



ENE A Group RESULTS

in Q1 2020

19 June 2020



Results of the ENEA Group in Q1 2020



ENEA Group started well in 2020



PLN 4.6 bn

an increase in revenues
by **PLN 0.6 billion**
(up by 15% y/y)



PLN 0.9 bn

an increase in EBITDA
by **PLN 0.1 billion**
(up by 14% y/y)



2.11

Net debt / EBITDA
(decrease by 0.49)



34% r/r

an increase in energy production
from renewable sources
by **176 GWh**



5.4 TWh

electricity produced



2.1 mln t

net production of coal



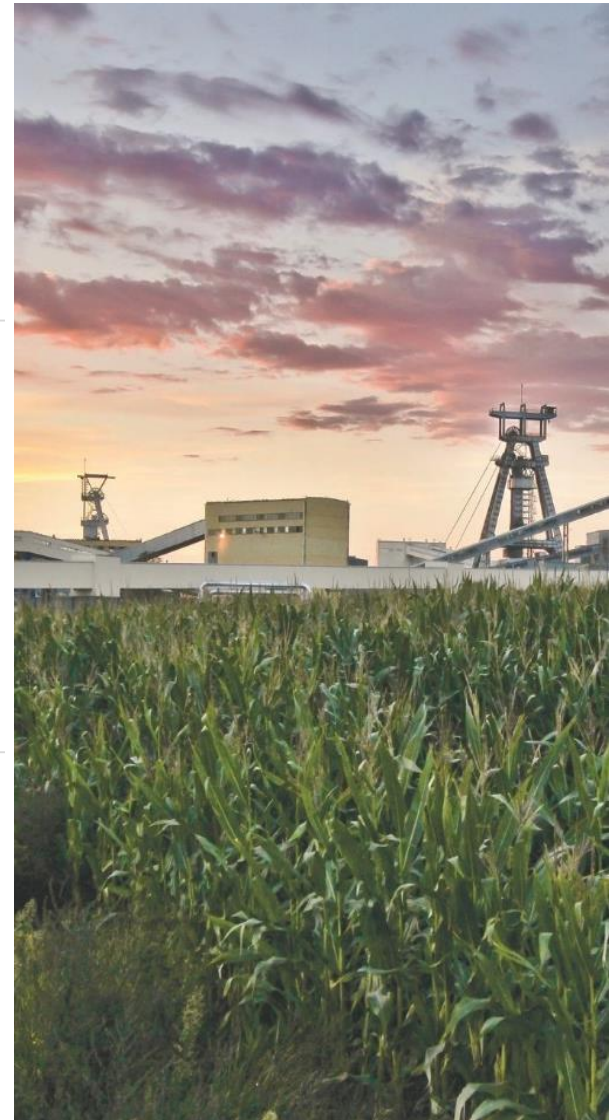
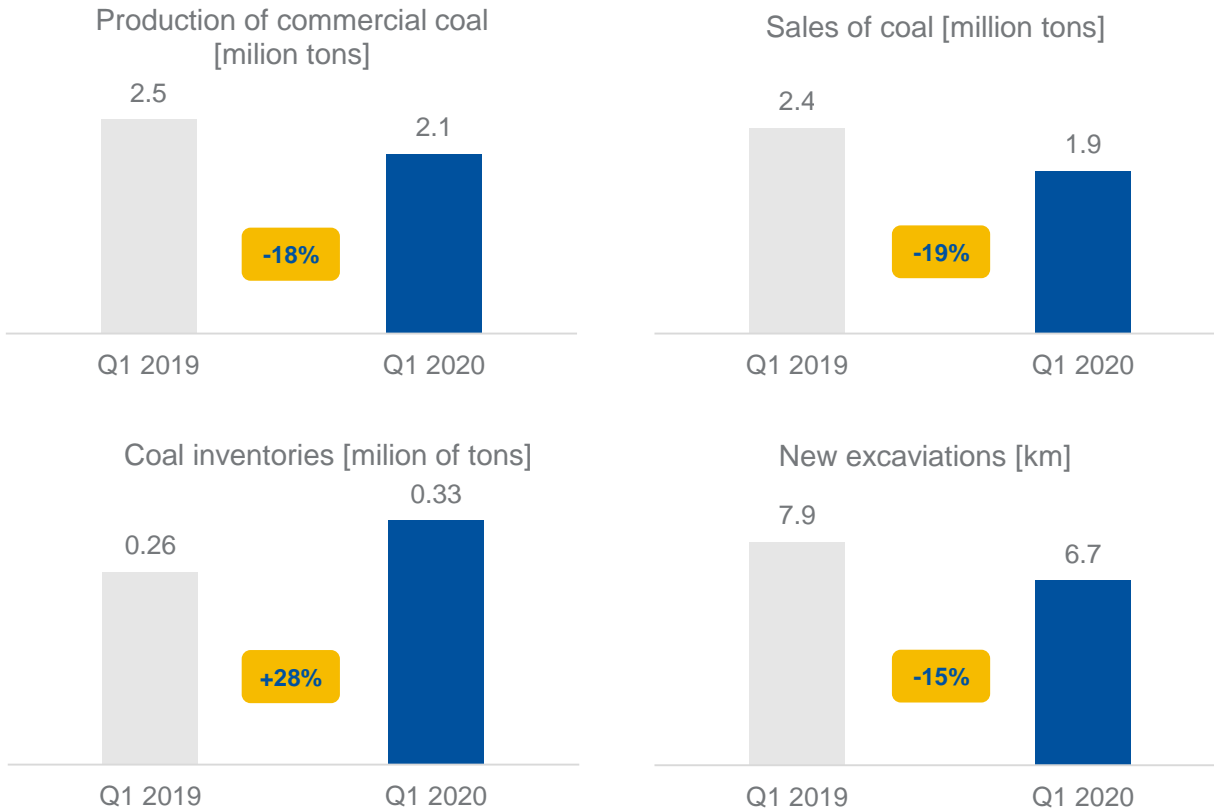
MINING

Area

Operating results of LW Bogdanka



LW Bogdanka flexibly adapts to the market situation



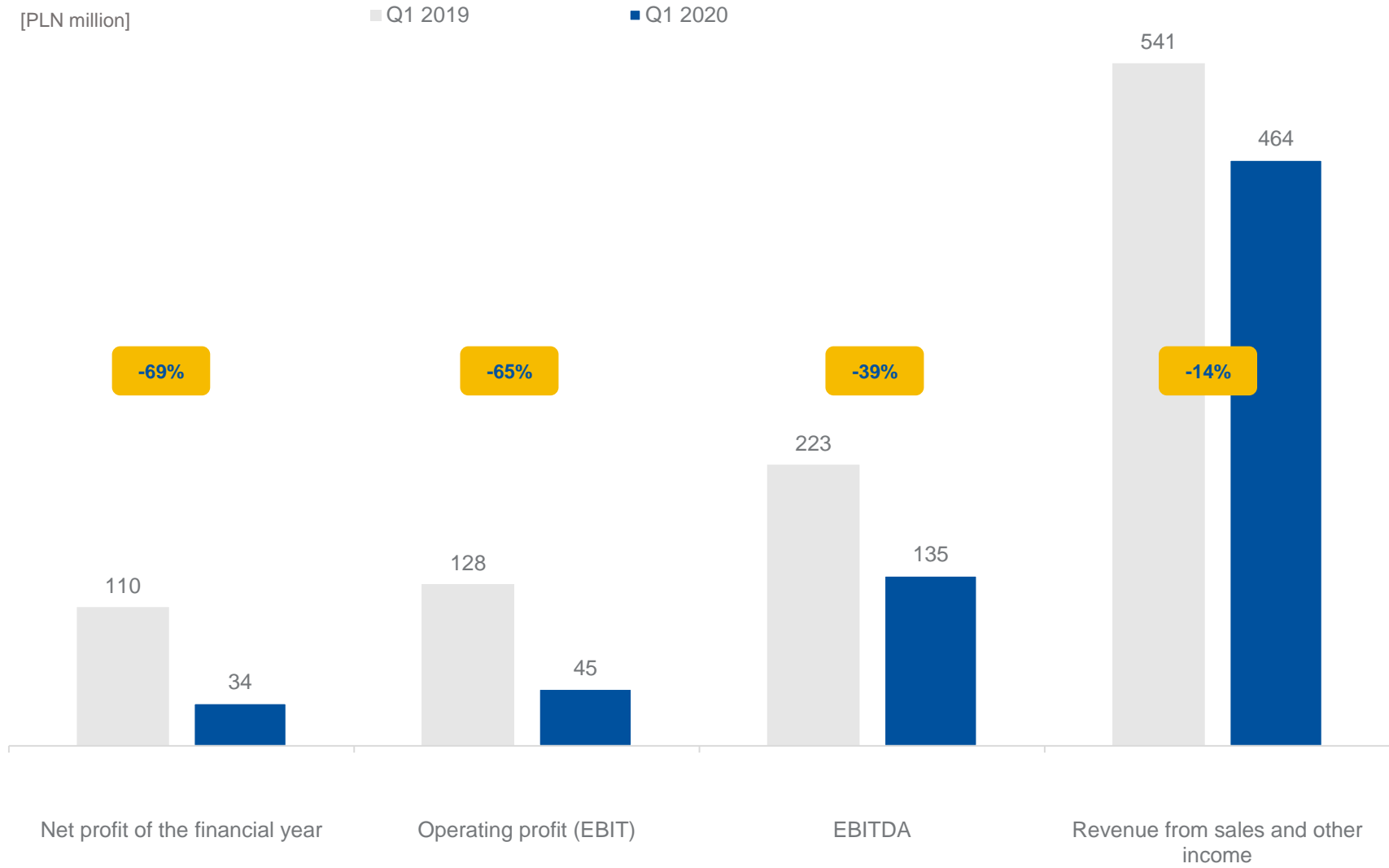
Key drivers

- (+) Increase in yield – in Q1 2020 65.7%; in Q1 2019 64.7%
- (-) Decrease in net production in Q1 2020 by 18%
- (-) Decrease in sales of coal in Q1 2020 by 19%
- (-) Renovation of railway routes

EBITDA in Q1 2020



Adjusting sales to market needs had an impact on EBITDA

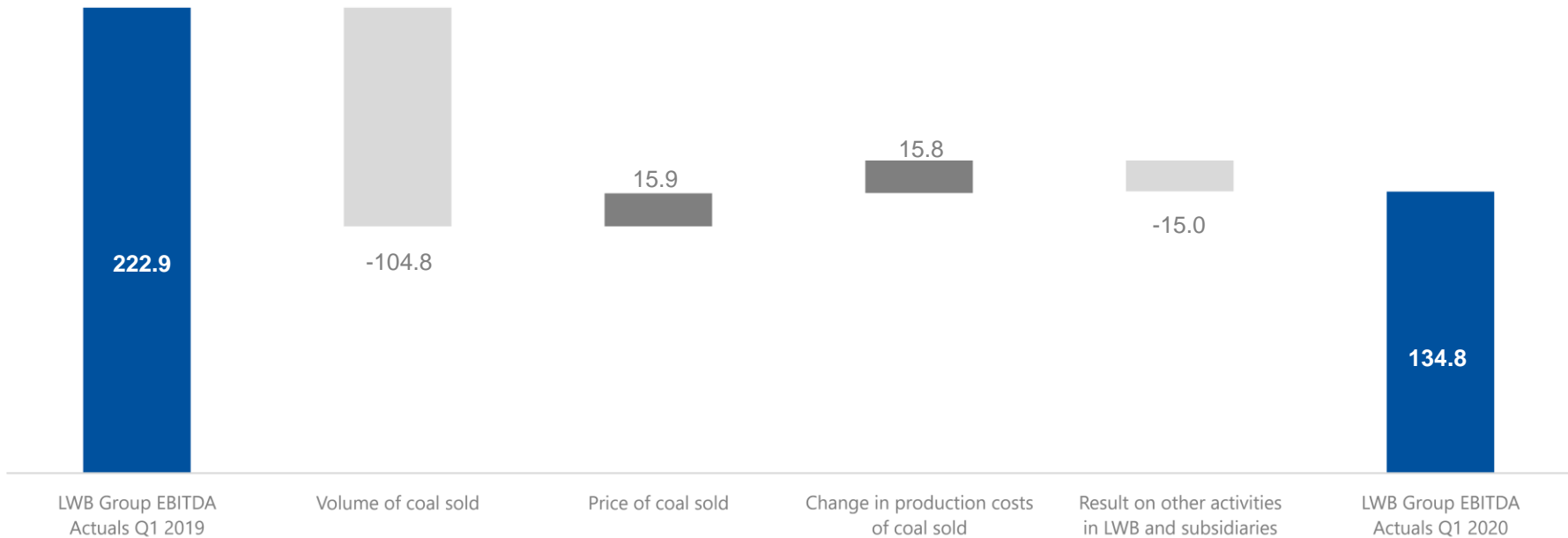


EBITDA in Q1 2020



Adjusting sales to market needs had an impact on EBITDA

[PLN million]

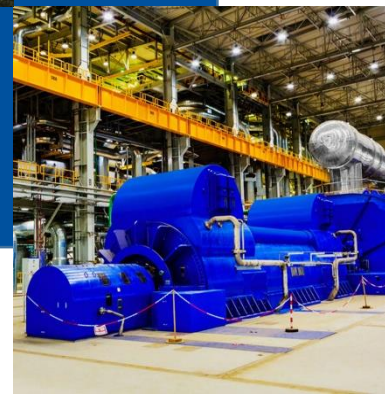
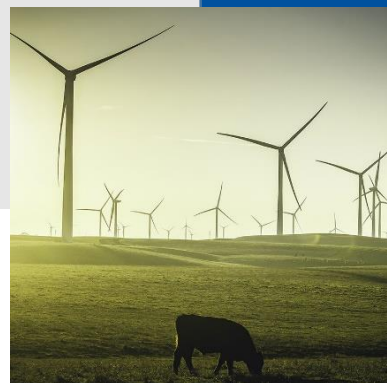


Q1 2020 EBITDA drivers

EBITDA down by approx.
PLN 88 million

- (+) Higher price of coal sold
- (+) Lower gross production – decrease in production costs
- (-) Lower sales of coal
- (-) Reversal of the provision for claims under the dispute with ZUS (PLN 16.4 million) in 2019





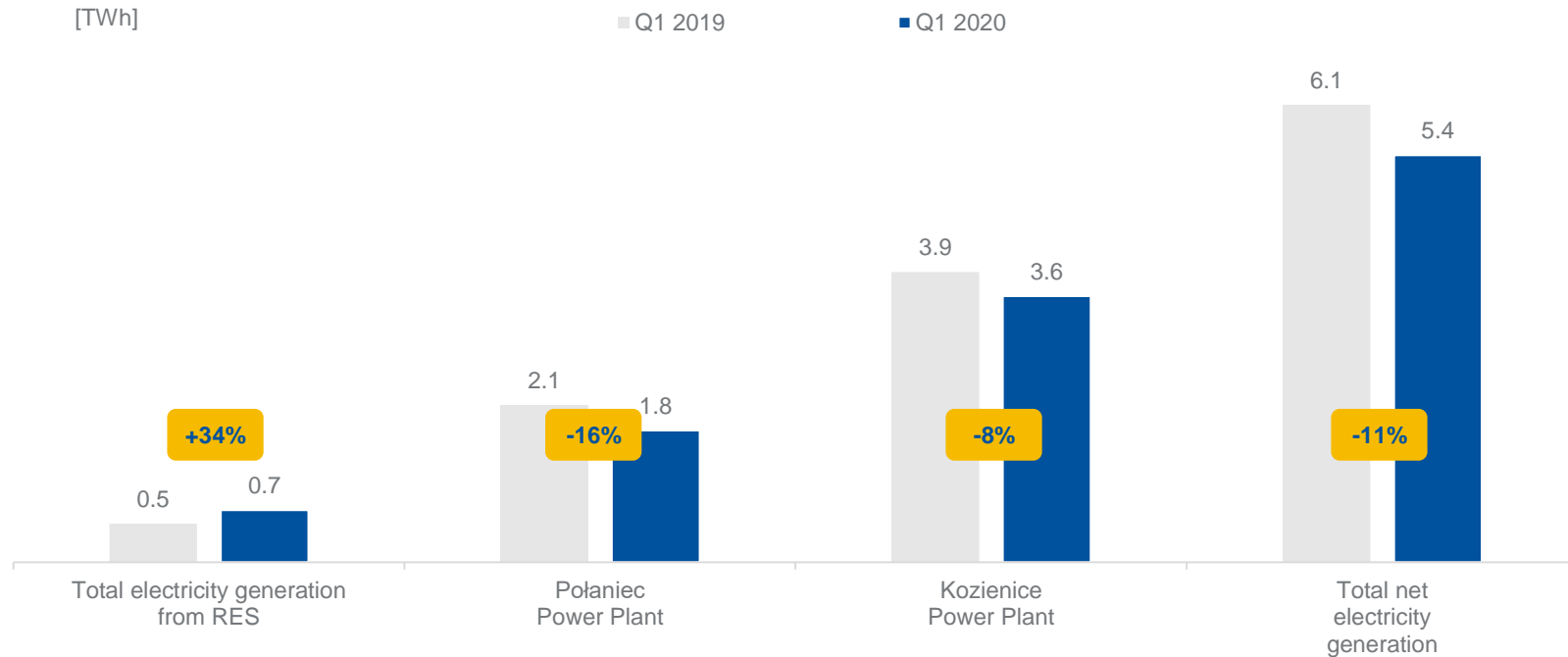
GENERATION

Area

ENEA Group's operational data



Good result on RES output



Key drivers

- (+) Higher energy generation using RES
- (-) The decline of production was caused by lower demand reported by the National Power System
- (-) Lower production from conventional sources in the Połaniec Power Plant due to environmental modernizations

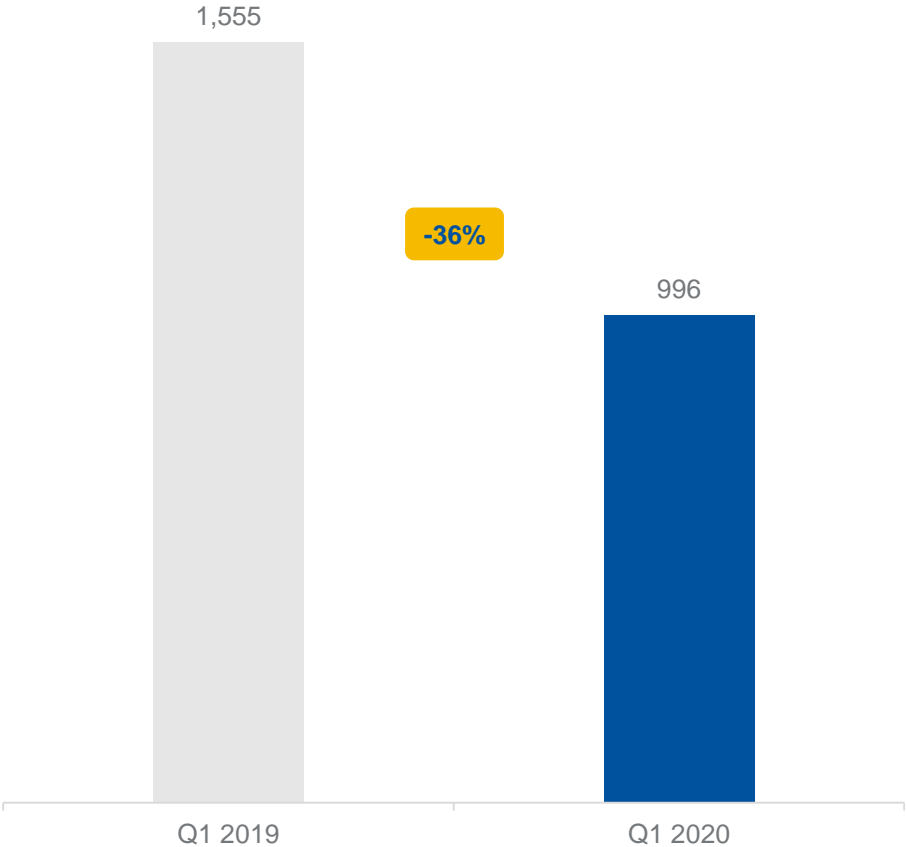


Unit 11

The unit's production in Q1 2020

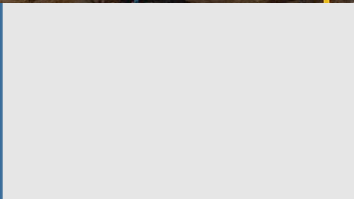
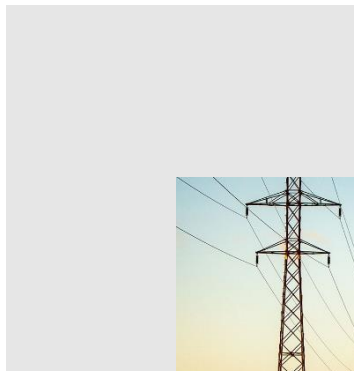


Net production of electricity [GWh]



Nearly
1,500
hours of work in
in Q1 2020





DISTRIBUTION

Area

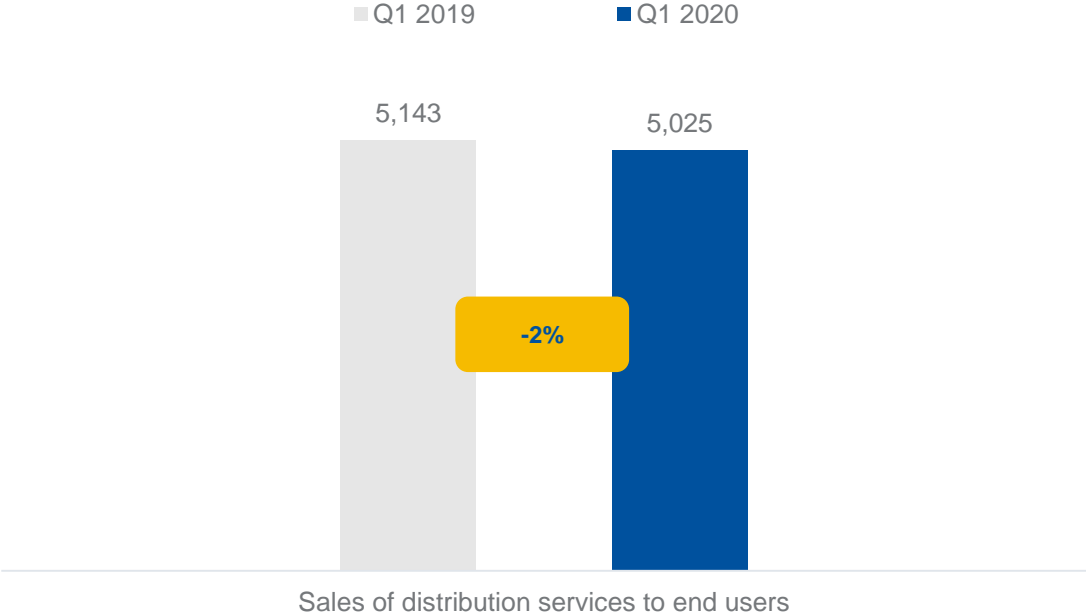


Volume of distribution services



The volume of sales of distribution services remained stable

[GWh]



Key drivers

- (+) Increase in the number of customers by 1.3%
- (-) Slight decrease in sales of distribution services to households





TRADING

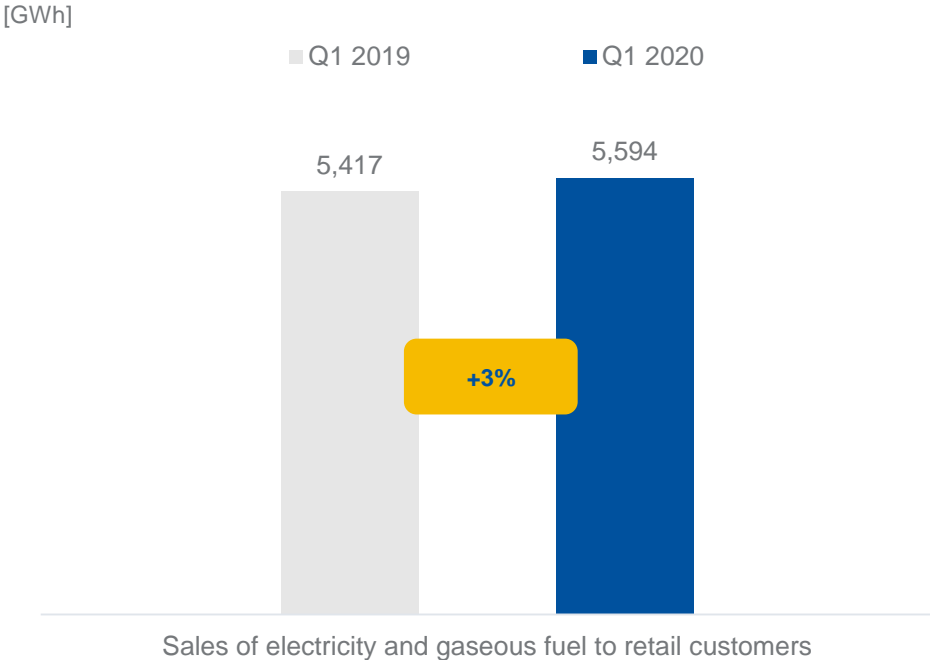
Area



Volume of energy sales



Increase in the total sales volume to retail customers



Key drivers

- (+) Volume of gaseous fuel sales up by approx. 27%
- (+) Volume of sales of electricity in the business segment up by approx. 2%





MARKET

Environment

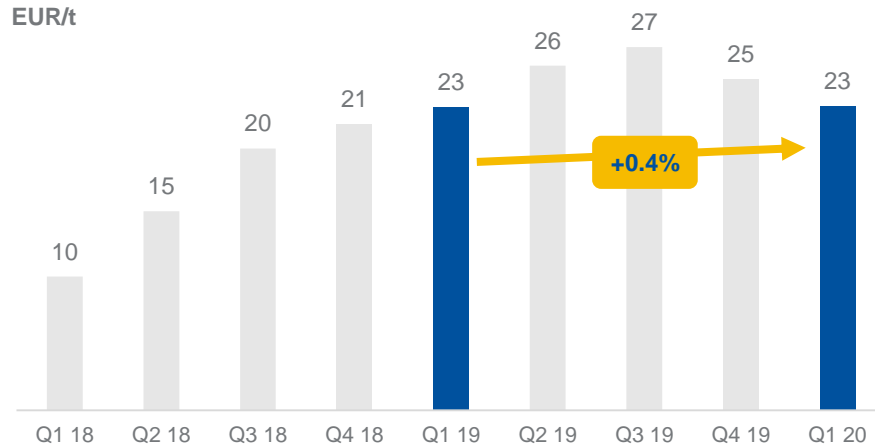


Market environment



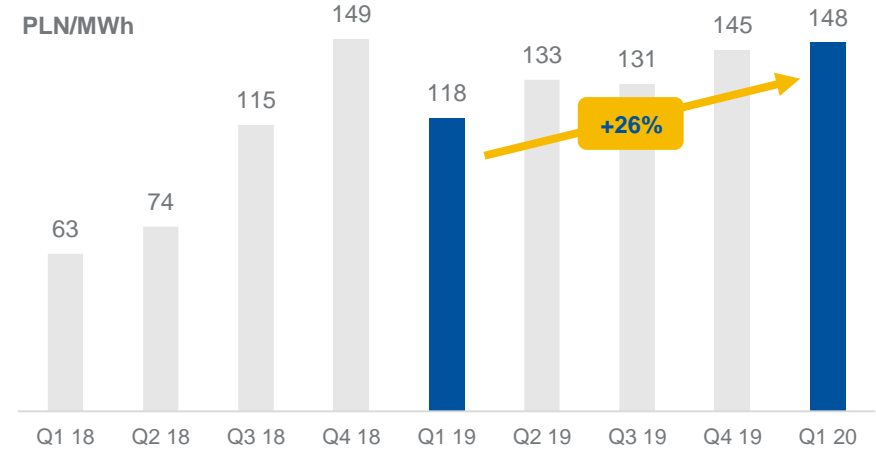
Electricity prices were driven by external factors

CO₂ emission allowances (Dec-20)



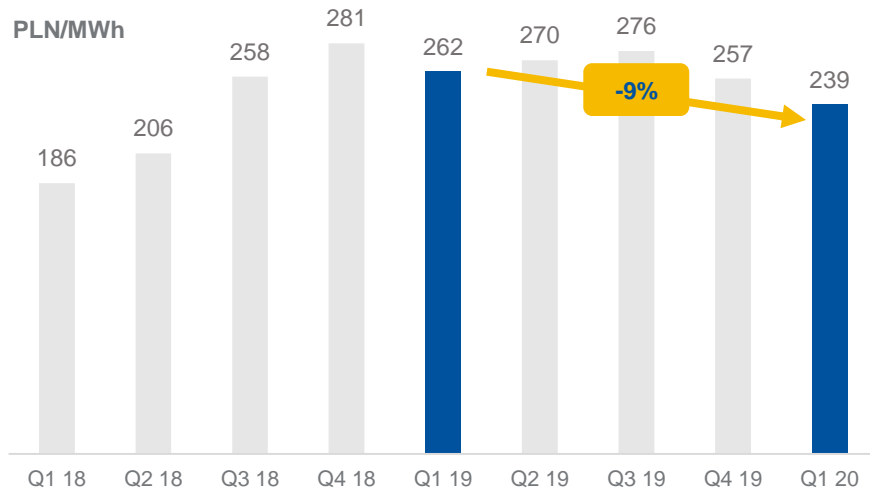
Source: ICE, clearing prices

Prices of "green" property rights (PMOZE_A)



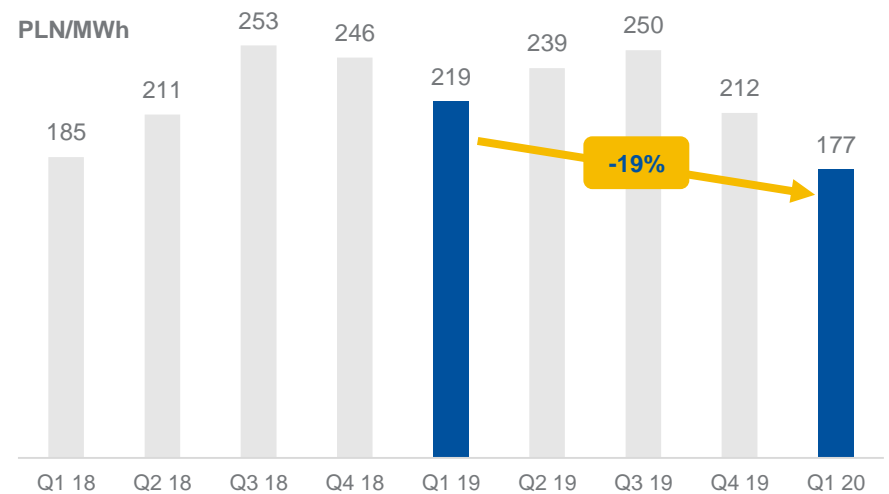
Source: TGE, session market indices

BASE_Y_19/20/21 (band price)



Source: TGE, clearing prices

RDN (Day-Ahead Market) BASE



Source: TGE, clearing prices



Q1 2020

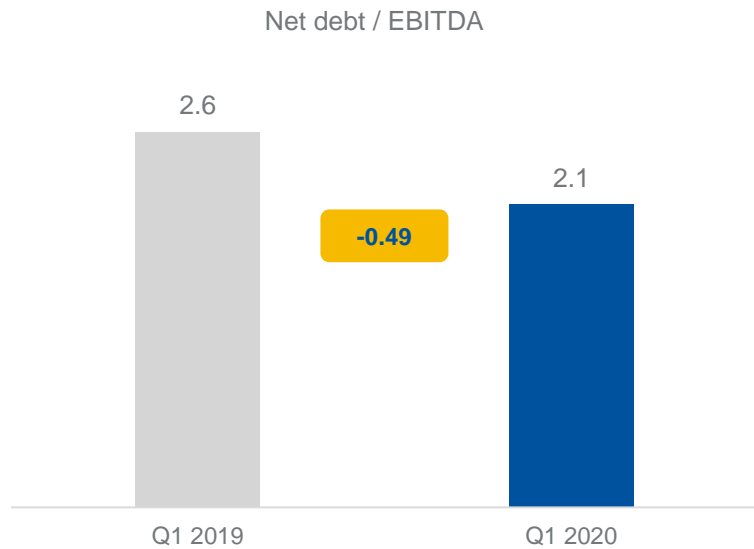
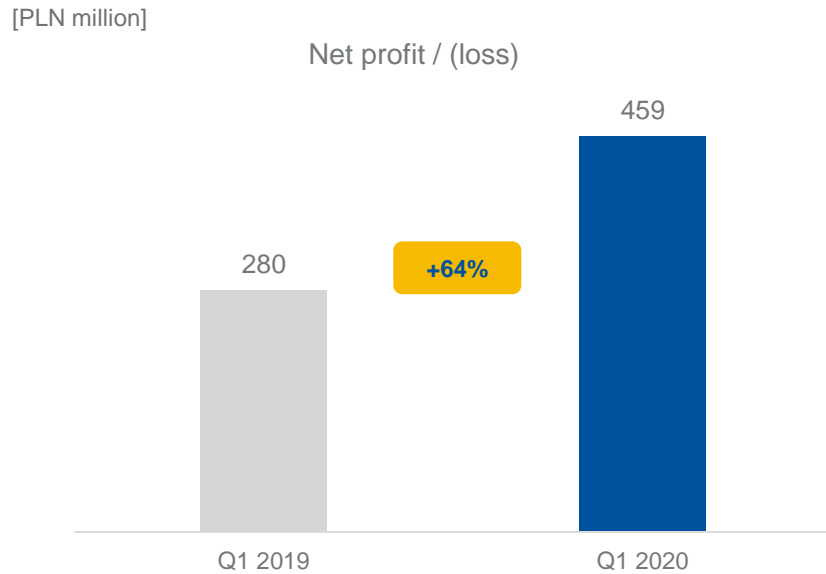
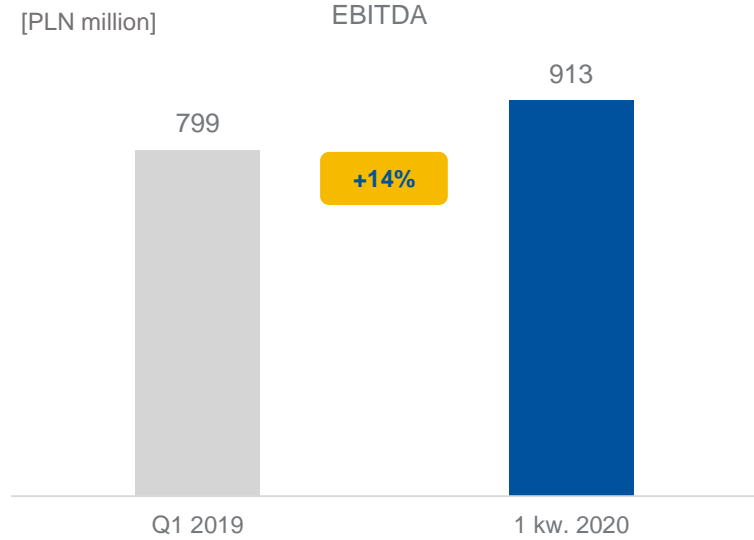
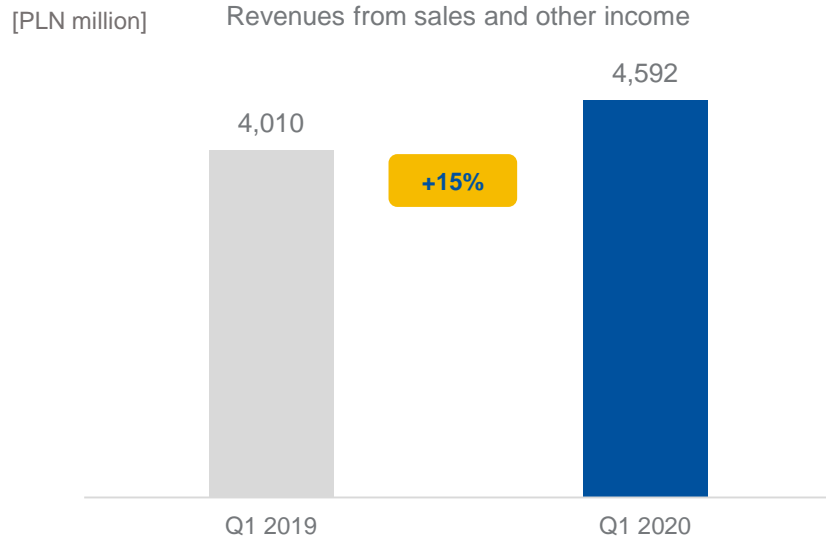
Financial results



Key financial data of the Group



Good financial performance of the ENEA Group

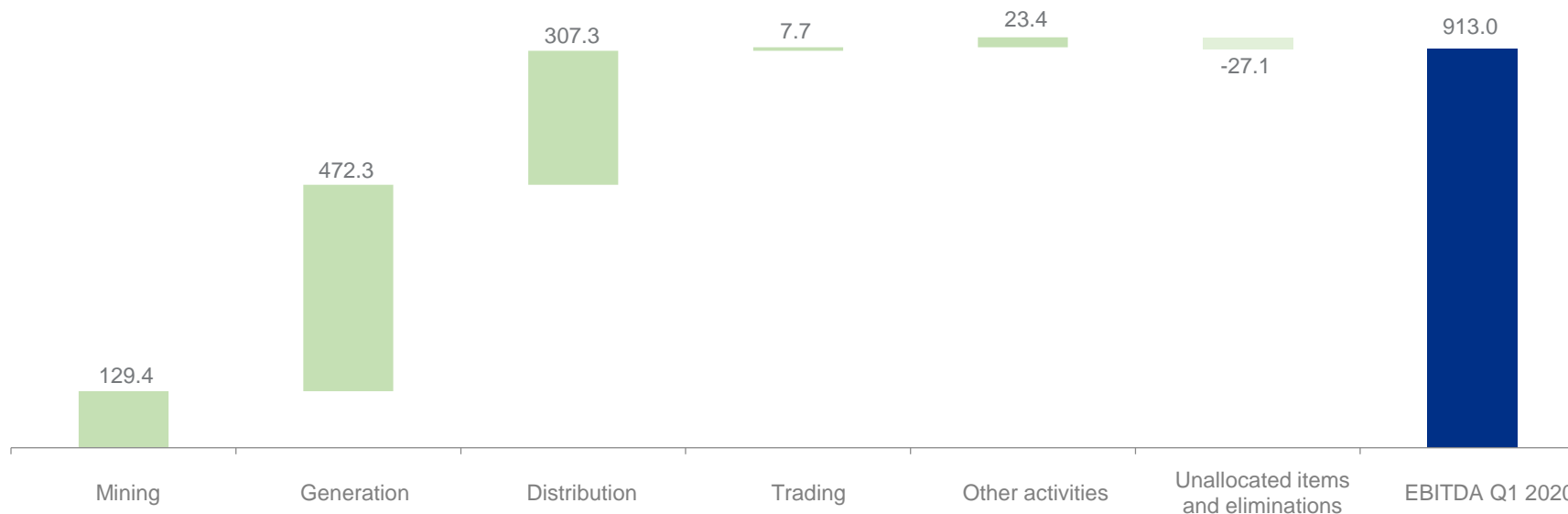


EBITDA in Q1 2020



Generation and Distribution Areas have achieved the best EBITDA performance

[PLN million]



Mining

Decrease in revenue from sales [higher sales price, 19% lower volume]

In Q1 2019, reversal of the provision for claims under the dispute with ZUS (PLN 16.4 million)

Generation

Trading and Balancing Market margin up by PLN 97.8 million [higher unit margins]

Revenues from Regulatory System Services up by PLN 16.6 million

Higher EBITDA in the Heating segment by PLN 12 million

Distribution

Margin on licensed activity up by PLN 57.6 million [higher rates in the tariff approved for 2020]

Operating expenses up by PLN 31 million

Result on other operating activities up by nearly PLN 33 million (mainly change in provisions related to grid assets)

Trading

Average energy sales price up by 11%

Costs of purchase of electricity up by 10%

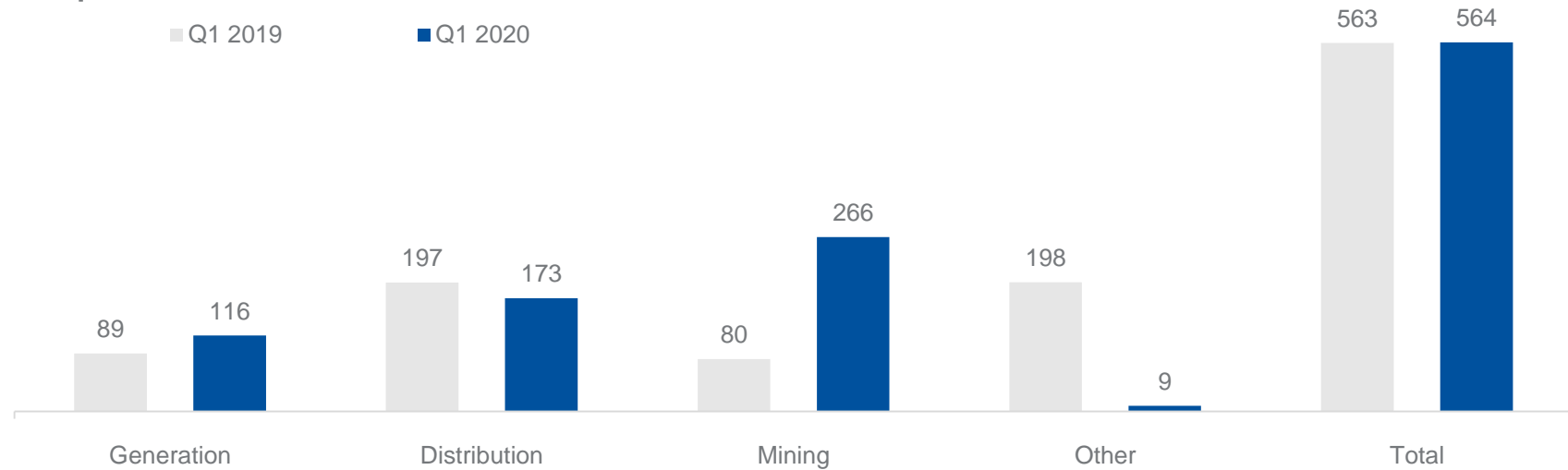
Costs of environmental obligations up by 5%

Capital expenditures

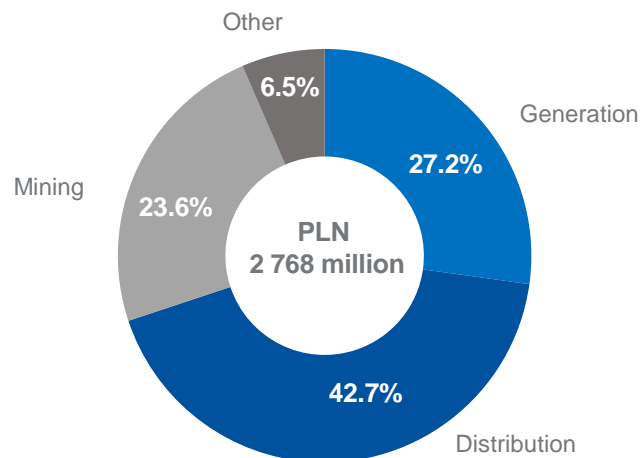


The ENEA Group consistently increases its investment plans

[PLN million]



Structure of the Plan 2020



PLN 51 million

designated for capital expenditures related to the protection of the environment in Q1 2020





KEY DATA

Q1 2020 in figures



Financial data



EBITDA of PLN 0.9 billion



Over **PLN 0.5 billion** of capital expenditures
2.11 net debt/EBITDA



Nearly **PLN 4.6 billion** of revenue
Nearly **PLN 0.5 billion** of profit net



Operational data



5.4 TWh of electricity produced



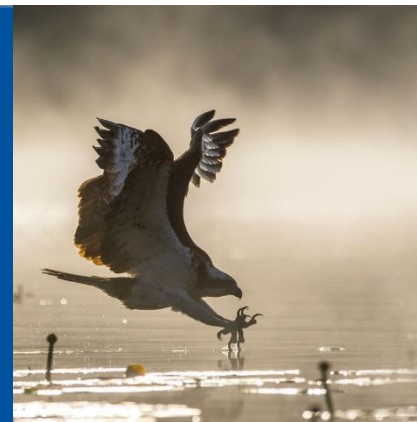
Nearly **5.6 TWh** energy and gas sold to retail customers



Nearly **700 GWh** of energy produced from renewable sources



ATTACHMENTS



Operational performance of LW Bogdanka



Description	Q1 2019	Q1 2020	Change
Net production [000s of tons]	2,532	2,066	-18.4%
Sales of coal [000s of tons]	2,365	1,918	-18.9%
Inventories (at the end of the period) [000s of tons]	255	327	+28.2%
Excavation works [km]	7,9	6,7	-15.2%

ENEA Group's operational data



ENEA Group's operational data [GWh]	Q1 2019	Q1 2020	Change
Total net electricity generation	6,108	5,431	-11%
Of which:			
ENEA Wytwarzanie including MEC Piła	3,874	3,551	-8%
Połaniec Power Plant	2,095	1,758	-16%
Total electricity generation from RES	518	694	+34%

Volume of distribution services

ENEA Group's sales data [GWh]	Q1 2019	Q1 2020	Change
Sales of distribution services to end users	5,143	5,025	-2%

Volume of energy sales

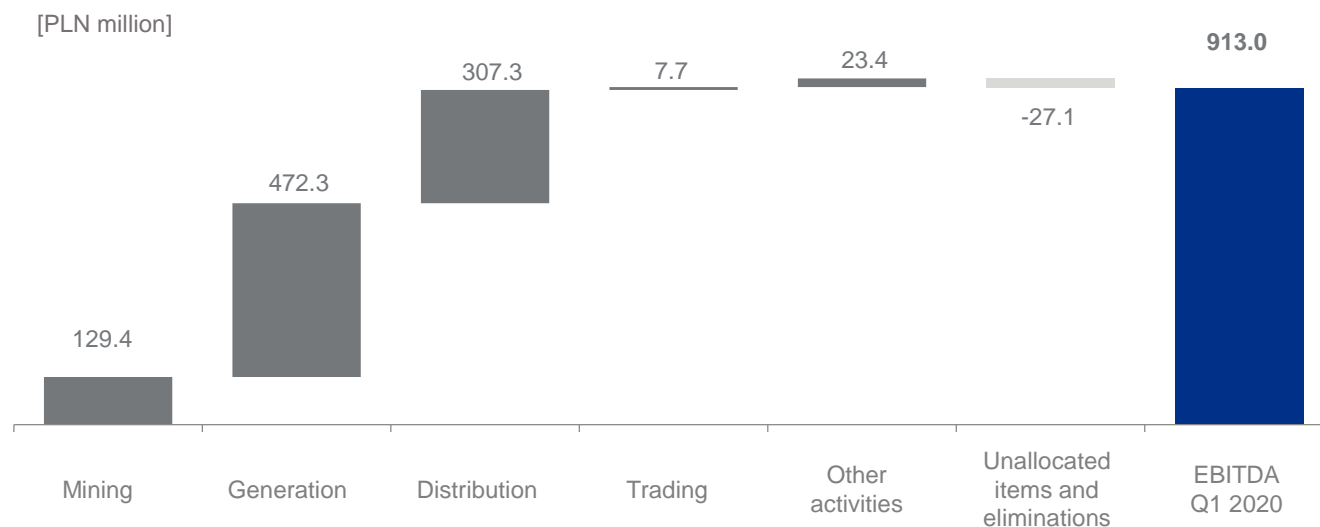


ENEA Group's sales data [GWh]	Q1 2019	Q1 2020	Change
Sales of electricity and gaseous fuel to retail customers	5,417	5,594	3%

Key financial data of the Group

ENEA Group's financial data [PLN million]	Q1 2019	Q1 2020	Change
Revenue from sales and other income	4,010	4,592	15%
EBITDA	799	913	14%
EBIT	441	532	21%
Net profit	280	459	64%
Net profit attributable to shareholders of the parent company	246	445	81%
Net debt / EBITDA	2.60	2.11	-0.49

EBITDA in Q1 2020



Q1 2020 EBITDA [PLN million]	129.4	472.3	30.3	7.7	23.4	-27.1	913.0
EBITDA margin	27.9%	22.5%	38.7%	0.4%	15.7%	-	19.9%
Change [PLN million]	-90.0	72.5	58.4	18.5	-3.0	57.8	114.2
Change [%]	-41.0%	18.1%	23.5%	171.1%	-11.4%	68.1%	14.3%

Results of the Generation Area



Generation, including:

[PLN million]	Must-run power plants			Heat			RES		
	Q1 2019	Q1 2020	Change	Q1 2019	Q1 2020	Change	Q1 2019	Q1 2020	Change
Revenue from sales	1 578	1 747	169	168	162	(6)	193	197	4
EBIT	177	235	58	27	39	12	59	57	(2)
EBITDA	289	350	61	42	54	12	69	68	(1)
CAPEX	81	107	26	7	5	(2)	-	3	3



Growth strategy

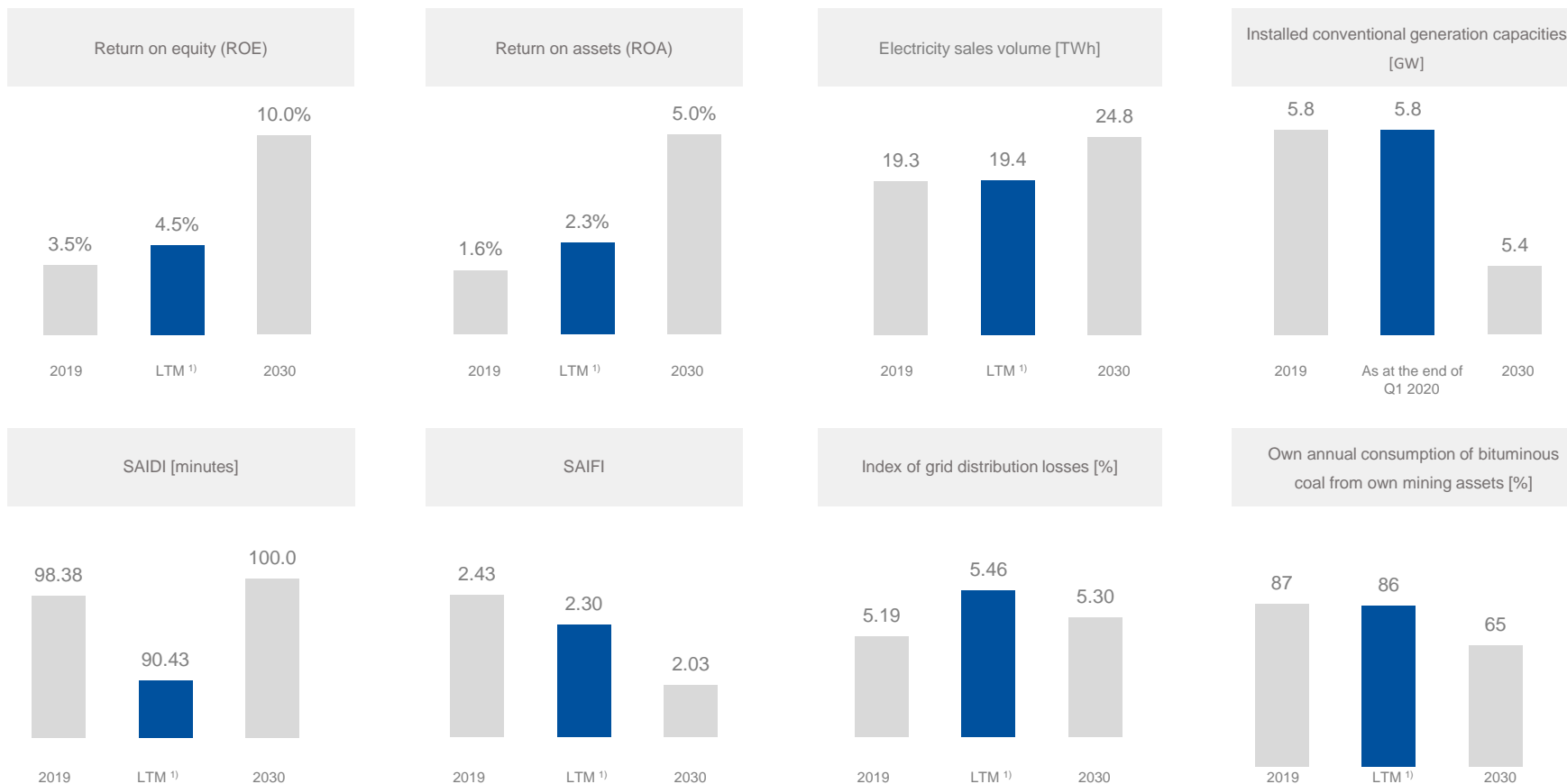
MISSION:

ENEA provides reliable products and services to its customers by building lasting relationships based on respect for the environment and shared values

VISION:

ENEA is a leading supplier of integrated products and services valued for quality, comprehensive approach and reliability

Implementation of the ENEA Group Development Strategy until 2030 with an outlook to 2035



¹⁾ LTM covering the period of Q2 2019 – Q1 2020.



ENEA Group RESULTS

in Q1 2020

19 June 2020

