

# Financial results of the Energa Group for Q4 and 2023





[@EnergaSA](#)

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25 April 2024

# Energa Group in Q4 and 2023

## Increase in EBITDA in 2023

Financial data (in PLN m)		Q4 2023	Change YoY	2023	Change YoY
	Revenues	6,598	22%	26,087	28%
	EBITDA	-473	-10%	2,885	12%
		202 <sup>1</sup>	-63%	3,710 <sup>1</sup>	2%
	Net profit	-1,013	-73%	606	-40%
		-508 <sup>2</sup>	<-100 %	1,255 <sup>2</sup>	-33%
	Operational data		Q4 2023	Change YoY	2023
	Production of electricity	1.0 TWh	-14%	3.4 TWh	-24%
	Distribution of electricity	5.8 TWh	1%	22.4 TWh	-4%
	Retail sale of electricity	4.6 TWh	-2%	17.1 TWh	-5%

<sup>1</sup> Adjusted by one-offs

<sup>2</sup> Net profit before impairment losses on fixed assets and result on the sale of subordinated entities, provision for claims regarding the Ostrołęka C Project, provision for deferred tax on exchange rate differences (ENERGA AB Finance) and share in the result in companies consolidated with the equity method.

# Market conditions

Decrease in prices as well as production and consumption of electricity

	Q4 2023	Change YoY	2023	Change YoY
Hard coal prices <sup>1</sup> (PLN/GJ)	30.5	19%	32.5	70%
Green certificates prices <sup>1</sup> (PLN/MWh)	58.0	-66%	158.2	-18%
Emission allowances prices <sup>1</sup> (EURO/t)	77.3	-1%	83.8	5%
SPOT energy prices <sup>1</sup> (PLN/MWh)	436.8	-44%	533.6	-33%
Domestic production of electricity (TWh)	44.7	0%	163.6	-7%
Domestic consumption of electricity (TWh)	44.5	0%	167.5	-3%

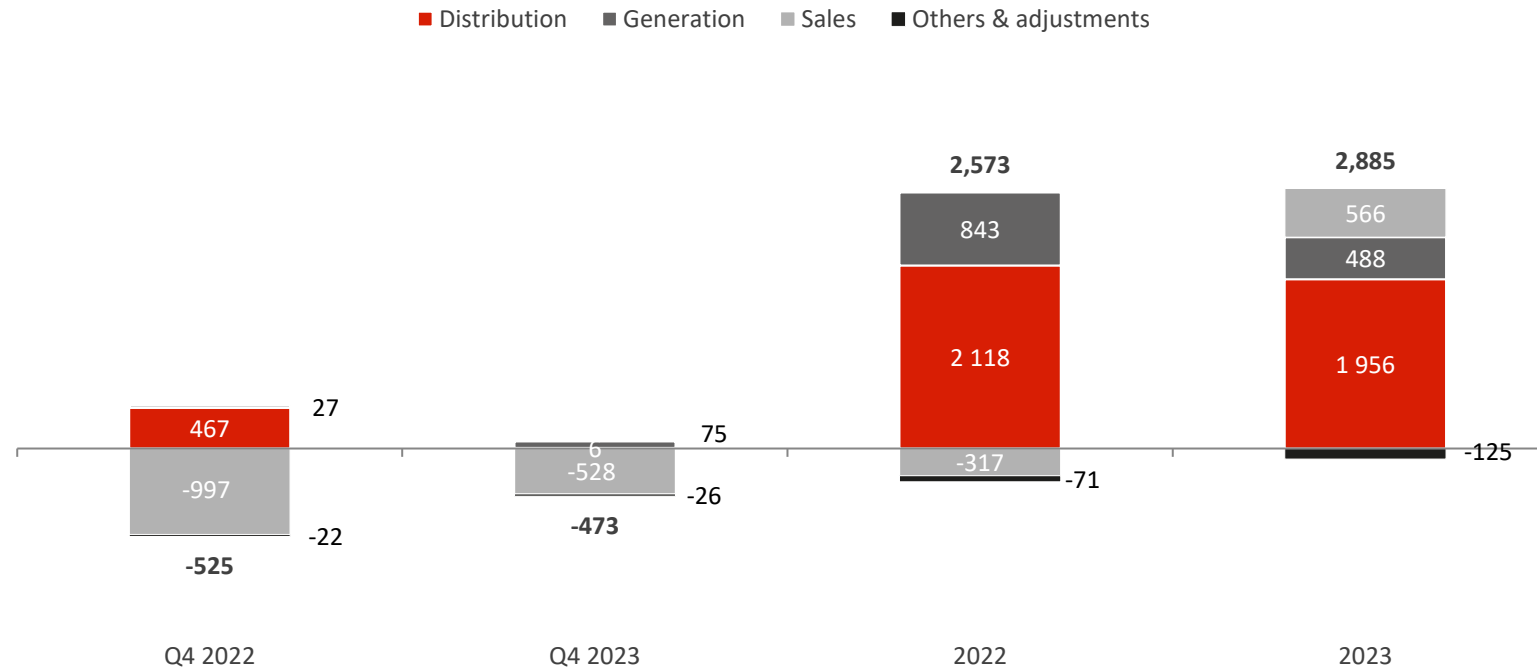
<sup>1</sup> Average prices in the period

Source: Polski Rynek Węgla, Towarowa Giełda Energii

# EBITDA structure of the Energa Group

Leading share of the Distribution Business Line in 2023

## EBITDA by Business Lines (PLN m)



# Capital expenditures

## YoY high increase both in Q4 and in the whole 2023

The Energa Group's total capital expenditures in Q4 2023 were PLN 1,446 m (+41% YoY), whereas PLN 4,334 m in 2023 (+33% YoY).

Major investments in the Distribution Business Line in Q4 2023 :

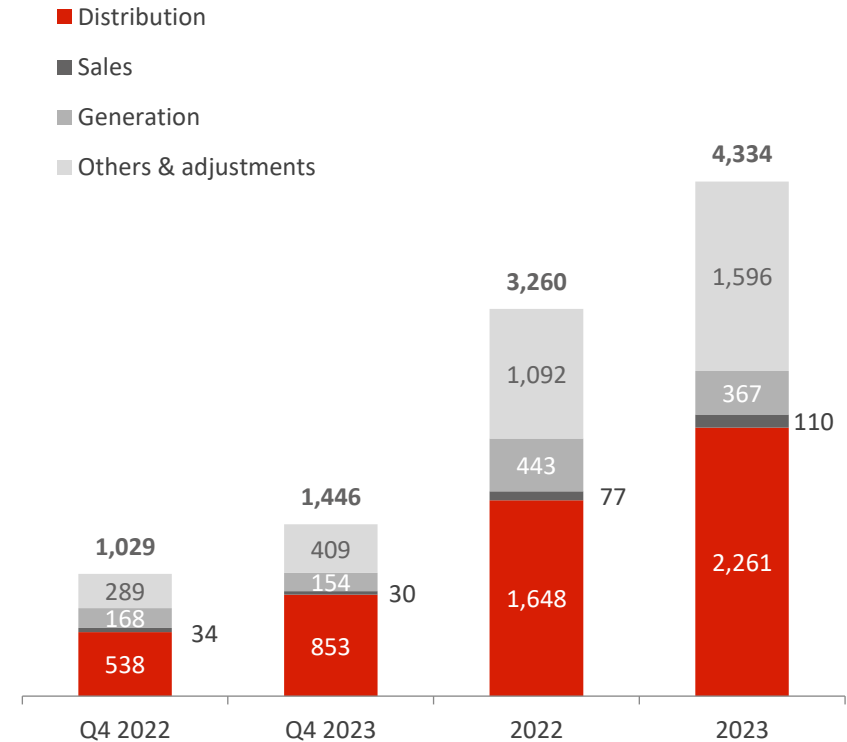
- PLN 370 m (PLN 1,206 m in 2023) - connection of customers and RES and the related grid development,
- PLN 318 m (PLN 723 m in 2023) - modernization and replacement of the existing assets related to the quality improvement of services and/or the increase in power demand,

contributed to:

- 17 ths new customers connections (72 ths in 2023),
- 940 km built and modernized HV, MV and LV lines (3,058 km in 2023),
- 277 MW new RES connections to grid (1,387 MW in 2023).

Major investment in Other & adjustments in Q4 2023 was PLN 133 m related to the construction of CCGT power plant in Ostrołęka (PLN 944 m in 2023) and PLN 282 m – construction of CCGT power plant in Grudziądz (PLN 680 m in 2023).

PLN m



# Key active investment projects of the Energa Group (1/3)

Project	Capacity (MWe/MWt)	CAPEX (PLN m) Project / Expenditures	Work progress	Planned completion (year)
<b>Construction of CCGT Ostrołęka power plant</b>	745 net	c.a. 2,500* / 1,857	On 25 June 2021 CCGT Ostrołęka Sp. z o.o. signed the Gas Annex with the general contractor of the investment - consortium of GE Group companies. In December 2021 as a result of the main auction of the capacity market for 2026 CCGT Ostrołęka Sp. z o.o. obtained the capacity obligation of 695.951 MW for 17 years. On 24 March 2022, the Notice To Proceed (NTP) for the general contractor related to the construction of a gas-fired combined cycle gas turbine power plant was issued. On 29 June 2023, a loan agreement was concluded for financing the construction with a consortium of Polish and foreign financial institutions. On 3 October 2023 an annex was signed to the agreement of 25 June 2021 with the general contractor of the investment, under which, among others, the remuneration of the general contractor was increased from ca. PLN 2.5 billion to PLN 2.85 billion. Construction is currently underway.	2025
<b>CCGT Grudziądz</b>	563 net	c.a. 2,000** / 939	In December 2021 as a result of the main auction of the capacity market for 2026 CCGT Grudziądz Sp. z o.o. obtained the capacity obligation of 518.370 MW for 17 years. On 18 May 2022, CCGT Grudziądz sp. z o.o. signed a contract with a general contractor of the investment - consortium of Siemens Group companies and Mytilineos. On 24 June 2022, the company handed over the construction site to the general contractor. Construction is currently underway.	2025
<b>CCGT Gdańsk</b>	ca. 450	in the process of setting	On 16 September 2022 there was signed an agreement between Energa SA and ORLEN S.A. regarding the financing of construction of a gas-steam power plant in Gdansk. In 2023 the procedure for selecting the general contractor (EPC) and maintenance service provider (LTSA) for a CCGT unit in Gdańsk with a capacity of up to 456 Mwe was continued. Because no implementation decision has been issued for the project and CCGT Gdańsk Sp. z o.o. did not join the 2023 Main Capacity Market Auction, the project is currently only in implementation readiness.	2027
<b>Investment program - in CHP area (Elbląg, Kalisz and Ostrołęka)</b>	70	465 / 177	(i) Preparations are under way for a task involving the construction of 3xSG10 gas engines at the Elbląg site – the conditions for connecting to the power grid and the Decision on Environmental Conditions have been obtained. On 30 August 2023 the City Hall in Elbląg issued a decision on a building permit. In 2023, the company ran a tender procedure to select the general contractor for the investment, which was not responded to by any bidders. Another procedure was launched at the beginning of January 2024, with one binding tender obtained within the bidding deadline of 12 February 2024; (ii) A contract for the construction of a peak-load/reserve boiler house and a water treatment plant is being executed at the Kalisz site. The boilers were brought and placed into the boiler house building. The boilers were prepared for the adjustment and test runs. Work is also underway on the construction of a cogeneration system based on 2xSG10 gas engines. Work is underway on the foundations for the engines and the main building of the cogeneration installation; (iii) At the Ostrołęka site, design work was carried out on a gas pipeline to supply a new heat source - the Decision on Environmental Conditions have been obtained. Work is in progress related to the preparation of documentation for obtaining administrative decisions.	2025

\*Estimated amount of the construction of the CCGT power plant by the consortium of companies from the GE Group, resulting from the Gas Annex.

\*\* Estimated amount of the construction of the CCGT power plant by the consortium of companies from the Siemens Group and Mytilineos.

As of 31 December 2023

# Key active investment projects of the Energa Group (2/3)

Project	Capacity (MWe/MWt)	CAPEX (PLN m) Project / Expenditures	Work progress	Planned completion (year)
<b>Smart Grid</b>	na	254 / 249	The project aims to ensure the stability and flexibility of the distribution system through the implementation of smart grid solutions and is co-financed by the EU under the Operational Programme Infrastructure and Environment. All the project work has been completed. The final report on the project will be drafted after the transition to production operation across the Branches, which will take place in May 2024. As part of the project, a fault localisation module was added to a SCADA power grid control system, what led to shorten the duration of power outages. The project also included the construction of an energy storage facility to stabilise the performance of the distribution system at the connection of a 4 MW photovoltaic farm in Czerników.	2023
<b>PV Wielbark &amp; PV Gryf 2 projects</b>	PV Wielbark ca. 70 PV Gryf 2 ca. 5	PV Wielbark 232 / 232 PV Gryf 2 18 / 16	In 2023, the construction of a complex of photovoltaic farms in the Warmińsko-Mazurskie Province with a total capacity of nearly 70 MW was completed, and the Gryf PV farm in the Wielkopolskie Province was repowered to approximately 25 MW. Gryf PV was built in the Przykona municipality, on land reclaimed after a lignite open-pit mine, in the vicinity of an Energa Group windfarm.	2023
<b>PV Mitra</b>	ca. 65	186.3* / 36.9	The goal of the project is to prepare, build and put into service a photovoltaic installation consisting of a complex of photovoltaic power plants with a total installed capacity of approximately 65 MW. In 2023 an agreement was signed with the general contractor of this investment, the NTP was issued and the construction site was handed over.	2024
<b>Offshore windfarm projects</b>	ca	16 / 16	In 2023, the Ministry of Infrastructure announced the results of the process for allocating six sites for new windfarm planned by developers in the Polish waters of the Baltic Sea. The ORLEN Group scored the highest number of points for five locations. As a result, the company's offshore wind energy potential may soon increase by approximately 5,200 MW, of which Energa MFW 1 Sp. z o.o. and Energa MFW 2 Sp. z o.o., subsidiaries of Energa Wytwarzanie, have been issued two permits for the construction and use of artificial islands, structures and devices in Polish offshore areas with a total capacity of approximately 1,800 MW. The concessions secured by the ORLEN Group relate to locations off Kołobrzeg and Łeba and are located about 30 kilometers from the shoreline. The subsidiaries of Energa Wytwarzanie referred to above scored the highest number of points in the award procedure in areas 14.E.1 and 14.E.2, respectively.	
<b>5xPV</b>	c.a. 5	12 / 10.4	The purpose of the project is to build five photovoltaic farms (PV Czernikowo+, PV Samolubie 1, PV Samolubie 2, PV Przykona, PV Pierzchały) up to 1 MW each and power offtake points. In 2023, 4 projects were completed, and at the beginning of 2024 the Pierzchały PV project was completed. The expansion of new capacities will increase the share of renewable sources in the total electricity production of all Energa Group assets.	2023

\* Excluding ground for investment.

As of 31 December 2023

# Key active investment projects of the Energa Group (3/3)

Project	Capacity (MWe/MWt)	CAPEX (PLN m) Project / Expenditures	Work progress	Planned completion (year)
			<p>On 30 June 2023, Energa Wytwarzanie signed with Greenvolt a preliminary agreement for the purchase of wind farm and four PV installations of a total capacity of 59 MW for an estimated amount of approx. EUR 107 million (approx. PLN 460 million). The transaction involves two portfolios of RES projects carried out in the Wielkopolska province. One is the Opalenica portfolio, involving three photovoltaic farms with a total capacity of 22 MW. The other one is the Sompolno hybrid project, combining 26 MW of wind turbines and a 10 MW photovoltaic installation. The assets purchased during the year can produce 111 GWh of energy, which is equivalent to the consumption of over 55 thousand households. Greenvolt Power, a company that is part of the Greenvolt Group, is responsible for the construction and bringing both projects to the operational phase. The conclusion of final agreements for the Opalenica portfolio is planned in the second quarter of 2024, and for the Sompolno portfolio in the third quarter of 2024, after construction and obtaining licenses for the production of electricity for individual RES installations.</p>	
RES M&A Projects	ca. 393	na (capital investments)	<p>On 13 October 2023 Energa Wytwarzanie and Lewandpol Holding sp. z o.o. signed the preliminary agreement for the purchase of 100% of shares in E&amp;G sp. z o.o., which implements Kleczew Solar &amp; Wind project for the construction of photovoltaic installations and wind farm with a total capacity of from ca. 244.5 MW to ca. 334 MW in the Wielkopolska province. The above mentioned project is divided into three stages, the first of which includes the construction of a photovoltaic installation with a capacity of 193,1 MW and a wind farm with a capacity of up to 19.2 MW. In the next two stages, the installed capacity of the photovoltaic farm is expected to increase by maximum ca. 122 MW. According to the project's current schedule, construction of the aforementioned RES is expected to be completed in 2025. The project in question creates the possibility of possible expansion with additional wind capacity in the future, in the cable pooling formula. The transaction is subject to the fulfillment of a number of conditions precedent (including obtaining unconditional approval from the President of the Office of Competition and Consumer Protection and a license to generate electricity), and is expected to close no later than in the first quarter of 2025. As envisaged, if the transaction goes through, ORLEN will provide financial support to the Energa Group to finance the investment. Assuming the maximum value of the project's power (i.e. 19.2 MW - wind farm and 315.1 MW in PV installations), the maximum purchase price may amount to PLN 1,927 million.</p>	2026

As of 31 December 2023



# Distribution

Business Line

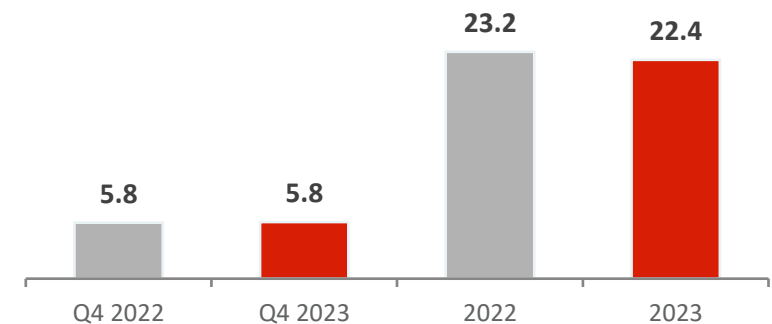
# Distribution Business Line: key business and operational data

## Gradual increase in the level of grid investment, EOP is a leader in remote meter reading

- Energa Operator („EOP”) has consolidated its leading position among the Polish DSOs in terms of the number of remote reading meters installed (LZO). More than 74% of Energa Operator's customers have remote reading meters installed (i.e., more than 2.47 million meters at the end of 2023; more than 120,000 meters were installed in Q4 2023, with approximately 450,000 meters installed in 2023 as a whole). The share of remote reading meters in the total number of meters in Poland is 15%.
- Effective from 1 July 2023, EOP, as the first DSO in Poland, has had a single billing system (CC&B), with which it bills for the supply of electricity in respect of each point of connection to the network of EOP.
- More than 270,000 prosumers and generators are served on the basis of actual hourly metering records and, for prosumers, additionally before and after aggregated balancing in every hour of the day.
- In 2023, Energa Operator invested a record amount of almost PLN 2.3 billion. The key projects were the necessary grid investments related to the connection of new customers and sources and the construction of new grids, as well as the upgrading and replacement of existing assets, which contributed to improving the quality of service. At the same time, the HV grid was developed and expanded to adequately meet growing flows and increased capacity demand.
- As at the end of Q4 2023, a total of 8,414 GW of RES generation capacity was connected to EOP's grid, of which 1,387 GW had been connected since the beginning of 2023. The largest amount of RES capacity among all DSOs in the country is connected to EOP's distribution grid, confirming EOP's role as the green transition leader in the power sector.
- In 2023: a total of thirteen large photovoltaic and wind farms with a total capacity of more than 550 MW were connected to the 110 kV network, and 110 kV network connection agreements were concluded for 17 sources with a total capacity of up to 450 MW.
- Energa Operator has reflected on time the terms and conditions of the price freeze in its billing for distribution services since January 2023, in accordance with the Act defining the terms and conditions of the Solidarity Shield.
- EOP was the first DSO in the country to implement a centralized SCADA-class ADMS system to support power grid control and management. During 2023, several key tasks related to this pioneering implementation were successfully completed. Among other things, comprehensive tests of the new system were carried out and its gradual implementation in the production environment began.



Distribution of electricity (TWh)



# Results of the Distribution Business Line

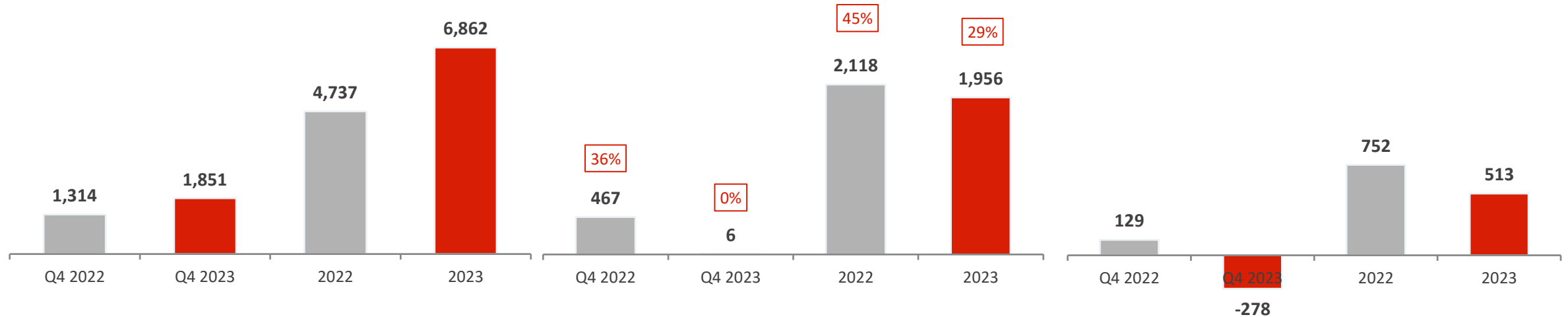
Results influenced by the regulatory environment and one-off accounting events

## Revenues (PLN m)

## EBITDA (PLN m)

## Net profit (PLN m)

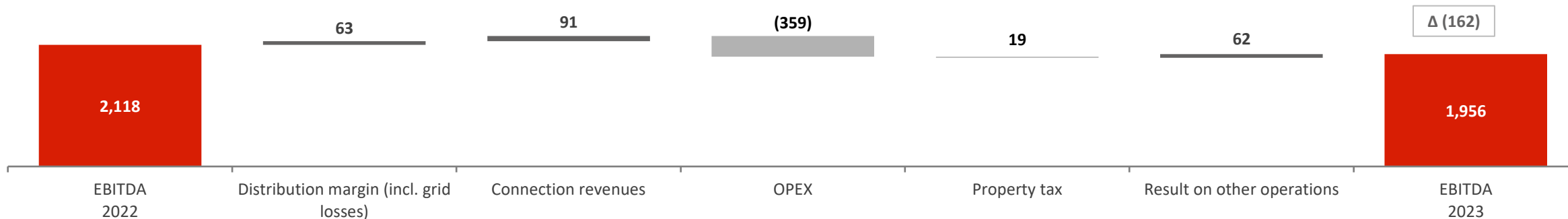
EBITDA margin



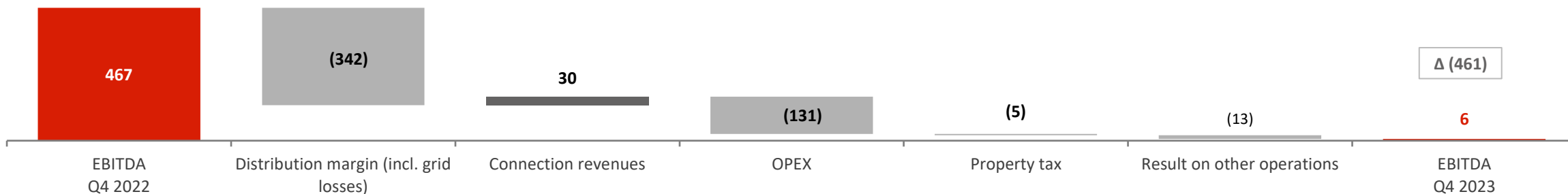
# EBITDA of the Distribution Business Line

Negative impact of the one-off accounting event and inflationary pressure

## EBITDA Bridge of the Distribution Business Line - 2023 (PLN m)



## EBITDA Bridge of the Distribution Business Line – Q4 2023 (PLN m)



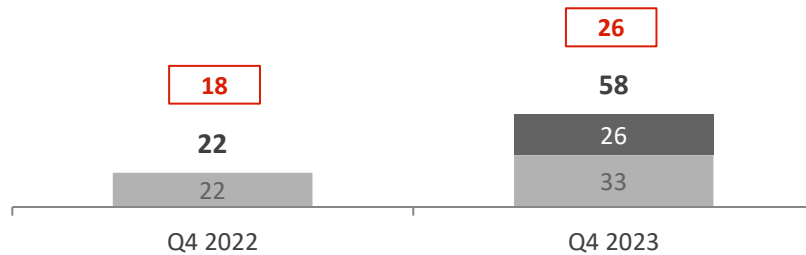
- Results in the fourth quarter and in the whole 2023 significantly adversely affected by one-off accounting event related to the way in which electricity purchase prices for grid losses were recognized. Additionally, the failure to pass on the full cost of electricity purchases into the tariff to cover the balancing difference, and higher y/y operating expenses due to inflationary pressure and the minimum wage increase.
- Positive impact of higher y/y average distribution service prices both on a year-to-date and quarterly basis, as well as an increase in connection revenues.
- Higher y/y results of other operations as the effect of the low base in 2022, where there were significant costs for the elimination of mass failures.

# Reliability indices

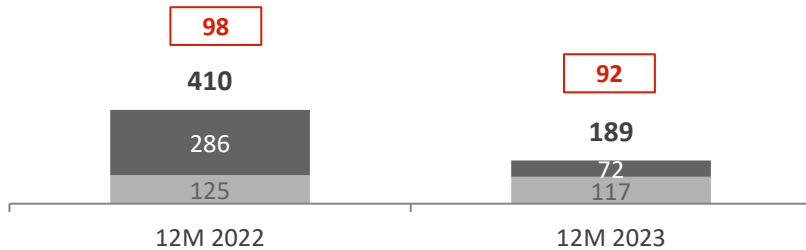
YoY significant improvement of annual indices

## SAIDI (minutes per customer)

SAIDI (planned, unplanned and catastrophic)

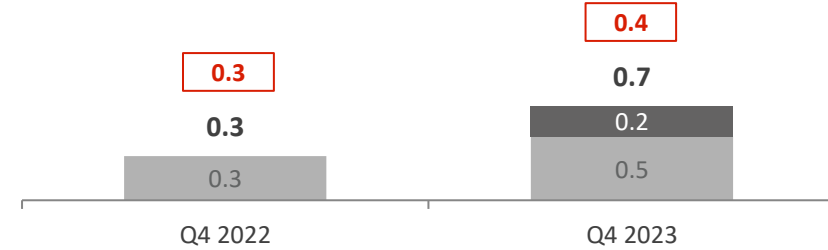


SAIDI (planned, unplanned and catastrophic)

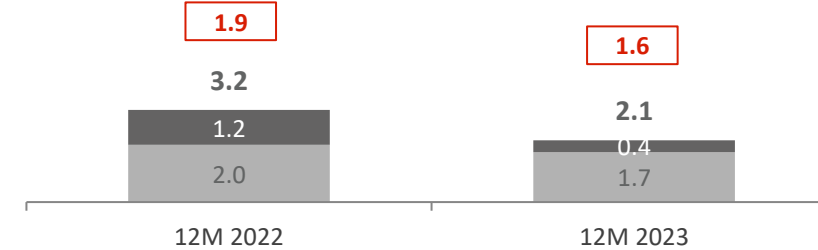


## SAIFI (interruptions per customer)

SAIFI (planned, unplanned and catastrophic)



SAIFI (planned, unplanned and catastrophic)



■ without mass interruptions ■ mass interruptions

□ SAIDI/SAIFI without mass interruptions (HV and MV)

# Sales

Business Line

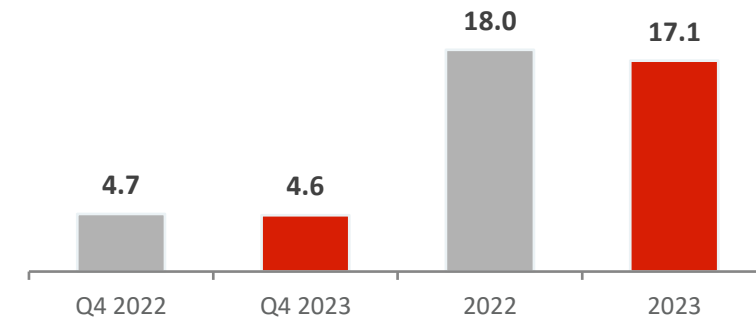
# Sales Business Line: key business and operational data

## Development of the product portfolio, electromobility and energy efficiency

- Active product development for retail and business customers in 2023 – including, but not limited to: Basic Package with a Credit for Electricity, 100% of Green Energy in Your Home, Electricity with a Bonus for Online Shopping, Buying for Recommending Photovoltaics, Offer with the Help from Professionals, Discount on Electricity and Cheaper Fuel.
- 50% higher y/y revenue from electricity sales at electric vehicle charging stations in Q4 2023. A similar increase in the number of EV charging sessions in Q4 2023 (8% y/y). In 2023 as a whole, revenue and the number of EV charging sessions will increase by 98% y/y and 40% y/y, respectively. Commercial sale of electric vehicle charging stations by Energa Obrót, providing the opportunity to join the ORLEN Charge network.
- Energy audits, capacity reduction as part of the DSR service, lighting upgrades and installation of photovoltaic systems for local governments that can help reduce electricity consumption in the given metropolitan area were the products being developed in the Sales Business Line in 2023.
- A campaign to promote the Green Idea blog in 2023, with the goal of promoting environmental initiatives, encouraging the use of services that allow you to act green and save electricity.
- As part of the Program entitled 'Preparation of the National e-Invoicing System Solution for the Energa Group', in Q4 2023, the Group continued its projects aimed at ensuring business continuity while complying with the legal requirements by adapting its IT systems to issuing sales invoices and receiving purchase invoices in line with the National e-Invoicing System requirements.



Retail sales of electricity (TWh)



# Results of the Sales Business Line

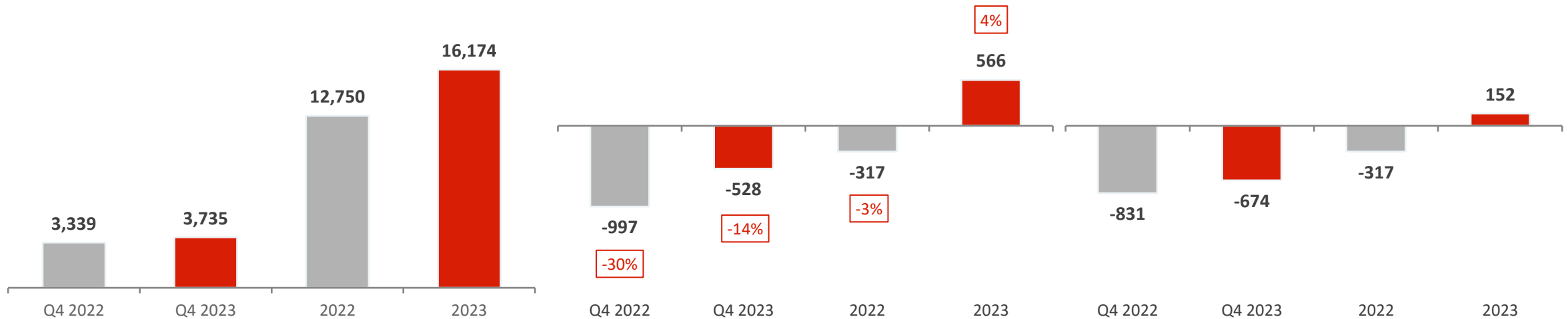
Results influenced by the regulatory environment and one-off accounting events

## Revenues (PLN m)

## EBITDA (PLN m)

## Net profit (PLN m)

EBITDA margin

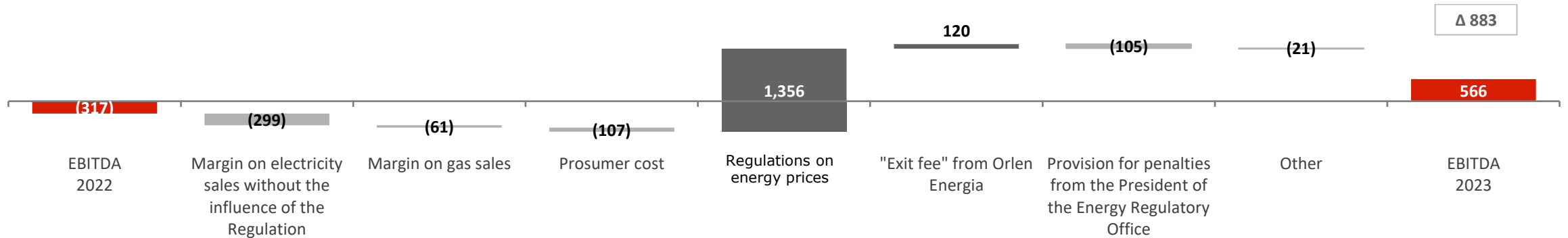




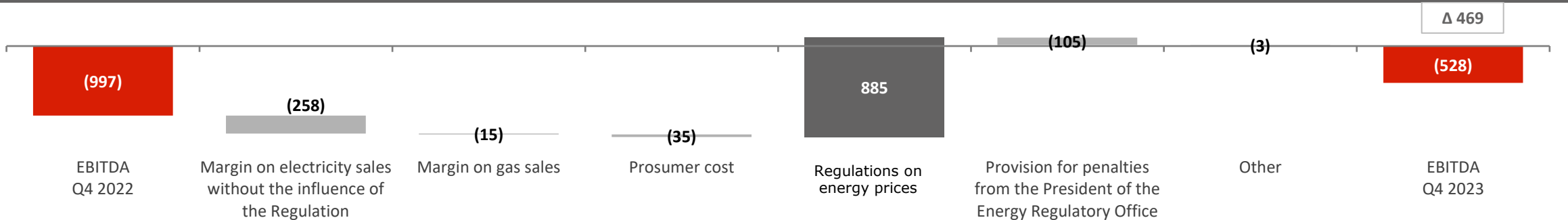
# EBITDA of the Sales Business Line

Positive impact of the balance of provisions on onerous contracts, negative of the Regulation on price reductions for households and a decline in the electricity and gas sales margin

## EBITDA Bridge of the Sales Business Line - 2023 (PLN m)



## EBITDA Bridge of the Sales Business Line - Q4 2023 (PLN m)



- Positive impact of the change in the balance of provisions for onerous contracts which resulted from the regulation of electricity prices for certain end users in 2023 and 2024, as well as the level of tariffs set by the President of the Energy Regulatory Office for electricity for households.
- Adverse impact of the Regulation on Household Price Reduction in 2023.
- Decline in the electricity and gas sales margin.
- One-off Events - exit fee from ORLEN Energia (favorable effect) and the establishment of a provision for penalties imposed by the President of the Energy Regulatory Office (adverse effect).

# Generation

Business Line

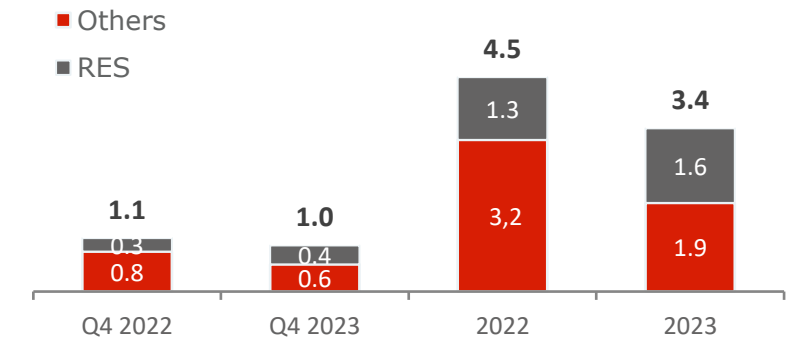
# Generation Business Line: key business and operational data

## Continuation of investments in RES

- In 2023, Energa Wytwarzanie began the acquisition processes for more renewable sources. Preliminary agreements were signed for the purchase of special purpose vehicles implementing renewable energy projects with a capacity of up to 393 MW: (i) with the Portuguese Greenvolt group, whereby Energa Wytwarzanie will acquire a wind farm and four photovoltaic farms with a total capacity of approximately 59 MW, (ii) with Lewandpol Holding, whose SPV is implementing the new Kleczew Solar & Wind hybrid renewable project (the investment project is located in the municipality of Kleczew in the Wielkopolskie Province and will have a total capacity of up to 334 MW).
- Mitra PV (65 MW) and Żuki PV (2.4 MW) investment projects are under way. Both farms are located in close proximity to the Przykona wind farm and the Gryf PV farm, and should be completed by the end of 2024.
- Construction of the Samolubie PV I and II farms with a total capacity of about 1.5 MW and the Pierzchały PV farm with a capacity of 0.7 MW was completed, and thus the construction of five photovoltaic farms with a total capacity of more than 4 MW (Przykona PV, Czernikowo+ PV, Samolubie I and II PV, Pierzchały PV) was completed.
- On 26 September 2023, Energa Wytwarzanie signed an agreement with NOWOTNA FARMA WIATROWA of the ORLEN Group to provide commercial and technical management services for three wind farms with a total capacity of 89.4 MW.
- On 29 September 2023, the Ministry of Infrastructure issued permits for the erection and use of artificial islands, structures and devices in Polish maritime areas for Energa MFW (offshore wind farm) 1 in Area 14.E.1 and for Energa MFW 2 in Area 14.E.2.
- The overhaul of Unit 2 (including the overhaul of Boiler 2, the overhaul of the TG-2 turbine unit and auxiliary equipment) and the scheduled overhaul of IOS (flue gas desulphurization installation) I and IOS II were completed at Energa Elektrownie Ostrołęka SA (including the replacement of the chemical-resistant lining of the IOS I Absorber).



## Gross production of electricity (TWh)



# Results of the Generation Business Line

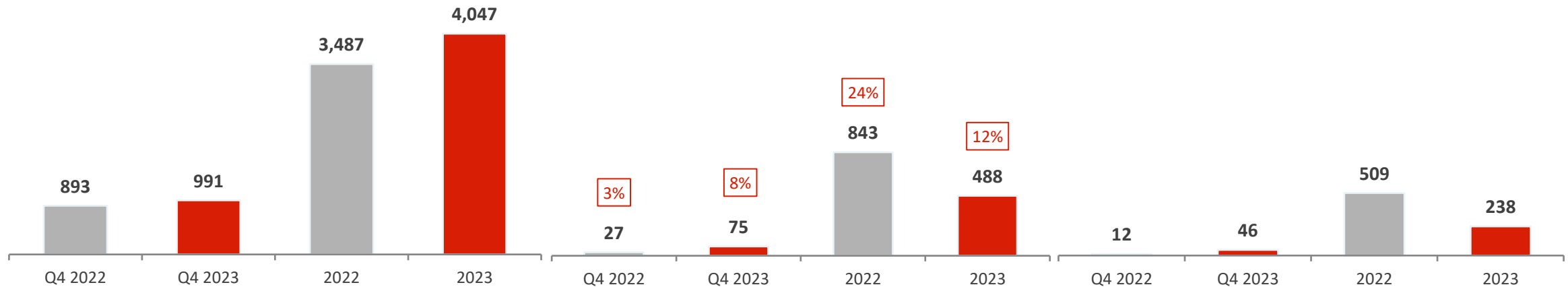
Results influenced by lower production volumes at the power plant in Ostrołęka, write-off to the Price Difference Payment Fund and valuation of open positions of the power plant in Ostrołęka

## Revenues (PLN m)

## EBITDA (PLN m)

## Net profit /loss (PLN m)

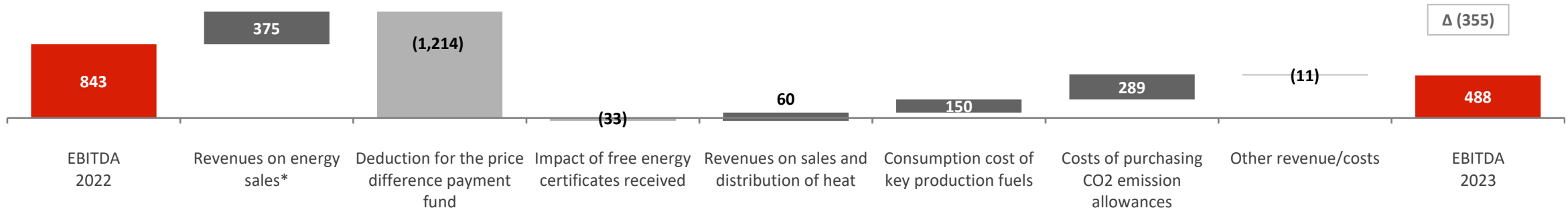
EBITDA margin



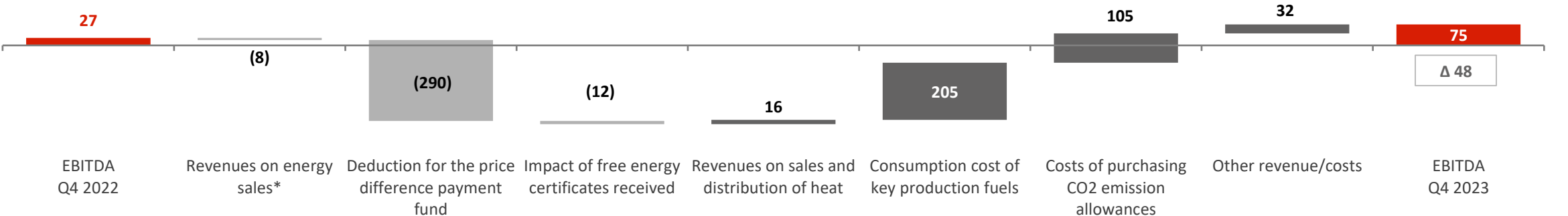
# EBITDA of the Generation Business Line

## Negative impact of write-off to the Price Difference Payment Fund

### EBITDA Bridge of the Generation Business Line - 2023 (PLN m)



### EBITDA Bridge of the Generation Business Line – Q4 2023 (PLN m)



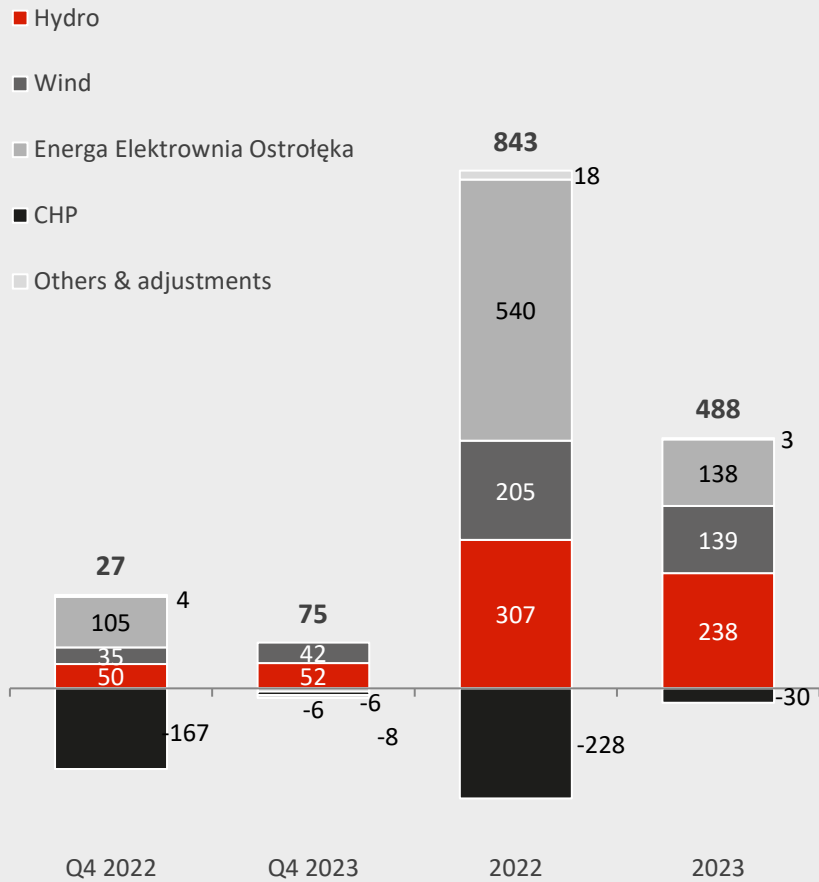
- Electricity sales revenue depended, among other things, indirectly on the size of the contribution to the Price Difference Payment Fund and lower generation volumes and the valuation of open positions at the Ostrołęka power plant.
- Higher revenues from the sale and distribution of heat mainly dependent on the heat prices prevailing in each location.
- Variable costs mainly dependent on the output of the Ostrołęka power plant and its market prices.

\*incl. trading of net energy (revenue minus cost) and the influence of the valuation of open positions at the Ostrołęka power plant

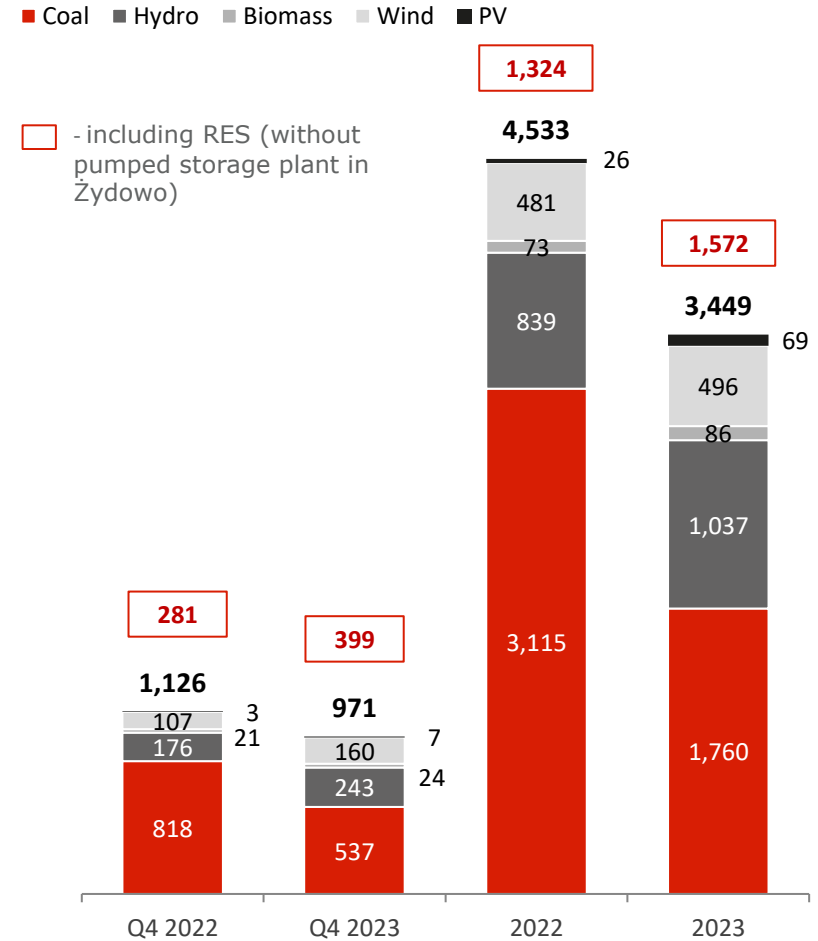
# Production by main types of sources

Significantly lower production volume from conventional sources

EBITDA of the Generation Business Line by Division (PLN m)



Gross electricity production by fuel (GWh)



# Outlook

# Factors affecting the Energa Group's performance within at least 2024

Impact of the ongoing war in Ukraine and other geopolitical tensions on the energy market

Macro factors  
(inflation, interest rates)

The level of tariffs for the distribution, sale of electricity and heat, as well as regulations on energy prices in the first half of 2024)

Electricity and green certificates prices on the market

Prices of CO2 emission allowances and coal

Lower electricity production from conventional sources

High volatility of energy production from RES, which affects the cost of balancing the energy portfolio

Weather and hydrometeorological conditions

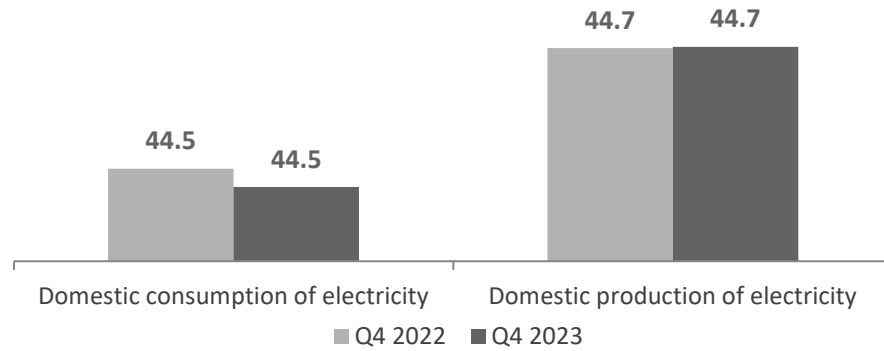
Implementation of the Energa Group's investment plan



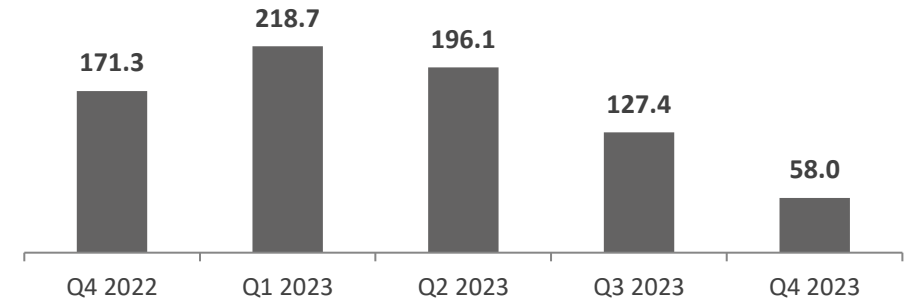
## Additional information

# Market data

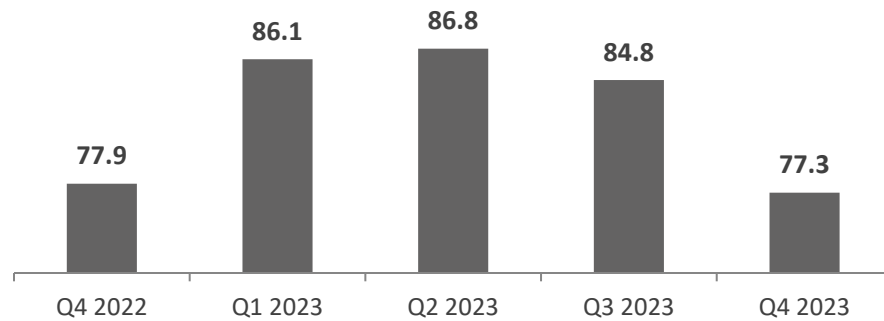
## Domestic consumption and production of electricity (TWh)



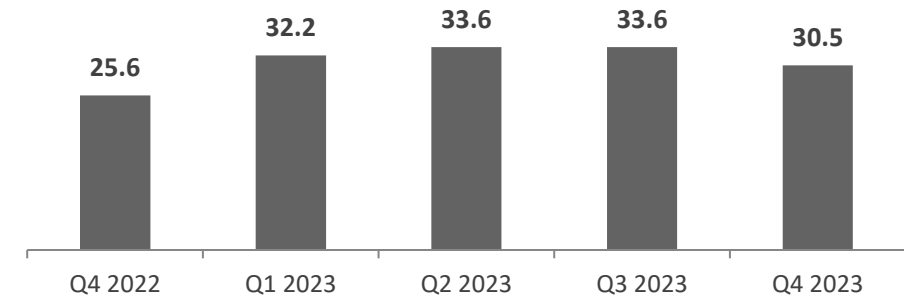
## Green certificates prices (PMOZE\_A PLN/MWh)



## Prices of emission allowances (EUR/ton)



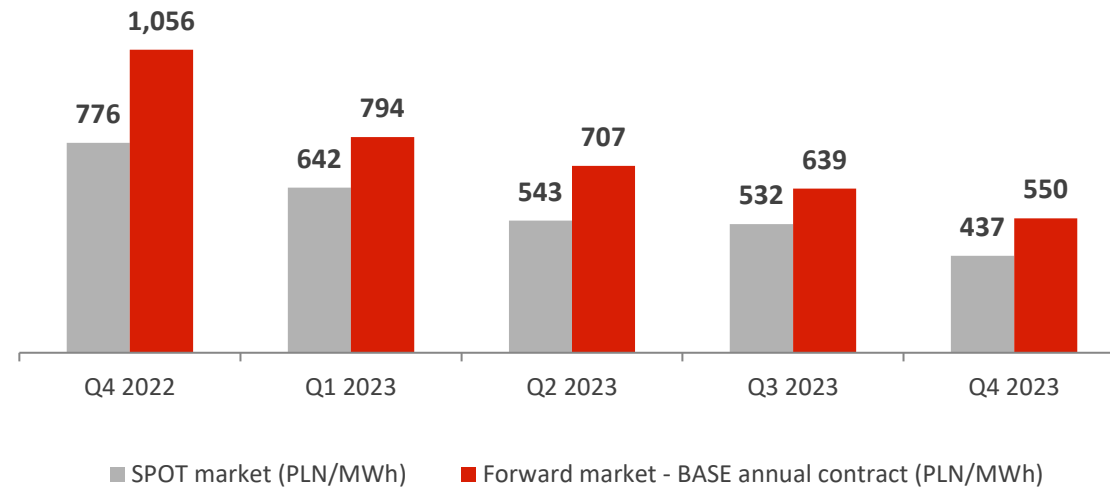
## Coal sales prices\* (PSCMI PLN/GJ)



\* Average prices in the period

# Prices of energy

## Prices of energy in the SPOT and forward market



Continuation in 2023 of the decline in electricity prices which started in Q4 2022, among others, due to the introduced regulations and the drop in coal and gas prices on global markets.

# Energa Group's key assets

## Distribution

- 198.4 ths km of power lines
- 22.4 TWh – electricity delivered in 2023 (5.8 TWh in Q4 2023)
- Geographical coverage of 75 ths km<sup>2</sup>

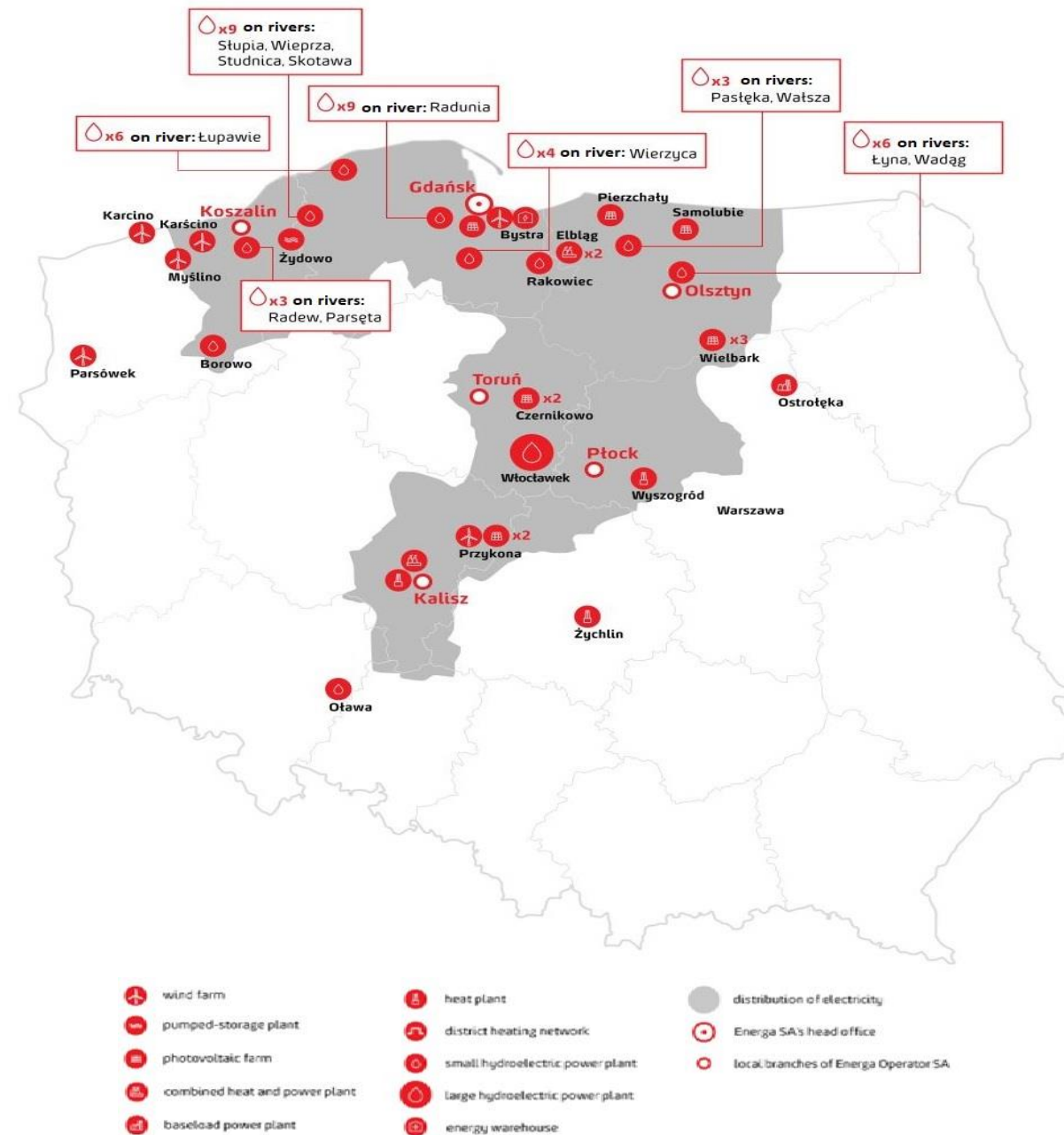
## Generation\*

- Hydro power plants
  - Włocławek (162 MW)
  - Smaller generation entities (40 MW)
  - Pumped storage plant in Żydowo (157 MW)
- 6 wind farms (total capacity of 244 MW, including Karścino – 90 MW, Przykona – 33 MW)
- PV farm (total capacity of 96 MW, including Wielbark 62 MW and Gryf 25 MW)
- System power plant in Ostrołęka B (690 MWe, 220 MWt)
- Other CHP plants (25 MWe, 365 MWt)

## Sales

- 3.3 million of customers
- 17.1 TWh – retail sale in 2023 (4.6 TWh in Q4 2023)

\* Generating capacity



# Summary of Q4 2023

PLN m	Distribution			Sales			Generation		
	Q4 2022	Q4 2023	Change (%)	Q4 2022	Q4 2023	Change (%)	Q4 2022	Q4 2023	Change (%)
Revenues	1,314	1 851	41%	3,339	3,735	12%	893	991	11%
<b>EBITDA</b>	<b>467</b>	<b>6</b>	<b>-99%</b>	<b>-997</b>	<b>-528</b>	<b>47%</b>	<b>27</b>	<b>75</b>	<b>&gt;100%</b>
<i>EBITDA margin</i>	35.5%	0.3%	Δ -35.2 p.p.	-29.9%	-14.1%	Δ 15.7 p.p.	3.0%	7.6%	Δ 4.5 p.p.
EBIT	227	-251	<-100%	-1 012	-546	46%	-8	33	>100%
<b>Net profit</b>	<b>129</b>	<b>-278</b>	<b>&lt;-100%</b>	<b>-831</b>	<b>-674</b>	<b>19%</b>	<b>12</b>	<b>46</b>	<b>&gt;100%</b>
<i>Net profit margin</i>	9.8%	-15.0%	Δ -24.8 p.p.	-24.9%	-18.0%	Δ 6.8 p.p.	1.3%	4.6%	Δ 3.3 p.p.
CAPEX	538	853	59%	34	30	-12%	168	154	-8%

PLN m	Generation Business Line, including:											
	Hydro			Wind			Energia Elektrownia Ostrołęka			CHP		
	Q4 2022	Q4 2023	Change (%)	Q4 2022	Q4 2023	Change (%)	Q4 2022	Q4 2023	Change (%)	Q4 2022	Q4 2023	Change (%)
Revenues	99	297	>100%	47	89	90%	659	514	-22%	107	98	-8%
<b>EBITDA</b>	<b>50</b>	<b>52</b>	<b>5%</b>	<b>35</b>	<b>42</b>	<b>22%</b>	<b>105</b>	<b>-6</b>	<b>&lt;-100%</b>	<b>-167</b>	<b>-8</b>	<b>95%</b>
<i>EBITDA margin</i>	50.5%	17.5%	Δ -33 p.p.	74.5%	47.2%	Δ -27.3 p.p.	15.9%	-1.2%	Δ -17.1 p.p.	-156.1%	-8.2%	Δ 147.9 p.p.
EBIT	41	43	6%	18	25	41%	105	-7	<-100%	-174	-15	92%
CAPEX	3	7	98%	2	4	>100%	0	14	>100%	18	37	>100%

# Summary of 2023

PLN m	Distribution			Sales			Generation		
	2022	2023	Change (%)	2022	2023	Change (%)	2022	2023	Change (%)
Revenues	4,737	6,862	45%	12,750	16,174	27%	3,487	4,047	16%
<b>EBITDA</b>	<b>2,118</b>	<b>1,956</b>	<b>-8%</b>	<b>-317</b>	<b>566</b>	<b>&gt;100%</b>	<b>843</b>	<b>488</b>	<b>-42%</b>
<i>EBITDA margin</i>	44.7%	28.5%	Δ -16.2 p.p.	-2.5%	3.5%	Δ 6 p.p.	24.2%	12.1%	Δ -12.1 p.p.
EBIT	1,202	991	-18%	-373	502	>100%	622	340	-45%
<b>Net profit</b>	<b>752</b>	<b>513</b>	<b>-32%</b>	<b>-317</b>	<b>152</b>	<b>&gt;100%</b>	<b>509</b>	<b>238</b>	<b>-53%</b>
<i>Net profit margin</i>	15.9%	7.5%	Δ -8.4 p.p.	-2.5%	0.9%	Δ 3.4 p.p.	14.6%	5.9%	Δ -8.7 p.p.
CAPEX	1,648	2,261	37%	77	110	43%	443	367	-17%

PLN m	Generation Business Line, including:											
	Hydro			Wind			Energa Elektrownia Ostrołęka			CHP		
	2022	2023	Change (%)	2022	2023	Change (%)	2022	2023	Change (%)	2022	2023	Change (%)
Revenues	475	1,362	>100%	269	351	30%	2,508	2,011	-20%	290	327	13%
<b>EBITDA</b>	<b>307</b>	<b>238</b>	<b>-22%</b>	<b>205</b>	<b>139</b>	<b>-32%</b>	<b>540</b>	<b>138</b>	<b>-75%</b>	<b>-228</b>	<b>-30</b>	<b>87%</b>
<i>EBITDA margin</i>	64.6%	17.5%	Δ -47.1 p.p.	76.2%	39.6%	Δ -36.6 p.p.	21.5%	6.9%	Δ -14.6 p.p.	-78.6%	-9.2%	Δ 69.4 p.p.
EBIT	271	203	-25%	140	73	-48%	546	136	-75%	-346	-57	83%
CAPEX	9	14	51%	4	11	>100%	5	20	>100%	52	71	37%

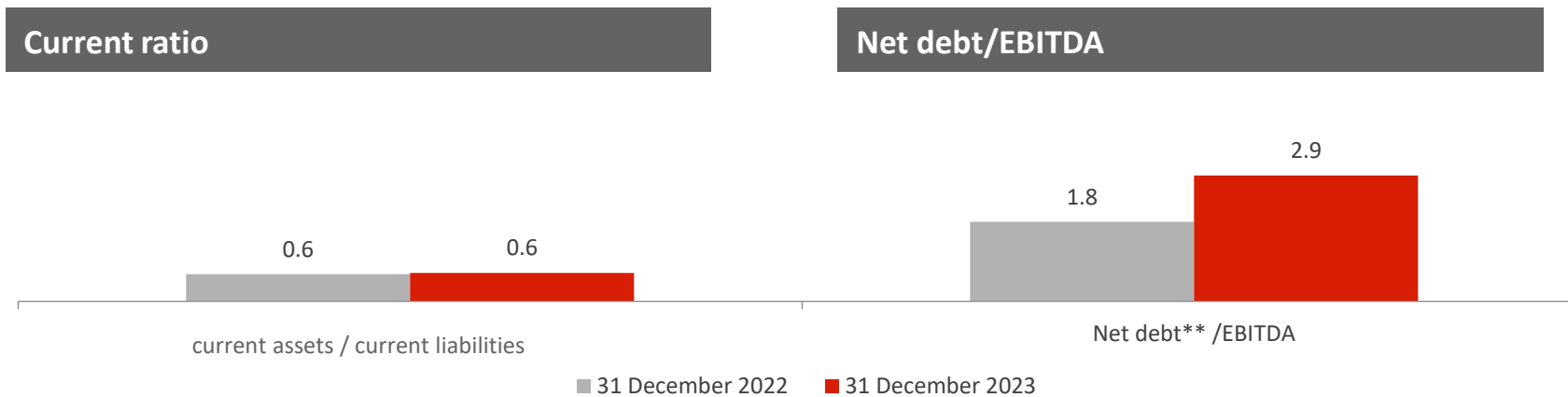
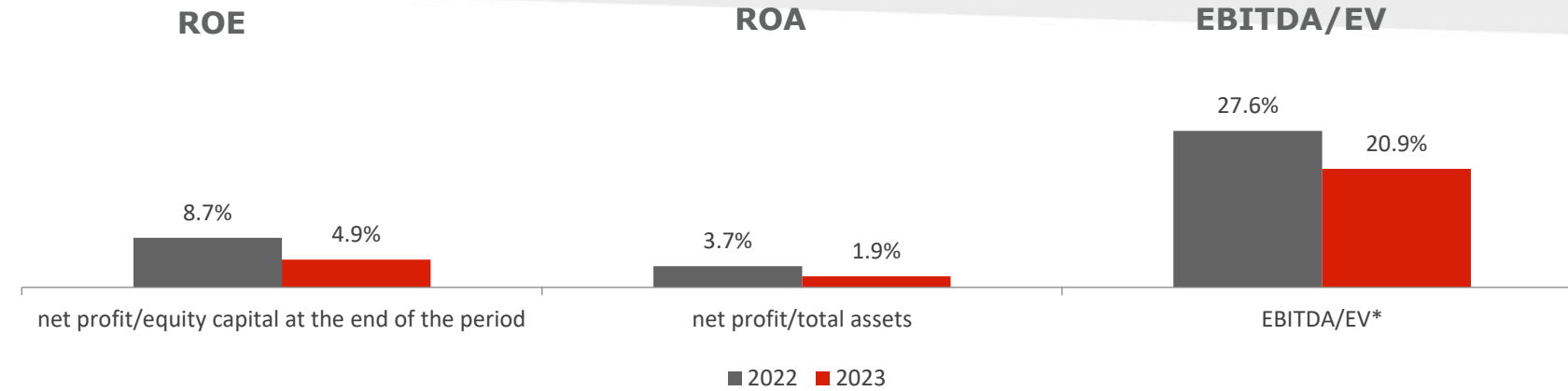
# Structure of operating expenses of Energa Group

PLN m	Q4 2022	Q4 2023	2022	2023
Depreciation of property, plant and equipment, intangible assets and investment property	293	319	1,134	1,194
Materials and energy used	755	1,303	1,843	3,139
incl. electricity used for balance difference	172	943	344	1,836
incl. fuel used (with transport)	478	278	1,183	1,025
External services	443	717	1,570	2,393
incl. transmission and transit fees	240	400	900	1,525
Taxes and fees	550	690	2,046	2,746
Employee benefits expenses	341	438	1,308	1,535
Impairment	3	1	3	1
Other expenses (incl. change in condition of products and cost of manufacturing benefits for own needs)	-19	-103	-246	-201
Received property rights	-22	-8	-75	-41
Value of sold goods and materials	4,002	3,900	11,595	13,650
<b>Total operating expenses</b>	<b>6,346</b>	<b>7,257</b>	<b>19,178</b>	<b>24,416</b>





# Profitability and liquidity ratios



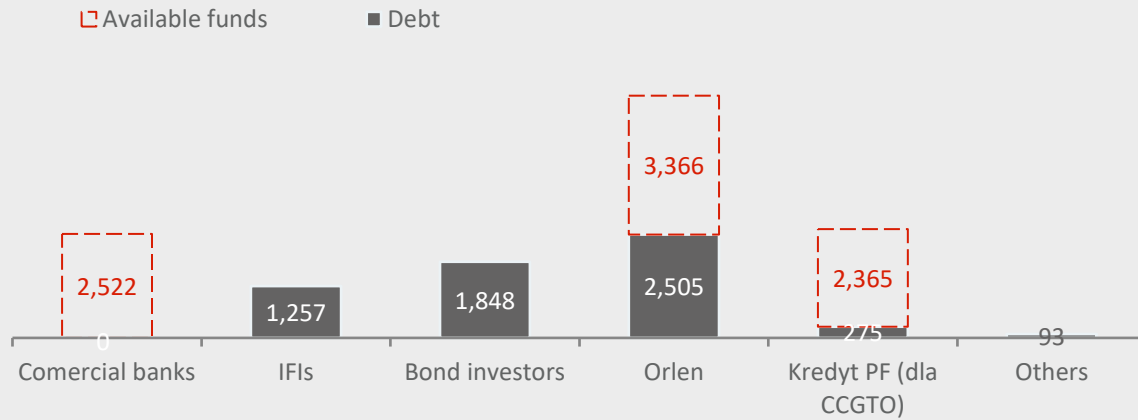
\* market value + net debt

\*\* the value of net financial liabilities included in the calculation of the net debt / EBITDA ratio takes into account key elements defined in the financing agreements

# Energa Group's structure of debt

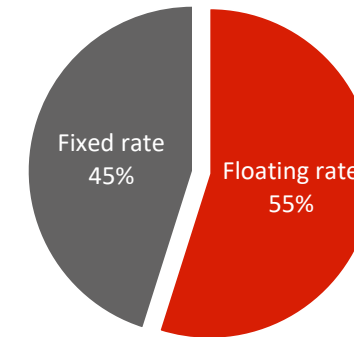
## as of 31 December 2023

### Structure by source\* (PLN m)

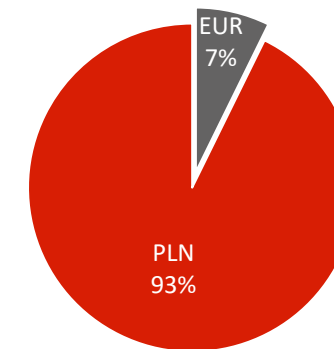


\*Nominal value

### Structure by interest rate

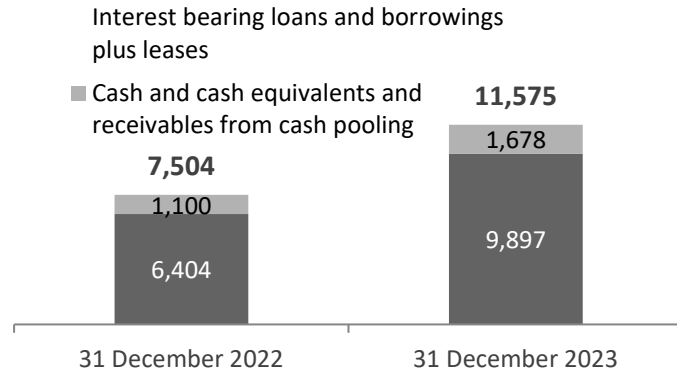


### Structure by debt currency

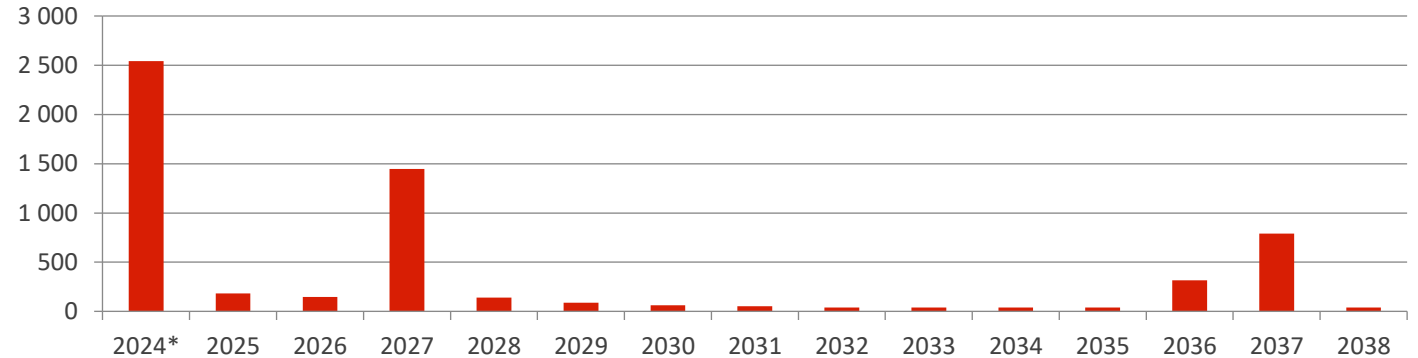


# Financial security

## Debt (PLN m)



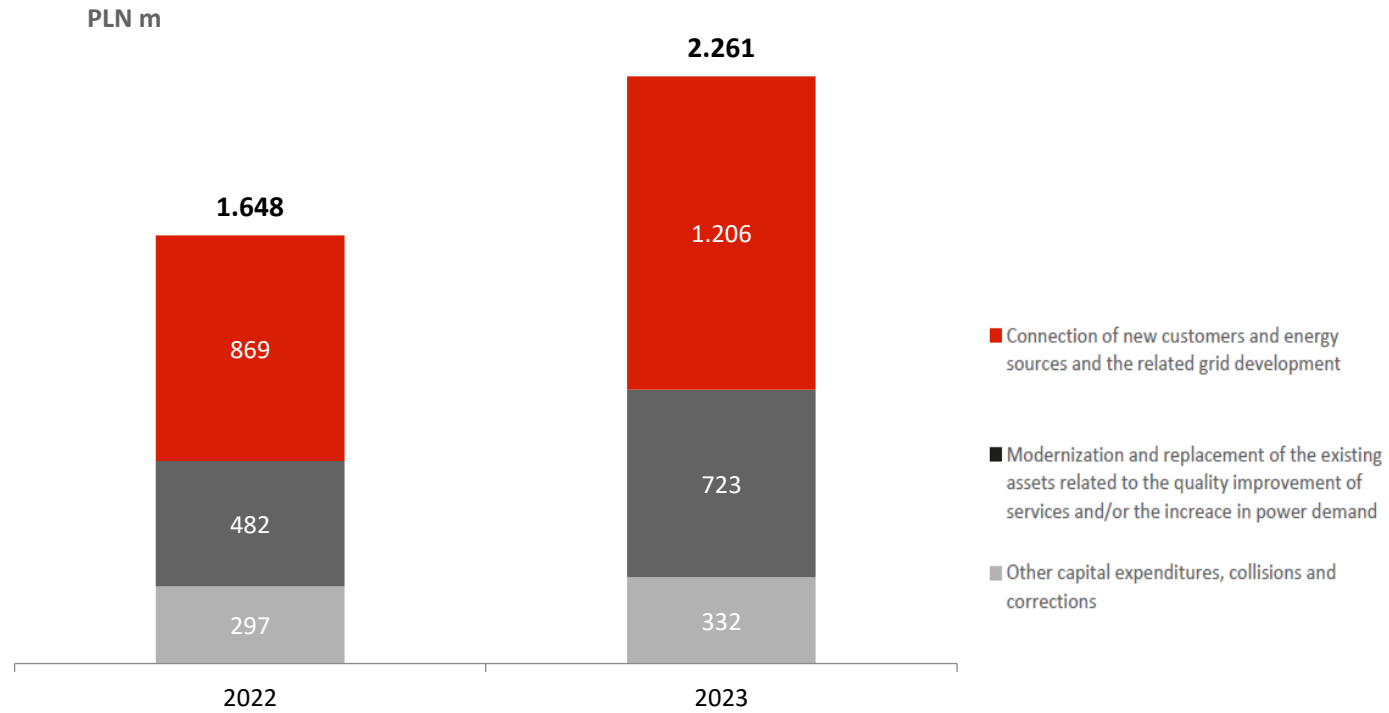
## Debt maturities (PLN m)



\* including debt in the amount of PLN 2.3 billion (as at 31 December 2023) due to working capital loan from ORLEN S.A.

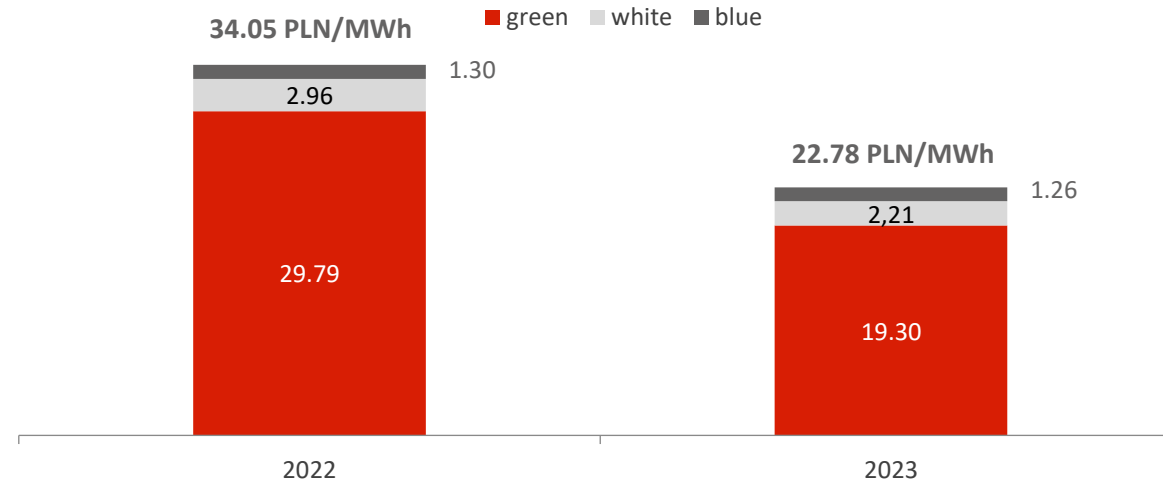
Selected programs / contracts for financing	Issue value	Maturity/Final maturity
Eurobond issues	EUR 300 m	March 2027
Hybrid bonds issues (with the European Investment Bank - EIB)	EUR 125 m	September 2037
Loan agreement with the EIB	PLN 1,000 m	September 2031
Loan agreement with the EIB	PLN 1,050 m	December 2025
Loan agreement with the EIB	EUR 150 m	December 2038
Loan agreement with a consortium of banks (RCF)	PLN 2,000 m	September 2025
Loan agreement with SMBC	EUR 120 m	July 2025
Loan agreement with PKN Orlen	PLN 3,000 m	September 2024
Loan syndicated agreement (CCGT Ostrołęka)	PLN 2,640 m	December 2036
Loan support Orlen (CCGT Ostrołęka)	PLN 975 m	January 2037
Loan investment Orlen (CCGT Grudziądz)	PLN 1,746 m	September 2028
Loan investment Orlen (Energia Generation)	PLN 270 m	September 2028

# Structure of CAPEX in the Distribution Business Line



# Key operating data of the Sales Business Line

## Structure of cost of property rights redemption per 1 MW of electricity sold to end-customers



	Q4 2022	Q4 2023	Change (%)	2022	2023	Change (%)
Electricity sales by Sales Business Line (GWh)	5,178	5,154	0%	21,227	19,935	-6%
<i>incl. retail sales</i>	4,679	4,571	-2%	17,992	17,117	-5%
Average purchase price of electricity w/o certificates of origin (PLN/MWh)	544.7	692.6	27%	489.8	731.1	49%
Average purchase price of electricity w/ certificates of origin (PLN/MWh)	571.1	713.7	25%	518.2	750.2	45%
1 <sup>st</sup> degree variable margin *	5.8%	-4.3%	Δ -10.1 p.p.	9.0%	3.1%	Δ -5.9 p.p.

\* The 1<sup>st</sup> degree variable margin calculated as the product of the result and revenues from the sale of electricity.

# Key operating data of the Generation Business Line

Consumption of fuels	Q4 2022	Q4 2023	Change	Change (%)	2022	2023	Change	Change (%)
<b>Coal</b>								
Quantity (ths tons)	377.1	259.4	-117.7	-31%	1 444,3	845.7	-598.6	-41%
Cost* (PLN m)	421.8	230.3	-191.5	-45%	1 018,1	868.6	-149.5	-15%
Cost per unit (PLN/ton)	1 118,6	888.0	-230.6	-21%	704.9	1 027,0	322.1	46%
Cost per unit (PLN/MWh)**	393.8	315.6	-78.1	-20%	264.4	369.8	105.4	40%
<b>Biomass</b>								
Quantity (ths tons)	22.0	21.7	-0.3	-2%	71.7	82.3	10.6	15%
Cost* (PLN m)	37.4	23.5	-13.9	-37%	97.5	96.7	-0.8	-1%
Cost per unit (PLN/ton)	1 698,2	1 083,1	-615.1	-36%	1 360,3	1 174,8	-185.5	-14%
Cost per unit (PLN/MWh)**	506.4	268.4	-238.1	-47%	432.5	333.4	-99.1	-23%

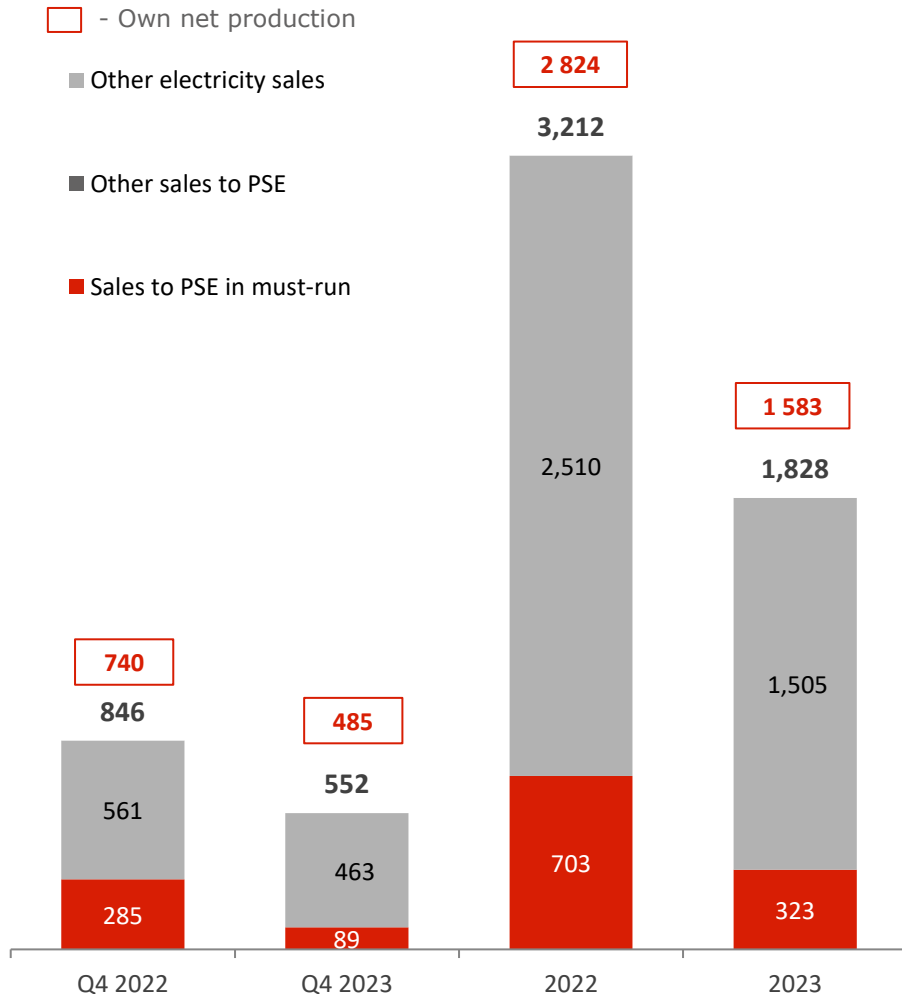
\* Including cost of transport

\*\* In relation to the total production of electricity and heat

CO2 emission allowances	Q4 2022	Q4 2023	2022	2023
<b>CO<sub>2</sub> emission allowances (ths tons), incl.:</b>	781	576	2,975	1,794
The amount of free CO <sub>2</sub> emission allowances	4	4	45	44
Volume of emission allowances purchased	778	572	2,931	1,750
<b>Cost of CO<sub>2</sub> purchase (PLN m)</b>	268.4	163.3	977.5	688.9

# Key operating data of Energa Elektrownie Ostrołęka

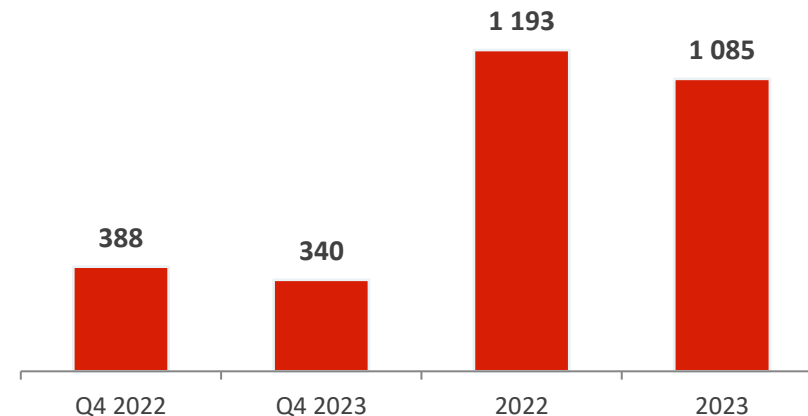
## Sales structure (GWh)



## Fuels consumption volumes and costs in 2023

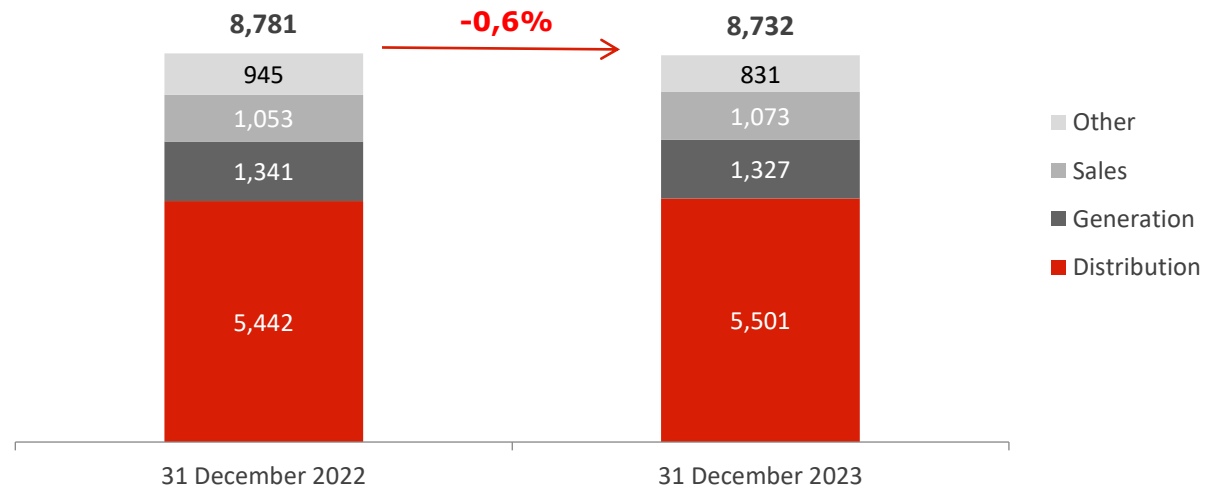
	unit	coal	biomass
Total consumption	(ths tons)	792.7	-
Consumption cost per unit	(PLN/ton)	1,027.9	-
Total fuel cost	(PLN m)	814.8	-

## Gross heat production (TJ)



# Employment in Energa Group

## Headcount at the end of the period (employment contracts)



The main reasons for the change in employment level was the sale of Energa Invest Sp. z o. o. to ORLEN Projekt S.A. (staffing change discernible in the area: “Services and other”) as well as natural turnover and employee mobility.



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