

Press release

Poznań, 1 February 2023

VEOLIA AND INNARGI WILL EXPLORE THE POTENTIAL FOR GEOTHERMAL ENERGY IN POZNAŃ

Veolia Energia Polska, Veolia Energia Poznań and Innargi have entered into an agreement on exploring the potential for 100 MW of geothermal energy for district heating. The project is aimed at decarbonizing district heating and is in line with Veolia's mission to be the benchmark company for ecological transformation. Exploration research for geothermal resources will serve to evaluate the potential for developing geothermal district heating in Poznań. The project has been launched as part of ongoing efforts to find alternatives for coal, improve efficiency of renewable energy sources and stabilize district heating prices for the end consumer.

The agreement between Veolia and Innargi was signed today at the Poznań City Council hall.

“Today's agreement marks an important step towards the decarbonization of district heating, based on the adoption of new technologies. By delivering geothermal energy, we are contributing to improving the environment and air quality in the city, while at the same time protecting our customers from increasing carbon prices,” says Frédéric Faroche, Chairman of the Board, CEO of Veolia Group in Poland. “It is our ambition to be the benchmark company for the energy transition process. For this reason, we are focused on diversifying our energy mix to include renewable resources,” concludes Frédéric Faroche, Chairman of the Board, CEO of Veolia Group in Poland.

“We expect that the pioneering geothermal project in Poznań will demonstrate the substantial potential of geothermal energy for large district heating systems in Central and Eastern Europe. According to McKinsey research, geothermal energy has the potential to cover heat demand of 33% of district heating systems in Poland by 2045. Geothermal is not dependent on weather conditions, such as wind or sun. Once in operation, geothermal plants are pollution-free, quiet and discrete. They don't require large spaces and blend well into the urban landscape,” says Samir Abboud, CEO for Innargi.

„For years, we have been consistently investing in Poznań in solutions improving energy efficiency using available green resources. The concept of a modern, efficient district heating system using clean heat is in line with the decarbonization of district heating and, most importantly, with the vision for the ecological future of the city,” says Krzysztof Zamasz, Commercial Director and Member of the Board at Veolia Group in Poland.

A business model that protects consumers against subsurface conditions risks

Despite many advantages, the use of geothermal energy to supply district heating systems in Europe has been limited due to high start-up investment costs and subsurface conditions. Innargi – which is currently developing EU's largest geothermal plant in Denmark – has designed a new business model where geothermal heat is delivered as a service. That way, Veolia is protected

against investment costs and risks at every phase of the project - during the exploration, construction and operational phases.

The City of Poznań recognizes the potential of clean geothermal energy

The City of Poznań has been very supportive of the entire approval process of the agreement signed today.

“The decarbonization of district heating and the improvement of air quality for a better environment in Poznań is extremely important. The utilisation of geothermal heating in Poznań requires good cooperation with our city planners and environmental experts. We look forward to the partnership and are eager for the project to succeed,” says Jacek Jaśkowiak, Mayor of Poznań.

“For years, we have been cooperating closely with the Poznań City Council in a joint effort to develop pro-environmental and innovative solutions. Thanks to the City’s openness to initiatives serving the local community, we have so far been able to implement a number of investments advancing decarbonization. Recently, we have launched, among other things, a heat accumulator, which stores heat and makes it available on demand. This way, valuable energy is not lost,” says Jan Pic, CEO and General Manager of Veolia Energia Poznań.

In 2023, both Veolia and Innargi will be conducting an in-depth assessment of the city’s potential for geothermal heating. If the results of the investigation prove positive, a fully operational geothermal heating plant can be launched in approximately 5 years from now.

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About Veolia Group in Poland

Veolia Group in Poland aims to become the benchmark company for ecological transformation. As a proven partner to cities and industries all over Poland for more than 25 years, the Group offers innovative tailored solutions utilizing its knowledge and experience. By investing in the expansion and modernization of its production and distribution infrastructure, as well as developing solutions for the management of water, waste and energy, the Group ensures the highest quality of services. Veolia encourages circular economy by designing and deploying economically efficient and environmentally friendly solutions for the sustainable development of cities and the industry.

About Veolia Energia Poznań

Veolia Energia Poznań is a producer and distributor of system heat and cogenerated electricity, and manages the district heating network. It supplies system heat to approximately 60% of the city's population, as well as industrial plants, public institutions, as well as shopping and services centres. Veolia Energia Poznań continues a 120-year-long tradition of energy production in Poznań and the 50-year-long history of the district heating network, offering its customers innovative



and tailored energy services. As part of Veolia Group and its commitment to sustainable development, the company designs and deploys innovative energy-efficient solutions that are optimal for the environment and local communities.

About Innargi

Innargi has the mission to decarbonise heat by bringing geothermal heating to millions of homes with expert knowledge from an experienced team of geologists, reservoir-, facility-, and drilling engineers as well as through partnerships with district heating companies and cities. Innargi A/S was founded in 2017 by A.P. Moller Holding A/S (Denmark's largest company best known for the Maersk brand) and is today owned by A.P. Moller Holding, ATP (Denmark's largest pension fund) and NRGi (Danish consumer-owned utility company).