HALF-YEARLY FINANCIAL REPORT

of PGE Polska Grupa Energetyczna S.A.
for the period of 6 months

ended June 30, 2026
in accordance with EU IFRS (in PLN million)

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I. CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF THE PGE CG FOR THE 6-MONTH PERIOD ENDED JUNE 30, 2026 PREPARED IN ACCORDANCE WITH EU IFRS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	3 months ended June 30, 2026 *(unaudited)*	6 months ended June 30, 2026 *(unaudited)*	3 months ended June 30, 2025 *(unaudited) restated data**	6 months ended June 30, 2025 *(unaudited) restated data**
SALES REVENUE	7.1	**15,263**	**32,716**	**13,804**	**30,971**
Cost of goods sold	7.2	(12,026)	(25,730)	(19,780)	(33,087)
GROSS PROFIT/(LOSS) FROM SALES		**3,237**	**6,986**	**(5,976)**	**(2,116)**
Distribution and selling expenses	7.2	(232)	(512)	(228)	(422)
General and administrative expenses	7.2	(545)	(1,057)	(586)	(1,045)
Other operating income	7.4	390	566	316	438
Other operating expenses	7.4	(196)	(297)	(308)	(377)
OPERATING PROFIT/(LOSS)		**2,654**	**5,686**	**(6,782)**	**(3,522)**
Finance income, including:	7.5	176	554	251	481
Interest income calculated using the effective interest rate method		*185*	*294*	*153*	*198*
Finance expenses	7.5	(595)	(1,359)	(203)	(689)
Share in profit (loss) of entities accounted for using the equity method	7.6	7	6	(2)	6
PROFIT/(LOSS) BEFORE TAX		**2,242**	**4,887**	**(6,736)**	**(3,724)**
Income tax	9	(231)	(840)	(2,859)	(3,399)
NET PROFIT/(LOSS) FOR THE REPORTING PERIOD		**2,011**	**4,047**	**(9,595)**	**(7,123)**
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified to profit or loss in the future:		**(607)**	**989**	**(37)**	**(211)**
Measurement of debt financial instruments	19.2	(1)	(1)	(10)	(1)
Measurement of hedging instruments	19.2	(748)	1,221	(36)	(259)
Foreign exchange differences on translation of foreign operations		-	1	1	-
Deferred tax	9	142	(232)	8	49
Items that may not be reclassified to profit or loss in the future:		**-**	**-**	**(182)**	**(182)**
Actuarial gains and losses from valuation of provisions for employee benefits		-	-	(97)	(97)
Deferred tax	9	-	-	(85)	(85)
NET OTHER INCOME		**(607)**	**989**	**(219)**	**(393)**
TOTAL COMPREHENSIVE INCOME		**1,404**	**5,036**	**(9,814)**	**(7,516)**
NET PROFIT/(LOSS) ATTRIBUTABLE TO:					
shareholders of the parent company		2,015	3,953	(9,606)	(7,190)
non-controlling interests		(4)	94	11	67
COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
shareholders of the parent company		1,408	4,942	(9,825)	(7,583)
non-controlling interests		(4)	94	11	67
NET PROFIT/(LOSS) AND DILUTED NET PROFIT/(LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY (IN PLN)		**0.90**	**1.76**	**(4.28)**	**(3.20)**

**The restatement of comparative data is described in Note 4 to these consolidated financial statements.*

for the period of 6 months ended June 30, 2026 in accordance with EU IFRS (in PLN million)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at June 30, 2026 *(unaudited)*	As at December 31, 2025 *(audited)*
Property, plant and equipment		68,000	64,775
Intangible assets		1,842	2,025
Rights to use assets		2,003	2,001
Financial receivables	*16.1*	351	339
Derivatives and other assets measured at fair value through profit or loss	*18*	668	492
Shares, interests and other capital instruments		130	127
Shares accounted for using the equity method	*12*	412	402
Other non-current assets	*17.1*	2,032	1,719
CO_2 emission allowances for own use	*15*	1	458
Deferred income tax assets	*13.1*	3,325	3,607
NON-CURRENT ASSETS		**78,764**	**75,945**
Inventories	*14*	1,745	2,040
CO_2 emission allowances for own use	*15*	5,015	7,841
Income tax receivables		33	185
Derivatives and other assets measured at fair value through profit or loss	*18*	527	288
Trade receivables and other financial receivables	*16.1*	7,855	7,336
Other current assets	*17.2*	1,828	924
Cash and cash equivalents	*16.2*	14,197	10,809
CURRENT ASSETS		**31,200**	**29,423**
TOTAL ASSETS		**109,964**	**105,368**
Share capital	*19.1*	19,184	19,184
Supplementary capital		20,138	27,088
Hedging reserve	*19.2*	578	(410)
Foreign exchange differences		-	(2)
Retained earnings		6,868	(4,037)
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY		**46,768**	**41,823**
Equity attributable to non-controlling interests		1,240	1,162
TOTAL EQUITY		**48,008**	**42,985**
Non-current provisions	*20*	10,748	10,449
Bank loans, borrowings, bonds and leases	*21.1*	14,521	13,139
Derivative instruments	*18*	1,035	581
Deferred income tax liabilities	*13.2*	583	545
Deferred income and government grants		4,928	4,542
Other financial liabilities	*21.2*	313	214
Other non-financial liabilities	*22.1*	209	211
NON-CURRENT LIABILITIES		**32,337**	**29,681**
Current provisions	*20*	16,012	18,344
Bank loans, borrowings, bonds and leases	*21.1*	1,147	1,736
Derivative instruments	*18*	434	1,093
Trade and other payables	*21.2*	7,568	7,202
Income tax liabilities		571	673
Deferred income and government grants		311	292
Other non-financial liabilities	*22.2*	3,576	3,362
CURRENT LIABILITIES		**29,619**	**32,702**
TOTAL LIABILITIES		**61,956**	**62,383**
TOTAL EQUITY AND LIABILITIES		**109,964**	**105,368**

for the period of 6 months ended June 30, 2026 in accordance with EU IFRS (in PLN million)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Supplementary capital	Hedging reserve	Foreign exchange differences	Retained earnings	Total	Non-controlling interests	Total equity
Note	*19.1*		*19.2*					
JANUARY 1, 2026	**19,184**	**27,088**	**(410)**	**(2)**	**(4,037)**	**41,823**	**1,162**	**42,985**
Net profit/(loss) for the reporting period	-	-	-	-	3,953	3,953	94	4,047
Other comprehensive income	-	-	988	1	-	989	-	989
COMPREHENSIVE INCOME	**-**	**-**	**988**	**1**	**3,953**	**4,942**	**94**	**5,036**
Retained earnings settlemer	-	(6,950)	-	-	6,950	-	-	-
Settlement of the purchase (additional shares in subsidiaries	-	-	-	-	5	5	(16)	(11)
Other changes	-	-	-	1	(3)	(2)	-	(2)
TRANSACTIONS WITH OWNERS	**-**	**(6,950)**	**-**	**1**	**6,952**	**3**	**(16)**	**(13)**
JUNE 30, 2026	**19,184**	**20,138**	**578**	**-**	**6,868**	**46,768**	**1,240**	**48,008**

	Share capital	Supplementary capital	Hedging reserve	Foreign exchange differences	Retained earnings	Total	Non-controlling interests	Total equity
Note	*19.1*		*19.2*					
JANUARY 1, 2025	**19,184**	**22,252**	**(540)**	**(2)**	**3,577**	**44,471**	**1,058**	**45,529**
Net profit/(loss) for the reporting period	-	-	-	-	(7,190)	(7,190)	67	(7,123)
Other comprehensive income	-	-	(211)	-	(182)	(393)	-	(393)
COMPREHENSIVE INCOME	**-**	**-**	**(211)**	**-**	**(7,372)**	**(7,583)**	**67**	**(7,516)**
Retained earnings settlemer	-	4,836	-	-	(4,836)	-	-	-
Dividend	-	-	-	-	-	-	(1)	(1)
Share in changes in the capital of jointly controlled entities	-	-	-	-	590	590	-	590
Capital increase by shareholders	-	-	-	-	-	-	4	4
Other changes	-	-	-	-	2	2	1	3
TRANSACTIONS WITH OWNERS	**-**	**4,836**	**-**	**-**	**(4,244)**	**592**	**4**	**596**
JUNE 30, 2025	**19,184**	**27,088**	**(751)**	**(2)**	**(8,039)**	**37,480**	**1,129**	**38,609**

for the period of 6 months ended June 30, 2026 in accordance with EU IFRS (in PLN million)

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Period ended June 30, 2026 *(unaudited)*	Period ended June 30, 2025 *(unaudited)*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		**4,887**	**(3,724)**
Income tax paid		(687)	(1,162)
Adjustments for:			
Share of profit of equity-accounted investees		(6)	(6)
Depreciation, liquidation, and write-downs		2,509	11,168
Interest and dividends, net		187	194
(Profit) / loss on investing activities		555	(237)
Change in receivables		1,001	1,596
Change in inventories		282	709
Change in CO_2 emission allowances for own use		3,283	4,783
Change in liabilities, excluding loans and credits		(239)	(1,906)
Change in other non-financial assets, prepayments and accruals		(974)	(70)
Change in provisions		(2,042)	852
Other		121	(64)
NET CASH FROM OPERATING ACTIVITIES		**8,877**	**12,133**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment and intangible assets		(4,293)	(4,251)
Sale of property, plant and equipment and intangible assets		6	9
Placement of deposits with maturities over 3 months		(1,747)	(373)
Withdrawal of deposits with maturities over 3 months		195	352
Acquisition of new PGE Group companies accounted for as asset acquisitions	1.4	(441)	-
Acquisition of financial assets		(16)	(4)
Loans granted		-	(20)
Repayment of loans granted		-	20
Interest received		80	62
Other		38	5
NET CASH FROM INVESTING ACTIVITIES		**(6,178)**	**(4,200)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares in jointly controlled entities		-	592
Proceeds from loans and borrowings		2,339	3,654
Repayment of loans, credits and leases		(1,304)	(2,197)
Interest paid		(417)	(393)
Subsidies received for non-current assets		70	192
Other		1	(14)
NET CASH FROM FINANCING ACTIVITIES		**689**	**1,834**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**3,388**	**9,767**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	16.2	**10,809**	**4,363**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	16.2	**14,197**	**14,130**

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

1. General information

1.1 Information on the parent company

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

On January 1, 2026, the composition of the Management Board was as follows:

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

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

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

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

On June 3, 2026, the Supervisory Board appointed Mr Piotr Dziubałtowski to the Management Board with effect from June 8, 2026 and entrusted him with the position of Vice President of the Management Board.

The composition of the Management Board as at June 30, 2026 and as at the date on which these financial statements were authorised for publication is as follows:

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

Ownership structure

The shareholding structure of the parent company was as follows:

	As at June 30, 2026	As at December 31, 2025
State Treasury	60.86%	60.86%
Other shareholders	39.14%	39.14%
Total	**100.00%**	**100.00%**

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

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

1.2 About the PGE Capital Group

The PGE Polska Grupa Energetyczna S.A. Group comprises the parent company, PGE S.A., and 78 subsidiaries included in the consolidation. The consolidated financial statements also include 2 entities constituting the so-called joint operations and 6 entities consolidated using the equity method. Additional information on the entities included in the consolidated financial statements can be found in Note 1.3.

These consolidated financial statements of the PGE Capital Group cover the period from January 1, 2026 to June 30, 2026 and include comparative data for the period from January 1, 2025 to June 30, 2025 and as at December 31, 2025. The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2025, authorised for publication on April 14, 2026.

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

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

- electricity generation,
- distribution of electricity, including traction networks,
- wholesale and retail trading in electricity, property rights, CO_2 emission allowances, and natural gas,
- generation and distribution of heat,
- provision of other services related to the activities mentioned above.

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

Going concern

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

Changes in accounting policy

In these financial statements, the same accounting principles (policies) and calculation methods were followed as in the last annual financial statements, with the exception of the changes in presentation described in detail in Note 4 of these consolidated financial statements. These financial statements should be read in conjunction with the audited consolidated financial statements of the PGE Capital Group for the year ended December 31, 2025, authorised for publication on April 14, 2026.

for the period of 6 months ended June 30, 2026 in accordance with EU IFRS (in PLN million)

1.3 Companies consolidated in the PGE Capital Group

1.3.1 Direct and indirect subsidiaries consolidated using the full method

	Name of entity	Entity holding shares	Shareholdings of PGE CG companies as at June 30, 2026	Shareholdings of PGE CG companies as at December 31, 2025
	SEGMENT: SUPPLY			
1.	PGE Polska Grupa Energetyczna S.A. Lublin	Parent company		
2.	PGE Dom Maklerski S.A. Warsaw	PGE S.A.	100.00%	100.00%
3.	PGE Obrót S.A. Rzeszów	PGE S.A.	100.00%	100.00%
4.	ENESTA sp. z o.o Stalowa Wola	PGE Obrót S.A.	94.76%	94.76%
5.	PGE Paliwa sp. z o.o. Kraków	PGE S.A.	100.00%	100.00%
	SEGMENT: COAL ENERGY			
6.	PGE Górnictwo i Energetyka Konwencjonalna S.A. Bełchatów	PGE S.A.	100.00%	100.00%
7.	MegaSerwis sp. z o.o. Bogatynia	PGE GiEK S.A.	100.00%	100.00%
8.	ELMEN sp. z o.o. Wola Grzymalina	PGE GiEK S.A. PGE S.A.	84.04% 15.96%	100.00% -
9.	ELTUR-SERWIS sp. z o.o. Bogatynia	PGE GiEK S.A.	100.00%	100.00%
10.	„Betrans" sp. z o.o. Kalisko	PGE GiEK S.A.	100.00%	100.00%
11.	BESTGUM POLSKA sp. z o.o. Rogowiec	PGE GiEK S.A.	100.00%	100.00%
12.	RAMB sp. z o.o. Piaski	PGE GiEK S.A.	100.00%	100.00%
	SEGMENT: DISTRICT HEATING			
13.	PGE Energia Ciepła S.A. Warsaw	PGE S.A.	100.00%	100.00%
14.	PGE Toruń S.A. Toruń	PGE EC S.A.	99.91%	95.34%
15.	Zespół Elektrociepłowni Wrocławskich KOGENERACJA S.A. Wrocław	PGE EC S.A.	58.07%	58.07%
16.	PGE EC Operator sp. z o.o. Warsaw	PGE EC S.A.	100.00%	-
17.	PGE Zielona Góra S.A. (formerly Elektrociepłownia Zielona Góra S.A.) Zielona Góra	KOGENERACJA S.A.	100.00%	100.00%
18.	„MEGAZEC" sp. z o.o. Bydgoszcz	PGE S.A.	100.00%	100.00%
	SEGMENT: GAS-FIRED GENERATION			
19.	PGE Gryfino Dolna Odra sp. z o. o. Krajnik	PGE S.A.	100.00%	100.00%
20.	PGE Nowy Rybnik sp. z o.o. Rybnik	PGE S.A.	100.00%	100.00%
21.	PGE Inwest 23 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
22.	PGE Inwest 26 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
23.	PGE Inwest 27 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
24.	PGE Inwest 28 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
25.	PGE Inwest 29 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
26.	PGE Inwest 30 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
27.	PGE Inwest 31 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
28.	PGE Inwest 35 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%

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	Name of entity	Entity holding shares	Shareholdings of PGE CG companies as at June 30, 2026	Shareholdings of PGE CG companies as at December 31, 2025
29.	PGE Inwest 36 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
30.	PGE Inwest 37 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
31.	PGE Inwest 38 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
	SEGMENT: RENEWABLES			
32.	PGE Energia Odnawialna S.A. Warsaw	PGE S.A.	100.00%	100.00%
33.	Elektrownia Wiatrowa Baltica-1 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
34.	Elektrownia Wiatrowa Baltica-4 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
35.	Elektrownia Wiatrowa Baltica-5 sp. z o.o. Warsaw	PGE S.A.	66.19%	66.19%
36.	Elektrownia Wiatrowa Baltica-6 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
37.	Elektrownia Wiatrowa Baltica-7 sp. z o.o. Warsaw	PGE S.A.	55.04%	55.04%
38.	Elektrownia Wiatrowa Baltica-8 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
39.	Elektrownia Wiatrowa Baltica 9 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
40.	PGE Baltica 2 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
41.	PGE Baltica 3 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
42.	PGE Baltica 5 sp. z o.o. Warsaw	PGE Baltica 3 sp. z o.o.	100.00%	100.00%
43.	PGE Baltica 6 sp. z o.o. Warsaw	PGE Baltica 2 sp. z o.o.	100.00%	100.00%
44.	PGE Baltica sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
45.	PGE Inwest 12 sp. z o.o. Warsaw	PGE S.A.	51.00%	51.00%
46.	PGE Inwest 14 sp. z o.o. Warsaw	PGE EO S.A.	100.00%	100.00%
47.	PGE Inwest 21 sp. z o.o. Warsaw	PGE EO S.A.	100.00%	100.00%
48.	PGE Inwest 22 sp. z o.o. Warsaw	PGE EO S.A.	100.00%	100.00%
49.	PGE Inwest 24 sp. z o.o. Warsaw	PGE EO S.A.	100.00%	100.00%
50.	Wind Farm Łada sp. z o. o. Kraków	PGE EO S.A.	100.00%	-
51.	Elektrownia Wiatrowa Baltica + sp. z o.o. (formerly RWE Offshore Wind Poland sp. z o.o.) Warsaw	EWB9 sp. z o.o.	100.00%	-
	SEGMENT: DISTRIBUTION			
52.	PGE Dystrybucja S.A. Lublin	PGE S.A.	100.00%	100.00%
	SEGMENT: RAILWAY ENERGY SERVICES			
53.	PGE Energetyka Kolejowa Holding sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
54.	PGE Energetyka Kolejowa S.A. Warsaw	PGE EKH sp. z o.o.	100.00%	100.00%
55.	PGE Energetyka Kolejowa Operator sp. z o.o. Warsaw	PGE EKH sp. z o.o.	100.00%	100.00%
56.	PGE Energetyka Kolejowa CUW sp. z o.o. Łódź	PGE EKH sp. z o.o.	100.00%	100.00%
57.	Energetyka Kolejowa Budownictwo sp. z o.o. Warsaw	PGE EKH sp. z o.o.	100.00%	100.00%
58.	Energetyka Kolejowa sp. z o.o. Warsaw	PGE EKH sp. z o.o.	100.00%	100.00%
59.	Cedton Investments sp. z o. o. Warsaw	PGE EKH sp. z o.o.	100.00%	100.00%

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	Name of entity	Entity holding shares	Shareholdings of PGE CG companies as at June 30, 2026	Shareholdings of PGE CG companies as at December 31, 2025
	SEGMENT: OTHER ACTIVITIES			
60.	PGE Systemy S.A. Warsaw	PGE S.A.	100.00%	100.00%
61.	PGE Sweden AB (publ) Stockholm	PGE S.A.	100.00%	100.00%
62.	PGE Synergia sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
63.	ELBIS sp. z o.o. Rogowiec	PGE S.A.	100.00%	100.00%
64.	PGE Inwest 2 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
65.	PGE Ventures sp. z o. o. Warsaw	PGE S.A.	100.00%	100.00%
66.	PGE Inwest 9 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
67.	PGE Inwest 10 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
68.	PGE Inwest 11 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
69.	PGE Asekuracja S.A. Warsaw	PGE S.A.	100.00%	100.00%
70.	PGE Inwest 20 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
71.	PGE Inwest 25 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
72.	PGE Inwest 32 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
73.	PGE Inwest 33 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
74.	PGE Inwest 34 sp. z o.o. Warsaw	PGE S.A.	100.00%	100.00%
75.	PGE Ekoserwis S.A. Wrocław	PGE S.A.	100.00%	100.00%
76.	ZOWER sp. z o.o. Rybnik	PGE Ekoserwis S.A.	100.00%	100.00%
77.	Energetyczne Systemy Pomiarowe sp. z o.o. Białystok	PGE Dystrybucja S.A.	100.00%	100.00%
78.	Elbest Security sp. z o. o. Bełchatów	PGE S.A.	100.00%	100.00%
79.	PGE Energia Jądrowa S.A. Warsaw	PGE S.A.	100.00%	100.00%

The following changes in the structure of PGE Capital Group companies consolidated using the full consolidation method, which occurred up to June 30, 2026, have been included in the above table:

- On November 3, 2025, the Extraordinary General Meetings of PGE Energetyka Kolejowa S.A. and the Extraordinary Shareholders' Meeting of PGE Energetyka Kolejowa Operator sp. z o.o. adopted resolutions on the division of PGE Energetyka Kolejowa S.A. (the divided company) by a spin-off pursuant to Article 529 § 1 point 4 of the Commercial Companies Code, by transferring to PGE Energetyka Kolejowa Operator sp. z o.o. (the acquiring company) a part of the assets of the divided company in the form of a Branch of this company operating under the name: PGE Energetyka Kolejowa S.A. Oddział w Warszawie – Dystrybucja Energii Elektrycznej, constituting an OPE. The transfer of the OPE to the acquiring company took place through an appropriate reduction of the share capital of the divided company by cancelling a part of the shares in the divided company held by PGE Energetyka Kolejowa Holding sp. z o.o., and an appropriate increase in the share capital of the acquiring company. In exchange for the cancelled shares in the divided company referred to above, PGE Energetyka Kolejowa Holding sp. z o.o. took up all new shares in the increased share capital of the acquiring company. PGE Energetyka Kolejowa Holding sp. z o.o. is the sole shareholder of the divided company and the sole shareholder of the acquiring company. On January 2, 2026, the reduction of the share capital of the divided company and the increase of the share capital of the acquiring company were registered in the National Court Register.

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- On January 2, 2026, an increase in the share capital of ELMEN sp. z o.o. was registered in the National Court Register, as a result of which PGE S.A. became a shareholder of ELMEN sp. z o.o. holding 15.96% of shares in its share capital.
- On November 5, 2025, PGE Energia Ciepła S.A. established a single-shareholder capital company, PGE EC Operator sp. z o.o. On January 27, 2026, the company was registered in the National Court Register (KRS).
- On January 29, 2026, PGE EO S.A. acquired 100% of the shares in Wind Farm Łada sp. z o. o.
- On March 10, 2026, Elektrownia Wiatrowa Baltica 9 sp. z o.o. acquired 100% of the shares in RWE Offshore Wind Poland sp. z o.o. (now Elektrownia Wiatrowa Baltica + sp. z o.o.).
- On June 22, 2026, PGE Toruń S.A. concluded an agreement with the Municipality of the City of Toruń for the purchase of treasury shares representing 4.57% of the share capital of PGE Toruń S.A. for the purpose of their cancellation. As a result of the redemption of the treasury shares, PGE EC S.A.'s interest in the share capital of PGE Toruń S.A. increased to 99.91%. The price paid for the shares amounted to nearly PLN 11 million. The share capital reduction was registered in the National Court Register on July 23, 2026.

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

	Name of entity	Entity holding shares	Shareholdings of PGE CG companies as at June 30, 2026	Shareholdings of PGE CG companies as at December 31, 2025
	SEGMENT: RENEWABLES			
1.	Elektrownia Wiatrowa Baltica-2 sp. z o.o. Warsaw	PGE Baltica 6 sp. z o.o.	50.00%	50.00%
2.	Elektrownia Wiatrowa Baltica-3 sp. z o.o. Warsaw	PGE Baltica 5 sp. z o.o.	50.00%	50.00%

Based on the analysis of the agreements between the PGE CG and the Ørsted companies, holding 50% of the shares, the PGE CG has concluded that EWB2 and EWB3 constitute a joint operation within the meaning of IFRS 11 *Joint Arrangements*. The PGE CG and the Ørsted Group jointly control EWB2 and EWB3, in which each holds a 50% interest in the share capital, voting rights and all governing bodies of those companies. The companies were established for the purpose of the construction and operation of offshore wind farms in the Baltic Sea. The PGE Group and the Ørsted Group entered into a number of agreements governing, among other things, their cooperation and the decision-making process in the jointly controlled entities. Due to the manner in which key decisions are made and the agreed commercial arrangements for the disposal of the electricity generated, the investments in EWB2 and EWB3 were classified as joint operations and are consolidated by each investor to the extent of the assets, liabilities, revenue and expenses attributable to that investor.

1.3.3 Associates and jointly-controlled companies consolidated under the equity method

	Name of entity	Entity holding shares	Shareholdings of PGE CG companies as at June 30, 2026	Shareholdings of PGE CG companies as at December 31, 2025
1.	Polimex Mostostal S.A. Warsaw	PGE S.A.	15.85%	16.13%
2.	Przedsiębiorstwo Energetyki Cieplnej S.A. Bogatynia	PGE EC S.A.	34.93%	34.93%
3.	DKRB Gdańsk sp. z o.o. Gdańsk	PGE EC S.A.	50%	-
4.	ZPBE Energopomiar sp. z o.o. Gliwice	PGE GiEK S.A.	49.79%	49.79%
5.	PGE SOLEO KLESZCZÓW sp. z o.o. Kleszczów	PGE EO S.A.	50.00%	50.00%
6.	ELESTER sp. z o. o. Łódź	PGE Energetyka Kolejowa Holding sp. z o.o.	39.96%	39.96%
		PGE Energetyka Kolejowa S.A.	50.00%	50.00%

On March 19, 2026, following the fulfilment of a specified condition precedent, a share transfer agreement was entered into under which PGE Energia Ciepła S.A. acquired a 50% interest in DKRB Gdańsk sp. z o.o.

1.4 Settlement of the acquisition of new companies

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

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

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

In these financial statements, the transaction was recognised as an asset acquisition.

The total amount of cash transferred as part of the transaction was PLN 330 million. An amount of PLN 33 million constituted the payment for the shares, while PLN 297 million related to the subrogation of liabilities. The carrying amount of the net assets acquired as at January 29, 2026 was approximately PLN 14 million. The main component of the acquired company's assets is property, plant and equipment with a carrying amount of approximately PLN 300 million. The share purchase agreement also provides for contingent consideration mechanisms dependent on the fulfilment of specified conditions in future periods, which may affect the final purchase price. The amount of consideration that may remain payable is PLN 0.5 million.

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

On March 10, 2026, after fulfilling the conditions provided for in the conditional agreement concluded on November 25, 2025, Elektrownia Wiatrowa Baltica 9 sp. z o.o. acquired from RWE Renewables International Participations B.V. 100% of the shares in RWE Offshore Wind Poland sp. z o.o. The newly acquired company is at an early stage of developing the FEW Bałtyk II project, with a capacity of approximately 350 MW. Following the acquisition by the PGE CG, the company changed its name to Elektrownia Wiatrowa Baltica + sp. z o.o.

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

In these financial statements, the transaction was recognised as an asset acquisition.

Cash transferred as part of the purchase price for the shares up to the date on which these financial statements were authorised for publication amounted to EUR 27 million. The share purchase agreement also provides for contingent consideration mechanisms dependent on the fulfilment of specified conditions in future periods, which may affect the final purchase price. The main component of the acquired company's assets is property, plant and equipment under construction.

2. Basis for preparation of the financial statements

2.1 Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting and the Regulation of the Minister of Finance of June 6, 2025 on current and periodic information submitted by issuers of securities and the conditions for recognising as equivalent the information required under the laws of a non-Member State (Dz. U. [*Journal of Laws*] 2025, item 755). The statements do not include all the information required in the annual consolidated financial statements and should be read in conjunction with the Capital Group's consolidated financial statements for the year ended December 31, 2025.

The International Financial Reporting Standards comprise standards and interpretations approved by the International Accounting Standards Board ('IASB') and IFRS Interpretations Committee.

2.2 Functional currency and presentation currency

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

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

	June 30, 2026	December 31, 2025	June 30, 2025
USD	3.7708	3.6016	3.6164
EUR	4.2963	4.2267	4.2419

2.3 New standards and interpretations published, not yet effective

The following standards, changes in the already effective standards and interpretations are not endorsed by the European Union or are not effective on January 1, 2026.

Standard	Description of changes	Effective date
Changes to IFRS 10 and IAS 28	The guidelines concerning sales transactions or an investor's contribution of assets to an associate or a joint venture.	Work on the approval of the changes has been suspended indefinitely
IFRS 18	Presentation and disclosures in the financial statements	January 1, 2027
IFRS 19	Subsidiaries without public accountability: disclosures	January 1, 2027
IFRS 20	Principles for recognising, measuring and presenting the effects of rate regulation in utility sectors	January 1, 2029
Changes to IFRS 19	The changes pertain to the scope of disclosure	January 1, 2027
Changes to IAS 21	The changes concern translation into a hyperinflationary presentation currency	January 1, 2027
Changes to IAS 28	The changes concern the fair value measurement option	January 1, 2027

Changes arising from IFRS 18 *Presentation and Disclosure in Financial Statements*

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and will apply to annual reporting periods beginning on or after January 1, 2027. The Group has not applied the new accounting standard early in preparing these consolidated financial statements; early application is, however, permitted.

IFRS 18 requires a more structured profit and loss account and a more detailed disaggregation of the information presented. The Group is assessing the estimated impact that the initial application of IFRS 18 will have on the consolidated financial statements of the PGE CG.

The expected impact of the standard in the period of its initial application is described below. The actual impact of adopting the standard on January 1, 2027 may change because:

- the Group has not yet completed its assessment or implemented changes to its processes and controls,
- the new accounting principles may change before the PGE Group presents its first consolidated financial statements including the date of initial application of the standard.

Structure of the profit and loss account

IFRS 18 requires entities to classify all income and expenses in the profit and loss account into one of five categories:

- operating,
- investing,
- financing,
- income taxes,
- discontinued operations.

The classification of income and expenses depends on an entity's main business activities. The Group has determined that its specified main business activities do not involve investing in assets or providing financing to customers.

The application of IFRS 18 will not change either the PGE Group's net profit or its net assets. IFRS 18 requires the presentation of two defined subtotals: operating profit or loss and profit or loss before financing and income taxes. The Group currently presents a subtotal identified as operating profit or loss; however, following the application of IFRS 18, its amount will differ from that currently presented due to the reclassification of selected items of income and expenses.

In accordance with the categorisation requirements for entities that do not engage in any specified main business activities (SMBAs), the Group will classify in the investing category certain items of income and expenses recognised in profit or loss that arise from, among other things, the following types of assets:

- investments in joint ventures and associates accounted for using the equity method,
- other financial assets measured at amortised cost, including acquired bonds and cash and cash equivalents,
- investment certificates and options to acquire shares measured at fair value.

This income and these expenses will primarily include:

- share of profit /(loss) of equity-accounted investees
- interest income on loans granted, acquired bonds and cash,
- foreign exchange differences on loans granted, acquired bonds and cash,
- gains/(losses) from measuring investment certificates and options to acquire shares at fair value.

In accordance with the categorisation requirements for entities that do not engage in any SMBAs, the Group will classify in the financing category certain items of income and expenses recognised in profit or loss that arise both from liabilities resulting from transactions involving only the raising of finance and from other liabilities.

This income and these expenses will primarily include:

- interest on loans, borrowings and bonds issued,
- interest on leases and foreign exchange differences relating to lease liabilities,
- expenses resulting from changes in rehabilitation and employee benefit provisions (i.e. the effect of unwinding/reversing the discount),
- adjustments to the discount rate for rehabilitation and employee benefit provisions.

Furthermore, applying the categorisation requirements for entities that do not engage in any SMBAs, the Group will classify in the operating category certain items of income and expenses recognised in profit or loss that, because they are not classified in the investing or financing categories, arise from, among other things:

- the fair value measurement of derivatives not designated as hedging instruments but used to hedge operating risk,
- foreign exchange differences on trade receivables and payables.

The Group has concluded that presenting operating expenses by function provides the most useful structured summary of its expenses and intends to continue this method of presentation.

Management-defined performance measures

Management-defined performance measures (MPMs) are subtotals of income and expenses used in public communications outside the financial statements. These measures communicate to users management's view of an aspect of the financial performance of the entity as a whole.

The Group will be required to disclose specified information about MPMs in a single separate note to the financial statements.

The Group has developed a process for determining which forms of public communication are relevant to identifying MPMs. MPMs relate to the same reporting period as the financial statements. Accordingly, the MPMs disclosed by the Group after applying IFRS 18 will be determined on the basis of the Group's public communications relating to the 2027 reporting period.

The Group discloses the following management-defined performance measures in its public communications:

- Recurring EBIT – EBIT reported in accordance with IFRS, adjusted for non-recurring events,
- Recurring EBITDA = LTM recurring EBITDA (on an annual basis) – EBITDA reported in accordance with IFRS, adjusted for non-recurring events,
- Recurring net profit/(loss) – net profit/(loss) reported in accordance with IFRS, adjusted for non-recurring events,
- Net profit/(loss) attributable to shareholders of the parent company excluding impairment losses – net profit/(loss) attributable to shareholders of the parent company reported in accordance with IFRS, adjusted for impairment losses recognised under IAS 36 *Impairment of Assets*.

Principles of aggregation and disaggregation of information

IFRS 18 introduces expanded requirements governing how information is grouped in the financial statements, both in the primary financial statements and in the notes. It also introduces guidance on naming and describing items presented in the primary financial statements or disclosed in the notes.

The Group assesses how items should be grouped based on their similar and dissimilar characteristics. Based on this assessment, the Group will present items in the primary financial statements that provide useful structured summaries and disclose additional material information in the notes.

The Group is also assessing items currently described as 'other' and will use more precise labels for them.

Other changes arising from the introduction of IFRS 18

IFRS 18 introduces consequential amendments to IAS 7 *Statement of Cash Flows*. These amendments require entities using the indirect method to present cash flows from operating activities to start the statement of cash flows from the newly defined subtotal of operating profit or loss (i.e. Operating profit/(loss)).

The Group currently uses 'profit or loss before tax' as the starting point for reconciling cash flows from operating activities. As a result of the change in the starting point, certain reconciling items included in the reconciliation will change.

Consequently, the list of non-cash adjustments currently presented in operating activities in the statement of cash flows will be adjusted by removing, among other things, the following items and/or changing their content:

- share of profit/(loss) of equity-accounted investees,
- interest on loans granted, acquired bonds and cash,
- foreign exchange differences relating to investing and financing activities,
- profit/(loss) on investing activities in respect of gains/losses from the measurement of derivatives relating to investing and financing activities.

The amendments arising from the introduction of IFRS 18 also include detailed guidance on the classification of cash flows from interest and dividends. In accordance with this guidance, the Group will continue to classify cash flows from interest paid as financing activities. Furthermore, cash flows from interest and dividends received and dividends paid will continue to be classified, respectively, as:

- investing activities – interest and dividends received,
- financing activities – dividends paid.

Other standards published but not yet effective

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

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

2.4 The Management Board's professional judgment and estimates

Professional judgment

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

- Irrespective of the nature of its equity involvement in a given entity, the Group assesses whether it exercises control over the investee, as well as whether it exercises joint control in a joint venture, taking into account all facts and circumstances. Further information on the assessment of control or significant influence, in situations where it differs from the share in capital, is presented in Note 1.3 to these financial statements.
- The Group recognises a deferred tax asset based on the assumption that taxable income will be generated in the future to allow for its utilisation. Details are set out in note 13 to these financial statements.
- When recognising lease liabilities and rights to use assets, the Group makes a judgment regarding, among other things, the determination of the interest rate, the lease term, and the assessment of the probability of exercising the purchase option for the underlying asset.
- Trade payables subject to reverse factoring are presented as trade payables if there has been no substantial change in the payment terms. In the statement of cash flows, the actual net cash flows from factoring are presented in operating activities.
- For provisions for onerous contracts, the Group applies professional judgment to determine which categories of incurred costs constitute the costs of fulfilling a contract, particularly with regard to allocating costs other than incremental costs that relate directly to fulfilling a given contract.
- The Group makes a judgment regarding the classification of financial instruments and the application of hedge accounting. Financial instruments are classified into individual categories based on the assessment of the business model applied.

- As part of its core business, the Group executes transactions which, due to the conclusion of reverse transactions, may meet the definition of financial instruments. For the accounting recognition of these transactions, the Group is guided by its judgment regarding the receipt or delivery of non-financial items in accordance with the Group's expected needs to receive delivery, sell or use these items – and consequently determines that these transactions are not subject to measurement under paragraph 2.4 of IFRS 9.
- The Group has selected an accounting policy regarding the recognition of purchased and free CO_2 emission allowances.
- The Group has chosen an accounting policy for the recognition of a Contract for Difference for the offshore wind farm construction project being implemented by EWB2. In the Group's opinion, the CfD as a whole meets the conditions of an income-related grant within the meaning of IAS 20, and the Group intends to recognise cash flows from the contract in accordance with IAS 20. Nevertheless, within the Contract for Difference, the Group identifies a derivative that requires separation and measurement in accordance with IFRS 9: an inflation derivative. Further information is presented in Note 18 to these financial statements.

Uncertainty of estimates and assumptions

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

- During the reporting period, the Group carried out an analysis of indicators of impairment, followed by impairment tests on non-current assets. The results of the tests are described in Note 3 to these financial statements. The estimation of the recoverable amount of property, plant and equipment is based on a number of significant assumptions, the realisation of which is uncertain and, to a large extent, beyond the control of the PGE Capital Group. The Group has adopted the values and figures it considers most appropriate; however, it cannot be ruled out that the actual outcome of individual assumptions will differ from those adopted by the Group.
- The useful lives of property, plant and equipment, intangible assets and rights-of-use assets are subject to periodic review.
- At the end of the reporting period, the Group estimates the imbalance of electricity fed into the grid by prosumers. The energy generated and fed into the grid by prosumers powers the grid during the overproduction period, thereby reducing the Group's need to purchase it from the market. However, during the autumn and winter months, when prosumers consume electricity but are unable to cover their own demand through production, the Group must purchase the shortfall on the market. In this respect, the Group has established an estimated liability of PLN 378 million (PLN 313 million as at December 31, 2025 and PLN 323 million as at June 30, 2025).
- Detailed information related to tax settlements is described in Note 25 to these consolidated financial statements.
- The Group makes significant estimates regarding the recognised provisions and contingent liabilities. In particular, the assessment covers the assumptions regarding the probability of the occurrence of a given event, the assumptions adopted to calculate the amount of provisions and contingent liabilities, as well as the timing of the occurrence of a given event. Detailed information on individual items is presented in Notes 20 and 23 to these financial statements.
- The fair value measurement of financial instruments is performed on the basis of a number of assumptions and estimates based on data available at the time of preparation of the financial statements. Changes in these assumptions and estimates may affect the future financial statements of the PGE CG.

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- Certain revenue from sales, as described in Note 7.1 of these consolidated financial statements, is invoiced based on periodic readings from metering and settlement systems. This results in the need to estimate revenue for deliveries for which PGE Group does not have metering data as at the reporting date. Revenue from the balancing electricity market is subject to adjustment after the reporting period. The final amount of sales or the cost of purchasing electricity is determined up to 14 months after the end of the respective delivery period.

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

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

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

The tables below summarise the analyses of impairment indicators and the impairment tests performed on assets for the periods ended June 30, 2026 and December 31, 2025. The goodwill indicated in the table for the Railway Energy Services and District Heating segments is tested at the level of a given segment and not of individual CGUs.

Segment/ CGU	Goodwill allocated to the segment/ CGU	H1 2026	(Write-down)/reversal amount recognised in the financial statements for H1 2026
Coal Energy	-	Test performed due to indications	-
Railway Energy Services	345	Test performed due to indications and goodwill	-
Renewables	3*	Test performed due to indications	(248)
District Heating	192	Test performed due to indications and goodwill	-
PGE Gryfino Dolna Odra	-	Test performed due to indications	-
PGE Nowy Rybnik	-	Test performed due to indications	-
EWB2	36	No test	-
EWB3	45	No test	-
Distribution	-	No test	-
TOTAL	**621**		**(248)**

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

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

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Segment/ CGU	Goodwill allocated to the segment/ CGU	H1 2025	H2 2025	Value of the (impairment loss)/ reversal recognised in H1 2025	Value of the (impairment loss)/ reversal recognised in H2 2025
Coal Energy	-	Test performed due to indications	No test	(8,650)	-
Railway Energy Services	345	Test performed due to indications and goodwill as well as IA with an indefinite economic lifetime	No test	-	-
Renewables	3*	Test performed due to indications and goodwill	Test performed due to indications	(402)	85
District Heating	192	Test performed due to indications and goodwill	Test performed due to indications	-	-
PGE Gryfino Dolna Odra	-	Test performed due to indications	No test	-	-
PGE Nowy Rybnik	-	Test performed due to indications	No test	-	-
EWB2	36	No test	Test performed due to goodwill	-	-
EWB3	45	No test	Test performed due to goodwill	-	-
Distribution	-	No test	No test	-	-
TOTAL	**621**			**(9,052)**	**85**

External indicators material to the analysis performed in the first half of 2026:

- The market capitalisation of PGE S.A. remains below the book value of the net assets of the PGE Capital Group.
- The average electricity price for year-ahead forward contracts from January to May 2026 was approximately PLN 431.7/MWh, 0.1% lower than the price for the second half of 2025 (PLN 432/MWh).
- From January to May 2026, the weighted average price of the EUA DEC 26 instrument was EUR 77/t, 3% lower than the average price of the EUA DEC 26 instrument observed in the second half of 2025 (EUR 79/t).
- The average price of hard coal at ARA ports under monthly rolling contracts from January to May 2026 was USD 111/t, 13% higher than in the second half of 2025 (USD 98/t).
- The average gas price from January to May 2026 was EUR 42/MWh, an increase of 34% compared with the second half of 2025 (EUR 32/MWh).
- The average price of domestic coal based on PSCMI1 from January to May 2026 was PLN 14/GJ, a decrease of 7% compared with the second half of 2025 (PLN 15/GJ).

3.1 Assumptions for the analysis of indications and impairment tests

Macroeconomic assumptions

The main price assumptions, i.e. those concerning the prices of electricity, CO_2 emission allowances, coal, natural gas and the assumptions relating to the majority of the Group's generating facilities are derived from a study prepared in June 2026 (the 'Study') by an external entity that is a recognised centre of expertise in the energy market (the 'Advisor'). The first year of the projection is based on the assumptions adopted in the Financial Plan for 2026. The forecast for 2027 was prepared based on current market conditions. The subsequent years of the forecast are based mainly on the Study. The Advisor used current scenarios for the economic and demographic development of the country and estimates of changes in key market parameters. The Advisor's forecasts take into account the legal conditions arising from the current energy policy, at both the EU and national levels.

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

Electricity price forecasts assume a 2% increase in 2027 and an increase of approximately 9% in 2028 compared with the previous year, followed by average annual growth of approximately 3% in 2029–2040. In 2041–2050, average annual growth is approximately 0.3%. By comparison, in the impairment tests of non-current assets for the period ended December 31, 2025, electricity price forecasts assumed an increase of approximately 12% in 2027 compared with the previous year, followed by a decrease of approximately 2% in 2028 compared with 2027 and then average annual growth of approximately 4% in 2029–2040. In subsequent years, price growth was assumed to be in line with the projected inflation rate of 2.5%.

CO_2 emission allowance price forecasts assume a 6% decrease in 2027 compared with 2026, followed by rapid average annual growth of 14% until 2031, reflecting the current parameters of the Market Stability Reserve (MSR) mechanism and the EU ETS itself, introduced following the adoption of the Fit for 55 package and taking into account the effects of the adoption of the REPowerEU plan. These changes result in a marked reduction in the supply of allowances in the second half of this decade. In subsequent years, CO_2 prices continue to rise, albeit somewhat more slowly, at an average annual rate of approximately 5%, reflecting the continuation of the policy aimed at achieving climate neutrality by 2050. In the impairment tests of non-current assets for the period ended December 31, 2025, CO_2 emission allowance price forecasts assumed a 3% increase in 2027 compared with 2026, followed by rapid average annual growth of 12% until 2031. In subsequent years until 2040, average annual growth of 6% was assumed. After 2040, growth was assumed to be in line with the inflation rate of 2.5%.

After several years of dynamic ups and downs, coal price forecasts assume stabilisation in the coming years. In 2027, prices are expected to increase by approximately 1% compared with 2026. In 2028–2034, prices are expected to decrease by approximately 3% per year on average, reflecting coal price forecasts on global markets. This results from the gradual decline in global demand for coal due to the implementation of climate policy measures, particularly the development of renewable energy sources. After 2034, a slight increase of 1% on average per year is expected due to growing mining costs. In the impairment tests of non-current assets for the period ended December 31, 2025, hard coal price forecasts assumed an increase of approximately 6% in 2027 compared with 2026, followed by an average annual decrease of approximately 3% until 2034. Until 2040, prices increased by approximately 1% per year on average. After 2040, growth was assumed to be in line with the inflation rate of 2.5%.

Natural gas price forecasts assume an increase of 8% in 2027 and a decrease of 2% in 2028 compared with the previous year, followed by average annual growth of approximately 3% in subsequent years. Forecast gas prices in Europe are most affected by LNG import costs and the related level of investment in liquefaction and regasification facilities worldwide, as well as dynamically growing demand for LNG, especially in Asian countries, and increasing gas demand in the USA. In the long term, the natural gas price forecast assumes growth, mainly due to rising extraction costs of this raw material. By comparison, in the impairment tests of non-current assets for the period ended December 31, 2025, natural gas price forecasts assumed a 7% increase in 2027 compared with 2026. In subsequent years, gas prices increased by approximately 2% per year on average.

Price forecasts for property rights arising from renewable energy certificates of origin assume a 2% decrease in 2027 compared with 2026 and prices remaining at a similar level in 2028 compared with 2027. In 2029–2031, an average annual decrease of approximately 12% is assumed, which is related to a surplus of property rights resulting from the low obligation to redeem them in 2025 and 2026, expected to persist until the end of the system's operation. By comparison, the price paths for property rights used in the impairment tests of non-current assets for the period ended December 31, 2025 were comparable to the price forecast used in the tests performed in the first half of 2026.

The capacity market revenue forecast for 2026–2030 is based on the results of completed main, additional, supplementary and catch-up auctions and forecasts of the results of supplementary auctions for 2027 and 2028, taking into account joint balancing mechanisms within the PGE Capital Group companies. The forecast from 2031 onwards was prepared by a team of PGE S.A. experts based on assumptions concerning estimated future cash flows for generating units, including the results of auctions that have already been completed. For one-year contracts with delivery from July 1, 2025 and multi-year contracts entered into as part of the main and additional auctions for 2025 and subsequent years, the emission limit of 550 g CO_2/kWh applies (the so-called EPS 550), which in practice excluded the participation of all coal-fired units in the Capacity Market.

On February 14, 2025, the Act of January 24, 2025 amending the Capacity Market Act (Dz.U. [*Journal of Laws*] 2025, item 159) entered into force, introducing supplementary auctions. Under the European Commission's derogation decision, the units not meeting the 550 g CO_2/kWh emission criterion were admitted to the supplementary auctions. The supplementary auctions for the delivery period from July 1 to December 31, 2025 and for the delivery year 2026, the catch-up auction for the delivery year 2029 and the main auction for the delivery year 2030 were conducted in 2025 and their results were included in the forecast of capacity market revenue. The revenue forecast also includes expected revenues from supplementary auctions for the delivery period from 2027 to 2028. The forecast of revenue from supplementary auctions was compiled by a team of experts from PGE S.A. based on the best knowledge of the expected parameterisation of these auctions. The availability of the units was estimated based on maintenance schedules.

Weighted average cost of capital

In the first half of 2026, the PGE Group updated the assumptions concerning the weighted average cost of capital and decided to adopt a constant value throughout the projection period. This decision results from persistent geopolitical and macroeconomic uncertainty, including the impact of the armed conflict in the Strait of Hormuz region, which interrupted the disinflationary trend and increased the risk associated with forecasting the direction of the underlying assumptions. The constant WACC is calculated based on current market parameters, without taking into account assumptions concerning future changes in market conditions.

By comparison, in recent years the Group used a methodology for determining a weighted average cost of capital that varied over time, based on the assumption that the elevated volatility of market parameters, in particular the risk-free rate, was temporary (COVID, supply chains, the war beyond Poland's eastern border). In the long term, the cost of capital was expected to normalise and decrease (including a return of the risk-free rate to its long-term average). The global downward trend in inflation and the cycle of interest rate cuts by central banks were consistent with the PGE CG's assumptions underlying the variable WACC model.

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

Climate issues

In July 2021, the European Commission published the Fit for 55 legislative package, aimed inter alia at achieving a reduction of greenhouse gas emissions in the EU by 55% (previously 40%) by 2030 compared to 1990. As expected by market participants, the reform of the EU ETS system included in the package should result in a significant increase in the level of CO_2 emission allowance prices, which in practice already occurred in 2021. Since then, CO_2 emission allowance prices have remained high, with further increases expected in the coming years. The changes introduced may negatively affect the margins earned by carbon-intensive power generation units, particularly to the extent that the increase in the price of CO_2 allowances is not passed on in the price at which these units sell the electricity or heat they produce. In December 2022, the Council and the EU Parliament reached important agreements on the 'Fit for 55' package proposal, the EU's plan to increase the target of reducing greenhouse gas emissions below 55% by 2030 compared to 1990 levels. Another important element of the package was to increase the target for the share of RES in the European Union's energy mix to 42.5% in 2030 (previously 32%). The establishment of this target in agreement with the Council was voted through in the European Parliament in September 2023. Of importance to the District Heating segment are the regulatory changes resulting from the Energy Efficiency Directive (EED). Changes to the definition of an energy-efficient district heating system and changes to the definition of high-efficiency cogeneration are further forcing action to be taken towards the transformation of assets and the replacement of outdated coal-fired units. Meanwhile, under the amendments proposed to the Energy Performance of Buildings Directive (EPBD), forecasts indicate a decline in demand for heat in municipal district heating systems.

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

On July 17, 2026, the European Commission presented a proposal for a targeted revision of the EU ETS aimed at aligning the system with the achievement of the EU's 2040 climate target. The proposal includes, among other things, a change in the trajectory for reducing the pool of emission allowances after 2030 and a modification of the operating rules of the Market Stability Reserve. These measures will affect the future supply of CO_2 emission allowances and the operating conditions of the EUA market. The ultimate impact of the revision on allowance prices will depend on the final form of the regulations and market conditions. From the perspective of the energy sector, the changes may affect the costs of generating electricity and heat, the profitability of fossil-fuel units and the pace of transformation of generating assets covered by the EU ETS.

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

One of the objectives is to comprehensively modernise existing district heating assets based on low- and zero-carbon technologies and to support the flexibility of the electricity system to enable the potential of renewable sources to be exploited. The transformation of generating capacity through the deployment of new low- or zero-emission generating units in the District Heating segment is planned by 2030, with climate neutrality to be achieved by 2050.

Accordingly, the District Heating segment is gradually replacing coal-fired sources with new renewable and low-carbon sources. By 2030, new installations are expected to be commissioned at most locations where PGE Capital Group's coal-fired district heating assets are present, which will result in a complete or significant shift away from the coal fuel. To generate heat in new and upgraded heating facilities, the following will be used: natural gas (cogeneration units and water boilers), geothermal energy, biomass, and power-to-heat technologies (electrode boilers and large-scale heat pumps utilising waste heat and ambient energy). The assumptions of the Decarbonisation Plan were taken into account when estimating the value in use of assets in the District Heating segment. The PGE Group plans to spend a total of approximately PLN 18 billion on investments in this segment in 2025–2035, of which PLN 15 billion will be allocated to investments in new generation facilities and asset maintenance, while the remaining PLN 3 billion will be allocated to potential acquisitions of district heating networks and their subsequent modernisation, in particular in cooperation with local authorities.

New investments and the replacement of coal with gas cogeneration, RES and power-to-heat, together with improving the energy efficiency of networks, will make it possible to reduce CO_2 emissions in this segment by 60% compared with 2021 and to reduce network losses by 3 percentage points.

Material changes in the regulatory environment, both domestic and international, that affect or will affect the operations of the PGE CG are described in Note 3.3 Changes in the regulatory environment in the Management Board's Report on the operations of the PGE CG for the 6-month period ended June 30, 2026.

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

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

Climate-related issues are taken into account in the assumptions adopted for impairment tests, in accordance with the Group's best knowledge, with the support of an external independent Advisor. The PGE Capital Group adopts assumptions developed by an independent analytical centre, which take into account the current regulatory and market situation. Future developments in the electricity market may differ from the currently adopted assumptions, which may lead to significant changes in the financial position and results of the PGE Group. Such changes will be recognised in future financial statements.

3.2 Coal Energy segment

As part of the review procedures at the end of the first half of 2026, the Company analysed the indications and identified factors that could have materially contributed to changes in the value of the Coal Energy segment's non-current assets. The Group performed impairment tests due to the update of macroeconomic and market assumptions, the update of the WACC and the change in the methodology used to determine it.

As at May 31, 2026, the carrying amount of property, plant and equipment in the Coal Energy segment subject to testing was PLN 3,966 million. As a result of the impairment test, the Group concluded that there was no need to recognise additional impairment write-downs or reverse impairment write-downs previously recognised on these assets. No indication was identified that would require a repeat impairment test as at June 30, 2026.

Climate issues are discussed in Note 3.1 of these financial statements.

3.3 Railway Energy Services

As part of the reporting procedures at the end of the first half of 2026, the Group analysed indications and identified factors that could have materially contributed to a change in the value of the assets held. The Group performed impairment tests on non-current assets due to the update of macroeconomic and market assumptions and the allocated goodwill.

Impairment tests were carried out as at May 31, 2026 with respect to cash-generating units (CGUs) by determining their recoverable amount. The recoverable amount of the assets analysed was determined by estimating their value in use using the discounted net cash flow method based on financial projections prepared for the period from June 2026 to 2031 and a residual value. The residual value was determined based on cash flows normalised for the final year of the detailed forecast.

Specific assumptions

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

- due to the number of interdependencies connected with the ability to generate cash flows, the Railway Energy Services segment was recognised as a single CGU.
- adoption of volume, margin and cost forecasts based on the current Financial Plan for the Railway Energy Services segment, actual performance and other long-term forecasts, assuming in particular:
  - maintaining a stable level in the distribution of traction energy volumes,
  - maintaining profitability in the trading of traction energy,
  - development of the Fuels Branch, in line with the Fuels Division strategy,
  - long-term maintenance of profitability of contracts concluded by the Services Division,
- adoption of an adjusted post-tax weighted average cost of capital of 6.51% for the entire forecast period and the residual period. By comparison, in the impairment tests of assets for the first half of 2025, the post-tax weighted average cost of capital averaged 7.81% per year in 2025–2031, while a post-tax weighted average cost of capital of 6.81% was adopted for the residual period.

As at May 31, 2026, the carrying amount of property, plant and equipment in the Railway Energy Services segment subject to testing was PLN 7,434 million and goodwill was PLN 345 million. The test also covered customer relationship assets of PLN 322 million. As a result of the impairment test, the Group concluded that there was no need to recognise impairment write-downs. No indication was identified that would require a repeat impairment test as at June 30, 2026.

Sensitivity analysis

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

3.4 Renewables segment

As part of the review procedures at the end of the first half of 2026, the Group analysed the indications and identified factors that could have materially contributed to changes in the value of its assets. As a result of the analysis of indications, the Group performed tests due to the update of macroeconomic and market assumptions, the update of the weighted average cost of capital and the change in the methodology used to determine it.

The impairment tests were performed as at June 30, 2026 for the cash-generating units by determining their recoverable amounts. The recoverable amount of the assets analysed was determined on the basis of an estimate of their value in use using the discounted net cash flow method, based on financial projections prepared for the expected useful life of a given CGU in the case of wind farms and photovoltaic farms, or for the period 2026–2035 in the case of other CGUs. For those CGUs whose expected economic useful life extends beyond 2035, a residual value was determined after the detailed forecast period. In the Group's opinion, adopting financial projections longer than five years is justified due to the fact that the property, plant and equipment used by the Group have a materially longer economic useful life and due to the significant and long-term impact of estimated regulatory changes reflected in the detailed forecast.

Climate issues are discussed in Note 3.1 of these financial statements.

Specific assumptions

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

- recognition as separate CGUs of:
  - pumped-storage power plants (one CGU for all power plants due to their common economic characteristics),
  - run-of-river hydroelectric power plants (one CGU for all power plants due to their common economic characteristics),
  - individual wind farms (separate CGUs for each farm due to differing periods of operation),
  - individual photovoltaic power plants (separate CGUs for each plant due to differing periods of operation),
- electricity and property rights generation assumed on the basis of historical data, taking into account the availability of individual units,
- availability of units estimated on the basis of maintenance plans, taking into account failure rates,
- for pumped-storage power plants, inclusion of the market mechanism for contracting balancing services, for which revenue up to 2027 was estimated on the basis of the PGE CG's internal analyses and, in the long term, on the basis of a study by an external expert,
- maintenance of production capacity through reinvestment projects of a replacement nature,
- adoption of a base constant post-tax weighted average cost of capital of 7.67%. The base weighted average cost of capital is adjusted for risks specific to the relevant CGU: a premium for market forecast risk, depending on the forecast horizon; a discount for limited volume risk; and, for CGUs with revenue secured through a CfD or PPA, an additional discount reflecting the degree to which operating revenue is secured. After taking into account risks specific to each CGU, the discount rate adopted for impairment testing ranges from 6.17% to 7.67%. The tests performed as at December 31, 2025 used a weighted average cost of capital varying over time from 6.05% to 9.48%, taking into account the individually estimated level of risk associated with participation in support schemes during their term (green certificates, auctions) and the premium for volume and price guarantees.

As at June 30, 2026, the carrying amount of non-current assets in the Renewables segment subject to testing was PLN 5,435 million. As a result of the impairment tests, the Group concluded that it was necessary to recognise impairment write-downs on assets totalling PLN 258 million and partially reverse impairment write-downs of PLN 10 million. The total impairment write-downs on assets amounted to PLN 248 million, as presented in the table below. After taking into account the adjustment to the settlement of the grant, the impact on profit or loss was PLN 247 million.

(PLN million)	Value subject to testing as at June 30, 2026	Value of write-down/reversal	Value after write-down
Pumped-storage power plants	764	-	764
Run-of-river hydro power plants	513	-	513
Wind farms	3,168	(106)	3,062
Photovoltaic power plants	990	(142)	848
TOTAL	**5,435**	**(248)**	**5,187**

Sensitivity analysis

The sensitivity analysis showed that factors such as WACC and electricity prices have a material impact on the estimated value in use.

The table below presents the impact of changes in factors, applying the ceteris paribus principle, that have a material effect throughout the projection period on projected cash flows and, consequently, on the estimated value in use.

Parameter	Change in assumptions	Impact on value in use (PLN million)		Impact on the value of the write-down (PLN million)	
		Increase	Decrease	Increase	Decrease
Change in electricity price over the forecast period	1%	68	-	-	18
	-1%	-	68	18	-
Change in WACC	+ 0.5 p.p.	-	1,389	80	-
	- 0.5 p.p.	1,679	-	-	86

Summarising the impact of the changes in assumptions presented in the above table on the value in use of the assets:

- a 1% decrease in the electricity price over the entire forecast period would reduce the value in use of assets by approx. PLN 0.1 billion and increase the impairment by PLN 0.02 billion,
- a 0.5 percentage point increase in WACC over the entire forecast period would reduce the value in use of assets by approx. PLN 1.4 billion and increase the impairment by PLN 0.08 billion.

3.5 District Heating segment

As part of the review procedures at the end of the first half of 2026, the Group analysed the indications and identified factors that could have materially contributed to changes in the value of its assets. As a result of the analysis of indications, the Group performed tests due to the update of macroeconomic and market assumptions, the update of the weighted average cost of capital and the change in the methodology used to determine it, the increase in reference heat prices in 2026 and the update of price forecasts for subsequent years, as well as the recognised goodwill allocated to the District Heating segment.

Impairment tests of property, plant and equipment were carried out as at May 31, 2026 with respect to cash-generating units (CGUs) by determining their recoverable amount. The recoverable amount of the assets analysed was determined by estimating their value in use using the discounted net cash flow method based on financial projections prepared for the period from 2026 to 2030. For generation units whose expected economic useful life extends beyond 2030, a residual value was determined for the remaining operating period.

The energy market, and in particular the heating market, is a regulated market in Poland and as such is subject to numerous regulations and cannot be shaped freely solely on the basis of business decisions. The Energy Law aims, inter alia, to take effective regulatory measures to ensure energy security. This means that the regulatory environment is directed towards the stable operation of heat suppliers in a given area in order to meet consumers' needs in the long term. Under the provisions of the Energy Law, the President of the Energy Regulatory Office (URE) may, even in extreme cases, order an energy company to carry out licensed activities (for a period not exceeding two years) if required by the public interest. If such activities generate a loss, the energy company is entitled to compensation of the losses from the State Treasury.

Accordingly, the Group does not assume a finite useful life of CGUs due to the regulatory environment, which limits the possibility of discontinuing operations. Therefore, in impairment tests it was assumed that activities would continue (in the form of residual value), while maintaining expenditures at replacement level, in the long term, inter alia in view of the public interest in ensuring heat supply. In respect of generation assets covered by the Decarbonisation Plan, reinvestment projects relate to the transformation of generating capacity (to gas-fuelled assets) through the use of new low- or zero-emission generation units, which means that cash flows generated by these assets are included in the impairment tests.

Climate issues are discussed in Note 3.1 of these financial statements.

Specific assumptions relating to the segment

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

- recognition as separate CGUs of the individual branches of PGE EC S.A., i.e. Kraków Branch (Kraków CHP Plant), Wybrzeże Branch (Gdańsk CHP Plant, Gdynia CHP Plant), Rzeszów Branch (Rzeszów CHP Plant), Lublin Branch (Lublin Wrotków CHP Plant), Bydgoszcz Branch (Bydgoszcz I CHP Plant, Bydgoszcz II CHP Plant), Gorzów Wielkopolski Branch (Gorzów Wielkopolski CHP Plant), Zgierz Branch (Zgierz CHP Plant), Kielce Branch (Kielce CHP Plant), Szczecin Branch (Szczecin CHP Plant, Pomorzany CHP Plant, the heating plant and district heating network in Gryfino),
- recognition as one CGU of three production plants forming part of KOGENERACJA, i.e. Wrocław CHP, Czechnica CHP, and Zawidawie CHP,
- recognition as separate CGUs of the following companies in the District Heating segment: PGE Zielona Góra S.A. and PGE Toruń S.A.,
- assumption that PGE CG generators will not receive free allocations of CO_2 allowances for electricity production in the forecast period,
- inclusion of free allocation of CO_2 emission allowances in the period 2026–2030 for district heating and high-efficiency cogeneration. Member States may apply for free allocation of emission allowances for heat at the level of 30% for the period from 2021 to 2030, with the 30% value referring to the gas benchmark and heat supplied for municipal needs,
- assumption for CHP plants that in the residual period there is support from the capacity market or its equivalent,
- inclusion of the support system for high-efficiency cogeneration in the forecast horizon and residual period: for existing units, support was assumed in the form of guaranteed premium and, if the financial gap condition is met, an individual guaranteed premium; for new gas units, it was assumed that a cogeneration premium would be granted,
- maintenance of production capacity through reinvestment projects of a replacement nature. For generation assets for which measures have been taken towards implementing the Decarbonisation Plan, reinvestment projects mean the transformation of production assets into gas-fuelled assets. The Decarbonisation Plan covers the following locations: Kraków, Gdańsk, Gdynia, Wrocław, Bydgoszcz, Kielce,
- inclusion of development projects with a high level of advancement that have been included in the company's approved investment plan,
- adoption of an adjusted constant post-tax weighted average cost of capital (WACC) of 7.67% for the PGE CG, followed by determination of the discount rate for each CGU by taking into account the risks specific to that cash-generating unit. After taking into account specific risks, the discount rate adopted to estimate the value in use of individual CGUs ranges from 7.31% to 7.66%. The tests performed as at December 31, 2025 used a weighted average cost of capital varying over time from 7.06% to 9.19%.

As at May 31, 2026, the tested carrying amount of property, plant and equipment of the District Heating segment amounted to PLN 7,342 million, and goodwill amounted to PLN 192 million. As a result of the impairment test, the Group concluded that there was no need to recognise or reverse impairment write-downs on these assets and goodwill. No indication was identified that would require a repeat impairment test as at June 30, 2026.

Sensitivity analysis

In accordance with IAS 36 Impairment of Assets, the Group carried out a sensitivity analysis for the generation units of the District Heating segment.

The impact of changes in key assumptions, applying the ceteris paribus principle, on the value in use of assets as at May 31, 2026 for the District Heating segment is presented below.

Parameter	Change in assumptions	Impact on value in use in PLN million	
		Increase	Decrease
Change in electricity price over the forecast period	1%	579	-
	-1%	-	579
Change in WACC	+ 0.5 p.p.	-	2,394
	- 0.5 p.p.	2,932	-
Change in the price of CO_2 emission allowances	1%	-	246
	- 1%	245	-
Change in the price of hard coal	5%	-	92
	- 5%	91	-
Change in gas price	1%	-	568
	-1%	567	-

Summarising the impact of the changes in assumptions presented in the above table on the value in use of the assets:

- a 1% decrease in the electricity price would reduce the value in use of assets by approx. PLN 0.6 billion, and would not result in an impairment,
- a 0.5 percentage point increase in WACC would reduce the value in use of assets by approx. PLN 2.4 billion, and would not result in an impairment,
- a 1% increase in CO_2 emission allowance prices would reduce the value in use of assets by approx. PLN 0.2 billion, and would not result in an impairment,
- a 5% increase in the hard coal price would reduce the value in use of assets by approx. PLN 0.09 billion, and would not result in an impairment,
- a 1% increase in the gas price would reduce the value in use of assets by approx. PLN 0.6 billion, and would not result in an impairment.

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

The impairment tests of non-current assets for PGE Gryfino Dolna Odra sp. z o.o. and PGE Nowy Rybnik sp. z o.o. were performed as at May 31, 2026 due to the external indications described in Note 3 to these financial statements, as well as the update of long-term electricity and CO_2 emission allowance price paths, the update of the weighted average cost of capital and the change in the methodology used to determine it.

As at May 31, 2026, the carrying amount of property, plant and equipment of PGE Gryfino Dolna Odra sp. z o.o. subject to testing was PLN 4,149 million. As a result of the impairment test, the Group concluded that there was no need to recognise impairment write-downs on these assets.

As at May 31, 2026, the carrying amount of property, plant and equipment of PGE Nowy Rybnik sp. z o.o. subject to testing was PLN 3,241 million. As a result of the impairment test, the Group concluded that there was no need to recognise impairment write-downs on these assets.

No indication was identified that would require a repeat impairment test as at June 30, 2026.

Climate issues are discussed in Note 3.1 of these financial statements.

3.7 Offshore Wind Energy

As at May 31, 2026, the PGE Capital Group analysed the indications to verify whether the assets held by EWB1, EWB2 and EWB3 and the Baltica 9+ investment project implemented by EWB+ and EWB9 may have been impaired.

EWB1 Project

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

Baltica 9+ Project

The Baltica 9+ Project is at the development stage and is carrying out the tasks necessary to progress through the subsequent preparatory stages towards construction and operation. The project is in line with Poland's energy policy and the strategy of the PGE Capital Group. The revenue side of the Baltica 9+ Project is secured by a Contract for Difference (CfD) covering the entire project. The PGE Capital Group does not identify any indications to perform tests.

EWB2 and EWB3 Projects

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

The EWB2 and EWB3 projects are entitled to obtain public support and consequently secure a revenue side that is indexed for inflation, thus partially mitigating the negative aspects of the macroeconomic environment.

The development phase of the EWB3 project is being carried out within the approved budget, in line with the updated project schedule that takes into account the postponement of the deadline for the generation and first grid connection of electricity, pursuant to the positive decision of the President of the Energy Regulatory Office. In January 2025, the Final Investment Decision (FID) was adopted for the EWB2 project, as a result of which the development phase was completed and the construction phase commenced, in line with the planned schedule.

Accordingly, the PGE Group has not identified any indications to perform tests as at May 31, 2026. These conclusions remain valid as at June 30, 2026.

3.8 Property, plant and equipment of the Distribution segment

As at the reporting date, the book value of property, plant and equipment related to the distribution business amounts to approximately PLN 30 billion, accounting for approximately 42% of the total consolidated property, plant and equipment of the PGE Capital Group. Their recoverable amount depends mainly on the tariff approved by the President of the Energy Regulatory Office. The regulated (tariff-based) revenue, which is determined on an annual basis, ensures that justified costs are covered: operating costs, depreciation and amortisation, taxes, energy purchase to cover the balance difference, passed-through costs, and the achievement of a reasonable return on capital employed in distribution activities. The level of return on capital and depreciation/amortisation depend on the Regulatory Asset Base.

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

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

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4. Changes in accounting principles and data presentation

New standards and interpretations effective as of January 1, 2026

The accounting principles applied in preparing these financial statements are consistent with those applied in preparing the financial statements for 2025. The changes to the IFRSs referred to below were applied in these financial statements as of their respective effective dates. The changes presented below did not have any material impact on the presented and disclosed financial information or did not apply to transactions entered into by the Group, or their application is required only in the annual financial statements:

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

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

Change in presentation of comparative figures

In these condensed interim consolidated financial statements, the comparative data in the consolidated statement of comprehensive income were changed from the data published for that period.

The Group changed the presentation of the effects of the creation and reversal of provisions for onerous contracts. In previously published financial information, the effects of the creation and reversal of these provisions were presented under 'Other operating income and expenses'. Following a reassessment of the economic substance of these items, the Group concluded that provisions for onerous contracts are directly related to the Group's core operating activities and, therefore, should be presented under 'Cost of sales'.

The impact of the restatement on comparative data is presented in the table below.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months ended June 30, 2025 *published data*	Change in the presentation of provisions for onerous contracts	6 months ended June 30, 2025 *restated data*	3 months ended June 30, 2025 *published data*	Change in the presentation of provisions for onerous contracts	3 months ended June 30, 2025 *restated data*
SALES REVENUE	**30,971**	**-**	**30,971**	**13,804**	**-**	**13,804**
Cost of goods sold	(33,100)	13	(33,087)	(19,763)	(17)	(19,780)
GROSS PROFIT ON SALES	**(2,129)**	**13**	**(2,116)**	**(5,959)**	**(17)**	**(5,976)**
Distribution and selling expenses	(422)	-	(422)	(228)	-	(228)
General and administrative expenses	(1,045)	-	(1,045)	(586)	-	(586)
Other operating income	498	(60)	438	346	(30)	316
Other operating expenses	(424)	47	(377)	(355)	47	(308)
OPERATING PROFIT	**(3,522)**	**-**	**(3,522)**	**(6,782)**	**-**	**(6,782)**

5. Fair value hierarchy

Derivative instruments

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

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

Within financial assets and liabilities measured at fair value through profit or loss, the Group recognises contracts for the sale and purchase of electricity, the purchase and sale of coal, as well as commodity swaps (Level 2).

Commercial contracts measured at fair value

In 2026, the Group held power purchase agreements (PPAs) for the sale of electricity. These agreements are evaluated at the end of each reporting period. The effects of changes in the fair value of these instruments are recognised in profit or loss under finance income/costs. The sale of electricity with physical delivery is carried out on a two-component basis, consisting of a fixed element (scheduled for a given year) and a variable component linked to actual electricity production and market prices in monthly settlement periods. The contracts were concluded for a term of up to 10 years, and the rights and obligations arising therefrom were set until December 31, 2030. These agreements were measured using the discounted cash flow (DCF) method. Net cash flows were calculated as the product of the volume committed for delivery under the agreement and the difference between the fixed contract price for the specified volume and the forecasted electricity price for the relevant period.

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

Instruments embedded in the Contract for Difference (CfD)

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

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

Within hedging derivative instruments, the Group presents financial instruments related to the sale and purchase of electricity, CO_2 and gas (Level 2), as well as inflation swaps and commodity swaps (Level 2).

for the period of 6 months ended June 30, 2026 in accordance with EU IFRS (in PLN million)

	Assets as at June 30, 2026			Liabilities as at June 30, 2026		
FAIR VALUE HIERARCHY	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Hard coal in trading activity	160	-	-	-	-	-
INVENTORIES	**160**	-	-	-	-	-
Currency forwards	-	3	-	-	14	-
Commodity forwards	-	3	-	-	187	-
Commodity SWAP	-	3	-	-	8	-
Coal purchase/sale contracts	-	15	-	-	5	-
Contracts measured at fair value	-	-	-	-	-	94
Embedded derivatives in the Contract for Difference (CfD)	-	-	-	-	-	752
Options	-	5	-	-	-	-
DERIVATIVES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	-	**29**	**-**	**-**	**214**	**846**
CCIRS hedging transactions	-	1	-	-	-	-
IRS hedging transactions	-	231	-	-	60	-
Currency forwards – EUR	-	42	-	-	266	-
Commodity forwards – all-in-one-hedge	1	836	-	-	77	-
Commodity SWAP	-	-	-	-	6	-
Inflation SWAP	-	17	-	-	**-**	-
HEDGING DERIVATIVES	**1**	**1,127**	-	-	**409**	-
Investment fund participation units	-	38	-	-	-	-
OTHER ASSETS / LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	-	**38**	-	-	-	-

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

Derivatives are presented in Note 18 to these financial statements. During the reporting period, there were no transfers of financial instruments between the levels of the fair value hierarchy.

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

EXPLANATORY NOTES TO THE BUSINESS SEGMENTS

6. Information on the business segments

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

The concessions for coal mining, electricity and heat generation, and electricity and heat distribution are assigned the corresponding assets, which are presented in the detailed information on the Business segments. In connection with the electricity and heat concessions, annual fees depending on the level of turnover are incurred. For concessionary lignite mining, mining fees are incurred depending on the applicable rate and the mining volume, as well as usufruct fees.

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

- Renewables – generation of electricity in pumped-storage power plants and from renewable sources. In addition, the segment includes companies engaged in the construction of electricity storage facilities.
- Gas-fired Generation – electricity generation from gas-fired units.
- Coal Energy includes lignite mining and electricity generation from conventional sources as well as auxiliary activities in this respect.
- District Heating – combined heat and power (CHP) generation and heat transmission and distribution.
- Distribution – the management of local distribution networks and the transmission of electricity over them.
- Railway Energy Services mainly include the distribution and sales of electricity to railway companies and railway-related customers, sales of fuels, maintenance and upgrading of overhead lines, and other electricity-related services.
- Supply – electricity and gas trading on wholesale markets, CO_2 emission rights trading, trading in property rights arising from certificates of origin, and the purchase and supply of fuels as well as the sales of electricity and services to final customers.
- Other Activities – services provided to the Group by its subsidiaries, e.g. arrangement of financing, provision of IT and transport services, and investments in start-ups. The companies operating in this segment also provide comprehensive management services for combustion by-products, auxiliary services for electricity and heat producers, and supply materials.

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

Seasonality of business segments

Electricity and heat demand is affected mainly by:

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

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

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

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

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

for the period of 6 months ended June 30, 2026 in accordance with EU IFRS (in PLN million)

6.1 Information on the Business segments

Information on Business segments for the six-month period ended June 30, 2026 or as at June 30, 2026

	Renewables	Gas-fired Generation	Coal Energy	District Heating	Distribution	Railway Energy Services	Supply	Other activities	Adjustments and consolidation eliminations	Total
PROFIT AND LOSS ACCOUNT										
Sales to external customers	1,231	309	1,814	3,648	5,581	2,762	17,216	158	(3)	32,716
Inter-segment sales	312	3,562	11,661	2,402	220	19	13,355	421	(31,952)	-
TOTAL SEGMENT SALES	**1,543**	**3,871**	**13,475**	**6,050**	**5,801**	**2,781**	**30,571**	**579**	**(31,955)**	**32,716**
Cost of goods sold	(944)	(3,331)	(12,238)	(4,737)	(3,728)	(2,033)	(29,117)	(457)	30,855	(25,730)
EBIT	**487**	**447**	**783**	**1,039**	**1,944**	**467**	**773**	**45**	**(299)**	**5,686**
Amortisation, liquidation recognised in profit or loss	202	128	119	451	825	207	19	57	131	2,139
Impairment write-downs recognised in profit or loss	248	-	110	14	-	-	-	-	(2)	370
EBITDA	**937**	**575**	**1,012**	**1,504**	**2,769**	**674**	**792**	**102**	**(170)**	**8,195**
PROFIT BEFORE TAX	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,887**
Income tax	-	-	-	-	-	-	-	-	-	(840)
NET PROFIT FOR REPORTING PERIOD	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,047**
ASSETS AND LIABILITIES										
Segment assets without PPE, IA, RTUA and trade receivables	1,666	601	5,664	1,462	170	263	4,665	158	(4,028)	10,621
PPE, IA, RTUA	12,899	7,525	4,432	9,192	30,251	7,721	308	597	(1,080)	71,845
Trade receivables	307	890	2,193	508	2,057	785	5,714	158	(6,732)	5,880
Shares accounted for using the equity method	-	-	-	-	-	-	-	-	-	412
Unallocated assets	-	-	-	-	-	-	-	-	-	21,206
TOTAL ASSETS	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**109,964**
Segment payables excluding trade payables	2,367	616	22,986	4,782	10,246	1,053	5,332	359	(8,300)	39,441
Trade payables	111	674	713	316	752	2,262	6,005	87	(6,696)	4,224
Unallocated liabilities	-	-	-	-	-	-	-	-	-	18,291
TOTAL LIABILITIES	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**61,956**
OTHER INFORMATION ON THE SEGMENT										
Capital expenditure / RTUA increases	**2,303**	**323**	**154**	**420**	**1,589**	**204**	**4**	**52**	**(125)**	**4,924**
Acquisition of PPE, IA, RTUA as part of the acquisition of new companies	566	-	-	-	-	-	-	-	33	599
Impairment write-downs of financial and non-financial assets	240	-	119	8	12	5	64	1	(1)	448
Other non-cash expenses*	32	315	7,707	1,572	116	75	(126)	29	(50)	9,670

Non-cash changes relate to provisions for e.g. rehabilitation, CO_2 emission allowances, jubilee rewards, employee tariff, and non-financial employee benefit obligations recognised in profit or loss and other comprehensive income.

for the period of 6 months ended June 30, 2026 in accordance with EU IFRS (in PLN million)

Information on Business segments for the six-month period ended June 30, 2025 or as at December 31, 2025

restated data	Renewables	Gas-fired Generation	Coal Energy*	District Heating	Distribution	Railway Energy Services	Supply	Other activities	Adjustments and consolidation eliminations	Total
PROFIT AND LOSS ACCOUNT										
Sales to external customers	1,119	227	6,773	3,383	5,441	2,582	11,283	159	4	30,971
Inter-segment sales	306	2,199	6,622	2,040	224	24	5,651	356	(17,422)	-
TOTAL SEGMENT SALES	**1,425**	**2,426**	**13,395**	**5,423**	**5,665**	**2,606**	**16,934**	**515**	**(17,418)**	**30,971**
Cost of goods sold	(858)	(2,261)	(21,877)	(4,285)	(3,657)	(1,944)	(14,987)	(380)	17,162	(33,087)
EBIT	**362**	**102**	**(9,145)**	**864**	**1,864**	**446**	**1,242**	**73**	**670**	**(3,522)**
Amortisation, liquidation recognised in profit or loss	197	121	344	380	760	231	20	32	(14)	2,071
Impairment write-downs recognised in profit or loss	409	-	8,682	22	-	(2)	-	-	(14)	9,097
EBITDA	**968**	**223**	**(119)**	**1,266**	**2,624**	**675**	**1,262**	**105**	**642**	**7,646**
LOSS BEFORE TAX	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(3,724)**
Income tax	-	-	-	-	-	-	-	-	-	(3,399)
NET LOSS FOR THE REPORTING PERIOD	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(7,123)**
ASSETS AND LIABILITIES										
Segment assets without PPE, IA, RTUA and trade receivables	1,603	194	10,248	745	126	225	1,331	166	(1,656)	12,982
PPE, IA, RTUA	10,501	7,325	4,528	9,231	29,459	7,711	324	616	(894)	68,801
Trade receivables	263	482	1,794	1,515	1,742	709	7,043	143	(7,358)	6,333
Shares accounted for using the equity method	-	-	-	-	-		-	-	-	402
Unallocated assets	-	-	-	-	-		-	-	-	16,850
TOTAL ASSETS	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**-**	**105,368**
Segment payables excluding trade payables	1,334	674	25,073	2,911	6,745	1,097	5,264	304	(3,573)	39,829
Trade payables	124	452	1,104	1,994	717	2,158	5,503	114	(7,379)	4,787
Unallocated liabilities	-	-	-	-	-		-	-	-	17,767
TOTAL LIABILITIES	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**-**	**62,383**
OTHER INFORMATION ON THE SEGMENT										
Capital expenditure / RTUA increases	**1,391**	**1,255**	**280**	**505**	**1,404**	**141**	**4**	**75**	**(141)**	**4,914**
Impairment write-downs of financial and non-financial assets	409	-	8,798	31	16	(1)	4	3	5	9,265
Other non-cash expenses **)	35	248	7,080	1,298	176	71	163	19	(96)	8,994

In the comparative period, the calculation of the provision for onerous contracts was adjusted following a reassessment of the calculation methodology. The change had no impact on the consolidated financial statements.

***Non-cash changes relate to provisions for e.g. rehabilitation, CO_2 emission allowances, jubilee rewards, employee tariff, and non-financial employee benefit obligations recognised in profit or loss and other comprehensive income.*

for the period of 6 months ended June 30, 2026 in accordance with EU IFRS (in PLN million)

Information on Business segments for the three-month period ended June 30, 2026

	Renewables	Gas-fired Generation	Coal Energy	District Heating	Distribution	Railway Energy Services	Supply	Other activities	Adjustments and consolidation eliminations	Total
PROFIT AND LOSS ACCOUNT										
Sales to external customers	643	232	919	1,139	2,530	1,340	8,365	97	(2)	15,263
Inter-segment sales	140	2311	5,458	800	112	11	2,877	208	(11,917)	-
TOTAL SEGMENT SALES	**783**	**2,543**	**6,377**	**1,939**	**2,642**	**1,351**	**11,242**	**305**	**(11,919)**	**15,263**
Cost of goods sold	(592)	(2,170)	(5,572)	(1,667)	(1,704)	(952)	(10,507)	(238)	11,376	(12,026)
EBIT	**140**	**332**	**646**	**149**	**874**	**243**	**417**	**27**	**(174)**	**2,654**
Amortisation, liquidation recognised in profit or loss	99	64	59	227	418	102	10	30	140	1,149
Impairment write-downs recognised in profit or loss	248	-	58	6	-	-	-	-	(1)	311
EBITDA	**487**	**396**	**763**	**382**	**1,292**	**345**	**427**	**57**	**(35)**	**4,114**
PROFIT BEFORE TAX	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,242**
Income tax	-	-	-	-	-	-	-	-	-	(231)
NET PROFIT FOR REPORTING PERIOD	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,011**
Capital expenditure / RTUA increases	**1,516**	**257**	**114**	**262**	**1,015**	**145**	**3**	**28**	**(73)**	**3,267**

Information on Business segments for the three-month period ended June 30, 2025

*restated data**	Renewables	Gas-fired Generation	Coal Energy	District Heating	Distribution	Railway Energy Services	Supply	Other activities	Adjustments and consolidation eliminations	Total
PROFIT AND LOSS ACCOUNT										
Sales to external customers	602	134	3,001	1,104	2,546	1,238	5,088	88	3	13,804
Inter-segment sales	134	1,117	2,860	630	109	13	1,558	176	(6,597)	-
TOTAL SEGMENT SALES	**736**	**1,251**	**5,861**	**1,734**	**2,655**	**1,251**	**6,646**	**264**	**(6,594)**	**13,804**
Cost of goods sold	(576)	(1,147)	(14,917)	(1,439)	(1,663)	(935)	(5,799)	(211)	6,907	(19,780)
EBIT	**14**	**72**	**(9,370)**	**163**	**919**	**209**	**508**	**24**	**679**	**(6,782)**
Amortisation, liquidation recognised in profit or loss	110	61	171	178	386	117	10	16	(7)	1,042
Impairment write-downs recognised in profit or loss	398	-	8,672	22	-	(2)	-	-	(14)	9,076
EBITDA	**522**	**133**	**(527)**	**363**	**1,305**	**324**	**518**	**40**	**658**	**3,336**
LOSS BEFORE TAX	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(6,736)**
Income tax	-	-	-	-	-	-	-	-	-	(2,859)
NET LOSS FOR THE REPORTING PERIOD	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(9,595)**
Capital expenditure / RTUA increases	**881**	**993**	**143**	**350**	**766**	**80**	**2**	**55**	**(72)**	**3,198**

**The restatement of comparative data is described in Note 4 to these consolidated financial statements.*

for the period of 6 months ended June 30, 2026 in accordance with EU IFRS (in PLN million)

EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

7. Revenue and expenses

7.1 Sales revenue

Sales revenue for the period ended June 30, 2026 by category

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

	Renewables	Gas-fired Generation	Coal Energy	District Heating	Distribution	Railway Energy Services	Supply	Other activities	Adjustments and consolidation eliminations	Total
Revenue from contracts with customers	1,553	3,871	13,465	5,957	5,757	2,781	30,572	578	(31,942)	**32,592**
Compensation – electricity	-	-	-	-	-	-	(4)	-	-	**(4)**
RES auction support system	(14)	-	-	-	-	-	-	-	-	**(14)**
High-efficiency cogeneration support	-	-	-	77	-	-	-	-	-	**77**
Leasing	4	-	10	16	44	-	3	1	(13)	**65**
TOTAL SALES REVENUE	**1,543**	**3,871**	**13,475**	**6,050**	**5,801**	**2,781**	**30,571**	**579**	**(31,955)**	**32,716**

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

Type of good or service	Renewables	Gas-fired Generation	Coal Energy	District Heating	Distribution	Railway Energy Services	Supply	Other activities	Adjustments and consolidation eliminations	Total
Revenue from sales of goods and products including taxes and charges	1,518	3,871	13,440	5,912	7,152	2,696	30,418	129	(31,246)	**33,890**
Taxes and charges collected on behalf of third parties	-	-	*(6)*	*(3)*	*(1,433)*	*(257)*	*(77)*	-	-	***(1,776)***
Revenue from sales of goods and products, including:	**1,518**	**3,871**	**13,434**	**5,909**	**5,719**	**2,439**	**30,341**	**129**	**(31,246)**	**32,114**
Electricity	1,017	2,653	11,411	2,431	5	1,039	18,442	-	(19,379)	**17,619**
Distribution services	-	-	2	8	5,542	1,271	41	-	(220)	**6,644**
Heat	-	-	107	3,199	-	-	15	-	(17)	**3,304**
Support mechanisms	473	218	1,833	228	-	-	25	-	-	**2,777**
Energy origin rights	22	-	-	4	-	-	4	-	(10)	**20**
Natural gas	-	905	-	14	-	-	3,417	-	(3,251)	**1,085**
Other fuels	-	-	-	-	-	127	511	-	(344)	**294**
CO_2 emission allowances	-	95	-	15	-	-	7,887	-	(7,965)	**32**
Other	6	-	81	10	172	2	(1)	129	(60)	**339**
Revenue from sales of services	**35**	**-**	**31**	**48**	**38**	**342**	**231**	**449**	**(696)**	**478**
REVENUE FROM CONTRACTS WITH CUSTOMERS	**1,553**	**3,871**	**13,465**	**5,957**	**5,757**	**2,781**	**30,572**	**578**	**(31,942)**	**32,592**

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Sales revenue for the period ended June 30, 2025 by category

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

	Renewables	Gas-fired Generation	Coal Energy	District Heating	Distribution	Railway Energy Services	Supply	Other activities	Adjustments and consolidation eliminations	Total
Revenue from contracts with customers	1,434	2,426	13,386	5,254	5,617	2,586	16,319	515	(17,409)	**30,128**
Compensation – energy, gas, heat, distribution service	-	-	-	96	8	20	612	-	-	**736**
RES auction support system	(11)	-	-	-	-	-	-	-	-	**(11)**
High-efficiency cogeneration support	-	-	-	33	-	-	-	-	-	**33**
Compensations – Long-term Contracts	-	-	-	25	-	-	-	-	-	**25**
Leasing	2	-	9	15	40	-	3	-	(9)	**60**
TOTAL SALES REVENUE	**1,425**	**2,426**	**13,395**	**5,423**	**5,665**	**2,606**	**16,934**	**515**	**(17,418)**	**30,971**

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

Type of good or service	Renewables	Gas-fired Generation	Coal Energy	District Heating	Distribution	Railway Energy Services	Supply	Other activities	Adjustments and consolidation eliminations	Total
Revenue from sales of goods and products including taxes and charges	1,408	2,426	13,367	5,224	6,198	2,444	15,961	137	(16,622)	**30,543**
Taxes and charges collected on behalf of third parties	-	-	*(6)*	*(2)*	*(617)*	*(140)*	*(71)*	-	**-**	*(836)*
Revenue from sales of goods and products, including:	**1,408**	**2,426**	**13,361**	**5,222**	**5,581**	**2,304**	**15,890**	**137**	**(16,622)**	**29,707**
Electricity	783	1,774	11,522	2,198	6	1,004	12,064	-	(12,655)	16,696
Distribution services	-	-	2	12	5,368	1,157	55	-	(233)	6,361
Heat	-	-	112	2,797	-	-	11	-	(18)	2,902
Support mechanisms	557	243	1,650	204	-	-	21	-	-	2,675
Energy origin rights	60	-	-	3	-	-	1	-	(35)	29
Natural gas	-	409	-	-	-	-	967	-	(970)	406
Other fuels	-	-	-	-	-	97	213	-	(97)	213
CO_2 emission allowances	-	-	-	-	-	-	2,552	-	(2,550)	2
Other	8	-	75	8	207	46	6	137	(64)	423
Revenue from sales of services	**26**	**-**	**25**	**32**	**36**	**282**	**429**	**378**	**(787)**	**421**
REVENUE FROM CONTRACTS WITH CUSTOMERS	**1,434**	**2,426**	**13,386**	**5,254**	**5,617**	**2,586**	**16,319**	**515**	**(17,409)**	**30,128**

In the first half of 2026, sales revenue increased compared with the comparative period. The main changes related to an increase in revenue from sales of electricity, gas, heat and distribution services, accompanied by a decrease in compensation for electricity.

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The increase in revenue from sales of electricity was driven by higher sales volumes and prices on the exchange market. Revenue from gas trading also increased, mainly due to a higher sales volume of this fuel and an increase in its price. Higher revenue from heat sales resulted from an increase in sales volumes caused by lower external temperatures compared with the corresponding period of 2025.

Higher revenue from sales of distribution services resulted primarily from a higher volume of distributed electricity than in the previous year. The increase in volume was mainly driven by higher demand for electricity under tariffs for households and large enterprises as a consequence of low temperatures in the first quarter of 2026.

7.2 Expenses by kind and function

	Period ended June 30, 2026	Period ended June 30, 2025 *restated data**
EXPENSES BY KIND		
Depreciation and impairment write-downs	2,542	11,182
Material and energy consumption	4,613	4,585
Third-party services	2,771	2,551
Taxes and charges	10,333	9,075
Employee benefits expenses	4,256	4,211
Other expenses by kind	250	237
TOTAL EXPENSES BY KIND	**24,765**	**31,841**
Change in stock of goods	24	4
Cost of producing services for the entity's own use	(696)	(604)
Distribution and selling expenses	(512)	(422)
General and administrative expenses	(1,057)	(1,045)
Value of goods and materials sold	3,491	3,326
Change in the value of provisions for onerous contracts	(285)	(13)
COST OF GOODS SOLD	**25,730**	**33,087**

**The restatement of comparative data is described in Note 4 to these consolidated financial statements.*

Cost of goods sold in the first half of 2026 was significantly lower than in the corresponding period of the previous year. The main factors affecting the change in cost of goods sold included:

- the difference in impairment write-downs resulting from the impairment tests of non-current assets performed in the first half of 2025, which resulted in the recognition of write-downs in the Coal Energy and Renewables segments totalling PLN 9,052 million;
- an increase in CO_2 emission allowance costs caused by both a higher average cost and higher CO_2 emissions resulting from increased generation of electricity and heat;
- an increase in the value of gas purchased for resale.

7.3 Depreciation, disposal and impairment costs

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

Period ended June 30, 2026	Depreciation and disposal					Impairment write-downs			
	PPE	IA	RTUA	IP	TOTAL	PPE	IA	RTUA	TOTAL
Cost of goods sold	1,777	216	52	2	**2,047**	360	-	10	**370**
Distribution and selling expenses	40	8	6	-	**54**	-	-	-	**-**
General and administrative expenses	25	7	6	-	**38**	-	-	-	**-**
CHARGED TO FINANCIAL RESULT	**1,842**	**231**	**64**	**2**	**2,139**	**360**	**-**	**10**	**370**
Change in stock of goods	-	-	-	-	**-**	-	-	-	**-**
Cost of producing services for the entity's own use	15	4	14	-	**33**	-	-	-	**-**
TOTAL	**1,857**	**235**	**78**	**2**	**2,172**	**360**	**-**	**10**	**370**

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Period ended June 30, 2025	Depreciation and disposal					Impairment write-downs			
	PPE	IA	RTUA	IP	TOTAL	PPE	IA	RTUA	TOTAL
Cost of goods sold	1,900	62	64	1	**2,027**	8,922	20	65	**9,007**
Distribution and selling expenses	6	1	2	-	**9**	-	-	-	**-**
General and administrative expenses	22	7	6	-	**35**	90	-	-	**90**
CHARGED TO FINANCIAL RESULT	**1,928**	**70**	**72**	**1**	**2,071**	**9,012**	**20**	**65**	**9,097**
Change in stock of goods	(4)	-	-	-	**(4)**	-	-	-	**-**
Cost of producing services for the entity's own use	13	2	3	-	**18**	-	-	-	**-**
TOTAL	**1,937**	**72**	**75**	**1**	**2,085**	**9,012**	**20**	**65**	**9,097**

In the current period, the Group performed impairment tests of non-current assets, which resulted in the recognition of impairment write-downs in the Renewables segment totalling PLN 248 million. A detailed description can be found in Note 3.4 to this financial statements.

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

Under Depreciation and disposal, the Group recognised an amount of PLN 21 million in the current period in respect of the net value of the disposal of PPE and IA (PLN 19 million in the comparative period).

7.4 Other operating income and expenses

	Period ended June 30, 2026	Period ended June 30, 2025 *restated data**
OTHER OPERATING INCOME		
Release of other provisions	186	19
Penalties, fines and compensation received and charged	106	65
Grants	104	40
Reversal of impairment write-downs on receivables	54	43
PPE / IA and other infrastructure received free of charge	40	20
Gain on disposal of PPE/IA	8	4
Capitalisation of changes in the rehabilitation provision	8	-
Release of provision for employee benefits	-	187
Measurement and settlement of derivative instruments – coal	-	42
Other	60	18
TOTAL OTHER OPERATING INCOME	**566**	**438**

**The restatement of comparative data is described in Note 4 to these consolidated financial statements.*

The reversal of other provisions includes, among other things, the reversal of a provision of PLN 135 million recognised in 2024 in connection with the contractor' challenge to the validity of drawing on the bank guarantee provided by the contractor as security for due performance of the agreement, as described in detail in Note 23.1.

	Period ended June 30, 2026	Period ended June 30, 2025 *restated data**
OTHER OPERATING EXPENSES		
Establishment of impairment write-downs on receivables	131	76
Recognition of other provisions	68	29
Donations	30	23
Compensation, penalties and fines	17	4
Damage and failure remediation	8	17
Reversal of impairment write-downs on other assets	1	113
Capitalisation of changes in the rehabilitation provision	-	79
Other	42	36
TOTAL OTHER OPERATING EXPENSES	**297**	**377**

**The restatement of comparative data is described in Note 4 to these consolidated financial statements.*

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7.5 Finance income and expenses

	Period ended June 30, 2026	Period ended June 30, 2025
FINANCE INCOME FROM FINANCIAL INSTRUMENTS		
Dividends	5	1
Interest	295	199
Revaluation	58	227
Reversal of impairment write-downs	3	3
Gain on disposal of investment	10	1
Foreign exchange differences	178	45
TOTAL FINANCE INCOME FROM FINANCIAL INSTRUMENTS	**549**	**476**
OTHER FINANCE INCOME		
Interest on tax receivables	1	5
Reversal of provisions	4	-
TOTAL OTHER FINANCE INCOME	**5**	**5**
TOTAL FINANCE INCOME	**554**	**481**

	Period ended June 30, 2026	Period ended June 30, 2025
FINANCE EXPENSES FROM FINANCIAL INSTRUMENTS		
Interest	335	345
Revaluation	543	6
Impairment write-down	8	8
Loss on disposal of investments	11	3
Foreign exchange differences	180	43
TOTAL FINANCE EXPENSES FROM FINANCIAL INSTRUMENTS	**1,077**	**405**
OTHER FINANCE EXPENSES		
Interest costs on non-financial items	278	264
Interest on tax payables	1	3
Establishment of provisions	2	6
Other	1	11
TOTAL OTHER FINANCE EXPENSES	**282**	**284**
TOTAL FINANCE EXPENSES	**1,359**	**689**

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

Revaluation income in the current reporting period results mainly from the measurement of derivative instruments and the measurement of electricity sale contracts in the Renewables segment.

Interest expenses mainly relate to loans and borrowings as well as issued bonds. Interest expense on lease liabilities amounted to PLN 40 million in the current reporting period (PLN 39 million in 2025).

The total revaluation cost recognised in the current reporting period was PLN 543 million, the majority of which concerned the valuation of the inflation derivative separated under the CfD (PLN 516 million).

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

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

Period ended June 30, 2026	Polimex Mostostal*	PEC Bogatynia	Energopomiar	PGE Soleo Kleszczów	DKRB Gdańsk	Elester
VOTING RIGHTS	**15.85%**	**34.93%**	**49.79%**	**50.00%**	**50.00%**	**89.96%**
Revenue	1,873	20	44	9	-	41
Profit from continuing operations	40	1	3	-	-	-
Share in the result of entities accounted for using the equity method	**6**	**-**	**1**	**-**	**-**	**-**
Elimination of unrealised profits and losses	(1)	-	-	-	-	-
SHARE IN THE RESULT OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**5**	**-**	**1**	**-**	**-**	**-**
Other comprehensive income	(2)	-	-	-	-	-
SHARE IN OTHER COMPREHENSIVE INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**-**	**-**	**-**	**-**	**-**	**-**

**The share in the profit or loss of Polimex Mostostal was recognised based on data for the period from December 1, 2025 to May 31, 2026.*

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

Period ended June 30, 2025	Polimex Mostostal*	PEC Bogatynia	Energopomiar	PGE Soleo Kleszczów	PGE PAK Energia Jądrowa	Elester
VOTING RIGHTS	**16.23%**	**34.93%**	**49.79%**	**50.00%**	**50.00%**	**89.96%**
Revenue	1,760	24	40	-	-	19
Profit from continuing operations	(35)	1	3	(1)	(8)	(7)
Share in the result of entities accounted for using the equity method	**(6)**	**-**	**1**	**-**	**(4)**	**(6)**
Elimination of unrealised profits and losses	(3)	-	-	-	-	-
Impairment loss	24	-	-	-	-	-
SHARE IN THE RESULT OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**15**	**-**	**1**	**-**	**(4)**	**(6)**
Other comprehensive income	(3)	-	-	-	-	-
SHARE IN OTHER COMPREHENSIVE INCOME OF ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD	**-**	**-**	**-**	**-**	**-**	**-**

** The share in the profit or loss of Polimex Mostostal was recognised based on data for the period from December 1, 2024 to May 31, 2025.*

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

8. Impairment write-downs on assets

As described in Note 3, in the current reporting period the Group recognised impairment write-downs on property, plant and equipment in the Renewables segment of PLN 248 million.

9. Income tax

9.1 Tax in the statement of comprehensive income

The main items of the income tax expense for the period ended June 30, 2026 and June 30, 2025 are as follows:

	Period ended June 30, 2026	Period ended June 30, 2025
Current income tax	759	909
Adjustments related to current income tax for previous years	(6)	(3)
Deferred income tax	109	2,492
Deferred income tax adjustments	(22)	1
INCOME TAX EXPENSE RECOGNISED IN THE NET PROFIT/LOSS	**840**	**3,399**
INCOME TAX EXPENSE RECOGNISED IN OTHER COMPREHENSIVE INCOME		
On actuarial gains and losses on valuation of employee benefit provisions	-	85
On valuation of hedging instruments	232	(49)
(Tax benefit) / tax expense recognised in other comprehensive income	**232**	**36**

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EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

In the current reporting period, the carrying amount of PPE, IA and RTUA increased by PLN 3,044 million. This increase was mainly due to the acquisition of new non-current assets.

	As at June 30, 2026	As at December 31, 2025
Property, plant and equipment	68,000	64,775
Intangible assets	1,842	2,025
Rights to use assets	2,003	2,001
TOTAL	**71,845**	**68,801**

In the current reporting period, the Group purchased property, plant and equipment, intangible assets, and rights to use assets amounting to PLN 4,924 million.

	Period ended June 30, 2026	Period ended June 30, 2025
Distribution	1,589	1,404
Renewables	2,303	1,391
Gas-fired Generation	323	1,255
District Heating	420	505
Coal Energy	154	280
Railway Energy Services	204	141
Supply	4	4
Other activities	52	75
TOTAL CAPITAL EXPENDITURE BY SEGMENTS	**5,049**	**5,055**
Adjustment of financing costs and operating margin	(125)	(141)
TOTAL CAPITAL EXPENDITURE	**4,924**	**4,914**

Material acquisitions of PPE, IA and RTUA in the first half of 2026 related to:

- In the Distribution segment, the primary capital expenditures were: connection of new customers to the distribution network – PLN 547 million, and the modernisation and restoration of the medium- and low-voltage network – PLN 629 million, including the Cabling Programme – PLN 286 million and the Remote Reading Meters Programme – PLN 115 million.
- In the Renewables segment, significant expenditures were incurred on the preparation and implementation of offshore wind farms by EWB2 – PLN 1,623 million (representing 50% of the expenditures attributable to the CG), onshore development investments, including the PV Programme – PLN 20 million and the implementation of energy storage facilities – PLN 518 million, as well as Modernisation and Replacement Investments – PLN 27 million.
- In the Gas-fired Generation segment, spending was concentrated on the construction of a combined cycle gas turbine unit at PGE Nowy Rybnik sp. z o.o., amounting to PLN 103 million.
- In the District Heating segment, the largest capital expenditure was incurred on: the investment programme at the Gdynia CHP Plant – PLN 90 million; the investment programme at the Gryfino CHP Plant – PLN 26 million; the investment programme at the Kraków CHP Plant – PLN 38 million; the second line of the Thermal Processing Plant with Energy Recovery (ITPOE) in Rzeszów – PLN 71 million; and the maintenance and modernisation of generation assets – PLN 133 million.
- In the Coal Energy segment, the main capital expenditure was incurred on modernisation and maintenance investments in production assets – PLN 151 million, including the largest expenditure incurred by the KWB Turów Branch – PLN 63 million, the Turów Power Plant – PLN 26 million and KWB Bełchatów – PLN 26 million.
- In the Railway Energy Services segment, the largest capital expenditure was incurred on the Power Supply System Modernisation Programme – PLN 42 million and the connection of new electricity customers – PLN 25 million.

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

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

11. Future capital commitments

As at June 30, 2026, the Group had committed to incur expenditures on property, plant and equipment in the amount of approximately PLN 22,338 million. These amounts will be allocated mainly to the construction of offshore wind farms, the design and construction of energy storage facilities, the construction of gas-fired units, the modernisation of the assets of the Group's entities and the purchase of plant and equipment.

	As at June 30, 2026	As at December 31, 2025
Renewables*	10,221	9,575
Gas-fired Generation	6,427	1,828
Distribution	3,339	2,039
District Heating	1,648	1,085
Railway Energy Services	504	406
Coal Energy	164	90
Supply	2	1
Other activities	33	46
TOTAL FUTURE CAPITAL COMMITMENTS	**22,338**	**15,070**

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

The most significant future capital commitments relate to:

- Renewables – construction of the Baltica 2 offshore wind farm in the Baltic Sea – approximately PLN 8,358 million; construction of the Gryfino battery energy storage facility – approximately PLN 940 million; construction of the Żarnowiec battery energy storage facility – approximately PLN 582 million.
- Gas-fired Generation – construction of a combined cycle gas turbine unit (PGE Nowy Rybnik sp. z o.o.) – approx. PLN 455 million; agreement for the provision of maintenance services for two gas turbines (PGE Gryfino Dolna Odra sp. z o.o.) – approx. PLN 1,309 million; execution of construction and assembly works and other works for the construction of an OCGT gas-fired unit in Rybnik (PGE Inwest 23 sp. z o.o.) with a nominal electrical capacity of approx. 600 MWe – approx. PLN 2,329 million; execution of construction and assembly works and other works for the construction of an OCGT gas-fired unit in Gryfino (PGE Inwest 27 sp. z o.o.) with a nominal electrical capacity of approx. 600 MWe – approx. PLN 2,303 million.
- Distribution – investment commitments primarily related to grid assets – approx. PLN 3,339 million.
- District Heating – construction at the Kraków CHP Plant of a cogeneration source based on two gas engine units, each with an electrical capacity of 49.9 MWe and a thermal capacity of approximately 50 MWt – approximately PLN 724 million; construction for the Wybrzeże Branch of PGE EC S.A. – Gdynia CHP Plant of a biomass-fired water boiler with a capacity of up to 30 MWt – approximately PLN 97 million; construction at the Gdańsk CHP Plant of a cogeneration source based on a system of eight gas engines with a total capacity of 35 MWe and 39 MWt – approximately PLN 174 million.
- Railway Energy Services - investments implemented as part of the 'MUZa' power supply system modernisation programme – approx. PLN 296 million.

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12. Shares accounted for using the equity method

	As at June 30, 2026	As at December 31, 2025
Elester sp. z o.o., Łódź	242	242
Polimex - Mostostal S.A., Warsaw*	125	120
ZPBE Energopomiar sp. z o.o., Gliwice	12	12
PGE Soleo Kleszczów sp. z o.o., Kleszczów	27	28
PEC Bogatynia, Bogatynia	1	-
DKRB Gdańsk sp. z o.o., Gdańsk	5	-
SHARES ACCOUNTED FOR USING THE EQUITY METHOD	**412**	**402**

** Disclosures for Polimex Mostostal are presented as at the end of May 2026 and, for the comparative period, as at the end of November 2025.*

	Polimex Mostostal*	PEC Bogatynia	Energopo-miar	PGE Soleo Kleszczów	Elester	DKRB Gdańsk
VOTING RIGHTS	**15.85%**	**34.93%**	**49.79%**	**50.00%**	**89.96%**	**50%**
AS AT JUNE 30, 2026						
Current assets	2,236	11	27	18	110	2
Non-current assets	825	19	28	111	17	8
Current liabilities	2,212	3	25	12	28	-
Non-current liabilities	160	5	6	64	12	-
NET ASSETS	**689**	**22**	**24**	**53**	**87**	**10**
Share of net assets	**109**	**8**	**12**	**27**	**78**	**5**
Fair value adjustment at the time of acquisition	16	-	-	-	164	-
Impairment loss	-	(7)	-	-	-	-
SHARES ACCOUNTED FOR USING THE EQUITY METHOD	**125**	**1**	**12**	**27**	**242**	**5**

**Data as at May 31, 2026 were used for Polimex Mostostal.*

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

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

**Data as at November 30, 2025 were used for Polimex Mostostal.*

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13. Deferred tax in the statement of financial position

13.1 Deferred income tax assets

	As at June 30, 2026	As at December 31, 2025
Difference between tax and book values of property, plant and equipment	1,196	1,343
Provision for rehabilitation expenses	127	116
Provision for employee benefits	561	521
Provision for the purchase of CO_2 emission allowances	2,663	2,864
Difference between tax and book values of liabilities	1,131	1,062
Difference between tax and book values of rights of use	271	272
Tax losses	255	21
Other provisions	447	619
Difference between tax and book values of financial assets	239	118
Compensation for termination of Long-Term Contracts	87	87
Difference between tax and book values of inventories	17	32
Infrastructure and connection fees received free of charge	138	134
Other	63	50
DEFERRED INCOME TAX ASSETS	**7,195**	**7,239**

13.2 Deferred tax liabilities

	As at June 30, 2026	As at December 31, 2025
Difference between tax and book values of property, plant and equipment	2,607	2,516
Difference between tax and book values of financial assets	1,318	970
Difference between tax and book values of lease liabilities	273	322
Receivables from recognised compensation – Electricity Prices Act	24	69
Difference between tax and book values of financial liabilities	44	91
Other	187	209
DEFERRED TAX LIABILITIES	**4,453**	**4,177**

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

	As at June 30, 2026	As at December 31, 2025
Deferred income tax assets	3,325	3,607
Deferred income tax liabilities	(583)	(545)

14. Inventories

	As at June 30, 2026	As at December 31, 2025
Hard coal	581	848
Maintenance and operating materials	642	549
Heavy fuel oil (mazut)	49	44
Other materials	140	165
TOTAL MATERIALS	**1,412**	**1,606**
Green energy origin rights	40	89
Other rights	21	21
TOTAL ENERGY ORIGIN CERTIFICATES	**61**	**110**
Hard coal intended for sale	160	191
Other goods	30	27
TOTAL GOODS	**190**	**218**
OTHER INVENTORIES	**82**	**106**
TOTAL INVENTORIES	**1,745**	**2,040**

15. CO_2 emission allowances for own use

EUA	As at June 30, 2026		As at December 31, 2025	
	Long-term	Short-term	Long-term	Short-term
Amount (million Mg)	**0.0**	**16.0**	**1.4**	**25.0**
Value (PLN million)	**1**	**5,015**	**458**	**7,841**

EUA	Amount (million Mg)	Value (PLN million)
AS AT JANUARY 1, 2025	**26.8**	**10,913**
Purchase/Sale	49.5	15,655
Allocated free of charge*	0.5	-
Surrendered	(50.4)	(18,269)
AS AT DECEMBER 31, 2025	**26.4**	**8,299**
Purchase/Sale	22.1	7,028
Allocated free of charge	-	-
Surrendered	(32.5)	(10,311)
AS AT JUNE 30, 2026	**16.0**	**5,016**

** EU allowances for CO_2 emissions allocated free of charge are linked to the heat energy produced.*

16. Selected financial assets

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

16.1 Trade receivables and other financial receivables

	As at June 30, 2026		As at December 31, 2025	
	Long-term	Short-term	Long-term	Short-term
Trade receivables	-	5,880	-	6,333
Receivables from recognised compensation due	-	154	-	444
Deposits, bid bonds and security instruments	15	177	18	201
High-efficiency cogeneration support scheme	-	24	-	54
Term deposits, cash deposits and loans	300	1,516	284	-
Loans granted	35	-	35	-
Compensation and penalties	-	15	-	72
Other financial receivables	1	89	2	232
FINANCIAL RECEIVABLES	**351**	**7,855**	**339**	**7,336**

Deposits, bid bonds and security instruments mainly relate to collateral and transactional deposits on the electricity and CO_2 markets.

Term deposits and deposits include deposits with maturities exceeding 3 months.

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16.2 Cash and cash equivalents

Short-term deposits are made for varying periods, generally from one day to three months, depending on the Group's current cash requirements.

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

	As at June 30, 2026	As at December 31, 2025
Cash		
Cash at bank and in hand	5,306	2,821
Funds held in VAT accounts	271	499
Cash equivalents		
Overnight deposits	944	171
Short-term deposits up to 3 months	7,676	7,318
TOTAL	**14,197**	**10,809**
Available credit limits	**37,571**	**38,697**
including credit limits on current accounts	*3,545*	*3,231*
*including limits under the National Recovery and Resilience Plan**	*12,832*	*13,027*
*including limits under loans for the construction of Baltica 2 OWF**	*8,797*	*10,162*

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

A detailed description of the loan agreements concluded in the current reporting period is presented in Note 21.1 to these financial statements.

Cash and cash equivalents include restricted funds in the amount of PLN 227 million (PLN 241 million in the comparative period) held in client accounts of PGE Dom Maklerski S.A. as collateral for settlements with IRGiT.

17. Other current and non-current assets

17.1 Other non-current assets

	As at June 30, 2026	As at December 31, 2025
Prepayments for property, plant and equipment under construction	1,720	1,353
Finance acquisition costs	95	124
Customer acquisition costs	62	68
Other non-current assets	155	174
TOTAL OTHER ASSETS	**2,032**	**1,719**

Advances for property, plant and equipment under construction relate mainly to the construction of the Baltica 1 (PLN 21 million) and Baltica 2 (PLN 842 million) offshore wind farms in the Baltic Sea, the connection of the Żarnowiec/Kartoszyno Electricity Storage Facility to the transmission grid (PLN 120 million), and the construction of an OCGT gas-fired unit in Rybnik by PGE Inwest 23 sp. z o.o. (PLN 200 million) and the construction of an OCGT gas-fired unit in Gryfino by PGE Inwest 27 sp. z o.o. (PLN 188 million).

The cost of obtaining financing stems from investments implemented in the Renewables segment. Customer acquisition costs relate to the co-financing by PGE Energia Ciepła S.A. of investments in the development of district heating networks, as well as agency commissions in PGE Obrót S.A.

for the period of 6 months ended June 30, 2026 in accordance with EU IFRS (in PLN million)

17.2 Other current assets

	As at June 30, 2026	As at December 31, 2025
COSTS DEFERRED OVER TIME		
Finance acquisition costs	148	113
CSBF	131	8
Property and liability insurance	108	138
Customer acquisition costs	58	68
IT services	56	40
Fees for installation of equipment and occupation of the road lane	30	-
Property tax	26	-
Fees for excluding land from agricultural and forestry production	25	-
Usufruct fees	12	-
Logistics costs related to coal procurement	9	8
Other costs deferred over time	96	44
OTHER CURRENT ASSETS		
Receivables from accrued VAT	1,065	470
Prepayments for supplies	15	14
Excise duty receivables	6	4
Other current assets	43	17
TOTAL OTHER ASSETS	**1,828**	**924**

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

	As at June 30, 2026		As at December 31, 2025	
	Assets	Liabilities	Assets	Liabilities
DERIVATIVES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS				
Currency forwards	3	14	-	10
Commodity forwards	3	187	66	151
Commodity SWAP	3	8	16	-
Coal purchase/sale contracts	15	5	16	1
Energy sale contracts	-	94	-	137
Embedded derivatives in the Contract for Difference (CfD)	-	752	-	236
Options	5	-	10	-
HEDGING DERIVATIVES				
CCIRS hedging transactions	1	-	-	8
IRS hedging transactions	231	60	354	18
Currency forwards	42	266	1	627
Commodity forwards – all-in-one-hedge	837	77	268	463
Futures – all-in-one-hedge	-	-	1	-
Commodity SWAP	-	6	11	1
Inflation SWAP	17	-	-	22
OTHER ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS				
Investment fund participation units	38	-	37	-
TOTAL	**1,195**	**1,469**	**780**	**1,674**
short-term part	527	434	288	1,093
long-term part	668	1,035	492	581

Currency forwards

Forward currency transactions are primarily related to trading in CO_2 emission allowances and hard coal. The Group applies hedge accounting to forward currency transactions relating to CO_2 emission allowances.

Commodity forwards for the sale and purchase of electricity, CO_2 and gas in the optimisation portfolio

Within its optimisation portfolio, the Group enters into commodity forwards for the sale and purchase of energy, CO_2, and gas, which are settled through physical delivery of the non-financial item underlying the contract. The contracts concluded as part of this portfolio do not meet the conditions of the 'own use' exemption and are recognised as financial derivatives at the time of conclusion.

Contracts for the purchase and sale of gas, CO_2 and energy (energy sale and purchase contracts concluded since January 2026) are designated as hedging instruments in hedging relationships constituting the implementation of the 'all-in-one hedge' strategy. In the case of instruments for the sale and purchase of electricity (contracts concluded until December 31, 2025), the change in fair value is recognised in the profit and loss account.

Options

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

Coal swaps

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

Coal purchase and sale contracts with physical delivery

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

Commercial contracts measured at fair value

PGE Energia Odnawialna S.A. holds long-term Power Purchase Agreements (PPAs) in its portfolio. The effects of changes in the fair value of these contracts are recognised in the profit or loss for the period under finance income/costs.

IRS transactions

The Group holds active IRS transactions hedging the interest rate risk on incurred loans and issued bonds, whose total original nominal value was PLN 3,900 million (PLN 2,500 million for loans and PLN 1,400 million for bonds). Due to the commencement of principal repayments on certain loans and the redemption of bonds, the nominal amount of IRS transactions hedging loans and bonds as at the reporting date is PLN 1,844 million (PLN 844 million for loans and PLN 1,000 million for bonds). To recognise these IRS transactions, the Group uses hedge accounting. The impact of hedge accounting on the revaluation reserve is presented in Note 19.2 to these consolidated financial statements.

In February 2025, IRS transactions were entered into to hedge the interest rate risk arising from a loan agreement concluded under the Project Finance formula. To recognise these transactions, the Group uses hedge accounting. The purpose of the hedging relationship is to mitigate the volatility of cash flows affecting the Group's financial result, arising from external financing transactions related to the offshore wind farm construction project.

CCIRS hedging transactions

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

To recognise these CCIRS transactions, PGE CG uses hedge accounting. The impact of hedge accounting is presented in Note 19.2 to these financial statements.

Inflation and commodity SWAPS

In February 2025, the Group entered into hedging transactions (inflation SWAPs and commodity SWAPs) to hedge inflation risk and commodity prices (index items) in agreements for the supply of key components in order to meet the requirements of Project Finance provided for the Baltica 2 project.

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

Embedded derivatives in the Contract for Difference (CfD)

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

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

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

At the date of initial recognition, the inflation derivative was separated from the CfD with an initial value of PLN 0. As at June 30, 2026, the value of this instrument was determined at PLN (1,504) million. In these consolidated financial statements, the PGE Capital Group recognises 50% of the value of this financial instrument under long-term financial liabilities, which corresponds to PLN (752) million. The change in this instrument's value was recognised in finance expenses for the current period.

Investment fund participation units

As at the reporting date, the Group held participation units in three sub-funds of Towarzystwo Funduszy Inwestycyjnych PZU S.A.

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19. Equity

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

19.1 Share capital

	As at June 30, 2026	As at December 31, 2025
1,470,576,500 Series A ordinary shares with a par value of PLN 8.55 each	12,574	12,574
259,513,500 Series B ordinary shares with a par value of PLN 8.55 each	2,219	2,219
73,228,888 Series C ordinary shares with a par value of PLN 8.55 each	626	626
66,441,941 Series D ordinary shares with a par value of PLN 8.55 each	568	568
373,952,165 Series E ordinary shares with a par value of PLN 8.55 each	3,197	3,197
TOTAL SHARE CAPITAL	**19,184**	**19,184**

All of the Company's shares are paid up.

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

Shareholder rights – the State Treasury's rights related to the Company's operations

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

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

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

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

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

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19.2 Hedging reserve

	Period ended June 30, 2026	Year ended December 31, 2025
AS AT JANUARY 1	**(410)**	**(540)**
Change in hedging reserve:	**1,220**	**162**
Measurement of hedging instruments, including:	**1,221**	**164**
Recognition of the effective portion of change in fair value of hedging financial instruments in the part considered as effective hedge	*1,229*	*154*
Accrued interest on the derivative transferred from the hedging reserve and recognised in interest expenses	*1*	*4*
Currency revaluation of CCIRS transaction transferred from hedging reserve and recognised in foreign exchange gains/losses	*(14)*	*11*
Ineffective portion of the change in the fair value of hedging transactions presented in the result	*5*	*(5)*
Measurement of other financial instruments	**(1)**	**(2)**
Deferred tax	**(232)**	**(32)**
HEDGING RESERVE AFTER DEFERRED TAX	**578**	**(410)**

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

19.3 Dividends paid and proposed

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

20. Provisions

The carrying amount of provisions is as follows:

	As at June 30, 2026		As at December 31, 2025	
	Long-term	Short-term	Long-term	Short-term
Employee benefits	2,996	399	3,010	404
Provision for rehabilitation expenses	7,554	12	7,335	12
Provision for shortage of CO_2 emission allowances	-	13,984	-	15,047
Provision for the value of energy origin rights intended for redemption	-	121	-	218
Onerous contracts	125	800	19	1,192
Other provisions	73	696	85	1,471
TOTAL PROVISIONS	**10,748**	**16,012**	**10,449**	**18,344**

The discount rate for the provision for the costs of rehabilitation of mine pits as at June 30, 2026 and in the comparative period is:

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

The discount rate for the provision for employee benefits and other provisions for rehabilitation expenses as at June 30, 2026 and in the comparative period is 5.2%.

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Changes in provisions

	Employee benefits	Provision for rehabilitation expenses	Provision for CO_2 emission costs	Provision for energy origin rights intended for redemption	Onerous contracts	Other	Total
JANUARY 1, 2026	**3,414**	**7,347**	**15,047**	**218**	**1,211**	**1,556**	**28,793**
Current employment costs	64	-	-	-	-	-	64
Interest costs	86	192	-	-	-	-	278
Adjustment to discount rate and other assumptions	-	(39)	-	-	-	-	(39)
Benefits paid / Provisions used	(169)	(2)	(10,311)	(214)	-	(649)	(11,345)
Provisions reversed	-	(1)	-	(7)	(691)	(202)	(901)
Provisions created – costs	-	25	9,250	124	405	83	9,887
Provisions created – expenditure	-	27	-	-	-	-	27
Changes in the composition of the PGE CG	-	10	-	-	-	-	10
Other changes	-	7	(2)	-	-	(19)	(14)
JUNE 30, 2026	**3,395**	**7,566**	**13,984**	**121**	**925**	**769**	**26,760**

	Employee benefits	Provision for rehabilitation expenses	Provision for CO_2 emission costs	Provision for energy origin rights intended for redemption	Onerous contracts	Other	Total
JANUARY 1, 2025	**3,433**	**6,015**	**17,098**	**454**	**161**	**423**	**27,584**
Current employment costs	126	-	-	-	-	-	126
Past employment costs	8	-	-	-	-	-	8
Interest costs	198	355	-	-	-	-	553
Adjustment to discount rate and other assumptions	(9)	865	-	-	-	-	856
Benefits paid / Provisions used	(343)	(1)	(18,259)	(558)	(32)	(9)	(19,202)
Provisions reversed	-	(2)	-	(15)	(120)	(49)	(186)
Provisions created – costs	-	41	16,208	337	1,202	1,191	18,979
Provisions created – expenditure	-	60	-	-	-	-	60
Other changes	1	14	-	-	-	-	15
DECEMBER 31, 2025	**3,414**	**7,347**	**15,047**	**218**	**1,211**	**1,556**	**28,793**

20.1 Provision for employee benefits

Provisions for employee benefits mainly include:

- post-employment benefits – PLN 2,436 million as at June 30, 2026, PLN 2,454 million in the comparative period,
- jubilee rewards – PLN 959 million as at June 30, 2026 and PLN 960 million in the comparative period.

20.2 Provision for rehabilitation expenses

Provision for rehabilitation of mine pits

The PGE Capital Group creates provisions for the rehabilitation of final excavation sites. The amount of the provision reported in the financial statements also includes the value of the Mine Decommissioning Fund, created in accordance with the Geological and Mining Law. As at June 30, 2026, the value of the provision amounts to PLN 6,561 million, and as at December 31, 2025, it amounted to PLN 6,407 million.

Provision for rehabilitation of ash landfills

The Group's generating units recognise provisions for the rehabilitation of ash landfill sites. As at June 30, 2026, the value of the provision amounts to PLN 531 million (compared to PLN 517 million at the end of the comparative period).

Provision for the decommissioning of property, plant and equipment

As at the reporting date, the provision amounts to PLN 454 million (PLN 414 million at the end of the comparative period) and relates to certain assets within the Coal Energy and Renewables segments.

As at June 30, 2026, the Group recognised a provision of PLN 42 million for the estimated costs of decommissioning the offshore wind farm. The amount of the provision recognised in the accounting records reflects the weighted average percentage of completion of the offshore wind farm components that will subsequently be subject to a decommissioning obligation.

Other rehabilitation provisions

Group companies recognise a provision for other rehabilitation-related costs in the amount of PLN 20 million (PLN 9 million as at December 31, 2025).

20.3 Provision for CO_2 emission costs

The provision is created in the amount of the best estimate of the expenditure necessary to fulfil the present obligation as at the reporting date, taking into account the value of EUAs purchased as part of both spot and forward transactions. The estimate of the expenditure required to meet the obligation to surrender CO_2 emission allowances is based on the specific identification method, taking into account the allocation of allowance purchases to a given year. Allowances for a given year should be surrendered by the end of September of the following year.

Since 2020, the Group has only been entitled to free allowances for heat production. The Group presents the provision as current because the liability will be settled in the Group's normal operating cycle. As at June 30, 2026, the value of the provision amounts to PLN 13,984 million (compared to PLN 15,047 million at the end of the comparative period).

20.4 Provision for energy origin rights intended for redemption

Companies within the PGE Capital Group recognise provisions for the value of energy origin certificates related to sales made during the reporting period or previous periods, to the extent not cancelled by the reporting date. The provision as at June 30, 2026 amounts to PLN 121 million (PLN 218 million in the comparative period) and is recognised mainly by PGE Obrót S.A.

20.5 Provision for onerous contracts

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

In accordance with the Act of February 20, 2015 on Renewable Energy Sources, a prosumer settled under the 'net metering' model receives a rebate on active energy and variable distribution charges amounting to 80% or 70% of the volume of energy fed into the grid. Energy suppliers settle the full amount of distribution charges with distribution companies, based on the energy drawn from the grid by the prosumer (without considering the rebate). The prosumer does not bear the cost of variable distribution charges for the portion of energy drawn from the grid that is offset by energy fed into the grid, meaning that the full cost is borne by the energy suppliers. The revenues obtained by the supplier for acquiring 20% or 30% of the energy fed into the grid by prosumers do not fully cover these costs. Taking into account the purchase prices of electricity in relation to the 20% or 30% share of energy taken over from the prosumer, and the trading result on electricity under these contracts, the forecast result for 2026 from prosumer settlements in tariff groups Gx is expected to remain negative. The provision for onerous contracts in PGE Obrót remaining to be settled as at June 30, 2026 amounts to PLN 218 million (PLN 436 million in the comparative period).

In 2025, PGE GiEK also identified the need to recognise a provision for onerous electricity sale contracts. The provision recognised in the consolidated financial statements of the PGE CG as at June 30, 2026 amounts to PLN 697 million (PLN 766 million in the comparative period).

20.6 Other provisions

In connection with the Decision of the President of the Energy Regulatory Office received on March 12, 2026 concerning the obligation to transfer PLN 605 million to the Price Difference Payment Fund, representing the difference between the contribution paid to the PDPF by PGE Obrót S.A. and the amount calculated by the President of the Energy Regulatory Office, the Group decided to recognise a provision of PLN 605 million in the financial statements for 2025. On March 20, 2026, the additional cash contribution to the Fund was paid subject to reimbursement. This resulted in the utilisation of the provision established in the previous reporting period. Further details are provided in Note 23.2 to these financial statements.

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In 2025, the Group recognised an additional provision of PLN 275 million for regulatory risk related to the Price Difference Payment Fund. The provision was estimated based on information available as at the date of preparation of the financial statements.

On March 26, 2026, PGE EK S.A. received a notice of inspection concerning the financial results of previous periods. Following the inspection, in July 2026 the Group received a decision from the President of the Energy Regulatory Office requiring an additional payment of PLN 265 million, representing the difference between the contribution calculated by the President of the Energy Regulatory Office and the total contributions paid by PGE EK S.A. The additional payment was made in July 2026 and resulted in the utilisation of the provision recognised in the previous reporting period.

Due to the gradual decommissioning of coal units at the Dolna Odra Power Plant, a restructuring provision of PLN 228 million was established in 2025 for the planned costs of employee severance payments. The provision as at June 30, 2026 amounts to PLN 194 million.

The provisions for potential claims from contractors as at June 30, 2026 consist mainly of provisions recognised by: ENESTA sp. z o.o. – PLN 54 million in the current period and PLN 52 million in the comparative period; PGE Energia Ciepła – PLN 32 million in both the current and comparative periods; and Elektrociepłownia Rzeszów – PLN 49 million in the current period.

21. Financial liabilities

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

The bonds issued by PGE Sweden AB (publ) bear a fixed interest rate. Their amortised cost presented in these consolidated financial statements as at June 30, 2026 amounts to EUR 138 million, while their fair value is EUR 136 million.

The bonds issued by PGE S.A. bear a variable rate. Their value measured at amortised cost and presented in the financial statements as at June 30, 2026 amounts to PLN 1,005 million, while their fair value amounts to PLN 1,033 million.

In the case of loan agreements concluded with the EIB, based on a fixed interest rate, their amortised cost presented in the financial statements as at the reporting date amounts to PLN 4,099 million, and their fair value amounts to PLN 4,302 million.

The measurement of RRP loans in these financial statements is based on a fixed interest rate, the market level of which was determined on the disbursement date of each tranche. Its value at amortised cost reported in the financial statements as at the reporting date is PLN 1,952 million, while its fair value equals PLN 2,080 million.

21.1 Bank loans, borrowings, bonds and leases

	As at June 30, 2026		As at December 31, 2025	
	Long-term	Short-term	Long-term	Short-term
Credits and loans	11,333	1,022	9,980	1,190
Bonds issued	1,592	22	1,583	416
Leasing	1,596	103	1,576	130
TOTAL BANK LOANS, BORROWINGS, BONDS AND LEASES	**14,521**	**1,147**	**13,139**	**1,736**

for the period of 6 months ended June 30, 2026 in accordance with EU IFRS (in PLN million)

Credits and loans

As part of the loans and borrowings presented above, as at June 30, 2026 and December 31, 2025, the PGE Capital Group recognises:

Lender	Hedging instrument	Form of security	Date of maturity	Limit in currency	Currency	Interest rate	Liability at 30-06-2026	Liability at 31-12-2025
EIB	-	-	2041-03-15	2,000	PLN	Fixed**	1,975	2,041
EIB	-	-	2034-08-25	1,500	PLN	Fixed**	1,006	1,066
EIB	-	-	2041-03-15	850	PLN	Variable***	835	865
EIB	-	-	2041-03-15	550	PLN	Fixed**	544	562
ICBC (Europe) S.A. Oddział w Polsce	IRS	Statement of submission to enforcement	2027-12-31	500	PLN	Variable	501	501
EIB	-	-	2034-08-25	490	PLN	Fixed**	330	349
EIB	-	-	2038-10-16	273	PLN	Fixed**	244	254
BGK	IRS	Statement of submission to enforcement	2027-12-31	1,000	PLN	Variable	188	250
BGK	IRS	Statement of submission to enforcement	2028-12-31	500	PLN	Variable	157	188
ING Bank Śląski S.A.	-	-	2026-12-31	137	PLN	Variable	59	58
Bank Pekao S.A.	-	Power of attorney over bank accounts maintained by the bank; blank promissory note; civil-law surety from PGE S.A.; PGE S.A.'s statement of submission to enforcement	2026-10-31	40	USD	Variable	19	127
EBRD	IRS	-	2028-06-07	500	PLN	Variable	-	189
BGK	-	Statement of submission to enforcement	2027-02-19	1,500	PLN	Variable	-	-
Bank Pekao S.A.	-	Statement of submission to enforcement	2027-12-31	750	PLN	Variable	-	-
PKO BP S.A.	-	Statement of submission to enforcement	2028-12-31	500	PLN	Variable	-	-
Bank Pekao S.A.	-	Statement of submission to enforcement	2027-12-31	750	PLN	Variable	-	-
BGK	-	Statement of submission to enforcement	2026-09-29	2,000	PLN	Variable	-	-
BGK	-	Statement of submission to enforcement	2036-12-20	3,300	PLN	Variable	-	-
Bank consortium	-	Statement of submission to enforcement	2027-03-01	3,150	PLN	Variable	-	-
EIB	-	-	2045-04-25	2,250	PLN	Fixed/ Variable	-	-
EIB	-	-	2044-07-29	1,000	PLN	Fixed/ Variable	-	-
PKO BP S.A.	-	Statement of submission to enforcement	2026-09-30	85	PLN	Variable	-	-
NFOŚiGW	-	Blank promissory note / none	Dec. 2028 – Jun. 2043	241	PLN	Fixed	48	55
NFOŚiGW	-	Blank promissory note/ civil-law surety from PGE S.A. / none	Mar. 2031 – Mar. 2044	1,301	PLN	Variable	794	818
WFOŚiGW	-	Blank promissory note	SEP. 2026	9	PLN	Fixed	<1	1
WFOŚiGW	-	Blank promissory note	Mar. 2027 – Mar. 2041	361	PLN	Variable	55	66
Financial liabilities as part of the Baltica 2 Project (Project Finance):								
Bank consortium	IRS	financial pledges over the bank accounts of PGE Baltica 6; a registered pledge over the assets of PGE Baltica 6; and a registered pledge over the shares in Elektrownia Wiatrowa Baltica-2	2049-11-30	2,812*	EUR	Variable	3,492	1,968
BGK and Bank Pekao S.A.	-		2028-12-31	436	PLN	Variable	156	149
Financial liabilities as part of the National Recovery and Resilience Plan:								
BGK	-	Statement of submission to enforcement	2049-12-20	10,764	PLN	Fixed	1,952	1,663
BGK	-	Statement of submission to enforcement	2036-12-20	3,900	PLN	Variable	-	-
BGK	-	Statement of submission to enforcement	2050-12-20	2,901	PLN	Fixed	-	-
BGK	-	Statement of submission to enforcement	2045-10-25	420	PLN	Fixed	-	-
TOTAL BANK CREDITS							**12,355**	**11,170**

** Maximum limit comprising: Term loan, Standby Debt and DSRF (Debt Service Reserve Facility).*
*** The loan bears a fixed interest rate applicable between interest rate reset dates, which generally occur at intervals of no less than four years.*
**** The loan bears a floating interest rate applicable until the interest rate reset date in March 2027.*

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As at June 30, 2026, the outstanding overdraft facility limits of significant companies of the PGE Capital Group amounted to PLN 3,545 million. The maturity dates of overdraft facilities granted to the key companies of the Capital Group fall within the years 2026–2028. The difference between the RRP credit limit available to the Company, presented in Note 16.2, and the value in the table above results from the discrepancy between the amount of disbursed tranches and the value carried at amortised cost.

In the period ended June 30, 2026 and after the reporting date there were no defaults or breaches of other terms and conditions of the credit agreements.

On May 20, 2026, PGE S.A. made an early repayment of the loan contracted with the European Bank for Reconstruction and Development. As a result, the related liability was extinguished.

At the end of the current reporting period, the balance was affected by, *inter alia*, loan agreements entered into on 29 January 2025 by PGE Baltica 6 sp. z o.o. to finance the construction of the Baltica 2 Project. The loan agreements were concluded with a consortium of 25 Polish and international financial institutions, including BGK, the EIB, and the EBRD. As at June 30, 2026, the related liability amounted to PLN 3,648 million (PLN 2,117 million in the comparative period).

In 2025, PGE S.A. entered into four loan agreements with BGK using funds from the National Recovery and Resilience Plan. The funds obtained under this financing are intended for offshore wind energy, power grid development and modernisation, and digitalisation projects, including investments implemented by subsidiaries.

In the Group's opinion, the loans are preferential, with a contractual interest rate below market interest rates. Each tranche received was recognised at fair value on initial recognition, while the difference between the amount received and the fair value of the loan resulting from the application of an interest rate below market rates is recognised in accordance with IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* as a grant related to assets and presented under deferred income.

As at June 30, 2026, the total financing limit under the loan agreements entered into and the amendments signed amounted to approximately PLN 18 billion. As at the reporting date, the amount of financing used was PLN 5,153 million, while the carrying amount of the loan liability was PLN 1,952 million (PLN 1,663 million in the comparative period).

Bonds issued

Issuer	Hedging instrument	Limit in the programme currency	Currency	Interest rate	Tranche issue date	Tranche maturity date	Liability at 30-06-2026	Liability at 31-12-2025
PGE S.A.	IRS	5,000	PLN	Variable	2019-05-21	2029-05-21	1,005	1,006
					2019-05-21	2026-05-21	-	402
PGE Sweden AB (publ)	CCIRS	2,000	EUR	Fixed	2014-08-01	2029-08-01	609	591
TOTAL BONDS ISSUED							**1,614**	**1,999**

On May 21, 2026, PGE S.A. redeemed a bond tranche early in accordance with the terms of issue.

for the period of 6 months ended June 30, 2026 in accordance with EU IFRS (in PLN million)

21.2 Trade and other payables

	As at June 30, 2026		As at December 31, 2025	
	Long-term	Short-term	Long-term	Short-term
Trade payables	-	4,224	-	4,787
Purchase of PPE and IA	2	2,289	5	1,438
Received deposits and bid bonds	45	173	40	178
Long-Term Contracts liabilities	-	322	-	322
Compensations	-	135	165	135
Insurance	-	61	-	88
Other	266	364	4	254
TRADE PAYABLES AND OTHER FINANCIAL LIABILITIES	**313**	**7,568**	**214**	**7,202**

As at June 30, 2026, under Trade payables the Group recognised a reverse factoring liability of PLN 1,724 million (PLN 1,574 million in the comparative period). The item 'Other' includes, among other things, liabilities of PGE Dom Maklerski S.A. towards clients in respect of cash received.

22. Other non-financial liabilities

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

22.1 Other non-current non-financial liabilities

Under other non-current non-financial liabilities, the Group mainly recognises Liabilities under contracts with customers of PLN 209 million in the current reporting period and PLN 211 million in the comparative period.

22.2 Other current non-financial liabilities

	As at June 30, 2026	As at December 31, 2025
OTHER CURRENT LIABILITIES		
Liabilities under contracts with customers	795	845
Liabilities related to output VAT	908	441
Excise duty liabilities	27	26
Liabilities relating to contributions to PDPF	2	2
Environmental charges	169	223
Liabilities for salaries	309	422
Employee bonuses	364	446
Accrued annual leave entitlements and other employee benefits	424	263
Management Board awards	37	29
Personal income tax	105	158
Social security liabilities	331	421
Other	105	86
OTHER CURRENT LIABILITIES, TOTAL	**3,576**	**3,362**

The item 'Other' mainly includes liabilities relating to contributions to the Employee Pension Scheme, deductions from employee salaries, and contributions to the State Fund for Rehabilitation of Disabled People.

Liabilities under contracts with customers

Liabilities under contracts with customers primarily include advances for supplies and prepayments made by customers for connections to the distribution network and forecasts of electricity consumption relating to future periods.

for the period of 6 months ended June 30, 2026 in accordance with EU IFRS (in PLN million)

OTHER EXPLANATORY NOTES

23. Contingent liabilities and other disputes.

23.1 Contingent liabilities

	As at June 30, 2026	As at December 31, 2025
Litigation liabilities	843	663
Liability arising from an increase in the perpetual usufruct fee	67	68
Other contingent liabilities	37	150
TOTAL	**947**	**881**

Litigation

Penalties for the contractor of Unit 7 at the Turów Power Plant

The detailed course and background of the dispute between PGE GiEK S.A. and the contractor for Unit 7 at the Turów Power Plant, i.e. the consortium of Mitsubishi Power Europe GmbH, TECNICAS REUNIDAS S.A. and BUDIMEX S.A., are described in Note 27.3 to the Consolidated Financial Statements of the PGE CG for 2025.

As at December 31, 2025, PGE GiEK S.A. recognised total receivables from contractual penalties of PLN 791 million and other receivables, including interest, of PLN 10 million. The receivables were covered by an impairment write-down of PLN 796 million.

On the liabilities side, the company reported unpaid invoices of PLN 221 million due to the dispute and a provision of PLN 135 million recognised in connection with the contractor's challenge to the validity of drawing on the bank guarantee provided by the contractor as security for due performance of the agreement. In addition, PGE GiEK S.A. disclosed under contingent liabilities the amount claimed in the lawsuit filed by the contractor, estimated at PLN 508 million including interest (including EUR 17 million). The Group did not consider the claim justified and did not recognise a provision for it.

Settlement proceedings continued in the first half of 2026. On June 17, 2026, a settlement agreement was signed before the Arbitration Court at the General Counsel to the Republic of Poland. On August 12, 2026, the Regional Court in Piotrków Trybunalski issued an order approving the settlement agreement in its entirety.

Under the settlement agreement, the parties agreed on:

- the contractor's obligation to pay PGE GiEK S.A. PLN 135 million (the settlement amount),
- a reduction in the contract price by PLN 57 million,
- the contractor's waiver of claims for unpaid remuneration of PLN 164 million net,
- the contractor's waiver of claims for reimbursement of the net amount of PLN 135 million drawn under the performance bond. Upon payment of the settlement amount, the parties will waive all existing and future mutual claims arising from the contract.

In connection with the signing of the settlement agreement, in the current reporting period PGE GiEK S.A. reversed a provision of PLN 135 million, which had a positive impact on the financial result, and recognised a contingent receivable in its accounting records in connection with the expected cash proceeds of PLN 135 million under the settlement agreement, which had no impact on the financial result.

If the settlement agreement effectively enters into force, i.e. upon PGE GiEK S.A.'s receipt of the full settlement amount and the full recognition of its effects in the accounting records, the Group estimates a total positive impact on profit before tax of approximately PLN 491 million (of which PLN 135 million was recognised in the first half of 2026).

Claim against Polskie Elektrownie Jądrowe (formerly PGE EJ1 Sp. z o.o.)

The detailed course and background of the dispute with Worley Parsons are described in Note 27.3 to the Consolidated Financial Statements of the PGE CG for 2025.

Perpetual usufruct of land

Contingent liabilities arising from the perpetual usufruct of land are related to the receipt of updated annual fees for the perpetual usufruct. PGE GiEK S.A. filed appeals against the decisions received with the Local Government Board of Appeals (SKO). The contingent liability was measured as the difference between the discounted total updated perpetual usufruct fees for the entire period for which the perpetual usufruct was established and the liability for the perpetual usufruct of land recognised in the accounting records based on the previous fees.

Other material contingent liabilities

During 2024 the general contractor for the investment in PGE Nowy Rybnik sp. z o.o. submitted a request for indexation of the contract price. As a rule, the Company does not accept the contractor's claim; however, having regard to the nature of the claims, as at December 31, 2025 it disclosed a contingent liability of PLN 55 million. In the current reporting period, further indexation requests were received from the investment contractor. As at the reporting date, PGE Nowy Rybnik sp. z o.o. discloses a contingent liability of PLN 94 million in this respect.

23.2 Other significant issues

Matter of compensation for share conversion

On November 12, 2014, Socrates Investment S.A. (the assignee of claims from former shareholders of PGE Górnictwo i Energetyka S.A.) filed a claim for damages totalling PLN 636 million. First-instance court proceedings are currently under way – at the hearing held on July 29, 2025, the Court ordered that an expert opinion be prepared. No date has been set for another hearing.

In addition, a similar claim was filed by Pozwy sp. z o.o., the assignee of claims from former shareholders of PGE Elektrownia Opole S.A. Pozwy sp. z o.o., by way of a statement of claim filed with the Regional Court in Warsaw against PGE GiEK S.A., PGE S.A., and PwC Polska sp. z o.o. (hereinafter referred to as the Defendants), requested the court to order the Defendants to pay, in solidum or, alternatively, jointly and severally, damages in the total amount of over PLN 260 million together with interest, on account of the allegedly improper determination of the share exchange ratio of PGE Elektrownia Opole S.A. shares for PGE GiEK S.A. shares during the merger of those companies.

The case is currently being heard by the Regional Court in Warsaw. The most recent hearing was held on February 4, 2026, at which the Court issued an order admitting evidence in the form of an expert opinion. No date has been set for another hearing.

The PGE Group companies maintain their position that they do not accept the claims made by Socrates Investment S.A. and Pozwy sp. z o.o. The PGE Group has not recognised a provision for the claims made.

A detailed description of these cases is presented in Note 27.3 to the Consolidated Financial Statements of the PGE CG for 2025.

Environmental decision regarding the Turów Mine

On May 31, 2023, the Voivodeship Administrative Court (VAC) in Warsaw suspended – until the relevant complaint is reviewed – the enforceability of the environmental decision for coal extraction at the Turów Mine. The environmental decision sets out the conditions for the implementation of the project titled: 'Continued Exploitation of the Turów Lignite Deposit project carried out in Bogatynia municipality.' The complaint against the environmental decision was filed, among others, by the Frank Bold Foundation, Greenpeace, and the EKO-UNIA Ecological Association.

The detailed course and background of the dispute are described in Note 27.3 to the Consolidated Financial Statements of the PGE CG for 2025.

In a judgment dated July 2, 2026, the SAC dismissed the environmental organisations' cassation appeals against the 2025 judgment of the VAC (in which the VAC dismissed the organisations' complaints against the GDEP order granting immediate enforceability to the environmental decision). The judgment is final. The environmental decision is enforceable.

Integrated permit for PGE Gryfino Dolna Odra sp. z o.o.

In the first half of 2026, court proceedings continued between PGE Gryfino Dolna Odra sp. z o.o. and Towarzystwo na Rzecz Ziemi, based in Oświęcim, concerning the integrated permit obtained for the operation of a fuel combustion installation in Krajnik. In the current reporting period, there were no changes compared with the information presented in Note 27.3 to the Consolidated Financial Statements of the PGE CG for 2025.

The proceedings have no impact on the company's current generation activities or these condensed interim consolidated financial statements.

Matters related to the application by the consortium of Polimex-Mostostal S.A. and Polimex Energetyka sp. z o.o. for an increase in remuneration for the construction of the combined heat and power plant in Siechnice

On June 23, 2021, an agreement was entered into with a consortium comprising Polimex Mostostal S.A. and Polimex Energetyka sp. z o.o. (the 'Consortium') for the construction of a combined-cycle gas turbine unit for Zespół Elektrociepłowni Wrocławskich KOGENERACJA S.A. in Siechnice. The net contractual remuneration amounted to PLN 1,159 million. In connection with the performance of the agreement, the parties are in dispute over the completion date, which was specified in the agreement as April 30, 2024, whereas the obligation was performed on May 21, 2025. The dispute is subject to a mediation agreement currently in force, and the mediation is expected to conclude with the execution of a further amendment to the agreement. On April 30, 2026, KOGENERACJA S.A. and the Consortium entered into an amendment to the mediation agreement, extending the mediation process until September 30, 2026. As at June 30, 2026, the mediation process was ongoing and the Company's Management Board was unable to reliably estimate the potential financial consequences of its outcome. Due to the ongoing negotiations and the significant uncertainty regarding the ultimate outcome of the mediation, it is currently impossible to determine the amount of any claims or liabilities that may arise from the resolution of the dispute.

Decisions of the President of the Energy Regulatory Office regarding annual adjustment of costs incurred in gas-fired units

On August 1, 2023, PGE Zielona Góra S.A. (formerly Elektrociepłownia Zielona Góra S.A.) received an administrative decision from the President of the ERO concerning the amount of the annual adjustment of costs incurred in gas-fired units, as referred to in Article 44(1) of the Long-Term PPA Act, for 2022. In the decision, the President of the Energy Regulatory Office set the annual adjustment at PLN 35 million. The company disagrees with the decision and, on August 16, 2023, filed an appeal with the Regional Court in Warsaw – the Court of Competition and Consumer Protection – along with a request to suspend enforcement of the decision. On September 28, 2023, the court issued an order suspending enforcement of the decision of the President of the ERO until the case initiated by the appeal had been finally resolved. The Court of Competition and Consumer Protection (SOKiK) scheduled the first hearing for March 3, 2026. On March 4, 2026, SOKiK issued a judgment dismissing the Company's appeal. The judgment is not final. On March 9, 2026, the Company filed an application with the Court for written statement of reasons. On April 7, 2026, the Company received the judgment together with the written reasons. On April 21, 2026, the Company appealed against the SOKiK judgment. Currently, the case is at the appellate proceedings stage.

On July 31, 2024, PGE Zielona Góra S.A. received an administrative decision from the President of the ERO concerning the annual adjustment for 2023. In the decision, the President set the adjustment at PLN 99 million. The company disagrees with this decision as well and, on August 20, 2024, filed an appeal with the Regional Court in Warsaw – Court of Competition and Consumer Protection – and on August 30, 2024, submitted a request to suspend the enforcement of the decision. On September 16, 2024, the Regional Court in Warsaw, 17^{th} Division – Court of Competition and Consumer Protection, issued a decision to suspend the execution of the President's decision regarding the settlement of the gas compensation for

2023 until a final ruling is issued in the case initiated by the appeal. Following the hearing on March 4, 2026, the Court of Competition and Consumer Protection issued a judgment dismissing the company's appeal. The judgment is not final. On March 9, 2026, the company filed a motion to the Court for a written justification of the ruling. On April 7, 2026, the Company received the judgment together with the written reasons. On April 21, 2026, the Company appealed against the SOKiK judgment. Currently, the case is at the appellate proceedings stage.

On August 5, 2025, PGE Zielona Góra S.A. received an administrative decision of the President of the ERO dated July 30, 2025 concerning the amount of the annual adjustment of costs incurred in gas-fired units, as referred to in Article 44(1) of the Long-Term PPA Act, for 2024. In the decision, the President of the Energy Regulatory Office set the annual adjustment at PLN 0.8 million. The Company disagrees with the decision and therefore appealed against it to the ERO on August 19, 2025. On September 19, 2025, SOKiK issued an order suspending enforcement of the decision of the President of the ERO for 2024 until the case initiated by the appeal had been finally resolved. As of the date of publication of these financial statements, the date of the first hearing has not been set.

The discrepancy between the company and Energy Regulatory Office in the above matters arises from differing interpretations of the Long-Term PPA Act, in particular Article 46(1)(5) and Article 34. The Group recognised a liability totalling PLN 135 million in its accounting records.

In August 2025, PGE Zielona Góra S.A. received an administrative decision from the President of the ERO following the end of the adjustment period, which ran from April 1, 2008 to July 1, 2024. In the decision, the President of the ERO set the amount of the final adjustment of stranded costs at PLN 322 million. The payment deadline for the adjustment fell on December 31, 2025. PGE Zielona Góra S.A. disagrees with the decision. On November 20, 2025, SOKiK issued an order suspending enforcement of the decision of the President of the ERO until the case initiated by the appeal had been finally resolved. On January 8, 2026, the President of the ERO filed a response with SOKiK requesting that the appeal be dismissed. As of the date of publication of these financial statements, the date of the first hearing has not been set.

The discrepancy between the Company and the ERO in the above matters arises from differing interpretations of the Long-Term PPA Act, in particular Articles 31 and 33. The Group recognised a liability totalling PLN 322 million in its accounting records.

Charge to the Price Difference Payment Fund

The detailed course and background of the dispute between PGE S.A. and the PGE Capital Group’s retail companies and the President of the ERO concerning differences in the interpretation of the regulations and the classification of revenue from additional cash settlements to be taken into account in determining the contribution to the Price Difference Payment Fund are presented in Note 27.3 to the Consolidated Financial Statements of the PGE CG for 2025.

In February 2026, the inspection of PGE Obrót S.A., initiated by the President of the ERO on November 24, 2025, concerning the correctness of the settlement of contributions to the PDPF, was completed. The difference between the total contributions paid by PGE Obrót S.A. and the amount calculated by the President of the ERO and specified in the inspection report totalled PLN 605 million. In the Consolidated Financial Statements of the PGE CG for 2025, a provision in the amount of PLN 605 million was recognised in expenses. In accordance with the applicable procedure, PGE Obrót S.A. filed objections to the inspection report. Based on the collected materials, the President of the ERO made a decision in the matter in question and, despite the presentation of many substantive arguments, upheld the amount of the additional contribution indicated in the inspection report. At the same time, the authority set a deadline for paying the surcharge within 30 days of the date of delivery of the decision (the delivery date being March 12, 2026). On March 26, 2026, PGE Obrót S.A. appealed to SOKiK and requested that enforcement of the decision be suspended. The additional contribution to the Fund arising from the decision of the President of the ERO was paid, subject to recovery, together with statutory default interest calculated from March 20, 2026, the date on which the decision of the President of the ERO was served. This resulted in the utilisation of the provision established in the previous reporting period. On 28 August, 2026, SOKiK served the President of the ERO with a copy of the Company's appeal, setting a 30-day deadline for submitting a response. At the same time, SOKiK rejected PGE Obrót S.A.'s motion for suspension of the enforceability of the President of URE's decision. As at the reporting date, the case remained unresolved.

On March 26, 2026, PGE EK S.A. received a notice of inspection concerning the financial results of previous periods. Following the inspection, on July 2, 2026 the Company received a decision from the President of the ERO requiring it to pay an additional PLN 265 million, representing the difference between the contribution calculated by the President of the ERO and the total contributions paid by PGE EK S.A. The additional contribution to the Fund arising from the decision of the President of the ERO was paid in July 2026. This resulted in the utilisation of the provision of PLN 275 million established in the previous reporting period. On July 15, 2026, PGE EK S.A. appealed to SOKiK and requested that enforcement of the decision be suspended.

Withdrawal from the agreement with the consortium of GE Hydro France S.A.S. and Mostostal Warszawa S.A.

On December 19, 2025, PGE EO S.A. submitted a notice of withdrawal from the agreement entered into on July 22, 2022 with the consortium comprising GE Hydro France S.A.S. and Mostostal Warszawa S.A. (the 'Consortium') for the project entitled 'Modernisation of the technological section of the Porąbka-Żar PSPP under a general investment contractor arrangement'. Under the agreement, the Consortium was to carry out, i.a., the modernisation of four hydro units at the Porąbka-Żar PSPP along with auxiliary systems.

The withdrawal from the agreement resulted from reasons attributable to the Consortium, in particular a delay in implementing the project, the scale of which makes the timely completion of the Investment at least unlikely, and most probably impossible – within the meaning of Article 635 of the Civil Code.

In 2025, PGE EO S.A. charged contractual penalties in the amount of: PLN 5 million for delay in commissioning Hydro Unit No. 3 and PLN 105 million for withdrawal from the Agreement for reasons attributable to the contractor, and also called on the Consortium to return the unsettled advance payment received in connection with the conclusion of the Agreement, i.e. the amount of over PLN 186 million.

As the Consortium failed to fulfil its contractual obligations to refund the unsettled advance payment and pay the contractual penalties imposed, on December 30, 2025 PGE EO S.A. demanded payment from mBank S.A., as guarantor, under the guarantees issued at the request of the Consortium members: the advance payment guarantee and the due performance guarantee.

On January 13, 2026, the bank paid PGE EO S.A. PLN 186 million in respect of the unsettled advance payment and PLN 56 million in respect of the contractual penalties imposed. The remaining receivable is being pursued through the courts.

The recognition of the above transactions had no impact on the financial result of the PGE Capital Group for either 2025 or the first half of 2026. It affected the balances with the contractor and the value of property, plant and equipment under construction.

By letter dated July 31, 2026, the Consortium demanded that PGE EO S.A. pay amounts described as remuneration and refund amounts in respect of contractual penalties, totalling PLN 1,058 million. By letter dated August 7, 2026, PGE EO S.A. rejected all of the Consortium's demands, considering them entirely unfounded both as to principle and as to amount.

Consequently, the Group did not recognise any provisions or contingent liabilities in this respect in these interim consolidated financial statements.

Non-contractual use of real estate

The Group recognises a provision for claims concerning non-contractual use of real estate serving distribution activities brought before the courts. As at June 30, 2026, the Group presents provisions of PLN 17 million established for this purpose. Furthermore, disputes at earlier stages of proceedings exist within the PGE Capital Group, and an increase in the number and value of similar claims in the future cannot be ruled out.

On December 2, 2025, in case No. P 10/16, the Constitutional Tribunal issued a ruling that a land easement corresponding in substance to a transmission easement could not be acquired by adverse possession. The Tribunal ruled that the provisions, which had hitherto been interpreted as allowing a transmission operator to acquire transmission easements by adverse possession in certain situations, were inconsistent with the Polish Constitution.

The above judgment may affect distribution activities in subsequent years due to the fact that it concerns the area related to the use of third-party real estate by energy companies in connection with the location of infrastructure. The Group will conduct further analyses regarding the effects of the ruling in question in subsequent reporting periods. The Group did not recognise any additional provisions for liabilities arising from the non-contractual use of real estate.

Contractual fuel purchase obligations

According to the agreements in place for the purchase of fuels (mainly coal and gas), the Group is obliged to offtake a specified minimum quantity of such fuels, and not to exceed a certain maximum volume of natural gas consumption in particular periods. Failure to offtake the minimum volumes of fuel or exceeding the maximum volumes specified in the agreements may result in the obligation to pay additional charges (in the case of certain gas purchase agreements, volumes not offtaken but paid for may be offtaken in subsequent delivery periods). The Group does not identify the need to recognise a provision in this respect.

Obligations related to maintaining fuel stocks

In accordance with applicable legal regulations, an energy enterprise engaged in generation of electricity or heat is required to maintain fuel stocks in quantities ensuring the continuity of electricity or heat supply to consumers.

In previous reporting periods, there were several breaches of the minimum coal stock requirements in the generating units of PGE GiEK S.A. operating on hard coal (Opole Power Plant, Dolna Odra Power Plant, Rybnik Power Plant). A number of factors beyond the Group's control contributed to the failure to maintain minimum hard coal stock levels and to the difficulties in rebuilding those stocks at the power plants. The most recent periods in which the aforementioned breach of the minimum coal stock requirements occurred were January and February 2023.

Under Article 56(1)(2) of the Energy Law, a person who fails to comply with the obligation to maintain fuel stocks (...) or fails to replenish them within the prescribed period (...) is subject to a monetary penalty. It should be noted that the mere fact of violating a prohibition or obligation laid down in the Energy Law provides grounds for the President of the ERO to impose a penalty. According to Article 56(3) of the Energy Law, the amount of the fine may not be less than PLN 10,000 and not more than 15% of the revenue of the penalised enterprise achieved in the previous tax year. If the monetary fine is related to an activity conducted under a concession, the amount of the fine may not be less than PLN 10,000 and not more than 15% of the revenue from the concession activity in the previous tax year.

As at June 30, 2026, hard coal stocks at PGE GiEK's Rybnik Power Plant and Opole Power Plant branches were maintained above the minimum level required by law. Hard coal stocks remained below the required level at the Dolna Odra Power Plant from January 23 to January 31, 2026 and from February 3 to June 16, 2026, of which the ERO was notified.

This was associated with the planned reduction of hard coal stocks at PGE GiEK's Dolna Odra Power Plant Branch due to the unit's decommissioning at the end of August 2026.

In view of the above, the circumstances beyond the Company's control that resulted in the failure to maintain and restore the required minimum coal stocks within the prescribed period, together with the fact that PGE GiEK S.A. has not previously been penalised in this respect, should provide grounds for an appropriate reduction in the amount of the penalty. The Group estimates that the value of any potential fine imposed would not be material, and therefore no provision has been recognised in these financial statements on this account.

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

On June 17, 2026, the Regulation of the Minister of Energy of June 12, 2026 amending the Regulation on Fuel Stocks at Energy Companies (Dz. U. [*Journal of Laws*] item 792) entered into force, introducing the possibility of reducing mandatory stocks of hard coal, lignite and fuel oil where equipment operated by an energy company and constituting a centrally dispatched generating unit is scheduled to be decommissioned.

24. Security for repayment of liabilities

The Group uses various forms of security for its own liabilities under agreements and transactions entered into. The main forms of security are presented below. The forms of security for repayment of liabilities and their values listed below do not include security provided under loan and borrowing agreements, which is disclosed in Note 21.1 to these consolidated financial statements. Security for transactions entered into by the Group on TGE S.A. is described later in this Note due to its materiality.

Forms of security for repayment of liabilities, excluding security under loan agreements	As at June 30, 2026	As at December 31, 2025
Sureties and corporate guarantees, including:	33,119	31,394
*sureties and guarantees securing exchange transactions**	*13,090*	*13,203*
Statements of submission to enforcement, including:	17,063	16,625
*statements of submission to enforcement securing exchange transactions**	*12,740*	*12,230*
Promissory notes	3,701	2,012
Bank guarantees	207	301
Other	25	3

**Additional security for transactions entered into by the Group on TGE S.A. is described later in this Note.*

Material sureties and corporate guarantees

Information on material sureties and guarantees provided is disclosed in Note 5.5. Management Board's report on the activities of the PGE Capital Group for the six-month period ended June 30, 2026.

Security for liabilities in the form of statements of submission to enforcement

As at June 30, 2026, the Group had contingent liabilities in the form of statements of submission to enforcement under Article 777 § 1 of the Code of Civil Procedure, constituting security for the Group's receivables under factoring agreements, totalling PLN 4,322 million.

Security for liabilities in the form of blank promissory notes

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

In the current reporting period, PGE Dystrybucja S.A. issued promissory note declarations for approximately PLN 1.6 billion as security for a co-financing agreement funded from European and national funds. The grant funds are used for the implementation of investment projects relating mainly to:

- Construction and modernisation of the smart energy grid,
- Development of the smart energy grid,

Security for liabilities in the form of bank guarantees

The security relates mainly to the obligation of EWB2, EWB3, EWB9 and EWB+ to generate and feed into the grid, for the first time, electricity generated by an offshore wind farm, as specified in Article 15(2)(4) of the Act of December 17, 2020 on Promoting Electricity Generation in Offshore Wind Farms. The bank guarantees issued in this respect in favour of the Energy Regulatory Office, totalling PLN 200 million, are secured by sureties provided by PGE S.A. up to PLN 224 million.

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Security for transactions entered into on Towarowa Giełda Energii S.A.

An entity trading in exchange-traded commodities on TGE S.A. is required, under the rules of IRGiT S.A., which clears these transactions, to provide appropriate security. In connection with transactions entered into on TGE S.A., the Group provided such security in the form of cash and non-cash collateral, which as at June 30, 2026 comprised:

Form of security	Description of security
Statements of submission to enforcement	As at June 30, 2026, the total amount of security in the form of statements of submission to enforcement was PLN 12,740 million (including the surety agreement entered into with IRGiT on October 17, 2023, which provides additional security in the form of a statement of submission to enforcement up to PLN 11 billion).
Bank guarantees	As at June 30, 2026, bank guarantees issued in favour of IRGiT as security for the liabilities of PGE S.A. and PGE CG companies in respect of the settlement of transactions and agreements relating to the netting of margin deposits executed by PGE Dom Maklerski S.A. on Towarowa Giełda Energii S.A. totalled PLN 253 million.
Sureties provided	On October 17, 2023, PGE S.A. entered into a surety agreement with IRGiT S.A. for up to PLN 11 billion, under which it acted as surety for all liabilities of PGE EC S.A., PGE Zielona Góra S.A. and PGE Dom Maklerski S.A. arising from electricity trading transactions entered into by PGE Dom Maklerski S.A. on TGE S.A. for and on behalf of those companies. The surety was provided until December 31, 2026. On September 30, 2019, PGE S.A. entered into a surety agreement with IRGiT S.A., subsequently amended in later periods. The total maximum limit under the agreement amounts to PLN 2 billion. Within this limit, PGE Dom Maklerski S.A. enters into exchange transactions on TGE S.A. for and on behalf of PGE S.A. The available limit under this agreement as at June 30, 2026 amounts to PLN 1.8 billion. The surety was provided until March 31, 2027.
Margin deposit netting agreement	Under the agreement with IRGiT dated March 1, 2023 setting out the rules for establishing financial collateral, a margin deposit netting mechanism is applied within the PGE Group. For transactions entered into, the margin deposits required by IRGiT are calculated on the Group's net positions, reducing the amount of funds committed across the Group to maintaining the collateral required by IRGiT.
Transfer of CO_2 emission allowances	The Group has entered into an agreement for the transfer of emission allowances as security for a Clearing Member's liabilities. As at June 30, 2026, PGE GiEK S.A. had deposited a total of 1,000,000 tonnes of CO_2 emission allowances, to which IRGiT S.A. assigned a collateral value of PLN 8.3 million.

25. Tax settlements

Tax-related obligations and rights are specified in the Constitution, tax acts, and ratified international agreements. According to the Tax Code, tax is defined as a public law, gratuitous, compulsory and non-refundable cash benefit for the State Treasury, voivodeship, poviat or municipality as provided for in the Tax Act. Taking into consideration the objective criterion, the taxes in force in Poland can be divided into the following five groups: taxes on income, taxes on turnover, taxes on property, taxes on actions, and other fees not elsewhere classified.

From the point of view of business entities, the most important aspect is taxation of income (corporate income tax), taxation of turnover (goods and services tax, excise duty) and taxation of property (property tax, tax on means of transport). One should not forget about other fees and charges which can be classified as quasi taxes. These include, among others, social insurance contributions.

The basic tax rates are as follows: the corporate income tax rate is 19%, with a reduced rate of 9% available for small enterprises; the standard VAT rate is 23%, with reduced rates of 8%, 5%, and 0%. In addition, certain goods and services are exempt from VAT.

The tax system in Poland is characterised by a high level of changeability and complexity of tax regulations, and high potential penalties for tax crimes or violations. Tax settlements and other activity areas subject to regulations (customs or currency inspections) can undergo inspections conducted by competent authorities entitled to issue fines and penalties together with penalty interest. The competent tax authorities may inspect tax settlements for five years from the end of the calendar year in which the tax payment deadline expired.

Income tax

Minimum income tax

As of January 1, 2024, the previously suspended provisions regarding the minimum income tax have come into force. The minimum tax applies to taxpayers who report a tax loss from sources of income other than capital gains or whose profitability (understood as the ratio of income from sources other than capital gains to revenue from such sources) is lower than 2%. Profitability may be calculated at the level of a group of related companies, and the legislation provides for a number of subjective and objective exemptions. In 2026 the Group does not expect any significant charges in this respect.

In the comparative period ended December 31, 2025 the PGE Group did not incur any significant charges in this respect.

Global minimum top-up tax

On January 1, 2025, the provisions of the Act of November 6, 2024 on the top-up taxation of constituent entities of multinational and domestic groups entered into force. This act implements into national law the provisions of Council Directive (EU) 2022/2523 of December 14, 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the European Union (known as Pillar 2). In the event of an effective tax rate of less than 15% in a given jurisdiction, a global or national top-up tax will apply. The provisions are effective from 2025, with the option of applying them retrospectively for the 2024 tax year. The simplifications and exemptions provided for in the aforementioned Act that may be applied during the first years in which the regulations are in force mean that the PGE CG will be able to benefit from an exemption from calculating and paying the domestic top-up tax up to and including 2028. The PGE Group has opted to apply the provisions of the Act for the year 2024. This does not result in an increase in the tax burden.

Establishment of PGK PGE 2026

On October 30, 2025, a tax capital group agreement named ‘PGK PGE 2026’ was concluded for the years 2026–2028, for which PGE S.A. is the representing company. The companies forming the tax capital group are required to meet a number of conditions, including, inter alia: maintaining an appropriate level of equity, ensuring that the parent company holds at least a 75% share in the equity of the companies forming the PGK, the absence of capital links between subsidiaries, and the absence of tax arrears. A breach of the above conditions will result in the dissolution of the tax capital group and the loss of its status as a taxpayer. From the moment of dissolution, each company forming part of the tax capital group becomes a separate taxpayer for CIT purposes. The ‘PGK PGE 2026’ tax capital group comprises the following companies: PGE S.A., PGE Dystrybucja S.A., PGE GiEK S.A., PGE Obrót S.A., PGE Systemy S.A., PGE Dom Maklerski S.A., PGE Ekoserwis S.A., PGE Synergia sp. z o.o., ‘Elbis’ sp. z o.o., PGE Asekuracja S.A., PGE Inwest 2 sp. z o.o., PGE Inwest 9 sp. z o.o., PGE Inwest 33 sp. z o.o. and PGE Inwest 34 sp. z o.o.

VAT split payment mechanism, obligation to make payments to accounts notified to tax offices

The Group uses funds received from counterparties in VAT accounts to settle its VAT-inclusive liabilities. The amount of funds held in these VAT accounts at a given date depends mainly on the number of the PGE CG’s counterparties that decide to use this mechanism and on the relation between the payment dates of receivables and payables. As at June 30, 2026, the balance of cash in VAT accounts was PLN 271 million (PLN 499 million in the comparative period).

Reporting of tax schemes (MDR)

New legal regulations have been in force since 2019, introducing mandatory reporting of tax schemes (MDR – Mandatory Disclosure Rules). As a general rule, a tax scheme should be understood as an arrangement where obtaining a tax advantage is the main or one of the main benefits. In addition, arrangements with so-called specific and other specific hallmarks defined in the rules are designated as a tax scheme. The reporting obligation is extended to three types of entities: promoters, facilitators and beneficiaries. MDR regulations are complex and imprecise in many areas, which causes doubts with respect to their interpretation and practical application. Amendments excluding domestic events and transactions from the

MDR requirements will enter into force on October 1, 2026. Consequently, the scope of the obligations and any risks associated with reporting tax arrangements will be significantly reduced.

Excise duty

Due to the incorrect transposition of EU regulations into the Polish legal system, proceedings were initiated at PGE GiEK S.A. in 2009 to recover unduly paid excise duty for the period from January 2006 to February 2009. The irregularity concerned the taxation of electricity at the first stage of its sale – i.e. by producers – whereas the tax should have been levied on sales to so-called final consumers.

In reviewing the company's complaints regarding restitution claims against tax authority decisions refusing to recognise the overpayment of excise duty, administrative courts ruled that the company had not borne the economic burden of the unduly paid excise duty (which, under the resolution of the Supreme Administrative Court (NSA) of June 22, 2011, ref. I GPS 1/11, precludes the possibility of obtaining a tax refund). According to the NSA, the claims demonstrated by the company—particularly through economic analyses—are of a compensatory nature and, as such, may only be pursued before civil courts. As a result, PGE GiEK S.A. decided to withdraw from restitution-related administrative proceedings. The matter is currently being pursued through civil litigation. On January 10, 2020, the Regional Court in Warsaw issued a ruling in the case brought by PGE GiEK S.A. against the State Treasury – Minister of Finance. The court dismissed the claim. On February 3, 2020, the company filed an appeal against the first-instance judgment with the Court of Appeal in Warsaw. The hearing was held on December 2, 2020, following which, in a judgment announced on December 17, 2020, the Court of Appeal in Warsaw dismissed the appeal of PGE GiEK S.A. On April 23, 2021, PGE GiEK S.A. filed a cassation appeal with the Supreme Court. On May 20, 2021, PGE GiEK S.A. received the response from the General Counsel to the Republic of Poland regarding the cassation complaint filed by the company. On May 19, 2026, the Supreme Court dismissed the cassation appeal of PGE GiEK S.A. The Supreme Court's judgment is final and conclusive and closes the proceedings in this case at all levels of the civil court system.

Property tax

Property tax constitutes a significant burden for certain companies within the PGE Capital Group. The regulations governing property tax are unclear in some areas and give rise to numerous interpretative doubts. The tax authorities – namely, the commune head (*wójt*), mayor, or city president – frequently issue inconsistent tax interpretations in substantively similar matters. As a result, Group companies have been and may continue to be parties to proceedings concerning property tax. If the Group considers a settlement adjustment to be probable as a result of such proceedings, an appropriate provision is recognised. Following the Constitutional Tribunal's challenge to the constitutionality of the definition of a 'structure' (*budowla*), an amendment was made to the Act of January 12, 1991 on Local Taxes and Fees, introducing a revised definition of the taxable object. The legislative amendment did not have a material impact on the property tax burden of the PGE CG companies.

Correction of a customs decision at PGE Paliwa sp. z o.o.

On February 19, 2025, PGE Paliwa sp. z o.o. filed an application for an adjustment to the customs decision. The Office refused to accept it in the amounts provided by the company, arguing that PGE Paliwa sp. z o.o. did not have the Intermediary Coal Entity (PPW) status regarding coal imports. As at the date of these financial statements, the company expects the final decision from the Customs and Tax Office concerning the adjustment to the customs clearance. The Office informed the company that the ruling might be negative due to an error in declaring the PPW status. The mistake consisted in failing to select coal import under the type of 'PPW activity'. The risk amount for the above decision exceeds PLN 4 million (excluding interest costs).

The company has a confirmation from the Office that it has been successfully registered as a PPW, and the regulations do not make holding such status conditional upon selecting all types of conducted operations. The definition of a PPW provided in Article 2(1)(23a) of the Excise Duty Act refers to the fact of registration – rather than to specifying particular activities carried out as an Intermediary Coal Entity. The division between a PPW and a Final Coal Purchaser (FNW) is dichotomous, which means that one entity cannot hold both statuses simultaneously – it is impossible for a firm being an Intermediary Coal Entity to act as an FNW in any scope. Taking this into account, both the company and the tax advisors supporting it believe that the Office's allegations have no basis in the regulations and assess the probability of winning any potential proceedings as very high.

PGE Paliwa sp. z o.o. executed many similar transactions involving coal deliveries from abroad in periods other than those covered by the aforementioned customs decision. Regarding those timeframes and the customs rulings issued for them as well as the submitted adjustments, the Customs and Tax Office has raised no doubts as at the moment of approving these statements for publication.

Considering the above, in the PGE Group's opinion, there are no grounds for recognising provisions or contingent liabilities in this respect.

Uncertainty related to tax settlements

Regulations on value added tax, corporate income tax and social security charges are subject to frequent changes. These frequent changes result in a lack of appropriate points of reference, inconsistent interpretations and few established precedents that could be applied. The legislation in force also contains ambiguities that give rise to differences of opinion as to the legal interpretation of tax provisions, between state authorities as well as between state authorities and business enterprises.

Tax settlements and other areas of activity (e.g. customs or foreign exchange issues) may be the subject of inspections by the authorities, which are entitled to impose high penalties and fines, and any additional tax liabilities resulting from an inspection must be paid together with high interest. Consequently, tax risk in Poland is higher than in countries with more stable tax systems.

Amounts presented and disclosed in financial statements may change in the future as a result of a final decision of a tax audit authority.

Other aspects

The Tax Code includes the provisions of the General Anti-Abuse Rule (GAAR). The GAAR is designed to prevent the use of artificial legal structures created for the purpose of avoiding the payment of tax in Poland. It defines tax avoidance as an act done primarily for the purpose of obtaining a tax advantage which, under given circumstances, is contrary to the object and purpose of the provisions of the Tax Act. Under the GAAR, such an act does not result in achieving a tax benefit if the manner of acting was artificial. Any occurrence of unjustified splitting of operations, involvement of intermediary entities despite the lack of economic or business justification, elements that cancel or compensate each other and other actions with effects similar to those previously mentioned, can be treated as an indication of the existence of artificial acts subject to the GAAR. The above regulations require much more judgment in assessing tax effects of individual transactions.

26. Information on related entities

Transactions between the PGE Capital Group and its related entities are based on market prices of delivered goods, products or services or on their production costs.

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26.1 Associates and jointly controlled entities

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

	Period ended June 30, 2026	Period ended June 30, 2025
Sale to associates and jointly controlled entities	15	21
Purchase from associates and jointly controlled entities	39	749

	As at June 30, 2026	As at December 31, 2025
Receivables from associated and jointly controlled entities	10	14
including trade receivables	*2*	*5*
Liabilities towards associated and jointly controlled entities	75	122
including trade payables	*5*	*24*

The value of turnover and balances primarily results from transactions with PEC Bogatynia and Polimex-Mostostal S.A.

26.2 State-controlled entities

The State Treasury is the dominant shareholder of PGE. Therefore, in line with IAS 24 *Related Party Disclosures*, companies owned by the State Treasury are regarded as related entities. The PGE Group companies identify in detail transactions with approx. 60 of the most significant companies controlled by the State Treasury.

The table below presents the total value of transactions and balances with the above entities.

	Period ended June 30, 2026	Period ended June 30, 2025
Sales to related entities	5,378	5,242
Purchases from related entities	6,603	7,194

	As at June 30, 2026	As at December 31, 2025
Trade receivables from related entities	1,491	1,403
including trade receivables	*1,342*	*1,261*
Trade liabilities to related entities	1,182	1,763
including trade payables	*1,036*	*1,725*

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

In addition, the PGE Capital Group conducts significant transactions on the energy market via Towarowa Giełda Energii S.A. (Polish Power Exchange). As this entity solely organises exchange-based trading, purchases and sales conducted through it are not considered related party transactions.

The amounts presented above also exclude material transactions with Zarządca Rozliczeń S.A., which is responsible for settling statutory support schemes in the energy sector.

26.3 Management remuneration

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

thousand PLN	Period ended June 30, 2026	Period ended June 30, 2025
Short-term employee benefits (remuneration and surcharges)	26,546	26,293
Post-employment benefits	2,684	332
TOTAL KEY MANAGEMENT REMUNERATION	**29,230**	**26,625**
Management remuneration of the other companies	10,888	7,924
TOTAL MANAGEMENT REMUNERATION	**40,118**	**34,549**

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thousand PLN	Period ended June 30, 2026	Period ended June 30, 2025
Management Board of the parent company	5,535	4,291
including post-employment benefits	*1,268*	-
Supervisory Board of the parent company	763	381
Management Boards – subsidiaries	20,558	19,702
including post-employment benefits	*1,416*	*332*
Supervisory Boards – subsidiaries	2,374	2,251
TOTAL	**29,230**	**26,625**
Management remuneration of the other companies	10,888	7,924
TOTAL MANAGEMENT REMUNERATION	**40,118**	**34,549**

Within companies of the PGE CG (both directly and indirectly owned), it is standard practice that Management Board members are engaged under management service contracts.

In Note 7.2 Expenses by kind and function, the related remuneration is presented under other expenses by nature.

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

27.1 Impact of the conflict in the Persian Gulf on the operations of the PGE Group

The conflict in the Persian Gulf, and particularly its further escalation, may generate multidimensional threats of an economic, geopolitical and cyber nature, also affecting companies operating in Poland. Due to the strategic role of the PGE Group in ensuring the country's energy security, all Group entities continuously monitor the situation in the Persian Gulf and assess the possibility of potential threats. The Group's priority is to secure the business continuity of generation units and distribution infrastructure, so as to ensure uninterrupted supplies of electricity and heat to residents, institutions and enterprises.

IMPACT ON OPERATING ACTIVITIES

As at the date of authorisation of these statements for publication, the conflict in the Persian Gulf does not have a material impact on the operating activities, contracting processes, or financial stability of the PGE Group. No risk to going concern has been identified and the continuity of the supply chain remains intact. The implemented strategy for contracting electricity and related products, consisting in hedging the cost of EUAs, foreign currency and fuels in parallel with contracting electricity sales, effectively limits the impact of market changes.

The PGE Group maintains adequate liquidity and available sources of financing to enable the continuation of its operations without material disruption. The conflict also does not affect existing financing agreements or the margins under these agreements, nor does it limit sources of financing.

In the longer term, potential risks may arise. An escalation of the conflict in the Persian Gulf increases global risk aversion, leading to a weakening of the PLN and an increase in the prices of production inputs and investment materials, as well as reducing the stability of supply chains.

The conflict does not currently have a material impact on credit risk; however, this situation may change in the event of global supply chain disruptions, price increases and increased volatility in the electricity market, related products and commodities. Further escalation of the conflict may increase credit exposure and reduce the creditworthiness of counterparties, which may result in breaches of limits, the need to request additional collateral and an increase in the level of overdue receivables.

At the same time, due to the short duration and evolving nature of the conflict, it was not possible to reliably estimate its potential long-term effects.

IMPACT ON THE VALUE OF ASSETS AND LIABILITIES

As at the date of these financial statements, the PGE Group does not identify any material impact of the conflict on potential impairment of balance-sheet items, as the Group's companies are neither located in the conflict zone nor directly affected by it. Despite increased volatility in the foreign exchange market caused by the conflict, the impact of exchange rate movements on the financing of operations remains limited. This is due to the fact that the Group primarily uses PLN-denominated financing and significant foreign exchange exposures of PGE Group companies arising from operating or investing activities are hedged. The only material financing denominated in a currency other than PLN comprises loans relating to the construction of the Baltica 2 offshore wind farm. However, in accordance with the support scheme for offshore wind farms, revenue from the sale of electricity generated by these units will be indexed to EUR; therefore, the PGE Group does not identify significant foreign exchange risk in this area.

AREAS OF POTENTIAL OPERATIONAL RISKS

AVAILABILITY AND PRICES OF FUELS AND SUPPLY CHAIN, LOGISTICS

The current situation in the Strait of Hormuz, through which approximately 20% of the global oil and LNG market is transported, has led to a significant increase in the volatility of fuel prices and transportation costs. The PGE Group does not have direct purchase contracts with entities from the Persian Gulf region. From 2026, the majority of gas for PGE Group units is purchased via the Polish Power Exchange (Towarowa Giełda Energii). This means that the security of supply for our units is aligned with the security of the national gas system. The transmission system operator Gaz-System S.A. does not indicate any threats to gas supplies to customers.

If shipping restrictions or changes in transport routes persist, in the long term—following increases in prices and transportation costs—disruptions in global logistics chains may arise, which could affect the PGE Group.

At the same time, the PGE Group has a diversified generation and procurement portfolio and conducts market monitoring and coordinated planning with PSE S.A. to secure electricity generation. Access to domestic and international coal enables the regulation of inventory build-up processes in generation units and diversification of suppliers. A diversified portfolio of assets based on coal, natural gas, renewable sources and energy storage significantly mitigates the impact of price risks. The PGE Group procures raw materials primarily from the domestic market.

The Group undertakes actions to minimise the potentially adverse impact of the conflict, thereby limiting exposure to short-term price spikes.

THE LEVEL OF PRODUCTION AND MARGIN GENERATED

Due to the high level of hedging and contracting, as at the date of these financial statements the PGE Group does not identify any material impact of the conflict in the Persian Gulf on production levels or margins. In the longer term, the effects of a prolonged conflict may lead to updates of fuel reference indicators published by the President of the Energy Regulatory Office, which may affect tariff levels for heat sales to final customers.

INVESTMENT PROCESS

Within ongoing significant investments, no information has been received from contractors regarding delays resulting from force majeure related to military actions. The development of the conflict is being monitored. At the same time, contingency plans are being prepared in advance, particularly for projects where a potential risk of delays in the delivery of key components by sea is identified in the event of a prolonged or intensified conflict. For planned investments, schedules will be adjusted to identified potential delays.

In the context of investment profitability, it should be noted that the PGE Group's strategic investments are projects worth several billion PLN, implemented to ensure the country's energy security. To secure financing for such large projects, their revenue side is largely protected by long-term contracts, such as: contracts for difference for offshore wind farms, multi-year Capacity Market contracts for gas-fired units and energy storage, and support for high-efficiency cogeneration for cogeneration units. These contracts are designed to minimise, to the greatest extent possible, the impact of global and local market changes on the profitability of a given investment.

SECURITY AND CYBERSECURITY

In connection with the conflict in the Persian Gulf, as well as the ongoing war in Ukraine, the PGE Group perceives the risk of a cyber incident affecting its ICT/OT infrastructure as high. The Middle East conflict may potentially increase the activity of international criminal groups in Polish cyberspace. The PGE Group has implemented dedicated procedures for monitoring ICT networks as well as procedures for threat analysis and the assessment of cyber incident risk. Measures to protect the supply chain against cyberattacks have also been strengthened.

In the area of physical and organisational security, the PGE CG monitors potential threats to facilities, including critical infrastructure, as well as to employees and the continuity of key operating processes. Particular attention is paid to the protection of strategic facilities, access control, monitoring the movement of people and vehicles, the preparedness of security services and cooperation with the relevant state institutions and security services. As at the date of these financial statements, no direct threats to the physical security of the PGE CG's assets arising from the conflict in the Persian Gulf have been identified; however, the situation remains subject to ongoing monitoring and risk assessment.

COUNTERPARTIES AND SANCTIONS REGULATIONS

The PGE Group monitors legal regulations, in particular restrictive measures imposed on entities, persons and items from countries involved in the conflict that may be introduced by legislators, the European Union or the United Nations. The PGE Group includes clauses in its agreements that allow the limitation of potential future effects of counterparties being subject to restrictive measures.

As at the date of these financial statements, the conflict in the Persian Gulf does not have any material impact on the operating activities, contracting processes, or financial stability of the PGE Group. Nevertheless, the risks described above may in the future have a material impact on individual areas of the PGE Group's operations and its future financial results. In particular, the recoverable amount of selected asset items, the level of expected credit losses and the valuation of financial instruments may change. Due to the short duration of the conflict up to the date of these financial statements, it is difficult to estimate its potential further macroeconomic and market consequences. The PGE Group will continue to monitor developments in the conflict and the situation on an ongoing basis, and any events that occur will be appropriately reflected in future financial statements.

27.2 Execution of an agreement for LNG regasification services

On June 23, 2026, PGE S.A. signed a conditional agreement with Gas Transmission Operator GAZ-SYSTEM S.A. for 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 amounts 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.

for the period of 6 months ended June 30, 2026 in accordance with EU IFRS (in PLN million)

II. CONDENSED INTERIM SEPARATE FINANCIAL STATEMENTS OF THE PGE POLSKA GRUPA ENERGETYCZNA S.A FOR THE 6-MONTH PERIOD ENDED JUNE 30, 2026, PREPARED IN ACCORDANCE WITH EU IFRS

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Note	3 months ended June 30, 2026 *(unaudited)*	6 months ended June 30, 2026 *(unaudited)*	3 months ended June 30, 2025 *(unaudited)*	6 months ended June 30, 2025 *(unaudited)*
PROFIT AND LOSS ACCOUNT					
SALES REVENUE	6	**10,466**	**29,480**	**5,822**	**15,461**
Cost of goods sold	7	(10,102)	(28,665)	(5,481)	(14,690)
GROSS PROFIT ON SALES		**364**	**815**	**341**	**771**
Distribution and selling expenses	7	(9)	(15)	(5)	(8)
General and administrative expenses	7	(90)	(176)	(94)	(171)
Other operating income		40	41	1	1
Other operating expenses		(13)	(17)	(14)	(15)
OPERATING PROFIT		**292**	**648**	**229**	**578**
Finance income, including:	8	6,722	7,372	3,926	4,556
Reversal of impairment losses on financial instruments		*2,659*	*2,659*	-	-
Interest income calculated using the effective interest rate method		*589*	*1,106*	*633*	*1,227*
Finance expenses	8	(153)	(416)	(122)	(336)
PROFIT BEFORE TAX		**6,861**	**7,604**	**4,033**	**4,798**
Income tax		(125)	(266)	(144)	(288)
NET PROFIT FOR REPORTING PERIOD		**6,736**	**7,338**	**3,889**	**4,510**
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified to profit or loss in the future:					
Valuations of hedging instruments		(42)	(1)	(37)	(97)
Deferred tax		8	-	7	18
Items that may not be reclassified to profit or loss in the future:					
Actuarial gains and losses from valuation of provisions for employee benefits		-	-	(4)	(4)
Deferred tax		-	-	1	1
OTHER COMPREHENSIVE INCOME FOR THE REPORTING PERIOD, NET		**(34)**	**(1)**	**(33)**	**(82)**
TOTAL COMPREHENSIVE INCOME		**6,702**	**7,337**	**3,856**	**4,428**
NET PROFIT AND DILUTED NET PROFIT PER SHARE (PLN)		**3.00**	**3.27**	**1.73**	**2.01**

for the period of 6 months ended June 30, 2026 in accordance with EU IFRS (in PLN million)

SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	As at June 30, 2026 *(unaudited)*	As at December 31, 2025 *(audited)*
NON-CURRENT ASSETS			
Property, plant and equipment		121	128
Intangible assets		2	2
Right to use assets		21	21
Financial receivables	10.1	17,025	13,141
Derivatives and other assets measured at fair value through profit or loss	11	981	372
Shares and interests in subsidiaries	9	25,579	25,181
Shares and interests in associates, as well as jointly controlled and other entities		97	97
Other non-current assets		1	6
		43,827	**38,948**
CURRENT ASSETS			
Inventories		4	617
Trade receivables and other financial receivables	10.1	4,997	8,840
Derivative instruments	11	2,258	3,452
Other current assets	12	4,166	46
Cash and cash equivalents	10.2	10,608	7,928
		22,033	**20,883**
TOTAL ASSETS		**65,860**	**59,831**
EQUITY			
Share capital		19,184	19,184
Supplementary capital		20,138	27,088
Hedging reserve		35	36
Retained earnings		7,296	(6,992)
		46,653	**39,316**
NON-CURRENT LIABILITIES			
Non-current provisions		362	326
Credits, loans, bonds and leases	13	8,701	8,824
Derivative instruments	11	839	295
Deferred income tax liability		90	49
		9,992	**9,494**
CURRENT LIABILITIES			
Current provisions		5	44
Credits, loans, bonds, cash pooling and leases	13	3,818	3,416
Derivative instruments	11	2,051	3,228
Trade and other payables		3,003	2,635
Income tax liabilities		11	110
Other non-financial liabilities		327	1,588
		9,215	**11,021**
TOTAL LIABILITIES		**19,207**	**20,515**
TOTAL EQUITY AND LIABILITIES		**65,860**	**59,831**

for the period of 6 months ended June 30, 2026 in accordance with EU IFRS (in PLN million)

SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital	Supplementary capital	Hedging reserve	Retained earnings	Total equity
AS AT JANUARY 1, 2026	**19,184**	**27,088**	**36**	**(6,992)**	**39,316**
Net profit for the reporting period	-	-	-	7,338	**7,338**
Other comprehensive income	-	-	(1)	-	**(1)**
COMPREHENSIVE INCOME FOR THE PERIOD	**-**	**-**	**(1)**	**7,338**	**7,337**
Retained earnings settlement	-	(6,950)	-	6,950	**-**
AS AT JUNE 30, 2026	**19,184**	**20,138**	**35**	**7,296**	**46,653**

	Share capital	Supplementary capital	Hedging reserve	Retained earnings	Total equity
AS AT JANUARY 1, 2025	**19,184**	**22,252**	**163**	**4,797**	**46,396**
Net profit for the reporting period	-	-	-	4,510	**4,510**
Other comprehensive income	-	-	(79)	(3)	**(82)**
COMPREHENSIVE INCOME FOR THE PERIOD	**-**	**-**	**(79)**	**4,507**	**4,428**
Retained earnings settlement	-	4,836	-	(4,836)	**-**
AS AT JUNE 30, 2025	**19,184**	**27,088**	**84**	**4,468**	**50,824**

for the period of 6 months ended June 30, 2026 in accordance with EU IFRS (in PLN million)

SEPARATE STATEMENT OF CASH FLOWS

	Period ended June 30, 2026 *(unaudited)*	Period ended June 30, 2025 *(unaudited)*
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	**7,604**	**4,798**
Income tax paid*	(228)	(541)
Adjustments for:		
Depreciation and impairment write-downs	8	7
Interest and dividends, net	(4,114)	(4,120)
(Profit) / loss on investing activities	(56)	(66)
Change in inventories	613	-
Change in receivables	(5,825)	783
Change in provisions	(3)	4
Change in liabilities, excluding loans and credits	(1,081)	(2,085)
Change in other non-financial assets	(521)	109
NET CASH FROM OPERATING ACTIVITIES	**(3,603)**	**(1,111)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and intangible assets	(1)	(1)
Disposal of other financial assets	5	-
Expenditure on the acquisition of shares and interests in subsidiaries and other financial assets	(385)	(297)
Cash provided under cash pooling service	98	130
Loans granted	(4,981)	(7,213)
Placement of deposits with maturities over 3 months	(1,500)	-
Interest received	761	1,126
Repayment of loans granted	11,942	15,689
Other	-	2
NET CASH FROM INVESTING ACTIVITIES	**5,939**	**9,436**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans and borrowings	650	3,598
Cash received under cash pooling service	866	429
Repayment of credits, loans and leases	(884)	(2,020)
Interest paid	(288)	(313)
NET CASH FROM FINANCING ACTIVITIES	**344**	**1,694**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**2,680**	**10,019**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**7,928**	**1,886**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**10,608**	**11,905**

** Information on the amount of income tax paid in the current reporting period is presented in Note 4 to these interim separate financial statements.*

1. General information

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

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

PGE S.A. is the Parent Company of the PGE Polska Grupa Energetyczna S.A. Capital Group and prepares its separate and consolidated financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union.

The State Treasury is the Company's principal shareholder.

The Company's major object is conducting business activities in the following areas:

- trade in electricity and other energy market products;
- oversight of head offices and holding companies;
- provision of financial services to the PGE Capital Group companies;
- provision of other services related to the activities mentioned above.

PGE S.A.'s business activities are conducted under appropriate concessions, including a concession for electricity trading granted by the Energy Regulatory Office. The concession is valid until December 31, 2035. In addition, the Company holds a licence for trading in gaseous fuels and a licence for cross-border trading in natural gas, both of which are valid until December 31, 2030. No material assets or liabilities are assigned to these licences. Annual fees based on turnover are incurred in connection with the licences held. In the current reporting period, the Company's licence fees amounted to PLN 2 million, compared with PLN 1 million in the comparative period.

Revenue from the sale of electricity and other energy market products and services is the only significant item in operating revenue. This revenue is generated on the domestic market. The Company's Management Board does not analyse the Company's operations by segments and therefore the Company does not distinguish operating or geographical segments in its operations.

Statement of compliance

These condensed interim separate financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting and the Regulation of the Minister of Finance of June 6, 2025 on current and periodic information provided by issuers of securities and the conditions for recognising as equivalent information required under the laws of a non-member state (Dz. U. [*Journal of Laws*] 2025, item 755). These financial statements do not contain all the information required in annual financial statements and should be read in conjunction with the Company's financial statements for the year ended December 31, 2025.

The International Financial Reporting Standards comprise standards and interpretations approved by the International Accounting Standards Board ('IASB') and the International Financial Reporting Interpretations Committee.

Going concern

These condensed interim separate financial statements have been prepared on the assumption that the Company will continue as a going concern for a period of at least 12 months from the reporting date. As at the date of authorisation of these separate financial statements, no circumstances were identified which would indicate any threat to the Company continuing as a going concern.

These condensed interim separate financial statements cover the period from January 1 to June 30, 2026 (the 'separate financial statements') and include comparative data for the period from January 1 to June 30, 2025.

The same accounting policies and calculation methods as in the most recent annual financial statements were applied in these separate financial statements, which should be read in conjunction with PGE S.A.'s audited separate financial statements prepared in accordance with EU IFRS for the year ended December 31, 2025.

Seasonality of business

The main factors affecting the demand for electricity and heat are: atmospheric factors – air temperature, wind strength, precipitation; socio-economic factors – number of energy customers, energy carrier prices, GDP growth; and technological factors – technological progress and production technologies. Each of these factors influences technical and economic conditions of energy production and energy carrier distribution, thereby affecting the Company's financial results.

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

The seasonality of sales of PGE S.A. results from the fact that the Company supplied 41% of the volume of electricity sales to PGE Obrót S.A. and PGE Dystrybucja S.A., whose demand for electricity is subject to seasonality.

2. Management professional judgment and estimates

In the period ended June 30, 2026, there were no significant changes in estimates affecting the values presented in the separate financial statements. In the current reporting period, impairment tests of shares and equity interests held were carried out. As described in Note 9 to these financial statements, the tests performed did not indicate grounds for recognising or reversing impairment losses.

3. Impact of new regulations on the Company's future financial statements

New standards and interpretations that have been published but are not yet effective are described in Note 2.3 to the consolidated financial statements.

Of the published standards awaiting their effective date, IFRS 18 *Presentation and Disclosure in Financial Statements* is considered by the Company to be one of the most significant forthcoming changes. Detailed information on the standard is presented in Note 2.3 to the consolidated financial statements. As part of its analysis of the potential impact of IFRS 18, the Company assessed whether it had any SMBAs. As a result of the analyses performed, the Company did not identify any SMBAs within the meaning of IFRS 18.

4. Changes in accounting principles and data presentation

In the current period, the Company has not changed its accounting principles or presentation of data.

New standards and interpretations that became effective on January 1, 2026 and did not affect the Company's separate financial statements are described in Note 4 to the consolidated financial statements.

4.1 New Accounting Policies – Settlements within the Tax Capital Group

In the current reporting period, the Company presented PLN 228 million under Income tax paid in the Separate Statement of Cash Flows, comprising PLN 111 million of income tax paid to the Tax Office and PLN 117 million arising from settlements among the members of the Tax Capital Group, i.e. income tax receipts of PLN 129 million from PGK members and PLN 246 million transferred to PGK members in settlement of tax benefits.

Settlement rules within PGK PGE 2026

PGK PGE 2026 comprises the parent company, PGE S.A., and 13 subsidiaries. Income tax within the PGK is settled in accordance with the applicable regulations on the basis of data from individual calculations submitted by PGK members to PGE S.A. Each company bears its share of CIT (including advance payments), in proportion to the income it reports and is responsible for the accuracy of the data presented in its calculations. The PGK's income is reduced by the companies' losses. The benefits arising from the inclusion of company losses in the PGK's consolidated tax settlement are transferred to the companies whose losses were utilised by the PGK. Settlements within the PGK are recognised in PGE S.A.'s accounting records as:

- receivables for income tax from PGK members reporting taxable income,
- liabilities for the settlement of benefits with PGK members reporting tax losses,
- an income tax liability to/receivable from the Tax Office.

5. Fair value hierarchy

The principles of valuation of equity interests and shares, as well as instruments not quoted on active markets for which a reliable determination of fair value is not possible, are the same as in the financial statements for the year ended December 31, 2025.

Derivative instruments

The Company measures derivatives at fair value using valuation models for financial instruments based on publicly available exchange rates, interest rates, discount curves in particular currencies (applicable also for commodities whose prices are denominated in these currencies) obtained from information platforms and active markets. The fair value of derivative instruments is determined based on discounted future cash flows arising from transactions entered into, calculated on the basis of the difference between the forward price and the transaction price. The valuation of IRS transactions is the difference in the discounted interest flows of a fixed rate stream and a floating rate stream. The valuation of CIRS transactions is the difference in the discounted flows paid and received in two different currencies. Forward exchange rates are not modelled as a separate risk factor, but are derived from the spot rate and the corresponding forward interest rate for the foreign currency in relation to PLN.

Future developments in interest rates, exchange rates or EUA price levels other than those projected by the Company will have an impact on future financial statements.

In the category of financial assets and liabilities measured at fair value through profit or loss, the Company recognises financial instruments related to trade in CO_2 emission allowances – currency and commodity forwards (Level 2).

In the category of assets measured at fair value through profit or loss, the Company recognises a financial instrument related to trade in CO_2 emission allowances - futures contracts (Level 1).

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

for the period of 6 months ended June 30, 2026 in accordance with EU IFRS (in PLN million)

	Assets as at June 30, 2026		Liabilities as at June 30, 2026	
FAIR VALUE HIERARCHY	**Level 1**	**Level 2**	**Level 1**	**Level 2**
Commodity forwards	-	3,078	-	2,604
Futures	12	-	-	-
Currency forwards	-	53	-	278
Options	-	5	-	-
DERIVATIVES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	**12**	**3,136**	**-**	**2,882**
CCIRS hedging transactions	-	1	-	8
IRS hedging transactions	-	52	-	-
HEDGING DERIVATIVES	**-**	**53**	**-**	**8**
Investment fund participation units	-	38	-	-
OTHER ASSETS / LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	**-**	**38**	**-**	**-**

	Assets as at December 31, 2025		Liabilities as at December 31, 2025	
FAIR VALUE HIERARCHY	**Level 1**	**Level 2**	**Level 1**	**Level 2**
Commodity forwards	-	3,686	-	2,865
Futures	17	-	-	-
Currency forwards	-	11	-	637
Options	-	10	-	-
DERIVATIVES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	**17**	**3,707**	**-**	**3,502**
CCIRS hedging transactions	-	-	-	8
IRS hedging transactions	-	64	-	13
HEDGING DERIVATIVES	**-**	**64**	**-**	**21**
Investment fund participation units	-	36	-	-
OTHER ASSETS / LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	**-**	**36**	**-**	**-**

Derivatives are presented in Note 11 to these interim separate financial statements. During the reporting period, there were no transfers of financial instruments between levels of the fair value hierarchy.

6. Sales revenue

The table below presents revenue from contracts with customers, disaggregated into categories that depict how economic factors affect the nature, amount, timing and uncertainty of revenue and cash flows, as well as lease income.

Type of good or service	Period ended June 30, 2026	Period ended June 30, 2025
REVENUE FROM CONTRACTS WITH CUSTOMERS	**29,477**	**15,458**
Revenue from sales of goods, including:	**29,271**	**15,017**
Sales of electricity	*17,954*	*11,486*
Sales of gas	*3,406*	*958*
Sales of CO_2 emission allowances	*7,887*	*2,552*
Revenue from the capacity market	*24*	*21*
Revenue from sales of services	**206**	**441**
LEASE INCOME	**3**	**3**
TOTAL SALE REVENUE	**29,480**	**15,461**

The Company's operations are predominantly conducted in Poland.

The increase in revenue from the sale of electricity in the first half of 2026 compared with the corresponding period of the previous year was mainly due to a 13.0 TWh increase in the volume of electricity sold, resulting from a change in the PGE CG's model for trading electricity generated by its generation assets.

for the period of 6 months ended June 30, 2026 in accordance with EU IFRS (in PLN million)

The increase in revenue from the sale of natural gas in the first half of 2026 was mainly due to a 13.7 TWh increase in the volume of natural gas sold, primarily to electricity and heat generators within the PGE CG and on Towarowa Giełda Energii (TGE), resulting from changes in the gas supply arrangements for PGE CG generators and the increased involvement of PGE S.A. in these supplies.

The increase in revenue from the sale of CO_2 emission allowances in the current reporting period was mainly due to a 16.1 million tonne increase in the volume of CO_2 emission allowances sold, resulting from differences between the schedules for the delivery of CO_2 emission allowances in 2026 and 2025 for surrender in respect of 2024 and 2025.

Revenue from the sale of services mainly concerns services provided to subsidiaries of the PGE CG and includes, among others, trading services, fuel supply, licences and so-called support services. The decrease in revenue is primarily due to lower revenue from electricity trading services provided on behalf of PGE Group companies.

Information on the key customers

The Company's main customers are its subsidiaries within the PGE Capital Group. In the first half of 2026, sales to PGE Obrót S.A. accounted for 23% of sales revenue, while sales to PGE GiEK S.A. accounted for 21% of sales revenue. In the first half of 2025, sales to these companies amounted to 48% and 20% of sales revenue, respectively.

7. Expenses by kind and function

	Period ended June 30, 2026	Period ended June 30, 2025
EXPENSES BY KIND		
Depreciation	8	7
Third-party services	59	46
Employee benefits expenses	229	215
Other expenses by kind	55	55
TOTAL EXPENSES BY KIND	**351**	**323**
Distribution and selling expenses	(15)	(8)
General and administrative expenses	(176)	(171)
Value of goods and materials sold	28,505	14,546
COST OF GOODS SOLD	**28,665**	**14,690**

The increase in the value of goods and materials sold in the first half of 2026 compared with the first half of 2025 resulted from higher revenue from the sale of electricity, natural gas and CO_2 emission allowances, driven by the factors described in the Note on revenue.

The increase in costs by type in the first half of 2026 compared to the first half of 2025 was due to the following factors:

- an increase in employee benefits expenses,
- an increase in third-party services, the most significant items being higher exchange fees and trading commissions and higher IT service expenses.

for the period of 6 months ended June 30, 2026 in accordance with EU IFRS (in PLN million)

8. Finance income and expenses

	Period ended June 30, 2026	Period ended June 30, 2025
FINANCE INCOME FROM FINANCIAL INSTRUMENTS		
Dividends	3,505	3,287
Interest	1,106	1,227
Revaluation of financial instruments	1	8
Reversal of impairment write-downs	2,659	20
Foreign exchange differences	76	1
Gain on disposal of investment	10	1
Other	15	12
TOTAL FINANCE INCOME FROM FINANCIAL INSTRUMENTS	**7,372**	**4,556**
OTHER FINANCE INCOME	-	-
TOTAL FINANCE INCOME	**7,372**	**4,556**

For the period ended June 30, 2026, the Company reports dividend income of PLN 3,505 million, as detailed in Note 12 to the condensed interim separate financial statements.

The Company reports interest income mainly from financing provided to subsidiaries and from cash held in bank accounts and term deposits. In addition, in the current reporting period, the Company recognised proceeds from interest received on Autostrada Wielopolska S.A. bonds in the amount of PLN 79 million. In the comparative period, the Company received PLN 62 million in this respect.

Under Revaluation of financial instruments, the Company presents the measurement of financial instruments at fair value. In the current reporting period, PLN 1 million relates to the measurement of units in investment funds managed by Towarzystwo Funduszy Inwestycyjnych PZU S.A., while in the comparative period PLN 8 million related to the measurement of the call option on shares in Polimex Mostostal S.A.

In the current reporting period, the Company presents reversals of impairment write-downs relating to:

- expected credit losses on loans granted to PGE GiEK S.A. in the amount of PLN 2,650 million; the reversal of the impairment write-down results from an update of the borrower's cash flow projections over the term of the current loan agreement,
- impairment of equity interests in PGE Ventures sp. z o.o. in the amount of PLN 9 million.

In the comparative period, PLN 20 million related to the reversal of the impairment allowance for expected credit losses on loans granted to PGE GiEK S.A.

Under Other, the Company recognises commissions on sureties provided to subsidiaries.

	Period ended June 30, 2026	Period ended June 30, 2025
FINANCE EXPENSES FROM FINANCIAL INSTRUMENTS		
Interest	(322)	(289)
Revaluation of financial instruments	(10)	(14)
Establishment of impairment write-downs	(4)	(1)
Foreign exchange differences	(57)	(6)
Other	(21)	(24)
TOTAL FINANCE EXPENSES FROM FINANCIAL INSTRUMENTS	**(414)**	**(334)**
OTHER FINANCE EXPENSES	(2)	(2)
TOTAL FINANCE EXPENSES	**(416)**	**(336)**

Interest costs mainly relate to loans and borrowings incurred, as described in Note 13 to these condensed interim separate financial statements, as well as to bonds issued.

Under Revaluation of financial instruments, the Company presents the measurement of the call option on shares in Polimex Mostostal S.A. In the comparative period, PLN 14 million related to expected credit losses on sureties provided to the subsidiary PGE GiEK S.A.

for the period of 6 months ended June 30, 2026 in accordance with EU IFRS (in PLN million)

Under Establishment of impairment write-downs, in the current reporting period the Company presents an impairment allowance of PLN 4 million for expected credit losses on loans granted to PGE Obrót S.A. (PLN 1 million in the comparative period).

Under Other, the Company presents commissions on loans and borrowings.

9. Analysis of the value of non-current financial assets

The tables below summarise the analyses of impairment indicators and the impairment tests of equity interests and shares performed for the periods ended June 30, 2026 and December 31, 2025. For companies holding material property, plant and equipment, impairment tests of equity interests and shares are performed on the basis of the results of impairment tests of property, plant and equipment.

Company	H1 2026	(Write-down)/reversal amount recognised in the financial statements for H1 2026
PGE GiEK S.A.	Test	-
PGE Energetyka Kolejowa Holding sp. z o.o.	Test	-
PGE Energia Odnawialna S.A.	Test	-
PGE Energia Ciepła S.A.	Test	-
PGE Gryfino Dolna Odra sp. z o.o.	Test	-
PGE Nowy Rybnik sp. z o.o.	Test	-
PGE Obrót S.A.	Test	-
PGE Ventures sp. z o.o.	Test	9
TOTAL		**9**

Company	H1 2025	H2 2025	(Write-down)/reversal amount in the financial statements for 2025
PGE GiEK S.A.	Test	No test	-
PGE Energetyka Kolejowa Holding sp. z o.o.	Test	No test	-
PGE Energia Odnawialna S.A.	Test	Test	-
PGE Energia Ciepła S.A.	Test	Test	-
PGE Gryfino Dolna Odra sp. z o.o.	Test	No test	-
PGE Nowy Rybnik sp. z o.o.	Test	No test	-
PGE Obrót S.A.	No test	Test	(335)
PGE Systemy S.A.	No test	Test	83
MEGAZEC sp. z o.o.	No test	Test	(10)
TOTAL			**(262)**

External indicators material to the analysis performed in the first half of 2026:

- The market capitalisation of PGE S.A. remains below the book value of the net assets of the PGE Capital Group.
- The average electricity price for year-ahead forward contracts from January to May 2026 was approximately PLN 431.7/MWh, 0.1% lower than the price for the second half of 2025 (PLN 432/MWh).
- From January to May 2026, the weighted average price of the EUA DEC 26 instrument was EUR 77/t, 3% lower than the average price of the EUA DEC 26 instrument observed in the second half of 2025 (EUR 79/t).
- The average price of hard coal at ARA ports under monthly rolling contracts from January to May 2026 was USD 111/t, 13% higher than in the second half of 2025 (USD 98/t).
- The average gas price from January to May 2026 was EUR 42/MWh, an increase of 34% compared with the second half of 2025 (EUR 32/MWh).
- The average price of domestic coal based on PSCMI1 from January to May 2026 was PLN 14/GJ, a decrease of 7% compared with the second half of 2025 (PLN 15/GJ).

The Company also analysed internal indicators specific to individual companies. These are described in Notes 9.2–9.9 to these financial statements.

9.1 Assumptions for impairment tests

Macroeconomic assumptions

The key price assumptions, i.e. electricity, CO_2 emission allowance, hard coal and natural gas prices, as well as the production assumptions for most of the Group's generating units, are derived from a study prepared in June 2026 (the 'Study') by an external entity that is a recognised expert in the energy market (the 'Advisor'). The first year of the projection is based on the assumptions adopted in the Financial Plan for 2026. The forecast for 2027 was prepared based on current market conditions. The subsequent years of the forecast are based mainly on the Study. The Advisor used current scenarios for the economic and demographic development of the country and estimates of changes in key market parameters. The Advisor's forecasts take into account the legal conditions arising from the current energy policy, at both the EU and national levels.

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

Electricity price forecasts assume a 2% increase in 2027 and an increase of approximately 9% in 2028 compared with the previous year, followed by average annual growth of approximately 3% in 2029–2040. In 2041–2050, average annual growth is approximately 0.3%. By comparison, in the impairment tests of equity interests and shares for the period ended December 31, 2025, electricity price forecasts assumed an increase of approximately 12% in 2027 compared with the previous year, followed by a decrease of approximately 2% in 2028 compared with 2027 and then average annual growth of approximately 4% in 2029–2040. In subsequent years, price growth was assumed to be in line with the projected inflation rate of 2.5%.

CO_2 emission allowance price forecasts assume a 6% decrease in 2027 compared with 2026, followed by rapid average annual growth of 14% until 2031, reflecting the current parameters of the Market Stability Reserve (MSR) mechanism and the EU ETS itself, introduced following the adoption of the Fit for 55 package and taking into account the effects of the adoption of the REPowerEU plan. These changes result in a marked reduction in the supply of allowances in the second half of this decade. In subsequent years, CO_2 prices continue to rise, albeit somewhat more slowly, at an average annual rate of approximately 5%, reflecting the continuation of the policy aimed at achieving climate neutrality by 2050. In the impairment tests of equity interests and shares for the period ended December 31, 2025, CO_2 emission allowance price forecasts assumed a 3% increase in 2027 compared with 2026, followed by rapid average annual growth of 12% until 2031. In subsequent years until 2040, average annual growth of 6% was assumed. After 2040, growth was assumed to be in line with the inflation rate of 2.5%.

After several years of dynamic ups and downs, coal price forecasts assume stabilisation in the coming years. In 2027, prices are expected to increase by approximately 1% compared with 2026. In 2028–2034, prices are expected to decrease by approximately 3% per year on average, reflecting coal price forecasts on global markets. This results from the gradual decline in global demand for coal in connection with the implementation of climate policy measures, including, in particular, the development of RES. After 2034, a slight increase of 1% on average per year is expected due to growing mining costs.

In the impairment tests of equity interests and shares for the period ended December 31, 2025, hard coal price forecasts assumed an increase of approximately 6% in 2027 compared with 2026, followed by an average annual decrease of approximately 3% until 2034. Until 2040, prices increased by approximately 1% per year on average. After 2040, growth was assumed to be in line with the inflation rate of 2.5%.

Natural gas price forecasts assume an increase of 8% in 2027 and a decrease of 2% in 2028 compared with the previous year, followed by average annual growth of approximately 3% in subsequent years. Forecast gas prices in Europe are most affected by LNG import costs and the related level of investment in liquefaction and regasification facilities worldwide, as well as dynamically growing demand for LNG, especially in Asian countries, and increasing gas demand in the USA. In the long term, the natural gas price forecast assumes growth, mainly due to rising extraction costs of this raw material. By comparison, for the impairment tests of equity interests and shares for the period ended December 31, 2025, natural gas price forecasts assumed a 7% increase in 2027 compared with 2026. In subsequent years, gas prices increased by approximately 2% per year on average.

Price forecasts for energy origin rights arising from renewable energy certificates of origin assume a 2% decrease in 2027 compared with 2026 and prices remaining at a similar level in 2028 compared with 2027. In 2029–2031, an average annual decrease of approximately 12% is assumed, which is related to a surplus of energy origin rights resulting from the low obligation to redeem them in 2025 and 2026, expected to persist until the end of the system's operation. By comparison, the property-right price paths adopted for the impairment tests of equity interests and shares for the period ended December 31, 2025 were comparable to the price forecasts adopted in the tests performed in the first half of 2026.

The capacity market revenue forecast for 2026–2030 is based on the results of completed main, additional, supplementary and catch-up auctions and forecasts of the results of supplementary auctions for 2027 and 2028, taking into account joint balancing mechanisms within the PGE Capital Group companies. The forecast from 2031 onwards was prepared by a team of PGE S.A. experts based on assumptions concerning estimated future cash flows for generating units, including the results of auctions that have already been completed. For one-year contracts with delivery from July 1, 2025 and multi-year contracts entered into as part of the main and additional auctions for 2025 and subsequent years, the emission limit of 550 g CO_2/kWh applies (the so-called EPS 550), which in practice excluded the participation of all coal-fired units in the Capacity Market.

On February 14, 2025, the Act of January 24, 2025 amending the Capacity Market Act (Dz.U. [*Journal of Laws*] 2025, item 159) entered into force, introducing supplementary auctions. Under the European Commission's derogation decision, the units not meeting the 550 g CO_2/kWh emission criterion were admitted to the supplementary auctions. The supplementary auctions for the delivery period from July 1 to December 31, 2025 and for the delivery year 2026, the catch-up auction for the delivery year 2029 and the main auction for the delivery year 2030 were conducted in 2025 and their results were included in the forecast of capacity market revenue. The revenue forecast also includes expected revenues from supplementary auctions for the delivery period from 2027 to 2028. The forecast of revenue from supplementary auctions was compiled by a team of experts from PGE S.A. based on the best knowledge of the expected parameterisation of these auctions. The availability of the units was estimated based on maintenance schedules.

Weighted average cost of capital

In the first half of 2026, the PGE Group updated the assumptions concerning the weighted average cost of capital and decided to adopt a constant value throughout the projection period. This decision results from persistent geopolitical and macroeconomic uncertainty, including the impact of the armed conflict in the Strait of Hormuz region, which interrupted the disinflationary trend and increased the risk associated with forecasting the direction of the underlying assumptions. The constant WACC is calculated based on current market parameters, without taking into account assumptions concerning future changes in market conditions.

By comparison, in recent years the Group used a methodology for determining a weighted average cost of capital that varied over time, based on the assumption that the elevated volatility of market parameters, in particular the risk-free rate, was temporary (COVID, supply chains, the war beyond Poland's eastern border). In the long term, the cost of capital was expected to normalise and decrease (including a return of the risk-free rate to its long-term average). The global downward trend in inflation and the cycle of interest rate cuts by central banks were consistent with the PGE CG's assumptions underlying the variable WACC model.

Details of the weighted average cost of capital are presented separately for each company later in these financial statements.

Climate issues

In July 2021, the European Commission published the Fit for 55 legislative package, aimed inter alia at achieving a reduction of greenhouse gas emissions in the EU by 55% (previously 40%) by 2030 compared to 1990. As expected by market participants, the reform of the EU ETS system included in the package should result in a significant increase in the level of CO_2 emission allowance prices, which in practice already occurred in 2021. Since then, CO_2 emission allowance prices have remained high, with further increases expected in the coming years. The changes introduced may negatively affect the margins earned by carbon-intensive power generation units, particularly to the extent that the increase in the price of CO_2 allowances is not passed on in the price at which these units sell the electricity or heat they produce. In December 2022, the Council and the EU Parliament reached important agreements on the 'Fit for 55' package proposal, the EU's plan to increase the target of reducing greenhouse gas emissions below 55% by 2030 compared to 1990 levels. Another important element of the package was to increase the target for the share of RES in the European Union's energy mix to 42.5% in 2030 (previously 32%). The establishment of this target in agreement with the Council was voted through in the European Parliament in September 2023. Regulatory changes arising from the EED are material to companies in the District Heating segment. The changes to the definition of an energy-efficient district heating system and the definition of high-efficiency cogeneration additionally compel action towards asset transformation and the replacement of ageing coal-fired units. Meanwhile, under the amendments proposed to the Energy Performance of Buildings Directive (EPBD), forecasts indicate a decline in demand for heat in municipal district heating systems.

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

On July 17, 2026, the European Commission presented a proposal for a targeted revision of the EU ETS aimed at aligning the system with the achievement of the EU's 2040 climate target. The proposal includes, among other things, a change in the trajectory for reducing the pool of emission allowances after 2030 and a modification of the operating rules of the Market Stability Reserve. These measures will affect the future supply of CO_2 emission allowances and the operating conditions of the EUA market. The ultimate impact of the revision on allowance prices will depend on the final form of the regulations and market conditions. From the perspective of the energy sector, the changes may affect the costs of generating electricity and heat, the profitability of fossil-fuel units and the pace of transformation of generating assets covered by the EU ETS.

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

One of the objectives is to comprehensively modernise existing district heating assets based on low- and zero-carbon technologies and to support the flexibility of the electricity system to enable the potential of renewable sources to be exploited. The transformation of generating capacity through the deployment of new low- or zero-emission generating units in the District Heating segment is planned by 2030, with climate neutrality to be achieved by 2050.

Consequently, companies in the District Heating segment are gradually replacing coal-fired sources with new renewable and low-emission sources. By 2030, new installations are expected to be commissioned at most locations where PGE Capital Group's coal-fired district heating assets are present, which will result in a complete or significant shift away from the coal fuel. For heat production in new and modernised heating units, the following will be used: natural gas (cogeneration units and water boilers), geothermal energy, biomass, power-to-heat technologies (electrode boilers and large-scale heat pumps utilising waste heat and ambient energy). The assumptions underlying the Decarbonisation Plan were taken into account in estimating the value in use applied to the valuation of equity interests and shares in companies in the District Heating segment. The PGE Group plans to spend a total of approximately PLN 18 billion on investments in this segment in 2025–2035, of which PLN 15 billion will be allocated to investments in new generation facilities and asset maintenance, while the remaining PLN 3 billion will be allocated to potential acquisitions of district heating networks and their subsequent modernisation, in particular in cooperation with local authorities.

New investments and the replacement of coal with gas cogeneration, RES and power-to-heat, together with improving the energy efficiency of networks, will make it possible to reduce CO_2 emissions in this segment by 60% compared with 2021 and to reduce network losses by 3 percentage points.

Material changes in the regulatory environment, in terms of both domestic and foreign regulations that affect or will affect the operations of the PGE CG, are described in Note 3.3 Changes in the regulatory environment in the Management Board's report on the activities of the PGE CG for the six-month period ended June 30, 2026.

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

In view of the above factors, climate-related matters have the most significant direct impact on companies in the Coal Energy and District Heating segments. As they affect the overall shape of the energy market, these matters also affect the other PGE Capital Group companies.

Climate-related matters are reflected in the assumptions adopted for impairment testing based on the Company's best knowledge, with the support of an external independent Advisor. The Company adopts assumptions developed by an independent analytical institution that take into account the current regulatory and market environment. Future developments in the electricity market may differ from the assumptions currently adopted, which may result in material changes in the Company's financial position and financial results. Such changes will be recognised in future financial statements.

9.2 Share impairment tests for PGE GiEK S.A.

As part of its review procedures at the end of the first half of 2026, the Company analysed impairment indicators and identified factors that could have materially contributed to a change in the value of PGE GiEK S.A. shares held by PGE S.A. The Company performed impairment tests of the shares due to updated macroeconomic and market assumptions and an updated WACC value and methodology.

As a result of the aforementioned indicators, as at May 31, 2026 the Company performed impairment tests of PGE GiEK S.A. shares by determining the recoverable amounts of the cash-generating units and applying appropriate adjustments, including adjustments for financial liabilities and current assets as at May 31, 2026.

The tests performed as at May 31, 2026 confirmed the appropriateness of the full impairment write-down on the shares held, recognised in previous periods. No indication was identified that would require a repeat impairment test as at June 30, 2026.

Climate issues are discussed in Note 9.1 of these financial statements.

9.3 Impairment tests of equity interests in PGE Energetyka Kolejowa Holding sp. z o.o.

As part of its review procedures at the end of the first half of 2026, the Company analysed impairment indicators and identified factors that could have materially contributed to a change in the value of equity interests in PGE Energetyka Kolejowa Holding sp. z o.o. held by PGE S.A. The Company performed impairment tests of the equity interests due to updated macroeconomic and market assumptions and an updated WACC value and methodology.

As a result of the aforementioned indicators, as at May 31, 2026 the Company performed impairment tests of equity interests in PGE Energetyka Kolejowa Holding sp. z o.o. by determining the recoverable amounts of the cash-generating units and applying appropriate adjustments, including adjustments for financial liabilities and current assets as at May 31, 2026.

The tests performed as at May 31, 2026 did not indicate a need to recognise an impairment write-down on the equity interests in PGE Energetyka Kolejowa Holding sp. z o.o. held by PGE S.A. The recoverable amount of the equity interests held exceeds their carrying amount presented in these separate financial statements. No indication was identified that would require a repeat impairment test as at June 30, 2026.

9.4 Share impairment test for PGE Energia Odnawialna S.A

As part of its review procedures at the end of the first half of 2026, the Company analysed impairment indicators and identified factors that could have materially contributed to a change in the value of PGE Energia Odnawialna S.A. shares held by PGE S.A. The Company performed impairment tests of the shares due to updated macroeconomic and market assumptions and an updated WACC value and methodology.

As a result of the aforementioned indicators, as at June 30, 2026 the Company performed impairment tests of PGE EO S.A. shares by determining the recoverable amounts of the cash-generating units and applying appropriate adjustments, including adjustments for financial liabilities and current assets as at June 30, 2026.

The conducted tests did not show any necessity to make an impairment write-down on the shares of PGE EO S.A. held by PGE S.A. The recoverable amount of the shares held exceeds their book value as shown in these separate financial statements.

Climate issues are discussed in Note 9.1 of these financial statements.

9.5 Share impairment tests for PGE Energia Ciepła S.A.

As part of its review procedures at the end of the first half of 2026, the Company analysed impairment indicators and identified factors that could have materially contributed to a change in the value of PGE Energia Ciepła S.A. shares held by PGE S.A. As a result of its analysis of the indicators, the Company performed impairment tests due to updated macroeconomic and market assumptions, an updated weighted average cost of capital value and methodology, an increase in reference heat prices in 2026 and updated price forecasts for subsequent years.

As a result of the aforementioned indicators, as at May 31, 2026 the Company performed impairment tests of PGE Energia Ciepła S.A. shares by determining the recoverable amounts of the cash-generating units and applying appropriate adjustments, including adjustments for financial liabilities and current assets as at May 31, 2026.

The tests performed did not indicate a need to write down the value of PGE EC S.A. shares held by PGE S.A. The recoverable amount of the shares held exceeds their book value as disclosed in these separate financial statements. No indication was identified that would require a repeat impairment test as at June 30, 2026.

Climate issues are discussed in Note 9.1 of these financial statements.

9.6 Impairment tests of equity interests in PGE Gryfino Dolna Odra sp. z o.o. and PGE Nowy Rybnik sp. z o.o.

Impairment tests of equity interests in PGE Gryfino Dolna Odra sp. z o.o. and PGE Nowy Rybnik sp. z o.o. were performed as at May 31, 2026 due to the external indicators described in Note 9 to these financial statements, updated long-term electricity and CO_2 emission allowance price paths, and an updated weighted average cost of capital value and methodology.

The tests performed did not indicate a need to recognise impairment write-downs on the equity interests in PGE Gryfino Dolna Odra sp. z o.o. and PGE Nowy Rybnik sp. z o.o. The recoverable amount of the equity interests held by PGE S.A. exceeds their carrying amount presented in these separate financial statements. No indication was identified that would require a repeat impairment test as at June 30, 2026.

Climate issues are discussed in Note 9.1 of these financial statements.

9.7 Analysis of impairment indicators for equity interests in PGE Baltica 2 sp. z o.o., PGE Baltica 3 sp. z o.o., Elektrownia Wiatrowa Baltica 1 sp. z o.o. and Elektrownia Wiatrowa Baltica 9 sp. z o.o.

The principal asset held by PGE Baltica 2 sp. z o.o. is its 100% interest in PGE Baltica 6 sp. z o.o., which in turn holds a 50% interest in EWB2. The principal asset held by PGE Baltica 3 sp. z o.o. is its 100% interest in PGE Baltica 5 sp. z o.o., which holds a 50% interest in EWB3. The EWB2 project is in the construction phase, whereas the EWB3 project is in the development phase.

The EWB2 and EWB3 projects are entitled to obtain public support and consequently secure a revenue side that is indexed for inflation, thus partially mitigating the negative aspects of the macroeconomic environment.

The development phase of the EWB3 project is being carried out within the approved budget, in line with the updated project schedule that takes into account the postponement of the deadline for the generation and first grid connection of electricity, pursuant to the positive decision of the President of the Energy Regulatory Office. In January 2025, the Final Investment Decision (FID) was adopted for the EWB2 project, as a result of which the development phase was completed and the construction phase commenced, in line with the planned schedule.

Elektrownia Wiatrowa Baltica 9 sp. z o.o. holds a 100% interest in Elektrownia Wiatrowa Baltica + sp. z o.o., through which the Baltica 9+ project is being developed. Elektrownia Wiatrowa Baltica 1 sp. z o.o. is developing the EWB1 project.

Both projects are at the development stage and are carrying out the activities required to reach the subsequent phases of preparation for construction and operation. The projects are aligned with Poland's energy policy and the PGE Capital Group's strategy. In addition, the revenue side of the Baltica 9+ project is secured by a CfD covering the entire project.

Consequently, in the opinion of PGE S.A., as at June 30, 2026 there are no indications that impairment tests of the equity interests in these companies held by PGE S.A. need to be performed.

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9.8 Analysis of impairment indicators for shares in PGE Obrót S.A.

In previous reporting periods, PGE S.A. recognised impairment write-downs on PGE Obrót S.A. shares. As at June 30, 2026, the Company analysed impairment indicators and identified factors that could affect the value of the PGE Obrót S.A. shares held. Such indicators include, i.a.:

- updates to the market assumptions used in the share impairment testing process,
- an update of the PGE CG's WACC used for share impairment testing,
- the level of operating performance achieved in 2026 compared with that assumed in the company's Financial Plan for 2026.

In view of the above, the Company performed an impairment test of PGE Obrót S.A. shares. The recoverable amount of the assets analysed was determined by estimating their value in use using the discounted net cash flow method on the basis of financial projections prepared for the period from July 2026 to the end of 2030, followed by a ten-year extrapolation period. This extrapolation was intended to normalise cash flows in order to reach a so-called steady state. The extrapolation was necessary due to the impact of prosumer settlements, the horizon of which extends to 2040. In the Company's view, adopting financial projections longer than five years is justified due to regulatory factors related to the prosumer billing system.

The key assumptions used in the valuation were as follows:

- the electricity price assumptions were derived from a study prepared by an external expert, supplemented by internal estimates based on the current market situation,
- the correlation between electricity prices charged to retail customers in 2026–2040 and wholesale electricity prices, and the impact on those retail prices of changes in the obligation to redeem energy origin rights and changes in property-right prices,
- the economic effects related to the dynamic development of prosumer micro-installations in the forecast horizon on the basis of the market trends,
- the adoption of a constant post-tax weighted average cost of capital of 7.67% throughout the forecast period, representing a change from the previous valuation, which was based on a variable post-tax weighted average cost of capital with annual averages ranging from 7.16% to 9.48%.

PGE Obrót S.A. share impairment test and sensitivity analysis

The carrying amount of the shares in PGE Obrót S.A. recorded in the Company's accounts prior to the recognition of the impairment loss was PLN 287 million. As a result of the test performed, the recoverable amount of PGE Obrót S.A. shares was estimated at PLN 277 million. Given that the carrying amount is close to the estimated market value, in the opinion of PGE S.A. there are no grounds for recognising an impairment write-down on PGE Obrót S.A. shares.

The results of the sensitivity analysis showed that changes in the assumptions concerning the weighted average cost of capital and unit margins have the greatest impact on the recoverable amount of the shares. The estimated impact of changes in the key assumptions on the impairment write-down on PGE Obrót S.A. shares as at June 30, 2026 is presented below:

Parameter	Change	Impact on write-down	
		Increase in write-down	Decrease in write-down
Change in unit margin	1%	-	175
	-1%	175	-
Change in WACC	+0.25 p.p.	237	-
	-0.25 p.p.	-	265

Summarising the impact of the changes in assumptions presented in the above table on the write-down value:

- a 1% decrease in the unit margin would result in a PLN 175 million increase in the write-down.
- an increase in the WACC by 0.25 p.p. would increase the write-down by PLN 237 million.

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9.9 Impairment tests for other shares

At the end of June 2026, PGE S.A. reversed the entire impairment write-down of PLN 9 million recognised for PGE Ventures sp. z o.o.

The future cash flows of the companies analysed in Notes 9.2–9.8 are subject to uncertainty and depend on assumptions that are to a significant extent beyond the Company's control.

10. Selected financial assets

The carrying amount of financial assets measured at amortised cost does not differ materially from their fair value.

10.1 Trade receivables and other financial receivables

	As at June 30, 2026		As at December 31, 2025	
	Long-term	Short-term	Long-term	Short-term
Trade receivables	-	2,270	-	3,650
Cash pooling receivables	-	258	-	356
Loans granted	16,989	511	13,106	4,102
Term deposits, cash deposits and loans	-	1,516	-	-
Other financial receivables	36	442	35	732
TOTAL FINANCIAL RECEIVABLES	**17,025**	**4,997**	**13,141**	**8,840**

Trade receivables

Trade receivables of PLN 2,270 million relate mainly to the sale of electricity, gas and services to subsidiaries within the PGE Capital Group.

The decrease in trade receivables as at June 30, 2026, compared to December 31, 2025, is mainly due to lower electricity sales to PGE Obrót S.A. in the current period.

As at June 30, 2026, the balances of the three largest customers, i.e. PGE Obrót S.A., PGE Gryfino Dolna Odra sp. z o.o. and PGE GiEK S.A., accounted for 71% of the trade receivables balance.

Cash pooling receivables

In order to centralise liquidity management in the PGE Capital Group, agreements relating to the real cash pooling service were in force among selected companies of the PGE Capital Group and each bank separately, i.e. Powszechna Kasa Oszczędności Bank Polski S.A. and Bank Polska Kasa Opieki S.A. PGE S.A. acts as a coordinator of the cash pooling service in the PGE Capital Group. This means, among other things, that individual subsidiaries settle their accounts with the Company, and the Company settles its accounts with the banks. Therefore, financial receivables and financial liabilities of PGE S.A. include the balance of settlements between PGE S.A. and its subsidiaries participating in the cash pooling.

for the period of 6 months ended June 30, 2026 in accordance with EU IFRS (in PLN million)

Loans granted

	As at June 30, 2026		As at December 31, 2025	
	Long-term	Short-term	Long-term	Short-term
LOANS GRANTED – BORROWER				
PGE GiEK S.A.	-	9,634	-	12,069
PGE Gryfino Dolna Odra sp. z o.o.	3,882	30	3,882	31
PGE Nowy Rybnik sp. z o.o.	3,195	82	2,829	317
PGE Dystrybucja S.A.	2,677	6	1,963	1,547
PGE Obrót S.A.	2,050	33	1,350	83
PGE Energia Odnawialna S.A.	1,785	59	1,785	6
PGE Energetyka Kolejowa S.A.	1,539	16	-	1,795
PGE Inwest 14 sp. z o.o.	684	20	244	8
PGE Systemy S.A.	345	3	110	248
PGE Inwest 23 sp. z o.o.	307	5	36	1
PGE Inwest 27 sp. z o.o.	295	5	32	1
PGE Energia Ciepła S.A.	200	1	850	31
PGE Baltica sp. z o.o.	30	2	25	1
PGE Inwest 26 sp. z o.o.	-	14	-	8
PGE Inwest 25 sp. z o.o.	-	5	-	5
PGE Energia Jądrowa S.A.	-	-	-	2
Gross loans granted	**16,989**	**9,915**	**13,106**	**16,153**
Impairment write-down	**-**	**(9,404)**	**-**	**(12,051)**
Net loans granted	**16,989**	**511**	**13,106**	**4,102**

The selected companies have an option to extend the tranches of loans based on the agreement. The repayment dates of the loans were set for 2026–2033, except for loans granted to PGE Dystrybucja S.A. and PGE Energetyka Kolejowa Operator sp. z o.o. under the Distribution Project and financed with RRP funds. The maturity dates of these loans were set for 2049 and 2050, respectively.

In the current reporting period, PGE GiEK S.A. repaid loan tranches totalling PLN 7,050 million, drew down new loan tranches of PLN 4,400 million, ultimately reducing PGE GiEK S.A.'s debt from PLN 12,050 million to PLN 9,400 million, i.e. by PLN 2,650 million (the nominal amount of the debt). At the same time, the Company reversed an impairment write-down of PLN 2,650 million on the loan granted and recognised the reversal in finance income.

In addition, as at the reporting date the Company presents an impairment allowance of PLN 4 million for expected credit losses on the loan granted to PGE Obrót S.A.; in the comparative period, the impairment allowance in this respect amounted to PLN 1 million.

Term deposits, cash deposits and loans

As at June 30, 2026, the Company held a four-month term deposit maturing on July 16, 2026.

Other financial receivables

Under Other financial receivables, the Company primarily presents settlements with exchanges, mainly related to purchases of CO_2 emission allowances made through PGE Dom Maklerski S.A.

10.2 Cash and cash equivalents

Short-term deposits are placed for various terms, generally ranging from one day to three months, depending on the Company's current cash requirements, and bear interest at individually negotiated rates.

Cash held at banks bears interest at variable rates, the level of which depends on the interest rate for overnight bank deposits.

for the period of 6 months ended June 30, 2026 in accordance with EU IFRS (in PLN million)

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

	As at June 30, 2026	As at December 31, 2025
Cash	**3,120**	**888**
Cash at bank	3,056	719
Funds held in VAT accounts	64	169
Cash equivalents	**7,488**	**7,040**
Short-term deposits	7,488	7,040
TOTAL	**10,608**	**7,928**
Available credit limits	28,032	28,027
including credit limits on current accounts	*3,250*	*3,050*
*including limits under the National Recovery and Resilience Plan**	*12,832*	*13,027*

**Cash to be provided in the form of intra-group loans to selected subsidiaries for use for specific investment purposes.*

A detailed description of the loan agreements concluded in the current reporting period is presented in Note 13 to these financial statements.

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

The Company recognises all derivative financial instruments in its separate financial statements measured at fair value.

	As at June 30, 2026		As at December 31, 2025	
	Assets	Liabilities	Assets	Liabilities
DERIVATIVES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS				
Commodity forwards	3,078	2,604	3,686	2,865
Futures	12	-	17	-
Currency forwards	53	278	11	637
Option	5	-	10	-
HEDGING DERIVATIVES				
CCIRS hedging transactions	1	-	-	8
IRS hedging transactions	52	8	64	13
OTHER ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS				
Investment fund participation units	38	-	36	-
TOTAL	**3,239**	**2,890**	**3,824**	**3,523**
short-term part	2,258	2,051	3,452	3,228
long-term part	981	839	372	295

Commodity and currency forwards

Commodity and currency forwards relate primarily to trading in CO_2 emission allowances, electricity and natural gas.

IRS transactions

The Company entered into IRS transactions to hedge the interest rate risk on its bank loans and bonds issued. Their original nominal value amounted to PLN 3,900 million (PLN 2,500 million for credits and PLN 1,400 million for bonds). Following the commencement of principal repayments on certain loans, the notional amount of IRS transactions hedging loans as at the reporting date was PLN 1,844 million (PLN 844 million for loans and PLN 1,000 million for bonds). To recognise these IRS transactions, the Company uses hedge accounting.

CCIRS hedging transactions

In connection with the loans from the subsidiary PGE Sweden AB (publ) described in Note 13 to these condensed interim separate financial statements, in August 2014 PGE S.A. entered into CCIRS transactions hedging foreign exchange and interest rate risk. In these transactions, the counterparty banks pay PGE interest based on a fixed rate in EUR, while PGE S.A. pays interest based on a fixed rate in PLN. The notional amount, payment of interest and repayment of the notional amount in the CCIRS transactions are correlated with the relevant conditions arising from the loan agreements.

for the period of 6 months ended June 30, 2026 in accordance with EU IFRS (in PLN million)

To recognise these CCIRS transactions, the Company uses hedge accounting.

Options

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

Investment fund participation units

As at the reporting date, the Company holds units in three sub-funds managed by Towarzystwo Funduszy Inwestycyjnych PZU S.A. with a value of PLN 38 million.

12. Other current assets

	As at June 30, 2026	As at December 31, 2025
Dividend receivables	3,505	-
Receivables related to VAT	543	30
Receivables from PGK settlements	93	-
Other	25	16
TOTAL	**4,166**	**46**

Dividend receivables	As at June 30, 2026	As at December 31, 2025
PGE Dystrybucja S.A.	2,807	-
PGE Energia Ciepła S.A.	659	-
PGE Ekoserwis S.A.	31	-
PGE Dom Maklerski S.A.	7	-
ELMEN sp. z o.o.	1	-
TOTAL	**3,505**	-

The Other item mainly includes costs deferred over time.

13. Credits, loans, bonds, cash pooling and leases

	As at June 30, 2026		As at December 31, 2025	
	Long-term	Short-term	Long-term	Short-term
Credit liabilities	7,064	667	7,196	732
Loans received	617	8	607	8
Bonds issued	1,000	6	1,000	408
Cash pooling liabilities	-	3,136	-	2,267
Lease liabilities	20	1	21	1
TOTAL CREDITS, LOANS, BONDS AND CASH POOLING	**8,701**	**3,818**	**8,824**	**3,416**

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

The fair value of loans received from PGE Sweden AB (publ) is estimated by PGE S.A. at PLN 609 million (against PLN 625 million of the book value).

The bonds issued by PGE S.A. bear a variable rate. Their value measured at amortised cost and presented in the financial statements as at June 30, 2026 amounts to PLN 1,005 million, while their fair value amounts to PLN 1,033 million.

In the case of loan agreements concluded with the EIB, based on a fixed interest rate, their amortised cost presented in the financial statements as at the reporting date amounts to PLN 4,099 million, and their fair value amounts to PLN 4,302 million.

for the period of 6 months ended June 30, 2026 in accordance with EU IFRS (in PLN million)

The measurement of RRP loans in these financial statements is based on a fixed interest rate, the market level of which was determined on the disbursement date of each tranche. Its value at amortised cost reported in the financial statements as at the reporting date is PLN 1,952 million, while its fair value equals PLN 2,080 million.

Credits

Lender	Hedging instrument	Form of security	Date of maturity	Limit in currency	Currency	Interest rate	Liability at 30-06-2026	Liability at 31-12-2025
EIB	-	-	2041-03-15	2,000	PLN	Fixed*	1,975	2,041
EIB	-	-	2034-08-25	1,500	PLN	Fixed*	1,006	1,066
EIB	-	-	2041-03-15	850	PLN	Variable**	835	865
EIB	-	-	2041-03-15	550	PLN	Fixed*	544	562
ICBC (Europe) S.A. Oddział w Polsce	IRS	Statement of submission to enforcement	2027-12-31	500	PLN	Variable	501	501
EIB	-	-	2034-08-25	490	PLN	Fixed*	330	349
EIB	-	-	2038-10-16	273	PLN	Fixed*	244	254
BGK	IRS	Statement of submission to enforcement	2027-12-31	1,000	PLN	Variable	188	250
BGK	IRS	Statement of submission to enforcement	2028-12-31	500	PLN	Variable	156	188
EBRD	IRS	-	2028-06-07	500	PLN	Variable	-	189
BGK	-	Statement of submission to enforcement	2027-02-19	1,500	PLN	Variable	-	-
Bank Pekao S.A.	-	Statement of submission to enforcement	2027-12-31	750	PLN	Variable	-	-
PKO BP S.A.	-	Statement of submission to enforcement	2028-12-31	500	PLN	Variable	-	-
Bank Pekao S.A.	-	Statement of submission to enforcement	2027-12-31	750	PLN	Variable	-	-
BGK	-	Statement of submission to enforcement	2026-09-29	2,000	PLN	Variable	-	-
BGK	-	Statement of submission to enforcement	2036-12-20	3,300	PLN	Variable	-	-
Bank consortium	-	Statement of submission to enforcement	2027-03-01	3,150	PLN	Variable	-	-
EIB	-	-	2045-04-25	2,250	PLN	Fixed/ Variable	-	-
EIB	-	-	2044-07-29	1,000	PLN	Fixed/ Variable	-	-
Financial liabilities as part of the National Recovery and Resilience Plan:								
BGK	-	Statement of submission to enforcement	2049-12-20	10,764	PLN	Fixed	1,952	1,663
BGK	-	Statement of submission to enforcement	2036-12-20	3,900	PLN	Variable	-	-
BGK	-	Statement of submission to enforcement	2050-12-20	2,901	PLN	Fixed	-	-
BGK	-	Statement of submission to enforcement	2045-10-25	420	PLN	Fixed	-	-
TOTAL BANK CREDITS							**7,731**	**7,928**

** The loan bears a fixed interest rate applicable between interest rate reset dates, which generally occur at intervals of no less than four years.*
*** The loan bears a floating interest rate applicable until the interest rate reset date in March 2027.*

As at June 30, 2026, the credit limits available to the Company amounted to PLN 28,032 million, including overdraft limits of PLN 3,250 million, compared with PLN 28,027 million and PLN 3,050 million, respectively, in the comparative period, as presented in Note 10.2 to these financial statements. The difference between the RRP credit limit available to the Company, presented in Note 10.2, and the value in the table above results from the discrepancy between the amount of disbursed tranches and the value carried at amortised cost.

In the period ended June 30, 2026 and after the reporting date there were no defaults or breaches of other terms and conditions of the credit agreements.

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Loans received

Lender	Hedging instrument	Date of conclusion	Date of maturity	Limit in currency	Currency	Interest rate	Liability at 30-06-2026	Liability at 31-12-2025
PGE Sweden AB	CCIRS	2014-08-27	2029-07-31	143.5	EUR	Fixed	625	615
TOTAL LOANS RECEIVED							**625**	**615**

In 2014, PGE S.A. and PGE Sweden AB (publ) established the Medium Term Eurobonds Issue Programme under which PGE Sweden AB (publ) may issue Eurobonds up to the amount of EUR 2 billion with a minimum maturity of 1 year. In 2014, PGE Sweden AB (publ) issued Eurobonds in the total amount of EUR 638 million. As at June 30, 2026, the nominal value of bonds amounts to EUR 138 million. The subsidiary used the proceeds from the Eurobond issue for loans granted to the parent company.

Domestic market bond issues

Date of granting	Date of maturity	Tranche issue date	Tranche maturity date	Hedging instrument	Limit in currency	Currency	Interest rate	Liability at 30-06-2026	Liability at 31-12-2025
2013-06-27	indefinite	2019-05-21	2029-05-21	IRS	5,000	PLN	Variable	1,006	1,006
		2019-05-21	2026-05-21					-	402
TOTAL BONDS ISSUED								**1,006**	**1,408**

On May 21, 2026, PGE S.A. redeemed a bond tranche early in accordance with the terms of issue.

Cash pooling liabilities

The launch of the real cash pooling service is described in Note 10.1 to these separate financial statements.

14. Contingent liabilities

	As at June 30, 2026	As at December 31, 2025
Liabilities under corporate sureties and guarantees, including:	32,883	30,794
*security provided for exchange transactions**	*12,955*	*12,603*
Litigation liabilities	101	61
Other contingent liabilities	86	85
TOTAL CONTINGENT LIABILITIES	**33,070**	**30,940**

**Security for transactions entered into by the Group on TGE S.A. is described, due to its materiality, in Note 15 below.*

Corporate guarantees and sureties

Information on material sureties and guarantees provided to subsidiaries in the current reporting period is disclosed in Note 5.5. Management Board's report on the activities of the PGE Capital Group for the six-month period ended June 30, 2026.

The Company recognised an impairment allowance for expected credit losses on sureties provided to PGE GiEK S.A. and presents a provision in this respect totalling PLN 266 million. Consequently, the value of contingent liabilities decreased by the indicated amount. The sureties constitute security for loans received by PGE GiEK S.A. in 2020 from the National Fund for Environmental Protection and Water Management.

Litigation liabilities

The detailed course and background of the dispute with Worley Parsons are described in Note 19.1 to PGE S.A.'s Separate Financial Statements for 2025.

Other contingent liabilities

On February 21, 2023, PGE S.A. issued Loan Note and Unconditional Shareholders' Contribution documents in favour of its subsidiary PGE Sweden AB (publ) in the amount of EUR 20 million (approx. PLN 86 million) in order to restore the company's equity to the level required under Swedish law, i.e. 50% of the registered share capital. PGE S.A. undertook to provide PGE Sweden with up to EUR 20 million if its equity decreases further as a result of PGE Sweden having to pay tax liabilities. As at the reporting date, PGE S.A. considers the fulfilment of the obligation unlikely, but possible.

14.1 Other significant issues related to contingent liabilities

Issuance of letters of support for subsidiaries

As at December 31, 2025, PGE Obrót S.A. and PGE Górnictwo i Energetyka Konwencjonalna S.A. reported negative equity and met the conditions set out in Article 233 of the Commercial Companies Code concerning a threat to the companies' continued existence. The negative equity of PGE Obrót S.A. resulted from losses incurred in previous years, mainly as a consequence of regulatory changes affecting the retail electricity market and the approval by the President of the ERO of household tariffs that did not fully cover the cost of purchasing electricity. The negative equity of PGE GiEK S.A. resulted primarily from impairment write-downs on property, plant and equipment recognised in previous years and in the first half of 2025. The impairment of the assets resulted from poorer business prospects for conventional generation assets. PGE Obrót S.A. and PGE GiEK S.A. have access to financing provided by PGE S.A. The liquidity position of these companies is monitored on an ongoing basis by the PGE Group.

PGE S.A. has issued so-called letters of support to PGE Obrót S.A. and PGE GiEK S.A., in which it confirms its ability to support their liquidity should the need arise.

Commitment to provide financing for new investments in PGE Capital Group companies

In connection with the PGE Capital Group's strategic investments, the Company issued a letter of commitment to its subsidiary PGE GiEK o/ELT, in which it undertook to provide financing for the planned investments. The letter of commitment relates to strictly defined investment procedures and may be used for such purposes only. As at the reporting date, the approximate value of future investment commitments related to such projects amounts to approximately PLN 221 million. The settlement agreement signed with the project contractor will affect the amount of investment commitments (a decrease), as described in more detail in Note 23.1 to these interim consolidated financial statements.

Sureties related to the investment undertaken by Elektrownia Wiatrowa Baltica-2 sp. z o.o.

On January 29, 2025, Elektrownia Wiatrowa Baltica–2 sp. z o.o. and the relevant entities from the PGE and Ørsted capital groups entered into a number of agreements related to the development of an offshore wind farm with a planned maximum capacity of 1,498 MW. The agreements include, among others, guarantees issued by PGE S.A. in favour of PGE Baltica 6 sp. z o.o. (100% owned by the PGE Capital Group), Elektrownia Wiatrowa Baltica-2 sp. z o.o. (50% owned by the PGE Capital Group), and Ørsted Baltica 2 Holding sp. z o.o. (a non-affiliated entity).

PGE S.A. irrevocably and unconditionally undertook towards the beneficiaries, as joint and several lenders, to perform the guaranteed obligations related to the investment if PGE Baltica 6 sp. z o.o. fails to perform its obligations within the time limit and in the manner specified in the shareholders' agreement.

14.2 Other significant issues

Matter of compensation for share conversion

During the reporting period, there were no changes compared with the information disclosed in Note 19.3 to PGE S.A.'s Separate Financial Statements for 2025.

Price Difference Payment Fund

During the reporting period, there were no changes compared with the information disclosed in Note 19.3 to PGE S.A.'s Separate Financial Statements for 2025.

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15. Security for repayment of liabilities

Security for transactions entered into on Towarowa Giełda Energii S.A. within the PGE Group

An entity trading in exchange-traded commodities on TGE S.A. is required, under the rules of IRGiT S.A., which clears these transactions, to provide appropriate security. In connection with electricity sale transactions entered into on TGE S.A., the Company provided such security in the form of cash and non-cash collateral, which as at June 30, 2026 comprised:

Form of security	Description of security
Statements of submission to enforcement	As at June 30, 2026, the total amount of security in the form of statements of submission to enforcement was PLN 12,740 million (including the surety agreement entered into with IRGiT on October 17, 2023, which provides additional security in the form of a statement of submission to enforcement up to PLN 11 billion).
Bank guarantees	As at June 30, 2026, bank guarantees issued in favour of IRGiT as security for the liabilities of PGE S.A. and PGE CG companies in respect of the settlement of transactions and agreements relating to the netting of margin deposits executed by PGE Dom Maklerski S.A. on Towarowa Giełda Energii S.A. totalled PLN 253 million, including PLN 200 million in respect of PGE S.A.'s liabilities.
Sureties provided	On October 17, 2023, PGE S.A. entered into a surety agreement with IRGiT S.A. for up to PLN 11 billion, under which it acted as surety for all liabilities of PGE EC S.A., PGE Zielona Góra S.A. and PGE Dom Maklerski S.A. arising from electricity trading transactions entered into by PGE Dom Maklerski S.A. on TGE S.A. for and on behalf of those companies. The surety was provided until December 31, 2026. On September 30, 2019, PGE S.A. entered into a surety agreement with IRGiT S.A., subsequently amended in later periods. The total maximum limit under the agreement amounts to PLN 2 billion. Within the limit, PGE Dom Maklerski S.A. enters into exchange transactions on TGE S.A. for and on behalf of PGE S.A. As at June 30, 2026, the available limit under this agreement amounted to PLN 1.8 billion. The surety was provided until March 31, 2027.
Margin deposit netting agreement	Under the agreement with IRGiT dated March 1, 2023 setting out the rules for establishing financial collateral, a margin deposit netting mechanism is applied within the PGE Group. For transactions entered into, the margin deposits required by IRGiT are calculated on the Group's net positions, reducing the amount of funds committed across the Group to maintaining the collateral required by IRGiT.

16. Information on related entities

Transactions with related entities are based on market prices of delivered goods, products or services or on their production costs.

17. Related parties within the PGE Capital Group

	Period ended June 30, 2026	Period ended June 30, 2025
Sales to subsidiaries	19,773	12,916
Purchase from subsidiaries	17,955	10,605
Finance income	7,039	4,369
Finance expenses	75	74

The Company recognises revenue from sales to subsidiaries within the PGE Capital Group mainly from the sale of electricity and CO_2 emission allowances.

	As at June 30, 2026	As at December 31, 2025
RECEIVABLES FROM SUBSIDIARIES		
Dividend receivables	3,505	-
Trade receivables	2,032	3,418
Loans granted	17,500	17,208
Cash pooling receivables	258	356
Receivables from PGK settlements	93	-
Other financial receivables	467	728
TOTAL RECEIVABLES FROM SUBSIDIARIES	**23,855**	**21,710**

	As at June 30, 2026	As at December 31, 2025
LIABILITIES TO SUBSIDIARIES		
Loans received	625	615
Trade liabilities	2,880	2,424
Cash pooling liabilities	3,136	2,267
Liabilities from PGK settlements	189	-
Other financial liabilities	-	49
TOTAL LIABILITIES TO SUBSIDIARIES	**6,830**	**5,355**

The issues related to sureties provided to the subsidiaries of PGE S.A. are described in Note 14 to these separate financial statements.

Associates and jointly controlled entities

In the current reporting period, the Company recorded financial income of PLN 6 million and financial expenses of PLN 2 million related to the sale of shares in the associate Polimex Mostostal S.A.

In the comparative period, there were no sales to or purchases from associates and joint ventures.

As at the reporting date and as at December 31, 2025, there were no receivables from associates and joint ventures or liabilities to associates and joint ventures.

18. State-controlled entities

The State Treasury is the dominant shareholder of the PGE Capital Group. Therefore, companies owned by the State Treasury are regarded as related entities. The Company identifies in detail transactions with the largest companies controlled by the State Treasury. The combined value of transactions with such companies is presented in the tables below.

	Period ended June 30, 2026	Period ended June 30, 2025
Sales to related entities	1,049	890
Purchases from related entities	482	455

	As at June 30, 2026	As at December 31, 2025
Trade receivables from related entities	227	142
Trade liabilities to related entities	60	117

In addition, the Company conducts significant transactions on the energy market via Towarowa Giełda Energii S.A. (Polish Power Exchange). As this entity solely organises exchange-based trading, purchases and sales conducted through it are not considered related party transactions.

19. Management remuneration

PLN thousand	Period ended June 30, 2026	Period ended June 30, 2025
Short-term employee benefits (remuneration and surcharges)	5,030	4,672
Post-employment and termination benefits	1,268	-
TOTAL MANAGEMENT REMUNERATION	**6,298**	**4,672**

thousand PLN	Period ended June 30, 2026	Period ended June 30, 2025
Management Board	5,535	4,291
Supervisory Board	763	381
TOTAL MANAGEMENT REMUNERATION	**6,298**	**4,672**

The members of the Company's Management Board are employed under civil law management contracts (so-called management contracts). In Note 7 Expenses by kind and function, the related remuneration is presented under other expenses by nature.

20. Significant events of the reporting period and events after the reporting period

For significant events of the reporting period and events after the reporting period, see Note 27 to the condensed interim consolidated financial statements.

III. APPROVAL OF THE HALF-YEARLY FINANCIAL REPORT

This half-year financial report was authorised for publication by the Management Board of the parent company on September 15, 2026.

Warsaw, September 15, 2026

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

President of the Management Board	**Dariusz Lubera**	
Vice President of the Management Board	**Katarzyna Rozenfeld**	
Vice President of the Management Board	**Piotr Dziubałtowski**	
Vice President of the Management Board	**Przemysław Jastrzębski**	
Vice President of the Management Board	**Marcin Laskowski**	

Signature of the person responsible for the preparation of the financial statements	Michał Skiba Director of the Reporting and Taxation Department	

GLOSSARY OF TERMS AND ABBREVIATIONS

The terms and abbreviations most frequently used in these financial statements are listed below.

Abbreviation	Full name
BGK	Bank Gospodarstwa Krajowego
CCIRS	Cross Currency Interest Rate Swaps
CfD	Contract for Difference
EIB	European Investment Bank
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
EBRD	European Bank for Reconstruction and Development
PSPP	Pumped-storage power plant(s)
EUA	European Union Allowances
EWB1, EWB2, EWB3, EWB9, EWB+	Elektrownia Wiatrowa Baltica–1 sp. z o.o., Elektrownia Wiatrowa Baltica–2 sp. z o.o., Elektrownia Wiatrowa Baltica–3 sp. z o.o., Elektrownia Wiatrowa Baltica 9 sp. z o.o., Elektrownia Wiatrowa Baltica + sp. z o.o.
MDF	Mine Decommissioning Fund
FNW	Final Coal Purchaser
FSRU	Floating Storage and Regasification Unit – a floating unit designed to receive liquefied natural gas from an LNG carrier, store it and regasify it (change its state from liquid to gas)
PDPF	Price Difference Payment Fund
GDEP	General Directorate for Environmental Protection
PGE Capital Group, PGE Group, Group, PGE CG	The Capital Group of PGE Polska Grupa Energetyczna S.A.
ICBC (Europe) S.A. Oddział w Polsce	Industrial and Commercial Bank of China (Europe) S.A. Oddział w Polsce
IRGiT	Izba Rozliczeniowa Giełd Towarowych S.A.
IRS	Interest Rate Swaps
LTC	Long-term contracts for the sale of capacity and electricity
KOGENERACJA S.A.	Zespół Elektrociepłowni Wrocławskich KOGENARACJA S.A.
RRP	National Recovery and Resilience Plan
Baltica 2 OWF	Offshore Wind Farm Baltica 2
Mg	Megagram – a derived unit of mass in the SI system equal to one million grams (1,000,000 g); tonne
MPMs	Management-defined performance measures
IFRS	International Financial Reporting Standards
EU IFRS	International Financial Reporting Standards as adopted by the European Union
NFOŚiGW	National Fund for Environmental Protection and Water Management
IP	Investment property
SAC	Supreme Administrative Court
SMBA	Specified main business activity
OTC	Over the counter (OTC) agreement
RTUA	Rights to use assets
PEC Bogatynia, PEC Bogatynia S.A.	Przedsiębiorstwo Energetyki Cieplnej S.A. w Bogatyni
PGE S.A., PGE, Company, parent company	PGE Polska Grupa Energetyczna S.A.
PGE EC S.A.	PGE Energia Ciepła S.A.
PGE EK S.A.	PGE Energetyka Kolejowa S.A.
PGE EKH sp. z o.o.	PGE Energetyka Kolejowa Holding sp. z o.o.
PGE EO S.A.	PGE Energia Odnawialna S.A.
PGE GiEK S.A.	PGE Górnictwo i Energetyka Konwencjonalna S.A.
PV programme	Photovoltaic programme
PPA	Power Purchase Agreement
PPW	Intermediary Coal Entity
PPE	Property, plant and equipment
SOKiK	Court of Competition and Consumer Protection
Financial statements, consolidated financial statements	Consolidated financial statements of the PGE Capital Group
ERO	Energy Regulatory Office
Electricity Prices Act	Act on amendments to the Act on excise duty and certain other acts
WFOŚiGW	Voivodeship Fund for Environmental Protection and Water Management
IA	Intangible assets
VAC	Voivodeship Administrative Court
OPE	Organised Part of Enterprise
CSBF	Company Social Benefits Fund