

Details of the webcast from the meeting with COO&CFO**November 27, 2024 (Wednesday), 1.00 pm CET**Link to the webcast: <https://infostrefa.tv/pge/>Questions for Q&A session allowed via email: ir@gkpge.pl**Investor relations contact:**

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Operations: higher lignite, gas and RES generation, decline in hard coal generation. Rising volumes in Distribution on higher demand for electricity. Slightly lower volumes in Supply.

Financials: Positive - no contributions paid to the Price Difference Payment Fund, higher WACC and RAB in Distribution, revenues from Balancing Capacity Market in Conventional Generation and RES segments, positive contribution of Gas-fired generation segment. Negative –lower margins on energy generation due to lower electricity prices in Conventional Generation, sharply lower margin on retail sales of electricity, rising personnel cost.

- PGE electricity generation at 13.2TWh in Q3, flat y/y as sharply lower hard coal generation (-37% y/y) was offset by higher lignite, gas and RES generation.
- Recurring EBITDA at PLN 2.5bn, flat y/y. Negative effect of sharply lower result of Supply segment was balanced by positive effect of strong operating results of Renewables, Conventional Generation and Distribution. Better performance of District Heating segment. Negative contribution of Railway Energy Services.
- Reported EBITDA at PLN 2.5bn (flat y/y), negative effect of change in reclamation provision (PLN -0.4 bn y/y) was offset by positive effect of correction of compensation for sold electricity in previous years (PLN +0.5 bn y/y).
- PLN 4.4bn - net debt at the end of Q3 2024, significantly lower (-5.6bn) q/q due to the postponement of the payments for CO2 emission allowances. Net economic debt at PLN 19.0bn down by PLN 1.1bn q/q mainly as effect of changes in working capital.

Higher generation volumes on lignite and RES, positive contribution of CCGT in Gryfino Dolna Odra

Lignite generation in Q3 (+0.8TWh, +11% y/y) higher, crowding out hard coal power plants due to relatively better margins. Hard coal generation (-1.7TWh, -37% y/y) declined sharply on higher RES and gas generation in National Power System and shrinking generation margins. Natural gas generation rose by 173% y/y up to 1.6 TWh chiefly due to contribution of commissioned CCGT Gryfino Dolna Odra (+1.1 TWh y/y). RES generation in Q3 was at 0.6TWh (+28% y/y), higher on strong wind and PV generation. Heat volumes inched up in Q3 (+0.1PJ, +3% y/y). Volumes of electricity distribution in PGE Group advanced by +2% y/y (+0.2TWh) primarily on rising demand from industrial clients and large enterprises. Electricity sales to final clients in PGE Group contracted (-0.2 TWh, -2% y/y) mainly due to declining sales to large business clients.

Recurring EBITDA flat in Q3 2024

Recurring EBITDA at PLN 2.5bn (flat y/y) in Q3. Positive contribution for the first time of Gas-fired Generation on start of commercial operations. Strong performance of Conventional Generation and RES segments as result of revenues from Balancing Capacity Market and lack of contributions to the Price Difference Payment Fund. Better performance of District Heating segment on rising heat prices. Positive result of Distribution on rising distribution margin. Negative contribution of Railway Energy Services on declining connection fees. Results of Supply segment turned into red on sharply lower margin on retail sales of electricity.

Recurring EBITDA of Renewables segment increased significantly in Q3 to PLN 0.4bn (+129% y/y) mostly as result of revenues from Balancing Capacity Market and lack of contributions to the Price Difference Payment Fund.

Gas-fired Generation started commercial operations of CCGT Gryfino Dolna Odra and for the first time contribution to recurring EBITDA was positive at PLN 0.1bn.

Performance of Conventional Generation was strong in Q3 and recurring EBITDA was at 0.5bn. Margins on electricity generation were lower y/y (negative effect of declining energy price and positive effect of lower costs of CO2 and hard coal) but result increased by PLN +0.2bn y/y, mainly on revenues from Balancing Capacity Market and lack of contributions to the Price Difference Payment Fund.

District Heating reported recurring EBITDA at PLN 0.2bn. Positive performance (PLN +0.1bn y/y) was driven mainly by rising heat prices.

Distribution recurring EBITDA at PLN 1.1bn came out better (+14% y/y) in Q3, on higher distribution margin (higher WACC and RAB and distribution volumes).

Railway Energy Services posted declining results in Q3 at PLN 0.3bn (-20% y/y) on lower distribution margin, mainly as result of base effect related to extraordinarily high revenues from connection fees in Q3 23.

Recurring EBITDA of Supply segment plummeted in Q3 by PLN -0.5bn y/y into a loss of PLN -0.1bn. Results were hit by lower household tariff for H2 24 and rising temporary cost of imbalance of electricity for prosumers.

CAPEX: transition investments clearly visible

Capital expenditures (on accrual basis) in PGE Group were at PLN 2.6n (-4% y/y) in Q3 24. Raising outlays for investment in Gas-fired Generation (CCGT Rybnik) and Renewables (mainly program of offshore wind development) and declining outlays in segments of Distribution and Railway Energy Services.

Debt decreased on change in working capital

Net debt at the end of Q3 at PLN 4.4bn declined by PLN 5.6bn q/q chiefly due to the postponement of the purchase of CO2 emission allowances in Q3 2024. Real value of net economic debt (adjusted by forward payments for CO2): PLN 19.0bn (net economic debt/ recurring LTM EBITDA = 2.03x) lower q/q by PLN 1.1bn (decline largely explained by changes in working capital).

Key Financials

PLNm	Q3 2024	Q3 2023	y/y [%]
Sales	15 562	21 515	-28%
EBITDA	2 458	2 458	0%
Recurring EBITDA	2 454	2 450	0%
EBIT	1 297	1 206	8%
Recurring EBIT	1 325	1 243	7%
Net profit (to equity)	728	953	-24%

EBITDA by segments

PLNm	Q3 2024	Q3 2023	y/y [%]
Renewables	381	167	128%
Gas-fired Generation	79	-4	-
Conventional Generation	58	310	-81%
District heating	154	89	73%
Distribution	1 130	1 001	13%
Railway Energy Services	278	356	-22%
Supply	321	387	-17%

EBIT by segments

PLNm	Q3 2024	Q3 2023	y/y [%]
Renewables	281	76	270%
Gas-fired Generation	72	-5	-
Conventional Generation	-296	-213	-
District heating	-47	-102	-
Distribution	766	672	14%
Railway Energy Services	164	254	-35%
Supply	312	379	-18%

Key operating data

TWh	Q3 2024	Q3 2023	y/y [%]
Net Generation Volume	13.16	13.10	0%
Sales to End-users	8.30	8.49	-2%
Electricity Distribution Volume	9.79	9.64	2%
Sales of Heat [PJ]	3.46	3.44	0%

Electricity generation by source

TWh	Q3 2024	Q3 2023	y/y [%]
Lignite-fired power plants	7.94	7.13	11%
Hard coal-fired power plants	2.54	4.21	-40%
Gas-fired power plants	1.06	0.00	-
Coal-fired CHPs	0.34	0.40	-15%
Gas-fired CHPs	0.55	0.59	-7%
Biomass-fired CHPs	0.09	0.07	29%
Waste-to-energy CHPs	0.01	0.02	-50%
Pumped-storage	0.15	0.32	-53%
Hydro	0.06	0.07	-14%
Wind	0.34	0.28	21%
PV	0.08	0.01	700%
TOTAL	13.16	13.10	0%