

MANAGEMENT BOARD'S REPORT

on activities of PGE Capital Group
for the 3-month and 9-month period

ended September 30, 2025



Polska Grupa Energetyczna

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KEY FINANCIAL DATA (in PLN million)

Key financial data	Q3 2025	Q3 2024	change	% change	Q1-Q3 2025	Q1-Q3 2024	change	% change
Sales revenues	13 785	15 562	-1 777	-11%	44 756	46 856	-2 100	-4%
EBIT reported	1 498	1 297	201	15%	-2 024	4 156	-6 180	-
EBIT recurring	2 012	1 325	687	52%	7 544	3 983	3 561	89%
EBITDA reported	2 644	2 458	186	8%	10 290	7 598	2 692	35%
Reported EBITDA margin	19%	16%			23%	16%		
EBITDA recurring	2 957	2 454	503	20%	10 560	7 291	3 269	45%
Recurring EBITDA margin	21%	16%			24%	16%		
Net profit	544	722	-178	-25%	-6 579	2 811	-9 390	-
Capital expenditures	2 666	2 580	86	3%	7 580	7 225	355	5%
Net cash from operating activities	1 315	8 514	-7 199	-85%	13 448	14 619	-1 171	-8%
Net cash from investing activities	-2 971	-2 692	-279	10%	-7 171	-7 394	223	-3%
Net cash from financial activities	1 188	-598	1 786	-	3 022	-4 384	7 406	-

Key financial data	September 30, 2025	December 31, 2024	change	% change
Working capital	-1 573	-7 024	5 451	-78%
Net debt	368 ¹	9 531 ²	-9 163	-96%
Net debt /LTM reported EBITDA ³	0.02x	0.78 ² x		
Net debt /LTM recurring EBITDA ³	0.03x	0.88 ² x		
Adjusted net debt ⁴ /LTM reported EBITDA ³	-0.01x	-		
Adjusted net debt ⁴ /LTM recurring EBITDA ³	-0.02x	-		

One-offs affecting EBITDA	Q3 2025	Q3 2024	change	% change	Q1-Q3 2025	Q1-Q3 2024	change	% change
Provision for restructuring of Dolna Odra power plant	-233	0	-233	-	-233	0	-233	-
Write-off of strategic inventories	-23	0	-23	-	-135	0	-135	-
Change of reclamation provision	0	-412 ⁵	412	-	-79	-20	-59	295%
Voluntary Leave Program (VLP)	-64	-2	-62	>1 000%	-64	-2	-62	>1 000%
Correction of contribution to Price Difference Payment Fund for the previous period	0	0	0	-	-23	0	-23	-
Change of actuarial provision	0	-32	32	-	-20	0	-20	-
Adjustment of compensations for electricity for previous period	0	452	-452	-	65	452	-387	-86%
Write-off of debt	2	0	2	-	2	0	2	-
LTC compensations	5	4	1	25%	30	-3	33	-
Release of provision for one-time benefit related to NABE (National Agency for Energy Security) carve-out	0	0	0	-	187	0	187	-
Write-down of receivables from PKP Cargo S.A.	0	-6	6	-	0	-120	120	-
Total	-313	4	-317	-	-270	307	-577	-

¹ Estimated level of economic financial net debt (taking into account future payments for CO₂ emission rights) amounts to PLN 15 506 m.

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

³ LTM EBITDA – Last Twelve Months EBITDA.

⁴ Ratios adjusted for debt from Project Finance and funds of Offshore companies in line with the calculation method of bank covenants.

⁵ Effect of discount rate change.

1. PGE Capital Group - organisation

1.1. Characteristics of activities

Capital Group of PGE Polska Grupa Energetyczna S.A. ("PGE Capital Group", the "Capital Group", "PGE Group", the "Group") is the largest vertically integrated producer of electricity and heat in Poland. By combining own raw material base, electricity generation and distribution network, PGE Group provides a safe and reliable supply of electricity to households, businesses and institutions.

The parent company of PGE Capital Group is PGE Polska Grupa Energetyczna S.A. (also "PGE S.A.", "PGE", the "Company"). PGE Group organizes its activities in eight operating segments:



RENEWABLES

The core business of the segment includes electricity generation from renewable sources and in pumped-storage power plants. In addition, the segment's structures include companies that build electricity storage facilities.



GAS-FIRED GENERATION

The core business of the segment includes electricity generation from gas-fired sources.



COAL ENERGY¹

Core business of the segment includes extraction of lignite, production of electricity and heat from conventional sources.



DISTRICT HEATING

The core business of the segment includes production of electricity and heat in cogeneration sources as well as transmission and distribution of heat.



DISTRIBUTION

The core business of the segment includes supply of electricity to final off-takers through the grid and HV, MV and LV infrastructure.



RAILWAY ENERGY SERVICES

The segment's main activities are the distribution and sale of electricity to railway operators and customers functioning within the railway system, the sale of fuels, as well as the maintenance and modernisation of overhead contact line network, together with other auxiliary services.

¹ In the second quarter of 2025 the Company has made a presentation adjustment – previous Conventional Generation segment is presented under new name Coal Energy segment. The adjustment reflects the actual function of the segment and the name adopted in the document Strategy of PGE Capital Group until 2035 of June 12, 2025. Composition and core activities of the segment remain unchanged.



SUPPLY

The core business of the segment includes wholesale trading of electricity on domestic and international market, sale of electricity to final off-takers, trading of CO₂ allowances, energy certificates and fuels and provision of services of the Corporate Centre to companies from the PGE Group.



OTHER OPERATIONS

Other operations include provision of services, through the subsidiaries, to PGE Capital Group, which include organisation of capital raising in form of Eurobonds (PGE Sweden), provision of IT services and investing in start-ups. Additionally, within the segment there are part of project companies of the Group.

From 2025, the Circular Economy segment, which was reported separately until the end of 2024, is included in the Other Operations segment. The scope of activity of companies in this area is to provide comprehensive services in the field of management of Combustion By-Products (UPS), to provide services in auxiliary areas for electricity and heat producers and to supply materials based on UPS.

1.2. Organisational structure

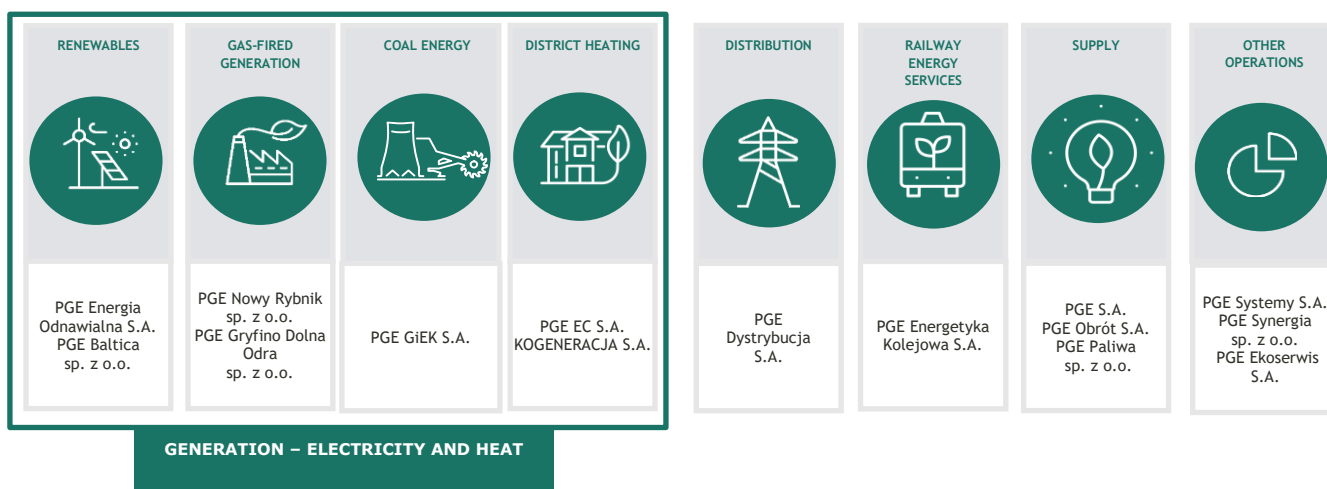
PGE Capital Group as at September 30, 2025 consisted of:

- PGE S.A. - the parent company,
- 73 subsidiaries subject to full consolidation,
- 2 joint operations,
- 6 associates and joint subsidiaries.

All of PGE Group's companies are organised in 8 operating segments.

The following diagram illustrates the Group's structure. A full composition of PGE Group, divided into segments as well as directly and indirectly consolidated subsidiaries, is presented in note 1.3 to the condensed interim consolidated financial statements.

Chart: Structure of PGE Capital Group².



² Simplified structure – includes key entities.

1.3. Significant changes in the organisation of the Capital Group

Significant changes which occurred in the PGE Capital Group's structure in the period from January 1, 2025 until the signing date of this report, are presented in note 1.3 to condensed interim consolidated financial statements and described below.

SETTING UP OF COMPANIES

Segment	Established companies	Date of transaction / registration in the National Court Register (NCR)	Comment
Other Operations	PGE Inwest 28 sp. z o.o., PGE Inwest 29 sp. z o.o., PGE Inwest 30 sp. z o.o., PGE Inwest 31 sp. z o.o.	May 26-27, 2025 / May 28-29, 2025	On 26-27 May 2025, PGE S.A. established four single-member limited liability companies named PGE Inwest 28 sp. z o.o., PGE Inwest 29 sp. z o.o., PGE Inwest 30 sp. z o.o. and PGE Inwest 31 sp. z o.o. The share capital of each company amounts to PLN 300 000.
Other Operations	PGE Inwest 33 sp. z o.o., PGE Inwest 34 sp. z o.o.	August 20, 2025 / September 17, 2025 August 20, 2025 / September 24, 2025	On August 20, 2025, PGE S.A. established two single-member limited liability companies named PGE Inwest 33 sp. z o.o. and PGE Inwest 34 sp. z o.o. The share capital of each company amounts to PLN 5 000.
Other Operations	PGE Inwest 35 sp. z o.o., PGE Inwest 36 sp. z o.o. in organisation, PGE Inwest 37 sp. z o.o. in organisation, PGE Inwest 38 sp. z o.o.	2 October 2, 2025 / November 7, 2025 October 2, 2025 / Not yet registered October 2, 2025 / Not yet registered October 2, 2025 / November 14, 2025	On October 2, 2025, PGE S.A. established four single-member limited liability companies named PGE Inwest 35 sp. z o.o., PGE Inwest 36 sp. z o.o. in organisation, PGE Inwest 37 sp. z o.o. in organisation and PGE Inwest 38 sp. z o.o. The share capital of each company amounts to PLN 5 000.
-	PGE EC Operator sp. z o.o. in organisation	November 5, 2025 / Not yet registered	On November 5, 2025, PGE Energia Ciepła S.A. established a single-member limited liability companies named PGE EC Operator sp. z o.o. The share capital of the company amounts to PLN 50 000.

ACQUISITION OR DISPOSAL OF SHARES BY THE COMPANIES

Segment	Shares of the company	Date of transaction / registration in the NCR	Comment
Other Operations	PGE PAK Energia Jądrowa S.A. with seat in Konin – acquisition by PGE S.A. from ZE PAK S.A. with seat in Konin 50% shares of PGE PAK Energia Jądrowa S.A.	October 15, 2025 (conclusion of a conditional preliminary share sale agreement) / October 17, 2025 (conclusion of the promised share sale agreement) / October 20, 2025, entry in the register of shareholders and acquisition of shares	On October 15, 2025, a conditional preliminary share sale agreement for PGE PAK Energia Jądrowa S.A. shares was concluded between PGE S.A. as the buyer and ZE PAK S.A. as the seller, under which PGE S.A. and ZE PAK S.A. undertook to conclude a promised share sale agreement for 50% of the shares in PGE PAK Energia Jądrowa S.A. in favour of PGE S.A. On October 17, 2025, upon fulfilment of the specified suspensive condition, PGE S.A. and ZE PAK S.A. concluded the aforementioned promised share sale agreement, as a result of which PGE S.A. acquired from ZE PAK S.A. 50% of the shares in PGE PAK Energia Jądrowa S.A. and became the sole shareholder of PGE PAK Energia Jądrowa S.A., holding 100% of the shares in that company. In accordance with Article 328 ⁹ of the Commercial Companies Code, the acquisition of shares took place upon the relevant entry in the register of shareholders of PGE PAK Energia Jądrowa S.A. – this entry was made on October 20, 2025.
Renewables	Elektrownia Wiatrowa Baltica-6 sp. z o.o. – acquisition by PGE S.A. from ENEA S.A. with seat in Poznań 33.76% shares of Elektrownia Wiatrowa Baltica-6 sp. z o.o.	October 23, 2025	On October 23, 2025, a share sale agreement for 33.76% of the shares in Elektrownia Wiatrowa Baltica-6 sp. z o.o. was concluded between PGE S.A. as the buyer and ENEA S.A. with its registered office in Poznań as the seller, as a result of which PGE S.A. became the sole shareholder of this company, holding 100% of its shares. The transfer of ownership of the aforementioned shares to PGE S.A. took place upon concluding the share sale agreement.
Supply	ENESTA sp. z o.o. with its registered office in Stalowa	August 28, 2025 / Not yet registered	On August 28, 2025, the Extraordinary General Meeting of Shareholders of ENESTA sp. z o.o. adopted a resolution to increase the company's share capital from PLN 116,402,000 to PLN 121,984,000, i.e. by PLN 5,582,000, by creating 5,582

Segment	Shares of the company	Date of transaction / registration in the NCR	Comment
	Wola – increase in share capital and acquisition of all new shares by PGE Obrót S.A. as one of the creditors in the course of arrangement implementation, as a result of the restructuring (remedial) proceedings - a debt-for-equity swap		new shares with a nominal value of PLN 1,000 each. PGE Obrót S.A., as one of the shareholders and simultaneously a creditor of the company, subscribed for all new shares in the increased share capital as part of the implementation of the arrangement with creditors, following the conclusion of the company's restructuring (remedial) proceedings on August 15, 2025 (debt-for-equity swap). As a result of the increase in the share capital and the subscription for all new shares in the company by PGE Obrót S.A., upon registration of the increase in the company's share capital in the National Court Register, the shareholding of PGE Obrót S.A. in the company's share capital increased from 94.51% to 94.76%.

MERGERS

Segment	Acquiring company /acquired company	Date of transaction / registration in the NCR	Comment
Renewables	PGE Energia Odnawialna S.A. / Mithra D sp. z o.o., Mithra F sp. z o.o., Mithra G sp. z o.o., Mithra H sp. z o.o., Mithra I sp. z o.o., Mithra K sp. z o.o., Mithra M sp. z o.o., Mithra N sp. z o.o., Mithra O sp. z o.o., Mithra P sp. z o.o.	April 15, 2025 / May 5, 2025 (merger date)	On April 15, 2025, the Extraordinary General Meeting of PGE Energia Odnawialna S.A. and the Extraordinary Meetings of Shareholders of the acquired companies adopted resolutions on the merger of the companies by way of acquisition, through the transfer of all assets of the acquired companies to the acquiring company without the issue of new shares in the acquiring company in exchange for the shares of the acquired companies, and on the dissolution of the acquired companies without undergoing liquidation. PGE Energia Odnawialna S.A. was the sole shareholder of the acquired companies.
Renewables	PGE Energia Odnawialna S.A. / LongWing Polska sp. z o.o., PGE Soleo 2 sp. z o.o.	October 7, 2025 / November 3, 2025 (merger date)	On October 7, 2025 the Extraordinary General Meeting of PGE Energia Odnawialna S.A. and the Extraordinary Meetings of Shareholders of the acquired companies adopted resolutions on the merger of the companies by way of acquisition, through the transfer of all assets of the acquired companies to the acquiring company without the issue of new shares in the acquiring company in exchange for the shares of the acquired companies, and on the dissolution of the acquired companies without undergoing liquidation. PGE Energia Odnawialna S.A. was the sole shareholder of the acquired companies.


DIVISION OF COMPANIES

Segment	Divided company / acquiring company	Date of transaction / registration in the NCR	Comment
Supply	Energoserwis Kleszczów sp. z o.o. / ELMEN sp. z o.o.	On October 22, 2025 / On October 28, 2025, a reduction in the share capital of Energoserwis Kleszczów sp. z o.o. was entered into the NCR / No entry in the NCR of the share capital increase of ELMEN sp. z o.o.	On October 22, 2025, the Extraordinary General Meetings of Shareholders of Energoserwis Kleszczów sp. z o.o. and ELMEN sp. z o.o. adopted resolutions on the division of Energoserwis Kleszczów sp. z o.o. (divided company) by separation in accordance with Article 529 § 1(4) of the Commercial Companies Code (division by separation) through transferring to ELMEN sp. z o.o. (acquiring company) part of the divided company's assets constituting an organised part of the enterprise engaged in construction and assembly activities, together with related liabilities, receivables and other assets ('ZCP'). The transfer of the ZCP to the acquiring company will take place through the corresponding reduction of the share capital of the divided company by redeeming all shares in the divided company held by PGE S.A., and a corresponding increase in the share capital of the acquiring company by creating new shares in the acquiring company. In exchange for the redeemed shares in the divided company, as described above, PGE S.A. will subscribe for all new shares in the increased share capital of the acquiring company. PGE S.A. held 51% of the share capital of Energoserwis Kleszczów sp. z o.o. and does not hold any shares in ELMEN sp. z o.o. (currently, 100% of the share capital of ELMEN sp. z o.o. is held by PGE GiEK S.A.). On October 28, 2025, the entry in the National Court Register was made regarding the reduction of the share capital of Energoserwis Kleszczów sp. z o.o., as a result of which PGE S.A. ceased to be a shareholder of Energoserwis Kleszczów sp. z o.o. on that date. Upon entry in the National Court Register of the increase in the share capital of ELMEN sp. z o.o., PGE S.A. will become a shareholder of ELMEN sp. z o.o. holding 15.96% of its share capital.

LIQUIDATION OF COMPANIES

Segment	Company in liquidation	Date of transaction / registration in the NCR	Comment
-	PGE Trading GmbH in liquidation with seat in Berlin	March 1, 2021 / As of September 30, 2025, the company has not been removed from the commercial register	On March 1, 2021 the Extraordinary Assembly of Partners of PGE Trading in liquidation, in which PGE holds 100% of the share capital, adopted resolution on dissolution of the company and appointment of a liquidator to carry out liquidation activities. The liquidation process of the company is currently underway.
-	Railen GmbH in liquidation with seat in Berlin	January 31, 2023 / As of September 30, 2025, the company has not been removed from the commercial register	On January 26, 2023 the Extraordinary Assembly of Partners of Railen GmbH in liquidation, in which PGE Energetyka Kolejowa Holding sp. z o.o. holds 100% of the share capital, adopted resolution, effective January 31, 2023, resolution on dissolution of the company and appointment of a liquidator to carry out liquidation activities. On December 10, 2024, the liquidator submitted an application to open bankruptcy proceedings for the company due to its insolvency. On December 19, 2024, the Bankruptcy Court decided to appoint an expert to confirm the existence of grounds for initiating the company's bankruptcy proceedings. On May 14, 2025, an expert prepared an opinion on the company's financial and legal situation. The opinion concluded that it was justified to open bankruptcy proceedings against the company. By decision of 15 May 2025, the bankruptcy court opened bankruptcy proceedings against the company's assets as a debtor and appointed a bankruptcy trustee. The liquidation process of the company is currently underway.
Railway Energy Services	Energetyka Kolejowa Obrót sp. z o.o. in liquidation with seat in Warsaw	June 2, 2025 / As of September 30, 2025, the company has not been removed from the commercial register	On June 2, 2025 the Extraordinary Assembly of Partners of Energetyka Kolejowa Obrót sp. z o.o. in liquidation, in which PGE Energetyka Kolejowa Holding sp. z o.o. holds 100% of the share capital, adopted resolution on dissolution of the company and appointment of a liquidator to carry out liquidation activities. The liquidation process of the company is currently underway.
Railway Energy Services	Remton Investments sp. z o.o. in liquidation with seat in Warsaw	June 2, 2025 / As of September 30, 2025, the company has not been removed from the commercial register	On June 2, 2025 the Extraordinary Assembly of Partners of Remton Investments sp. z o.o. in liquidation, in which PGE Energetyka Kolejowa Holding sp. z o.o. holds 100% of the share capital, adopted resolution on dissolution of the company and appointment of a liquidator to carry out liquidation activities. The liquidation process of the company is currently underway.

RESTRUCTURING OF THE COMPANIES

Segment	Company in restructuring process	Date of transaction / registration in the NCR	Comment
	ENESTA sp. z o.o. with seat in Stalowa Wola	June 21, 2022 / On August 15, 2025 the restructuring proceedings have been completed	On June 21, 2022, the District Court in Rzeszów, 5th Commercial Division, opened restructuring (recovery) proceedings of the company ENESTA sp. z o.o. and appointed an Administrator as part of these restructuring proceedings on the basis of the provisions of the Restructuring Law. On August 15, 2025, the court decision approving the arrangement adopted at the Meeting of Creditors on June 16, 2025 became final and binding, thereby concluding the restructuring proceedings of ENESTA sp. z o.o. In addition, the Administrator became the Supervisor of the implementation of the arrangement with creditors, and ENESTA sp. z o.o. regained the right to ordinary management of its own assets.

1.4. Composition of the management and supervisory bodies of the Company

1.4.1. Management Board

MANAGEMENT BOARD MEMBERS

Table: Composition of the Company's Management Board as at January 1, 2025, September 30, 2025 and preparation date of this report.

Name and surname of the Management Board member	Position	Period
Dariusz Marzec	President of the Management Board	From March 18, 2024 up to now
Maciej Górski	Vice-President for Operations	From June 24, 2024 up to now
Przemysław Jastrzębski	Vice-President for Finance	From July, 15 2024 up to now
Robert Kowalski	Vice-President for Support and Development	From May 15, 2024 up to now
Marcin Laskowski	Vice-President for Regulations	From March 18, 2024 up to now

None of the members of the Management Board of PGE S.A. are elected as employees' representatives.

There were no changes in the composition of the Company's Management Board during the third quarter of 2025.

1.4.2. Supervisory Board

Supervisory Board of PGE S.A. operates on the basis of the Act of September 15, 2000 - Code of Commercial Companies and the Company's Statute and Regulations of the Supervisory Board, the content of which is available on the Company's website:

- [Statutes](#)
- [Regulations of the Supervisory Board.](#)

COMPOSITION OF THE SUPERVISORY BOARD AND CHANGES TO THE SUPERVISORY BOARD IN 2025

Table: Composition of the Company's Supervisory Board as at January 1, 2025, September 30, 2025 and preparation date of this report.

Name and surname of the Supervisory Board member	Position	Period
Michał Domagała	Member of the Supervisory Board/ Chairman of the Supervisory Board – independent	25.01.2024 – 06.02.2024 07.02.2024- up to now
Andrzej Sadkowski	Member of the Supervisory Board / Vice-Chairman of the Supervisory Board – independent	01.02.2024 – 06.02.2024 07.02.2024- up to now
Anna Kowalik	Chairwoman of the Supervisory Board / Secretary of the Supervisory Board	01.01.2024 ³ – 06.02.2024 07.02.2024- up to now
Małgorzata Banasik	Member of the Supervisory Board – independent	01.02.2024 – up to now
Andrzej Kozyra	Member of the Supervisory Board – independent	01.02.2024 – up to now
Elżbieta Niebisz	Member of the Supervisory Board – independent	01.02.2024 – up to now
Sławomir Patyra	Member of the Supervisory Board – independent	01.02.2024 – up to now
Andrzej Rzońca	Member of the Supervisory Board – independent	01.02.2024 – up to now

There were no changes in the composition of the Company's Supervisory Board during the third quarter of 2025.

³ Anna Kowalik was appointed to the Supervisory Board on June 27, 2013.

1.4.3. Committees of the Supervisory Board

Table: Composition of the committees of the Supervisory Board as at January 1, 2025.

Name and surname of the member of the Supervisory Board	Audit Committee	Corporate Governance Committee	Strategy and Development Committee	Appointment and Remuneration Committee
Małgorzata Banasik			Chairwoman	Member
Michał Domagała	Member			Member
Anna Kowalik	Member	Member		Chairwoman
Andrzej Kozyra		Member		Member
Elżbieta Niebisz	Member		Member	
Sławomir Patyra		Chairman		Member
Andrzej Rzońca	Chairman		Member	
Andrzej Sadkowski			Member	

On September 4, 2025, the Supervisory Board appointed a Sustainable Development Committee and changed the composition of the Strategy and Development Committee.

Table: Composition of the committees of the Supervisory Board as at September 30, 2025 and the preparation date of this report.

Name and surname of the member of the Supervisory Board	Audit Committee	Corporate Governance Committee	Strategy and Development Committee	Appointment and Remuneration Committee	Sustainable Development Committee
Małgorzata Banasik				Member	Chairwoman
Michał Domagała	Member			Member	Member
Anna Kowalik	Member	Member		Chairwoman	
Andrzej Kozyra		Member	Chairman	Member	Member
Elżbieta Niebisz	Member		Member		
Sławomir Patyra		Chairman		Member	
Andrzej Rzońca	Chairman		Member		Member
Andrzej Sadkowski			Member		

The detailed scope of competences of individual Committees of the Supervisory Board of PGE can be found in the Regulations of the Supervisory Board available on the website of PGE S.A.

1.5. Shares and shareholders

1.5.1. Share capital of PGE S.A. and ownership structure

SHARE CAPITAL

As at January 1, 2025, September 30, 2025 and the date of signing of this report, the share capital of PGE S.A. was PLN 19 183 746 098.70 and split into 2 243 712 994 shares with a nominal value of PLN 8.55 each. There were no changes in share capital of PGE S.A. during the first three quarters of 2025.

Table: Share capital of the Company.

Series/issue	Type of shares	Type of privilege	Number of shares	Value of series/issue at nominal value	Capital payment method
"A"	ordinary	n/a	1 470 576 500	12 573 429 075.00	contribution in kind/cash
"B"	ordinary	n/a	259 513 500	2 218 840 425.00	cash
"C"	ordinary	n/a	73 228 888	626 106 992.40	merger with PGE GiE S.A. ¹
"D"	ordinary	n/a	66 441 941	568 078 595.55	merger with PGE Energia S.A.
"E"	ordinary	n/a	373 952 165	3 197 291 010.75	cash
Total			2 243 712 994	19 183 746 098.70	

¹ PGE GiE S.A. - PGE Górnictwo i Energetyka S.A.

SHAREHOLDERS WITH A SIGNIFICANT STAKE

According to the letter from the Ministry of the State Treasury of May 20, 2022, the State Treasury held 1 365 601 493 ordinary shares of the Company, representing 60.86% of the Company's share capital and entitling to 1 365 601 493 votes on the General Meeting of the Company, constituting 60.86% of total votes.

In addition, The State Treasury informed about the subsidiary holding PGE shares and the total number of votes by both entities and its percentage share in the total number of votes. According to the notification, taking into account the number of shares (18 697 608) held by a subsidiary of the State Treasury, i.e. Towarzystwo Finansowe Silesia sp. z o.o. (TF Silesia), the State Treasury holds a total of 1 384 299 101 shares constituting 61.70% of the share capital of the Company and entitling to exercise 1 384 299 101 votes, which constitutes 61.70% of the total number of votes.

Table: Shareholding structure at January 1, 2025, September 30, 2025 and the date of signing of this report¹.

State Treasury and its subsidiary		Other shareholders		Total	
Nominal value of shares (PLN)	% in share capital and votes	Nominal value of shares (PLN)	% in share capital and votes	Nominal value of shares (PLN)	% in share capital and votes
11 835 757 313.55	61.70	7 347 988 785.15	38.30	19 183 746 098.70	100.00

¹ The ownership structure is presented on the basis of information available to the Company.

All of the Company shares have been paid.

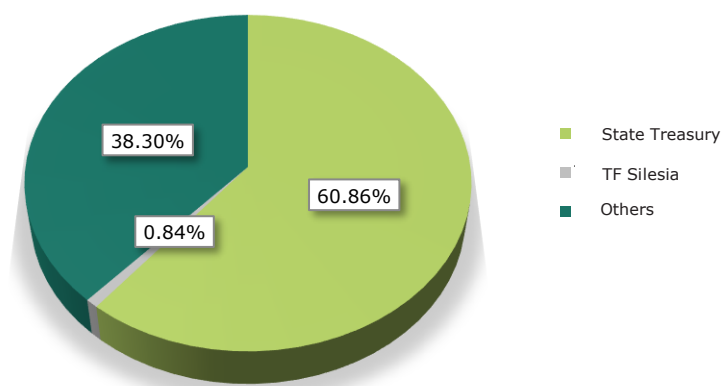
Although the Company's shares are not privileged, the Statutes of the Company provide for special rights of the State Treasury until it remains a Shareholder of the Company.

Table: Shareholders holding directly or indirectly by subsidiaries at least 5% of the total votes at the General Meeting of PGE S.A. January 1, 2025, September 30, 2025 and at the signing date of this report.

Shareholder	Number of shares	Number of votes	% in total votes on General Meeting
State Treasury	1 365 601 493	1 365 601 493	60,86%
State Treasury's subsidiary – TF Silesia	18 697 608	18 697 608	0,84%
State Treasury and its subsidiary - total	1 384 299 101	1 384 299 101	61,70%
Others	859 413 893	859 413 893	38,30%
Total	2 243 712 994	2 243 712 994	100,00%

During the first three quarters of 2025, there were no changes in the shareholding structure of PGE S.A.

Chart: Shareholding structure of PGE S.A.



1.5.2. Shares of the parent company and shares in the entities related to PGE S.A. owned by the members of management and supervisory authorities

Table: Shares of the Company held by persons managing and supervising the Company as at September 30, 2025 and at the signing date of this report

Name and surname	Position	Company	Number of possessed shares	Nominal value of shares (PLN)
Maciej Górski	Vice-President for Operations	PGE S.A.	20 000	171 000.00

According to the best knowledge of the Management Board of the Company, none of the other members of management and supervisory authorities of the Company held shares of the parent company or shares in entities related to PGE S.A. as at September 30, 2025 and as at the date of signing of this report.

2. Energy market and regulatory and business environment

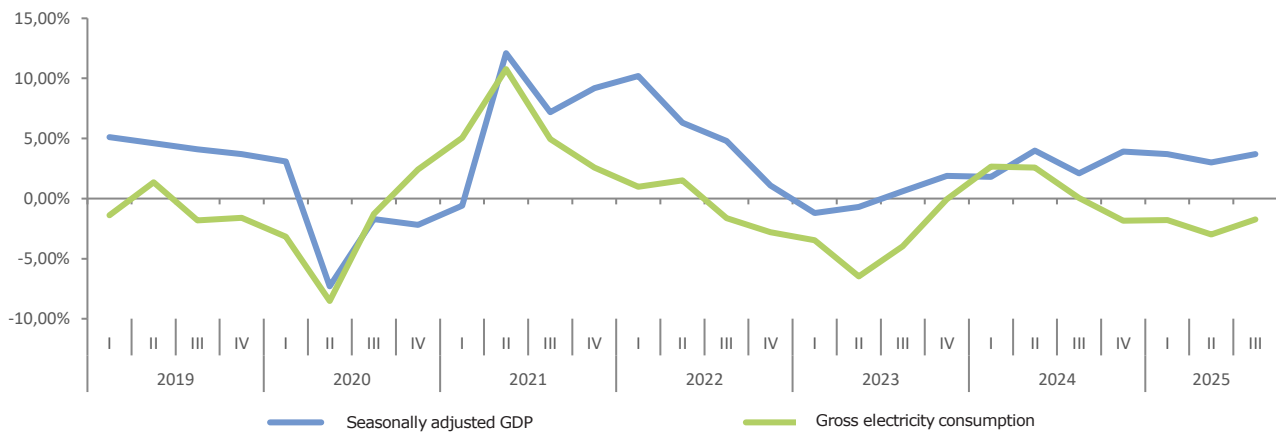
2.1. Macroeconomic environment

PGE Group's main operating area is Poland, and the domestic macroeconomic backdrop has a substantial impact on Group's results. At the same time, the condition of Poland's economy remains largely tied to the situation across the European Union and in global markets. The Group's financial results are affected by both the situation in specific segments of the economy and the financial markets, which determine the terms of PGE Group's debt financing.

In Poland, as in most other economies, there is a positive dependence between change in electricity demand and change in the rate of economic growth. Considering PGE Group's position on the Polish power generation market, as well as its substantial share in the electricity sales and distribution market, changes in electricity and heat demand may have a significant impact on the Group's results.

In the third quarter of 2025, the trends observed in the first half of 2025 continued. Demand for electricity recorded in the three quarters of 2025 fell by 2% compared to the corresponding period of the previous year.

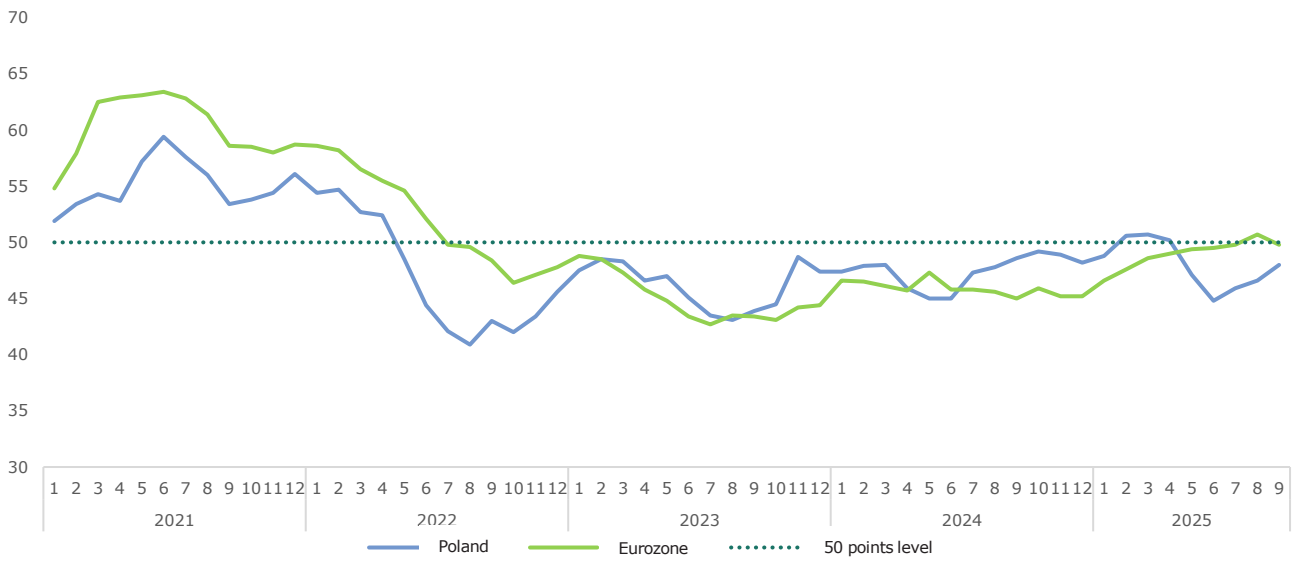
Chart: Seasonally adjusted GDP change vs. change in domestic gross electricity consumption.



Source: Central Statistical Office of Poland, Polskie Sieci Elektroenergetyczne S.A. (PSE S.A.)

In the third quarter of 2025, the PMI index for Polish industry remained below the neutral level of 50.0 points, albeit with signs of improvement. In July 2025, PMI rose to 45.9 points, in August to 46.6 points, and in September reached 48.0 points. The quarterly average was 46.8 points. Companies are noting signs of demand stabilisation, particularly on European markets, and production forecasts for the coming months are increasingly optimistic. Experts indicate that the improvement in sentiment is influenced by NRRP funds, a recovery in the Eurozone and increased investment activity. If this trend continues, an increase in demand for energy from industry is possible, as well as improved conditions for project implementation. Compared to Poland, the Eurozone performed better, albeit unevenly – in July 2025 the Eurozone PMI was 49.8 points, in August 2025 it rose to 50.7 points (the first reading above 50 points since 2022), but in September 2025 it fell again – to 49.5 points. The quarterly average for Q3 2025 was 50.1 points. Despite visible signs of stabilisation, the Eurozone was emerging from the downturn more rapidly. The largest economies – Germany, France and Italy – still recorded values below 50.0 points, indicating a continued industrial recession. The improvement in the Eurozone's economic climate may support Polish industry through the rebuilding of export demand.

Chart: Manufacturing PMI in Poland and Eurozone (in points).



Source: Market Economics

Economic recovery is also reflected in industrial output data. In the third quarter of 2025, sold industrial output in Poland increased by 2.7% compared to the corresponding period of the previous year, confirming a gradual improvement in economic conditions. The largest increase was recorded in manufacturing, while a decline continued in the power sector. These results, combined with improved business sentiment, indicate rising activity in the manufacturing sector. According to the data, labour productivity increased, which points to improved efficiency in the industrial sector. If the trend continues, an increase in demand for energy in the fourth quarter of 2025 is possible.

2.2. Market environment

2.2.1. Situation in the National Power System (NPS)

Table: Domestic electricity consumption (TWh).

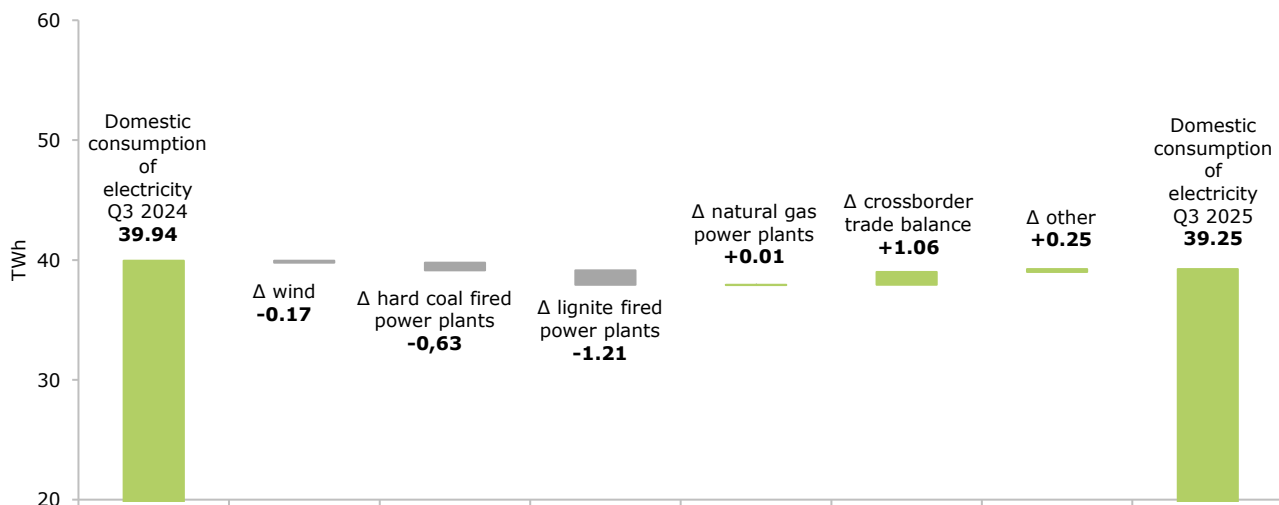
	Q3 2025	Q3 2024	% change	Q1-Q3 2025	Q1-Q3 2024	% change
Domestic electricity consumption, including:	39.25	39.94	-2%	122.56	125.26	-2%
Wind farms	4.57	4.74	-4%	16.91	17.55	-4%
Industrial thermal hard-coal fired power plants	13.93	14.56	-4%	48.40	49.47	-2%
Industrial thermal lignite fired power plants	8.01	9.22	-13%	25.08	26.56	-6%
Industrial gas-fired power plants	4.17	4.16	0%	13.09	11.52	14%
International exchange balance	1.22	0.16	663%	0.11	2.28	-95%
Other (hydro power plants, other RES)	7.35	7.10	4%	18.97	17.88	6%

Source: PSE S.A. data

Q3 2025

In the third quarter of 2025, domestic electricity consumption decreased by 0.69 TWh, primarily due to higher generation in PV plants and auto-consumption related thereto. As a result of deteriorating wind conditions, wind power generation fell by 0.17 TWh compared to the corresponding period of the previous year. In the third quarter of 2025, Poland was a net importer of electricity like in the last year. A change in the value of the foreign exchange balance level by 1.06 TWh y/y was recorded. A decrease in production was recorded at hard coal-fired power plants (-0.63 TWh), lignite-fired power plants (-1.21 TWh), and an increase in gas-fired plants (+0.01 TWh). Other sources also recorded an increase in generation (+0.25 TWh), particularly photovoltaic power plants, owing to the rise in installed capacity.

Chart: Energy balance in the NPS (TWh) in Q3 2025.

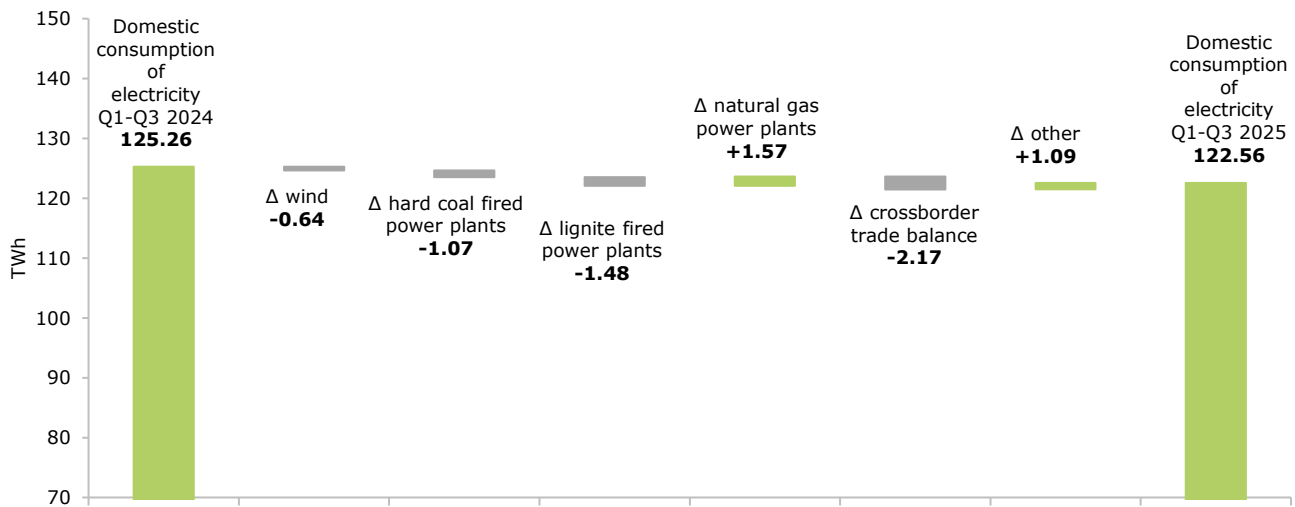


Źródło: Opracowane własne na podstawie danych PSE S.A.

Q1-Q3 2025

On a cumulative basis, domestic electricity consumption decreased by 2.70 TWh year-on-year, which was also due to higher generation from photovoltaic power stations and related self-consumption. As a result of deteriorating wind conditions, wind power generation fell by 0.64 TWh compared to the corresponding period of the previous year. In the first three quarters of 2025, as in the previous year, Poland was a net importer of electricity, but imports were lower than in the previous year by 2.17 TWh. There was a decline in output from hard coal-fired power plants by -1.07 TWh and from lignite-fired power plants by -1.48 TWh. Conversely, the increase in demand this year for gas (1.57 TWh) was due to falling gas prices on wholesale markets and an increase in installed capacity. There was also an increase in generation from other electricity sources (1.09 TWh), mainly from PV power stations due to an increase in installed capacity.

Chart: Energy balance in the NPS (TWh) in Q1-Q3 2025.



The situation in the NPS directly affects the operational activities of the PGE CG. In the first three quarters of 2025, the PGE Group recorded a decrease in production from hard coal units of -1.34 TWh (-11% y/y) and from lignite units of -1.60 TWh (-6% y/y). At the same time, generation from gas-fired units increased by 2.39 TWh (+58% y/y), driven by the growth of installed capacities.

2.2.2. Electricity prices - domestic market

Table: Day-Ahead market (RDN, SPOT market).

Market/measure	Unit	Q3 2025	Q3 2024	% change	Q1-Q3 2025	Q1-Q3 2024	% change
RDN – average price	PLN/MWh	435	450	-3%	435	410	6%
RDN – trading volume	TWh	11.06	12.24	-10%	34.46	35.47	-3%

Source: Data from TGE, include weighted average monthly BASE prices.

Table: Selected price factors affecting RDN quotations.

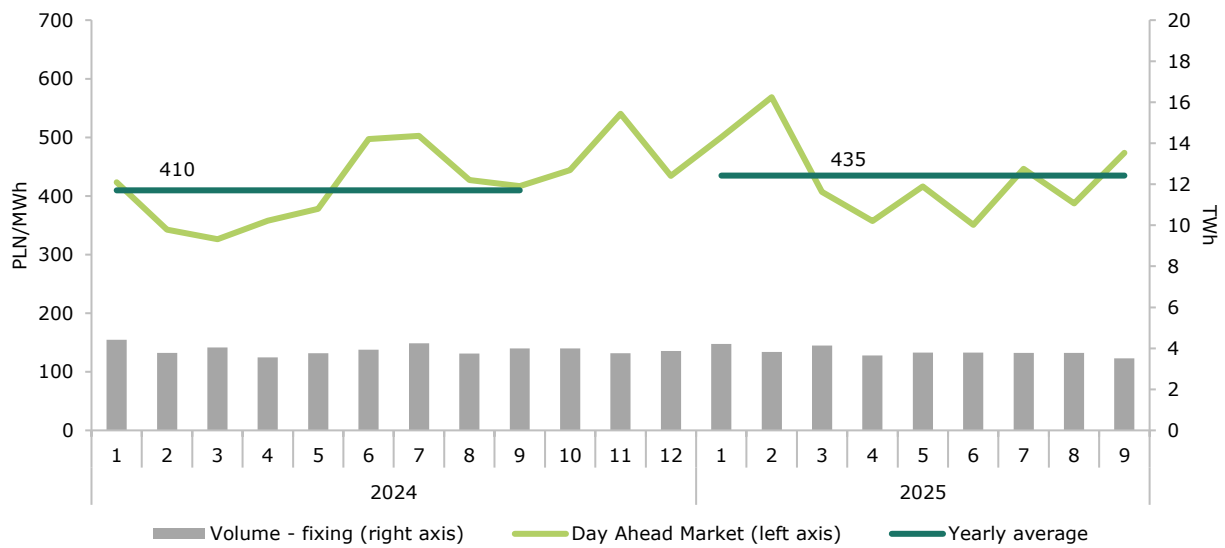
Factor	Unit	Q3 2025	Q3 2024	% change	Q1-Q3 2025	Q1-Q3 2024	% change
CO ₂ emission rights ⁴	EUR/t	73.28	68.09	8%	72.58	66.19	10%
Polish Steam Coal Market Index PSCMI-1	PLN/GJ	15.34	22.02	-30%	16.06	22.53	-29%
Wind generation NPS	TWh	4.57	4.74	-4%	16.90	17.55	-4%
Ratio: wind generation/ NPS consumption	%	12%	12%	-	14%	14%	-
Ratio: international trading/ NPS consumption	%	3%	0%	-	0%	2%	-

In the first three quarters of 2025, the average electricity price on the day-ahead market was PLN 435/MWh and was higher by 6% than average price (PLN 410/MWh) in the analogical period of the previous year. Decreased generation from wind farms and decline in average daily temperatures contributed to the price increase.

Average level of PSCMI-1 in the first three quarters of 2025 was PLN 16.06/GJ, i.e. lower by 29% than in the base period.

⁴ Source: own work based on ICE quotations.

Chart: Average monthly prices on the day-ahead market in 2024–2025 (TGE).



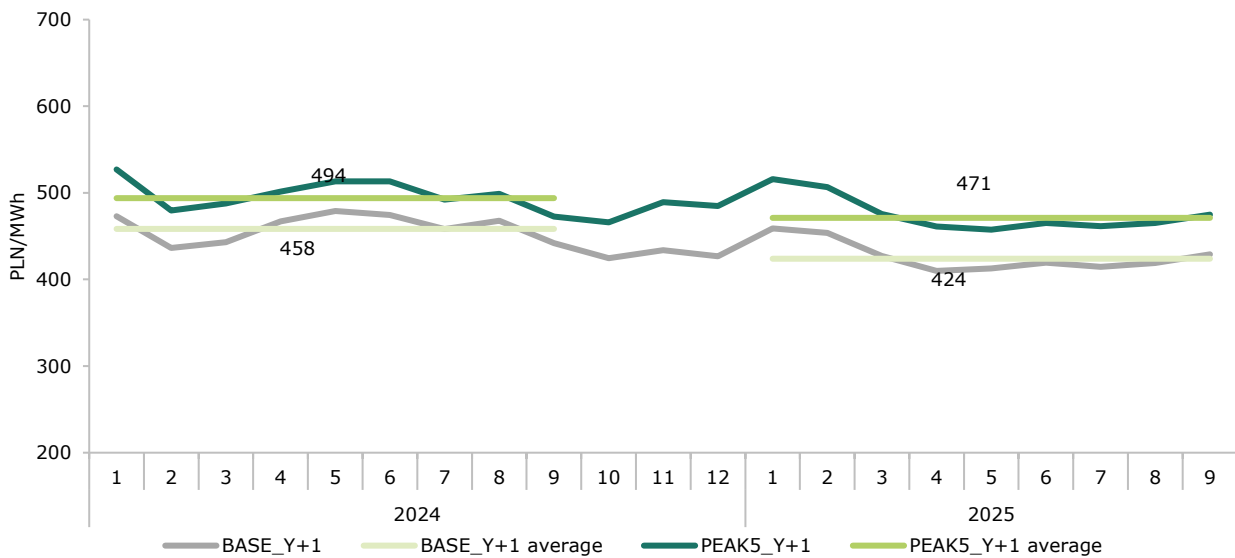
Source: Data from TGE, include weighted average monthly BASE prices.

Table: Forward market (RTT).

Market/measure	Unit	Q3 2025	Q3 2024	% change	Q1-Q3 2025	Q1-Q3 2024	% change
BASE Y+1 – average price	PLN/MWh	422	453	-7%	424	458	-7%
BASE Y+1 – trading volume	TWh	5.88	10.35	-43%	17.78	26.98	-34%
PEAK5 Y+1 – average price	PLN/MWh	469	484	-3%	471	494	-5%
PEAK5 Y+1 – trading volume	TWh	0.92	1.74	-47%	2.73	3.95	-31%

Energy prices on the forward market in first three quarters of 2025 fell for both BASE and PEAK5 contracts in comparison to the analogical period of the previous year. Several factors may have contributed to the price decline, including lower coal prices, the projected increase in the share of RES in generation or the prospect of a slowing economy and thus lower demand due to the introduction of tariffs by the US.

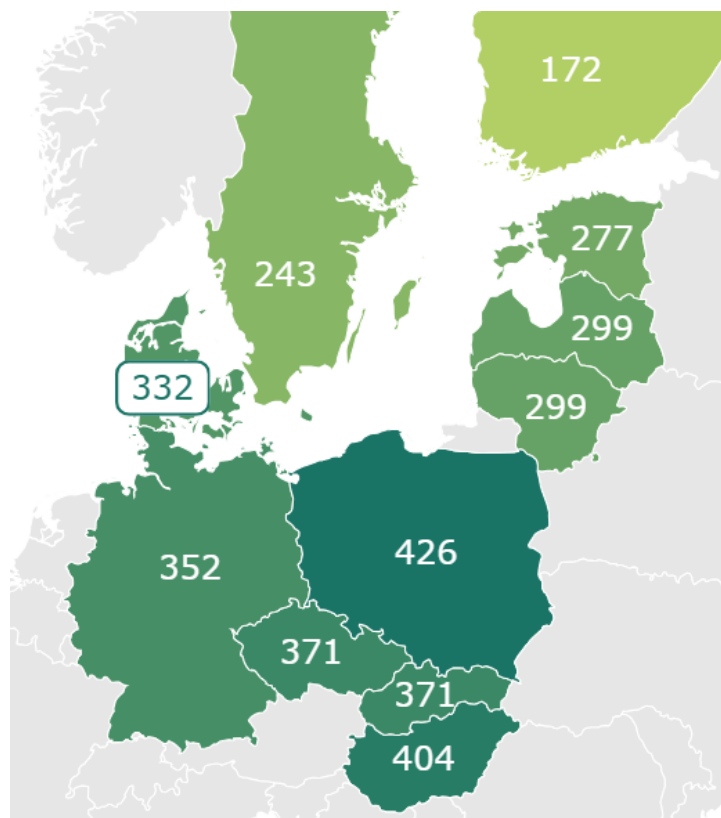
Chart: Average monthly prices on the forward market in 2024–2025 (TGE)⁵



2.2.3. Electricity prices - international market

WHOLESALE MARKET (COMPARISON OF SPOT MARKETS)

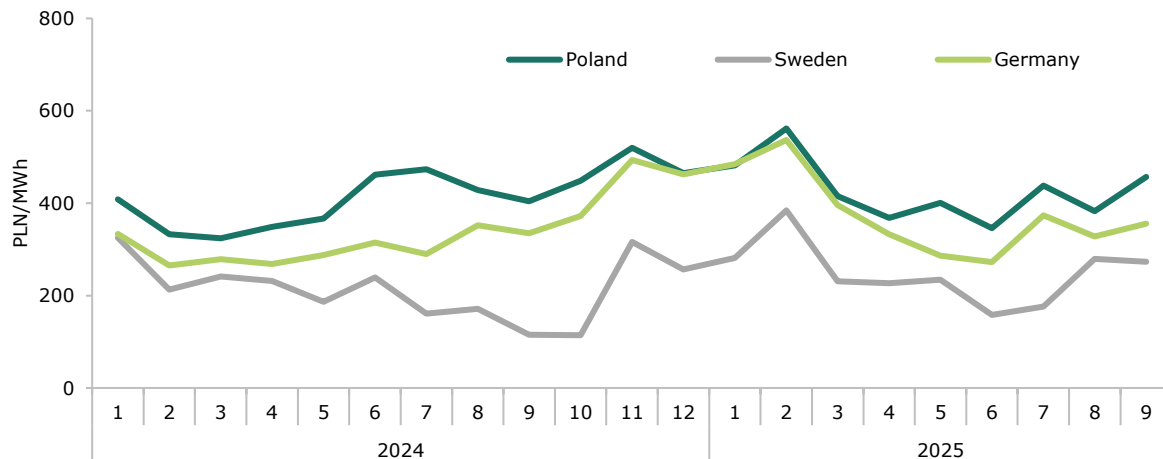
Chart: Comparison of average electricity prices on Polish market and on neighbouring markets in the third quarter of 2025 (prices in PLN/MWh, average exchange rate EUR/PLN 4.24).



Source: TGE - RDN price level calculated on the basis of hourly quotations (fixing), EEX, Nordpool.

⁵ Monthly average index level for forward contracts for the next year (Y+1), baseload and peak, weighted by the trading volume.

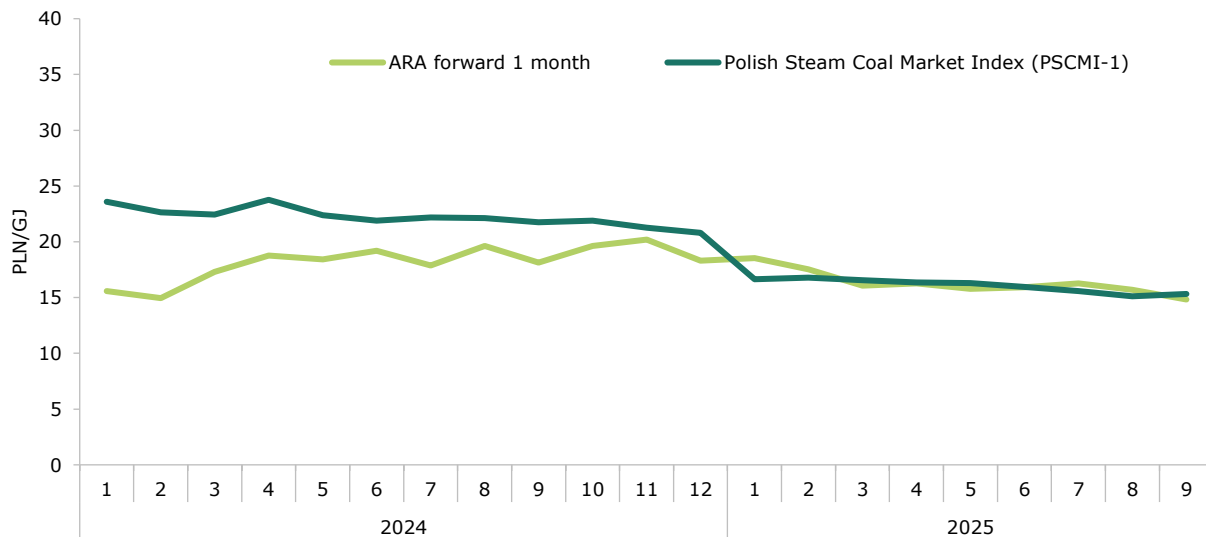
Chart: Evolution of spot market prices.



Source: TGE, EEX, Nordpool

In the third quarter of 2025, the largest y-o-y price increase was recorded in Czechia (+82 PLN/MWh), in Germany (+71 PLN/MWh) and in Denmark (+63 PLN/MWh), while the biggest price decline were recorded in Estonia (-42 PLN/MWh) and in Finland (-36 PLN/MWh). The differentiation of energy prices results from a higher share of renewable energy sources in the generation mix and from the situation on the markets for related products. The price spread between Poland and its neighbouring countries is also due to differences in realised coal prices and also to prices of natural gas at home and abroad. The reason for price changes is the changing market situation, mainly due to the varied share of renewables in generation.

Chart: Hard coal indices ARA vs PSCMI-1⁶.

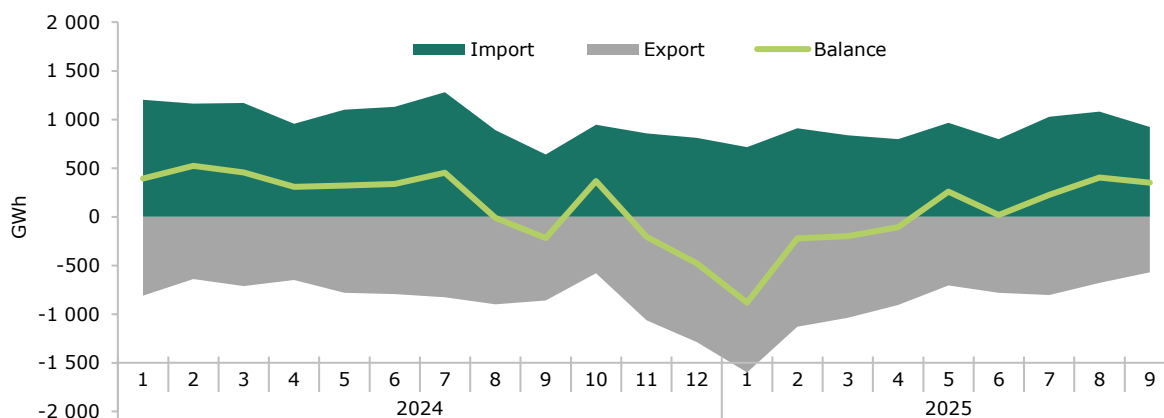


Source: ARP, Bloomberg (API21MON OECD Index), own work.

⁶ The comparison is illustrative only. Methodologies of counting the ARA and PSCMI1 indexes are different. Among other things, the ARA index includes insurance and delivery costs. The PSCMI 1 is an ex-mine index without insurance and delivery costs. Standards for calculating the caloric values are also different (ARA – 25.12 GJ/t vs. PSCMI1 caloric value - range 20-24 GJ/t). The aim is to compare the trend and not the absolute level. For illustration purposes ARA index is recalculated from USD/t to PLN/GJ.

INTERNATIONAL TRADING

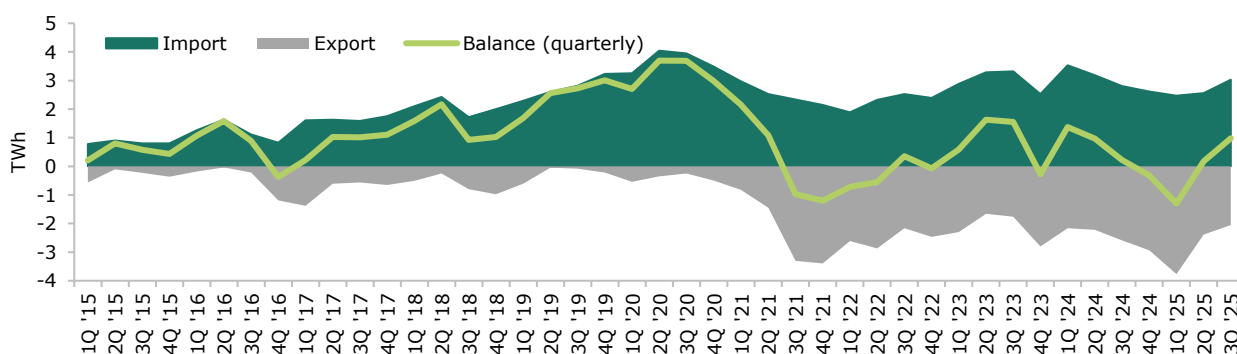
Chart: Monthly imports, exports and cross-border exchange balance in 2024-2025.



Source: own work based on data from PSE S.A.

The variation in imports/exports is due to the level of the share of renewable energy sources in the technological mix and the situation in the markets for related products. In the third quarter of 2025, Poland was an importer of electricity, driven by lower wholesale prices in the neighbouring markets.

Chart: Quarterly trading volumes – import, export and international trading balance in years 2015 - 2025.



Source: own work based on data from PSE S.A.

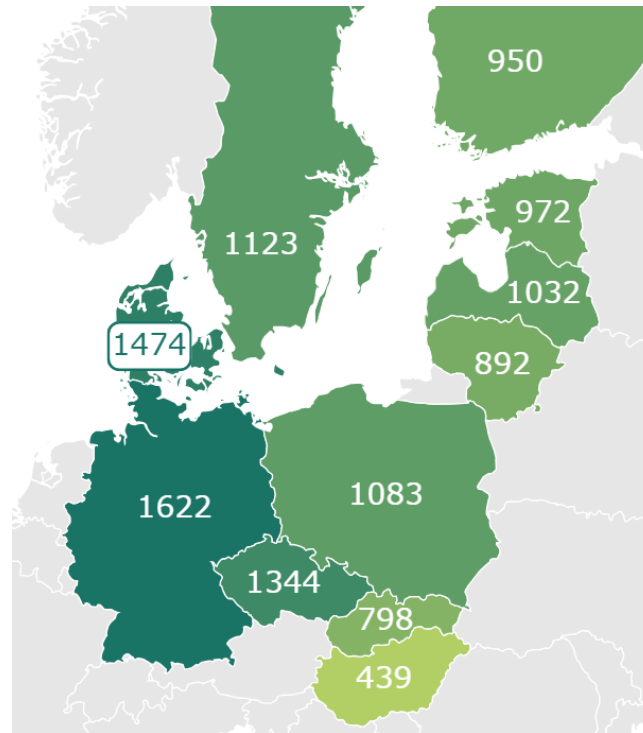
In the third quarter of 2025, Poland was a net importer of electricity and trade balance amounted to 1.0 TWh (imports: 3.0 TWh, exports: 2.0 TWh). The largest impact on the trade balance came from import from Germany (1.3 TWh), Sweden (0.7 TWh) and Czechia (0.5 TWh). At the same time, we exported most electricity to Slovakia (0.9 TWh), Germany (0.5 TWh) and Czechia (0.4 TWh).

In the first three quarters of 2025, Poland was a net importer of electricity, with a trade balance of 0.2 TWh (imports: 8.2 TWh, exports: 8.0 TWh). The largest impact on the trade balance came from import from Germany (3.3 TWh), Sweden (2.7 TWh) and Czechia (1.0 TWh). At the same time, we exported most electricity to Slovakia (3.8 TWh), Czechia (1.7 TWh) and Germany (1.7 TWh).

RETAIL MARKET

The diversity of electricity prices for retail customers in the European Union depends mainly on the level of the wholesale prices of electricity, fiscal system (taxes and fees), regulatory mechanism and support schemes in particular countries. In Poland in the first half of 2025⁷ an additional burden (over sale price and cost of electricity distribution) for individual customers accounted for 42% of the electricity price. The Germans paid the most for electricity, for whom additional charges accounted for 32% of the final price.

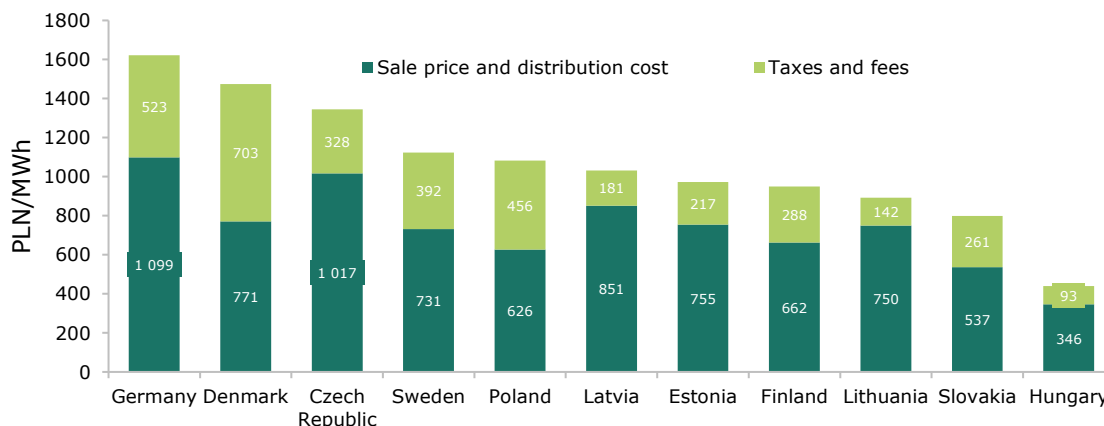
Chart: Comparison of average electricity prices on Polish market and on selected European markets in the first half of 2025 (prices in PLN/MWh, average exchange rate EUR/PLN 4.23).



Source: own work based on Eurostat data.

⁷ Eurostat data on retail market are published in semi-annual intervals.

Chart: The share of additional charges in electricity prices for the individual customers in selected EU countries in the first half of 2025 (prices in PLN/MWh, average exchange rate EUR/PLN 4.23)



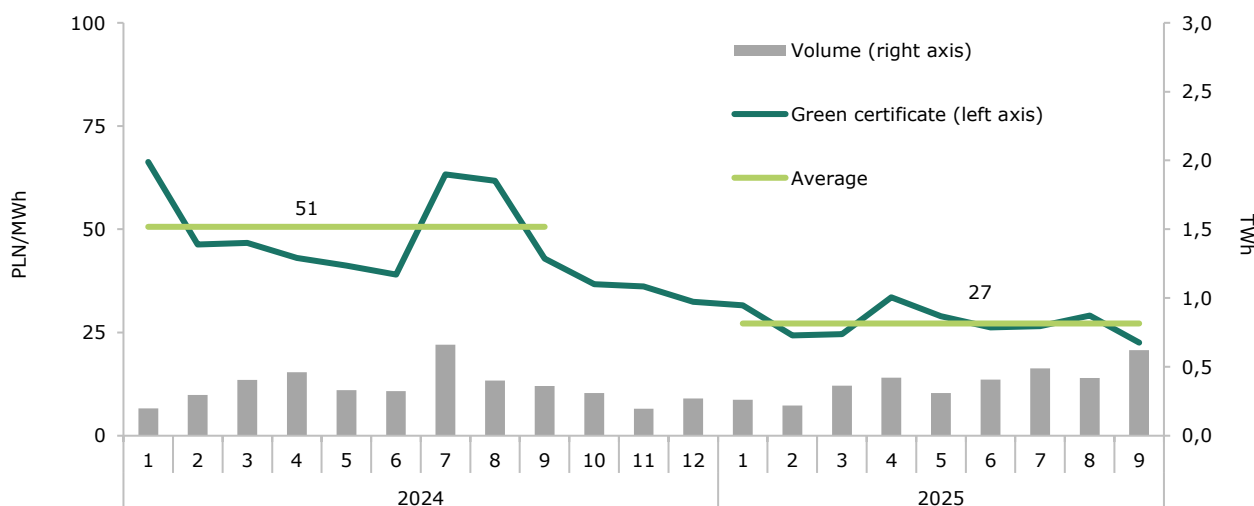
Source: own work based on Eurostat data.

Alongside market changes and the evolving generation structure of the Group, not only long-term contracts but also the volatile spot market significantly impacts the Group's trading activities. Changes in global fuel prices also affect the value of sales prices at the Group and the profitability of utilising reserves. The average wholesale electricity price realised in the first three quarters of 2025 was PLN 502/MWh.

2.2.4. Prices of certificates

In the first three quarters of 2025 the average price of green certificates (index TGEoza) reached PLN 27/MWh and was lower by 47% compared to the previous year. At the end of August 2024, the Ministry of Climate and Environment published the level of the green certificates redemption obligation for 2025, which amounts to 8.5%. In turn, at the end of August 2025 the Ministry of Climate and Environment published the level of the green certificates redemption obligation for 2026 which will amount to 9%.

Chart: Average quarterly prices of green certificates (TGEoza).



Source: Own work based on TGE quotations.

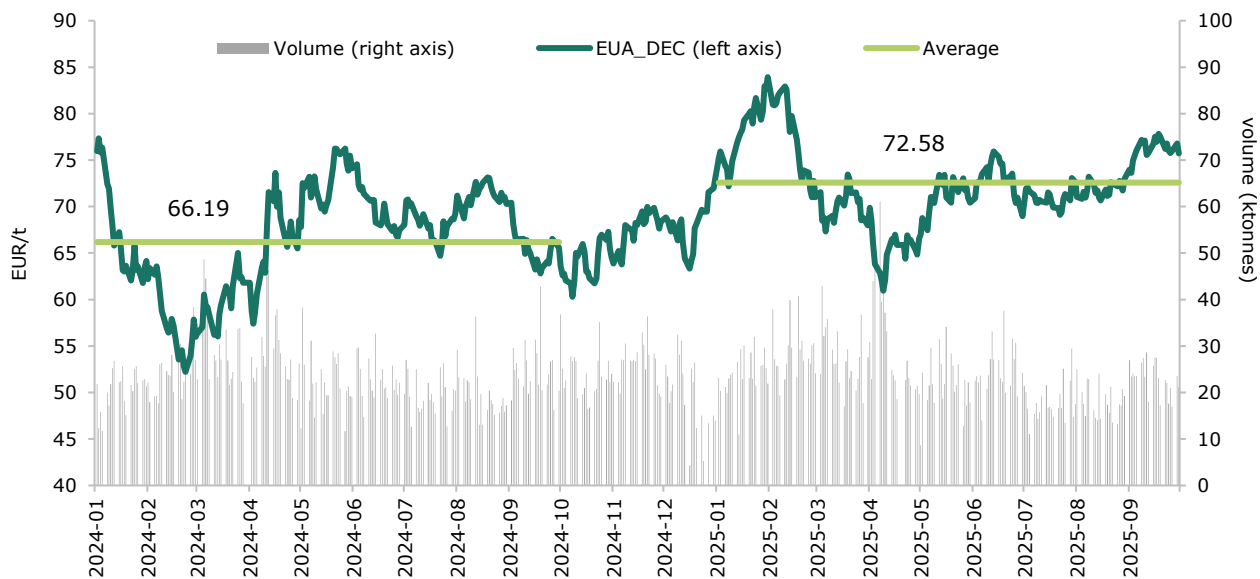
The decline in property rights prices resulted in lower revenue from the sale of RES property rights in the PGE Group. These revenues in the first three quarters of 2025 amounted to PLN 37 million compared to PLN 67 million in the analogical period of 2024, i.e. they decreased by PLN 30 million y/y.

2.2.5. Prices of CO₂ emission rights

EUA (European Union Allowances) prices are one of the key factors determining wholesale energy prices and PGE Group's financial results. Installations emitting CO₂ in the process of electricity or heat production bear the expenses for purchasing EUA allowances to cover the deficit (i.e. the difference between CO₂ emissions at PGE Group's generating units and the free-of-charge allowances received under derogation in accordance with the National Investment Plan). Wherein, last allocations granted free of charge were planned for realisation of investment tasks for 2019. It means that the free allocations for electricity generation, in accordance with the currently used method, ended when 2019 allowances were received.

In the first three quarters of 2025 the weighted average price of EUA DEC was EUR 72.58/t and was higher (by approx. 10%) than the average price of EUR 66.19/t in the comparable period of the previous.

Chart: Prices of CO₂ emission rights.



Source: own work based on ICE exchange quotations.

2.3. CO₂ emission rights granted free of charge

In accordance with Commission Implementing Regulation (EU) 2019/1842 of October 31, 2019 laying down rules for the application of Directive 2003/87/EC of the European Parliament and of the Council as regards further arrangements for adjustment of the allocation of free CO₂ emission allowances due to changes in activity levels, the competent authority may suspend the issuance of free emission allowances to an installation until it is determined that there is no need to adjust the allocation to that installation or the Commission has adopted a decision concerning adjustments to the allocation to that installation.

Due to the amendment of Directive (EU) 2023/959 of the European Parliament and of the Council of May 10, 2023, amending Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Union, the deadline for issuing emission allowances has changed from February 28 to June 30 each year, following the publication of information in the Public Information Bulletin on the website of the Ministry of Climate and Environment.

In accordance with legal requirements, verified reports on activity level for individual installations for 2024 have been submitted by March 31, 2025. On June 27, 2025, the accounts of individual installations were credited with adjusted amounts of free CO₂ allowances.

Table: Emission of CO₂ (in tons).

	Q3 2025	Q3 2024	% change	Q1-Q3 2025	Q1-Q3 2024	% change
Electricity and heat	11 528 556	12 623 120	-9%	37 443 224	39 962 310	-6%

Table: Allocations of CO₂ emission rights (in tons).








	2025	2024	% change
Heat	553 629	595 229	-7%




2.4. Regulatory environment






PGE Group operates in an environment with a significant impact of domestic and foreign regulations. Presented below is a summary of the most significant decisions, which could have an impact on PGE Group's operations in the coming years.

Legal regulations regarding the current rules for determining the prices of electricity and heat and the compensations due in this respect are described in Note 27.2 to the condensed interim consolidated financial statements.







2.4.1. Domestic regulatory environment





Segments	Regulation	Regulation objectives	Stage	Impact on PGE Group
	Regulation of the Minister of Climate and Environment of May 30, 2025 on specific qualitative and dimensional characteristics of energy wood (Dziennik Ustaw of 2025 item 746).	The regulation defines the specific qualitative and dimensional characteristics of energy wood, indicates the characteristics of wood raw material that is not suitable for industrial use or has limited potential for use in the non-energy sector.	The Regulation entered into force on September 7, 2025 .	The regulation is of great importance for the District Heating sector due to the use of biomass.
	Regulation of the Minister of Climate and Environment of January 9, 2025 on the maximum price for electricity generated at offshore wind farms and injected into the grid that may be indicated in bids submitted by generators in an auction (Dziennik Ustaw of 2025 item 41).	The regulation determines the maximum price for electricity generated in offshore wind farms and introduced to the grid in PLN per 1 MWh under the second phase of the support scheme. A division into three area groups has been introduced based on the criterion of distance from the shoreline and 3 price levels were established: PLN 485.71/MWh, PLN 499.33/MWh and PLN 512.32/MWh.	The Regulation entered into force on January 15, 2025 .	The regulation is of key importance for the Renewables segment as it will enable applying for the right to cover the negative balance in phase II of the support scheme for OWFs to be claimed.
	Bill of January 24, 2025 to amend the Capacity Market Act (Dziennik Ustaw of 2025 item 159).	The bill introduces a supplementary auction mechanism in the Capacity Market in the period from the second half of 2025 to the end of 2028. Supplementary auctions will purchase additional capacity for energy security purposes under the Capacity Market mechanism and, by way of derogation, high-carbon units will be able to participate in them.	The Act entered into force on February 13, 2025 .	The entry into force of the legislation as proposed allows units not meeting the 550 kg/MWh emission limit to participate in the Capacity Market mechanism until the end of 2028.
	Act of January 24, 2025 amending the Law on Value Added Tax, the Law on Excise Tax and certain other laws (Dziennik Ustaw of 2025 item 222).	The Act proposes to extend the operation of the reverse charge mechanism for VAT on gas in the gas system, electricity in the electricity system and services for the transfer of greenhouse gas emission allowances until the end of 2026.	Art. 1 point 3 of the Act entered into force on February 28, 2025 .	The entry into force of the provision enables an extension of the reverse charge mechanism for VAT on electricity, gas and greenhouse gas emissions until December 31, 2026.
	Regulation of the Ministry of Climate and Environment of October 30, 2024 on reference values for new and substantially modernised cogeneration units in 2025 (Dziennik Ustaw of 2025 item 1603).	The regulation specifies the reference values for new cogeneration units and for substantially retrofitted cogeneration units, applicable in the following calendar year.	The regulation entered into force on January 1, 2025 .	Regulation affects the level of revenue from the support scheme for the District Heating segment in 2025.
	Regulation of the Ministry of Climate and Environment of October 30, 2024 on the maximum quantity and value of energy from high-efficiency cogeneration covered by support and unit amounts of the guaranteed premium in the year 2025 (Dziennik Ustaw of 2025 item 1609).	The regulation indicates the maximum quantities and values of electricity from high-efficiency cogeneration supported and the unit amounts of the guaranteed premium in 2025.	The regulation entered into force on January 1, 2025 .	Regulation affects the level of revenue from the support scheme for the District Heating segment in 2025.
	Draft Act on asbestos products.	The draft Act provides for the introduction of regulations establishing exceptions to the obligation to remove asbestos-containing products by allowing their permanent securing. These provisions apply, among others, to operational underground district heating and electricity installations. Leaving such installations underground is permitted if their location does not expose	On October 31, 2025 , the European Affairs Committee adopted the draft, along with a protocol of divergences,	The changes proposed in the draft Act are beneficial for the District Heating segment.

Segments	Regulation	Regulation objectives	Stage	Impact on PGE Group
		personnel servicing other infrastructure elements to asbestos, particularly when they are situated at a lower level.	taking into account the comments of the Minister of Climate and Environment. The Committee recommended that the bill, along with the protocol of divergences, be considered by the Standing Committee of the Council of Ministers, following its submission by the Ministry of Development and Technology.	
	Regulation of the Minister of Industry of December 24, 2024 amending the Regulation on the detailed list of liquid fuels, the production, storage, transshipment, transmission or distribution, trade, including foreign trade, of which requires a licence, and the import of which requires registration in the register of importing entities. (Dziennik Ustaw of 2024 item 1955).	The entry into force of the Regulation necessitates changes to liquid fuel trading licences due to the amendment of the liquid fuel list.	The regulation entered into force on January 1, 2025 .	Entities from the PGE Capital Group holding a license for trading in liquid fuels, which includes the changed fuel codes were obliged to changes in licenses.
-	Draft Act amending the Act on the preparation and implementation of investments in nuclear power facilities and related investments, as well as certain other acts.	The draft Act introduces two changes affecting the process of constructing nuclear power facilities, i.e. enabling the issuance of a building permit for a nuclear power facility investment also for a part of the construction project that cannot function independently; and allowing investors to obtain a building permit for preliminary construction works.	On November 14, 2025 , the European Affairs Committee adopted the draft in circulation model. The Committee recommended that the draft law be considered by the Standing Committee of the Council of Ministers, after it had been submitted by the Minister of Energy.	The solutions included in the draft Act will expedite the process of obtaining the necessary approvals and permits related to the construction of nuclear power facilities, thereby reducing the risk of delays in the investment schedule.
	Act of February 21, 2025 on the amendment of the Capacity Market Act and certain other laws (Dziennik Ustaw of 2025 item 290).	The act introduces a maximum of two additional auctions for the years 2029 and 2030. These additional auctions will be held if the main capacity market auction results do not ensure the security of electricity supply for end users. The same entities as in the main auction may participate in the additional auctions.	The act entered into force on March 18, 2025 .	The changes provided for in the act are significant for the following segments: Gas-fired Generation, Coal Energy and District Heating.
	Draft Act amending certain acts supporting the safety of the Oder River in the field of water management.	The draft act provides for the establishment of a special cyclical review of water law permits and integrated permits for the discharge of wastewater into waters within the Oder river basin, separate from the provisions of the Water Law and the Environmental Protection Law.	PGE S.A. submitted comments during the public consultation of the draft Act. The Ministry of Climate and Environment (MCE) published the comments submitted on the draft Act.	The regulation may potentially affect the operation of companies from the Coal Energy and District Heating segments, due to the need to incur additional investment costs related to adapting their activities to the requirements of the act.





Segments	Regulation	Regulation objectives	Stage	Impact on PGE Group
	Act amending the Act on promoting electricity generation in offshore wind farms and certain other acts	The Act introduces measures aimed at accelerating implementation and improving investment conditions for offshore wind farm projects. These include: amendments to the auction-based support system for offshore wind energy, introduction of compensation mechanisms from the Settlement Administrator in the event of market redispatch of offshore wind farms as active units on the balancing market, enabling the sale of electricity during the commissioning phase of offshore wind farms, prohibition on transferring projects covered by Phase I support to Phase II, extension of the validity of grid connection conditions for offshore wind farms (PSzW ⁸) and associated power evacuation infrastructure, definition of rules for calculating compensation for fishers for lost benefits related to the offshore wind farms, and the obligation to bear costs related to mitigating the negative impact of offshore wind farms on national defence and security systems.	The Act was signed by the President on November 4, 2025 , and published in the Journal of Laws on November 12, 2025 . The Act will enter into force on November 27, 2025 , with exceptions.	The project is of key importance to the Renewables segment due to the investment projects under way concerning offshore wind farms.
	Draft Act amending the Act – Energy Law and certain other Acts.	The draft Act provides for the strengthening of consumer protection for electricity users and the introduction of additional tools encouraging consumers to become more active in the market, including the right of the final customer to conclude more than one comprehensive contract/sales contract for electricity at the same time, as well as the right of the final customer to conclude a fixed-price electricity contract, the obligation for the supplier to provide the final customer with a short summary of their rights and the key terms of the contract, the obligation of the President of the Energy Regulatory Office (ERO) to ensure that suppliers have strategies to limit risks arising from changes in wholesale electricity prices, which will be approved by the President of URE in the form of a decision, and the introduction of additional protection against the disconnection of electricity supplies for consumers affected by energy poverty.	The draft law was submitted for consideration to the Standing Committee of the Council of Ministers.	The provisions of the draft act will have a significant impact on the business activities conducted by the companies in all segments of the PGE CG.
	Act of May 21, 2025 amending certain acts in connection with the implementation of the Central Energy Market Information System (CSIRE) (Dziennik Ustaw of 2025 item 759).	The draft act introduces the possibility for various categories of energy market participants to join the implementation of tasks via CSIRE in stages. This process is to be carried out depending on the size of the entity – from July 2025 to October 2026. Moreover, the act maintained the entry into force of provisions regarding virtual prosumers as of July 2, 2025, while allowing their functioning during a transitional period until October 19, 2026 within the same DSO area.	The Act entered into force on June 11, 2025 , with exceptions.	The act is of material importance for the Distribution and Supply segments due to the necessity to allow sufficient time to carry out the required modifications and testing in systems cooperating with CSIRE, as well as to prepare market participants' organisations for the new model and for migrating data to CSIRE.
	Regulation of the Ministry of Climate and Environment of April 29, 2025 on the parameters of the supplementary auction for the 2029 delivery year (Dziennik Ustaw of 2025 item 71).	Regulation defines the parameters of the supplementary auction for the 2029 delivery year, which will be conducted in 2025.	The Regulation entered into force on April 30, 2025 .	It is relevant to the Coal Energy and District Heating segments.
	Draft Act amending the act on the greenhouse gas emissions trading system and certain other acts.	The purpose of the draft act is to implement into national law Directive 2023/959 amending Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the European Union, as well as Regulation 2023/857 amending Regulation (EU) 2018/842 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement. The draft introduces, among other things, new rules for adjusting the allocation of free emission allowances for certain installations for the years 2026–2030, as provided for in Directive 2023/959. It also incorporates into national legislation the principles for the return of surplus allowances, and	On October 14, 2025 , the draft law was submitted for consideration to the Standing Committee of the Council of Ministers.	Given the scope of the matters covered by the draft act, it is relevant to the District Heating and Coal Energy segments.




⁸ PSzW - permit for the construction and use of artificial islands.

Segments	Regulation	Regulation objectives	Stage	Impact on PGE Group
		amends provisions concerning the national implementation system for the Modernisation Fund.		
	Regulation of the Minister of Climate and Environment of August 29, 2025 on amending the quantitative share of the total electricity volume resulting from redeemed certificates of origin confirming the generation of electricity from renewable energy sources in 2026–2028.	The regulation specifies a 9% redemption rate for certificates of origin, known as 'green certificates,' over a three-year period, i.e. for 2026, 2027, and 2028.	The Regulation entered into force on August 31, 2025	The regulation is particularly important for the following segments: Supply, Renewables and Gas-fired Generation.
	Draft regulation of the Ministry of Climate and Environment on the parameters of the main auction for the delivery year 2030 and the parameters of additional auctions for the delivery year 2027, as well as the parameters of preliminary auctions for those auctions.	The regulation aims to define the parameters of the main auction for the delivery year 2030, the parameters of additional auctions for the delivery year 2027, as well as the parameters of preliminary auctions for those auctions.	The Regulation entered into force on August 6, 2025	The regulation is relevant for the Coal Energy and District Heating segments.
	Act of September 12, 2025 on the heat voucher and on the amendment of certain acts to limit electricity prices (Dziennik Ustaw item 1302).	The Act contains regulations concerning: <ul style="list-style-type: none"> rules and procedures for granting, determining the amount and paying out heating vouchers; postponing the publication date of capacity charges for the following year by the President of the Energy Regulatory Office from 30 September to 31 October, enabling the recalculation of capacity charges for the 2026 supply year, and clarifying the deadlines for the provision concerning the cancellation of capacity auction; extending the freeze on electricity prices until the end of 2025. 	The Act entered into force on September 30, 2025 .	The bill affects the outcome of settlements with electricity consumers and the level of compensation resulting from its application. In the case of heating companies, the proposed amendment introduces an obligation to publish single-component heat supply prices used in settlements with consumers in each tariff group in each heating system.
	Regulation of the Minister of Energy of August 28, 2025, amending the regulation on detailed rules for setting and calculating tariffs and settlements for heat supply	The primary objective of the amendment to the Regulation of the Minister of Climate of April 7, 2020 on detailed rules for setting and calculating tariffs and settlements for heat supply (Journal of Laws, item 718, as amended) is to address the urgent need for changes aimed at transforming the heating sector in terms of tariffs for heat generated in cogeneration units.	The Regulation entered into force on August 30, 2025 .	The regulation affects the level of revenues in the District Heating segment.
	Regulation of the Minister of Energy amending the Regulation on detailed conditions for the operation of the gas system.	The amendment to the so-called Gas System Regulation aims to enable an entity engaged in the generation of electricity using gaseous fuels, which has applied for grid connection conditions to the gas transmission system operator, to agree with the gas TSO the location of a new offtake point from the gas transmission system at a location other than on an existing gas pipeline.	The public consultation of the draft Regulation ended on September 19, 2025 . The Ministry of Energy published the comments submitted on the draft regulation.	The Regulation affects gas generating units – it will streamline the development of new investments. The PGE Group submitted comments clarifying the provisions.
	Draft act amending the Act on energy efficiency and certain other acts.	Key changes: <ul style="list-style-type: none"> tightening of the conditions for the use of the substitute fee and introduction of financial sanctions for inactive entities on the certificate market; introduction of a mechanism for indexing the substitute fee and flexible rate setting for the years 2027–2030; expansion of the catalogue of actions eligible for the white certificates scheme; clarification of the catalogue of fuels subject to the obligation and exclusions for certain sources; efficiency contracts, introduction of quality control, applications submitted via the energy efficiency platform, establishment of a central register and 	On October 30, 2025 , public consultations ended and it is currently at the review stage.	The draft affects operations in all segments of the PGE Group.

Segments	Regulation	Regulation objectives	Stage	Impact on PGE Group
		<p>energy efficiency platform, collection of data on certificates, audits, and grant programmes;</p> <ul style="list-style-type: none"> ▪ implementation of the energy efficiency principle, including in public procurement; ▪ introduction of new obligations regarding the implementation of energy management systems and energy audits; ▪ introduction of new obligations for network operators – monitoring and calculation of network losses, implementation of the principle of 'energy efficiency first' in development plans and tariffs. 		
	Draft Regulation of the Minister of Energy of October 31, 2025 on the maximum quantity and value of electricity from high-efficiency cogeneration covered by support and the unit guaranteed premium in 2026 (Dziennik Ustaw item 1505)	The Regulation sets out the maximum quantities and values of electricity from high-efficiency cogeneration covered by support and the unit guaranteed premium for 2026.	The Regulation will enter into force on January 1, 2026 .	The Regulation affects the level of revenue from the support scheme for the District Heating segment in 2026.
	Draft Regulation of the Minister of Energy of October 31, 2025 on reference values for new and significantly modernised cogeneration units in 2026 (Dziennik Ustaw item 1506)	The Regulation sets reference values for new cogeneration units and significantly modernised cogeneration units, applicable in the following calendar year.	The Regulation will enter into force on January 1, 2026 .	The Regulation affects the level of revenue from the support scheme for the District Heating segment in 2026.
	Draft Act amending certain acts with a view to simplifying administrative procedures in matters decided by way of administrative decisions or handled tacitly	<p>The draft provides for:</p> <ul style="list-style-type: none"> • the possibility of transferring a decision on environmental conditions to another entity under the tacit-consent procedure, without the need to issue a formal administrative decision; • the introduction of the institution of tacit handling of a case into the procedure for determining the obligation to carry out an environmental impact assessment referred to in Article 63 of the Act – the failure to issue a ruling within a specified time limit would be deemed to constitute the absence of an obligation to carry out such an assessment; • the introduction of tacit consent with regard to opinions and agreements in the procedure for obtaining a decision on environmental conditions; • the introduction of tacit consent for the extension of permits for the collection or treatment of waste, where such permits were issued for a period shorter than 10 years, up to a maximum period of 10 years from the date of issue of the permit; • the possibility of tacitly concluding proceedings concerning the extension of a further period of validity of a water-law permit, where the authority has not issued a refusal decision or a decision extending the period of validity of that permit. 	The public consultation on the draft act concluded on November 18, 2025 .	The draft affects operations in all segments of the PGE Group.
	Draft Act amending the Energy Law and the Act on Renewable Energy Sources	<p>In the area of the electricity market, the draft provides for the introduction of an obligation for electricity producers to sell 80% of the electricity generated through the Polish Power Exchange (Towarowa Giełda Energii) or through platforms operated by nominated electricity market operators (NEMOs). The draft also provides for an increase in the obligation to sell high-methane natural gas via the Polish Power Exchange from 55% to 85%.</p> <p>The draft further provides for an amendment to the provisions on non-market redispatching, which, in the case of metering agreements, is intended to limit the losses of electricity producers in situations where non-market redispatching of renewable energy sources occurs.</p>	During the public consultation process.	The draft act is relevant to the following segments: Supply, Distribution, Gas-fired Generation, Renewables, Coal Energy and Railway Energy Services.








2.4.2. International regulatory environment

Segments	Regulation	Regulation objectives	Stage	Impact on PGE Group
	Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Union and related regulations.	Combating climate change. Development of investment incentives through a CO ₂ price signal to develop low-emission sources.	The European Commission launched public consultations on the operational review of Modernisation Fund and the Innovation Fund. The review process of these regulations is scheduled to conclude in Q1 2026 for the Modernisation Fund and in Q4 2025 for the Innovation Fund. Any legislative proposals to amend the functioning of these funds may be presented in 2026 , together with the revision of Directive 2003/87/EC. On July 8, 2025 consultations were also completed on the review of Directive 2003/87/EC. The conclusions of the review and any legislative proposals are planned for Q3 2026 .	Increased competitiveness of renewable sources compared to generation assets using high-emission fuels. Impact on the availability of emission allowances under the EU ETS for conventional units after 2030. Possible investment support under the Modernisation Fund and the Innovation Fund.
	Multiannual Financial Framework beyond 2027	The establishment of a new EU Multiannual Financial Framework for the period beyond 2027.	On July 16, 2025 , the European Commission presented a package of legislative proposals on Multiannual Financial Framework, including draft legislation concerning: the establishment of a European Competitiveness Fund, the Connecting Europe Facility, national and regional partnership plans, the Social Climate Fund, the European Social Fund, and the EU's own resources. The EC's consultations on these proposals began on July 18, 2025 .	Acquisition of EU funds for investment by PGE CG. The potential contribution to the EU budget will depend on the outcome of the decision-making process regarding the EU's new own resources.
	Regulation of the European Parliament and of the Council amending Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality (target for 2040)	Establishment of an intermediate target on the path to achieving climate neutrality by 2050.	On July 2, 2025 , the European Commission presented a legislative proposal regarding the implementation of the 2040 target, set at a 90% reduction in emissions compared to 1990, to the European Climate Law (along with announced flexibilities in its implementation, including possible contribution of international credits to the target – up to 3 percentage points). On September 17, 2025 , the public consultation on the Commission's proposal was completed. The Council adopted its position on November 5, 2025 , and the European Parliament on November 13, 2025 . Both positions call, inter alia, for a higher contribution of international emission units (5 percentage points instead of 3 percentage points) towards achieving the 90% target. The proposed legislative amendments will have to be formally adopted in trilogue negotiations with the European Commission by the Parliament and the Council, which is expected to take place in December 2025 .	Faster decarbonisation in the run-up to 2040. Key solutions will depend on the shape of the legislation implementing the new objective. Impact on the availability of emission allowances under the EU ETS for conventional units after 2030 and on the amendment of energy legislation, which will have to be adapted to the new reduction target.
	Directive of the European Parliament and of the Council amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 with regard to certain requirements for corporate sustainability reporting and certain requirements for corporate sustainability due diligence.	Reduction of reporting and regulatory burdens, aimed at enabling companies to contribute more effectively to the achievement of the EU's sustainability goals while maintaining the competitiveness of the EU economy.	On February 26, 2025 , the European Commission published the first package of proposals, which aims to consolidate, simplify, eliminate inconsistencies, and align the EU Taxonomy Regulation, the Corporate Sustainability Reporting Directive (CSRD), and the Corporate Sustainability Due Diligence Directive (CSDDD). These proposals include: changing the application date of the CSRD and CSDDD; proposed amendments to the provisions of the CSRD and CSDDD; and proposed amendments to the delegated acts under the EU Taxonomy Regulation. On June 23, 2025 , the Council adopted a general approach. On October 13, 2025 , the final version of the rapporteur's report was adopted in the JURI Committee of the European Parliament. On the same day, the JURI Committee adopted the European Parliament's mandate for trilogues with the Council and the European Commission, which was, however, rejected by the European Parliament in a plenary vote on October 22, 2025 . On November 13, 2025 , the Parliament's position and the mandate for trilogue negotiations with the Council and the Commission were put to the vote and adopted during the plenary session.	The proposal introduces beneficial changes in relation to the CSRD, CSDDD, and the EU Taxonomy, reducing reporting and regulatory burdens, including by limiting the number of data points collected and published annually and simplifying reporting requirements. This translates into a simpler and more efficient framework for conducting business operations.

Segments	Regulation	Regulation objectives	Stage	Impact on PGE Group
	<p>Directive 2025/794 amending Directives (EU) 2022/2464 and (EU) 2024/1760 as regards the dates from which Member States are to apply certain corporate sustainability reporting and due diligence requirements (part of Omnibus package).</p>	<p>Postponing the date of application of the CSRD by 2 years for large companies not yet covered by the directive (new date of application is January 1, 2027) and for small and medium-sized enterprises that are public interest entities (new date of application is January 1, 2028). Postponement of the CSDDD application date for the largest companies from July 26, 2027 to July 26, 2028. Change of the CSDDD transposition date into national legal systems from July 26, 2026 to July 26, 2027.</p>	<p>Directive 2025/794 was adopted under a special accelerated procedure in the European Parliament (on April 3, 2025) and in the Council (on April 14, 2025), and was subsequently published in the Official Journal of the EU on April 16, 2025. The directive entered into force the day after its publication. Member States are required to transpose it into their national legal systems by December 31, 2025.</p>	<p>This new regulation introduces a favourable change with regard to the CSDDD by postponing its application by one year, from July 26, 2027 to July 26, 2028.</p>
	<p>Regulation amending Regulations (EU) 2021/1058 and (EU) 2021/1056 as regards specific measures to address strategic challenges in the context of the mid-term review of cohesion policy.</p>	<p>The regulation introduces new priority areas in cohesion policy and creates incentives for Member States to increase the level of investment in these priority areas.</p>	<p>The European Commission presented its legislative proposal of an amending regulation on April 1, 2025. The Council of the EU adopted its negotiating mandate at the COREPER meeting on June 18, 2025. The European Parliament worked on this proposal under the simplified procedure and, on June 25, 2025, adopted its position in a vote in the Committee on Regional Development. The Council and Parliament reached an agreement (in trilogue format) on July 15, 2025. The European Parliament adopted the final version of the new provisions on September 10, 2025 in a plenary vote, while the Council of the EU took an analogous decision on September 18, 2025. The Regulation was published in the Official Journal of the EU on September 19, 2025 and entered into force the following day.</p>	<p>The new provisions give Member States the possibility to allocate a larger share of cohesion policy funds to priority investments in distribution networks, dual-use projects, the protection of critical energy infrastructure, and electric vehicle recharging infrastructure. These investments are to benefit, among other things, from higher levels of pre-financing and co-financing from EU funds.</p>
	<p>Commission Regulation (EU) No 651/2014 of June 17, 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (GBER).</p>	<p>Enabling Member States to grant certain categories of State aid without prior notification to the European Commission.</p>	<p>The European Commission has announced a revision of the GBER as part of the actions to implement the Competitiveness Compass for the EU and the Clean Industrial Deal. The objectives of the revision include: reducing administrative burdens for Member States and State aid beneficiaries, promoting necessary investments, increasing flexibility in designing aid measures, and maintaining a level playing field in the single market. As part of the revision process, the Commission conducted a public consultation from July 14 to October 6, 2025. Based on the results of the public consultation and the feedback received, the Commission plans to consult stakeholders on the draft and subsequently adopt the revised GBER in the fourth quarter of 2026.</p>	<p>Changes to the GBER may enable faster and more flexible implementation of investment projects, particularly in the area of heat segment transformation. The revision may also enable more efficient access to public support for projects related to, inter alia, renewables, heat supply, or innovation.</p>

3. Activities of PGE Capital Group and operational segments

3.1. Key operational data of PGE Capital Group

Key operational data of PGE Capital Group							
	Renewables	Gas-fired Generation	Coal Energy	District Heating	Distribution	Railway Energy Services	Supply
Key assets of the segment	21 wind farms 57 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	5 conventional power plants 2 lignite mines	16 CHP plants	304.9 th km of distribution lines	18.5 th km of distribution lines	-
Installed capacity electricity/heat	2 670 MWe/-	1 366 MWe/-	12 392 MWe/958 MWt	2 698 MWe/6 431 MWt	-	-	-
Electricity volumes¹	Net electricity generation 0.68 TWh	Net electricity generation 1.27 TWh	Net electricity generation 9.56 TWh	Net electricity generation 1.07 TWh	Electricity distribution volume 8.66 TWh ²	Electricity distribution volume 1.07 TWh; Sales to final off-takers 0.77 TWh	Sales to final off-takers 6.93 TWh ³
Heat volumes¹	-	-	Net heat production 0.40 PJ	Net heat production 3.30 PJ	-	-	-
Market position	PGE Capital Group is the largest electricity producer from RES with market share of approx. 6%	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 The presented data refer to the third quarter of 2025.

² Data for PGE Dystrybucja S.A.

³ Data for PGE Obrót S.A.

KEY OPERATING RESULTS OF PGE GROUP

Table: Key operating results.

Key operating results	Unit	Q3 2025	Q3 2024	Change	% change	Q1-Q3 2025	Q1-Q3 2024	Change	% change
Electricity generation, net	TWh	12.58	13.16	-0.58	-4%	40.09	40.67	-0.58	-1%
<i>including RES generation</i>	TWh	0.50	0.59	-0.09	-15%	1.79	2.05	-0.26	-13%
Sales of electricity outside the PGE Capital Group	TWh	15.05	17.59	-2.54	-14%	47.65	51.38	-3.73	-7%
Sales of electricity to final off-takers ¹	TWh	7.73	8.30	-0.57	-7%	24.02	25.34	-1.32	-5%
Heat production	PJ	3.70	3.63	0.07	2%	32.70	30.57	2.13	7%
Heat sales	PJ	3.51	3.46	0.05	1%	31.82	29.81	2.01	7%
Electricity distribution	TWh	9.73	9.79	-0.06	-1%	29.89	29.90	-0.01	0%

¹ After eliminating sales within the PGE Group, sales carried out mainly by PGE Obrót S.A. and Railway Energy Services segment.

BALANCE OF ENERGY OF PGE CAPITAL GROUP

Table: Sales, purchase, production and consumption of electricity in the PGE Capital Group (TWh).

Sales volume	Q3 2025	Q3 2024	Change	% change	Q1-Q3 2025	Q1-Q3 2024	Change	% change
A. Sales of electricity outside the PGE Capital Group:	15.05	17.59	-2.54	-14%	47.65	51.38	-3.73	-7%
Sales to end-users ¹	7.73	8.30	-0.57	-7%	24.02	25.34	-1.32	-5%
Sales on the wholesale and balancing market	7.32	9.29	-1.97	-21%	23.63	26.04	-2.41	-9%
B. Purchases of electricity from outside of PGE Group (wholesale and balancing market)	3.40	5.32	-1.92	-36%	10.60	13.93	-3.33	-24%
C. Net production of electricity in units of PGE Capital Group	12.58	13.16	-0.58	-4%	40.09	40.67	-0.58	-1%
D. Own consumption DSO, lignite mines, pumped-storage power plants (D=C+B-A)	0.93	0.89	0.04	4%	3.04	3.22	-0.18	-6%

¹ Sales carried out mainly by PGE Obrót S.A. and Railway Energy Services segment.

The total volume of purchased and generated electricity is higher than the volume of electricity sold. The difference presented in point D results from the necessity to cover grid losses in the distribution business (DSO), consumption of energy at lignite mines and consumption of energy at pumped-storage power plants.

Lower sales of energy on the wholesale and balancing market are the result of lower generation from coal units at PGE Capital Group which was caused by a negative exchange balance in the third quarter of 2025 due to low prices in neighbouring countries. Lower purchases at the wholesale market result mainly from lower sales to final off-takers at PGE Obrót S.A. in the corporate client and small and medium enterprises segments, who tend to diversify energy sources, mainly with greater use of RES.

Table: Net production of electricity (TWh).

Production volume	Q3 2025	Q3 2024	Change	% change	Q1-Q3 2025	Q1-Q3 2024	Change	% change
ELECTRICITY PRODUCTION IN TWh, including:	12.58	13.16	-0.58	-4%	40.09	40.67	-0.58	-1%
Lignite-fired power plants	6.95	7.94	-0.99	-12%	21.47	22.93	-1.46	-6%
Coal-fired power plants	2.61	2.54	0.07	3%	7.65	8.85	-1.20	-14%
<i>Including co-combustion of biomass</i>	0.00	0.01	-0.01	-100%	0.01	0.03	-0.02	-67%
Gas-fired power plants	1.27	1.06	0.21	20%	3.40	1.50	1.90	127%
Coal-fired CHP plants	0.26	0.34	-0.08	-24%	2.15	2.11	0.04	2%
Gas-fired CHP plants	0.72	0.55	0.17	31%	2.96	2.53	0.43	17%
Biomass-fired CHP plants	0.08	0.09	-0.01	-11%	0.24	0.27	-0.03	-11%
Communal waste-fired CHP plants	0.01	0.01	0.00	0%	0.03	0.02	0.01	50%
Pumped-storage power plants	0.27	0.15	0.12	80%	0.68	0.73	-0.05	-7%
Hydroelectric plants	0.05	0.06	-0.01	-17%	0.24	0.33	-0.09	-27%
Wind power plants	0.30	0.34	-0.04	-12%	1.12	1.27	-0.15	-12%
PV plants	0.06	0.08	-0.02	-25%	0.15	0.13	0.02	15%
<i>including RES generation</i>	0.50	0.59	-0.09	-15%	1.79	2.05	-0.26	-13%

The level of electricity production in the first three quarters of 2025 was lower by 1% as compared to the three quarters of 2024.

Lower production at lignite-fired power plants (decline by 1.46 TWh) results from Bełchatów power plant units being in reserve downtime longer by 4 792 hours and Turów power plant units being in overhauls longer by 2 909 h.

Lower production in hard coal-fired power plants (decrease of 1.20 TWh): lower production was recorded at Dolna Odra power plant (decline by 0.81 TWh) and Rybnik power plant (decline by 0.79 TWh) while Opole power plant increased production (by 0.40 TWh). Lower generation at Dolna Odra power plant is a result of repairs of units longer by 9 281 h, while at Rybnik power plant results from reserve downtime of units longer by 6 876 h. Higher generation at Opole power plant is the result of the higher average block load of this power plant by 95 MW.

Lower production at wind farms (decline by 0.15 TWh) resulted from worse windiness in the areas of farms belonging to PGE.

Lower hydropower production (decline by 0.09 TWh) is due to poorer hydrological conditions.

Lower production at pumped storage plants (decrease by 0.05 TWh) is due to the nature of the operation of the generating units, which were less utilised by PSE.

Higher production at Gryfino Dolna Odra power plant - growth by 1.90 TWh - is a result of low base of the first three quarters of 2024. Unit No. 9 was put into operation in August 2024 and Unit No. 10 in October 2024.

The higher production from and gas-fired CHP plants (growth by 0.43 TWh) is the result of the commissioning of the Nowa Czechnica CHP plant and the gas engines at the Bydgoszcz CHP plant.

The higher production from coal-fired CHP plants (growth by 0.04 TWh) is a result of higher energy production in co-generation with heat due to weather conditions (lower average temperatures).

Higher photovoltaic generation (growth by 0.02 TWh) is due to new capacity being commissioned.

Production at biomass CHP plants and communal waste-fired CHP plants remained at similar to the comparable period.

HEAT PRODUCTION

Table: Net production of heat (PJ).

Heat production volume	Q3 2025	Q3 2024	Change	% change	Q1-Q3 2025	Q1-Q3 2024	Change	% change
Net production of heat in PJ	3.70	3.63	0.07	2%	32.70	30.57	2.13	7%
Lignite-fired power plants	0.32	0.29	0.03	10%	1.66	1.58	0.08	5%
Coal-fired power plants	0.08	0.08	0.00	0%	0.44	0.43	0.01	2%
Coal-fired CHP plants	2.00	1.12	0.88	79%	21.56	20.69	0.87	4%
Gas-fired CHP plants	1.02	1.56	-0.54	-35%	7.19	5.83	1.36	23%
Biomass-fired CHP plants	0.21	0.37	-0.16	-43%	1.27	1.46	-0.19	-13%
CHP plants fuelled by municipal waste	0.05	0.04	0.01	25%	0.19	0.09	0.10	111%
Other CHP plants	0.02	0.17	-0.15	-88%	0.39	0.49	-0.10	-20%

External temperatures contributed more than any other factor to lower net generation of heat in the third quarter of 2025 (y/y). The average temperatures in 2025 were by 0.3° C lower y/y, which translated into increased production of heat.

HEAT SALES

In the third quarter of 2025 the heat sales volume in PGE Capital Group totalled 3.51 PJ and were higher by 0.05 PJ y/y.

In the three quarters of 2025 the heat sales volume in PGE Capital Group totalled 31.82 PJ and were higher by 2.01 PJ y/y. The above result was mainly influenced by higher heat demand due to lower average outdoor temperatures compared to 2024.

3.2. PGE Group's key financial results

The best way to measure the profitability of energy companies is recurring EBITDA. This is a result before depreciation, amortization, income tax and financial activities, including interest from drawn debt. EBITDA makes it possible to compare the results of companies regardless of the value of their assets, level of debt and existing income tax rates. Additionally, recurring EBITDA is adjusted for one-offs

PGE Group's consolidated EBITDA is composed of the financial results of each of its operating segments. The following segments have the largest share in the Group's recurring EBITDA for the third quarter of 2025: Distribution (44%), Renewables (14%), Railway Energy Services (10%) and Supply (10%). Other segments have less than 10% share in the recurring EBITDA.

Chart: Recurring EBITDA of PGE Capital Group in the third quarter of 2025 (PLN million).

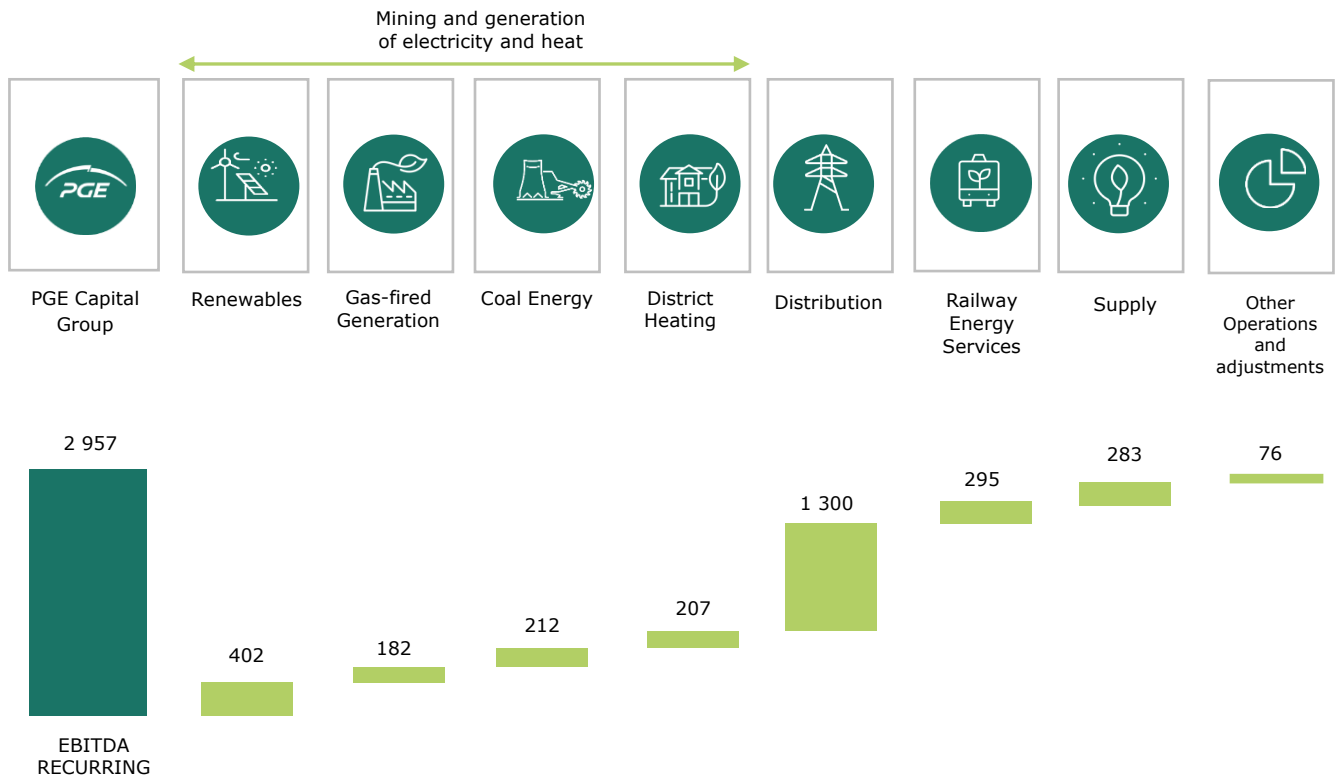


Chart: Reported EBITDA of PGE Capital Group in the third quarter of 2025 (PLN million).

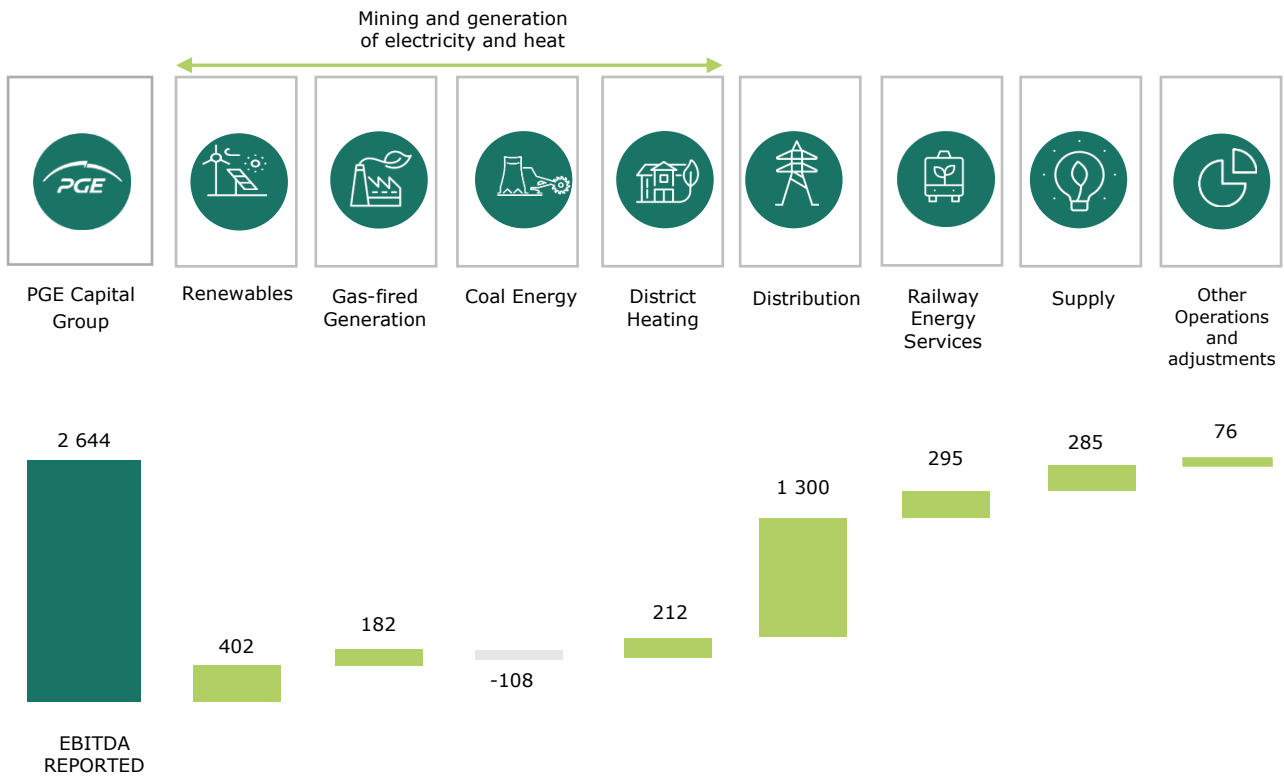
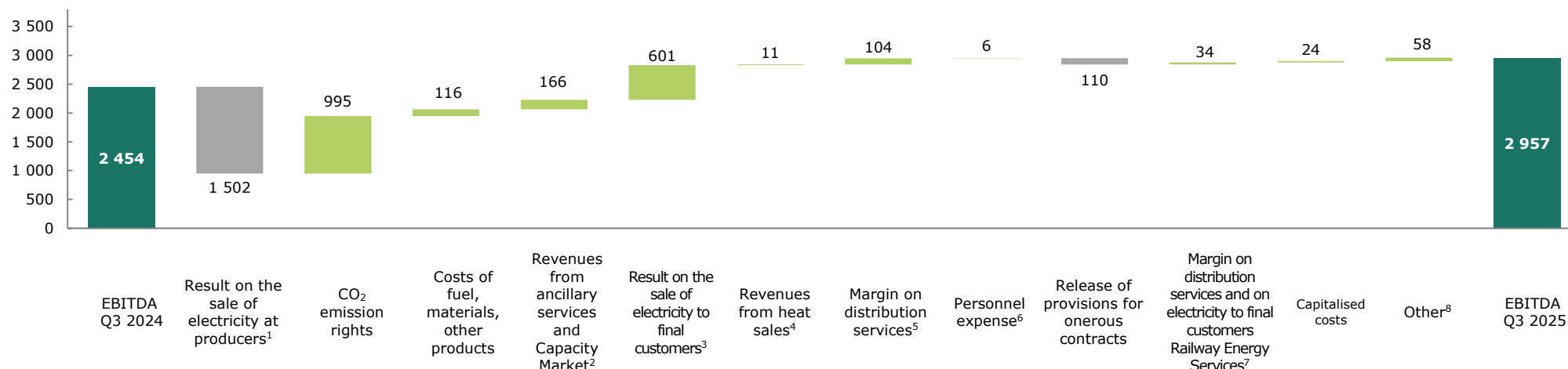


Chart: Key factors affecting EBITDA in PGE Capital Group (PLN million).



Change	-1 502	995	116	166	601	11	104	6	-110	34	24	58	
Reported EBITDA Q3 2024	2 458												
One-offs Q3 2024	4												
Recurring EBITDA Q3 2024	2 454	7 594	4 599	1 584	1 263	-338	580	1 669	2 038	144	359	300	896
Recurring EBITDA Q3 2025		6 092	3 604	1 468	1 429	263	591	1 773	2 032	34	393	324	838
One-offs Q3 2025													-313
Reported EBITDA Q3 2025													2 957
													2 644

¹ Revenue from the sale of electricity less the cost of purchasing electricity and costs directly related to electricity generation; data for Q3 2024 have been adjusted to the currently used data presentation method.

² Including revenues from the balancing services.

³ Including compensation, margin adjustment on certificates at PGE Group; without additional estimation of the cost of the balancing difference.

⁴ Including compensations.

⁵ Including revenues from distribution services, compensations, transmission services (PSE), balance of transferred and transit fees and costs of electricity purchased to cover balancing difference; without additional estimation of the cost of the balancing difference.

⁶ Without taking into account actuarial provision, Voluntary Leave Program and provision for restructuring of Dolna Odra power plant (one-offs).

⁷ Including compensations.

⁸ Without LTC compensations, correction of compensation for electricity for previous years, write-down for receivables from PKP Cargo S.A., write-down of strategic inventories, write-off of debt and reclamation provision (one-offs).

Chart: Structure of assets and equity and liabilities (PLN million).

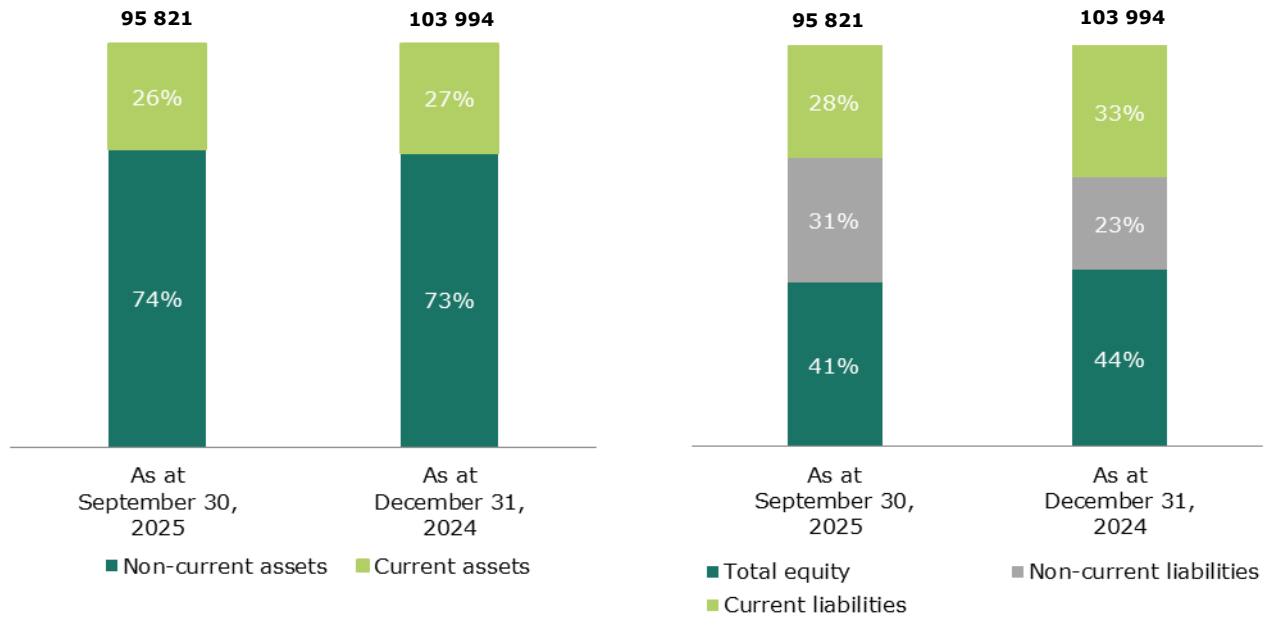


Chart: Net change in cash (PLN million).

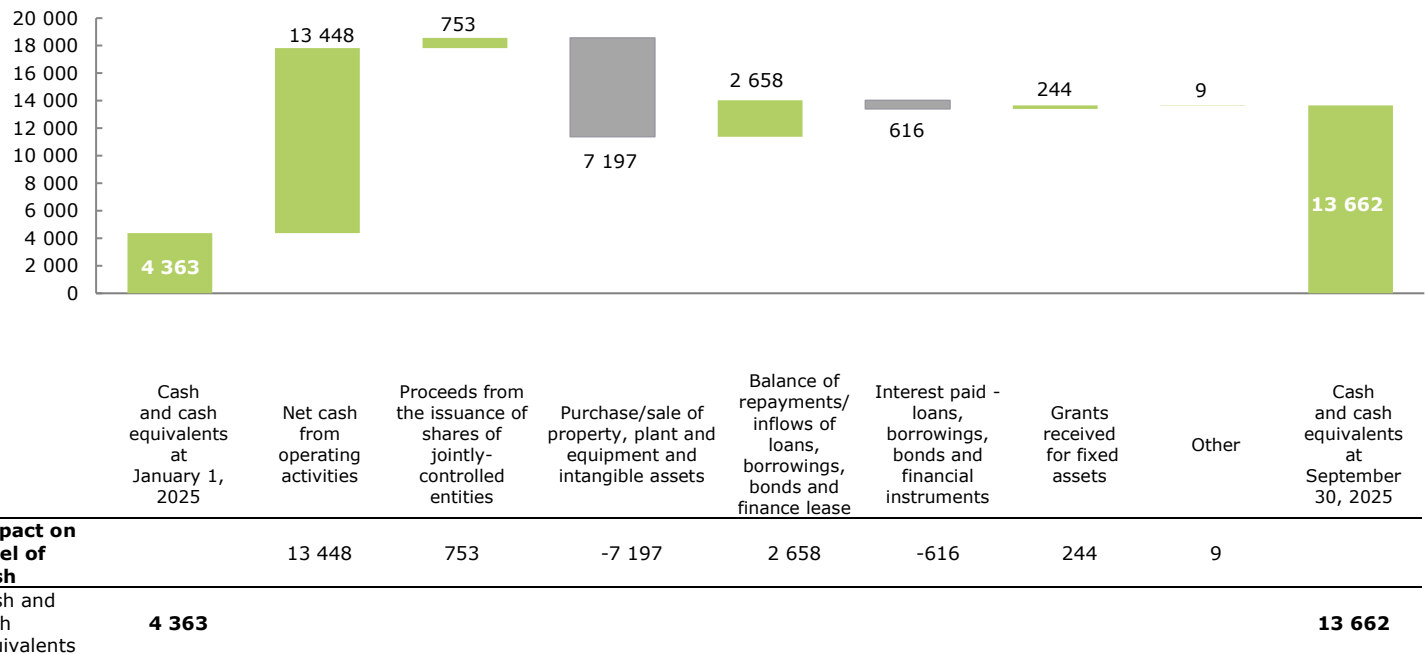
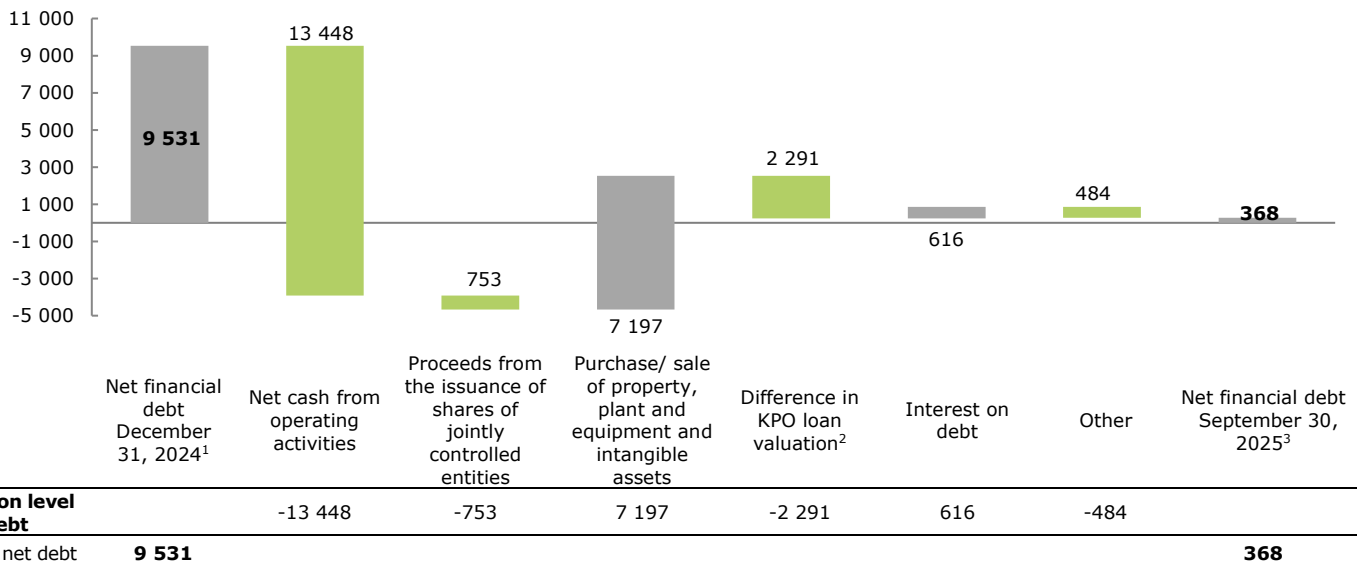


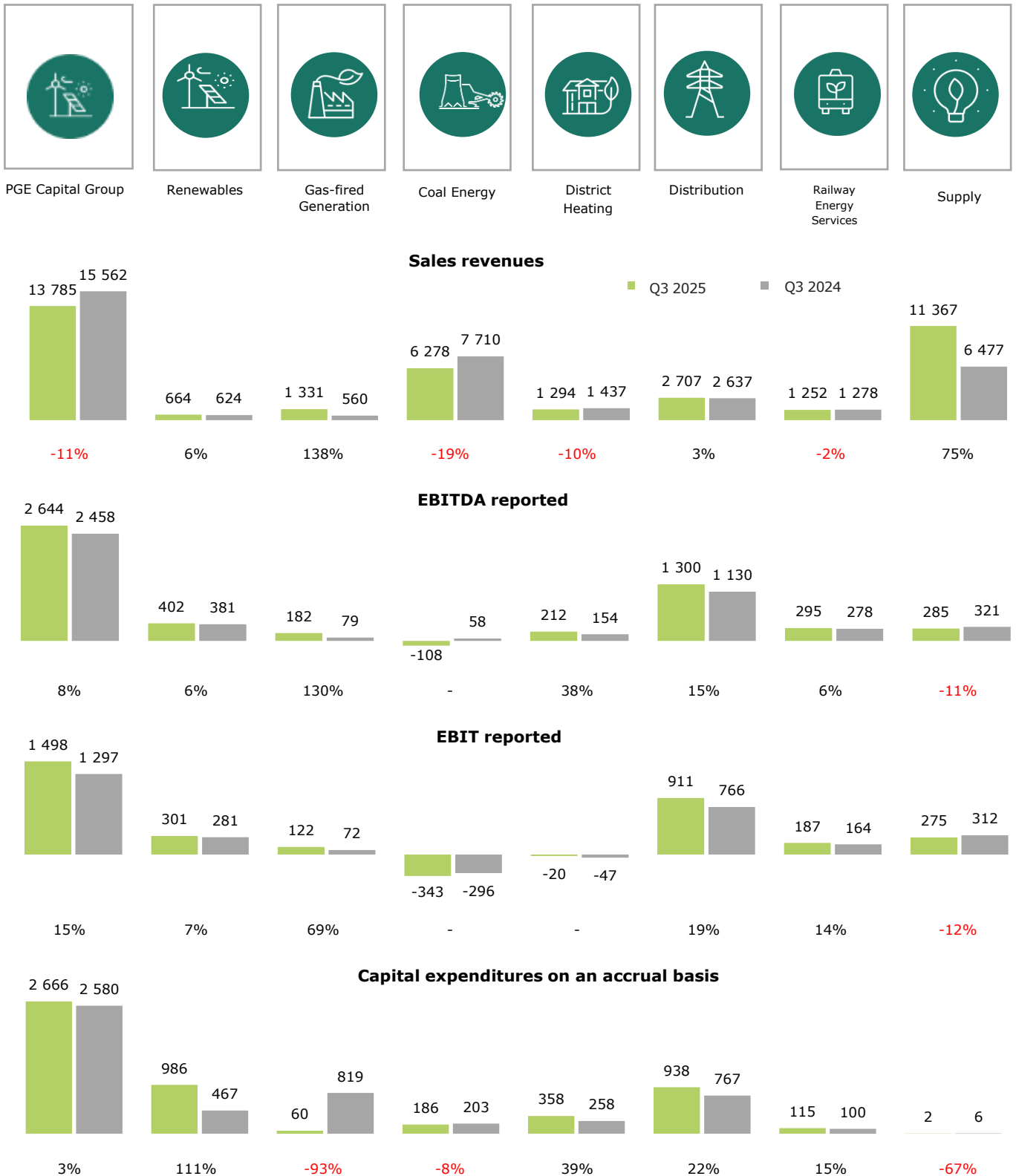
Chart: Net financial debt (PLN million).



¹ Net debt as at December 31, 2024, has been adjusted to reflect the calculation method consistent with bank covenants (regarding leases under IFRS 16); originally, as at December 31, 2024, the amount presented was PLN 11 045 million.
² Difference between the loan amount received and the value at amortised cost; KPO - National Recovery and Resilience Plan. At the moment of initial recognition the difference was PLN 2 315 m.
³ Net debt includes cash and cash equivalents of Offshore companies (PLN 874 m) and financial liabilities due to Project Finance (PLN 1 463 m); Estimated level of net economic debt (taking into account forward payment for CO₂ emission rights) amounts to PLN 15 506 million.

3.3. Characteristics of business segments

3.3.1. Key results in business segments



ASSETS AND OPERATIONAL DATA

The PGE Capital Group's operations in renewable energy are managed by the PGE Energia Odnawialna S.A. Due to the profile of operations, the segment also includes companies from the Offshore area, which are responsible for all activities related to offshore wind energy.

Assets in the segment include:

- 21 wind farms,
- 57 photovoltaic power plants,
- 29 run-of-river hydro power plants,
- 4 pumped-storage power plants, including 2 with natural flow.

Diagram: Main assets of the Renewables segment and their installed capacity.

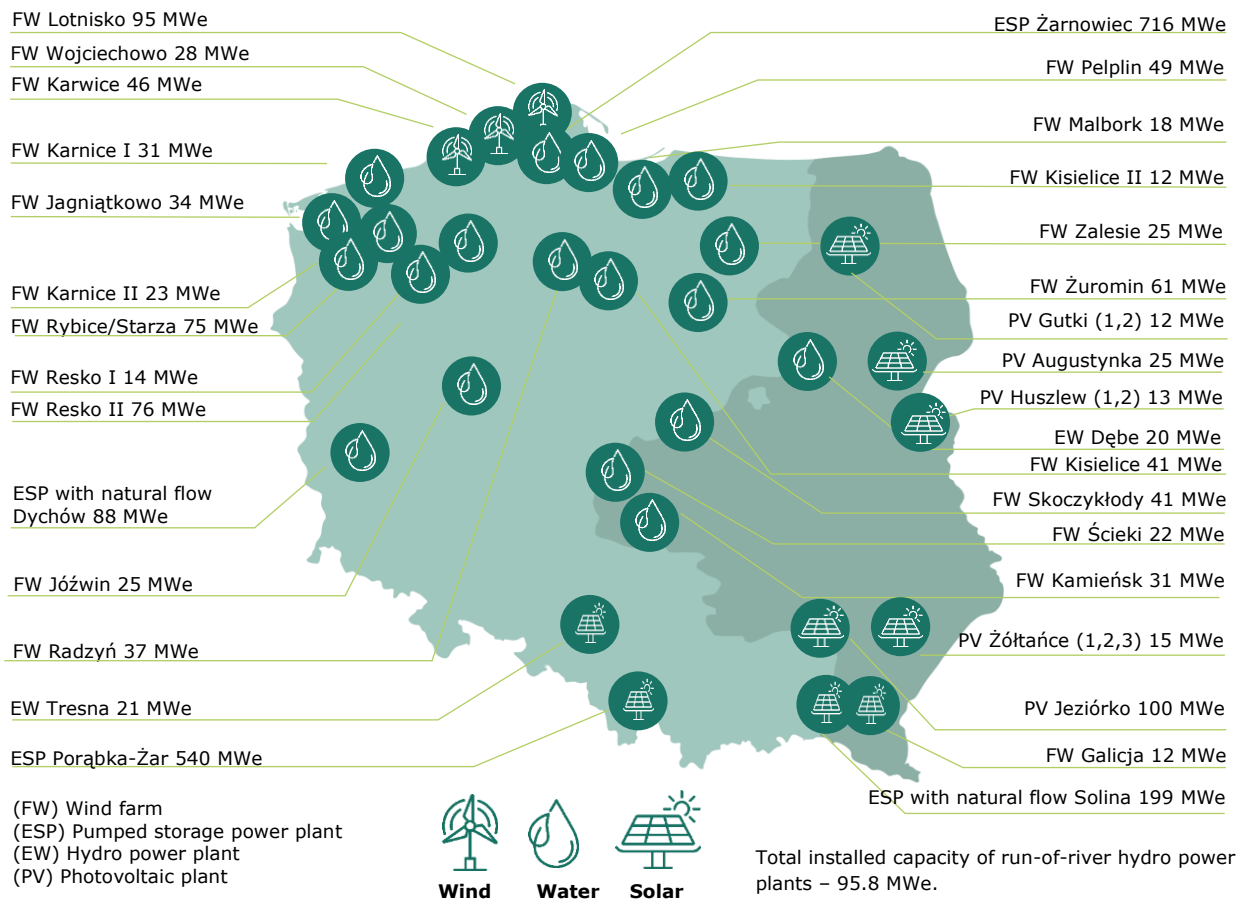
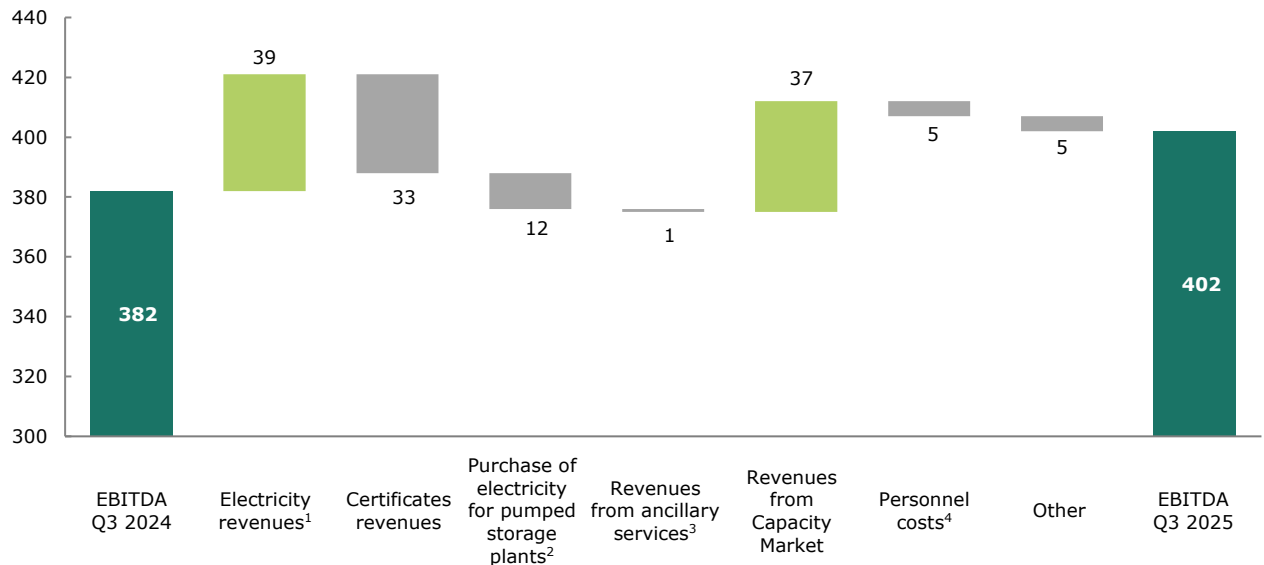


Table: Energy production (GWh).

Type of power plant	Q3 2025	Q3 2024	Change	% change
Pumped-storage power plants	268	153	115	75%
Run-of-river hydro power plants	50	66	-16	-24%
Wind farms	298	333	-35	-11%
PV plants	60	73	-13	-18%
Total	676	625	51	8%

Chart: Key changes of EBITDA in Renewables (in PLN million) – managerial perspective.



Change	39	-33	-12	-1	37	-5	-5	
Reported EBITDA Q3 2024	381							
One-offs Q3 2024	-1							
Recurring EBITDA Q3 2024	382	333	48	83	164	54	57	77
Recurring EBITDA Q3 2025		372	15	95	163	91	62	82
One-offs Q3 2025								402
Reported EBITDA Q3 2025								0
Reported EBITDA Q3 2025								402

¹ Electricity revenues include revenues from main generation technologies (wind, water, PV, pumped storage).

² Change in reporting due to the introduction of balancing services.

³ Including income from balancing services.

⁴ Personnel costs without taking into account change of actuarial provision (one-off).

Table: Data on one-offs in Renewables (PLN million).

One-offs	Q3 2025	Q3 2024	Change	% change
Change of actuarial provision	0	-1	1	-
Total	0	-1	1	-

Key factors affecting the y/y results of Renewables:

- **Higher revenues from electricity sales** results from: higher average electricity sale price by PLN 37/MWh y/y what translated into increase of revenues by PLN 26 million, higher sales volume by 26 GWh, what translated into increase of revenues by PLN 13 million.
- **Lower revenues from sales of certificates** resulting from: lower sales volume by 142 GWh, what translated into decrease of revenues by PLN 22 million, lower average electricity sale price by PLN 65 PLN/MWh y/y, what translated into decrease of revenues by PLN 11 million.
- **Higher electricity purchase costs for pumping** in pumped storage power plants results from higher purchase volume by 100 GWh, contributing to an increase in costs by PLN 50 million and lower average electricity purchase price by PLN 145/MWh y/y, what translated into decrease of costs by PLN 38 million.
- **Decreased revenues from the ancillary services** result mainly from slightly lower revenue from balancing services introduced from June 2024.
- **Higher revenues from the Capacity Market** result mainly from higher utilisation of production units in the power system and as a result of a higher contracted volume of the capacity obligation, mainly due to the supplementary auction for the second half of 2025, as well as a higher average price of the capacity obligation.
- **The increase in personnel costs** is mainly a result of higher employment due to the development of the Offshore Energy and Renewable Energy areas and wage agreements concluded in 2025.

- **Value change in item Other** is mainly due to higher operating costs resulting from the development of the Offshore Energy and Renewables Energy segments.

CAPITAL EXPENDITURES

Table: Capital expenditures incurred in Renewables segment (PLN million).

	Q3 2025	Q3 2024	Change	% change
Investments in generating capacities, including:	986	467	519	111%
▪ Development	913	346	567	164%
▪ Modernisation and replacement	73	121	-48	-40%
Total	986	467	519	111%

KEY EVENTS IN RENEWABLES

Offshore wind farms construction program

In accordance with the PGE Group Strategy until 2035 the strategic goal of the PGE Group in the offshore energy area is achieving 4 GW of capacity in operation by 2035. The group has 8 location permits for an offshore wind farms in the Baltic Sea - 3 location permits (potential of 3.4 GW) were obtained by the Group in 2012, while 5 permits (with a total capacity potential of 3.9 GW) were obtained in 2023. Commissioning of the first project carried out jointly with Ørsted - Baltica 2 with a capacity of approx. 1.5 GW - is planned in the fourth quarter of 2027.

- **The Baltica 1 project** (approx. 0.9 GW)

Baltica 1 is a project to be implemented approximately 80 km north of the Polish Baltic Sea coast in the area of the Ławica Środkowa sandbank, off the coast of Władysławowo. It is in the preparation phase. The cross-border procedure was completed in July 2025. On September 30, 2025, the Ministry of Climate and Environment approved the geological and engineering documentation for the sea-to-land bore. The environmental decision for the Offshore Wind Farm was issued on October 17, 2025.

- **The Baltica 2 project** (approx. 1.5 GW)

Currently in the implementation phase – Final Investment Decision (FID) taken in January 2025. In the third quarter work continued under the contract for the construction of the onshore section of the power evacuation system, including completion of construction of the pumping station building and the foundations for the STATCOMs, 400/275/15 kV transformers and reactors is in progress. The production of equipment and factory acceptance tests are in progress. In September 2025, the first delivery of GIS 400 kV switchgear elements was made to the construction site. In the third quarter of 2025, works related to the removal and relocation of boulders were also carried out in areas designated for foundations and along the route of the subsea cables.

- **The Baltica 3 project** (approx. 1 GW)

Under preparation for implementation and in reconfiguration phase. In the third quarter of 2025, in cooperation with EKO- KONSULT sp. z o.o., work continued on the preparation of the environmental impact report and the obtaining of an amending decision regarding the environmental conditions for the Baltica 3 OWF project, in order to adapt to technical assumptions after reconfiguration.

- **The Baltica 9 project** (approx. 1 GW)

In the preparation phase for implementation. At the beginning of July 2025, the geophysical survey campaign, conducted by Geofizyka Toruń S.A., was completed. On October 9, 2025, the preliminary geotechnical campaign in the area of the wind farm began – these works are being carried out by Geoquip Marine.

- **Construction of the O&M Port in Ustka**

The project is in the implementation phase. In the third quarter of 2025, the General Contractor – KB DORACO sp. z o.o. continued work on the construction of the Operations and Service Base in Ustka. Hydraulic works at the quay, foundation works for the office building and warehouse section, as well as sanitary and sewage installation works in the parking and access road area, were carried out.

PGE Group PV Development Program

So far, projects with a total capacity of approx. 284 MW have been commissioned under the programme. Electricity is produced by installations with an aggregate capacity of 289 MW, including projects without final acceptance. In the third quarter of 2025, final receipts of photovoltaic farms with a capacity of approximately 8 MW were made - including: PV Pokrzywnica with a capacity of 7 MW, and in October 2025, a further 60 MW of projects were accepted (PV Kleszczów 50 MW and PV Tyszki Wądołowo 10 MW). In parallel, the implementation of photovoltaic farm projects with a total capacity of approx. 150 MW was continued.

Comprehensive modernisation program of Porąbka-Żar pumped-storage power plant

The scope of works includes the modernization of the technological part of the upper reservoir and the construction facilities of the waterway. The main works related to the modernisation of the upper reservoir and the fairway were completed in 2024. Work on the technological part, i.e. the modernisation of the four hydrossets, will be carried out sequentially so that partial operation of the power station is possible. Currently assembly work is ongoing (including for the generator), along with deliveries of other modernised components. Design work is also continuing in the field of executive designs.

The Battery Energy Storage Facility Construction Project in Żarnowiec

PGE Inwest 14 sp. z o.o. is carrying out works related to the construction project of a Battery Energy Storage Facility in Żarnowiec, with a capacity of 262 MW and an approximate storage volume of 981 MWh, which will be one of the largest such energy storage installations in Europe. The facility will be located near the future transformer station for the PGE Group's offshore wind farms and Poland's largest pumped-storage power plant. Construction work began in August 2025. On September 19, 2025, a building permit was obtained for the scope relating to power evacuation. Earthworks (excavations, pouring of foundations, reinforcement works) are underway on the construction site. In December 2024, the storage facility obtained a 17-year contract in the 2029 Capacity Market auction. As part of project financing, the PGE Group submitted an application for a grant from the National Recovery and Resilience Plan (NRRP) and the Modernisation Fund. Completion of construction is scheduled for 2027.

The Electricity Storage Facility Construction Project in Gryfino

PGE Inwest 22 sp. z o.o. is preparing to implement a project for the construction of an **electricity storage facility in Gryfino** with a capacity of up to 400 MW and a storage volume of 800 MWh. On October 30, 2025, three bids were received as part of the tender procedure. Completion of construction is scheduled for 2028.

Diagram: Main assets of the Gas-fired Generation segment and their installed capacity.

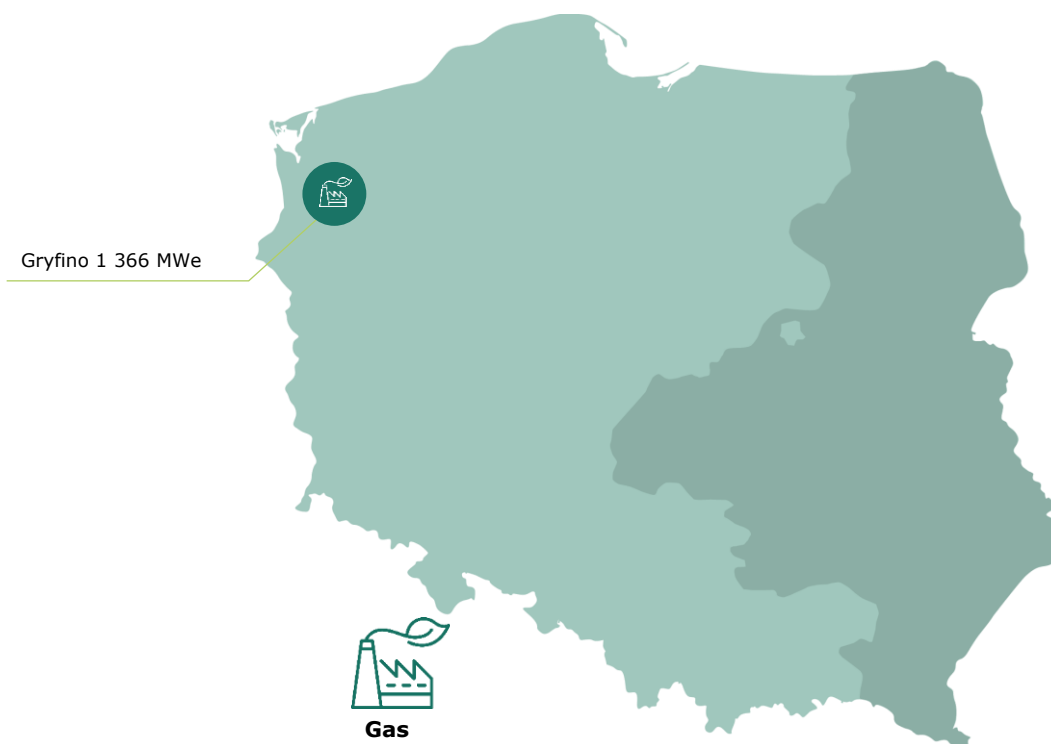
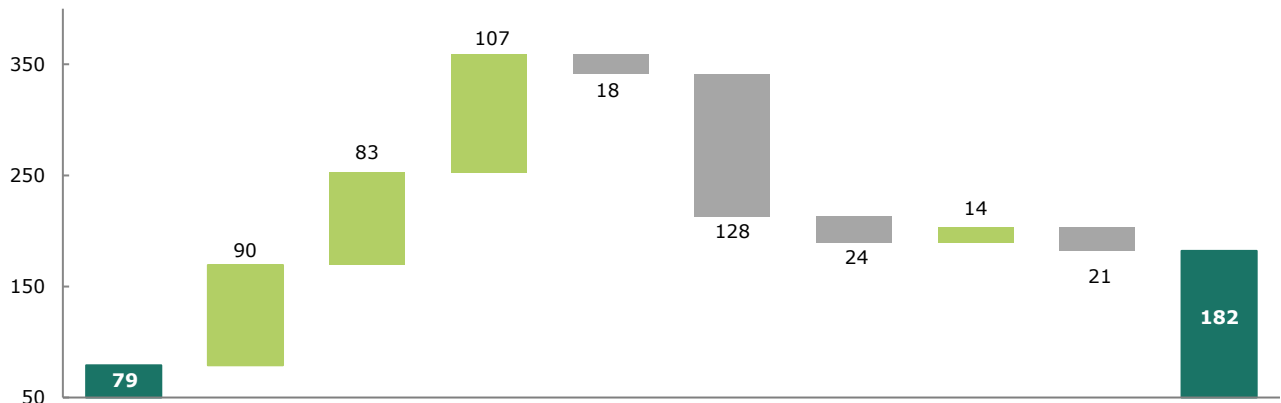


Table: Electricity generation (TWh).

Main fuel type	Q3 2025	Q3 2024	Change	% change
Gas	1.27	1.06	0.21	20%
Total	1.27	1.06	0.21	20%

Chart: Key changes of recurring EBITDA in Gas-fired Generation (in PLN million) – managerial perspective.



	EBITDA Q3 2024	Electricity production - volume ¹	Electricity production - price ¹	Revenues from ancillary services and Capacity Market	Costs of natural gas	Costs of CO ₂	Costs of ZHW	Personnel costs	Other	EBITDA Q3 2025
Change		90	83	107	-18	-128	-24	14	-21	
EBITDA Q3 2024	79		490	43	402	20	6	21	5	
EBITDA Q3 2025			663	150	420	148	30	7	26	182

¹ Managerial perspective (sales less electricity purchases).

Key factors affecting EBITDA of Gas-fired Generation segment y/y:

- **Increased net revenues from the sale of electricity**, as a result of: higher sales volume by 0.2 TWh (commissioning of unit no. 10 in October 2024), what translated into increase of revenues by approx. PLN 90 million; higher average electricity sale price by PLN 66 /MWh y/y, what translated into increase of revenues by approx. PLN 83 million.
- **Higher revenues from the Capacity Market**, including as a result of: increased utilisation of units of the Gryfino Dolna Odra Power plant in the system, a higher contracted volume of the capacity obligation (mainly due to the supplementary auction for the second half of 2025), and a higher average price of the capacity obligation. Additionally, **revenues from ancillary services** for provision of balancing services which did not occur in the comparable period.
- **Higher costs of natural gas consumption**, as a result of higher consumption of this fuel by 1.4 PJ due to increased electricity production by 0.2 TWh, what translated into an increase of costs by PLN 86 million, and lower price by PLN 8.5/GJ, what translated into a decrease of costs by PLN 68 million.
- **Higher CO₂ costs**, as a result of emission of 0.4 tonnes million in the production process (in the comparable period, until the commissioning of the unit no. 9 and for the whole period for the unit no. 10, the segment did not incur CO₂ emission charges).
- **Higher Costs of ZHW** due to higher volume of electricity under management.
- **Lower personnel costs** due to a high base in the comparable period as a result of mandatory training costs incurred during that period.
- **The item Other**, mainly takes into account the costs of repairs and assets operations and costs of insurance and taxes. The increase in this item is due to the longer operation of the units in the third quarter of 2025 as compared to the comparable period.

Table: Data on production fuels consumption in Gas-fired Generation.

Fuel type	Q3 2025		Q3 2024		% change	
	Volume	Cost	Volume	Cost	Volume	Cost
	(m ³ ths)	(PLN m)	(m ³ ths)	(PLN m)	(m ³ ths)	(PLN m)
Gas	209 722	420	174 279	402	20%	4%
Total	209 722	420	174 279	402	20%	4%

Table: Data on CO₂ costs in Gas-fired Generation.

Data on CO ₂	Q3 2025	Q3 2024	Change	% change
CO ₂ emission (tons)	451 065	65 112	385 953	593%
Average CO ₂ costs (PLN/t)	326.38	302.26	24.12	8%

CAPITAL EXPENDITURES

Table: Capital expenditures incurred in Gas-fired Generation segment (PLN million).

	Q3 2025	Q3 2024	Change	% change
Investments in generating capacities, including:	60	819	-759	-93%
▪ Development	59	819	-760	-93%
▪ Modernisation and replacement	1	0	1	-
Razem	60	819	-759	-93%

KEY EVENTS IN GAS-FIRED GENERATION

In the third quarter of 2025, work continued on the implementation of the project for the construction of an 882 MW gross **gas-steam (CCGT) unit in Rybnik** (PGE Nowy Rybnik sp. z o.o.). On the construction site, the delivery and installation of key equipment continued. At the beginning of July 2025, the permit for the construction of the Power Output System was obtained. In this area, work is currently underway to install working conductors on the poles for the 400 kV line. On August 4, 2025, Annex No. 2 was signed, which changes the date of the unit's commissioning to March 6, 2027. In September 2025, the Silesian Voivode upheld the building permit for the unit after the Provincial Administrative Court in Gliwice dismissed complaints from external entities. Intensive work continues on the cooling water system. At present, installation of the low-pressure section turbine shaft is underway. In parallel, electrical installation works inside buildings and gas infrastructure works are being carried out.

KEY PROJECTS IN GAS-FIRED GENERATION SEGMENT

Aim of the project	Budget	Expenditures incurred ²	Expenditures Q1-Q3 2025 ²	Fuel/ Net efficiency	Contractor	Investment completion date
Construction of gas-steam unit at PGE Nowy Rybnik sp. z o.o.	PLN 3.7 bn ¹	PLN 2.7 bn	PLN 1.2 bn	Natural gas / 63.9%	Syndicate of companies: Polimex Mostostal S.A. (consortium leader), Siemens Energy sp. z o.o., Siemens Energy Global GmbH & Co. KG	March 2027

¹ By decision of the PGE S.A. Investment Committee, the project budget has been reduced (the amount of the project reserve has been limited).

² Expenditures incurred do not include financing costs and expenses in the form of advances paid to the General Contractor for the Investment and to the other contractors.

Diagram: Main assets of the Conventional Generation segment with their installed capacity.

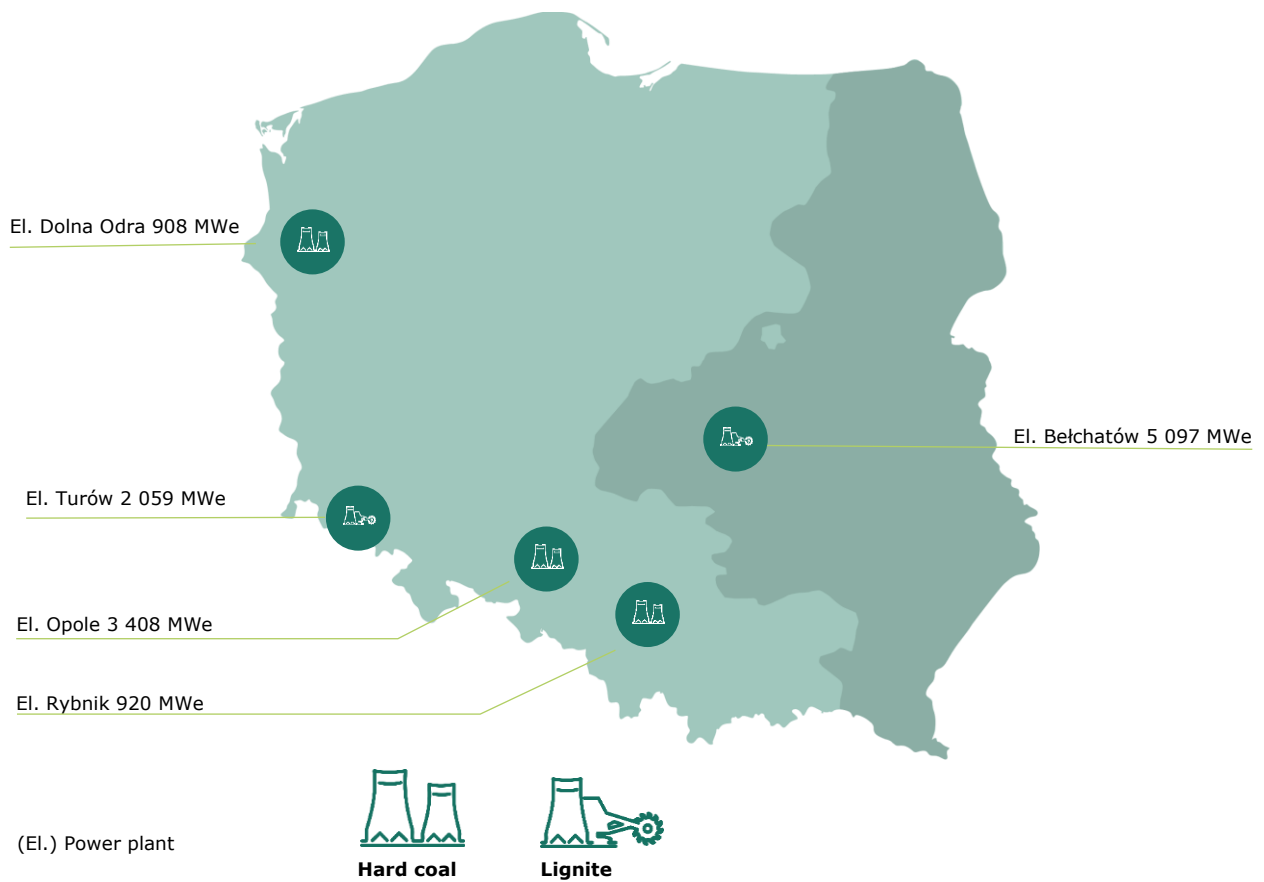


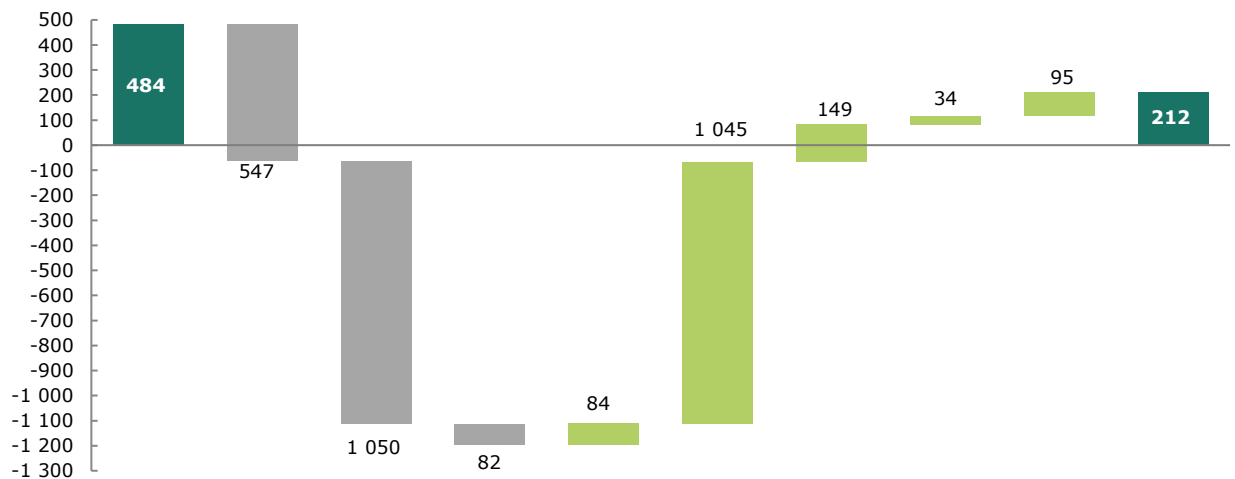
Table: Electricity production (TWh).

Main fuel types	Q3 2025	Q3 2024	Change	% change
Hard coal	2.61	2.53	0.08	3%
Lignite	6.95	7.94	-0.99	-12%
Biomass	0.00	0.01	-0.01	-100%
Total	9.56	10.48	-0.92	-9%

Table: Heat production (PJ).

Main fuel types	Q3 2025	Q3 2024	Change	% change
Hard coal	0.08	0.08	0.00	0%
Lignite	0.32	0.29	0.03	10%
Total	0.40	0.37	0.03	8%

Chart: Key changes of recurring EBITDA in Coal Energy (in PLN million) – managerial perspective.



	EBITDA Q3 2024	Electricity production - volume ¹	Electricity production - price ¹	Ancillary services and Capacity Market ²	Costs of fuel	Costs of CO ₂	Costs of ZHZW	Personnel costs ³	Other ⁴	EBITDA Q3 2025
Change		-547	-1 050	-82	84	1 045	149	34	95	
Reported EBITDA Q3 2024	58									
One-offs Q3 2024	-426									
Recurring EBITDA Q3 2024	484	6 249		942	654	4 316	263	894	580	
Recurring EBITDA Q3 2025		4 652		860	570	3 271	114	860	485	212
One-offs Q3 2025										-320
Reported EBITDA Q3 2025										-108

¹ Managerial perspective (sales less electricity purchases).

² Including revenue from balancing services.

³ Personnel costs without taking into account impact of change of actuarial provision, costs of Voluntary Leave Program and provision for restructuring of Dolna Odra Power plant (one-offs).

⁴ Item Other without taking into account of change of reclamation provision, write-down of strategic inventories (one-offs).

Table: Data on one-offs in Coal Energy segment (PLN million).

One-offs	Q3 2025	Q3 2024	Change	% change
Change of reclamation provision	0	-410	410	-
Change of actuarial provision	0	-14	14	-
Voluntary Leave Program	-64	-2	-62	> 1 000%
Write-down of strategic inventories	-23	0	-23	-
Provision for restructuring of Dolna Odra Power plant	-233	0	-233	-
Total	-320	-426	106	-25%

Key factors affecting the EBITDA result of Coal Energy segment on y/y basis:

- **Decrease in revenues from the sale of electricity**, which results from: lower average selling price of electricity by PLN 112/MWh y/y, which translated into a decrease in revenues by approx. PLN 1 050 million; lower sales volume by 0.9 TWh, which resulted in a decrease in revenues by approx. PLN 547million.
- **Lower** revenue from the ancillary services due to a lower volume and price of balancing services sold. The third quarter of 2024 was a commissioning period for the new market, in which there was a high share of the segment's assets in the provision of balancing services, and a lower supply of available balancing capacity on the market resulted in higher prices. This effect was partially offset by **higher revenue from the Capacity Market** due to a higher contracted volume of the capacity obligation, mainly as a result of the supplementary auction for the second half of 2025 and a higher average price of the capacity obligation.

- **Lower fuel consumption costs**, mainly hard coal as a result of lower consumption of this fuel by 1.7 PJ and lower price by PLN 1.4/GJ. Main changes on different types of fuel are presented in the chart below.
- **Lower CO₂ costs** as a result of lower average cost of CO₂ by PLN 50.7/t and lower CO₂ emissions by 1.4 tons million as a result of lower electricity production. Main changes are shown in the chart below.
- **Lower ZHZW costs** results mainly due to lower average price of electricity and lower volume of traded electricity.
- **Lower personnel costs** mainly in connection with a decline in the average level of employment.

Chart: Costs of production fuels consumption in Coal Energy (PLN million).

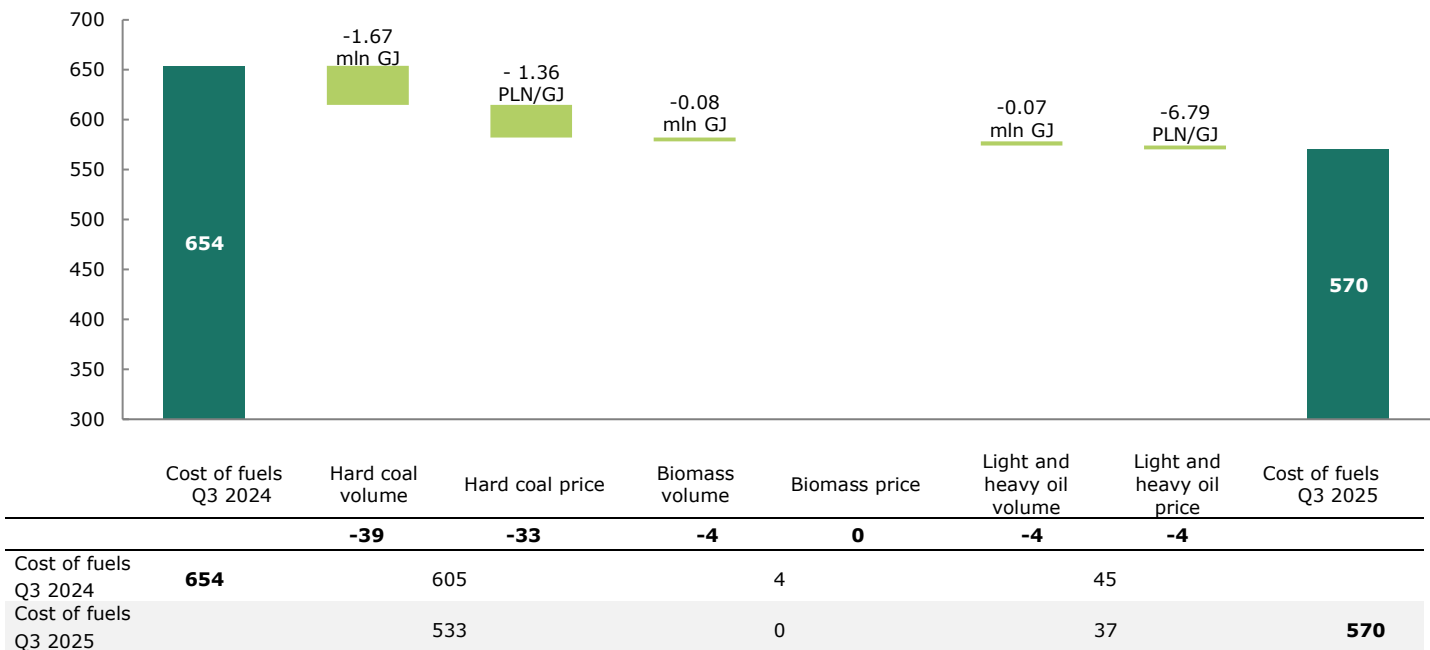
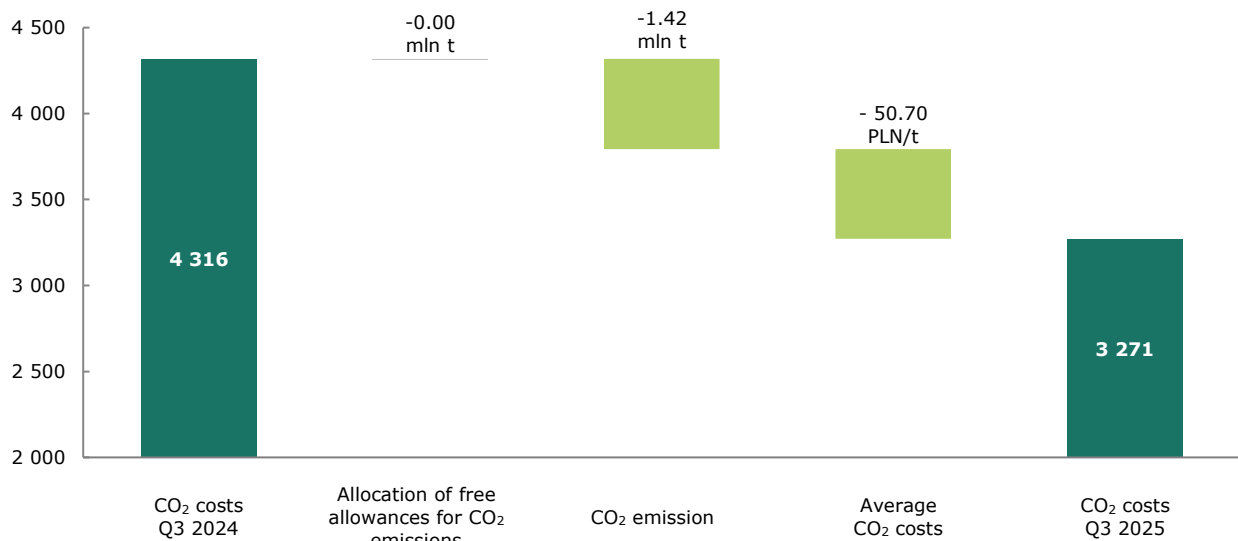


Table: Data on use of production fuels consumption in Coal Energy.

Fuel type	Q3 2025		Q3 2024		% change	
	Volume	Cost	Volume	Cost	Volume	Cost
	(tons ths)	(PLN million)	(tons ths)	(PLN million)	(tons ths)	(PLN million)
Hard coal	1 077	533	1 134	605	-5%	-12%
Biomass	0	0	5	4	-100%	-100%
Fuel oil – light and heavy	16	37	18	45	-11%	-18%
Total		570		654		-13%

Chart: CO₂ costs in Coal Energy segment (PLN million).



Change	2	-524	-523
CO ₂ costs Q3 2024	4 316		
CO ₂ costs Q3 2025			3 271

Table: Data on CO₂ costs in Coal Energy (PLN million).

Data on CO ₂	Q3 2025	Q3 2024	Change	% change
Allocation of free allowances for CO ₂ emissions (tons)	10 492	14 886	-4 394	-30%
CO ₂ emission (tons)	10 316 638	11 740 668	-1 424 030	-12%
Average CO ₂ costs (PLN/t CO ₂)	317.38	368.08	-50.70	-14%

CAPITAL EXPENDITURES

Table: Capital expenditures incurred in Coal Energy segment (PLN million).

	Q3 2025	Q3 2024	Change	% change
Investments in generating capacities, including:	186	182	4	2%
▪ Development	0	1	-1	-100%
▪ Modernisation and replacement	186	181	5	3%
Other	0	21	-21	-100%
Total	186	203	-17	-8%


KEY EVENTS IN COAL ENERGY

- As regards the construction of Unit 7 at the Turów Power Plant, the Contractor was charged with the costs of entrusting partial defect rectification to a third party, with debit notes issued and delivered (the connection of the ash removal line from electrostatic precipitator zone I to zone II was completed, and ash discharge pipelines were replaced). The Contractor rejected each debit note. On July 15, 2025, the Management Board of PGE GiEK S.A. adopted a resolution on the acceptance of the content of the application for conciliation proceedings before the Arbitration Court at the General Counsel to the Republic of Poland with the Contractor of the unit, together with a proposed settlement. The contractor has accepted the draft conciliation proposal. A joint application by the parties for conciliation was filed on August 4, 2025, with the Arbitration Court at the Office of the General Counsel to the Republic of Poland, which adopted a conciliatory position on August 27, 2025. Further arrangements between the parties regarding the content of a possible settlement are ongoing. A detailed description of the penalties charged is provided in Note 24.3 to the condensed interim consolidated financial statements.

3.3.5. District Heating

Core business of the District Heating segment includes production of electricity and heat from cogeneration sources as well as distribution of heat.

The data presented below refers to the third quarter of 2025.



District Heating

Main revenue items	PLN m			Main cost items	PLN m
Sale of heat ¹ including contracted capacity and heat distribution	559			Cost of production fuels used	425
Sale of electricity ²	531	➔	Heat generation	Costs of CO ₂	234
Capacity Market	71			Depreciation and amortisation, liquidation, write-offs	232
Revenues from support of highly-efficient co-generation	17		Electricity generation	Personnel costs	162
				External services	148
		↓			
			Main result items		PLN m
			EBIT recurring		-2
			EBIT reported		-20
			EBITDA recurring		207
			EBITDA reported		212

¹ Managerial perspective (sales less heat purchases and costs of certificates redemption).

² Managerial perspective (sales less electricity purchases).

As in the case of Coal Energy, this segment's significant revenues are **revenues from electricity sales**, however, they are usually directly related to generation of heat which in turn depends on demand that is highly seasonal and depends on external temperatures. This is why, in contrast to industrial power plants in Conventional Generation, as a rule, CHP plants do not have any considerable impact on the development of prices for electricity on the wholesale market.

Revenues from the sale and distribution of heat are regulated revenues. Energy companies independently set tariffs and present them to the President of the Energy Regulatory Office (the "ERO President") for approval. Heat production at PGE Group takes place in cogeneration units, which tariffs for heat are calculated using a simplified approach (compared to tariffs based on a full cost structure), based on reference prices, conditioned on average sales prices for heat generated in units with specific fuel other than cogeneration units. They are published each year by the ERO President. Tariffs for heat production for cogeneration units in a given tariff year thus reflect changes in the costs of heat-generation units (not cogeneration units) in the previous calendar year. The cost approach is applied in the case of tariffs for heat distribution, which allows to cover justified costs (mainly the costs of heat losses and property tax) and a return on invested capital, in line with guidelines from the ERO President. Distribution tariffs for heat are in place at branches in Gorzów and Zgierz, as well as by KOGENERACJA S.A., PGE Toruń and Zielona Góra CHP.

Generation of heat and electricity is directly related to key variable costs of the segment, i.e. **the cost of production fuels used** (in particular, hard coal and gas) and **the cost of fees for CO₂ emissions**.

Electricity production in high-efficiency cogeneration is additionally remunerated. CHP plants receive support at a level covering increased operating costs related to production. The support mechanism is in place also for biomass-fired generating assets. This type of production is additionally remunerated by awarding origin certificates, i.e. green certificates, the sale of which generates additional revenue. Within the segment such revenues is obtained at Szczecin CHP plant and biomass unit in Kielce CHP.

Revenue from the Capacity Market, a mechanism introduced to prevent electricity shortages in the National Power System, constitutes a significant item in the segment's revenue. CHP plants receive fees for performing the capacity obligation (a Capacity Market entity being on standby to supply electricity to the system and the obligation to supply specified capacity to the system when the system is under threat).

Weather conditions substantially affect the segment's results. Temperatures directly shape the level of heat demand. Simultaneously, the level of heat production determines the level of electricity production in co-generation, which is an additional source of revenues that decisively affects the CHP plant's profitability.

ASSETS

The following companies are included in the segment: PGE Energia Ciepła S.A., KOGENERACJA S.A., EC Zielona Góra S.A., PGE Toruń S.A., MEGAZEC sp. z o.o. and the district heating network in Gryfino.

Currently, the segment includes 16 combined heat and power plants.

District Heating is the largest heat producer in Poland. Generation is based mainly on hard coal and natural gas.

Diagram: Main assets of the District Heating segment and their installed capacity.

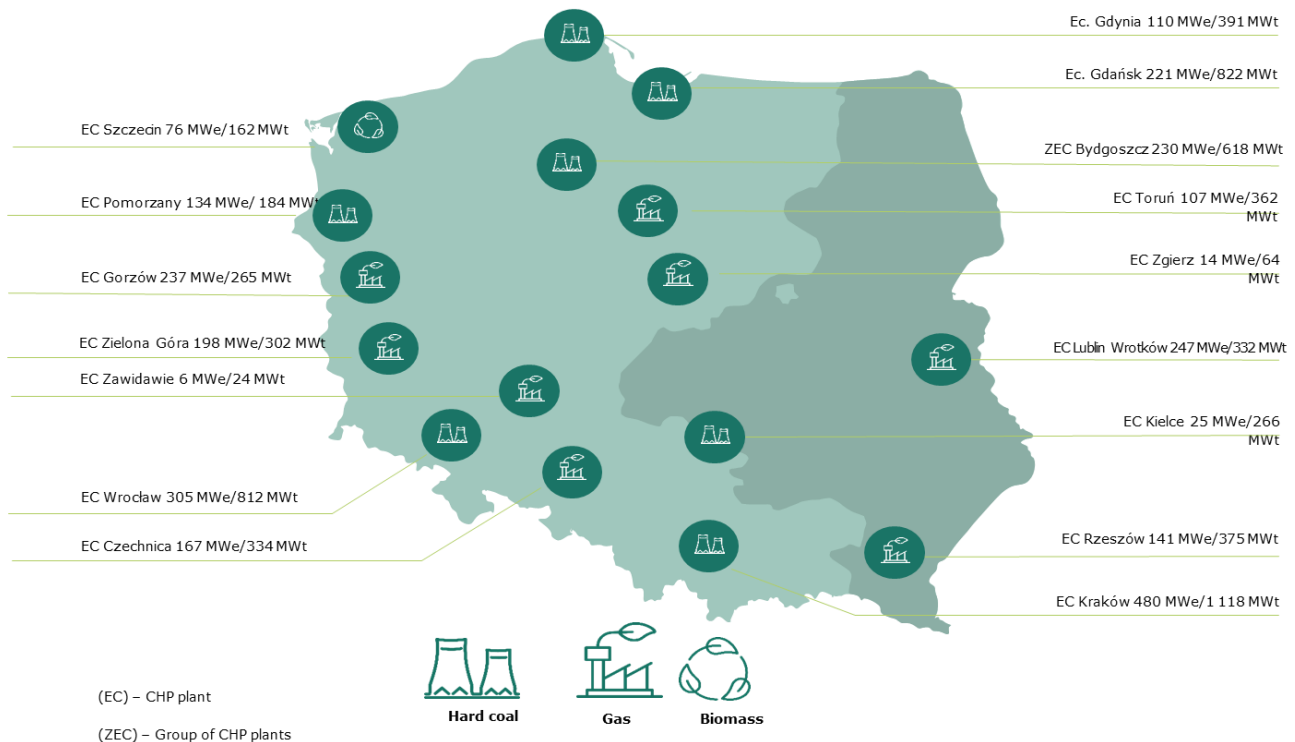


Table: Electricity production (TWh).

Main fuel types	Q3 2025	Q3 2024	Change	% change
Hard coal	0.26	0.34	-0.08	-24%
Gas	0.72	0.55	0.17	31%
Biomass	0.08	0.09	-0.01	-11%
Other	0.01	0.01	0.00	0%
Total	1.07	0.99	0.08	8%

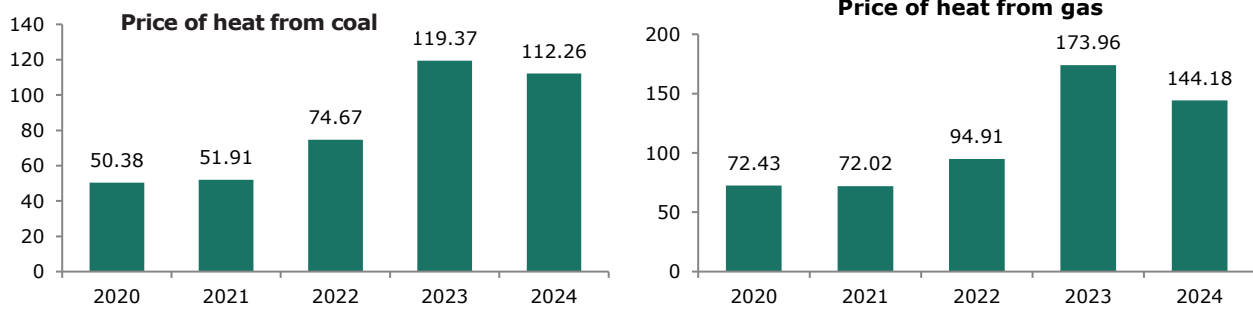
Table: Heat production (PJ).

Main fuel types	Q3 2025	Q3 2024	Change	% change
Hard coal	2.00	1.12	0.88	79%
Gas	1.02	1.56	-0.54	-35%
Biomass	0.21	0.37	-0.16	-43%
Other	0.07	0.21	-0.14	-67%
Total	3.30	3.26	0.04	1%

TARIFFS IN DISTRICT HEATING

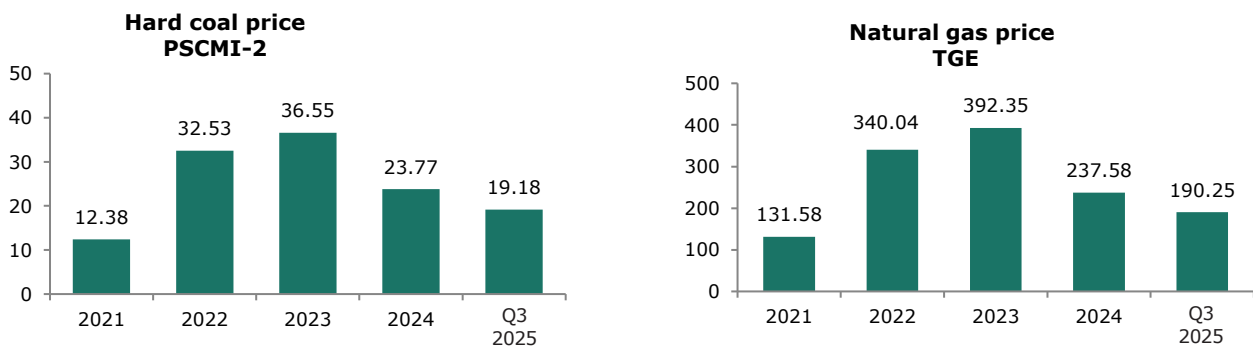
Income on heat sales for CHP plant are tarified as part of the so-called simplified method, so they are characterised by a relative delay in the transfer of costs (annual or two-year). They are based on the year-to-year dynamics of average costs (including fuels used) incurred by entities that are not co-generation entities for the year preceding the time of tariff setting.

Wykresy: Zmiany referencyjnej ceny ciepła dla węgla kamiennego oraz gazu ziemnego (PLN/GJ).



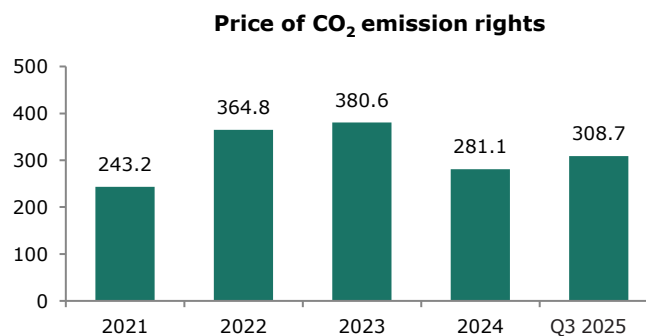
Source: ERO.

Charts: Changes in costs of fuels – hard coal (PLN/GJ) – PSCMI-2¹¹ and gas (PLN/MWh) - TGE.



Source: ARP, TGE.

Chart: Changes in price of CO₂ emission rights¹² (PLN/t).



Source: ICE.

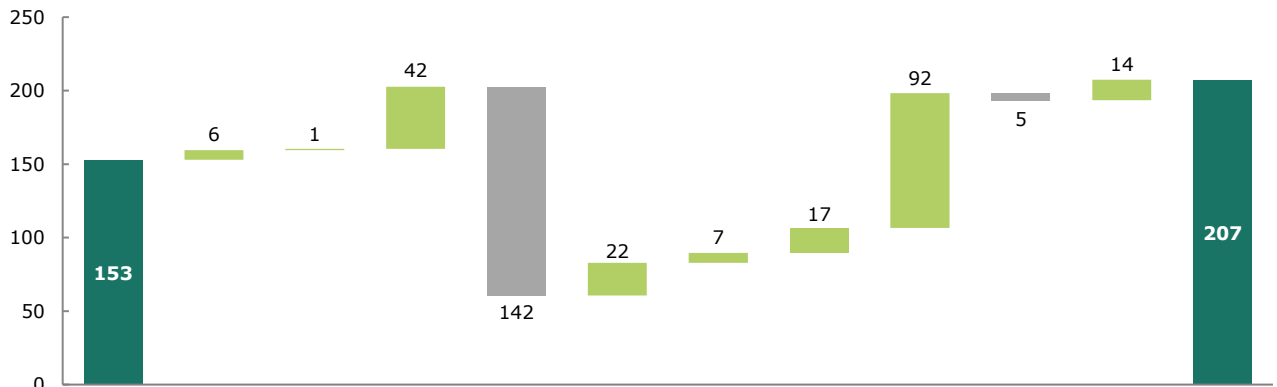
Reflecting previous costs decrease, the reference price of heat produced from hard coal decreased by 6% in 2024. It is a base to the increase in heat prices for co-generation entities establishing the tariff during 2025. In 2025 the average market price of coal decreased by 19%, while the average price of CO₂ emission rights increased by 10% in comparison to 2024.

¹¹ PSCMI-2 Polish Steam Coal Market Index 2 - the average prices for pulverised coals sold on the domestic heating market.

¹² Arithmetic average of the daily and monthly records in a given period (spot price).

Tariffs for the production of heat from gas in 2025 are set based on a change in the reference price, whereas in 2025 gas prices were lower than in previous periods. Prices of gas in TGE forward contracts stood at approx. PLN 190/MWh (i.e. decrease by 20%).

Chart: Key changes of EBITDA in District Heating (in PLN million) – managerial perspective.



	EBITDA Q3 2024	Heat production volume	Heat production price ¹	Electricity production volume	Electricity production price ²	Capacity Market	Revenues from support of highly-efficient cogeneration	Cost of fuel	Costs of CO ₂	Personnel costs ³	Other ⁴	EBITDA Q3 2025
Change		6	1	42	-142	22	7	17	92	-5	14	
Reported EBITDA Q3 2024	154											
One-offs Q3 2024	1											
Recurring EBITDA Q3 2024	153	567		631	49	10	442	326	157	179		
Recurring EBITDA Q3 2025		574		531	71	17	425	234	162	165		207
One-offs Q3 2025												5
Reported EBITDA Q3 2025												212

¹ Managerial perspective (sales less heat purchases and certificates redemption costs).

² Managerial perspective (sales less electricity purchases).

³ Personnel costs without taking into account change of actuarial provision (one-off).

⁴ Item Other without taking into account the impact of changes in the LTC compensations and change of reclamation provision (one-offs).

Table: Data on one-offs in District Heating (PLN million).

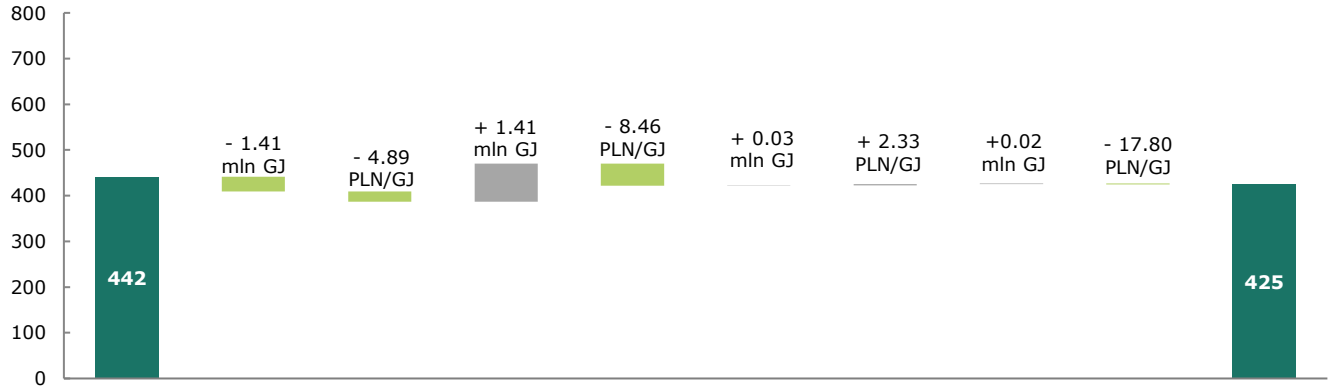
One-off	Q3 2025	Q3 2024	Change	% change
Change of reclamation provision	0	-2	2	-
Change of actuarial provision	0	-1	1	-
LTC compensations	5	4	1	25%
Total	5	1	4	400%

Key factors affecting the EBITDA result of District Heating segment on y/y basis:

- **Higher volume of net heat production** in the third quarter of 2025 y/y is a result of lower outside temperatures compared to the analogical period of 2024. The average temperatures in 2025 were by 0.3° C lower y/y, what translated into increased heat production (by 0.04 PJ).
- **Increase of heat sale price** is a result of increased tariffs for heat for the CHP plants in 2025 following the publication by the ERO of reference prices for heat production in units not being co-generation units.
- **Decrease in revenues from the sale of electricity** results from: lower average selling price of electricity by PLN 143/MWh y/y, which translated into a decrease in revenues by approx. PLN 142 million; higher sales volume by 0.1 TWh, which resulted in an increase in revenues by approx. PLN 42 million.
- **Higher revenues from Capacity Market**, mainly due to the increased use of units in the system and larger contracted volume of capacity obligation as a result of supplementary auction for the second half of 2025, as well as a higher average price of the capacity obligation.
- **Higher revenues due to support for high-efficiency cogeneration** due to commissioning of the Czechnica CHP Plant and gas engines in Bydgoszcz CHP Plant in 2025.
- **Lower fuel consumption costs**, which are mainly caused by the lower price of natural gas and lower volume of hard coal consumption. The details are shown in the chart below.

- **Lower CO₂ costs** are mainly a result of lower prices of emissions. The details are shown in the chart below.
- **Higher personnel costs** mainly in connection with the implementation of agreements concluded with the social side.

Chart: Consumption costs of production fuels in District Heating (PLN million).

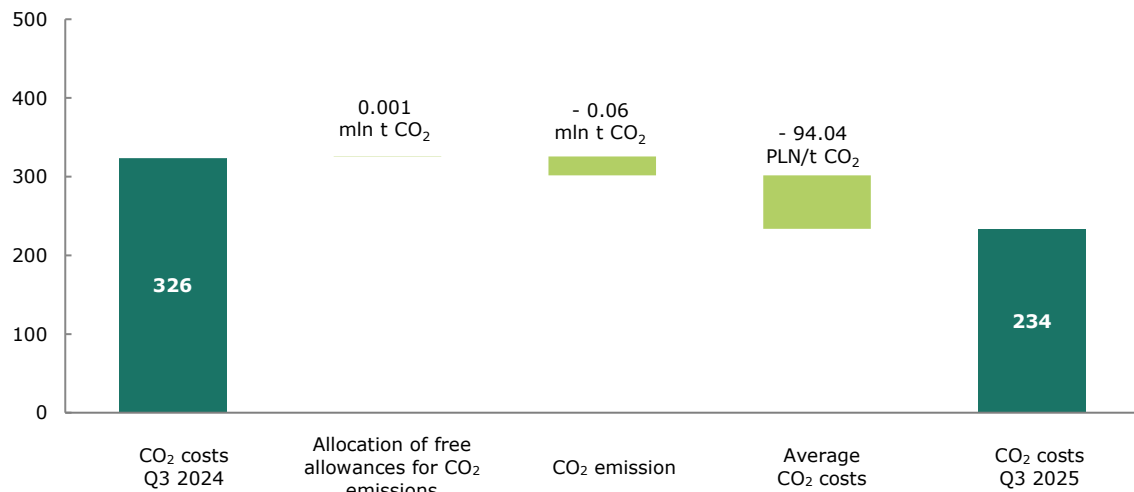


	Costs Q3 2024	Hard coal volume	Hard coal price	Gas volume	Gas price	Biomass volume	Biomass price	Fuel oil and other raw materials volume	Fuel oil and other raw materials price	Costs Q3 2025
Change		-32	-23	84	-49	1	3	1	-2	
Costs of fuel Q3 2024	442	138		267		28		9		
Costs of fuel Q3 2025		83		302		32		8		425

Table: Data on production fuels consumption in District Heating.

Fuel type	Q3 2025		Q3 2024		% change	
	Volume	Cost	Volume	Cost	Volume	Cost
	(tons ths)	(PLN million)	(tons ths)	(PLN million)	(tons ths)	(PLN million)
Hard coal	208	83	276	138	-25%	-40%
Gas (cubic metres ths)	197 388	302	154 408	267	28%	13%
Biomass	130	32	127	28	2%	14%
Fuel oil and other raw materials	-	8	-	9	-	-11%
Total		425		442		-4%

Chart: CO₂ costs in District Heating (PLN million).



Change	0	-24	-68
CO ₂ costs Q3 2024	326		
CO ₂ costs Q3 2025			234

Table: Data on CO₂ costs in District Heating.

Data on CO ₂	Q3 2025	Q3 2024	Change	% change
Allocation of free allowances for CO ₂ emissions (tons)	38 549	37 911	638	2%
CO ₂ emission (tons)	760 853	817 340	-56 487	-7%
Average CO ₂ costs (PLN/t CO ₂) ¹	324.31	418.35	-94.04	-22%

CAPITAL EXPENDITURES

Table: Capital expenditures incurred in District Heating segment (PLN million).

	Q3 2025	Q3 2024	Change	% change
Investments in generating capacities, including:	355	234	121	52%
▪ Development	185	109	76	70%
▪ Modernisation and replacement	170	125	45	36%
Other	3	24	-21	-88%
Total	358	258	100	39%

KEY EVENTS IN DISTRICT HEATING

- **Construction of a new heat source in Gryfino.** A contract is being executed for the turnkey construction of a gas boiler house with a capacity of 28 MWt, together with the necessary auxiliary systems. On July 10, 2025, a contract was signed with the General Contractor (Enerwigo sp. z o.o.) for the execution of the aforementioned investment. A contract was also signed for the construction of a gas pipeline to supply the heating plant. Construction works are currently underway on the facility. The heating plant will commence operational activity in the third quarter of 2026.
- The turnkey construction of the **New Czechnica CHP plant**, i.e. CCGT unit with a total gross capacity of 179 MWe and 315 MWt. On May 21, 2025, the commissioning the gas and steam unit took place. The mediation settlement of March 19, 2025, concluded between KOGENERACJA S.A. and the consortium consisting of Polimex Mostostal S.A. and Polimex Energetyka sp. z o.o., was approved by the court in July 2025. The settlement amicably resolves the dispute between the parties regarding the determination of the contractual remuneration for the work performed by the Contractor. The dispute concerning the deadline for the performance of the obligation specified in the Agreement as April 30, 2024 remains subject to the binding mediation agreement. Details are described in note 24.3 of the condensed interim consolidated financial statements.
- At **Rzeszów CHP plant** the construction of the second line with a capacity of 80 000 tons of waste / year of the Waste-to-Energy Incinerator is in progress. On August 5, 2025, Amendment No. 1 was signed to the agreement for the connection of the newly built installation to the distribution network. As part of the commissioning process, the first waste was loaded onto the grate in August 2025. Final works to connect the ITPOE to the PGE Dystrybucja S.A. distribution network are underway.

- In selected locations, PGE Energia Ciepła S.A. is implementing a **Programme to build photovoltaic power plants** with a total capacity of approx. 13 MW to partially meet own energy needs. So far, installations with a total capacity of 1.3 MW have been commissioned under the Programme. The following projects are in the implementation phase: PV Rzeszów II, PV Bydgoszcz, PV Zielona Góra I and PV Gorzów Wielkopolski with a total capacity of approx. 10 MW. On August 19, 2025, a contract was signed with the general contractor for the photovoltaic installation in Gorzów.
- **Investment Programme for the Gdynia CHP** - scope of investment is the construction of new generation sources - gas engines of up to 50 MWe and two biomass boiler with total capacity of 30 MWt. For the gas engine scope, deliveries of generation units to the construction site have been completed. Installation of machines and equipment is ongoing. In August 2025, a building permit was obtained for biomass boilers. Foundation works for the planned buildings and structures are underway.
- **The Industrial Project for the Kraków CHP Plant** - under the contract concluded in July 2025 for the construction of gas engines with a capacity of up to 100 MWe, design work is underway, mainly regarding the basic design.

KEY PROJECT IN DISTRICT HEATING

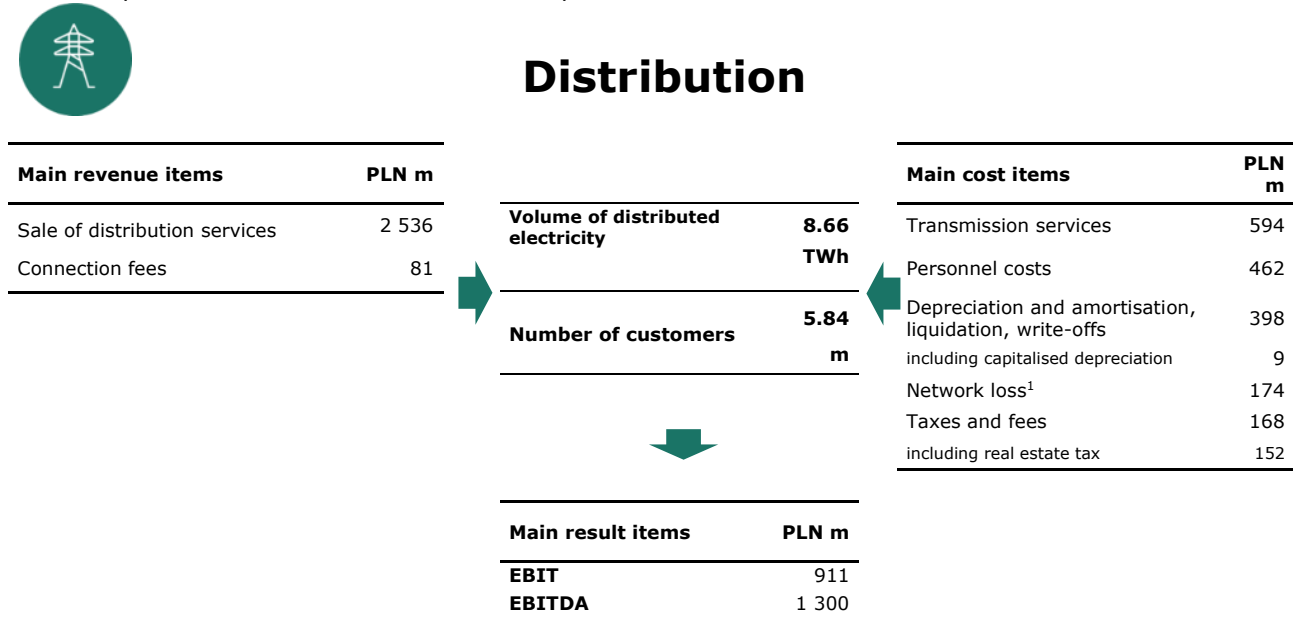
Aim of the project	Budget ¹	Expenditures incurred ¹	Capital expenditures in Q1-Q3 2025 ¹	Fuel/ Net efficiency	Contractor	Investment completion date
Construction of New Czechnica CHP Plant	PLN 1.4 bn	PLN 1.3 bn	PLN 180 m	Natural gas/ Co-generation 85%	Syndicate of: Polimex Mostostal S.A. (Leader) / Polimex Energetyka sp. z o.o.	Commissioning on May 21, 2025

¹ Expenditures incurred do not include financing costs.

3.3.6. Distribution

Core business of the segment includes supply of electricity to final off-takers through the grid and HV, MV and LV infrastructure.

The data presented below refers to the third quarter of 2025.



¹ Managerial perspective (cost of electricity purchase within contract with PGE S.A., compensation settlement and additional estimation, reduced by revenues from sales of electricity on Balancing Market).

The segment's revenues are based primarily on the tariff for electricity distribution services approved annually by the President of the Energy Regulatory Office at the company's request, which means that they are of a regulated nature. The tariff takes into account reasonable operating costs related to the distribution system operator's activities, depreciation costs, costs of taxes on distribution assets, costs related to the necessity to cover network losses on electricity distribution or the purchase of transmission services from the TSO. At the same time, the tariff reflects the **costs transferred in fees** such as the RES fee, the transition fee, the co-generation fee and the capacity fee.

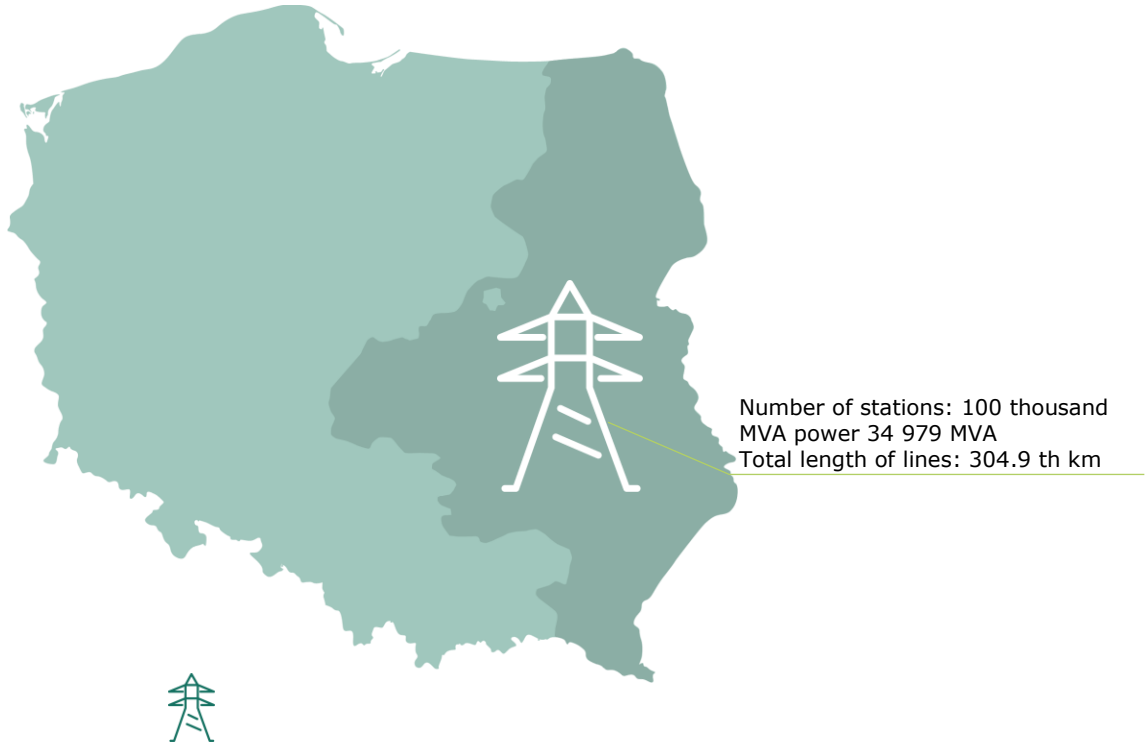
The key element shaping the Distribution segment's result is **return on company's invested capital**. For this purpose, the so-called Regulatory Asset Base (RAB) is determined and calculated on the basis of incurred investment costs including depreciation of assets. The RAB is the basis for calculating the return on capital employed, using the weighted average cost of capital (WACC), which is determined by the ERO President in the tariff process. It is within the competence of the ERO President to differentiate the remuneration from capital employed, taking into account the prioritisation of the DSO's development objectives, so that priority investment projects can be remunerated using an additional reinvestment bonus mechanism. In addition, return on capital depends on the achievement of individual quality targets for years 2018-2025 set by the ERO President for performance indicators including: interruption time, interruption frequency and connection time.

As part of the government's Solidarity Shield, a package of laws was adopted in 2022 to protect consumers, including with respect to the pricing of electricity distribution services. Under its terms, for some eligible customers, within certain limits, the prices of electricity distribution services in 2023 were frozen at the 2022 price level, which was in force until the end of June 2024. As a result of the entry into force of the Energy Voucher Act from July 1, 2024, prices for electricity distribution services have been unfrozen, with the result that rates from the current tariff apply. In the first half of 2024 DSOs were entitled to compensation to cover the application of reduced prices for distribution services. The compensation was the difference in the electricity distribution service charges between the 2024 tariff and the 2022 tariff up to the maximum limit. The entity responsible for the payment of compensation was the company Zarządca Rozliczeń S.A. As a result of the entry into force of the Energy Voucher Act from July 1, 2024 the settlement deadline for compensation for 2023 was also postponed from June 30, 2024 to October 31, 2024.

AREA, VOLUMES, CUSTOMERS

PGE Dystrybucja S.A. operates in the area¹³ 129 938 sq. km and delivers electricity to approximately 5.84 million customers.

Chart: Main assets of the Distribution segment and their parameters



Network area of the Distribution segment

Table: Volume of distributed energy (TWh)

Tariff	Q3 2025	Q3 2024	Change	% change
A tariff group	1.25	1.32	-0.07	-5%
B tariff group	3.63	3.65	-0.02	-1%
C+R tariff groups	1.44	1.49	-0.05	-3%
G tariff group	2.34	2.32	0.02	1%
Total	8.66	8.78	-0.12	-1%

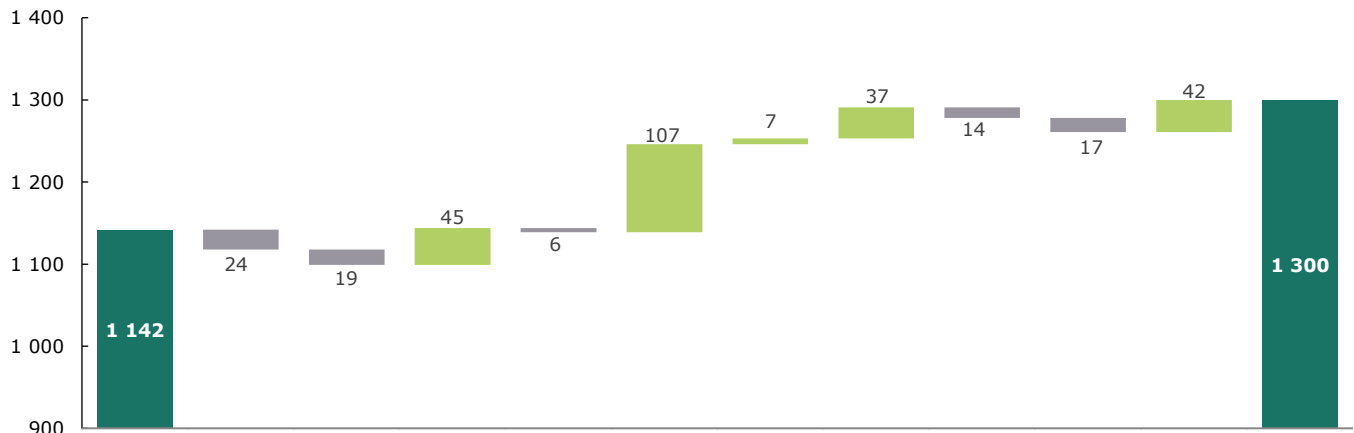
Table: Number of customers according to power take-off points

Tariff	Q1-Q3 2025	Q1-Q3 2024	Change	% change
A tariff group	197	158	39	25%
B tariff group	14 986	14 509	477	3%
C+R tariff groups	481 116	476 484	4 632	1%
G tariff group	5 340 871	5 286 309	54 562	1%
Total	5 837 170	5 777 460	59 710	1%

¹³ Obszar gmin, na którym działa PGE Dystrybucja S.A.

KEY FACTORS FOR THE RESULTS OF THE SEGMENT

Chart: Key changes of EBITDA in Distribution (in PLN million) – managerial perspective.



	EBITDA Q3 2024	Electricity distribution volume	Change in distr. tariffs ¹	Other revenue from distribution services	Result on transit	Network losses ²	Additional estimation of network losses ³	Revenues from connection fees	Real estate tax	Personnel costs ⁴	Other	EBITDA Q3 2025
Change		-24	-19	45	-6	107	7	37	-14	-17	42	
Reported EBITDA Q3 2024	1 130											
One-offs Q3 2024	-12											
Recurring EBITDA Q3 2024	1 142	1 782		158	10	280	8	44	138	445	19	
Recurring EBITDA Q3 2025		1 739		203	4	173	1	81	152	462	61	1 300
One-offs Q3 2025												0
Reported EBITDA Q3 2025												1 300

¹ Excluding cost of transmission services from PSE S.A. and taking into account revenues from compensations in 2024.

² Adjusted for revenues from the Balancing market.

³ Neutral for PGE Capital Group result.

⁴ Personnel costs without taking into account change of actuarial provision (one-off).

Table: Data on one-offs in Distribution (PLN million).

One-offs	Q3 2025	Q3 2024	Change	% change
Change of actuarial provision	0	-12	12	-
Total	0	-12	12	-

Key factors affecting results of Distribution segment y/y:

- **Decrease in the volume of distributed** electricity by 0.12 TWh, resulting mainly from lower demand for electricity in the tariffs of industrial customers and small and medium-sized enterprises.
- **Decrease in rates of distribution services** by an average of PLN 2.2/MWh resulting from a change in the internal supply structure within tariff groups.
- **Increase in other revenue from distribution services** due to reactive power fees.
- **Lower result on transits** due to lower sales and higher costs of purchasing transit services.
- **Lower costs of electricity purchases** to cover network losses mainly as a result of drop in electricity prices.
- **Positive impact of the additional estimation of the cost of network losses** as a result of changes in electricity prices. The additional estimation has a neutral impact on the results of the PGE Capital Group.
- **Increase in connection fee revenue** as a result of larger completion of connection projects during the reporting period.
- **Increase of costs of tax on real estate** results from higher tax rates and an increase in the value of grid assets as a result of the investments and expansion of the power grid.
- **Increase in personnel costs** mainly due to realisation of agreements concluded with the social side.

- **Value change in item Other**, results inter alia from other operating income (income from settled grants and penalties resulting from failure to meet deadlines specified in contracts) and higher capitalised costs.

CAPITAL EXPENDITURES

Table: Capital expenditures incurred in Distribution segment (PLN million).

	Q3 2025	Q3 2024	Change	% change
Investments in generating capacities, including:	938	767	171	22%
▪ Development	357	371	-14	-4%
▪ Modernisation and replacement	581	396	185	47%
Total	938	767	171	22%

KEY EVENTS IN DISTRIBUTION

Connecting new customers

The New Customer Connection Program to the distribution network was being implemented, under which in the third quarter of 2025 expenditures were incurred in the amount of PLN 317 million.

LTE450 Program

The objective of the Programme is the construction of a modern special communications network in the LTE450 technology for the provision of services such as critical communication, control of energy infrastructure and remote reading for PGE Dystrybucja S.A. The entity responsible for the execution of this task within the PGE Capital Group is PGE Systemy S.A.

The LTE450 service was launched in August 2025, and full coverage of the PGE Dystrybucja S.A. area of operation will be achieved in 2027. In the third quarter of 2025, installation and commissioning of individual components of the LTE450 network equipment continued: power systems, teletransmission devices, and RAN radio systems at subsequent locations, gradually increasing LTE450 signal coverage.

Further network development through the acceptance of newly installed facilities is planned for 2025–2027.

Cabling program

In the third quarter of 2025 PGE Group continued to implement its cabling program for medium-voltage (MV) grids up to the level of 30% of MV networks owned by PGE Dystrybucja S.A., incurring expenditures in amount of PLN 100 million.

5 230 kms of MV cable lines were completed from the start of the Program in 2019.

Installation program for Remote Reading Meters

This project implementation is mandatory and results from the requirements imposed on Distribution System Operators (DSO) by the legislator in the amended Energy Law. In the third quarter of 2025, the tasks with a value of PLN 169 million were realised in order to:

- supply of meters for end customers connected to the LV network and for MV/LN substations,
- modernisation of MV/LN substations with regard to ensuring the possibility of installing remote reading balancing meters,
- installation of meters at off-takers and at substations,
- commencement of tenders for remote reading meters for end off-takers for the years 2026 – 2028.

According to the provisions of the law, the DSO until December 31, 2028 is to install remote reading meters connected to a remote reading system at power take-off points, representing at least 80% of the total number of end-customer energy consumption points.

Implementation of central systems CRM and Billing (NCB Program)

The aim of the NCB Program is the implementation of a comprehensive, central IT solution to support key business processes at PGE Group being performed by PGE Obrót S.A. and PGE Dystrybucja, consisting of two billing systems – separate for each of the companies – and a CRM system for PGE Obrót S.A. The entity responsible for the execution of this task within the PGE Capital Group is PGE Systemy S.A.

The stabilisation period for the pilot implementation phase (Stage 0) ended in the third quarter of 2025, enabling formal acceptance of the first stage of the NCB project and settlement with the Contractor. At the same time, an annex to the contract with the Contractor was signed, extending the implementation deadline to March 2027.

In parallel, work has commenced under Stage I, preparing for the migration of further billing systems. The individual systems will be successively migrated to the central solution in accordance with the detailed schedule in 2026.

As part of dedicated accompanying projects included in the Programme, work continued to ensure the necessary integration of the IT environment within the PGE Group to the requirements of CSIRE. According to the current schedule, completion of the NCB Program is planned for the first half of 2027.

3.3.7. Railway Energy Services

The segment include activities by the PGE Capital Group mainly in field of distribution and sale of electricity to railway operators and customers functioning within the railway system, the sale of fuels, as well as the maintenance and modernisation of overhead contact line network, together with other ancillary services.

The data presented below refers to the third quarter of 2025.



Railway Energy Services

Main revenue items	PLN m			Main cost items	PLN m
Sale of distribution services	571	Volume of distributed electricity	1.07 TWh	Electricity purchase	371
Sale of electricity	474			including for network losses	23
Sale of services	151	Number of customers – Electricity distribution	57.8 th	Cost of electricity transit services	272
Sale of fuels	54			Personnel costs	166
		Volume of electricity sold to OF¹	0.77 TWh	Other external services	69
		Number of customers – electricity trading	38.3 th	Purchase of fuels	50
				Taxes and fees	24
				including real estate tax	11
		Main result items	PLN m		
		EBIT	187		
		EBITDA	295		

¹ OF – final off-takers.

One of the primary sources of revenue in the Railway Energy Services segment is the **revenue from the distribution of electricity**. Similarly to the Distribution segment, this revenue is subject to applicable regulations and based on a tariff approved by the ERO President. In principle, this tariff ensures a transfer of reasonable costs and a return on the capital invested in the distribution network. The activities of the Railway Energy Services segment as a distribution network operator are limited to the areas along railway lines throughout the country.

Another important source of revenue is the **sale of electricity**. This revenue is derived from the supply of energy to railway operators and entities connected to the segment's distribution network. Rail operators are additionally the recipients of fuel sales services.

The most significant cost items of the segment include the purchase of the distribution services, as well as the purchase of electricity and fuels for resale.

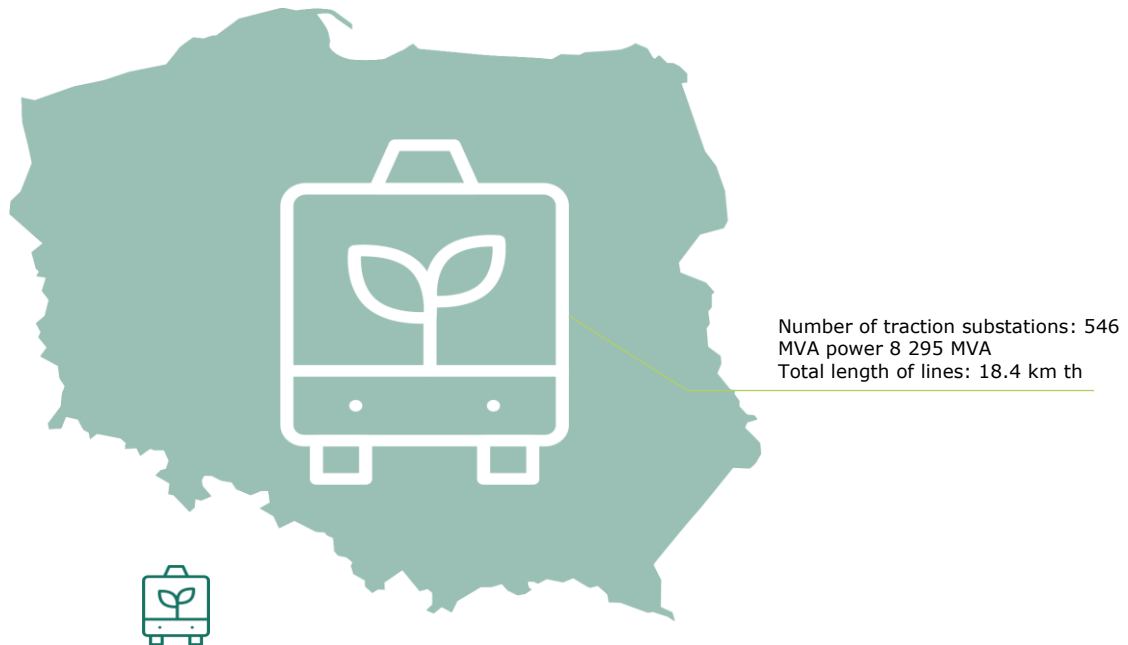
The scope of the Railway Energy Services segment's activities comprises works related to the maintenance of the overhead contact line network and the performance of local modernisation works on this network. The segment also provides power engineering services outside the ranges of the overhead contact line network, such as equipment maintenance, as well as the construction and maintenance of railway traffic control systems. In this type of activity, the most significant costs are **personnel costs**.

Additionally, on the basis of the provisions of the Act of December 7, 2023 amending the acts to support consumers of electricity, gas fuels and heat, the system of compensation for trading companies for the application of capped prices and discounts was extended until June 30, 2024. In addition, as a result of the Act of May 23, 2024 on the energy voucher and amendments to other acts, from July 1, 2024, maximum prices for households, SMEs and local authorities were introduced.

VOLUMES, CUSTOMERS AND OPERATING DATA

The main part of the segment's assets consists of electricity distribution assets held by PGE Energetyka Kolejowa SA. Among other elements, these assets include 546 overhead contact line network substations supplying power to railway lines throughout the country. The total length of the company's network lines is 18.5 thousand kilometres. The network of PGE Energetyka Kolejowa S.A. serves approximately 58 thousand customers.

Chart: Main assets of the Railway Energy Services segment and their parameters.



Network area of the Railway Energy Services segment

Table: Volume of electricity sold to final off-takers (TWh).

Tariff	Q3 2025	Q3 2024	Change	% change
B tariff group	0.75	0.69	0.06	9%
C+R tariff groups	0.01	0.02	-0.01	-50%
G tariff group	0.01	0.02	-0.01	-50%
Total	0.77	0.73	0.04	5%

Table: Number of retail sale customers by power take-off points.

Tariff	Q1-Q3 2025	Q1-Q3 2024	Change	% change
B tariff group	309	294	15	5%
C+R tariff groups	6 594	7 302	-708	-10%
G tariff group	31 419	29 863	1 556	5%
Total	38 322	37 459	863	2%

Table: Volume of distributed electricity (TWh).

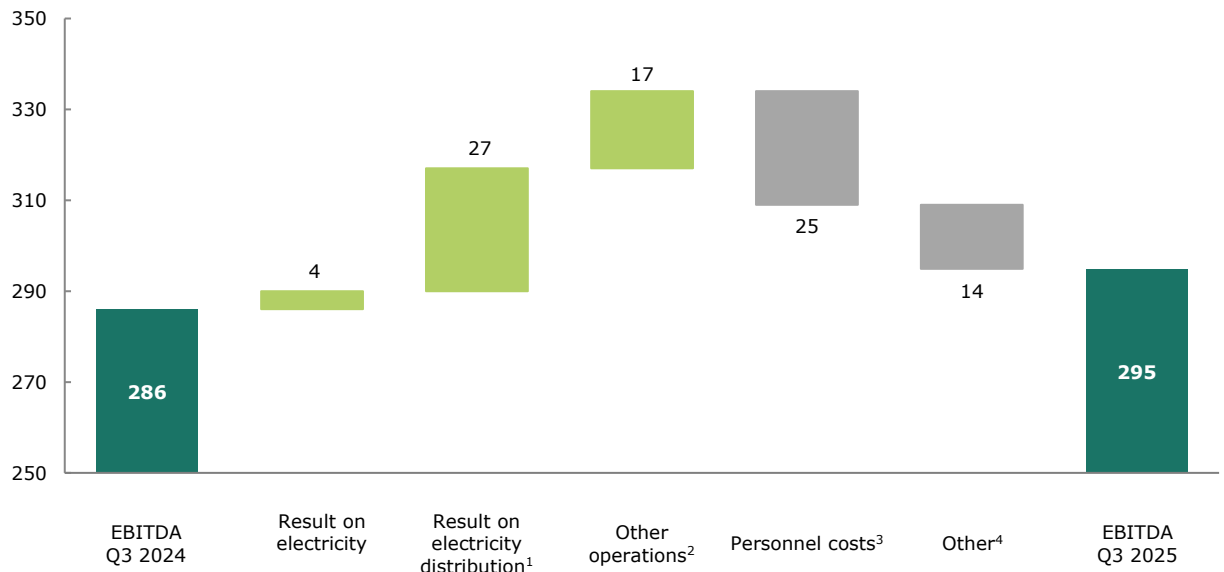
Tariff	Q3 2025	Q3 2024	Change	% change
B tariff group	0.95	0.89	0.06	7%
C+R tariff groups	0.11	0.11	0.00	0%
G tariff group	0.01	0.01	0.00	0%
Total	1.07	1.01	0.06	6%

Table: Number of distribution customers by power take-off points.

Tariff	Q1-Q3 2025	Q1-Q3 2024	Change	% change
B tariff group	711	670	41	6%
C+R tariff groups	25 258	25 887	-629	-2%
G tariff group	31 797	30 181	1 616	5%
Total	57 766	56 738	1 028	2%

KEY FACTORS FOR THE RESULTS OF THE SEGMENT

Chart: Key changes of recurring EBITDA in Railway Energy Services (in PLN million) – managerial perspective.



Change	EBITDA Q3 2024	Result on electricity	Result on electricity distribution ¹	Other operations ²	Personnel costs ³	Other ⁴	EBITDA Q3 2025
Reported EBITDA Q3 2024	278						
One-offs Q3 2024	-8						
Recurring EBITDA Q3 2024	286	113	251	138	141	75	
Recurring EBITDA Q3 2025		117	278	155	166	89	295
One-offs Q3 2025							0
Reported EBITDA Q3 2025							295

¹ Excluding the costs of transmission services from PSE S.A., including compensation revenues, connection revenues, resumption of supplies and adjusted for the cost of the balancing difference.

² Other activities mainly concern the sale of fuel and traction services.

³ Personnel costs without taking into account impact of change of actuarial provision (one-off).

⁴ Other without taking into account write-down of receivables from PKP Cargo (one-off).

Table: Data on one-offs in Railway Energy Services (PLN million).

One-offs	Q3 2025	Q3 2024	Change	% change
Write-down of receivables from PKP Cargo	0	-6	6	-
Change of actuarial provision	0	-2	2	-
Total	0	-8	8	-

Key factors affecting results of Railway Energy Services segment y/y:

- **Higher result on electricity sales** due to a higher volume of electricity sold in the B tariff group of traction customers, as a result of increased passenger transport activity.
- **Higher result in distribution** is mainly the effect of higher rates for distribution services and a higher volume of electricity distributed by 6%.
- **Higher result on other activities** mainly relates to operations in area of traction services in connection with the indexation of contracts with contractors and the additional scope of work carried out,
- **Higher personnel costs** mainly in connection with realisation of agreements with the social side.
- **The change in the item 'Other'** mainly in terms of higher material consumption costs and external services due to the implementation of the new scope of investments.

CAPITAL EXPENDITURES

Table: Capital expenditures in Railway Energy Services segment (PLN million).

	Q3 2025	Q3 2024	Change	% change
Investment in generation capacities, including:	115	100	15	15%
▪ Development	63	76	-13	-17%
▪ Modernisation and replacement	52	24	28	117%
Total	115	100	15	15%

KEY EVENTS IN THE SEGMENT

MUZa Program - Power Supply Systems Modernisation programme

The MUZa programme was continued, that is being implemented on the basis of the "Agreement on the principles of establishing a connection to the distribution network" entered into with PKP Polskie Linie Kolejowe S.A. (PKP PLK) and its objectives are the following:

- enabling an increase in the capacity of railway lines (increase in train traffic),
- introducing locomotives with higher power (of the order of 6 MW) allowing for an increase in speed up to 200 km/h,
- electrifying railway lines,
- reducing the distribution network and equipment failure rate as well as improving the quality parameters of electricity,
- meeting the power supply requirements according to the standards set out in the Technical Specifications for Interoperability (TSI) of the "Energy" subsystem – obtained authorisation from the President of the Railway Transport Office (RTO).

On the part of the Railway Energy Services segment, the programme consists in the modernisation and construction of overhead contact line network substations in accordance with the agreements for network connections entered into with PKP PLK. In the third quarter of 2025 expenditures incurred amounted to PLN 49 million. Since the start of the programme in 2012, 297 connection agreements were signed. In the reporting period 271 agreements were completed.

Connection of new electricity off-takers

The program for connecting new customers to the distribution network was being pursued, under which expenditures of PLN 11 million were incurred in the third quarter of 2025.

ZUBI project - project aimed at installing remote reading balancing meters

Project aimed at installing remote reading balancing meters (Balancing Systems Installation – BSI) was continued. The implementation of the project is mandatory under the requirements imposed on DSOs and included in the Energy Law of May 20, 2021. The deadline for the completion of the task is determined for December 31, 2025. In 2025 tasks have been carried out to:

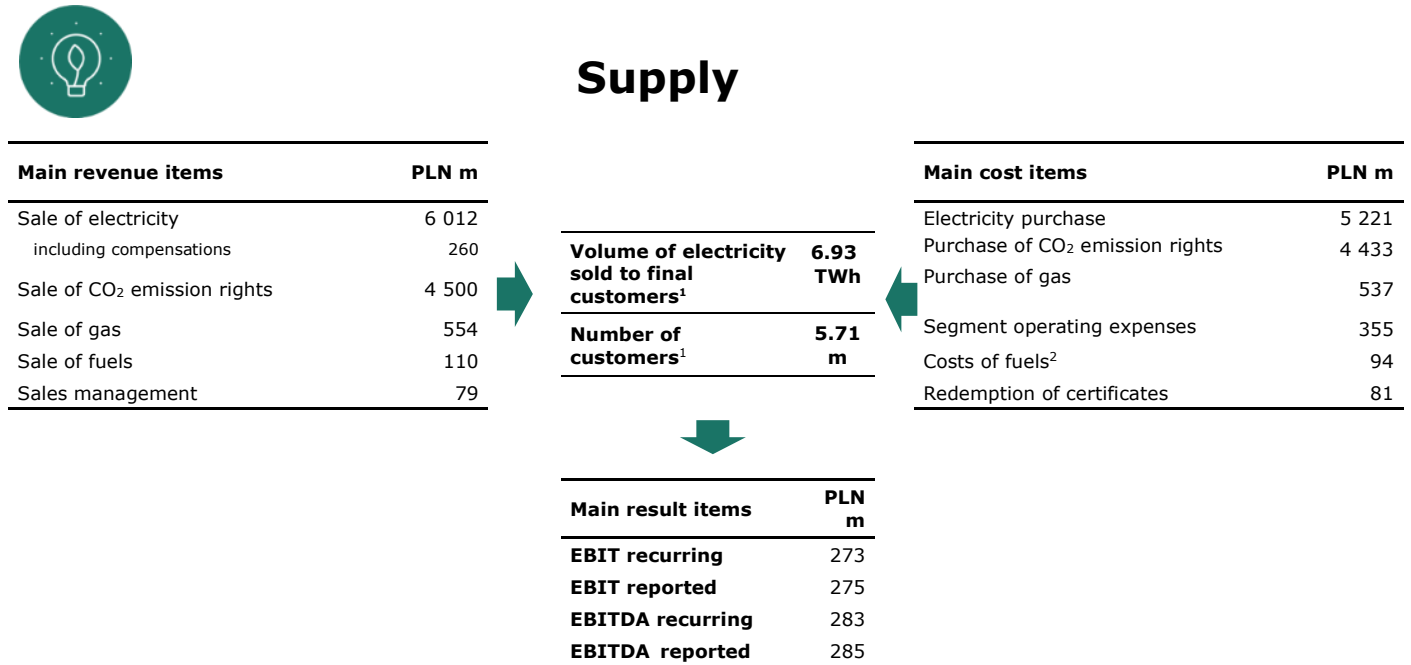
- purchase of balancing cabinets with installed remote reading metres for MV/LV substations,
- purchasing current transformers for MV/LV substations,
- purchasing installation services for balancing cabinets at MV/LV substations,
- installing balancing cabinets at MV/LV substations.

At the end of the third quarter of 2025 5 416 MV/LV substations out of the 5 763 owned by PGE Energetyka Kolejowa S.A. have been equipped with metering systems. Expenditures of PLN 9 million were incurred in the third quarter of 2025 for this project.

3.3.8. Supply

Supply segment activities include Group's wholesale and retail trading of electricity. Wholesale trading includes mainly electricity trading on behalf of and for operating segments.

The data presented below refers to the third quarter of 2025.



¹ Data for PGE Obrót S.A.

² Managerial perspective (transport costs and other cost items have been taken into account).

As part of retail-market activities, the key source of **segment's revenue is sale of electricity** to final customers. This is sale to business and institutional clients, which constitutes 70% of the sales volume, and to retail clients. The segment's revenue also includes the **sale of natural gas and fuels**, mainly: pulverised coal and coarse coal, which is sold by PGE Paliwa sp. z o.o.

As a result of the law of November 27, 2024, amending the law on emergency measures aimed at reducing the level of electricity prices and supporting certain consumers, as well as as a result of the Act on the heat voucher and on the amendment of certain acts to limit electricity prices, from January 1, 2025 to December 31, 2025, the maximum price of electricity for households will continue to apply.

Electricity sales are matched by the **costs to purchase electricity** on the wholesale market and **costs to redeem certificates** as part of the support system for renewable sources and energy efficiency.

As part of the activities on the wholesale market, CO₂ purchases are made for the needs of the Coal Energy, Gas-fired Generation and District Heating segments, which is reflected both in terms of costs and revenues. At the same time, a significant revenue item is the provision of services to the Group's companies related to the management of purchases and sales of electricity and related products.

The Supply segment also incurs costs related to the operations of the Group's corporate centre.

VOLUMES, CUSTOMERS AND OPERATING DATA

Table: Volume of electricity sales to final off-takers (TWh)¹.

Tariffs	Q3 2025	Q3 2024	Change	% change
A tariff group	1.04	1.07	-0.03	-3%
B tariff group	2.55	2.86	-0.31	-11%
C+R tariff groups	1.24	1.44	-0.20	-14%
G tariff group	2.10	2.20	-0.10	-5%
Total	6.93	7.57	-0.64	-8%

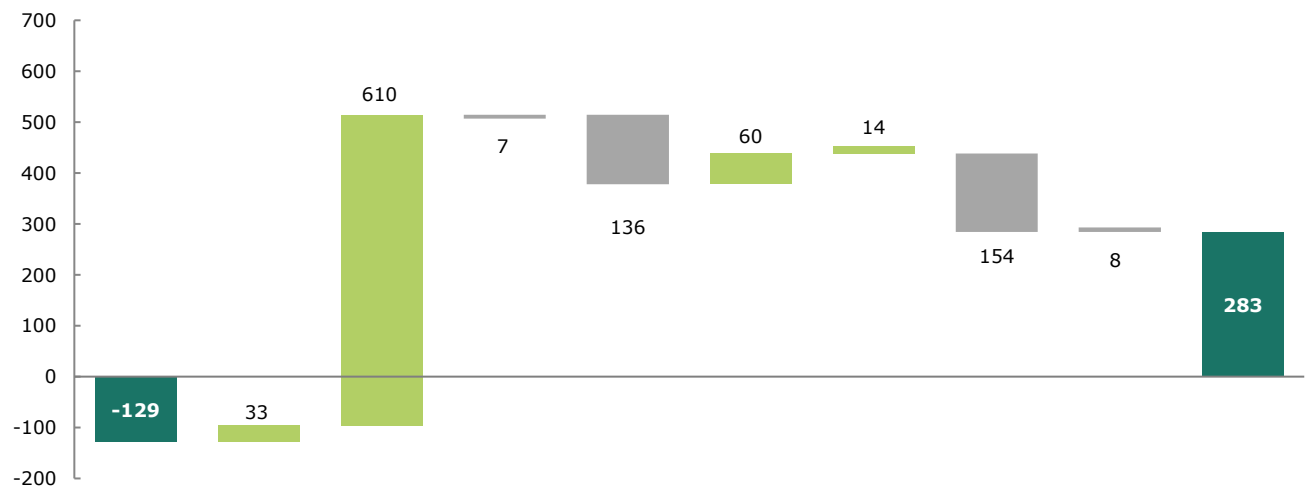
¹ Data for PGE Obrót S.A.

Table: Number of customers according to power take-off points¹.

Tariffs	Q1-Q3 2025	Q1-Q3 2024	Change	% change
A tariff group	134	144	-10	-7%
B tariff group	10 398	11 082	-684	-6%
C+R tariff groups	363 855	396 509	-32 654	-8%
G tariff group	5 338 327	5 287 778	50 549	1%
Total	5 712 714	5 695 513	17 201	0%

¹ Data for PGE Obrót S.A.

Chart: Key changes of EBITDA in Supply (in PLN million) – managerial perspective.



	EBITDA Q3 2024	Result on electricity - volume ¹	Result on electricity - price ¹	Additional estimation of network losses ²	Revenues from services provided to other segments of the PGE Group ³	Result on sale of CO ₂	Personnel costs ⁴	Result on other operating activities ⁵	Other	EBITDA Q3 2025
Change		33	610	-7	-136	60	14	-154	-8	
Reported EBITDA Q3 2024	321									
One-offs Q3 2024	450									
Recurring EBITDA Q3 2024	-129	-256		-8	277	6	212	207	-159	
Recurring EBITDA Q3 2025		387		-1	141	66	198	53	-167	283
One-offs Q3 2025										2
Reported EBITDA Q3 2025										285

¹ Including adjustment of compensations for electricity for the previous years at PGE Obrót S.A. (one-off). In addition part of ZHZW revenues was reclassified to result on electricity.

² Neutral for the PGE Capital Group result.

³ This item does not include the margin on CO₂ transactions with PGE Group companies. In addition part of ZHZW revenues was reclassified to result on electricity.

⁴ Item adjusted for one-off – change of actuarial provision.

⁵ Item adjusted for one-off – write-down of debt at ENESTA sp. z o.o.

Table: Data on one-offs in Supply segment (PLN million).

One-offs	Q3 2025	Q3 2024	Change	% change
Write-down of debt	2	0	2	-
Adjustment of compensations for electricity for the previous years	0	452	-452	-
Change of actuarial provision	0	-2	2	-
Total	2	450	-448	-100%

Key factors affecting EBITDA of Supply segment y/y:

- **Higher result on sale of electricity** is mainly the result of a higher margin on tariff products which is related to the validity of a 1.5-year tariff (from July 2024 till December 2025) above the electricity purchase costs incurred in 2025 and compensation for the negative result from 2024.
- **Negative impact of additional estimation of balancing difference cost** mainly as a result of changes in electricity prices. The additional estimation has a neutral impact on the results of the PGE Capital Group.
- **Decrease of revenues from services performed within the Capital Group** resulting from the decrease in revenues under the ZHZW agreement, which is a consequence of the lower value of trade in electricity under management.
- **Higher result on CO₂ sales** mainly as a result of realisation of CO₂ forward contracts.
- **Lower personnel costs** primarily due to a high base in the previous year caused by the implementation of wage agreements.
- **Lower result on other operating activities** as a result of the high base of the previous year when provisions for onerous contracts, mainly for tariff group G, were released.
- **The change in the 'Other' item value** was mainly due to higher costs of IT services.

3.3.9. Other Operations

Core activities of the segment include provision of services to PGE Capital Group, inter alia organisation of capital raising in form of Eurobonds (PGE Sweden), provision of IT services, provision of security services. In addition, part of the Group's project companies operates within the segment.

The segment also includes the company PGE Ventures sp. z o.o., which is responsible for investments in start-ups at every stage of the investment cycle.

As of 2025, the Circular Economy segment was included in the Other Operations segment, that was separately reported until the end of 2024. The object of the companies in this area is to provide comprehensive combustion by-products (UPS) management services, to provide services in ancillary areas to electricity and heat generators and to supply UPS-based materials.

The data presented below refers to the third quarter of 2025.

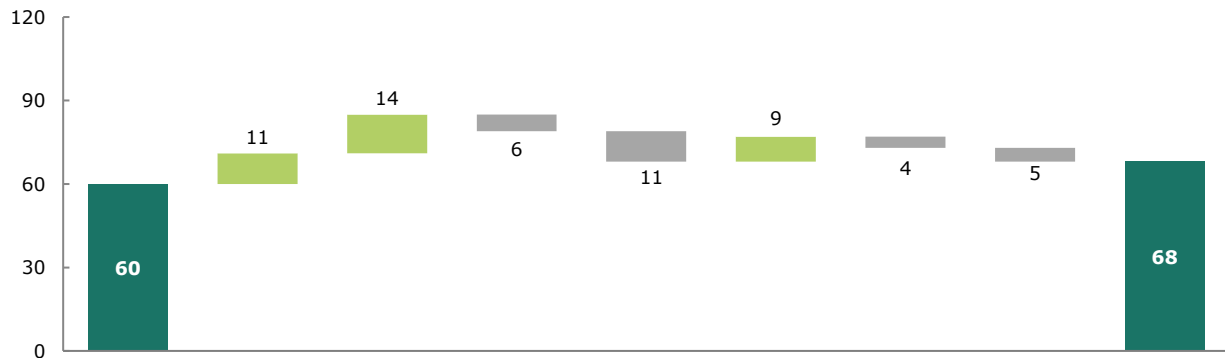


Other Operations

Main revenue items	PLN m		Main cost items	PLN m
Revenues related to UPS	127	➔	Management of combustion by-products	Personnel costs
Revenues from IT services	97		Provision of services for PGE Capital Group	Value of goods and materials sold
			Investments in start-ups	Amortisation and depreciation
				Advisory services
		↓		
			Main result items	PLN m
			EBIT	47
			EBITDA	68

KEY FACTORS FOR THE RESULTS OF THE SEGMENT

Chart: Key factors affecting EBITDA in Other Operations segment (in PLN million) – managerial perspective¹.



	EBITDA Q3 2024	UPS-related revenues	Revenues from sale of IT services	Revenues from other activities	Value of goods and materials sold - UPS	Costs of advisory services	Personnel costs	Other	EBITDA Q3 2025
Change		11	14	-6	-11	9	-4	-5	
EBITDA Q3 2024	60	116	83	50	16	15	111	47	
EBITDA Q3 2025		127	97	44	27	6	115	52	68

¹ Data for the third quarter of 2024 have been adjusted for comparability due to the transfer of companies in the Circular Economy segment to the Other Operations segment.

Key factors affecting EBITDA of Other Operations segment y/y:

- **Higher revenues related to combustion by-products**, due to increase in the selling price of goods at lower volume.
- **Higher revenues from sales of IT services** due to a greater range of services provided by PGE Systemy S.A. to companies in the PGE CG (implementation of development initiatives).
- **The decrease in revenue from other activities** is due to Elbis sp. z o.o. implementing projects of higher value in the comparative period.
- **Higher value of goods and materials sold**, mainly due to higher UPS purchase costs at lower purchase volume purchase volume.
- **Decrease in advisory service costs** results from the implementation of a Dębe hydro power plant project by Elbis sp. z o.o. in the comparative period of the previous year.
- **Higher personnel costs** due to the increase in the minimum wage, inflation pressure, realisation of wage agreements.
- **The change in the value of the item 'other'** results mainly from the increase of IT services costs and the deferral of project cost settlements.

CAPITAL EXPENDITURES

Table: Capital expenditures incurred in Other Operations segment (PLN million)¹.

	Q3 2025	Q3 2024	Change	% change
Investments in generation capacities, including:	81	55	26	47%
▪ Development	71	0	71	-
▪ Modernisation and replacement	10	55	-45	-82%
Total	81	55	26	47%

¹ Data for the third quarter of 2024 have been adjusted for comparability due to the transfer of companies in the Circular Economy segment to the Other Operations segment and a reclassification made between development and modernisation expenditures.

KEY EVENTS IN OTHER OPERATIONS

- At PGE Inwest 12 sp. z o.o., work is underway on the project **Construction of the Młoty pumped storage power plant**. An environmental impact report is currently being prepared and will be submitted to the Regional Directorate for Environmental Protection in Wrocław. In the third quarter, contracts were signed for the development of a hydrological model, while in September 2025, contracts were signed for the development of a hydrogeological model, technical assumptions for the implementation phase, and dendrological inventory.

4. Other elements of the report

4.1. Significant events of the reporting period affecting operation in the three quarters of 2025 and subsequent periods

4.1.1. Change of PGE's rating by Fitch Ratings

On January 13, 2025 Fitch rating agency ("Fitch", the "Agency") has downgraded long-term Issuer Default Rating (IDR) of PGE from BBB+ with stable outlook to BBB with stable outlook, PGE's senior unsecured rating and senior unsecured rating of subsidiary PGE Sweden AB (publ) from BBB+ to BBB and national ratings: PGE from AA(pol) with stable outlook to A+(pol) with stable outlook and senior unsecured rating from AA(pol) to A+(pol).

Within the rating assessment Fitch agency did not assume a spin-off from PGE Group's structure of conventional assets associated with mining and electricity generation from lignite and hard coal.

Fitch justifies the rating downgrade by projected increase of Company's net leverage due to a high capex, allocated largely to energy transition. Additionally, in its report the Agency points out a weakening PGE's competitive position due to structural market changes, including the growth of renewables in electricity generation. As a consequence, Fitch expects decrease in volumes of PGE's lignite- and coal-fired power generation and reduced profitability of the Company, which is significantly affected by the fixed cost base of its lignite mines, given the lack of domestic regulatory mechanisms to cover these losses. According to the Agency's report, stable outlook reflects PGE's adequate projected net leverage and the solid share of regulated distribution and a gradually improving electricity generation mix, including investments in new CCGT units, onshore renewable energy sources and first offshore wind project.

The Management Board of PGE emphasised that the ratings downgrade, within the investment grade rating level, does not impact the current Company's financing agreements and costs of debt servicing.

[Change of PGE's rating by Fitch Ratings](#)

4.1.2. Construction of an energy storage facility in Żarnowiec

On March 7, 2025, PGE Inwest 14 sp. z o.o. concluded a contract with LG Energy Solution Wrocław sp. z o.o. for the construction of an energy storage facility in Żarnowiec, together with a connection to the power grid.

For a description see p. 3.3.2 of this report.

[Construction of energy storage facility](#)

4.1.3. Signing of a loan agreement with the European Investment Bank

On April 25, 2025 PGE S.A. signed a term loan agreement with the European Investment Bank („EIB”) The value of the loan agreement amounts to PLN 2.25 bn and the loan will be intended for financing of capital expenditures of PGE Energia Odnawialna S.A. (PGE's subsidiary) for the modernisation project of Porąbka-Żar pumped storage power plant and for construction of PV farms together with the grid connection infrastructure. The financing is provided as part of supporting REPowerEU plan in Poland.

The loan will be drawn in tranches. Each tranche may be drawn in PLN or EUR. The final maturity date will be maximum 18 years from the drawing date of the last tranche whereby the last tranche may be drawn no later than 24 months from the agreement signing date. The interest rate will be determined before the payment of the each tranche. The agreement does not provide for tangible collaterals. After signing of the agreement, total nominal value of the financing from the EIB amounts to PLN 8.9 bn.

[Loan agreement with EIB](#)

4.1.4. Results of supplementary Capacity Market auctions

On May 15, 2025 as a result of supplementary Capacity Market auction for delivery period from July 1 to December 31, 2025 units from PGE Group were awarded capacity contracts with an aggregated capacity obligation of 2 174 MW. The auction clearing price amounted to PLN 431.00/kW/year.

[Result of supplementary Capacity Market auction for delivery period from July 1 to December 31, 2025](#)

On September 15, 2025 as a result of supplementary Capacity Market auction for 2026 units from PGE Group have been awarded capacity contracts with an aggregated capacity obligation of 2 559 MW. The auction clearing price was PLN 346.37/kW/year. Including contracts from previous main and additional auctions, PGE Group contracted not less than 11 513 MW of capacity obligations for 2026 delivery.

[Result of supplementary Capacity Market auction for 2026](#)

4.1.5. Strategy of PGE Group until 2035

On June 12, 2025, the PGE Group announced its Strategy until 2035, under the motto 'Energy for a Secure Future. Flexibility'. It provides for investments in smart energy grids, new large-scale and flexible gas-fired power plants, renewable energy sources, storage facilities, and integrated district heating systems. The estimated total outlay for development, maintenance and acquisitions should amount to approx. PLN 235 billion, which should translate into an almost threefold increase in EBITDA by 2035 as compared to 2024 and should enable the resumption of dividend payments. One of the effects of the new Strategy should be an inflow of approx. PLN 150 billion to companies in the domestic supply chain (local content), enabling long-term support for their development. The Strategy maintains the objective for the PGE Group to become climate-neutral by 2050, while CO₂ emissions should be reduced by 75% as early as 2035.

[New Strategy of PGE Group until 2035](#)

4.1.6. Significant decisions of the Ordinary General Meeting of PGE S.A.

On June 27, 2025, the Ordinary General Meeting (OGM) of the Company adopted resolutions regarding:

- approval of the standalone financial statements of PGE S.A. for 2024,
- approval of the consolidated financial statements of the PGE Group for 2024,
- approval of the Management Board Report on the activities of PGE S.A. and the PGE Group for 2024,
- approval of the Supervisory Board Report of PGE S.A. for 2024,
- positive opinion on the remuneration report of the Management Board Members and the Supervisory Board Members of PGE S.A. for 2024,
- allocation of the net profit of PGE S.A. for 2024,
- discharge of the Members of the Supervisory Board of PGE S.A. from the performance of their duties in 2024,
- granting or withholding discharge to Members of the Management Board of PGE S.A. from the performance of their duties in 2024,
- amendment of the Remuneration Policy for the Members of the Management Board and Supervisory Board of PGE S.A.,
- amendment to the Statutes of PGE S.A. granting the Supervisory Board the competence to select the auditor for the assurance of sustainability reporting.

On July 24, 2025, PGE S.A. received a decision on the entry of the amendment to the Company's Articles of Association into the Register of Entrepreneurs of the National Court Register.

[OGM resolutions](#)

[Change of Statutes](#)

4.1.7. Construction of the electricity storage facility in Gryfino

On August 1, 2025, a tender procedure was announced for the construction of a new large-scale battery energy storage facility in Gryfino with a capacity of 400 MW and a storage volume of 800 MWh. On October 30, 2025, three bids were received as part of the tender procedure.

[Construction of the electricity storage facility in Gryfino](#)

4.1.8. Project of carve-out of coal generation assets

For a description see note 27.1 of the condensed interim consolidated financial statements.

4.1.9. Regulatory changes

For a description see note 27.2 of the condensed interim consolidated financial statements and p. 2.4 of this report.

4.1.10. Environmental decision on the Turów Lignite Mine

For a description see note 24.3 of the condensed interim consolidated financial statements.

4.1.11. Restructuring proceedings of ENESTA sp. z o.o.

For a description see note 1.2 of the condensed interim consolidated financial statements.

4.1.12. Nuclear power plant construction project

or a description see note 27.3 of the condensed interim consolidated financial statements.

[PGE and ZE PAK signed a term sheet on conditions for PGE's purchase of shares in two companies belonging to ZE PAK](#)

[Completion of negotiations](#)

[Signing of the share purchase agreement related with the acquisition of PGE PAK Energia Jądrowa shares from ZE PAK S.A.](#)

4.1.13. Estimation of electricity imbalance fed to the grid by prosumers

For a description see note 2.4 of the condensed interim consolidated financial statements.

4.1.14. Contractual penalties for the contractor for unit 7 at Turów Power Plant

For a description see note 24.3 of the condensed interim consolidated financial statements.

4.1.15. Implementation and financing of the Baltica 2 project

For a description see note 27.4 of the condensed interim consolidated financial statements.

4.1.16. Signing of loan agreements with BGK within National Recovery and Resilience Plan

For a description see note 27.5 of the condensed interim consolidated financial statements.

[NRRP loans part 1](#)

[NRRP loans part 2](#)

4.1.17. Impairment tests on property, plant and equipment

Results of conducted tests indicated the impairment loss of balance sheet value of selected property, plant and equipment in the PGE Capital Group companies amounting to approx. PLN 9.1 billion, including: approx. PLN 8.7 billion in the Coal Energy segment and approx. PLN 0.4 billion in the Renewables segment. At the same time, in the course of the work, a necessity to lower value of deferred tax asset (in accordance with IAS 12) in amount of approx. PLN 2.5 billion has been identified.

The above adjustments are of non-cash nature. They lowered the PGE Capital Group's gross result for the first half of 2025 by approx. PLN 9.1 billion and net result by approx. PLN 11.6 billion. Both the results of the tests and the analysis of premises are current as at September 30, 2025.

A detailed description can be found in notes 3 and 14 of the condensed interim consolidated financial statements.

[Impairment tests on property, plant and equipment](#)

4.1.18. Extension of the operating period of coal-fired units at Dolna Odra Power plant

The termination of electricity and heat production in coal-fired units at Dolna Odra Power plant was previously planned for the end of 2025. In September 2025, a decision was made to change this – the decommissioning of the coal-fired units will take place in two stages. According to the new plan, two units will be decommissioned at the end of 2025, while the operation of the remaining two will be extended until the end of August 2026.

Employees will be able to benefit from severance payments and energy leave. The Voluntary Leave Program has also been implemented, and the current staffing agreement concluded with trade unions guarantees severance payments of up to 30 times the monthly salary. As a result, a restructuring provision of PLN 233 million has been created for planned severance payments to employees.

[Operating period of coal-fired units at Dolna Odra Power plant](#)

4.2. Subsequent events

4.2.1. Energy Regulatory Office inspection on contribution to the PDP Fund

The companies of the PGE Capital Group calculated the contributions due to the Fund in accordance with their own interpretation of the legislation, also relying on external legal opinions as well as the interpretation of the provisions provided by the Ministry of Climate and Environment and Zarządca Rozliczeń S.A.

According to the announcements of the President of the Energy Regulatory Office, after the approval of the settlement reports, the submitted reports and the contributions made were to be inspected.

On November 24, 2025 the ERO President began inspection in PGE Obrót S.A., while calling for the submission of information and documents.

A detailed description can be found in note 27.2 of the condensed interim consolidated financial statements.

4.2.2. An announcement about the convening of the Extraordinary General Meeting of the company

At the request of a shareholder – the State Treasury, the Extraordinary General Meeting of PGE S.A. has been convened for December 4, 2025, the agenda of which will include, in particular, resolutions regarding:

- amendments to the Company's Statute and the Company's business activities,
- changes in the composition of the Supervisory Board.

[An announcement about the convening of the Extraordinary General Meeting of the company](#)

4.2.3. Environmental decision for the Baltica 1 Project

On October 17, 2025, the Regional Director for Environmental Protection in Gdańsk issued an environmental permit for the Baltica 1 Offshore Wind Farm. As a result, the project will be eligible to enter the auction planned for December 17, 2025.

Project description can be found in p. 3.3.2 of this report.

[Baltica 1 project](#)

4.2.4. Integrated permit for PGE Gryfino Dolna Odra sp. z o.o.

On October 10, 2025, a copy of the judgement along with the statement of reasons of the Voivodeship Administrative Court in Warsaw (VAC) dated July 2, 2025, was received, in which the VAC overturned the decision of the Ministry of Climate and Environment upholding the decision of the Marshal of the Zachodniopomorskie Voivodeship granting an integrated permit for PGE Gryfino 2050 Sp. z o.o. (currently PGE Gryfino Dolna Odra Sp. z o.o.). The judgement of the VAC is not final. The annulment of the Minister's decision by the VAC is not equivalent to the automatic annulment of the decision of the first instance authority.

Action scenarios in connection with the judgement are currently being analysed, enabling the uninterrupted operation of the power plant in accordance with the law. The company conducts operational activities and realises concluded contracts.

A detailed description can be found in note 24.3 of the condensed interim consolidated financial statements.

4.3. Proceedings in front of court, body appropriate for arbitration proceedings or in front of public administration authorities

Significant proceedings pending in front of courts, competent arbitration authority or public administration authority are described in note 24.3 to the condensed interim consolidated financial statements. This note discusses, inter alia the issue of compensation regarding the conversion of shares, issues related to the request by the Polimex-Mostostal consortium for an increase in remuneration for the construction of a CHP plant in Siechnice and environmental decision on the Turów Lignite Mine.

4.4. Information on credit and loan agreements concluded and terminated in the first three quarters of 2025

Table: Significant external financial loan agreements signed in the first three quarters of 2025.

Company (Borrower)	Party of the agreement	Type of financing	Signing date	Maturity date	Liability limit (million) ¹	Currency	Fixed/ floating rate
PGE S.A.	BGK	Term loan (KPO)	2025-01-29	2036-12-20	3 900	PLN	Floating
PGE S.A.	BGK	Term loan (KPO)	2025-03-31	2049-12-20	2 566	PLN	Fixed
PGE S.A.	BGK	Term loan (KPO)	2025-03-31	2049-12-20	9 521	PLN	Fixed
PGE S.A.	EBI	Term loan	2025-04-25	2045-04-25	2 250	PLN	Fixed
PGE Baltica 6 sp. z o.o.	Financial institutions	Syndicated loans and other – project finance (<i>Baltica 2 project</i>)	2025-01-29	2049-11-30	2 812 ²	EUR	Floating
PGE Baltica 6 sp. z o.o.	Financial institutions	Syndicated loans and other – project finance (<i>Baltica 2 project</i>)	2025-01-29	12 months from Final Completion Date but not later than 2030-12-12	436	PLN	Floating

¹ Values over PLN 100 m.

² Maximum limit comprising of: Term loan, Standby Debt and DSRF (Debt Service Reserve Facility).

As at September 30, 2025, the total nominal value of external loans and credits received amounted to PLN 12.6 billion, while their carrying amount equalled PLN 10.2 billion. The difference between these amounts is mainly due to the amortised cost value measurement of the preferential loan from the KPO in amount of PLN 2.3 billion, which was recognised as a grant to assets and is presented in deferred income.

A detailed description is provided in notes 22.1, 27.4 and 27.5 to the condensed interim consolidated financial statements.

4.5. Information on the granting by PGE S.A. or its subsidiary during the first three quarters of 2025 of sureties for loans or issuing a guarantee

In the first three quarters of 2025, there were no significant loan and credit guarantees or guarantees granted other than those indicated in note 24.1 of the condensed interim consolidated financial statements.

4.6. Information on issue, redemption and repayment of debt securities and other securities

Table: External bonds issued as at June 30, 2025 (issue programs used).

Company (Issuer)	Party of the agreement	Type of financing	Signing date of the program (yyyy-mm-dd)	Maturity date of the program (yyyy-mm-dd)	Maximum value of the program (million)	Liability (million)	Currency
PGE S.A.	Pekao S.A. oraz ING Bank Śląski S.A.	Domestic market bonds	2011-08-29	-	5 000	1 400 ¹	PLN
PGE Sweden AB	BNP Paribas, CITIGROUP Global Markets Ltd., ING Bank N.V., London Branch, Nordea Bank Danmark A/S, PKO BP S.A. and Societe Generale	Eurobonds	2014-05-22	-	2 000	138 ²	EUR

¹ Bonds with a total value of PLN 1.4 bn were issued in two series: PLN 1 billion with 10-year maturity i.e. May 21, 2029 and PLN 400 million with 7-year maturity i.e. May 21, 2026.

² Issue of 15-year bonds (private placement) of August 1, 2014, maturity date – August 1, 2029.

4.7. Securities for the financing transactions of the Baltica 2 Project

In connection with the signing of loan agreements aimed at financing the Baltica 2 Project, as referred to in Notes 22.1, 24.2 and 27.4 of the condensed interim consolidated financial statements, securities for the project financing transactions have been established in the form of registered and financial pledges over bank accounts, assets, and shares of the companies.

Table: Summary of securities for the financing transactions of the Baltica 2 Offshore wind farm (in PLN million).

No	Securing Party	Beneficiary of Security	Security Document Title	Agreement Date	Subject of Security and Its Value	Maximum Secured Amount ¹	Currency
1.	PGE Baltica 6 sp. z o.o.	Deutsche Bank Luxembourg S.A.	Financial pledge agreement on bank accounts ²	2025-02-07	Receivables from bank account agreements held by PGE Baltica 6 sp. z o.o.	35 809	PLN
2.	PGE Baltica 6 sp. z o.o.	Deutsche Bank Luxembourg S.A.	Financial pledge agreement on bank accounts	2025-02-03	Receivables from bank account agreements held by PGE Baltica 6 sp. z o.o.	35 809	PLN
3.	PGE Baltica 6 sp. z o.o.	Deutsche Bank Luxembourg S.A.	Registered pledge agreement on bank accounts	2025-02-03	Receivables from bank account agreements held by PGE Baltica 6 sp. z o.o.	35 809	PLN
4.	PGE Baltica 6 sp. z o.o.	Deutsche Bank Luxembourg S.A.	Registered pledge agreement on assets	2025-02-03	Assets with a total value of PLN 2 042 479 765.41 (as of the agreement date)	35 809	PLN
5.	PGE Baltica 6 sp. z o.o.	Deutsche Bank Luxembourg S.A.	Registered pledge and financial pledge agreement on shares in Elektrownia Wiatrowa Baltica – 2 sp. z o.o.	2025-02-03	200 065 shares in Elektrownia Wiatrowa Baltica – 2 sp. z o.o., each with a nominal value of PLN 500	35 809	PLN
6.	PGE Baltica 6 sp. z o.o.	Deutsche Bank Luxembourg S.A.	Registered pledge and financial pledge agreement on shares in Elektrownia Wiatrowa Baltica – 2 sp. z o.o.	2025-03-18	10 shares in Elektrownia Wiatrowa Baltica – 2 sp. z o.o., each with a nominal value of PLN 500	35 809	PLN
7.	PGE Baltica 6 sp. z o.o.	Deutsche Bank Luxembourg S.A.	Registered pledge and financial pledge agreement on shares in Elektrownia Wiatrowa Baltica – 2 sp. z o.o.	2025-07-25	20 shares in Elektrownia Wiatrowa Baltica – 2 sp. z o.o., each with a nominal value of PLN 500	35 809	PLN
8.	PGE Baltica 6 sp. z o.o.	Deutsche Bank Luxembourg S.A.	Registered pledge and financial pledge agreement on shares in Elektrownia Wiatrowa Baltica – 2 sp. z o.o.	2025-08-21	10 shares in Elektrownia Wiatrowa Baltica – 2 sp. z o.o., each with a nominal value of PLN 500	35 809	PLN
9.	PGE Baltica 6 sp. z o.o.	Deutsche Bank Luxembourg S.A.	Registered pledge and financial pledge agreement on shares in Elektrownia Wiatrowa Baltica – 2 sp. z o.o.	2025-10-27	10 shares in Elektrownia Wiatrowa Baltica – 2 sp. z o.o., each with a nominal value of PLN 500	35 809	PLN

No	Securing Party	Beneficiary of Security	Security Document Title	Agreement Date	Subject of Security and Its Value	Maximum Secured Amount ¹	Currency
			(registration in the Pledge Register is expected)				
10.	PGE Baltica 6 sp. z o.o.	Deutsche Bank Luxembourg S.A.	Security assignment agreement	2025-02-03	Rights from insurance agreements, project documents, and guarantees	35 809	PLN
11.	PGE Baltica 6 sp. z o.o.	Deutsche Bank Luxembourg S.A.	Security assignment agreement	2025-02-05	Rights from the pledge agreement on the VAT bank account dated February 4, 2025 between Elektrownia Wiatrowa Baltica 2 sp. z o.o. as pledgor and PGE Baltica 6 sp. z o.o. and Ørsted Baltica 2 Holding sp. z o.o. as pledgees	35 809	PLN
12.	PGE Baltica 6 sp. z o.o.	Deutsche Bank Luxembourg S.A.	Power of attorney granted to Deutsche Bank Luxembourg S.A. to exercise rights under the guarantee agreement between, among others, Ørsted A/S and PGE Baltica 6 sp. z o.o.	2025-01-29	Rights under a surety agreement Ørsted A/S and PGE Baltica 6 sp. z o.o.	35 809	PLN
13.	PGE Baltica 2 sp. z o.o.	Deutsche Bank Luxembourg S.A.	Security assignment agreement	2025-02-03	Future rights under intra-group loan agreements	35 809	PLN
14.	PGE Baltica 2 sp. z o.o.	Deutsche Bank Luxembourg S.A.	Registered pledge and financial pledge agreement on shares in PGE Baltica 6 sp. z o.o.	2025-02-03	1 684 424 shares in PGE Baltica 6 sp. z o.o., each with a nominal value of PLN 1 000	35 809	PLN
15.	PGE Baltica 2 sp. z o.o.	Deutsche Bank Luxembourg S.A.	Registered pledge and financial pledge agreement on new shares in PGE Baltica 6 sp. z o.o. (10 shares)	2025-06-03	10 shares in PGE Baltica 6 sp. z o.o., each with a nominal value of PLN 1 000	35 809	PLN
16.	PGE S.A.	Deutsche Bank Luxembourg S.A.	Security assignment agreement	2025-02-03	Future rights under intra-group loan agreements	35 809	PLN
17.	Elektrownia Wiatrowa Baltica – 2 sp. z o.o.	PGE Baltica 6 sp. z o.o. oraz Ørsted Baltica 2 Holding sp. z o.o.	Pledge agreement on VAT bank account	2025-02-04	Receivable from the VAT account agreement held by Elektrownia Wiatrowa Baltica – 2 sp. z o.o.	633	PLN

¹ An amount equal to 150% of the value of liabilities – the total amount of financing granted and treasury transaction limits, except for collateral provided by Elektrownia Wiatrowa Baltica – 2 sp. z o.o. in order to secure repayment of VAT loans granted to Elektrownia Wiatrowa Baltica – 2 sp. z o.o. by PGE Baltica 6 sp. z o.o. and Ørsted Baltica 2 Holding sp. z o.o. In this case, it is an amount equal to 150% of the value of the loans granted.

² The bank accounts in question were closed in February 2025.

In addition, security measures have been established in the form of declarations of submission to enforcement and the total maximum value of established securities for loan agreements amounts to PLN 35.8 billion.

4.8. Transactions with related entities

Information about transactions with related entities is presented in note 26 to the condensed interim consolidated financial statements. In addition, note 6 to the condensed interim consolidated financial statements indicates that PGE CG accounts for inter-segment transactions as if they related to unrelated parties - on an arm's length basis.

4.9. Publication of financial forecasts

PGE S.A. did not publish financial forecasts.

4.10. Significant off-balance sheet items

Significant off-balance sheet items are described in notes 11 and 24 to the condensed interim consolidated financial statements.

4.11. Factors which, in the issuer's opinion, will have an impact on its results over at least the next quarter

Significant factors and events that, in the issuer's opinion, will affect its results over at least the next quarter are described in the remaining sections of this report.

4.12. Agreements and other information important for the assessment of the personnel and financial situation, financial result of the PGE Capital Group and their changes, as well as information important for the assessment of the Group's ability to fulfil its obligations

In the third quarter of 2025, apart from the events indicated in the other sections of this report, there were no other events that are important for the assessment of the personnel, property and financial situation, financial result of the PGE Capital Group and their changes, as well as for the assessment of the Group's ability to fulfil its obligations.

5. Statement of the Management Board on the reliable preparation of the financial statements

To the best knowledge of the Management Board of PGE S.A., the quarterly financial report, including condensed interim consolidated financial statements of the Capital Group and quarterly financial information for PGE Polska Grupa Energetyczna S.A. and comparative data, were prepared in accordance with the governing accounting principles, presents a fair, true and reliable view of the material and financial situation of PGE Capital Group and its financial result.

The report of the Management Board on the activities of PGE Capital Group presents a true view of the development, achievements and situation of the Capital Group.

6. Approval of the Management Board's Report

The foregoing Management Board's Report on activities of PGE Capital Group was approved for publication by the Management Board of the parent company on November 25, 2025.

Warsaw, November 25, 2025

Signatures of members of the Management Board of PGE Polska Grupa Energetyczna S.A.

**President
of the Management
Board**

Dariusz Marzec

**Vice-President
of the Management
Board**

Maciej Górski

**Vice-President
of the Management
Board**

Przemysław Jastrzębski

**Vice-President
of the Management
Board**

Robert Kowalski

**Vice-President
of the Management
Board**

Marcin Laskowski

Glossary

Glossary of industry terms	
Ancillary control services (ACS)	services provided to the transmission system operator, which are indispensable for the proper functioning of the National Power System and ensure the keeping of required reliability and quality standards.
Achievable capacity	the maximum sustained capacity of a generating unit or generator, maintained continuously by a thermal generator for at least 15 hours or by a hydroelectric generator for at least five hours, at standardized operating conditions, as confirmed by tests.
ARA	USD hard coal price index in EU. Loco in harbours Amsterdam-Rotterdam-Antwerp
Availability factor	$(\text{working time} + \text{standby time in reserve}) \times 100 / \text{period time}$
Balancing market	a technical platform for balancing electricity supply and demand on the market. The differences between the planned (announced supply schedules) and the actually delivered/off-taken volumes of electricity are settled here. The purpose of the balancing market is to balance transactions concluded between individual market participants and actual electricity demand. The participants of the balancing market can be the generators, customers for electricity understood as entities connected to a network located in the balancing market area (including off-takers and network customers), trading companies, electricity exchanges and the TSO as the balancing company.
Base, baseload	standard product on the electricity market: a constant hourly power supply per day in a given period, for example week, month, quarter or year
BAT	Best Available Technology
Best Practices	Documents „Best Practice for WSE Listed Companies 2016” adopted by the resolution of the WSE Supervisory Board of October 13, 2015 and effective from January 1, 2016 until June 30, 2021 and „Best Practice for WSE Listed Companies 2016 2021” adopted by the resolution of the WSE Supervisory Board of March 29, 2021 and effective from July 1, 2021.
Biomass	solid or liquid substances of plant or animal origin, subject to biodegradation, obtained from agricultural or forestry products, waste and remains or industries processing their products as well as certain other biodegradable waste in particular agricultural raw materials.
Black energy	popular name for energy generated as a result of combustion of black coal or lignite.
BREF	Best Available Techniques Reference Document
Capacity fee	An element of the electricity bill, charged to ensure energy security (constant electricity supply).
CCGT	Combined Cycle Gas Turbine
CSDDD	Corporate Sustainability Due Diligence Directive
CSRD	Corporate Sustainability Reporting Directive
Circular economy	system that minimises the consumption of resources and the level of waste as well as emissions and energy losses by creating a closed loop of processes in which waste from one process is used as resources in other processes so as to maximally reduce the quantity of production waste
Co-combustion	the generation of electricity or heat based on a process of combined, simultaneous combustion in one device of biomass or biogas together with other fuels; part of the energy thus generated can be deemed to be energy generated with the use of renewable sources.
Co-generation	the simultaneous generation of heat and electricity or mechanical energy in the course of one and the same technological process.
Co-generation certificate	a document confirming the generation of electricity in high-efficiency cogeneration, issued by the ERO President, so-called red certificates (for energy generated from coal in cogeneration with heat) and yellow certificates (for energy generated from gas in cogeneration with heat)
Co-generation fee	an element of the electricity bill collected to finance the new support mechanism for high-efficiency cogeneration (auction system from 2019).
Constrained generation	the generation of electricity to ensure the quality and reliability of the national power system; this applies to generating units in which generation must continue due to the technical limitations of the operation of the power system and the necessity of ensuring its adequate reliability.
Distribution	transport of energy through distribution grid of high (110 kV), medium (15kV) and low (400V) voltage in order to supply the customers.
Distribution System Operator (DSO)	a power company engaging in the distribution of gaseous fuels or electricity, responsible for traffic in the gas or electricity distribution systems, current and long-term security of operation of the system, the operation, maintenance, repairs and indispensable expansion of the distribution network, including connections to other gas or power systems.
EIB	European Investment Bank
ERO	Energy Regulatory Office (pol. URE).
EUA	European Union Allowances: transferable CO2 emission allowances; one EUA allows to release one tonne of CO2.
EU Environmental taxonomy	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088
EU ETS	European Union Greenhouse Gas Emission Trading Scheme) EU emission trading scheme. Its operating rules are set out in the ETS Directive, amended by the Directive 2009/29/EC of the European Parliament and of the Council of April 23, 2009 (OJ EU L. of 2009, No. 140, p. 63–87).
EW	Hydroelectric power plant
FW	Wind farm
Generating unit	a technically and commercially defined set of equipment belonging to a power company and used to generate electricity or heat and to transmit power.
Green certificate	a document confirming the generation of electricity from renewable energy sources, issued by the ERO President
Green energy	conventional name for energy produced from renewable energy sources
GW	gigawatt, a unit of capacity in the SI system, 1 GW = 10 ⁹ W.
GWe	one gigawatt of electric capacity.
GWt	one gigawatt of heat capacity.

HCl	hydrogen chloride.
Hg	mercury.
High Voltage Network (HV)	a network with a nominal voltage of 110 kV.
ICT	Information and Communications Technology, a concept encompassing techniques for processing, collecting or transmitting information in electronic form
IGCC	Integrated Gasification Combined Cycle
Installed capacity	the formal value of active power recorded in the design documentation of a generating system as being the maximum achievable capacity of that system, confirmed by the acceptance protocols of that system (a historical value, it does not change over time.
Installed capacity utilisation indicator	produced electricity x 100 / (period time x installed capacity)
IRGiT	Izba Rozliczeniowa Giełd Towarowych S.A. (commodities clearing house)
IRZ	Cold Intervention Reserve Service – service consisting of maintaining power units ready for energy production. Energy is produced on request of PSE S.A.
IOS	Flue Gas Desulphurization Installation
ITRE	European Parliament Committee on Industry, Research and Energy
JWCD	Centrally Dispatched Generating Unit – A generating unit connected to the coordinated 110 kV network, subject to central dispatch by PSE S.A.
KPI	Key Performance Indicator
KRI	Key Risk Indicator
KSP	the National Transmission System, a set of equipment for the transmission of electricity in the territory of Poland.
kV	kilo volt, an SI unit of electric potential difference, current and electromotive force; 1kV= 10 ³ V.
kWh	kilowatt-hour, a unit of electric energy in the SI system defined as the volume of electricity used by the 1 kW equipment over one hour. 1 kWh = 3,600,000 J = 3.6 MJ.
kWp	a power unit dedicated to determining the power of photovoltaic panels, means the amount of electricity in the peak of production.
LNG	Liquefied natural gas
Low Voltage Network (LV)	a network with a nominal voltage not exceeding 1 kV.
LTC	long-term contracts on the purchase of capacity and electricity entered into between Polskie Sieci Elektroenergetyczne S.A. and electricity generators in the years 1994-2001.
LTC Act	Act of June 29, 2007 on the principles of covering costs incurred by producers in connection with early termination of long-term contracts for the sale of electricity capacity and energy (Journal of Laws No. 130 item 905 of 2007)
LZO	Remote reading meters
ME	Energy Storage facility
Medium-voltage network (MV)	an energy network with a nominal voltage higher than 1 kV but lower than 110 kV.
MFW	Offshore wind farm
MIE	Minimum Energy Volumes
MSR	Market Stability Reserve (relating to CO ₂)
MW	a unit of capacity in the SI system, 1 MW = 10 ⁶ W.
MWe	one megawatt of electric power.
MWt	one megawatt of heat power.
NH ₃	ammonia
Nm ³	normal cubic meter; a unit of volume from outside the SI system signifying the quantity of dry gas in 1 m ³ of space at a pressure of 101.325 Pa and a temperature of 0°C.
NO _x	nitrogen oxides.
NPS	National Power System, a set of equipment for the distribution, transmission and generation of electricity, forming a system to allow the supply of electricity in the territory of Poland
N:W ratio	Ration of volume of overburden removed in m ³ to the mass of extracted coal in tons
Operational Capacity Reserve (ORM)	ORM constitutes of generation capacities of active Production Scheduling Units (JGWa) in operation or layover, representing excess capacity over electricity demand available to the TSO under the Energy Sale Agreements and on the Balancing Market in unforced generation
OTF	Organised Trading Facilities
Peak, peakload	a standard product on the electricity market; a constant power supply from Monday to Friday, each hour between 7:00 a.m. and 10:00 p.m. (15-hour standard for the Polish market) or between 8:00 a.m. and 8:00 p.m. (12-hour standard for the German market) in a given period, for example week, month, quarter or year
PJ	Petajoule, a unit of work/heat in the SI system, 1 PJ = approx. 278 GWh
PPA	Power Purchase Agreement
Pumped storage power plants	special type of hydro-power plant allowing for electricity storage. It uses the upper reservoir, to which water is pumped from the lower reservoir using electricity (usually excessive in system). The pumped storage facilities provide ancillary control services for the national power system. In periods of increased demand for electricity, water from the upper reservoir is released through the turbine. This way, electricity is produced.
Property rights (certificates)	negotiable exchange-traded rights under green and co-generation certificates
Prosumer	end customer who purchases electricity under a comprehensive agreement and generates electricity only from renewable sources at a micro-installations for own purposes, unrelated to economic activities
PSCMI1	Polish Steam Coal Market Index 1 - average level of prices of coal dust sold to industrial-scale power plants in Poland
PSCMI-2	Polish Steam Coal Market Index 2 - average price level of energy fines sold on the domestic heat market

Purchasing Managers Index (PMI)	a composite indicator developed by Markit Economics to show the condition of the industrial sector; an indicator value above 50 points indicates an improvement in the situation in the sector
PV	photovoltaic
RAB	Regulatory Asset Base.
Red energy	popular name for electricity co-generated with heat.
Regulator	the President of ERO, fulfilling the tasks assigned to him in the energy law. The regulator is responsible for, among others, giving out licenses for energy companies, approval of tariffs for energy companies, appointing Transmission System Operators and Distribution System Operators.
Renewable Energy Source (RES)	a source of generation using wind power, solar radiation, geothermal energy, waves, sea currents and tides, flow of rivers and energy obtained from biomass, landfill biogas as well as biogas generated in sewage collection or treatment processes or the disintegration of stored plant or animal remains.
REPowerEU	the EC's plan for energy saving, ecological production and diversification of energy supplies in connection with the disruption of the global energy market caused by Russia's invasion of Ukraine
RES fee	The RES fee is used to ensure the availability of energy from renewable sources in the National Power System. The RES fee is used exclusively to cover the negative balance of renewable energy settlements between producers of this energy and sellers of electricity generated from renewable energy sources and the operating costs of Zarządca Rozliczeń S.A. (the administrator of RES fees).
RIG	Readiness Interventional Reserve - the power plant's readiness to provide the active power generation service or its consumption at the request of PSE.
R&D	Research and Development
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SCR	Selective catalytic reduction
SPOT market	a market where transactions are executed no later than the second business day after they are ordered. Transactions made on the cash market are paid for at the time they are concluded - in this case, the capital is transferred.
Tariff	the list of prices and rates and terms of application of the same, devised by an energy enterprise and introduced as binding on the customers specified therein in the manner defined by an act of parliament
Tariff group	a group of customers off-taking electricity or heat or using services related to electricity or heat supply to whom a single set of prices or charges and terms are applied.
TGE	Towarowa Gielda Energii S.A. (Polish Power Exchange), a commodity exchange on which trading can take place in electricity, liquid or gas fuels, extraction gas, emission allowances and property rights whose price depends directly or indirectly on electric energy, liquid or gas fuels and emission allowances, admitted to commodity exchange trading
TPA	Third Party Access, the owner or operator of the network infrastructure to third parties in order to supply goods/services to third party customers
Transition fee	a distribution fee element charged to compensate power plants for losses resulting from early termination of LTC.
Transmission of electricity	transport of electricity through high voltage (220 and 400 kV) transmission network from generators to distributors.
Transmission System Operator (TSO)	a power company engaging in the transmission of gaseous fuels or electric energy, responsible for traffic in a gas or power transmission system, current and long-term security of operation of that system, the operation, maintenance, repair and indispensable expansion of the transmission system, including connections with other gas or power systems. In Poland, for the period from July 2, 2014 till December 31, 2030 Polskie Sieci Elektroenergetyczne S.A. was chosen as a TSO in the field of electricity transmission.
TTF	Title Transfer Facility - gas futures index from the Dutch stock exchange ICE Endex Dutch
TWh	terawatt hour, a multiple unit for measuring of electricity unit in the system SI. 1 TWh is 10 ⁹ kWh
Utility power plants	a category used by PSE S.A. in monthly reports on the operation of the National Power System and the Balancing Market - includes power plants and combined heat and power plants
Ultra-high-voltage network (UHV)	an energy network with a voltage equal to 220 kV or higher.
V (volt)	electrical potential unit, electric voltage and electromotive force in the International System of Units (SI), $1 \text{ V} = 1 \text{ J}/1 \text{ C} = (1 \text{ kg} \times \text{m}^2) / (\text{A} \times \text{s}^3)$.
W (watt)	a unit of power in the International Systems of Units (SI), $1 \text{ W} = 1 \text{ J}/1 \text{ s} = 1 \text{ kg} \times \text{m}^2 \times \text{s}^{-3}$.
Yellow energy	popular name for energy generated in gas-fired power plants and CCGT power plants.
ZDEE	Agreement on Securing Electricity Supplies
ZHZW	Commercial Management of Generation Capacities