MANAGEMENT BOARD'S REPORT

on the activities of the PGE Capital Group

for the period of 3 and 9 months

ended on September 30, 2026

Table of contents

KEY FINANCIAL DATA OF THE PGE CAPITAL GROUP 1
1. PGE Capital Group - organisation 2
1.1. Description of business activities 2
1.2. Organisational structure 3
1.3. Significant changes in the organisation of the Capital Group 4
1.4. Composition of the Company's management and supervisory bodies 7
1.4.1. Management Board 7
1.4.2. Supervisory Board 7
1.4.2.1. Committees of the Supervisory Board 9
1.5. Shares and shareholding structure 9
1.5.1. Share capital of PGE S.A. and ownership structure 9
1.5.2. Shares of the parent company and shares/stocks in entities related to PGE S.A. held by management and supervisory personnel 11
1.6. Employment in the PGE CG 11
2. Strategy of the PGE Capital Group 13
2.1. Mission and vision of the PGE Group 13
2.2. Key development priorities 14
2.3. Investment programme and financing of the Strategy 16
3. Energy market and regulatory and business environment 19
3.1. Macroeconomic environment 19
3.2. Market environment 20
3.2.1. Electricity 20
3.2.1.1. Situation in the National Power System 20
3.2.1.2. Electricity prices – domestic market 21
3.2.1.3. Electricity prices – international market 23
3.2.2. CO_2 emission rights 26
3.2.2.1. CO_2 emission allowance prices 26
3.2.2.2. Purchases of CO_2 emission allowances by the PGE CG 27
3.2.2.3. CO_2 emission allowances granted free of charge 27
3.3. Changes in the regulatory environment 28
3.3.1. Domestic regulatory environment 28
3.3.2. Foreign regulatory environment 33
4. Operations of the PGE CG and operating segments 36
4.1. Basic operational data of the PGE CG 36
4.2. Key financial results of PGE CG 39
4.3. Characteristics of business segments 44
4.3.1. Key financial results in the business segments 44
4.3.2. Business segment - Renewables 45
4.3.3. Business segment – Gas-fired Generation 51
4.3.4. Business segment – Coal Energy 56
4.3.5. Business segment – District Heating 61
4.3.6. Business segment – Distribution 67
4.3.7. Business segment – Railway Energy Services 71
4.3.8. Business segment – Supply 75
4.3.9. Business segment – Other Operations 78
5. Other elements of the Report 81
5.1. Significant events affecting operations in the three quarters of 2026 and subsequent periods 81
5.2. Events after the reporting date 86
5.3. Anticipated development of the PGE Capital Group 86
5.4. Information on loan and borrowing agreements concluded and terminated in the three quarters of 2026 88
5.5. Information on the granting in the three quarters of 2026 by PGE S.A. or by its subsidiary of sureties for a loan or borrowing, or the provision of guarantees. 88
5.6. Other material information 90
6. Statement of the Management Board on the reliable preparation of the reports 91
7. Approval of the Management Board's Report 92
Methodology for calculating indicators 93
Glossary 94

KEY FINANCIAL DATA OF THE PGE CAPITAL GROUP

(in PLN m)

Key financial data	Q3 2026	Q3 2025[1]	Change	Change %	Q1-Q3 2026	Q1-Q3 2025[1]	Change	Change %
Sales revenue	15 851	13 785	2 066	15%	48 567	44 756	3 811	9%
Reported EBIT	3 465	1 378	2 087	151%	9 151	-2 144	11 295	-
Recurring EBIT	1 866	1 892	-26	-1%	7 957	7 424	533	7%
Reported EBITDA	4 613	2 524	2 089	83%	12 808	10 170	2 638	26%
Reported EBITDA margin	29%	18%			26%	23%		
Recurring EBITDA	2 888	2 837	51	2%	10 988	10 440	548	5%
Recurring EBITDA margin	18%	21%			23%	23%		
Net profit/loss	2 989	424	2 565	605%	7 036	-6 699	13 735	-
CapEx (on an accrual basis)	3 006	2 666	340	13%	7 930	7 580	350	5%
Net cash from operating activities	6 039	1 315	4 724	359%	14 916	13 448	1 468	11%
Net cash from investing activities	-2 494	-2 971	477	-16%	-8 672	-7 171	-1 501	21%
Net cash from financing activities	2 072	1 188	884	74%	2 761	3 022	-261	-9%

Key financial data	September 30, 2026	December 31, 2025	Change	Change %
Working capital	3 859	-3 279	7 138	-
Net debt[2]	-2 311	4 207	-6 518	-
Net debt/ Reported LTM EBITDA[3]	-0.16x	0.37x		
Net debt/ Recurring LTM EBITDA[3]	-0.17x	0.33x		
Adjusted net debt[4]/ Reported LTM EBITDA[3]	-0.45x	0.23x		
Adjusted net debt[4]/ Recurring LTM EBITDA[3]	-0.47x	0.21x		

One-off events affecting reported EBITDA	Q3 2026	Q3 2025	Change	Change %	Q1-Q3 2026	Q1-Q3 2025	Change	Change %
Change in reclamation provision	1 671	0	1 671	-	1 679	-79	1 758	-
Settlement resulting from an agreement reached with the contractor of Unit no. 7 in Turów power plant	299	0	299	-	434	0	434	-
Change in actuarial provision	59	0	59	-	59	-20	79	-
Adjustment of the contribution to the Price Difference Payment Fund (PDPF) for the previous periods	9	0	9	-	9	-23	32	-
Write-down of strategic inventories	7	-23	30	-	3	-135	138	-
Adjustment of electricity compensation for the previous periods	5	0	5	-	1	65	-64	-98%
Release of provision for one-time benefit related to NABE (National Agency for Energy Security) carve-out	0	0	0	-	0	187	-187	-
LTC compensations	0	5	-5	-	0	30	-30	-
Provision for restructuring	-47	-233	186	-80%	-50	-233	183	-79%
Voluntary Leave Programme	-34	-64	30	-47%	-71	-64	-7	11%
Provision for water use fees for the previous periods	-245	0	-245	-	-245	0	-245	-
Other	1	2	-1	-50%	1	2	-1	-50%
Total	**1 725**	**-313**	**2 038**	**-**	**1 820**	**-270**	**2 090**	**-**

[1] *Values of EBIT reported/recurring and EBITDA reported/recurring for Q3 2025 and Q1-Q3 2025 have been adjusted to comparability.*

[2] *The value of net financial debt includes loans from the NRRP 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 43 million. Estimated economic net debt (including inter alia future payments for CO_2 emission allowances, reversal of the effect of the accounting valuation of NRRP loans and leases accounted for in accordance with IFRS 16) amounts to PLN 14 156 million.*

[3] *LTM EBITDA – EBITDA for the last 12 months as at the reporting date.*

[4] *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 CO_2 emission allowances, property rights and fuels, and the provision of Corporate Centre services to the PGE Group's companies.

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 Combustion by-products (UPS). A number of the Group's project companies also operate within the segment, including the company responsible for preparing the nuclear project.

1.2. Organisational structure

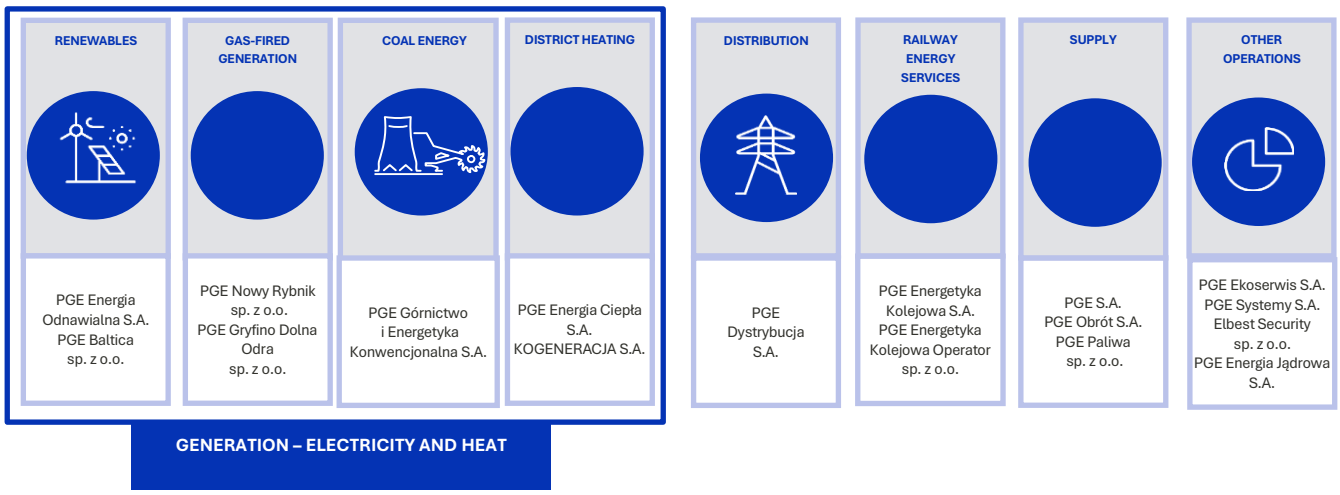
As at September 30, 2026, the PGE Capital Group consisted of:

- 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 structure [1].



[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	Shares of the company	Transaction date / registration in the NCR	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 EW Baltica 9 sp. z o.o. from RWE Renewables International Participations B.V. 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 EW 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, EW 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 Gdańsk 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 Cieplnej 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	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 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	Shares of the company	Transaction date / registration in the NCR	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 / July 23, 2026, an entry was made in 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%.
Renewables	PGE Inwest 31 sp. z o.o. – acquisition by PGE Baltica sp. z o.o. from PGE S.A. of 100% of the company's shares	September 4, 2026 conclusion of a share purchase agreement and acquisition of shares	On September 4, 2026 PGE Baltica sp. z o.o. as the buyer and PGE S.A. as the seller entered into an agreement for the sale of shares of PGE Inwest 31 sp. z o.o. The transfer of ownership of the aforementioned shares to PGE Baltica sp. z o.o. took place on the date the aforementioned share purchase agreement was concluded.
Renewables	EW Baltica-1 sp. z o.o., EW Baltica-5 sp. z o.o, EW Baltica-7 sp. z o.o., EW Baltica-8 sp. z o.o., EW Baltica-9 sp. z o.o., PGE Baltica 3 sp. z o.o. (companies) – transfer of 100% of the shares in the companies to PGE Baltica sp. z o.o.	September 4, 2026 conclusion of a contribution agreement and transfer of shares in companies	On September 4, 2026 Extraordinary Meeting of Shareholders of PGE Baltica sp. z o.o. adopted a resolution to increase the company's share capital from the amount of PLN 9 250 000 to PLN 1 546 648 000, i.e. by PLN 1 537 398 000, by way of the creation of 1 537 398 new shares in this company. In accordance with this resolution, new shares of PGE Baltica sp. z o.o. were acquired in their entirety by PGE S.A. and paid for by it through non-cash contributions consisting, in aggregate, of 100% of the shares in the share capital of the aforementioned companies, in which PGE S.A. was the sole shareholder. On September 4, 2026, the shares were subscribed for as a result of a contribution in kind (non-cash contribution) following the contribution agreement entered into on that date between PGE S.A. and PGE Baltica sp. z o.o., under which the aforementioned shares in the companies were transferred to PGE Baltica sp. z o.o.

MERGERS

Business segment	Acquiring company / acquired company	Transaction date / registration in the NCR	Comment
Gas-fired Generation	PGE Elektrownia Szczytowa Rybnik sp. z o.o. (former name: PGE Inwest 23 sp. z o.o.) / PGE Inwest 28 sp. z o.o.	August 24, 2026 / October 2, 2026 (merger date)	On August 24, 2026, the Extraordinary Meeting of Shareholders of PGE Elektrownia Szczytowa Rybnik sp. z o.o. adopted a resolution on the merger of companies pursuant to Article 515[1] of the Commercial Companies Code, by way of the acquisition of the acquired company by the acquiring company through the transfer of all assets of the acquired company to the acquiring company, without the allotment of shares in the acquiring company and without the issuance of new shares in the acquiring company in exchange for the shares held in the acquired company. As a result of the merger, the acquired company will be removed from the Register of Entrepreneurs. PGE S.A. is the sole shareholder of the acquiring company and was also the sole shareholder of the acquired company.
Gas-fired Generation	PGE Inwest 27 sp. z o.o. / PGE Inwest 29 sp. z o.o.	August 24, 2026 / October 1, 2026 (merger date)	On August 24, 2026, the Extraordinary Meeting of Shareholders of PGE Inwest 27 sp. z o.o. adopted a resolution approving a merger pursuant to Article 515[1] of the Polish Commercial Companies Code, whereby the acquiring company will absorb the acquired company through the transfer of all assets of the acquired company to the acquiring company, without granting any shares in, or issuing any new shares of, the acquiring company in exchange for the shares of the acquired company. As a result of the merger, the acquired company will be removed from the Register of Entrepreneurs. PGE S.A. is the sole shareholder of the acquiring company and was also the sole shareholder of the acquired company.
Renewables	PGE Energia Odnawialna S.A. / PGE Inwest 24 sp. z o.o., Wind Farm Łada sp. z o.o.	September 1, 2026 / November 2, 2026 (merger date)	On September 1, 2026, the Extraordinary General Meeting of PGE Energia Odnawialna S.A. and the Extraordinary Meetings of Shareholders of the acquired companies adopted resolutions approving the merger of the companies by acquisition, through the transfer of all assets of the acquired companies to the acquiring company, without the issuance of new shares of the acquiring company in exchange for the shares of the acquired companies, and the dissolution of the acquired companies without liquidation proceedings. PGE Energia Odnawialna S.A. was the sole shareholder of the acquired companies.

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 NCR (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.
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 NCR (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 September 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.
-	Railen GmbH in bankruptcy seated in Berlin	January 31, 2023 / As at September 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 removed the company from the NRC / 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 NRC.
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 the NRC / 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).
Railway Energy Services	Railen Baltics, UAB in bankruptcy seated in Vilnius	December 23, 2025 / On September 21, 2026, the company was struck off the Lithuanian Register of Companies.	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. On September 21, 2026, the company was struck off the Lithuanian Register of Companies, and thus the liquidation of the company was concluded.

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 IN 2026

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

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 for Finance	from July 15, 2024 to present
Robert Kowalski	Vice-President for Support and Development	from May 15, 2024 to May 19, 2026
Marcin Laskowski	Vice-President 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 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 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 for Support and Development.

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

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 for Operations	from January 19, 2026 to present
Piotr Dziubałtowski	Vice-President for Support and Development	from June 8, 2026 to present
Przemysław Jastrzębski	Vice-President for Finance	from July 15, 2024 to present
Marcin Laskowski	Vice-President 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.

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 Ordinary 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 September 30, 2026 and as at the date of signing the report.

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

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 September 30, 2026 and as at the date of signing the report.

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	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 September 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 September 30, 2026 and as at the date of signing this report[1].

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.*

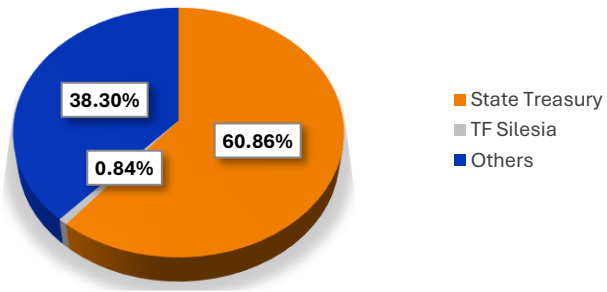
All of the Company's shares are paid up.

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 September 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 September 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 September 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 39,000 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	Q1-Q3 2026	Q1-Q3 2025	Change	Change %
Renewables	908	824	84	10%
Gas-fired Generation	150	107	43	40%
Coal Energy	15 749	17 454	-1 705	-10%
District Heating	3 238	3 284	-46	-1%
Distribution	9 768	9 640	128	1%
Railway Energy Services	4 146	4 023	123	3%
Supply	3 214	3 278	-64	-2%
Other Operations	2 566	2 539	27	1%
Total in the PGE Group	**39 739**	**41 149**	**-1 410**	**-3%**

[1] *Excluding suspended employees.*

The decrease in the number of employees in the PGE CG as at September 30, 2026 compared to September 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.

The increase in headcount in the Distribution segment mainly relates to engineering and technical roles, ensuring the effective use of investment funds, timely connections of customers to the distribution network and a high level of safety in network operations.

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 it was related to supplementing competencies within the technical and administrative staff of the gas-fired power plant PGE Gryfino Dolna Odra sp. z o.o. 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 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, as well as the recruitment of new employees by PGE Systemy S.A. in expanding business areas (i.e. LTE450, NCB, Cybersecurity).

2. Strategy of the PGE Capital Group

2035 HORIZON | "ENERGY FOR A DIGITAL FUTURE"

2.1. Mission and vision of the PGE Group

UPDATE OF THE PGE GROUP STRATEGY

On October 19, 2026, the PGE Group announced its updated PGE Group Strategy to 2035 under the motto 'Energy for a Digital Future'. The document sets out the Group's development priorities amid the accelerating electrification of the economy, the growing importance of digital technologies and artificial intelligence, changes in the structure of energy supply and increased volatility in the regulatory, commodity and geopolitical environment.

The Strategy aims to build a modern energy group with stable profitability, supporting the energy security and competitiveness of the Polish economy. The Group intends to capitalise on growing energy demand, develop an integrated value chain and create long-term value while maintaining capital discipline. The 2035 horizon provides the framework for the investment and transformation programme, while the target of achieving net zero emissions from energy generation by 2050 has been retained.

MISSION, VISION AND STRATEGIC AMBITIONS

The PGE Group's mission is to provide energy for a digital future, supporting the electrification of the economy and the development of industry, transport and new technologies. The Group fulfils this mission through reliable supplies of electricity and heat and solutions tailored to customers' needs.

The PGE Group's vision is to build a modern, integrated energy group with stable profitability, ensuring sustained growth in shareholder value and supporting the energy security and competitiveness of the Polish economy. The Group's business model is based on a balanced generation portfolio, smart grids and modern energy services.

The Group's strategic ambitions include creating long-term shareholder value, ensuring security of supply and supporting the Polish economy, including the development of the domestic supply chain. Their achievement rests on harnessing the potential of electrification, transforming the asset portfolio and improving investment and operational efficiency. The transformation will combine a gradual reduction in emissions and the maintenance of a sound financial position with a responsible approach to employees and the regions in which the Group operates.

FOUNDATIONS OF VALUE CREATION

The PGE Group Strategy rests on three pillars:

- **Harnessing the potential of electrification** by monetising growing demand for energy and energy services, including demand generated by industry, transport, railways, district heating, data centres and the development of artificial intelligence.
- **Transforming the asset portfolio** by developing smart grids, RES, energy storage facilities and flexible low-emission generation sources, drawing on existing locations, infrastructure and employees' expertise.
- **Investment and operational efficiency**, encompassing selective capital allocation, measurable profitability criteria, improved asset availability and lower asset costs, and the use of digitalisation, data and AI.

Implementation of the Strategy will result in a resumption of dividend payments and provide a strong stimulus to the domestic economy by maximising the involvement of the domestic supply chain, with the aim of achieving a domestic content share of over 65% in expenditure incurred throughout the investment life cycle.

2.2. Key development priorities

The Strategy is implemented across five complementary areas that bring the business segments together within a shared value chain and provide the basis for capital allocation and communication with the market.

Table: Key development priorities.

	RES and energy storage	Stable low-emission generation	Coal power generation	Grid infrastructure	Energy solutions
Scope	Onshore RES, offshore RES, photovoltaics, energy storage and hybrid systems	Gas-fired power generation, district heating, nuclear power generation	Coal-fired power generation, utilisation of the conventional infrastructure	Grids and distribution, railway infrastructure	Retail sales; trade in power, gas and balancing markets; the electrification of an innovative economy
Finance	**PLN 80 billion** CAPEX 2025-2035 **PLN 10 billion** EBITDA in 2035	**PLN 48 billion** CAPEX 2025-2035 **PLN 9 billion** EBITDA in 2035	**PLN 5 billion** CAPEX 2025-2035 **-PLN 1.5 billion** EBITDA in 2035[1]	**PLN 70 billion** CAPEX 2025-2035 **PLN 11 billion** EBITDA in 2035	**PLN 6 billion** CAPEX 2025-2035 **PLN 2 billion** EBITDA in 2035
Transition	**28 TWh** of energy from RES[2] in 2035 **9 GW** of RES capacity[2] **18 GWh** of storage capacity **>75%** of RES volume secured through CfDs or cPPAs	**9.6 GW** of flexible gas-fired generation capacity **100%** of heat from zero- and low-emission sources ✓ Programme for the future development of SMR and LDR ✓ PPEJ programme partnership	✓ Optimisation of generation assets ✓ Harnessing of infrastructure and expertise for new investment projects and regional development	**+11 GW** of RES in the grid by 2035 **+12 GW** of customer connections **2x** increase in RAB by 2035	**100%** digital customer service capability **3** data centres developed in partnership ✓ Steady rise in the CX Index

[1] *The figure of PLN -1.5 billion includes a PLN 1.7 billion improvement in EBITDA arising from the effects of the efficiency improvement programme estimated to date.*
[2] *Energy from projects implemented with PGE's involvement, irrespective of partners' stakes.*

RES AND ENERGY STORAGE

This area encompasses the development of renewable energy sources, including offshore and onshore wind power and photovoltaics, as well as energy storage using batteries and pumped-storage power plants. Expansion of the portfolio is intended to increase the share of predictable revenue, reduce the emissions intensity of generation and lower the average energy price in the Group's portfolio. The development of energy storage facilities alongside the increase in onshore RES capacity will support their effective integration into the National Power System.

In offshore wind power, the PGE Group intends to draw on the experience gained from its initial investments to prepare for the independent delivery of subsequent projects. Increasing the scale of operations and developing expertise are intended to enable the Group to capture a growing share of value throughout the project life cycle and establish itself as an integrated offshore investor.

The financial target for this area is to achieve EBITDA of PLN 3.8 billion in 2030 and PLN 10 billion in 2035.

STABLE LOW-EMISSION CAPACITY

This area encompasses flexible gas-fired capacity, the transformation of district heating and strategic nuclear options. Implementation of the planned investments, including the construction of 9.6 GW of flexible gas-fired capacity, of which 1.7 GW is intended for district heating, is expected to generate EBITDA of PLN 6 billion in 2030 and approximately PLN 9 billion in 2035. The transformation of district heating is expected to deliver a heat generation mix consisting entirely of zero- and low-emission sources by 2035. Further investment projects will be implemented depending on the availability of capacity mechanisms, technological maturity and the ability to secure an appropriate return on investment.

Over the Strategy's time horizon, the PGE Group will develop nuclear power as a strategic option, supporting the PPEJ with the ambition of acting as an infrastructure and operating partner for the second nuclear power plant. In parallel, it will build partnerships to develop SMRs in the power sector and LDRs in district heating, assessing technologies, locations and business models. Planned expenditure in this area by 2035 will amount to approximately PLN 1.0 billion and will cover activities up to the point of final investment decisions.

Subsequent decisions will be taken in stages, based on the results of site investigations, technological analyses and assessments of project profitability.

COAL ENERGY

Activities focus on adjusting the scale and costs of operations to the changing role of coal-fired units and preparing sites for new energy, industrial and digital uses. The efficiency improvement programme includes reducing minimum plant operating loads, limiting sales during unprofitable hours and preparing units for cycling operation and longer shutdowns, while maintaining readiness to meet capacity obligations and provide balancing services. Overhauls, replacement capital expenditure and operating costs will be aligned with the expected operating patterns and remaining operating lives of the assets. The costs of non-production assets and assets being decommissioned will also be reduced, taking account of opportunities for their reuse. Extraction volumes, machinery utilisation and infrastructure maintenance costs will be aligned with lignite demand.

Energy investments being implemented in parallel may be expanded to include further projects that utilise the potential of existing sites and infrastructure. Development priorities include gas-fired generation and district heating, RES and energy storage, and nuclear options, including assessments of Bełchatów as a potential location for Poland's second nuclear power plant and the use of SMRs in Turów. The preparation of sites for data centres and AI campuses, as well as industrial, maintenance and logistics activities, including dual-use technologies, is also under consideration.

GRID INFRASTRUCTURE

The development of a smart, resilient and digitally managed grid is intended to enable the connection of new generation sources, energy storage facilities and customers, and support the electrification of the economy. An important priority will be adapting infrastructure to the growing role of distributed renewable generation and energy storage. Digital grid management and increased grid resilience will support reliability of supply. Infrastructure expansion will contribute to growth in the regulatory asset base and the volume of electricity distributed.

Railway Energy Services will provide an area of further growth for PGE, aligned with the trend towards transport electrification, particularly the development of high-speed rail infrastructure. The Group will also selectively develop

infrastructure and services for electromobility, generating growth in new revenue streams while making efficient use of capital expenditure.

Improvements in investment and cost efficiency, further digitalisation and better utilisation of flexible resources are expected to deliver EBITDA of PLN 8.2 billion in 2030 and approximately PLN 11 billion in 2035.

ENERGY SOLUTIONS FOR CUSTOMERS

This area brings together sales of energy and services, trading in energy, capacity and fuels, flexibility management and enhancement of the customer experience. The Group envisages 100% remote customer service, the development of cPPA contracts and dedicated solutions for industry, transport, data centres and the artificial intelligence sector.

Under its new approach, the PGE Group will develop not only as an energy producer and supplier and an infrastructure operator, but also as an active participant in the gradual electrification of the Polish economy, supporting the development of new industries, digital services, data infrastructure and electromobility. The Group intends to use the ongoing electrification of the economy as one of the key sources of value growth.

By 2035, the Group plans to allocate approximately PLN 6 billion to developing new business areas, including industrial zones, data centres, Energy-as-a-Service offerings and new energy technologies. PGE will use its assets, infrastructure, energy and expertise to provide comprehensive support for customers in the electrification process, while expecting an attractive return on capital employed. Projects are expected to be implemented through industry and strategic partnerships with both commercial entities and the public sector.

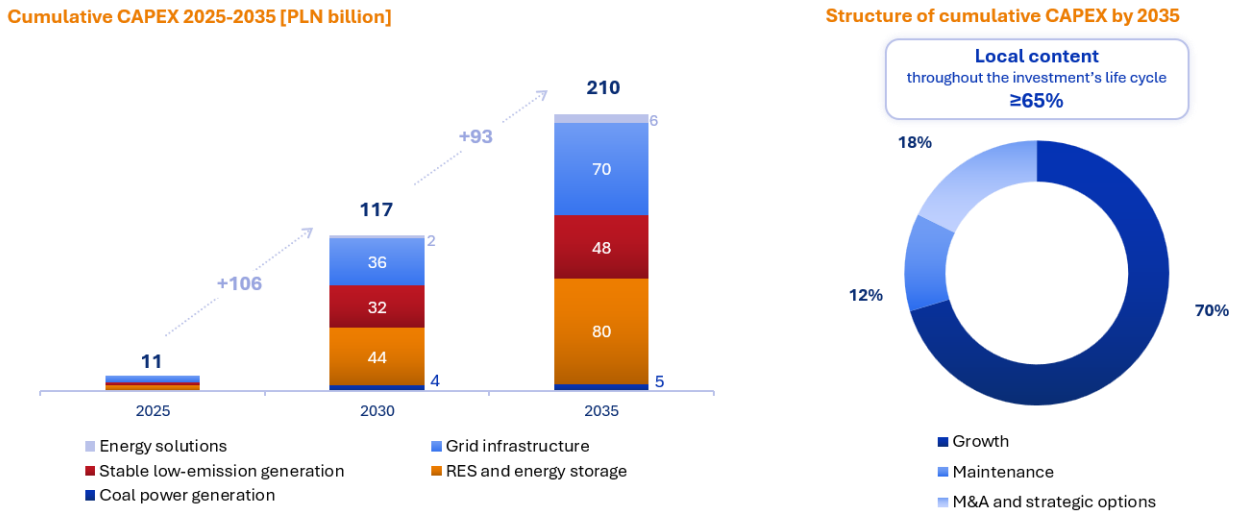
The development of new energy services and products is intended to support lasting customer relationships and increase the share of revenue from higher-margin activities.

2.3. Investment programme and financing of the Strategy

CAPITAL EXPENDITURE ALLOCATION

The Strategy provides for approximately PLN 210 billion in capital expenditure on a cash basis in 2025–2035. Growth capital expenditure is expected to account for approximately 70% of the programme, with the remainder covering maintenance and acquisitions and development options, estimated at 12% and 18%, respectively. The largest share of capital will be allocated to grid infrastructure, RES and energy storage. Under the investment programme, approximately PLN 80 billion will be allocated to developing offshore and onshore wind power and energy storage facilities, PLN 70 billion to developing grid and distribution infrastructure, PLN 48 billion to the energy transition, including development of the Gas-fired Generation segment, transformation of District Heating and exploration of SMR development options, PLN 6 billion to energy solutions for customers, including support for the electrification of the economy and the development of new industries and data centres, and PLN 5 billion to cover maintenance costs in the Coal Energy segment.

Chart: Structure of capital expenditures.

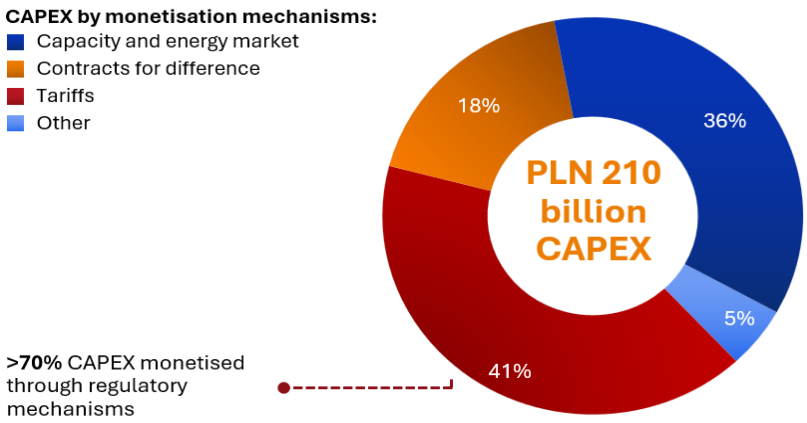


FUNDING SOURCES AND CAPITAL DISCIPLINE

The programme is to be financed through operating cash flows, corporate debt, Project Finance, equity partnerships, aid funding and preferential financing. The choice of financing structure will take account of the project's risk profile, revenue predictability, the impact on the Group's balance sheet and the availability of support instruments.

Over 70% of planned capital expenditure is expected to be monetised through stable regulatory and contractual mechanisms, including tariffs, the Capacity Market and contracts for difference. The capital allocation policy prioritises projects that meet the required rates of return appropriate to their risk profiles, while maintaining an investment-grade credit rating and a safe level of debt. The investment programme has been structured to balance growth in the Group's value, security of energy supply and the maintenance of a safe level of debt.

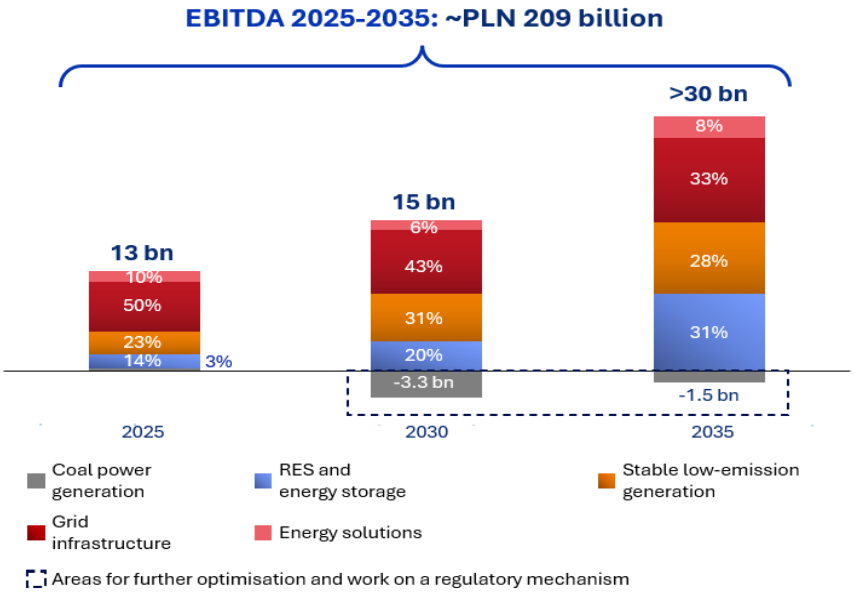
Chart: CAPEX by funding source.



EBITDA EVOLUTION

The Strategy envisages more than doubling EBITDA to over PLN 30 billion in 2035. This growth is to be achieved primarily through the development of regulated segments, RES and energy storage, and improvements in the Group's operational efficiency. Cumulative EBITDA in 2025–2035 is expected to amount to approximately PLN 209 billion. EBITDA growth will be accompanied by a change in its composition, including an increasing share from RES and energy storage. Revenue from contracts for difference and the Capacity Market is expected to make earnings more recurring and limit exposure to price risk. At the same time, the projected loss in the Coal Energy segment remains an area for further optimisation and work on a regulatory mechanism.

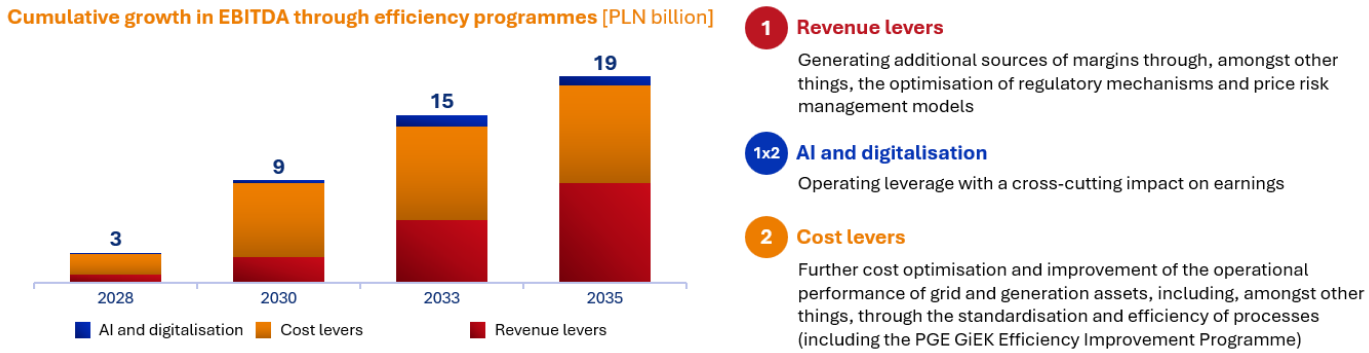
Chart: Recurring EBITDA evolution.



VALUE CREATION AND EFFICIENCY IMPROVEMENT

The evolution of the PGE Group's EBITDA will be driven both by business development in individual segments and by cross-functional value creation measures. The efficiency programme will encompass generating additional margins, optimising costs and improving the operating parameters of grid and generation assets. These activities will be supported by process standardisation and improvement, digitalisation and the use of artificial intelligence. Their total impact on cumulative EBITDA in 2025–2035 is estimated at PLN 19 billion.

Chart: Cumulative EBITDA growth through efficiency programmes [PLN billion].



Efficiency improvements, investment delivery and an increasing share of revenue covered by regulatory mechanisms are intended to support growth in the Group's value while maintaining a safe level of debt and an investment-grade credit rating. Implementation of the investment programme will be supported by secured, diversified funding sources. The assumed maximum net debt-to-EBITDA ratio is 2.8x, i.e. below the current covenant limit of 3.5x.

3. Energy market and regulatory and business environment

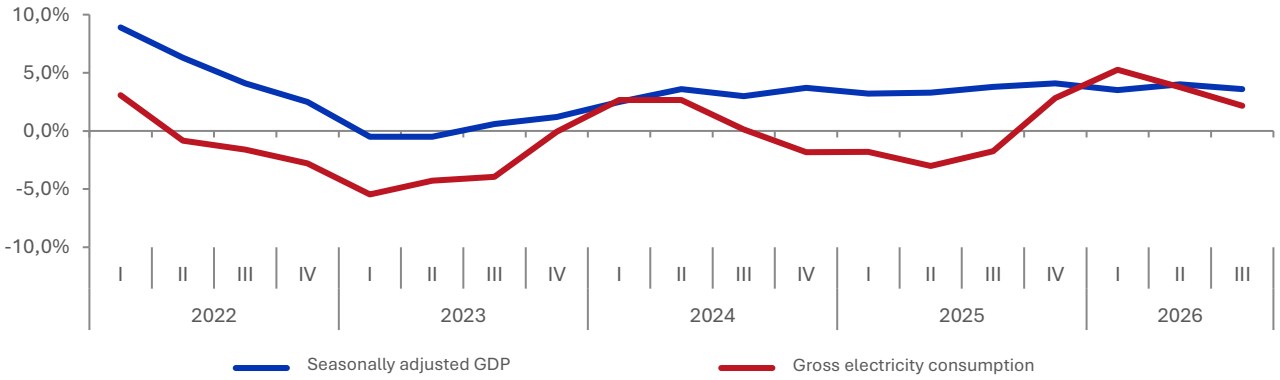
3.1. Macroeconomic environment

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.

Historically, changes in electricity demand in Poland have been correlated with the rate of economic growth. Given the PGE Group's position in the generation market and its significant share in the sale and distribution of electricity and heat, changes in demand for these energy carriers may materially affect its financial performance.

In the third quarter of 2026, Poland's socio-economic situation remained affected by heightened geopolitical uncertainty and persistent tensions in global energy commodity markets related to the situation in the Persian Gulf. At the same time, the domestic economy continued to grow, supported by relatively strong investment activity and the utilisation of funds from the National Recovery and Resilience Plan, which remained among the main drivers of domestic demand growth. Forecasts by the National Bank of Poland also indicated that investment growth would remain relatively strong in 2026. During the period under review, consumer price inflation accelerated, reaching approximately 4.1% year on year in September 2026 and remaining above the National Bank of Poland's inflation target. In response to persistent inflationary pressure, the Monetary Policy Council kept interest rates unchanged, while market expectations for the future path of monetary policy shifted towards a tighter stance. At the same time, during the period under review, we observed an increase in electricity demand of 3.79% year on year compared with the corresponding period of the previous year.

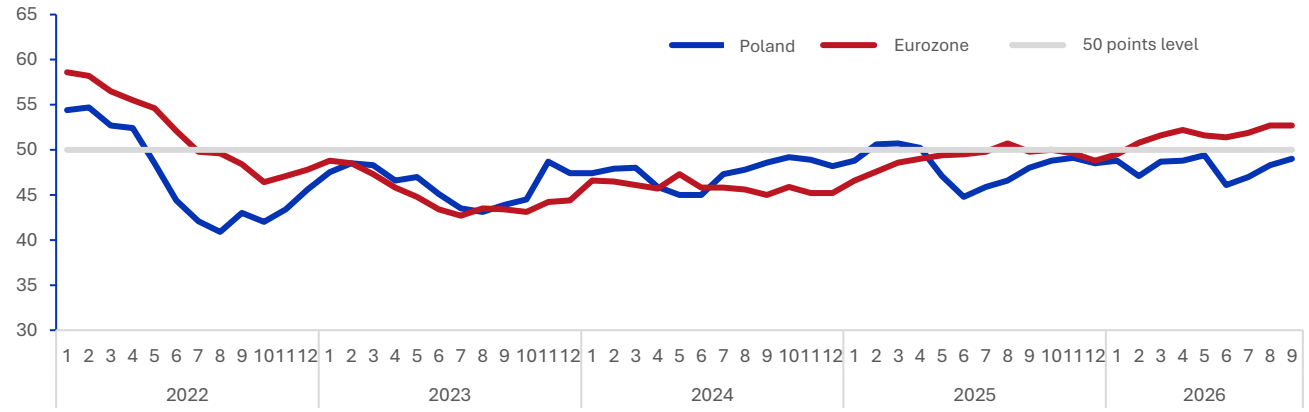
Chart: Dynamics of seasonally adjusted GDP and gross domestic electricity consumption.



Source: Central Statistical Office (GUS), PSE.

In the third quarter of 2026, the Purchasing Managers' Index (PMI) for Polish manufacturing remained below the neutral level of 50 points, indicating a further weakening of activity in the sector. The index has remained below 50 points continuously since May 2025. Business activity was affected by, among other factors, persistent disruptions to global supply chains related to the geopolitical situation in the Persian Gulf and heightened energy price volatility. Nevertheless, the average PMI in the third quarter of 2026 was higher than in the corresponding period of the previous year.

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



Source: S&P Global

The situation was different in the eurozone, where the manufacturing PMI remained above the neutral level of 50 points throughout the third quarter of 2026 and was higher than a year earlier. Activity growth was supported primarily by an improvement in new order inflows, including export orders, while employment remained stable. At the same time, companies reported rising production costs and more cautious expectations regarding business prospects for the coming months.

3.2. Market environment

3.2.1. Electricity

3.2.1.1. Situation in the National Power System

Table: Domestic electricity consumption (TWh).

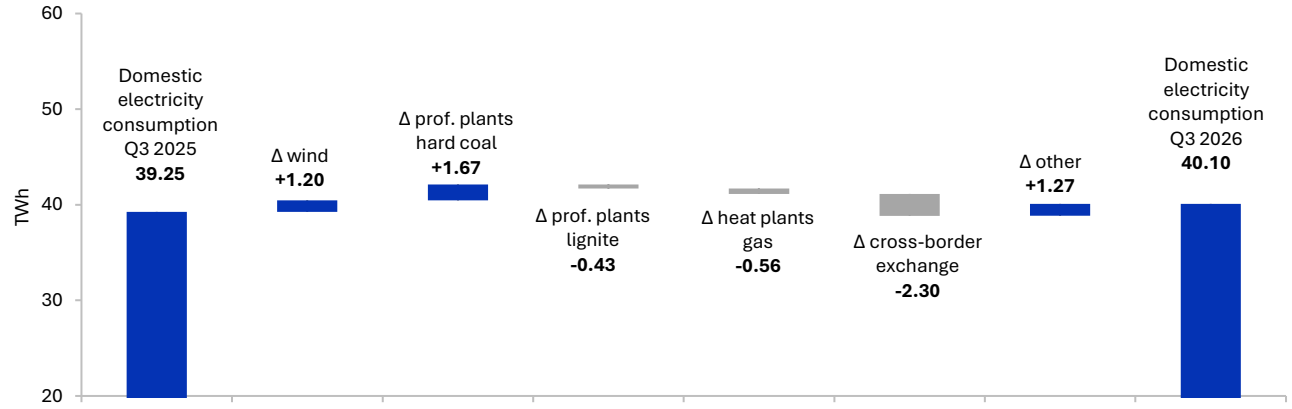
	Q3 2026	Q3 2025	Change	Change %	Q1-Q3 2026	Q1-Q3 2025	Change	Change %
Domestic electricity consumption, including:	**40.10**	**39.25**	**0.85**	**2%**	**127.20**	**122.56**	**4.64**	**4%**
Wind farms	5.77	4.57	1.20	26%	16.31	16.91	-0.60	-4%
Professional thermal hard coal-fired power plants	15.60	13.93	1.67	12%	53.51	48.40	5.11	11%
Professional thermal lignite-fired power plants	7.58	8.01	-0.43	-5%	24.69	25.08	-0.39	-2%
Professional thermal gas-fired power plants	3.61	4.17	-0.56	-13%	13.51	13.09	0.42	3%
Foreign exchange balance	-1.08	1.22	-2.30	-	-3.06	0.11	-3.17	-
Other (hydro, other renewables)	8.62	7.35	1.27	17%	22.24	18.97	3.27	17%

Source: Based on PSE S.A. data.

Q3 2026

In the third quarter of 2026, domestic electricity consumption increased by 0.85 TWh, mainly as a result of growth in industrial production. Improved wind conditions resulted in an increase in wind generation of 1.20 TWh compared with the corresponding period of the previous year. In the third quarter of 2026, Poland was a net exporter of electricity. The cross-border exchange balance changed by -2.30 TWh y/y. Generation at hard coal-fired power plants increased (+1.67 TWh), while lignite-fired generation declined (-0.43 TWh), as did gas-fired generation (-0.56 TWh). Other sources also recorded an increase in generation (+1.27 TWh), particularly photovoltaic power plants, owing to the rise in installed capacity.

Chart: Energy balance in the National Power System in the third quarter of 2026 (TWh).

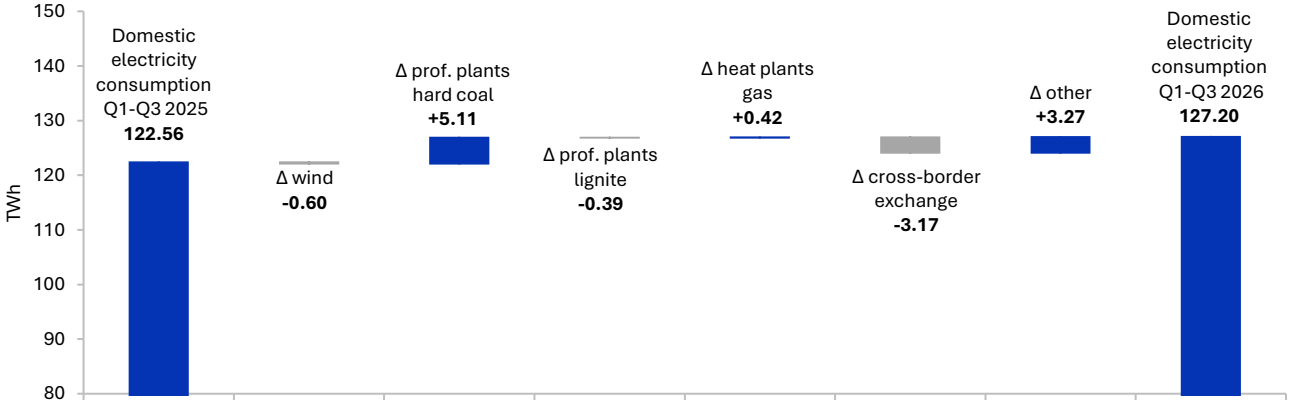


Source: Own compilation based on PSE S.A. data.

Q1-Q3 2026

On a cumulative basis, domestic electricity consumption increased by 4.64 TWh year on year, mainly as a result of lower average daily temperatures, particularly in the first quarter of 2026, and the associated higher electricity demand. As a result of less favourable wind conditions, wind generation decreased by 0.60 TWh compared with the corresponding period of the previous year. Over the first three quarters of 2026, Poland was a net exporter of electricity. The cross-border exchange balance changed (by -3.17 TWh year on year). Over the nine-month period, generation at hard coal-fired power plants increased (+5.11 TWh), as did gas-fired generation (+0.42 TWh), while lignite-fired generation declined (-0.39 TWh). Generation from other sources also increased (+3.27 TWh), primarily from photovoltaic power plants due to growth in installed capacity.

Chart: Energy balance in the National Power System in the three quarters of 2026 (TWh).



The situation in the National Power System directly affects the operational activities of the PGE CG. In the three quarters of 2026, the PGE Group recorded an increase in gross generation from hard coal-fired units of 3.00 TWh (+27% y/y), from gas-fired units of 0.55 TWh (+8% y/y), and from lignite-fired units of 0.01 TWh (+0.04% y/y).

3.2.1.2. Electricity prices – domestic market

Table: Day-Ahead Market (RDN).

Market/measure	Unit	Q3 2026	Q3 2025	Change	Change %	Q1-Q3 2026	Q1-Q3 2025	Change	Change %
RDN – average price	PLN/MWh	580	435	145	33%	519	435	84	19%
RDN – trading volume	TWh	12.99	11.06	1.93	17%	37.93	34.46	3.47	10%

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

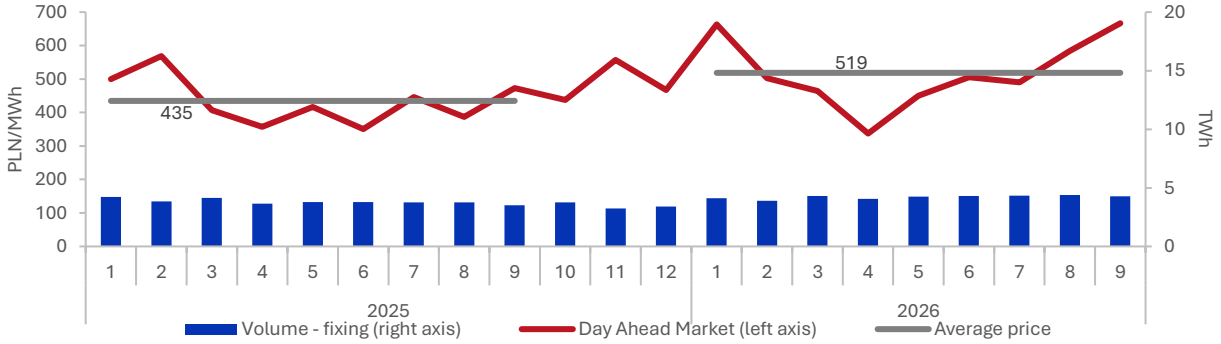
Table: Selected price-determining factors affecting RDN quotes.

Factor	Unit	Q3 2026	Q3 2025	Change	Change %	Q1-Q3 2026	Q1-Q3 2025	Change	Change %
CO_2 allowances [1]	EUR/t	83.25	73.28	9.97	14%	78.79	72.58	6.21	9%
Hard coal PSCMI-1	PLN/GJ	14.47	15.34	-0.87	-6%	14.21	16.06	-1.85	-12%
Wind generation in the NPS	TWh	5.77	4.57	1.20	26%	16.31	16.91	-0.60	-4%
Indicator: wind generation/NPS consumption	%	14%	12%			13%	14%		

In the three quarters of 2026, the average electricity price on the RDN amounted to PLN 519/MWh and was 19% higher than the average price (PLN 435/MWh) recorded in the previous year. The decrease in average daily temperatures and lower generation from wind contributed to the price increase.

The average level of the Polish Steam Coal Market Index (PSCMI-1) in the three quarters of 2026 stood at PLN 14.21/GJ, i.e. 12% y/y lower than in the base period.

Chart: Average monthly quotations on the RDN in 2025–2026 (TGE).[2]



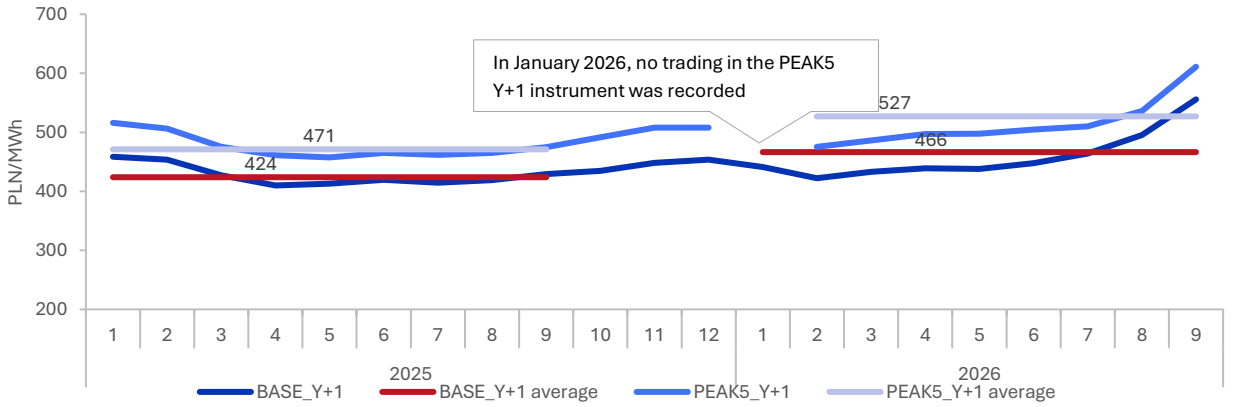
Source: TGE data, covering weighted average monthly BASE prices.

Table: Forward Market (RTT).

Market/measure	Unit	Q3 2026	Q3 2025	Change	Change %	Q1-Q3 2026	Q1-Q3 2025	Change	Change %
BASE Y+1 – average price	PLN/MWh	513	422	91	22%	466	424	42	10%
BASE Y+1 – trading volume	TWh	8.64	5.88	2.76	47%	21.14	17.78	3.36	19%
PEAK5 Y+1 – average price	PLN/MWh	553	469	84	18%	527	471	56	12%
PEAK5 Y+1 – trading volume	TWh	1.37	0.92	0.45	49%	2.37	2.73	-0.36	-13%

Electricity prices on the RTT increased in the three quarters 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 CO_2 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). [3]

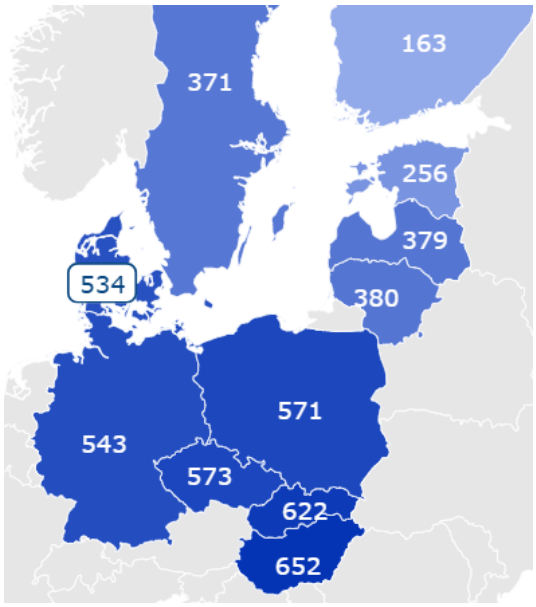


[1] *Own compilation based on ICE quotations.*
[3] *Average monthly level of indices for futures contracts for the following year (Y+1), base and peak load, weighted by trading volume*
[3] *Average monthly level of indices for futures contracts for the following year (Y+1), base and peak load, weighted by trading volume.*

3.2.1.3. Electricity prices – international market

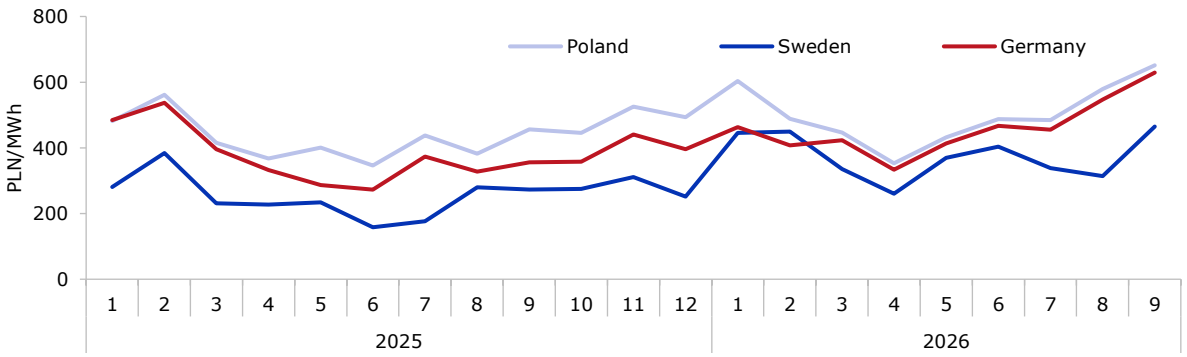
WHOLESALE ELECTRICITY PRICES – INTERNATIONAL MARKET (RDN)

Chart: Comparison of average electricity prices on the Polish market and neighbouring markets in the third quarter of 2026 (prices in PLN/MWh, average EUR/PLN exchange rate 4.33).



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

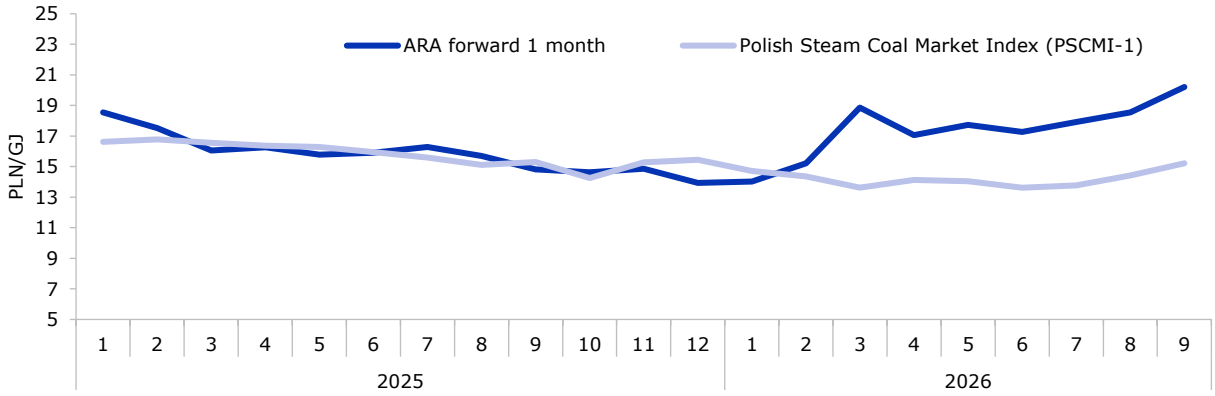
Chart: Energy prices on the spot market (RDN).



Source: TGE, EEX, Nordpool.

In the third quarter of 2026, the largest year-on-year price increases were recorded in Slovakia (+PLN 251/MWh), Hungary (+PLN 248/MWh), Denmark (+PLN 202/MWh) and the Czech Republic (+PLN 202/MWh), while the largest price decreases were recorded in Estonia (-PLN 21/MWh) and Finland (-PLN 9/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.

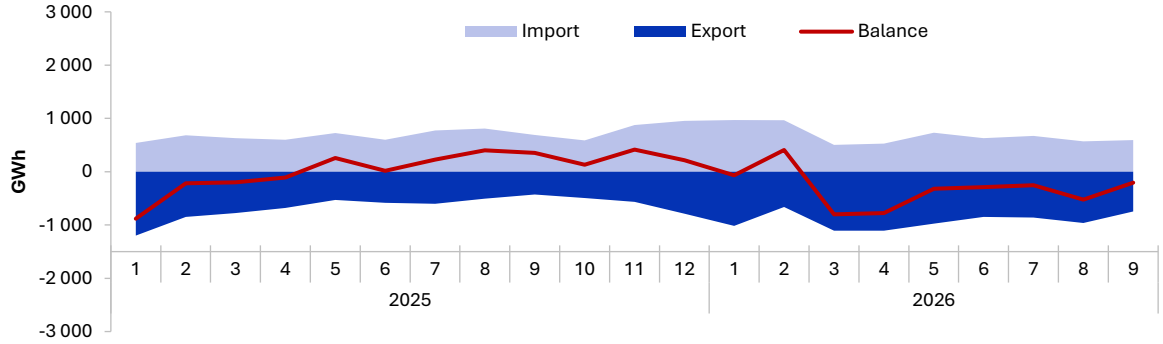
Chart: ARA vs PSCMI-1 coal indices[4].



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

POLISH CROSS-BORDER EXCHANGE

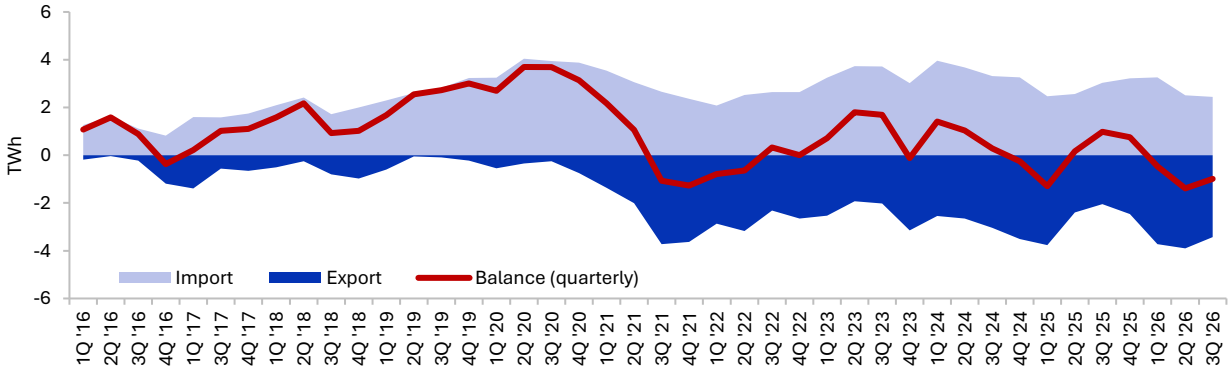
Chart: Monthly commercial import and export volumes and trade balance in 2025–2026.



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

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 third quarter 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. The increase in exports also reflects high gas prices, which contributed to higher wholesale prices in neighbouring economies.

Chart: Quarterly commercial import and export volumes and trade balance in 2016–2026.



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

[4] *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.*

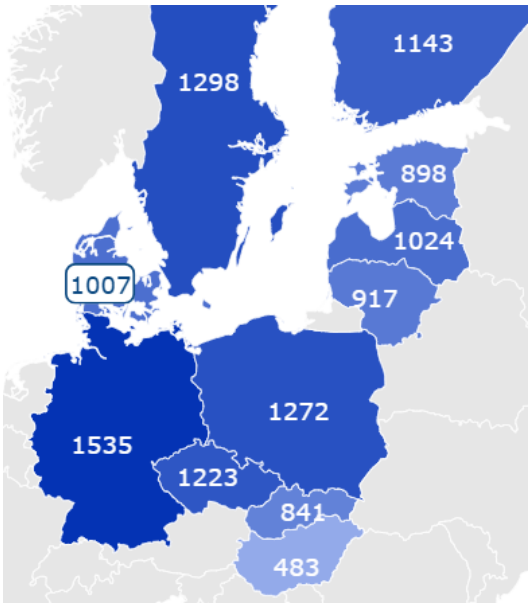
In the third quarter of 2026, Poland was a net exporter of electricity, with a trade balance of -1.0 TWh (imports of 2.4 TWh and exports of 3.4 TWh). The largest impact on the trade balance came from imports from Germany (1.1 TWh), Sweden (0.5 TWh), and the Czech Republic (0.4 TWh). At the same time, we exported the largest volumes of electricity to Slovakia (1.5 TWh), Germany (1.0 TWh) and the Czech Republic (0.7 TWh).

In the first three quarters of 2026, Poland was a net exporter of electricity, with a trade balance of -2.8 TWh (imports of 8.2 TWh and exports of 11.0 TWh). The most significant impact on the trade balance came from imports from Germany (3.9 TWh), Sweden (1.4 TWh), and the Czech Republic (1.3 TWh). At the same time, the largest volumes of electricity were exported to Slovakia (4.2 TWh), Germany (3.3 TWh) and the Czech Republic (2.1 TWh).

RETAIL ELECTRICITY PRICES – INTERNATIONAL MARKET

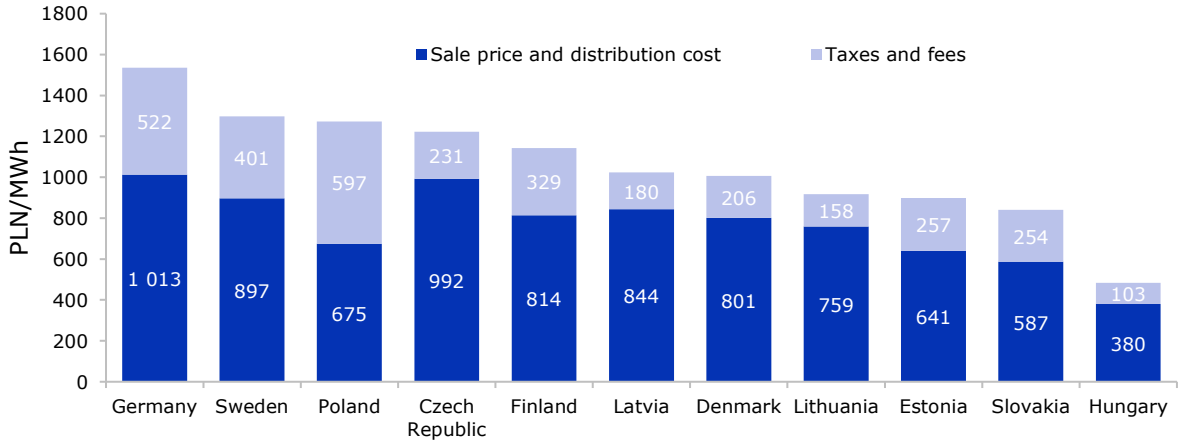
The variation in retail electricity prices in the EU depends mainly on the level of wholesale electricity prices, the fiscal system (taxes and levies), regulatory mechanisms, and support schemes in individual countries. In the first half of 2026 additional charges (above the selling price and distribution cost of electricity) for individual consumers in Poland accounted for 47% of the electricity price. Germans paid the most for electricity, with additional charges accounting for 34% of their final price.

Chart: Comparison of average electricity prices for individual consumers in selected EU countries in the first half of 2026 (prices in PLN/MWh, average EUR/PLN exchange rate 4.24).



Source: Own compilation based on Eurostat data.

Chart: Share of mark-ups in electricity prices for individual consumers in selected EU countries in the first half of 2026 (prices in PLN/MWh, average EUR/PLN exchange rate 4.24)



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 three quarters of 2026 amounted to PLN 522/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, CO_2 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.

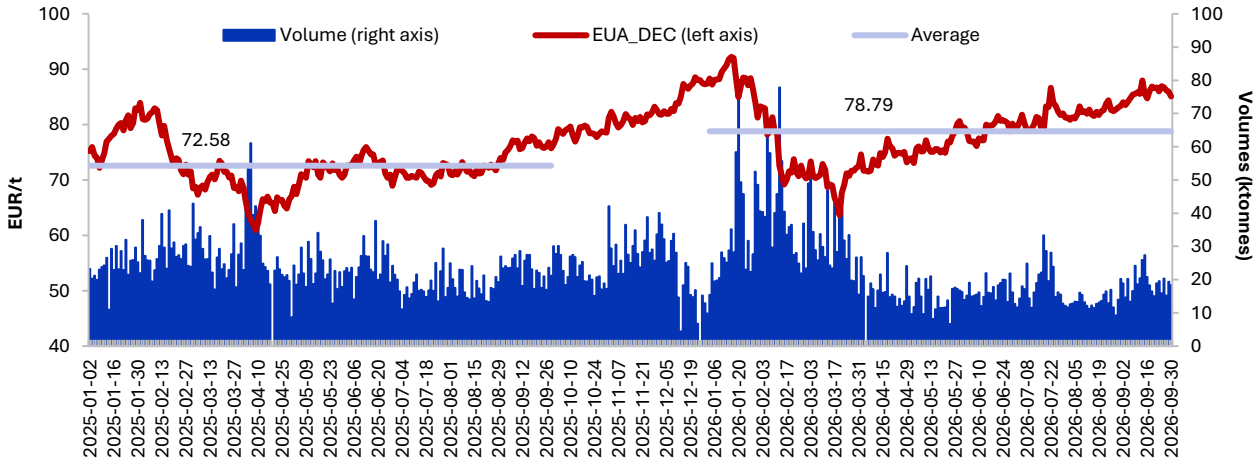
3.2.2. CO_2 emission rights

3.2.2.1. CO_2 emission allowance prices

EUA quotations are one of the key factors determining the financial results of the PGE Group. Installations emitting CO_2 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 CO_2 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 three quarters of 2026, the weighted average price of the instrument was EUR 78.79/t, which was higher (by approx. 9%) than the average price of EUR 72.58/t observed in the corresponding period of the previous year.

Chart: Prices of carbon dioxide (CO_2) emission allowances.



Source: Own compilation based on ICE quotations.

3.2.2.2. Purchases of CO_2 emission allowances by the PGE CG

The PGE Group purchases CO_2 emission allowances through external institutions authorised to trade in financial instruments. Part of the purchase of CO_2 emission allowances is carried out on regulated European EUA allowance markets. The value of costs related to the obligation to redeem CO_2 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 three quarters of 2026, the cost of CO_2 emission charges amounted to PLN 13.3 billion.

3.2.2.3. CO_2 emission allowances granted free of charge

Since 2020, installations owned by the PGE CG have not been eligible for free CO_2 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: CO_2 emissions (tonnes).

	Q3 2026	Q3 2025	Change	Change %	Q1-Q3 2026	Q1-Q3 2025	Change	Change %
Electricity and heat	12 209 362	11 528 556	680 806	6%	40 463 959	37 443 224	3 020 735	8%

Table: Allocation of CO_2 emission allowances (tonnes).

	2026	2025	Change	Change %
Heat	466 098	553 629	-87 531	-16%

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
	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 Act may lead to an increase in investment preparation costs within the PGE Capital Group as a result of higher advance payments toward grid connection fees. In the Supply segment, it may increase the costs of fulfilling regulatory obligations and the risk of penalties for violations of the REMIT Regulation, while in the Distribution segment it may result in higher revenues from connecting installations to the grid.
	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.
	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 RES 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 and District Heating 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.

[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 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 of September 4, 2026 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 Act will enter into force on **December 1, 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.
	Act of September 18, 2026 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 Act also requires market participants to provide operational data to the Transmission System Operator, with the aim of improving power system balancing and the operational security of the National Power System. In addition, it simplifies selected regulatory processes and reduces the risk of disruptions to settlements and data exchange in the energy market.	The Act entered into force on **October 17, 2026**.	The Act affects the Distribution and Supply segments, Group companies engaged in electricity generation and storage, and owners of electricity storage facilities with a total installed capacity exceeding 50 kW.
	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.
	Act amending the Personal Income Tax Act, the Corporate Income Tax Act, and the Act on Lump-Sum Income Tax on Certain Incomes Earned by Individuals.	The Act 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.	The act was submitted to the President for signature on **November 6, 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
	Act of October 22, 2026 on support for undertakings in energy-intensive sectors in respect of electricity costs incurred.	The 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 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.	The act was submitted to the President for signature on **November 6, 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.
	Regulation of the Minister of Energy of October 28, 2026 on reference values for new and substantially refurbished cogeneration units in 2027.	The Regulation sets out the applicable reference values for new and substantially refurbished cogeneration units.	The regulation will enter into force on **January 1, 2027**.	The draft affects revenue from the support scheme for the District Heating segment in 2027.
	Regulation of the Minister of Energy of October 28, 2026on the maximum quantity and value of electricity from high-efficiency cogeneration eligible for support and the guaranteed premium rates in 2027.	The Regulation specifies the maximum quantities and values of electricity from high-efficiency cogeneration eligible for support and the guaranteed premium rates in 2027.	The regulation will enter into force on **January 1, 2027**.	The draft affects revenue from the support scheme for the District Heating segment in 2027.

DRAFT ACTS AND REGULATIONS

Segments	Regulation	Objectives of the regulation	Stage	Impact on the PGE CG
	Draft act amending the Act on energy efficiency and certain other acts.	Key proposals include 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 27, 2026**, the draft was referred to the Committee for European Affairs for consideration.	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.
	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.	The public consultations concluded on **December 3, 2025**. The Ministry of Energy published comments submitted to the draft Act along with the drafter's reference.	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.

Segments	Regulation	Objectives of the regulation	Stage	Impact on the PGE CG
	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 **November 6 and 11, 2026**, comments submitted regarding the draft, along with the drafter's responses, were published.	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 concerning industrial emissions. The draft introduces an obligation to carry out analyses to determine the strictest achievable emission limit values and clarifies the rules for granting derogations. 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 environmental performance levels. In addition, the draft introduces an obligation to apply an Environmental Management System, which is intended to improve environmental protection standards and increase the effectiveness of monitoring the impact of industrial installations on their surroundings.	On **October 5, 2026**, the Ministry of Climate and Environment (MKiŚ) published the positions received during interdepartmental coordination, public consultations, and the formal review process.	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, binding environmental performance levels and a mandatory Environmental Management System may require adjustments to operating installations, an expansion of environmental parameter monitoring and an increase in operating costs and capital expenditures. 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.
	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.	On **October 9, 2026**, the Ministry of Energy published the comments submitted regarding 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.	On **November 13, 2026,** the project proponent published a response to the positions submitted during the consultation process.	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 RES support schemes.

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.	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.	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 Ministry of Energy published the comments submitted regarding the draft.	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 Energy Law.	The draft proposal outlines changes to concession fees in the energy sector, including modifications to the methods for calculating these fees, updates to certain rates, and an expansion of the range of entities required to pay them.	Public consultations concluded on **September 29, 2026**.	The entry into force of the provisions in the form proposed in the Act will significantly increase the burden of licence fees paid by PGE CG companies.

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 CO_2 price signal.	On **July 17, 2026**, the European Commission (EC) presented a proposal for amendments to the EU ETS and the MSR decision. **On August 20, 2026**, the EC launched a public consultation on the revision of the EU ETS, which ran 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.	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 **September 15, 2026**, the European Parliament decided to apply the urgent procedure and subsequently adopted its position on **October 22, 2026**. On **September 16, 2026**, the Council agreed on a negotiating mandate. On **November 12, 2026**, a provisional political agreement was reached during the first trilogue; the procedure for the adoption of the act is expected to be concluded in the **fourth quarter of 2026** or **early 2027.**	The adjustment to the heat benchmark will partially mitigate the earlier reduction introduced by the benchmark regulation of June 2026, leading to an increase in the free allocation for the district heating segment for the 2026–2030 period and a reduction in 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 in accordance with Article 10a(2) of Directive 2003/87/EC of the European Parliament and of the Council.	Establishment of revised benchmark values for the purposes of calculating the allocation of free emission allowances for 2026–2030.	In **August 2026**, the Ministry of Climate and Environment published the final list of free emission allowances.	The reduction in the number of free allowances allocated to the District Heating segment will result in higher costs of purchasing allowances.

Segments	Regulation	Objectives of the regulation	Stage	Impact on the PGE CG
	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 **September 15, 2026**, the European Parliament adopted its position during a plenary session, and on **September 23, 2026**, the Council adopted a general approach. On **October 20, 2026**, the two institutions reached a provisional agreement on the amendments. Their formal adoption is expected by the **end of 2026**.	Possibility of using after 2030 allowances from the MSR to ensure greater liquidity in the EU ETS market.
	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.	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 completed dedicated consultations with selected stakeholders, including the PGE CG. Adoption of the amended GBER is planned for **the fourth quarter of 2026.**	Changes 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, district heating or innovation.

Segments	Regulation	Objectives of the regulation	Stage	Impact on the PGE CG
PGE	Draft Regulation on public procurement and concessions.	Simplification of public procurement rules and their use as an instrument to strengthen the competitiveness of the EU economy by changing the approach to public procurement from the concept of the most economically advantageous tender (MEAT) to the 'best price-quality ratio' principle, meaning the best quality for the money spent; strengthening quality criteria and introducing a European preference.	On **September 9, 2026**, the European Commission presented a legislative proposal in the form of a draft regulation, which consolidates all EU directives on public procurement, including Directive 2014/25/EU. A public consultation on the draft regulation is open until **December 24, 2026**. Reaching an agreement is tentatively scheduled for the **fourth quarter of 2027**.	Strengthening the position of European producers/suppliers, including SMEs, in public procurement procedures will help broaden the base of verified suppliers, thereby increasing competition and ensuring the secure supply of high-quality technologies and products, while simultaneously enhancing the resilience of the European supply chain.
PGE	European Grids Package – draft Directive on accelerating permit-granting procedures.	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.	On **November 18, 2026**, the Council and the European Parliament reached a provisional agreement within the framework of trilogues – both institutions should adopt an agreement.	Introduction of favourable rules accelerating permitting procedures for network infrastructure as well as for RES projects and energy storage.
PGE	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 grid charges to ensure the cost-efficiency of transmission and distribution networks, while encouraging both system operators and grid 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 that facilitates the integration of smart metering systems, smart and digital grids, and the more effective reuse of data.	On **July 17, 2026**, the European Commission presented the proposal for the Regulation. Work on preparing positions is ongoing in the Council and the European Parliament.	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 70 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 1 heat plant	307.2 thousand km of distribution lines	18.7 thousand km of distribution lines	-
Installed capacity electricity/ heat	2 785 MWe/-	1 366 MWe/-	11 254 MWe/868 MWt	2 756 MWe/7 397 MWt[3]	-	-	-
Electricity volumes	Net electricity generation 0.90 TWh	Net electricity generation 1.11 TWh	Net electricity generation 10.55 TWh	Net electricity generation 1.02 TWh	Distributed electricity 8.79 TWh[1]	Distributed electricity 1.11 TWh; Electricity sales to final customers 0.80 TWh	Electricity sales to final customers 6.38 TWh[2]
Heat volumes	-	-	Net heat generation 0.37 PJ	Net heat generation 3.02 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	Q3 2026	Q3 2025	Change	Change %	Q1-Q3 2026	Q1-Q3 2025	Change	Change %
Net electricity generation	TWh	13.58	12.58	1.00	8%	43.53	40.09	3.44	9%
of which: RES generation	TWh	0.52	0.50	0.02	4%	1.68	1.79	-0.11	-6%
Electricity sales outside the PGE Capital Group	TWh	16.61	15.05	1.56	10%	50.37	47.65	2.72	6%
Electricity sales to final customers[1]	TWh	7.18	7.73	-0.55	-7%	22.63	24.02	-1.39	-6%
Heat generation	PJ	3.39	3.70	-0.31	-8%	35.25	32.70	2.55	8%
Heat sales	PJ	3.20	3.51	-0.31	-9%	34.47	31.82	2.65	8%
Electricity distribution	TWh	9.90	9.73	0.17	2%	31.21	29.89	1.32	4%

[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	Q3 2026	Q3 2025	Change	Change %	Q1-Q3 2026	Q1-Q3 2025	Change	Change %
A. Electricity sales outside the PGE Capital Group, including:	16.61	15.05	1.56	10%	50.37	47.65	2.72	6%
Sales to final customers[1]	7.18	7.73	-0.55	-7%	22.63	24.02	-1.39	-6%
Wholesale and balancing market sales	9.43	7.32	2.11	29%	27.74	23.63	4.11	17%
B. Electricity purchased outside the PGE Group (wholesale and balancing market)	4.43	3.40	1.03	30%	10.24	10.60	-0.36	-3%
C. Net electricity generation within PGE Capital Group entities	13.58	12.58	1.00	8%	43.53	40.09	3.44	9%
D. Internal consumption by DSOs, lignite mines and PSPPs (D=C+B-A)	1.40	0.93	0.47	51%	3.40	3.04	0.36	12%

[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 in the three quarters of 2026 are the effect of higher generation from hard coal and gas units in the PGE CG which was caused by as a result of a cold winter, a warm summer, higher exports, and lower 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	Q3 2026	Q3 2025	Change	Change %	Q1-Q3 2026	Q1-Q3 2025	Change	Change %
ELECTRICITY GENERATION (TWh), of which:	**13.58**	**12.58**	**1.00**	**8%**	**43.53**	**40.09**	**3.44**	**9%**
Lignite-fired power plants	6.73	6.95	-0.22	-3%	21.48	21.47	0.01	0%
Hard coal-fired power plants	3.82	2.61	1.21	46%	10.40	7.65	2.75	36%
of which: biomass co-firing	*0.00*	0.00	0.00	-	*0.00*	*0.01*	-0.01	-100%
Gas-fired power plant	1.11	1.27	-0.16	-13%	3.58	3.40	0.18	5%
Coal-fired CHP plants	0.27	0.26	0.01	4%	2.11	2.15	-0.04	-2%
Gas-fired CHP plants	0.74	0.72	0.02	3%	3.30	2.96	0.34	11%
Biomass-fired CHP plants	0.00	0.08	-0.08	-100%	0.14	0.24	-0.10	-42%
Waste-to-energy CHP plant	0.02	0.01	0.01	100%	0.05	0.03	0.02	67%
Pumped-storage power plants	0.39	0.27	0.12	44%	0.98	0.68	0.30	44%
Hydro power plants	0.03	0.05	-0.02	-40%	0.19	0.24	-0.05	-21%
Wind farms	0.40	0.30	0.10	33%	1.12	1.12	0.00	0%
Photovoltaic power plants	0.07	0.06	0.01	17%	0.18	0.15	0.03	20%
of which: RES generation	0.52	0.50	0.02	4%	1.68	1.79	-0.11	-6%

Electricity generation in the first three quarters of 2026 was 9% higher than in the first three quarters of 2025. Higher generation mainly resulted from increased electricity demand driven by a cold winter, a warm summer, higher exports and lower windiness.

An increase in generation from hard coal-fired power plants (up 2.75 TWh), including: Opole Power Plant (up 2.40 TWh), Rybnik Power Plant (up 0.34 TWh), Dolna Odra Power Plant (up 0.01 TWh). In total, coal power plant units were kept on reserve for 9,393 hours less and underwent maintenance outages for 12 489 hours less.

Higher generation at the gas-fired power plant (Gryfino Dolna Odra Power Plant – an increase of 0.18 TWh) – colder weather in January and February of the current year and a warm June resulted in greater utilisation of the plant's units.

Higher generation from gas-fired CHP plants (up 0.34 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.

Higher generation at municipal waste-fired CHP plants (an increase of 0.02 TWh) following the commissioning of the second process line of the Thermal Processing Plant with Energy Recovery at the Rzeszów CHP Plant in September 2026.

Higher generation from pumped-storage power plants (up 0.30 TWh) stems from the operational nature of these generation units and their increased utilisation by PSE S.A.

Higher generation at photovoltaic power plants (an increase of 0.03 TWh), mainly following the commissioning of new installations during 2026.

Lower generation in coal-fired CHP plants (down 0.04 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.

Lower generation at biomass-fired CHP plants (a decrease of 0.10 TWh) due to an overhaul of the Szczecin CHP Plant in the third quarter of 2026.

Lower generation at hydroelectric power plants (a decrease of 0.05 TWh) due to poorer hydrological conditions in the first three quarters of 2026.

Generation at lignite-fired power plants and wind farms remained close to the level recorded in the comparative period.

HEAT GENERATION

Table: Net heat generation (PJ).

Generation volume	Q3 2026	Q3 2025	Change	Change %	Q1-Q3 2026	Q1-Q3 2025	Change	Change %
Net heat generation (PJ)	**3.39**	**3.70**	**-0.31**	**-8%**	**35.25**	**32.70**	**2.55**	**8%**
Lignite-fired power plants	0.31	0.32	-0.01	-3%	1.71	1.66	0.05	3%
Hard coal-fired power plants	0.06	0.08	-0.02	-25%	0.42	0.44	-0.02	-5%
Coal-fired CHP plants	1.49	2.00	-0.51	-26%	20.76	21.56	-0.80	-4%
Gas-fired CHP plants	1.34	1.02	0.32	31%	8.64	7.19	1.45	20%
Biomass-fired CHP plants	0.00	0.21	-0.21	-100%	2.65	1.27	1.38	109%
Waste-to-energy CHP plants	0.06	0.05	0.01	20%	0.24	0.19	0.05	26%
Other CHP plants	0.13	0.02	0.11	550%	0.83	0.39	0.44	113%

The main factor contributing to the lower level of net heat production in the third quarter of 2026 y/y was outdoor temperature. Average temperatures in the third quarter of 2026 were 0.1°C higher year-on-year.

HEAT SALES

In the third quarter of 2026, total heat sales by the PGE Group amounted to 3.20 PJ, representing y/y decrease of 0.31 PJ.

The above result was mainly influenced by lower heat demand caused by higher average outdoor temperatures than in 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 third quarter of 2026 are: Distribution (42%), Coal Energy (26%), Renewables (20%). The other segments account for less than 20% of the PGE Group's recurring EBITDA.

Chart: Recurring EBITDA of the PGE CG in the third quarter of 2026 (PLN million).

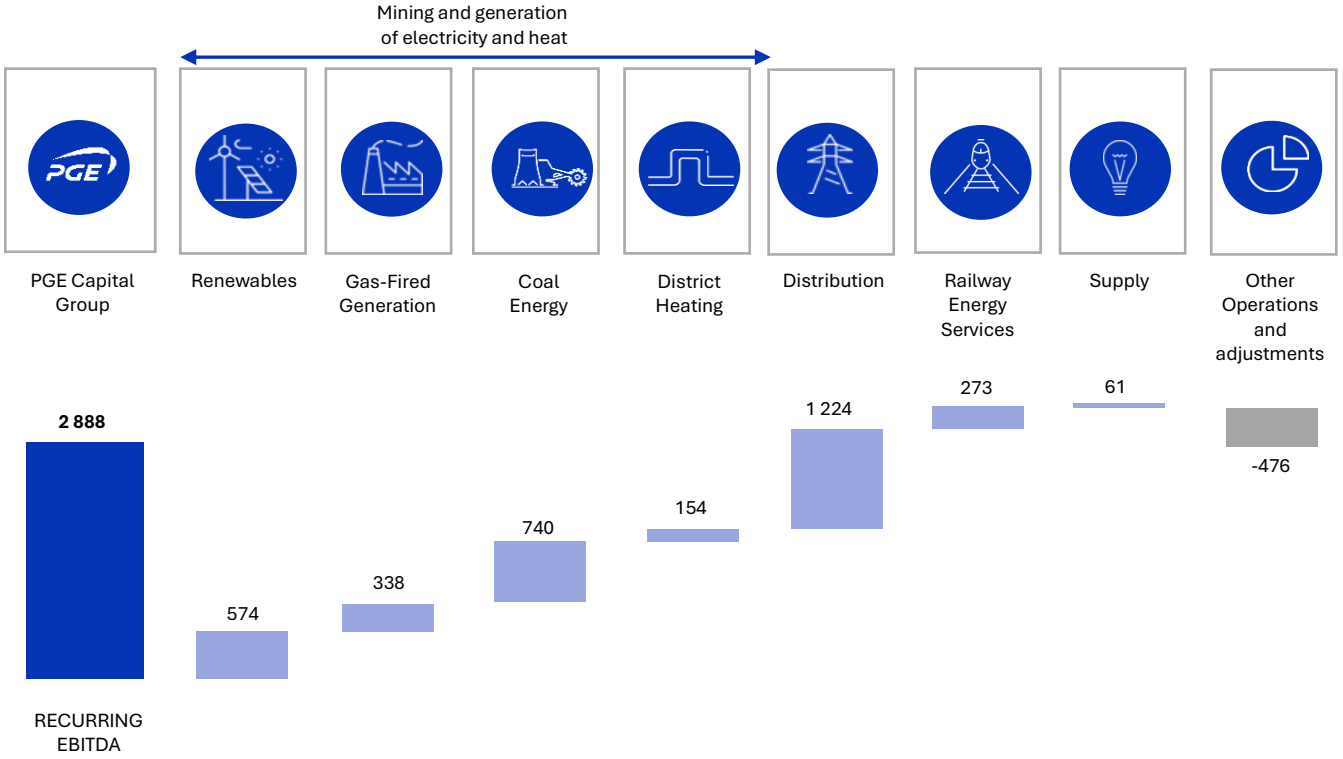


Chart: Reported EBITDA of the PGE CG in the third quarter of 2026 (PLN million).

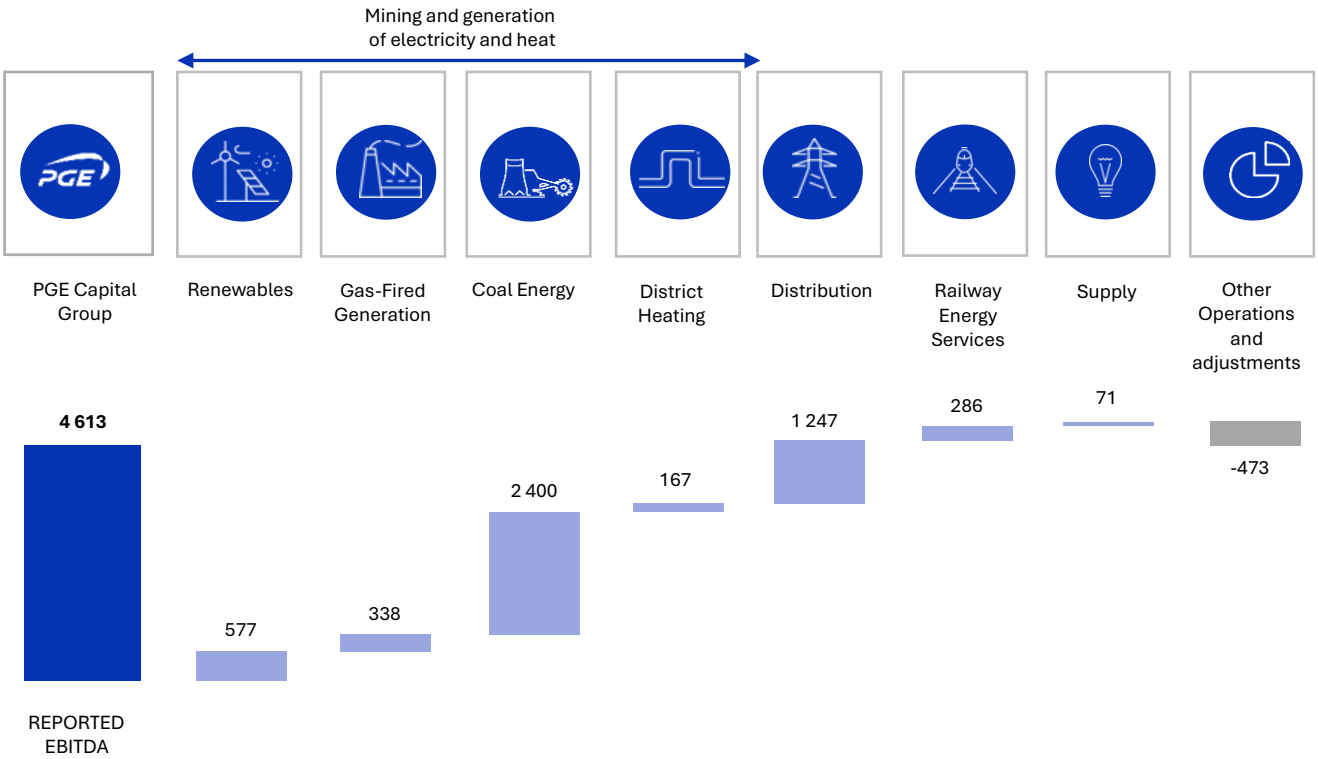
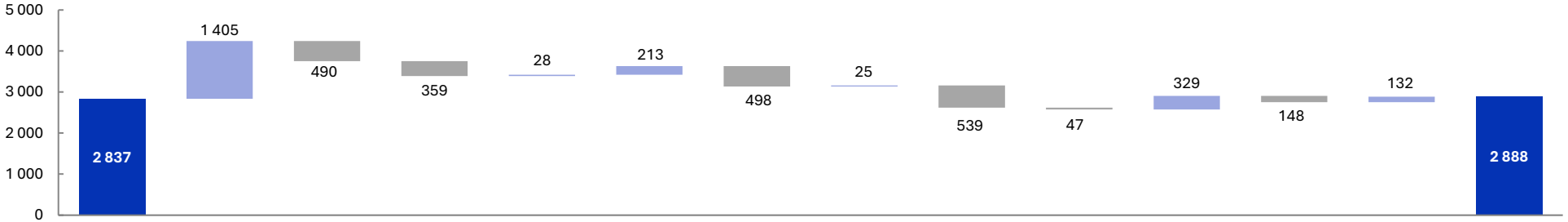


Chart: Main factors shaping the EBITDA of the PGE CG (PLN million).

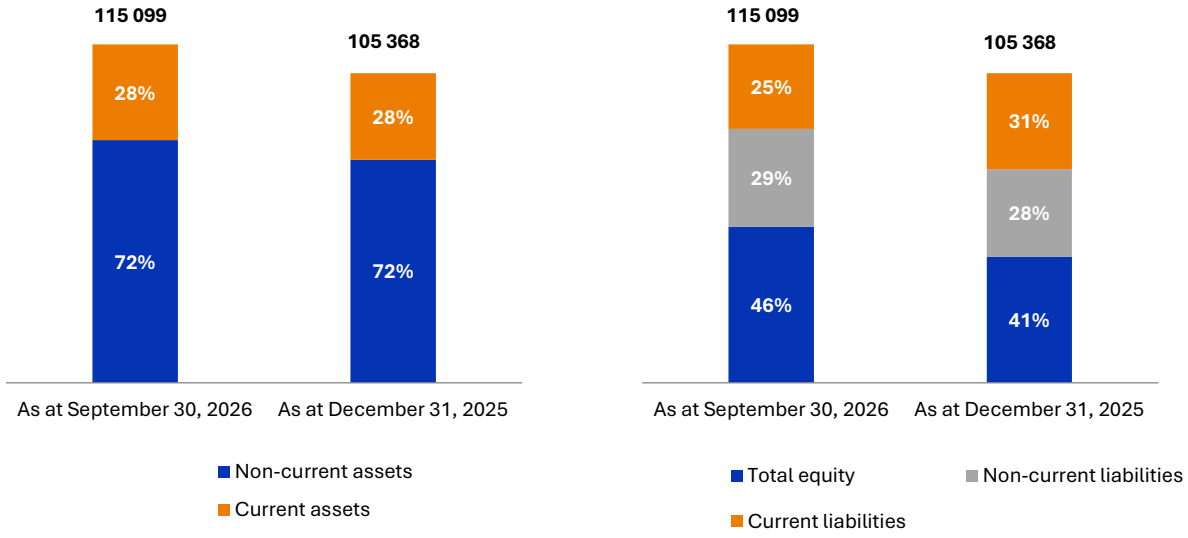


	EBITDA Q3 2025[1]	Result on sales of electricity by generators[2]	CO_2 emission allowances	Production fuel costs	Revenues from ancillary services and Capacity Market[3]	Result on gas sales	Result on electricity sales to final customers[4]	Distribution service margin[5]	Accounting valuation of electricity contracts	Personnel costs[6]	Provisions for onerous contracts	Capitalised costs	Other[7]	EBITDA Q3 2026
Variance		**1 405**	**-490**	**-359**	**28**	**213**	**-498**	**25**	**-539**	**-47**	**329**	**-148**	**132**	
Reported EBITDA Q3 2025	**2 524**													
One-off events Q3 2025	**-313**													
Recurring EBITDA Q3 2025	**2 837**	6 092	3 604	1 394	1 429	2	379	2 050	0	2 032	-86	324	323	
Recurring EBITDA Q3 2026		7 497	4 094	1 753	1 457	215	-119	2 075	539	2 079	243	176	191	**2 888**
One-off events Q3 2026														**1 725**
Reported EBITDA Q3 2026														**4 613**

1 Reported EBITDA and recurring EBITDA for Q3 2025 have been restated to ensure comparability.
2 Revenue from the sale of electricity less electricity purchase costs and costs directly related to electricity generation.
3 Including revenues from balancing services.
4 Including compensations, adjustments to the margin on property rights across the PGE CG; excluding the additional estimation of balancing difference costs.
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, settlement with the contractor of Unit no. 7 in Turów power plant, provision for use of water fees for the previous periods, write-down of receivables of Porąbka Żar and write-off of receivables (one-offs).

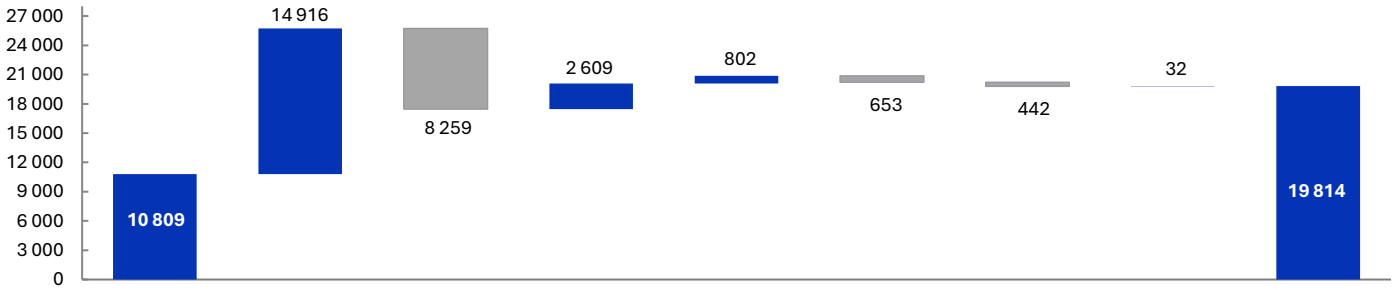
A detailed description of income and expenses is provided in Note 7 to the consolidated financial statements.

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



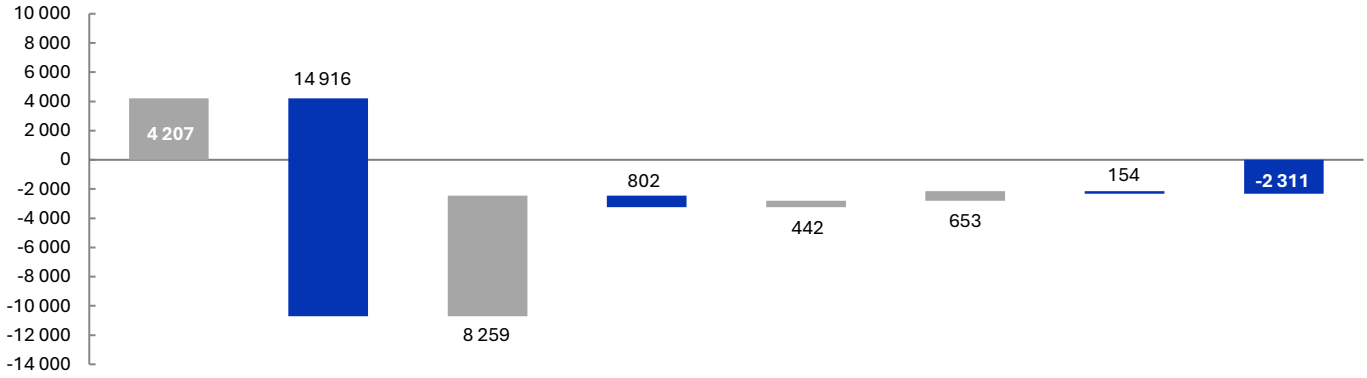
A detailed description of the statement of financial position is provided in Notes 10-22 to the consolidated financial statements.

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



	Cash and cash equivalents at January 1, 2026	Net cash from operating activities	Acquisition/ sale of property, plant and equipment and intangible assets	Balance of repayments/ inflows from loans, borrowings, bonds and finance leases	Grants received for fixed assets	Interest paid	Acquisition of new PGE Group companies accounted for as an asset acquisition	Other	Cash and cash equivalents at September 30, 2026
Impact on cash position		14 916	-8 259	2 609	802	-653	-442	32	
Cash and cash equivalents	**10 809**								**19 814**

Chart: Net debt (PLN million).

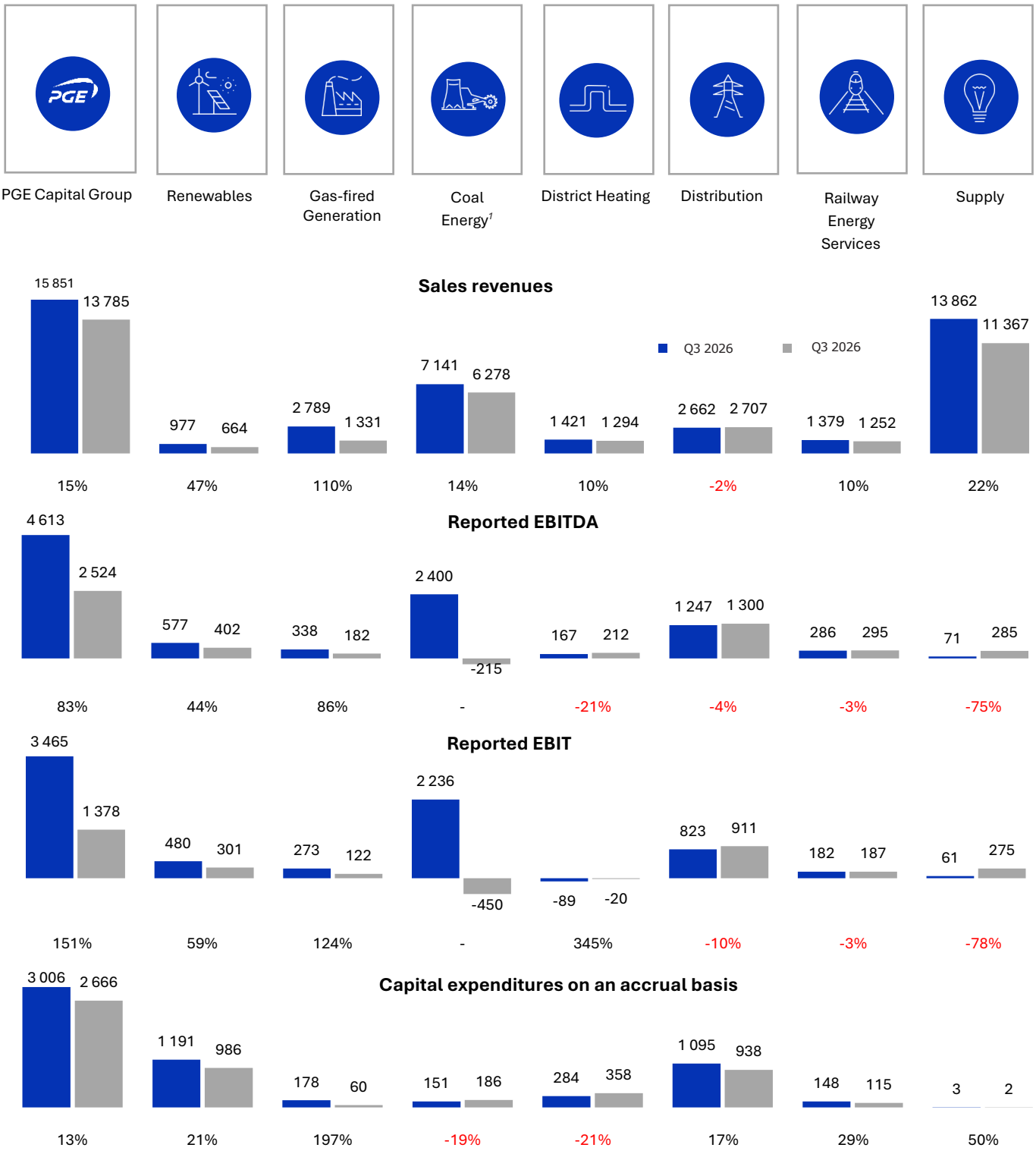


	Net debt December 31, 2025	Net cash from operating activities	Acquisition/sale of property, plant and equipment and intangible assets	Grants received for fixed assets	Acquisition of new PGE Group companies accounted for as an asset acquisition	Debt servicing – interest	Other	Net debt September 30, 2026[1]
Impact on net debt level		-14 916	8 259	-802	442	653	-154	
Net debt	**4 207**							**-2 311**

[1] *Net debt includes cash of Offshore companies (PLN 964 million) and financial liabilities under Project Finance (PLN 4 932 million); the estimated level of economic net debt (including, among others, future payments for CO_2 emission allowances) amounts to PLN 14 156 million.*

4.3. Characteristics of business segments

4.3.1. Key financial results in the business segments



[1] *The values of reported EBIT and EBITDA for the third quarter of 2025 have been adjusted for comparability.*

4.3.2. Business segment - 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.

The data presented below refers to the third quarter of 2026.



Renewables

Main revenue items	PLN m
Sales of electricity	709
Ancillary services	155
Capacity Market	105
Sale of property rights	7

Electricity generation	**0.90 TWh**

Main cost items	PLN m
Energy consumption	115
of which electricity for pumping purposes	114
Depreciation	97
Third-party services	87
Personnel costs[1]	75
Taxes and charges	24
of which property tax	22

Main result items	PLN m
EBIT recurring	476
EBIT reported	480
EBITDA recurring	574
EBITDA reported	577

[1] *After adjusting for one-offs.*

The Renewables segment relies primarily on **revenue from the sale of electricity,** however this revenue is more dependent on volatile weather conditions and spot market prices due to the adopted model of selling electricity from renewable sources. The volume of electricity generated simultaneously translates into the generation of property rights and revenue from the sale of energy origin certificates obtained by the segment's assets, excluding hydropower plants above 5 MWe.

Since 2021, a significant item in the segment's revenue has been revenue from the Capacity Market, a mechanism introduced to prevent electricity shortages in the National Power System. Selected power plants within the Renewables segment receive remuneration for fulfilling the capacity obligation (the Capacity Market unit remaining ready to deliver electrical capacity to the NPS and committing to deliver a specific capacity during a period of threat). As of mid-June 2024 the next stage of the Balancing Market reform was implemented. As a result of this reform, power plants have the ability to offer balancing energy and balancing capacities. The new catalogue of balancing services includes: frequency containment reserve, frequency restoration reserve, and replacement reserve. The new balancing services are included in the revenue from the provision of ancillary services. The Balancing Capacities service is of key importance for the Renewables segment.

Significant operating expense items within the segment include: **energy consumption for pumping water in pumped-storage power plants, depreciation of the segment's assets**, and **third-party services**, primarily repair and maintenance services. **Property tax** and **labour costs** also constitute a significant operating expense item within the segment.

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,
- 70 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.

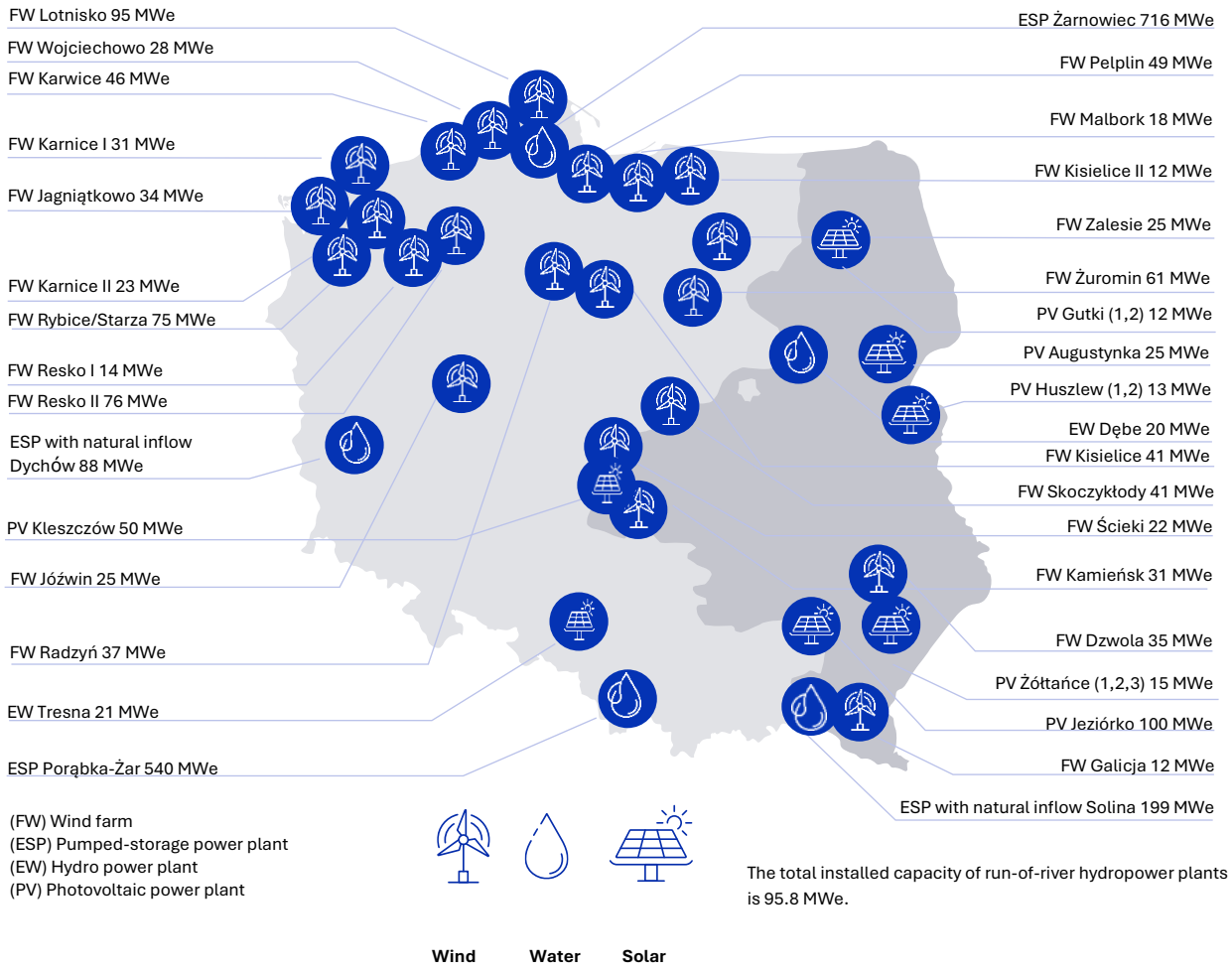
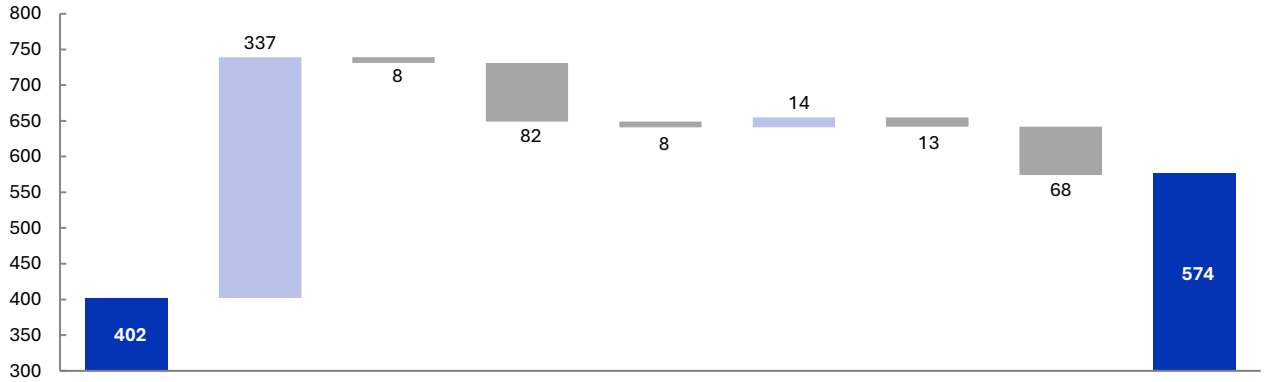


Table: Energy generation (GWh).

Power Plant types	Q3 2026	Q3 2025	Change	Change %
Pumped-storage power plants	394	268	126	47%
Run-of-river hydropower plants	37	50	-13	-26%
Wind farms	397	298	99	33%
Photovoltaic power plants	71	60	11	18%
Total	**899**	**676**	**223**	**33%**

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



Variance		**337**	**-8**	**-82**	**-8**	**14**	**-13**	**-68**	
Reported EBITDA Q3 2025	**402**								
One-off events Q3 2025	**0**								
Recurring EBITDA Q3 2025	**402**	372	15	95	163	91	62	82	
Recurring EBITDA Q3 2026		709	7	177	155	105	75	150	**574**
One-off events Q3 2026									**3**
Reported EBITDA Q3 2026									**577**

[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).*
[4] *Item Other excluding impact of write-off of Porąbka Żar receivables (one-off).*

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

One-offs	Q3 2026	Q3 2025	Change	Change %
Change in the actuarial provision	2	0	2	-
Write-off of Porąbka Żar receivables	1	0	1	-
Total	**3**	**0**	**3**	**-**

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

- **Higher revenue from the sale of electricity** resulting from: a higher sales volume by 484 GWh, which contributed to a revenue increase of PLN 216 million; a higher average electricity selling price by PLN 92/MWh y/y, which translated into a revenue increase of PLN 121 million.
- **Lower revenue from the sale of property rights** resulting from a lower average selling price of property rights by PLN 58/MWh y/y which translated into a revenue decrease of PLN 13 million, a higher sales volume by 56 GWh, which led to a revenue increase of PLN 5 million.
- **Higher electricity purchase costs for pumping purposes at pumped-storage** power plants as a result of a higher purchase volume by 199 GWh, contributing to a cost increase of PLN 71 million, and a higher average electricity purchase price by PLN 23/MWh y/y, which resulted in a cost increase of PLN 11 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.
- **Higher Capacity Market revenue** results from increased availability of generating units of PGE EO.
- **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 increase in this item is primarily driven by 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].

	Q3 2026	Q3 2025	Change	Change %
Investment in generation capacity, including:	1 191	986	205	21%
▪ Development projects	1 152	913	239	26%
▪ Modernisation and replacement	39	73	-34	-47%
Total	**1 191**	**986**	**205**	**21%**

[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 next auction planned for 2027.

- **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, installation work has been completed, and integration testing of key equipment has begun, i.e. GIS switchgear, harmonic filters and STATCOM transformers. 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 the third quarter of 2026 the installation of all 111 monopiles (comprising foundations for 107 wind turbines and 4 offshore transformer stations) and prefabrication of 4 offshore substations (OSSs) were completed. Production of inter-array and export cables continued, together with preparations for their transport.

- **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. 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. The updated decision on seabed permits (PSzW) was also received in the third quarter of 2026, together with a certificate confirming that it was final. In September 2026, the construction log was opened as part of preparatory works for the backup power supply line and the sea-to-shore horizontal directional drilling. Under the archaeological survey contract, unexploded ordnance surveys and tree clearance were completed, and archaeological surveys commenced in the cable duct bank area. An amendment to the contract was also signed, resuming work on obtaining building permits for the Baltica 3 offshore wind farm and updating the design documentation.

- **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 third quarter of 2026, work continued on preparing the procurement procedure for a detailed geophysical and geotechnical survey campaign. In parallel, tender procedures were conducted for a metocean study, the preparation and approval of a Geological Works Plan. The above work is necessary for preparation for detailed offshore survey campaigns, and the preparation of an environmental impact report and obtaining an 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. The office and warehouse building reached the structural shell stage in early July 2026. The car park, access road and construction site facilities were handed over to the End User on August 6, 2026. Roofing and façade works were carried out in 2026. As part of the hydrotechnical works, finishing works on the quay were completed and dredging operations as well as the strengthening of the seabed continued. 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. 320 MW are generating electricity, including projects that have been energised but have not yet undergone final acceptance. In the third quarter of 2026, PV Dzierzązna 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

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. 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. Construction work on the energy storage facility continued in the third quarter of 2026. Construction of the grid connection infrastructure was completed. Deliveries of further high-voltage components and the battery system began in September 2026.

The Electricity Storage Facility Construction Project in Gryfino

The project is under implementation. Preparatory works at the construction site commenced in the third quarter of 2026. In parallel, the design, contractual and administrative activities required to implement the project are ongoing. The building permit decision for the electricity storage facility and grid connection infrastructure became final on October 20, 2026.

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

The project is in the implementation phase and involves the construction of energy storage facilities at wind farms owned by PGE Energia Odnawialna (Lotnisko, Ścieki, Wojciechowo and Pelplin). In the third quarter of 2026, two tender procedures continued for the supply of storage units and MV/LV transformer substations, and for the design and execution of construction works. Contracts with Elektrotim S.A., which submitted the most advantageous tenders in both procedures, were signed on November 6, 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. A favourable sanitary opinion was obtained as part of the environmental proceedings. In addition, the required supplementary information to the report was submitted to both Wody Polskie and the Regional Directorate for Environmental Protection (RDEP) in Wrocław in response to requests from the administrative authorities. The competent authorities are currently reviewing the submitted materials. 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 Q1-Q3 of 2026[1]	Net efficiency	Contractor	Investment completion date
Construction of Baltica 2 OWF [PGE share 50%][2]	~PLN 15.0 bn	PLN 6.23 bn	PLN 2.03 bn	42%	Multi-contracting	Q4 2027
Construction of BESS Żarnowiec	~PLN 1.3 bn	PLN 1.07 bn	PLN 1.04 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.*

4.3.3. Business segment – Gas-fired Generation

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

The data presented below refers to the third quarter of 2026.



Gas-fired Generation

Main revenue items	PLN m
Sales of electricity[1]	866
Gas resale[2]	196
Capacity Market	95
Ancillary services	52

Electricity generation	**1.11 TWh**

Main expense items	PLN m
Costs of natural gas consumption	647
CO_2 emission costs	142
Depreciation and amortisation, liquidations, write-offs	65
Third-party services	56
Personnel costs	11

Main result items	PLN m
EBIT	273
EBITDA	338

[1] *Managerial perspective (sales less electricity purchase).*
[2] *Managerial perspective (sales less gas purchase).*

The primary source of revenue for the Gas-fired Generation segment is **revenue from the sale of electricity** on the wholesale market, based on the electricity price determined by supply and demand balancing mechanisms, taking into account variable generation costs. At the same time, the most significant expense items in the segment, due to their size and volatility, and thus their impact on the operating result, are the **costs of natural gas consumption** and the **costs of CO_2 emission charges**.

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 CCGT units belonging to PGE Gryfino Dolna Odra sp. z o.o. (commissioned in 2024), each with an installed capacity of 683 MW,
- 1 CCGT 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.

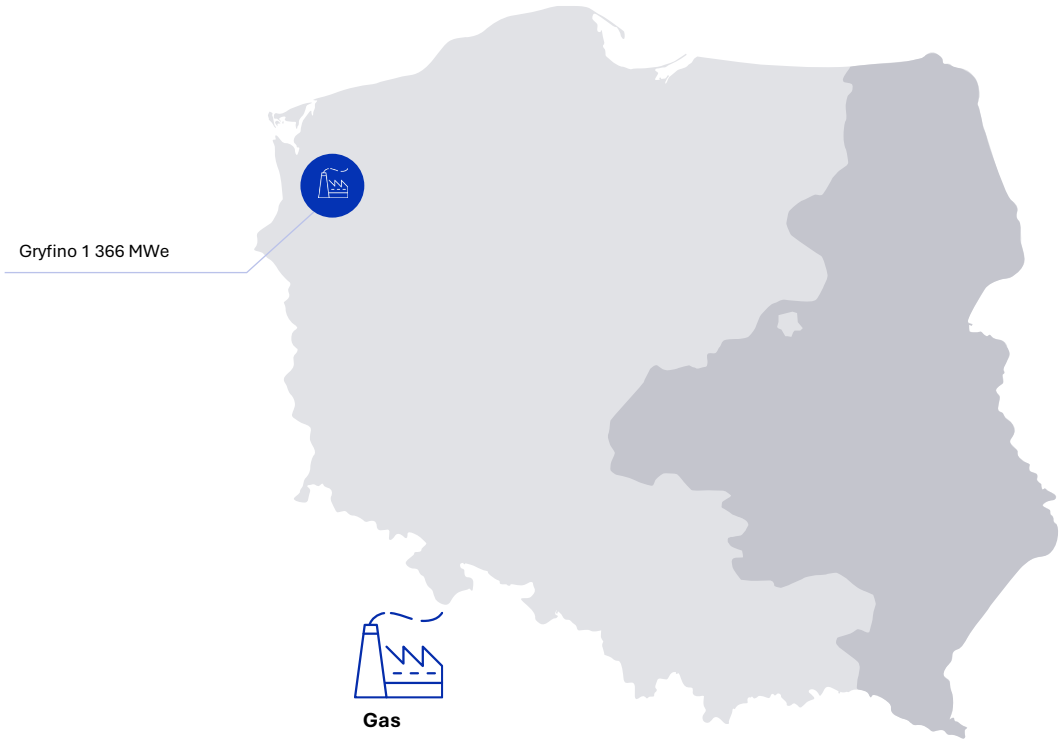
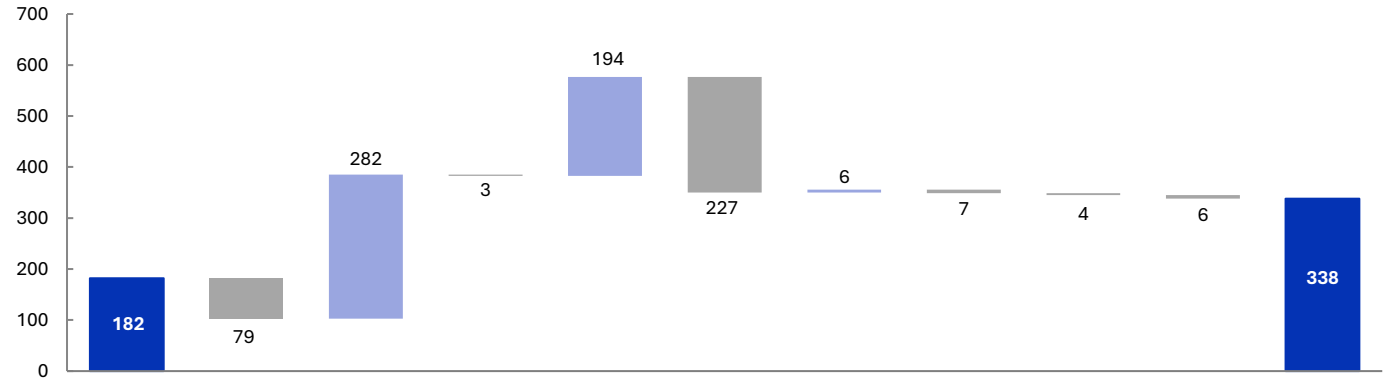


Table: Energy generation (TWh).

Main fuel types	Q3 2026	Q3 2025	Change	Change %
Gas	1.11	1.27	-0.16	-13%
Total	**1.11**	**1.27**	**-0.16**	**-13%**

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



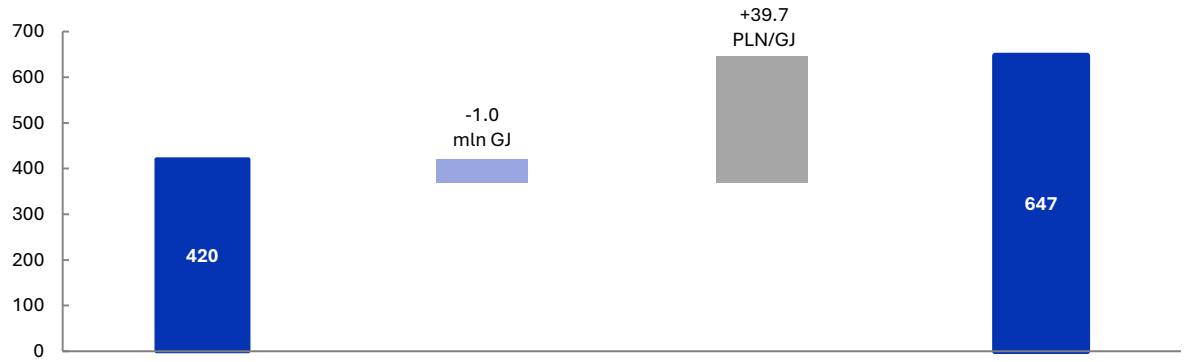
	EBITDA Q3 2025	Electricity generation – volume[1]	Electricity generation – price[1]	Capacity Market and ancillary services revenue	Trade in natural gas[2]	Costs of natural gas	CO_2 emission costs	ZHZW costs	Personnel costs	Other	EBITDA Q3 2026
Variance		**-79**	**282**	**-3**	**194**	**-227**	**6**	**-7**	**-4**	**-6**	
EBITDA Q3 2025	**182**	663		150	2	420	148	30	7	28	
EBITDA Q3 2026		866		147	196	647	142	37	11	34	**338**

[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 average electricity selling price by PLN 253.3/MWh y/y, which translated into a revenue increase of approx. PLN 282 million, accompanied by a lower sales volume by 0.2 TWh, which contributed to a revenue decrease of approx. PLN 79 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, **higher revenue from ancillary services** for balancing services, due to increased prices of the balancing services.
- **A higher result achieved on gas trading**, as a consequence of favourable market conditions.
- **Higher costs of natural gas consumption** due to higher price by PLN 39.7/GJ accompanied by a lower consumption of this fuel by 1.0 PJ driven by lower electricity generation by 0.2 TWh.
- **Lower CO_2 costs** due to lower emissions by 0.1 million tonnes of CO_2 as a result of lower electricity generation and a higher average unit CO_2 cost by PLN 34.5/t. The main variances are presented in the chart below.
- **Higher ZHZW costs** due to a higher electricity selling price.
- **Higher personnel costs** in connection with an increase in employment resulting from the supplementing of competences.

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

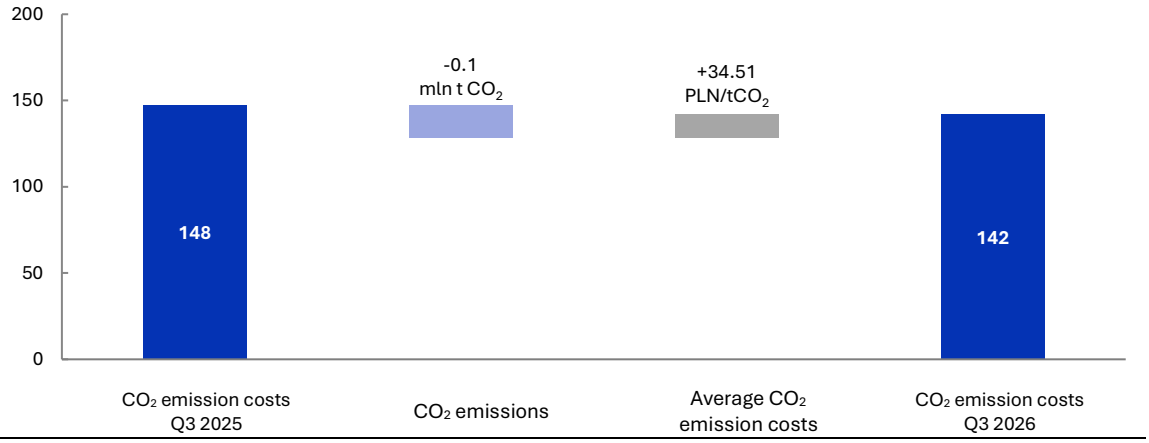


		-51	**278**	
Fuel costs Q3 2025	**420**			
Fuel costs Q3 2026				**647**

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

Fuel type	Q3 2026		Q3 2025		change %	
	Volume (thousand m^3)	Cost (PLN million)	Volume (thousand m^3)	Cost (PLN million)	Volume (thousand m^3)	Cost (PLN million)
Gas	185 741	647	209 722	420	-11%	54%
Total	**185 741**	**647**	**209 722**	**420**	**-11%**	**54%**

Chart: CO_2 emission costs in the Gas-fired Generation segment (PLN million).



Variance		-19	13	
CO_2 emission costs Q3 2025	**148**			
CO_2 emission costs Q3 2026				**142**

Table: Data on CO_2 in the Gas-fired Generation segment.

Data on CO_2	Q3 2026	Q3 2025	Change	Change %
CO_2 emissions (tonnes)	393 467	451 065	-57 598	-13%
Average CO_2 cost (PLN/t)	360.89	326.38	34.51	11%

CAPITAL EXPENDITURES

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

	Q3 2026	Q3 2025	Change	Change %
Investment in generation capacity, including:	178	60	118	197%
▪ Development projects	177	59	118	200%
▪ Modernisation and replacement	1	1	-	-%
Total	**178**	**60**	**118**	**197%**

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. In August 2026, the 110 kV supply from the Wielopole substation was energised, and gas was introduced into the pipelines supplying the gas conditioning station and the start-up boiler. Commissioning work commenced in the heat recovery steam generator area, and installation began on the pipework for chemical cleaning and pickling of the boiler. An application was also submitted to PSE S.A. to energise the generator transformers at 400 kV. The project is nearing the end of the main construction phase and entering the commissioning phase.

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). The ecological survey report was received in August 2026. Design work by the EPC Contractor for the gas-fired units is ongoing. Site preparation works are continuing. The procedures to select the Contractor for the grid connection infrastructure were completed. The procurement procedure for the grid connection infrastructure resulted in the selection of SPIE Energy Poland S.A., with which an adequate contract was signed in November 2026.
- 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). The ecological survey report was received in August 2026. Design work by the EPC Contractor for the gas-fired units is ongoing. Site preparation works are continuing. The procedures to select the Contractor for the grid connection infrastructure were completed. The procurement procedure for the grid

connection infrastructure resulted in the selection of ENPROM sp. z o.o with which an adequate contract was signed in November 2026.

KEY PROJECT IN THE GAS-FIRED GENERATION SEGMENT

Project objective	Budget[1]	Total expenditure[2]	Expenditure in Q1-Q3 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	PLN 3.0 bn	PLN 0.2 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] *Capital expenditure does not include financing costs and expenditures in the form of advances paid to the General Contractor (GRI) and other contractors.*

4.3.4. Business segment – Coal Energy

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

The data presented below refers to the third quarter of 2026.



Coal Energy

Main revenue items	PLN m
Sales of electricity[1]	5 667
Capacity Market	697
Revenue from ancillary services	254
Heat sales	29
of which heat distribution	1

Electricity generation	**10.55 TWh**
Heat generation	**0.37 PJ**

Main expense items	PLN m
CO_2 emission costs	3 753
Personnel costs[2]	829
Costs of consumption of production fuels	716
Third-party services	409
Depreciation and amortisation, liquidation, write-offs	164

Main result items	PLN m
EBIT recurring	680
EBIT reported	2 236
EBITDA recurring	740
EBITDA reported	2 400

[1] *Managerial perspective (sales less electricity purchase).*
[2] *After adjusting for one-off events.*

The primary source of revenue for the Coal Energy segment is **revenue from the sale of electricity** on the wholesale market, based on the electricity price determined by supply and demand balancing mechanisms, taking into account variable generation costs. At the same time, the most significant expense items in the segment, due to their size and volatility, and thus their impact on the operating result, are the **costs of CO_2 emission charges** and the **costs of consumption of production fuels**, primarily hard coal. The lignite generation, which is key to the Group, is based on its own mining, hence its cost, which is relatively stable, is mainly reflected in fixed-nature expense items, i.e. personnel costs, third-party services and depreciation.

Since 2021, a significant item in the segment's revenue has been **revenue from the Capacity Market**. Which compensated for revenue due to ancillary services. The intervention cold reserve (IRZ) and operational capacity reserve (ORM) services were withdrawn, what remained, however, were primarily revenues from capacity reallocation. The next stage of the Balancing Market reform was implemented in mid-June 2024. As a result of this reform, power plants have the ability to offer balancing energy and balancing capacities. The new catalogue of balancing services includes: frequency containment reserve, frequency restoration reserve, and replacement reserve.

Additionally, the segment generates **revenue from the sale of heat** produced at systemic power plants.

ASSETS

The Coal Energy segment comprises: 2 lignite mines and 5 conventional power plants (The last coal-fired units at the Dolna Odra Power Plant ceased operation at the end of August 2026).

The Coal Energy segment is the leader in the lignite mining industry (its share in the mining market for this resource accounts for 97%[1] of domestic extraction) and is also the largest electricity producer – generating approx. 27%[2] of domestic gross electricity production. Generation is based on lignite extracted from its own mines and hard coal.

[1] *Own calculations based on Central Statistical Office (GUS) data.*
[2] *Own calculations based on PSE S.A. data.*

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

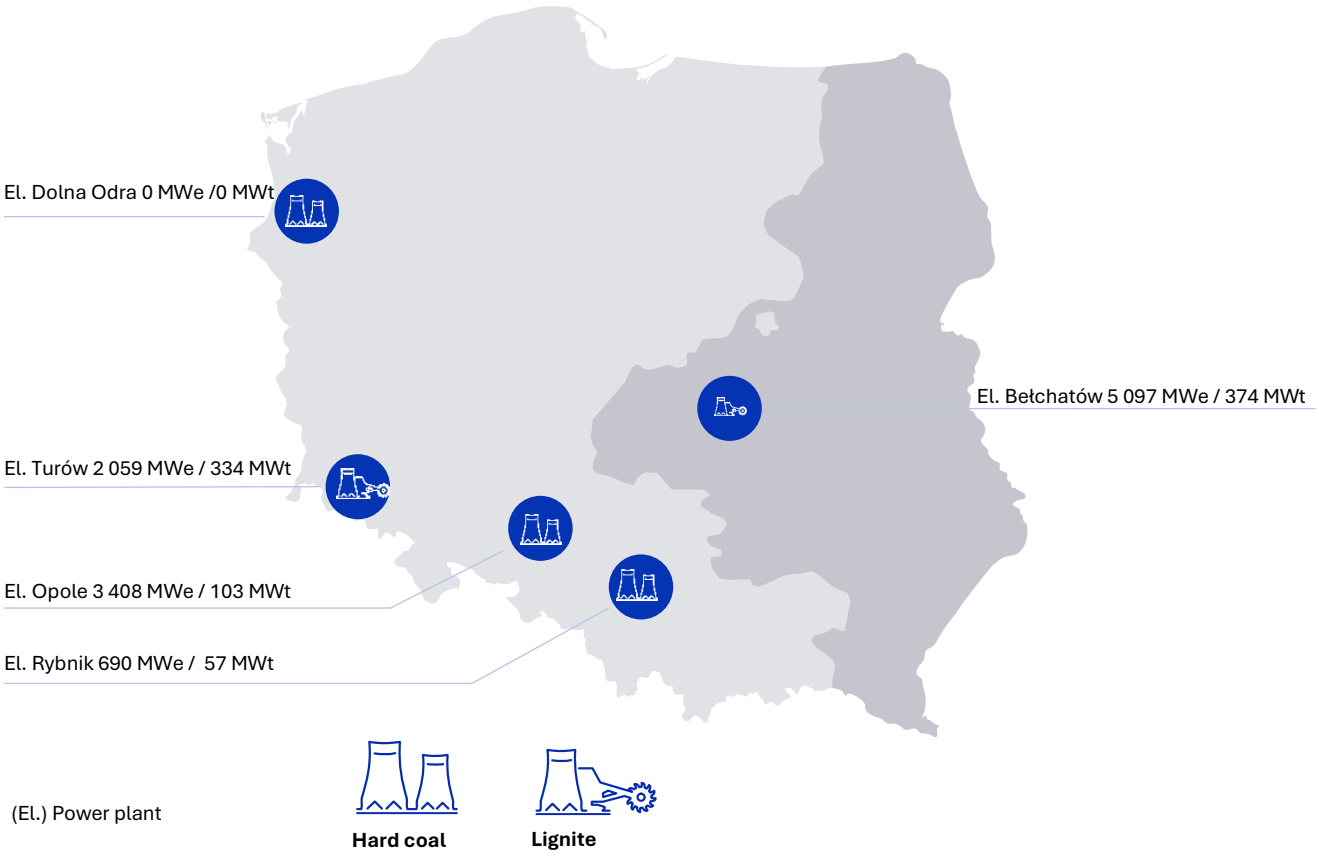


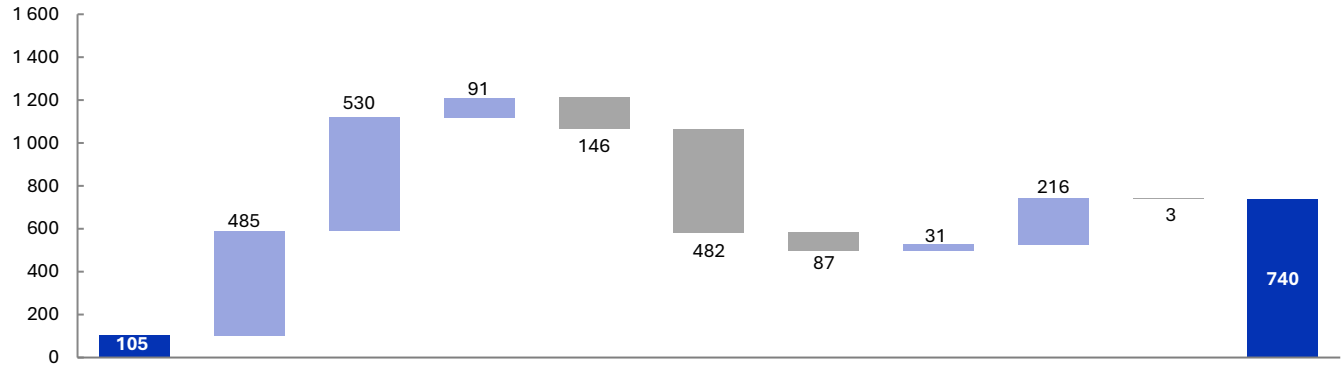
Table: Energy generation (TWh).

Main fuel types	Q3 2026	Q3 2025	Change	Change %
Hard coal	3.82	2.61	1.21	46%
Lignite	6.73	6.95	-0.22	-3%
Total	**10.55**	**9.56**	**0.99**	**10%**

Table: Heat generation (PJ).

Main fuel types	Q3 2026	Q3 2025	Change	Change %
Hard coal	0.06	0.08	-0.02	-25%
Lignite	0.31	0.32	-0.01	-3%
Total	**0.37**	**0.40**	**-0.03**	**-8%**

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



	EBITDA Q3 2025[1]	Electricity generation volume[2]	Electricity generation price[2]	Ancillary services and Capacity Market revenue[3]	Fuel costs	CO_2 emission costs	Costs of ZHZW	Personnel costs[4]	Changes in provisions for onerous contracts	Other[5]	EBITDA Q3 2026
Variance		**485**	**530**	**91**	**-146**	**-482**	**-87**	**31**	**216**	**-3**	
Reported EBITDA Q3 2025	**-215**										
One-off events Q3 2025	**-320**										
Recurring EBITDA Q3 2025	**105**	4 652		860	570	3 271	114	860	-107	485	
Recurring EBITDA Q3 2026		5 667		951	716	3 753	201	829	109	488	**740**
One-off events Q3 2026											**1 660**
Reported EBITDA Q3 2026											**2 400**

[1] *Data for the third quarter 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, provision for restructuring and change in actuarial provision (one-offs).*
[5] *The 'Other' item excluding the impact of the reclamation provision, settlement with the contractor of the unit no. 7 in the Turów power plant, write-down of strategic inventories and provision for the water use fees for the previous periods (one-offs).*

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

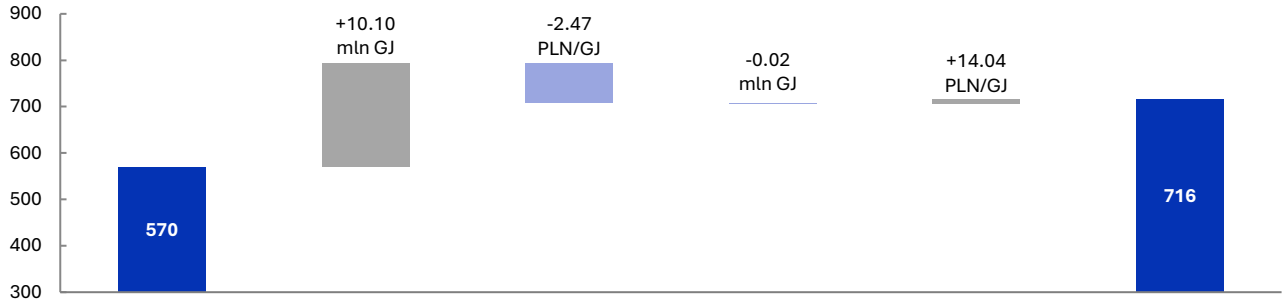
One-offs	Q3 2026	Q3 2025	Change	Change %
Change in reclamation provision	1 657	0	1 657	-
Provision for restructuring	-47	-233	186	-80%
Settlement with the contractor of the unit no. 7 in the Turów power plant	299	0	299	-
Water use fees for the previous periods	-245	0	-245	-
Write-down of strategic inventories	7	-23	30	-
Voluntary Leave Program	-34	-64	30	-47%
Change in actuarial provision	23	0	23	-
Total	**1 660**	**-320**	**1 980**	**-**

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

- **Increase in revenue from electricity sales**, resulting from: a 1.0 TWh increase in sales volume, which increased revenue by approx. PLN 485 million, while the average electricity selling price was higher by PLN 51.3/MWh y/y, which translated into an increase in revenue of approx. PLN 530 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. Additionally, **higher revenues from ancillary services** due to higher prices.
- **Higher fuel consumption costs**, primarily hard coal, due to higher consumption of this fuel by 10.1 PJ, with its price lower by PLN 2.5/GJ. The main variances by individual fuel type are presented in the chart below.
- **Higher CO_2 costs** caused by average CO_2 cost higher by PLN 22.6/t and 0.7 million tonne increase in CO_2 emissions due to higher electricity generation. The main variances are presented in the chart below.
- **Higher ZHZW costs**, due to a higher energy selling price and a higher volume of energy 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 market conditions resulting in provisions being released during Q3 2026 and provisions being recognised in Q3 2025.

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



	Fuel costs Q3 2025	Hard coal volume	Hard coal price	Light and heavy fuel oil volume	Light and heavy fuel oil price	Fuel costs Q3 2026
		223	**-85**	**-1**	**9**	
Fuel costs Q3 2025	**570**	533		37		
Fuel costs Q3 2026		671		45		**716**

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

Fuel type	Q3 2026		Q3 2025		Change %	
	Volume (thousand tonnes)	Cost (PLN million)	Volume (thousand tonnes)	Cost (PLN million)	Volume (thousand tonnes)	Cost (PLN million)
Hard coal	1 536	671	1 077	533	43%	26%
Light and heavy fuel oil	15	45	16	37	-6%	22%
Total		**716**		**570**		**26%**

Chart: CO_2 emission costs in the Coal Energy segment (PLN million).



	CO_2 emission costs Q3 2025	Free allocation of CO_2 emission allowances	CO_2 emissions	Average CO_2 emission costs	CO_2 emission costs Q3 2026
Variance		**1**	**231**	**250**	
CO_2 emission costs Q3 2025	**3 271**				
CO_2 emission costs Q3 2026					**3 753**

Table: Data on CO_2 in the Coal Energy segment.

Data on CO_2	Q3 2026	Q3 2025	Change	Change %
Free allocation of CO_2 emission allowances (tonnes)	8 002	10 492	-2 490	-24%
CO_2 emissions (tonnes)	11 045 483	10 316 638	728 845	7%
Average CO_2 cost (PLN/t)	340.02	317.38	22.64	7%

CAPITAL EXPENDITURES

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

	Q3 2026	Q3 2025	Change	Change %
Investment in generation capacity, including:	150	186	-36	-19%
▪ Modernisation and replacement	150	186	-36	-19%
Other	1	0	1	-
Total	**151**	**186**	**-35**	**-19%**

KEY EVENTS IN THE COAL ENERGY SEGMENT

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 relating to the **construction of Unit 7 at the Turów Power Plant.** The settlement agreement has been fully performed. Detailed information is also presented in Note 23.1 to the consolidated financial statements.

4.3.5. Business segment – District Heating

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

The data presented below refers to the third quarter of 2026.

District Heating

Main revenue items	PLN m
Heat sales[1] including the sale of contracted capacity and heat distribution	555
Sales of electricity[2]	498
Capacity Market	85
Revenue from high-efficiency cogeneration support	37

Heat generation	**3.02 PJ**
Electricity generation	**1.02 TWh**

Main expense items	PLN m
Costs of consumption of production fuels	447
Depreciation and amortisation, liquidation, write-offs	256
CO_2 emission costs	254
Personnel costs[3]	174
Third-party services	157

Main result items	PLN m
EBIT recurring	-79
EBIT reported	-89
EBITDA recurring	154
EBITDA reported	167

[1] *Managerial perspective (sales less heat purchase and costs of redeeming property rights).*
[2] *Managerial perspective (sales less electricity purchase).*
[3] *After adjusting for one-offs.*

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 CO_2 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.

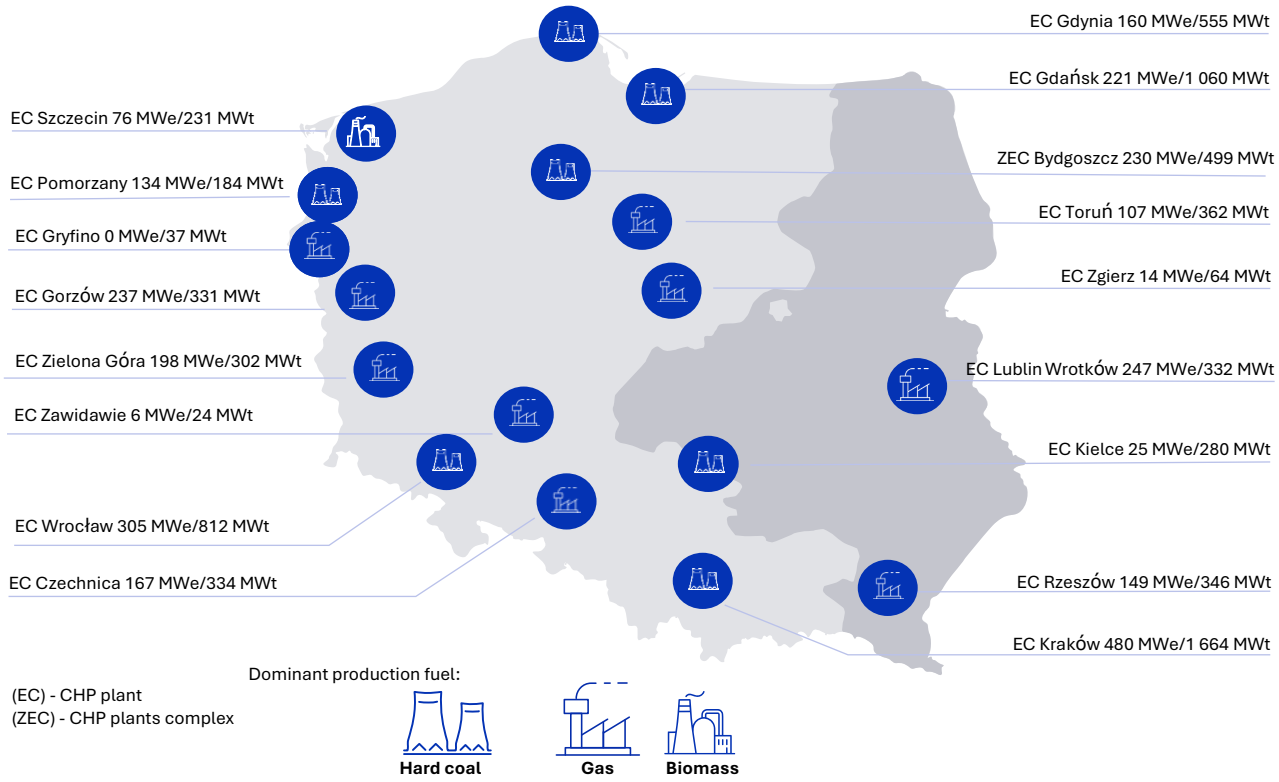
ASSETS

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.

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 natural gas and hard coal.

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	Q3 2026	Q3 2025	Change	Change %
Hard coal	0.26	0.26	0.00	0%
Natural gas	0.74	0.72	0.02	3%
Biomass	-	0.08	-0.08	-
Other	0.02	0.01	0.01	100%
Total	**1.02**	**1.07**	**-0.05**	**-5%**

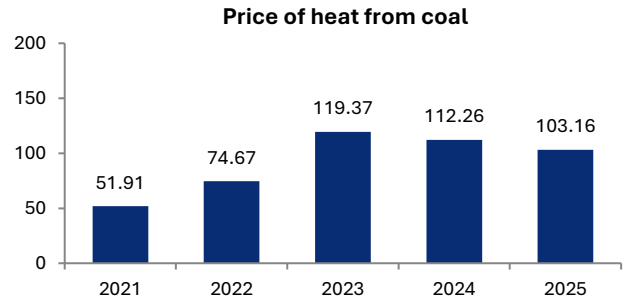
Table: Heat generation (PJ).

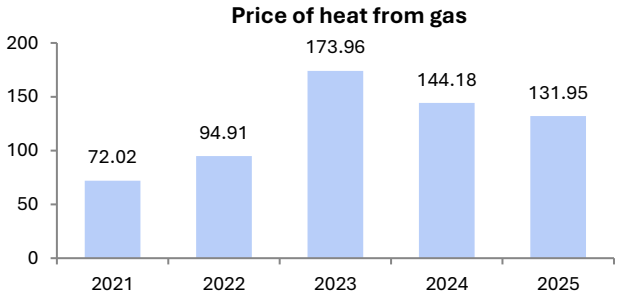
Main fuel types	Q3 2026	Q3 2025	Change	Change %
Hard coal	1.49	2.00	-0.51	-26%
Natural gas	1.34	1.02	0.32	31%
Biomass	0.00	0.21	-0.21	-
Other	0.19	0.07	0.12	171%
Total	**3.02**	**3.30**	**-0.28**	**-8%**

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.

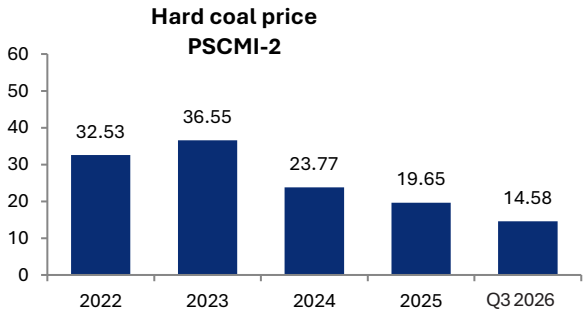
Charts: Changes in the reference price of heat for hard coal and natural gas (PLN/GJ).

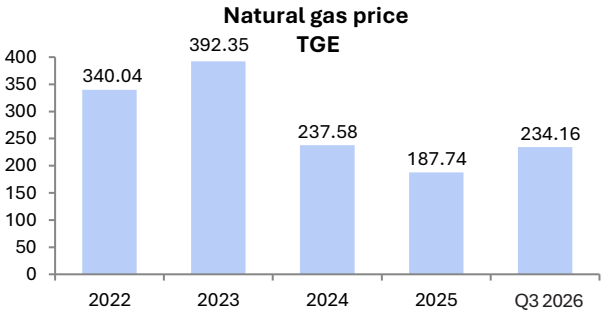




Source: ERO.

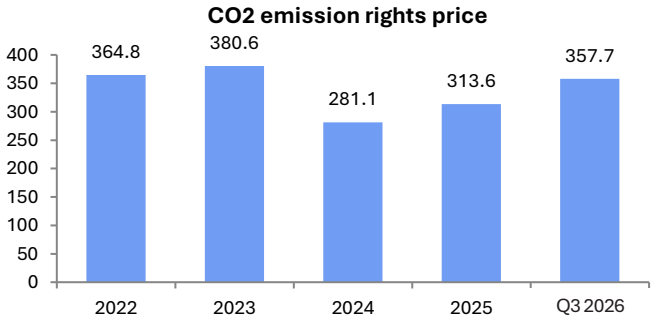
Charts: Changes in fuel costs – hard coal (PLN/GJ) – PSCMI-2[3] and gas (PLN/MWh) - TGE.





Source: ARP, TGE.

Chart: Change in the cost of CO_2 emission price[4] (PLN/t).



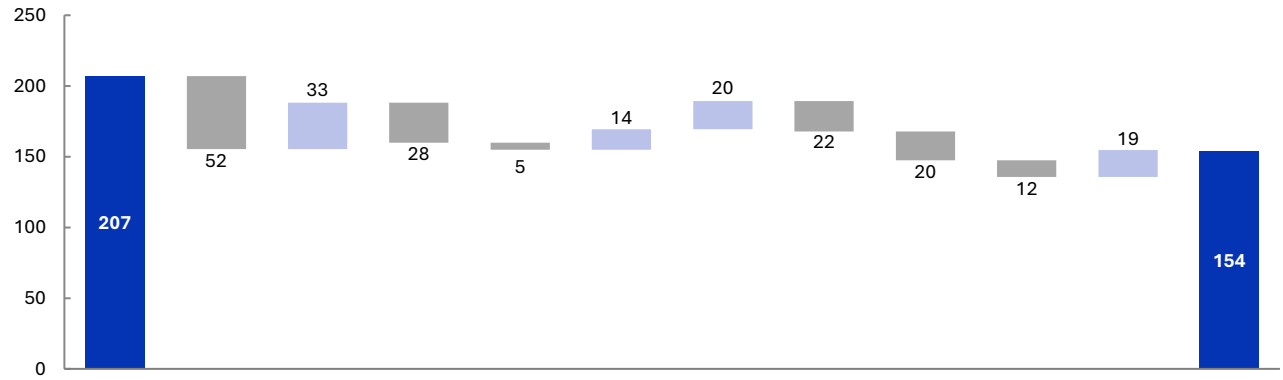
Source: ICE.

The reference price of heat from coal fell by 8% in 2025, reflecting the previous drop in costs. This value constituted the basis for calculating tariffs for cogeneration units in 2026. Meanwhile, in the third quarter of 2026 itself, an average market drop in coal prices of 26% was recorded, accompanied by a 14% y/y increase in the average price of CO_2 emission allowances.

Tariffs for gas-based heat generation in 2025 are set based on the change in the reference price, with higher gas prices observed in the third quarter of 2026 than in previous periods. Gas prices in futures contracts on TGE stood at approx. PLN 234/MWh (i.e. a 25% increase).

[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 Q3 2025	Heat generation - volume	Heat generation - price[1]	Electricity generation - volume	Electricity generation - price[2]	Capacity Market	Revenue from high-efficiency cogeneration support	Fuel costs	CO_2 emission costs	Personnel costs[3]	Other[4]	EBITDA Q3 2026
Variance		**-52**	**33**	**-28**	**-5**	**14**	**20**	**-22**	**-20**	**-12**	**19**	
Reported EBITDA Q3 2025	**212**											
One-off events Q3 2025	**5**											
Recurring EBITDA Q3 2025	**207**	574		531		71	17	425	234	162	165	
Recurring EBITDA Q3 2026		555		498		85	37	447	254	174	146	**154**
One-off events Q3 2026												**13**
Reported EBITDA Q3 2026												**167**

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

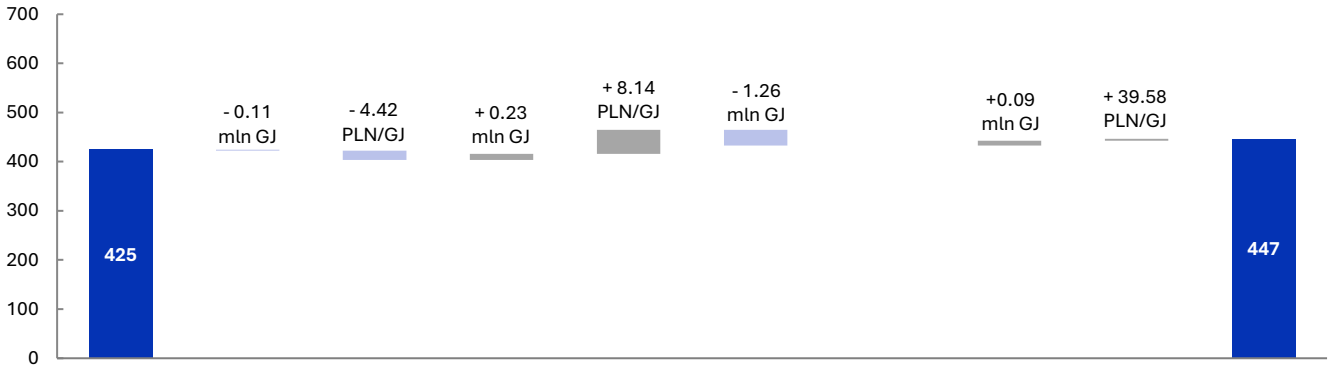
Table: Data on one-offs in District Heating (PLN million).

One-offs	Q3 2026	Q3 2025	Change	Change %
Change in reclamation provision	11	0	11	-
Change in actuarial provision	2	0	2	-
LTC compensations	0	5	-5	-
Total	**13**	**5**	**8**	**160%**

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

- The **lower volume of net heat production** is a result of higher outdoor temperatures compared to the corresponding period of 2025. Average temperatures in the third quarter of 2026 were higher by approx. 0.1 °C y/y, which translated into heat generation being lower by 0.3 PJ.
- The **decrease in revenue from the sale of electricity** results from: a lower sales volume by 0.1 TWh, which decreased revenue by approx. PLN 28 million; a lower average electricity selling price by PLN 5/MWh y/y, which translated into a revenue drop of approx. PLN 5 million.
- The **higher revenues in Capacity Market** is caused by a higher average capacity obligation price.
- **Higher revenues from support for high-efficiency cogeneration** due to the commissioning of gas engines at the Gdynia CHP in 2026.
- **Higher fuel consumption costs**, which are mainly due to the higher price of natural gas consumed. Details are presented in the chart below.
- **Higher CO_2 costs** as a result of a higher price of CO_2 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).

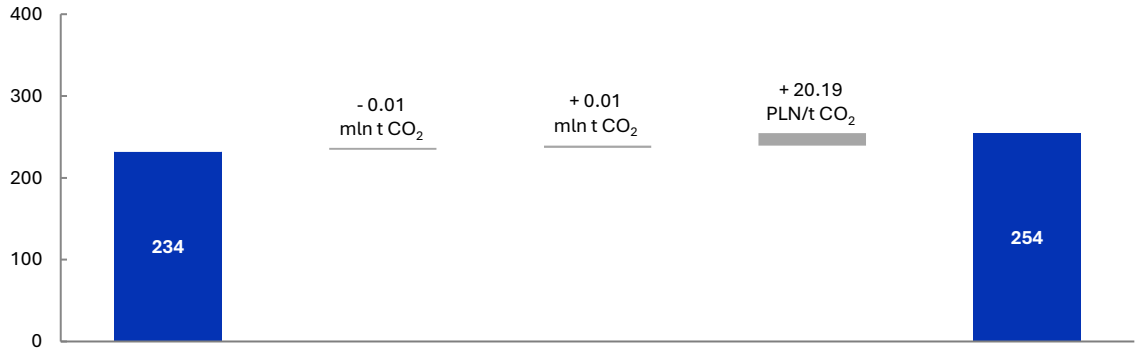


	Fuel costs Q3 2025	Hard coal volume	Hard coal price	Gas volume	Gas price	Biomass volume	Biomass price	Fuel oil and other raw materials volume	Fuel oil and other raw materials price	Fuel costs Q3 2026
Variance		**-2**	**-19**	**12**	**49**	**-32**	**0**	**10**	**4**	
Fuel costs Q3 2025	**425**	83		302		32		8		
Fuel costs Q3 2026		62		363		0		22		**447**

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

Fuel type	Q3 2026		Q3 2025		Change %	
	Volume (thousand tonnes)	Cost (PLN million)	Volume (thousand tonnes)	Cost (PLN million)	Volume (thousand tonnes)	Cost (PLN million)
Hard coal	208	62	208	83	0%	-25%
Gas (thousand m^3)	198 791	363	197 388	302	1%	20%
Biomass	0	0	130	32	-	-
Fuel oil and other raw materials	-	22	-	8	-	175%
Total		**447**		**425**		**5%**

Chart: CO_2 emission costs in the District Heating segment (PLN million).



	CO_2 emission costs Q3 2025	Free allocation of CO_2 emission allowances	CO_2 emissions	Average CO_2 emission costs	CO_2 emission costs Q3 2026
Variance		**2**	**2**	**16**	
CO_2 emission costs Q3 2025	**234**				
CO_2 emission costs Q3 2026					**254**

Table: Data on CO_2 in the District Heating segment.

Data on CO_2	Q3 2026	Q3 2025	Change	Change %
Free allocation of CO_2 emission allowances (tonnes)	31 717	38 549	-6 832	-18%
CO_2 emissions (tonnes)	770 412	760 853	9 559	1%
Average CO_2 cost (PLN/t)	344.50	324.31	20.19	6%

CAPITAL EXPENDITURES

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

	Q3 2026	Q3 2025	Change	Change %
Investment in generation capacity, including:	282	355	-73	-21%
▪ Development projects	123	185	-62	-34%
▪ Modernisation and replacement	159	170	-11	-6%
Other	2	3	-1	-33%
Total	**284**	**358**	**-74**	**-21%**

KEY EVENTS IN THE DISTRICT HEATING SEGMENT

- **Construction of a New Heat Source in Gryfino -** In August 2026, the facility was handed over for operation.
- 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 includes the construction of two biomass boilers with a total capacity of 30 MWt. In the third quarter of 2026, structural, construction and installation works were carried out at the project site, including works on boilers, process pipelines and steel structures.
- **Industrial Project for Kraków CHP Plant** – in the third quarter of 2026, foundation works continued for the planned facilities under the contract for the construction of gas engines with a total capacity of up to 100 MWe. Wall construction is underway for some of these buildings. Prefabrication of district heating pipelines and piling for pipe racks are ongoing. In September 2026, Amendment No 1 to the contract with the General Contractor was signed, enabling additional works involving the installation of taller chimneys than originally planned and the removal of petroleum contamination from the soil in part of the construction site. Preparations are underway to commence on-site works on the gas pipeline.
- **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). In the third quarter of 2026, design work continued, and site preparation works were carried out (trees and shrubs were cleared, topsoil was stripped, unexploded ordnance clearance was carried out and the construction site was fenced off). In September 2026, the Contractor delivered the completed basic design and building permit design. The construction site was handed over to the Contractor in October 2026.
- **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 basic and detailed designs continued in the third quarter of 2026. A building permit for this part of the investment was obtained in November 2026. Works to clear the site for the planned buildings (demolition and diversions) are also underway. In August 2026, a tender procedure was launched to select a contractor for the construction of electrode hot water boilers with a capacity of 300 MWt and a heat accumulator with a net volume of 52,000 m^3. The deadline for submitting tenders is November 30, 2026.

KEY PROJECT IN THE DISTRICT HEATING SEGMENT

Project objective	Budget[1]	Capital expenditure total[1]	Capital expenditure in Q1-Q3 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 0.062 bn	PLN 0.041 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.*

4.3.6. Business segment – 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.

The data presented below refers to the third quarter of 2026.



Distribution

Main revenue items	PLN m
Sales of distribution services	2 522
Connection fees	54

Volume of distributed electricity	**8.79 TWh**
Number of customers	**5.90 m**

Main expense items	PLN m
Transmission services	627
Personnel costs [1]	468
Depreciation and amortisation, liquidation, write-offs	434
of which capitalised depreciation	10
Taxes and charges	182
of which property tax	162
Balancing difference [2]	174

Main result items	PLN m
EBIT recurring	800
EBIT reported	823
EBITDA recurring	1 224
EBITDA reported	1 247

[1] *After adjusting for one-offs.*
[2] *In managerial perspective (costs of purchasing electricity under the contract with PGE S.A., compensation settlement and re-estimation, less revenue from electricity sales on the Balancing Market).*

The segment's revenue is primarily based on the electricity distribution tariff approved annually by the President of the ERO upon the company's request, meaning it is regulated in nature. The tariff accounts for justified operating costs related to the activities of the distribution system operator, depreciation costs, costs of taxes on distribution assets, costs associated with covering grid losses during electricity distribution, and the purchase of transmission services from the Transmission System Operator. At the same time, the tariff includes **pass-through costs** such as the RES fee, transition fee, cogeneration fee and capacity fee.

A key element shaping the Distribution segment's result is the justified **return on the capital invested by the company**. To this end, the Regulatory Asset Base (RAB) is determined, calculated on the basis of the completed investments, taking asset depreciation into account. RAB serves as the basis for calculating the return on capital employed using the weighted average cost of capital (WACC), which is determined by the President of the ERO during the tariff approval process. The President of the ERO is authorised to differentiate the return on capital employed, taking into account the prioritisation of the DSO's development goals. Consequently, priority capital projects may be remunerated using an additional reinvestment premium mechanism. Furthermore, the level of the return on capital depends on meeting the individual quality regulation targets set by the President of the ERO for 2018–2025 along with the update for 2026 regarding performance indicators, which include the duration and frequency of supply interruptions, as well as the time taken to complete network connections.

AREA, VOLUMES, CUSTOMERS

PGE Dystrybucja S.A. operates over an area[5] of 129,938 km^2 and supplies electricity to approx. 5.90 million customers.

[5] *Area of municipalities where PGE Dystrybucja S.A. operates*

Chart: Main assets of the Distribution segment and their parameters



Number of substations 101.8 thousand
Substation capacity 35 772 MVA
Total line length 307.2 thousand km

Distribution network area of the Distribution segment

Table: Volume of distributed electricity (TWh).[1]

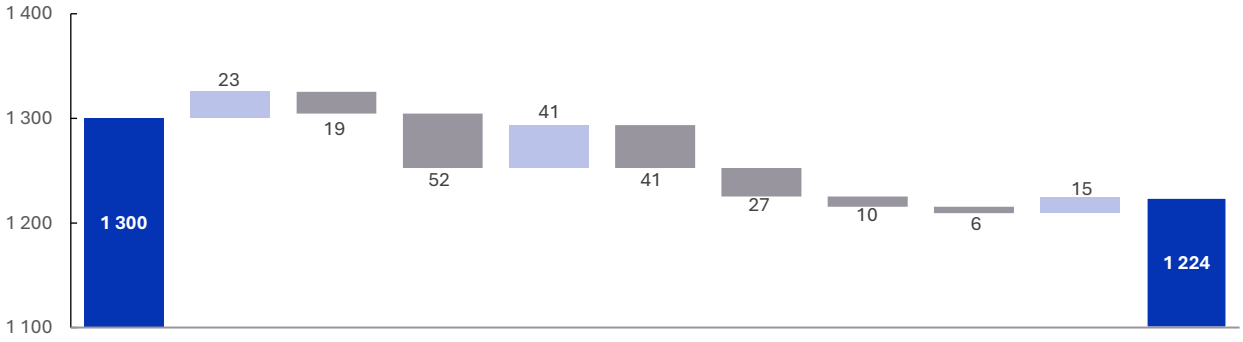
Tariffs	Q1-Q3 2026	Q1-Q3 2025	Change	Change %
Tariff group A	1.29	1.25	0.04	3%
Tariff group B	3.73	3.63	0.10	3%
Tariff group C+R	1.41	1.44	-0.03	-2%
Tariff group G	2.36	2.34	0.02	1%
Total	**8.79**	**8.66**	**0.13**	**2%**

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

Tariffs	Q1-Q3 2026	Q1-Q3 2025	Change	Change %
Tariff group A	230	197	33	17%
Tariff group B	15 748	14 986	762	5%
Tariff group C+R	490 749	481 116	9 633	2%
Tariff group G	5 396 085	5 340 871	55 214	1%
Total	**5 902 812**	**5 837 170**	**65 642**	**1%**

KEY FACTORS AFFECTING THE SEGMENT'S RESULTS

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



	EBITDA Q3 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 Q3 2026
Variance		**23**	**-19**	**-52**	**41**	**-41**	**-27**	**-10**	**-6**	**15**	
Reported EBITDA Q3 2025	**1 300**										
One-off events Q3 2025	**0**										
Recurring EBITDA Q3 2025	**1 300**	1 739		203	173	1	81	152	462	65	
Recurring EBITDA Q3 2026		1 743		151	132	42	54	162	468	80	**1 224**
One-off events Q3 2026											**23**
Reported EBITDA Q3 2026											**1 247**

[1] *Excluding transmission services costs of PSE S.A.*
[2] *Item adjusted for revenue from the Balancing Market.*
[3] *Personnel costs without taking into account impact of actuarial provision in 2026 (one-off).*

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

One-offs	Q3 2026	Q3 2025	Change	Change %
Change in actuarial provision	23	-	23	-
Total	**23**	**-**	**23**	-

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

- **The higher result on electricity distribution** is primarily attributable to a 0.13 TWh increase in the volume of electricity distributed, mainly due to higher electricity demand in the industrial off-takers and large enterprise tariff groups.
- 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.
- **Lower costs of purchasing electricity to cover the balancing difference**, mainly caused by an decreased volume of electricity required to cover this difference.
- **The negative impact of the 'additional estimation of balancing difference costs' item**, mainly as a result of higher electricity volumes under the scope of additional estimation.
- 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).

	Q3 2026	Q3 2025	Change	Change %
Investment in generation capacity, including:	1 081	938	143	15%
▪ Development projects	392	357	35	10%
▪ Modernisation and replacement	689	581	108	19%
Other	14	0	14	-
Total	**1 095**	**938**	**157**	**17%**

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 346 million was incurred in the third quarter 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 third quarter of 2026 for the Programme amounted to PLN 233 million.

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 third quarter of 2026, capital expenditure amounting to PLN 32 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 2027 to 2028. The procedure is expected to be concluded by the end of 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. At the September 30, 2026 the RRM rate is approx. 54% (i.e. more than 3 million RRM units at final off-takers).

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 third quarter of 2026, a further two local billing systems were migrated to the central system being implemented. As a result, the new system now handles more than 60% of the Energy Consumption Points scheduled for migration. Currently, preparations are under way for the migration of further systems. 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 2028.

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. In the third quarter of 2026, network coverage was progressively expanded through the acceptance of further LTE450 radio infrastructure components at upgraded sites, both owned and leased. Work proceeded in accordance with the approved schedule, and the planned level of completion of the Programme's scope was achieved by the end of the third quarter of 2026. The Investment Phase of the LTE450 Programme is scheduled for completion by the end 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.

The data presented below refers to the third quarter of 2026.



Railway Energy Services

Main revenue items	PLN m
Sales of distribution services	607
Sales of electricity	519
including for network losses	15
Sales of services	175
Sales of fuels	76

Volume of distributed electricity	**1.11 TWh**
Number of customers - electricity distribution	**59.5 thousand**
Volume of electricity sales to final customers	**0.80 TWh**
Number of customers - electricity supply	**39.5 thousand**

Main result items	PLN m
EBIT recurring	169
EBIT reported	182
EBITDA recurring	273
EBITDA reported	286

Main expense items	PLN m
Purchase of electricity	423
including for network losses	28
Electricity transit service	286
Personnel costs[1]	175
Other third-party services	90
Purchase of fuels	71
Taxes and charges	22
of which property tax	12

[1] *Item after adjusting for one-off – change in actuarial provision.*

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, 548 traction substations supplying railway lines throughout the country. The total length of the company's network is approx. 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	Q3 2026	Q3 2025	Change	Change %
Tariff group B	0.78	0.75	0.03	4%
Tariff group C+R	0.01	0.01	0.00	0%
Tariff group G	0.01	0.01	0.00	0%
Total	**0.80**	**0.77**	**0.03**	**4%**

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

Tariffs	Q1-Q3 2026	Q1-Q3 2025	Change	Change %
Tariff group B	313	309	4	1%
Tariff group C+R	6 107	6 594	-487	-7%
Tariff group G	33 069	31 419	1 650	5%
Total	**39 489**	**38 322**	**1 167**	**3%**

Table: Volume of distributed electricity (TWh).

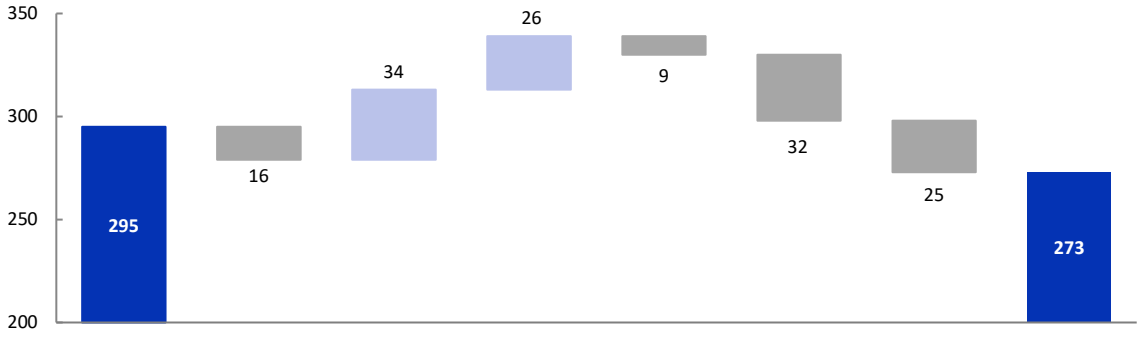
Tariffs	Q3 2026	Q3 2025	Change	Change %
Tariff group B	1.00	0.95	0.05	5%
Tariff group C+R	0.10	0.11	-0.01	-9%
Tariff group G	0.01	0.01	0.00	0%
Total	**1.11**	**1.07**	**0.04**	**4%**

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

Tariffs	Q1-Q3 2026	Q1-Q3 2025	Change	Change %
Tariff group B	755	711	44	6%
Tariff group C+R	25 235	25 258	-23	0%
Tariff group G	33 497	31 797	1 700	5%
Total	**59 487**	**57 766**	**1 721**	**3%**

KEY FACTORS AFFECTING THE SEGMENT'S RESULTS

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



	EBITDA Q3 2025	Result on electricity	Result on electricity distribution[1]	Other operations[2]	Personnel costs[3]	Other operating activities[4]	Other	EBITDA Q3 2026
Variance		**-16**	**34**	**26**	**-9**	**-32**	**-25**	
Reported EBITDA Q3 2025	**295**							
One-off events Q3 2025	**0**							
Recurring EBITDA Q3 2025	**295**	117	278	155	166	7	96	
Recurring EBITDA Q3 2026		101	312	181	175	-25	121	**273**
One-off events Q3 2026								**13**
Reported EBITDA Q3 2026								**286**

[1] *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.*
[2] *Other operations relate mainly to sales of fuels and traction services.*
[3] *Item adjusted for one-off – change in actuarial provision.*
[4] *Item adjusted for one-off – correction of contribution to the Price Difference Payment Fund for the previous periods.*

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

One-offs	Q3 2026	Q3 2025	Change	Change %
Correction of contribution to the Price Difference Payment Fund for the previous periods	9	-	9	-
Change in actuarial provision	4	-	4	-
Total	**13**	**-**	**13**	**-**

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 an increase of volume in tariff group B for traction customers, resulting from increased transport activity, mainly in passenger transport.
- **The higher result in distribution** is attributable to an increase of distribution tariffs and a 4% increase in the volume of electricity distributed.
- **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 from a larger portfolio of tasks being carried out.
- **Higher personnel costs** result mainly from the implementation of agreements concluded with the social partners and from an increase in employment.
- **The lower result on other operating activities** reflects a change in the recognition of revenues from collisions and higher impairment write-downs on receivables.
- **The change in the 'Other' item** results from higher costs of materials consumed and external services related to the implementation of the new investment scope.

CAPITAL EXPENDITURES

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

	Q3 2026	Q3 2025	Change	Change %
Investment in generation capacity, including:	120	115	5	4%
▪ Development projects	88	63	25	40%
▪ Modernisation and replacement	32	52	-20	-38%
Other	28	0	28	-
Total	**148**	**115**	**33**	**29%**

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 third quarter of 2026, capital expenditure incurred amounted to PLN 51 million. Since the launch of the MUZa Programme in 2012, 346 connection agreements have been signed, out of which 274 agreements have been successfully completed.

Connecting new electricity customers

The Program for connecting new customers to the distribution network was being implemented, under which 745 customers were connected in the third quarter of 2026 and the incurred expenditure amounted to PLN 10 million.

4.3.8. Business segment – Supply

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 CO_2 emission allowances on behalf of and for the benefit of the operating segments.

The data presented below refers to the third quarter of 2026.

Supply

Main revenue items	PLN m
Sales of electricity[2]	9 650
Sales of gas	2 248
Sales of CO_2 emission allowances	1 459
Sales of fuels	359
Sales management	4

Volume of electricity sales to final customers[1]	**6.38 TWh**
Number of customers[1]	**5.74 m**

Main expense items	PLN m
Purchase of electricity	9 017
Purchase of gas	2 181
Purchase of CO_2 emission allowances	1 428
Segment operating costs[2]	391
Fuel costs[3]	315
Costs of redeeming property rights	41

Main result items	PLN m
EBIT recurring	51
EBIT reported	61
EBITDA recurring	61
EBITDA reported	71

[1] *Data concern PGE Obrót S.A.*
[2] *After adjusting for one-off events.*
[3] *Managerial perspective (transport costs and other cost items are included).*

Within retail market operations, the primary source of the **segment's revenue is the sale of electricity** to final customers. This includes sales to business and institutional customers, accounting for over 60% of the volume sold, and to individual customers. The segment's revenue also encompasses **sales of natural gas and fuels**, primarily including coal fines and coarse coal, executed by PGE Paliwa sp. z o.o.

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, CO_2 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	Q3 2026	Q3 2025	Change	Change %
Tariff group A	0.97	1.04	-0.07	-7%
Tariff group B	2.19	2.55	-0.36	-14%
Tariff group C+R	0.97	1.24	-0.27	-22%
Tariff group G	2.25	2.10	0.15	7%
Total	**6.38**	**6.93**	**-0.55**	**-8%**

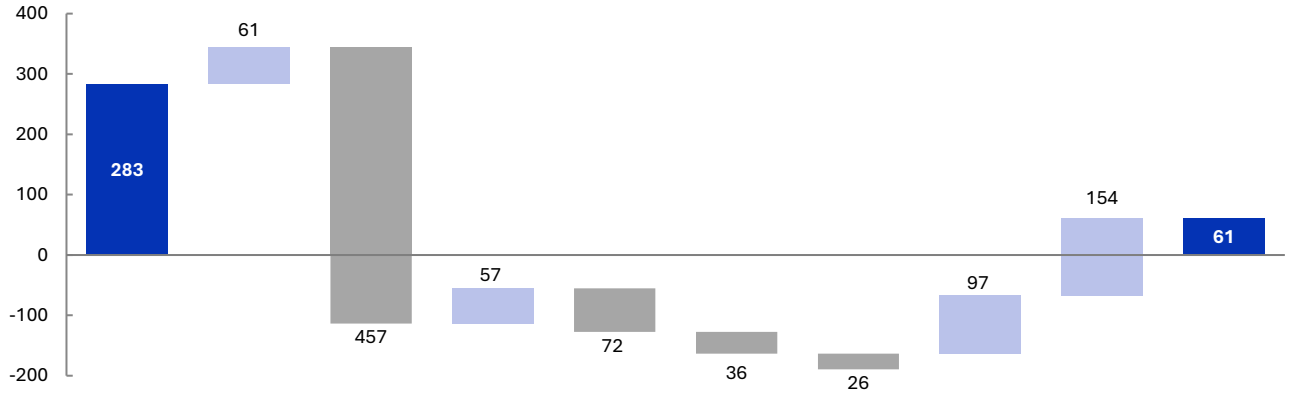
[1] *Data concern PGE Obrót S.A.*

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

Tariffs	Q1-Q3 2026	Q1-Q3 2025	Change	Change %
Tariff group A	114	134	-20	-15%
Tariff group B	9 551	10 398	-847	-8%
Tariff group C+R	345 559	363 855	-18 296	-5%
Tariff group G	5 387 163	5 338 327	48 836	1%
Total	**5 742 387**	**5 712 714**	**29 673**	**1%**

[1] *Data concern PGE Obrót S.A.*

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



	EBITDA Q3 2025	Result on electricity volume[1]	Result on electricity price[1]	Estimate of balancing diff. costs	Revenue from operations for segments in PGE CG[2]	Result on sales of CO_2	Personnel costs[3]	Changes in provisions for onerous contracts	Other	EBITDA Q3 2026
Variance		**61**	**-457**	**57**	**-72**	**-36**	**-26**	**97**	**154**	
Reported EBITDA Q3 2025	**285**									
One-off events Q3 2025	**2**									
Recurring EBITDA Q3 2025	**283**	387		-1	141	66	198	48	-162	
Recurring EBITDA Q3 2026		-9		-58	69	30	224	145	-8	**61**
One-off events Q3 2026										**10**
Reported EBITDA Q3 2026										**71**

[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 CO_2 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).*

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

One-off events	Q3 2026	Q3 2025	Change	Change %
Receivables write-off	-	2	-2	-
Correction of electricity compensations for previous periods	5	-	5	-
Change in the actuarial provision	5	-	5	-
Total	**10**	**2**	**8**	**400%**

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. In addition, 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 **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 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 **lower result on CO2 sales**, primarily due to a lower volume of realised CO_2 supplies.
- **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**, mainly as a result of a change in the outcome of settlements with prosumers.

4.3.9. Business segment – Other Operations

The segment's business involves services provided to the PGE Capital Group, including ensuring comprehensive services regarding the management of By-products of Combustion (UPS), the arrangement of financing in the form of Eurobonds (PGE Sweden AB), as well as the provision of IT and security services. Additionally, a number of the Group's project companies operate within the segment, including the company responsible for preparing the nuclear project.

Also operating within the segment is PGE Ventures sp. z o.o., which is responsible for investments in startups at every stage of the investment cycle.

The data presented below refers to the third quarter of 2026.

Other Operations

Main revenue items	PLN m
Revenue related to combustion by-products (UPS)	132
Revenue from IT services and products	116

Management of UPS

Provision of services for the PGE CG

Investments in startups

Main expense items	PLN m
Personnel costs	123
Value of goods and materials sold as part of UPS	45
IT services	36
Depreciation and amortisation	29

Main result items	PLN m
EBIT recurring	11
EBIT reported	14
EBITDA recurring	40
EBITDA reported	43

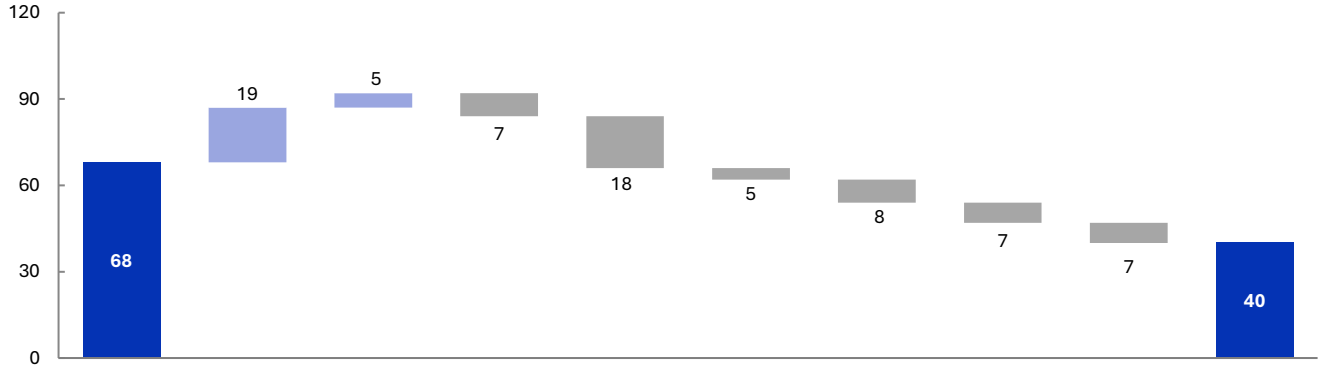
In the Other Operations segment, revenue from the sales of UPS, telecommunications and IT services, as well as other services, is dominant.

Revenue related to UPS includes revenue from the sale of unprocessed UPS, revenue from the sale of products manufactured on the basis of UPS within proprietary production processes, and the sale of services associated with UPS management. The level of revenue generated depends on multiple factors, including the commercial feasibility of selling processed and unprocessed UPS, the seasonality of the industries purchasing UPS, the seasonal operations of UPS suppliers (power plants, CHP plants), the size of the received volume, the output of the production infrastructure, the storage capabilities for UPS as material inventories intended for production, and prevailing market conditions. **Revenue from other services** in the UPS area encompasses revenue from the sale of continuous and ad-hoc services to electricity and heat producers concerning, among other things, the operation of ash removal systems and equipment, the operation of technological lines, the operation of milling plants, and the management of fuel and UPS storage yards.

Revenue from the sale of telecommunications and IT services results from the delivery of ICT solutions to companies within the PGE CG. Furthermore, under **other services**, design services in the energy sector, security of persons and property, and insurance services are provided.

KEY FACTORS AFFECTING THE SEGMENT'S RESULTS

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



	EBITDA Q3 2025	Revenue from sales of IT services and products	Revenue related to UPS	Revenues from other activities	Value of goods and materials sold as part of UPS	Costs of IT services	Personnel costs	Change in inventories and products	Other[1]	EBITDA Q3 2026
Variance		**19**	**5**	**-7**	**-18**	**-5**	**-8**	**-7**	**-7**	
Reported EBITDA Q3 2025	**68**									
One-off events Q3 2025	**0**									
Recurring EBITDA Q3 2025	**68**	97	127	44	27	31	115	-1	28	
Recurring EBITDA Q3 2026		116	132	37	45	36	123	6	35	**40**
One-off events Q3 2026										**3**
Reported EBITDA Q3 2026										**43**

[1] *Item Other without taking into account impact on provision on reclamation (one-off).*

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

One-offs	Q3 2026	Q3 2025	Change	Change %
Change in reclamation provision	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.
- **Higher revenue related to UPS** due to a higher sales volume.
- **Lower revenue from other activities** reflects an adjustment to the accounting policies governing the timing of revenue recognition from brokerage activities and is purely an accounting effect.
- 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 higher value of the change in inventories and products** is due to a greater number of projects being completed and settled in the third quarter of 2026 compared to the same period of the previous year by PGE Systemy S.A.
- **The change in the 'Other' item** results primarily due to an increase in the costs of consulting services related to the implementation of new projects by Elbis Sp. z o.o. and from the creation of provisions for the costs of contractual penalties resulting from the failure to take delivery of the UPS by Ekoserwis sp. z o.o.

CAPITAL EXPENDITURES

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

	Q3 2026	Q3 2025	Change	Change %
Investment in generation capacity, including:	26	81	-55	-68%
▪ Development projects	26	71	-45	-63%
▪ Modernisation and replacement	0	10	-10	-
Total	**26**	**81**	**-55**	**-68%**

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 three quarters 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.

Segment	Event	Description	Impact on the PGE CG
	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 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	Securing a stable source of long-term revenue in the future. Implementation of the Strategy.
	Acquisition of the FEW Bałtyk 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 Bałtyk II project) was closed, following the fulfilment of the conditions set out in the agreement dated November 25, 2025. FEW Bałtyk 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. Acquisition of FEW Bałtyk II	The acquisition of the FEW Bałtyk II project allows the PGE Group to achieve synergies resulting from the joint development of the FEW Bałtyk 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.
 	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). Required 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.

Segment	Event	Description	Impact on the PGE CG
	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 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. 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	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.
	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 Dziubałtowski 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.

Segment	Event	Description	Impact on the PGE CG
	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	
	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.
	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 beginning of September 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 not less than 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.

Segment	Event	Description	Impact on the PGE CG
	Start of construction of a new gas-fired heat source in Kraków	On September 24, 2026, PGE Energia Ciepła S.A. commenced construction of a new gas-fired cogeneration unit at the Kraków CHP Plant. The project is being delivered by a consortium of two Polish companies, Unibep S.A. and SBB Energy S.A., and the contract value is PLN 886 million. The Kraków CHP Plant's investment plans are aimed at gradually phasing out the combustion of hard coal as a high-emission fuel. Following the commissioning of the first stage of the investment in 2028, coal consumption is estimated to fall by approximately 28%, or 200,000 tonnes per year. The value of the entire investment programme for Kraków up to 2034 will exceed PLN 2.9 billion. CO2 emissions from the Kraków CHP Plant in 2035 are estimated to be more than 60% lower than in 2021. Construction of new heat source in Kraków	The investment will support the PGE CG's decarbonisation by reducing CO_2 emissions and gradually decreasing coal use in the District Heating segment. It will also improve the efficiency and flexibility of heat and electricity generation, supporting the achievement of the Group's strategic energy transition objectives. Implementation of the strategy.
	Signing of the term loan agreement	On September 29, 2026, PGE Gryfino Dolna Odra sp. z o.o. signed a term loan agreement for PLN 3,050 million with a consortium of banks comprising Bank Gospodarstwa Krajowego and PKO Bank Polski S.A. The financing will be used to refinance the project involving the construction and operation of 2 combined-cycle gas turbine (CCGT) units with a total capacity of 1.3 GW in Gryfino (commissioned in 2024), together with the associated infrastructure. Signing of a term loan agreement	Support for investment implementation.

5.2. Events after the reporting date

Segment	Event	Description	Impact on the PGE CG
	PGE Group Strategy to 2035	On October 19, 2026, the PGE Group announced its Strategy to 2035. A detailed description is provided in section 2 of this report. Strategy-to-2035 - Energy-for-a-Digital-Future	The Strategy sets the direction for the PGE Group's further development.
	Selection of a contractor for new energy storage facilities	In October 2026 PGE Energia Odnawialna S.A. selected ELEKTROTIM S.A. as the contractor for four new energy storage facilities to be built at the Lotnisko, Ścieki, Wojciechowo and Pelplin wind farms. The facilities will have a total capacity of 372 MWh, and the investment value will exceed PLN 331 million net. The storage facilities are scheduled for commissioning in the first quarter of 2028. PGE selects contractor for four new energy storage facilities	The investment will improve the efficiency of wind energy utilisation.
	Administrative decision regarding an increased fee for the use of water services	On October 20, 2026, the West Pomeranian Voivodeship Environmental Protection Inspector issued a decision imposing an increased fee on PGE GiEK S.A. in the amount of PLN 65 million in connection with the implementation of the integrated permit concerning wastewater discharge from the Dolna Odra Power Plant in 2021. At the same time, a provision of PLN 245 million was established for the upward adjustment of fees for the use of water services, with the calculation taking into account the increased fee for 2021 as well as an estimate for the period from January 2022 to July 2024. The company appealed the decision to the Chief Inspectorate of Environmental Protection, and the appeal is currently pending review. The final amount of the liability and the timing of its settlement will depend on the further course of the proceedings. The increased fee has not been paid.	The provision recognized in connection with the matter negatively affected the Group's reported EBIT and EBITDA. Any payment of the increased fee would adversely affect the Group's cash flows.
	Construction begins on a strategic energy storage facility in Gryfino	On October 26, 2026, construction began on a battery energy storage system in Gryfino—one of the largest facilities of its kind in Poland. The project, valued at over PLN 1.14 billion, will be carried out by a consortium of Polish companies SPEC BAU POLSKA sp. z o.o. and EL PROFESSIONAL sp. z o.o. Commencement of the energy storage facility construction	The construction enhances the PGE Group's potential for energy storage and the integration of renewable energy sources, increasing the flexibility and operational security of the power system.
	Signing of a term loan agreement	on November 5, 2026 PGE has signed a term loan agreement in amount of PLN 3.87 bn with a syndicate of banks consisting of PKO Bank Polski S.A., Bank Gospodarstwa Krajowego - BGK, Erste Bank Polska S.A. and Bank Polska Kasa Opieki S.A.- Pekao S.A. The Funds will be intended for financing or refinancing of construction of a CCGT unit with a capacity of 882 MW in Rybnik. The loan is covered by a guarantee from the Korporacja Ubezpieczeń Kredytów Eksportowych (Polish Export Credit Agency). Signing of a term loan agreement	Support for investment implementation.

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, development of energy storage and investments in the Distribution segment, aimed, among other things, at increasing grid connection capacity and flexibility.

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. The transformation of district heating assets will also continue, focusing on reducing their emissions intensity and increasing the share of low-emission sources.

A significant factor affecting the Group's development prospects will remain the regulatory environment, including the European Union's climate policy, approach to CO_2 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, as well as on the availability and terms of financing for the planned investment programme.

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.

On October 19, 2026, the PGE Group announced its updated PGE Group Strategy to 2035 under the motto ‘Energy for a Digital Future’. The document sets out the Group’s development priorities amid the accelerating electrification of the economy, the growing importance of digital technologies and artificial intelligence, changes in the structure of energy supply and increased volatility in the regulatory, commodity and geopolitical environment.

5.4. Information on loan and borrowing agreements concluded and terminated in the three quarters of 2026

On September 29, 2026, PGE Gryfino Dolna Odra sp. z o.o., a subsidiary of PGE S.A., signed a term loan agreement for PLN 3,050 million with a consortium of banks comprising Bank Gospodarstwa Krajowego and PKO Bank Polski S.A. The loan will be used to refinance the project involving the construction and operation of 2 combined-cycle gas turbine (CCGT) units with a total capacity of 1.3 GW in Gryfino, together with the associated infrastructure.

Table: Significant external credit and loan agreements signed during the first three quarters of 2026.

The company (Borrower)	Party of the agreement	Type of financing	Date of conclusion of the agreement	Maturity date	Liability limit (m)	Currency	Interest rate fixed/floating
PGE Gryfino Dolna Odra sp. z o.o.	Syndicate of banks: Bank Gospodarstwa Krajowego, PKO Bank Polski S.A.	Term loan	2026-09-29	2039-09-29	3 050	PLN	floating

As at September 30, 2026, the total value of liabilities under loans and borrowings amounted to PLN 14 021 million.

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

5.5. Information on the granting in the three quarters of 2026 by PGE S.A. or by its subsidiary of sureties for a loan or borrowing, or the provision of guarantees [1].

Table: Summary of the main items of sureties for a loan or borrowing, or guarantees provided in the three quarters 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	1 185	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	1 171	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	270	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	260	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.	Syndicate of PTSC Mechanical & Construction Co. Ltd and Semco Maritime A/S	EW Baltica 9 sp. z o.o.	Corporate Guarantee	2026-03-10	2035-12-31	58	EUR
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
PGE S.A.	National Fund for Environmental Protection and Water Management	PGE Energia Odnawialna S.A.	Corporate Guarantee	2026-08-13	2041-12-31	191	PLN

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

As at the date of submitting the report for publication, PGE S.A. is in the process of granting a guarantee securing a term loan for PGE Gryfino Dolna Odra sp. z o.o., granted by a consortium of banks, which includes Bank Gospodarstwa Krajowego and PKO Bank Polski S.A., in amount of PLN 3 050 million.

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

Table: External bonds issued as at September 30, 2026 (utilised bond programs).

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.*

5.6. 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 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., 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 three quarters of 2026 and subsequent periods and 5.2 Events after the reporting date of this report.

In the third quarter 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 the Management Board's report on the activities for the first half of 2026. In the third quarter of 2026, there were no significant changes regarding those factors.

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 reports

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

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

7. 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 November 24, 2026.

Warsaw, November 24, 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 (%)	reported EBITDA × 100 / revenue from sales
Recurring EBITDA margin (%)	recurring EBITDA × 100 / revenue from sales
Return on sales (ROS, %)	reported net profit or loss × 100 / revenue from sales
Return on assets (ROA, %)	reported net profit or loss × 100 / total assets
Return on equity (ROE, %)	reported net profit × 100 / (equity - net profit)
Receivables turnover (in days)	average gross trade receivables × 365 days / net revenue
Payables turnover (in days)	average short-term trade payables × 365 days / net revenue
Current ratio (x)	current assets / short-term liabilities
Quick ratio (x)	(current assets - inventories) / 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	(working time + standby time in reserve) x 100 / 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.

EU Environmental taxonomy	Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088
EU ETS	European Union Greenhouse Gas Emission Trading Scheme) EU emission trading scheme. Its operating rules are set out in the ETS Directive, amended by the Directive 2009/29/EC of the European Parliament and of the Council of April 23, 2009 (OJ EU L. of 2009, No. 140, p. 63—87).
EW	Hydroelectric power plant
FW	Wind farm
Generating unit	A technically and commercially defined set of equipment belonging to a power company and used to generate electricity or heat and to transmit power.
Green certificate	A document confirming the generation of electricity from renewable energy sources, issued by the ERO President
Green energy	Conventional name for energy produced from renewable energy sources
GW	Gigawatt, a unit of capacity in the SI system, 1 GW = 10^9 W.
GWe	One gigawatt of electric capacity.
GWt	One gigawatt of heat capacity.
HCl	Hydrogen chloride.
Hg	Mercury.
High Voltage Network (HV)	A network with a nominal voltage of 110 kV.
ICT	Information and Communications Technology, a concept encompassing techniques for processing, collecting or transmitting information in electronic form
IFRS 16	International Financial Reporting Standard 16 Leases
IGCC	Integrated Gasification Combined Cycle
Installed capacity	The formal value of active power recorded in the design documentation of a generating system as being the maximum achievable capacity of that system, confirmed by the acceptance protocols of that system (a historical value, it does not change over time.
Installed capacity utilisation indicator	Produced electricity x 100 / (period time x installed capacity)
IRGiT	Izba Rozliczeniowa Giełd Towarowych S.A. (commodities clearing house)
IRZ	Cold Intervention Reserve Service – service consisting of maintaining power units ready for energy production. Energy is produced on request of PSE S.A.
IOS	Flue Gas Desulphurization Installation
ITRE	European Parliament Committee on Industry, Research and Energy
JWCD	Centrally Dispatched Generating Unit – A generating unit connected to the coordinated 110 kV network, subject to central dispatch by PSE S.A.
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; 1kV= 103 V.
kWh	Kilowatt-hour, a unit of electric energy in the SI system defined as the volume of electricity used by the 1 kW equipment over one hour. 1 kWh = 3,600,000 J = 3.6 MJ.
kWp	A power unit dedicated to determining the power of photovoltaic panels, means the amount of electricity in the peak of production.
LNG	Liquefied natural gas
Low Voltage Network (LV)	A network with a nominal voltage not exceeding 1 kV.
LTC	Long-term contracts on the purchase of capacity and electricity entered into between Polskie Sieci Elektroenergetyczne S.A. and electricity generators in the years 1994-2001.
LTC Act	Act of June 29, 2007 on the principles of covering costs incurred by producers in connection with early termination of long-term contracts for the sale of electricity capacity and energy (Journal of Laws No. 130 item 905 of 2007)
LZO	Remote reading meters
ME	Energy Storage facility
Medium-voltage network (MV)	An energy network with a nominal voltage higher than 1 kV but lower than 110 kV.
MFW	Offshore wind farm
MIE	Minimum Energy Volumes
MSR	Market Stability Reserve (relating to CO_2)
MW	A unit of capacity in the SI system, 1 MW = 10^6 W.
MWe	One megawatt of electric power.
MWt	One megawatt of heat power.
NH_3	Ammonia
Nm^3	Normal cubic meter; a unit of volume from outside the SI system signifying the quantity of dry gas in 1 m3 of space at a pressure of 101.325 Pa and a temperature of 0°C.
NO_x	Nitrogen oxides.
NPS	National Power System, a set of equipment for the distribution, transmission and generation of electricity, forming a system to allow the supply of electricity in the territory of Poland

N:W ratio	Ration of volume of overburden removed in m^3 to the mass of extracted coal in tons
Operational Capacity Reserve (ORM)	ORM constitutes of generation capacities of active Production Schedular 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
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 V= 1J/1C = (1 kg x m^2) / (A x s^3).
W (watt)	A unit of power in the International Systems of Units (SI), 1 W = 1J/1s = 1 kg x m^2 x s^{-3}.
Yellow energy	Popular name for energy generated in gas-fired power plants and CCGT power plants.
ZDEE	Agreement on Securing Electricity Supplies
ZHZW	Agreement for Commercial Management of Generating Capacities