

# Q4 2024 & FY 2024 Preliminary Results

INVESTOR PRESENTATION

March 5, 2025



*Polska Grupa Energetyczna*

# Disclaimer: estimated data

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# Estimated operating volumes and sales data

## Volumes: generation, sales, distribution

[TWh]	Q4 2024	Q4 2023	y/y	FY 2024	FY 2023	y/y
<b>Net electricity generation, by fuels:</b>	<b>15.49</b>	<b>15.65</b>	<b>-1%</b>	<b>56.16</b>	<b>56.77</b>	<b>-1%</b>
lignite	7.90	7.80	1%	30.83	<b>29.79</b>	3%
<i>incl. Turów 7 unit</i>	0.18	0.02	800%	1.48	1.00	48%
hard coal	4.59	5.40	-15%	15.52	18.84	-18%
incl. Conventional Generation segment	3.49	4.24	-18%	12.31	15.05	-18%
<i>incl. Opole 5/6 units</i>	1.70	2.29	-26%	5.55	7.09	-22%
incl. District Heating segment	1.10	1.16	-5%	3.21	3.79	-15%
natural gas	2.14	1.31	63%	6.17	4.21	47%
<i>incl. Gryfino</i>	1.05	0.00	-	2.55	0.00	-
pumped-storage plants	0.14	0.31	-55%	0.87	1.20	-28%
hydro	0.07	0.10	-30%	0.40	0.44	-9%
wind	0.51	0.60	-15%	1.78	1.77	1%
biomass	0.11	0.12	-8%	0.41	0.46	-11%
municipal waste	0.01	0.00	-	0.03	0.03	0%
photovoltaic	0.02	0.01	100%	0.15	0.03	400%
<b>Sales of heat [PJ]</b>	<b>17.47</b>	<b>17.20</b>	<b>2%</b>	<b>47.28</b>	<b>49.03</b>	<b>-4%</b>
<i>including Conventional Generation segment</i>	0.75	0.75	0%	2.32	2.41	-4%
<b>Sales of electricity to final off-takers, including</b>	<b>8.36</b>	<b>8.75</b>	<b>-4%</b>	<b>33.70</b>	<b>34.71</b>	<b>-3%</b>
Supply	7.57	7.94	-5%	30.65	32.41	-5%
Energy Railway Services*	0.78	0.78	0%	3.01	2.22	36%
<b>Distribution of electricity, including</b>	<b>10.65</b>	<b>10.42</b>	<b>2%</b>	<b>40.55</b>	<b>38.88</b>	<b>4%</b>
Distribution	9.53	9.32	2%	36.28	35.78	1%
Energy Railway Services*	1.12	1.10	2%	4.27	3.10	38%

\*segment Energy Railway Services consolidated from April 3, 2023.

# Estimated operating volumes and sales data

## Average realized wholesale price of electricity

[PLN/MWh]	Q4 2024	Q4 2023	y/y	FY 2024	FY 2023	y/y
<b>Conv. Generation segment*</b>	611	683	-11%	589	728	-22%
<b>Gas-fired Generation segment</b>	684	-	-	669	-	-
<b>District Heating segment*</b>	681	702	-3%	649	691	-8%
<b>Total (Conv. Gen., Gas-fired Gen. &amp; District Heating)*</b>	626	686	-9%	599	722	-8%
<b>Average cost of CO2</b>						
<b>Conv. Gen., Gas-fired. Gen. &amp; Dist. Heating (PLN/t CO2)</b>	366	406	-10%	382	427	-11%
<b>Conv. Gen., Gas-fired. Gen. &amp; Dist. Heating (PLN/MWh)</b>	337	384	-12%	362	417	-13%

\* Price adjusted by contributions to the Price Difference Payment Fund

# Estimated key financial data

[PLN m]	Q4 2024	Q4 2023	y/y	FY 2024	FY 2023	y/y
<b>EBITDA recurring PGE Group, including:</b>	<b>3 587</b>	<b>2 067</b>	<b>74%</b>	<b>10 878</b>	<b>10 722</b>	<b>1%</b>
Renewables	316	272	16%	1 344	1 108	21%
Gas-fired Generation	106	-4	-	146	-15	-
Conventional Generation	1 020	404	152%	829	2 086	-60%
District Heating	554	706	-22%	1 483	2 061	-28%
Distribution*	1 168	657	78%	4 530	3 930	15%
Railway Energy Services**	266	613	-57%	1 111	1 238	-10%
Supply*	220	-495	-	1 393	-74	-
Circular Economy	-27	-1	2600%	69	57	21%
Other activity and consolidation adjustments	-36	-85	-58%	-27	331	-
<b>One-off items, including:</b>	<b>1 030</b>	<b>-369</b>	-	<b>1 337</b>	<b>-694</b>	-
LTC compensations	7	-81	-	4	-109	-
Change of reclamation provision	641	-196	-	621	-527	-
Change of actuarial provision	15	-86	-	15	-138	-
Voluntary Leave Program	-3	0	-	-5	0	-
Correction of compensation for sold electricity for previous years	162	0	-	614	0	-
Write-down of receivables from PKP Cargo	0	0	-	-120	0	-
Correction of contribution to the Price Difference Payment Fund	208	-6	-	208	80	160%
<b>EBITDA reported</b>	<b>4 617</b>	<b>1 698</b>	<b>172%</b>	<b>12 215</b>	<b>10 028</b>	<b>22%</b>

\*results include non-cash effect of cost of estimated energy balance, which in FY 2024 decreased results of Distribution segment by approx. PLN 921m y/y and at the same time increased results of Supply segment by approx. PLN 921m y/y.

\*\*segment Energy Railway Services consolidated from April 3, 2023.

# One-off items in the operating segments FY 2024

(PLN m)	Renewables		Gas-fired Generation		Conventional Generation		District Heating		Distribution		Energy Railway Services		Supply	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
<b>EBITDA reported</b>	<b>1 340</b>	<b>1 114</b>	<b>146</b>	<b>-15</b>	<b>1 632</b>	<b>1 472</b>	<b>1 505</b>	<b>1 952</b>	<b>4 573</b>	<b>3 880</b>	<b>1 073</b>	<b>1 243</b>	<b>1 904</b>	<b>-4</b>
<b>Change y/y</b>	<b>226</b>		<b>161</b>		<b>160</b>		<b>-447</b>		<b>693</b>		<b>-170</b>		<b>1 908</b>	
<b>One-off events, including:</b>	<b>-4</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>803</b>	<b>-614</b>	<b>22</b>	<b>-109</b>	<b>43</b>	<b>-50</b>	<b>-38</b>	<b>5</b>	<b>511</b>	<b>70</b>
LTC compensations							4	-109						
Change of reclamation provision	0	11			616	-541	5	3						
Change of actuarial provision	-2	-5			28	-73	-3	-3	-2	-50	-4	5	-2	-10
Write-down of receivables from PKP Cargo											-120	0		
Correction of contribution to the Price Difference Payment Fund	-2	0			164	0	16	0			6	0	24	80
Voluntary Leave Program					-5	0								
Correction of compensation for sold electricity for previous years									45	0	80	0	489	0
<b>EBITDA recurring</b>	<b>1 344</b>	<b>1 108</b>	<b>146</b>	<b>-15</b>	<b>829</b>	<b>2 086</b>	<b>1 483</b>	<b>2 061</b>	<b>4 530</b>	<b>3 930</b>	<b>1 111</b>	<b>1 238</b>	<b>1 393</b>	<b>-74</b>

# One-off items in the operating segments Q4 2024

(PLN m)	Renewables		Gas-fired Generation		Conventional Generation		District Heating		Distribution		Energy Railway Services		Supply	
	Q4 2024	Q4 2023	Q4 2024	Q4 2023	Q4 2024	Q4 2023	Q4 2024	Q4 2023	Q4 2024	Q4 2023	Q4 2024	Q4 2023	Q4 2024	Q4 2023
<b>EBITDA reported</b>	<b>312</b>	<b>268</b>	<b>106</b>	<b>-4</b>	<b>1 846</b>	<b>149</b>	<b>578</b>	<b>635</b>	<b>1 211</b>	<b>628</b>	<b>348</b>	<b>618</b>	<b>279</b>	<b>-508</b>
<b>Change y/y</b>	<b>44</b>		<b>110</b>		<b>1 697</b>		<b>-57</b>		<b>583</b>		<b>-270</b>		<b>787</b>	
<b>One-off events, including:</b>	<b>-4</b>	<b>-4</b>	<b>0</b>	<b>0</b>	<b>826</b>	<b>-255</b>	<b>24</b>	<b>-71</b>	<b>43</b>	<b>-29</b>	<b>82</b>	<b>5</b>	<b>59</b>	<b>-13</b>
LTC compensations							7	-81						
Change of reclamation provision					637	-207	4	11						
Change of actuarial provision	-2	-4			28	-48	-3	-1	-2	-29	-4	5	-2	-7
Write-down of receivables from PKP Cargo											0	0		
Correction of contribution to the Price Difference Payment Fund	-2	0			164	0	16	0			6	0	24	-6
Voluntary Leave Program					-3	0								
Correction of compensation for sold electricity for previous years									45	0	80	0	37	0
<b>EBITDA recurring</b>	<b>316</b>	<b>272</b>	<b>106</b>	<b>-4</b>	<b>1 020</b>	<b>404</b>	<b>554</b>	<b>706</b>	<b>1 168</b>	<b>657</b>	<b>266</b>	<b>613</b>	<b>220</b>	<b>-495</b>

# Estimated CAPEX, net debt and EPS

[PLN m]	Q4 2024	Q4 2023	y/y	FY 2024	FY 2023	y/y
<b>Consolidated recurring net profit (loss)</b>	<b>-573</b>	<b>-778</b>	<b>-26%</b>	<b>2 098</b>	<b>2 707</b>	<b>-22%</b>
<b>Consolidated net result to equity</b>	<b>-5 909</b>	<b>-8 041</b>	<b>-27%</b>	<b>-3 163</b>	<b>-5 012</b>	<b>-</b>
<b>Computation of net result to equity ex. Impairments</b>						
Assets impairment (pre-tax)*	-7 605	-8 575	-11%	-7 739	-8 700	-
Assets impairment (after tax)*	-6 160	-6 946	-11%	-6 269	-7 047	-
<b>Consolidated net result to equity – ex. Impairments*</b>	<b>251</b>	<b>-1 095</b>	<b>-</b>	<b>3 106</b>	<b>2 035</b>	<b>53%</b>
Earnings per share [PLN]	-2.63	-3.58	-27%	-1.41	-2.23	-37%
Earnings per share – ex. Impairment	0.11	-0.49	-	1.38	0.91	52%
<b>CAPEX**</b>	<b>3 098</b>	<b>3 453</b>	<b>-10%</b>	<b>10 323</b>	<b>10 088</b>	<b>2%</b>

[PLN m]	31.12.2024	30.09.2024	q/q	31.12.2024	31.12.2023	y/y
<b>Net economic financial debt***</b>	<b>17 204</b>	<b>19 021</b>	<b>-1 817</b>	<b>17 204</b>	<b>21 646</b>	<b>-4 442</b>
<b>Net debt****</b>	<b>11 045</b>	<b>4 432</b>	<b>6 613</b>	<b>11 045</b>	<b>11 121</b>	<b>-76</b>

8 \*Impairment of Property, Plant and Equipment, Intangible Assets, Right-of-Use Assets, excluding write-down related to value of deferred tax asset, \*\* Capital expenditures and increases in Right-of-Use Assets, \*\*\*Estimated net economic financial debt (real value of net debt, adjusted by forward payments for CO2). Decline of net economic financial debt q/q is largely explained by the changes in working capital  
 \*\*\*\*Decrease of net debt q/q is mainly due to the purchase of CO2 emission allowances in Q4 2024

# Drivers of periodic results

## Key factors that influenced recurring y/y results dynamics:

Q4 2024	FY 2024
<b>EBITDA recurring higher by 74% y/y</b>	<b>EBITDA recurring higher by 1% y/y</b>
<ul style="list-style-type: none"> <li>+ Contributions to the Price Difference Payment Fund (contributions abolished in 2024), approx. <b>PLN 1.80 bn</b></li> <li>+ CO2 emission cost lower by approx. <b>PLN 0.95 bn</b>, mainly as a result of lower CO2 price by approx. <b>40 PLN/ tonne</b></li> <li>+ Provision for onerous contracts in G tariff (household tariff) created in Q4 2023 in the Supply segment, which reduced the results of the comparative period, approx. <b>PLN 0.80 bn</b></li> <li>+ Higher result on distribution services in Distribution segment (adjusted by non-cash cost of estimated energy balance settled between Distribution and Supply segments) approx. <b>PLN 0.55 bn</b></li> <li>+ Higher revenues from ancillary services and capacity market by approx. <b>PLN 0.45 bn</b>, mainly due to revenues from Balancing Capacity Market in Conventional Generation and Renewables segments</li> <li>+ Lower cost of production fuels by approx. <b>PLN 0.40 bn</b>, lower price of hard coal at lower volumes of consumption, higher cost of gas due to start of production at CCGT Gryfino</li> <li>+ Result on sales of electricity to final clients in Supply segment, approx. <b>PLN 0.35 bn</b>, including effect of settlement with prosumers, (adjusted by non-cash cost of estimated energy balance settled between Distribution and Supply segments)</li> <li>- Lower net revenues from sale of electricity in Conventional Generation, District Heating and Gas-fired Generation segments (lower electricity price by approx. <b>180 PLN/MWh y/y</b> –excluding contributions to the Price Difference Payment Fund), higher production volume by <b>0.1 TWh y/y</b>), approx. <b>PLN 2.55 bn</b></li> <li>- Effect of settlement of compensation for purchase of coarse coal in the Supply segment, which increased the result of the comparative period, approx. <b>PLN 0.65 bn</b></li> <li>- Result on distribution services, electricity sales and other services in business segment of Energy Railway Services, approx. <b>PLN 0.30 bn</b> (higher revenues from connection fees in Q4 2023)</li> <li>- Personnel cost higher by approx. <b>PLN 0.15 bn</b></li> <li>- Lower support for highly efficient cogeneration, approx. <b>PLN 0.10 bn</b></li> </ul>	<ul style="list-style-type: none"> <li>+ Contributions to the Price Difference Payment Fund (contributions abolished in 2024), approx. <b>PLN 6.65 bn</b></li> <li>+ CO2 emission cost lower by approx. <b>PLN 3.35 bn</b>, mainly as a result of lower CO2 price by approx. <b>45 PLN/ tonne</b></li> <li>+ Lower cost of production fuels by approx. <b>PLN 2.95 bn</b>, lower price of hard coal at lower volume of consumption, higher cost of gas due to start of production at CCGT Gryfino</li> <li>+ Effect of the change in balance of provision for onerous contracts in G tariff (household tariff) in the Supply segment. Provision created in 2023 and released in 2024 in the amount of PLN 0.80 bn, approx. <b>PLN 1.60 bn</b></li> <li>+ Higher result on distribution services in Distribution segment (adjusted by non-cash cost of estimated energy balance settled between Distribution and Supply segments) approx. <b>PLN 1.45 bn</b></li> <li>- Lower net revenues from sale of electricity in Conventional Generation, District Heating and Gas-fired Generation segments (lower electricity price by approx. <b>250 PLN/MWh y/y</b> –excluding contributions to the Price Difference Payment Fund), lower production volume by <b>0.4 TWh y/y</b>), approx. <b>PLN 13.55 bn</b></li> <li>- Personnel cost higher by approx. <b>PLN 0.85 bn</b></li> <li>- Result on sales of electricity to final clients in Supply segment, approx. <b>PLN 0.55 bn</b>, including effect of settlement with prosumers, (adjusted by non-cash cost of estimated energy balance settled between Distribution and Supply segments)</li> <li>- Lower support for highly efficient cogeneration, approx. <b>PLN 0.50 bn</b></li> <li>- Lower revenues from sales of property rights due to lower market prices, approx. <b>PLN 0.20 bn</b></li> </ul>

# Drivers of periodic results

Key factors that influenced y/y reported results dynamics:

Q4 2024	FY 2024
<p><b>EBITDA recurring higher by PLN 1 520 m y/y</b></p> <p>+ Positive impact of balance of one-off events <b>PLN +1 399 m</b> y/y, including mainly positive effect of change in the balance of reclamation and actuarial provisions <b>PLN +938 m</b> y/y and positive effect of correction of contribution to the Price Difference Payment Fund <b>PLN +214 m</b> y/y</p> <p><b>EBITDA reported higher by PLN 2 919 m y/y</b></p>	<p><b>EBITDA recurring higher by PLN 156 m y/y</b></p> <p>+ Positive balance of one-off events <b>PLN +2 031 m</b> y/y, including mainly positive effect of change in the balance of reclamation and actuarial provisions <b>PLN +1 301 m</b> y/y and positive effect of correction of compensation for sold electricity for previous years <b>PLN +614 m</b> y/y</p> <p><b>EBITDA reported higher by PLN 2 187 m y/y</b></p>

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Thank you

