



MANAGEMENT BOARD'S REPORT

on the activities of the PGE Capital Group
for the period of 6 months

ended on June 30, 2026

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KEY FINANCIAL DATA OF THE PGE CAPITAL GROUP

(in PLN m)

Key financial data	H1 2026	H1 2025	Change	Change %
Sales revenue	32 716	30 971	1 745	6%
Reported EBIT	5 686	-3 522	9 208	-
Recurring EBIT	6 091	5 532	559	10%
Reported EBITDA	8 195	7 646	549	7%
Reported EBITDA margin	25%	25%		
Recurring EBITDA	8 100	7 603	497	7%
Recurring EBITDA margin	25%	25%		
Net profit/loss	4 047	-7 123	11 170	-
CapEx (on an accrual basis)	4 924	4 914	10	0%
Net cash from operating activities	8 877	12 133	-3 256	-27%
Net cash from investing activities	-6 178	-4 200	-1 978	47%
Net cash from financing activities	689	1 834	-1 145	-62%

Key financial data	June 30, 2026	December 31, 2025	Change	Change %
Working capital	1 581	-3 279	4 860	-
Net debt ¹	1 753	4 207	-2 454	-58%
Net debt / Reported LTM EBITDA ²	0.15x	0.37x		
Net debt / Recurring LTM EBITDA ²	0.13x	0.33x		
Adjusted net debt ³ / Reported LTM EBITDA ²	-0.08x	0.23x		
Adjusted net debt ³ / Recurring LTM EBITDA ²	-0.07x	0.21x		

One-off events affecting reported EBITDA	H1 2026	H1 2025	Change	Change %
Release of the provision due to concluding a settlement with the contractor of Unit no. 7 in Turów power plant	135	0	135	-
Change in reclamation provision	8	-79	87	-
Provision for restructuring	-3	0	-3	-
Adjustment of electricity compensation for the previous periods	-4	65	-69	-
Write-down of strategic inventories	-4	-112	108	-96%
Voluntary Leave Programme	-37	0	-37	-
Adjustment of the contribution to the Price Difference Payment Fund (PDPF) for the previous periods	0	-23	23	-
Change of the actuarial provision	0	-20	20	-
LTC compensations	0	25	-25	-
Release of provision for one-time benefit related to NABE (National Agency for Energy Security) carve-out	0	187	-187	-
Total	95	43	52	121%

¹ The value of net financial debt includes loans from the RRP measured at amortised cost. Cash and cash equivalents do not include short-term deposits with a maturity of more than 3 months in the amount of PLN 1 516 million. Estimated economic net debt (including inter alia future payments for CO₂ emission allowances) amounts to PLN 14 173 million.

² LTM EBITDA – EBITDA for the last 12 months as at the reporting date.

³ Ratios adjusted for the value of the Project Finance liability and cash of Offshore companies in accordance with the calculation method for the purposes of bank covenants (cash excluding short-term deposits with a maturity of over 3 months).

1. PGE Capital Group - organisation

1.1. Description of business activities

The Capital Group of PGE Polska Grupa Energetyczna S.A. (PGE CG, PGE Capital Group, Capital Group, PGE Group, Group) is the largest vertically integrated producer of electricity and heat in Poland. By combining its own resource base, electricity generation, and distribution network, the PGE Group guarantees safe and reliable electricity supplies to households, businesses and institutions.

The parent company of the PGE CG is PGE Polska Grupa Energetyczna S.A. (also referred to as PGE S.A., PGE, or the Company). The PGE Group's operations are organised into eight operating segments:



RENEWABLES

The segment's activity is the generation of electricity from renewable sources and pumped-storage power plants. In addition, the segment includes companies engaged in the construction of electricity storage facilities, offshore wind farms and photovoltaic power plants.



GAS-FIRED GENERATION

The segment's activity is the generation of electricity from gas sources.



COAL ENERGY

The segment's activity is lignite mining and the generation of electricity and heat from coal sources.



DISTRICT HEATING

The segment's activities comprise combined heat and power (CHP) generation and heat transmission and distribution.



DISTRIBUTION

The segment's activity is the provision of electricity supply services to final customers using high-, medium- and low-voltage power grids and equipment.



RAILWAY ENERGY SERVICES

The segment's activity is primarily 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

The segment's business is the wholesale trading of electricity on the domestic and foreign markets, the sale of electricity to end users, the trading of CO₂ emission allowances, property rights and fuels, and the provision of Corporate Centre services to the PGE Group's subsidiaries.



OTHER OPERATIONS

The segment's business involves services provided by its subsidiaries to the PGE Group, among other things the arrangement of financing in the form of Eurobonds (PGE Sweden AB), provision of IT services, investments in start-ups, and management of By-products of Combustion (UPS). A number of the Group's project companies also operate within the segment, including the company responsible for preparing the nuclear project within the PGE Group.

1.2. Organisational structure

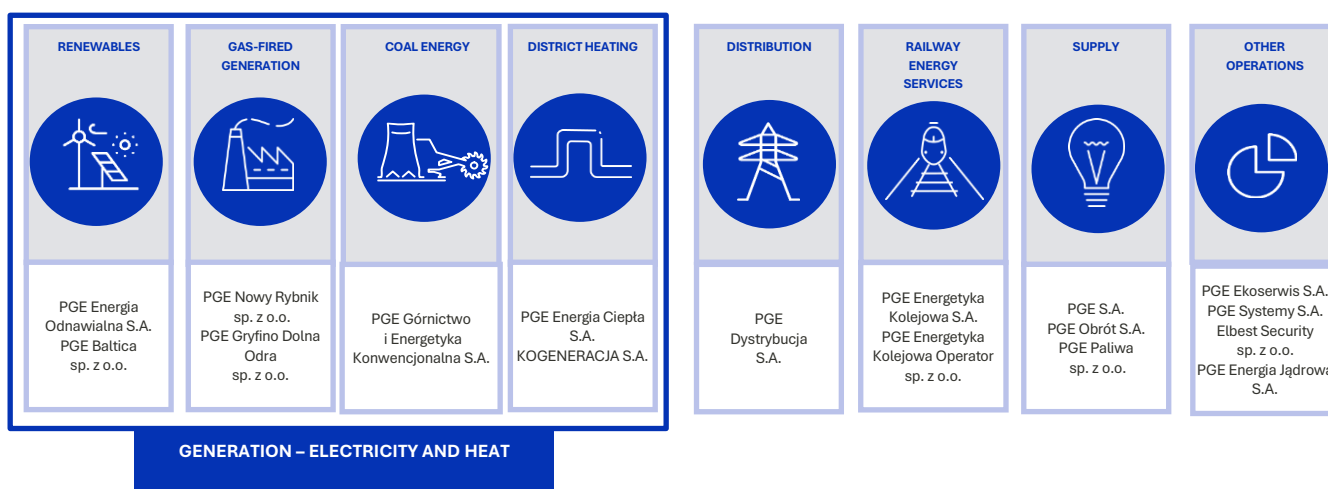
As at June 30, 2026, the PGE Capital Group consisted of:

- the parent company, which is PGE Polska Grupa Energetyczna S.A.,
- 78 subsidiaries consolidated using the full method,
- 2 entities classified as joint operations,
- 6 associates and jointly controlled entities.

All companies are organised into eight operating segments.

The diagram below provides an illustrative description of the Group's structure. The full composition of the PGE Capital Group, broken down by segments as well as direct and indirect subsidiaries consolidated using the full method, can be found in Note 1.3 to the consolidated financial statements.

Chart: PGE Capital Group structure¹.



¹ Simplified structure – key entities included.

1.3. Significant changes in the organisation of the Capital Group

From January 1, 2026 to the date of signing this report, significant changes occurred in the organisation of the PGE Capital Group, as listed in Note 1.3 to the consolidated financial statements and described below.

ESTABLISHMENT OF COMPANIES

Business segment	Established company	Transaction date / registration in the National Court Register (NCR)	Comment
District Heating	PGE EC Operator sp. z o.o.	November 5, 2025 / January 27, 2026	On November 5, 2025, PGE Energia Ciepła S.A. established a single-shareholder company. The company's share capital amounts to PLN 50,000.

ACQUISITION, SUBSCRIPTION OR DISPOSAL OF SHARES/STOCKS BY COMPANIES

Business segment	Acquiring company / acquired company	Transaction date	Comment
Renewables	Wind Farm Łada sp. z o.o. – acquisition by PGE Energia Odnawialna S.A. of 100% of the company's shares from Green Energy Holding sp. z o.o.	January 28, 2026 (conclusion of a conditional preliminary share sale agreement) / January 29, 2026 (acquisition of shares)	On January 28, 2026, between PGE Energia Odnawialna S.A. as the buyer and Green Energy Holding sp. z o.o. as the seller a preliminary conditional agreement for the sale of shares in Wind Farm Łada sp. z o.o. was concluded, under which PGE Energia Odnawialna S.A. and Green Energy Holding sp. z o.o. undertook to conclude the final agreement for the sale of 100% of the shares in Wind Farm Łada sp. z o.o. to PGE EO S.A. On January 29, 2026, after fulfilling specific conditions precedent, the promised sale agreement was concluded.
Renewables	RWE Offshore Wind Poland sp. z o.o. – acquisition by Elektrownia Wiatrowa Baltica 9 sp. z o.o. from RWE Renewables International Participations B.V. (the Netherlands) of 100% of the company's shares	November 25, 2025 (conclusion of a conditional sale agreement) / March 10, 2026 (acquisition of shares)	On November 25, 2025, a conditional share sale agreement for 100% of the shares in RWE Offshore Wind Poland sp. z o.o. was concluded between Elektrownia Wiatrowa Baltica 9 sp. z o.o. as the buyer and RWE Renewables International Participations B.V. as the seller. On March 10, 2026, after fulfilling the conditions provided for in the aforementioned agreement, Elektrownia Wiatrowa Baltica 9 sp. z o.o. acquired 100% of the shares in RWE Offshore Wind Poland sp. z o.o. On March 27, 2026, the name (business name) of the company was changed to: Elektrownia Wiatrowa Baltica + sp. z o.o.
District Heating	DKRB Baltica sp. z o.o. – acquisition by PGE Energia Ciepła S.A. of 50% of the shares in DKRB Gdańsk sp. z o.o. from Gdańskie Przedsiębiorstwo Energetyki Ciepłej sp. z o.o. seated in Gdańsk.	February 13, 2026 (conclusion of a conditional sale agreement) / March 19, 2026 (conclusion of the share ownership transfer agreement – dispositive agreement)	On February 13, 2026, a conditional share sale agreement for 50% of the shares in DKRB Gdańsk sp. z o.o. was concluded between PGE Energia Ciepła S.A. as the buyer and GPEC sp. z o.o. as the seller, under which its parties undertook to conclude an agreement transferring the ownership of these shares (dispositive agreement) to PGE Energia Ciepła S.A., provided that the condition set out in this agreement is met. On March 19, 2026, after fulfilling a specific condition precedent, the share ownership transfer agreement (dispositive agreement) referred to above was concluded, as a result of which PGE Energia Ciepła S.A. acquired 50% of the shares in DKRB Gdańsk sp. z o.o. The transfer of ownership of the aforementioned shares to PGE Energia Ciepła S.A. took place on the date of concluding the aforementioned dispositive agreement.

Business segment	Acquiring company / acquired company	Transaction date	Comment
District Heating	PGE Toruń S.A. – acquisition by PGE Toruń S.A. from the Municipality of the City of Toruń of its own shares for the purpose of their cancellation (voluntary cancellation)	June 22, 2026 (execution of the agreement for the sale of own shares) / June 22, 2026 (adoption of a resolution on the voluntary cancellation of own shares and reduction of the share capital) / On July 23, 2026, an entry was made in the Register of Entrepreneurs of the NRC.	On June 22, 2026, PGE Toruń S.A., as the buyer, and the Municipality of the City of Toruń, as the seller, entered into an agreement for the sale of 1,783,474 own shares in PGE Toruń S.A. for the purpose of their redemption, representing 4.57% of the share capital of PGE Toruń S.A. (own shares). On June 22, 2026, the Annual General Meeting of PGE Toruń S.A. resolved to cancel the shares with the consent of the shareholder, the Municipality of the City of Toruń (voluntary cancellation), and to reduce the share capital of PGE Toruń S.A. by PLN 1,783,474. The own shares were cancelled on July 23, 2026 upon registration of the reduction of the share capital of PGE Toruń S.A. in the register of entrepreneurs of the NCR. As a result of the redemption of the shares, PGE Energia Ciepła S.A.'s interest in the share capital of PGE Toruń S.A. increased from 95.34% to 99.91%.

DIVISION OF COMPANIES

Business segment	Divided company / acquiring company	Transaction date / registration in the NCR	Comment
Supply	Energoserwis Kleszczów sp. z o.o. / ELMEN sp. z o.o.	October 22, 2025 / On October 28, 2025, the reduction of the share capital of Energoserwis Kleszczów sp. z o.o. was 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 (spin-off date)	On October 22, 2025, the Extraordinary General Meeting of Shareholders of Energoserwis Kleszczów sp. z o.o. and ELMEN sp. z o.o. adopted resolutions on the division of the company being divided by separation under Article 529 § 1 point 4 of the Commercial Companies Code by transferring to ELMEN sp. z o.o. (the acquiring company) the part of the assets of the divided company constituting an organised part of the enterprise (OPE), within which construction and assembly activities are conducted, together with its associated liabilities, receivables, and other assets. The transfer of the OPE to the acquiring company took place through an appropriate reduction of the share capital of the divided company by cancelling all shares in the divided company held by PGE S.A., and an appropriate increase in the share capital of the acquiring company through the creation of new shares in the acquiring company. In exchange for the cancelled shares in the divided company, PGE S.A. took up all new shares in the increased share capital of the acquiring company. Before the above-mentioned transaction, PGE S.A. held 51% of the share capital of Energoserwis Kleszczów sp. z o.o., whereas 100% of the share capital of ELMEN sp. z o.o. was held by PGE GiEK S.A.
Railway Energy Services	PGE Energetyka Kolejowa S.A. / PGE Energetyka Kolejowa Operator sp. z o.o. (formerly: PGE Energetyka Kolejowa Obsługa sp. z o.o.)	November 3, 2025 / On January 2, 2026, the reduction of the share capital of PGE Energetyka Kolejowa S.A. and the increase of the share capital of PGE Energetyka Kolejowa Operator sp. z o.o. were registered in the National Court Register (spin-off date)	On November 3, 2025, the Extraordinary General Meeting of PGE Energetyka Kolejowa S.A. and the Extraordinary Shareholders' Meeting of PGE Energetyka Kolejowa Obsługa sp. z o.o. (current name: 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 (spin-off division), 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 organised part of the enterprise was effected through the reduction of the share capital of the divided company and the increase of the 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.

LIQUIDATION AND BANKRUPTCY OF COMPANIES

Business segment	Company in liquidation	Transaction date / registration in the NCR	Comment
-	PGE Trading GmbH in liquidation seated in Berlin	March 1, 2021 / As at June 30, 2026, the company has not been removed from the commercial register	On March 1, 2021, the Extraordinary General Meeting of Shareholders of PGE Trading GmbH in liquidation adopted a resolution on the dissolution of the company and the appointment of a liquidator to carry out the liquidation procedure. The liquidation of the company is currently in progress.
-	PGE Trading GmbH in liquidation seated in Berlin	March 31, 2023 / As at June 30, 2026, the company has not been removed from the commercial register	On January 26, 2023, the Extraordinary General Meeting of Shareholders of Railen GmbH adopted a resolution, effective as of January 31, 2023, on the dissolution of the company and the appointment of a liquidator to carry out the liquidation procedure. By order of May 15, 2025, the bankruptcy court opened bankruptcy proceedings against the assets of the company as the debtor and appointed an insolvency administrator. The company's bankruptcy proceedings are currently ongoing.
Railway Energy Services	Energetyka Kolejowa Obrót sp. z o.o. in liquidation	June 2, 2025 / On April 20, 2026, the registry court decided to remove the company from the National Court Register / On April 29, 2026, the removal became final.	On June 2, 2025, the Extraordinary General Meeting of Shareholders of Energetyka Kolejowa Obrót sp. z o.o. adopted a resolution on the dissolution of the company and the appointment of a liquidator to carry out the liquidation procedure. On April 20, 2026, the company was removed from the National Court Register (KRS) (an entry that was not yet final). On April 29, 2026, the company's removal from the National Court Register became final, and thus the company's liquidation was completed.
Railway Energy Services	Remton Investments sp. z o.o. in liquidation	June 2, 2025 / On July 20, 2026, the registry court ordered the company to be struck off the register of entrepreneurs of the National Court Register (KRS) / On July 30, 2026, the company's removal from the register became final	On June 2, 2025, the Extraordinary General Meeting of Shareholders of Remton Investments sp. z o.o. in liquidation adopted a resolution on the dissolution of the company and the appointment of a liquidator to carry out the liquidation procedure. On July 20, 2026, the company was struck off the register of entrepreneurs of the NCR (the entry was not final). On July 30, 2026, the company's removal from the register of entrepreneurs of the NCR became final, thereby completing the liquidation of the company.
Railway Energy Services	Railen Baltics, UAB in bankruptcy seated in Vilnius	December 23, 2025 / As at June 30, 2026, the company has not been removed from the commercial register	On December 23, 2025, the Meeting of Creditors of Railen Baltics, UAB adopted resolutions pursuant to which it decided to conduct out-of-court bankruptcy proceedings with respect to this company and appointed an insolvency administrator. The company's bankruptcy proceedings are currently ongoing.

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

1.4.1. Management Board

COMPOSITION OF THE COMPANY'S MANAGEMENT BOARD AND CHANGES IN THE MANAGEMENT BOARD DURING 2026

Table: Composition of the Management Board as at January 1, 2026.

First name and surname Member of the Management Board	Position held	Term of office
Dariusz Lubera	acting President of the Management Board – delegated from the Supervisory Board	from December 8, 2025 to January 14, 2026
Przemysław Jastrzębski	Vice-President of the Management Board for Finance	from July 15, 2024 to present
Robert Kowalski	Vice-President of the Management Board for Support and Development	from May 15, 2024 to May 19, 2026
Marcin Laskowski	Vice-President of the Management Board for Regulatory Affairs	from March 18, 2024 to present

On January 14, 2026, following a qualification procedure, the Supervisory Board of PGE S.A. adopted the following resolutions:

- No. 668/XII/2026 on appointing Dariusz Lubera to the composition of the 12th-term Management Board with effect from January 15, 2026 and entrusting him with the function of President of the Management Board,
- No 669/XII/2026 on appointing Katarzyna Rozenfeld to the composition of the 12th-term Management Board with effect from January 19, 2026 and entrusting her with the function of Vice-President of the Management Board for Operations.

On May 19, 2026, the Supervisory Board of PGE S.A. adopted resolution No. 736/XII/2026 on the dismissal of Robert Kowalski, Vice-President of the Management Board for Support and Development, from the Management Board.

On June 3, 2026, following a qualification procedure, the Supervisory Board of PGE S.A. adopted Resolution No 768/XII/2026 appointing Piotr Dziubałtowski to the Management Board for its 12th term of office, effective June 8, 2026, and entrusting him with the position of Vice-President of the Management Board for Support and Development.

Table: Composition of the Company's Management Board as at June 30, 2026 and at the date of signing the report.

First name and surname Member of the Management Board	Position held	Term of office
Dariusz Lubera	President of the Management Board	from January 15, 2026 to present
Katarzyna Rozenfeld	Vice-President of the Management Board for Operations	from January 19, 2026 to present
Piotr Dziubałtowski	Vice-President of the Management Board for Support and Development	from June 8, 2026 to present
Przemysław Jastrzębski	Vice-President of the Management Board for Finance	from July 15, 2024 to present
Marcin Laskowski	Vice-President of the Management Board for Regulatory Affairs	from March 18, 2024 to present

1.4.2. Supervisory Board

The Supervisory Board of PGE S.A. operates on the basis of the Act of September 15, 2000 – the Commercial Companies Code and the Articles of Association and the Rules of Procedure of the Supervisory Board of the Company, the content of which is available on the Company's website:

- [Articles of Association.](#)
- [Rules of Procedure of the Supervisory Board.](#)

COMPOSITION OF THE COMPANY'S SUPERVISORY BOARD AND CHANGES IN THE SUPERVISORY BOARD DURING 2026

Table: Composition of the Company's Supervisory Board as at January 1, 2026.

First name and surname Supervisory Board Member	Position held
Michał Domagała	Chair of the Supervisory Board – independent member
Andrzej Sadkowski	Vice-Chair of the Supervisory Board – independent member
Anna Kowalik	Secretary of the Supervisory Board
Andrzej Kozyra	Member – independent
Dariusz Lubera	Member – independent
Elżbieta Niebisz	Member – independent
Andrzej Rzońca	Member – independent
Piotr Stolarczyk	Member – independent

On January 14, 2026, Dariusz Lubera's resignation from the function of Member of the Supervisory Board was received by the Company.

On January 28, 2026 Extraordinary General Meeting of PGE S.A. adopted resolutions on the appointment to the composition of the Supervisory Board of PGE S.A. of the following persons:

- Arkadiusz Krężel
- Wojciech Wróbel

On June 18, 2026, the Annual General Meeting of PGE S.A. appointed the following persons to the Supervisory Board of PGE S.A. for its 13th term of office:

- Michał Domagała
- Anna Kowalik
- Andrzej Kozyra
- Elżbieta Niebisz
- Andrzej Rzońca
- Andrzej Sadkowski
- Piotr Stolarczyk

On July 3, 2026, during the first meeting of the Supervisory Board for its 13th term of office, the members of the Supervisory Board of PGE S.A. elected the Presidium, which is composed as follows:

- Michał Domagała – Chair of the Supervisory Board of PGE S.A.
- Wojciech Wróbel – Vice- Chair of the Supervisory Board of PGE S.A.
- Anna Kowalik – Secretary of the Supervisory Board of PGE S.A.

Table: Composition of the Company's Supervisory Board as at the date of signing the report.

First name and surname Supervisory Board Member	Position held
Michał Domagała	Chair of the Supervisory Board – independent member
Wojciech Wróbel	Vice-Chair of the Supervisory Board
Anna Kowalik	Secretary of the Supervisory Board
Andrzej Kozyra	Member – independent
Arkadiusz Krężel	Member – independent
Elżbieta Niebisz	Member – independent
Andrzej Rzońca	Member – independent
Andrzej Sadkowski	Member – independent
Piotr Stolarczyk	Member – independent

1.4.2.1. Committees of the Supervisory Board

Table: Composition of the standing committees of the Supervisory Board as at January 1, 2026

First name and surname Supervisory Board Member	Audit Committee	Corporate Governance Committee	Strategy and Development Committee	Nomination and Remuneration Committee	Sustainable Development Committee
Michał Domagała	Member	Member		Member	Member
Anna Kowalik	Member	Member		Chair	
Andrzej Kozyra		Member	Chair	Member	Member
Elżbieta Niebisz	Member		Member		
Andrzej Rzońca	Chair		Member		Member
Andrzej Sadkowski			Member		
Piotr Stolarczyk	Member		Member		

Changes in the composition of the standing committees of the Supervisory Board of PGE S.A.:

- on February 18, 2026, Arkadiusz Krężel was appointed to the Corporate Governance Committee,
- on February 18, 2026, Arkadiusz Krężel and Wojciech Wróbel were appointed to the Nomination and Remuneration Committee,
- on February 18, 2026, Piotr Stolarczyk was appointed as Chair of the Strategy and Development Committee,
- on February 18, 2026, Andrzej Kozyra resigned as Chair of the Strategy and Development Committee,
- on March 13, 2026, Andrzej Kozyra was appointed as Chair of the Sustainable Development Committee,
- on March 23, 2026, Arkadiusz Krężel was appointed as Chair of the Corporate Governance Committee,
- on July 3, 2026, during a meeting of the Supervisory Board of PGE S.A., members of the standing committees of the Supervisory Board of PGE S.A. for its 13th term of office were appointed,
- on July 3, 2026, Anna Kowalik was appointed Chair of the Nomination and Remuneration Committee,
- on July 3, 2026, Andrzej Kozyra was appointed Chair of the Sustainable Development Committee,
- on July 9, 2026, Arkadiusz Krężel was appointed Chair of the Corporate Governance Committee,
- on August 27, 2026, Andrzej Rzońca was appointed Chair of the Audit Committee,
- on August 27, 2026, Piotr Stolarczyk was appointed Chair of the Strategy and Development Committee.

Table: Composition of the standing committees of the Supervisory Board as at the date of signing the report.

	Audit Committee	Corporate Governance Committee	Strategy and Development Committee	Nomination and Remuneration Committee	Sustainable Development Committee
Michał Domagała	Member	Member		Member	Member
Anna Kowalik	Member	Member		Chair	
Andrzej Kozyra		Member	Member	Member	Chair
Arkadiusz Krężel		Chair		Member	
Elżbieta Niebisz	Member		Member		
Andrzej Rzońca	Chair		Member		Member
Andrzej Sadkowski			Member		
Piotr Stolarczyk	Member		Chair		
Wojciech Wróbel				Member	

1.5. Shares and shareholding structure

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

SHARE CAPITAL

As at June 30, 2026 and as at the date of signing this report, the share capital of PGE S.A. amounted to PLN 19 183 746 098.70 and was divided into 2 243 712 994 shares with a nominal value of PLN 8.55 each.

Table: Company's share capital.

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

¹ PGE Górnictwo i Energetyka S.A.

SHAREHOLDERS HOLDING SIGNIFICANT SHAREHOLDINGS IN THE COMPANY

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

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

Table: Ownership structure of the Company's share capital as at June 30, 2026 and as at the date of signing this report¹.

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

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

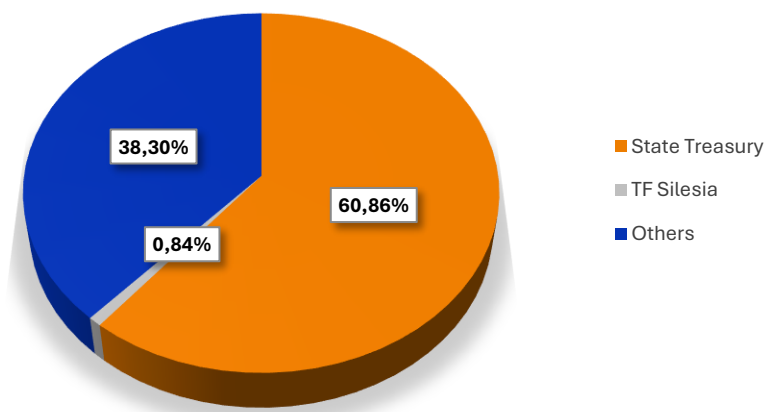
All of the Company's shares are paid up.

Although the Company's shares are not preference shares, the Company's Articles of Association provide for special rights for the State Treasury as long as it remains its Shareholder.

Table: Shareholders holding directly or indirectly through subsidiaries at least 5% of the total number of votes at the General Meeting of PGE S.A. as at June 30, 2026 and as at the date of signing this report.

Shareholder	Number of shares (units)	Number of votes (units)	Share in the total number of votes at the GM (%)
State Treasury	1 365 601 493	1 365 601 493	60.86%
Subsidiary of the State Treasury – TF Silesia	18 697 608	18 697 608	0.84%
Total State Treasury and subsidiary	1 384 299 101	1 384 299 101	61.70%
Others	859 413 893	859 413 893	38.30%
Total	2 243 712 994	2 243 712 994	100.00%

Chart: Shareholding structure of PGE S.A. as at June 30, 2026 and as at the date of signing this report.



1.5.2. Shares of the parent company and shares/stocks in entities related to PGE S.A. held by management and supervisory personnel

To the best knowledge of the Company's Management Board, none of the persons managing and supervising the Company as at June 30, 2026 and as at the date of signing this report held any shares in the parent company or shares/stocks in entities related to PGE S.A.

1.6. Employment in the PGE CG

The PGE Capital Group is one of the largest employers in Poland, providing employment to more than 40,000 people. Thanks to their experience and commitment that it is possible to build a values-driven organisation where social responsibility is integrated with business objectives.

The energy transition, implemented in line with the PGE Group's 2035 Strategy, requires significant adjustment of the employment structure and the development of new competences. Dynamic technological changes, digitalisation and the development of new electricity sources require the systematic upgrading of qualifications and the restructuring of employees' competence profiles in order to meet the growing complexity of processes and new models of work in the energy sector. At the same time, the modernisation of infrastructure and the implementation of large-scale projects (including the construction of RES installations), energy storage facilities and modern generation units will create new jobs, both within the Group itself and in the domestic supply chain, constituting a development impulse for the Polish labour market. The Strategy also assumes a socially responsible approach to the transition, including care for employees and regions associated with coal energy sector. This means the need for the gradual reskilling of part of the workforce, the development of alternative career paths in areas resulting from the new asset architecture of the Group, and the creation of support programmes.

Table: Employment level in the PGE CG (in FTEs)¹

Specification	June 30,2026	June 30,2025	Change	Change %
Renewables	878	815	63	8%
Gas-fired Generation	148	103	45	44%
Coal Energy	16 221	17 784	-1 563	-9%
District Heating	3 274	3 321	-47	-1%
Distribution	9 792	9 690	102	1%
Railway Energy Services	4 104	4 025	79	2%
Supply	3 213	3 294	-81	-2%
Other Operations	2 579	2 544	35	1%
Total in the PGE Group	40 209	41 576	-1 367	-3%

¹ Excluding suspended employees.

The decrease in the number of employees in the PGE CG as at June 30, 2026 compared to June 30, 2025 results mainly from ongoing departures, acquisition of pension rights and the possibility of using the Voluntary Leave Programme in the Coal Energy segment.

The decrease in employment in the Supply segment is the result of the spin-off of Energoserwis Kleszczów sp. z o.o. from the CG's structure.

Changes in employment in the Railway Energy Services segment resulted primarily from the hiring of new employees in connection with filling vacancies, mainly operational staff in PGE Energetyka Kolejowa Operator sp. z o.o. and PGE Energetyka Kolejowa S.A.

The development of projects in the Offshore Energy area resulted in an increase in employment in the Renewables segment.

The increase in employment in the Gas-fired Generation segment was related to the commissioning of the gas-fired power plant PGE Gryfino Dolna Odra sp. z o.o. (which resulted in an increase in technical and administrative staff) and an increase in headcount in PGE Nowy Rybnik sp. z o.o. – in accordance with the schedule of the investment project for the construction of a CCGT unit.

In the Other Operations segment, the increase in employment was mainly attributable to the recruitment of new employees by PGE Systemy sp. z o.o. in expanding business areas (LTE450, NCB, Cybersecurity) and the acquisition at the end of 2025 of shares in PGE Energia Jądrowa S.A. (previous name: PGE PAK Energia Jądrowa S.A.), supervising the preparation of the project in nuclear energy facilities and related investments.

2. Risks in the PGE Group's operations

PGE S.A., as the Corporate Centre managing the Capital Group, creates and implements integrated risk management architecture at PGE Capital Group. In particular, it shapes PGE Group's risk management policies, standards and practices, designs and develops internal IT tools to support these processes, specifies global risk appetite and adequate limits as well as monitors their levels. PGE Capital Group companies, as well as other entities from the electrical and power sector, are exposed to a number of risks and threats resulting from the specific operating activities and operating in specific market and regulatory environment.

Within the Capital Group, several risk areas related to its operations are analysed. These include, among others, the processes described below:

- corporate risks,
- ESG risks, including climate risks.

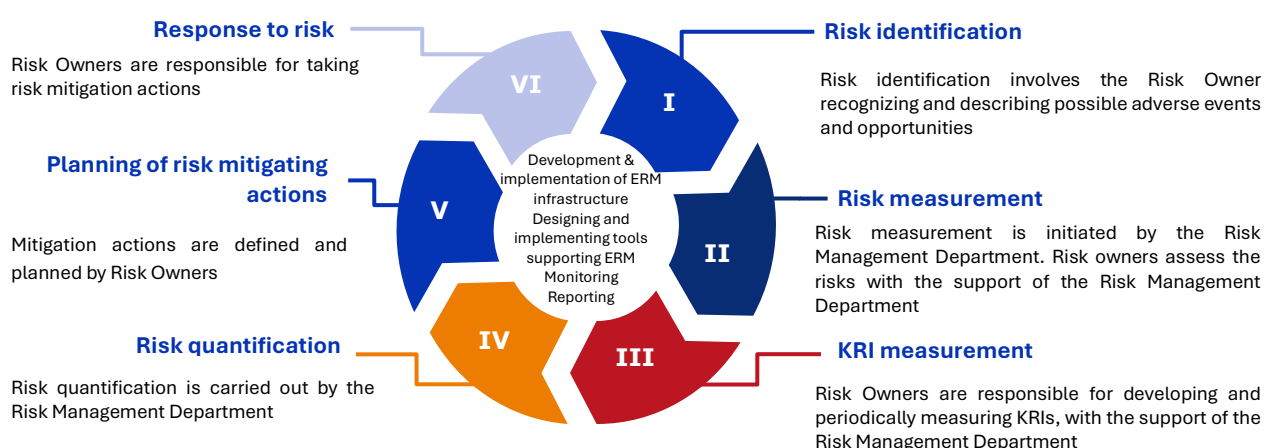
Long-term risks relate to the operationalisation of the PGE Group's 2035 Strategy (announced in June 2025), which is currently being updated.

2.1. Corporate risks

In the PGE CG, risk management is aligned with the management levels in individual business areas. The establishment of risk, investment and sustainability committees at the highest management level, reporting directly to the Management Board of PGE S.A., ensures oversight of the effectiveness of risk management processes across the Group. The function of monitoring, coordinating and supporting risk management is carried out by the Risk Management Department of PGE S.A., which enables independent assessment of risks and their impact on the Group's operations.

The PGE Capital Group has systematically developed a comprehensive risk management system, measures and assesses risks in the key companies of the Group. Mechanism allowing identification of areas exposed to risk and risk level measurement methods are periodically verified and developed. Thanks to that, the significant risks concerning various areas of operations are kept within the assumed limits by reducing negative effects of such risks and by taking preventive or corrective measures, in accordance with the presented cycle.

Chart: Enterprise Risk Management (ERM) process at the PGE Group



All identified and assessed risks relating to the Group's current activities are recorded in the central risk registration system maintained by the Risk and Insurance Department. Risk books reflect their levels and values of individual risk parameters along with information on the implemented mitigation measures (reducing the probability of occurrence and minimising negative consequences of a risk) and its operational efficiency. The effectiveness of the mitigating actions implemented is denoted by the following three categories: effective, to be improved, to be changed.

The table below presents the most significant risks identified in the PGE Capital Group together with update of their assessment in 2026 perspective. A risk level indicates a risk's potential impact on the Group's financial results, and a risk prospect (trend) indicates the anticipated direction of risk development.

Table: The main corporate risks of PGE S.A. and the PGE Group along with their assessment and outlook for year 2026.

Risk category	Risk name	Risk level	Mitigating actions
MARKET AND PRODUCT RISKS related to prices and volumes of offered products and services	Risk related to failure to achieve the assumed margins and financial results in the Group's trading and generation activities – risk related to potential deviations from the planned margins on sales of electricity and ancillary products, caused by changes in sales volumes, product mix, the effectiveness of sales channels, energy and fuel prices, customer behaviour and energy purchase costs. In the generation area, it also includes the impact on financial results of changes in the gross margin on electricity sales and changes in variable costs of electricity and heat generation.	 	- cyclical commercial optimisation of generation assets, including the determination of profitable production scenarios for updated market parameters of electricity, CO2 and production fuels, and the development of sales plans for subsequent periods - monitoring of energy markets (electricity, CO2, natural gas, coal, certificates), export/import balance and sector trends - monitoring of risk exposure across individual positions in electricity, fuels and CO2 emission allowances - monitoring of exposure for individual areas in relation to established limits and hedging strategies
	Risk related to tariff G for regulated customers (electricity sales prices) – risk related to non-approval of the tariff or unfavourable tariff rates	 	- close cooperation with the Energy Regulatory Office - submitting analyses to the Energy Regulatory Office regarding the actual cost levels that should be considered as a justified level - use of the administrative appeal procedure against decisions of the President of URE, as provided for in the Energy Law and the Code of Civil Procedure - monitoring of legal regulations and analysis of introduced changes in terms of tariff-setting - participation in legislative work - internal practice in the preparation of tariffs based on the tariff regulation and the standard scope of documentation and calculations required by URE - verification and authorisation of data at individual stages of the tariff process
	Risk of incomplete hedging of the costs of matching and balancing the electricity sold – risk related to incomplete hedging of electricity costs in sales contracts with the Company's customers	 	- including penalties in agreements for exceeding the permitted range of contract volume variability - customer segmentation in order to tailor the offer to the customer's consumption profile - application of appropriate sales offer models - forecasting of electricity generation from RES owned by customers - development of a product offering enabling influence over the customer's consumption profile - development of IT tools supporting the mitigation of a given risk



Low level of risk; does not pose a threat and may be tolerated

Medium level of risk; needs preparation of the proper reaction based on analysis of costs and benefits

High level of risk; Intolerable risk, which needs immediate and active reaction, leading simultaneously to limitation of possible consequences and of probability of occurrence thereof



decrease



stable outlook



growth

Risk category	Risk name	Risk level	Mitigating actions
	Risk related to the volume of electricity sales – risk related to the achievement of the electricity and heat sales plan resulting from unfavourable external, internal and local conditions affecting the demand for energy products.		- preparation of forecasts and analyses of electricity consumption - monitoring of electricity demand - preparation of daily capacity reports - analysis and alignment of development plans with municipalities in the area of conducted activities - cooperation with municipalities in areas where connection investments are to be carried out, in particular at the stage of preparation of local spatial development plans
PROPERTY RISKS Related to development and maintenance of the assets	Risk of failures and damage to property – connected with the operation and degradation over time of energy equipment and facilities and protection of energy equipment and facilities against destructive factors (including fire, effects of weather phenomena, intentional damage)		- monitoring of planned and emergency outages in the distribution network - application of technologies limiting the negative impact of weather conditions, carrying out tree trimming - monitoring of the operation of protection systems and automation - preparation and implementation of periodic operation and modernisation plans - compliance with internal and external regulations in the field of operation - insurance of key generation assets against failures and damage to property based on an analysis of insurance costs, available capacities of insurance markets for specific risks or types of assets, costs related to potential asset reconstruction and potentially lost revenues
	Tangible investments risk – related to the strategic development directions of the PGE Capital Group and limited possibilities of obtaining financing for these projects		- engagement of a technical advisor and contract engineer to verify the received design documentation - implementation of investments in cooperation with a strategic partner - inclusion of appropriate contractual safeguards with respect to the schedule - technical and schedule monitoring of the investment project - monitoring of the market environment in terms of potential external risks to the project - monitoring of current support programmes and the legislative environment - enforcement of guaranteed parameters for installations
OPERATIONAL RISKS Related to pursuing of ongoing economic processes	Settlement risk – risk related to the functioning of the settlement system and the IT systems supporting it.		- adapting IT systems to business requirements - use of dedicated IT systems - cooperation with retail companies to optimize the settlement process and exchange information regarding settlements - use of error detection and correction mechanisms - proper selection of staff, conducting periodic training for employees and other persons providing work - use of backup power systems, creating backup copies - monitoring and implementation of current legal provisions
	Fuel and production raw materials management risk – risk related to the management of fuel and production raw material inventories.		- development of internal standards for the management of fuel and production raw material inventories - procurement planning in accordance with technical and operational requirements - standardisation of fuel and production raw material parameters and appropriate quality control - monitoring of fuel and production raw material inventory levels - optimisation in quantitative and cost terms of fuel and production raw material inventories held - diversification of suppliers - taking into account contractual penalties

Risk category	Risk name	Risk level	Mitigating actions
	OT systems cybersecurity risk – risk related to the deliberate disruption of the proper functioning of industrial IT systems	 	▪ separation of OT networks from IT networks and the Internet ▪ application of security systems in the OT domain across all workstations, terminals and servers ▪ cyclical awareness-raising training for employees ▪ verification of external entities and employees in terms of threats and leakage of data on sensitive points of infrastructure ▪ use of tools for detecting incidents and responding to them ▪ enforcement of the change approval workflow mechanism for changes implemented across the entire OT infrastructure and systems ▪ application of the principle of least privilege ▪ monitoring of the supervision process over remote access and physical access
	Metering and readings risk – risk related to the improper functioning of metering systems or incorrectly performed readings of electricity meters.	 	▪ compliance with security standards for ICT systems ▪ use of backup power supply systems, creation of backups ▪ proper response to failures, malfunctions and damage ▪ training of employees in procedures to be followed in the event of failures of ICT systems ▪ inspections, reviews and checks of metering and settlement systems ▪ replacement of defective elements of metering systems ▪ compliance with regulations governing the management and operation of electricity meters ▪ compliance with standards relating to meter testing and procedures in the event of meter failures ▪ expansion of the coverage of remote reading of metering data ▪ monitoring of the accuracy of readings
	Human resources risk – risk related to difficulties in ensuring staff with the appropriate experience, competences and capabilities to perform specified tasks.	 	▪ active participation of the PGE CG in internship programmes and cooperation with educational institutions in order to ensure the inflow of qualified staff ▪ assessment and training of staff in order to ensure their optimal use within the structures of the PGE CG
	Procurement risk – risk related to the implementation of the procurement process.	 	▪ training in regulations preventing money laundering and terrorist financing ▪ requirement to become familiar with Good Procurement Practices and the Code of Conduct for Business Partners of PGE CG companies ▪ assessment of suppliers ▪ appropriate approval path and internal regulations relating to the procurement process
REGULATORY AND LEGAL RISKS	Risk related to the settlement of the write-down to the Price Difference Payment Fund – risk related to the interpretation of the applicable provisions of the Act as regards the definition of revenues from the sale of electricity ² .	 	▪ filing an appeal against the decision of the President of the Energy Regulatory Office with the Court of Competition and Consumer Protection

² In March 2026, PGE Obrót S.A. received an administrative decision from the President of the Energy Regulatory Office on the obligation to transfer to the account of the PDP Fund the amount of PLN 605 million, constituting the difference between the write-off made to the PDP Fund by PGE Obrót S.A. and the amount calculated by the President of the Energy Regulatory Office. The additional cash payment resulting from the ERO President's decision regarding the contribution to the PDP Fund was made on March 20, 2026, subject to a reservation regarding its recovery. On March 26, 2026, the Company filed an appeal with the Court of Competition and Consumer Protection (SOKiK), requesting a suspension of execution of the decision. On August 28, 2026, SOKiK served a copy of the Company's appeal on the President of the URE, setting a 30-day deadline for a response. At the same time, SOKiK dismissed PGE Obrót S.A.'s application to suspend the enforceability of the ERO President's decision.

On July 2, 2026 PGE Energetyka Kolejowa S.A. received an administrative decision from the President of the Energy Regulatory Office resulting in the need to pay an additional amount of PLN 265 million, i.e. constituting the difference between the write-off made to the PDP Fund by PGE Energetyka Kolejowa S.A. and the amount calculated by the ERO President. PGE Energetyka Kolejowa S.A. made the required cash payment towards the PDP Fund contribution in July 2026 and, on July 15, 2026, filed an appeal with SOKiK, accompanied by a motion to suspend the execution of the decision. As of the date of this statement, the court proceedings remain ongoing.

Risk category	Risk name	Risk level	Mitigating actions
related to fulfilling the requirements of the legal environment	Risk related to the PGE Group's compliance with CSIRE requirements – risk related to organisational, process and technological readiness to fulfil the obligations associated with the implementation and operation of the Central Energy Market Information System (CSIRE).	 new risk	- regulatory monitoring - adjustment of processes and procedures - ensuring business continuity (emergency procedures) - employee training
	Risk of unregulated legal status – risk related to the unregulated legal status of real property (buildings, land) and the incurrence of additional costs due to claims of their owners or the need to reconstruct or relocate asset components.	 ↗	- monitoring of legal regulations - maintaining registers concerning the real property on which the assets are located - judicial establishment of transmission easements - conclusion of agreements regulating issues relating to siting - asset passporting of network equipment - compliance with internal regulations regarding the acquisition of rights to land
	Environmental protection risk – risk related to obligations arising from regulations specifying the environmental requirements to be met by energy installations and the rules for the use of the natural environment, including uncertainty as to their final shape and the level of limits.	 ↔	- compliance with internal regulations concerning environmental protection and the environmental management system - monitoring and supervision of the levels of main air pollutant emissions (SO₂, NO_x, dust) from individual installations on a monthly and annual basis in accordance with the conditions specified in integrated permits (including those resulting from BAT conclusions) - cooperation between companies and substantive organisational units in the area of analysing submitted complaints, comments and objections and preparing positions and explanations
	State aid risk – risk related to the failure to obtain or the need to return financial resources.	 ↙	- detailed verification of available sources of financing - monitoring of the schedules of programmes planned to be launched - finalisation of the final scope of the project at the stage of the application for funding and the funding agreement - timely preparation of responses to requests from the supporting institution - in the event of a change in the scope of the project, analysis of the impact of that change in the context of the funding agreement - obtaining the position of the supporting institution in the event of a change in the scope of the project
FINANCIAL RISKS Related to finance management	Contractor's credit risk – connected with the counterparty default, partial and/or late payment of receivables or a different type of breach of contractual conditions (for example failure to deliver/collect goods or failure to pay for any associated damages or contractual penalties)	 ↗	- assessment of the counterparty's financial standing - application of adequate clauses in contracts, particularly contractual provisions enabling the establishment of security for the due performance of the contract in the event of deterioration in the counterparty's economic and financial situation - monitoring of the customer's debt and taking early soft/hard collection measures in order to prevent an increase in indebtedness - compliance with internal regulations regarding the handling of security
	Liquidity risk – connected with the possibility of losing the ability to meet current liabilities and obtaining financing sources for business operations	 ↗	- planning of cash flows in accordance with financial data resulting from financial plans and concluded agreements, in order to reflect reliable data - multi-level approval of submitted partial liquidity reports in order to verify their correctness - ongoing analysis of plans and updating of cash flows - monitoring of payments from customers and their impact on liquidity - application in contracts of provisions concerning financial terms, including security, in accordance with the adopted regulations - diversification of sources of financing - monitoring and compliance with covenants contained in the binding financing agreements
	Foreign exchange risk – resulting from negative impact of exchange rate movements on PGE Group's cash flows denominated in currencies other than domestic currency	 ↔	- compliance with internal regulations regarding foreign exchange risk management - entering into transactions involving instruments based on an interest rate and/or currency solely for the purpose of hedging identified risk exposure - refraining from entering into speculative transactions, i.e. those intended solely to generate additional profits

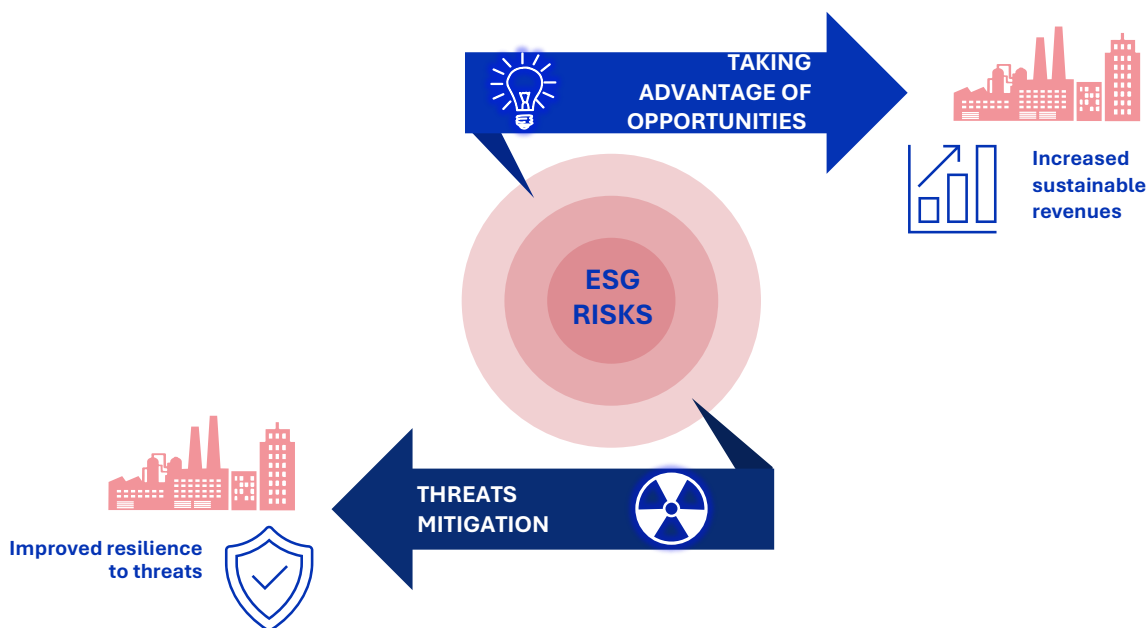
Risk category	Risk name	Risk level	Mitigating actions
	Interest rate risk – resulting from the negative impact of changes in market interest rates on PGE Group's cash flows		▪ monitoring of macroeconomic indicators ▪ compliance with internal regulations concerning financial risk management in the PGE CG ▪ limiting the impact of changes in interest rates on cash flow and financial results through interest rate hedging ▪ identification and monitoring of exposure to interest rate risk

2.2. ESG risks including climate risks

ESG risks cover a wide range of environmental, social and governance issues. In the environmental area, physical climate risks are of particular importance and are additionally analysed within the framework of the EU Taxonomy reported in the full year statement.

The PGE Capital Group identifies and monitors the impact of its operations on the climate, as well as the threats resulting from climate change for the Group's operations. This interdependence generates both threats and opportunities for organisation's development, therefore, the expectations of stakeholders in terms of reporting the impact of activities on the climate as well as dependence on it are understandable, recognising climate risk management as a key element of ESG risks assessment.

Graphics: Interdependencies between ESG risks and PGE Group's activities.



The Group has also stepped up its efforts to meet the regulatory requirements, both national and European. A Sustainability Statement for 2025 has been prepared, formally based on the CSRD¹, the European Sustainability Reporting Standards (ESRS), and the Accounting Act. The Sustainability Statement is presented in p. 9 of the Management Board's Report on the Activities of PGE Polska Grupa Energetyczna S.A. and the PGE Group for 2025.

PROCESS OF ASSESSMENT OF THE FINANCIAL MATERIALITY OF ESG RISKS

The CSRD Directive imposes on large entities such as PGE the obligation to conduct a double materiality assessment, the results of which determine the scope of sustainability reporting across the entire Capital Group. The results of the financial materiality assessment process for ESG risks for 2025 were published in the Sustainability Statement included in p. 9 of the Management Board's Report on the Activities of PGE Polska Grupa Energetyczna S.A. and the PGE Group for 2025.

CDP STUDY

In 2026 PGE Group once again participated in an international study on the company's environmental impact - CDP (<https://www.cdp.net/en>). In response to enquiries from global investors, the impact of operations on climate, water and forest resources was analysed, in terms of both risks and related opportunities. Any business is affected by two types of climate risks:

- **physical risks**, related to the physical effects of climate change i.e. real threats in the form of extreme weather events, like drought, flooding,

¹ CSRD - Corporate Sustainability Reporting Directive.

- **risks associated with the transition** (so called transition risks) to a low-carbon and climate-resilient economy, which relate to meeting regulatory requirements, implementing new technologies or impact on the reputation of a business.

From a business perspective, there is an interdependence between risks and opportunities associated with climate. Actions aimed at mitigating climate change and adapting to its impacts simultaneously provide new opportunities and prospects for business development.

Table: Climate-related opportunities in the PGE Group.

Area	Example
New sources of electricity	Investments in offshore wind farms.
New products	Expansion of the product portfolio - products that fit into low-emission heating systems.

Table: Climate-related risks in the PGE Group.

Area	Example
Operations	Extreme weather events or changes in climate conditions, which could negatively influence PGE Group's assets and operating activities.
CO ₂ emissions	Rising costs of emission allowances, which could adversely affect the profitability of generating assets or ultimately bring these assets to a halt due for economic reasons.

All of the above issues are assessed in terms of probability and the estimated timeframe of materialisation.

ASSESSMENT OF THE IMPACT OF PHYSICAL CLIMATE RISKS ON THE OPERATIONS

Global warming, changing precipitation patterns, rising sea levels and extreme weather events are increasingly challenging the resilience of power systems, increasing the likelihood of disruption. Climate change directly affects every segment of the power system: production potential and efficiency, demand for heating and cooling, resilience of transmission and distribution networks, as well as demand patterns.

In 2025, the PGE Group once again carried out an assessment of key physical climate risks that could negatively affect operations. Awareness of how climate factors (primarily temperature, precipitation and wind) may impact the Group's core activities helps to support adaptation to climate change and increase resilience to climate hazards.

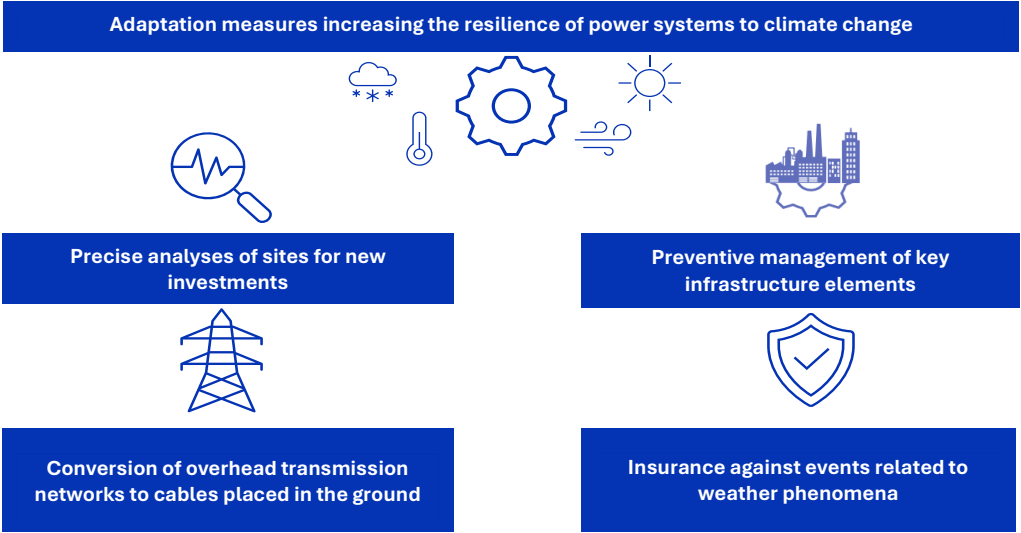
The assessment of the risk related to climatic physical threats in PGE Capital Group is carried out in the current and long-term perspective using scientific models describing possible climate scenarios.

Table: Climate scenarios.

Scenario	Type of scenario	Assumptions	Global temperature rise	Impact of the risk
RCP 4.5	optimistic	introduction of new technologies in order to achieve a higher reduction of greenhouse gas emissions than at present	2.5°C	low/medium
RCP 8.5	pessimistic	current growth rate of greenhouse gas emissions will be maintained, in the "business as usual" formula	4.5°C	low/medium

The assessment carried out showed a low or medium impact of risks related to physical climatic hazards on the key activities of the Capital Group in 2025. The implementation and continuous improvement of adaptation measures developed in the PGE CG significantly affect the process outcomes, demonstrating that the actions undertaken have increased the Group's resilience to physical climate risks.

Graphics: Adaptation measures in the PGE Capital Group.



3. Energy market and regulatory and business environment

3.1. Macroeconomic environment

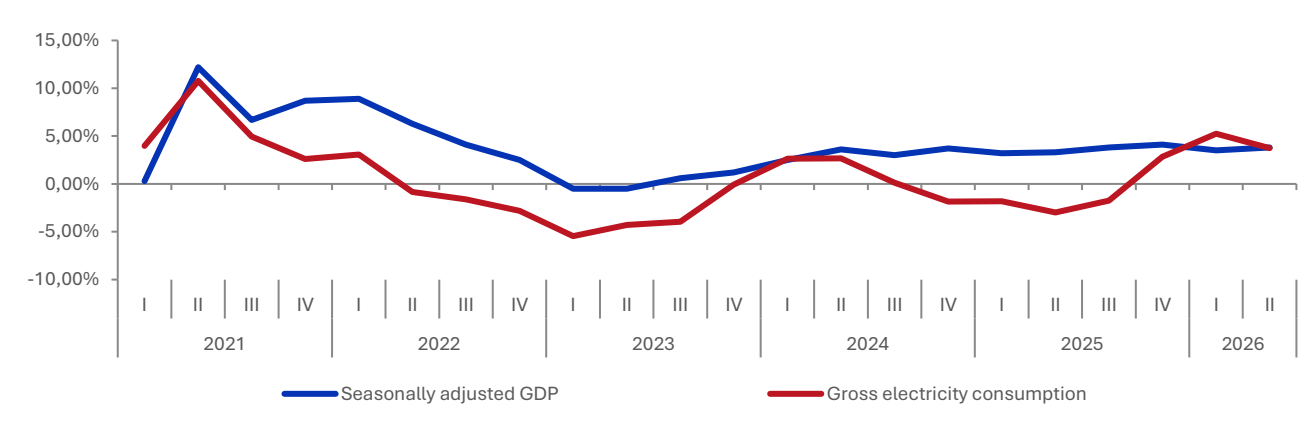
The PGE Group operates primarily on the Polish market, and the domestic macroeconomic situation has a significant impact on the Group's results. At the same time, the condition of the Polish economy remains closely linked to economic conditions in the EU and global markets. The Group's financial results are affected both by developments in individual sectors of the economy and by conditions in the financial markets, which determine the terms on which the PGE Group obtains debt financing.

As a general rule, there has historically been a correlation in Poland between changes in electricity demand and changes in the pace of economic growth. Given the PGE Group's position in the Polish generation market, as well as its significant share of the sales and distribution markets of electricity and heat, changes in demand for these energy carriers may have a significant impact on the Group's results.

In the first half of 2026, the socio-economic situation in Poland was shaped by the conflict in the Persian Gulf. The Polish economy entered 2026 with strong growth momentum; however, the external environment remained a source of uncertainty. The escalation of the conflict in February 2026 put pressure on economic growth, increasing the risk of a weaker-than-forecast result, primarily through the effects of the oil and gas price shock. Accelerating industrial activity and a rebound in construction and assembly output following a slowdown caused by adverse weather conditions in the first months of the year translated into the fastest growth in industrial and construction output in more than four years in the second quarter of 2026 (3.7% q/q). Consequently, GDP growth accelerated from 3.5% y/y in the first quarter of 2026 to 3.8% y/y in the second quarter of 2026. Part of the GDP growth resulted from the low base effect associated with very weak economic conditions in the first half of 2025.

Economic activity was also supported by significant capital expenditure financed from National Recovery and Resilience Plan (KPO) funds. The recovery in industry, combined with low air temperatures in the first quarter of 2026 and heatwaves in May and June 2026, resulted in a 4.56% increase in electricity demand in the first half of 2026 compared with the corresponding period of 2025.

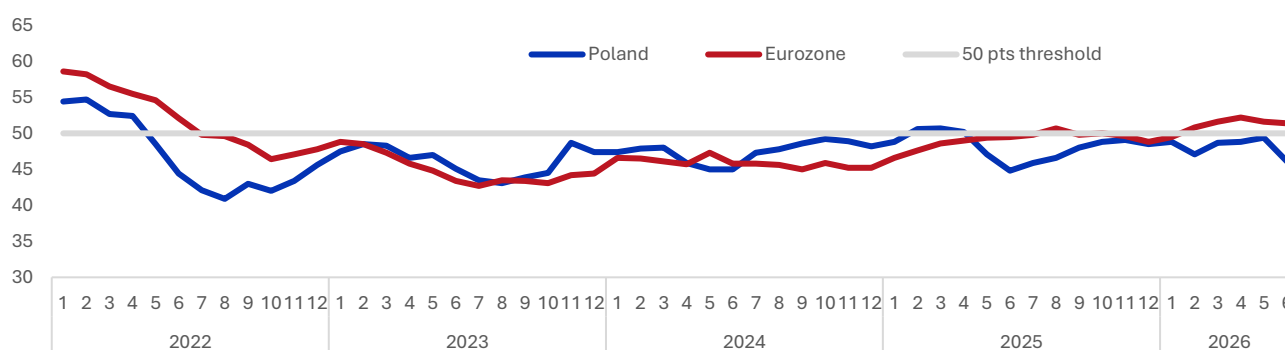
Chart: Dynamics of seasonally adjusted GDP and gross domestic electricity consumption.



Source: Central Statistical Office (GUS), PSE S.A., ING

The Purchasing Managers' Index (PMI) remained below the neutral level of 50 points in the first half of 2026, indicating persistently low activity in the industrial sector. The PMI has remained below 50 points since May 2025. The PMI reflects a structural deterioration in conditions in Polish industry, driven by the logistics crisis in the Persian Gulf, which artificially lengthened delivery times and contributed to higher energy prices. In the first half of 2026, the PMI averaged 1.1% lower than in the corresponding period of the previous year. The largest decline in the PMI occurred in June 2026, when the index fell to an 11-month low – i.e. 46.1 points. This was caused by pressure from a sharp decline in new orders, purchasing activity and employment, combined with a simultaneous increase in inventories of unsold goods.

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



Source: S&P Global

The manufacturing PMI for the euro area in the first half of 2026 remained approximately 5.6% higher than in the corresponding period of the previous year, with readings above the neutral level of 50 points. The second quarter of 2026 was characterised by a month-on-month decline in the PMI, which may indicate that production for inventory is gradually slowing in the face of the risk of a halt or significant reduction in supplies of key industrial raw materials.

3.2. Market environment

3.2.1. Electricity

3.2.1.1. Situation in the National Power System

Table: Domestic electricity consumption (TWh).

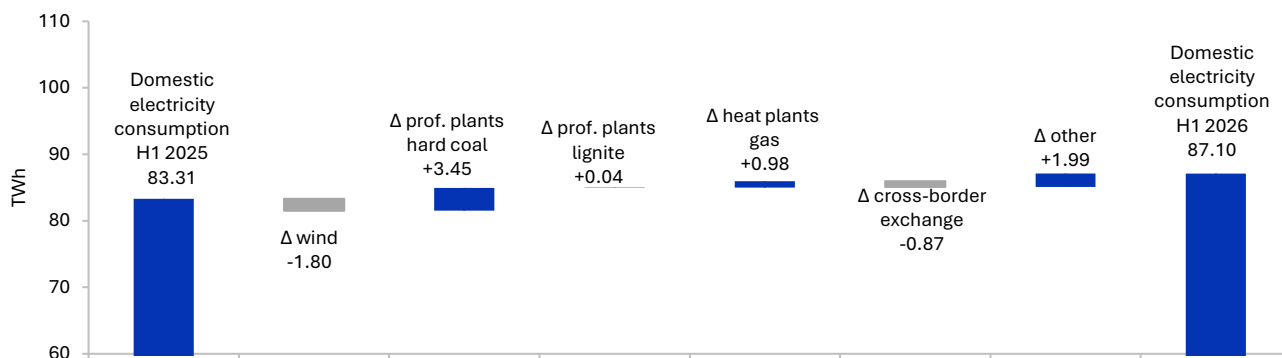
	H1 2026	H1 2025	Change	Change %
Domestic electricity consumption, including:	87.10	83.31	3.79	5%
Wind farms	10.54	12.34	-1.80	-15%
Hard coal-fired power plants	37.91	34.46	3.45	10%
Professional thermal lignite-fired power plants	17.11	17.07	0.04	0%
Professional thermal gas-fired power plants	9.90	8.92	0.98	11%
Foreign exchange balance	-1.98	-1.11	-0.87	78%
Other (hydro, other renewables)	13.62	11.63	1.99	17%

Source: Based on PSE S.A. data.

H1 2026

In the first half of 2026, domestic electricity consumption increased by 3.79 TWh compared with the previous year, mainly due to lower average daily temperatures and the resulting higher demand for electricity. As a result of less favourable wind conditions, wind generation decreased by 1.80 TWh compared with the corresponding period of the previous year. In the first half of 2026, as in the previous year, Poland was a net exporter of electricity. Overall, exports were higher than in the corresponding period of the previous year (-1.98 TWh vs -1.11 TWh), mainly due to higher photovoltaic generation. Output from hard coal-fired power plants increased (+3.45 TWh), as did gas-fired generation (+0.98 TWh) and lignite-fired generation (+0.04 TWh). Generation from other sources also increased (+1.99 TWh), primarily from photovoltaic power plants due to growth in installed capacity.

Chart: Energy balance in the National Power System in the first half of 2026 (TWh).



Source: Own compilation based on PSE S.A. data.

The situation in the National Power System directly affects the operational activities of the PGE CG. In the first half of 2026, the PGE Group recorded an increase in gross generation from hard coal-fired units of 1.67 TWh (+21% y/y), from gas-fired units of 0.68 TWh (+15% y/y), and from lignite-fired units of 0.26 TWh (+2% y/y).

3.2.1.2. Electricity prices – domestic market

Table: Day-Ahead Market (RDN).

Market/measure	Unit	H1 2026	H1 2025	Change	Change %
RDN – average price	PLN/MWh	488	435	53	12%
RDN – trading volume	TWh	24.94	23.41	1.53	7%

Source: TGE data, covering weighted average monthly BASE prices.

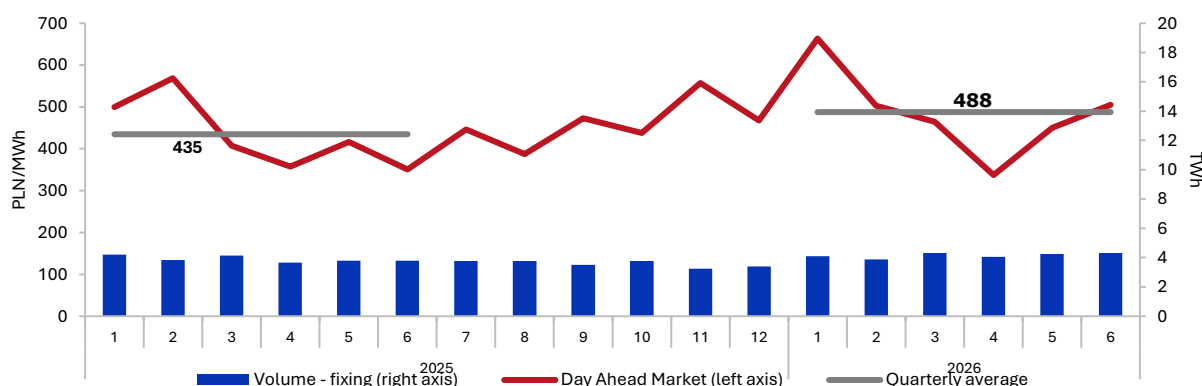
Table: Selected price-forming factors affecting RDN quotations.

Factor	Unit	H1 2026	H1 2025	Change	Change %
CO ₂ allowances ²	EUR/t	77.25	72.30	4.95	7%
Hard coal PSCMI-1	PLN/GJ	14.08	16.43	-2.35	-14%
Wind generation in the NPS	TWh	10.54	12.34	-1.80	-15%
Indicator: wind generation/NPS consumption	%	12%	15%		

In the first half of 2026, the average electricity price on the RDN amounted to PLN 488/MWh and was 12% higher than the average price (PLN 435/MWh) recorded in the previous year. The decrease in average daily temperatures contributed to the price increase.

The average level of the Polish Steam Coal Market Index (PSCMI-1) in the first half of 2026 stood at PLN 14.08/GJ, i.e. 14% y/y lower than in the base period.

Chart: Average monthly quotations on the RDN in 2025–2026 (TGE).³



Source: TGE data, covering weighted average monthly BASE prices.

² Own compilation based on ICE quotations.

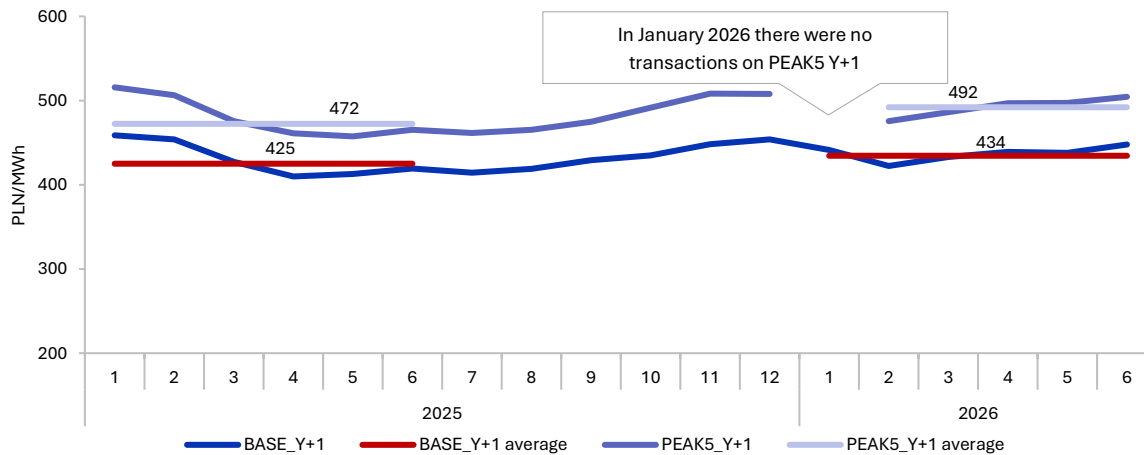
³ Average monthly level of indices for futures contracts for the following year (Y+1), base and peak load, weighted by trading volume

Table: Forward Market (RTT).

Market/measure	Unit	H1 2026	H1 2025	Change	Change %
BASE Y+1 – average price	PLN/MWh	434	425	9	2%
BASE Y+1 – trading volume	TWh	12.50	11.90	0.60	5%
PEAK5 Y+1 – average price	PLN/MWh	492	472	20	4%
PEAK5 Y+1 – trading volume	TWh	1.00	1.81	-0.81	-45%

Electricity prices on the RTT increased in the first half of 2026 for both BASE and PEAK5 contracts compared with the corresponding period of the previous year. The increase in prices may have been driven by several factors, including higher CO₂ emission allowance prices and higher fuel prices due to the situation in the Persian Gulf.

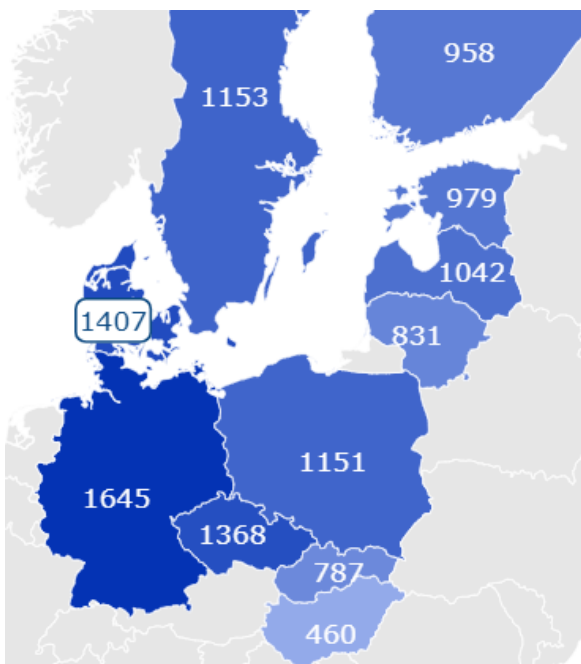
Chart: Average monthly quotations on the RTT in 2025–2026 (TGE).⁴



3.2.1.3. Electricity prices – international market

WHOLESALE ELECTRICITY PRICES – INTERNATIONAL MARKET (RDN)

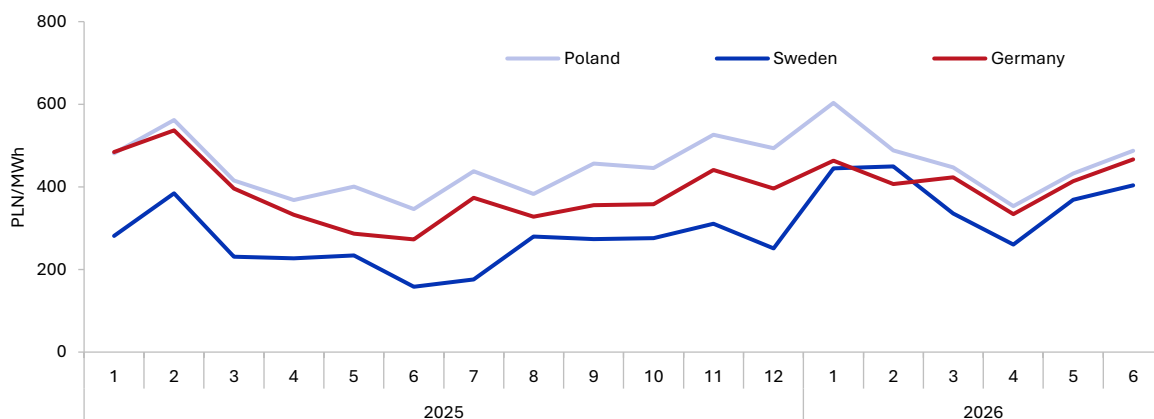
Chart: Comparison of average electricity prices on the Polish market and neighbouring markets in the first half of 2026 (prices in PLN/MWh, average EUR exchange rate 4.24).



Source: TGE – RDN price level calculated based on hourly quotations (fixing), EEX, Nordpool.

⁴ Average monthly level of indices for futures contracts for the following year (Y+1), base and peak load, weighted by trading volume.

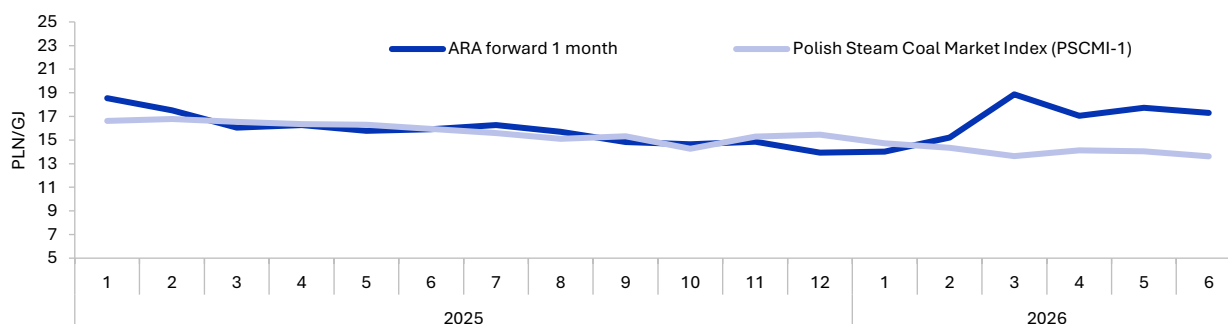
Chart: Energy prices on the spot market (RDN).



Source: TGE, EEX, Nordpool.

In the first half of 2026, the largest y/y price increases were recorded in Finland (+PLN 136/MWh), Sweden (+PLN 124/MWh), Denmark (+PLN 76/MWh) and Lithuania (+PLN 64/MWh), while the smallest price increases were recorded in Estonia (+PLN 22/MWh), Germany (+PLN 34/MWh) and the Czech Republic (+PLN 34/MWh). The variation in electricity prices across countries results from the varying share of renewable energy sources in the generation mix and the situation in related product markets. The price spread between Poland and neighbouring countries also results from differences in prices of coal and natural gas contracts executed domestically and abroad. The changes in prices are driven by changes in market conditions, mainly due to the differentiated share of RES in generation.

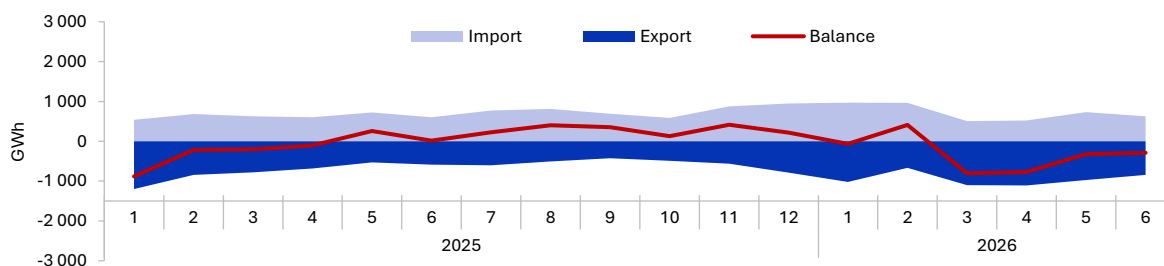
Chart: ARA vs PSCMI-1 coal indices⁵.



Source: Industrial Development Agency (ARP), Bloomberg (API21MON OECD Index), own compilation.

POLISH CROSS-BORDER EXCHANGE

Chart: Monthly commercial import and export volumes and trade balance in 2025–2026.

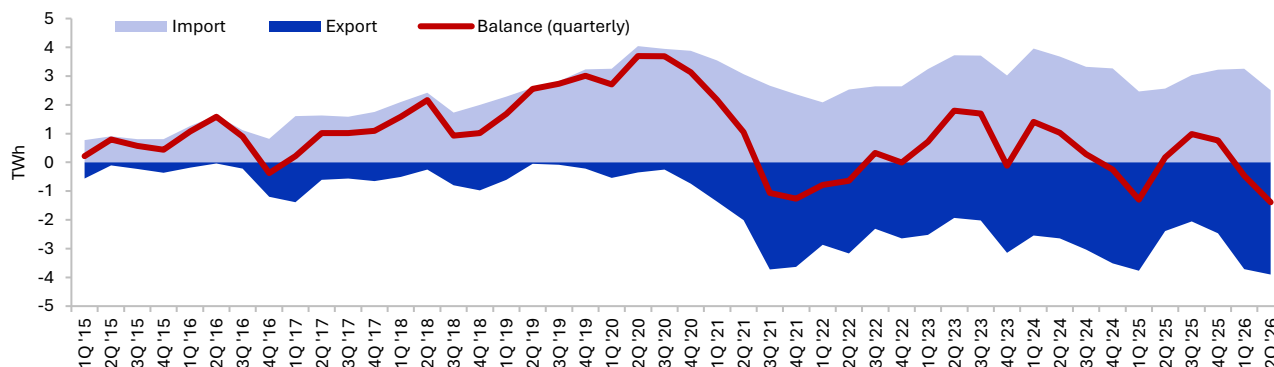


Source: Own compilation based on PSE S.A. data.

⁵ The comparison is for illustrative purposes. The ARA and PSCMI-1 indices differ in methodology: for example, the ARA index includes insurance and delivery costs. PSCMI-1 is an ex-mine index, without insurance and delivery costs. Calorific standards also differ (ARA – 25.12 GJ/t vs. PSCMI-1 calorific value in the range of 20-24 GJ/t). The illustration is intended to compare the trend, rather than the absolute level. For the purposes of the illustration, the ARA index has been converted from USD/t to PLN/GJ.

The variation in imports/exports results from the share of renewable energy sources in the technology mix and the situation in related product markets. In the first half of 2026, Poland was an exporter of electricity, which resulted from an increase in installed capacity in PV sources and generation from these sources. Exports took place primarily in the morning and afternoon hours.

Chart: Quarterly commercial import and export volumes and trade balance in 2015–2026.



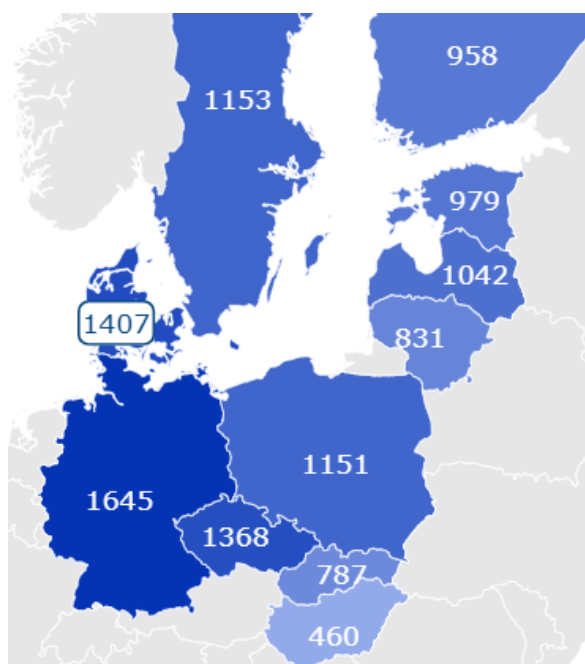
Source: Own compilation based on PSE S.A. data.

In the first half of 2026, Poland was a net exporter of electricity, with a exchange balance of (-1.9 TWh). The largest contribution to the net exchange balance came from exports to Slovakia (-2.4 TWh), Germany (-1.9 TWh) and the Czech Republic (-1.2 TWh). At the same time, the largest volumes of electricity were imported from Germany (2.3 TWh), Sweden (0.9 TWh) and the Czech Republic (0.6 TWh).

RETAIL ELECTRICITY PRICES – INTERNATIONAL MARKET

The variation in retail electricity prices in the EU depends mainly on the level of wholesale electricity prices, the fiscal system (taxes and levies), regulatory mechanisms, and support schemes in individual countries. In the second half of 2025⁶, additional charges (above the selling price and distribution cost of electricity) for individual consumers in Poland accounted for 43% of the electricity price. Germans paid the most for electricity, with additional charges accounting for 32% of their final price.

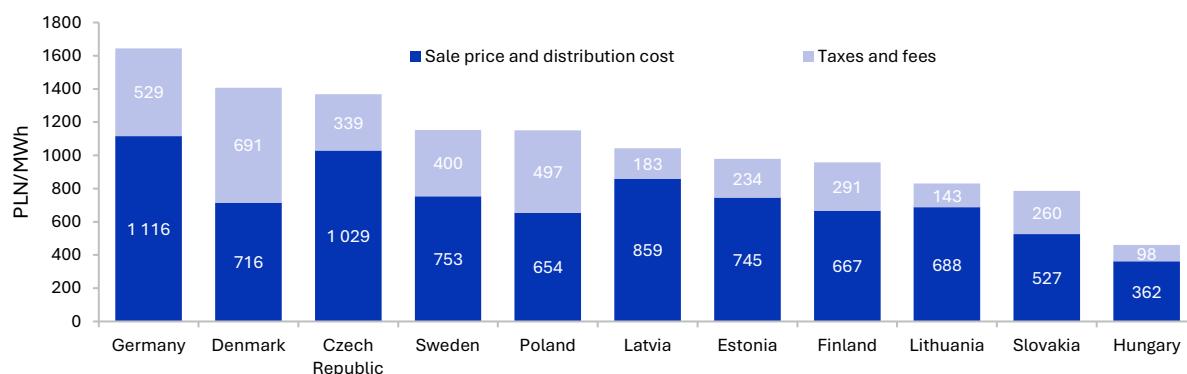
Chart: Comparison of average electricity prices for individual consumers in selected EU countries in the second half of 2025 (prices in PLN/MWh, average EUR exchange rate PLN 4.25).



Source: Own compilation based on Eurostat data.

⁶ Eurostat data on the retail market is published on a semi-annual basis.

Chart: Share of mark-ups in electricity prices for individual consumers in selected EU countries in the second half of 2025 (prices in PLN/MWh, average EUR exchange rate PLN 4.25)



Source: Own compilation based on Eurostat data.

Along with changes in the market and the evolving generation structure of the Group, long-term contracts and the volatile SPOT market strongly affect the commercial activities of PGE CG. Changes in fuel prices on global markets also affect the value of sales prices in PGE CG and the profitability of fuel inventory utilisation. The average realised wholesale electricity price in the PGE Group in the first half of 2026 amounted to PLN 510/MWh.

PURCHASES OF ELECTRICITY BY THE PGE GROUP

The execution of electricity purchases on the wholesale exchange market constitutes a significant element of the business model for the PGE Group. This approach enables effective balancing of natural discrepancies between the planned generation of generation units and the dynamic and variable demand profile of end customers. As a result, the PGE Group minimises operational risk arising from the unpredictability of market conditions and generation variability, particularly in the context of the growing share of renewable sources.

The Group's active presence on the energy contracting market allows for hedging of margins and price stabilisation, which protects financial results against the immediate effects of sharp fluctuations in fuel costs, CO₂ prices and other factors affecting the energy market. The use of hedging strategies and forward purchases limits the impact of short-term volatility of the market, while ensuring greater predictability of the margin achieved.

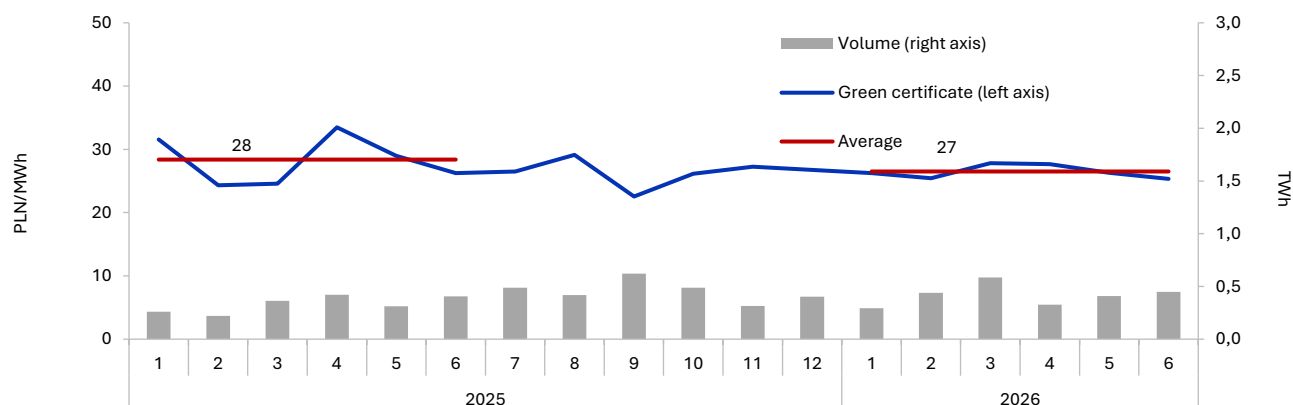
Integrated commercial and operational activities also enable the creation of competitive energy sales offers for retail and business customers, optimisation of operating costs of generation and storage assets, and maintaining the financial liquidity of the entire Group.

As a result, active management of the electricity purchase and sales portfolio constitutes the foundation not only of the financial stability of the PGE CG, but also of the security of operation of the National Power System. Through effective balancing of production and demand, the use of available market tools and predictability resulting from contracting, the PGE CG strengthens its resilience to market fluctuations, supports energy security and builds a sustainable competitive advantage in the conditions of a dynamically transforming energy sector.

3.2.2. Property rights

In the first half of 2026, the average price of green certificates (TGEozea index) reached PLN 27/MWh and was at a level similar to the previous year (PLN 28/MWh). In August 2025, the Ministry of Climate and Environment published the level of the obligation to redeem RES property rights for 2026, which is 9%.

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



Source: Own compilation based on TGE quotations.

We recorded lower revenue from the sale of RES property rights in the PGE Group. In the first half of 2026, these revenues amounted to PLN 20 million, compared to PLN 29 million in the first half of 2025.

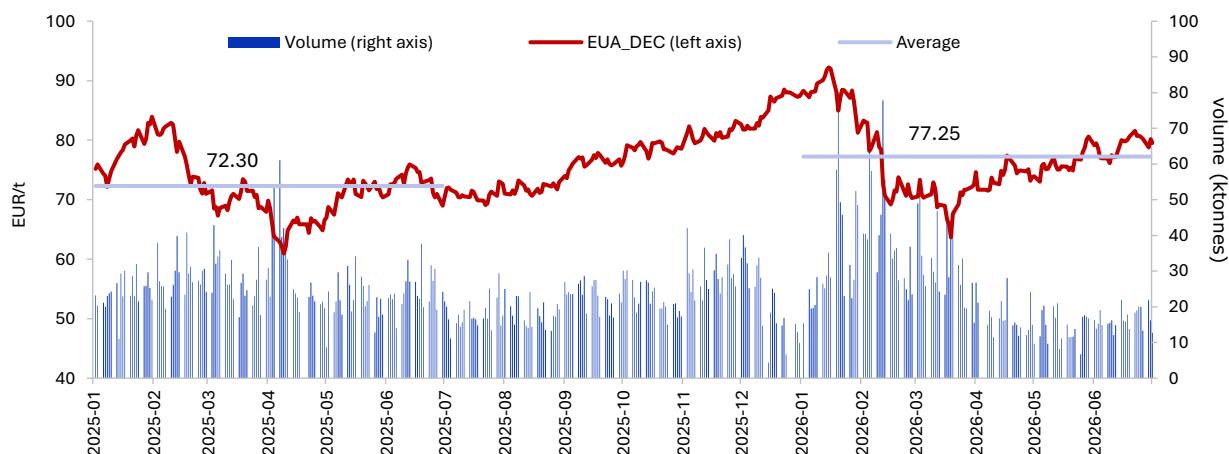
3.2.3. CO₂ emission allowances

3.2.3.1. CO₂ emission allowance prices

EUA quotations are one of the key factors determining the financial results of the PGE Group. Installations emitting CO₂ in the process of generating electricity or heat incur costs related to the purchase of EUAs to cover the deficit (i.e. the difference between CO₂ emissions in the PGE Group's generation units and the free allocations received under the so-called derogation, in accordance with the implementation of the National Investment Plan). The free allocation of allowances for electricity generation ended with the receipt of allocations for 2019.

In the first half of 2026, the weighted average price of the instrument was EUR 77.25/t, which was higher (by approx. 7%) than the average price of EUR 72.30/t observed in the first half of the previous year.

Chart: Prices of carbon dioxide (CO₂) emission allowances.



Source: Own compilation based on ICE quotations.

3.2.3.2. Purchases of CO₂ emission allowances by the PGE CG

The PGE Group purchases CO₂ emission allowances through external institutions authorised to trade in financial instruments. Part of the purchase of CO₂ emission allowances is carried out on regulated European EUA allowance markets. The value of costs related to the obligation to redeem CO₂ emission allowances is a significant element shaping the financial results of the PGE Capital Group. The method of executing EUA purchases is also of fundamental importance for the financing structure of the PGE CG. In the first half of 2026, the cost of CO₂ emission charges amounted to PLN 9.2 billion.

3.2.3.3. CO₂ emission allowances granted free of charge

Since 2020, installations owned by the PGE CG have not been eligible for free CO₂ emission allowances for electricity generation. The Group is only entitled to free EUA allowances for heat production.

The deadline for issuing free emission allowances is set for June 30 each year, following the publication of information in the Public Information Bulletin on the website of the Ministry of Climate and Environment.

In accordance with legal requirements, verified reports on the activity level for individual installations for 2025 were submitted by March 31, 2026. Further adjustments will be corrected during 2026 to reflect increases and decreases in production volumes resulting from the verified activity level reports submitted for individual installations.

Table: CO₂ emissions (tonnes).

	H1 2026	H1 2025	Change	Change %
Electricity and heat	28 254 597	25 914 669	2 339 928	9%

Table: Allocation of CO₂ emission allowances (tonnes).

	2026	2025	Change	Change %
Heat	490 628	553 629	-63 001	-11%

3.3. Changes in the regulatory environment

The PGE Group operates in an environment heavily influenced by national and international regulations. Below is a summary of the most significant decisions that may affect the activities of the PGE CG in the coming years.

3.3.1. Domestic regulatory environment

ADOPTED ACTS AND REGULATIONS

Segments	Regulation	Objectives of the regulation	Stage	Impact on the PGE CG
	Regulation of the Minister of Energy on the maximum quantity and value of electricity from high-efficiency cogeneration covered by support and the unit guaranteed premium in 2026.	The Regulation sets out the maximum quantities and values of electricity from high-efficiency cogeneration covered by support and the unit guaranteed premium for 2026.	The Regulation entered into force on January 1, 2026 .	The Regulation affects the level of revenue from the support scheme for the District Heating segment in 2026.
	Regulation of the Minister of Energy on reference values for new and significantly modernised cogeneration units in 2026.	The Regulation lays down the applicable reference values for new and significantly modernised cogeneration units.	The Regulation entered into force on January 1, 2026 .	The Regulation affects the level of revenue from the support scheme for the District Heating segment in 2026.
	Act of March 13, 2026 amending the Act – Energy Law and certain other Acts.	The Act introduces a change in the rules for connecting installations to the power grid (part of the anti-blackout package). Moreover, the Act implements EU law provisions: it provides for strengthening the protection of electricity consumers and the introduction of additional tools encouraging consumers to increase their market activity, the obligation for the supplier to provide the final customer with information on their rights and key contractual terms, and the obligation for the President of the Energy Regulatory Office to ensure that suppliers have strategies limiting risks arising from changes in wholesale electricity prices (hedging strategies). The Act also adapts national regulations to the amended REMIT Regulation ¹ .	The Act entered into force on April 30, 2026 .	The provisions of the Act will have a significant impact on the business activities conducted by the Companies in all Segments of the PGE CG. They may result in: ▪ increase in costs of the investment preparation stage (increased advances for the connection fee), ▪ an increase in costs related to the performance of new obligations imposed by regulations in the Supply segment, ▪ an increase in the risk of financial penalties for potential breaches of REMIT Regulation provisions in the Supply segment, ▪ a potential increase in revenue on the Distribution Segment side related to connecting installations to distribution networks.
	Regulation of the Council of Ministers of May 26, 2026 amending the Regulation on projects likely to have a significant impact on the environment.	The Regulation introduces regulatory facilitations for the repowering of existing renewable energy installations.	The Regulation entered into force on June 13, 2026 .	The Regulation is relevant to the Renewables segment as it introduces provisions allowing older installations to be replaced with new ones in order to increase electricity generation without expanding the areas affected by their environmental impacts.

¹ REMIT stands for the Regulation of the European Parliament and of the Council (EU) on Wholesale Energy Market Integrity and Transparency.

Segments	Regulation	Objectives of the regulation	Stage	Impact on the PGE CG
	Act of June 11, 2026 amending certain acts in order to simplify administrative procedures in matters resolved by administrative decisions or through tacit approval.	The Act introduces measures aimed at simplifying administrative procedures, including a tacit approval mechanism. Among other things, it provides for the possibility of tacitly extending waste collection or processing permits issued for periods shorter than 10 years. In addition, if the competent authority fails, within 90 days of receipt of an application, to issue a decision concerning the continued validity of the conditions for implementing a project specified in environmental permits, those conditions are deemed to have been confirmed as remaining valid.	The Act will enter into force on January 1, 2027 .	The measures may streamline investment processes carried out by PGE Group companies by reducing waiting times for administrative decisions concerning environmental approvals. The amendments concerning decisions on environmental conditions are potentially relevant to all business segments of the PGE Group. In turn, the introduction of a tacit approval mechanism for extensions of waste processing permits may be of significant importance to Group companies engaged in waste management and processing activities.
	Act of June 11, 2026 amending certain acts in order to deregulate the energy sector.	The key measures introduced by the Act concern the simplification of electricity bills, liberalisation of settlement arrangements for heat supplied directly to industry, changes to the rules for determining the return on capital employed in heat generation, distribution and trading, specification of the conditions under which electric boilers may be recognised as sources producing heat subject to the purchase obligation and of when heat from such units may be classified as originating from renewable energy sources for the purpose of meeting the requirements for efficient district heating and cooling system status, as well as simplification of the regulations and improvements in the application of the Act on the promotion of electricity from high-efficiency cogeneration.	The Act entered into force on July 21, 2026 .	The Act is relevant to the Supply, Distribution, Renewables, District Heating and Gas-fired Generation segments, as it requires adjustments to sales and customer service processes while at the same time creating opportunities to reduce operating costs, further digitalise operations and facilitate the development of electrification in district heating.
	Regulation of the Minister of Energy of June 12, 2026 amending the Regulation on fuel stocks at energy companies.	The Regulation allows energy companies generating electricity in centrally dispatched generating units approaching the end of their operating life to reduce the level of mandatory fuel stocks they are required to maintain.	The Regulation entered into force on June 17, 2026 .	The Regulation is relevant to the Coal Energy segment, as reducing the level of mandatory fuel stocks held avoids the costs of their subsequent management or transportation.
	Act of July 3, 2026 amending the Act on the preparation and implementation of investments in nuclear power facilities and associated investments and certain other acts.	The Act introduces two amendments affecting the process of constructing nuclear power facilities, namely: allowing a building permit for an investment involving the construction of a nuclear power facility to be issued also for a part of the construction project that cannot operate independently, and allowing the investor to obtain a building permit for preliminary construction works.	The Act entered into force on September 2, 2026 .	These measures will accelerate the process of obtaining the necessary approvals and permits associated with the construction of nuclear power facilities, thereby reducing the potential risk of changes to the adopted project implementation schedule.
	Act amending the Act on renewable energy sources and certain other acts	The Act introduces changes in the following areas : ▪ biomethane, biogas and biomass – including changes in the support scheme, ▪ other changes: aggregation of the capacity of micro-installations and energy storage, increased consistency and transparency of the presentation of information on prosumer invoices.	The Sejm passed the act on September 4, 2026 .	Due to the need to introduce changes in prosumer settlement systems, it is relevant for companies engaged in electricity trading. It requires adaptation to new regulations related to the rules for aggregating the installed capacity of PV installations and energy storage.

Segments	Regulation	Objectives of the regulation	Stage	Impact on the PGE CG
	Regulation of the Minister of Energy of September 3, 2026 on the method of determining and calculating tariffs and the method of settlement in electricity trading.	The regulation introduces mechanisms encouraging consumers to adopt more flexible energy consumption patterns. For industrial consumers, it introduces a reduction in the fixed and variable components of network tariffs. The regulation alters the fee structure on energy bills by eliminating the subscription fee within the distribution component, introducing a subscription fee within the supply component, and removing the requirement to display information regarding the percentage breakdown of costs on household invoices.	The Regulation entered into force on September 5, 2026 .	The regulation introduces more detailed rules for setting tariffs and electricity billing. In practice, it may affect revenue calculation methods in the Distribution and Supply segments and require billing processes to be adapted to the new requirements.

DRAFT ACTS AND REGULATIONS

Segments	Regulation	Objectives of the regulation	Stage	Impact on the PGE CG
	Draft Act on asbestos-containing products.	The draft Act provides for the introduction of exceptions to the obligation to remove asbestos-containing products by allowing their permanent securing. These provisions apply, among others, to operational underground district heating and electricity installations. Leaving such installations underground is permitted if their location does not expose personnel servicing other infrastructure elements to asbestos, particularly when they are situated at a lower level.	On August 10, 2026 , the draft completed the Legal Committee stage and was submitted to the Standing Committee of the Council of Ministers.	The changes provided for in the draft Act are beneficial for the District Heating segment due to the possibility of reducing Capital expenditures in the future.
	Draft Act amending certain acts supporting the safety of the Oder River in the field of water management.	The draft act provides for the establishment of a special cyclical review of water law permits and integrated permits for the discharge of wastewater into waters within the Oder river basin, separate from the provisions of the Water Law and the Environmental Protection Law.	On February 3, 2026 the positions submitted as part of the opinion-gathering process on the draft were published. PGE submitted comments on the draft.	The regulation may potentially affect the operation of the Coal Generation and District Heating Segments, due to the need to incur additional investment costs related to adapting their activities to the requirements of the act.
	Draft act amending the Act on energy efficiency and certain other acts.	Key proposals: ▪ tightening of the conditions for the use of the substitute fee and introduction of financial sanctions for inactive entities on the certificate market, ▪ introduction of a mechanism for indexing the substitute fee and flexible rate setting for the years 2027–2030, ▪ clarification of the catalogue of fuels subject to the obligation and exclusions for certain sources, ▪ implementation of the energy efficiency principle, including in public procurement.	On October 30, 2025 , the public consultations concluded. The Ministry of Climate and Environment published comments submitted as part of the interministerial consultations.	The draft affects operations across all segments of the PGE Group by increasing costs related to obligations introduced by the Act, e.g. implementation of an energy management system in companies, implementation of energy efficiency principles in public procurement.

Segments	Regulation	Objectives of the regulation	Stage	Impact on the PGE CG
	Draft Act amending the Energy Law and the Act on Renewable Energy Sources.	In the area of the electricity market, the draft provides for the introduction of an obligation for electricity producers to sell 80% of the electricity generated through the Polish Power Exchange (TGE) or through platforms operated by nominated electricity market operators (NEMOs). The draft also provides for increasing the obligation to sell high-methane natural gas via the Polish Power Exchange from 55% to 85%. The draft further provides for an amendment to the provisions on non-market redispatching, which, in the case of metering agreements, is intended to limit the losses of electricity producers in situations where non-market redispatching of renewable energy sources occurs.	The public consultations concluded on December 3, 2025 . The Ministry of Energy published comments submitted to the draft Act.	Potential financial consequences: increased exchange trading (transaction) costs and the requirement to post mandatory collateral by entities obliged to trade on the exchange, increased compliance costs (necessity to establish 'Chinese walls', monitoring trading activities for the use of inside information), increase in personnel costs. The inability to hedge the position of PGE Obrót S.A. within the generation assets held in the PGE Group will translate into higher operating costs of trading activities and a lack of synergy and economies of scale. In the case of Offshore Energy, this may lead to an inability to finance investments through Project Finance.
	Draft Act amending the Act on access to information on the environment and its protection, public participation in environmental protection and environmental impact assessments, and certain other acts.	The draft Act changes the rules governing the enforceability with immediate effect of environmental permits; extends deadlines for providing environmental information and submitting comments as part of public participation, enables the authority competent to issue an environmental decision to independently assess project variants and, with the investor's consent, to select for implementation a variant other than that indicated in the application.	On May 11, 2026 , PGE submitted comments on the second version of the draft Act dated April 8, 2026.	The draft Act is of material importance to the PGE Group, particularly in the context of planning and implementing investments.
  	Draft Act amending the Environmental Protection Law and certain other acts.	The purpose of the proposed legislation is to implement into the Polish legal system the requirements of Directive (EU) 2024/1785 of the European Parliament and of the Council concerning industrial emissions (IED 2.0, Industrial Emissions Directive). The draft introduces an obligation to carry out analyses to determine the strictest achievable emission limit values consistent with BAT conclusions (Best Available Techniques) and clarifies the rules for granting derogations from BAT-AEL emission limit values (BAT-Associated Emission Levels). The legislation also provides for an assessment of the environmental impact of derogations granted, harmonisation of the rules for setting permissible emission levels and the introduction of binding BAT-AEPL environmental performance levels (BAT-Associated Environmental Performance Levels). In addition, the draft introduces an obligation to apply an Environmental Management System (EMS), which is intended to improve environmental protection standards and increase the effectiveness of monitoring the impact of industrial installations on their surroundings.	The Ministry of Climate and Environment published the positions received during the interministerial consultation process on June 3, 2026 .	The proposed provisions will have a significant impact on the Gas-fired Generation, Coal Energy and District Heating segments. The introduction of an obligation to determine the strictest achievable emission limit values (BAT-AELs), binding environmental performance levels (BAT-AEPLs) and a mandatory Environmental Management System (EMS) may require adjustments to operating installations, an expansion of environmental parameter monitoring and an increase in operating and investment costs. In addition, stricter rules for granting derogations from BAT requirements may limit the operational flexibility of certain generating units. At the same time, the legislation will contribute to harmonising environmental requirements and increasing the PGE Group's compliance with European Union legislation.

Segments	Regulation	Objectives of the regulation	Stage	Impact on the PGE CG
	Draft Regulation of the Ministry of Climate and Environment on other geological documentation.	The draft includes clarification of the requirements for geological documentation, other than geological documentation prepared in the case of conducting geological works using seismic surveys within the boundaries of the maritime areas of the Republic of Poland for the purpose of siting offshore wind farms and associated power evacuation infrastructure.	On June 22, 2026 , the Ministry of Climate and Environment published its response to the positions submitted during the interministerial consultation process.	The draft is relevant to the Renewables segment due to ongoing investment projects concerning offshore wind farms (OWF) and lays down formal requirements for geological surveys, seismic surveys for the needs of the OWF and regarding the evacuation of power from the OWF.
	Draft Act amending the Energy Law.	The purpose of the proposed legislation is to align the provisions of the Energy Law with the requirements of the EED and support the transformation of the heating sector towards greater energy efficiency and lower emissions. The draft introduces new criteria for classifying heating and cooling systems as efficient, clarifies consumer rights with respect to heating, cooling and domestic hot water, and updates the rules governing high-efficiency cogeneration. In addition, it introduces an obligation to prepare a comprehensive assessment of the national heating and cooling potential, which will provide the basis for planning policies and measures supporting the development of the sector.	Public consultations ended on June 9, 2026 . PGE S.A. submitted comments during the public consultation process on the draft.	The draft is relevant to the District Heating segment, as it introduces new criteria for classifying heating systems as energy efficient that will become progressively more stringent over time, ultimately affecting the ability to obtain external financing for the development of these systems and their systematic improvement in terms of efficiency.
	Draft Act amending the Act on Renewable Energy Sources and certain other acts.	The purpose of the draft Act is to further implement the RED III Directive, in particular in the heating and cooling sectors. It provides for changes concerning the heat purchase obligation and the connection of renewable energy sources, as well as the use of waste heat and cold. It introduces new obligations related to assessing the potential for the use of renewable energy sources and the development of efficient heating and cooling systems. The draft also provides for stronger cooperation between system operators and entities with access to waste heat, and clarifies the rules for the cascading use of biomass.	Public consultations ended on June 3, 2026 .	The draft will be relevant to the Renewables, Distribution and District Heating segments. The impact of the legislation will include, among other things, the simplification and acceleration of investment processes for renewable energy installations, changes to the rules for connecting generation sources to the grid, and new obligations regarding the assessment of the potential of heating and cooling systems. The draft also supports the development of waste heat utilisation and heat pump technologies, which may increase the potential for decarbonising the Group's heating activities. In addition, changes concerning biomass and sustainability criteria may affect the operation of biomass-fired installations and renewable energy support schemes.
	Draft Act amending the Energy Law and the Act amending the Energy Law and certain other acts.	The purpose of the draft is to ensure the safe and continuous operation of the energy market following the implementation of CSIRE by introducing procedures to be followed in the event of system unavailability and settlement rules applicable in such situations. The draft also requires market participants to provide operational data to the Transmission System Operator, which is intended to improve power system balancing and the operational security of the National Power System (KSE). In addition, it simplifies selected regulatory processes and reduces the risk of disruptions to settlements and data exchange in the energy market.	The draft has been submitted to the Standing Committee of the Council of Ministers for consideration.	The project affects the following segments — Distribution and Supply — as well as Group companies engaged in electricity generation and electricity storage, and owners of electricity storage facilities with a total installed capacity exceeding 50 kW.

Segments	Regulation	Objectives of the regulation	Stage	Impact on the PGE CG
	Draft Regulation of the Minister of Energy on detailed conditions for the operation of the power system.	The draft Regulation contains provisions concerning : - flexibility services provided to Distribution System Operators (DSOs), including the rules for qualifying and procuring such services , - the Alpha coefficient, the detailed rules for which will be specified by the TSO in the Balancing Conditions , - operating schedules, including requirements for their preparation and the consequences of failure to meet those requirements (restrictions on operation or disconnection from the grid), - balancing resources, assuming the active participation of most generating units and energy storage facilities in the balancing market.	Public consultations ended on June 24, 2026 . PGE S.A. submitted comments on the draft during those consultations.	The draft Regulation increases the obligations of generating units and energy storage facilities with respect to scheduling and balancing, while at the same time creating new opportunities to generate revenue from flexibility services. For the PGE CG, this means the need to adapt operational processes and IT systems, as well as a potential increase in the importance of revenue from the balancing market and system services.
	District Heating Transformation Strategy through 2040.	The document is the first-ever national strategy for the district heating sector. The key areas covered by the Strategy include the development of renewable energy sources, the modernisation and digitalisation of district heating networks, and the construction of thermal energy storage facilities. It also emphasises the need to increase the share of renewable and zero-emission gases in the fuel mix. The document also places strong emphasis on enhancing the sector's cybersecurity.	The document was published for public consultation on June 24, 2026 . PGE S.A. submitted comments during the public consultation process on the draft.	The purpose of the Strategy is to systematically increase the share of renewable energy sources in district heating and to electrify the heating sector. The Strategy provides for the preparation of a Financial Plan for the Transformation of the Heating Sector, based on a coordinated support system. It envisages combining various instruments – grants and preferential financing – within a model designed to ensure stable and predictable conditions for the implementation of investments and coordination of the activities of public and financial institutions.
	Draft Regulation on restrictions on electricity and heat consumption.	The purpose of the regulation is to increase the effectiveness and acceptability of restrictions on electricity consumption by introducing a financial mechanism to compensate consumers for reducing electricity consumption during periods when the highest power supply restriction levels (13–20) are in force. The draft sets out the rules for verification by power system operators of compliance with the restrictions and a mechanism for paying compensation for each kilowatt-hour of electricity not consumed during the hours subject to restrictions.	Public consultations ended on August 3, 2026 . PGE S.A. submitted comments during the public consultation process on the draft.	For the Distribution segment, the regulation may entail additional operational obligations related to monitoring compliance with the restrictions and cooperation with the transmission system operator, while at the same time enhancing the operational security of the National Power System in situations involving a risk of imbalance. For the Trading segment, a potential effect may be a temporary decline in electricity sales volumes during periods when the restrictions are in force.
	Draft Regulation of the Minister of Energy on detailed rules for setting and calculating tariffs and settlements for heat supply.	The draft provides for amendments to the provisions governing the methodology for setting and calculating heat tariffs, taking into account an additional allocation of 30% of free emission allowances. This solution is intended to make it possible to account for the additional 30% allocation of free emission allowances in heat tariffs and to enable energy companies to properly reflect the costs of transforming district heating systems.	Public consultations ended on August 13, 2026 .	The draft affects the District Heating segment, as it will make it possible to include in heat tariffs the planned revenue associated with the additional allocation of 30% of free emission allowances.
	Draft Act amending the Personal Income Tax Act, the Corporate Income Tax Act, and the Act on Lump-Sum Income Tax on Certain Revenues Earned by Natural Persons.	The draft bill introduces a new, higher corporate income tax (CIT) rate of 22% for taxpayers—including tax capital groups—whose revenue in the preceding tax year exceeded the PLN equivalent of EUR 50 million.	Public consultations on the draft concluded on September 11, 2026 .	The entry into force of the regulations in the wording proposed in the draft results in an increase in the CIT burden for the PGE Group.

Segments	Regulation	Objectives of the regulation	Stage	Impact on the PGE CG
	Draft act on providing support to lower energy prices for energy-intensive industry.	The draft bill provides for a temporary increase in the applicable corporate income tax (CIT) rate, with a tiered structure over the years: 30% in 2027, 26% in 2028, and 23% in 2029. A return to the standard rate is projected for 2030. The proposed regulations will apply to CIT taxpayers with revenues exceeding EUR 50 million that are engaged in: the extraction of natural gas or crude oil; the trading of gaseous fuel or cross-border natural gas trading; crude oil trading; the production and trading of liquid fuels; electricity distribution by major entities (serving more than 100,000 customers); and electricity transmission. The provisions will also apply to tax capital groups that include a company conducting business activities covered by the scope of the regulation.	Public consultations on the draft concluded on September 9, 2026 .	The entry into force of the regulations in the wording proposed in the draft results in an increase in the CIT burden for the PGE Group in years 2027-2029.
	Draft Act amending the Energy Law – entered into the Council of Ministers' list of legislative and programming work.	The measures envisaged in the draft include removing the statutory cap on the license fee (currently PLN 2.5 million), adjusting the coefficients used to calculate the fee — specifically, a tenfold increase compared to current rates (raising the figure from 0.0005 to 0.005) — raising the minimum pre-license and license fees from PLN 1,000 to PLN 5,000, and extending the license fee requirement to operators who hold multiple installations with a capacity of less than 5 MW each, but whose combined capacity exceeds 5 MW.	The outline of the draft act has been published in the Council of Ministers' list of legislative and programming work. The legislative process has not yet begun.	The published key provisions of this legal act indicate a significant increase in the burden of concession fees payable by companies from the PGE Group.

3.3.2. Foreign regulatory environment

Segments	Regulation	Objectives of the regulation	Stage	Impact on the PGE CG
	Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading within the Community and related regulations (EU ETS).	Combating climate change. Creating investment incentives for developing low-emission sources through an appropriate CO2 price signal.	On July 17, 2026 , the European Commission (EC) presented a proposal for amendments to the EU ETS and the Market Stability Reserve (MSR) Decision. On August 20, 2026 , the European Commission launched a public consultation on the revision of the EU ETS, which will run until November 3, 2026 .	- Improved competitiveness of renewable energy sources compared with generating units using conventional fuels. - Greater availability of emission allowances under the EU ETS for conventional units after 2030 – allowances would remain available for longer than under the current system due to a less stringent reduction trajectory. - Continuation of investment support from the Modernisation Fund after 2030, but with a significantly reduced budget for this instrument. - After 2030, emission allowance prices are expected to continue rising compared with current levels. An investment plan will be required in order to obtain free allowances for the District Heating segment, while the allocation of free allowances is expected to decline further after 2030. - Thermal Waste Processing Installations with Energy Recovery (ITPOE) are expected to become subject to a gradually increasing obligation to purchase emission allowances from 2031.
	Draft Regulation of the European Parliament and of the Council amending Directive 2003/87/EC as regards revised benchmark values for the heat and fuel benchmarks for the period from 2026 to 2030 in accordance with Article 10a(2) of Directive 2003/87/EC of the European Parliament and of the Council.	Limiting the reduction in the allocation of free allowances to installations by applying a lower annual reduction rate for the heat and fuel benchmarks when determining their values for 2026–2030.	On July 17, 2026 , the European Commission published the draft Regulation, which is to follow a faster legislative procedure than revision of EU ETS Directive.	A possible adjustment to the number of free emission allowances allocated to the District Heating segment for 2026–2030, which may have a positive impact by slightly reducing the costs of purchasing emission allowances.
	Commission Implementing Regulation (EU) 2026/1412 determining revised benchmark values for free allocation of emission allowances for the period from 2026 to 2030.	Establishment of revised benchmark values for the purposes of calculating the allocation of free emission allowances for 2026–2030.	Following the publication of the implementing regulation on June 29, 2026 and the cross-sectoral correction factor on July 27, 2026 , the Ministry of Climate and Environment published the final list of free emission allowances in August 2026.	The reduction in the number of free allowances allocated to the District Heating segment will result in higher costs of purchasing allowances.
	Decision amending Decision (EU) 2015/1814 of the European Parliament and of the Council concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading scheme (MSR).	The changes will mean a departure from the mechanism of invalidating emission allowances accumulated in the MSR above the limit of 400 million allowances.	On April 1, 2026 , the European Commission presented a proposal to amend the Decision. The agreement on the final text of the Decision is tentatively planned for the end of 2026 .	Possibility of using after 2030 allowances from the MSR to ensure greater liquidity in the EU ETS market.

Segments	Regulation	Objectives of the regulation	Stage	Impact on the PGE CG
	Environmental Omnibus VIII Package – draft Directive simplifying selected environmental requirements and reducing administrative burdens, and draft Regulation accelerating environmental impact assessments.	Simplification and streamlining of the application of selected EU environmental provisions by reducing administrative and reporting burdens on businesses and public authorities. The proposed legislation is also intended to accelerate the process of issuing environmental decisions and carrying out environmental impact assessments, thereby supporting more efficient implementation of investment projects while maintaining environmental protection standards.	The Council of the EU adopted its negotiating mandate on June 24, 2026 . Work is ongoing in the European Parliament. Adoption of the position is expected in fourth quarter of 2026 .	The proposal introduces favourable changes, significantly reducing the reporting burdens that would result from the requirement to prepare a transition plan for installations covered by the scope of the IED Directive. Simplifications concerning the issuance of environmental permits for projects may accelerate the investment process.
	The Multiannual Financial Framework (MFF) for 2028–2034.	The establishment of a new EU Multiannual Financial Framework for the years 2028–2034. For the PGE Group, the most important ones are: ▪ a Regulation establishing the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security for the period 2028-2034; ▪ a Regulation establishing the European Competitiveness Fund; ▪ a Regulation establishing a budget expenditure tracking and performance framework and other horizontal rules for the Union programmes and activities; ▪ a Regulation establishing the Connecting Europe Facility for the period 2028-2034 (CEF).	In June 2026 , the Council of the EU adopted partial general approaches on key draft regulations concerning funds and the framework for monitoring and implementing the EU budget .	Acquisition of EU funds for investment by PGE CG. The potential contribution to the EU budget will depend on the outcome of the decision-making process regarding the EU's new own resources.
 	Commission Regulation (EU) No 651/2014 of June 17, 2014 declaring certain categories of aid compatible with the internal market in application of the Treaty on the Functioning of the European Union (GBER).	Enabling Member States to grant certain categories of State aid without prior notification to the European Commission.	On July 3, 2026 , the European Commission held dedicated consultations with selected stakeholders, including the PGE CG. Adoption of the amended GBER is planned for the fourth quarter of 2026 .	Changes to the GBER may enable faster and more flexible implementation of investment projects, particularly in the area of District Heating segment transformation. The revision may also enable more efficient access to public support for projects related to, inter alia, renewables, heat supply, or innovation.
	Directive 2014/25/EU of February 26, 2014 on procurement by entities operating in the water, energy, transport and postal services sectors.	Simplification of public procurement rules and their use as an instrument to strengthen the competitiveness of the EU economy.	The Commission conducted consultations on the revision of the Directive, which were completed in January 2026 . The PGE Group participated in them. The European Commission presented a legislative proposal on September 9, 2026 , consolidating all EU directives on public procurement, including 2014/25/EU. Reaching an agreement is tentatively planned for the fourth quarter of 2027 .	Reduction of the formalisation and time consumption of public procurement procedures, affecting investment schedules and ensuring the supply of high-quality technologies, products and services, while strengthening supply chain resilience.
	European Grids Package – Draft Regulation on guidelines for trans-European energy infrastructure (TEN-E) and a Directive amending Directives (EU) 2018/2001, (EU)	accelerating permitting procedures for energy projects and enabling optimal use of existing energy infrastructure, as well as accelerating the development of energy infrastructure in Europe.	The Council of the EU adopted a general approach on June 26, 2026 . The European Parliament's final position on the proposed	introduction of favourable rules accelerating permitting procedures for network infrastructure as well as for RES projects and storage.

Segments	Regulation	Objectives of the regulation	Stage	Impact on the PGE CG
	2019/944 and (EU) 2024/1788 as regards acceleration of permit-granting procedures.		directive was adopted by the ITRE Committee on July 2, 2026 . The conclusion of the trilogues is tentatively scheduled for the fourth quarter of 2026 .	
	Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2019/943, as regards future-proofing electricity bills in the Union, through reducing system costs and fostering electrification and digitalisation.	Reducing electricity costs by improving the structure of network charges in order to ensure the cost-efficiency of transmission and distribution networks and to encourage both system operators and network users to make better use of existing infrastructure. Ensuring that electricity is subject to lower excise duty than natural gas and establishing a broader regulatory framework enabling the integration of smart metering systems and smart and digital grids, as well as more efficient reuse of data.	On July 17, 2026 , the European Commission presented the proposal for the Regulation.	The proposal may affect the way network costs are recovered and the structure of network tariffs, which may indirectly influence consumer behaviour and the costs arising from the operation of the power system. The structure of network charges may have a significant impact on the economic viability of electricity generation and energy storage projects.

4. Operations of the PGE CG and operating segments

4.1. Basic operational data of the PGE CG

Basic operational data of the PGE CG							
	Renewables	Gas-fired Generation	Coal Energy	District Heating	Distribution	Railway Energy Services	Supply
Key assets of the segment	22 wind farms 68 photovoltaic power plants 29 run-of-river hydroelectric power plants 4 pumped-storage power plants, including 2 with natural inflow	1 gas-fired power plant	5 conventional power plants 2 lignite mines	16 CHP plants	306.5 thousand km of distribution lines	18.7 thousand km of distribution lines	-
Installed capacity electricity/heat	2 783 MWe/-	1 366 MWe/-	11 938 MWe/951 MWt	2 706 MWe/7 375 MWt ³	-	-	-
Electricity volumes	Net electricity generation 1.57 TWh	Net electricity generation 2.47 TWh	Net electricity generation 21.33 TWh	Net electricity generation 4.57 TWh	Distributed electricity 18.90 TWh ¹	Distributed electricity 2.41 TWh; Electricity sales to final customers 1.68 TWh	Electricity sales to final customers 13.80 TWh ²
Heat volumes	-	-	Net heat generation 1.76 PJ	Net heat generation 30.10 PJ	-	-	-
Market position	PGE CG is one of the largest producers of electricity from renewable sources in Poland with a market share of approx. 5%	Gryfino Power Plant – the largest gas and steam power plant in Poland	Domestic leader in electricity production and the largest producer of district heat		Second largest distributor in terms of the number of customers of electricity in the country	Leader of energy services for railway infrastructure and the largest distributor and supplier of electricity to the traction network	Leader in wholesale and retail trade in Poland

¹ Data concern PGE Dystrybucja S.A.

² Data concern PGE Obrót S.A.

³ From 2026, an update of the methodology for determining installed capacities.

KEY OPERATIONAL DATA OF THE PGE CG

Table: Key operational data.

Key operational data	Unit	H1 2026	H1 2025	Change	Change %
Net electricity generation	TWh	29.95	27.51	2.44	9%
of which: RES generation	TWh	1.16	1.29	-0.13	-10%
Electricity sales outside the PGE Capital Group	TWh	33.76	32.60	1.16	4%
Electricity sales to final customers ¹	TWh	15.45	16.29	-0.84	-5%
Heat generation	PJ	31.86	29.00	2.86	10%
Heat sales	PJ	31.27	28.31	2.96	10%
Electricity distribution	TWh	21.31	20.16	1.15	6%

¹ Excluding intra-Group sales; sales carried out primarily by PGE Obrót S.A. and the Railway Energy Services segment.

ENERGY BALANCE OF THE PGE CG

Table: Overview of electricity sales, purchases, generation and consumption within the PGE Capital Group (TWh).

Sales volume	H1 2026	H1 2025	Change	Change %
A. Electricity sales outside the PGE Capital Group, including:	33.76	32.60	1.16	4%
Sales to final customers ¹	15.45	16.29	-0.84	-5%
Wholesale and balancing market sales	18.31	16.31	2.00	12%
B. Electricity purchased outside the PGE Group (wholesale and balancing market)	5.81	7.20	-1.39	-19%
C. Net electricity generation within PGE Capital Group entities	29.95	27.51	2.44	9%
D. Internal consumption by DSOs, lignite mines and PSPPs (D=C+B-A)	2.00	2.11	-0.11	-5%

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

The total volume of electricity purchased and generated was higher than the volume of electricity sold. The difference, presented in section D, results from the need to cover grid losses in distribution operations, electricity consumption in lignite mining operations, and electricity consumption by pumped-storage power plants.

Higher energy sales on the wholesale and balancing markets are the effect of higher generation from hard coal, lignite and gas units in the PGE CG which was caused by a greater energy demand due to low outdoor temperatures in Q1 2026, the high temperatures in Q2 2026, as well as the higher exports and milder windiness. The lower volume of electricity purchased on the wholesale market primarily reflects a decrease in sales to final customers by PGE Obrót S.A., particularly in the corporate and small and medium-sized enterprise customer segments, which are increasingly turning to diversified energy sources, especially those based on renewable energy.

Table: Net electricity generation (TWh).

Generation volume	H1 2026	H1 2025	Change	Change %
ELECTRICITY GENERATION (TWh), of which:	29.95	27.51	2.44	9%
Lignite-fired power plants	14.75	14.52	0.23	2%
Hard coal-fired power plants	6.58	5.04	1.54	31%
of which: biomass co-firing	0.00	0.01	-0.01	-100%
Gas-fired power plant	2.47	2.13	0.34	16%
Coal-fired CHP plants	1.84	1.89	-0.05	-3%
Gas-fired CHP plants	2.56	2.24	0.32	14%
Biomass-fired CHP plants	0.14	0.16	-0.02	-13%
Waste-to-energy CHP plant	0.03	0.02	0.01	50%
Pumped-storage power plants	0.59	0.41	0.18	44%
Hydro power plants	0.16	0.19	-0.03	-16%
Wind farms	0.72	0.82	-0.10	-12%
Photovoltaic power plants	0.11	0.09	0.02	22%
of which: RES generation	1.16	1.29	-0.13	-10%

Electricity generation in the first half of 2026 was 9% higher compared to the first half of 2025. The higher generation resulted mainly from the greater electricity demand due to low outdoor temperatures in the first quarter of 2026, the high temperatures in the second quarter of 2026, as well as the higher exports and milder windiness.

An increase in generation from hard coal-fired power plants (up 1.54 TWh), including: Opole Power Plant (up 1.27 TWh), Rybnik Power Plant (up 0.21 TWh), Dolna Odra Power Plant (up 0.06 TWh). In total, coal power plant units were kept on reserve for 1,751 hours less and underwent maintenance outages for 10,926 hours less.

Higher output from the gas-fired power plant (Gryfino Dolna Odra Power Plant – up 0.34 TWh) – a colder January and February of 2026 resulted in a greater usage of the power plant units.

Higher generation from gas-fired CHP plants (up 0.32 TWh) apart from favourable weather conditions, is also the effect of commissioning the Nowa Czechnica CHP and gas engines at the Bydgoszcz CHP during 2025.

An increase in generation from lignite-fired power plants (up 0.23 TWh) was driven by the shorter downtime of the Bełchatów Power Plant units on reserve and during renovations, in total by 4,692 hours (up 1.08 TWh). The Turów Power Plant, on the other hand, produced less electricity (a decrease of 0.85 TWh) due to capacity losses and a 20 MW reduction in average load.

Higher generation from pumped-storage power plants (up 0.18 TWh) stems from the operational nature of these generation units and their increased utilisation by PSE S.A.

The lower output from wind farms (a decrease of 0.10 TWh) is due to poorer wind conditions in the areas where the PGE Group's wind farms are located.

Lower generation in coal-fired CHP plants (down 0.05 TWh) mainly in connection with the major overhaul of equipment at unit No. 1 in the Gdynia CHP Plant during the first quarter of 2026.

Production at biomass combined heat and power plants, municipal waste-fired combined heat and power plants, hydroelectric power stations and photovoltaic power stations remained at a level similar to that of the corresponding period.

HEAT GENERATION

Table: Net heat generation (PJ).

Generation volume	H1 2026	H1 2025	Change	Change %
Net heat generation (PJ)	31.86	29.00	2.86	10%
Lignite-fired power plants	1.40	1.34	0.06	4%
Hard coal-fired power plants	0.36	0.36	0.00	0%
Coal-fired CHP plants	19.27	19.56	-0.29	-1%
Gas-fired CHP plants	7.30	6.17	1.13	18%
Biomass-fired CHP plants	2.65	1.06	1.59	150%
Waste-to-energy CHP plants	0.18	0.14	0.04	29%
Other CHP plants	0.70	0.37	0.33	89%

The main factor contributing to the higher level of net heat production in the first half of 2026 y/y was outdoor temperature. Average temperatures in the first half of 2026 were 2.1°C lower year-on-year.

HEAT SALES

In the first half of 2026, total heat sales by the PGE Group amounted to 31.27 PJ, representing a year-on-year increase of 2.96 PJ.

The increase in heat sales mainly reflected higher demand for heat caused by lower average outdoor temperatures compared to the corresponding period of 2025.

4.2. Key financial results of PGE CG

In order to ensure transparency and enable a full assessment of operational efficiency, financial results are presented using EBITDA and recurring EBITDA indicators. These measures may constitute a key reference point for investors and financial institutions, enabling an objective comparison of the profitability of the PGE Group against the energy sector.

EBITDA – A MEASURE OF OPERATIONAL EFFICIENCY

The EBITDA indicator (operating result increased by depreciation and amortisation) reflects the Group's ability to generate cash from its core operating activities, before taking into account financial costs, tax burdens and non-cash depreciation charges. By eliminating the impact of differences in capital structure (level of debt) and tax policy, EBITDA enables monitoring of the current financial condition regardless of the historical value of fixed assets.

RECURRING EBITDA – A BASIS FOR LONG-TERM ASSESSMENT

Recurring EBITDA, in the Company's assessment, is the most reliable indicator for evaluating the profitability of the Group. It is an operating result adjusted for one-off events, which by their nature are not part of the regular business model and should not be taken into account when forecasting results in subsequent reporting periods.

One-off events are understood as items of the financial result which:

- do not result from the normal, recurring operating activities of the entity – they do not occur regularly in subsequent periods and are not part of the standard business model;
- are incidental or exceptional in nature – they arise as a result of specific events that are not related to the current operating cycle (e.g. restructuring, regulatory events, valuation of provisions) and are not expected to occur in subsequent reporting periods;
- are independent of current operational management – their occurrence does not result from ongoing operational processes (generation, sales, distribution);
- may significantly distort comparability of results between periods – they are characterised by high volatility, are often non-cash and irregular, and therefore burden or improve the financial result, that does not reflect the real operational efficiency of the entities of the PGE CG.

Thanks to the use of these measures, the result better reflects the Group's real, recurring cash-generating potential, which facilitates the analysis of profitability trends and the assessment of the ability to service debt and finance future development investments.

The consolidated EBITDA of the PGE Group comprises the financial results of individual operating segments and consolidation adjustments. The segments with the largest share in the Group's recurring EBITDA for the first half of 2026 are: Distribution (34%), District Heating (19%), Renewables (12%), Coal Energy (11%), Supply (10%). The other segments account for less than 10% of the PGE Group's recurring EBITDA.

Chart: Recurring EBITDA of the PGE CG (PLN million).

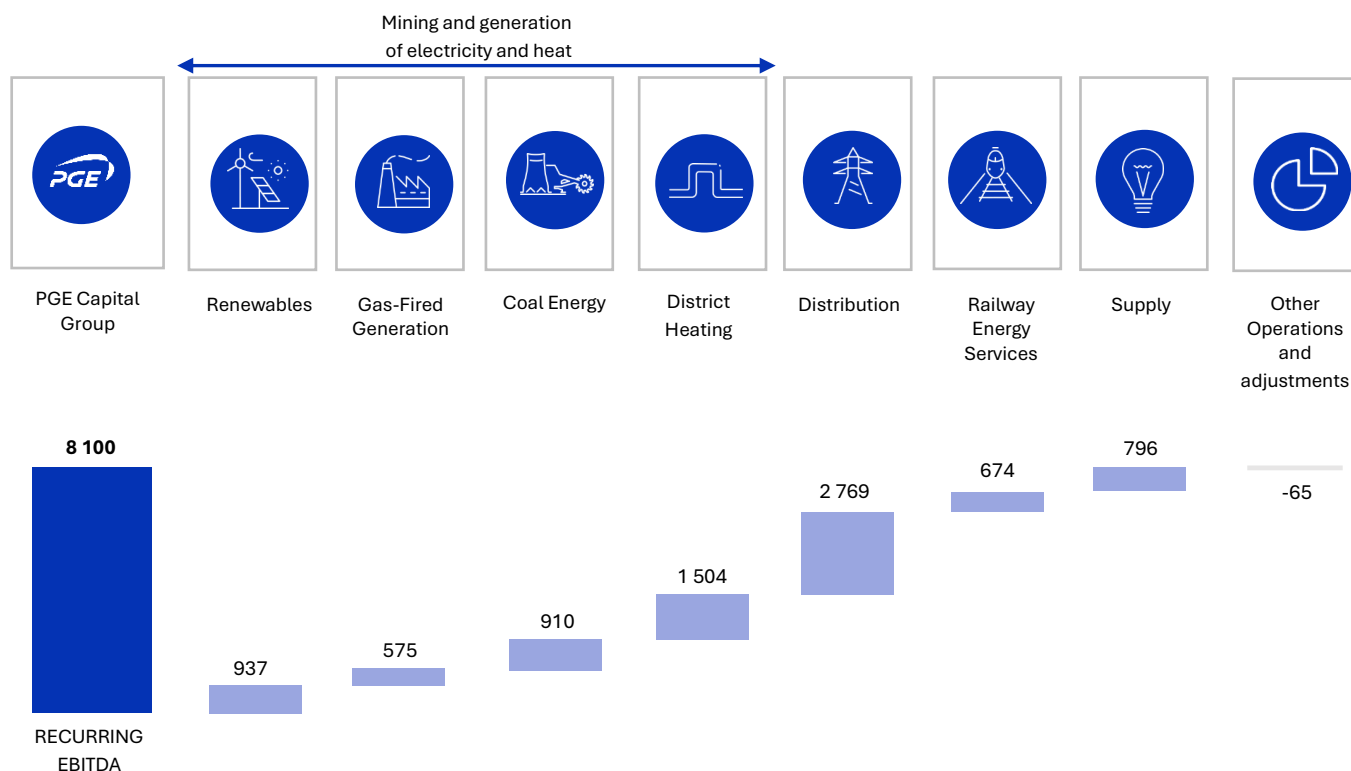


Chart: Reported EBITDA of the PGE CG (PLN million).

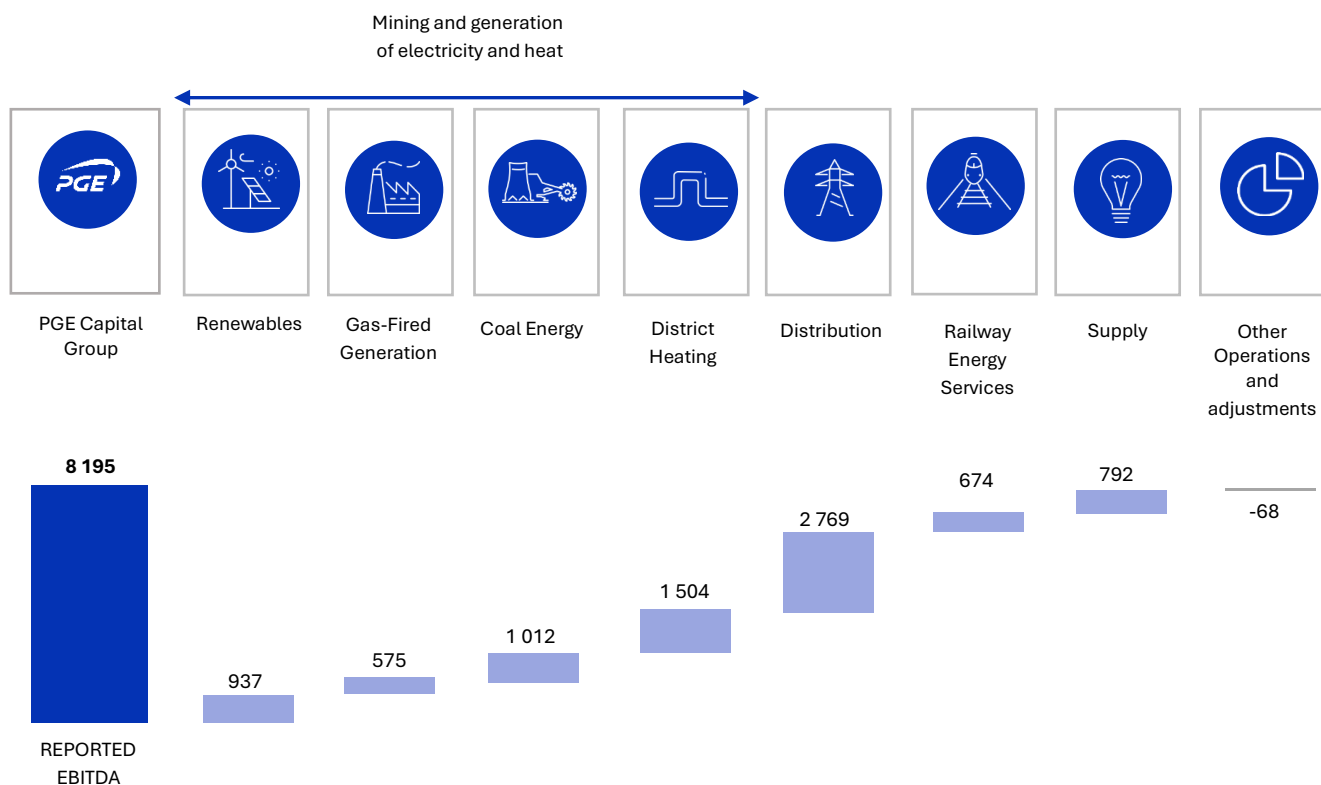
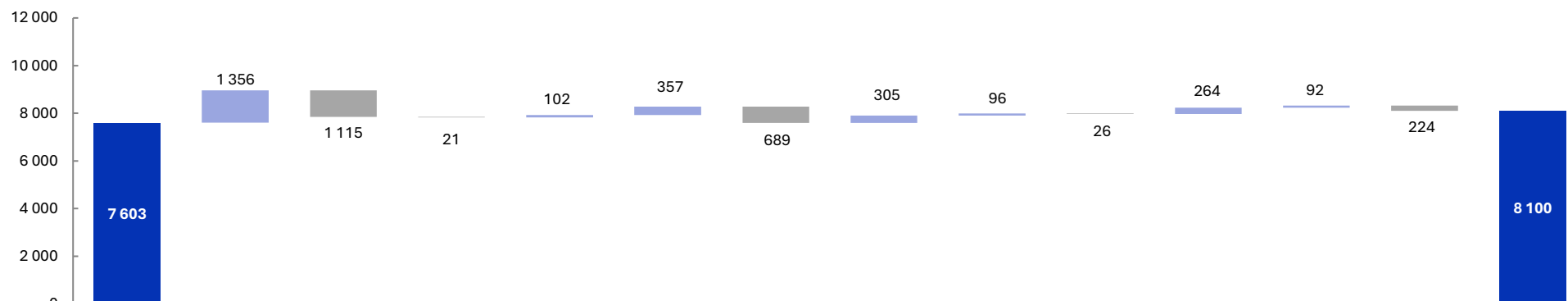


Chart: Main factors shaping the EBITDA of the PGE CG (PLN million).



	EBITDA H1 2025	Result on sales of electricity by generators ¹	CO ₂ emission allowances	Production fuel costs	Revenues from ancillary services and Capacity Market ²	Result on gas sales	Result on electricity sales to final customers ³	Revenue from heat sales ⁴	Distribution service margin ⁵	Personnel costs ⁶	Provisions for onerous contracts	Capitalised costs	Other ⁸	EBITDA H1 2026
Variance		1 356	-1 115	-21	102	357	-689	305	96	-26	264	92	-224	
Reported EBITDA H1 2025	7 646													
One-off events H1 2025	43													
Recurring EBITDA H1 2025	7 603	13 757	8 133	3 933	2 675	7	1291	2 999	4 373	4 191	22	604	1 868	
Recurring EBITDA H1 2026		15 113	9 248	3 954	2 777	364	602	3 304	4 469	4 217	286	696	2 092	8 100
One-off events H1 2026														95
Reported EBITDA H1 2026														8 195

¹ Revenue from the sale of electricity less electricity purchase costs and costs directly related to electricity generation.

² Including revenues from balancing services.

³ Including compensations, adjustments to the margin on property rights across the PGE CG; excluding the additional estimation of balancing difference costs.

⁴ Including compensations.

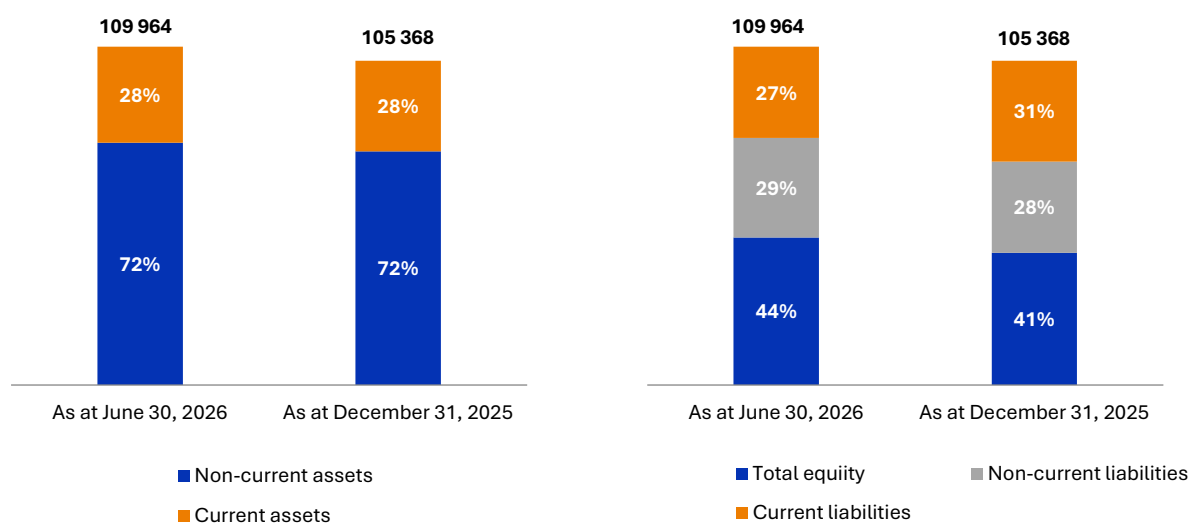
⁵ Including revenue from distribution services, transmission services costs of PSE S.A., the balance of pass-through and transit fees, and costs of purchasing electricity to cover the balancing difference; excluding the additional estimation of balancing difference costs.

⁶ Excluding the actuarial provision, the Voluntary Leave Program, and the provision for restructuring (one-offs).

⁷ Excluding: LTC compensations, adjustments to electricity compensation for previous periods, correction of the contribution to the PDP Fund for previous periods, the write-down of strategic inventories, reclamation provision, release of the provision due to concluding a settlement with the contractor of Unit no. 7 in Turów power plant and release of provision for one-time benefit related to NABE (National Agency for Energy Security) carve-out (one-offs).

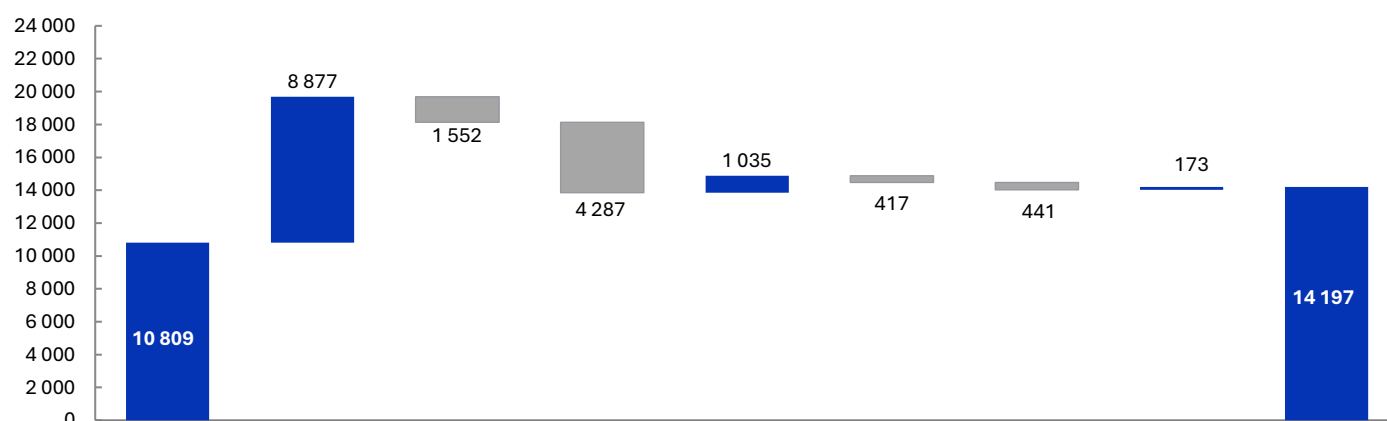
A detailed description of income and expenses is provided in Note 7 to the consolidated financial statements.

Chart: Structure of Assets, Equity and Liabilities (PLN million).



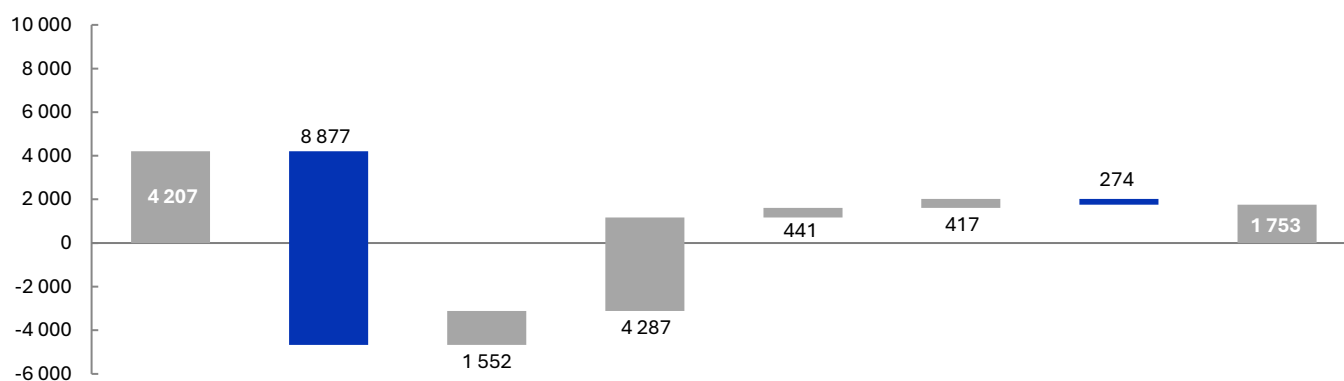
A detailed description of the statement of financial position is provided in Notes 10-22 to the consolidated financial statements.

Chart: Change in cash and cash equivalents (PLN million).



	Cash and cash equivalents at January 1, 2026	Net cash from operating activities	Placement / withdrawal of deposits with maturities over 3 months	Acquisition / sale of property, plant and equipment and intangible assets	Balance of repayments / inflows from loans, borrowings, bonds and finance leases	Interest paid on loans and bonds, and financial instruments	Acquisition of new PGE Group companies accounted for as an asset acquisition	Other	Cash and cash equivalents at June 30, 2026
Impact on cash position		8 877	-1 552	-4 287	1 035	-417	-441	173	
Cash and cash equivalents	10 809								14 197

Chart: Net debt (PLN million).



	Net debt December 31, 2025	Net cash from operating activities	Opening/ terminating deposits over 3 months	Acquisition/sale of property, plant and equipment and intangible assets	Acquisition of new PGE Group companies accounted for as an asset acquisition	Debt servicing - interest	Other	Net debt June 30, 2026 ¹
Impact on net debt level		-8 877	1 552	4 287	441	417	-274	
Net debt	4 207							1 753

¹ Net debt includes cash of Offshore companies (PLN 938 million) and financial liabilities under Project Finance (PLN 3 648 million); the estimated level of economic net debt (including future payments for CO₂ emission allowances) amounts to PLN 14 173 million.

4.3. Characteristics of business segments

4.3.1. Key financial results in the business segments



¹ The value of reported EBIT and EBITDA for the first half of 2025 have been adjusted for comparability.



ASSETS AND OPERATIONAL DATA

Within the PGE Capital Group, operational activities in the field of renewable energy are managed by PGE Energia Odnawialna S.A. Due to the nature of the business, the segment also includes companies from the Offshore Energy area, which are responsible for all activities related to offshore wind energy.

The segment's assets consist of:

- 22 wind farms,
- 68 photovoltaic power plants,
- 29 run-of-river hydropower plants,
- 4 pumped-storage hydropower plants, including 2 with natural inflow.

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

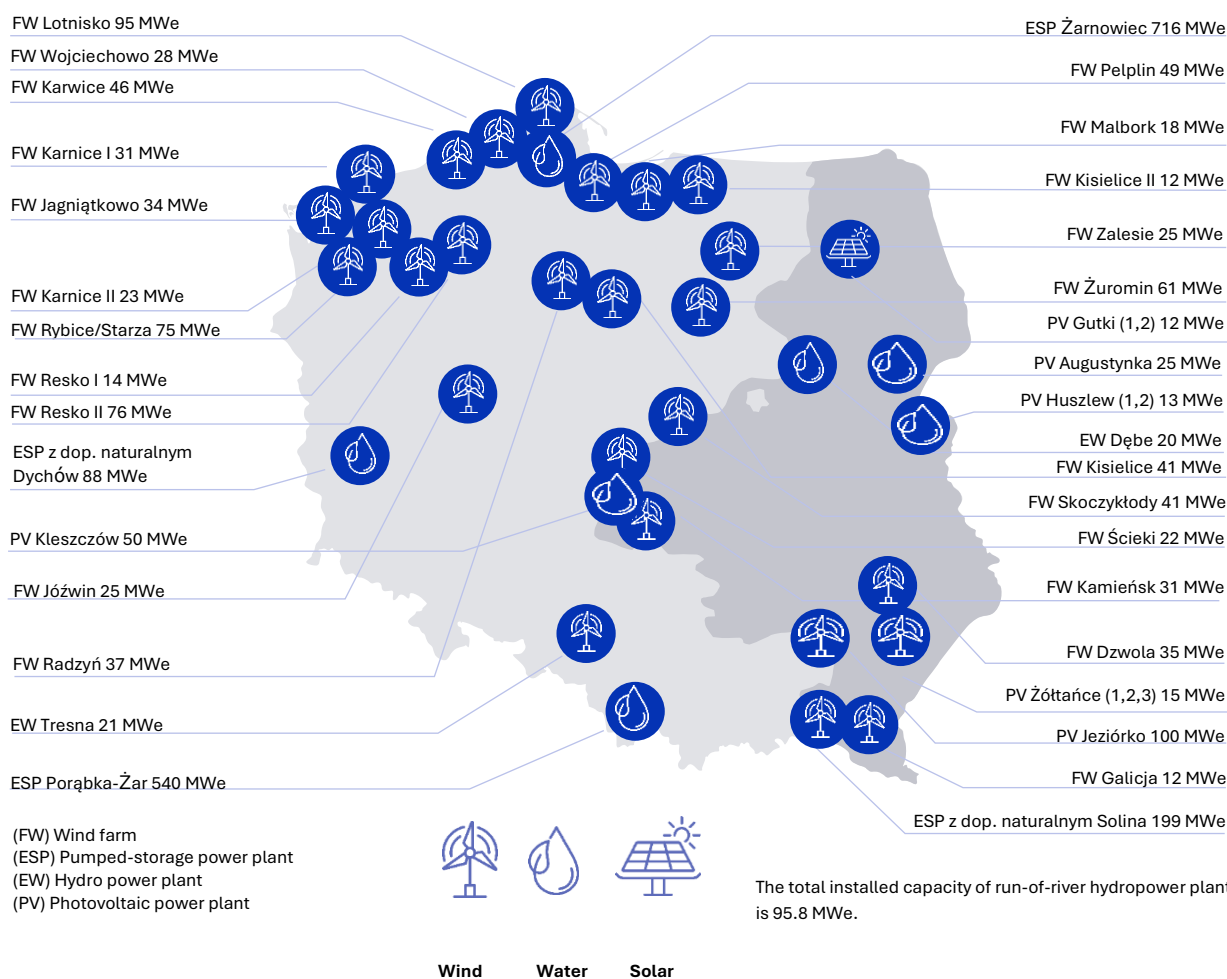
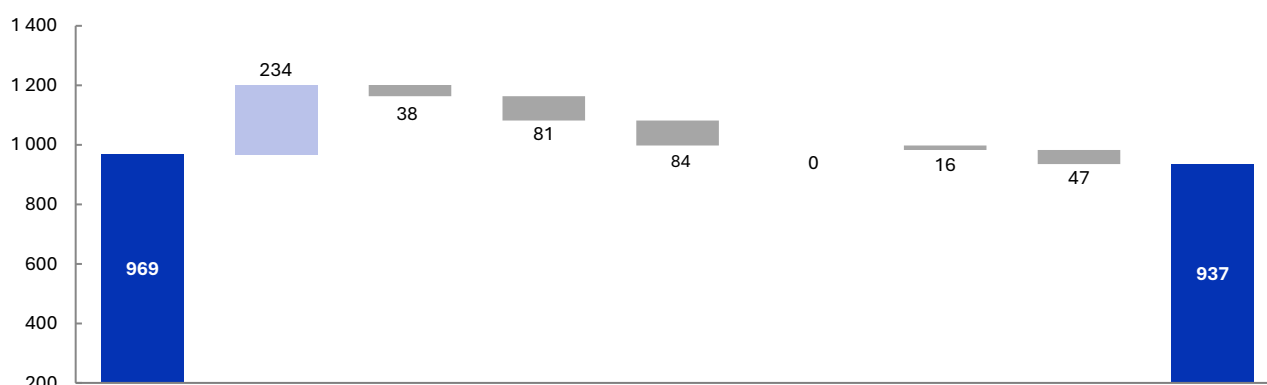


Table: Energy generation (GWh).

Power Plant Types	H1 2026	H1 2025	Change	Change %
Pumped-storage power plants	588	415	173	42%
Run-of-river hydropower plants	157	189	-32	-17%
Wind farms	719	823	-104	-13%
Photovoltaic power plants	105	85	20	24%
Total	1 569	1 512	57	4%

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



	EBITDA H1 2025	Revenue electricity ¹	Revenue certificates	Electricity purchase for PSPPs	Revenue - ancillary services ²	Capacity Market revenue	Personnel costs ³	Other	EBITDA H1 2026
Variance		234	-38	-81	-84	0	-16	-47	
Reported EBITDA H1 2025	968								
One-off events H1 2025	-1								
Recurring EBITDA H1 2025	969	783	60	137	383	174	122	172	
Recurring EBITDA H1 2026		1 017	22	218	299	174	138	219	937
One-off events H1 2026									0
Reported EBITDA H1 2026									937

¹ The item includes electricity revenue from core generation technologies (wind, hydro, PV, PSPP).

² Including revenues from balancing services.

³ Personnel costs excluding the impact of the change in the actuarial provision (one-off).

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

One-off	H1 2026	H1 2025	Change	Change%
Change in the actuarial provision	-	-1	1	-
Total	-	-1	1	-

Key factors affecting the results of the Renewables segment y/y:

- **Higher revenue from the sale of electricity** resulting from: a higher average electricity selling price by PLN 70/MWh y/y, which translated into a revenue increase of PLN 129 million; and a higher sales volume by 217 GWh, which contributed to a revenue increase of PLN 105 million.
- **Lower revenue from the sale of property rights** resulting from a lower average selling price of property rights by PLN 47/MWh y/y which translated into a revenue decrease of PLN 30 million, a lower sales volume by 95 GWh, which led to a revenue decrease of PLN 8 million.
- **Higher electricity purchase costs for pumping purposes at pumped-storage** power plants as a result of a higher purchase volume by 307 GWh, contributing to a cost increase of PLN 126 million, and a lower average electricity purchase price by PLN 70/MWh y/y, which resulted in a cost decrease of PLN 45 million. The volume of electricity purchased for pumping purposes was higher due to greater utilisation of assets for system services.
- **Lower revenue from ancillary services** primarily associated with lower revenue from balancing services, due to increased market competition.
- **The increase in personnel costs** is primarily the result of higher employment due to the development of the Offshore Energy and Renewables areas, as well as signed wage agreements.
- **The change in the value of 'other'** is mainly due to higher operating costs. The primary factor is higher distribution charges associated with the increased utilisation of pumped-storage assets for the provision of system services, which resulted in a cost increase of PLN 23 million. The remainder of the increase in this line item is driven by higher costs related to the development of the Offshore Energy and Renewable Energy sectors.

CAPITAL EXPENDITURES

Table: Capital expenditure – Renewables segment (PLN million)¹.

	H1 2026	H1 2025	Change	Change%
Investment in generation capacity, including:	2 302	1 389	913	66%
▪ Development projects	2 264	1 131	1 133	100%
▪ Modernisation and replacement	38	258	-220	-85%
Other	1	2	-1	-50%
Total	2 303	1 391	912	66%

¹ As of 2026, the company PGE Inwest 12 sp. z o.o. (Młoty Pumped-Storage Power Plant project) has been transferred from the Other Operations segment to the Renewables segment.

KEY EVENTS IN THE RENEWABLES SEGMENT

Construction of Offshore Wind Farms (OWFs)

In line with the PGE Group Strategy, achieving 4 GW of capacity (in operation) in offshore wind energy is a target for 2035. The PGE Group currently holds 9 location permits for offshore wind farms in the Baltic Sea. Three location permits were obtained by the PGE Group in 2012 (with a total potential capacity of approx. 3.4 GW), while a further five permits (with a total potential capacity of approx. 3.9 GW) were obtained in 2023. The most recent permit relates to the FEW Bałtyk II project with a capacity of approx. 350 MW, acquired from the RWE Group in 2026 and currently being developed jointly with the Baltica 9 project as the integrated Baltica 9+ project. Commissioning of the first project – Baltica 2, with a capacity of approx. 1.5 GW – is planned for the fourth quarter of 2027.

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

Baltica 1 is a project located approximately 80 km north of the Polish Baltic Sea coast in the area of the Ławica Środkowa sandbank. The project did not obtain support in the auction held in December 2025 for the right to cover the negative balance for electricity generated by the offshore wind farm and fed into the grid. Consequently, the project is undergoing reconfiguration and is being considered for participation in the 2027 auction. In the second quarter of 2026, the environmental permit for the grid connection infrastructure was obtained.

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

The Baltica 2 project, being developed jointly with Ørsted on a 50/50 basis, is currently under construction. In January 2025, the final investment decision was taken and financing was secured under the Project Finance formula. Under the contract for the construction of the onshore power evacuation system, advanced installation work is under way on key equipment, i.e. GIS switchgear, harmonic filters and STATCOM transformers, while export cables are being laid towards the offshore connection point. In the first quarter of 2026, the sea-to-land directional drilling works using modern HDD (Horizontal Directional Drilling) technology were completed. In the second quarter of 2026, boulder clearance from the seabed and route preparation within the export and inter-array cable corridor were completed, and installation of foundations commenced. In August 2026, the installation of all 111 monopiles—comprising foundations for 107 wind turbines and 4 offshore transformer stations—was completed. At the same time, prefabrication of four offshore substations (OSS) and cables continued, and initial turbine manufacturing activities commenced.

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

The Baltica 3 project has undergone an optimisation process. In April 2026, an application was submitted to amend the environmental permit and the permit to construct artificial islands, taking into account the technical assumptions resulting from the reconfiguration carried out in 2025. In May 2026, an agreement was signed with Projmors ASE Group sp. z o.o. for the commencement of construction of the onshore power evacuation system and preparatory works, and on May 21, 2026 the construction log for this scope of work was formally opened. In June 2026, the tender procedure for archaeological surveys in the area of the onshore substation and cable trench was completed. The agreement with Pomerania sp. z o.o. was signed in August 2026.

- **Baltica 9+ project** (approx. 1.3 GW)

The project is at the preparation stage. In March 2026, the acquisition of a 100% interest in RWE Offshore Wind Poland sp. z o.o. (current name Elektrownia Wiatrowa Baltica + sp. z o.o.), which owns the FEW Bałtyk II project with a capacity of approx. 350 MW, was completed. The project benefits from support in the form of a contract for difference obtained under the so-called first phase of offshore development. FEW Bałtyk II is located adjacent to Baltica 9, which will enable a total offshore wind farm capacity of approx. 1.3 GW to be achieved. In the first quarter

of 2026, the permit for the laying and maintenance of cables in the territorial sea and the exclusive economic zone was obtained. In June 2026, an agreement was signed with a consortium comprising Projmors ASE Group sp. z o.o., ABL Group Polska (OWC) and Energoprojekt-Katowice S.A. for the preparation of the grid connection infrastructure design. In the first half of 2026, work was carried out on preparing procurement procedures, including for the preparation of a geological works plan for detailed geological and geophysical surveys, preparation of a meteorological and oceanographic study, and preparation of an environmental impact assessment report together with obtaining the environmental permit for the Baltica 9+ grid connection infrastructure.

Construction of the O&M (Operations and Maintenance) Port in Ustka

Construction is under way. On June 22, 2026, an occupancy permit was obtained for the offshore wind farm construction facilities. As part of the hydrotechnical works, finishing works on the quay were completed (installation of mooring bollards and access ladders), while dredging and seabed reinforcement works continued, and construction of a Berlin-type retaining wall within the construction basin quay commenced. The remaining works include internal installations and finishing works in the office and warehouse building, as well as development of the area around the base building, including the construction of manoeuvring and storage yards.

PGE Group Photovoltaic Installation Construction Programme

To date, projects with a total capacity of approximately 306 MW have been commissioned under the Programme. Installations with a capacity of approx. 319 MW are generating electricity, including projects that have been energised but have not yet undergone final acceptance. In the second quarter of 2026, PV Trzciano and PV Plewnia Nowa commenced electricity generation. At the same time, projects with a total capacity of approximately 112 MW continued to be implemented.

Comprehensive Modernisation Programme for the Porąbka-Żar PSPP

On July 20, 2026, PGE Energia Odnawialna S.A. entered into a loan agreement with the National Fund for Environmental Protection and Water Management (NFOŚiGW) under the RRP for the modernisation of the Porąbka-Żar PSPP, specifically regarding 'Modernisation of the upper reservoir, the upper and lower water intakes, and the diversion tunnels of the Porąbka-Żar PSPP', with a planned cost of PLN 203 million and repayable funding of PLN 153 million granted. The reservoir modernisation works were completed in 2024 by a consortium comprising Energoprojekt Warszawa SA, as consortium leader, and WALO Polska Sp. z o.o. Modernisation works on the water intakes and headrace tunnels were carried out by Energoprojekt Warszawa SA, with Polish entities among its subcontractors.

In December 2025, PGE Energia Odnawialna S.A. withdrew from the agreement with the General Contractor for the modernisation of the technological part (a consortium comprising GE Hydro France S.A.S. and Mostostal Warszawa S.A.), among other reasons due to delays in the implementation of the investment project, the inability to complete it on schedule and the improper performance of works. The project is undergoing reconfiguration in this respect.

The Battery Energy Storage Facility Construction Project in Żarnowiec

The project is under implementation. It comprises the construction of an electricity storage facility with a capacity of 263 MW and a nominal storage capacity of approx. 1 020 MWh, together with the power evacuation infrastructure. The project secured a 17-year contract in the Capacity Market auction for 2029. In the first half of 2026, construction work on the storage facility and the power evacuation route continued. In March 2026, deliveries and installation of storage units at the construction site commenced. Installation of all storage units and work on the power evacuation infrastructure from the storage facility, including the HV transformer, were completed in August 2026.

The Electricity Storage Facility Construction Project in Gryfino

In the first quarter of 2026, work was carried out in connection with the tender procedure aimed at selecting the general contractor for the investment project involving the design and construction of the Gryfino Battery Energy Storage Facility. On April 23, 2026, an agreement was concluded with a consortium of two Polish companies: SPEC BAU POLSKA sp. z o.o. and EL PROFESSIONAL sp. z o.o., which will act as the general contractor for the investment project. On April 27, 2026, an agreement for Contract Engineer services was signed with Elbis sp. z o.o. Work is currently under way on the design documentation, including the basic design and construction designs. Completion of construction is planned for 2028.

Integration of Energy Storage Facilities with RES (approx. 190 MW)

In the first half of 2026, work was carried out on the preparation and conduct of tender procedures. On April 2, 2026, a tender procedure was announced for the supply of storage units and transformer stations for the Lotnisko, Ścieki, Wojciechowo and Pelplin electricity storage facilities. On May 20, 2026, two bids were received under the announced

tender procedure. On July 15, 2026, a tender procedure was announced for the performance of installation, electrical power engineering and ICT works using the supplied storage units and transformer stations. The bids were opened on August 20, 2026. Completion of works is planned for 2028.

Construction of the Młoty Pumped-Storage Power Plant (Młoty PSPP)

Work on the Młoty PSPP project is under way at PGE Inwest 12 sp. z o.o. The process of obtaining the environmental decision is continuing. Following submission of the updated environmental impact assessment report and receipt of a positive sanitary opinion, the Regional Directorate for Environmental Protection (RDOŚ) in Wrocław requested supplementary documentation, which is currently being prepared. At the same time, activities are being carried out in connection with the preparation of the power evacuation infrastructure, cooperation with local government units and analysis of financial support mechanisms for the investment project. To support the environmental process, hydrological monitoring on the Bystrzyca River has also been launched.

KEY PROJECTS IN THE RENEWABLES SEGMENT

Project objective	Budget ¹	Capital expenditure total ¹	Capital expenditure in H1 of 2026 ¹	Net efficiency	Contractor	Investment completion date
Construction of Baltica 2 OWF [PGE share 50%] ²	~PLN 15.0 bn	PLN 5.82 bn	PLN 1.62 bn	42%	Multi-contracting	Q4 2027
Construction of BESS Żarnowiec	~PLN 1.3 bn	PLN 0.55 bn	PLN 0.51 bn	85%	LG Energy Solution Wrocław sp. z o.o.	Q2 2027

¹ Capital expenditures do not include financing costs.

² The figures provided relate to the PGE Group's share.

The segment's activity is the generation of electricity from gas sources.



Electricity generation	2.47 TWh
------------------------	----------

[illegible]

² Managerial perspective (sales less gas purchase).

A significant item in the segment's revenue is **revenue from the Capacity Market**. An additional item in the segment's revenue is **revenue from the provision of ancillary services**. The segment also generates an additional **result on gas trading**.

ASSETS

The Gas-fired Generation segment comprises:

- 2 units belonging to PGE Gryfino Dolna Odra sp. z o.o., each with an installed capacity of 683 MW, operating on low-emission gas fuel (unit 9 was commissioned on August 14, 2024, while unit 10 on October 18, 2024),
- 1 unit with a capacity of 882 MW under construction at PGE Nowy Rybnik sp. z o.o.

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

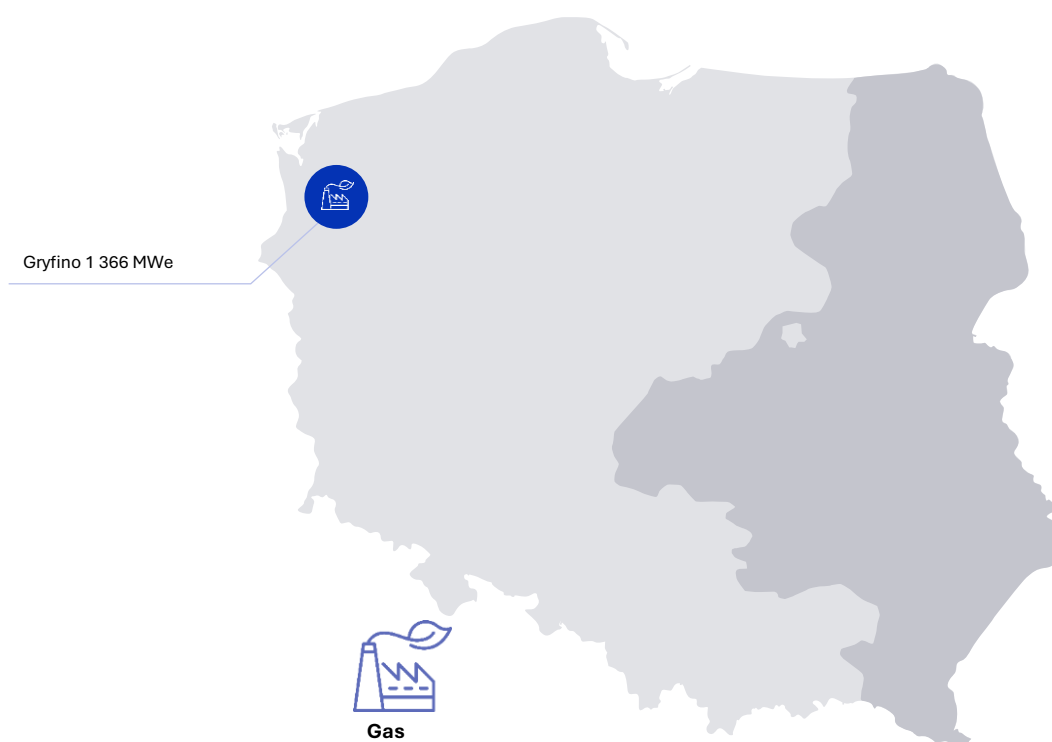
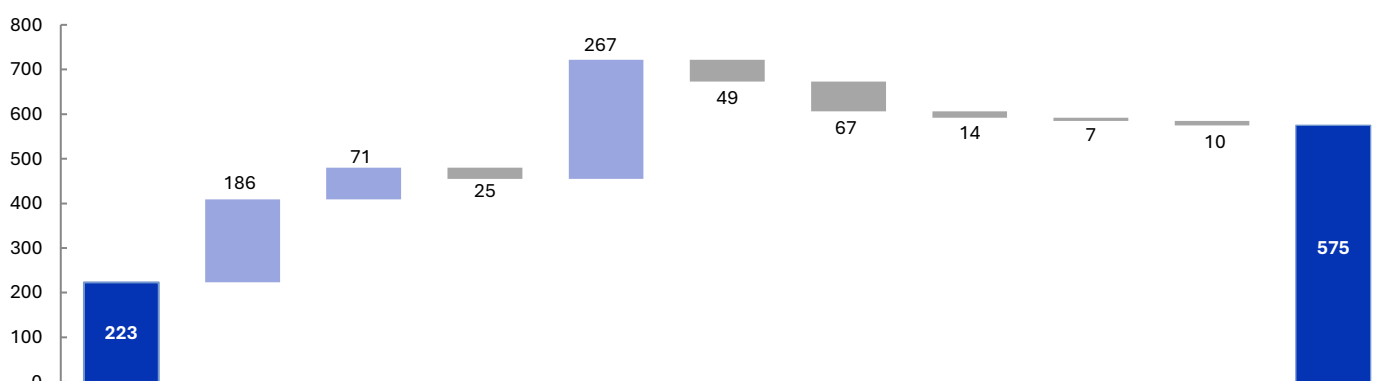


Table: Energy generation (TWh).

Main fuel types	H1 2026	H1 2025	Change	Change %
Gas	2.47	2.13	0.34	16%
Total	2.47	2.13	0.34	16%

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



	EBITDA H1 2025	Electricity generation – volume ¹	Electricity generation – price ¹	Capacity Market and ancillary services revenue	Trade in natural gas ²	Costs of natural gas	CO ₂ emission costs	ZHW costs	Personnel costs	Other	EBITDA H1 2026
Variance		186	71	-25	267	-49	-67	-14	-7	-10	
EBITDA H1 2025	223	1 165	243	39	859	245	57	14	49		
EBITDA H1 2026		1 422	218	306	908	312	71	21	59		575

¹ Managerial perspective (sales less electricity purchase).

² Managerial perspective (sales less gas purchase).

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

- **An increase in net electricity sales revenue** due to: a higher sales volume by 0.3 TWh, which contributed to a revenue increase of approx. PLN 186 million, accompanied by a higher average electricity selling price by PLN 29.8/MWh y/y, which translated into a revenue increase of approx. PLN 71 million.
- **Lower Capacity Market revenue**, due to a lower share of the Gryfino Dolna Odra Power Plant in the total available capacity of the Group. At the same time, **lower revenue from ancillary services** for balancing services, due to increased competition on the market.
- **A higher result achieved on gas trading**, as a consequence of favourable market conditions.
- **Higher costs of natural gas consumption** due to higher consumption of this fuel by 2.1 PJ driven by higher electricity generation by 0.3 TWh, which led to a cost increase of PLN 135 million, accompanied by a lower price by PLN 5.6/GJ, which reduced costs by PLN 86 million.
- **Higher CO₂ costs** due to higher emissions by 0.1 million tonnes of CO₂ as a result of higher electricity generation and a higher average unit CO₂ cost by PLN 37.0/t. The main variances are presented in the chart below.
- **Higher ZHZW costs** due to a higher volume of managed electricity.
- **Higher personnel costs** in connection with an increase in employment resulting from the supplementing of competences in the companies PGE Nowy Rybnik sp. z o.o. and PGE Gryfino Dolna Odra sp. z o.o.

Chart: Costs of consumption of production fuels in the Gas-fired Generation segment (PLN million).

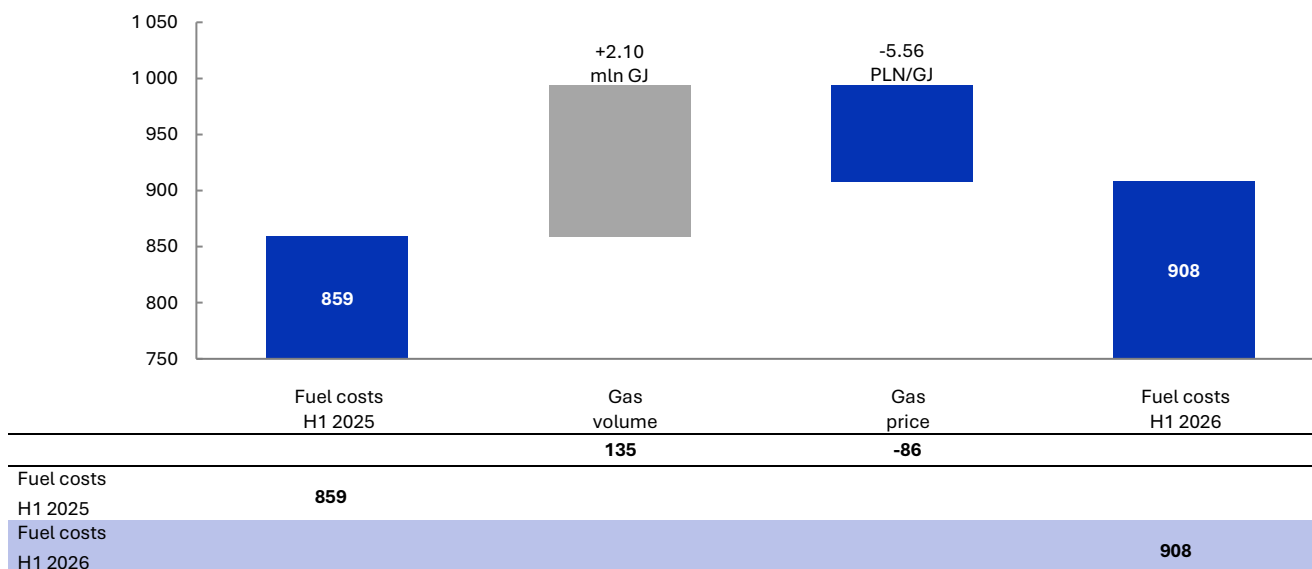


Table: Data on the consumption of production fuels in the Gas-fired Generation segment.

Fuel type	H1 2026		H1 2025		change %	
	Volume	Cost	Volume	Cost	Volume	Cost
	(thousand m ³)	(PLN million)	(thousand m ³)	(PLN million)	(thousand m ³)	(PLN million)
Gas	413 133	908	351 780	859	17%	6%
Total	413 133	908	351 780	859	17%	6%

Chart: CO₂ emission costs in the Gas-fired Generation segment (PLN million).

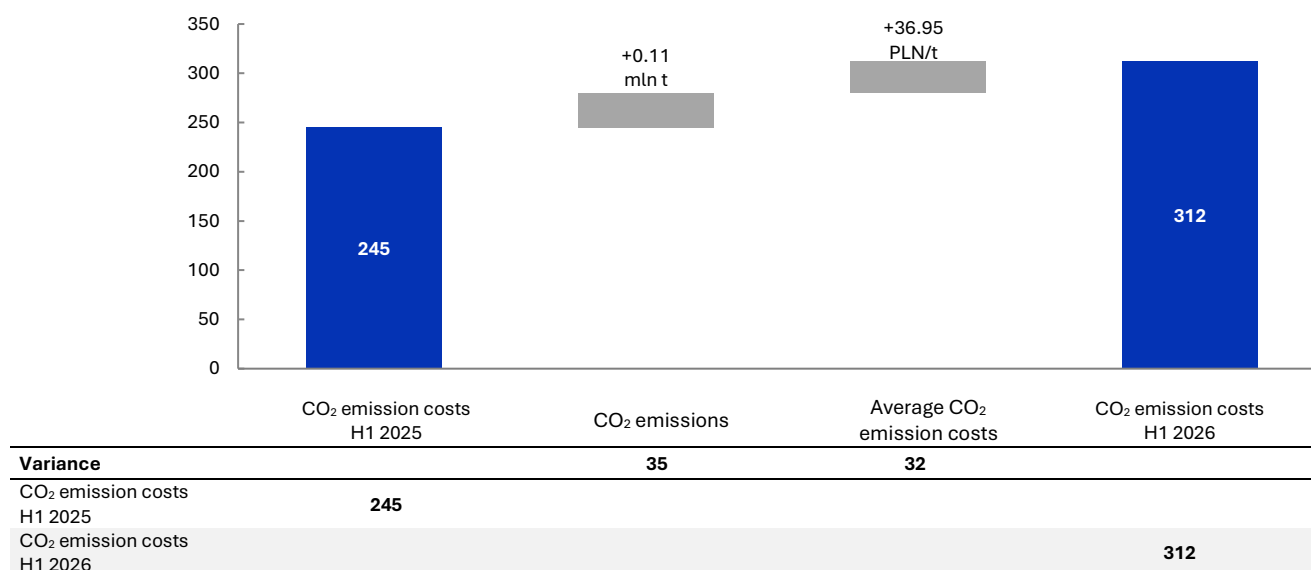


Table: Data on CO₂ in the Gas-fired Generation segment.

Data on CO ₂	H1 2026	H1 2025	Change	Change %
CO ₂ emissions (tonnes)	861 464	753 345	108 119	14%
Average CO ₂ cost (PLN/t)	362.17	325.22	36.95	11%

CAPITAL EXPENDITURES

Table: Capital expenditure – Gas-fired Generation segment (PLN million).

	H1 2026	H1 2025	Change	Change %
Investment in generation capacity, including:	323	1 255	-932	-74%
▪ Development projects	309	1 248	-939	-75%
▪ Modernisation and replacement	14	7	7	100%
Total	323	1 255	-932	-74%

KEY EVENTS IN THE GAS-FIRED GENERATION SEGMENT

The project for the **construction of a gas and steam unit with a gross capacity of 882 MW in Rybnik** (PGE Nowy Rybnik Sp. z o.o.) is at an advanced stage of construction. In Q2 2026, the final gas turbine components were delivered and installed at the site. Commissioning work is being carried out on selected technological systems and at the gas conditioning station. Cabling work is under way within the cooling water system. Mechanical works are nearing completion.

Gas Capacity Construction Programme

- The **Construction of the OCGT Rybnik Gas Power Plant** project (approx. 600 MW) is under implementation. In March 2026, an agreement was signed with a Consortium composed of Polimex Mostostal S.A. (consortium leader), Siemens Energy sp. z o.o. (consortium member), and Siemens Energy Global GmbH & Co. KG (consortium member). In June 2026, a contract notice was published for a tender procedure to select a contractor for the construction of the power evacuation system for this investment.
- The **Construction of the OCGT Gryfino Gas Power Plant** project (approx. 600 MW) is under implementation. In March 2026, an agreement was signed with a Consortium composed of Polimex Mostostal S.A. (consortium leader), Siemens Energy sp. z o.o. (consortium member), and Siemens Energy Global GmbH & Co. KG (consortium member). In July 2026, a contract notice was published for a tender procedure to select a contractor for the construction of the power evacuation system for this investment.

KEY PROJECT IN THE GAS-FIRED GENERATION SEGMENT

Project objective	Budget ¹	Total expenditure ²	Expenditure in H1 2026	Fuel/efficiency net.	Contractor	Investment completion date
Construction of a combined cycle gas turbine unit at PGE Nowy Rybnik sp. z o.o.	PLN 3.7 bn ¹	PLN 2.9 bn	PLN 0.1 bn	Natural gas / 63.9%	A Consortium of companies composed of Polimex Mostostal S.A. (consortium leader), Siemens Energy sp. z o.o., and Siemens Energy Global GmbH & Co. KG.	Q1 2027

¹ Following a decision by the Investment Committee of PGE S.A., the project budget has been reduced (the project contingency fund has been cut).

² Capital expenditure does not include financing costs and expenditures in the form of advances paid to the General Contractor (GRI) and other contractors.



Chart: Main assets of the Coal Energy segment and their installed capacity.

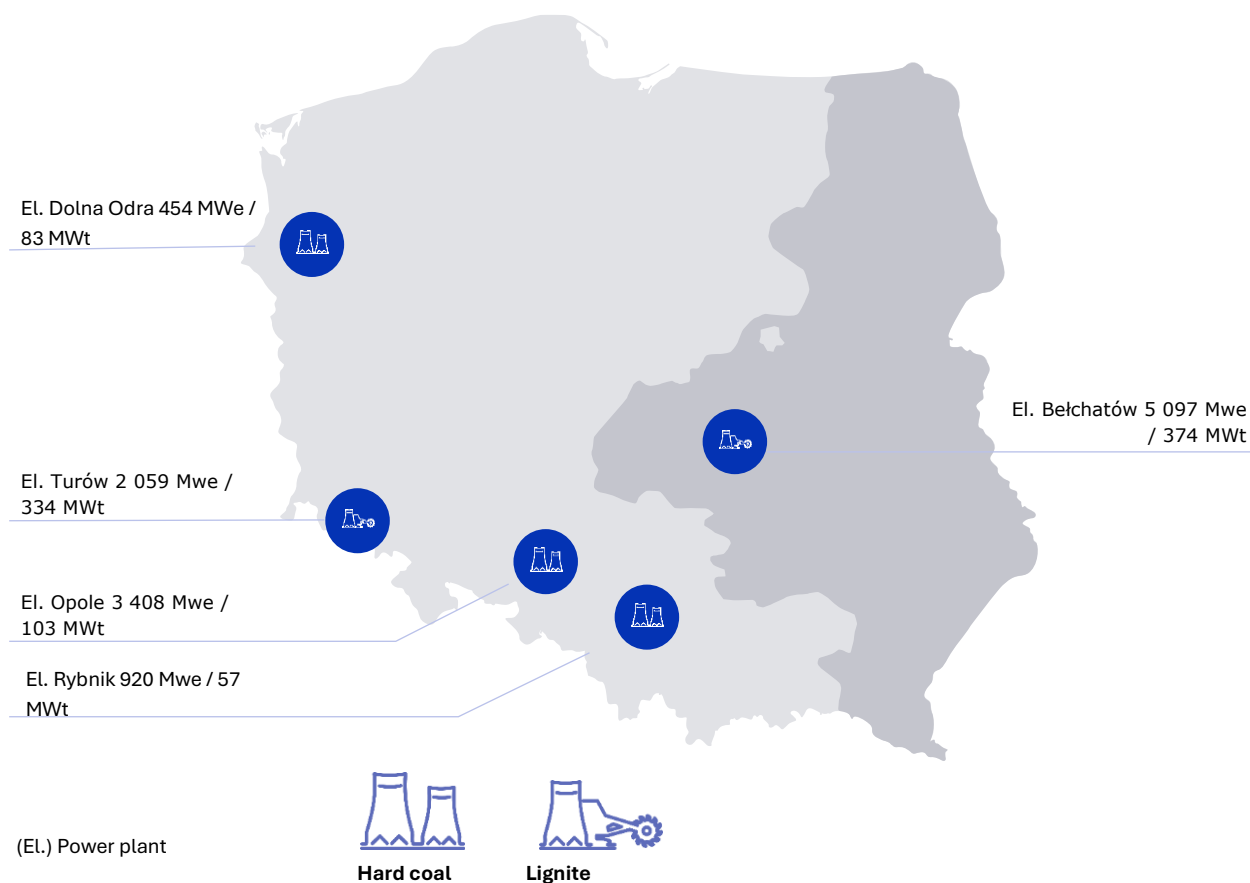


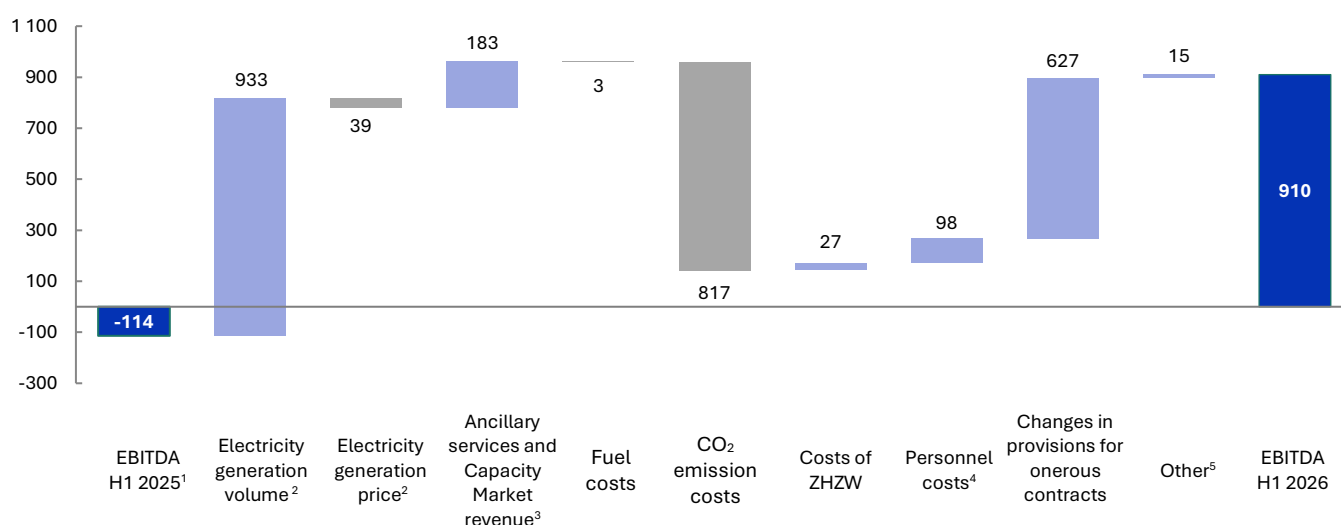
Table: Energy generation (TWh).

Main fuel types	H1 2026	H1 2025	Change	Change %
Hard coal	6.58	5.03	1.55	31%
Lignite	14.75	14.52	0.23	2%
Biomass	0.00	0.01	-0.01	-100%
Total	21.33	19.56	1.77	9%

Table: Heat generation (PJ).

Main fuel types	H1 2026	H1 2025	Change	Change %
Hard coal	0.36	0.36	0.00	0%
Lignite	1.40	1.34	0.06	4%
Total	1.76	1.70	0.06	4%

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



Variance	933	-39	183	-3	-817	27	98	627	15	
Reported EBITDA H1 2025	-119									
One-off events H1 2025	-5									
Recurring EBITDA H1 2025	-114	9 912	1 650	1 150	6 789	393	1 847	-549	948	
Recurring EBITDA H1 2026		10 806	1 833	1 153	7 606	366	1 749	78	933	910
One-off events H1 2026										102
Reported EBITDA H1 2026										1 012

¹ Data for the first half of 2025 have been made comparable.

² Managerial perspective (sales less electricity purchase).

³ Including revenues from balancing services.

⁴ Personnel costs excluding the impact of the costs of the Voluntary Leave Program and change in actuarial provision (one-offs).

⁵ The 'Other' item excluding the impact of the reclamation provision, release of provision for one-time benefit related to NABE carve-out, settlement of contribution to PDP Fund, release of the provision due to settlement with the contractor of the unit no. 7 in the Turów power plant and write-down of strategic inventories (one-offs).

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

One-offs	H1 2026	H1 2025	Change	Change %
Change in reclamation provision	8	-77	85	-
Change in actuarial provision	-	-8	8	-
Voluntary Leave Program	-37	-	-37	-
Release of provision for one-time benefit related to NABE carve-out	-	187	-187	-
Correction of the contribution to the PDP Fund for previous periods	-	5	-5	-
Write-down of strategic inventories	-4	-112	108	-96%
Release of the provision due to settlement with the contractor of the unit no. 7 in the Turów power plant	135	0	135	-
Total	102	-5	107	-

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

- **Increase in revenue from electricity sales**, resulting from: a 1.8 TWh increase in sales volume, which increased revenue by approx. PLN 933 million, while the average electricity selling price was lower by PLN 1.9/MWh y/y, which translated into a decrease in revenue of approx. PLN 39 million.
- **Higher result generated from the Capacity Market**, mainly due to the segment's higher share in the Group's total available capacity and a higher average capacity obligation price. The effect was partially offset by **lower revenue from system services** due to increased competition in the market.
- **Higher fuel consumption costs**, primarily hard coal, due to higher consumption of this fuel by 13.6 PJ, with its price lower by PLN 4.6/GJ. The main variances by individual fuel type are presented in the chart below.

- **Higher CO₂ costs** caused by a 1.8 million tonne increase in CO₂ emissions due to higher electricity generation, with the average CO₂ cost higher by PLN 10.7/t. The main variances are presented in the chart below.
- **Lower ZHZW costs**, mainly due to a lower volume of electricity traded on the Balancing Market covered by the agreement.
- **Lower personnel costs**, mainly in connection with a decrease in the average level of employment.
- **A positive change in provisions for onerous contracts** due to provisions being released during Q2 2026 and provisions being recognised in Q2 2025.

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



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

Fuel type	H1 2026		H1 2025		Change %	
	Volume	Cost	Volume	Cost	Volume	Cost
	(thousand tonnes)	(PLN million)	(thousand tonnes)	(PLN million)	(thousand tonnes)	(PLN million)
Hard coal	2 692	1 086	2 148	1 058	25%	3%
Biomass	0	0	5	3	-100%	-100%
Light and heavy fuel oil	29	67	35	89	-17%	-25%
Total		1 153		1 150		0%

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

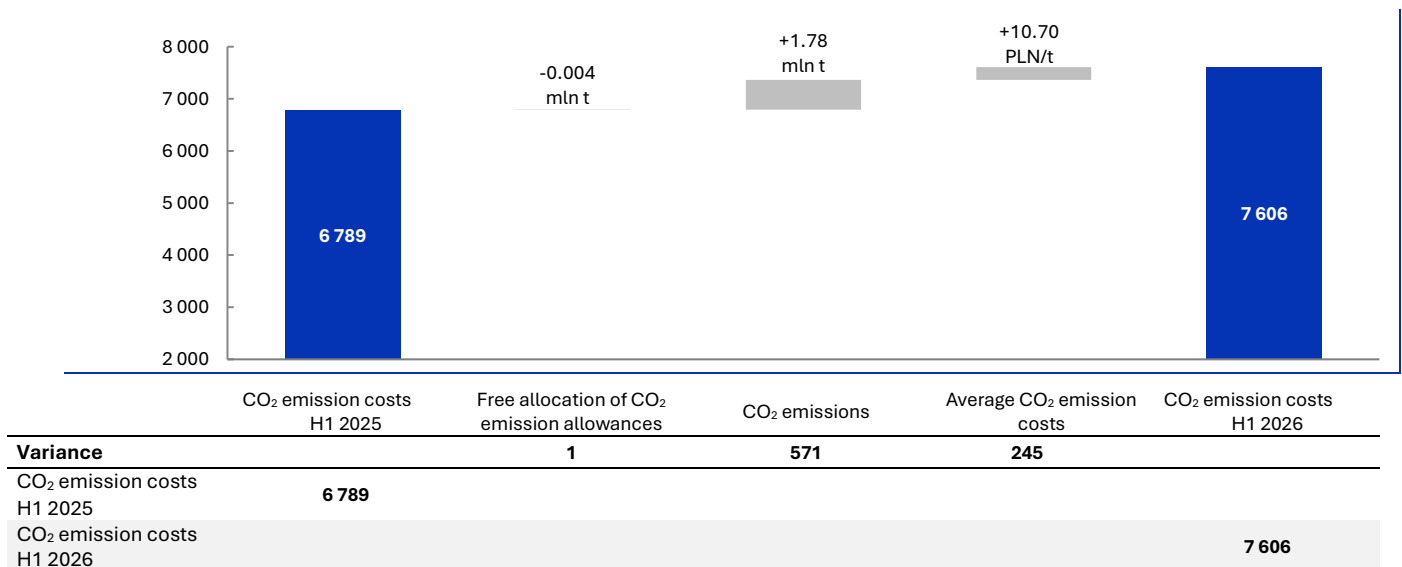


Table: Data on CO₂ in the Coal Energy segment.

Data on CO ₂	H1 2026	H1 2025	Change	Change %
Free allocation of CO ₂ emission allowances (tonnes)	17 064	20 955	-3 891	-19%
CO ₂ emissions (tonnes)	22 911 959	21 136 752	1 775 207	8%
Average CO ₂ cost (PLN/t)	332.21	321.51	10.70	3%

CAPITAL EXPENDITURES

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

	H1 2026	H1 2025	Change	Change %
Investment in generation capacity, including:	152	276	-124	-45%
▪ Development projects	1	5	-4	-80%
▪ Modernisation and replacement	151	271	-120	-44%
Other	2	4	-2	-50%
Total	154	280	-126	-45%

KEY EVENTS IN THE COAL ENERGY SEGMENT

- With regard to the task involving the **construction of Unit 7 at the Turów Power Plant**, the Contractor was charged with the costs of commissioning a third party to partially remedy defects, with debit notes for approx. PLN 5.5 million issued and delivered. The Contractor refused to accept the notes. On June 17, 2026, a Settlement Agreement was signed before a mediator at the General Counsel to the Republic of Poland, concluding the mediation process ongoing since 2023. On the same day, an application for approval of the Settlement Agreement was filed with the Regional Court in Łódź. A detailed description is provided in 'Contractual penalties for the contractor of Unit 7 at the Turów Power Plant'.

4.3.5. Business segment – District Heating

The segment's activities comprise combined heat and power (CHP) generation and heat transmission and distribution.



District Heating

Main revenue items	PLN m			Main expense items	PLN m
Heat sales ¹ including the sale of contracted capacity and heat distribution	3 166		Heat generation	Costs of consumption of production fuels	1 969
Sales of electricity ²	2 190	➔		CO ₂ emission costs	1 456
Capacity Market	215		Electricity generation	Depreciation and amortisation, liquidation, write-offs	465
Revenue from high-efficiency cogeneration support	77			Third-party services	374
		⬇		Personnel costs	360
			Main result items		
			EBIT recurring		1 053
			EBIT reported		1 039
			EBITDA recurring		1 504
			EBITDA reported		1 504

¹ Managerial perspective (sales less heat purchase and costs of redeeming property rights).

² Managerial perspective (sales less electricity purchase).

Revenue from the sale and distribution of heat is regulated in nature. Energy enterprises determine their own tariffs and submit them to the President of the ERO for approval. Heat production in the PGE Group takes place at cogeneration units whose heat tariffs are calculated using a simplified method (as opposed to tariff-setting based on a full cost structure) relying on the so-called reference prices, primarily determined by the average heat selling prices from specific-fuel non-cogeneration units. These are published annually by the President of the ERO. The heat generation tariff for cogeneration units for a given tariff year thus reflects the change in the level of costs incurred by heating (non-cogeneration) units in the previous calendar year. In the case of heat distribution tariffs, a cost-based method is used, allowing to cover justified costs (mainly heat loss costs and property tax) and the return on invested capital, in accordance with the guidelines of the President of the ERO. Heat distribution tariffs are applied by branches in Gorzów and Zgierz, as well as by KOGENERACJA S.A., PGE Toruń S.A. and PGE Zielona Góra S.A.

Just as with the Coal Energy segment, an important source of revenue for this segment is **revenue from the sale of electricity**; however, this is usually directly linked to heat production, which depends on demand and is characterised by high seasonality and dependence on outdoor temperatures. For this reason, unlike the systemic power plants in the Coal Energy segment, CHP plants generally do not play an active role in the process of shaping electricity prices on the wholesale market.

The production of heat and electricity is directly linked to the segment's key variable costs – the **cost of consumption of production fuels** (primarily hard coal and natural gas) and the **cost of CO₂ emission charges**.

Generating electricity in high-efficiency cogeneration is additionally remunerated. CHP plants receive support at a level that covers the increased operational costs of production. A support mechanism is also in place for biomass-fired generation sources. This type of generation is additionally remunerated through the allocation of origin certificates, the sale of which generates additional revenue. Within the segment, such revenue is generated by the Szczecin CHP plant. A significant item in the segment's revenue is **revenue from the Capacity Market**.

The segment's results are significantly affected by weather conditions. Temperatures directly shape the level of demand for heat. At the same time, the level of heat production determines the level of electricity generation in cogeneration, which represents an additional, significant source of revenue, decisively impacting the profitability of CHP plants.

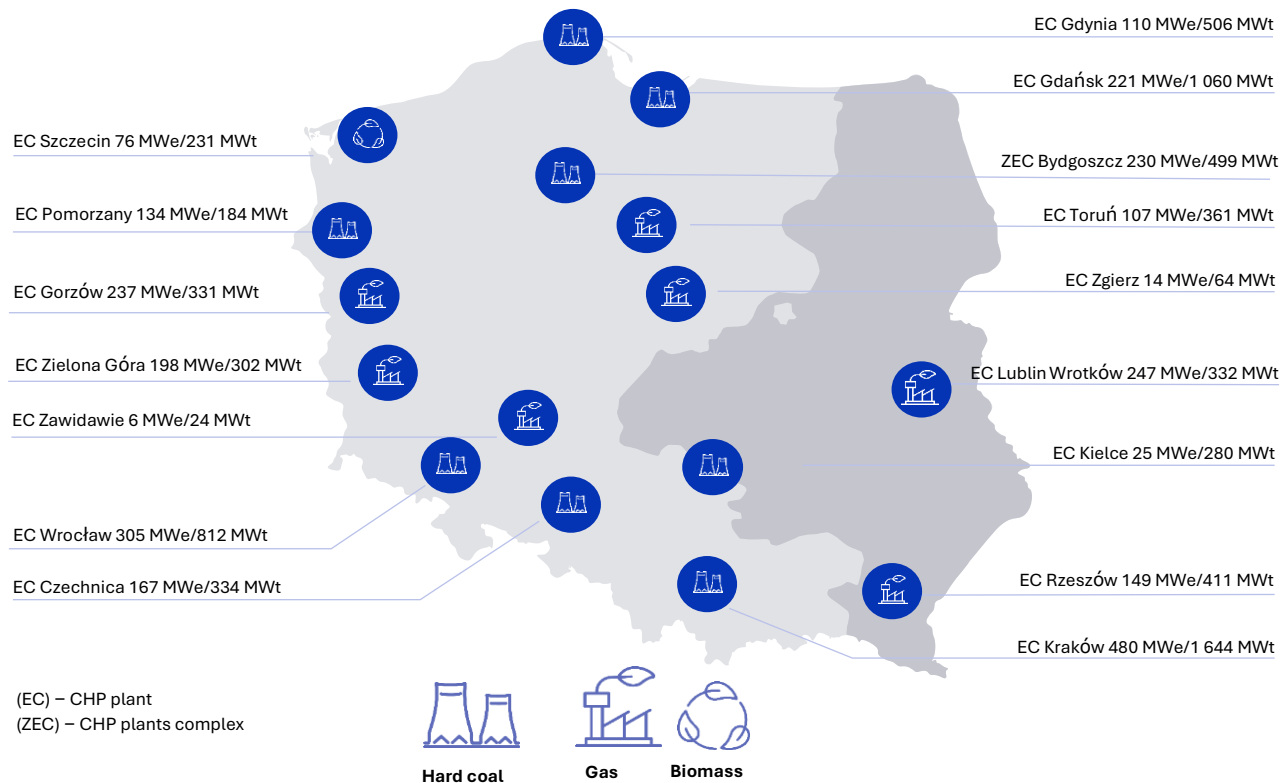
ASSETS

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

The segment currently consists of 16 CHP plants.

The District Heating segment is the largest heat producer in the country. Production is based mainly on hard coal and natural gas.

Chart: Main assets of the District Heating segment and their installed capacity.¹



¹ From 2026, an update of the methodology for determining installed capacities.

Table: Energy generation (TWh).

Main fuel types	H1 2026	H1 2025	Change	Change %
Hard coal	1.84	1.89	-0.05	-3%
Natural gas	2.56	2.24	0.32	14%
Biomass	0.14	0.16	-0.02	-13%
Other	0.03	0.02	0.01	50%
Total	4.57	4.31	0.26	6%

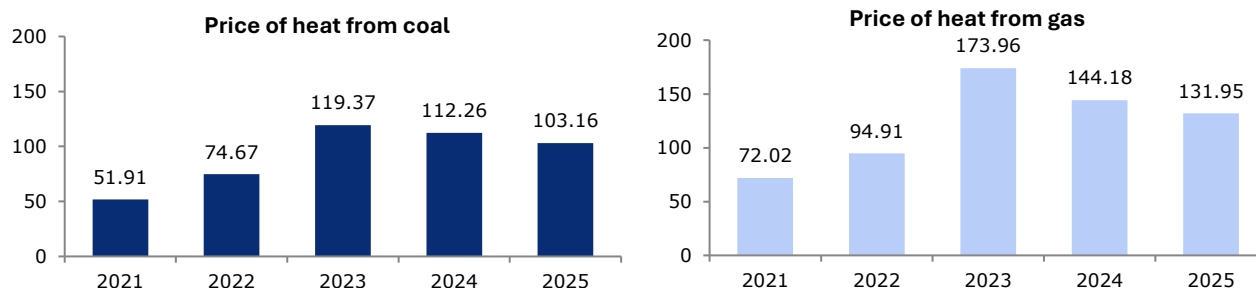
Table: Heat generation (PJ).

Main fuel types	H1 2026	H1 2025	Change	Change %
Hard coal	19.27	19.56	-0.29	-1%
Natural gas	7.30	6.17	1.13	18%
Biomass	2.65	1.06	1.59	150%
Other	0.88	0.51	0.37	73%
Total	30.10	27.30	2.80	10%

TARIFFS IN THE DISTRICT HEATING SEGMENT

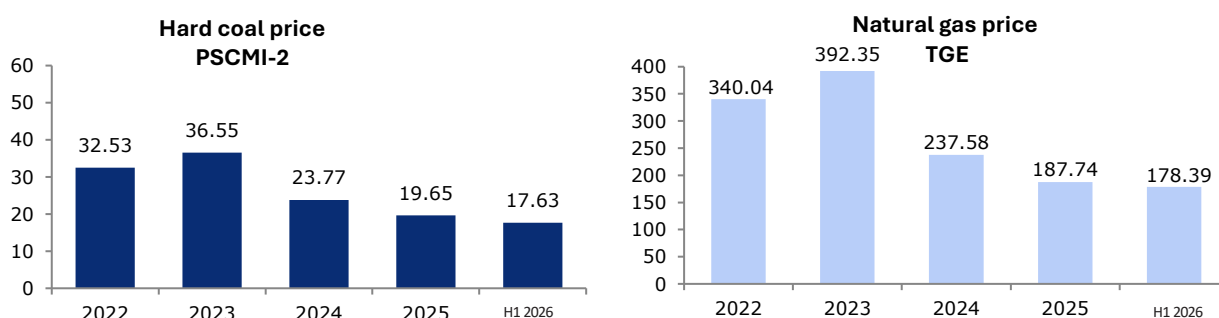
Revenue from heat sales for CHP plants is tariff-based under the so-called simplified method, and is therefore characterised by a relative delay in the pass-through of costs (annual or biennial). This is because they are based on the y/y dynamics of average costs (taking into account the fuels used) incurred by non-cogeneration units for the year preceding the moment of setting the tariff.

Charts: Changes in the reference price of heat for hard coal and natural gas (PLN/GJ).



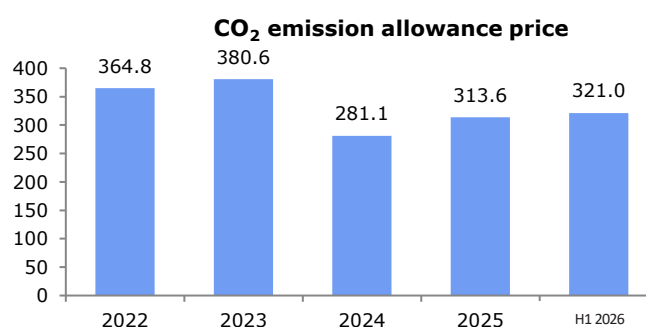
Source: ERO.

Charts: Changes in fuel costs – hard coal (PLN/GJ) – PSCMI-2³ and gas (PLN/MWh) - TGE.



Source: ARP, TGE.

Chart: Change in the cost of CO₂ emission price⁴ (PLN/t).



Source: ICE.

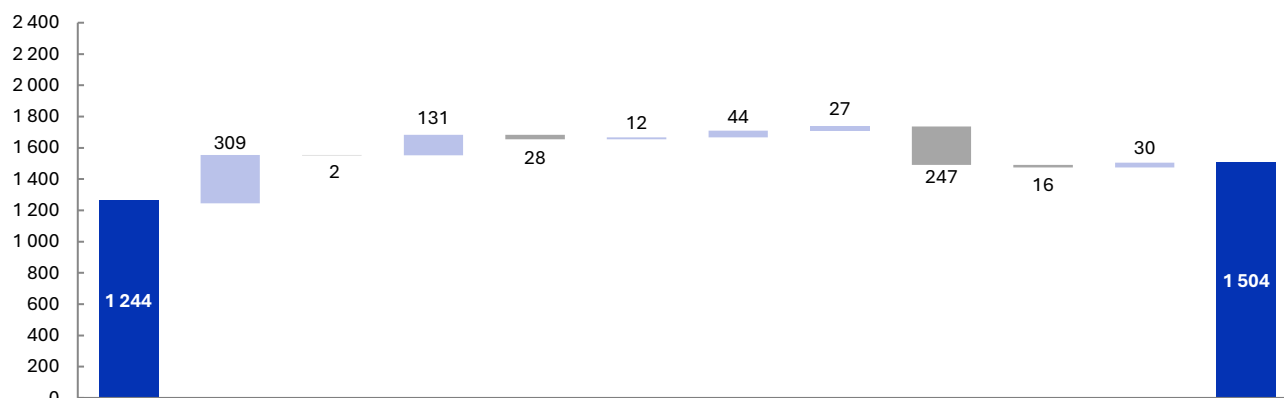
The reference price of heat from coal fell by 8% in 2025, reflecting the previous drop in costs. This value constitutes the basis for calculating tariffs for cogeneration units in 2026. Meanwhile, in 2026 itself, an average market drop in coal prices of 10% was recorded, accompanied by a 2% increase in the average price of CO₂ emission allowances compared to 2025.

Tariffs for gas-based heat generation in 2025 are set based on the change in the reference price, with lower gas prices observed in 2026 than in previous periods. Gas prices in futures contracts on TGE stood at approx. PLN 178/MWh (i.e. a 5% drop).

³ PSCMI-2 Polish Steam Coal Market Index 2 - the averaged price level of thermal coal fines sold on the domestic heat market.

⁴ Arithmetic average of daily and monthly quotations in a given period (spot price).

Chart: Key EBITDA changes in the District Heating segment (PLN million) - managerial perspective.



EBITDA H1 2025	Heat generation - volume	Heat generation - price¹	Electricity generation - volume	Electricity generation - price²	Capacity Market	Revenue from high- efficiency cogeneration support	Fuel costs	CO₂ emission costs	Personnel costs³	Other⁴	EBITDA H1 2026
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Variance	309	-2	131	-28	12	44	27	-247	-16	30	
Reported EBITDA H1 2025	1 266										
One-off events H1 2025	22										
Recurring EBITDA H1 2025	1 244	2 859		2 087	203	33	1 996	1 209	344	389	
Recurring EBITDA H1 2026		3 166		2 190	215	77	1 969	1 456	360	359	1 504
One-off events H1 2026											0
Reported EBITDA H1 2026											1 504

¹ Managerial perspective (sales less heat purchase and costs of redeeming property rights).

² Managerial perspective (sales less electricity purchase).

³ Personnel costs excluding impact of change in actuarial provision (one-offs).

⁴ The 'Other' item excluding the impact of LTC compensations and reclamation provision (one-offs).

Table: Data on one-off events in the District Heating segment (PLN million).

One-offs	H1 2026	H1 2025	Change	Change %
Change in reclamation provision	-	-2	2	-
Change in actuarial provision	-	-1	1	-
LTC compensations	-	25	-25	-
Total	-	22	-22	-

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

- The **higher volume of net heat production** is a result of lower outdoor temperatures compared to the corresponding period of 2025. Average temperatures in the first half of 2026 were lower by approx. 2.1°C y/y, which translated into heat generation being higher by 2.8 PJ.
- The **increase in revenue from the sale of electricity** results from: a higher sales volume by 0.3 TWh, which increased revenue by approx. PLN 131 million; a lower average electricity selling price by PLN 6/MWh y/y, which translated into a revenue drop of approx. PLN 28 million.
- The **higher revenues in Capacity Market** is caused by an increased contracted capacity obligation volume resulting primarily from the supplementary auction for the second half of 2025 and a higher average capacity obligation price.
- **Higher revenues from support for high-efficiency cogeneration** due to the commencement of operation in 2025 of the Czechnica CHP plant and gas engines at the Bydgoszcz CHP plant.
- **Lower fuel consumption costs**, which are mainly due to the lower price of hard coal consumed. Details are presented in the chart below.
- **Higher CO₂ costs** as a result of a higher volume of CO₂ emissions. Details are presented in the chart below.
- A **higher level of personnel costs** in connection with the implementation of wage agreements.

Chart: Costs of consumption of production fuels in the District Heating segment (PLN million).

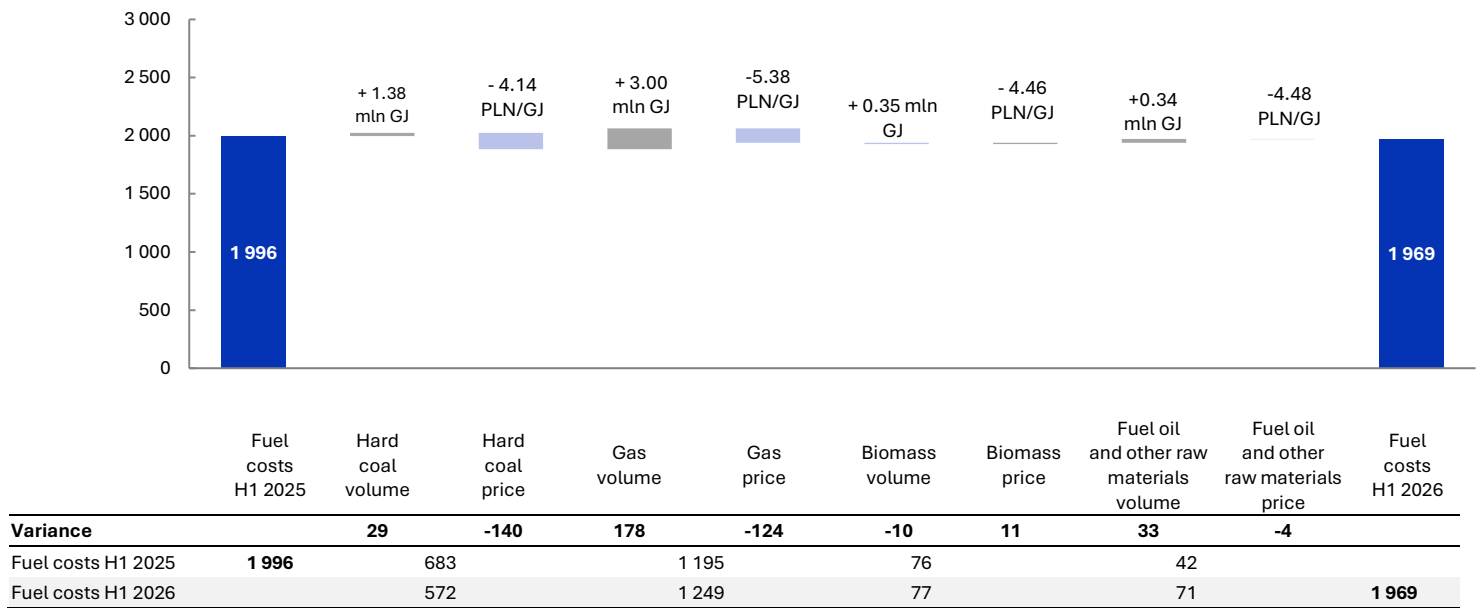


Table: Data on the consumption of production fuels in the District Heating segment.

Fuel type	Q1 2026		Q1 2025		Change %	
	Volume	Cost	Volume	Cost	Volume	Cost
	(thousand tonnes)	(PLN million)	(thousand tonnes)	(PLN million)	(thousand tonnes)	(PLN million)
Hard coal	1 551	572	1 470	683	6%	-16%
Gas (thousand m ³)	714 503	1 249	644 078	1 195	11%	5%
Biomass	280	77	302	76	-7%	1%
Fuel oil and other raw materials	-	71	-	42	-	69%
Total		1 969		1 996		-1%

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

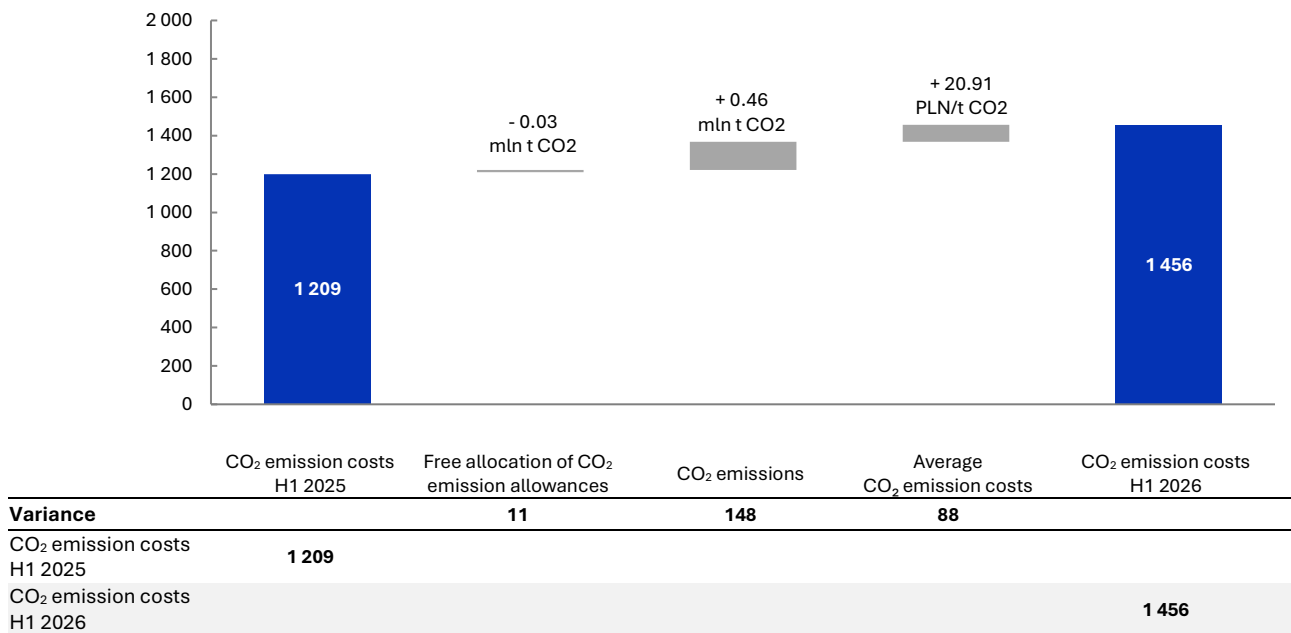


Table: Data on CO₂ in the District Heating segment.

Data on CO ₂	H1 2026	H1 2025	Change	Change %
Free allocation of CO ₂ emission allowances (tonnes)	260 495	295 130	-34 635	-12%
CO ₂ emissions (tonnes)	4 481 174	4 024 572	456 602	11%
Average CO ₂ cost (PLN/t)	345.00	324.09	20.91	6%

CAPITAL EXPENDITURES

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

	H1 2026	H1 2025	Change	Change %
Investment in generation capacity, including:	420	503	-83	-17%
▪ Development projects	278	381	-103	-27%
▪ Modernisation and replacement	142	122	20	16%
Other	0	2	-2	-
Total	420	505	-85	-17%

KEY EVENTS IN THE DISTRICT HEATING SEGMENT

- **Construction of a New Heat Source in Gryfino.** A turnkey contract is being implemented for the construction of a 28 MWt gas-fired boiler house together with the necessary auxiliary systems. In June 2026, gas was introduced into the medium-pressure pipeline and commissioning of the steam boiler house commenced. At the end of July, trial operation of the installation was carried out and completed successfully. In August 2026, the installation was commissioned.
- **At Rzeszów CHP Plant,** in April 2026, the second line of the Waste-to-Energy Plant (ITPOE), with a processing capacity of 80 thousand tonnes of waste per year, was commissioned.
- In selected locations, PGE Energia Ciepła S.A. is implementing a **Programme to build photovoltaic power plants** with a total capacity of approx. 13 MW to partially meet own energy needs. To date, installations with a total capacity of 4 MW have been commissioned under the Programme, including the 2.7 MW PV Rzeszów II installation commissioned in July 2026. The following projects, with a total capacity of approx. 7.2 MW, are under implementation: PV Bydgoszcz, PV Zielona Góra I and PV Gorzów Wielkopolski.
- **Investment Programme for Gdynia CHP Plant** – the scope of the investment project comprises the construction of new generation sources – gas engines with a capacity of up to 50 MWe and two biomass boilers with a total capacity of 30 MWt. As regards the gas engines, they were commissioned in June 2026. As part of the construction of the biomass boilers, structural and construction works were carried out in the second quarter of 2026. The generating units (two biomass boilers) were also delivered to the construction site. Their installation is under way.
- **Industrial Project for Kraków CHP Plant** – foundation works for the planned facilities are continuing under the contract covering the construction of gas engines with a total capacity of up to 100 MWe. In parallel, preparatory works are being carried out at the construction site in connection with the construction of the gas connection pipeline, which will supply natural gas to the gas-fired units under construction. In June 2026, another project comprising a set of gas engines with a capacity of up to 50 MWe secured support in the cogeneration auction.
- **Investment Programme for the Szczecin Branch** – in February 2026, an agreement was concluded with METROLOG sp. z o.o. for the construction of gas engines (approx. 23 MWe). Design work is continuing. The site is also being prepared for construction (trees and shrubs have been cleared). Construction work will commence in the fourth quarter of the current year.
- **Investment Programme for Gdańsk CHP Plant** – in February 2026, an agreement was concluded with a Consortium comprising MIKO-TECH sp. z o.o., Smart EPC sp. z o.o. and Electrum sp. z o.o. for the construction of a cogeneration source in the form of gas engines with a capacity of approx. 36 MWe. Work on the construction and detailed designs is continuing. Works aimed at clearing the construction site for the investment project are also under way (demolition works, utility diversions).

KEY PROJECT IN THE DISTRICT HEATING SEGMENT

Project objective	Budget ¹	Capital expenditure total ¹	Capital expenditure in H1 2026 ¹	Fuel/ net efficiency	Contractor	Investment completion date
Industrial Project for the Kraków CHP plant (100 MWe gas engines and connecting gas pipeline)	PLN 0.8 bn	PLN 0.053 bn	PLN 0.032 bn	Natural gas / Overall 42%	A Consortium of companies composed of Unibep S.A., SBB Energy S.A.	Q3 2028

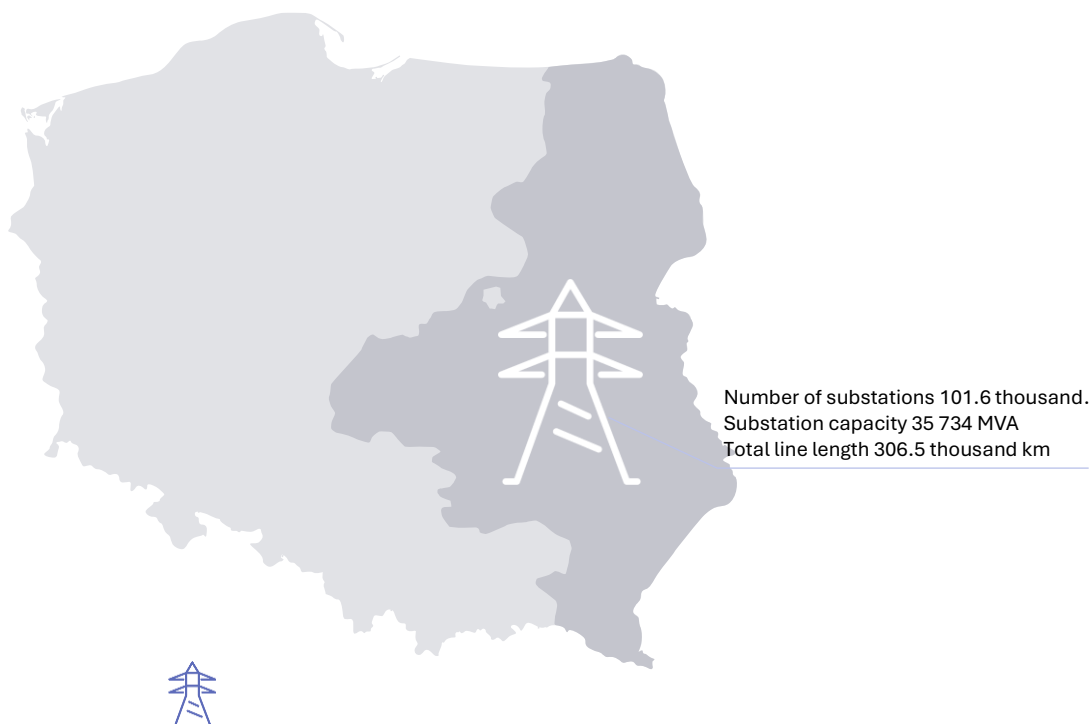
¹ Capital expenditures do not include financing costs.



AREA, VOLUMES, CUSTOMERS

PGE Dystrybucja S.A. operates over an area⁵ of 129,938 km² and supplies electricity to approx. 5.88 million customers.

Chart: Main assets of the Distribution segment and their parameters.



Distribution network area of the Distribution segment

Table: Volume of distributed electricity (TWh).¹

Tariffs	H1 2026	H1 2025	Change	Change %
Tariff group A	2.47	2.51	-0.04	-2%
Tariff group B	7.21	7.03	0.18	3%
Tariff group C+R	3.26	3.10	0.16	5%
Tariff group G	5.96	5.36	0.60	11%
Total	18.90	18.00	0.90	5%

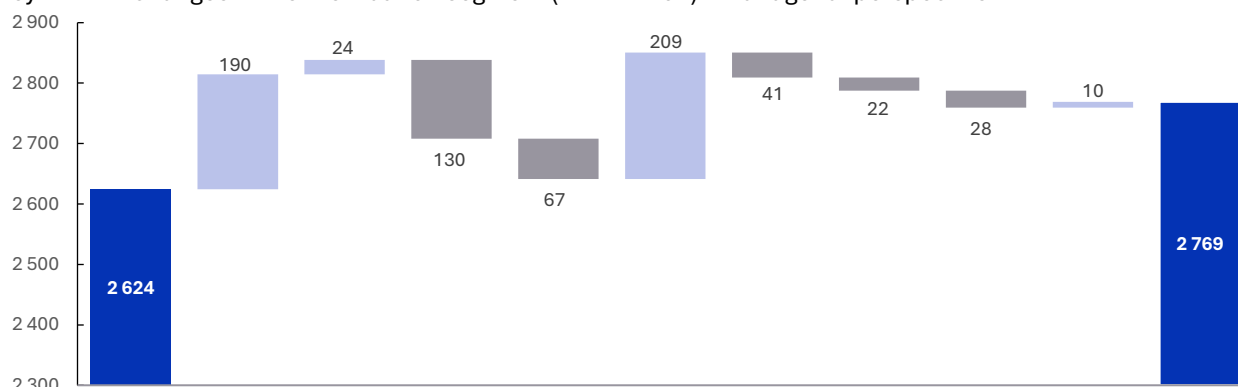
Table: Number of customers by electricity delivery points (units).¹

Tariffs	H1 2026	H1 2025	Change	Change %
Tariff group A	227	192	35	18%
Tariff group B	15 607	14 883	724	5%
Tariff group C+R	487 544	479 178	8 366	2%
Tariff group G	5 379 350	5 329 813	49 537	1%
Total	5 882 728	5 824 066	58 662	1%

⁵ Area of municipalities where PGE Dystrybucja S.A. operates

KEY FACTORS AFFECTING THE SEGMENT'S RESULTS

Chart: Key EBITDA changes in the Distribution segment (PLN million) - managerial perspective.



	EBITDA H1 2025	Change in distributed electricity sales volume	Change of distribution rates ¹	Other revenue from distribution services	Balancing difference costs ²	Additional estimation of balancing difference costs	Connection fee revenue	Property Tax	Personnel costs ³	Other	EBITDA H1 2026
Variance		190	24	-130	-67	209	-41	22	28	10	
EBITDA H1 2025	2 624	3 766		399	354	183	122	301	915	90	
EBITDA H1 2026		3 980		269	421	-26	81	323	943	100	2 769

¹ Excluding transmission services costs of PSE S.A taking into account the 2025 adjustment of compensation for electricity relating to previous periods (one-offs).

² Item adjusted for revenue from the Balancing Market.

³ Personnel costs without taking into account impact of actuarial provision in 2025. (one-off).

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

One-offs	H1 2026	H1 2025	Change	Change %
Change in actuarial provision	-	-8	8	-
Correction of compensations for electricity for previous periods	-	8	-8	-
Total	-	0	0	-

The key factors affecting the results of the Distribution segment y/y were:

- **The higher result on electricity distribution** is primarily attributable to a 0.9 TWh increase in the volume of electricity distributed, mainly due to higher electricity demand in the household and large enterprise tariff groups as a result of low temperatures in the first quarter of 2026.
- **A decrease in other revenue from distribution services**, resulting from a lower average electricity selling price on the competitive market, which forms the basis for calculating charges for the consumption of reactive power exceeding the contracted limits.
- **Higher costs of purchasing electricity to cover the balancing difference**, mainly caused by an increased volume of electricity required to cover this difference.
- The positive impact of the 'additional estimation of balancing difference costs' item, mainly as a result of changes in electricity volumes and prices.
- **A Decrease in connection fee revenue** due to a lower completion rate of connection projects.
- An **increase in property tax** due to the higher value of network assets resulting from the completion of capital projects and the expansion of the power grid, as well as higher tax rates.
- An **increase in personnel costs**, mainly associated with the implementation of wage agreements concluded with trade unions.
- The **change in the 'other' item** is primarily due to higher other operating income (revenue from settled grants).

CAPITAL EXPENDITURES

Table: Capital expenditure in the Distribution segment (in PLN million).

	H1 2026	H1 2025	Change	Change %
Investment in generation capacity, including:	1 570	1 403	167	12%
▪ Development projects	655	619	36	6%
▪ Modernisation and replacement	915	784	131	17%
Other	19	1	18	>1000%
Total	1 589	1 404	185	13%

KEY EVENTS IN THE DISTRIBUTION SEGMENT

Connecting new customers

The execution of the Programme for connecting new customers to the distribution network continued, under which capital expenditure of PLN 547 million was incurred in the first half of 2026.

Cabling Programme

The PGE Group continued the implementation of the Medium-Voltage Network Cabling Programme, aiming to achieve a 30% cabling rate for the MV networks owned by PGE Dystrybucja S.A. The expenditure incurred in the first half of 2026 for the Programme amounted to PLN 286 million.

Since the launch of the Programme in 2019, 6 265 km of MV cable lines have been completed.

Remote Reading Meters (RRM) Installation Project

The implementation of the Project is mandatory and stems from the requirements imposed on Distribution System Operators (DSOs) by the legislator in the Energy Law. In the first half of 2026, capital expenditure amounting to PLN 115 million was incurred. Works were carried out with the aim of:

- supplying meters for final customers connected to the LV network,
- installation of meters at final customers.
- resolving the procurement procedure for the supply of remote reading meters for final customers for the period from H2 2026 to year 2028. NASK is testing meters in terms of cybersecurity and their place of manufacture. The procedure is expected to be concluded by the end of September 2026.

In accordance with the provisions of the act, by December 31, 2028, the DSO must install remote reading meters linked to the remote reading system at electricity delivery points representing at least 80% of the total number of electricity delivery points of final customers. Currently, the RRM rate is approx. 53% (i.e. 3 million pieces).

Implementation of central CRM and Billing systems (NCB Programme)

A programme implemented by PGE Systemy S.A. The purpose of the NCB Programme is to implement a comprehensive, central IT solution supporting key business processes in the PGE Capital Group, carried out by PGE Obrót S.A. and PGE Dystrybucja S.A. The NCB Programme covers the implementation of a central billing system – separately for PGE Obrót S.A. and PGE Dystrybucja S.A. – as well as a CRM system for PGE Obrót S.A. In the first half of 2026, a further six local billing systems were migrated to the central system being implemented. As a result, the new system now handles more than 50% of the Energy Consumption Points scheduled for migration. Preparations are under way for the migration of further system implementations. As part of the Programme, work is also continuing to adapt the PGE Group's IT environment to the requirements of the Central Energy Market Information System (CSIRE). According to the schedule, the completion of the NCB Programme is planned for the first half of 2027.

LTE450 Programme

A project implemented by PGE Systemy S.A., with its assets being developed within PGE Dystrybucja S.A. and PGE Systemy S.A. The purpose of the investment is to build a modern dedicated communications network using LTE450 technology for the provision of services, including critical communications, control of energy infrastructure and remote reading for PGE Dystrybucja S.A. On December 31, 2025, the LTE450 service was commercially launched on the dedicated communications network being built for PGE Dystrybucja S.A. In H1 2026, the coverage of the LTE450 network across PGE Dystrybucja S.A.'s operating area was gradually expanded in line with the assumed schedule through the installation of radio infrastructure at modernised own and leased facilities. Completion of the Investment Phase of the LTE450 Programme is planned for the second half of 2027. The investment in PGE Dystrybucja S.A. mainly covers tangible assets, while PGE Systemy S.A. provides IT infrastructure, particularly in the area of intangible assets.

4.3.7. Business segment – Railway Energy Services

The Railway Energy Services segment encompasses activities carried out by PGE Group, which mainly include the distribution and sales of electricity to railway companies and railway-related customers, sales of fuels for railway carriers, maintenance and upgrading of overhead lines, and other electricity-related services.



Railway Energy Services

Main revenue items	PLN m				Main expense items	PLN m
Sales of distribution services	1 271		Volume of distributed electricity	2.41	Purchase of electricity	856
Sales of electricity	1 039			TWh	including to cover the balancing difference	47
Sales of services	342		Number of customers - electricity distribution	59.3	Electricity transit service	585
Sales of fuels	127			thousand	Personnel costs	328
			Volume of electricity sales to final customers	1.68	Other third-party services	131
				TWh	Purchase of fuels	117
			Number of customers - electricity supply	39.3	Taxes and charges	49
				thousand	of which property tax	25
			Main result items	PLN m		
			EBIT	467		
			EBITDA	674		

One of the primary sources of revenue in the Railway Energy Services segment is **revenue from the sale of electricity**. They are derived from energy supplies to railway companies and entities connected to the segment's distribution network. Railway companies are also provided with fuel sales services.

Another significant source of revenue is **revenue from electricity distribution**. Similarly to the Distribution segment, this revenue is regulated in nature and is based on a tariff approved by the President of the ERO. As a rule, they ensure the pass-through of justified costs and a return on the capital invested in the distribution network. The activity of Railway Energy Services as a Distribution System Operator is limited to areas around railway lines across the country. On January 2, 2026, as a result of the unbundling process, distribution activities were spun off from PGE Energetyka Kolejowa S.A. and transferred to PGE Energetyka Kolejowa Obsługa sp. z o.o., currently operating under the name PGE Energetyka Kolejowa Operator sp. z o.o. and acting as the Distribution System Operator.

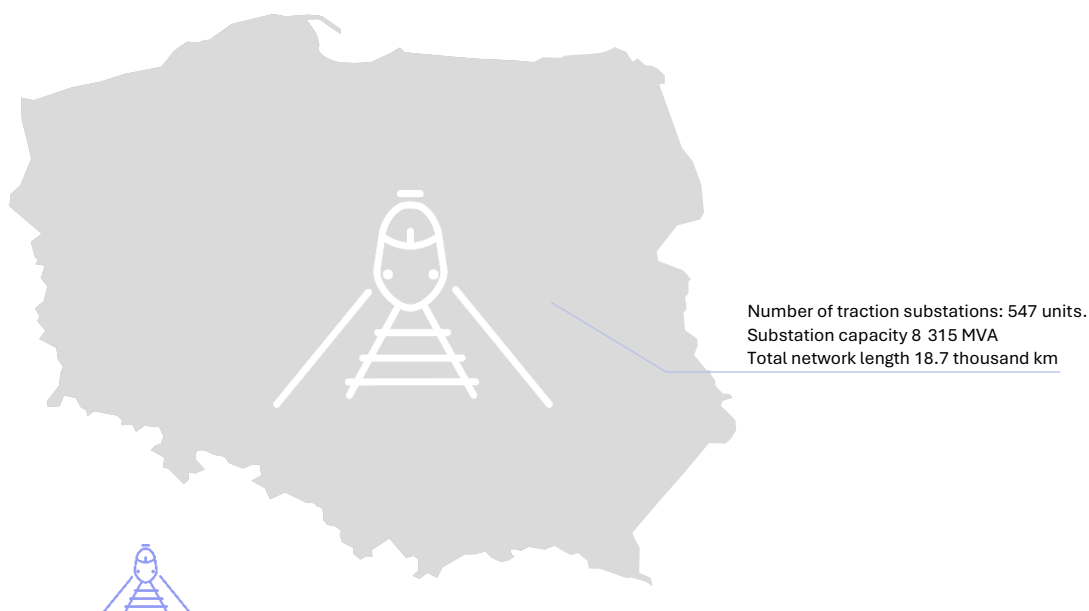
The most significant expense items in the segment are the costs of purchasing distribution services, electricity and fuels for resale.

Within the operations of the Railway Energy Services segment, works related to the maintenance of the overhead lines and the execution of local modernisation works on the overhead lines are carried out. Services related to non-traction electrical power engineering are also provided, such as equipment maintenance, as well as the construction and maintenance of railway traffic control systems. **Personnel costs** constitute the most significant expense item for this type of activity.

VOLUMES, CUSTOMERS AND OPERATIONAL DATA

The majority of the segment's assets consists of property associated with electricity distribution, which is owned by PGE Energetyka Kolejowa Operator sp. z o.o. This includes, among others, 547 traction substations supplying railway lines throughout the country. The total length of the company's network is 18.7 thousand kilometres. Approximately 59 thousand customers are connected to the grid of PGE Energetyka Kolejowa Operator Sp. z o.o.

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



Distribution network area of the Railway Energy Services segment

Table: Volume of electricity sales to final customers (TWh).

Tariffs	H1 2026	H1 2025	Change	Change %
Tariff group B	1.60	1.46	0.14	10%
Tariff group C+R	0.05	0.05	0.00	0%
Tariff group G	0.03	0.03	0.00	0%
Total	1.68	1.54	0.14	9%

Table: Number of electricity supply customers by power take-off points (units).

Tariffs	H1 2026	H1 2025	Change	Change %
Tariff group B	281	294	-13	-4%
Tariff group C+R	6 221	6 632	-411	-6%
Tariff group G	32 846	30 954	1 892	6%
Total	39 348	37 880	1 468	4%

Table: Volume of distributed electricity (TWh).

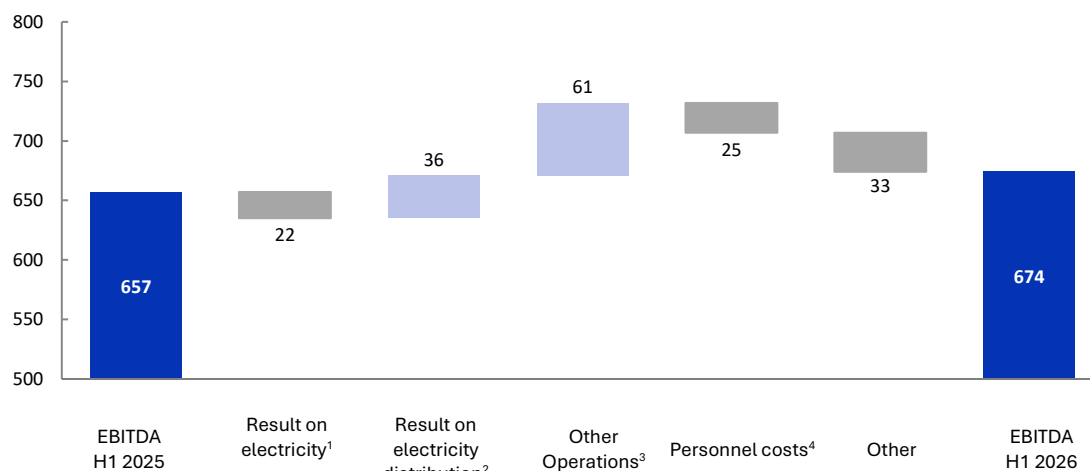
Tariffs	H1 2026	H1 2025	Change	Change %
Tariff group B	2.03	1.85	0.18	10%
Tariff group C+R	0.34	0.28	0.06	21%
Tariff group G	0.04	0.03	0.01	33%
Total	2.41	2.16	0.25	12%

Table: Number of electricity distribution customers by power take-off points (units).

Tariffs	H1 2026	H1 2025	Change	Change %
Tariff group B	740	686	54	8%
Tariff group C+R	25 294	25 300	-6	0%
Tariff group G	33 276	31 264	2 012	6%
Total	59 310	57 250	2 060	4%

KEY FACTORS AFFECTING THE SEGMENT'S RESULTS

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



Variance	EBITDA H1 2025	Result on electricity ¹	Result on electricity distribution ²	Other Operations ³	Personnel costs ⁴	Other	EBITDA H1 2026
Reported EBITDA H1 2025	675						
One-off events H1 2025	18						
Recurring EBITDA H1 2025	657	235	605	290	303	170	
Recurring EBITDA H1 2026		213	641	351	328	203	674
One-off events H1 2026							0
Reported EBITDA H1 2026							674

¹ Adjusted for one-off, correction of compensations for electricity for previous periods.

² Excluding transmission services costs of PSE S.A., including revenue from network connections and the resumption of supplies, and adjusted for the cost of balancing differences.

³ Other operations relate mainly to sales of fuels and traction services.

⁴ Personnel costs excluding the impact of the change in the actuarial provision in 2025.

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

One-offs	H1 2026	H1 2025	Change	Change %
Correction of compensations for electricity for previous periods	-	19	-19	-
change in actuarial provision	-	-1	1	-
Total	-	18	-18	-

Key factors affecting the EBITDA of the Railway Energy Services segment y/y:

- The **lower result on electricity sales** is attributable to a lower average margin on customers in the traction and non-traction segments. This result was partially offset by a positive volume effect in tariff group B for traction customers, resulting from increased transport activity, mainly in passenger transport.
- The **higher result in distribution** is mainly attributable to a 12% increase in the volume of electricity distributed compared with the previous year.
- The **higher result on other activities** relates mainly to traction services and is associated with the indexation of maintenance contracts and higher revenue in the area of railway contracting, resulting mainly from the implementation of projects involving a higher level of material sales.
- **Higher personnel costs** result mainly from the implementation of agreements concluded with the social partners and from an increase in employment.
- The **change in the 'Other' item** results from higher costs of materials consumed and a lower level of capitalised costs related to the implementation of the new investment scope.

CAPITAL EXPENDITURES

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

	H1 2026	H1 2025	Change	Change %
Investment in generation capacity, including:	151	141	10	7%
▪ Development projects	113	85	28	33%
▪ Modernisation and replacement	38	56	-18	-32%
Other	53	0	53	-
Total	204	141	63	45%

KEY EVENTS IN THE RAILWAY ENERGY SERVICES SEGMENT

Power Supply Systems Modernisation Programme (MUZa)

The implementation of the MUZa Programme was continued, based on the 'Agreement on the rules for connection to the distribution network' concluded with PKP Polskie Linie Kolejowe S.A. (PKP PLK), and its objectives are:

- enabling an increase in the capacity of railway lines (increased train traffic),
- introduction of higher-power locomotives (around 6 MW) allowing speed to be increased to 200 km/h,
- electrification of railway lines,
- reducing the failure rate of the distribution network and equipment, and improving power quality parameters,
- meeting the power supply requirements according to the standards defined by the Technical Specifications for Interoperability (TSI) for the 'Energy' subsystem – having obtained the permit of the President of the Office of Rail Transport (UTK).

For the Railway Energy Services segment, the Programme entails the modernisation and construction of traction substations in accordance with the connection agreements concluded with PKP PLK. In the first half of 2026, capital expenditure incurred amounted to PLN 42 million. Since the launch of the MUZa Programme in 2012, 337 connection agreements have been signed, and 274 agreements have been successfully completed.

Connecting new electricity customers

The Program for connecting new customers to the distribution network was implemented, under which 1 490 customers were connected in the first half of 2026 and the incurred expenditure amounted to PLN 25 million.

The Supply segment covers operations conducted by the PGE Group on the wholesale energy market and on the retail market. Operations carried out on the wholesale market primarily involve the execution of trading transactions concerning electricity and CO₂ emission allowances on behalf of and for the benefit of the operating segments.

[illegible]

³ Managerial perspective (transport costs and other cost items are included).

The electricity sold corresponds to the **costs of purchasing electricity** on the wholesale market and the **costs of redeeming property rights** under the support schemes for renewable sources and energy efficiency.

Within the framework of wholesale market operations, CO₂ purchases are executed to cover the needs of the Coal Energy, Gas-fired Generation and District Heating segments, which is reflected on both the cost and revenue sides. Concurrently, a significant revenue item arises from the provision of services to Capital Group companies in respect of managing the purchases and sales of electricity and derivative products.

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

VOLUMES, CUSTOMERS AND OPERATIONAL DATA

Table: Volume of electricity sales to final customers (TWh)¹.

Tariffs	H1 2026	H1 2025	Change	Change %
Tariff group A	1.71	2.10	-0.39	-19%
Tariff group B	4.32	5.04	-0.72	-14%
Tariff group C+R	2.23	2.65	-0.42	-16%
Tariff group G	5.54	4.98	0.56	11%
Total	13.80	14.77	-0.97	-7%

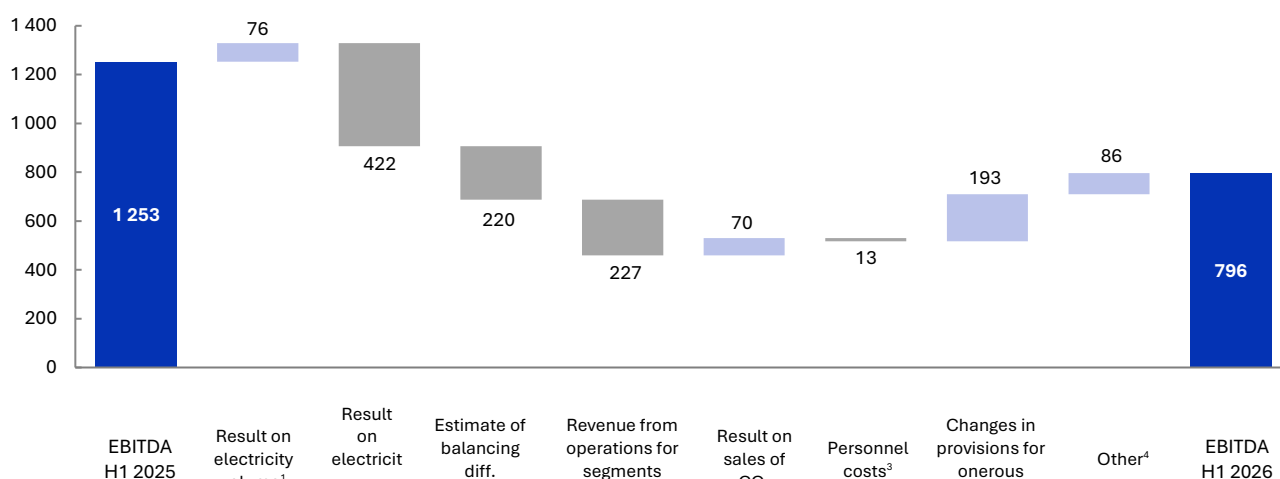
¹ Data concern PGE Obrót S.A.

Table: Number of customers by power take-off points (units)¹.

Tariffs	H1 2026	H1 2025	Change	Change %
Tariff group A	114	138	-24	-17%
Tariff group B	9 578	10 393	-815	-8%
Tariff group C+R	344 985	364 536	-19 551	-5%
Tariff group G	5 372 084	5 324 143	47 941	1%
Total	5 726 761	5 699 210	27 551	0%

¹ Data concern PGE Obrót S.A.

Chart: Key EBITDA changes in the Supply segment in managerial perspective (PLN million).



Variance	76	-422	-220	-227	70	-13	193	86	
Reported EBITDA H1 2025	1 262								
One-off events H1 2025	9								
Recurring EBITDA H1 2025	1 253	1 174	-183	426	43	414	97	-256	
Recurring EBITDA H1 2026		828	37	199	113	427	290	-170	796
One-off events H1 2026									-4
Reported EBITDA H1 2026									792

¹ Item excluding the correction of electricity compensations for previous periods in PGE Obrót S.A. (one-off event). Additionally, a portion of the margin from the ZHZW service was reclassified to the result on electricity.

² Item excluding the margin on CO₂ transactions with the PGE CG companies. Additionally, a portion of the revenue from the ZHZW service was reclassified to the result on electricity.

³ Item excluding change in the actuarial provision (one-off event).

⁴ Item excluding the adjustment of the contribution to the Price Difference Payment Fund (PDPF) for the previous periods (one-off event).

Table: Data on one-off events in the Supply segment (PLN million).

One-off events	H1 2026	H1 2025	Change	Change %
Correction of electricity compensations for previous periods	-4	38	-42	-
Adjustment of the contribution to the Price Difference Payment Fund (PDPF) for the previous period	-	-28	28	-
Change in the actuarial provision	-	-1	1	-
Total	-4	9	-13	-

Key factors affecting the EBITDA of the Supply segment y/y:

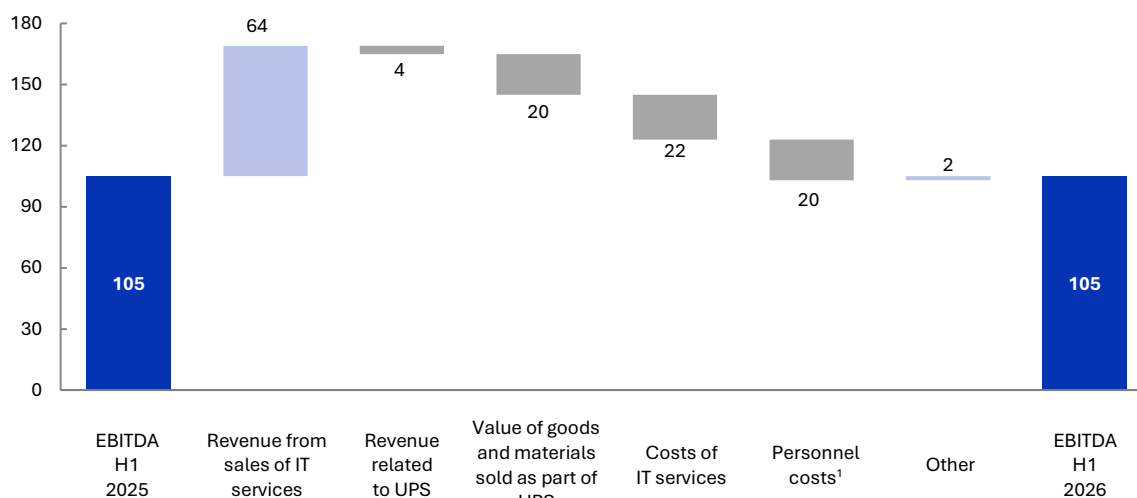
- A **lower result on electricity sales** is primarily the effect of lower margins on tariff products. This is associated with a high base of the previous year, when a 1.5-year tariff was in force with approved costs higher than those incurred in 2025. At the same time, in the current year, the President of the ERO did not recognise the full costs incurred in the tariff calculation. Negative impact of those factors was partly compensated by higher electricity sale volume in the wholesale trading area.
- A **negative impact of the 'additional estimation of balancing difference costs' item**, mainly as a result of changes in electricity volumes and prices.

- A **decrease in revenue from operations within the PGE CG**, is mainly the result of shifting part of the margin from the ZHZW service to the result on electricity.
- A **higher result on CO₂ sales**, primarily due to a higher realised margin on CO₂ trading.
- **Higher personnel costs**, primarily in connection with the implementation of wage agreements concluded with trade unions.
- **Changes in provisions for onerous contracts** as a result of a higher value of the reversal of provisions for onerous contracts compared to the previous year (relates mainly to G tariff group).
- A **change in the value of 'other' item**, primarily as a result of higher result on sales of fuels.



KEY FACTORS AFFECTING THE SEGMENT'S RESULTS

Chart: Key EBITDA changes in the Other Operations segment (PLN million) - managerial perspective.



Variance	64	-4	-20	-22	-20	2	
Reported EBITDA H1 2025	105						
One-off events H1 2025	0						
Recurring EBITDA H1 2025	105	186	246	51	60	233	17
Recurring EBITDA H1 2026		250	242	71	82	253	19
One-off events H1 2026							-3
Reported EBITDA H1 2026							102

¹ Personnel costs excluding impact of provision for restructuring with regard to UPS (one-off).

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

One-offs	H1 2026	H1 2025	Change	Change %
Provision for restructuring	-3	-	-3	-
Total	-3	-	-3	-

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

- **Higher revenue from the sales of IT services** due to new service price lists effective from January 2026 and the execution of a broader scope of services for the PGE CG companies by PGE Systemy S.A.
- **Lower revenue related to UPS** due to a lower sales volume – fewer customers.
- **A higher value of goods and materials sold**, primarily stemming from higher UPS purchase costs following price increases.
- **An increase in IT services costs** in connection with the purchase of external services to enable PGE Systemy S.A. to provide a broader scope of services for the PGE CG and to run new capital expenditure programmes with the simultaneous increase of prices of IT services.
- **Higher personnel costs** are related to the employment of employees in new areas (LTE450, NCB, Cybersecurity) in PGE Systemy S.A., salary review, salary agreements with the social side and the inclusion of a new company in the segment in the first quarter of 2026 (PGE Energetyka Jądrowa S.A.).
- **The change in the 'Other' item** results, among other things, from the implementation of new projects at Elbis sp. z o.o.

CAPITAL EXPENDITURES

Table: Capital expenditures – Other Operations segment (PLN million).

	Q1 2026	Q1 2025	Change	Change %
Investment in generation capacity, including:	49	75	-26	-35%
▪ Development projects	39	63	-24	-38%
▪ Modernisation and replacement	10	12	-2	-17%
Other	3	0	3	-
Total	52	75	-23	-31%

KEY PROJECTS IN THE OTHER OPERATIONS SEGMENT

LTE450 Programme

A project implemented by PGE Systemy S.A. for PGE Dystrybucja S.A. The purpose of the programme is to build a modern dedicated communications network using LTE450 technology for the provision of services including critical communications, control of energy infrastructure and remote reading. The investment in PGE Systemy S.A. provides IT infrastructure, particularly in the area of intangible assets. A detailed description is provided in section 4.3.6 of this report, the LTE 450 Programme

Implementation of central CRM and Billing systems (NCB Programme)

A project implemented by PGE Systemy S.A. The purpose of the NCB Programme is to implement a comprehensive, central IT solution supporting key business processes in the PGE Capital Group, carried out by PGE Obrót S.A. and PGE Dystrybucja S.A. A detailed description is provided in section 4.3.6 of this report concerning the implementation of central CRM and Billing systems (NCB Programme).

5. Other elements of the Report

5.1. Significant events affecting operations in the first half of 2026 and subsequent periods

Segment	Event	Description	Impact on the PGE CG
	Conflict in the Persian Gulf	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. A detailed description is provided in Note 27.1 to the consolidated financial statements .	As at the date of this report, 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. No risk to going concern has been identified and the continuity of the supply chain remains intact.
	Resignation of a Supervisory Board Member	On January 14, 2026, Dariusz Lubera's resignation from the function of Member of the Supervisory Board of PGE was received by PGE S.A. Resignation of a Supervisory Board Member	The changes are aimed at aligning the composition of the Supervisory Board with the PGE S.A. current priorities.
	Appointment of Management Board Members	On January 14, 2026, the Supervisory Board of PGE S.A. appointed Dariusz Lubera and Katarzyna Rozenfeld to the composition of the 12th-term Management Board. Dariusz Lubera was appointed President of the Management Board as of January 15, 2026, and Katarzyna Rozenfeld was appointed Vice-President of the Management Board for Operations as of January 19, 2026. Appointment of Management Board Members	The changes are aimed at aligning the composition of the Management Board with the PGE S.A. current priorities.
	Appointment of Supervisory Board Members	The following members were appointed to the Supervisory Board, effective from January 28, 2026, by resolutions of the Extraordinary General Meeting: - Arkadiusz Krężel, - Wojciech Wróbel. Appointment of the Supervisory Board Members	The changes are aimed at aligning the composition of the Supervisory Board with the PGE S.A. current priorities.
	Acquisition of the 35 MW Dzwola wind farm by PGE Energia Odnawialna S.A.	On January 29, 2026, after fulfilling specific conditions precedent, an agreement was concluded under which PGE Energia Odnawialna S.A. acquired 100% of the shares in Wind Farm Łada sp. z o.o., managing the Dzwola wind farm. The farm consists of 10 turbines with a unit capacity of 3.5 MW, together with the necessary accompanying infrastructure and a main power supply point. Acquisition of the Dzwola Wind Farm	Strengthening the RES portfolio and implementing the key assumptions of the Strategy.
	Winning an auction for the cogeneration premium	Between February 6 and 10, 2026, as a result of the auction for the cogeneration premium concerning the sale of electricity generated in high-efficiency cogeneration, KOGENERACJA S.A. secured a premium ranging from PLN 219.0/MWh to PLN 274.76/MWh. As part of the auction procedure, the company entered a cogeneration source with a capacity of up to 4.5 MWe at the Zawidawie CHP plant. The total volume of electricity from high-efficiency cogeneration that will be covered by the premium spread over 15 years amounts to 430,444 MWh.	Winning the auction provides the PGE CG with long-term, stable financial support, enhancing revenue predictability and supporting the implementation of the Strategy.
	Conclusion of agreements for the construction of OCGT units in Rybnik and Gryfino	On March 4, 2026, the following agreements were signed: - for the construction of a gas unit in Rybnik along with a service agreement, - for the construction of a gas unit in Gryfino along with a service agreement . The projects, each with a capacity of approximately 600 MW, will be implemented by a consortium of companies composed of Polimex Mostostal S.A. (consortium leader), Siemens Energy sp. z o.o., and Siemens Energy Global GmbH & Co. KG. The value of the contract for the construction of the unit in Rybnik amounts to PLN 1,171 million net and EUR 270 million net. The value of the contract for the provision of maintenance services for a minimum period of 12 years from the date of handing over the unit for operation amounts to EUR 132 million net in respect of the fixed	Securing a stable source of long-term revenue in the future. Implementation of the Strategy.

Segment	Event	Description	Impact on the PGE CG
		component of the maintenance remuneration, and up to PLN 20 million net in respect of the maximum variable remuneration. The value of the contract concerning the unit in Gryfino amounts to PLN 1,185 million net and EUR 260 million net. The value of the contract for the provision of maintenance services for a minimum period of 12 years from the date of handing over the unit for operation amounts to EUR 132 million net in respect of the fixed component of the maintenance remuneration, and up to PLN 20 million net in respect of the maximum variable remuneration. Conclusion of agreements for the construction of gas units	
	Acquisition of the FEW Battyk II OWF project	On March 10, 2026, the transaction regarding the acquisition of 100% of the shares in RWE Offshore Wind Poland sp. z o.o. from RWE Renewables International Participations B.V. (the FEW Battyk II project) was closed, following the fulfilment of the conditions set out in the agreement dated November 25, 2025. FEW Battyk II is a project with a capacity of approx. 350 MW adjacent to the Baltica 9 project developed by the PGE Group, which is at a more advanced stage of development. The project has support in the form of a contract for difference obtained under the so-called Phase I Offshore, holds location permits, a permit for laying and maintaining cables (PUUK), and secured land rights in the onshore section for the originally planned route. Closing of the acquisition transaction	The acquisition of the FEW Battyk II project allows the PGE Group to achieve synergies resulting from the joint development of the FEW Battyk II and PGE Baltica 9 projects, which will from now on be implemented as a Baltica 9+ project with a capacity of approx. 1,325 MW. This acquisition will contribute to the PGE Group's strategic objective of reaching 4 GW of installed capacity in offshore wind farms by 2035.
 	ERO inspections regarding contributions to the PDP Fund	On March 12, 2026, as a result of the ERO inspection, PGE Obrót S.A. received an administrative decision on the obligation to transfer to the PDPF account the amount of PLN 605 million, constituting the difference between the contribution paid and the amount calculated by the President of the ERO. A provision of PLN 605 million was established for this liability in 2025. On March 20, 2026, the company made the payment (subject to reimbursement) in accordance with the received decision, and on March 26, 2026, an appeal was filed to the SOKiK along with a request to suspend the execution of the decision. On August 28, 2026, SOKiK served a copy of the company's appeal to the ERO President, setting a 30-day deadline for a response. At the same time, SOKiK dismissed PGE Obrót S.A.'s request to suspend the enforcement of the ERO President's decision. As of the reporting date, the case remains unresolved. On March 26, 2026, PGE Energetyka Kolejowa S.A. received from the ERO a summons for an inspection concerning the financial results of past periods with regard to the PDP Fund. On July 2, 2026, the Company received an administrative decision from the ERO President requiring an additional payment of PLN 265 million (representing the difference between the total contribution paid by PGE Energetyka Kolejowa S.A. and the amount calculated by the ERO President). This amount was paid in July 2026 (subject to reimbursement) in accordance with the decision received. On July 15, 2026 an appeal was lodged with SOKiK, together with an application to suspend enforcement of the decision. A detailed description is provided in Note 23.2 to the consolidated financial statements. Decision of the President of the ERO on the contribution to the PDPF	The payment made adversely affects the cash flows of the Capital Group.
	Dismissal of the complaint against the decision regarding the environmental decision regarding the Turów Mine	A description is provided in Note 23.2 to the consolidated financial statements.	Reducing risks for both the PGE Group and the Polish power system by ensuring the continuity of operation of mines and power plants, which are related strategic units for the NPS.
	Contractual penalties for the contractor of unit 7 at the Turów Power Plant	On June 17, 2026, PGE Górnictwo i Energetyka Konwencjonalna S.A. concluded a settlement before mediators of the General Counsel to the Republic of Poland with the consortium responsible for the construction of Unit 7 at the Turów Power Plant (MPE Deutschland GmbH (formerly Mitsubishi Power Europe GmbH), Budimex S.A. and Técnicas Reunidas S.A.), concerning the final settlement of the contract. On August 12, 2026, the Regional Court in Piotrków Trybunalski issued an order approving the settlement in its entirety.	The settlement brings the disputes relating to the implementation of the investment project to an end and reduces the PGE Group's legal and financial risks.

Segment	Event	Description	Impact on the PGE CG
		The parties agreed on: - the contractor's obligation to pay PLN 135 million net to PGE Górnictwo i Energetyka Konwencjonalna S.A., - a reduction in the contract price by PLN 57 million net), - the contractor's waiver of claims for PLN 164 million net in unpaid remuneration, - a waiver of claims by the contractor for reimbursement of PLN 135 million net drawn under the performance bond. Following implementation of the settlement, the parties will waive all mutual claims arising from the contract. A detailed description is provided in Note 23.1 to the consolidated financial statements. Signing of a settlement with the contractor of unit no. 7 in Turów power plant	
	Obtaining of a grant by PGE Dystrybucja S.A. from NFOŚiGW for approx. PLN 1.4 billion for the modernisation of the distribution network.	In March 2026, PGE Dystrybucja S.A. signed seven new agreements involving grants worth nearly PLN 1.4 billion for the execution of a power grid modernisation programme in rural areas. Thanks to the RRP funds, the company will enhance its capacity to connect new RES installations and will implement smart solutions increasing the security and reliability of energy supplies. As part of the programme, MV/LV substations will be modernised and equipped with balancing meters and power quality analysers. Obtaining of a grant by PGE Dystrybucja S.A.	The ability to execute the capital expenditure programme without committing the PGE CG's own funds.
	Selection of the contractor for the energy storage facility in Gryfino	In April 2026, PGE Energia Odnawialna S.A. completed the procedure for the selection of the general contractor for the investment concerning the Gryfino battery energy storage facility. The project will be implemented by a consortium of two Polish companies: SPEC BAU POLSKA sp. z o.o. and EL PROFESSIONAL sp. z o.o. The Gryfino energy storage facility with a capacity of up to 400 MW and a minimum capacity of 800 MWh will be built in Nowe Czarnowo, in the vicinity of other PGE Group investments. The contract covers the design, delivery, construction, assembly, commissioning and handover for operation under a 'turnkey design and build' formula, including the provision of warranty maintenance services for a period of 36 months following commissioning. The contract value amounts to PLN 1.1 billion gross. The project has been secured with a 17-year contract in the Capacity Market, and its commissioning is planned for the end of 2028. PGE Energia Odnawialna selected the contractor for the Gryfino Energy Storage Facility	The storage facility provides PGE with stable, 17-year revenue from the Capacity Market. It serves as a key tool for balancing RES, ensuring synergies with proprietary investments. Execution of strategic objectives.
	Dismissal of the Management Board member	On May 19, 2026, the Supervisory Board of PGE S.A. adopted a resolution to dismiss Robert Kowalski, Vice-President of the Management Board for Support and Development. Dismissal of the Vice-President for Support and Development	The changes are aimed at aligning the composition of the Management Board with the Company's current priorities.
	Appointment of the Management Board member	On June 3, 2026, the Supervisory Board of PGE S.A. adopted a resolution appointing Piotr Dziubałowski to the Management Board for its 12th term of office, with effect from June 8, 2026, and entrusting him with the function of Vice-President of the Management Board for Support and Development. Appointment of the Vice-President for Support and Development	The changes are aimed at aligning the composition of the Management Board with the Company's current priorities.
	Resolutions of the Ordinary General Meeting	On June 18, 2026, the Ordinary General Meeting of PGE S.A. approved the separate and PGE Group financial statements and Management Board reports on operations for 2025, the Supervisory Board report and the remuneration report. It adopted resolutions concerning coverage of the net loss, granting discharge to members of the Management Board and Supervisory Board, the remuneration principles for Management Board members and the Remuneration Policy. In addition, a Supervisory Board for a new term of office was appointed, composed of: Michał Domagała, Anna Kowalik, Andrzej Kozyra, Elżbieta Niebisz, Andrzej Rzońca, Andrzej Sadkowski i Piotr Stolarczyk. Content of the resolutions of the Ordinary General Meeting	

Segment	Event	Description	Impact on the PGE CG
	Agreement for use of LNG regasification services	On June 23, 2026, PGE S.A. signed a conditional agreement with Gas Transmission Operator Gaz-System S.A. concerning the use of LNG regasification services at the FSRU 2 terminal. On July 31, 2026, Gaz-System S.A. announced that the conditions precedent had been satisfied and that the Final Investment Decision for the FSRU 2 project had been made. Commissioning of the terminal is planned for 2030. Under the agreement, the Company will obtain the right to use LNG regasification services for a period of 15 years. The Company's estimated financial commitment over this period will amount to approximately PLN 2.8 billion, calculated from the commissioning date of the FSRU 2 unit. The value of the agreement was estimated as at the date of its execution, while the actual fee rates will be specified in the tariff approved by the President of the Energy Regulatory Office. Agreement for use of LNG regasification services	The regasification capacity secured forms part of the diversification of natural gas supply sources for the PGE Group and increases the Group's ability to contract fuel outside the domestic market.
	Winning an auction for gas engine support	On June 22–24, 2026, PGE Energia Ciepła S.A. and its subsidiary Kogeneracja S.A. won cogeneration auctions for 15-year support for gas engines. The respective rates were PLN 209.98/MWh and PLN 209.99/MWh, the respective volumes were 3 545 GWh and 3 750 GWh, and the respective maximum revenue amounts were PLN 744 million and PLN 787 million. Winning an auction for gas engine support	Winning the auction provides long-term, stable financial support, increasing revenue predictability and supporting implementation of the Strategy.
	Change in organisational structure of PGE S.A.	A new organisational structure for PGE S.A. comes into effect on June 1, 2026. Work on the new structure was preceded by an analysis of the organization's operations, the scopes of responsibility of its individual units, and the way business processes are executed. The primary goal of the changes was to create a transparent and efficient organization through: - integration of tasks and competencies within units with a similar operational profile, - simplification of the management structure, - reduction of redundant functions and activities. The new structure is also intended to enable the utilisation of the knowledge, experience, and competencies of employees.	Increasing management efficiency, improving collaboration across business areas, and better leveraging employee skills. This should translate into faster decision-making, lower operating costs, and an enhanced ability for the PGE Capital Group to achieve its strategic goals and energy transition objectives.

5.2. Events after the reporting date

Segment	Event	Description	Impact on the PGE CG
	Extension of the operating life of Rybnik Power Plant units	The Management Board and Supervisory Board of PGE GiEK S.A. decided to change the schedule of operations of the particular units of Rybnik power plant compared to the previous arrangements. Unit 5 ceased operation with the end of August 2026, while in accordance with the new schedule Unit 8 will cease operation in 2027 and Units 6 and 7 will remain in operation until the first half of 2028. From April 1, 2028 to March 31, 2029, heat demand from external customers is to be met by the start-up boiler house. Longer operating life of Rybnik Power Plant units	The decision provides the PGE Group with stability of its energy balance and a smooth transition towards lower emissions in connection with the ongoing construction of gas-fired units. The decommissioning of units 5 and 8 will not significantly affect the amount of energy generated by the power plant. This means that coal demand will decrease by only a few percent, a shift driven primarily by the changing role of coal in Poland's energy mix. At the same time, the units will remain eligible for support from the Capacity Market until 2028.
	Result of supplementary capacity market auction for 2027	On September 3, 2026, in the supplementary capacity market auction for the delivery year 2027, units from PGE Group have been awarded capacity contracts with an aggregated capacity obligation of 1 859 MW. Including contracts from previous main and additional auctions, PGE Group contracted not less than 11 100 MW of capacity obligations for 2027 delivery. Result of supplementary capacity market auction for 2027	Additional capacity contracts support revenue growth from the Capacity Market in 2027 for power plants within the PGE Group, enhancing the stability and predictability of results.

5.3. Anticipated development of the PGE Capital Group

The development of the PGE Group in subsequent periods will be determined primarily by the implementation of strategic objectives focused on ensuring secure and stable energy supplies, building the Group's long-term value, supporting the competitiveness of the Polish economy through investments in the energy transition, and developing modern and efficient energy infrastructure.

Investments in RES will be of key importance, in particular the development of offshore and onshore wind energy and investments in the Distribution segment.

In the generation area, a further increase in the role of gas units as transitional sources supporting the stability of the power system in conditions of an increasing share of less stable renewable sources is expected. At the same time, the Group will continue activities aimed at optimizing the operation of existing assets and adapting them to changing market and regulatory conditions.

A significant factor affecting the Group's development prospects will remain the regulatory environment, including the European Union's climate policy, approach to CO₂ emission allowance and national support mechanisms for the energy sector. In particular, the evolution of the energy market and the shape of regulations governing the energy transition will affect the profitability of individual business segments.

Furthermore, the Group's development will depend on prevailing macroeconomic conditions, including the levels of electricity prices, fuel prices, and financing costs.

In the Management Board's assessment, activities aimed at improving operational efficiency, cost optimisation and the development of new business areas, including energy services and solutions supporting decarbonisation, will also be of material importance.

As at the date of preparation of this report, work on updating the PGE Group Strategy is under way.

5.4. Information on loan and borrowing agreements concluded and terminated in the first half of 2026

In the first half of 2026, no new material external loan and borrowing agreements were concluded. As at June 30, 2026, the total value of liabilities under loans and borrowings amounted to PLN 12 355 million.

Detailed information is also presented in Note 21.1 to the consolidated financial statements.

5.5. Information on the granting in the first half of 2026 by PGE S.A. or by its subsidiary of sureties for a loan or borrowing, or the provision of guarantees¹

Table: Summary of the main items of sureties for a loan or borrowing, or guarantees provided in the first half of 2026 by PGE S.A. or by its subsidiary.

Company granting surety/ guarantee	Surety/ guarantee beneficiary	Debtor – for whose liabilities the surety or guarantee is issued	Type of security	Surety/guarantee validity period		Value of surety/ guarantee (million)	Currency
				Start	End		
PGE S.A.	Polimex Mostostal S.A., Siemens Energy sp. z o.o., Siemens Energy Global GmbH & Co.KG	PGE Inwest 27 sp. z o.o.	Corporate Guarantee	2026-03-27	2030-11-01	1 181	PLN
PGE S.A.	Polimex Mostostal S.A., Siemens Energy sp. z o.o., Siemens Energy Global GmbH & Co.KG	PGE Inwest 23 sp. z o.o.	Corporate Guarantee	2026-03-27	2030-08-21	1 166	PLN
PGE S.A.	Polimex Mostostal S.A., Siemens Energy sp. z o.o., Siemens Energy Global GmbH & Co.KG	PGE Inwest 23 sp. z o.o.	Corporate Guarantee	2026-03-27	2030-08-21	229	EUR
PGE S.A.	Polimex Mostostal S.A., Siemens Energy sp. z o.o., Siemens Energy Global GmbH & Co.KG	PGE Inwest 27 sp. z o.o.	Corporate Guarantee	2026-03-27	2030-11-01	221	EUR
PGE S.A.	Bank Pekao S.A.	PGE Paliwa sp. z o.o.	Corporate Guarantee	2026-05-06	2028-05-31	350	PLN
PGE S.A.	Goldman Sachs Paris Inc. et Cie	PGE Paliwa sp. z o.o.	Corporate Guarantee	2026-03-30	2028-03-25	50	USD

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

Table: External bonds issued as at June 30, 2026.

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

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

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

¹ Cumulatively to one entity or a subsidiary of that entity, if the total value of the existing sureties or guarantees is significant.

5.7. Other material information

PROCEEDINGS PENDING BEFORE A COURT, AN AUTHORITY COMPETENT FOR ARBITRATION PROCEEDINGS OR A PUBLIC ADMINISTRATION AUTHORITY

Material proceedings pending before courts, authorities competent for arbitration proceedings, and public administration authorities are discussed in Note 23.2 to the consolidated financial statements. The note discusses, among other things, the issues of compensation regarding the conversion of shares, the request from the Polimex-Mostostal and Polimex Energetyka sp. z o.o. consortium for an increase in the contract price for the construction of the CHP plant in Siechnice, the environmental decision concerning the Turów Mine, the integrated permit for PGE Gryfino Dolna Odra sp. z o.o., and others, contribution to the PDP Fund and withdrawal from the contract with the consortium of GE Hydro France S.A.S. and Mostostal Warszawa S.A.

TRANSACTIONS WITH RELATED ENTITIES

Information on transactions with the related entities is presented in note 26 to the consolidated financial statements.

Furthermore, it was stated in note 6 of the consolidated financial statements that Inter-segment transactions are accounted for by the PGE CG as if they were with unrelated parties (at arm's length).

FACTORS WHICH, IN THE ISSUER'S OPINION, WILL AFFECT THE RESULTS ACHIEVED BY IT OVER A HORIZON OF AT LEAST THE NEXT QUARTER

Material factors and events that, in the issuer's opinion, will influence its results over a horizon of at least the following quarter are described in the other sections of this report.

MATERIAL OFF-BALANCE SHEET ITEMS

A description of material off-balance sheet items is presented in Notes 23.1 and 11 to the consolidated financial statements.

AGREEMENTS AND INFORMATION RELEVANT FOR ASSESSING THE HR, PROPERTY AND FINANCIAL SITUATION, THE FINANCIAL RESULT OF THE PGE CG AND THEIR CHANGES, AS WELL AS INFORMATION RELEVANT FOR ASSESSING THE PGE CG'S ABILITY TO FULFIL ITS OBLIGATIONS

Material agreements and events are presented in section 5.1 Significant events affecting operations in the first half of 2026 and subsequent periods and 5.2 Events after the reporting date of this report.

In the first half of 2026, aside from the events indicated in the other sections of this report, there were no other events relevant to the assessment of the HR, property and financial situation, the financial result of the PGE CG and their changes, as well as the assessment of the PGE Capital Group's ability to fulfil its obligations.

RISKS IN PGE CG OPERATIONS

Risk factors associated with the operations of the PGE Capital Group are described in detail in p. 2. Risks in the PGE Group's operations.

PUBLICATION OF FINANCIAL RESULT FORECASTS

PGE S.A. did not publish any financial result forecasts.

BRANCHES HELD BY THE COMPANY

The Company operates the PGE Group Knowledge and Development Centre Branch headquartered in Lublin.

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

To the best knowledge of the Management Board of PGE S.A., the half-yearly financial report, containing interim condensed consolidated financial statements of PGE Capital Group, interim condensed standalone financial statements for PGE S.A. and comparative data were prepared in accordance with the governing accounting principles, present a fair, true and reliable view of the material and financial situation of PGE Capital Group and its financial result.

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

7. Statement on the entity authorised to review the financial statements

The Management Board of PGE S.A. declares that the auditing company, which reviews the interim consolidated financial statements and interim condensed standalone financial statements for PGE S.A., was appointed in accordance with provisions of the binding law. The entity and the statutory auditors, who performed the review, fulfilled all the requirements for issuing an unbiased and independent report on the review, in accordance with the governing provisions and professional standards.

8. Approval of the Management Board's Report

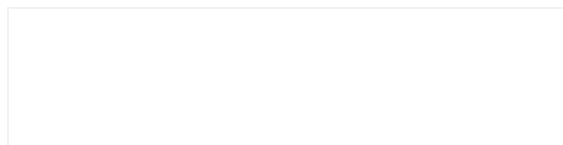
This Management Board's Report on the operations of the PGE Capital Group was approved by the Management Board of the Parent Company on September 15, 2026.

Warsaw, September 15, 2026

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

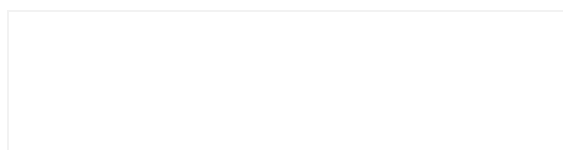
**President of the
Management Board**

Dariusz Lubera



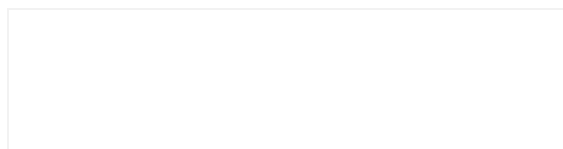
**Vice-President of the
Management Board**

Katarzyna Rozenfeld



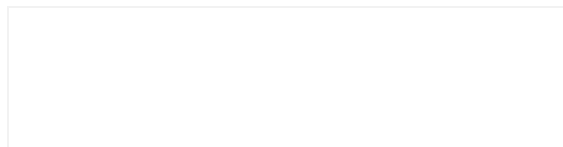
**Vice-President of the
Management Board**

Piotr Dziubałtowski



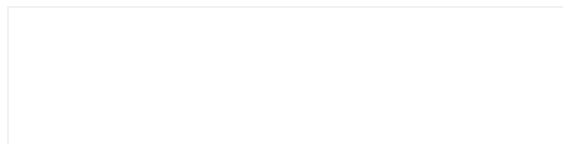
**Vice-President of the
Management Board**

Przemysław Jastrzębski



**Vice-President of the
Management Board**

Marcin Laskowski



Methodology for calculating indicators

Indicator	Calculation method
Reported EBIT	operating result
Recurring EBIT	reported EBIT adjusted for one-off events
Reported EBITDA	operating result + depreciation/amortisation
Recurring EBITDA	reported EBITDA adjusted for one-off events
Working capital	current assets - short-term liabilities
Reported LTM EBITDA	reported EBITDA for the last 12 months as at the reporting date
Recurring LTM EBITDA	recurring EBITDA for the last 12 months as at the reporting date
Reported EBITDA margin (%)	$\text{reported EBITDA} \times 100 / \text{revenue from sales}$
Recurring EBITDA margin (%)	$\text{recurring EBITDA} \times 100 / \text{revenue from sales}$
Return on sales (ROS, %)	$\text{reported net profit or loss} \times 100 / \text{revenue from sales}$
Return on assets (ROA, %)	$\text{reported net profit or loss} \times 100 / \text{total assets}$
Return on equity (ROE, %)	$\text{reported net profit} \times 100 / (\text{equity} - \text{net profit})$
Receivables turnover (in days)	$\text{average gross trade receivables} \times 365 \text{ days} / \text{net revenue}$
Payables turnover (in days)	$\text{average short-term trade payables} \times 365 \text{ days} / \text{net revenue}$
Current ratio (x)	current assets / short-term liabilities
Quick ratio (x)	$(\text{current assets} - \text{inventories}) / \text{short-term liabilities}$

Glossary

Industry term	Definition
Ancillary services	Services provided to the transmission system operator, which are indispensable for the proper functioning of the National Power System and ensure the keeping of required reliability and quality standards.
Achievable capacity	The maximum sustained capacity of a generating unit or generator, maintained continuously by a thermal generator for at least 15 hours or by a hydroelectric generator for at least five hours, at standardized operating conditions, as confirmed by tests.
ALOP	Insurance against loss of profit caused by delays in investment implementation
ARA	USD hard coal price index in EU. Loco in harbours Amsterdam-Rotterdam-Antwerp
Availability factor	$(\text{working time} + \text{standby time in reserve}) \times 100 / \text{period time}$
Balancing market	A technical platform for balancing electricity supply and demand on the market. The differences between the planned (announced supply schedules) and the actually delivered/off-taken volumes of electricity are settled here. The purpose of the balancing market is to balance transactions concluded between individual market participants and actual electricity demand. The participants of the balancing market can be the generators, customers for electricity understood as entities connected to a network located in the balancing market area (including off-takers and network customers), trading companies, electricity exchanges and the TSO as the balancing company.
Base, baseload	standard product on the electricity market: a constant hourly power supply per day in a given period, for example week, month, quarter or year
BAT	Best Available Technology
Best Practices	Documents „Best Practice for WSE Listed Companies 2016” adopted by the resolution of the WSE Supervisory Board of October 13, 2015 and effective from January 1, 2016 until June 30, 2021 and „Best Practice for WSE Listed Companies 2016 2021” adopted by the resolution of the WSE Supervisory Board of March 29, 2021 and effective from July 1, 2021.
Biomass	Solid or liquid substances of plant or animal origin, subject to biodegradation, obtained from agricultural or forestry products, waste and remains or industries processing their products as well as certain other biodegradable waste in particular agricultural raw materials.
Black energy	Popular name for energy generated as a result of combustion of black coal or lignite.
BREF	Best Available Techniques Reference Document
Capacity fee	An element of the electricity bill, charged to ensure energy security (constant electricity supply).
CCGT	Combined Cycle Gas Turbine
CMGC	Commercial Management of Generation Capacities
CSDDD	Corporate Sustainability Due Diligence Directive
CSI	Customer Satisfaction Index
CSIRE	Central Energy Market Information System
CHP auction	A support mechanism in which energy producers using high-efficiency cogeneration (simultaneous production of electricity and heat) compete for a cogeneration premium. The winner is guaranteed by offering the lowest subsidy price for electricity sold from new or modernized units.
Circular economy	System that minimises the consumption of resources and the level of waste as well as emissions and energy losses by creating a closed loop of processes in which waste from one process is used as resources in other processes so as to maximally reduce the quantity of production waste
Co-combustion	The generation of electricity or heat based on a process of combined, simultaneous combustion in one device of biomass or biogas together with other fuels; part of the energy thus generated can be deemed to be energy generated with the use of renewable sources.
Co-generation	The simultaneous generation of heat and electricity or mechanical energy in the course of one and the same technological process.
Co-generation certificate	A document confirming the generation of electricity in high-efficiency cogeneration, issued by the ERO President, so-called red certificates (for energy generated from coal in cogeneration with heat) and yellow certificates (for energy generated from gas in cogeneration with heat)
Co-generation fee	An element of the electricity bill collected to finance the new support mechanism for high-efficiency cogeneration (auction system from 2019).
Constrained generation	The generation of electricity to ensure the quality and reliability of the national power system; this applies to generating units in which generation must continue due to the technical limitations of the operation of the power system and the necessity of ensuring its adequate reliability.
Contract for difference (Cfd)	A contract, which specifies a support model in which the supporting party and the supported party agree on a certain reference price. If market energy prices are lower than the reference price, the positive difference is paid to the supported party. Otherwise, if energy prices are higher than the reference price, the supporting party receives the difference.
Distribution	Transport of energy through distribution grid of high (110 kV), medium (15kV) and low (400V) voltage in order to supply the customers.
Distribution System Operator (DSO)	A power company engaging in the distribution of gaseous fuels or electricity, responsible for traffic in the gas or electricity distribution systems, current and long-term security of operation of the system, the operation, maintenance, repairs and indispensable expansion of the distribution network, including connections to other gas or power systems.
DSR	Demand Side Response, a service consisting in the voluntary, temporary reduction of electricity consumption by consumers in exchange for remuneration.
EIB	European Investment Bank
ERO	Energy Regulatory Office (pol. URE).
EUA	European Union Allowances: transferable CO2 emission allowances; one EUA allows to release one tonne of CO2.

Industry term	Definition
EU Environmental taxonomy	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088
EU ETS	European Union Greenhouse Gas Emission Trading Scheme) EU emission trading scheme. Its operating rules are set out in the ETS Directive, amended by the Directive 2009/29/EC of the European Parliament and of the Council of April 23, 2009 (OJ EU L. of 2009, No. 140, p. 63—87).
EW	Hydroelectric power plant
FW	Wind farm
Generating unit	A technically and commercially defined set of equipment belonging to a power company and used to generate electricity or heat and to transmit power.
Green certificate	A document confirming the generation of electricity from renewable energy sources, issued by the ERO President
Green energy	Conventional name for energy produced from renewable energy sources
GW	Gigawatt, a unit of capacity in the SI system, $1 \text{ GW} = 10^9 \text{ W}$.
GWe	One gigawatt of electric capacity.
GWt	One gigawatt of heat capacity.
HCl	Hydrogen chloride.
Hg	Mercury.
High Voltage Network (HV)	A network with a nominal voltage of 110 kV.
ICT	Information and Communications Technology, a concept encompassing techniques for processing, collecting or transmitting information in electronic form
IGCC	Integrated Gasification Combined Cycle
Installed capacity	The formal value of active power recorded in the design documentation of a generating system as being the maximum achievable capacity of that system, confirmed by the acceptance protocols of that system (a historical value, it does not change over time.
Installed capacity utilisation indicator	$\text{Produced electricity} \times 100 / (\text{period time} \times \text{installed capacity})$
IRGiT	Izba Rozliczeniowa Giełd Towarowych S.A. (commodities clearing house)
IRZ	Cold Intervention Reserve Service – service consisting of maintaining power units ready for energy production. Energy is produced on request of PSE S.A.
IOS	Flue Gas Desulphurization Installation
ITRE	European Parliament Committee on Industry, Research and Energy
JWCD	Centrally Dispatched Generating Unit – A generating unit connected to the coordinated 110 kV network, subject to central dispatch by PSE S.A.
KOGENERACJA S.A.	Zespół Elektrociepłowni Wrocławskich KOGENERACJA S.A.
KPI	Key Performance Indicator
KPO	National Recovery and Resilience Plan
KRI	Key Risk Indicator
KSP	The National Transmission System, a set of equipment for the transmission of electricity in the territory of Poland.
kV	Kilo volt, an SI unit of electric potential difference, current and electromotive force; $1 \text{ kV} = 10^3 \text{ V}$.
kWh	Kilowatt-hour, a unit of electric energy in the SI system defined as the volume of electricity used by the 1 kW equipment over one hour. $1 \text{ kWh} = 3,600,000 \text{ J} = 3.6 \text{ MJ}$.
kWp	A power unit dedicated to determining the power of photovoltaic panels, means the amount of electricity in the peak of production.
LNG	Liquefied natural gas
Low Voltage Network (LV)	A network with a nominal voltage not exceeding 1 kV.
LTC	Long-term contracts on the purchase of capacity and electricity entered into between Polskie Sieci Elektroenergetyczne S.A. and electricity generators in the years 1994-2001.
LTC Act	Act of June 29, 2007 on the principles of covering costs incurred by producers in connection with early termination of long-term contracts for the sale of electricity capacity and energy (Journal of Laws No. 130 item 905 of 2007)
LZO	Remote reading meters
ME	Energy Storage facility
Medium-voltage network (MV)	An energy network with a nominal voltage higher than 1 kV but lower than 110 kV.
MFW	Offshore wind farm
MIE	Minimum Energy Volumes
MSR	Market Stability Reserve (relating to CO ₂)
MW	A unit of capacity in the SI system, $1 \text{ MW} = 10^6 \text{ W}$.
MWe	One megawatt of electric power.
MWt	One megawatt of heat power.
NH ₃	Ammonia
Nm ³	Normal cubic meter; a unit of volume from outside the SI system signifying the quantity of dry gas in 1 m ³ of space at a pressure of 101.325 Pa and a temperature of 0°C.
NO _x	Nitrogen oxides.
NPS	National Power System, a set of equipment for the distribution, transmission and generation of electricity, forming a system to allow the supply of electricity in the territory of Poland

Industry term	Definition
N:W ratio	Ration of volume of overburden removed in m ³ to the mass of extracted coal in tons
Operational Capacity Reserve (ORM)	ORM constitutes of generation capacities of active Production Scheduling Units (JGWa) in operation or layover, representing excess capacity over electricity demand available to the TSO under the Energy Sale Agreements and on the Balancing Market in unforced generation
OTF	Organised Trading Facilities
Peak, peakload	A standard product on the electricity market; a constant power supply from Monday to Friday, each hour between 7:00 a.m. and 10:00 p.m. (15-hour standard for the Polish market) or between 8:00 a.m. and 8:00 p.m. (12-hour standard for the German market) in a given period, for example week, month, quarter or year
PJ	Petajoule, a unit of work/heat in the SI system, 1 PJ = approx. 278 GWh
PPA	Power Purchase Agreement
Pumped storage power plants	Special type of hydro-power plant allowing for electricity storage. It uses the upper reservoir, to which water is pumped from the lower reservoir using electricity (usually excessive in system). The pumped storage facilities provide ancillary control services for the national power system. In periods of increased demand for electricity, water from the upper reservoir is released through the turbine. This way, electricity is produced.
Property rights (certificates)	negotiable exchange-traded rights under green and co-generation certificates
Prosumer	End customer who purchases electricity under a comprehensive agreement and generates electricity only from renewable sources at a micro-installations for own purposes, unrelated to economic activities
PSCMI1	Polish Steam Coal Market Index 1 - average level of prices of coal dust sold to industrial-scale power plants in Poland
PSCMI-2	Polish Steam Coal Market Index 2 - average price level of energy fines sold on the domestic heat market
Purchasing Managers Index (PMI)	A composite indicator developed by Markit Economics to show the condition of the industrial sector; an indicator value above 50 points indicates an improvement in the situation in the sector
PV	Photovoltaic
RAB	Regulatory Asset Base.
Red energy	Popular name for electricity co-generated with heat.
Regulator	The President of ERO, fulfilling the tasks assigned to him in the energy law. The regulator is responsible for, among others, giving out licenses for energy companies, approval of tariffs for energy companies, appointing Transmission System Operators and Distribution System Operators.
Renewable Energy Source (RES)	A source of generation using wind power, solar radiation, geothermal energy, waves, sea currents and tides, flow of rivers and energy obtained from biomass, landfill biogas as well as biogas generated in sewage collection or treatment processes or the disintegration of stored plant or animal remains.
REPowerEU	The EC's plan for energy saving, ecological production and diversification of energy supplies in connection with the disruption of the global energy market caused by Russia's invasion of Ukraine
RES fee	The RES fee is used to ensure the availability of energy from renewable sources in the National Power System. The RES fee is used exclusively to cover the negative balance of renewable energy settlements between producers of this energy and sellers of electricity generated from renewable energy sources and the operating costs of Zarządca Rozliczeń S.A. (the administrator of RES fees).
RIG	Readiness Interventional Reserve - the power plant's readiness to provide the active power generation service or its consumption at the request of PSE.
R&D	Research and Development
SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SCR	Selective catalytic reduction
SO ₂	Sulphur dioxide
SPOT market	A market where transactions are executed no later than the second business day after they are ordered. Transactions made on the cash market are paid for at the time they are concluded – in this case, the capital is transferred.
Tariff	The list of prices and rates and terms of application of the same, devised by an energy enterprise and introduced as binding on the customers specified therein in the manner defined by an act of parliament
Tariff group	A group of customers off-taking electricity or heat or using services related to electricity or heat supply to whom a single set of prices or charges and terms are applied.
TGE	Towarowa Giełda Energii S.A. (Polish Power Exchange), a commodity exchange on which trading can take place in electricity, liquid or gas fuels, extraction gas, emission allowances and property rights whose price depends directly or indirectly on electric energy, liquid or gas fuels and emission allowances, admitted to commodity exchange trading
TPA	Third Party Access, the owner or operator of the network infrastructure to third parties in order to supply goods/services to third party customers
Transition fee	A distribution fee element charged to compensate power plants for losses resulting from early termination of LTC.
Transmission of electricity	Transport of electricity through high voltage (220 and 400 kV) transmission network from generators to distributors.
Transmission System Operator (TSO)	A power company engaging in the transmission of gaseous fuels or electric energy, responsible for traffic in a gas or power transmission system, current and long-term security of operation of that system, the operation, maintenance, repair and indispensable expansion of the transmission system, including connections with other gas or power systems. In Poland, for the period from July 2, 2014 till December 31, 2030 Polskie Sieci Elektroenergetyczne S.A. was chosen as a TSO in the field of electricity transmission.
TTF	Title Transfer Facility – gas futures index from the Dutch stock exchange ICE Endex Dutch
TWh	Terawatt hour, a multiple unit for measuring of electricity unit in the system SI. 1 TWh is 10 ⁹ kWh
Utility power plants	A category used by PSE S.A. in monthly reports on the operation of the National Power System and the Balancing Market – includes power plants and combined heat and power plants

Industry term	Definition
UTK	Office of Rail Transport
Ultra-high-voltage network (UHV)	An energy network with a voltage equal to 220 kV or higher.
V (volt)	Electrical potential unit, electric voltage and electromotive force in the International System of Units (SI), $1 \text{ V} = 1 \text{ J/C} = (1 \text{ kg} \times \text{m}^2) / (\text{A} \times \text{s}^3)$.
W (watt)	A unit of power in the International Systems of Units (SI), $1 \text{ W} = 1 \text{ J/1s} = 1 \text{ kg} \times \text{m}^2 \times \text{s}^{-3}$.
Yellow energy	Popular name for energy generated in gas-fired power plants and CCGT power plants.
ZDEE	Agreement on Securing Electricity Supplies