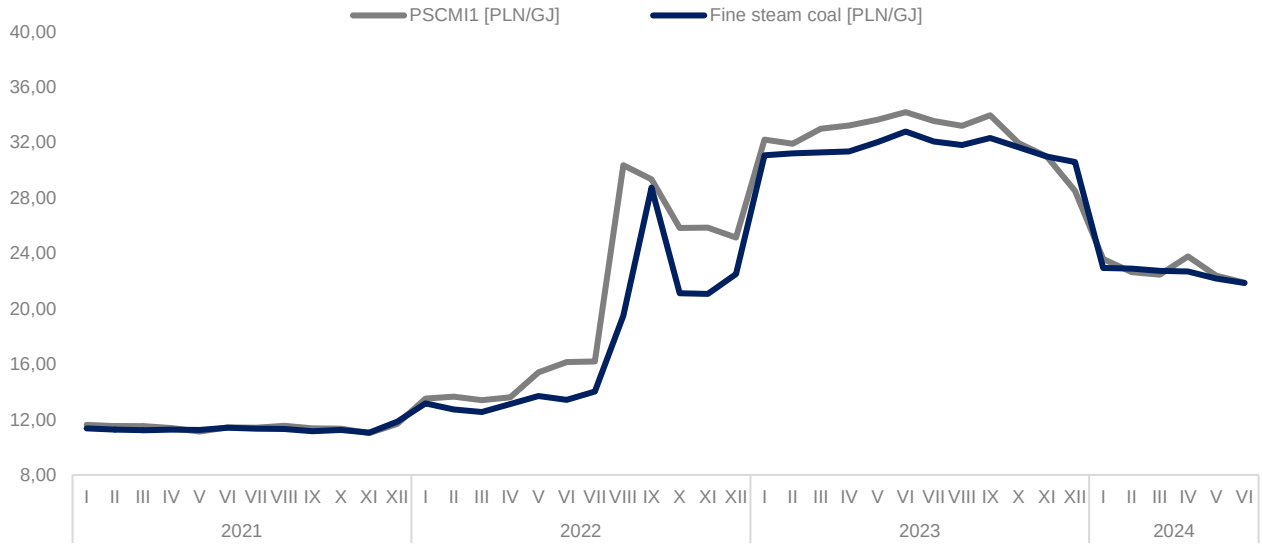
- monitoring the adoption of legal regulations and the validity of environmental permits and decisions
- monitoring the parameters resulting from environmental permits and decisions

Risk of accidents at work and occupational diseases

- induction and periodic training
- monitoring the working conditions and environment

4. Market environment

4.1. Prices of bituminous coal in the Polish market



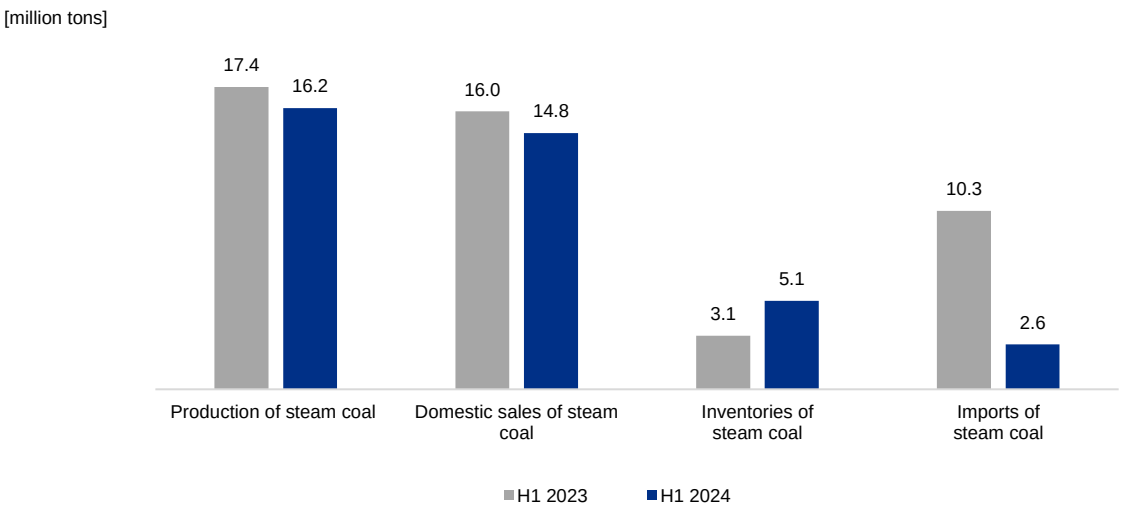
Data: Industrial Development Agency

PSCMI1: The average price of PSCMI1 index in H1 2024 was PLN 22.78 per GJ, down by 31.0% compared to 33.02 PLN/GJ in the previous year. As at the end of June, the cost of purchasing 1 ton of steam coal according to PSCMI1 index was PLN 21.88 per GJ and was down by 36.0% from the previous year.

Fine coal fractions: The average price of fine steam coal sold to the commercial energy sector in H1 2024 was PLN 22.55 per GJ, down by 28.7% compared to PLN 31.62 per GJ the year before. As at the end of June, the cost of purchasing 1 ton of fine steam coal was PLN 21.85 per GJ and was down by 33.3% from the previous year.

H1 2024 brought a continuation of a downward trend of prices of steam coal and fine steam coal in the Polish market. The prices fluctuated on average at the level of about PLN 22 per GJ, therefore considerably below levels from H1 2023, when the range of prices was on average PLN 31-33 per GJ.

4.2. Steam coal market



Data: Industrial Development Agency

Declines in steam coal mining, sales and imports coupled with a large national stockpile of this commodity

In H1 2024, the volume of domestic steam coal extraction was 16.2 million tons, compared to 17.4 million tons in H1 2023 and the sales was at the level of 14.8 million tons vs. 16.0 million tons the year before. Year-over-year, both production and sales of domestic steam coal recorded decreases of 6.9% and 7.5%, respectively.

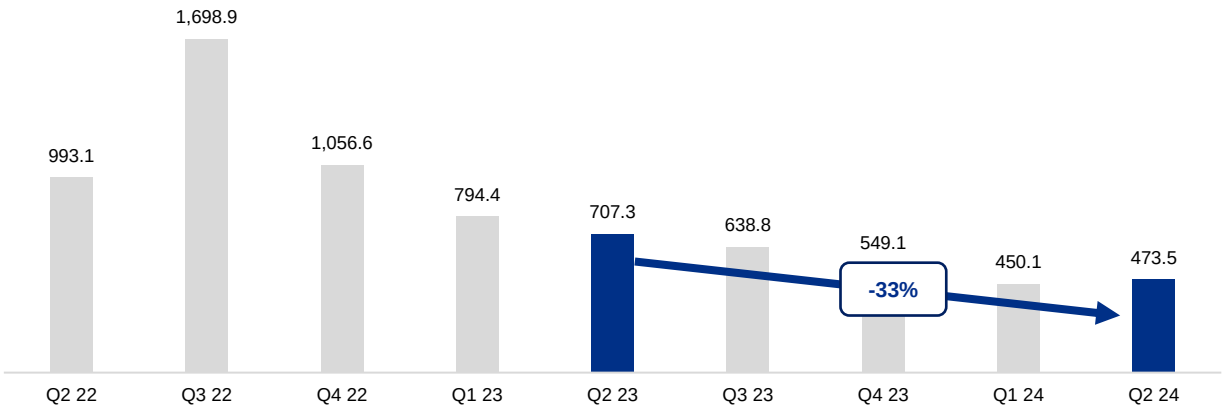
At the end of June 2024, steam coal inventories held by domestic producers stood at 5.1 million tons, compared to 3.1 million tons the year before, up 64.5% year-on-year. Since the end of December 2023, inventories of this commodity have increased by approx. 1.3 million tons. Storage yards of most power plants filled with coal, declines in domestic demand for coal-fired power generation and the abundance of this commodity in the country led to a sizeable drop in its imports during the period. At the end of H1 2024, the steam coal imports were 2.6 million tons, compared to 10.3 million tons in the previous year, which means a decrease of 74.8% y/y.

Situation in the domestic hard coal mining sector

In Poland, the major source of produced electricity continues to be coal, although it is regularly replaced in the energy mix by RES sources. For the domestic coal market, declines in demand for coal coupled with a growing supply of low-carbon sources will cause a decrease in the number of coal mines in operation, increased energy prices and, possibly, imports of fossil fuels. The financial support system for coal-fired power plants, the so-called capacity market, was prolonged for 2025-2028. The prolongation of the Capacity Market means continuation of energy supplies from conventional sources within system services for the Polish Power System as well as extra time for Poland's energy transition with the exploitation of coal-fired units, including "Units 200+", for which most capacity contracts expire after 2025. "Units 200+" is a program dedicated to make the operation of conventional coal-fired units of 200 MW class more modern and flexible by adjusting their working efficiency to the rigorous environmental requirements of the EU.

4.3. Energy prices in the Polish market

BASE_Y_23/24/25 (PLN/MWh)



Source: Own study based on publicly available stock market data.

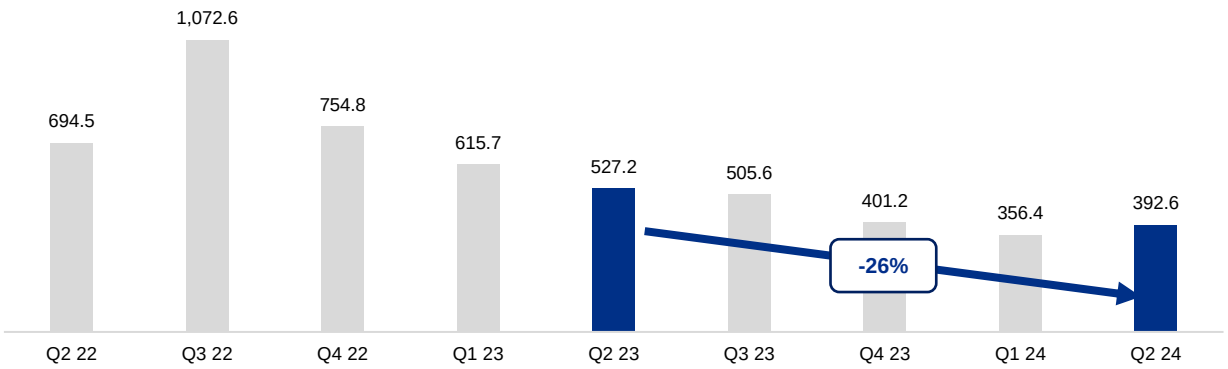
In Q2 2024, on the wholesale electricity forward market, the price of the BASE Y-25 product decreased by 33% to the average level of PLN 473.52 per MWh, compared to the corresponding product (i.e. BASE Y-24) in Q2 2023.

In H1 2024, the market price of BASE Y-25 was moderately volatile. At the beginning of the year, it hovered around PLN 530.00 per MWh, and then declined gradually to the record low level of PLN 400.61 per MWh, only to reach PLN 472.40 per MWh at the end of June.

The factors that affected the evolution of the BASE Y-25 price in Q2 2024 included price changes in the fuel market and CO_2 emission allowance market.

In H1 2024, the volume of trading in the annual frontal product BASE Y-25 totaled 1,898 MW, signifying an increase compared to H1 2023, when transactions for a total of 1,300 MW were executed under BASE Y-24 contracting (up by 46% y/y). The average per-session volume contracted in H1 2023 was 10 MW and rose to 15 MW in H1 2024.

RDN BASE (PLN/MWh)



Source: Own study based on publicly available stock market data.

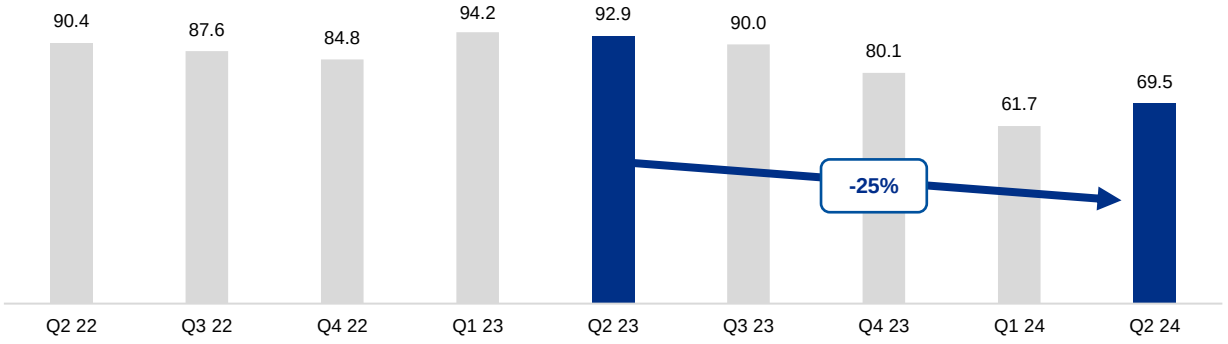
The average price of electricity on the spot market in Q2 2024 was PLN 392.57 per MWh, or 26% less than in the corresponding period of 2023.

The level of electricity prices on the spot market in H1 2024 was affected by:

- high RES generation volume from PV and wind plants (price-suppressing effect),
- higher average air temperature in H1 (a factor contributing to a decrease in Q1 and to an increase in Q2),
- low levels of CO_2 emission allowances (price-suppressing effect),
- entry into force on 14 June 2024 reforms of the balancing market and a change to the method of settlements for energy, including the shortening of the trading period from 1 hour to 15 minutes.

4.4. Prices of CO_2 emission allowances and "green" property rights

CO_2 emission allowances (DEC-24) (EUR/t)

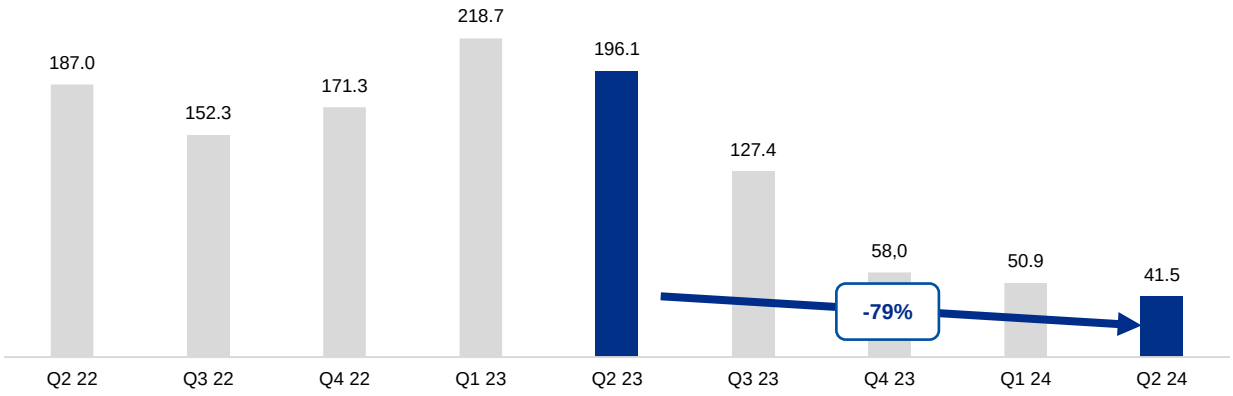


Source: Own study based on publicly available stock market data.

The first session of Q2 2024 closed at EUR 61.80 per ton. Until 10 April 2024, the DEC-24 closing prices were in the range of EUR 57.41-64.07 per ton. On 11 April 2024, the closing price was EUR 68.03 per ton and at the following sessions, it rose above EUR 70 per ton, up to the highest closing price in April – EUR 73.62 per ton on 16 April 2024. An important factor conducive to an increase for the price of allowances was a strong correlation with gas prices. From 19 April 2024, the price of CO_2 emission allowances remained below EUR 70 per ton until the end of the month. The first session in May closed with the price of EUR 67.82 per ton and a very low trading volume. From the second May session, DEC-24 prices started to rise and were in the range of EUR 69.46-74.22 per ton until 21 May 2024, when the session closed with the price of EUR 76.25 per ton. The last session in May closed at the level of EUR 74.10 per ton. On 1 June 2024, the European Commission published a communication on the total number of allowances in circulation (TNAC) for 2023. In 2023, the surplus was 1.112 billion allowances. After the first session in June, the prices began to fall, with slight adjustments, down to the lowest price at the penultimate session in Q2, which was EUR 66.67 per ton. The last session of the quarter closed at the price of EUR 67.47 per ton.

The average DEC-24 price in Q2 2024 was 25% lower than its counterpart in the corresponding period of 2023.

Prices of “green” property rights (PMOZE_A) (PLN/MWh)



Source: Own study based on publicly available stock market data.

In Q2 2024, green property rights, at the POLPX session market, were traded at significantly lower prices than in 2023, which was directly related to the Regulation of the Ministry of Climate and Environment setting a low 5% RES obligation for 2024. The weighted average price of PMOZE_A at the first session in January was PLN 70.03 per MWh. The first April session featured much lower prices and ended with the average daily price of PLN 48.69 per MWh, which was the highest price for the quarter. On 7 May 2024, the average session price fell down below PLN 40 per MWh, whereas the lowest average price was recorded on 6 June 2024 at the level of PLN 35.37 per MWh. The average price in Q2 2024 was 79% lower than its counterpart in the corresponding period of 2023.

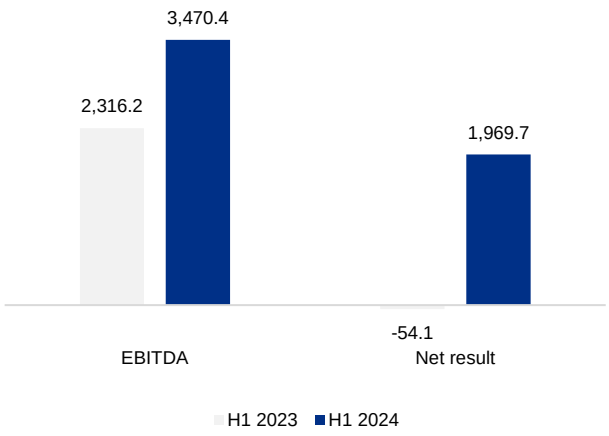
In Q2 2024, 4.2 TWh of property rights were issued and 9.2 TWh of green certificates of origin were redeemed, leaving 12 TWh of active rights in the register as at the end of June of this year (which is less by 2 TWh than at the end of Q2 2023).

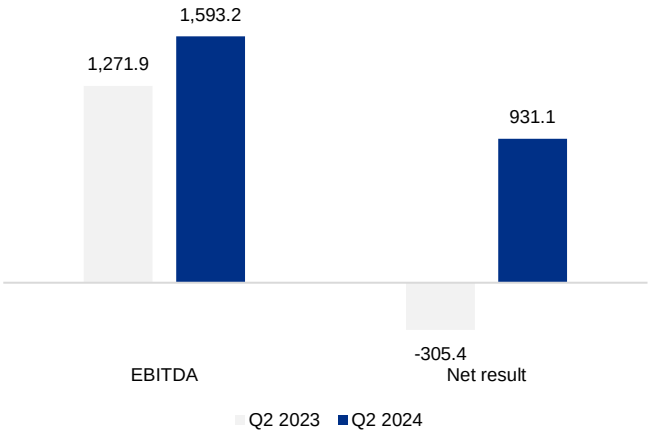
5. Operating and financial performance

5.1. Financial highlights of the ENEA Group

[PLN 000s]	H1 2023	H1 2024	Change	% change	Q2 2023	Q2 2024	Change	% change
Revenue from sales and other income	24,021,583	16,142,001	-7,879,582	-32.8%	11,490,641	7,757,120	-3,733,521	-32.5%
Operating profit / (loss)	723,627	2,744,036	2,020,409	279.2%	112,135	1,212,938	1,100,803	981.7%
Profit / (loss) before tax	(123,565)	2,432,098	2,555,663	2,068.3%	(486,458)	1,132,314	1,618,772	332.8%
Net profit / (loss) for the reporting period	(54,149)	1,969,697	2,023,846	3,737.6%	(305,425)	931,066	1,236,491	404.8%
EBITDA	**2,316,196**	**3,470,421**	**1,154,225**	**49.8%**	**1,271,887**	**1,593,213**	**321,326**	**25.3%**
CAPEX	1,466,587	1,332,238	-134,349	-9.2%	886,531	891,073	4,542	0.5%
Net debt	4,843,611	2,913,299	-1,930,312	-39.9%	4,843,611	2,913,299	-1,930,312	-39.9%
Net profit / (loss) attributable to shareholders of the parent company	(144,252)	2,280,726	2,424,978	1,681.1%	(346,465)	1,262,692	1,609,157	464.5%
Weighted average number of shares	529,731,093	529,731,093	-	-	529,731,093	529,731,093	-	-
Net earnings / (loss) per share [PLN]	(0.27)	4.31	4.58	1,696.3%	(0.65)	2.38	3.03	466.2%
Diluted earnings / (loss) per share [PLN]	(0.27)	4.31	4.58	1,696.3%	(0.65)	2.38	3.03	466.2%

PLN million





[PLN 000s]	31 December 2023	30 June 2024	Change	% change
Total assets	39,110,745	35,687,358	-3,423,387	-8.8%
Total liabilities	23,671,146	18,310,076	-5,361,070	-22.6%
Non-current liabilities	8,703,088	9,981,824	1,278,736	14.7%
Current liabilities	14,968,058	8,328,252	-6,639,806	-44.4%
Equity	15,439,599	17,377,282	1,937,683	12.6%
Share capital	676,306	676,306	-	-
Book value per share [PLN]	29.15	32.80	3.65	12.5%
Diluted book value per share [PLN]	29.15	32.80	3.65	12.5%

5.2. Consolidated statement of profit and loss

Consolidated statement of profit and loss for H1 2024

[PLN 000s]	H1 2023	H1 2024	Change	% change
Revenue from sales of electricity	18,271,692	11,442,552	-6,829,140	-37.4%
Revenue from sales of heat	319,486	359,471	39,985	12.5%
Revenue from sales of gas	75,239	171	-75,068	-99.8%
Revenue from sales of distribution services	2,317,490	2,273,652	-43,838	-1.9%
Revenue from connection fees	64,449	70,652	6,203	9.6%
Revenue from certificates of origin	14,395	6,742	-7,653	-53.2%
Revenue from sales of goods and materials	88,188	170,759	82,571	93.6%
Revenue from sales of other products and services	84,166	101,610	17,444	20.7%
Revenue from sales of coal	191,127	269,416	78,289	41.0%
Revenue from the Capacity Market	472,638	540,094	67,456	14.3%
Net revenue from sales	**21,898,870**	**15,235,119**	**-6,663,751**	**-30.4%**
Compensation	2,114,940	897,749	-1,217,191	-57.6%
Revenue from leases and operating subleases	7,773	9,133	1,360	17.5%
Revenue from sales and other income	**24,021,583**	**16,142,001**	**-7,879,582**	**-32.8%**
Amortization and depreciation	800,260	743,004	-57,256	-7.2%
Employee benefit costs	1,475,147	1,702,353	227,206	15.4%
Consumption of materials and supplies and cost of goods sold	7,508,078	4,942,453	-2,565,625	-34.2%
Purchase of energy and gas for subsequent sale	10,145,981	4,828,769	-5,317,212	-52.4%
Transmission services	335,486	313,050	-22,436	-6.7%
Other third-party services	542,804	602,845	60,041	11.1%
Taxes and charges	1,836,281	274,123	-1,562,158	-85.1%
Tax-deductible expenses	**22,644,037**	**13,406,597**	**-9,237,440**	**-40.8%**
Other operating revenue	133,058	119,505	-13,553	-10.2%
Other operating expenses	141,154	98,095	-43,059	-30.5%
Change in provision related to onerous contracts	184,148	4,945	-179,203	-97.3%
Profit / (loss) on change, sale and liquidation of property, plant and equipment and right-to-use assets	(37,662)	(34,342)	3,320	8.8%
Recognition / (reversal) of an impairment loss for non-financial non-current assets	792,309	(16,619)	-808,928	-102.1%
Operating profit / (loss)	**723,627**	**2,744,036**	**2,020,409**	**279.2%**
Finance costs	266,985	255,193	-11,792	-4.4%
Finance income	76,907	109,548	32,641	42.4%
Profit / (loss) on FX derivatives not used for hedge accounting purposes	(657,600)	(135,716)	521,884	79.4%
Dividend income	93	14	-79	-84.9%
Share in the results of associates and jointly controlled entities	4,714	-30,591	-35,305	-748.9%
Recognition/(reversal) of impairment loss on investments in associates and jointly controlled entities	4,321	0	-4,321	-100.0%
Profit / (loss) before tax	**(123,565)**	**2,432,098**	**2,555,663**	**2,068.3%**
Income tax	-69,416	462,401	531,817	766.1%
Net profit / (loss) for the reporting period	**(54,149)**	**1,969,697**	**2,023,846**	**3,737.6%**
EBITDA	**2,316,196**	**3,470,421**	**1,154,225**	**49.8%**

Key EBITDA drivers for the ENEA Group in H1 2024 (up by PLN 1,154.2 million):

(-) decrease in revenue from sales of electricity by PLN 6,829.1 million, caused mainly by a drop in the average sales price and a concurrent decrease in sales volume

(+) increase in revenue from sales of heat by PLN 40.0 million, driven mainly by an increase in the average sales price and a concurrent decline in sales volume

(-) decrease in revenue from sales of natural gas by PLN 75.1 million, caused by a lower sales volume (temporary discontinuation of gaseous fuel sales in 2024)

(-) decrease in revenue from sales of distribution services by PLN 43.8 million, caused predominantly by lower revenue on electricity resale on the Balancing Market with a concurrent decline in the energy distribution volume

(+) increase in revenue from sales of goods and materials by PLN 82.6 million, driven largely by a greater sales volume of combustion byproducts

(+) increase in revenue from sales of other products and services by PLN 17.4 million, resulting from greater demand for goods from external buyers

(+) increase in revenue from sales of coal by PLN 78.3 million, driven chiefly by a greater sales volume of coal with a concurrent lower average sales price

(+) revenue from the Capacity Market up by PLN 67.5 million, mainly due to the update of the price of the capacity obligation

(-) compensation revenue down by PLN 1,217.2 million – in accordance with the provisions of the Act of 7 October 2022 on Special Solutions for Protecting Electricity Buyers in 2023 and 2024 in Connection with the Situation on the Electricity Market [Consumption Limits Act] and the Act of 27 October 2022 on Emergency Measures to Reduce Electricity Prices and Support Certain Consumers in 2023 and 2024 [Price Limits Act]:

- (-) in H1 2023, the value of electricity price compensation in the amount of PLN 2,114.9 million was recognized in revenue
- (+) in H1 2024, the value of electricity price compensation in the amount of PLN 897.7 million was recognized in revenue

(-) employee benefit costs up by PLN 227.2 million, driven mainly by higher payroll costs and payroll-related charges coupled with a greater average headcount

(+) decrease in the cost of consumption of materials and supplies and cost of goods sold by PLN 2,565.6 million, mainly due to lower costs of CO_2 emission allowances, coal consumption costs and costs of biomass consumption for the whole Generation Area

(+) decrease in the cost of purchasing electricity and gas by PLN 5,317.2 million, mainly due to lower average purchase prices and a lower volume of purchases

(+) costs of transmission services down by PLN 22.4 million, predominantly due to lower costs of settlements with prosumers

(-) increase in the cost of third-party services by PLN 60.0 million, mainly due to an increase in the costs of tasks outsourced to external companies at variable rates for such services and the cost of property insurance

(+) decrease in the cost of taxes and charges by PLN 1,562.2 million, largely caused by the absence of a recognized charge for the Price Difference Fund in 2024

(-) lower utilization of provisions related to onerous contracts by PLN 179.2 million

- (-) in H1 2023, revenues included a partial utilization of the provision of PLN 184.1 million recognized in costs in December 2022 for a loss on Tariff G resulting from the fact that the Tariff of 17 December 2022 approved by the ERO President did not take into account the incurred electricity purchase costs and from the application of the Act of 7 October 2022 on Special Solutions for Protecting Electricity Buyers in 2023 in Connection with the Situation on the Electricity Market in the amount of PLN 368.3 million
- (+) in H1 2024, partial utilization of the provision of PLN 4.9 million was recognized in costs in December 2023 for the loss arising from the distribution fee rebate which was settled by ENEA S.A. acting as the offtaker of last resort in relation to electricity supplied to the grid by prosumers

(+) result on other operating activities up by PLN 32.8 million:

- (+) increase in the valuation of forward transactions for energy and gas by PLN 46.8 million
- (+) decrease in provisions for non-contractual use of transmission corridors by PLN 25.5 million
- (+) provisions for potential claims down by PLN 11.0 million
- (+) loss arising from the liquidation of property, plant and equipment down by PLN 3.3 million, partly due to a change in the range of liquidated mining pits
- (-) decrease in the result on CO_2 contracts and revaluation by PLN 29.4 million
- (-) decrease in revenues from compensation, penalties and fines by PLN 9.8 million
- (-) change in impairment losses for overdue receivables and uncollectible receivables by PLN 6.7 million

Material changes affecting net result:

(+) impairment losses for non-financial non-current assets down by PLN 808.9 million; this change resulted in an increase in the net result by PLN 655.2 million – impact of the impairment loss recognized in the Mining segment in H1 2023

(+) movement in the result on currency derivatives not used in hedge accounting by PLN 521.9 million resulting from changes in the valuation of currency contracts and realized foreign exchange differences related to these contracts

(-) movement in the share in the earnings of associates and jointly controlled entities by PLN 35.3 million

Consolidated statement of profit and loss in Q2 2024

[PLN 000s]	Q2 2023	Q2 2024	Change	% change
Revenue from sales of electricity	8,878,261	5,555,349	-3,322,912	-37.4%
Revenue from sales of heat	120,264	123,669	3,405	2.8%
Revenue from sales of gas	23,843	0	-23,843	-100.0%
Revenue from sales of distribution services	1,126,467	1,103,582	-22,885	-2.0%
Revenue from connection fees	32,095	27,964	-4,131	-12.9%
Revenue from certificates of origin	6,691	2,424	-4,267	-63.8%
Revenue from sales of goods and materials	44,773	110,483	65,710	146.8%
Revenue from sales of other products and services	46,668	45,674	-994	-2.1%
Revenue from sales of coal	84,837	129,044	44,207	52.1%
Revenue from the Capacity Market	229,225	263,389	34,164	14.9%
Net revenue from sales	**10,593,124**	**7,361,578**	**-3,231,546**	**-30.5%**
Compensation	893,832	392,090	-501,742	-56.1%
Revenue from leases and operating subleases	3,685	3,452	-233	-6.3%
Revenue from sales and other income	**11,490,641**	**7,757,120**	**-3,733,521**	**-32.5%**
Amortization and depreciation	396,112	380,203	-15,909	-4.0%
Employee benefit costs	760,886	862,355	101,469	13.3%
Consumption of materials and supplies and cost of goods sold	3,545,317	2,376,335	-1,168,982	-33.0%
Purchase of energy and gas for subsequent sale	4,791,321	2,322,435	-2,468,886	-51.5%
Transmission services	143,412	141,902	-1,510	-1.1%
Other third-party services	286,307	301,560	15,253	5.3%
Taxes and charges	775,912	142,018	-633,894	-81.7%
Tax-deductible expenses	**10,699,267**	**6,526,808**	**-4,172,459**	**-39.0%**
Other operating revenue	30,188	40,309	10,121	33.5%
Other operating expenses	17,293	39,638	22,345	129.2%
Change in provision related to onerous contracts	92,074	4,945	-87,129	-94.6%
Profit / (loss) on change, sale and liquidation of property, plant and equipment and right-to-use assets	(20,568)	(22,918)	-2,350	-11.4%
Recognition / (reversal) of an impairment loss for non-financial non-current assets	763,640	72	-763,568	-100.0%
Operating profit / (loss)	**112,135**	**1,212,938**	**1,100,803**	**981.7%**
Finance costs	129,215	124,823	-4,392	-3.4%
Finance income	41,522	60,189	18,667	45.0%
Profit / (loss) on FX derivatives not used for hedge accounting purposes	(514,133)	(14,602)	499,531	97.2%
Dividend income	93	14	-79	-84.9%
Share in the results of associates and jointly controlled entities	4,187	-1,402	-5,589	-133.5%
Recognition/(reversal) of impairment loss on investments in associates and jointly controlled entities	1,047	0	-1,047	-100.0%
Profit / (loss) before tax	**(486,458)**	**1,132,314**	**1,618,772**	**332.8%**
Income tax	-181,033	201,248	382,281	211.2%
Net profit / (loss) for the reporting period	**(305,425)**	**931,066**	**1,236,491**	**404.8%**
EBITDA	**1,271,887**	**1,593,213**	**321,326**	**25.3%**

ENEA Group – Key EBITDA drivers in Q2 2024 (up by PLN 321.3 million):

(-) decrease in revenue from sales of electricity by PLN 3,322.9 million, caused mainly by a drop in the average sales price and a concurrent decrease in sales volume

(-) decrease in revenue from sales of natural gas by PLN 23.8 million, caused mainly by a lower sales volume (temporary discontinuation of gaseous fuel sales in 2024)

(-) decrease in revenue from sales of distribution services by PLN 22.9 million, caused predominantly by lower revenue on electricity resale on the Balancing Market with a concurrent decline in the energy distribution volume

(+) increase in revenue from sales of goods and materials by PLN 65.7 million, driven largely by a greater sales volume of combustion byproducts

(+) increase in revenue from sales of coal by PLN 44.2 million, driven chiefly by a greater sales volume of coal with a concurrent lower average sales price

(+) revenue from the Capacity Market up by PLN 34.2 million, mainly due to the update of the price of the capacity obligation

(-) compensation revenue down by PLN 501.7 million – in accordance with the provisions of the Act of 7 October 2022 on Special Solutions for Protecting Electricity Buyers in 2023 and 2024 in Connection with the Situation on the Electricity Market [Consumption Limits Act] and the Act of 27 October 2022 on Emergency Measures to Reduce Electricity Prices and Support Certain Consumers in 2023 and 2024 [Price Limits Act]:

- (-) in Q2 2023, the value of electricity price compensation in the amount of PLN 893.8 million was recognized in revenue
- (+) in Q2 2024, the value of electricity price compensation in the amount of PLN 392.1 million was recognized in revenue

(-) increase in employee benefit costs by PLN 101.5 million driven mainly by higher payroll costs and payroll-related charges

(+) decrease in the cost of consumption of materials and supplies and cost of goods sold by PLN 1,169.0 million, mainly due to lower costs of CO_2 emission allowances, coal consumption costs and costs of biomass consumption for the whole Generation Area

(+) decrease in the cost of purchasing electricity and gas by PLN 2,468.9 million, mainly due to lower average purchase prices and a lower volume of purchases

(-) increase in the cost of third-party services by PLN 15.3 million, mainly due to an increase in the costs of tasks outsourced to external companies at variable rates for such services

(+) decrease in the cost of taxes and charges by PLN 633.9 million, largely caused by the absence of a recognized charge for the Price Difference Fund in 2024

(-) lower utilization of provisions related to onerous contracts by PLN 87.1 million

- (-) in Q2 2023, revenues included a partial utilization of the provision of PLN 92.0 million recognized in costs in December 2022 for a loss on Tariff G resulting from the fact that the Tariff of 17 December 2022 approved by the ERO President did not take into account the incurred electricity purchase costs and from the application of the Act of 7 October 2022 on Special Solutions for Protecting Electricity Buyers in 2023 in Connection with the Situation on the Electricity Market in the amount of PLN 368.3 million
- (+) in Q2 2024, partial utilization of the provision was recognized in costs in December 2023 for the loss arising from the distribution fee rebate which was settled by ENEA S.A. acting as the offtaker of last resort in relation to electricity supplied to the grid by prosumers, in the amount of PLN 4.9 million

(-) result on other operating activities down by PLN 14.6 million:

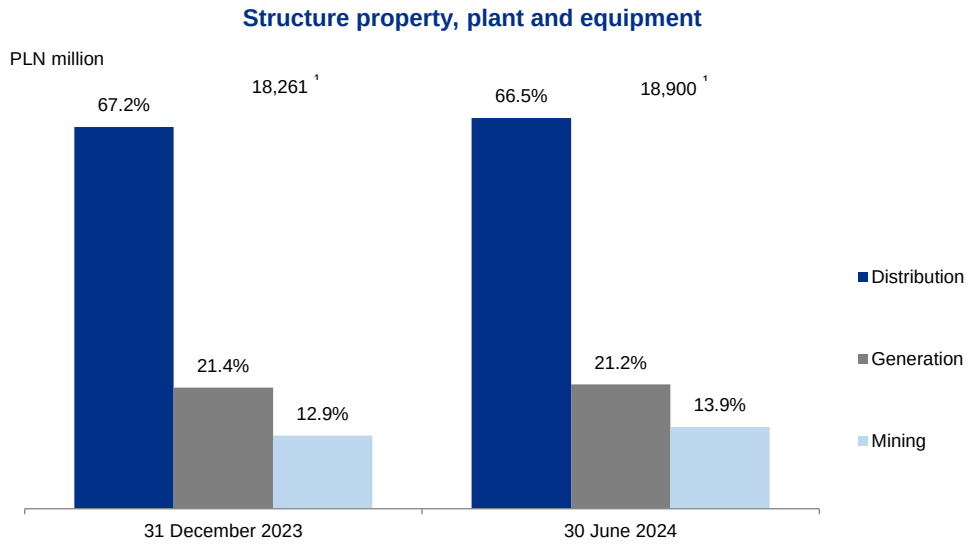
- (-) decrease in the valuation of forward transactions for energy and gas by PLN 14.0 million
- (-) decrease in revenues from compensation, penalties and fines by PLN 6.2 million
- (-) loss arising from liquidation of property, plant and equipment up by PLN 2.4 million, among others in connection with a change in the range of liquidated mining pits
- (-) change in impairment losses for overdue receivables and uncollectible receivables by PLN 1.6 million
- (+) increase in the result on CO_2 contracts and revaluation by PLN 6.4 million
- (+) decrease in provisions for non-contractual use of transmission corridors by PLN 6.1 million

Material changes affecting net result:

- (+) impairment losses for non-financial non-current assets down by PLN 763.6 million; this change resulted in an increase in the net result by PLN 618.5 million – impact of the impairment loss recognized in the Mining segment in Q2 2023
- (+) movement in the result on currency derivatives not used in hedge accounting by PLN 499.5 million resulting from changes in the valuation of currency contracts and realized foreign exchange differences related to these contracts
- (-) movement in the share in the earnings of associates and jointly controlled entities by PLN 5.6 million

5.3. Financial position – structure of assets and liabilities

Assets [PLN 000s]	As at			
	31 December 2023	30 June 2024	Change	% change
Non-current assets	**21,636,978**	**22,572,399**	**935,421**	**4.3%**
Property, plant and equipment	18,261,023	18,899,835	638,812	3.5%
Right-of-use asset	840,307	849,847	9,540	1.1%
Intangible assets	337,662	324,048	-13,614	-4.0%
Investment properties	21,279	21,090	-189	-0.9%
Investments in associates and jointly controlled entities	216,140	144,396	-71,744	-33.2%
Deferred tax assets	1,703,670	2,058,868	355,198	20.8%
Financial assets at fair value	75,032	83,425	8,393	11.2%
Trade and other receivables	6,647	19,450	12,803	192.6%
Costs related to the execution of contracts	8,991	10,971	1,980	22.0%
Receivables under leases and finance subleases	979	949	-30	-3.1%
Cash in the Mine Closure Fund	165,248	159,520	-5,728	-3.5%
Current assets	**17,473,767**	**13,114,959**	**-4,358,808**	**-24.9%**
CO_2 emission allowances	3,731,418	247,230	-3,484,188	-93.4%
Inventories	1,954,315	1,459,082	-495,233	-25.3%
Trade and other receivables	6,776,525	5,499,878	-1,276,647	-18.8%
Costs related to the execution of contracts	15,762	14,210	-1,552	-9.8%
Assets arising from contracts with customers	528,106	479,611	-48,495	-9.2%
Receivables under leases and finance subleases	1,303	1,532	229	17.6%
Current income tax receivables	1,295,694	828,830	-466,864	-36.0%
Financial assets at fair value	144,511	75,232	-69,279	-47.9%
Cash and cash equivalents	3,026,133	4,509,354	1,483,221	49.0%
Total Assets	**39,110,745**	**35,687,358**	**-3,423,387**	**-8.8%**



[1] including elimination

Key drivers of non-current assets (up by PLN 935.4 million):

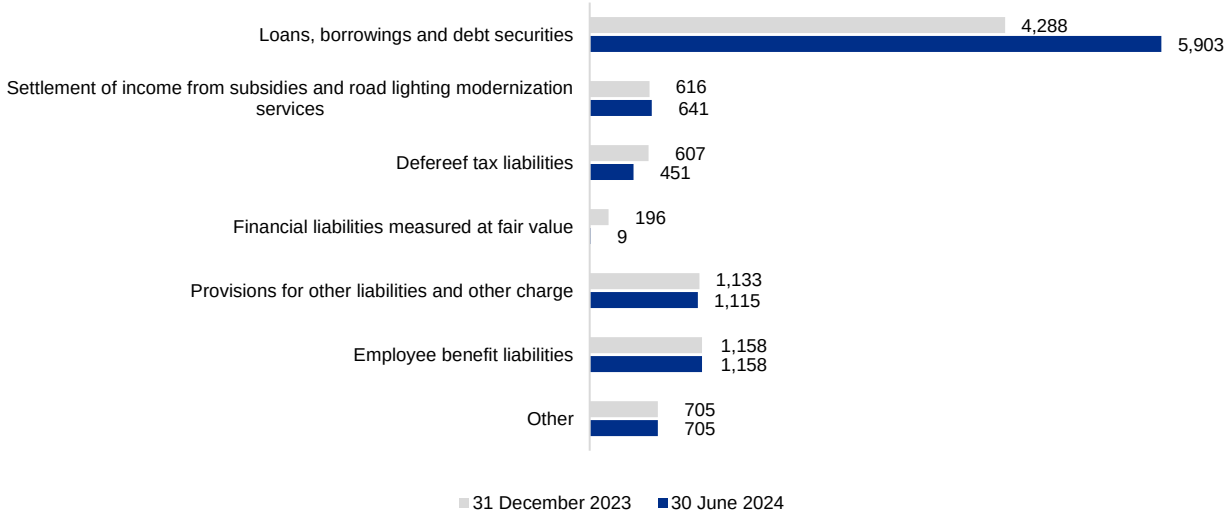
- PLN 638.8 million increase in property, plant and equipment, of which: PLN 1,018 million increase in fixed assets with a concurrent 379 million increase in accumulated depreciation and impairments
- PLN 355.2 million increase in deferred tax assets – mainly the effect of the movement in provisions for CO_2 emission allowances, the contribution to the Price Difference Fund and measurement of currency instruments not used for hedge accounting purposes
- PLN 71.7 million decrease in investments in associates and jointly controlled entities - mainly a change in share in the results of associates and jointly controlled entities

Key drivers of current assets (down by PLN 4,358.8 million):

- PLN 3,484.2 million decrease in the value of CO_2 emission allowances, including: PLN 2,984.0 million purchase of allowances in 2024, PLN -6,468.2 million redemption of rights
- PLN 1,276.6 million decrease in trade and other receivables – mainly a drop in tax receivables (excluding income tax), lower trade receivables and lower receivables from compensation payments with a concurrent increase in the value of collateral margins securing CO_2 emission allowance futures contracts
- PLN 495.2 million decrease in the value of inventories – including a decrease in inventories of coal, biomass and energy origin certificates
- PLN 466.9 million decrease in current income tax receivables – change in the settlements of current income tax
- PLN 69.3 million decrease in financial assets measured at fair value – mainly due to an update in the valuation of forward contracts for the purchase of electricity and transactions hedging interest rate risk
- PLN 48.5 million decrease in assets arising from contracts with customers – largely due to a shift in the volume of unbilled electricity sales
- PLN 1,483.2 million increase in cash and cash equivalents – mainly an increase in funds on the current account and the impact of electricity price compensation received on the basis of the Pricing Act, with a simultaneous change in the balance on VAT account, a decrease in collateral margins securing IRGiT's clearing operations and a change in special-purpose funds for trading CO_2 emission allowances

Equity and liabilities [PLN 000s]	As at			
	31 December 2023	30 June 2024	Change	% change
Total equity	**15,439,599**	**17,377,282**	**1,937,683**	**12.6%**
Share capital	676,306	676,306	-	-
Share premium	3,348,670	3,348,670	-	-
Revaluation reserve – measurement of hedging instruments	55,249	19,968	-35,281	-63.9%
Retained earnings	9,858,705	12,178,987	2,320,282	23.5%
Non-controlling interests	1,500,669	1,153,351	-347,318	-23.1%
Total liabilities	**23,671,146**	**18,310,076**	**-5,361,070**	**-22.6%**
Non-current liabilities	8,703,088	9,981,824	1,278,736	14.7%
Current liabilities	14,968,058	8,328,252	-6,639,806	-44.4%
Total equity and liabilities	**39,110,745**	**35,687,358**	**-3,423,387**	**-8.8%**

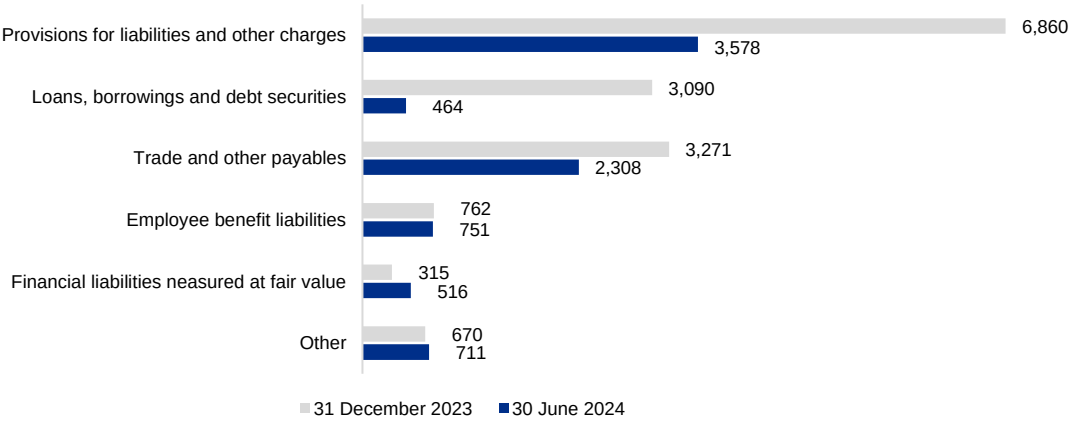
Structure of non-current liabilities [PLN million]



Key drivers of non-current liabilities (up by PLN 1,278.7 million)

- PLN 1,615.1 million increase in loans, borrowings and other debt securities – mainly bond issues and raising additional financing in the form of a loan, with a simultaneous repayment of a syndicated loan tranche and reclassification of a portion of non-current liabilities to current liabilities
- PLN 187.4 million decrease in financial liabilities measured at fair value – mainly due to a change in the valuation of FX forward contracts
- PLN 156.4 million decrease in deferred tax liabilities

Structure of current liabilities [PLN million]



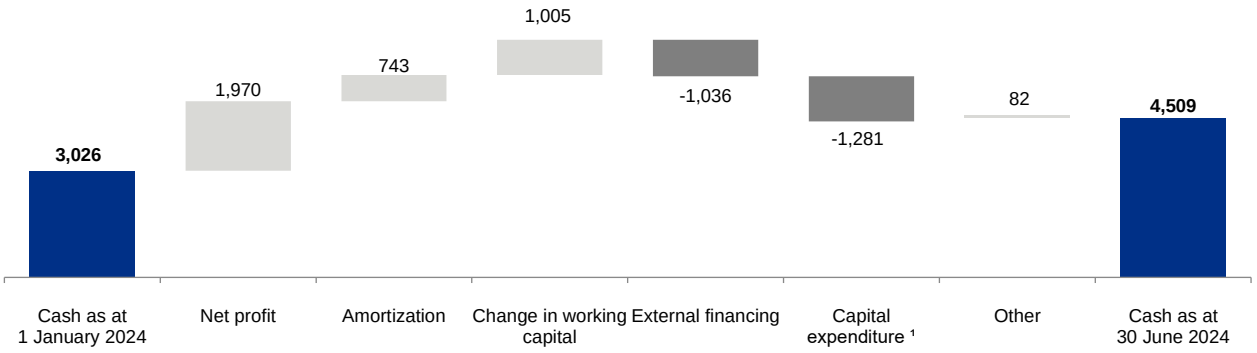
Key change drivers for current liabilities (down by PLN 6,639.8 million)

- PLN 3,282.2 million decrease in provisions for liabilities and other charges – including a decrease in provisions for the purchase of CO_2 emission allowances and a decrease in provisions for energy origin certificates
- PLN 2,625.7 million decrease in loans, borrowings and other debt securities – mainly due to redemption of bonds, repayment of loan installments, with a concurrent reclassification of a portion of non-current liabilities to current liabilities
- PLN 962.8 million decrease in trade and other payables – a decrease in trade liabilities and in investment liabilities with a concurrent increase in tax liabilities
- PLN 201.6 million increase in financial liabilities measured at fair value – mainly due to a change in the valuation of FX forward contracts

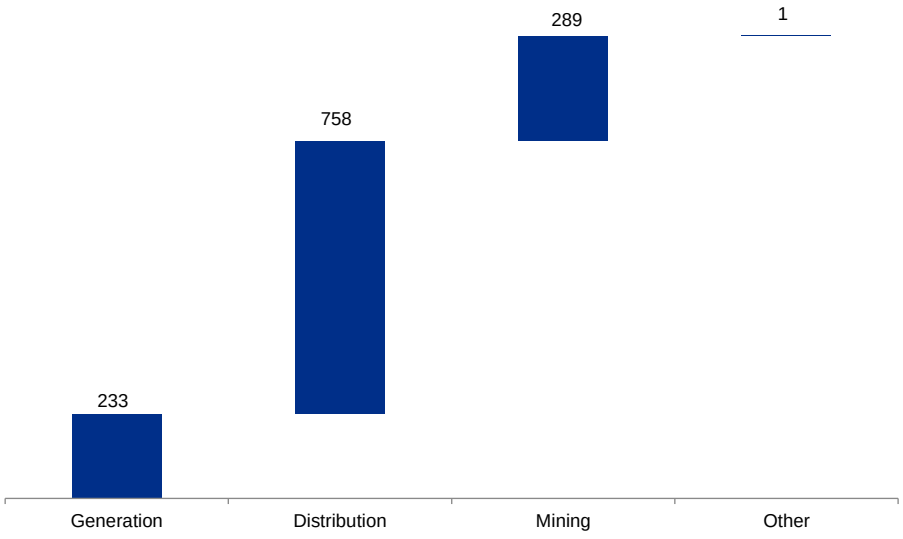
5.4. Cash position

Statement of cash flows [PLN 000s]	H1 2023	H1 2024	Change	% change
Net cash flows from operating activities	1,163,580	3,963,486	2,799,906	240.6%
Net cash flows from investing activities	(1,220,997)	(1,233,005)	-12,008	-1.0%
Net cash flows from financing activities	1,321,751	(1,247,260)	-2,569,011	-194.4%
Increase / (decrease) in net cash	1,264,334	1,483,221	218,887	17.3%
Cash at the beginning of reporting period	1,563,716	3,026,133	1,462,417	93.5%
Cash at the end of reporting period	**2,828,050**	**4,509,354**	**1,681,304**	**59.5%**

Cash flows in H1 2024 [PLN million]



Capital expenditures ¹ of the ENEA Group in H1 2024 [PLN million]



¹ Purchase/disposal of property, plant and equipment and intangible assets and purchase/disposal of subsidiaries, associates and jointly controlled entities

5.5. Ratio analysis

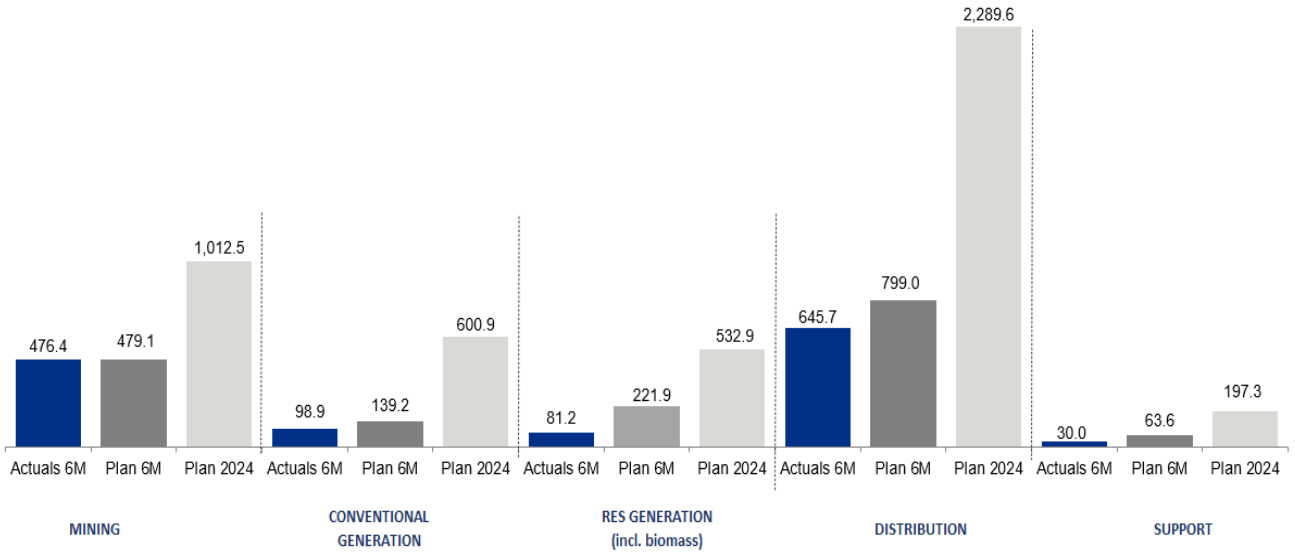
Definitions of the ratios are presented in section 10 “Glossary of terms and abbreviations”

	H1 2023	H1 2024	Q2 2023	Q2 2024
Profitability ratios				
ROE – return on equity [1]	-0.7%	22.7%	-7.7%	21.4%
ROA – return on assets [1]	-0.3%	11.0%	-3.4%	10.4%
Net profitability	-0.2%	12.2%	-2.7%	12.0%
Operating profitability	3.0%	17.0%	1.0%	15.6%
EBITDA profitability	9.6%	21.5%	11.1%	20.5%
Liquidity and financial structure ratios				
Current liquidity ratio	1.0	1.6	1.0	1.6
Coverage of non-current assets with equity	68.1%	77.0%	68.1%	77.0%
Total debt ratio	55.9%	51.3%	55.9%	51.3%
Net debt / EBITDA LTM	1.71	0.39	1.71	0.39
Economic activity ratios				
Current receivables turnover in days [2]	43	71	45	74
Trade and other payables turnover in days [3]	41	54	44	56
Inventory turnover in days	17	32	18	33

[1] The ratio numerator, i.e. net profit / (loss) for the reporting period, is annualized.
[2] Trade receivables – trade receivables, assets arising from contracts with customers and contract preparation expenses
[3] Trade payables – trade payables, liabilities under contracts with customers

5.6. Capital expenditures (CAPEX) of the ENEA Group

PLN million



Capital expenditures (CAPEX) [PLN million]	Q2 2023	Q2 2024	Actuals Q2 2024/ Plan Q2 2024	H1 2023	H1 2024	Actuals H1 2024 / Plan H1 2024	Plan 2024	Actuals H1 2024 / Plan 2024
Mining	178.5	330.7	99.2%	344.9	476.4	99.4%	1,012.5	47.1%
Generation	132.9	155.2	61.7%	204.5	180.1	49.9%	1,133.8	15.9%
Distribution	350.5	388.7	84.6%	681.2	645.7	80.8%	2,289.6	28.2%
Other	224.6	16.5	36.0%	236.0	30.0	47.2%	197.3	15.2%
Total	**886.5**	**891.1**	**81.8%**	**1,466.6**	**1,332.2**	**78.2%**	**4,633.2**	**28.8%**

Environmental investment projects

Description [PLN million]	Q2 2024	H1 2024
Lubelski Węgiel Bogdanka Group – environmental investments	9.8	15.7
ENEA ELKOGAZ – construction of a CCGT unit BGP1	1.2	8.7
Adaptation of the Połaniec Power Plant to Capacity Market requirements after 1 July 2025	1.3	1.4
Replacement of SCR modules at the Połaniec Power Plant	3.7	3.7
Other	2.4	3.4
Total investments related to environmental protection	**18.4**	**32.9**

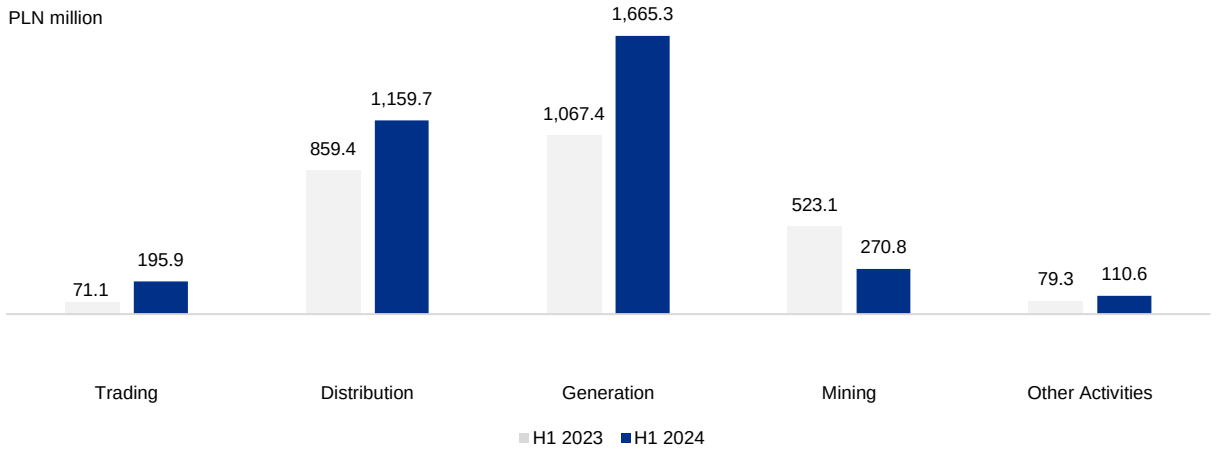
Implementation of key investment projects in H1 2024

- Connection of new consumers and new sources: PLN 372.4 million (ENEA Operator)
- Modernization and replacement of assets: PLN 180.5 million (ENEA Operator)
- Purchase of a shearer miner: PLN 166.4 million (LWB)
- Construction of the 20 MW Bejsce Wind Farm: PLN 60.4 million (SPV)
- Modernization of Units 1, 5 and 11: PLN 17.2 million (Kozienice Power Plant)

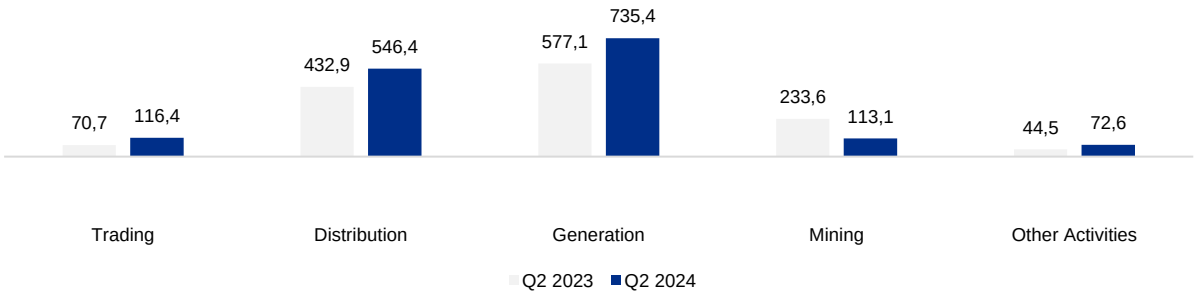
5.7. Operational and financial data and implementation of key investment projects, by area of ENEA Group's activity

5.7.1. Financial performance by area

EBITDA [PLN 000s]	H1 2023	H1 2024	Change	% change	Q2 2023	Q2 2024	Change	% change
Trading	71,078	195,928	124,850	175.7%	70,659	116,362	45,703	64.7%
Distribution	859,398	1,159,694	300,296	34.9%	432,863	546,427	113,564	26.2%
Generation	1,067,358	1,665,309	597,951	56.0%	577,105	735,406	158,301	27.4%
Mining	523,062	270,801	-252,261	-48.2%	233,589	113,055	-120,534	-51.6%
Other activities	79,275	110,566	31,291	39.5%	44,520	72,604	28,084	63.1%
Unassigned items and exclusions	-283,975	68,123	352,098	124.0%	-86,849	9,359	96,208	110.8%
Total EBITDA	**2,316,196**	**3,470,421**	**1,154,225**	**49.8%**	**1,271,887**	**1,593,213**	**321,326**	**25.3%**



PLN million



As at 30 June 2024, the ENEA Group companies employed in total 18,186 staff under employment contracts, of which 431 in ENEA S.A. The following table presents headcount data in the ENEA Group, including employees with a temporary suspension of employment, i.e. on parental leaves, unpaid leaves above 30 days and those receiving rehabilitation benefits.

persons	As at 31 Dec 2023	As at 30 June 2024	Change
Trading	589	558	-31
Distribution	5,439	5,408	-31
Generation	4,191	4,159	-32
Mining	6,160	6,233	73
Other activities	1,848	1,828	-20
Total	**18,227**	**18,186**	**-41**

5.7.2. Trading Area

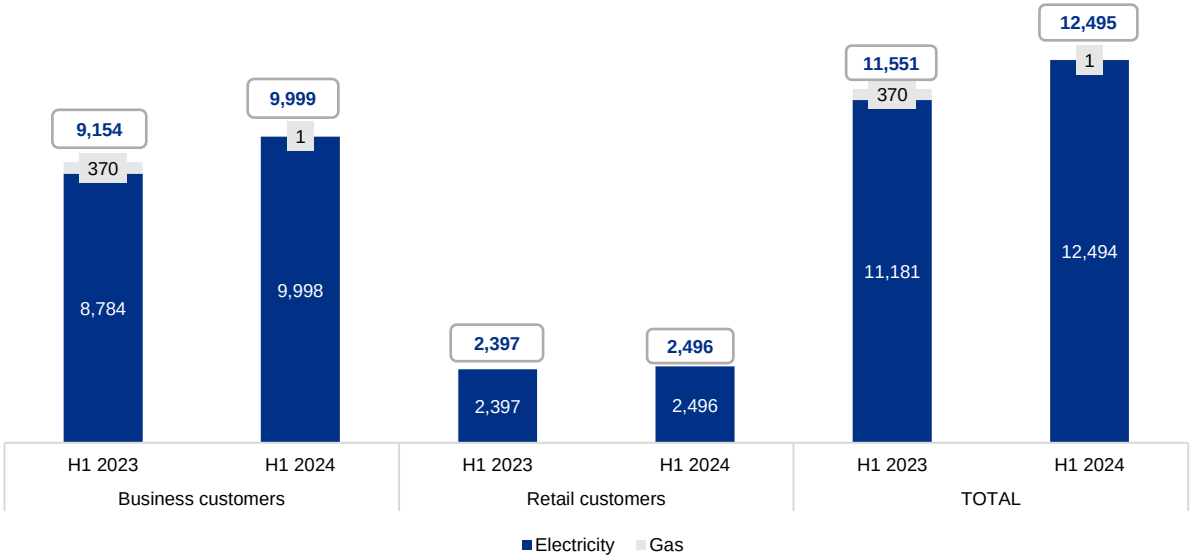
Retail sales of electricity are carried out by ENEA S.A.

Moreover, the presentation of the Trading area contains financial data of ENEA Trading and ENEA Power&Gas Trading (on 3 April 2023, a demerger was effected through a spin-off and transfer of a portion of ENEA Trading business in the form of an organized part of an enterprise to ENEA Power&Gas Trading).

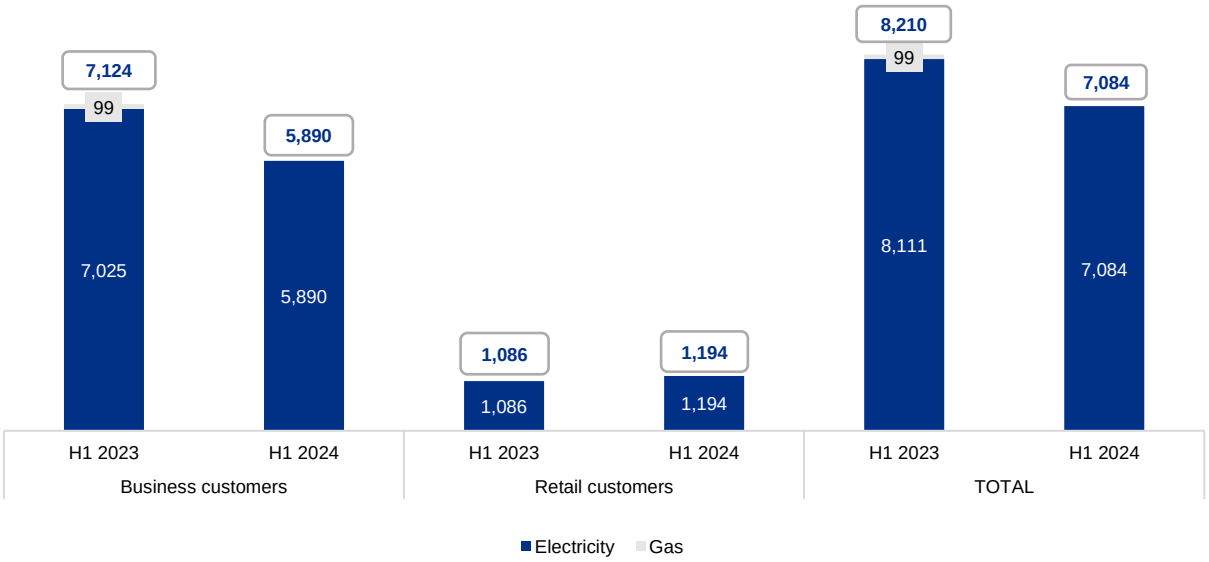
Operational data

	H1 2023	H1 2024	Change	% change	Q2 2023	Q2 2024	Change	% change
Sales of electricity and gaseous fuel to retail customers [GWh]	11,551	12,495	944	8.2%	5,532	5,949	417	7.5%
Number of customers (Power Delivery Points) (at the end of the reporting period) [000s]	2,714	2,741	27	1.0%	2,714	2,741	27	1.0%

Sales of electricity and gaseous fuel to retail customers of ENEA S.A. [GWh]



Sales of electricity and gaseous fuel to ENEA S.A.'s retail customers [PLN million]



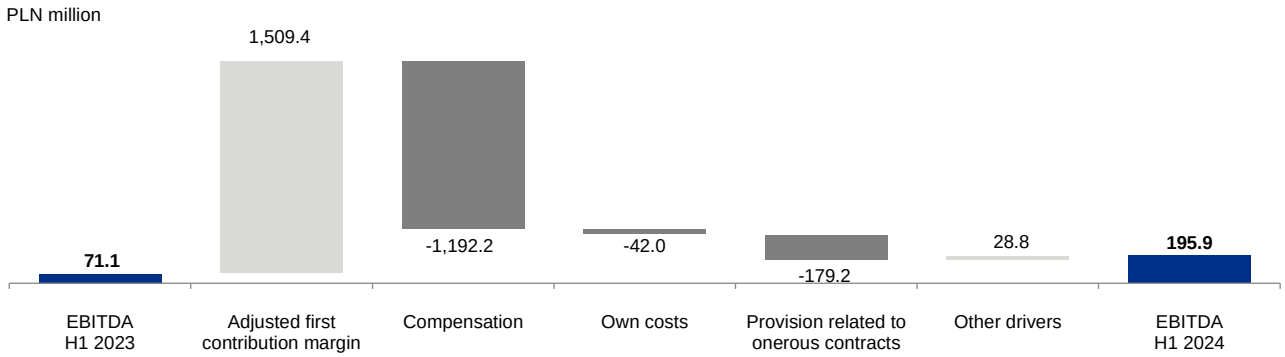
In H1 2024, as compared to H1 2023, the total sales volume of electricity and gaseous fuel increased by 944 GWh, or 8.2%. The increase was caused by shifts in the customer portfolio. In the business customer segment, the sales volume of electricity fuel increased by 1,214 GWh, or 13.8%, with a concurrent increase in the sales volume in the retail customer segment by 99 GWh, or 4.1%. The volume of gaseous fuel sales decreased by 369 GWh, or 99.7%, compared to the corresponding period the year before, due to the discontinuation of gaseous fuel sales in 2024.

Total revenue from sales of electricity and gaseous fuel decreased in H1 2024 by PLN 1,126 million, or 13.7%, as compared to H1 2023, reflecting the electricity and gaseous fuel price decreases in the wholesale market.

Financial data

[PLN 000s]	H1 2023	H1 2024	Change	% change	Q2 2023	Q2 2024	Change	% change
Net revenue from sales	10,915,596	13,200,106	2,284,510	20.9%	4,475,409	4,506,411	31,002	0.7%
Compensation	1,892,333	700,116	-1,192,217	-63.0%	792,855	312,252	-480,603	-60.6%
Revenue from sales and other income	12,807,929	13,900,222	1,092,293	8.5%	5,268,264	4,818,663	-449,601	-8.5%
EBIT	70,003	194,436	124,433	177.8%	70,173	115,585	45,412	64.7%
Amortization and depreciation	1,075	1,492	417	38.8%	486	777	291	59.9%
EBITDA	**71,078**	**195,928**	**124,850**	**175.7%**	**70,659**	**116,362**	**45,703**	**64.7%**
EBITDA margin	1%	1%	-	-	1%	2%	1 p.p.	-
CAPEX [1]	26	0	-26	-100.0%	26	0	-26	-100.0%
Area's revenue from sales as % of the Group's revenue from sales	42%	50%	8 p.p.	-	38%	42%	4 p.p.	-

[1] without ENEA S.A.'s equity investments



Key EBITDA drivers in H1 2024 (up by PLN 124.8 million):

Adjusted first contribution margin (up by PLN 1,509.4 million)

(+) average energy purchase price down by 32.1%

(+) energy sales volume up by 11.7%

(+) costs of environmental obligations down by 74.5%

(+) temporary discontinuation of gaseous fuel sales in 2024

(-) average energy sales price down by 21.8%

(+) remeasurement of CO_2 contracts, forward transactions for energy and gas

Compensations (down by PLN 1,192.2 million)

in accordance with the provisions of the Act of 7 October 2022 on Special Solutions for Protecting Electricity Buyers in 2023 and 2024 in Connection with the Situation on the Electricity Market [Article 12 of the Consumption Limits Act] and the Act of 27 October 2022 on Emergency Measures to Reduce Electricity Prices and Support Certain Consumers in 2023 and 2024 [Article 8 of the Price Limits Act]

(-) in H1 2023, the value of electricity price compensation in the amount of PLN 1,892.3 million was recognized in revenue

(+) in H1 2024, the value of electricity price compensation in the amount of PLN 700.1 million was recognized in revenue

Own costs (up by PLN 42.0 million)

(-) direct selling costs up by PLN 35.0 million

(-) general and administrative expenses up by PLN 4.2 million

(-) costs of shared services up by PLN 2.8 million

Provisions related to onerous contracts (utilization down by PLN 179.2 million)

(-) in H1 2023, revenues included a partial utilization of the provision of PLN 184.1 million recognized in costs in December 2022 for a loss on Tariff G resulting from the fact that the Tariff of 17 December 2022 approved by the ERO President did not take into account the incurred electricity purchase costs and from the application of the Act of 7 October 2022 on Special Solutions for Protecting Electricity Buyers in 2023 in Connection with the Situation on the Electricity Market in the amount of PLN 368.3 million

(+) in H1 2024, partial utilization of the provision of PLN 4.9 million was recognized in costs in December 2023 for the loss arising from the distribution fee rebate which was settled by ENEA S.A. acting as the offtaker of last resort in relation to electricity supplied to the grid by prosumers

Other factors (up by PLN 28.8 million)

(+) costs of distribution services related to the existing model of settlements with prosumers down by PLN 30.9 million

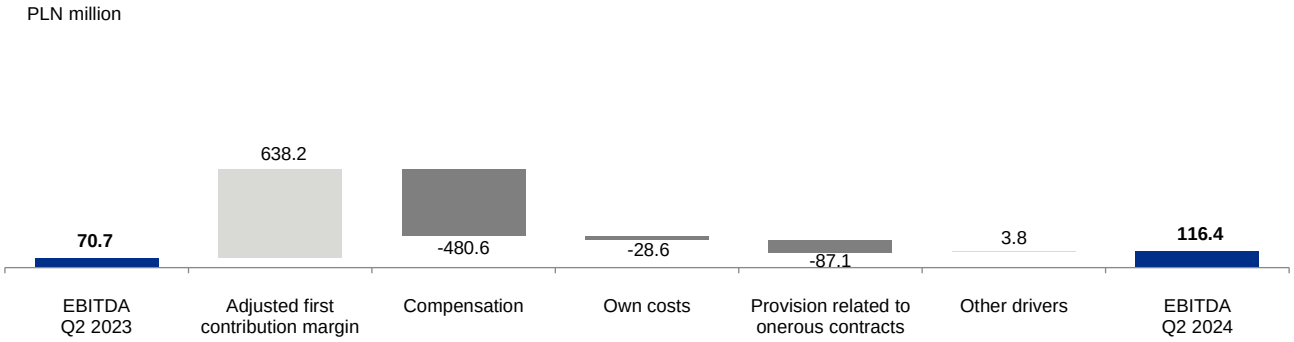
(+) donation costs down by PLN 4.5 million

(+) revenue from sales of services up by PLN 5.2 million

(-) gain on the sale of perpetual usufruct of land, sale of premises and other fixed assets down by PLN 4.4 million

(-) written-off receivables recognized in expenses up by PLN 6.3 million

(-) litigation costs up by PLN 1.3 million



Key EBITDA drivers in Q2 2024 (up by PLN 45.7 million):

Adjusted first contribution margin (up by PLN 638.2 million)

(+) average energy purchase price down by 29.8%

(+) energy sales volume up by 10.5%

(+) costs of environmental obligations down by 78.1%

(+) temporary discontinuation of gaseous fuel sales in 2024

(-) average energy sales price down by 19.5%

(-) remeasurement of CO_2 contracts, forward transactions for energy and gas

Compensations (down by PLN 480.6 million)

in accordance with the provisions of the Act of 7 October 2022 on Special Solutions for Protecting Electricity Buyers in 2023 and 2024 in Connection with the Situation on the Electricity Market [Article 12 of the Consumption Limits Act] and the Act of 27 October 2022 on Emergency Measures to Reduce Electricity Prices and Support Certain Consumers in 2023 and 2024 [Article 8 of the Price Limits Act]

(-) in Q2 2023, the value of electricity price compensation in the amount of PLN 792.9 million was recognized in revenue

(+) in Q2 2024, the value of electricity price compensation in the amount of PLN 312.3 million was recognized in revenue

Own costs (up by PLN 28.6 million)

(-) direct selling costs up by PLN 24.1 million

(-) general and administrative expenses up by PLN 3.0 million

(-) costs of shared services up by PLN 1.5 million

Provisions related to onerous contracts (utilization down by PLN 87.1 million)

(-) in Q2 2023, revenues included a partial utilization of the provision of PLN 92.0 million recognized in costs in December 2022 for a loss on Tariff G resulting from the fact that the Tariff of 17 December 2022 approved by the ERO President did not take into account the incurred electricity purchase costs and from the application of the Act of 7 October 2022 on Special Solutions for Protecting Electricity Buyers in 2023 in Connection with the Situation on the Electricity Market in the amount of PLN 368.3 million

(+) in Q2 2024, partial utilization of the provision was recognized in costs in December 2023 for the loss arising from the distribution fee rebate which was settled by ENEA S.A. acting as the offtaker of last resort in relation to electricity supplied to the grid by prosumers, in the amount of PLN 4.9 million

Other factors (up by PLN 3.8 million)

(+) costs of distribution services related to the existing model of settlements with prosumers down by PLN 9.5 million

(+) costs of provisions for anticipated losses and potential claims down by PLN 1.2 million

(-) gain on the sale of perpetual usufruct of land, sale of premises and other fixed assets down by PLN 3.9 million

(-) revenues from licenses linked to the ENEA brand down by PLN 1.6 million

(-) litigation costs up by PLN 0.8 million

(-) donation costs up by PLN 0.5 million

Key projects:

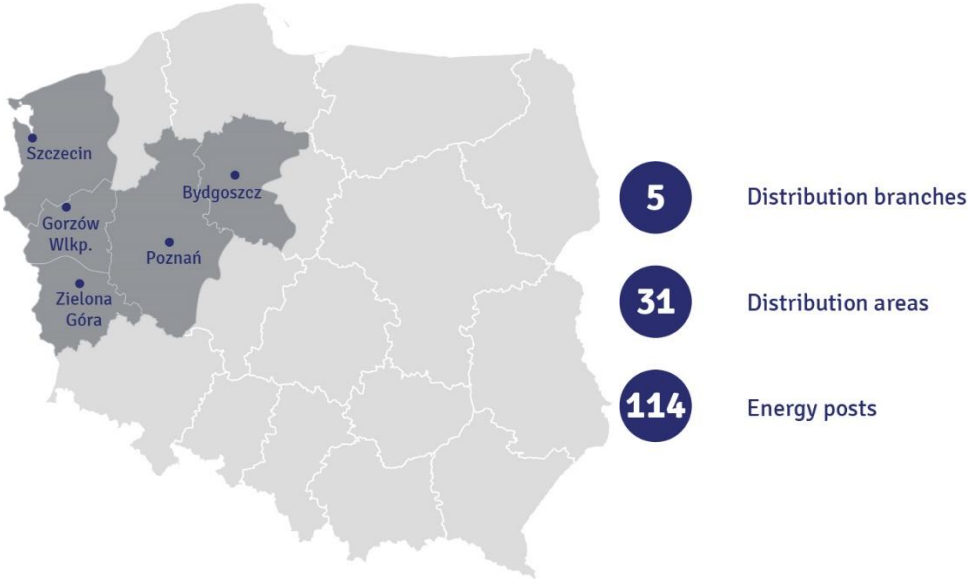
Retail and Customer Service Areas

- Activities within the project entitled “Adjustment of customer service systems of the ENEA Group to changes in the Central Energy Market Information System (CSIRE).” The purpose of the CSIRE is simplify the information exchange between energy market participants. The ENEA Group is required to adapt its organization, processes and IT systems to the CSIRE by 1 July 2025,
- Work on the implementation of solutions for communication with the National e-Invoicing System (KSeF) for ENEA’s billing systems.
- Work on the adaptation of billing systems to apartment-based prosumers, energy-generating cooperatives, net-billing prosumers on the basis of market electricity prices and dynamic pricing contracts.
- Implementation and launch of the Mobile App for ENEA S.A. customers.
- Continuation of work on introducing automation processes in the customer service area through, e.g., robotic process automation
- Reinstatement of gaseous fuel offering for large business clients.

Wholesale Area

- Continuation of the project entitled “*Adaptation of ENEA Group companies to changes in the operation of the Balancing Market in Poland,*”
- Project entitled “*Development of biomass trading activity by ENEA Trading sp. z o.o.”* – currently under revision due to changes in assumptions.

5.7.3. Distribution Area



ENEA Operator is responsible for the distribution of electricity to 2.8 million Customers – in western and north-western Poland in the area of 58.2 thousand km^2. The key task of ENEA Operator is to provide energy in a continuous and reliable manner, while maintaining appropriate quality parameters.

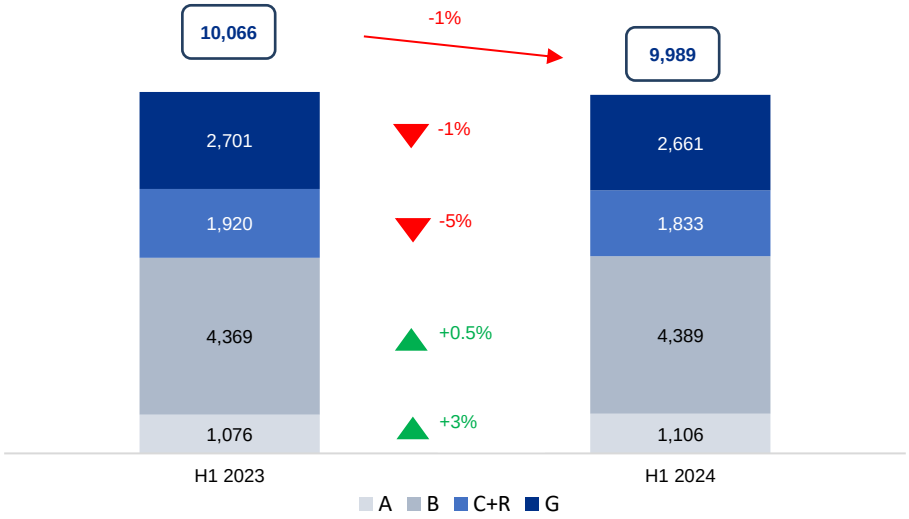
The Distribution Area includes financial data of the following Companies:

- ENEA Operator
- ENEA Serwis
- ENEA Pomiary
- ENEA Logistyka

Operational data

	H1 2023	H1 2024	Change	% change	Q2 2023	Q2 2024	Change	% change
Sales of distribution services to end users [GWh]	10,066	9,989	-77	-0.8%	4,873	4,805	-68	-1.4%
Number of customers (at the end of the reporting period) [000s]	2,771	2,809	38	1.4%	2,771	2,809	38	1.4%

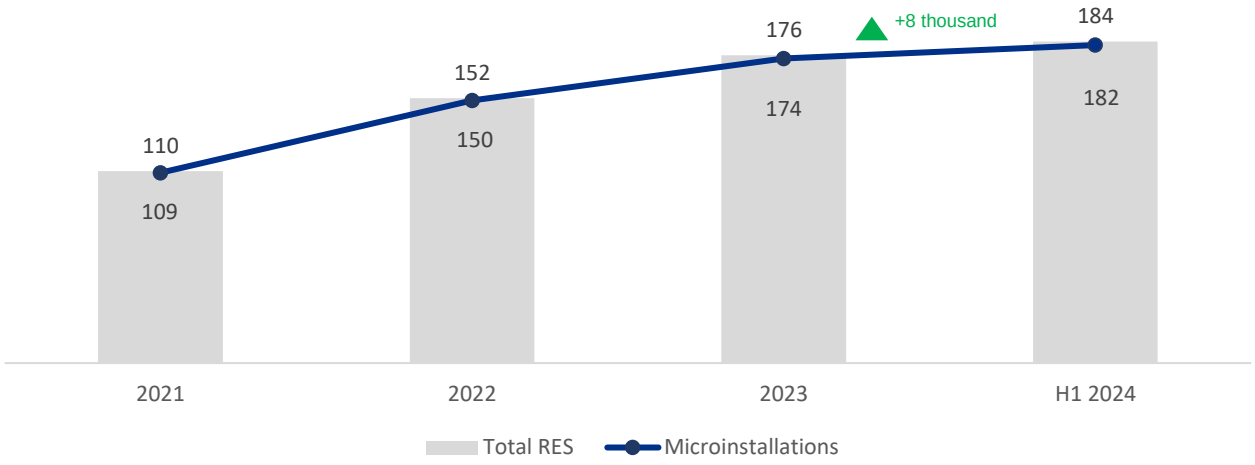
Sales of distribution services [GWh]



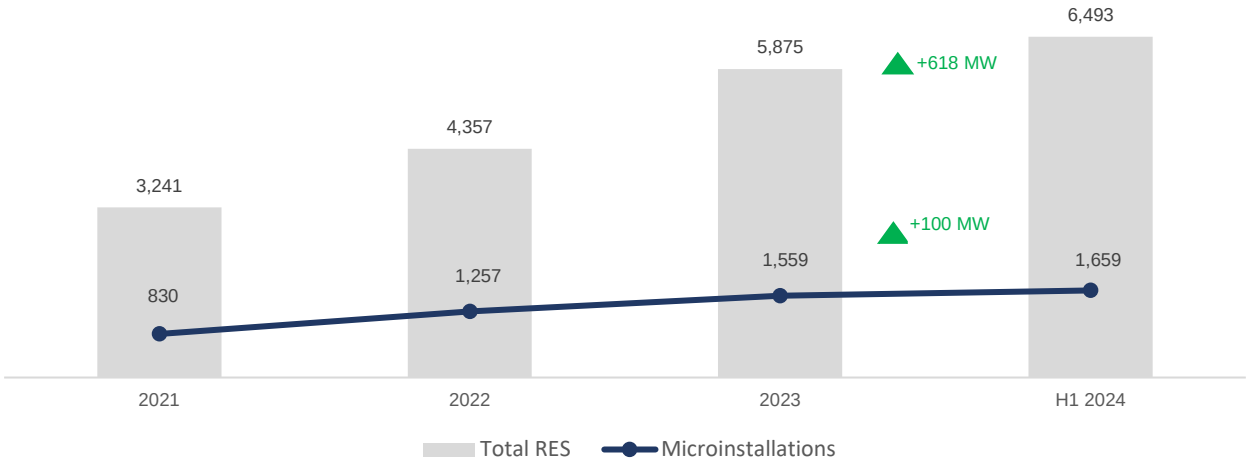
Connected RES in the operating area of ENEA Operator in 2020 – H1 2024

	Number of connected RES (without microinstallations), cumulative	Number of connected microinstallations, based on the submitted reports and requests, cumulative	Total number of connected RES, cumulative	Total connected RES capacity (without microinstallations), cumulative [MW]	Total capacity of connected micro-installations, based on the submitted reports and requests, cumulative [MW]	Total connected RES capacity, cumulative [MW]
2020	586	61,990	62,576	1,896	435	2,301
2021	840	108,873	109,713	2,411	830	3,241
2022	1,274	150,283	151,557	3,100	1,257	4,357
2023	1,808	174,278	176,087	4,316	1,559	5,875
H1 2024	**2,010**	**181,892**	**183,902**	**4,834**	**1,659**	**6,493**

Total number of connected RES, including microinstallations, cumulative [000s]



Capacity of connected RES, including microinstallations cumulative [MW]



Number and length of connections

Item	H1 2023		H1 2024	
	Quantity	Length [km]	Quantity	Length [km]
Overhead	331,398	6,989	364,435	6,945
Cable	696,165	6,603	734,714	6,622
Total	**1,027,563**	**13,592**	**1,099,149**	**13,567**

Number of electrical substations

Item	H1 2023	H1 2024
	Quantity	Quantity
110 kV	255	259
MV	39,388	39,852
Total	**39,643**	**40,111**

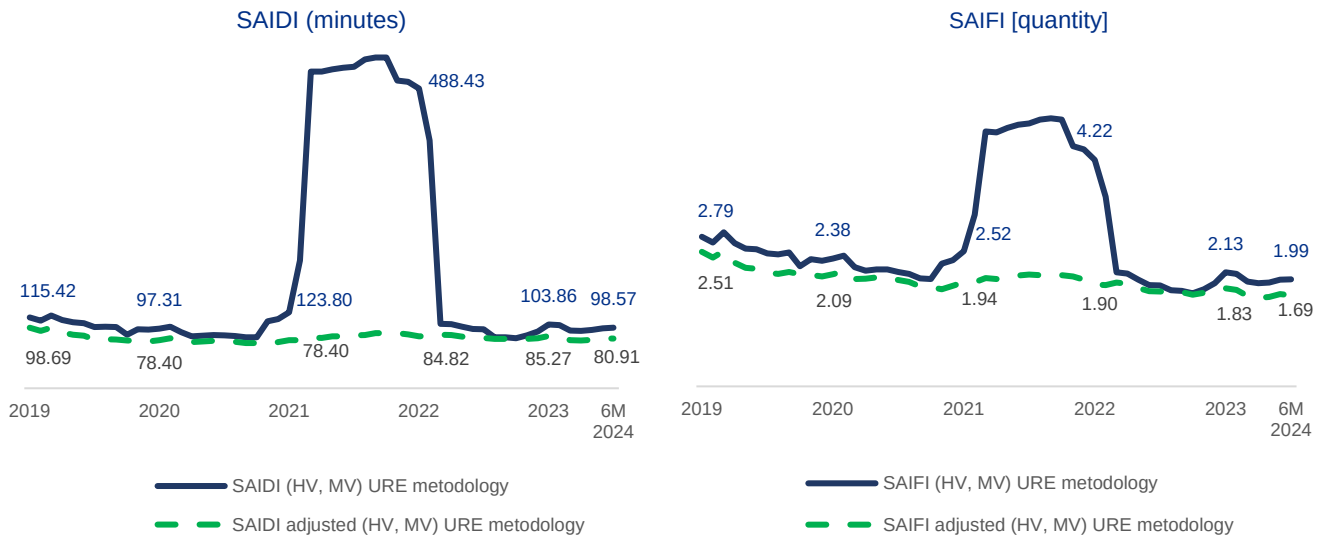
Length of lines

Length of lines per track [km]	H1 2023			H1 2024		
	HV	MV	Nn[1]	HV	MV	Nn[1]
overhead lines	5,420	32,961	26,959	5,428	32,590	26,860
underground cable	74	13,955	30,878	74	14,501	31,856

[1] without connections

The total regulatory asset base (RAB) included in the tariff calculation for 2023 (which also includes WRA_AMI) was PLN 10,009,381 thousand.

System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI)



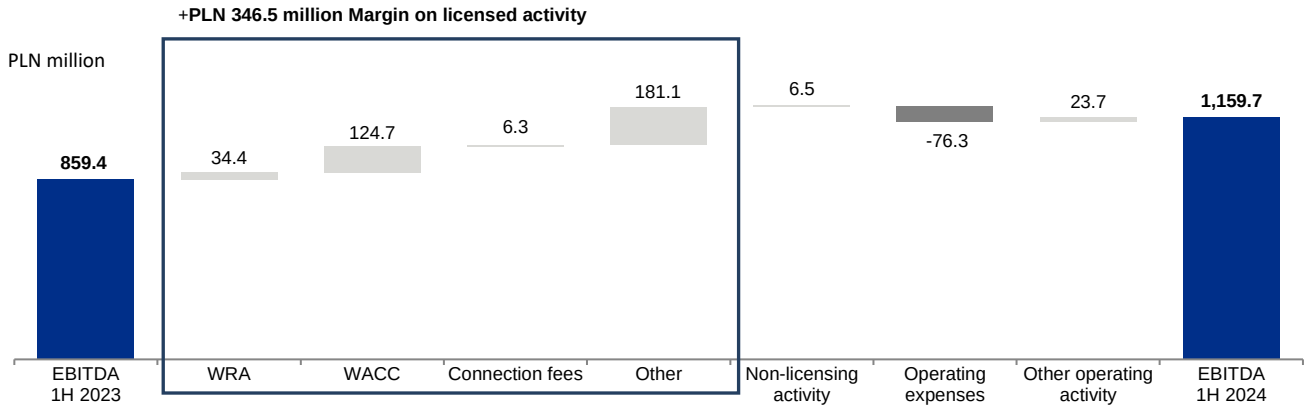
SAIDI and SAIFI calculated in accordance with the methodology set forth in the Energy Regulatory Authority's document entitled *Quality Regulation in 2016-2020 for Distribution System Operators (who have unbundled their operations as of 1 July 2007)* in comparison with the adjusted SAIDI and SAIFI representing the value of area-based adjusted indices aggregated to the company level for duration and frequency of interruptions in electricity supply (CTP - duration of interruptions and CP - frequency of interruptions determined for areas: Village, City, City with county rights) calculated in accordance with the methodology set forth in the Energy Regulatory Authority's document entitled *Quality Regulation in 2018-2022 for Distribution System Operators (who have unbundled their operations as of 1 July 2007)* . The adjusted indices are calculated for grids at high and medium voltage levels (they do not include interruptions of low voltage networks).

The combined SAIDI and SAIFI indices calculated in accordance with the ERO's methodology are the sum of the indicator for unscheduled interruptions, including catastrophic interruptions and scheduled interruptions in high and medium voltage grids.

The values of the indicators for H1 2024 were calculated on the basis of the last 12 months.

Financial data

[PLN 000s]	H1 2023	H1 2024	Change	% change	Q2 2023	Q2 2024	Change	% change
Net revenue from sales	2,452,841	2,416,119	-36,722	-1.5%	1,194,444	1,171,710	-22,734	-1.9%
distribution services to end users	2,250,532	2,235,483	-15,049	-0.7%	1,081,049	1,080,658	-391	0.0%
grid connection fees	64,065	70,315	6,250	9.8%	32,095	27,903	-4,192	-13.1%
other	138,244	110,321	-27,923	-20.2%	81,300	63,149	-18,151	-22.3%
Compensation	222,607	197,633	-24,974	-11.2%	100,977	79,838	-21,139	-20.9%
Revenue from sales and other income	2,675,448	2,613,752	-61,696	-2.3%	1,295,421	1,251,548	-43,873	-3.4%
EBIT	499,976	764,463	264,487	52.9%	251,389	348,359	96,970	38.6%
Amortization and depreciation	359,422	395,231	35,809	10.0%	181,474	198,068	16,594	9.1%
EBITDA	**859,398**	**1,159,694**	**300,296**	**34.9%**	**432,863**	**546,427**	**113,564**	**26.2%**
EBITDA margin	32%	44%	12 p.p.	-	33%	44%	11 p.p.	-
CAPEX	681,234	645,739	-35,495	-5.2%	350,476	388,664	38,188	10.9%
Area's revenue from sales as % of the Group's revenue from sales	9%	9%	-	-	9%	11%	2 p.p.	-



Key EBITDA drivers in H1 2024 (up by PLN 300.3 million):

Margin on licensed activity (up by PLN 346.5 million)

(+) impact of WRA increase PLN +34.4 million

(+) impact of WACC change PLN +124.7 million

(+) revenue from connection fees up by PLN 6.3 million

(+) increase in other factors by PLN 181.1 million, including mainly lower cost of electricity purchases for difference balancing purposes and own needs and a lower impact of regulatory account settlements

Operating expenses (up by PLN 76.3 million)

(-) employee benefit costs up by PLN 40.3 million

(-) costs of third-party services up by PLN 33.4 million

(-) costs of taxes and charges up by PLN 11.4 million

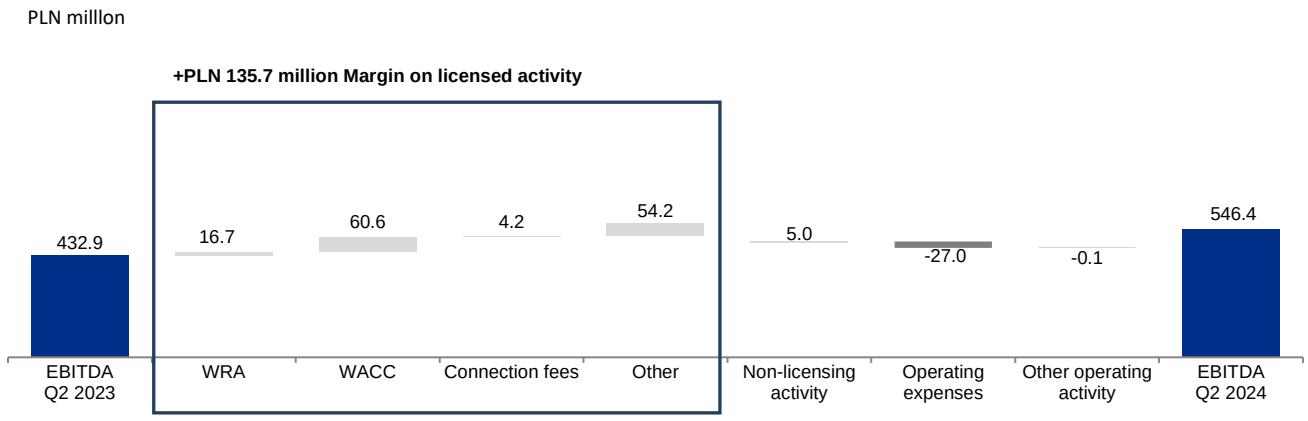
(+) other drivers up by PLN 8.8 million

Other operating activity (up by PLN 23.7 million)

(+) change in provisions related to grid assets by PLN 36.4 million

(-) revenues from the removal of infrastructure collisions down by PLN 8.0 million

(-) other drivers down by PLN 4.7 million



Key EBITDA drivers in Q2 2024 (up by PLN 113.6 million):

Margin on licensed activity (up by PLN 135.7 million)

(+) impact of WRA increase PLN +16.7 million

(+) impact of WACC change PLN +60.6 million

(+) revenue from connection fees up by PLN 4.2 million

(+) increase in other factors by PLN 54.2 million, including mainly lower cost of electricity purchases for difference balancing purposes and own needs and a lower impact of regulatory account settlements

Operating expenses (up by PLN 27.0 million)

(-) employee benefit costs up by PLN 14.7 million

(-) costs of third-party services up by PLN 13.7 million

(-) costs of taxes and charges up by PLN 6.3 million

(+) other drivers up by PLN 7.7 million

CAPEX - Execution of key projects [PLN million]

Item	H1 2024	Plan H1 2024	Plan 2024
ENEA Operator	**644.3**	**793.7**	**2,269.9**
modernization and replacement of assets	180.5	266.2	982.4
connection of new consumers, sources and DSOs	372.4	433.6	912.9
meters and metering systems	30.8	40.3	156.7
ITC	23.2	44.1	137.5
other	37.3	9.5	80.4

In H1 2024, ENEA Operator implemented a number of projects and activities, which are key to ensuring the effective operation of the DSO. Among them, the following deserve a mention:

1. Project entitled *"Adaptation of IT systems and business processes for cooperation with the Central Energy Market Information System"*, which refers to ENEA Operator's preparation for the implementation of the Central Energy Market Information System by PSE S.A. acting in the capacity of the Energy Market Information Operator.
   In H1 2024, ENEA Operator undertook the following activities:
   - with regard to the metering system – a tender procedure was carried out with the contractor, a relevant contract for the execution of the works was concluded and the first stage of the works has already been accepted,
   - with regard to the balancing system – a tender procedure for the implementation of changes in the system was launched, and the contractor selection stage is currently being finalized,
   - with regard to the billing system – intensive work was performed to prepare the tender procedure for obtaining the permits for the work and to decide on the financing of this project,

   ENEA Operator has ordered relevant tools to support the process of data migration to CSIRE and has started the test phase of the data migration process. The organization process is an important element of ENEA Operator's preparation for the implementation of CSIRE. It involves organizational changes, changes in its structure, procedures and rules in effect in the company, as well as cooperation with external entities.
2. On 29 December 2023, ENEA Operator launched, in accordance with the Public Procurement Act, a three-stage innovation partnership proceedings entitled "*Designing, manufacturing and supplying direct 1- and 3-phase remote electricity meters with remote reading function, with 2G/LTE/CAT-M1/NB2/ e-SIM and W-Mbus (HAN) modules*". The procedure provides for the supply of 3 million remote reading meters of direct metering systems in the period from 2025 to 2030. The proceedings are conducted in order to implement the amendment of the Energy Law Act of 10 April 1997, which imposed an obligation on distribution network operators to install remote reading meters communicated with a remote reading system at energy supply points to final consumers. The law requires the installation of remote reading meters by 31 December 2028 for at least 80% energy supply points and by 4 July 2031 for 100% supply points connected to the ENEA Operator's network.
   Nine contractors requested to be admitted to the procedure. During the proceedings the applications were reviewed and assessed and four contractors were ultimately selected for the next phase. The proceedings are currently in the second stage, the phase of contract negotiations with the contractors that qualified for this stage.
3. In the area of grid infrastructure, ENEA Operator has started launching numerous new projects and preparing for the implementation of many investments with an outlook to be implemented by 2028 and beyond. At present, new EU programs for the new financial perspective are being launched, which will determine the implementation of tasks in the period 2024-2028. Additionally, in December 2023, the ERO President consulted the Development Plan with regard to the satisfaction of current and

future demand for electricity in 2023-2028 (for 2024-2028). As a result, many projects with smaller individual budgets are implemented in 2024. The draft Material and Financial Plan: Investment Plan for 2024-2025 contains a number of key tasks that require significant expenditures, but which are only at the beginning or in the process of implementation, there may be partial payments in 2024, and they will continue in subsequent years. Among the key network infrastructure tasks, the modernization of the 110/MV Sieraków substation was completed in H1 2024.

The company's plans for H2 2024 include:

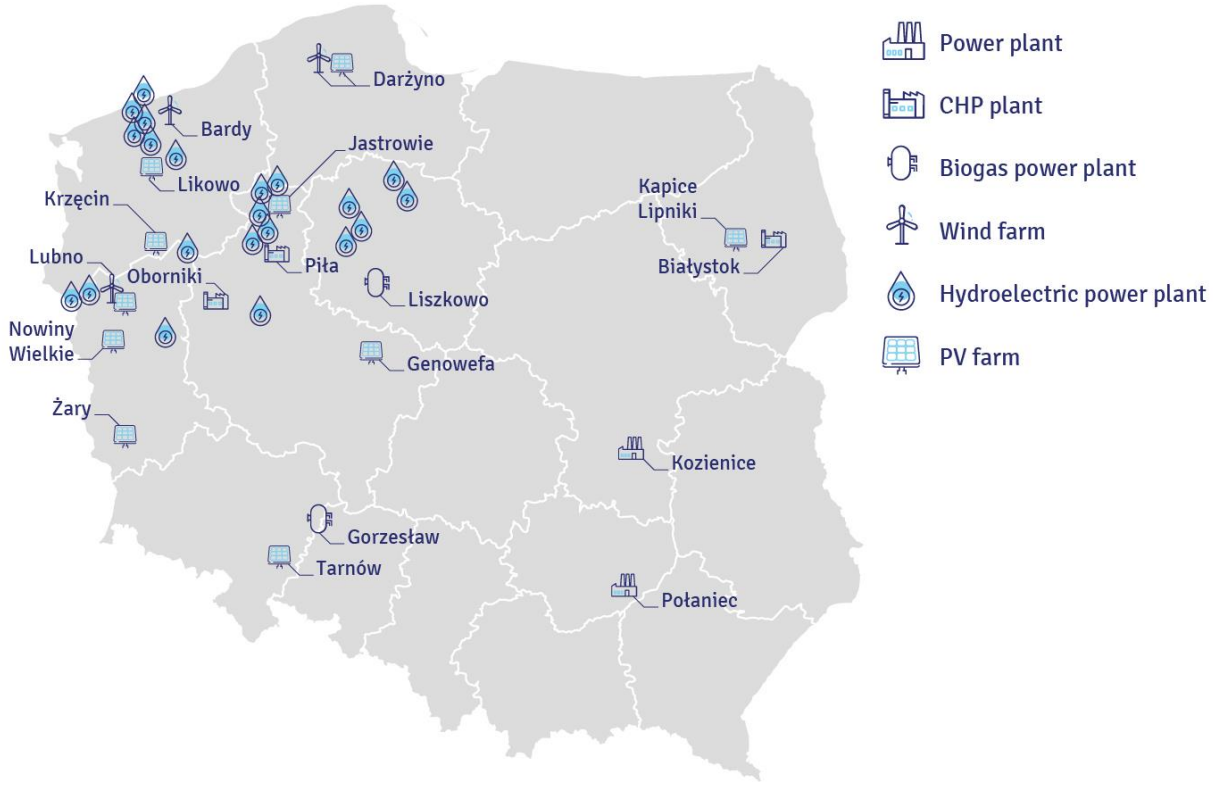
1. In the project entitled *"Adaptation of IT systems and business processes for cooperation with the Central Energy Market Information System"*, the following is expected in the coming months:
   - entering into agreements to implement changes in the billing system and in the balancing system, and commencing these changes in these IT systems,
   - accepting another stage of work related to the adaptation of the metering system,
   - implementing the initial migration to CSIRE, and continuing the process of reconciliation of data in the company's IT systems.
   - continuing the work related to organizational matters.
2. Launching, in accordance with the Public Procurement Act, a three-stage innovation partnership proceedings entitled "*Designing, manufacturing and supplying transformer remote electricity meters with a power quality analyzer function with 2G/LTE/CAT-M1/NB2/ e-SIM modules*". The proceedings envisage the supply of special (transformer) class C electricity meters in the years from 2025 to 2030. The proceedings will be conducted in order to implement the amendment of the Energy Law Act of 10 April 1997, which imposed an obligation on distribution network operators to install meters at 100% of customers with semi-direct and indirect systems meeting the requirements set forth in the Decree of the Ministry of Economy, by 4 July 2031.
3. There are 5 major tasks that will be implemented in the network infrastructure area, which are scheduled for completion in H2 2024:
   - construction of 110 kV outputs from the newly built 400/110 kV Baczyna substation and modernization of lines connected to the substation,
   - construction of the 110/15 kV Borek Wlkp. substation along with the feeder line and MV leads,
   - reconstruction of the 110/15 kV substation in Mostkowo,
   - reconstruction of the 110/15 kV substation in Chociwel,
   - reconstruction of 110 kV line to operating parameters of 240 mm2 and 80oC in the direction of Pakość – Mątwy, Rąbinek – Mątwy, Kruszwica – Mątwy, Marulewska – Mątwy

It should be noted, however, that the tasks scheduled for completion in 2024 are subject to significant risks and their final completion dates may change.

5.7.4. Generation Area

The financial data of the Generation Area is comprised of: ENEA Wytwarzanie, ENEA Elektrownia Połaniec, ENEA Nowa Energia, ENEA Ciepło, MEC Piła, PEC Oborniki, ENEA ELKOGAZ, ENEA Bioenergia, PV Genowefa, PRO-WIND, PV-Tykocin, Bejsce Wind Farm, WMC SPV 2 and WMC SPV 4.

Operational data



Area	Item	Installed electricity generation capacity [MW_e]	Achieved electricity generation capacity [MW_e]	Installed heat generation capacity [MW_t]	Installed capacity in RES [MW_e]
Conventional power plants	Kozienice Power Plant	4,071.8	4,004.0	125.4	-
Conventional power plants	Połaniec Power Plant	1,679.0	1,674.0	130.0	230.0
Wind farms	Bardy, Darżyno and Baczyna (Lubno I and Lubno II)	71.6	70.1	-	71.6
Photovoltaic power plants	PV Jastrowie I, PV Likowo, PV Lubno I, PV Lubno II, PV Krzęcin 1, 2 and 7, PV WF Lubno I, PV Tarnów, PV Kapice Lipniki, PV Genowefa, PV Darżyno[1], PV Nowiny Wielkie, PV Żary	71.0	71.0	-	71.0
Biogas plants	Liszkowo and Gorzesław biogas plants	3.8	3.8	3.1	3.8
Hydro power plants	Hydro power plants	58.8	55.8	-	58.8
Combined heat and power plants	MEC Piła	20.4	18.4	130.9	-
Combined heat and power plants	PEC Oborniki	-	-	27.4	-
Combined heat and power plants	ENEA Ciepło (Białystok CHP Plant, "Zachód" Heat Plant)	203.5	156.6	602.1[2,3]	55.0
Total		**6,179.9**	**6,053.7**	**1,018.9**	**490.2**

[1] PV Darżyno with a capacity of 2 MW is at present at the stage of technological commissioning and, after obtaining a concession, the total installed capacity in the PV farm area will be 73 MW_e

[2] By decision of 14 August 2024 issued by the President of the Energy Regulatory Office, the heat generation license No. WCC/68/165/U/2/98/RS was amended, in which, among other things, the installed thermal capacity of the Zachód Heat Plant was reduced from 185.0 MW to 103.0 MW - coal-fired boilers K4 and K5 were deregistered with the Office of Technical Inspection and referred for disassembly

[3] Including the Heat Recovery System with a capacity of 18.7 MWt located at the Białystok CHP Plant

Kozienice Power Plant

Unit	U1	U2	U3	U4	U5	U6	U7	U8	U9	U10	U11
Installed capacity [MW]	230	230	230	230	230	230	230	230	560	560	1,112
Planned shutdown year	2031	2031	2030	2030	2032	2032	2033	2033	2041	2042	2048

Połaniec Power Plant

Unit[1]	U2	U3	U4	U5	U6	U7	GU (U9)
Installed capacity [MW]	242	242	242	242	242	239	230
Planned shutdown year	2034	2034	2034	2034	2034	2034	2042

[1] As of 1 January 2024, Unit 1 has been shut down.

ENEA Ciepło

Unit	U1	U2	U3	U4[1]	Water boilers [2]	K1	K2	K3
Installed capacity [MW]	55	55	70	23.5	Installed capacity [MW]	0	0	0
Thermal capacity [MW_t]	98.4	108	108	0	Thermal capacity [MW_t]	33	35	35
Planned last year of production	2038	2055	2065	2065	Planned last year of production	-	-	-

[1] Condensing turbine unit powered by discharges from units U1, U2 and U3 (before 1 January 2024, turbine TZ4 [unit U4] was fed with steam only from biomass unit U1. At the end of 2023, the technological layout of the CHP plant was rearranged to enable the feeding of steam to TZ4 from all [biomass and coal-fired] units, namely U1, U2 and U3).

[2] By decision of 14 August 2024 issued by the President of the Energy Regulatory Office, the heat generation license No. WCC/68/165/U/2/98/RS was amended, in which, among other things, the installed thermal capacity of the Zachód Heat Plant was reduced from 185.0 MW to 103.0 MW - coal-fired boilers K4 and K5 were deregistered with the Office of Technical Inspection and referred for disassembly

Production and sales of electricity and heat

	H1 2023	H1 2024	Change	% change	Q2 2023	Q2 2024	Change	% change
Total electricity generation (net) [GWh], of which:	10,513	9,754	-759	-7.2%	5,193	4,776	-417	-8.0%
from conventional sources	9,433	8,711	-722	-7.7%	4,690	4,292	-399	-8.5%
ENEA Wytwarzanie	6,861	6,360	-501	-7.3%	3,397	3,077	-320	-9.4%
ENEA Elektrownia Połaniec	2,428	2,177	-251	-10.3%	1,251	1,135	-117	-9.3%
ENEA Ciepło	87	115	28	32.2%	17	57	40	234.4%
MEC Piła	57	60	3	5.3%	25	23	-2	-9.0%
from biomass co-firing	101	145	44	43.6%	67	96	29	44.0%
ENEA Elektrownia Połaniec	101	145	44	43.6%	67	96	29	44.0%
from biomass	826	684	-142	-17.2%	376	294	-82	-21.7%
ENEA Elektrownia Połaniec	722	620	-102	-14.1%	328	294	-34	-10.3%
ENEA Ciepło	104	64	-40	-38.5%	48	0	-48	-100.0%
from renewable sources	153	214	61	39.9%	61	95	34	55.6%
hydro power plants	59	90	31	52.5%	25	35	9	37.5%
wind farms	88	84	-4	-4.5%	32	32	0	-0.5%
biogas plants	3	5	2	66.7%	1	3	2	168.9%
PV farms	3	34	31	1,033.3%	2	25	23	1,038.8%
Gross heat generation [TJ]	4,030	3,600	-430	-10.7%	1,407	1,102	-305	-21.7%
ENEA Wytwarzanie	320	236	-84	-26.3%	116	56	-60	-51.7%
ENEA Elektrownia Połaniec	1,161	885	-276	-23.8%	561	402	-159	-28.4%
ENEA Ciepło	2,061	2,031	-30	-1.5%	591	532	-60	-10.1%
PEC Oborniki	69	61	-8	-11.6%	20	15	-5	-22.9%
MEC Piła	419	387	-32	-7.6%	118	96	-21	-18.2%
Sales of electricity [GWh], including:	11,840	12,494	654	5.5%	5,978	5,757	-221	-3.7%
from production	10,513	9,754	-759	-7.2%	5,193	4,776	-417	-8.0%
from purchase	1,327	2,740	1,413	106.5%	785	981	195	24.9%
Sales of heat [TJ]	3,651	3,285	-366	-10.0%	1,268	992	-276	-21.7%

CO_2 emissions, allocation of free CO_2 emission allowances, costs of allowances

		CO_2 emissions[1] [t]	Allocation of free CO_2 emission allowances [t]	Costs of allowances [PLN thousand]
Kozienice Power Plant	H1 2023	6,253,891	5,002[2,4]	2,697,883
	H1 2024	5,846,281	5,232[3]	2,620,618
MEC Piła	H1 2023	26,442	6,010[2,4]	8,478
	H1 2024	23,345	4,893[3]	5,807
Białystok - CHP plant	H1 2023	137,064	43,244[2]	42,454
	H1 2024	193,406	42,073[3]	69,706
Białystok – "Zachód" Heat Plant	H1 2023	9,401	2,379[2,4]	2,672
	H1 2024	7,171	2,064[3]	2,512
Połaniec Power Plant	H1 2023	2,488,608	85,334[2]	1,009,139
	H1 2024	2,259,928	83,022[3]	963,221
Łęczyńska Energetyka[5]	H1 2023	23,917	12,806[2,4]	5,965
	H1 2024	22,967	11,150[3]	6,934
Total H1 2023		**8,939,323**	**154,775**	**3,766,591**
Total H1 2024		**8,353,098**	**148,434**	**3,668,798**

[1] Emissions are given jointly for the production of electricity and the production of heat

[2] Gratuitous allowances granted for 2023

[3] Gratuitous allowances granted for 2024

[4] Change in the level of annual allowances granted for 2023 after verification by the National Center for Emissions Management (KOBiZE)

[5] Entity in the LW Bogdanka Group holding CO_2 emission allowances

Fuel supply

The main fuel used in the Kozienice Power Plant and the Połaniec Power Plant to generate electricity is pulverized bituminous coal. The main fuels used in ENEA Ciepło – Białystok CHP Plant in H1 2024 were coal and biomass.

Coal deliveries

	Kozienice Power Plant	Połaniec Power Plant	ENEA Ciepło
Coal suppliers in H1 2024	LW Bogdanka (approx. 93%) PGG (approx. 7%)	LW Bogdanka (approx. 55.5%) PGG (approx. 39.8%) PG Silesia (approx. 2.8) several other suppliers (approx. 1.9% each)	LW Bogdanka (approx. 78%) Węglokoks Kraj (approx. 22%)
Main operators effecting deliveries in H1 2024	PKP Cargo (approx. 61%) FPL (approx. 32%) CD Cargo Poland (approx. 7%)	PKP Cargo (approx. 71.6%) LW Bogdanka (approx. 17.1%) CD Cargo (approx. 10.1%) other (approx. 1.2%)	LW Bogdanka (approx. 78%) PKP Cargo (approx. 22%)

Purchase of fuel

Fuel type	Generation Area			
	H1 2023		H1 2024	
	Quantity [thousand tons]	Cost [PLN million]	Quantity [thousand tons]	Cost [PLN million]
Bituminous coal	5,212	4,408	3,830	1,795
Biomass	1,064	670	684	268
(Heavy) fuel oil [1]	6	17	9	25
(Light) fuel oil [2]	4	21	4	20
Natural gas [thousand m^3] [3 4]	14,742	37	15,245	48
Total		**5,153**		**2,156**

[1] Light-up fuel in U1-10 of the Kozienice Power Plant and U1-7 of the Połaniec Power Plant

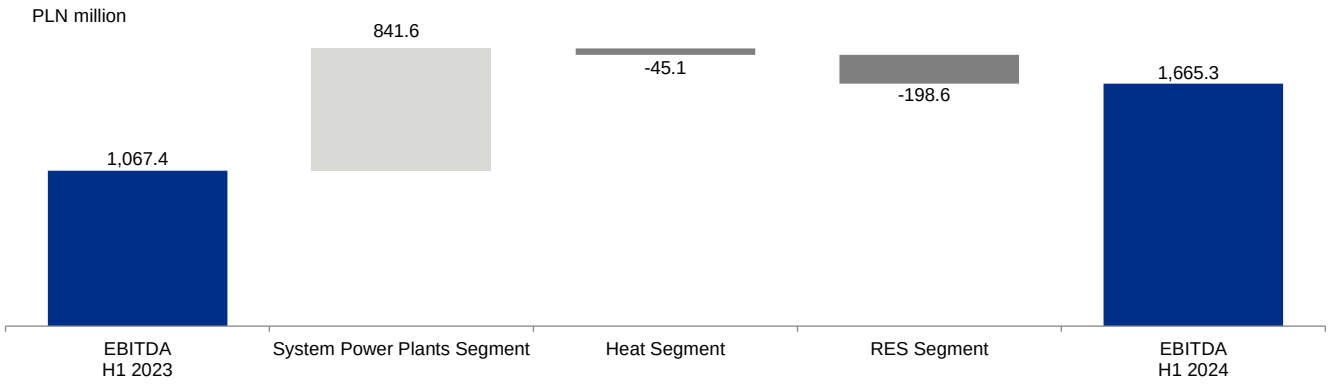
[2] Light-up fuel in U11 of the Kozienice Power Plant, U9 of the Połaniec Power Plant, MEC Piła (boiler house of KO Staszyce, which may be gaseous fuel or oil-fired), Białystok CHP Plant

[3] Used for generation of electricity and heat in MEC Piła

[4] Used for generation of heat in the "Zachód" Heat Plant; gas volume unit: thousand Nm^3

Financial data

[PLN 000s]	H1 2023	H1 2024	Change	% change	Q2 2023	Q2 2024	Change	% change
Net revenue from sales	12,724,246	9,462,962	-3,261,284	-25.6%	6,178,990	4,384,830	-1,794,160	-29.0%
electricity	11,673,705	8,413,745	-3,259,960	-27.9%	5,704,258	3,923,972	-1,780,286	-31.2%
Capacity Market	472,638	540,094	67,456	14.3%	229,225	263,389	34,164	14.9%
certificates of origin	224,509	40,706	-183,803	-81.9%	104,305	3,484	-100,821	-96.7%
heat	310,317	350,132	39,815	12.8%	116,879	120,657	3,778	3.2%
other	43,077	118,285	75,208	174.6%	24,323	73,328	49,005	201.5%
Revenue from leases and operating subleases	485	607	122	25.2%	246	261	15	6.1%
Revenue from sales and other income	12,724,731	9,463,569	-3,261,162	-25.6%	6,179,236	4,385,091	-1,794,145	-29.0%
EBIT	836,759	1,533,613	696,854	83.3%	460,912	657,372	196,460	42.6%
Amortization and depreciation	231,733	148,387	-83,346	-36.0%	117,327	78,034	-39,293	-33.5%
Recognition / (reversal) of the impairment loss for non-financial non-current assets	(1,134)	(16,691)	-15,557	-1,371.9%	(1,134)	-	1,134	100.0%
EBITDA	**1,067,358**	**1,665,309**	**597,951**	**56.0%**	**577,105**	**735,406**	**158,301**	**27.4%**
EBITDA margin	8%	18%	10 p.p.	-	9%	17%	8 p.p.	-
CAPEX	204,482	180,077	-24,405	-11.9%	132,886	155,234	22,348	16.8%
Area's revenue from sales as % of the Group's revenue from sales	42%	34%	-8 p.p.	-	45%	38%	-7 p.p.	-



Key EBITDA drivers in H1 2024 (up by PLN 598.0 million):

System Power Plants Segment – up by PLN 841.6 million

(+) margin on trading up by PLN 634.7 million (including: cost of the charge for the Price Difference Fund of PLN 86.3 million in H1 2023)

(+) other drivers up by PLN 440.4 million, mostly remeasurement of CO_2 contracts

(+) revenue from Regulatory System Services and Balancing Capacities up by PLN 84.4 million

(+) revenue from the Capacity Market up by PLN 65.8 million

(-) result on electricity generation concessions down by PLN 383.7 million (including: cost of the charge for the Price Difference Fund of PLN 1,321.0 million in H1 2023)

Heat Segment – down by PLN 45.1 million

(-) first contribution margin down by PLN 40.2 million

(-) fixed costs up by PLN 18.7 million

(+) cost of the charge for the Price Difference Fund of PLN 12.3 million in H1 2023

(+) other drivers up by PLN 1.0 million

(+) revenue from the Capacity Market up by PLN 0.5 million

RES Segment – down by PLN 198.6 million

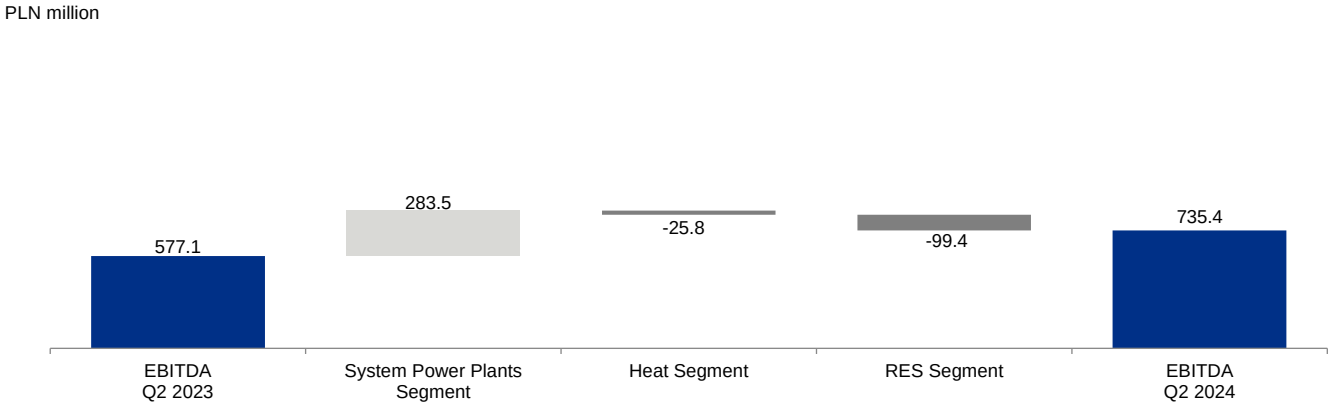
(-) Biomass – Green Unit Area: (PLN -246.3 million, of which PLN -0.3 million in ENEA Bioenergia): margin on renewable energy generation down by PLN -297.3 million, fixed costs up by PLN -14.3 million, Green Unit's margin on sales of green certificates down by PLN -5.0 million, cost of the charge for the Price Difference Fund in H1 2023 of PLN +59.2 million, revenue from sales of guarantees of origin up by PLN +7.5 million

(+) Hydro Area (PLN +37.6 million): PLN +49.7 million cost of the charge for the Price Difference Fund in H1 2023, PLN +1.2 million increase in revenue from the Capacity Market, PLN -11.3 million decrease in revenue from sales of energy

(+) Photovoltaics Area (PLN +9.1 million): mainly the base effect related to the corresponding period of the previous year, since there was no production and no sales of energy from new PV sources acquired after H1 2023

(+) Biogas Area (PLN +0.8 million)

(+) Wind Area (PLN +0.4 million)



Key EBITDA drivers in Q2 2024 (up by PLN 158.3 million):

System Power Plants Segment – up by PLN 283.5 million

(+) other drivers up by PLN 215.8 million, mostly remeasurement of CO_2 contracts

(+) trading margin up by PLN 206.2 million

(+) revenue from Regulatory System Services and Balancing Capacities up by PLN 79.7 million

(+) revenue from the Capacity Market up by PLN 31.7 million

(-) result on electricity generation concessions down by PLN 249.9 million (including: cost of the charge for the Price Difference Fund of PLN 584.8 million in Q2 2023)

Heat Segment – down by PLN 25.8 million

(-) first contribution margin down by PLN 25.4 million

(-) fixed costs up by PLN 10.3 million

(+) cost of the charge for the Price Difference Fund of PLN 6.5 million in Q2 2023

(+) revenue from the Capacity Market up by PLN 1.9 million

(+) other drivers up by PLN 1.5 million

RES Segment – down by PLN 99.4 million

(-) Biomass – Green Unit Area: (PLN -123.7 million, of which PLN +4.3 million in ENEA Bioenergia): margin on renewable energy generation down by PLN -108.8 million, Green Unit's margin on sales of green certificates down by PLN -20.9 million, cost of the charge for the Price Difference Fund in Q2 2023 up by PLN +10.6 million, revenues from sales of guarantees of origin up by PLN +2.7 million

(+) Hydro Area (PLN +16.0 million): PLN +21.5 million cost of the charge for the Price Difference Fund in H1 2023, PLN +0.6 million increase in revenue from the Capacity Market, PLN -5.5 million decrease in revenue from sales of energy

(+) Photovoltaics Area (PLN +6.8 million): mainly the base effect related to the corresponding period of the previous year, since there was no production and no sales of energy from new PV sources acquired after H1 2023

(+) Wind Area (PLN +2.1 million): cost of charge for the Price Difference Fund in Q2 2023 up by PLN +23.4 million, revenue from sales of energy down by PLN -15.1 million, revenue from sales of certificates of origin down by PLN -6.4 million

(+) Biogas Area (PLN +0.2 million):

CAPEX - Execution of key projects [PLN million]

Item		H1 2024	Plan H1 2024	Plan 2024
Generation		**180.1**	**361.0**	**1,133.8**
Conventional generation		73.3	102.9	453.1
ENEA Wytwarzanie	unit modernization and overhauls	23.4	31.6	98.0
	modernization and overhauls of other infrastructure	27.6	38.0	145.4
	other	0.1	0.7	4.1
ENEA Elektrownia Połaniec	unit modernization and overhauls	9.8	8.8	60.7
	modernization and overhauls of other infrastructure	3.6	6.3	34.7
	"green development" (adaptation to the Capacity Market after 1 July 2025)	1.4	4.7	36.6
	other	1.2	0.5	8.8
ENEA Elkogaz	construction of a CCGT unit in Kozienice	8.7	12.1	64.4
	other	-2.5	0.4	0.4
Heat		25.6	36.3	147.8
ENEA Ciepło	modernization and overhauls of sources and other infrastructure	9.1	14.1	83.4
	modernization of heating networks	5.1	5.5	11.3
	connection of customers	6.4	5.4	15.3
	other	3.0	3.2	12.4
MEC Piła, PEC Oborniki	modernizations and overhauls of heating assets	2.0	8.0	25.4
RES		81.2	221.9	532.9
ENEA Nowa Energia	new renewable energy sources	15.6*	78.8	161.6
	modernizations and overhauls of RES infrastructure	2.9	3.4	32.6
	other	0.1	0.3	4.2
Other RES companies	FW Bejsce (20 MW) - construction through an SPV	60.4	138.1	187.0
	development, execution and support for RES projects	1.3	0.3	143.8
ENEA Elektrownia Połaniec (biomass)	biomass unit modernizations and overhauls	0.8	1.0	3.8

* does not include expenditures of PLN 42.1 million related to the subrogation of loans in the acquired companies.

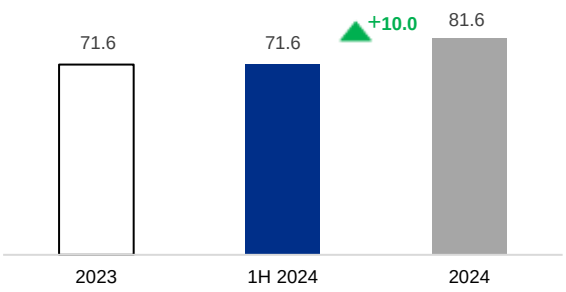
In the Generation segment, a significant part of the investment plan in 2024 (about 53%) involves capital expenditures for modernizations and overhauls of conventional generation assets. The key project in this area is "Adaptation of ENEA Elektrownia Połaniec S.A. to the requirements of the Capacity Market after 1 July 2025", which consists in the adaptation of coal-fired Units 2-7 at the Połaniec Power Plant to increased co-firing of biomass in amounts that will allow to meet the CO_2 emission requirements required by the Capacity Market after 1 July 2025 and taking advantage of the support provided.

CAPEX for RES planned for 2024 reached 47% of all expenditures in the Generation segment, of which 90% is directed towards the construction of new capacity. Construction work on new RES generation facilities with a total capacity of 41.6 MW is currently underway, and we are also working on developing a portfolio of our own photovoltaic and wind projects, which are at various stages of completion (we currently estimate the total capacity of the portfolio at about 900 MW).

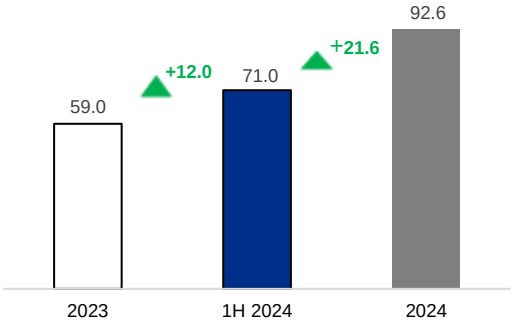
RES currently under construction in H1 2024 and construction progress

Project name and description		Capacity [MW]	Progress	Year of completion
Bejsce Wind Farm	acquisition of an SPV with a wind farm under construction	20.0	50%	10 MW - 2024 10 MW - 2025
PV Żary and PV Nowiny Wielkie	acquisition of SPVs with completed facilities	12.0	95%	2024
PV Darżyno I	construction of a plant (greenfield) connected to the existing Darżyno wind farm (6.3 MW) using the cable pooling formula	2.0	95%	2024
PV Dygowo I	construction of a plant (greenfield)	8.0	95%	2024
PV Jastrowie II	construction of a plant (greenfield)	8.0	80%	2024
PV Krzęcin	construction of a plant as a continuation of the acquisition project with all necessary permits	6.6	85%	3 MW - 2023 3.6 MW - 2024

Capacity in wind farms [MW]



Capacity in photovoltaic farms [MW]



Expenditures for RES projects

Item	Capacity [MW]	H1 2024 [PLN million]	
		expenditures	debt
PV currently under construction	21.6	9.5	-
WF currently under construction	20.0	60.4	-
PV acquisitions	12.0	3.5	42.1
Modernizations and overhauls of RES infrastructure and development of new source projects	-	7.7	-
Total	**53.6**	**81.2**	**42.1**
		123.3	

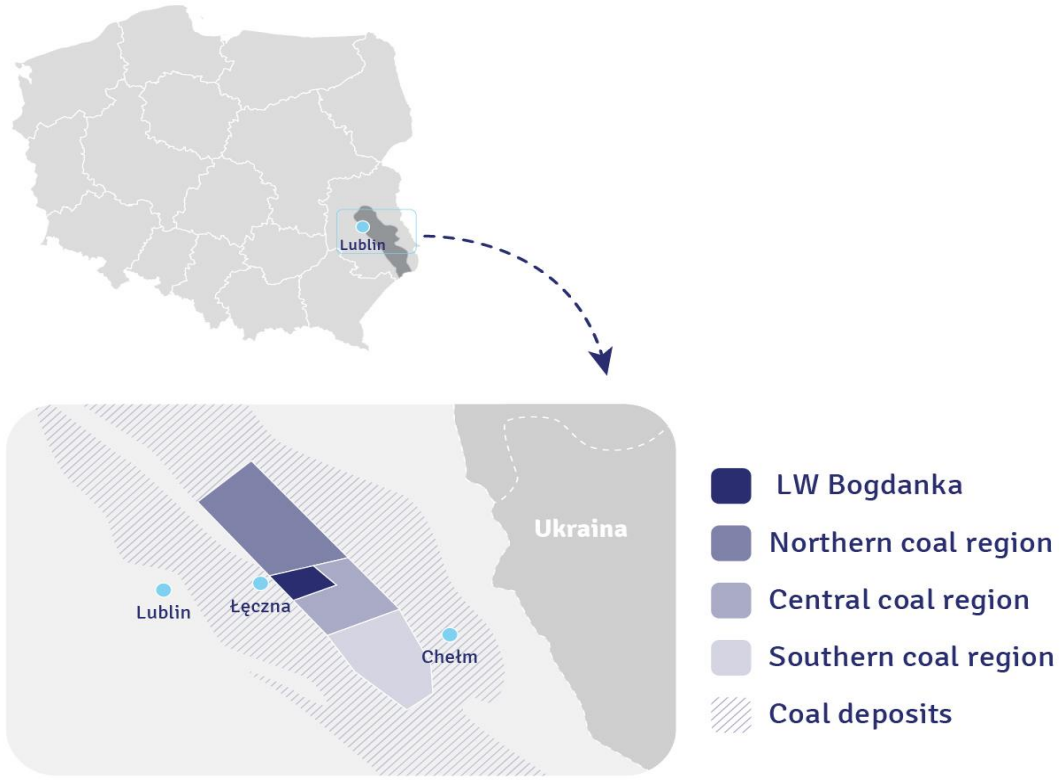
Implementation of a Gas-Fired Project at ENEA ELKOGAZ

In H1 2024, ENEA ELKOGAZ obtained corporate approvals for the continuation of the greenfield gas-fired project and preparation of tender documentation. The greenfield project involves the construction of two units, BGP1 and BGP2, in the vicinity of the Kozienice Power Plant, rather than replacing the existing 200 MW class coal-fired units at their location. The project is planned to be implemented in stages - the decision to develop BGP2 has been postponed, however the form of the tender procedure for the selection of a contractor for BGP1 will allow the contractor to build also BGP2 with the same parameters as BGP1 in the future under an outright purchase procedure. Market consultations were carried out with a view to acquiring up-to-date knowledge for the preparation of tender documentation. Corporate approvals have been obtained for project stage II.1, as a result of which, on 5 July 2024, a tender procedure entitled *"Construction of a gas and steam unit and provision of maintenance services"* for the selection of a general contractor for the investment - construction of BGP1 was launched with the 30 October 2024 deadline for submission of bids.

5.7.5. Mining Area

In the ENEA Group, the subsidiary involved in the mining business is LW Bogdanka, which is a leader on the bituminous coal market in Poland, standing out in comparison with its peers in terms of financial results, mining efficiency and investment plans including access to new deposits. The main buyers of LW Bogdanka's products mainly are commercial and industrial energy sectors. The bituminous coal sold by LW Bogdanka is used predominantly for the production of electricity, heat and cement.

The Mining Area presents the financial results of the LW Bogdanka Group with the parent company – Lubelski Węgiel "Bogdanka" S.A. and its subsidiaries.

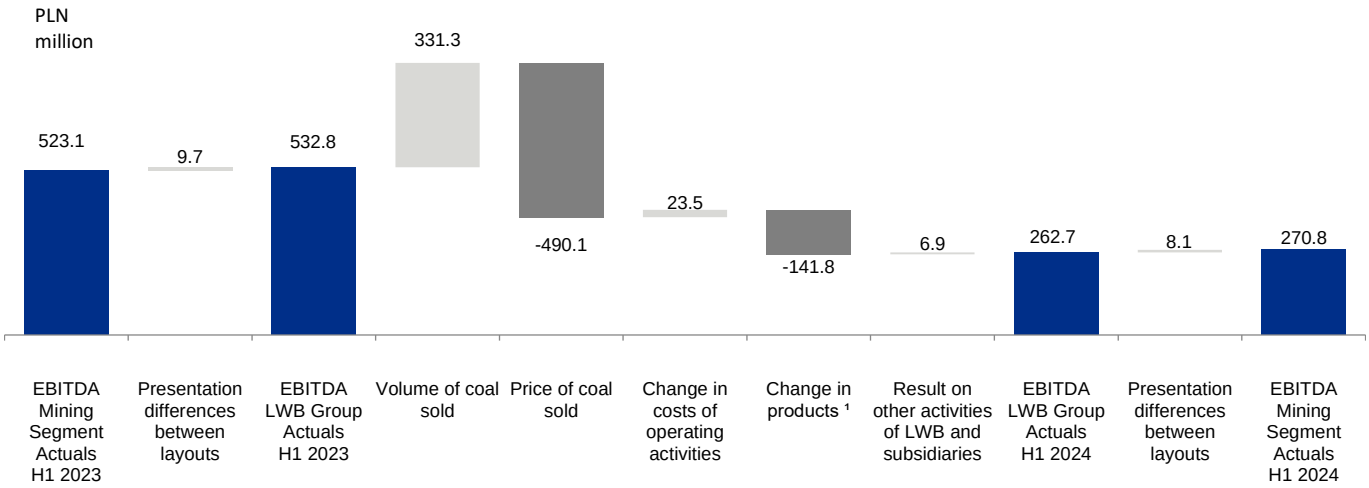


Operational data

	H1 2023	H1 2024	Change	% change	Q2 2023	Q2 2024	Change	% change
Net production [000s tons]	3,266	3,497	231	7.1%	1,643	1,621	-22	-1.4%
Sales of coal [000s tons]	3,062	3,628	566	18.5%	1,480	1,871	391	26.4%
Inventories (at the end of the period) [000s tons]	226	240	14	6.2%	226	240	14	6.2%
Excavation works [km]	16.66	11.71	-4.95	-29.7%	8.11	5.34	-2.77	-34.2%

Financial data

[PLN 000s]	H1 2023	H1 2024	Change	% change	Q2 2023	Q2 2024	Change	% change
Net revenue from sales	1,819,720	1,665,294	-154,426	-8.5%	881,237	852,043	-29,194	-3.3%
coal	1,780,993	1,626,465	-154,528	-8.7%	865,433	833,504	-31,929	-3.7%
other products and services	32,004	30,564	-1,440	-4.5%	12,144	14,431	2,287	18.8%
goods and materials	6,723	8,265	1,542	22.9%	3,660	4,108	448	12.2%
Revenue from leases and operating subleases	5,327	5,287	-40	-0.8%	3,126	2,637	-489	-15.6%
Revenue from sales and other income	1,825,047	1,670,581	-154,466	-8.5%	884,363	854,680	-29,683	-3.4%
EBIT	-453,649	95,724	549,373	121.1%	-616,500	20,940	637,440	103.4%
Amortization and depreciation	183,268	175,005	-8,263	-4.5%	85,315	92,043	6,728	7.9%
Recognition / (reversal) of the impairment loss for non-financial non-current assets	793,443	72	-793,371	-100.0%	764,774	72	-764,702	-100.0%
EBITDA	**523,062**	**270,801**	**-252,261**	**-48.2%**	**233,589**	**113,055**	**-120,534**	**-51.6%**
EBITDA margin	29%	16%	-13 p.p.	-	26%	13%	-13 p.p.	-
CAPEX	344,882	476,439	131,557	38.1%	178,507	330,728	152,221	85.3%
Area's revenue from sales as % of the Group's revenue from sales	6%	6%	-	-	6%	7%	1 p.p.	-



¹ impact on presented costs = technical coal production cost allocated according to the current structure * change of coal inventory volume in the analyzed period

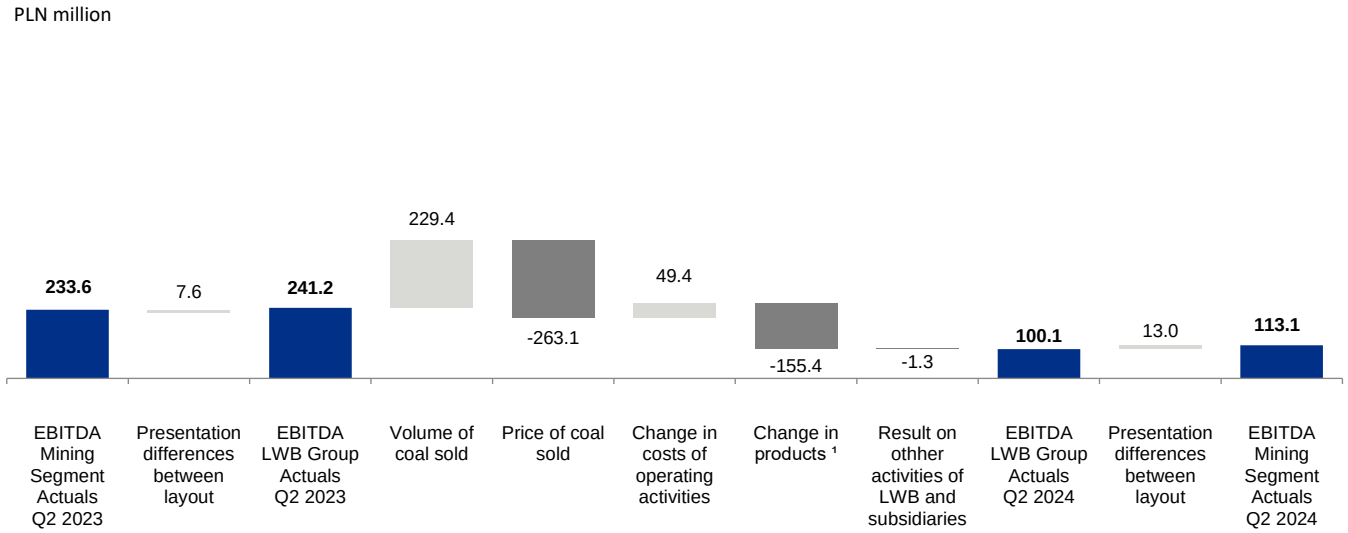
Key EBITDA drivers in H1 2024 (down by PLN 252.3 million):

(-) lower revenue from sales of coal: higher volume of coal sales (+566 thousand tons) with concurrently lower coal contract prices

(+) lower mining cash cost – lower prices of energy and materials, higher employee and related costs

(-) in H1 2024, the value of inventories decreased by PLN 56.2 million, or 131 thousand tons (the period's operating expenses increased), whereas in H1 2023, the value of inventories increased by PLN 85.6 million, or 204 thousand tons (the period's operating expenses decreased)

There are differences in the way amortization and depreciation is presented in financial reports of the ENEA Group and the LW Bogdanka Group.



¹ impact on presented costs = technical coal production cost allocated according to the current structure * change of coal inventory volume in the analyzed period

Key EBITDA drivers in Q2 2024 (down by PLN 120.5 million):

(-) lower revenue from sales of coal: higher volume of coal sales (+391 thousand tons) with concurrently lower coal sales prices

(+) lower mining cash cost – lower prices of energy and materials, higher employee and related costs

(-) in Q2 2024, the value of inventories decreased by PLN 89.8 million, or 249 thousand tons (the period's operating expenses increased), whereas in Q2 2023, the value of inventories increased by PLN 65.6 million, or 164 thousand tons (the period's operating expenses decreased)

There are differences in the way amortization and depreciation is presented in financial reports of the ENEA Group and the LW Bogdanka Group.

CAPEX - Execution of key projects [PLN million]

Item	H1 2024	Plan H1 2024	Plan 2024
Lubelski Węgiel Bogdanka	**476.4**	**479.1**	**1,012.5**
machinery (purchase, modernization and overhaul of machinery, equipment and finished goods)	201.9	186.0	378.3
new excavations	184.3	186.5	358.2
modernization and reconstruction of excavations	45.5	54.4	103.9
other	44.7	52.1	172.2

Construction of a 27 MW photovoltaic farm

Due to the lack of sufficient area of land owned by LW Bogdanka for the construction of a 27 MW photovoltaic farm, which can be directly connected to the internal power grid of the mine, a phased implementation of the project has been developed. In the first stage, the concept envisages the construction of a photovoltaic farm with a capacity corresponding to the minimum power requirements of the Bogdanka field, so that the energy produced will be used as much as possible for own consumption, i.e. with a capacity of about 7 MW.

5.7.6. Other Activities Area

The Other Activities Area consists of companies from the following areas:

- ENEA Centrum – the Shared Services Center in the Group in the field of accounting, human resources, ICT and customer service, collection, procurement and administration,
- ENEA Oświetlenie – a company specializing in indoor and outdoor lighting; it designs and builds road lighting, illumination for urban spaces, illumination for historic and public buildings,
- ENEA Innowacje – on 23 July 2024, the Extraordinary General Meeting of ENEA Innowacje sp. z o.o., by Resolution No. 1, decided to dissolve the company following a liquidation process.

[PLN 000s]	H1 2023	H1 2024	Change	% change	Q2 2023	Q2 2024	Change	% change
Net revenue from sales	319,467	382,245	62,778	19.7%	165,129	207,157	42,028	25.5%
Revenue from leases and operating subleases	2,110	3,679	1,569	74.4%	387	731	344	88.9%
Revenue from sales and other income	321,577	385,924	64,347	20.0%	165,516	207,888	42,372	25.6%
EBIT	42,634	73,909	31,275	73.4%	26,619	54,300	27,681	104.0%
Amortization and depreciation	36,641	36,657	16	0.0%	17,901	18,304	403	2.3%
EBITDA	**79,275**	**110,566**	**31,291**	**39.5%**	**44,520**	**72,604**	**28,084**	**63.1%**
EBITDA margin	25%	29%	4 p.p.	-	27%	35%	8 p.p.	-
CAPEX	32,122	27,420	-4,702	-14.6%	21,472	14,475	-6,997	-32.6%
Area's revenue from sales as % of the Group's revenue from sales	1%	1%	-	-	1%	2%	1 p.p.	-

6. Shares and shareholding structure

6.1. Equity and shareholding structure

As at 30 June 2024 and as at the publication date of this report, the share capital of ENEA S.A. is PLN 529,731,093 and is divided into 529,731,093 ordinary bearer shares with a par value of PLN 1.00 each. The total number of votes resulting from all outstanding shares of the Issuer corresponds to the number of shares, translating into 529,731,093 votes. All shares in the Company are book-entry bearer shares registered in the Central Securities Depository of Poland.

The Company's share capital is PLN 529,731,093 and consists of:

- 295,987,473 series "A" ordinary bearer shares
- 41,638,955 series "B" ordinary bearer shares
- 103,816,150 series "C" ordinary bearer shares
- 88,288,515 series "D" ordinary bearer shares

Since the date of publication of the previous periodic report, i.e. the report for Q1 2024, ENEA S.A. has not received any other notices regarding a change in the Issuer's shareholding structure.

The table below presents the shareholding structure of ENEA S.A. as at the date of the periodic report for H1 2024.

Shareholder	Number of shares / number of votes at the General Meeting	Interest in the share capital / share in the total number of votes
State Treasury	277,015,422	52.29%
Other	252,715,671	47.71%
TOTAL	**529,731,093**	**100.0%**

6.2. ENEA S.A. stock prices on the Warsaw Stock Exchange

ENEA S.A. stock has been listed on the Warsaw Stock Exchange (WSE) since 17 November 2008. In H1 2024, the ENEA S.A. stock price increased from PLN 9.17 to PLN 10.65, that is by PLN 1.48, or 16.1%. The highest closing price of ENEA S.A. stock in H1 2024 was recorded on 16 May 2024 (PLN 10.81), while the lowest price was recorded on 17 January 2024 (PLN 7.94).

Share of the Company's stock in stock exchange indices as at 30 June 2024:

WIG30	mWIG40	WIG energia	WIG Poland
0.8	3.2	16.6	0.6

Data	H1 2024
Number of shares [pcs.]	529,731,093
Closing price – minimum [PLN]	7.94
Closing price – maximum [PLN]	10.81
Stock price at the end of the period [PLN]	10.65
Stock price at the end of the previous period [PLN]	9.17
Average volume	608,862

7. Company authorities

7.1. Events during the reporting period up to the date of the report

January

On 29 January 2024, the Company received a representation by the Minister of State Assets about dismissing, as of 29 January 2024, Mr. Łukasz Ciołko, from the Company's Supervisory Board, and appointing, as of 30 January 2024, Ms. Agata Ewa Michalska-Olek as a member of the Company's Supervisory Board.

On 30 January 2024, the Extraordinary General Meeting of ENEA S.A. adopted resolutions by the power of which changes were made in the composition of the Company's Supervisory Board of the 11th term of office. Mr. Roman Stryjski, Mr. Paweł Marian Łącki and Ms. Aneta Olga Kordowska were dismissed. Ms. Ewa Bagińska, Mr. Zbigniew Szymczak, Mr. Piotr Szymanek, Mr. Michał Gniatkowski and Ms. Monika Starecka were appointed. On the same date, the Extraordinary General Meeting of ENEA S.A. elected Ms. Ewa Bagińska as Chairwoman of the ENEA S.A. Supervisory Board.

Februar

On 2 February 2024, the ENEA S.A. Supervisory Board adopted resolutions to dismiss, from the Company's Management Board, Mr. Paweł Majewski, President of the ENEA S.A. Management Board, Mr. Jakub Kowaleczko, ENEA S.A. Management Board Member for Commercial Matters, and Mr. Dariusz Szymczak, ENEA S.A. Management Board Member for Corporate Matters. The ENEA S.A. Supervisory Board also adopted a resolution to second, as of 2 February 2024, Ms. Monika Starecka, ENEA S.A. Supervisory Board Member, to temporarily perform the duties of President of the ENEA S.A. Management Board for a period not longer than three months from the date of her secondment.

On 23 February 2024, the ENEA S.A. Supervisory Board adopted resolutions to appoint, for a joint term of office, as of 1 March 2024, Mr. Grzegorz Kinelski to the position of President of the ENEA S.A. Management Board, Mr. Bartosz Krysta to the position of ENEA S.A. Management Board Member for Commercial Matters, Mr. Marek Lelątko to the position of ENEA S.A. Management Board Member for Financial Matters, and, as of 1 May 2024, Ms. Dalida Gepfert to the position of ENEA S.A. Management Board Member for Corporate Matters. On the same date, the ENEA S.A. Supervisory Board adopted resolutions to dismiss, effective as of 29 February 2024, Mr. Marcin Pawlicki, ENEA S.A. Management Board Member for Operational Matters, and Mr. Lech Żak, ENEA S.A. Management Board Member for Strategy and Development. Moreover, the ENEA S.A. Supervisory Board adopted a resolution to second, as of 1 March 2024, Ms. Monika Starecka, ENEA S.A. Supervisory Board Member, to temporarily perform the duties of ENEA S.A. Management Board Member for Corporate Matters until 30 April 2024 at the latest.

May

On 31 May 2024, the Company received Mr. Piotr Szymanek's resignation from the position of an ENEA S.A. Supervisory Board Member, effective as of 1 June 2024.

7.2. Composition of the ENEA S.A. Management Board

As at 1 January 2024	
Name	**Position**
Paweł Majewski	**President of the Management Board**
Dariusz Szymczak	Management Board Member for Corporate Matters
Marcin Pawlicki	Management Board Member for Operational Matters
Jakub Kowaleczko	Management Board Member for Commercial Matters
Lech Żak	Management Board Member for Strategy and Development

As at the date of this report	
Name	**Position**
Grzegorz Kinelski	**President of the Management Board**
Dalida Gepfert	Management Board Member for Corporate Matters
Bartosz Krysta	Management Board Member for Commercial Matters
Marek Lelątko	Management Board Member for Financial Matters

7.3. Composition of the ENEA S.A. Supervisory Board

As at 1 January 2024	
Name	**Position**
Łukasz Ciołko	**Supervisory Board Chairman**
Roman Stryjski	Supervisory Board Deputy Chairman
Mariusz Pliszka	Supervisory Board Secretary
Mariusz Damasiewicz	Supervisory Board Member
Aneta Kordowska	Supervisory Board Member
Tomasz Lis	Supervisory Board Member
Paweł Łącki	Supervisory Board Member
Mariusz Romańczuk	Supervisory Board Member

As at the date of this report	
Name	**Position**
Ewa Bagińska	**Supervisory Board Chairwoman**
Monika Starecka	Supervisory Board Deputy Chairwoman
Mariusz Pliszka	Supervisory Board Secretary
Mariusz Damasiewicz	Supervisory Board Member
Michał Gniatkowski	Supervisory Board Member
Tomasz Lis	Supervisory Board Member
Agata Ewa Michalska-Olek	Supervisory Board Member
Mariusz Romańczuk	Supervisory Board Member
Zbigniew Szymczak	Supervisory Board Member

7.4. Number of shares and rights to ENEA S.A. shares held by members of the Management Board and Supervisory Board

Name	Position	Number of ENEA S.A. shares as at 22 May 2024 par value (PLN)	Number of ENEA S.A. shares as at 18 September 2024 par value (PLN)
Mariusz Pliszka	Supervisory Board Member	3,880	3,880

As at the date of this report, other members of the Management Board and Supervisory Board hold no shares in ENEA S.A. As at the date of this report, no members of the Management Board or Supervisory Board hold any rights to shares in ENEA S.A. or shares in any ENEA S.A. subsidiaries

8. Other information relevant to evaluation of the Issuer's standing

8.1. Regulatory environment

The business of ENEA S.A. and its subsidiaries is conducted in an environment that is subject to special legal regulation, both at the national level and at European Union level (regulated economic activity). A number of legal regulations applicable to energy companies have been enacted based on decisions of a political nature. For this reason, these regulations are subject to frequent amendments. Specifically these days, the dynamically evolving regulatory and legislative reality in the Polish and European law in the energy sector, which results, among others, from political decisions made also in response to the socioeconomic situation arising from the Russian Federation's invasion of Ukraine, including the energy crisis, and the European Commission's wide-ranging activities aiming to reduce greenhouse gas emissions and achieve climate neutrality of Europe by 2050, makes the determination of certain effects for the pursued business activity difficult at times. This notwithstanding, ENEA S.A. and its subsidiaries ("ENEA Group") are subject to legal regulation in the field of tax system, competition and consumer protection, employee law and environmental protection. It cannot be ruled out that changes in these areas arising from specific legislation or individual interpretations related to significant areas of the ENEA Group's business may become a source of potential risks for this economic activity.

Detailed information on legal regulations about important areas of the ENEA Group activity can be found in item 10 of the *Management Board Report on the Activity of ENEA S.A. and the ENEA Group in 2023*.

In the present reporting period, at the EU level, the following legal acts were formally adopted:

1. Regulation of the European Parliament and of the Council on nature restoration and amending Regulation (EU) 2022/869 – published on 15 July 2024,
2. Regulation (EU) 2024/1252 of the European Parliament and of the Council of 11 April 2024 establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1724 and (EU) 2019/1020 – published on 3 May 2024,
3. Regulation of the European Parliament and of the Council amending Regulation (EU) 2019/1242 as regards strengthening the CO_2 emission performance standards for new heavy-duty vehicles and integrating reporting obligations, and repealing Regulation (EU) 2018/956 – published on 6 June 2024,
4. Directive of the European Parliament and of the Council (EU) 2024/1275 of 24 April 2024 on the energy performance of buildings (recast) – published on 8 May 2024,
5. Regulation of the European Parliament and of the Council amending Regulations (EU) 2019/942 and (EU) 2019/943 to improve the Union's electricity market design – published on 26 June 2024,
6. Directive of the European Parliament and of the Council amending Regulations (EU) 2018/2001 and (EU) 2019/944 to improve the Union's electricity market design – published on 26 June 2024,
7. Directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937 – published on 5 July 2024,
8. Regulation of the European Parliament and of the Council on establishing a framework of measures for strengthening Europe's net-zero technology manufacturing ecosystem (Net-Zero Industry Act, NZIA) – published on 28 June 2024,
9. Regulation (EU) 2024/1106 of the European Parliament and of the Council of 11 April 2024 amending Regulations (EU) No 1227/2011 and (EU) 2019/942 as regards improving the Union's protection against market manipulation on the wholesale energy market [REMIT] – published on 17 April 2024,
10. Regulation of the European Parliament and of the Council establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations (EU) 168/2013, (EU) 2018/858, 2018/1724 and (EU) 2019/1020 (CRMA) – published on 23 May 2024,
11. Directive of the European Parliament and of the Council amending Directive of the European Parliament and of the Council 2010/75/EU of 24 November 2010 on industrial emissions (integrated prevention and monitoring of emissions) and Council Directive 1999/31/EC of 26 April 1999 on the landfill of waste (IED) – published on 15 July 2024,
12. Regulation of the European Parliament and of the Council on methane emissions reduction in the energy sector and amending Regulation (EU) 2019/942 – published on 15 July 2024,
13. Regulation of the European Parliament and of the Council on the internal markets for renewable gas, natural gas and hydrogen, amending Regulations (EU) No 1227/2011, (EU) 2017/1938, (EU) 2019/942 and (EU) 2022/869 and Decision (EU) 2017/684 and repealing Regulation (EC) No 715/2009 (recast) – published on 15 July 2024,
14. Directive of the European Parliament and of the Council on common rules for the internal markets for renewable gas, natural gas and hydrogen, amending Directive (EU) 2023/1791 and repealing Directive 2009/73/EC (recast) – published on 15 July 2024,
15. Regulation of the European Parliament and of the Council (EU) 2024/1244 of 24 April 2024 on reporting of environmental data from industrial installations, establishing an Industrial Emissions Portal and repealing Regulation (EC) No 166/2006 – published on 2 May 2024,

16. Council Directive (EU) 2024/223 of 22 December 2023 amending Regulation (EU) 2022/2577 laying down a framework to accelerate the deployment of renewable energy – published on 10 January 2024,
17. Commission Delegated Regulation (EU) amending Delegated Regulation (EU) as regards transitional Union-wide rules for harmonized free allocation of emission allowances – published on 1 January 2024,

8.2. Prevailing regulations in retail trading and distribution

On 31 December 2023, the *Act of 7 December 2023 Amending Certain Acts to Support Consumers of Electricity, Gaseous Fuels and Heat* came into force. The solutions provided for in the Act include the following: maintenance of electricity prices for eligible customers at the current level from 1 January 2024 to 30 June 2024, maintenance of maximum prices at PLN 693.00 per MWh for existing eligible customers, obligation to submit tariffs to the President of the Energy Regulatory Office (ERO President) by 12 January 2024 with calculation from 1 January 2024 to 31 December 2024, method of calculation and payment of compensation to eligible entities for the period from 1 January 2024 to 30 June 2024 as the product of the electricity consumed at the place of consumption up to the maximum consumption limit and the difference between the price resulting from the tariff approved by the ERO President and the price resulting from the customer's limit.

On 27 February 2024, the Regulation of the Minister of State Assets to the Act of 17 August 2023 on Social Shields for Employees of the Power and Lignite Mining Industries was published in the Journal of Laws (Journal of Laws, item 1737). The Regulation specifies the detailed conditions, procedure and manner of granting and accounting for the targeted subsidy from the state budget intended to cover the cost of social benefits and non-recurring cash severance payments for people employed in the power and lignite mining sectors.

On 18 March 2024, the Regulation of the Minister of Climate and Environment of 8 March 2024 on Verification of Compliance with Permissible Emission Limits Allowing for Measurement Uncertainty was published in the Journal of Laws. The Regulation aims to organize and standardize the approach to the permissible degree of uncertainty accompanying continuous measurements of air emissions when assessing compliance with emission limits set in integrated permits.

On 22 March 2024, the Regulation of the Minister of Climate and Environment of 18 March 2024 on the Requirements for Calculating, Measuring and Registering the Volume of Electricity, Heat and Cold Generated in Renewable Energy Source Installations was published in the Journal of Laws. For the most part, the provisions of the above Regulations are consistent those contained in the previous Regulation issued on the same basis, namely the Regulation of the Minister of Energy of 21 August 2018 on the Requirements for Calculating, Measuring and Recording the Volume of Electricity or Heat Generated in Renewable Energy Source Installations (Journal of Laws, item 1596). The provisions governing the requirements for calculating, measuring and recording the volume of electricity and heat generated in renewable energy source installations using the energy carriers referred to in Article 2(22) of the Act and other fuels in the power generation process, apart from minor editorial variations, are the same as those currently in force.

On 10 May 2024, the Regulation of the Minister of State Assets of 9 April 2024 came into force on the list of jobs which entitle employees to an energy leave and a mining leave and a model certificate regarding a period of using an energy leave or a mining leave by an employee. The Regulation provides a list of jobs which entitle employees to an energy leave and a mining leave and defines a model certificate regarding a period of using an energy leave or a mining leave by an employee.

On 12 June 2024, the Act of 23 May 2024 on the Energy Voucher and Amendments to Certain Acts to Restrict the Prices of Electricity, Natural Gas and System Heat. In principle, the Act entered into force on 13 June 2024. Some provisions of the Act came into force on 1 July 2024. The energy voucher is intended as a one-off cash benefit for households whose average monthly income for 2023 was below PLN 2,500 in a single-person household or below PLN 1,700 per person in a multiple-person household. The value of the voucher to be granted will vary based on the size of the household, use of electricity as the household's main source of heat and entry or pending entry in the central database of building emission characteristics. Beneficiaries of the energy voucher will also include electricity-sensitive consumers and households ineligible, due to the per-person surface area of the dwelling exceeding the applicable criterion, for the housing allowance under the provisions of the Act of 21 June 2001 on Housing Allowances (consolidated text: Journal of Laws 2023, item 1335). The energy voucher will also be provided to pensioners whose monthly retirement income is below or equal to the minimum pension benefit.

The Ministry of Climate and Environment submitted a preliminary version of the updated National Energy and Climate Plan (NECP) until 2030 to the European Commission. This was the 29 February 2024 version of the Polish NECP. It updated the previous document prepared in 2019. The NECP is a document enabling an analysis of whether the EU will be able to meet the established climate and energy goals, based on contributions from EU member states.

The Polish government undertook to achieve a 29.8% share of RES in gross final energy consumption by 2030 as a contribution to the new Union-wide target for 2030. The target will consist of the combined consumption of renewable energy sources in the power, heating and cooling sectors, and for transportation purposes. This assumed goal is lower than the objective contained in the EU's RED III, which stipulates a Union-wide RES share target of 42.5% by 2030. The published document assumes a 35% decrease in greenhouse gas emissions by 2030 compared to 1990.

The share of RES in electricity generation in 2030 is expected to reach 50.1%. It is assumed that the 2030 RES target will be achieved largely through increases in the capacity of onshore wind power plants (with an installed capacity of approx. 15.8 GW from the current level of 10 GW), photovoltaic power plants (approx. 29.3 GW from the current level of more than 17 GW) and offshore wind power plants (approx. 5.9 GW), which are expected to be added to the Polish Power System around 2026. A further growth is anticipated to be driven by biomass, biogas and biomethane-fired power plants as well as hydro power plants.

The deployment of nuclear power capacity forms a significant component of Poland's energy sufficiency policy. The first nuclear unit will be put into operation between 2030 and 2035. The capacity of large-scale nuclear power plants in 2040 should reach 7.4 GW (up to 9.4 GW in the long run) and may also be supplemented by small modular reactors (SMRs). According to the policy, domestic coal output will not exceed 30 million tons in 2030.

Currently, the National Energy and Climate Plan until 2030 is at the pre-consultation stage, involving utility sector organizations, representatives of local governments, businesses, trade unions and environmental organizations.

8.3. Tariffs for electricity and for electricity distribution services

On 15 December 2023, the ERO President issued Decision No. DRE.WRE.4211.61.13.2023.AKr3 to approve the electricity Tariff for Tariff Group G customers for ENEA S.A. for the period from 1 January 2024 to 31 December 2024.

On 30 January 2024, the ERO President, by Decision No. DRE.WRE.4211.10.2.2024.AKr3, approved a Tariff change for electricity customers in Tariff Group G of ENEA S.A. due to the need to align the Tariff wording with the current legal framework. Provisions were added to the tariff to apply prices frozen at the level of the 2022 tariff within the consumption limit and maximum prices for consumption above the limit in billings for the period from 1 January 2024 to 30 June 2024 for eligible customers. The tariff change was in force from 1 January 2024.

On 11 January 2024, the ERO President, by Decision No. DRE.WRE.4211.64.5.2023.AKr3, discontinued the administrative procedure on approving the amendments to ENEA S.A.'s Tariff Group G customers for 2023, as applied for by ENEA S.A. on 31 October 2023. The proposed change was caused by the fact that the content of the Tariff included a set of electricity prices pertaining to customers who benefited from a reduction in payables under §50b(1) of the *Regulation of the Minister of Climate and Environment of 29 November 2022 on the Method of Shaping and Calculating Tariffs and the Method of Settlements in Electricity Trading*.

On 3 January 2023, ENEA S.A. filed an application with the ERO President to approve a change in the electricity tariff for ENEA S.A.'s Tariff Group G customers for 2023. The proposed change was due to the higher costs of purchasing energy than those accounted for in the applicable Tariff. By Decision No. DRE.WPR.4211.1.13.2023.JSz of 26 May 2023, the ERO President refused to approve the requested change in the electricity tariff for Tariff Group G customers. On 29 June 2023, ENEA S.A. challenged the ERO President's Decision by filing an appeal to the Court of Competition and Consumer Protection at the Regional Court in Warsaw. On 4 December 2023, the ERO President filed a response to ENEA S.A.'s appeal with the Regional Court in Warsaw, requesting that the appeal be dismissed. On 9 February 2024, ENEA S.A. filed a pleading (reply to the statement of claim) with the Court of Competition and Consumer Protection at the Regional Court in Warsaw in which it responded to the ERO President's statements contained in his response to the appeal of 4 December 2023. After the case was examined by the Regional Court in Warsaw on 1 July 2024, the appeal was dismissed. In connection with the ruling of the Regional Court in Warsaw, ENEA S.A. is having a legal analysis performed to examine the possibilities of taking further measures about the case.

On 23 May 2024, ENEA S.A. filed an application with the ERO President to approve a change in the electricity tariff for ENEA S.A.'s Tariff Group G customers, approved by the decision of the ERO President of 15 December 2023 and amended with the decision of 30 January 2024, with regard to changes to prices of electricity and the period for the decision to be in force until 31 December 2025. At the same time, in the course of the proceeding, provisions came into force resulting from the Act of 23 May 2024 on the Energy Voucher and Amendments to Certain Acts to Restrict the Prices of Electricity, Natural Gas and System Heat, which imposed on trading companies the duty to file applications for changing the tariff for the period from 1 July 2024 to 31 December 2025.

ENEA S.A. filed a new application for changing the tariff on 18 June 2024. In turn, the administrative proceeding, initiated following the application of 23 May 2024, was discontinued on 17 July 2024 with decision no. DRE.WRE.4211.25.8.2023.AKr3 by the ERO President, who deemed the proceeding to be groundless.

In response to the application filed by ENEA S.A. on 18 June 2024, the ERO President approved, by Decision No. DRE.WRE.4211.31.11.2024.JTr, the electricity Tariff for ENEA S.A.'s Tariff Group G customers for the Tariff validity period from 1 July 2024 to 31 December 2025. Introduced to the Tariff was, among other items, the maximum price for entitled recipients of PLN 500 per MWh from 1 July 2024 to 31 December 2024.

On 15 December 2023, the ERO President approved the Tariff for electricity distribution services of ENEA Operator. The Decision of the ERO President was published in the ERO Industry Bulletin Energia Elektryczna ('Electricity') No. 412 (4229). The new Tariff was approved until 31 December 2024. Pursuant to Resolution No. 515/2023 of the ENEA Operator Management Board of 21 December 2023, the Tariff has been in force since 1 January 2024.

On 30 January 2024, the ERO President approved a change in the Tariff for electricity distribution services of ENEA Operator. The Decision of the ERO President was published in the *ERO Industry Bulletin Energia Elektryczna ('Electricity') No. 24 (4268) of 30 January 2024. Pursuant to Resolution No. 42/2024 of the ENEA Operator Management Board of 13 February 2024*, the Tariff change has been in force since 1 January 2024.

8.4. Concessions

Power industry groups operate in the Polish power market on the basis of concessions granted to them. Considering the medium and long-term validity of the individual concessions, detailed information of the concessions held by each company from the ENEA Group is presented in annual reports.

8.5. Demand for electricity

According to data of Polskie Sieci Elektroenergetyczne S.A., the Polish transmission system operator, electricity consumption in Poland was 167.5 TWh in 2023 and was lower by 3.44% compared to 2022. The domestic electricity production was at the level of 163.6 TWh and was lower by 6.58% than in 2022. Electricity is produced mainly in commercial power plants. In 2023, the amount of production in the plants was 128.4 TWh, which was 78% of the entire production. The remaining portion was accounted for by wind power plants and other renewable energy sources. The most important fuel for generating electricity in 2023 was bituminous coal, whose share was 46.8% and lignite, with a share of 21.1%. Renewable energy sources generated 25.2 TWh, and their share increased to 21.5% (from 15.8% in 2022). In 2023, the total quantity of net electricity production in the ENEA Group was 21.3 TWh.

8.6. Capacity Market

Pursuant to the provisions of:

- Capacity Market Act of 8 December 2017,
- Rules and Regulations of the Capacity Market approved by the President of the Energy Regulatory Office, by the Decision of 5 February 2024,
- Regulations of the Minister of Energy:
  - of 18 July 2018 on performance of the capacity obligation, its settlement and demonstration, and execution of transactions on the secondary market,
  - of 3 September 2018 on financial collateral provided by power suppliers and participants of preliminary auctions,
- regulations on auction parameters in 2023: *Regulation of the Minister of Climate and Environment of 4 August 2023 on the parameters of the main auction for delivery year 2028 and the parameters of additional auctions for the delivery year 2025,*

since 2018, Polskie Sieci Elektroenergetyczne S.A. have conducted (or have been conducting) the following Capacity Market processes, among others:

- general certifications,
- certifications for the main auctions for the delivery years 2021-2028,
- certifications for the main auctions for the delivery years 2021-2025,
- main auctions for delivery years 2021-2028 and additional ones for the delivery years 2021-2025.

In particular, since the beginning of 2024, major developments associated with the Capacity Market processes included the following:

- general certification, which was performed in the period 4 January – 11 March 2024,
- completion of certifications for additional auctions for each quarter of 2025 – 16 February 2024,
- additional auctions for each quarter of 2025 – 14 March 2024.

8.6.1. ENEA Wytwarzanie and ENEA Elektrownia Połaniec

Contracted capacity obligations

[MW]	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
1-year contract	-	-	1,004	1,004	1,195	-	-	-	-	-	-	-
5-year contract	2,711	2,711	-	-	-	-	-	-	-	-	-	-
15-year contract	915	915	915	915	915	915	915	915	915	915	915	915
Total	**3,626**	**3,626**	**1,919**	**1,919**	**2,110**	**915**	**915**	**915**	**915**	**915**	**915**	**915**

Estimated revenue from the Capacity Market

[PLN million] [1]	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
1-year contract	-	-	402	408	293	-	-	-	-	-	-	-
5-year contract	652	652	-	-	-	-	-	-	-	-	-	-
15-year contract	220	220	220	220	220	220	220	220	220	220	220	220
Total	**872**	**872**	**622**	**628**	**513**	**220**	**220**	**220**	**220**	**220**	**220**	**220**

[1] Non-indexed value

The Capacity Market Units of ENEA Elektrownia Połaniec and ENEA Wytwarzanie participated in the above processes.

In 2018, three main auctions were held for the delivery years 2021, 2022 and 2023. As a result of the *ENEA Group Strategy*, approved by decisions of the ENEA S.A. Management Board, before each main auction, ENEA Elektrownia Połaniec entered into two capacity contracts for 5-year delivery periods of 2021-2025, for units 2 and 7. On the other hand, ENEA Wytwarzanie executed:

- nine capacity contracts for 5-year delivery periods of 2021-2025, for units 1-10 without unit 3,

- one capacity contract for a 15-year delivery period of 2021-2035 for unit 11,
- annual supply contracts for the delivery years 2021-2023, for three Capacity Market units from the RES Segment (hydro power plants) with a total capacity of approx. 37 MW were transferred to ENEA Nowa Energia, a power supplier.

ENEA Elektrownia Połaniec and ENEA Wytwarzanie executed a joint venture agreement in the area of the Capacity Market providing for the companies' joint operation in the Capacity Market and mutual reservations.
In 2021 and 2022, ENEA Elektrownia Połaniec participated in main auctions for the delivery years 2026 and 2027, respectively. As a result, it signed annual capacity contracts for the delivery years 2026 and 2027 for units 2, 4, 5, 6 and 7 with a total capacity of 1,004 MW. Unit No. 3 is a backup for the above units.
In turn, in 2023, ENEA Elektrownia Połaniec participated in the main auction for the delivery year 2028. As a result, it signed annual capacity contracts for the delivery year 2028 for units 2, 4, 5, 6, 7 and 9 with a total capacity of 1,195 MW. Unit No. 3 is a backup for the above units.

8.6.2. ENEA Ciepło

Contracted capacity obligations

[MW]	2024	2025				2026	2027	2028
		Q1	Q2	Q3	Q4			
Quarterly contracts	-	-	-	-	9	-	-	-
1-year contract	29	-	37[1]	-	-	-	9	-
Total	**29**	**-**	**37**	**-**	**9**	**-**	**9**	**-**

[1] The capacity contract of ENEA Ciepło for 2025 is valid from 1 January 2025 to 30 June 2025.

Estimated revenue from the Capacity Market

[PLN million] [1]	2024	2025	2026	2027	2028
Quarterly contracts	-	0.4	-	-	-
1-year contract	8	3.1	-	4	-
Total	**8**	**3.5**	**-**	**4**	**-**

[1] Non-indexed value

ENEA Ciepło participated in all the aforementioned processes and, as a result, entered into the following contracts: one annual capacity contract for the delivery year 2024 for unit 3, one 6-month capacity contract for the delivery period from 1 January 2025 to 30 June 2025 for unit 3, one quarterly capacity contract for Q4 2025 for unit 1 and one annual capacity contract for the delivery year 2027 for unit 1.

Units 1, 2 and 4 were registered for participation in the secondary market for 2024 and 2025. Units 2, 3 and 4 were registered for participation in the secondary market for 2027. Units 1, 2, 3 and 4 were registered for participation in the secondary market for 2028.

8.6.3. ENEA Nowa Energia

Contracted capacity obligations

[MW]	2024	2025	2026	2027	2028
1-year contract	38	37	24	24	22
Total	**38**	**37**	**24**	**24**	**22**

Estimated revenue from the Capacity Market

[MW]	2024	2025	2026	2027	2028
1-year contract	10	6	10	10	5
Total	**10**	**6**	**10**	**10**	**5**

ENEA Nowa Energia (formerly: ENEA Wytwarzanie RES Segment) participated in all main auctions of the Capacity Market and, as a result, concluded one-year capacity contracts:

- for the period 2021-2025, for three units with the average capacity of approx. 37 MW in the respective delivery year,
- for 2026, for two units with the total capacity of 24 MW,
- for 2027, for two units with the total capacity of 24 MW,
- for 2028, for two units with the total capacity of 22 MW.

8.6.4. MEC Piła

Contracted capacity obligations

[MW]	2024			
	Q1	Q2	Q3	Q4
Quarterly contracts	6	6	6	6
Total	**6**	**6**	**6**	**6**

Estimated revenue from the Capacity Market

[PLN million]	2024
Quarterly contracts	0.4
Total	**0.4**

8.7. Court and administrative proceedings

As at the date of this report, there are no pending proceedings regarding payables or receivables to which ENEA S.A. or any of its subsidiaries would be a party. A description of the proceedings before the courts of law, including a description of the dispute over prices for RES energy certificates of origin, is included in Note 24 to the *Condensed interim consolidated financial statements of the ENEA Group for the period from 1 January to 30 June 2024*. This notwithstanding, on 28 December 2023, a lawsuit was filed against the Company's former management for their decisions regarding investment in the construction of a coal-fired unit at the Ostrołęka Power Plant. As at the date of filing the lawsuit in the case, the total amount of damage suffered by the Company was estimated at approx. PLN 656 million.

8.8. Collective disputes

As at the date of publication of this report, no collective disputes are in progress in the ENEA Group.

8.9. Projected financial results

The ENEA S.A. Management Board did not publish any projections of its financial results for 2024.

8.10. Rating

In its communication of 15 April 2024, Fitch Ratings affirmed ENEA S.A.'s long-term foreign- and local-currency issuer default ratings (IDRs) at 'BBB' with a stable outlook. The full wording of the statement in English is available on the agency's website at https://www.fitchratings.com/research/corporate-finance/fitch-affirms-poland-enea-at-bbb-outlook-stable-15-04-2024.

8.11. Activities related to the Ostrołęka C Power Plant project

On 26 January 2024, a conditional agreement was entered into with ENERGA S.A. providing for the sale all shares held by ENEA S.A. in Elektrownia Ostrołęka sp. z o.o. for a total price of PLN 42,000 thousand. The execution of the disposal agreement was contingent on the National Support Center for Agriculture refraining from the exercise of its pre-emptive right to purchase the shares. As the said condition was fulfilled, on 4 April 2024 ENEA S.A. and ENERGA S.A. signed the Agreement on the Transfer of Shares in Elektrownia Ostrołęka sp. z o.o. under which the legal title to the shares was transferred from the Company to ENERGA S.A., effective as of 4 April 2024.

8.12. National Energy Security Agency

Work on the original NABE project has been suspended in the ENEA Group, but may be resumed once a new or modified concept has been crystallized within the country's government. Analysis is currently underway regarding the concept of spinning off coal assets from power industry groups.

8.13. Rules for the preparation of financial statements

The condensed financial statements of ENEA S.A. and the ENEA Group included in the extended consolidated report of ENEA S.A. for the period of H1 2024 have been prepared in accordance with the requirements of IAS 34 *Interim Financial Reporting*, as endorsed by the European Union.

These condensed financial statements have been prepared based on the assumption that the Company will continue its business activity as a going concern in the foreseeable future. The Company's Management Board has not ascertained, as at the date of signing the condensed financial statements, any facts or circumstances that would indicate a threat to the Company's ability to continue its business activity as a going concern over the 12 months following the balance sheet date as a result of an intentional or induced discontinuation or a material curtailment of its existing activity. Unless indicated otherwise, the financial data presented in the statements are denominated in PLN thousand. In some instances, the numbers in tables and graphs may not add up to the stated totals, the differences being due to rounding.

8.14. CSR – Corporate Social Responsibility

The ENEA Group's socially responsible activities consist of implementing projects that support the value of responsibility included in the ENEA Group's Code of Values. Responsibility is construed as caring for local communities and own employees.

The ENEA Group pursues various initiatives in response to the needs and expectations of its stakeholders, customers, employees, public benefit organizations and business partners locally, regionally and nationally. For years, a key premise for the pursuit of socially responsible activities has been to make a positive contribution to society, building the ENEA Group's credibility as the second largest player in Poland's electricity market, a responsible employer, involved in a tangible manner in the problems and lives of key social and business groups. A major activity is also the provision of rapid response in the form of targeted financial and in-kind assistance in emergency and exceptional situations.

Socially responsible activities are focused on the following 5 areas: education, health, environmentalism, involvement and security. They are characterized by relevance resulting from the expectations and needs of local communities. These activities are pursued in the following forms:

1. ongoing proprietary social programs, focused on building real value for business,
2. participation in partnership programs, implemented by entities conducting socially beneficial activities in areas important to the Group:
   – employee volunteering and involvement in local pro-social initiatives of ENEA Group employees,
   – support of entities through the ENEA Foundation under grant agreements.

ENEA Academy of Talent

January 2024 marked the end of the fifth, record-breaking edition of the *ENEA Academy of Talent* scholarship program. From the obtained 2,000 student applications, the jury and Internet users selected 40 individuals who will receive PLN 5 thousand scholarships. The laureates will use the money to enhance their talents by participating in additional classes, contests, competitions or projects in their distinct fields of interest. The laureates are 20 elementary school students and 20 high school students from cities, towns and villages of various sizes. The Group earmarked a total of PLN 200 thousand for scholarships to be granted under this edition of the Academy. The ENEA Academy of Talent project is already permanently embedded in the framework of the Group's socially responsible activities as an example of tangible assistance provided to young talents involved in sports, arts, science, volunteering or other socially beneficial activities. Since the first edition of the project, more than PLN 1.3 million has been donated by the Group to support the passions and talents of young people.

Exempt from Theory Nationwide Contest

In June 2024, the 10th Grand Finale was held of the Exempt from Theory Nationwide Contest, which was again supported by ENEA. As part of the Contest, participants implement their own ideas to improve their environment, gaining knowledge and skills in project planning, implementation and management. Nearly 7,500 high-school and college students participated in the 10th edition of the Contest, executing 1,552 projects. Among them were 40 projects on education, sponsored by ENEA. Everyone who completed their project received an international certificate in management. Before completion, the participants were provided by ENEA employees with practical guidance to effectively pursue their ideas and put their knowledge into practice when establishing partnerships. More than 1.1 million participants benefited from projects supported by ENEA. ENEA also supported the continued development of one of the projects by providing the authors of the BorygoAI language learning app with a PLN 5 thousand grant.

Jogging – Collecting – Helping

In June, the next edition of the *Jogging – Collecting – Helping* project was launched. Employees of the ENEA Group, recording their daily physical activities, collected kilometers which were then converted into cash. The funds raised were donated to the construction of an outdoor gym in Poznań. Over a course of two months, employees covered a total of 171,241 kilometers, took 131.3 million steps and raised more than PLN 50 thousand. The challenge ran until the end of August and included a special Olympic edition. For the past two years alone, 800 ENEA Group employees have taken part in the challenge. Since the beginning of the project, we have collectively covered over 400 thousand kilometers and donated PLN 230 thousand of support money.

ENEA Ecoprojects

Caring for natural resources is a priority for the ENEA Group. The Group pays great attention to raising environmental awareness among local communities. Employee volunteering in the ENEA Group is an excellent opportunity for our staff to get involved in projects that benefit both the environment and local communities. As part of the 4th edition of the *Planting the next generation of forest* project, approx. 6,000 trees were planted. Volunteers also participated in the #TrashChallenge for the sixth time with a focus on biodiversity.

Save energy with Krzyś the Electrician

Save energy with Krzyś the Electrician is an educational program implemented under the umbrella of skills-based volunteering, which is the foundation of initiatives pursued in the ENEA Group as part of employee volunteering initiatives. ENEA Group employees visit schools and kindergartens to provide children with interesting information the power sector, energy generation and safe handling of electricity. The program is carried out as part of educational activities on saving electricity and caring for the environment.

CSR and ESG Workshops, CSR and ESG Handbook, Conference

A series of *CSR and ESG Workshops* supported by ENEA continued in H1 2024. During the meetings, representatives of various sectors had the opportunity to meet and exchange experiences. Workshop participants received certificates for completing the educational and

development cycle which enabled them to gain practical ESG knowledge and skills relevant to the company and its environment. During the meeting, the CSR and ESG Handbook was premiered. It is a publication that helps small and medium-sized enterprises understand how ESG will affect their operations, what their stakeholders' expectations will be, and how the non-governmental sector can help achieve the Sustainable Development Goals. In May, registration also began for a CSR and ESG event "from people for people", which took place on 4 and 5 September 2024 in Kraków. ENEA was a partner of the event.

Stage at Lake Rusałka

In the scenery of Poznań's Lake Rusałka, 23 concerts by young Polish musicians were held from May to June. Almost all concerts were recorded on video, and live broadcasts were made available free of charge on the *Stage at Lake Rusałka* Facebook page. Also, 3 stand-up comedians performed during a comedy night. The *Stage at Lake Rusałka* project aims to counteract social exclusion while supporting people with disabilities. Its distinguishing feature is fulfillment of the needs of the hearing impaired. The induction loop made available at all concerts enables people using hearing aids to seamlessly perceive the sounds of music. ENEA was a partner of the event for the fourth time. Total attendance stood at approx. 28 thousand people.

Responsible Elementary School Student Academy

The project is a partnership undertaking aimed at educating elementary school students about safety. It is a series of educational classes conducted by police officers and teachers. The project was carried out for students in grades 3-6 of elementary schools in Poznań county. As part of the project, a package of teaching materials on road safety, first aid and cyber threats was prepared. The initiative is aimed at supporting the brand's image as one that supports education on safety in its broadest sense.

ENEA Junior Poznań Triathlon

ENEA Junior Poznań Triathlon is Poland's largest multisport event for children. The ENEA Group has been the event's naming rights sponsor for six years. This year, the organizers recorded a record turnout – nearly 800 people signed up for the children's competition and family relays. The competitors and fans created an unforgettable atmosphere full of passion for sports and joy. The competition was not only an opportunity for sporting rivalry, but also for promoting physical activity and a healthy lifestyle among the youngest generation.

Natalia Partyka

ENEA has extended its term of cooperation with Natalia Partyka, a ten-time Paralympic Games medalist and national team representative. The titled athlete will be an ENEA brand ambassador for another year. This is a continuation of a unique cooperation aimed at, among other causes, the promotion of table tennis, physical activity and the principles of fair play in sports. Natalia Partyka has been an ENEA brand ambassador for more than three years. The activities of this athlete, one of the most important personalities in the history of the Paralympic movement, will not be limited only to sports events, but will also involve many socially beneficial activities.

Amp Football – WARTA Poznań and Blind Football section

ENEA consistently and on a long-term basis supports both professional and amateur sports. As a socially responsible company, ENEA helps people discover sports. Supporting talented athletes is an important element of its social engagement. ENEA has become the main sponsor of Warta Poznań amp soccer section and Blind Football section. Soccer for amputees or individuals with limb dysfunction is a rapidly growing sport.

9. Appendices

Appendix 1 – Statement of profit and loss of ENEA Operator in H1 2024

[PLN 000s]	H1 2023	H1 2024	Change	% change
Revenue from sales of distribution services to end users	2,217,785	2,248,556	30,771	1.4%
Revenue from additional fees	2,570	3,133	563	21.9%
Revenue from unbilled sales of distribution services	32,747	-13,073	-45,820	-139.9%
Clearing of the Balancing Market	45,485	7,394	-38,091	-83.7%
Revenue from connection fees	64,065	70,315	6,250	9.8%
Revenue from illegal electricity consumption	3,670	9,593	5,923	161.4%
Revenue from sales of other services	15,836	22,111	6,275	39.6%
Revenue from sales of distribution services to other entities	15,233	18,049	2,816	18.5%
Revenue from sales of goods and materials	747	929	182	24.4%
Net revenue from sales	**2,398,138**	**2,367,007**	**-31,131**	**-1.3%**
Compensation	222,607	197,633	-24,974	-11.2%
Revenue from sales and other income	**2,620,745**	**2,564,640**	**-56,105**	**-2.1%**
Amortization and depreciation	354,913	390,414	35,501	10.0%
Employee benefit costs	323,412	363,675	40,263	12.4%
Consumption of materials and supplies and cost of goods sold	22,802	19,935	-2,867	-12.6%
Purchase of energy for own needs and network losses	796,297	386,515	-409,782	-51.5%
Costs of transmission services	320,048	320,759	711	0.2%
Other third-party services	161,844	195,253	33,409	20.6%
Taxes and charges	133,544	144,952	11,408	8.5%
Tax-deductible expenses	**2,112,860**	**1,821,503**	**-291,357**	**-13.8%**
Other operating revenue	44,020	46,916	2,896	6.6%
Other operating expenses	58,293	36,827	-21,466	-36.8%
Profit / (loss) on change, sale and liquidation of property, plant and equipment and right-to-use assets	10	(692)	-702	-7,020%
Operating profit / (loss)	**493,622**	**752,534**	**258,912**	**52.5%**
Finance income	6,089	17,874	11,785	193.5%
Finance costs	180,735	194,379	13,644	7.5%
Profit / (loss) before tax	**318,976**	**576,029**	**257,053**	**80.6%**
Income tax	67,949	114,588	46,639	68.6%
Net profit / (loss) for the reporting period	**251,027**	**461,441**	**210,414**	**83.8%**
EBITDA	**848,535**	**1,142,948**	**294,413**	**34.7%**

ENEA Operator: Key EBITDA drivers in H1 2024 (up by PLN 294.4 million):

(+) costs of purchasing electricity to cover the balancing difference (balance) down by PLN 371.7 million, chiefly as a result of a decline in wholesale prices with delivery in 2024

(+) result on other operating activities up by PLN 23.7 million, mostly driven by movement in provisions for grid assets

(+) revenue from grid connection fees up by PLN 6.3 million, which is mainly due to a higher number of DSOns connected in Connection Group II, and a lower number of RES facilities connected Groups II and III and buyers in Groups II, IV and V

(-) operating expenses up by PLN 82.2 million, mainly due to higher costs of employee benefits and third-party services

(-) decrease in revenue from sales of distribution services to end users (including revenue from sales of unbilled distribution services and revenue from compensation) by PLN 40.0 million, caused mainly by lower unbilled sales related to the billing of fewer electricity customers in H1 2023

Appendix 2 – Statement of profit and loss of ENEA Operator in Q2 2024

[PLN 000s]	Q2 2023	Q2 2024	Change	% change
Revenue from sales of distribution services to end users	1,106,773	1,095,678	-11,095	-1.0%
Revenue from additional fees	1,196	1,621	425	35.5%
Revenue from unbilled sales of distribution services	-25,724	-15,020	10,704	41.6%
Clearing of the Balancing Market	34,893	7,458	-27,435	-78.6%
Revenue from connection fees	32,095	27,903	-4,192	-13.1%
Revenue from illegal electricity consumption	1,676	4,233	2,557	152.6%
Revenue from sales of other services	7,738	12,594	4,856	62.8%
Revenue from sales of distribution services to other entities	7,653	9,612	1,959	25.6%
Revenue from sales of goods and materials	408	530	122	29.9%
Net revenue from sales	**1,166,708**	**1,144,609**	**-22,099**	**-1.9%**
Compensation	100,977	79,838	-21,139	-20.9%
Revenue from sales and other income	**1,267,685**	**1,224,447**	**-43,238**	**-3.4%**
Amortization and depreciation	179,157	195,628	16,471	9.2%
Employee benefit costs	162,794	177,481	14,687	9.0%
Consumption of materials and supplies and cost of goods sold	10,168	8,836	-1,332	-13.1%
Purchase of energy for own needs and network losses	370,333	184,036	-186,297	-50.3%
Costs of transmission services	143,801	146,217	2,416	1.7%
Other third-party services	90,375	104,104	13,729	15.2%
Taxes and charges	67,189	73,518	6,329	9.4%
Tax-deductible expenses	**1,023,817**	**889,820**	**-133,997**	**-13.1%**
Other operating revenue	22,680	22,043	-637	-2.8%
Other operating expenses	16,399	20,591	4,192	25.6%
Profit/(loss) on change, sale and liquidation of property, plant and equipment and right-of-use assets	(4,972)	(267)	4,705	94.6%
Operating profit / (loss)	**245,177**	**335,812**	**90,635**	**37.0%**
Finance income	3,210	11,346	8,136	253.5%
Finance costs	86,387	96,985	10,598	12.3%
Profit / (loss) before tax	**162,000**	**250,173**	**88,173**	**54.4%**
Income tax	29,311	50,524	21,213	72.4%
Net profit / (loss) for the reporting period	**132,689**	**199,649**	**66,960**	**50.5%**
EBITDA	**424,334**	**531,440**	**107,106**	**25.2%**

ENEA Operator – Key EBITDA drivers in Q2 2024 (up by PLN 107.1 million):

(+) costs of purchasing electricity to cover the balancing difference (balance) down by PLN 158.9 million, chiefly as a result of a decline in wholesale prices with delivery in 2024

(-) operating expenses up by PLN 33.4 million, mainly due to higher costs of employee benefits and third-party services

(-) revenue from compensation payments down by PLN 21.1 million

Appendix 3 – Statement of profit and loss of ENEA Wytwarzanie in H1 2024

[PLN 000s]	H1 2023	H1 2024	Change	% change
Revenue from sales of electricity	7,875,973	5,703,921	-2,172,052	-27.6%
generation license	7,721,834	4,785,403	-2,936,431	-38.0%
trading license	113,749	810,159	696,410	612.2%
Regulatory System Services and Balancing Capacity	40,390	108,359	67,969	168.3%
Revenue from the Capacity Market	332,845	378,717	45,872	13.8%
Revenue from sales of heat	11,891	12,075	184	1.5%
Revenue from sales of other products and services	2,070	3,704	1,634	78.9%
Revenue from sales of goods and materials	20,862	70,560	49,698	238.2%
Net revenue from sales	**8,243,641**	**6,168,977**	**-2,074,664**	**-25.2%**
Revenue from leases and operating subleases	485	607	122	25.2%
Revenue from sales and other income	**8,244,126**	**6,169,584**	**-2,074,542**	**-25.2%**
Amortization and depreciation	128,877	80,377	-48,500	-37.6%
Employee benefit costs	192,781	226,002	33,221	17.2%
Consumption of materials and supplies and cost of goods sold	5,484,676	4,251,898	-1,232,778	-22.5%
Purchase of energy for subsequent sale	561,820	659,675	97,855	17.4%
Other third-party services	91,176	93,759	2,583	2.8%
Taxes and charges	1,264,158	39,946	-1,224,212	-96.8%
Tax-deductible expenses	**7,723,488**	**5,351,657**	**-2,371,831**	**-30.7%**
Other operating revenue	12,910	10,101	-2,809	-21.8%
Other operating expenses	15,270	4,338	-10,932	-71.6%
Profit / (loss) on change, sale and liquidation of property, plant and equipment and right-to-use assets	(1,172)	5	1,177	100.4%
Recognition / (reversal) of the impairment loss for non-financial non-current assets	(1,134)	0	1,134	100.0%
Operating profit / (loss)	**518,240**	**823,695**	**305,455**	**58.9%**
Finance income	1,621	3,857	2,236	137.9%
Finance costs	112,524	118,151	5,627	5.0%
Profit / (loss) before tax	**407,337**	**709,401**	**302,064**	**74.2%**
Income tax	79,834	136,782	56,948	71.3%
Net profit / (loss) for the reporting period	**327,503**	**572,619**	**245,116**	**74.8%**
EBITDA	**645,983**	**904,072**	**258,089**	**40.0%**

ENEA Wytwarzanie – key EBITDA drivers in H1 2024 (up by PLN 258.1 million):

(+) margin on trading up by PLN 432.2 million (including: cost of the charge for the Price Difference Fund of PLN 73.5 million in H1 2023)

(+) other drivers up by PLN 76.0 million

(+) revenue from Regulatory System Services and Balancing Capacities up by PLN 68.0 million

(+) revenue from the Capacity Market up by PLN 45.9 million

(-) result on electricity generation concessions down by PLN 327.4 million (including: cost of the charge for the Price Difference Fund of PLN 1,150.8 million in H1 2023)

(-) fixed costs up by PLN 36.6 million

Appendix 4 – Statement of profit and loss of ENEA Wytwarzanie in Q2 2024

[PLN 000s]	Q2 2023	Q2 2024	Change	% change
Revenue from sales of electricity	3,843,538	2,613,803	-1,229,735	-32.0%
generation license	3,822,781	2,302,221	-1,520,560	-39.8%
trading license	0	229,193	229,193	100.0%
Regulatory System Services and Balancing Capacity	20,757	82,389	61,632	296.9%
Revenue from the Capacity Market	162,713	184,855	22,142	13.6%
Revenue from sales of heat	5,412	3,371	-2,041	-37.7%
Revenue from sales of other products and services	1,279	2,978	1,699	132.8%
Revenue from sales of goods and materials	11,594	40,045	28,451	245.4%
Net revenue from sales	**4,024,536**	**2,845,052**	**-1,179,484**	**-29.3%**
Revenue from leases and operating subleases	246	261	15	6.1%
Revenue from sales and other income	**4,024,782**	**2,845,313**	**-1,179,469**	**-29.3%**
Amortization and depreciation	65,120	40,507	-24,613	-37.8%
Employee benefit costs	106,609	111,872	5,263	4.9%
Consumption of materials and supplies and cost of goods sold	2,590,331	2,032,586	-557,745	-21.5%
Purchase of energy for subsequent sale	305,920	217,632	-88,288	-28.9%
Other third-party services	48,141	47,908	-233	-0.5%
Taxes and charges	574,765	21,595	-553,170	-96.2%
Tax-deductible expenses	**3,690,886**	**2,472,100**	**-1,218,786**	**-33.0%**
Other operating revenue	5,250	2,972	-2,278	-43.4%
Other operating expenses	6,840	2,369	-4,471	-65.4%
Profit/(loss) on change, sale and liquidation of property, plant and equipment and right-of-use assets	(1,182)	4	1,186	100.3%
Recognition / (reversal) of the impairment loss for non-financial non-current assets	(1,134)	0	1,134	100.0%
Operating profit / (loss)	**332,258**	**373,820**	**41,562**	**12.5%**
Finance income	401	1,445	1,044	260.3%
Finance costs	57,249	52,874	-4,375	-7.6%
Profit / (loss) before tax	**275,410**	**322,391**	**46,981**	**17.1%**
Income tax	53,217	62,288	9,071	17.0%
Net profit / (loss) for the reporting period	**222,193**	**260,103**	**37,910**	**17.1%**
EBITDA	**396,244**	**414,327**	**18,083**	**4.6%**

ENEA Wytwarzanie – Key EBITDA drivers in Q2 2024 (up by PLN 18.1 million):

(+) trading margin up by PLN 130.7 million

(+) revenue from Regulatory System Services and Balancing Capacities up by PLN 61.6 million

(+) other drivers up by PLN 38.5 million

(+) revenue from the Capacity Market up by PLN 22.1 million

(-) result on electricity generation concessions down by PLN 230.0 million (including: cost of the charge for the Price Difference Fund of PLN 554.1 million in Q2 2023)

(-) fixed costs up by PLN 4.8 million

Appendix 5 - Statement of profit and loss of ENEA Elektrownia Połaniec in H1 2024

[PLN 000s]	H1 2023	H1 2024	Change	% change
Revenue from sales of electricity	3,413,571	2,446,351	-967,220	-28.3%
generation license [1]	3,366,647	1,998,388	-1,368,259	-40.6%
trading license [1]	23,021	407,677	384,656	1,670.9%
Regulatory System Services and Balancing Capacity	23,903	40,286	16,383	68.5%
Revenue from the Capacity Market	132,758	152,643	19,885	15.0%
Revenue from certificates of origin	164,269	28,280	-135,989	-82.8%
Revenue from sales of heat	37,746	30,143	-7,603	-20.1%
Revenue from sales of other products and services	3,972	4,141	169	4.3%
Revenue from sales of goods and materials	11,129	36,207	25,078	225.3%
Excise duty	33	26	-7	-21.2%
Revenue from sales and other income	**3,763,412**	**2,697,739**	**-1,065,673**	**-28.3%**
Amortization and depreciation	53,991	15,535	-38,456	-71.2%
Employee benefit costs	69,765	76,833	7,068	10.1%
Consumption of materials and supplies and cost of goods sold	2,813,186	1,983,496	-829,690	-29.5%
Purchase of energy for subsequent sale	253,620	247,083	-6,537	-2.6%
Transmission services	285	278	-7	-2.5%
Other third-party services	138,299	161,516	23,217	16.8%
Taxes and charges	262,629	20,822	-241,807	-92.1%
Tax-deductible expenses	**3,591,775**	**2,505,563**	**-1,086,212**	**-30.2%**
Other operating revenue	14,470	5,389	-9,081	-62.8%
Other operating expenses	2,749	1,883	-866	-31.5%
Operating profit / (loss)	**183,358**	**195,682**	**12,324**	**6.7%**
Finance income	551	3,608	3,057	554.8%
Finance costs	30,959	25,585	-5,374	-17.4%
Dividend income	172	264	92	53.5%
Profit / (loss) before tax	**153,122**	**173,969**	**20,847**	**13.6%**
Income tax	31,425	33,814	2,389	7.6%
Net profit / (loss) for the reporting period	**121,697**	**140,155**	**18,458**	**15.2%**
EBITDA	**237,349**	**211,217**	**-26,132**	**-11.0%**

[1] Presentation change

ENEA Elektrownia Połaniec – Key EBITDA drivers in H1 2024 (down by PLN 26.1 million):

System Power Plants Segment (EBITDA up by PLN 184.1 million):

(+) margin on trading up by PLN 202.5 million (including: cost of the charge for the Price Difference Fund of PLN 12.8 million in H1 2023)

(+) other drivers up by PLN 22.7 million

(+) revenue from the Capacity Market up by PLN 19.9 million

(+) revenue from Regulatory System Services and Balancing Capacities up by PLN 16.4 million

(-) result on electricity generation concessions down by PLN 56.3 million (including: cost of the charge for the Price Difference Fund of PLN 170.2 million in H1 2023)

(-) fixed costs up by PLN 21.1 million

RES Segment (EBITDA down by PLN 246.0 million):

(-) RES energy production margin down by PLN 297.3 million

(-) fixed costs up by PLN 14.3 million

(-) Green Unit's margin on sales of green certificate inventories down by PLN 5.0 million

(+) cost of the charge for the Price Difference Fund of PLN 59.2 million in H1 2023

(+) revenue from sales of guarantees of origin up by PLN 7.5 million

(+) other drivers up by PLN 3.9 million

Heat Segment (EBITDA up by PLN 35.7 million)

(+) heat margin up by PLN 35.6 million due to: lower cost of coal PLN +18.9 million, greater effect of movement in production volume PLN +14.0 million, higher heat sales price PLN +1.5 million, lower CO_2 cost PLN +1.2 million

Appendix 6 – Statement of profit and loss of ENEA Elektrownia Połaniec in Q2 2024

[PLN 000s]	Q2 2023	Q2 2024	Change	% change
Revenue from sales of electricity	1,727,148	1,214,271	-512,877	-29.7%
generation license [1]	1,713,469	1,039,180	-674,289	-39.4%
trading license [1]	0	143,433	143,433	100.0%
Regulatory System Services and Balancing Capacity	13,679	31,658	17,979	131.4%
Revenue from the Capacity Market	64,680	74,243	9,563	14.8%
Revenue from certificates of origin	76,353	-1,418	-77,771	-101.9%
Revenue from sales of heat	18,688	14,707	-3,981	-21.3%
Revenue from sales of other products and services	2,128	2,131	3	0.1%
Revenue from sales of goods and materials	7,042	26,508	19,466	276.4%
Excise duty	15	11	-4	-26.7%
Revenue from sales and other income	**1,896,024**	**1,330,431**	**-565,593**	**-29.8%**
Amortization and depreciation	27,349	8,446	-18,903	-69.1%
Employee benefit costs	35,437	38,277	2,840	8.0%
Consumption of materials and supplies and cost of goods sold	1,465,307	979,416	-485,891	-33.2%
Purchase of energy for subsequent sale	150,011	94,442	-55,569	-37.0%
Transmission services	133	127	-6	-4.5%
Other third-party services	72,856	89,280	16,424	22.5%
Taxes and charges	52,830	13,029	-39,801	-75.3%
Tax-deductible expenses	**1,803,923**	**1,223,017**	**-580,906**	**-32.2%**
Other operating revenue	5,369	2,216	-3,153	-58.7%
Other operating expenses	1,745	-132	-1,877	-107.6%
Operating profit / (loss)	**95,725**	**109,762**	**14,037**	**14.7%**
Finance income	203	1,895	1,692	833.5%
Finance costs	16,494	13,066	-3,428	-20.8%
Dividend income	172	264	92	53.5%
Profit / (loss) before tax	**79,606**	**98,855**	**19,249**	**24.2%**
Income tax	15,655	18,889	3,234	20.7%
Net profit / (loss) for the reporting period	**63,951**	**79,966**	**16,015**	**25.0%**
EBITDA	**123,074**	**118,208**	**-4,866**	**-4.0%**

[1] Presentation change

ENEA Elektrownia Połaniec – Key EBITDA drivers in Q2 2024 (down by PLN 4.9 million):

System Power Plants Segment (EBITDA up by PLN 100.6 million):

(+) trading margin up by PLN 75.5 million

(+) other drivers up by PLN 25.3 million

(+) revenue from Regulatory System Services and Balancing Capacities up by PLN 18.0 million

(+) revenue from the Capacity Market up by PLN 9.6 million

(-) result on electricity generation concessions down by PLN 19.9 million (including: cost of the charge for the Price Difference Fund of PLN 30.7 million in Q2 2023)

(-) fixed costs down up PLN 7.9 million

RES Segment (EBITDA down by PLN 128.0 million):

(-) RES energy production margin down by PLN 108.8 million

(-) Green Unit's margin on sales of green certificate inventories down by PLN 20.9 million

(-) other drivers down by PLN 11.6 million

(+) cost of the charge for the Price Difference Fund of PLN 10.6 million in Q2 2023

(+) revenue from sales of guarantees of origin up by PLN 2.7 million

Heat Segment (EBITDA up by PLN 22.5 million):

(+) heat margin up by PLN 21.9 million due to: lower cost of coal PLN +11.6 million, greater effect of movement in production volume PLN +8.3 million, higher sales price PLN +1.3 million, lower CO_2 cost PLN +0.7 million

(+) other drivers up by PLN 0.6 million

10. Glossary of terms and abbreviations

This is a glossary of terms and abbreviations used in this report. Definitions and calculation methodologies of alternative performance measures are the same as the definitions and calculation methodologies of the same measures used in the activity reports / additional information forming part of ENEA Group's previous periodic reports. Selected definitions may also be found in the glossary of terms and abbreviations available on the Company's website at https://ir.enea.pl/slownik.

Information on the distinct indicators calculated for respective reporting periods is monitored on a regular basis and presented in the Company's successive periodic reports. The presented indicators are typical ratios used in financial analysis with a particular focus on the industries in which the ENEA Group operates.

Financial ratios	Description
CAPEX	Capital expenditures on property, plant and equipment, intangible assets and right-to-use asset
Current receivables turnover in days	Average balance of trade and other receivables x days / Revenue from sales and other income
Trade and other payables turnover in days	Average balance of trade and other payables x days / Cost of products, goods and materials sold
Inventory turnover in days	Average balance of inventories x days / Cost of products, goods and materials sold
Net debt/EBITDA LTM	(Loans, borrowings and non-current and current debt securities + Non-current and current finance lease liabilities + Non-current and current financial liabilities measured at fair value – Cash and cash equivalents – Non-current and current financial assets measured at fair value – Non-current and current debt financial assets measured at amortized cost – Other current investments) / EBITDA LTM
EBITDA	Operating profit (loss) + Depreciation and amortization + Impairment losses (reversal thereof) on non-financial non-current assets
EBITDA LTM	EBITDA for the last 12 months
EBIT	Operating profit (loss)
External financing	Sum of the following items of the consolidated statement of cash flows: Loans and borrowings received, Issue of bonds, Repayment of loans and borrowings, Redemption of bonds
Generation license	Margin on generation including margin the Balancing Market
Operating expenses	Depreciation and amortization, Employee benefit costs, Consumption of materials and supplies and cost of goods sold, Purchase of energy and gas for subsequent sale, Transmission services, Other third-party services, Taxes and charges
Cost of goods and materials sold	Consumption of materials and supplies and cost of goods sold, Purchase of energy for resale, Transmission services, Other third-party services, Taxes and charges, Excise duty
Margin on heat	Margin on the sales of heat calculated as the difference between revenue from sales of heat and its variable production costs
Margin on trading	Difference between revenue from sales and cost of electricity purchased in trading operations
Margin on RES energy production	Margin on the sales of energy and production of green certificates from the Green Unit, calculated as the difference between revenue from sales of energy and from the valuation of certificates produced and the variable costs of producing them
Margin on licensed activity	Indicator incorporating revenues and costs related to business activity involving distribution of electricity to customers located in a specific area. Those include primarily: revenue from sales of distribution services to end users, costs of transmission and distribution services, costs of electricity purchased to cover the balancing difference and for own needs, revenue from grid connection fees for connection to ENEA Operator's grid.
Green Unit's margin on sales/remeasurement of green certificate inventories	Margin on the sale of green certificates from the Green Unit calculated as a difference between revenue from sales and the cost of sales of the certificates, which takes into account the updated inventories of green certificates, i.e. the updated average weighted price of the inventory of certificates to market price in case their market price drops significantly
Coverage of non-current assets with equity	Equity / Non-current assets
Operating profitability	Operating profit (loss) / Revenue from sales and other income
Return on equity (ROE)	Net profit (loss) for the reporting period / Equity
Return on assets (ROA)	Net profit (loss) for the reporting period / Total assets
Net profitability	Net profit (loss) for the reporting period / Revenue from sales and other income
EBITDA profitability	EBITDA / Revenue from sales and other income
Adjusted first contribution margin	Margin on retail trading of electricity and gaseous fuel earned by ENEA S.A., presented together with wholesale sales of ENEA Trading and ENEA Power&Gas Trading, adjusted for presentation purposes by other conditional factors, such as: revenues and costs from sales and purchases of CO_2 emission allowances, valuation of CO_2 contracts, forward transactions for energy and gas presented in operating activities
Result on other operating activities	Result on the following items: Other operating revenue, Other operating expenses, Profit (loss) on movement in, sale and liquidation of property, plant and equipment and right-to-use asset
Current liquidity ratio	Current assets / Current liabilities
Total debt ratio	Total liabilities / Total assets

Abbreviation/term	Description
AMI (Advanced Metering Infrastructure)	Advanced metering and billing systems with two-way metering and billing
Baseload price (BASE)	Contract price for delivery of the same volume of electricity in each hour of the day
CSIRE	Central Energy Market Information System
IED	Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 concerning industrial emissions. It tightens the standards for emissions of sulfur dioxide, nitrogen oxides and dust from combustion plants
EIB	European Investment Bank
EUA (European Union Allowance)	Emission allowance under the European Emissions Trading System
EU ETS (European Union Emissions Trading System)	Market for carbon dioxide emission allowances. It forms the foundation of EU policy to combat climate change and aims to reduce greenhouse gas emissions in a cost-effective and economically efficient manner
IRGiT	Izba Rozliczeniowa Giełd Towarowych S.A.
Polish Power System (KSE)	A collection of devices used to generate, transmit, distribute, store and use electricity, connected together in a functional system supporting continuous and uninterrupted supply of electricity in Poland.
LZO	Remote reading meter
Supply chain	A sequence of actions or parties supplying products or services to an organization.
NABE	National Energy Security Agency
LV	Low voltage grid supplying individual users with 50 Hz alternating current at 230 V phase voltage.
DSO	Distribution System Operator
DSOn	A Distribution System Operator, whose distribution network has no direct connection with the TSO's transmission network.
Energy Law	The Energy Law Act of 10 April 1997
Greenfield project	Execution of investment projects through development on a new site
Prosumer	A person who generates electricity from renewable energy sources for own needs using a micro-installation, capable of storing energy and transferring surplus energy to the power grid
PSCMI1	Polish Steam Coal Market Index 1. Reflects the price level of class 20-23/1 fine steam coal in sales to commercial and industrial energy sector
DAM	Day-Ahead Market (DAM) has been operating since 30 June 2000. It is a spot electricity market in Poland. Since the beginning of quotation, DAM prices are a benchmark for energy prices in bilateral contracts in Poland. The DAM is intended for the companies that want to actively and safely close their electricity purchase/sales portfolios on an ongoing basis at particular hours of the day
SAIDI (System Average Interruption Duration Index)	Index of the system average duration of a long and very long interruptions (expressed in minutes per customer)
SAIFI (System Average Interruption Frequency Index)	Indicator of the system average frequency of long interruptions in energy supply (expressed in the number of interruptions per Customer)
SCR (Selective Catalytic Reduction)	Catalytic flue gas denitrification installation – it operates based on the principle of reduction of nitrogen oxides to atmospheric nitrogen on the surface of a catalyst, using substances containing ammonia.
SMR	Small Modular Reactors
MV	Medium voltage grid, in which the phase-to-phase voltage ranges from 1 kV to 60 kV
TNAC	Total Number of Allowances in Circulation
FX forward transaction	Contract involving a commitment by two parties to exchange cash flows on a date fixed therein, in specified currencies, at a rate fixed on the date of execution
IRS (Interest Rate Swap)	Contract involving the exchange of flows of interest payments accrued on a contractual principal amount, based on different interest rates over a specified time horizon
ERO	Energy Regulatory Office
HV	High voltage grid. Electric power transmission grid in which the phase-to-phase voltage ranges from 60 to 200 kV (in Poland: 110 kV). This grid is used to transmit electricity over large distances.
RAB	Regulatory Asset Base

Signatures of the Management Board

Date of approval and publication of the *Management Board Report on the Activity of the ENEA Group in H1 2024*:

18 September 2024

Signed by:

President of the Management Board	Grzegorz Kinelski
Management Board Member for Corporate Matters	Dalida Gepfert
Management Board Member for Commercial Matters	Bartosz Krysta
Management Board Member for Financial Matters	Marek Lelątko