

STRATEGIC DIRECTIONS

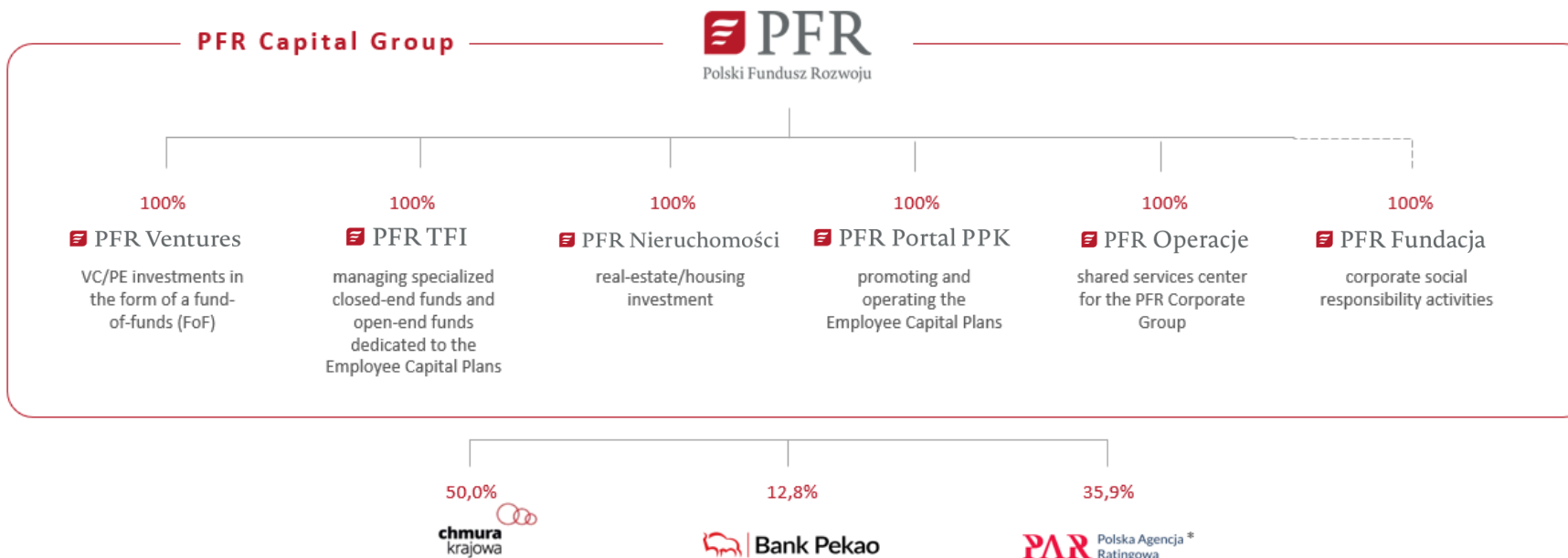
of the Polish Development Fund Capital Group for 2025

Warsaw, February 2025

Thematic scope of the document

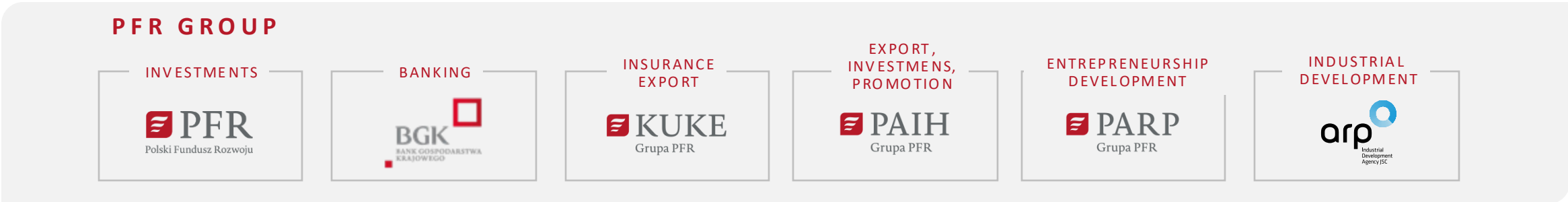


Simplified organizational structure of the PFR Capital Group



This document is an indication of the key strategic directions of the PFR Capital Group for 2025.

- At the same time, work is underway on:
- **PFR Group Strategy** (understood as a forum for cooperation between Polish development institutions) for 2026-2030, which will be published in the second half of 2025,
 - **PFR Capital Group's Strategy** for 2026-2030, which will be published by the end of 2025.



Key activities of the Management Board of the third term



- The Management Board of Polski Fundusz Rozwoju S.A. ("PFR") was appointed by the Supervisory Board in June 2024 and **began its 5-year term of office on July 19, 2024.**
- In the first months of its term, the PFR Management Board commissioned, among other things, **audits of the opening and adaptation of the organisational structure** to the new goals and ambitions of the PFR Group.
- Investment contracts for a **total amount of PLN 1.1 billion were signed**, supporting the development of renewable energy sources in Poland, foreign expansion of Polish enterprises, development of key urban centers, residential investments, as well as the venture capital and private equity sectors.
- **A review of the investment portfolio was carried out** in terms of PFR's further involvement – including potential divestments.
- **Cooperation between PFR and other Polish development institutions**, operating together in the "PFR Group" format (in the spirit of the Team Poland idea) in areas of key importance to Polish's development goals, has been deepened.
- In December 2024, **PFR received Treasury securities from the State Treasury as part of a recapitalization in the amount of PLN 1 billion**, which will be used for new investments.



Mariusz Jaszczyk
Vice President of
Finance and Development

Piotr Matczuk
Chief Executive Officer

Mikołaj Raczyński
Vice President of Investment

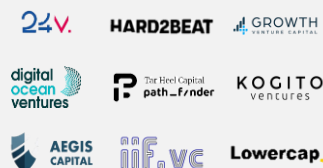
The most important investments in 2024



Direct investment

- **ISTRANA** – T5 deep-water terminal dedicated to offshore wind energy installations
- **PST** – financing the construction of photovoltaic farms with a total capacity of 40 MW
- **TEKNIKUM** – support for the foreign expansion of Sanok Rubber in Finland
- **ZKS FERRUM S.A.** – investments in the Polish offshore wind and nuclear value chain; loan for the purchase of the Indian Quay in the Port of Gdynia
- **MTG** – investment in the development of the company strengthening the position of the city of Gdańsk as a year-round business and tourism centre
- **AND2** – investment in the development of modern business space, strengthening the position of the city of Poznań as a key economic centre
- **EUVIC** – support for the foreign expansion of a Polish IT company to the Ukrainian market

Indirect investments



European Funds for Modern Economy (FENG)

PFR Ventures

Contracts were signed under FENG* programme, **9 Venture Capital funds** will benefit from financing for a total amount of **PLN 477 million**.



Fundusz Funduszy FIZ

PFR Ventures

As part of FF FIZ*'s activities, investments were made in: **bValue Growth (EUR 10 million), V4C Poland Plus Fund II (EUR 10 million), Radix Ventures (EUR 10 million), CVI II (EUR 5 million), Cogito II (EUR 10 million) and two other funds (for a total amount of EUR 11 million).**

Residential investments

- An occupancy permit was obtained for **2 investments for a total of 842 apartments.**
- A building permit was obtained for **2 investments for a total of 1.030 apartments.**
- The construction of **1 investment for 35 apartments has begun.**
- The average estimated rental level in the period in question for both Funds was maintained **at a level above 95%.**



Projects in progress

*All investments are of a "commitment" nature; The funds will be invested in portfolio companies over a period of approx. 5 years.

Context and objectives of the document

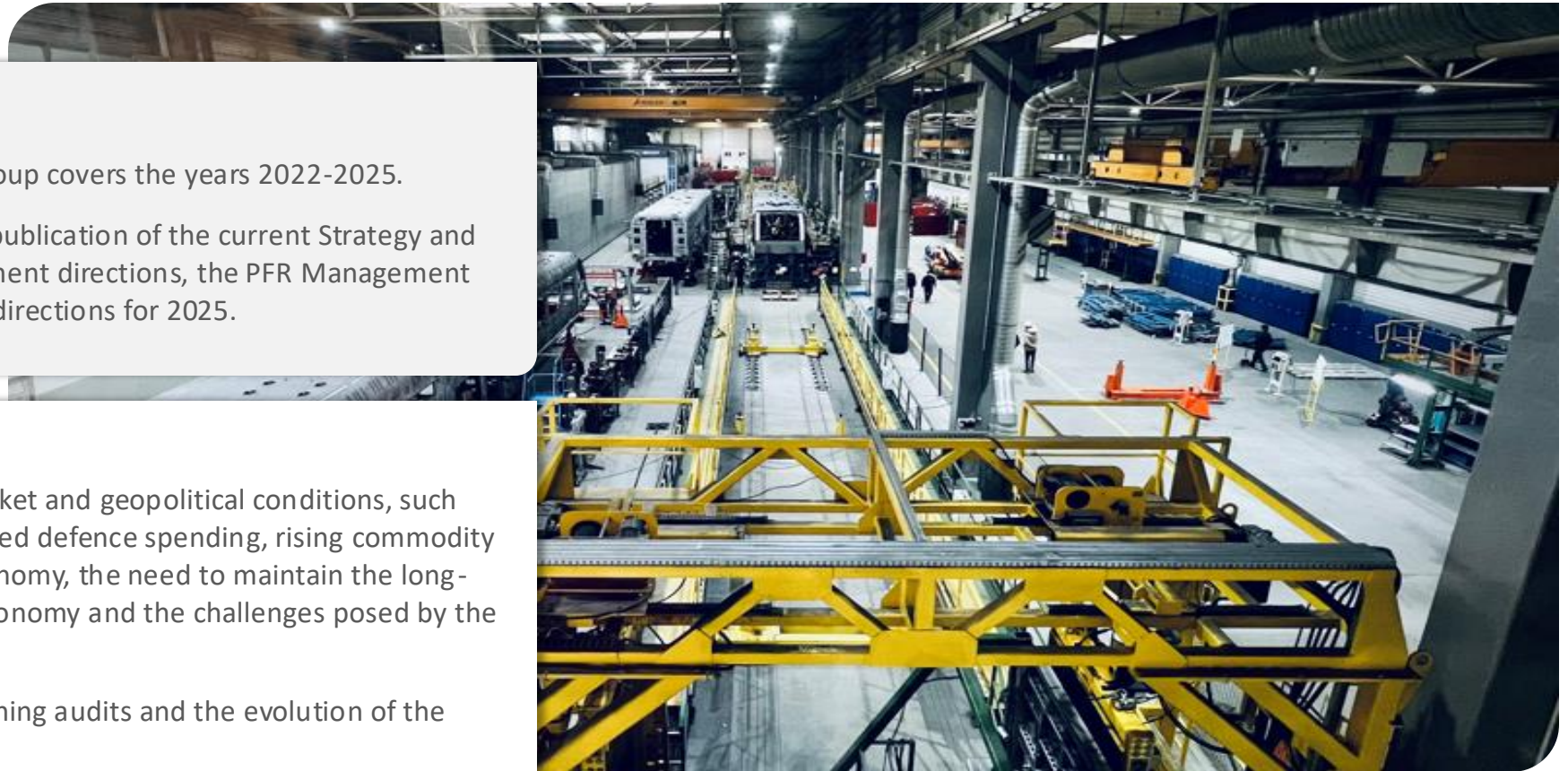


CONTEXT

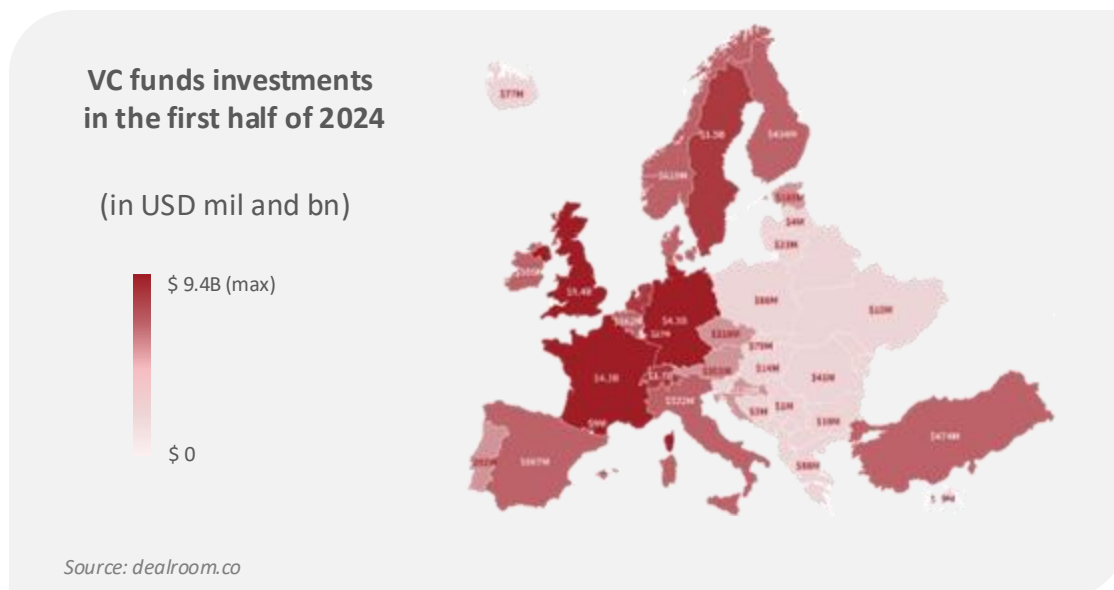
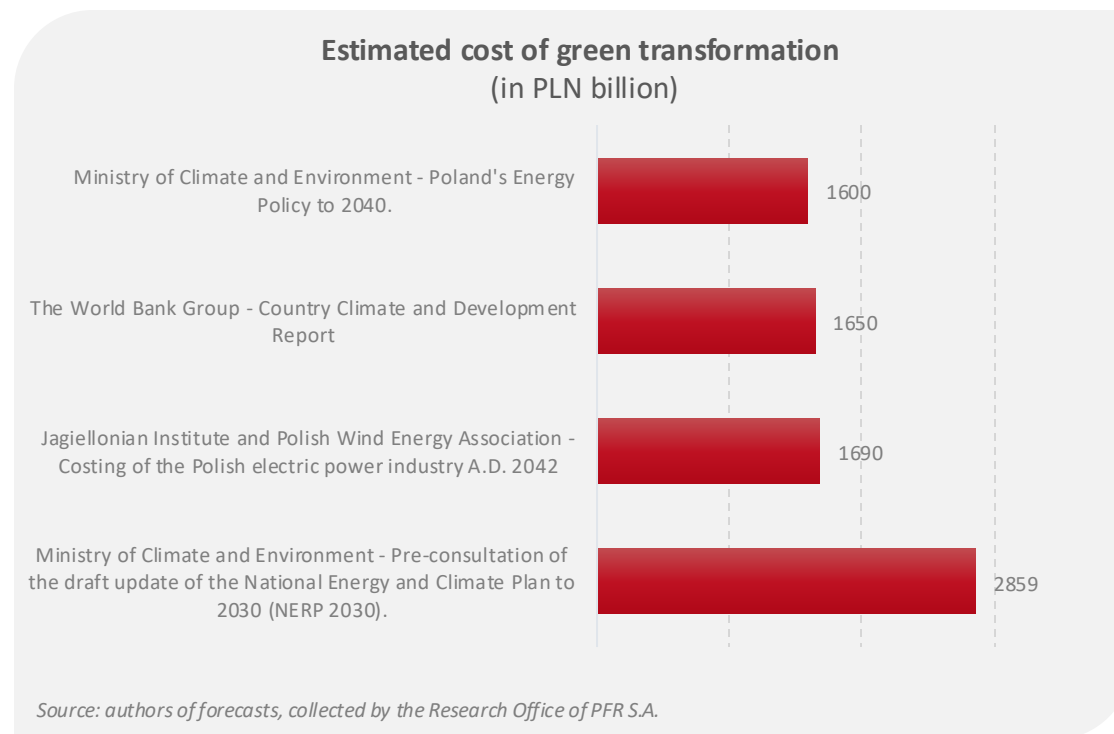
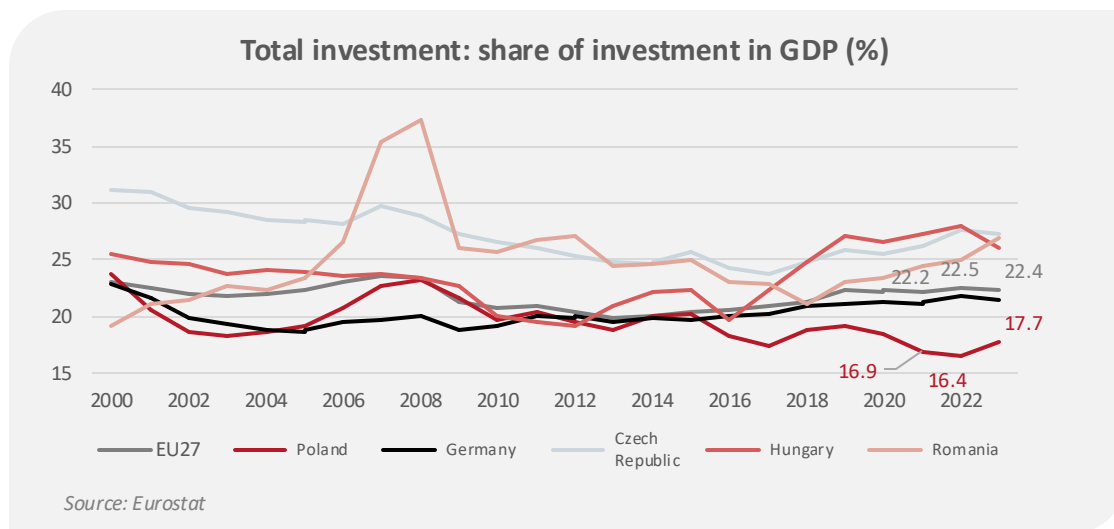
- The current Strategy of the Capital Group covers the years 2022-2025.
- Due to the passage of time since the publication of the current Strategy and due to the new vision of the development directions, the PFR Management Board decided to clarify the strategic directions for 2025.

OBJECTIVES

- Adapting the Strategy to changed market and geopolitical conditions, such as, i.a., the war in Ukraine and increased defence spending, rising commodity prices and decarbonisation of the economy, the need to maintain the long-term competitiveness of the Polish economy and the challenges posed by the development of artificial intelligence.
- Taking into account the results of opening audits and the evolution of the PFR business model.
- Calibration of priorities for 2025.
- This document does not focus on the comprehensive assessment of the implementation of the current PFR Group Strategy for 2022-2025, this will be made in the course of work on the PFR Group's Strategy for 2026-2030.

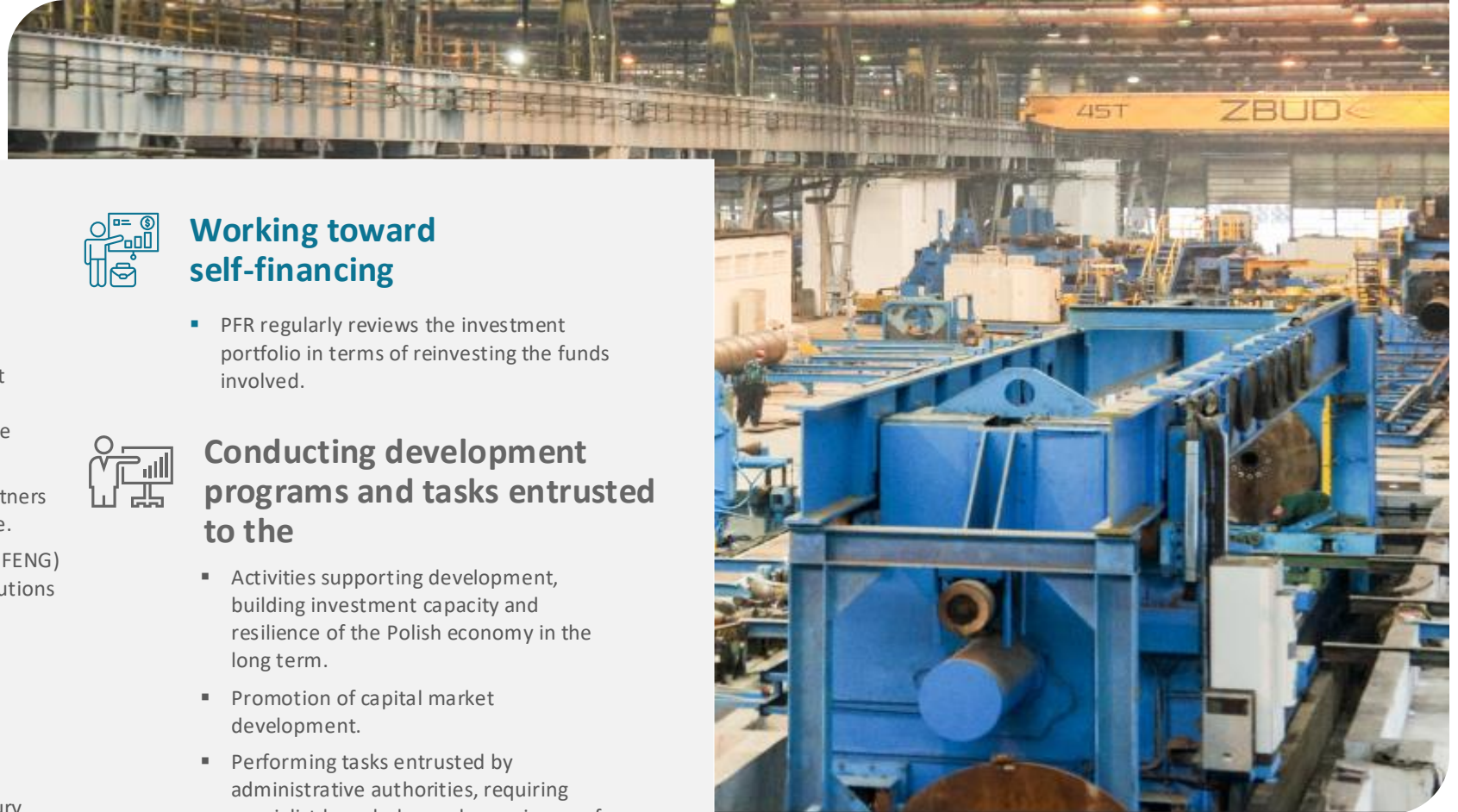


Macroeconomic context of operations – selected aspects



- Financing the energy transition will require the cooperation of entities from the banking sector, government and private investors. PFR can play an important role by engaging its own funds, as well as promoting cooperation and financing in cooperation with international institutions.
- The share of foreign investments or VC funds in Poland is relatively small, which hinders the development of Polish entrepreneurship. PFR's investment involvement can mobilize private capital in that sector.
- PFR's involvement in VC funds may also contribute to the development of the AI-related sector, where VC funds are the largest investor globally – in 2023 alone, these funds invested approx. USD 43 billion in the development of AI.

Basic principles of operation of the PFR Capital Group



Complementing the commercial and non-governmental sector

- Filling the gaps in financing of investment projects supporting Polish enterprises in achieving competitive advantages and the development of a sustainable economy.
- Mobilizing national and international partners to finance projects of a syndicated nature.
- Catalyzing the use of EU funds (i.e. POIR, FENG) and cooperation with international institutions (EIB, EBRD, World Bank).



Building shareholder value

- Investing the capital of the State Treasury while ensuring a market rate of return.



Working toward self-financing

- PFR regularly reviews the investment portfolio in terms of reinvesting the funds involved.



Conducting development programs and tasks entrusted to the

- Activities supporting development, building investment capacity and resilience of the Polish economy in the long term.
- Promotion of capital market development.
- Performing tasks entrusted by administrative authorities, requiring specialist knowledge and experience – for example, handling the Financial Shield Programs and payments from the National Recovery Plan and keeping PPK (Employee Capital Plans) records.

Strategic directions of the PFR Capital Group for 2025



TRANSFORMATION ENERGY

renewable energy sources
electromobility
low-emission transport
Decarbonisation



ECOSYSTEM INNOVATION

start-ups
acceleration
venture capital
Private Equity



INTERNATIONAL COMPETITIVENESS OF POLISH ENTERPRISES

foreign expansion
support for the reconstruction of Ukraine



DEVELOPMENT OF THE CAPITAL MARKET

Employee Capital Plans (PPK)
ESG-related instruments
REITs
public market divestment



LONG-TERM ECONOMIC AND DEFENCE RESILIENCE

Defense industry
Shield programs
Housing market

The strategic directions will be verified and detailed as part of the work on the PFR Capital Group's Strategy for 2026-2030

Investments and initiatives supporting investment processes for 2025



Direct investment

Energy transition

- Local content*, development of wind energy, flexible energy sources (energy storage, gas-fired units), transformation of the heating sector.

Infrastructure

- Low-emission transport, development of seaports, airports and transshipment ports.

Enterprises

- Providing venture capital, investing in capacity development, efficiency improvement, M&A.

Local governments

- Support for local governments in development processes, including energy and heating transformation, also through PPP or ESCO formulas.

Foreign expansion

- Support for Polish companies in international expansion and foreign acquisitions.

Indirect investments

Venture Capital

- Further implementation of the FENG program – 7-10 new investment contracts with VC funds are planned.

Private Equity

- 2-4 investments in growth/private debt/mezzanine funds are planned, as well as one in the field of a deep-tech funds.
- Priority for the local presence and development of Polish teams and competences in the country.

Support for building an innovation ecosystem

- Development of the Polish innovation and start-up ecosystem, including the identification and implementation of initiatives to increase access to capital, the construction of cooperation platforms between investors and innovative enterprises, and the analysis of mechanisms for engaging new sources of financing.
- Analysis of the concept of a dedicated accelerator for start-ups, including potential financing mechanisms, operational structure and cooperation with foreign partners.

Residential investments

Housing construction

- Completion of 729 housing units

Profitability and investment potential

- Improving the profitability of the Funds, i.a. by optimizing the processes related to the management and commercialization of real estate.
- Increasing the Company's investment potential - identifying the possibility of obtaining additional sources of financing, i.a. financing from commercial banks, implementation of projects in the JV formula, REITs.

Service standards

- Implementation of a new consumer brand for the offer of Funds managed by PFR Nieruchomości.
- Unification of the image and building recognition of the PFR housing offer.
- Centralization and standardization of the customer service process.

* Participation of Polish entrepreneurs in the implementation of energy transition projects – especially in the construction of offshore wind energy.

Pro-development activities for 2025.



Support for start-ups

- **Acceleration and incubation:** support in building and developing start-ups and preparing for investments.
- **Founder education:** training on VC funds, technology trends and legal aspects.
- **Support tools:** development of the startup.pfr.pl service and Dealroom.co database.



Digital transformation

- **The Future Network:** support in digitalization and sustainability through consulting and training.
- **Digital Layette:** Digital Maturity Test, technological tools and practical workshops.
- **Internal innovation:** implementation of AI-driven solutions in the PFR



Supporting innovation in local governments

- **Urban Technology Platform:** a platform for testing and implementing modern technological solutions.
- **Urban Tech Hub:** support for technology scouting in local governments.
- **PFR for Cities:** support for the development of Polish cities of the future.

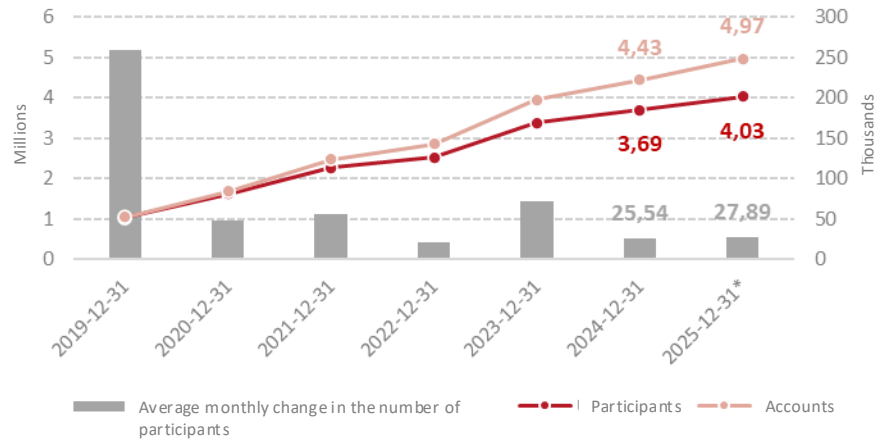




PPK – further development of the programme and promotion of participation



Number of participants and accounts

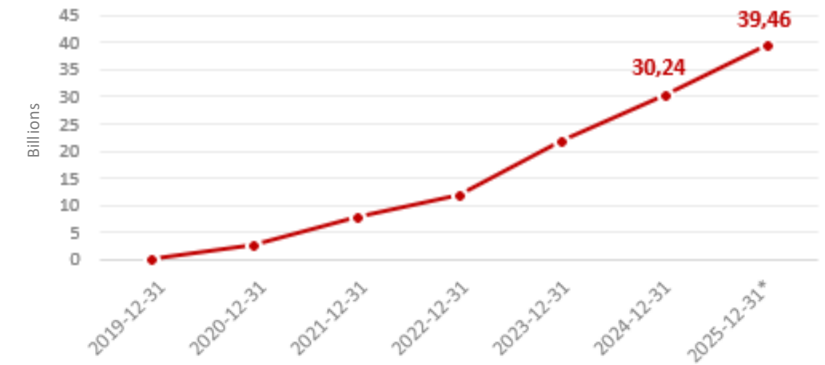


Funds accumulated in PPK are one of the pillars of long-term economic growth, thanks to the policy of investing in domestic capital.

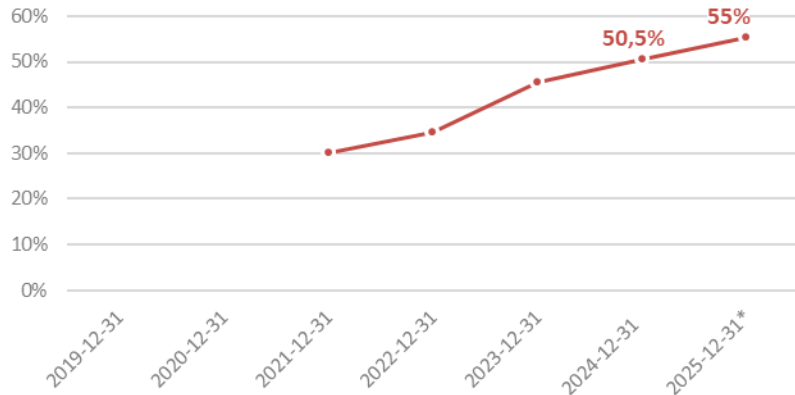
The WAN of the PPK is constantly growing and by the end of 2025 it will approach the level of PLN 40 billion with an increasing level of participation in the program (which exceeded 50% at the end of 2024).

The main role of the PFR Group is to provide information on the functioning of the programme and, more broadly, to educate on long-term savings, as well as to support the development of the capital market and the economy as factors conducive to the growth of PPK assets.

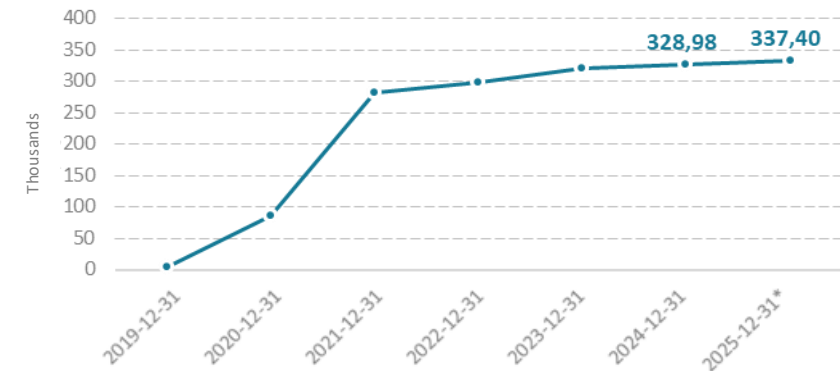
Net Asset Value (NAV)



Participation**



Number of management agreements



* The values provided are a prediction

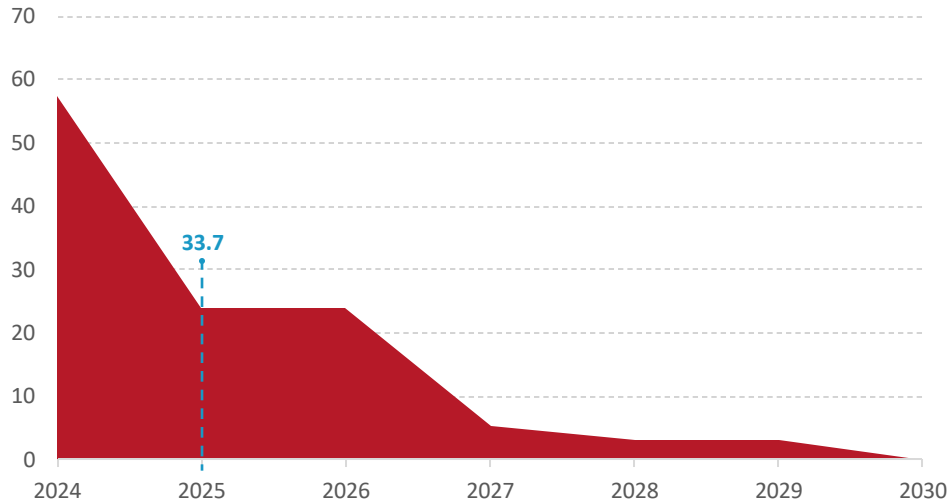
** Calculated as the quotient of active PPK accounts and the number of employees with an active PPK management agreement and at least one active PPK account



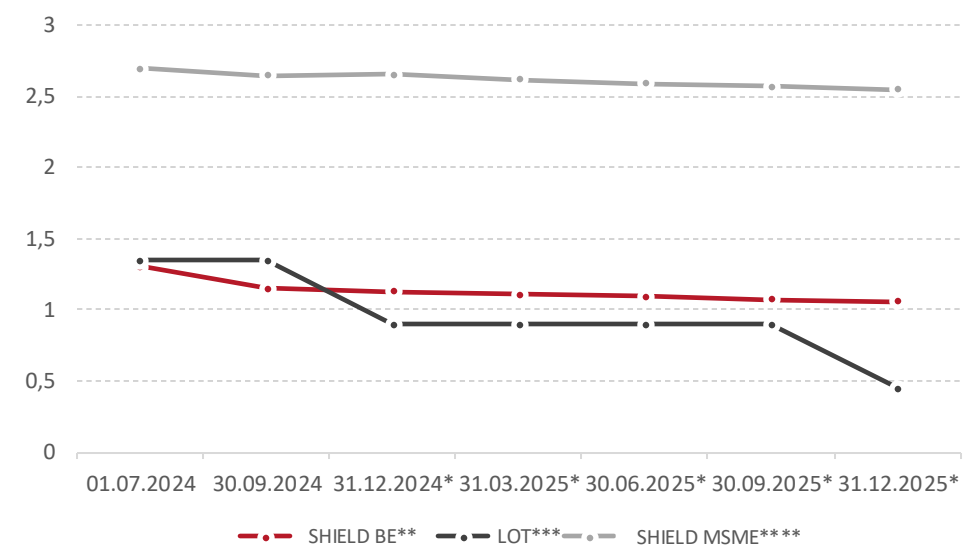
Financial Shield – continuation of the programme



Debt due to bond issue at nominal value
(PLN billion, as at 31.12 of a given year)



Corporate debt
(PLN billion)



Currently, under the Financial Shield program for Micro, Small and Medium-sized Enterprises (TF MSME), the service of subsidies boils down mainly to the **implementation of activities in the field of recovery of overdue receivables from entities that do not comply with the concluded contracts and issued schedules or in the case of which fraud has been identified.**

PFR continues to actively cooperate with key partners such as **ZUS, MF/KAS** or **CBA** in order to transparently meet the programme objectives.

At the same time, **the process of servicing loan agreements concluded under the Large Enterprise Shield is ongoing.**

Shield programs are gradually expiring. As of 12.2024:

- Under Financial Shields for MSME 1.0, **92.1%** of liabilities were repaid.
- Under Financial Shields for MSME 2.0, **64.5%** of the unredeemed parts of financial subsidies were repaid.
- TF for Big Enterprises has 57 contracts with a balance of **PLN 1.15 billion.**

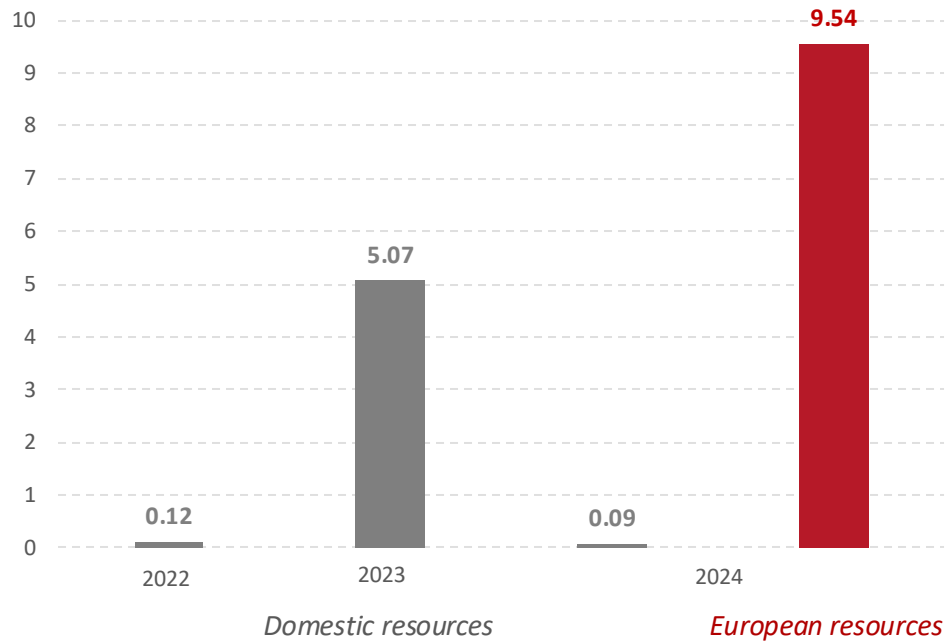
* The values given are a prediction.
** BE – big enterprises
*** LOT – Polish airlines
**** MSME – medium and small enterprises



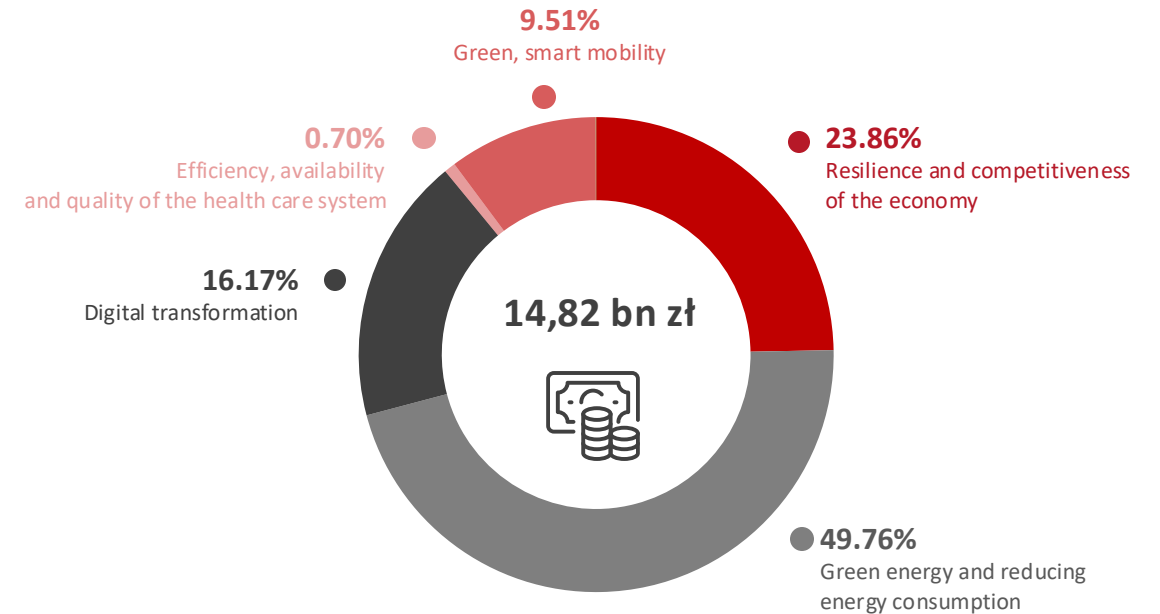
National Recovery Plan – continuation of the programme



Amount mobilised by national and European funding
(as at 31.12.2024, in PLN billion)



Amount disbursed by component
(as of 31.12.2024)



- The main role of PFR in the implementation of the NRP (KPO) in Poland **is to handle the disbursement of orders submitted by the Institutions Responsible for the Implementation of the Investment (IOI) and the Supporting Units**, including by providing financing for the payment of non-repayable support. For this purpose, PFR may receive payments from the European funds budget and obtain or use funds on the terms set out in Article 16a of the Act of 4 July 2019 on the system of development institutions.

- PFR has provided IOI and JW with an ICT **system enabling the creation and submission of orders for the payment of funds to PFR for investment projects prepared by ministries, local governments and institutions**. Until the inflow of European funds, in the period from 23.11.2022 (the first payment under the NIP) to the end of 2023, payment orders under the NRP were carried out with funds from the repayment of unredeemed subsidies or repayments of financial support granted for the implementation of the government's PFR Financial Shields program.

ESG and Corporate Social Responsibility



ESG at the center of the PFR Group's activities

- Introducing the role of **Chief Sustainability Officer** in the organization to coordinate ESG goals.
- **Integration of ESG aspects** in the PFR Group's strategy.
- **The key role of investments supporting the energy transition.**
- **Code of Ethics and accountability** and transparency towards all stakeholders.
- **Diversity and inclusion**, as well as **safe and predictable working environments.**



CSR

- **Development of employee volunteering** and volunteer competences.
- Strengthening the image of **PFR as a socially engaged company.**
- **Projects supporting the development of competences of the society** and groups at risk.
- **Charity related activities.**
- **Courses and consulting for business** as well as tools supporting digital transformation and sustainable development.

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