Offshore Wind 2026+: Global Trends, PGE Baltica Portfolio and Financial Model Insights

March 2026

Today’s presenters

Bartosz Fedurek

CEO

- Experience: over 20 years in the energy sector, shaping development strategies and delivering large-scale energy project across multiple technologies
- Previous companies: RWE, PwC, PGE (HQ), KGHM, Ørsted, EDPR
- Education: MSc in Mining Engineering from Wroclaw University of Technology, with further programs at Imperial College London, TU Delft, RWTH Aachen, SGH and Kozminski University

Łukasz Gołaszewski

CFO

- Experience: 20 years of experience in corporate finance, funding, debt structuring, financial analysis, controlling and end-to-end financial management in the energy sector, incl. renewables.
- Previous companies: BP, Polenergia
- Education: MSc in Mathematics from the University of Warsaw (Interdisciplinary Individual Studies in Mathematics and Natural Sciences), with additional studies in Economics and postgraduate programs at SGH

Jacek Bogucki

Deputy Head of Business Development and Advisory

- Experience: 20 years of experience in the energy sector, leading departments responsible for project valuation and financing, as well as providing strategic advisory services across the energy industry
- Previous companies: BGK, KGHM, PGNiG, Gaz-System, Deloitte, EY,
- Education: Master of Economics and Quantitative Methods in Economics and Information Systems at the Warsaw School of Economics (SGH), CFA

Jeremiasz Haras

Senior Manager, Business Analysis Team

- Experience: over 7 years of experience in the energy sector, supporting strategy development and executive decision-making through business and valuation analytics, securing revenue side for large-scale infrastructure projects.
- Previous companies: PKN Orlen, PGNiG, PSE, Ministry of Energy, GPEC
- Education: MSc in Power Engineering from Gdańsk University of Technology

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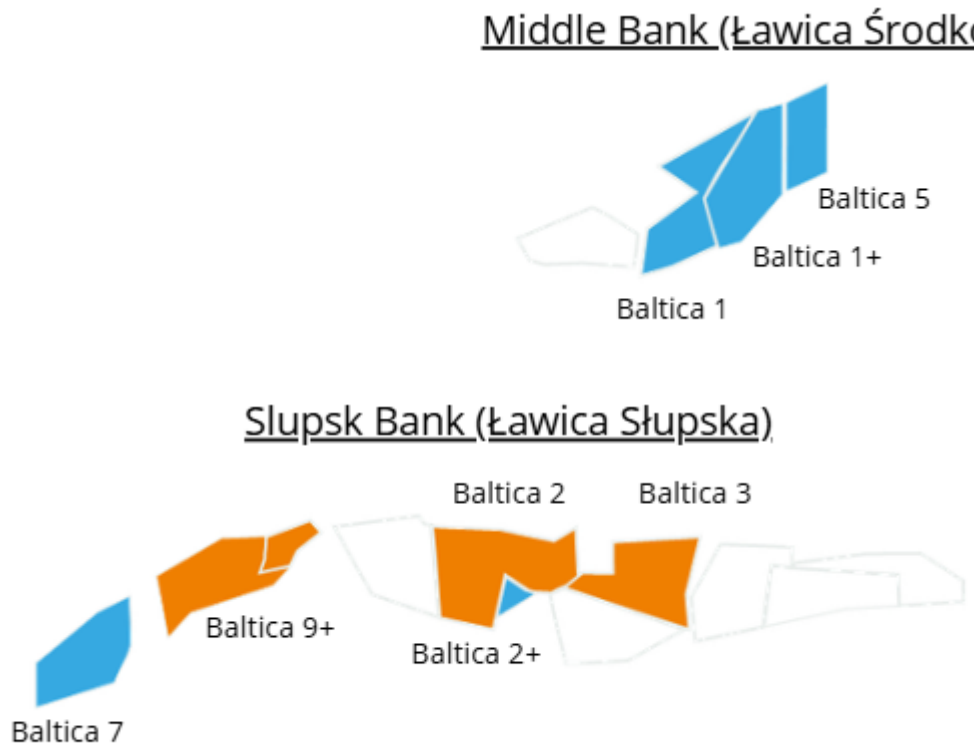
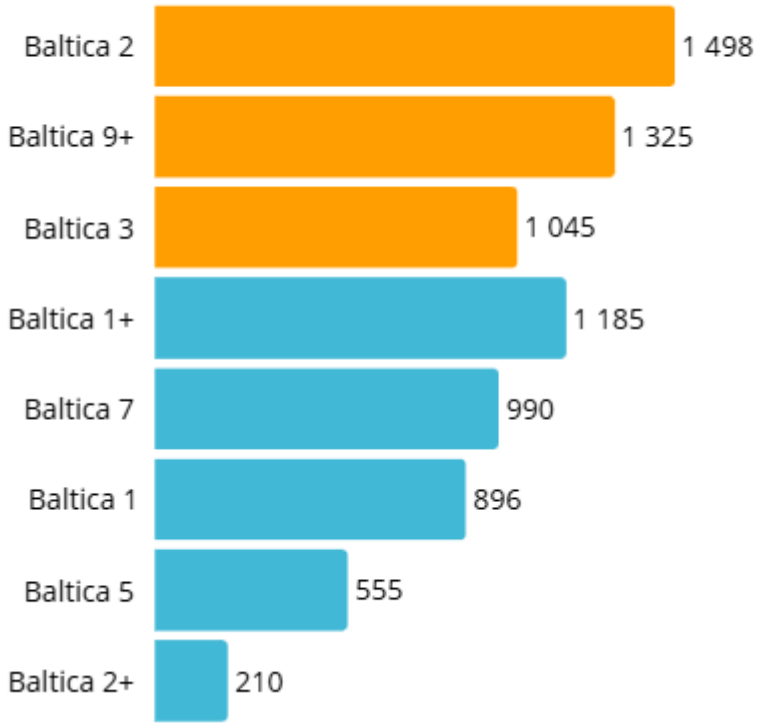
PGE Baltica portfolio

PGE Baltica leads Poland’s offshore wind sector, turning Baltic wind into value for the energy system, the economy and society.

Our values:
Trust | Responsibility | Courage | Collaboration | Efficiency

PGE pipeline [MW]

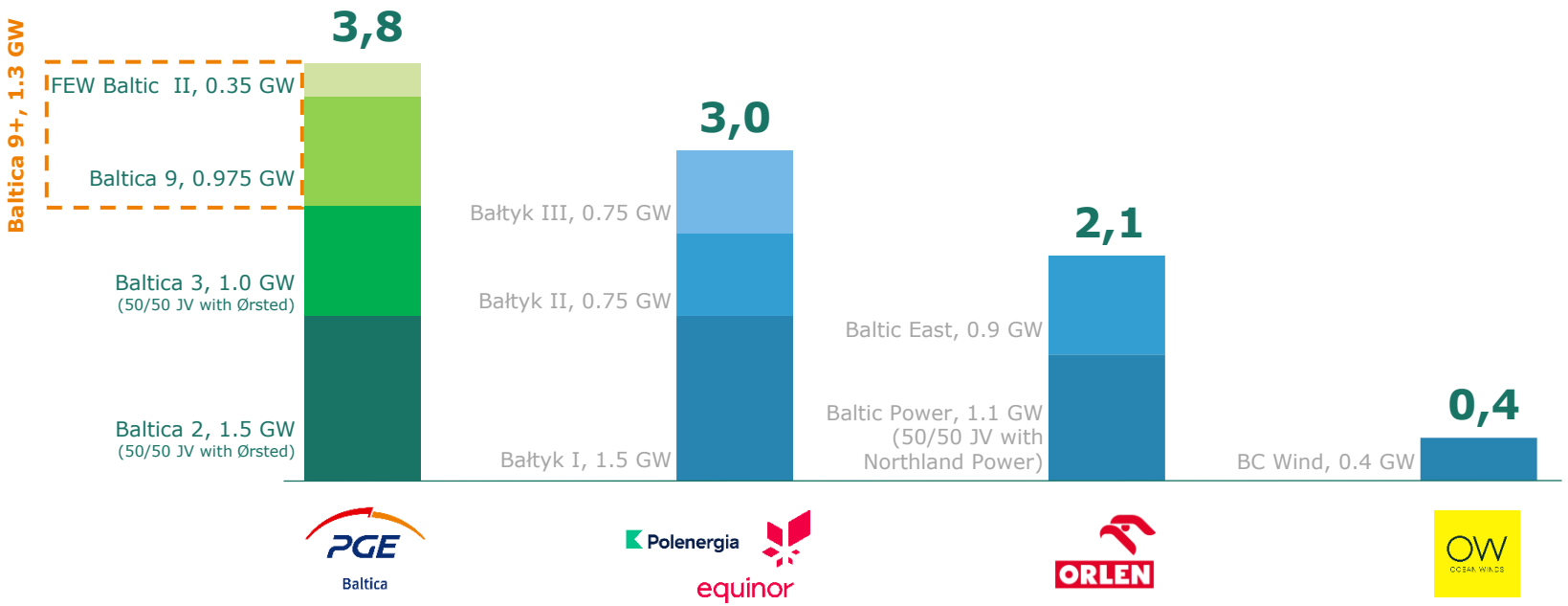




Note: Baltica 2 and Baltica 3 are owned by PGE (50%) and Orsted (50%)

Following the December 2025 CfD auction, PGE Baltica manages the largest offshore wind portfolio in Poland

CfD-awarded project capacity [GW]



The PGE Baltica portfolio ranks among the largest offshore wind portfolios in Europe

PGE Baltica serves as the PGE Group's offshore competence center, supported by HQ expertise in specific domains

PGE Baltica's competences

Origination → Project development → Construction → O&M → Decommissioning

Core competence areas of PGE Baltica:

~200 industry professionals

2 offices: Warsaw (HQ), Gdańsk (operations & supply-chain hub)

- Sector analyses, portfolio management, project valuation & value optimization
- Stakeholder Engagement & Communication
- Project management
- Procurement and local content
- EIA, Site Investigation, Permitting
- Offshore and onshore engineering
- QHSE and ESG
- Finance and Back-Office Functions, Project Finance Execution

Main support areas provided by the Group's headquarters:

- Securing JV partners
- Financing, including Project Finance structuring
- Energy sales and balancing services

A journey of intensive knowledge growth and capability-building achievements

2019

Setting up PGE Baltica to lead PGE Group's offshore wind strategy

Transfer of Baltica 2 and Baltica 3 projects from PGE Energia Odnawialna

2020

Beginning to scale up organizational capabilities

Obtaining the environmental decision (ED) for Baltica 2 and Baltica 3 projects

2021

baltica2+3 by PGE & Ørsted

Signing of the final 50/50 joint venture agreement with Ørsted for Baltica 2+3 Project

Award of CfDs for Baltica 2 and 3 via the direct-award mechanism

Baltica 3 was taken off the main delivery track in 2023 and entered reconfiguration process

2023

Securing New offshore location licenses (OLLs): Baltica 7, Baltica 9, Baltica 2+, Baltica 1+ and Baltica 5

Q1,2025

baltica2 by PGE & Ørsted

Final Investment Decision (FID) for 1.5 GW Baltica 2 project – one of the largest offshore projects in Poland and the region

Financial close for PGE's share of Baltica 2, executed in Project Finance model

baltica2 by PGE & Ørsted

Progress of construction of onshore substation in Choczewo

Progress of landfall construction, using HDD technology

Fabrication of monopiles, offshore substations, cables and other key components

Progress of construction of O&M base in Ustka

Progress of T5 Installation Harbour

Q4,2025

Baltica 9+

Acquisition of RWE's Polish offshore assets

Submitting bids for Baltica 9 and Baltica 1 in Poland's first offshore CfD auction

Securing CfD for Baltica 9

Kick-starting the development of Baltica 9+

Disclaimer

The results, forecasts and model outputs presented herein do not represent, reflect or imply the financial performance or technical assumptions of any existing or planned projects of PGE Polska Grupa Energetyczna.

All values and model parameters shown in this presentation have been prepared solely on the basis of publicly available market data, industry benchmarks and generic analytical assumptions. These figures may differ materially from actual operational, technical, cost or financial parameters of the Company’s projects.

The information included in the model does not constitute financial guidance, an investment recommendation, or any form of assurance regarding the Company’s offshore wind projects future performance.

The material is intended exclusively to demonstrate modelling methodology and indicative relationships between variables. PGE Polska Grupa Energetyczna undertakes no obligation to update or revise the information contained in this presentation.

2

Global trends

China and the UK are the largest offshore wind players

85.5 GW

Global installed capacity

47.2 GW

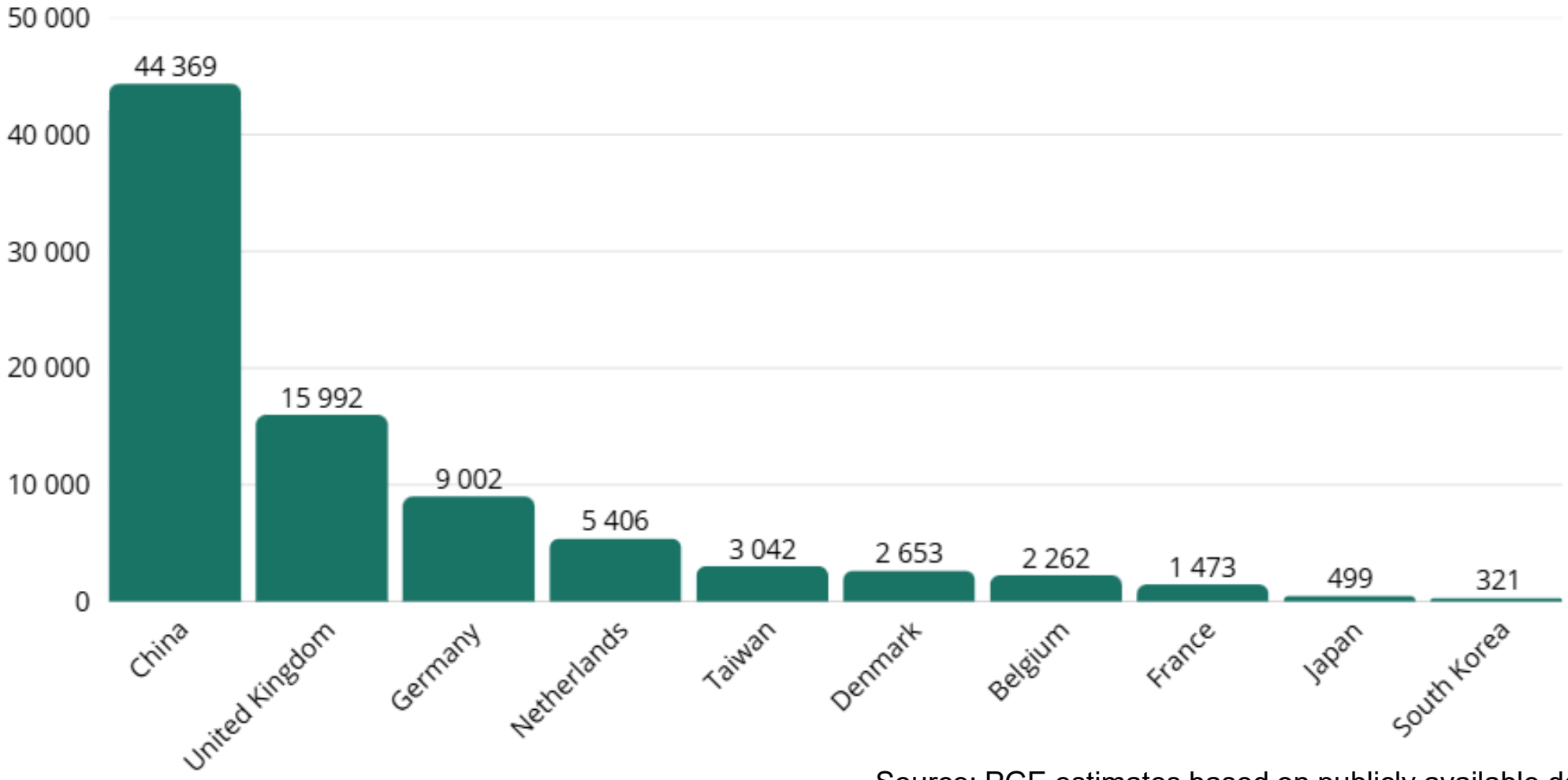
Projects under construction

44.4 GW

16.0 GW

Source: PGE estimates based on publicly available data

Top 10 countries for offshore wind (operational projects) worldwide [MW]



Source: PGE estimates based on publicly available data

Market downturn (2022-2024)

Global supply chain disruptions

High raw material and energy prices

CAPEX increased by +40%

Consequence: No bids in auctions (Germany 2.5 GW, Denmark 3 GW) and project freezes

2025/2026 Breakthrough - The Great Comeback

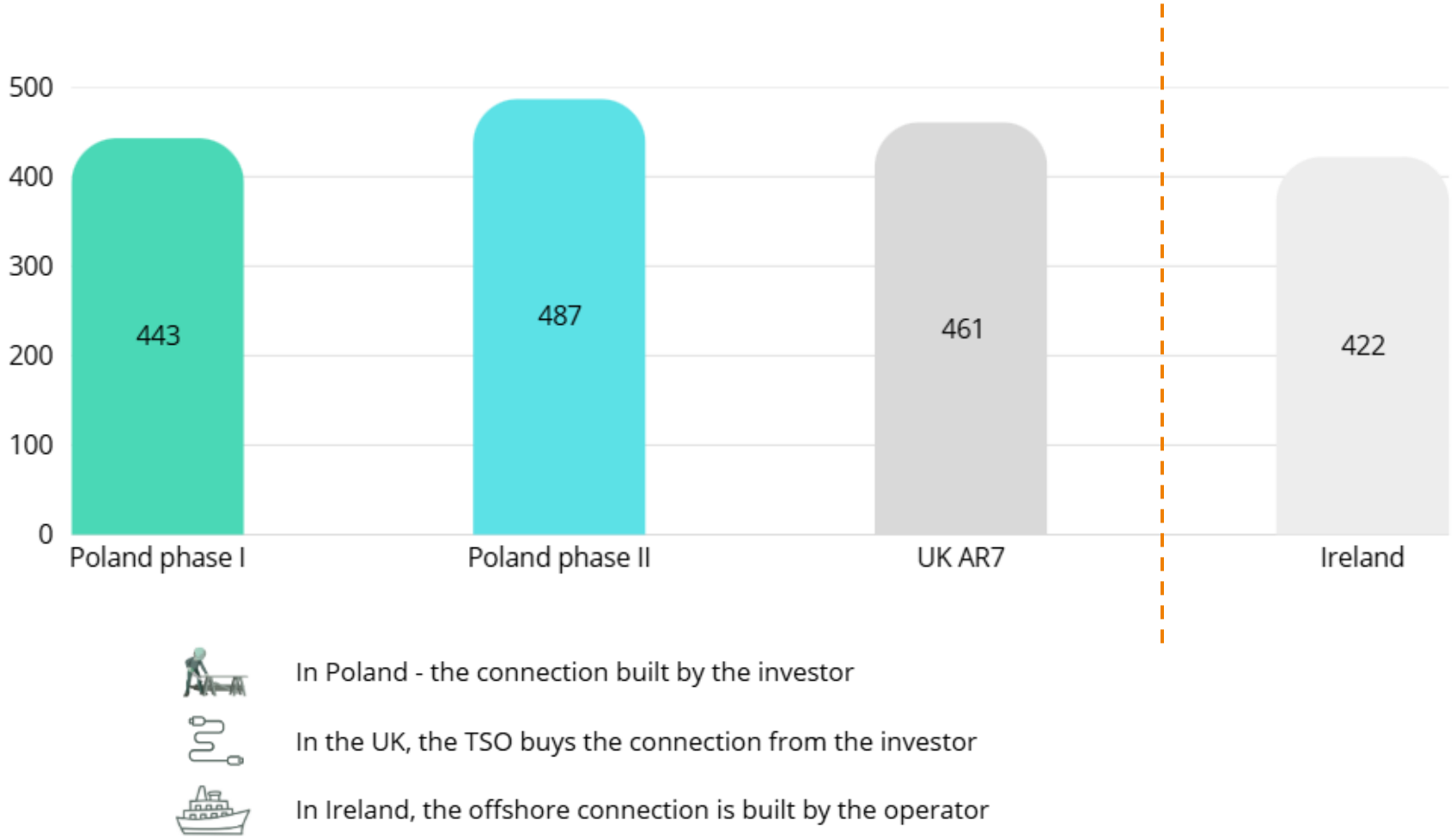
- 3.4 GW - 3 winning projects
- Polenergia/Equinor (1.6 GW), PGE (1 GW) and Orlen (0.9 GW)
- Price from 476 to 492 PLN'25/MWh
- New investments worth approx. PLN 70 billion

- 8.4 GW - record capacity contracted
- Winner RWE: nearly 7 GW
- Prices from 89 to 92 GBP'24/MWh
- New investments worth approx. PLN 170 billion

- 0.9 GW – success of the Tonn Nua
- ESB and Orsted consortium
- Price approx. 98 EUR'24 per MWh
- New investments worth approx. PLN 20 billion

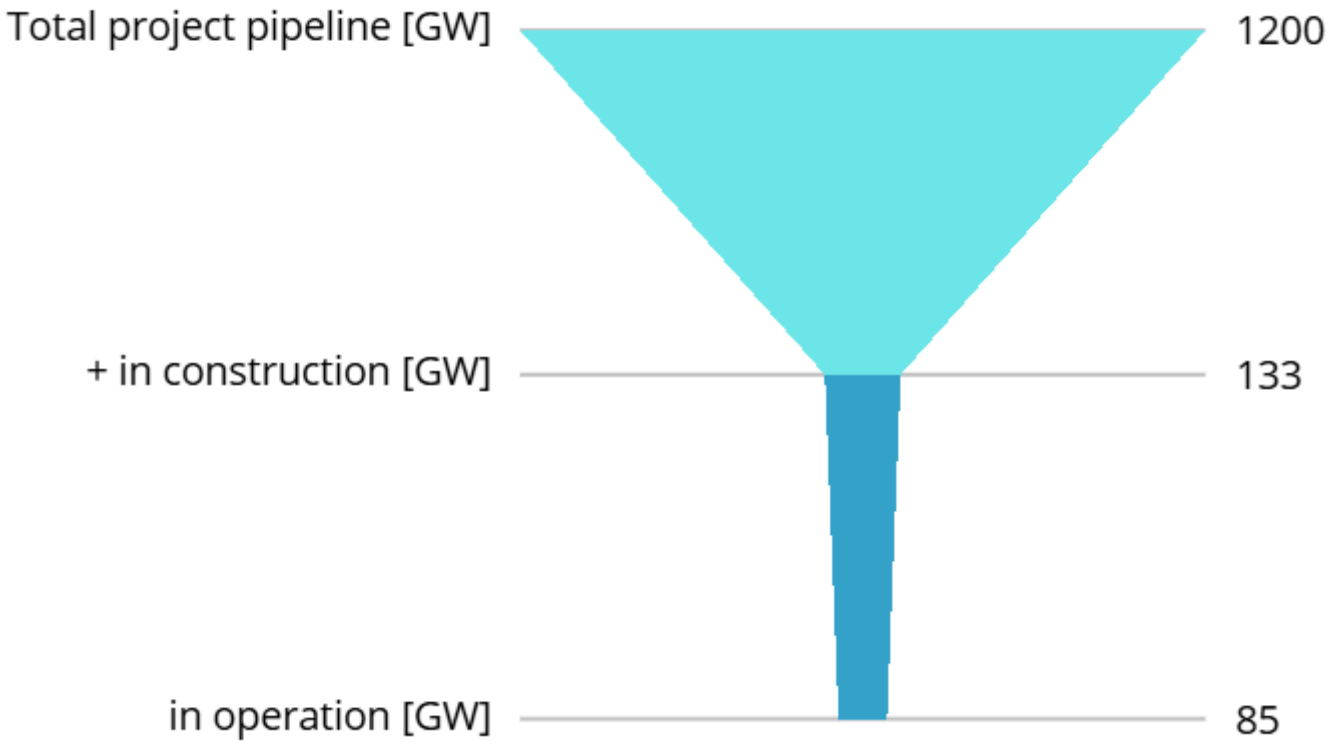
Support in the form of a CfD as the decisive factor for auction success

Comparison of support levels [PLN'25/MWh]



Note: Where applicable, prices have been estimated using capacity-weighted averages

The future of offshore wind worldwide



Source: PGE estimates based on publicly available data

Global offshore wind development trends

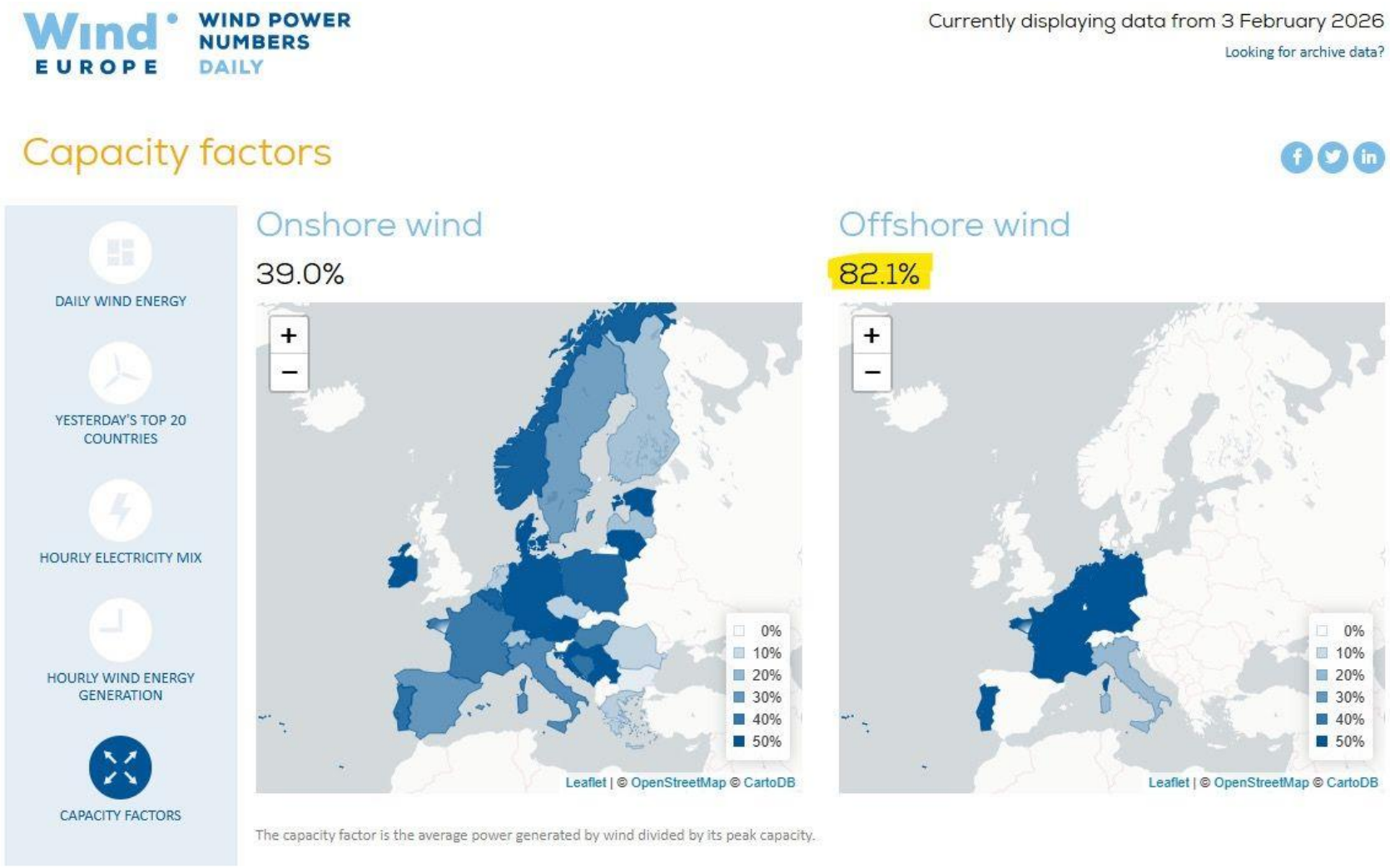
- 27 countries already have OFW development targets, 22 of which are for 2030
- Contracts for Difference (CfD) are an effective tool for stimulating investment
- Technical progress means further increases in productivity and stability
- Successes of floating wind projects open the door to deeper waters

Offshore Wind – the ultimate renewable energy source

- Characterizes with highest capacity factors among renewable sources
- Productivity corelated with demand seasonally, peak performance during winter when energy is most needed
- Lowest volatility of production among renewable sources
- The most stable renewable Energy source with the largest number of hours with production during the year
- Big scale, individual projects with capacities counted in GWs
- One of the most efficient renewable technology in EU, bringing value to the Energy system
- Improving resilience to Energy crisis and independence
- Limited impact on local communities

Baltic Sea off the Polish coast has very good conditions for investments in OWF. Good wind conditions, shallow water, low salinity and met-ocean conditions make Baltic Sea perfect for Offshore Wind.

Offshore Wind – the ultimate renewable energy source



3

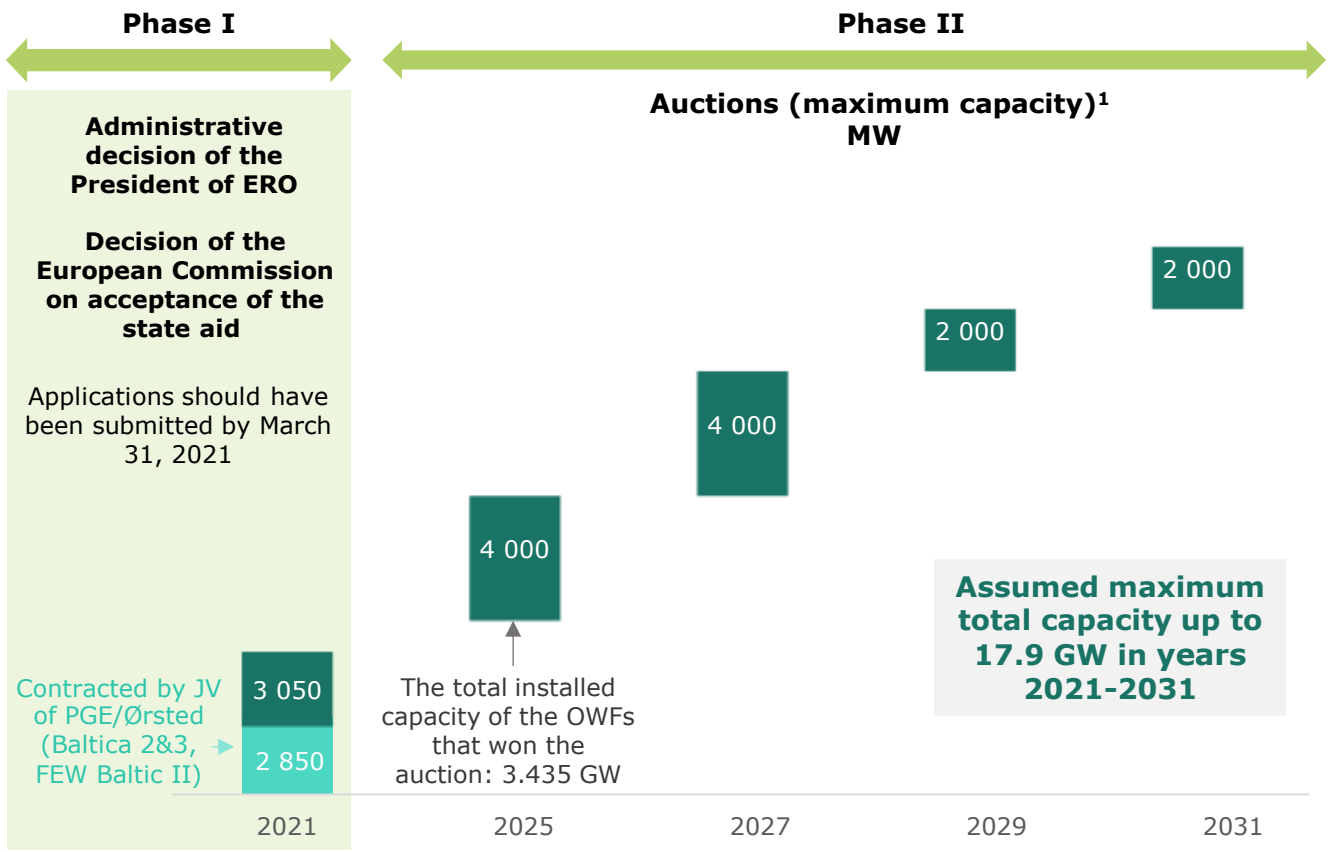
Key business case assumptions

Key offshore wind regulations in Poland

Key highlights

- The legal framework regulating and supporting the offshore wind sector in Poland is set out in the Act on Promoting Electricity Generation in Offshore Wind Farms, which entered into force in 2021 and was subsequently amended in 2025 (OWF Act).
- The OWF Act contains specific provisions on administrative proceedings conducted for the implementation of an OWF investment (i.e. concerning environmental decisions (ED), construction permit and occupancy permit) and connecting an OWF to the grid. It also imposes an obligation on the investor to build the offshore transmission assets, with a potential option to sell them to the TSO.
- OWF Act sets out also the rules for the support mechanism. The OWF Act states that the CfDs is awarded to the OWFs by way of:
  - Phase I: individual administrative decisions issued by the URE President (as in the case of FEW Baltic II),
  - Phase II: competitive auctions (as in case of Baltica 9 and would be applicable in the following years).
- Under Phase II, OWFs will be required to achieve COD within ~7 years from the auction date. This deadline may be extended by up to 2 years, but during this period the CfD price will not be indexed.

OWF support scheme



Notes: 1. Capacity for 2025-2031 auctions could be decreased, if necessary, to balance demand and supply in the National Power System. Maximum capacity for a given year could be adjusted; Source: Ministry of Climate and Environment

CfD support scheme – main regulations

CfD contract is granted for 25 years from the first generation and introduction to the grid of electricity generated in an OWF or part thereof, based on the granted license.

Electricity volume under CfD is limited up to 100 000 hours of generation at full capacity. Indicated load factor assuming 25 years of generation amounts to 45.7%.

Electricity generator can indicate what proportion of the settlement price is to be settled in EUR. Before the lapse of 15 years from the first feed to the grid, the generator may once submit a declaration on the change of the percentages specified in the initial declaration.

CfD price will be subjected to annual indexation by applying Polish CPI from the previous calendar year (as announced by the President of the Central Statistical Office) for 1st phase, for 2nd phase the same rule applies with cap at medium-term inflation target determined by the Monetary Policy Council

Contract price may be adjusted to reflect any additional investment aid (for example for the repurchase of installation used to evacuate power from the wind farm).

Capital expenditures for offshore projects in Poland

- We assumed approximately PLN **19m per MW** of total CAPEX and DEVEX for the offshore wind project based on data for Polish projects.
- These assumptions were nominalised using five years of annual inflation to reflect the potential CPI impact resulting from the time gap between the benchmark data and the analysed projects.
- The above figure has been estimated by PGE Baltica based on official information on above projects.
- Basing conclusions solely on publicly communicated CAPEX and DEVEX figures can be misleading. These projects may, for example, include or exclude financing costs, apply different levels of contingency, or contain contractual provisions that materially influence the final CAPEX.

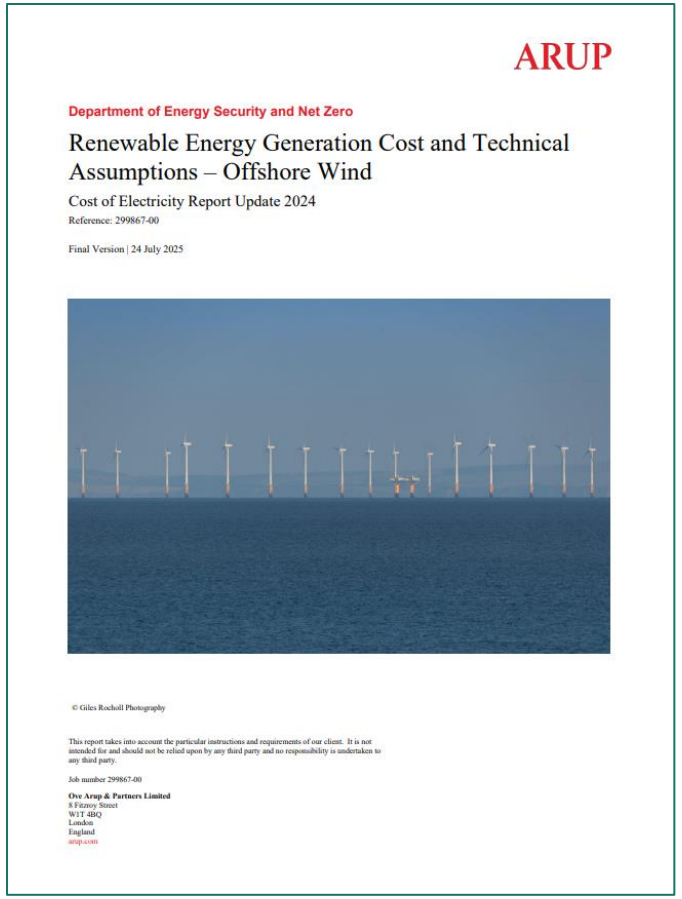
	Baltica 2	Baltic Power	Bałtyk 2&3
Capacity	1 498 MW (107 WTG)	1 140 MW (76 WTG)	1 440 MW (100 WTG)
Investors	PGE & Orsted	ORLEN & Northland Power	Polenergia & Equinor
COD	2027	2026	2027/2028
Source	Official project data	Official project data	FID announcement

Data sources for UK benchmarks

- The **Arup's Cost of Electricity Report Update 2024** is an update of cost and technical assumptions for offshore wind prepared for DESNZ. It is based primarily on developer surveys, complemented by a literature review and Arup's own benchmarks. The data were collected as "current costs" (2023–2024) and presented in three scenarios: low / medium / high.

- The **Grant Thornton UK LLP and BVG Associates Offshore Wind Generation Costs - Peer Review** is an audit and calibration of Arup 2024. It assesses the methodology, compares the survey results against BVGA's in-house benchmarks and published literature, and highlights potential sample biases (e.g., a higher share of projects in deeper waters or with long export cables). It recommends scenario adjustments.

In our model we use the Peer-Review-adjusted medium scenario as the primary basis for CAPEX/OPEX/DECEX.


ARUP

Department of Energy Security and Net Zero

Renewable Energy Generation Cost and Technical Assumptions – Offshore Wind

Cost of Electricity Report Update 2024

Reference: 299867-00

Final Version | 24 July 2025

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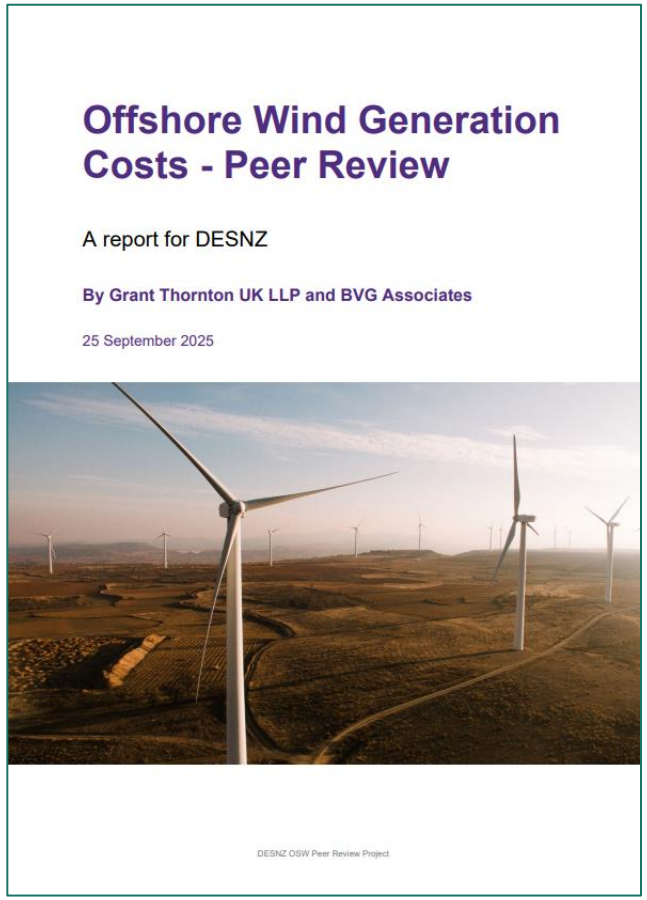

Offshore Wind Generation Costs - Peer Review

A report for DESNZ

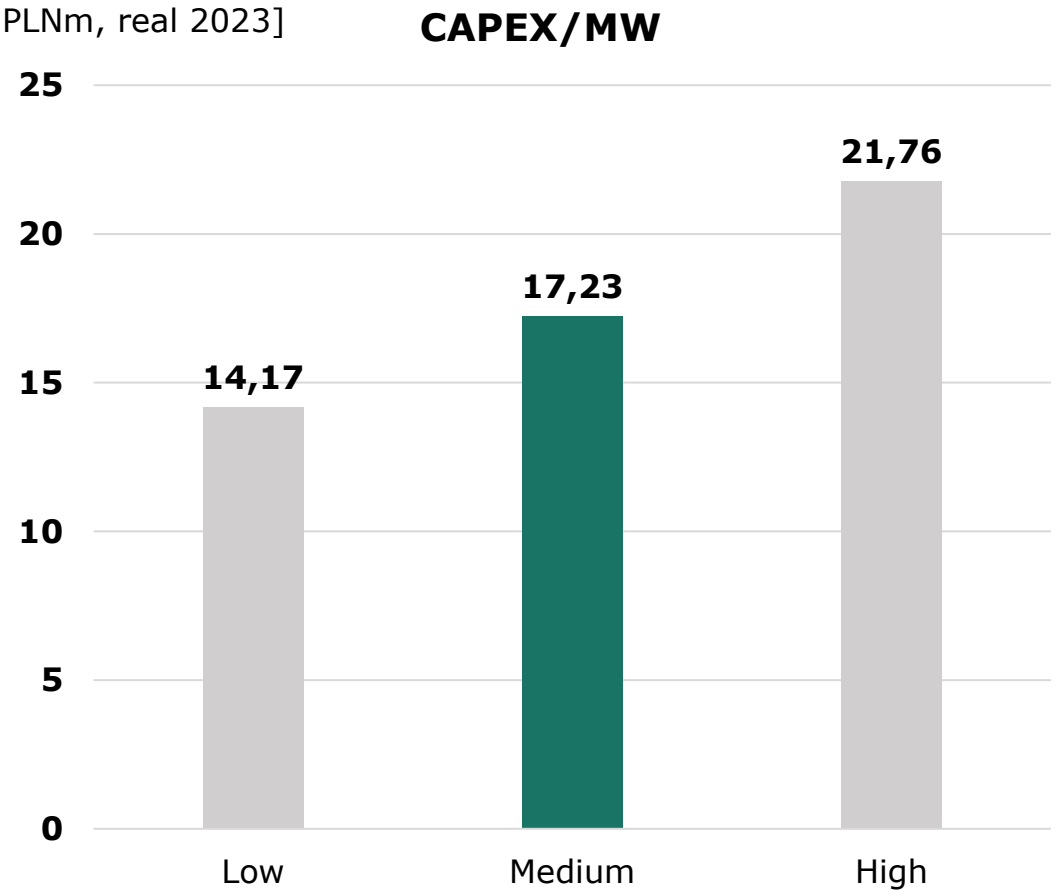
By Grant Thornton UK LLP and BVG Associates

25 September 2025

DESNZ OSW Peer Review Project

CAPEX for offshore wind projects in the UK

[PLNm, real 2023]



CAPEX breakdown

Package	Share
Turbine supply	25%
Power export infrastructure	24%
Foundation supply	11%
Other Costs	11%
Transport & Installation	10%
Offshore substation EPC	9%
Cables supply	6%
Pre-development (DEVEX)	5%

Source: based on ARUP (final version 2025); Grant Thornton UK LLP and BVG Associates (2025).
The presented values were converted based on the PLN/GBP exchange rate at the end of 2023, which was 4.99.

Development and capital spend profiles

This table applies the scenario-specific development and capital spend profiles recommended by the Peer Review for modelling purposes.

Spend profile category	Scenario	Year														
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Development	High	2%	2%	2%	2%	2%	5%	5%	5%	5%	10%	10%	10%	15%	15%	10%
Development	Medium	10%	10%	15%	15%	20%	20%	10%								
Development	Low	5%	10%	10%	20%	20%	20%	15%								
Capital	High	10%	15%	20%	25%	30%										
Capital	Medium	35%	30%	35%												
Capital	Low	60%	40%													

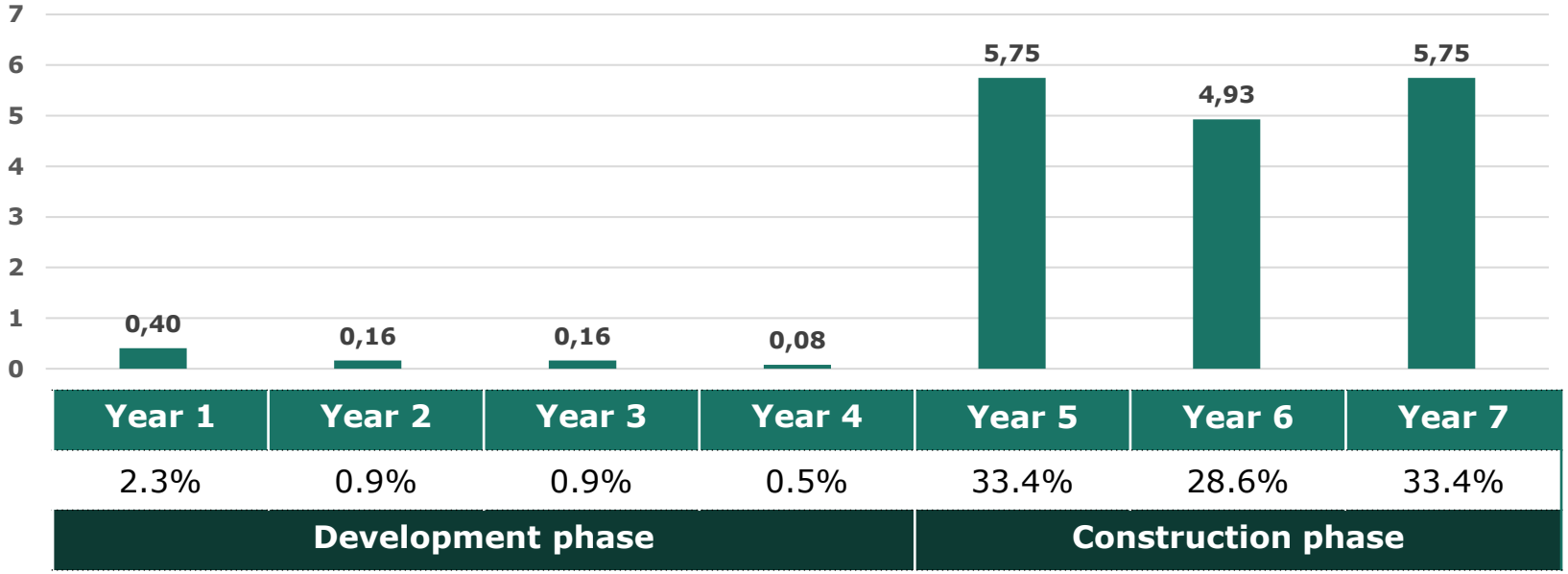
Source: Grant Thornton UK LLP and BVG Associates (2025).

Combined PL-specific CAPEX spend profile

The chart below shows the consolidated expenditure spend profile (Peer Review-adjusted medium scenario) applied in the modeling:

- Combined CAPEX: Development (4 years) + Capital (3 years)
- Total of 7 years as per the Offshore Wind Act (from CfD award to first power)
- Year 1 denotes the first year following the CfD award; any costs incurred prior to the CfD are allocated to Year 1.
- Year 7 denotes the final year of construction; both the first-power milestone and the commercial operation date (COD) are treated as occurring within Year 7.

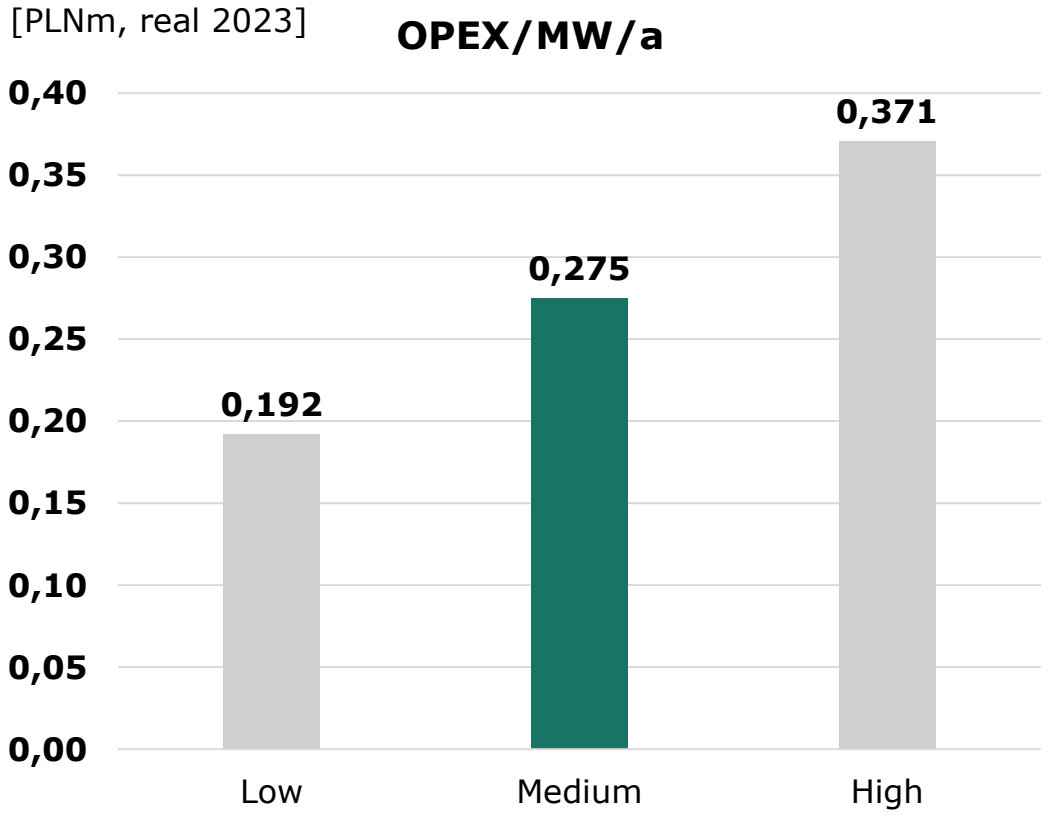
[PLNm/MW, real 2023]



Source: Grant Thornton UK LLP and BVG Associates (2025).

OPEX for offshore wind projects in the UK

[PLNm, real 2023]



Source: Grant Thornton UK LLP and BVG Associates (2025).

The presented values were converted based on the PLN/GBP exchange rate at the end of 2023, which was 4.99.

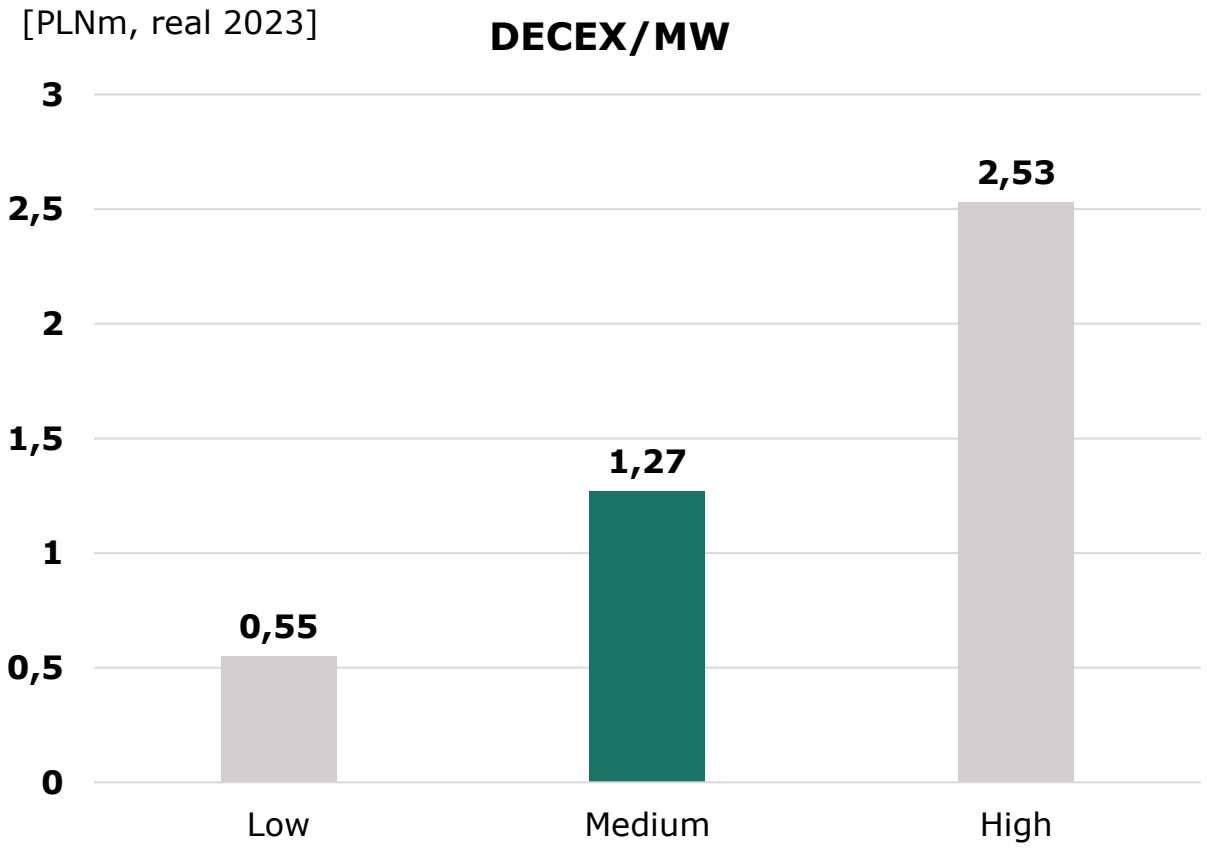
OPEX breakdown

Package	Share
Turbine maintenance and service	40%
Balance of plant maintenance and service	14%
Insurance	13%
Logistics (onshore & offshore)	10%
Admin and support staff (onshore)	9%
Technical resource	8%
Other costs	6%

Source: based on BVG Associates. Guide to an Offshore Wind Farm (update 2025).

DECEX for offshore wind projects in the UK

[PLNm, real 2023]



Source: Grant Thornton UK LLP and BVG Associates (2025).

The presented values were converted based on the PLN/GBP exchange rate at the end of 2023, which was 4.99.

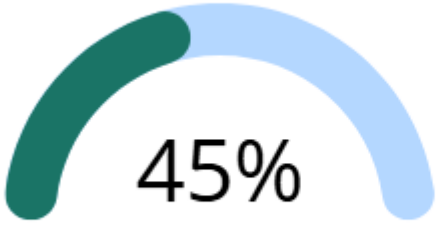
DECEX breakdown

Package	Share
Cable decommissioning	36%
Foundation decommissioning	31%
Turbine decommissioning	25%
Substation decommissioning	8%

Source: based on BVG Associates. Guide to an Offshore Wind Farm (update 2025).

Load factor

Average capacity factor for Polish part of Baltic Sea

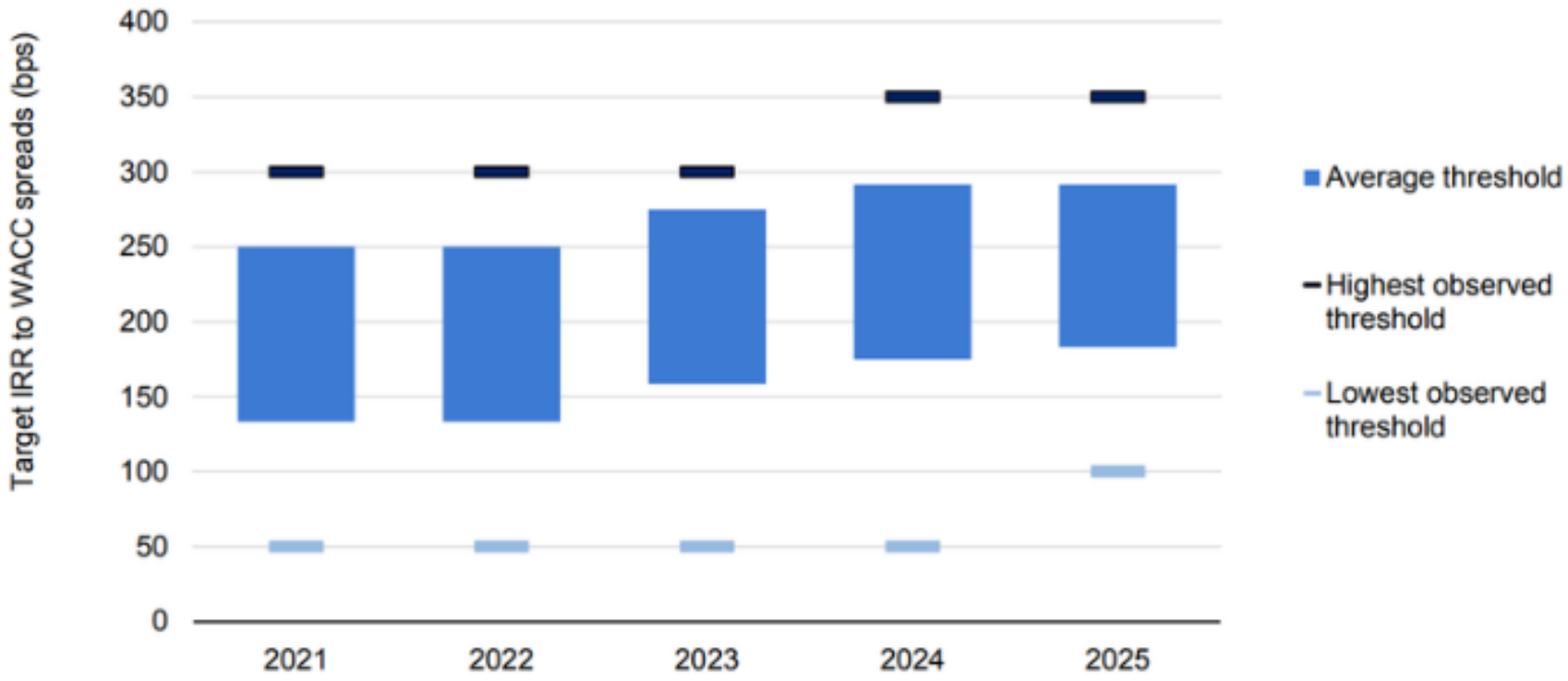


Results of the capacity factor assesment

	Min value	Max value
Current areas	42.7%	47.4%
Potential areas	42.5%	48.5%

- The capacity factor shows significant spatial variability and is determined by a range of factors, including local wind conditions, environmental parameters, and the impact of other wind farms causing wake effects.
- The capacity factor of offshore wind farms also shows considerable seasonal variation — in winter months, which coincide with peak electricity demand in the system, it can reach levels of 60–80%, while in summer it decreases significantly.
- Assumed average capacity factor of 45% represents average conditions (P50). As a measure of productivity in the bank scenario - ACF 10% lower has been assumed as a measure of P90.

IRR to WACC premium assumed by leading offshore wind developers



In 2025 average IRR to WACC spread lies between 100 and 350 bps. On average 225 bps.
Calculated based on data for respective companies Orsted, RWE, SSE, Enel and EDP.

Source: report "Renewables 2025", International Energy Agency (IEA)

4

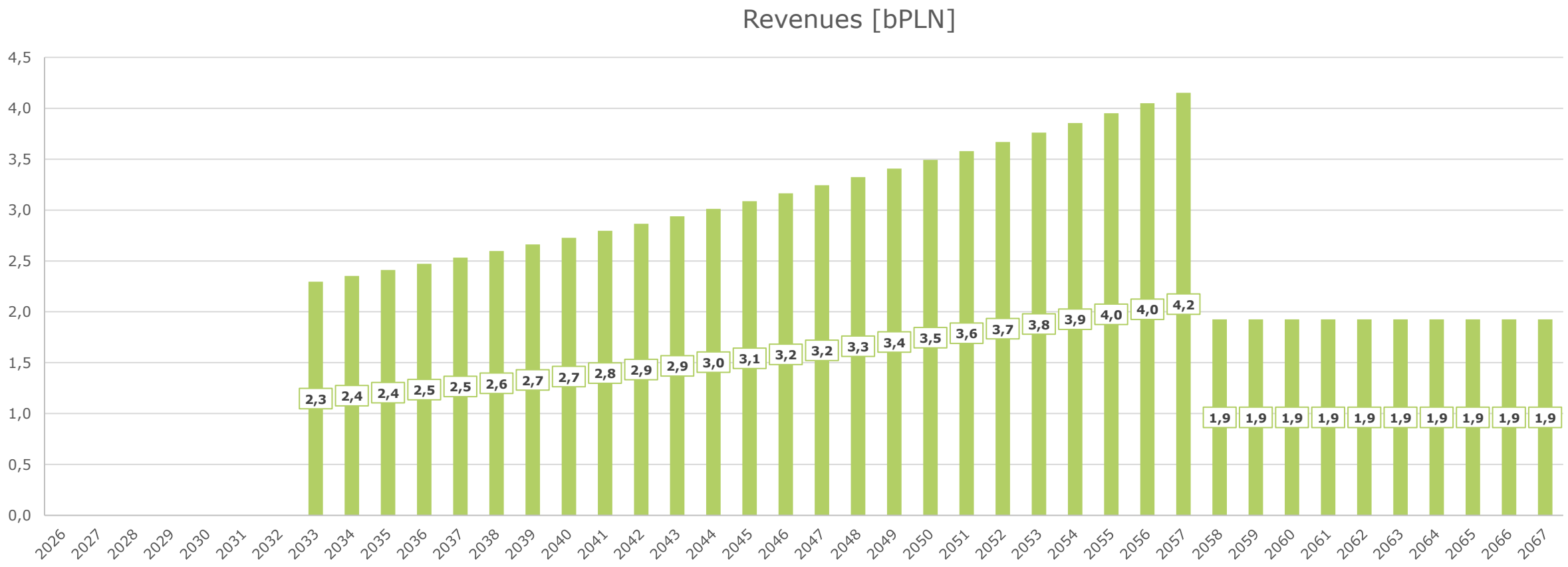
Financial model insights - project perspective

Simplified financial model will be a base for further simulations

Summary of main assumptions for financial model	
Operational lifetime	35 years
P50 Capacity Factor	45%
P90 Capacity Factor	40,5%
Start of operational period	2033
Development & Construction period	2025-2032
DECEX	1,27 mPLN'25/MW
CAPEX&DEVEX	21,44* mPLN/MW
OPEX	0,275 mPLN'23/MW/rok
Negative price hours	200 h/year
Leverage	80%
Cost of Debt	5,7%
Debt repayment tenor	22 years
Inflation factor	2,5% yearly
Electricity SPOT price	500 PLN/MWh

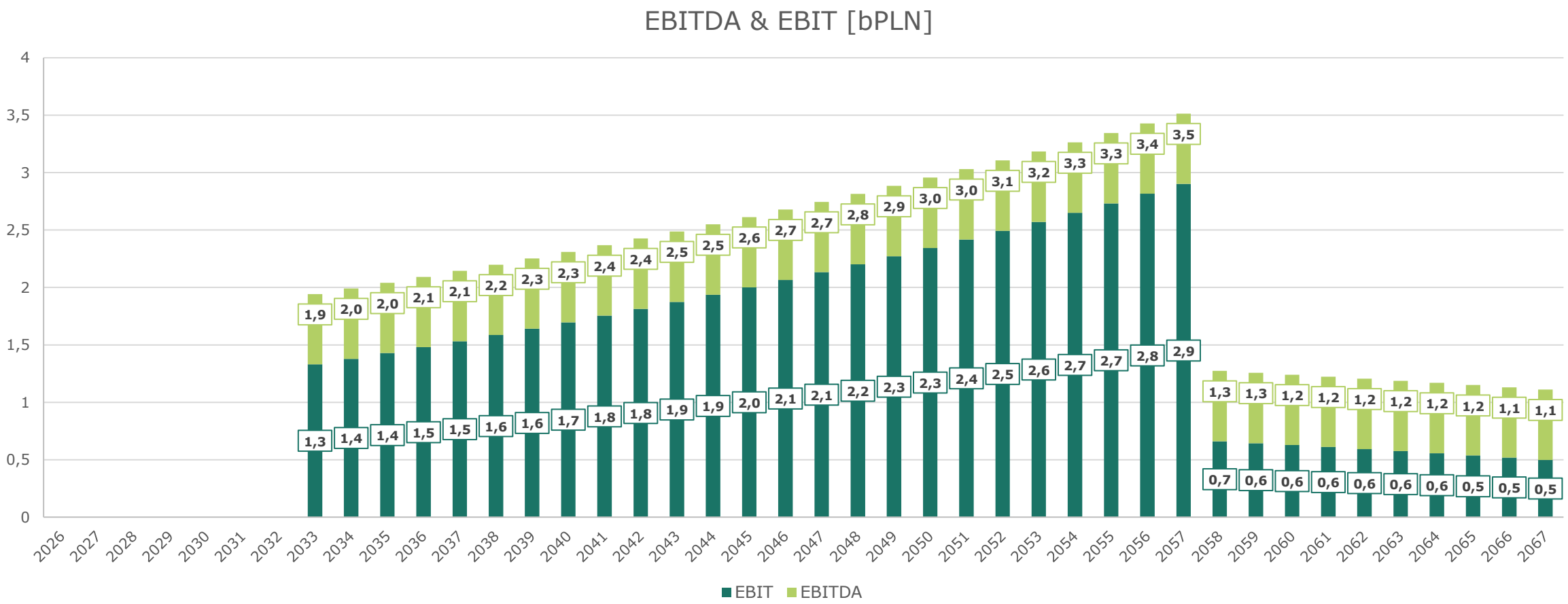
* 19 mPLN indexed with 5 years of 2,5% rate

P50 Revenues



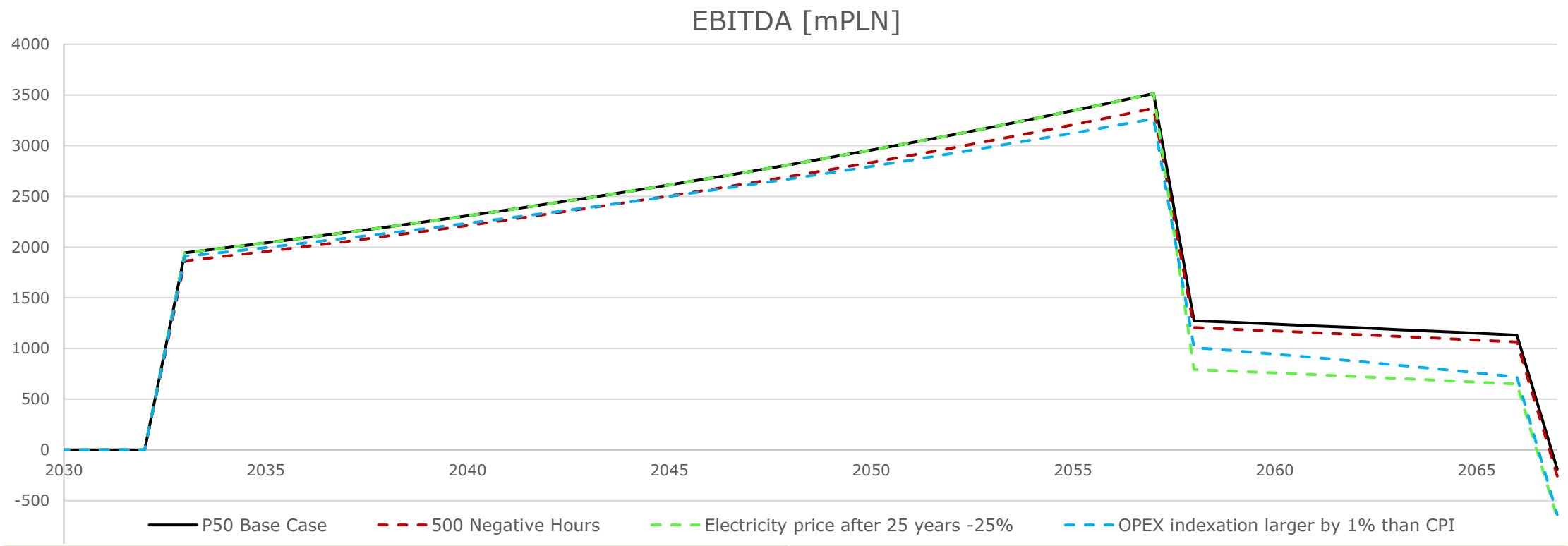
Conservative approach was adopted and Revenues from Guarantees of Origin have not been taken into account.

P50 EBITDA and EBIT



Above data is presented without DECEX in last year.

P50 Sensitivity analyses

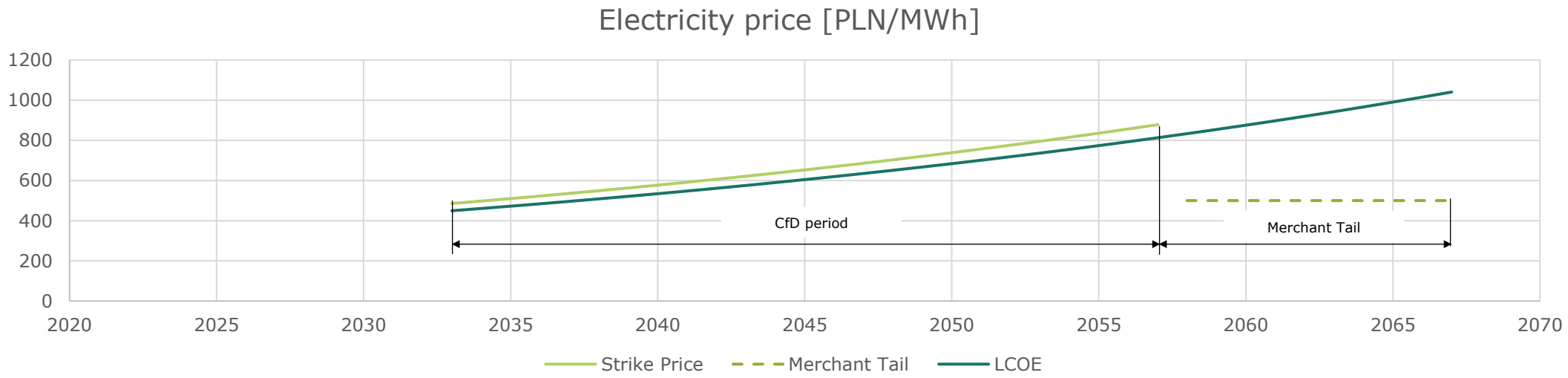


Case	FCFF IRR
P50 Base Case	**7,8%**
500 Negative Price Hours vs 200 Negative Price Hours	7,5%
Electricity price after 25 years -25%	7,7%
OPEX indexation larger by 1% than CPI	7,4%
CAPEX +10%	7,1%

Strike Price vs LCOE

Strike Price - represents the per-unit electricity price bid under a CfD scheme, ensuring the investor achieves the expected rate of return. The CfD rules applicable to this price include, among others, the contract duration and indexation mechanisms. Merchant tail revenues also are additionally taken into account.

LCOE - (Levelized Cost of Energy) is an economic metric that represents the average cost of generating one unit of electricity over the entire lifetime of an energy asset. It incorporates all relevant costs and divides them by the total amount of electricity the asset is expected to produce. This metric is very often used to compare different technologies

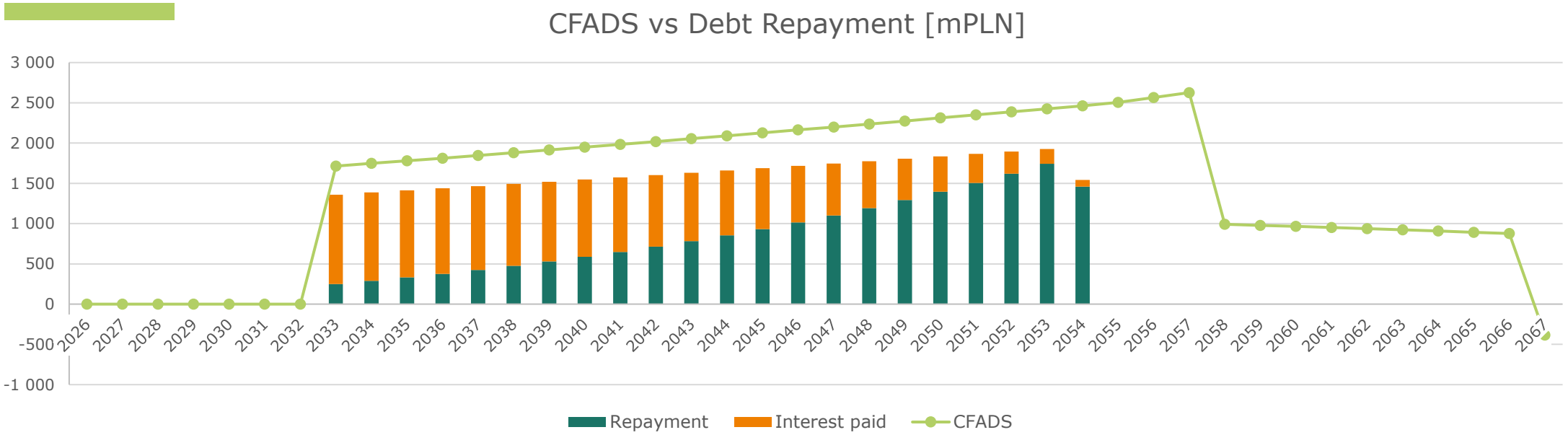


Strike Price is usually higher than LCOE, as it has to compensate lower revenues in merchant tail period.

5

Financial model insights - equity perspective

Debt service, CFADS vs debt payments



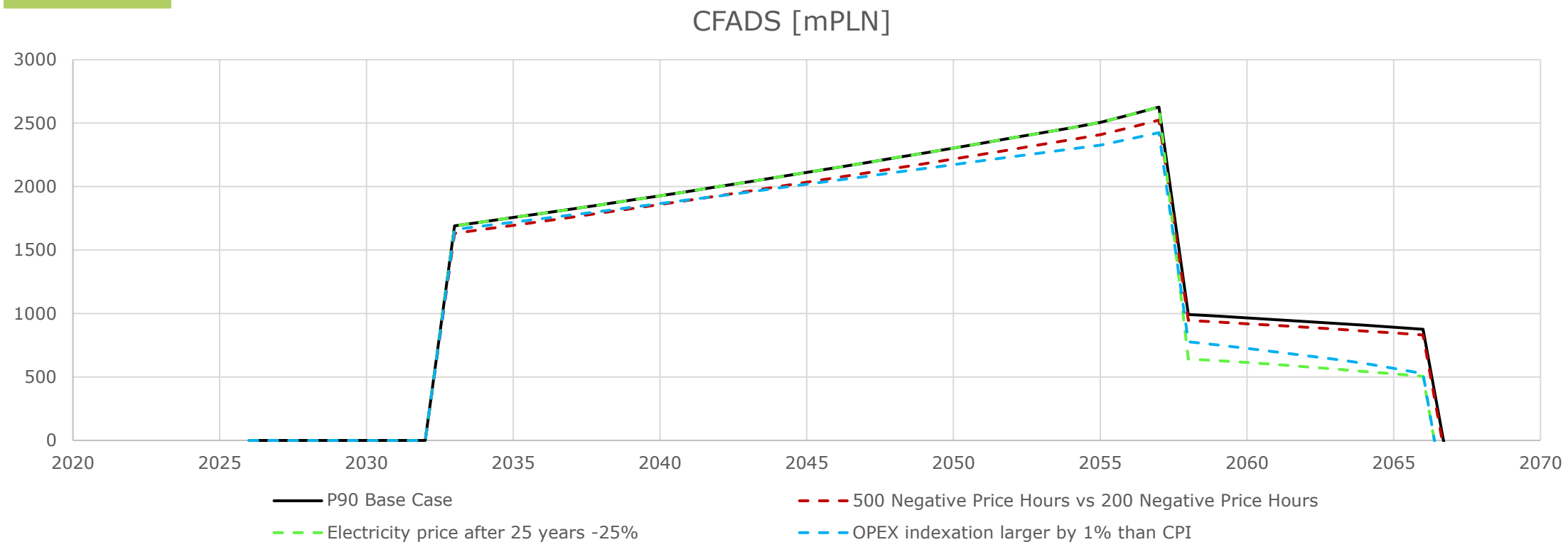
Period	2033-2055	2056
Debt Service Cover Ratio	1,34	1,40

For Project Financing following assumptions have been adopted:

- 80% levarage (D/(D+E))
- 5,7% cost of debt (including 2,5% margin)
- 22 year tenor
- For debt sizing P90 production have been assumed (bank case)

Note: DSCR is calculated as CFADS / debt service

Sensitivity analyses for bank case P90



Case	DSCR
P90 Base Case	**1,34**
500 Negative Price Hours vs 200 Negative Price Hours	1,29
Electricity price after 25 years -25%	1,34
OPEX indexation larger by 1% than CPI	1,29
CAPEX +10%	1,23
Levarage 85% vs 80%	1,26

Thank you