



# Results of the ENEA Group in 2019

ENEA Group closed the year with good performance



**PLN 16.4 bn**

an increase in revenues  
by **PLN 3.7 billion**  
(up by 29.4%) y/y



**PLN 3.4 bn**

an increase in EBITDA  
by **PLN 1.1 billion**  
(up by 45.2%) y/y



**1.95**

Net debt / EBITDA  
(improvement by **0.46 pp**)



**12.5% y/y**

an increase in energy production  
from renewable sources  
by **253 GWh**



**26 TWh**

electricity produced



**9.5 m tons**

net production of coal  
up by **4.9% y/y**



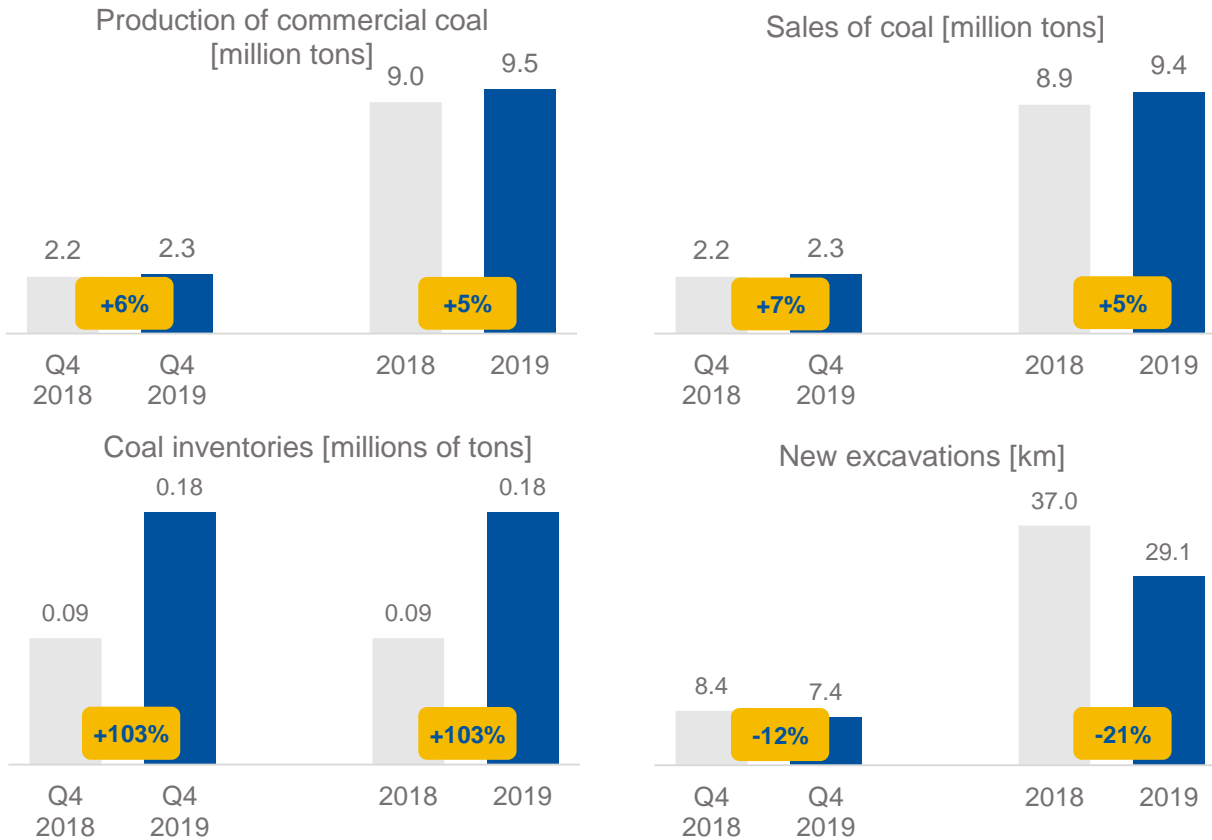
# MINING

Area

# Operating results of LW Bogdanka



Good operating performance of LW Bogdanka



## Key drivers

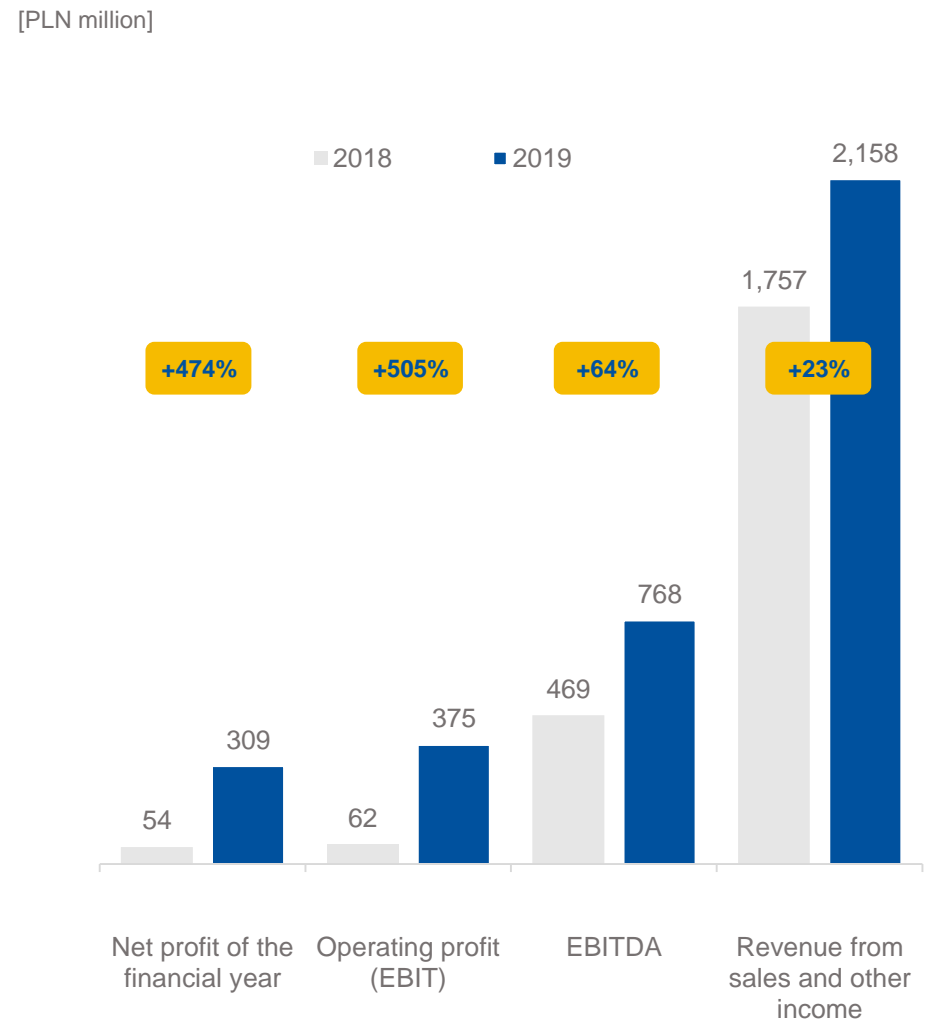
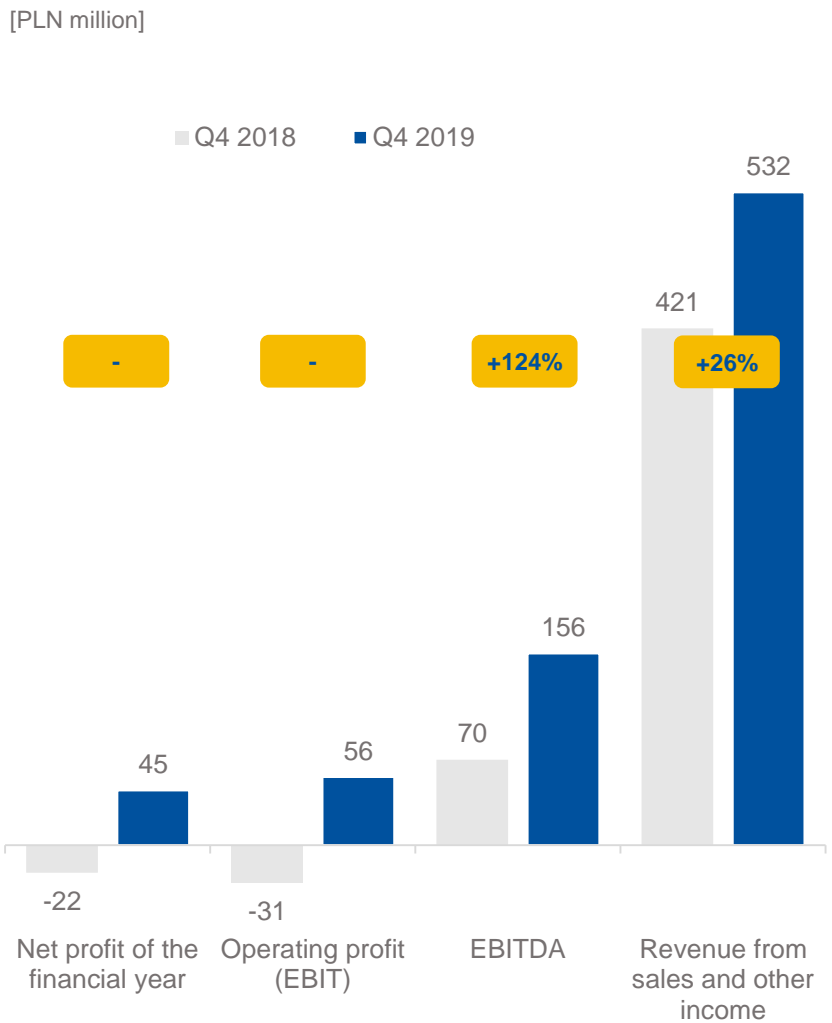
- (+) Net production up by 5% in 2019
- (+) Sales of coal up by 5% in 2019
- (+) Increase in yield by 64.1% in 2019 and 60.5% in 2018
- (-) Renovation of railway routes



# EBITDA in 2019



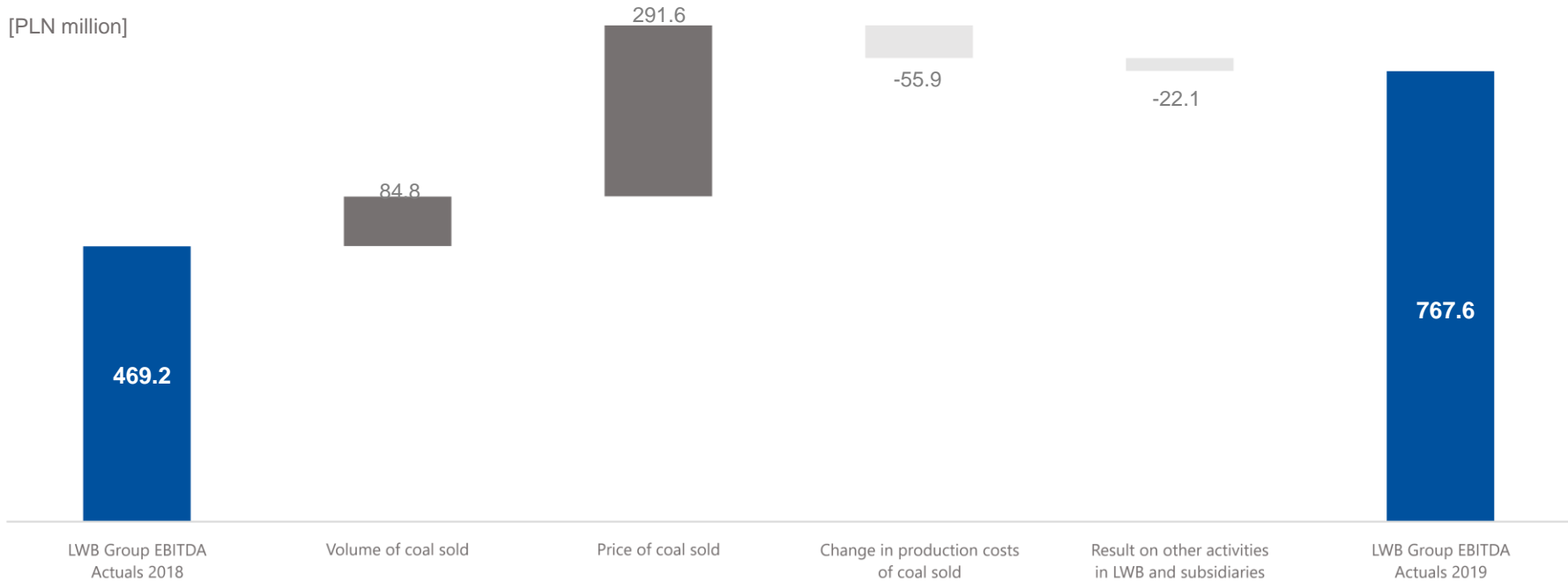
Sales volume and price made a positive contribution on the EBITDA of LW Bogdanka



# EBITDA in 2019



Sales volume and price made a positive contribution on the EBITDA of the LW Bogdanka Group



## FY 2019 EBITDA drivers

EBITDA increased by approximately PLN 298 million

- (+) Increased sales of coal
- (+) Increased coal price
- (-) Rise in costs of production
  - increase in average headcount
  - increase in rates for services for third party businesses







# MARKET

Environment

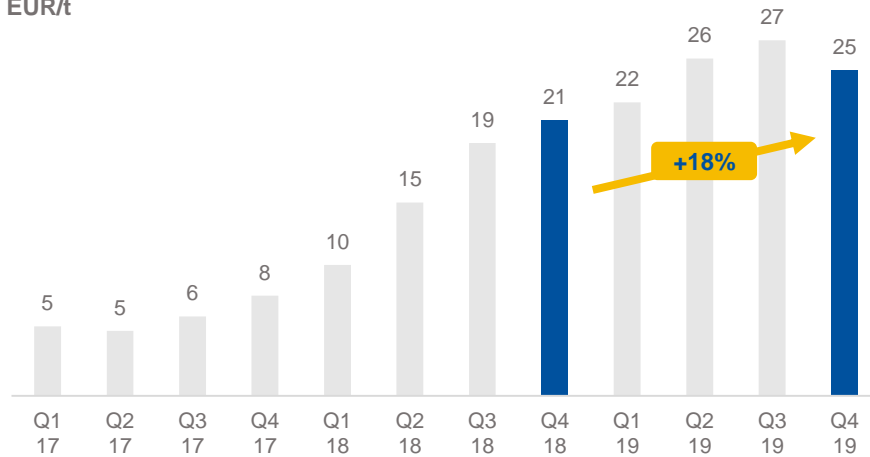
# Market environment



Electricity prices were affected by growing prices of CO<sub>2</sub> emission allowances

CO<sub>2</sub> emission allowances (Dec-19)

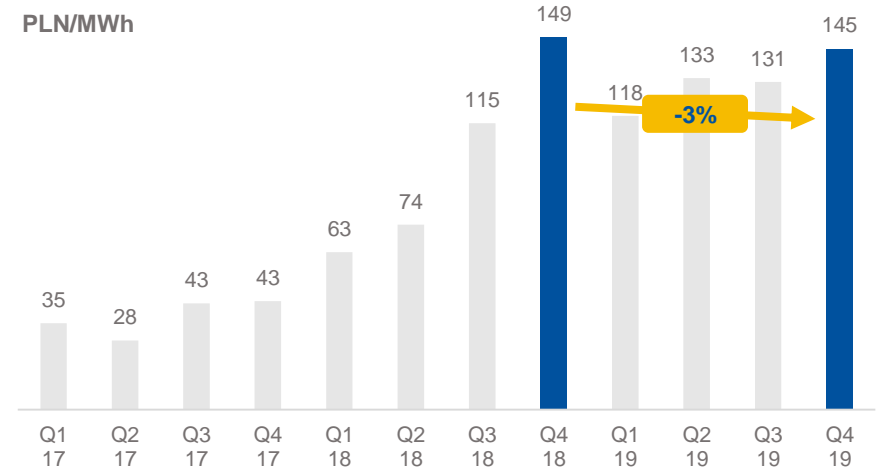
EUR/t



Source: ICE, clearing prices

Prices of "green" property rights (PMOZE\_A)

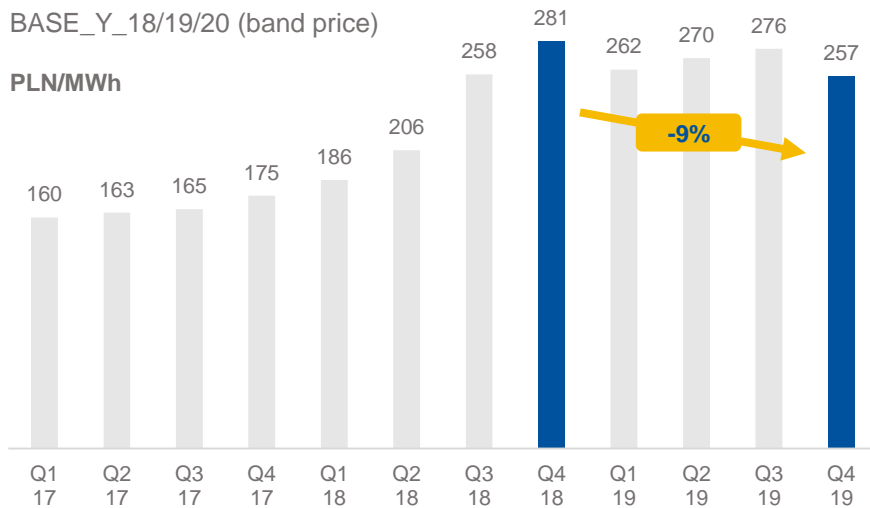
PLN/MWh



Source: TGE, session market indices

BASE\_Y\_18/19/20 (band price)

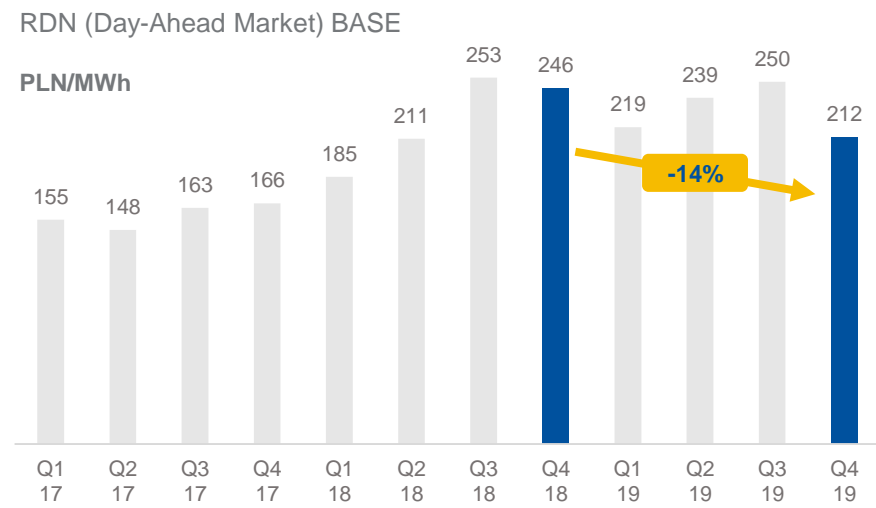
PLN/MWh



Source: TGE, clearing prices

RDN (Day-Ahead Market) BASE

PLN/MWh



Source: TGE, clearing prices





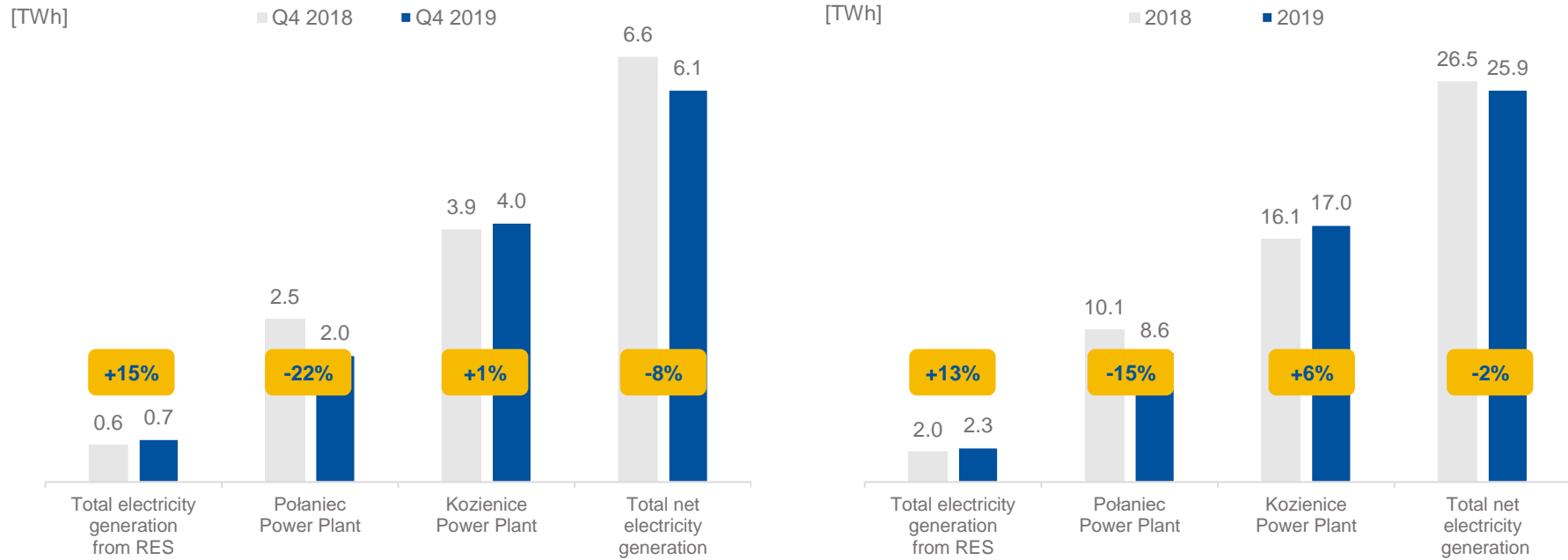
# GENERATION

Area

# ENEA Group's operational data



Consistent increase in RES output



## Key drivers

- (+) Higher availability of units in the Koźienice Power Plant
- (+) Higher sales of RES electricity
- (-) Lower production from conventional sources in the Połaniec Power Plant due to environmental upgrades

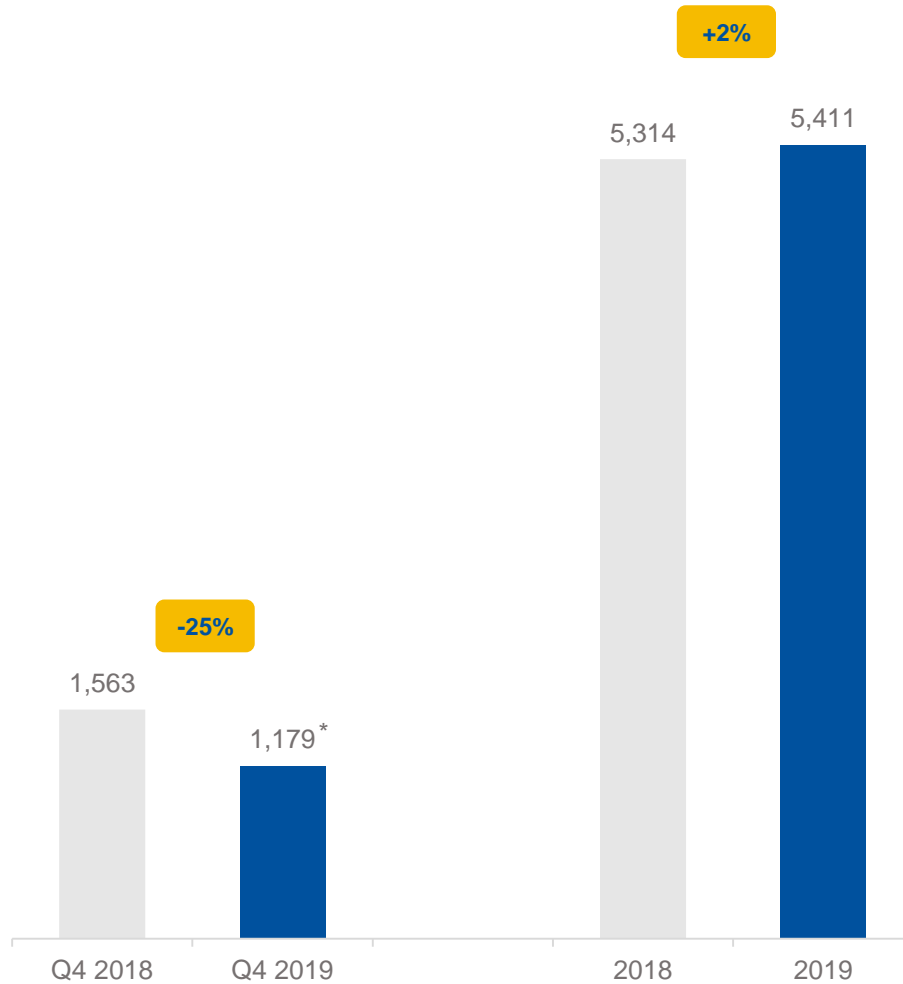


# Unit 11

In 2019, production in Unit 11 was in accordance with the plan



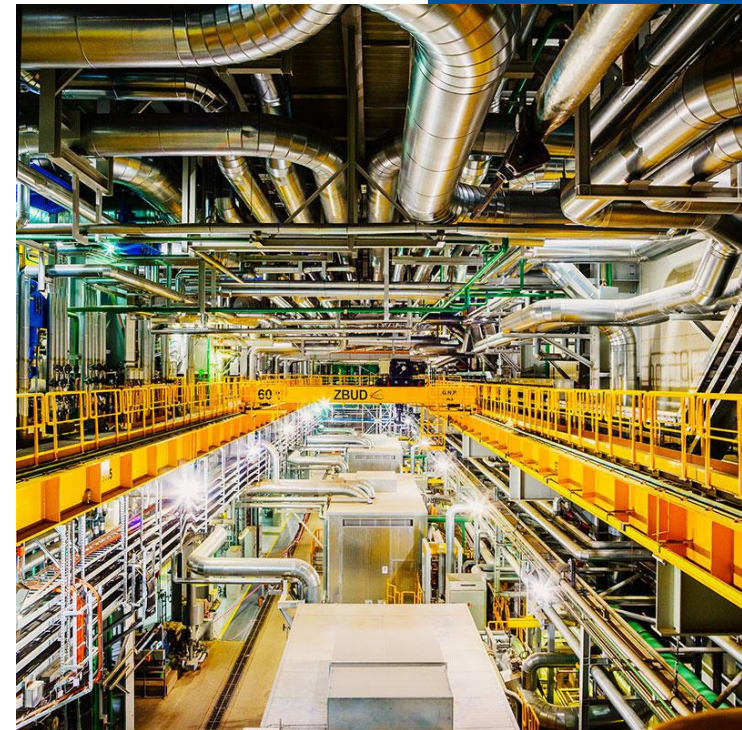
Net production of electricity [GWh]



nearly

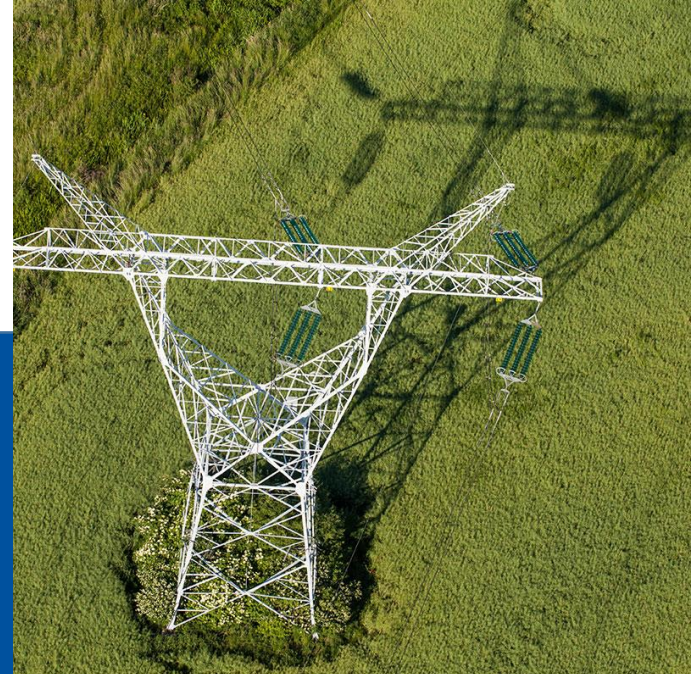
# 7,200

working hours  
in 2019



\*the decline in volume was caused by lower demand from the National Power System





# DISTRIBUTION

Area

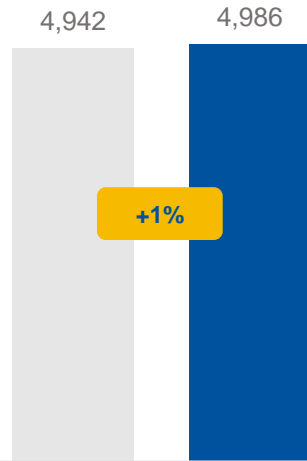
# Volume of distribution services



The volume of sales of distribution services remained stable

[GWh]

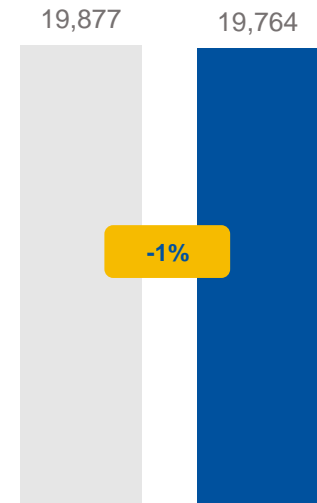
■ Q4 2018 ■ Q4 2019



Sales of distribution services to end users

[GWh]

■ 2018 ■ 2019



Sales of distribution services to end users

## Key drivers

- (+) Increase in the number of customers by 1.4% y/y
- (-) 0.6% decline in the volume of electricity supplied in 2019
- (+) Increase in sales of distribution services to households





# TRADING

Area





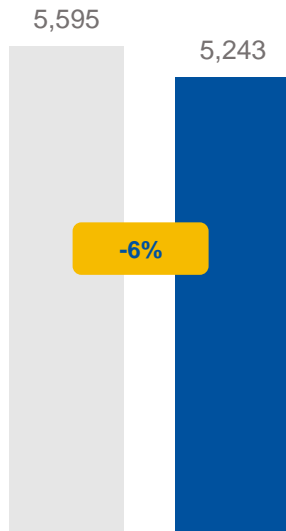
# Volume of energy sales



Decrease in the total sales volume to retail customers

[GWh]

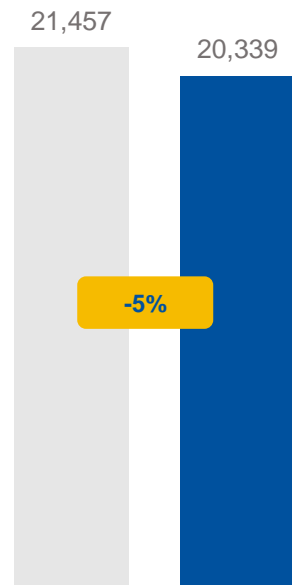
■ Q4 2018 ■ Q4 2019



Sales of electricity and gaseous fuel to retail customers

[GWh]

■ 2018 ■ 2019



Sales of electricity and gaseous fuel to retail customers

## Key drivers

- (+) Volume of gaseous fuel sales up by 8% y/y
- (-) Total volume of sales down by approx. 5% y/y
- (+) Volume of electricity sales to households up by approx. 2% y/y

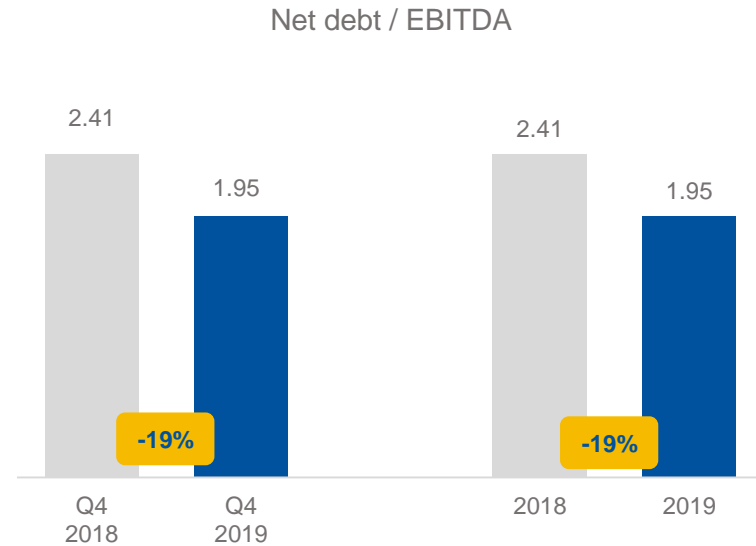
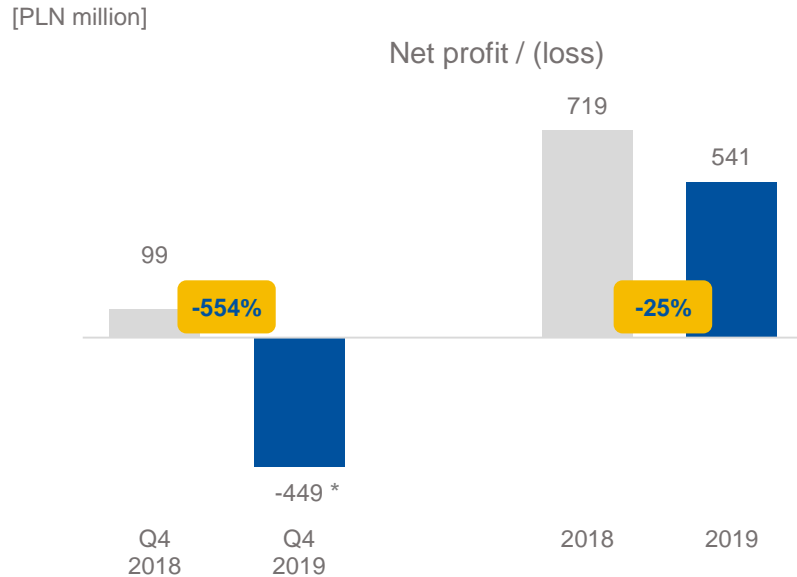
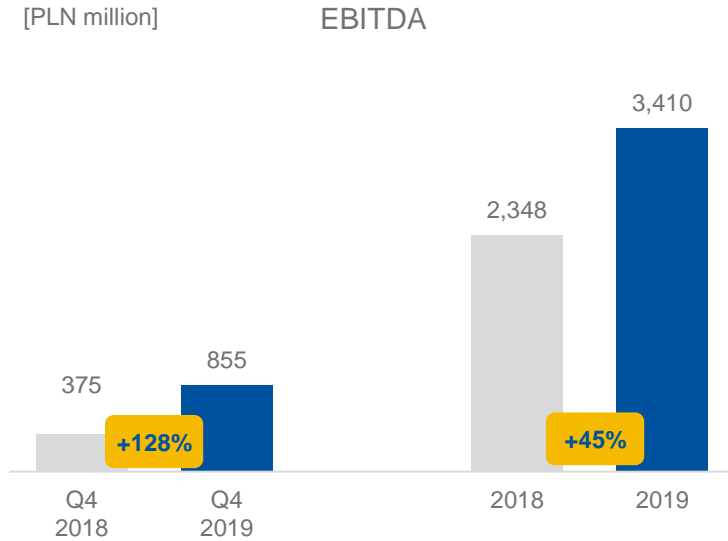
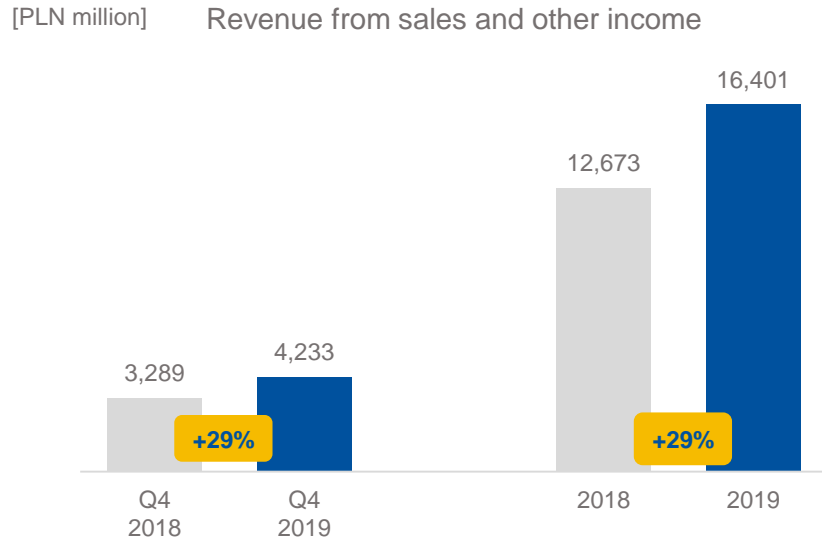




# Key financial data of the Group



Good financial performance of the ENEA Group



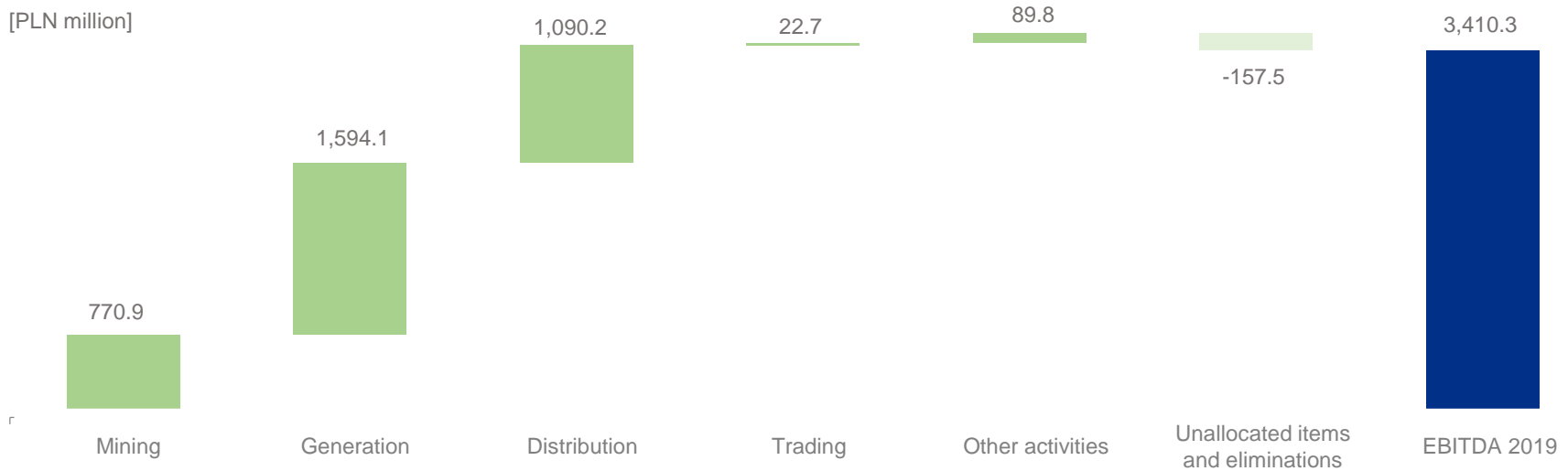
\* Settlement of an impairment loss on shares and loans granted to Elektrownia Ostrołęka Sp. z o.o.

# EBITDA in 2019



Generation and Distribution Areas have achieved the best EBITDA performance

[PLN million]



## Mining

Increase in sales revenue [higher sales price, 5% higher volume]

Improvement in yield by approx. 4%

## Generation

Increase in the generation margin by PLN 355.9 million [higher unit CDS]

Reversal of the provision for the Skoczylody wind farm [PLN 129 million]

Increase in EBITDA in the RES Segment by PLN 65 million [higher price of electricity and green certificates]

## Distribution

Increase in the margin on licensed activity by PLN 42.2 million [higher rates in the tariff approved for 2019]

Higher operating expenses

## Trading

Compensation and price difference PLN 597.2 million

Change in provisions related to onerous contracts PLN 89.4 million

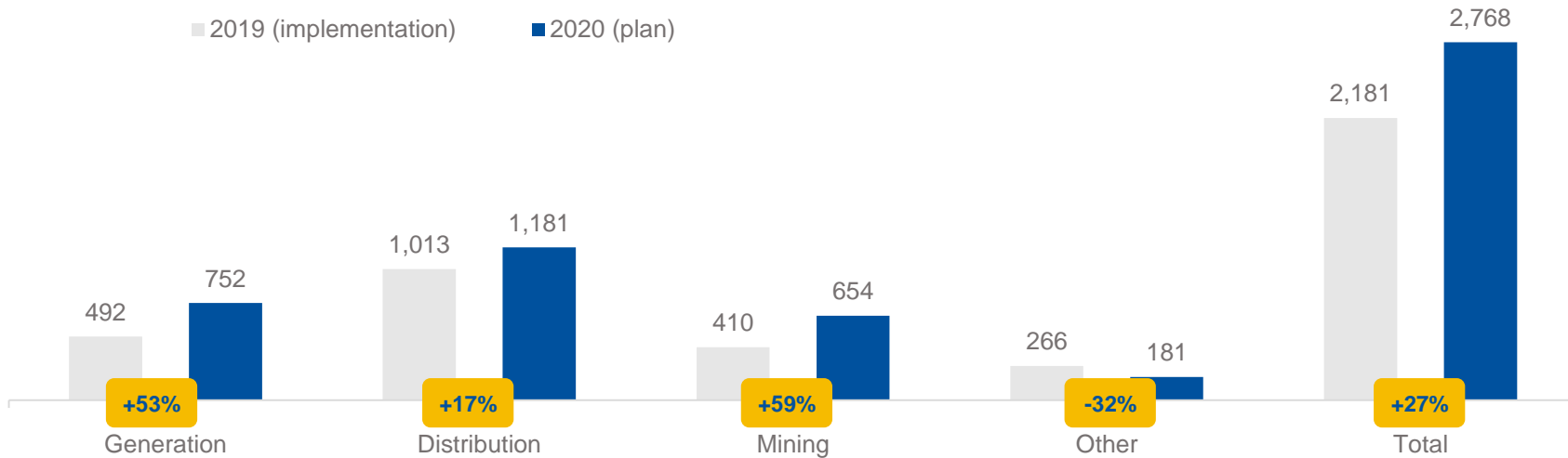
Increase in average energy purchase price by 32.8%

# Capital expenditures

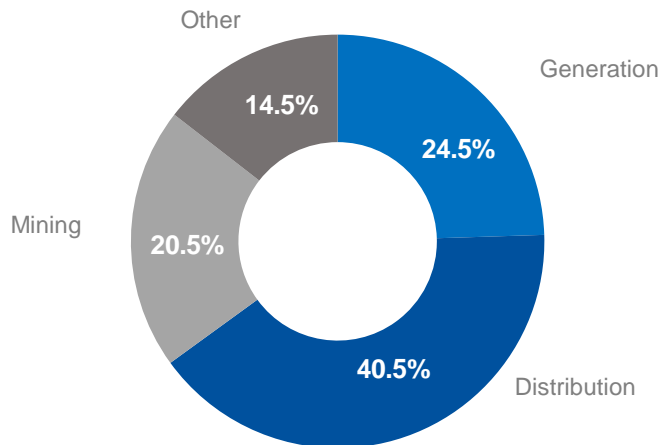


Enea Group consistently increases investment plans

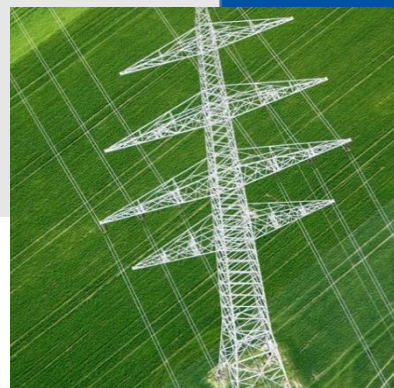
[PLN million]



## Structure of the Plan 2019



**PLN 238 m**  
designated for capital expenditures related to the protection of the environment in 2019



# ENEA GROUP STRATEGY





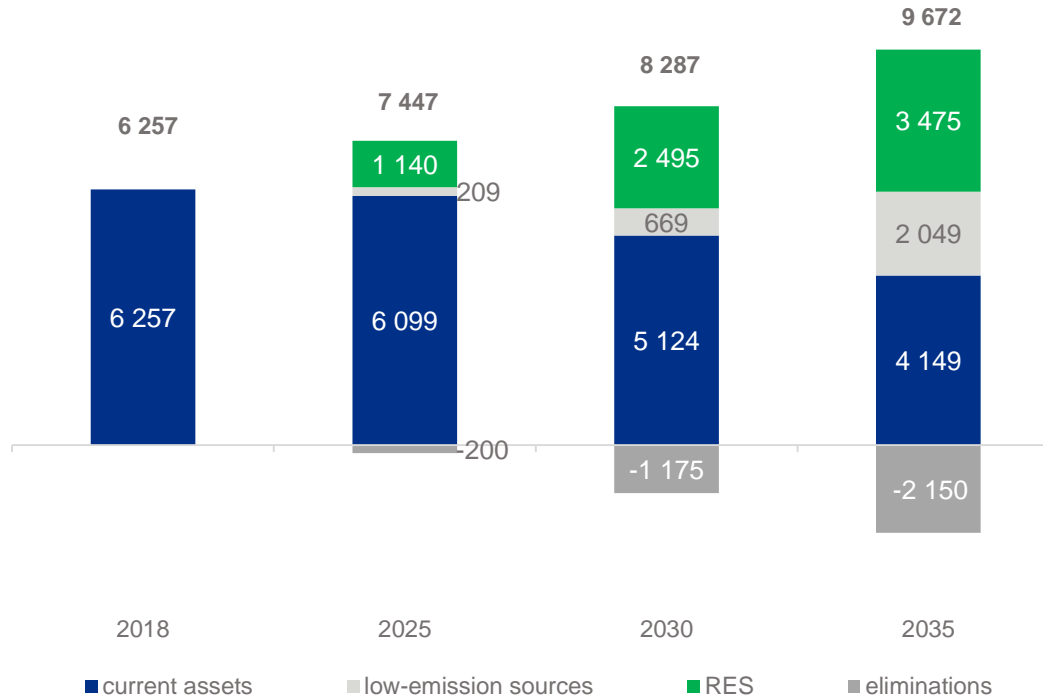
# ENEA Group Strategy



Main assumptions of the newly adopted Strategy



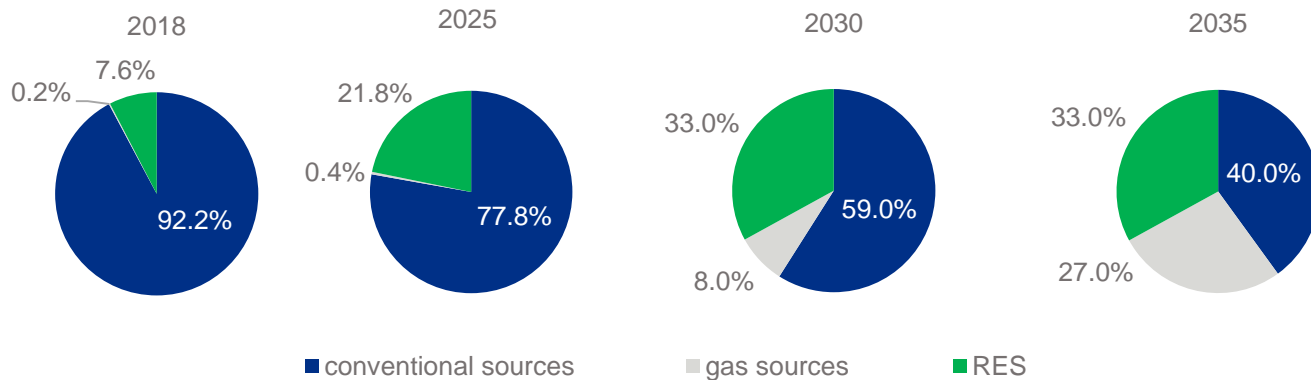
Transformation of generation assets



Reduction of CO<sub>2</sub> emission to **550 kg CO<sub>2</sub>/MWh** in 2030

More than **40%** electricity production from zero- and low-emission generation sources

Maximizing the profitability of the RES mix



# ENEA Group Strategy



ENEA Group intends to conduct its business in a sustainable manner while minimizing its impact on the natural environment.

**ENEA assumes that it will transition into an innovative low-emission concern offering not only electricity but comprehensive bundles of products and services expected by its Customers.**

ENEA has identified five key strategic goals supporting the transformation of ENEA Group into a low-emission concern:



Diversification of the ENEA Group's generation portfolio;



Reliability and continuity of electricity supply;



Responsible partner in sustainable management of relations with local communities, the environment and Customers;



Ensuring financial security of the ENEA Group;



Innovativeness in all aspects of the ENEA Group's activity



# SOCIAL ENGAGEMENT



# Corporate Social Responsibility

Unconventional social initiatives through employee engagement



## Enea Talent Academy

A program, in which scholarships and grants are awarded to talented children and innovative schools



## Enea for Generations. Together about Safety

Activities to spread consumer awareness, anti-smog education and first aid training



## Enea EcoProjects

Environmental activities conducted together with the Forest Divisions in the areas where ENEA Group companies operate.

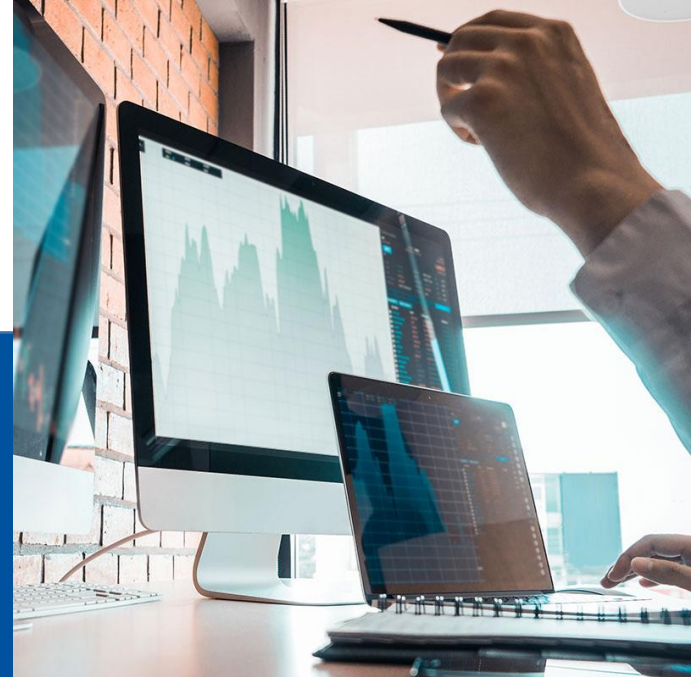


## Employee volunteerism:

**The Power of Help** – a grant program for employees

**Run – Raise – Help** – a project focusing on development of children and youth through sports





# SUMMARY

## Financial data



EBITDA of **PLN 3.4 billion**  
up by PLN 1.1 million



**PLN 2.2 billion** of capital expenditures  
**1.95** net debt / EBITDA



Revenue of **PLN 16.4 billion**  
Net profit over **PLN 0.5 billion**



## Operational data



**26 TWh** electricity produced



More than **20 TWh** energy and gas  
sold to retail customers



**5.4 TWh** production in Unit 11  
(approx. PLN 244 million result)





ENEA ensures energy security and combats COVID-19



**During this special time, our employees have been performing their assigned tasks with responsibility and commitment. We would like to extend our sincere gratitude to all our employees, clients, partners and other stakeholders for this immense effort.**



The ENEA Group was effective in the difficult epidemic situation. The operations of the ENEA Group are carried out without interruptions or incidents



Over 4,000 people worked efficiently in remote mode. For customer and employee safety, we have temporarily closed Customer Service Offices from March 13th to May 18th



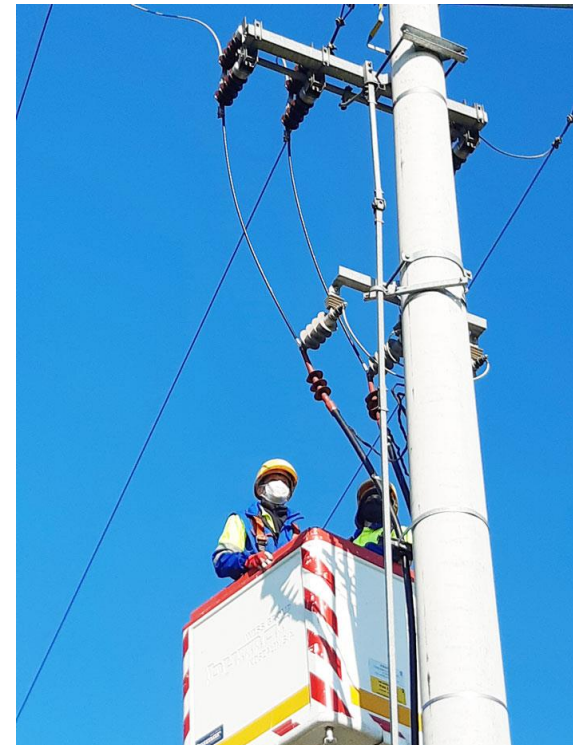
The number of cases handled in the Electronic Customer Service Office increased by over 54%. Since mid-March, the number of accounts opened has increased by an average of 222% per day



By taking swift action, we have secured stable and uninterrupted operation of the ENEA Group, by maintaining continuity of operation of all our companies and ensuring uninterrupted supply of electricity to our clients



The ENEA Foundation has made donations to hospitals in the amount of PLN 3.5 million; assistance has already been provided to eight entities. LW Bogdanka provided material support to hospitals worth over PLN 0.7 million



# ATTACHMENTS



## Operational performance of LW Bogdanka



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Description	2018	2019	Change	Q4 2018	Q4 2019	Change
Net production [000s of tons]	9,007	9,451	4.9%	2,187	2,324	6.3%
Sales of coal [000s of tons]	8,943	9,359	4.7%	2,155	2,298	6.6%
Inventories (at the end of the period) [000s of tons]	88	179	103.4%	88	179	103.4%
Excavation works [km]	37.0	29.1	-21.4%	8.4	7.4	-11.9%

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## ENEA Group's operational data



ENEA Group's operational data [GWh]	Q4 2018	Q4 2019	Change	2018	2019	Change
Total net electricity generation	6,563	6,053	-7.8%	26,503	25,931	-2.2%
Of which:						
ENEA Wytwarzanie including MEC Piła	3,942	3,993	+1.3%	16,083	17,013	+5.8%
Połaniec Power Plant	2,517	1,956	-22.3%	10,077	8,557	-15.1%
Total electricity generation from RES	576	663	+15.1%	2,025	2,278	+12.5%

## Volume of distribution services

ENEA Group's sales data [GWh]	Q4 2018	Q4 2019	Change	2018	2019	Change
Sales of distribution services to end users	4,941	4,986	1%	19,877	19,764	-1%

## Volume of energy sales

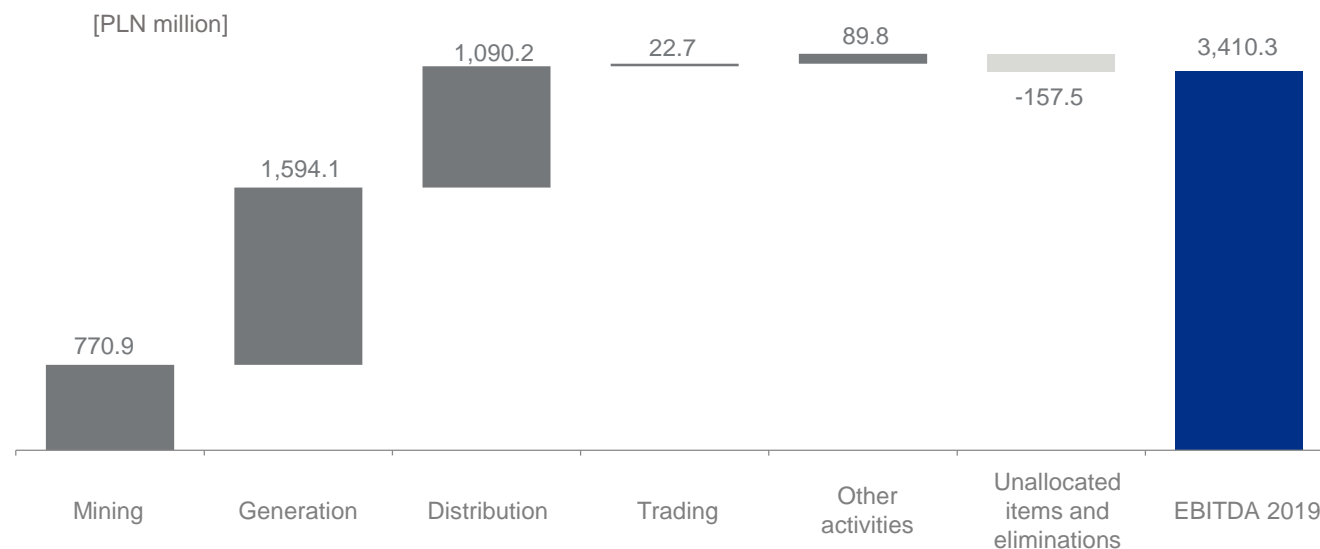


ENEA Group's sales data [GWh]	Q4 2018	Q4 2019	Change	2018	2019	Change
Sales of electricity and gaseous fuel to retail customers	5,595	5,243	-6%	21,457	20,339	-5%

## Key financial data of the Group

ENEA Group's financial data [PLN million]	Q4 2018	Q4 2019	Change	2018	2019	Change
Revenue from sales and other income	3,289	4,233	29%	12,673	16,401	29%
EBITDA	375	855	128%	2,348	3,410	45%
EBIT	117	428	266%	1,037	1,857	79%
Net profit	99	-449	-554%	719	541	-25%
Net profit attributable to shareholders of the parent company	103	-468	-556%	687	423	-38%
Net debt / EBITDA	2.41	1.95	-0.46 p.p.	2.41	1.95	-0.46 p.p.

## EBITDA in Q4 and 2019



Q4 2019 EBITDA [PLN million]	158.8	442.7	285.9	5.7	-1.8	-36.6	854.7
EBITDA margin	29.9%	21.6%	37.7%	0.2%	-1.2%	-	20.2%
Change [PLN million]	88.9	237.5	46.4	119.8	-12.4	-0.6	479.7
Change [%]	127.3%	115.8%	19.4%	105.0%	-117.3%	-1.5%	127.9%
2019 EBITDA [PLN million]	770.9	1,594.1	1,090.2	22.7	89.8	-157.5	3,410.3
EBITDA margin	35.7%	19.7%	37.8%	0.2%	14.1%	-	20.8%
Change [PLN million]	301.2	725.5	-21.0	99.0	17.5	-60.2	1,062.0
Change [%]	64.1%	83.5%	-1.9%	129.8%	24.1%	-61.8%	45.2%



# Results of the Generation Area



[PLN million]	Generation, including:								
	Must-run power plants			Heat			RES		
	Q4 2018	Q4 2019	Change	Q4 2018	Q4 2019	Change	Q4 2018	Q4 2019	Change
Revenue from sales	1,554	1,719	165	155	146	(9)	166	192	26
EBIT	(12)	254	266	30	(18)	(48)	173	55	(118)
EBITDA	98	357	259	45	18	(27)	63	67	4
CAPEX	178	167	(11)	28	24	(4)	2	12	10
	<b>2018</b>	<b>2019</b>	<b>Change</b>	<b>2018</b>	<b>2019</b>	<b>Change</b>	<b>2018</b>	<b>2019</b>	<b>Change</b>
Revenue from sales	6,176	6,860	684	482	500	18	539	753	214
EBIT	112	820	708	72	12	(60)	315	198	(117)
EBITDA	565	1,260	695	127	92	(35)	177	242	65
CAPEX	362	407	45	63	67	4	4	17	13





# ENEA Group RESULTS

in 2019



4 June 2020