



**BRIEF OVERVIEW OF BUSINESS DEVELOPMENT
OPPORTUNITIES IN UKRAINE**



About **ELQ** Group



Publicly **listed** company

ELQ S.A. is a publicly traded company listed on the NewConnect market of the Warsaw Stock Exchange. With over 48 years of experience in the energy sector, ELQ is an undisputed leader in the production and supply of energy infrastructure in Poland.



Scale **and** credibility

As of September 10, 2024, our market capitalization stands at PLN 250 million (EUR 60 million), emphasizing our financial stability and market trust. The company undertakes large-scale energy projects both domestically and internationally, collaborating with key Partners.



Organizational Structure

01

Effective Management

ELQ operates with an organizational structure managed by an experienced team of experts who efficiently drive the company's further development.



02

Leadership & Expansion

Since 2012, the CEO, Dr. Marcin Sołtysiak, has expanded the company into new markets and modernized its operations, focusing on innovative technologies and operational efficiency.



Organizational Structure

My name is Marcin Softysiak, I am 49 years old, and I reside in both Poland and Estonia. For the past 25 years, I have been an entrepreneur and investor, consistently developing my own business ventures.

For the last 14 years, I have been actively investing in the energy sector.

I am the owner of GRUPA ELQ S.A., a company with a capitalization reaching several hundred million. The company's headquarters are in Poland, with subsidiaries operating in Uzbekistan and Ukraine.

In October 2024, ELQ S.A. registered ELQ Ukraine, and from the very start, we signed four memorandums for the implementation of 4,000 PV + BESS installations at key strategic facilities in Ukraine. We support regional governors during these challenging times by ensuring energy security and heat supply for critical infrastructure.

Our investments in the energy sector are rapidly expanding—currently, we have 18 projects and ready-to-execute RTB (Ready-to-Build) investments in Ukraine. These projects include biomethane, biogas, bioethanol, RDF, photovoltaic farms, and wind farms.

The current value of our investment portfolio stands at €600 million, and we plan to expand it to €1.5 billion by the end of 2025.

Additionally, we are in an advanced process of forming a consortium to build four small nuclear reactors in Ukraine, with a total investment value of approximately €10 billion.



Why Do We Invest in the Energy Sector?

The energy sector is a top priority for Ukraine's first stage of reconstruction, attracting the largest investment resources. Without stable energy, heat, and water supplies, rebuilding the country and facilitating the return of its citizens would be impossible. This is why the energy sector will be the first to operate at full scale.

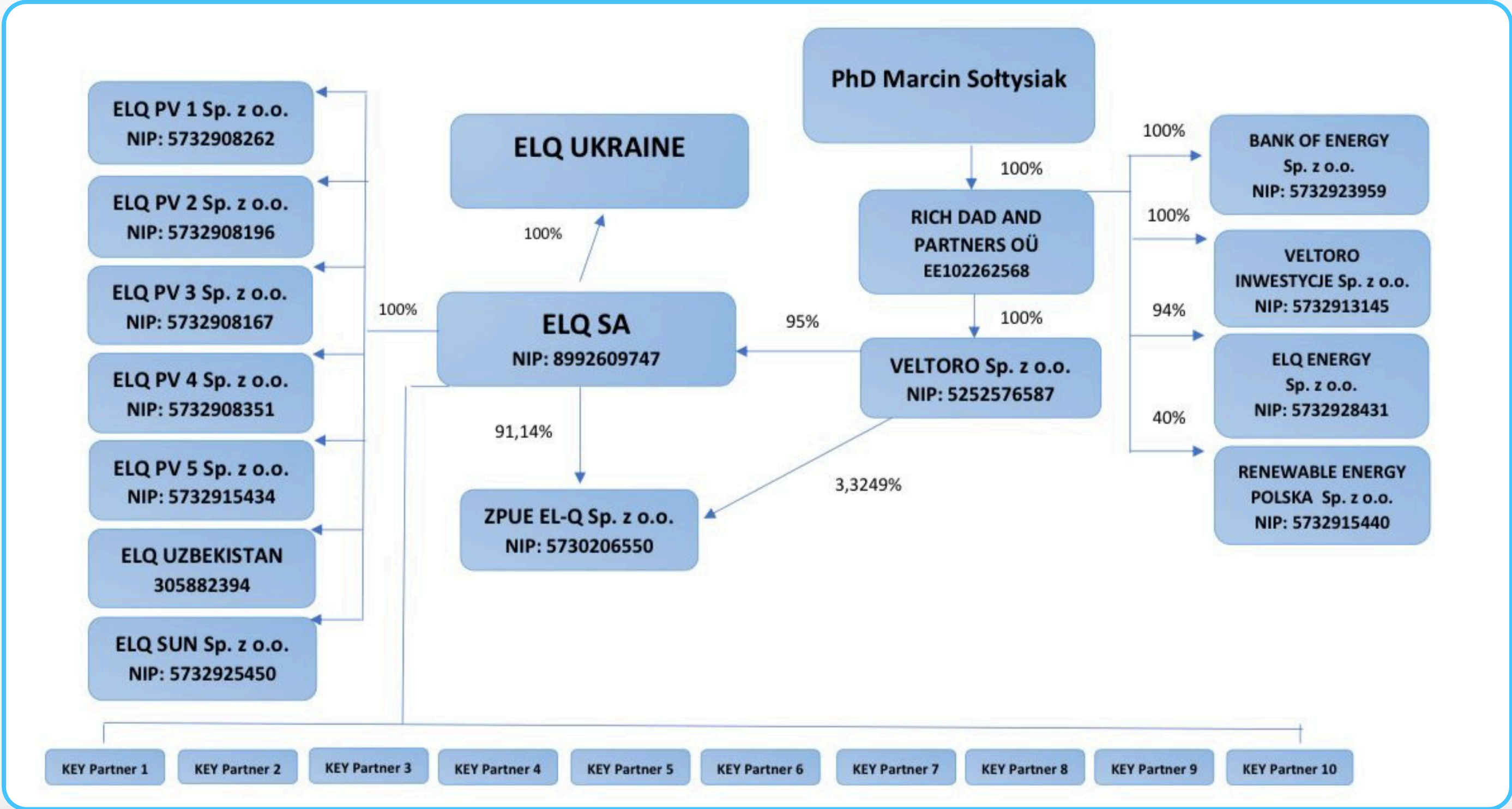
It is estimated that the total investment in Ukraine's energy sector will range from €400 billion to €800 billion.



Currently, we are finalizing the registration of Green Platinum Fund, which will invite all interested investors who want to actively participate in Ukraine's reconstruction.

Our projects are among the few that have reached the RTB stage, and we have a comprehensive feasibility study for each investment. We anticipate a very high return on investment, and investor interest is immense.

ELQ Group Capital Links Structure



ELQ UKRAINE

Position In Ukraine's Energy Market

ELQ UKRAINE is a dynamic and experienced developer of energy projects, playing a key role in Ukraine's energy transition. Our operations focus on high-potential industrial projects that address the country's strategic needs for energy security and sustainable development.

Our greatest asset is our team of experts with years of experience, including collaboration with Naftogaz of Ukraine. Their expertise has enabled us to execute critical projects in renewable energy and heat and electricity supply systems, which now form the backbone of Ukraine's modern energy infrastructure

We are further strengthened by our strategic Partner, who employs a team of 1,100 highly skilled engineers. This combination of knowledge, experience, and cutting-edge technology allows us to deliver world-class energy projects, adhering to the highest standards of quality and efficiency.

Currently, we are expanding our human and operational resources, recruiting additional specialists, and investing in strategic technologies. Preliminary agreements with international Partners already provide us with a strong foundation for future growth. Our objective is to develop a project portfolio exceeding €1 billion in value within the next 12 months.



Key Areas Of Operation For **ELQ** UKRAINE

A-Biofuel production

We invest in advanced technologies for the production of biomethane, bioethanol, and biodiesel, supporting the development of a circular economy and reducing dependence on fossil fuels.

Electricity and heat generation

We execute projects involving cogeneration plants powered by natural gas, biomass, biogas, and RDF, as well as installations based on solar energy.

Next-generation nuclear technologies

We are paving the way for the future with investments in small modular reactors (SMRs), a key component of low-emission energy solutions for the next generation.



Project Portfolio Strategy Of Elq Ukraine

(Bioenergy)

- 70% of ELQ UKRAINE's project portfolio focuses on initiatives related to the production of biogas, biomethane, and other biofuels. Ukraine's current Energy Strategy sets an ambitious goal of achieving 11 million tons of oil equivalent (toe) from biomass, biofuels, and waste, representing 11.5% of total primary energy supply by 2035. Biogas, and particularly biomethane, will play a crucial role in achieving this target.
- Experts estimate that Ukraine's total production of biogas and biomethane could reach 1.6 billion m³ by 2030, with biomethane production alone expected to reach 1.0 billion m³ annually. A significant portion of biomethane (0.5 billion m³) is anticipated to be exported to the European Union. Ukraine possesses one of the most advanced gas transmission systems globally, which has been freed from Russian gas transit since the war began.
- The remaining biomethane production can be utilized domestically as follows:
 - 0.2 billion m³ for cogeneration of heat and electricity in power plants,
 - 0.22 billion m³ for heating and industrial purposes,
 - 0.08 billion m³ for transport needs.



Project Portfolio Strategy Of Elq Ukraine (Bioenergy)

KEY BENEFITS

- Biomethane Exports to the EU: with its gas transmission infrastructure now free from Russian transit, Ukraine is ready to export 0.5 billion m³ of biomethane annually.
- Domestic Utilization: the remainder of production will supply cogeneration plants, heating systems, and transportation needs.

FORECASTS FOR 2050

Biogas and biomethane production could reach 6 billion m³ annually, with:

- 25% used domestically for heat and electricity generation.
- 75% (4.5 billion m³) converted into biomethane, of which 2.3 billion m³ will be exported to the EU.



Project Portfolio Strategy Of Elq Ukraine

(Thermal And Electric Power Generation)

The location of production facilities in central and western Ukraine ensures relative safety from direct impacts of military actions. Additionally, special risk insurance conditions have been introduced for companies interested in participating in the reconstruction of Ukraine's energy sector. On November 22, 2023, the Verkhovna Rada of Ukraine adopted Law No. 9015, expanding the powers of the Export and Credit Insurance Agency (ECA). This law enables the insurance of both foreign and domestic investments in Ukraine, providing coverage against military risks.

Thanks to this law, domestic Ukrainian investors can also access mechanisms for insuring military and political risks within the country. While further analysis is required, it is already evident that tools exist to support such initiatives. Currently, national export and credit agencies offer various forms of war-related risk insurance for international companies and private investors.

In addition, international organizations such as the U.S. International Development Finance Corporation (DFC) and the Multilateral Investment Guarantee Agency (MIGA), part of the World Bank Group, offer individual insurance solutions for military risks. Furthermore, the Government of Ukraine, together with the European Bank for Reconstruction and Development (EBRD), has launched a Property Insurance Fund for investors.



Project Portfolio Strategy Of Elq Ukraine

(Thermal And Electric Power Generation)

ELQ UKRAINE will be prepared for this situation. According to expert forecasts, Ukraine's energy sector will achieve premium status between 2028–2029. This status will persist until the 4 GW capacity deficit—caused by damage to energy infrastructure from Russian shelling—is eliminated.

Portfolio Composition:

- 30% of the portfolio consists of electricity and heat generation projects, including solar power plants, combined heat and power plants powered by natural gas, biomass, and RDF.
- Medium-sized projects (3–50 MW) will be critical for decentralizing Ukraine's energy system in the post-war period.

Development Prospects:

UKRENERGO has issued grid connection terms for facilities with a total capacity of 1.5 GW. These projects will be ready for implementation once the energy market stabilizes, including the introduction of tariff regulations and support mechanisms for consumers.



Summary



- The Ukrainian market is the largest market for investment for the next 100 years because such opportunities happen only once in a century
- ELQ Ukraine has already entered the Ukrainian market, focusing exclusively on executing the highest quality projects. Our portfolio includes projects with a total value of nearly **600 million EUR**, making us one of the key players in the country's energy sector.
- Our strength lies in our people—the managers of Ukraine's state-owned energy companies. These are experts with over 20 years of experience who have led the most complex energy projects. Thanks to their knowledge and determination, we are building the future of Ukraine's energy sector based on reliability, innovation, and a strategic approach to sustainable development.
- Signed memorandum with two districts for about 1000 facilities
- A significant added value is our Ukrainian partner, employing 1,100 workers who are currently restoring the country's power supply after the bombings. This is a huge advantage, as we do not need to send personnel from Poland for installation and service.
- While many entrepreneurs worldwide are waiting for the war to end, we, as the ELQ Group, are already present. We are operating as ELQ Ukraine, headquartered in Kyiv. Our experts are working on projects currently valued at over 600 million EUR, with a total capacity of 167 MW. By the end of 2025, our portfolio is expected to reach a value of 1 billion euros. These projects are from the most strategic sectors—energy and heat—including biogas, bioethanol, RDF, PV, and wind power.
- The EBRD has 5 billion euros allocated, of which Ukraine has used only 65 million EUR



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