



ZEPAK
Energia dla Ciebie

2024 Results

2 May 2024

2024 Summary

Key operational and financial data	2024		Change y/y
Sale of electricity:	2,05	TWh	-22,64%
• Electricity from own production:	1,43	TWh	-5,92%
• Electricity from resale:	0,62	TWh	-45,13%
Achieved average electricity sale price ⁽¹⁾	752,75	PLN/MWh	-37,35%
Average purchase price of EUA	350,71	PLN/MWh	-6,02%
Sale revenues:	2 185	m PLN	-43,46%
EBITDA:	282	m PLN	-61,34%
Net result:	263	m PLN	-63,62%
CAPEX:	312	m PLN	-12,37%
Cash ⁽²⁾ :	506	m PLN	-5,25%

(1) Average price calculated as revenues from the sale of energy (including ancillary services) divided by the sales volume.

(2) Cash and cash equivalents and other short-term financial assets

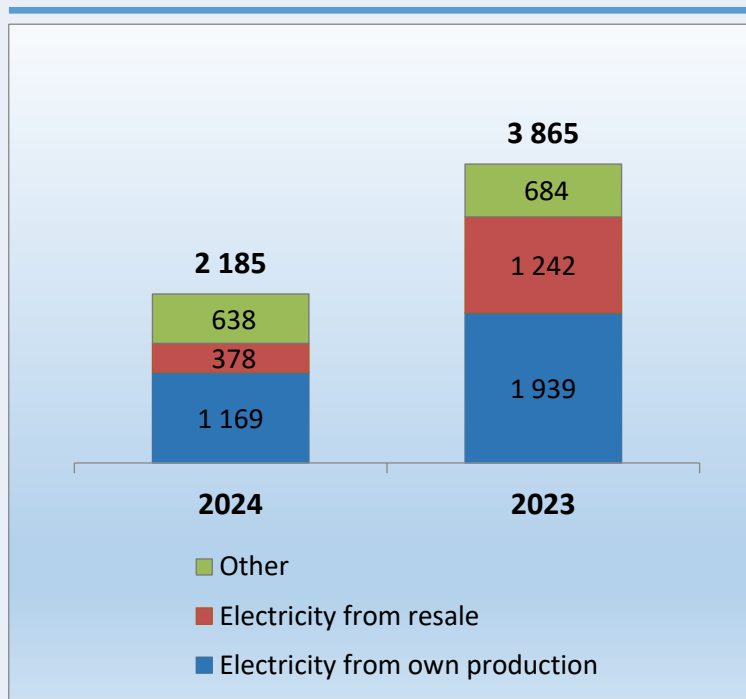
4Q 2024 Summary

Key operational and financial data	4Q 2024		Change y/y
Sale of electricity:	0,55	TWh	+22,22%
• Electricity from own production:	0,46	TWh	+130,00%
• Electricity from resale:	0,09	TWh	-64,00%
Achieved average electricity sale price ⁽¹⁾	836,41	PLN/MWh	-39,74%
Average purchase price of EUA	288,28	PLN/MWh	-3,05%
Sale revenues:	623	m PLN	-24,85%
EBITDA:	128	m PLN	-69,88%
Net result:	124	m PLN	-76,29%
CAPEX:	90	m PLN	-

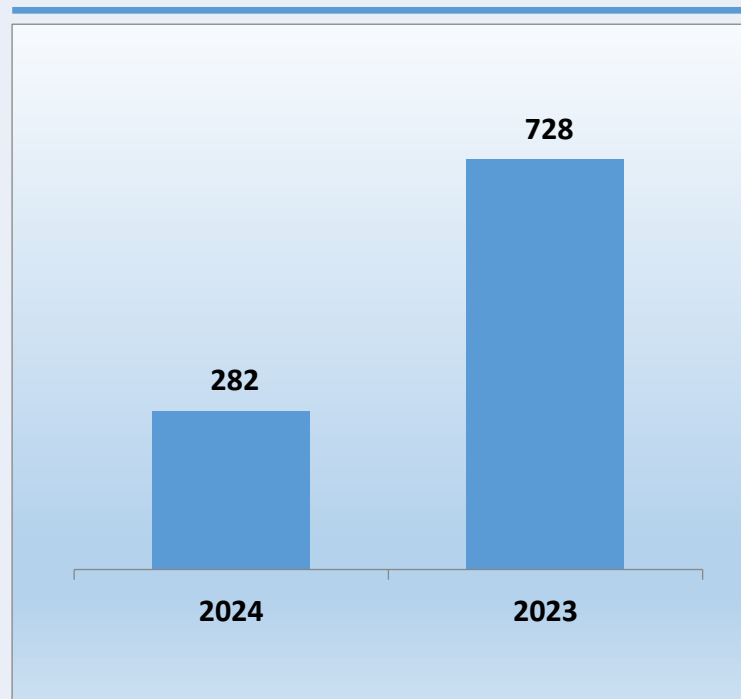
⁽¹⁾ Average price calculated as revenues from the sale of energy (including ancillary services) divided by the sales volume.

2024 Summary [m PLN]

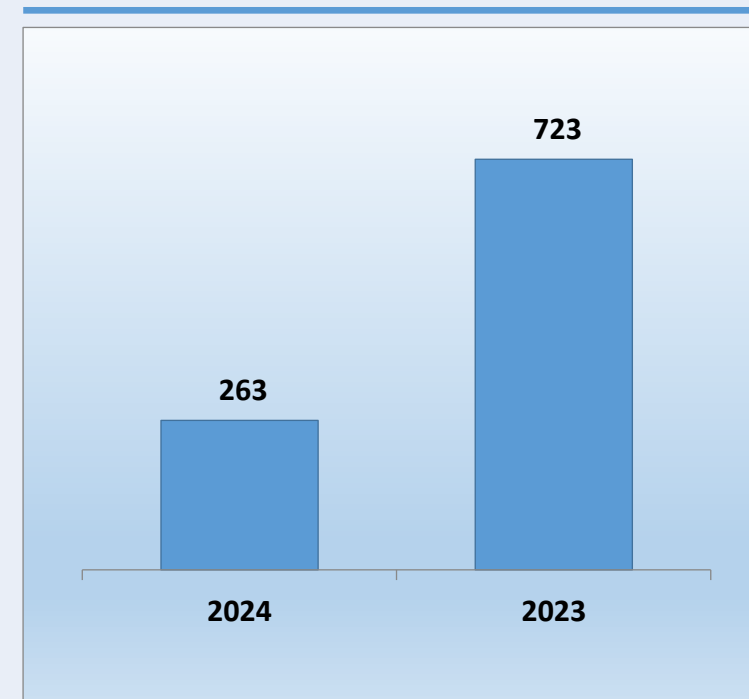
REVENUES



EBITDA



NET RESULT



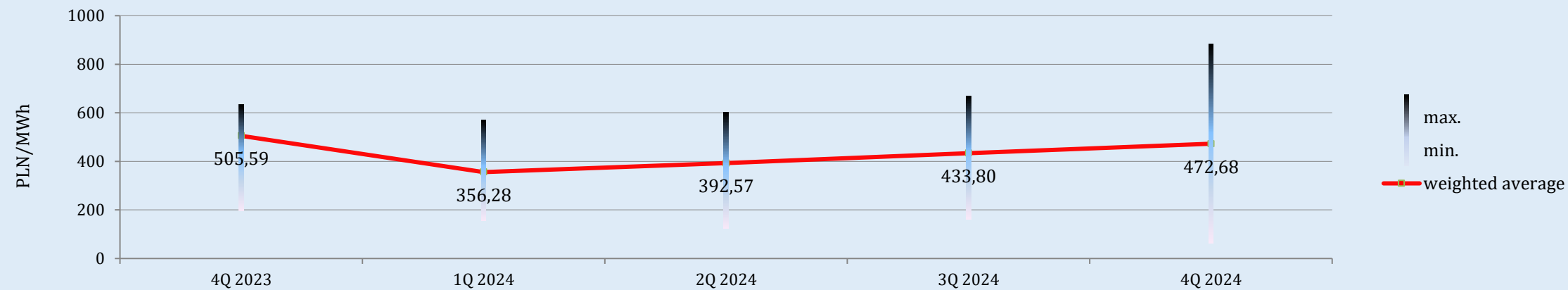
The conditions of conducting ZE PAK business in 2024 have changed significantly compared to 2023:

- the relationship between the average selling price of energy and the average incurred cost of purchasing carbon dioxide emission allowances has deteriorated,
- the loss on the revenue side is difficult to compensate on the cost side due to the high share of fixed costs (especially in the mining segment).

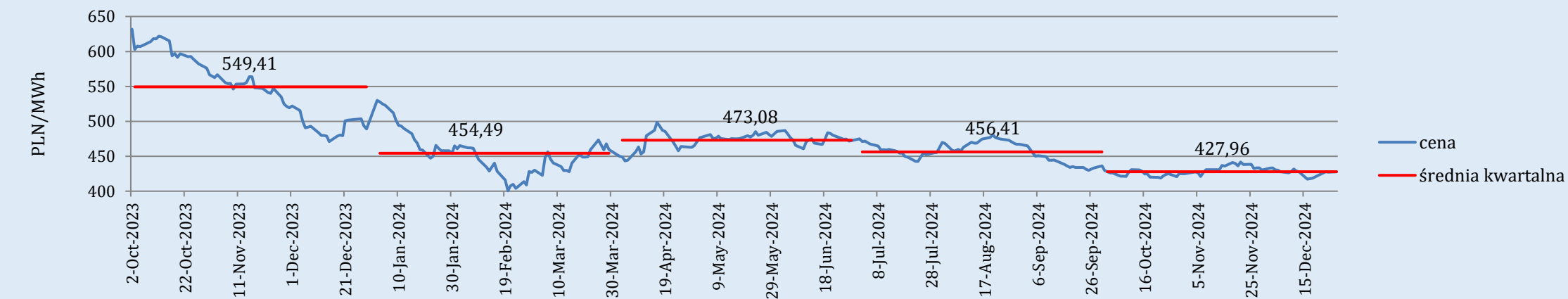
SELECTED ELECTRICITY MARKET DATA



Electricity prices (TGeBase)

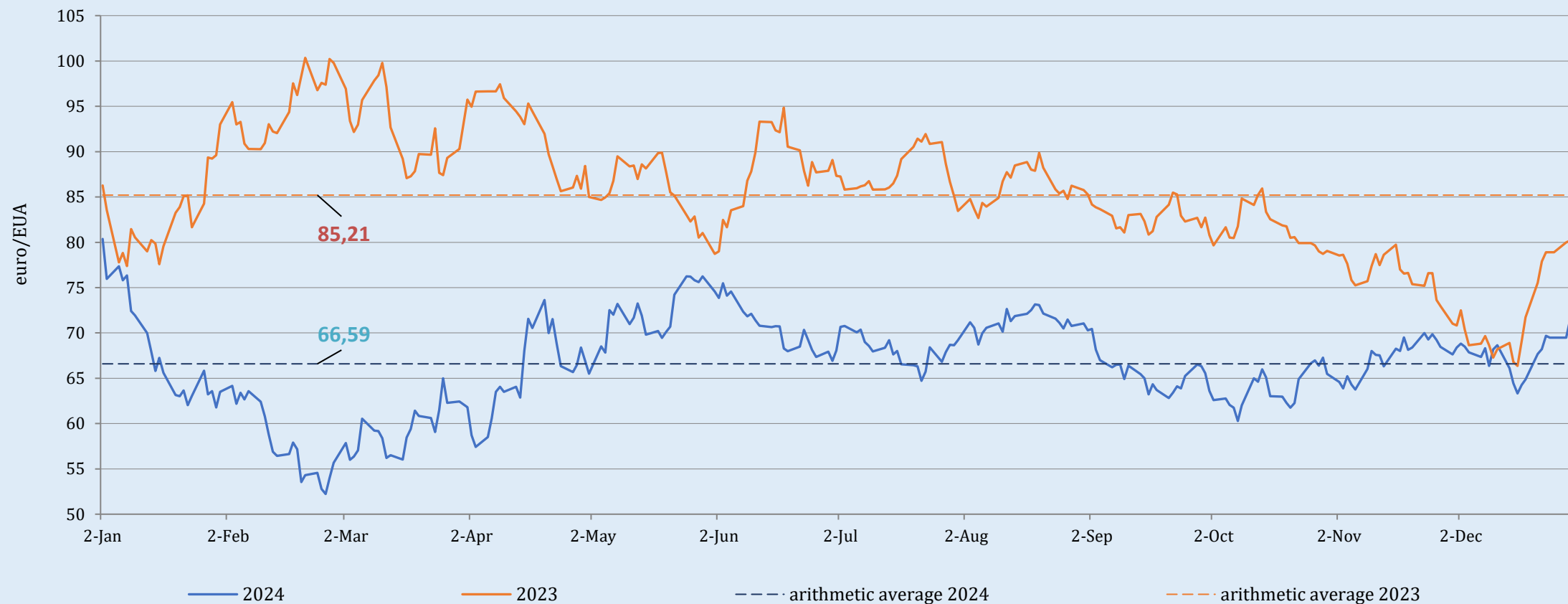


Prices of a futures contract for the supply of electricity (band with annual delivery)



Price of the futures contract for the supply of EUA

Prices of a futures contract for the delivery of EUAs



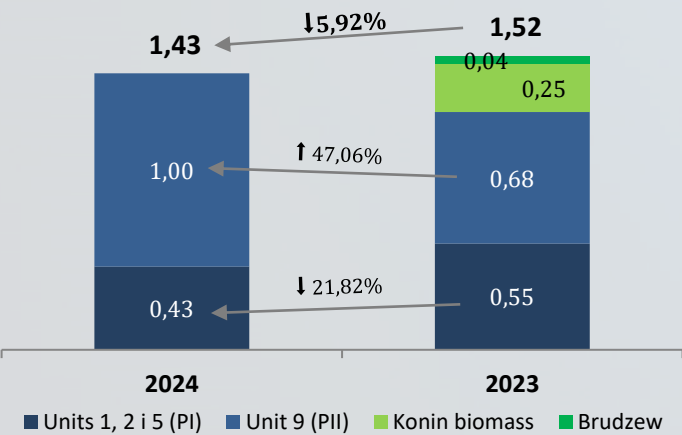
OPERATIONAL DATA



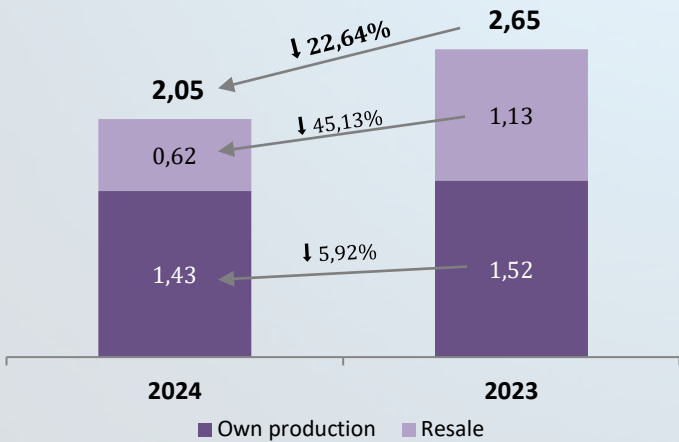
Net production and sale of electricity

[TWh]

NET PRODUCTION [TWh]

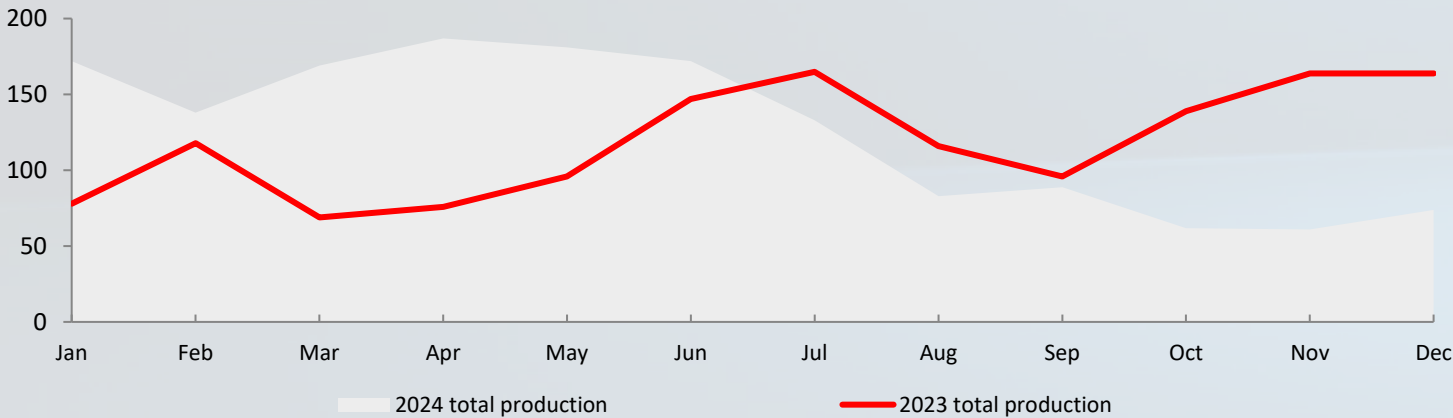


SALE [TWh]



In 2024, after the sale of the controlling stake in PAK – PCE in 2023, the group produced electricity solely from lignite.

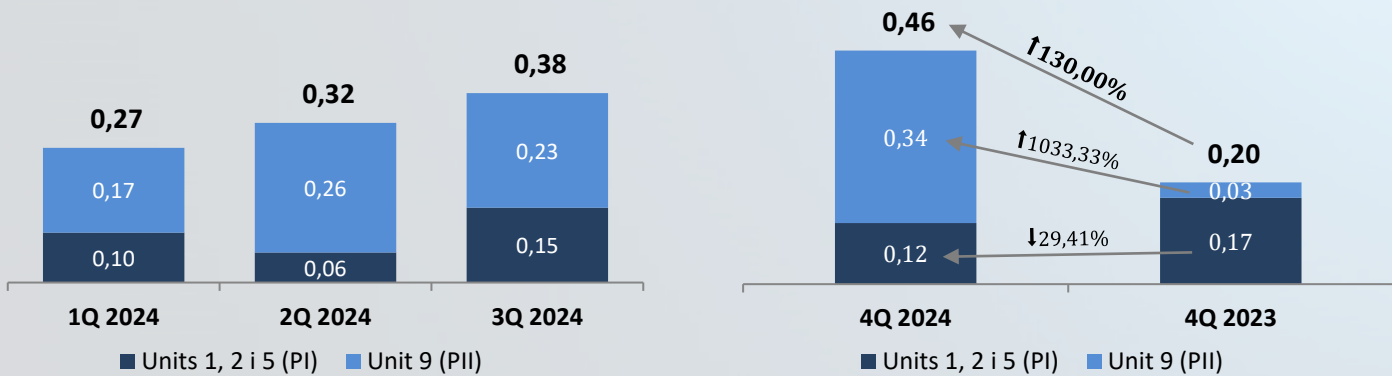
In 2024, there was a larger supply of coal, which resulted in an increase in electricity production from coal by 0.2 TWh, or 16.26%.



Quarterly net production and sale of electricity

[TWh]

NET PRODUCTION [TWh]



SALE OF ELECTRICITY [TWh]

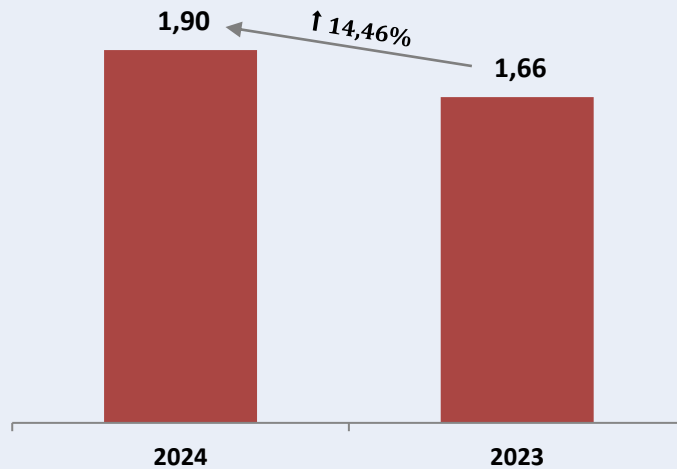


In Q4 2024, an overall increase in electricity sales volume of 22.22% was recorded, consisting of a 130.00% increase in self-generated energy and a 64.00% decrease in purchased energy, along with a simultaneous decline in the average electricity price of 39.74%, which resulted in a decrease in electricity sales revenue of 24.32%.

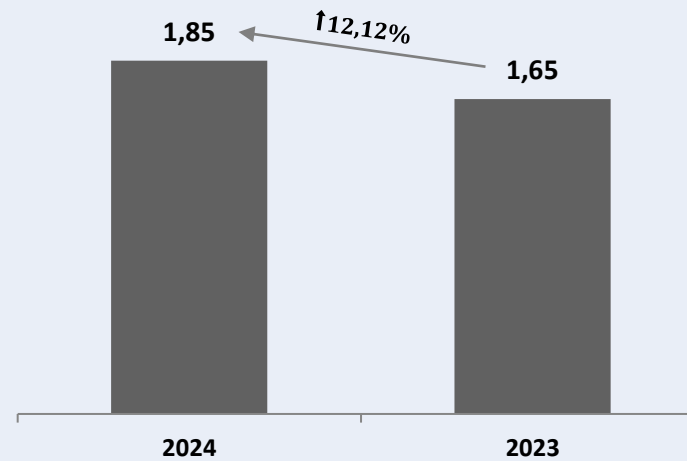
Lignite consumption and CO₂ emission

[m tons]

LIGNITE CONSUMPTION [m tons]



CO₂ EMISSION [m tons]



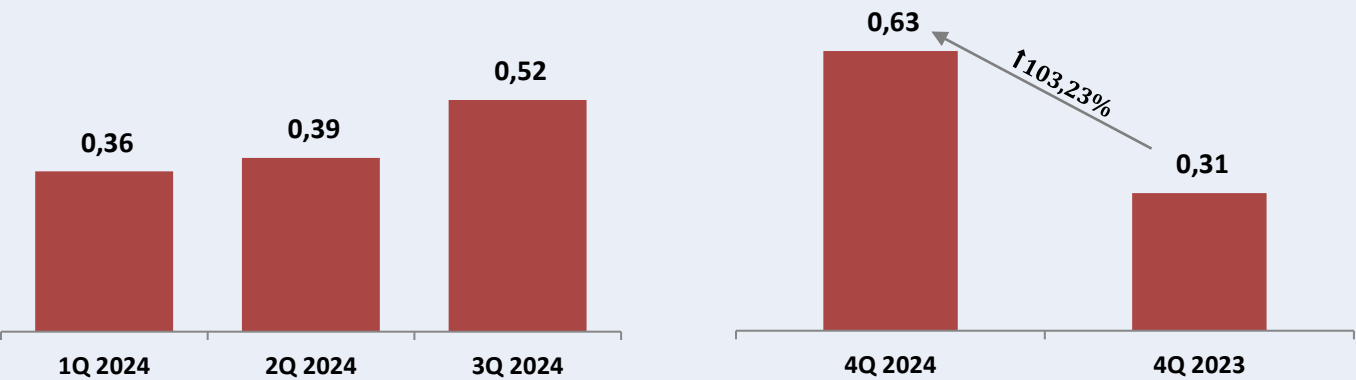
Data on coal consumption and CO₂ emissions for both 2024 and the 4Q of 2024 show an increase in coal consumption and greater emissions, which result from higher volumes of energy produced compared to the same periods in the previous year.



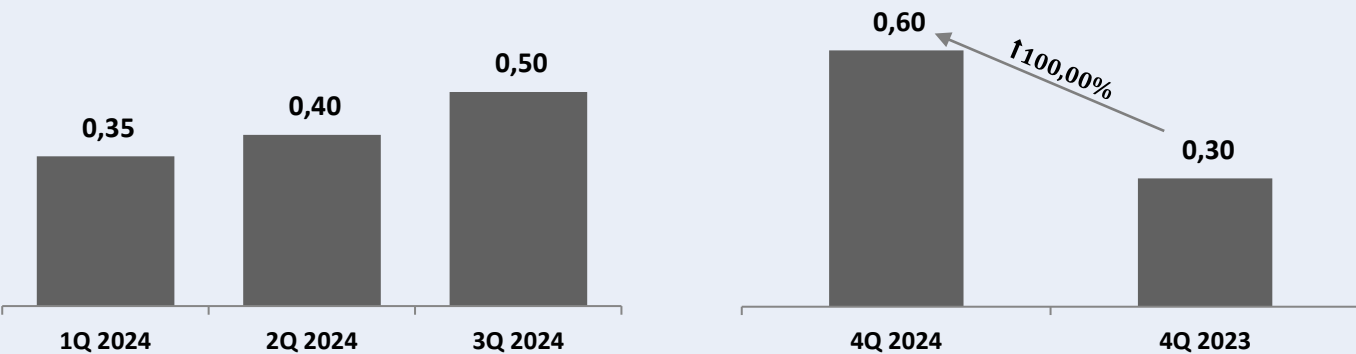
Quarterly lignite consumption and CO₂ emission

[m tons]

LIGNITE CONSUMPTION [m tons]

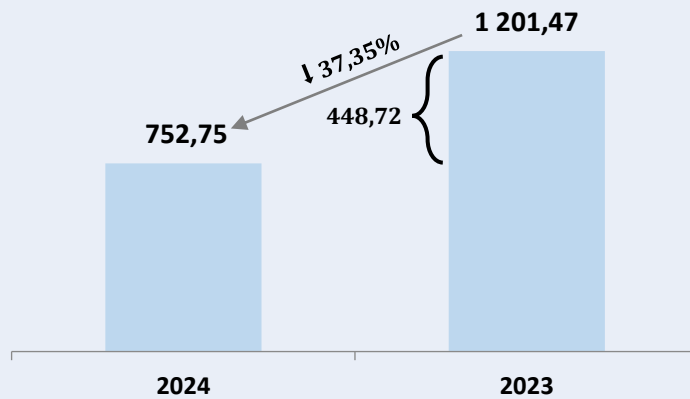


CO₂ EMISSION [m tons]

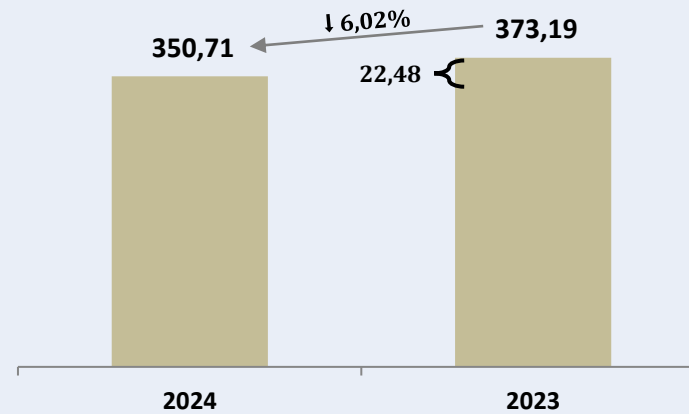


Average prices for electricity sales and CO₂ purchases

Electricity sale price⁽¹⁾



Purchase price of CO₂ emission allowances (EUA)⁽²⁾

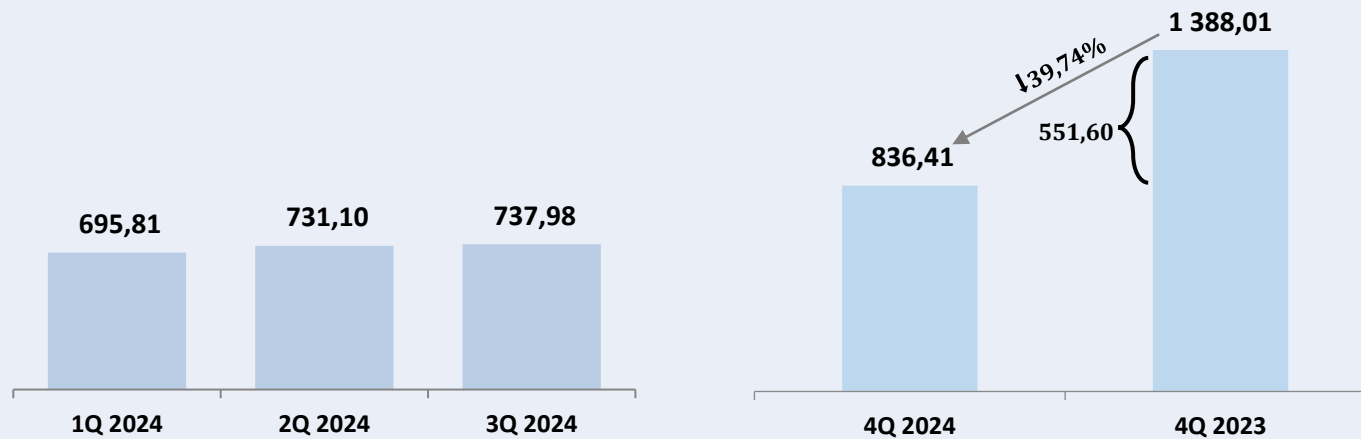


⁽¹⁾ Average price calculated as revenues from the sale of energy (including ancillary services) divided by the sales volume.

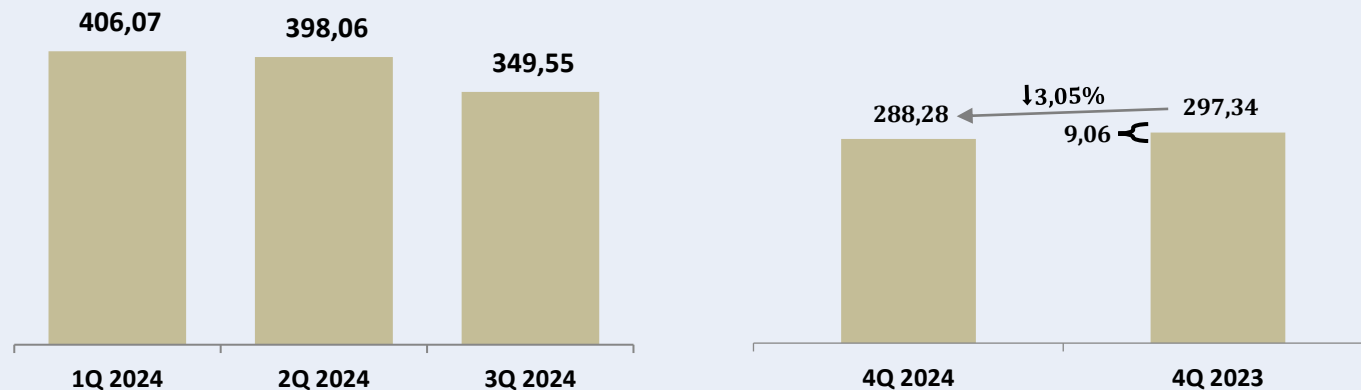
⁽²⁾ The average price is calculated as the costs of purchasing emission permits incurred to cover emissions for a given period divided by the volume of emitted allowances.

Quarterly average prices for electricity sales and CO2 purchase

Electricity sale price [PLN/MWh]



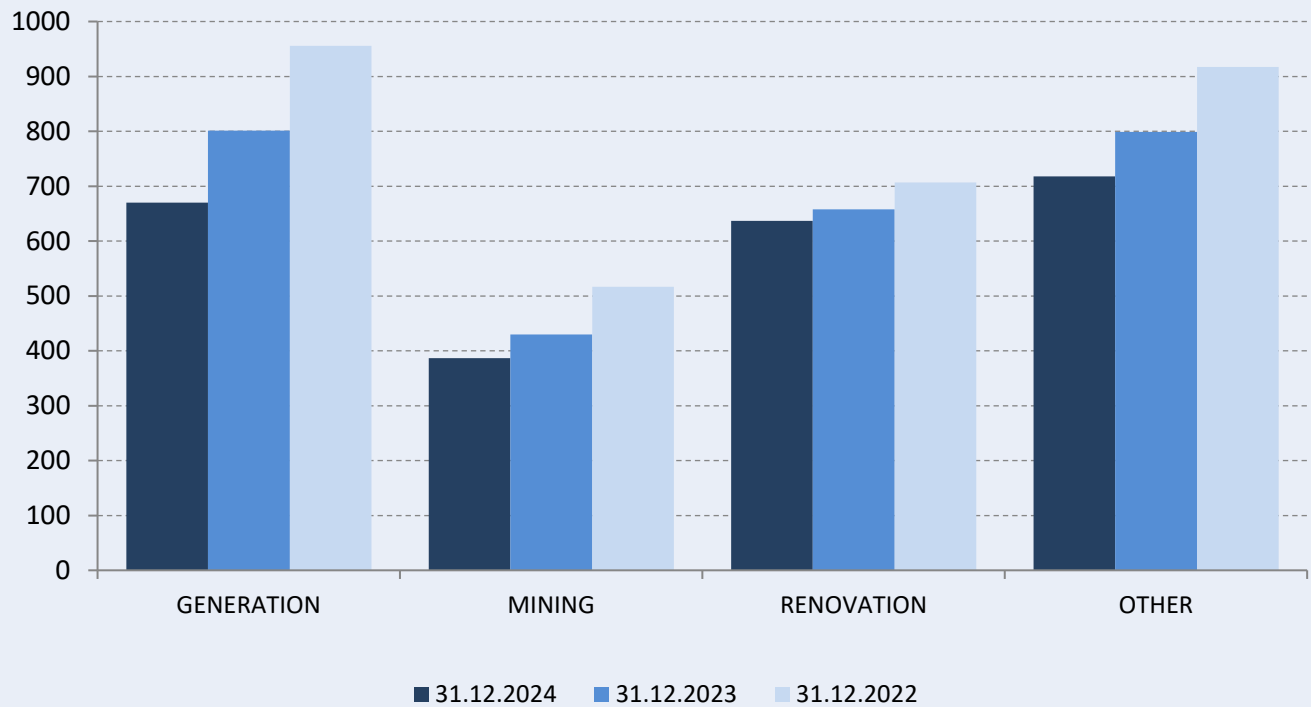
Purchase price of CO₂ emission allowances (EUA) [PLN/EUA]



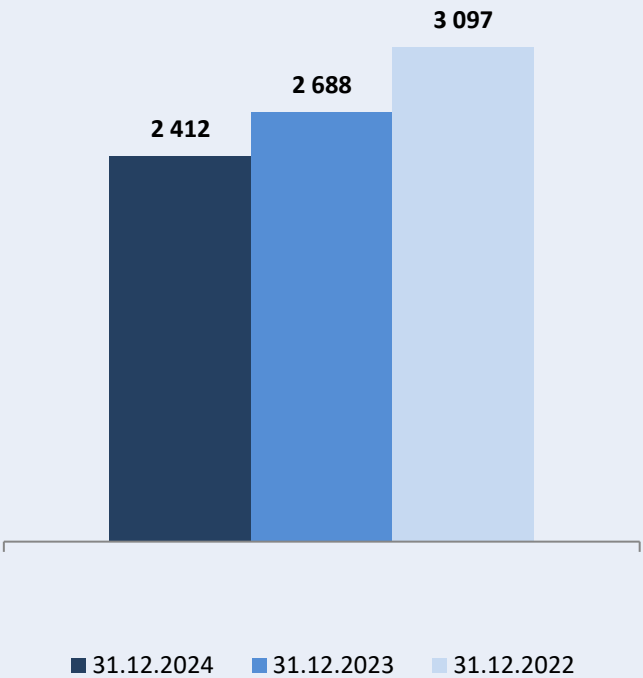
EMPLOYMENT



BY SEGMENTS



TOTAL

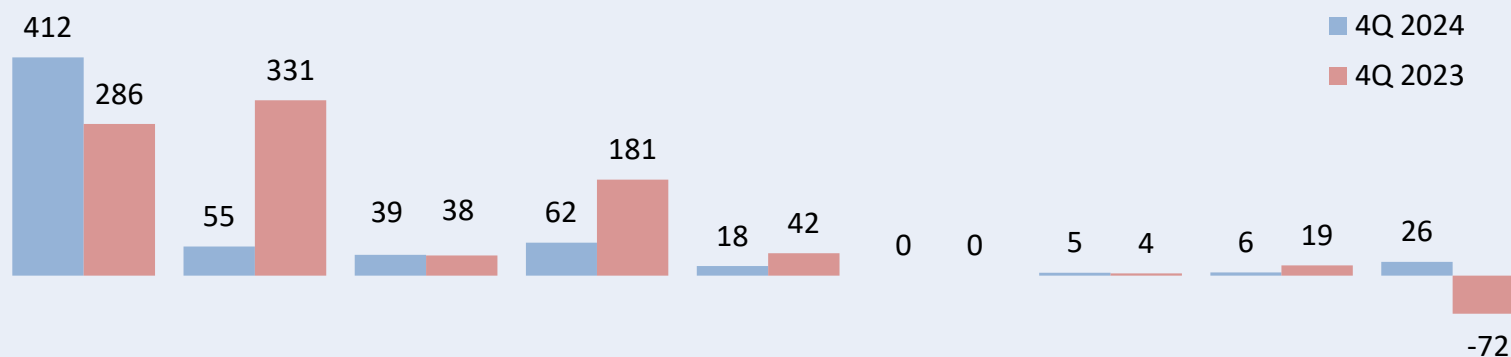
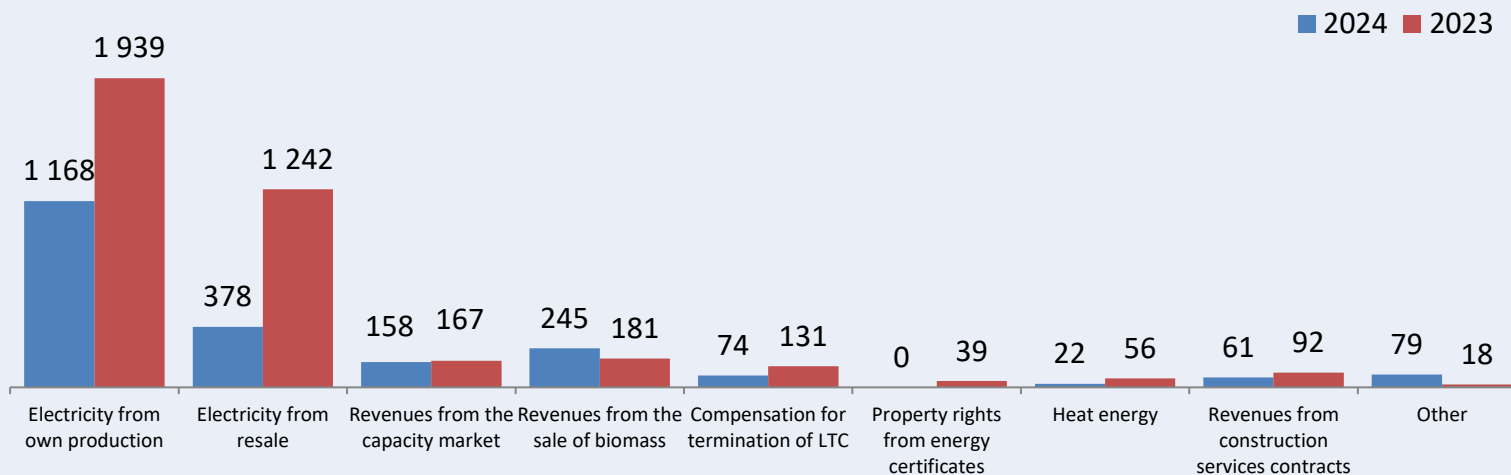


FINANCIAL DATA



Revenues ⁽¹⁾

[m PLN]



The PLN 770,1 million decrease in revenues from sales of produced electricity was due to lower prices by 37.35% and a 5,92% decrease in volume

The decrease in revenues from purchased electricity by PLN 863,9 million, next to the lower price of electricity, was influenced by the lack of sales volume realized by PAK – Volt in the same period of the previous year.

The PLN 9.5 million lower revenues from the capacity market are due to lower revenues realized on the secondary market, despite the higher contracted price in the auction for 2024.

The PLN 64.0 million higher revenues from the sale of biomass are the result of excluding revenues realized in the first quarter of 2023 during the consolidation.

The PLN 56,8 million lower PPA compensation is the result of the exhaustion of the pool of funds under the granted aid in 2024.

No revenue from property rights in 2024 due to not having units from which green certificates are produced.

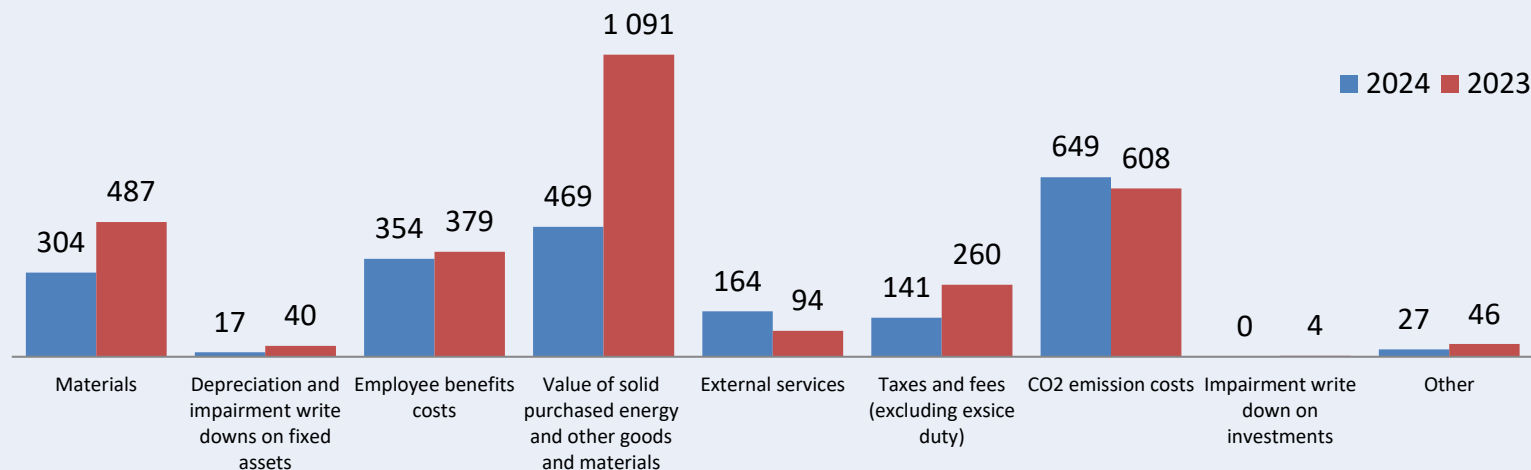
The PLN 34.0 million decrease in revenue from the sale of heat was the result of a decrease in sales volume due to the discontinuation of the consolidation of heat sales to the city of Konin currently carried out by Polsat Plus Group.

The PLN 31.0 million decrease in revenue from construction services contracts is the result of a lower scope of implementation in PAK Serwis company in the renovation segment.

⁽¹⁾ Total revenues on continuing and discontinued operations.

Costs by type⁽¹⁾

[m PLN]



The PLN 182.2 million decrease in material consumption is primarily due to the lack of costs for purchased used biomass and the decrease in the price of purchased electricity for personal use.

The PLN 20.8 million decrease in depreciation is due to the lack of depreciation, which was attributed to the sold part of the renewable energy business.

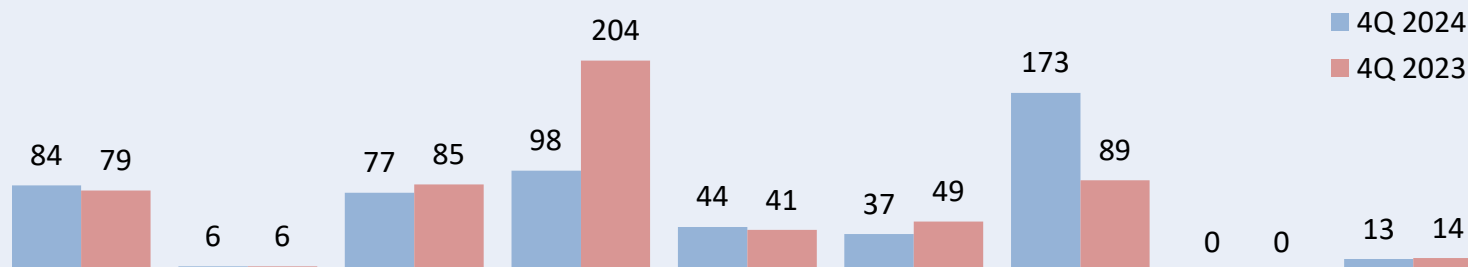
The PLN 25.4 million decrease in employee benefits costs is due to a decrease in employment by 276 full-time positions.

The PLN 622.2 million decrease in the value of purchased energy for resale and other materials is primarily due to the lower volume of energy trade and lower purchase price, as well as the lack of volume realized in the same period last year by PAK – Volt.

The PLN 70.0 million higher external services are the result of the greater use of external services, as well as the major renovation of Unit 9 (El. Pątnów II) scheduled for 2024.

The PLN 119,6 million decrease in taxes is due to the lack of a fee for the price difference payment fund.

The PLN 41.0 million higher emission costs are the result of the increase in the volume of emissions for 12.12% while simultaneously reducing the price of the licenses by 6.02%.



⁽¹⁾ Total revenues on continuing and discontinued operations.

EBITDA 2024⁽¹⁾

[m PLN]



	2024	2023
Sales revenues	2 185	3 865
Change %	(43,46)%	(7,98)%
Costs of goods sold	(1 823)	(2 606)
Gross profit	363	1 259
Margin %	16,61%	32,57%
Other operating revenues	56	72
Selling costs	(1)	(8)
General and administrative expenses	(158)	(162)
Other operating expenses	(50)	(502)
Share of profits of associates valued by the method of ownership rights	55	29
EBIT	265	688
Margin %	12,13%	17,80%
Depreciation and updating replies	17	40
EBITDA⁽²⁾	282	728
Margin %	12,91%	18,84%

(1) Total EBITDA on continuing and discontinued operations.

(2) **EBITDA** lower by PLN 447 m (-61.34%) -> after bringing to comparability **lower by PLN 837 m (-88.95%)**

comparable EBITDA for 2024 amounted to PLN 104 m -> the value of PLN 282 m includes the share in the profit of associates valued using the equity method (+55) and the effect of reducing the balance of the provision for the future reclamation of exploited coal opencasts (+123)

comparable EBITDA for 2023 amounted PLN 941 m -> the value of PLN 728 m is the effect of an increase in the balance of the provision for the future reclamation of exploited coal opencast mines (-263) and the provision for the liquidation of fixed assets in power plants (+21) and includes the share in the profits of associated entities valued using the equity method (+29)

(-1007) no fee for the price difference payment fund, higher revenues from system services, lower result achieved on the sale of purchased energy, lower revenues from heat, lower revenues from own energy

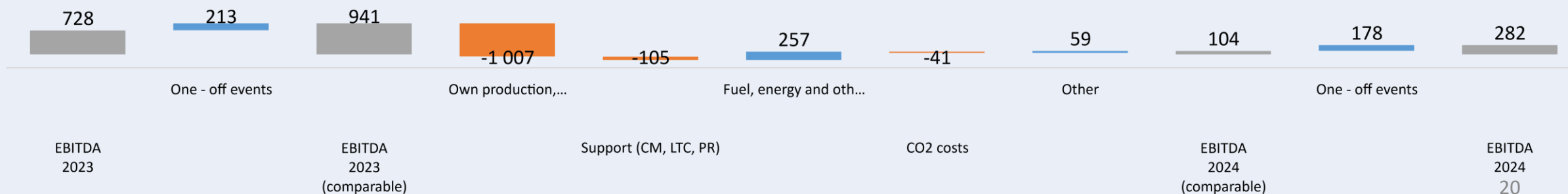
(-105) lower revenues from the Capacity Market, lower revenues from LTCs, no revenues from property rights

(+257) no biomass costs, lower energy costs (in mines), similar costs of other fuels and materials (fuel oil, heating oil, sorbent, other chemical materials for production), higher costs of purchased coal

(-41) higher costs of carbon dioxide emission allowances

(+59) higher result on other operating activities, higher other revenues, lower employee benefit costs and lower other costs, but higher costs of outsourced services and lower revenues from construction contracts, higher other taxes and fees, higher costs of consumption of other materials

EBITDA changes



EBITDA 4Q 2024⁽¹⁾

[m PLN]



	4Q 2024	4Q 2023
Przychody ze sprzedaży	623	829
Change %	(24,84)%	(25,13)%
Costs of goods sold	(453)	(453)
Gross profit	170	376
Margin %	27,28%	45,35%
Other operating revenues	15	(30)
Selling costs	0	0
General and administrative expenses	(47)	(42)
Other operating expenses	(23)	86
Share of profits (loss) of associates valued by the method of ownership rights	7	29
EBIT	122	419
Margin %	19,58%	50,54%
Depreciation	6	6
EBITDA⁽²⁾	128	425
Margin %	20,54%	51,27%

(1) Total EBITDA on continuing and discontinued operations.

(2) **EBITDA** lower by PLN 297 m (-69.88%) -> after bringing to comparability **lower by PLN 100 m (-51.91%)**

comparable EBITDA for 4Q 2024 amounted to PLN 89 m -> the value of PLN 128 m includes the share in the profit of associates valued using the equity method (+7) and the effect of reducing the balance of the provision for the future reclamation of exploited coal opencasts (+32)

comparable EBITDA for 4Q 2023 amounted PLN 189 m -> the value of PLN 425 m is the effect of an increase in the balance of the provision for the future reclamation of exploited coal opencast mines (+186) and the provision for the liquidation of fixed assets in power plants (+21) and includes the share in the profits of associated entities valued using the equity method (+29)

(-47) higher revenues from own energy, higher revenues from system services, no fee for the price difference payment fund, a little higher revenues from heat, lower result achieved on the sale of purchased energy,

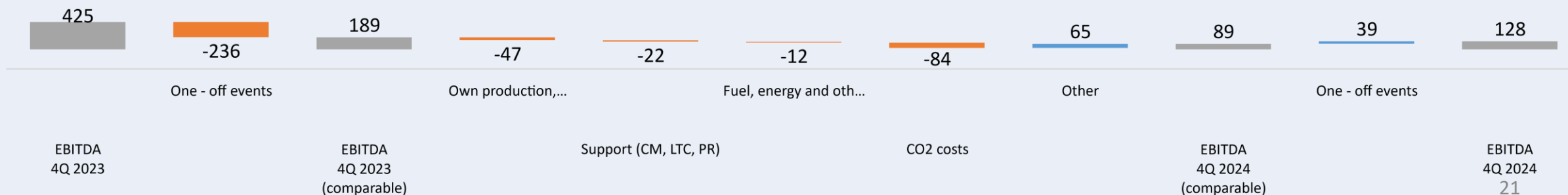
(-22) higher revenues from the Capacity Market, no revenues from LTCs

(-12) lower energy costs (in mines), higher costs of other fuels and materials (fuel oil, heating oil, sorbent, other chemical materials for production), higher costs of purchased coal

(-84) higher costs of carbon dioxide emission allowances

(+65) higher other revenues, lower employee benefit costs and lower other costs, but higher costs of outsourced services and lower revenues from construction contracts, higher other taxes and fees, higher costs of consumption of other materials

EBITDA changes



Financial activities, tax and net result⁽¹⁾

[m PLN]

	2024	2023	4Q 2024	4Q 2023
EBIT	265	688	122	419
Financial revenues ⁽²⁾	28	66	8	12
Financial costs ⁽³⁾	(51)	(135)	(13)	(59)
Zysk ze zbycia inwestycji oraz wyceny zatrzymanej inwestycji	-	219	-	219
Gross profit (loss)	241	839	117	592
Income tax (tax burden) ⁽⁴⁾	21	(116)	7	(69)
<i>Effective tax rate</i>	<i>(8,71)%</i>	<i>13,83%</i>	<i>(5,98)%</i>	<i>11,66%</i>
Net profit (loss) for the reporting period	263	723	124	523
<i>Margin %</i>	<i>12,04%</i>	<i>18,71%</i>	<i>19,90%</i>	<i>63,09%</i>

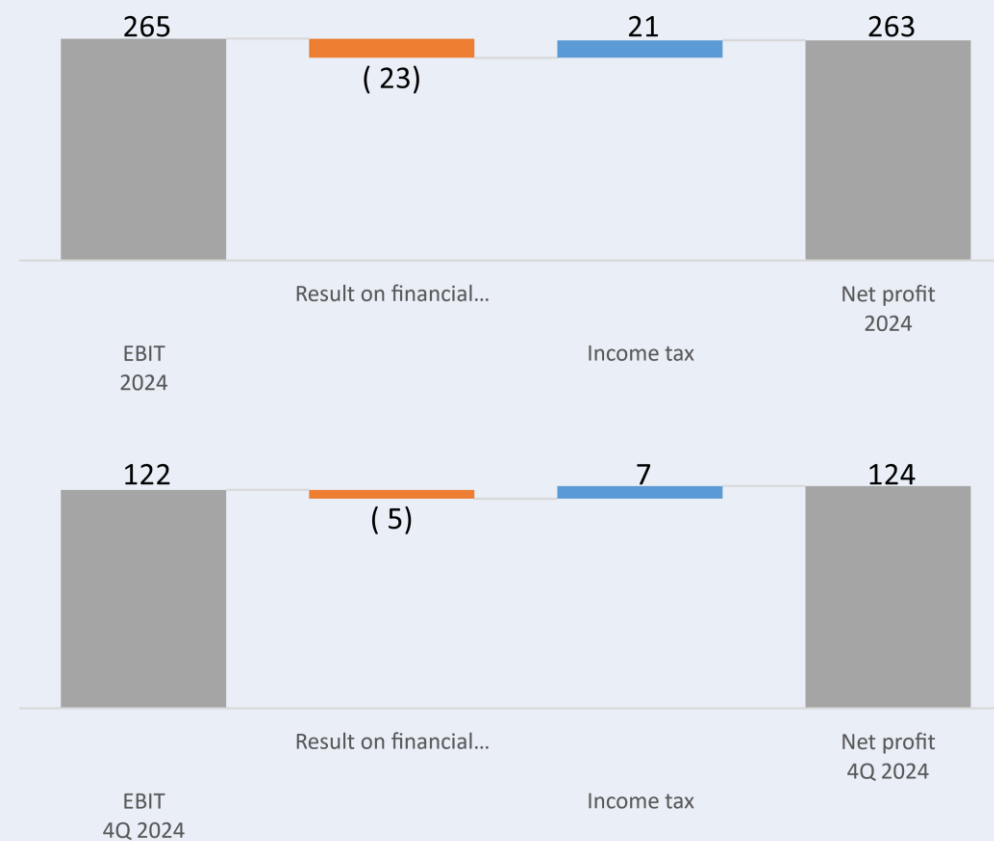
⁽¹⁾ Total EBITDA on continuing and discontinued operations.

⁽²⁾ The amount of financial revenues is primarily due to interest income (PLN 24.9 m) which is PLN 33.7 million lower than the amount realized in 2023

⁽³⁾ The high financial costs are primarily attributed to the reversed discount value of the rehabilitation provision, the realized loss from the sale of receivables, and the realized negative exchange rate differences. In the corresponding period of the previous year, the largest component was interest expenses and negative exchange rate differences.

⁽⁴⁾ The negative tax value of PLN 21.4 million consists of current tax of PLN 2.5 million and negative deferred tax of PLN 23.5 million related mainly to the reversal of temporary differences.

EBIT --> net profit



Consolidated cash flow statement⁽¹⁾

[m PLN]



	2024	2023
Gross profit / (loss)	242	839
Depreciation	17	38
Profit / (loss) on investing and financial activities	(64)	368
Changes in working capital ⁽²⁾	925	561
Income tax	(16)	(94)
Acquisition of CO ₂ emission allowances ⁽³⁾	(628)	(1 698)
Other	4	(453)
Środki pieniężne netto z działalności operacyjnej	480	(439)
investment expenditures in tangible fixed assets and intangible assets ⁽³⁾	(482)	(576)
Other inflows and outflows	4	87
Net cash flow from investing activities	(478)	(489)
Repayment of credits, loans, leases and securities	(30)	-
Interest paid	(0)	(1)
Net cash flow from financial activities	(30)	(1)
Change in cash and cash equivalent	(28)	(929)
Cash and cash equivalents at the beginning of the period	534	1 463
Cash and cash equivalents at the end of the period	506	534

- (1) The higher positive change in working capital is primarily due to a decrease in accounts receivable (in the previous year, receivables increased during the year).
- (2) The level of expenditure on the purchase of carbon dioxide emission allowances in 2024 almost exactly corresponds to the level of emission costs as a result of the redemption of over 90% of the contracts concluded in December 2024. The high level of expenditure in 2023 consisted of redemption transactions that concerned 2023, as well as largely 2022.
- (3) The investment expenses mainly consists of expenditure on the development of the gas-steam block construction project in Turek and the Opole wind farm construction project.

INVESTMENTS



Project of the construction of CCGT - Combined Cycle Gas Turbine in Turek in the area of closed Adamów power plant

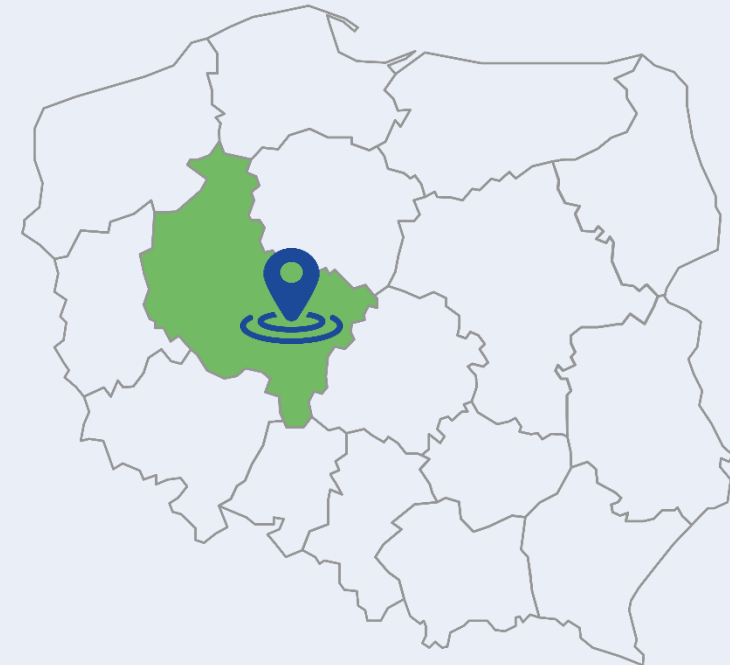
PROJECT'S NAME	LOCATION	INSTALLED CAPACITY	PROJECT'S PHASE	PRODUCTION
CCGT Adamów	Unit: Turek, wielkopolskie voivodeship Gas pipeline: Turek commune, Przykona commune	562 MW	Implementation	3Q 2027

in the place of the non-existent coal power plant
Adamów

KEY PARAMETERS

A single-shaft unit: with one SGT4 4000F gas turbine, SGEN5-3000W generator, recovery boiler (HRSG), SST5-5000 condensing steam turbine set and a wet fan cooling tower

- » Installed capacity: 561 MW
- » Won Capacity Market auction: 400 390 PLN/MW/year (for 17 years), 493 MW
- » Expected time of exploitation: 25 years



Project of the construction of CCGT - Combined Cycle Gas Turbine in Turek in the area of closed Adamów power plant

STATUS OF WORK

- The production of all key power plant equipment (gas turbine, steam turbine, generator, condenser, heat recovery boiler, block transformer) is underway and is proceeding according to schedule. The transport of the first components to the construction site will start in the 1Q 2025. In the 2Q 2024, mobilization at the construction site was completed and construction work (excavations for the main buildings) began.
- In the 4Q 2024, additional geotechnical soil tests were conducted on the construction site due to identified risks of the construction site (subsurface discontinuities in the soil). After analyzing the results of these tests, the foundation work will commence in the 1Q 2025. The progress of the EPC contract completion at the end of 2024 is expected to be 33.4%. The commissioning of the power plant is anticipated in the 3Q 2027.



Excavations for the main buildings of the power plant

Construction site of the future CCGT power plant in Adamów



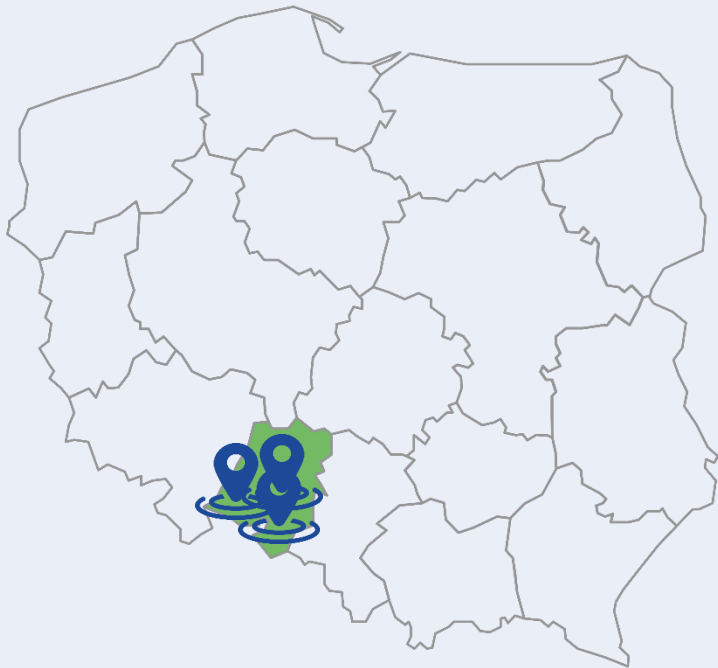
Opole Wind Farm



PROJECT'S NAME	LOCATION	CAPACITY	TURBINES	PROJECT'S PHASE	PRODUCTION
FW Opole	Voivodship: Opole District: Kędzierzyn-Koźle, Prudnik, Głubczyce	approx. 500 MW	approx. 130	Development	2030

STATUS OF WORK

- The project was acquired in June 2024 through the acquisition of shares in Energia Przykona sp. z o.o. and Neo Energia Przykona X sp. z o.o.
- The project involves the construction of wind farms with a total capacity of approximately 500 MW in the area of three counties of Opole voivodeship.
- The project has important connection conditions.
- Development work is currently underway to prepare the project for construction.



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