

# CONSOLIDATED FINANCIAL STATEMENTS

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of the PGE Polska Grupa Energetyczna S.A. Capital Group

for the year ended December 31, 2025  
in accordance with EU IFRS (in PLN million)



*Polska Grupa Energetyczna*

## SELECTED CONSOLIDATED FINANCIAL DATA OF THE PGE GROUP

	Year ended December 31		Year ended December 31	
	2025	2024 <i>restated data*</i>	2025	2024 <i>restated data*</i>
	PLN million		EUR million	
<b>Sales revenue</b>	<b>61,434</b>	<b>64,483</b>	<b>14,499</b>	<b>14,981</b>
Profit/(Loss) from operating activities	(2,460)	400	(581)	93
(Loss) before tax	(3,244)	(307)	(766)	(71)
<b>Net (loss)</b>	<b>(3,394)</b>	<b>(2,623)</b>	<b>(801)</b>	<b>(609)</b>
Net loss attributable to shareholders of the parent company	(3,497)	(2,698)	(825)	(627)
Comprehensive income	(3,296)	(1,895)	(778)	(440)
Net cash from operating activities	13,486	10,806	3,183	2,511
Net cash from investing activities	(11,406)	(10,300)	(2,692)	(2,393)
Net cash from financing activities	4,366	(2,176)	1,030	(506)
Net change in cash and cash equivalents	6,446	(1,670)	1,521	(388)
<b>Net (loss) per share attributable to shareholders of the parent company (in PLN/EUR per share)</b>	<b>(1.56)</b>	<b>(1.20)</b>	<b>(0.37)</b>	<b>(0.28)</b>
<b>Diluted net loss per share attributable to shareholders of the parent company (in PLN/EUR per share)</b>	<b>(1.56)</b>	<b>(1.20)</b>	<b>(0.37)</b>	<b>(0.28)</b>
Weighted average number of issued ordinary shares used to calculate profit per share	2,243,712,994	2,243,712,994	2,243,712,994	2,243,712,994

\*The restatement of comparative data is described in Note 5 to these consolidated financial statements.

	As at		As at	
	December 31, 2025	December 31, 2024 <i>restated data*</i>	December 31, 2025	December 31, 2024 <i>restated data*</i>
	PLN million		EUR million	
Non-current assets	75,945	76,302	17,968	17,857
Current assets	29,423	27,692	6,961	6,481
<b>Total assets</b>	<b>105,368</b>	<b>103,994</b>	<b>24,929</b>	<b>24,337</b>
Equity	42,985	45,529	10,170	10,655
Equity attributable to shareholders of the parent company	41,823	44,471	9,895	10,407
<b>Share capital</b>	<b>19,184</b>	<b>19,184</b>	<b>4,539</b>	<b>4,490</b>
Non-current liabilities	29,681	23,749	7,022	5,558
Current liabilities	32,702	34,716	7,737	8,125
Number of shares at the end of the reporting period	2,243,712,994	2,243,712,994	2,243,712,994	2,243,712,994
<b>Book value per share (in PLN/EUR per share)</b>	<b>18.64</b>	<b>19.82</b>	<b>4.41</b>	<b>4.64</b>
<b>Diluted book value per share (in PLN/EUR per share)</b>	<b>18.64</b>	<b>19.82</b>	<b>4.41</b>	<b>4.64</b>

\*The restatement of comparative data is described in Note 5 to these consolidated financial statements.

The above financial data have been converted into EUR in accordance with the following rules:

- the particular items of assets equity and liabilities – at the average exchange rate specified by the National Bank of Poland as at December 31, 2025 – EUR/PLN 4.2267 and as at December 31, 2024 – EUR/PLN 4.2730.
- the particular items in the statement of comprehensive income and the statement of cash flows – at an exchange rate constituting the arithmetic mean of the average exchange rates specified by the National Bank of Poland for the last day of each month in the financial year from January 1, 2025 to December 31, 2025 – EUR/PLN 4.2372; for the period from January 1, 2024 to December 31, 2024 – EUR/PLN 4.3042.

# TABLE OF CONTENTS

<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME .....</b>	<b>6</b>
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION .....</b>	<b>7</b>
<b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....</b>	<b>8</b>
<b>CONSOLIDATED STATEMENT OF CASH FLOWS .....</b>	<b>9</b>
<b>GENERAL INFORMATION, BASIS FOR PREPARATION OF FINANCIAL STATEMENTS AND OTHER EXPLANATORY INFORMATION .....</b>	<b>10</b>
1. General information.....	10
1.1 Information on the parent company .....	10
1.2 About the PGE Capital Group .....	11
1.3 PGE Capital Group Composition .....	11
2. Basis for preparation of the financial statements.....	17
2.1 Statement of compliance .....	17
2.2 Presentation and functional currency .....	17
2.3 New standards and interpretations published, not yet effective .....	17
2.4 The Management Board's professional judgement and estimates .....	18
3. Impairment tests for property, plant and equipment, intangible assets, rights to use assets and goodwill .....	19
3.1 Assumptions for the analysis of indications and impairment tests .....	21
3.2 Coal Energy segment.....	24
3.3 Railway Energy Services segment .....	26
3.4 Renewables segment.....	27
3.5 District Heating segment.....	28
3.6 PGE Gryfino Dolna Odra sp. z o.o. and PGE Nowy Rybnik sp. z o.o. ....	29
3.7 Offshore Wind Energy .....	29
3.8 Property, plant and equipment of the Distribution segment .....	29
4. Selected significant accounting policies .....	30
5. Change in accounting policies, presentation of data and correction of errors.....	31
<b>EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS .....</b>	<b>34</b>
<b>EXPLANATORY NOTES TO THE BUSINESS SEGMENTS .....</b>	<b>34</b>
6. Information on the business segments .....	34
6.1 Information on the business segments .....	36
6.2 Information on geographical areas.....	38
<b>EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME .....</b>	<b>39</b>
7. Revenue and expenses .....	39
7.1 Sales revenue .....	39
7.2 Expenses by kind and function.....	45
7.3 Other operating income and expenses.....	48
7.4 Finance income and expenses .....	49
7.5 Share in the result of entities accounted for using the equity method .....	50
8. Income tax .....	50
8.1 Tax in the statement of comprehensive income.....	51
8.2 Effective tax rate.....	51
<b>EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....</b>	<b>52</b>

9.	Property, plant and equipment .....	52
10.	Intangible assets and goodwill .....	56
11.	Rights to use assets.....	59
12.	Shares accounted for using the equity method .....	61
13.	Deferred tax in the statement of financial position .....	62
13.1	Deferred income tax assets .....	62
13.2	Deferred tax liabilities .....	63
14.	Inventories .....	64
15.	CO <sub>2</sub> emission allowances for own use .....	65
16.	Other current and non-current assets.....	66
16.1	Other non-current assets .....	66
16.2	Other current assets.....	67
17.	Cash and cash equivalents .....	67
18.	Social assets and liabilities related to the Company Social Benefits Fund (CSBF).....	68
19.	Equity .....	69
19.1	Share capital .....	69
19.2	Supplementary capital .....	70
19.3	Hedging reserve.....	71
19.4	Foreign exchange differences .....	71
19.5	Undistributed financial result and dividend payment restrictions.....	71
19.6	Non-controlling interests .....	71
19.7	Earnings/(loss) per share .....	72
19.8	Dividends paid and proposed.....	72
20.	Provisions.....	73
20.1	Provision for rehabilitation expenses .....	75
20.2	Provision for CO <sub>2</sub> emission costs .....	76
20.3	Provision for energy origin rights intended for redemption .....	77
20.4	Provision for onerous contracts .....	77
20.5	Other provisions.....	77
21.	Employee benefits.....	78
22.	Deferred income and government grants.....	79
22.1	Non-current deferred income and government grants .....	80
22.2	Current deferred income and government grants .....	80
23.	Other non-financial liabilities.....	80
23.1	Other non-current non-financial liabilities.....	80
23.2	Other current non-financial liabilities .....	81

## **EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS ..... 82**

24.	Financial instruments.....	82
24.1	Description of significant items within the particular categories of financial instruments .....	83
24.2	Fair value of financial instruments .....	91
24.3	Fair value hierarchy .....	92
24.4	Influence of the particular categories of financial instruments on finance income and costs. ...	96
24.5	Security for payment of receivables and payables.....	96
25.	Objectives and principles of financial risk management .....	97
25.1	Market risk .....	98
25.2	Liquidity risk .....	102
25.3	Credit risk .....	104
25.4	ESG risks, including climate-related risks.....	108

25.5	Market (financial) risk – sensitivity analysis.....	111
25.6	Hedge accounting.....	114
<b>EXPLANATORY NOTES TO THE STATEMENT OF CASH FLOWS.....</b>		<b>119</b>
26.	Statement of cash flows.....	119
26.1	Cash flows from operating activities .....	119
26.2	Cash flows from investing activities.....	121
26.3	Cash flows from financing activities.....	121
<b>OTHER EXPLANATORY NOTES .....</b>		<b>122</b>
27.	Contingent receivables and payables. Litigation.....	122
27.1	Contingent liabilities and security for contracts.....	122
27.2	Other significant issues .....	123
27.3	Other court cases and disputes.....	125
28.	Future capital commitments .....	129
29.	Tax settlements .....	129
30.	Information on related entities.....	133
30.1	Associates and jointly controlled entities .....	133
30.2	State-controlled entities .....	133
30.3	Management remuneration .....	134
31.	Remuneration of the audit firm.....	134
32.	Significant events and events after the reporting period .....	135
32.1	The coal asset spin-off project .....	135
32.2	Regulatory changes in the electricity market.....	135
32.3	Implementation and financing of the Baltica 2 Project.....	137
32.4	Signing of loan agreements with BGK under the National Recovery and Resilience Plan.....	138
32.5	Impact of the conflict in the Persian Gulf on the PGE Group’s operations.....	139
33.	Approval of the financial statements.....	142
34.	Glossary of terms and abbreviations .....	143

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended December 31, 2025	Year ended December 31, 2024 <i>restated data*</i>
<b>SALES REVENUE</b>	7.1	<b>61,434</b>	<b>64,483</b>
Cost of goods sold	7.2	(59,814)	(61,986)
<b>GROSS PROFIT ON SALES</b>		<b>1,620</b>	<b>2,497</b>
Distribution and selling expenses	7.2	(989)	(928)
General and administrative expenses	7.2	(2,095)	(1,943)
Other operating income	7.3	817	1,412
Other operating expenses	7.3	(1,813)	(638)
<b>PROFIT/(LOSS) FROM OPERATING ACTIVITIES</b>		<b>(2,460)</b>	<b>400</b>
Finance income, including:	7.4	816	914
<i>Interest income calculated using the effective interest rate method</i>		595	563
Finance expenses	7.4	(1,622)	(1,542)
Share in the profit/(loss) of entities accounted for using the equity method	7.5	22	(79)
<b>(LOSS) BEFORE TAX</b>		<b>(3,244)</b>	<b>(307)</b>
Income tax	8.1	(150)	(2,316)
<b>NET (LOSS) FOR THE REPORTING PERIOD</b>		<b>(3,394)</b>	<b>(2,623)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items that may be reclassified to profit or loss in the future:</b>		<b>130</b>	<b>554</b>
Measurement of debt of financial instruments	19.3	(2)	(4)
Measurement of hedging instruments	19.3	164	689
Foreign exchange differences on translation of foreign operations		-	(1)
Deferred tax	8.1	(32)	(130)
<b>Items that may not be reclassified to profit or loss in the future:</b>		<b>(32)</b>	<b>174</b>
Actuarial gains and losses from valuation of provisions for employee benefits	21	70	216
Deferred tax	8.1	(102)	(42)
<b>NET OTHER INCOME</b>		<b>98</b>	<b>728</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(3,296)</b>	<b>(1,895)</b>
<b>NET LOSS ATTRIBUTABLE TO:</b>			
shareholders of the parent company		(3,497)	(2,698)
non-controlling interests		103	75
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>			
shareholders of the parent company		(3,399)	(1,969)
non-controlling interests		103	74
<b>NET (LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY (IN PLN)</b>	19.7	<b>(1.56)</b>	<b>(1.20)</b>
<b>DILUTED NET (LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY (IN PLN)</b>		<b>(1.56)</b>	<b>(1.20)</b>

\*The restatement of comparative data is described in Note 5 to these consolidated financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at December 31, 2025	As at December 31, 2024 <i>restated data*</i>	As at January 1, 2024 <i>restated data*</i>
Property, plant and equipment	9	64,775	66,971	68,508
Intangible assets	10	2,025	1,938	1,952
Rights to use assets	11	2,001	1,893	1,852
Financial receivables	24.1.1	339	289	254
Derivatives and other assets measured at fair value through profit or loss	24.1.2	492	310	278
Shares, interests and other capital instruments		127	94	102
Shares accounted for using the equity method	12	402	371	453
Other non-current assets	16.1	1,719	1,214	1,147
CO <sub>2</sub> emission allowances for own use	15	458	69	20
Deferred income tax assets	13	3,607	3,153	3,774
<b>NON-CURRENT ASSETS</b>		<b>75,945</b>	<b>76,302</b>	<b>78,340</b>
Inventories	14	2,040	2,889	3,773
CO <sub>2</sub> emission allowances for own use	15	7,841	10,844	10,517
Income tax receivables	26.1	185	291	967
Derivatives and other assets measured at fair value through profit or loss	24.1.2	288	169	116
Trade receivables and other financial receivables	24.1.1	7,336	7,931	10,516
Other current assets	16.2	924	1,205	3,181
Cash and cash equivalents	17	10,809	4,363	6,033
<b>CURRENT ASSETS</b>		<b>29,423</b>	<b>27,692</b>	<b>35,103</b>
<b>TOTAL ASSETS</b>		<b>105,368</b>	<b>103,994</b>	<b>113,443</b>
Share capital	19.1	19,184	19,184	19,184
Supplementary capital	19.2	27,088	22,252	28,146
Hedging reserve	19.3	(410)	(540)	(1,095)
Foreign exchange differences	19.4	(2)	(2)	(1)
Retained earnings/(Accumulated losses)	19.5	(4,037)	3,577	175
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY</b>		<b>41,823</b>	<b>44,471</b>	<b>46,409</b>
Non-controlling interests	19.6	1,162	1,058	981
<b>TOTAL EQUITY</b>		<b>42,985</b>	<b>45,529</b>	<b>47,390</b>
Non-current provisions	20	10,449	9,109	9,746
Credits, loans, bonds and leases	24.1.3	13,139	10,461	10,384
Derivative instruments	24.1.2	581	782	351
Deferred income tax liabilities	13	545	1,470	1,055
Deferred income and government grants	22.1	4,542	1,539	1,147
Other financial liabilities	24.1.4	214	205	524
Other non-financial liabilities	23.1	211	183	171
<b>NON-CURRENT LIABILITIES</b>		<b>29,681</b>	<b>23,749</b>	<b>23,378</b>
Current provisions	20	18,344	18,475	23,728
Credits, loans, bonds and leases	24.1.3	1,736	2,731	4,513
Derivative instruments	24.1.2	1,093	509	1,682
Trade and other payables	24.1.4	7,202	8,172	7,609
Income tax liabilities		673	802	260
Deferred income and government grants	22.2	292	181	105
Other non-financial liabilities	23.2	3,362	3,846	4,778
<b>CURRENT LIABILITIES</b>		<b>32,702</b>	<b>34,716</b>	<b>42,675</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>105,368</b>	<b>103,994</b>	<b>113,443</b>

\*The restatement of comparative data is described in Note 5 to these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Supplementary capital	Hedging reserve	Foreign exchange differences	Retained earnings/ (Accumulated losses)	Total	Non-controlling interests	Total equity
Note	19.1	19.2	19.3	19.4	19.5		19.6	
<b>JANUARY 1, 2025</b>	<b>19,184</b>	<b>22,252</b>	<b>(540)</b>	<b>(2)</b>	<b>3,577</b>	<b>44,471</b>	<b>1,058</b>	<b>45,529</b>
Net profit/(loss) for the reporting period	-	-	-	-	(3,497)	(3,497)	103	(3,394)
Other comprehensive income	-	-	130	-	(32)	98	-	98
<b>COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>	<b>130</b>	<b>-</b>	<b>(3,529)</b>	<b>(3,399)</b>	<b>103</b>	<b>(3,296)</b>
Retained earnings settlement	-	4,836	-	-	(4,836)	-	-	-
Dividend	-	-	-	-	-	-	(1)	(1)
Share in changes in the capital of jointly controlled entities	-	-	-	-	751	751	-	751
Capital increase by shareholders	-	-	-	-	-	-	4	4
Settlement of the purchase of additional shares in subsidiaries	-	-	-	-	-	-	1	1
Other changes	-	-	-	-	-	-	(3)	(3)
<b>TRANSACTIONS WITH OWNERS</b>	<b>-</b>	<b>4,836</b>	<b>-</b>	<b>-</b>	<b>(4,085)</b>	<b>751</b>	<b>1</b>	<b>752</b>
<b>DECEMBER 31, 2025</b>	<b>19,184</b>	<b>27,088</b>	<b>(410)</b>	<b>(2)</b>	<b>(4,037)</b>	<b>41,823</b>	<b>1,162</b>	<b>42,985</b>

<i>restated data*</i>	Share capital	Supplementary capital	Hedging reserve	Foreign exchange differences	Retained earnings/ (Accumulated losses)	Total	Non-controlling interests	Total equity
Note	19.1	19.2	19.3	19.4	19.5		19.6	
<b>JANUARY 1, 2024</b> <i>published data</i>	<b>19,184</b>	<b>28,146</b>	<b>(1,095)</b>	<b>(1)</b>	<b>640</b>	<b>46,874</b>	<b>981</b>	<b>47,855</b>
Adjustment to the opening balance	-	-	-	-	(465)	(465)	-	(465)
<b>JANUARY 1, 2024</b> <i>restated data*</i>	<b>19,184</b>	<b>28,146</b>	<b>(1,095)</b>	<b>(1)</b>	<b>175</b>	<b>46,409</b>	<b>981</b>	<b>47,390</b>
Net profit/(loss) for the reporting period	-	-	-	-	(2,698)	(2,698)	75	(2,623)
Other comprehensive income	-	-	555	(1)	175	729	(1)	728
<b>COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>	<b>555</b>	<b>(1)</b>	<b>(2,523)</b>	<b>(1,969)</b>	<b>74</b>	<b>(1,895)</b>
Retained earnings settlement	-	(5,894)	-	-	5,894	-	-	-
Dividend	-	-	-	-	-	-	(1)	(1)
Share in changes in the capital of jointly controlled entities	-	-	-	-	37	37	-	37
Capital increase by shareholders	-	-	-	-	-	-	-	-
Settlement of the purchase of additional shares in subsidiaries	-	-	-	-	(4)	(4)	4	-
Other changes	-	-	-	-	(2)	(2)	-	(2)
<b>TRANSACTIONS WITH OWNERS</b>	<b>-</b>	<b>(5,894)</b>	<b>-</b>	<b>-</b>	<b>5,925</b>	<b>31</b>	<b>3</b>	<b>34</b>
<b>DECEMBER 31, 2024</b>	<b>19,184</b>	<b>22,252</b>	<b>(540)</b>	<b>(2)</b>	<b>3,577</b>	<b>44,471</b>	<b>1,058</b>	<b>45,529</b>

\*The restatement of comparative data is described in Note 5 to these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended December 31, 2025	Year ended December 31, 2024 <i>restated data*</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Gross loss</b>		<b>(3,244)</b>	<b>(307)</b>
Income tax paid	26.1	(1,684)	(236)
<b>Adjustments for items and changes in balance:</b>			
Share of profit / loss of equity-accounted investees		(22)	79
Depreciation, liquidation, and write-downs	26.1	13,883	12,279
Interest and dividend, net		436	484
Profit from investment activities	26.1	160	(221)
Change in receivables	26.1	796	2,587
Change in inventories	26.1	801	791
Change in CO <sub>2</sub> emission allowances for own use		2,613	(376)
Change in liabilities, excluding loans and credits	26.1	(1,243)	(679)
Change in other non-financial assets and in the balance of accruals and prepayments	26.1	213	1,834
Change in provisions	26.1	788	(5,513)
Other		(11)	84
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>13,486</b>	<b>10,806</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sale of PPE and IA		36	20
Acquisition of PPE and IA	26.2	(11,543)	(10,346)
Placement of deposits with maturities over 3 months	26.2	(829)	(413)
Withdrawal of deposits with maturities over 3 months	26.2	838	354
Acquisition of financial assets and increase of shareholding in Group companies		(16)	(25)
Interest received	26.2	147	137
Loans granted		(35)	(20)
Repayment of loans granted		20	-
Other		(24)	(7)
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>(11,406)</b>	<b>(10,300)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from the issue of shares in jointly controlled entities	26.3	754	37
Proceeds from acquired loans, credits	26.3	6,798	6,914
Repayment of loans, credits and leases	26.3	(2,676)	(8,790)
Interest paid	26.3	(831)	(687)
Subsidies received for non-current assets		335	352
Other		(14)	(2)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>4,366</b>	<b>(2,176)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>6,446</b>	<b>(1,670)</b>
<i>Net foreign exchange differences</i>		(45)	(13)
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>	17	<b>4,363</b>	<b>6,033</b>
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	17	<b>10,809</b>	<b>4,363</b>

\*The restatement of comparative data is described in Note 5 to these consolidated financial statements.

# GENERAL INFORMATION, BASIS FOR PREPARATION OF FINANCIAL STATEMENTS AND OTHER EXPLANATORY INFORMATION

## 1. General information

### 1.1 Information on the parent company

PGE Polska Grupa Energetyczna S.A. was established on the basis of the Notary Deed of August 2, 1990 and registered in the District Court in Warsaw, the 16<sup>th</sup> Commercial Division, on September 8, 1990. The Company is entered in the National Court Register maintained by the District Court Lublin-Wschód in Lublin with its registered office in Świdnik, the 6<sup>th</sup> Commercial Division of the National Court Register under number 0000059307. The Company's registered office is located in Poland in Lublin, at Aleja Kraśnicka 27.

Since 2009, PGE S.A. shares have been listed on the main market of the Warsaw Stock Exchange.

On January 1, 2025, the composition of the Management Board was as follows:

- Dariusz Marzec – 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 – Vice President of the Management Board.

As at the date of approval of these consolidated financial statements for publication, the composition of the Management Board was as follows:

- Dariusz Lubera – President of the Management Board,
- Katarzyna Rozenfeld – Vice-President of the Management Board
- Przemysław Jastrzębski – Vice-President of the Management Board,
- Robert Kowalski – Vice-President of the Management Board,
- Marcin Laskowski – Vice President of the Management Board.

In the current period, up to the date of approval of these consolidated financial statements for publication, the following changes occurred in the composition of the Management Board:

	Term of office	
	from	to
Dariusz Marzec	March 18, 2024	December 8, 2025
Maciej Górski	June 24, 2024	December 8, 2025
Dariusz Lubera*	December 8, 2025	today
Katarzyna Rozenfeld	January 19, 2026	today

\* Member of the Supervisory Board delegated to temporarily act as President of the Management Board from December 8, 2025 to January 14, 2026 on January 14, 2026, he was appointed to the Board.

#### Ownership structure

The shareholding structure of the parent company was as follows:

	As at December 31, 2025	As at December 31, 2024
State Treasury	60.86%	60.86%
Other shareholders	39.14%	39.14%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

The ownership structure as at the particular reporting dates is presented on the basis of the information available in the Company.

According to information available to the Company, as at the date of publication of these financial statements, the State Treasury is the only shareholder holding at least 5% of the total number of votes at the General Meeting of Shareholders of PGE S.A.

## 1.2 About the PGE Capital Group

The PGE Polska Grupa Energetyczna S.A. Group comprises the parent company, PGE S.A., and 76 subsidiaries included in the consolidation. The consolidated financial statements also include 2 entities constituting the so-called joint operations and 5 entities consolidated using the equity method. Additional information on the entities included in the consolidated financial statements can be found in Note 1.3.

These consolidated financial statements of the PGE Group cover the period from January 1, 2025 to December 31, 2025 and include comparative data for the period from January 1, 2024 to December 31, 2024, as well as as at December 31, 2024.

The financial statements of all subsidiaries have been prepared for the same reporting period as the financial statements of the parent company and in accordance with consistent accounting principles.

The core business activities of the PGE Capital Group companies include:

- electricity generation,
- distribution of electricity, including traction networks,
- wholesale and retail trading in electricity, energy origin rights, CO<sub>2</sub> emission allowances, and natural gas,
- generation and distribution of heat,
- provision of other services related to the activities mentioned above.

The Group's activities are conducted on the basis of the relevant licences granted to each of the Group entities. The PGE Group primarily operates within the territory of Poland.

### Going concern

These financial statements have been prepared on the assumption that the Group will continue as a going concern for a period of at least 12 months from the reporting date.

In the statement of financial position as at December 31, 2025, the PGE Capital Group presents an excess of short-term liabilities over short-term assets, which is largely due to capital expenditures on the construction of new generation and distribution assets in accordance with the binding CG Strategy 2035. The PGE Capital Group generates significant positive cash flows from operating activities and has access to financing provided by external financial institutions in accordance with the information set out in Notes 17 and 24.1.3. As indicated in Note 19, the net debt to EBITDA ratio remains at a low level. In line with the CG Strategy 2035, the Group expects to generate positive cash flows from operating activities in the foreseeable future.

Taking the above into account, the PGE Group considers the assumption of continuing as a going concern for 12 months from the reporting date to be justified.

## 1.3 PGE Capital Group Composition

### 1.3.1 Direct and indirect subsidiaries consolidated using the full method

	Name of entity	Entity holding shares	Shareholdings of PGE CG companies as at December 31, 2025	Shareholdings of PGE CG companies as at December 31, 2024
	<b>SEGMENT: SUPPLY</b>			
1.	PGE Polska Grupa Energetyczna S.A. Lublin	Parent company		
2.	PGE Dom Maklerski S.A. Warsaw	PGE S.A.	100.00%	100.00%
3.	PGE Obrót S.A. Rzeszów	PGE S.A.	100.00%	100.00%
4.	ENESTA sp. z o.o. (formerly ENESTA sp. z o.o. in restructuring) Stalowa Wola	PGE Obrót S.A.	94.76%	94.51%
5.	PGE Paliwa sp. z o.o. Kraków	PGE S.A. PGE EC S.A.	100.00% -	- 100.00%
	Energoserwis – Kleszczów sp. z o.o. Rogowiec	PGE S.A.	-	51.00%
	<b>SEGMENT: COAL ENERGY</b>			
7.	PGE Górnictwo i Energetyka Konwencjonalna S.A. Bełchatów	PGE S.A.	100.00%	100.00%

	Name of entity	Entity holding shares	Shareholdings of PGE CG companies as at December 31, 2025	Shareholdings of PGE CG companies as at December 31, 2024
8.	MegaSerwis sp. z o.o. Bogatynia	PGE GIEK S.A.	100.00%	100.00%
9.	ELMEN sp. z o.o. Wola Grzymalina	PGE GIEK S.A.	100.00%	100.00%
10.	ELTUR-SERWIS sp. z o.o. Bogatynia	PGE GIEK S.A.	100.00%	100.00%
11.	„Betrans” sp. z o.o. Kalisko	PGE GIEK S.A.	100.00%	100.00%
12.	BESTGUM POLSKA sp. z o.o. Rogowiec	PGE GIEK S.A.	100.00%	100.00%
13.	RAMB sp. z o.o. Piaski	PGE GIEK S.A.	100.00%	100.00%
	<b>SEGMENT: DISTRICT HEATING</b>			
14.	PGE Energia Ciepła S.A. Warsaw	PGE S.A.	100.00%	100.00%
15.	PGE Toruń S.A. Toruń	PGE EC S.A.	95.34%	95.34%
16.	Zespół Elektrociepłowni Wrocławskich KOGENERACJA S.A. Wrocław	PGE EC S.A.	58.07%	58.07%
17.	PGE Zielona Góra S.A. (formerly Elektrociepłownia Zielona Góra S.A.) Zielona Góra	KOGENERACJA S.A.	100.00%	100.00%
18.	„MEGAZEC” sp. z o.o. Bydgoszcz	PGE S.A.	100.00%	100.00%
	<b>SEGMENT: GAS-FIRED GENERATION</b>			
19.	PGE Gryfino Dolna Odra sp. z o. o. (formerly PGE Gryfino 2050 sp. z o.o.) Warsaw	PGE S.A.	100.00%	100.00%
20.	PGE Nowy Rybnik sp. z o.o. (formerly Rybnik 2050 sp. z o.o.) Rybnik	PGE S.A.	100.00%	100.00%
21.	PGE Inwest 35 sp. z o.o. Warsaw	PGE S.A.	100.00%	-
22.	PGE Inwest 36 sp. z o.o. Warsaw	PGE S.A.	100.00%	-
23.	PGE Inwest 37 sp. z o.o. Warsaw	PGE S.A.	100.00%	-
24.	PGE Inwest 38 sp. z o.o. Warsaw	PGE S.A.	100.00%	-
	<b>SEGMENT: RENEWABLES</b>			
25.	PGE Energia Odnawialna S.A. Warsaw	PGE S.A.	100.00%	100.00%
26.	Elektrownia Wiatrowa Baltica-1 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
27.	Elektrownia Wiatrowa Baltica-4 sp. z o.o. Warsaw	PGE S.A.	100.00%	66.19%
28.	Elektrownia Wiatrowa Baltica-5 sp. z o.o. Warsaw	PGE S.A.	66.19%	66.19%
29.	Elektrownia Wiatrowa Baltica-6 sp. z o.o. Warsaw	PGE S.A.	100.00%	66.24%
30.	Elektrownia Wiatrowa Baltica-7 sp. z o.o. Warsaw	PGE S.A.	55.04%	55.04%
31.	Elektrownia Wiatrowa Baltica-8 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
32.	Elektrownia Wiatrowa Baltica 9 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
33.	PGE Baltica 2 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
34.	PGE Baltica 3 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
35.	PGE Baltica 5 sp. z o.o. Warsaw	PGE Baltica 3 sp. z o.o.	100.00%	100.00%
36.	PGE Baltica 6 sp. z o.o. Warsaw	PGE Baltica 2 sp. z o.o.	100.00%	100.00%
37.	PGE Baltica sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
	PGE Soleo 2 sp. z o.o. Warsaw	PGE EO S.A.	-	100.00%
	Mithra D sp. z o.o. Poznań	PGE EO S.A.	-	100.00%

	Name of entity	Entity holding shares	Shareholdings of PGE CG companies as at December 31, 2025	Shareholdings of PGE CG companies as at December 31, 2024
	Mithra F sp. z o.o. Poznań	PGE EO S.A.	-	100.00%
	Mithra G sp. z o.o. Poznań	PGE EO S.A.	-	100.00%
	Mithra H sp. z o.o. Poznań	PGE EO S.A.	-	100.00%
	Mithra I sp. z o.o. Warsaw	PGE EO S.A.	-	100.00%
	Mithra K sp. z o.o. Poznań	PGE EO S.A.	-	100.00%
	Mithra M sp. z o.o. Poznań	PGE EO S.A.	-	100.00%
	Mithra N sp. z o.o. Poznań	PGE EO S.A.	-	100.00%
	Mithra O sp. z o.o. Poznań	PGE EO S.A.	-	100.00%
	Mithra P sp. z o.o. Poznań	PGE EO S.A.	-	100.00%
	LongWing Polska sp. z o.o. Warsaw	PGE EO S.A.	-	100.00%
38.	PGE Inwest 14 sp. z o.o. Warsaw	PGE EO S.A.	100.00%	100.00%
39.	PGE Inwest 21 sp. z o.o. Warsaw	PGE EO S.A.	100.00%	100.00%
40.	PGE Inwest 22 sp. z o.o. Warsaw	PGE EO S.A.	100.00%	100.00%
41.	PGE Inwest 24 sp. z o.o. Warsaw	PGE EO S.A.	100.00%	100.00%
	<b>SEGMENT: DISTRIBUTION</b>			
42.	PGE Dystrybucja S.A. Lublin	PGE S.A.	100.00%	100.00%
	<b>SEGMENT: RAILWAY ENERGY SERVICES</b>			
43.	PGE Energetyka Kolejowa Holding sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
44.	PGE Energetyka Kolejowa S.A. Warsaw	PGE EKH sp. z o.o.	100.00%	100.00%
45.	PGE Energetyka Kolejowa Obsługa sp. z o.o. (currently PGE Energetyka Kolejowa Operator sp. z o.o.) Warsaw	PGE EKH sp. z o.o.	100.00%	100.00%
46.	PGE Energetyka Kolejowa CUW sp. z o.o. Łódź	PGE EKH sp. z o.o.	100.00%	100.00%
47.	Energetyka Kolejowa Budownictwo sp. z o.o. Warsaw	PGE EKH sp. z o.o.	100.00%	100.00%
48.	Energetyka Kolejowa sp. z o.o. Warsaw	PGE EKH sp. z o.o.	100.00%	100.00%
49.	Cedton Investments sp. z o. o. Warsaw	PGE EKH sp. z o.o.	100.00%	100.00%
	Energetyka Kolejowa Obrót sp. z o.o. in liquidation Warsaw	PGE EKH sp. z o.o.	-	100.00%
	Remton Investments sp. z o. o. in liquidation Warsaw	PGE EKH sp. z o.o.	-	100.00%
	<b>SEGMENT: OTHER ACTIVITIES</b>			
50.	PGE Systemy S.A. Warsaw	PGE S.A.	100.00%	100.00%
51.	PGE Sweden AB (publ) Stockholm	PGE S.A.	100.00%	100.00%
52.	PGE Synergia sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
53.	ELBIS sp. z o.o. Rogowiec	PGE S.A.	100.00%	100.00%
54.	PGE Inwest 2 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
55.	PGE Ventures sp. z o. o. Warsaw	PGE S.A.	100.00%	100.00%
56.	PGE Inwest 9 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
57.	PGE Inwest 10 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
58.	PGE Inwest 11 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
59.	PGE Inwest 12 sp. z o.o. Warsaw	PGE S.A.	51.00%	51.00%

	Name of entity	Entity holding shares	Shareholdings of PGE CG companies as at December 31, 2025	Shareholdings of PGE CG companies as at December 31, 2024
60.	PGE Asekuracja S.A. Warsaw	PGE S.A.	100.00%	100.00%
61.	PGE Inwest 20 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
62.	PGE Inwest 23 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
63.	PGE Inwest 25 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
64.	PGE Inwest 26 sp. z o.o. (formerly Elektrownia Wiatrowa Baltica 10 sp. z o.o.) Warsaw	PGE S.A.	100.00%	100.00%
65.	PGE Inwest 27 sp. z o.o. (formerly Elektrownia Wiatrowa Baltica 11 sp. z o.o.) Warsaw	PGE S.A.	100.00%	100.00%
66.	PGE Inwest 28 sp. z o.o. Warsaw	PGE S.A.	100.00%	-
67.	PGE Inwest 29 sp. z o.o. Warsaw	PGE S.A.	100.00%	-
68.	PGE Inwest 30 sp. z o.o. Warsaw	PGE S.A.	100.00%	-
69.	PGE Inwest 31 sp. z o.o. Warsaw	PGE S.A.	100.00%	-
70.	Elektrownia Wiatrowa Baltica 12 sp. z o.o. (currently PGE Inwest 32 sp. z o.o.) Warsaw	PGE S.A.	100.00%	100.00%
71.	PGE Inwest 33 sp. z o.o. Warsaw	PGE S.A.	100.00%	-
72.	PGE Inwest 34 sp. z o.o. Warsaw	PGE S.A.	100.00%	-
73.	PGE Ekoserwis S.A. Wrocław	PGE S.A.	100.00%	100.00%
74.	ZOWER sp. z o.o. Rybnik	PGE Ekoserwis S.A.	100.00%	100.00%
75.	Energetyczne Systemy Pomiarowe sp. z o.o. Białystok	PGE Dystrybucja S.A.	100.00%	100.00%
76.	Elbest Security sp. z o. o. Bełchatów	PGE S.A.	100.00%	100.00%
77.	PGE PAK Energia Jądrowa S.A. (currently PGE Energia Jądrowa S.A.) Konin (now Warsaw)	PGE S.A.	100.00%	-

The table above includes the following changes in the structure of the PGE Capital Group companies consolidated using the full method, which took place in 2025:

- On May 5, 2025, the merger of PGE EO S.A. (the acquiring company) with 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., and Mithra P sp. z o.o. (the acquired companies) was registered in the National Court Register. The merger did not affect these consolidated financial statements.
- On June 2, 2025, Energetyka Kolejowa Obrót sp. z o.o. and Remton Investments sp. z o.o. were placed in liquidation. Due to the loss of control associated with being placed in liquidation, from June 1, 2025, the said companies are not subject to consolidation. Since the companies did not conduct operating activities and their shares had been subject to impairment write-downs in earlier periods, the discontinuation of their consolidation did not have a material impact on these consolidated financial statements.
- On October 17, 2025 a share purchase agreement was signed under which ZE PAK sold 50% of the shares in PGE PAK Energia Jądrowa S.A. to PGE. On October 20, 2025, PGE was entered in the Shareholders Register as the sole owner of shares in PGE PAK EJ S.A. Consequently, the company became a subsidiary and has been consolidated using the full method starting from the 4<sup>th</sup> quarter of 2025. On February 12, 2026, the change of the company's name to PGE Energia Jądrowa S.A. and the change of its registered office to Warsaw were registered in the National Court Register. The transaction did not have a material impact on these financial statements.
- On October 22, 2025, the Extraordinary General Meeting of Shareholders of Energoserwis Kleszczów sp. z o.o. i ELMEN sp. z o.o. adopted resolutions on the division of Energoserwis Kleszczów sp. z o.o. (the company being divided) by separation under Article 529 § 1 point 4 of the Commercial Companies Code (division by separation) by transferring to ELMEN sp. z o.o. (the acquiring company) the part of the assets of the divided company constituting an organised part of the enterprise within which construction and assembly activities are conducted. The transfer of the OPE to the acquiring company took place through an appropriate reduction of the share capital of the divided company by cancelling all shares in the divided company held by PGE S.A.,

and an appropriate increase in the share capital of the acquiring company through the creation of new shares in the acquiring company. In exchange for the cancelled shares in the divided company, PGE S.A. took up all new shares in the increased share capital of the acquiring company. On October 28, 2025, the reduction of the share capital of Energoserwis Kleszczów sp. z o.o. was registered in the National Court Register and on that date PGE S.A. ceased to be a shareholder of that company. On January 2, 2026, an increase in the share capital of ELMEN sp. z o.o. was registered in the National Court Register, as a result of which PGE S.A. became a shareholder of ELMEN sp. z o.o. holding 15.96% of shares in its share capital.

- On October 23, 2025, a share sale agreement was signed between PGE S.A. as the buyer and ENEA S.A. as the seller for 33.76% of the shares in Elektrownia Wiatrowa Baltica-6 sp. z o.o., as a result of which PGE S.A. became the sole shareholder of this company. The above transaction did not have a material impact on these consolidated financial statements.
- On November 28, 2025, the share capital increase in ENESTA sp. z o.o. was registered in the National Court Register. All new shares were taken up by PGE Obrót S.A., and as a result, the share of PGE Obrót in the share capital of ENESTA sp. z o.o. increased to 94.76%. The above transaction did not have a material impact on these consolidated financial statements.
- On November 3, 2025, the merger of PGE EO S.A. (the acquiring company) with LongWing Polska sp. z o.o. and PGE Soleo 2 sp. z o.o. (the acquired companies) was registered in the National Court Register. The merger was effected by transferring all the assets of the acquired companies to the acquiring company. The merger did not affect these consolidated financial statements of the PGE CG.
- On December 19, 2025, a share sale agreement was signed between PGE S.A. as the buyer and ENEA S.A. as the seller for 33.92% of the shares in Elektrownia Wiatrowa Baltica-4 sp. z o.o., as a result of which PGE S.A. became the sole shareholder of this company.
- During 2025, PGE S.A. established 10 companies: 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., PGE Inwest 33 sp. z o.o., PGE Inwest 34 sp. z o.o., PGE Inwest 35 sp. z o.o., PGE Inwest 36 sp. z o.o., PGE Inwest 37 sp. z o.o., and PGE Inwest 38 sp. z o.o. All the above companies were registered in the National Court Register. In all these companies, PGE S.A. is the sole shareholder.

#### Transactions after the reporting date

- On November 3, 2025, the Extraordinary General Meetings of PGE Energetyka Kolejowa S.A. and the Extraordinary Shareholders' Meeting of PGE Energetyka Kolejowa Operator sp. z o.o. adopted resolutions on the division of PGE Energetyka Kolejowa S.A. (the divided company) by a spin-off pursuant to Article 529 § 1 point 4 of the Commercial Companies Code, by transferring to PGE Energetyka Kolejowa Operator sp. z o.o. (the acquiring company) a part of the assets of the divided company in the form of a Branch of this company operating under the name: PGE Energetyka Kolejowa S.A. Oddział w Warszawie – Dystrybucja Energii Elektrycznej, constituting an OPE. The transfer of the OPE to the acquiring company took place through an appropriate reduction of the share capital of the divided company by cancelling a part of the shares in the divided company held by PGE Energetyka Kolejowa Holding sp. z o.o., and an appropriate increase in the share capital of the acquiring company. In exchange for the cancelled shares in the divided company referred to above, PGE Energetyka Kolejowa Holding sp. z o.o. took up all new shares in the increased share capital of the acquiring company. PGE Energetyka Kolejowa Holding sp. z o.o. is the sole shareholder of the divided company and the sole shareholder of the acquiring company. On January 2, 2026, the reduction of the share capital of the divided company and the increase of the share capital of the acquiring company were registered in the National Court Register.
- On January 2, 2026, an increase in the share capital of ELMEN sp. z o.o. was registered in the National Court Register, as a result of which PGE S.A. became a shareholder of ELMEN sp. z o.o. holding 15.96% of shares in its share capital.
- On November 5, 2025, PGE Energia Ciepła S.A. established a single-shareholder company, PGE EC Operator sp. z o.o. On January 27, 2026, the company was registered in the National Court Register.
- On January 29, 2026, a share sale agreement for Wind Farm Łada sp. z o.o. was signed between PGE EO S.A. as the buyer and Green Energy Holding sp. z o.o. as the seller, as a result of which PGE Energia Odnawialna S.A. acquired 100% of the shares in Wind Farm Łada sp. z o.o. The price paid for the shares amounted to approximately PLN 32 million, and the estimated value of the acquired net assets as at December 31, 2025 was approximately PLN 20 million. The main component of the acquired company's assets is property, plant and equipment with an estimated book value of approximately PLN 315 million. The preliminary assessment of the transaction by the PGE Group indicates that the transaction should be accounted for as an asset acquisition within the meaning of IFRS 3 *Business Combinations*. The share sale agreement also provides for contingent consideration mechanisms, depending on the fulfilment of specific conditions in future periods, which may affect the final amount of the acquisition price.

- On March 10, 2026, after fulfilling the conditions provided for in the conditional agreement concluded on November 25, 2025, Elektrownia Wiatrowa Baltica 9 sp. z o.o. acquired from RWE Renewables International Participations B.V. 100% of the shares in RWE Offshore Wind Poland sp. z o.o. The price paid for the shares amounted to approximately EUR 27 million, and the estimated value of the acquired net assets as at February 28, 2026 was approximately PLN 117 million. The main component of the acquired company's assets is property, plant and equipment under construction with an estimated book value of approximately PLN 109 million. The preliminary assessment of the transaction by the PGE Group indicates that the transaction should be accounted for as an asset acquisition within the meaning of IFRS 3 *Business Combinations*. The share sale agreement also provides for contingent consideration mechanisms, depending on the fulfilment of specific conditions in future periods, which may affect the final amount of the acquisition price.

### 1.3.2 Joint operations consolidated based on the share of assets, liabilities, revenue and expenses attributable to the PGE CG

	Name of entity	Entity holding shares	Shareholdings of PGE CG companies as at December 31, 2025	Shareholdings of PGE CG companies as at December 31, 2024
<b>SEGMENT: RENEWABLES</b>				
1.	Elektrownia Wiatrowa Baltica-2 sp. z o.o. Warsaw	PGE Baltica 6 sp. z o.o.	50.00%	50.00%
2.	Elektrownia Wiatrowa Baltica-3 sp. z o.o. Warsaw	PGE Baltica 5 sp. z o.o.	50.00%	50.00%

The PGE CG together with the Ørsted CG jointly control EWB2 and EWB3, in which they each hold a 50% share in the capital, voting rights and in all corporate bodies of these companies. The companies were established for the purpose of the construction and operation of offshore wind farms in the Baltic Sea. The PGE Group and the Ørsted Group concluded a number of agreements regulating, among other things, cooperation and the decision-making process in the jointly controlled entities. Due to the manner in which key decisions are made, as well as the agreed commercial terms regarding the disposal of generated electricity, the investments in EWB2 and EWB3 were recognised as joint operations and are consolidated by each of the investors based on the share of assets, liabilities, revenue and expenses attributable to them.

### 1.3.3 Companies consolidated using the equity method

	Name of entity	Entity holding shares	Shareholdings of PGE CG companies as at December 31, 2025	Shareholdings of PGE CG companies as at December 31, 2024
1.	Polimex Mostostal S.A. Warsaw	PGE S.A.	16.13%	16.33%
2.	Przedsiębiorstwo Energetyki Ciepłej S.A. Bogatynia	PGE EC S.A.	34.93%	34.93%
3.	ZPBE Energopomiar sp. z o.o. Gliwice	PGE GIEK S.A.	49.79%	49.79%
4.	PGE SOLEO KLESZCZÓW sp. z o.o. Kleszczów	PGE EO S.A.	50.00%	50.00%
	PGE PAK Energia Jądrowa S.A. (currently PGE Energia Jądrowa S.A.) Konin (now Warsaw)	PGE S.A.	-	50.00%
5.	ELESTER sp. z o.o. Łódź	PGE EKH sp. z o.o.	39.96%	39.96%
		PGE EK S.A.	50.00%	50.00%

In the case of Elester sp. z o.o., in accordance with the provisions of the shareholders' agreement, all key decisions must be made unanimously. The shareholders from the PGE CG acting jointly and the shareholder holding a 10.04% share in the capital have the right to appoint an equal number of management board members, supervisory board members and steering committee members. For this reason, the total share in the capital of 89.96% does not translate into the PGE CG exercising control over Elester sp. z o.o., and this company is recognised as a jointly controlled entity and is consolidated using the equity method.

In the case of Polimex Mostostal S.A., in accordance with the investment agreement concluded in 2017, the Investors (ENEA S.A., Energa S.A., PGE S.A., Orlen Technologie S.A.) holding a total of approximately 64% share in the capital have influence on the financial and operating policy. The Investors also concluded an agreement under which, among other things, a joint position will be established by voting when making key decisions falling within the competence of the Shareholders' Meeting and the Supervisory Board of Polimex Mostostal S.A., including the determination of the composition of the Management Board of this company. For this reason, it was considered that PGE S.A. has a significant influence over Polimex Mostostal S.A., and this company is consolidated using the equity method.

On October 17, 2025 a share purchase agreement was signed under which ZE PAK sold 50% of the shares in PGE PAK Energia Jądrowa S.A. to PGE. On October 20, 2025, PGE was entered in the Shareholders Register as the sole owner of shares in PGE PAK EJ S.A. Consequently, the company became a subsidiary and has been consolidated using the full method starting from the 4<sup>th</sup> quarter of 2025.

## 2. Basis for preparation of the financial statements

### 2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union. The IFRS comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and IFRS Interpretations Committee.

### 2.2 Presentation and functional currency

The functional currency of the parent company and its subsidiaries included in these consolidated financial statements, with the exception of PGE Sweden AB (publ), as well as the presentation currency of these consolidated financial statements, is the Polish zloty. For PGE Sweden AB (publ), the functional currency is the euro ('EUR'). The items included in the financial statements of PGE Sweden AB (publ) are translated into the presentation currency of the PGE Group using the applicable exchange rates. All numerical values in these consolidated financial statements are presented in millions of Polish zlotys, unless otherwise stated.

At the reporting date, for the purpose of translation of items denominated in currencies other than PLN, the following exchange rates were applied:

	December 31, 2025	December 31, 2024
<b>USD</b>	3.6016	4.1012
<b>EUR</b>	4.2267	4.2730

### 2.3 New standards and interpretations published, not yet effective

The following standards, changes in the already effective standards and interpretations are not endorsed by the European Union or are not effective on January 1, 2025.

Standard	Description of changes	Effective date
Changes to IFRS 10 and IAS 28	The guidelines concerning sales transactions or an investor's contribution of assets to an associate or a joint venture.	Work on the approval of the changes has been suspended indefinitely
Annual standard changes, release 11	The changes relate to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7.	January 1, 2026
Changes to IFRS 9 and IFRS 7	The changes relate to disclosures in the classification and measurement of financial instruments.	January 1, 2026
Changes to IFRS 9 and IFRS 7	Amendments covering renewable energy contracts	January 1, 2026
IFRS 18	Presentation and disclosures in the financial statements	January 1, 2027
IFRS 19	Subsidiaries without public liability – disclosure	January 1, 2027
Changes to IFRS 19	The changes pertain to the scope of disclosure	January 1, 2027
Changes to IAS 21	The changes relate to the conversion to hyperinflationary presentation currency	January 1, 2027

IFRS 18 introduces significant changes to the presentation of financial statements. The standard provides for the standardisation of the statement of profit or loss by separating three new categories: operating, investing and financing. In addition, the rules for disclosing information on so-called management-defined performance measures have been clarified, with the aim of increasing the transparency and comparability of data presented in the statements.

Currently, the Group is undertaking activities related to the implementation of the standard. As of the date of these financial statements, the analysis of the standard's impact has not been completed.

In the Group's opinion, the other new standards and amendments to standards should not have a significant impact on future financial statements.

The Capital Group intends to adopt the above-mentioned new standards as well as amendments to standards and IFRS EU interpretations published by the International Accounting Standards Board, but not yet effective as at the reporting date, in accordance with their effective date.

## 2.4 The Management Board's professional judgement and estimates

### Professional judgement

In the process of applying the accounting policy to the foregoing issues, the most important element, besides accounting estimates, was the management's professional opinion, which influences the values disclosed in the consolidated financial statements, including the additional explanatory notes.

- Irrespective of the nature of its equity involvement in a given entity, the Group assesses whether it exercises control over the investee, as well as whether it exercises joint control in a joint venture, taking into account all facts and circumstances. Further information on the assessment of control or significant influence, in situations where it differs from the share in capital, is presented in Note 1.3 to these financial statements.
- The Group recognises a deferred tax asset based on the assumption that taxable income will be generated in the future to allow for its utilisation. Details are set out in note 13 to these financial statements.
- When recognising lease liabilities and rights to use assets, the Group makes a judgement regarding, among other things, the determination of the interest rate, the lease term, and the assessment of the probability of exercising the purchase option for the underlying asset. Details are set out in Note 11 to these financial statements.
- Trade payables subject to reverse factoring are presented as trade payables if there has been no substantial change in the payment terms. In the statement of cash flows, the actual net cash flows from factoring are presented in operating activities.
- For provisions for onerous contracts, the Group applies professional judgement to determine which categories of incurred costs constitute the costs of fulfilling a contract, particularly with regard to allocating costs other than incremental costs that relate directly to fulfilling a given contract.
- The Group makes a judgement regarding the classification of financial instruments and the application of hedge accounting. Financial instruments are classified into individual categories based on the assessment of the business model applied.
- As part of its core business, the Group executes transactions which, due to the conclusion of reverse transactions, may meet the definition of financial instruments. For the accounting recognition of these transactions, the Group is guided by its judgement regarding the receipt or delivery of non-financial items in accordance with the Group's expected needs to receive delivery, sell or use these items – and as a consequence of the lack of valuation of these transactions in accordance with IFRS 9 paragraph 2.4.
- The Group has selected an accounting policy regarding the recognition of purchased and free CO<sub>2</sub> emission allowances. Further information is presented in Note 15 to these financial statements.
- The Group has chosen an accounting policy for the recognition of a Contract for Difference for the offshore wind farm construction project being implemented by EWB2. In the Group's opinion, the CfD as a whole meets the conditions of an income-related grant within the meaning of IAS 20, and the Group intends to recognise cash flows from the contract in accordance with IAS 20. Nevertheless, within the Contract for Difference, the Group identifies a derivative that requires separation and measurement in accordance with IFRS 9: an inflation derivative. Further information is presented in Note 24.1.2 to these financial statements.

### Uncertainty of estimates and assumptions

The Group adopted estimates and assumptions regarding the future based on the knowledge available during the preparation of the consolidated financial statements. The assumptions of these estimates are based on the Group's best knowledge of current and future actions and events in specific areas. In some cases, the Group uses information obtained from external experts. Detailed information on the adopted assumptions is presented below or in the relevant notes.

- During the reporting period, the Group carried out an analysis of the circumstances and subsequent impairment testing for property, plant and equipment. Detailed information on the adopted estimates and assumptions is described in Note 3 to these financial statements. The estimation of the recoverable amount of property, plant and equipment is based on a number of significant assumptions, the realisation of which is uncertain and, to a large extent, beyond the control of the PGE Capital Group. The Group has adopted

the values and figures it considers most appropriate; however, it cannot be ruled out that the actual outcome of individual assumptions will differ from those adopted by the Group.

- The economic lifetimes of property, plant and equipment, intangible assets and rights to use assets are subject to periodic review. A detailed description is included in Notes 9, 10 and 11 to these financial statements.
- At the end of the reporting period, the Group estimates the imbalance of electricity fed into the grid by prosumers. The energy generated and fed into the grid by prosumers powers the grid during the overproduction period, thereby reducing the Group's need to purchase it from the market. However, during the autumn and winter months, when prosumers consume electricity but are unable to cover their own demand through production, the Group must purchase the shortfall on the market. In this respect, the Group recognised an estimated liability of PLN 313 million (PLN 166 million in the comparative period).
- Detailed information related to tax settlements is described in Note 29 to these consolidated financial statements.
- The Group makes significant estimates regarding the recognised provisions and contingent liabilities. In particular, the assessment covers the assumptions regarding the probability of the occurrence of a given event, the assumptions adopted to calculate the amount of provisions and contingent liabilities, as well as the timing of the occurrence of a given event. Detailed information on individual items is presented in Notes 20 and 27 to these financial statements.
- The fair value measurement of financial instruments is performed on the basis of a number of assumptions and estimates based on data available at the time of preparation of the financial statements. Changes in these assumptions and estimates may affect the future financial statements of the PGE CG.
- Due to the electricity market crisis in 2022, a number of legal regulations came into force, which required the PGE Capital Group to estimate revenues and costs related to compensation for coal purchases, compensations and price adjustments for households under the Household Consumers Act, and contributions to the Price Difference Payment Fund under the Extraordinary Measures Act 2023. A detailed description of these estimates is provided in Note 32.2 of these financial statements.
- Certain revenue from sales, as described in Note 7.1 of these consolidated financial statements, is invoiced based on periodic readings from metering and settlement systems. This results in the need to estimate revenue for deliveries for which PGE Group does not have metering data as at the reporting date. Revenue from the balancing electricity market is subject to adjustment after the reporting period. The final amount of sales or the cost of purchasing electricity is determined up to 14 months after the end of the respective delivery period.

### 3. Impairment tests for property, plant and equipment, intangible assets, rights to use assets and goodwill

Property, plant and equipment represent the most significant asset category within the PGE Capital Group. Due to a dynamic macroeconomic and regulatory environment, the Group periodically assesses whether there are any indications of impairment in the recoverable amount of its assets. In assessing the market situation, the PGE Capital Group uses both its own analytical tools and the support of external think tanks.

Additionally, in accordance with the provisions of IAS 36, the PGE CG is obliged to carry out impairment tests for goodwill and intangible assets with an indefinite useful life at least once a year.

The tables below summarise the analyses of indications and the impairment tests for assets conducted in the years ended December 31, 2025 and December 31, 2024. The goodwill indicated in the table for the Railway Energy Services and District Heating segments is tested at the level of a given segment and not of individual CGUs.

Segment/ CGU	Goodwill allocated to the segment/ CGU	1 <sup>st</sup> half of 2025	2 <sup>nd</sup> half of 2025	Value of the (write-down)/reversal recognised in the report for 2025
Coal Energy	-	Test performed due to indications	No test	(8,650)
Railway Energy Services	345	Test performed due to indications and goodwill as well as IA with an indefinite economic lifetime	No test	-
Renewables	3*	Test performed due to indications and goodwill	Test performed due to indications	(317)
District Heating	192*	Test performed due to indications and goodwill	Test performed due to indications	-
PGE Gryfino Dolna Odra	-	Test performed due to indications	No test	-
PGE Nowy Rybnik	-	Test performed due to indications	No test	-
EWB2	36*	No test	Test performed due to goodwill	-
EWB3	45*	No test	Test performed due to goodwill	-
Distribution	-	No test	No test	-
<b>TOTAL</b>	<b>621</b>			<b>(8,967)</b>

The PGE CG assesses that the carrying amount of goodwill allocated to this segment is not material compared to the total carrying amount of goodwill or intangible assets with an indefinite economic lifetime.

Details of the analyses of indications and impairment tests recognised in individual Segments/CGUs are provided in Notes 3.2-3.8 to these financial statements.

Segment/ CGU	Goodwill allocated to the segment/ CGU	1 <sup>st</sup> half of 2024	2 <sup>nd</sup> half of 2024	Value of the (write-down)/reversal recognised in the report for 2024
Coal Energy	-	Test performed due to indications	Test performed due to indications	(7,444)
Railway Energy Services	345	Test performed due to indications and goodwill	Test performed due to indications	-
Renewables	3*	Test performed due to indications	No test	-
District Heating	192*	Test performed due to indications and goodwill	No test	-
PGE Gryfino Dolna Odra	-	Test performed due to indications	No test	-
EWB2	36*	Test performed due to goodwill	No test	-
EWB3	45*	Test performed due to goodwill	No test	-
Distribution	-	No test	No test	-
<b>TOTAL</b>	<b>621</b>			<b>(7,444)</b>

The PGE CG assesses that the carrying amount of goodwill allocated to this segment is not material compared to the total carrying amount of goodwill or intangible assets with an indefinite economic lifetime.

#### External indications relevant to the analysis conducted in the first half of 2025:

- The market capitalisation of PGE S.A. remains below the book value of the net assets of the PGE Capital Group.
- The average electricity price for forward contracts for the following year in the period from January to May 2025 amounted to approx. PLN 427/MWh and was 3% lower compared to the price for the second half of 2024 (PLN 441/MWh).
- In the period from January to May 2025, the weighted average price of the EUA DEC 25 instrument amounted to EUR 72/t and was 4% higher than the average price of the EUA DEC 25 instrument observed for the second half of 2024 (EUR 69/t).
- The average price of hard coal in the ARA ports in monthly continuous contracts in the period from January to May 2025 was USD 100/t and was 14% lower compared to the second half of 2024 (USD 116/t).
- The average gas price in the period from January to May 2025 was EUR 42/MWh and increased by 8% compared to the second half of 2024 (EUR 39/MWh).
- The average price of domestic coal according to PSCMI1 in the period from January to May 2025 was PLN 17/GJ and decreased by 23% compared to the second half of 2024 (PLN 22/GJ).

### External indications relevant to the analysis conducted in the second half of 2025:

- The market capitalisation of PGE S.A. remains below the book value of the net assets of the PGE Capital Group.
- The average electricity price for futures contracts for the following year in the period from July to December 2025 was approx. 432 PLN/MWh and was 2% lower compared to the price for the first half of 2025 (425 PLN/MWh).
- In the period from July to December 2025, the weighted average price of the EUA DEC 25 instrument amounted to EUR 76.3 per tonne and was 5% higher than the average price of the EUA DEC 25 instrument observed for the first half of 2025 (EUR 72.5 per tonne).
- The average price of hard coal in ARA ports in monthly continuation contracts from July to December 2025 was USD 98/t, a decrease of 3% (USD 101/t) compared to the first half of 2025.
- The average gas price in the period from July to December 2025 was EUR 31.5/MWh and decreased by 24% compared to the first half of 2025 (EUR 41.3/MWh).
- The average price of domestic coal according to PSCMI1 in the period from July to December 2025 was PLN 15.2/GJ, a decreased by 8% compared to the second half of 2025 (PLN 16.4/GJ).

The Company also analysed internal indications specific to individual assets or segments. They are described in Notes 3.2 – 3.8 to these financial statements.

## 3.1 Assumptions for the analysis of indications and impairment tests

### Macroeconomic assumptions

The main price assumptions, i.e., prices of electricity, CO<sub>2</sub> emission allowances, hard coal, natural gas, as well as assumptions regarding generation from the majority of the Group's generation installations, are derived from a study prepared in June 2025 ("Study") by an external entity which is a recognised expert centre on the energy market ("Advisor"). The first year of the projection is based on the adopted Financial Plan for 2026. The subsequent years of the forecast are based mainly on the Study. The Advisor used current scenarios for the economic and demographic development of the country and estimates of changes in key market parameters. The Advisor's forecasts take into account the legal conditions arising from the current energy policy, at both the EU and national levels.

The environment in which the PGE Capital Group operates is characterised by high volatility of macroeconomic, market and regulatory conditions. Changes in these conditions may have a material impact on the financial position of the PGE Group; therefore, the assumptions adopted to estimate the value in use of assets are subject to periodic review using the expertise of an external Advisor.

According to the electricity price forecasts, the prices will drop by 2% in 2026 and then go up by approximately 12% in 2027, as compared to the previous year, followed by an average annual increase of around 4% between 2028 and 2040. By comparison, in the impairment tests for property, plant and equipment for the period ended December 31, 2024, the electricity price forecasts assumed a price increase in 2026-2027 at the level of approximately 11% compared to the previous year, then a price increase in 2028 compared to 2027 at the level of 16%, followed by an average annual increase in 2029-2040 at the level of approximately 4%.

According to CO<sub>2</sub> emission allowance price forecasts, the prices will raise by 4% in 2026 and by 3% in 2027 compared to the previous year, followed by a dynamic growth until 2031 at an average annual rate of 12%. This reflects the current parametrisation of the Market Stability Reserve (MSR) mechanism and of the EU ETS system itself, introduced following the adoption of the Fit for 55 package and the inclusion of the effects of the REPowerEU plan. These changes result in a marked reduction in the supply of allowances in the second half of this decade. In the following years, CO<sub>2</sub> prices continue to rise, but at a slightly slower pace, reaching approx. 5% on average annually, as a result of the continuation of policies aimed at achieving climate neutrality in 2050. In the impairment tests for property, plant and equipment for the period ended December 31, 2024, the forecasts of CO<sub>2</sub> emission allowance prices assumed a 13% price increase in 2026 compared to 2025, an increase in 2027 of 2% compared to 2026, followed by an average annual increase in 2028-2030 at the level of approximately 8%.

After several years of dynamic ups and downs, coal price forecasts assume stabilisation in the coming years. In 2026, a price increase of approx. 5% is assumed, and in 2027 an increase of approx. 6% compared to the previous year. In 2028–2032, there is an average annual decrease of approx. 4%, which reflects the forecasts for coal prices on global markets. This results from the gradual decline in global demand for coal in connection with the implementation of climate policy elements, including in particular the development of RES. After 2033, a slight increase of 2% on average per year is expected due to growing mining costs.

In the impairment tests for property, plant and equipment for the period ended December 31, 2024, the hard coal price forecasts assumed the stabilisation of prices from 2026 based on the then current and projected level of quotes on the European market at the time of the tests, which resulted in prices remaining at a comparable level in nominal terms between 2026 and 2035. After 2035, an average annual growth of 2.5% was assumed.

Natural gas price forecasts assume a 9% decrease in 2026 and a 7% increase in 2027 compared to the previous year, whereas in 2028–2030 an average annual growth of approximately 2% is expected. Thereafter, until 2040, prices are projected to grow at an average annual rate of 3%. Forecast gas prices in Europe are most affected by LNG import costs and the related level of investment in liquefaction and regasification facilities worldwide, as well as dynamically growing demand for LNG, especially in Asian countries, and increasing gas demand in the USA. In the long term, the natural gas price forecast assumes growth, mainly due to rising extraction costs of this raw material. By comparison, in the impairment tests for property, plant and equipment for the period ended December 31, 2024, natural gas price forecasts assumed a 5% decrease in 2026 compared to 2025 prices and an increase in 2027 of 7% compared to 2026. Thereafter, until 2030, prices grew at an average annual rate of approximately 1%. In the period after 2030, the natural gas price forecast assumed an average annual growth at the level of approximately 3%, mainly due to the rising extraction costs.

Forecasts for the prices of renewable energy certificates suggest that prices in 2026 will remain at a similar level to the previous year. Subsequently, a price decrease in 2027 of 2% compared to 2026 prices is assumed, and prices are expected to be maintained at a similar level in 2028 compared to 2027 prices. In 2029–2031, an average annual decrease of approximately 12% is expected, which is associated with a balance-sheet surplus of certificates resulting from the low obligation to surrender them in 2025 and 2026, which is expected to persist until the end of the scheme. By comparison, in the assumptions for the impairment tests for property, plant and equipment for the period ended December 31, 2024, the forecasts of prices of energy origin rights from renewable sources assumed an average annual price increase in 2026 of 70% compared to 2025 prices, followed by an average annual decrease in 2027–2031 of approximately 18% on average.

The forecast of capacity market revenues for the years 2026–2030 is based on the results of main, additional, supplementary, and catch-up auctions, taking into account joint balancing mechanisms within the PGE Capital Group companies. The forecast from 2031 was prepared by a team of PGE S.A. experts on the basis of assumptions regarding estimated future cash flows for generation units, based, inter alia, on the results of already settled auctions and the forecasts of an external Advisor. For one-year contracts with delivery from July 1, 2025 and multi-year contracts concluded in the major and additional auctions for 2025 onwards, an emission criterion of 550g CO<sub>2</sub>/kWh (so-called EPS 550) applies, which in practice excluded the participation of all coal-fired units in the Capacity Market.

On February 14, 2025, the Act of January 24, 2025 amending the Capacity Market Act (Dz.U. [*Journal of Laws*] 2025, item 159) entered into force, introducing supplementary auctions. Under European Commission's derogation decision, the units not meeting the 550g CO<sub>2</sub>/kWh emission criterion were admitted to the supplementary auctions. The supplementary auctions for the delivery period from July 1 to December 31, 2025 and for the delivery year 2026, the catch-up auction for the delivery year 2029 and the main auction for the delivery year 2030 were conducted in 2025 and their results were included in the forecast of power market revenues. The revenue forecast also includes expected revenues from supplementary auctions for the delivery period from 2027 to 2028. The forecast of revenue from supplementary auctions was compiled by a team of experts from PGE S.A. based on the best knowledge of the expected parameterisation of these auctions. The availability of power generation units was estimated on the basis of overhaul plans and failure frequency statistics.

### **Weighted average cost of capital**

In 2025, monetary policy was eased, a move made possible by falling inflation. The European Central Bank has cut rates four times, the US Federal Reserve three times, and the National Bank of Poland six times. As a result, interest rates were cut by a total of 0.75 percentage points in the US, 1 percentage point in the Eurozone, and 1.75 percentage points in Poland.

The weighted average cost of capital estimated in the PGE Group takes into account ongoing disinflationary processes. The PGE Group applies a weighted average cost of capital path that in subsequent periods gradually converges towards levels representing the long-term average, based on the full business cycle and fundamental economic relationships. In the opinion of the PGE Group, this approach makes it possible to avoid excessive influence of short-term volatility on the valuation of long-term assets.

Details concerning the weighted average cost of capital are presented separately for individual segments further in these statements.

## Climate issues

In July 2021, the European Commission published the Fit for 55 legislative package, aimed inter alia at achieving a reduction of greenhouse gas emissions in the EU by 55% (previously 40%) by 2030 compared to 1990. As expected by market participants, the reform of the EU ETS system included in the package should result in a significant increase in the level of CO<sub>2</sub> emission allowance prices, which in practice already occurred in 2021. Since then, the prices of CO<sub>2</sub> emission allowances have remained high, and further increases are expected in the second half of the current decade. The changes introduced may negatively affect the margins earned by carbon-intensive power generation units, particularly to the extent that the increase in the price of CO<sub>2</sub> allowances is not passed on in the price at which these units sell the electricity or heat they produce. In December 2022, the Council and the EU Parliament reached important agreements on the 'Fit for 55' package proposal, the EU's plan to increase the target of reducing greenhouse gas emissions below 55% by 2030 compared to 1990 levels. Another important element of the package was to increase the target for the share of RES in the European Union's energy mix to 42.5% in 2030 (previously 32%). The establishment of this target in agreement with the Council was voted through in the European Parliament in September 2023. Of importance to the District Heating segment are the regulatory changes resulting from the Energy Efficiency Directive (EED). Changes to the definition of an energy-efficient district heating system and changes to the definition of high-efficiency cogeneration are further forcing action to be taken towards the transformation of assets and the replacement of outdated coal-fired units. Meanwhile, under the amendments proposed to the Energy Performance of Buildings Directive (EPBD), forecasts indicate a decline in demand for heat in municipal district heating systems.

In the years that followed, the European Union continued to tighten its climate policy, as evidenced by its work to set an intermediate emissions reduction target for 2040. In November 2025, Member States reached agreement on an amendment to the European Climate Law, setting a binding target to reduce greenhouse gas emissions by 90% by 2040 relative to 1990. Another important step was the adoption by the European Parliament in February 2026 of the final wording of the amendments to the European Climate Law, which sealed the establishment of the 2040 reduction target as a binding element of the EU's post-2030 climate policy framework.

On June 12, 2025, by decision of the Management Board of PGE Polska Grupa Energetyczna, the PGE Group Strategy to 2035 was adopted, with the motto "Energy for a Secure Future. Flexibility". The strategy reaffirms the PGE Group's goal of becoming climate-neutral by 2050 and places additional emphasis on flexibility as a key feature of the energy system, essential for the further development of zero-emission technologies. The mission of the PGE Capital Group is based on ensuring security of energy supply through flexible sources, smart grid infrastructure and energy storage. The vision of the PGE Group is to be the leader in modern energy, flexibility, distribution and district heating. This means not only the development of new technologies but also the ability to integrate them in a way that benefits customers and the entire power system.

One of the objectives is to comprehensively modernise existing district heating assets based on low- and zero-carbon technologies and to support the flexibility of the electricity system to enable the potential of renewable sources to be exploited. The transformation of generation capacities through the use of new low- or zero-carbon power generation units is planned for the period until 2030 and the achievement of climate neutrality by 2050.

Accordingly, the District Heating segment is gradually replacing coal-fired sources with new renewable and low-carbon sources. It is planned that by 2030, most of the locations where PGE Capital Group's coal-fired district heating assets are present will have commissioned new installations, which will result in a complete or significant shift away from the coal fuel. To generate heat in new and upgraded heating facilities, the following will be used: natural gas (cogeneration units and water boilers), geothermal energy, biomass, and power-to-heat technologies (electrode boilers and large-scale heat pumps utilising waste heat and ambient energy). The assumptions of the Decarbonisation Plan were taken into account when estimating the value in use of assets in the District Heating segment. In total, the PGE Group plans to allocate approx. PLN 18 billion to investments in this segment by 2035, of which PLN 15 billion for investments in new production installations and asset maintenance, and the remaining PLN 3 billion for potential acquisitions of district heating networks and their subsequent modernisation, in particular in cooperation with local governments.

New investments and the replacement of coal with gas cogeneration, RES and power-to-heat, together with improving the energy efficiency of networks, will make it possible to reduce CO<sub>2</sub> emissions in this segment by 60% compared with 2021 and to reduce network losses by 3 percentage points.

Significant changes in the regulatory environment, both domestic and foreign, that affect or will affect PGE Capital Group's operations are described in note 4.5. Regulatory environment in the Management Board's Report on the activities of the PGE Capital Group for 2025 ended December 31, 2025.

The changes described above mean that a reduction in the volume of production from conventional sources is anticipated, with a consequent reduction in capital expenditure (CAPEX) and operating expenditure (OPEX) on maintenance tasks of coal assets, which further affects the anticipated decline in profitability through the gradual deterioration of the availability of these units. At the same time, the aforementioned legislative and market changes favour the development of zero- and low-carbon sources. It should also be borne in mind that fossil fuel-based generation facilities, in the face of the uncertainty of RES generation (driven by environmental factors: water, wind, solar), are still needed in the electricity system to balance it.

Given these factors, climate-related issues have a direct and greatest impact on the Coal Energy and District Heating segments. In turn, as they affect the overall shape of the energy market, these issues also have an impact on the PGE Group's other generation assets.

Climate issues are included in the assumptions used for impairment testing to the best of the Group's knowledge, with the support of an external independent Adviser. The PGE Capital Group adopts assumptions developed by an independent think tank that take into account the current regulatory and market situation. Future developments in the electricity market may differ from the currently adopted assumptions, which may lead to significant changes in the financial position and results of the PGE Group. Such changes will be recognised in future financial statements.

## 3.2 Coal Energy segment

### **Impairment tests for property, plant and equipment carried out in the first half of 2025**

As part of the reporting procedures at the end of the first half of 2025, the Group analysed indications and identified factors that could have materially contributed to a change in the value of the assets held, including:

- updating of market assumptions used in the process of impairment testing of assets,
- the decline observed in 2025 in market margins on the sale of electricity on the forward market from conventional generation assets,
- updating of the PGE Capital Group's WACC assumed for the purposes of impairment testing of property, plant and equipment,
- changes in the estimated revenues from supplementary capacity market auctions (auctions conducted in connection with the amendment to the Capacity Market Act adopted by the Sejm on January 9, 2025).

As a result of the analysis of indications, the Group carried out impairment tests for assets in relation to cash-generating units by determining their recoverable amount. The recoverable amount of the assets analysed was determined on the basis of an estimate of their value in use using the discounted net cash flow method based on financial projections prepared for the period from June 2025 until the end of their useful lives. The adoption of a forecast period covering a timespan longer than five years is, in the Group's opinion, justified in order to reliably estimate the recoverable amount due to the significant and long-term impact of the estimated changes in the regulatory environment. The electricity market is undergoing and will in the coming years undergo very significant transformations, in particular as regards the generation structure. The PGE Capital Group estimates that the share of generation from renewable and low-carbon sources will increase, and the share of energy generation from coal sources will decrease. In addition to the impact on the volumes of energy generated by individual generation sources, these changes will also have a direct impact on electricity prices and variable generation costs (including prices of raw materials and EUAs) in the future. The assets of the Coal Energy segment also have a finite lifetime. Consequently, in the Group's opinion, adopting 5-year or shorter projections would not reliably reflect the cash flows generated by the analysed generation assets.

### **Specific assumptions relating to the segment**

The key assumptions determining the assessed value in use of the tested CGUs include the following:

- recognition as a single CGU due to the generated total cash inflows, respectively:

- the Bełchatów Lignite Mine Branch and the Bełchatów Power Plant Branch ('Bełchatów Complex'),
- the Turów Lignite Mine Branch and the Turów Power Plant Branch ('Turów Complex').
- recognising the Opole Power Plant, the Rybnik Power Plant and the Dolna Odra Power Plant as three separate CGUs.
- taking into account labour cost optimisation resulting, among other things, from the currently implemented employment initiatives,
- maintenance of production capacity through reinvestment projects of a replacement nature,
- adopting a weighted average after-tax cost of capital differentiated for individual CGUs, according to the individually assessed level of risk and varying over time:
  - for 2025–2026 at an average annual level for each CGU of between 8.48% and 10.19%,
  - for 2027–2039 at an average annual level for each CGU of between 6.16% and 9.04%,
  - for 2040 and subsequent years at an average annual level for each CGU of 7.54%.

In the impairment tests of assets at the end of 2024, the post-tax weighted average cost of capital was as follows:

- for 2025–2026 at an average annual level for each CGU of between 7.60% and 9.48%,
- for 2027–2039 at an average annual level for each CGU of between 6.37% and 7.94%,
- for 2040 and subsequent years at an average annual level for each CGU of 7.42%.

Based on the tests, it was concluded that impairment write-downs on assets should be recognised in the total amount of PLN 8,650 million.

The value of write-downs as at June 30, 2025 is presented in the table below:

	Tested value	Identified impairment	Value after write-down
Bełchatów Complex	1,878	(1,878)	-
Turów Complex	1,822	(1,822)	-
Opole Power Plant	8,998	(4,950)	4,048
Dolna Odra Power Plant	-	-	-
Rybnik Power Plant	-	-	-
<b>TOTAL</b>	<b>12,698</b>	<b>(8,650)</b>	<b>4,048</b>

For CGUs that were fully impaired in previous reporting periods (Dolna Odra Power Plant, Rybnik Power Plant), the impairment tests confirmed the validity of the full write-down of property, plant and equipment established in previous reporting periods. In these branches, the Group additionally recognised impairment write-downs in the first half of 2025 in connection with capital expenditures incurred, amounting to PLN 26 million.

### Sensitivity analysis

No goodwill is allocated to the assets of the Conventional Generation segment, therefore the Group is not obliged to present a detailed sensitivity analysis in accordance with IAS 36. Nevertheless, due to the significant value of the recognised write-downs, the Group presents the sensitivity of the change in the value in use of the Bełchatów Complex, the Turów Complex and the Opole Power Plant to changes in the assumptions of key parameters.

Parameter	Change in assumptions	Impact on value in use in PLN million	
		Increase	Decrease
Change in electricity price over the forecast period	+1%	911	-
	-1%	-	858
Change in WACC	+0.5 p.p.	1,266	-
	- 0.5 p.p.	-	1,345
Change in the price of CO <sub>2</sub> emission allowances	+1%	-	567
	-1%	625	-
Change in the price of hard coal	+5%	-	352
	-5%	350	-

### Analysis of indications in the second half of 2025

The analysis of indications confirmed the continued validity of the long-term market assumptions adopted in the testing process in the first half of 2025 with regard to electricity generation volumes of individual generation assets, electricity prices, CO<sub>2</sub> emission allowance prices, hard coal prices and WACC. The identified adjustments do not have a material impact on the value of the analysed assets.

Therefore, in the opinion of the PGE CG, as at December 31, 2025, there are no indications to perform impairment tests for generation assets of the Coal Energy segment.

## 3.3 Railway Energy Services segment

### Impairment tests for property, plant and equipment carried out in the first half of 2025

As part of the reporting procedures at the end of the first half of 2025, the Group analysed indications and identified factors that could have materially contributed to a change in the value of the assets held. The Group carried out impairment tests for property, plant and equipment due to the update of macroeconomic and market assumptions, as well as due to the allocated goodwill and assets with an indefinite economic lifetime.

#### Specific assumptions

The key assumptions determining the assessed value in use of the tested assets include the following:

- due to the number of interdependencies connected with the ability to generate cash flows, the Railway Energy Services segment was recognised as a single CGU. The single CGU combines trading and distribution activities.
- adoption of forecasts of volumes, margins and costs based on the current Financial Plan of the Railway Energy Services segment, actual performance, and other long-term forecasts, assuming in particular:
  - maintaining a stable level in the distribution of traction energy volumes,
  - maintaining profitability in the trading of traction energy,
  - development of the Fuels Branch, in line with the Fuels Division strategy,
  - long-term maintenance of profitability of contracts concluded by the Services Division,
- adoption of a post-tax adjusted weighted average cost of capital (WACC) differentiated over time:
  - for the Distribution Division – 7.14% for the entire period,
  - for the remaining Divisions – for the period from June 2025 to 2031 at an average annual level of 7.81%, after 2031 at a level of 6.45%.

In the impairment tests of assets at the end of 2024, the post-tax weighted average cost of capital was as follows:

- for the Distribution Division – 6.05% for the entire forecast period,
- for the remaining Divisions – for 2025-2030 at an average annual level of 7.06%, after 2030 at a level of 6.42%.

As at May 31, 2025, the tested carrying amount of property, plant and equipment of the Railway Energy Services segment amounted to PLN 6.958 million, customer relationship assets amounted to PLN 471 million, and goodwill amounted to PLN 345 million. As a result of the test, the Group identified an excess of the value in use over the value of the tested assets in the amount of approximately PLN 1.6 billion. Accordingly, the Group concluded that there was no need to recognise impairment write-downs.

#### Sensitivity analysis

In accordance with IAS 36 Impairment of Assets, the Group carried out a sensitivity analysis for the Railway Energy Services segment. Due to a significant excess of the value in use over the carrying amount, in the Group's assessment there is no risk of recognising a write-down as a result of a reasonable change in key valuation parameters. The results generated by the segment to a large extent arise from the tariffs approved by the President of the Energy Regulatory Office and, in accordance with the regulations, ensure cost recovery within the tariff.

#### Analysis of indications of impairment in the second half of 2025

The analysis of indications for the Railway Energy Services segment confirmed that the financial plan, particularly in terms of EBITDA, margins and revenues, is being performed above the assumptions. Electricity sales volumes as well as unit and total margins exceed the plan assumptions, and the level of portfolio contracting for 2026 confirms the stability of forecasted cash flows. The volume and revenue from electricity distribution for 12 months of 2025 are in line with the plan. Electricity price forecasts do not adversely affect the assumed margins on electricity sales. In addition, in December 2025 a distribution tariff for 2026 was approved, ensuring cost coverage and a return on capital consistent with the WACC methodology. The Railway Energy Services segment generates stable cash flows.

Consequently, the PGE Capital Group concludes that there are no indications to perform impairment tests for property, plant and equipment of the Railway Energy Services segment as at December 31, 2025.

## 3.4 Renewables segment

Property, plant and equipment represent the most significant asset category within the Renewables segment. Due to a dynamic macroeconomic, market and regulatory environment, the PGE Capital Group periodically assesses indications that may suggest an impairment of the recoverable amount of property, plant and equipment. The Group, in assessing the market situation, uses both its own analytical tools and the support of external think tanks.

### Impairment tests for property, plant and equipment carried out in the first half of 2025

As part of the reporting procedures at the end of the first half of 2025, the Group analysed indications and identified factors that could have materially contributed to a change in the value of the assets held. As a result of the analysis of indications, the Group carried out impairment tests for property, plant and equipment mainly due to the update of macroeconomic and market assumptions adopted for the process.

Impairment tests for property, plant and equipment were carried out in relation to cash-generating units by determining their recoverable amount. The recoverable amount of the assets analysed was determined on the basis of an estimate of their value in use using the discounted net cash flow method, based on financial projections prepared for the expected useful life of a given CGU in the case of wind farms and photovoltaic farms, or for the period 2025–2035 in the case of other CGUs. The adoption of a forecast period covering a timespan longer than five years is, in the Group's opinion, justified in order to reliably estimate the recoverable amount due to the significant and long-term impact of the estimated changes in the regulatory environment. The electricity market is undergoing and – in the coming years – will undergo very significant transformations, in particular as regards the generation structure. The PGE Capital Group estimates that the share of generation from renewable and low-carbon sources will increase, and the share of energy generation from coal sources will decrease. In addition to the impact on the volumes of energy generated by individual generation sources, these changes will also have a direct impact on electricity prices in the future. Consequently, in the Group's opinion, adopting 5-year or shorter projections would not reliably reflect the cash flows generated by the analysed generation assets. For those CGUs whose expected economic useful life extends beyond 2035, a residual value was determined after the detailed forecast period.

The total tested carrying amount of property, plant and equipment of the Renewables segment amounted to PLN 5,034 million, of which the tested carrying amount of property, plant and equipment as at May 31, 2025 was PLN 4,735 million and the tested carrying amount of property, plant and equipment under construction as at June 30, 2025 was PLN 299 million. As a result of the impairment test, the Group concluded that impairment write-downs of these assets should be recognised in the total amount of PLN 402 million, as presented in the table below.

	Tested value	Identified impairment	Value after write-down
Wind farms	620	(65)	555
Photovoltaic power plants	1,078	(337)	741
<b>TOTAL</b>	<b>1,698</b>	<b>(402)</b>	<b>1,296</b>

The table above includes the assets for which impairment was identified.

### Analysis of indications and impairment tests in the second half of 2025

The Group carried out an analysis of circumstances and identified factors that could have materially contributed to changes in the value of assets held:

- change in price profiles for wind and photovoltaic farms,
- lower forecasted level of prices for energy origin rights,
- lower forecasted volume of generation and sale of electricity in the case of wind farms,
- change in the levels of modernisation and replacement capital expenditure in the case of wind farms.

As a result of the above-mentioned indications, the Group carried out impairment tests for assets as at December 31, 2025 in relation to cash-generating units by determining their recoverable amount. The recoverable amount of the analysed assets was determined in an analogous manner as in the first half of 2025, as described above.

### Specific assumptions adopted in the first and second half of 2025

The key assumptions determining the assessed value in use of the tested CGUs include the following:

- recognition as a CGU, respectively:
  - all pumped-storage power plants combined,
  - all run-of-river hydro power plants combined,
  - individual wind farms,
  - individual photovoltaic power plants,
- electricity and energy origin rights generation assumed on the basis of historical data, taking into account the availability of individual units,
- availability of units estimated on the basis of maintenance plans, taking into account failure rates,
- in the tests as at December 31, 2025, for pumped-storage power plants, the market mechanism for contracting regulatory services was taken into account, with revenues throughout the period estimated on the basis of PGE CG's internal analyses, In the tests in the first half of 2025, revenues in the first 5 years were estimated on the basis of the internal analyses of the PGE CG, and in the long term on the basis of a study by an external expert,
- maintenance of production capacity through reinvestment projects of a replacement nature,
- the adoption of a weighted average cost of capital after tax ranging from 6.05% to 9.48%, taking into account the individually assessed level of risk associated with participation in support schemes during their term (green certificates, auctions) and the premium for volume and price guarantees. In the impairment tests for property, plant and equipment for the period ended December 31, 2024, for the forecast period from 2026, a post-tax weighted average cost of capital ranging from 6.05% to 8.13% was adopted.

As at December 31, 2025, the tested carrying amount of property, plant and equipment of the Renewables segment amounted to PLN 5,411 million.

	Tested value as at December 31, 2025	Value of write-down/reversal	Value after write-down/reversal
Pumped-storage power plants	778	-	778
Run-of-river hydro power plants	521	-	521
Wind farms	3,236	(4)	3,232
Photovoltaic power plants	876	89	965
<b>TOTAL</b>	<b>5,411</b>	<b>85</b>	<b>5,496</b>

As a result of the test carried out as at December 31, 2025, the Group made a partial reversal of impairment write-downs on property, plant and equipment, in the amount of PLN 85 million.

The total value of impairment write-downs for assets according to the results of the tests as at May 31 and December 31, 2025 was PLN 317 million.

## 3.5 District Heating segment

Impairment tests for property, plant and equipment were carried out in the first half of 2025 due to the external indications presented in Note 3 to these financial statements and the allocated goodwill. As a result of the impairment test, the Group concluded that there was no need to recognise or reverse impairment write-downs on these assets and goodwill.

Impairment tests for property, plant and equipment were carried out as at December 31, 2025 due to the external indications presented in Note 3 to these financial statements, as well as due to the update of the Decarbonisation Plan. As at December 31, 2025, the tested book value of property, plant and equipment of the District Heating segment amounted to PLN 7,840 million, and the goodwill to PLN 192 million. As a result of the impairment test, the Group concluded that there was no need to recognise or reverse impairment write-downs on these assets and goodwill.

## 3.6 PGE Gryfino Dolna Odra sp. z o.o. and PGE Nowy Rybnik sp. z o.o.

### **Impairment tests for property, plant and equipment carried out in the first half of 2025**

Due to the existence of indications resulting from the update of market assumptions, impairment tests for assets were carried out in the first half of 2025, based on which it was concluded that there was no need to recognise write-downs.

### **Analysis of indications of impairment in the second half of 2025**

The analysis of indications for PGE Gryfino Dolna Odra sp. z o.o. and PGE Nowy Rybnik sp. z o.o. showed that the forecasts of prices of electricity, gas and CO<sub>2</sub> emission allowances available to the PGE CG provide for favourable margin forecasts for gas-fired units in the National Power System. Maintaining long-term forecasts of gas-fired units' margins at a satisfactory level and a stable level of revenue from the capacity market generates a high value in use of the individual assets undergoing tests.

Therefore, the PGE Capital Group concludes that there are no indications to perform impairment tests for generation assets as at December 31, 2025.

## 3.7 Offshore Wind Energy

As at December 31, 2025, the PGE Capital Group analysed indications to verify whether an impairment of assets in the companies EWB1, EWB2 and EWB3 could have occurred.

The EWB1 project is at the development stage and as part of it, tasks necessary to reach subsequent phases of preparation for the implementation of construction and operation are undertaken. The project is in line with Poland's energy policy and the strategy of the PGE Capital Group. The PGE Capital Group does not identify any indications to perform tests.

### **Impairment tests for EWB2 and EWB3 assets**

Impairment tests were carried out on assets EWB2 and EWB3 because goodwill had been allocated to these projects. Total goodwill amounts to PLN 81 million, of which PLN 36 million is attributable to EWB2 and PLN 45 million – to EWB3. The tests were performed by determining the recoverable amount of the assets. The recoverable amount of the assets under analysis was determined on the basis of an estimate of their value in use by the discounted net cash flow method based on financial projections prepared for the expected useful life of a given CGU. The CGU was defined as the EWB2 project implemented by PGE Baltica 6 sp. z o.o. and the EWB3 project implemented by PGE Baltica 5 sp. z o.o., including the Companies' 50% share in the joint operation with the Ørsted group.

The EWB2 project is in the construction phase, whereas the EWB3 project is in the development phase.

As a result of the impairment test, the Group concluded that there was no need to recognise impairment write-downs on these assets.

## 3.8 Property, plant and equipment of the Distribution segment

As at the reporting date, the book value of property, plant and equipment related to the distribution business amounts to approximately PLN 29 billion, accounting for approximately 43% of the total consolidated property, plant and equipment of the PGE Capital Group. Their recoverable amount depends mainly on the tariff approved by the President of the Energy Regulatory Office. The regulated (tariff-based) revenue, which is determined on an annual basis, ensures that justified costs are covered: operating costs, depreciation and amortisation, taxes, energy purchase to cover the balance difference, transferred costs, and the achievement of a reasonable return on the capital involved in distribution activities. The level of return on capital and depreciation/amortisation depend on the Regulatory Asset Base.

As at the date of these consolidated financial statements, the PGE Capital Group did not identify any evidence of impairment of property, plant and equipment allocated to distribution activities.

The environment in which the PGE Capital Group operates is characterised by high volatility and depends on macroeconomic, market and regulatory conditions, and any changes in this respect may have a material impact on the financial position and financial results of the PGE Group. The assumptions adopted to estimate the value in use of the assets are subject to periodic analysis and verification. Any changes will be reflected in future financial statements.

## 4. Selected significant accounting policies

The financial statements have been prepared on the historical cost basis, except for financial instruments and coal inventory used in trading activities, which are measured at fair value.

These consolidated financial statements of the PGE CG have been drawn up on the basis of the financial statements of the parent company and the financial statements of its subsidiaries, associates, and jointly controlled entities. Financial statements of consolidated entities are drawn up for the same reporting period, based on uniform accounting principles.

All balances of receivables, revenues, and expense arising between the Group's entities, as well as unrealised intra-group profits, are fully eliminated.

Subsidiaries are consolidated from the date the Group gains control over them and are no longer consolidated from the date such control ceases. The parent entity is deemed to exercise control if it directly or indirectly, through its subsidiaries, holds more than half of the voting rights in a given company, unless it can be demonstrated that such ownership does not constitute control. Control is also deemed to exist when the Company, by virtue of its involvement with another entity, has rights to variable financial results and the ability to influence those results by exercising authority over that entity. Such authority may also exist even if the parent entity does not hold the majority of voting rights.

### **Recognition of the formation of PGE Capital Group and subsequent internal transformations in the consolidated financial statements**

The acquisition and merger of entities are generally governed by IFRS 3 *Business Combinations*. However, this standard excludes transactions between entities under common control. The entities forming the PGE Group were, at the time of their combination, under the control of the State Treasury. Therefore, the transaction was, in the Company's view, a transaction under common control and thus excluded from the scope of IFRS 3.

Combinations of entities under common control were accounted for using the pooling of interests method. Consequently, the consolidated financial statements reflect the continuity of common control and do not reflect changes in the fair value of net assets (or recognition of new assets), or measurement of goodwill.

Subsequent combinations within the PGE Group were also presented as transactions under common control and thus recognised within Group's equity, without affecting the goodwill.

Acquisitions of companies from unrelated parties are accounted for using the acquisition method in accordance with IFRS 3.

### **Joint arrangements and joint control**

The existing interest in a joint venture (contractual arrangements granting rights to net assets) is recognised as investments and accounted for using the equity method.

In the case of joint operations, each partner recognises its share of assets, liabilities, revenues, and expenses.

Joint control refers to a contractually agreed sharing of control of an arrangement, which exists only when decisions about relevant activities require unanimous consent of the controlling parties.

### **Investments in associates**

Associates are entities over which the parent has significant influence, either directly or through subsidiaries, but does not have control or joint control over them. Investments in associates are accounted for using the equity method.

## Fair value measurement of acquired assets and liabilities, goodwill recognition

In accordance with IFRS 3 *Business Combinations*, the PGE Capital Group identifies and measures acquired assets, liabilities, and goodwill or gain from a bargain purchase. Measurement is based on a number of significant assumptions, including: the chosen measurement method, management's plans for the use of the acquired assets, financial forecasts (including price paths for key revenue and expense components), regulatory changes, etc. The acquisition price (including any contingent consideration) also affects the accounting for the transaction. These assumptions may significantly impact the fair value measurement of acquired assets and liabilities and the determination of goodwill or gain on a bargain purchase. Goodwill is tested for impairment together with relevant cash-generating units.

## Translation of foreign currency items

Foreign currency transactions are translated into Polish zlotys using the exchange rate applicable on the transaction date. As at the reporting date:

- cash items are translated using the NBP closing rate (simplified method),
- non-cash items measured at historical cost in foreign currency are translated at the rate applicable on the original transaction date,
- non-cash items measured at fair value in foreign currency are translated at the rate applicable on the date fair value is determined.

Exchange differences arising from translation are recognised in profit or loss, or, in certain cases specified in the accounting policy, in assets.

Exchange differences on non-cash items such as equity instruments measured at fair value through profit or loss are recognised as part of fair value changes. Exchange differences on non-cash items such as equity instruments are recognised in other comprehensive income. Exchange differences arising from the conversion of assets and liabilities of foreign entities with a functional currency different from the parent entity's functional currency are recognised in other comprehensive income and accumulated in a separate equity item: "Foreign exchange differences".

# 5. Change in accounting policies, presentation of data and correction of errors

## New standards and interpretations effective as of January 1, 2025

The accounting principles used in drawing up these financial statements are consistent with those followed in the preparation of the separate financial statements for the year 2024, with the exceptions presented below. The changes to the IFRSs referred to below were applied in these financial statements as of their respective effective dates. The following changes did not have a material impact on the presented and disclosed financial information:

- Amendments to IAS 21 – the changes relate to the effects of changes in foreign currency exchange rates – lack of convertibility

The Group has not elected to early adopt any of the standards, interpretations or changes that have been published but are not yet effective in accordance with the European Union regulations.

## Change in presentation of comparative figures

In the presented consolidated financial statements, the comparative data was amended in relation to the data published for that period.

The change resulted from the adjustment of other operating income and expenses as well as financial income and expenses, which in the previously published financial statements had been offset and presented on a net basis.

As a result of verifying the method applied to calculate the provision for onerous contracts, PGE GiEK S.A. recognised an opening balance adjustment as at January 1, 2024. In earlier periods, when assessing the need to establish a provision, contract results were taken into account on an aggregated basis. Consequently, as at January 1, 2024, a provision for onerous contracts in the amount of PLN 465 million was recognised in these consolidated financial statements. The provision established on January 1, 2024 was reversed during 2024, which improved the financial result for 2024 by PLN 465 million.

As a result of the verification, an amount of PLN 30 million, originally treated as advances for PPE, was reclassified from other non-current assets to property, plant and equipment under construction.

In addition, the presentation of provisions for onerous contracts in the consolidated statement of comprehensive income was changed. In previous periods, the effects of recognising or releasing such provisions were presented in other operating activities. Due to the nature of these provisions, the Group decided to disclose them in the cost of sales.

The impact of the restatement is presented in the tables below.

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended December 31, 2024 <i>published data</i>	Change in presentation – gross basis	Change concerning the recognition of provisions for onerous contracts	Year ended December 31, 2024 <i>restated data*</i>
<b>SALES REVENUE</b>	<b>64,483</b>	-	-	<b>64,483</b>
Cost of goods sold	(63,165)	-	1,179	(61,986)
<b>GROSS PROFIT ON SALES</b>	<b>1,318</b>	-	<b>1,179</b>	<b>2,497</b>
Distribution and selling expenses	(928)	-	-	(928)
General and administrative expenses	(1,943)	-	-	(1,943)
Other net operating income/(expenses)	1,488	(1,488)	-	-
Other operating income	-	2,246	(834)	1,412
Other operating expenses	-	(758)	120	(638)
<b>OPERATING PROFIT/(LOSS)</b>	<b>(65)</b>	-	<b>465</b>	<b>400</b>
Net finance income/(expenses), of which:	(628)	628	-	-
<i>Interest income calculated using the effective interest rate method*</i>	520	43	-	563
Finance income	-	914	-	914
Finance expenses	-	(1,542)	-	(1,542)
Share in (loss) of entities accounted for using the equity method	(79)	-	-	(79)
<b>PROFIT/(LOSS) BEFORE TAX</b>	<b>(772)</b>	-	<b>465</b>	<b>(307)</b>
<b>NET PROFIT/(LOSS) FOR THE REPORTING PERIOD</b>	<b>(3,088)</b>	-	<b>465</b>	<b>(2,623)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(2,360)</b>	-	<b>465</b>	<b>(1,895)</b>
<b>NET PROFIT/(LOSS) ATTRIBUTABLE TO:</b> shareholders of the parent company	<b>(3,163)</b>	-	<b>465</b>	<b>(2,698)</b>
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b> shareholders of the parent company	<b>(2,434)</b>	-	<b>465</b>	<b>(1,969)</b>
<b>NET (LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY (IN PLN)</b>	<b>(1.41)</b>	-	<b>0.21</b>	<b>(1.20)</b>
<b>DILUTED NET (LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY (IN PLN)</b>	<b>(1.41)</b>	-	<b>0.21</b>	<b>(1.20)</b>

\*The restatement takes into account the netting of interest accrued on the Autostrada Wielkopolska S.A. bonds and the related impairment write-down.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at December 31, 2024 <i>published data</i>	Reclassification of advances	As at December 31, 2024 <i>restated data</i>
Property, plant and equipment	66,941	30	66,971
Other non-current assets	1,244	(30)	1,214
<b>NON-CURRENT ASSETS</b>	<b>76,302</b>	<b>-</b>	<b>76,302</b>

	As at JANUARY 1, 2024 <i>published data</i>	Change concerning the recognition of provisions for onerous contracts	As at JANUARY 1, 2024 <i>restated data</i>
<b>TOTAL ASSETS</b>	<b>113,443</b>	<b>-</b>	<b>113,443</b>
Retained earnings	640	(465)	175
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY</b>	<b>46,874</b>	<b>(465)</b>	<b>46,409</b>
<b>TOTAL EQUITY</b>	<b>47,855</b>	<b>(465)</b>	<b>47,390</b>
<b>NON-CURRENT LIABILITIES</b>	<b>23,378</b>	<b>-</b>	<b>23,378</b>
Current provisions	23,263	465	23,728
<b>CURRENT LIABILITIES</b>	<b>42,210</b>	<b>465</b>	<b>42,675</b>
<b>TOTAL LIABILITIES</b>	<b>65,588</b>	<b>465</b>	<b>66,053</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>113,443</b>	<b>-</b>	<b>113,443</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended December 31, 2024 <i>published data</i>	Change concerning the recognition of provisions for onerous contracts	Year ended December 31, 2024 <i>restated data</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Gross loss	(772)	465	(307)
<b>Adjustments for items</b>			
Change in provisions	(5,048)	(465)	(5,513)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>10,806</b>	<b>-</b>	<b>10,806</b>

In addition, the PGE CG included the Circular Economy segment, whose assets and results in previous periods were recognised and analysed as part of a separately reported segment, in the Other Activities segment. Comparative data in Notes 6.1 and 7.1 has been restated accordingly.

## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### EXPLANATORY NOTES TO THE BUSINESS SEGMENTS

#### 6. Information on the business segments

##### **SIGNIFICANT ACCOUNTING PRINCIPLES**

###### Business segments

A business segment is a component of the Group:

- that engages in activities from which it may earn revenues and incur expenses (including revenues and expenses arising from transactions with other components of the same entity),
- whose operating results are regularly reviewed by the parent company's management responsible for making operational decisions within the Group, and which uses these results when deciding on the allocation of resources to the segment and when assessing the segment's operating performance,
- has separate financial information available.

Segment revenues include those earned from sales to external customers or from transactions with other segments of the PGE CG. These are reported in the Group's profit and loss account and can be directly attributed to the segment in question along with an appropriate share of revenues that can reasonably be allocated to it.

Segment expenses comprise costs related to sales to external customers and costs from transactions with other Group segments that result from the segment's operational activities. These costs can be directly assigned to the segment together with the relevant portion of the business entity's expenses that can reasonably be allocated to the segment.

Segment result is the difference between the segment's revenues and expenses.

Segment assets are operating assets used by the segment in its operational activities, either directly attributable to that segment or reasonably allocable to it.

Segment liabilities are operating liabilities arising from the segment's business activities, either directly attributable to that segment or reasonably allocable to it.

The segment's assets and liabilities do not include income tax settlements.

These include, for example, trade payables, other liabilities, accrued expenses, customer advances, and provisions for complaints relating to the delivered goods and services.

Except for mostly financial segments, they do not include loans or similar financial liabilities.

The companies of the PGE Capital Group operate based on various concessions, primarily for electricity generation, trading and distribution, heat generation, transmission and distribution, and lignite mining. These concessions are granted by the President of the Energy Regulatory Office or, in the case of mining, by the Minister of the Environment. Concession durations typically range from 10 to 50 years, with key concessions in the PGE Capital Group expiring between 2025 and 2043.

The concessions for coal mining, electricity and heat generation, and electricity and heat distribution are assigned the corresponding assets, which are presented in the detailed information on the Business segments. In connection with the electricity and heat concessions, annual fees depending on the level of turnover are incurred. For concessionary lignite mining, mining fees are incurred depending on the applicable rate and the mining volume, as well as usufruct fees. In 2025, the PGE Capital Group's concession costs amounted to approximately PLN 23 million (PLN 23 million in 2024), while costs of exploitation and mining usufruct fees in mines amounted to PLN 137 million in 2025 (PLN 140 million in 2024).

The PGE CG reports segment information for both the current and comparative periods in accordance with IFRS 8 *Operating Segments*. The Group's reporting breakdown is based on business segments:

- Renewables – generation of electricity in pumped-storage power plants and from renewable sources. In addition, the segment includes companies engaged in the construction of electricity storage facilities.
- Gas-fired Generation – electricity generation from gas-fired units.
- Coal Energy (formerly Conventional Generation) – includes lignite mining and electricity generation from conventional sources, plus auxiliary operations.
- District Heating – combined heat and power (CHP) generation and heat transmission and distribution.
- Distribution – the management of local distribution networks and the transmission of electricity over them.
- Railway Energy Services mainly include the distribution and sales of electricity to railway companies and railway-related customers, sales of fuels, maintenance and upgrading of overhead lines, and other electricity-related services.
- Supply – electricity and gas trading on wholesale markets, CO<sub>2</sub> emission rights trading, trading in energy origin rights arising from certificates of origin, and the purchase and supply of fuels as well as the sales of electricity and services to end-users.
- Other Activities – services provided to the Group by its subsidiaries, e.g. arrangement of financing, provision of IT and transport services, and investments in start-ups. The companies operating in this segment also provide comprehensive management services for combustion by-products, auxiliary services for electricity and heat producers, and supply materials.

The Group's organisational structure and management are based on this segment division, taking into account the type of products and services offered by them. Each segment constitutes a strategic business unit offering, as a rule, different products and serving different markets. The different units are allocated to the business segments as described in Note 1.3 of these consolidated financial statements. Inter-segment transactions are accounted for by the PGE CG as if they were with unrelated parties (i.e., at arm's length). When analysing the results of individual business segments, the Group's management uses EBITDA as a measure to assess their profitability.

In 2025, the PGE CG included the Circular Economy segment, whose assets and results in previous periods were recognised and analysed as part of a separately reported segment, into the Other Activities segment. Comparative data has been restated accordingly.

### **Seasonality of business segments**

Electricity and heat demand is affected mainly by:

- Weather – temperature, wind, rainfall,
- Socioeconomic factors – energy consumer base, prices of energy carriers, economic growth, GDP, and
- Technology – advancements and production methods.

Each of these factors influences technical and economic conditions of energy production and energy carrier distribution, thereby affecting the PGE Capital Group's financial results.

The level of electricity sales throughout the year varies and depends mainly on environmental factors such as air temperature and the length of the day. The increase in electricity demand is particularly noticeable during winter, while lower demand is observed in summer. Seasonal variation is also pronounced differently in the case of certain end-user groups – More among households than in the industrial sector.

In the Renewables segment, electricity generation depends on natural resources like water, wind, and solar radiation. Weather conditions are a significant factor influencing electricity production in this segment.

Heat sales are closely tied to ambient temperatures – it is higher in winter and lower in summer.

## 6.1 Information on the business segments

### Information on the business segments for 2025

	Renewables	Gas-fired Generation	Coal Energy	District Heating	Distribution	Railway Energy Services	Supply	Other activities	Adjustments and consolidation eliminations	Total
<b>STATEMENT OF COMPREHENSIVE INCOME</b>										
Sales to external customers	2,083	405	12,343	6,198	10,964	5,288	23,836	308	9	61,434
Inter-segment sales	694	4,823	14,387	3,964	485	46	21,738	762	(46,899)	-
<b>TOTAL SEGMENT SALES</b>	<b>2,777</b>	<b>5,228</b>	<b>26,730</b>	<b>10,162</b>	<b>11,449</b>	<b>5,334</b>	<b>45,574</b>	<b>1,070</b>	<b>(46,890)</b>	<b>61,434</b>
Cost of goods sold	(1,731)	(4,878)	(35,344)	(8,193)	(7,450)	(4,039)	(42,708)	(818)	45,347	(59,814)
<b>EBIT</b>	<b>796</b>	<b>196</b>	<b>(10,074)</b>	<b>1,348</b>	<b>3,757</b>	<b>623</b>	<b>776</b>	<b>120</b>	<b>(2)</b>	<b>(2,460)</b>
Amortisation, liquidation recognised in profit or loss	406	239	473	821	1,545	453	39	77	(34)	4,019
Impairment write-downs recognised in profit or loss	481	-	9,374	66	-	4	-	-	(57)	9,868
<b>EBITDA</b>	<b>1,683</b>	<b>435</b>	<b>(227)</b>	<b>2,235</b>	<b>5,302</b>	<b>1,080</b>	<b>815</b>	<b>197</b>	<b>(93)</b>	<b>11,427</b>
<b>GROSS LOSS</b>	-	-	-	-	-	-	-	-	-	<b>(3,244)</b>
Income tax	-	-	-	-	-	-	-	-	-	(150)
<b>NET LOSS</b>	-	-	-	-	-	-	-	-	-	<b>(3,394)</b>
<b>ASSETS AND LIABILITIES</b>										
Segment assets without PPE, IA, RTUA and trade receivables	1,603	194	10,248	745	126	225	1,331	166	(1,656)	12,982
PPE, IA, RTUA	10,501	7,325	4,528	9,231	29,459	7,711	324	616	(894)	68,801
Trade receivables	263	482	1,794	1,515	1,742	709	7,043	143	(7,358)	6,333
Shares accounted for using the equity method	-	-	-	-	-	-	-	-	-	402
Unallocated assets	-	-	-	-	-	-	-	-	-	16,850
<b>TOTAL ASSETS</b>	-	-	-	-	-	-	-	-	-	<b>105,368</b>
Segment payables excluding trade payables	1,334	674	25,073	2,911	6,745	1,097	5,264	304	(3,573)	39,829
Trade payables	124	452	1,104	1,994	717	2,158	5,503	114	(7,379)	4,787
Unallocated liabilities	-	-	-	-	-	-	-	-	-	17,767
<b>TOTAL LIABILITIES</b>	-	-	-	-	-	-	-	-	-	<b>62,383</b>
<b>OTHER INFORMATION ON THE SEGMENT</b>										
<b>Capital expenditure / RTUA increases</b>	<b>3,151</b>	<b>1,499</b>	<b>754</b>	<b>1,201</b>	<b>4,091</b>	<b>524</b>	<b>13</b>	<b>225</b>	<b>(341)</b>	<b>11,117</b>
Impairment write-downs of financial and non-financial assets	486	-	9,534	93	29	7	12,187	-	(12,264)	10,072
Other non-cash expenses*	61	517	15,263	2,514	214	397	1,707	39	(420)	20,292

\*Non-cash changes relate to provisions for e.g. rehabilitation, CO<sub>2</sub> emission allowances, jubilee rewards, employee tariff, and non-financial employee benefit obligations recognised in profit or loss and other comprehensive income.

## Information on the business segments for 2024

<i>restated data*</i>	Renewables	Gas-Fired Generation	Coal Energy	District Heating	Distribution	Railway Energy Services	Supply	Other activities	Adjustments and consolidation eliminations	Total
<b>STATEMENT OF COMPREHENSIVE INCOME</b>										
Sales to external customers	1,573	1,098	16,786	5,746	10,710	5,255	23,047	265	3	64,483
Inter-segment sales	893	476	14,224	4,950	589	50	29,515	713	(51,410)	-
<b>TOTAL SEGMENT SALES</b>	<b>2,466</b>	<b>1,574</b>	<b>31,010</b>	<b>10,696</b>	<b>11,299</b>	<b>5,305</b>	<b>52,562</b>	<b>978</b>	<b>(51,407)</b>	<b>64,483</b>
Cost of goods sold	(1,306)	(1,429)	(37,186)	(9,549)	(7,857)	(4,166)	(49,304)	(743)	49,554	(61,986)
<b>EBIT</b>	<b>938</b>	<b>85</b>	<b>(6,923)</b>	<b>621</b>	<b>3,133</b>	<b>590</b>	<b>1,867</b>	<b>102</b>	<b>(13)</b>	<b>400</b>
Amortisation, liquidation recognised in profit or loss	402	61	1,366	744	1,440	448	37	62	(19)	4,541
Impairment write-downs recognised in profit or loss	-	-	7,583	140	-	35	-	2	(21)	7,739
<b>EBITDA</b>	<b>1,340</b>	<b>146</b>	<b>2,026</b>	<b>1,505</b>	<b>4,573</b>	<b>1,073</b>	<b>1,904</b>	<b>166</b>	<b>(53)</b>	<b>12,680</b>
<b>GROSS LOSS</b>	-	-	-	-	-	-	-	-	-	<b>(307)</b>
Income tax	-	-	-	-	-	-	-	-	-	(2,316)
<b>NET LOSS</b>	-	-	-	-	-	-	-	-	-	<b>(2,623)</b>
<b>ASSETS AND LIABILITIES</b>										
Segment assets without PPE, IA, RTUA and trade receivables	941	266	12,478	2,289	51	208	1,330	110	(1,452)	16,221
PPE, IA, RTUA	7,932	6,103	13,092	8,872	26,836	7,621	354	446	(454)	70,802
Trade receivables	224	121	1,809	1,541	1,747	690	9,216	158	(9,033)	6,473
Shares accounted for using the equity method	-	-	-	-	-	-	-	-	-	371
Unallocated assets	-	-	-	-	-	-	-	-	-	10,127
<b>TOTAL ASSETS</b>	-	-	-	-	-	-	-	-	-	<b>103,994</b>
Segment payables excluding trade payables	960	502	25,696	2,852	3,585	864	4,775	244	(2,969)	36,509
Trade payables	120	237	1,133	4,126	597	2,563	5,451	101	(9,127)	5,201
Unallocated liabilities	-	-	-	-	-	-	-	-	-	16,755
<b>TOTAL LIABILITIES</b>	-	-	-	-	-	-	-	-	-	<b>58,465</b>
<b>OTHER INFORMATION ON THE SEGMENT</b>										
<b>Capital expenditure / RTUA increases</b>	<b>1,678</b>	<b>2,462</b>	<b>1,031</b>	<b>1,406</b>	<b>3,841</b>	<b>498</b>	<b>34</b>	<b>161</b>	<b>(392)</b>	<b>10,719</b>
Impairment write-downs of financial and non-financial assets	-	-	7,869	165	22	160	74	23	(71)	8,242
Other non-cash expenses**	53	115	17,319	2,923	87	111	(243)	52	(297)	20,120

\*The restatement of comparative data is described in Note 5 to these consolidated financial statements.

\*\*Non-cash changes relate to provisions for e.g. rehabilitation, CO<sub>2</sub> emission allowances, jubilee rewards, employee tariff, and non-financial employee benefit obligations recognised in profit or loss and other comprehensive income.

## 6.2 Information on geographical areas

The geographical distribution of sales revenue for 2025 and 2024 is as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
<b>OPERATING INCOME</b>		
Domestic market	61,357	64,452
European Union Member States	77	31
<b>TOTAL SALE REVENUE</b>	<b>61,434</b>	<b>64,483</b>

The geographical distribution of tax expenses shown in the profit and loss account for 2025 and 2024 is as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
<b>TAX EXPENSES SHOWN IN THE PROFIT AND LOSS ACCOUNT</b>		
<b>Current income tax</b>	<b>1,663</b>	<b>1,449</b>
Domestic market	1,663	1,449
European Union Member States	-	-
<b>Deferred income tax</b>	<b>(1,513)</b>	<b>867</b>
Domestic market	(1,506)	863
European Union Member States	(7)	4
<b>TOTAL TAX EXPENSES SHOWN IN THE PROFIT AND LOSS ACCOUNT</b>	<b>150</b>	<b>2,316</b>

The geographical distribution of tax expenses shown in other comprehensive income for 2025 and 2024 is as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
<b>TAX EXPENSE RECOGNISED IN OTHER COMPREHENSIVE INCOME</b>		
Domestic market	134	172
European Union Member States	-	-
<b>TOTAL TAX EXPENSE RECOGNISED IN OTHER COMPREHENSIVE INCOME</b>	<b>134</b>	<b>172</b>

The geographical breakdown of non-current assets as at December 31, 2025 and December 31, 2024 is as follows:

	As at December 31, 2025	As at December 31, 2024
<b>NON-CURRENT ASSETS</b>		
Domestic market	75,699	76,302
European Union Member States	207	-
Other	39	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>75,945</b>	<b>76,302</b>

The geographical distribution of paid income tax shown in the cash flow statement for 2025 and 2024 is as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
<b>PAID INCOME TAX SHOWN IN THE CASH FLOW STATEMENT</b>		
Domestic market	1,683	236
European Union Member States	0.4	0.4
<b>TOTAL PAID INCOME TAX SHOWN IN THE CASH FLOW STATEMENT</b>	<b>1,683</b>	<b>236</b>

# EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 7. Revenue and expenses

### 7.1 Sales revenue

#### ***SIGNIFICANT ACCOUNTING PRINCIPLES***

##### ***Revenue from contracts with customers***

Revenue is recognised in the manner reflecting the transfer of promised goods or services to a customer in the amount reflecting consideration to which the Group expects to be entitled in exchange for the specified good or service transferred.

The Group recognises revenue when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to the customer. An asset is transferred when the customer obtains control of that asset. Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset.

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs,
- the Group's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For each performance obligation satisfied over time, the Group recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. The objective when measuring progress is to depict the Group's performance in transferring control of goods or services promised to a customer (i.e. the satisfaction of the Group's performance obligation).

When (or as) a performance obligation is satisfied, the Group recognises as revenue the amount of the transaction price that is allocated to that performance obligation. The transaction price includes some or all of an amount of variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Revenue is recognised after deducting value added tax (VAT), excise duty, other sales taxes or charges, and rebates and discounts.

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

#### **Revenue from wholesale of electricity**

Electricity sales contracts concluded on the wholesale market as part of generation and supply activities are reported to the Transmission System Operator (TSO) in the form of a declared amount of electricity in each 15-minute period of an hour that the Group, as a supplier, is obliged to deliver or cause to be delivered, and the off-taker is required to receive. Both the settlement price and electricity volumes in individual hours result from previously signed OTC (over-the-counter) agreements, or, in the case of sales on the Polish Power Exchange (TGE) markets, from electronically registered transactions. Revenue from the sales of electricity on the power exchange is recognised on the delivery date.

Actual electricity deliveries take place through the balancing market, where the TSO secures data reliability regarding the delivered energy quantities, while volume deviations from previously reported operation schedules are settled at prices resulting from this market's functioning mechanism. Balancing market settlements are executed with the TSO in ten-day cycles, whereas wholesale sales on the Polish Power Exchange are settled with the Warsaw Commodity Clearing House (IRGiT), acting as a guarantor for the clearance of transactions concluded on the exchange, and are performed on a daily basis in accordance with its clearing regulations. In the case of OTC agreements, settlements are carried out in accordance with their provisions, i.e., in ten-day or monthly cycles.

### **Revenue from heat sales**

Revenue is measured using currently applicable heat tariffs, approved by the President of the Energy Regulatory Office. In terms of heat generation, heat prices refer to the contracted heating capacity, the thermal energy sold, and the heat carrier, while the variable and fixed fees refer to distribution and transmission. Invoiced revenue from the sales of heat is the product of the aforementioned tariff rates and sales volumes.

Heat sales in quantitative terms is based on the readings of the measurement and billing systems. Quantities are based on readings from metering and settlement systems, taken on designated business days each month, including near the month-end. Therefore, for the purposes of the closing of accounts, sales volumes are estimated for the period between the last reading date of the month and the end of that month.

Revenue from the sales of heat is recognised upon delivery of heat according to the meter readings, including any additional estimates.

### **Revenue from sales of electricity distribution services**

The amount of revenue from the sales of electricity distribution services results from the sales documented by invoices, adjusted for the estimated un-invoiced sales in the respective period. Sales are re-estimated on that basis at least once at the end of each quarter.

Revenue from distribution services is recognised at the time the service is provided, based on the metering and billing systems' readings, including an additional component of estimated consumption.

The value of fees collected on behalf of third parties, for which the Group acts as a payer, i.e. the transition fee, RES fee, co-generation fee and capacity fee, is not included in sales revenue.

### **Revenue from sales to electricity and gas end-users**

The Group generates revenue by selling electricity and natural gas to end-users. Revenue from the sales of electricity is recognised on the basis of the sales month indicated on the invoices.

Due to the continuous nature of energy deliveries, correct accounting requires the Group to adjust sales revenue (invoiced sales) by the amount of energy delivered but not invoiced in the period in question. The electricity sales are re-estimated at the end of each month.

It is done for each energy consumption point separately and for each price component and tariff type separately. The re-estimation of electricity volume is calculated based on the average daily electricity consumption for a given consumption point, determined using:

- data from invoiced electricity sales in the most recent settlement period,
- forecasted daily consumption of electricity and natural gas.

The re-estimation of electricity volume for a newly acquired electricity consumption point (with no electricity consumption history in the billing system) is determined based on the volume declared by the customer.

In the case of consumption points settled using forecast invoices, the re-estimation adjusts the sales by recalculating the amount of charges for the forecasted volume of electricity using the applicable rates valid during the forecast period.

The estimated sales of electricity and natural gas are presented under Trade and other payables.

## Capacity Market revenues

Under the Capacity Market Act, capacity providers may offer a capacity obligation to the TSO via auctions for a specified delivery period. A capacity obligation is a commitment by a capacity provider to remain ready during a delivery period to supply a specific electrical capacity to the system through a capacity market unit, and to deliver such capacity to the system during emergency periods.

Under the capacity agreements in place, the Group identifies a single performance obligation, which consists in maintaining the generation units' readiness to provide the contracted capacity during the delivery periods. PSE S.A. receives and consumes the benefits provided by the Group's performance as the Group performs. The capacity market remuneration, determined via auctions and due in proportion to the contracted capacity and its availability period, is allocated in full to one identified performance obligation.

The Group's capacity market revenues are settled monthly based on information published by the Operator in the Capacity Market Register, separately for each Capacity Provider.

## Operating lease revenues

Revenues from operating lease are recognised in the profit or loss of the current period using the straight-line method over the lease term, unless another systematic method reflects the time pattern of the reduction in benefits derived from the leased asset better.

The non-discounted lease payments to be received annually in subsequent periods are presented in the table below.

Maturities	Year ended December 31, 2025	Year ended December 31, 2024*
up to 1 year	86	80
from 1 to 2 years	76	70
from 2 to 3 years	73	65
from 3 to 4 years	69	64
from 4 to 5 years	318	307
over 5 years	962	931

\* The figures for the comparative period have been adjusted; amounts decreased by a total of PLN (255) million.

Lease payments recognised as revenue in 2025 amounted to PLN 119 million (PLN 105 million in 2024) and resulted primarily from making grid assets available to telecommunications operators. The Group has not generated any operating lease revenue from variable lease payments that do not depend on an index or a rate.

### Sales revenue for 2025 by category

The table below shows reconciliation between the disclosure of revenue by category and the information about revenue disclosed by the Group for each reporting segment.

Year ended December 31, 2025	Renewables	Gas-fired Generation	Coal Energy	District Heating	Distribution	Railway Energy Services	Supply	Other activities	Adjustments and consolidation eliminations	Total
<b>Revenue from contracts with customers</b>	<b>2,795</b>	<b>5,227</b>	<b>26,712</b>	<b>9,906</b>	<b>11,360</b>	<b>5,294</b>	<b>44,425</b>	<b>1,068</b>	<b>(46,862)</b>	<b>59,925</b>
Compensation – energy, gas, heat, distribution service	-	-	-	94	8	40	1,143	-	-	<b>1,285</b>
RES auction support system	(26)	-	-	-	-	-	-	-	-	<b>(26)</b>
High-efficiency cogeneration support	-	-	-	96	-	-	-	-	-	<b>96</b>
Compensations – Long-term Contracts	-	-	-	35	-	-	-	-	-	<b>35</b>
Leasing	8	1	18	31	81	-	6	2	(28)	<b>119</b>
<b>TOTAL SALES REVENUE</b>	<b>2,777</b>	<b>5,228</b>	<b>26,730</b>	<b>10,162</b>	<b>11,449</b>	<b>5,334</b>	<b>45,574</b>	<b>1,070</b>	<b>(46,890)</b>	<b>61,434</b>

In 2025, the Group recognised estimates of PLN -127 million in total under sales revenue. The PGE Group makes estimates, the most significant of which relate to the remeasurement of uninvoiced sales of electricity, gas fuel, and distribution services in the Supply, Distribution, Railway Energy Services, and District Heating segments. Additionally, due to energy market regulations, settlement adjustments may occur, as disclosed in Note 2.4 of this consolidated financial statement.

The tables below present revenue from contracts with customers divided into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Year ended December 31, 2025	Renewables	Gas-fired Generation	Coal Energy	District Heating	Distribution	Railway Energy Services	Supply	Other activities	Adjustments and consolidation eliminations	Total
Type of good or service										
Revenue from sales of goods and products including taxes and charges	2,742	5,227	26,664	9,840	12,826	4,935	43,816	276	(45,354)	<b>60,972</b>
<i>Taxes and charges collected on behalf of third parties</i>	-	-	(12)	(4)	(1,548)	(281)	(140)	-	-	<b>(1,985)</b>
<b>Revenue from sales of goods and products, of which:</b>	<b>2,742</b>	<b>5,227</b>	<b>26,652</b>	<b>9,836</b>	<b>11,278</b>	<b>4,654</b>	<b>43,676</b>	<b>276</b>	<b>(45,354)</b>	<b>58,987</b>
Electricity	1,616	3,638	22,775	4,233	9	2,019	25,216	-	(26,543)	<b>32,963</b>
Distribution services	-	-	5	20	10,843	2,340	73	-	(449)	<b>12,832</b>
Heat	-	-	204	5,164	-	-	21	-	(31)	<b>5,358</b>
Support mechanisms*	1,020	488	3,491	391	-	-	44	-	-	<b>5,434</b>
Energy origin rights	88	-	-	8	-	-	1	-	(45)	<b>52</b>
Natural gas	-	1,032	-	3	-	-	2,352	-	(2,411)	<b>976</b>
Other fuels	-	-	-	-	-	206	528	-	(262)	<b>472</b>
CO <sub>2</sub> emission allowances	-	69	-	7	-	-	15,378	-	(15,394)	<b>60</b>
Other	18	-	177	10	426	89	63	276	(219)	<b>840</b>
<b>Revenue from sales of services</b>	<b>53</b>	<b>-</b>	<b>60</b>	<b>70</b>	<b>82</b>	<b>640</b>	<b>749</b>	<b>792</b>	<b>(1,508)</b>	<b>938</b>
<b>REVENUE FROM CONTRACTS WITH CUSTOMERS</b>	<b>2,795</b>	<b>5,227</b>	<b>26,712</b>	<b>9,906</b>	<b>11,360</b>	<b>5,294</b>	<b>44,425</b>	<b>1,068</b>	<b>(46,862)</b>	<b>59,925</b>
<i>Date of transfer of goods or services:</i>										
- over time:	2,636	5,158	26,475	9,811	10,852	4,359	27,706	420	(29,854)	57,563
- at a particular point in time	159	69	237	95	508	935	16,719	648	(17,008)	2,362

\*Revenue from the Capacity Market, Regulatory System Services, and Balancing Services

## Sales revenue for 2024 by category

The table below shows reconciliation between the disclosure of revenue by category and the information about revenue disclosed by the Group for each reporting segment.

Year ended December 31, 2024 <i>restated data</i>	Renewables	Gas-fired Generation	Coal Energy	District Heating	Distribution	Railway Energy Services	Supply	Other activities	Adjustments and consolidation eliminations	Total
<b>Revenue from contracts with customers</b>	<b>2,472</b>	<b>1,573</b>	<b>30,994</b>	<b>10,410</b>	<b>10,534</b>	<b>5,208</b>	<b>49,687</b>	<b>977</b>	<b>(51,377)</b>	<b>60,478</b>
Compensation – energy, gas, heat, distribution service	-	-	-	176	692	97	2,827	-	-	<b>3,792</b>
Compensations – coal	-	-	-	-	-	-	41	-	-	<b>41</b>
RES auction support system	(13)	-	-	-	-	-	-	-	-	<b>(13)</b>
High-efficiency cogeneration support	-	-	-	76	-	-	-	-	-	<b>76</b>
Compensations – Long-term Contracts	-	-	-	4	-	-	-	-	-	<b>4</b>
Leasing	7	1	16	30	73	-	7	1	(30)	<b>105</b>
<b>TOTAL SALES REVENUE</b>	<b>2,466</b>	<b>1,574</b>	<b>31,010</b>	<b>10,696</b>	<b>11,299</b>	<b>5,305</b>	<b>52,562</b>	<b>978</b>	<b>(51,407)</b>	<b>64,483</b>

The tables below present revenue from contracts with customers divided into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Year ended December 31, 2024	Renewables	Gas-fired Generation	Coal Energy	District Heating	Distribution	Railway Energy Services	Supply*	Other activities	Adjustments and consolidation eliminations	Total
Type of good or service <i>restated data*</i>										
Revenue from sales of goods and products including taxes and charges	2,425	1,573	30,949	10,365	12,003	4,912	48,649	228	(49,510)	<b>61,594</b>
<i>Taxes and charges collected on behalf of third parties</i>	-	-	(12)	(5)	(1,533)	(257)	(152)	-	-	<b>(1,959)</b>
<b>Revenue from sales of goods and products, of which:</b>	<b>2,425</b>	<b>1,573</b>	<b>30,937</b>	<b>10,360</b>	<b>10,470</b>	<b>4,655</b>	<b>48,497</b>	<b>228</b>	<b>(49,510)</b>	<b>59,635</b>
Electricity	1,625	1,452	27,253	5,327	9	2,224	21,989	-	(22,853)	<b>37,026</b>
Distribution services	-	-	5	24	9,943	2,164	111	-	(465)	<b>11,782</b>
Heat	-	-	177	4,685	-	-	17	-	(29)	<b>4,850</b>
Support mechanisms	569	120	3,311	272	-	-	34	-	3	<b>4,309</b>
Energy origin rights	194	-	-	17	-	-	2	-	(128)	<b>85</b>
Natural gas	-	-	-	-	-	-	202	-	(170)	<b>32</b>
Other fuels	-	-	-	-	-	220	949	-	(388)	<b>781</b>
CO <sub>2</sub> emission allowances	-	-	-	21	-	-	25,162	-	(25,144)	<b>39</b>
Other	37	1	191	14	518	47	31	228	(336)	<b>731</b>
<b>Revenue from sales of services</b>	<b>47</b>	<b>-</b>	<b>57</b>	<b>50</b>	<b>64</b>	<b>553</b>	<b>1,190</b>	<b>749</b>	<b>(1,867)</b>	<b>843</b>
<b>REVENUE FROM CONTRACTS WITH CUSTOMERS</b>	<b>2,472</b>	<b>1,573</b>	<b>30,994</b>	<b>10,410</b>	<b>10,534</b>	<b>5,208</b>	<b>49,687</b>	<b>977</b>	<b>(51,377)</b>	<b>60,478</b>
<b>Date of transfer of goods or services:</b>										
- over time:	2,194	1,572	30,746	10,308	9,952	4,388	22,353	-	(23,514)	57,999
- at a particular point in time	278	1	248	102	582	820	27,334	977	(27,863)	2,479

\* In the comparative period, an adjustment was made to the allocation of the transaction price arising from the ZHZW and ZDEE agreements between revenue from the sale of services and revenue from the sale of goods in the amount of PLN 366 million.

In 2025, there was a decline in sales revenue compared with the reference period. The main changes concerned: a decrease in revenues from electricity sales and electricity compensation, accompanied by an increase in revenues from the distribution of electricity and gas, as well as the Capacity Market.

The decrease in revenue from electricity sales stems mainly from lower prices obtained and a smaller sales volume than in the previous year. The price drop is directly linked to the y/y change in electricity market prices. The lower retail electricity sales volume is due to reduced demand in the corporate and small to medium-sized enterprise customer segments.

Lower energy sales on the wholesale and balancing markets result from decreased generation by the PGE CG's coal units.

Concurrently, the Group recorded an increase in revenues from distribution services, primarily driven by higher electricity demand under the household and large enterprise tariffs.

The growth in Capacity Market revenues is caused by higher unit utilisation in the system, as well as an increased contracted capacity obligation volume resulting from the supplementary auction for the second half of 2025 and a higher average capacity obligation price.

Higher revenues from gas sales are due to the resale on the exchange of the commodity that was purchased to meet the requirements of generation units but remained unused by them.

## 7.2 Expenses by kind and function

### **SIGNIFICANT ACCOUNTING PRINCIPLES**

#### Cost of goods sold

The cost of goods sold includes:

- the cost of products manufactured in the reporting period, adjusted for the change in the volume of products (finished products, semi-finished products, and work in progress) and adjusted for the cost of products manufactured for the company's own purposes,
- value of the electricity, goods, and materials sold at the acquisition price,
- changes in the fair value measurement of financial instruments related to coal measured at fair value, as well as changes in the measurement of coal inventories measured at fair value,
- change in the balance of provisions for onerous contracts.

The production costs which can be allocated directly to the Group's revenue influence its financial result for the reporting period in which such revenue occurs.

The production costs which can be allocated only indirectly to revenue or other benefits achieved by the Group influence its financial result in the part in which they concern a given reporting period, ensuring their proportionality to revenue or other economic benefits.

	Year ended December 31, 2025	Year ended December 31, 2024 <i>restated data*</i>
<b>EXPENSES BY KIND</b>		
Amortisation, liquidation	4,053	4,572
Impairment write-downs	9,868	7,739
Material and energy consumption	8,909	10,229
Third-party services	5,396	5,265
Taxes and charges	18,232	22,226
Employee benefits expenses	8,807	8,163
Other expenses by kind	613	503
<b>TOTAL EXPENSES BY KIND</b>	<b>55,878</b>	<b>58,697</b>
Change in stock of goods	(2)	(11)
Cost of producing services for the entity's own use	(1,286)	(1,341)
Distribution and selling expenses	(989)	(928)
General and administrative expenses	(2,095)	(1,943)
Value of goods and materials sold	7,226	8,691
Change in the value of provisions for onerous contracts	1,082	(1,179)
<b>COST OF GOODS SOLD</b>	<b>59,814</b>	<b>61,986</b>

\*The restatement of comparative data is described in Note 5 to these consolidated financial statements.

In 2025, in relation to the comparative period, the main changes in the cost of sales related to:

- a decline in the consumption costs of production fuel, mainly due to lower prices and volumes of hard coal consumed, as well as lower gas prices;
- reduced CO<sub>2</sub> costs caused by a lower average cost coupled with limited emissions resulting from decreased electricity generation;
- a drop in the value of sold goods and materials in respect of electricity purchases on the power exchange.

The change in the value of provisions for onerous contracts relates to PGE GiEK (PLN 766 million) and PGE Obrót (PLN 436 million), as described in Note 20.5 to these financial statements.

In addition, in 2025, as a result of impairment tests, the Group recognised impairment write-downs on non-current assets in the Coal Energy and Renewables segments under impairment write-downs in the amount of PLN 8,967 million (PLN 7,444 million in the comparative period in the Coal Energy segment).

## 7.2.1 Costs Depreciation, disposal, and impairment write-downs

The presentation of amortisation, liquidation and impairment write-downs in the statement of comprehensive income is shown below.

Year ended	Depreciation and disposal					Impairment write-downs			
	PPE	IA	RTUA	OTHER	TOTAL	PPE	IA	RTUA	TOTAL
<b>December 31, 2025</b>									
Cost of goods sold	3,518	112	118	2	3,750	9,780	26	59	9,865
Distribution and selling expenses	13	3	4	-	20	-	-	-	-
General and administrative expenses	187	35	27	-	249	2	1	-	3
<b>CHARGED TO FINANCIAL RESULT</b>	<b>3,718</b>	<b>150</b>	<b>149</b>	<b>2</b>	<b>4,019</b>	<b>9,782</b>	<b>27</b>	<b>59</b>	<b>9,868</b>
Change in stock of goods	(5)	-	-	-	(5)	-	-	-	-
Cost of producing services for the entity's own use	31	4	4	-	39	-	-	-	-
<b>TOTAL</b>	<b>3,744</b>	<b>154</b>	<b>153</b>	<b>2</b>	<b>4,053</b>	<b>9,782</b>	<b>27</b>	<b>59</b>	<b>9,868</b>
Other operating income	-	-	-	-	-	(4)	-	-	(4)

Year ended	Depreciation and disposal					Impairment write-downs			
	PPE	IA	RTUA	OTHER	TOTAL	PPE	IA	RTUA	TOTAL
<b>December 31, 2024</b>									
Cost of goods sold	4,133	97	107	2	4,339	7,701	35	-	7,736
Distribution and selling expenses	11	3	1	-	15	-	-	-	-
General and administrative expenses	128	31	28	-	187	2	-	1	3
<b>CHARGED TO FINANCIAL RESULT</b>	<b>4,272</b>	<b>131</b>	<b>136</b>	<b>2</b>	<b>4,541</b>	<b>7,703</b>	<b>35</b>	<b>1</b>	<b>7,739</b>
Change in stock of goods	(2)	-	-	-	(2)	-	-	-	-
Cost of producing services for the entity's own use	23	4	6	-	33	-	-	-	-
<b>TOTAL</b>	<b>4,293</b>	<b>135</b>	<b>142</b>	<b>2</b>	<b>4,572</b>	<b>7,703</b>	<b>35</b>	<b>1</b>	<b>7,739</b>

In 2025, the Group performed impairment tests on non-current assets, which resulted in:

- Recognising impairment write-downs of PLN 8,650 million in the Coal Energy segment (PLN 7,444 million in the comparative period).
- Recognising and partially reversing impairment write-downs in the amount of PLN 317 million in the Renewables segment.

A detailed description can be found in Notes 3.2 and 3.4 to these financial statements.

Other impairment write-downs recognised during the reporting period relate to capital expenditures incurred in entities where full impairment was identified in prior periods.

Under Depreciation and disposal, the Group recognised an amount of PLN 68 million in the current period in respect of the net value of the disposal of PPE and IA (PLN 49 million in the comparative period).

## 7.2.2 Material and energy consumption

	Year ended December 31, 2025	Year ended December 31, 2024
Production fuel costs	7,492	8,512
Consumption of maintenance and operating materials	565	608
Energy consumption	311	502
Other	541	607
<b>TOTAL MATERIAL AND ENERGY CONSUMPTION</b>	<b>8,909</b>	<b>10,229</b>

## 7.2.3 Third-party services

	Year ended December 31, 2025	Year ended December 31, 2024
Transmission services	3,486	3,326
Third-party services – maintenance and operation	701	670
IT services	284	241
Transport services	177	209
Consulting services	75	79
Telecommunications services	36	28
Rents and leases	34	45
Other	603	667
<b>TOTAL COSTS OF THIRD PARTY SERVICES</b>	<b>5,396</b>	<b>5,265</b>

## 7.2.4 Taxes and charges

	Year ended December 31, 2025	Year ended December 31, 2024
CO <sub>2</sub> emission fees	16,217	20,341
Property tax	1,279	1,193
Environmental charges	489	647
Contribution to the PDPF	23	(208)
Other	224	253
<b>TOTAL TAXES AND CHARGES</b>	<b>18,232</b>	<b>22,226</b>

## 7.2.5 Costs of employee benefits and structure of employment

	Year ended December 31, 2025	Year ended December 31, 2024
Payroll	6,130	5,968
Cost of social insurance	1,191	1,149
Costs of retirement benefits	73	78
Anniversary gifts, food and drink vouchers	170	168
Other post-employment benefits	91	80
Change in the value of the provision for employee benefits	(110)	(170)
Costs related to the Retirement Departure Programme	78	5
Other employee benefits expenses	1,184	885
<b>TOTAL EMPLOYEE BENEFITS EXPENSES, INCLUDING:</b>	<b>8,807</b>	<b>8,163</b>
Items recognised in cost of goods sold	6,436	5,964
Items recognised in distribution and selling expenses	493	478
Items recognised in general and administrative expenses	1,264	1,144
Cost of producing services for the entity's own use	614	577

Under Other employee benefits expenses, the Group recognised a restructuring provision of PLN 228 million concerning planned severance payments for the employees of PGE GiEK S.A. Oddział Dolna Odra. The established provision stems from a concluded agreement, according to which the employees of the decommissioned plant are entitled to a protective package.

Furthermore, under Other employee benefits expenses, the Group recorded, among other things, the costs of employee pension plans, contributions to the Company Social Benefits Fund, and the costs of medical care and training.

Employment in the PGE Capital Group (in full-time equivalents) was as follows:

Segment	As at December 31, 2025	As at December 31, 2024 <i>restated data*</i>
Renewables	837	798
Gas-fired Generation	114	90
Coal Energy	16,953	18,204
District Heating	3,287	3,363
Distribution	9,766	9,733
Railway Energy Services	4,099	3,940
Supply	3,288	3,288
Other consolidated companies	2,583	2,559
<b>TOTAL EMPLOYMENT</b>	<b>40,927</b>	<b>41,975</b>

\*The presented data has been restated to ensure comparability due to the inclusion of the Circular Economy segment into the Other segment.

## 7.3 Other operating income and expenses

	Year ended December 31, 2025	Year ended December 31, 2024 <i>restated data*</i>
<b>OTHER OPERATING INCOME</b>		
Release of provision for employee benefits	187	-
Penalties, fines and compensation received and charged	167	137
Grants	140	49
Reversal of impairment write-downs on receivables	112	220
PPE / IA and other infrastructure received free of charge	62	38
Release of other provisions	55	32
Gain on disposal of PPE/IA	25	15
Capitalisation of changes in the rehabilitation provision	2	622
Measurement and settlement of derivative instruments – coal	-	193
Other	67	106
<b>TOTAL OTHER OPERATING INCOME</b>	<b>817</b>	<b>1,412</b>

\*The restatement of comparative data is described in Note 5 to these consolidated financial statements.

The release of the provision for employee benefits relates to the obligation arising from the so-called consolidation award, recognised in the financial statements of PGE GiEK S.A. as at December 31, 2022. The provision was released following the decision to abandon the implementation of the coal asset spin-off project, which is described in detail in Note 32.1.

	Year ended December 31, 2025	Year ended December 31, 2024 <i>restated data*</i>
<b>OTHER OPERATING EXPENSES</b>		
Recognition of other provisions	925	220
Capitalisation of changes in the rehabilitation provision	437	-
Establishment of impairment write-downs on receivables	149	223
Reversal of impairment write-downs on other assets	130	3
Compensation, penalties and fines	44	16
Donations	30	33
Damage and failure remediation	27	22
Other	71	121
<b>TOTAL OTHER OPERATING EXPENSES</b>	<b>1,813</b>	<b>638</b>

\*The restatement of comparative data is described in Note 5 to these consolidated financial statements.

The establishment of other provisions relates to, *inter alia*, a provision for a legal dispute with the ERO in the amount of PLN 605 million in PGE Obrót, as outlined in Note 32.2.

The issue of the rehabilitation provision measurement is discussed in Note 20.1 of these financial statements.

The impairment write-downs on other assets item includes an impairment write-down on strategic inventories in the Coal Energy segment amounting to PLN 129 million, which is detailed in Note 14.

## 7.4 Finance income and expenses

### **SIGNIFICANT ACCOUNTING PRINCIPLES**

#### Finance income and expenses

Interest income and expenses are recognised successively on an accrual basis using the effective interest rate method, based on the net carrying amount of the relevant financial instrument as at the reporting date, taking into account the materiality principle.

Dividends are recognised at the time when shareholders' rights to receive them are established.

	Year ended December 31, 2025	Year ended December 31, 2024 <i>restated data*</i>
<b>FINANCE INCOME FROM FINANCIAL INSTRUMENTS</b>		
Dividends	2	3
Interest	596	577
Revaluation	119	262
Reversal of impairment write-downs	6	6
Gain on disposal of investment	3	-
Foreign exchange differences	83	59
<b>TOTAL FINANCE INCOME FROM FINANCIAL INSTRUMENTS</b>	<b>809</b>	<b>907</b>
<b>OTHER FINANCE INCOME</b>		
Interest on tax receivables	5	2
Reversal of provisions	1	2
Other	1	3
<b>TOTAL OTHER FINANCE INCOME</b>	<b>7</b>	<b>7</b>
<b>TOTAL FINANCE INCOME</b>	<b>816</b>	<b>914</b>

\*The restatement of comparative data is described in Note 5 to these consolidated financial statements.

	Year ended December 31, 2025	Year ended December 31, 2024 <i>restated data*</i>
<b>FINANCE EXPENSES FROM FINANCIAL INSTRUMENTS</b>		
Interest	688	812
Revaluation	243	14
Impairment write-down	16	39
Loss on disposal of investments	7	17
Foreign exchange differences	73	112
<b>TOTAL FINANCE EXPENSES FROM FINANCIAL INSTRUMENTS</b>	<b>1,027</b>	<b>994</b>
<b>OTHER FINANCE EXPENSES</b>		
Interest costs on non-financial items	553	524
Interest on tax payables	5	2
Establishment of provisions	12	1
Other	25	21
<b>TOTAL OTHER FINANCE EXPENSES</b>	<b>595</b>	<b>548</b>
<b>TOTAL FINANCE EXPENSES</b>	<b>1,622</b>	<b>1,542</b>

\*The restatement of comparative data is described in Note 5 to these consolidated financial statements.

The Group recognises interest income primarily from cash held in bank accounts and deposits, and interest on bonds.

Income from revaluation in the current reporting period primarily results from the measurement of derivative instruments and embedded derivatives included in electricity sales contracts in the Renewables segment.

Interest expenses mainly relate to loans and borrowings as well as issued bonds. Interest expense on lease liabilities amounted to PLN 80 million in the current reporting period (PLN 74 million in 2024).

The total revaluation cost recognised in the current reporting period was PLN 243 million, the majority of which concerned the valuation of the inflation derivative separated under the CfD (PLN 236 million).

Interest expense on non-financial items concerns rehabilitation provisions and provisions for employee benefits.

## 7.5 Share in the result of entities accounted for using the equity method

2025	Polimex Mostostal*	PEC Bogatynia	Energopomiar	PGE Soleo Kleszczów	PGE PAK Energia Jądrowa**	Elester
<b>VOTING RIGHTS</b>	<b>16.13%</b>	<b>34.93%</b>	<b>49.79%</b>	<b>50.00%</b>	<b>50%</b>	<b>89.96%</b>
Revenue	4,011	40	89	2	-	90
Profit from continuing operations	60	-	2	(1)	(12)	7
<b>Share in the result of entities accounted for using the equity method</b>	<b>10</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>(6)</b>	<b>6</b>
Elimination of unrealised profits and losses	(13)	-	-	-	-	-
Impairment loss	24	-	-	-	-	-
<b>SHARE IN THE RESULT OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD</b>	<b>21</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>(6)</b>	<b>6</b>
Other comprehensive income	(5)	-	-	-	-	-
<b>SHARE IN OTHER COMPREHENSIVE INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*the share in Polimex Mostostal's profit or loss was recognised based on data for the period from December 1, 2024 to November 30, 2025,

\*\* financial data covers the three-quarter period of 2025. Details of the acquisition of 50% of shares in PGE PAK Energia Jądrowa are described in Note 1.3.1.

2024	Polimex Mostostal*	PEC Bogatynia	Energopomiar	PGE Soleo Kleszczów	PGE PAK Energia Jądrowa	Elester
<b>VOTING RIGHTS</b>	<b>16.33%</b>	<b>34.93%</b>	<b>49.79%</b>	<b>50.00%</b>	<b>50.00%</b>	<b>89.96%</b>
Revenue	2,617	38	83	-	-	82
Profit from continuing operations	(447)	-	1	(1)	(16)	6
<b>Share in the result of entities accounted for using the equity method</b>	<b>(73)</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>(8)</b>	<b>5</b>
Elimination of unrealised profits and losses	20	-	-	-	-	-
Impairment loss	(24)	-	-	-	-	-
<b>SHARE IN THE RESULT OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD</b>	<b>(77)</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>(8)</b>	<b>5</b>
Other comprehensive income	6	-	-	-	-	-
<b>SHARE IN OTHER COMPREHENSIVE INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*the share in Polimex Mostostal's profit or loss was recognised based on data for the period from December 1, 2023 to November 30, 2024,

The Group made a consolidation adjustment relating to margin on contracts performed by Polimex - Mostostal for the benefit of the Group.

## 8. Income tax

### **SIGNIFICANT ACCOUNTING PRINCIPLES**

#### Income tax

Income tax shown in net profit/loss comprises current and deferred tax.

Actual tax burdens for a given reporting period, determined by the Group entities in accordance with the applicable provisions of the Corporate Income Tax Act, and the change in deferred tax assets and liabilities not settled against equity or other comprehensive income, are recognised in net profit/loss.

## 8.1 Tax in the statement of comprehensive income

The major items of the income tax expense for the periods ended December 31, 2025 and December 31, 2024 are as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
Current income tax	1,668	1,493
Adjustments related to current income tax for previous years	(5)	(44)
Deferred income tax	(1,514)	827
Deferred income tax adjustments	1	40
<b>INCOME TAX EXPENSE RECOGNISED IN THE NET PROFIT/LOSS</b>	<b>150</b>	<b>2,316</b>
<b>INCOME TAX EXPENSE RECOGNISED IN OTHER COMPREHENSIVE INCOME</b>		
On actuarial gains and losses on valuation of employee benefit provisions	102	42
On valuation of hedging instruments	32	130
<b>(Tax advantage) / tax burden recognised in other comprehensive income</b>	<b>134</b>	<b>172</b>

As presented in Note 6.2, in the current reporting period, under deferred income tax, the Group reports the tax recognised by PGE Sweden AB (publ) amounting to PLN (-) 7 million (PLN 4 million in the comparative period).

## 8.2 Effective tax rate

The reconciliation of income tax on the gross financial result before tax at the statutory interest rate with income tax calculated according to the effective tax rate is as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
<b>(LOSS) BEFORE TAX</b>	<b>(3,244)</b>	<b>(307)</b>
Tax at statutory rate effective in Poland – 19%	(616)	(58)
<b>ITEMS ADJUSTING INCOME TAX</b>		
Adjustments related to current income tax for previous years	(5)	(44)
Deferred income tax adjustments	1	40
Write-offs of deferred income tax assets	532	2,496
Establishment/release of non-tax provisions and impairment write-downs	159	(118)
Non-deductible expenses	129	46
Income not subject to tax	(8)	2
Other adjustments	(42)	(48)
<b>Income tax (expense) in net profit/(loss)</b>	<b>150</b>	<b>2,316</b>

The main factor that influenced the effective tax rate in 2025 and 2024 was the results of the review of the recoverable amount of deferred tax assets and the decision not to recognise the deferred income tax asset in the Coal Energy segment, which is described in more detail in Note 13.1.

## EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 9. Property, plant and equipment

#### ***SIGNIFICANT ACCOUNTING PRINCIPLES***

##### ***Property, plant and equipment***

Property, plant and equipment comprise the following assets:

- maintained for the purpose of their utilisation in production processes or in the delivery of goods or the provision of services, for the purpose of making them available for use to other entities under rental agreements, or for administrative purposes, and
- expected to be used for periods longer than one year.

Property, plant and equipment are valued at the net value, i.e. the initial value (or at the cost assumed for non-current assets used before the date of transition to IFRSs) less depreciation and impairment write-downs. The initial value of property, plant and equipment includes their purchase price plus all costs related directly to their purchase and adjustment to the condition making them available for use. Such costs include also the expected costs of the decommissioning of tangible fixed assets, their disposal, and the restoration of a particular location of a given asset to its original condition. The obligation to incur such costs occurs at the time of the installation of an asset or its usage for purposes other than the manufacture of inventories. On the date of acquisition or manufacture of an item of property, plant and equipment, the Group identifies and separates all material components of the asset in comparison to the purchase price, manufacturing cost or deemed cost of the entire item, and depreciates each such component separately. The Group also recognises the cost of capital overhauls and periodic inspections that meet the definition of a component as part of the property, plant and equipment item.

The basis for calculating depreciation charges is a purchase price/manufacturing cost of a component of tangible fixed assets less its residual value. Depreciation starts when an asset is available for use. Depreciation of tangible fixed assets takes place on the basis of a depreciation plan specifying the expected economic lifetime of a component of tangible fixed assets. The depreciation method used reflects the manner in which the Group consumes the economic benefits derived from the asset. Major overhauls and periodic inspections that are components of property, plant and equipment are depreciated over the period from the month following the completion of the overhaul/inspection to the month of commencement of the next one.

The depreciation method, depreciation rate and residual value of property, plant and equipment are subject to annual review. Any changes resulting from the review are recognised as changes in estimates, and any adjustments to depreciation are made in the year of the review and in future periods.

Construction in progress refers to property, plant and equipment that are in the course of construction or assembly and are recognised at purchase price or cost of manufacture, less any impairment losses. Property, plant and equipment under construction are not depreciated until construction is completed and the asset is put into use.

##### ***Borrowing costs***

Borrowing costs are interest and other costs incurred by the Group in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the purchase price or production cost of that asset. Other borrowing costs are recognised as period costs. In the case of exchange differences arising from foreign currency loans and borrowings, the Group capitalises them to the extent that they are considered an adjustment to interest costs.

##### ***Impairment of non-financial fixed assets***

At each reporting date, the Group assesses whether there is any indication that any non-financial fixed asset may be impaired. If any such indication exists, or if an annual impairment test is required, the Group estimates the recoverable amount of the asset or the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or a cash-generating unit corresponds to the fair value less costs to sell of that asset or cash-generating unit, or its value in use, depending on which is higher. The recoverable amount is determined for individual assets unless the asset does not generate cash inflows that are largely independent of those generated by other assets or groups of assets. If the carrying amount of an asset exceeds its recoverable amount, impairment is recognised, and the asset is written down to its recoverable amount. In estimating value in use, projected cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment write-downs on assets used in continuing operations are recognised in the cost categories that correspond to the function of the asset for which impairment has been identified.

### Overburden removal costs

Where the conditions set out in IFRIC 20 are met, mines also recognise, as part of property, plant and equipment, an asset related to overburden removal, i.e. the costs of overburden removal incurred during the production phase. The value of the overburden removal asset at the production stage is determined using a model that includes, among other elements, the estimated overall stripping ratio (the ratio of overburden volume to coal volume) and the actual annual stripping ratio. This ratio is calculated as the ratio of the remaining overburden to be removed to the remaining coal reserves to be extracted from the date of application of IFRIC 20 until the end of extraction from the given deposit component. The ratio is determined based on the best available knowledge of the mine's technical departments at the end of each financial year and may change as new information becomes available during ongoing extraction work regarding the size and formation of the deposit.

The overburden removal asset is depreciated systematically using a natural method based on the quantity of coal extracted from the relevant deposit component.

### Valuation of the overburden removal asset at the production stage

The value of the overburden removal asset at the production stage is determined using a model that includes, among other elements, the estimated value of the overall stripping ratio.

### Rehabilitation costs of final excavation pits in opencast mines

Opencast mines operating within the PGE Capital Group recognise in the value of fixed assets the estimated rehabilitation costs of final excavation pits attributable to the overburden extracted, in proportion to the ratio of the pit volume attributable to overburden as at the reporting date to the planned pit volume attributable to overburden at the end of the extraction period.

The rehabilitation cost asset is depreciated systematically using a natural method based on the quantity of coal extracted from the given pit.

### Property, plant and equipment under operating leases

The Group classifies each of its leases as either a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee. All other types of leases are classified as operating leases.

Assets subject to operating leases are presented in the statement of financial position according to the nature of those assets.

As a lessor, the entity divides each class of property, plant and equipment into assets subject to operating leases and those not subject to operating leases.

## **Economic lifetimes adopted for individual groups of property, plant and equipment**

<b>Asset group</b>	<b>Average remaining depreciation period in years</b>	<b>Most common full amortisation periods in years</b>
Buildings, premises and civil engineering structures	19	20 – 60
Machinery and technical equipment	11	2 – 40
Means of transport	5	4 – 15
Other property, plant and equipment	2	3 – 10

	As at December 31, 2025	As at December 31, 2024 <i>restated data</i>
Land	199	241
Buildings and structures	29,221	30,253
Technical equipment	22,653	26,169
Means of transport	554	616
Other property, plant and equipment	73	107
PPE under construction	12,075	9,585
<b>NET VALUE NET VALUE OF PROPERTY, PLANT AND EQUIPMENT</b>	<b>64,775</b>	<b>66,971</b>

### Changes in property, plant and equipment by asset group

	Land	Buildings and structures	Technical equipment	Means of transport	Other PPE	PPE under construction	Total
<b>GROSS BOOK VALUE</b>							
<b>AS AT JANUARY 1, 2025</b> <i>restated data*</i>	<b>282</b>	<b>60,353</b>	<b>76,898</b>	<b>1,422</b>	<b>9,823</b>	<b>9,833</b>	<b>158,611</b>
CapEx	-	3	3	1	15	10,818	<b>10,840</b>
Settlement of PPE under construction	7	3,542	4,042	159	31	(7,781)	-
Disposal, sale	(2)	(184)	(695)	(22)	(10)	(1)	<b>(914)</b>
Change in the composition of the CG	-	-	-	-	-	16	<b>16</b>
Effect of changing the assumptions for the rehabilitation provision	-	14	10	-	464	-	<b>488</b>
Donations and free-of-charge transfers	-	89	4	(1)	-	-	<b>92</b>
Other	-	(13)	(17)	(1)	(1)	(91)	<b>(123)</b>
<b>AS AT DECEMBER 31, 2025</b>	<b>287</b>	<b>63,804</b>	<b>80,245</b>	<b>1,558</b>	<b>10,322</b>	<b>12,794</b>	<b>169,010</b>
<b>DEPRECIATION AND IMPAIRMENT WRITE-DOWNS</b>							
<b>AS AT JANUARY 1, 2025</b>	<b>41</b>	<b>30,100</b>	<b>50,729</b>	<b>806</b>	<b>9,716</b>	<b>248</b>	<b>91,640</b>
Depreciation and net book value of disposals recognised in operating expenses	2	1,569	2,001	104	41	27	<b>3,744</b>
Impairment write-downs	45	3,088	5,555	115	503	461	<b>9,767</b>
Disposal, sale	-	(176)	(688)	(21)	(10)	-	<b>(895)</b>
Other	-	2	(5)	-	(1)	(17)	<b>(21)</b>
<b>AS AT DECEMBER 31, 2025</b>	<b>88</b>	<b>34,583</b>	<b>57,592</b>	<b>1,004</b>	<b>10,249</b>	<b>719</b>	<b>104,235</b>
<b>NET VALUE AT DECEMBER 31, 2025</b>	<b>199</b>	<b>29,221</b>	<b>22,653</b>	<b>554</b>	<b>73</b>	<b>12,075</b>	<b>64,775</b>

<i>restated data*</i>	Land	Buildings and structures	Technical equipment	Means of transport	Other PPE	PPE under construction	Total
<b>GROSS BOOK VALUE</b>							
<b>AS AT JANUARY, 1 2024</b>	<b>274</b>	<b>55,754</b>	<b>70,916</b>	<b>1,299</b>	<b>9,893</b>	<b>11,037</b>	<b>149,173</b>
CapEx	-	-	4	-	10	10,562	<b>10,576</b>
Settlement of PPE under construction	8	4,704	6,820	139	39	(11,710)	-
Disposal, sale	-	(142)	(835)	(21)	(11)	-	<b>(1,009)</b>
Effect of changing the assumptions for the rehabilitation provision	-	(41)	(21)	-	(107)	-	<b>(169)</b>
Donations and free-of-charge transfers	-	105	4	(2)	-	-	<b>107</b>
Other	-	(27)	10	7	(1)	(56)	<b>(67)</b>
<b>AS AT DECEMBER 31, 2024</b>	<b>282</b>	<b>60,353</b>	<b>76,898</b>	<b>1,422</b>	<b>9,823</b>	<b>9,833</b>	<b>158,611</b>
<b>DEPRECIATION AND IMPAIRMENT WRITE-DOWNS</b>							
<b>AS AT JANUARY, 1 2024</b>	<b>38</b>	<b>26,434</b>	<b>43,755</b>	<b>716</b>	<b>9,500</b>	<b>222</b>	<b>80,665</b>
Depreciation and net book value of disposals recognised in operating expenses	4	1,710	2,371	109	87	12	<b>4,293</b>
Impairment write-downs	-	2,096	5,430	-	144	19	<b>7,689</b>
Disposal, sale	-	(137)	(823)	(20)	(11)	-	<b>(991)</b>
Other	(1)	(3)	(4)	1	(4)	(5)	<b>(16)</b>
<b>AS AT DECEMBER 31, 2024</b>	<b>41</b>	<b>30,100</b>	<b>50,729</b>	<b>806</b>	<b>9,716</b>	<b>248</b>	<b>91,640</b>
<b>NET VALUE AT DECEMBER 31, 2024</b>	<b>241</b>	<b>30,253</b>	<b>26,169</b>	<b>616</b>	<b>107</b>	<b>9,585</b>	<b>66,971</b>

\*The restatement of comparative data is described in Note 5 to these consolidated financial statements.

## Significant increases in property, plant and equipment

In the current reporting period, the Group purchased property, plant and equipment worth PLN 10,840 million.

	As at December 31, 2025	As at December 31, 2024
Distribution	3,942	3,788
Renewables	3,145	1,677
Gas-fired Generation	1,499	2,462
District Heating	1,199	1,404
Coal Energy	746	1,018
Railway Energy Services	501	483
Supply	11	33
Other activities	52	88
<b>TOTAL CAPITAL EXPENDITURE BY SEGMENTS</b>	<b>11,095</b>	<b>10,953</b>
Adjustment of financing costs and operating margin	(255)	(377)
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>10,840</b>	<b>10,576</b>

### Significant acquisitions of property, plant and equipment in 2025 concerned:

- In the Distribution segment, the primary capital expenditures were: connection of new customers to the distribution network – PLN 1,273 million, and the modernisation and restoration of the medium- and low-voltage network – PLN 1,362 million, including the Cabling Programme – PLN 517 million and the Remote Reading Meters Programme – PLN 626 million.
- In the Renewables segment, substantial expenditure was incurred on the preparation and implementation of offshore wind farms: EWB2 – PLN 2,283 million (representing 50% of the expenditure attributable to the CG), EWB9 – PLN 162 million, and EWB1 – PLN 40 million; as well as Strategic Modernisation and Restoration Investments – PLN 167 million, including the Comprehensive Modernisation Programme of Porąbka Żar Pumped-Storage Power Plant, the modernisation of generation assets – PLN 192 million, and the implementation of the PV Programme – PLN 117 million.
- In the Gas-fired Generation segment, spending was concentrated on the construction of a combined cycle gas turbine unit at PGE Nowy Rybnik sp. z o.o., amounting to PLN 1,475 million.
- In the District Heating segment, the largest capital expenditures were incurred on: the investment programme at the Gdynia CHP plant – PLN 282 million, the construction of the new Czechnica CHP plant – PLN 181 million, the investment programme at the Bydgoszcz CHP plant – PLN 55 million, the second line of the Thermal Processing Plant with Energy Recovery (ITPOE) in Rzeszów – PLN 48 million, and the modernisation of generation assets – PLN 521 million.
- In the Coal Energy segment, major expenditure was allocated to modernisation investments – PLN 739 million, with the most significant outlays made by the Bełchatów Lignite Mine branch – PLN 163 million, Bełchatów Power Plant – PLN 224 million, Turów Lignite Mine – PLN 121 million, Turów Power Plant – PLN 101 million, and Opole Power Plant – PLN 92 million.
- In the Railway Energy Services segment, the largest expenditure was incurred on: Modernisation of Power Supply Systems – PLN 72 million, the restoration, expansion and modernisation of the non-traction distribution network – PLN 69 million, the connection of new electricity customers – PLN 30 million and the restoration, expansion and modernisation of the traction distribution network – PLN 26 million.

### Impairment write-downs on property, plant and equipment

As presented in the tables above and in Note 3 to these financial statements, in 2025 and 2024, as a result of impairment tests, the Group recognised impairment write-downs on property, plant and equipment under impairment losses.

In 2025, impairment write-downs were made in the amount of PLN 8,650 million in the Coal Energy segment and PLN 317 million in the Renewables segment.

### Borrowing costs

During the year ended December 31, 2025, PGE Capital Group recognised borrowing costs of approximately PLN 182 million as part of property, plant and equipment (PLN 164 million in the comparative period). The average capitalisation rate for borrowing costs during the year ended December 31, 2025 was 6.8%, and in the year ended December 31, 2024 it was 7.2%.

### Capitalisation of changes in the rehabilitation provision

PGE Capital Group includes, in the value of property, plant and equipment, changes in the value of the rehabilitation provision related to overburden, the provision for rehabilitation of land after wind farms, and the provision for dismantling of property, plant and equipment. As at December 31, 2025, the net value of the capitalised portion of rehabilitation provisions (after accounting for impairment and amortisation) was PLN 141 million (PLN 130 million in the comparative period).

### Useful lives of property, plant and equipment

Depreciation rates are determined based on the expected economic useful life of each component of property, plant and equipment and estimates of residual value. Capitalised major overhauls are depreciated over the period until the expected start of the next major overhaul.

Useful economic lives are reviewed at least once during the financial year.

The review of useful economic lives of property, plant and equipment conducted in 2025 resulted in a reduction in depreciation costs for the year 2025 in the total amount of approximately PLN 59 million.

### Property, plant and equipment under operating leases

As at the reporting date ended December 31, 2025, the value of property, plant and equipment handed over by the PGE CG under operating leases amounted to PLN 51 million, remaining unchanged from the comparative period.

	As at December 31, 2025	As at December 31, 2024
Land	21	21
Buildings and structures	25	28
Technical equipment	4	1
Other property, plant and equipment	1	1
<b>NET VALUE</b>	<b>51</b>	<b>51</b>

## 10. Intangible assets and goodwill

### **SIGNIFICANT ACCOUNTING PRINCIPLES**

#### Intangible assets

The Group recognises as intangible assets identifiable non-monetary assets without physical substance, such as:

- acquired property rights suitable for economic use, classified as non-current assets, with an expected economic lifetime exceeding one year, intended for the Group's own use,
- development costs;
- goodwill, excluding self-generated goodwill;
- servitudes acquired and established free of charge that do not meet the definition of a lease under IFRS 16,
- rights of mining usufruct regarding mining excavations, foregrounds, and dumping grounds (excluded from the scope of application of IFRS 16),
- intangible assets not yet in use.

Initial recognition of intangible assets acquired in a separate transaction is at purchase price or cost of production (in the case of development work).

After initial recognition, intangible assets are measured at acquisition cost or production cost less amortisation and impairment write-downs.

The Group assesses whether the economic lifetime of an intangible asset is finite or indefinite and, if finite, estimates its duration based on output or another measure that forms the basis for the determination of the economic lifetime. The Group considers the economic lifetime of an intangible asset to be indefinite if, based on an analysis of relevant factors, there is no foreseeable limit to the period during which the asset will generate cash flows for the Group.

The amortisable amount of an intangible asset with a finite useful economic life is the cost of the asset, less its residual value. The residual value of an intangible asset is based on its recoverable value from disposal, determined with reference to current prices for similar assets that have reached the end of their useful life and operated under similar conditions to those in which the asset has been used.

The amortisation period and method are reviewed at least at the end of each year. Any changes arising from the review are accounted for as a change in estimates.

Intangible assets, both those with an indefinite useful life, including goodwill, and those not yet in use, are subject to periodic (at least annual) impairment reviews.

Other intangible assets are tested for impairment only when indicators exist that suggest their carrying amount may not be recoverable. If such indications exist and the carrying amount exceeds the estimated recoverable amount, the asset's carrying amount – or that of the cash-generating unit (CGU) to which the asset belongs – is written down to its recoverable amount. The Group recognises impairment losses on intangible assets in the income statement under nature-of-cost expenses, and in the cost-accounting layout in line with the allocation of amortisation. This also applies to impairment losses on intangible assets not yet in use, prepayments for intangible assets, and CGU-level impairment.

### The economic lifetimes adopted for individual groups of intangible assets are as follows:

Asset group	Average remaining amortisation period in years	Most common full amortisation periods in years
Costs of completed development	1	5 / 27
Software	4	2 – 18
Other patents and licences	5	1 - 27
Other	15	5 / 38

	As at December 31, 2025	As at December 31, 2024
Costs of completed development	1	1
Goodwill	621	621
Customer relations	471	471
Software	499	369
Other licences and patents	21	19
Other intangible assets	216	208
IA not yet in use	196	249
<b>NET VALUE OF INTANGIBLE ASSETS</b>	<b>2,025</b>	<b>1,938</b>

### Changes in IA by asset group

	Costs of completed development	Goodwill	Customer relations	Software	Other licences and patents	Other intangible assets	IA not yet in use	Total
<b>GROSS BOOK VALUE</b>								
<b>AS AT JANUARY 1, 2025</b>	<b>15</b>	<b>621</b>	<b>471</b>	<b>1,169</b>	<b>122</b>	<b>363</b>	<b>322</b>	<b>3,083</b>
CapEx	-	-	-	-	3	3	258	264
Settlement of IA not put into use	-	-	-	276	4	16	(296)	-
Disposal, sale	-	-	-	(17)	(2)	(1)	(29)	(49)
Other	-	-	-	3	(1)	6	(1)	7
<b>AS AT DECEMBER 31, 2025</b>	<b>15</b>	<b>621</b>	<b>471</b>	<b>1,431</b>	<b>126</b>	<b>387</b>	<b>254</b>	<b>3,305</b>
<b>DEPRECIATION AND IMPAIRMENT WRITE-DOWNS</b>								
<b>AS AT JANUARY 1, 2025</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>800</b>	<b>103</b>	<b>155</b>	<b>73</b>	<b>1,145</b>
Amortisation, liquidation	-	-	-	136	4	14	-	154
Impairment write-downs	-	-	-	11	1	4	(17)	(1)
Disposal, sale	-	-	-	(15)	(2)	(1)	-	(18)
Other	-	-	-	-	(1)	(1)	2	-
<b>AS AT DECEMBER 31, 2025</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>932</b>	<b>105</b>	<b>171</b>	<b>58</b>	<b>1,280</b>
<b>NET VALUE AT DECEMBER 31, 2025</b>	<b>1</b>	<b>621</b>	<b>471</b>	<b>499</b>	<b>21</b>	<b>216</b>	<b>196</b>	<b>2,025</b>

	Costs of completed development	Goodwill	Customer relations	Software	Other licences and patents	Other intangible assets	IA not yet in use	Total
<b>GROSS BOOK VALUE</b>								
<b>AS AT JANUARY, 1 2024</b>	<b>16</b>	<b>621</b>	<b>471</b>	<b>1,191</b>	<b>111</b>	<b>333</b>	<b>282</b>	<b>3,025</b>
CapEx	-	-	-	-	-	2	131	<b>133</b>
Settlement of IA not put into use	-	-	-	72	16	24	(112)	-
Disposal, sale	(1)	-	-	(93)	(5)	-	-	<b>(99)</b>
Transfer from PPE under construction	-	-	-	-	-	-	21	<b>21</b>
Other	-	-	-	(1)	-	4	-	<b>3</b>
<b>AS AT DECEMBER 31, 2024</b>	<b>15</b>	<b>621</b>	<b>471</b>	<b>1,169</b>	<b>122</b>	<b>363</b>	<b>322</b>	<b>3,083</b>
<b>DEPRECIATION AND IMPAIRMENT WRITE-DOWNS</b>								
<b>AS AT JANUARY, 1 2024</b>	<b>15</b>	-	-	<b>777</b>	<b>101</b>	<b>142</b>	<b>38</b>	<b>1,073</b>
Amortisation, liquidation	-	-	-	117	5	13	-	<b>135</b>
Impairment write-downs	-	-	-	-	1	-	34	<b>35</b>
Disposal, sale	(1)	-	-	(92)	(5)	-	-	<b>(98)</b>
Other	-	-	-	(2)	1	-	1	-
<b>AS AT DECEMBER 31, 2024</b>	<b>14</b>	-	-	<b>800</b>	<b>103</b>	<b>155</b>	<b>73</b>	<b>1,145</b>
<b>NET VALUE AT DECEMBER 31, 2024</b>	<b>1</b>	<b>621</b>	<b>471</b>	<b>369</b>	<b>19</b>	<b>208</b>	<b>249</b>	<b>1,938</b>

### Intangible assets not yet in use

The amount presented as intangible assets not yet in use as at December 31, 2025 primarily relates to IT system implementation projects within the PGE Capital Group. The analysis did not indicate the need to recognise or reverse an impairment write-down for these assets.

### Goodwill

As at the reporting date ended December 31, 2025, goodwill was allocated to the following segments and CGUs:

- Railway Energy Services – PLN 345 million,
- District Heating – PLN 192 million,
- EWB2 – PLN 36 million,
- EWB3 – PLN 45 million,
- Renewables: PLN 3 million,

Goodwill was tested for impairment. Details regarding the tests are described in Note 3 to these financial statements.

### Customer relations

Customer relations are classified as an asset with an indefinite economic lifetime. As at the reporting date, their value stands at PLN 471 million. As at May 31, 2025, customer relationships were tested for impairment, as a result of which the Group concluded that there was no need to recognise an impairment write-down.

### Amortisation periods of intangible assets

The review of the useful economic lives of intangible assets carried out in 2025 resulted in an increase in amortisation costs for the year 2025 in a total amount of approximately PLN 5 million.

## 11. Rights to use assets

### **SIGNIFICANT ACCOUNTING PRINCIPLES**

Under IFRS 16, an agreement is a lease agreement or contains a lease component if it transfers the right to control the use of an identified asset for a given period in return for consideration.

Lease agreements related to the exploration or extraction of lignite deposits are excluded from the scope of IFRS 16 – in particular agreements establishing mining usufruct and rights of mining usufruct, leasehold agreements, and similar land lease contracts concerning mining excavations, foregrounds, and dumping grounds. According to the Group's interpretation, contracts relating to the exploitation of lignite deposits fall outside the scope of IFRS 16.

The Group determines the lease term as the non-cancellable period for which the lessee has the right to use the underlying asset, together with:

- periods for which the lease may be extended if it can be assumed with reasonable certainty that the lessee will exercise this right; and
- periods during which the lease may be terminated if it can be assumed with reasonable certainty that the lessee will not exercise this right.

In determining the lease term and estimating the length of the irrevocable lease term, the Group applies the definition of an agreement and determines the term of an agreement's enforceability. A lease ceases to be enforceable when both the lessee and the lessor have the right to terminate the lease agreement without the other party's consent, with the consequence that a penalty is at most minor. The concept of a penalty includes all kinds of economic 'disadvantages' that create barriers to terminating an agreement.

If only the lessee has the right to terminate the lease agreement, this right is regarded as an option for the lessee to terminate the lease agreement that the entity takes into account in determining the lease term. If only the lessor has the right to terminate the lease agreement, the irrevocable lease term covers the period covered by the option to terminate the lease agreement.

The lease term begins at the commencement date, i.e. when the underlying asset is made available for use by the lessee, and includes any rent-free periods granted by the lessor to the lessee.

At the lease commencement date, the Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise or not to exercise the option to extend the lease, the option to purchase the underlying asset, or not to exercise the option to terminate the lease.

The interest rate implicit in the lease is the rate that causes the present value of the lease payments and the unguaranteed residual value to equal the sum of the fair value of the underlying asset and any initial direct costs incurred by the lessor.

The lessee's incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

The lessee recognises a right-of-use asset at the lease commencement date.

The Group, as a lessee, applies an exemption in respect of the recognition, measurement and presentation of the following:

- short-term leases, i.e. leases whose term is not longer than 12 months and which do not include a purchase option;
- leases for which the underlying asset is of low value and is not sub-leased. The Group recognises that the base asset has a low value (the value of a new asset regardless of the age of the leased asset) if it does not exceed the amount of PLN 18 thousand.

The short-term lease exemption is applied based on the class of the underlying asset to which the right-of-use relates. It applies this exemption to all new contracts entered into. The low-value lease exemption is applied on a lease-by-lease basis.

At the commencement date, the lessee measures an asset constituting the right to use an asset at cost. The cost of the right-of-use asset should include:

- the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the lessee; and
- an estimate of costs to be incurred by the lessee for dismantling and removing the underlying asset, restoring the site on which it is located, or restoring the asset to the condition required by the lease terms – unless those costs are incurred to produce inventory. The lessee assumes the obligation to cover

these costs either at the commencement date or as a result of using the underlying asset over a certain period.

After the commencement date, the right-of-use asset is measured using the cost model. The lessee measures the right-of-use asset at cost:

- less total depreciation (amortisation) and total impairment write-downs. Depreciation is charged throughout the lease term, from the moment an asset has been made available for use. No depreciation is made on the right to use an asset classified as fixed assets held for sale.
- adjusted for the revaluation of the liability (e.g. due to a change in lease payments).

#### Economic lifetimes adopted for individual groups of right-of-use assets:

Asset group	Average remaining amortisation period in years	Most common amortisation periods in years
Land lease and tenancy agreements	11	2-70
RPUL	41	6-90
Easement agreements	24	17-50
Buildings and structures	6	1-73
Other	2	1-50

	As at December 31, 2025	As at December 31, 2024
Land lease and tenancy agreements	470	402
RPUL	1,140	1,055
Easement agreements	33	31
Buildings and structures	310	337
Other	48	68
<b>NET VALUE OF RIGHTS TO USE ASSETS</b>	<b>2,001</b>	<b>1,893</b>

#### Changes to rights to use assets by asset group

	Land lease and tenancy	RPUL	Easement	Buildings and structures	Other	Total
<b>GROSS BOOK VALUE</b>						
<b>AS AT JANUARY 1, 2025</b>	543	1,188	39	479	111	2,360
Disposal, sale	(7)	(12)	-	(23)	(13)	(55)
Changes, updates to liabilities, contract modifications	56	109	-	34	-	199
Contracts concluded in the current period, of which:						
<i>Increases in RTUA (amounts paid)</i>	131	15	3	36	11	196
<i>Increases in RTUA (discounted amounts)</i>	-	4	3	0	6	13
Other	131	11	-	36	5	183
Other	(15)	-	-	(37)	(3)	(55)
<b>AS AT DECEMBER 31, 2025</b>	<b>708</b>	<b>1,300</b>	<b>42</b>	<b>489</b>	<b>106</b>	<b>2,645</b>
<b>DEPRECIATION AND IMPAIRMENT WRITE-DOWNS</b>						
<b>AS AT JANUARY 1, 2025</b>	141	133	8	142	43	467
Depreciation	44	28	1	53	27	153
Impairment write-downs	54	1	-	1	3	59
Disposal, sale	(1)	(2)	-	(17)	(13)	(33)
Other	-	-	-	-	(2)	(2)
<b>AS AT DECEMBER 31, 2025</b>	<b>238</b>	<b>160</b>	<b>9</b>	<b>179</b>	<b>58</b>	<b>644</b>
<b>NET VALUE AT DECEMBER 31, 2025</b>	<b>470</b>	<b>1,140</b>	<b>33</b>	<b>310</b>	<b>48</b>	<b>2,001</b>

	Land lease and tenancy	RPUL	Easement	Buildings and structures	Other	Total
<b>GROSS BOOK VALUE</b>						
<b>AS AT JANUARY, 1 2024</b>	452	1,187	36	409	104	2,188
Disposal, sale	(5)	(3)	-	(6)	(4)	(18)
Changes, updates to liabilities, contract modifications	78	(12)	-	29	(1)	94
Contracts concluded in the current period, of which:	10	12	3	46	16	87
<i>Increases in RTUA (amounts paid)</i>	-	2	3	0	6	11
<i>Increases in RTUA (discounted amounts)</i>	10	10	-	46	10	76
Other	8	4	-	1	(4)	9
<b>AS AT DECEMBER 31, 2024</b>	<b>543</b>	<b>1,188</b>	<b>39</b>	<b>479</b>	<b>111</b>	<b>2,360</b>
<b>DEPRECIATION AND IMPAIRMENT WRITE-DOWNS</b>						
<b>AS AT JANUARY, 1 2024</b>	102	107	7	98	22	336
Depreciation	37	26	1	48	30	142
Impairment write-downs	-	-	-	1	-	1
Disposal, sale	2	-	-	(5)	(4)	(7)
Other	-	-	-	-	(5)	(5)
<b>AS AT DECEMBER 31, 2024</b>	<b>141</b>	<b>133</b>	<b>8</b>	<b>142</b>	<b>43</b>	<b>467</b>
<b>NET VALUE AT DECEMBER 31, 2024</b>	<b>402</b>	<b>1,055</b>	<b>31</b>	<b>337</b>	<b>68</b>	<b>1,893</b>

## 12. Shares accounted for using the equity method

	As at December 31, 2025	As at December 31, 2024
Polimex - Mostostal S.A., Warsaw	120	86
Energopomiar sp. z o.o., Gliwice	12	11
PGE Soleo Kleszczów sp. z o.o., Kleszczów	28	28
PGE PAK Energia Jądrowa S.A., Konin	-	10
Elester sp. z o.o., Łódź	242	236
<b>SHARES ACCOUNTED FOR USING THE EQUITY METHOD</b>	<b>402</b>	<b>371</b>

	Polimex Mostostal*	PEC Bogatynia	Energopomiar	PGE Soleo Kleszczów	Elester
<b>VOTING RIGHTS</b>	<b>16.13%</b>	<b>34.93%</b>	<b>49.79%</b>	<b>50.00%</b>	<b>89.96%</b>
<b>AS AT DECEMBER 31, 2025</b>					
Current assets	2,309	11	31	15	114
Non-current assets	822	20	25	114	14
Current liabilities	2,304	5	27	-	25
Non-current liabilities	183	5	4	74	16
<b>NET ASSETS</b>	<b>644</b>	<b>21</b>	<b>25</b>	<b>55</b>	<b>87</b>
<b>Share of net assets</b>	<b>104</b>	<b>7</b>	<b>12</b>	<b>28</b>	<b>78</b>
Fair value adjustment at the time of acquisition	16	-	-	-	164
Impairment loss	-	(7)	-	-	-
<b>SHARES ACCOUNTED FOR USING THE EQUITY METHOD</b>	<b>120</b>	<b>-</b>	<b>12</b>	<b>28</b>	<b>242</b>

\*for Polimex Mostostal, data for the period from December 1, 2024 to November 30, 2025 was used.

	Polimex Mostostal*	PEC Bogatynia	Energopo- miar	PGE Soleo Kleszczów	PGE PAK Energia Jądrowa	Elester
<b>VOTING RIGHTS</b>	<b>16.33%</b>	<b>34.93%</b>	<b>49.79%</b>	<b>50.00%</b>	<b>50.00%</b>	<b>89.96%</b>
<b>AS AT DECEMBER 31, 2024</b>						
Current assets	2,169	11	27	13	7	105
Non-current assets	889	21	23	75	15	11
Current liabilities	2,288	7	24	13	2	22
Non-current liabilities	192	5	5	20	-	14
<b>NET ASSETS</b>	<b>578</b>	<b>20</b>	<b>21</b>	<b>55</b>	<b>20</b>	<b>80</b>
<b>Share of net assets</b>	<b>94</b>	<b>7</b>	<b>11</b>	<b>28</b>	<b>10</b>	<b>72</b>
Fair value adjustment at the time of acquisition	16	-	-	-	-	164
Impairment loss	(24)	(7)	-	-	-	-
<b>SHARES ACCOUNTED FOR USING THE EQUITY METHOD</b>	<b>86</b>	<b>-</b>	<b>11</b>	<b>28</b>	<b>10</b>	<b>236</b>

\*for Polimex Mostostal, data for the period from December 1, 2023 to November 30, 2024 was used.

In 2025, PGE S.A. acquired 50% of shares in PGE PAK Energia Jądrowa, and thus PGE PAK Energia Jądrowa S.A. (currently PGE Energia Jądrowa S.A.) became a subsidiary. Transaction details are described in Note 1.3.1.

## 13. Deferred tax in the statement of financial position

### **SIGNIFICANT ACCOUNTING PRINCIPLES**

#### Deferred income tax

Due to temporary differences between the carrying amounts of assets and liabilities and their tax bases, as well as tax losses deductible in the future, the Group calculates deferred income tax liabilities and assets.

A deferred income tax liability is recognised for all taxable temporary differences.

A deferred income tax asset is recognised for all deductible temporary differences, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

The carrying amount of each deferred tax asset and liability is reviewed at each reporting date. Deferred tax assets and liabilities are presented in full as non-current. The Group offsets deferred tax assets and liabilities at the level of the tax capital group and at the level of individual companies within the PGE Capital Group.

### 13.1 Deferred income tax assets

	As at December 31, 2025	As at December 31, 2024
Difference between tax and current book values of property, plant and equipment	1,343	473
Provision for rehabilitation expenses	116	85
Provision for employee benefits	521	548
Provision for the purchase of CO <sub>2</sub> emission allowances	2,864	2,519
Difference between tax and current book values of liabilities	1,062	596
Difference between tax and current book value of rights of use	272	285
Tax losses	21	548
Other provisions	619	242
Difference between tax and current book values of financial assets	118	268
Compensation for termination of Long-Term Contracts	87	92
Difference between tax and current book values of inventories	32	49
Infrastructure and connection fees received free of charge	134	125
Other	50	19
<b>DEFERRED INCOME TAX ASSETS</b>	<b>7,239</b>	<b>5,849</b>

Estimates concerning the realisation of deferred tax assets take into account the fact that selected companies of the PGE CG belong to tax capital groups. According to tax regulations, it is possible to settle the tax losses and income of participants within tax capital groups.

Deferred tax assets have not been recognised in respect of the following items, as it is not probable that taxable profit will be available against which the deferred tax asset can be partially or fully realised.

#### Unrecognised deferred income tax assets

	Year ended December 31, 2025	Year ended December 31, 2024
Difference between tax and book values of property, plant and equipment	1,427	1,576
Provision for rehabilitation expenses	1,217	1,000
Provision for the purchase of CO <sub>2</sub> emission allowances	-	590
Tax losses	1,626	516
Provision for employee benefits	249	246
Other	179	-
<b>AS AT DECEMBER 31</b>	<b>4,698</b>	<b>3,928</b>

Tax losses for the years 2023, 2024 and 2025, the settlement deadline for which expires in 2028, 2029 and 2030.

#### Change in deferred income tax – assets

	Year ended December 31, 2025	Year ended December 31, 2024
<b>AS AT JANUARY 1</b>	<b>5,849</b>	<b>11,443</b>
Changes corresponding to net profit/loss	1,644	(3,031)
Changes corresponding to retained earnings	7	-
Changes in correspondence with other comprehensive income	(231)	87
Reclassification within deferred tax assets and liabilities	(34)	(2,650)
Other changes	4	-
<b>AS AT DECEMBER 31</b>	<b>7,239</b>	<b>5,849</b>

Changes in correspondence with other comprehensive income relate to a change in deferred tax on the part of the provision for employee benefits relating to post-employment benefits. The other changes in each item were recognised in profit or loss.

## 13.2 Deferred tax liabilities

	As at December 31, 2025	As at December 31, 2024
Difference between tax and current book values of property, plant and equipment	2,516	2,772
Difference between tax and current book values of financial assets	970	743
Difference between tax and current book values of lease liabilities	322	258
Receivables from recognised compensation – Electricity Prices Act	69	199
Difference between tax and current book values of financial liabilities	91	51
Other	209	143
<b>DEFERRED TAX LIABILITIES</b>	<b>4,177</b>	<b>4,166</b>

#### Change in deferred income tax – liabilities

	Year ended December 31, 2025	Year ended December 31, 2024
<b>AS AT JANUARY 1</b>	<b>4,166</b>	<b>8,724</b>
Changes corresponding to net profit/loss	131	(2,164)
Changes corresponding to retained earnings	7	-
Changes in correspondence with other comprehensive income	(97)	259
Change in the composition of the CG	-	-
Reclassification within deferred tax assets and liabilities	(34)	(2,650)
Other changes	4	(3)
<b>AS AT DECEMBER 31</b>	<b>4,177</b>	<b>4,166</b>

Changes in relation to other comprehensive income concern changes in deferred tax on the measurement of hedging instruments. The other changes in each item were recognised in profit or loss.

The Group does not recognise a deferred tax liability for taxable temporary differences related to investments in subsidiaries because:

- As the parent company, PGE S.A. is able to control the timing of the reversal of temporary differences and
- it is probable that the temporary differences will not reverse in the foreseeable future.

**The Group's deferred tax after offsetting assets and liabilities at the level of the tax capital group and at the level of individual companies of the PGE Capital Group**

	Year ended December 31, 2025	Year ended December 31, 2024
Deferred tax assets	3,607	3,153
Income tax liabilities	(545)	(1,470)

## 14. Inventories

### **SIGNIFICANT ACCOUNTING PRINCIPLES**

#### Inventories

Inventories are assets held for sale in the ordinary course of business, in the process of production for such sale, or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories include:

- materials,
- finished goods,
- semi-finished goods and work in progress,
- energy origin rights – acquired, generated or received rights relating to energy produced from renewable energy sources, rights relating to energy produced in cogeneration, and rights to certificates of energy efficiency,
- goods (in particular coal purchased primarily for resale in the short term).

Inventories (excluding coal acquired to generate profits) are measured at the lower of two values: acquisition/manufacturing cost or net realisable value.

The Group's tradable coal inventories are measured at fair value less costs to sell.

Inventory issues are measured using the following principles:

- materials and goods (excluding CO<sub>2</sub> emission allowances and energy origin rights) – FIFO method,
- CO<sub>2</sub> emission allowances – specific identification,
- energy origin rights – specific identification.

The acquisition or manufacturing costs applied for inventory measurement at the reporting date must not exceed their net realisable value. Any impairment write-down is recognised under operating expenses. If the value previously written down is subsequently recovered in whole or in part, the value of the respective item is adjusted accordingly by reversing the impairment.

Companies where slow-moving and obsolete inventories constitute a material item may, based on detailed guidelines, apply more specific rules for their calculation and impairment write-downs. Write-downs of obsolete and redundant inventories may be recognised under other operating activities.

	As at December 31, 2025			As at December 31, 2024		
	Initial value	Revaluation	Net book value	Initial value	Revaluation	Net book value
Hard coal	848	-	848	1,271	-	1,271
Maintenance and operating materials	735	(186)	549	766	(52)	714
Heavy fuel oil (mazut)	44	-	44	48	-	48
Other materials	173	(8)	165	187	(13)	174
<b>TOTAL MATERIALS</b>	<b>1,800</b>	<b>(194)</b>	<b>1,606</b>	<b>2,272</b>	<b>(65)</b>	<b>2,207</b>
Green energy origin rights	89	-	89	227	(5)	222
Other energy origin rights	21	-	21	14	-	14
<b>ENERGY ORIGIN CERTIFICATES</b>	<b>110</b>	<b>-</b>	<b>110</b>	<b>241</b>	<b>(5)</b>	<b>236</b>
Hard coal	306	(115)	191	462	(153)	309
Other goods	28	(1)	27	30	(2)	28
<b>TOTAL GOODS</b>	<b>334</b>	<b>(116)</b>	<b>218</b>	<b>492</b>	<b>(155)</b>	<b>337</b>
<b>OTHER INVENTORIES</b>	<b>108</b>	<b>(2)</b>	<b>106</b>	<b>111</b>	<b>(2)</b>	<b>109</b>
<b>TOTAL INVENTORIES</b>	<b>2,352</b>	<b>(312)</b>	<b>2,040</b>	<b>3,116</b>	<b>(227)</b>	<b>2,889</b>

	Year ended December 31, 2025	Year ended December 31, 2024
<b>INVENTORY WRITE-DOWN AS AT JANUARY 1</b>	<b>(227)</b>	<b>(506)</b>
Creation of write-down	(166)	(52)
Reversal of write-down	46	16
Utilisation of write-down	37	253
Measurement at fair value	(2)	62
Other changes	-	-
<b>INVENTORY WRITE-DOWN AS AT DECEMBER 31</b>	<b>(312)</b>	<b>(227)</b>

The Group presents inventory consumption within operating expenses (mainly under consumption of materials and energy, and the value of goods and materials sold).

In 2025, a review was carried out of the strategic stocks held within the Coal Energy segment, where, following impairment tests, it was determined that the tangible fixed assets had a negative value in use for the purposes of assessing their net realisable value. As a result of the review, the Group recognised an impairment write-down on strategic inventories in the amount of PLN 129 million, presented in other operating expenses.

## 15. CO<sub>2</sub> emission allowances for own use

### **SIGNIFICANT ACCOUNTING PRINCIPLES**

#### CO<sub>2</sub> emission allowances for own use

The PGE Capital Group emits carbon dioxide into the atmosphere as part of its operations. The demand for CO<sub>2</sub> emission allowances is partly covered by allowances allocated free of charge, while the remaining volume must be purchased by the PGE Capital Group on the market. In order to meet the requirements of the Group's generation units, external transactions are concluded for the purchase of greenhouse gas emission allowances. CO<sub>2</sub> emission allowances designated for the own needs of generation units are recognised under a separate item in the statement of financial position. EUA allowances received free of charge are presented in the statement of financial position at their nominal value, i.e. at zero value. Purchased emission allowances are recognised at purchase cost. The disposal of CO<sub>2</sub> emission allowances purchased for own use is measured using the specific identification method.

Since the PGE Capital Group enters into CO<sub>2</sub> emission allowance purchase transactions at the time of contracting sales, each purchase is allocated to a specific pool linked to contracted sales for a given year. The value of allowances allocated to the pool for the given reporting period is reflected in the value of the provision for CO<sub>2</sub> emission costs for that period.

Forward transactions executed to hedge the purchase of CO<sub>2</sub> emission allowances for surrender purposes are subject to own use exemption and are not recognised in the statement of financial position.

EUA	As at December 31, 2025		As at December 31, 2024	
	Long-term	Short-term	Long-term	Short-term
Amount (million Mg)	1.4	25.0	0.2	26.6
Value (PLN million)	458	7,841	69	10,844

EUA	Amount (million Mg)	Value (PLN million)
<b>AS AT JANUARY 1, 2024</b>	<b>25.6</b>	<b>10,537</b>
Purchase/Sale	59.5	24,830
Allocated free of charge	0.6	-
Surrendered	(58.9)	(24,454)
<b>AS AT DECEMBER 31, 2024</b>	<b>26.8</b>	<b>10,913</b>
Purchase/Sale	49.5	15,655
Allocated free of charge	0.5	-
Surrendered	(50.4)	(18,269)
<b>AS AT DECEMBER 31, 2025</b>	<b>26.4</b>	<b>8,299</b>

\* EU allowances for CO<sub>2</sub> emissions allocated free of charge are linked to the heat energy produced.

Additional information related to the change in the date of surrender of CO<sub>2</sub> emission allowances is described in Note 20.2 of these financial statements.

## 16. Other current and non-current assets

### **SIGNIFICANT ACCOUNTING PRINCIPLES**

#### Other assets (including prepaid expenses)

The Group recognises assets as prepayments if the following conditions are met:

- they result from past events– expenses incurred for operational purposes of the entities,
- their value can be assessed reliably,
- they relate to future reporting periods.

Prepayments are measured at the amount of incurred and reliably determined expenses related to future periods and future economic benefits.

Other assets include, in particular, receivables arising from settlements with public authorities, prepayments for supplies and services (including prepayments for property, plant and equipment under construction), and dividend receivables.

### 16.1 Other non-current assets

	As at December 31, 2025	As at December 31, 2024 <i>restated data*</i>
Prepayments for property, plant and equipment under construction	1,353	924
Finance acquisition costs	124	10
Customer acquisition costs	68	88
Other non-current assets	174	192
<b>TOTAL OTHER ASSETS</b>	<b>1,719</b>	<b>1,214</b>

\*The restatement of comparative data is described in Note 5 to these consolidated financial statements.

Advances for property, plant and equipment under construction relate mostly to the construction of the Baltica 1 (PLN 21 million) and Baltica 2 (PLN 808 million) offshore wind farms in the Baltic Sea, the connection of the Żarnowiec/Kartoszyño Battery Energy Storage System to the transmission grid (PLN 194 million), and the construction of a combined cycle gas turbine unit by PGE Nowy Rybnik sp. z o.o. (PLN 61 million). The finance acquisition cost stems from investments implemented in the Renewables segment. Customer acquisition costs relate to the co-financing by PGE Energia Ciepła S.A. of investments in the development of district heating networks, as well as agency commissions in PGE Obrót S.A.

## 16.2 Other current assets

	As at December 31, 2025	As at December 31, 2024
<b>COSTS DEFERRED OVER TIME</b>		
Property and liability insurance	138	27
Finance acquisition costs	113	4
Customer acquisition costs	68	82
IT services	40	26
CSBF	8	11
Logistics costs related to coal procurement	8	14
Other costs deferred over time	44	67
<b>OTHER CURRENT ASSETS</b>		
Receivables from accrued VAT	470	737
Prepayments for supplies	14	8
Excise duty receivables	4	7
Receivables from the settlement of contributions to the PDPF	-	199
Other current assets	17	23
<b>TOTAL OTHER ASSETS</b>	<b>924</b>	<b>1,205</b>

### **SIGNIFICANT ACCOUNTING PRINCIPLES**

#### Customer acquisition costs

Costs incurred prior to the conclusion of a contract that are related to the execution of its subject matter are classified as other assets and recognised as prepaid expenses, provided it is probable that these costs will be recovered in the future through revenue obtained from the customer.

As at December 31, 2025 and as at December 31, 2024, the Group recognised the following costs to be deferred over time.

	Year ended December 31, 2025	Year ended December 31, 2024
<b>AS AT JANUARY 1</b>	<b>170</b>	<b>181</b>
Costs to obtain a contract – capitalised	47	74
Amortisation and impairment	(79)	(85)
Other	(2)	-
<b>AS AT DECEMBER 31</b>	<b>136</b>	<b>170</b>
Short-term	68	82
Long-term	68	88

Customer acquisition costs relate, inter alia, to the co-financing by PGE Energia Ciepła S.A. of investments in the development of district heating networks, as well as agency commissions for customer acquisition/retention in PGE Obrót S.A.

The asset is amortised systematically, taking into account the period during which the related goods or services are transferred to the customer.

## 17. Cash and cash equivalents

### **SIGNIFICANT ACCOUNTING PRINCIPLES**

#### Cash and cash equivalents

Cash comprises cash in hand and deposits payable on demand.

Cash equivalents are short-term, highly liquid investments that are readily convertible to specified amounts of cash and subject to an insignificant risk of change in value.

Short-term deposits are made for various periods, typically ranging from one day to one month, depending on the Group's current cash requirements.

The balance of cash and cash equivalents consists of the following items:

	As at December 31, 2025	As at December 31, 2024
<b>Cash</b>	<b>3,320</b>	<b>3,145</b>
Cash at bank and in hand	2,821	1,873
Funds held in VAT accounts	499	1,272
<b>Cash equivalents</b>	<b>7,489</b>	<b>1,218</b>
Overnight deposits	171	60
Short-term deposits	7,318	1,158
<b>TOTAL</b>	<b>10,809</b>	<b>4,363</b>
Available credit limits	38,697	11,679
<i>including credit limits on current accounts</i>	<i>3,231</i>	<i>3,254</i>
<i>including limits under the National Recovery and Resilience Plan*</i>	<i>13,027</i>	<i>-</i>
<i>including limits under loans for the construction of Baltica 2 OWF*</i>	<i>10,162</i>	<i>-</i>

\*credit limits that may be utilised by the PGE CG for specific investment purposes

A detailed description of credit agreements is provided in Note 24.1.3 to these financial statements.

The value of cash includes restricted cash in the amount of PLN 241 million (PLN 207 million in the comparative period) held in the accounts of PGE Dom Maklerski S.A. clients.

## 18. Social assets and liabilities related to the Company Social Benefits Fund (CSBF)

### **SIGNIFICANT ACCOUNTING PRINCIPLES**

#### Company Social Benefits Fund and Other Special Funds

The Act of March 4, 1994 on the Company Social Benefits Fund, as amended, stipulates that employers employing more than 50 employees (calculated as full-time equivalents) are required to establish a Company Social Benefits Fund (CSBF). Entities within the Group establish such a fund and make periodic contributions. The purpose of the Fund is to subsidise the Group's social activities, loans granted to employees, and other social costs. Contributions to the Company Social Benefits Fund during the year are recognised as expenses for the period to which they relate.

The Group offsets the liabilities and assets of the Company Social Benefits Fund.

	As at December 31, 2025	As at December 31, 2024
Loans granted to employees	84	88
Cash	85	69
Other assets	3	3
Liabilities of the Fund	(169)	(148)
<b>BALANCE AFTER OFFSETTING</b>	<b>3</b>	<b>12</b>
<b>Fund contribution during the period</b>	<b>342</b>	<b>305</b>

Additionally, as described in Note 21, entities belonging to the PGE Capital Group recognise a provision for post-employment benefits (CSBF).

## 19. Equity

### **SIGNIFICANT ACCOUNTING PRINCIPLES**

#### Equity

Equity is recognised at par value, divided into its types and in accordance with the legal regulations and the provisions of the Company Statutes.

In the consolidated financial statements, supplementary and reserve capital are presented as the capital disclosed in the separate financial statements of the parent company.

The capital arising from the measurement of financial instruments is determined as the fair value of the hedging instruments in the effective portion of the hedge, plus the revaluation amount of financial assets classified as financial assets measured at fair value through other comprehensive income.

In the consolidated financial statements of the PGE Group, non-controlling interests are presented as a separate equity item.

The objective of equity management is to ensure a secure and effective financing structure that takes into account operational risk, investment expenditures, as well as the interests of shareholders and debt investors. Equity is managed at the Group level.

In accordance with common practice, the Group monitors the net debt to EBITDA ratios at the PGE Group level. Net debt is understood as short- and long-term financial liabilities, less cash and cash equivalents, and short-term deposits. Restricted cash is not included in the calculation of net debt.

The Group's aim is to maintain its investment grade credit ratings. Given the on-going investment programme, financial leverage is expected to increase in the coming years. The net consolidated debt to consolidated EBITDA ratio is a central element of the Group's financial forecasts and plans.

	Year ended December 31, 2025	Year ended December 31, 2024 <i>restated data*</i>
Net debt / EBITDA	0.37x	0.75x
Net debt / Equity	0.10x	0.21x

\*The restatement of comparative data is described in Note 5 to these consolidated financial statements.

Detailed information on ratios at the PGE CG level is presented in Note 5.4.1 to the Management Board's Report on the activities of the PGE CG.

### 19.1 Share capital

	As at December 31, 2025	As at December 31, 2024
1,470,576,500 Series A ordinary shares with a par value of PLN 8.55 each	12,574	12,574
259,513,500 Series B ordinary shares with a par value of PLN 8.55 each	2,219	2,219
73,228,888 Series C ordinary shares with a par value of PLN 8.55 each	626	626
66,441,941 Series D ordinary shares with a par value of PLN 8.55 each	568	568
373,952,165 Series E ordinary shares with a par value of PLN 8.55 each	3,197	3,197
<b>TOTAL SHARE CAPITAL</b>	<b>19,184</b>	<b>19,184</b>

All of the Company's shares are paid up.

After the reporting date and before the date on which these financial statements were prepared, there had been no changes in the value of the Company's share capital.

## Shareholder rights – the State Treasury’s rights related to the Company’s operations

The Company is a member of the PGE Capital Group, with respect to which the State Treasury holds special rights as long as it remains its shareholder.

The State Treasury’s special rights which may be exercised with respect to the companies belonging to the PGE Capital Group are specified in the Act of March 18, 2010 on special rights of a minister competent for energy affairs and their exercise with respect to certain capital companies or capital groups conducting business activities in the electricity, petrol, and gaseous fuels sectors (consolidated text: Dz.U. [*Journal of Laws*] of 2025, item 470). The Act specifies special rights held by the minister competent for state assets with respect to capital companies or capital groups conducting business activities in the electricity, petrol, and gaseous fuels sectors whose assets are disclosed in the standardised specification of facilities, installations, equipment and services included in the composition of the critical infrastructure.

On the basis of the provisions in question, the minister responsible for state assets may object to a resolution adopted by the Management Board or any other legal action carried out by the Management Board, the object of which is the disposal of an asset posing a real threat to the functioning, continuity of operation and integrity of critical infrastructure. An objection could also be filed against the Company governing body’s resolutions concerning the following issues:

- the dissolution of the Company,
- changes in the use of, or refusal to use, an asset constituting a component of the critical infrastructure,
- changes in the objects of the Company,
- the disposal or lease of an enterprise or its organised part, or the establishment of a limited property right thereon,
- the adoption of a material and financial plan, a capital expenditures plan, or a long-term strategic plan,
- the transfer of the Company’s registered office abroad,

if the implementation of such a resolution could constitute a real threat to the functioning, operational continuity, and integrity of the critical infrastructure. An objection by the minister in charge of state assets is expressed in the form of an administrative decision, after consultation with the minister in charge of energy or the minister in charge of the management of energy resources, respectively.

## 19.2 Supplementary capital

Supplementary capital comprises mainly statutory contributions from profits generated in the previous financial years as well as from surpluses from the distribution of profits over the statutorily required contributions and from mergers of PGE S.A. with its subsidiaries.

According to the requirements of the Commercial Companies Code, entities with the status of joint-stock companies are obliged to establish supplementary capital to finance losses. Each year this supplementary capital is increased with at least 8% of the Company’s profit for a given financial year as shown in its separate financial statements until this capital has reached the amount of at least one third of the Company’s share capital. Supplementary capital equal to one third of the share capital may be used only to finance losses disclosed in an entity’s standalone financial statements and may not be distributed for other purposes. The use of supplementary capital and reserve capital is determined by the General Meeting.

On December 31, 2025, supplementary capital subject to distribution among shareholders amounted to PLN 20,693 million and PLN 15,857 million on December 31, 2024.

## 19.3 Hedging reserve

	Year ended December 31, 2025	Year ended December 31, 2024
<b>AS AT JANUARY 1</b>	<b>(540)</b>	<b>(1,095)</b>
<b>Change in hedging reserve:</b>	<b>162</b>	<b>685</b>
<b>Measurement of hedging instruments, including:</b>	<b>164</b>	<b>689</b>
<i>Recognition of the effective portion of change in fair value of hedging financial instruments in the part considered as effective hedge</i>	154	673
<i>Accrued interest on the derivative transferred from the hedging reserve and recognised in interest expenses</i>	4	1
<i>Currency revaluation of CCIRS transaction transferred from hedging reserve and recognised in foreign exchange gains/losses</i>	11	11
<i>Ineffective portion of the change in the fair value of hedging transactions presented in the result</i>	(5)	4
<b>Measurement of other financial instruments</b>	<b>(2)</b>	<b>(4)</b>
<b>Deferred tax</b>	<b>(32)</b>	<b>(130)</b>
<b>AS AT DECEMBER 31</b>	<b>(410)</b>	<b>(540)</b>

Hedging reserve primarily comprises the measurement resulting from the implementation of cash flow hedge accounting. A detailed breakdown is provided in Note 24.1.2 to these financial statements.

## 19.4 Foreign exchange differences

Foreign currency exchange differences related to a subsidiary reflect the impact of translating the financial statements of PGE Sweden AB (publ) into PLN as part of the consolidation procedures.

## 19.5 Undistributed financial result and dividend payment restrictions

Non-distributable retained profits are amounts which may not be paid out in the form of dividend.

	As at December 31, 2025	As at December 31, 2024
Amounts included in retained earnings/(accumulated losses) that are not distributable by the parent company:		
<i>Retained earnings/(accumulated losses) of subsidiaries attributable to the parent company's shareholders, including consolidation adjustments</i>	2,955	(1,220)
<i>Amount of profit/(loss) recognised by the parent company in retained earnings through other comprehensive income</i>	(42)	(39)
<i>Net loss of the parent company</i>	(6,950)	
Net profit of the parent company	-	4,836
<b>TOTAL RETAINED EARNINGS/(ACCUMULATED LOSSES) SHOWN IN THE STATEMENT OF FINANCIAL POSITION</b>	<b>(4,037)</b>	<b>3,577</b>

Dividend payment restrictions are described in Note 19.2 to these financial statements. On December 31, 2025 there were no other limitations concerning the payment of dividend.

## 19.6 Non-controlling interests

Changes in non-controlling interests during the reporting periods are presented below.

	As at December 31, 2025	As at December 31, 2024
<b>AS AT JANUARY 1</b>	<b>1,058</b>	<b>981</b>
Share in net profit of subsidiaries	103	75
Other	1	2
<b>AS AT DECEMBER 31</b>	<b>1,162</b>	<b>1,058</b>

KOGENERACJA's equity accounts for 75% of the total value of non-controlling interests. Summarised information regarding this subsidiary is presented below.

KOGENERACJA S.A.*	As at December 31, 2025	As at December 31, 2024
<b>VOTING RIGHTS</b>	<b>58.07%</b>	<b>58.07%</b>
Current assets	755	741
Non-current assets	2,527	2,502
Current liabilities	729	1,000
Non-current liabilities	505	538
Equity	2,048	1,705
Revenue	1,929	1,567
Profit from continuing operations	343	(18)
Net cash from operating activities	764	773
Net cash from investing activities	(272)	(294)
Net cash from financing activities	(490)	(488)

\*Data differs from statutory data due to consolidation procedures

## 19.7 Earnings/(loss) per share

### **SIGNIFICANT ACCOUNTING PRINCIPLES**

#### Profit/(loss) per share

For each period earnings/(loss) per share are calculated by dividing the net profit or loss attributable to equity holders of the parent company for the period in question by the weighted average number of shares outstanding in that period.

Diluted earnings/(loss) per share is the profit per share taking into account the existence of dilutive potential ordinary shares.

During the current and comparative reporting periods there was no dilutive effect on net earnings /(loss) per share.

	Year ended December 31, 2025	Year ended December 31, 2024 <i>restated data*</i>
<b>NET (LOSS) ATTRIBUTABLE TO:</b>	<b>(3,394)</b>	<b>(2,623)</b>
shareholders of the parent company	(3,497)	(2,698)
non-controlling interests	103	75
<b>NET (LOSS) ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY, USED TO CALCULATE EARNINGS PER SHARE</b>	<b>(3,497)</b>	<b>(2,698)</b>
Number of ordinary shares at the beginning of the reporting period	2,243,712,994	2,243,712,994
Number of ordinary shares at the end of the reporting period	2,243,712,994	2,243,712,994
<b>WEIGHTED AVERAGE NUMBER OF OUTSTANDING ORDINARY SHARES USED TO CALCULATE EARNINGS/(LOSS) PER SHARE</b>	<b>2,243,712,994</b>	<b>2,243,712,994</b>
<b>BASIC AND DILUTED NET (LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY (IN PLN)</b>	<b>(1.56)</b>	<b>(1.20)</b>

## 19.8 Dividends paid and proposed

In the reporting and comparative periods, the Company did not distribute dividends.

## 20. Provisions

### ***SIGNIFICANT ACCOUNTING PRINCIPLES***

#### ***Provisions***

The Group establishes provisions when a Group company has a present obligation (legal or constructive) resulting from past events, it is probable that the settlement of the obligation will require an outflow of economic benefits, and a reliable estimate of the amount of the obligation can be made.

If the consequence of changes in time value of money is significant, the amount of a provision corresponds to the current value of expenditures expected to be necessary to meet such a liability. The discount rate is determined before taxation, i.e. the discount rate reflect the current market assessment of the time value of money and the risk related specifically to a given liability. The discount rate is not effected by the risk used to adjust the estimates of future cash flows.

The reversal of the discount is recognised as a financial expense.

#### ***Provisions for post-employment benefits and jubilee rewards***

Depending on the entity, employees of the Group's companies are entitled to the following post-employment benefits:

- retirement and disability severance payments – paid as a one-off at the time of retirement or transition to disability pension,
- death benefits,
- a cash equivalent arising from the employee tariff for employees of the power industry,
- coal allowances issued in a specified amount in kind or paid in the form of a cash equivalent,
- travel discounts,
- benefits from the Company Social Benefits Fund (CSBF),
- medical care.

Employees of the Group's companies are also entitled to jubilee awards, which are granted upon completion of a specified number of years of service. The amount of a jubilee award depends on the employee's length of service and average remuneration.

The Group recognises a provision for future liabilities arising from post-employment benefits and jubilee awards in order to allocate costs to the periods to which they relate. The provision is recognised in operating expenses in amounts reflecting the entitlement to future benefits acquired by current employees. The present value of these obligations is calculated by an independent actuary.

Actuarial gains and losses resulting from changes in actuarial assumptions (including changes in the discount rate) and ex-post actuarial adjustments are recognised in other comprehensive income in the case of post-employment benefits, and in the operating expenses of the current period in the case of jubilee awards.

#### ***Provision for rehabilitation expenses***

Mines belonging to the Group recognise provisions for the rehabilitation of land following the cessation of its exploitation. The amount of the provision is determined based on the estimated cost of carrying out rehabilitation works and managing the final excavation areas. This cost is allocated between the part related to the extracted overburden and the part related to the extracted coal. The provision is established:

- for the portion related to the extracted coal: in proportion to the ratio of the volume of coal extracted as at the reporting date to the total planned volume of coal to be extracted from the deposit over its lifetime;
- for the portion related to the extracted overburden: in proportion to the ratio of the excavation volume related to the overburden as at the reporting date to the planned total excavation volume related to the overburden at the end of the exploitation period.

The provision is updated in the event of changes to the estimated rehabilitation timeframe, changes in the estimated expenditure required for rehabilitation, or changes in the discount rate. Estimating the rehabilitation provision requires the adoption of technical and geological, environmental, legal and tax assumptions, as well as the schedule, scope and cost levels of the rehabilitation process. Changes in these assumptions affect the value of the rehabilitation provision, the capitalised rehabilitation costs included in property, plant and equipment, and the statement of comprehensive income.

The increase in the provision relating to a given year is recognised either in operating expenses or as part of the initial value of fixed assets. The effect of discount reversal is recognised in finance costs.

Changes in the valuation of provisions resulting from changes in assumptions (e.g. macroeconomic factors, method of rehabilitation, timing, etc.) are recognised:

- for provisions recognised as part of the production cost of a fixed asset: as an addition to or deduction from the purchase price or production cost of the respective asset, provided that the amount deducted does not exceed the carrying amount of the asset;
- in other operating costs or other operating income – in other cases.

For the rehabilitation of ash landfills (by-products of electricity generation), the cost of the provision is recognised in operating expenses in proportion to the degree of landfill utilisation.

A provision for the rehabilitation of land after the construction of wind farms is recognised upon the commencement of operation of the farm, in the amount of the present value of the estimated costs of dismantling and removal of any residual equipment, structures and buildings, and restoring the land to a condition as close as possible to that before the construction.

Estimates of the expected rehabilitation costs are updated at least once every five years; however, the provision is verified annually based on current assumptions regarding the inflation rate, discount rate, and, as applicable, the amount of coal extracted or degree of landfill utilisation.

#### Provision for greenhouse gas emission allowance costs

Entities of the PGE Capital Group recognise a provision for liabilities relating to CO<sub>2</sub> emissions with respect to the shortfall in emission allowances allocated free of charge. The provision is created in the amount of the best estimate of the expenditure necessary to fulfil the present obligation as at the reporting date. The estimate of the expenditure required to meet the obligation to surrender CO<sub>2</sub> emission allowances is based on the specific identification method, taking into account the allocation of both free and purchased allowances to a given year.

The cost of the provision created is presented in the statement of comprehensive income under operating activities, and recognised as cost of sales in the functional format and under taxes and charges in the nature of expense format.

#### Provision for onerous contracts

If the Group is a party to a contract under which the unavoidable costs of meeting the obligations outweigh the economic benefits expected to be received under it, the present obligation under the contract is recognised and measured as a provision. The unavoidable costs under a contract reflect the least net cost of exiting it, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

#### Provision for the value of energy origin rights intended for redemption

- The provision is recognised based on the required percentage share of renewable energy and energy produced in cogeneration units in the total electricity sales to end customers, and the volume of sales to end users. Up to the amount of energy origin rights intended for redemption that are already held, the provision is recognised at the value of those rights. The portion of the provision not covered by energy origin rights is measured as the best estimate of the cost required to meet the future obligation to redeem the rights. In estimating this, factors such as the substitute fee and the market price are taken into consideration. The cost of the provision is recognised in selling expenses.

The carrying amount of provisions is as follows:

	As at December 31, 2025		As at December 31, 2024	
	Long-term	Short-term	Long-term	Short-term
Employee benefits	3,010	404	3,046	387
Provision for rehabilitation expenses	7,335	12	6,007	8
Provision for CO <sub>2</sub> emission allowances	-	15,047	-	17,098
Provision for the value of energy origin rights intended for redemption	-	218	-	454
Onerous contracts	19	1,192	-	161
Other provisions	85	1,471	56	367
<b>TOTAL PROVISIONS</b>	<b>10,449</b>	<b>18,344</b>	<b>9,109</b>	<b>18,475</b>

## Changes in provisions

	Employee benefits	Provision for rehabilitation expenses	Provision for CO <sub>2</sub> emission costs	Provision for energy origin rights intended for redemption	Onerous contracts	Other	Total
<b>JANUARY 1, 2025</b>	<b>3,433</b>	<b>6,015</b>	<b>17,098</b>	<b>454</b>	<b>161</b>	<b>423</b>	<b>27,584</b>
Current employment costs	126	-	-	-	-	-	126
Past employment costs	8	-	-	-	-	-	8
Interest costs	198	355	-	-	-	-	553
Adjustment to discount rate and other assumptions	(9)	865	-	-	-	-	856
Benefits paid / Provisions used	(343)	(1)	(18,259)	(558)	(32)	(9)	(19,202)
Reserves reversed	-	(2)	-	(15)	(120)	(49)	(186)
Provisions established – costs	-	41	16,208	337	1,202	1,191	18,979
Provisions established – expenditure	-	60	-	-	-	-	60
Other changes	1	14	-	-	-	-	15
<b>DECEMBER 31, 2025</b>	<b>3,414</b>	<b>7,347</b>	<b>15,047</b>	<b>218</b>	<b>1,211</b>	<b>1,556</b>	<b>28,793</b>
Change recognised in operating expenses	(195)	(39)	(16,208)	(322)	(1,082)	(240)	(18,086)
Change recognised in other operating income/(expenses)	-	(435)	-	-	-	(885)	(1,320)
Change recognised in other financial income/(expenses)	(198)	(355)	-	-	-	(17)	(570)
Change recognised in assets	-	(490)	-	-	-	-	(490)
Change recognised in other comprehensive income	70	-	-	-	-	-	70

	Employee benefits	Provision for rehabilitation expenses	Provision for CO <sub>2</sub> emission costs	Provision for energy origin rights intended for redemption	Onerous contracts	Other	Total
<b>JANUARY 1, 2024</b> <i>restated data*</i>	<b>3,701</b>	<b>6,370</b>	<b>21,211</b>	<b>526</b>	<b>1,299</b>	<b>366</b>	<b>33,473</b>
Current employment costs	122	-	-	-	-	-	122
Past employment costs	(15)	-	-	-	-	-	(15)
Interest costs	188	336	-	-	-	-	524
Adjustment to discount rate and other assumptions	(231)	(813)	-	-	-	-	(1,044)
Benefits paid / Provisions used	(333)	-	(24,454)	(450)	(2)	(92)	(25,331)
Reserves reversed	-	-	(3)	(74)	(1,299)	(55)	(1,431)
Provisions established – costs	-	55	20,344	452	120	244	21,215
Provisions established – expenditure	-	22	-	-	-	-	22
Other changes	1	45	-	-	43	(40)	49
<b>DECEMBER 31, 2024</b>	<b>3,433</b>	<b>6,015</b>	<b>17,098</b>	<b>454</b>	<b>161</b>	<b>423</b>	<b>27,584</b>
Change recognised in operating expenses	(92)	(54)	(20,341)	(378)	1,179	(9)	(19,695)
Change recognised in other operating income/(expenses)	-	622	-	-	-	(178)	444
Change recognised in other financial income/(expenses)	(188)	(336)	-	-	-	(2)	(526)
Change recognised in assets	-	157	-	-	-	-	157
Change recognised in other comprehensive income	216	-	-	-	-	-	216

\*The restatement of comparative data is described in Note 5 to these consolidated financial statements.

## 20.1 Provision for rehabilitation expenses

### Provision for rehabilitation of mine pits

Upon the completion of coal extraction, the land used by the opencast mines owned by the Group must undergo rehabilitation. According to current plans, rehabilitation costs will be incurred during the years 2032–2066 in the case of the Bełchatów Lignite Mine Branch, and from 2045 to 2085 in the case of the Turów Lignite Mine Branch.

The Group recognises a provision for the cost of mine pit rehabilitation. The amount of the provision reported in the financial statements also includes the value of the Mine Decommissioning Fund, created in accordance with the Geological and Mining Law. As at December 31, 2025, the provision amounts to PLN 6,407 million (compared to PLN 5,379 million as at December 31, 2024). In addition, the Group revised the discount rates used to estimate the present value of future rehabilitation expenses at both opencast lignite mines. The rates are as follows:

- for expenses expected to be incurred within 15 years from the reporting date – 5.2% (compared to 5.8% as at December 31, 2024),
- for expenses expected to be incurred between 16 and 25 years from the reporting date – 5.52%, extrapolated by PGE according to the adopted methodology (compared to 6.0% as at December 31, 2024),
- for expenses expected to be incurred more than 25 years from the reporting date – 5.8%, extrapolated by PGE according to the adopted methodology (compared to 6.14% as at December 31, 2024).

The Group has updated the assumptions used to measure provisions for the rehabilitation of mine workings in terms of macroeconomic parameters (discount and inflation rates) and has updated the assumptions regarding production volumes.

The update resulted in an increase in the provision by PLN 597 million. Current extraction and the unwinding of the discount resulted in an increase of PLN 432 million. Consequently, the provision for the rehabilitation of mine pits increased by PLN 1,029 million in the current reporting period. This change was recognised as follows:

- PLN 476 million – corresponding to assets (as an increase in the value of property, plant and equipment – PLN 464 million and an increase in the balance of Mine Decommissioning Fund deposits – PLN 12 million),
- PLN 553 million – recognised in the current profit or loss.

Estimated changes in the value of the rehabilitation provision resulting from changes in the discount rate:

	Value in statement	Discount rate	
		-1 p.p.	+1 p.p.
Provision for rehabilitation of mine pits	6,407	1,538	(1,203)

### Provision for rehabilitation of ash landfills

The Group's generating units recognise provisions for the rehabilitation of ash landfill sites. As at December 31, 2025, the provision amounts to PLN 517 million (PLN 259 million at the end of the comparative period).

### Provision for the decommissioning of property, plant and equipment

As at the reporting date, the provision amounts to PLN 414 million (PLN 370 million at the end of the comparative period) and relates to certain assets within the Coal Energy and Renewables segments.

### Other rehabilitation provisions

Group companies recognise a provision for other rehabilitation-related costs in the amount of PLN 9 million (PLN 7 million as at December 31, 2024).

## 20.2 Provision for CO<sub>2</sub> emission costs

The provision is created in the amount of the best estimate of the expenditure necessary to fulfil the present obligation as at the reporting date, taking into account the value of EUAs purchased as part of both spot and forward transactions. The estimate of the expenditure required to meet the obligation to surrender CO<sub>2</sub> emission allowances is based on the specific identification method, taking into account the allocation of allowance purchases to a given year.

Since 2020, the Group has only been entitled to free allowances for heat production. In 2024, regulations changed with respect to the deadline for fulfilling the obligation to surrender CO<sub>2</sub> emission allowances, postponing the surrender date for a given year to the end of September of the following year. Despite this change, the Group presents the provision in the current portion, as the obligation is settled within the normal operating cycle of the Group. As at December 31, 2025, the provision amounts to PLN 15,047 million (PLN 17,098 million at the end of the comparative period).

## 20.3 Provision for energy origin rights intended for redemption

Companies within the PGE Capital Group recognise provisions for the value of energy origin certificates related to sales made during the reporting period or previous periods, to the extent not cancelled by the reporting date. As at December 31, 2025, the provision amounts to PLN 218 million (PLN 454 million in the comparative period), and is primarily recognised by PGE Obrót S.A.

## 20.4 Provision for onerous contracts

The provision for onerous contracts is mainly established in PGE Obrót S.A. and PGE GiEK S.A.

In accordance with the Act of February 20, 2015 on Renewable Energy Sources, a prosumer settled under the 'net metering' model receives a rebate on active energy and variable distribution charges amounting to 80% or 70% of the volume of energy fed into the grid. Energy suppliers settle the full amount of distribution charges with distribution companies, based on the energy drawn from the grid by the prosumer (without considering the rebate). The prosumer does not bear the cost of variable distribution charges for the portion of energy drawn from the grid that is offset by energy fed into the grid, meaning that the full cost is borne by the energy suppliers. The revenues obtained by the supplier for acquiring 20% or 30% of the energy fed into the grid by prosumers do not fully cover these costs. Taking into account the purchase prices of electricity in relation to the 20% or 30% share of energy taken over from the prosumer, and the trading result on electricity under these contracts, the forecast result for 2026 from prosumer settlements in tariff groups Gx is expected to remain negative. The value of the provision for onerous contracts in PGE Obrót remaining to be settled as at December 31, 2025 is PLN 436 million (PLN 120 million in the comparative period).

In 2025, GiEK also identified the need to recognise a provision for onerous electricity sales contracts concluded up to December 31, 2025. As at December 31, 2025, the provision amounted to PLN 766 million (PLN 0 in the comparative period).

## 20.5 Other provisions

In connection with the ERO President's Decision received on March 12, 2026, regarding the obligation to transfer PLN 605 million to the Price Difference Payment Fund, representing the discrepancy between the contribution made to the Fund by PGE Obrót S.A. and the amount calculated by the regulator, the Group decided to establish a provision of PLN 605 million. A detailed description is provided in Note 32.2 to these financial statements.

In the current period, the Group recognised a provision for regulatory risk related to the settlement of statutory obligations for previous years. The provision was estimated based on information available as at the date of the financial statements and may change depending on the further development of the case and the actions of the competent authority. Since disclosing more detailed information could, in the Group's opinion, seriously prejudice its position in the dispute with the other party, it has opted not to provide further specifics in this regard, in accordance with paragraph 92 of IAS 37.

Due to the gradual decommissioning of coal units at the Dolna Odra Power Plant, a restructuring provision of PLN 228 million was established in 2025 for the planned costs of employee severance payments. The amount of the provision was recognised in employee benefit costs.

The value of provisions for potential claims from counterparties as at December 31, 2025 mainly consists of those created by ENESTA sp. z o.o. – PLN 52 million (PLN 62 million in the comparative period), PGE GiEK S.A. Turów Power Plant – PLN 135 million in both the current and comparative periods, and PGE Energia Ciepła – PLN 32 million in the current period (PLN 34 million in the comparative period).

Additionally, in 2021, the Group recognised a provision of PLN 39 million in connection with the sale of shares in PGE EJ1 sp. z o.o. to the State Treasury. Pursuant to the Agreement regulating the liability of former shareholders for costs related to the dispute with Worley Parsons, PGE S.A. may be required to cover litigation costs up to a maximum of PLN 98 million in the event of an unfavourable outcome. An amount of PLN 59 million is recognised as a contingent liability, as disclosed in Note 27.1.

## 21. Employee benefits

The value of actuarial provisions presented in the financial statement is based on a valuation prepared by an independent actuary.

The key assumptions adopted by the actuary as at the reporting date for the calculation of the provision are as follows:

	As at December 31, 2025	As at December 31, 2024
Forecast inflation rate (%)	2.85 in 2026, 2.6 in 2027, 2.5 in 2030 and subsequent years	4.6 in 2025, 2.5 in 2026 and the subsequent years,
Discount rate (%)	5.2	5.8
Average annual growth of bases (%)	2.1 – 9.8	2.5 – 10.1
Employee turnover rate (%)	0.1 – 12.5	0.1 – 10.1
Forecast increase rate for the value of medical services (%)	0.0 – 2.5	0.0 – 2.5
Forecast increase rate for the value of allowance for the CSBF (%)	9.78 in 2026, 6.37 in 2027, 6.2 in 2028 and the subsequent years,	9.64 in 2025, 10.85 in 2026, 6.8 in 2027 and the subsequent years

- The employee attrition probability is based on the historical data on employee turnover in the Group.
- Mortality and the likelihood of living up to a certain age are adopted in accordance with the Life Expectancy Table published by Statistics Poland, assuming that the population of the Group employees corresponds to the average for Poland with respect to mortality.
- The statutory procedure for employees' retirement has been adopted in accordance with the detailed rules set out in the Act amending the Act on Pensions and Disability Pensions from the Social Insurance Fund and certain other acts of November 16, 2016.
- For discounting future benefit payments as at the reporting date, a discount rate of 5.2% (December 31, 2024: 5.8%) was adopted, i.e., at the yield level of long-term treasury bonds issued by the State Treasury and listed on the Polish capital market.

### Current book value of provisions for post-employment benefits and jubilee rewards

	As at December 31, 2025		As at December 31, 2024	
	Long-term	Short-term	Long-term	Short-term
Retirement severance and death benefits	525	141	512	135
Coal allowance	76	9	77	10
Energy tariff	844	60	959	56
Company Social Benefits Fund	666	38	623	33
Health care	87	8	78	7
<b>TOTAL POST-EMPLOYMENT BENEFITS</b>	<b>2,198</b>	<b>256</b>	<b>2,249</b>	<b>241</b>
Jubilee rewards and incentive bonuses	812	148	797	146
<b>TOTAL ACTUARIAL PROVISIONS</b>	<b>3,010</b>	<b>404</b>	<b>3,046</b>	<b>387</b>

### Changes in provisions for employee benefits

	Retirement severance and death benefits	Coal allowance	Energy tariff	CSBF	Health care	Jubilee rewards and incentive bonuses	Total
<b>AS AT JANUARY 1, 2025</b>	<b>647</b>	<b>87</b>	<b>1,015</b>	<b>656</b>	<b>85</b>	<b>943</b>	<b>3,433</b>
Adjustment to the discount rate and other assumptions	29	2	(134)	27	6	61	(9)
Current employment costs	31	-	17	17	2	59	126
Past employment costs	(1)	-	1	1	3	4	8
Interest costs	37	5	59	38	5	54	198
Benefits paid / Provisions used	(77)	(9)	(54)	(35)	(7)	(161)	(343)
Other changes	-	-	-	-	1	-	1
<b>AS AT DECEMBER 31, 2025</b>	<b>666</b>	<b>85</b>	<b>904</b>	<b>704</b>	<b>95</b>	<b>960</b>	<b>3,414</b>
Change recognised in operating expenses	(30)	-	(18)	(18)	(5)	(124)	(195)
Change recognised in finance income/ (expenses)	(37)	(5)	(59)	(38)	(5)	(54)	(198)
Change recognised in other comprehensive income	(29)	(2)	134	(27)	(6)	-	70

	Retirement severance and death benefits	Coal allowance	Energy tariff	CSBF	Health care	Jubilee rewards and incentive bonuses	Total
<b>AS AT JANUARY, 1 2024</b>	<b>692</b>	<b>91</b>	<b>1,259</b>	<b>566</b>	<b>86</b>	<b>1,007</b>	<b>3,701</b>
Adjustment to the discount rate and other assumptions	(27)	(1)	(264)	76	-	(15)	(231)
Current employment costs	28	1	18	15	2	58	122
Past employment costs	-	-	(15)	-	-	-	(15)
Interest costs	35	5	64	29	4	51	188
Benefits paid / Provisions used	(81)	(9)	(47)	(31)	(7)	(158)	(333)
Other changes	-	-	-	1	-	-	1
<b>AS AT DECEMBER 31, 2024</b>	<b>647</b>	<b>87</b>	<b>1,015</b>	<b>656</b>	<b>85</b>	<b>943</b>	<b>3,433</b>
Change recognised in operating expenses	(28)	(1)	(3)	(15)	(2)	(43)	(92)
Change recognised in finance income/ (expenses)	(35)	(5)	(64)	(29)	(4)	(51)	(188)
Change recognised in other comprehensive income	27	1	264	(76)	-	-	216

### Sensitivity analysis of actuarial provisions as at December 31, 2025 to changes in key assumptions

	Value in statement	Financial discount rate		Planned growth of bases	
		-1 p.p.	+ 1 p.p.	-1 p.p.	+ 1 p.p.
Retirement severance and death benefits	666	40	(35)	(36)	41
Coal allowance	85	5	(5)	(6)	5
Energy tariff	904	104	(86)	(91)	109
Company Social Benefits Fund	704	88	(72)	(74)	90
Health care	95	8	(7)	(8)	9
Jubilee rewards and incentive bonuses	960	55	(49)	(51)	56
<b>TOTAL</b>	<b>3,414</b>	<b>300</b>	<b>(254)</b>	<b>(266)</b>	<b>310</b>

## 22. Deferred income and government grants

### **SIGNIFICANT ACCOUNTING PRINCIPLES**

#### Deferred income and government grants

Deferred income is recognised in accordance with the principles of prudence and matching of income and expenses. Deferred income includes:

- funds received for the purpose of financing the acquisition or production of property, plant and equipment or intangible assets. Such income is recognised by gradually increasing other operating income by an amount corresponding to the depreciation charges on these assets, in the portion financed by the aforementioned funds. This applies in particular to loans and borrowings that have been partially or fully forgiven, grants received for the purchase of property, plant and equipment, as well as funding for development work or the purchase of intangible assets;
- loans with interest rates below market rates. The difference between the value of cash flows at the contractual rate and their value at market rates is recognised as a grant;
- property, plant and equipment or intangible assets received free of charge. The income from such items is recognised under other operating income in parallel with depreciation on these assets.

Government grants are recognised when there is reasonable assurance that the grant will be received and that all associated conditions will be met. If the grant relates to an asset, it is recognised by gradually increasing other operating income proportionally to the depreciation charges on the related assets.

## 22.1 Non-current deferred income and government grants

	As at December 31, 2025	As at December 31, 2024
<b>GOVERNMENT GRANTS</b>		
Grants received from NFOŚiGW	473	446
Loan forgiveness from environmental funds	18	21
Benefit from a preferential loan	2,717	-
Other government grant settlements	628	378
<b>DEFERRED INCOME</b>		
Grants received and connection fees	15	52
Donations and property, plant and equipment received free of charge	627	582
Other deferred income	64	60
<b>TOTAL NON-CURRENT GRANTS AND DEFERRED INCOME</b>	<b>4,542</b>	<b>1,539</b>

The recognition of the benefit from a preferential loan is described in Note 32.4.

## 22.2 Current deferred income and government grants

	As at December 31, 2025	As at December 31, 2024
<b>GOVERNMENT GRANTS</b>		
Grants received from NFOŚiGW	41	29
Loan forgiveness from environmental funds	2	2
Benefit from a preferential loan	115	-
Other government grant settlements	28	14
<b>DEFERRED INCOME</b>		
Grants received and connection fees	1	2
Donations and property, plant and equipment received free of charge	69	67
Other deferred income	36	67
<b>TOTAL CURRENT GRANTS AND DEFERRED INCOME</b>	<b>292</b>	<b>181</b>

## 23. Other non-financial liabilities

Main components of other non-financial liabilities as at the respective reporting dates.

### 23.1 Other non-current non-financial liabilities

Under other non-current non-financial liabilities, the Group primarily recognises contract liabilities amounting to PLN 211 million in the current reporting period and PLN 183 million in the comparative period.

## 23.2 Other current non-financial liabilities

	As at December 31, 2025	As at December 31, 2024
<b>OTHER CURRENT LIABILITIES</b>		
Contract liabilities	845	969
Liabilities related to output VAT	441	712
Excise duty liabilities	26	34
Liabilities relating to contributions to PDPF	2	6
Environmental charges	223	226
Liabilities for salaries	422	432
Employee bonuses	446	420
Accrued annual leave entitlements and other employee benefits	263	381
Management Board awards	29	23
Personal income tax	158	148
Social security liabilities	421	408
Other	86	87
<b>OTHER CURRENT LIABILITIES, TOTAL</b>	<b>3,362</b>	<b>3,846</b>

Environmental charges primarily relate to water consumption fees and emissions from conventional power plants, as well as exploitation fees paid by lignite mines. The item 'Other' mainly includes contributions to the Employee Pension Scheme, deductions from employee salaries, and contributions to the State Fund for Rehabilitation of Disabled People.

### Contract liabilities

Contract liabilities primarily include advances for deliveries and prepayments made by customers for connections to the distribution network, as well as electricity consumption forecasts relating to future periods. In 2025, the Group recognised revenues of PLN 336 million (PLN 501 million in 2024) that had been included in the opening balance of contract liabilities.

## EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

### 24. Financial instruments

#### **SIGNIFICANT ACCOUNTING PRINCIPLES**

##### Financial instruments

##### Classification and valuation

Financial assets are allocated to the following categories of financial instruments:

- measured at amortised cost;
- measured at fair value through other comprehensive income;
- measured at fair value through profit or loss.

The classification of financial assets is based on a business model and characteristic features of cash flows.

Debt financial assets are measured at amortised cost if both of the following conditions are met:

- the adopted business model provides for the maintenance of a given asset for the purpose of collecting cash flows resulting from an agreement;
- cash flows resulting from an agreement and related to a given instrument comprise exclusively the repayment of the principal amount and interest on the unpaid part of the principal amount – (the SPPI test).

Debt financial assets are measured at fair value through other comprehensive income if both of the following conditions are met:

- the adopted business model provides for the maintenance of a given asset for the purpose of collecting cash flows resulting from an agreement and the sale of such an asset;
- cash flows resulting from an agreement and related to a given instrument comprise exclusively the repayment of the principal amount and interest on the unpaid part of the principal amount – (the SPPI test).

Debt instruments that do not fulfil the aforementioned conditions are measured at fair value through profit or loss.

Investments in equity instruments are always measured at fair value. The Group may make an irrevocable decision to recognise changes in fair value in other comprehensive income unless the instrument is held for trading. In the case of equity instruments held for trading, changes in fair value are recognised in profit or loss.

All standard transactions of purchase and sale of financial assets are recognised at the transaction date, i.e. the date when the entity commits itself to purchase a given asset. Standard transactions of purchase or sale of financial assets are transactions of purchase or sale in which the date of delivery of assets to the other party is generally determined by the laws or customs of a given market.

The impairment model is based on expected credit losses and covers the following:

- financial assets measured at amortised cost;
- debt financial assets measured at fair value through other comprehensive income;
- commitments to grant a credit if there is currently an obligation to provide it;
- granted financial guarantees that fall within the scope of IFRS 9;
- receivables under lease agreements falling within the scope of IFRS 16;
- contractual assets that are within the scope of IFRS 15.

The Group allocates financial liabilities to one of the following categories:

- measured at amortised cost;
- measured at fair value through profit or loss.

## 24.1 Description of significant items within the particular categories of financial instruments

### 24.1.1 Financial receivables

#### **SIGNIFICANT ACCOUNTING PRINCIPLES**

##### Financial receivables

Financial receivables are measured at fair value upon their initial recognition. Trade receivables without a significant financing component are initially measured at the transaction price.

Then, financial receivables are measured at amortised cost using the effective interest rate, including write-downs for expected credit loss.

The Group applies simplified methods of valuation of receivables measured at amortised cost if it does not distort the information contained in the statement of financial position, in particular when the period until the payment of receivables is not long.

In the case of financial receivables, the Group assesses the amount of a write-down related to expected credit losses in the amount equal to expected credit losses during the whole lifetime of an instrument.

The Group classifies financial receivables as financial assets measured at amortised cost, in accordance with the adopted business model. This model entails holding a financial asset to collect contractual cash flows that represent solely payments of principal and interest on the principal amount outstanding.

	As at December 31, 2025		As at December 31, 2024	
	Long-term	Short-term	Long-term	Short-term
Trade receivables	-	6,333	-	6,473
Receivables from recognised compensation due	-	444	-	1,022
Deposits, bid bonds and security instruments	18	201	6	328
High-efficiency cogeneration support scheme	-	54	-	22
Exchange transaction settlements	-	-	-	24
Placements, deposits, bonds	284	-	262	-
Loans granted	35	-	20	-
Compensation and penalties	-	72	-	11
Other financial receivables	2	232	1	51
<b>FINANCIAL RECEIVABLES</b>	<b>339</b>	<b>7,336</b>	<b>289</b>	<b>7,931</b>

Deposits, bid bonds and security instruments mainly relate to collateral and transactional deposits, as well as the guarantee fund in the electricity and EUA trading market.

#### **Trade receivables**

The main component of trade receivables is the receivables recognised by the company PGE Obrót. Receivables from households account for approximately 12% of the consolidated trade receivables balance, while receivables from corporate customers represent approximately 47% of the consolidated trade receivables balance. Additional information on trade receivables is presented in Note 25.3.1 to these financial statements.

The Group also presents receivables from the remeasurement of electricity sales under trade receivables.

#### **Other financial receivables**

The value of other financial receivables mainly comprises the guarantee fund, compensation claims, and disputed receivables, as described in Note 27.3 to these consolidated financial statements.

## 24.1.2 Derivatives and other instruments measured at fair value through profit or loss

### **SIGNIFICANT ACCOUNTING PRINCIPLES**

#### Derivative financial instruments and hedges

Derivative instruments used by the Group to hedge against interest rate and currency exchange rate risks include in particular forwards, futures and interest rate swap contracts, as well as CCIRS transactions to hedge the exchange rate and interest rate. Financial derivative instruments are measured at fair value. Derivative instruments are recognised as assets if their value is positive or as liabilities if their value is negative.

Gains and losses from changes in the fair value of derivative instruments that do not meet the conditions of hedge accounting and the ineffective part of hedging relationships in cash flow hedges are charged directly to profit or loss for the financial year.

The fair value of currency forward contracts is determined by reference to the current forward rates calculated on the basis of market data. The fair value of interest rate swap contracts is calculated on the basis of yield curves.

	Year ended December 31, 2025		As at December 31, 2025	
	Recognised in profit or loss	Recognised in other comprehensive income	Assets	Liabilities
<b>DERIVATIVES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
Currency forwards	4	-	-	10
Commodity forwards	(85)	-	66	151
Commodity SWAP	47	-	16	-
Coal purchase/sale contracts	(15)	-	16	1
Commercial contracts	75	-	-	137
Derivative embedded in the Contract for Difference (CfD)	(236)	-	-	236
Options	8	-	10	-
<b>HEDGING DERIVATIVES</b>				
CCIRS hedging transactions	(11)	(37)	-	8
IRS hedging transactions	68	762	354	18
Currency forwards	-	(245)	1	627
Commodity forwards – all-in-one-hedge	-	(335)	268	463
Futures – all-in-one-hedge	-	1	1	-
Commodity SWAP	-	40	11	1
Inflation SWAP	-	(22)	-	22
<b>OTHER ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
Investment fund participation units	3	-	37	-
<b>TOTAL</b>	<b>(142)</b>	<b>164</b>	<b>780</b>	<b>1,674</b>
short-term part	-	-	288	1,093
long-term part	-	-	492	581

	Year ended December 31, 2024		As at December 31, 2024	
	Recognised in profit or loss	Recognised in other comprehensive income	Assets	Liabilities
<b>DERIVATIVES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
Currency forwards	1	-	-	9
Commodity forwards	-	-	-	-
Commodity SWAP	(12)	-	12	11
Coal purchase/sale contracts	(28)	-	31	1
Commercial contracts	198	-	-	212
Options	(11)	-	2	-
<b>HEDGING DERIVATIVES</b>				
CCIRS hedging transactions	10	17	36	-
IRS hedging transactions	89	(16)	176	-
Currency forwards	-	1,177	2	383
Commodity forwards – all-in-one-hedge	-	140	186	46
Deal Contingent Swaps (DCS)	-	(599)	-	599
Commodity SWAP	-	(15)	-	15
Inflation SWAP	-	(15)	-	15
<b>OTHER ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
Investment fund participation units	2	-	34	-
<b>TOTAL</b>	<b>249</b>	<b>689</b>	<b>479</b>	<b>1,291</b>
short-term part	-	-	169	509
long-term part	-	-	310	782

### Currency forwards

Forward currency transactions are primarily related to trading in CO<sub>2</sub> emission allowances and hard coal. The Group applies hedge accounting for currency forward transactions.

### Commodity forwards for the sale and purchase of electricity, CO<sub>2</sub> and gas in the optimisation portfolio

Within its optimisation portfolio, the Group enters into commodity forwards for the sale and purchase of energy, CO<sub>2</sub>, and gas, which are settled through physical delivery of the non-financial item underlying the contract. The contracts concluded as part of this portfolio do not meet the conditions of the 'own use' exemption and are recognised as financial derivatives at the time of conclusion.

Contracts for the purchase and sale of gas and CO<sub>2</sub> are designated as hedging instruments in hedging relationships that implement the 'all-in-one hedge' strategy. For instruments for the sale and purchase of electricity, changes in fair value are recognised in profit or loss.

### Options

PGE S.A. acquired from Towarzystwo Finansowe Silesia Sp. z o.o. call options to purchase shares in Polimex-Mostostal S.A. The options were measured using the Black-Scholes method.

### Coal swaps

In the current period, PGE Paliwa sp. z o.o., in order to hedge its commodity price risk related to imported coal, entered into a series of hedge transactions using commodity swaps on coal. The volume and value of these transactions are correlated with the quantity and value of imported coal. Changes in fair value are recognised in profit or loss.

### Coal purchase and sale contracts with physical delivery

PGE Paliwa sp. z o.o. measures all coal purchase and sale contracts with physical delivery using the trader-broker model at fair value.

### Commercial contracts measured at fair value

In 2025, PGE Energia Odnawialna S.A. held long-term power purchase agreements (PPAs) for electricity sales in its portfolio. The effects of changes in the fair value of these contracts are recognised in the profit or loss for the period under finance income/costs.

## IRS transactions

The Group holds active IRS transactions hedging the interest rate risk on incurred loans and issued bonds, whose total original nominal value was PLN 3,900 million (PLN 2,500 million for loans and PLN 1,400 million for bonds). In March 2025, the Group entered into a new IRS instrument hedging the interest rate risk for a loan with a nominal value of PLN 500 million. Due to the commencement of principal repayment for certain loans, the nominal value of IRS transactions hedging them amounts to PLN 1,125 million as at the reporting date. To recognise these IRS transactions, the Group uses hedge accounting. The impact of hedge accounting on the revaluation reserve is presented in Note 19.3 to these consolidated financial statements.

In June and July 2024, the Group entered into Deal Contingent Swap (DCS) transactions – conditional interest rate hedging instruments, whose activation was contingent upon the fulfilment of certain suspensive conditions required to initiate the financing of a future investment project, i.e. Baltica 2. In January 2025, upon taking the FID, the condition precedent for the Deal Contingent Swap transaction was fulfilled. Accordingly, in February 2025, novation transactions of IRS derivative instruments hedging the interest rate risk of the loan agreement concluded under the Project Finance formula were executed. To recognise these transactions, the Group uses hedge accounting. The purpose of the hedging relationship is to mitigate the volatility of cash flows affecting the Group's financial result, arising from external financing transactions related to the offshore wind farm construction project.

## CCIRS hedging transactions

In connection with loans received from PGE Sweden AB (publ), PGE S.A. concluded CCIRS transactions hedging the exchange rate related to the repayment of principal and interest. In these transactions, banks-counterparties pay PGE S.A. interest based on a fixed rate in EUR and PGE S.A. pays interest based on a fixed rate in PLN. Since these loans create an exposure to foreign exchange differences that are not fully eliminated in the consolidation process, the CCIRS transactions serve as hedging instruments for the aforementioned intra-group transactions at the consolidated level, in accordance with paragraph 6.3.6 of IFRS 9.

To recognise these CCIRS transactions, PGE CG uses hedge accounting. The impact of hedge accounting is presented in Note 19.3 to these financial statements.

## Inflation and commodity SWAPS

In October 2024, the Group entered into conditional hedging transactions (inflation swaps and commodity swaps) to hedge against inflation risk and commodity price risk (index-linked components) under contracts for the supply of key components, in order to meet the financing requirements of the Baltica 2 project granted under a Project Finance structure.

Following the Final Investment Decision (FID) and fulfilment of the conditional trigger, in February 2025 the Group signed novation agreements for the transactions hedging the risk of inflation and the prices of commodities being indexation factors (inflation swaps and commodity swaps). The novated contracts were concluded under the same terms.

To recognise the above transaction, the Group uses hedge accounting.

## Derivative embedded in the Contract for Difference (CfD)

EWB2 is a party to a Contract for Difference, which ensures a stable level of revenue from electricity generation from an offshore wind farm. When the market price of electricity during the production period is lower than the price in the CfD, EWB2 will receive the price difference. Conversely, when the market price is higher than the contract price, EWB2 will pay back the difference. According to the financial projections of the PGE Capital Group, positive cash flows from the CfD will be significantly higher than negative cash flows from the perspective of EWB2. The electricity producer has the option to determine all or part of the contract price in euro. The contract price is indexed to the Polish inflation index.

The characteristics of the contract for difference in question mean that it meets the definition of both state aid (a grant) and a financial instrument. Consequently, the Group analysed the contract in terms of its recognition in accordance with the principles of IFRS 9 'Financial Instruments' and IAS 20: 'Accounting for Government Grants and Disclosure of Government Assistance'. Based on this analysis, the Group determined that the CfD should be recognised in accordance with IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'. Simultaneously, due to the fact that the Group has the right to choose a fixed price in both EUR and PLN. The fixed EUR price is indexed by the PLN inflation rate; this means that the contract includes an embedded derivative that requires separation and measurement at fair value with respect to inflation indexation.

The initial recognition date of this instrument is close to the day when the wind farm construction became sufficiently probable following the obtaining of all material corporate approvals and the conclusion of key agreements related to project financing.

As at the initial recognition date, the inflation derivative was separated from the CfD instrument with a starting value of EUR 0. As at December 31, 2025, the value of this instrument was set at PLN (471) million. In these consolidated financial statements, the PGE Capital Group recognises 50% of the value of this financial instrument under long-term financial liabilities, which corresponds to PLN (236) million. The change in this instrument's value was recognised in finance expenses for the current period.

### Investment fund participation units

As at the reporting date, the Group held participation units in three sub-funds of TFI Energia S.A.

## 24.1.3 Credits, loans, bonds and leases

	As at December 31, 2025		As at December 31, 2024	
	Long-term	Short-term	Long-term	Short-term
Credits and loans	9,980	1,190	7,057	2,581
Bonds issued	1,583	416	1,989	18
Leasing	1,576	130	1,415	132
<b>TOTAL CREDITS, LOANS, BONDS AND LEASES</b>	<b>13,139</b>	<b>1,736</b>	<b>10,461</b>	<b>2,731</b>

### Currency position and interest rates

As at December 31, 2025

Currency	Reference rate	Value in currency	Value in PLN	Repayment deadline
PLN	Variable	4,523	4,523	credits, loans – Dec. 2043 bonds – May 2029 lease – Dec. 2030
	Fixed	7,635	7,635	credits, loans – Dec. 2049 lease – Nov. 2120
<b>TOTAL PLN</b>		<b>12,158</b>	<b>12,158</b>	
EUR	Variable	466	1,968	credits, loans – Nov. 2049
	Fixed	142	599	bonds – Aug. 2029 lease – May 2030
<b>TOTAL EUR</b>		<b>608</b>	<b>2,567</b>	
USD	Variable	35	127	credits and loans – Oct. 2026
<b>TOTAL USD</b>		<b>35</b>	<b>127</b>	
DKK	Variable	41	23	lease – Dec. 2026
<b>TOTAL DKK</b>		<b>41</b>	<b>23</b>	
<b>TOTAL CREDITS, LOANS, BONDS AND LEASES</b>			<b>14,875</b>	

As at December 31, 2024

Currency	Reference rate	Value in currency	Value in PLN	Repayment deadline
PLN	Variable	6,650	6,650	credits, loans – Aug. 2025 – Mar. 2041 bonds – May 2026 – May 2029 lease – Nov. 2120
	Fixed	5,815	5,815	credits, loans – Aug. 2034 – Jul. 2044 lease – indefinite
<b>TOTAL PLN</b>		<b>12,465</b>	<b>12,465</b>	
EUR	Variable	-	-	-
	Fixed	140	597	bonds – Aug. 2029
<b>TOTAL EUR</b>		<b>140</b>	<b>597</b>	
USD	Variable	31	130	credits and loans – Oct. 2025
<b>TOTAL USD</b>		<b>31</b>	<b>130</b>	
<b>TOTAL CREDITS, LOANS, BONDS AND LEASES</b>			<b>13,192</b>	

## Change in the balance of credits, loans and bonds in the years ended December 31, 2025 and 2024

	Year ended December 31, 2025	Year ended December 31, 2024
<b>AS AT JANUARY 1</b>	<b>11,645</b>	<b>13,411</b>
<b>CHANGE IN THE BALANCE OF credits, loans, bonds</b>	<b>(1,524)</b>	<b>(1,766)</b>
Obtained credits, loans / issued bonds	6,961	6,914
Repayment of credits, loans / redemption of bonds	(2,515)	(8,668)
Interest accrued	633	662
Payment of interest	(605)	(666)
Foreign exchange differences	(25)	2
The difference between the value of cash received under the RRP loan and its fair value measurement*	(2,881)	-
Other changes	(44)	(10)
<b>AS AT DECEMBER 31</b>	<b>13,169</b>	<b>11,645</b>

\*details concerning the received RRP loan are outlined in Note 32.4 to these consolidated financial statements.

### Credits and loans

Creditor	Hedging instrument	Date of maturity	Limit in currency	Currency	Interest rate	Liability at 31-12-2025	Liability at 31-12-2024
EIB	-	2041-03-15	2,000	PLN	Fixed	2,041	2,041
EIB	-	2034-08-25	1,500	PLN	Fixed	1,066	1,192
EIB	-	2041-03-15	850	PLN	Variable	865	868
EIB	-	2041-03-15	550	PLN	Fixed	562	562
ICBC (Europe) S.A. Oddział w Polsce	IRS	2027-12-31	500	PLN	Variable	501	501
EIB	-	2034-08-25	490	PLN	Fixed	349	390
EIB	-	2038-10-16	273	PLN	Fixed	254	274
BGK	IRS	2027-12-31	1,000	PLN	Variable	250	376
EBRD	IRS	2028-06-07	500	PLN	Variable	189	252
BGK	IRS	2028-12-31	500	PLN	Variable	188	250
Bank Pekao S.A.	-	2026-10-31	40	USD	Variable	127	130
ING Bank Śląski S.A.	-	2026-12-31	137	PLN	Variable	58	-
BGK	-	2027-02-19	1,500	PLN	Variable	-	900
Bank Pekao S.A.	-	2027-12-31	750	PLN	Variable	-	752
PKO BP S.A.	-	2025-12-31	300	PLN	Variable	-	84
Bank Pekao S.A.	-	2027-12-31	750	PLN	Variable	-	64
BGK	-	2026-09-29	2,000	PLN	Variable	-	4
BGK	-	2036-12-20	3,300	PLN	Variable	-	-
Bank consortium	-	2027-03-01	3,150	PLN	Variable	-	-
EIB	-	2045-04-25	2,250	PLN	Fixed	-	-
EIB	-	2044-07-29	1,000	PLN	Fixed/ Variable	-	-
PKO BP S.A.	-	2026-09-30	85	PLN	Variable	-	-
NFOŚiGW	-	Dec. 2028 – Jun. 2043	241	PLN	Fixed	55	88
NFOŚiGW	-	Mar. 2031 – Dec. 2044	1,149	PLN	Variable	818	807
WFOŚiGW	-	SEP. 2026	9	PLN	Fixed	1	3
WFOŚiGW	-	Mar. 2026 – Mar. 2041	408	PLN	Variable	66	100
<i>Financial liabilities as part of the Baltica 2 Project (Project Finance):</i>							
Bank consortium	IRS	2049-11-30	2,812*	EUR	Variable	1,968	-
BGK and Bank Pekao S.A.	-	2028-12-31	436**	PLN	Variable	149	-
<i>Financial liabilities as part of the National Recovery Plan:</i>							
BGK	-	2049-12-20	10,405	PLN	Fixed	1,663	-
BGK	-	2036-12-20	3,900	PLN	Variable	-	-
BGK	-	2050-12-20	2,804	PLN	Fixed	-	-
BGK	-	2045-10-25	420	PLN	Fixed	-	-
<b>TOTAL BANK CREDITS</b>						<b>11,170</b>	<b>9,638</b>

\*Maximum limit consisting of: Term loan, Standby Debt and DSRF (Debt Service Reserve Facility)

\*\*Maximum limit under the VAT Facility line

As at December 31, 2025, the outstanding overdraft facility limits of significant companies of the PGE Capital Group amounted to PLN 3,231 million. The maturity dates of overdraft facilities granted to the key companies of the Capital Group fall within the years 2025–2027. The difference between the RRP credit limit available to the Company, presented in Note 17, and the value in the table above results from the discrepancy between the amount of disbursed tranches and the value carried at amortised cost. Details concerning the RRP loan received are outlined in Note 32.4 to these consolidated financial statements.

In 2025 and after the reporting date there were no defaults or breaches of other terms and conditions of the credit agreements.

### Bonds issued

Issuer	Hedging instrument	Limit in the programme currency	Currency	Interest rate	Tranche issue date	Tranche maturity date	Liability at 31-12-2025	Liability at 31-12-2024
PGE S.A.	IRS	5,000	PLN	Variable	2019-05-21	2029-05-21	1,006	1,007
					2019-05-21	2026-05-21	402	403
PGE Sweden AB (publ)	CCIRS	2,000	EUR	Fixed	2014-08-01	2029-08-01	591	597
<b>TOTAL BONDS ISSUED</b>							<b>1,999</b>	<b>2,007</b>

The Group continuously monitors the progress of the IBOR reform, which may affect variable-rate financial instruments. As at December 31, 2025, the value of credits, loans, and bonds exposed to interest rate risk amounts to PLN 6,587 million (PLN 4,492 million is based on the WIBOR rate, PLN 1,968 million on EURIBOR, and PLN 127 million on SOFR USD). In order to mitigate the interest rate risk related to financial liabilities, the Group uses IRS hedging instruments in accordance with its hedging procedures and strategy.

### Lease liability

#### **SIGNIFICANT ACCOUNTING PRINCIPLES**

##### Lease liabilities

Lease liabilities are recognised as at the lease commencement date.

At the commencement date, the lessee measures the lease liability at the present value of the lease payments that are not paid at that date. Lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If not, the lessee uses their incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at that date:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the lessee measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability, which is calculated so as to produce a constant periodic rate of interest on the remaining balance of the liability;
- reducing the carrying amount to reflect lease payments made; and
- remeasuring the book value to reflect any reassessment or lease modification, or to reflect revised lease payments that are in-substance fixed.

The PGE Group is a party to a number of lease, rental, easement and tenancy agreements. The subject of these agreements includes land, technical infrastructure areas, office and commercial space, equipment, installations, technical rooms, as well as IT infrastructure. The agreements are concluded for either a fixed term or an indefinite period with a defined notice period. The Group also holds the right to use land under perpetual usufruct. The Group estimates the lease term by taking into account all significant facts and circumstances that may affect the extension or shortening of the lease duration.

Certain agreements include variable lease payments based on the inflation index published by Statistics Poland (GUS) for the previous year. Due to their index-based nature, these payments are considered variable lease payments and are included in the measurement of the lease liability. In some cases, the annual rent is increased by other variable charges that are not dependent on an index or a rate. These include, for example, payments related to property tax or tax on structures. Such charges are not included in the measurement of lease liabilities. Under land lease agreements for the construction and operation of wind power plants, in addition to the lease rent, there are payments made as compensation for the exclusion of land from agricultural use during the construction period. These payments are not included in the lease liability calculation, as they do not confer any right to use an asset nor do they represent services rendered to the lessee. Similarly, compensation payments for losses arising from accessing the land for operational, maintenance or other purposes related to the functioning of the wind farm are also excluded from the lease liability measurement.

Decisions concerning the right of perpetual usufruct of land (RPUL) are usually granted for a fixed period of 99 years. The perpetual usufruct fee is determined as a percentage of the land's value. The annual fee for the perpetual usufruct of land is subject to revaluation no more frequently than once every three years, provided that the value of the land changes. Therefore, it is considered a variable payment based on an index or rate and is included in the measurement of the lease liability.

The Group leases minor office equipment (printers, photocopiers, computers, etc.), which it classifies as leases of low-value assets. The Group decided to apply the exemption and not to recognise right-of-use assets and lease liabilities for these agreements in the statement of financial position.

The Group has also applied the practical expedient for short-term leases. This primarily concerns decisions to occupy road or railway infrastructure zones, provided the decision is issued for a period shorter than 12 months.

Additionally, the Group applies the practical expedient for short-term leases in the case of indefinite-term property rental agreements with a notice period of less than 12 months, where the rented premises have not been subject to significant customisation, there are no material exit barriers (e.g. penalties for early termination), and both parties have the practical ability to lease similar premises on the open market.

## 24.1.4 Trade and other payables

### ***SIGNIFICANT ACCOUNTING PRINCIPLES***

#### *Liabilities*

Liabilities constitute the Group's present obligation resulting from past events whose fulfilment, according to expectations, will cause an outflow of resources containing economic benefits.

The Group divides its liabilities into the following categories:

- financial liabilities measured at fair value through profit or loss,
- other financial liabilities measured as at subsequent reporting dates at amortised cost.

If the consequences of changes in the time value of money are significant, liabilities are presented at discounted value.

	As at December 31, 2025		As at December 31, 2024	
	Long-term	Short-term	Long-term	Short-term
Trade payables	-	4,787	-	5,201
Purchase of PPE and IA	5	1,438	38	1,609
Received deposits and bid bonds	40	178	42	166
Long-Term Contracts liabilities	-	322	-	348
Advances for compensations	165	135	118	613
Insurance	-	88	-	3
Other	4	254	7	232
<b>TRADE PAYABLES AND OTHER FINANCIAL LIABILITIES</b>	<b>214</b>	<b>7,202</b>	<b>205</b>	<b>8,172</b>

As at December 31, 2025, under Trade payables, the Group recorded an amount of PLN 1,574 million representing reverse factoring liabilities (PLN 2,009 million in the comparative period). Trade payables subject to reverse factoring are presented as trade payables if there has been no substantial change in the payment terms. The liability value already remitted to suppliers stands at PLN 1,574 million as at December 31, 2025 (PLN 2,009 million in the comparative period). The item 'Other' includes, among other things, liabilities of PGE Dom Maklerski S.A. towards clients in respect of cash received.

## 24.2 Fair value of financial instruments

The value of financial assets and liabilities measured at amortised cost constitutes a reasonable approximation of their fair value, except for bonds issued by PGE Sweden AB (publ), bonds issued by PGE S.A., fixed-rate EIB loan agreements, and the RRP loan agreement.

The bonds issued by PGE Sweden AB (publ) bear a fixed interest rate. Their amortised cost value shown in these consolidated financial statements as at December 31, 2025 is EUR 140 million, whereas their fair value is EUR 134 million.

The bonds issued by PGE S.A. bear a variable rate. Their value at amortised cost indicated in the statements as at December 31, 2025 is PLN 1,408 million, while their fair value is PLN 1,442 million.

In case of the fixed rate loan agreements with the EIB, their value at the amortised cost disclosed in the financial statements as at the reporting date amounted to PLN 4,272 million and their fair value a to PLN 4,397 million.

The measurement of RRP loans in these financial statements is based on a fixed interest rate, the market level of which was determined on the disbursement date of each tranche. Its value at amortised cost reported in the financial statements as at the reporting date is PLN 1,663 million, while its fair value equals PLN 1,665 million.

### **Instruments not listed on active markets, whose fair value cannot be reliably determined**

The key items in this category of financial instruments are shares and equity interests in entities not listed on active markets. The PGE Capital Group is not able to reliably determine the fair value of shares in companies not listed on active markets. Therefore, they are presented at acquisition cost, adjusted if necessary for impairment.

## 24.3 Fair value hierarchy

### Derivative instruments

The Group measures derivatives at fair value using valuation models for financial instruments based on publicly available exchange rates, interest rates, discount curves in particular currencies (applicable also for commodities whose prices are denominated in these currencies) obtained from information platforms and active markets. The fair value of derivative instruments is determined based on discounted future cash flows related from concluded transactions, calculated on the basis of the difference between the forward price and the transaction price. The valuation of IRS transactions is the difference in the discounted interest flows of a fixed rate stream and a floating rate stream. Transactions hedging commodity and inflation risk are based on the indices stipulated in the agreements. Furthermore, these indices are quoted on commodity exchanges or their prices are set on the OTC market.

The valuation of CCIRS transactions is the difference in the discounted flows paid and received in two different currencies. Forward exchange rates are not modelled as a separate risk factor, but are derived from the spot rate and the corresponding forward interest rate for the foreign currency in relation to PLN.

Deal Contingent Swap (DCS) transactions entered into by the Group in 2024 were conditional interest rate hedging instruments, whose activation was contingent upon the fulfilment of certain suspensive conditions required to initiate the financing of future investment projects. These instruments were measured in a manner similar to standard IRS transactions, with adjustments reflecting their conditional nature. The valuation of DCS instruments included an adjustment based on the probability of the occurrence of suspensive events that conditioned the activation of the instrument. In addition, cash flows resulting from the DCS instrument – such as the level of margin, which depends on the timing of the suspensive event – were modelled using a scenario-based analysis. In January 2025, upon taking the FID, the condition precedent for the Deal Contingent Swap transaction was fulfilled. From that moment, the new transaction is measured as a standard IRS, with no further adjustments for the risk of non-occurrence of the conditional event.

The future development of interest rates, exchange rates, or EUA price levels in a manner deviating from the Group's forecasts will affect subsequent financial statements.

Within the category of financial assets and liabilities measured at fair value through profit or loss, the Group presents financial instruments linked to electricity sales, as well as CO<sub>2</sub> and gas purchases – currency and commodity forwards, alongside hard coal purchase and sale contracts and commodity SWAPs (Level 2).

Additionally, the Group presents the CCIRS derivative hedging instrument for foreign exchange (EUR/PLN) and interest rate and the IRS transactions hedging replacing a floating rate in PLN with a fixed rate in PLN (Level 2).

### Commercial contracts measured at fair value

In 2025, the Group held power purchase agreements (PPAs) for the sale of electricity. These agreements are evaluated at the end of each reporting period. The effects of changes in the fair value of these instruments are recognised in profit or loss under finance income/costs. The sale of electricity with physical delivery is carried out on a two-component basis, consisting of a fixed element (scheduled for a given year) and a variable component linked to actual electricity production and market prices in monthly settlement periods. The contracts were concluded for a term of up to 10 years, and the rights and obligations arising therefrom were set until December 31, 2030. These agreements were measured using the discounted cash flow (DCF) method. Net cash flows were calculated as the product of the volume committed for delivery under the agreement and the difference between the fixed contract price for the specified volume and the forecasted electricity price for the relevant period.

Due to the use of unobservable inputs that significantly impact the fair value measurement – which constitutes a Level 3 fair value hierarchy input for the model – the valuation of these contracts is presented within Level 3 of the fair value hierarchy. There is no PPA contract price observable in an active market.

The decrease in the valuation of derivative instruments in 2025 is mainly due to the decline in electricity prices and market expectations regarding their development through to 2030. The valuation is further reduced by the passage of time due to a decline in the volume and value of electricity remaining to be delivered throughout the entire contract term.

### Electricity price risk sensitivity analysis for commercial PPAs (Power Purchase Agreements)

For derivatives, the value exposed to electricity price risk represents their volume. The sensitivity analysis for derivative instruments was performed based on changes in the electricity prices applied in the pricing path, expressed in Polish zloty per MWh.

The tables below present the sensitivity of PPA valuations to reasonably possible changes in the electricity prices applied within the pricing paths, with other risk factors held constant for these classes of financial instruments as at December 31, 2025 and December 31, 2024. The stated amounts result from measuring the instrument at the reporting date using an energy price curve multiplied entirely by 110% (+10% increase) or 90% (-10% decrease), respectively, and comparing the outcome with the baseline contract valuation at the reporting date.

Maturity period of the PPA instrument over the entire forecast horizon	Valuation amount in the statements as at December 31, 2025 in PLN million	Impact on profit or loss in the event of a change in the electricity pricing path (PLN/MWh) compared to the valuation assumptions (+) income / (-) expense		Valuation of the financial instrument in the event of a change in the electricity pricing path (PLN/MWh) compared to the valuation assumptions	
		Increase + 10%	Decrease - 10%	Increase + 10%	Decrease - 10%
PPA contract ending on 31.12.2030	137	(30)	30	167	108
<b>TOTAL</b>	<b>137</b>	<b>(30)</b>	<b>30</b>	<b>167</b>	<b>108</b>

Maturity period of the PPA instrument over the entire forecast horizon	Valuation amount in the statements as at December 31, 2024 in PLN million	Impact on profit or loss in the event of a change in the electricity pricing path (PLN/MWh) compared to the valuation assumptions (+) income / (-) expense		Valuation of the financial instrument in the event of a change in the electricity pricing path (PLN/MWh) compared to the valuation assumptions	
		Increase +10%	Decrease -10%	Increase +10%	Decrease -10%
PPA contract ending on 31.12.2025	4	(1)	1	5	2
PPA contract ending on 31.12.2030	208	(39)	39	247	170
<b>TOTAL</b>	<b>212</b>	<b>(40)</b>	<b>40</b>	<b>252</b>	<b>172</b>

### Instruments embedded in the Contract for Difference (CfD)

The fair value of the inflation instrument embedded in the CfD was determined under IFRS 13 using valuation techniques based on unobservable inputs, resulting in a classification within Level 3 of the fair value hierarchy. The valuation of the inflation-linked derivative was performed on the basis of the expected level of inflation in Poland and in the euro area, estimated respectively on the basis of available projections published by the National Bank of Poland and the European Central Bank. These assumptions reflect the Company's expectations regarding inflation levels over the duration of the Contract for Difference (CfD).

### Sensitivity analysis for the CfD instrument

For the inflation instrument embedded in the CfD, the value exposed to inflation risk is the fixed electricity price within the contract due to regular indexation. The sensitivity analysis was carried out assuming a change in the forecast inflation by +10%/-10% relative to the inflation level adopted in the valuation model, and then translated at the exchange rate applicable as at the reporting date.

Maturity period of the CfD instrument over the entire forecast horizon	Valuation amount in the statements as at December 31, 2025 in PLN million	Impact on the financial result in the event of a change in forecast inflation compared to that adopted in the valuation (+) income / (-) expense	
		Increase + 10%	Decrease - 10%
NOV. 2052	236	934	(892)
<b>TOTAL</b>	<b>236</b>	<b>934</b>	<b>(892)</b>

FAIR VALUE HIERARCHY	Assets as at December 31, 2025			Liabilities as at December 31, 2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Hard coal in trading activity	191	-	-	-	-	-
<b>INVENTORIES</b>	<b>191</b>	-	-	-	-	-
Currency forwards	-	-	-	-	10	-
Commodity forwards	-	66	-	-	151	-
Commodity SWAP	-	16	-	-	-	-
Coal purchase/sale contracts	-	16	-	-	1	-
Embedded derivatives in commercial contracts	-	-	-	-	-	137
Embedded derivatives in the Contract for Difference (CfD)	-	-	-	-	-	236
Options	-	10	-	-	-	-
<b>DERIVATIVES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	-	<b>108</b>	-	-	<b>162</b>	<b>373</b>
CCIRS hedging transactions	-	-	-	-	8	-
IRS hedging transactions	-	354	-	-	18	-
Currency forwards – EUR	-	1	-	-	627	-
Commodity forwards – all-in-one-hedge	-	268	-	-	463	-
Futures – all-in-one-hedge	1	-	-	-	-	-
Commodity SWAP	-	11	-	-	1	-
Inflation SWAP	-	-	-	-	22	-
<b>HEDGING DERIVATIVES</b>	<b>1</b>	<b>634</b>	-	-	<b>1,139</b>	-
Investment fund participation units	-	37	-	-	-	-
<b>OTHER ASSETS / LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	-	<b>37</b>	-	-	-	-

FAIR VALUE HIERARCHY	Assets as at December 31, 2024			Liabilities as at December 31, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Hard coal in trading activity	309	-	-	-	-	-
<b>INVENTORIES</b>	<b>309</b>	-	-	-	-	-
Currency forwards	-	-	-	-	9	-
Commodity SWAP	-	12	-	-	11	-
Coal purchase/sale contracts	-	31	-	-	1	-
Embedded derivatives in commercial contracts	-	-	-	-	-	212
Options	-	2	-	-	-	-
<b>DERIVATIVES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	-	<b>45</b>	-	-	<b>21</b>	<b>212</b>
CCIRS hedging transactions	-	36	-	-	-	-
IRS hedging transactions	-	176	-	-	-	-
Currency forwards – EUR	-	2	-	-	383	-
Commodity forwards – all-in-one-hedge	-	186	-	-	46	-
Deal Contingent Swaps (DCS)	-	-	-	-	599	-
Commodity SWAP	-	-	-	-	15	-
Inflation SWAP	-	-	-	-	15	-
<b>HEDGING DERIVATIVES</b>	-	<b>400</b>	-	-	<b>1,058</b>	-
Investment fund participation units	-	34	-	-	-	-
<b>OTHER ASSETS / LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	-	<b>34</b>	-	-	-	-

Derivatives are presented in Note 24.1.2 to these financial statements.

Terms of individual derivatives and other assets measured at fair value through profit or loss.

	As at December 31, 2025		As at December 31, 2024		Maturity
	Value in financial statement in PLN	Notional amount in original currency in millions	Value in financial statement in PLN	Notional amount in original currency in millions	as at December 31, 2025
CCIRS – EUR to PLN	-	-	36	EUR 138	-
Currency forward, purchase – EUR	1	EUR 88	2	EUR 165	December 2028
Currency forward, sale – EUR		EUR 4		EUR 15	April 2026
IRS – interest rate PLN	64	PLN 250	176	PLN 375	December 2027
		PLN 187		PLN 250	June 2028
		PLN 188		PLN 250	December 2028
		PLN 1,000		PLN 1,000	May 2029
		PLN 400		PLN 400	May 2026
Commodity forwards, gas purchase – PLN	37	PLN 217	176	PLN 1,359	December 2028
Commodity forwards, gas sale – PLN		PLN 119		PLN 24	December 2026
Commodity forward for electricity sales – PLN	66	PLN 2,296	-	-	December 2028
Commodity forward for electricity purchases – PLN		PLN 95	-	-	December 2026
Commodity forwards, CO <sub>2</sub> purchase – EUR	231	EUR 357	10	EUR 101	December 2028
Commodity forwards, CO <sub>2</sub> sale – EUR		-		EUR 14	March 2026
Futures for CO <sub>2</sub> purchases	1	EUR 1			December 2027
IRS – EUR interest rate*	290	EUR 2,023	-	-	December 2049
Commodity swap – EUR	11	EUR 19	-	-	April 2026
Commodity SWAP, purchase – USD	16	USD 1	12	USD 1	February 2026
Commodity SWAP, sale – USD		USD 40		USD 51	March 2027
Long-term purchase contracts – USD	16	-	31	USD 13	-
Long-term sale contracts – USD		USD 5		USD 3	June 2027
Options	10	1	2	2	November 2026
Fund participation units	37	23	34	23	n/d
<b>Financial assets</b>	<b>780</b>	<b>-</b>	<b>479</b>	<b>-</b>	
CCIRS – EUR to PLN	8	EUR 138	-	-	July 2029
IRS – interest rate PLN	13	PLN 500	-	-	December 2027
Currency forward, purchase – EUR	634	EUR 3,953	389	EUR 4,334	December 2028
Currency forward, purchase – USD	3	USD 4	1	USD 8	July 2026
Commodity forwards, gas purchase – PLN	458	PLN 3,295	46	-	-
Commodity forwards, gas sale – PLN		-		PLN 488	December 2028
Commodity forward for electricity sales – PLN	151	PLN 3,129	-	-	December 2027
Commodity forward for electricity purchases – PLN		PLN 57		-	December 2026
Commodity forwards, CO <sub>2</sub> purchase – EUR	5	EUR 15	-	-	December 2028
Commodity forwards, CO <sub>2</sub> sale – EUR		EUR 4		-	March 2026
		-		28	
Long-term purchase contracts – USD	1	USD 7	1	-	February 2026
Long-term sale contracts – USD		USD 2		USD 1	June 2026
Embedded derivatives in commercial contracts	137	216	212	269	December 2030
IRS – EUR interest rate*	5	EUR 530	-	-	December 2049
Deal Contingent Swaps (DCS)*	-	-	599	2,429	December 2049
Embedded derivatives in the Contract for Difference (CFD)	236	EUR 19,022	-	-	November 2052
Inflation swap – EUR*	22	EUR 717	15	833	January 2028
Commodity SWAP – EUR*	1	EUR 5	15	46	March 2027
Commodity SWAP, purchase – USD	-	-	11	USD 1	-
Commodity SWAP, sale – USD		-		USD 31	-
Currency forward, sale – USD	-	-	2	28	-
<b>Financial liabilities</b>	<b>1,674</b>	<b>-</b>	<b>1,291</b>	<b>-</b>	

\* The notional amount is variable over the hedging period; the amount presented in the table represents the maximum notional value.

## 24.4 Influence of the particular categories of financial instruments on finance income and costs.

Year ended December 31, 2025	Cash	Other financial assets	Shares, interests and other capital instruments	Financial instruments measured at fair value	Hedging derivatives	Other financial liabilities	TOTAL
Dividends	-	-	2	-	-	-	2
Interest income	385	210	-	-	-	1	596
Revaluation	-	-	32	87	-	-	119
Reversal of write-downs	-	6	-	-	-	-	6
Gain on disposal of investment	-	-	3	-	-	-	3
Foreign exchange differences	-	-	-	-	-	83	83
<b>TOTAL REVENUES</b>	<b>385</b>	<b>216</b>	<b>37</b>	<b>87</b>	<b>-</b>	<b>84</b>	<b>809</b>
Interest costs	1	-	-	-	(60)	747	688
Revaluation	-	-	-	241	2	-	243
Creation of write-downs	-	14	2	-	-	-	16
Loss on disposal of investments	-	-	4	1	-	2	7
Foreign exchange differences	-	73	-	-	-	-	73
<b>TOTAL COSTS</b>	<b>1</b>	<b>87</b>	<b>6</b>	<b>242</b>	<b>(58)</b>	<b>749</b>	<b>1,027</b>
<b>TOTAL PROFIT / (LOSS)</b>	<b>384</b>	<b>129</b>	<b>31</b>	<b>(155)</b>	<b>58</b>	<b>(665)</b>	<b>(218)</b>

Year ended December 31, 2024	Cash	Other financial assets	Shares, interests and other capital instruments	Financial instruments measured at fair value	Hedging derivatives	Other financial liabilities	TOTAL
Dividends	-	-	3	-	-	-	3
Interest income	222	220	-	-	109	26	577
Revaluation	-	12	10	210	30	-	262
Reversal of write-downs	-	6	-	-	-	-	6
Gain on disposal of investment	-	-	-	-	-	-	-
Foreign exchange differences	-	-	-	-	-	59	59
<b>TOTAL REVENUES</b>	<b>222</b>	<b>238</b>	<b>13</b>	<b>210</b>	<b>139</b>	<b>85</b>	<b>907</b>
Interest costs	13	5	-	-	33	761	812
Revaluation	-	-	-	14	-	-	14
Creation of write-downs	-	38	1	-	-	-	39
Loss on disposal of investments	-	-	7	10	-	-	17
Foreign exchange differences	15	97	-	-	-	-	112
<b>TOTAL COSTS</b>	<b>28</b>	<b>140</b>	<b>8</b>	<b>24</b>	<b>33</b>	<b>761</b>	<b>994</b>
<b>TOTAL PROFIT / (LOSS)</b>	<b>194</b>	<b>98</b>	<b>5</b>	<b>186</b>	<b>106</b>	<b>(676)</b>	<b>(87)</b>

## 24.5 Security for payment of receivables and payables

To secure the payment of loans, the Group uses various hedging instruments and their combinations. The most common forms include assignment of receivables agreements, promissory notes, and declarations of voluntary submission to enforcement. In addition, the Group makes use of powers of attorney for bank accounts and assignments of receivables.

As at the reporting date, assets with the following carrying amounts served as collateral for liabilities or contingent liabilities:

	As at December 31, 2025	As at December 31, 2024
Property, plant and equipment	45	45
Trade receivables	400	112
Cash	1	1
Tangible assets and cash related to the Baltica 2 project	5,073	-
<b>TOTAL VALUE OF ASSETS PLEDGED AS COLLATERAL FOR LIABILITIES</b>	<b>5,519</b>	<b>158</b>

Companies within the PGE CG, in accordance with the IRGiT regulations, are required to maintain a specified balance of cash on accounts held with PKO BP. Client funds of PGE Dom Maklerski S.A. are held with PKO BP, Santander Bank Polska, and Bank PeKaO S.A. The total amount of cash reported as restricted cash due to these two reasons amounted to PLN 241 million as at December 31, 2025 (PLN 207 million in the comparative period).

In addition, financial receivables include funds held in the Mine Decommissioning Fund account in the amount of PLN 284 million (PLN 262 million in the comparative period).

On January 29, 2025, loan agreements (under the Project Finance formula) were concluded together with appropriate collateral agreements in order to finance the construction of the Baltica 2 Project. The collateral includes, *inter alia*: financial pledges on the bank accounts of PGE Baltica 6 sp. z o.o., a registered pledge on assets of PGE Baltica 6 sp. z o.o. and a registered pledge on the shares in PGE Baltica 6 sp. z o.o. owned by PGE Baltica 2 sp. z o.o. As at December 31, 2025, the PGE Group's debt secured on the assets of companies participating in the Baltica 2 Project amounts to the equivalent of PLN 2,308 million.

## 25. Objectives and principles of financial risk management

The primary objective of financial risk management in the PGE Capital Group is to support the process of creating the Group's value for shareholders and the implementation of the Group's business strategy by reducing and maintaining financial risk at the level acceptable to the Group's management.

The responsibility for managing the financial risk of the PGE Capital Group rests with the Management Board of PGE S.A. The said governing body defines risk appetite, which is understood as an acceptable level of deterioration of the financial result of the PGE Capital Group, taking into account its current and planned economic and financial situation. The Management Board also decides on the allocation of risk appetite to specific business areas.

The organisation of the PGE Capital Group's financial risk management function is based on the principle of organisational independence of an entity responsible for risk measurement and control at the PGE CG (PGE S.A.'s Risk and Insurance Department) of business units being risk owners. Risk reports are submitted directly to the Risk Committee of the PGE CG, Audit Committee of the Supervisory Board of PGE S.A. and the Management Board of PGE S.A.

The PGE CG has a Risk Committee that exercises supervision of the financial and corporate risk management process in the Group. The Risk Committee monitors the PGE CG's exposure levels, sets limits for significant financial risks, accepts methodologies in financial risk resulting from commercial and financial activities, permits expansions of activities into new business areas and makes key decisions regarding risk management.

Financial risk is managed at the Group level in an integrated manner. This process is carried out or supervised within the Corporate Centre of the PGE CG, which serves as the centre of competence in this area. Exposures to risk faced by the particular business areas are examined on a comprehensive basis, taking into account interdependencies among exposures, the possibility of using natural hedging effects and their overall impact on the PGE CG's risk profile and financial position.

The financial risk management model includes the following elements:

- collecting and analysing market and risk exposure data broken down by individual financial risk categories;
- calculation of financial risk measures, e.g. Value-at-Risk (VaR) and Profit-at-Risk (PaR) for individual risk factors and in aggregate for significant risk factors;
- managing the consolidated exposure of the PGE Capital Group in relation to the capital at risk and the risk limits established on its basis (among others, by defining and implementing hedging strategies).

In the key areas where financial risks occur, the PGE Capital Group implemented internal regulations setting out the principles for the management of such risks.

The PGE Capital Group is exposed to various types of financial risks, for example:

- market risk (commodity risk, interest rate risk, foreign exchange risk);
- liquidity risk;
- credit risk.

The PGE Capital Group's exposure to individual financial risks depends on the extent of its activities in the commodity and financial markets.

## 25.1 Market risk

The market risk comprises the commodity risk, the interest rate risk, and the currency risk.

The main objective of market risk management in the PGE Capital Group is to protect financial results, maintain the risk resulting from the conducted commercial and financial activities at the acceptable level and support the implementation of the business strategy as well as maximise the Group's value for shareholders.

The procedures implemented in the PGE Capital Group for the purpose of managing individual categories of market risk relating to commercial and financial activities trading and financial activities specify, among other things:

- the purpose, scope and principles of risk management;
- responsibility for risk management;
- management and operational processes within the framework of risk management for commercial activities in the electricity and related products markets and for financial activities,
- the ways of identifying sources of risk exposure;
- acceptable instruments for hedging risk exposure;
- methods for measuring and monitoring risk exposure.

The market risk management principles applicable in the PGE Capital Group further define how the appetite for market risk is determined, how market risk exposures are limited and what the hedging mechanisms in the event of limit breaches are.

### 25.1.1 Commodity risk

Commodity risk is related to the possibility of deterioration in the financial result in trade due to changes in commodity prices.

The exposure of Group companies to commodity risk relates to the following commodity markets:

- electricity;
- CO<sub>2</sub> emission allowances;
- energy origin rights to certificates of origin for electricity;
- guarantees of origin;
- hard coal;
- natural gas;
- biomass and other fuels.

The PGE CG includes lignite mines that supply fuel to two power plants operating within the Group; therefore, the Group's exposure to price risk in this area is not material.

**Selected key types of commodity risk (including currency risk) to which the PGE Capital Group is exposed (excluding the risk mitigation strategies applied)**

Risk	Characteristics	Examples of Exposure Sources
Electricity price risk	<ul style="list-style-type: none"> <li>The PGE CG holds a natural long position due to its generation assets and the inability to sell production at predetermined prices.</li> </ul>	<ul style="list-style-type: none"> <li>Margin level affected by changes in electricity prices and electricity generation costs;</li> <li>Prices of electricity sales contracts with retail customers;</li> <li>Prices of electricity purchase/sale transactions on the wholesale market.</li> </ul>
Price risk related to energy origin rights to certificates of origin for electricity	<ul style="list-style-type: none"> <li>The PGE CG has a net short position resulting from the obligation to redeem certificates of origin due to electricity sales to end users.</li> </ul>	<ul style="list-style-type: none"> <li>Prices of purchase/sale transactions of energy origin rights on the wholesale market.</li> </ul>
CO <sub>2</sub> emission allowance price risk	<ul style="list-style-type: none"> <li>Risk related to changes in CO<sub>2</sub> allowance prices in EUR and EUR/PLN exchange rate fluctuations;</li> <li>The PGE CG holds a short position due to electricity generation in units participating in the EU ETS.</li> </ul>	<ul style="list-style-type: none"> <li>Deviations from the planned use of individual generation sources with varying emission levels;</li> <li>Prices of CO<sub>2</sub> allowance purchase/sale transactions on the wholesale market.</li> </ul>
Fuel price risk for electricity generation (including hard coal, natural gas, biomass, fuel oil)	<ul style="list-style-type: none"> <li>Risk related to changes in commodity prices, including those denominated in (or indexed to) foreign currencies, and foreign exchange rate fluctuations;</li> <li>The PGE CG holds a short position due to the need to purchase fuels on the market.</li> </ul>	<ul style="list-style-type: none"> <li>Prices of fuel purchase/sale transactions on the wholesale market.</li> </ul>
Long-term volume risk	<ul style="list-style-type: none"> <li>Risk related to changes in electricity demand in the National Power System and the long-term risk of PGE CG generation units being replaced by lower-cost generation units (particularly renewable energy sources).</li> </ul>	<ul style="list-style-type: none"> <li>Macroeconomic conditions, especially in energy-intensive sectors;</li> <li>Technological changes, in particular in the area of energy efficiency and the development of distributed generation (renewable energy sources and energy storage facilities);</li> <li>Climate change;</li> <li>ESG-related regulations, including energy sector preferences;</li> <li>Level of integration with foreign energy systems.</li> </ul>
Short-term volume risk	<ul style="list-style-type: none"> <li>Risk related to deviations from the planned electricity sales volume due to changes in customer demand or short- to medium-term replacement of PGE CG generation units with lower-cost generation units (particularly RES).</li> </ul>	<ul style="list-style-type: none"> <li>Customer switching trends in the retail market;</li> <li>Regulatory environment, including rules for switching suppliers;</li> <li>Short- and medium-term weather changes;</li> <li>Short-term changes in renewable energy supply availability;</li> <li>Demand forecasting model risk and quality of source data used for forecasting.</li> </ul>

The PGE CG pursues a strategy of hedging key exposures in the area of trade in electricity and related commodities that is aligned with its medium-term risk appetite. The level of open position hedging is determined taking into account the volatility of electricity and related commodity prices, the liquidity of individual markets, the Group's financial condition, and the objectives set out in the adopted Group strategy.

The PGE Capital Group's exposure to commodity risk (in terms of raw materials) is defined by the volume of external purchases of individual raw materials, as presented in the table below:

COMMODITY	Year ended December 31, 2025		Year ended December 31, 2024	
	External purchases (thousand tonnes)	Purchase costs (PLN million)	External purchases (thousand tonnes)	Purchase costs (PLN million)
Hard coal	6,957	2,923	7,461	3,978
CO <sub>2</sub> emission allowances for own use	49,702	15,732	59,545	24,854
Natural gas [thousand m <sup>3</sup> ]	2,026,930	3,915	1,489,403	3,384
Biomass	525	131	723	203
Fuel oil	86	223	87	247
<b>TOTAL</b>	-	<b>22,924</b>	-	<b>32,666</b>

## 25.1.2 Interest rate risk

Interest rate risk is related to the possibility of deterioration in the financial result due to changes in interest rates.

The PGE Capital Group's exposure to interest rate risk arises mainly from the fact that the Group companies finance their operating and investing activities by obtaining funds based on a variable interest rate, primarily in the form of credits, loans and bonds issued, reverse factoring in domestic and foreign currencies, as well as from investments in financial assets bearing variable interest rates.

The PGE Capital Group controls interest rate risk through a system of limits relating to the maximum potential loss resulting from interest rate fluctuations in respect of the Group companies' consolidated exposure to interest rate risk. A measure of interest rate risk is based on the size-at-risk methodology, understood as the product of the net interest rate position and the value of a potential change in market interest rates.

In addition, the PGE Capital Group defines a hedging strategy in relation to the Group's consolidated exposure to interest rate risk, based on hedge ratios subject to approval by the Risk Committee and the Management Board of PGE S.A. The implementation of hedging strategies and the level of interest rate risk are subject to monitoring and are reported regularly to the Risk Committee.

PGE Group companies enter into interest rate derivative transactions only for the purpose of hedging identified risk exposures. The regulations in force in the PGE Capital Group do not allow, with regard to interest rate derivative transactions, entering into speculative transactions, i.e. transactions which would be aimed at generating additional profits resulting from changes in the level of interest foreign currency exchange rates, while exposing the Group to the risk of incurring a potential loss on this account.

Bonds issued in the amount of PLN 1.4 billion under the PLN 5 billion bonds issue programme bear interest at a variable rate in PLN. Payments relating to these bonds are hedged by IRS instruments.

The Group also has financing in the form of long-term loans, with an outstanding principal amount of PLN 438 million under loan agreements concluded on December 1, 2014 and December 4, 2015 with Bank Gospodarstwa Krajowego, a loan agreement with the European Bank for Reconstruction and Development concluded on June 7, 2017 with an outstanding principal amount of PLN 187 million, and a Credit Agreement with Industrial and Commercial Bank of China (Europe) S.A., Poland branch, dated November 20, 2024 with an outstanding principal amount of PLN 500 million; the aforementioned loans are instruments bearing a floating interest rate in PLN. Payments relating to these credits and loans are hedged by IRS instruments, as described in note 24.1.2. The Group also has four tranches of a term loan under a credit agreement concluded with the European Investment Bank, with a total outstanding principal amount of PLN 850 million, which are based on a variable interest rate and remain unhedged against interest rate risk.

The Group has also hedged the risk of changes in interest rate levels arising from the financing obtained under the project finance formula for the implementation of the Baltica 2 project.

The PGE Capital Group's exposure to interest rate risk and the concentration of this risk broken down by currency:

		Type of interest rate	As at December 31, 2025	As at December 31, 2024
Derivatives – assets exposed to interest rate risk	PLN	Fixed	-	-
		Variable	177	354
	Other currencies	Fixed	-	-
		Variable	566	91
Deposits, cash, debt securities, loans, leases	PLN	Fixed	10,254	3,306
		Variable	35	25
	Other currencies	Fixed	844	1,319
		Variable	-	-
Derivatives – liabilities exposed to interest rate risk	PLN	Fixed	-	-
		Variable	(759)	(258)
	Other currencies	Fixed	-	-
		Variable	(915)	(1,033)
Loans and bonds issued, leasing	PLN	Fixed	(7,635)	(5,815)
		Variable	(6,097)	(8,659)
	Other currencies	Fixed	(622)	(597)
		Variable	(2,095)	(130)
<b>Net exposure</b>	<b>PLN</b>	<b>Fixed</b>	<b>2,619</b>	<b>(2,509)</b>
		<b>Variable</b>	<b>(6,644)</b>	<b>(8,538)</b>
	<b>Other currencies</b>	<b>Fixed</b>	<b>222</b>	<b>722</b>
		<b>Variable</b>	<b>(2,444)</b>	<b>(1,072)</b>

Variable interest rates of financial instruments are reviewed in periods shorter than one year.

### 25.1.3 Currency risk

Currency risk is related to the possibility of deterioration in the financial result due to changes in currency exchange rates.

The main sources of the PGE Capital Group's exposure to currency risk are set out below:

- investment expenditure denominated/indexed to foreign exchange rates;
- debt denominated in foreign currencies;
- sales and purchases of electricity denominated in foreign currencies (if any);
- charges denominated in or indexed to foreign currencies for the purchase of transmission capacity (where applicable);
- transactions involving the purchase and sale of CO<sub>2</sub> emission allowances and gas, as well as purchases of hard coal and other fuels, denominated in or indexed to foreign currencies;
- expenses related to the ongoing operation of production assets denominated in or indexed to foreign currencies;
- investment financial assets denominated in foreign currencies;
- other operating cash flows denominated in or indexed to foreign currencies.

The Group manages currency risk through a system of limits relating to the maximum potential loss resulting from exchange rate fluctuations in respect of the consolidated currency risk exposure of Group companies. The currency risk measure is based on the size-at-risk methodology understood as a product of the amount of the absolute currency position and the value of a potential change in exchange rates.

In addition, the PGE CG defines a hedging strategies in relation to the Group's consolidated exposure to the Group's currency risk, based on hedge ratios subject to approval by the Risk Committee and the Management Board of the Company. The implementation of hedging strategies and the level of currency risk are subject to monitoring and are reported regularly to the Risk Committee.

PGE CG companies enter into currency exchange rate derivative transactions only for the purpose of hedging identified risk exposures.

The regulations in force in the PGE Capital Group do not allow, with regard to currency exchange rate derivative transactions, entering into speculative transactions, i.e. transactions which would be aimed at generating additional profits resulting from changes in the level of foreign currency exchange rates, while exposing the Group to the risk of incurring a potential loss on this account.

In view of the adopted currency risk management strategy based on minimising and hedging currency risk exposures, the cost of servicing liabilities in foreign currencies, in the medium and long term, under conditions of escalating risks related to Russia's aggression in Ukraine, did not change significantly, as a result of hedging activities implemented in accordance with the previously adopted hedging strategies.

The Group's currency risk by individual classes of financial instruments:

	Total value in the report in PLN	CURRENCY POSITION AS AT DECEMBER 31, 2025					
		EUR		DKK		USD	
		currency	PLN	currency	PLN	currency	PLN
Trade receivables and other financial receivables	7,675	23	99	-	-	-	-
Cash and cash equivalents	10,809	193	814	53	30	-	-
Derivatives, of which:	780	513	2,165	-	-	44	158
<i>Measured at fair value through profit or loss</i>	108	-	-	-	-	44	158
<i>Hedging instruments</i>	635	513	2,165	-	-	-	-
<i>Other assets measured at fair value through profit or loss</i>	37	-	-	-	-	-	-
<b>FINANCIAL ASSETS</b>							
Credits, loans, bonds and leases	14,875	608	2,567	41	23	35	127
Trade and other payables measured at amortised cost	7,416	120	505	23	13	-	-
Derivatives, of which:	1,674	4,175	17,649	-	-	9	32
<i>Measured at fair value through profit or loss</i>	535	303	1,280	-	-	9	32
<i>Hedging instruments</i>	1,139	3,872	16,369	-	-	-	-
<b>FINANCIAL LIABILITIES</b>							

	Total value in the report in PLN	CURRENCY POSITION AS AT DECEMBER 31, 2024					
		EUR		DKK		USD	
		currency	PLN	currency	PLN	currency	PLN
Trade receivables and other financial receivables	8,220	43	184	-	-	-	-
Cash and cash equivalents	4,363	297	1,268	89	51	-	-
Derivatives, of which:	479	388	1,658	-	-	57	234
<i>Measured at fair value through profit or loss</i>	45	-	-	-	-	57	234
<i>Hedging instruments</i>	400	388	1,658	-	-	-	-
<i>Other assets measured at fair value through profit or loss</i>	34	-	-	-	-	-	-
<b>FINANCIAL ASSETS</b>							
Credits, loans, bonds and leases	13,192	140	597	-	-	32	130
Trade and other payables measured at amortised cost	8,377	38	164	-	-	33	134
Derivatives, of which:	1,291	4,482	19,148	-	-	67	275
<i>Measured at fair value through profit or loss</i>	233	34	145	-	-	67	275
<i>Hedging instruments</i>	1,058	4,448	19,003	-	-	-	-
<b>FINANCIAL LIABILITIES</b>							

The book value of derivative instruments is the result of valuation to fair value. The value of exposure to currency risk for forwards represents their nominal amount in a given currency. The value of exposure to currency risk for CCIRs represents the value of discounted cash flows of the currency leg in a given currency.

## 25.2 Liquidity risk

Financial liquidity risk concerns a situation in which an entity is not able to fulfil its (current or non-current) payment obligations at their maturity dates.

The main objective of liquidity risk management in the Group is to ensure and maintain its companies' ability to meet its current and future financial liabilities, taking into account the cost and ability to obtain them.

As part of its liquidity assessment, the Group monitors the net debt / EBITDA ratio at a level that ensures the maintenance of investment-grade credit ratings, and thereby the ability to finance the Group's investment programme. The ratio is calculated on the basis of the consolidated statements of the PGE CG. The value of the debt ratio is presented in note 19 of these financial statements.

In the Group, managing liquidity risk consists, among other things, in planning and monitoring cash flows in both the short- and long-term perspectives with respect to the conducted operating, investing, and financing activities and undertaking actions aimed at ensuring resources for the activities of the PGE Capital Group and, simultaneously, minimising the costs of such activities.

Periodic planning and monitoring of PGE CG's liquidity makes it possible to secure funds for any liquidity gaps by allocating funds among the Group companies (the cash pooling) as well as using external financing, including overdraft facilities and operating loans.

Long-term liquidity risk management allows the Group to determine its borrowing capacity and supports decisions regarding the financing of long-term investments.

A central financing model operates within the PGE Capital Group, according to which external financing agreements are generally concluded by PGE S.A. Subsidiaries within the PGE Capital Group use various sources of intragroup financing such as: loans, bank account consolidation agreements and cash management agreements in a group of accounts (actual cash pooling).

The Group uses various sources of financing, such as: overdraft facilities, working capital and term loans, investment loans, domestic bond issues and Eurobond issues, as well as factoring (both reverse and full factoring).

Below are the entities providing payables factoring services for the Group as at December 31, 2025:

Factor	Limit in PLN million As at 31.12.2025	Limit in PLN million As at 31.12.2024	Limit period
Santander Factoring (Agent), including:	1,156	1,056	
<i>Santander Factoring</i>	676	576	July 2026
<i>BGK</i>	300	300	July 2026
<i>Credit Agricole</i>	80	80	July 2026
<i>Caixa</i>	100	100	July 2026
Citi Bank Handlowy	600	600	March 2026
PKO Faktoring	284	100	September 2026
Pekao Faktoring	460	460	October 2026
<b>TOTAL</b>	<b>2,500</b>	<b>2,216</b>	

The payment term for liabilities subject to factoring was from 120 to 150 days in 2025, while in 2024 it was 150 days.

The table below shows the maturity of the Group's financial liabilities by reporting date based on contractual undiscounted payments.

For commodity derivatives, the table shows net flows – payments have been reduced by proceeds from the realisation of contracts. In 2025, the presentation of the maturity of currency derivatives was changed. Currently, the Group shows net payment flows. A change in the presentation was made in comparative figures.

AS AT DECEMBER 31, 2025	Value in statement	Total payments	Up to 3 months	From 3 to 12 months	From 1 year to 5 years	Over 5 years
Credits and loans	11,170	17,811	487	1,107	4,093	12,124
Bonds issued	1,999	2,259	411	73	1,775	-
Trade payables and other financial liabilities	7,416	7,416	5,848	1,343	211	14
Lease liabilities	1,706	2,573	37	112	495	1,929
Derivatives, of which:	1,307	18,856	6,902	10,246	434	1,274
<i>receipts</i>		(5,877)	(278)	(3,216)	(2,378)	(5)
<i>outflows</i>	1,307	24,733	7,180	13,462	2,812	1,279
<b>TOTAL</b>	<b>23,598</b>	<b>48,915</b>	<b>13,685</b>	<b>12,881</b>	<b>7,008</b>	<b>15,341</b>

AS AT DECEMBER 31, 2024 <i>restated data*</i>	Value in statement	Total payments	Up to 3 months	From 3 to 12 months	From 1 year to 5 years	Over 5 years
Credits and loans	9,638	13,044	2,098	879	5,000	5,067
Bonds issued	2,007	2,445	-	118	2,327	-
Trade payables and other financial liabilities	8,377	8,377	6,816	1,354	200	7
Lease liabilities	1,547	2,707	41	123	518	2,025
Derivatives, of which:	1,062	21,980	2,421	11,487	7,361	711
<i>receipts</i>		(930)	(124)	(769)	(37)	-
<i>outflows</i>	1,062	22,910	2,545	12,256	7,398	711
<b>TOTAL</b>	<b>22,631</b>	<b>48,553</b>	<b>11,376</b>	<b>13,961</b>	<b>15,406</b>	<b>7,810</b>

## 25.3 Credit risk

Credit risk is related to a potential credit event, which may take the form of a counterparty's insolvency, only partial repayment of receivables, a material delay in repayment of receivables in accordance with the contract and possible non-payment of damages and contractual penalties.

PGE Capital Group companies are exposed to credit risk in the following areas:

- core business of the companies – the source of credit risk includes, *inter alia*, transactions for the purchase and sale of electricity and heat, purchase and sale of energy origin rights to certificates of origin for electricity and CO<sub>2</sub> emission allowances, fuel purchase and sale deals, etc.; this relates, among other things, to the possibility of the Group's counterparties and customers failing to make payments by the due dates or failing to fulfil their delivery obligations towards a PGE CG company, if the fair value of a transaction is positive from the Group's perspective;
- Investment activity – credit risk arises from transactions related to investment projects, the success of which depends on the financial standing of the Group's suppliers;
- The investment of companies' free cash – credit risk occurs in consequence of PGE companies' investing free cash in financial instruments bearing credit risk, i.e. financial instruments other than those issued by the State Treasury.

To monitor credit risk in operational activities, the most commercially significant Group Companies use the internal rating method by applying rating models.

There is no concentration of credit risk related to trade receivables within the PGE CG. The share of the three largest counterparties in the total trade receivables balance amounts to approximately 15%.

The carrying amount of financial assets exposed to credit risk is as follows:

	Year ended December 31, 2025	Year ended December 31, 2024
Trade receivables and other financial receivables	7,675	8,220
Cash and cash equivalents	10,809	4,363
Derivatives – assets	1,562	479
<b>FINANCIAL ASSETS EXPOSED TO CREDIT RISK</b>	<b>20,046</b>	<b>13,062</b>

## 25.3.1 Trade receivables Other loans and financial receivables

### **SIGNIFICANT ACCOUNTING PRINCIPLES**

#### Financial receivables

Financial receivables, including trade receivables, are measured as at the date they arise at fair value, and then at amortised cost using the effective interest rate, including write-downs for expected credit loss.

The Group applies simplified methods of valuation of receivables measured at amortised cost if it does not distort the information contained in the statement of financial position, in particular when the period until the payment of receivables is not long.

The Group does not monitor changes in the level of credit risk over the life of the instrument. The expected credit loss is estimated up to the maturity of the instrument.

The Companies apply the following principles for estimating and recognising impairment write-downs of financial receivables:

- for receivables from significant customers covered by the credit risk assessment procedure, the Companies estimate expected credit losses on the basis of the model used to assess this risk based on ratings allocated to particular business partners; ratings are assigned the likelihood of bankruptcy adjusted by the impact of credit default swap (CDS);
- for receivables from mass customers or customers not covered by the credit risk assessment procedure, the Companies estimate expected credit losses on the basis of an analysis of the probability of incurring credit losses in the particular ageing ranges;
- in justified cases, the Companies may assess the amount of a write-down on an individual basis.

Any impairment write-downs is recognised under operating expenses or under financial costs, as appropriate. Long-term receivables are presented at present value (discounted amount).

Value of write-downs estimated for receivables from mass customers and those covered by an individual write-down:

	December 31, 2025		December 31, 2024	
	Write-down amount	Write-down percentage	Write-down amount	Write-down percentage
Receivables not overdue	936	0.0 – 0.16/ 100	929	0.0 – 4.07/ 100
Overdue < 30 days	61	0.0 – 7.2/ 100	8	0.0 – 7.2/ 100
Overdue 30-90 days	16	0.0 – 13.1/ 100	404	0.0 – 13.12/ 100
Overdue 90-180 days	45	100.0	76	100.0
Overdue 180-360 days	64	100.0	196	100.0
Overdue > 360 days	1,646	100.0	1,038	100.0
<b>TOTAL FINANCIAL RECEIVABLES</b>	<b>2,768</b>		<b>2,651</b>	

The write-down relates to receivables written down according to the matrix and on an individual basis. The individual write-down mainly concerns receivables from PKP Cargo S.A., which is undergoing remedial proceedings. Receivables arising prior to the commencement of the proceedings are impaired at 50%, while receivables in respect of interest are impaired at 100%. Since the initiation of remedial proceedings, PKP Cargo S.A. has been settling its payables without major delays.

Additionally, receivables from bonds from Autostrada Wielkopolska S.A. are covered by a full write-down (as at December 31, 2025, the gross value is PLN 800 million, an impairment write-down of PLN (800) million, in the comparative period: gross value of PLN 818 million, write-down value of PLN (818) million). These receivables fall within the category of non-past-due receivables and are classified in Stage 3 within the meaning of IFRS 9.

The ratios adopted for estimating expected losses calculated according to the key customers model:

Rating level	December 31, 2025		December 31, 2024	
	Write-down amount	Write-down percentage	Write-down amount	Write-down percentage
<b>Highest</b> AAA to AA – according to S&P and Fitch and Aaa to Aa3 according to Moody's	-	-	-	-
<b>Medium-high</b> A+ to A- according to S&P and Fitch and A1 to A3 according to Moody's	<1	-	<1	-
<b>Medium</b> BBB+ to BBB- according to S&P and Fitch and Baa1 to Baa3 according to Moody's	<1	-	<1	-
<b>TOTAL FINANCIAL RECEIVABLES</b>	<b>&lt;1</b>		<b>&lt;1</b>	

Trade receivables typically have payment terms of 14–21 days. These receivables mainly relate to the sale of electricity and distribution services. According to the management of the PGE Capital Group, there are no additional risks of non-payment of receivables beyond those already covered by impairment allowances.

The Group mitigates and controls credit risk related to commercial transactions in accordance with unified credit risk management principles implemented across all significant companies within the PGE Capital Group. In the case of commercial transactions, which due to their high value may generate significant losses as a result of the counterparty's default, a counterparty assessment is carried out prior to the transaction, taking into account a financial analysis, the counterparty's credit history and other factors. Based on the assessment, PGE CG assigns an internal rating or uses a rating assigned by a reputable independent rating agency. Based on the rating, a limit is set for the counterparty. Entering into contracts that would increase exposures above limits set within the PGE Capital Group generally requires the establishment of security in accordance with accepted credit risk management principles. The level of used limits is monitored and reported on a regular basis, and in the event of material overruns, the units responsible for counterparty risk management are required to take action to eliminate them. The PGE Capital Group monitors receivables on an ongoing basis and applies early debt collection procedures, taking into account deadlines arising from energy law and the high rate of repayment for short-term overdue receivables. The Group also cooperates with credit information agencies and debt collection companies.

The credit risk on trade receivables on a geographical basis is presented in the table below:

	December 31, 2025		December 31, 2024	
	Balance of receivables	Share %	Balance of receivables	Share %
Poland	6,328	100%	6,471	100%
Germany	1	0%	-	0%
Czechia	3	0%	-	0%
Denmark	1	0%	-	0%
France	-	0%	2	0%
<b>TOTAL</b>	<b>6,333</b>	<b>100%</b>	<b>6,473</b>	<b>100%</b>

### Aging of receivables and impairment allowances

As at December 31, 2025, a portion of financial assets was subject to impairment allowances. The table below presents changes in impairment write-downs for these classes of financial instruments:

2025	Trade receivables	Other financial receivables	Bonds	Total financial assets
<b>Impairment write-down as at January 1</b>	<b>(609)</b>	<b>(1,224)</b>	<b>(818)</b>	<b>(2,651)</b>
Utilisation of write-down	16	9	-	25
Reversal of write-downs	133	52	17	202
Creation of write-downs	(179)	(164)	-	(343)
Other changes	4	(5)	-	(1)
<b>Impairment loss as at December 31,</b>	<b>(635)</b>	<b>(1,332)</b>	<b>(801)</b>	<b>(2,768)</b>
<b>Value before impairment write-down</b>	<b>6,968</b>	<b>2,674</b>	<b>801</b>	<b>10,443</b>
<b>Net value of item (book value)</b>	<b>6,333</b>	<b>1,342</b>	<b>-</b>	<b>7,675</b>

Most of the impairment allowances for trade receivables relate to the Supply and Railway Energy Services segments. As at December 31, 2025, the total amount of impairment write-downs for trade receivables in companies from these segments amounted to PLN 608 million, compared to PLN 590 million as at December 31, 2024.

Impairment write-downs on other financial receivables mainly concern penalties charged to the contractor of Unit 7 at the Turów Power Plant, which have been fully impaired. As at December 31, 2025, the write-down recognised, mainly in previous reporting periods, totals PLN 796 million. In the current period, the write-down for this item amounted to PLN 3 million. In the current period, an impairment write-down of PLN 54 million was also recognised in connection with a dispute with the contractor for the modernisation of PSPP Porąbka-Żar (a detailed description is provided in Note 27.3 to these financial statements) and PLN 41 million for covering with a write-down the penalties charged for delays in commissioning the Thermal Processing with Energy Recovery Installation at the Rzeszów CHP Plant.

2024	Trade receivables	Other financial receivables	Bonds	Total financial assets
<b>Impairment write-down as at January 1</b>	<b>(488)</b>	<b>(885)</b>	<b>(861)</b>	<b>(2,234)</b>
Utilisation of write-down	27	14	-	41
Reversal of write-downs	144	169	43	356
Creation of write-downs	(287)	(529)	-	(816)
Other changes	(5)	7	-	2
<b>Impairment loss as at December 31,</b>	<b>(609)</b>	<b>(1,224)</b>	<b>(818)</b>	<b>(2,651)</b>
<b>Value before impairment write-down</b>	<b>7,082</b>	<b>2,971</b>	<b>818</b>	<b>10,871</b>
<b>Net value of item (book value)</b>	<b>6,473</b>	<b>1,747</b>	<b>-</b>	<b>8,220</b>

An ageing analysis of trade receivables and other loans and receivables, including impairment allowances, is presented below:

	December 31, 2025			December 31, 2024		
	Gross	Impairment write-downs	Net book value	Gross	Impairment write-downs	Net book value
<b>Receivables not overdue</b>	7,953	(936)	7,017	8,556	(929)	7,627
Overdue < 30 days	481	(61)	420	370	(8)	362
Overdue 30-90 days	100	(16)	84	469	(404)	65
Overdue 90-180 days	45	(45)	-	115	(76)	39
Overdue 180-360 days	64	(64)	-	320	(196)	124
Overdue > 360 days	1,800	(1,646)	154	1,041	(1,038)	3
<b>Total overdue receivables</b>	<b>2,490</b>	<b>(1,832)</b>	<b>658</b>	<b>2,315</b>	<b>(1,722)</b>	<b>593</b>
<b>Total financial assets</b>	<b>10,443</b>	<b>(2,768)</b>	<b>7,675</b>	<b>10,871</b>	<b>(2,651)</b>	<b>8,220</b>

As at December 31, 2024, receivables past due for more than 360 days that have not been covered by an impairment write-down mainly consist of trade receivables in the amount of PLN 153 million from the PKP Cargo Group, which is undergoing remedial proceedings.

The total value of net receivables from PKP Cargo S.A. CG as at December 31, 2025 amounts to PLN 219 million, whereas the total write-down recognised is PLN 149 million. The write-down was fully recognised in the previous reporting period.

## 25.3.2 Deposits, cash and cash equivalents

The Group manages the credit risk related to cash deposits by diversifying the group of banks where such deposits are held. All entities with which the PGE Capital Group enters into deposit transactions conduct business activities in the financial sector. These are exclusively banks registered in Poland or operating in the country as branches of foreign entities, with at least an investment grade rating, and presenting an appropriate solvency ratio and equity capital, as well as a strong and established market position. The share of the three main banks with which PGE CG holds the largest cash balances at December 31, 2025 was approximately 69% (71% in the comparative period).

### 25.3.3 Derivative instruments

All entities with which the PGE Capital Group enters into derivative transactions conduct business activities in the financial sector. These are banks and entities regulated by financial regulators, with investment grade ratings, and with sufficient equity capital and a strong and established market position. As at the reporting date, the Group was a party to derivative transactions described in detail in Note 24.1.2 to these consolidated financial statements.

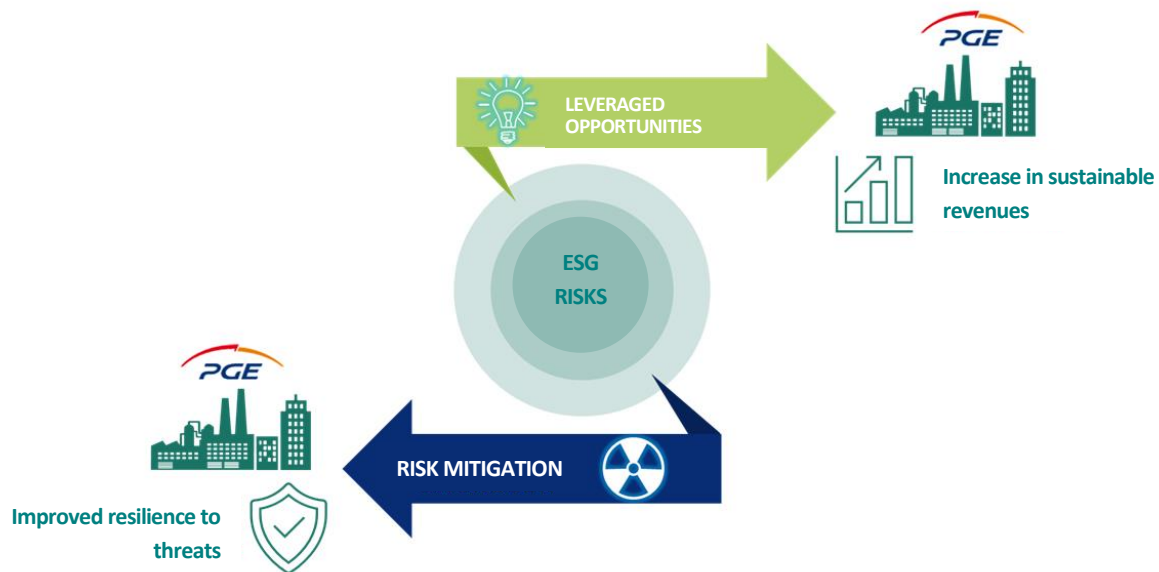
### 25.3.4 Guarantees and sureties granted

Guarantees and sureties provided by the PGE Capital Group are presented in Note 27 to these consolidated financial statements.

## 25.4 ESG risks, including climate-related risks

The PGE Capital Group is aware of the impact of its activities on the climate, as well as the risks of climate change to the Group’s operations. This interdependence generates both risks and opportunities for growth, so Stakeholders’ expectations regarding the reporting of the impact of operations on the climate, as well as dependence on it, are therefore understandable, with climate risk management being recognised as a key element of strategic management with a direct impact on financial aspects. The PGE Capital Group has taken a number of actions aimed at achieving climate neutrality by 2050. At the same time, the Group focuses on effectively leveraging opportunities that may arise in a changing environment, as well as on increasing its resilience to external factors posing a threat to it.

Graphic: Relationship between the activities of the PGE Group and ESG risks.

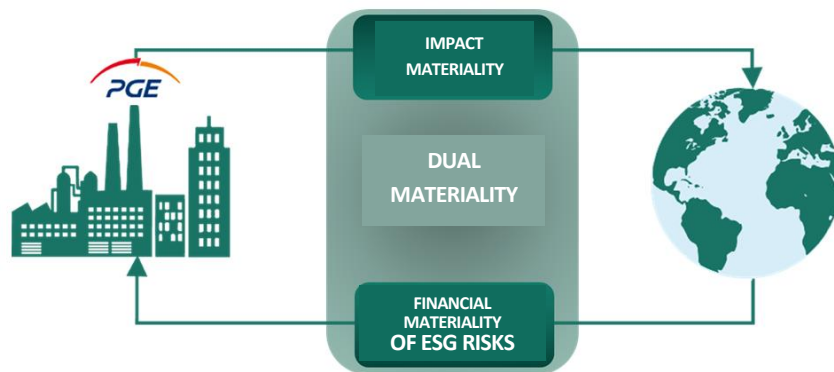


The PGE Capital Group also stepped up its efforts to meet regulatory requirements, both national and European. For 2025, a Sustainability Statement was prepared, the formal basis of which is the CSRD Directive, the European Sustainability Reporting Standards (ESRS), and the Accounting Act. The Sustainability Statement is included within the Management Board’s Report on the activities of PGE Polska Grupa Energetyczna S.A. and the PGE Group for 2025.

#### FINANCIAL MATERIALITY

The CSRD Directive imposes on large entities such as PGE the obligation to conduct a double materiality assessment, the results of which determine the scope of sustainability reporting across the entire Capital Group.

Figure: Double materiality assessment process



The process of ESG risk financial materiality assessment constitutes one of the two stages of the double materiality analysis. At PGE, it is carried out on an annual cycle, with the involvement of individuals responsible for coordinating activities within the respective segments of the PGE CG. The process methodology is based on the European Sustainability Reporting Standards (ESRS). The assessment covers all areas related to environmental protection, social responsibility and corporate governance, including transitional climate risks related to legislation, technology and reputation. In this process, ESG risks are understood as threats (events causing cost increases / revenue decreases) and opportunities (events causing cost reductions / revenue increases).

The ESG risk assessment process comprises the following stages:

#### **Identification of ESG risks and assessment of their expected financial impact**

Based primarily on the expert knowledge of PGE CG employees, as well as available data sources, including the results of the corporate risk management process, and taking into account regulatory requirements and applicable guidelines, threats and opportunities are identified within the organisation for individual sustainability topics.

The assessment covers the extent to which the assets and business operations of the PGE CG may be exposed and sensitive to identified ESG risks.

For the identified ESG risks in individual sustainability thematic areas, the following are assessed: probability of occurrence and potential financial impact. Probability is assessed on a 5-point scale (from negligible to very high), while the financial impact of risk materialisation is estimated with an accuracy of PLN 1 million in relation to impact on revenues / costs. The valuation is carried out for three time perspectives: short-term, medium-term and long-term.

#### **Aggregation of ESG risks at the PGE CG level and materiality analysis**

The results obtained from individual owners are verified and aggregated against established thresholds for the assessment of financial impact and additional qualitative assessment for items material from the Group's perspective.

#### **Development and approval of results**

Based on the financial materiality assessment, the results are developed, including: the list of material topics for the PGE CG and the list of financially material ESG risks. The results are subject to meetings of the Risk Committee and the Sustainability Committee, as well as approval by the Management Board of PGE S.A.

The process of managing material ESG risks and opportunities is currently being implemented in the PGE CG, using the experience of the overall risk management process.

The results of the ESG risk financial materiality assessment process are published in the Sustainability Statement, which forms part of the Management Board Report on the activities of the PGE CG.

### CDP SURVEY

In 2025, the PGE Group once again participated in the CDP international environmental impact survey (<https://www.cdp.net/en>) on the company's environmental impact. In response to enquiries from global investors, the impact of operations on climate, water and forest resources was analysed, in terms of both risks and related opportunities. Any business is affected by two types of climate risks:

- physical risks, associated with the physical effects of climate change, i.e. actual threats in the form of extreme weather events, droughts, and floods,
- transition risks, related to the shift towards a low-emission and climate-resilient economy, concerning compliance with legal requirements, the implementation of new technologies, or impacts on the Company's reputation.

From a business perspective, there is an interdependence between risks and opportunities associated with climate. Actions aimed at mitigating climate change and adapting to its impacts simultaneously provide new opportunities and prospects for business development.

Table: Climate-related opportunities in the PGE Group

Area	Example
New energy sources	Investment in offshore wind farms
New products	Expansion of the product portfolio to include PRO-ECO initiatives – products aligned with low-emission heating systems.

Table: Climate-related threats in the PGE Group

Area	Example
Operational activity	Extreme weather events or changes in climate conditions that may adversely affect the assets and operational activity of the PGE Capital Group.
CO <sub>2</sub> emissions	Rising costs of CO <sub>2</sub> emission allowances, which may adversely affect the profitability of generating units and, in extreme cases, lead to the suspension of production in such units for economic reasons.

All of the above issues are assessed in terms of probability and the estimated timeframe of materialisation.

### ASSESSMENT OF THE IMPACT OF PHYSICAL CLIMATE RISKS ON OPERATIONS

Global warming, changing precipitation patterns, rising sea levels and extreme weather events are increasingly posing serious challenges to the resilience of electricity systems, thus increasing the likelihood of disruptions. Climate change directly affects every segment of the power system: the potential and efficiency of generation, demand for heating and cooling, the resilience of transmission and distribution networks, as well as demand patterns.

In 2025, the PGE Group once again carried out an assessment of key physical climate risks that could negatively affect operations. Awareness of how climate factors (primarily temperature, precipitation and wind) may impact the Group's core activities helps to support adaptation to climate change and increase resilience to climate hazards.

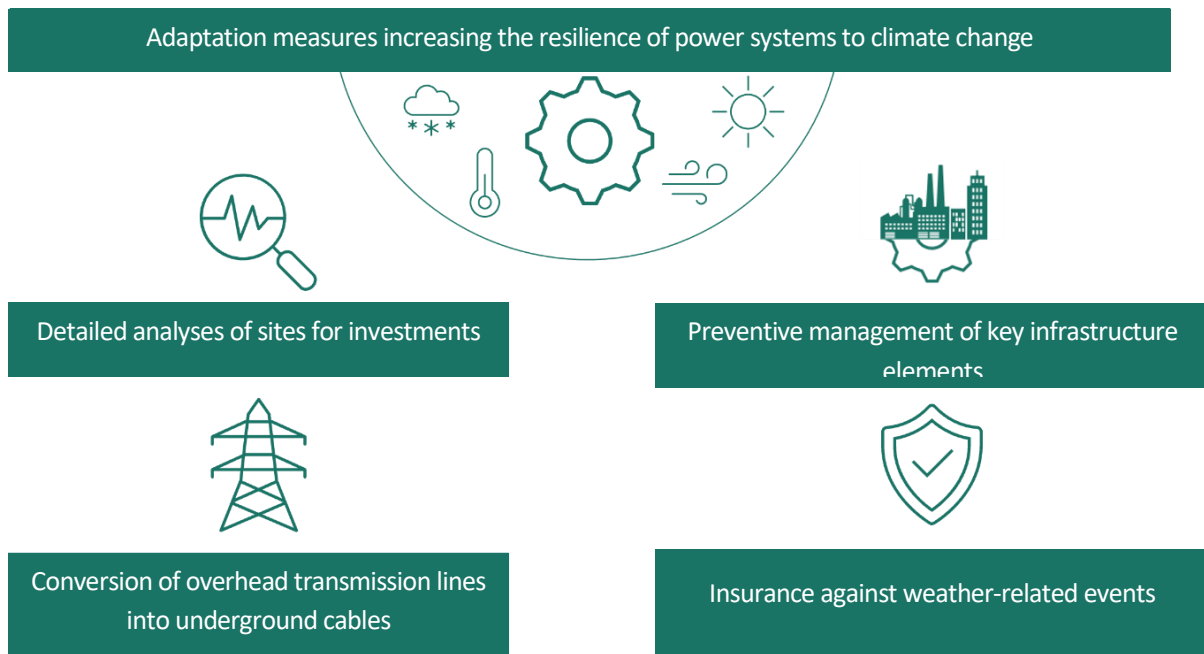
The assessment of risks related to physical climate threats in the PGE Capital Group is carried out from both a current and long-term perspective, using scientific models that describe possible climate scenarios.

Table: Climate scenario.

Scenario	Type of scenario	Assumptions	Increase in global temperature	Risk impact
RCP 4.5	optimistic	introduction of new technologies to achieve a higher reduction in greenhouse gas emissions than at present	2.5°C	low/medium
RCP 8.5	pessimistic	maintaining the current rate of greenhouse gas emissions growth, according to a 'business as usual' model	4.5°C	low/medium

The assessment showed a low or medium impact of risks related to physical climate threats on the Group's key activities in 2025. The implementation and continuous improvement of adaptation measures developed in the PGE CG significantly affect the process outcomes, demonstrating that the actions undertaken have increased the Group's resilience to physical climate risks.

Graphic: Adaptation measures in the PGE Capital Group



## 25.5 Market (financial) risk - sensitivity analysis

The PGE Capital Group is exposed mainly to the risk of EUR/PLN exchange rate changes and the risk of fluctuations in reference interest rates in PLN and EUR. It also has positions exposed to currency risk in USD and DKK, as well as interest rate risk in USD, the scale of which is smaller, and therefore the associated risk for the Group is low. To analyse sensitivity to changes in market risk factors, the PGE Capital Group employs scenario analysis, i.e. expert scenarios reflecting a subjective assessment of future market risk factors.

The scenario analyses presented in this item aim to analyse the impact of changes in the market risk factors on the consolidated financial results. With respect to the interest rate risk and the currency risk, the analysis focuses exclusively on these items the fulfil the definition of financial instruments.

In an analysis of sensitivity to the interest rate risk, the Group uses the parallel shift of the interest rate curve by a potentially possible change in the reference interest rates during the next year.

In the case of an analysis of sensitivity to changes in interest rates, the effect of changes in the risk factors would be charged in the consolidated statement of comprehensive income to the item of interest income/costs or the item of revaluation of financial instruments measured at fair value.

The next tables present a sensitivity analysis for every type of the market risk to which the PGE CG was exposed as at the reporting date, showing how the gross financial result would be influenced potentially by changes in the particular risk factors according to the classes of financial assets and liabilities.

The value of exposure to currency risk for derivatives (forward) is their nominal value together with interest accrued until the reporting date, translated into PLN at the closing rate as at December 31, 2025 and December 31, 2024, respectively, without discount. In turn, the book value of these derivative instruments is the result of valuation to fair value.

## Currency exchange risk sensitivity analysis

The table below shows the sensitivity of financial instruments to reasonably possible changes in exchange rates, with all other risk factors remaining constant.

CLASSES OF FINANCIAL INSTRUMENTS	Value in the statements in PLN	CURRENCY EXCHANGE RISK SENSITIVITY ANALYSIS AS AT DECEMBER 31, 2025							
		Value exposed to risk	EUR/PLN		DKK/PLN		USD/PLN		
			impact on the financial result/capital		impact on the financial result/capital		impact on the financial result/capital		
			+10%	-10%	+10%	-10%	+10%	-10%	
Trade receivables and other financial receivables	7,675	99	10	(10)	-	-	-	-	
Cash and cash equivalents	10,809	844	81	(81)	3	(3)	-	-	
Derivatives measured at fair value	108	158	-	-	-	-	16	(16)	
Hedging derivatives	635	-	-	-	-	-	-	-	
Interest-bearing credits and loans	(11,170)	(2,095)	(197)	197	-	-	(13)	13	
Bonds issued	(1,999)	(591)	(59)	59	-	-	-	-	
Lease liabilities	(1,706)	(31)	(1)	1	(2)	2	-	-	
Trade payables and other financial liabilities	(7,416)	(518)	(51)	51	(1)	1	-	-	
Derivatives measured at fair value	(535)	(1,312)	80	(80)	-	-	(1)	1	
Hedging derivatives	(1,139)	(631)	61	(61)	-	-	-	-	
<b>IMPACT ON FINANCIAL RESULT</b>			<b>(76)</b>	<b>76</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>(2)</b>	
Hedging instruments			1,475	(1,475)	-	-	-	-	
<b>IMPACT ON REVALUATION RESERVE</b>			<b>1,475</b>	<b>(1,475)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

CLASSES OF FINANCIAL INSTRUMENTS	Value in the statements in PLN	CURRENCY EXCHANGE RISK SENSITIVITY ANALYSIS AS AT DECEMBER 31, 2024							
		Value exposed to risk	EUR/PLN		DKK/PLN		USD/PLN		
			impact on the financial result/capital		impact on the financial result/capital		impact on the financial result/capital		
			+10%	-10%	+10%	-10%	+10%	-10%	
Trade receivables and other financial receivables	8,220	184	18	(18)	-	-	-	-	
Cash and cash equivalents	4,363	1,319	127	(127)	5	(5)	-	-	
Derivatives measured at fair value	45	234	-	-	-	-	18	(18)	
Hedging derivatives	400	645	61	(61)	-	-	-	-	
Interest-bearing credits and loans	(9,638)	(130)	-	-	-	-	(13)	13	
Bonds issued	(2,007)	(597)	(60)	60	-	-	-	-	
Trade payables and other financial liabilities	(8,377)	(298)	(17)	17	-	-	(13)	13	
Derivatives measured at fair value	(233)	(420)	14	(14)	-	-	3	(3)	
<b>IMPACT ON FINANCIAL RESULT</b>			<b>143</b>	<b>(143)</b>	<b>5</b>	<b>(5)</b>	<b>(5)</b>	<b>5</b>	
Hedging instruments			1,931	(1,931)	-	-	-	-	
<b>IMPACT ON REVALUATION RESERVE</b>			<b>1,931</b>	<b>(1,931)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

## Interest rate risk sensitivity analysis

The Group recognises its exposure to the risk of changes in WIBOR and EURIBOR interest rates. The table below shows the sensitivity of financial instruments to reasonably possible changes in interest rates, assuming that other risk factors remain constant.

FINANCIAL ASSETS AND LIABILITIES	Value in the statements in PLN	INTEREST RATE RISK SENSITIVITY ANALYSIS AS AT DECEMBER 31, 2025				
		Value exposed to risk	WIBOR		EURIBOR	
			impact on the financial result/capital		impact on the financial result/capital	
			+50%	-50%	+25%	-25%
Trade receivables and other financial receivables	7,675	35	-	-	-	-
Derivatives measured at fair value through profit or loss – assets	108	108	-	-	-	-
Interest-bearing credits and loans	(11,170)	(5,179)	(15)	15	(5)	5
Bonds issued	(1,999)	(1,408)	(7)	7	-	-
Lease liability	(1,706)	(31)	-	-	-	-
Trade payables and other financial liabilities	(7,416)	(1,574)	(8)	8	-	-
Derivatives – liabilities	(535)	(535)	(1)	1	25	(25)
<b>IMPACT ON FINANCIAL RESULT</b>			<b>(31)</b>	<b>31</b>	<b>20</b>	<b>(20)</b>
Hedging instruments	(504)	(504)	31	(32)	340	(341)
<b>IMPACT ON REVALUATION RESERVE</b>			<b>31</b>	<b>(32)</b>	<b>340</b>	<b>(341)</b>

FINANCIAL ASSETS AND LIABILITIES	Value in the statements in PLN	INTEREST RATE RISK SENSITIVITY ANALYSIS AS AT DECEMBER 31, 2024				
		Value exposed to risk	WIBOR		EURIBOR	
			impact on the financial result/capital		impact on the financial result/capital	
			+50%	-50%	+25%	-25%
Trade receivables and other financial receivables	8,220	25	-	-	-	-
Derivatives measured at fair value through profit or loss – assets	45	45	-	-	-	-
Interest-bearing credits and loans	(9,638)	(5,089)	(25)	25	-	-
Bonds issued	(2,017)	(1,410)	(7)	7	-	-
Lease liability	(1,547)	(281)	(1)	1	-	-
Trade payables and other financial liabilities	(8,377)	(2,009)	(10)	10	-	-
Derivatives – liabilities	(233)	(233)	(1)	1	-	-
<b>IMPACT ON FINANCIAL RESULT</b>			<b>(44)</b>	<b>44</b>	-	-
Hedging instruments	(658)	(658)	39	(40)	352	(358)
<b>IMPACT ON REVALUATION RESERVE</b>			<b>39</b>	<b>(40)</b>	<b>352</b>	<b>(358)</b>

## Commodity price change risk sensitivity analysis

The Group recognises its exposure to the risk of changes in the prices of commodities, including raw materials for electricity generation.

The table below shows the sensitivity analysis of changes in the purchase costs of selected goods based on a 10% change in price:

COMMODITY	AS AT DECEMBER 31, 2025			AS AT DECEMBER 31, 2024		
	Purchase cost of goods	Impact on financial result		Purchase cost of goods	Impact on financial result	
		+10%	-10%		+10%	-10%
Hard coal	2,923	292	(292)	3,978	398	(398)
CO <sub>2</sub> emission allowances for own use	15,732	1,573	(1,573)	24,854	2,485	(2,485)
Natural gas [thousand m <sup>3</sup> ]	3,915	392	(392)	3,384	338	(338)
Biomass	131	13	(13)	203	20	(20)
Fuel oil	223	22	(22)	247	25	(25)
<b>TOTAL</b>	<b>22,924</b>	<b>2,292</b>	<b>(2,292)</b>	<b>32,666</b>	<b>3,266</b>	<b>(3,266)</b>

## 25.6 Hedge accounting

### **SIGNIFICANT ACCOUNTING PRINCIPLES**

#### Hedge accounting

Under the transitional provisions of IFRS 9, on the date of initial application of IFRS 9 (with respect to areas other than hedge accounting – i.e. Classification and Measurement and Impairment), the Group had the option to make an accounting policy choice to continue applying the hedge accounting requirements under IAS 39, instead of those specified in IFRS 9.

The Group applied the hedge accounting requirements in accordance with IAS 39 until September 30, 2024. As of October 1, 2024, the Group applies hedge accounting principles in line with IFRS 9.

Changes in the fair value measurement of derivative financial instruments designated as CCIRS and IRS cash flow hedges are recognised in the revaluation reserve for the portion that constitutes an effective hedge, while the ineffective portion of the hedge is recognised in profit or loss.

The amounts of the cumulative change in the measurement of the fair value of a hedging instrument previously recognised in the revaluation reserve are transferred to profit or loss in the period or periods during which the hedged item affects profit or loss. Alternatively, where a hedge of a forecast transaction results in the recognition of a non-financial asset or non-financial liability,

the Group excludes such an amount from equity and includes it in the initial cost or another book value of a non-financial asset or non-financial liability.

The Group establishes a hedging relationship formally only when all of the following criteria are met:

- a) the hedging relationship consists solely of eligible hedging instruments and eligible hedged items,
- b) at the time of establishing the hedging relationship, the relationship has been formally designated and documented, including the entity's risk management objective and the strategy for undertaking the hedge. This documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the entity's analysis of the sources of hedge ineffectiveness and a description of how it determines the hedge ratio),
- c) the hedging relationship meets all of the following hedge effectiveness requirements:
  - there is an economic relationship between the hedged item and the hedging instrument;
  - credit risk does not dominate the value changes that result from that economic relationship; and
  - the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item the Group actually hedges and the quantity of the hedging instrument the Group actually uses to hedge that quantity of the hedged item. However, this designation must not reflect an imbalance between the weightings of the hedged item and the hedging instrument that would create hedge ineffectiveness (whether recognised or not) which could produce an accounting outcome that would be inconsistent with the purpose of hedge accounting.

The Group assesses hedge effectiveness in accordance with the requirements of IFRS 9. The assessment of effectiveness is based on the following criteria:

- the existence of an economic relationship between the hedged item and the hedging instrument – the requirement for an economic relationship means that the values of the hedging instrument and the hedged item generally move in opposite directions due to the same risk that is being hedged;
- credit risk does not have a predominant effect on the value changes resulting from that economic relationship;
- the hedge ratio of the hedging relationship is the same as the ratio resulting from the quantity of the hedged item the Company actually hedges and the quantity of the hedging instrument the Company actually uses to hedge that quantity of the hedged item.

The Group uses cash flow hedges for the following relations.

In connection with loans received from PGE Sweden AB (publ), PGE S.A. concluded CCIRS transactions hedging the exchange rate. In these transactions, banks-counterparties pay PGE S.A. interest based on a fixed rate in EUR and PGE S.A. pays interest based on a fixed rate in PLN. In the consolidated financial statements, the relevant part of the CCIRS transaction is treated as a hedge of the intra-group transactions in the portion for which there exists an associated external transaction in the form of bonds issued by PGE Sweden AB (publ).

The Group hedges commodity risks associated with physical forward transactions for the purchase and sales of gas fuel and CO<sub>2</sub> emission allowances as part of an 'all-in-one hedge'. The Group covers 100% of the transaction nominal value with hedging.

In addition, the Group hedges the risk of exchange rate-based cash flow changes in connection with forward contracts for the purchase of carbon dioxide emission allowances (futures and forward derivative transactions) priced in EUR. The Group enters into FX forwards for this purpose. It covers 100% of the transaction nominal value (the futures transaction nominal value is reduced by the initial margin amount).

The Group also applies hedge accounting to IRS transactions hedging the interest rate in connection with financial liabilities incurred under credit agreements. Under these IRS transactions, banks-counterparties pay PGE S.A. interest based on a variable rate in PLN and PGE S.A. pays interest based on a fixed rate in PLN.

Due to the close matching of key transaction parameters (nominal value, cash flow execution date, underlying asset), the Group assesses the existence of an economic relationship on a qualitative basis for relationships using instruments such as FX futures, FX forwards, IRS, and "all-in-one hedge" relationships. Based on the selected method, the Group assumes that changes in the value of the hedging instrument and the hedged item will exhibit a degree of offsetting close to 100%.

In the case of hedging relationships involving CCIRS instruments, the Group applies a prospective effectiveness assessment based on a quantitative method, using a hypothetical derivative that reflects changes in the value of the hedged item.

The principal source of ineffectiveness in the Group's hedging relationships is counterparty and own credit risk, which is not reflected in the valuation of the hedged item. Hedging transactions are entered into with high-rated financial institutions.

An additional source of ineffectiveness in CCIRS transactions is the designation of the instrument together with the basis spread component, which is not reflected in the valuation of the hedged item.

A potential source of ineffectiveness for IRS transactions could be a mismatch in the timing of cash flows on the hedged item and the hedging instrument (arising from future financing agreements).

The hedge ratio for the Group's hedging relationships is 1:1, due to the alignment of the nominal values between the hedging instruments and the designated risk exposure.

The following tables provide information on the impact of hedge accounting on the Financial Statements.

Hedging instrument	Notional amount in currency as at December 31, 2025	Notional amount in currency as at December 31, 2024	Value as at the reporting date of December 31, 2025	Value as at the reporting date of December 31, 2024	Change in value during the period for ineffectiveness calculation	Balance sheet item
<b>Currency risk</b>	-	-	<b>(634)</b>	<b>(345)</b>	<b>(289)</b>	
CCIRS	-	EUR 144 million	-	36	(36)	Derivatives and other assets measured at fair value through profit or loss
CCIRS	EUR 144 million	-	(8)	-	(8)	Derivative instruments
Forwards	EUR 24 million	EUR 150 million	1	2	(1)	Derivatives and other assets measured at fair value through profit or loss
Forwards	EUR 3,765 million	EUR 4,300 million	(627)	(383)	(244)	Derivative instruments
<b>Commodity risk</b>	-	-	<b>(184)</b>	<b>125</b>	<b>(309)</b>	
Gas forwards	PLN 98 million	PLN 1,335 million	37	176	(139)	Derivatives and other assets measured at fair value through profit or loss
Gas forwards	PLN 3,294 million	(PLN 488 million)	(458)	(46)	(412)	Derivative instruments
CO <sub>2</sub> forwards	EUR 357 million	EUR 87 million	231	10	221	Derivatives and other assets measured at fair value through profit or loss
CO <sub>2</sub> forwards	EUR 11 million	-	(5)	-	(5)	Derivative instruments
Commodity SWAP	EUR 19 million	EUR 40 million	11	-	11	Derivatives and other assets measured at fair value through profit or loss
Commodity SWAP	EUR 5 million	EUR 6 million	-	(15)	15	Derivative instruments
<b>Interest rate risk</b>	-	-	<b>314</b>	<b>(438)</b>	<b>752</b>	
IRS PLN	PLN 2,025 million	PLN 2,275 million	64	176	(112)	Derivatives and other assets measured at fair value through profit or loss
IRS PLN	PLN 500 million	-	(13)	-	(13)	Derivative instruments
IRS EUR	EUR 2,023 million	-	290	-	290	Derivatives and other assets measured at fair value through profit or loss
IRS EUR	EUR 530 million	-	(5)	-	(5)	Derivative instruments
Inflation SWAP	EUR 12 million	EUR 123 million	-	-	-	Derivatives and other assets measured at fair value through profit or loss
Inflation SWAP	EUR 705 million	EUR 710 million	(22)	(15)	(7)	Derivative instruments
Deal Contingent Swaps (DCS)	-	EUR 2,429 million	-	(599)	599	Derivatives and other assets measured at fair value through profit or loss

Type of derivative	Hedged item	Value as at the reporting date of December 31, 2025	Value as at the reporting date of December 31, 2024	Change in value during the period for ineffectiveness calculation
<b>Currency risk</b>		<b>(639)</b>	<b>(355)</b>	<b>(39)</b>
CCIRS	Loan	(13)	26	(39)
Currency forwards	Futures	(2)	(14)	-
Currency forwards	Forwards	(624)	(367)	-
<b>Commodity risk</b>		<b>(184)</b>	<b>125</b>	<b>-</b>
Gas forwards	Commodity contracts	(421)	130	-
CO <sub>2</sub> forwards	Commodity contracts	226	10	-
Commodity SWAP	Commodity contracts	11	(15)	-
<b>Interest rate risk</b>		<b>314</b>	<b>(438)</b>	<b>-</b>
IRS PLN	Credits / bonds	51	176	-
IRS EUR	Credit	285		
Inflation SWAP	Commodity contracts	(22)	(15)	-
Deal Contingent Swaps (DCS)	Credit	-	(599)	-

Hedged item	Ineffectiveness as at December 31, 2025	Ineffectiveness as at December 31, 2024	Line item in the Statement of comprehensive income
<b>Currency risk</b>	-	<b>10</b>	Finance income / (costs)
CCIRS	-	10	(10)
Futures	-	-	-
Forwards	-	-	-
<b>Commodity risk</b>	-	-	-
Gas forwards	-	-	-
CO <sub>2</sub> forwards	-	-	-
Commodity SWAP	-	-	-
IRS	-	-	-
<b>Interest rate risk</b>	-	-	-
IRS PLN	-	-	-
IRS EUR	-	-	-
Inflation SWAP	-	-	-
Deal Contingent Swaps (DCS)	-	-	-

Information on the hedging instruments – the maturity structure as at December 31, 2025.

Derivative	Currency	Up to 1 year	From 1 year to 5 years	Over 5 years
CCIRS	EUR	-	144	-
IRS PLN	PLN	400	2,125	-
IRS EUR	EUR	-	-	2,553
Currency forwards	PLN	16,095	750	-
Commodity forward (gas)	PLN	2,035	1,358	-
Commodity forward (CO <sub>2</sub> )	EUR	238	130	-
Inflation and commodity swap	EUR	35	706	-

For commodity and currency forwards, the table shows net flows – payments have been reduced by proceeds from the realisation of contracts. The values of CO<sub>2</sub> commodity forwards are translated at the exchange rate as at the reporting date.

In the Group's assessment, the impact of the ineffective part of the hedge resulting from the EUR exchange rate and the change in WIBOR and recognised in profit or loss will not have a material impact on future financial statements of the PGE CG.

The IBOR reform may also have an impact on variable rate derivatives. The implementation date of the reform has been postponed until the end of 2027. As at December 31, 2025, the nominal value of IRS derivatives exposed to interest rate risk amounts to PLN 2,525 million (these instruments are based on the WIBOR rate) and EUR 2,553 million (based on the EURIBOR rate). Until the reform enters into force, hedging instruments securing the credit agreement with Bank Gospodarstwa Krajowego will be executed, with a nominal value of PLN 250 million as at December 31, 2025 and a maturity date of December 2027, a hedging instrument securing the credit agreement with Industrial and Commercial Bank of China (Europe) S.A., with a nominal value of PLN 500 million and a maturity date of December 2027, and a hedging instrument securing bonds, with a nominal value of PLN 400 million as at the reporting date and a maturity date of May 2026.

The impact of hedge accounting on the revaluation reserve is presented in Note 19.3 to these financial statements.

## EXPLANATORY NOTES TO THE STATEMENT OF CASH FLOWS

### 26. Statement of cash flows

#### **SIGNIFICANT ACCOUNTING PRINCIPLES**

##### Statement of cash flows

The statement of cash flows is drawn up on the basis of the indirect method.

### 26.1 Cash flows from operating activities

#### Income tax paid

	Year ended December 31, 2025	Year ended December 31, 2024
Income tax in the Consolidated statement of comprehensive income	(150)	(2,316)
Change in deferred income tax assets	(454)	621
Change in deferred income tax liabilities	(925)	415
Change in income tax receivables	106	676
Change in income tax liabilities	(129)	542
Deferred tax recognised in other comprehensive income	(134)	(172)
Other adjustments	2	(2)
<b>Income tax paid, TOTAL</b>	<b>(1,684)</b>	<b>(236)</b>

Income tax was paid in Poland, except for the tax settled by PGE Sweden AB (publ) operating in Sweden, amounting to approximately PLN 0.4 million in the current reporting period and approx. PLN 0.4 million in the comparative period.

#### Depreciation, liquidation, and write-downs

	Year ended December 31, 2025	Year ended December 31, 2024
Depreciation of PPE	3,651	4,223
Amortisation of intangible assets	150	131
Depreciation of RTUA	149	136
Impairment write-downs on PPE	9,778	7,703
Impairment write-downs on intangible assets	27	35
Impairment write-downs on RTUA	59	1
Liquidation of PPE recognised in costs by nature	67	49
Other	2	1
<b>TOTAL DEPRECIATION, AMORTISATION, LIQUIDATION AND IMPAIRMENT WRITE-DOWNS</b>	<b>13,883</b>	<b>12,279</b>

#### (Profit)/ loss on investment activity

	Year ended December 31, 2025	Year ended December 31, 2024
Write-downs on other financial assets	-	(10)
Accrual valuation of derivative instruments	223	(248)
(Profit)/ loss on the sale of property, plant and equipment	(25)	(15)
Accrual valuation of securities	(32)	5
(Profit)/ loss on the disposal of non-current financial assets	-	17
Other	(6)	30
<b>TOTAL (PROFIT)/ LOSS ON INVESTMENT ACTIVITY</b>	<b>160</b>	<b>(221)</b>

### Change in receivables

	Year ended December 31, 2025	Year ended December 31, 2024
Change in trade and other financial receivables	545	2,550
Adjustment for acquisition/sales of a subsidiary	4	-
Adjusted for changes in deposits	23	21
Adjustment for change in loans granted	15	20
Adjustment for the change in receivables from charged penalties	56	-
Adjustment for the reclassification of an advance for property, plant and equipment	151	-
Other	2	(4)
<b>TOTAL CHANGE IN RECEIVABLES</b>	<b>796</b>	<b>2,587</b>

### Change in inventories

	Year ended December 31, 2025	Year ended December 31, 2024
Change in inventories	849	884
Adjustment for reclassification of investment materials to PPE	(47)	(93)
Other	(1)	-
<b>TOTAL CHANGE IN INVENTORIES</b>	<b>801</b>	<b>791</b>

### Change in liabilities, excluding credits and loans

	Year ended December 31, 2025	Year ended December 31, 2024
Change in trade payables and other financial liabilities	(961)	244
Change in other non-financial liabilities	(456)	(920)
Adjustment for change in investment liabilities	204	3
Adjustment for acquisition/sales of a subsidiary	(5)	-
Other	(25)	(6)
<b>TOTAL CHANGE IN LIABILITIES</b>	<b>(1,243)</b>	<b>(679)</b>

### Change in other non-financial assets and in the balance of accruals and prepayments

	Year ended December 31, 2025	Year ended December 31, 2024 <i>restated data*</i>
Change in other assets	(224)	1,909
Change in deferred income	3,114	468
Adjustment for subsidies received (RRP)	(3,317)	-
Adjusted for change in advances for fixed assets under construction	429	(64)
Adjustment for acquisition/sales of a subsidiary	(4)	-
Adjustment for change in financial/investment activities	219	(471)
Other	(4)	(8)
<b>TOTAL CHANGE IN OTHER NON-FINANCIAL ASSETS, PREPAYMENTS AND ACCRUALS</b>	<b>213</b>	<b>1,834</b>

### Change in provisions

	Year ended December 31, 2025	Year ended December 31, 2024 <i>recast*</i>
Change in provisions	1,209	(5,890)
Adjustment for change in actuarial reserves recognised in other comprehensive income	70	216
Adjustment for the change in rehabilitation provisions recognised in assets	(490)	157
Adjustment for acquisition/sales of a subsidiary	-	-
Other	(1)	4
<b>TOTAL CHANGE IN PROVISIONS</b>	<b>788</b>	<b>(5,513)</b>

## 26.2 Cash flows from investing activities

### Acquisition of property, plant and equipment and intangible assets

In 2025, the largest expenses for the acquisition of property, plant and equipment and intangible assets were incurred by the following segments:

- Distribution: PLN 3,960 million,
- Renewables: PLN 3,392 million,
- Gas-fired Generation – PLN 1,504,
- District Heating – PLN 1,239 million,
- Coal Energy – PLN 674 million,
- Railway Energy Services – PLN 477 million.

### Creation and withdrawal of deposits with maturities over 3 months

Companies from the Coal Energy segment are obliged to hold Mine Decommissioning Fund resources accumulated and invested in accordance with the requirements of the Geological and Mining Law.

### Interest received

The Group received interest on bonds of Autostrada Wielkopolska S.A. in the amount of PLN 145 million in the current reporting period and PLN 137 million in the comparative period.

## 26.3 Cash flows from financing activities

### Proceeds from the issue of shares in jointly controlled entities

Proceeds of PLN 748 million in the current period and PLN 37 million in the comparative period relate to half of the contributions made by Ørsted to subscribe for and increase share capital in the joint arrangement, i.e. in the EWB2 company.

### Proceeds from obtained loans and credits

In the current reporting period, PGE S.A. signed loan agreements with BGK financed from the RRP funds. During 2025, the Company received three loan tranches under the Distribution Project with a total value of PLN 4,503 million, which were transferred to PGE Dystrybucja S.A.

Proceeds from incurring loans and credits of PLN 2,117 million in 2025 relate to the inflow of funds to PGE Baltica 6 in connection with the Project Finance funding for the Baltica 2 project.

Details of the RRP loans and Project Finance funding are described in Notes 32.3 and 32.4 to these consolidated financial statements.

In 2024, PGE S.A. utilised the available limits in the amount of PLN 6,800 million.

### Repayment of loans, credits and finance leases

In the current reporting period, PGE S.A. repaid loans with a total value of PLN 2,238 million (PLN 8,537 million in 2024).

Payments of the principal portion of the lease liability amounted to PLN 161 million in the current period and PLN 122 million in the previous one.

### Interest paid

In the current reporting period, the Interest paid item mainly presents interest on loans and credits in the amount of PLN 493 million, on bonds – PLN 112 million, on financial instruments (CCIRS and IRS) – PLN (-) 3 million, commissions on guarantees and sureties related to incurring credits – PLN 142 million, and interest on lease liabilities – PLN 87 million.

In 2024, it mainly includes interest on loans and credits amounting to approximately PLN 541 million, on bonds – PLN 118 million, on financial instruments (CCIRS and IRS) – PLN (-) 79 million, commissions on guarantees and sureties related to incurring credits – PLN 29 million, and on lease liabilities – PLN 77 million.

## OTHER EXPLANATORY NOTES

### 27. Contingent receivables and payables. Litigation

#### **SIGNIFICANT ACCOUNTING PRINCIPLES**

##### Contingent liabilities

In accordance with IAS 37 on the recognition and valuation of provisions and contingent liabilities, an assessment is made of the likelihood of the occurrence of potential liabilities. If the occurrence of a negative event is probable, a provision is recognised in a relevant amount. If the occurrence of a negative event is possible, but not probable, it is recognised as a contingent liability.

#### 27.1 Contingent liabilities and security for contracts

	As at December 31, 2025	As at December 31, 2024 <i>restated data*</i>
Security for the repayment of subsidies from environmental funds*	2,056	935
Litigation liabilities	663	154
Liability under bank guarantee sureties securing stock exchange transactions	793	278
Perpetual usufruct of land	68	70
Other contingent liabilities	152	57
<b>TOTAL</b>	<b>3,732</b>	<b>1,494</b>

\* change in presentation in the comparative period of the value of blank promissory notes securing subsidies from environmental funds received by companies from the District Heating segment, increase by PLN 87 million (the previous value of promissory notes issued was adjusted by the value of subsidy tranches received).

##### **Security for the repayment of subsidies from environmental, research and development funds**

The liabilities represent the value of possible future repayments received by the PGE Capital Group companies from environmental and development funds towards selected investments. A refund will be required if the subsidised investments do not have the desired impact.

In 2025, PGE Dystrybucja S.A. submitted promissory note liabilities securing co-financing agreements from European and national funds for a total amount of approx. PLN 926 million. The newly acquired grant funds will be allocated to investment projects mainly related to:

- Construction and modernisation of the smart energy grid,
- Development of the smart energy grid,
- Construction of special LTE450 communication networks,
- Central Power Dispatch dedicated to managing 110 kV lines.

As at December 31, 2025, PGE Dystrybucja S.A. held a total of promissory note liabilities of approx. PLN 1.7 billion, securing co-financing agreements from European and national funds.

##### **Litigation liabilities**

In connection with the sale of shares in PGE EJ1 sp. z o.o. to the State Treasury effected in 2021, and in accordance with the concluded Agreement regulating the liability of the existing Shareholders for the costs of the dispute with Worley Parsons, PGE S.A. may be obliged to cover the costs of the dispute in the maximum amount of PLN 98 million if the dispute is lost. Therefore, for the purpose of determining the fair value of the payment received, the probability of losing the dispute was estimated. As a result, an amount of PLN 59 million was recognised in contingent liabilities and an amount of PLN 39 million in short-term provisions.

The liabilities also present the value of litigation in the amount of PLN 599 million arising from the implementation of investments in PGE GiEK S.A., which is described in Note 27.3 to these statements.

##### **Liabilities under bank guarantee sureties**

These liabilities represent sureties issued by PGE S.A. for bank guarantees provided as a deposit to secure exchange transactions resulting from the membership in the Warsaw Commodity Clearing House.

### **Perpetual usufruct of land**

Contingent liabilities arising from the perpetual usufruct of land are related to the receipt of updated annual fees for the perpetual usufruct. PGE GiEK S.A. filed appeals against the received decisions to the Local Government Appeal Court (SKO). The contingent liability was measured as the difference between the discounted sum of the updated perpetual usufruct fees for the entire period for which the perpetual usufruct was established and the liability for the perpetual usufruct of land, recognised in the books based on previous fees.

### **Other contingent liabilities**

During 2024 the general contractor for the investment in PGE Nowy Rybnik sp. z o.o. submitted a request for indexation of the contract price. In principle, the company does not accept the contractor's claim, but, acting out of prudence, discloses a contingent liability in the amount of PLN 40 million.

## **27.2 Other significant issues**

### **Security for the obligation to generate electricity**

The security relates to the fulfilment, by EWB1, EWB2, EWB3 and EWB9, of the obligation to generate and inject into the grid for the first time electricity generated in an offshore wind farm, as specified in Article 15(2)(4) of the Act of December 17, 2020 on promoting the generation of electricity in offshore wind farms. Bank Societe Generale S.A. Oddział w Polsce, at the request of EWB1, EWB2, EWB3 and EWB9, issued guarantees in favour of the Energy Regulatory Office for a total amount of PLN 233 million, for which PGE S.A. provided sureties securing the said instruments up to PLN 262 million.

### **Non-contractual use of real estate**

The Group recognises a provision for disputes concerning non-contractual use of real estate serving distribution activities that have been submitted to court proceedings. Furthermore, disputes at earlier stages of proceedings exist within the PGE Capital Group, and an increase in the number and value of similar claims in the future cannot be ruled out.

On December 2, 2025, the Constitutional Tribunal issued a ruling in case ref. no. P 10/16 regarding the impossibility of acquiring a land easement corresponding to a transmission easement through acquisitive prescription. The Tribunal ruled that the provisions, which had hitherto been interpreted as allowing a transmission operator to acquire transmission easements by adverse possession in certain situations, were inconsistent with the Polish Constitution.

The above judgment may affect distribution activities in subsequent years due to the fact that it concerns the area related to the use of third-party real estate by energy companies in connection with the location of infrastructure. The Group will conduct further analyses regarding the effects of the ruling in question in subsequent reporting periods. The Group did not recognise any additional provisions for liabilities arising from the non-contractual use of real estate.

### **Contractual fuel purchase obligations**

According to the agreements in place for the purchase of fuels (mainly coal and gas), the Group is obliged to offtake a specified minimum quantity of such fuels, and not to exceed a certain maximum volume of natural gas consumption in particular periods. Failure to offtake the minimum volumes of fuel or exceeding the maximum volumes specified in the agreements may result in the obligation to pay additional charges (in the case of certain gas purchase agreements, volumes not offtaken but paid for may be offtaken in subsequent delivery periods). The Group does not identify the need to recognise a provision in this respect.

### **Obligations related to maintaining fuel stocks**

In accordance with applicable legal regulations, an energy enterprise engaged in generation of electricity or heat is required to maintain fuel stocks in quantities ensuring the continuity of electricity or heat supply to consumers.

In previous reporting periods, there were several breaches of the minimum coal stock requirements in the generating units of PGE GiEK S.A. operating on hard coal (Opole Power Plant, Dolna Odra Power Plant, Rybnik Power Plant). A number of factors beyond the Group's control contributed to the failure to maintain minimum hard coal stock levels and to the difficulties in rebuilding those stocks at the power plants. The most recent periods in which a breach of minimum coal stock requirements was recorded were January and February 2023.

Pursuant to Article 56(1)(2) of the Energy Law, a monetary fine shall be imposed on anyone who fails to comply with the obligation to maintain fuel stocks (...) or to replenish them on time, (...). It should be noted that the mere occurrence of a breach of a prohibition or obligation set out in the Energy Law results in the imposition of a fine by the President of the Energy Regulatory Office. According to Article 56(3) of the Energy Law, the amount of the fine may not be less than PLN 10 thousand and not more than 15% of the revenue of the penalised enterprise achieved in the previous tax year. If the monetary fine is related to an activity conducted under a concession, the amount of the fine may not be less than PLN 10 thousand and not more than 15% of the revenue from the concession activity in the previous tax year.

As at the date of these financial statements, no fine has been imposed on PGE GiEK S.A. for failure to maintain and restore coal stocks at the required level.

Given the above-mentioned circumstances – namely the external factors beyond the CG’s control that caused the breach and failure to restore coal stocks on time, as well as the absence of any prior penalties imposed on PGE GiEK S.A. for this reason – such circumstances should serve as grounds for a proportional reduction in any potential fine. The Group estimates that the value of any potential fine imposed would not be material, and therefore no provision has been recognised in these financial statements on this account.

Up to the date of these financial statements, the coal stock level at the PGE GiEK Rybnik Power Plant and Opole Power Plant branches is maintained above the minimum threshold required by law. At the Dolna Odra Power Plant branch, in the period from December 1 to December 31, 2025, the hard coal stock remained below the inventory required by the relevant Regulation – which was notified to the ERO. A coal stock below the required level also persisted in the period from January 23, 2026 to the end of January 2026 and from February 3, 2026 to the present.

This situation is connected with the planned reduction of hard coal reserves at the PGE GiEK Dolna Odra Power Plant Branch due to the intended decommissioning of this unit at the end of August 2026.

### **Funds from an increase in the Company’s share capital**

On April 5, 2022, an investment agreement was concluded between PGE S.A. and the State Treasury concerning the subscription by the State Treasury for shares issued as part of a share capital increase. In accordance with the provisions of the agreement, the funds raised from the share issue, amounting to PLN 3.2 billion, are to be used exclusively for investments in the areas of renewable energy, decarbonisation, and distribution. The use of proceeds from the issue is subject to detailed reporting and auditing. On April 26, 2023, the agreement was amended due to the need to adjust the expenditure schedule across individual investment projects. The use of funds in a manner inconsistent with the investment agreement may result in financial penalties, or in extreme cases, the requirement to return the funds. The PGE Group is using the funds in compliance with the investment agreement. As at December 31, 2025, the balance of funds remaining to be spent from the share issue amounts to approximately PLN 177 million.

### **Security arrangements for financing transactions of Baltica 2 OWF**

In March 2025, in connection with the execution of loan agreements to finance the construction of the Baltica 2 offshore wind farm, referred to in Note 32.3, the following collateral for the project financing transaction was established:

- registered and financial pledge agreements over shares in PGE Baltica 6 entered into between PGE Baltica 2 and Deutsche Bank Luxembourg totalling 1,684,434 shares;
- registered and financial pledge agreements over shares in EW Baltica 2 entered into between PGE Baltica 6 and Deutsche Bank Luxembourg totalling 200,115 shares;
- agreements on registered and financial pledges on bank accounts of PGE Baltica 6,
- security assignment agreements between PGE Baltica 6 and Deutsche Bank;
- agreement on registered pledge on assets of PGE Baltica 6;
- registered pledge agreement and civil-law pledges over the VAT bank account of EW Baltica 2;
- a security assignment agreement between PGE Baltica 2 and Deutsche Bank;
- a security assignment agreement between PGE S.A. and Deutsche Bank.

In addition, further security instruments have been established in the form of Statements of Submission to Enforcement. The highest value of established security for credit agreements is PLN 35.8 billion.

The implementation and financing of the Baltica 2 Project are described in Note 32.3 to these financial statements.

## 27.3 Other court cases and disputes

### **Matter of compensation for share conversion**

On November 12, 2014, the company Socrates Investment S.A. (the assignee of claims from former shareholders of PGE Górnictwo i Energetyka S.A.) filed a lawsuit seeking damages in the total amount of over PLN 493 million (plus interest), alleging losses incurred as a result of the allegedly improper determination of the share exchange ratio in the merger process of PGE Górnictwo i Energetyka S.A. with PGE S.A. The Company submitted a statement of defence. On November 15, 2017, the Company received a pleading from the claimant amending the claim to increase the amount sought to PLN 636 million. The court proceedings in the first instance are currently ongoing.

In addition, a similar claim was filed by Pozwy sp. z o.o., the assignee of claims from former shareholders of PGE Elektrownia Opole S.A. Pozwy sp. z o.o., by way of a statement of claim filed with the Regional Court in Warsaw against PGE GiEK S.A., PGE S.A., and PwC Polska sp. z o.o. (hereinafter referred to as the Defendants), requested the court to order the Defendants to pay, in solidum or, alternatively, jointly and severally, damages in the total amount of over PLN 260 million together with interest, on account of the allegedly improper determination of the share exchange ratio of PGE Elektrownia Opole S.A. shares for PGE GiEK S.A. shares during the merger of those companies. The statement of claim was served on PGE S.A. on March 9, 2017. PGE S.A. and PGE GiEK S.A. filed a joint statement of defence on July 8, 2017. On September 28, 2018, the District Court in Warsaw delivered its first-instance judgment – the claim filed by Pozwy sp. z o.o. was dismissed. On April 8, 2019, PGE S.A. received a copy of the appeal filed by the claimant on December 7, 2018. PGE S.A. and PGE GiEK S.A.'s response to the appeal was prepared on 23 April 2019. The hearing was held on December 21, 2020. The Court of Appeal issued a verdict in which it overturned the appealed verdict of the District Court in its entirety and returned the case for re-examination to the District Court. On January 22, 2021 PGE S.A. together with PGE GiEK S.A. filed a complaint against the verdict to the Supreme Court, requesting that the verdict of the Court of Appeal be reversed in its entirety and the case be returned to the Court of Appeal for re-examination. At a closed session on April 27, 2021, the Supreme Court overturned the appealed verdict. Thus, the case was returned for re-examination by the Court of Appeal. In a verdict of January 10, 2024, the Court of Appeal upheld the claimant's appeal and overturned the appealed verdict of the District Court and referred the case back to that court. The case is pending – witness hearings are ongoing.

The PGE Group companies do not recognise the claims of Socrates Investment S.A. and Pozwy sp. z o.o. According to PGE S.A., these claims are groundless and the entire consolidation process was conducted in a fair and correct manner. The value of shares in the companies subject to consolidation had been determined by an independent company, i.e. PwC Polska sp. z o.o. Furthermore, the consolidation plan, including the ratio of converting shares in the acquired company into shares in the acquiring company was audited with respect to its correctness and reliability by an expert appointed by the court of registration, and no irregularities were identified. The court subsequently registered the merger of the aforementioned companies.

The PGE Group did not establish any provision for the filed lawsuit.

### **Penalties for the contractor of Unit 7 at the Turów Power Plant**

In 2022, PGE GiEK S.A. imposed a contractual penalty of PLN 562 million on the contractor of Unit 7 at the Turów Power Plant – a consortium comprising Mitsubishi Power Europe GmbH, TECNICAS REUNIDAS S.A., and BUDIMEX S.A. – for failing to meet the availability index in the first year of the warranty period. In July 2022, the Company submitted a payment demand to the consortium, which was rejected. The contractual penalty was fully covered by an impairment allowance in 2022.

On June 15, 2023, PGE GiEK S.A. submitted a request to the General Counsel to the Republic of Poland for mediation with the involvement of a mediator from the Arbitration Court at the General Counsel's Office, in an attempt to amicably resolve disputes arising under the Contract. Mediation, which continued through 2023 and 2024, had not been concluded as of the date of these financial statements.

On October 23, 2023, PGE GiEK S.A. filed a lawsuit with the District Court in Łódź against the contractor, demanding the rectification of certain defects in Unit 7 at the Turów Power Plant. The value of the dispute amounts to PLN 200 million.

Additionally, PGE GiEK S.A. held performance bonds totalling PLN 135 million and advance payment guarantees totalling PLN 7 million. On June 21, 2024, PGE GiEK S.A. submitted payment requests to the bank under the existing guarantees and received a total of PLN 142 million in July 2024. The PLN 135 million related to the performance bonds was not recognised in profit or loss due to the ongoing mediation proceedings.

On October 30, 2024, PGE GiEK S.A. issued a debit note in the amount of PLN 357 million for failure to meet the availability index in the second year of the warranty period and for delays in remedying defects. Due to the significant risk of this note being challenged by the contractor, it was fully covered by an impairment allowance.

On December 13, 2024, PGE GiEK S.A. offset part of the receivable related to the contractual penalty for Unit 7's unavailability in the first year of the warranty period against the contractor's receivable for the return of the enforced performance bond, totalling nearly PLN 135 million. This resulted in the partial reversal of the impairment allowance related to the penalty, while simultaneously recognising a provision of the same amount due to the significant risk of the offset being contested by the contractor.

On December 24, 2024, PGE GiEK S.A. filed a lawsuit with the District Court in Łódź against the contractor, seeking a total of PLN 1,046 million. The total amount of claims pursued in court proceedings against the contractor of Unit 7 at the Turów Power Plant stands at PLN 1,246 million. In January and February 2025, PGE GiEK S.A. received two lawsuits from the contractor demanding payments totalling PLN 627 million and EUR 17 million, which PGE GiEK S.A. does not acknowledge. No provisions have been recognised by the Group in respect of the claims filed by the contractor.

The mutual claims described above, between PGE GiEK S.A. and the contractor of Unit 7 at the Turów Power Plant, did not affect the financial result in 2024 or 2025.

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 Unit 7 at the Turów Power Plant Branch, together with a proposed settlement. The contractor accepted the draft request for conciliation. 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. Further arrangements between the parties regarding the content of a possible settlement are ongoing. Court proceedings are suspended for the duration of the conciliation.

### **Environmental decision regarding the Turów Mine**

On May 31, 2023, the Voivodeship Administrative Court (VAC) in Warsaw suspended – until the relevant complaint is reviewed – the enforceability of the environmental decision for coal extraction at the Turów Mine. The environmental decision sets out the conditions for the implementation of the project titled: 'Continued Exploitation of the Turów Lignite Deposit project carried out in Bogatynia municipality.' The complaint against the environmental decision was filed, among others, by the Frank Bold Foundation, Greenpeace, and the EKO-UNIA Ecological Association.

On June 12, 2023, PGE GiEK S.A. filed a complaint with the Supreme Administrative Court (NSA) in Warsaw against the VAC's ruling of May 31, 2023 regarding the Turów Mine. This was the company's response to the VAC's suspension of the enforceability of the environmental permit issued by the General Directorate for Environmental Protection (GDOŚ) in September 2022.

On July 18, 2023, the SAC overturned the VAC's decision of May 31, 2023 to suspend the enforceability of the environmental decision concerning the Turów Mine. The appeals of GDEP, PGE GiEK S.A., and the National Prosecutor's Office were upheld.

On August 31, 2023, the WSA suspended the proceedings regarding the environmental decision issued by GDEP for the Turów Mine until the formal conclusion of proceedings initiated by PGE GiEK S.A. requesting an amendment to the environmental decision. The amendment proceedings ended with a final and binding decision to discontinue the case.

On March 13, 2024, the VAC annulled the GDEP decision that had set the environmental conditions for the continued exploitation of the lignite deposit at Turów. The VAC emphasised that this ruling does not imply closure or suspension of operations at the Turów Mine. The ruling is not final.

On April 30, 2024, PGE GiEK S.A. received a copy of the judgment along with its justification. The ruling is not final. On May 29, 2024, PGE GiEK S.A. filed a cassation complaint with the Supreme Administrative Court.

The same judgment was also fully appealed on May 17, 2024 by the General Director for Environmental Protection. Following the delivery of the General Director for Environmental Protection's cassation complaint, PGE GiEK S.A. submitted a response on July 2, 2024, requesting that the complaint be upheld and that the judgment of the Voivodeship Administrative Court be overturned. The judgment was also appealed by environmental organisations, and PGE GiEK S.A. submitted responses to those cassation complaints as well.

In a ruling issued on March 18, 2025, the Supreme Administrative Court overturned the VAC's judgment of February 1, 2022 concerning the immediate enforceability clause attached to the environmental permit issued by the Regional Director for Environmental Protection in Wrocław for the continuation of lignite mining at the Turów Mine, and referred the case back to the VAC for reconsideration. As part of the re-examination of the case, the VAC in Warsaw, in its ruling of June 10, 2025, dismissed the complaints of environmental organisations against the GDEP's decision regarding the immediate enforceability of the environmental decision. The judgment is not final, as environmental organisations have filed cassation appeals with the SAC. The environmental decision is enforceable.

#### **Integrated permit for PGE Gryfino Dolna Odra sp. z o.o.**

On October 10, 2025, PGE Gryfino Dolna Odra sp. z o.o. received a copy of the judgment along with the justification of the Voivodeship Administrative Court in Warsaw dated July 2, 2025. The Voivodeship Administrative Court in Warsaw repealed the decision of the Minister of Climate and Environment of January 24, 2025, challenged by Towarzystwo na Rzecz Ziemi with its registered office in Oświęcim, upholding the resolution of the Marshal of the Zachodniopomorskie Voivodeship of April 12, 2024 (the "First Instance Authority"), granting PGE Gryfino 2050 sp. z o.o. (currently PGE Gryfino Dolna Odra sp. z o.o.) an integrated permit to operate a fuel combustion plant in the town of Krajnik. The judgment is final. Currently, the documentation has returned to the appellate stage before the second instance authority, i.e. the Minister of Climate and Environment. The company is collecting and submitting legal and substantive files in this proceeding, which supplement the evidence presented to the aforementioned authority. The pending proceedings have no impact on the company's current generation activities and these consolidated financial statements for 2025.

#### **Matters related to the request from the Polimex-Mostostal consortium for an increase in the contract price for the construction of the CHP plant in Siechnice**

On June 23, 2021, a contract was signed for the construction of a gas and steam combined heat and power (CHP) plant for KOGENERACJA S.A. with a consortium consisting of Polimex Mostostal S.A. and Polimex Energetyka sp. z o.o. The contract value at the time of signing was set at PLN 1,159 million net.

Due to the – in the Consortium's opinion – impact of an extraordinary change in economic relations resulting in an increase in the prices of goods and materials, caused by the cumulation of the COVID-19 pandemic and the new phase of the Russian Federation's armed aggression against Ukraine, in 2023 the company received requests from the Consortium to raise the amount of contractual remuneration for the above agreement. On August 19, 2025, Annex No. 1 to the agreement was concluded with the Consortium; it concerns an increase in the contractual remuneration by PLN 157.5 million. The signing of the Annex amicably ended the dispute between the parties concerning the adaptation of the contractual remuneration to the changed conditions of performance of the obligation.

The dispute regarding the deadline for performance of the obligation set in the agreement for April 30, 2024, but completed on May 21, 2025, remains the subject of a binding mediation agreement, which is to be concluded by signing another annex to the contract. On January 23, 2026, KOGENERACJA S.A. and the Consortium concluded an annex to the mediation agreement, under which the deadline for the mediation process was extended to April 30, 2026.

#### **Decisions of the President of the Energy Regulatory Office regarding annual adjustment of costs incurred in gas-fired units**

On August 1, 2023, Elektrociepłownia Zielona Góra S.A. received an administrative decision from the President of the Energy Regulatory Office regarding the amount of the annual cost adjustment for gas-fired units, as referred to in Article 44(1) of the Act on Long-Term Power Purchase Agreements (the Long-Term PPA Act), relating to the year 2022. In the decision, the President of the Energy Regulatory Office set the annual adjustment at PLN 35 million. The company disagrees with the decision and, on August 16, 2023, filed an appeal with the District Court in Warsaw – the Court of Competition and Consumer Protection – along with a request to suspend enforcement of the decision. On September 28, 2023, the court issued a decision to suspend the execution of the President's decision until a final ruling is issued in the case initiated by the appeal. As of the date of publication of these financial statements, the date of the first hearing has not been set.

On July 31, 2024, Elektrociepłownia Zielona Góra S.A. received an administrative decision from the President of the Energy Regulatory Office regarding the annual adjustment for the year 2023. In the decision, the President set the adjustment at PLN 99 million. The company disagrees with this decision as well and, on August 20, 2024, filed an appeal with the District Court in Warsaw – Court of Competition and Consumer Protection – and, on 30 August 2024, submitted a request to suspend the enforcement of the decision. On September 16, 2024, the District Court in Warsaw, 17<sup>th</sup> Division – Court of Competition and Consumer Protection, issued a decision to suspend the execution of the President’s decision regarding the settlement of the gas compensation for 2023 until a final ruling is issued in the case initiated by the appeal. Following the hearing on March 4, 2026, the Court of Competition and Consumer Protection issued a judgment dismissing the company's appeal. The judgement is not final. On March 9, 2026, the company filed a motion to the Court for a written justification of the ruling.

In August 2025, Elektrociepłownia Zielona Góra S.A. received an administrative decision from the President of the ERO in connection with the end of the adjustment period lasting from April 1, 2008 to July 1, 2024. In the decision, the President of the Energy Regulatory Office set the amount of the final adjustment of stranded costs at PLN 322 million. The payment deadline for the adjustment fell on December 31, 2025. Elektrociepłownia Zielona Góra S.A. disagrees with the above decision. On November 20, 2025, the Court of Competition and Consumer Protection issued a decision to suspend the execution of the ERO President's ruling until a final resolution is reached in the case initiated by the appeal. On January 8, 2026, the President of the ERO filed a response to the SOKiK, requesting the dismissal of the appeal. As of the date of publication of these financial statements, the date of the first hearing has not been set.

The discrepancy between the company and Energy Regulatory Office in the above matters arises from differing interpretations of the Long-Term PPA Act, in particular Article 46(1)(5) and Article 34. The Group recognised a liability of PLN 457 million in its accounting books.

#### **Charge to the Price Difference Payment Fund**

The issue of the dispute regarding the interpretation of regulations concerning the calculation of the charge to the Price Difference Payment Fund (PDPF) is described in Note 32.2 of these financial statements.

#### **Withdrawal from the agreement with the consortium of GE Hydro France S.A.S. and Mostostal Warszawa S.A.**

On December 19, 2025, PGE EO S.A. submitted a declaration of withdrawal from the agreement concluded on July 22, 2022 with a consortium comprising GE Hydro France S.A.S. and Mostostal Warszawa S.A. for the implementation of an investment named “Modernisation of the technological part of the Porąbka-Żar as part of the general contracting procedure”. Under the agreement, the Consortium was to carry out, *inter alia*, the modernisation of four hydro units at the Porąbka-Żar PSPP along with auxiliary systems.

The withdrawal from the agreement resulted from reasons attributable to the Consortium, in particular a delay in implementing the project, the scale of which makes the timely completion of the Investment at least unlikely, and most probably impossible – within the meaning of Article 635 of the Civil Code.

PGE EO S.A. charged contractual penalties in the amount of: PLN 5 million for the delay in handing over Hydro Unit No. 3 for operation, and PLN 105 million for withdrawing from the Agreement for reasons attributable to the contractor, and also called upon the Consortium to return the unsettled advance payment received in connection with concluding the Agreement, i.e. an amount of over PLN 186 million.

Due to the Consortium’s failure to fulfil its contractual obligations to repay the outstanding advance payment and to pay the contractual penalties incurred, on December 30, 2025 PGE EO S.A. submitted a claim to mBank S.A., as the guarantor, seeking payment under the guarantees issued at the request of the Consortium members: the advance repayment guarantee and the performance bond.

On January 13, 2026, the bank paid PGE EO S.A. the amount of PLN 186 million for the unsettled advance and PLN 56 million for the contractual penalties. The remaining receivable will be pursued through legal channels.

In these consolidated statements, notes on charged contractual penalties have been recognised as follows:

- the amount of PLN 56 million was recognised as a receivable; on the other hand, the penalty sum was recorded as an adjustment to the remuneration due to the Consortium for the works performed, thus reducing the initial value of property, plant and equipment under construction.
- the remaining charged penalty amount of PLN 54 million (not recovered by drawing on the performance bond) was covered by an impairment write-down for the full receivable value.

Following a request from PGE EO S.A. for the repayment of an outstanding advance payment, the net amount of the advance payment, amounting to PLN 151 million, was reclassified from property, plant and equipment under construction to other financial receivables.

As at the date of approval of these consolidated financial statements for publication, the Consortium has not filed any claim against the Contracting Authority.

## 28. Future capital commitments

As at December 31, 2025, the Group had committed to incur expenditures on property, plant and equipment in the amount of approximately PLN 15,070 million. These amounts will primarily be allocated to the construction of offshore wind farms, the design and construction of a battery energy storage facility, the construction of new gas-fired units, the modernisation of Group assets, and the purchase of machinery and equipment.

	As at December 31, 2025	As at December 31, 2024 <i>restated data **</i>
Renewables *	9,575	9,781
Distribution	2,039	1,542
Gas-fired Generation	1,828	2,383
District Heating	1,085	1,083
Railway Energy Services **	406	586
Coal Energy	90	259
Supply	1	0
Other activities	46	21
<b>TOTAL FUTURE CAPITAL COMMITMENTS</b>	<b>15,070</b>	<b>15,655</b>

\* The presented amounts include the 50% share attributable to the PGE CG in the joint operation within the meaning of IFRS 11 Joint Arrangements.

\*\* In the comparative period, the future capital commitments of the Railway Energy Services segment were adjusted by PLN 518 million

The most significant future capital commitments relate to:

- Renewables – construction of the Baltica 2 offshore wind farm in the Baltic Sea – approx. PLN 8,245 million; design and construction of the Żarnowiec battery energy storage system – approx. PLN 1,066 million; on December 17, 2025, PGE Energia Odnawialna S.A. submitted a declaration of withdrawal from the agreement concluded with a Consortium comprising GE Hydro France S.A.S. and Mostostal Warszawa S.A. for the implementation of an investment named “Modernisation of the technological part of the Porąbka-Żar PSPP as part of the general contracting procedure” (the contractual liability amount at the end of the comparative period was approx. PLN 736 million).
- Distribution – investment commitments primarily related to grid assets – approx. PLN 2,039 million.
- Gas-fired Generation – construction of a combined cycle gas turbine (CCGT) unit (PGE Nowy Rybnik sp. z o.o.) – approx. PLN 495 million; public service contract for two gas turbines (PGE Gryfino Dolna Odra sp. z o.o.) – approx. PLN 1,322 million.
- District Heating – preparation of design documentation and execution of construction and assembly works related to the construction at the Kraków CHP plant of a cogeneration unit based on two gas-engine sets, each with an electrical capacity of 49.9 MWe and a thermal capacity of approx. 50 MWt – approx. PLN 453 million; construction for PGE EC S.A. Wybrzeże Branch – EC Gdynia of a cogeneration source based on a system of gas engine units with a capacity of up to 50 MWe – approx. PLN 55 million, and construction of a biomass-fired water boiler with a capacity of up to 30 MWt – approx. PLN 113 million; construction of the second technological line of the Thermal Processing Plant with Energy Recovery in Rzeszów – approx. PLN 58 million.
- Railway Energy Services – investments carried out under the “MUZa” power supply system modernisation programme – amount of approx. PLN 271 million.

## 29. Tax settlements

Tax-related obligations and rights are specified in the Constitution, tax acts, and ratified international agreements. According to the Tax Code, tax is defined as a public law, gratuitous, compulsory and non-refundable cash benefit for the State Treasury, province, district or commune as provided for in the Tax Act. Taking into consideration the subjective criterion, the taxes in force in Poland can be divided into the following five groups: taxes on income, taxes on turnover, taxes on property, taxes on actions, and other fees not elsewhere classified.

From the point of view of business entities, the most important aspect is taxation of income (corporate income tax), taxation of turnover (goods and services tax, excise duty) and taxation of property (property tax, tax on means of transport). One should not forget about other fees and charges which can be classified as quasi taxes. These include, among others, social insurance contributions.

The basic tax rates are as follows: the corporate income tax rate is 19%, with a reduced rate of 9% available for small enterprises; the standard VAT rate is 23%, with reduced rates of 8%, 5%, and 0%. In addition, certain goods and services are exempt from VAT.

The tax system in Poland is characterised by a high level of changeability and complexity of tax regulations, and high potential penalties for tax crimes or violations. Tax settlements and other activity areas subject to regulations (customs or currency inspections) can undergo inspections conducted by competent authorities entitled to issue fines and penalties together with penalty interest. A competent tax authorities may inspect tax settlements for five years from the end of the calendar year in which the deadline for the payment of tax expires.

## **Income tax**

### **Minimum income tax**

As of January 1, 2024, the previously suspended provisions regarding the minimum income tax have come into force. The minimum tax applies to taxpayers who report a tax loss from sources of income other than capital gains or whose profitability (understood as the ratio of income from sources other than capital gains to revenue from such sources) is lower than 2%. Profitability may be calculated at the level of a group of related companies, and the legislation provides for a number of subjective and objective exemptions. In 2025 the Group does not expect any significant charges in this respect.

In the comparative period ended December 31, 2024 the PGE Group did not incur any significant charges in this respect.

### **Global minimum top-up tax**

On January 1, 2025, the provisions of the Act of November 6, 2024 on the top-up taxation of constituent entities of multinational and domestic groups entered into force. This act implements into national law the provisions of Council Directive (EU) 2022/2523 of December 14, 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the European Union (known as Pillar 2). In the event of an effective tax rate of less than 15% in a given jurisdiction, a global or national top-up tax will apply. The provisions are effective from 2025, with the option of applying them retrospectively for the 2024 tax year. Based on the simplifications and exemptions provided for in the above-mentioned Act, which may be applied in the initial years of the regulation's application, the PGE CG will be able to benefit from an exemption from the calculation and payment of the domestic top-up tax until and including 2028. The PGE Group has opted to apply the provisions of the Act for the year 2024. This does not result in an increase in the tax burden.

### **Establishment of PGK PGE 2026**

On October 30, 2025, a tax capital group agreement named "PGK PGE 2026" was concluded for the years 2026–2028, for which PGE S.A. is the representing company. The companies forming the tax capital group are required to meet a number of conditions, including, inter alia: maintaining an appropriate level of equity, ensuring that the parent company holds at least a 75% share in the equity of the companies forming the PGK, the absence of capital links between subsidiaries, and the absence of tax arrears. A breach of the above conditions will result in the dissolution of the tax capital group and the loss of its status as a taxpayer. From the moment of dissolution, each company forming part of the tax capital group becomes a separate taxpayer for CIT purposes. The "PGK PGE 2026" comprises the following entities: PGE S.A., PGE Dystrybucja S.A., PGE GiEK S.A., PGE Obrót S.A., PGE Systemy S.A., PGE Dom Maklerski S.A., PGE Ekoserwis S.A., PGE Synergia sp. z o.o., "Elbis" sp. z o.o., PGE Asekuracja S.A., PGE Inwest 2 sp. z o.o., PGE Inwest 9 sp. z o.o., PGE Inwest 33 sp. z o.o. and PGE Inwest 34 sp. z o.o.

### **VAT split payment mechanism, obligation to make payments to accounts notified to tax offices**

The Group uses funds received from counterparties in VAT accounts to pay its liabilities that contain VAT. The amount of funds held in these VAT accounts at a given date depends mainly on the number of the PGE CG's counterparties that decide to use this mechanism and on the relation between the payment dates of receivables and payables. As at December 31, 2025, the balance of funds held in VAT accounts was PLN 499 million (PLN 1,272 million in the comparative period).

## Reporting of tax schemes (MDR)

New legal regulations have been in force since 2019, introducing mandatory reporting of tax schemes (MDR – Mandatory Disclosure Rules). As a general rule, a tax scheme should be understood as an arrangement where obtaining a tax advantage is the main or one of the main benefits. In addition, arrangements with so-called special or other special identifying characteristics defined in the rules are designated as a tax scheme. The reporting obligation is extended to three types of entities: promoters, facilitators and beneficiaries. MDR regulations are complex and imprecise in many areas, which causes doubts with respect to their interpretation and practical application.

### Excise duty

Due to the incorrect transposition of EU regulations into the Polish legal system, proceedings were initiated at PGE GiEK S.A. in 2009 to recover unduly paid excise duty for the period from January 2006 to February 2009. The irregularity concerned the taxation of electricity at the first stage of its sale – i.e. by producers – whereas the tax should have been levied on sales to so-called final consumers.

In reviewing the company's complaints regarding restitution claims against tax authority decisions refusing to recognise the overpayment of excise duty, administrative courts ruled that the company had not borne the economic burden of the unduly paid excise duty (which, under the resolution of the Supreme Administrative Court (NSA) of June 22, 2011, ref. I GPS 1/11, precludes the possibility of obtaining a tax refund). According to the NSA, the claims demonstrated by the company—particularly through economic analyses—are of a compensatory nature and, as such, may only be pursued before civil courts. As a result, PGE GiEK S.A. decided to withdraw from restitution-related administrative proceedings. The matter is currently being pursued through civil litigation. On January 10, 2020, the District Court in Warsaw issued a ruling in the case brought by PGE GiEK S.A. against the State Treasury – Minister of Finance. The court dismissed the claim. On February 3, 2020, the company filed an appeal against the first-instance judgment with the Court of Appeal in Warsaw. The hearing took place on December 2, 2020, after which, on December 17, 2020, the Court of Appeal in Warsaw dismissed the appeal filed by PGE GiEK S.A. On April 23, 2021, PGE GiEK S.A. submitted a cassation complaint to the Supreme Court. On May 20, 2021, PGE GiEK S.A. received the response from the General Counsel to the Republic of Poland regarding the cassation complaint filed by the company.

Due to significant uncertainty regarding the final resolution of the matter, the Group has not recognised any effects related to potential compensation in the civil proceedings concerning the unduly paid excise duty in its financial statements.

### Property tax

Property tax constitutes a significant burden for certain companies within the PGE Capital Group. The regulations governing property tax are unclear in some areas and give rise to numerous interpretative doubts. The tax authorities – namely, the commune head (*wójt*), mayor, or city president – frequently issue inconsistent tax interpretations in substantively similar matters. As a result, Group companies have been and may continue to be parties to proceedings concerning property tax. If the Group considers a settlement adjustment to be probable as a result of such proceedings, an appropriate provision is recognised. Following the Constitutional Tribunal's challenge to the constitutionality of the definition of a 'structure' (*budowla*), an amendment was made to the Act of January 12, 1991 on Local Taxes and Fees, introducing a revised definition of the taxable object. The legislative amendment did not have a material impact on the property tax burden of the PGE CG companies.

### Correction of a customs decision at PGE Paliwa sp. z o.o.

On February 19, 2025, PGE Paliwa sp. z o.o. submitted a request for the correction of a customs decision. The Office refused to accept it in the amounts provided by the company, arguing that PGE Paliwa sp. z o.o. did not have the Intermediary Coal Entity (PPW) status regarding coal imports. As at the date of these financial statements, the company expects the final decision from the Customs and Tax Office concerning the adjustment to the customs clearance. The Office informed the company that the ruling might be negative due to an error in declaring the PPW status. The mistake consisted in failing to select coal import under the type of "PPW activity". The risk amount for the above decision exceeds PLN 4 million (excluding interest costs).

The company has a confirmation from the Office that it has been successfully registered as a PPW, and the regulations do not make holding such status conditional upon selecting all types of conducted operations. The definition of a PPW provided in Article 2(1)(23a) of the Excise Duty Act refers to the fact of registration – rather than to specifying particular activities carried out as an Intermediary Coal Entity. The division between a PPW and a Final Coal Purchaser (FNW) is dichotomous, which means that one entity cannot hold both statuses simultaneously – it is impossible for a firm being an Intermediary Coal Entity to act as an FNW in any scope. Taking this into account, both the company and the tax advisors supporting it believe that the Office's allegations have no basis in the regulations and assess the probability of winning any potential proceedings as very high.

PGE Paliwa sp. z o.o. executed many similar transactions involving coal deliveries from abroad in periods other than those covered by the aforementioned customs decision. Regarding those timeframes and the customs rulings issued for them as well as the submitted adjustments, the Customs and Tax Office has raised no doubts as at the moment of approving these statements for publication.

Considering the above, in the PGE Group's opinion, there are no grounds for recognising provisions or contingent liabilities in this respect.

### **Uncertainty related to tax settlements**

Regulations on value added tax, corporate income tax and social security charges are subject to frequent changes. These frequent changes result in a lack of appropriate points of reference, inconsistent interpretations and few established precedents that could be applied. The legislation in force also contains ambiguities that give rise to differences of opinion as to the legal interpretation of tax provisions, between state authorities as well as between state authorities and business enterprises.

Tax settlements and other areas of activity (e.g. customs or foreign exchange issues) may be the subject of inspections by the authorities, which are entitled to impose high penalties and fines, and any additional tax liabilities resulting from an inspection must be paid together with high interest. Consequently, tax risk in Poland is higher than in countries with more stable tax systems.

Amounts presented and disclosed in financial statements may change in the future as a result of a final decision of a tax audit authority.

### **Other aspects**

The Tax Code includes the provisions of the General Anti-Abuse Rule (GAAR). The GAAR is designed to prevent the use of artificial legal structures created for the purpose of avoiding the payment of tax in Poland. The GAAR defines tax avoidance as an act done primarily for the purpose of obtaining a tax advantage which, under given circumstances, is contrary to the object and purpose of the provisions of the Tax Act. Under the GAAR, such an act does not result in achieving a tax benefit if the manner of acting was artificial. Any occurrence of unjustified splitting of operations, involvement of intermediary entities despite the lack of economic or business justification, elements that cancel or compensate each other and other actions with effects similar to those previously mentioned, can be treated as an indication of the existence of artificial acts subject to the GAARs. The above regulations require much more judgement in assessing tax consequences of individual transactions.

## 30. Information on related entities

Transactions between the PGE Capital Group and its related entities are based on market prices of delivered goods, products or services or on their production costs.

### 30.1 Associates and jointly controlled entities

The table below presents the total value of transactions, balances with associates and jointly controlled entities.

	Year ended December 31, 2025	Year ended December 31, 2024
Sale to associates and jointly controlled entities	36	39
Purchase from associates and jointly controlled entities	948	729

	As at December 31, 2025	As at December 31, 2024
Receivables from associated and jointly controlled entities	14	27
Liabilities towards associated and jointly controlled entities	122	74

The value of turnover and settlement balances mainly arise from transactions with PEC Bogatynia relating to heat sales, and with Polimex-Mostostal S.A., stemming from the implementation of investment and service contracts.

### 30.2 State-controlled entities

The State Treasury is the dominant shareholder of PGE. Therefore, in line with IAS 24 *Related Party Disclosures*, companies owned by the State Treasury are regarded as related entities. The PGE Group companies identify in detail transactions with approx. 60 largest companies controlled by the State Treasury.

The table below presents the total value of transactions, balances with the above entities.

	Year ended December 31, 2025	Year ended December 31, 2024
Sales to related entities	10,408	9,600
Purchases from related entities	15,455	16,390

	As at December 31, 2025	As at December 31, 2024
Receivables from related entities	1,403	1,176
Liabilities towards related entities	1,763	1,694

The largest transactions involving State Treasury companies relate to PSE S.A., Orlen S.A., PGG S.A., PKP Intercity S.A., PKO Bank Polski S.A., PKP PLK S.A., PKP Cargo S.A., Tauron Dystrybucja S.A., Jastrzębska Spółka Węglowa S.A., Energa-Operator S.A., Enea Operator Sp. z o.o., Operator Gazociągów Przesyłowych GAZ-SYSTEM S.A., and Spółka Restrukturyzacji Kopalń S.A.

These transactions are predominantly operational in nature and cover, in particular, the sale and purchase of electricity and distribution services, transmission services, deliveries of fuels and energy raw materials, transport and logistics services, as well as transactions for purchasing CO<sub>2</sub> emission allowances. A portion of the deals also concerns the implementation of investment projects, repairs, and maintenance services related to the operation of energy and railway infrastructure.

In addition, the Group conducts transactions on the energy market via Towarowa Giełda Energii S.A. (Polish Power Exchange). As this entity solely organises exchange-based trading, purchases and sales conducted through it are not considered related party transactions.

The values presented above exclude significant transactions with Zarządca Rozliczeń S.A. comprising contributions to the PDPF, as well as settled and paid compensation for eligible entities due to the introduction of a maximum price, specified by the Extraordinary Measures Act in 2023. These matters are described in Note 32.2.

## 30.3 Management remuneration

Key management personnel includes the Management Board and Supervisory Board of the parent company as well as those of significant subsidiaries.

<i>thousand PLN</i>	Year ended December 31, 2025	Year ended December 31, 2024
Short-term employee benefits (remuneration and surcharges)	51,818	43,352
Post-employment benefits	1,205	8,567
<b>TOTAL KEY MANAGEMENT REMUNERATION</b>	<b>53,023</b>	<b>51,919</b>
Management remuneration in other operations	18,006	16,938
<b>TOTAL MANAGEMENT REMUNERATION</b>	<b>71,029</b>	<b>68,857</b>

<i>thousand PLN</i>	Year ended December 31, 2025	Year ended December 31, 2024
Management Board of the parent company	8,027	9,510
<i>including post-employment benefits</i>	-	2,814
Supervisory Board of the parent company	1,070	865
Management Boards – subsidiaries	39,398	36,899
<i>including post-employment benefits</i>	1,205	5,753
Supervisory Boards – subsidiaries	4,528	4,645
<b>TOTAL</b>	<b>53,023</b>	<b>51,919</b>
Management remuneration in other operations	18,006	16,938
<b>TOTAL MANAGEMENT REMUNERATION</b>	<b>71,029</b>	<b>68,857</b>

Within companies of the PGE CG (both directly and indirectly owned), it is standard practice that Management Board members are engaged under management service contracts.

In Note 7.2 Expenses by nature and by function, these remunerations are presented under other expenses by nature.

## 31. Remuneration of the audit firm

The entity authorised to audit the separate financial statements of PGE S.A. for 2025 and the consolidated financial statements of the PGE Group, as well as to perform the review of the interim separate and consolidated financial statements for 2025, is KPMG Audyt sp. z o.o. sp. k., pursuant to an agreement concluded on February 24, 2025. The agreement was concluded for a three-year period, i.e. for the years 2025–2027. The final period during which KPMG will provide its services will be the audit of the separate financial statements of PGE S.A. and the consolidated financial statements of the PGE Group for the year 2027.

The above-mentioned audit firm was selected for the years 2025–2027 by the Supervisory Board of PGE S.A. KPMG is also authorised to audit the annual financial statements of selected companies within the PGE Group.

The Group also used KPMG's services in 2025 with regard to:

- verification of annual and interim reporting packages for consolidation purposes;
- audit of consolidation packages;
- confirmation of compliance with financial covenants specified in financing agreements;
- audit of the annual financial statements of self-balancing branches;
- audit of reports on the revaluation of the regulatory asset base and smart metering systems;
- issuance of a report assessing compliance with the requirements for safekeeping of client assets.

For 2024, the audit of the separate financial statements of PGE S.A. and the consolidated financial statements of the PGE Group, as well as the review of the interim separate and consolidated financial statements, was performed by PKF Consult sp. z o.o. sp. k., pursuant to an agreement concluded on January 21, 2022. PKF was also the entity authorised to:

- audit statements on the use of funds from an increase in the Company's share capital for 2024 and 2025,
- perform sustainability reporting services, including the EU environmental taxonomy for 2024 and 2025.

The amount of remuneration of entities, including KPMG, authorised to audit financial statements with reference to PGE Polska Grupa Energetyczna S.A. and the Capital Group's subsidiaries is presented in the table below.

<i>thousand PLN</i>	Year ended December 31, 2025	Year ended December 31, 2024*
<b>Remuneration of audit firms for:</b>		
Audit of the annual separate financial statements and the annual consolidated financial statements of the PGE Group	5,179	3,293
Review of the interim separate and consolidated financial statements of the PGE Group	205	225
Other assurance services, including assurance on sustainability reporting	1,200	1,328
Tax advisory services	-	-
Other services	-	-
<b>TOTAL</b>	<b>6,584</b>	<b>4,846</b>

\* The amount of PLN 4,846 thousand includes additional remuneration for 2024, due and paid in 2025 to the previous auditor, i.e. PKF Consult sp. z o.o. sp. k., on the basis of the agreement concluded.

The remuneration arising from contracts for performing assurance services on Sustainability statements, including the EU environmental taxonomy, amounted to PLN 293 thousand for 2025 and PLN 299 thousand for 2024. The service is provided to PGE S.A. and Kogeneracja S.A.

In the comparative period, the remuneration included an indexation adjustment due to inflation.

## 32. Significant events and events after the reporting period

### 32.1 The coal asset spin-off project

On May 9, 2024, by order of the Minister of State Assets, a dedicated team was appointed to oversee the spin-off of coal assets from State Treasury-owned companies in the energy sector. The team's responsibilities included:

- analysing the conditions for the spin-off of coal assets from State Treasury-owned energy companies,
- cooperating with State Treasury-owned energy companies in developing assumptions, directions, and methods for implementing the spin-off,
- identifying the entities responsible for carrying out the spin-off and allocating tasks among them.

On July 9, 2025, the Ministry of State Assets announced the completion of the team's work and the decision to abandon the implementation of the National Energy Security Agency (NABE) project. The absence of planned actions aimed at consolidating coal assets within NABE results in coal-based generation units remaining within the structures of capital groups, including the PGE Group. This decision also takes into account the need to ensure the stability of the National Electricity System and socially acceptable energy supply costs.

#### Recognition of assets related to PGE GiEK S.A. in the financial statements

The values of assets, liabilities, revenues, costs and results of the Coal Energy segment, presenting data of PGE GiEK S.A. and its subsidiaries, have been presented in Note 6.1 to these financial statements.

The book value of the consolidated net assets of PGE GiEK S.A. and its subsidiaries as at December 31, 2025 is PLN (19,292) million. The book value of the shares in PGE GiEK S.A. in the separate financial statements as at December 31, 2025 is PLN 0.

### 32.2 Regulatory changes in the electricity market

Due to the crisis on the electricity market in 2022 and subsequent years, the legislator decided to pass further legal regulations which introduced special solutions concerning electricity prices and electricity tariffing in 2023–2025.

## Price Difference Payment Fund

The financial situation of the PGE Group, starting from December 1, 2022, was affected by the provisions of the Extraordinary Measures Act 2023, which introduced an obligation for electricity generators and energy enterprises conducting economic activity in the field of electricity trading to transfer monthly contributions to the PDPF. The Fund contributions applied to electricity produced and sold between December 1, 2022 and December 31, 2023.

In connection with discrepancies concerning the interpretation of the provisions and the qualification of revenue from additional cash settlements, which should be taken into account in the calculation of contributions to the Fund, PGE S.A. applied to the President of the Energy Regulatory Office for an individual interpretation confirming the applied interpretation of the Act, as a result of which revenue from selected agreements should not be taken into account in the calculation of contributions to the Fund. The President of the Energy Regulatory Office did not share the Company's position. Disagreeing with the unfavourable decision of the President of the Energy Regulatory Office, PGE S.A. filed an appeal with the District Court in Warsaw. At the same time, the Company paid the contribution to the Fund in accordance with the decision of the President of the Energy Regulatory Office, while reserving the right to claim a refund of the amounts paid.

With regard to retail sales companies, there is also a difference in interpretation of the provisions of the Act between the companies of PGE Capital Group and the President of the Energy Regulatory Office. The regulatory authority presented its interpretation of the Act's provisions twice (in October 2023 and in January 2026) in the form of "Clarifications" published on its website. Members of the Association of Energy Trading (including PGE Obrót S.A.) sent a letter to the President of the ERO, in which, aside from substantive arguments, they indicated that a situation where the interpretation of the Act is altered by means of clarifications is opaque and discriminatory. According to the final position presented in the Clarifications published in January 2026 and applied by the ERO President in the administrative decisions regarding the obligation to pay a surcharge to the Fund, the weighted average market price of electricity sales taken into account to calculate the contribution should be determined based on the value resulting from issued invoices, which means including the maximum prices used for settlements with an eligible customer in the calculation of the write-down. Moreover, the President of the Energy Regulatory Office also pointed out that entities obliged to pay the contribution to the Fund should include the compensation received for applying maximum rates in settlements with customers in the revenue determined for the purpose of calculating the payable amount. PGE Obrót S.A. and other retail supply companies contest this interpretation by the President of the Energy Regulatory Office as not directly arising from the provisions of the Act.

Companies were required to complete the final settlement of their PDPF contributions by April 30, 2025. 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.

On November 24, 2025, the President of the ERO initiated an inspection at PGE Obrót S.A. The scope of the inspection covered verification of the submission of reports referred to in the Act of October 27, 2022, compliance of the information and declarations provided in the statements confirming the contribution to the PDPF with the factual state, and the transfer of the due total sum of PDPF payments for the entire obligatory period to the Fund. On February 5, 2026, PGE Obrót S.A. received a report from the inspection covering the verification of the correctness of the PDPF contribution value in the period from December 2022 to December 2023, as well as the amounts actually paid by the company to Zarządca Rozliczeń S.A. The discrepancy between the total payments made by PGE Obrót S.A. and the sum calculated by the regulator indicated in the inspection report amounts to a total of PLN 605 million.

In accordance with the applicable procedure, PGE Obrót S.A. filed objections to the inspection report. Based on the collected materials, the President of the ERO made a decision in the matter in question and, despite the presentation of many substantive arguments, upheld the amount of the contribution surcharge indicated in the document. At the same time, the authority set a deadline for paying the surcharge within 30 days of the date of delivery of the decision (the delivery date being March 12, 2026). In connection with the ongoing dispute, the PGE Group disclosed a provision of PLN 605 million in these financial statements.

PGE Obrót S.A. filed an appeal to the SOKiK on March 26, 2026, along with a request to suspend the execution of the decision. The surcharge in cash under the contribution to the Fund resulting from the ERO President's decision was settled along with statutory interest for delay calculated from the date of delivering the ruling on March 20, 2026, subject to a refund.

On March 26, 2026, PGE EK S.A. received a summons for an inspection concerning the financial results of past periods. As of the date of these statements, the Group does not identify any additional impact on the presented assets and liabilities as well as the financial result.

### Support mechanism for electricity customers in 2024–2025

In 2024 and 2025, additional mechanisms were in force aimed at regulating electricity prices. These schemes involved, among other things, updating the tariffs applied by trading companies and using a maximum price for households, local government units, public service providers (e.g. schools, hospitals, social welfare institutions), as well as for micro, small and medium-sized enterprises.

If the tariff approved by the President of the Energy Regulatory Office was higher than the maximum rate for households, consumers in this category were billed according to the capped price. As a result of applying a maximum price in their settlements with customers, trading companies were entitled to receive appropriate compensation.

In 2024, revenue from compensation amounted to PLN 3,792 million, while in 2025 it stood at PLN 1,285 million. The funds received by the sales companies were intended to compensate for the losses incurred due to the electricity price freeze. The figures concerning due compensation are an estimate determined in accordance with the best knowledge available to the PGE Capital Group as at the date of these financial statements.

## 32.3 Implementation and financing of the Baltica 2 Project

On January 29, 2025, EWB2 and relevant entities from the PGE and Ørsted Capital Groups concluded a number of agreements related to the construction of the 1,498 MW offshore wind farm (Projekt Baltica 2). The conclusion of these agreements is connected with the adoption by the shareholders of EWB2 of a resolution on the Final Investment Decision (FID) initiating the construction phase of the Baltica 2 Project. The agreements concluded include, among others:

- an amended shareholders' agreement, regulating in particular: corporate governance rules of the company during the construction phase, the rules for the functioning of the integrated project team during the construction phase, the parties' obligations in terms of financing and other types of support for the company in connection with the construction, restrictions on the transferability of shares, and consequences of material breach of obligations or a change of control over the shareholders;
- agreements regulating the provision of construction management services by the relevant PGE Group entity (onshore) and by the relevant Ørsted Group entity (offshore);
- agreements regulating the provision of operation and maintenance services for the wind farm under the Baltica 2 Project after commissioning, by the relevant PGE and Ørsted Group entities;
- shareholder loan agreements, under which the shareholders will provide the company with debt financing (in addition to equity financing);
- agreements regarding the sale of electricity generated by the offshore wind farm under the Baltica 2 Project to the shareholders of the company.

Simultaneously, PGE Baltica 6 sp. z o.o. entered into loan agreements along with corresponding security agreements to finance the construction of the Baltica 2 Project. The loan agreements were concluded with a consortium of 25 Polish and international financial institutions, including BGK, the EIB, and the EBRD.

Based on the loan agreements, the Group obtained project finance (non-recourse model) of approximately PLN 11.1 billion for the construction period and a further 22 years, and also had the option to use additional and reserve credit lines amounting to approximately PLN 1.5 billion.

The repayment of obligations incurred under the loan agreements will be based on the future cash flows generated by EWB2.

On January 29, 2025, the shareholders of EWB2 adopted a resolution on FID, commencing the construction phase of the Baltica 2 offshore wind farm. Commissioning of the entire project is planned for the second half of 2027. The total project budget, including capital expenditures during both the development and construction phases, as well as operational costs during the construction phase, is estimated at approximately PLN 30 billion, with the shareholders responsible for providing financing in equal shares.

## 32.4 Signing of loan agreements with BGK under the National Recovery and Resilience Plan

### Construction of offshore wind farms

On January 29, 2025, PGE S.A. signed a loan agreement with BGK for funds from the RRP as part of Investment G3.1.5. 'Construction of offshore wind farms' up to a limit of PLN 3,900 million. The loan funds will be used to finance or refinance eligible costs of the Baltica 2 offshore wind farm project by making an own contribution to the project.

The loan was made available for use from the date of fulfilment of the standard conditions precedent for bank financing specified in the Agreement. The loan is not secured on any assets of PGE or the PGE Capital Group.

The loan interest rate is calculated on the basis of a variable interest rate based on the relevant WIBOR 6M (reference rate) plus a margin, and its final repayment date has been set for December 20, 2036. The loan was granted on market terms and does not constitute state aid.

### Support for the National Electricity System

On March 31, 2025, PGE S.A. signed two loan agreements with BGK from the funds of the National Recovery and Resilience Plan (RRP) for a total amount of approx. PLN 12.1 billion, including:

- approx. PLN 9,521 million for financing projects implemented by PGE Dystrybucja S.A., and
- approx. PLN 2,566 million for financing projects implemented by PGE Energetyka Kolejowa S.A.

The loans are granted from RRP funds under Investment G3.1.4, entitled 'Support for the national electricity system (Energy Support Fund)', in accordance with the 'Call for Applications Guidelines for loans for power grid infrastructure granted by BGK'.

The loan funds will be used exclusively to finance eligible expenditure related to the implementation of the following projects:

- PGE Dystrybucja S.A.: increasing capacity to integrate renewable energy sources and improving energy supply security through the construction and modernisation of the power grid ('Distribution Project'),
- PGE Energetyka Kolejowa S.A.: strengthening security, improving energy quality, and increasing the ability to connect more RES sources to the distribution grid supplying the Polish railway system and its accompanying ecosystem ('Railway Energy Services Project').

In accordance with the loan agreements, PGE S.A. fulfilled the conditions precedent standard for bank financings and concluded the required documentation with PGE Dystrybucja S.A. and PGE Energetyka Kolejowa S.A., including intragroup loan agreements. The loans from BGK are secured by declarations of voluntary submission to enforcement by the borrower in favour of the lender.

The funds under the loan agreements will be disbursed gradually, based on submitted drawdown requests, as the Distribution Project and the Railway Energy Services Project are implemented, but no later than December 20, 2036, and up to the amount of funds transferred to BGK for this purpose by the minister for climate and environment.

The loans bear interest at a fixed rate of 0.5% per annum, and repayment is scheduled in semi-annual instalments between 2034 and 2050 (the final repayment date for the loan relating to the Distribution Project is December 20, 2049 and the Railway Energy Services Project is December 20, 2050).

On June 27, 2025, the Company received the first tranche of the loan under the Distribution Project in the amount of PLN 3,598 million.

On November 7 and December 29, 2025, the Company received the second and third tranches of the Distribution Project loan in the amount of PLN 467 million and PLN 437 million, respectively.

In the Group's assessment, the loan is of a preferential nature, with a contractual interest rate below market interest rates. Each of the received tranches was recorded as part of initial recognition at fair value in the total amount of PLN 1,622 million, whereas the difference between the sum obtained and the fair value of the loan resulting from applying an interest rate lower than market rates, amounting to PLN 2,881 million, was recognised under IAS 20 Accounting for Government Grants and Disclosure of Government Assistance as an asset-related subsidy and is presented in deferred income. In the statement of cash flows, the inflow from the loan was presented under cash flows from financing activities as proceeds from borrowings, in the amount of PLN 4,503 million.

Under the terms of the loan agreements, the financing amount may be increased, which will require the conclusion of relevant annexes to the Loan Agreements.

On October 2, 2025, annexes to both agreements with BGK were signed, increasing the total value of the loans by approx. PLN 1.1 billion, to an overall amount of approx. PLN 13.2 billion, including respectively:

- approx. PLN 884 million for financing projects implemented by PGE Dystrybucja S.A., and
- approx. PLN 238 million for financing projects implemented by PGE Energetyka Kolejowa S.A.

On December 22, 2025, PGE S.A. signed another loan agreement with BGK for funds from the RRP as part of Investment C4.1.1, "Supporting Advanced Digital Transformation" for an amount of PLN 420 million. The funds obtained will be transferred, under a separate intra-group loan agreement, to PGE Dystrybucja S.A. for the implementation of the project entitled "Technical Management of Distribution Assets – TZMD Programme". The interest on the loan is calculated based on a fixed annual interest rate of 0.5%, and the final repayment date has been set for October 25, 2045.

## 32.5 Impact of the conflict in the Persian Gulf on the PGE Group's operations

The conflict in the Persian Gulf, and particularly its further escalation, may generate multidimensional threats of an economic, geopolitical and cyber nature, also affecting companies operating in Poland. Due to the strategic role of the PGE Group in ensuring the country's energy security, all Group entities continuously monitor the situation in the Persian Gulf and assess the possibility of potential threats. The Group's priority is to secure the business continuity of generation units and distribution infrastructure, so as to ensure uninterrupted supplies of electricity and heat to residents, institutions and enterprises.

### IMPACT ON OPERATING ACTIVITIES

As at the date of approval of these statements for publication, the conflict in the Persian Gulf does not have a material impact on the operating activities, contracting processes, or financial stability of the PGE Group. No risk to going concern has been identified and the continuity of the supply chain remains intact. The implemented strategy for contracting electricity and related products, consisting in hedging the cost of EUA, currency and fuels simultaneously with contracting electricity sales, effectively limits the impact of market changes.

The PGE Group maintains adequate liquidity and available sources of financing to enable the continuation of its operations without material disruption. The conflict also does not affect existing financing agreements or the margins under these agreements, nor does it limit sources of financing.

In the longer term, potential risks may arise. An escalation of the conflict in the Persian Gulf increases global risk aversion, leading to a weakening of the PLN and an increase in the prices of production inputs and investment materials, as well as reducing the stability of supply chains.

The conflict does not currently have a material impact on credit risk; however, this situation may change in the event of global supply chain disruptions, price increases and increased volatility in the electricity market, related products and commodities. Further escalation of the conflict may increase credit exposure and reduce the creditworthiness of counterparties, which may result in breaches of limits, the need to request additional collateral and an increase in the level of overdue receivables.

At the same time, the duration of the conflict to date is too short to enable a reliable estimation of its potential long-term effects.

### IMPACT ON THE VALUE OF ASSETS AND LIABILITIES

As at the date of these financial statements, the PGE Group does not identify any material impact of the conflict on potential impairment of balance-sheet items, as the Group's companies are neither located in the conflict zone nor directly affected by it. Despite increased volatility in the foreign exchange market caused by the conflict, the impact of exchange rate movements on the financing of operations remains limited. This is due to the fact that the Group primarily uses PLN-denominated financing and significant foreign exchange exposures of PGE Group companies arising from operating or investing activities are hedged. The only significant financing incurred in a currency other than PLN are loans relating to the construction of the Baltica 2 offshore wind farm. However, in accordance with the support scheme for offshore wind farms, revenue from the sale of electricity generated by these units will be indexed to EUR; therefore, the PGE Group does not identify significant foreign exchange risk in this area.

## AREAS OF POTENTIAL OPERATIONAL RISKS

### AVAILABILITY AND PRICES OF FUELS AND SUPPLY CHAIN, LOGISTICS

The current situation in the Strait of Hormuz, through which approximately 20% of the global oil and LNG market is transported, has led to a significant increase in the volatility of fuel prices and transportation costs. The PGE Group does not have direct purchase contracts with entities from the Persian Gulf region. From 2026, the majority of gas for PGE Group units is purchased via Polish Power Exchange (Towarowa Giełda Energii). This means that the security of supply for our units is aligned with the security of the national gas system. The transmission system operator Gaz-System S.A. does not indicate any threats to gas supplies to customers.

If shipping restrictions or changes in transport routes persist, in the long term—following increases in prices and transportation costs—disruptions in global logistics chains may arise, which could affect the PGE Group.

At the same time, the PGE Group has a diversified generation and procurement portfolio and conducts market monitoring and coordinated planning with PSE S.A. to secure electricity generation. Access to domestic and international coal enables the regulation of inventory build-up processes in generation units and diversification of suppliers. A diversified portfolio of assets based on coal, natural gas, renewable sources and energy storage significantly mitigates the impact of price risks. The PGE Group procures raw materials primarily from the domestic market.

The Group undertakes actions to minimise the potentially adverse impact of the conflict, thereby limiting exposure to short-term price spikes.

### THE LEVEL OF PRODUCTION AND MARGIN GENERATED

Due to the high level of hedging and contracting, as at the date of these financial statements the PGE Group does not identify any material impact of the conflict in the Persian Gulf on production levels or margins. In the longer term, the effects of a prolonged conflict may lead to updates of fuel reference indicators published by the President of the Energy Regulatory Office, which may affect tariff levels for heat sales to end users.

### INVESTMENT PROCESS

Within ongoing significant investments, no information has been received from contractors regarding delays resulting from force majeure related to military actions. The development of the conflict is being monitored. At the same time, contingency plans are being prepared in advance, particularly for projects where a potential risk of delays in the delivery of key components by sea is identified in the event of a prolonged or intensified conflict. For planned investments, schedules will be adjusted to identified potential delays.

In the context of investment profitability, it should be noted that the PGE Group's strategic investments are projects with values of several billion PLN, implemented to ensure the country's energy security. To secure financing for such large projects, their revenue side is largely protected by long-term contracts, such as: contracts for difference for offshore wind farms, multi-year Capacity Market contracts for gas-fired units and energy storage, and support for high-efficiency cogeneration for cogeneration units. These contracts are designed to minimise, to the greatest extent possible, the impact of global and local market changes on the profitability of a given investment.

### SECURITY AND CYBERSECURITY

In connection with the conflict in the Persian Gulf, as well as the ongoing war in Ukraine, the PGE Group perceives the risk of a cyber incident affecting its ICT/OT infrastructure as high. The Middle East conflict may potentially increase the activity of international criminal groups in Polish cyberspace. The PGE Group has implemented dedicated procedures for monitoring ICT networks as well as procedures for threat analysis and the assessment of cyber incident risk. Measures to protect the supply chain against cyberattacks have also been strengthened.

### COUNTERPARTIES AND SANCTIONS REGULATIONS

The PGE Group monitors legal regulations, in particular restrictive measures imposed on entities, persons and items from countries involved in the conflict that may be introduced by legislators, the European Union or the United Nations. The PGE Group includes clauses in its agreements that allow the limitation of potential future effects of counterparties being subject to restrictive measures.

As at the date of these financial statements, the conflict in the Persian Gulf does not have any material impact on the operating activities, contracting processes, or financial stability of the PGE Group. Nevertheless, the risks described above may in the future have a material impact on individual areas of the PGE Group's operations and its future financial results. In particular, the recoverable amount of selected asset items, the level of expected credit losses and the valuation of financial instruments may change. Due to the short duration of the conflict up to the date of these financial statements, it is difficult to estimate its potential further macroeconomic and market consequences. The PGE Group will continue to monitor developments in the conflict and the situation on an ongoing basis, and any events that occur will be appropriately reflected in future financial statements.

### 33. Approval of the financial statements

These consolidated financial statements were approved for publication by the Management Board on April 14, 2026.

Warsaw, April 14, 2026

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

**President  
of the Management  
Board**

**Dariusz Lubera**

*signed with a qualified electronic signature*

**Vice-President  
of the Management  
Board**

**Katarzyna Rozenfeld**

*signed with a qualified electronic signature*

**Vice President  
of the Management  
Board**

**Przemysław Jastrzębski**

*signed with a qualified electronic signature*

**Vice President  
of the Management  
Board**

**Robert Kowalski**

*signed with a qualified electronic signature*

**Vice President  
of the Management  
Board**

**Marcin Laskowski**

*signed with a qualified electronic signature*

Signature of the person  
responsible for the  
preparation of the  
financial statements

**Michał Skiba**  
Director of the  
Reporting and Taxation  
Department

*signed with a qualified electronic signature*

## 34. Glossary of terms and abbreviations

Below is a list of the most common terms and abbreviations used in these consolidated financial statements.

Abbreviation	Full name
BGK	Bank Gospodarstwa Krajowego
CCIRS	Cross Currency Interest Rate Swaps
CFD	Contract for difference
CGU	Cash Generating Units
EIB	European Investment Bank
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
EBRD	European Bank for Reconstruction and Development
Electricity	Electricity
EPS 550	The criterion of carbon dioxide emission per unit of electricity produced introduced as part of the so-called Winter Package, conditioning the participation of generating units in the capacity market – the limit is 550 g CO <sub>2</sub> /kWh.
PSPP	Pumped-storage power plant(s)
EUA	European Union Allowances
EWB1, EWB2, EWB3, EWB9	Elektrownia Wiatrowa Baltica-1 sp. z o.o., Elektrownia Wiatrowa Baltica-2 sp. z o.o., Elektrownia Wiatrowa Baltica-3 sp. z o.o., Elektrownia Wiatrowa Baltica 9 sp. z o.o.
FID	Final Investment Decision
MDF	Mine Decommissioning Fund
FNW	Final Coal Purchaser
PDPF	Price Difference Payment Fund
GDEP	General Directorate for Environmental Protection
PGE Capital Group, PGE Group, Group, PGE CG	The Capital Group of PGE Polska Grupa Energetyczna S.A.
GUS	Statistics Poland
ICBC (Europe) S.A. Oddział w Polsce	Industrial and Commercial Bank of China (Europe) S.A. Oddział w Polsce
Deal Contingent Swaps (DCS)	Deal Contingent Swaps
IRGIT	Izba Rozliczeniowa Giełd Towarowych S.A.
IRS	Interest Rate Swaps
LTC	Long-term contracts for the sale of capacity and electricity
IFRIC	Interpretations of the International Financial Reporting Interpretations Committee
KOGENARACJA S.A.	Zespół Elektrociepłowni Wrocławskich KOGENARACJA S.A.
RRP	National Recovery and Resilience Plan
OWF Baltica 2	Offshore Wind Farm Baltica 2
IFRS	International Financial Reporting Standards
EU IFRS	International Financial Reporting Standards as adopted by the European Union
NFOŚiGW	National Fund for Environmental Protection and Water Management
IP	Investment property
SAC	Supreme Administrative Court
TSO	Transmission System Operator
OTC	Over the counter (OTC) agreement
RTUA	Rights to use assets
PEC Bogatynia	Przedsiębiorstwo Energetyki Ciepłej S.A. w Bogatyni
PGE S.A., Company, parent company	PGE Polska Grupa Energetyczna S.A.
PGE EC S.A.	PGE Energia Ciepła S.A.
PGE EKH sp. z o.o.	PGE Energetyka Kolejowa Holding sp. z o.o.
PGE EK S.A.	PGE Energetyka Kolejowa S.A.
PGE EO S.A.	PGE Energia Odnawialna S.A.
PGE GiEK S.A.	PGE Górnictwo i Energetyka Konwencjonalna S.A.
PV programme	Photovoltaic programme
PGE GIEK S.A. o/ELT	PGE Górnictwo i Energetyka Konwencjonalna S.A., Turów Power Plant Branch
PPA	Power Purchase Agreement
PPW	Intermediary Coal Entity
RPUL	Right of perpetual usufruct of land
PPE	Property, plant and equipment
SOKIK	Court of Competition and Consumer Protection
Financial statements, consolidated financial statements	Consolidated financial statements of the PGE Capital Group
TGE	Polish Power Exchange
ERO	Energy Regulatory Office
Household Consumers Act	Act of October 7, 2022 on special solutions for the protection of electricity customers in 2023 in connection with the situation on the electricity market (Dz.U. [Journal of Laws] 2023.269, consolidated text of 09.02.2023)
Extraordinary Measures Act 2023	Act of October 27, 2022 on extraordinary measures to reduce electricity prices and support certain customers in 2023 (Dz.U. [Journal of Laws] 2022.2243 of November 3, 2022)
WACC	Weighted Average Cost of Capital
WFOŚiGW	Voivodeship Fund for Environmental Protection and Water Management
IA	Intangible assets
VAC	Voivodeship Administrative Court
OPE	Organised Part of Enterprise
CSBF	Company Social Benefits Fund