

**Details of the webcast from the meeting with CEO
September 11, 2024 (Wednesday), 10.00 AM CEST**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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e: filip.osadczuk@gkpge.pl**Operations: higher lignite and gas generation, decline in hard coal and RES generation. Rising volumes in Distribution on higher demand for electricity. Declining volumes in Supply.****Financials: Positive - no contributions paid to the Price Difference Payment Fund, higher WACC and RAB in Distribution. Negative – sharply lower margins on energy generation due to lower electricity prices in Conventional Generation and District Heating, lower margin on retail sales of electricity, rising personnel cost, lower SPOT prices in Renewables. Neutral- stable recurring results of Energy Railway Services, Gas-fired generation segment on the eve of providing positive flows**

- PGE electricity generation at 12.9TWh in Q2, (+5% y/y) increased on higher lignite and gas generation.
- Recurring EBITDA at PLN 2.3bn (-19% y/y), went down y/y on sharply lower results of Conventional Generation and District Heating segment. Strong result of Distribution. Slightly better results of Renewables and Railway Energy Services. Supply results advanced y/y but only as a result of non-cash low base effect.
- Reported EBITDA at PLN 2.6 bn (+7% y/y), mainly on positive effect of change in reclamation provision (PLN +0.7 bn y/y).
- PLN 10.0bn - net debt at the end of Q2 2024, significantly lower q/q due to the postponement of the purchase of CO2 emission allowances. Net economic debt at PLN 20.1bn inched down q/q as effect of changes in working capital.

Higher generation volumes on lignite, positive contribution of CCGT in Gryfino

Lignite generation in Q2 (+0.7TWh, +10% y/y) higher on rising demand for electricity in Poland. Hard coal generation (-0.2TWh, -5% y/y) declined on higher RES generation in National Energy System and shrinking generation margins. Natural gas generation rose by 18% y/y up to 1.0 TWh due to contribution of CCGT Gryfino (+0.4 TWh). RES generation in Q2 was at 0.6TWh (-3% y/y), inched down mainly on lower biomass generation. Heat volumes were sharply lower in Q2 (-1.7PJ, -21% y/y) on higher average external temperatures in heating season. Volumes of electricity distribution in PGE Group advanced by +1% r/r (+0.1TWh) primarily on rising demand from industrial clients and large enterprises. Electricity sales to final clients in PGE Group contracted (-0.7 TWh, -8% y/y) mainly due to declining sales to large business clients.

Recurring EBITDA declined in Q2 2024

Recurring EBITDA at PLN 2.3bn (-19% y/y) in Q2, went down on reported loss in Conventional Generation and decline in result of District Heating due to sharply lower margins on electricity generation. Strong result of Distribution on rising distribution margin. Slightly better results of Renewables and Railway Energy Services supported by lack of contributions to the Price Difference Payment Fund. Supply results advanced y/y but only as a result of non-cash low base effect. Gas-fired Generation close to break even.

Recurring EBITDA of Renewables segment increased in Q2 24 to PLN 0.3bn (+15% y/y) despite decline in SPOT prices of electricity, mostly as a result of lack of contributions to the Price Difference Payment Fund and higher revenues from property rights.

Gas-fired Generation started operation in regulatory mode. EBITDA was slightly below break-even on recognition of personnel costs.

Conventional Generation recurring EBITDA plummeted to a loss of PLN -0.2bn in Q2 24 vs. profit of PLN 0.5bn in Q2 23 on sharply lower margins on electricity generation, slashed mainly by fall of the realized effective prices of electricity (-23% y/y) and fall-off in revenues from ancillary services (chiefly due to change in market regulation).

District Heating results were reduced by 25% to PLN 0.3bn on lower margins on electricity generation due to declining prices of electricity and significantly lower support for gas cogeneration.

Distribution recurring EBITDA at PLN 1.2bn came out significantly better (+23% y/y) in Q2, arising from higher distribution margin (higher WACC and WRA, connection fees and distribution volumes).

Railway Energy Services posted relatively stable results (PLN 0.3bn, +4% y/y) supported by lack of contributions to the Price Difference Payment Fund, excluding write-down of receivables from PKP Cargo (PLN -0.1 bn), which was classified as one-off.

Supply segment reported slightly higher recurring EBITDA in Q2 at PLN 0.4bn (+7% y/y). Results were up y/y, but only as a result of non-cash low base effect (loss incurred in Q2 2023 on revaluation of the coarse coal), which covered up downturn of result on retail sales of electricity.

CAPEX: transition investments clearly visible

Capital expenditures (on accrual basis) in PGE Group were at PLN 2.6n (+8% y/y) in Q2 24 on raising outlays for investment in Gas-fired Generation (CCGT Rybnik) and Renewables (mainly program of offshore wind development).

Debt decreased on change in working capital

Net debt at the end of Q2 at PLN 10.0bn declined by PLN 5.7bn q/q chiefly due to the postponement of the purchase of CO2 emission allowances in Q2 2024. Real value of net economic debt (adjusted by forward payments for CO2): PLN 20.1bn (net economic debt/ recurring LTM EBITDA = 2.15x) lower q/q by PLN 1.1bn (decline largely explained by changes in working capital).

Key Financials

PLNm	Q2 2024	Q2 2023	y/y [%]
Sales	14 453	22 352	-35%
EBITDA	2 604	2 445	7%
Recurring EBITDA	2 305	2 859	-19%
EBIT	1 451	1 206	20%
Recurring EBIT	1 208	1 675	-28%
Net profit (to equity)	1 125	352	220%

EBITDA by segments

PLNm	Q2 2024	Q2 2023	y/y [%]
Renewables	268	243	10%
Gas-fired Generation	-17	-4	-
Conventional Generation	226	104	117%
District heating	259	312	-17%
Distribution	1 240	977	27%
Railway Energy Services	168	269	-38%
Supply	401	371	8%

EBIT by segments

PLNm	Q2 2024	Q2 2023	y/y [%]
Renewables	167	151	11%
Gas-fired Generation	-17	-4	-
Conventional Generation	-133	-411	-
District heating	47	117	-60%
Distribution	890	656	36%
Railway Energy Services	58	172	-66%
Supply	392	362	8%

Key operating data

TWh	Q2 2024	Q2 2023	y/y [%]
Net Generation Volume	12.91	12.30	5%
Sales to End-users	7.92	8.61	-8%
Electricity Distribution Volume	9.43	9.35	1%
Sales of Heat [PJ]	6.42	8.16	-21%

Electricity generation by source

TWh	Q2 2024	Q2 2023	y/y [%]
Lignite-fired power plants	7.36	6.67	10%
Hard coal-fired power plants	3.22	3.18	1%
Gas-fired power plants	0.41	0.00	-
Coal-fired CHPs	0.53	0.75	-29%
Gas-fired CHPs	0.57	0.83	-31%
Biomass-fired CHPs	0.08	0.14	-43%
Waste-to-energy CHPs	0.00	0.01	-
Pumped-storage	0.26	0.28	-7%
Hydro	0.10	0.12	-17%
Wind	0.34	0.32	6%
PV	0.04	0.00	-
TOTAL	12.91	12.30	5%