

PGE Investor Presentation

January, 2026



Polska Grupa Energetyczna

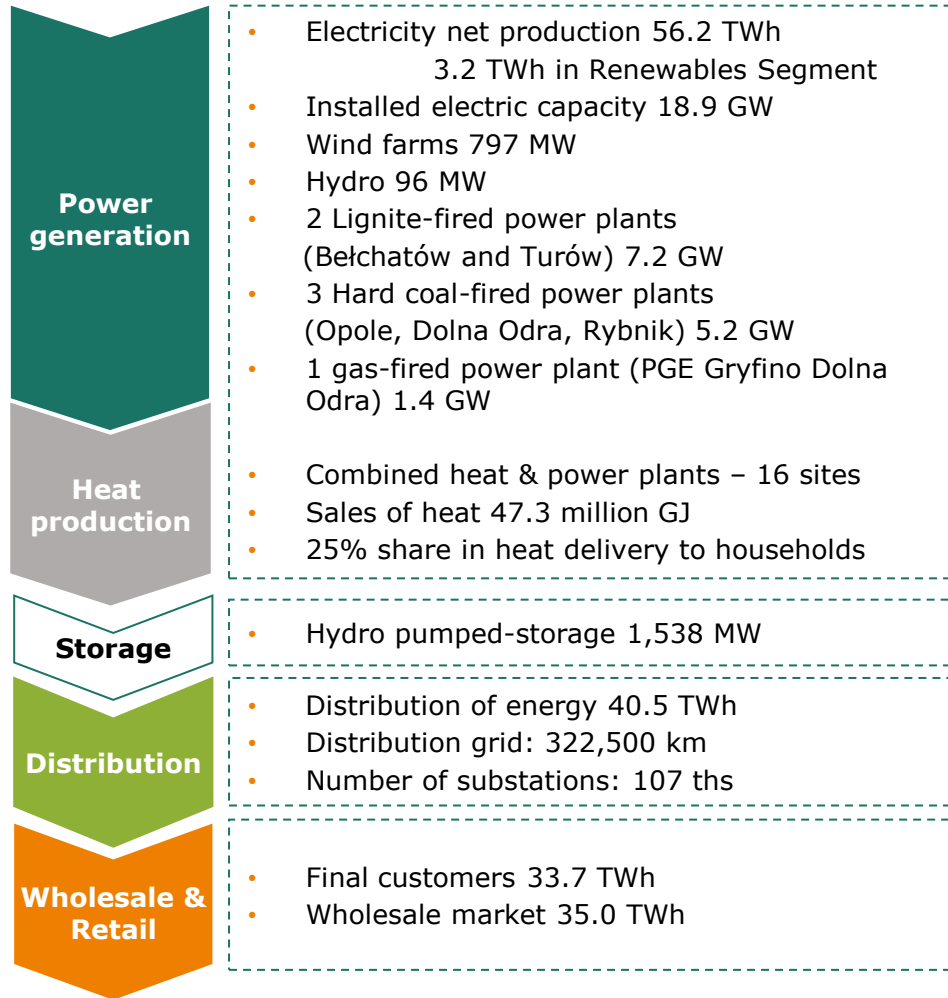
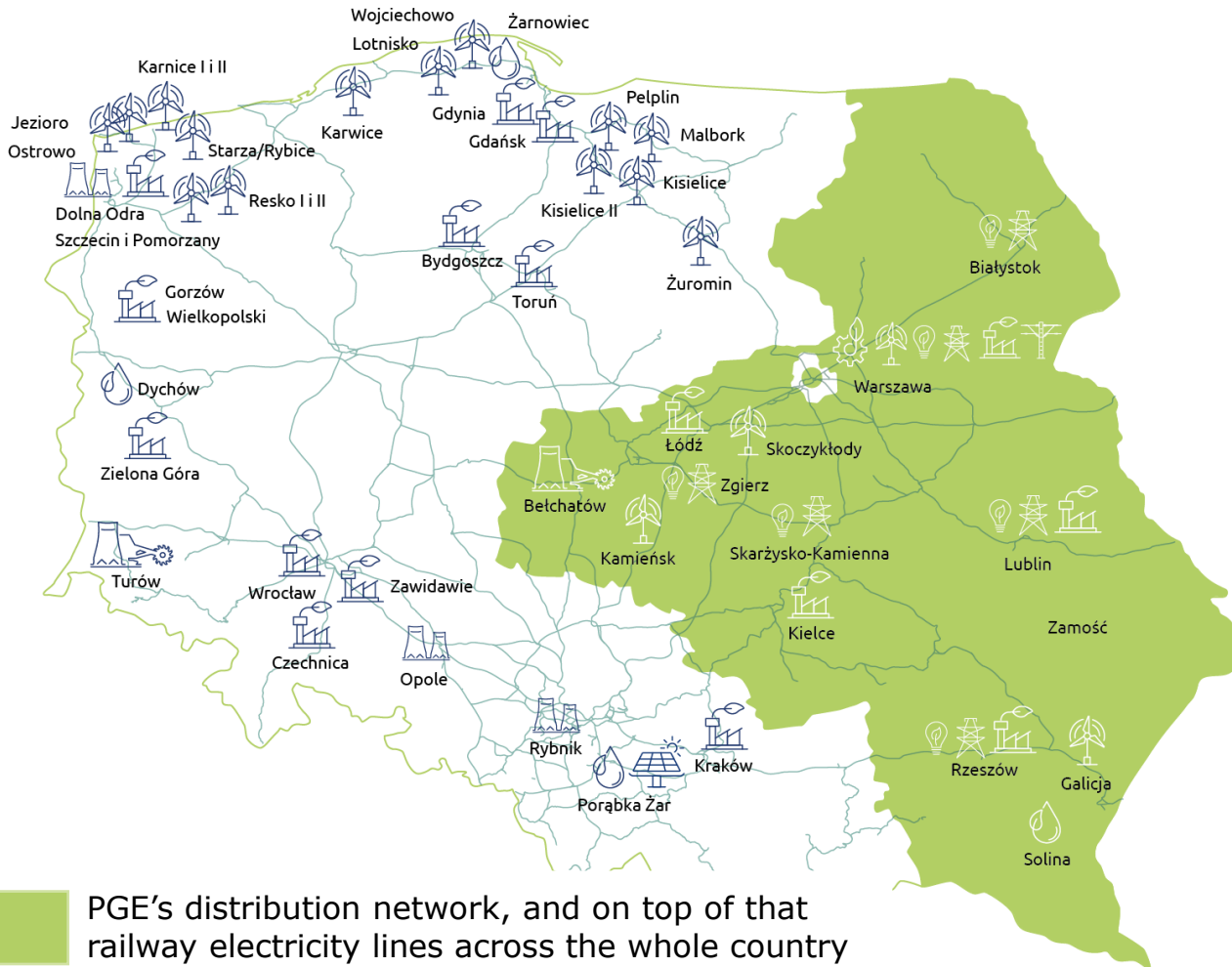
Agenda

- PGE at a glance
- Summary of Q3 & 9M 2025 results and operations
- Outlook for 2026
- PGE Group's 2035 Strategy- Summary
- Offshore wind farms
- Ongoing investments
- Market overview
- Regulatory overview
- Financials








PGE at a glance



PGE at a glance (2024)



Our business segments 2024

Key operational data of PGE Capital Group							
	Renewables	Gas-fired Generation	Conventional Generation	District Heating	Distribution	Railway Energy Services	Supply
Key assets of the segment	21 wind farms 43 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 ¹	5 conventional power plants 2 lignite mines	16 CHP plants	304.1 th km of distribution lines	18.4 th km of distribution lines	-
Installed capacity electricity/heat	2 661 MWe/-	1 366 MWe ¹ /-	12 392 MWe/958 MWt	2 477 MWe/6 222 MWt	-	-	-
Electricity volumes	Net electricity generation 3.21 TWh	Net electricity generation 2.55 TWh	Net electricity generation 43.18 TWh	Net electricity generation 7.23 TWh	Electricity distribution volume 36.28 TWh ²	Electricity distribution volume 4.27 TWh; Sales to final off-takers 3.01 TWh	Sales to final off-takers 30.65 TWh ³
Heat volumes	-	-	Net heat production 3.00 PJ	Net heat production 45.42 PJ	-	-	-
Market position	PGE Group is the largest electricity producer from RES with market share of approx. 6%	On fire 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

¹ Unit no. 9 commissioned on August 14, 2024, unit no. 10 on October 18, 2024.

² Data for PGE Dystrybucja S.A.

³ Data for PGE Obrót S.A.

Our Vision: A leader in modern energy, flexibility, distribution and district heating



Strategic targets for 2035 by business segments

	Distribution	Renewables	Gas Energy	Energy Storage	Integrated district heating systems	Coal Energy	Business partners	Residential Customers	Nuclear power	TOTAL
Key strategic aspiration	+11 GW connected RES capacity	28 TWh electricity*	10 GW power capacity	18 GWh capacity*	100% heat from zero and low-emission sources	Asset optimisation	#1 flexibility services for business	#1 Customer service	Location assessment program	-
Cumulative CAPEX 2025-2035	75 bn PLN	85 bn PLN	37 bn PLN	14 bn PLN	18 bn PLN	5 bn PLN	0.5 bn PLN	0.6 bn PLN	Research expenditure: several hundred million PLN	235 bn PLN / 55 bn EUR
EBITDA in 2035	10 bn PLN	10.2 bn PLN	7 bn PLN	2.1 bn PLN	2.8 bn PLN	Effectiveness Managing	0.8 bn PLN	0.5 bn PLN	-	30 bn PLN / 6.5 bn EUR

* Production/capacity of projects implemented with PGE's participation

Value creation and CAPEX financing

Disciplined **investment policy**

IRR >7.5%



Investment discipline defining a selective approach to projects*, conservative macroeconomic assumptions and **social responsibility**.

Adequate **debt level**

NetDebt/EBITDA <3.5x



Stable financial position supporting **energy security**. Maximising the utilisation of opportunities for **preferential financing** (including the subsidies and ESG funds).

Optimal **financing model**

Significant share of project finance



Partnerships with Polish and international financial institutions to facilitate access to **innovative financing models**.

Balanced **Risk profile**

Rating BBB+

* IRR rate >7.5% can be lowered for projects with secured revenue streams (e.g., CfD, PPA, etc.).

Potential for regular dividend payments

Planned dividend payments upon achieving the following criteria:

1

Recurring net profit

2

Prospect of positive free cash flow for a minimum of 2 years

3

Maintenance of investment rating

4

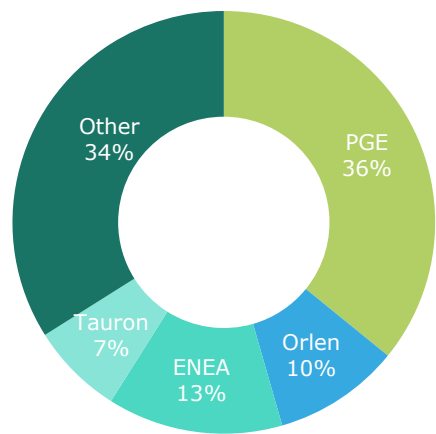
Absence of one-off events having a significant impact on cash flow



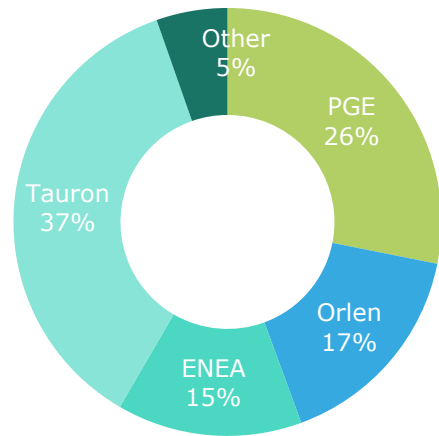
Addressing the issue of financing the operational gap in coal-based energy segment (particularly in the lignite mining) will accelerate dividend payments.

PGE market position

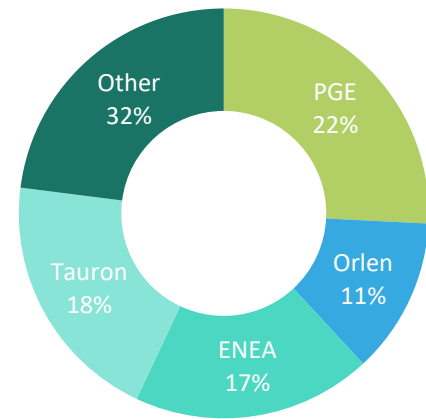
Electricity net generation



Volume of distributed electricity



Sales volume to final off-takers



Data for 2024

Strategic goals 2035



Distribution

Connected capacity

new RES 11 GW
new customers 12 GW



Offshore Wind *

4 GW



Onshore Wind

4 GW



Flexible Gas Capacity

4 GW CCGT plants
6 GW OCGT plants



Energy Storage

8 GWh BESS

10 GWh Pumped
Storage Hydro

0.5 GWh Heat storage



Clean District Heating

reducing CO2
emissions
by 60% by 2030



Photovoltaic

1 GW



Nuclear Energy

longterm
strategic option



EBITDA

PLN 30 bn



Total Capex

PLN 235 bn



CO₂ EMISSIONS REDUCTION

75%



Heat storage

0.5m m³ capacity

Summary of Q3 & 9M 2025 results and operations



Key financial data

[PLN m]	Q3 2025	Q3 2024	y/y	9M 2025	9M 2024	y/y
Sales	13 785	15 562	-11%	44 756	46 856	-4%
EBITDA	2 644	2 458	8%	10 290	7 598	35%
Recurring EBITDA ¹	2 957	2 454	20%	10 560	7 291	45%
EBIT	1 498	1 297	15%	-2 024	4 156	-
Recurring EBIT ¹	2 012	1 325	52%	7 544	3 983	89%
Net profit (loss) to equity ²	552	728	-24%	-6 638	2 746	-
Net profit (to equity) – ex. Impairments ²	748	754	-1%	2 575	2 855	-10%
CAPEX (including adjustments)	2 666	2 580	3%	7 580	7 225	5%
Net cash from operating activities	1 315	8 514	-85%	13 448	14 619	-8%
Net cash from investing activities	-2 971	-2 692	10%	-7 171	-7 394	-3%
Net cash from financing activities	1 188	-598	-	3 022	-4 384	-
EBITDA margin	19%	16%		23%	16%	
Recurring EBITDA margin	21%	16%		24%	16%	
Net Working Capital (core "NWC") ³				3 346	4 115	-19%
Net Debt ⁴				368	2 961	-88%
Net economic financial debt ⁵				15 506	19 021	-18%
Net debt/LTM EBITDA reported ⁴				0.02x	0.32x	
Net debt/LTM EBITDA recurring ⁴				0.03x	0.32x	

¹ one-off items are summarised at the next page.

² to the parent undertaking.

³ Core NWC = inventory + trading receivables – trading payables (distinguish from NWC stated as Current assets minus short term liabilities).

⁴ Including factoring liabilities. Net debt and ratios as at September 30, 2024 have been adjusted to be calculated in line with bank covenants (in terms of leases under IFRS 16); net debt of PLN 4 432 million was originally presented as at September 30, 2024.

⁵ estimated net economic financial debt (real value of net debt, adjusted by forward payment for CO2).

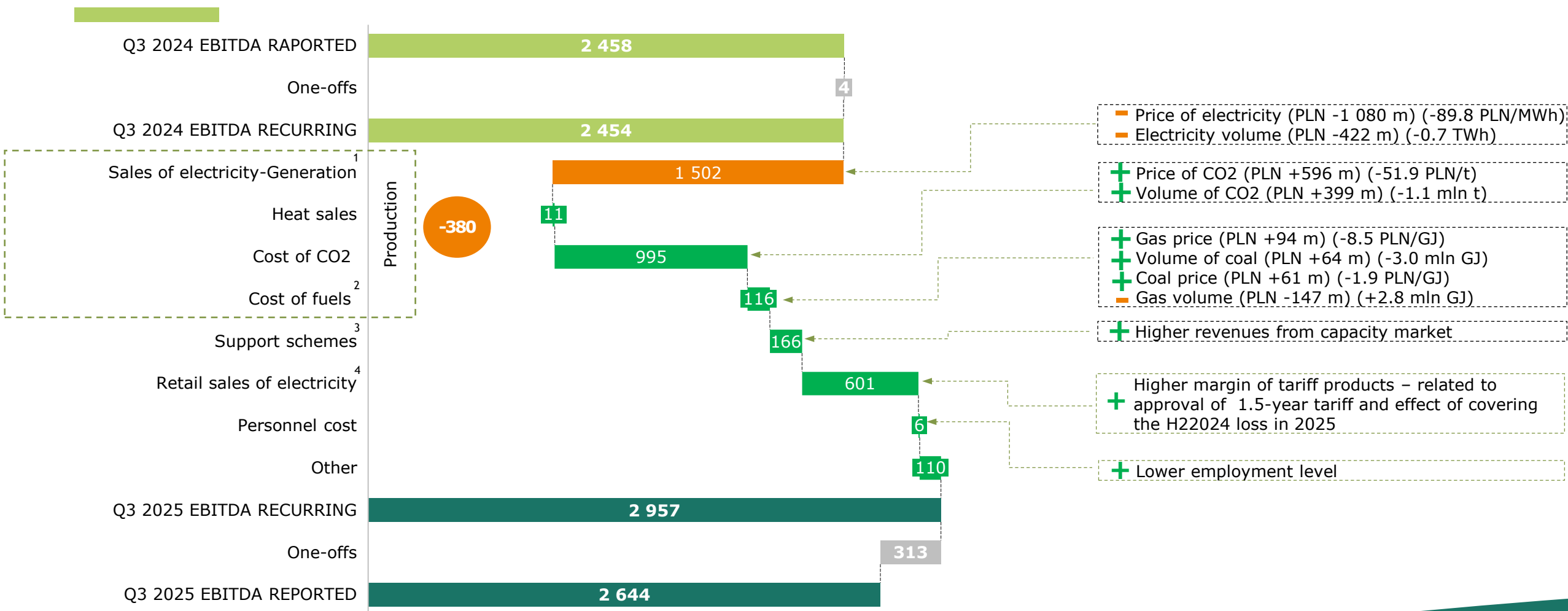
One-off items

Computation of recurring EBITDA and recurring EBIT:

[PLN m]	Q3 2025	Q3 2024	y/y	9M 2025	9M 2024	y/y
Provision for restructuring of Dolna Odra power plant	-233	0	-	-233	0	-
Write-off of strategic inventories	-23	0	-	-135	0	-
Change of reclamation provision	0	-412	-	-79	-20	295%
Voluntary Leave Program	-64	-2	> 1 000%	-64	-2	> 1 000%
Correction of contribution to Price Difference Payment Fund for the previous period	0	0	-	-23	0	-
Change of actuarial provision	0	-32	-	-20	0	-
Adj. of compensations for electricity for previous period	0	452	-	65	452	-86%
Write-off of debt	2	0	-	2	0	-
LTC compensations	5	4	25%	30	-3	-
Release of provision for one-time benefit related to NABE carve-out	0	0	-	187	0	-
Writed-down of receivables from PKP Cargo	0	-6	-	0	-120	-
One-off items – EBITDA level	-313	4	-	-270	307	-
Impairments of TFA and IA (gross)	-201	-32	528%	-9 298	-134	> 1 000%
One-off items – EBIT level	-514	-28	> 1 000%	-9 568	173	-
Computation of net profit ex. impairments:						
Impairments of TFA and IA (net)	-196	-26	654%	-9 213	-109	> 1 000%

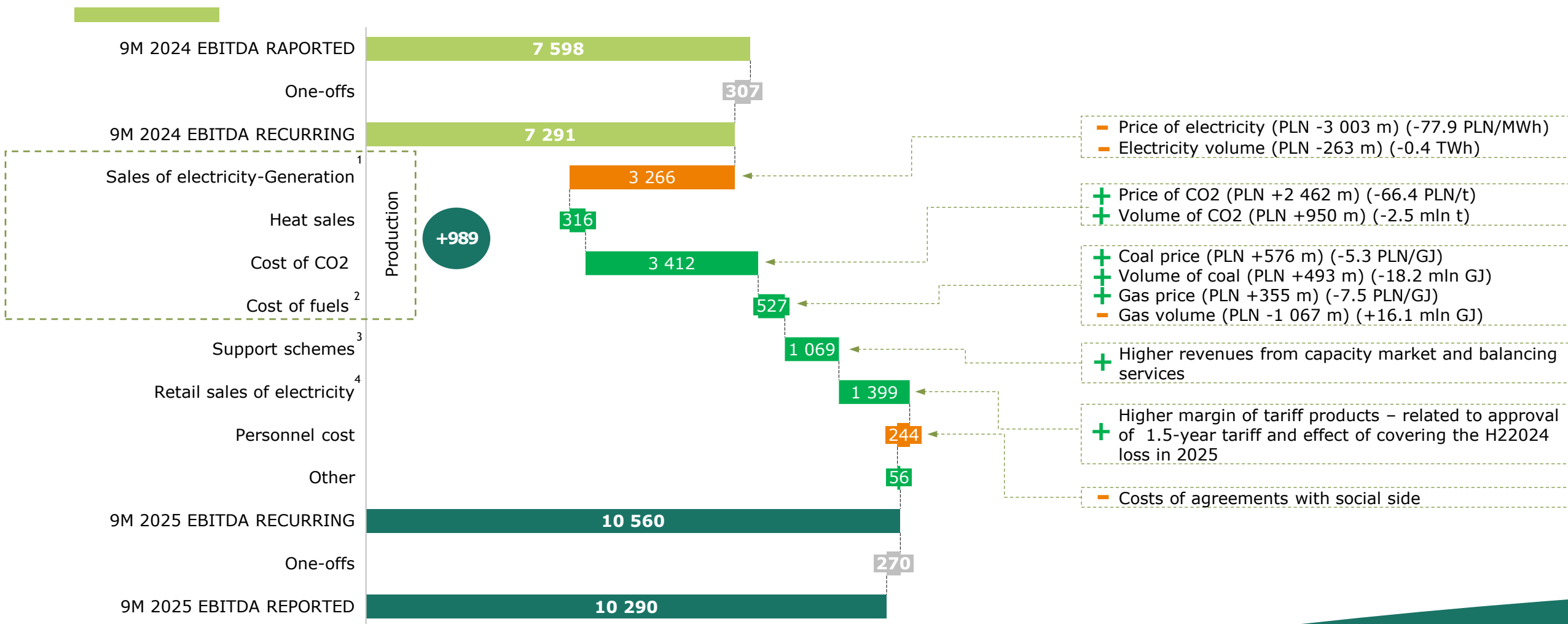
Development of EBITDA by major value drivers Q3 2025

(PLN m)

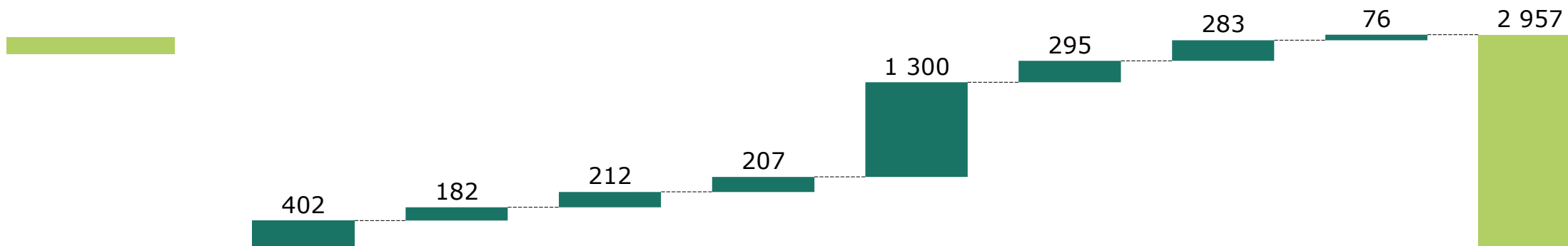


Development of EBITDA by major value drivers 9M 2025

(PLN m)



Recurring¹ EBITDA Q3'25 - composition and development (PLN m)



	Renewables	Gas-fired generation	Coal Energy	District Heating	Distribution	Energy Railway Services	Supply	Other	EBITDA
Q3 2025	402	182	212	207	1 300	295	283	76	2 957
Share in EBITDA (%)	14%	6%	7%	7%	44%	10%	10%	2%	100%
Q3 2024	382	79	484	153	1 142	286	-129	57	2 454
Change (PLNm)	20	103	-272	54	158	9	412	19	503
Change %	5%	130%	-56%	35%	14%	3%	-	33%	20%

Higher revenues from electricity sales mainly due to higher selling price.
Positive impact of Capacity Market revenues.

Higher margin on electricity sales as a result of higher sale price with lower purchase price of natural gas. Higher electricity sales volume.
Positive impact of Capacity Market revenues, revenues from balancing capacities.

Lower margin on electricity sales (negative effect of lower electricity sales volume and price with positive effect of lower CO2 emissions volume and price with lower coal consumption volume and price).
Positive effect of Capacity Market revenues and lower fixed costs.

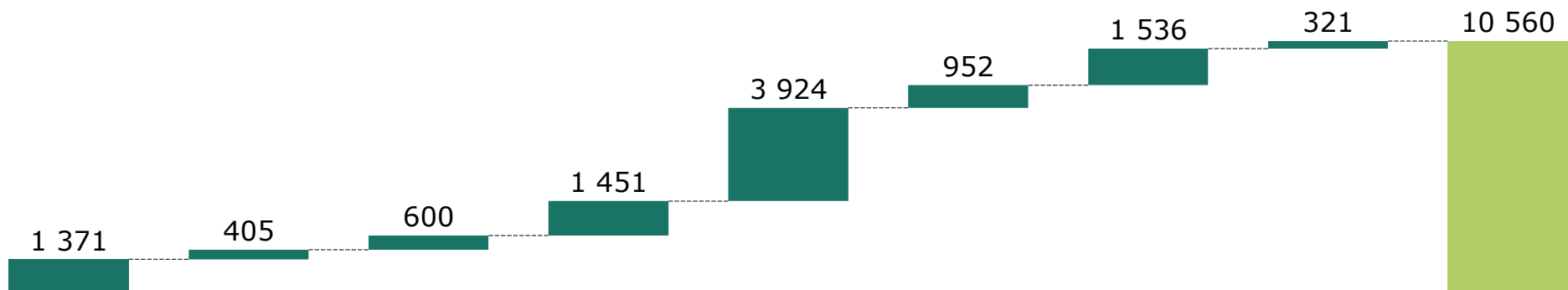
Higher revenues from heat sales, as a result of higher sales volumes and a higher heat sales price.
Positive impact of Capacity Market revenues.
Decrease in margin on electricity generation (impact of lower average electricity sales price).

Lower level of electricity purchase costs to cover the balance difference and increase in other revenue from distribution services resulting from reactive power charges.

Better result on distribution as a result of increased distribution tariffs and higher volume of distributed electricity, as well as increased revenues from traction services due to indexation of maintenance contracts.
Higher fixed costs particularly due to personnel costs.

Higher result on sales on Gx tariff products related to the approval of 1.5-year tariffs above costs incurred in 2025 and offsetting the negative 2024 result.

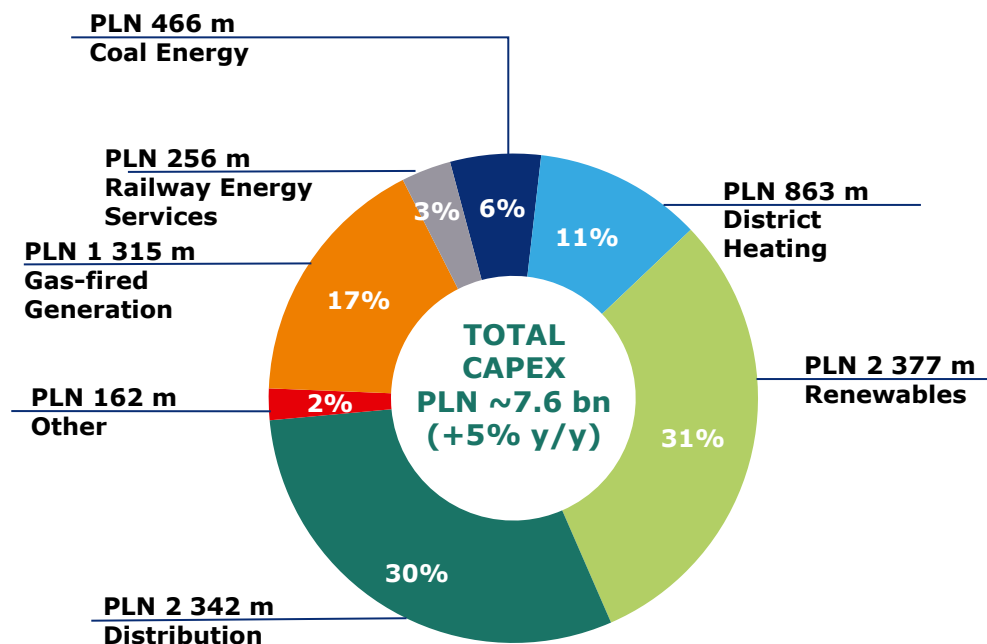
Recurring¹ EBITDA 9M'25 - composition and development (PLN m)



	Renewables	Gas-fired generation	Coal Energy	District Heating	Distribution	Energy Railway Services	Supply	Other	EBITDA
9M 2025	1 371	405	600	1 451	3 924	952	1 536	321	10 560
Share in EBITDA (%)	13%	4%	6%	14%	37%	9%	15%	2%	100%
9M 2024	1 028	40	-191	929	3 362	845	1 173	105	7 291
Change (PLNm)	343	365	791	522	562	107	363	216	3 269
Change %	33%	913%	-	56%	17%	13%	31%	206%	45%

Higher revenues from ancillary services. Positive impact of Capacity Market revenues.	Higher margin on electricity sales as a result of higher sale price with lower purchase price of natural gas. Higher electricity sales volume. Positive impact of Capacity Market revenues, revenues from balancing capacities and result on gas trading.	Higher margin on electricity sales (positive effect of lower CO2 emissions volume and price, lower consumption volume and coal price with negative effect of lower electricity sales volume and price). Positive effect of revenues from the Balancing Capacities Market and lower fixed costs.	Higher revenues from heat sales, as a result of higher sales volumes and a higher heat sales price. Positive impact of Capacity Market revenues. Decrease in margin on electricity generation (impact of lower average electricity sales price).	Positive impact of higher distribution margin (mainly the effect of lower electricity purchase costs to cover the balance difference).	Positive result on distribution as a result of higher connection fee revenues due to the timing of the MUZa Programme (Modernization of Power Systems) and higher volume of distributed electricity. Positive result on other operations in scope of traction services and on electricity sales.	Higher result on sales on Gx tariff products related to the approval of 1.5-year tariffs above costs incurred in 2025 and offsetting the negative 2024 result.
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Capital expenditures in 9M 2025



	Key projects	CAPEX in 9M 2025
Generation	Construction of CCGT unit in Rybnik	PLN 1.2 bn
	Construction of CCGT unit in Siechnice	PLN 0.18 bn
Distribution	Modernisation of distribution assets	PLN 1.36 bn
	New projects in Distribution segment	PLN 0.98 bn



CAPEX in Coal Energy, District Heating, Renewables and Gas-fired Generation (generating capacities), Distribution and Railway Energy Services

- Renewables – more than PLN 2 billion for development projects
- Capacities in Gas-fired Generation – significant outlays for construction of new unit in Rybnik 2050
- Distribution – expenditures amounting to PLN 883 million incurred for connection of new off-takers

Key operating volumes

Volumes: generation, sales, distribution

[TWh]	Q3 2025	Q3 2024	y/y	9M 2025	9M 2024	y/y
Net electricity generation, by fuels:	12.58	13.16	-4%	40.09	40.67	-1%
lignite	6.95	7.94	-12%	21.47	22.93	-6%
<i>incl. Turów 7 unit</i>	0.39	0.47	-17%	1.25	1.30	-4%
hard coal	2.87	2.87	0%	9.79	10.93	-10%
incl. Coal Energy segment	2.61	2.53	3%	7.64	8.82	-13%
<i>incl. Opole 5/6 units</i>	2.02	1.15	76%	5.33	3.85	38%
incl. District Heating segment	0.26	0.34	-24%	2.15	2.11	2%
natural gas	1.99	1.61	24%	6.36	4.03	58%
<i>incl. Gryfino</i>	1.27	1.06	20%	3.40	1.50	127%
pumped-storage plants	0.27	0.15	80%	0.68	0.73	-7%
hydro	0.05	0.06	-17%	0.24	0.33	-27%
wind	0.30	0.34	-12%	1.12	1.27	-12%
biomass	0.08	0.10	-20%	0.25	0.30	-17%
municipal waste	0.01	0.01	0%	0.03	0.02	50%
photovoltaic	0.06	0.08	-25%	0.15	0.13	15%
Sales of heat [PJ]	3.51	3.46	1%	31.82	29.81	7%
<i>including Conventional Generation segment</i>	0.33	0.32	3%	1.63	1.57	4%
Sales of electricity to final off-takers, including	7.73	8.30	-7%	24.02	25.34	-5%
Supply	6.93	7.57	-8%	21.70	23.08	-6%
Energy Railway Services	0.77	0.73	5%	2.31	2.23	4%
Distribution of electricity, including	9.73	9.79	-1%	29.89	29.90	0%
Distribution	8.66	8.78	-1%	26.66	26.75	0%
Energy Railway Services	1.07	1.01	6%	3.23	3.15	3%

Electricity prices and CO2 cost

Average realized wholesale price of electricity

[PLN/MWh]	Q3 2025	Q3 2024	y/y	9M 2025	9M 2024	y/y
Coal Energy segment	487	585	-17%	498	581	-14%
Gas-fired Generation segment	536	612	-12%	561	612	-8%
District Heating segment	491	627	-22%	483	634	-24%
Total (Coal En., Gas-fired Gen. & District Heating)	493	589	-16%	502	588	-15%

Average cost of CO2

Total (Coal En., Gas-fired Gen. & District Heating) (PLN/ t CO2)	318	371	-14%	321	388	-17%
Total (Coal En., Gas-fired Gen. & District Heating) (PLN/ MWh)	298	348	-14%	290	372	-22%

Outlook for 2026



Recurring EBITDA: outlook for 2026

	2026 vs 2025 perspective	Main factors
Renewables	↓	<ul style="list-style-type: none"> - Lower margin at pumped-storage power plants - Lower revenues from certificates
Gas-fired Generation	→	<ul style="list-style-type: none"> + Expected higher margin on sales of electricity - Expected lower revenues from balancing capacities market
Coal Energy	↓	<ul style="list-style-type: none"> - Expected lower margin on sales of electricity - Market pressure on production volumes - Expected lower revenues from balancing capacities market
District Heating	→	<ul style="list-style-type: none"> + Assumed lower level of unit cost of production fuels (hard coal and natural gas) and cost of CO₂ + Assumed higher revenues from highly-efficient cogeneration - Assumed lower prices of electricity
Distribution	→	<ul style="list-style-type: none"> + Higher Regulatory Asset Base (RAB) due to the scale of implemented investments • WACC in the process of reconciliation with the ERO President
Railway Energy Services	→	<ul style="list-style-type: none"> • WACC in the process of reconciliation with the ERO President
Supply	↓	<ul style="list-style-type: none"> - Higher base in 2025 due to reversal of lower margin in G tariff in H2 2024

Financials



Cash from operations, investments and net debt

Consolidated Cash Flows

[PLN m]	Q3 2025	Q3 2024	9M 2025	9M 2024
Operating CF	1 315	8 514	13 448	14 619
Investing CF	-2 971	-2 692	-7 171	-7 394
Financial CF	1 188	-598	3 022	-4 384
Change of cash and equivalents	-468	5 224	9 299	2 841

Consolidated Balance Sheet

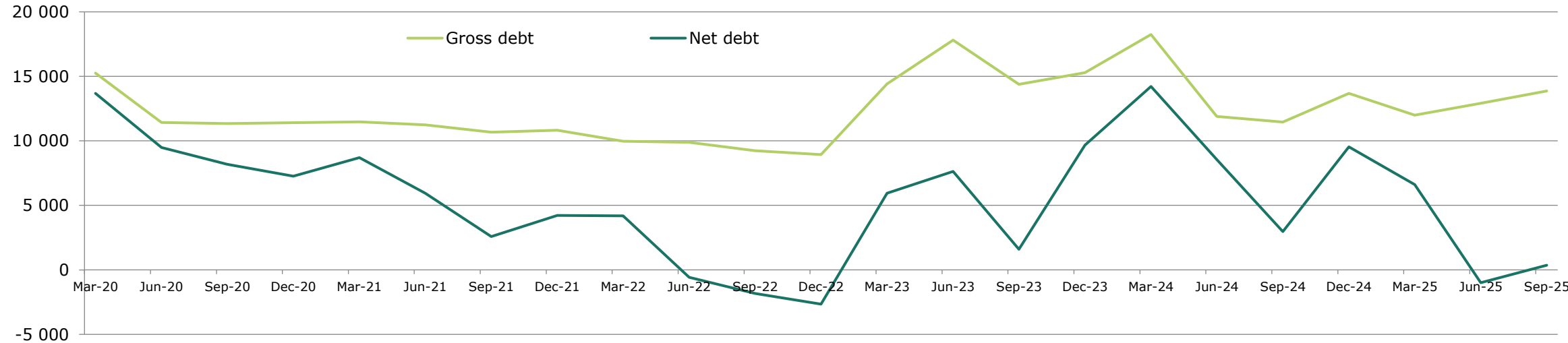
mIn PLN	EOP Q3 2025	BOP Q3 2025	Δ Q3 2025	EOP 9M 2025	BOP 9M 2025	Δ 9M 2025
Cash and equivalents	13 662	14 130	-468	13 662	4 363	9 299
Restricted cash (adjustment)	-171	-218	47	-171	-207	36
Disposable cash of PGE Group	13 491	13 912	-421	13 491	4 156	9 335
Short term financial debt	-3 166	-3 122	44	-3 166	-4 614	-1 448
Long term financial debt	-10 693	-9 798	895	-10 693	-9 074	1 619
Total financial debt (gross) ¹	-13 859	-12 920	939	-13 859	-13 688	171
Net debt ²	-368	992	1 360	-368	-9 531	-9 163
Net economic financial debt	-15 506	-14 650	856	-15 506	-17 204	-1 698

¹⁾ Liabilities are presented with negative sign, for the sake of consistency between balance sheet and cash flow statement;

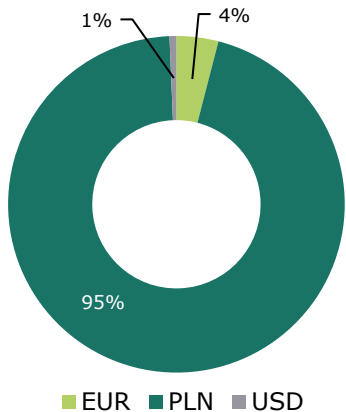
²⁾ Including factoring liabilities; Net debt for December 31 2024 was adjusted to calculation method in line with bank covenants (in scope of leasing - IFRS 16); initially at December 31, 2024 the value of net debt was presented at PLN 11 045 m

Debt - data of September 30, 2025

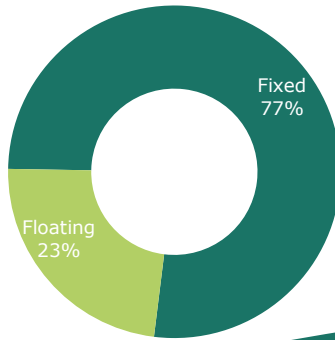
Gross debt and net debt* (in PLN million)



Currency profile of drawn debt (including hedging transactions)



Fixed vs floating rates (drawn debt)

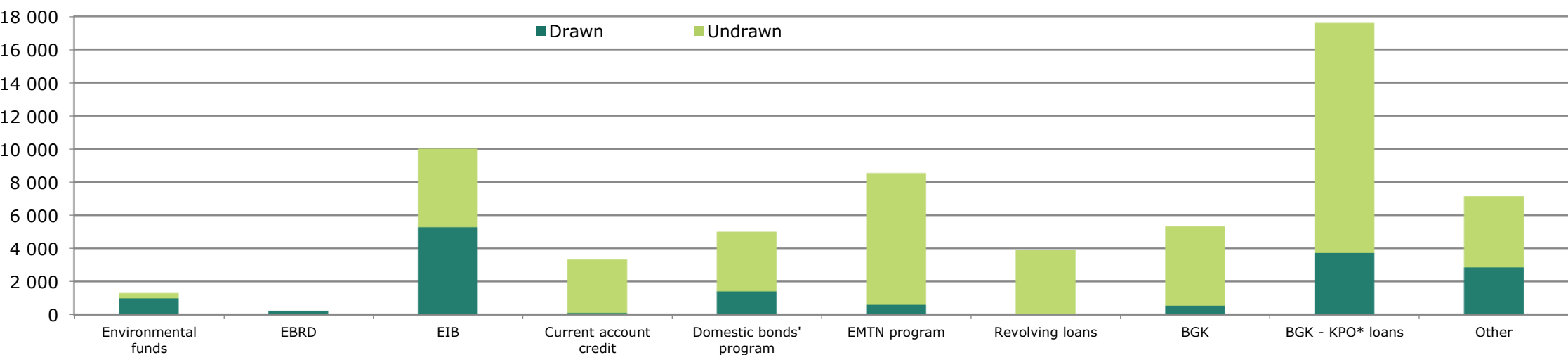


* Debt presented for dates December 2023 and later is adjusted to calculation method which is in line with bank covenants (IFRS 16 Leases)

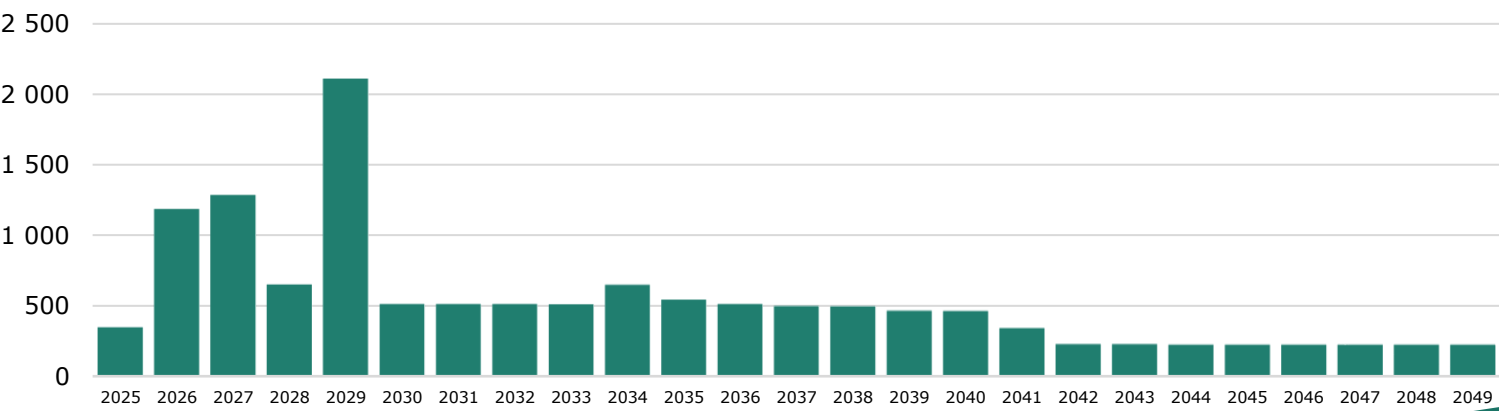


Available financing and debt maturity

Drawn debt and availability of external financing (in PLN m) as of September 30, 2025



Debt maturity profile** (PLN m) as of September 30, 2025



* KPO – National Recovery and Resilience Plan
** Without current account credits, revolving loans, factoring and leasing as well as term loans from BGK and EIB

Stable finances

		Q3 2025	H1 2025
Debt position	Gross Debt (PLN bn)	13.9	12.9
	Net debt (PLN bn)	0.4	-1.0
	Net Debt/LTM EBITDA	0.02x	-0.07x
	Net Economic Financial Debt (PLN bn)	15.5	14.6
	NEFD/ LTM EBITDA recurring	1.10x	1.07x
	Net Debt/Equity	0.01x	-0.03x
		MOODY'S	FITCH
Financial strength has been confirmed by rating agencies	Long-term company rating (IDR)	Baa1	BBB
	Rating outlook	Stable	Stable
	Date of rating assignment	September 2, 2009	September 2, 2009
	Date of the rating confirmation/change	August 18, 2025*	January 13, 2025
	Senior unsecured rating		BBB
	Date of the latest rating change		January 13, 2025
	Long-term national rating		A+ (pol)
	Date of rating assignment		August 10, 2012
	Date of latest rating change		January 13, 2025

Sources of financing for the investment programme (1/2)



New Gas Capacities

REVENUE STREAMS

- **Capacity Market**
- **Balancing capacities**
- **Energy market**

FINANCING

 **Corporate debt**

 **Project finance, partnerships**

 **Subsidies (grants, loans)**

 **Direction of change**



- The growing potential of project finance
- Potential involvement of Polish banks and structures with the participation of export agencies (KUKE) and development financing banks (BGK)
- Significantly reduced credit risk due to securing a stable source of revenue based on support from the won capacity market auctions

- Growth financed mainly based on the company's financial surpluses and the Group's balance sheet
- Maximising the use of preferential financing
- Project financing – especially where the decarbonisation plan allows splitting out the part of the assets remunerated by the support system
- Greater availability of project finance in the event of implementation of the national Strategy for District Heating, including support mechanisms for Power-to-Heat

- Financing based on the financial surpluses of companies (EBITDA)
- Involvement in obtaining aid funds (grants, preferential loans) – for infrastructure and R&D projects, to limit the growth rate of distribution rates

Sources of financing for the investment programme (2/2)



Offshore



Onshore RES



Energy Storage

REVENUE STREAMS

- | | | |
|---|--|---|
| <ul style="list-style-type: none">• Contract for Difference• Sale of electricity | <ul style="list-style-type: none">• Sale of electricity (i.a. wholesale market and PPA)• Guarantees of origin | <ul style="list-style-type: none">• Capacity Market• Balancing capacities• Energy market |
|---|--|---|

FINANCING



- | | | |
|---|--|---|
| <ul style="list-style-type: none">• Strong demand from financial institutions to provide project finance financing– allows minimisation of own contribution• Syndicated investment loans with the participation of a very wide group of financial institutions, including commercial banks, export agencies and multilateral institutions• Building unique know-how through cooperation with renowned industry partners | <ul style="list-style-type: none">• High financing and refinancing potential in the project finance model• The limited supply of wind projects available on the market causes a significant appetite on the part of financial institutions for properly structured transactions• Investment loans granted by banking syndicates, including commercial banks, export agencies and multilateral institutions | <ul style="list-style-type: none">• Growing potential of project financing – the market is at the stage of building experience and market standards• Investment loans granted by banking syndicates, including commercial banks, export agencies and multilateral institutions• Technology that fits into aid programmes and "green" debt financing |
|---|--|---|



PGE Group's 2035 Strategy - Summary



Target results of PGE Group Strategy by 2035



30 bn PLN
EBITDA

#ValueCreation



28 TWh
RENEWABLE ENERGY

#CleanEnergy



235 bn PLN
TOTAL CAPEX

#EnergySecurity



10 GW
FLEXIBLE GAS
POWER PLANTS

#Flexibility



75%
CO₂ EMISSIONS
DECREASE

#Responsibility



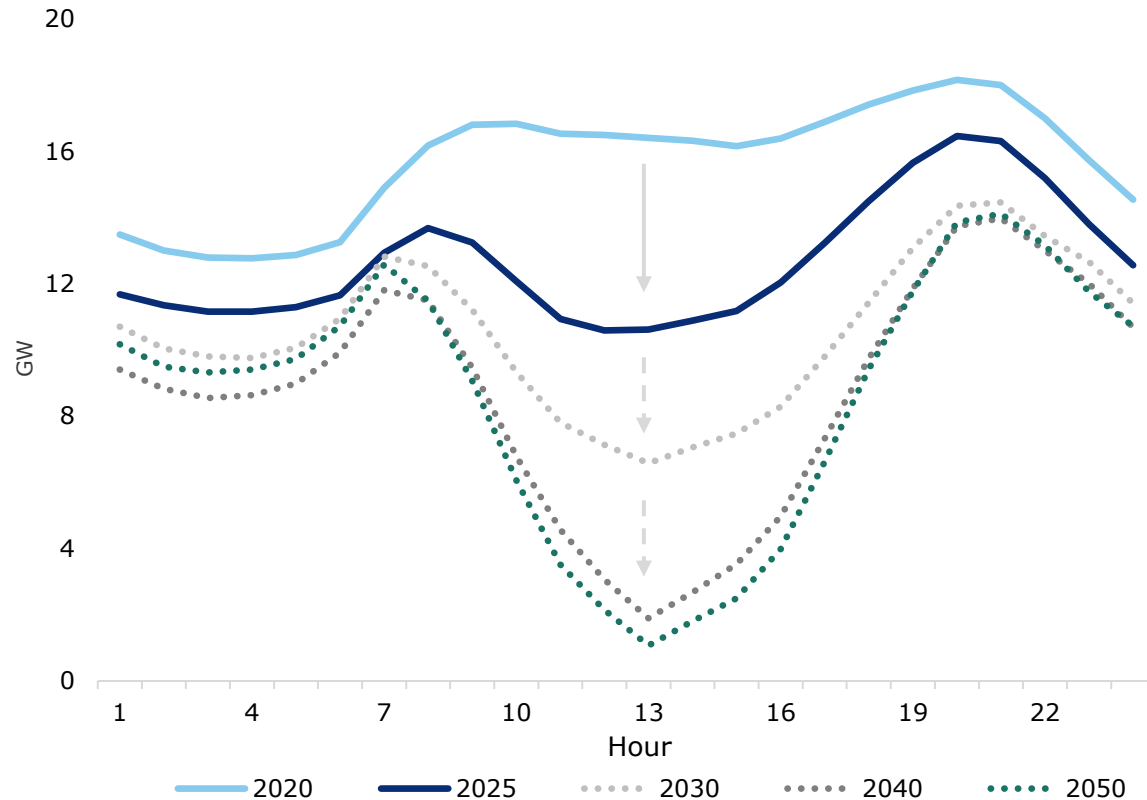
+11 GW
RES CONNECTION CAPACITY
TO SMART GRID

#ReliableDistribution

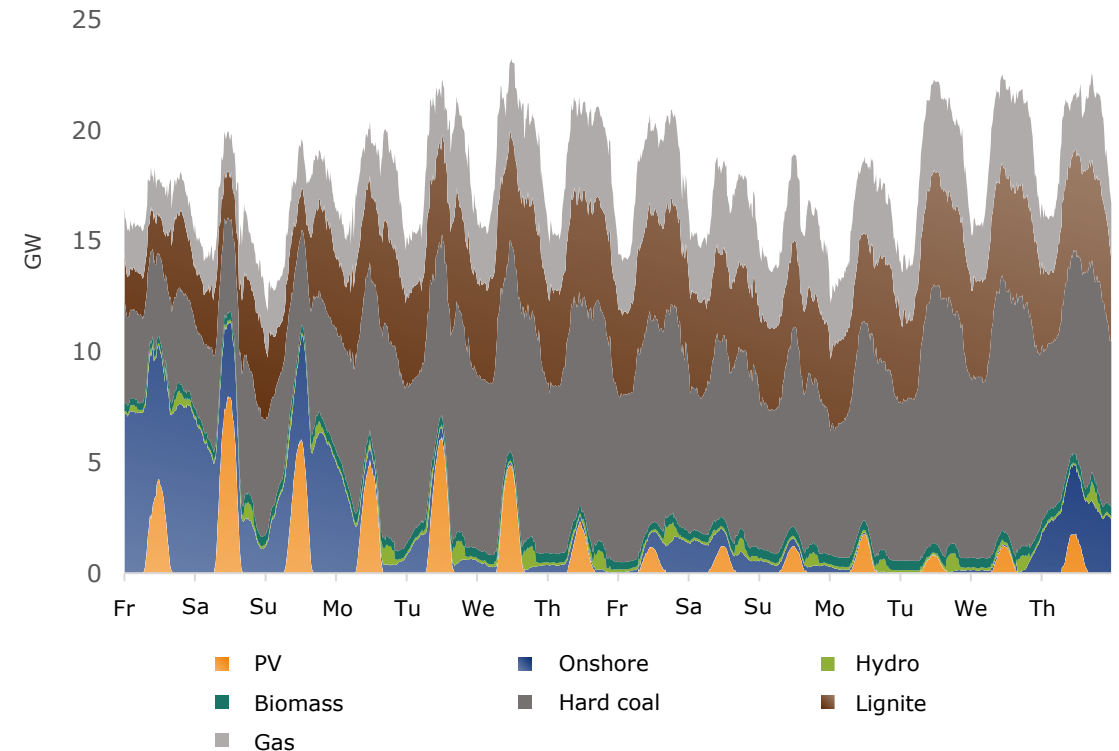
PGE defines Security as Flexibility that enables further development of renewable energy sources while ensuring the stability of the power system

Volatility on both the supply and demand sides is increasing in the short and medium term. This requires greater flexibility in both energy generation and consumption.

Daily demand for dispatchable power capacity
(2020 to 2050)



Structure of electricity production in Poland
(example incl. *dunkelflaute* period)



PGE will introduce solutions that transfer the benefits of market structure changes into tangible price effects for active Customers

The development of renewable energy sources is contributing to a decline in wholesale prices, but increased electricity price volatility poses a challenge for many market participants, who need to improve their ability to effectively manage of load profiles.

Evolution of cooperation models

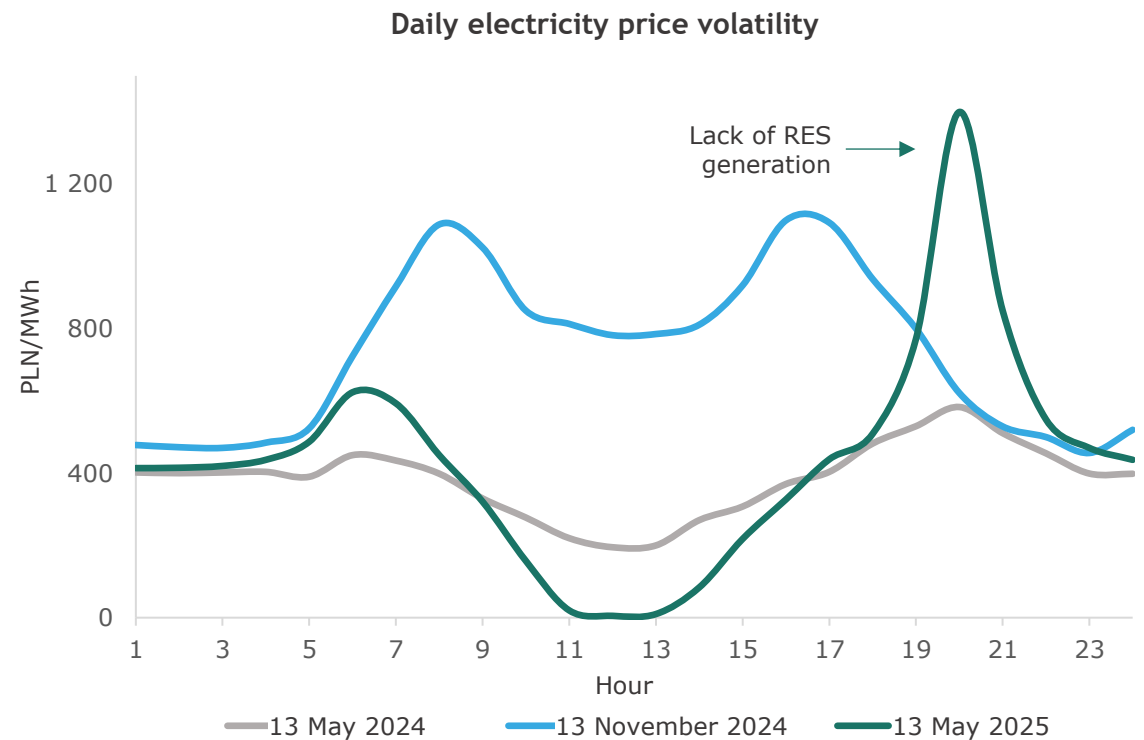
Increased Client activity will create space for partnership-based dialogue with Utilities, which will facilitate better tailoring of offerings, stabilize revenues, and reduce regulatory risks.

Client activation

Business Customers (and later also residential Customers) will become active participants in electricity and flexibility markets, and their adaptive approach to purchasing electricity and managing of load profile, will enable them to optimise their costs and benefit from periods of lower prices.

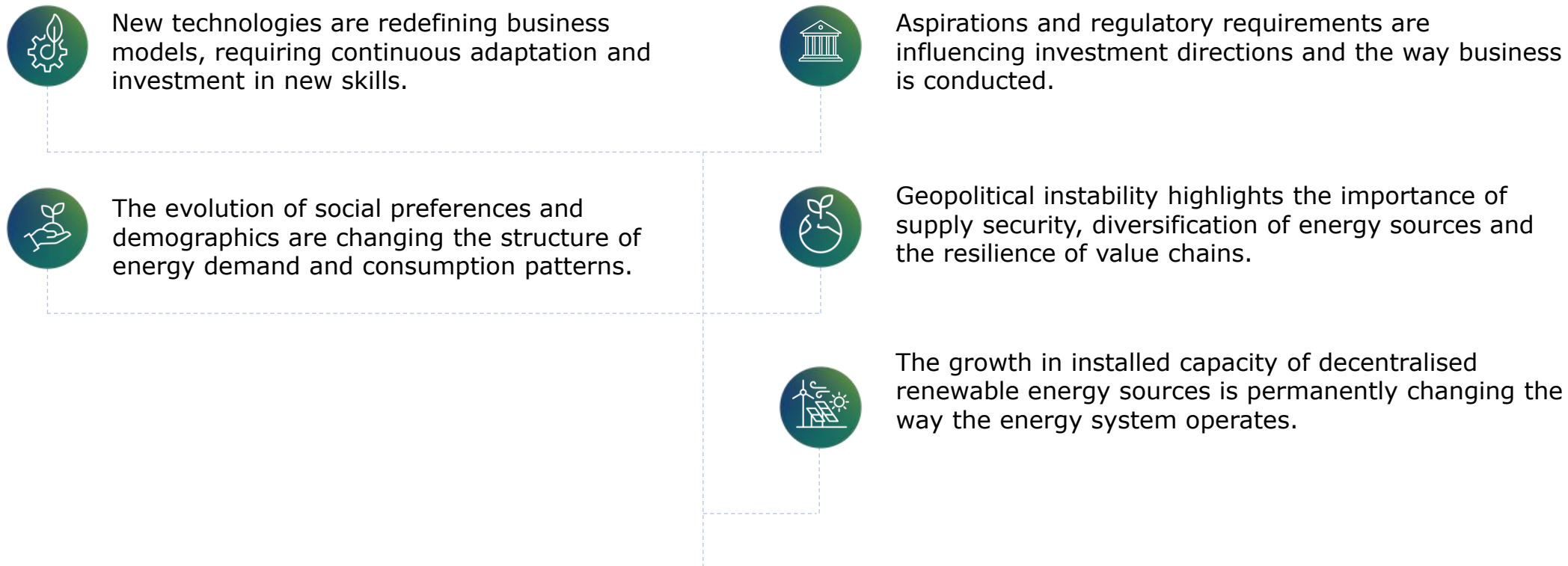
Digitisation

Digitisation and automation will allow for simpler optimisation of energy costs and generate additional revenues, e.g. through DSR services, energy storage participation in capacity auctions and flexibility services.



Source: Towarowa Giełda Energii SA (TGE)

The PGE Group's 2035 Strategy to addresses the growing volatility and unpredictability of the business environment



We operate in a reality where volatility, more than ever before, is a challenge that demands resilience and the ability to respond quickly and effectively.

Mission: Providing Energy for a Secure Future



Energy supply security

We ensure stable energy supplies thanks to flexible sources, smart grid infrastructure and energy storage facilities.



Group's value creation

We focus on creating long-term shareholder value while respecting our employees.



Supporting the competitiveness of the Polish economy

We are investing in the sustainable transition to ensure competitive electricity prices, energy independence and efficient infrastructure.



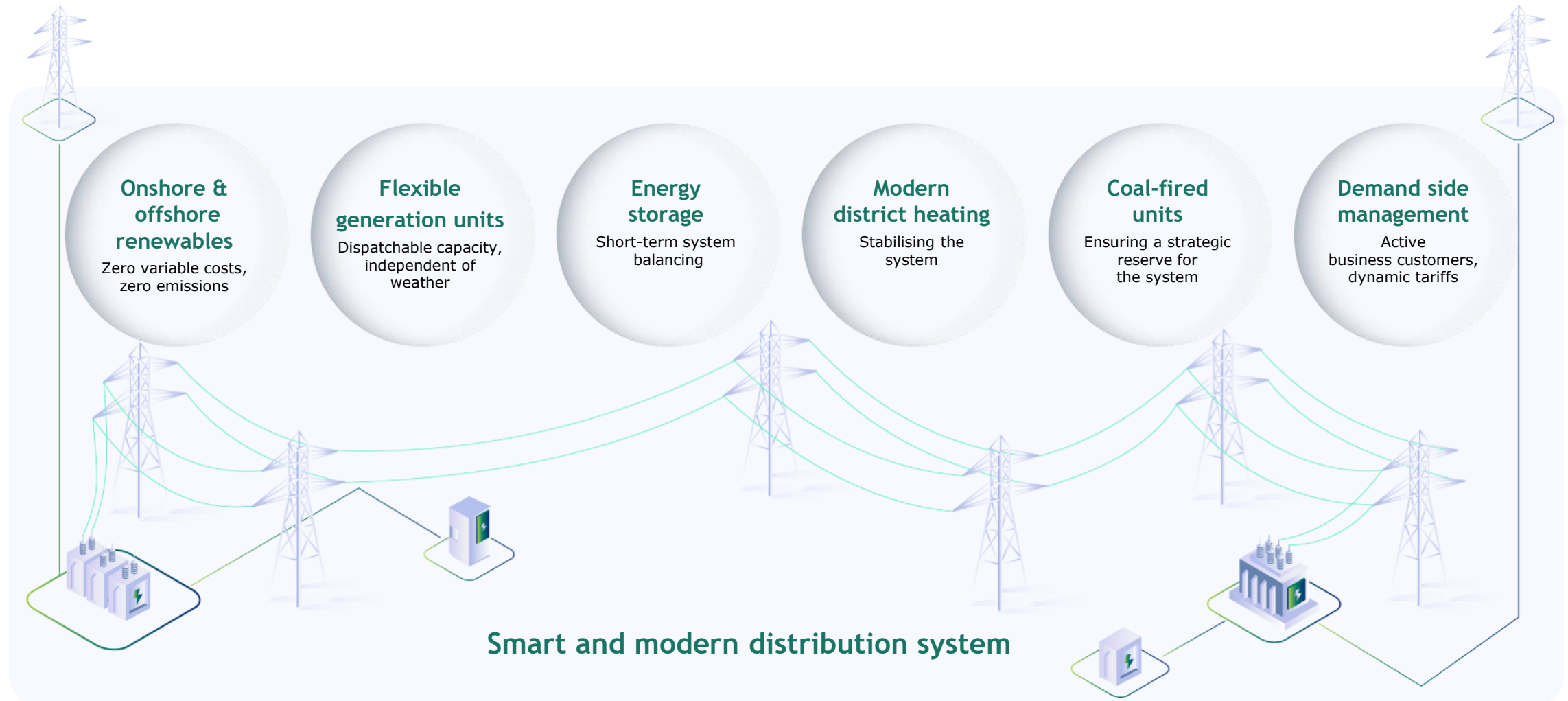
By supporting the competitiveness of Poland's economy, energy security and the domestic supply chain, we are taking rational and sustainable measures to grow PGE's value.

Dariusz Marzec

President of the Management Board

The development of smart grid is determining a new energy system architecture

A reasonable balance, increased flexibility and the ability to integrate renewable energy sources are **essential for a secure and successful energy transition.**



The flexibility portfolio as a driver of diversified revenue streams

To ensure the secure and stable functioning of the Polish Power System, the Transmission System Operator determines the necessary power configuration using advanced tools.

Why flexibility?

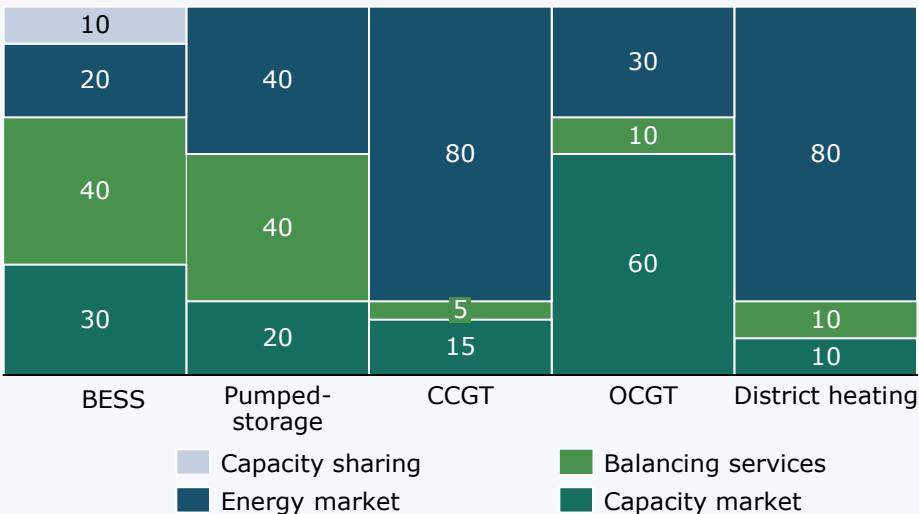
Flexibility is a **key feature of modern energy systems, essential for maintaining their stability and resilience.**

A diverse set of tools supporting the PGE Group's market strategy enables the **effective development of optimal and adaptive business models.**

With years of experience, the PGE Group is committed to consistently creating value across energy trading, technical and commercial balancing services, and participation in the capacity market.

Diversified revenue streams

Illustrative structure of energy and capacity revenue streams by individual technologies [%]



Role of the PGE Group's segments



	Distribution	Renewables	Gas energy	Energy Storage	Integrated district heating systems	Coal Energy	Business partners	Residential customers	Nuclear power
Key strategic aspiration	+11 GW additional connected RES capacity	28 TWh electricity*	10 GW power capacity	18 GWh capacity*	100% heat from zero- and low-emission sources	Asset optimisation	#1 flexibility services for business	#1 Customer service	Location assessment programme
Cumulative CAPEX 2025-2035	PLN 75 bn	PLN 85 bn	PLN 37 bn	PLN 14 bn	PLN 18 bn	PLN 5 bn	PLN 0.5 bn	PLN 0.6 bn	Research expenditure: several hundred million PLN
EBITDA in 2035	PLN 10 bn	PLN 10.2 bn	PLN 7 bn	PLN 2.1 bn	PLN 2.8 bn	-	PLN 0.8 bn	PLN 0.5 bn	-

* Total production/capacity of projects implemented with PGE's participation

#1 Energy distribution

Smart grid connection availability more than doubled



PGE S.A.

Strategic outlook
Investment financing

Strategic and ownership supervision

PGE Dystrybucja

Operational Outlook

PGE Energetyka Kolejowa

Operational Outlook

CAPEX

PLN 37 bn

until 2030

PLN 75 bn

until 2035

EBITDA

PLN 8 bn

until 2030

PLN 10 bn

until 2035

Our motivation:

Supporting the growth of renewables

Increasing the reliability of the grid

Improving the investment attractiveness of
distribution areas

Stable tariff revenues

Electrification of the economy

Increasing energy security

For whom:

Prosumers

Development of distributed generation
(PV, heat pumps)

Energy customers

Reliable power supply

Producers

Increased availability of connection capacity

PGE shareholders

Element of building the Group's value

Rational development of the distribution segment as a foundation for the PGE Group's value growth

PGE Group's investments will be focused on increasing connection capacity, observability and controllability, as well as on automating grid operation. Operational efficiency and alignment of development directions with transformation priorities will ensure solid levels of profitability.

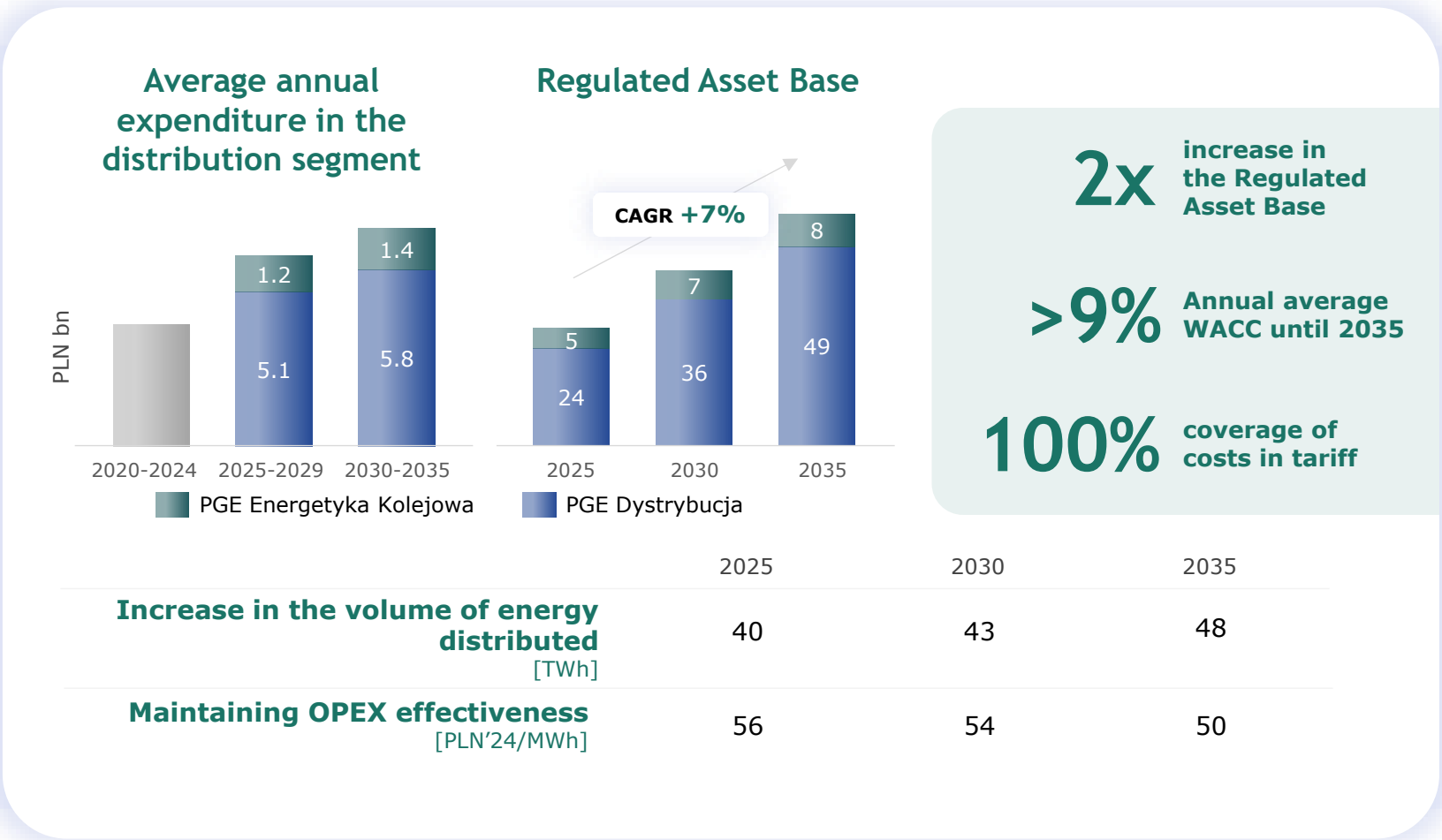
- 1

Long-term outlook for the electrification of the economy
- 2

Developing the Regulated Asset Base in alignment with the directions incentivised by the Energy Regulatory Office
- 3

Planning growth with the use of flexibility services
- 4

Digitalisation and automation – necessary for the continuity of operation of smart grids and the cost efficiency of DSOs



2025

2030

2035

Increase in the volume of energy distributed

[TWh]

40

43

48

Maintaining OPEX effectiveness

[PLN'24/MWh]

56

54

50

#1 Renewable Energy

26 TWh of green electricity from offshore and onshore RES



Our motivation

Decarbonisation of the generation mix and maintenance of the position as the leading supplier of green electricity to the grid

Financial potential and competencies to implement megaprojects

Ability to secure long-term revenues through CfDs

Change in the perception of the Group by stakeholders, including financial institutions

PGE S.A.

Strategic outlook

Investment financing

Sourcing and managing partnerships

Sale of electricity and balancing services

Coordination of cPPA conclusion

PGE Baltica

Operational outlook
(Offshore wind)

PGE Energia Odnawialna

Operational outlook
(Onshore RES)

CAPEX

PLN 34 bn

until 2030

PLN 85 bn

until 2035

EBITDA

PLN 3.6 bn

until 2030

PLN 10.2 bn

until 2035

For whom

Energy consumers

Supply of green electricity at competitive rates

PGE shareholders

Element of building the Group's value

Project partners

Market access for electricity and balancing power

Clean energy for economic competitiveness and resource independence

Affordable energy is key to business competitiveness, clean transport and efficient district heating. PGE Group's investments and competencies will allow Poland to reduce its reliance on fuel imports and meet its emission reduction targets.

Strategy drivers

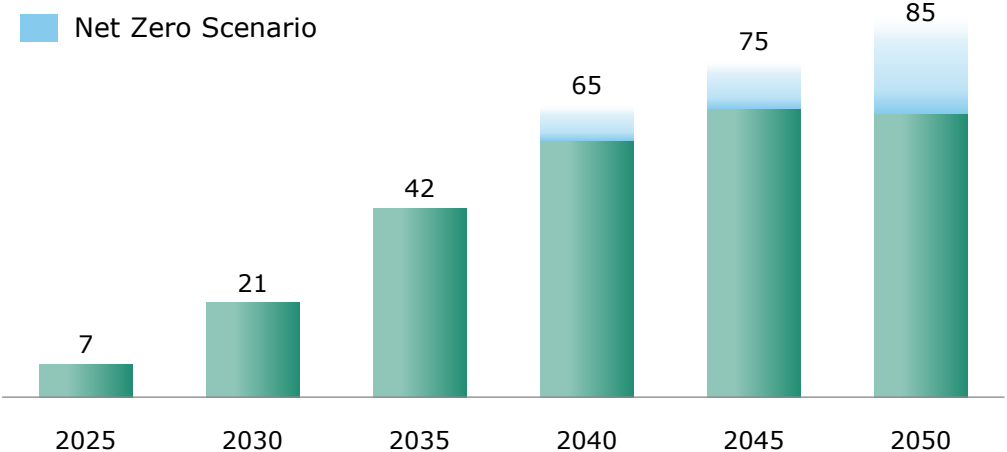
- 1 Competitiveness and independence
- 2 Stakeholder expectations
- 3 Poland's international obligations



Impacts of the strategy

- Diversification and balancing of the Group's portfolio
- Affordable electricity prices and an increase in company value
- Responsible transition
- Net Zero 2050

Share of RES in PGE Group's generation [%]



#1 Flexible gas capacity

10 GW of dispatchable capacity, enabling a safe energy transition



PGE S.A.
Strategic outlook

- Investment financing (including project finance)
- Developing an auction strategy
- Capacity obligations management
- Optimisation of gas contracting sources
- Monetisation of the commercial flexibility of assets
- Analysing opportunities for partner engagement

Gas Power Segment
Operational outlook

CAPEX

PLN 27 bn

until 2030

PLN 37 bn

until 2035

EBITDA

PLN 4 bn

until 2030

PLN 7 bn

until 2035

Our motivation

Maintaining the position of the leading electricity supplier to the Polish Power System

Strong financial capacity and expertise to execute large-scale and complex projects

Strategically located sites, suitable for large-scale investments within the PGE Group

Stable revenue streams from capacity mechanisms and effective monetisation of market volatility in energy and ancillary services

For whom

System operator

Stabilisation of the Polish Power System

Energy consumers

Guaranteed energy supply

Renewables


Greater integration capacity for RES

PGE shareholders

Element of building the Group's value

PGE Group's aspirations regarding gas energy


The revenue streams of the gas-fired units will be based on the capacity market, electricity sales, and the provision of balancing services.



CCGT plants

4 GW

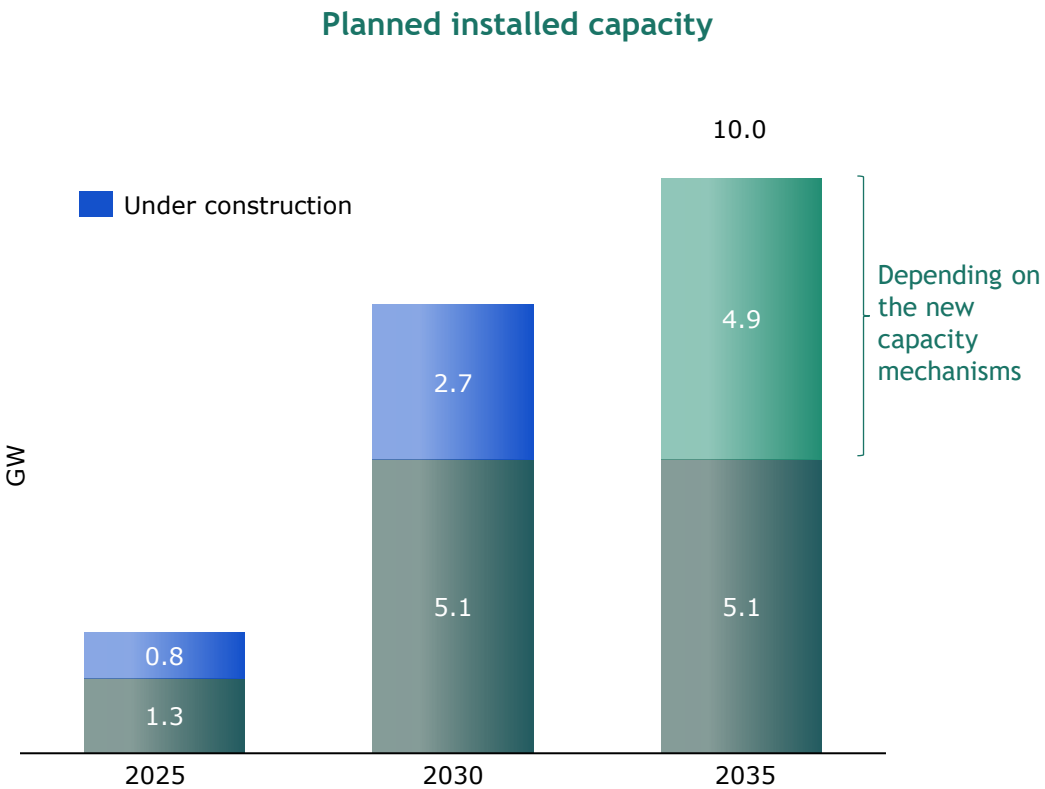
Gryfino I (existing)
Rybnik I (under construction)
Turów (being analysed)
Potential M&A



OCGT plants

6 GW

Gryfino II (planned)
Rybnik II (planned)
Ostrów Wlkp. (being analysed)
New locations (being analysed)
Potential M&A



The extent of the capacity implemented in excess of 5.1 GW will depend on the attractiveness and predictability of their compensation mechanisms (extension of the capacity mechanisms)

#1 Energy Storage

18 GWh capacity for RES integration and market balancing

Our motivation

Sustaining the position as the leading electricity supplier to the Polish Power System

Ensuring system balance through integration and management of the Group's own renewable energy sources

Strategically located sites for investment in both large-scale and distributed electricity and heat storage facilities

Unlocking new revenue streams through the monetisation of energy market volatility



PGE S.A.

Strategic outlook

Investment financing

Commercial storage management

Acquisitions

PGE Energia Odnawialna (physical and chemical storage)

Operational outlook

PGE Energia Ciepła (thermal storage)

Operational outlook

CAPEX

PLN 9 bn

until 2030

PLN 14 bn

until 2035

EBITDA

PLN 1.7 bn

until 2030

PLN 2.1 bn

until 2035

For whom

Transmission System Operator

Short-term system balancing

Energy consumers

Energy prices stabilisation

Renewables

Greater integration capacity for RES

PGE shareholders

Element of building the Group's value

Broad exposure to available energy storage technologies

Energy storage facilities will enable reliable short-term system balancing and support the continued integration of renewable energy sources. Through price arbitrage opportunities, they can also contribute to the stabilisation of electricity and heat prices.



Battery energy storage system (BESS)

Technical and commercial balancing for renewable energy sources and local grid balancing (distributed storage).

Revenue from capacity mechanisms reinforced by revenue from the balancing services market and energy market arbitrage.



Pumped-Storage Hydro (PSH)

Participation in daily balancing and the full range of regulatory ancillary services (e.g. blackstart).

PSH Młoty – additionally reduction of flood risk thanks to the support of water management.



Heat storage

Combining renewable electricity and district heating by using surplus RES production.

Optimising the operation of cogeneration sources.

PGE Energia Odnawialna

PGE Energia Ciepła



#1 Clean district heating

Leader in integrated, efficient district heating systems

Our motivation

Keeping the local heat markets' leadership

Supporting the flexibility of the power system through the Group's commercial competencies

Optimisation of operation of generation and distribution assets

The combination of stable tariff revenues and CHP support mechanisms ensures return on investment and maintains EBITDA stability



PGE S.A.
Strategic outlook

Financing of investments
Optimising gas contracting sources
Monetising the commercial flexibility of assets

PGE Energia Ciepła
Operational outlook

CAPEX

PLN 9.3 bn

until 2030

PLN 18 bn

until 2035

including **PLN 3 bn** for network acquisitions and modernisation

EBITDA

PLN 2.7 bn

in 2030

PLN 2.8 bn

in 2035

For whom

Heat consumers

Reliability of heat supply

Heating distributors

Thermal power availability

Local governments

Energy security and financing the necessary expenditures for network modernisation

PGE shareholders

Element of building the Group's value

Environment and climate

Reduction in CO₂ and NO_x emissions, and water use

District heating on the road to climate neutrality

A roadmap is being developed for each heating system location to achieve climate neutrality while maintaining the price competitiveness of district heating.



Transformation of generation assets

Maximising the potential of Power-to-Heat

Replacing the old coal-fired units with new high-efficiency gas-fired units

Construction of heat accumulators at all locations to optimise power in the sources



Modernisation and development of network infrastructure

Reduction of transmission losses and gradual implementation of low-temperature networks

Optimal power and generation management thanks to **integration** into heat distribution networks

Implementing Smart Heat technologies



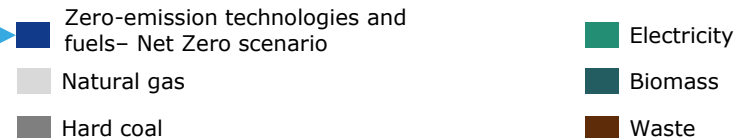
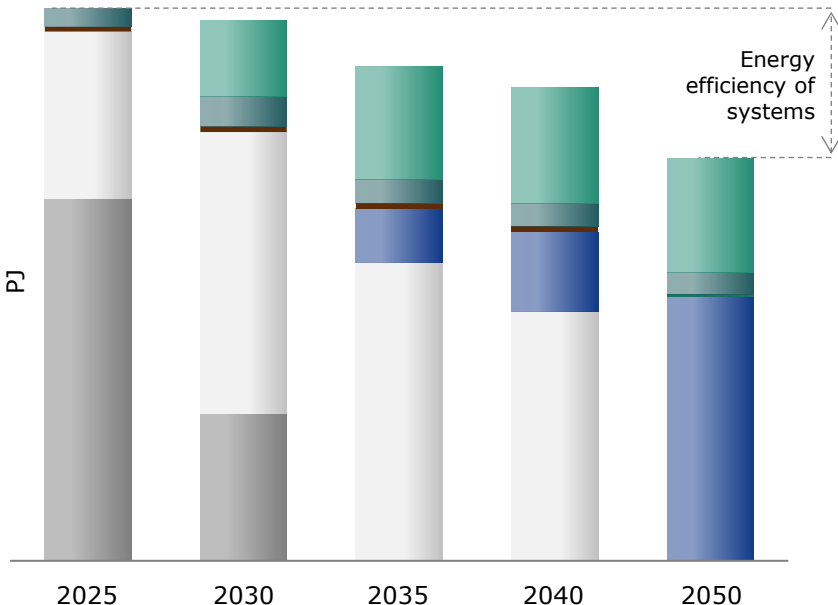
Scoping effective pathways to achieving climate neutrality

Striving to achieve the status of **efficient district heating systems** in integrated locations

Research and analysis on the possibility of using SMR units, zero-emission fuels, or CO₂ capture

Technical and economic assessment of the possibility of **fuel-switching in gas units** and preparation of the supply chain

Structure of district heating production



The level of production utilising electricity will have greater potential with increased commercial production management capacity and regulatory incentives for *Power-to-Heat*.

-60%

Reduction in CO₂ emissions by 2035 (compared to 2021)

-3 p.p.

Reduction in average network losses (compared to 2021)

Net Zero

by 2050
based on new technologies and zero-emission fuels

Investments in the transformation and modernisation of district heating systems

The transformation of district heating assets will allow us to achieve climate neutrality while maintaining price attractiveness and security of supply.



Transformation of generation assets

- Phasing out coal-fired heating units
- Deploying **gas-fired cogeneration** as a flexible transitional technology that enables a rapid shift away from imported coal and supports the future use of zero-emission fuels
- **Implementing Power-to-Heat technologies** powered by clean electricity, such as electrode boilers and heat pumps

PLN 15 bn

Development and maintenance of district heating assets until 2035



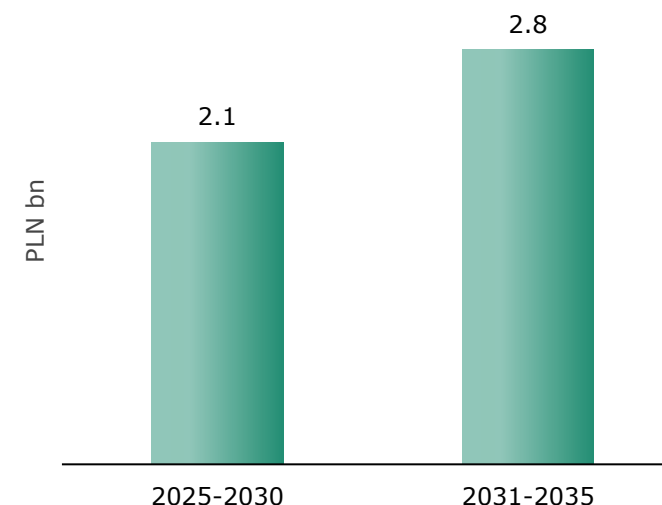
Modernisation and development of network infrastructure

- **Acquisition** of heat distribution networks
- **Integration** of the generation assets under development
- **Optimisation of the network structure** accounting for the role of waste heat, off-grid and hybrid systems

PLN 3 bn

Potential acquisitions and modernisations of district heating networks

Average annual EBITDA



A responsible approach to the transition from coal energy

Change in generation mix

- Competitiveness of coal-fired power plants limited by CO₂ emission prices
- Change in the nature of operation of coal-fired units from baseload to peak-reserve
- Loss of profitability of coal operations

Decline in coal energy demand

- The need for cost optimisation to reduce losses
- The need for rational asset management based on clear criteria and standards

Need to maintain power in the system

- Coordination of available capacity with TSO's actual needs
- The need to implement a long-term financing mechanism for critical assets

Evolution of the competence profile

- A qualified, experienced and committed team of employees
- Employment potential in PGE Group's growth segments

Circular Economy

- Utilising opportunities for a business use of reclaimed land
- Effective management of decommissioned power plant assets



DIALOGUE WITH EMPLOYEES
COOPERATION WITH LOCAL COMMUNITIES
COORDINATION WITH THE TRANSMISSION SYSTEM OPERATOR

Utilisation of infrastructure for the implementation of new investments by the Group

Optimised asset management and cost rationalisation


Cooperation with the public administration and the Transmission System Operator

Reskilling of employees, engagement in growth segments

Reclamation and repurposing of retired power plant sites

Nuclear energy as a long-term strategic option

For the period beyond 2035, the PGE Group will continue to develop additional strategic options, seeking the most effective pathways to achieve the Net Zero scenario. The key criterion will remain the creation of Group value based on zero-emission generation, while supporting the competitiveness of the economy.



Nuclear technologies
including SMR

”Nuclear power in PGE”

Location assessment programme

3 locations
preselected for
detailed analysis
(Bełchatów, Turów, Konin)

Strategic Rationale	PGE Group’s Plans	Project Profitability	New Group Competencies	Safety
Participation in a crucial part in the energy transition in Poland.	<p>Until 2035, spending only on preparation of projects for administrative and investment decisions.</p> <p>Subsequent decisions will depend on the results of location research and market demand.</p>	Depending on state aid mechanisms.	Readiness to participate in Polish Nuclear Power Programme (PPEJ) as a unit operator, offering (amongst other things) qualified staff, service and operational competencies, as well as sales support.	Multi-criteria analyses of safety at the construction and operation stages.



Financial effects of the Strategy

Consistent approach to value creation and investment financing

Disciplined **investment policy**

IRR >7.5%



Investment discipline defining a selective approach to projects*, conservative macroeconomic assumptions and **social responsibility**.

Adequate **debt level**

NetDebt/EBITDA <3.5x



Stable financial position supporting **energy security**. Maximising the utilisation of opportunities for **preferential financing** (including the subsidies and ESG funds).

Optimal **financing model**

Significant share of project finance



Partnerships with Polish and international financial institutions to facilitate access to **innovative financing models**.

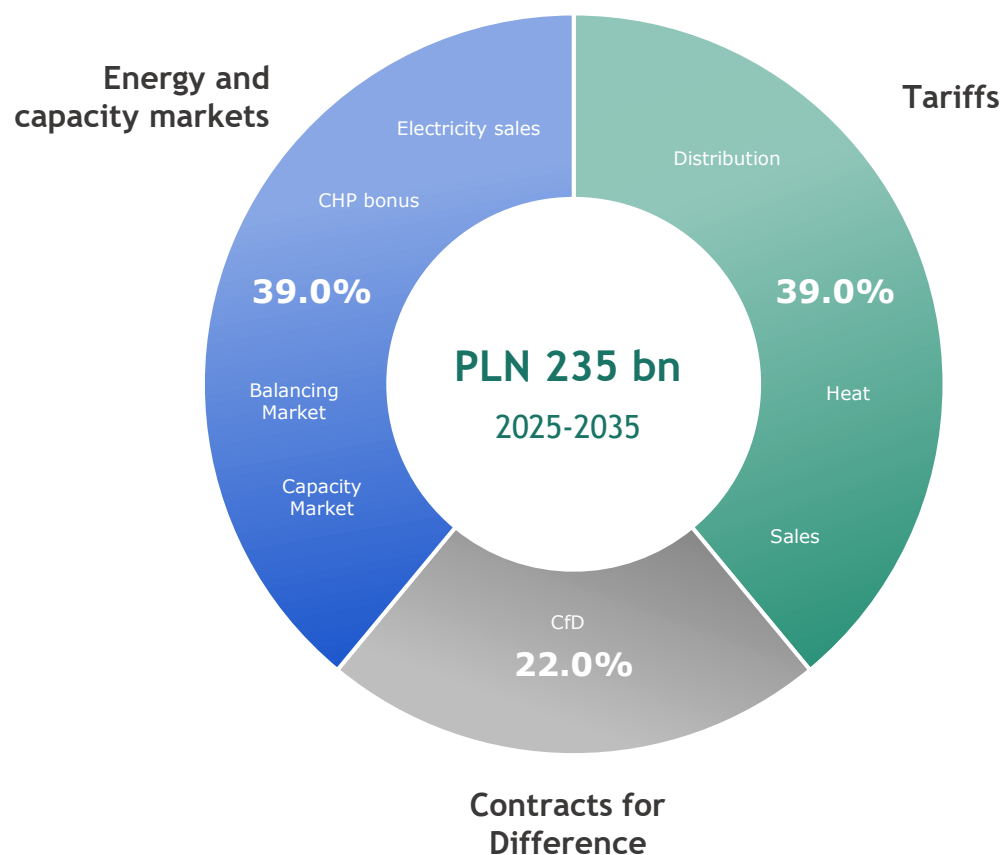
Balanced **risk profile**

BBB+rating

* IRR rate >7.5% can be reduced for projects with secured revenue streams (e.g., CfD, PPA, etc.).

A balanced capital expenditure structure supported by stable, regulated revenues and secured opportunities for profitable growth.

CAPEX by monetisation mechanisms

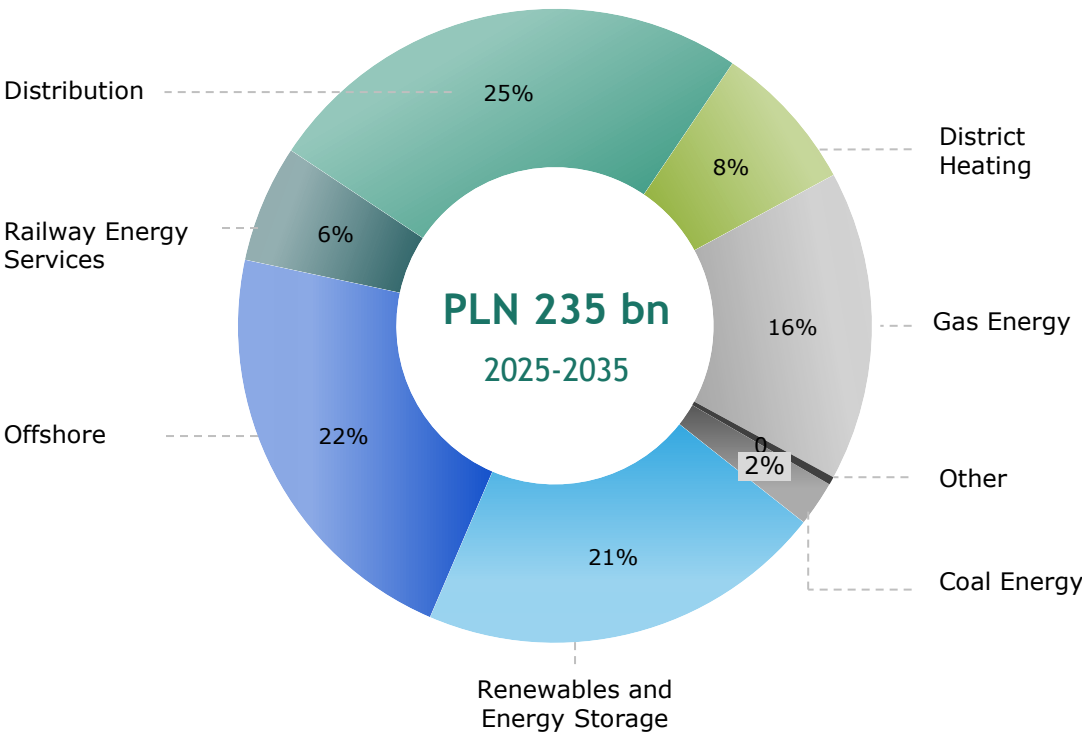


The Group's balanced capital expenditure structure will be underpinned by stable, regulated revenue streams and will be positioned to capitalise on growth opportunities arising from capacity mechanisms and balancing services.

An ambitious development programme based on regulated revenues and building growth potential in RES and flexibility

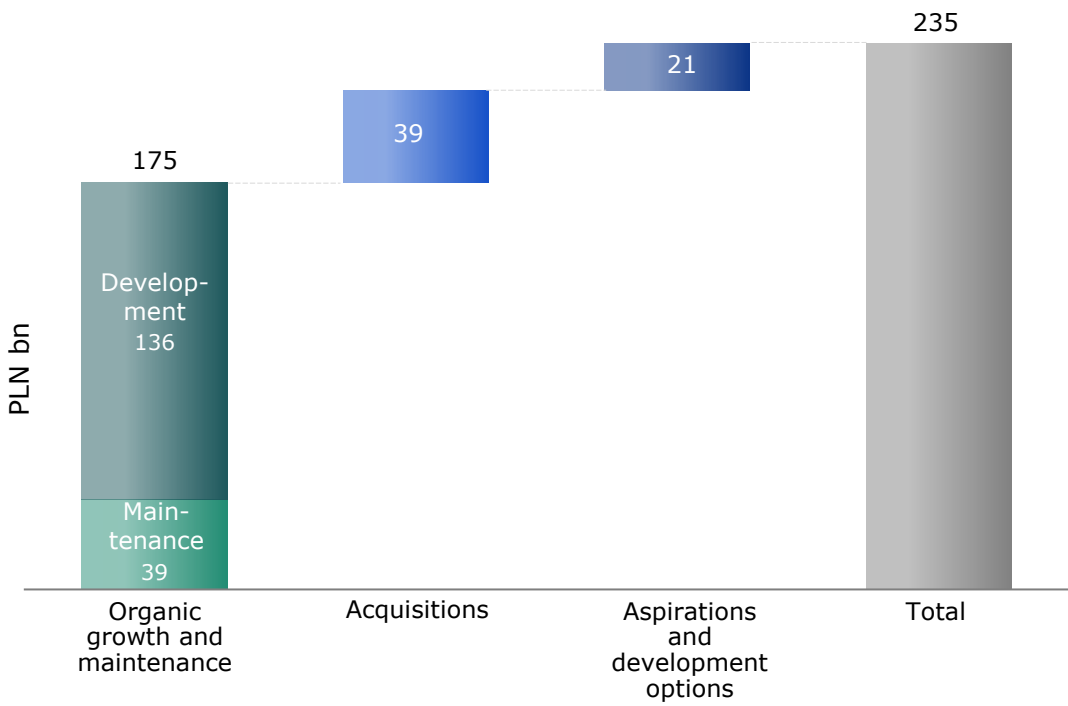
An investment programme focused on grid infrastructure, renewables and flexibility.

CAPEX breakdown by segment



Approximately 25% of CAPEX consists of acquisitions and development options, which will be pursued depending on the PGE Group's financial capacity and the availability of value-enhancing opportunities.

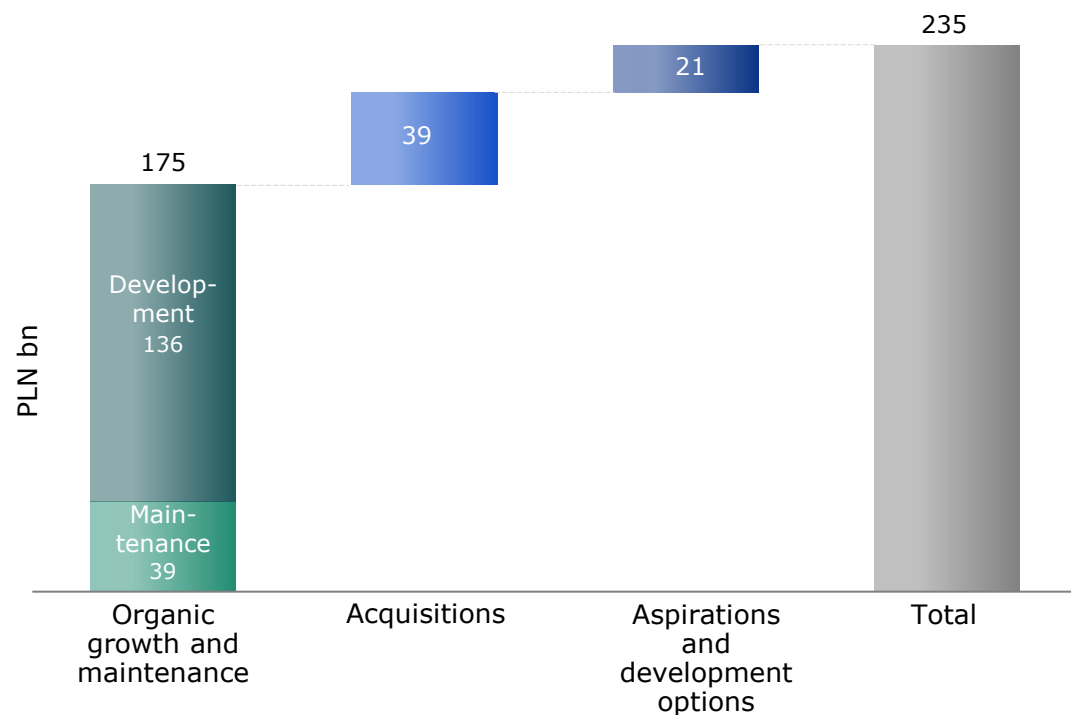
CAPEX 2025-2035



CAPEX structure and expected evolution of EBITDA structure

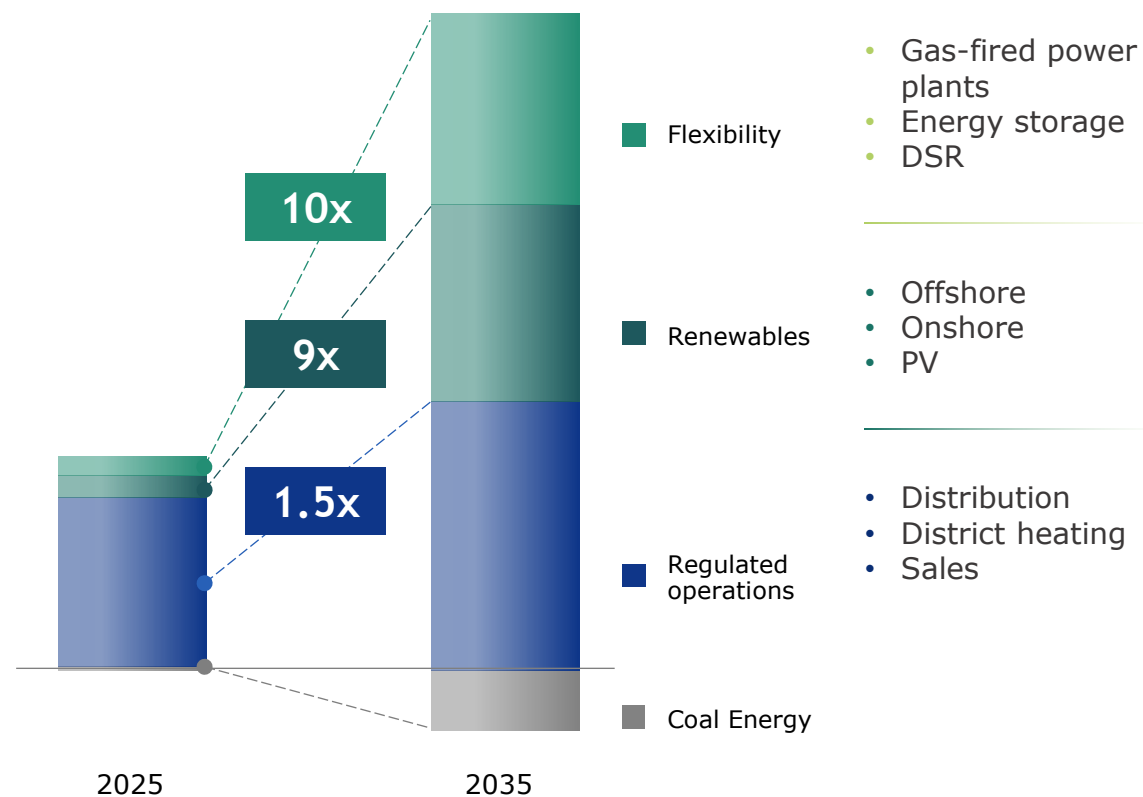
Around 25% of CAPEX is made up of acquisitions and development options, which will be implemented depending on the financial capabilities and availability of opportunities that build PGE Group's value.

CAPEX 2025-2035

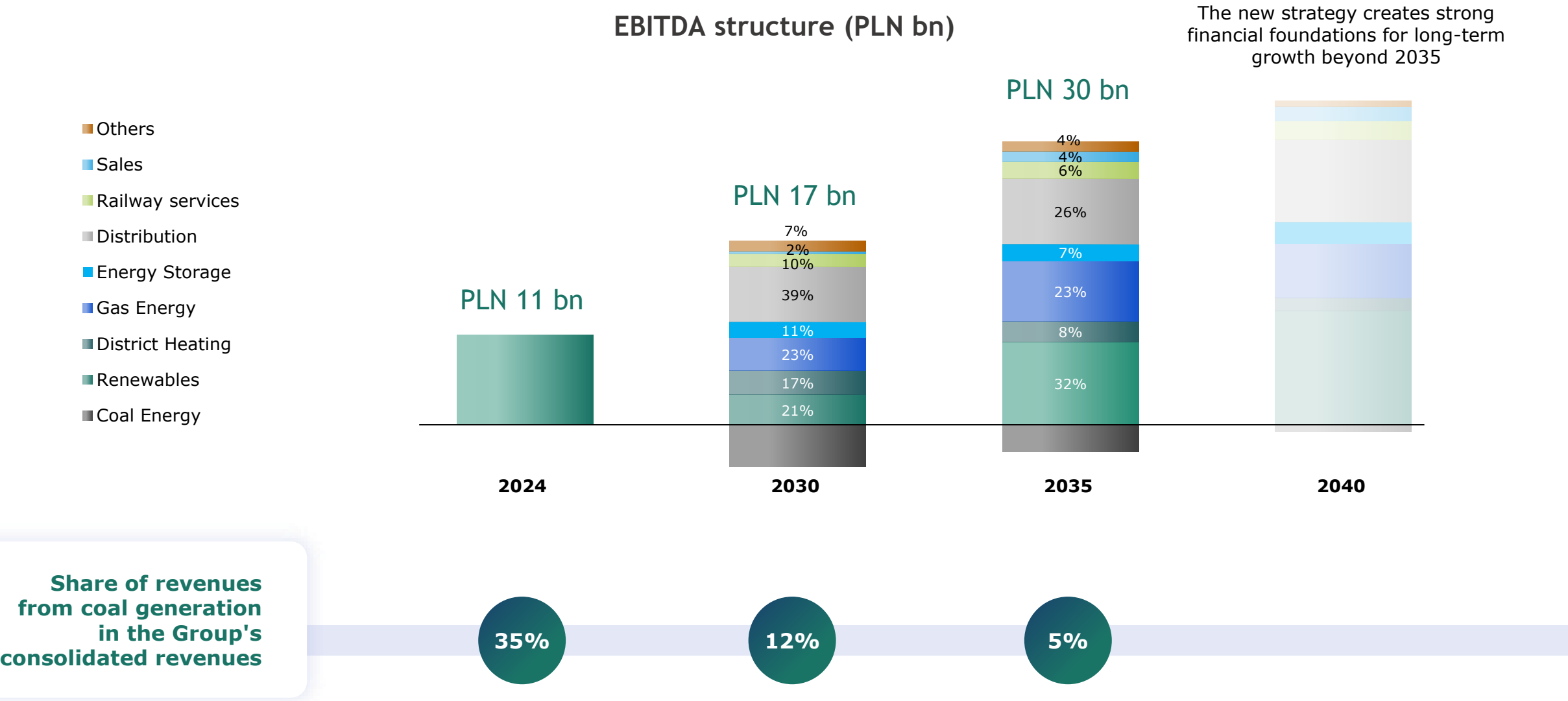


EBITDA secured by distribution and regulatory mechanisms, with growth potential stemming from RES and flexibility.

EBITDA STRUCTURE



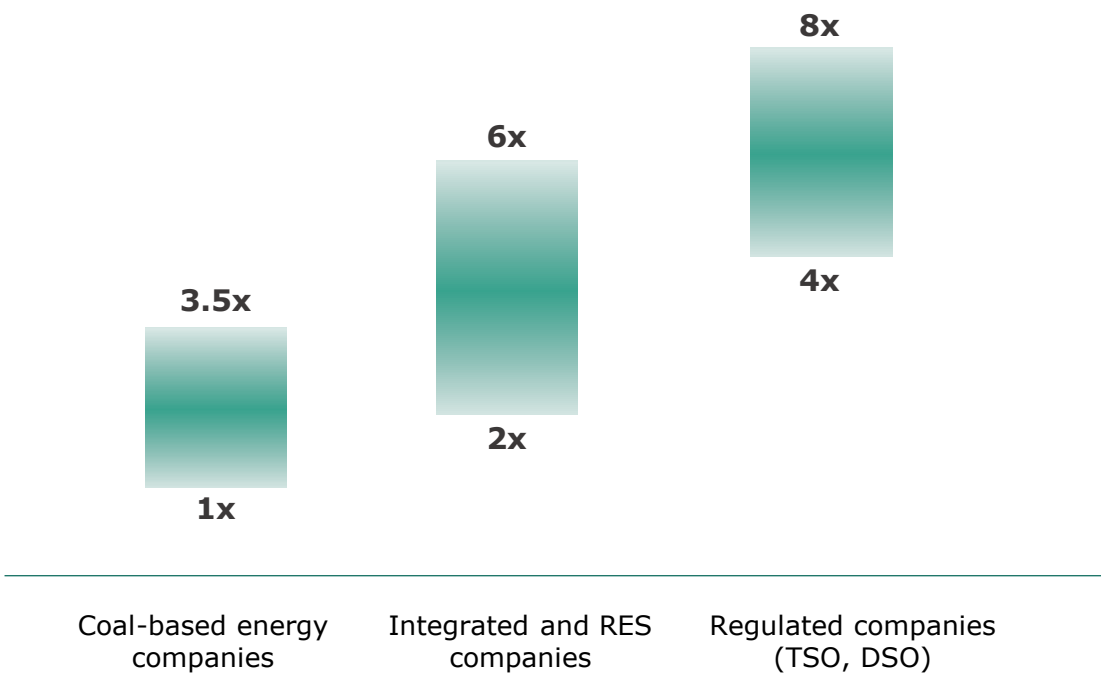
EBITDA evolution towards regulated segments, renewables, and mechanisms that reward flexibility



Business profile transformation will give the PGE Group greater ability to finance its growth

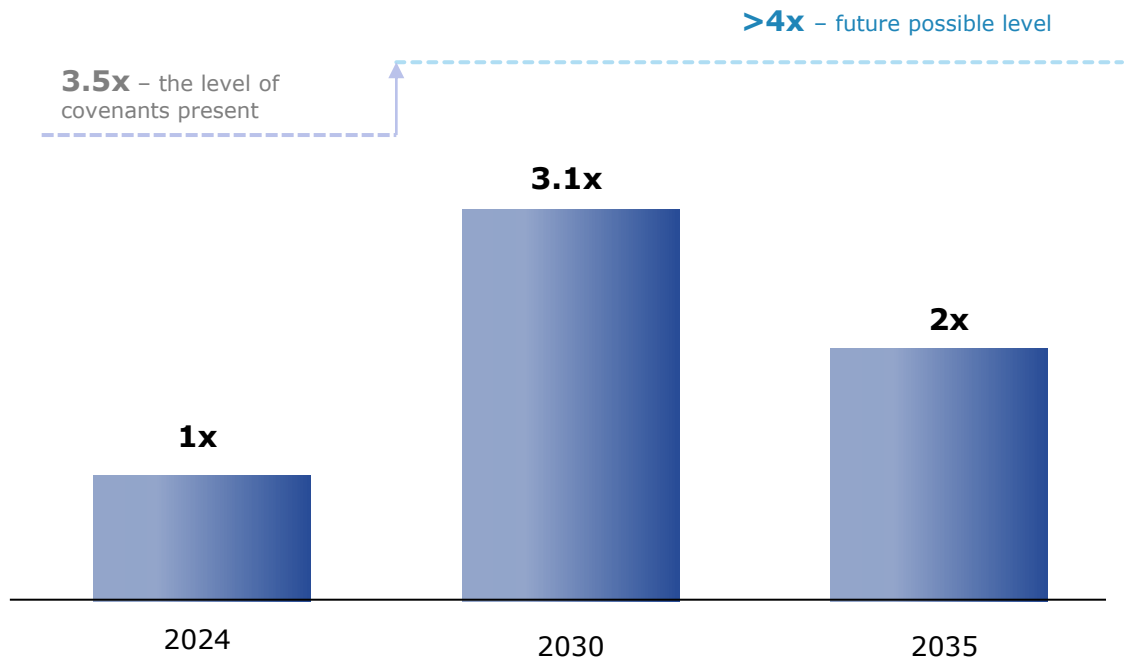
At present the PGE Group maintains a low net debt-to-EBITDA ratio compared to the industry in general.

Typical NetDebt/EBITDA ratios of energy companies by business profile



The Group aims to improve its risk profile by adopting new growth financing models, enabling a safe increase in net debt levels while maintaining its credit rating and keeping financial costs under control.

Forecast of net financial debt to EBITDA of the PGE Group



Potential for regular dividend payments

Dividend payments planned upon achieving the following criteria:

1

Recurring net profit

2

Prospect of positive free cash flow for a minimum of 2 years

3

Maintenance of investment rating

4

Absence of one-off events having significant impact on cash flow



Addressing the issue of financing the operational gap in coal-based energy segment (particularly in the lignite mining) will accelerate dividend payments.

ESG as a source of stakeholder value

The strategic goals of the PGE Group are adopted with the aim of positively impacting the surroundings. Integrating the ESG aspects into management practices ensures complete alignment with sustainability principles.

ENVIRONMENTAL

Minimising the negative impact of operations on the environment and implementing initiatives contributing to environmental protection

- New dispatchable generating units
- Expansion of the RES portfolio
- Grid modernisation enabling more RES connections and less re-dispatching
- Implement biodiversity conservation and water management policy objectives
- Implement circular economy principles and reduce resource consumption

Net Zero by 2050

-75% CO₂ emissions by 2035

-76% NO_x emissions by 2035

SOCIAL

Support for the responsible transition of the Polish economy, care for employees and relations with communities

- Reducing the risk of energy price increases and strengthening security of supply
- Stable working conditions and a partnership-based approach to local communities
- Engaging local authorities in planning a responsible transformation
- Supporting employee development and fostering their commitment

Gender pay gap: <5%

Aspiration and Zero Accident Policy

GOVERNANCE

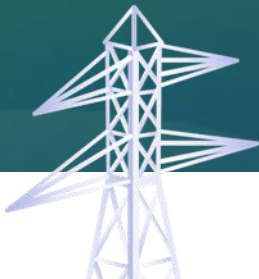
Standards of organisational management

- Organisational resilience and transparency
- Management of processes and organisational culture
- Principles of responsible ESG-compliant corporate governance
- Recognition of minority shareholders' rights

>30% variable remuneration for the Management Board depending on the achievement of ESG targets

>90% anti-corruption training for particularly exposed job positions

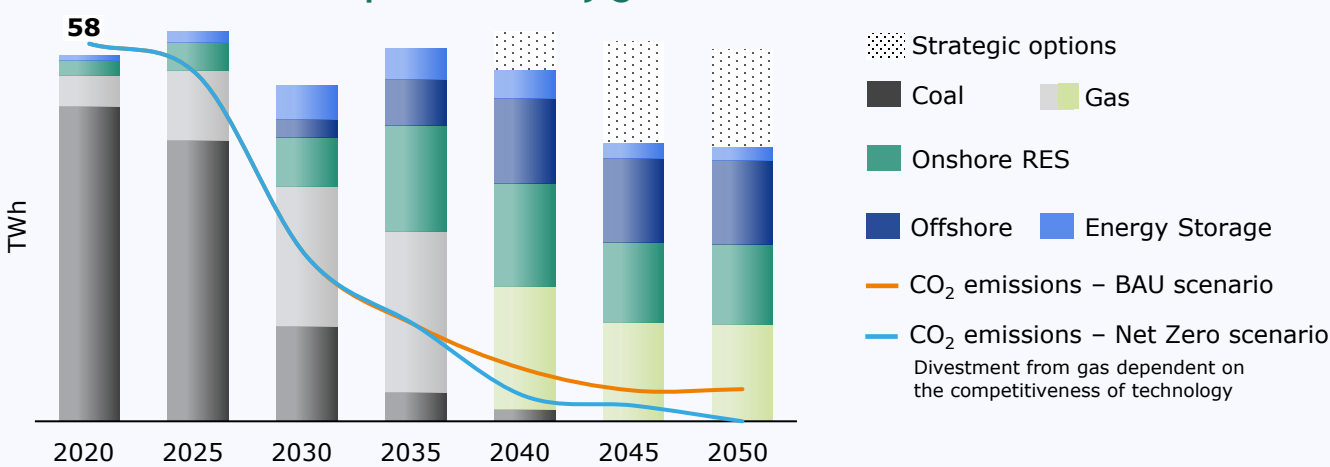
PGE's transition on the path to Net Zero



The implementation of flexibility initiatives will enable PGE Group to responsibly expand its portfolio of renewable sources.

Due to a significant decline in coal-based energy production volumes – caused by market and regulatory factors – **PGE will focus on large-scale low- and zero-emission projects** that enable rapid growth in the clean generation market.

PGE Group's electricity generation mix



	2030	2035	2050
CO₂ emissions (scope 1: fuel combustion) vs. 2024	-50%	-75%	-99% – Net Zero scenario -92% – BAU scenario
Average emissions of electricity production [kgCO ₂ /MWh]	415	230	0 – Net Zero scenario 90 – BAU scenario
Average variable cost of generation in the Group's portfolio [PLN'24/MWh]	390	368	250

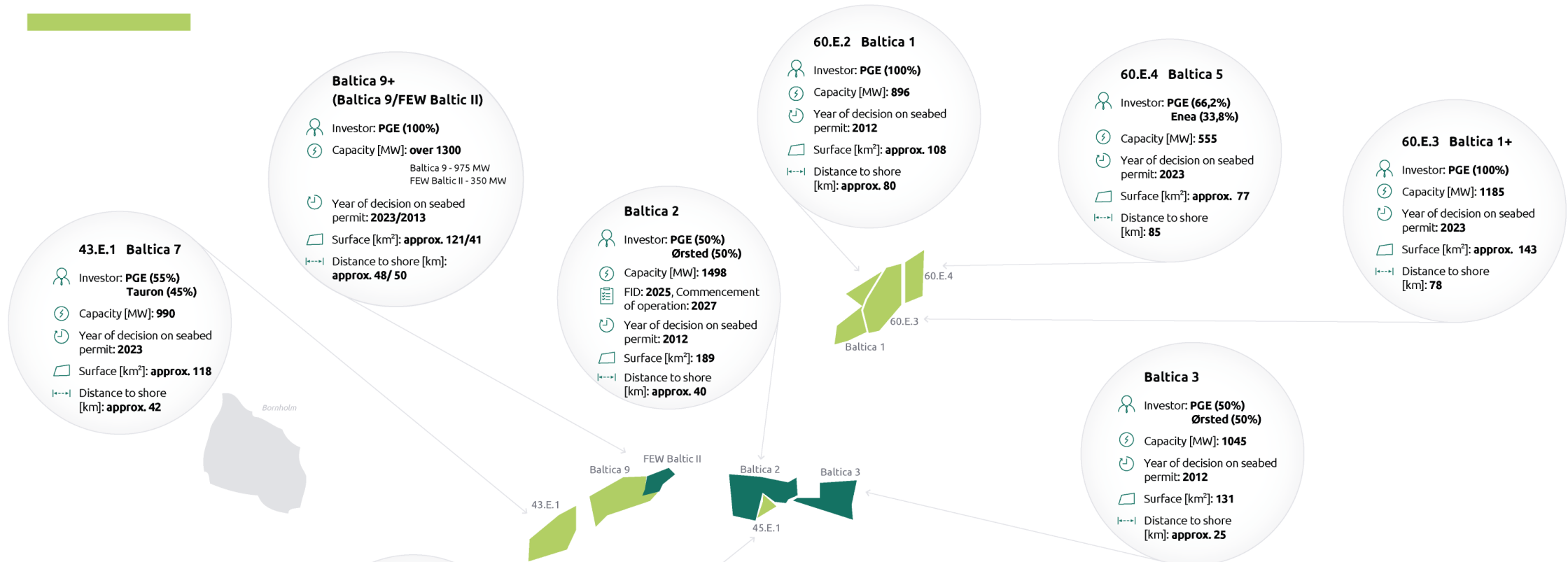
*BAU – business as usual

Production at coal-fired power plants after 2035 depends on the demand of the Transmission System Operator and on the mechanism for financing the operational gap

Ongoing & completed investments



PGE offshore wind projects portfolio



Ownerships:

Baltica 1 (100% PGE)

Baltica 1+ (100% PGE)

Baltica 2 (50% PGE, 50% Ørsted)

Baltica 2+ (50% PGE, 50% Ørsted)

Baltica 3 (50% PGE, 50% Ørsted)

Baltica 5 (~66% PGE, ~34% ENEA)

Baltica 7 (~55% PGE, ~45% Tauron)

Baltica 9+ (100% PGE)

Projects of I phase of support scheme (administrative decision).
 CfD contracts for Baltica 2, Baltica 3, FEW Baltic II secured in 2022.
 Projects of II phase of support scheme (offshore wind auctions).
 CfD contract for Baltica 9 secured in the 2025 auction.

Baltica 2 project in progress



Power: **approx. 1.5 GW**



Distance to shore: **approx. 40 km**



Operation commencement: **2027**

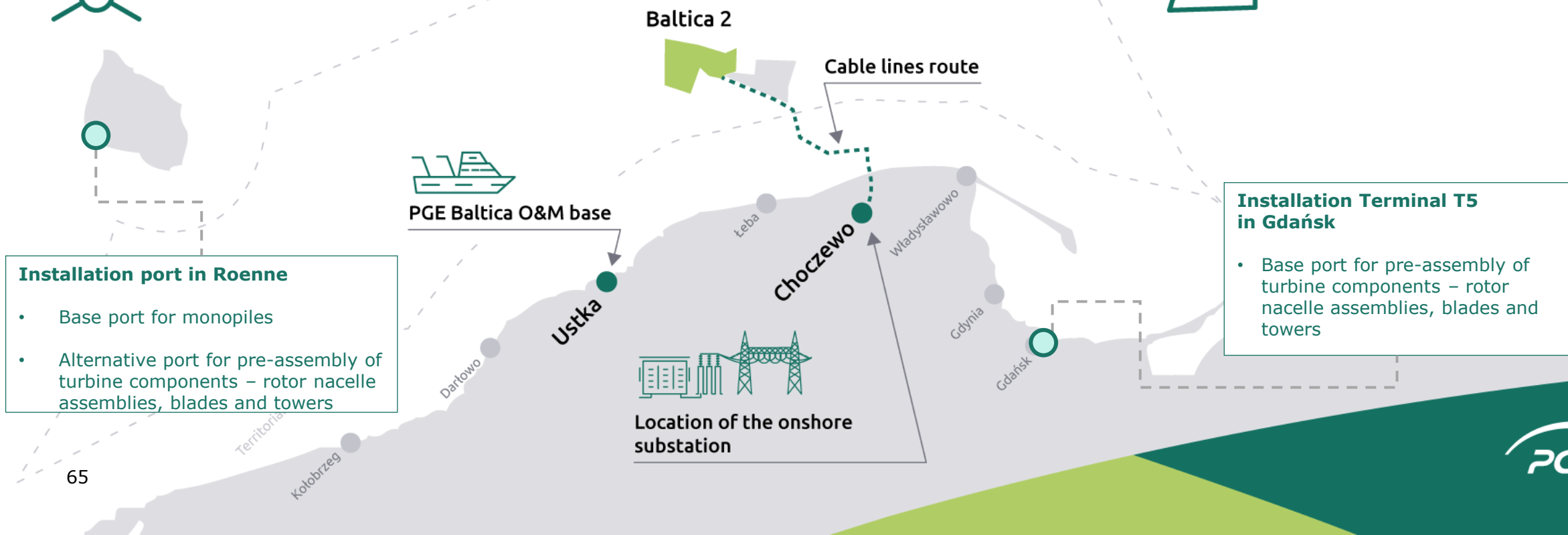


Number of turbines: **107**

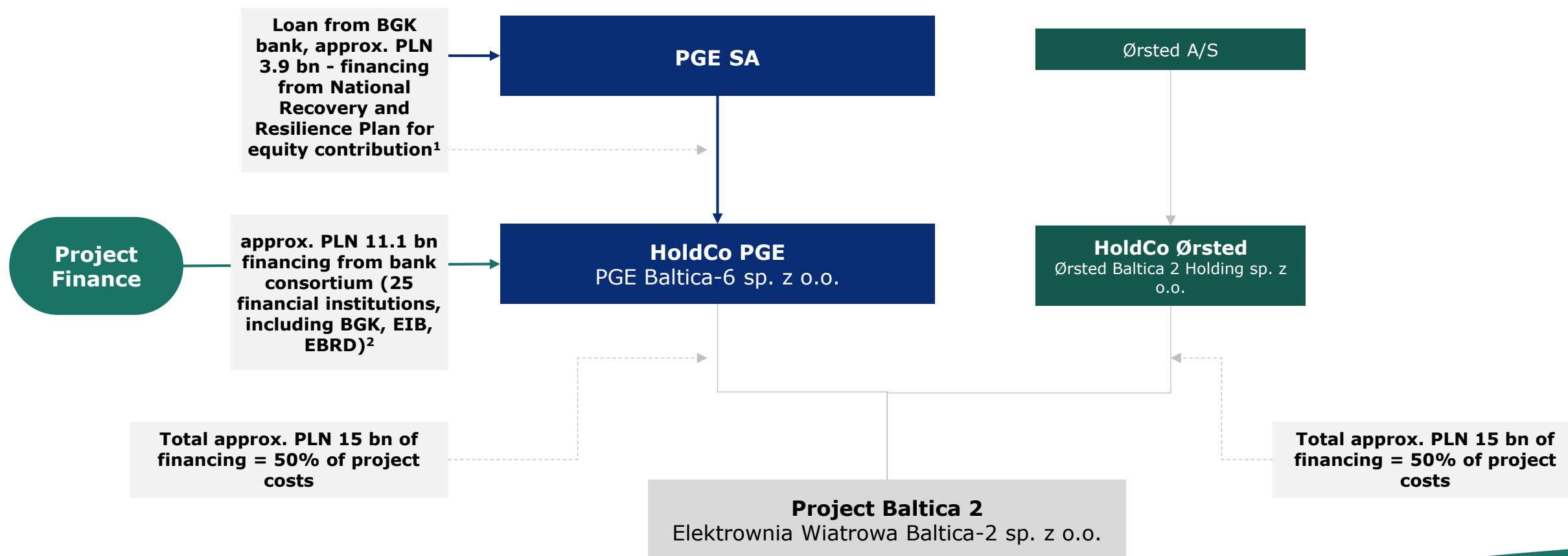
Annual generation: **5.4 TWh**



Surface: **190 sq. km**



Financing Structure of the Baltica 2



¹ final maturity date of the loan - Dec 20, 2036

² non-recourse project finance of approx. PLN 11.1 bn for the construction period and the following 22 years. Possibility to use additional credit lines in amount of approx. PLN 1.5 bn.

CfD for the Baltica 2, Baltica 3, FEW Baltic II

Offshore wind support based on CfD scheme

Projects of I phase of support scheme

1. **Secured CfD strike price: PLN 319.60/MWh (EUR 71.82/MWh)** (in 2021 prices)
2. **Annual indexation with the consumer price index (CPI) for the previous year or inflation target of Monetary Policy Council (whichever is lower)**
3. **Current strike price of CfD (for 2025): PLN 443.49/MWh**
4. **25 years of support** - one of the longest support period in the offshore market, which allows Project Finance debt repayment to be extended, investment to be highly leveraged and project debt repayments to be spread optimally over time
5. **CfD settlement against electricity prices for single Imbalance Settlement Period** – during the support period, the Offshore Wind Farm does not incur a profile costs

First ever offshore wind auction in Poland

Contract for Difference granted to Baltica 9 along with ability to develop the neighbouring site will allow PGE to build Baltica 9+ offshore wind farm with total capacity of about 1.3 GW.

Baltica 9



Capacity: **975 MW**



Distance to shore: **approx. 48 km**

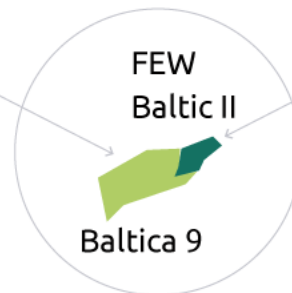


Surface: **approx. 121 km²**



PGE Baltica O&M base in Ustka

Baltica 9+



FEW Baltic II



Capacity: **350 MW**



Distance to shore: **approx. 50 km**



Surface: **approx. 41 km²**

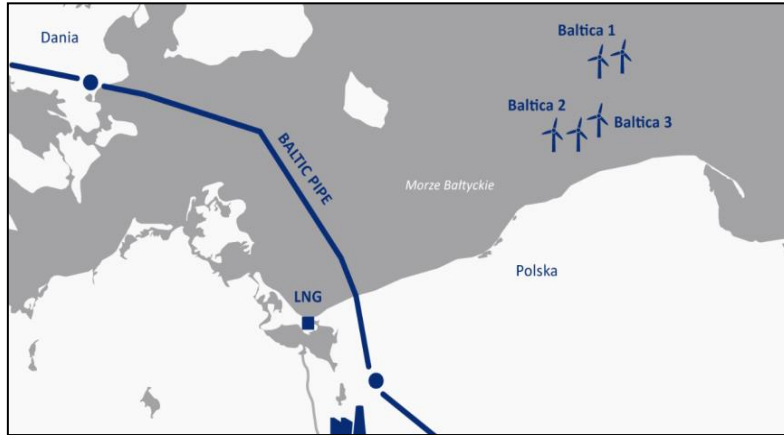


Offshore wind -2025 auction



- **The Act of November 27, 2024 amending law on promotion of generation of electricity in offshore wind farms** stipulates different prices for different locations of maritime areas.
 - Ministry of Climate and Environment published in January 2025 ordinance on maximum electricity prices in offshore auctions. Based on the amended law on promotion of generation of electricity in offshore wind farms, the ordinance splits projects into 3 groups.
 - Maximum price PLN 485.87/MWh was set for projects in the areas closest to the shore (including PGE Baltica 2+, approx. 210 MW).
 - Maximum price PLN 499.33/MWh was set for projects (including PGE/Tauron Baltica 7, approx. 990 MW; PGE Baltica 9, approx. 975 MW).
 - Maximum price PLN 512.32/MWh was set for projects in the most distant areas (including PGE Baltica 1, approx. 896 MW; PGE Baltica 1+, approx. 1185 MW; PGE/Enea Baltica 5, approx. 555 MW).
- PGE has submitted two offshore wind farm projects for the 2025 auction: **Baltica 1 (896 MW) and Baltica 9 (975 MW).**
- **In the 2025 auction PGE secured 25-year CFD for project Baltica 9 (975 MW) at PLN 489 PLN/MWh (2025 price).**
- **The start of operations is planned for December 17, 2032.**

1st gas power plant in Poland - Gryfino commissioned in 2024



Gross capacity: 2x683 MWe

Net efficiency : approx. 63%

Fuel: gas

Net emission rate : <0.35 t CO₂/MWh

Contract value (net): PLN 3.70 billion

LTSA value: PLN 1.03 billion (12 years)

Commissioning date: August - October 2024

Key dates and events in the project:

- December 6, 2019 - planned units obtained **17-year contracts in main capacity auction for 2024**
- January 30, 2020 - **contract with General Electric Global Services GmbH, Polimex Mostostal S.A. and General Electric International Inc.** for construction of 2 CCGT units and related 12-year LTSA
- March 10, 2020 - a contract **with GAZ-SYSTEM for connection of Dolna Odra power plant to the gas grid** – investment connected with construction of 63 km of gas pipeline and gas station
- October 29, 2020 – valid construction permit for the investment was obtained; General Contractor took over the construction site Nov. 2020
- December 1, 2020 - GAZ-SYSTEM obtained all the administrative decisions and permits required for BALTIC PIPE and started construction phase. The commissioning took place in September 2022.
- **November 25, 2021** – laying the cornerstone for the construction of units.
- In March 2022 GAZ-SYSTEM signed an agreement for construction of 63 km gas pipeline which supplies fuel for the new units in Gryfino Dolna Odra power plant. The installation of the **gas pipeline** has been **completed in July 2023**.
- **2023** - in January deliveries of gas compressors were made, further pressure tests of the boilers were carried out, and cabling began. The installation of the HRSG boiler of unit 9 was completed in February 2023. The first commissioning works started, including at the water treatment station and the gas preparation station.
- **2024** – **Unit no. 9 put into operation on August 14, 2024, unit no. 10 commissioned on October 18, 2024**

CCGT Rybnik - alternative for coal units



Capacity: 882 MWe

General efficiency of the unit: approx. 64%

Fuel: natural gas

Net emission rate : <0.35 t CO₂/MWh

Contract value (net): PLN 3.15 billion

LTSA value (net): PLN 762.5m (12 years)

Commissioning date: Q1 2027

Ecological effects – assumed decreases in emissions:

- CO₂ - 320 kg/MWh vs 900 kg/MWh for coal-fired unit
- SO₂, NO_x - decrease almost to zero

Key dates and events in the project:

- In December 2022, the Rybnik unit was awarded a **17-year capacity contract** in the main capacity market auction, which will take effect **from 2027**
- **February 9, 2023** - PGE Polska Grupa Energetyczna signed an agreement with syndicate of Polimex Mostostal S.A., Siemens Energy sp. z o.o. and Siemens Energy Global GmbH & Co. KG for **realisation of CCGT unit**
- The project's capital expenditures will be partly – in the amount of approximately PLN 0.88 billion – financed from funds raised through PGE Polska Grupa Energetyczna's Series E share issue, which took place in the first half of 2022
- The new CCGT unit will have the possibility of co-firing hydrogen in gas fuel.
- **Advancement of the project:** construction work continues on many fronts. Installation of the steam turbine, electrical installations inside buildings, and gas infrastructure are underway. After obtaining a construction permit for power evacuation in July 2025, work began on installing service cables on poles for the 400 kV line. In August, an amendment to the contract with the General Contractor of the combined cycle power unit was signed, changing the commissioning date from the end of 2026 to March 2027.

New Czechnica CHP project commissioned May 2025



Capacity: 179 MWe and 315 MWt + heat accumulator 13000m³

General efficiency of the unit: approx. 85%

Fuel: natural gas

Net emission rate : <0.35 t CO₂/MWh

Contract value (net): PLN 1.16 billion*

LTSA value (net): PLN 25m & EUR 20.7m (103 months)

Commissioning date: Q2 2025

Ecological effects – assumed decreases in emissions:

- CO₂ from 450 kg/MWh to 220 kg/MWh
- SO₂ by 90%
- NO_x by 53%
- Particulate matters by 17%

Key dates and events in the project:

- In March 2020 KOGENERACJA S.A. and GAZ-SYSTEM signed a contract for connection of New Czechnica to the gas transmission grid
- On **March 12, 2021** the company received a **co-generation individual premium** for New Czechnica CHP plant
- **June 23, 2021 - signing of a contract for construction of New Czechnica CHP plant**
- Construction site handed over to the General Contractor on October 28, 2021
- Geotechnical surveys completed in November 2021
- Co-financing obtained in amount of PLN 380 million (mostly from National Fund for Environmental Protection and Water Management)
- GAZ-SYSTEM completed a construction of gas pipeline. Equipment is being installed at the gas preparation station.
- **2023-2024** - In Q1 2023, the technological installation of the reserve-peak boiler plant was completed. In August 2023, four low-emission peak-reserve boilers were commissioned as part of the plant commissioning plan. The back-up boiler plant was commissioned in November 2023 (operates as a part of the district heating system of Siechnice and Wrocław) and the gas CHP plant was connected to the power distribution network in February 2024. In Q3 2024, commissioning work continued on the gas and steam unit, including the so-called hot start-up and the first firing of both gas turbines. The peak and reserve boiler plant and the CCGT unit are in regulatory operation.
- **New Czechnica CHP plant was commissioned on May 21, 2025.**

Development of PV farms - Focus on completion of rational projects on advanced stage



Strategic objective: 1 GW in 2035

Ca. 4 000 ha of land secured to develop >2GW

Projected growth – own developments + acquisition of projects

Project managed by PGE Energia Odnawialna S.A.

Installed capacity – 231 MW Q1 2025

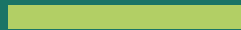
2024:

- Augustynka PV farm with a capacity of **25 MW** commissioned in early 2024
- In February 2024, PGE Energia Odnawialna signed agreements for the construction of 14 photovoltaic farms with a total capacity of 180 MW. The new installations will be built by 2026 (the largest are PV Kleszczów 50 MW, PV Wrzosów 32 MW, PV Srebrzyszcze 30 MW and PV Jeziórko 3 30 MW)
- May 2024 - PGE Energia Odnawialna was awarded a licence for the production of electricity from PV Pasterzowice (8 MW)
- Jeziórko PV farm (1st stage) with a capacity of **50 MW** commissioned in Q3 2024

2025:

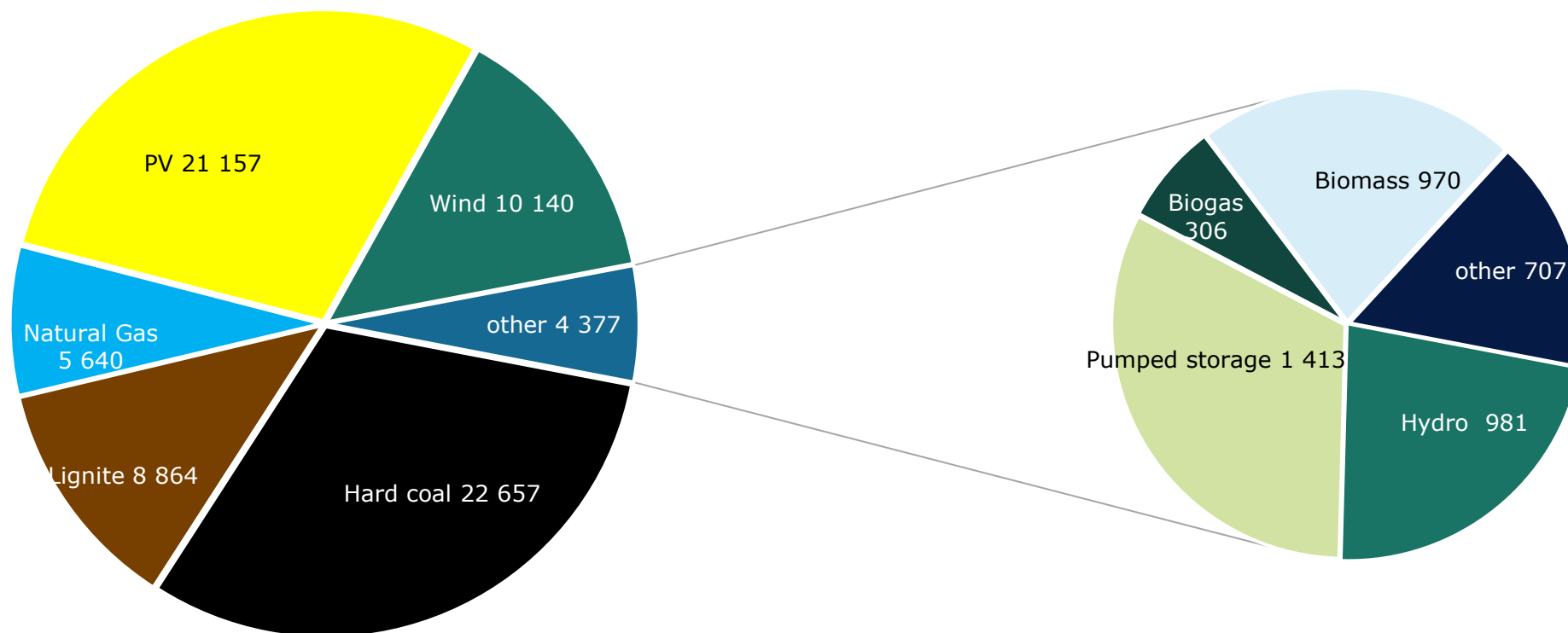
- Jeziórko PV farm (2nd stage) with a capacity of **50 MW** commissioned in Q1 2025
- At the end of March 2025 PGE Group had **50 operating PV farms with a capacity of approx. 231 MW**

Market overview



Polish Power System- installed capacity

Installed capacity in the Polish Energy System (MW) December 2024

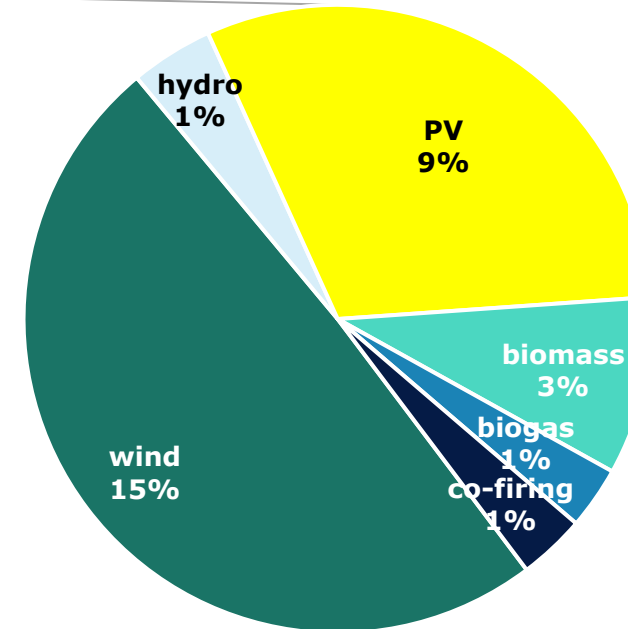
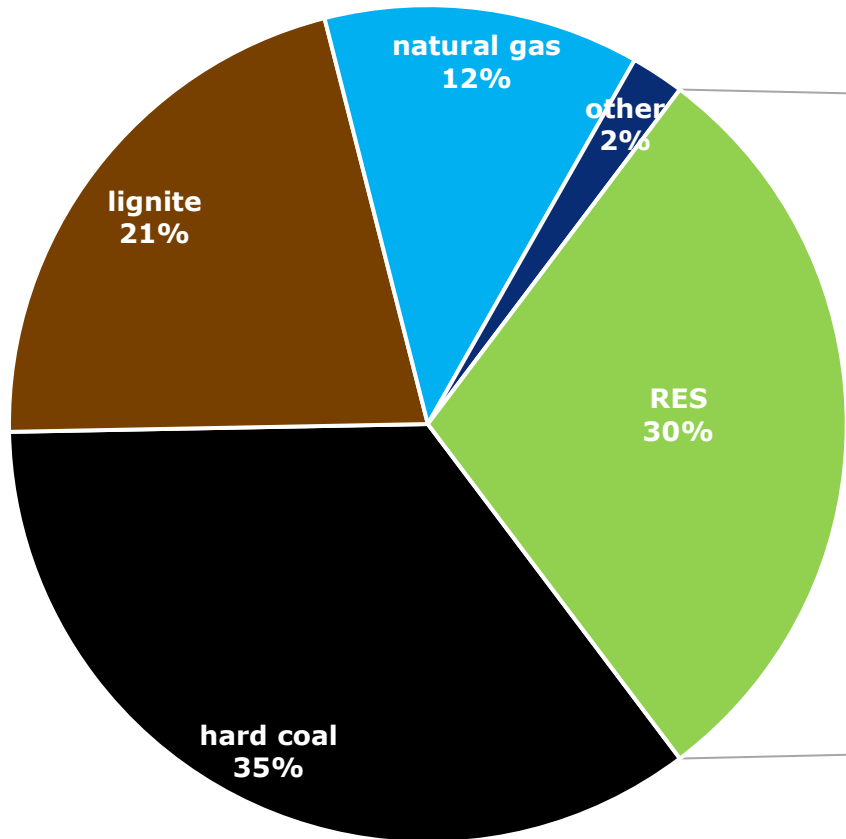


- Continuous development of new RES capacities:
- **PV +4 411 MW y/y**
(including +1 363 MW y/y prosumers installations)
- **Wind +721 MW y/y**

Total capacity: 72 127 MW

Polish Power System- generation mix

Share in electricity generation of particular technologies
(%) of generation in 2024

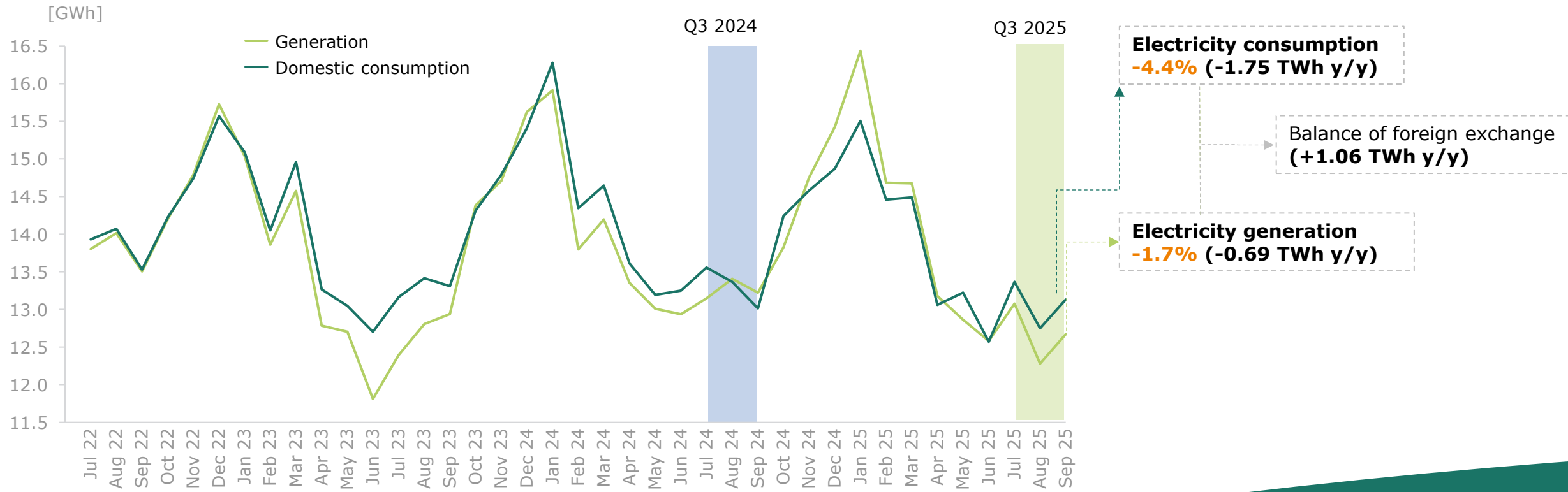


- **Total gross generation +2% y/y** on higher demand for electricity and lower import of electricity
- **Conventional sources -2% y/y**
 - Lignite +4% y/y
 - Hard coal -10% y/y
 - Natural gas +23% y/y
- **PV +31% y/y** (effect of new capacities)
- **Wind +13% y/y** (effect of favourable wind conditions and new capacities)

Total 2024 Generation: 167.0 TWh
Total 2024 Demand: 169.0 TWh

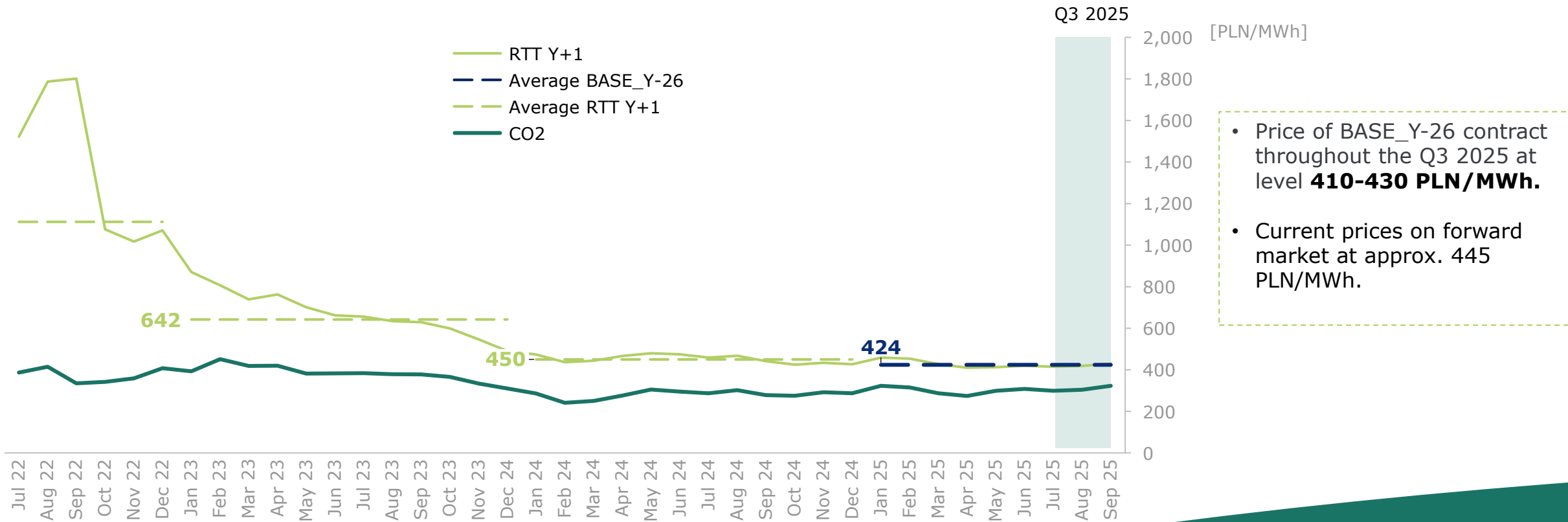
Electricity market - balance of energy

Domestic consumption and generation



Electricity market - prices

BASE Forward next year and CO₂ prices



Source: TGE

Regulatory overview - Capacity Market & Balancing Capacity Market

Capacity market derogation for coal units 2025-2028

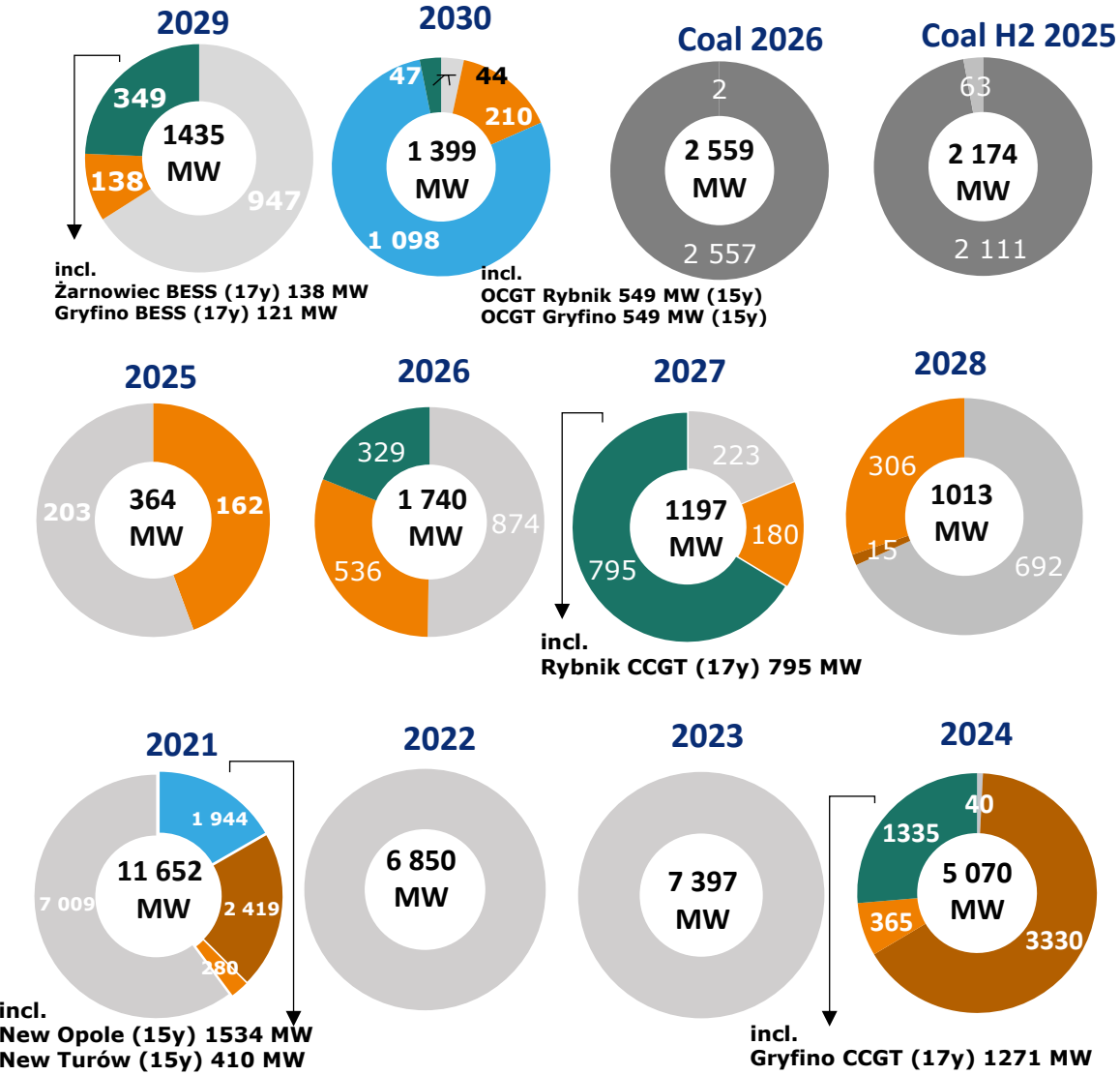
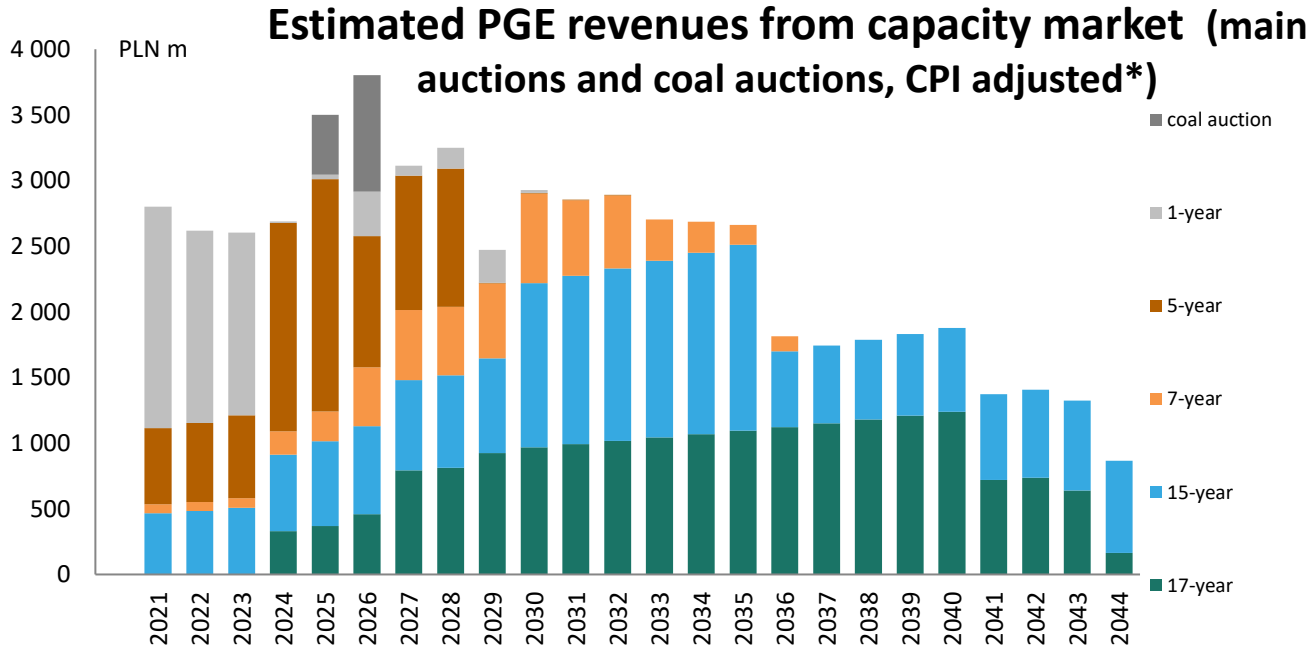
- European Parliament amended in June 2024 electricity market regulations 2019/942 and 2019/943 as regards derogation for the generating units that emits more than 550 g of CO₂ per kWh (including coal generation) for the capacity mechanism.
- Derogations for coal units were prolonged from 30 Jun. 2025 until 21 Dec. 2028.
- Derogations were incorporated into Polish law by the Act of 24 January 2025 on changes in the bill on capacity markets.
- The bill assumes that supplementary auctions for coal units will be held only if capacity needed to eliminate resource adequacy problem is not contracted in main and additional auctions (lack of sufficient bids has to be confirmed additionally by national resource adequacy assessment).
- Maximum support for coal units limited to EUR 72/kW/year.
- In supplementary auctions apart from coal units also existing generating units, existing foreign generating units (which previously won the initial auction for a given delivery period but did not enter into a capacity contract) and physical DSR units will be able to participate.
- In earlier periods PGE have already contracted capacity for coal generating units for years 2025-2028 mainly in 5 years contracts for modernized units (approx. 5.5 GW for 2025 and approx. 3.2 GW for 2026-2028) and 15 year contracts for new units (approx. 1.9 GW).

Supplementary capacity auctions for H2 2025-2028 (dedicated mainly to existing coal units)

- **May 15, 2025.** Auction for H2 2025. Total contracted capacity volume amounted to **5 051 MW**.
- **PGE contracted 2 111 MW in coal units and 63 MW in DSR at PLN 431 kW/year .**
- **Sep 11, 2025.** Auction for FY 2026. Total contracted capacity volume amounted to **7 580 MW**.
- **PGE contracted 2 559 MW at PLN 346 kW/year**

Capacity market - results of auctions

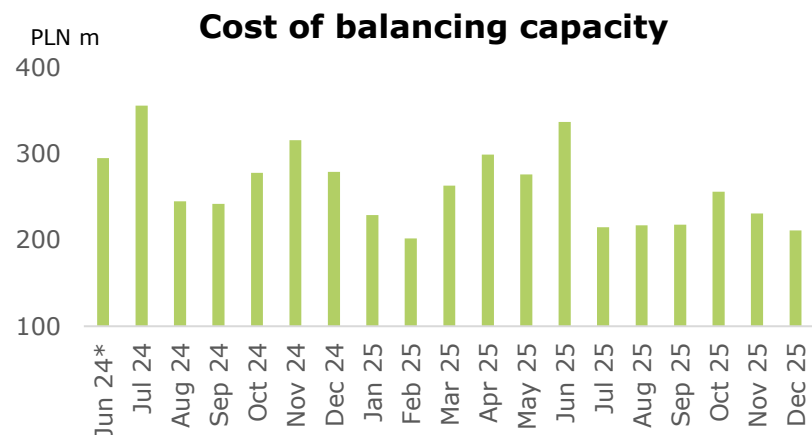
PGE contracts



*Estimated revenues based on main auction clearing price. Capacity obligation price for multiyear agreements will be adjusted annually with the annual average consumer price index (assumed 3.4% for 2022, 5.1% for 2023, 14.5% for 2024, 11.4% for 2025, 3.6% for 2026 and 2.5% thereafter).

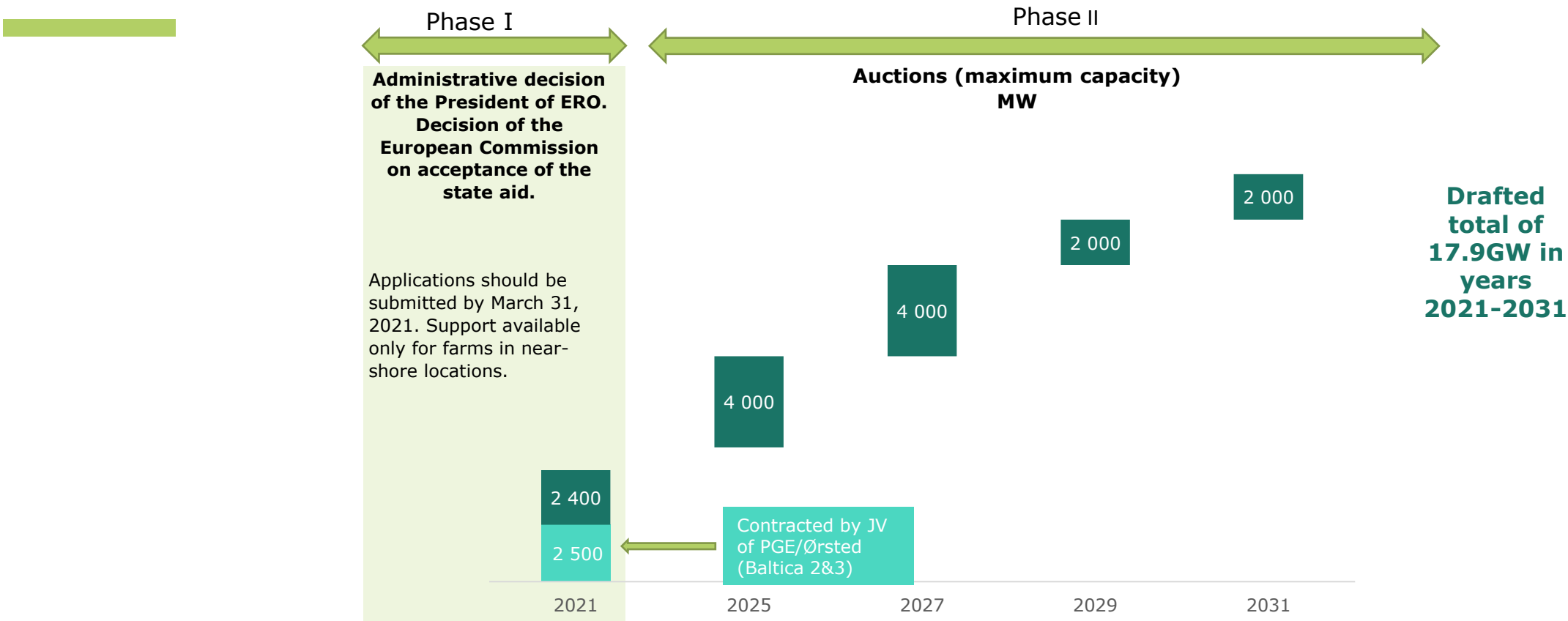
Reform of balancing market

- **Implementation of balancing market reform (from June 14, 2024):**
 - Implementation of balancing capacity market - pricing for ancillary services set in daily auctions.
 - Generators responsible for implementation of notified production plans and covering of start-up costs
 - 15-minute balancing time
- **Balancing capacity market- impact on SPOT prices:**
 - **Contracting balancing capacity “up”** reduces the volume available for trading => **higher SPOT prices during periods of high demand for electricity**
 - **Contracting balancing capacity “down”** forces the sale of additional volume => **lower SPOT prices during periods of low demand for electricity**



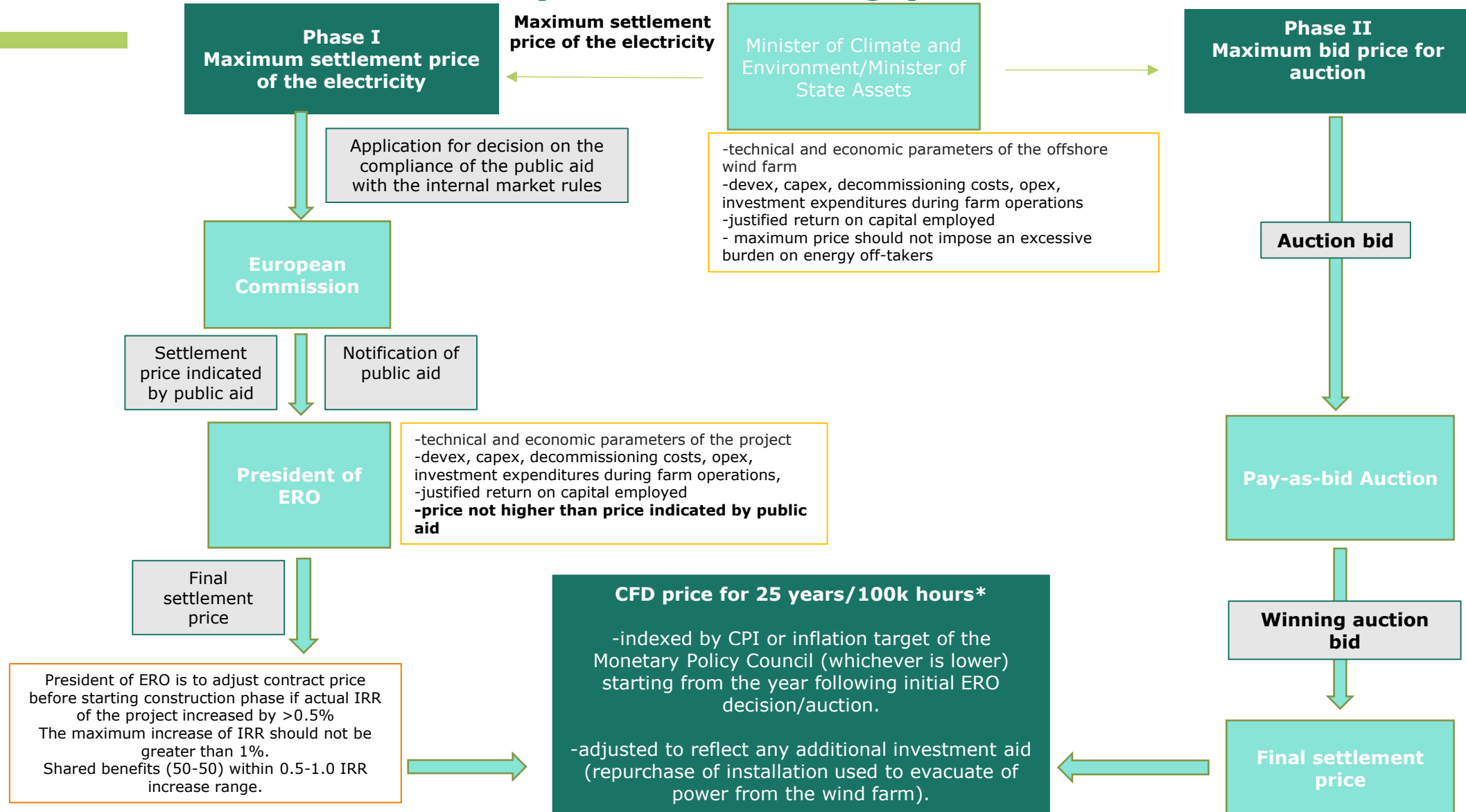
Regulatory overview - Offshore Wind

Offshore wind support scheme



**Capacity for 2025-2031 auctions could be decreased if necessary to balance demand and supply in the National Power System. Maximum capacity for a given year could be adjusted by the Council of the Ministers*

Offshore wind - CFD price-setting process



Offshore wind - settlement of the CFD contract

- **Contract granted for 25 years** (counted from the first feeding into the grid electricity from the offshore windfarm).
- **Electricity volume limited up to 100 000 hours of generation at full capacity.** Indicated load factor assuming 25 years of generation amounts to 45.7%.
- Electricity generator **indicates what proportion of the settlement price is to be settled in EUR.**
- **Contract price is adjusted to reflect any additional investment aid** (for example for the repurchase of installation used to evacuate power from the wind farm).
- **Settlement of the contract based on the difference between settlement price and SPOT market price of the electricity (Day-Ahead Market).**
- **Payment for the volume of electricity that has not been generated in the offshore windfarm because of network curtailments.**
- **Electricity generated in the period of negative market prices is not included in the support scheme.**
- **CFD balance calculated as a product of generated volume and difference between market price and settlement price of electricity.**
- **Negative balance is covered by Renewable Energy Settlement Operator on monthly basis. Positive balance is settled with the future negative balance.**

Regulatory overview



Tariffs in district heating - heat generation

**Tariffs approved by the Energy Regulatory Office
for 12-month period**

Non-CHP plants

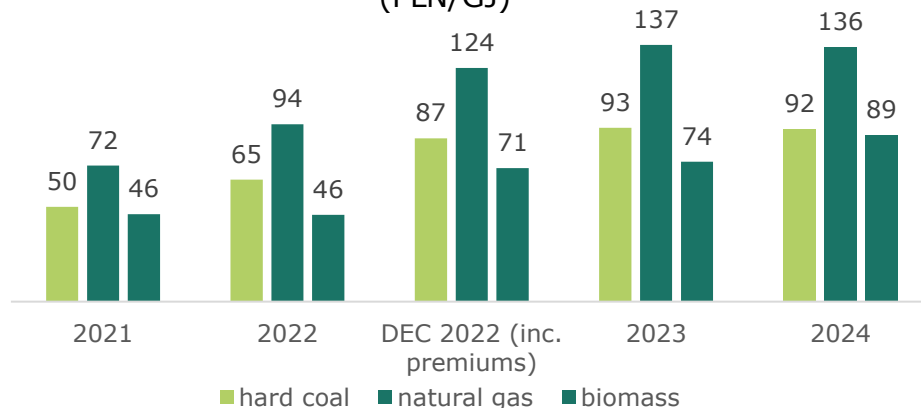
CHP plants

Full cost method

(Planned costs and revenues as an input)

ERO publishes average reference year
price of heat in non-CHP sources with a
fuel breakdown in Mar and Sep every year

Reference heat prices for cogeneration units (PLN/GJ)



Simplified method*

(Initial price calculated for year 0 adjusted every year)

Yearly adjustment

- Y/Y change of the reference price in non-CHP plants implies change of price in CHP plants (generation mix accordingly).
- President of ERO can adjust reference indicator by actual CO2 prices and fuel prices.
- Multiplied by the reference indicator given by the ERO (0.77 for coal and 0.78 for gas in 2024), that could be also increased by 1-7% depending on capacity of the installation
- + Co-generation premium (2.25-3 p.p. extra)*
- **Additional premiums over regular heat price for Dec 22 –Apr 23, 2023 (due to sharp increases in commodity prices). PLN 22/GJ –coal fuels, PLN 30/GJ –gas, PLN 28/GJ – heating oil, PLN 25 /GJ – renewable energy sources.**

- **Tariffs for 2024** (approved in Oct 2023 -based on Mar 2023 reference heat prices) **up 36% y/y** against **regular tariffs for 2023** (approved in Nov 2022, based on 2022 reference heat prices).
- **Tariffs for 2024 up approx. 5% y/y** against **effective tariffs for 2023** (adjusted by additional premiums approved in Dec 2022 and new reference prices in Mar 2023).
- **Positive tariff adjustments** in some locations **up approx. 4%** on new reference prices in Mar 2024.

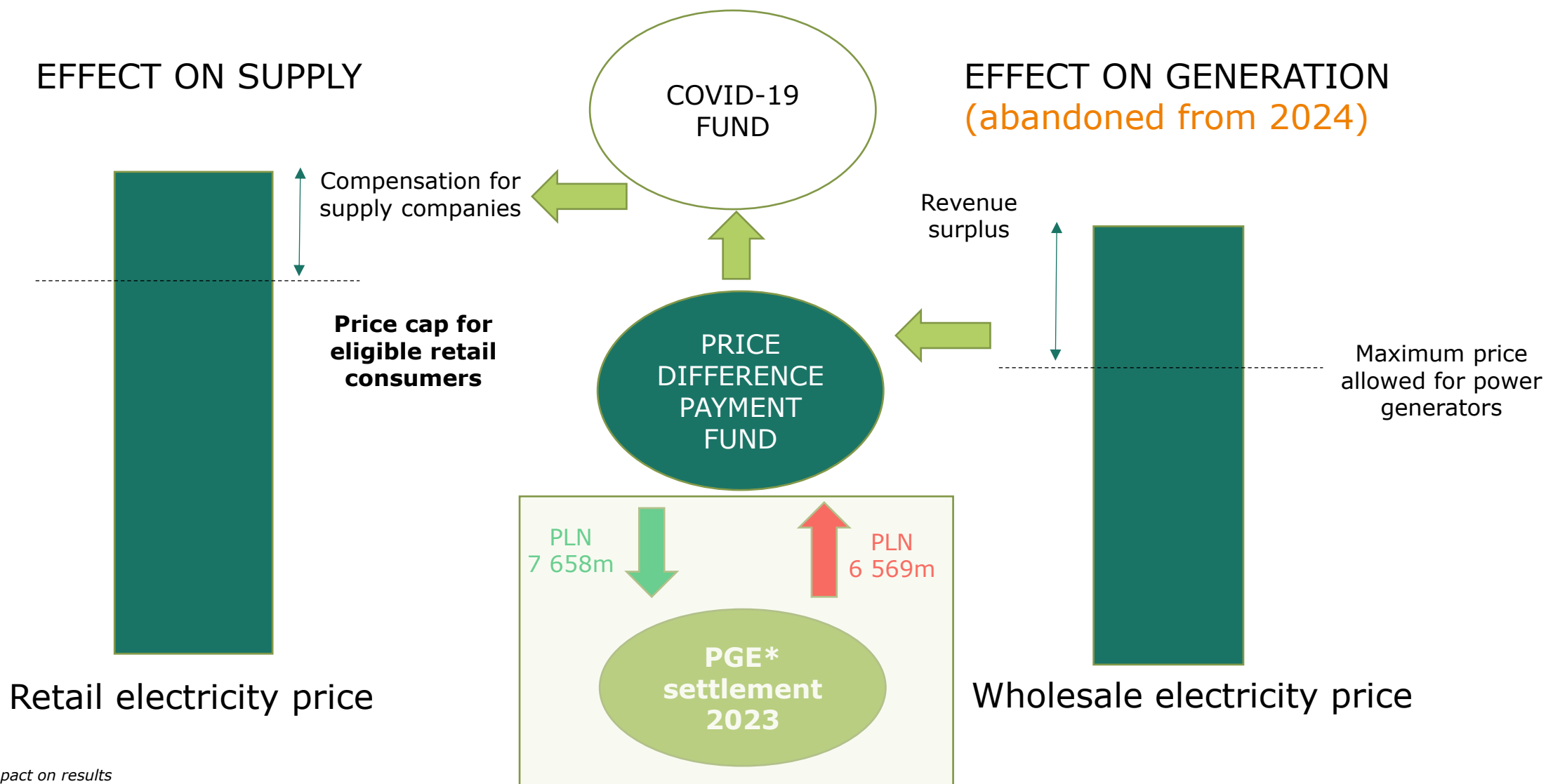
Cogeneration Support Scheme

	Support length	<1 MW	<1-50 MW	>=50 MW
EXISTING	15 years from the first CHP certificate	Guaranteed premium		Individual guaranteed premium
MODERNISED (CAPEX >=50%*)	5-6-7 years from the modernisation			
SIGNIFICANTLY MODERNISED (CAPEX 25%-50%*)	15 years after the modernisation		Pay-as-bid auction for cogeneration premium	Enrollment on individual cogeneration premium
NEW	15 years after completion			

- Producers receive **premium** – additional payment to the electricity (100% of the volume if >70% of the heat is put into the public grid, otherwise proportionally**)
- Premium applies to units with **EPS of maximum 450 kg CO2/MWh** under current market conditions***
- Premium calculated on LCOE basis for baskets (**reference prices** include capacity and fuels: gas/solid fuel/biomass/other)
- Cogeneration premium = 110% of the reference price
- Individual guaranteed premium <= individual cogeneration premium
- Premiums indexed and respectively adjusted****
- **PGE was granted for 2023 individual guaranteed premium for existing gas units (support of PLN 408m in HY 2023). New Czechnica CHP was granted in 2021 individual cogeneration premium for 15 years (expected premium for 2024 at approx. PLN 70/MWh).**
- **PGE is participating in the application process for individual guaranteed premium for 2024. Support could be limited due to lower gas prices (support is eligible only to units, which do not cover cost of operation). CHP Rzeszów and Lublin are no longer eligible for support, as they have terminated 15 years support period.**

* Of the CAPEX related to the construction of a new unit, ** The rule does not apply to small units (<1 MW), *** Exemption for new units if there are no technical/economical conditions to provide gas and biomass in a specific location, **** Investment support subtracted, existing units: age coefficient, modernised: CAPEX level

Price-freeze mechanism 2023-2025 (simplified, illustrative only)



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Thank you

