

QUARTERLY FINANCIAL STATEMENTS

by the PGE Polska Grupa Energetyczna S.A. Capital Group
for the period of 3 months

ending on March 31, 2026
in accordance with EU IFRS (in PLN million)



Polska Grupa Energetyczna

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I. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE PGE CG FOR THE 3-MONTH PERIOD ENDED MARCH 31, 2026 PREPARED IN ACCORDANCE WITH EU IFRS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Period ended March 31, 2026 <i>(not audited)</i>	Period ended March 31, 2025 <i>(not audited)</i> <i>restated data*</i>
SALES REVENUE	6.1	17,453	17,167
Cost of goods sold	6.2	(13,704)	(13,307)
GROSS PROFIT ON SALES		3,749	3,860
Distribution and selling expenses	6.2	(280)	(194)
General and administrative expenses	6.2	(512)	(459)
Other operating income	6.4	176	122
Other operating expenses		(101)	(69)
OPERATING PROFIT		3,032	3,260
Finance income, including:	6.5	378	230
<i>Interest income calculated using the effective interest rate method</i>		109	45
Finance expenses	6.5	(764)	(486)
Share in the profit/(loss) of entities accounted for using the equity method	6.6	(1)	8
PROFIT BEFORE TAX		2,645	3,012
Income tax	8	(609)	(540)
NET PROFIT FOR REPORTING PERIOD		2,036	2,472
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss in the future:		1,596	(174)
Measurement of debt of financial instruments	19.2	-	9
Measurement of hedging instruments	19.2	1,969	(223)
Foreign exchange differences on translation of foreign operations		1	(1)
Deferred tax	8	(374)	41
NET OTHER INCOME		1,596	(174)
TOTAL COMPREHENSIVE INCOME		3,632	2,298
NET PROFIT ATTRIBUTABLE TO:			
shareholders of the parent company		1,938	2,416
non-controlling interests		98	56
COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
shareholders of the parent company		3,534	2,242
non-controlling interests		98	56
NET PROFIT AND DILUTED NET PROFIT PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY (IN PLN)		0.86	1.08

*The restatement of comparative data is described in Note 3 to these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at March 31, 2026 <i>(not audited)</i>	As at December 31, 2025 <i>(audited)</i>
Property, plant and equipment		66,072	64,775
Intangible assets		2,002	2,025
Rights to use assets		2,023	2,001
Financial receivables	16.1	349	339
Derivatives and other assets measured at fair value through profit or loss	18	1,130	492
Shares, interests and other capital instruments		128	127
Shares accounted for using the equity method	11	403	402
Other non-current assets	17.1	1,748	1,719
CO ₂ emission allowances for own use	15	1,719	458
Deferred income tax assets	13.2	3,456	3,607
NON-CURRENT ASSETS		79,030	75,945
Inventories	14	1,836	2,040
CO ₂ emission allowances for own use	15	8,422	7,841
Income tax receivables		171	185
Derivatives and other assets measured at fair value through profit or loss	18	913	288
Trade receivables and other financial receivables	16.1	8,269	7,336
Other current assets	17.2	1,311	924
Cash and cash equivalents	16.2	8,453	10,809
CURRENT ASSETS		29,375	29,423
TOTAL ASSETS		108,405	105,368
Share capital	19.1	19,184	19,184
Supplementary capital		27,088	27,088
Hedging reserve	19.2	1,185	(410)
Foreign exchange differences		(1)	(2)
Retained earnings/(Accumulated losses)		(2,102)	(4,037)
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY		45,354	41,823
Non-controlling interests		1,262	1,162
TOTAL EQUITY		46,616	42,985
Non-current provisions	20	10,668	10,449
Credits, loans, bonds and leases	21.1	13,716	13,139
Derivative instruments	18	710	581
Deferred income tax liabilities	13.2	828	545
Deferred income and government grants		4,529	4,542
Other financial liabilities	21.2	301	214
Other non-financial liabilities	22.1	220	211
NON-CURRENT LIABILITIES		30,972	29,681
Current provisions	20	17,769	18,344
Credits, loans, bonds and leases	21.1	1,729	1,736
Derivative instruments	18	578	1,093
Trade and other payables	21.2	6,742	7,202
Income tax liabilities		416	673
Deferred income and government grants		290	292
Other non-financial liabilities	22.2	3,293	3,362
CURRENT LIABILITIES		30,817	32,702
TOTAL LIABILITIES		61,789	62,383
TOTAL EQUITY AND LIABILITIES		108,405	105,368

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					
JANUARY 1, 2026	19,184	27,088	(410)	(2)	(4,037)	41,823	1,162	42,985
Net profit for the reporting period	-	-	-	-	1,938	1,938	98	2,036
Other comprehensive income	-	-	1,595	1	-	1,596	-	1,596
COMPREHENSIVE INCOME	-	-	1,595	1	1,938	3,534	98	3,632
Other changes	-	-	-	-	(3)	(3)	2	(1)
TRANSACTIONS WITH OWNERS	-	-	-	-	(3)	(3)	2	(1)
MARCH 31, 2026	19,184	27,088	1,185	(1)	(2,102)	45,354	1,262	46,616

	Share capital	Supplementary capital	Hedging reserve	Foreign exchange differences	Retained earnings / (Accumulated losses)	Total	Non-controlling interests	Total equity
Note	19.1		0					
1 JANUARY 2025	19,184	22,252	(540)	(2)	3,577	44,471	1,058	45,529
Net profit for the reporting period	-	-	-	-	2,416	2,416	56	2,472
Other comprehensive income	-	-	(173)	(1)	-	(174)	-	(174)
COMPREHENSIVE INCOME	-	-	(173)	(1)	2,416	2,242	56	2,298
Share in changes in the capital of jointly controlled entities	-	-	-	-	486	486	-	486
Other changes	-	-	-	-	1	1	-	1
TRANSACTIONS WITH OWNERS	-	-	-	-	487	487	-	487
31 MARCH 2025	19,184	22,252	(713)	(3)	6,480	47,200	1,114	48,314

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Period ended March 31, 2026 <i>(not audited)</i>	Period ended March 31, 2025 <i>(not audited)</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Gross profit		2,645	3,012
Income tax paid		(790)	(1,112)
Adjustments for items and changes in balance:			
Share of loss of equity-accounted investees		1	(8)
Depreciation, liquidation, and write-downs		1,049	1,050
Interest and dividend, net		132	139
(Profit) / loss on investing activities		213	(40)
Change in receivables		573	725
Change in inventories		197	194
Change in CO ₂ emission allowances for own use		(1,842)	599
Change in liabilities, excluding loans and credits		(293)	(1,586)
Change in other non-financial assets, prepayments and accruals		(418)	(129)
Change in provisions		(368)	1,966
Other		80	(72)
NET CASH FROM OPERATING ACTIVITIES		1,179	4,738
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment and intangible assets		(1,831)	(1,893)
Sale of property, plant and equipment and intangible assets		4	3
Placement of deposits with maturities over 3 months		(1,644)	(230)
Withdrawal of deposits with maturities over 3 months		132	211
Acquisition of a fully consolidated entity, net of cash acquired		(435)	-
Acquisition of other financial assets		(8)	(2)
Loans granted		-	(20)
Loan repayment		-	20
Other		(1)	1
NET CASH FROM INVESTING ACTIVITIES		(3,783)	(1,910)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares in jointly controlled entities		-	483
Proceeds from acquired loans, credits		702	29
Repayment of loans, credits and leases		(239)	(1,879)
Interest paid		(235)	(226)
Other		20	17
NET CASH FROM FINANCING ACTIVITIES		248	(1,576)
NET CHANGE IN CASH AND CASH EQUIVALENTS		(2,356)	1,252
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	16.2	10,809	4,363
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	16.2	8,453	5,615

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 2 August 1990 and registered in the District Court in Warsaw, the 16th Commercial Division, on 8 September 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 6th Commercial Division of the National Court Register under number 0000059307. The Company's registered office is located 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, 2026, the composition of the Management Board was as follows:

- Dariusz Lubera – 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.

On 8 December 2025, Mr Dariusz Lubera was delegated from the Supervisory Board to temporarily perform the duties of the President of the Management Board. On 14 January 2026, the Supervisory Board appointed Mr Dariusz Lubera to the Management Board as of 15 January 2026 and entrusted him with the position of President of the Management Board.

On 14 January 2026, the Supervisory Board appointed Ms Katarzyna Rozenfeld to the Management Board as of 19 January 2026 and entrusted her with the position of Vice President of the Management Board.

On March 31, 2026, 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.

On 19 May 2026, the Supervisory Board dismissed Mr Robert Kowalski from the Management Board.

As at the date of approval of these consolidated financial statements for publication, the composition of the Management Board is 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,
- Marcin Laskowski – Vice President of the Management Board.

Ownership structure

The shareholding structure of the parent company was as follows:

	As at March 31, 2026	As at December 31, 2025
State Treasury	60.86%	60.86%
Other shareholders	39.14%	39.14%
Total	100.00%	100.00%

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 78 subsidiaries included in the consolidation. The consolidated financial statements also include 2 entities constituting the so-

called joint operations and 6 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, 2026 to March 31, 2026 and include comparative data for the period from January 1, 2025 to March 31, 2025, as well as as at March 31, 2025. The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2025, approved for publication on April 14, 2026.

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, CO₂ 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 March 31, 2026, the PGE Capital Group recognises an excess of current liabilities over current assets, which is largely due to capital expenditures on the construction of new generation and distribution assets in accordance with the effective Strategy of the PGE CG 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 included in Notes 16.2 and 21.1. As described in the Management Board's Report on the operations of the Capital Group, in the section "Key financial data of the PGE Capital Group", the "net debt / 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.

Changes in accounting policy

In these financial statements, the same accounting principles (policies) and calculation methods were followed as in the last annual financial statements, with the exception of the changes described in detail in Note 3. These financial statements should be read in conjunction with the audited consolidated financial statements of the PGE Capital Group for the year ended December 31, 2025, approved for publication on April 14, 2026.

1.3 Companies consolidated in the PGE Capital Group

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 March 31, 2026	Shareholdings of PGE CG companies as at December 31, 2025
	SEGMENT: SUPPLY			
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. Stalowa Wola	PGE Obrót S.A.	94.76%	94.76%
5.	PGE Paliwa sp. z o.o. Kraków	PGE S.A.	100.00%	100.00%
	SEGMENT: COAL ENERGY			
6.	PGE Górnictwo i Energetyka Konwencjonalna S.A. Bełchatów	PGE S.A.	100.00%	100.00%
7.	MegaSerwis sp. z o.o. Bogatynia	PGE GIEK S.A.	100.00%	100.00%
8.	ELMEN sp. z o.o. Wola Grzymalina	PGE GIEK S.A. PGE S.A.	84.04% 15.96%	100.00%
9.	ELTUR-SERWIS sp. z o.o. Bogatynia	PGE GIEK S.A.	100.00%	100.00%
10.	„Betrans” sp. z o.o. Kalisko	PGE GIEK S.A.	100.00%	100.00%
11.	BESTGUM POLSKA sp. z o.o. Rogowiec	PGE GIEK S.A.	100.00%	100.00%
12.	RAMB sp. z o.o. Piaski	PGE GIEK S.A.	100.00%	100.00%
	SEGMENT: DISTRICT HEATING			
13.	PGE Energia Ciepła S.A. Warsaw	PGE S.A.	100.00%	100.00%
14.	PGE Toruń S.A. Toruń	PGE EC S.A.	95.34%	95.34%
15.	Zespół Elektrociepłowni Wrocławskich KOGENERACJA S.A. Wrocław	PGE EC S.A.	58.07%	58.07%
16.	PGE EC Operator sp. z o.o. Warsaw	PGE EC S.A.	100.00%	-
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%
	SEGMENT: GAS-FIRED GENERATION			
19.	PGE Gryfino Dolna Odra sp. z o. o. Warsaw	PGE S.A.	100.00%	100.00%
20.	PGE Nowy Rybnik sp. z o.o. Rybnik	PGE S.A.	100.00%	100.00%
21.	PGE Inwest 23 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
22.	PGE Inwest 26 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
23.	PGE Inwest 27 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
24.	PGE Inwest 28 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
25.	PGE Inwest 29 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
26.	PGE Inwest 30 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
27.	PGE Inwest 31 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
28.	PGE Inwest 35 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
29.	PGE Inwest 36 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
30.	PGE Inwest 37 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%

	Name of entity	Entity holding shares	Shareholdings of PGE CG companies as at March 31, 2026	Shareholdings of PGE CG companies as at December 31, 2025
31.	PGE Inwest 38 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
	SEGMENT: RENEWABLES			
32.	PGE Energia Odnawialna S.A. Warsaw	PGE S.A.	100.00%	100.00%
33.	Elektrownia Wiatrowa Baltica-1 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
34.	Elektrownia Wiatrowa Baltica-4 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
35.	Elektrownia Wiatrowa Baltica-5 sp. z o.o. Warsaw	PGE S.A.	66.19%	66.19%
36.	Elektrownia Wiatrowa Baltica-6 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
37.	Elektrownia Wiatrowa Baltica-7 sp. z o.o. Warsaw	PGE S.A.	55.04%	55.04%
38.	Elektrownia Wiatrowa Baltica-8 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
39.	Elektrownia Wiatrowa Baltica 9 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
40.	PGE Baltica 2 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
41.	PGE Baltica 3 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
42.	PGE Baltica 5 sp. z o.o. Warsaw	PGE Baltica 3 sp. z o.o.	100.00%	100.00%
43.	PGE Baltica 6 sp. z o.o. Warsaw	PGE Baltica 2 sp. z o.o.	100.00%	100.00%
44.	PGE Baltica sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
45.	PGE Inwest 12 sp. z o.o. Warsaw	PGE S.A.	51.00%	51.00%
46.	PGE Inwest 14 sp. z o.o. Warsaw	PGE EO S.A.	100.00%	100.00%
47.	PGE Inwest 21 sp. z o.o. Warsaw	PGE EO S.A.	100.00%	100.00%
48.	PGE Inwest 22 sp. z o.o. Warsaw	PGE EO S.A.	100.00%	100.00%
49.	PGE Inwest 24 sp. z o.o. Warsaw	PGE EO S.A.	100.00%	100.00%
50.	Wind Farm Łada sp. z o. o. Kraków	PGE EO S.A.	100.00%	-
51.	Elektrownia Wiatrowa Baltica + sp. z o.o. (formerly RWE Offshore Wind Poland sp. z o.o.) Warsaw	EWB9 sp. z o.o.	100.00%	-
	SEGMENT: DISTRIBUTION			
52.	PGE Dystrybucja S.A. Lublin	PGE S.A.	100.00%	100.00%
	SEGMENT: RAILWAY ENERGY SERVICES			
53.	PGE Energetyka Kolejowa Holding sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
54.	PGE Energetyka Kolejowa S.A. Warsaw	PGE EKH sp. z o.o.	100.00%	100.00%
55.	PGE Energetyka Kolejowa Operator sp. z o.o. Warsaw	PGE EKH sp. z o.o.	100.00%	100.00%
56.	PGE Energetyka Kolejowa CUW sp. z o.o. Łódź	PGE EKH sp. z o.o.	100.00%	100.00%
57.	Energetyka Kolejowa Budownictwo sp. z o.o. Warsaw	PGE EKH sp. z o.o.	100.00%	100.00%
58.	Energetyka Kolejowa sp. z o.o. Warsaw	PGE EKH sp. z o.o.	100.00%	100.00%
59.	Cedton Investments sp. z o. o. Warsaw	PGE EKH sp. z o.o.	100.00%	100.00%
	SEGMENT: OTHER ACTIVITIES			
60.	PGE Systemy S.A. Warsaw	PGE S.A.	100.00%	100.00%
61.	PGE Sweden AB (publ) Stockholm	PGE S.A.	100.00%	100.00%
62.	PGE Synergia sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
63.	ELBIS sp. z o.o. Rogowiec	PGE S.A.	100.00%	100.00%
64.	PGE Inwest 2 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
65.	PGE Ventures sp. z o. o. Warsaw	PGE S.A.	100.00%	100.00%

	Name of entity	Entity holding shares	Shareholdings of PGE CG companies as at March 31, 2026	Shareholdings of PGE CG companies as at December 31, 2025
66.	PGE Inwest 9 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
67.	PGE Inwest 10 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
68.	PGE Inwest 11 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
69.	PGE Asekuracja S.A. Warsaw	PGE S.A.	100.00%	100.00%
70.	PGE Inwest 20 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
71.	PGE Inwest 25 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
72.	PGE Inwest 32 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
73.	PGE Inwest 33 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
74.	PGE Inwest 34 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
75.	PGE Ekoserwis S.A. Wrocław	PGE S.A.	100.00%	100.00%
76.	ZOWER sp. z o.o. Rybnik	PGE Ekoserwis S.A.	100.00%	100.00%
77.	Energetyczne Systemy Pomiarowe sp. z o.o. Białystok	PGE Dystrybucja S.A.	100.00%	100.00%
78.	Elbest Security sp. z o. o. Bełchatów	PGE S.A.	100.00%	100.00%
79.	PGE Energia Jądrowa S.A. Warsaw	PGE S.A.	100.00%	100.00%

The table above includes the following changes in the structure of the PGE Capital Group companies subject to full consolidation that occurred in the first quarter of 2026:

- 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 (KRS).
- On January 29, 2026, PGE EO S.A. acquired 100% of the shares in Wind Farm Łada sp. z o. o.
- On March 10, 2026, Elektrownia Wiatrowa Baltica 9 sp. z o.o. acquired 100% of the shares in RWE Offshore Wind Poland sp. z o.o.

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 March 31, 2026	Shareholdings of PGE CG companies as at December 31, 2025
	SEGMENT: RENEWABLES			
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 March 31, 2026	Shareholdings of PGE CG companies as at December 31, 2025
1.	Polimex Mostostal S.A. Warsaw	PGE S.A.	15.94%	16.13%
2.	Przedsiębiorstwo Energetyki Ciepłej S.A. Bogatynia	PGE EC S.A.	34.93%	34.93%
3.	DKRB Gdańsk sp. z o.o. Gdańsk	PGE EC S.A.	50%	-
4.	ZPBE Energopomiar sp. z o.o. Gliwice	PGE GiEK S.A.	49.79%	49.79%
5.	PGE SOLEO KLESZCZÓW sp. z o.o. Kleszczów	PGE EO S.A.	50.00%	50.00%
6.	ELESTER sp. z o. o. Łódź	PGE Energetyka Kolejowa Holding sp. z o.o.	39.96%	39.96%
		PGE Energetyka Kolejowa S.A.	50.00%	50.00%

On February 13, 2026, a conditional agreement for the sale of 50% of the shares in DKRB Gdańsk sp. z o.o. was concluded between PGE EC S.A. as the buyer and Gdańskie Przedsiębiorstwo Energetyki Ciepłej sp. z o.o. as the seller, as a result of which the parties undertook to conclude an agreement for the transfer of ownership of these shares (dispositive agreement) to PGE EC S.A., provided that the condition set out in the agreement is met. On March 19, 2026, following the fulfilment of a specific condition precedent, the above-mentioned share transfer agreement (dispositive agreement) was concluded, as a result of which PGE Energia Ciepła S.A. acquired 50% of the shares in DKRB Gdańsk sp. z o.o.

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.

1.4 Settlement of the acquisition of new companies

Acquisition of Wind Farm Łada sp. z o.o.

On January 29, 2026, PGE Energia Odnawialna S.A. acquired 100% of the shares in Wind Farm Łada sp. z o.o. from Green Energy Holding sp. z o.o. The newly acquired company owns the 35 MW Dzwola wind farm.

In accordance with the requirements of IFRS 3 Business Combinations, a preliminary analysis was performed to determine whether the acquired assets and liabilities meet the definition of a business and whether the transaction should be accounted for in accordance with IFRS 3 as a business combination, or whether the acquired assets do not constitute a business and the transaction should be accounted for as an asset acquisition.

In these financial statements, the transaction was preliminary recognized as an asset acquisition. Nevertheless, the analyses have not yet been completed.

The total value of cash transferred under the transaction amounted to PLN 330 million. The amount of PLN 33 million constituted the payment for the shares, while the amount of PLN 297 million related to the subrogation of liabilities. The carrying amount of the net assets purchased as at January 29, 2026 amounted to

approximately PLN 18 million. The main asset component of the acquired company is property, plant and equipment with a carrying amount of approximately PLN 304 million. The share purchase agreement also provides for contingent consideration mechanisms, depending on the fulfilment of certain conditions in future periods, which may affect the final acquisition price. The amount of consideration remaining for potential payment is PLN 0.5 million.

In accordance with the requirements of IFRS 3, the PGE CG should complete the acquisition settlement within one year from the date of acquisition.

Acquisition of RWE Offshore Wind Poland sp. z o.o.

On March 10, 2026, following the fulfilment of 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 newly acquired company is in the initial phase of the FEW Bałtyk II project with a capacity of approximately 350 MW. Following the acquisition by the PGE CG, the company changed its name to Elektrownia Wiatrowa Baltica + sp. z o.o.

In accordance with the requirements of IFRS 3 Business Combinations, a preliminary analysis was performed to determine whether the acquired assets and liabilities meet the definition of a business and whether the transaction should be accounted for in accordance with IFRS 3 as a business combination, or whether the acquired assets do not constitute a business and the transaction should be accounted for as an asset acquisition.

In these financial statements, the transaction was preliminary recognized as an asset acquisition. Nevertheless, the analyses have not yet been completed.

price. The main asset of the acquired company consists of property, plant and equipment under Cash transferred up to the date of approval of these financial statements for publication as part of the consideration for the acquisition of shares amounted to EUR 27 million. The share purchase agreement also provides for contingent consideration mechanisms, depending on the fulfilment of certain conditions in future periods, which may affect the final acquisition construction.

In accordance with the requirements of IFRS 3, the PGE CG should complete the acquisition settlement within one year from the date of acquisition.

2. Basis for preparation of the financial statements

2.1 Statement of compliance

These consolidated financial statements have been drawn up in accordance with International Accounting Standard 34 Interim Financial Reporting and in accordance with the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information to be disclosed by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state (Dz.U. [Journal of Laws], 2018, item 757).

The International Financial Reporting Standards 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:

	March 31, 2026	December 31, 2025	March 31, 2025
USD	3.7408	3.6016	3.8643
EUR	4,2894	4.2267	4.1839

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, 2026.

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
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.
- 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 CO₂ 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 18 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.

- In previous reporting periods, the Group recognised impairment write-downs on assets, including in particular property, plant and equipment. In the current reporting period, the Group has not identified any indications for impairment testing or reversal of write-downs recognised in previous periods. 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 useful lives of property, plant and equipment, intangible assets and rights-of-use assets are subject to periodic review.
- 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 has established an estimated liability of PLN 164 million (PLN 313 million as at December 31, 2025 and PLN 138 million as at March 31, 2025).
- Detailed information related to tax settlements is described in Note 24 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 23 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.
- Certain revenue from sales, as described in Note 6.1 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. Changes in accounting principles and data presentation

New standards and interpretations effective as of January 1, 2026

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 2025, 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 changes presented below did not have any material impact on the presented and disclosed financial information or did not apply to transactions entered into by the Group, or their application is required only in the annual financial statements:

- Annual Improvements to Standards, concerning IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7;
- Amendments to IFRS 9 and IFRS 7 - the amendments concern disclosures on the classification and measurement of financial instruments;
- Amendments to IFRS 9 and IFRS 7 - the amendments cover renewable energy contracts.

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.

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 effect of the restatement is presented in the table below.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended March 31, 2025 <i>published data</i>	Change in presentation – gross basis	Change in the presentation of provisions for onerous contracts	Year ended March 31, 2025 <i>restated data</i>
SALES REVENUE	17,167	-	-	17,167
Cost of goods sold	(13,337)	-	30	(13,307)
GROSS PROFIT ON SALES	3,830	-	30	3,860
Distribution and selling expenses	(194)	-	-	(194)
General and administrative expenses	(459)	-	-	(459)
Other net operating income/(expenses)	83	(83)	-	no presentation
Other operating income	no presentation	152	(30)	122
Other operating expenses	no presentation	(69)	-	(69)
OPERATING PROFIT	3,260	-	-	3,260
Net finance income/(expenses), of which:	(256)	256	-	no presentation
<i>Interest income calculated using the effective interest rate method*</i>	73	(28)	-	45
Finance income	no presentation	230	-	230
Finance expenses	no presentation	(486)	-	(486)
Share in (loss) of entities accounted for using the equity method	8	-	-	8
PROFIT BEFORE TAX	3,012	-	-	3,012

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

4. 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.

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 CO₂ 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.

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 Group's expectations regarding the development of inflation over the term of the Contract for Difference (CfD).

FAIR VALUE HIERARCHY	Assets as at March 31, 2026			Liabilities as at March 31, 2026		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Hard coal in trading activity	124	-	-	-	-	-
INVENTORIES	124	-	-	-	-	-
Currency forwards	-	3	-	-	17	-
Commodity forwards	-	14	-	-	176	-
Commodity SWAP	-	10	-	-	31	-
Coal purchase/sale contracts	-	15	-	-	4	-
Energy sale contracts	-	-	-	-	-	101
Embedded derivatives in the Contract for Difference (CfD)	-	-	-	-	-	485
Options	-	7	-	-	-	-
DERIVATIVES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	-	49	-	-	228	586
CCIRS hedging transactions	-	10	-	-	-	-
IRS hedging transactions	-	364	-	-	17	-
Currency forwards	-	50	-	-	243	-
Commodity forwards – all-in-one-hedge	-	1,479	-	-	214	-
Commodity SWAP	-	13	-	-	-	-
Inflation SWAP	-	41	-	-	-	-
HEDGING DERIVATIVES	-	1,957	-	-	474	-
Investment fund participation units	-	37	-	-	-	-
OTHER ASSETS / LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	-	37	-	-	-	-

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	-	-	-	-	-
INVENTORIES	191	-	-	-	-	-
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	-	-	-	-
DERIVATIVES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	-	108	-	-	162	373
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	-
HEDGING DERIVATIVES	1	634	-	-	1,139	-
Investment fund participation units	-	37	-	-	-	-
OTHER ASSETS / LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	-	37	-	-	-	-

Derivatives are presented in Note 18 to these financial statements. There were no transfers of financial instruments between the first and second levels of the fair value hierarchy in the reporting and comparative period.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

EXPLANATORY NOTES TO THE BUSINESS SEGMENTS

5. Information on the business segments

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,

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.

The PGE CG reports segment information for both the current and comparative periods in accordance with IFRS 8 *Operating Segments*. The Group's reporting is divided into the following 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 includes lignite mining and electricity generation from conventional sources as well as auxiliary activities in this respect.
- 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, CO₂ 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.

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.

5.1 Information on the Business segments

Information on business segments for the period ended March 31, 2026 or as at March 31, 2026

	Renewable	Gas-fired Generation	Coal Energy	District Heating	Distribution	Railway Energy Services	Supply	Other Activities	Adjustments and consolidation eliminations	Total
PROFIT AND LOSS ACCOUNT										
Sales to external customers	588	77	895	2,509	3,051	1,422	8,851	61	(1)	17,453
Inter-segment sales	172	1,251	6,203	1,602	108	8	10,478	213	(20,035)	-
TOTAL SEGMENT SALES	760	1,328	7,098	4,111	3,159	1,430	19,329	274	(20,036)	17,453
Cost of goods sold	(352)	(1,161)	(6,666)	(3,070)	(2,024)	(1,081)	(18,610)	(219)	19,479	(13,704)
EBIT	347	115	137	890	1,070	224	356	18	(125)	3,032
Amortisation, liquidation recognised in profit or loss	103	64	60	224	407	105	9	27	(9)	990
Impairment write-downs recognised in profit or loss	-	-	52	8	-	-	-	-	(1)	59
EBITDA	450	179	249	1,122	1,477	329	365	45	(135)	4,081
GROSS PROFIT	-	-	-	-	-	-	-	-	-	2,645
Income tax	-	-	-	-	-	-	-	-	-	(609)
NET PROFIT FOR REPORTING PERIOD	-	-	-	-	-	-	-	-	-	2,036
ASSETS AND LIABILITIES										
Segment assets without PPE, IA, RTUA and trade receivables	1,676	803	10,921	1,651	186	262	1,020	145	(1,628)	15,036
PPE, IA, RTUA	11,839	7,331	4,480	9,183	29,647	7,665	315	600	(963)	70,097
Trade receivables	302	509	2,123	1,191	1,947	730	12,075	159	(12,660)	6,376
Shares accounted for using the equity method	-	-	-	-	-	-	-	-	-	403
Unallocated assets	-	-	-	-	-	-	-	-	-	16,493
TOTAL ASSETS	-	-	-	-	-	-	-	-	-	108,405
Segment payables excluding trade payables	1,481	752	23,703	3,845	7,001	1,070	6,293	332	(5,125)	39,352
Trade payables	99	1,040	5,424	1,752	815	2,082	5,802	97	(12,652)	4,459
Unallocated liabilities	-	-	-	-	-	-	-	-	-	17,978
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	61,789
OTHER INFORMATION ON THE SEGMENT										
Capital expenditure / RTUA increases	787	66	40	158	574	59	1	24	(52)	1,657
Acquisition of PPE, IA, RTUA as part of the acquisition of new companies	599	-	-	-	-	-	-	-	-	599
Impairment write-downs of financial and non-financial assets	(8)	-	61	32	4	1	69	-	(3)	156
Other non-cash expenses*	18	173	4,403	1,096	70	43	(23)	14	(14)	5,780

*Non-cash changes relate to provisions for e.g. rehabilitation, CO₂ emission allowances, jubilee rewards, employee tariff, and non-financial employee benefit obligations recognised in profit or loss and other comprehensive income.

Information on business segments for the period ended March 31, 2025 or as at December 31, 2025.

<i>restated data*</i>	Renewable	Gas-fired Generation	Coal Energy	District Heating	Distribution	Railway Energy Services	Supply	Other Activities	Adjustments and consolidation eliminations	Total
STATEMENT OF COMPREHENSIVE INCOME										
Sales to external customers	517	93	3,772	2,279	2,895	1,344	6,195	71	1	17,167
Inter-segment sales	172	1,082	3,762	1,410	115	11	4,093	180	(10,825)	-
TOTAL SEGMENT SALES	689	1,175	7,534	3,689	3,010	1,355	10,288	251	(10,824)	17,167
Cost of goods sold	(282)	(1,114)	(6,960)	(2,846)	(1,994)	(1,009)	(9,188)	(169)	10,255	(13,307)
EBIT	348	30	225	701	945	237	734	49	(9)	3,260
Amortisation, liquidation recognised in profit or loss	87	60	173	202	374	114	10	16	(7)	1,029
Impairment write-downs recognised in profit or loss	11	-	10	-	-	-	-	-	-	21
EBITDA	446	90	408	903	1,319	351	744	65	(16)	4,310
GROSS PROFIT	-	-	-	-	-	-	-	-	-	3,012
Income tax	-	-	-	-	-	-	-	-	-	(540)
NET PROFIT FOR REPORTING PERIOD	-	-	-	-	-	-	-	-	-	2,472
ASSETS AND LIABILITIES										
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
TOTAL ASSETS	-	-	-	-	-	-	-	-	-	105,368
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
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	62,383
OTHER INFORMATION ON THE SEGMENT										
TOTAL CAPITAL EXPENDITURE	510	262	137	155	638	61	2	20	(69)	1,716
Impairment write-downs of financial and non-financial assets	-	-	16	18	7	1	36	4	(3)	79
Other non-cash expenses**	13	116	3,992	898	77	33	93	12	(94)	5,140

*The restatement of comparative data is described in Note 3 to these consolidated financial statements.

**Non-cash changes relate to provisions for e.g. rehabilitation, CO₂ emission allowances, jubilee rewards, employee tariff, and non-financial employee benefit obligations recognised in profit or loss and other comprehensive income.

EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

6. Revenue and expenses

6.1 Sales revenue

Sales revenue for the period ended March 31, 2026 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.

	Renewables Renewable	Gas-fired Generation	Coal Energy	District Heating	Distribution	Railway Energy Services	Supply	Other Activities	Adjustments and consolidation eliminations	Total
Revenue from contracts with customers	769	1,328	7,092	4,052	3,136	1,430	19,351	274	(20,029)	17,403
Compensation – energy, gas, heat	-	-	-	-	-	-	(24)	-	-	(24)
RES auction support system	(11)	-	-	-	-	-	-	-	-	(11)
High-efficiency cogeneration support	-	-	-	51	-	-	-	-	-	51
Leasing	2	-	6	8	23	-	2	-	(7)	34
TOTAL SALES REVENUE	760	1,328	7,098	4,111	3,159	1,430	19,329	274	(20,036)	17,453

The table below presents 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.

Type of good or service	Renewables Renewable	Gas-fired Generation	Coal Energy	District Heating	Distribution	Railway Energy Services	Supply	Other Activities	Adjustments and consolidation eliminations	Total
Revenue from sales of goods and products including taxes and charges	754	1,328	7,079	4,031	3,842	1,402	19,260	47	(19,649)	18,094
<i>Taxes and charges collected on behalf of third parties</i>	-	-	(4)	(1)	(722)	(143)	(39)	-	-	(909)
Revenue from sales of goods and products, of which:	754	1,328	7,075	4,030	3,120	1,259	19,221	47	(19,649)	17,185
Electricity	519	1,059	6,086	1,601	4	540	9,658	-	(10,165)	9,302
Distribution services	-	-	1	4	3,037	659	21	-	(106)	3,616
Heat	-	-	70	2,276	-	-	12	-	(12)	2,346
Support mechanisms	217	97	885	119	-	-	13	-	-	1,331
Energy origin rights	15	-	-	2	-	-	-	-	(7)	10
Natural gas	-	77	-	7	-	-	1,351	-	(1,156)	279
Other fuels	-	-	-	-	-	59	292	-	(222)	129
CO ₂ emission allowances	-	95	-	15	-	-	7,875	-	(7,953)	32
Other	3	-	33	6	79	1	(1)	47	(28)	140
Revenue from sales of services	15	-	17	22	16	171	130	227	(380)	218
REVENUE FROM CONTRACTS WITH CUSTOMERS	769	1,328	7,092	4,052	3,136	1,430	19,351	274	(20,029)	17,403

Sales revenue for the period ended March 31, 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.

<i>restated data</i>	Renewables	Gas-fired Generation	Coal Energy	District Heating	Distribution	Railway Energy Services	Supply	Other Activities	Adjustments and consolidation eliminations	Total
Revenue from contracts with customers	695	1,175	7,529	3,590	2,989	1,354	9,984	251	(10,817)	16,750
Compensation – energy, gas, heat, distribution service	-	-	-	69	-	1	302	-	-	372
RES auction support system	(7)	-	-	-	-	-	-	-	-	(7)
High-efficiency cogeneration support	-	-	-	18	-	-	-	-	-	18
Compensations – Long-term Contracts	-	-	-	4	-	-	-	-	-	4
Leasing	1	-	5	8	21	-	2	-	(7)	30
TOTAL SALES REVENUE	689	1,175	7,534	3,689	3,010	1,355	10,288	251	(10,824)	17,167

The table below presents 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.

<i>restated data</i>	Renewables	Gas-fired Generation	Coal Energy	District Heating	Distribution	Railway Energy Services	Supply*	Other Activities	Adjustments and consolidation eliminations	Total
Revenue from sales of goods and products including taxes and charges	683	1,175	7,519	3,572	3,309	1,294	9,776	56	(10,391)	16,993
<i>Taxes and charges collected on behalf of third parties</i>	-	-	(4)	(1)	(339)	(78)	(34)	-	-	(456)
Revenue from sales of goods and products, including:	683	1,175	7,515	3,571	2,970	1,216	9,742	56	(10,391)	16,537
Electricity	399	880	6,554	1,498	5	532	6,677	-	(7,265)	9,280
Distribution services	-	-	2	6	2,884	591	28	-	(119)	3,392
Heat	-	-	71	1,939	-	-	9	-	(13)	2,006
Support mechanisms	239	100	860	126	-	-	(1)	-	-	1,324
Energy origin rights	40	-	-	1	-	-	-	-	(27)	14
Natural gas	-	195	-	-	-	-	473	-	(467)	201
Other fuels	-	-	-	-	-	51	124	-	(58)	117
CO ₂ emission allowances	-	-	-	-	-	-	2,429	-	(2,426)	3
Other	5	-	28	1	81	42	3	56	(16)	200
Revenue from sales of services	12	-	14	19	19	138	242	195	(426)	213
REVENUE FROM CONTRACTS WITH CUSTOMERS	695	1,175	7,529	3,590	2,989	1,354	9,984	251	(10,817)	16,750

* 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 145 million.

In the first quarter of 2026, compared to the comparative period, there was an increase in sales revenue. The main changes concerned: an increase in revenue from the sale of distribution services, heat and gas, alongside a decrease in electricity compensation.

The increase in revenue from the sale of distribution services results mainly from a higher sales volume achieved and higher prices than in the previous year. The volume growth was mainly driven by higher demand for electricity in the household and large enterprise tariffs. The increase in distribution service rates is mainly due to an increase in average rates in the household tariff.

Higher revenue from the sale of heat results from an increase in volume, which is a consequence of lower outdoor temperatures compared to the same period of 2025.

6.2 Expenses by kind and function

	Period ended March 31, 2026	Period ended March 31, 2025 restated data*
EXPENSES BY KIND		
Amortisation, liquidation	1,000	1,034
Impairment write-downs	59	21
Material and energy consumption	2,769	2,883
Third-party services	1,417	1,307
Taxes and charges	5,721	5,308
Employee benefits expenses	2,129	2,102
Other expenses by kind	116	108
TOTAL EXPENSES BY KIND	13,211	12,763
Change in stock of goods	12	1
Cost of producing services for the entity's own use	(262)	(300)
Distribution and selling expenses	(280)	(194)
General and administrative expenses	(512)	(459)
Value of goods and materials sold	1,400	1,526
Change in the value of provisions for onerous contracts	135	(30)
COST OF GOODS SOLD	13,704	13,307

*The restatement of comparative data is described in Note 3 to these consolidated financial statements.

In the first quarter of 2026, compared to the comparative period, the main changes in the cost of sales concerned:

- higher CO₂ costs, which were caused by an increase in the average cost and an increased level of CO₂ emissions due to an increase in electricity and heat generation;
- higher value of provisions for onerous contracts;
- a decrease in production fuel consumption costs, mainly due to lower prices of hard coal and gas used, with a simultaneous increase in the quantity of fuels purchased.

The change in the value of provisions for onerous contracts relates to PGE GiEK (PLN 244 million) and PGE Obrót (PLN (109) million), as described in Note 20.5 to these financial statements.

6.3 Costs Depreciation, disposal, and impairment write-downs

The table below presents depreciation and disposal as well as impairment write-downs on property, plant and equipment, intangible assets, rights to use assets, and investment property in the consolidated statement of comprehensive income.

Period ended March 31, 2026	Depreciation and disposal					Impairment write-downs			
	PPE	IA	RTUA	OTHER	TOTAL	PPE	IA	RTUA	TOTAL
Cost of goods sold	884	32	26	-	942	56	-	3	59
Distribution and selling expenses	20	4	3	-	27	-	-	-	-
General and administrative expenses	10	3	8	-	21	-	-	-	-
CHARGED TO FINANCIAL RESULT	914	39	37	-	990	56	-	3	59
Change in stock of goods	-	-	-	-	-	-	-	-	-
Cost of producing services for the entity's own use	7	2	1	-	10	-	-	-	-
TOTAL	921	41	38	-	1,000	56	-	3	59

Period ended March 31, 2025	Depreciation and disposal					Impairment write-downs			
	PPE	IA	RTUA	OTHER	TOTAL	PPE	IA	RTUA	TOTAL
Cost of goods sold	921	25	27	1	974	21	-	-	21
Distribution and selling expenses	3	1	1	-	5	-	-	-	-
General and administrative expenses	35	8	7	-	50	-	-	-	-
CHARGED TO FINANCIAL RESULT	959	34	35	1	1,029	21	-	-	21
Change in stock of goods	(4)	-	-	-	(4)	-	-	-	-
Cost of producing services for the entity's own use	6	1	2	-	9	-	-	-	-
TOTAL	961	35	37	1	1,034	21	-	-	21

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

Under Depreciation and disposal, the Group recognised an amount of PLN 11 million in the current period in respect of the net value of the disposal of PPE and IA (PLN 12 million in the comparative period).

6.4 Other operating income and expenses

	Year ended March 31, 2026	Year ended March 31, 2025 <i>restated data*</i>
OTHER OPERATING INCOME		
Grants	47	12
Reversal of impairment write-downs on receivables	41	21
Penalties, fines and compensation received and charged	34	45
PPE / IA and other infrastructure received free of charge	25	9
Release of other provisions	7	7
Gain on disposal of PPE/IA	3	3
Measurement and settlement of derivative instruments – coal	-	22
Other	19	3
TOTAL OTHER OPERATING INCOME	176	122

*The restatement of comparative data is described in Note 3 to these consolidated financial statements.

	Year ended March 31, 2026	Year ended March 31, 2025 <i>restated data*</i>
OTHER OPERATING EXPENSES		
Establishment of impairment write-downs on receivables	62	39
Recognition of other provisions	13	10
Compensation, penalties and fines	9	1
Reversal of impairment write-downs on other assets	4	1
Damage and failure remediation	2	5
Other	11	13
TOTAL OTHER OPERATING EXPENSES	101	69

*The restatement of comparative data is described in Note 3 to these consolidated financial statements.

6.5 Finance income and expenses

	Period ended March 31, 2026	Period ended March 31, 2025
FINANCE INCOME FROM FINANCIAL INSTRUMENTS		
Interest	110	47
Revaluation	84	67
Reversal of impairment write-downs	1	2
Gain on disposal of investment	2	-
Foreign exchange differences	181	111
TOTAL FINANCE INCOME FROM FINANCIAL INSTRUMENTS	378	227
OTHER FINANCE INCOME		
Interest on tax receivables	-	3
TOTAL OTHER FINANCE INCOME	-	3
TOTAL FINANCE INCOME	378	230

*The restatement of comparative data is described in Note 3 to these consolidated financial statements.

	Period ended March 31, 2026	Period ended March 31, 2025
FINANCE EXPENSES FROM FINANCIAL INSTRUMENTS		
Interest	151	179
Revaluation	309	27
Impairment write-down	4	4
Loss on disposal of investments	2	3
Foreign exchange differences	157	133
TOTAL FINANCE EXPENSES FROM FINANCIAL INSTRUMENTS	623	346
OTHER FINANCE EXPENSES		
Interest costs on non-financial items	137	130
Interest on tax payables	1	1
Establishment of provisions	2	4
Other	1	5
TOTAL OTHER FINANCE EXPENSES	141	140
TOTAL FINANCE EXPENSES	764	486

*The restatement of comparative data is described in Note 3 to these consolidated financial statements.

The Group recognizes interest income mainly from cash held in bank accounts and deposits.

Revaluation income in the current reporting period results mainly from the measurement of derivative instruments and the measurement of electricity sale 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 20 million in the current reporting period (PLN 19 million in 2025).

The total revaluation cost recognised in the current reporting period was PLN 309 million, the majority of which concerned the valuation of the inflation derivative separated under the CfD (PLN 249 million).

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

6.6 Share in the result of entities accounted for using the equity method

Period ended March 31, 2026	Polimex Mostostal*	PEC Bogatynia	Energopomiar	PGE Soleo Kleszczów	DKRB Gdańsk	Elester
VOTING RIGHTS	15.94%	34.93%	49.79%	50.00%	50.00%	89.96%
Revenue	859	13	21	3	-	13
Profit from continuing operations	(2)	1	1	(1)	-	(2)
Share in the result of entities accounted for using the equity method	-	-	-	-	-	(2)
Elimination of unrealised profits and losses	1	-	-	-	-	-
SHARE IN THE RESULT OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	1	-	-	-	-	(2)
Other comprehensive income	(2)	-	-	-	-	-
SHARE IN OTHER COMPREHENSIVE INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	-	-	-	-	-	-

*the share in Polimex Mostostal's result was recognized based on data for the period from December 1, 2025 to February 28, 2026.

The acquisition in February 2026 by PGE EC S.A. of 50% of the shares in DKRB Gdańsk sp. z o.o. is described in more detail in Note 1.3.3 to these condensed interim consolidated financial statements.

Period ended March 31, 2025	Polimex Mostostal*	PEC Bogatynia	Energopomiar	PGE Soleo Kleszczów	PGE PAK Energia Jądrowa	Elester
VOTING RIGHTS	16.33%	34.93%	49.79%	50.00%	50.00%	89.96%
Revenue	749	17	18	-	-	8
Profit from continuing operations	(75)	2	-	-	(4)	(2)
Share in the result of entities accounted for using the equity method	(12)	1	-	-	(2)	(2)
Elimination of unrealised profits and losses	(1)	-	-	-	-	-
Impairment loss	24	-	-	-	-	-
SHARE IN THE RESULT OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	11	1	-	-	(2)	(2)
Other comprehensive income	(3)	-	-	-	-	-
SHARE IN OTHER COMPREHENSIVE INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	-	-	-	-	-	-

*the share in Polimex Mostostal's result was recognized based on data for the period from December 1, 2024 to February 28, 2025.

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

7. Impairment write-downs on assets

In the current and comparative reporting periods, the PGE Capital Group did not recognise or reverse any significant impairment write-downs on assets.

8. Income tax

8.1 Tax in the statement of comprehensive income

The main items of the income tax expense for the period ended March 31, 2026 and March 31, 2025 are as follows:

	Period ended March 31, 2026	Period ended March 31, 2025
Current income tax	552	552
Adjustments related to current income tax for previous years	(7)	(2)
Deferred income tax	90	(15)
Deferred income tax adjustments	(26)	5
INCOME TAX EXPENSE RECOGNISED IN THE NET PROFIT/LOSS	609	540
INCOME TAX EXPENSE RECOGNISED IN OTHER COMPREHENSIVE INCOME		
On valuation of hedging instruments	374	(41)
(Tax advantage) / tax burden recognised in other comprehensive income (equity)	374	(41)

EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

9. Significant transactions involving the acquisition and disposal of property, plant and equipment, intangible assets and rights to use assets

In the current reporting period, the carrying amount of PPE, IA and RTUA increased by PLN 1,296 million. This increase is mainly due to the acquisition of new fixed assets.

	As at March 31, 2026	As at December 31, 2025
Property, plant and equipment	66,072	64,775
Intangible assets	2,002	2,025
Rights to use assets	2,023	2,001
TOTAL	70,097	68,801

In the current reporting period, the Group purchased property, plant and equipment, intangible assets, and rights to use assets amounting to PLN 1,657 million.

	Period ended March 31, 2026	Period ended March 31, 2025
Distribution	574	638
Renewables	787	510
Gas-fired Generation	66	262
District Heating	158	155
Coal Energy	40	137
Railway Energy Services	59	61
Supply	1	2
Other activities	24	20
TOTAL CAPITAL EXPENDITURE BY SEGMENTS	1,709	1,785
Adjustment of financing costs and operating margin	(52)	(69)
TOTAL CAPITAL EXPENDITURE	1,657	1,716

Significant transactions involving the acquisition of PPE, IA and RTUA in the first quarter of 2026 concerned:

- In the Distribution segment, the primary capital expenditures were: connection of new customers to the distribution network – PLN 198 million, and the modernisation and restoration of the medium- and low-voltage network – PLN 173 million, including the Cabling Programme – PLN 58 million and the Remote Reading Meters Programme – PLN 75 million.
- In the Renewables segment, significant expenditures were incurred on the preparation and implementation of offshore wind farms by EWB2 – PLN 683 million (representing 50% of the expenditures attributable to the CG), onshore development investments, including the PV Programme – PLN 12 million and the implementation of energy storage facilities – PLN 13 million, as well as Modernisation and Replacement Investments – PLN 10 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 65 million.
- In the District Heating segment, the highest expenditures were incurred on: the investment programme at the Gdynia CHP plant in the amount of PLN 33 million, the investment programme at the Gryfino CHP plant in the amount of PLN 16 million, and the second line of the Thermal Processing Plant with Energy Recovery (ITPOE) in Rzeszów in the amount of PLN 6 million, as well as the maintenance and modernisation of generation assets in the amount of PLN 63 million.
- In the Coal Energy segment, the main expenditures were incurred in the area of modernisation and maintenance investments of production assets – PLN 39 million, of which the highest expenditures were incurred by the KWB Bełchatów branch – PLN 11 million, KWB Turów – PLN 10 million, Turów Power Plant – PLN 8 million and Opole Power Plant – PLN 7 million.
- In the Railway Energy Services segment, the highest expenditures were incurred on the replacement, expansion and modernisation of the non-traction distribution network – PLN 28 million, Power Supply System Modernisation – PLN 9 million, modernisation and mandatory inspections of railway vehicles – PLN 6 million, connection of new electricity customers – PLN 6 million and replacement, expansion and modernisation of the traction distribution network – PLN 4 million.

Acquisition of PPE, IA, RTUA as part of the acquisition of new companies

The settlement of the assets of Wind Farm Łada sp. z o.o. and Elektrownia Wiatrowa Baltica + sp. z o.o. acquired in the first quarter of 2026 is described in Note 1.4 to these consolidated financial statements. In connection with the acquisition of these companies, the PPE, IA and RTUA of the Renewables segment increased by a total of PLN 599 million.

10. Future capital commitments

As at March 31, 2026, the Group had committed to incur expenditures on property, plant and equipment in the amount of approximately PLN 21,369 million. These amounts will be primarily intended for the construction of offshore wind farms, the design and construction of a battery energy storage system, the construction of gas-fired units, the modernisation of the Group's units' assets, and the purchase of machinery and equipment.

	As at March 31, 2026	As at December 31, 2025
Renewables *	9,676	9,575
Gas-fired Generation	6,475	1,828
Distribution	2,933	2,039
District Heating	1,642	1,085
Railway Energy Services	526	406
Coal Energy	92	90
Supply	2	1
Other activities	23	46
TOTAL FUTURE CAPITAL COMMITMENTS	21,369	15,070

* The presented amounts include the 50% share attributable to the PGE CG in the joint operation within the meaning of IFRS 11 Joint Arrangements.

The most significant future capital commitments relate to:

- Renewables – construction of the Baltica 2 wind farm in the Baltic Sea – approx. PLN 8,323 million; design and construction of the Żarnowiec battery energy storage system – approx. PLN 1,058 million.
- Gas-fired Generation – construction of a combined cycle gas turbine unit (PGE Nowy Rybnik sp. z o.o.) – approx. PLN 486 million; agreement for the provision of maintenance services for two gas turbines (PGE Gryfino Dolna Odra sp. z o.o.) – approx. PLN 1,322 million; execution of construction and assembly works and other works for the construction of an OCGT gas-fired unit in Rybnik (PGE Inwest 23 sp. z o.o.) with a nominal electrical capacity of approx. 600 MWe – approx. PLN 2,327 million; execution of construction and assembly works and other works for the construction of an OCGT gas-fired unit in Gryfino (PGE Inwest 27 sp. z o.o.) with a nominal electrical capacity of approx. 600 MWe – approx. PLN 2,301 million.
- Distribution – investment commitments primarily related to grid assets – approx. PLN 2,933 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 693 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 39 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 implemented as part of the "MUZa" power supply system modernisation programme – approx. PLN 360 million.

11. Shares accounted for using the equity method

	As at March 31, 2026	As at December 31, 2025
Polimex - Mostostal S.A., Warsaw	118	120
ZPBE Energopomiar sp. z o.o., Gliwice	13	12
PGE Soleo Kleszczów sp. z o.o., Kleszczów	27	28
DKRB Gdańsk sp. z o.o., Gdańsk	5	-
PEC Bogatynia, Bogatynia	-	-
Elester sp. z o.o., Łódź	240	242
SHARES ACCOUNTED FOR USING THE EQUITY METHOD	403	402

	Polimex Mostostal*	PEC Bogatynia	Energopomiar	PGE Soleo Kleszczów	Elester	DKRB Gdańsk
VOTING RIGHTS	15.94%	34.93%	49.79%	50.00%	89.96%	50%
AS AT MARCH 31, 2026						
Current assets	2,105	13	31	15	108	2
Non-current assets	818	19	25	112	16	8
Current liabilities	2,119	5	25	74	27	-
Non-current liabilities	161	5	6	-	13	-
NET ASSETS	643	22	25	53	84	10
Share of net assets	102	7	13	27	76	5
Fair value adjustment at the time of acquisition	16	-	-	-	164	-
Impairment loss	-	(7)	-	-	-	-
SHARES ACCOUNTED FOR USING THE EQUITY METHOD	118	-	13	27	240	5

*for Polimex Mostostal, data as at February 28, 2026 was adopted

The acquisition in February 2026 by PGE EC S.A. of 50% of the shares in DKRB Gdańsk sp. z o.o. is described in more detail in Note 1.3.3 to these interim consolidated financial statements.

	Polimex Mostostal*	PEC Bogatynia	Energopomiar	PGE Soleo Kleszczów	Elester
VOTING RIGHTS	16.13%	34.93%	49.79%	50.00%	89.96%
AS AT DECEMBER 31, 2025					
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
NET ASSETS	644	21	25	55	87
Share of net assets	104	7	12	28	78
Fair value adjustment at the time of acquisition	16	-	-	-	164
Impairment loss	-	(7)	-	-	-
SHARES ACCOUNTED FOR USING THE EQUITY METHOD	120	-	12	28	242

*for Polimex Mostostal, data as at February 28, 2025 was adopted

12. Joint operations

Based on the analysis of the agreements between the PGE CG and the Ørsted companies, holding 50% of the shares, the PGE CG has concluded that EWB2 and EWB3 constitute a joint operation within the meaning of IFRS 11 *Joint Arrangements*.

13. Deferred tax in the statement of financial position

13.1 Deferred income tax assets

	As at March 31, 2026	As at December 31, 2025
Difference between tax and current book values of property, plant and equipment	1,366	1,343
Provision for rehabilitation expenses	119	116
Provision for employee benefits	633	521
Provision for the purchase of CO ₂ emission allowances	2,857	2,864
Difference between tax and current book values of liabilities	916	1,062
Difference between tax and current book value of rights of use	271	272
Tax losses	94	21
Other provisions	493	619
Difference between tax and current book values of financial assets	173	118
Compensation for termination of Long-Term Contracts	87	87
Difference between tax and current book values of inventories	21	32
Infrastructure and connection fees received free of charge	137	134
Other	72	50
DEFERRED INCOME TAX ASSETS	7,239	7,239

13.2 Deferred tax liabilities

	As at March 31, 2026	As at December 31, 2025
Difference between tax and current book values of property, plant and equipment	2,580	2,516
Difference between tax and current book values of financial assets	1,429	970
Difference between tax and current book values of lease liabilities	323	322
Receivables from recognised compensation – Electricity Prices Act	20	69
Difference between tax and current book values of financial liabilities	54	91
Other	205	209
DEFERRED TAX LIABILITIES	4,611	4,177

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

	As at March 31, 2026	As at December 31, 2025
Deferred income tax assets	3,456	3,607
Deferred income tax liabilities	(828)	(545)

14. Inventories

	As at March 31, 2026	As at December 31, 2025
Hard coal	653	848
Maintenance and operating materials	612	549
Heavy fuel oil (mazut)	47	44
Other materials	136	165
TOTAL MATERIALS	1,448	1,606
Green energy origin rights	111	89
Other energy origin rights	33	21
TOTAL ENERGY ORIGIN CERTIFICATES	144	110
Hard coal intended for sale	124	191
Other goods	27	27
TOTAL GOODS	151	218
OTHER INVENTORIES	93	106
TOTAL INVENTORIES	1,836	2,040

15. CO₂ emission allowances for own use

EUA	As at March 31, 2026		As at December 31, 2025	
	Long-term	Short-term	Long-term	Short-term
Amount (million Mg)	4.8	27.1	1.4	25.0
Value (PLN million)	1,719	8,422	458	7,841

EUA	Amount (million Mg)	Value (PLN million)
AS AT JANUARY 1, 2025	26.8	10,913
Purchase/Sale	49.5	15,655
Allocated free of charge	0.5	-
Surrendered	(50.4)	(18,269)
AS AT DECEMBER 31, 2025	26.4	8,299
Purchase/Sale	22.1	7,028
Allocated free of charge	0.0	-
Surrendered	(16.6)	(5,186)
AS AT MARCH 31, 2026	31.9	10,141

EU allowances for CO₂ emissions allocated free of charge are linked to the heat energy produced.

Additional information related to the change in the date of surrender of CO₂ emission allowances is described in Note 20.3 of these financial statements.

16. Selected financial assets

The value of financial receivables measured at amortised cost is a reasonable approximation of their fair values.

16.1 Trade receivables and other financial receivables

	As at March 31, 2026		As at December 31, 2025	
	Long-term	Short-term	Long-term	Short-term
Trade receivables	-	6,376	-	6,333
Receivables from recognised compensation due	-	131	-	444
Deposits, bid bonds and security instruments	15	148	18	201
High-efficiency cogeneration support scheme	-	36	-	54
Term deposits, cash deposits and loans	298	1,502	284	-
Loans granted	35	-	35	-
Compensation and penalties	-	19	-	72
Other financial receivables	1	57	2	232
FINANCIAL RECEIVABLES	349	8,269	339	7,336

Deposits, bid bonds and security instruments mainly relate to collateral and transactional deposits on the electricity and CO₂ markets.

16.2 Cash and cash equivalents

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 March 31, 2026	As at December 31, 2025
Cash		
Cash at bank and in hand	3,263	2,821
Funds held in VAT accounts	559	499
Cash equivalents		
Overnight deposits	124	171
Short-term deposits	4,507	7,318
TOTAL	8,453	10,809
Available credit limits	38,381	38,697
<i>including credit limits on current accounts</i>	<i>3,478</i>	<i>3,231</i>
<i>including limits under the National Recovery and Resilience Plan*</i>	<i>13,027</i>	<i>13,027</i>
<i>including limits under loans for the construction of Baltica 2 OWF*</i>	<i>9,615</i>	<i>10,162</i>

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

A detailed description of the credit agreements concluded and the available credit limits, including overdraft facility limits, can be found in Note 21.1 to these financial statements.

Cash and cash equivalents include restricted funds in the amount of PLN 288 million (PLN 241 million in the comparative period) held in client accounts of PGE Dom Maklerski S.A. as collateral for settlements with IRGiT.

17. Other current and non-current assets

17.1 Other non-current assets

	As at March 31, 2026	As at December 31, 2025
Prepayments for property, plant and equipment under construction	1,433	1,353
Finance acquisition costs	105	124
Customer acquisition costs	65	68
Other non-current assets	145	174
TOTAL OTHER ASSETS	1,748	1,719

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/Kartoszyń 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), construction of an OCGT gas-fired unit in Rybnik by PGE Inwest 23 sp. z o.o. (PLN 27 million) and construction of an OCGT gas-fired unit in Gryfino by PGE Inwest 27 sp. z o.o. (PLN 21 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.

17.2 Other current assets

	As at March 31, 2026	As at December 31, 2025
COSTS DEFERRED OVER TIME		
Property and liability insurance	147	138
Finance acquisition costs	138	113
CSBF	81	8
Customer acquisition costs	62	68
IT services	36	40
Fees for installation of equipment and occupation of the road lane	45	-
Property tax	40	-
Usufruct fees	20	-
Logistics costs related to coal procurement	6	8
Other costs deferred over time	86	44
OTHER CURRENT ASSETS		
Receivables from accrued VAT	616	470
Prepayments for supplies	10	14
Excise duty receivables	6	4
Other current assets	18	17
TOTAL OTHER ASSETS	1,311	924

18. Derivatives and other assets measured at fair value through profit or loss

	As at March 31, 2026		As at December 31, 2025	
	Assets	Liabilities	Assets	Liabilities
DERIVATIVES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS				
Currency forwards	3	17	-	10
Commodity forwards	14	176	66	151
Commodity SWAP	10	31	16	-
Coal purchase/sale contracts	15	4	16	1
Commercial contracts	-	101	-	137
Derivative embedded in the Contract for Difference (CfD)	-	485	-	236
Options	7	-	10	-
HEDGING DERIVATIVES				
CCIRS hedging transactions	10	-	-	8
IRS hedging transactions	364	17	354	18
Currency forwards	50	243	1	627
Commodity forwards – all-in-one-hedge	1,479	214	268	463
Futures – all-in-one-hedge	-	-	1	-
Commodity SWAP	13	-	11	1
Inflation SWAP	41	-	-	22
OTHER ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS				
Investment fund participation units	37	-	37	-
TOTAL	2,043	1,288	780	1,674
short-term part	913	578	288	1,093
long-term part	1,130	710	492	581

Currency forwards

Forward currency transactions are primarily related to trading in CO₂ emission allowances and hard coal. The Group applies hedge accounting for currency forward transactions.

Commodity forwards for the sale and purchase of electricity, CO₂ and gas in the optimisation portfolio

Within its optimisation portfolio, the Group enters into commodity forwards for the sale and purchase of energy, CO₂, 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, CO₂ and energy (energy sale and purchase contracts concluded since January 2026) are designated as hedging instruments in hedging relationships constituting the implementation of the "all-in-one hedge" strategy. In the case of instruments for the sale and purchase of electricity (contracts concluded until 31 December 2025), the change in fair value is recognized in the income statement.

Options

On January 20, 2017, PGE S.A. acquired from Towarzystwo Finansowe Silesia sp. z o.o. a call option to purchase shares in Polimex-Mostostal S.A. The option was measured using the Black-Scholes method.

Coal swaps

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 the profit and loss account.

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

PGE Energia Odnawialna S.A. holds long-term Power Purchase Agreements (PPAs) 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). 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 19.2 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 19.2 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 obtainment of all material corporate approvals and the conclusion of key agreements related to project financing.

As at March 31, 2026, the value of this instrument was determined at PLN (970) 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 (485) 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 Towarzystwo Funduszy Inwestycyjnych PZU S.A.

19. Equity

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.

19.1 Share capital

	As at March 31, 2026	As at December 31, 2025
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
TOTAL SHARE CAPITAL	19,184	19,184

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 Hedging reserve

	Period ended March 31, 2026	Year ended December 31, 2025
AS AT JANUARY 1	(410)	(540)
Change in hedging reserve:	1,969	162
Measurement of hedging instruments, including:	1,969	164
<i>Recognition of the effective portion of change in fair value of hedging financial instruments in the part considered as effective hedge</i>	1,987	154
<i>Accrued interest on the derivative transferred from the hedging reserve and recognised in interest expenses</i>	(11)	4
<i>Currency revaluation of CCIRS transaction transferred from hedging reserve and recognised in foreign exchange gains/losses</i>	(13)	11
<i>Ineffective portion of the change in the fair value of hedging transactions presented in the result</i>	6	(5)
Measurement of other financial instruments	-	(2)
Deferred tax	(374)	(32)
HEDGING RESERVE AFTER DEFERRED TAX	1,185	(410)

Hedging reserve primarily comprises the measurement resulting from the implementation of cash flow hedge accounting.

19.3 Dividends paid and proposed

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

20. Provisions

The carrying amount of provisions is as follows:

	As at March 31, 2026		As at December 31, 2025	
	Long-term	Short-term	Long-term	Short-term
Employee benefits	3,004	398	3,010	404
Provision for rehabilitation expenses	7,467	12	7,335	12
Provision for shortage of CO ₂ emission allowances	-	15,010	-	15,047
Provision for the value of energy origin rights intended for redemption	-	294	-	218
Onerous contracts	19	1,327	19	1,192
Other provisions	178	728	85	1,471
TOTAL PROVISIONS	10,668	17,769	10,449	18,344

The discount rate for the provision for mine pit rehabilitation costs as at March 31, 2026 and in the comparative period is as follows:

- for expenditure expected to be incurred within 15 years of the balance-sheet date – 5.20%,
- for expenditure expected to be incurred in the period from 16 to 25 years after the balance-sheet date – 5.52%, extrapolated by PGE according to the adopted methodology
- for expenditure expected to be incurred in the period above 25 years after the balance-sheet date – 5.8%, extrapolated by PGE according to the adopted methodology.

The discount rate for the provision for employee benefits and other provisions for rehabilitation costs as at March 31, 2026 and in the comparative period amounts to 5.2%.

Changes in provisions

	Employee benefits	Provision for rehabilitation expenses	Provision for CO ₂ emission costs	Provision for energy origin rights intended for redemption	Onerous contracts	Other	Total
JANUARY 1, 2026	3,414	7,347	15,047	218	1,211	1,556	28,793
Current employment costs	32	-	-	-	-	-	32
Interest costs	42	95	-	-	-	-	137
Benefits paid / Provisions used	(87)	(2)	(5,187)	-	-	(641)	(5,917)
Reserves reversed	-	-	-	-	(283)	(12)	(295)
Provisions established – costs	-	14	5,153	76	418	20	5,681
Provisions established – expenditure	-	11	-	-	-	-	11
Changes in the composition of the CG	-	10	-	-	-	-	10
Other changes	1	4	(3)	-	-	(17)	(15)
MARCH 31, 2026	3,402	7,479	15,010	294	1,346	906	28,437

	Employee benefits	Provision for rehabilitation expenses	Provision for CO ₂ emission costs	Provision for energy origin rights intended for redemption	Onerous contracts	Other	Total
JANUARY 1, 2025	3,433	6,015	17,098	454	161	423	27,584
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
DECEMBER 31, 2025	3,414	7,347	15,047	218	1,211	1,556	28,793

20.1 Provision for employee benefits

Provisions for employee benefits mainly include:

- post-employment benefits – PLN 2,446 million as at March 31, 2026, PLN 2,454 million in the comparative period,
- jubilee bonuses and incentive bonuses – PLN 956 million as at March 31, 2026, PLN 960 million in the comparative period.

20.2 Provision for rehabilitation expenses

Provision for rehabilitation of mine pits

The PGE Capital Group creates provisions for the rehabilitation of final excavation sites. 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 March 31, 2026, the value of the provision amounted to PLN 6,517 million, and as at 31 December 2025, it amounted to PLN 6,407 million.

Provision for rehabilitation of ash landfills

The Group's generating units recognise provisions for the rehabilitation of ash landfill sites. As at March 31, 2026, the value of the provision amounts to PLN 524 million (compared to PLN 517 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 419 million (PLN 414 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 19 million (PLN 9 million as at 31 December 2025).

20.3 Provision for CO₂ 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 CO₂ 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 CO₂ 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 March 31, 2026, the value of the provision amounts to PLN 15,010 million (compared to PLN 15,047 million at the end of the comparative period).

20.4 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 March 31, 2026, the provision amounts to PLN 294 million (PLN 218 million in the comparative period), and is primarily recognised by PGE Obrót S.A. and PGE Energetyka Kolejowa S.A.

20.5 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 March 31, 2026 amounts to PLN 327 million (PLN 436 million in the comparative period).

In 2025, the need to recognize a provision for concluded onerous contracts for the sale of electricity was also identified at PGE GiEK. The value of the provision as at March 31, 2026 amounted to PLN 1,010 million (PLN 766 in the comparative period).

20.6 Other provisions

In 2025, the Group recognized a provision for regulatory risk related to the settlement of obligations resulting from regulations 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. As at March 31, 2026, the value of the provision amounted to PLN 199 million.

The value of provisions for potential claims from counterparties as at March 31, 2026 mainly consists of provisions established by the following companies: ENESTA sp. z o.o. PLN 52 million in the current and comparative periods, PGE GiEK S.A. Turów Power Plant PLN 135 million in the current and comparative periods, and PGE Energia Ciepła PLN 32 million in the current and comparative periods.

In addition, in 2021 the Group established a provision in the amount 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. Financial liabilities

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

The bonds issued by PGE Sweden AB (publ) bear a fixed interest rate. Their amortised cost presented in these consolidated financial statements as at March 31, 2026 amounts to EUR 141 million, while their fair value is EUR 134 million.

The bonds issued by PGE S.A. bear a variable rate. Their value at amortised cost reported in the statements as at March 31, 2026 is PLN 1,426 million, and their fair value is PLN 1,448 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 4,156 million and their fair value a to PLN 4,119 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 1,693 million, while its fair value equals PLN 1,680 million.

21.1 Credits, loans, bonds and leases

	As at March 31, 2026		As at December 31, 2025	
	Long-term	Short-term	Long-term	Short-term
Credits and loans	10,531	1,179	9,980	1,190
Bonds issued	1,591	439	1,583	416
Leasing	1,594	111	1,576	130
TOTAL CREDITS, LOANS, BONDS AND LEASES	13,716	1,729	13,139	1,736

Credits and loans

As part of the loans and advances presented above, as at March 31, 2026 and 31 December 2025, the PGE Capital Group recognises:

Creditor	Hedging instrument	Date of maturity	Limit in currency	Currency	Interest rate	Liability at 31-03-2026	Liability at 31-12-2025
EIB	-	2041-03-15	2,000	PLN	Fixed***	1,942	2,041
EIB	-	2034-08-25	1,500	PLN	Fixed***	1,073	1,066
EIB	-	2041-03-15	850	PLN	Variable	824	865
EIB	-	2041-03-15	550	PLN	Fixed***	534	562
ICBC (Europe) S.A. Oddział w Polsce	IRS	2027-12-31	500	PLN	Variable	508	501
EIB	-	2034-08-25	490	PLN	Fixed***	351	349
EIB	-	2038-10-16	273	PLN	Fixed***	256	254
BGK	IRS	2027-12-31	1,000	PLN	Variable	253	250
EBRD	IRS	2028-06-07	500	PLN	Variable	191	189
BGK	IRS	2028-12-31	500	PLN	Variable	190	188
Bank Pekao S.A.	-	2026-10-31	40	USD	Variable	85	127
ING Bank Śląski S.A.	-	2026-12-31	137	PLN	Variable	59	58
BGK	-	2027-02-19	1,500	PLN	Variable	-	-
Bank Pekao S.A.	-	2027-12-31	750	PLN	Variable	-	-
PKO BP S.A.	-	2028-12-31	500	PLN	Variable	-	-
Bank Pekao S.A.	-	2027-12-31	750	PLN	Variable	-	-
BGK	-	2026-09-29	2,000	PLN	Variable	-	-
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/ Variable	-	-
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	52	55
NFOŚiGW	-	Mar. 2031 – Dec. 2044	1,149	PLN	Variable	813	818
WFOŚiGW	-	SEP. 2026	9	PLN	Fixed	1	1
WFOŚiGW	-	Mar. 2027 – Mar. 2041	332	PLN	Variable	57	66
<i>Financial liabilities as part of the Baltica 2 Project (Project Finance):</i>							
Bank consortium	IRS	2049-11-30	2,812*	EUR	Variable	2,620	1,968
BGK and Bank Pekao S.A.	-	2028-12-31	436**	PLN	Variable	208	149
<i>Financial liabilities as part of the National Recovery Plan:</i>							
BGK	-	2049-12-20	10,405	PLN	Fixed	1,693	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	-	-
TOTAL BANK CREDITS						11,710	11,170

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

**Maximum limit under the VAT Facility line

***The loan bears interest at a fixed rate effective between interest rate revision dates

As at March 31, 2026, the outstanding overdraft facility limits of significant companies of the PGE Capital Group amounted to PLN 3,478 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 16.2, and the value in the table above results from the discrepancy between the amount of disbursed tranches and the value carried at amortised cost.

At the end of the current reporting period, the balance was affected by, *inter alia*, loan agreements entered into on 29 January 2025 by PGE Baltica 6 sp. z o.o. 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, EIB, and EBRD. As at March 31, 2026, the value of the liability in this respect amounted to PLN 2,828 million (PLN 2,117 million in the comparative period).

In 2025, PGE S.A. concluded four loan agreements with BGK from the funds of the National Recovery and Resilience Plan with a total value of approximately PLN 17.5 billion. The financing is intended for the implementation of projects in the field of offshore wind energy, development and modernisation of power grids

and digitalisation, including investments implemented by subsidiaries. As at March 31, 2026, the value of the liability in this respect amounted to PLN 1,693 million (PLN 1,663 in the comparative period).

In the period ended March 31, 2026 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 31-12-2026	Liability at 31-12-2025
PGE S.A.	IRS	5,000	PLN	Variable	2019-05-21	2029-05-21	1,018	1,006
					2019-05-21	2026-05-21	408	402
PGE Sweden AB (publ)	CCIRS	2,000	EUR	Fixed	2014-08-01	2029-08-01	604	591
TOTAL BONDS ISSUED							2,030	1,999

21.2 Trade and other payables

	As at March 31, 2026		As at December 31, 2025	
	Long-term	Short-term	Long-term	Short-term
Trade payables	-	4,459	-	4,787
Purchase of PPE and IA	4	1,204	5	1,438
Received deposits and bid bonds	37	182	40	178
Long-Term Contracts liabilities	-	322	-	322
Compensations	-	135	165	135
Insurance	-	91	-	88
Other	260	349	4	254
TRADE PAYABLES AND OTHER FINANCIAL LIABILITIES	301	6,742	214	7,202

As at March 31, 2026, under trade payables, the Group recognized the amount of PLN 1,530 million of reverse factoring liabilities (PLN 1,574 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.

22. Other non-financial liabilities

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

22.1 Other non-current non-financial liabilities

Under other non-current non-financial liabilities, the Group recognizes contract liabilities of PLN 220 million in the current reporting period and PLN 211 million in the comparative period.

22.2 Other current non-financial liabilities

	As at March 31, 2026	As at December 31, 2025
OTHER CURRENT LIABILITIES		
Contract liabilities	828	845
Liabilities related to output VAT	681	441
Excise duty liabilities	33	26
Liabilities relating to contributions to PDPF	2	2
Environmental charges	108	223
Liabilities for salaries	309	422
Employee bonuses	298	446
Accrued annual leave entitlements and other employee benefits	470	263
Management Board awards	33	29
Personal income tax	79	158
Social security liabilities	333	421
Other	119	86
OTHER CURRENT LIABILITIES, TOTAL	3,293	3,362

The item 'Other' mainly includes liabilities relating to 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.

OTHER EXPLANATORY NOTES

23. Contingent receivables and payables. Litigation

23.1 Contingent liabilities and security for contracts

	As at March 31, 2026	As at December 31, 2025
Security for the repayment of subsidies from environmental, and research and development funds	2,038	2,056
Litigation liabilities	679	663
Liabilities under sureties and bank guarantees securing exchange transactions	263	793
Perpetual usufruct of land	67	68
Other contingent liabilities	124	152
TOTAL	3,171	3,732

Security for the repayment of subsidies from environmental, research and development funds

The liabilities represent the value of possible future refunds of funds received by the PGE Capital Group companies from environmental, research and development funds for selected investments. A refund will be required if the subsidised investments do not have the desired impact.

As at March 31, 2026, PGE Dystrybucja S.A. held promissory note liabilities totaling approx. PLN 1.7 billion, securing agreements for co-financing from European and national funds. The grant funds are used for the implementation of investment projects relating mainly 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.

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 604 million arising from the implementation of investments in PGE GiEK S.A., which is described in Note 23.3 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 55 million.

23.2 Other significant issues

Security for the obligation to generate electricity

The security concerns the fulfilment by EWB2, EWB3 and EWB9 of the obligation to generate and feed into the grid for the first time electricity generated in an offshore wind farm, as specified in Article 15 section 2 point 4 of the Act of December 17, 2020 on promoting electricity generation in offshore wind farms. Bank Societe Generale S.A. Poland Branch, at the request of the companies EWB2, EWB3 and EWB9, issued bank guarantees to the Energy Regulatory Office in the total amount of PLN 179 million, for which PGE S.A. provided sureties securing the bank guarantees up to the amount of PLN 203 million.

EWB1 also sought public support in the form of a contract for difference and provided the ERO in October 2025 with a bank guarantee in the amount of PLN 54 million secured by a guarantee surety from PGE S.A. in the amount of PLN 59 million. However, due to the loss in the auction, both security instruments were released on January 23, 2026.

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.

Up to the date of these condensed interim financial statements, no penalty has been imposed on PGE GiEK S.A. for failure to comply with the obligation to maintain and restore coal stocks at an appropriate 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.

Security arrangements for financing transactions of Baltica 2 OWF

In March 2025, in connection with the signing of credit agreements to finance the construction of the Baltica 2 OWF, the following security 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 200,135 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.

23.3 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. Case in progress – on February 4, 2026, the District Court issued a decision on the admission of expert opinion evidence. No date has been set for another hearing.

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. The parties' joint application for conciliation was filed on August 4, 2025 with the Arbitration Court at the General Counsel to the Republic of Poland, which on August 27, 2025 adopted a conciliation position. The parties agreed on the terms of the settlement and obtained the required corporate approvals for its conclusion. The date for signing the settlement is being determined. 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 proceedings have no impact on the company's current generation activities or these condensed interim consolidated financial statements.

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 April 20, 2026, KOGENERACJA S.A. and the Consortium concluded an annex to the mediation agreement, under which the deadline for the mediation process was extended until September 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. The Court of Competition and Consumer Protection set the date for the first hearing for March 3, 2026. 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 judgment. On April 7, 2026, the company received the judgment along with its justification. On April 21, 2026, the company filed an appeal against the judgment of the Court of Competition and Consumer Protection. Currently, the case is at the appellate proceedings stage.

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, 17th 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. On April 7, 2026, the company received the judgment along with its justification. On April 21, 2026, the company filed an appeal against the judgment of the Court of Competition and Consumer Protection. Currently, the case is at the appellate proceedings stage.

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 the ERO in the above matters results from a different interpretation of the LTC Act, in particular Article 31, Article 33, Article 34 and Article 46 section 1 section 5. The Group recognised a liability of PLN 457 million in its accounting books.

Charge to the Price Difference Payment Fund

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 an inspection report covering the verification of the correctness of the amount of the contribution to the PDPF in the period from December 2022 to December 2023, as well as the values actually paid by PGE Obrót S.A. to Zarządca Rozliczeń S.A. The difference between the total contributions paid by PGE Obrót S.A. and those calculated by the ERO President, as indicated in the inspection report, amounted to a total of PLN 605 million. In the consolidated financial statements of the PGE CG for 2025, a provision in the amount of PLN 605 million was recognized in expenses.

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). 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 of funds under the contribution to the Fund resulting from the decision of the ERO President was paid together with statutory interest for delay calculated from the date of delivery of the decision of the ERO President on March 20, 2026, while reserving the right to claim a refund. This resulted in the utilization of the provision established in the previous reporting period.

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.

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.

In 2025, PGE EO S.A. charged contractual penalties in the amount of: PLN 5 million for delay in commissioning Hydro Unit No. 3 and PLN 105 million for withdrawal from the Agreement for reasons attributable to the contractor, and also called on the Consortium to return the unsettled advance payment received in connection with the conclusion of the Agreement, i.e. the 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.

The recognition of the above transactions had no impact on the financial result of the Capital Group for 2025 or for the first quarter of 2026. It had an impact on the level of settlements with the contractor and the value of property, plant and equipment under construction.

As at the date of approval for publication of these condensed interim consolidated financial statements, the Consortium had not filed any claim against the Employer.

24. 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 2026 the Group does not expect any significant charges in this respect.

In the comparative period ended December 31, 2025 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 March 31, 2026, the cash balance in VAT accounts was PLN 559 million (PLN 499 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.

25. 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.

25.1 Associates and jointly controlled entities

The table below presents the total value of transactions, balances with associates and jointly controlled entities.

	Period ended March 31, 2026	Period ended March 31, 2025
Sale to associates and jointly controlled entities	9	14
Purchase from associates and jointly controlled entities	27	91

	As at March 31, 2026	As at December 31, 2025
Receivables from associates and jointly controlled entities	13	14
<i>including trade receivables</i>	3	5
Liabilities to associates and jointly controlled entities	38	122
<i>including trade liabilities</i>	5	24

The turnover value and settlement balances result mainly from transactions with PEC Bogatynia and Polimex-Mostostal.

25.2 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.

	Period ended March 31, 2026	Period ended March 31, 2025
Sales to related entities	2,280	3,206
Purchases from related entities	3,982	4,191

	As at March 31, 2026	As at December 31, 2025
Receivables from related entities	1,173	1,403
<i>including trade receivables</i>	1,038	1,261
Liabilities to related entities	1,287	1,763
<i>including trade liabilities</i>	1,225	1,725

The largest transactions involving State Treasury companies concern the following companies: PSE S.A., PGG S.A., PKO Bank Polski S.A., Orlen S.A., PKP Cargo S.A., PKP PLK S.A., Tauron Dystrybucja S.A., Energa-Operator S.A., Enea Operator Sp. z o.o., and Jastrzębska Spółka Węglowa 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 CO₂ 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.

25.3 Management remuneration

Key management personnel includes the Management Board and Supervisory Board of the parent company as well as those of significant subsidiaries.

thousand PLN	Period ended March 31, 2026	Period ended March 31, 2025
Short-term employee benefits (remuneration and surcharges)	13,170	13,714
Post-employment benefits	709	272
TOTAL KEY MANAGEMENT REMUNERATION	13,879	13,986
Management remuneration of the other companies	4,887	3,980
TOTAL MANAGEMENT REMUNERATION	18,766	17,966

thousand PLN	Period ended March 31, 2026	Period ended March 31, 2025
Management Board of the parent company	2,905	2,239
<i>including post-employment benefits</i>	639	-
Supervisory Board of the parent company	371	190
Management Boards – subsidiaries	9,375	10,444
<i>including post-employment benefits</i>	70	272
Supervisory Boards – subsidiaries	1,228	1,113
TOTAL	13,879	13,986
Management remuneration of the other companies	4,887	3,980
TOTAL MANAGEMENT REMUNERATION	18,766	17,966

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 6.2 Expenses by nature and by function, these remunerations are presented under other expenses by nature.

26. Other significant events of the period and events after the reporting period

26.1 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.

II. QUARTERLY FINANCIAL INFORMATION OF PGE POLSKA GRUPA ENERGETYCZNA S.A. FOR THE PERIOD OF 3 MONTHS ENDED MARCH 31, 2026 IN ACCORDANCE WITH EU IFRS

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Period ended March 31, 2026 <i>(not audited)</i>	Period ended March 31, 2025 <i>(not audited) restated data*</i>
SALES REVENUE	19,014	9,639
Cost of goods sold	(18,563)	(9,209)
GROSS PROFIT ON SALES	451	430
Distribution and selling expenses	(6)	(3)
General and administrative expenses	(86)	(77)
Other operating income	1	-
Other operating expenses	(4)	(1)
OPERATING PROFIT	356	349
Finance income, including:	650	630
<i>Interest income calculated using the effective interest rate method</i>	<i>517</i>	<i>594</i>
Finance expenses	(263)	(214)
PROFIT/(LOSS) BEFORE TAX	743	765
Income tax	(141)	(144)
NET PROFIT/(LOSS) FOR THE REPORTING PERIOD	602	621
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified to profit or loss in the future:		
Valuations of hedging instruments	41	(60)
Deferred tax	(8)	11
Items that may not be reclassified to profit or loss in the future:		
Actuarial gains and losses from valuation of provisions for employee benefits	-	-
Deferred tax	-	-
NET OTHER INCOME	33	(49)
TOTAL COMPREHENSIVE INCOME	635	572
NET PROFIT/(LOSS) AND DILUTED NET PROFIT/(LOSS) PER SHARE (in PLN)	0,27	0,28

* the restatement of financial data is presented in Note 1 to this quarterly financial information of PGE Polska Grupa Energetyczna S.A.

SEPARATE STATEMENT ON FINANCIAL POSITION

	As at March 31, 2026 <i>(not audited)</i>	As at December 31, 2025 <i>(audited)</i>
Property, plant and equipment	124	128
Intangible assets	2	2
Right to use assets	21	21
Financial receivables	13,790	13,141
Derivatives and other assets measured at fair value through profit or loss	1,122	372
Shares and interests in subsidiaries	25,186	25,181
Shares and interests in associates, as well as jointly controlled and other entities	97	97
Other non-current assets	1	6
NON-CURRENT ASSETS	40,343	38,948
Inventories	13	617
Trade and other receivables	14,235	8,840
Derivative instruments	2,203	3,452
Other current assets	218	46
Cash and cash equivalents	6,210	7,928
CURRENT ASSETS	22,879	20,883
TOTAL ASSETS	63,222	59,831
Share capital	19,184	19,184
Supplementary capital	27,088	27,088
Hedging reserve	69	36
Retained earnings/(Accumulated losses)	(6,390)	(6,992)
EQUITY	39,951	39,316
Non-current provisions	359	326
Credits, loans, bonds and leases	8,748	8,824
Derivative instruments	961	295
Deferred income tax liability	82	49
NON-CURRENT LIABILITIES	10,150	9,494
Current provisions	2,044	44
Credits, loans, bonds, cash pooling and leases	4,221	3,416
Derivative instruments	2,043	3,228
Trade and other payables	3,356	2,635
Income tax liabilities	-	110
Other non-financial liabilities	1,457	1,588
CURRENT LIABILITIES	13,121	11,021
	23,271	20,515
TOTAL EQUITY AND LIABILITIES	63,222	59,831

SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital	Supplementary capital	Hedging reserve	Retained earnings	Total equity
AS AT JANUARY 1, 2026	19,184	27,088	36	(6,992)	39,316
Net profit for the reporting period	-	-	-	602	602
Other comprehensive income	-	-	33	-	33
COMPREHENSIVE INCOME FOR THE PERIOD	-	-	33	602	635
AS AT MARCH 31, 2026	19,184	27,088	69	(6,390)	39,951

	Share capital	Supplementary capital	Hedging reserve	Retained earnings	Total equity
AS AT JANUARY 1, 2025	19,184	22,252	163	4,797	46,396
Net profit for the reporting period	-	-	-	621	621
Other comprehensive income	-	-	(49)	-	(49)
COMPREHENSIVE INCOME FOR THE PERIOD	-	-	(49)	621	572
AS AT 31 MARCH 2025	19,184	22,252	114	5,418	46,968

SEPARATE STATEMENT OF CASH FLOWS

	Period ended March 31, 2026 <i>(not audited)</i>	Period ended March 31, 2025 <i>(not audited)</i> <i>restated data*</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	743	765
Income tax paid	(110)	(417)
Adjustments for:		
Depreciation and impairment write-downs	4	4
Interest and dividend, net	(258)	(412)
(Profit) / loss on investing activities	47	(9)
Change in receivables	(7,548)	337
Change in inventories	604	(50)
Change in provisions	2,033	2
Change in liabilities, excluding loans and credits	344	(1,518)
Change in other non-financial assets	(43)	114
NET CASH FROM OPERATING ACTIVITIES	(4,184)	(1,184)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and intangible assets	-	(1)
Acquisition of subsidiaries and other financial assets	(1)	(248)
Cash provided under cash pooling service	(591)	(619)
Placement of deposits over 3 months	(1,500)	-
Loans granted	(1,772)	(2,136)
Interest received	246	384
Repayment of loans granted	5,546	7,361
NET CASH FROM INVESTING ACTIVITIES	1,928	4,741
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received under cash pooling service	812	(224)
Repayment of credits, loans and leases	(111)	(1,802)
Interest paid	(163)	(189)
NET CASH FROM FINANCING ACTIVITIES	538	(2,215)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,718)	1,342
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	7,928	1,886
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6,210	3,228

* the restatement of financial data is presented in Note 1 to this quarterly financial information of PGE Polska Grupa Energetyczna S.A.

1. Changes in accounting principles and data presentation

New standards and interpretations that entered into force on January 1, 2026 and had no impact on the Company's quarterly financial information are described in Note 3 to the consolidated financial statements.

Changes in accounting principles and data presentation

STATEMENT OF COMPREHENSIVE INCOME

In this quarterly financial information, the comparative data in the statement of comprehensive income for the period ended March 31, 2025 have been changed 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 instead of a gross basis. The restatement of comparative data had no impact on earnings/(loss) per share.

The effect of the restatement is presented in the table below.

	Period ended March 31, 2025 <i>published data</i>	Change in presentation – gross basis	Period ended March 31, 2025 <i>restated data</i>
GROSS PROFIT ON SALES	430	-	430
Distribution and selling expenses	(3)	-	(3)
General and administrative expenses	(77)	-	(77)
Other net operating income/(expenses)	(1)	1	no presentation
Other operating income	no presentation	-	-
Other operating expenses	no presentation	(1)	(1)
OPERATING PROFIT/(LOSS)	349	-	349
Net finance income/(expenses), of which:	416	(416)	no presentation
<i>Interest income calculated using the effective interest rate method*</i>	622	(28)	594
Finance income	no presentation	630	630
Finance expenses, including:	no presentation	(214)	(214)
PROFIT/(LOSS) BEFORE TAX	765	-	765

* the change in presentation relates to the netting of accrued interest on Autostrada Wielkopolska S.A. bonds with the related impairment write-down

STATEMENT OF CASH FLOWS

The change in the presentation of cash flows results from an adjustment to the classification of flows related to the physical cash pooling service in the PGE Capital Group. These flows were allocated to the appropriate categories of activities (financing or investing) depending on their economic nature, instead of their previous presentation on an aggregated basis.

	Period ended March 31, 2025 <i>published data</i>	Change in presentation	Period ended March 31, 2025 <i>recast</i>
CASH FLOWS FROM INVESTING ACTIVITIES			
Granting/(repayment) of loans as part of cash pooling services	(843)	843	-
Cash provided under cash pooling service	-	(619)	(619)
NET CASH FROM INVESTING ACTIVITIES	4,517	224	4,741
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received under cash pooling service	-	(224)	(224)
NET CASH FROM FINANCING ACTIVITIES	(1,991)	(224)	(2,215)

III. APPROVAL OF THE QUARTERLY FINANCIAL STATEMENTS

These financial statements, comprising the interim consolidated financial statements of the PGE CG and the quarterly financial information of PGE S.A. for the period of 3 months ended March 31, 2026, were approved for publication by the Management Board of the parent company on May 26, 2026.

Warsaw, May 26, 2026

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

**President of the
Management Board**

Dariusz Lubera

**Vice-President of the
Management Board**

Katarzyna Rozenfeld

**Vice-President of the
Management Board**

Przemysław Jastrzębski

**Vice-President of the
Management Board**

Marcin Laskowski

Signature of the person
responsible for the
preparation of the
financial statements

Michał Skiba
Director of the Reporting and
Taxation Department

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	Contracts for Difference
EBI	European Investment Bank
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
EBRD	European Bank for Reconstruction and Development
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.
ICBC (Europe) S.A. Branch in Poland	Industrial and Commercial Bank of China (Europe) S.A. Oddział w Polsce
IRGIT	Izba Rozliczeniowa Giełd Towarowych S.A.
IRS	Interest Rate Swaps
LTC	Long-term contracts for the sale of capacity and electricity
KOGENERACJA S.A.	Zespół Elektrociepłowni Wrocławskich KOGENERACJA 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
OTC	Over the counter (OTC) agreement
RTUA	Rights to use assets
PEC Bogatynia, PEC Bogatynia S.A.	Przedsiębiorstwo Energetyki Ciepłej S.A. w Bogatyni
PGE Baltica 2	PGE Baltica 2 sp. z o.o.
PGE Baltica 6	PGE Baltica 6 sp. z o.o.
PGE EC S.A.	PGE Energia Ciepła S.A.
PGE EK S.A.	PGE Energetyka Kolejowa S.A.
PGE EKH S.A.	PGE Energetyka Kolejowa Holding sp. z o.o.
PGE EO S.A.	PGE Energia Odnawialna S.A.
PGE GiEK S.A.	PGE Górnictwo i Energetyka Konwencjonalna S.A.
PGE S.A., PGE, Company, parent company	PGE Polska Grupa Energetyczna S.A.
Polimex Mostostal, Polimex Mostostal S.A.	Polimex Mostostal S.A. with its registered office in Warsaw
PV programme	Photovoltaic programme
PPA	Power Purchase Agreement
PPW	Intermediary Coal Entity
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
ERO	Energy Regulatory Office
Electricity Prices Act	Act on amendments to the Act on excise duty and certain other acts
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)
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