

# MANAGEMENT BOARD'S REPORT

on activities of PGE Capital Group  
for the 3-month period

ended March 31, 2025



*Polska Grupa Energetyczna*

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## KEY FINANCIAL DATA

Key financial data	Unit	Q1 2025	Q1 2024	% change
Sales revenues	PLN m	17 167	16 841	2%
EBIT reported	PLN m	3 260	1 408	132%
EBIT recurring	PLN m	3 305	1 450	128%
EBITDA reported	PLN m	4 310	2 536	70%
Reported EBITDA margin	%	25	15	
EBITDA recurring	PLN m	4 334	2 532	71%
Recurring EBITDA margin	%	25	15	
Net profit	PLN m	2 472	951	160%
Capital expenditures	PLN m	1 716	2 066	-17%
Net cash from operating activities	PLN m	4 738	-2 339	-
Net cash from investing activities	PLN m	-1 910	-2 140	-11%
Net cash from financial activities	PLN m	-1 576	2 769	-

Key financial data	Unit	March 31, 2025	December 31, 2024	% change
Working capital	PLN m	-5 312	-7 024	-24%
<b>Net debt</b>	<b>PLN m</b>	<b>8 139<sup>1</sup></b>	<b>11 045</b>	<b>-26%</b>
Net debt /LTM reported EBITDA <sup>2</sup>	x	0,58	0,90	
Net debt /LTM recurring EBITDA <sup>2</sup>	x	0,64	1,02	

One-offs affecting EBITDA	Unit	Q1 2025	Q1 2024	% change
Correction of contribution to Price Difference Payment Fund for the previous period	PLN m	-28	0	-
LTC compensations	PLN m	4	4	0%
<b>Total</b>	<b>PLN m</b>	<b>-24</b>	<b>4</b>	<b>-</b>

<sup>1</sup> Estimated level of economic financial net debt (taking into account future payments for CO2 emission rights) amounts to PLN 16 633 m.

<sup>2</sup> LTM EBITDA – Last Twelve Months EBITDA

## 1. PGE Capital Group - organisation

### 1.1. Characteristics of activities

Capital Group of PGE Polska Grupa Energetyczna S.A. ("PGE Capital Group", the "Capital Group", "PGE Group", the "Group") is the largest vertically integrated producer of electricity and heat in Poland. By combining our own raw material base, electricity generation and distribution network, PGE Group provides a safe and reliable supply of electricity to households, businesses and institutions.

The parent company of PGE Capital Group is PGE Polska Grupa Energetyczna S.A. (also "PGE S.A.", "PGE", the "Company"). PGE Group organizes its activities in eight operating segments:



#### RENEWABLES

The core business of the segment includes electricity generation from renewable sources and in pumped-storage power plants. In addition, the segment's structures include companies that build electricity storage facilities.



#### GAS-FIRED GENERATION

The core business of the segment includes electricity generation from gas-fired sources.



#### CONVENTIONAL GENERATION

Core business of the segment includes extraction of lignite, production of electricity and heat from conventional sources.



#### DISTRICT HEATING

The core business of the segment includes production of electricity and heat in cogeneration sources as well as transmission and distribution of heat.



#### DISTRIBUTION

The core business of the segment includes supply of electricity to final off-takers through the grid and HV, MV and LV infrastructure.



#### RAILWAY ENERGY SERVICES

The segment's main activities are the distribution and sale of electricity to railway operators and customers functioning within the railway system, the sale of fuels, as well as the maintenance and modernisation of overhead contact line network, together with other auxiliary services.



## SUPPLY

The core business of the segment includes wholesale trading of electricity on domestic and international market, sale of electricity to final off-takers, trading of CO<sub>2</sub> allowances, energy certificates and fuels and provision of services of the Corporate Centre to companies from the PGE Group.



## OTHER OPERATIONS

Other operations include provision of services, through the subsidiaries, to PGE Capital Group, which include organisation of capital raising in form of Eurobonds (PGE Sweden), provision of IT services and investing in start-ups. Additionally, within the segment there are part of project companies of the Group.

From 2025, the Circular Economy segment, which was reported separately until the end of 2024, will be included in the Other Operations segment. The scope of activity of companies in this area is to provide comprehensive services in the field of management of Combustion By-Products (UPS), to provide services in auxiliary areas for electricity and heat producers and to supply materials based on UPS.

### 1.2. Organisational structure

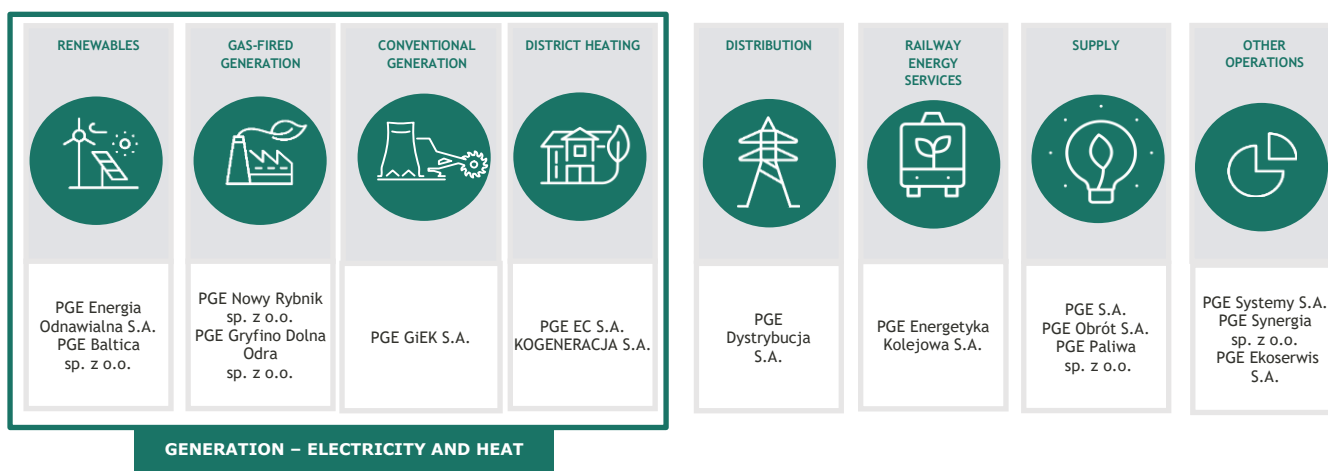
PGE Capital Group as at March 31, 2025 consisted of:

- PGE S.A. - the parent company,
- 79 subsidiaries subject to full consolidation,
- 2 joint operations,
- 6 associates and joint subsidiaries.

All of PGE Group's companies are organised in 8 operating segments.

The following diagram illustrates the Group's structure. A full composition of PGE Group, divided into segments as well as directly and indirectly consolidated subsidiaries, is presented in note 1.3 to the consolidated financial statements.

Chart: Structure of PGE Capital Group<sup>1</sup>



<sup>1</sup> Simplified structure – includes key entities.

### 1.3. Significant changes in the organisation of the Capital Group

Significant changes which occurred in the PGE Capital Group's structure in the period from January 1, 2025 until the signing date of this report, are presented in note 1.3 to consolidated financial statements and described below.


#### MERGERS

Segment	Acquiring company /acquired company	Date of transaction/ registration in the National Court Register (NCR)	Comment
Renewables	PGE Energia Odnawialna S.A./ Mithra D sp. z o.o., Mithra F sp. z o.o., Mithra G sp. z o.o., Mithra H sp. z o.o., Mithra I sp. z o.o., Mithra K sp. z o.o., Mithra M sp. z o.o., Mithra N sp. z o.o., Mithra O sp. z o.o., Mithra P sp. z o.o.,	April 15, 2025/ May 5, 2025 (merger date)	On April 15, 2025, the Extraordinary General Meeting of PGE Energia Odnawialna S.A. and the Extraordinary Meetings of Shareholders of the acquired companies adopted resolutions on the merger of the companies by way of acquisition, through the transfer of all assets of the acquired companies to the acquiring company without the issue of new shares in the acquiring company in exchange for the shares of the acquired companies, and on the dissolution of the acquired companies without undergoing liquidation. PGE Energia Odnawialna S.A. was the sole shareholder of the acquired companies.

#### LIQUIDATION OF COMPANIES

Segment	Company in liquidation	Date of transaction/ registration in the National Court Register	Comment
-	PGE Trading GmbH in liquidation with seat in Berlin	March 1, 2021 As of March 31, 2025, the company has not been removed from the commercial register	On March 1, 2021 the Extraordinary Assembly of Partners of PGE Trading in liquidation, in which PGE holds 100% of the share capital, adopted resolution on dissolution of the company and appointment of a liquidator to carry out liquidation activities. The liquidation process of the company is currently underway.
-	Railen GmbH in liquidation with seat in Berlin	January 31, 2023 / As of March 31, 2025, the company has not been removed from the commercial register	On January 26, 2023 the Extraordinary Assembly of Partners of Railen GmbH in liquidation, in which PGE Energetyka Kolejowa Holding sp. z o.o. holds 100% of the share capital, adopted resolution, effective January 31, 2023, resolution on dissolution of the company and appointment of a liquidator to carry out liquidation activities. On December 10, 2024, the liquidator submitted an application to open bankruptcy proceedings for the company due to its insolvency. On December 19, 2024, the Bankruptcy Court decided to appoint an expert to confirm the existence of grounds for initiating the company's bankruptcy proceedings.

#### RESTRUCTURING OF THE COMPANIES

Segment	Company in liquidation	Date of transaction/ registration in the National Court Register	Comment
	ENESTA sp. z o.o. in restructuring with seat in Stalowa Wola	June 21, 2022 / No completion of restructuring proceedings as at March 31, 2025	On June 21, 2022, the District Court in Rzeszów, 5th Commercial Division, opened restructuring (recovery) proceedings of the company ENESTA sp. z o.o. in restructuring and appointed an Administrator as part of these restructuring proceedings. The restructuring process of the company is currently underway. PGE Obrót S.A. currently holds 94.51% share in the share capital of the company.

## 1.4. Composition and the description of operations of the management and supervisory bodies and its committees

### 1.4.1. Management Board

#### MANAGEMENT BOARD MEMBERS

Table: Composition of the Company's Management Board as at January 1, 2025, March 31, 2025 and signing date of the report.

Name and surname of the Management Board member	Position	Period
Dariusz Marzec	President of the Management Board	From March 18, 2024 up to now
Maciej Górski	Vice-President for Operations	From June 24, 2024 up to now
Przemysław Jastrzębski	Vice-President for Finance	From July, 15 2024 up to now
Robert Kowalski	Vice-President for Support and Development	From May 15, 2024 up to now
Marcin Laskowski	Vice-President for Regulations	From March 18, 2024 up to now

None of the members of the Management Board of PGE S.A. are elected as employees' representatives.

There were no changes in the composition of the Company's Management Board during the first quarter of 2025.

### 1.4.2. Supervisory Board

Supervisory Board of PGE S.A. operates on the basis of the Act of September 15, 2000 - Code of Commercial Companies and the Company's Statute and Regulations of the Supervisory Board, the content of which is available on the Company's website:

- [Statutes](#)
- [Regulations of the Supervisory Board.](#)

#### COMPOSITION OF THE SUPERVISORY BOARD AND CHANGES TO THE SUPERVISORY BOARD IN 2025

Table: Composition of the Company's Supervisory Board as at January 1, 2025, March 31, 2025 and signing date of the report.

Name and surname of the Supervisory Board member	Position	Period
Michał Domagała	Member of the Supervisory Board/ Chairman of the Supervisory Board – independent	25.01.2024 – 06.02.2024 07.02.2024- up to now
Andrzej Sadkowski	Member of the Supervisory Board / Vice-Chairman of the Supervisory Board – independent	01.02.2024 – 06.02.2024 07.02.2024- up to now
Anna Kowalik	Chairwoman of the Supervisory Board / Secretary of the Supervisory Board	01.01.2024 <sup>2</sup> – 06.02.2024 07.02.2024- up to now
Małgorzata Banasik	Member of the Supervisory Board – independent	01.02.2024 – up to now
Andrzej Kozyra	Member of the Supervisory Board – independent	01.02.2024 – up to now
Elżbieta Niebisz	Member of the Supervisory Board – independent	01.02.2024 – up to now
Sławomir Patyra	Member of the Supervisory Board – independent	01.02.2024 – up to now
Andrzej Rzońca	Member of the Supervisory Board – independent	01.02.2024 – up to now

There were no changes in the composition of the Company's Supervisory Board during the first quarter of 2025.

<sup>2</sup> Anna Kowalik was appointed to the Supervisory Board on June 27, 2013.



### 1.4.3. Committees of the Supervisory Board

Table: Composition of the committees of the Supervisory Board as at January 1, 2025, March 31, 2025 and signing date of the report.

Name and surname of the member of the Supervisory Board	Audit Committee	Corporate Governance Committee	Strategy and Development Committee	Appointment and Remuneration Committee
Małgorzata Banasik			Chairwoman	Member
Michał Domagała	Member			Member
Anna Kowalik	Member	Member		Chairwoman
Andrzej Kozyra		Member		Member
Elżbieta Niebisz	Member		Member	
Sławomir Patyra		Chairman		Member
Andrzej Rzońca	Chairman		Member	
Andrzej Sadkowski			Member	

There were no changes in the composition of the Company's Supervisory Board Committees during the first quarter of 2025.

The detailed scope of competences of individual Committees of the Supervisory Board of PGE can be found in the Regulations of the Supervisory Board available on the website of PGE S.A.

## 1.5. Shares and shareholders

### 1.5.1. Share capital of PGE S.A. and ownership structure

#### SHARE CAPITAL

As at January 1, 2025, March 31, 2025 and the date of signing of this report, the share capital of PGE S.A. was PLN 19 183 746 098.70 and split into 2 243 712 994 shares with a nominal value of PLN 8.55 each. There were no changes in share capital of PGE S.A. during the first quarter of 2025.

Table: Share capital of the Company.

Series/issue	Type of shares	Type of privilege	Number of shares	Value of series/issue at nominal value	Capital payment method
"A"	ordinary	n/a	1 470 576 500	12 573 429 075.00	contribution in kind/cash
"B"	ordinary	n/a	259 513 500	2 218 840 425.00	cash
"C"	ordinary	n/a	73 228 888	626 106 992.40	merger with PGE GiE S.A.
"D"	ordinary	n/a	66 441 941	568 078 595.55	merger with PGE Energia S.A.
"E"	ordinary	n/a	373 952 165	3 197 291 010.75	cash
<b>Total</b>			<b>2 243 712 994</b>	<b>19 183 746 098.70</b>	

#### SHAREHOLDERS WITH A SIGNIFICANT STAKE

According to the letter from the Ministry of the State Treasury of May 20, 2022, the State Treasury held 1 365 601 493 ordinary shares of the Company, representing 60.86% of the Company's share capital and entitling to 1 365 601 493 votes on the General Meeting of the Company, constituting 60.86% of total votes.

In addition, The State Treasury informed about the subsidiary holding PGE shares and the total number of votes by both entities and its percentage share in the total number of votes. According to the notification, taking into account the number of shares (18 697 608) held by a subsidiary of the State Treasury, i.e. Towarzystwo Finansowe Silesia sp. z o.o. (TF Silesia), the State Treasury holds a total of 1 384 299 101 shares constituting 61.70% of the share capital of the Company and entitling to exercise 1 384 299 101 votes, which constitutes 61.70% of the total number of votes.

Table: Shareholding structure at January 1, 2025, March 31, 2025 and the date of signing of this report<sup>1</sup>.

State Treasury and its subsidiary		Other shareholders		Total	
Nominal value of shares (PLN)	% in share capital and votes	Nominal value of shares (PLN)	% in share capital and votes	Nominal value of shares (PLN)	% in share capital and votes
11 835 757 313.55	61.70	7 347 988 785.15	38.30	19 183 746 098.70	100.00

<sup>1</sup> The ownership structure is presented on the basis of information available to the Company.

All of the Company shares have been paid.

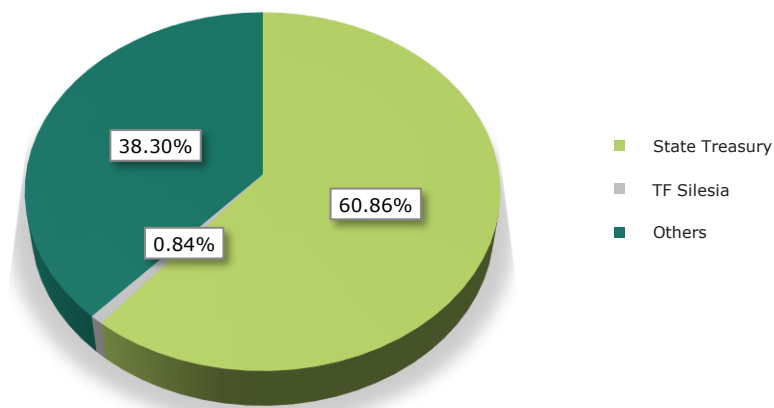
Although the Company's shares are not privileged, the Statutes of the Company provide for special rights of the State Treasury until it remains a Shareholder of the Company.

Table: Shareholders holding directly or indirectly by subsidiaries at least 5% of the total votes at the General Meeting of PGE S.A. January 1, 2025, March 31, 2025 and at the signing date of this report.

Shareholder	Number of shares	Number of votes	% in total votes on General Meeting
State Treasury	1 365 601 493	1 365 601 493	60.86%
State Treasury's subsidiary – TF Silesia	18 697 608	18 697 608	0.84%
State Treasury and its subsidiary - total	1 384 299 101	1 384 299 101	61.70%
Others	859 413 893	859 413 893	38.30%
<b>Total</b>	<b>2 243 712 994</b>	<b>2 243 712 994</b>	<b>100.00%</b>

During the first quarter of 2025, there were no changes in the shareholding structure of PGE S.A.

Chart: Shareholding structure of PGE S.A.



### 1.5.2. Shares of the parent company and shares in the entities related to PGE S.A. owned by the members of management and supervisory authorities

According to the best knowledge of the Management Board of the Company, none of the members of management and supervisory authorities of the Company held shares of the parent company or shares in entities related to PGE S.A. as at March 31, 2025 and as at the date of signing of this report.

## 2. Energy market and regulatory and business environment

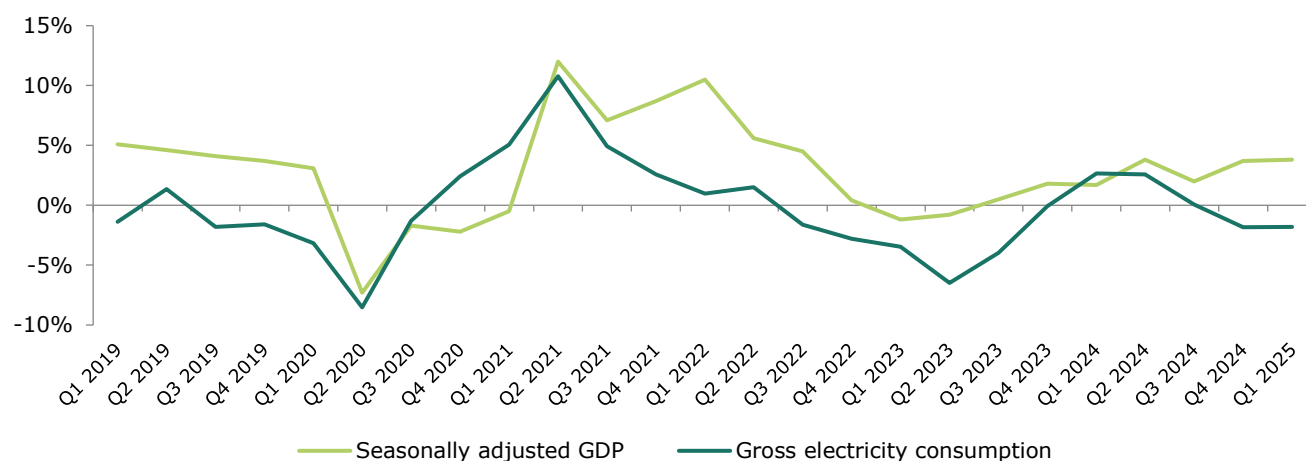
### 2.1. Macroeconomic environment

PGE Group's main operating area is Poland, and the domestic macroeconomic backdrop has a substantial impact on Group's results. At the same time, the condition of Poland's economy remains largely tied to the situation across the European Union and in global markets. The Group's financial results are affected by both the situation in specific segments of the economy and the financial markets, which determine the terms of PGE Group's debt financing.

In Poland, as in most other economies, there is a positive dependence between change in electricity demand and change in the rate of economic growth. Considering PGE Group's position on the Polish power generation market, as well as its substantial share in the electricity sales and distribution market, changes in electricity and heat demand may have a significant impact on the Group's results.

In the first quarter of 2025, the trends observed in the fourth quarter of 2024 continued. Electricity demand recorded during the first quarter of 2025 decreased by 1.8% compared to the corresponding period of the previous year.

Chart: Seasonally adjusted GDP change vs. change in domestic gross electricity consumption.



Source: Central Statistical Office of Poland, Polskie Sieci Elektroenergetyczne S.A. (PSE S.A.)

In the first quarter of 2025, the average PMI for the Polish manufacturing sector stood at 50.0 points, marking the first result at least at the 50-point threshold—indicating a shift from recession to expansion—since 2022. In January 2025, the PMI was at 48.8 points, while a breakthrough increase to 50.6 points occurred in February 2025, signalling a general improvement in economic conditions in the manufacturing sector for the first time since April 2022. In March 2025, the readings showed a further slight rise to 50.7 points. According to experts, the improvement in sentiment within the manufacturing sector is driven by recovering demand, the introduction of new products to the market, increased activity in the construction sector, and funds from the National Recovery and Resilience Plan (KPO). In the Eurozone, the manufacturing PMI also showed signs of gradual improvement. The March 2025 reading (49.0 points) was the highest since 2022. The PMI has been increasing for the third consecutive month, and the production index even exceeded the growth threshold. Changes in the PMI may also have been influenced by the situation regarding the introduction of tariffs. Despite the monthly increases, the PMI for major economies remains in the contraction zone—France (48.5 points), Germany (48.3 points), Spain (49.5 points). In the context of the projected economic recovery in 2025, the improvement in the PMI may indicate better prospects for the Group, both in terms of increased sales to the industrial and service sectors and favourable conditions for undertaking investments.

Chart: Manufacturing PMI in Poland and Eurozone (in points).



Source: Market Economics

A slight economic revival is also evident in the data on sold industrial production. In the first quarter of 2025, sold industrial production in Poland increased by 0.9% compared to the corresponding period of the previous year, indicating a moderate recovery. On a monthly basis, declines in sold production were recorded in both January and February 2025. A marked rebound occurred in March 2025, with a year-on-year increase of 2.5%. Although the results after the first quarter of 2025 were lower than experts had anticipated, forecasts for the coming months still suggest a recovery in the industrial sector. For the PGE Group, this could potentially translate into increased demand for energy if the projected growth in industrial production materialises.

## 2.2. Market environment

### 2.2.1. Situation in the National Power System (NPS)

Table: Domestic electricity consumption (TWh).

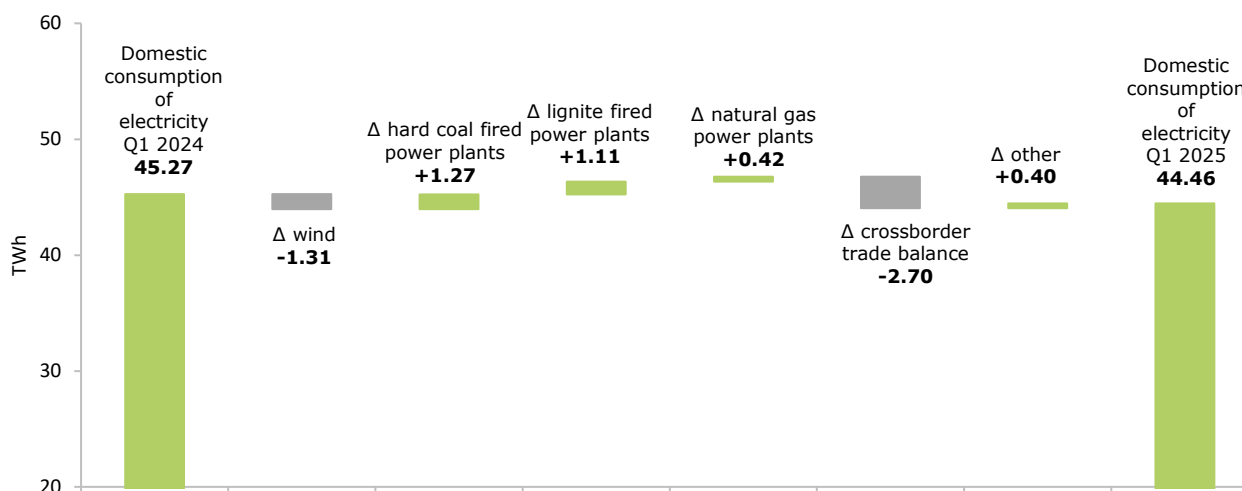
	Q1 2025	Q1 2024	% change
<b>Domestic electricity consumption, including:</b>	<b>44.46</b>	<b>45.27</b>	<b>-2%</b>
Wind farms	6.65	7.96	-16%
Industrial thermal hard-coal fired power plants	20.47	19.20	7%
Industrial thermal lignite fired power plants	9.91	8.80	13%
Industrial gas-fired power plants	5.04	4.62	9%
International exchange balance	-1.34	1.36	-
Other (hydro power plants, other RES)	3.73	3.33	12%

Source: PSE S.A. data

#### Q1 2025

In the first quarter of 2025, domestic electricity consumption decreased by 0.81 TWh, primarily due to higher generation in PV plants. As a result of deteriorating wind conditions, wind power generation fell by 1.31 TWh compared to the corresponding period of the previous year. In the first quarter of 2025, Poland was a net exporter of electricity, whereas in the previous year the direction of exchange was the opposite, resulting in a year-on-year change in the foreign trade balance of -2.70 TWh. An increase in production was recorded at hard coal-fired power plants (+1.27 TWh), lignite-fired power plants (+1.11 TWh), and gas-fired power plants (+0.42 TWh), mainly due to the lower output from wind farms as mentioned above. Other sources also recorded an increase in generation (+0.40 TWh), particularly photovoltaic power plants, owing to the rise in installed capacity.

Chart: Energy balance in the NPS (TWh) in Q1 2025.



Source: own work based on data from PSE S.A.

The situation in the NPS directly affects the operational activities of the PGE CG. In the first quarter of 2025, the PGE Group recorded an increase in generation from lignite-fired units of 0.95 TWh (+11% y/y) and an increase in generation from gas-fired units of 1.08 TWh (+73% y/y), driven by the growth in installed capacity. In contrast, generation from hard coal-fired units fell by 0.15 TWh (-3% y/y).

## 2.2.2. Electricity prices - domestic market

Table: Day-Ahead market (RDN, SPOT market)

Market/measure	Unit	Q1 2025	Q1 2024	% change
RDN – average price	PLN/MWh	490	366	34%
RDN – trading volume	TWh	12.17	12.24	-1%

Data from TGE, include weighted average monthly BASE prices.

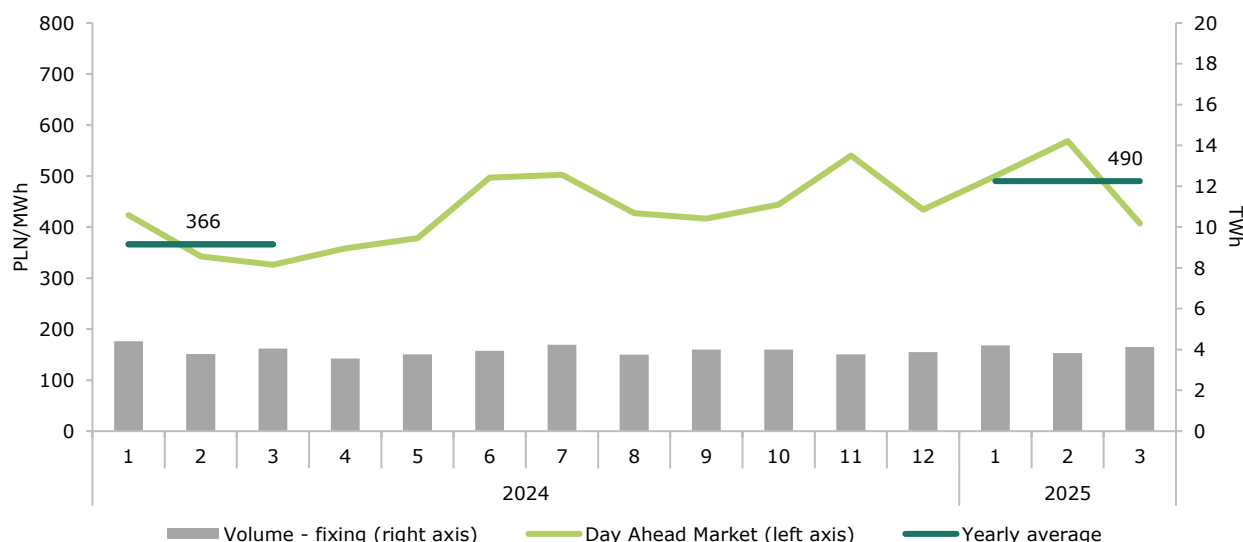
Table: Selected price factors affecting RDN quotations

Factor	Unit	Q1 2025	Q1 2024	% change
CO <sub>2</sub> emission rights <sup>3</sup>	EUR/t	75.03	61.00	23%
Polish Steam Coal Market Index PSCMI-1	PLN/GJ	16.65	22.89	-27%
Wind generation NPS	TWh	6.65	7.96	-16%
Ratio: wind generation/ NPS consumption	%	15%	18%	
Ratio: international trading/ NPS consumption	%	-	3%	

In the first quarter of 2025, the average electricity price on the day-ahead market was PLN 490/MWh and was higher by 34% than average price (PLN 366/MWh) in the analogical period of the previous year. Decreased generation from wind farms contributed to the price increase.

Average level of PSCMI-1 in the first quarter of 2025 was PLN 16.65/GJ, i.e. lower by 27% than in the base period.

Chart: Average monthly prices on the day-ahead market in 2024–2025 (TGE).



Source: Data from TGE, include weighted average monthly BASE prices.

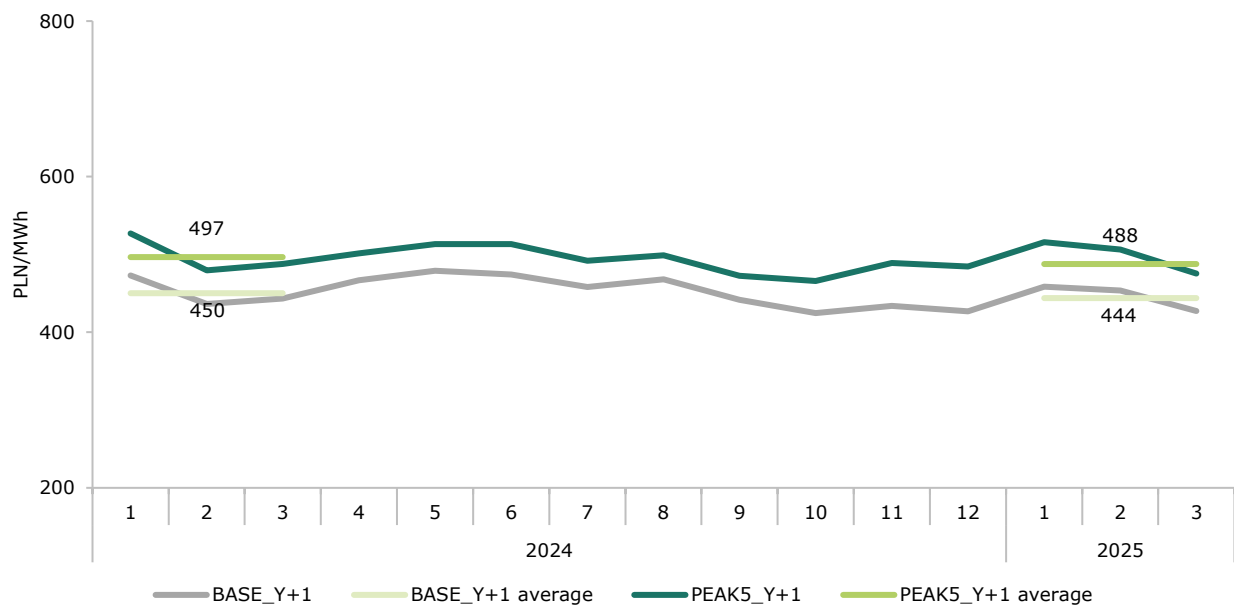
Table: Forward market (RTT)

Market/measure	Unit	Q 2025	Q1 2024	% change
BASE Y+1 – average price	PLN/MWh	444	450	-1%
BASE Y+1 – trading volume	TWh	4.61	8.23	-44%
PEAK5 Y+1 – average price	PLN/MWh	488	497	-2%
PEAK5 Y+1 – trading volume	TWh	0.79	1.24	-36%

Energy prices on the forward market in the first quarter of 2025 fell for both BASE and PEAK5 contracts in comparison to the analogical period of the previous year. Several factors may have contributed to the price decline, including lower coal prices, the projected increase in the share of RES in generation or the prospect of a slowing economy and thus lower demand due to the introduction of tariffs by the US.

<sup>3</sup> Source: own work based on ICE quotations.

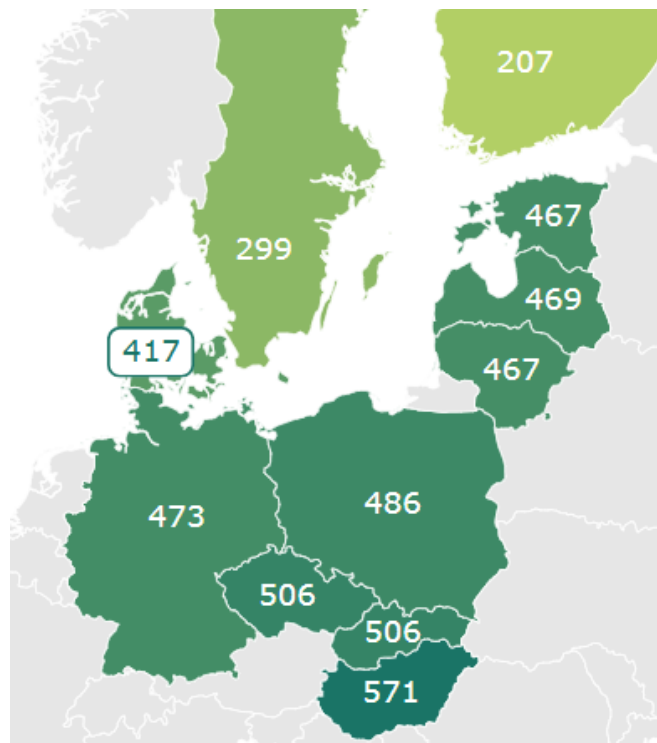
Chart: Average monthly prices on the forward market in 2024–2025 (TGE).<sup>4</sup>



## 2.2.3. Electricity prices - international market

### WHOLESALE MARKET (COMPARISON OF SPOT MARKETS)

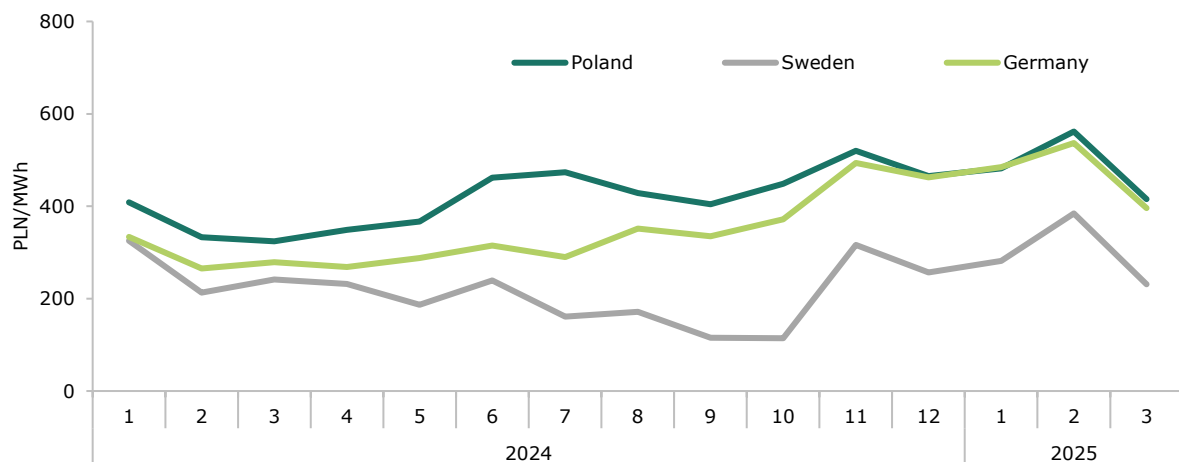
Chart: Comparison of average electricity prices on Polish market and on European markets in the first quarter of 2025 (prices in PLN/MWh, average exchange rate EUR/PLN 4.20).



Source: TGE - RDN price level calculated on the basis of hourly quotations (fixing), EEX, Nordpool.

<sup>4</sup> Monthly average index level for forward contracts for the next year (Y+1), baseload and peak, weighted by the trading volume.

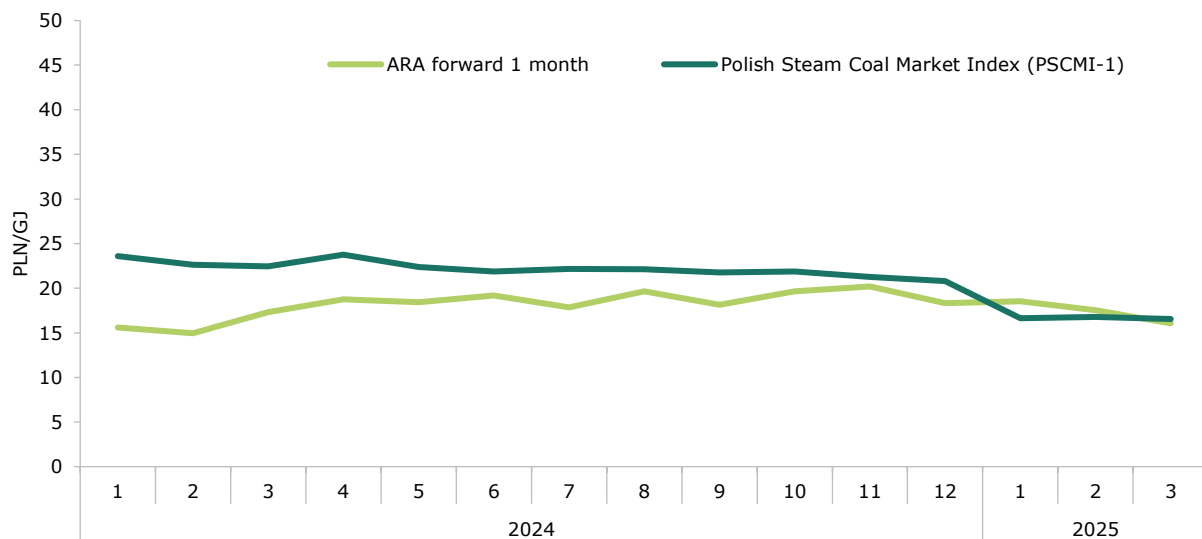
Chart: Evolution of spot market prices.



Source: TGE, EEX, Nordpool

In the first quarter of 2025, the largest y-o-y price increase was recorded in Hungary (+253 PLN/MWh), in Czechia (+192 PLN/MWh) and Germany (+180 PLN/MWh), while the price decline was recorded in Finland (-107 PLN/MWh). The differentiation of energy prices results from a higher share of renewable energy sources in the generation mix and from the situation on the markets for related products. The price spread between Poland and its neighbouring countries is also due to differences in realised coal prices and also to prices of natural gas at home and abroad. The reason for the price drop was a change in the market situation, mainly increasing share of RES in generation.

Wykres: Indeksy węglowe ARA vs PSCMI-1<sup>5</sup>.



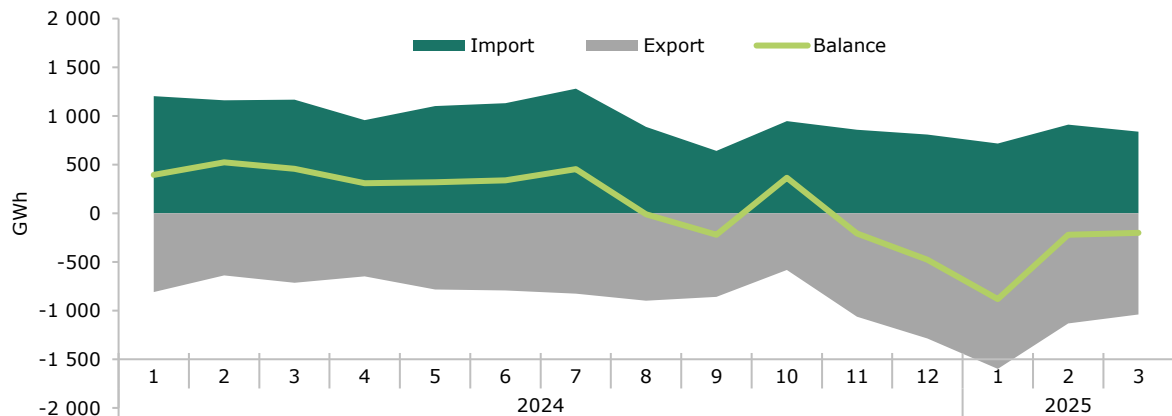
Source: ARP, Bloomberg (API21MON OECM Index), own work.

<sup>5</sup> The comparison is illustrative only. Methodologies of counting the ARA and PSCMI1 indexes are different. Among other things, the ARA index includes insurance and delivery costs. The PSCMI 1 is an ex-mine index without insurance and delivery costs. Standards for calculating the caloric values are also different (ARA – 25.12 GJ/t vs. PSCMI1 caloric value - range 20-24 GJ/t). The aim is to compare the trend and not the absolute level. For illustration purposes ARA index is recalculated from USD/t to PLN/GJ.



## INTERNATIONAL TRADING

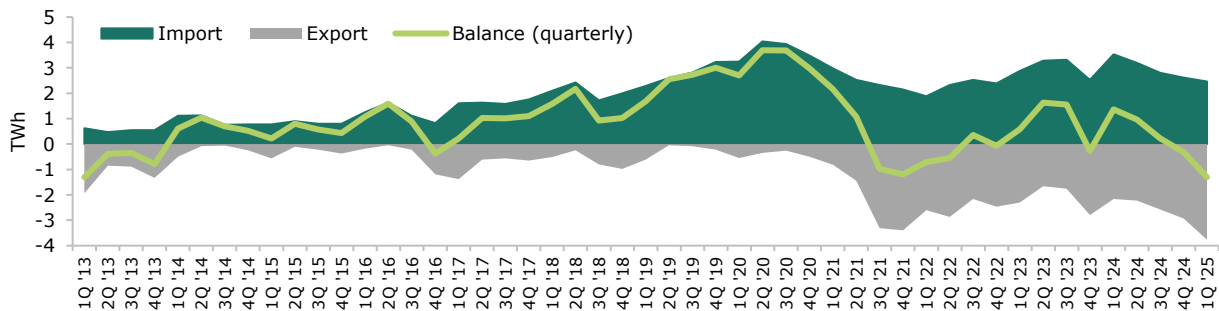
Chart: Monthly imports, exports and cross-border exchange balance in 2024-2025.



Source: own work based on data from PSE S.A.

The variation in imports/exports is due to the level of the share of renewable energy sources in the technological mix and the situation in the markets for related products. In the first quarter of 2025, Poland was an exporter of electricity, driven by an increase in installed PV capacity and generation from these sources. Exports took place mainly in the mornings and afternoons.

Chart: Quarterly trading volumes – import, export and international trading balance in years 2013-2025.



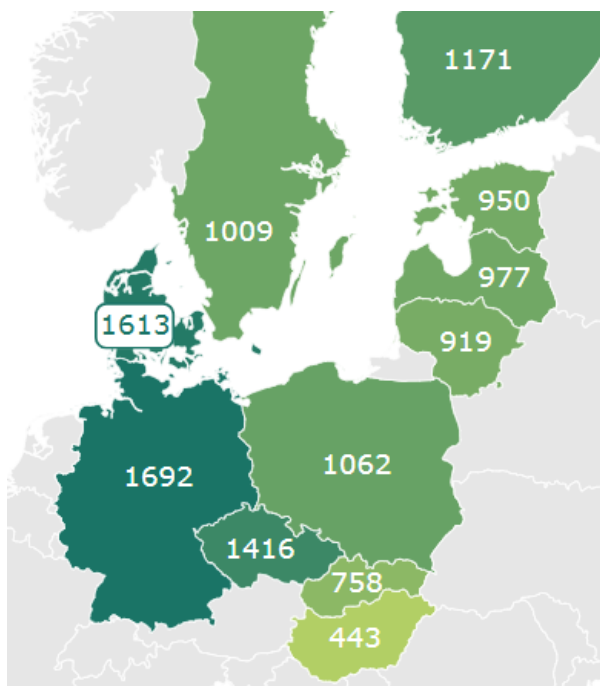
Source: own work based on data from PSE S.A.

In the first quarter of 2025, Poland was a net exporter of electricity, with a negative trade balance of 1.3 TWh (imports: 2.5 TWh, exports: 3.8 TWh). The largest impact on the trade balance came from exports to Slovakia (-1.9 TWh), Czechia (-0.8 TWh) and Germany (-0.7 TWh). At the same time, we imported most electricity from Sweden (1.0 TWh), Germany (1.0 TWh), and Czechia (0.2 TWh).

## RETAIL MARKET

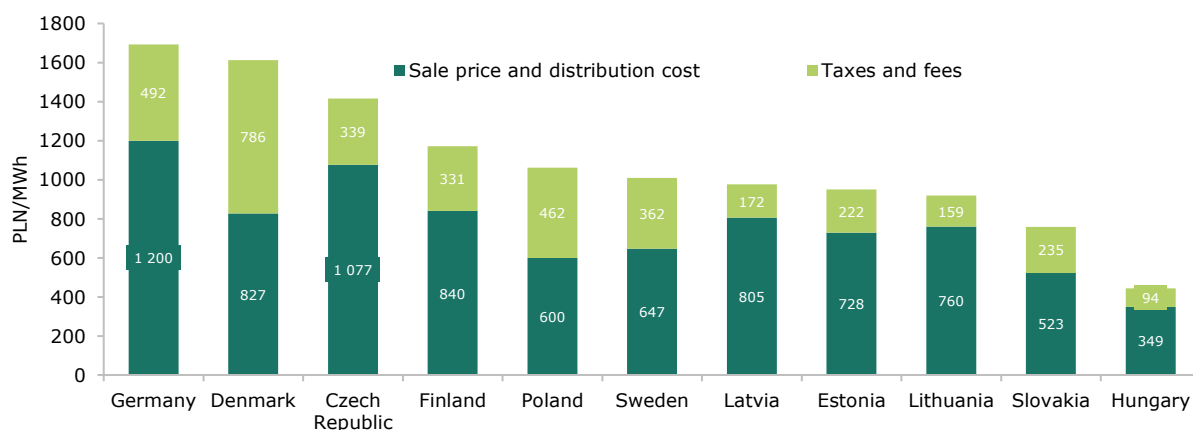
The diversity of electricity prices for retail customers in the European Union depends mainly on the level of the wholesale prices of electricity, fiscal system (taxes and fees), regulatory mechanism and support schemes in particular countries. In Poland in the second half of 2024<sup>6</sup> an additional burden (over sale price and cost of electricity distribution) for individual customers accounted for 50% of the electricity price. The Germans paid the most for electricity, for whom additional charges also accounted for 29% of the final price.

Chart: Comparison of average electricity prices on Polish market and on European markets in the second half of 2024 (prices in PLN/MWh, average exchange rate EUR/PLN 4.29).



Source: own work based on Eurostat data.

Chart: The share of additional charges in electricity prices for the individual customers in selected EU countries in the second half of 2024 (prices in PLN/MWh, average exchange rate EUR/PLN 4.29).



Source: own work based on Eurostat data.

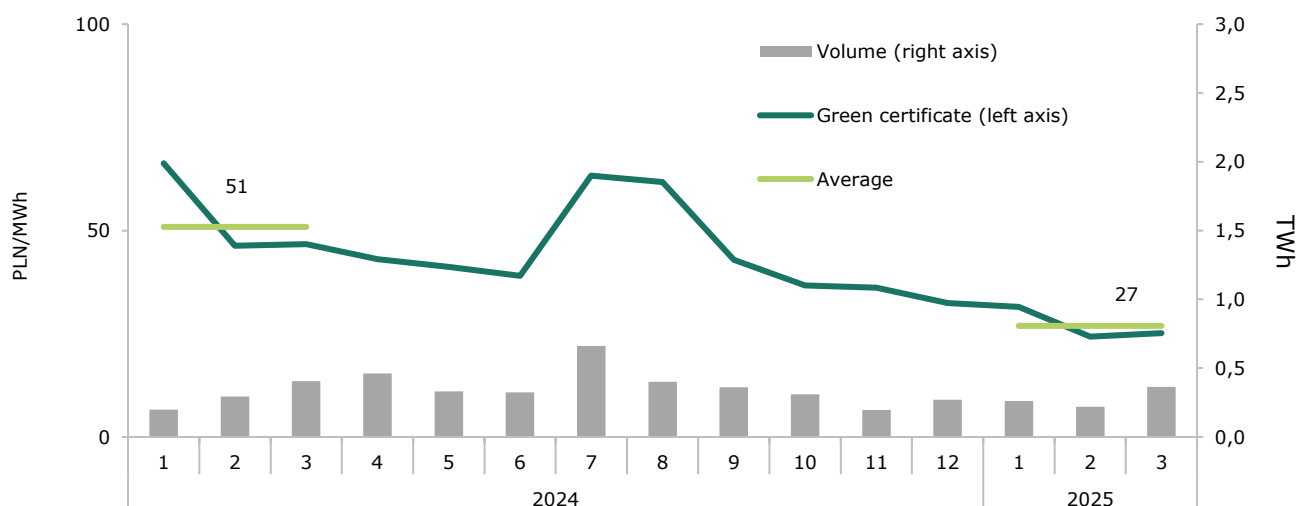
<sup>6</sup> Eurostat data on retail market are published in semi-annual intervals.

Alongside market changes and the evolving generation structure of the Group, not only long-term contracts but also the volatile spot market significantly impacts the Group's trading activities. Changes in global fuel prices also affect the value of sales prices within the Group and the profitability of utilising reserves. The average wholesale electricity price realised in 2025 was PLN 504/MWh.

## 2.2.4. Prices of certificates

In the first quarter of 2025 the average price of green certificates (index TGEoeza) reached PLN 27/MWh and was lower by 47% compared to the previous year. At the end of August 2024, the Ministry of Climate and Environment published the level of the green certificates redemption obligation for 2025, which amounts to 8.5%.

Chart: Average quarterly prices of green certificates (TGEoeza).



Source: Own work based on TGE quotations.

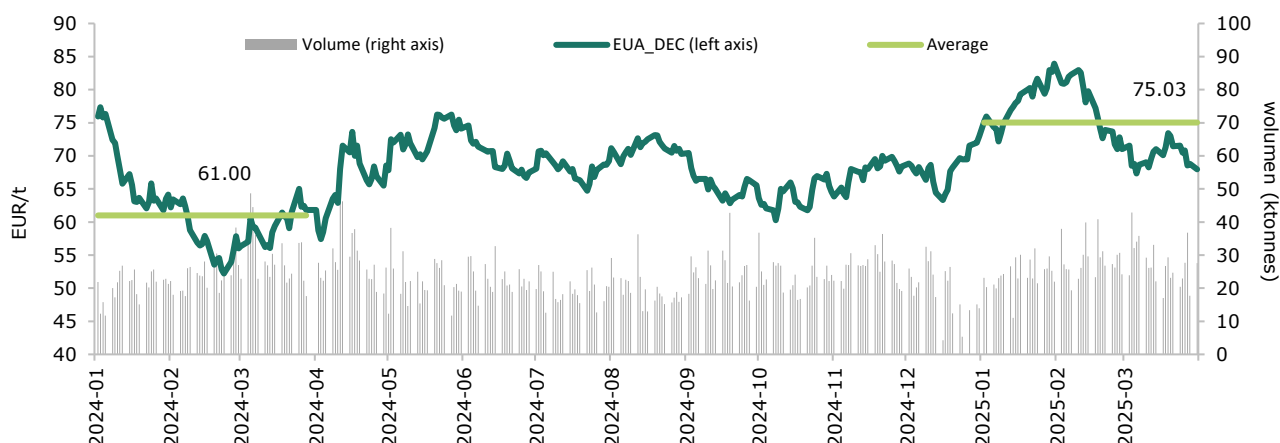
The decline in property rights prices resulted in lower revenue from the sale of RES property rights within the PGE Group. Revenue from the sale of property rights in the PGE Group decreased y/y by PLN 14 million (from PLN 28 million in the first quarter of 2024 to PLN 14 million in the first quarter of 2025).

## 2.2.5. Prices of CO<sub>2</sub> emission rights

EUA (European Union Allowances) prices are one of the key factors determining wholesale energy prices and PGE Group's financial results. Installations emitting CO<sub>2</sub> in the process of electricity or heat production bear the expenses for purchasing EUA allowances to cover the deficit (i.e. the difference between CO<sub>2</sub> emissions at PGE Group's generating units and the free-of-charge allowances received under derogation in accordance with the National Investment Plan). Wherein, last allocations granted free of charge were planned for realisation of investment tasks for 2019. It means that the free allocations for electricity generation, in accordance with the currently used method, ended when 2019 allowances were received.

In the first quarter of 2025 the weighted average price of EUA DEC was EUR 75.03/t and was higher (by approx. 23%) than the average price of EUR 61.00/t in the first quarter of the previous year.

Chart: Prices of CO<sub>2</sub> emission rights.



Source: own work based on ICE exchange quotations.

## 2.3. CO<sub>2</sub> emission rights granted free of charge

In accordance with Commission Implementing Regulation (EU) 2019/1842 of October 31, 2019 laying down rules for the application of Directive 2003/87/EC of the European Parliament and of the Council as regards further arrangements for adjustment of the allocation of free CO<sub>2</sub> emission allowances due to changes in activity levels, the competent authority may suspend the issuance of free emission allowances to an installation until it is determined that there is no need to adjust the allocation to that installation or the Commission has adopted a decision concerning adjustments to the allocation to that installation.

In national legislation, the Act on the Greenhouse Gas Emission Trading Scheme introduced an additional condition for the issuance of emission allowances to installations. Due to the amendment of Directive (EU) 2023/959 of the European Parliament and of the Council of May 10, 2023, amending Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Union, the deadline for issuing emission allowances has changed from February 28 to June 30 each year, following the publication of information in the Public Information Bulletin on the website of the Ministry of Climate and Environment.

In accordance with legal requirements, activity level reports for individual installations for 2024 have been submitted, with a deadline of March 31, 2025. A further adjustment will be adjusted during 2024 to reflect increases and decreases in production volumes resulting from revised activity level reports submitted for individual installations.

Table: Emission of CO<sub>2</sub>.

	Q1 2025	Q1 2024	% change
Electricity and heat	15 380 144	14 615 800	5%

Table: Allocations of CO<sub>2</sub> emission rights (in tons).

	2025	2024	% change
Heat	561 692	595 229	-6%






Since 2020, installations owned by the PGE CG have not been eligible for free CO<sub>2</sub> emission allowances for electricity generation. The Group is only entitled to free EUA allowances for heat production. In 2025, the amount of granted CO<sub>2</sub> emission allowances totalled approx. 562 thousand tonnes.








## 2.4. Regulatory environment






PGE Group operates in an environment with a significant impact of domestic and foreign regulations. Presented below is a summary of the most significant decisions, which could have an impact on PGE Group's operations in the coming years.

Legal regulations regarding the current rules for determining the prices of electricity and heat and the compensations due in this respect are described in Note 26.2 to the consolidated financial statements.

### 2.4.1. Domestic regulatory environment

Segments	Regulation	Regulation objectives	Stage	Impact on PGE Group
	Draft Act amending the act on reserves of crude oil, petroleum products and natural gas and the rules of conduct in situations of threats to fuel security of the state and disruptions on the oil market, and certain other acts.	The main objective of the draft act is to introduce changes to the current model for creating and maintaining strategic reserves of natural gas. The regulation imposes on the Government Agency for Strategic Reserves the exclusive obligation to create and maintain strategic reserves of natural gas, while obligated entities will bear the cost of maintaining these reserves through a gas fee.	<b>On May 6, 2025</b> , the draft act was submitted to the Sejm and referred to the Committee on Energy, Climate and State Assets for its first reading.	Once the provisions come into force, the PGE Group, as an obligated entity, will be required to pay the gas fee.
	Draft Regulation of the Minister of Climate and Environment on specific qualitative and dimensional characteristics of energy wood.	The purpose of the proposed regulation is to define the specific qualitative and dimensional characteristics of energy wood, to indicate the characteristics of wood raw material that is not suitable for industrial use or has limited potential for use in the non-energy sector.	The draft is currently at the stage between notification and signature by the Minister of Climate and Environment.	The regulation will introduce quality and dimension criteria for wood used in the energy sector. The regulation is of great importance for the District Heating sector.
	Regulation of the Minister of Climate and Environment on the maximum price for electricity generated at offshore wind farms and injected into the grid that may be indicated in bids submitted by generators in an auction.	The regulation determines the maximum price for electricity generated in offshore wind farms and introduced to the grid in PLN per 1 MWh under the second phase of the support scheme. A division into three area groups has been introduced based on the criterion of distance from the shoreline and 3 price levels were established: PLN 485.71/MWh, PLN 499.33/MWh and PLN 512.32/MWh.	The Regulation entered into force on <b>January 15, 2025</b> .	The regulation is of key importance for the Renewables segment as it will enable applying for the right to cover the negative balance in phase II of the support scheme for OWFs to be claimed.
	Draft Act amending the Act on investments in wind power plants and certain other acts.	The draft Act abolishes the general 10H rule by introducing a minimum distance of 500 m from residential buildings, national parks and Natura 2000 areas, national roads and a ban on the siting of wind turbines that constitute air obstacles. The proposed regulation also introduces provisions concerning the modernisation of existing wind power installations. The proposed changes also concern the modification of the functioning of the mechanism for making at least 10% of the capacity of a wind power plant available to residents who use the generated energy under the virtual prosumer formula. In addition, the draft law introduces a support system for biomethane in installations above 1 MW in the form of an auction and clarifies the provisions governing the settlements with prosumers.	<b>On May 8, 2025</b> , the first meeting of the extraordinary subcommittee for consideration of the draft act took place.	The bill introduces facilities for the location of onshore wind farms, which will contribute to the development of the RES sector and thus have a positive impact on the investments made by the Renewables segment. In other respects, the bill is of significant importance for the Supply segment, due to the need to adapt to changes in settlements with prosumers.
	Bill of January 24, 2025 to amend the Capacity Market Act.	The purpose of the bill is to introduce a supplementary auction mechanism in the Capacity Market in the period from the second half of 2025 to the end of 2028. Supplementary auctions will purchase additional capacity for energy security purposes under the Capacity Market mechanism and, by way of derogation, high-carbon units will be able to participate in them.	The Act entered into force on <b>February 13, 2025</b> .	The entry into force of the legislation as proposed may allow units not meeting the 550 kg/MWh emission limit to participate in the Capacity Market mechanism until the end of 2028.

Segments	Regulation	Regulation objectives	Stage	Impact on PGE Group
	Act of January 24, 2025 amending the Law on Value Added Tax, the Law on Excise Tax and certain other laws.	The Act proposes to extend the operation of the reverse charge mechanism for VAT on gas in the gas system, electricity in the electricity system and services for the transfer of greenhouse gas emission allowances until December 31, 2026.	Art. 1 point 3 of the Act entered into force on <b>February 28, 2025</b> .	The entry into force of the provision of Article 1, point 3 will enable an extension of the reverse charge mechanism for VAT on electricity, gas and greenhouse gas emissions until December 31, 2026.
	Regulation of the Ministry of Climate and Environment of October 30, 2024 on reference values for new and substantially modernised cogeneration units in 2025.	The regulation specifies the reference values for new cogeneration units and for substantially retrofitted cogeneration units, applicable in the following calendar year.	The regulation entered into force on <b>January 1, 2025</b> .	Regulation affects the level of revenue from the support scheme for the District Heating segment in 2025.
	Regulation of the Ministry of Climate and Environment of October 30, 2024 on the maximum quantity and value of energy from high-efficiency cogeneration covered by support and unit amounts of the guaranteed premium in the year 2025.	The regulation indicates the maximum quantities and values of electricity from high-efficiency cogeneration supported and the unit amounts of the guaranteed premium in 2025.	The regulation entered into force on <b>January 1, 2025</b> .	Regulation affects the level of revenue from the support scheme for the District Heating segment in 2025.
	Draft Act on asbestos products.	The draft Act provides for the introduction of regulations establishing exceptions to the obligation to remove asbestos-containing products by allowing their permanent securing. These provisions apply, among others, to operational underground district heating and electricity installations. Leaving such installations underground is permitted if their location does not expose personnel servicing other infrastructure elements to asbestos, particularly when they are situated at a lower level.	<b>On April 22, 2025</b> , a reconciliation conference on the draft was held, during which the Ministry of Climate and Environment published the comments submitted.	The changes proposed in the draft Act are beneficial for the District Heating segment.
	Regulation of the Minister of Industry of December 24, 2024 amending the Regulation on the detailed list of liquid fuels, the production, storage, transshipment, transmission or distribution, trade, including foreign trade, of which requires a licence, and the import of which requires registration in the register of importing entities.	The entry into force of the Regulation necessitates changes to liquid fuel trading licences due to the amendment of the liquid fuel list.	The regulation entered into force on <b>January 1, 2025</b> .	Entities from the PGE Capital Group holding a license for trading in liquid fuels, which includes the changed fuel codes were obliged to submit an application for a licence amendment within 30 days from the date of entry into force of the provisions introducing the amended liquid fuel.
-	Draft Act amending the Act on the preparation and implementation of investments in nuclear power facilities and related investments, as well as certain other acts.	The draft Act introduces two changes affecting the process of constructing nuclear power facilities, i.e. enabling the issuance of a building permit for a nuclear power facility investment also for a part of the construction project that cannot function independently; and allowing investors to obtain a building permit for preliminary construction works.	The public consultation process concluded on <b>January 8, 2025</b> . The PGE Group submitted comments on the draft Act.	The solutions included in the draft Act will expedite the process of obtaining the necessary approvals and permits related to the construction of nuclear power facilities, thereby reducing the risk of delays in the investment schedule.
	Act of February 21, 2025 on the amendment of the Capacity Market Act	The act introduces a maximum of two additional auctions for the years 2029 and 2030. These additional auctions will be held if the main capacity market auction results do not ensure the security of electricity supply for end users. The same entities as in the main auction may participate in the additional auctions.	The act entered into force on <b>March 18, 2025</b> .	The changes provided for in the act are significant for the following segments: Gas-fired Generation, Conventional Generation and District Heating.
	Draft Act amending certain acts supporting the safety of the Oder River in the field of water management.	The draft act provides for the establishment of a special cyclical review of water law permits and integrated permits for the discharge of wastewater into waters within the Oder river basin, separate from the provisions of the Water Law and the Environmental Protection Law.	PGE S.A. submitted comments during the public consultation of the draft Act. Positions submitted as part of the interministerial consultations were published.	The regulation may potentially affect the operation of companies from the Conventional Generation and District Heating segments, due to the need to incur additional investment costs related to adapting their activities to the requirements of the act.







Segments	Regulation	Regulation objectives	Stage	Impact on PGE Group
	Draft Act amending the Act on promoting electricity generation in offshore wind farms and certain other acts.	The draft Act introduces measures aimed at accelerating implementation and improving investment conditions for offshore wind farm projects. These include: amendments to the auction-based support system for offshore wind energy, introduction of compensation mechanisms from the Settlement Administrator in the event of market redispatch of offshore wind farms as active units on the balancing market, enabling the sale of electricity during the commissioning phase of offshore wind farms, prohibition on transferring projects covered by Phase I support to Phase II, extension of the validity of grid connection conditions for offshore wind farms and associated power evacuation infrastructure, definition of rules for calculating compensation for fishers for lost benefits related to the construction, operation and decommissioning of offshore wind farms, and the obligation to bear costs related to mitigating the negative impact of offshore wind farms on national defence and security systems.	The public consultation period ended on <b>February 28, 2025</b> . PGE S.A. submitted comments on the draft Act. <b>On March 27, 2025</b> , along with the positions submitted during the opinion-gathering, public consultations, and interministerial coordination stages.	The project is of key importance to the Renewables segment due to the investment projects under way concerning offshore wind farms.
	Draft Act amending the Act – Energy Law and certain other Acts.	The draft Act provides for the strengthening of consumer protection for electricity users and the introduction of additional tools encouraging consumers to become more active in the market, including the right of the final customer to conclude more than one comprehensive contract/sales contract for electricity at the same time, as well as the right of the final customer to conclude a fixed-price electricity contract, the obligation for the supplier to provide the final customer with a short summary of their rights and the key terms of the contract, the obligation of the President of the Energy Regulatory Office (ERO) to ensure that suppliers have strategies to limit risks arising from changes in wholesale electricity prices – 'hedging strategies', which will be approved by the President of URE in the form of a decision, and the introduction of additional protection against the disconnection of electricity supplies for consumers affected by energy poverty. The draft also covers the optimisation of solutions in the area of connections to the electricity grid and includes provisions aimed at increasing the transparency of transactions concluded on energy markets and tightening mechanisms for preventing manipulation on the wholesale energy market.	PGE S.A. submitted comments during the public consultation of the draft Act.	The provisions of the draft act will have a significant impact on the business activities conducted by the Companies in all Segments of the PGE CG.
	Draft Act amending certain acts in connection with the implementation of the Central Energy Market Information System (CSIRE).	The draft act introduces the possibility for various categories of energy market participants to join the implementation of tasks via CSIRE in stages. This process is to be carried out depending on the size of the entity – from July 2025 to October 2026. Moreover, the draft maintains the entry into force of provisions regarding virtual prosumers as of July 2, 2025, while allowing their functioning during a transitional period until October 19, 2026 within the same DSO area.	The draft has been referred for its first reading in the Committee on Energy, Climate and State Assets.	The draft is of material importance for the Distribution and Supply segments due to the necessity to allow sufficient time to carry out the required modifications and testing in systems cooperating with CSIRE, as well as to prepare market participants' organisations for the new model and for migrating data to CSIRE.
	Regulation of the Ministry of Climate and Environment of April 29, 2025 on the parameters of the supplementary auction for the 2029 delivery year.	The purpose of the proposed Regulation is to define the parameters of the supplementary auction for the 2029 delivery year, which will be conducted in 2025.	The Regulation entered into force on <b>April 30, 2025</b> .	It is relevant to the Conventional Generation and District Heating segments.
	Draft Act amending the act on the greenhouse gas emissions trading system and certain other acts.	The purpose of the draft act is to implement into national law Directive 2023/959 amending Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union, as well as Regulation 2023/857 amending Regulation (EU) 2018/842 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement. The draft introduces, among other things, new rules for adjusting the allocation of free emission allowances for certain installations for the years 2026–2030, as	Public consultations lasted until <b>May 9, 2025</b> . PGE S.A. submitted comments during the public consultation.	Given the scope of the matters covered by the draft act, it is relevant to the District Heating and Conventional Generation segments.


Segments	Regulation	Regulation objectives	Stage	Impact on PGE Group
		provided for in Directive 2023/959. It also incorporates the CBAM <sup>7</sup> into national legislation, sets out the principles for the return of surplus allowances, and amends provisions concerning the national implementation system for the Modernisation Fund.		

<sup>7</sup> CBAM – Carbon Border Adjustment Mechanism – an EU system aimed at equalising the carbon cost between domestic and imported products.










## 2.4.2. International regulatory environment

Segments	Regulation	Regulation objectives	Stage	Impact on PGE Group
	Directive 2023/959 amending Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Union and related regulations.	Combating climate change. Development of investment incentives through a CO <sub>2</sub> price signal to develop low-emission sources.	<b>On April 4, 2024</b> an amendment to the Delegated Regulation on the rules for free allocation of allowances was published. The EC worked on an amendment to Implementing Regulation 2019/1842, which lays down rules for the application of Directive 2003/87/EC with regard to further arrangements for adjustments to the free allocation of emission allowances due to changes in activity levels (determination of the allowance allocation method for additional allowances for district heating). The act was adopted <b>in March 2025. In April 2025</b> , the European Commission launched public consultations concerning the Modernisation Fund, the Innovation Fund, and the review of Directive 2003/87/EC.	Increased competitiveness of renewable sources compared to generation assets using high-emission fuels. Increase in operating costs for conventional generation of electricity and heat. Option to obtain investment support from the Modernisation Fund and Innovation Fund and additional free allocation of allowances to district heating (this includes ensuring annual allocation during the investment implementation phase).
	Multiannual Financial Framework beyond 2027	The establishment of a new EU Multiannual Financial Framework for the period beyond 2027.	On <b>February 12, 2025</b> , the European Commission launched public consultations concerning the next Multiannual Financial Framework. These consultations lasted until <b>May 6, 2025</b> .	Acquisition of EU funds for investment by PGE CG.
	Communication from the European Commission on the draft Clean Industry State Aid Framework (CISAF).	Improving the competitiveness of European industry, including actions aimed at reducing energy prices.	On <b>March 11, 2025</b> , the European Commission submitted for consultation a draft Communication on the new Clean Industry State Aid Framework (CISAF), which outlines the criteria the Commission will apply when assessing state aid measures planned by Member States to support the goals of the Clean Industry.  The consultation ended on <b>April 25, 2025</b> . The publication of the final version of the Communication is scheduled for <b>June 2025</b> .	The initiative is relevant for improving the competitiveness of renewable energy sources, electricity and heat storage systems, and for streamlining access to support for generating units under the capacity market mechanism.
	EC Communication (COM(2024)63) - Europe's 2040 climate target and the pathway to climate neutrality by 2050 (2040 target).	Setting an intermediate target on the pathway to climate neutrality in 2050 (as required by Regulation 2021/1119 of the European Parliament and of the Council on establishing the framework for achieving climate neutrality - the European climate law).	On <b>February 6, 2024</b> , the European Commission published a communication on the 2040 target of a 90% reduction in emissions compared to 1990.  The legislative proposal on the implementation of the 2040 target into the European Climate Law was initially expected to be presented by the European Commission <b>in February 2025</b> . However, it is now likely to be introduced <b>in mid-2025</b> .	Faster decarbonisation and RES development in the run-up to 2040. Key solutions will depend on the shape of the legislation implementing the new objective.
	Omnibus Regulation	Reduction of reporting and regulatory burdens, aimed at enabling companies to contribute more effectively to the achievement of the EU's sustainability goals while maintaining the competitiveness of the EU economy.	On <b>February 26, 2025</b> , the European Commission published the first package of proposals under the so-called Omnibus Regulation, which aims to consolidate, simplify, eliminate inconsistencies, and align the EU Taxonomy Regulation, the Corporate Sustainability Reporting Directive (CSRD), and the Corporate Sustainability Due Diligence Directive (CSDDD). These proposals include: changing the application date of the CSRD and CSDDD; proposed amendments to the provisions of the CSRD and CSDDD; and proposed amendments to the delegated acts under the EU Taxonomy Regulation.	The Omnibus Regulation proposal introduces beneficial changes in relation to the CSRD, CSDDD, and the EU Taxonomy, reducing reporting and regulatory burdens, including by limiting the number of data points collected and published annually and simplifying reporting requirements. This translates into a simpler and more efficient framework for conducting business operations.
	Directive 2025/794 amending Directives (EU) 2022/2464 and (EU) 2024/1760 as regards the dates from which Member States	Postponing the date of application of the CSRD by 2 years for large companies not yet covered by the directive (new date of application is <b>January 1, 2027</b> ) and for small	Directive 2025/794 was adopted under a special accelerated procedure in the European Parliament (on <b>April 3, 2025</b> ) and in the Council (on <b>April 14, 2025</b> ), and was subsequently published in the Official Journal of the EU on <b>April 16, 2025</b> . The directive entered into force the day after its publication. Member States are required to transpose it into their national legal systems by <b>December 31, 2025</b> .	This new regulation introduces a favourable change with regard to the CSDDD by postponing its application by one year, from <b>July 26, 2027</b> to <b>July 26, 2028</b> .

Segments	Regulation	Regulation objectives	Stage	Impact on PGE Group
	are to apply certain corporate sustainability reporting and due diligence requirements	and medium-sized enterprises that are public interest entities (new date of application is <b>January 1, 2028</b> ). Postponement of the CSDDD application date for the largest companies from <b>July 26, 2027</b> to <b>July 26, 2028</b> . Change of the CSDDD transposition date into national legal systems from <b>July 26, 2026</b> to <b>July 26, 2027</b> .		
	Directive 2014/65/EU on markets in financial instruments (MiFID) and related regulations	The aim is to ensure the proper functioning of commodity derivatives markets, which play a key role in the stability of the EU economy—and in the case of energy derivatives markets, in the affordability of energy and the efficient functioning of the energy market.	Under the MiFID, the European Commission is required to carry out an assessment of commodity derivatives markets (including energy derivatives). From <b>February 26 to April 23, 2025</b> , the Commission conducted dedicated consultations on the review of the functioning of commodity derivatives markets and certain aspects of spot energy markets.	As a result of these consultations, the Commission may propose modifications to the existing regulations if deemed appropriate.

## 3. Activities of PGE Capital Group and operational segments

### 3.1. Key operational data of PGE Capital Group

Key operational data of PGE Capital Group							
	<b>Renewables</b>	<b>Gas-fired Generation</b>	<b>Conventional Generation</b>	<b>District Heating</b>	<b>Distribution</b>	<b>Railway Energy Services</b>	<b>Supply</b>
<b>Key assets of the segment</b>	21 wind farms 50 photovoltaic power plants 29 run-of-river hydro power plants 4 pumped-storage power plants, including 2 with natural flow	1 gas-fired power plant	5 conventional power plants 2 lignite mines	16 CHP plants	304.3 th km of distribution lines	18.4 th km of distribution lines	-
<b>Installed capacity electricity/heat</b>	2 661 MWe/-	1 366 MWe <sup>1</sup> /-	12 392 MWe/958 MWt	2 477 MWe/6 146 MWt	-	-	-
<b>Electricity volumes</b>	Net electricity generation 0.75 TWh	Net electricity generation 0.98 TWh	Net electricity generation 11.38 TWh	Net electricity generation 2.97 TWh	Electricity distribution volume 9.62 TWh <sup>1</sup>	Electricity distribution volume 1.13 TWh; Sales to final off-takers 0.79 TWh	Sales to final off-takers 7.77 TWh <sup>2</sup>
<b>Heat volumes</b>	-	-	Net heat production 1.14 PJ	Net heat production 20.19 PJ	-	-	-
<b>Market position</b>	PGE Capital Group is the largest electricity producer from RES with market share of approx. 6%	Gryfino power plant - the largest gas-fired power plant in Poland	PGE Group is a national leader in electricity and district heat generation		Second domestic electricity distributor with regard to number of customers	Leader of energy services for railway infrastructure and the largest distributor and seller of electricity to the traction grid	Leader in wholesale and retail trading in Poland

<sup>1</sup> Data for PGE Dystrybucja S.A.

<sup>2</sup> Data for PGE Obrót S.A.

## KEY OPERATING RESULTS OF PGE GROUP

Table: Key operating results.

Key operating results	Unit	Q1 2025	Q1 2024	% change
Electricity generation, net	TWh	16.08	14.60	10%
including RES generation	TWh	0.67	0.89	-25%
Sales of electricity outside the PGE Capital Group	TWh	17.60	17.25	2%
Sales of electricity to final off-takers <sup>1</sup>	TWh	8.56	9.12	-6%
Heat production	PJ	21.33	20.30	5%
Heat sales	PJ	20.86	19.93	5%
Electricity distribution	TWh	10.75	10.68	1%

<sup>1</sup> After eliminating sales within the PGE Group, sales carried out mainly by PGE Obrót S.A. and Railway Energy Services segment.

## BALANCE OF ENERGY OF PGE CAPITAL GROUP

Table: Sales, purchase, production and consumption of electricity in the PGE Capital Group (TWh).

Sales volume	Q1 2025	Q1 2024	% change
A. Sales of electricity outside the PGE Capital Group:	17.60	17.25	2%
Sales to end-users <sup>1</sup>	8.56	9.12	-6%
Sales on the wholesale and balancing market	9.04	8.13	11%
B. Purchases of electricity from outside of PGE Group (wholesale and balancing market)	2.61	3.96	-34%
C. Net production of electricity in units of PGE Capital Group	16.08	14.60	10%
D. Own consumption DSO, lignite mines, pumped-storage power plants (D=C+B-A)	1.09	1.31	-17%

<sup>1</sup> Sales carried out mainly by PGE Obrót S.A. and Railway Energy Services segment.

The total volume of purchased and generated electricity is higher than the volume of electricity sold. The difference presented in point D results from the necessity to cover grid losses in the distribution business (DSO), consumption of energy at lignite mines and consumption of energy at pumped-storage power plants.

Higher sales of energy on the wholesale and balancing market are the result of higher generation from conventional units at PGE Capital Group what was caused by lower production from wind. Lower purchases at the wholesale market result mainly from lower sales to final off-takers at PGE Obrót S.A. in the corporate client and large business segments, who tend to diversify energy sources, mainly with greater use of RES.

Table: Net production of electricity (TWh).

Production volume	Q1 2025	Q1 2024	% change
<b>ELECTRICITY PRODUCTION IN TWh, including:</b>	<b>16.08</b>	<b>14.60</b>	<b>10%</b>
Lignite-fired power plants	8.51	7.63	12%
Coal-fired power plants	2.86	3.09	-7%
Including co-combustion of biomass	0.01	0.01	0%
Gas-fired power plants	0.98	0.03	> 1 000%
Coal-fired CHP plants	1.36	1.24	10%
Gas-fired CHP plants	1.52	1.41	8%
Biomass-fired CHP plants	0.08	0.10	-20%
Communal waste-fired CHP plants	0.01	0.01	0%
Pumped-storage power plants	0.19	0.32	-41%
Hydroelectric plants	0.09	0.17	-47%
Wind power plants	0.45	0.59	-24%
PV plants	0.03	0.01	200%
including RES generation	0.67	0.89	-25%

The level of electricity production in the first quarter of 2025 was 10% higher than in the first quarter of 2024.

The higher level of electricity generation in the PGE CG is mainly due to full period of operation of units at Gryfino Dolna Odra power plant and higher production at lignite-fired conventional units as a result of lower windiness, both in Poland and abroad.

Higher production at Gryfino Dolna Odra power plant (growth by 1.0 TWh) is a result of low base of the first quarter of 2024 (in Q1 2024 unit no. 9 was in start-up phase, while unit no. 10 was not yet synchronised with the NPS).

Higher production at lignite-fired power plants is due to higher generation at Bełchatów power plant (growth by 0.8 TWh) and at Turów power plant (growth by 0.1 TWh). Jointly the units of those power plants were in reserve downtime shorter by 2 616 hours and in repairs shorter by 645 hours.

The higher production from coal-fired CHP plants and gas-fired CHP plants (aggregate growth by 0.2 TWh) is a result of higher energy production in co-generation with heat due to weather conditions (lower average temperatures).

Higher photovoltaic generation (growth by 0.02 TWh) is due to new capacity being commissioned

Lower production in hard coal-fired power plants (total decrease of 0.2 TWh): lower production was recorded at Rybnik power plant (decline by 0.2 TWh) and Dolna Odra power plant (decline by 0.2 TWh). The above declines were partly compensated by higher production at Opole power plant (growth by 0.2 TWh). Lower generation at Rybnik power plants results from reserve downtime of units longer by 1 617 h, while lower generation at Dolna Odra power plant is a result of repairs of units longer by 2 911 h (the current overhaul of power unit no. 5, which started in December 2024).

Lower production at pumped storage plants (decrease by 0.1 TWh) is due to the nature of the operation of the generating units, which were less utilised by PSE in the first quarter of 2025.

Lower hydropower production due to poorer hydrological conditions in the first quarter of 2025.

Lower production at wind farms resulted from worse windiness in the first quarter of 2025.

Production at biomass CHP plants remained at similar to the comparable period.

### HEAT PRODUCTION

Table: Net production of heat (PJ).

Heat production volume	Q1 2025	Q1 2024	% change
<b>Net production of heat in PJ</b>	<b>21.33</b>	<b>20.30</b>	<b>5%</b>
Lignite-fired power plants	0.89	0.88	1%
Coal-fired power plants	0.25	0.24	4%
Coal-fired CHP plants	14.47	14.65	-1%
Gas-fired CHP plants	4.58	3.41	34%
Biomass-fired CHP plants	0.81	0.81	0%
CHP plants fuelled by municipal waste	0.07	0.03	133%
Other CHP plants	0.26	0.28	-7%

External temperatures contributed more than any other factor to lower net generation of heat in the first quarter of 2025 (y/y). The average temperatures in 2025 were by 1.5° C lower y/y, which translated into increased production of heat.

### HEAT SALES

The above result was mainly influenced by lower heat demand due to lower average outdoor temperatures compared to 2024. In the first quarter of 2025 the heat sales volume in PGE Capital Group totalled 20.9 PJ and were higher by 0.9 PJ y/y.

## 3.2. PGE Group's key financial results

The best way to measure the profitability of energy companies is recurring EBITDA. This is a result before depreciation, amortization, income tax and financial activities, including interest from drawn debt. EBITDA makes it possible to compare the results of companies regardless of the value of their assets, level of debt and existing income tax rates. Additionally, recurring EBITDA is adjusted for one-offs.

PGE Group's consolidated EBITDA is composed of the financial results of each of its operating segments. The following segments have the largest share in the Group's recurring EBITDA for the first quarter of 2025: Distribution (30%), District Heating (21%), Supply (18%), Renewables (10%) and Railway Energy Services (8%). Other segments have an insignificant share in the result.

Chart: Recurring EBITDA of PGE Capital Group (PLN million)

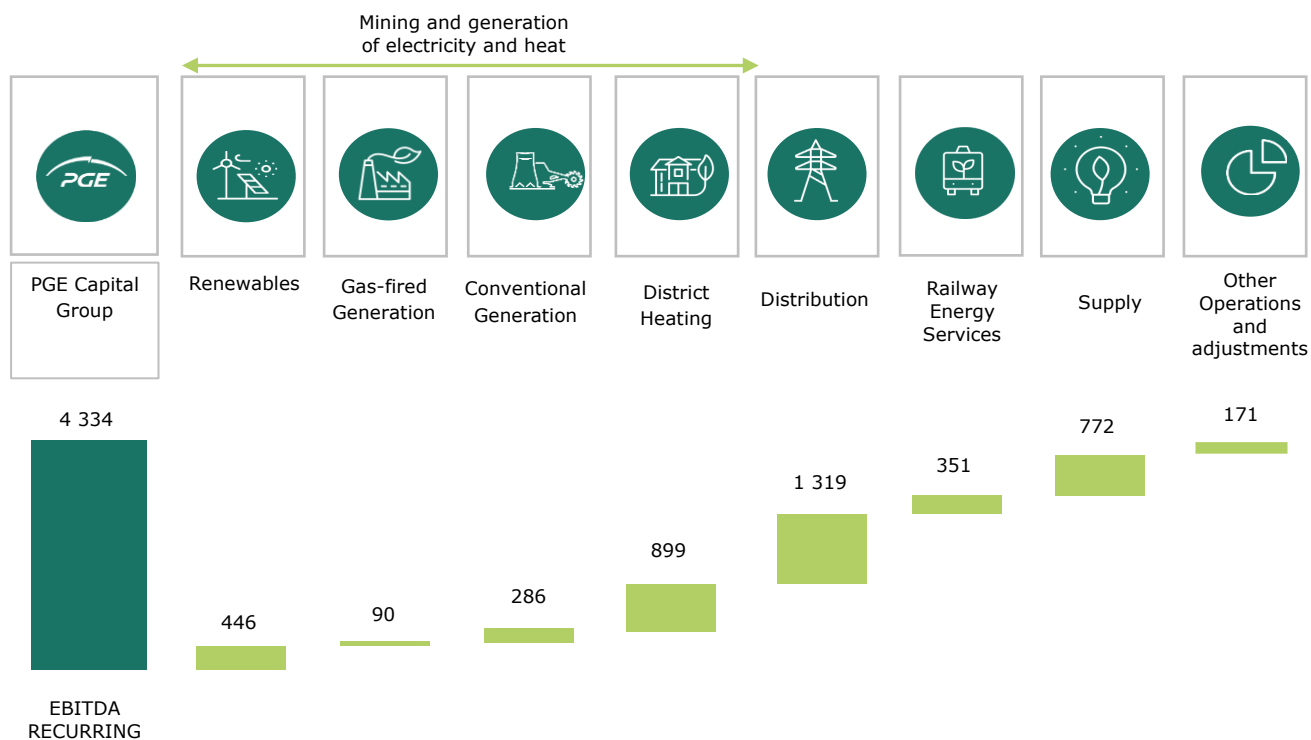


Chart: Reported EBITDA of PGE Capital Group (PLN million)

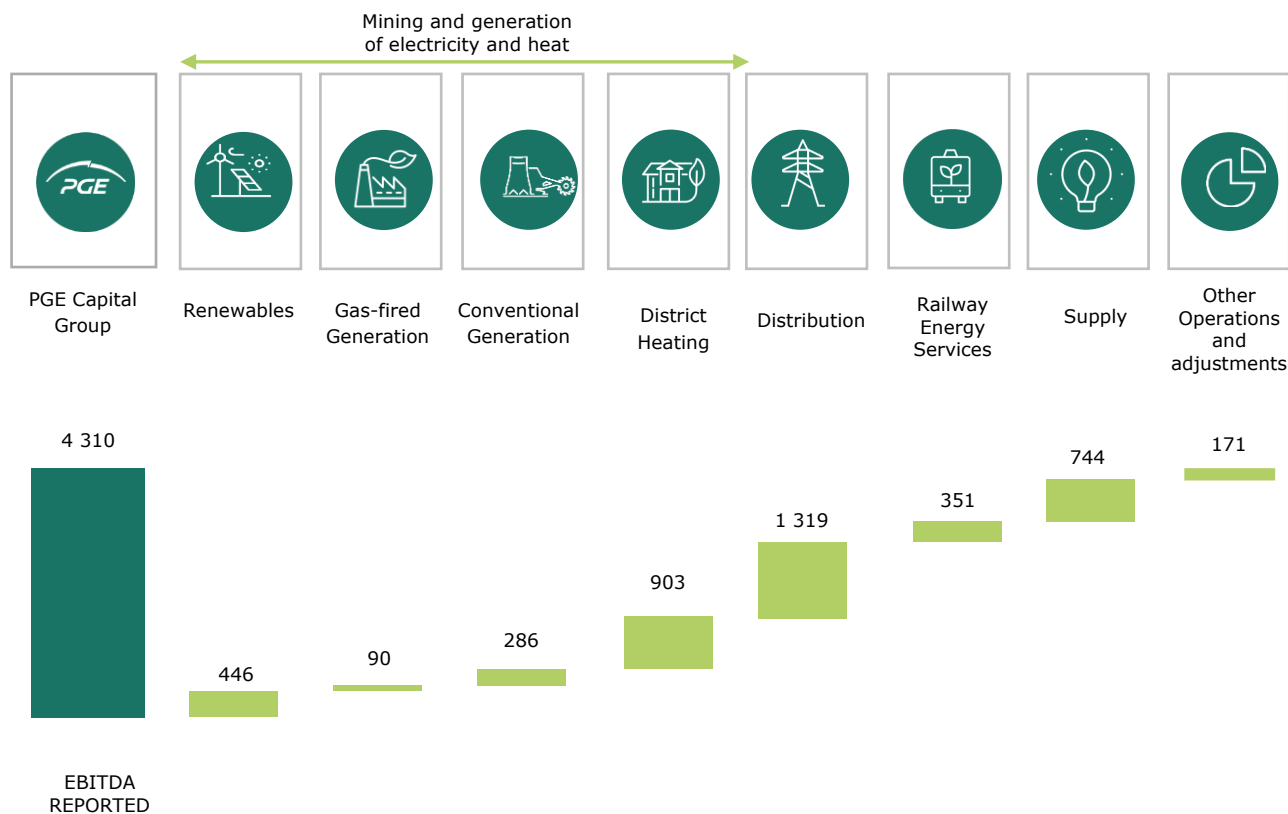
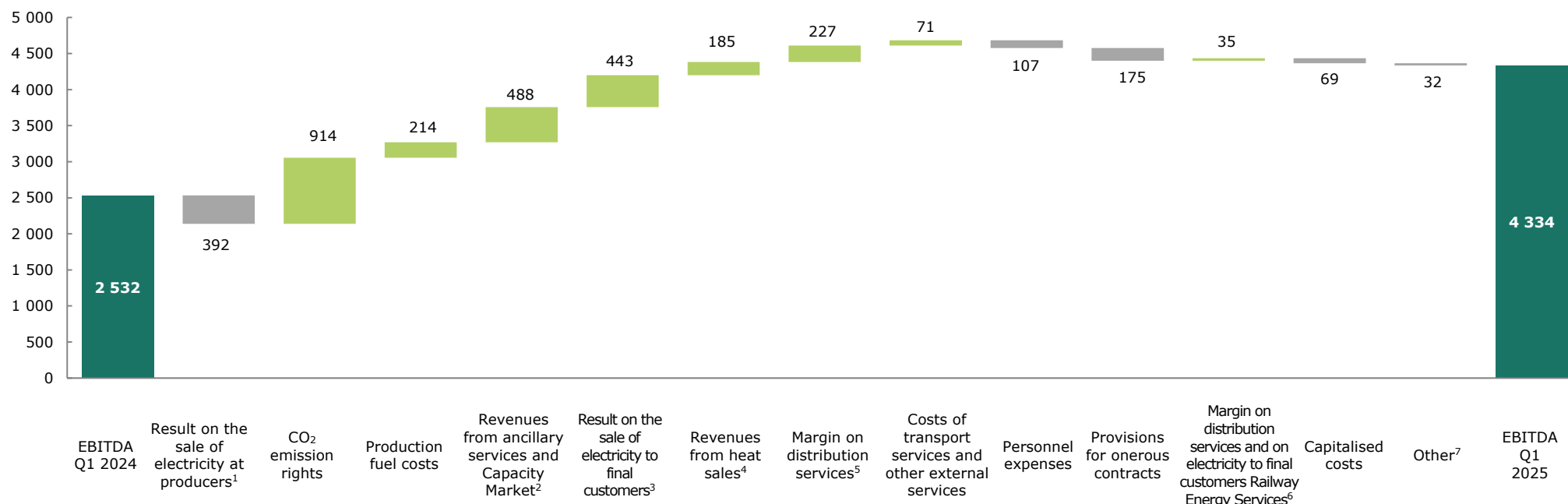


Chart: Key factors affecting EBITDA in PGE Capital Group (PLN million).



Change	-392	914	214	488	443	185	227	71	-107	-175	35	-69	-32	
Reported EBITDA Q1 2024	2 536													
One-offs Q1 2024	4													
Recurring EBITDA Q1 2024	2 532	8 413	5 747	2 748	836	1 890	1 770	222	1 995	209	365	369	786	
Recurring EBITDA Q1 2025		8 021	4 833	2 534	1 324	2 075	1 997	151	2 102	34	400	300	818	4 334
One-offs Q1 2025														-24
Reported EBITDA Q1 2025														4 310

<sup>1</sup> Revenue from the sale of electricity less the cost of purchasing electricity and costs directly related to electricity generation; data for Q1 2024 have been adjusted to the currently used calculation method.

<sup>2</sup> Including revenues from the balancing services.

<sup>3</sup> Including compensation, margin adjustment on certificates at PGE Group; without additional estimation of the cost of the balancing difference.

<sup>4</sup> Including compensations.

<sup>5</sup> Including revenues from distribution services, compensations, transmission services (PSE), balance of transferred and transit fees and costs of electricity purchased to cover balancing difference; without additional estimation of the cost of the balancing difference.

<sup>6</sup> Including revenues from compensations.

<sup>7</sup> Without LTC compensations and correction of contribution to the PDP fund (one-offs).

Chart: Structure of assets and equity and liabilities (PLN million).

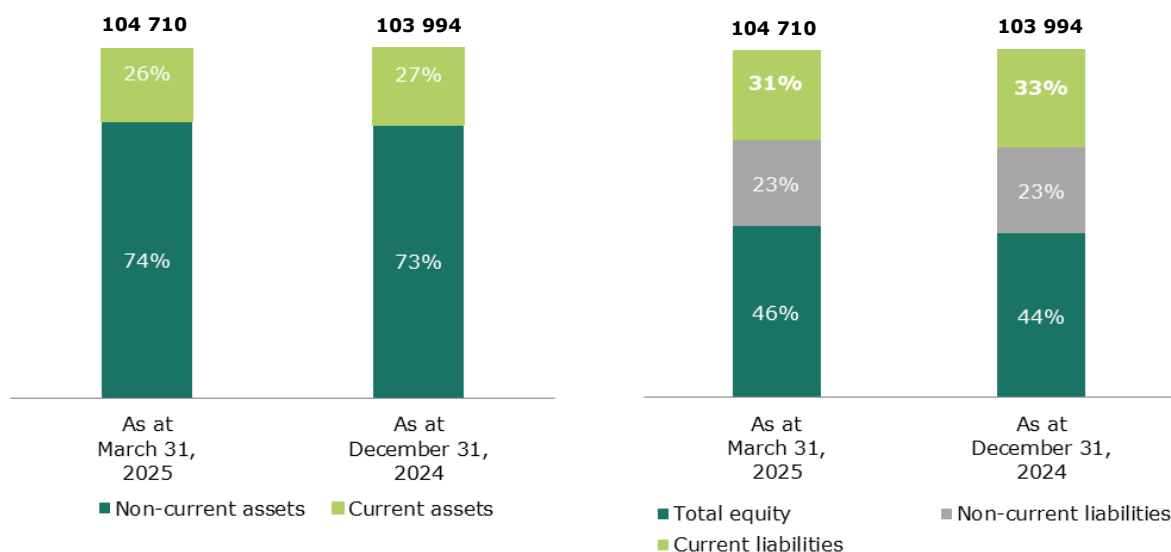


Chart: Net change in cash (PLN million).

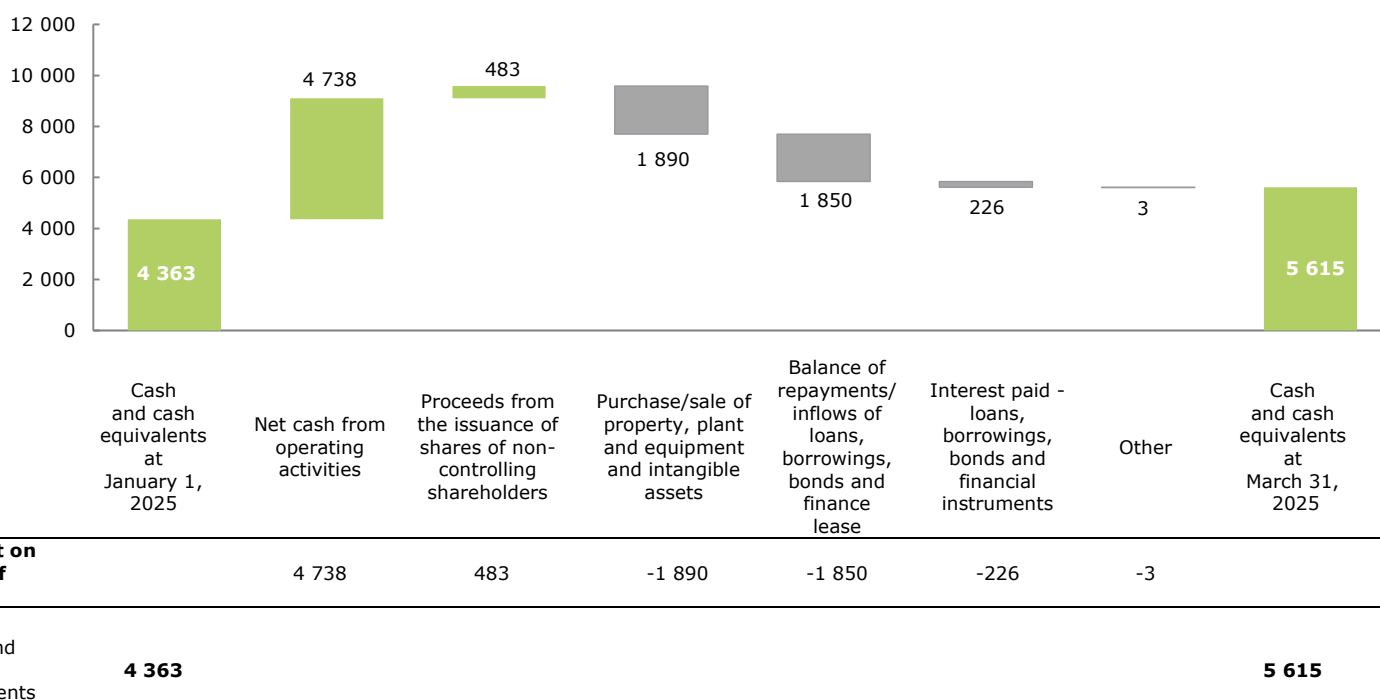
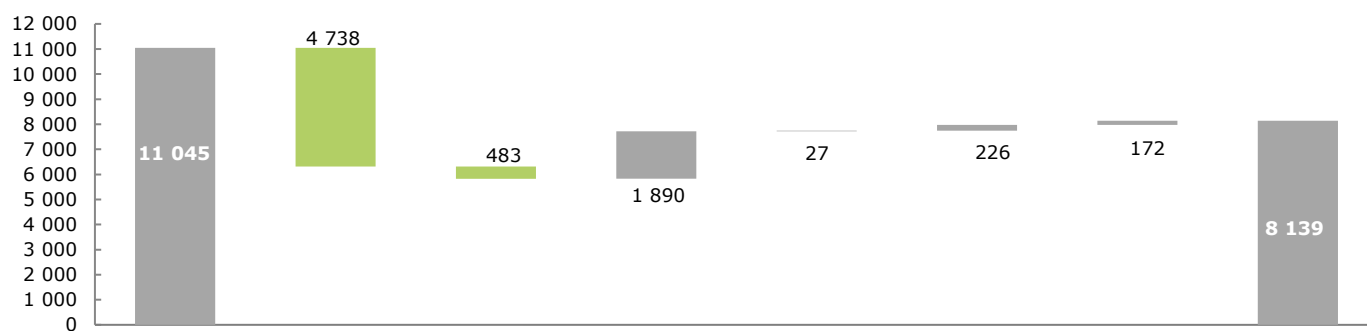




Chart: Net financial debt (PLN million).

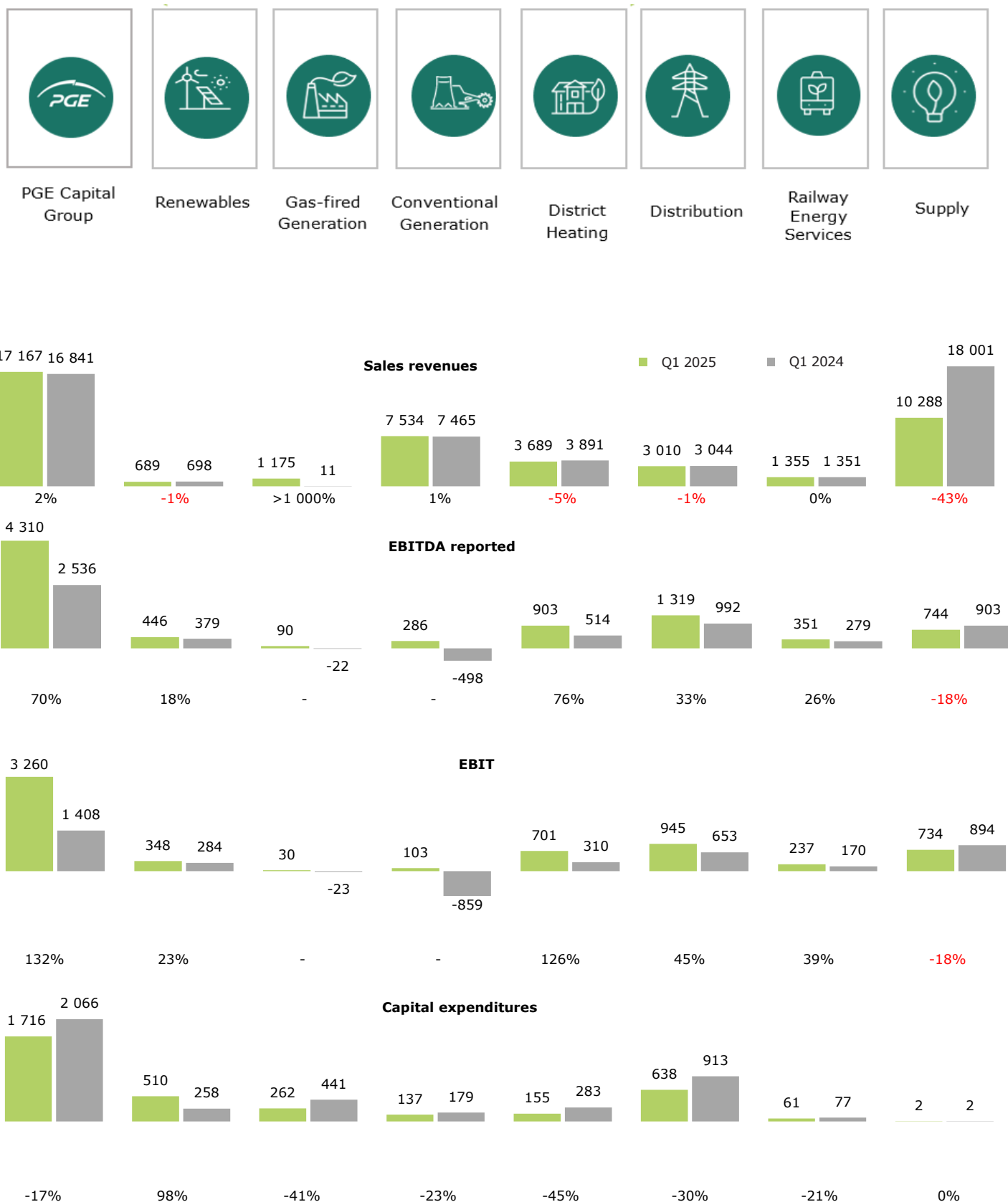


	Net financial debt December 31, 2024	Net cash from operating activities	Proceeds from the issuance of shares of non- controlling shareholders	Purchase/ sale of property, plant and equipment and intangible assets	Value change of restricted cash	Interest on debt	Other	Net financial debt March 31, 2025
<b>Impact on level of net debt</b>		-4 738	-483	1 890	27	226	172	
Financial net debt	<b>11 045</b>							<b>8 139</b>

<sup>1</sup> Estimated level of net economic debt (taking into account forward payment for CO<sub>2</sub> emission rights) amounts to PLN 16 633 million.

### 3.3. Characteristics of business segments

#### 3.3.1. Key results in business segments (in PLN million)





## ASSETS AND OPERATIONAL DATA

The PGE Capital Group's operations in renewable energy are managed by the PGE Energia Odnawialna S.A. Due to the profile of operations, the segment also includes companies from the Offshore area, which are responsible for all activities related to offshore wind energy.

Assets in the segment include:

- 21 wind farms,
- 50 photovoltaic power plants,
- 29 run-of-river hydro power plants,
- 4 pumped-storage power plants, including 2 with natural flow.

Diagram: Main assets of the Renewables segment and their installed capacity.

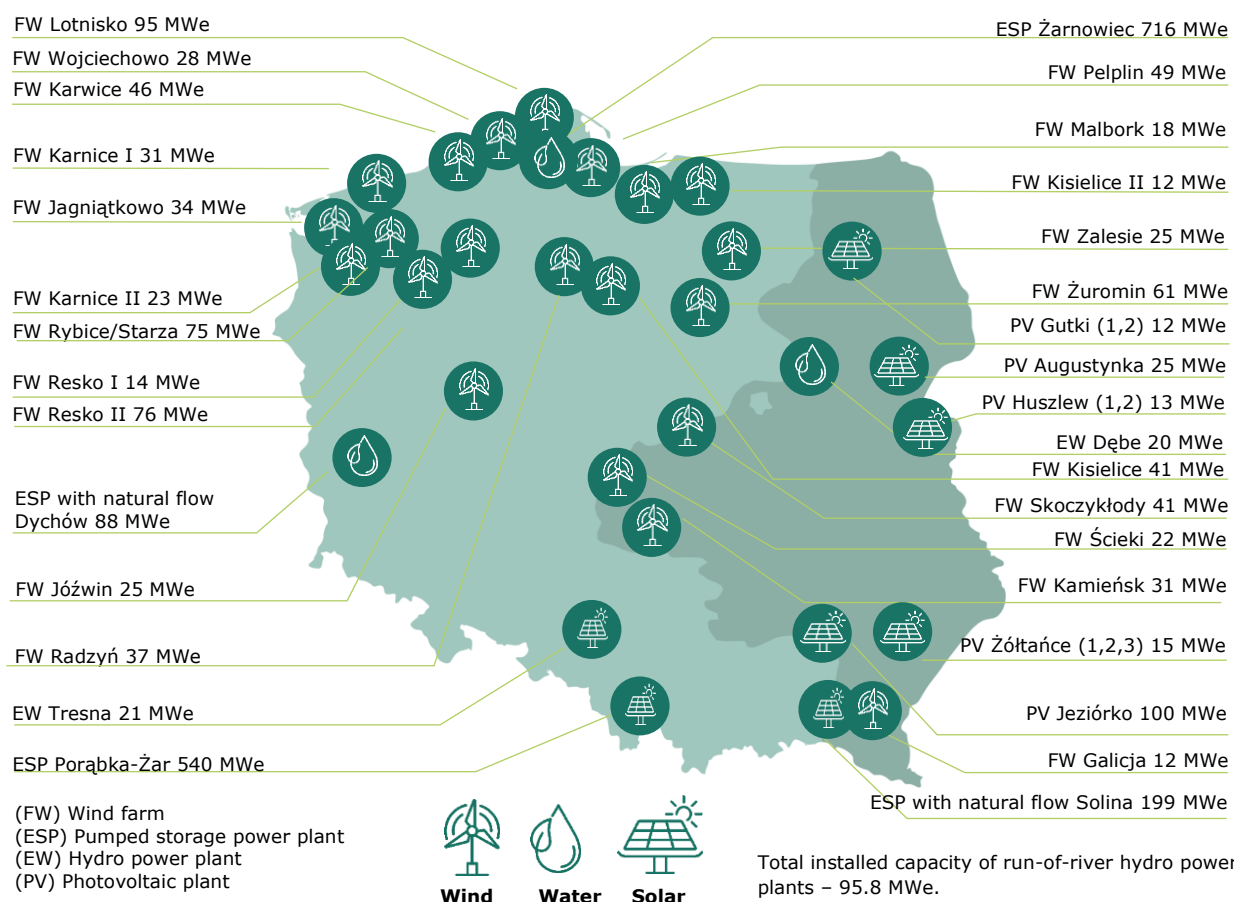
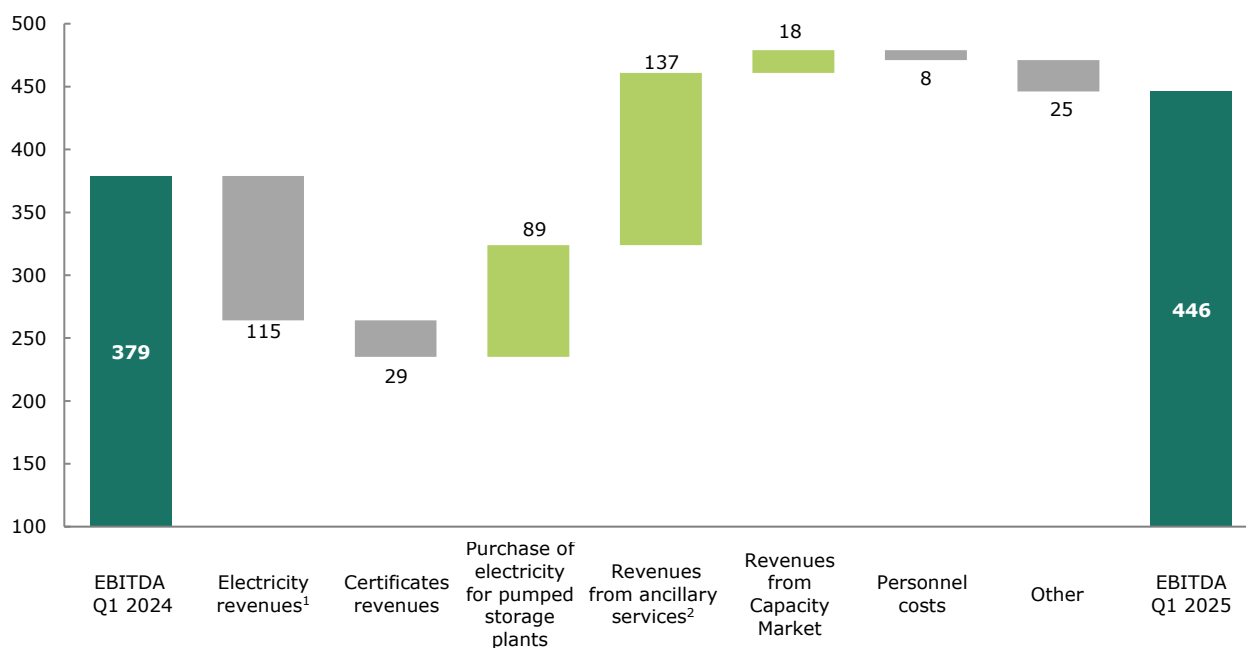


Table: Energy production (GWh).

Type of power plant	Q1 2025	Q1 2024	% change
Pumped-storage power plants	186	317	-41%
Run-of-river hydro power plants	92	174	-47%
Wind farms	447	588	-24%
PV plants	26	10	160%
<b>Total</b>	<b>751</b>	<b>1 089</b>	<b>-31%</b>

Chart: Key changes of EBITDA in Renewables (in PLN million) – managerial perspective.



Change	-115	-29	89	137	18	-8	-25	
EBITDA Q1 2024	379	514	69	169	5	79	53	66
EBITDA Q1 2025	399	40	80	142	97	61	91	446

<sup>1</sup> Electricity revenues include revenues from main generation technologies (wind, water, PV, pumped storage).

<sup>2</sup> Including income from balancing services.

#### Key factors affecting the y/y results of Renewables:

- **Lower revenues from electricity sales** results from: and lower sales volume by 466 GWh, what translated into decrease of revenues by PLN 187 million, higher average electricity sale price by PLN 88/MWh y/y what translated into increase of revenues by PLN 72 million.
- **Lower revenues from sales of certificates** resulting from: lower average electricity sale price by PLN 107 PLN/MWh y/y, what translated into decrease of revenues by PLN 47 million, higher sales volume by 89 GWh, what translated into increase of revenues by PLN 18 million.
- **The decrease in electricity purchase costs for pumping** in pumped storage power plants results from lower purchase volume by 333 GWh, contributing to a decrease in costs by PLN 95 million and higher average electricity purchase price by PLN 23/MWh y/y, what translated into increase of costs by PLN 6 million.
- **Higher revenues from the ancillary services** result mainly from revenue from balancing services introduced from June 2024.
- **Higher revenues from the Capacity Market** result mainly from higher utilisation of production units in the power system.
- **The increase in personnel costs** is mainly a result of higher employment due to the development of the Offshore Energy and Renewable Energy areas and concluded wage agreements.
- **Value change in item Other** results mainly from lower revenues from the sale of guarantees of origin for electricity.

#### CAPITAL EXPENDITURES

Table: Capital expenditures incurred in Renewables segment (PLN million).

	Q1 2025	Q1 2024	% change
Investments in generating capacities, including:	510	255	100%
▪ Development	431	219	97%
▪ Modernisation and replacement	79	36	119%
Other	0	3	-100%
<b>Total</b>	<b>510</b>	<b>258</b>	<b>98%</b>

## KEY EVENTS IN RENEWABLES

### **Offshore wind farms construction program**

The strategic goal of the PGE Group in the offshore energy area is to build at least 6.5 GW of capacity by 2040.

The group has 8 location permits for an offshore wind farms in the Baltic Sea. 3 location permits were obtained by the Group in 2012 while 5 permits (with a total capacity potential of 3.9 GW) were obtained in 2023. Commissioning of the first project carried out jointly with Ørsted - Baltica 2 with a capacity of approx. 1.5 GW is planned in the fourth quarter of 2027.

- The **Baltica 1 project** (approximately 0.9 GW) is in the stage of preparation for implementation. Geotechnical campaign work is ongoing. The final report is to be completed in the second quarter of 2025. In March 2025, the Ministry of Climate and Environment approved the Geological and Engineering Documentation for the Onshore Transformer Station and Cable Duct. In April 2025, the Environmental Impact Assessment report for the power evacuation scope was submitted to the Regional Directorate for Environmental Protection.
- The **Baltica 2 project** (approx. 1.5 GW) is currently in the implementation phase, following the Final Investment Decision (FID) taken in the first quarter of 2025. In the first quarter of 2025, work continued under the contract for the construction of the onshore section of the power evacuation system. This included, among other things, the completion of the foundations for the 275 kV and 400 kV GIS switchgear buildings of the Onshore Transformer Station (OTS), as well as site preparation for construction activities related to the drilling works in the so-called 'landfall area'. The construction of the OTS switchgear buildings has been completed. Equipment is currently in production. During the first quarter of 2025, preparations were also underway for offshore operations involving the removal and relocation of boulders in areas designated for foundations and along the route of the subsea cables.
- The **Baltica 3 project** (approx. 1 GW) is under preparation for implementation and in reconfiguration phase. In the first quarter of 2025 environmental surveys for migratory birds and bats were continued.
- The **Baltica 9 project** (approx. 1 GW) is in the preparation phase for implementation. In April 2025, a contract was signed for the execution of the geophysical campaign with the contractor (Geofizyka Toruń), as well as a contract for the supervision of the geophysical and geotechnical surveys with the contractor (East Point Geo Ltd. Work) on the geophysical campaign is currently underway.
- **Construction of the O&M Port in Ustka** – In the first quarter of 2025, contracts were signed with the Contract Engineer (Sweco Polska sp. z o.o.) and the General Contractor (Korporacja Budowlana DORACO sp. z o.o.) for the Operations and Maintenance Base in Ustka. The investment has a building permit, which became legally binding and final in January 2025. In the first quarter of 2025, tree felling was also carried out within the area of the future construction site.

### **PGE Group PV Development Program**

So far, projects with a total capacity of approx. 212 MW have been commissioned under the programme (electricity is produced by installations with an aggregate capacity of 232 MW, including projects without final acceptance). In the first quarter of 2025, final receipts of photovoltaic farms with a capacity of approximately 16 MW were made - including: PV Żółtańce with a capacity of 15 MW. In parallel, the implementation of photovoltaic farm projects with a total capacity of approx. 230 MW was continued.

### **Comprehensive modernisation program of Porąbka-Żar pumped-storage power plant**

The scope of works includes the modernization of the technological part of the upper reservoir and the construction facilities of the waterway. The main works related to the modernisation of the upper reservoir and the fairway were completed in 2024. Work on the technological part, i.e. the modernisation of the four hydrosets, will be carried out sequentially so that partial operation of the power station is possible. Dismantling work for hydroset no. 3 was completed. Assembly work is ongoing (including for the generator), along with deliveries of other modernised components. Design work is also continuing.

The segment's business is the generation of electricity in gas-fired sources.



<b>Main revenue items</b>	<b>PLN m</b>		<b>Main cost items</b>	<b>PLN m</b>
Sale of electricity <sup>1</sup>	592		Costs of natural gas consumption	448
Capacity Market	92		Costs of CO <sub>2</sub>	115
		<b>Electricity generation</b>	<b>0.98 TWh</b>	
		<b>Main result items</b>	<b>PLN m</b>	
		<b>EBIT</b>	30	
		<b>EBITDA</b>	90	

The primary source of revenue for the Gas-Fired Generation segment is **revenue from the sale of electricity** on the wholesale market based on the price of electricity determined by supply and demand balancing mechanisms, taking into account the variable costs of generation. At the same time, the most significant cost items of the segment, by virtue of their size and volatility, and therefore impact on the operating result, are the **costs of natural gas consumption** and **the costs of CO<sub>2</sub> emission charges**.

A significant item in the segment's revenue is **revenue from the Capacity Market**, a mechanism introduced to prevent a shortage of electricity in the NPS. The power plants are remunerated for the fulfilment of the capacity obligation (the Capacity Market unit's remaining ready to supply electricity to the system and its commitment to supply a certain capacity to the system during an emergency period). An additional item in the segment's revenue is **revenue from for the provision of ancillary services**.

The Gas-fired Generation segment comprises of 2 units in Gryfino Power Plant, each with an installed capacity of 683 MW fuelled by low-emission gas, and the Rybnik Power Plant in construction (1 unit with a capacity of 882 MW).

On March 4, 2024 unit no. 9 at the Gryfino Power Plant was synchronised with the NPS. On August 14, 2024 the unit was commissioned.

On May 22, 2024 unit no. 10 at the Gryfino Power Plant was synchronised with the NPS. On October 18, 2024 the unit was commissioned.

Diagram: Main assets of the Gas-fired Generation segment and their installed capacity.

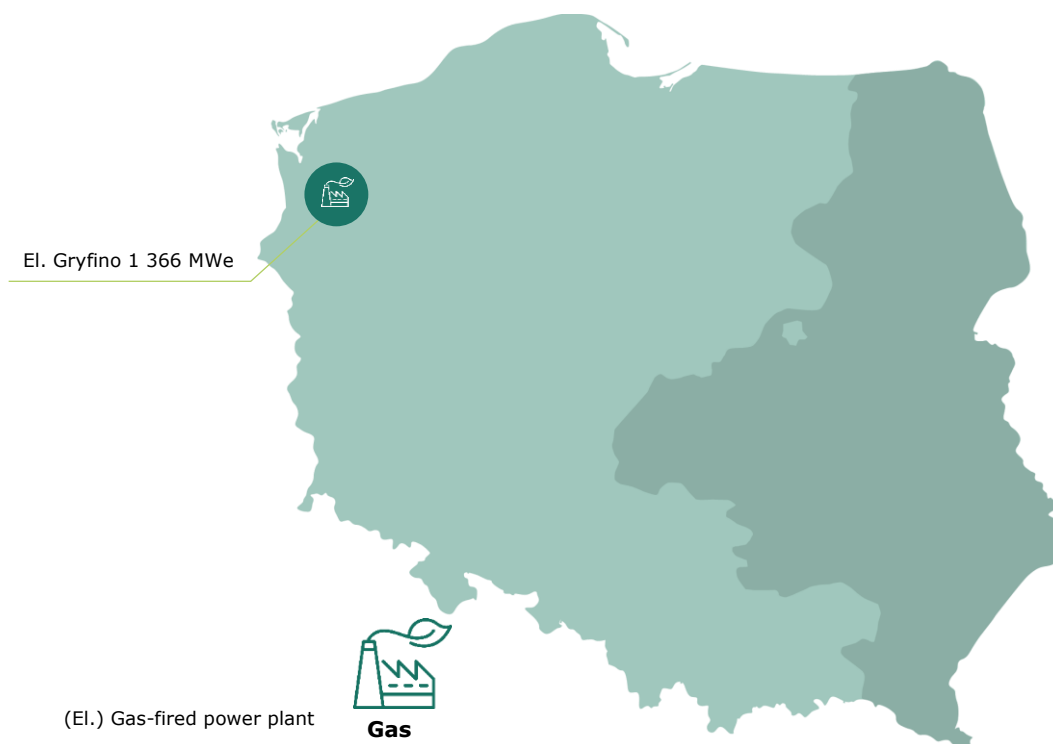
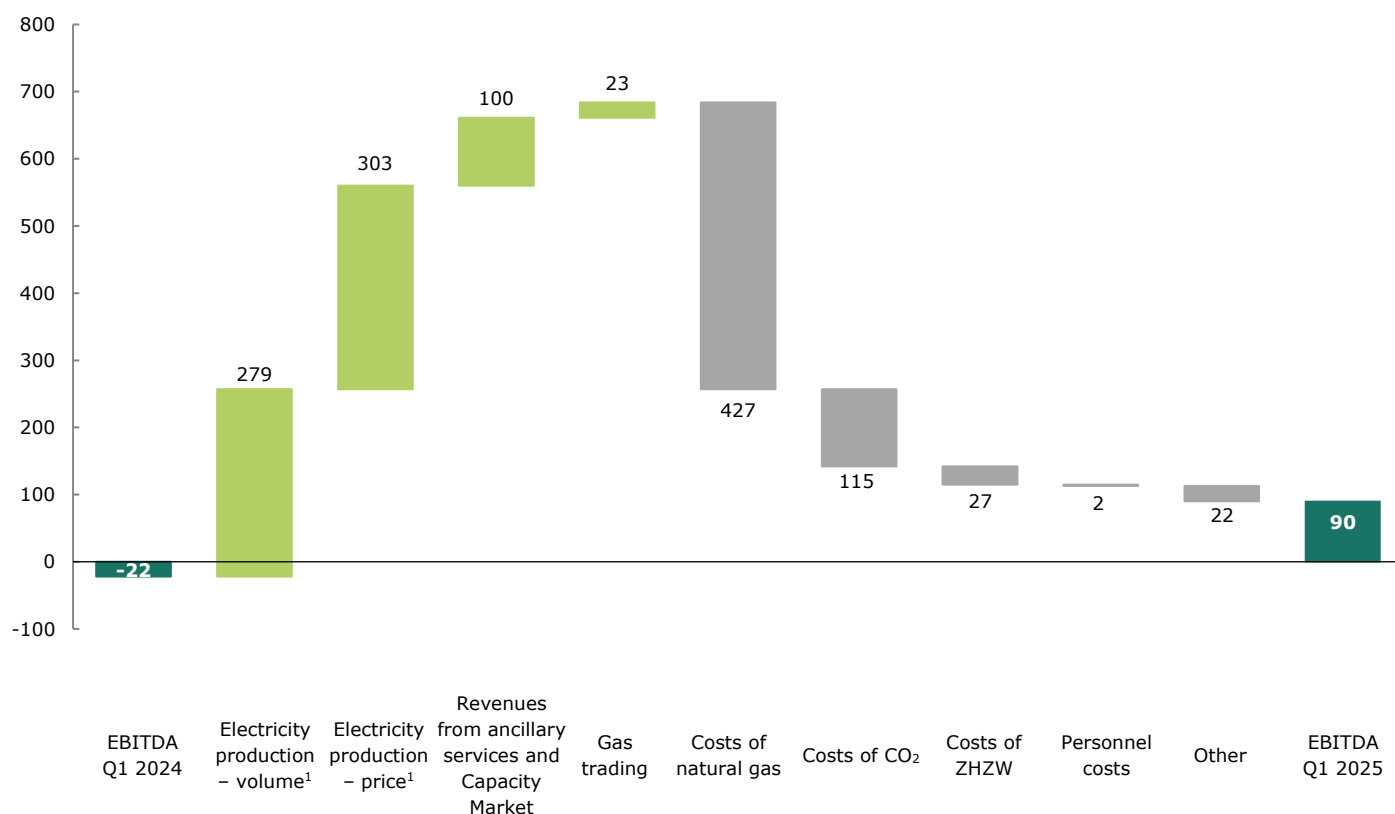


Table: Electricity generation (TWh).

Main fuel type	Q1 2025	Q1 2024	% change
Gas	0.98	0.03	> 1 000%
<b>Total</b>	<b>0.98</b>	<b>0.03</b>	<b>&gt; 1 000%</b>



Chart: Key changes of recurring EBITDA in Gas-fired Generation (in PLN million) – managerial perspective.



<sup>1</sup> Managerial perspective.

Key factors affecting EBITDA of Gas-fired Generation segment y/y:

- **Revenues from the sale of electricity**, as a result of commissioning of both units at PGE Gryfino Dolna Odra sp. z o.o. in the second half of 2024 including: higher average electricity sale price by PLN 309 /MWh y/y, what translated into increase of revenues by approx. PLN 303 million; higher sales volume by 0.9 TWh, what translated into increase of revenues by approx. PLN 279 million.
- **Revenue from the Capacity Market**, i.e. remuneration for the performance of the capacity obligation and **revenues from ancillary services** for provision of balancing services.
- **Result on gas trading**, which did not occur during the comparable period.
- **Higher costs of natural gas consumption**, as a result of higher consumption of this fuel by 5.7 PJ due to increased electricity production by 0.9 TWh and higher price by PLN 17.0/GJ.
- **CO<sub>2</sub> costs**, as a result of emission of 0.3 tonnes million in the production process (in the comparable period, until the commissioning of the units, the segment did not incur CO<sub>2</sub> emission charges).
- **Costs of ZHW** i.e. costs of commercial management of generation capacities.
- **Higher personnel costs**, mainly due to the commissioning of both units at the PGE Gryfino Dolna Odra sp. z o.o. in the second half of 2024.
- **The item Other**, mainly takes into account other variable costs incurred in the production process and the costs of repairs and assets operations. The increase in this item is due to the longer operation of the units in the first quarter of 2025 (during the comparable period, commissioning work on unit 9 was ongoing).

Table: Data on production fuels consumption in Gas-fired Generation.

Fuel type	Q1 2025		Q1 2024	
	Volume	Cost	Volume	Cost
	(m <sup>3</sup> ths)	(PLN m)	(m <sup>3</sup> ths)	(PLN m)
Gas	160 993	448	9 787	21
<b>Total</b>	<b>160 993</b>	<b>448</b>	<b>9 787</b>	<b>21</b>

Table: Data on CO<sub>2</sub> costs in Gas-fired Generation.

Data on CO <sub>2</sub>	Q1 2025	Q1 2024	% change
CO <sub>2</sub> emission (tons)	345 640	-	-
Average CO <sub>2</sub> costs (PLN/t)	332.7	-	-

### CAPITAL EXPENDITURES

Table: Capital expenditures incurred in Gas-fired Generation segment (PLN million)

	Q1 2025	Q1 2024	% change
Investments in generating capacities, including:	262	441	-41%
▪ Development	261	441	-41%
▪ Modernisation and replacement	1	0	-
<b>Total</b>	<b>262</b>	<b>441</b>	<b>-41%</b>

### KEY EVENTS IN GAS-FIRED GENERATION

In the first quarter of 2025, work continued on the implementation of the project for the construction of an 882 MW gross **gas-steam (CCGT) unit in Rybnik** (PGE Nowy Rybnik sp. z o.o.). On the construction site, work was underway to prepare the ground for the installation of key equipment comprising the CCGT unit. In February 2025, the gas turbine was delivered and installed on its foundation. The installation of the pressure modules of the heat recovery boiler was also completed. Dredging of the Rybnik Reservoir is ongoing to prepare the necessary hydrotechnical infrastructure for the cooling water system.

### KEY PROJECTS IN GAS-FIRED GENERATION SEGMENT

Aim of the project	Budget	Expenditures incurred <sup>1</sup>	Capital expenditures in 2024 <sup>1</sup>	Fuel/ Net efficiency	Contractor	Investment completion date
Construction of gas-steam unit at PGE Nowy Rybnik sp. z o.o.	PLN 4.0 bn	PLN 1.7 bn	PLN 261 m	Natural gas / 63.9%	Syndicate of companies: Polimex Mostostal S.A. (consortium leader), Siemens Energy sp. z o.o., Siemens Energy Global GmbH & Co. KG	December 2026

<sup>1</sup> Expenditures incurred do not include financing costs and expenses in the form of advances paid to the General Contractor for the Investment and to the other contractors.

### 3.3.4. Conventional Generation

This segment includes lignite mining and generation of electricity in conventional sources.



## Conventional Generation

Main revenue items	PLN m				Main cost items	PLN m
Sale of electricity <sup>1</sup>	5 701		<b>Electricity generation</b>	<b>11.38 TWh</b>	Costs of CO <sub>2</sub>	3 931
Capacity Market	647				Personnel costs	950
Revenues from ancillary services	213	➔	<b>Heat generation</b>	<b>1.14 PJ</b>	Cost of production fuels used	690
Sale of heat	71				External services	447
Including contracted capacity and heat distribution	13				Depreciation and amortisation, liquidation, write-offs	179
			<b>Main result items</b>	<b>PLN m</b>		
			<b>EBIT recurring</b>	114		
			<b>EBIT reported</b>	103		
			<b>EBITDA recurring</b>	286		
			<b>EBITDA reported</b>	286		

<sup>1</sup> Managerial perspective.

The main source of revenue in the Conventional Generation segment is **revenue from the sale of electricity** on the wholesale market, based on electricity prices that are shaped by supply and demand mechanisms, taking into account the variable costs of generation. At the same time, the segment's key cost items, given their size and volatility, and thus their impact on operating results, are the **fees for CO<sub>2</sub> emissions** and **cost of production fuels**, mainly hard coal. Lignite-based production, which is of key significance for the Group, is based on own mines, therefore its cost is relatively stable and reflected mainly in fixed-cost items, i.e. personnel costs, third-party services and depreciation.

Revenue from the Capacity Market, a mechanism introduced to prevent electricity shortages in the NPS, constitutes a significant item in the segment's revenue in 2021. PGE GiEK S.A.'s power plants receive fees for performing the capacity obligation (a Capacity Market entity being on standby to supply electricity to the system and the obligation to supply specified capacity to the system when the system is under threat). Capacity Market revenue compensated for revenue from ancillary services. The cold intervention reserve and operational capacity reserve services were discontinued, while revenue from capacity reallocation remained. Since mid-June 2024, the next phase of the Balancing Market reform has been implemented. As a result of the above reform, power plants have the possibility to offer balancing energy and balancing capacity. The new catalogue of balancing services includes: frequency maintenance reserve, frequency restoration reserve and replacement reserve.

In addition, this segment generates **revenues from sales of heat** produced at industrial power plants.

#### ASSETS

Conventional Generation segment consists of: 2 lignite mines and 5 conventional power plants.

Conventional Generation segment is the leader of lignite mining (its share in the extraction market of this raw material accounting for 94%<sup>8</sup> of domestic extraction), it is also the largest generator of electricity as it generates approx. 28%<sup>9</sup> of domestic gross electricity production. The generation is based on lignite extracted from mines owned by the company as well as hard coal.

<sup>8</sup> Own calculations based on data from Central Statistical Office of Poland.

<sup>9</sup> Own calculations based on data from PSE S.A.

Diagram: Main assets of the Conventional Generation segment with their installed capacity.

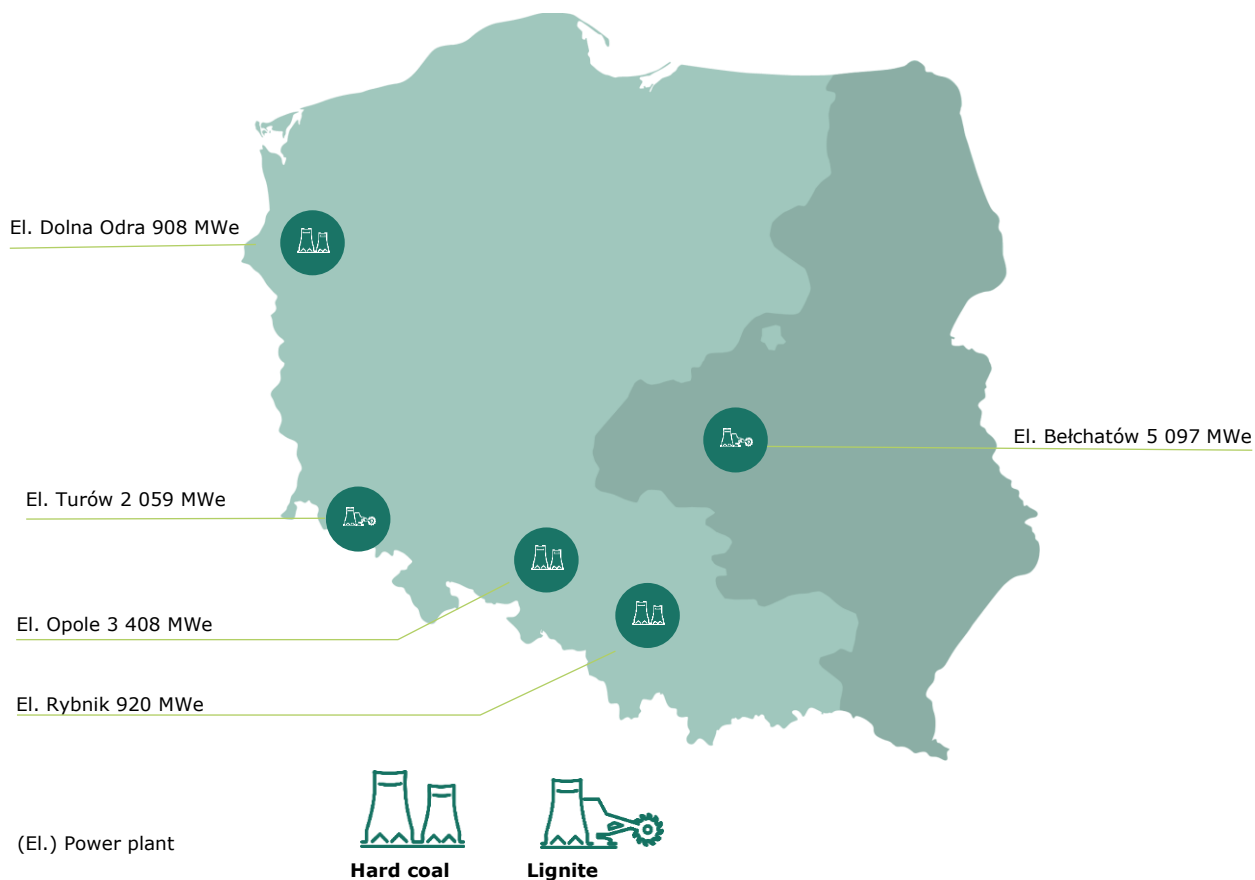


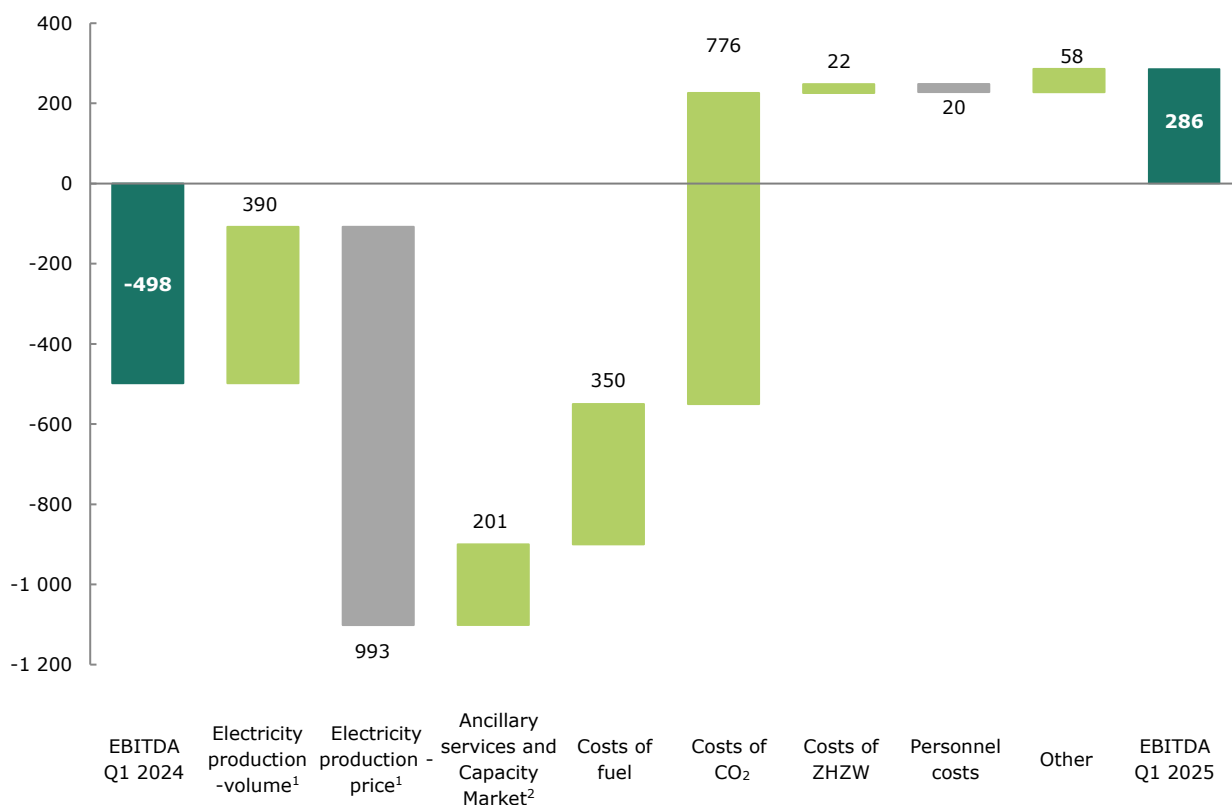
Table: Electricity production (TWh).

Main fuel types	Q1 2025	Q1 2024	% change
Hard coal	2.86	3.08	-7%
Lignite	8.51	7.63	12%
Biomass	0.01	0.01	0%
<b>Total</b>	<b>11.38</b>	<b>10.72</b>	<b>6%</b>

Table: Heat production (PJ).

Main fuel types	Q1 2025	Q1 2024	% change
Hard coal	0.25	0.23	9%
Lignite	0.89	0.88	1%
<b>Total</b>	<b>1.14</b>	<b>1.11</b>	<b>3%</b>

Chart: Key changes of recurring EBITDA in Conventional Generation (in PLN million) – managerial perspective.



Change	390	-993	201	350	776	22	-20	58	
EBITDA Q1 2024	-498	6 304	659	1 040	4 707	246	930	538	
EBITDA Q1 2025		5 701	860	690	3 931	224	950	480	286

<sup>1</sup> Managerial perspective.

<sup>2</sup> Including revenue from balancing services.

Key factors affecting the EBITDA result of Conventional Generation segment on y/y basis:

- **Decrease in revenues from the sale of electricity**, which results from: lower average selling price of electricity by PLN 89/MWh y/y, which translated into a decrease in revenues by approx. PLN 993 million; higher sales volume by 0.6 TWh, which resulted in an increase in revenues by approx. PLN 390 million.
- **Higher result obtained from the Capacity Market**, as a result of the higher contracted volume of capacity obligation and **higher revenues from ancillary services** as a result of provision of balancing services which – following a reform of Balancing Market – replaced revenues from reallocation of capacities and other services provided within ancillary services.
- **Lower fuel consumption costs**, mainly hard coal as a result of lower consumption of this fuel by 4.1 PJ due to lower electricity production and lower price by PLN 7.9/GJ. Main changes on different types of fuel are presented in the chart below.
- **Lower CO<sub>2</sub> costs** as a result of lower average cost of CO<sub>2</sub> by PLN 77.0/t and higher CO<sub>2</sub> emissions by 0.4 tons million as a result of higher electricity production. Main changes are shown in the chart below.
- **Lower ZHW costs** results mainly due to lower average price of electricity.
- **Higher personnel costs** mainly in connection with the implementation of agreements concluded with the social party.

Chart: Costs of production fuels consumption in Conventional Generation (PLN million).

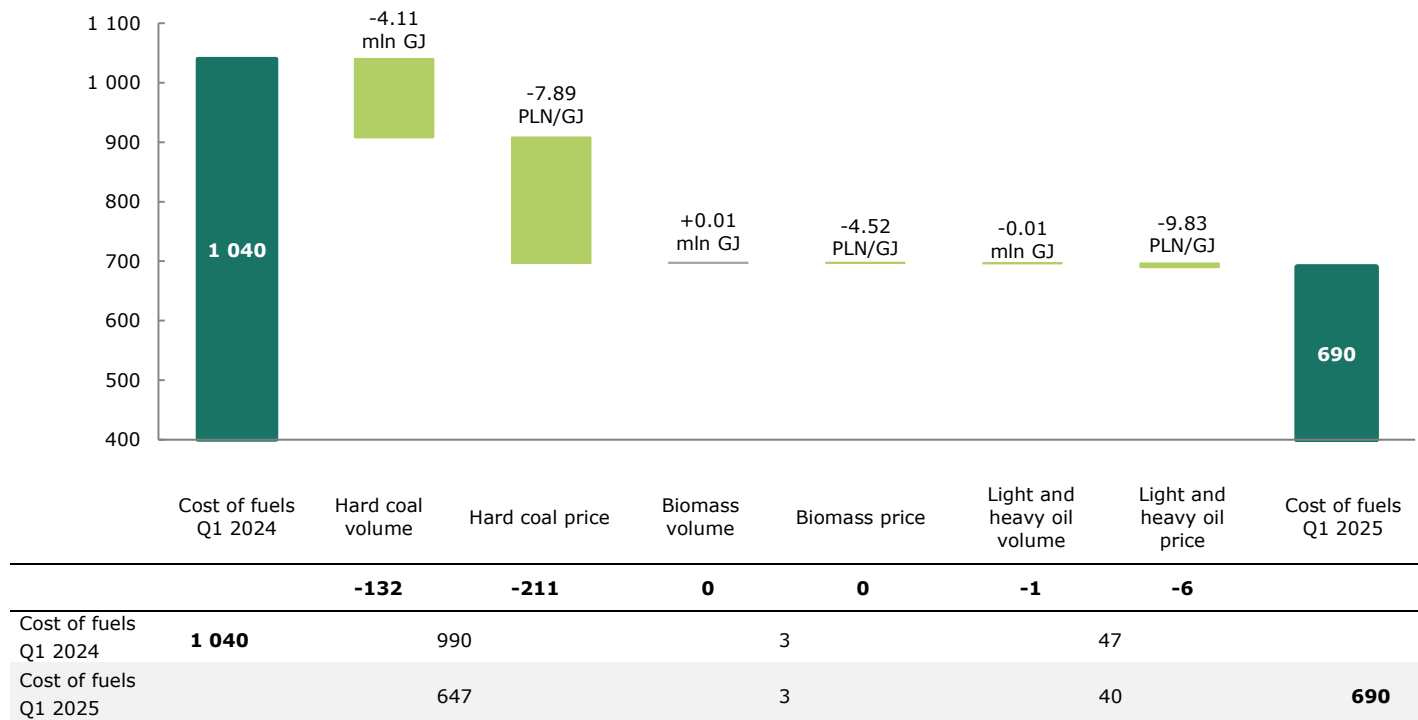
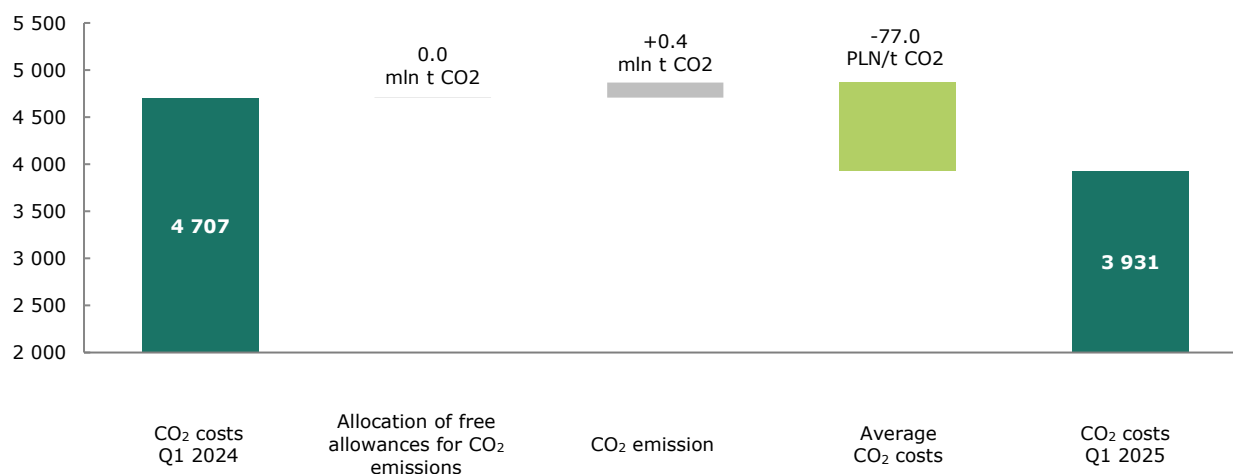


Table: Data on use of production fuels consumption in Conventional Generation.

Fuel type	Q1 2025		Q1 2024	
	Volume	Cost	Volume	Cost
	(tons ths)	(PLN million)	(tons ths)	(PLN million)
Hard coal	1 223	647	1 387	990
Biomass	4	3	4	3
Fuel oil – light and heavy	15	40	16	47
<b>Total</b>		<b>690</b>		<b>1 040</b>

Chart: CO<sub>2</sub> costs in Conventional Generation segment (PLN million).



Change	2	159	-937
CO <sub>2</sub> costs Q1 2024	4 707		
CO <sub>2</sub> costs Q1 2025			3 931

Table: Data on CO<sub>2</sub> costs in Conventional Generation (PLN million).

Data on CO <sub>2</sub>	Q1 2025	Q1 2024	% change
Allocation of free allowances for CO <sub>2</sub> emissions (tons)	10 464	14 991	-30%
CO <sub>2</sub> emission (tons)	12 179 802	11 781 145	3%
Average CO <sub>2</sub> costs (PLN/t CO <sub>2</sub> )	323	400	-19%

## CAPITAL EXPENDITURES

Table: Capital expenditures incurred in Conventional Generation segment (PLN million)

	Q1 2025	Q1 2024	% change
Investments in generating capacities, including:	133	164	-19%
▪ Development	3	1	200%
▪ Modernisation and replacement	130	163	-20%
Other	4	15	-73%
<b>Total</b>	<b>137</b>	<b>179</b>	<b>-23%</b>

## KEY EVENTS IN CONVENTIONAL GENERATION

- **Expansion of the industrial wastewater treatment plant at the Turów Power Plant** – on March 2, 2025, Facility B – Node D, the wastewater treatment installation for ash settling tanks, was commissioned. As a result of the Contract implementation, installations consisting of the following nodes were constructed:
  - Node D – wastewater treatment installation for ash settling tanks, comprising a sulphate precipitation system from concentrate, 2 lines with a capacity of 75 m<sup>3</sup>/h each, and the construction of a pumping station to transfer wastewater from this node (and the existing ash settlers) to the so-called 'Node E',
  - Node E – industrial and stormwater treatment installation, comprising ultrafiltration and reverse osmosis systems – 6 process lines with a net capacity of 100 m<sup>3</sup>/h (including 1 reserve line).
- Contractual penalties for the contractor were accrued in respect of the completed task of the **Construction of Unit No. 7 at the Turów Power Plant**. A detailed description can be found in Note 23.3 of the consolidated financial statements.

Core business of the District Heating segment includes production of electricity and heat from cogeneration sources as well as distribution of heat.



Main revenue items	PLN m		Main cost items	PLN m
Sale of heat including contracted capacity and heat distribution	1 983		Cost of production fuels used	1 440
		<b>Heat generation</b>	<b>20.19 PJ</b>	
Sale of electricity <sup>1</sup>	1 445		Costs of CO <sub>2</sub>	852
Capacity Market	125		Depreciation and amortisation, liquidation, write-offs	202
Revenues from support of highly- efficient co-generation	18		External services	193
			Personnel costs	172
		<b>Main result items</b>	<b>PLN m</b>	
		<b>EBIT recurring</b>	707	
		<b>EBIT reported</b>	701	
		<b>EBITDA recurring</b>	899	
		<b>EBITDA reported</b>	903	

As in the case of Conventional Generation, this segment's significant revenues are **revenues from electricity sales**, however, they are usually directly related to generation of heat which in turn depends on demand that is highly seasonal and depends on external temperatures. This is why, in contrast to industrial power plants in Conventional Generation, as a rule, CHP plants do not have any considerable impact on the development of prices for electricity on the wholesale market.

**Revenues from the sale and distribution of heat** are regulated revenues. Energy companies independently set tariffs and present them to the President of the Energy Regulatory Office (the "ERO President") for approval. Heat production at PGE Group takes place in cogeneration units, which tariffs for heat are calculated using a simplified approach (compared to tariffs based on a full cost structure), based on reference prices, conditioned on average sales prices for heat generated in units with specific fuel other than cogeneration units. They are published each year by the ERO President. Tariffs for heat production for cogeneration units in a given tariff year thus reflect changes in the costs of heat-generation units (not cogeneration units) in the previous calendar year. The cost approach is applied in the case of tariffs for heat distribution, which allows to cover justified costs (mainly the costs of heat losses and property tax) and a return on invested capital, in line with guidelines from the ERO President. Distribution tariffs for heat are in place at branches in Gorzów and Zgierz, as well as by KOGENERACJA S.A., PGE Toruń and Zielona Góra CHP.

Generation of heat and electricity is directly related to key variable costs of the segment, i.e. **the cost of production fuel used** (in particular, hard coal and gas) and **the cost of fees for CO<sub>2</sub> emissions**.

Electricity production in high-efficiency cogeneration is additionally remunerated. CHP plants receive support at a level covering increased operating costs related to production. The support mechanism in the form of certificates is in place also for biomass-fired generating assets. This type of production is additionally remunerated by awarding origin certificates, i.e. green certificates, the sale of which generates additional revenue. Within the segment such revenues is obtained at Szczecin CHP plant and biomass unit in Kielce CHP.

**Revenue from the Capacity Market**, a mechanism introduced to prevent electricity shortages in the National Power System, constitutes a significant item in the segment's revenue. CHP plants receive fees for performing the capacity obligation (a Capacity Market entity being on standby to supply electricity to the system and the obligation to supply specified capacity to the system when the system is under threat).

Weather conditions substantially affect the segment's results. Temperatures directly shape the level of heat demand. Simultaneously, the level of heat production determines the level of electricity production in co-generation, which is an additional source of revenues that decisively affects the CHP plant's profitability.



## ASSETS

The following companies are included in the segment: PGE Energia Ciepła S.A., KOGENERACJA S.A., EC Zielona Góra S.A., PGE Toruń S.A., MEGAZEC sp. z o.o. and the district heating network in Gryfino.

Currently, the segment includes 16 combined heat and power plants.

District Heating is the largest heat producer in Poland. Generation is based mainly on hard coal and natural gas.

Diagram: Main assets of the District Heating segment and their installed capacity.

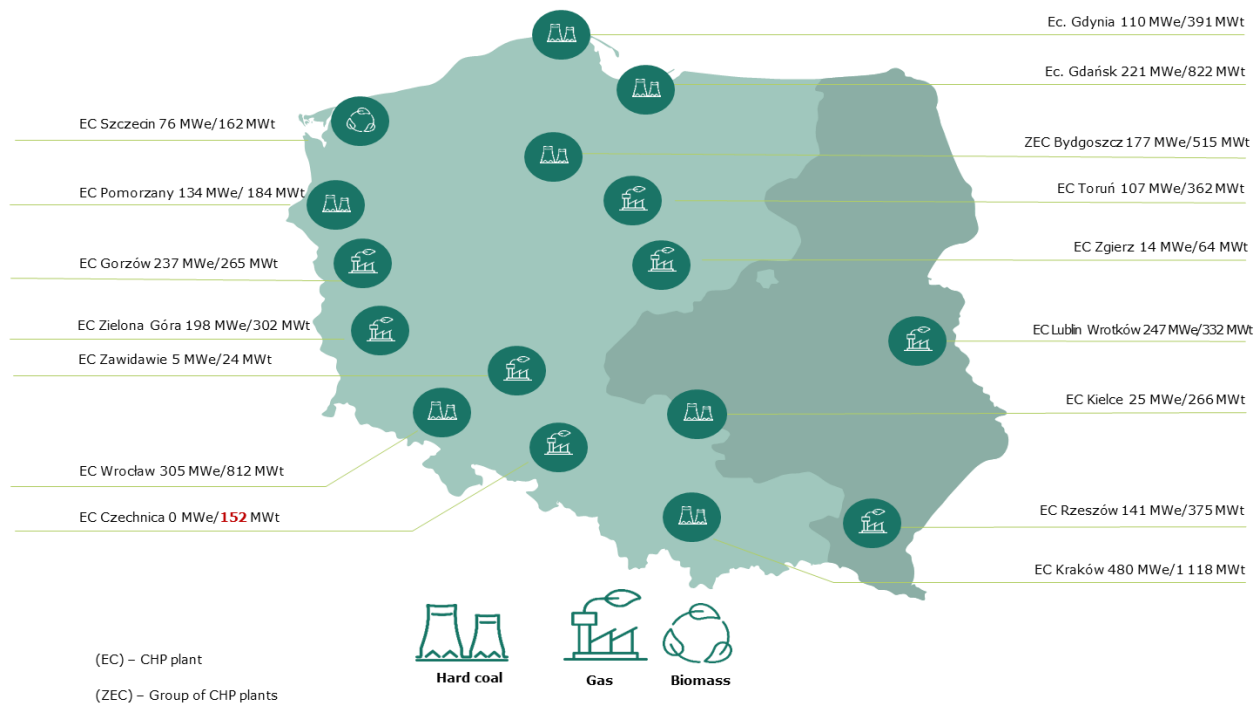


Table: Electricity production (TWh).

Main fuel types	Q1 2025	Q1 2024	% change
Hard coal	1.36	1.24	10%
Gas	1.52	1.40	9%
Biomass	0.08	0.10	-20%
Other	0.01	0.01	0%
<b>Total</b>	<b>2.97</b>	<b>2.75</b>	<b>8%</b>

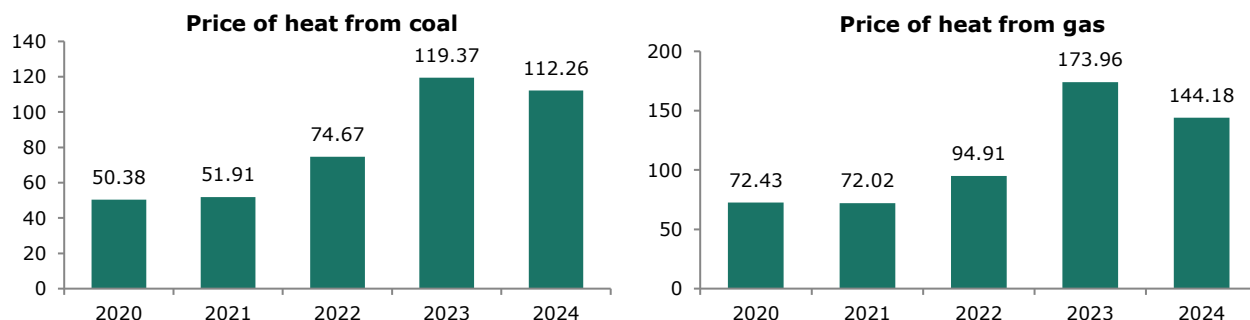
Table: Heat production (PJ).

Main fuel types	Q1 2025	Q1 2024	% change
Hard coal	14.47	14.65	-1%
Gas	4.58	3.41	34%
Biomass	0.81	0.81	0%
Other	0.33	0.32	3%
<b>Total</b>	<b>20.19</b>	<b>19.19</b>	<b>5%</b>

### TARIFFS IN DISTRICT HEATING

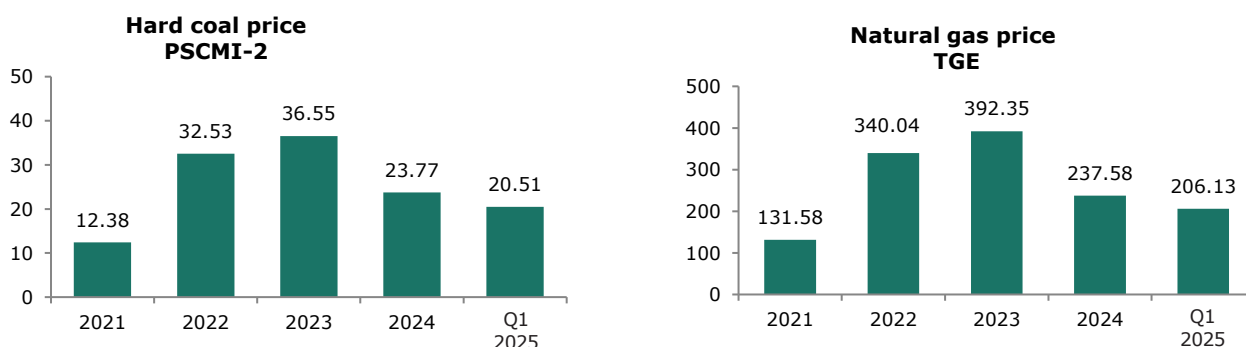
Income on heat sales for CHP plant are tarified as part of the so-called simplified method, so they are characterised by a relative delay in the transfer of costs (annual or two-year). They are based on the year-to-year dynamics of average costs (including fuels used) incurred by entities that are not co-generation entities for the year preceding the time of tariff setting.

Charts: Changes in the reference price of heat for hard coal and natural gas (PLN/GJ).



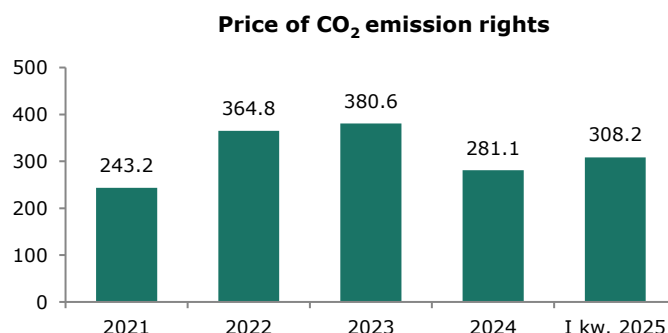
Source: ERO.

Charts: Changes in costs of fuels – hard coal (PLN/GJ) – PSCMI-2<sup>10</sup> and gas (PLN/MWh) - TGE.



Source: ARP, TGE.

Chart: Changes in price of CO<sub>2</sub> emission rights<sup>11</sup> (PLN/t).



Source: ICE.

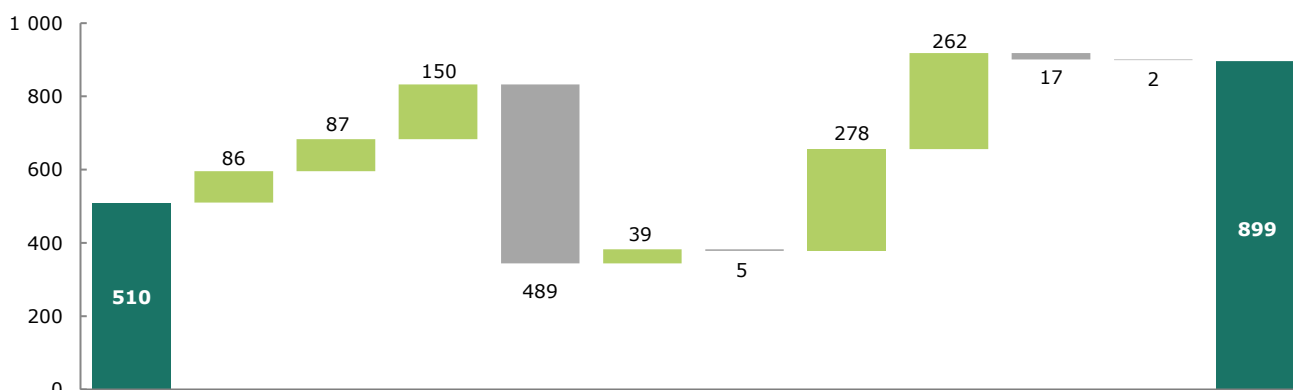
Reflecting previous costs decrease, the reference price of heat produced from hard coal decreased by 6% in 2024. It is a base to the increase in heat prices for co-generation entities establishing the tariff during 2025. In 2025 the average market price of coal decreased by 14%, while the average price of CO<sub>2</sub> emission rights increased by 10% in comparison to 2024.

<sup>10</sup> PSCMI-2 Polish Steam Coal Market Index 2 - the average prices for pulverised coals sold on the domestic heating market.

<sup>11</sup> Arithmetic average of the daily and monthly records in a given period (spot price).

Tariffs for the production of heat from gas in 2025 are set based on a change in the reference price, whereas in 2025 gas prices were lower than in previous periods. Prices of gas in TGE forward contracts stood at approx. PLN 206/MWh (i.e. decrease by 13%).

Chart: Key changes of EBITDA in District Heating (in PLN million) – managerial perspective.



	EBITDA Q1 2024	Heat production volume	Heat production price <sup>1</sup>	Electricity production volume	Electricity production price <sup>1</sup>	Capacity Market	Revenues from support of highly-efficient cogeneration	Cost of fuel	Costs of CO <sub>2</sub>	Personnel costs	Other <sup>2</sup>	EBITDA Q1 2025
<b>Change</b>		<b>86</b>	<b>87</b>	<b>150</b>	<b>-489</b>	<b>39</b>	<b>-5</b>	<b>278</b>	<b>262</b>	<b>-17</b>	<b>-2</b>	
EBITDA reported Q1 2024	514											
One-offs Q1 2024	4											
EBITDA recurring Q1 2024	510	1 810		1 784		86	23	1 718	1 114	155	206	
EBITDA recurring Q1 2025		1 983		1 445		125	18	1 440	852	172	208	899
One-offs Q1 2025												4
EBITDA reported Q1 2025												903

<sup>1</sup> Value adjusted for costs of certificates redemption; data for 2024 adjusted to current presentation method - including heat price compensation.

<sup>2</sup> Item Other without taking into account the impact of changes in the LTC compensations (one-off).

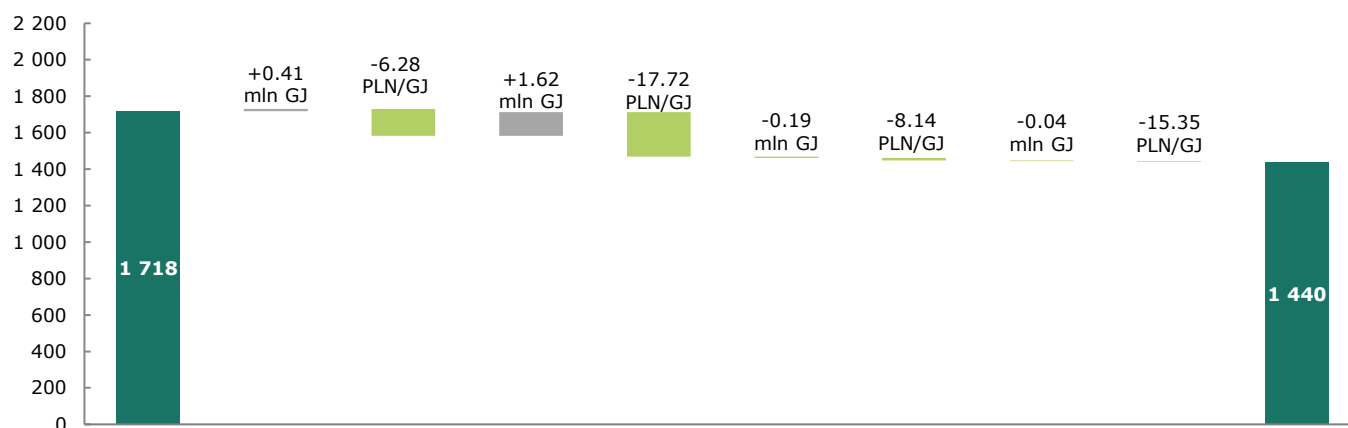
Table: Data on one-offs in District Heating (PLN million).

One-off	Q1 2025	Q1 2024	% change
LTC compensations	4	4	0%
<b>Total</b>	<b>4</b>	<b>4</b>	<b>0%</b>

Key factors affecting the EBITDA result of District Heating segment on y/y basis:

- **Higher volume of net heat production** in the first quarter of 2025 y/y is a result of lower outside temperatures compared to the analogical period of 2024. The average temperatures in 2025 were by 1.5° C lower y/y, what translated into increased heat production (by 1.0 PJ).
- **Increase of heat sale price** is a result of increased tariffs for heat for the CHP plants in the second half of 2024 following the publication by the ERO of reference prices for heat production in units not being cogeneration units.
- **Decrease in revenues from the sale of electricity** results from: lower average selling price of electricity by PLN 164/MWh y/y, which translated into a decrease in revenues by approx. PLN 489 million; higher sales volume by 0.2 TWh, which resulted in an increase in revenues by approx. PLN 150 million.
- **Higher revenues from Capacity Market**, due to the higher volume of dispatch capacity.
- **Lower revenues due to support for high-efficiency cogeneration** due to the granting of a lower individual cogeneration bonus for gas-fired units.
- **Lower fuel consumption costs** which are caused by lower prices of natural gas. The details are shown in the chart below.
- **Lower CO<sub>2</sub> costs** are mainly a result of lower prices of emissions. The details are shown in the chart below.
- **Higher personnel costs** mainly in connection with the implementation of agreements concluded with the social side.

Chart: Consumption costs of production fuels in District Heating (PLN million).

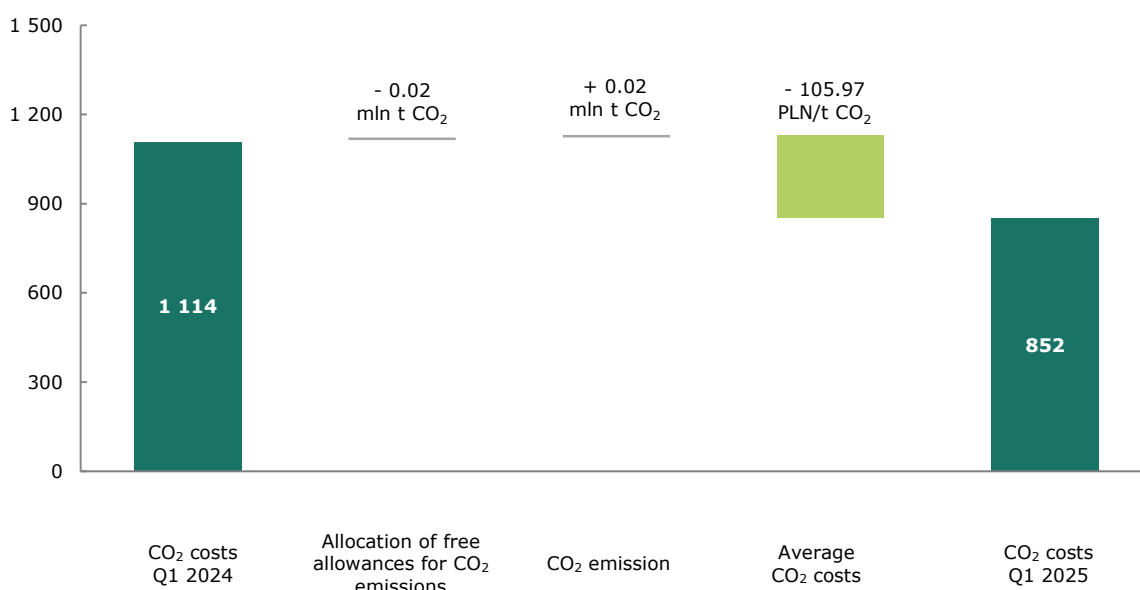


	Costs Q1 2024	Hard coal volume	Hard coal price	Gas volume	Gas price	Biomass volume	Biomass price	Fuel oil and other raw materials volume	Fuel oil and other raw materials price	Costs Q1 2025
<b>Change</b>		<b>12</b>	<b>-147</b>	<b>129</b>	<b>-243</b>	<b>-7</b>	<b>-14</b>	<b>-4</b>	<b>-4</b>	
Costs of fuel Q1 2024	<b>1 718</b>	648		962		69		39		
Costs of fuel Q1 2025		513		848		48		31		<b>1 440</b>

Table: Data on production fuels consumption in District Heating.

Fuel type	Q1 2025		Q1 2024	
	Volume	Cost	Volume	Cost
	(tons ths)	(PLN million)	(tons ths)	(PLN million)
Hard coal	1 055	513	1 016	648
Gas (cubic metres ths)	425 473	848	384 281	962
Biomass	189	48	227	69
Fuel oil and other raw materials	-	31	-	39
<b>Total</b>		<b>1 440</b>		<b>1 718</b>

Chart: CO<sub>2</sub> costs in District Heating (PLN million).



Change	8	9	-279
CO <sub>2</sub> costs Q1 2024	1 114		
CO <sub>2</sub> costs Q1 2025			852

Table: Data on CO<sub>2</sub> costs in District Heating.

Data on CO <sub>2</sub>	Q1 2025	Q1 2024	% change
Allocation of free allowances for CO <sub>2</sub> emissions (tons)	220 600	241 707	-9%
CO <sub>2</sub> emission (tons)	2 854 702	2 834 655	1%
Average CO <sub>2</sub> costs (PLN/t CO <sub>2</sub> ) <sup>1</sup>	323.50	429.47	-25%

<sup>1</sup> Managerial perspective.

### CAPITAL EXPENDITURES

Table: Capital expenditures incurred in District Heating segment.

PLN million	Q1 2025	Q1 2024	% change
Investments in generating capacities, including:	154	282	-45%
▪ Development	122	240	-49%
▪ Modernisation and replacement	32	42	-24%
Other	1	1	0%
<b>Total</b>	<b>155</b>	<b>283</b>	<b>-45%</b>

### KEY EVENTS IN DISTRICT HEATING

- The turnkey construction of the **New Czechnica CHP plant**, i.e. CCGT unit with a total gross capacity of 179 MWe and 163 MWt, heat accumulator and four water boilers with total capacity of 152 MWt. The water boiler plant, which was commissioned on November 16, 2023, operates as a part of the district heating system of Siechnice and Wrocław. In the first quarter of 2025, the regulatory operation of the unit was completed and the trial run began. The contractual deadline for completing the investment is the second quarter of 2024, but mediation is currently underway in this regard at the Arbitration Court at the General Prosecutor's Office of the Republic of Poland. On March 19, 2025, KOGENERACJA S.A. and a consortium comprising Polimex Mostostal S.A. and Polimex Energetyka sp. z o.o. entered into a partial mediation settlement. The subject of the settlement is, in particular, the determination by the parties of the contractual remuneration for the works performed by the Contractor.
- The construction of a reserve-peak boiler plant with a total capacity of 182 MWt continued at **Lublin CHP plant**. Assembly work has been completed, a trial run was conducted along with the testing of guaranteed parameters. Documentation required for commissioning the boiler house is currently being finalised, with commissioning scheduled for the second quarter of 2025.

- At **Rzeszów CHP plant** the construction of the second line with a capacity of 80 000 tons of waste / year of the Waste-to-Energy Incinerator is in progress. Installation works on the main equipment and auxiliary systems have been completed. Electrical and automation installation works are ongoing, along with the installation of the remaining equipment.
- At **Bydgoszcz CHP plant** (EC II) the contract is being pursued for construction of a cogeneration source based on five gas engines with a total capacity of 52.6 MWe/ 50.8 MWt and a reserve-peak heat source. In the first quarter of 2025, works related to the commissioning and regulatory operation of the installation were carried out.
- In selected locations, PGE Energia Ciepła S.A. is implementing a **Programme to build photovoltaic power plants** with a total capacity of approx. 13 MW to partially meet own energy needs. So far, installations with a total capacity of 0.6 MW have been transferred under the Programme. Projects under implementation include: PV Rzeszów II, PV Zgierz and PV Lublin with a total capacity of approx. 3.5 MW. At the same time, in the first quarter of 2025, tender procedures were conducted to select General Contractors for the remaining projects with a total capacity of 7.2 MW.
- At **Gdynia CHP plant** scope of work is the construction of new generation sources - gas engines of up to 50 MWe and two biomass boiler with total capacity of 30 MWt. For the gas engines range earthworks and major foundation works have been completed, while construction and building works are continued. In the case of biomass boilers, work is ongoing on the detailed designs, pending the building permit. Commencement of construction works is scheduled for the second quarter of 2025.
- At **Kraków CHP Plant** a tender procedure was announced in 2024 for the selection of the General Investment Contractor for the construction of gas engines with a capacity of up to 100 MWe. In April 2025, five bids were received as part of the announced procurement procedure. The tender committee's work is currently underway. A building permit decision has been obtained for this part of the investment.

#### KEY PROJECT IN DISTRICT HEATING

Aim of the project	Budget <sup>1</sup>	Expenditures incurred <sup>1</sup>	Capital expenditures in Q1 2025 <sup>1</sup>	Fuel/ Net efficiency	Contractor	Investment completion date
Construction of New Czechnica CHP Plant	PLN 1.4 bn	PLN 1.19 bn	PLN 33.1 m	Natural gas/ Co-generation 85%	Syndicate of: Polimex Mostostal S.A. (Leader) / Polimex Energetyka sp. z o.o.	Contractual date: Q2 2024 (mediation in progress)

<sup>1</sup> Expenditures incurred do not include financing costs and expenses in the form of advances paid to the General Contractor for the Investment and to the other contractors.

### 3.3.6. Distribution

Core business of the segment includes supply of electricity to final off-takers through the grid and HV, MV and LV infrastructure.



## Distribution

Main revenue items	PLN m				Main cost items	PLN m
Sale of distribution services	2 884		<b>Volume of distributed electricity</b>	<b>9.62 TWh</b>	Transmission services	639
Connection fees	38	→			Network loss <sup>1</sup>	406
			<b>Number of customers</b>	<b>5.81 m</b>	Personnel costs	443
					Depreciation and amortisation, liquidation, write-offs	381
					including capitalised depreciation	7
					Taxes and fees	180
					including real estate tax	150
			<b>Main result items</b>	<b>PLN m</b>		
			<b>EBIT</b>	945		
			<b>EBITDA</b>	1 319		

<sup>1</sup> Managerial perspective

The segment's revenues are based primarily on the tariff for electricity distribution services approved annually by the President of the Energy Regulatory Office at the company's request, which means that they are of a regulated nature. The tariff takes into account reasonable operating costs related to the distribution system operator's activities, depreciation costs, costs of taxes on distribution assets, costs related to the necessity to cover network losses on electricity distribution or the purchase of transmission services from the TSO. At the same time, the tariff reflects the **costs transferred in fees** such as the RES fee, the transition fee, the co-generation fee and the capacity fee.

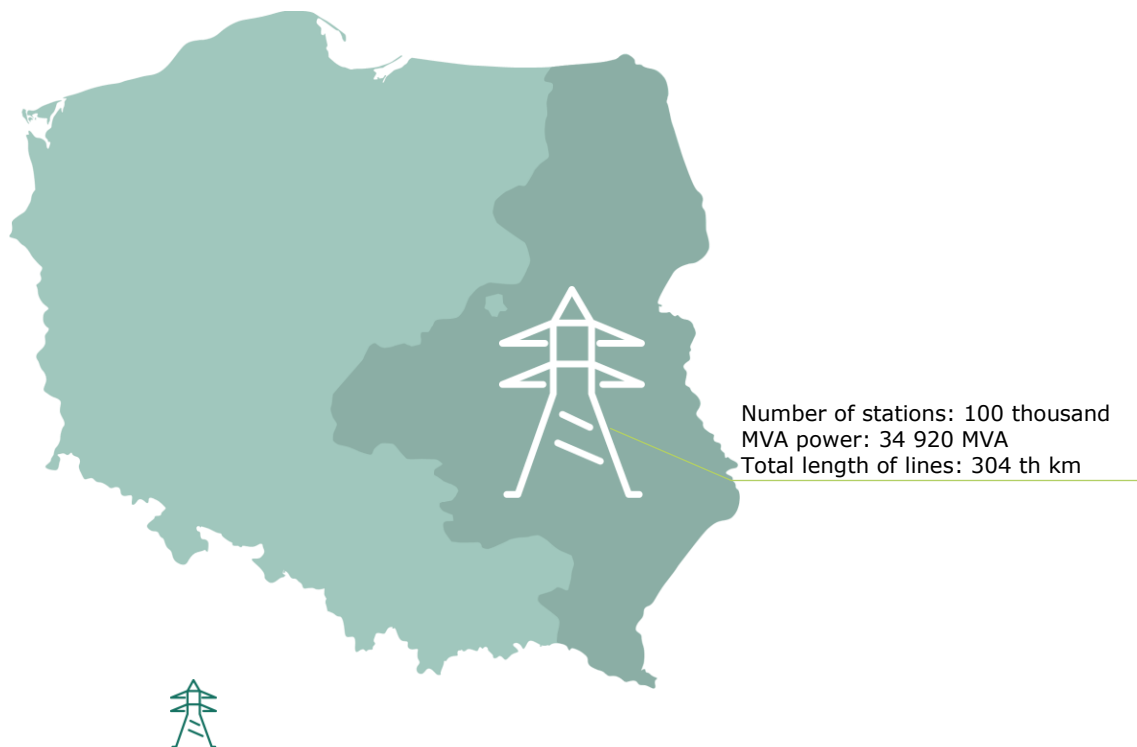
The key element shaping the Distribution segment's result is **return on company's invested capital**. For this purpose, the so-called Regulatory Asset Base (RAB) is determined and calculated on the basis of incurred investment costs including depreciation of assets. The RAB is the basis for calculating the return on capital employed, using the weighted average cost of capital (WACC), which is determined by the ERO President in the tariff process. It is within the competence of the ERO President to differentiate the remuneration from capital employed, taking into account the prioritisation of the DSO's development objectives, so that priority investment projects can be remunerated using an additional reinvestment bonus mechanism. In addition, return on capital depends on the achievement of individual quality targets set by the ERO President for performance indicators including: interruption time, interruption frequency and connection time for years 2018-2025.

As part of the government's Solidarity Shield, a package of laws was adopted in 2022 to protect consumers, including with respect to the pricing of electricity distribution services. Under its terms, for some eligible customers, within certain limits, the prices of electricity distribution services in 2023 were frozen at the 2022 price level, which was in force until the end of June 2024. As a result of the entry into force of the Energy Voucher Act from July 1, 2024, prices for electricity distribution services have been unfrozen, with the result that rates from the current tariff apply. In the first half of 2024 DSOs were entitled to compensation to cover the application of reduced prices for distribution services. The compensation was the difference in the electricity distribution service charges between the 2024 tariff and the 2022 tariff up to the maximum limit. The entity responsible for the payment of compensation was the company Zarządca Rozliczeń S.A. As a result of the entry into force of the Energy Voucher Act from July 1, 2024 the settlement deadline for compensation for 2023 was also postponed from June 30, 2024 to October 31, 2024.

### AREA, VOLUMES, CUSTOMERS

PGE Dystrybucja S.A. operates in the area<sup>12</sup> of 129 938 sq. km and delivers electricity to approximately 5.8 million customers.

Chart: Main assets of the Distribution segment and their parameters.



**Network area of the Distribution segment**

Table: Volume of distributed energy (TWh)

Tariff	Q1 2025	Q1 2024	% change
A tariff group	1.19	1.21	-2%
B tariff group	3.60	3.59	0%
C+R tariff groups	1.83	1.76	4%
G tariff group	3.00	2.99	0%
<b>Total</b>	<b>9.62</b>	<b>9.55</b>	<b>1%</b>

Table: Number of customers according to power take-off points

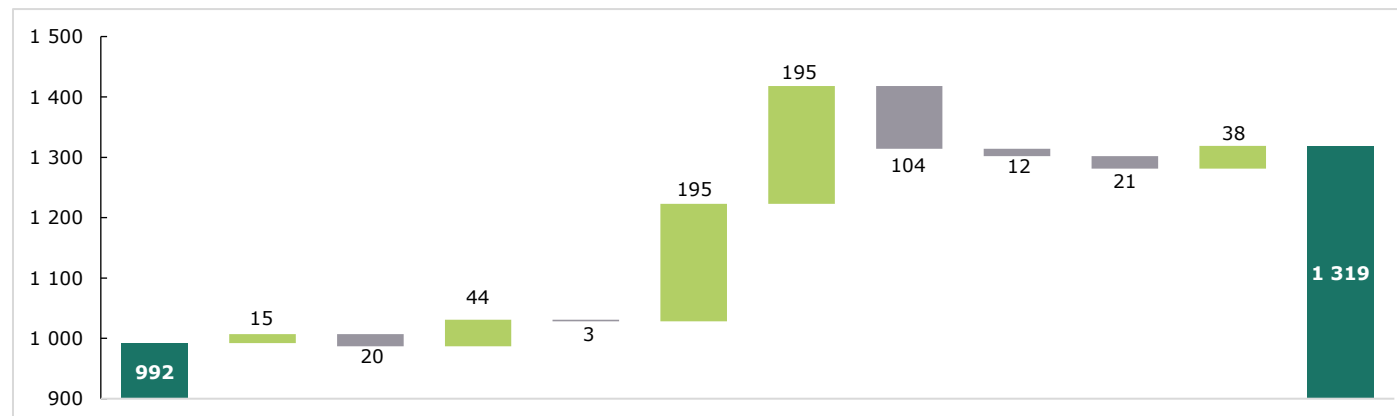
Tariff	Q1 2025	Q1 2024	% change
A tariff group	190	152	25%
B tariff group	14 764	14 226	4%
C+R tariff groups	476 760	473 440	1%
G tariff group	5 314 826	5 254 565	1%
<b>Total</b>	<b>5 806 540</b>	<b>5 742 383</b>	<b>1%</b>

<sup>12</sup> The area of municipalities in which PGE Dystrybucja S.A. operates.



## KEY FACTORS FOR THE RESULTS OF THE SEGMENT

Chart: Key changes of EBITDA in Distribution (in PLN million) – managerial perspective.



	EBITDA Q1 2024	Electricity distribution volume	Change of distribution tariffs <sup>1</sup>	Other revenue from distribution services	Result on transit	Network losses <sup>2</sup>	Additional estimation of network losses <sup>3</sup>	Revenues from connection fees	Real estate tax	Personnel costs	Other	EBITDA Q1 2025
<b>Change</b>		<b>15</b>	<b>-20</b>	<b>44</b>	<b>-3</b>	<b>195</b>	<b>195</b>	<b>-104</b>	<b>-12</b>	<b>-21</b>	<b>38</b>	
EBITDA Q1 2024	<b>992</b>	2 056		155	3	443	353	142	138	422	-8	
EBITDA Q1 2025		2 051		199	0	248	158	38	150	443	30	<b>1 319</b>

<sup>1</sup> Excluding cost of transmission services from PSE S.A. and taking into account revenues from compensations.

<sup>2</sup> Adjusted for revenues from the Balancing market.

<sup>3</sup> Neutral for PGE Capital Group result.

Key factors affecting results of Distribution segment y/y:

- **Increase in the volume of distributed** electricity by 0.07 TWh, resulting mainly from higher demand for electricity in the tariffs for small and medium enterprises, households and large companies.
- **Decrease in rates of distribution services** by an average of PLN 2.4/MWh resulting change in tariffs approved for 2025.
- **Increase in other revenue from distribution services** due to reactive power fees.
- **Lower costs of electricity purchases** to cover network losses mainly as a result of drop in electricity prices.
- **Positive impact of the additional estimation of the cost of network losses** as a result of changes in electricity prices. The additional estimation has a neutral impact on the results of the PGE Capital Group.
- **Decrease in connection fee revenue** as a result of lower completion of connection projects during the reporting period.
- **Increase of costs of tax on real estate** results from higher tax rates and an increase in the value of grid assets as a result of the investments and expansion of the power grid.
- **Increase in personnel costs** mainly due to realisation of agreements concluded with the social side.
- **Value change in item Other**, results mainly from increased capitalised costs and lower repair and operating costs.

## CAPITAL EXPENDITURES

Table: Capital expenditures incurred in Distribution segment (PLN million).

	Q1 2025	Q1 2024	% change
Investments in generating capacities, including:	637	913	-30%
▪ Development	282	450	-37%
▪ Modernisation and replacement	355	463	-23%
Other	1	0	-
<b>Total</b>	<b>638</b>	<b>913</b>	<b>-30%</b>

## KEY EVENTS IN DISTRIBUTION

### **Connecting new customers**

The New Customer Connection Program to the distribution network was implemented, under which in the first quarter of 2025 expenditures were incurred in the amount of PLN 261 million.

### **LTE450 Program**

The objective of the Programme is the construction of a modern Special Communications Network in the LTE450 technology for the provision of services such as critical communication, control of energy infrastructure and remote reading for PGE Dystrybucja S.A. The entity responsible for the execution of this task within the PGE Capital Group is PGE Systemy S.A. As part of the continuity of design works, in the first quarter of 2025, project implementation continued in line with the adopted work plan and the scope of service deployment in the LTE450 network in 2025. The works focused, among other things, on the construction of the local part of the telecommunication infrastructure and the modernisation of further PGE Dystrybucja S.A. facilities. Installation of the first power system cabinets began at the modernised sites. According to the current programme schedule, the launch of the LTE450 service is planned for the turn of the second and third quarters of 2025, with full coverage of the PGE Dystrybucja S.A. operating area expected by mid-2026. In January 2025 PGE Dystrybucja S.A. received support under the National Recovery Plan for implementation of works within LTE450 Program.

### **Cabling program**

In the first quarter of 2025 PGE continued to implement its cabling program for medium-voltage (MV) grids up to the level of 30% of MV networks owned by PGE Dystrybucja S.A., incurring expenditures in amount of PLN 28 million.

4 916 kms of MV cable lines were completed from the start of the Program in 2019.

### **Installation program for Remote Reading Meters**

This project implementation is mandatory and results from the requirements imposed on Distribution System Operators (DSO) by the legislator in the amended Energy Law. In the first quarter of 2025, the tasks with a value of PLN 153 million were realised in order to:

- supply of meters for end customers connected to the LV network and for MV/LN substations,
- modernisation of MV/LN substations with regard to ensuring the possibility of installing remote reading balancing meters,
- installation of meters at off-takers and at substations,
- selection of suppliers of remote reading meters for end off-takers for the years 2024 – 2025.

According to the provisions of the law, the DSO until December 31, 2028 is to install remote reading meters connected to a remote reading system at power take-off points, representing at least 80% of the total number of end-customer energy consumption points.

### **Implementation of central systems CRM and Billing (NCB Program)**

The aim of the NCB Program is the implementation of a comprehensive, central IT solution to support key business processes at PGE Group being performed by PGE Obrót S.A. and PGE Dystrybucja, consisting of two billing systems – separate for each of the companies – and a CRM system for PGE Obrót S.A. The entity responsible for the execution of this task within the PGE Capital Group is PGE Systemy S.A.

In the first quarter of 2025 implementation works of the pilot stage (covering selected local billing systems) were continued, which led to the launch of production operations in mid-March 2025. The stabilisation phase is currently underway, after which acceptance and settlement of the current stage of the Programme will follow. Further stages will be gradually implemented in years 2025-2026.

In parallel, as part of dedicated accompanying projects included in the Programme, work continued to ensure the necessary integration of the new solution with other components of the IT environment within the PGE Group. Within the stream dedicated to adapting the PGE CG IT environment to the Central Energy Market Information System (CSIRE) requirements, development work was carried out—according to the adopted schedule—on the communication module designed for cooperation with the CSIRE central hub on the PSE side.

### 3.3.7. Railway Energy Services

The segment include activities by the PGE Capital Group mainly in field of distribution and sale of electricity to railway operators and customers functioning within the railway system, the sale of fuels, as well as the maintenance and modernisation of overhead contact line network, together with other ancillary services.



## Railway Energy Services

Main revenue items	PLN m				Main cost items	PLN m
Sale of distribution services	591		<b>Volume of distributed electricity</b>	<b>1.13</b>	Electricity purchase	431
Sale of electricity	533			<b>TWh</b>	including for network losses	26
including compensations	1		<b>Number of customers – Electricity distribution</b>	<b>57.0 th</b>	Cost of electricity transit services	284
Sales of services	138				Personnel costs	154
Sale of fuels	51		<b>Volume of electricity sold to OF<sup>1</sup></b>	<b>0.79 TWh</b>	Other external services	60
					Purchase of fuels	47
			<b>Number of customers – electricity trading</b>	<b>37.7 th</b>	Taxes and fees	24
					including real estate tax	11
			<b>Main result items</b>	<b>PLN m</b>		
			<b>EBIT</b>	<b>237</b>		
			<b>EBITDA</b>	<b>351</b>		

One of the primary sources of revenue in the Railway Energy Services segment is the **sale of electricity**. This revenue is derived from the supply of energy to railway operators and entities connected to the segment's distribution network. Rail operators are additionally the recipients of fuel sales services.

Another important source of revenue is the **revenue form the distribution of electricity**. Similarly to the Distribution segment, this revenue is subject to applicable regulations and based on a tariff approved by the ERO President. In principle, this tariff ensures a transfer of reasonable costs and a return on the capital invested in the distribution network. The activities of the Railway Energy Services segment as a distribution network operator are limited to the areas along railway lines throughout the country.

The most significant cost items of the segment include the purchase of the distribution services, as well as the purchase of electricity and fuels for resale.

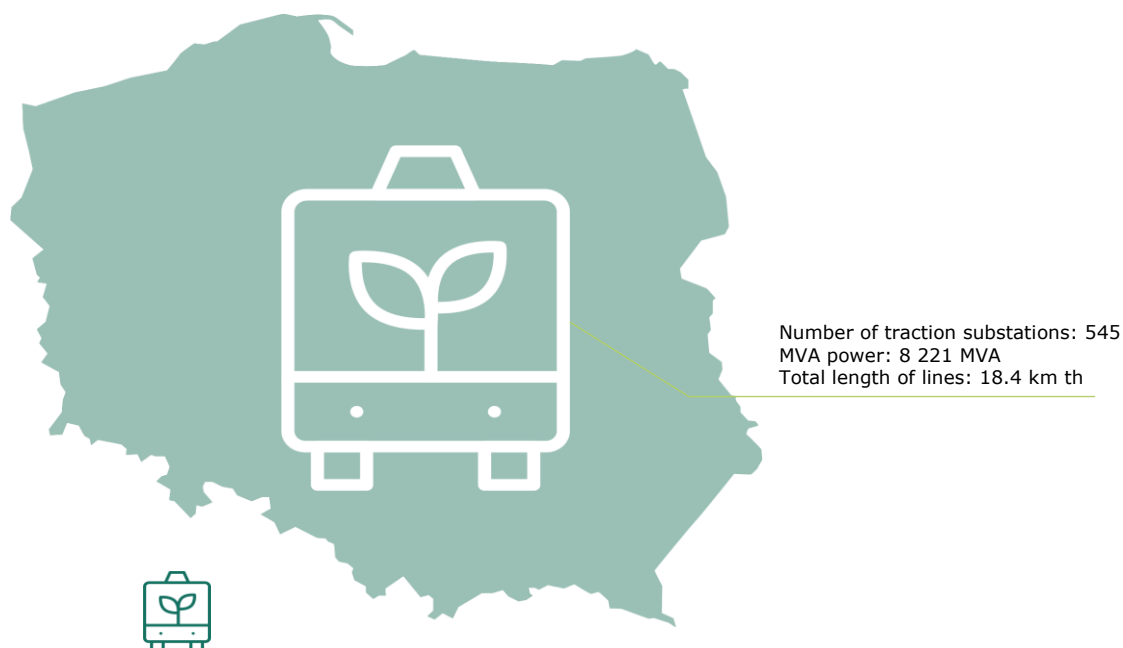
The scope of the Railway Energy Services segment's activities comprises works related to the maintenance of the overhead contact line network and the performance of local modernisation works on this network. The segment also provides power engineering services outside the ranges of the overhead contact line network, such as equipment maintenance, as well as the construction and maintenance of railway traffic control systems. In this type of activity, the most significant costs are **personnel costs**.

Additionally, on the basis of the provisions of the Act of December 7, 2023 amending the acts to support consumers of electricity, gas fuels and heat, the system of compensation for trading companies for the application of capped prices and discounts was extended until June 30, 2024. In addition, as a result of the Act of May 23, 2024 on the energy voucher and amendments to other acts, from July 1, 2024, maximum prices for households, SMEs and local authorities were introduced.

### VOLUMES, CUSTOMERS AND OPERATING DATA

The main part of the segment's assets consists of electricity distribution assets held by PGE Energetyka Kolejowa SA. Among other elements, these assets include 545 overhead contact line network substations supplying power to railway lines throughout the country. The total length of the company's network lines is 18.4 thousand kilometres. The network of PGE Energetyka Kolejowa S.A. serves approximately 57 thousand customers.

Chart: Main assets of the Railway Energy Services segment and their parameters.



**Network area of the Railway Energy Services segment**

Table: Volume of electricity sold to final off-takers (TWh).

Tariff	Q1 2025	Q1 2024	% change
B tariff group	0.75	0.74	1%
C+R tariff groups	0.03	0.03	0%
G tariff group	0.01	0.01	0%
<b>Total</b>	<b>0.79</b>	<b>0.78</b>	<b>1%</b>

Table: Number of retail sale customers by power take-off points.

Tariff	Q1 2025	Q1 2024	% change
B tariff group	291	283	3%
C+R tariff groups	6 639	8 120	-18%
G tariff group	30 729	28 728	7%
<b>Total</b>	<b>37 659</b>	<b>37 131</b>	<b>1%</b>

Table: Volume of distributed electricity (TWh).

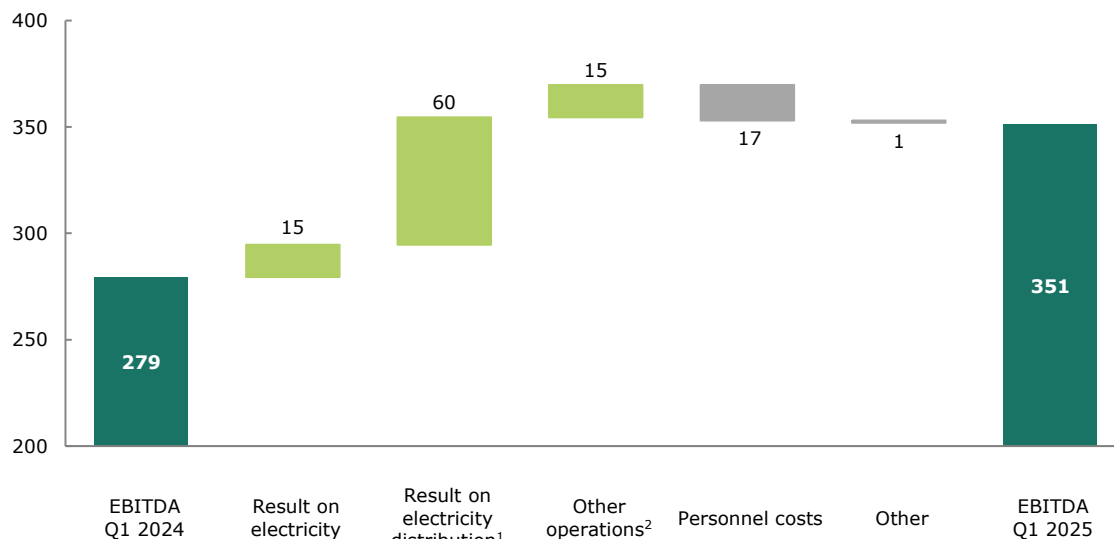
Tariff	Q1 2025	Q1 2024	% change
B tariff group	0.95	0.94	1%
C+R tariff groups	0.17	0.18	-6%
G tariff group	0.01	0.01	0%
<b>Total</b>	<b>1.13</b>	<b>1.13</b>	<b>0%</b>

Table: Number of distribution customers by power take-off points.

Tariff	Q1 2025	Q1 2024	% change
B tariff group	678	641	6%
C+R tariff groups	25 294	26 319	-4%
G tariff group	31 043	29 034	7%
<b>Total</b>	<b>57 015</b>	<b>55 994</b>	<b>2%</b>

### KEY FACTORS FOR THE RESULTS OF THE SEGMENT

Chart: Key changes of recurring EBITDA in Railway Energy Services (in PLN million) – managerial perspective.



Change	15	60	15	-17	-1	
EBITDA Q1 2024	279	103	263	127	137	77
EBITDA Q1 2025	118	323	142	154	78	351

<sup>1</sup> Excluding the costs of transmission services from PSE S.A., including compensation revenues, connection revenues, resumption of supplies and adjusted for the cost of the balancing difference.

<sup>2</sup> Other activities mainly concern the sale of fuel and traction services.

Key factors affecting results of Railway Energy Services segment y/y:

- **Positive result on electricity sales** due to higher margins of traction as well as non-traction customers, inter alia due to the effect of the law in 2024, reducing the margin by setting maximum electricity prices.
- **Higher result on distribution** is mainly the result of an increase in connection fee revenue due to the schedule of the Power Supply System Modernisation Program (MUZa) and higher capacity realisation.
- **Higher result on other activities** mainly relates to operations in area of traction services in connection with the indexation of contracts with contractors and higher revenues from rail contracting due to a new scope of work performed.
- **Higher personnel costs** mainly in connection with realisation of the agreements with the social party and necessary increase in employment of employees directly in the services area.
- **The change in the item 'Other'** mainly in terms of higher material consumption costs due to the implementation of the new investment scope, offset in part by capitalised costs.

## CAPITAL EXPENDITURES

Table: Capital expenditures in Railway Energy Services segment (PLN million).

	Q1 2025	Q1 2024	% change
Investment in generation capacities, including:	61	77	-21%
▪ Development	32	73	-56%
▪ Modernisation and replacement	29	4	625%
<b>Total</b>	<b>61</b>	<b>77</b>	<b>-21%</b>

## KEY EVENTS IN THE SEGMENT

### **MUza Program - Power Supply Systems Modernisation programme**

The MUza programme was continued, that is being implemented on the basis of the "Agreement on the principles of establishing a connection to the distribution network" entered into with PKP Polskie Linie Kolejowe S.A. (PKP PLK) and its objectives are the following:

- enabling an increase in the capacity of railway lines (increase in train traffic),
- introducing locomotives with higher power (of the order of 6 MW) allowing for an increase in speed up to 200 km/h,
- electrifying railway lines,
- reducing the distribution network and equipment failure rate as well as improving the quality parameters of electricity,
- meeting the power supply requirements according to the standards set out in the Technical Specifications for Interoperability (TSI) of the "Energy" subsystem – obtained authorisation from the President of the Railway Transport Office (RTO).

On the part of the Railway Energy Services segment, the programme consists in the construction and modernisation of overhead contact line network substations in accordance with the agreements for network connections entered into with PKP PLK. In the first quarter of 2025 expenditures incurred amounted to PLN 7 million. Since the start of the programme in 2012, 297 connection agreements were signed, of which 271 were completed.

### **Connection of new electricity consumers**

The program for connecting new customers to the distribution network was pursued, under which expenditures of PLN 9 million were incurred in the first quarter of 2025.

### **ZUBI project - project aimed at installing remote reading balancing meters**

Project aimed at installing remote reading balancing meters (Balancing Systems Installation – BSI ) was continued. The implementation of the project is mandatory under the requirements imposed on DSOs by the Legislator in the Energy Law of May 20, 2021. The deadline for the completion of the task is determined for December 31, 2025. To date, tasks have been carried out to:

- purchase of balancing cabinets with installed remote reading metres for MV/LV substations,
- purchasing current transformers for MV/LV substations,
- purchasing installation services for balancing cabinets at MV/LV substations,
- installing balancing cabinets at MV/LV substations.

Currently, 4 434 MV/LV substations out of the 5 763 owned by PGE Energetyka Kolejowa S.A. have been equipped with metering systems. Expenditures of PLN 16 million were incurred in the first quarter of 2025 for this project.

Supply segment activities include Group's wholesale and retail trading of electricity. Wholesale trading includes mainly electricity trading on behalf of and for Conventional Generation segment, Gas-fired Generation segment, District Heating segment and Renewables segment.

[illegible]

<sup>2</sup> Managerial perspective.

The Supply segment also incurs costs related to the operations of the Group's corporate centre.

## VOLUMES, CUSTOMERS AND OPERATING DATA

Table: Volume of electricity sales to final off-takers (TWh)<sup>1</sup>.

Tariffs	Q1 2025	Q1 2024	% change
A tariff group	1.05	1.04	1%
B tariff group	2.62	2.90	-10%
C+R tariff groups	1.47	1.81	-19%
G tariff group	2.63	2.57	2%
Total	<b>7.77</b>	<b>8.32</b>	<b>-7%</b>

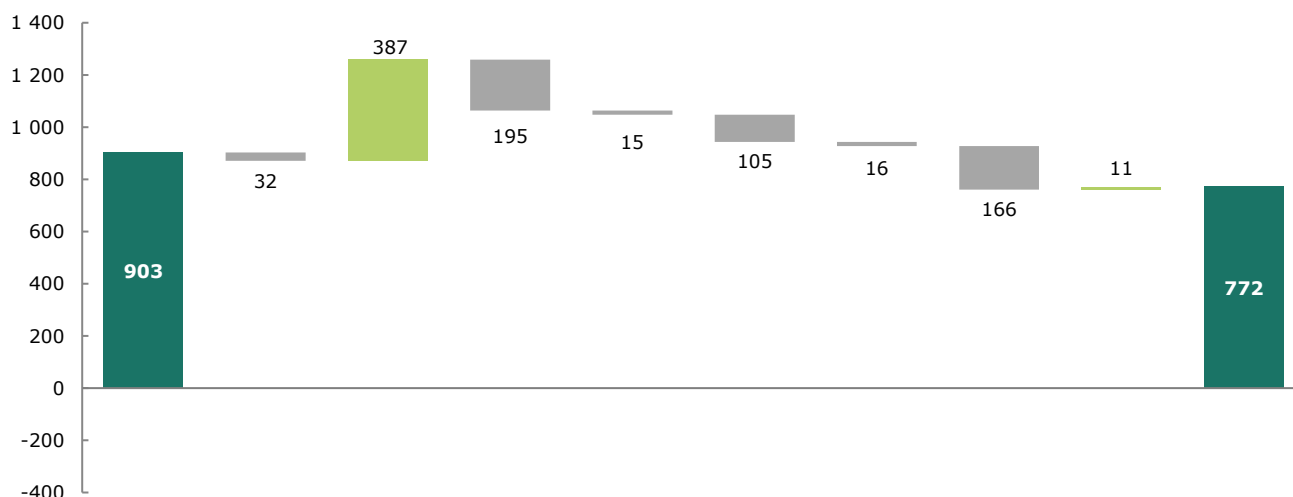
<sup>1</sup> Data for PGE Obrót S.A.

Table: Number of customers according to power take-off points<sup>1</sup>.

Tariffs	Q1 2025	Q1 2024	% change
A tariff group	139	140	-1%
B tariff group	10 439	11 301	-8%
C+R tariff groups	365 456	402 565	-9%
G tariff group	5 311 053	5 255 138	1%
Total	<b>5 687 087</b>	<b>5 669 144</b>	<b>0%</b>

<sup>1</sup> Data for PGE Obrót S.A.

Chart: Key changes of EBITDA in Supply (in PLN million) – managerial perspective.



	EBITDA Q1 2024	Result on electricity - volume	Result on electricity - price	Additional estimation of network losses <sup>1</sup>	Revenues from services provided to other segments of the PGE Group <sup>2</sup>	Result on sale of CO <sub>2</sub>	Personnel costs	Result on other operating activities	Other <sup>3</sup>	EBITDA Q1 2025
<b>Change</b>		<b>-32</b>	<b>387</b>	<b>-195</b>	<b>-15</b>	<b>-105</b>	<b>-16</b>	<b>-166</b>	<b>11</b>	
EBITDA reported Q1 2024	<b>903</b>									
One-offs Q1 2024	<b>0</b>									
EBITDA recurring Q1 2024	<b>903</b>	156		-353	393	143	185	206	-163	
EBITDA recurring Q1 2025		511		-158	378	38	201	40	-152	<b>772</b>
One-offs Q1 2025										<b>-28</b>
EBITDA reported Q1 2025										<b>744</b>

<sup>1</sup> Neutral for the PGE Capital Group result.

<sup>2</sup> This item does not include the margin on CO<sub>2</sub> transactions with PGE Group companies.

<sup>3</sup> Item adjusted for one-off – contribution to the PDP Fund for previous period in PGE Obrót S.A.



Table: Data on one-offs in Supply segment (PLN million).

One-offs	Q1 2025	Q1 2024	% change
Correction of contribution to Price Difference Payment Fund for previous period	-28	-	-
<b>Total</b>	<b>-28</b>	<b>-</b>	<b>-</b>

Key factors affecting EBITDA of Supply segment y/y:




- **Higher result on sale of electricity** is mainly the result of a higher margin on tariff products.
- **Negative impact of additional estimation of balancing difference cost** mainly as a result of changes in electricity prices. The additional estimation has a neutral impact on the results of the PGE Capital Group.
- **Decrease of revenues from services performed within the Capital Group** resulting from the decrease in revenues under the ZHZW agreement, which is a consequence of the lower value of trade in electricity under management.
- **Lower result on CO<sub>2</sub> sales** mainly as a result of change in interim valuation of CO<sub>2</sub> forward contracts.
- **Higher personnel costs** as a consequence of organisational changes and in connection with the implementation of wage agreements.
- **Lower result on other operating activities** as a result of the high base of the previous year when provisions for onerous contracts mainly for tariff group G were released.
- **The change in the 'Other' item value** was mainly due to a higher sales of additional services.

Core activities of the segment include provision of services to PGE Capital Group, inter alia organisation of capital raising in form of Eurobonds (PGE Sweden), provision of IT services, provision of security services.

The segment also includes the company PGE Ventures sp. z o.o., which is responsible for investments in start-ups at every stage of the investment cycle: from projects in the earliest phase of development, through projects in the early growth phase, to mature start-ups in the late growth and expansion phase.

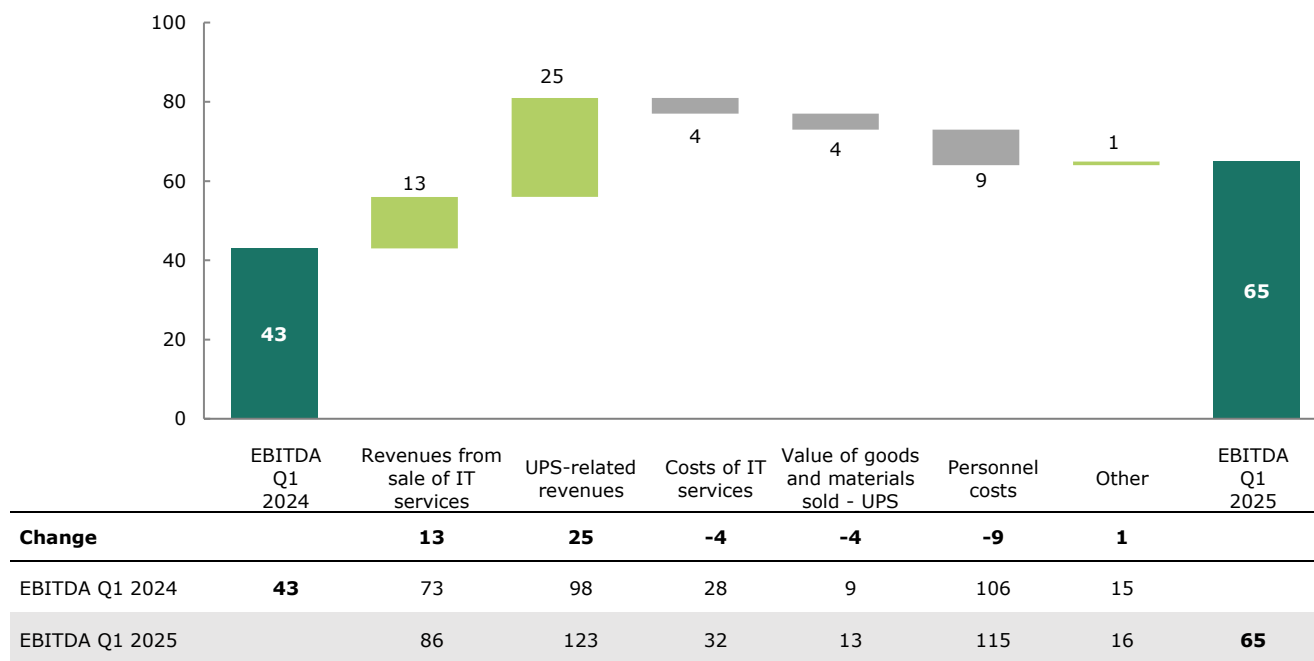


## Other Operations

Main revenue items		PLN m		Main cost items		PLN m	
Revenues related to UPS		123	  	Management of combustion by-products		Personnel costs	115
Revenues from IT services		86		Provision of services for PGE Capital Group		IT services	32
				Investments in start-ups		Amortisation and depreciation	16
						Transport services	15
						Advisory services	6
				Main result items		PLN m	
				EBIT		49	
				EBITDA		65	

### KEY FACTORS FOR THE RESULTS OF THE SEGMENT

Chart: Key factors affecting EBITDA in Other Operations segment (in PLN million) – managerial perspective<sup>1</sup>.



<sup>1</sup> Data for the first quarter of 2024 have been adjusted for comparability due to the transfer of companies in the Circular Economy segment to the Other Operations segment.

Key factors affecting EBITDA of Other Operations segment y/y:

- **Higher revenues from sales of IT services** due to a greater range of services provided by PGE Systemy S.A. to companies in the PGE CG.
- **Higher revenues related to combustion by-products**, due to the higher sales volume and higher prices.
- **Higher IT service costs** due to the purchase of external services to enable PGE Systemy S.A. to provide a broader scope of services to the PGE Group and to carry out new investment programmes (LTE450).
- **Higher value of goods and materials sold**, mainly due to higher UPS purchase costs due to price increases.
- **Higher personnel costs** due to the increase in the minimum wage, inflation pressure, realisation of wage agreements.

## CAPITAL EXPENDITURES

Table: Capital expenditures incurred in Other Operations segment (PLN million)<sup>1</sup>

	Q1 2025	Q1 2024	% change
Investments in generation capacities, including:	20	12	67%
▪ Development	5	0	-
▪ Modernisation and replacement	15	12	25%
<b>Total</b>	<b>20</b>	<b>12</b>	<b>67%</b>

<sup>1</sup> Data for the first quarter of 2024 have been adjusted for comparability due to the transfer of companies in the Circular Economy segment to the Other Operations segment.

## KEY EVENTS IN OTHER OPERATIONS

- At company **PGE Inwest 14 sp. z o.o.** work was in progress on a Battery Electricity Storage System (BESS) project in Żarnowiec with a power of 262 MW and a capacity of approximately 981 MWh, which will be one of the largest energy storage facilities of its kind in Europe. The energy storage facility will be located near a future transformer station for PGE Group's offshore wind farms and Poland's largest pumped storage power plant. The contract worth PLN 1.3 billion (net value) with the contractor - LG Energy Solution Wrocław sp. z o.o. - was signed on March 7, 2025. In parallel, work was being carried out to prepare the site for construction (logging, dividers, geotechnical studies) that was completed in April 2025. On April 24, 2025, the construction site was handed over to the contractor. In December 2024, the storage facility was awarded a 17-year contract in a capacity market auction for 2029. As part of the financing of the project, the PGE Group applied for funds from the National Recovery and Resilience Plan (subsidy). The completion of construction is scheduled for 2027.
- At PGE Inwest 12 sp. z o.o., work is underway on the project **Construction of the Młoty pumped storage power plant**. In June 2024, efforts were formally initiated to issue a decision on environmental conditions. An environmental impact report is currently being prepared and will be submitted to the Regional Directorate for Environmental Protection in Wrocław. On November 26, 2024, a contract was signed for the preparation of a legal due diligence report on the real estate for the implementation of the Pumped-Storage Power Plant (PSPP) Młoty. In December 2024 grid connection conditions were obtained for the PSPP Młoty. In February and March 2025, legal audit reports on the properties were received.

## 4. Other elements of the report

### 4.1. Significant events of the reporting period affecting operation in the first quarter of 2025 and subsequent periods.

#### 4.1.1. Changes in the Management Board and Supervisory Board

A detailed description of the changes in the composition of the Management Board and the Supervisory Board can be found in p. 1.4 of this report.

#### 4.1.2. Project of carve-out of coal generation assets.

For a description see note 26.1 of the consolidated financial statements.

#### 4.1.3. Regulatory changes

For a description see note 26.2 of the consolidated financial statements and p. 2.4 of this report.

#### 4.1.4. Environmental decision on the Turów Lignite Mine

For a description see note 23.3 of the consolidated financial statements.

#### 4.1.5. Restructuring proceedings of ENESTA sp. z o.o.

For a description see note 1.2 of the consolidated financial statements.

#### 4.1.6. Recommendation not to pay dividend for 2024

On April 14, 2025 Management Board of PGE decided on the recommendation not to pay dividend for 2024 to the shareholders. In the opinion of the PGE's Management Board, taking into account the development prospects of the PGE Group, the Company has the potential to pay the dividend in future . However, further operation of Conventional Generation segment in the structure of the PGE Group, particularly potential scale of payments for CO<sub>2</sub> emission rights, translates into limited predictability of financial cash flows of the Group.

[Recommendation not to pay dividend for 2024](#)

#### 4.1.7. Nuclear power plant construction project

For a description see note 26.3 of the consolidated financial statements.

#### 4.1.8. Estimation of electricity imbalance fed to the grid by prosumers

For a description see note 2.4 of the consolidated financial statements.

#### 4.1.9. Contractual penalties for the contractor for unit 7 at Turów Power Plant

For a description see note 23.3 of the consolidated financial statements.

#### 4.1.10. Signing by PGE S.A. and ZE PAK of a term sheet regarding terms of acquisition by PGE of shares from ZE PAK S.A.

For a description see note 26.3 of the consolidated financial statements.

#### 4.1.11. Implementation and financing of the Baltica 2 project

For a description see note 26.4 of the consolidated financial statements.

#### 4.1.12. Construction of an energy storage facility in Żarnowiec

For a description see p. 3.3.9 of this report.

[Construction of energy storage facility](#)

#### 4.1.13. Signing of loan agreements with BGK within National Recovery and Resilience Plan

For a description see note 26.5 of the consolidated financial statements.

### 4.2. Subsequent events

#### 4.2.1. Signing of a loan agreement with the European Investment Bank

On April 25, 2025 PGE S.A. signed a term loan agreement with the European Investment Bank („EIB”) The value of the loan agreement amounts to PLN 2.25 bn and the loan will be intended for financing of capital expenditures of PGE Energia Odnawialna S.A. (PGE's subsidiary) for the modernisation project of Porąbka-Żar pumped storage power plant and for construction of PV farms together with the grid connection infrastructure. The financing is provided as part of supporting REPowerEU plan in Poland.

The loan will be drawn in tranches. Each tranche may be drawn in PLN or EUR. The final maturity date will be maximum 18 years from the drawing date of the last tranche whereby the last tranche may be drawn no later than 24 months from the agreement signing date. The interest rate will be determined before the payment of the each tranche. The agreement does not provide for tangible collaterals. After signing of the agreement, total nominal value of the financing from the EIB amounts to PLN 8.9 bn.

[Loan agreement with EIB](#)

#### 4.2.2. Result of supplementary Capacity Market auction for delivery period from July 1 to December 31, 2025

On May 15, 2025 as a result of supplementary Capacity Market auction for delivery period from July 1 to December 31, 2025 units from PGE Group were awarded capacity contracts with an aggregated capacity obligation of 2 174 MW. The auction clearing price amounts to PLN 431.00/kW/year. The above clearing price is not a final result of capacity market auction. Final results are to be published by the President of Energy Regulatory Office on its website (in the section Biuletyn Informacji Publicznej).

[Result of supplementary auction p. 1](#)

[Result of supplementary auction p. 2](#)

### 4.3. Proceedings in front of court, body appropriate for arbitration proceedings or in front of public administration authorities

Significant proceedings pending in front of courts, competent arbitration authority or public administration authority are described in note 23.3 to the consolidated financial statements. This note discusses, inter alia the issue of compensation regarding the conversion of shares, issues related to the request by the Polimex-Mostostal consortium for an increase in remuneration for the construction of a CHP plant in Siechnice and environmental decision on the Turów Lignite Mine.

#### 4.4. Information on credit and loan agreements concluded and terminated in a given financial quarter

The information is also presented in note 21.1 to the consolidated financial statements.

Table: Significant external financial loan agreements signed in the first quarter of 2025.

Company (Borrower)	Party of the agreement	Type of financing	Signing date	Maturity date	Liability limit (million) <sup>1</sup>	Currency	Fixed/ floating rate
PGE S.A.	BGK	Term loan	2025-01-29	2036-12-20	3 900	PLN	Floating
PGE S.A.	BGK	Term loan	2025-03-31	2049-12-20	2 566	PLN	Fixed
PGE S.A.	BGK	Term loan	2025-03-31	2049-12-20	9 521	PLN	Fixed
PGE Baltica 6 sp. z o.o.	Financial institutions	Syndicate loan and other – project finance	2025-01-29	2049-11-30	2 812 <sup>2</sup>	EUR	Floating

<sup>1</sup> Values over PLN 100 m.

<sup>2</sup> Maximum limit comprising of: Term loan, Standby Debt and DSRF (Debt Service Reserve Facility).

As at March 31, 2025, total loans and advances amounted to PLN 7 961 m.

#### 4.5. Information on the granting by PGE S.A. or its subsidiary during the given quarter of sureties for loans or issuing a guarantee<sup>13</sup>

The information is also presented in note 22.1 to the consolidated financial statements.

Table: Sureties for loans and guarantees issued by PGE S.A. or its subsidiaries in a given quarter (PLN million)<sup>1</sup>.

Company receiving a surety/guarantee	Guarantee issuer	Debtor - for whose obligations the surety or guarantee is issued	Form of security	Validity of guarantee (yyyy-mm-dd)		Value of guarantee (million) (PLN m)
				Beginning	End	
Izba Rozliczeniowa Giełd Towarowych S.A.	PGE S.A.	PGE Dom Maklerski S.A.	Guarantee	2025-01-06	2025-07-08	50
Izba Rozliczeniowa Giełd Towarowych S.A.	PGE S.A.	PGE Dom Maklerski S.A.	Guarantee	2025-03-28	2025-05-16	90
Izba Rozliczeniowa Giełd Towarowych S.A.	PGE S.A.	PGE Dom Maklerski S.A.	Guarantee	2025-03-28	2025-05-16	55
Izba Rozliczeniowa Giełd Towarowych S.A.	PGE S.A.	PGE GiEK S.A.	Guarantee	2025-03-01	2025-04-09	68
Izba Rozliczeniowa Giełd Towarowych S.A.	PGE S.A.	PGE GiEK S.A.	Guarantee	2025-01-30	2025-03-31	40
Izba Rozliczeniowa Giełd Towarowych S.A.	PGE S.A.	PGE GiEK S.A.	Guarantee	2025-02-11	2025-04-11	32
Orlen S.A.	PGE S.A.	KOGENERACJA S.A.	Surety	2025-01-01	2026-03-31	4
Orlen S.A.	PGE S.A.	KOGENERACJA S.A.	Surety	2025-01-01	2026-03-31	88
Orlen S.A.	PGE S.A.	PGE Toruń S.A.	Surety	2025-01-01	2026-03-31	120
Orlen S.A.	PGE S.A.	PGE Energia Ciepła S.A.	Surety	2025-01-01	2026-03-31	479
Orlen S.A.	PGE S.A.	PGE Gryfino Dolna Odra sp. z o.o.	Surety	2025-01-01	2026-03-31	644

<sup>1</sup> Values over PLN 100 m on aggregate for one entity.

#### 4.6. Information on issue, redemption and repayment of debt securities and other securities

Information on issue, redemption and repayment of debt securities and other securities is also presented in note 21.1 of the consolidated financial statements.

<sup>13</sup> In aggregate to one entity or a subsidiary of that entity, if the total value of the existing sureties or guarantees is significant.

Table: External bonds issued as at March 31, 2025.

Company (Issuer)	Party of the agreement	Type of financing	Signing date of the program (yyyy-mm-dd)	Maturity date of the program (yyyy-mm-dd)	Maximum value of the program (million)	Liability (million)	Currency
PGE S.A.	Pekao S.A. and ING Bank Śląski S.A.	Domestic market bonds	2011-08-29	-	5 000	1 400 <sup>1</sup>	PLN
PGE Sweden AB	BNP Paribas, CITIGROUP Global Markets Ltd., ING Bank N.V., London Branch, Nordea Bank Danmark A/S, PKO BP S.A. and Societe Generale	Eurobonds	2014-05-22	-	2 000	138 <sup>2</sup>	EUR

<sup>1</sup> Bonds with a total value of PLN 1.4 bn were issued in two series: PLN 1 billion with 10-year maturity i.e. May 21, 2029 and PLN 400 million with 7-year maturity i.e. May 21, 2026.

<sup>2</sup> Issue of 15-year bonds (private placement) of August 1, 2014, maturity date – August 1, 2029.

## 4.7. Securities for the financing transactions of the Baltica 2 Project

In connection with the signing of loan agreements aimed at financing the Baltica 2 Project, as referred to in Notes 21.1 and 26.4 of the consolidated financial statements, securities for the project financing transactions have been established in the form of registered and financial pledges over bank accounts, assets, and shares of the companies.

Table: Summary of securities for the financing transactions of the Baltica 2 wind farm (in PLN million).

No	Securing Party	Beneficiary of Security	Security Document Title	Agreement Date	Subject of Security and Its Value	Maximum Secured Amount <sup>1</sup>	Currency
1.	PGE Baltica 6 sp. z o.o.	Deutsche Bank Luxembourg S.A.	Financial pledge agreement on bank accounts	2025-02-07	Receivables from bank account agreements held by PGE Baltica 6 sp. z o.o.	35 809	PLN
2.	PGE Baltica 6 sp. z o.o.	Deutsche Bank Luxembourg S.A.	Financial pledge agreement on bank accounts	2025-02-03	Receivables from bank account agreements held by PGE Baltica 6 sp. z o.o.	35 809	PLN
3.	PGE Baltica 6 sp. z o.o.	Deutsche Bank Luxembourg S.A.	Registered pledge agreement on bank accounts	2025-02-03	Receivables from bank account agreements held by PGE Baltica 6 sp. z o.o.	35 809	PLN
4.	PGE Baltica 6 sp. z o.o.	Deutsche Bank Luxembourg S.A.	Registered pledge agreement on assets	2025-02-03	Assets with a total value of PLN 2 042 479 765.41 (as of the agreement date)	35 809	PLN
5.	PGE Baltica 6 sp. z o.o.	Deutsche Bank Luxembourg S.A.	Registered pledge and financial pledge agreement on shares in Elektrownia Wiatrowa Baltica – 2 sp. z o.o.	2025-02-03	200 065 shares in Elektrownia Wiatrowa Baltica – 2 sp. z o.o., each with a nominal value of PLN 500	35 809	PLN
6.	PGE Baltica 6 sp. z o.o.	Deutsche Bank Luxembourg S.A.	Security assignment agreement	2025-02-03	Rights from insurance agreements, project documents, and guarantees	35 809	PLN
7.	PGE Baltica 6 sp. z o.o.	Deutsche Bank Luxembourg S.A.	Security assignment agreement	2025-02-05	Rights from the pledge agreement on the VAT bank account dated February 4, 2025 between Elektrownia Wiatrowa Baltica 2 sp. z o.o. as pledgor and PGE Baltica 6 sp. z o.o. and Ørsted Baltica 2 Holding sp. z o.o. as pledgees	35 809	PLN
8.	PGE Baltica 2 sp. z o.o.	Deutsche Bank Luxembourg S.A.	Security assignment agreement	2025-02-03	Future rights under intra-group loan agreements	35 809	PLN
9.	PGE Baltica 2 sp. z o.o.	Deutsche Bank Luxembourg S.A.	Registered pledge and financial pledge agreement on shares in PGE Baltica 6 sp. z o.o.	2025-02-03	1 684 424 shares in PGE Baltica 6 sp. z o.o., each with a nominal value of PLN 1 000	35 809	PLN
10.	PGE S.A.	Deutsche Bank Luxembourg S.A.	Security assignment agreement	2025-02-03	Future rights under intra-group loan agreements	35 809	PLN
11.	Elektrownia Wiatrowa Baltica – 2 sp. z o.o.	PGE Baltica 6 sp. z o.o. and Ørsted Baltica 2 Holding sp. z o.o.	Pledge agreement on VAT bank account	2025-02-04	Receivable from the VAT account agreement held by Elektrownia Wiatrowa Baltica – 2 sp. z o.o.	633	PLN

<sup>1</sup> The amount equals 150% of the liabilities' value – specifically the total amount of financing granted and treasury transaction limits, except for the security provided by Elektrownia Wiatrowa Baltica – 2 sp. z o.o. to secure VAT loan repayments granted to EWB – 2 sp. z o.o. by PGE Baltica 6 sp. z o.o. and Ørsted Baltica 2 Holding sp. z o.o. In this case, the amount corresponds to 150% of the value of the granted loans.

The total maximum value of established securities for loan agreements amounts to PLN 35.8 billion.



In addition, security was established for a loan granted to Elektrownia Wiatrowa Baltica – 2 sp. z o.o. by the partners in the company i.e. PGE Baltica 6 sp. z o.o. and Orsted Baltica 2 Holding sp. z o.o in the form of a registered pledge agreement and civil pledges over a VAT bank account of Elektrownia Wiatrowa Baltica – 2 sp. z o.o. and in the form of Declarations of Submission to Enforcement. The highest sum of the security arising from this pledge agreement amounts to PLN 633 million for each of partners.

#### **4.8. Transactions with related entities**

Information about transactions with related entities is presented in note 25 to the consolidated financial statements. In addition, note 5 to the consolidated financial statements indicates that PGE CG accounts for inter-segment transactions as if they related to unrelated parties - on an arm's length basis.

#### **4.9. Publication of financial forecasts**

PGE S.A. did not publish financial forecasts.

#### **4.10. Significant off-balance sheet items**

Significant off-balance sheet items are described in notes 23.1 and 10 to the consolidated financial statements.

#### **4.11. Factors which, in the issuer's opinion, will have an impact on its results over at least the next quarter**

Significant factors and events that, in the issuer's opinion, will affect its results over at least the next quarter are described in the remaining sections of this report.

#### **4.12. Agreements and other information important for the assessment of the personnel and financial situation, financial result of the PGE Capital Group and their changes, as well as information important for the assessment of the Group's ability to fulfil its obligations**

In the first quarter of 2025, apart from the events indicated in the other sections of this report, there were no other events that are important for the assessment of the personnel and financial situation, financial result of the PGE Capital Group and their changes, as well as for the assessment of the Group's ability to fulfil its obligations.

## 5. Statement of the Management Board on the reliable preparation of the financial statements

To the best knowledge of the Management Board of PGE S.A., the quarterly consolidated financial statements and comparative data, were prepared in accordance with the governing accounting principles, present a fair, true and reliable view of the material and financial situation of PGE Capital Group and its financial result.

The report of the Management Board on the activities of PGE Capital Group presents a true view of the development, achievements and situation of the Capital Group.

## 6. Approval of the Management Board's Report

The foregoing Management Board's Report on activities of PGE Capital Group was approved for publication by the Management Board of the parent company on May 27, 2025.

Warsaw, May 27, 2025

Signatures of members of the Management Board of PGE Polska Grupa Energetyczna S.A.

**President  
of the Management  
Board**

**Dariusz Marzec**

**Vice-President  
of the Management  
Board**

**Maciej Górski**

**Vice-President  
of the Management  
Board**

**Przemysław Jastrzębski**

**Vice-President  
of the Management  
Board**

**Robert Kowalski**

**Vice-President  
of the Management  
Board**

**Marcin Laskowski**

## Glossary

Glossary of industry terms	
Ancillary control services (ACS)	services provided to the transmission system operator, which are indispensable for the proper functioning of the National Power System and ensure the keeping of required reliability and quality standards.
Achievable capacity	the maximum sustained capacity of a generating unit or generator, maintained continuously by a thermal generator for at least 15 hours or by a hydroelectric generator for at least five hours, at standardized operating conditions, as confirmed by tests.
ARA	USD hard coal price index in EU. Loco in harbours Amsterdam-Rotterdam-Antwerp
Availability factor	(working time + standby time in reserve) x 100 / period time
Balancing market	a technical platform for balancing electricity supply and demand on the market. The differences between the planned (announced supply schedules) and the actually delivered/off-taken volumes of electricity are settled here. The purpose of the balancing market is to balance transactions concluded between individual market participants and actual electricity demand. The participants of the balancing market can be the generators, customers for electricity understood as entities connected to a network located in the balancing market area (including off-takers and network customers), trading companies, electricity exchanges and the TSO as the balancing company.
Base, baseload	standard product on the electricity market: a constant hourly power supply per day in a given period, for example week, month, quarter or year
BAT	Best Available Technology
Best Practices	Documents „Best Practice for WSE Listed Companies 2016” adopted by the resolution of the WSE Supervisory Board of October 13, 2015 and effective from January 1, 2016 until June 30, 2021 and „Best Practice for WSE Listed Companies 2016 2021” adopted by the resolution of the WSE Supervisory Board of March 29, 2021 and effective from July 1, 2021.
Biomass	solid or liquid substances of plant or animal origin, subject to biodegradation, obtained from agricultural or forestry products, waste and remains or industries processing their products as well as certain other biodegradable waste in particular agricultural raw materials.
Black energy	popular name for energy generated as a result of combustion of black coal or lignite.
BREF	Best Available Techniques Reference Document
Capacity fee	An element of the electricity bill, charged to ensure energy security (constant electricity supply).
CCGT	Combined Cycle Gas Turbine
CSDDD	Corporate Sustainability Due Diligence Directive
CSRD	Corporate Sustainability Reporting Directive
Circular economy	system that minimises the consumption of resources and the level of waste as well as emissions and energy losses by creating a closed loop of processes in which waste from one process is used as resources in other processes so as to maximally reduce the quantity of production waste
Co-combustion	the generation of electricity or heat based on a process of combined, simultaneous combustion in one device of biomass or biogas together with other fuels; part of the energy thus generated can be deemed to be energy generated with the use of renewable sources.
Co-generation	the simultaneous generation of heat and electricity or mechanical energy in the course of one and the same technological process.
Co-generation certificate	a document confirming the generation of electricity in high-efficiency cogeneration, issued by the ERO President, so-called red certificates (for energy generated from coal in cogeneration with heat) and yellow certificates (for energy generated from gas in cogeneration with heat)
Co-generation fee	an element of the electricity bill collected to finance the new support mechanism for high-efficiency cogeneration (auction system from 2019).
Constrained generation	the generation of electricity to ensure the quality and reliability of the national power system; this applies to generating units in which generation must continue due to the technical limitations of the operation of the power system and the necessity of ensuring its adequate reliability.
Distribution	transport of energy through distribution grid of high (110 kV), medium (15kV) and low (400V) voltage in order to supply the customers.
Distribution System Operator (DSO)	a power company engaging in the distribution of gaseous fuels or electricity, responsible for traffic in the gas or electricity distribution systems, current and long-term security of operation of the system, the operation, maintenance, repairs and indispensable expansion of the distribution network, including connections to other gas or power systems.
ERO	Energy Regulatory Office (pol. URE).
EUA	European Union Allowances: transferable CO2 emission allowances; one EUA allows to release one tonne of CO2.
EU Environmental taxonomy	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088
EU ETS	European Union Greenhouse Gas Emission Trading Scheme) EU emission trading scheme. Its operating rules are set out in the ETS Directive, amended by the Directive 2009/29/EC of the European Parliament and of the Council of April 23, 2009 (OJ EU L. of 2009, No. 140, p. 63—87).
EW	Hydroelectric power plant
FW	Wind farm
Generating unit	a technically and commercially defined set of equipment belonging to a power company and used to generate electricity or heat and to transmit power.
Green certificate	a document confirming the generation of electricity from renewable energy sources, issued by the ERO President
Green energy	conventional name for energy produced from renewable energy sources
GW	gigawatt, a unit of capacity in the SI system, 1 GW = 10 <sup>9</sup> W.
GWe	one gigawatt of electric capacity.
GWt	one gigawatt of heat capacity.
HCl	hydrogen chloride.

Hg	mercury.
High Voltage Network (HV)	a network with a nominal voltage of 110 kV.
ICT	Information and Communications Technology, a concept encompassing techniques for processing, collecting or transmitting information in electronic form
IGCC	Integrated Gasification Combined Cycle
Installed capacity	the formal value of active power recorded in the design documentation of a generating system as being the maximum achievable capacity of that system, confirmed by the acceptance protocols of that system (a historical value, it does not change over time.
Installed capacity utilisation indicator	produced electricity x 100 / (period time x installed capacity)
IRGiT	Izba Rozliczeniowa Gield Towarowych S.A. (commodities clearing house)
IRZ	Cold Intervention Reserve Service – service consisting of maintaining power units ready for energy production. Energy is produced on request of PSE S.A.
IOS	Flue Gas Desulphurization Installation
ITRE	European Parliament Committee on Industry, Research and Energy
JWCD	Centrally Dispatched Generating Unit – A generating unit connected to the coordinated 110 kV network, subject to central dispatch by PSE S.A.
KPI	Key Performance Indicator
KRI	Key Risk Indicator
KSP	the National Transmission System, a set of equipment for the transmission of electricity in the territory of Poland.
kV	kilo volt, an SI unit of electric potential difference, current and electromotive force; 1kV= 103 V.
kWh	kilowatt-hour, a unit of electric energy in the SI system defined as the volume of electricity used by the 1 kW equipment over one hour. 1 kWh = 3,600,000 J = 3.6 MJ.
kWp	a power unit dedicated to determining the power of photovoltaic panels, means the amount of electricity in the peak of production.
LNG	Liquefied natural gas
Low Voltage Network (LV)	a network with a nominal voltage not exceeding 1 kV.
LTC	long-term contracts on the purchase of capacity and electricity entered into between Polskie Sieci Elektroenergetyczne S.A. and electricity generators in the years 1994-2001.
LTC Act	Act of June 29, 2007 on the principles of covering costs incurred by producers in connection with early termination of long-term contracts for the sale of electricity capacity and energy (Journal of Laws No. 130 item 905 of 2007)
LZO	Remote reading meters
ME	Energy Storage facility
Medium-voltage network (MV)	an energy network with a nominal voltage higher than 1 kV but lower than 110 kV.
MFW	Offshore wind farm
MIE	Minimum Energy Volumes
MSR	Market Stability Reserve (relating to CO <sub>2</sub> )
MW	a unit of capacity in the SI system, 1 MW = 10 <sup>6</sup> W.
MWe	one megawatt of electric power.
MWt	one megawatt of heat power.
NH <sub>3</sub>	ammonia
Nm <sup>3</sup>	normal cubic meter; a unit of volume from outside the SI system signifying the quantity of dry gas in 1 m3 of space at a pressure of 101.325 Pa and a temperature of 0°C.
NO <sub>x</sub>	nitrogen oxides.
NPS	National Power System, a set of equipment for the distribution, transmission and generation of electricity, forming a system to allow the supply of electricity in the territory of Poland
N:W ratio	Ration of volume of overburden removed in m <sup>3</sup> to the mass of extracted coal in tons
Operational Capacity Reserve (ORM)	ORM constitutes of generation capacities of active Production Scheduling Units (JGWa) in operation or layover, representing excess capacity over electricity demand available to the TSO under the Energy Sale Agreements and on the Balancing Market in unforced generation
OTF	Organised Trading Facilities
Peak, peakload	a standard product on the electricity market; a constant power supply from Monday to Friday, each hour between 7:00 a.m. and 10:00 p.m. (15-hour standard for the Polish market) or between 8:00 a.m. and 8:00 p.m. (12-hour standard for the German market) in a given period, for example week, month, quarter or year
PJ	Petajoule, a unit of work/heat in the SI system, 1 PJ = approx. 278 GWh
PPA	Power Purchase Agreement
Pumped storage power plants	special type of hydro-power plant allowing for electricity storage. It uses the upper reservoir, to which water is pumped from the lower reservoir using electricity (usually excessive in system). The pumped storage facilities provide ancillary control services for the national power system. In periods of increased demand for electricity, water from the upper reservoir is released through the turbine. This way, electricity is produced.
Property rights (certificates)	negotiable exchange-traded rights under green and co-generation certificates
Prosumer	end customer who purchases electricity under a comprehensive agreement and generates electricity only from renewable sources at a micro-installations for own purposes, unrelated to economic activities
PSCMI1	Polish Steam Coal Market Index 1 - average level of prices of coal dust sold to industrial-scale power plants in Poland
PSCMI-2	Polish Steam Coal Market Index 2 - average price level of energy fines sold on the domestic heat market

Purchasing Managers Index (PMI)	a composite indicator developed by Markit Economics to show the condition of the industrial sector; an indicator value above 50 points indicates an improvement in the situation in the sector
PV	photovoltaic
RAB	Regulatory Asset Base.
Red energy	popular name for electricity co-generated with heat.
Regulator	the President of ERO, fulfilling the tasks assigned to him in the energy law. The regulator is responsible for, among others, giving out licenses for energy companies, approval of tariffs for energy companies, appointing Transmission System Operators and Distribution System Operators.
Renewable Energy Source (RES)	a source of generation using wind power, solar radiation, geothermal energy, waves, sea currents and tides, flow of rivers and energy obtained from biomass, landfill biogas as well as biogas generated in sewage collection or treatment processes or the disintegration of stored plant or animal remains.
REPowerEU	the EC's plan for energy saving, ecological production and diversification of energy supplies in connection with the disruption of the global energy market caused by Russia's invasion of Ukraine
RES fee	The RES fee is used to ensure the availability of energy from renewable sources in the National Power System. The RES fee is used exclusively to cover the negative balance of renewable energy settlements between producers of this energy and sellers of electricity generated from renewable energy sources and the operating costs of Zarządca Rozliczeń S.A. (the administrator of RES fees).
RIG	Readiness Interventional Reserve - the power plant's readiness to provide the active power generation service or its consumption at the request of PSE.
R&D	Research and Development
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SCR	Selective catalytic reduction
SPOT market	a market where transactions are executed no later than the second business day after they are ordered. Transactions made on the cash market are paid for at the time they are concluded – in this case, the capital is transferred.
Tariff	the list of prices and rates and terms of application of the same, devised by an energy enterprise and introduced as binding on the customers specified therein in the manner defined by an act of parliament
Tariff group	a group of customers off-taking electricity or heat or using services related to electricity or heat supply to whom a single set of prices or charges and terms are applied.
TGE	Towarowa Gielda Energii S.A. (Polish Power Exchange), a commodity exchange on which trading can take place in electricity, liquid or gas fuels, extraction gas, emission allowances and property rights whose price depends directly or indirectly on electric energy, liquid or gas fuels and emission allowances, admitted to commodity exchange trading
TPA	Third Party Access, the owner or operator of the network infrastructure to third parties in order to supply goods/services to third party customers
Transition fee	a distribution fee element charged to compensate power plants for losses resulting from early termination of LTC.
Transmission of electricity	transport of electricity through high voltage (220 and 400 kV) transmission network from generators to distributors.
Transmission System Operator (TSO)	a power company engaging in the transmission of gaseous fuels or electric energy, responsible for traffic in a gas or power transmission system, current and long-term security of operation of that system, the operation, maintenance, repair and indispensable expansion of the transmission system, including connections with other gas or power systems. In Poland, for the period from July 2, 2014 till December 31, 2030 Polskie Sieci Elektroenergetyczne S.A. was chosen as a TSO in the field of electricity transmission.
TTF	Title Transfer Facility – gas futures index from the Dutch stock exchange ICE Endex Dutch
TWh	terawatt hour, a multiple unit for measuring of electricity unit in the system SI. 1 TWh is 10 <sup>9</sup> kWh
Utility power plants	a category used by PSE S.A. in monthly reports on the operation of the National Power System and the Balancing Market – includes power plants and combined heat and power plants
Ultra-high-voltage network (UHV)	an energy network with a voltage equal to 220 kV or higher.
V (volt)	electrical potential unit, electric voltage and electromotive force in the International System of Units (SI), 1 V = 1J/1C = (1 kg x m <sup>2</sup> ) / (A x s <sup>3</sup> ).
W (watt)	a unit of power in the International Systems of Units (SI), 1 W = 1J/1s = 1 kg x m <sup>2</sup> x s <sup>-3</sup> .
Yellow energy	popular name for energy generated in gas-fired power plants and CCGT power plants.
ZDEE	Agreement on Securing Electricity Supplies
ZHZW	Commercial Management of Generation Capacities