

Q2 and H1 2023 Financial and Operating Results

INVESTOR PRESENTATION

September 26, 2023



Leading in the green transition

Financials



Key financial data

[IAS, PLN m]	Q2 2023	Q2 2022	y/y	HY 2023	HY 2022	y/y
Sales	22 352	15 728	42%	49 560	32 625	52%
EBITDA	2 445	3 777	-35%	5 872	6 392	-8%
Recurring EBITDA ¹	2 859	1 616	77%	6 205	4 212	47%
EBIT	1 206	2 704	-55%	3 549	4 254	-17%
Recurring EBIT ¹	1 675	550	205%	3 962	2 087	90%
Net profit (loss) to equity ²	352	2 266	-84%	2 076	3 288	-37%
Net profit (to equity) – ex. Impairments ²	397	2 272	-83%	2 141	3 299	-35%
CAPEX (including adjustments)	2 396	949	152%	3 953	1 844	114%
Net cash from operating activities ³	7 167	3 734	92%	339	5 015	-93%
Net cash from investing activities	-3 846	-1 807	113%	-5 491	-2 720	102%
Net cash from financing activities	-1 714	2 906	-	3 633	1 928	88%
EBITDA margin	11%	24%		12%	20%	
Recurring EBITDA margin	13%	10%		13%	13%	
Net Working Capital (core "NWC") ⁴				9 705	6 371	52%
Net Debt				7 627	-583	-
Net economic financial debt ⁵				19 250	9 830	96%
Net debt/LTM EBITDA reported				0,94x	-0,05x	
Net debt/LTM EBITDA recurring				0,84x	-0,07x	

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

² to the parent undertaking,

³ adjustment of comparable data,

⁴ Core NWC = inventory + trading receivables – trading payables (distinguish from NWC stated as Current assets minus short term liabilities),

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:

	Q2 2023	Q2 2022	y/y	HY 2023	HY 2022	y/y
Change of reclamation provision	-331	2 160	-	-331	2 160	-
Change of actuarial provision	-52	-19	174%	-52	-19	174%
LTC adjustment	-31	2	-	-31	2	-
Correction of estimated contribution to the Price Difference Payment Fund for 2022	0	0	-	81	0	-
Release of provision for Prosumers	0	18	-	0	37	-
One-off items – EBITDA level	-414	2 161	-	-333	2 180	-
Impairments of TFA and IA	-55	-7	686%	-80	-13	515%
One-off items – EBIT level	-469	2 154	-	-413	2 167	-

Computation of net profit ex. impairments:

Impairments of TFA and IA (after-tax) and Investments	-45	-6	650%	-65	-11	491%
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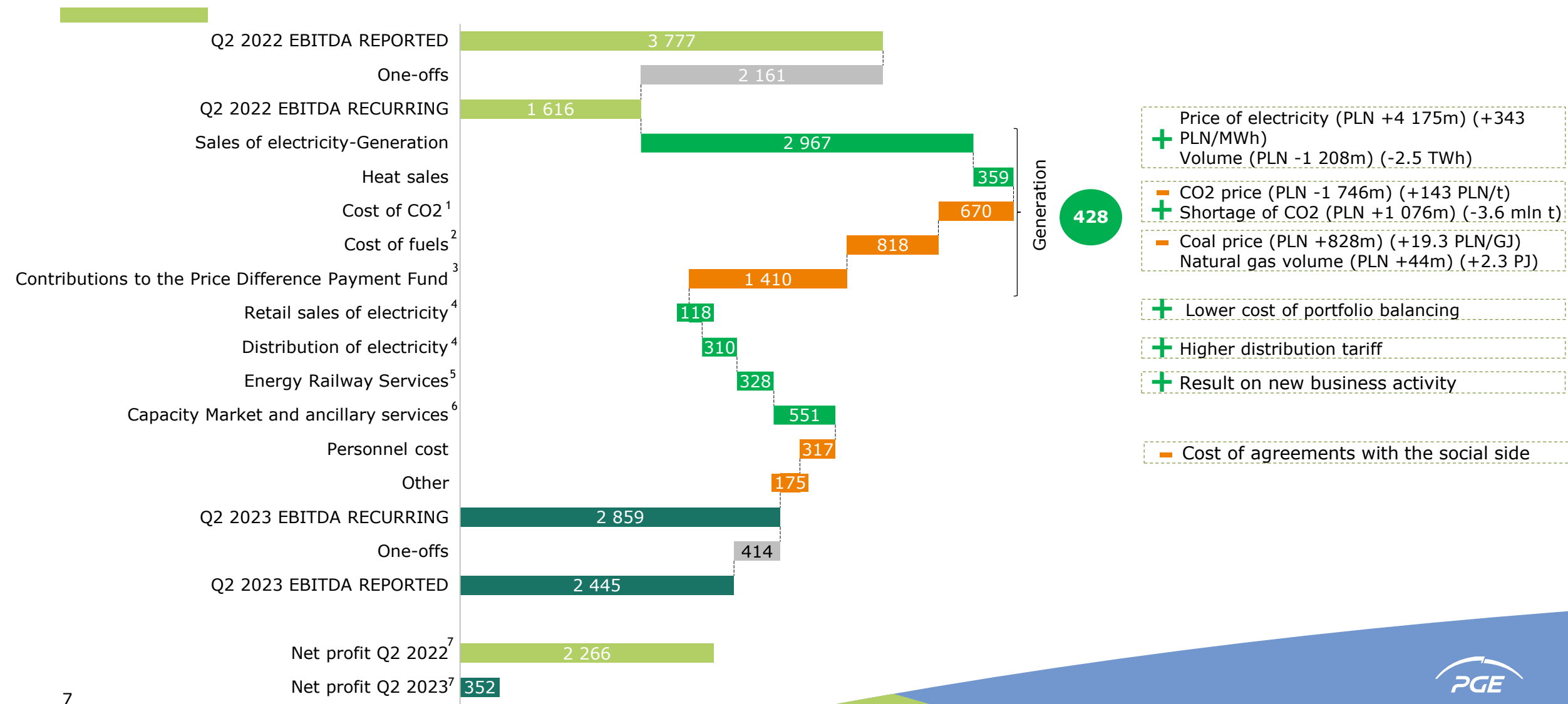
One-off items in the operating segments HY 2023

	Conventional Generation		District Heating		Renewables		Distribution		Energy Railway Services		Supply	
(PLN m)	HY 2023	HY 2022	HY 2023	HY 2022	HY 2023	HY 2022	HY 2023	HY 2022	HY 2023	HY 2022	HY 2023	HY 2022
EBITDA reported	1 013	2 530	1 228	59	679	841	2 251	1 472	269	0	117	1 176
Change y/y	-1 517		1 169		-162		779		269		-1 059	
One-off events, including:	-359	2 136	-41	12	10	1	-21	-7			78	49
LTC compensations			-31	2								
Change of reclamation provision	-334	2 150	-8	10	11							
Change of actuarial provision	-25	-14	-2	0	-1	1	-21	-7			-3	1
Correction of estimated contribution to the Price Difference Payment Fund for 2022											81	0
Provision for prosumers											0	48
EBITDA recurring	1 372	394	1 269	47	669	840	2 272	1 479	269	0	39	1 127

One-off items in the operating segments Q2 2023

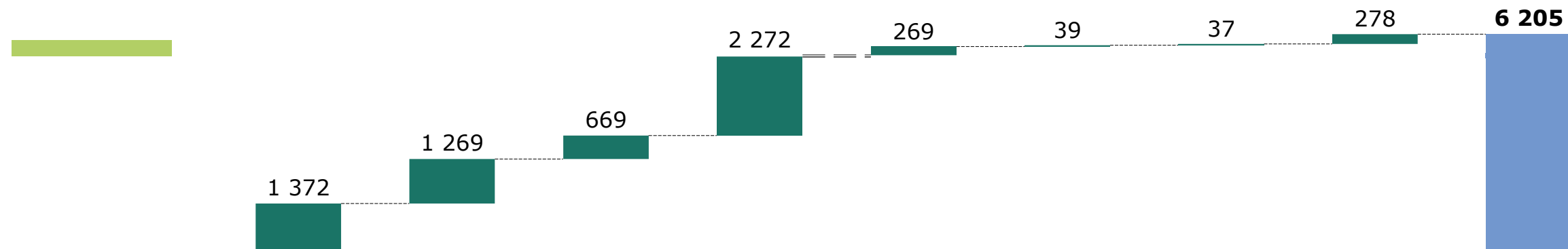
	Conventional Generation		District Heating		Renewables		Distribution		Energy Railway Services		Supply	
(PLN m)	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022	Q2 2023	Q2 2022
EBITDA reported	104	2 092	312	-142	243	341	977	674	269	0	371	655
Change y/y	-1 988		454		-98		303		269		-284	
One-off events, including:	-359	2 136	-41	12	10	1	-21	-7			-3	25
LTC compensations			-31	2								
Change of reclamation provision	-334	2 150	-8	10	11	0						
Change of actuarial provision	-25	-14	-2	0	-1	1	-21	-7			-3	1
Provision for prosumers											0	24
EBITDA recurring	463	-44	353	-154	233	340	998	681	269	0	374	630

Development of EBITDA by major value drivers (PLN m)



1) in the managerial view 2) including prod. materials and electricity for PSP 3) Payment of Price Difference 4) excluding additional estimation of balancing difference cost 5) margin on distribution and sales of electricity 6) Ancillary Services 7) net profit to equity

Recurring¹ EBITDA in H1'23 - composition and development



	Conventional Generation	District Heating	Renewables	Distribution	Railway Energy Services	Supply	Circular Economy	Other	EBITDA
H1 2023	1 372	1 269	669	2 272	269	39	37	278	6 205
Share in EBITDA (%)	22%	20%	11%	37%	4%	1%	1%	4%	100%
H1 2022	394	47	840	1 479	0	1 127	30	295	4 212
Change (PLN m)	978	1 222	-171	793	269	-1 088	7	-17	1 993
Change (%)	248%	2600%	-20%	54%	-	-97%	23%	-6%	47%

Higher margin on generation due to significant rise in electricity prices offset by contribution to Price Difference Payment Fund, increase in costs of hard coal and CO2 and lower volume. Higher revenues from Capacity Market and ancillary services.

Higher sales of heat in result of rise of heat tariffs approved in H2'2022. Higher margin on generation due to significant rise in electricity prices offset by contribution to Price Difference Payment, increase in CO2 and coal price.

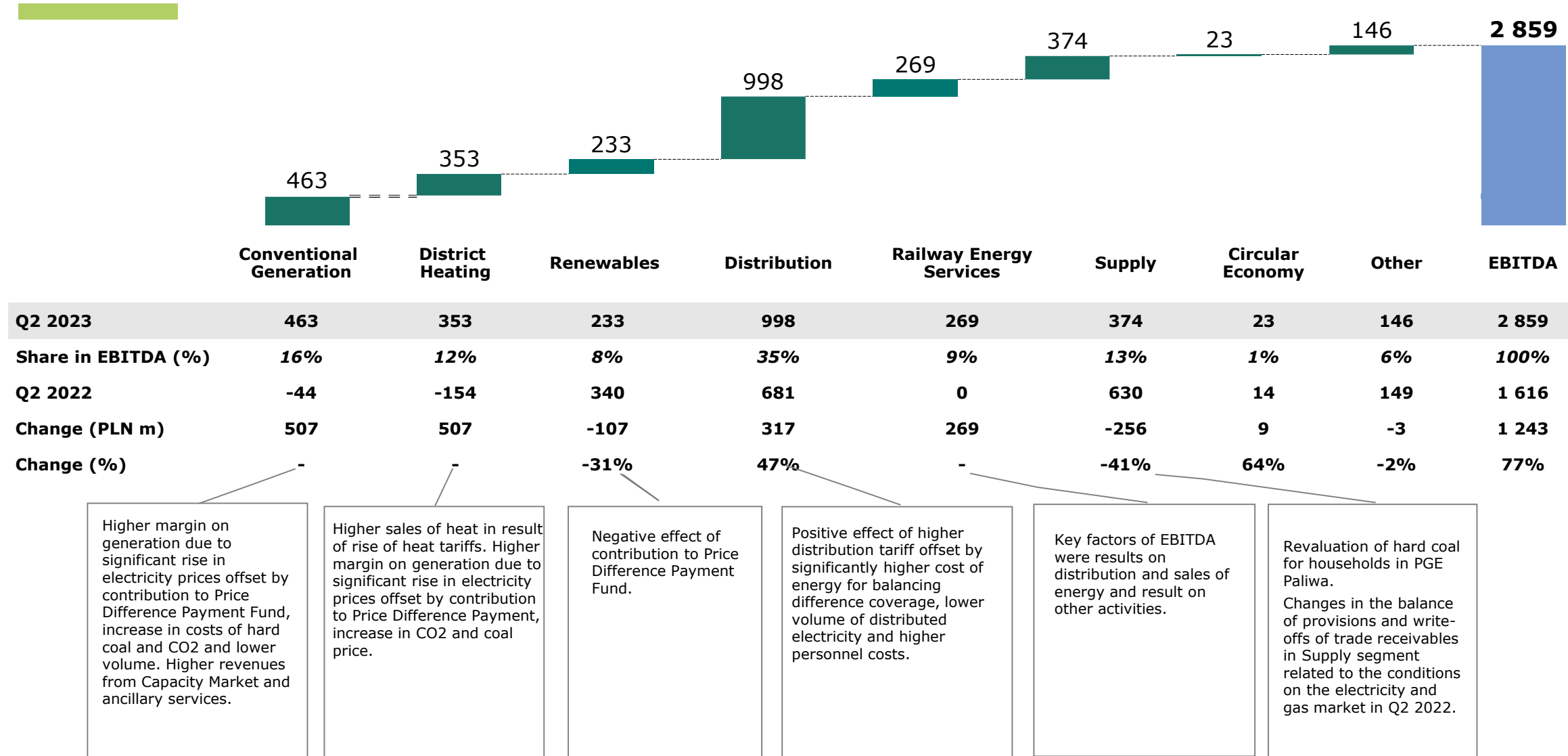
Negative effect of contribution to Price Difference Payment Fund. Higher operating costs due to development of the areas of the Offshore Wind Energy and Renewable Energy.

Positive effect of higher distribution tariff offset by significantly higher cost of energy for balancing difference coverage, lower volume of distributed electricity and higher personnel costs. Positive impact of non-cash item additional estimation of balancing difference cost. The item has neutral effect on the PGE Group results.

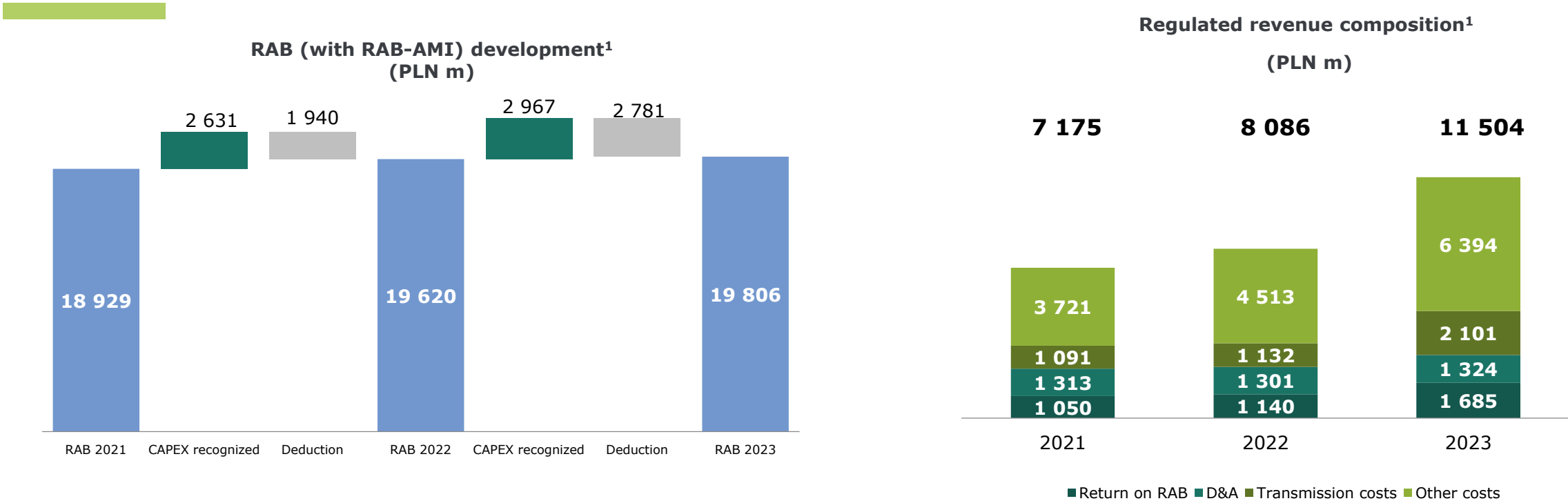
Data for the Energy Railway Services segment refers to the period from the acquisition i.e from April 3, 2023. Key factors of EBITDA were results on distribution and sales of energy and result on other activities.

Lower result on sale of electricity, mainly due to lower margin on tariff products. Negative impact of non-cash item additional estimation of balancing difference cost due to change in price of balancing electricity. The item has neutral effect on the PGE Group results. Revaluation of hard coal for households in PGE Paliwa.

Recurring¹ EBITDA in Q2'23 - composition and development



Fundamentals of the distribution business (PGE Dystrybucja S.A.)



WACC:

2021	2022	2023
5.321%	4.676%	5.781%

Actual return on RAB:²

2021	2022	2023
5.549%	5.811%	8.507%

¹ Based on a Tariff
² Including AMI, regulatory indicator (WR) and reinvestment premium

CO₂ allowances - regulations and settlement

Accounting standards

Allowances for proprietary consumption received free of charge are recognized at its nominal value – zero. Provision for allowances required for redemption is raised respectively to its actual shortage in a given period. Cost incurred is visible in taxes and charges P&L line.

Emissions and allowances settlement

In H1' 2023 PGE's installations emitted 28.2 tonnes of CO₂. Cost related to CO₂ emissions in this period amounted to PLN 11 963m. PGE Group's installations are not eligible for free emission allowances for electricity generation starting from 2020. Only the free emission allowances for heat production are allocated.

Free EUA recognized at a zero value (Cons. FS, note 16)		
	EUA	
	Volume (Mg m)	Value (PLN m)
As at Jan 1, 2021	43	4 903
Purchased/Sold (spot) ¹	47	11 525
Free allocation	1	-
Redeemed	-71	-11 560
As at Dec 31, 2022	20	4 868
Purchased/Sold (spot) ¹	52	16 132
Free allocation	1	-
Redeemed	-70	-20 321
As at Jun 30, 2023	3	679

Provision for purchase of CO ₂ allowances (Cons.FS, note 21)	
As at Dec 31, 2022	20 318
Redeemed	-20 323
Provision raised for H1 2023	11 965
As at Jun 30, 2023	11 960
Impact on P&L (PLN m) – illustrative only	
	H1 2023
Costs by kind	32 363
Taxes and charges	16 896

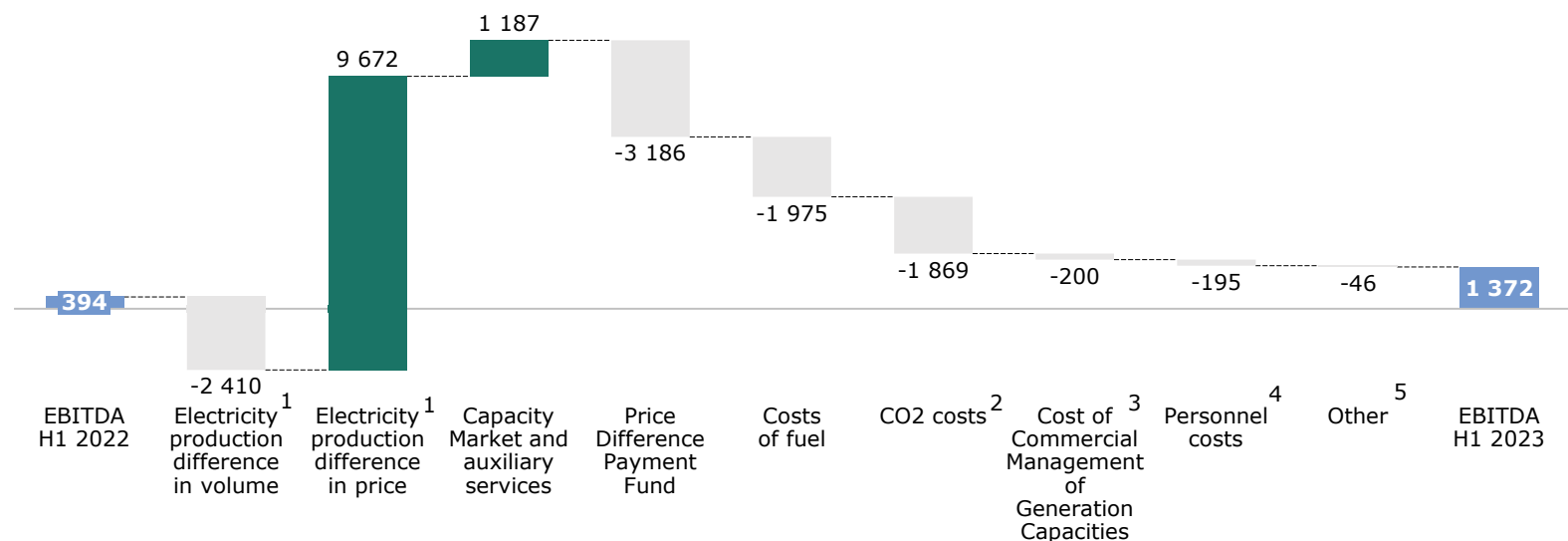
Financial data by segments



Contributions to the Price Difference Payment Fund

[mln PLN]	Q2 2023	Q2 2022	y/y	HY 2023	HY 2022	y/y
Conventional Generation	1 209	0	-	3 186	0	-
District Heating	87	0	-	307	0	-
Renewables	67	0	-	187	0	-
Energy Railway Services	46	0	-	46	0	-
Supply	1	0	-	1	0	-
Contributions to the Price Difference Payment Fund	1 410	0	-	3 727	0	-

Conventional Generation - EBITDA in H1 2023



Change	-2 410	9 672	1 187	-3 186	-1 975	-1 869	-200	-195	-46	
EBITDA reported H1 2022	2 530									
One-offs H1 2022	2 136									
EBITDA recurring H1 2022	394	12 287	1 122	0	1 479	8 536	512	1 490	998	
EBITDA recurring H1 2023		19 549	2 309	3 186	3 454	10 405	712	1 685	1 044	1 372
One-offs H1 2023										-359
EBITDA reported H1 2023										1 013

¹Managerial view

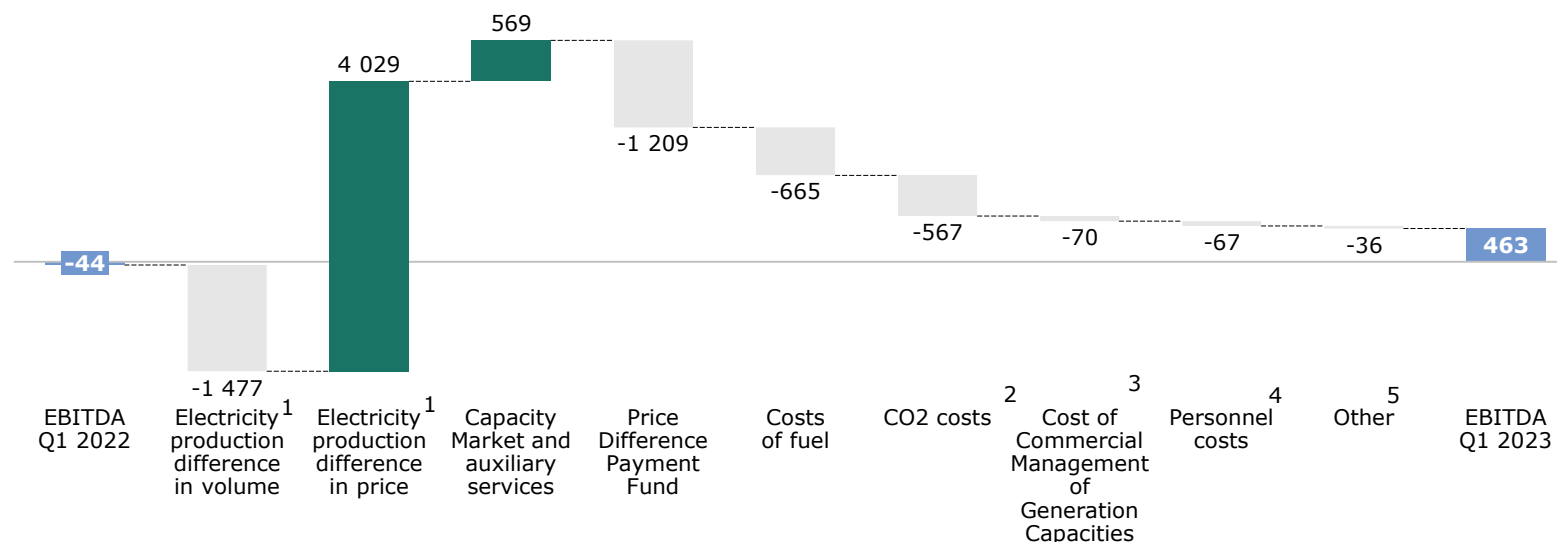
²Costs reduced by resale of CO₂, that was caused due to reductions by PSE S.A. and trading activities

³Commercial Management of Generation Capacities – intra group agreement on management of sales of electricity

⁴The item Personnel costs excluding impact of change in actuarial provision (one-off)

⁵Other without including the impact of change of the reclamation provision (one-off)

Conventional Generation - EBITDA in Q2 2023



Change	-1 477	4 029	569	-1 209	-665	-567	-70	-67	-36	
EBITDA reported Q2 2022	2 092									
One-offs Q2 2022	2 136									
EBITDA recurring Q2 2022	-44	6 135	552	0	943	4 272	245	789	482	
EBITDA recurring Q2 2023		8 687	1 121	1 209	1 608	4 839	315	856	518	463
One-offs Q2 2023										-359
EBITDA reported Q2 2023										104

¹Managerial view

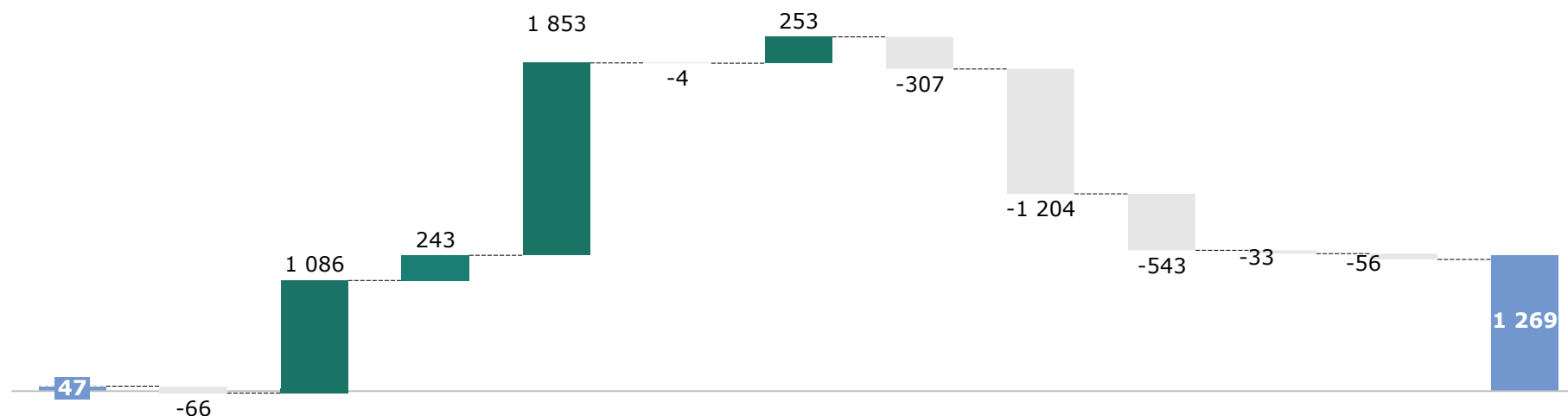
²Costs reduced by resale of CO2, that was caused due to reductions by PSE S.A. and trading activities

³Commercial Management of Generation Capacities – intra group agreement on management of sales of electricity

⁴The item Personnel costs excluding impact of change in actuarial provision (one-off)

⁵Other without including the impact of change of the reclamation provision (one-off)

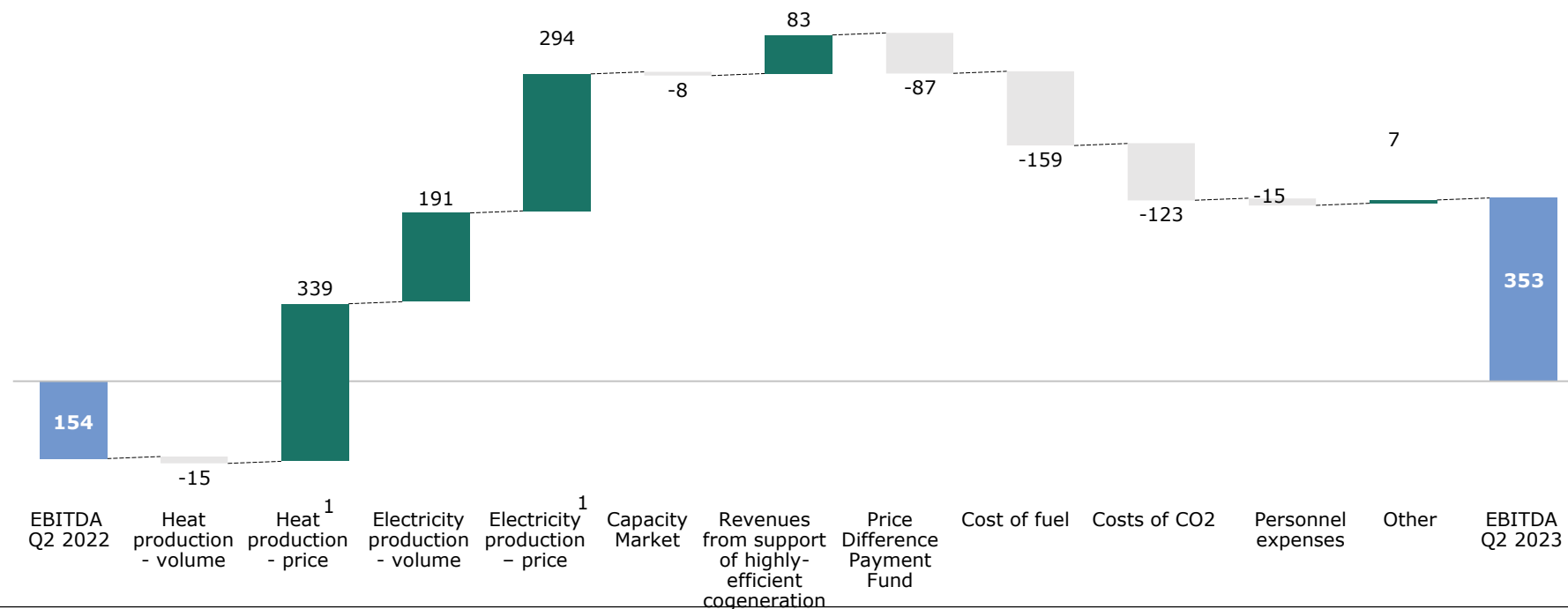
District Heating - EBITDA in H1 2023



	EBITDA H1 2022	Heat production - volume	Heat production - price ¹	Electricity production - volume	Electricity production - price ¹	Capacity Market	Revenues from support of highly-efficient cogeneration	Price Difference Payment Fund	Cost of fuel	Costs of CO2	Personnel expenses	Other	EBITDA H1 2023
Change		-66	1 086	243	1 853	-4	253	-307	-1 204	-543	-33	-56	
EBITDA reported H1 2022	59												
One-offs H1 2022	12												
EBITDA recurring H1 2022	47	1 438		1 679		116	155	0	1 641	1 177	263	260	
EBITDA recurring H1 2023		2 458		3 775		112	408	307	2 845	1 720	296	316	1 269
One-offs H1 2023													-41
EBITDA reported H1 2023													1 228

¹Value adjusted for costs of certificates redemption

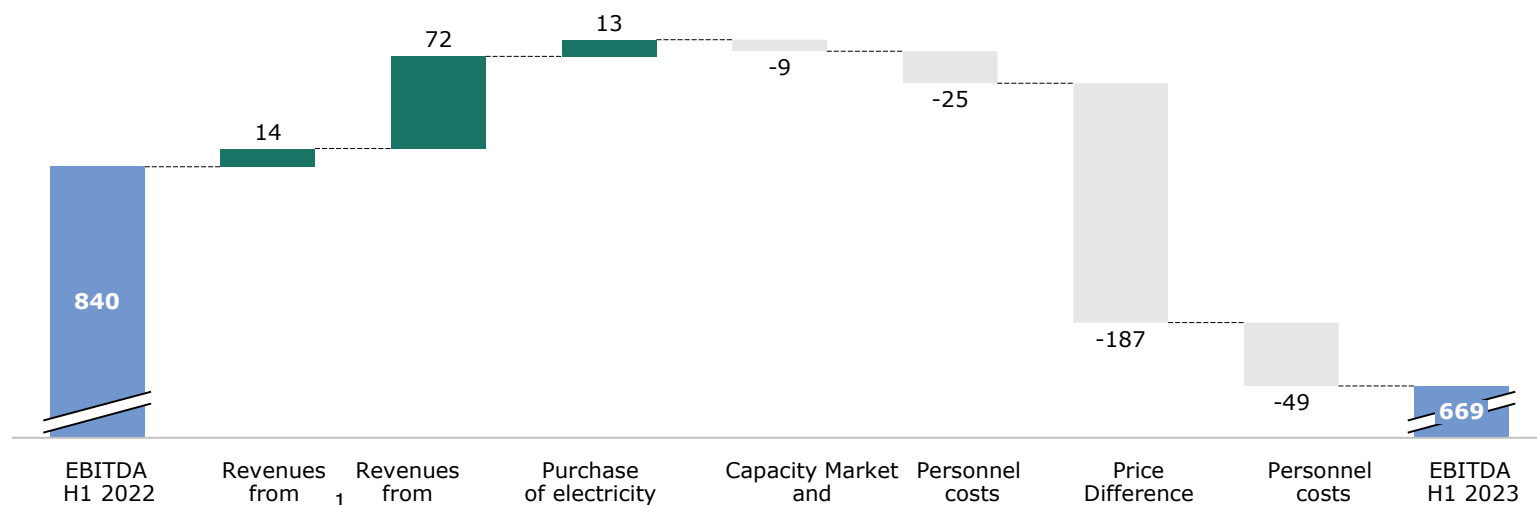
District Heating - EBITDA in Q2 2023



Change		-15	339	191	294	-8	83	-87	-159	-123	-15	7	
EBITDA reported Q2 2022	-142												
One-offs Q2 2022	12												
EBITDA recurring Q2 2022	-154	474		615	58	32	0	611	447	130	145		
EBITDA recurring Q2 2023		798		1 100	50	115	87	770	570	145	138	353	
One-offs Q2 2023												-41	
EBITDA reported Q2 2023												312	

¹Value adjusted for costs of certificates redemption
17

Renewables - EBITDA in H1 2023



Change	14	72	13	-9	-25	-187	-49	
EBITDA reported H1 2022	841							
One-offs H1 2022	1							
EBITDA recurring H1 2022	840	1 210	95	414	144	64	0	131
EBITDA recurring H1 2023		1 224	167	401	135	89	187	180
One-offs H1 2023								
EBITDA reported H1 2023								

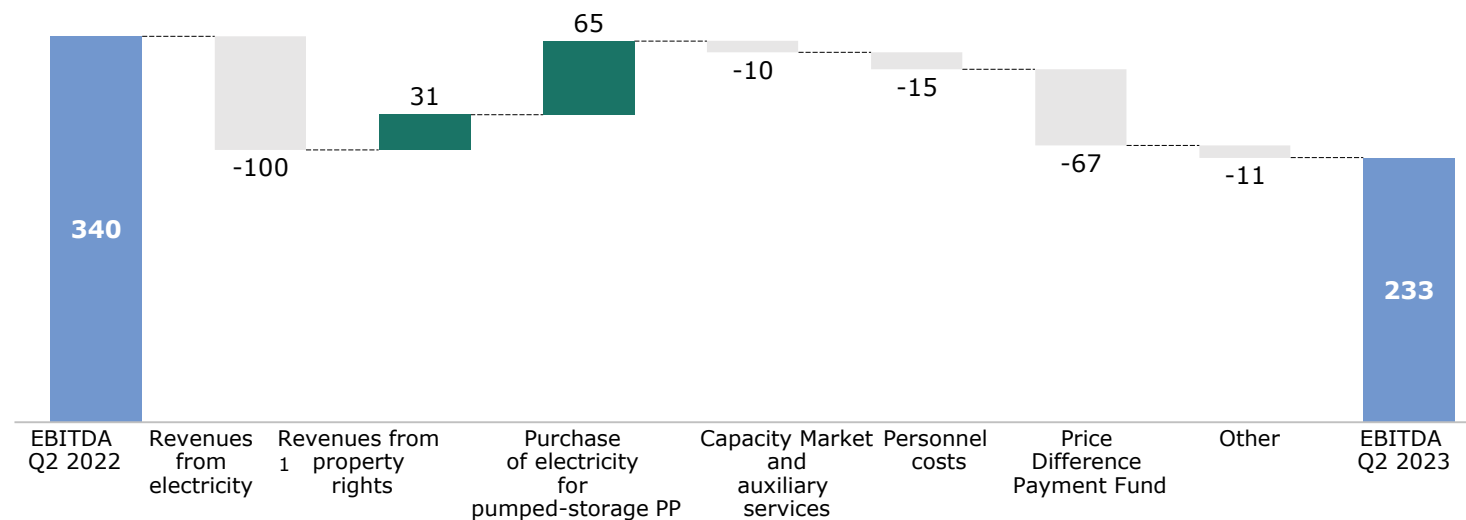
669

10

679

¹ including revenue from electricity generated by wind, hydro, PV's, PSP

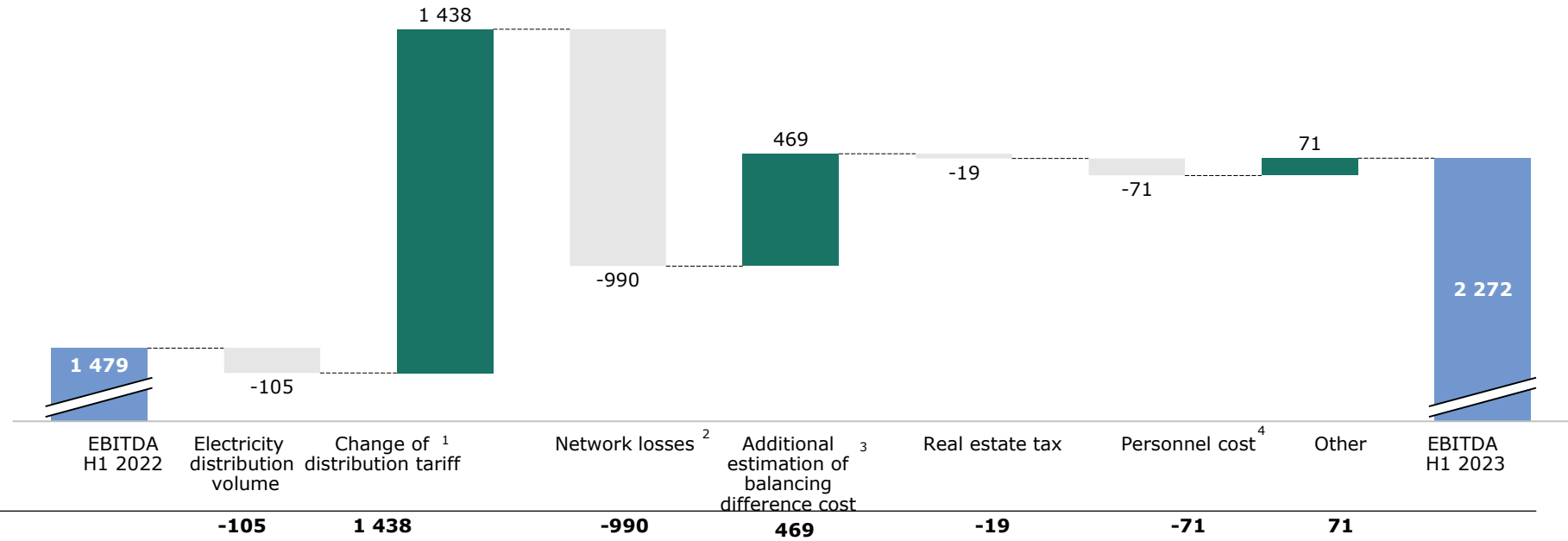
Renewables - EBITDA in Q2 2023



Change	-100	31	65	-10	-15	-67	-11	
EBITDA reported Q2 2022	341							
One-offs Q2 2022	1							
EBITDA recurring Q2 2022	340	583	23	232	72	33	0	73
EBITDA recurring Q2 2023		483	54	167	62	48	67	84
One-offs Q2 2023								10
EBITDA reported Q2 2023								243

¹ including revenue from electricity generated by wind, hydro, PV's, PSP

Distribution - EBITDA in H1 2023



Change	-105	1 438	-990	469	-19	-71	71	
EBITDA reported H1 2022	1 472							
One-offs H1 2022	-7							
EBITDA recurring H1 2022	1 479	2 460	255	35	234	690	163	
EBITDA recurring H1 2023		3 793	1 245	504	253	761	234	2 272
One-offs H1 2023								-21
EBITDA reported H1 2023								2 251

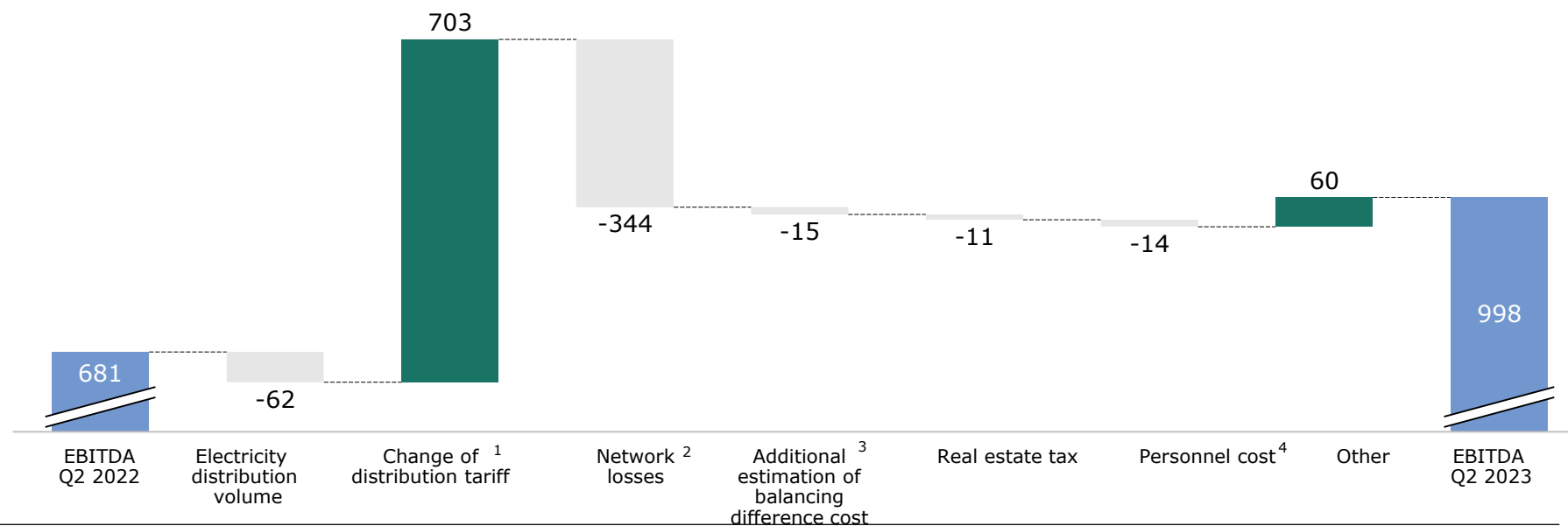
¹ Excluding cost of transmission services from PSE S.A. and taking into account revenues from compensations

² Adjusted for revenues from the Balancing market

³ Additional estimation of balancing difference cost (no-cash item) increased results of Distribution segment and at the same time decreased results of Supply segment

⁴ The item Personnel costs excluding impact of change in actuarial provision (one-off)

Distribution - EBITDA in Q2 2023



Change	-62	703	-344	-15	-11	-14	60	
EBITDA reported Q2 2022	674							
One-offs Q2 2022	-7							
EBITDA recurring Q2 2022	681	1 133	6	-50	117	355	76	
EBITDA recurring Q2 2023		1 774	350	-65	128	369	136	998
One-offs Q2 2023								-21
EBITDA reported Q2 2023								977

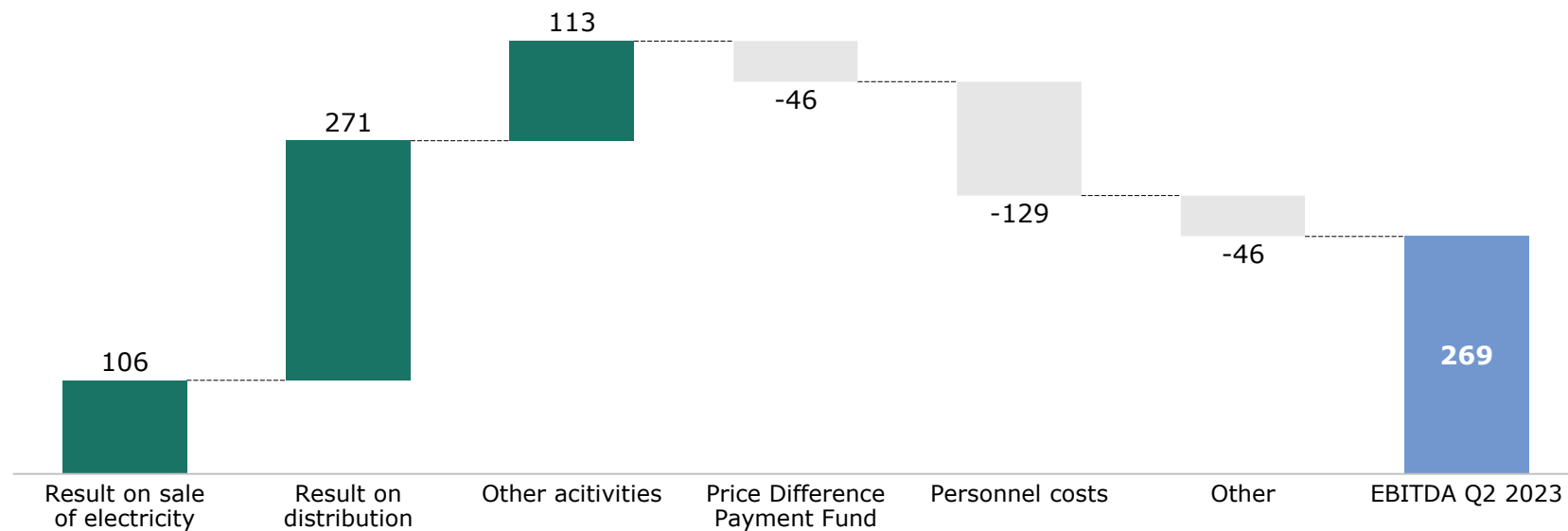
¹ Excluding cost of transmission services from PSE S.A. and taking into account revenues from compensations

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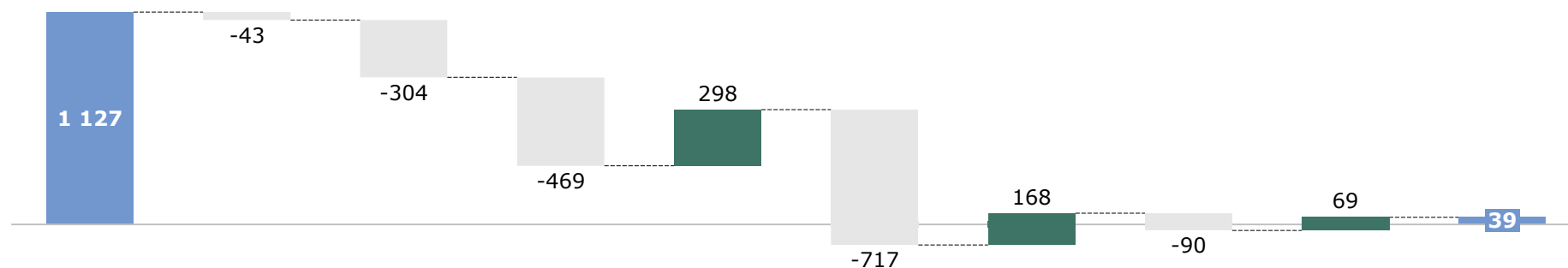
⁴ The item Personnel costs excluding impact of change in actuarial provision (one-off)

Energy Railway Services - EBITDA Q2 2023



Change	106	271	113	-46	-129	-46	269
EBITDA recurring Q2 2023	106	271	113	-46	-129	-46	269
One-offs Q2 2023							0
EBITDA reported Q2 2023							269

Supply - EBITDA in H1 2023



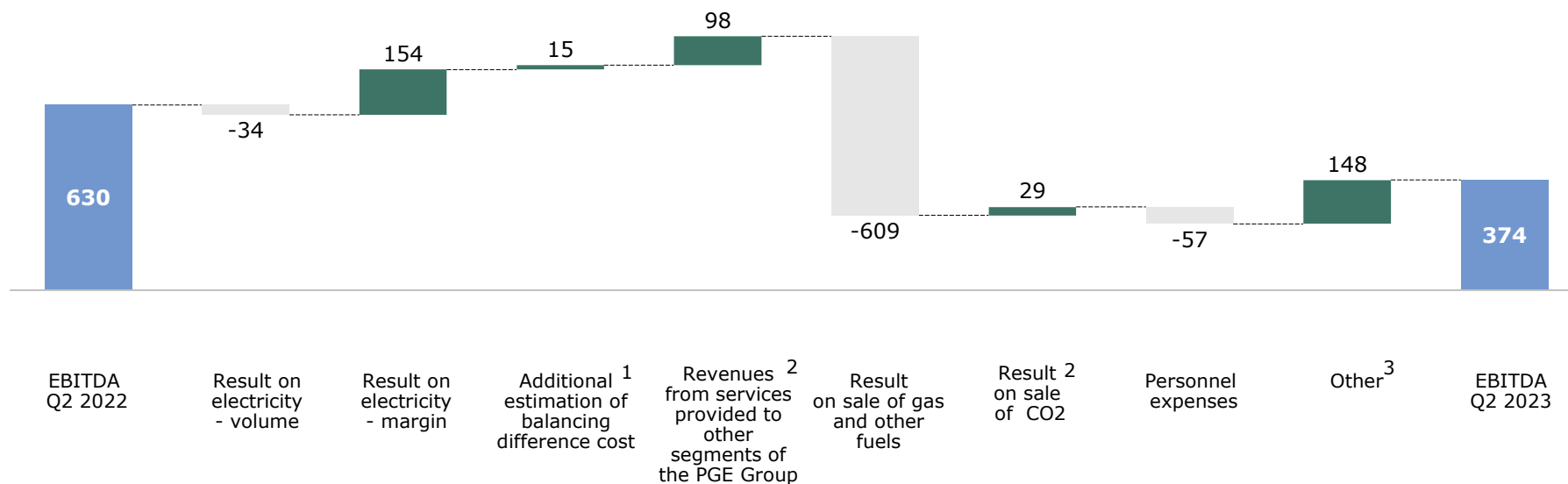
	EBITDA H1 2022	Result on electricity - volume	Result on electricity - margin	Additional estimation of balancing difference cost ¹	Revenues from services provided to other segments of the PGE Group ²	Result on sale of gas and other fuels	Result on sale of CO2 ²	Personnel expenses	Other ³	EBITDA H1 2023
Change		-43	-304	-469	298	-717	168	-90	69	
EBITDA H1 2022	1 176									
One-offs H1 2022	49									
Recurring EBITDA H1 2022	1 127	840		-35	661	243	72	206	448	
Recurring EBITDA H1 2023		493		-504	959	-474	240	296	379	39
One-offs H1 2023										78
EBITDA reported H1 2023										117

¹Additional estimation of balancing difference cost (no-cash item) increased results of Distribution segment and at the same time decreased results of Supply segment

²The item does not include the margin on intragroup trades in CO₂.

³Without provision for prosumers and correction of estimated contribution to the Price Difference Payment Fund for 2022 (one-offs)

Supply - EBITDA in Q2 2023



Change	-34	154	15	98	-609	29	-57	148	
EBITDA Q2 2022	655								
One-offs Q2 2022	25								
Recurring EBITDA Q2 2022	630	546	50	312	141	28	104	343	
Recurring EBITDA Q2 2023		666	65	410	-468	57	161	195	374
One-offs Q2 2023									-3
EBITDA reported Q2 2023									371

¹Additional estimation of balancing difference cost (no-cash item) increased results of Distribution segment and at the same time decreased results of Supply segment

²The item does not include the margin on intragroup trades in CO₂.

³Without provision for prosumers and correction of estimated contribution to the Price Difference Payment Fund for 2022 (one-offs)

Cash flows and debt



Cash from operations, investments and net debt

Consolidated Cash Flows

PLN m	Q2 2023	Q2 2022		H1 2023	H1 2022	
Operating CF	7 167	3 734		339	5 015	
Investing CF	-3 846	-1 807		-5 491	-2 720	
Financial CF	-1 714	2 906		3 633	1 928	
Change of cash and equivalents	1 607	4 833		-1 519	4 223	

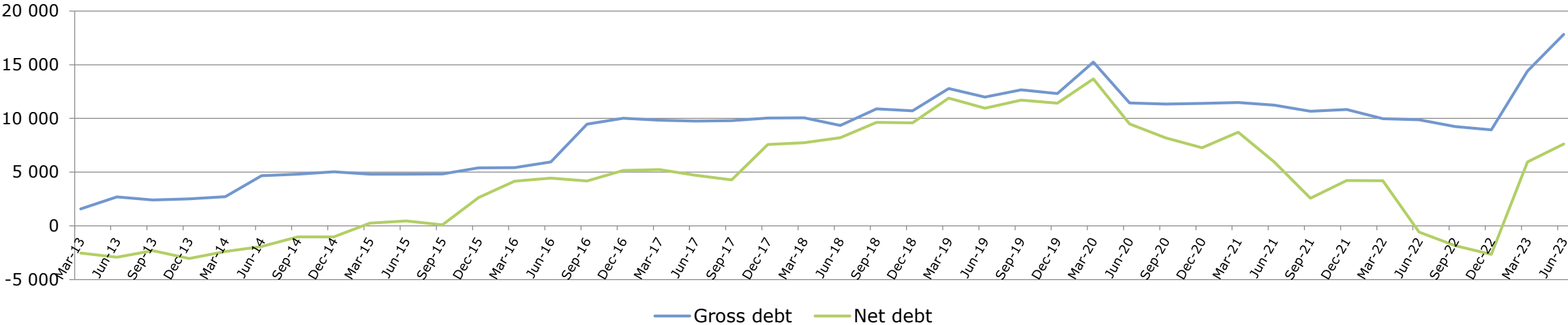
Consolidated Balance Sheet

PLN m	EOP Q2 2023	BOP Q2 2023	Δ Q2 2022	EOP H1 2023	BOP H1 2023	Δ H1 2023
Cash and equivalents	10 368	8 761	1 607	10 368	11 887	-1 519
Loans granted	0	0	0	0	-0	-0
Restricted cash (adjustment)	-177	-289	112	-177	-295	118
Disposable cash of PGE Group	10 191	8 472	1 719	10 191	11 592	-1 401
Short term financial debt	-4 953	-4 184	-769	-4 953	-2 137	-2 816
Long term financial debt	-12 865	-10 230	-2 635	-12 865	-6 799	-6 066
Total financial debt (gross)	-17 818	-14 414	-3 404	-17 818	-8 936	-8 882
Net debt	-7 627	-5 942	-1 685	-7 627	2 656	-10 283
Net economic financial debt	-19 250	-13 766	-5 484	-19 250	-14 373	-4 877

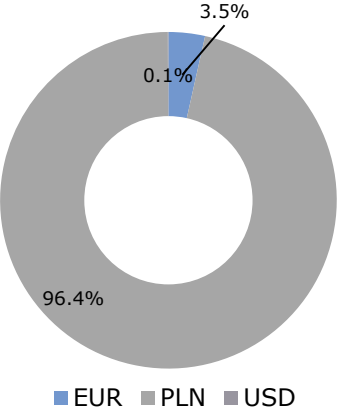
Liabilities are presented with negative sign, for the sake of consistency between balance sheet and cash flow statement

Debt development and structure (June 30, 2023)

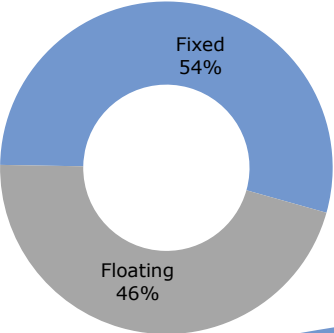
Gross debt and net debt (in PLN million)



Currency profile of drawn debt (including hedging transactions)

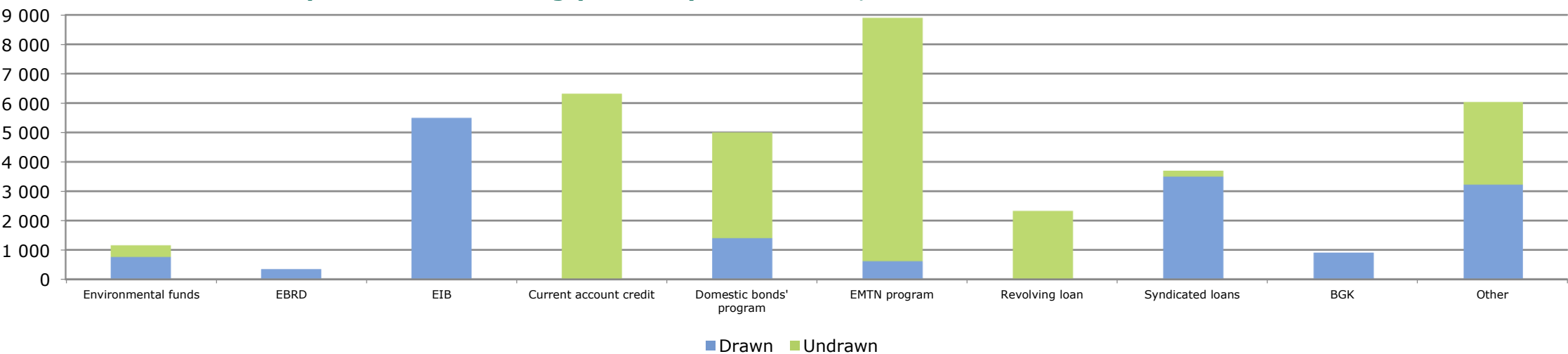


Fixed vs floating rates (drawn debt)

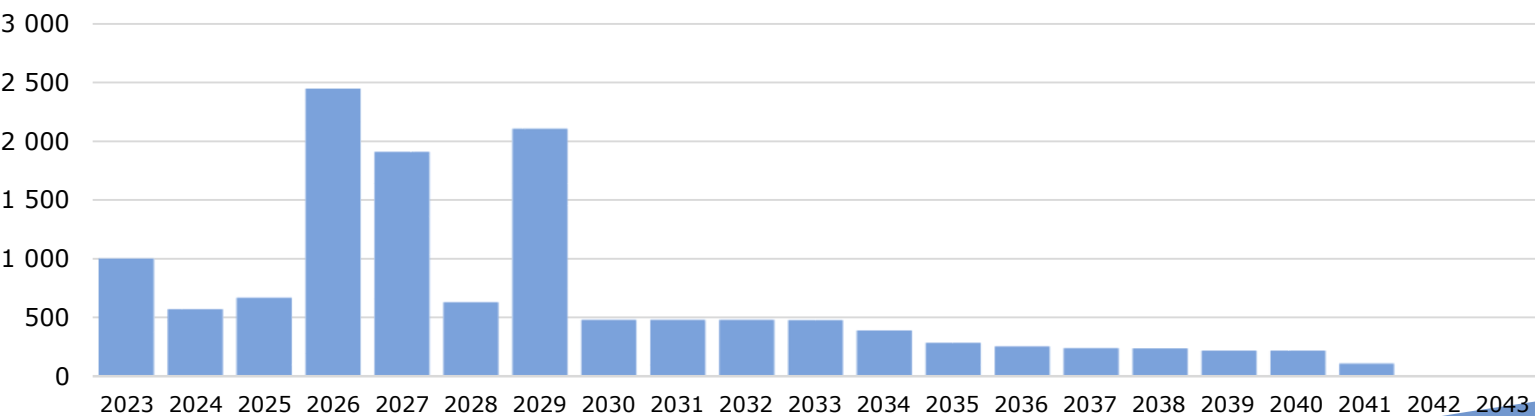


Debt maturity and available financing

Drawn debt and availability of external financing (in PLN m) as at June 30, 2023



Debt maturity profile (PLN m) as at June 30, 2023



* Without current account credits, revolving loans, factoring and leasing

PGE cash position provides...

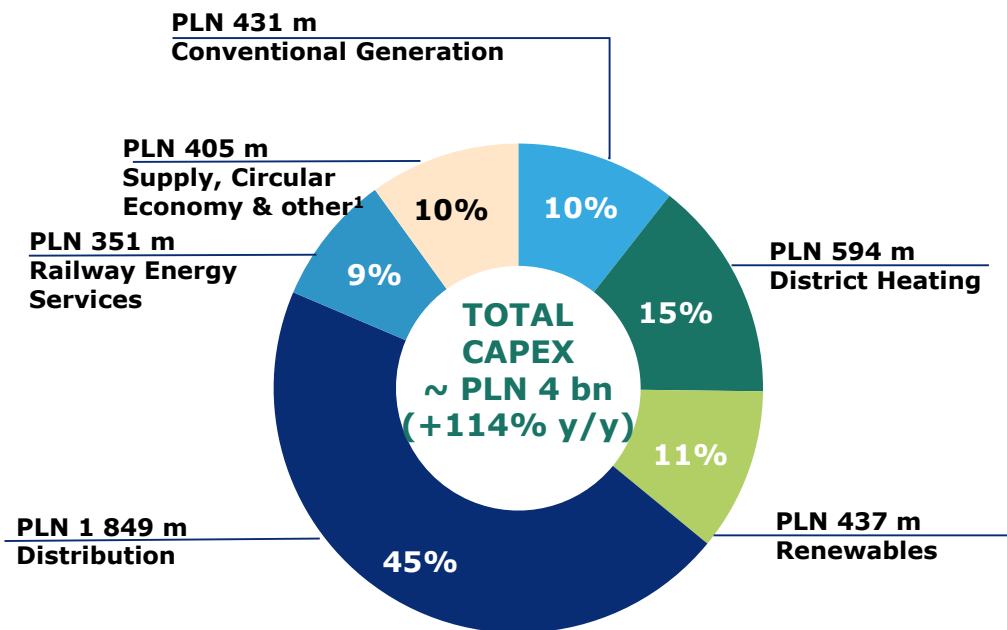
		H1 2023	Q1 2023
... plenty of headroom in the balance sheet	Gross Debt (PLN m)	17 818	14 414
	Net debt (PLN m)	7 627	5 942
	Net Debt/LTM EBITDA	0.94x	0.63x
	Net Debt/Equity	0.14x	0.11x

		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 latest rating confirmation	January 13, 2023	January 24, 2023
	Senior unsecured rating		BBB+
	Date of the latest rating change		August 4, 2011
	Date of the latest rating confirmation		January 24, 2023
	Long-term national rating		AA (pol)
	Date of rating assignment		August 10, 2012
	Date of latest rating change		August 3, 2016

Capital expenditures



Capital expenditures in H1 2023



	Key projects	CAPEX in H1 2023
Generation	Construction of CCGT units in PGE Gryfino 2050	PLN 226 m
	Construction of New Czechnica CHP plant	PLN 258 m
Distribution	Modernisation of distribution assets	PLN 1 050 m
	New projects in Distribution segment	PLN 798 m

¹ Includes construction of new units at PGE Gryfino 2050 (approx. PLN 226 m)



CAPEX in Conventional Generation, District Heating, Renewables and Other Operations (generating capacities), Distribution and Railway Energy Services

- Low-emission capacities: construction of new units in PGE Gryfino and New Czechnica CHP plant (jointly more than PLN 480 m)
- Distribution – expenditures amounting to PLN 747 m incurred for connection of new off-takers
- District Heating – expenditures for development projects amounting to PLN 482 m

Capital expenditures

Segment (PLN m)	Q2 2023	Q2 2022	y/y	HY 2023	HY 2022	y/y
Conventional Generation	233	162	44%	431	257	68%
District Heating	352	155	127%	594	265	124%
Distribution, including:	1 034	384	169%	1 849	637	190%
New clients connection	408	207	97%	747	346	116%
Distribution grid	437	99	341%	755	161	369%
Renewables, including:	272	59	361%	437	112	290%
Modernisation and replacement	43	11	291%	78	17	359%
Energy Railway Services	351	0	-	351	0	-
Supply, Circular Economy and Other Operations	222	208	7%	405	607	-33%
TOTAL	2 464	968	155%	4 067	1 878	117%
TOTAL (incl. consolidation adjustments)	2 396	949	152%	3 953	1 844	114%

A large, solid blue shape with a wavy, undulating top edge that spans the width of the image, creating a modern, abstract background.

Operations



Key operating data

Net generation of electricity by fuels, sales to final clients and distribution

[TWh]	Q2 2023	Q2 2022	y/y	HY 2023	HY 2022	y/y
Net electricity generation, by fuels:	12.30	15.00	-18%	28.02	32.32	-13%
Lignite	6.68	9.59	-30%	14.85	19.91	-25%
<i>incl. Turów 7 unit</i>	0.24	0.53	-55%	0.80	1.12	-28%
hard coal (including)	3.92	4.16	-6%	8.85	9.03	-2%
Conventional Generation segment	3.18	3.35	-5%	6.61	6.66	-1%
<i>incl. Opole 5/6 units</i>	1.16	1.23	-6%	2.52	2.34	8%
District Heating segment	0.74	0.81	-9%	2.24	2.37	-5%
natural gas	0.83	0.49	69%	2.31	1.61	43%
pumped-storage plants	0.28	0.21	33%	0.57	0.43	33%
hydro	0.12	0.12	0%	0.28	0.26	8%
wind	0.32	0.33	-3%	0.89	0.88	1%
biomass	0.14	0.09	56%	0.26	0.18	44%
municipal waste	0.01	0.01	0%	0.01	0.02	-50%
Sales of heat [PJ]	8.16	8.42	-3%	28.38	29.70	-4%
<i>including Conventional Generation segment</i>	0.48	0.49	-2%	1.36	1.42	-4%
Sales of electricity to final off-takers, including	8.61	8.36	3%	17.48	17.46	0%
Supply	7.87	8.35	-6%	16.70	17.44	-4%
Energy Railway Services	0.72	0.00	-	0.72	0.00	-
Distribution of electricity, including	9.35	8.83	6%	18.82	18.62	1%
Distribution	8.35	8.83	-5%	17.82	18.62	-4%
Energy Railway Services	1.00	0.00	-	1.00	0.00	-

Key operating data

Average realized wholesale price of electricity, average cost of CO2

Average realized wholesale price of electricity*

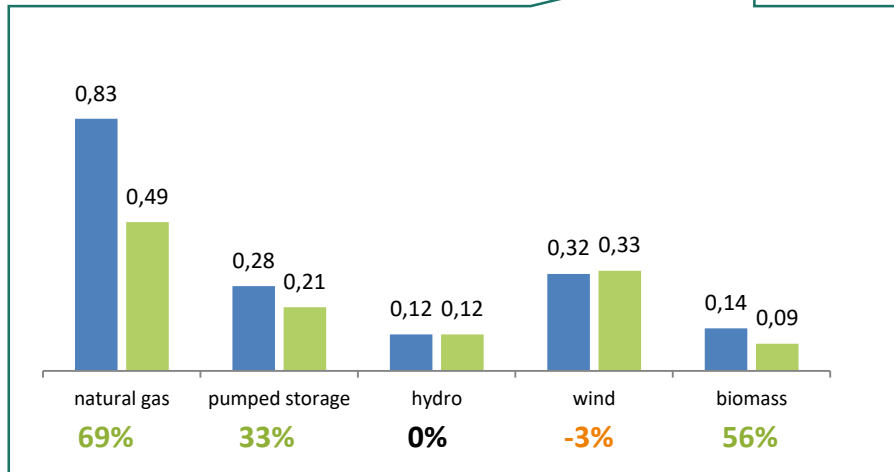
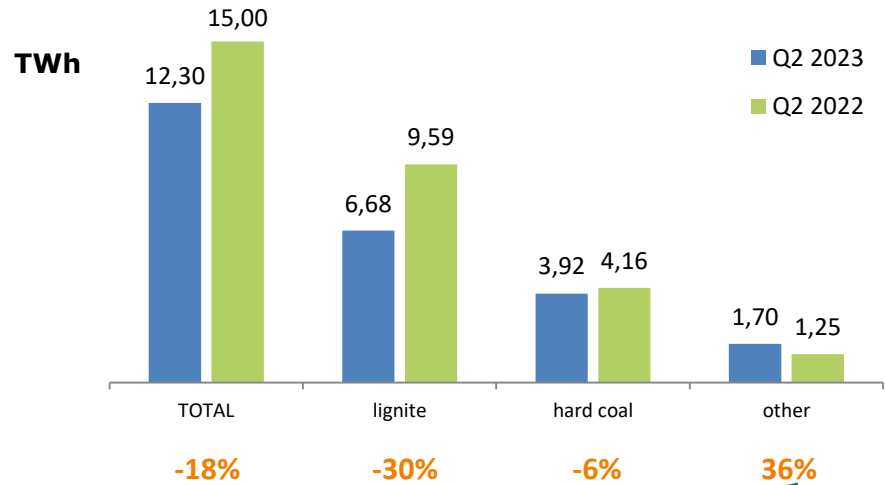
[PLN/MWh]	Q2 2023	Q2 2022	y/y	HY 2023	HY 2022	y/y
Conv. Generation segment	749.13	478.49	57%	759.54	467.29	63%
District Heating segment	592.06	432.41	37%	716.96	391.27	83%
Total (Conv. Gen. & District Heating)	722.37	474.15	52%	751.01	457.56	64%

Average cost of CO2

Conv. Gen. & Dist. Heating (PLN/t CO2)	442.66	296.97	49%	435.84	286.92	52%
Conv. Gen. & Dist. Heating (PLN/MWh)	440.38	311.60	41%	421.50	291.82	44%

* Price after contributions to the Price Difference Payment Fund

Generation volume by fuel - Q2 2023 y/y



↓ National Power System (y/y): Lower demand for electricity. Domestic energy consumption lower by 2.7 TWh y/y (-6% y/y). Net electricity import 1.7TWh (change of balance of foreign exchange 2.5TWh) → **lower generation by 5.2 TWh y/y (-12% y/y). Increase in generation of gas, PVs and hydro.**

PGE:

↓ Lignite: decline in production -30% y/y due to lower demand for electricity and reallocation of production to hard coal units

↓ Hard coal: decline in production -6% y/y due to lower demand for electricity

↑ Natural gas: significantly higher cogeneration volumes in CHP Lublin Wrotków and CHP Rzeszów due increase in profitability of gas generation

↓ Wind: weaker wind conditions.

↔ Hydro: reconstruction of Dębe power plant

In Q2'23 and Q2'22 volume of 0.01 TWh was generated from municipal waste (not presented on the bar chart)

Generation volume by fuel - H1 2023 y/y



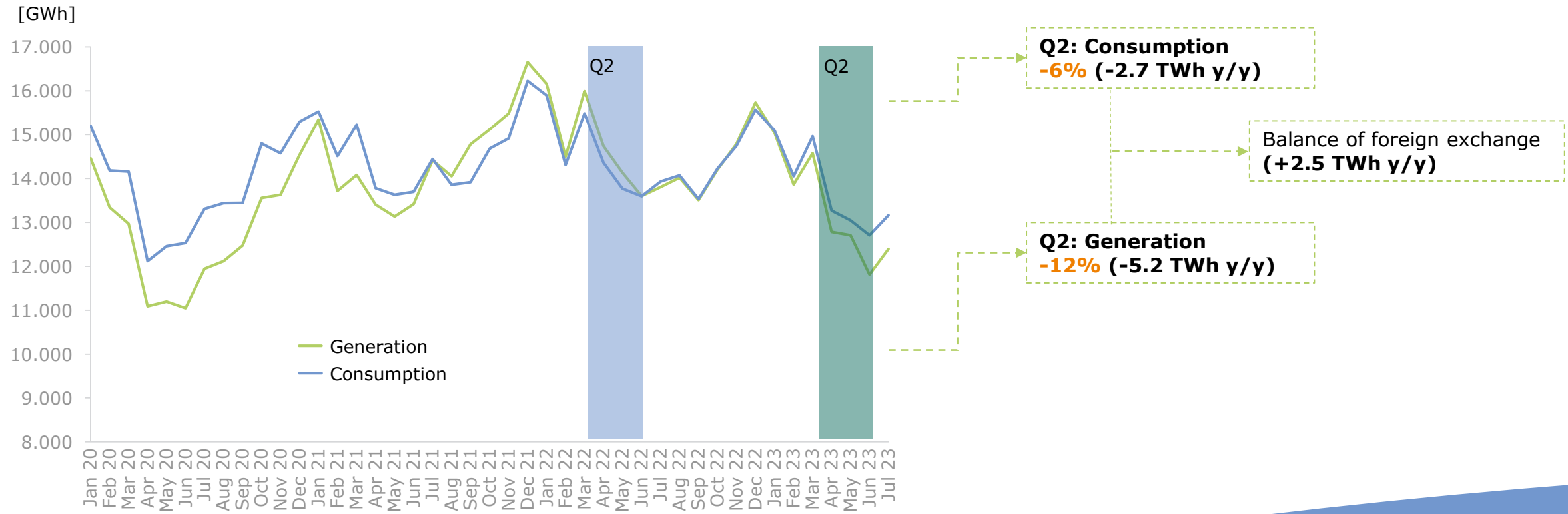
- Conventional Generation**
- ↓ **Generation volume:** Decline in production by 19% y/y due to lower load factor of lignite power plants
 - ↓ **Lignite:** significantly lower generation in ELB by 4.1 TWh y/y and ELT by 0.9TWh y/y due to decline in demand for electricity and reallocation of generation to hard coal
 - ↓ **Hard coal:** only slight decline in production y/y despite lower demand for electricity due to reallocation of generation from lignite power plants
- District Heating**
- ↑ **Increase in generation** by 15% y/y on significant increase in production in gas CHP plants.
 - ↑ **Natural gas:** significantly higher production by 43% y/y due to higher profitability of gas generation
 - ↓ **Heat:** Decline in heat sales by 1.3 PJ due to higher average daily temperatures in heating season.
- RES**
- ↑ **Wind:** Production higher due to impact of new capacities in H1 2023. Load factor at 28.0% against 31.0% in H1 2022.
 - ↑ **Hydro:** better hydrologic conditions, reconstruction of Dêbe power plant.

In H1'23 and H1'22 was generated from municipal waste respectively volume of 0.01 TWh and 0.02 TWh (not presented on the bar chart)

Electricity market - balance of energy

Continuing trend of declining demand and import of electricity

Domestic consumption and generation

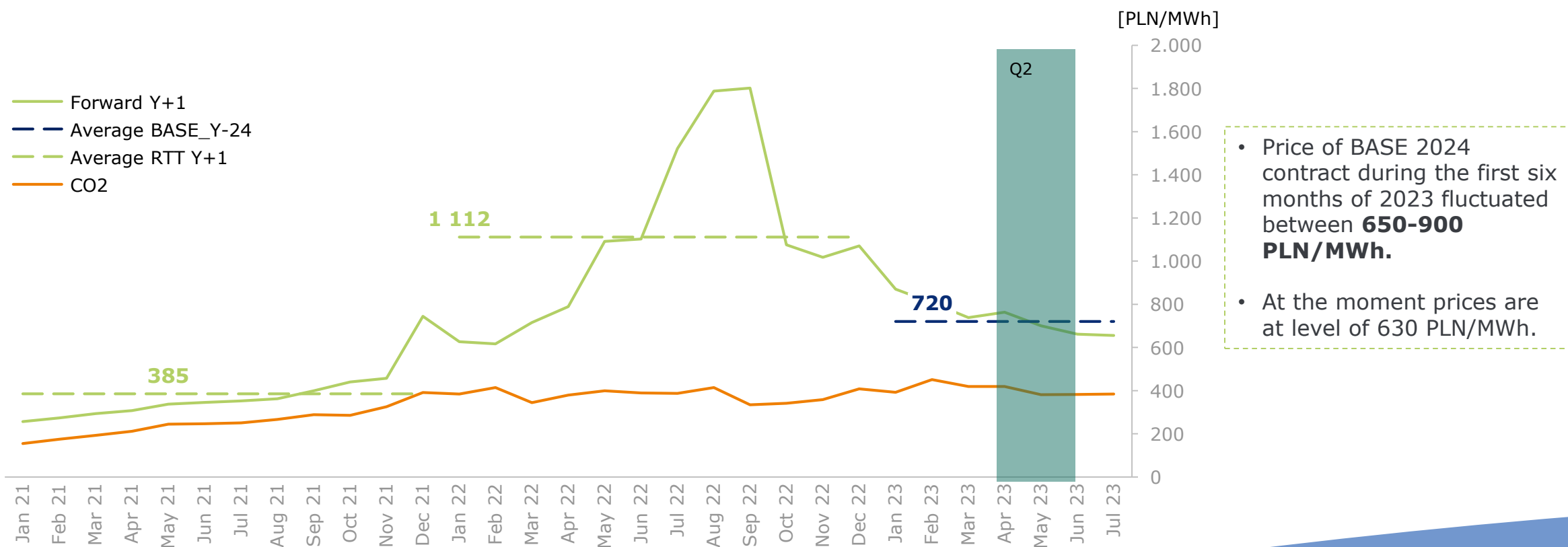


Source: PSE

Electricity market - price

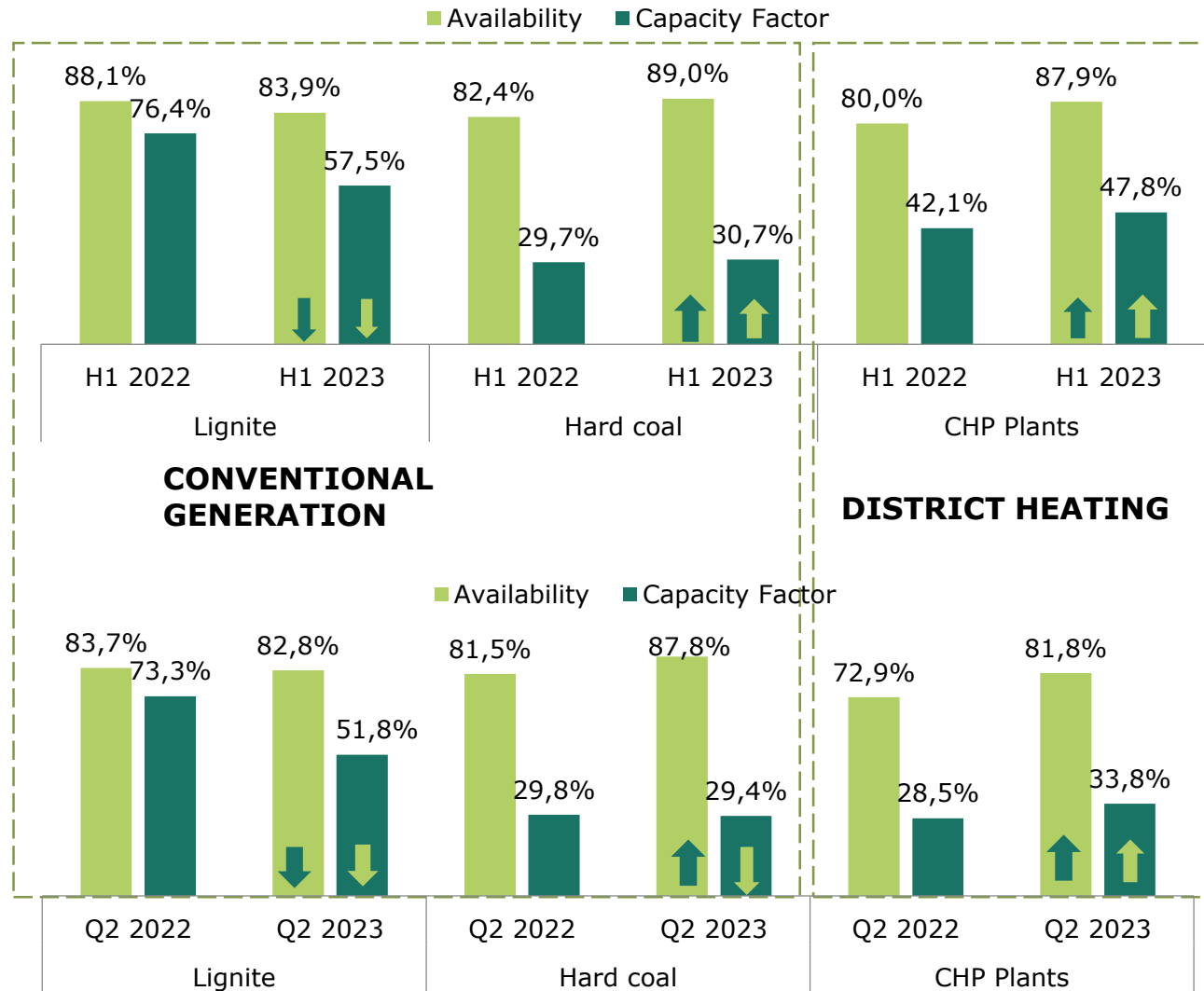
Decline in fuel prices reflected in electricity prices

BASE Forward next year and CO₂ prices



Source: TGE

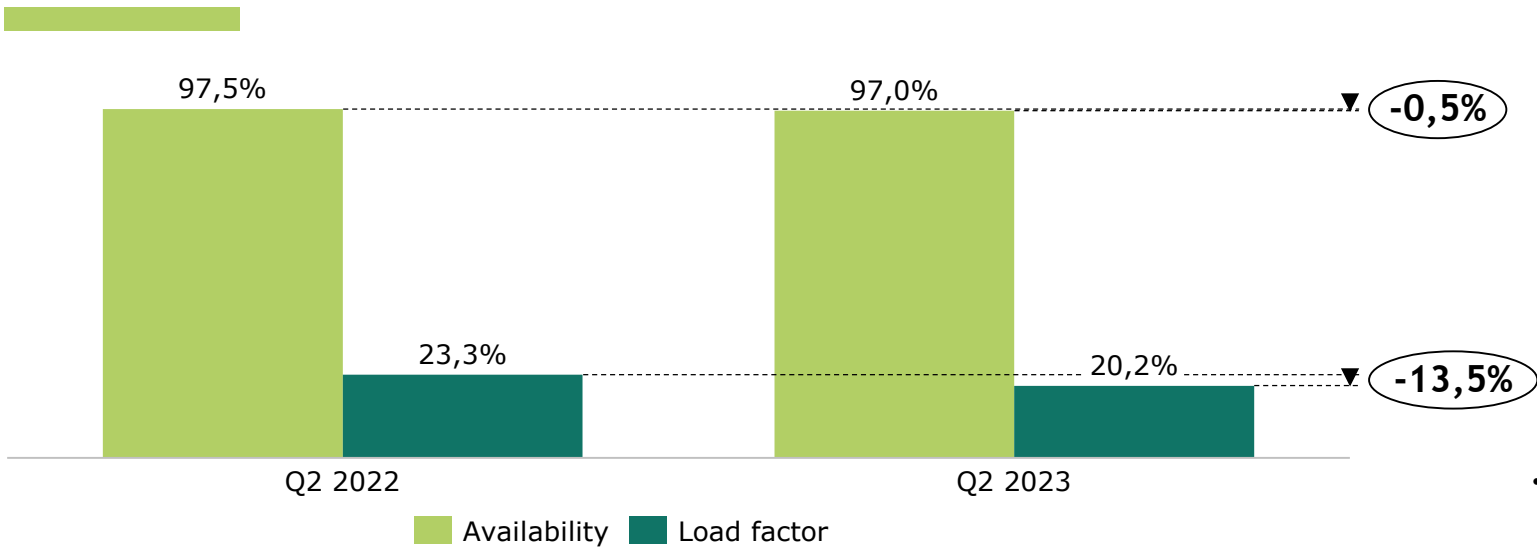
Generation assets - conventional



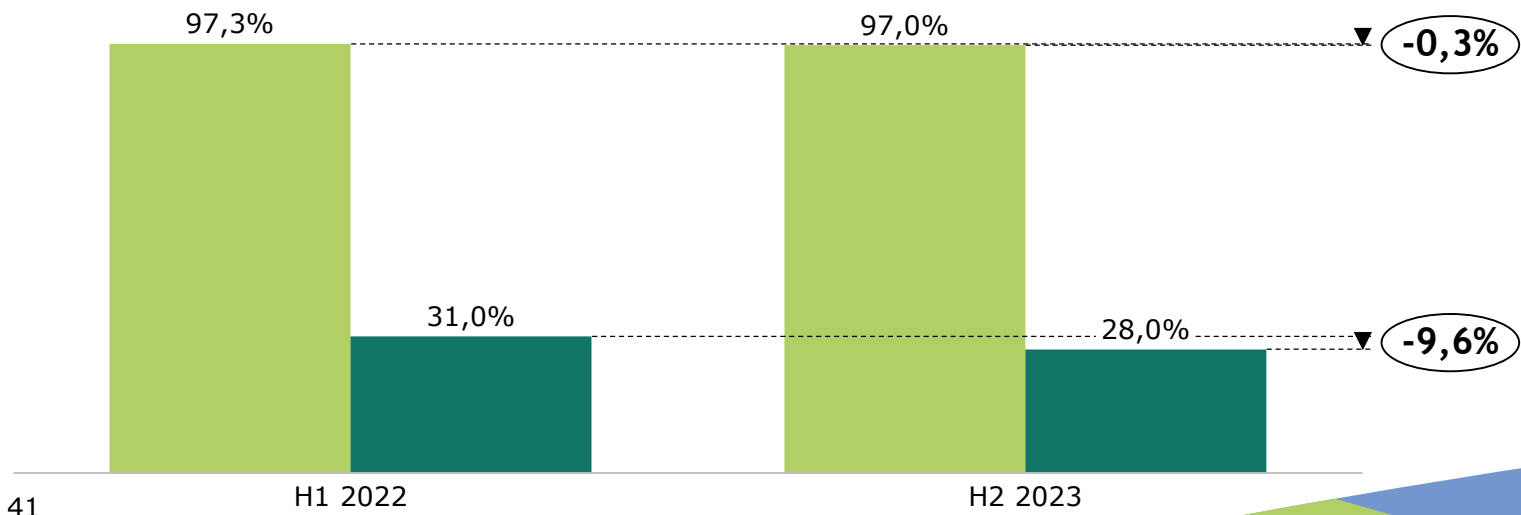
Lower load factor of lignite power plants in H1 2023

- **H1 2023 :**
- Lower generation on lignite due to decline in demand for electricity and reallocation of generation to hard coal
- Slight increase in load factor of hard coal due to reallocation of generation from lignite power plants
- Increase in generation of CHP's on significant increase in production in gas CHP plants
- **Q2 2023 :**
- Lower generation on lignite due to decline in demand for electricity and reallocation of generation to hard coal
- Comparable load factor on hard coal, decline is offset by reallocation of generation from lignite power plants
- Increase in generation of CHP's on significant increase in production in gas CHP plants

Generation assets - wind farms

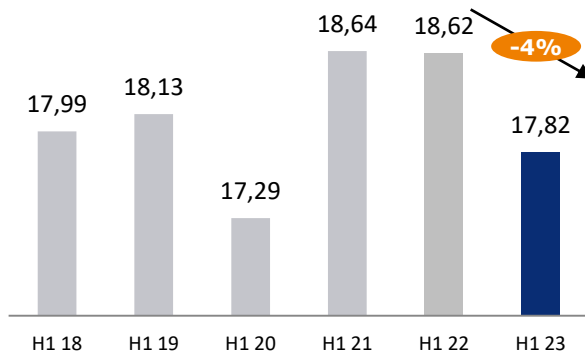


• Lower load factor due to unfavourable wind conditions.

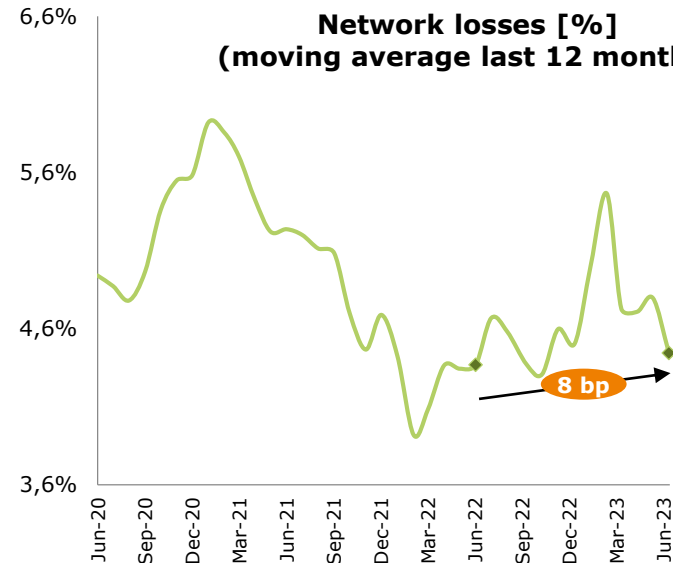


Assets of Distribution segment

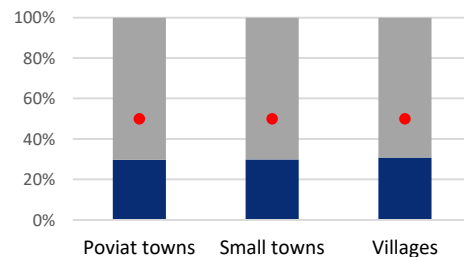
**Volume of distributed electricity
(TWh)**



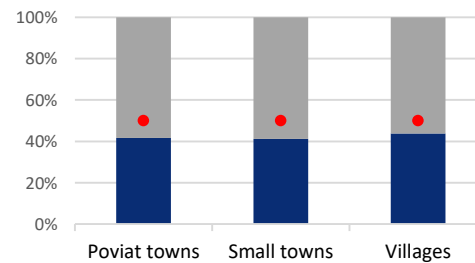
**Network losses [%]
(moving average last 12 months)**



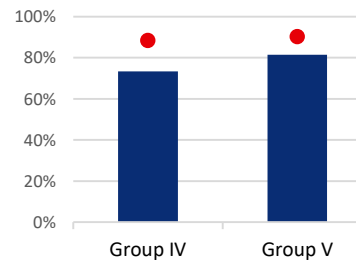
Interruption duration¹



Interruption frequency¹



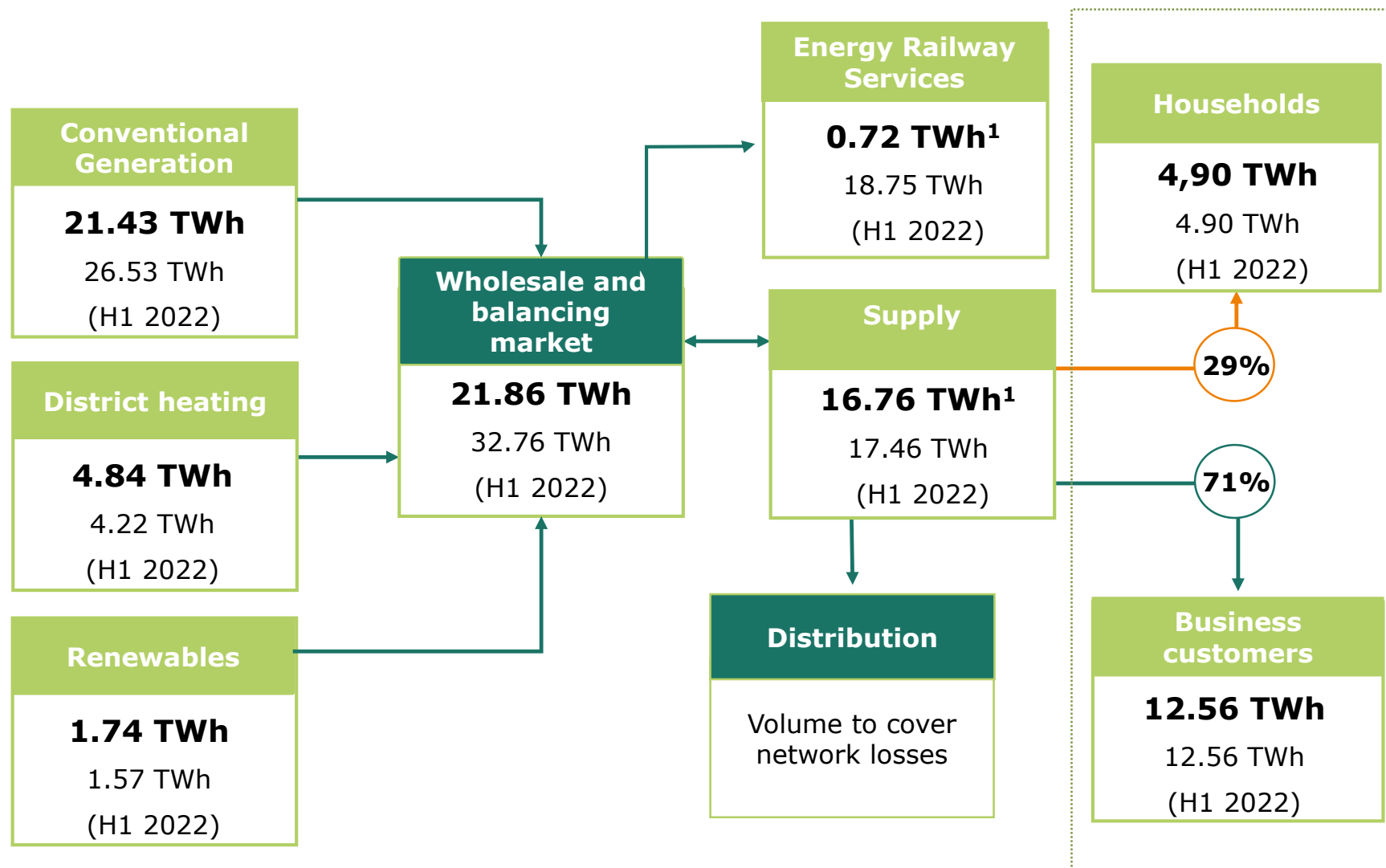
Connection time¹



- Declining distribution volumes
- Slightly higher level of network losses at the end of June 2023.
- Qualitative indicators of Interruption frequency and interruption duration meet indicated KPI's.
- Benchmark of connection times above the threshold.

H1 2023 Output and sales of electricity

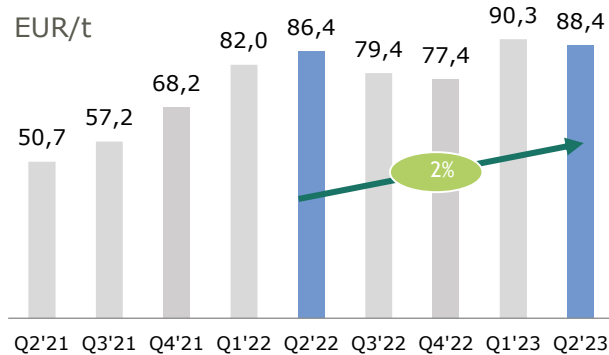
Ilustracyjnie



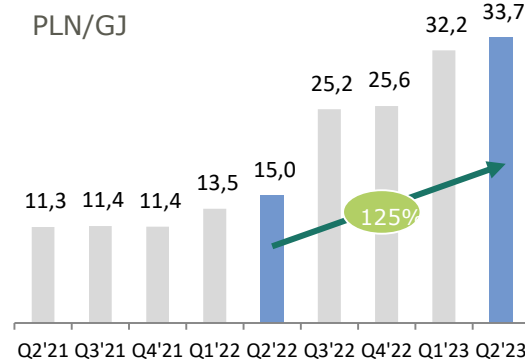
¹ Sales after intragroup exemptions. Some business flows incl. Balancing market, international trade, purchases from power exchange and own consumption are not shown.
Source: PGE

Lower SPOT prices y/y at power exchange

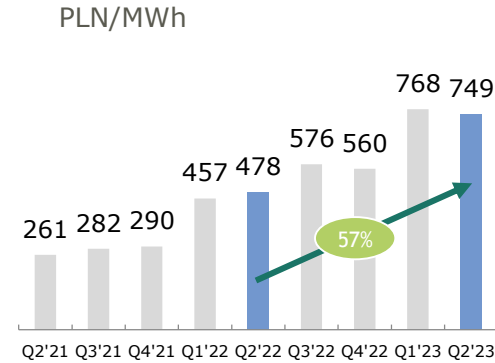
CO₂ allowance (EUA_DEC_Y)



Hard coal (Polish Steam Coal Index PSCMI1)



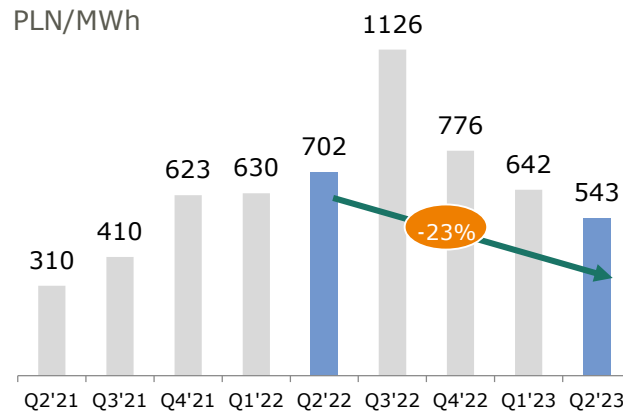
PGE average wholesale price of electricity (Conventional Generation)¹



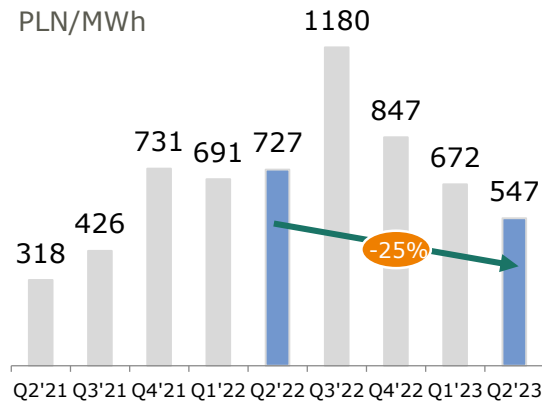
¹average price based on sales volumes adjusted for wholesale market purchases. Prices from Q4'22 to Q2'23 adjusted by contribution to Price Difference Payment Fund

Average quarterly TGE Electricity Prices (PLN/MWh)

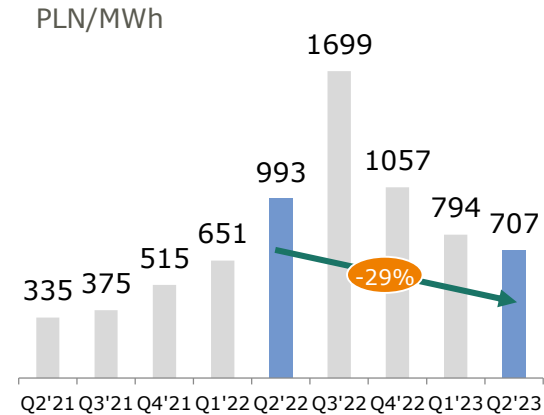
Base (spot)



Peak (spot)



Forward, next year- Base_Y+1



Invitation for webcast

On behalf of
Lechosław Rojewski
Vice-President for Finance & CFO

we kindly invite you to a webcast of the presentation of

PGE H1 2023 results
which will be held on
Wednesday, September 27, 2023
at 2:00 pm (CEST)

Transmission will be available on
<https://infostrefa.tv/pge/>
Questions for the Q&A session may be submitted via e-mail
ir@gkpge.pl during or before the webcast
and via questionnaire available on the webcast page.

We provide the option to listen to the conference via telephone line
+48 123480899, access code: **0140492**

Sell-side analysts covering PGE



Institution	Analyst
BOŚ	Łukasz Prokopiuk
Citigroup	Piotr Dzieciołowski
Erste Group Research	Petr Bartek
IPOPEMA	Robert Maj
mBank	Kamil Kliszc
Pekao	Marcin Górnik
PKO BP	Andrzej Rembelski
Santander Biuro Maklerskie	Paweł Puchalski
Societe Generale	Bartłomiej Kubicki
Trigon DM	Michał Kozak
Wood & Company	Iuliana Ciopraga

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Thank you

