

Dear All,

2021 is the Energa Group's first full reporting year as a member of PKN ORLEN, a leader in energy transformation in Central and Eastern Europe. With its gradual integration with the ORLEN Group over the twelve months of 2021, Energa clearly strengthened its presence in the energy sector. First of all, we brought Energa's development plans in line with the "Strategy of the ORLEN Group until 2030". We stepped up our strategic growth towards low- and zero-emission generation sources and focused on further expansion and modernisation of distribution networks. With these ambitions in mind, we adopted the updated Long-Term Strategic Investments Plan, and the Energa Group's Strategic Development Plan with an outlook until the end of this decade. In 2021–2030, the Energa Group's capital expenditures will come in at PLN 31.5 billion, including approximately PLN 13.6 billion to be allocated to investments in the Generation Business Line.

Results of these efforts have already been reflected in our trading performance. Financially, 2021 was the best year in the Group's history. The Group reported record-breaking EBITDA of PLN 2.4 billion, up 20% YoY, and revenues of PLN 13.7 billion, an increase of 10% YoY. Consolidated net profit exceeded PLN 0.9 billion. All this was achieved with capital expenditures growing by 22% to PLN 2.1 billion.

as the Group made major investments in e.g. distribution lines, including an upgrade to the smart grid standard. These activities pave the way for expansion of network capacity to accommodate newly deployed renewable power – both large, commercial assets and distributed prosumer energy. The Group also invested in new renewable sources. In the Wielkopolska region, the Group worked on development of a PV Gryf photovoltaic farm on the site of a former lignite mine. First assets were also acquired in Warmia and Mazury – part of the PV Wielbark installation. In addition, the Group continued development of gas power plants in Ostrołęka and Grudziądz. Further to this, the Group's heating assets are subject to gradual modernisation. In the reporting period, in Elbląg the Group continued construction of a new gas source, a standby and peak load boiler plant with a thermal capacity of 114 MWt. A similar investment programme is being prepared for a project in Kalisz, and ultimately also for other heating assets of the Energa Group.

The Energa Group entered 2022 stronger, benefiting from synergies with the ORLEN Group, and focused on new challenges related to the energy transformation.

I am happy to present to you the Energa Group's Annual Report for 2021 and hope you enjoy reading it.

Iwona Waksmundzka-Olejniczak

President of the Management Board of Energa SA