

## Details of the webcast from the meeting with CEO

**May 28, 2025 (Wednesday), 9.30 AM CEST**

Link to the webcast: <https://infostrefa.tv/pge/>

Questions for Q&A session allowed via email: [ir@gkpge.pl](mailto:ir@gkpge.pl)

## Investor relations contact:

Filip Osadczuk, IR & ESG Director

tel.: +48-22-340-1224

mob: +48-695-501-370

e: [filip.osadczuk@gkpge.pl](mailto:filip.osadczuk@gkpge.pl)

**Operations (y/y): higher lignite and gas generation. Slightly lower hard coal generation. Decline in RES generation. Slightly higher volumes in Distribution. Declining volumes in business tariffs in Supply.**

**Financials (y/y): Positive - Lower hard coal and CO2 prices in Conventional Generation and District Heating. Higher margin on distribution services in Distribution and Railway Energy Services. Higher revenues from ancillary services in Conventional Generation, RES and Gas-fired generation segments. Start of contribution of Gas-fired generation segment. Negative - Rising personnel cost. Effect of higher margins in Supply reduced by non-cash items.**

**Key events in Q1: FID for Baltica 2 offshore wind farm (1.5 GW), project finance for Baltica 2 for approx. PLN 11.1bn. Loan agreement for funds from National Recovery and Resilience Fund (PLN 12.1 bn) for Distribution and Railway Energy Services. Agreement for construction of an energy storage facility in Żarnowiec (262 MW/981 MWh).**

## Generation volumes driven up by export of electricity

Lignite generation in Q1 (+0.9TWh, +12% y/y) was rising on higher demand for conventional generation due to downfall of RES generation in Europe. Gas generation rose by 74% y/y up to 2.5 TWh due to contribution of commissioned in Q3/Q4 2024 CCGT Gryfino (+1.0 TWh y/y). Hard coal generation (-0.1 TWh, -3% y/y) was slightly lower as it was crowded out by relatively better margins on lignite and gas. RES generation in Q1 at 0.7 TWh (-25% y/y), declined mainly on unfavourable wind and hydro conditions. Heat volumes were higher in Q1 (+1.0PJ, +5% y/y) on lower average external temperatures in heating season. Volumes of electricity distribution in PGE Group inched up by +1% y/y (+0.1 TWh) primarily on rising demand from small business clients (C tariff). Electricity sales to final clients in PGE Group contracted (-0.6 TWh, -6% y/y) mainly due to declining sales to large business clients.

## Recurring EBITDA sharply higher y/y in Q1 2025

Recurring EBITDA at PLN 4.3bn (+71% y/y) in Q1 2025. Higher result of RES segment supported by revenues from Balancing Capacity Market. Positive contribution of Gas-fired Generation on commercial operations of CCGT Gryfino. Positive performance of Conventional Generation on higher generation margins and revenues from ancillary services. Strong performance of District Heating segment on higher margins on heat sales. Solid result of Distribution on rising distribution margin. Positive contribution of Railway Energy Services mainly on better performance of distribution business. Supply results declined y/y as higher margin on sales of electricity was more than offset by negative effect of non-cash items.

Recurring EBITDA of **Renewables** segment increased in Q1 to PLN 0.4bn (+18% y/y) despite declining result on RES generation mostly as result of revenues from Balancing Capacity Market.

EBITDA of **Gas-fired Generation** at PLN 0.1bn on commercial operation of CCGT Gryfino (started in Q3/Q4 2024).

**Conventional Generation** posted a positive EBITDA of PLN 0.3bn in Q1 2025 against a loss of PLN -0.5bn in Q1 2024. The turnaround was fueled both by rising margins on electricity generation and revenues from ancillary services. Margins were higher y/y despite declining electricity price as result of higher volumes on lignite and lower CO2 and hard coal prices. Results were additionally supported by revenues from Balancing Capacity Market, which did not occur in Q1 2024 and higher revenues y/y from Capacity Market.

**District Heating** posted strong operating results, recurring EBITDA at PLN 0.9bn. Positive performance (PLN +0.4bn y/y) was driven by rising volumes of heat and electricity and higher margin on heat production. Decline of margin on electricity generation (impact of lower average price of electricity).

**Distribution** recurring EBITDA at PLN 1.3bn came out significantly better (+0.3bn y/y) in Q1 on higher distribution margin (higher WACC and RAB and distribution volumes) and positive effect (+0.2bn y/y) of non-cash item of estimated energy balance settled between Distribution and Supply segments (total effect neutral for PGE Group results).

**Railway Energy Services** posted better result in Q1 2025 at PLN 0.35bn (+26% y/y) mainly on better performance of distribution business (higher WACC and RAB and rising connection fees).

Recurring EBITDA of **Supply** segment declined in Q1 by 15% y/y down to 0.8bn y/y. Higher results on sale of electricity was more than offset by negative effect of non-cash item of estimated energy balance (PLN -0.2bn y/y) settled between Distribution and Supply segments (total effect neutral for PGE Group results) and negative effect of provision for onerous contracts released in Q1 2024 in the amount of approx. PLN 0.20 bn.

## CAPEX: temporary decline y/y in investment spending

Capital expenditures (on accrual basis) in PGE Group were at PLN 1.7bn, (-17% y/y) in Q1 25. Raising outlays for investment in Renewables (mainly for program of offshore wind development) and declining outlays in segments of Gas-fired Generation, Distribution, Railway Energy Services and Conventional Generation. We presented positive outlook for FY2025 capex on expected significant rise in investments in Renewables -start of construction phase of OWF Baltica 2 and assumed higher outlays in Distribution, Gas-fired Generation and Railway Energy Services.

### Debt decreased on strong operating cashflow

Net debt at the end of Q1 2025 at PLN 8.1bn declined by PLN 2.9bn q/q chiefly due to strong operating cashflow and limited investment expenditures. Real value of net economic debt (adjusted by forward payments for CO2): PLN 16.6bn (net economic debt/ recurring LTM EBITDA = 1.31x) lower q/q by PLN 0.6bn.

## Key Financials

PLNm	Q1 2025	Q1 2024	y/y [%]
Sales	17 167	16 841	2%
EBITDA	4 310	2 536	70%
Recurring EBITDA	4 334	2 532	71%
EBIT	3 260	1 408	132%
Recurring EBIT	3 305	1 450	128%
Net profit (to equity)	2 416	893	171%

## EBITDA by segments

PLNm	Q1 2025	Q1 2024	y/y [%]
Renewables	446	379	18%
Gas-fired Generation	90	-22	-
Conventional Generation	286	-498	-
District heating	903	514	76%
Distribution	1 319	992	33%
Railway Energy Services	351	279	26%
Supply	744	903	-18%

## EBIT by segments

PLNm	Q1 2025	Q1 2024	y/y [%]
Renewables	348	284	23%
Gas-fired Generation	30	-23	-
Conventional Generation	103	-859	-
District heating	701	310	126%
Distribution	945	653	45%
Railway Energy Services	237	170	39%
Supply	734	894	-18%

## Key operating data

TWh	Q1 2025	Q1 2024	y/y [%]
Net Generation Volume	16.08	14.60	10%
Sales to End-users	8.56	9.12	-6%
Electricity Distribution Volume	10.75	10.68	1%
Sales of Heat [PJ]	20.86	19.93	5%

## Electricity generation by source

TWh	Q1 2025	Q1 2024	y/y [%]
Lignite-fired power plants	8.51	7.63	12%
Hard coal-fired power plants	2.86	3.09	-7%
Gas-fired power plants	0.98	0.03	> 1 000%
Coal-fired CHPs	1.36	1.24	10%
Gas-fired CHPs	1.52	1.41	8%
Biomass-fired CHPs	0.08	0.10	-20%
Waste-to-energy CHPs	0.01	0.01	0%
Pumped-storage	0.19	0.32	-41%
Hydro	0.09	0.17	-47%
Wind	0.45	0.59	-24%
PV	0.03	0.01	200%
<b>TOTAL</b>	<b>16.08</b>	<b>14.60</b>	<b>10%</b>