

# Q3 2022 Financial and Operating Results

INVESTOR PRESENTATION

November 22, 2022



*Leading in the green transition*

# Financials



# Key financial data

## Consolidated

[IFRS, PLN m]	Q3 2022	Q3 2021	y/y	9M 2022	9M 2021	y/y
Sales	19 355	10 942	77%	51 980	32 892	58%
<i>including LTC</i>	1	1	0%	3	5	-40%
EBITDA	1 926	2 110	-9%	8 318	7 364	13%
Recurring EBITDA	2 328	1 941	20%	6 540	6 160	6%
EBIT	805	972	-17%	5 059	4 130	22%
Recurring EBIT <sup>1</sup>	1 262	866	46%	3 349	3 058	10%
Net profit (loss) to equity	654	561	17%	3 942	3 251	21%
Net profit (to equity) – ex. Impairments <sup>2</sup>	698	612	14%	3 997	3 358	19%
CAPEX (including adjustments)	1 990	822	142%	3 834	3 069	25%
Net cash from operating activities	3 536	4 515	-22%	8 529	7 805	9%
Net cash from investing activities	-1 922	-978	97%	-4 642	-3 054	52%
EBITDA margin	10%	19%		16%	22%	
Recurring EBITDA margin	12%	18%		13%	19%	
Net Working Capital (core "NWC") <sup>2</sup>				8 047	4 681	72%
Net Debt				-1 837	2 578	
Net economic financial debt <sup>3</sup>				11 140	9 830	

# One-off and temporary items

## Computation of recurring EBITDA and recurring EBIT:

	Q3 2022	Q3 2021	y/y	9M 2022	9M 2021	y/y
Change of reclamation provision	-422	-508	-17%	1 738	424	310%
Change of actuarial provision	0	35	-	-19	52	-
Release of the provision for Voluntary Leave Programme	0	0	-	0	11	-
LTC adjustment	1	1	0%	3	5	-40%
Release of provision for Prosumers	19	0	-	56	0	-
Temporary items -rollover of the EUA contracts	0	641	-	0	712	-
<b>One-off and temporary items – EBITDA level</b>	<b>-402</b>	<b>169</b>	<b>-</b>	<b>1 778</b>	<b>1 204</b>	<b>48%</b>
Impairments of TFA and IA	-55	-63	-13%	-68	-132	-48%
<b>One-off items – EBIT level</b>	<b>-457</b>	<b>106</b>	<b>-</b>	<b>1 710</b>	<b>1 072</b>	<b>60%</b>

## Computation of net profit ex. impairments:

Impairments of TFA and IA (after-tax) and Investments	-44	-51	-14%	-55	-107	-49%
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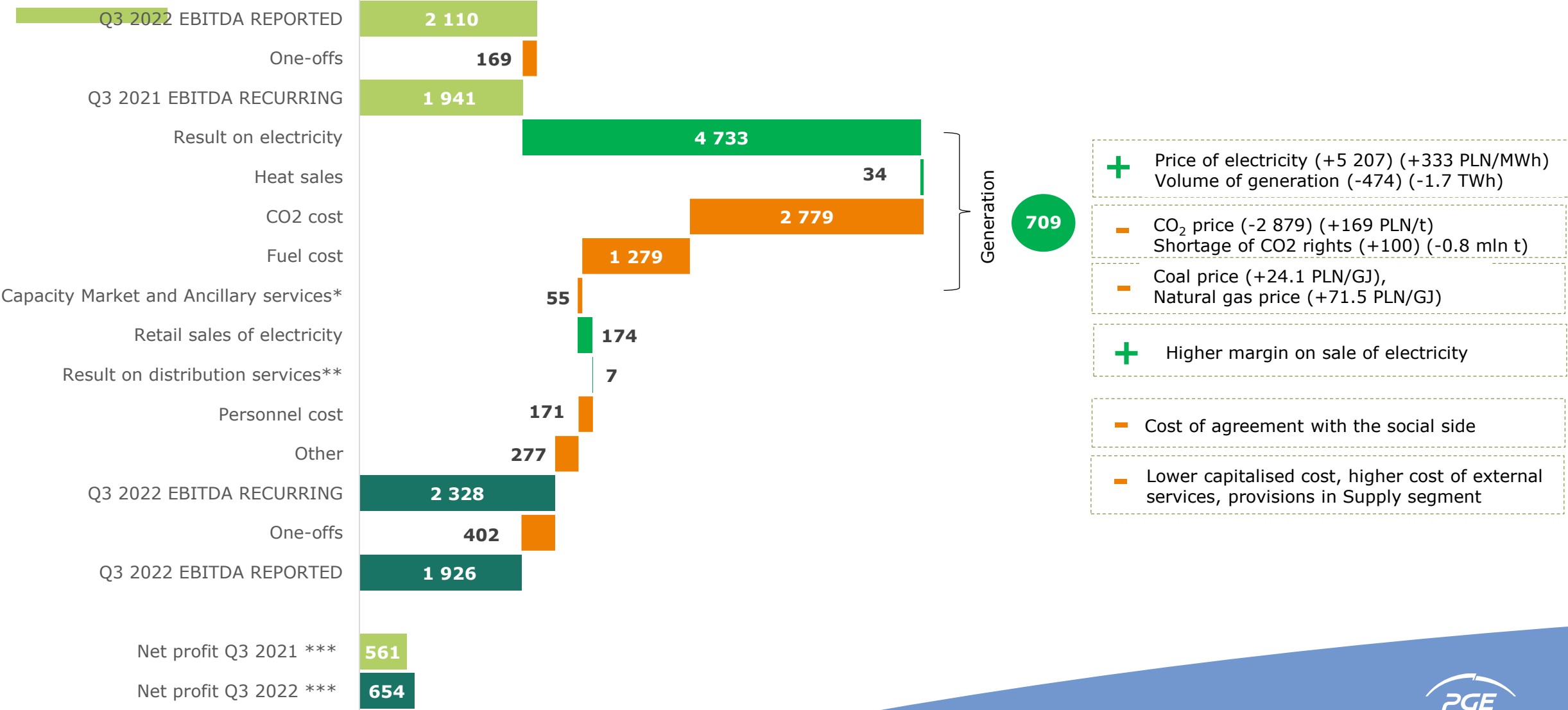
# One-off items by segments 9M 2022

	Conventional Generation		District Heating		Renewables		Distribution		Supply	
(PLN m)	9M 2022	9M 2021	9M 2022	9M 2021	9M 2022	9M 2021	9M 2022	9M 2021	9M 2022	9M 2021
<b>EBITDA reported</b>	<b>2 687</b>	<b>2 803</b>	<b>49</b>	<b>867</b>	<b>1 402</b>	<b>596</b>	<b>2 140</b>	<b>2 047</b>	<b>1 685</b>	<b>1 022</b>
<b>Change y/y</b>	<b>-116</b>		<b>-818</b>		<b>806</b>		<b>93</b>		<b>663</b>	
<b>One-off and temporary items, including:</b>	<b>1 717</b>	<b>1 077</b>	<b>10</b>	<b>88</b>	<b>1</b>	<b>1</b>	<b>-7</b>	<b>24</b>	<b>72</b>	<b>14</b>
LTC adjustment			3	5						
Change of reclamation provision	1 731	414	7	10						
Change of actuarial provision	-14	22		2	1	1	-7	24	1	3
Release of the provision for Voluntary Leave Programme									0	11
Release of provision for prosumers									71	0
Temporary items -rollover of the EUA contracts		641		71						
<b>EBITDA recurring</b>	<b>970</b>	<b>1 726</b>	<b>39</b>	<b>779</b>	<b>1 401</b>	<b>595</b>	<b>2 147</b>	<b>2 023</b>	<b>1 613</b>	<b>1 008</b>

# One-off items by segments Q3 2022

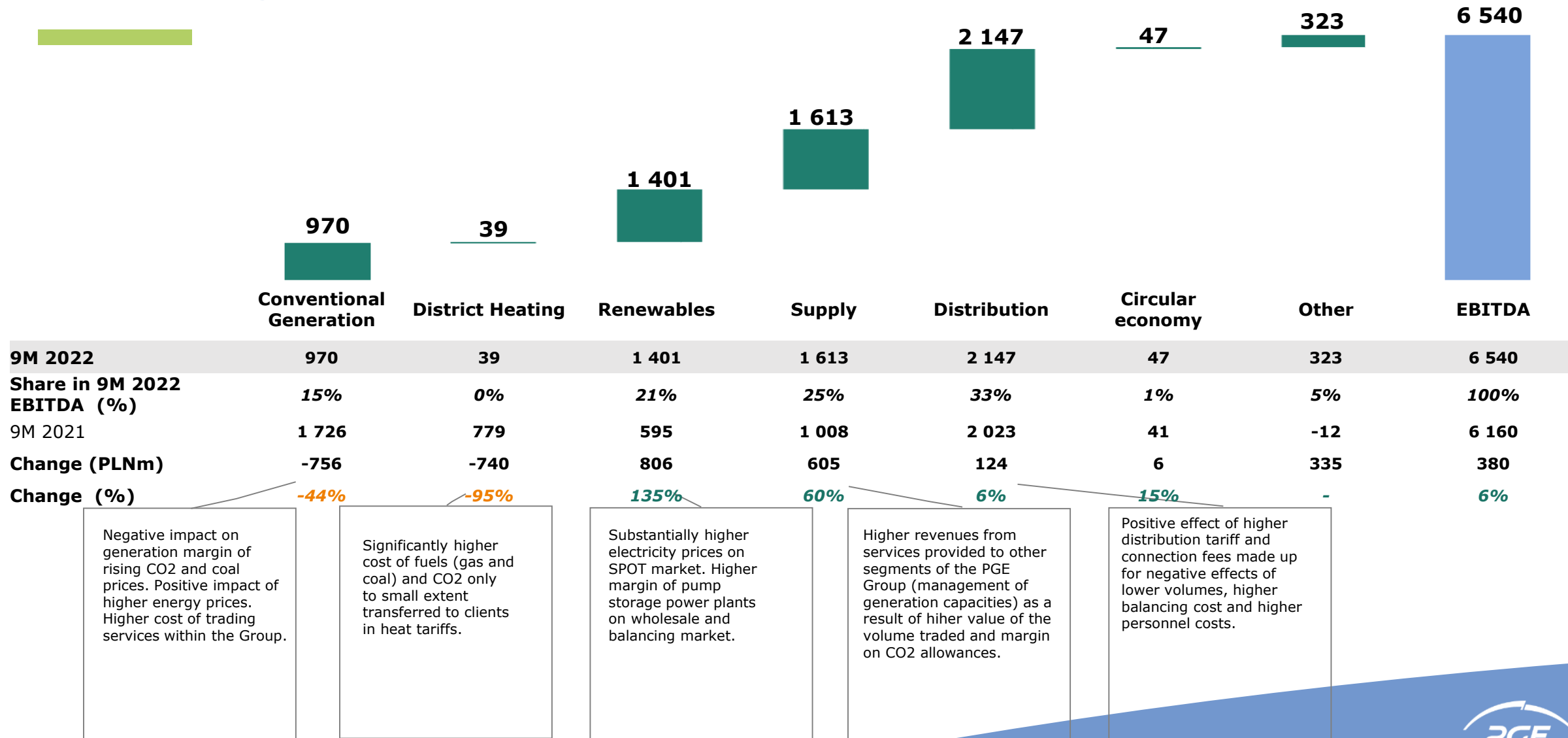
	Conventional Generation		District Heating		Renewables		Distribution		Supply	
(PLN m)	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021
<b>EBITDA reported</b>	<b>157</b>	<b>754</b>	<b>-10</b>	<b>152</b>	<b>561</b>	<b>214</b>	<b>668</b>	<b>665</b>	<b>509</b>	<b>316</b>
<b>Change y/y</b>	<b>-597</b>		<b>-162</b>		<b>347</b>		<b>3</b>		<b>193</b>	
<b>One-off and temporary items, including:</b>	<b>-419</b>	<b>69</b>	<b>-2</b>	<b>81</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>16</b>	<b>23</b>	<b>2</b>
LTC adjustment			1	1						
Change of reclamation provision	-419	-516	-3	8						
Change of actuarial provision		15		1		1		16		2
Release of the provision for Voluntary Leave Programme										
Release of provision for prosumers									23	
Temporary items -rollover of the EUA contracts		570		71						
<b>EBITDA recurring</b>	<b>576</b>	<b>685</b>	<b>-8</b>	<b>71</b>	<b>561</b>	<b>213</b>	<b>668</b>	<b>649</b>	<b>486</b>	<b>314</b>

# Development of EBITDA by major value drivers (PLN m)



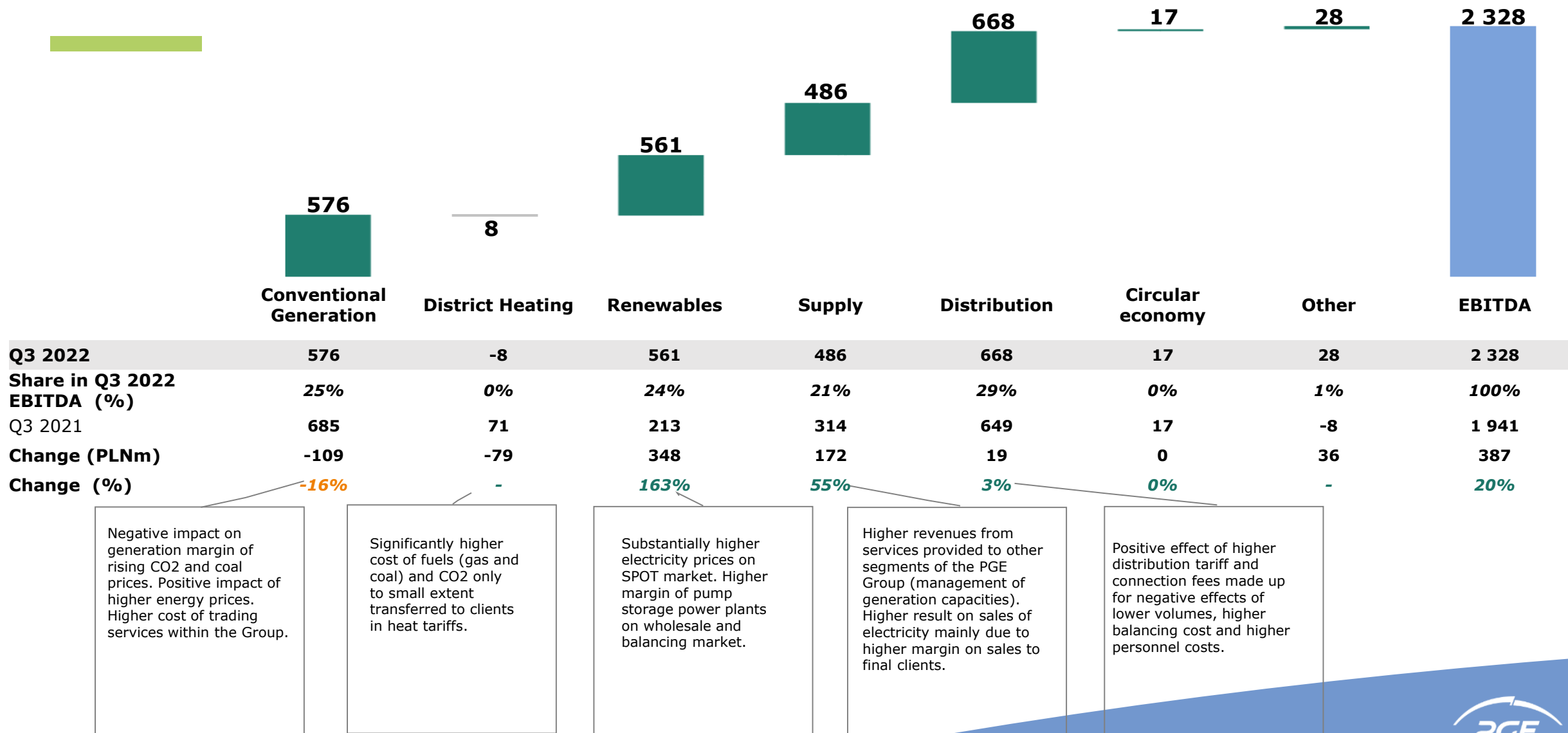
\* in the managerial view, \*\*including balancing difference, \*\*\*net profit to equity

# Recurring<sup>1</sup> EBITDA in 9M 2022 - composition and development

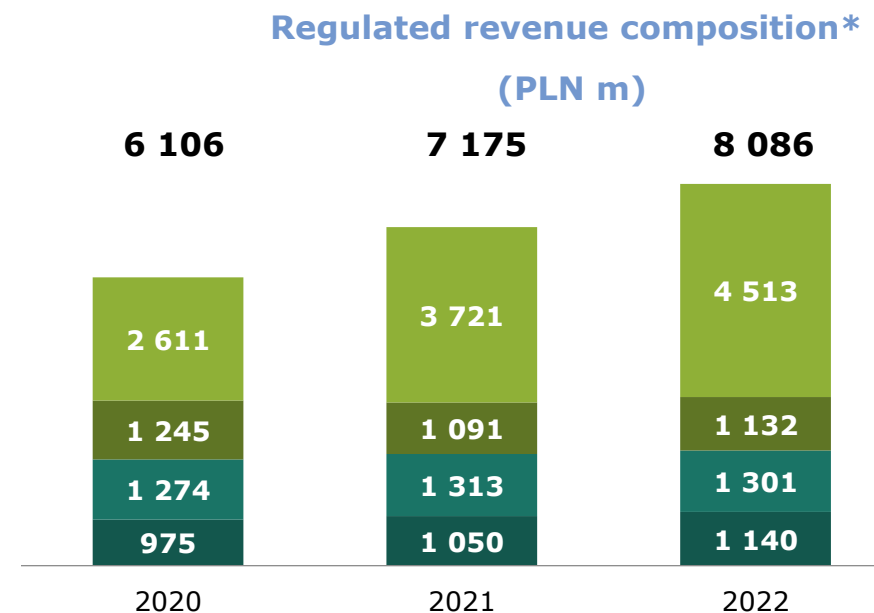
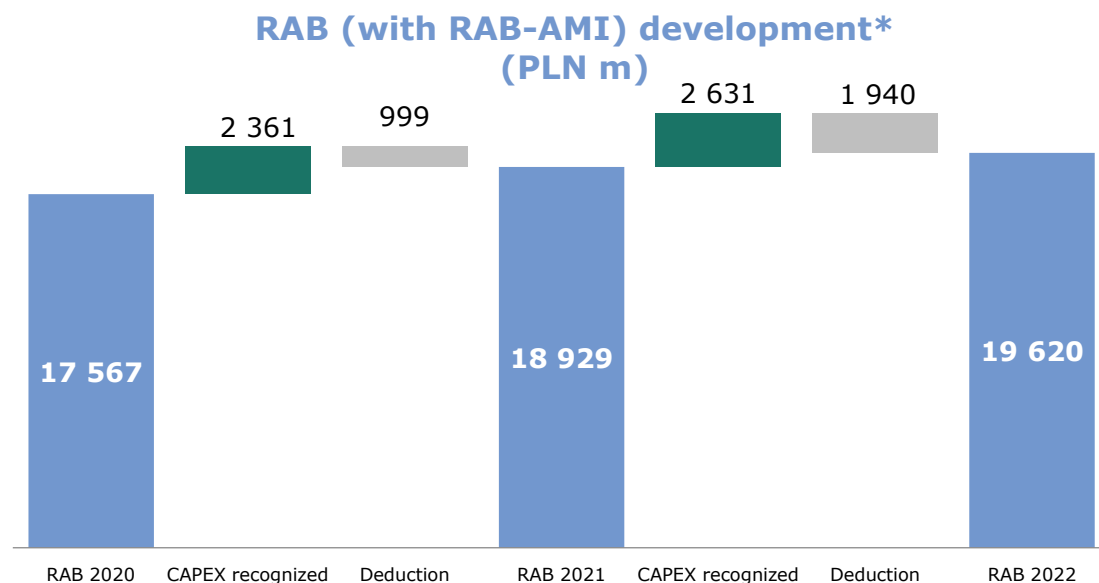




# Recurring<sup>1</sup> EBITDA in Q3 2022 - composition and development



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■ Return on RAB ■ D&A ■ Transmission costs ■ Other costs

**WACC:**

2020	2021	2022
5.507%	5.321%	4.676%

## Actual return on RAB:\*\*

2020	2021	2022
5.552%	5.549%	5.782%

# CO<sub>2</sub> allowances - regulations and settlement

## Accounting standard

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

## Emissions and allowances settlement

In H1' 2022 PGE's installations emitted 51.3 tonnes of CO<sub>2</sub>. Cost related to CO<sub>2</sub> emissions in this period amounted to PLN 14 745m.

PGE Group's installations are not eligible for free emission allowances for electricity generation starting from 2020. Only the free emission allowances for heat production are allocated.

### Free EUA recognized at a zero value (Cons. FS, note 16)

	EUA	
	Volume (Mg m)	Value (PLN m)
<b>As at Jan 1, 2021</b>	<b>21</b>	<b>1 774</b>
Purchased/Sold (spot)*	80	9 447
Free allocation	1	-
Redeemed	-59	-6 318
<b>As at Dec 31, 2021</b>	<b>43</b>	<b>4 903</b>
Purchased/Sold (spot)*	34	8 797
Free allocation	1	-
Redeemed	-71	-11 560
<b>As at Sep 30, 2022</b>	<b>7</b>	<b>2 140</b>

\* PGE Group hedges CO<sub>2</sub> also with forwards

### Provision for purchase of CO<sub>2</sub> allowances (Cons.FS, note 21)

<b>As at Jan 1, 2022</b>	<b>11 553</b>
Redeemed	-11 560

Provision raised for 9M 2022	14 752
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<b>As at Sep 30, 2022</b>	<b>14 745</b>
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### Impact on P&L (PLN m) – illustrative only

	9M'2022
Costs by kind	<b>33 181</b>
Taxes and charges	<b>16 701</b>

# Financial data by segments



# Revenues and costs of Conventional Generation

[PLN m]	Q3 2022	Q3 2021	y/y	9M 2022	9M 2021	y/y
<b>Sales, including:</b>	<b>10 336</b>	<b>5 935</b>	<b>74%</b>	<b>25 917</b>	<b>16 715</b>	<b>55%</b>
Sale of electricity	9 649	5 259	83%	23 818	13 582	75%
Revenues from Capacity Market	566	576	-2%	1 611	1 622	-1%
Auxiliary services	35	33	7%	112	193	-42%
Sale of CO2	0	0	-	147	1 019	-86%
<b>Cost by kind, including</b>	<b>9 021</b>	<b>6 866</b>	<b>31%</b>	<b>23 253</b>	<b>15 461</b>	<b>50%</b>
D&A	483	563	-14%	1 464	1 540	-5%
Materials	2 096	945	122%	3 928	2 531	55%
Energy	18	8	142%	41	18	134%
External services	510	414	23%	1 349	1 103	22%
Taxes and charges	5 139	4 281	20%	14 094	8 128	73%
Personnel expenses	728	603	21%	2 232	1 994	12%
Other cost	47	52	-10%	145	147	-1%
<b>Capitalized costs</b>	<b>-59</b>	<b>-94</b>	<b>-37%</b>	<b>-156</b>	<b>-285</b>	<b>-45%</b>
<b>Cost of goods and materials sold</b>	<b>1 288</b>	<b>907</b>	<b>42%</b>	<b>3 343</b>	<b>3 435</b>	<b>-3%</b>
<b>Net other operating income/(expenses)</b>	<b>-412</b>	<b>1 938</b>	<b>-</b>	<b>1 745</b>	<b>3 162</b>	<b>-45%</b>
<b>EBIT</b>	<b>-326</b>	<b>193</b>	<b>-</b>	<b>1 222</b>	<b>1 266</b>	<b>-3%</b>
<b>EBITDA</b>	<b>157</b>	<b>754</b>	<b>-79%</b>	<b>2 687</b>	<b>2 803</b>	<b>-4%</b>

# Revenues and costs of District Heating

[PLN m]	Q3 2022	Q3 2021	y/y	9M 2022	9M 2021	y/y
<b>Sales, including:</b>	<b>1 098</b>	<b>860</b>	<b>28%</b>	<b>4 897</b>	<b>3 811</b>	<b>28%</b>
Sale of electricity	682	430	58%	2 637	1 768	49%
Sale of heat and heat distribution services	334	299	12%	1 781	1 673	6%
Revenues from Capacity Market	41	61	-33%	157	200	-21%
Sale of CO2	0	0	-	1	28	-96%
<b>Cost by kind, including</b>	<b>1237</b>	<b>1019</b>	<b>21%</b>	<b>5 053</b>	<b>3 451</b>	<b>46%</b>
D&A	208	161	29%	560	480	17%
Materials	469	302	55%	2149	1357	58%
Energy	6	3	105%	17	7	143%
External services	109	98	11%	362	311	16%
Taxes and charges	295	329	-10%	1 536	933	65%
Personnel expenses	139	117	20%	403	338	19%
Other	10	9	14%	27	25	8%
<b>Capitalized costs</b>	<b>-15</b>	<b>-11</b>	<b>42%</b>	<b>-45</b>	<b>-31</b>	<b>45%</b>
<b>Cost of goods and materials sold</b>	<b>101</b>	<b>112</b>	<b>10%</b>	<b>388</b>	<b>300</b>	<b>29%</b>
<b>Net other operating income/(expenses)</b>	<b>8</b>	<b>251</b>	<b>-97%</b>	<b>-8</b>	<b>298</b>	<b>-</b>
<b>EBIT</b>	<b>-217</b>	<b>-9</b>	<b>2340%</b>	<b>-510</b>	<b>387</b>	<b>-</b>
<b>EBITDA</b>	<b>-10</b>	<b>152</b>	<b>-</b>	<b>49</b>	<b>867</b>	<b>-94%</b>

# Revenues and costs of Renewables

[PLN m]	Q3 2022	Q3 2021	y/y	9M 2022	9M 2021	y/y
<b>Sales, including:</b>	<b>1 070</b>	<b>360</b>	<b>197%</b>	<b>2 501</b>	<b>1 001</b>	<b>150%</b>
Sale of electricity	949	229	314%	2 159	630	243%
Sale of certificates of origin	67	46	46%	162	128	27%
Auxiliary services and leasing*	4	3	33%	11	10	10%
Revenues from Capacity Market	73	83	-12%	210	228	-8%
Other revenues from core activities	-23	-1	-2 200%	-41	5	-920%
<b>Cost by kind, including</b>	<b>638</b>	<b>247</b>	<b>158%</b>	<b>1 410</b>	<b>661</b>	<b>113%</b>
D&A	98	92	7%	267	237	13%
Materials	4	3	33%	9	7	29%
Energy	421	71	493%	838	182	360%
External services	52	32	63%	122	89	37%
Taxes and charges	19	18	6%	58	54	7%
Personnel expenses	37	26	42%	100	80	25%
Other cost	7	5	40%	16	12	33%
<b>Capitalized costs</b>	<b>-5</b>	<b>-6</b>	<b>-17%</b>	<b>-13</b>	<b>-12</b>	<b>8%</b>
<b>Cost of goods and materials sold</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>2</b>	<b>1</b>	<b>100%</b>
<b>Net other operating income/(expenses)</b>	<b>26</b>	<b>3</b>	<b>767%</b>	<b>33</b>	<b>8</b>	<b>313%</b>
<b>EBIT</b>	<b>463</b>	<b>122</b>	<b>280%</b>	<b>1 135</b>	<b>359</b>	<b>216%</b>
<b>EBITDA</b>	<b>561</b>	<b>214</b>	<b>162%</b>	<b>1 402</b>	<b>596</b>	<b>135%</b>

# Revenues and costs of Distribution

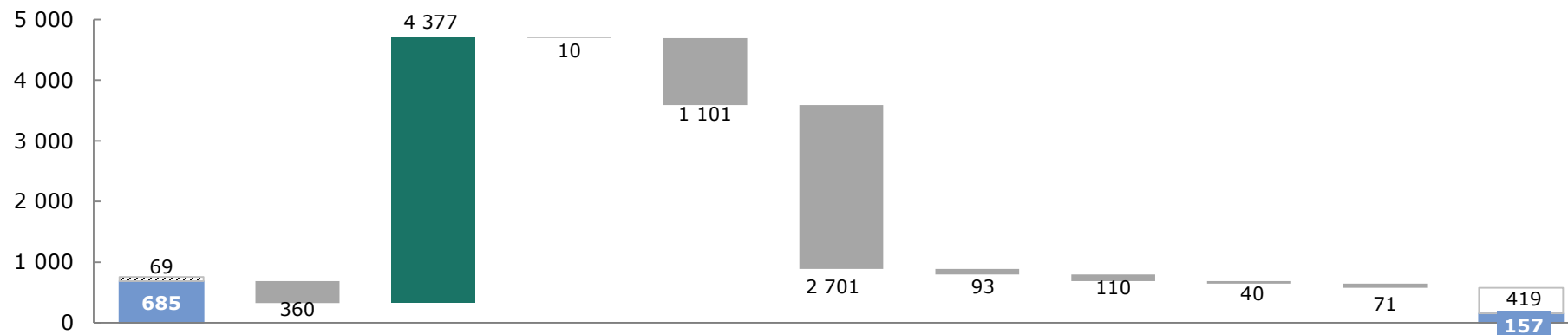
[PLN m]	Q3 2022	Q3 2021	y/y	9M 2022	9M 2021	y/y
<b>Sales, including</b>	<b>1 615</b>	<b>1 554</b>	<b>4%</b>	<b>5 007</b>	<b>4 779</b>	<b>5%</b>
Revenues from distribution services	1 509	1 478	2%	4 694	4 548	3%
Other revenues from core activities	74	49	51%	218	146	49%
<b>Cost by kind, including</b>	<b>1 305</b>	<b>1 222</b>	<b>7%</b>	<b>3 918</b>	<b>3 744</b>	<b>5%</b>
D&A	308	306	1%	913	922	-1%
Materials	19	16	19%	60	45	33%
Energy	147	111	32%	395	382	3%
External services	373	376	-1%	1 118	1 094	2%
Taxes and charges	130	125	4%	398	379	5%
Personnel expenses	321	283	13%	1 018	907	12%
Other cost	6	6	0%	15	15	7%
<b>Capitalized costs</b>	<b>-54</b>	<b>-19</b>	<b>184%</b>	<b>-122</b>	<b>-52</b>	<b>135%</b>
<b>Cost of goods and materials sold</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>Net other operating income/(expenses)</b>	<b>-1</b>	<b>9</b>	<b>-111%</b>	<b>22</b>	<b>40</b>	<b>-45%</b>
<b>EBIT</b>	<b>363</b>	<b>360</b>	<b>1%</b>	<b>1 233</b>	<b>1 127</b>	<b>9%</b>
<b>EBITDA</b>	<b>668</b>	<b>665</b>	<b>0%</b>	<b>2 140</b>	<b>2 047</b>	<b>5%</b>




# Revenues and costs of Supply

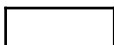
[PLN m]	Q3 2022	Q3 2021	y/y	9M 2022	9M 2021	y/y
<b>Sales, including:</b>	<b>10 120</b>	<b>3 816</b>	<b>165%</b>	<b>32 169</b>	<b>17 742</b>	<b>81%</b>
Sale of electricity	6 482	3 339	94%	16 728	9 750	72%
Sale of CO2 allowances	336	0	-	9 144	6 640	38%
Sale of natural gas	307	93	230%	817	269	204%
Sale of other fuels	2 568	107	2300%	4 332	322	1245%
<b>Cost by kind, including</b>	<b>515</b>	<b>400</b>	<b>29%</b>	<b>1 527</b>	<b>1233</b>	<b>24%</b>
D&A	9	8	13%	25	25	0%
Materials	1	1	0%	4	3	33%
Energy	1	0	-	3	2	50%
External services	97	59	64%	244	179	36%
Taxes and charges	265	231	15%	856	718	19%
Personnel expenses	104	87	20%	309	264	17%
Other cost	38	13	192%	86	42	105%
<b>Cost of goods and materials sold</b>	<b>8 758</b>	<b>3 058</b>	<b>186%</b>	<b>28 382</b>	<b>15 461</b>	<b>84%</b>
<b>Net other operating income/(expenses)</b>	<b>-348</b>	<b>-50</b>	<b>-</b>	<b>-599</b>	<b>-52</b>	<b>-</b>
<b>EBIT</b>	<b>500</b>	<b>307</b>	<b>63%</b>	<b>1 660</b>	<b>997</b>	<b>66%</b>
<b>EBITDA</b>	<b>509</b>	<b>316</b>	<b>61%</b>	<b>1 685</b>	<b>1022</b>	<b>65%</b>

# Conventional Generation - EBITDA in Q3 2022



Change		-360	4 377	-10	-1 101	-2 701	-93	-110	-40	-71	
EBITDA reported Q3 2021	754										
One-offs Q3 2021	69										
Recurring EBITDA Q3 2021	685	4 360		576	787	2 233	228	618	129	256	
Recurring EBITDA Q3 2022		8 377		566	1 888	4 934	321	728	169	327	576
One-offs Q3 2022											-419
EBITDA reported Q3 2022											157

 Reversal of one-offs increasing reported results.

 Reversal of one-offs decreasing reported results.

<sup>1</sup>Change in presentation in comparison to data published in Q3 2021 – according to MSR 16 electricity generation of new Turów unit (ELT 7) was included following synchronization from the transmission system to start of trial run.

<sup>2</sup>Managerial perspective.

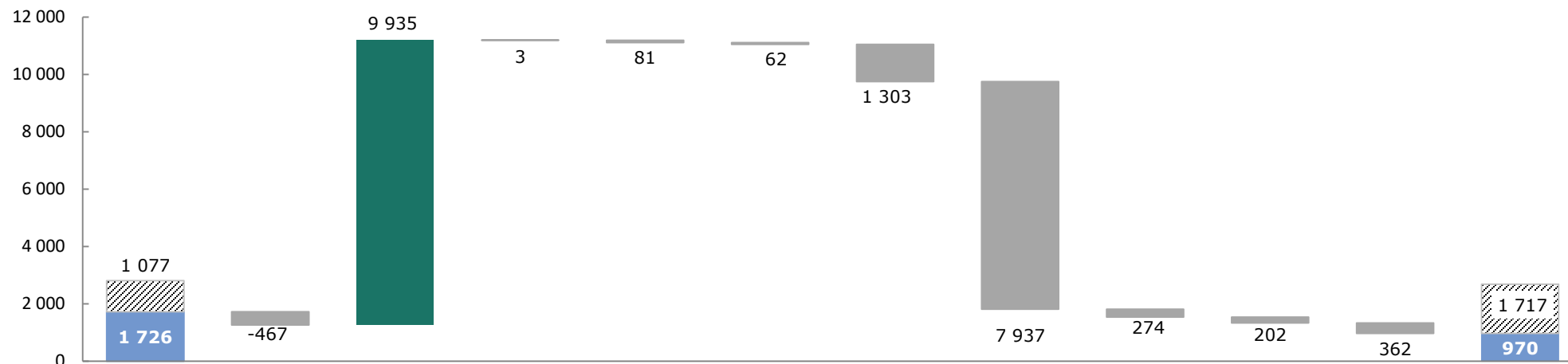
<sup>3</sup>Costs reduced by resale of CO<sub>2</sub>, that was caused due to reductions by PSE S.A. and trading activities. Change in presentation in comparison to data published in Q3 2021- total cost of CO<sub>2</sub> was included, not only cost on heat and electricity generation.

<sup>4</sup>Commercial Management of Generation Capacities – intra group agreement on management of sales of electricity


<sup>5</sup>The item Personnel costs excluding impact of change in actuarial provision (one-off)

<sup>6</sup>Other without including the impact of change of the reclamation provision (one-off) and result on rollover of the EUA contracts (temporary item)

# Conventional Generation - EBITDA in 9M 2022



	EBITDA Q3 2021	Electricity production difference in volume <sup>1</sup>	Electricity production difference in price <sup>1</sup>	Capacity Market <sup>2</sup>	Ancillary Services	Sales of Heat	Costs of fuel	CO <sub>2</sub> costs <sup>3</sup>	Cost of Commercial Management of Generation Capacities <sup>4</sup>	Personnel costs <sup>5</sup>	Other <sup>6</sup>	EBITDA I-III kw. 2022
<b>Change</b>		<b>-467</b>	<b>9 935</b>	<b>-3</b>	<b>-81</b>	<b>-62</b>	<b>-1 303</b>	<b>-7 937</b>	<b>-274</b>	<b>-202</b>	<b>-362</b>	
EBITDA reported 9M 2021	<b>2 803</b>											
One-offs 9M 2021	<b>1 077</b>											
Recurring EBITDA 9M 2021	<b>1 726</b>	11 196		1 614	193	124	2 064	5 533	559	2 016	1 229	
Recurring EBITDA 9M 2022		20 664		1 611	112	62	3 367	13 470	833	2 218	1 591	<b>970</b>
One-offs 9M 2022												<b>1 717</b>
EBITDA reported 9M 2022												<b>2 687</b>

 Reversal of one-offs increasing reported results.

<sup>1</sup>Change in presentation in comparison to data published in Q3 2021 – according to MSR 16 electricity generation of new Turów unit (ELT 7) was included following synchronization from the transmission system to start of trial run.

<sup>2</sup>Managerial perspective.

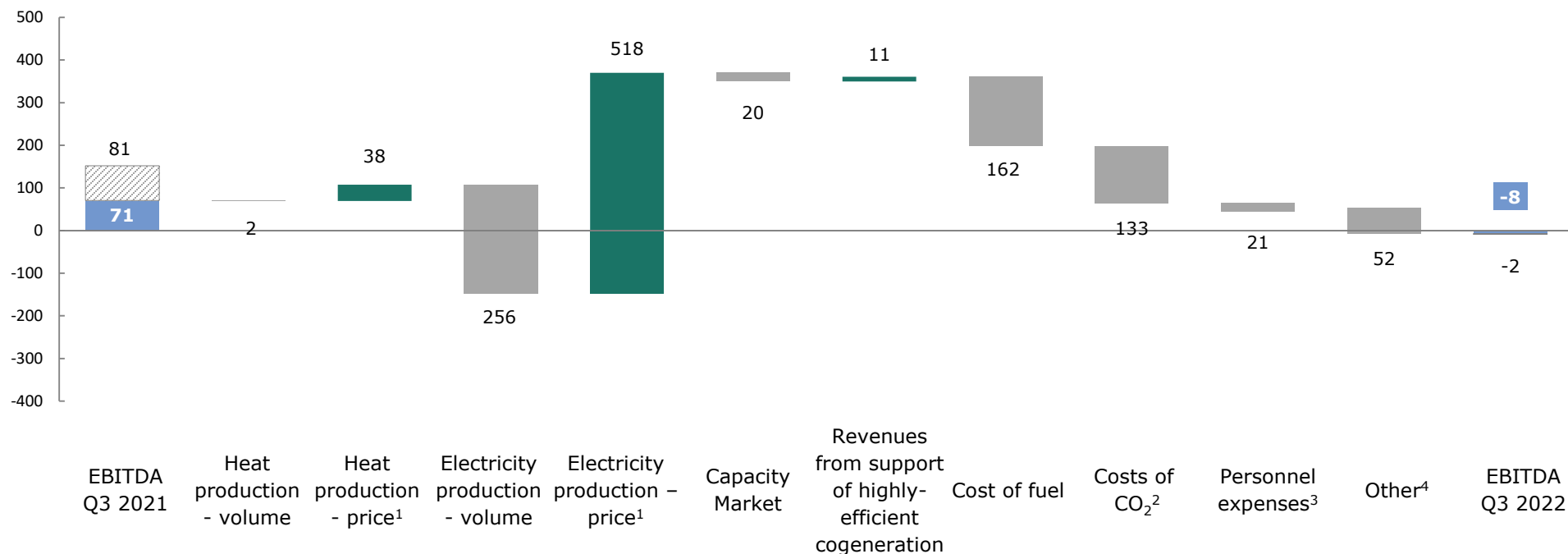
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<sup>5</sup>The item Personnel costs excluding impact of change in actuarial provision (one-off)

<sup>6</sup>Other without including the impact of change of the reclamation provision (one-off) and result on rollover of the EUA contracts (temporary item)

# District Heating - EBITDA in Q3 2022



Change		-2	38	-256	518	-20	11	-162	-133	-21	-52	
EBITDA reported Q3 2021	152											
One-offs Q3 2021	81											
Recurring EBITDA Q3 2021	71	296		321	61	0	292	136	118	61		
Recurring EBITDA Q3 2022		332		583	41	11	454	269	139	113	-8	
One-offs Q3 2022											-2	
EBITDA reported Q3 2022											-10	

 Reversal of one-offs increasing reported results.

 Reversal of one-offs decreasing reported results.

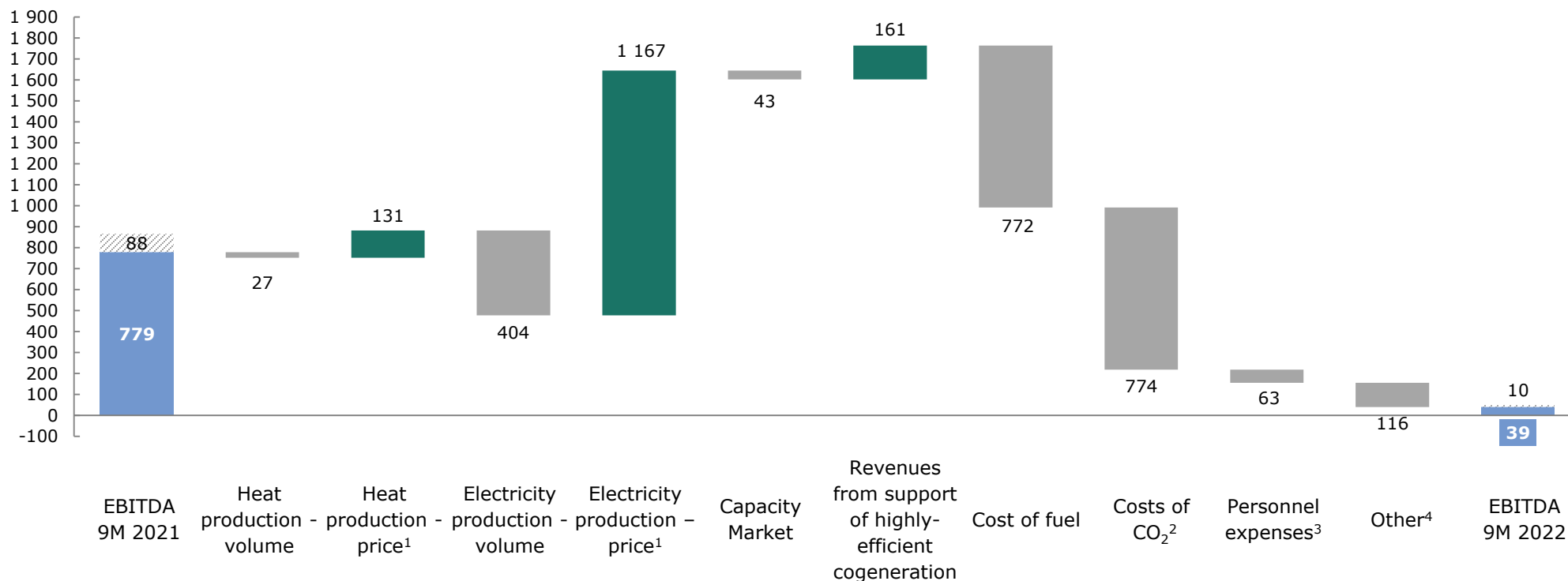
<sup>1</sup>Value adjusted for costs of certificates redemption.

<sup>2</sup>Adjusted by resale of CO<sub>2</sub> assigned to a given period.


<sup>3</sup>The item Personnel costs excluding impact of change in actuarial provision (one-off)

<sup>4</sup>Other without including the impact of change of the reclamation provision, LTC compensations (one-offs) and result on rollover of the EUA contracts (temporary item).

# District Heating - EBITDA in 9M 2022



Change		-27	131	-404	1 167	-43	161	-772	-774	-63	-116	
EBITDA reported 9M 2021	867											
One-offs 9M 2021	88											
Recurring EBITDA 9M 2021	779	1 667		1 499	200	5	1 324	671	340	257		
Recurring EBITDA 9M 2022		1 770		2 262	157	166	2 095	1 445	403	373		39
One-offs 9M 2022												10
EBITDA reported 9M 2022												49

 Reversal of one-offs increasing reported results.

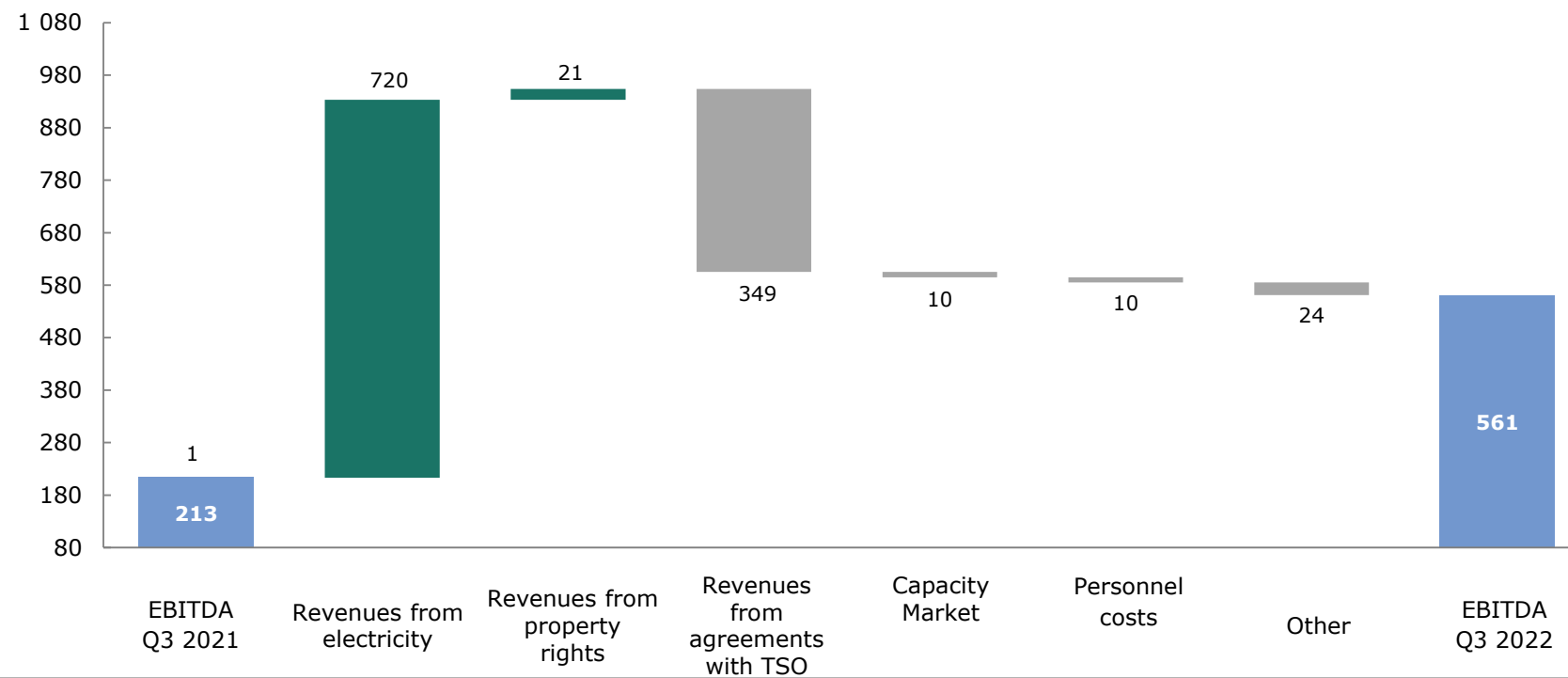
<sup>1</sup>Value adjusted for costs of certificates redemption.

<sup>2</sup>Adjusted by resale of CO<sub>2</sub> assigned to a given period.


<sup>3</sup>The item Personnel costs excluding impact of change in actuarial provision (one-off)

<sup>4</sup>Other without including the impact of change of the reclamation provision, LTC compensations (one-offs) and result on rollover of the EUA contracts (temporary item).

# Renewables - EBITDA in Q3 2022



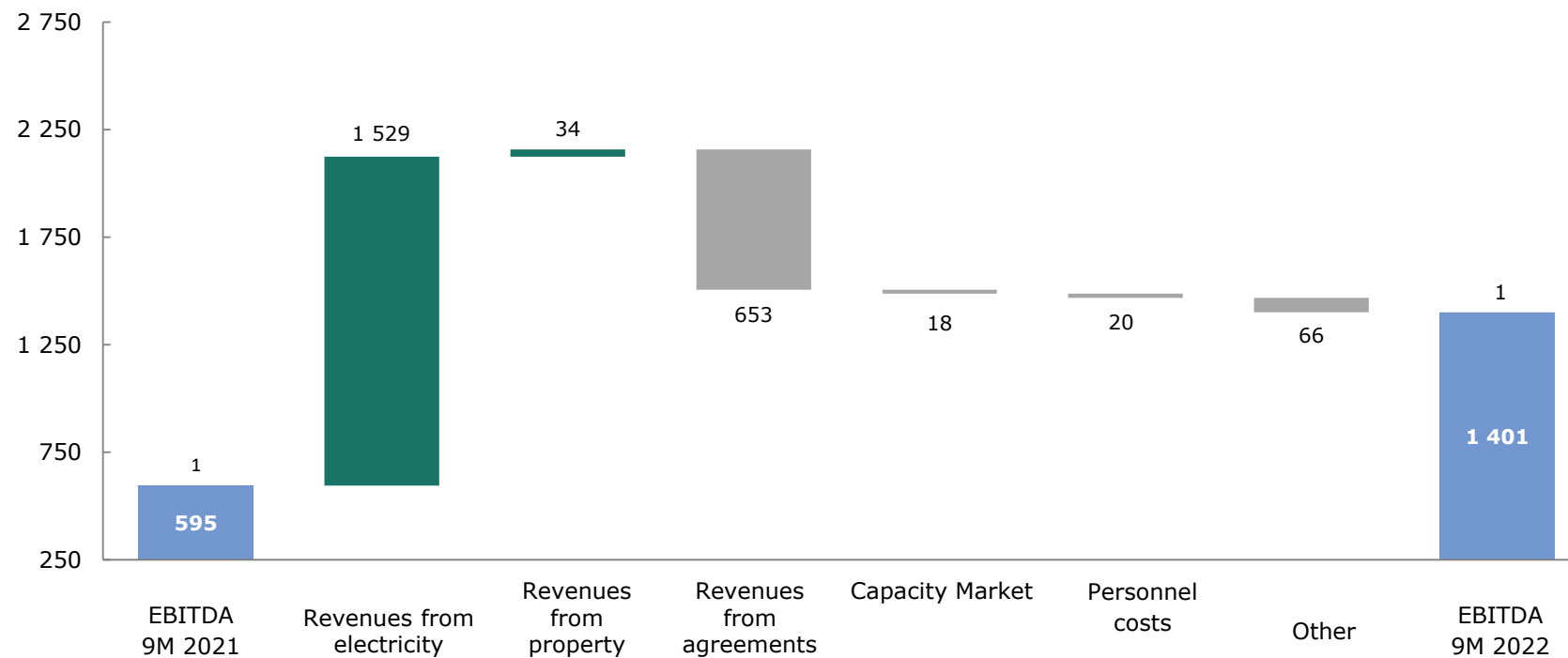
Change	720	21	-349	-10	-10	-24	
EBITDA reported Q3 2021	214						
One-offs Q3 2021	1						
Recurring EBITDA Q3 2021	213	229 <sup>1</sup>	46	70	83	27 <sup>2</sup>	48
Recurring EBITDA Q3 2022		949	67	419	73	37	72
One-offs Q3 2022							0
EBITDA reported Q3 2022							561

 Reversal of one-offs increasing reported results.


<sup>1</sup>Change in presentation of results on sale of the electricity.

<sup>2</sup>The item Personnel costs excluding impact of change in actuarial provision (one-off).

# Renewables - EBITDA in 9M 2022



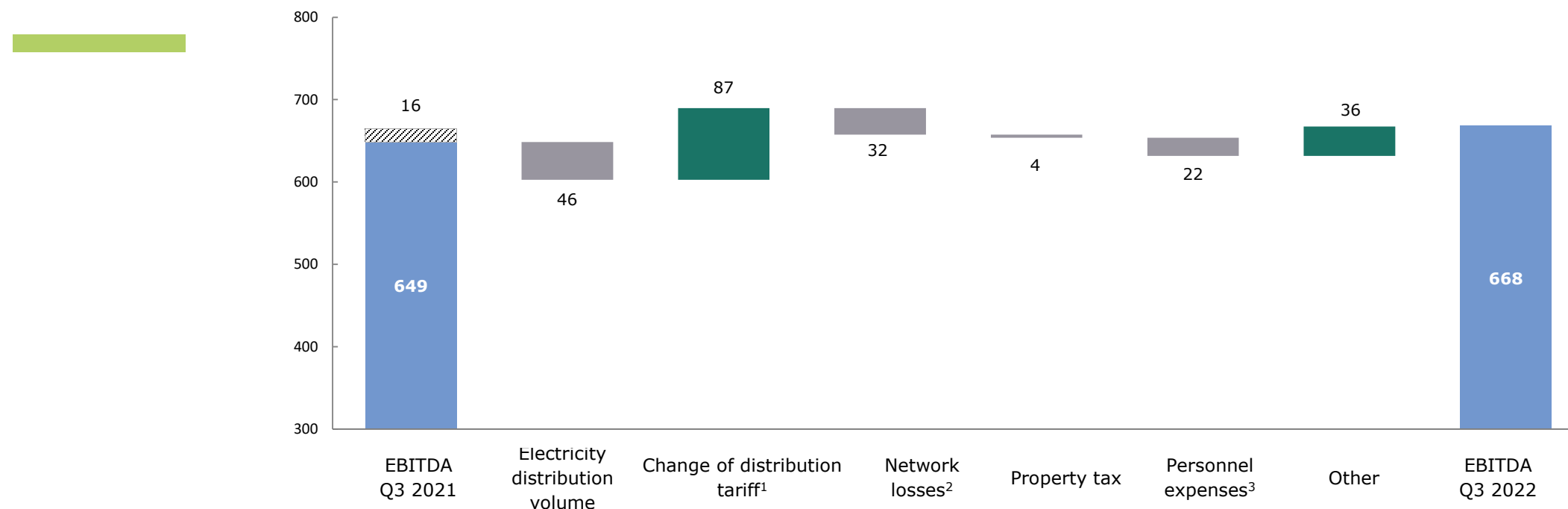
Change	1 529	34	-653	-18	-20	-66	
EBITDA reported 9M 2021	596						
One-offs 9M 2021	1						
Recurring EBITDA 9M 2021	595	630 <sup>1</sup>	128	180	228	81	130
Recurring EBITDA 9M 2022		2 159	162	833	210	101 <sup>2</sup>	196
One-offs 9M 2022							1
EBITDA reported 9M 2022							1 402

 Reversal of one-offs increasing reported results.

<sup>1</sup>Change in presentation of results on sale of the electricity.

<sup>2</sup>The item Personnel costs excluding impact of change in actuarial provision (one-off).

# Distribution - EBITDA in Q3 2022



Change	-46	87	-32	-4	-22	36	
EBITDA reported Q3 2021	665						
One-offs Q3 2021	16						
Recurring EBITDA Q3 2021	649	1 109	106	114	299	59	
Recurring EBITDA Q3 2022		1 150	138	118	321	95	668
One-offs Q3 2022							0
EBITDA reported Q3 2022							668

 Reversal of one-offs decreasing reported results.

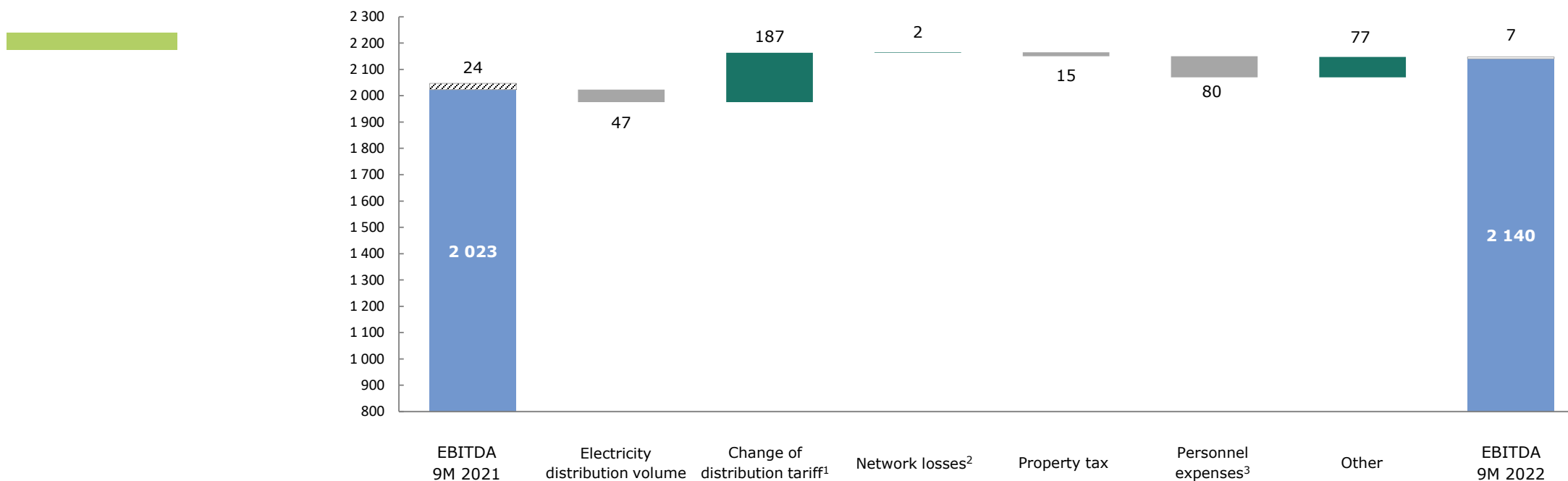
<sup>1</sup> Excluding cost of transmission services from PSE S.A.

<sup>2</sup> Adjusted for revenues from the Balancing market.

<sup>3</sup> The item Personnel costs excluding impact of change in actuarial provision (one-off)

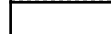


# Distribution - EBITDA in 9M 2022



Change	-47	187	2	-15	-80	77	
EBITDA reported 9M 2021							2 047
One-offs 9M 2021							24
Recurring EBITDA 9M 2021		3 472	360	337	931	179	2 023
Recurring EBITDA 9M 2022		3 612	358	352	1 011	256	2 147
One-offs 9M 2022							-7
EBITDA reported 9M 2022							2 140

 Reversal of one-offs decreasing reported results.

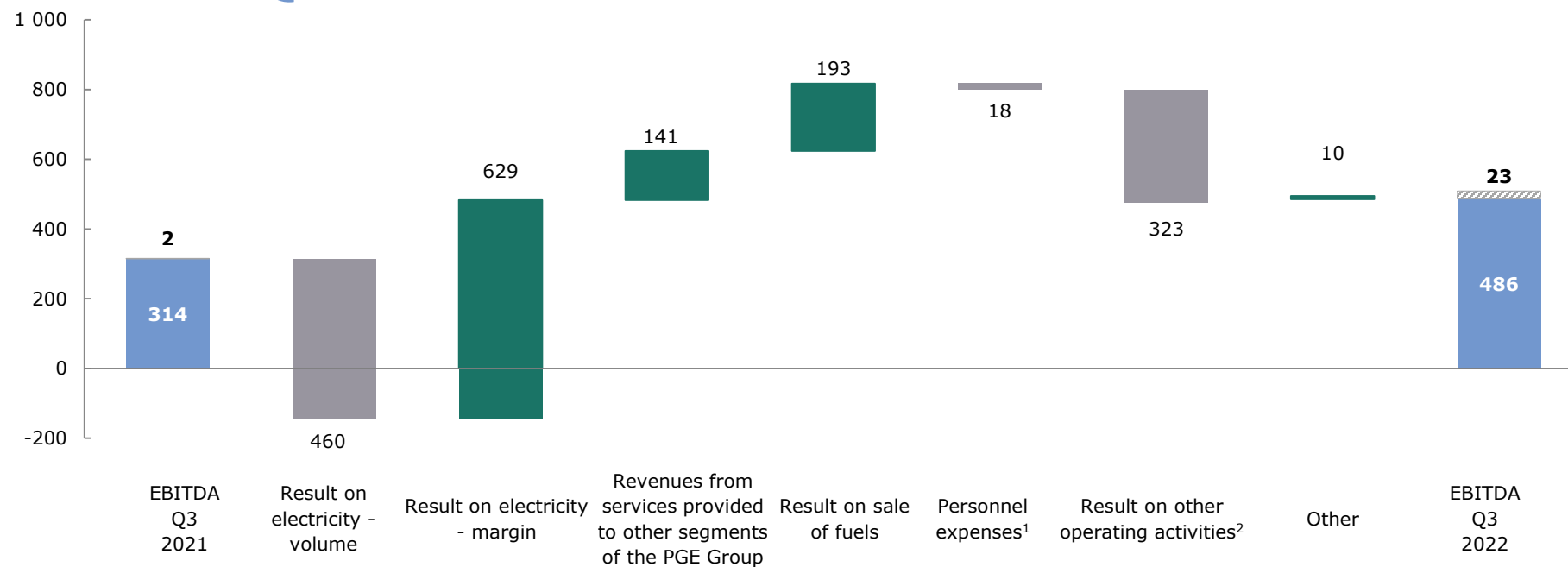
 Reversal of one-offs increasing reported results.

<sup>1</sup> Excluding cost of transmission services from PSE S.A.


<sup>2</sup> Adjusted for revenues from the Balancing market.

<sup>3</sup> The item Personnel costs excluding impact of change in actuarial provision (one-off)

# Supply - EBITDA in Q3 2022



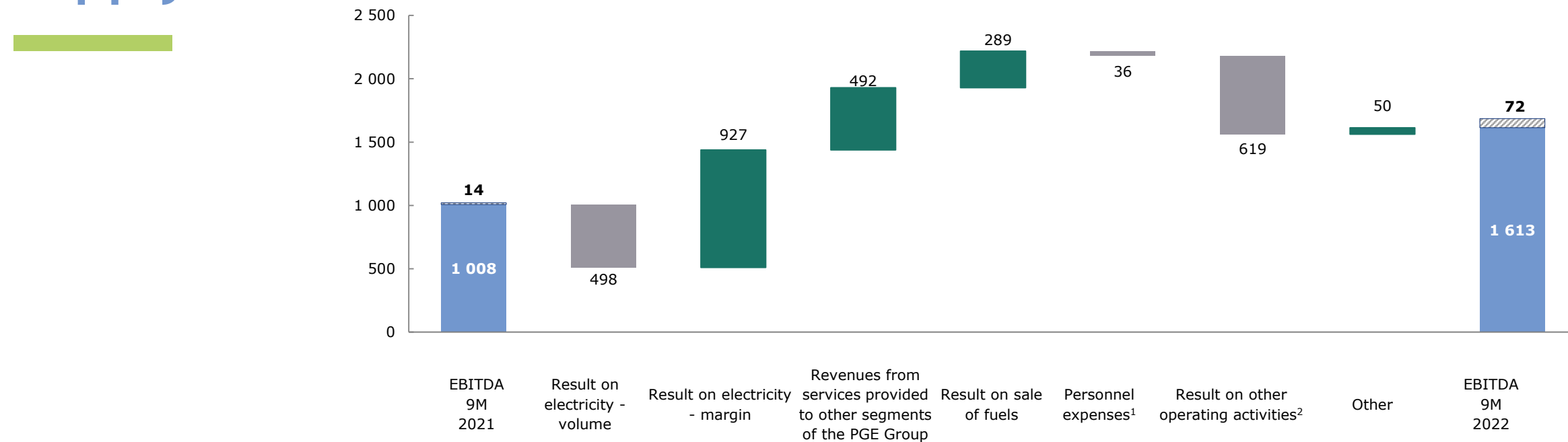
Change	-460	629	141	193	-18	-323	10	
EBITDA reported Q3 2021	316							
One-offs Q3 2021	2							
Recurring EBITDA Q3 2021	314	286	259	3	86	-50	-98	
Recurring EBITDA Q3 2022		455	400	196	104	-373	-88	486
One-offs Q3 2022								23
EBITDA reported Q3 2022								509

 Reversal of impact of total one-offs decreasing the reported result.


<sup>1</sup> The item Personnel costs excluding impact of change in actuarial provision and provision for Voluntary Leave Program (one-offs).

<sup>2</sup> Without including the impact of provision for prosumers (one-off).

# Supply - EBITDA in 9M 2022



Change	-498	927	492	289	-36	-619	50	
EBITDA reported 9M 2021	1 022							
One-offs 9M 2021	14							
Recurring EBITDA 9M 2021	1 008	832	688	15	274	-52	-201	
Recurring EBITDA 9M 2022		1 261	1 180	304	310	-671	-151	1 613
One-offs 9M 2022								72
EBITDA reported 9M 2022								1 685

 Reversal of impact of total one-offs decreasing the reported result.

<sup>1</sup> The item Personnel costs excluding impact of change in actuarial provision and provision for Voluntary Leave Program (one-offs).

<sup>2</sup> Without including the impact of provision for prosumers (one-off).

# Cash flows and debt



# Cash from operations, investments and net debt

## Consolidated Cash Flows

[PLN m]	Q3 2022	Q3 2021	9M 2022	9M 2021
Operating CF	3 536	4 515	8 529	7 805
Investing CF	-1 922	-978	-4 642	-3 054
Financial CF	-751	-689	1 177	-677
Change of cash and equivalents	<b>863</b>	<b>2 848</b>	<b>5 064</b>	<b>4 074</b>

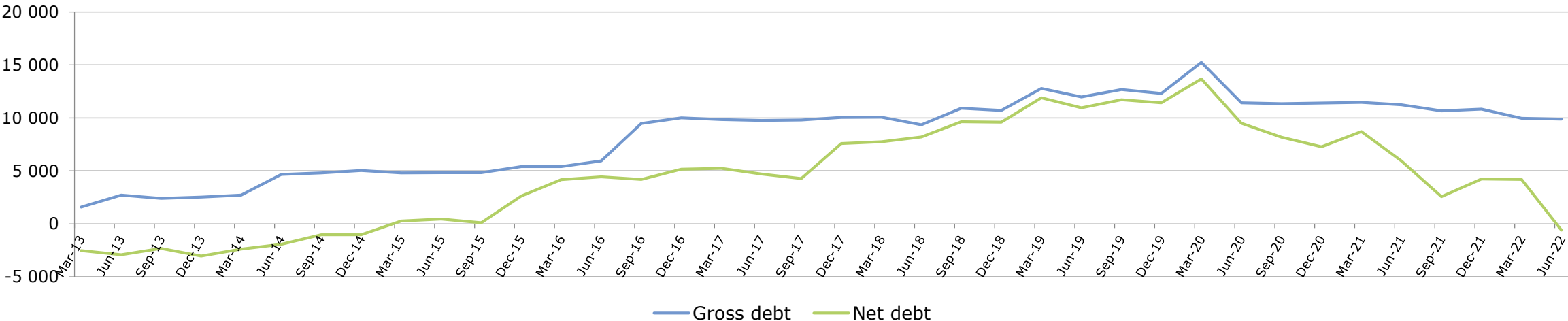
## Consolidated Balance Sheet

[PLN m]	Q3 EOP 2022	Q3 BOP 2022	Δ Q3 2022	EOP 9M 2022	BOP 9M 2022	Δ 9M 2022
Cash and equivalents	11 807	10 956	851	11 807	6 733	5 074
Loans granted	0	1	-1	0	77	-77
Restricted cash (adjustment)	-729	-492	-237	-729	-212	-517
<b>Disposable cash of PGE Group</b>	<b>11 078</b>	<b>10 465</b>	613	<b>11 078</b>	<b>6 598</b>	4 480
Short term financial debt	-2 236	-2 159	-77	-2 236	-2 160	-76
Long term financial debt	-7 005	-7 723	718	-7 005	-8 666	1 661
<b>Total financial debt (gross)</b>	<b>-9 241</b>	<b>-9 882</b>	641	<b>-9 241</b>	<b>-10 826</b>	1 585
<b>Net debt<sup>1</sup></b>	<b>1 837</b>	<b>583</b>	1 254	<b>1 837</b>	<b>-4 228</b>	6 065

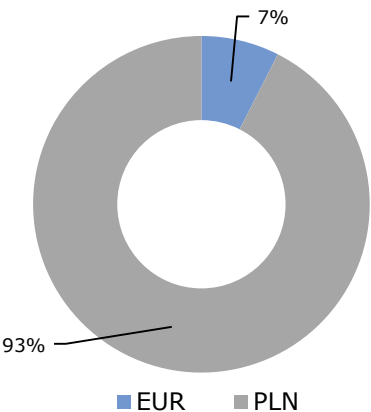
<sup>1</sup>Liabilities are presented with negative sign, for the sake of consistency between balance sheet and cash flow statement

# Debt development and structure (September 30, 2022)

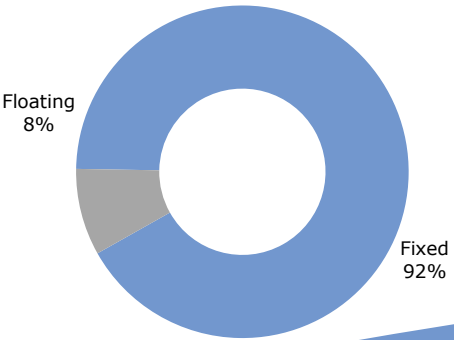
Gross debt and net debt (in PLN million)



Currency profile of drawn debt (including hedging transactions)

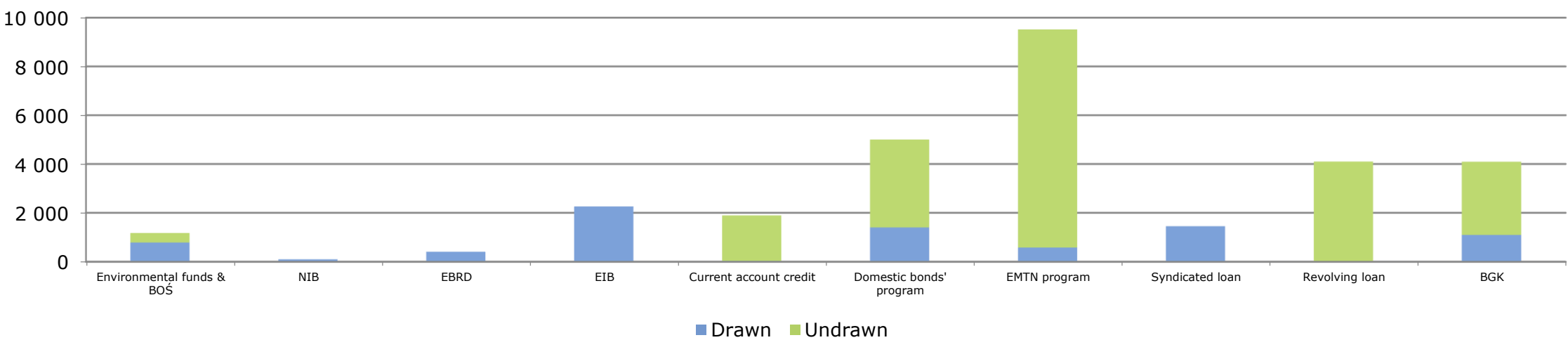


Fixed vs floating rates (drawn debt)

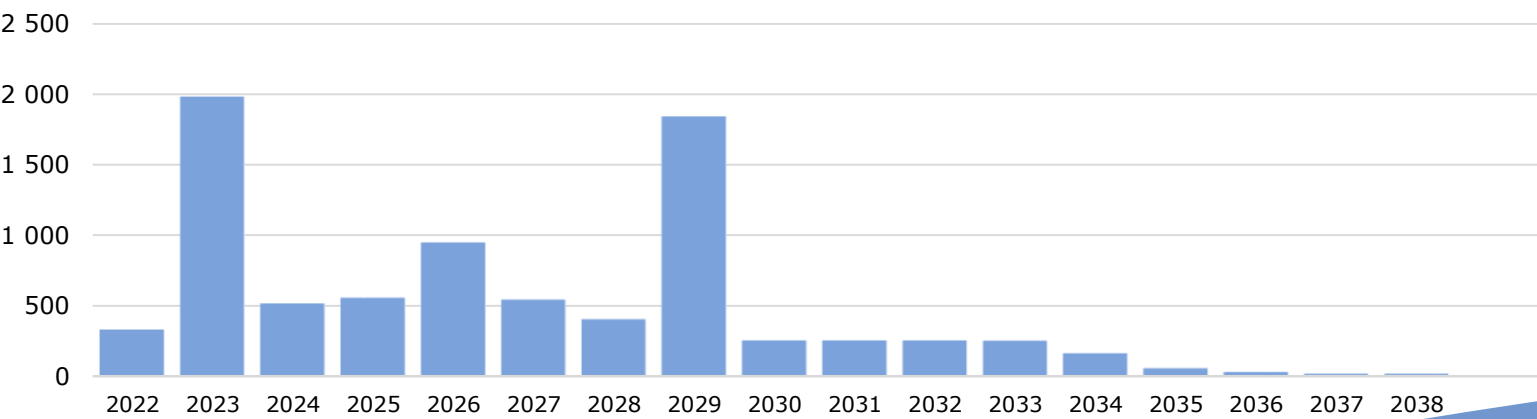


# Debt maturity and available financing

Drawn debt and availability of external financing (in PLN m) as at September 30, 2022



Debt maturity profile (PLN m) as at September 30, 2022



# PGE cash position provides...

		Q3 2022	H1 2022
... plenty of headroom in the balance sheet	Gross Debt (PLN m)	9 241	9 882
	Net debt (PLN m)	-1 837	-583
	Net Debt/LTM EBITDA	-0.18x	-0.05x
	Net Debt/Equity	-0.03x	-0.01x

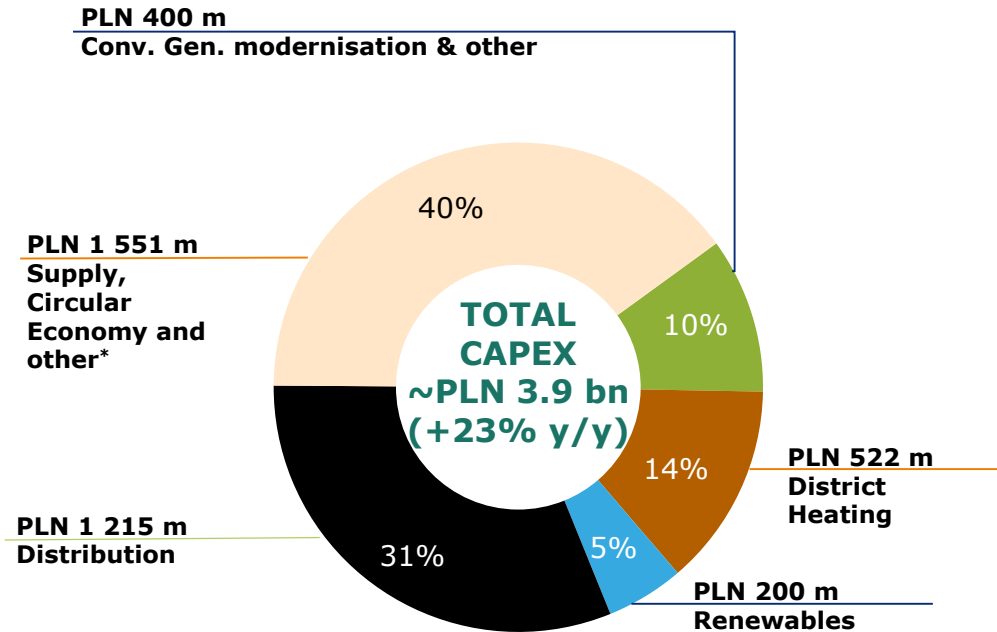
		MOODY'S	FITCH
Financial strength has been confirmed by rating agencies	Long-term company rating (IDR)	<b>Baa1</b>	<b>BBB+</b>
	Rating outlook	<b>Stable</b>	<b>Stable</b>
	Date of rating assignment	September 2, 2009	September 2, 2009
	Date of the latest rating confirmation	<b>June 30, 2021</b>	<b>January 28, 2022</b>
	Senior unsecured rating		BBB+
	Date of the latest rating change		August 4, 2011
	Date of the latest rating confirmation		January 28, 2022
	Long-term national rating		AA (pol)
	Date of rating assignment		August 10, 2012
	Date of latest rating change		August 3, 2016



# Capital expenditures



# Capital expenditures in 9M 2022



\* Includes construction of new units at Dolna Odra power plant



CAPEX in Distribution and generating capacities incl. Conventional Generation, District Heating, Renewables and Other Operations

	Key projects	CAPEX in 9M 2022
Generation	Construction of CCGT units in PGE Gryfino	PLN 1 420 m
	Construction of New Czechnica CHP plant	PLN 123 m
Distribution	Modernisation of distribution assets	PLN 566 m
	New projects in Distribution segment	PLN 641 m

- Conventional capacities – construction of new units in PGE Gryfino and New Czechnica CHP plant (jointly over PLN 1.5 bn)
- Distribution – expenditures amounting to PLN 607 million incurred for connection of new off-takers
- District Heating – expenditures for development projects amounting to PLN 266 m

# Capital expenditures

Segment (PLN m)	Q3 2022	Q3 2021	y/y	9M 2022	9M 2021	y/y
Conventional Generation	143	322	-56%	400	1 709	-77%
District Heating	257	170	51%	522	374	40%
Distribution, including:	578	312	85%	1 215	918	32%
New clients connection	261	137	91%	607	416	46%
Distribution grid	218	87	151%	379	225	68%
Renewables, including:	88	27	226%	200	104	92%
Modernisation and replacement	37	8	363%	54	59	-8%
Supply, Circular Economy and Other Operations <sup>1</sup>	944	22	4 191%	1 551	52	2 883%
<b>TOTAL</b>	<b>2 010</b>	<b>853</b>	<b>136%</b>	<b>3 888</b>	<b>3 157</b>	<b>23%</b>
<b>TOTAL (incl. consolidation adjustments)</b>	<b>1 990</b>	<b>822</b>	<b>142%</b>	<b>3 834</b>	<b>3 069</b>	<b>25%</b>

<sup>1</sup>From Q4 2021 project of construction of new units in Dolna Odra power plant was transferred from Conventional Generation to Other Operations.

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

# Operations



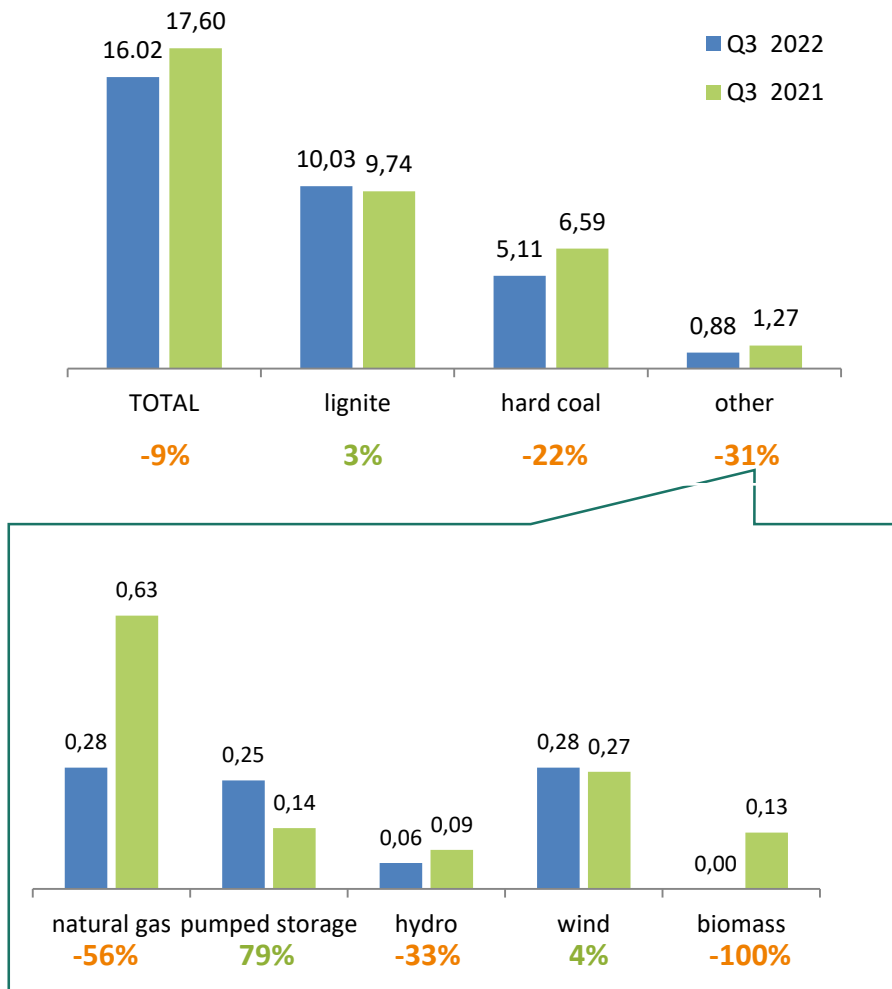
# Key operating data

## Net electricity generation by fuels, sales and distribution

[TWh]	Q3 2022	Q3 2021	y/y	9M 2022	9M 2021	y/y
<b>Net electricity generation. by fuels:</b>	<b>16.02</b>	<b>17.60</b>	<b>-9%</b>	<b>48.34</b>	<b>50.72</b>	<b>-5%</b>
Lignite	10.03	9.74	3%	29.94	27.53	9%
<i>incl. Turów 7 unit</i>	0.44	0.38	16%	1.56	1.01	55%
hard coal (including)	5.11	6.59	-22%	14.14	17.93	-21%
Conventional Generation segment	4.54	6.15	-26%	11.20	15.27	-27%
<i>incl. Opole 5/6 units</i>	1.96	2.60	-25%	4.30	6.42	-33%
District Heating segment	0.57	0.44	30%	2.94	2.66	11%
natural gas	0.28	0.63	-56%	1.89	3.09	-39%
pumped-storage plants	0.25	0.14	79%	0.68	0.50	36%
Hydro	0.06	0.09	-33%	0.32	0.37	-14%
Wind	0.28	0.27	4%	1.16	0.98	18%
Biomass	0.00	0.13	-	0.18	0.29	-38%
municipal waste	0.01	0.01	0%	0.03	0.03	0%
<b>Sales of heat [PJ]</b>	<b>4.03</b>	<b>4.05</b>	<b>-1%</b>	<b>33.79</b>	<b>36.16</b>	<b>-7%</b>
<i>incl. Conv. Gen. segment</i>	<b>0.36</b>	<b>0.38</b>	<b>-4%</b>	<b>1.78</b>	<b>3.65</b>	<b>-51%</b>
<b>Sales of electricity to final off-takers</b>	<b>8.26</b>	<b>9.17</b>	<b>-10%</b>	<b>25.72</b>	<b>27.92</b>	<b>-8%</b>
<b>Distribution of electricity</b>	<b>8.93</b>	<b>9.30</b>	<b>-4%</b>	<b>27.55</b>	<b>27.94</b>	<b>-1%</b>
<b>Average realized wholesale price of electricity</b>						
[PLN/MWh]	Q3 2022	Q3 2021	y/y	9M 2022	9M 2021	y/y
Conv. Generation segment	575.69	281.55	104%	505.13	264.44	91%
District Heating segment	625.25	242.43	158%	432.55	245.77	76%
<b>Total (Conv. Gen. &amp; District Heating)</b>	<b>578.26</b>	<b>278.96</b>	<b>107%</b>	<b>497.53</b>	<b>262.34</b>	<b>90%</b>
<b>(Conv. Gen. &amp; Dist. H.) Average cost of CO<sub>2</sub> (PLN/t CO<sub>2</sub>)</b>	<b>304.73</b>	<b>132.90</b>	<b>129%</b>	<b>292.89</b>	<b>120.77</b>	<b>143%</b>
<b>(Conv. Gen. &amp; Dist. H.) Average cost of CO<sub>2</sub> (PLN/MWh)</b>	<b>329.83</b>	<b>130.37</b>	<b>153%</b>	<b>304.53</b>	<b>116.53</b>	<b>161%</b>

# Generation volume by fuel - Q3 2022 y/y

TWh



↓ **National Power System (y/y): Lower demand for electricity.** Domestic energy consumption lower by 0.7 TWh y/y (-1.6% y/y). Limited export of electricity due to lower coal availability and raising coal prices. Net electricity import 0.2TWh (change of balance of foreign exchange 1.2TWh) → **lower generation by 1.9 TWh y/y (-4.4% y/y). Increase in generation of PVs and wind.**

↑ **Lignite:** increase in production 3% y/y due to significantly lower generation on hard coal.

↓ **Hard coal:** significant decline in production y/y due to rising coal prices, lower coal availability and maintenance shutdowns.

↓ **Natural gas:** significantly lower cogeneration volumes in CHP Lublin Wrotków and CHP Rzeszów due to surging gas prices.

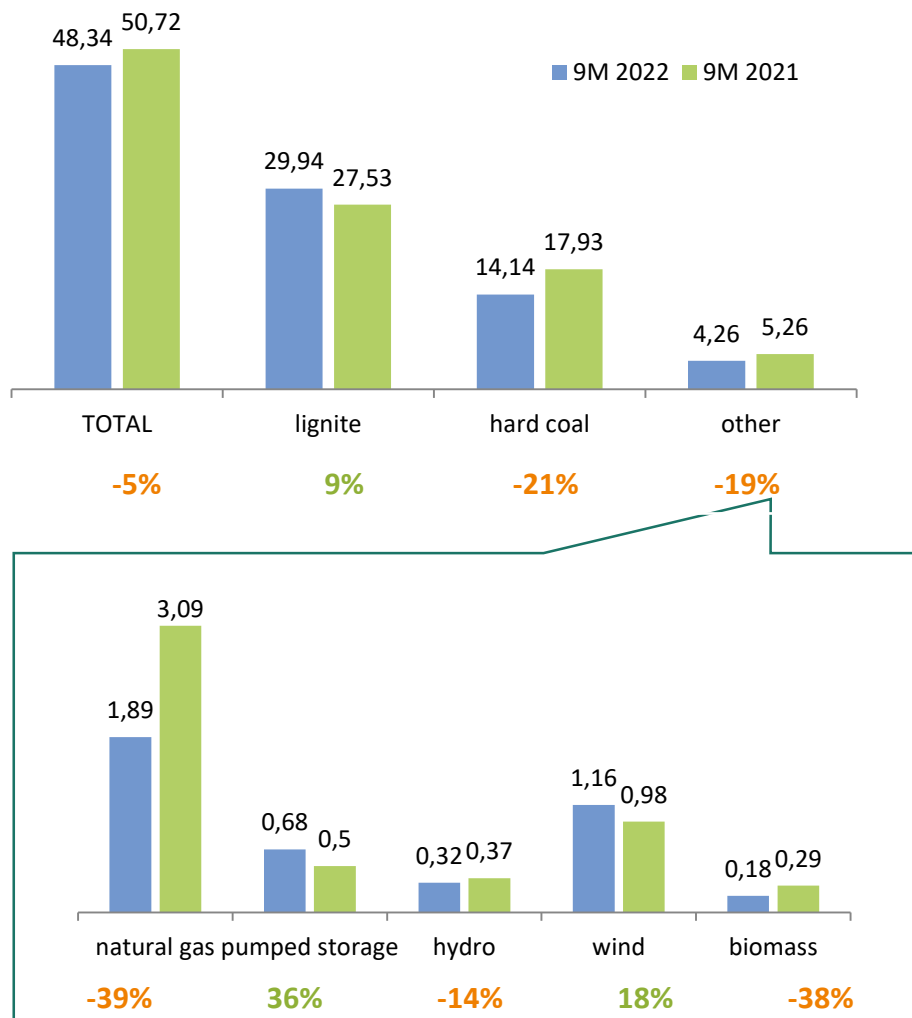
↑ **Wind:** slightly weaker wind conditions.

↓ **Hydro:** less favourable hydrologic conditions, lower river levels.

In Q3'22 and Q3'21 volume of 0.01 TWh was generated from municipal waste (not presented on the bar chart)

# Generation volume by fuel - 9M 2022 y/y

TWh



In 9M'22 and 9M'21 volume of 0.03 TWh was generated from municipal waste (not presented on the bar chart)

## Conventional Generation

↓ **Generation volume:** Decline in production by 4% y/y due to lower load factor of hard coal power plants. Increase in production of lignite power plants.

↑ **Lignite:** higher generation in ELT by 1.0 TWh y/y and ELB by 1.6 TWh due to lower generation on hard coal.

↓ **Hard coal:** significant decline in production y/y due to lower coal availability and maintenance shutdowns (including Opole power plant, approx. -2,5TWh).

## District Heating

↓ **Decline in generation** by 16% y/y on significant decrease in production in gas CHP plants.

↓ **Natural gas:** production decline by (-39% y/y) because of dynamic growth of gas prices by PLN 37.8/GJ and breakdown of CHP Lublin Wrocław.

↓ **Heat:** Decline in heat sales by 2.4 PJ due to higher average daily temperatures in heating season.

## RES

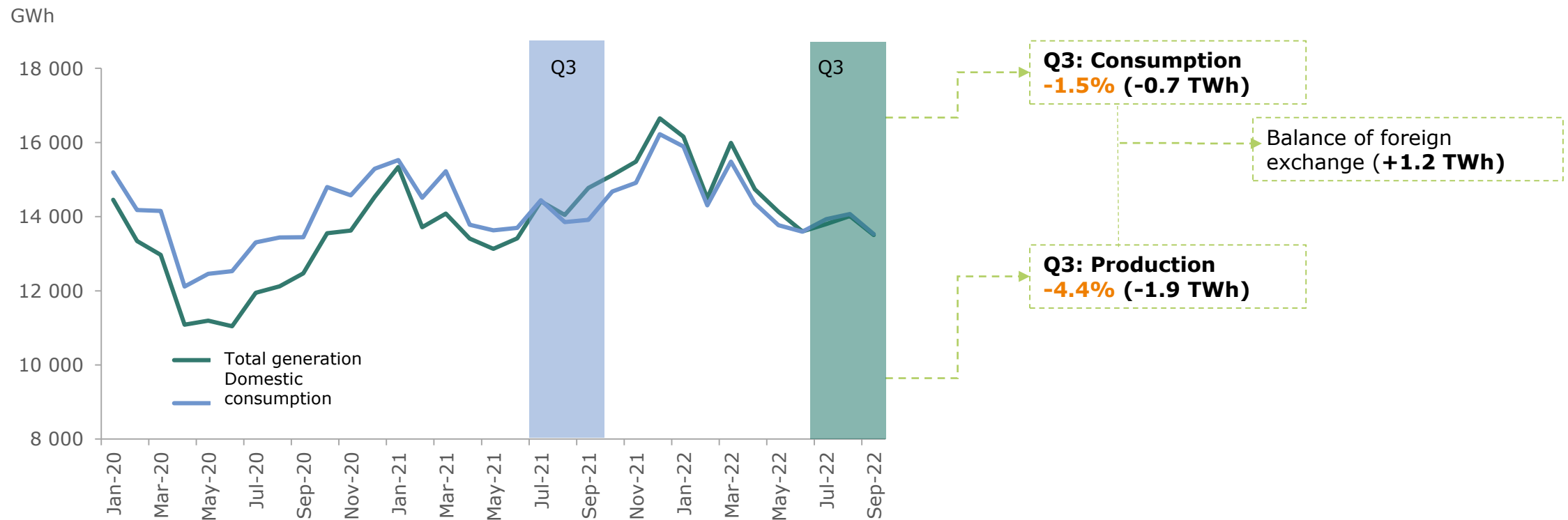
↑ **Wind:** Production higher due to good wind conditions. Load factor at 24% against 23% in 9M 2021.

↓ **Hydro:** weaker hydrologic conditions.

# Electricity market - balance of energy

Reversal of trend of rising demand. Poland became importer of energy in Q3.

Domestic consumption and generation



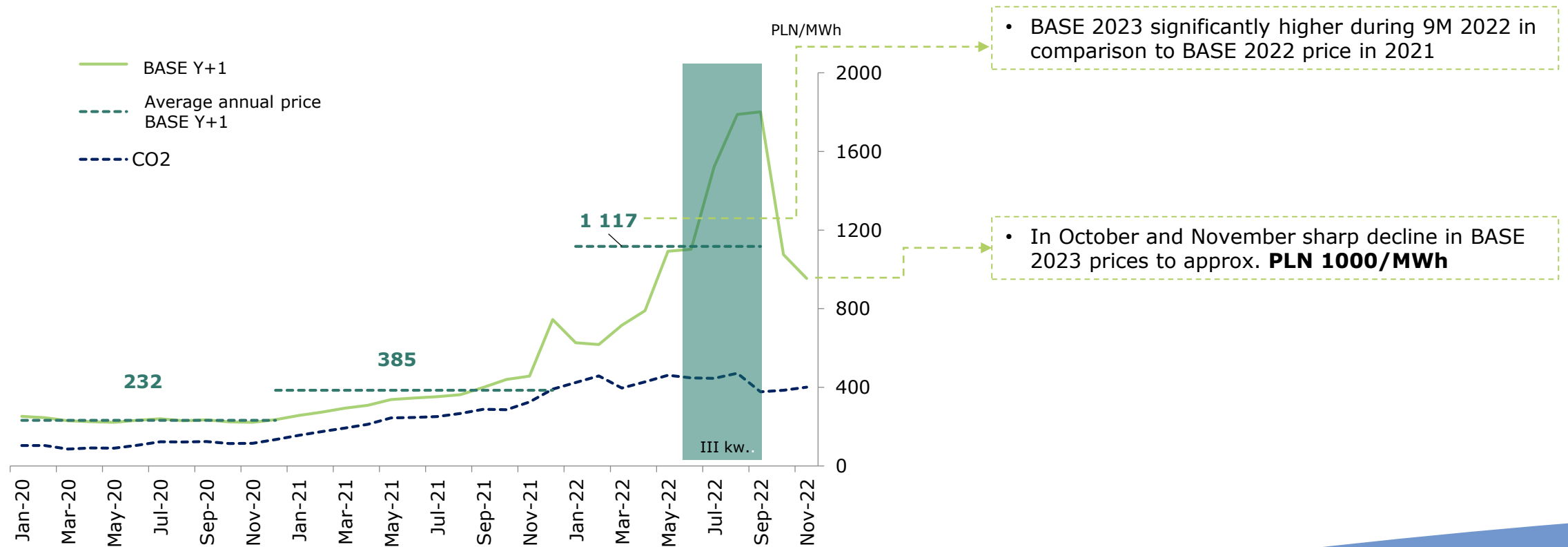
Source: PSE



# Electricity market - price

## Market uncertainty and rising fuel prices reflected in electricity prices

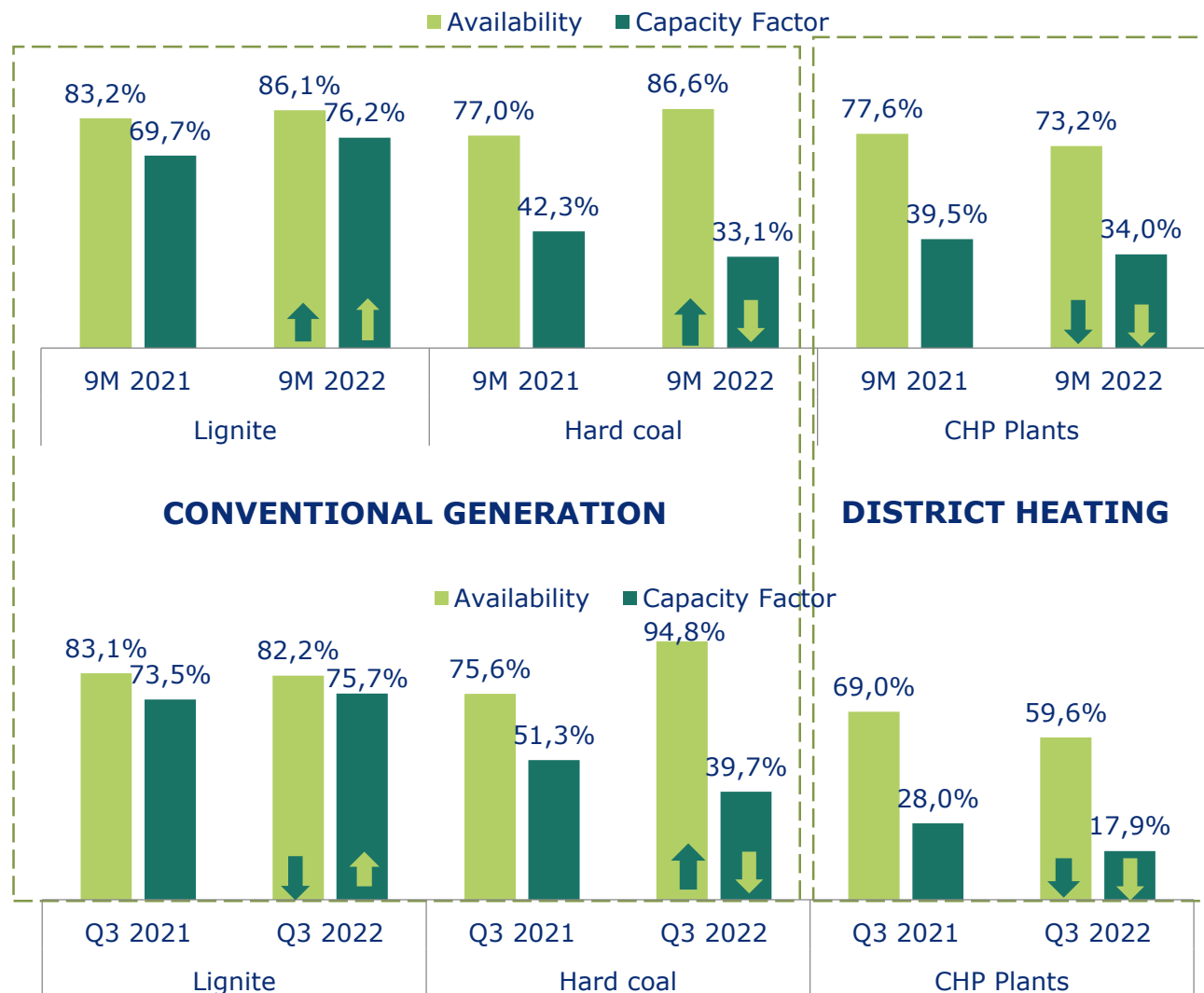
BASE Forward next year and CO<sub>2</sub> prices



Source: TGE, prices till Nov 16.

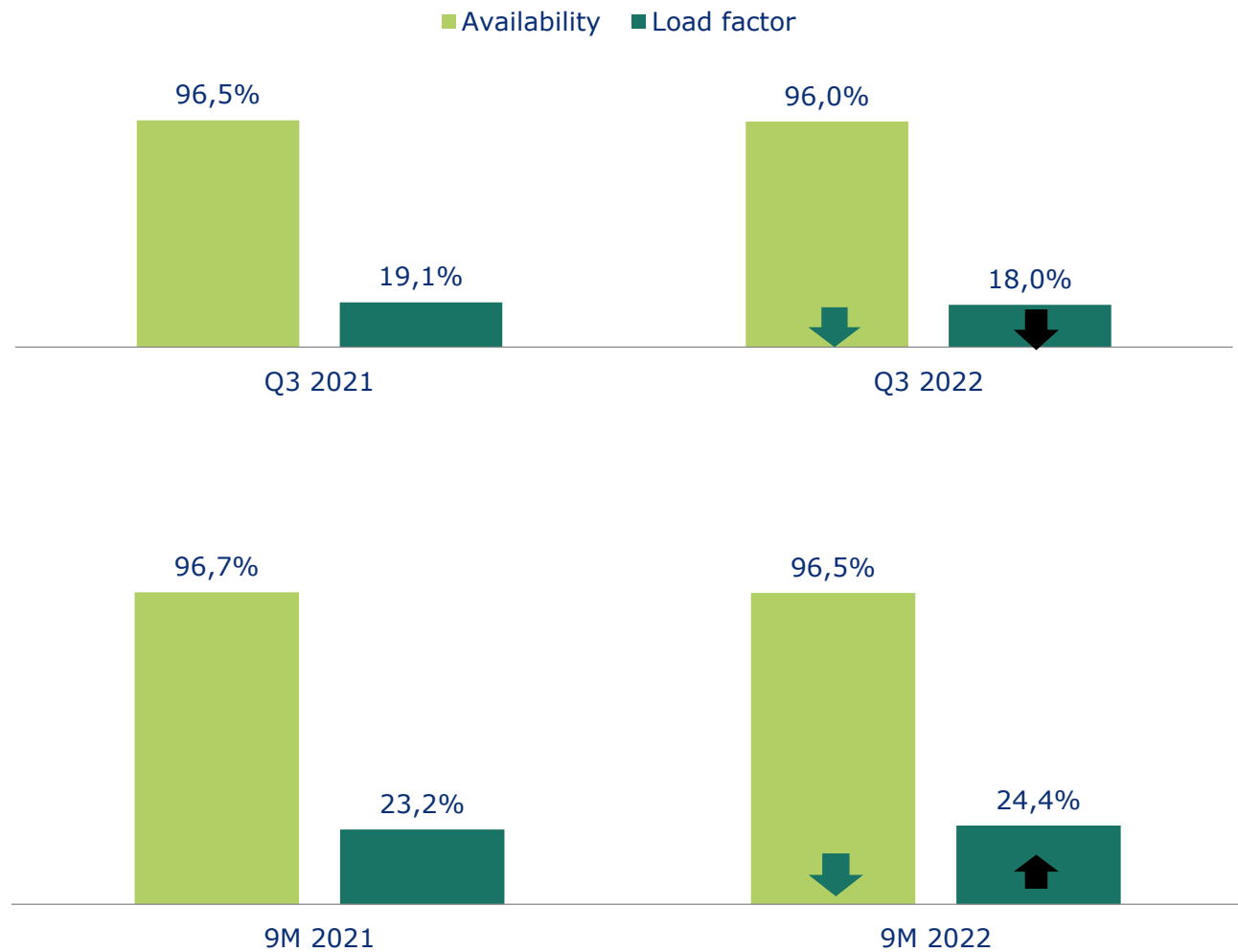
# Generation assets - conventional

## Higher load of lignite power plants



- Significantly higher load factor of lignite power plants due to lower generation of hard coal power plants.
- Lower load factor of hard coal power plants due to limited coal availability and raising coal prices.
- Lower utilisation of CHP plants (lower generation of gas CHP's and higher generation of coal CHP's) due to surging gas prices, breakdown of CHP Lublin and higher outdoor temperatures.

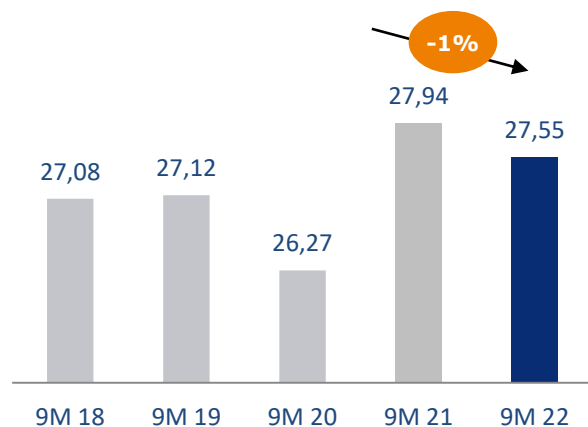
# Generation assets - wind farms



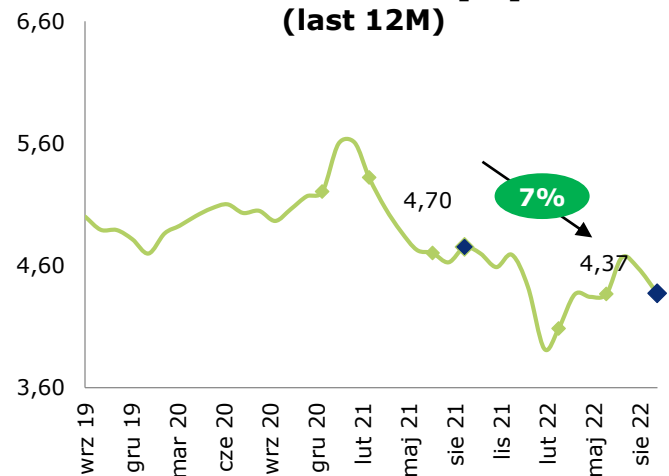
- Lower load factor in Q3 2022 due to slightly worse wind conditions.
- Slightly lower availability.

# Distribution assets

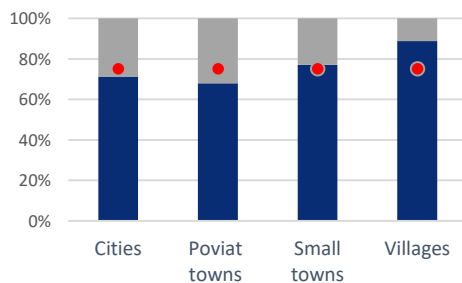
**Volume of electricity distribution (TWh)**



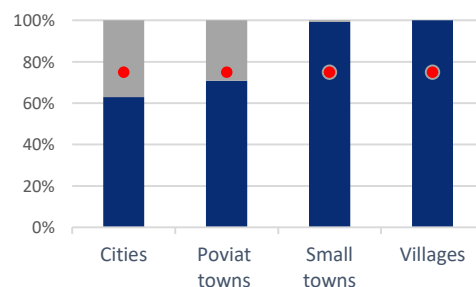
**Network losses [%] (last 12M)**



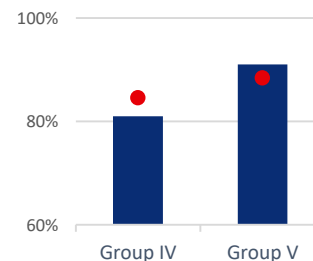
**Interruption duration\***



**Interruption frequency\***



**Connection time\***



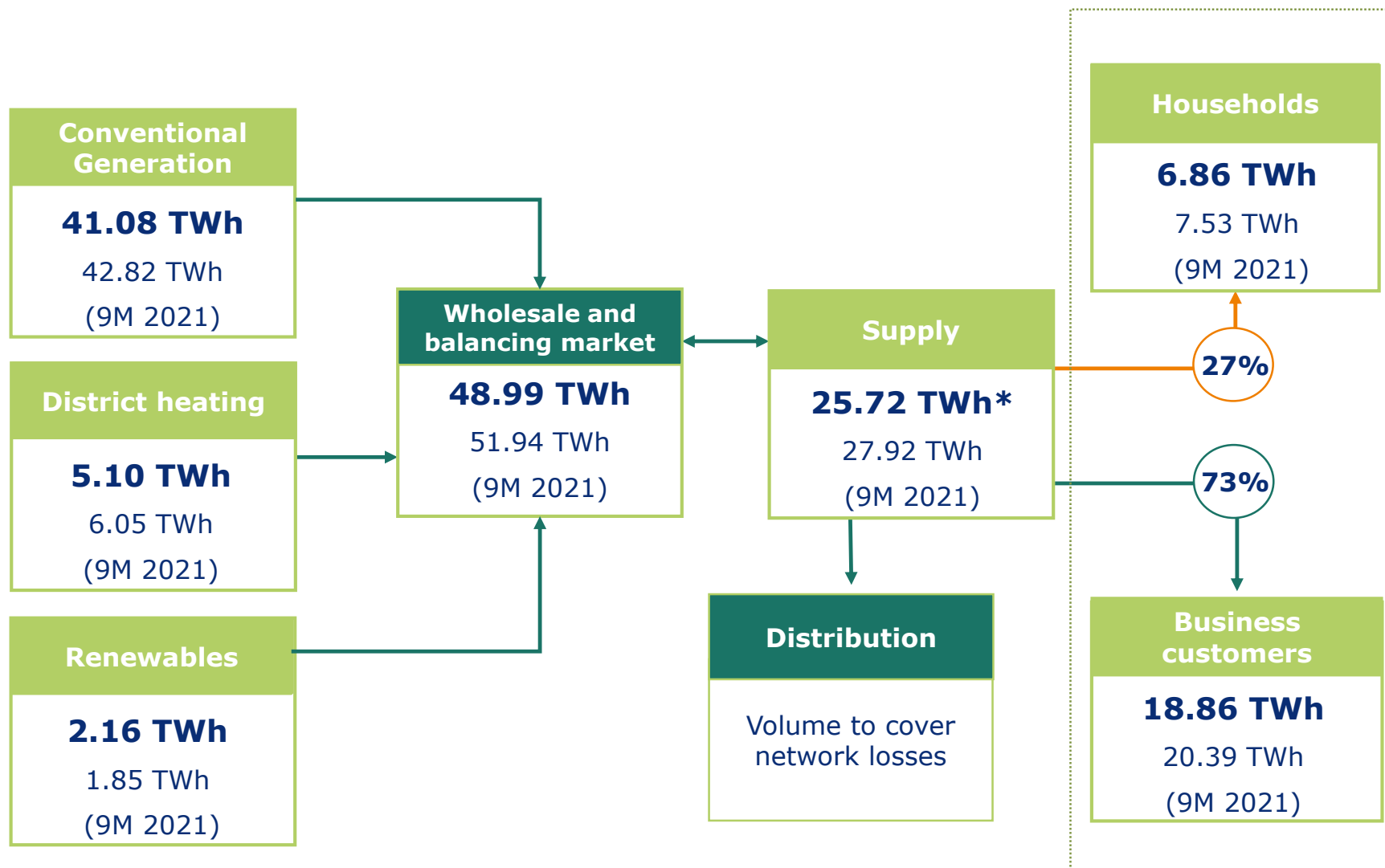
\*Indicators relevant to qualitative KPI's of ERO

• indicated KPI of ERO

- Declining distribution volumes
- Lower level of network losses at the end of September
- Some qualitative indicators of Interruption frequency and frequency time do not meet indicated KPI's due to unfavourable weather conditions.
- Benchmark of connection time in Group 5 temporarily below the threshold.

# 9M 2022 Output and sales of electricity

Illustrative

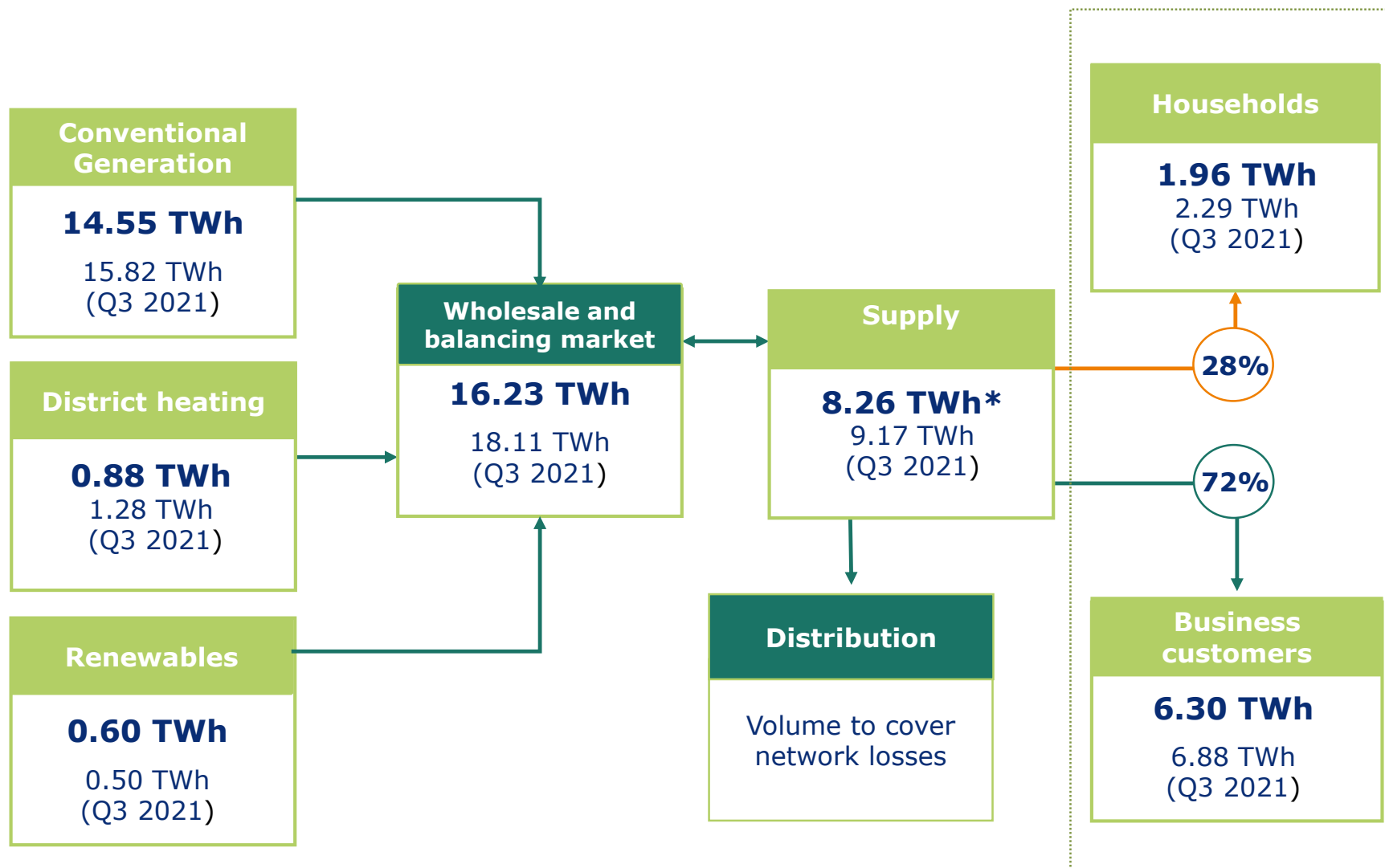


\* Sales after intragroup exemptions. Some business flows incl. Balancing market, international trade, purchases from power exchange and own consumption are not shown.

Source: PGE

# Q3 2022 Output and sales of electricity

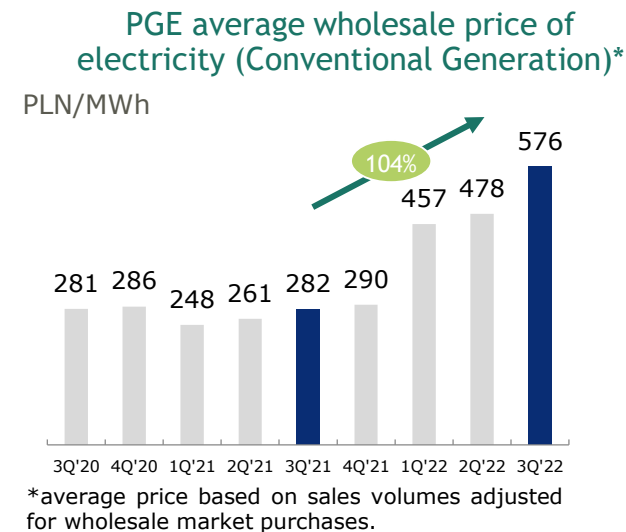
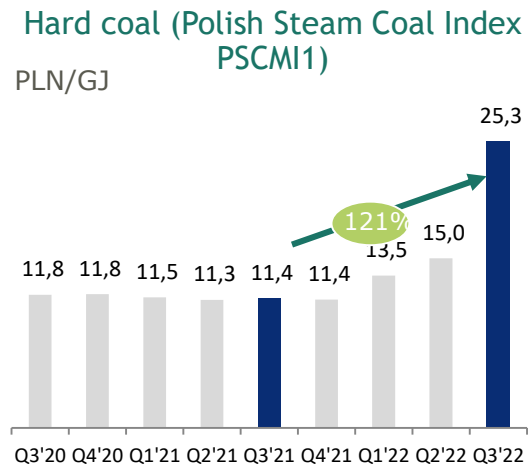
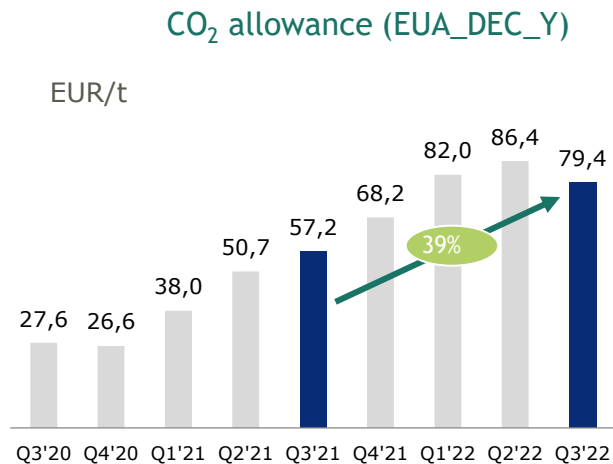
Illustrative



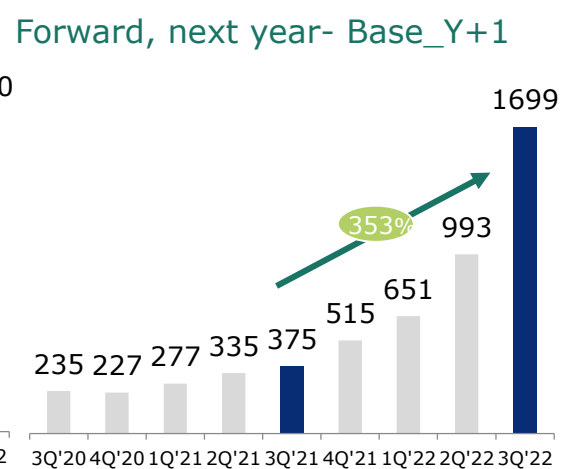
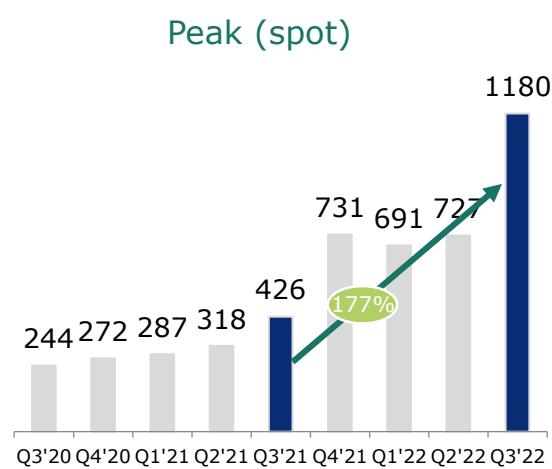
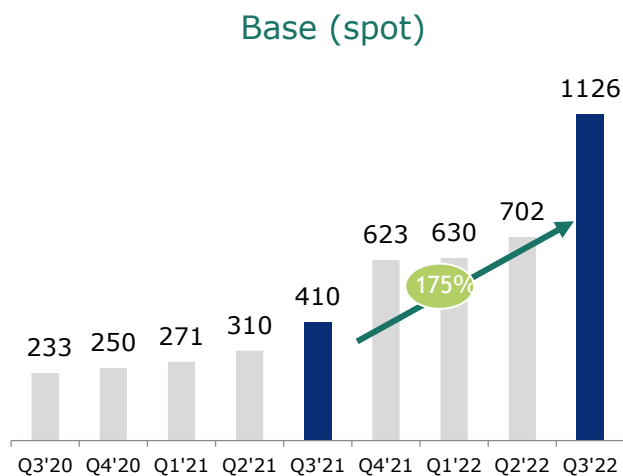
\* Sales after intragroup exemptions. Some business flows incl. Balancing market, international trade, purchases from power exchange and own consumption are not shown.

Source: PGE

# Increasing prices at power exchange y/y



## Average quarterly TGE Electricity Prices (PLN/MWh)



# Invitation for webcast

On behalf of

**Wojciech Dąbrowski**

President & CEO

and

**Lechosław Rojewski**

Vice-President for Finance & CFO

we kindly invite you to a webcast of the presentation of

**PGE Q3 2022 results**

which will be held on

**Wednesday, November 23, 2022**

**at 10:00 AM(CET)**

Transmission will be available on

<https://infostrefa.tv/pge/>

Questions for the Q&A session may be submitted via e-mail

[ir@gkpge.pl](mailto:ir@gkpge.pl) during or before the webcast

and via questionnaire available on the webcast page.



# Sell-side analysts covering PGE

Institution	Analyst
BOŚ	Jakub Viscardi
Citigroup	Piotr Dzieciołowski
IPOPEMA	Robert Maj
mBank	Kamil Kliszczyński
Pekao	Marcin Górnik
PKO BP	Andrzej Rembelski
Santander Biuro Maklerskie	Paweł Puchalski
Societe Generale	Bartłomiej Kubicki
Trigon DM	Michał Kozak
Wood & Company	Ondrej Slama

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Thank you

