



ADDITIONAL INFORMATION

**to TAURON Polska Energia S.A.
Capital Group's
extended consolidated
Q1 2024 report**

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TAURON Group in numbers

Revenue 8 142 PLN m -40% vs Q1 2023	EBITDA 1 635 PLN m -27% vs Q1 2023	CAPEX (expenditures) 847 PLN m +9% vs Q1 2023	NET DEBT/EBITDA 2.2x up by 0.1 vs 2023	Balance sheet total 48 999 PLN m -2% vs 2023
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RES

- 11 wind farms with a total capacity of 417 MWe,
- 34 hydro power plants with a total capacity of 133 MWe,
- 3 photovoltaic farms with a total capacity of 56 MWe,
- 0.47 TWh of gross electricity production

GENERATION

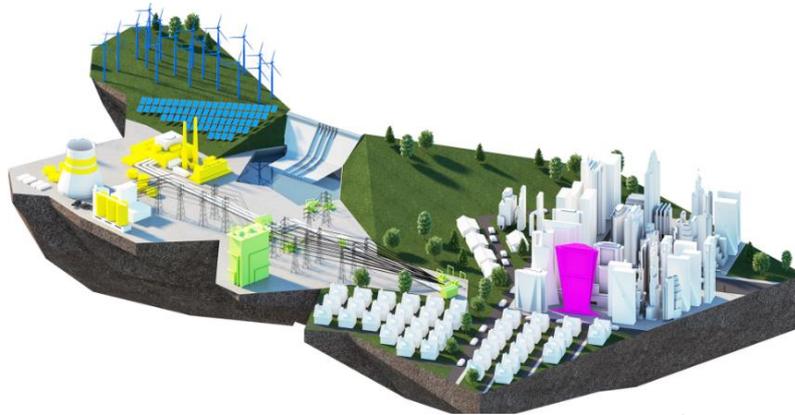
- 5 power plants, 5 combined heat and power plants, and 31 heat generation plants with a total electric capacity of 4.5 GWe and a total thermal capacity of 2.1 GWt,
- 2.72 TWh of gross electric production, including 0.07 TWh from biomass,
- 4.23 PJ of heat production

DISTRIBUTION

- 5.94 million customers,
- Distribution covering the area of 57 900 km², i.e. 18.5% of Poland's territory,
- 13.65 TWh of distributed electricity

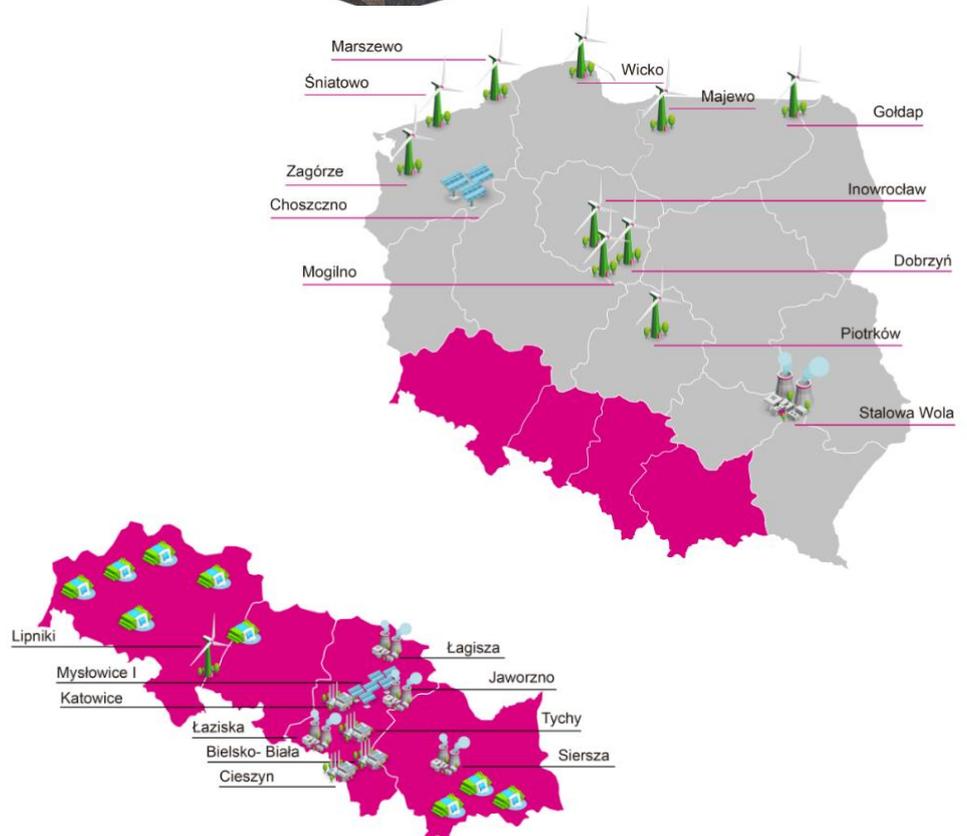
SUPPLY

- 5.79 million customers,
- 7.43 TWh of retail electricity supply,
- gas engines with a total electric capacity of 10.4 MW
- 13 GWh of gross electricity production



Key assets of TAURON Group

- Wind farms
 - Hydro power plants
 - Photovoltaic farms
 - Hard coal fired power plants
 - Hard coal fired combined heat and power plants
- TAURON Group's distribution area



1. TAURON POLSKA ENERGIA S.A. AND TAURON CAPITAL GROUP

1.1. Description of the business operations

TAURON Capital Group's parent (holding) company is TAURON Polska Energia S.A. (hereinafter called the Company or TAURON), that had been established on December 6, 2006, as part of the *Program for the Power Sector*. The Company was registered in the National Court Register on January 8, 2007, under the name: Energetyka Południe S.A. The change of the Company's name to its current name, i.e. TAURON Polska Energia S.A., was registered on November 16, 2007. The Company does not have any branches (divisions).

TAURON Polska Energia S.A. Capital Group (hereinafter referred to as TAURON Capital Group or TAURON Group) is a vertically integrated energy group located in the south of Poland.

The Company is performing the central function and is focusing on hedging the sell and buy positions of TAURON Capital Group's entities with respect to electricity, gas, the CO₂ emission allowances, fuels and guarantees of origin of electricity (energy certificates), respectively. In addition, the Company is performing the role of managing the portfolio of electricity, the CO₂ emission allowances and property rights. The trading in electricity and gas, which is, in addition to the functions related to the management of TAURON Capital Group's subsidiaries, one of the Company's core activities, is carried out on the basis of the licenses for trading in electricity and gas fuels issued by the President of the Energy Regulatory Office. As part of its functions related to the management of TAURON Group's subsidiaries as the parent company, the Company, in particular, is performing a management and consolidation role, i.e. it defines the internal and intra-corporate regulations in the Group, ensuring the consistency and completeness of the tools used for effective corporate management of TAURON Group, including the focus on overseeing the purchasing activities as well as the financial and asset management, it is performing the corporate risk management function, as well as the IT, OT operating model and business continuity areas management. In addition, the Company is coordinating the works related to the research and development activities, and is performing the function of coordinating the activities with respect to accounting and tax advisory services, the legal services or auditing.

TAURON Capital Group is conducting its operations and generating its revenue, first and foremost, from the supply of the electricity and heat, coming both from its generation, as well as from the trading, and also from the electricity distribution service, as well as the heat transmission service.

TAURON Capital Group's core products offered in 2023 had included electricity and heat, as well as the limestone mining products for the needs of the power generation, construction and the road building industries. In addition, TAURON Capital Group has also been dealing with the trading in the commodities: electricity and energy market products, as well as gas, and it had also been providing the electricity distribution and supply services, including to the final consumers, the heat distribution and transmission services, as well as other services related to the operations conducted thereby.

In accordance with *TAURON Group's Business and Operational Model* (Business Model), TAURON Capital Group's business operations had been conducted, in the first quarter of 2024, by the units defined as: the Corporate Center, the Lines of Business (Segments) (Trading, Generation, Renewable Energy Sources (RES), Heat, Distribution and Supply) and the Shared Services and Customer Service Centers.

For the purpose of reporting TAURON Group's results in the first quarter of 2024, the business operations of TAURON Capital Group had been divided into the following 4 main Segments (Operating Segments), hereinafter also referred to as the Lines of Business:



Generation Segment that comprises mainly electricity generation using conventional sources, including co-generation, as well as electricity generation from biomass burning. This Segment also includes heat generation and supply as well as the generation equipment's overhaul operations,.



Renewable Energy Sources (RES) Segment that comprises electricity generation from renewable energy sources, i.e. hydroelectric, wind and photovoltaic power plants.



Distribution Segment that comprises distribution of electricity using the distribution grids located on the territory of the following provinces: Małopolska, Lower Silesia, Opole, Silesia, partly: Świętokrzyskie, Podkarpackie, Łódź, Wielkopolska and Lubuskie. The Segment also includes the operations that cover the technical support services related to the electricity metering systems and the metering data acquisition.



Supply Segment that comprises electricity and natural gas supply to the final consumers and electricity, natural gas and derivative products wholesale trading. In addition, the Segment comprises trading and management of the CO₂ emission allowances and the property rights, and the sales of the hard coal fuel for the needs of the Group's generation units. In addition, the Segment's subsidiaries are offering the

services related to, among other things, the management and maintenance of the street lighting, smart city products, e-mobility products, as well as the services focused on improving energy efficiency. The Segment also includes the business operations involving the production of electricity by the gas engines.



Apart from the main Segments of the operations, TAURON Capital Group is also conducting the operations presented as part of the **Other Operations** that comprise, among other things, the customer service for TAURON Capital Group's customers, the provision of the support services for TAURON Capital Group's subsidiaries with respect to accounting, human resources (HR) management, information and communications technology (ICT), as well as the operations related to the extraction of the stone (rocks) and the production of the sorbing agents. The Other Operations also include the financial operations, brokering activities, utilization (management) of the hard coal combustion and extraction processes' by-products, biomass processing, real estate administration, as well as the technical support services for the vehicles.

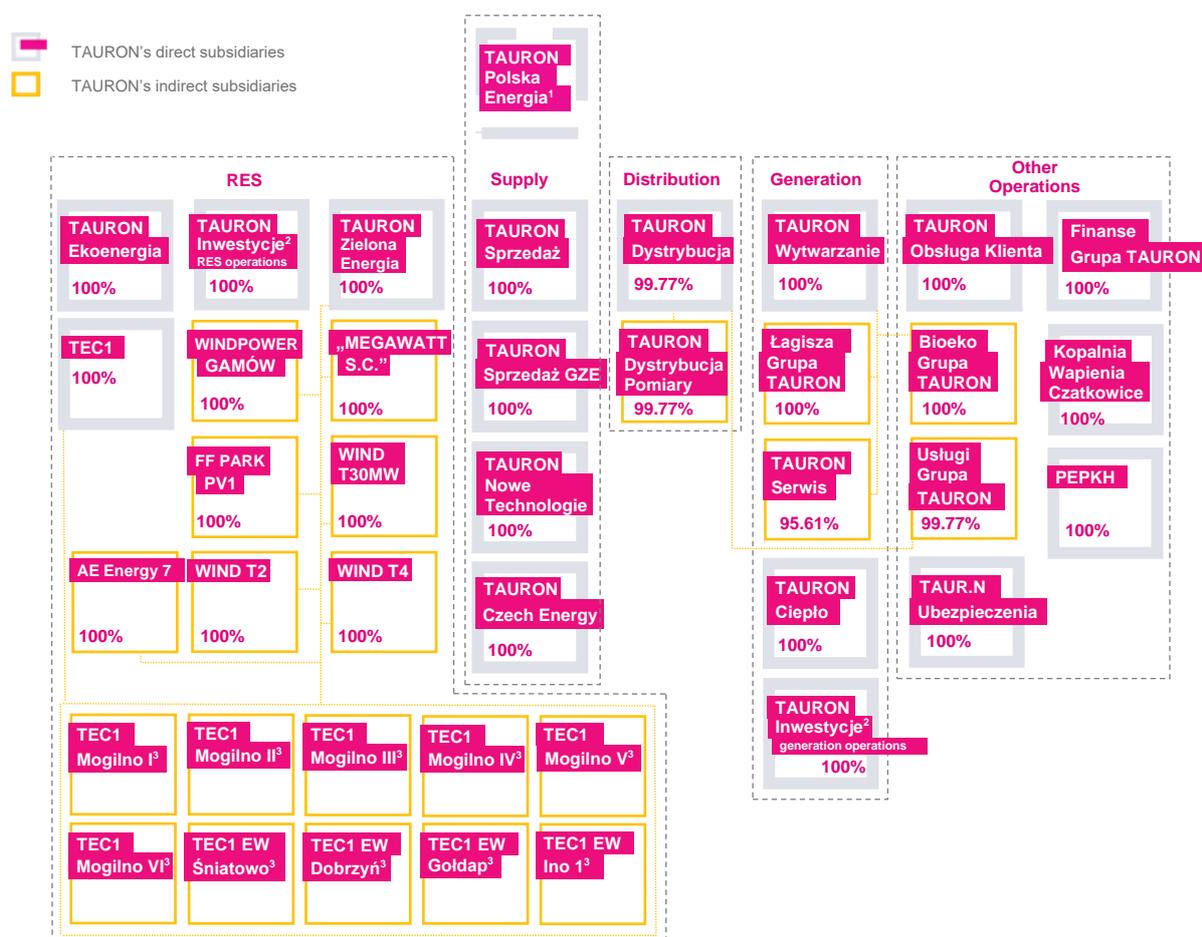
1.2. Structure of TAURON Capital Group

As of March 31, 2024, and as of the date of drawing up this information, TAURON Capital Group's key subsidiaries, apart from TAURON parent company, included 38 subsidiaries subject to consolidation that are listed below. In addition, the Company held, directly or indirectly, shares in the other 33 companies.

Entities subject to consolidation

The below figure presents TAURON Capital Group's structure, including the subsidiaries subject to consolidation, as of March 31, 2024.

Figure no. 1. TAURON Capital Group's structure, including the subsidiaries subject to consolidation, as of March 31, 2024



¹ TAURON is included in the Supply Segment.

² company's operations related to the generation of electricity from renewable sources are included in the Renewable Energy Sources (RES) Segment. The company's operations related to investment projects, research and development activities, as well as the generation of electricity from the non-renewable sources are included in the Generation Segment

³TEC1 sp. z o.o. (Ltd.) (TEC1) is the General Partner, TAURON Zielona Energia sp. z o.o. (Ltd.) (TAURON Zielona Energia) is the Limited Partner.

Changes to the organization

The following change to the organization of TAURON Capital Group had taken place in the first quarter of 2024 and by the date of drawing up this information:

Merger of TAURON Ciepło sp. z o.o. (Ltd.) and Energetyka Cieszyńska sp. z o.o. (Ltd.)

On January 3, 2024, the District Court of Katowice-Wschód in Katowice, the 8th Commercial Division of the National Court Register had registered the incorporation by TAURON Ciepło sp. z o.o. (Ltd.) (TAURON Ciepło) (as the Acquiring Company) of Energetyka Cieszyńska sp. z o.o. (Ltd.) (Energetyka Cieszyńska) (as the Acquired Company).

The above mentioned mergers of the companies had been aimed at optimizing and simplifying the ownership structure and the management of the Group's assets, including, first and foremost, at reducing the costs of operating the incorporated companies.

Due to the capital (equity) structure of the companies involved in the above mentioned merger (100% of the shares in the share capital of the Acquired Company had been held by the Acquiring Company), the merger had taken place based on the regulations allowing for the so-called simplified merger procedure (Article 516, § 6 of the Code of Commercial Companies), in accordance with Article 492, § 1, item 1 of the Code of Commercial Companies, i.e. by transferring all of the assets of the Acquired Company to the Acquiring Company.

Organizational or equity ties with other entities

Apart from the equity ties with the companies presented in *Figure no. 1 in this information*, the organizational or equity ties are applicable to the material joint subsidiaries (co-subidiaries) in which the Company held, directly or indirectly, shares, and which, as of March 31, 2024, and as of the date of drawing up this information, include the companies listed in the below table.

Table no. 1. List of material joint subsidiaries (co-subidiaries) as of March 31, 2024, and as of the date of drawing up this information

Company name	Registered office	TAURON's share in the company's capital and in the parent company	Subsidiary holding directly shares in the company
1. EC Stalowa Wola S.A. (EC Stalowa Wola)	Stalowa Wola	50.00%	TAURON Inwestycje sp. z o.o. (Ltd.) (TAURON Inwestycje)
2. TAMEH HOLDING sp. z o.o. (Ltd.) (TAMEH HOLDING)	Dąbrowa Górnicza	50.00%	TAURON
3. TAMEH POLSKA sp. z o.o. (Ltd.) (TAMEH POLSKA)	Dąbrowa Górnicza	50.00%	TAMEH HOLDING
4. TAMEH Czech s.r.o.	Ostrava, Czech Republic	50.00%	TAMEH HOLDING

1.3. Management Board and Supervisory Board of TAURON Polska Energia S.A.

Management Board of TAURON Polska Energia S.A.

The current 7th term of office of the Management Board of the Company began its run on March 7, 2024. In accordance with the Company's Articles of Association, a common term of office shall last 3 full financial years.

The composition of the Company's Management Board as of March 31, 2024, and as of the date of drawing up this information

1. Grzegorz Lot – President of the Management Board (CEO),
2. Piotr Gołębiowski – Vice President of the Management Board for Trading,
3. Michał Orłowski – Vice President of the Management Board for Asset Management and Development,
4. Krzysztof Surma – Vice President of the Management Board for Finance (CFO).

The changes to the composition of the Company's Management Board in the first quarter of 2024 and by the date of drawing up this information

As of January 1, 2024, the Management Board of the Company had been composed of the following persons: Paweł Szczeszek (President of the Management Board), Patryk Demski (Vice President of the Management Board for Strategy and Development), Bogusław Rybacki (Vice President of the Management Board for Asset Management), Krzysztof Surma (Vice President of the Management Board for Finance), Tomasz Szczepielniak (Vice President of the Management Board for Trading), Artur Warzocha (Vice President of the Management Board for Corporate Affairs).

The below table presents the changes to the composition of the Company's Management Board in the first quarter of 2024 and by the date of drawing up this information.

Table no. 2. Changes to the composition of the Company's Management Board in the first quarter of 2024 and by the date of drawing up this information¹

Date	
February 13, 2024	The Supervisory Board of the Company dismissed Paweł Szczeszek, Patryk Demski, Bogusław Rybacki, Tomasz Szczegieliński and Artur Warzocha from the Company's Management Board, effective as of the same date. The Supervisory Board of the Company took the decision to delegate, as of February 14, 2024, a Member of the Company's Supervisory Board, Karolina Mucha-Kuś, to temporarily perform the duties of the President of the Management Board of the Company during the period until the date of the appointment of the new President of the Management Board, however not longer than three months running from the date of the delegation.
February 29, 2024	The Supervisory Board of the Company appointed, effective as of March 7, 2024, the following Members of the Company's Management Board of the 7th term of office, Grzegorz Lot to hold the position of the President of the Management Board, Piotr Gołębiowski to hold the position of the Vice President of the Management Board for Trading, Michał Orłowski to hold the position of the Vice President of the Management Board for Asset Management and Development and Krzysztof Surma to hold the position of the Vice President of the Management Board for Finance. In connection with the expiration of the 6th common term of the Company's Management Board as of December 31, 2023, the Supervisory Board of the Company, before appointing the above mentioned persons to be the Members of the Management Board of the Company of the 7th common term, had adopted a resolution to dismiss Krzysztof Surma from the Management Board of the Company, effective as of March 6, 2024. In addition, in connection with the appointment of the above mentioned persons to be the Members of the Management Board of the Company, the Supervisory Board of the Company had adopted a resolution to terminate, effective as of March 6, 2024, the temporary performance of the duties of the President of the Management Board of the Company by the delegated Member of the Supervisory Board, Karolina Mucha-Kuś.

¹ The Company disclosed the information on the changes to the composition of the Management Board of TAURON Polska Energia S.A. in current reports no. 11/2024 of February 13, 2024, and no. 12/2024 of February 29, 2024.

Supervisory Board of TAURON Polska Energia S.A.

The current 7th term of office of the Supervisory Board of the Company began it run on April 3, 2024. In accordance with the Company's Articles of Association, a term of office of the Supervisory Board shall be common and it shall last 3 full financial years.

The composition of the Company's Supervisory Board as of March 31, 2024

1. Sławomir Smyczek – Chair of the Supervisory Board,
2. Natalia Klima-Piotrowska – Vice Chair of the Supervisory Board,
3. Piotr Kołodziej – Secretary of the Supervisory Board,
4. Leszek Koziorowski – Member of the Supervisory Board,
5. Katarzyna Masłowska – Member of the Supervisory Board,
6. Karolina Mucha-Kuś – Member of the Supervisory Board,
7. Grzegorz Peczkis – Member of the Supervisory Board.

The composition of the Company's Supervisory Board as of the date of drawing up this information

1. Sławomir Smyczek – Chair of the Supervisory Board,
2. Natalia Klima-Piotrowska – Vice Chair of the Supervisory Board,
3. Piotr Kołodziej – Secretary of the Supervisory Board,
4. Michał Hulbój – Member of the Supervisory Board,
5. Beata Kisielewska – Member of the Supervisory Board,
6. Leszek Koziorowski – Member of the Supervisory Board,
7. Katarzyna Masłowska – Member of the Supervisory Board,
8. Krzysztof Tkaczuk – Member of the Supervisory Board.

The changes to the composition of the Company's Supervisory Board in the first quarter of 2024, as well as by the date of drawing up this information

As of January 1, 2024, the Company's Supervisory Board was composed of the following members: Piotr Tutak (Chair of the Supervisory Board), Teresa Famulska (Vice Chair of the Supervisory Board), Marcin Wawrzyniak (Secretary of the Supervisory Board), Dariusz Hryniów (Member of the Supervisory Board), Leszek Koziorowski (Member of the Supervisory Board), Ryszard Madziar (Member of the Supervisory Board) and Grzegorz Peczkis (Member of the Supervisory Board).

The below table presents the changes to the composition of the Company's Supervisory Board in the first quarter of 2024 and by the date of drawing up this information.

Table no. 3. Changes to the composition of the Company's Supervisory Board in the first quarter of 2024 and by the date of drawing up this information¹

Date	
January 25, 2024	The Minister of the State Assets, acting pursuant to § 23, section 1, clause 3) of the Company's Articles of Association, dismissed Dariusz Hryniów, Ryszard Madziar, Piotr Tutak and Marcina Wawrzyniak from the Company's Supervisory Board, and appointed Natalia Klima-Piotrowska, Katarzyna Masłowska, Karolina Mucha-Kuś and Sławomir Smyczek to be the Members of the Company's Supervisory Board.

February 1, 2024	The Supervisory Board of the Company elected Sławomir Smyczek to be the Chair of the Supervisory Board of the Company and elected Natalia Klima-Piotrowska to be the Secretary of the Supervisory Board of the Company.
February 5, 2024	The Minister of the State Assets, acting pursuant to § 23, section 1, clause 3) of the Company's Articles of Association, dismissed Teresa Famulska from the Company's Supervisory Board, and appointed Piotr Kołodziej to be a Member of the Company's Supervisory Board.
February 13, 2024	The Supervisory Board of the Company elected Natalia Klima-Piotrowska to be the Vice Chair of the Supervisory Board of the Company and elected Piotr Kołodziej to be the Secretary of the Supervisory Board of the Company. The Supervisory Board of the Company adopted the resolution to delegate, as of February 14, 2024, a Member of the Company's Supervisory Board, Karolina Mucha-Kuś, to temporarily perform the duties of the President of the Management Board of the Company during the period until the date of the appointment of the new President of the Management Board, however not longer than three months running from the date of the delegation.
February 29, 2024	In connection with the appointment, on February 29, 2024, of the new Members of the Management Board of the Company, effective as of March 7, 2024, the Supervisory Board of the Company adopted, on February 29, 2024, a resolution to terminate, effective as of March 6, 2024, the temporary performance of the duties of the President of the Management Board of the Company by the delegated Member of the Supervisory Board, Karolina Mucha-Kuś.
March 25, 2024	A Member of the Company's Supervisory Board, Leszek Koziowski, submitted a statement on his resignation, effective as of April 2, 2024, from the function of a Member of the Company's Supervisory Board. The rationale for the resignation was to enable the full Supervisory Board to be appointed for a new term of office at the Extraordinary General Meeting of the Company convened for April 3, 2024, in connection with the expiration of the term of office of the existing Supervisory Board as of December 31, 2023.
April 3, 2024 (an event that took place after the balance sheet date)	The Extraordinary General Meeting of the Company adopted the resolution on the dismissing of Grzegorz Peczkis from the Company's Supervisory Board, and the appointing of Michał Hulbój, Beata Kisielewska, Leszek Koziowski and Krzysztof Tkaczuk to be the Members of the Company's Supervisory Board.
April 3, 2024 (an event that took place after the balance sheet date)	A Member of the Company's Supervisory Board, Karolina Mucha-Kuś, submitted a statement on her resignation, effective as of the same date, from the function of a Member of the Company's Supervisory Board.

¹ The Company disclosed the information on the changes to the composition of the Supervisory Board in current reports: no. 7/2024 of January 25, 2024, no. 8/2024 of January 26, 2024, no. 10/2024 of February 5, 2024, no. 11/2024 of February 13, 2024, no. 12/2024 of February 29, 2024, no. 18/2024 of March 25, 2024, no. 23/2024 of April 3, 2024, and no. 27/2024 of April 30, 2024

Information on the independence of the Members of the Company's Supervisory Board

As of the date of drawing up this information all of the Members of the Company's Supervisory Board meet the criteria of independence listed in the *Act of May 11, 2017 on certified auditors, audit firms and public oversight*.

In addition, pursuant to the Best Practices of WSE Listed Companies 2021, all of the Members of the Company's Supervisory Board have declared that they have no actual and material ties to a shareholder holding at least 5% of the total number of the votes at the General Meeting of the Company

1.4. Implementation of the strategic investment (CAPEX) projects

In a response to the challenges arising from the situation prevailing on the market and in the power sector, on June 22, 2022, TAURON had adopted *TAURON Group's Strategy for the years 2022-2030 with an outlook until 2050*, which had represented a deepening of the Green Turn of TAURON implemented to date. The strategy presents an optimal path of sustainable development that will ensure TAURON Capital Group's financial stability and growth prospects, while, at the same time, incorporating the commitment to ESG (Environmental, Social and Governance) and ensuring the management of its operations in line with the ESG aspects, as well as providing the support for the stability of the power system in Poland.

TAURON Group is currently conducting works and analyses related to the reviewing off the Group's Strategy with a view to updating its assumptions and the strategic directions.

Key investment projects in the RES line of business

Photovoltaic (PV) farms

The works on the development of the photovoltaic farm projects on TAURON Capital Group's sites had been continued in the first quarter of 2024. The works include obtaining of the required administrative permits and decisions. The final decisions on the implementation of the individual projects will be made following the evaluation of their business case.

TAURON Capital Group is also looking for the opportunities to acquire on the market projects that are advanced in development and are prepared for the construction of the photovoltaic farms. As part of this work, the internal analyses and due diligence of the photovoltaic farm acquisition projects had been conducted in cooperation with the developers in the first quarter of 2024.

The key strategic investment projects with respect to the photovoltaic farms carried out in the first quarter of 2024 are shown in the table below.

Table no. 4. Key strategic investment projects with respect to the photovoltaic farms carried out in the first quarter of 2024

Investment project	Capacity (MW _e)	Total capital expenditures incurred (PLN m)	Work progress	Planned completion date
Construction of the photovoltaic farm in Proszówek	55 MW (stage I 45.6 MW; stage II 9.4 MW)	181.7	92%	Q2 2024
Construction of the photovoltaic farm in Postomino	90 MW (stage I 80 MW; stage II 10 MW)	66.3	5%	Q4 2025
Construction of the photovoltaic farm in Bałków	54 MW	1.0	6%	Q4 2025

Onshore wind farms

TAURON Capital Group is looking for the opportunities to acquire advanced wind farm development projects ready for the construction and the operating onshore wind farm assets on the market. As part of such efforts, the internal analyses and the due diligence studies of the potential wind farm acquisition projects had been carried out in cooperation with the developers in the first quarter of 2024.

The key strategic investment projects with respect to the wind farms carried out in the first quarter of 2024 are shown in the table below.

Table no. 5. Key strategic investment projects with respect to the wind farms carried out in the first quarter of 2024

Investment project	Capacity (MW _e)	Total capital expenditures incurred (PLN m)	Work progress	Planned completion date
Construction of the wind farm in Mierzyn	58.5	154.7	92%	Q4 2024
Construction of the wind farm in Nowa Brzeźnica	19.6	52.5	30%	Q2 2025
Construction of the wind farm in Gamów	33 MW	94.7	61%	Q4 2024
Construction of the wind farm in Warblewo	30 MW	120.1	71%	Q4 2024
Construction of the wind farm in Sieradz	23.8 MW	23.7	6%	Q4 2025

Offshore wind farms (in the Polish Exclusive Economic Zone of the Baltic Sea)

On January 9, 2023, the Minister of Infrastructure had disclosed the information that the company Elektrownia Wiatrowa Baltica-7 sp. z o.o. (Ltd.) in which TAURON holds 44.96% of the shares (the remaining shares are held by PGE), had been awarded the highest number of points in the adjudication proceeding for the issuance of a permit for the construction and use of the artificial islands, structures and devices in the area located on Słupsk Shoal (Ławica Słupska), designated as 43.E.1, for the purpose of the construction of an offshore wind farm. Subsequently, on August 9, 2023, TAURON had received a decision of the Minister of Infrastructure of August 8, 2023, on the granting to Elektrownia Wiatrowa Baltica-7 sp. z o.o. (Ltd.) of a permit of the scope indicated above. That decision had become final as of August 21, 2023. The capacity of the planned offshore wind farm, which would be built under the obtained permit, will be approximately 1 GW.

Key investment projects in the Generation line of business

The key strategic investment projects in the generation line of business carried out in the first quarter of 2024.

Table no. 6. Key strategic investment projects in the generation line of business carried out in the first quarter of 2024

Investment project	Capacity (MW _e)	Total capital expenditures incurred (PLN m)	Work progress	Planned completion date
Construction of the 140 MWt gas fired boiler at ZW Katowice (Katowice Generation Plant) for the district heating market needs	The scope of the project includes the construction of a 140 MWt gas fired water boiler on the existing foundations, along with the supporting infrastructure and a steel stack, with the environmental emission parameters: BAT with a 15% reserve versus the limit values.	PLN 90.8 m	95%	Q4 2024
Construction of the peaking and backup boiler house at ZW Bielsko Biala EC 2 (Bielsko Biala Generation Plant Combined Heat and Power Plant 2)	The scope of the project includes the construction of a 76 MWt (2 x 38 MWt) natural gas and light fuel oil fired peaking and backup boiler house. The project stems from the need to replace the old boiler house, which will not meet the requirements of the BAT Conclusions after 2024 due to its poor technical condition and failure rate, thereby affecting the lack of the backup for the 50 MW unit at Bielsko Biala EC 2 (Bielsko Biala Generation Plant Combined Heat and Power Plant 2)	PLN 45.3 m	99%	Q2 2024
Construction of the gas engines peaking	The scope of the project includes an installation of three identical, complete cogeneration units based on the	PLN 0.1 m	18%	Q4 2027

Investment project	Capacity (MW _e)	Total capital expenditures incurred (PLN m)	Work progress	Planned completion date
<i>and backup boiler house at ZW Bielsko Biala EC 2 (Bielsko Biala Generation Plant Combined Heat and Power Plant 2)</i>	<i>reciprocating (piston) engines, powered by natural gas, with a capacity of approximately 10 MWt / 10 MWe each (the capacity of the entire system stands at approximately 30 MWt / 30 Mwe), the construction of the electrical and thermal power evacuation lines along with a pumping station and a water treatment station, the construction of a heat accumulator, the construction of the associated infrastructure.</i>			

Key investment projects in the Supply and Other Operations lines of business

The key strategic investment projects in the Supply and Other Operations lines of business carried out in the first quarter of 2024.

Table no. 7. Key strategic investment projects in the Supply and Other Operations lines of business carried out in the first quarter of 2024

Investment project	Capacity (MW _e)	Total capital expenditures incurred (PLN m)	Work progress	Planned completion date
<i>Production 2.0</i>	The scope of the project includes the reconfiguration of the Czatkowice Limestone Mine's technological system in order to increase the production of grits and aggregates on its own assets, including the restoration of the grit production line, the construction and the modernization of the rock (stone) crushing and transportation nodes. The project involves the use of the technology that would allow for maximizing the use of the raw material obtained from the mine.	PLN 0.1 m	2%	Q4 2027

Capital expenditures (CAPEX)

TAURON Capital Group's capital expenditures had come in at PLN 847 million in the first quarter of 2024 and they had been higher by 9% than the investment outlays incurred in the same period of 2023, when they had clocked in at PLN 780 million. This is, first and foremost, due to an increase in the capital spending in the Distribution and RES Segments.

The below table presents the selected, highest by value, capital expenditures incurred by TAURON Capital Group's Lines of Business in the first quarter of 2024.

Table no. 8. The highest by value, capital expenditures incurred by TAURON Capital Group's Lines of Business in the first quarter of 2024

Item	Capital expenditures (PLN m)
Distribution	
1. Installation of the new grid connections	366
2. Existing grid assets' upgrades (refurbishments) and replacements	228
3. Comprehensive replacement of the meters with a remote readout feature (AMIPlus)	55
Generation	
4. CAPEX on the replacements and upgrades (refurbishments), as well as components, and also on the 910 MW unit at TAURON Wytwarzanie	21
5. Connecting of new facilities to the grid at TAURON Ciepło	5
6. The Ligota project related to the construction and modernization of the network infrastructure as part of the district heating system at TAURON Ciepło	1
RES	
7. Construction of the Postomino photovoltaic farm with the capacity of 90 MW	31
8. Construction of the Proszówec photovoltaic farm stage I and II with the total capacity of 55 MW	19
9. Construction of the Gamów wind farm with the capacity of 33 MW	18
10. Construction of the Warblewo wind farm with the capacity of 30 MW	8
11. Construction of the Sieradz wind farm with the capacity of 23.8 MW	6
12. Construction of the Mierzyn wind farm with the capacity of 58.5 MW	5
13. Construction of the Nowa Brzeźnica wind farm with the capacity of 19.6 MW	5
14. Modernization (refurbishment) of the hydroelectric power plants	2

Item	Capital expenditures (PLN m)
Supply and Other Operations	
15. IT related investment projects at TAURON Obsługa Klienta (TAURON Customer Service)	19
16. Maintenance and development of the street lighting	13
17. TAURON Customer Service Business Service Center	3
18. TAURON Customer Service 360 Client Program	2

1.5. Material accomplishments and failures as well as the most important events related to TAURON Capital Group in the first quarter of 2024 and after the balance sheet date

The material events that had occurred in the first quarter of 2024, as well as the ones that had taken place by the date of drawing up this information are listed below

Major business events

Filing of an insolvency petition and a receipt of a decision declaring TAMEH Czech s.r.o. insolvent. Receipt of a decision approving the reorganization of TAMEH Czech s.r.o.

On December 14, 2023, the company TAMEH Czech s.r.o. (TAMEH Czech) had filed an insolvency petition with the District Court in Ostrava, which – having reviewed the petition – on December 19, 2023, had issued the decision declaring TAMEH Czech insolvent.

Subsequently, on April 18, 2024 (an event that took place after the balance sheet date), TAURON received a decision of the District Court in Ostrava dated April 15, 2024, approving the reorganization of TAMEH Czech. The decision was issued after a vote of TAMEH Czech's creditors had been completed and had been in line with the petition submitted by TAMEH Czech's management board.

The subject of the operations of TAMEH Czech is the production of the energy utilities (carriers) for the Liberty Ostrava a.s. steel plant, which is the company's only customer. The filing of an insolvency petition by TAMEH Czech had been due to the failure of Liberty Ostrava a.s. to meet its obligations towards the company, which had led to the inability to continue its operations. The owner of 100 percent of the shares in TAMEH Czech is TAMEH HOLDING, a joint subsidiary of TAURON, in which TAURON holds a 50 percent stake. The remaining 50 percent stake is held by the companies that are part of the ArcelorMittal Capital Group.

As a result of the above mentioned events TAURON had carried out analyses that had demonstrated a negative impact of the above mentioned situation on the financial results of TAURON and those of TAURON Group. With regard to TAURON's consolidated financial statements, the analyses had demonstrated the justification for a reduction in the valuation of the investment in TAMEH HOLDING in 2023, which had an impact on the reduction of TAURON Group's operating result in 2023 by PLN 487 million (in the fourth quarter of 2023 by PLN 582 million) and the reduction of TAURON Group's EBITDA result in 2023 by PLN 179 million (in the fourth quarter of 2023 by PLN 274 million). With respect to TAURON's standalone financial statements, the analyses had demonstrated a reduction in the valuation of the shares in TAMEH HOLDING by PLN 212 million, which had an impact on the reduction of TAURON's pre-tax result in 2023 and in the fourth quarter of 2023 by PLN 212 million (no impact on EBITDA and EBIT).

TAURON disclosed the information on the above events in current reports no. 48/2023 of December 14, 2023, no. 49/2023 of December 22, 2023, no. 48/2023/K of February 8, 2024, no. 49/2023/K of February 8, 2024, no. 15/2024 of March 15, 2024, and no. 26/2024 of April 18, 2024.

Events related to TAURON's acceptance of an offer by the ArcelorMittal Group's lead partner to purchase the shares in TAMEH HOLDING sp. z o.o. (Ltd.)

TAMEH HOLDING is a joint venture in which currently TAURON and two of ArcelorMittal Group companies (the Group's lead partner, i.e. AM Global Holding S.a r.l., with its registered office in the Grand Duchy of Luxembourg (AM Global Holding) and ArcelorMittal Poland S.A.) each hold 50% of the shares. The core business of TAMEH HOLDING is the production of the blast furnace blowing, compressed air, process steam, production and sales of the electricity and the heat for the district heating purpose. TAMEH HOLDING is a holder of 100% of the shares in two operating companies: TAMEH POLAND and TAMEH Czech.

In the Shareholders' Agreement entered into on August 11, 2014, between TAURON Group's subsidiaries and ArcelorMittal Group companies (collectively referred to as the Parties), defining the terms and conditions of the Parties' cooperation within TAMEH HOLDING (the Shareholders' Agreement), the Parties had made irrevocable offers to each other to buy and sell the shares in TAMEH HOLDING. Each of the Parties had the right to accept the

irrevocable purchase offer made by the other Party, among other things, in the event that one of the prerequisites set forth in the Shareholders' Agreement would materialize as of the elapse of December 31, 2023.

As a result of the materialization, as of the elapse of December 31, 2023, of one of the prerequisites set forth in the Shareholders' Agreement, on January 2, 2024, a TAURON's representative, in the presence of the bailiff recording the act of the serving of the statement, had left at AM Global Holding's registered office a statement on TAURON's acceptance of AM Global Holding's offer to purchase all of 3 293 403 shares held by TAURON in TAMEH HOLDING for the amount of PLN 598 098 090.30 (Sale Price). In accordance with the Shareholders' Agreement, the transfer of the ownership of the shares shall take place upon the crediting of the bank account with an amount equal to the Sale Price, which should take place no later than on the 30th business day from TAURON's acceptance of the offer, i.e. from the date of serving the statement to AM Global Holding.

On January 4, 2024, TAURON had received a message sent on behalf of AM Global Holding containing the information that AM Global Holding had been disputing the effectiveness of the serving of the above mentioned statement.

On January 9, 2024, TAURON received a letter from AM Global Holding, which, according to AM Global Holding, constituted a statement of acceptance of TAURON's offer to purchase all of the shares in TAMEH HOLDING owned by the ArcelorMittal Group companies for PLN 598 098 090.30. In the light of TAURON's earlier actions and the actions taken by AM Global Holding, a risk of the arising of a dispute between the Parties with respect to the effectiveness of the serving of the above mentioned statements has been identified.

In reference to the above mentioned events, on January 12, 2024, TAURON sent a letter to AM Global Holding in which it expressed its consent to enter into the negotiations in accordance with the procedure set forth in the Shareholders' Agreement.

TAURON disclosed the information on the above events in current reports no. 1/2024 of January 2, 2024, no. 2/2024 of January 2, 2024, no. 3/2024 of January 4, 2024, no. 4/2024 of January 9, 2024 and no. 6/2024 of January 12, 2024.

In connection with the expiration of the above mentioned deadline of 30 working days and a failure to receive the payment of the Sale Price for the shares in TAMEH HOLDING by such a deadline, the Parties have submitted to each other the summons to pay, while at the same time upholding their readiness to negotiate and amicably resolve the dispute arisen. As of the date of drawing up this information, the negotiations had not been completed.

Signing of the loan agreement with Bank Gospodarstwa Krajowego

On January 10, 2024, TAURON entered into a PLN 750 million loan agreement with BGK, with the funds from the loan to be used to cover the Group's expenses related to the financing or the refinancing of the expenditures in the renewable energy sources line of business and the outlays related to the development of the distribution grids. Under the loan agreement, TAURON will be able to make the drawdowns over a 2 year financing availability period. The loan agreement will be repaid in the years 2027 - 2032.

The interest rate on the funds made available under the loan agreement will be calculated based on a floating interest rate adequate for the given interest period, increased by a margin dependent on the performance related to the sustainable development rate, i.e. the rate of increasing the share of the renewable energy sources in TAURON Group's generation mix. The correctness of the sustainable development rate calculation will be confirmed by an independent auditor.

As of the date of drawing up this information, the loan had not been drawn down.

TAURON disclosed the information on the above event in current report no. 5/2024 of January 10, 2024.

Major corporate events

Extraordinary General Meeting of the Company

The Extraordinary General Meeting of the Company was held on April 3, 2024 (an event that took place after the balance sheet date), and it adopted the resolutions related to, among other things: the determining of the number of the Members of the Supervisory Board of the Company, the dismissal of a Member of the Supervisory Board of the Company and the appointment of the Members of the Supervisory Board of the Company.

TAURON disclosed the information on the convening of the Extraordinary General Meeting (GM) of the Company and on the content of the draft resolutions in current reports no. 13/2024 and no. 14/2024 of March 6, 2024, as well as no. 19/2024 of March 28, 2024.

TAURON disclosed the information on the content of the resolutions subjected to the vote at the Extraordinary General Meeting (GM) of TAURON in current report no. 22/2024 of April 3, 2024.

Recommendation of the Management Board of the Company with respect to the covering of the net loss for 2023 from the spare capital

On April 16, 2024 (an event that took place after the balance sheet date), the Management Board of the Company took the decision to recommend to the Ordinary General Meeting of the Company to cover net loss for the year 2023 recorded by the Company in the amount of PLN 637 505 198.92 from the Company's spare capital.

TAURON disclosed the information on the above mentioned event in current report no. 25/2024 of April 16, 2024.

The Supervisory Board has issued a positive assessment of the Management Board's proposal to the General Meeting with respect to the above issue.

The final decision on how to cover the Company's net loss for 2023 will be made by the Ordinary General Meeting of the Company.

Convening of the Ordinary General Meeting of the Company

On May 7, 2024 (an event that took place after the balance sheet date), the Management Board of the Company, acting pursuant to art. 395, § 1, 2, 2¹ and 5, art. 399, § 1 and art. 402¹ of the Code of Commercial Companies and § 30, clause 1 of the Company's Articles of Association, convened the Ordinary General Meeting of the Company to be held on June 3, 2024, and disclosed to the public the content of the draft resolutions to be the subject of the Ordinary General Meeting of the Company related to the approval of the *Report of the Supervisory Board of TAURON Polska Energia S.A. for the financial year 2023*, the review of the *Financial Statements of TAURON Polska Energia S.A. for the year ended on December 31, 2023, in accordance with the International Financial Reporting Standards (IFSR) approved by the European Union*, the *Consolidated Financial Statements of TAURON Polska Energia S.A. Capital Group for the year ended on December 31, 2023, in accordance with the International Financial Reporting Standards (IFRS) approved by the European Union*, the *Report of the Management Board on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for the financial year 2023*, the covering of the net loss for the financial year 2023, the providing of the opinion on the *Report on the compensation of the Members of the Management Board and of the Supervisory Board of TAURON Polska Energia S.A. for the year 2023*, the acknowledgement of the fulfillment of duties by the Members of the Company's Management Board and the Members of the Company's Supervisory Board who had held their positions in the financial year 2023 and the acknowledgement of the fulfillment of duties by the selected Members of the Company's Management Board and the Members of the Company's Supervisory Board who had held their positions in the financial year 2015.

TAURON disclosed the information on the convening of the Ordinary General Meeting (GM) of the Company and on the content of the draft resolutions in current reports no. 28/2024 and no. 29/2023 of May 7, 2024.

2. TAURON GROUP'S BUSINESS AND REGULATORY ENVIRONMENT

2.1. Factors and non-typical (one-off) events that have a significant impact on the abbreviated consolidated financial statements of TAURON Capital Group

Internal factors

The operations and earnings of the Company and TAURON Capital Group in the first quarter of 2024 had been impacted, among other things, by the internal factors presented in the below table:

Table no. 9. Internal factors impacting the operations and the earnings of the Company and TAURON Capital Group in the first quarter of 2024

#	Description of the factor
1.	actions with respect to optimizing the processes implemented by TAURON Capital Group's subsidiaries,
2.	decisions with respect to the implementation of the key investment projects and the intense activities with respect to searching for the new energy generation sources projects,
3.	loyalty building measures aimed at retaining the existing customers and the marketing activities with respect to acquiring of the new customers,
4.	TAURON Capital Group's centralized financial management area, supported by the use of such tools as: the corporate model of financing, financial liquidity (cash flow) management policy using the <i>cash pool</i> mechanism, risk management policy in the financial area, insurance policy,
5.	TAURON's purchasing processes management, in particular the management of the purchases of fuels for the needs of the business operations conducted by the entities that are a part of TAURON Capital Group,
6.	activities of the Tax Capital Group aimed, first and foremost, at optimizing the implementation of the corporate income tax settlement obligations by the key subsidiaries of TAURON Capital Group,
7.	expectations with regard to an increase of the compensation (wages) at TAURON Capital Group,
8.	failures of TAURON Capital Group's equipment, installations and grids (networks),
9.	implementation of the wind farm and photovoltaic construction projects with a total capacity of 364 MW,
10.	implementation of TAURON Group's Strategy for the years 2022 - 2030 with an outlook until 2050, adopted in 2022,

The detailed information related to the impact of the above mentioned factors on the financial result achieved in the first quarter of 2024 is provided in section 3 of this information. The effects of such an impact are visible both in the short term, as well as in the long term outlook.

External factors

The operations and earnings of TAURON and TAURON Capital Group had been impacted in the first quarter of 2024 by the following external factors:

1. macroeconomic environment,
2. market environment,
3. regulatory environment,
4. competitive environment.

Macroeconomic environment

TAURON Capital Group's core business operations are conducted on the Polish market and the changes taking place in this market have an impact on the functioning of the Group. The macroeconomic situation is a material factor impacting the earnings generated by TAURON Capital Group.

According to the data published by Statistics Poland (GUS), Poland's GDP had gone up by 0.2% in 2023, as compared to the previous year. The inflation rate had clocked in at 2.8% in February, (year on year change).

According to the latest projections of the National Bank of Poland (NBP) as of March 2024, the projection of GDP and the CPI consumer price index (inflation figure) in the coming years will be dependent on the future regulatory (legal) changes affecting the energy and food prices. Assuming the prolongation of the anti-inflationary shielding measures with respect to the food and energy prices, GDP will be at the level of: 3.5% in 2024, 4.2% in 2025 and 3.3% in 2026, and the CPI index: 3.0% in 2024, 3.4% in 2025 and 2.9% in 2026 (year on year change).

Assuming a scenario of the withdrawal of the anti-inflationary shielding measures with respect to the prices and energy, i.e. the restoration of the 5% VAT rate on the basic food products and the complete unfreezing of the electricity and gas prices for households, the GDP forecast stands at: 3.2% in 2024, 3.6% in 2025 and 3.2% in 2026, and the inflation rate comes in at: 5.7% in 2024, 3.5% in 2025 and 2.7% in 2026 (year on year change).

The situation on the labor market continues to be stable. According to the Statistics Poland's (GUS) data, the unemployment rate had come in at approximately 5.4% in February 2024. The average monthly gross nominal wages in the economy had gone up by 12.9% in February 2024 as compared to the same period of last year.

Market environment

Electricity

The below table presents the volumes of the electricity consumption, production and imports / exports in Poland, as well as the average electricity prices on the SPOT market, both in Poland, as well as in the neighboring countries in the first quarter of 2024 and in the first quarter of 2023.

Table no. 10. Volumes of the electricity consumption, production and imports in Poland, as well as the average electricity prices on the SPOT market, both in Poland, as well as in the neighboring countries in the first quarter of 2024 and in the first quarter of 2023

Volume	unit	Q1 2024	Q1 2023	Increase / Decrease
1. Electricity consumption	GWh	45 270	44 099	1 171 (+2.7 %)
2. Electricity production by domestic power plants	GWh	43 906	43 473	433 (+1.0 %)
3. Electricity production by power plants fired with:				
1) hard coal ¹	GWh	19 202	20 838	-1 636 (-7.9%)
2) lignite	GWh	8 799	9 418	-619 (-6.6%)
3) gas fuel	GWh	4 619	3 933	686 (+17.4%)
4. Electricity production by wind farms	GWh	7 955	6 670	1 285 (+19.3%)
5. Cross-border (inter-system) exchange balance ²	GWh	1 364	626	738 (+117.9%)
6. Average electricity price on the SPOT market in:				
1) Poland	PLN/MWh	355.58	614.75	-259.17 (-42.2%)
	EUR/MWh ³	82.01	130.49	-48.48 (-37.2%)
2) the neighboring countries (on the example of Germany)	EUR/MWh ³	67.67	115.81	-48.14 (-41.6%)

¹ Including the industrial power plants.

² A positive value of the balance denotes imports, while a negative value of the balance denotes exports.

³ The prices in EUR / MWh are converted according to the NBP's average exchange rate as of the first quarter of 2024 and as of the first quarter of 2023, respectively.

The wholesale electricity price on the Day Ahead Market (RDN) of the Polish Power Exchange (TGE) had clocked in at 355.58 PLN/MWh in the first quarter of 2024 and it had been lower by 259.17 PLN/MWh (-42.2%) as compared to the same period of 2023.

The lower SPOT prices had been due to: the lower levels of the gas prices, the thermal coal prices and the CO₂ emission allowances prices in Europe. The increased generation from the RES sources had also been a significant factor affecting the SPOT prices. The total generation output from the photovoltaic sources in the first quarter of 2024 had gone up from 1 554 GWh to 2 154 GWh, i.e. up 38.6%, while that from the wind power plants had gone up from 6 670 GWh to 7 955 GWh, i.e. up 19.3% as compared to the same period of last year. There had also been a noticeable increase in the overall electricity imports in the quarter under review. Due to the predominance of the electricity imports over its exports, the higher share of the RES in Poland's electricity production, as well as the higher share of the gas fired power plants, the electricity production from the lignite and hard coal fired power plants had been lower in the first quarter of 2024.

At the same time, the electricity market is subject to the maximum prices for the submission of the balancing bids, which cannot be higher than the variable costs increased by the margin specified in the *Balancing Conditions*.

The below figure presents the average monthly electricity prices on the SPOT and RB markets in 2023 and in the first quarter of 2024.

Figure no. 2. Average monthly electricity prices on the SPOT and RB markets in 2023 and in the first quarter of 2024



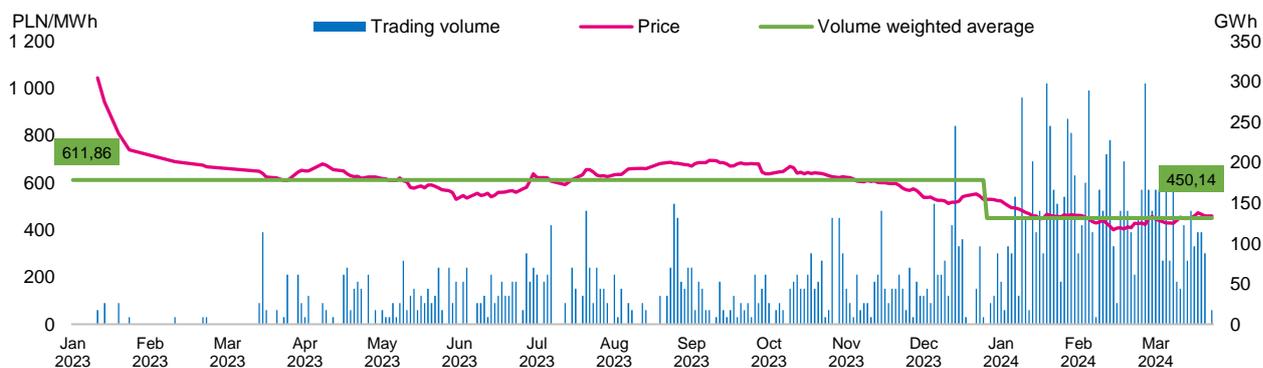
The price of the benchmark base load contract with the delivery in 2025 (BASE_Y-25) had been in a downward trend on the Polish electricity market in the first quarter of 2024, fluctuating within the range between 530 PLN/MWh and 400 PLN/MWh. The changes in the price levels had been in line with the trends in the price changes on the related markets, in particular those of the CO₂ emission allowance prices, as well as the prices of gas in Europe.

The trading volume for the one year contract with the delivery in 2025 had been higher on the Polish Power Exchange (TGE) in the first quarter of 2024 than the trading volume in the first quarter of 2023 for the one year contract with the delivery in 2024 (an increase by 104.7%). The main reason for the increased transaction volume is the lower price level, both of the annual contract itself as well as on the related markets. In addition, the low share of the hard coal and lignite in the energy mix is causing the electricity generators to want to ensure their ability to generate power in 2025 through the forward contract.

The volume weighted average price of the BASE_Y-25 contract recorded during the trading sessions taking place in the first quarter of 2024 had come in at 450.14 PLN/MWh, and it had been lower by 161.72 PLN/MWh (a decrease by 26.4%) as compared to the average price of such a contract logged in 2023. The volume weighted average price of the PEAK5_Y-25 contract had clocked in at PLN 496.58 PLN/MWh in the first quarter of 2024. No transactions had been concluded for this contract in 2023.

The below figure presents the price performance of the BASE_Y-25 contract in 2023 and in the first quarter of 2024.

Figure no. 3. BASE_Y-25 contract trading volume in 2023 and in the first quarter of 2024



Hard coal

The average price of the continued annual hard coal contract at the ARA ports had stood at 4 USD/GJ in the first quarter of 2024 and it had been lower by 1.95 USD/GJ as compared to the average price of such a contract in 2023 (a decrease by 32.7%). The price trends in the Polish market had been similar, but the rate of decline had been slower. The average value of the PSCMI1 index had come in at 22.89 PLN/GJ in the first quarter of 2024, and it had been lower than the value of this index in the first quarter of 2023 by 9.47 PLN/GJ (a decline by 29.3%).

The demand and supply balance on the international hard coal market had become more stable in the first quarter of 2024 as compared to the period of the price fluctuations in the 2022-2023 time frame which had been a consequence of the Russian Federation's attack on the Ukrainian territory.

In the first half of Q1 2024, the hard coal prices at the ARA ports had fallen down below 4 USD/GJ, with the main factors behind this drop being the low demand from the European buyers due to the high inventory levels, the large

generation from the RES, the higher than average seasonal temperatures and the strong correlation of the hard coal prices with the gas prices.

On the other hand, the hard coal prices rose in the second half of Q1 2024, driven by the US government's sanctioning of the Russian hard coal companies SUEK and Mechel, the Baltimore bridge disaster and the resulting blockade of the exports from the Consol and Curtis Bay Pier terminals, as well as the concerns with respect to the curbing of the gas supplies to Europe.

Natural gas

The volume weighted average price of gas on the Day Ahead Market (RDN) on the Polish Power Exchange (TGE) had stood at 148.98 PLN/MWh in the first quarter of 2024 and it had been lower by 125.63 PLN/MWh than in the first quarter of 2023. The lowest price of the contract on the SPOT market had been recorded in February 2024, while the highest price had been logged in January 2024, with the volume weighted average monthly prices coming in at 134.79 PLN/MWh and 161.18 PLN/MWh, respectively.

The volume weighted average gas price of the benchmark GAS_BASE_Y-25 one year contract had clocked in at 160.98 PLN/MWh in the first quarter of 2024. The lowest price of this contract had been reported in February 2024, while the highest price had been logged in January 2024, coming in at 145.48 PLN/MWh and 184.63 PLN/MWh, respectively.

The aggregate trading volume on the Polish Power Exchange (TGE) had clocked in at approx. 32.5 TWh in the first quarter of 2024, as compared to approx. 39.8 TWh in the first quarter of 2023 (a decrease by 18.4%). The futures market had the largest share in the overall gas trading in the first quarter of 2024, with a volume generated at the level of approx. 25.7 TWh. On the SPOT market, the total trading volume in the day ahead contracts had come in at approx. 5.6 TWh (a rise by 24.4%).

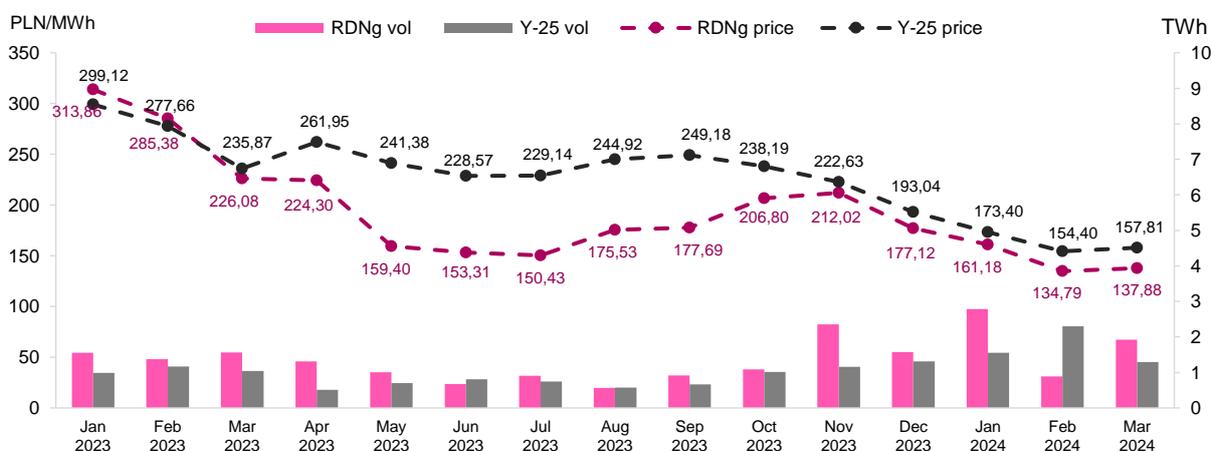
The downward trend started in late October 2023 had been continued on the European gas market in the first half of the first quarter of 2024. In February 2024, the prices had fallen down to the levels quoted back in June 2023. However, in the second half of the first quarter of 2024, the gas prices in the European hubs had rebounded and begun to move in an upward trend.

After a period of the high price volatility in the years 2022-2023, as a consequence of the Russian Federation's attack on Ukraine, the demand and supply balance in the European gas market had stabilized in the first quarter of 2024. The prices of gas on the global markets had gone down significantly as compared to the levels observed in 2023, but remained above the average prices observed before the outbreak of the conflict across Poland's eastern border.

The factors that had dominated the market conditions at the beginning of the first quarter of 2024 had been the temperatures well above the seasonal norms and the high wind based power generation. Together with the stable gas flows from the Norwegian Continental Shelf, the EU countries had been able to reach the unprecedentedly high average storage fill levels at the end of the first quarter of 2024. In spite of this, the news related to the declines in the supplies of the commodity in question from the US, as well as Russia's attacks on Ukraine's gas infrastructure had led to the strong rises in the global gas markets in March 2024.

The below figure presents the average monthly SPOT market and BASE_Y-25 contract gas prices on TGE (PPX) in 2023 and in the first quarter of 2024.

Figure no. 4. Average monthly SPOT market and BASE_Y-25 contract gas prices on TGE (PPX) in 2023 and in the first quarter of 2024



CO₂ emission allowances

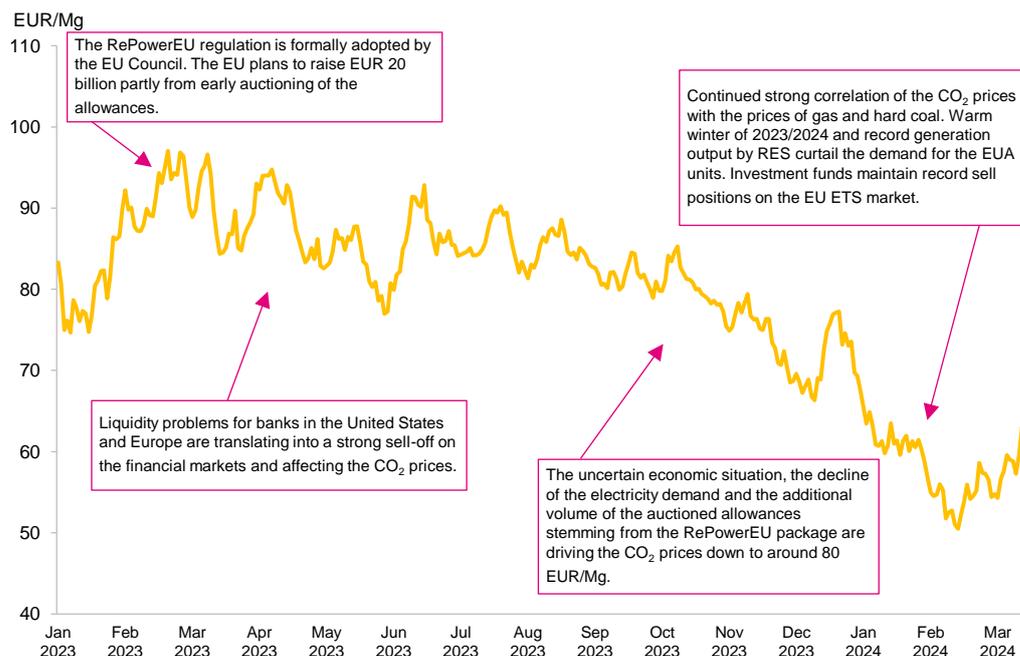
The settlement (clearing) prices for the CO₂ emission allowances under the benchmark contract with the delivery in December 2024 (EUA DEC-24) on the ICE Endex exchange had been fluctuating within the range between 52.22

EUR/Mg and 77.32 EUR/Mg in the first quarter of 2024. The average clearing price in the first quarter of 2023 had come in at 61.55 EUR/Mg and it had been lower by 23.71 EUR/Mg, as compared to the average price of the similar contract logged in the first quarter of 2023 (-31.6%).

At the beginning of 2024, the prices of the CO₂ emission allowances prices continued a strong downward trend that had been commenced in the second half of 2023. The reason for which was the continued supply pressure related to the higher auction volumes and the sales of the additional allowances in order to finance the RePowerEU package. A persistent short position of the investment funds (published by the ICE Endex exchange in accordance with the MIFID2 directive in force) was also observed. The demand side activity was curtailed by a warm winter, the continued low electricity demand, an increase of the generation by the nuclear power plants and the seasonal record production output by the RES in the first quarter of 2024.

The below figure presents the impact of the political actions and the environment (stakeholders) on the EUA SPOT product price performance in 2023 and in the first quarter of 2024.

Figure no. 5. Impact of the political actions and the environment (stakeholders) on the EUA SPOT product price performance in 2023 and in the first quarter of 2024



Property rights

The prices on the green certificates market had continued to move mainly in a downward trend in the first quarter of 2024. The TGEozea index had reached its maximum price, which stood at 71.35 PLN/MWh, at the beginning of January 2024, while the minimum price for the above mentioned index had been recorded at the end of February 2025, at the level of 42.45 PLN/MWh. The weighted average price of PMOZE_A in the first quarter of 2024 had come in at 50.92 PLN/MWh and it had been lower by 76.7%, than the weighted average price in the same period of 2023 (a decrease by 167.77 PLN/MWh).

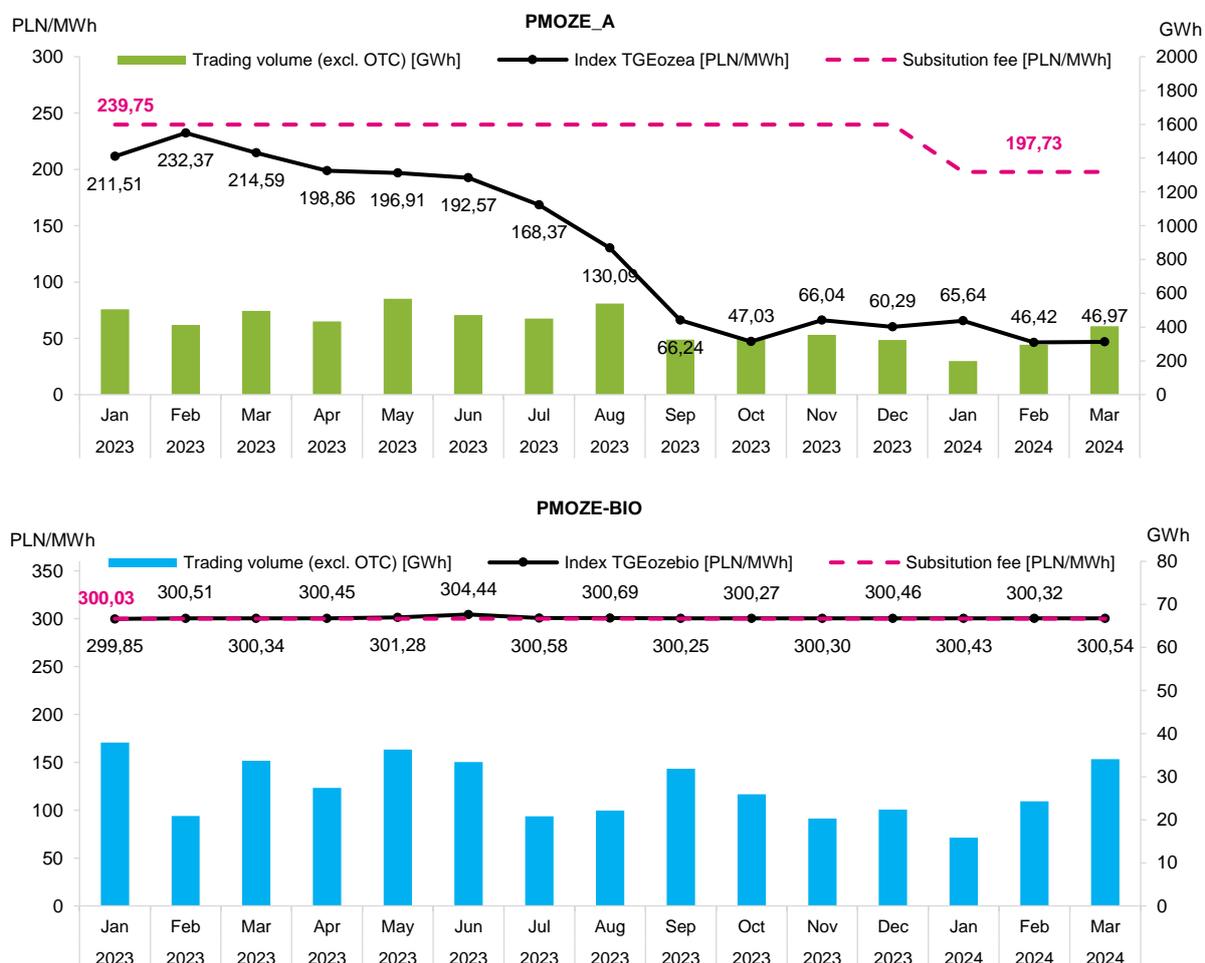
The balance of the PMOZE_A register, as of the end of March 2024, had reached a surplus of 17.0 TWh. Taking into account the certificates that are blocked for the redemption, this balance had dropped to the level of 12.6 TWh (a decrease by 21.6%, year on year). The substitution fee set for 2024 had come in at the level of 197.73 PLN/MWh, while the obligation to present the green certificates for the redemption in 2024 had dropped by 7 pp as compared to 2023 and, in accordance with the *Regulation of the Minister of Climate and Environment of August 28, 2023, on changing the quantitative share of the total of electricity resulting from the redeemed guarantees of origin of energy (energy certificates) confirming the production of electricity from the renewable energy sources in 2024*, it stands at 5%.

The prices of the certificates confirming the generation of electricity from the agricultural biogas PMOZE-BIO (blue certificates), for which the level of the obligation in 2024 stands at 0.5%, had invariably been stable. The TGEozebio index had traded close to the substitution fee, which in 2024 had invariably stood at 300.03 PLN/MWh. The weighted average price of the TGEozebio index had come in at 300.44 PLN/MWh for the first quarter of 2024. The balance of the PMOZE-BIO register, as of the end of March 2024, had stood at 357.4 GWh. Taking into account the certificates blocked for the redemption, this balance had dropped to the level of 341.7 GWh (a decrease by 7.9% year on year).

The prices of the PMEF_F white certificates had been fluctuating in 2024 between the minimum level of 2 112.61 PLN/toe, reached at the beginning of January 2024, and the maximum price, obtained at the end of March 2024, standing at the level of 2 320.33 PLN/toe. The weighted average price had come in at 2 141.30 PLN/toe in the first quarter of 2024, and it had been higher by 3.1%, as compared to the same period of 2023. On average, the prices had been clocking in at 1.45% above the substitution fee set at the level of 2 110.65 PLN/toe for 2024. The trading volume had been comparable to that in the first quarter of 2023, and it had come in at 25 793 toe this year.

The below figures present the property rights indices, the so-called green and blue certificates, in 2023 and in the first quarter of 2024.

Figure no. 6. Property rights indices in 2023 and in the first quarter of 2024



Regulatory environment

TAURON Capital Group is monitoring the changes and taking actions in the regulatory area, both on the national, as well as on the European Union (EU) level, which may have a direct or indirect impact on TAURON Capital Group

The below table below presents the most important changes and initiatives in the regulatory environment of TAURON Capital Group with respect to the EU legislation in the first quarter of 2024.

Table no. 11. Most important changes and initiatives in the regulatory environment of TAURON Capital Group with respect to the EU legislation in the first quarter of 2024

Name and description of the regulation	Status as of March 31, 2024	Impact on TAURON Capital Group
2040 climate target		
On February 6, 2024, the European Commission (EC) published the communication "Securing Our Future - the 2040 Climate Target and the Road to Climate Neutrality by 2050 as the Foundations for a Sustainable, Just and Prosperous Society," proposing an EU wide climate target for 2040. The 2040 target will be an intermediate goal in achieving the EU climate neutrality in 2050. The 2040 climate target has been proposed as a 90% reduction in the net greenhouse gas emissions, relative to the 1990 levels. This scenario primarily envisions the use of the zero- and low carbon sources in 2040, including RES, nuclear power, energy efficiency, energy storage, CCS and CCU technologies.	Adoption of the EC Communication	An intermediate target for 2040 is expected to be set in the European climate law, which will entail a tightening of the EU climate policy and the EU climate and energy regulations. Among other things, the phasing out of the fossil fuels is expected, as well as a possible greater support and facilitation for the RES investments, a greater use of

Name and description of the regulation	Status as of March 31, 2024	Impact on TAURON Capital Group
<p>The RES sources complemented by the nuclear power would generate more than 90% of the EU electricity consumption in 2040.</p>		<p>RES, nuclear power, energy storage. An expansion of the electricity grids is also anticipated</p>
<p><i>European action plan for wind power – European Wind Package</i></p>		
<p>In October 2023, the EC had published the communication “<i>European Wind Energy Action Plan</i>,” whose goals had been to provide the support for the EU wind energy companies and to improve their competitiveness to ensure that the EU wind energy industry can continue to play a key role in the green transition.</p> <p>The plan outlines the actions to be taken in order to achieve the above goal jointly by the EC, the member states and the industry based on the existing policies and legislation. It consists of the main pillars identified below:</p> <ol style="list-style-type: none"> 1. accelerating of the implementation through a greater predictability and faster issuing of the permits, 2. improved auction model, 3. access to the financing, 4. creating a fair and competitive international environment, 5. skills, 6. engaging of the industry and extracting of the commitments from the member states. <p>In terms of the pillar related to the improved auction model, the document is indirectly linked to the Net Zero Industry Act (NZIA) whose processing is currently under way, which contains, among other things, the provisions related to the non-price criteria to be applied in the RES auctions in order to promote the development of the value chains in the EU.</p>	<p>Adoption of the EC Communication</p> <p>The implementation of the measures based on the existing regulations (for example, the funding from the Innovation Fund), as well as through the new regulations, for example, the non-price criteria for the RES auctions in the Net Zero Industry Act (NZIA) (the inter - institutional agreement in February 2024)</p>	<p>It is expected that the implementation of the investments in the wind power sector will be made easier, the access to the EU funding will possibly be made easier.</p>
<p><i>Fit for 55</i></p>		
<p>The <i>Fit for 55</i> regulatory package proposal published by the European Commission (EC) in July of 2021 includes, among other things, a revision of the directive on the promotion of the energy coming from the renewable sources (REDIII), the directive on energy efficiency (EED), the directive on the European Union's Emissions Trading System (EU ETS) or the introduction of a price adjustment mechanism at the borders taking into account the CO₂ emissions (Carbon Border Adjustment Mechanism - CBAM). The <i>Fit for 55</i> package aims to introduce the legislative mechanisms that will allow for achieving the target of reducing the greenhouse gas emissions by at least 55% by 2030. The indicated regulations include, among other things, the proposals for the tightening of the EU ETS system, changing of the definition of the efficient district heating and cooling systems, increasing of the RES target and improving of the energy efficiency by 2030. In December 2021, the EC had published the next elements of the <i>Fit for 55</i> package, including a draft revision of the Energy Performance of Buildings Directive (EPBD).</p> <p>The works on the package are being finalized, the majority of the regulations had already been published in the Official Journal of the EU (CBAM, ETS, REDIII, EED). The negotiations on the draft EPBD directive revision had been completed in December 2023. The works on the "gas package", published by the EC on December 15, 2021, which include a revision of the Directive related to the common rules for the internal market in the natural gas and a revision of the regulation related to the conditions for access to the natural gas transmission networks, are also at the final stage. The goal of the package is to increase the share of the renewable and the low carbon gases in the energy system, which will enable a shift away from the natural gas and the meeting of the European Union's target of achieving the climate neutrality by 2050. The political agreements on the directive and on the regulation, reached in 2023, are awaiting to be formally approved by the EP (they had been approved in April – an event that took place after the balance sheet date) and by the Council before their publication in the Official Journal of the EU. An important element of the gas package is the definition of the low carbon hydrogen included in the directive, which will be detailed in a delegated act.</p>	<p>The process had been completed – the legal acts published in the Official Journal of the EU (CBAM, ETS, REDIII, EED)</p> <p>Continuing of the works on the gas package (awaiting the publication in the Official Journal of the EU) and on the EPBD directive (awaiting the publication in the Official Journal of the EU)</p>	<p>The <i>Fit for 55</i> package will contribute to the development of the low emission (low carbon) technologies, first and foremost the renewable energy sources. The regulations that are a part of the package will introduce a number of the new important requirements and changes in the market and in the regulatory environment for TAURON Capital Group's subsidiaries, including, among other things, raising of the target for the share of the energy coming from the renewable sources under the REDIII Directive, raising of the emissions reduction target in the ETS Directive, increasing energy efficiency in the EED directive, or significantly curtailing of the levels of the emissions (decarbonizing) generated by the buildings in the EPBD directive.</p>
<p><i>Reform of the electricity market</i></p>		
<p>The primary goal of the reform of the electricity market is to limit the increases of the electricity prices while improving the conditions for the investments in the renewable energy sources in the EU. On March 14, 2023, the EC had published the draft proposals that make up the energy market reform. The main elements of the reform are included in the amendment of the market regulation 2019/943, including the shoring up of the importance of the role of the Power Purchase Agreements (PPAs) and the Contracts for Difference (CfDs).</p> <p>The reform also includes an amendment to Regulation 1227/2011 (the so-called REMIT Regulation) in order to make market monitoring more transparent, as well as to ensure more effective investigations by the European Union Agency for the Cooperation of Energy Regulators with respect to the potential cross-border market abuse cases.</p> <p>In July 2023, the European Parliament's Committee on Industry, Research and Energy (ITRE) had voted through the European Parliament's position on the reform of the electricity market, while the EP plenary meeting in September 2023 had voted through the EP's negotiating mandate for the trilogues with the EC and the Council. These began once the Council's position (General Approach) had been adopted on October 17, 2023. On December 13, 2023, a political agreement was reached on the reform of the electricity market (Market Regulation and Market Directive). It must be approved and formally adopted by the Council and the EP before its publication in the EU Official Journal. The vote</p>	<p>The stage of the inter - institutional negotiations had been completed; the political agreement on the electricity market reform had been reached at the level of the EP and the Council; it was adopted by the EP in April 2024 (an event that took place after the balance sheet date); the amendment to the REMIT Regulation published in the Official Journal of the EU (an event that took place after the balance sheet date).</p>	<p>The new proposals being discussed as part of the reform may introduce a number of significant changes to the market and the regulatory environment for TAURON Group.</p> <p>In particular, the reform of the electricity market will contribute to the promotion of the electricity generation from the renewable energy sources and to the changes to the rules within the framework of the support systems. In addition, the possibility of temporarily extending the participation of the hard coal fired units in the capacity market mechanisms has been introduced, provided that the specific criteria are met.</p>

Name and description of the regulation	Status as of March 31, 2024	Impact on TAURON Capital Group
<p>in the EP took place in April 2024 (an event that took place after the balance sheet date).</p> <p>The amendment to the REMIT Regulation had been granted the approval by the Council on March 18, 2024. Regulation 2024/1106 was published in the Official Journal of the EU on April 17, 2024 (an event that took place after the balance sheet date).</p>		
<p><i>Regulation on the establishment of a framework of measures to strengthen the European ecosystem for the production of the carbon neutral technology products (Net-Zero Industry Act)</i></p>		
<p>In March 2023 the EC had published a proposal for a Net-Zero Industry Act (NZIA) regulation that had focused on establishing the conditions to increase the production capacity of the carbon neutral technologies in the EU in order to contribute to achieving the EU's climate goals and climate neutrality target</p> <p>In June 2023, the EP's competent committee had submitted a draft regulation. In November 2023, the EP had adopted its position with respect to the NZIA, while in December 2023 the General Approach had been adopted by the Council, which allowed for the inter - institutional negotiations to begin.</p> <p>In February 2024, the Council and the EP had reached a political agreement, which must be formally adopted by both institutions before its publication in the Official Journal of the EU. The agreed upon content of the regulation introduces, among other things, a list of the carbon neutral technologies and the shorter time limits for issuing of the permits for the construction or expansion of the production projects (including for the grid connection). The regulation is also very important for the shape of the future auction model in the area of the renewable energy sources: including the use of the non-price criteria in the auctions in order to develop the value chains in the EU. The introduction of the non-price criteria is also envisaged for the public procurement covering a range of the carbon neutral technologies.</p>	<p>The stage of the inter - institutional negotiations had been completed; the political agreement had been reached at the level of the EP and the Council</p>	<p>The EC initiative may introduce a number of significant changes in the market and the regulatory environment of TAURON Group aimed at increasing the production capabilities with respect to the green technology on the territory of the EU. In addition, the regulation and the planned executive act will have a significant impact on the shape of the RES auctions (in particular, in terms of the additional, non-price criteria).</p>
<p><i>Directive 2010/75/EU on the industrial emissions (integrated pollution prevention and control)</i></p>		
<p>On April 5, 2022, the European Commission (EC) had submitted a proposal to revise the IED directive, which is the EU's main instrument regulating the pollutants emitted by the industrial installations, in order to make it more effective in preventing or minimizing the emissions of the pollutants and stimulating the transition to the zero pollutant emissions level, contributing to the accomplishment of the targets set out in the European Green Deal.</p> <p>The Council had adopted the general approach in March 2023, while the EP had adopted its negotiating position in July 2023</p> <p>In November 2023, the Council and the EP had reached a political agreement, which was adopted by the EP in March 2024. The agreement still has to be formally approved by the Council before its publication in the Official Journal of the EU. The agreed upon text obliges the member states, among other things: to apply the most stringent admissible emission limit values achievable in the BAT compliant installations, to introduce the derogations from the BAT compliant admissible emission limit standards in case of the emergency situations leading to the major supply disruptions, to take into account the operators' indicative 2030-2050 transition plans in the environmental management system.</p>	<p>The stage of the inter - institutional negotiations had been completed; the political agreement had been reached at the level of the EP and the Council; the agreement had been adopted by the EP in March 2024, and in April 2024 by the Council (an event that took place after the balance sheet date)</p>	<p>The regulations may result in the need to incur additional expenditures to bring the operating generating units and the contemplated generating units into the compliance with the stringent standards.</p> <p>However, the final conditions for the existing and the planned investment projects will be known after the BAT conclusions have been adopted.</p>
<p><i>The Commission Regulation (EU) No. 2023/1315 of June 23, 2023, amending the regulation (EU) No. 651/2014, recognizing certain types of aid as being compatible with the internal market in the application of Articles 107 and 108 of the Treaty and Regulation (EU) 2022/2473</i></p>		
<p>In the first quarter of 2023, the works had been completed on the review of the 2014 General Block Exemption Regulation, which contains the ex ante compatibility conditions under which the member states can implement the state aid measures without first notifying the EC thereof. The revision of the above mentioned block exemption regulation was aimed at ensuring the feasibility of achieving the targets under the European Green Deal, further clarifying the rules for the aid for the investments in the areas related to the energy performance of buildings, as well as the charging and refueling infrastructure for the needs of the clean mobility.</p> <p>The goal of the introduced amendments to the GBER block exemption regulation is to simplify the provision of the public aid to the energy transition and digital transformation investment projects.</p> <p>The amendments to the regulation had been adopted by the EC in March 2023, with the formal adoption of the regulation taking place on June 23, 2023. On June 30, 2023, the regulation amending regulation 651/2014 had been published in the Official Journal of the EU and it came into force as of July 1, 2023.</p> <p>The amended GBER regulation will be in force until the end of 2026.</p>	<p>The amendments to the GBER Regulation had been approved by the EC.</p> <p>The amending regulation had been published in the Official Journal of the European Union.</p>	<p>The changes introduced (among other things, with respect to the principles of the RES support schemes, the levels of the notification thresholds, the possibility of providing the support for the hydrogen, the principles of supporting the gas investments) will be particularly relevant from the perspective of providing the public aid as part of the aid funds implemented in the 2021 - 2027 financial plan.</p> <p>A number of the national aid programs based on the GBER had been adapted to the new framework resulting from Regulation 2023/1315 in the first quarter of 2024.</p>
<p><i>Executive Decision of the Council amending the Executive Decision (EU) (ST 9728/22 INIT; ST 9728/22 ADD 1) of June 17, 2022, on the approval of Poland's National Recovery and Resilience Improvement Plan</i></p>		
<p>In accordance with Article 21c of Regulation (EU) 2021/241, Poland submitted a revised National Recovery Plan (NRP), including the RePowerEU related section, to the EC on August 31, 2023. The NRP revisions are related to 59 activities. The NRP budget following the revision stands at PLN 263.23 billion (PLN 111.27 billion in the grant (subsidy) part, PLN 151.96 billion in the loan part). In line with the EU targets, a significant portion of the budget is to be</p>	<p>Amendments to the National Recovery Plan (NRP) have been approved by the EC and adopted by the Council.</p>	<p>The changes made to the National Recovery Plan (NRP), i.e. the establishment of the Energy Support Fund and of the Offshore Wind Energy Fund, the setting up of a new investment in the construction or the</p>

Name and description of the regulation	Status as of March 31, 2024	Impact on TAURON Capital Group
<p>allocated to the climate objectives (46.6%) and to the digital transformation (21.36%).</p> <p>Changes related to 7 reforms are primarily associated with facilitating the development of RES, developing of the local energy communities, accelerating of the integration of RES into the distribution grids, increasing of the energy efficiency.</p> <p>The amendments related to 10 investments include in the grant part, among others, the development of the transmission networks, the implementation of RES by the energy communities, the construction of the energy storage facilities, the construction or the modernization of the distribution grids in the rural areas, the establishment of the Energy Support Fund and of the Offshore Wind Energy Fund.</p> <p>The EC approved the updated National Recovery Plan (NRP) covering RePowerEU on November 21, 2023.</p> <p>The Ministry of the Regional Funds and Policy had held the public consultations on the NIP revision in March and April 2024. 11 of 55 reforms and 22 of 56 investments were included in the revision.</p>	<p>The solutions with respect to the National Recovery Plan (NRP) are at the implementation stage.</p>	<p>modernization of the distribution grids in the rural areas, as well as the new reforms, i.e. the elimination of barriers to the RES development and the acceleration of the RES integration into the distribution grid, may contribute to the optimizing of the financing structure of the investment projects implemented and planned to be implemented by TAURON Group.</p> <p>The detailed solutions with respect to the National Recovery Plan (NRP) are at the implementation stage.</p>

The below table below presents the most important changes in the national regulatory environment of TAURON Capital Group in the first quarter of 2024 with respect to the adopted and published legislative acts that may have a direct or indirect impact on TAURON Capital Group.

Table no. 12. Most important changes in the national regulatory environment of TAURON Capital Group in the first quarter of 2024 with respect to the adopted and published legislative acts

Name and description of the regulation	Status as of March 31, 2024	Impact on TAURON Capital Group	Impact on the Segment
<i>National Energy and Climate Plan until 2030 (update of the 2019 NECP).</i>			
<p>According to the assumptions of the National Energy and Climate Plan (NECP) update, the emission reductions will be slower than the EU targets. Poland is able to achieve a 35 percent reduction in the greenhouse gas emissions in 2030 in relation to the 1990 level, as compared to the 30 percent assumed in the National Energy and Climate Plan (NECP) currently in effect, and the 55 percent that stems from the <i>Fit for 55</i> package. Poland declares that by 2030 it will achieve a 29.8 percent share of RES in the gross final energy consumption, i.e. 7 - 9 percentage points higher than assumed in the National Energy and Climate Plan (NECP) currently in effect. The National Energy and Climate Plan (NECP) currently in effect assumes shutting down, by 2030, of 8 GW of the coal fired power plants' and the combined heat and power plants' installed capacity.</p>	<p>March 5, 2024. – the submission of a preliminary version with a baseline scenario to the European Commission (a version containing an ambitious scenario should be submitted to the EC by June 30, 2024).</p>	<p>The draft envisages a large increase in the RES installed capacity and the additional capacity in the nuclear and gas fired power. According to the scenario, there will be a significant decrease in the coal fired installed capacity.</p>	 <p>TAURON Group</p>

The below table presents the most material changes in the national regulatory environment of TAURON Capital Group on which the work is in progress or which have been adopted after the balance sheet date.

Table no. 13. Most material changes in the national regulatory environment of TAURON Capital Group on which the work is in progress or which have been adopted after the balance sheet date

Name and description of the regulation	Status as of March 31, 2024	Impact on TAURON Capital Group	Impact on the Segment
<i>Draft Act on the Energy Voucher and the Amendments to Certain Other Acts</i>			
<p>The draft introduces:</p> <ol style="list-style-type: none"> a one time energy voucher for the households in the period from July 1 to December 31, 2024, in the amount of PLN 300 to 1 200, depending on the type of the households and the heating method used, the obligation of the electricity trading companies to submit, for the needs of the eligible customers, to the ERO President for approval, within 7 days of the date of the entry into force of the act, a tariff amendment or a tariff with a validity period not shorter than until December 31, 2025, with a proviso that a failure to do so will suspend the compensation payments or result in the need to apply the average prices based on the approved tariffs of the ex-officio electricity suppliers, extension of the maximum price mechanism's effective term to cover the second half of 2024, in the amount of up to 500 PLN/MWh while maintaining the use of the compensations and the advance payments, extension for the customers covered by the tariff protection based on the mechanism involving the gas fuels' maximum price at the level of the tariff set for the energy company or lower, and an extension of the 	<p>The draft had not been published</p>	<p>A potential risk of a loss of revenue in the supply segment from the supply of the electricity to the tariff covered customers in the second half of 2024.</p>	 <p>Supply Segment</p>

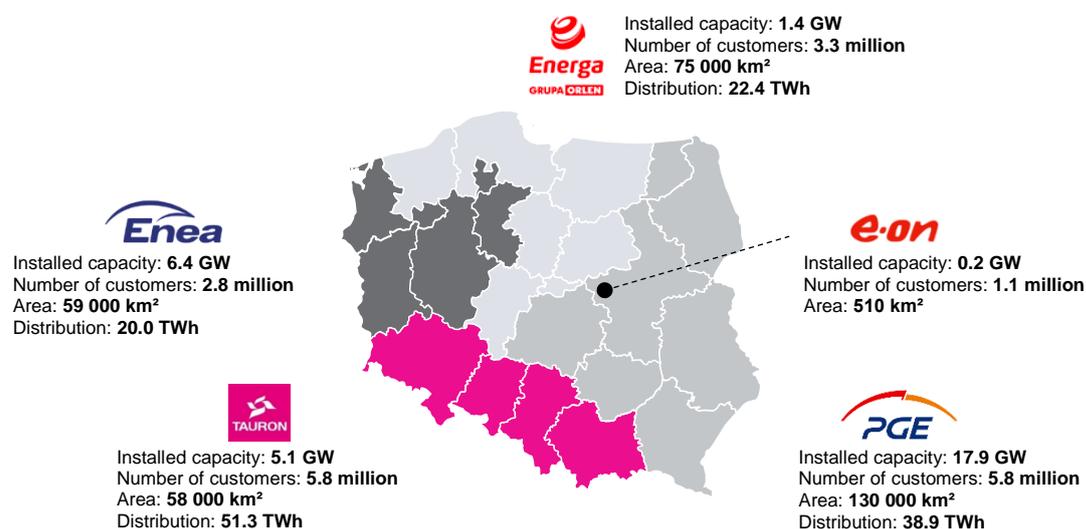
Name and description of the regulation	Status as of March 31, 2024	Impact on TAURON Capital Group	Impact on the Segment
<p>effective term of the mechanism envisaging the compensations for the sellers of the gas fuels,</p> <p>5. extension of the vacatio legis period (grace period) for the regulations related to the virtual prosumer until July 2, 2025</p>			
<p><i>Act on Amendments to Certain Acts in order to Deregulate the Economic and Administrative Law and Improve the Principles of Economic Law Development</i></p>			
<p>The proposed amendments include, among other things, the changes to the definitions of a small installation and a micro installation by allowing the installations not connected to the grid (the so-called island installations) to be called by such names. In addition, the act makes it easier to erect the small wind power plant installations up to 12 meters high by allowing them to be built based on a notification.</p>	Public consultation on the draft	The act has an impact on the competitive environment of TAURON Group by making it easier to carry out investments in the RES installations.	

Competitive environment

Apart from TAURON Capital Group, three large, vertically integrated energy groups are currently operating on the Polish energy market: PGE, Enea and Energa. In addition, the company E.ON Polska S.A. is conducting its operations in the Warsaw metropolitan area, managing Warsaw's power grid.

The below figure presents TAURON Capital Group's competitive environment based on the available data for the year 2023.

Figure no. 7. TAURON Capital Group's competitive environment based on the available data for the year 2023

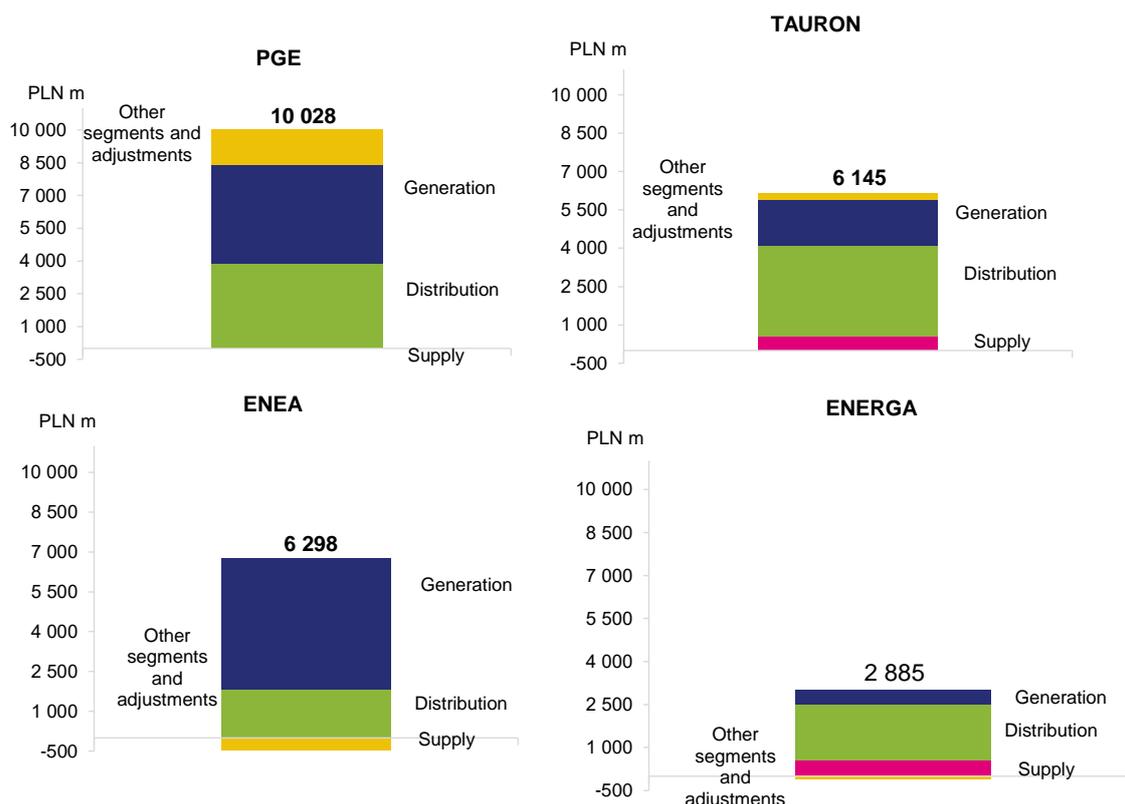


According to the data for the year 2023, the consolidated energy groups (PGE, TAURON, Enea, Energa) had held an approximately 61% market share in the electricity generation sub-sector.

TAURON Capital Group is a fully vertically integrated electric utility that takes advantage of the synergies stemming from the size and scope of the operations conducted thereby. In 2023, TAURON Capital Group had been conducting its operations in all of the key segments of the energy market (excluding the transmission of electricity), i.e. the generation, distribution as well as the supply and trading of the electricity and heat.

The below figure presents the information on the structure of EBITDA based on the main operating segments.

Figure no. 8. EBITDA – estimated structure based on the main operating segments in 2023.¹



¹ In order to make the segments presented comparable the Generation Segment includes also Mining, RES and Heat.
Source: Companies' interim reports

Generation



TAURON Capital Group is a key producer of electricity in Poland

TAURON Capital Group's share in the domestic electricity generation market, measured based on the gross electricity production output, had stood at approx. 8% in 2023. TAURON Capital Group is the third largest electricity producer on the Polish market. TAURON Capital Group's conventional generation assets are concentrated in the south of Poland. The renewable energy sources: the wind and photovoltaic power plants are located throughout the country, while the hydro electric power plants are located in the southern and southwestern parts of the country.

86% of TAURON Capital Group's generation assets had been, as of the end of the first quarter of 2024, the hard coal fired units. TAURON Capital Group's total installed capacity had stood at 5.1 GW as of March 31, 2024, with the renewable energy sources accounting for close to 0.7 GW of that figure. The wind farms' installed capacity represents 8%, while the hydro electric power plants' installed capacity accounts for 3% and the biomass fired generating units' installed capacity accounts for 2% of TAURON Capital Group's total installed capacity.

TAURON Capital Group produced 3.21 TWh of electricity in the first quarter of 2024, with 0.54 TWh coming from the RES.

Nationwide, as of the end of 2023, TAURON Capital Group's hard coal fired units' installed capacity had accounted for approx. 14% of the total installed capacity of all of the hard coal and lignite fired generating units in Poland. With respect to the installed capacity of the wind farms, biomass and biogas fired power plants, as well as the hydro electric power plants, the share of TAURON Capital Group had come in at: approx. 4%, 7% and 14%, respectively.

According to the data for the full year 2023, PGE is the largest electricity generator in Poland, with its share in the domestic electricity production market standing at approx. 37%, and the installed capacity of 17.9 GW. Enea is the second largest electricity producer in Poland, with a market share coming in at approx. 14% and the installed capacity of 6.4 GW. Energa, on the other hand, has the largest share of the electricity produced from the renewable energy sources (RES) on the Polish market and Energa's total installed capacity stands at approx. 1.4 GW. Energa produced 3.4 TWh of electricity in 2023, with approx. 1.17 TWh (i.e. 47%) coming from the RES.

The below figures present the information on the installed capacity and the electricity generated in 2023.

Figure no. 9. Gross electricity production - estimated market shares in 2023

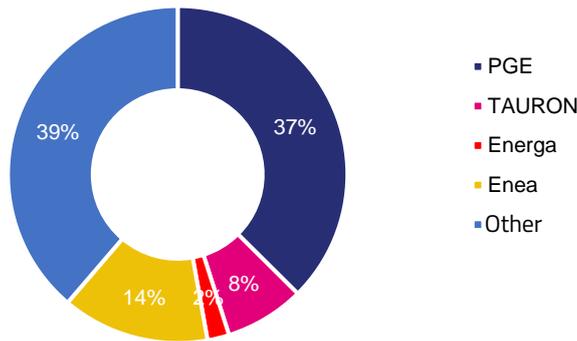
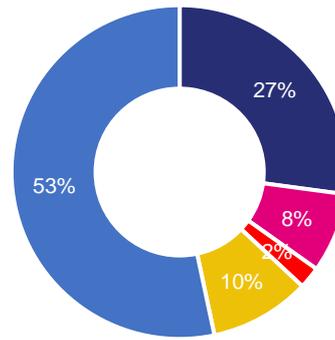


Figure no. 10. Installed capacity - estimated market shares in 2023



Source: Agencja Rynku Energi S.A. (ARE), the companies' information posted on the web sites

Distribution



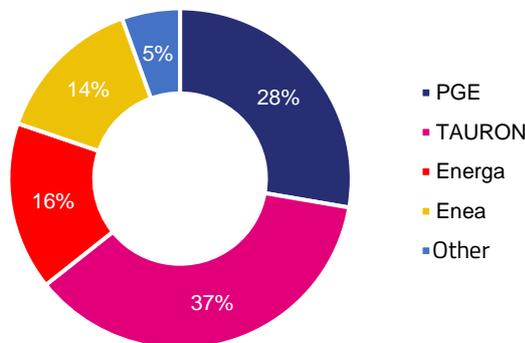
TAURON Capital Group is the Polish market leader in terms of the number of the distribution customers and the volume of electricity distributed

TAURON Capital Group is the largest electricity distributor in Poland. TAURON Dystrybucja's share in the electricity distribution to the final consumers had come in at approx. 37% in 2023. TAURON Capital Group's distribution grids cover more than 18% of Poland's territory. The volume of the electricity delivered to the final consumers had clocked in at approx. 13.65 TWh in the first quarter of 2024. TAURON Capital Group is the largest electricity distributor in Poland, also in terms of the revenue from the distribution operations.

TAURON Capital Group's distribution operations, due to the natural monopoly in the designated area, are a source of a stable and predictable revenue, accounting for a material part of the consolidated revenue of the entire TAURON Capital Group. The electricity distribution's geographical area on which the Distribution Segment's and the Supply Segment's subsidiaries are historically operating is a heavily industrialized and densely populated area and therefore the distribution grid is very well utilized. The number of the Distribution Segment's customers had come in at approx. 5.94 million as of the end of the first quarter of 2024.

The below figure presents the estimated market shares of the individual energy groups in terms of the electricity distribution based on the data for the year 2023.

Figure no. 11. Electricity distribution - estimated market shares in 2023



Source: Agencja Rynku Energi S.A. (ARE), the companies' information posted on the web sites

Supply



TAURON Capital Group is the second largest electricity supplier in Poland

TAURON Capital Group holds a 23% share in the market of the electricity supply to the final consumers in Poland. The volume of the retail electricity supply of TAURON Capital Group had come in at 7.43 TWh in the first quarter of 2024. The number of the customers served by TAURON Capital Group's Supply Segment stands at 5.79 million.

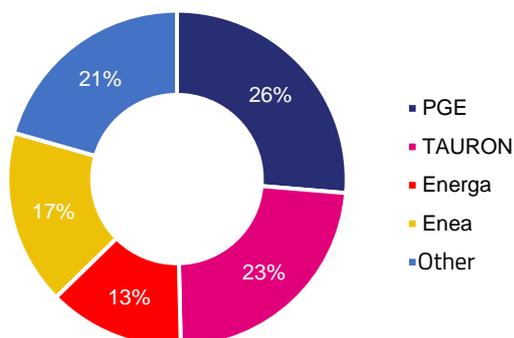
PGE is the largest retail electricity supplier with a 26% market share. The other two groups, Enea and Energa, hold a 17% and a 13% market share, respectively.

In the segment that includes the electricity supply to the households the individual energy groups are geographically linked, first of all, with the areas in which they are acting as an ex officio electricity supplier. The need to submit household tariffs for an approval to the President of the Energy Regulatory Office (ERO) leads to the limited options for the positioning of the prices in the product offerings, and what follows, it impacts the attractiveness thereof for

the customers. Such restrictions do not apply to the business and institutional customers. A broader and more open competition exists in those sectors.

The below figure presents the estimated market shares of the individual energy groups in terms of the electricity supply to the final consumers based on the data for the year 2023.

Figure no. 12. Electricity supply to the final consumers - estimated market shares in 2023



Source: Agencja Rynku Energi S.A. (ARE), the companies' information posted on the web sites

The below table presents the information on the installed capacity and the volume of the electricity generation, distribution and supply in 2023, as well as the domestic market shares.

Table no. 14. Installed capacity, generation, distribution and supply of electricity by energy groups in 2023

Group	Installed capacity		Generation ¹		Distribution		Supply	
	GW	%	TWh	%	TWh	%	TWh	%
1. PGE	17.9	27	62.4	37	38.9	28	34.7	26
2. TAURON	5.1	8	12.7	8	51.3	37	30.8	23
3. Energa	1.4	2	3.4	2	22.4	16	17.1	13
4. Enea	6.4	10	23.4	14	20.0	14	22.2	17
5. Other	35.6	53	64.5	39	7.7	5	27.1	21
Total	66.4	100	166.4	100	140.3	100	131.9	100

¹Volume of the gross electricity generated in 2023

Source: ARE, information from the companies posted on their web sites, the in-house estimates in case of the companies publishing the net production output.

The analysis of the largest energy groups operating on the domestic market points to the various sources of the competitiveness in the selected segments of the energy market, depending on the operations conducted thereby

2.2. Factors that will have an impact on the results achieved over at least the next quarter

The factors presented in the below table will have the most material impact upon the results of TAURON Capital Group's operations over at least the next quarter.

Table no. 15. Factors that will have the most material impact upon the results of TAURON Capital Group's operations over at least the next quarter

#	Description of the factor
1.	aggression of the Russian Federation against Ukraine and its impact on the Polish economy and the European Union policy, as well as the impact of the sanctions imposed against Russia and those imposed by Russia, including in particular the availability of the raw materials (the geopolitical risk),
2.	macroeconomic situation in Poland, including the inflation rate, the GDP growth rate, the changes of the interest rates, the FX rates, etc., having an impact on the valuation of the assets and the liabilities listed by the Company in the statement of financial condition,
3.	market situation in Poland and in the EU, as well as in the global economy, including the changes of the electricity prices, the prices of the CO ₂ emission allowances, the prices of the raw materials (in particular the hard coal and gas), etc., having an impact on the revenues and the level of the costs generated (including the maintaining of the IRGiT margins),
4.	change in the rules of the functioning of the balancing market and the limiting of the liquidity and transparency of the energy market (the abolition of the power exchange trading obligation),
5.	possibility of an adjustment of the G tariff for the second half of 2024 leading to a loss of a part of the sales revenue, including the possibility of a lack of the ability to pass through the full cost of the purchased electricity for the G tariff for the year 2024,
6.	changes to the regulations related to the power sector, as well as the changes in the legal environment, including: the tax law, the law on the natural environment protection and spatial development (zoning), as well as well as a potential further regulatory intervention for the second half of 2024 related to the freezing of the of the sales price of the electricity and gas, the compensations, the positions and the decisions of the government administration institutions and authorities, for example, the Office for Competition and Consumer Protection (UOKiK), ERO (URE), EC,
7.	bankruptcy of the Group's customers and counterparties, and as a consequence, an increase in the overdue accounts receivables,

8. volatility of the demand for the electricity in the National Power System and a large share of the RES units in the system and, as a consequence, the lower level of the production by the generating units, which has an impact on the level of the hard coal inventory at TAURON Group's storage sites, volatility of the revenue in the Supply and Distribution segments, taking into account the changes due to the seasonality, the macroeconomic situation, the weather conditions and the availability of the fuels,
9. level of the electricity imports / exports and of the available capacity reserve in the power system in Poland and in Europe,
10. changes to the energy mix and, as a consequence, the adjustment of the demand for the hard coal, which in turn has a material impact on the changes in the electricity price profiles, thus increasing the uncertainty with respect to the cost of the profiling and balancing of the demand of the end customers,
11. availability of the generating units,
12. changes with respect to the policies in place at the financial institutions, the restrictions with respect to the availability of the debt financing, the possibility of taking advantage of the external assistance funds, including the European Union funds, aimed at providing the support for the transition of the energy sector and mitigating the effects of the social changes,
13. further functioning of the generation capabilities compensation mechanism (capacity market), as part of which the deliveries of the electric capacity will be carried out by TAURON Capital Group subsidiaries' generating units and the demand side reduction units at the transmission system operator's request,
14. further tightening of the EU climate policy, in particular, resulting in the energy transition focused on the development of RES, as well as in an increase of the volatility of the prices of the CO₂ emission allowances,
15. outcome of the court proceedings (court litigations) that TAURON Group's subsidiaries are taking part in,
16. environment protection requirements as a consequence of the changes to the *Act of April 27, 2001, the Environment Protection Law*, the so-called anti-smog resolutions and the consequences of the adopted *Act of March 30, 2021, on amending the act on disclosing the information on the environment and the protection thereof, the participation of the public in the protection of the environment and on the environmental impact assessments, and certain other acts* (a potential impact on the investment projects currently under way, as well as on the future investment projects),
17. shaping of the human resources policy and a potential increase of the wages,
18. changes to the schedules, budgets and the scopes of the investment projects carried out by TAURON Capital Group,
19. impact of the weather conditions, including those of the extreme nature, resulting in the impact on the failure rate of the assets of TAURON Capital Group and the seasonality of the revenue generated and the costs incurred,
20. failure to carry out the spinning off of the hard coal fired generation assets outside TAURON Group (the remaining of the assets within the Group's structure); the potential government decisions related to the transition of the conventional power industry.

The detailed information related to the impact of the material factors on the financial result achieved in the first quarter of 2024 is provided in section 3 of this information. The effects of such impact are visible both in the short term, as well as in the long term outlook.

TAURON Capital Group's operations are characterized by the seasonality that is applicable, in particular, to the heat production, distribution and supply, the electricity distribution and supply to the consumers. The heat supply depends on the weather conditions, in particular on the outdoor temperature, and it is higher in the autumn and winter season. The volume of the electricity supply to the individual consumers depends on the length of the daytime which usually makes electricity supply to this group of the consumers lower in the spring and summer season and higher in the autumn and winter season. The seasonality of TAURON Capital Group's other lines of business is low.

In addition, the operations of the Group's lines of business may be affected by the current situation related to the war on the Ukrainian territory. However, given its impact on the market and the regulatory environment, which is highly volatile, forecasting its future effects is difficult due to a number of factors. Such aspects as the scale and duration of the conflict, any further developments, including a possible escalation of the hostilities, and their impact on the condition of the Polish and global economies will, in particular, have a material impact. In addition, any further regulatory actions taken at the European Union level and at the national level, in particular in the context of implementing any intervention measures and the shaping of the future energy market, may have an impact on the level of the financial performance in the coming quarters.

In addition, the ever increasingly important climate regulations at the European Union level and at the national level constitute a significant premise for analyzing the current and the future situation of TAURON Capital Group in the coming quarters.

3. ANALYSIS OF THE FINANCIAL POSITION AND ASSETS OF TAURON CAPITAL GROUP

3.1. Selected financial data of TAURON Capital Group and TAURON Polska Energia S.A.

The below table presents the selected financial data of TAURON Capital Group and TAURON Polska Energia S.A.

Table no. 16. Selected financial data of TAURON Capital Group and TAURON Polska Energia S.A.

Selected financial data	in millions of PLN		in millions of EUR	
	2024 period from 01.01.2024 to 31.03.2024	2023 period from 01.01.2023 to 31.03.2023	2024 period from 01.01.2024 to 31.03.2024	2023 period from 01.01.2023 to 31.03.2023
Sales revenue	8 142	13 559	1 884	2 885
Compensations	1 178	2 304	273	490
Operating profit	988	1 697	229	361
Pre-tax profit	732	1 392	169	296
Net profit	531	1 036	123	220
Net profit attributable to shareholders of the parent company	531	1 034	123	220
Net profit attributable to non-controlling shares	-	2	-	0
Other net comprehensive income	3	(62)	1	(13)
Total comprehensive income	534	974	124	207
Total comprehensive income attributable to shareholders of the parent company	534	972	124	207
Total comprehensive income attributable to non-controlling shares	-	2	-	0
Profit per share, basic and diluted (in PLN/EUR)	0,30	0,59	0,07	0,13
Weighted average number of shares (in pcs) (basic and diluted)	1 752 549 394	1 752 549 394	1 752 549 394	1 752 549 394
Net cash from operating activities	2 144	(645)	496	(137)
Net cash from investing activities	(1 025)	(1 011)	(237)	(215)
Net cash from financing activities	(1 088)	1 685	(252)	358
Increase / (decrease) in net cash and equivalents	31	29	7	6
	As of 31.03.2024	As of 31.12.2023 (adjusted data)	As of 31.03.2024	As of 31.12.2023 (adjusted data)
Fixed assets	38 056	37 353	8 848	8 591
Current assets	10 943	12 445	2 544	2 862
Total assets	48 999	49 798	11 392	11 453
Share capital	8 763	8 763	2 037	2 015
Equity attributable to shareholders of the parent company	18 449	17 915	4 289	4 120
Equity attributable to non-controlling shares	38	38	9	9
Total equity	18 487	17 953	4 298	4 129
Long term liabilities	17 272	18 349	4 016	4 220
Short term liabilities	13 240	13 496	3 078	3 104
Total liabilities	30 512	31 845	7 094	7 324

Selected standalone financial data of TAURON Polska Energia S.A.

Selected financial data	in millions of PLN		in millions of EUR	
	2024 Period from 01.01.2024 to 31.03.2024	2023 period from 01.01.2023 to 31.03.2023 (adjusted data)	2024 period from 01.01.2024 to 31.03.2024	2023 period from 01.01.2023 to 31.03.2023 (adjusted data)
Sales revenue	5 952	11 260	1 377	2 395
Operating profit	138	19	32	4
Pre-tax profit	22	(142)	5	(30)
Net loss	-	(159)	-	(34)
Other total net income	(6)	(73)	(1)	(15)
Total comprehensive income	(6)	(232)	(1)	(49)
Profit (loss) per share (in PLN/EUR), basic and diluted from net profit (loss)	-	(0.09)	-	(0.02)
Weighted average number of shares (in pcs) (basic and diluted)	1 752 549 394	1 752 549 394	1 752 549 394	1 752 549 394
Net cash from operating activities	715	(628)	165	(134)
Net cash from investing activities	(52)	(27)	(12)	(6)
Net cash from financing activities	(1 057)	1 741	(245)	371
Increase / (decrease) in net cash and equivalents	(394)	1 086	(92)	231
	As of 31.03.2024	As of 31.12.2023 (adjusted data)	As of 31.03.2024	As of 31.12.2023 (adjusted data)
Fixed assets	27 211	27 108	6 327	6 234
Current assets	3 595	4 946	836	1 138
Total assets	30 806	32 054	7 163	7 372
Share capital	8 763	8 763	2 037	2 015
Equity	11 444	11 450	2 661	2 633
Long term liabilities	12 626	14 067	2 936	3 236
Short term liabilities	6 736	6 537	1 566	1 503
Total liabilities	19 362	20 604	4 502	4 739

The above financial data was converted into EUR according to the following principles:

1. individual items of the statement of financial position - at the average NBP exchange rate announced on March 29, 2024 - PLN/EUR 4.3009 (as of December 29, 2023 - PLN/EUR 4.3480),
2. individual items of the statement of comprehensive income and the statement of cash flows - at the exchange rate representing the arithmetic mean of average NBP exchange rates announced on the last day of each month of the financial period from January 1, 2024 to March 31, 2024 - PLN/EUR 4.3211 (for the period from January 1, 2023 to March 31, 2023 - PLN/EUR 4.7005).

3.2. Key operating data of TAURON Capital Group

The below table presents the key operating data posted by TAURON Capital Group in the first quarter of 2023 and in the first quarter of 2024.

Table no. 17. Key operating data posted by TAURON Capital Group in the first quarter of 2023 and in the first quarter of 2024

Item	Unit	Q1 2024	Q1 2023	Change in % 2024 / 2023
Electricity generation (gross production)	TWh	3.21	3.84	84%
including generation of electricity from renewable sources	TWh	0.54	0.53	102%
<i>Production from biomass</i>	<i>TWh</i>	<i>0.07</i>	<i>0.06</i>	<i>112%</i>
<i>Production by hydroelectric power plants and wind farms</i>	<i>TWh</i>	<i>0.47</i>	<i>0.47</i>	<i>101%</i>

Item	Unit	Q1 2024	Q1 2023	Change in % 2024 / 2023
Heat generation	PJ	4.40	4.42	99%
Electricity distribution	TWh	13.65	13.66	100%
Electricity supply	TWh	9.50	11.96	80%
<i>retail supply</i>	<i>TWh</i>	<i>7.40</i>	<i>8.36</i>	<i>89%</i>
<i>wholesale</i>	<i>TWh</i>	<i>2.09</i>	<i>3.60</i>	<i>57%</i>
Number of customers - Distribution	'000	5 941	5 869	101%

3.3. Sales structure by the Segments of Operations (Lines of Business)

The below table presents TAURON Capital Group's sales volumes and structure broken down into the individual Segments of operations (lines of business) in the first quarter of 2024 and in the first quarter of 2023.

Table no. 18. TAURON Capital Group's sales volumes and structure broken down into the individual Segments of operations (lines of business) in the first quarter of 2024 and in the first quarter of 2023

Item	Unit	Q1 2024	Q1 2023	Change in % 2024 / 2023
Generation Segment's electricity and heat sales	TWh	3.07	3.42	90%
	PJ	5.36	5.62	95%
RES Segment's electricity sales	TWh	0.46	0.46	101%
Distribution Segment's distribution services sales	TWh	13.65	13.66	100%
Supply Segment's retail electricity supply	TWh	7.43	8.36	89%

Generation Segment

The total achievable capacity of the Generation Segment's generating units had reached 4.5 GW of electric capacity and 2.1 GW of thermal capacity as of the end of March 2024. The Generation Segment had produced 2.72 TWh of electricity in total in the first quarter of 2024, i.e. less by 19% as compared to the same period of last year. The production output of the biomass burning units had come in at 0.07 TWh, i.e. more by 12% as compared to last year (0.06 TWh). The supply of the electricity from the in-house production, along with the electricity purchased for trading, had clocked in at 3.07 TWh in the first quarter of 2024, which had meant a decline by 10% as compared to the same period of 2023. The heat supply had come in at 5.36 PJ in the first quarter of 2024, i.e. less by 5% as compared to the same period of 2023, which had been a consequence of the lower consumer demand in connection with the higher outdoor temperatures year on year.

RES Segment

The total installed capacity of the RES Segment's generating units had stood at 606 MW of electric capacity as of March 31, 2024, and it was higher than the installed capacity reported as of March 31, 2023, by 37 MW as a result of the commissioning of the photovoltaic farm in Mysłowice with the capacity of 37 MW. The RES Segment had produced 0.47 TWh of electricity in the first quarter of 2024, i.e. 1% more as compared to last year (0.47 TWh).

Distribution Segment

The Distribution Segment had delivered, in total, 13.65 TWh of electricity, including 13.26 TWh to the final consumers, in the first quarter of 2024. During that period the Distribution Segment had provided the distribution services for 5.94 million consumers. In the same period of 2023, the Distribution Segment had delivered, in total, 13.66 TWh of electricity to 5.87 million consumers, including 13.24 TWh to the final consumers.

Supply Segment

The Supply Segment subsidiaries had supplied, in total, 7.43 TWh of electricity on the retail market in the first quarter of 2024, i.e. 11% less than in the same period of 2023, to 5.79 million customers, both households, as well as businesses.

Other operations

The sales revenue of the Other Operations Segment subsidiaries had come in at PLN 421 million in the first quarter of 2024, and it had been higher by 9% than the revenue posted in the same period of 2023, with the main reason behind this growth being the higher sales of the support services, as well as the customer service provided by the Shared Service Centers (CUW) for the benefit of TAURON Capital Group's subsidiaries.

3.4. TAURON Capital Group's financial position after the first quarter of 2024

This section presents selected items from the Interim Abbreviated Consolidated Financial Statements of TAURON Polska Energia S.A. Capital Group, drawn up in compliance with the International Financial Reporting Standards approved by the European Union for the period of 3 months ended on March 31, 2024, as well as the selected financial ratios constituting Alternative Performance Measures within the meaning of the ESMA Guidelines on Alternative Performance Measures. These metrics present additional information on the financial performance of TAURON Capital Group's business operations and, in the opinion of the Company's Management Board, may constitute an additional important source of information for the investors on the financial and operational situation of TAURON Capital Group. The measures are the standard metrics commonly used in the financial analysis, the usefulness of which was analyzed in terms of the information provided to the investors on TAURON Capital Group's financial efficiency, cash flows and debt. The definitions of the metrics are provided directly next to the individual indicators. Due to the lack of the changes in the methodology for determining the metrics, the values of the individual metrics for the reporting period and for the comparable period are comparable.

Analysis of the financial position

The below table presents an analysis of TAURON Capital Group's financial position as of March 31, 2024, and as of December 31, 2023.

Table no. 19. Structure of TAURON Capital Group's interim abbreviated consolidated statement of the financial position as of March 31, 2024, and as of December 31, 2023

Consolidated statement of the financial position	As of March 31, 2024	As of December 31, 2023	Change in % 2023 / 2022
ASSETS			
Fixed assets	77.7%	75.0%	104%
Current assets	22.3%	25.0%	89%
TOTAL ASSETS	100.0%	100.0%	
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the parent company	37.7%	36.0%	105%
Non-controlling shares	0.1%	0.1%	100%
Total equity	37.7%	36.1%	104%
Long term liabilities	35.2%	36.8%	96%
Short term liabilities	27.0%	27.1%	100%
Total liabilities	62.3%	63.9%	97%
TOTAL EQUITY AND LIABILITIES	100.0%	100.0%	
Financial liabilities	13 228	14 057	94%
Net financial liabilities	12 122	12 973	93%
Net debt / EBITDA ratio	2.2x	2.1x	105%
Current liquidity ratio	0.83	0.87	95%

As of March 31, 2024, the fixed assets constitute 77.7%, of the total assets in the structure of assets which signifies an increase by 4% as compared to level as of the end of 2023. On the other hand, the share of the current assets as of March 31, 2024, as compared to the end of 2023, had gone down by 11%. The reasons for the changes in the individual components of the fixed and the current assets are provided further on in this information

As of March 31, 2024, the liabilities constitute 62.3% of the total equity and liabilities in the structure of equity and liabilities, out of which the long term liabilities account for 35.2%, while the short term liabilities account for 27.0% of the balance sheet total, which signifies a change in the debt structure as compared to the end of 2023, when the shares had been, respectively: 36.8% and 27.1%.

As compared to the balance sheet date of December 31, 2023, the net debt to EBITDA ratio, reported as of the end of the first quarter of 2024, is higher by 0.1x, in spite of a decrease of the financial liabilities by 6% and a drop of the net financial debt by 7%. This level of the ratio is due to the lower rolling EBITDA generated for the trailing 12 months ended on March 31, 2024, as compared to the EBITDA posted for the financial year 2023. The change in the amount of the net debt taken into account for the purpose of calculating this ratio contributes to its decrease by 0.1x, and the change in the EBITDA result contributes to the increase thereof by 0.2x. The reasons for an increase of the EBITDA operating result are indicated in the description of the changes in the operating segments' results and in the description of the reasons for the change in the consolidated statement of comprehensive income provided further on in this section. The boundary (threshold) level of the covenant (of the net debt to EBITDA ratio) specified in certain agreements concluded between the Company and the financial institutions is no more than 3.5x. The exceeding thereof could result in potentially requiring TAURON to repay its liabilities immediately.

Consolidated statement of comprehensive income

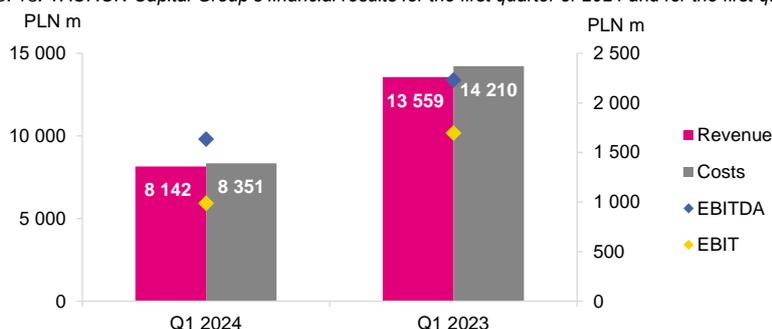
The below table presents the selected items of the consolidated statement of comprehensive income of TAURON Capital Group for the period of 3 months ended on March 31, 2024, as well as the comparable data for the period of 3 months ended on March 31, 2023. Those items are provided in accordance with the *Interim Abbreviated Consolidated Financial Statements of TAURON Polska Energia S.A. Capital Group, drawn up in compliance with the International Financial Reporting Standards, approved by the European Union, for the period of 3 months ended on March 31, 2024.*

Table no. 20. TAURON Capital Group's interim abbreviated consolidated statement of comprehensive income for the first quarter of 2024 and for the first quarter of 2023

Item (PLN m)	Q1 2024 (unaudited)	Q1 2023 (unaudited)	Change in % 2024 / 2023
Sales revenue	8 142	13 559	60%
Compensation payments	1 178	2 304	51%
Cost of goods sold	(8 351)	(14 210)	59%
Other operating revenue and costs	5	17	29%
Share in joint ventures' profits	14	27	52%
Operating profit	988	1 697	58%
<i>Operating profit margin (%)</i>	<i>12.1%</i>	<i>12.5%</i>	<i>97%</i>
Cost of interest on debt	(186)	(211)	88%
Other financial revenue and costs	(70)	(94)	74%
Pre-tax profit	732	1 392	53%
<i>Pre-tax profit margin (%)</i>	<i>9.0%</i>	<i>10.3%</i>	<i>87%</i>
Income tax	(201)	(356)	56%
Net profit for the period	531	1 036	51%
<i>Net profit margin (%)</i>	<i>6.5%</i>	<i>7.6%</i>	<i>86%</i>
Total comprehensive income for the period	534	974	55%
Profit attributable to:			
Shareholders of the parent entity	531	1 034	51%
Non-controlling shares	0	2	0%
EBIT and EBITDA			
EBIT	988	1 697	58%
EBITDA	1 541	2 230	69%

The below figure presents TAURON Capital Group's financial results for the first quarter of 2024 and for the first quarter of 2023.

Figure no. 13. TAURON Capital Group's financial results for the first quarter of 2024 and for the first quarter of 2023



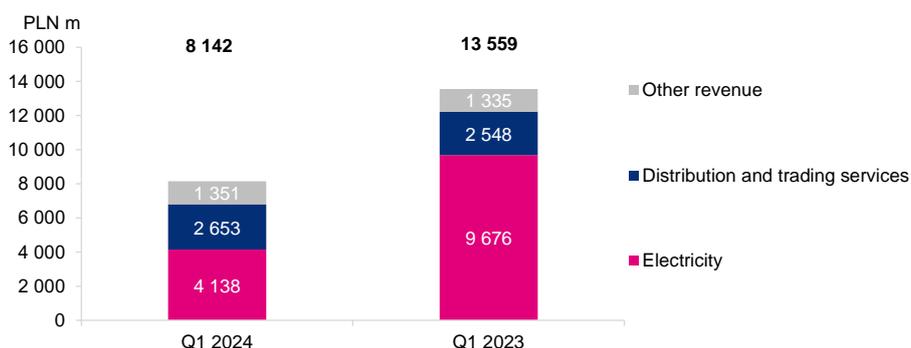
TAURON Capital Group had generated revenue in the first quarter of 2024 that had been lower by 40% than the revenue reported in the same period of 2023, mainly as a result of the lower revenue from the electricity sales. The declines in the electricity sales revenue had been recorded both in the retail area as well as in the wholesale electricity trading area, which is primarily due to the lower prices obtained and the lower average sales volume. The decrease in the prices for the customers in almost each segment (except for the households) is directly related to the change in the market electricity prices, and the change in the volume is due to the lower demand from the business customers and, in the case of the wholesale trading, the different operating characteristics of the generating units, as compared to the first quarter of 2023, as a result of the different demand submitted by the PSE (TSO) operator. In addition, the decrease in the revenues had also been impacted by the lower amount of the trading (commercial) fees received and a decrease in the amount of the revaluation (adjustment) of the sales of the electricity purchased for the needs of the balancing difference mainly due to a change in the prices. It should be noted that the sales prices for the customers in the household segment had come in at the level comparable to last year, which is the effect of the legal regulations that continue to be in force this year, with a slightly higher, i.e. by 2%, volume of the electricity sold. In addition to the above mentioned reasons, the change in the sales revenues year on year had also been impacted by the following factors:

1. the decline of the revenue from the sales of the thermal energy (heat supply), as a result of the higher than last year average temperature and the higher prices due to the increase of the prices under the tariffs,
2. the decline of the revenue from the sales of gas, mainly due to the lower prices obtained as compared to the comparable period, as a result of the change of the prices contracted over the course of 2023 on the account of the supplies to be carried out in 2024,
3. the higher revenue from the sales of the distribution and trading services as a consequence of an increase of the distribution and transmission service rate.

In addition, in the first quarter of 2024, TAURON Group had obtained the revenue from the sale of the CO₂ emission allowances to EC Stalowa Wola.

The below figure presents the structure of TAURON Capital Group's sales revenue in the first quarter of 2024 and in the first quarter of 2023.

Figure no. 14. Structure of TAURON Capital Group's sales revenue in the first quarter of 2024 and in the first quarter of 2023



The costs of TAURON Capital Group's operations (operating expenses) had come in at PLN 8.4 billion in the first quarter of 2024, which had meant that they had been lower by 41% than the costs borne in the same period of 2023, which is mainly a consequence of incurring the lower costs of the purchases of the electricity as a result of the decline of the prices and the lower volumes as a result of the lower demand from TAURON Group's customers. In addition to the above mentioned factors impacting the change in the amount of the Group's operating costs, the most significant ones also include the lower costs of the hard coal fuel and the CO₂ emission allowances consumed for the purpose of the production of electricity and heat, mainly as a result of the lower consumption, as a

consequence of the lower production. In addition, the lower cost of the hard coal fuel is impacted by the lower purchase price of the fuel as a consequence of the year on year decline in the market prices for this raw material. Another factor contributing to the decrease in the cost of the operations (operating expenses) is the significantly lower value of the allowance (charge) for the Price Difference Payout Fund, the obligation to set up which in 2023 had stemmed from the provisions of the legal acts obliging both the generators as well as the suppliers of electricity and gas to pay the profits, in excess of the statutorily assumed margin percentage, to the Settlement Manager (Zarządca Rozliczeń). The above decreases in the cost items had partially been mitigated by the increases of the costs of:

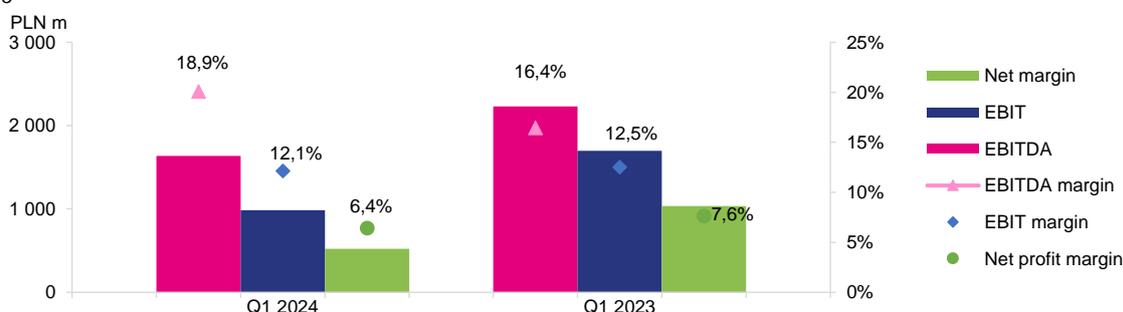
1. the depreciation, mainly as a result of an increase in the value of the assets of TAURON Capital Group,
2. the higher costs of the employee benefits, which is the result of the following factors:
 - 1) the booking in the costs in the first quarter of 2024 of the effects of the agreements signed with the social partners (workforce) over the course of 2023,
 - 2) an increase of the minimum wage in 2024,
3. the distribution services purchased which is a consequence of an increase of the tariff for the PSE distribution services,
4. the higher costs of the taxes and fees, mainly due to the higher costs on the grid assets payment as a consequence of an increase in the value of the assets as a result of the investment projects under way and an increase of the tax rates,
5. the impairment charge related to the value of the inventory.

The EBITDA margin posted in the first quarter of 2024 had come in at 18,9%, and it had been higher by 2.5 pp than the margin posted in the same period of 2023, which is mainly the result of a decrease of the revenue generated, along with the decline of the EBITDA result by 31%. The reasons for this trajectory of the above profit and loss statement items are indicated above. On the other hand, the EBIT margin and the net profit margin had clocked in at 12.1% and 6.5%, respectively, and they had been lower by 0.4 p.p. and 1.1 p.p, respectively, than those earned in the same period of 2023.

The comprehensive income attributable to the shareholders of the parent company had clocked in at PLN 534 million, as compared to PLN 972 million posted a year ago, while the net profit attributable to the shareholders of the parent company had come in at PLN 531 million, as compared to PLN 1 034 million posted in the same period of 2023.

The below figure presents TAURON Capital Group's financial results and the level of the margins realized in the first quarter of 2024 and in the first quarter of 2023.

Figure no. 15. TAURON Capital Group's financial results and the level of the margins realized in the first quarter of 2024 and in the first quarter of 2023



Financial results by the Segments of operations (lines of business)

The below table presents TAURON Capital Group's EBITDA by the individual Segments of operations in the first quarter of 2024 and in the first quarter of 2023. The data for the individual Segments of operations does not include the consolidation related exclusions.

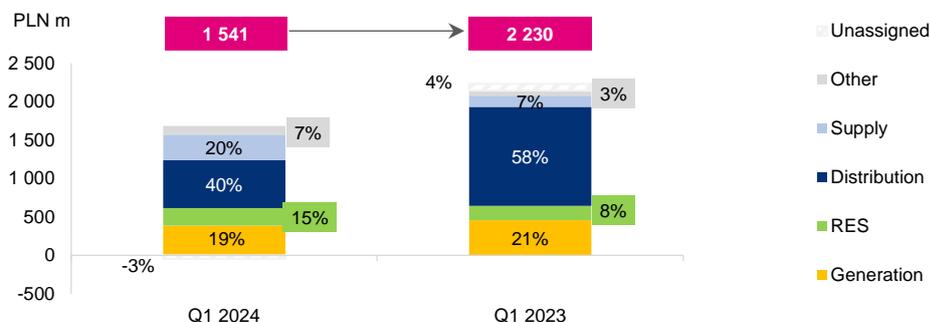
Table no. 21. TAURON Capital Group's EBITDA by the individual Segments of operations in the first quarter of 2024 and in the first quarter of 2023

EBITDA (PLN m)	Q1 2024	Q1 2023	Change in % 2024 / 2023
Generation	292	458	64%
RES	229	186	123%
Distribution	622	1 286	48%
Supply	335	145	231%

EBITDA (PLN m)	Q1 2024	Q1 2023	Change in % 2024 / 2023
Other operations	110	70	157%
Unassigned items and exclusions	(47)	85	-
Total EBITDA	1 541	2 230	69%

The below figure presents TAURON Capital Group's EBITDA structure in the first quarter of 2024 and in the first quarter of 2023.

Figure no. 16. TAURON Capital Group's EBITDA structure in the first quarter of 2024 and in the first quarter of 2023.



The Distribution Segment and the Supply Segment make the biggest contributions to TAURON Capital Group's EBITDA.

Generation Segment

The below table presents the Generation Segment's results for the first quarter of 2024 and for the first quarter of 2023.

Table no. 22. Generation Segment's results for the first quarter of 2024 and for the first quarter of 2023

Item (PLN m)	Q1 2024	Q1 2023	Change in % 2024 / 2023
Sales revenue	2 860	4 030	71%
<i>electricity</i>	2 042	2 943	69%
<i>heat</i>	583	608	96%
<i>property rights related to guarantees of origin of electricity (energy certificates)</i>	14	11	127%
<i>services – capacity market</i>	212	189	112%
<i>greenhouse gas emission allowances</i>	0	268	0%
<i>other</i>	9	12	75%
EBIT	197	346	57%
Depreciation and impairment charges	95	112	85%
EBITDA	292	458	64%

The Generation Segment's sales revenue in the first quarter of 2024 had been lower by 29% as compared to the same period of 2023, mainly due to the lower revenue from the sales of the electricity brought about by the higher sales prices and the lower volume.

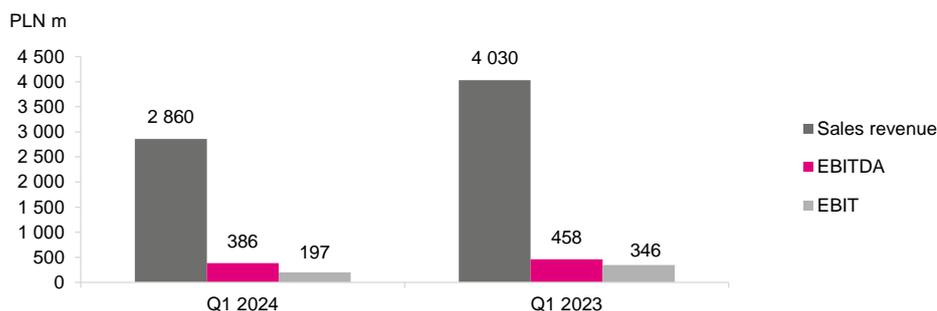
The Generation segment's EBITDA and EBIT had been lower in the first quarter of 2024 than in the same period of 2023. The level of the results posted had been affected by the following factors:

1. the lower margin on the sales of the electricity as a result of the lower electricity sales prices, partially offset by a decline in the prices of the hard coal prices and the CO₂ allowances. In addition, the decrease in the margin had been affected by the lower electricity sales volumes resulting from the lower contracting on the forward (futures) market. In addition, the margins had been impacted by the events of 2023 - the allowance (chargé) for the Price Difference Payout Fund and the use (consumption) of the onerous provision set up in 2022 and related to the performance of the onerous contracts in 2023,
2. the higher margin on the heat sales as a consequence of an increase of the heat sales prices based on the tariffs and the lower costs of the fuels,

- the other factors, including mainly the lower balance of the other operations segment and the lower result of the TAMEH subsidiary.

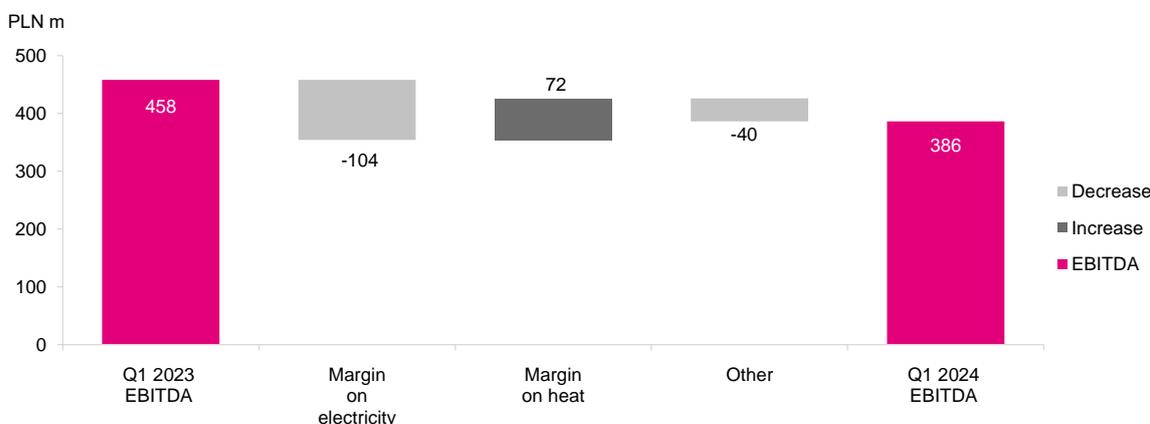
The below figure presents the Generation Segment's financial data for the first quarter of 2024 and for the first quarter of 2023.

Figure no. 17. Generation Segment's financial data for the first quarter of 2024 and for the first quarter of 2023



The below figure presents the Generation Segment's EBITDA, including the material factors impacting the change year on year.

Figure no. 18. Generation Segment's EBITDA, including the material factors impacting the change year on year



RES Segment

The below table presents the RES Segment's results for the first quarter of 2024 and for the first quarter of 2023.

Table no. 23. RES Segment's results for the first quarter of 2024 and for the first quarter of 2023

Item (PLN m)	Q1 2024	Q1 2023	Change in % 2024 / 2023
Sales revenue	292	269	109%
Electricity	250	152	164%
Guarantees of origin of electricity (energy certificates)	27	114	24%
Other	15	3	500%
EBIT	182	138	132%
Depreciation and impairment charges	47	48	98%
EBITDA	229	186	123%

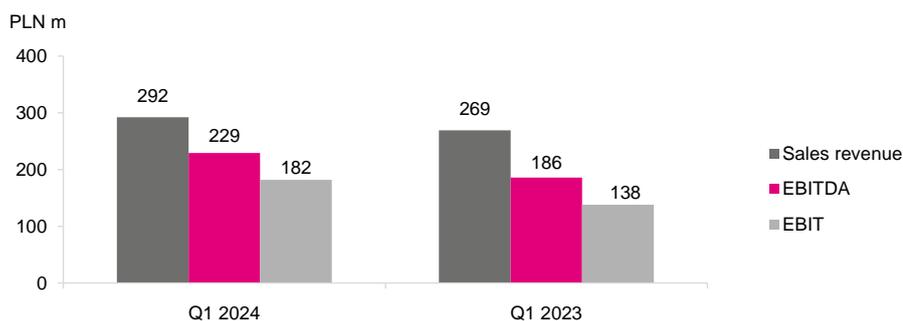
The RES segment's EBITDA had gone up in the first quarter of 2024 as compared to the same period of 2023. The results posted had mainly been affected by the following factors

- an increase of the margin on the electricity sales, mainly as a consequence of the higher electricity sales price related to the cancelling of the price limits in force in 2023,
- the lower revenue from the guarantees of origin of electricity (energy certificates), which had been a consequence of the lower prices of the property rights and the volume of the property rights acquired by the eligible wind farms having been lower by 8%,

3. the higher costs of the business operations conducted.

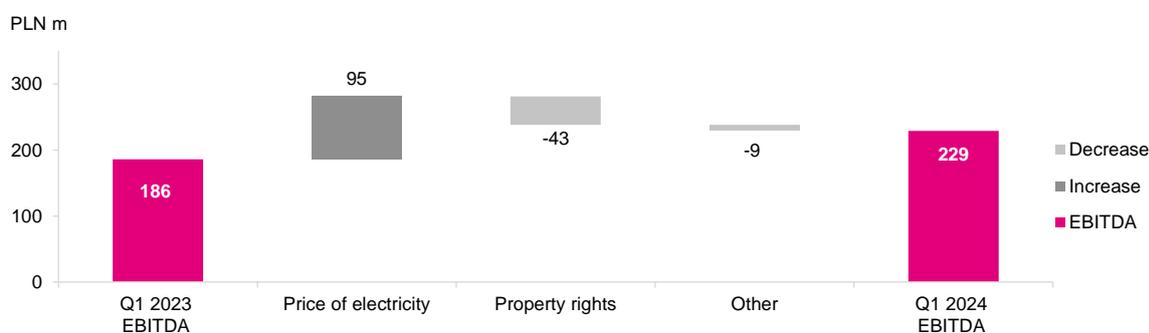
The below figure presents the RES Segment's financial data for the first quarter of 2024 and for the first quarter of 2023.

Figure no. 19. RES Segment's financial data for the first quarter of 2024 and for the first quarter of 2023



The below figure presents the RES Segment's EBITDA, including the material factors impacting the change year on year.

Figure no. 20. RES Segment's EBITDA, including the material factors impacting the change year on year



Distribution Segment

The below figure presents the Distribution Segment's results for the first quarter of 2024 and for the first quarter of 2023.

Table no. 24. Distribution Segment's results for the first quarter of 2024 and for the first quarter of 2023

Item (PLN m)	Q1 2024	Q1 2023	Change in % 2024 / 2023
Sales revenue	2 446	3 327	74%
Distribution services	2 602	2 484	105%
Adjustment due to lower value of electricity to cover balance sheet difference	(403)	745	-
Electricity from settlement of balance sheet difference	141	19	742%
New connections	38	24	158%
Other revenue	68	55	124%
EBIT	280	968	29%
Depreciation and impairment charges	342	318	108%
EBITDA	622	1 286	48%

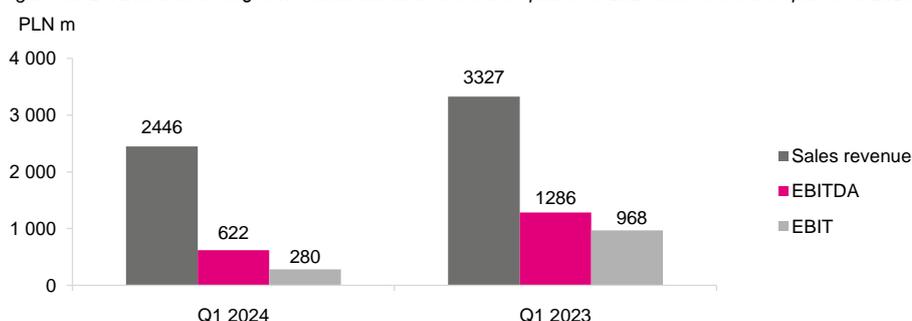
The Distribution Segment had reported a decrease of the sales revenue by 26% in the first quarter of 2024, as compared to the same period of 2023, as well as the declines of EBIT and EBITDA by, respectively, 71% and 52%. The results posted had been affected by the following factors:

1. a change in the price of the revaluation (adjustment) of the electricity due to the grid losses,
2. the impact of the settlements as part of the regulatory account on the tariff for 2024,

3. the higher margin on the distribution service as a result of the lower costs of the grid losses as a consequence of a decline of the purchase price, the higher costs of purchasing the transmission service and fixed costs increase,
4. an increase of the other revenue related to the distribution operations, including mainly due to the exceeding of the grid connection contractual passive power consumption and the grid connection fees,
5. a comparable volume of the total electricity distributed, including an increase to the final consumers by 23 GWh – in the B tariff group as a consequence of the improvement of the economic conditions, and in the G group, stemming, among other things, from an increase of the number of consumers year on year, by approximately 77 000.

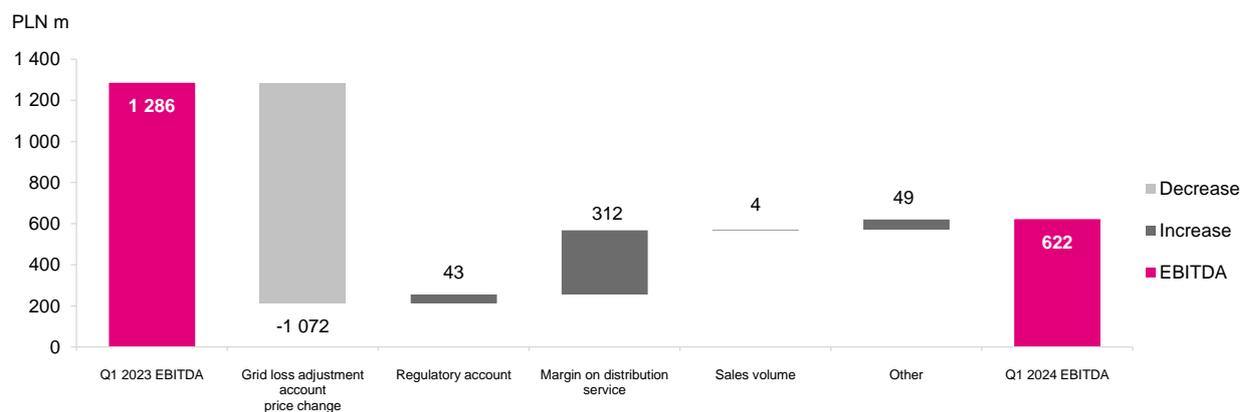
The below figure presents the Distribution Segment's financial data for the first quarter of 2024 and for the first quarter of 2023.

Figure no. 21. Distribution Segment's financial data for the first quarter of 2024 and for the first quarter of 2023



The below figure presents the Distribution Segment's EBITDA, including the material factors impacting the change year on year.

Figure no. 22. Distribution Segment's EBITDA, including the material factors impacting the change year on year



Supply Segment

The below table presents the Supply Segment's results for the first quarter of 2024 and for the first quarter of 2023.

Table no. 25. Supply Segment's results for the first quarter of 2024 and for the first quarter of 2023

Item (PLN m)	Q1 2024	Q1 2023	Change in % 2024 / 2023
Supply			
Sales revenue	6 494	12 232	53%
<i>Electricity¹, including:</i>	<i>4 305</i>	<i>8 694</i>	<i>50%</i>
<i>Retail electricity supply revenue</i>	<i>4 032</i>	<i>6 308</i>	<i>64%</i>
<i>Greenhouse gas emission allowances</i>	<i>577</i>	<i>1 305</i>	<i>44%</i>
<i>Fuels</i>	<i>494</i>	<i>1 057</i>	<i>47%</i>

Item (PLN m)	Q1 2024	Q1 2023	Change in % 2024 / 2023
Distribution service (passed on)	1 064	1 046	102%
Other services, incl. trading services	54	131	41%
EBIT	322	132	244%
Depreciation and impairment charges	13	13	100%
EBITDA	335	145	231%

¹ including the revaluation of the sales of the electricity purchased for the purpose of the balancing difference.

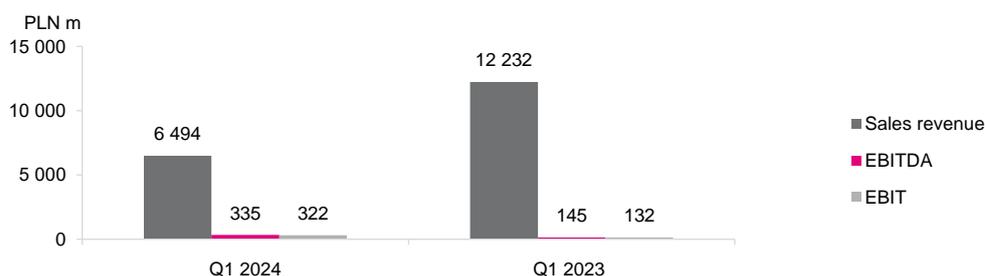
The Supply Segment's sales revenue in the first quarter of 2024 had been lower by 47% as compared to the same period of 2023, the main reason for which is lower revenue from the electricity sales. The above mentioned decline is due to the lower prices obtained for the electricity sold and the lower volume in almost each customer segment. The decrease in the prices is a consequence of the lower market electricity prices year on year, and the decline in the volume is due to the lower demand from the customers. The second factor affecting the decline of the above mentioned revenue is related to the lower trading (commercial) fees received and the reduction in the amount of the revaluation of the sale of the electricity purchased for the purpose of the balancing difference, mainly as a result of the change of the prices. It should be noted that sales prices for the customers in the household segment had stood at the level comparable with last year, which had been a consequence of the legal regulations that had continued to be in force this year, with a slightly higher, i.e. by 2%, volume of the electricity sold. Another area where a decrease in the revenue had been recorded had been the sale of the CO₂ emission allowances, which had mainly been due to the postponement until August 2024 of the sale of the allowances to the generation subsidiaries. On the other hand, the lower revenues from the fuel sales are mainly related to the sales of the hard coal fuels due to the lack of the sale thereof to TAURON Wytwarzanie in connection with the transfer of the fuel supply management function to the company that had taken place at the end of 2022.

The Supply Segment's EBITDA and EBIT had been higher in the period under review than in the same period of 2023. The results posted had been affected by the following factors:

1. the higher margin earned on the electricity sales, which is the result of:
 - 1) the higher margin obtained on the retail electricity trading which is a result of the release of the provision in connection with the received interpretation of the tax authorities regarding the settlement of VAT with respect to the tariff regulation related to the refund of 125 PLN per electricity connection, and the lower volume of the electricity sold to the business customers,
 - 2) the higher margin obtained on the wholesale electricity trading which is mainly related to not having to pay the contributions to the Price Difference Payout Fund which had taken place in the first quarter of 2023,
2. the higher margin on the sale of the gas fuel, which is related to the stabilization of the price of this raw material, which allowed for reducing the loss on its sale.

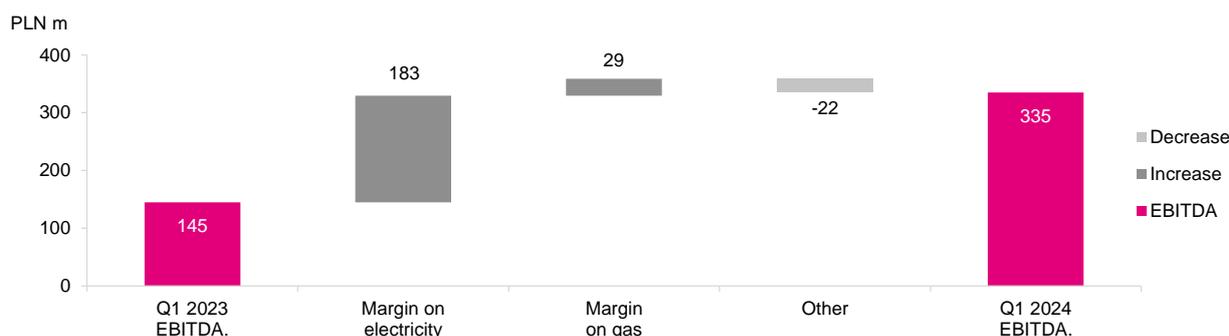
The below figure presents the Supply Segment's financial data for the first quarter of 2024 and for the first quarter of 2023.

Figure no. 23. Supply Segment's financial data for the first quarter of 2024 and for the first quarter of 2023.



The below figure presents the Supply Segment's EBITDA, including the material factors impacting the change year on year.

Figure no. 24. Supply Segment's EBITDA, including the material factors impacting the change year on year



Other Operations

The below figure presents the Other Operations Segment's results for the first quarter of 2024 and for the first quarter of 2023.

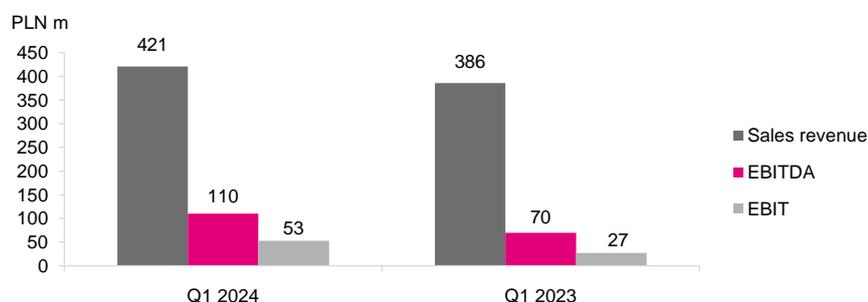
Table no. 26. Other Operations Segment's results for the first quarter of 2024 and for the first quarter of 2023

Item (PLN m)	Q1 2024	Q1 2023	Change in % 2024 / 2023
Sales revenue	421	386	109%
<i>customer service</i>	111	80	139%
<i>support services</i>	179	150	119%
<i>aggregates</i>	44	43	102%
<i>electricity</i>	20	27	74%
<i>biomass</i>	30	55	55%
<i>other revenue</i>	37	31	119%
EBIT	53	27	196%
Depreciation and impairment charges	57	43	133%
EBITDA	110	70	157%

Other Operations Segment's sales revenue posted in the first quarter of 2024 had come in at a level higher by 9% as compared to the revenue posted in the same period of 2023, which had been primarily due to the higher sales of the support services and the customer service provided by the Shared Services Centers (CUW) for the benefit of TAURON Capital Group's subsidiaries.

The below figure presents the Other Operations Segment's financial data for the first quarter of 2024 and for the first quarter of 2023.

Figure no. 25. Other Operations Segment's financial data for the first quarter of 2024 and for the first quarter of 2023



Assets

The below table presents the consolidated statement of financial position – the assets as of March 31, 2024 and as of December 31, 2023.

Table no. 27. Interim abbreviated consolidated statement of financial position – the assets (material items) as of March 31, 2024 and as of December 31, 2023

Statement of financial position (PLN m)	As of March 31, 2024 (unaudited data)	As of December 31, 2023	Change in % (2024 / 2023)
ASSETS			
Fixed assets	38 056	37 353	102%
Tangible fixed assets	32 193	31 872	101%
Current assets	10 943	12 445	88%
Cash and equivalents	1 106	1 084	102%
Fixed assets and the group's assets for disposal, classified as held for trade	5	5	100%
TOTAL ASSETS	48 999	49 798	98%

As of March 31, 2024, TAURON Capital Group's statement of financial position shows the balance sheet total that is lower by 2% as compared to the balance sheet total as of December 31, 2023.

The below figures present the change in the assets and the current assets as of March 31, 2024, and as of December 31, 2023.

Figure no. 26. Change in assets as of March 31, 2024, and as of December 31, 2023

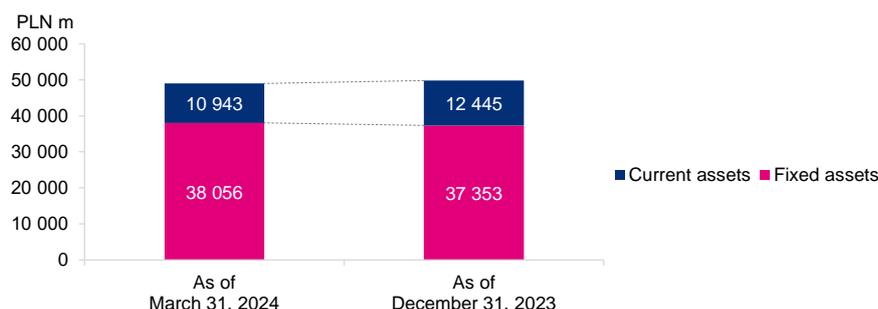
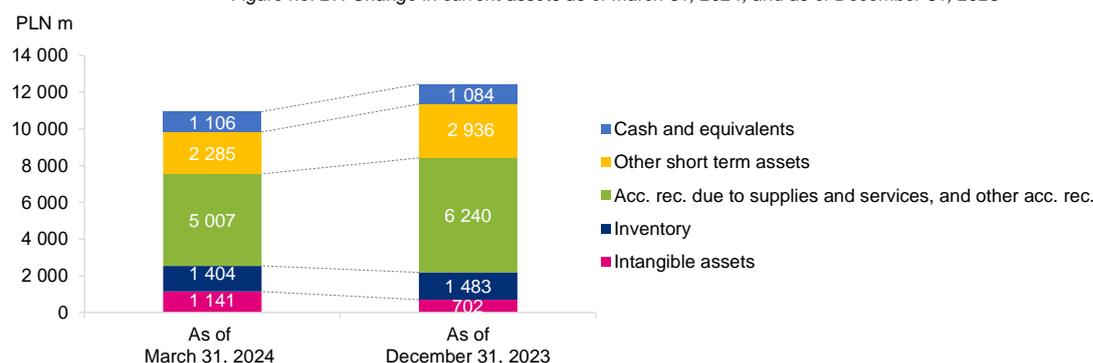


Figure no. 27. Change in current assets as of March 31, 2024, and as of December 31, 2023



The fixed assets represent the biggest item of the assets as of the end of March 2024, accounting for 77.7% of the balance sheet total. As compared to the end of 2023, the value of the fixed assets is higher by 1.9%, i.e. by PLN 703 million. The most important factors behind this change include:

1. an increase by 1%, i.e. by PLN 321 million, in the value of the tangible fixed assets, which is a result of the investment projects implemented by TAURON Capital Group's subsidiaries and the recognized (booked) depreciation write-downs,
2. an increase by 9%, i.e. by PLN 193 million, in the value of the rights to use the shares,
3. an increase by 13%, i.e. by PLN 22 million, in the value of the shares in joint ventures,
4. an increase by 3%, i.e. by PLN 11 million, in the value of the loans extended to the joint ventures as a result of the accrual of the interest for the first quarter of 2024,

5. an increase by 38%, i.e. by PLN 57 million, in the value of derivatives,
6. an increase by 11%, i.e. by PLN 75 million, in the value of the other non-financial assets mainly due to the advance payments made, related to the construction of the wind farms and the photovoltaic farms,
7. an increase by 10%, i.e. by PLN 76 million, in the value of the deferred tax assets.

The above increases had been slightly mitigated by a decrease by:

1. 50%, i.e. by PLN 12 million, in the value of the guarantees of origin of electricity (energy certificates) and the CO₂ emission allowances to be redeemed (retired), in connection with the reclassifying of the guarantees of origin of electricity (energy certificates) and the CO₂ emission allowances as the current assets for the purpose of the fulfilling of the obligation to redeem (retire) the above mentioned assets,
2. 4%, i.e. by PLN 35 million, in the value of the other intangible assets,
3. 2%, i.e. by PLN 5 million, in the value of the other financial assets.

The decline in the value of the current assets by 12%, i.e. by PLN 1 502 million, is the result of the following factors:

1. a decrease by 40%, i.e. by PLN 976 million, in the value of the other financial assets, mainly as a consequence of the settlement of the accounts receivable due to the compensation payments due to:
 - 1) the electricity trading companies pursuant to the regulations of the *Act of October 7, 2022, on the special solutions aimed at protecting the electricity consumers in 2023* and the *Act of October 27, 2022, on the emergency measures to cap the electricity prices and provide the support for certain consumers in 2023*,
 - 2) the Distribution Segment's subsidiary pursuant to the *Act of October 7, 2022, on the special solutions aimed at protecting the electricity consumers in 2023*,
2. a decrease by 17%, i.e. by PLN 912 million, in the value of the accounts receivable from the consumers, which is mainly a consequence of the lower electricity and gas prices, and it has a direct impact on the change in the turnover and the balances at the end of the reporting periods,
3. a decrease by 41%, i.e. by PLN 326 million, in the value of the accounts receivable due to the other taxes and fees, mainly due to a decrease of the accounts receivable due to VAT,
4. a decrease by 5%, i.e. by PLN 79 million, in the value of the inventory,
5. an increase by 63%, i.e. by PLN 439 million, in the value of the guarantees of origin of electricity (energy certificates) and the CO₂ emission allowances to be redeemed (retired), which is the result of:
 - 1) the purchase of the CO₂ emission allowances in the first quarter of 2023 for the partial redemption (retirement) obligation for the year 2022,
 - 2) the purchase in the first quarter of 2023 or the recognition (booking) of the guarantees of origin of electricity (energy certificates) produced in-house for the fulfillment of the obligation to redeem (retire) the property rights,
 - 3) the reclassifying as the short term assets of a part of the property rights and the CO₂ emission allowances held, originally classified as the long term assets, that had been reclassified due to their allocation for the purpose of the ongoing fulfilling of the obligation to redeem (retire) the above mentioned assets
 - 4) redemption (retirement) in the first quarter of 2024 of a portion of the CO₂ emission allowances in connection with the redemption obligation for 2023,
6. an increase by 49% %, i.e. by PLN 135 million, in the value of the derivative instruments, mainly as a result of a change in the valuation of the derivative instruments related to the commodity derivatives, the forward currency derivatives as well as the IRS and CCIRS instruments. The change in the value of the assets due to the valuation of the above derivative instruments in relation to the comparable period is mainly related to the forward instruments for the transactions for which the underlying commodities are the CO₂ emission allowances and is mainly due to a significant increase in the prices of the emission allowances while taking into account the number of the power exchange contracts open as of the balance sheet date,
7. an increase by 92%, i.e. by PLN 190 million, in the value of the other financial assets, mainly due to the advance payments made on the account of the supply of the hard coal, and the set up allowance for the Company's Social Benefits Fund,
8. an increase by 2%, i.e. by PLN 22 million, in the value of the cash balance the reasons for which are indicated further on in this chapter, in the section related to the statement of cash flows.

The below table presents the consolidated statement of financial position – equity and liabilities as of March 31, 2024 and as of December 31, 2023.

Table no. 28. *Interim abbreviated consolidated statement of financial position – equity and liabilities (material items) as of March 31, 2024 and as of December 31, 2023*

Statement of financial position (PLN m)	As of March 31, 2024	As of December 31, 2023 (adjusted data)	Change in % (2024 / 2023)
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the parent entity	18 449	17 915	103%

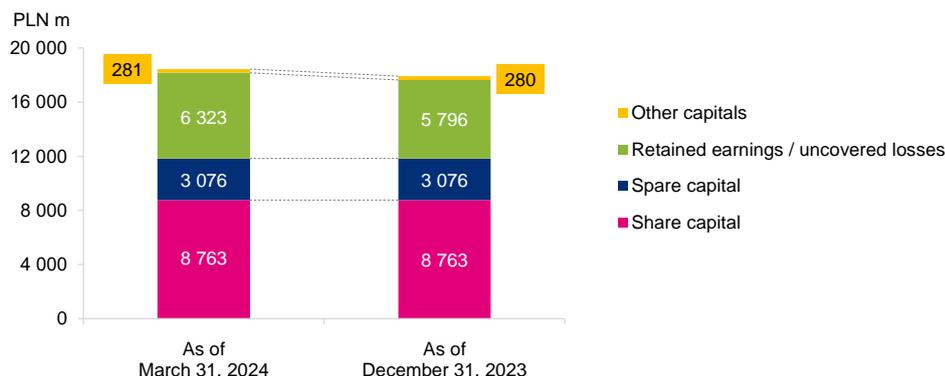
Statement of financial position (PLN m)	As of March 31, 2024	As of December 31, 2023 (adjusted data)	Change in % (2024 / 2023)
Non-controlling shares	38	38	100%
Total equity	18 487	17 953	103%
Long term liabilities	17 272	18 349	94%
Liabilities due to debt	14 002	15 317	91%
Short term liabilities	13 240	13 496	98%
Liabilities due to debt	2 711	2 098	129%
Total liabilities	30 512	31 845	96%
TOTAL EQUITY AND LIABILITIES	48 999	49 798	98%

The below figures present a change in the equity and liabilities and the equity attributable to the majority shareholders as of March 31, 2024, and as of December 31, 2023.

Figure no. 28. Change in the equity and liabilities as of March 31, 2024, and as of December 31, 2023



Figure no. 29. Change in the equity attributable to the majority shareholders as of March 31, 2024, and as of December 31, 2023



The below figures present the change in the long term and short term liabilities as of March 31, 2024, and as of December 31, 2023.

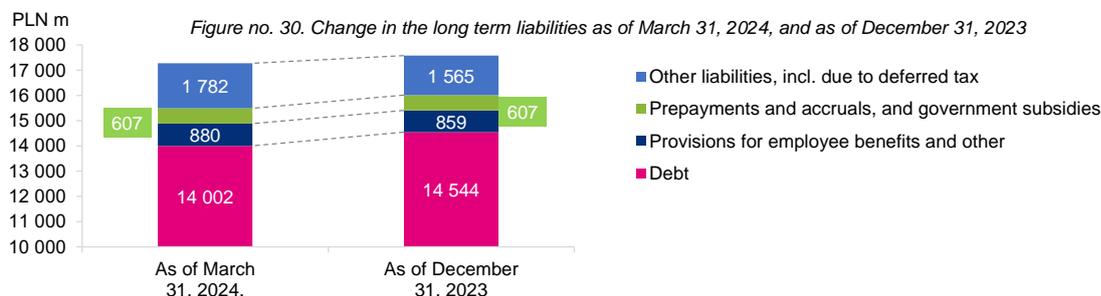
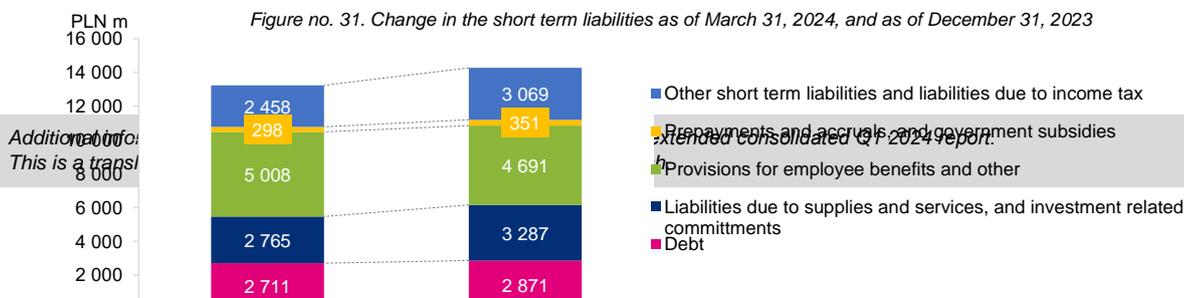


Figure no. 31. Change in the short term liabilities as of March 31, 2024, and as of December 31, 2023



The amount of TAURON Capital Group's long term liabilities had gone down by 6%, i.e. by PLN 1 077 million, in the first quarter of 2024, which had been the result of the following factors:

1. a decrease by 9%, i.e. by PLN 1 315 million, in the value of the liabilities due to debt, as a consequence of the reclassifying of a portion of the loans as the short term liabilities due to the repayment due date thereof,
2. a decrease by 7%, i.e. by PLN 11 million, in the value of investment related liabilities,
3. an increase by 15%, i.e. by PLN 178 million, in the value of the accounts payable due to the deferred income tax,
4. an increase by 3%, i.e. by PLN 22 million, in the value of the provisions for the employee benefits, along with a slight drop by 0.5%, i.e. by PLN 1 million, in the value of the provisions related to the costs of dismantling of the fixed assets and land reclamation as well as other,
5. an increase by 9%, i.e. by PLN 3 million, in the value of the other financial liabilities,
6. an increase by 28%, i.e. by PLN 47 million, in the value of the derivative instruments.

The amount of TAURON Capital Group's short term liabilities had gone down by 2%, i.e. by PLN 256 million PLN, which is the result of the following factors:

1. a decrease by 27%, i.e. by PLN 559 million, in the value of the accounts payable towards the suppliers,
2. a decrease by 25%, i.e. by PLN 136 million, in the value of the investment related commitments,
3. a decrease by 21%, i.e. by PLN 22 million, in the value of the provisions related to the employee benefits,
4. an increase by 21%, i.e. by PLN 792 million, in the value of the provisions related to the obligations (liabilities) due to the guarantees of origin of electricity (energy certificates) and the CO₂ emission allowances, which is the result of:
 - 1) setting up of a provision for the obligations (liabilities) due to the CO₂ gas emissions and the guarantees of origin of electricity (energy certificates) for the first quarter of 2024,
 - 2) using up (consuming), in the first quarter of 2024, of a part of the provision in connection with the fulfillment of the obligation to redeem (retire) the CO₂ emission allowances and the guarantees of origin of electricity (energy certificates) for 2023,
 - 3) releasing of a portion of the provisions set up as of December 31, 2023, due to the decline of the EUR exchange rate,
5. a decrease by 54%, i.e. by PLN 453 million, in the value of the other provisions, which is mainly a consequence of the partial use (consumption) of the provisions, set up as of December 31, 2023, related to the reduction of the accounts payable towards the consumers and the releasing thereof in connection with the receipt of the interpretation of the tax authority with respect to the settlement of the VAT related thereto,
6. an increase by 29%, i.e. by PLN 613 million, in the value of the liabilities due to debt, which is the result of the reclassifying of some of the financial liabilities from the long term liabilities as due for the payment within the next 12 months, and the repayment of some of them in the first quarter of 2024,
7. a decrease by 15%, i.e. by PLN 53 million, in the value of the prepayments and accruals, as well as the government subsidies,
8. an increase by 263%, i.e. by PLN 50 million, in the value of the accounts payable due to the income tax that are related to the income tax settlements (returns) of TAURON Capital Group's subsidiaries for the first quarter of 2024,
9. a decrease by 30%, i.e. by PLN 304 million, in the value of the accounts payable (liabilities) due to the other taxes and fees, mainly as a consequence of the lower accounts payable due to the VAT,
10. an increase by 27%, i.e. by PLN 173 million, in the value of the derivative instruments which is a consequence of the change in the fair value valuation of the derivative instruments and the FX forward or futures derivative instruments, in accordance with the principles adopted in *TAURON Group's Accounting Policy*,
11. a decrease by 61%, i.e. by PLN 389 million, in the value of the other financial liabilities, mainly due to the decline of the obligations related to the compensation payments, as well as the accounts payable due to the wages,
12. an increase by 2%, i.e. by PLN 32 million, in the value of the other non-financial liabilities which is primarily a consequence of the higher balance of the accounts payable towards the customers due to the overpayments received, and also the advance payments on the account of the grid connection fee, a higher balance of an

excess of the liabilities over the assets of the Company's Social Benefits Fund and the lower balance of the liabilities due to the allowance (charge) to the Price Difference Payout Fund.

Cash flows

Consolidated cash flow statement

The below table presents the selected information from the interim abbreviated cash flow statement for the first quarter of 2024 and for the first quarter of 2023.

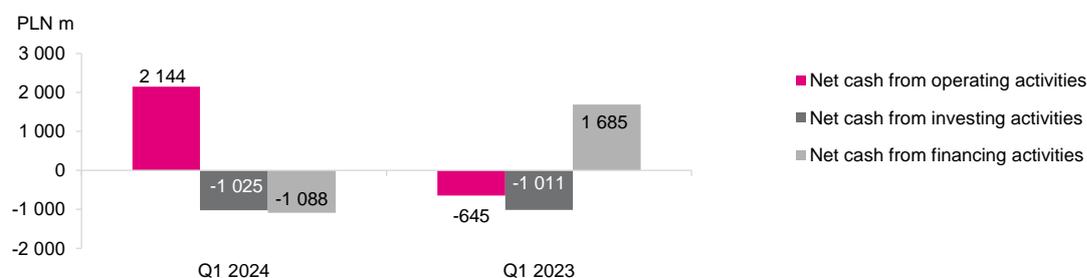
Table no. 29. Interim abbreviated cash flow statement (material items) for the first quarter of 2024 and for the first quarter of 2023

Cash flow statement (PLN m)	Q1 2024 (unaudited data)	Q1 2023 (unaudited data)	Change in % (2024 / 2023)
CASH FLOWS FROM OPERATING ACTIVITIES			
Pre-tax profit	732	1 392	53%
Adjustments	1 412	(2 037)	-
Net cash from operating activities	2 144	(645)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of tangible fixed assets and intangible assets	6	3	200%
Purchase of tangible fixed assets and intangible assets	(1 031)	(1 014)	102%
Purchase of financial assets	0	(1)	-
Other	0	1	0%
Net cash from investing activities	(1 025)	(1 011)	101%
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from taking on credits / loans	172	3 550	5%
Repayment of loans / credits	(1 086)	(1 726)	63%
Interest paid	(106)	(79)	134%
Other	(68)	(60)	113%
Net cash from financing activities	(1 088)	1 685	-
Increase / (decrease) in net cash and equivalents	31	29	107%
Cash opening balance	1 048	940	111%
Cash closing balance	1 079	969	111%

The total amount of all of the net flows of cash from the operating, investing and financing activities in the first quarter of 2024 had been positive and had come in at PLN 31 million.

The below figure presents the cash flows in the first quarter of 2024 and in the first quarter of 2023.

Figure no. 32. Cash flows in the first quarter of 2024 and in the first quarter of 2023



The amount of the cash flows from the operating activities had been positive and come in at PLN 2 144 million in the first quarter of 2024, which had been the result of the following factors:

1. the generated EBITDA in the amount of PLN 1 541 million,
2. a positive change of the working capital in the amount of PLN 698 million, which is the result of:
 - 1) a positive change in the balance of the accounts receivable in the amount of PLN 1 894 million, due to a change of the balance of the accounts receivable from the consumers as a result of the changes in the prices of the energy products and a decrease in the balance of the accounts receivable due to the compensation payments as a result of the settlement thereof and a decrease in the balance of the other financial accounts receivable,
 - 2) a positive change of the inventory level in the amount of PLN 71 million,
 - 3) a negative change in the balance of the accounts payable in the amount of PLN 1 247 million, mainly as a result of a decrease in the accounts payable towards the suppliers, the accounts payable due to the wages, insurance and the other financial liabilities, as well as a decrease in the balance of the tax liabilities except for the ones related to the income tax,
 - 4) a positive change of the other long and short term assets as well as the provisions in the total amount of PLN 49 million,
 - 5) a negative change in the prepayments and accruals as well as the government subsidies in the amount of PLN 78 million, mainly due to the advance payments on the account of the compensation payments received in the first quarter of 2024,
 - 6) a positive change in the balance of the collateral transferred to IRGIT (Warsaw Commodity Exchange Clearing House) in the amount of PLN 9 million
3. an expenditure in the amount of PLN 53 million due to the income tax,
4. the other factors: PLN -42 million.

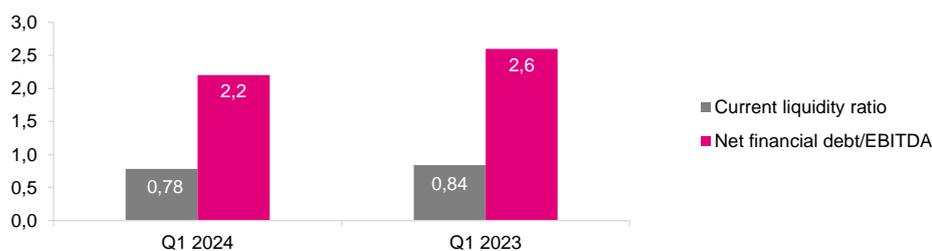
The expenditures for the purchase of the tangible fixed assets have the biggest impact on the cash flow from the investing activities, which had been higher by 2% in the first quarter of 2024 than the outlays incurred in the same period of 2023. The largest expenditures, in the first quarter of 2024, had been incurred by the Distribution Segment and they had accounted for 65% of the total capital spending.

The negative value of the cash flow from the financing activities is primarily due to the expenses due to the repayment of the financial obligations value being higher than the inflows from the financing obtained. The amount of the credits (borrowings) and loans repaid had come in at PLN 1 068 million, while the amount of the proceeds received due to the taking out of the loans had clocked in at PLN 172 million. In addition, in the first quarter of 2024, TAURON Capital Group had paid the amount of PLN 106 million due to interest, mainly on the financial obligations, had repaid the accounts payable due to the leases in the amount of PLN 72 million, and had received the subsidies in the amount of PLN 5 million.

TAURON Capital Group is maintaining its market position. The current liquidity ratio and the net financial debt to EBITDA ratio continue to stand at a permissible level.

The below figure presents the current liquidity ratio and the net financial debt to EBITDA ratio in the first quarter of 2024 and in the first quarter of 2023.

Figure no. 33. Current liquidity ratio and the net financial debt to EBITDA ratio in the first quarter of 2024 and in the first quarter of 2023



TAURON Capital Group is effectively managing its financial liquidity using the central financing model put in place and the central financial risk management policy. TAURON Capital Group is using the *cash pooling* mechanism in order to minimize the potential cash flow disruptions and the risk of the loss of liquidity. TAURON Capital Group is using various sources of funding, such as, for example, overdrafts, bank loans, loans from the environmental funds, bond issues, including the subordinated bond issues.

3.5. Position of the Management Board of TAURON Polska Energia S.A. with respect to the ability to perform in line with the earlier published forecasts of the results for the given year

TAURON Capital Group did not publish any forecasts of the financial results for 2024. TAURON Capital Group's financial position is stable and no negative events which could pose any threat to the continuity of its business operations or cause a material deterioration of its financial position have occurred.

The detailed description of the financial position, understood as ensuring the provision of funds for both the operating, as well as the investing activities, is provided in section 3.4 of this information.

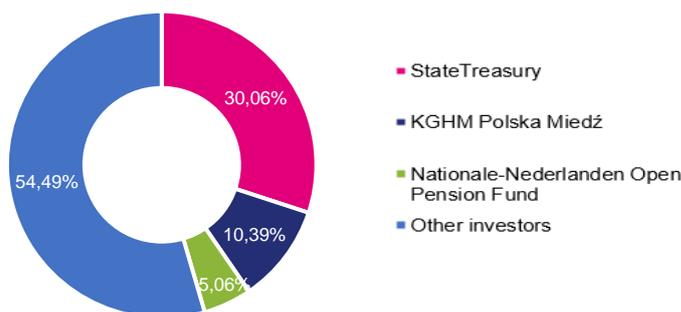
4. SHARES AND SHAREHOLDERS OF TAURON POLSKA ENERGIA S.A.

4.1. Shareholding structure

As of March 31, 2024, and as of the date of drawing up this report the Company's share capital, in accordance with an entry in the National Court Register, stood at PLN 8 762 746 970 and was split into 1 752 549 394 shares with a nominal value of PLN 5 per share, including 1 589 438 762 ordinary AA series bearer shares and 163 110 632 registered ordinary BB series shares.

The below figure presents the shareholding structure as of March 31, 2024, and as of the date of drawing up this report.

Figure no. 34. Shareholding structure as of March 31, 2024, and as of the date of drawing up this information



The below table presents the shareholders that hold, directly or indirectly through their subsidiaries, at least 5% of the total number of votes at the General Meeting of the Company, as of March 31, 2024, and as of the date of drawing up this information

Table no. 30. Shareholders that hold, directly or indirectly through their subsidiaries, at least 5% of the total number of votes at the General Meeting of the Company, as of March 31, 2024, and as of the date of drawing up this information

Shareholders	Number of shares held	Percentage share in the share capital	Number of votes held ¹	Percentage share in the total number of votes
1. State Treasury	526 848 384	30.06%	526 848 384	30.06%
2. KGHM Polska Miedź S.A.	182 110 566	10.39%	182 110 566	10.39%
3. Nationale-Nederlanden Open Pension Fund	88 742 929	5.06%	88 742 929	5.06%

¹Pursuant to the provisions of the Company's Articles of Association the voting right of the shareholders holding over 10% of total votes in the Company shall be limited so that none of them can exercise more than 10% of the total votes in the Company at the General Meeting of the Shareholders. The cumulative votes belonging to shareholders between whom there is a relationship of dominance or dependence within the meaning of the provisions of the Company's Articles of Association shall be subject to an appropriate reduction. The above mentioned restriction on exercising the voting right shall not apply to the State Treasury and the entities controlled by the State Treasury at the time when the State Treasury, together with the entities controlled by the State Treasury, hold a number of the company's shares that entitle them to exercise at least 25% of the total votes in the Company

From the date of disclosing the previous interim report, i.e. the annual (full year) report for 2023, published on April 18, 2023, until the date of drawing up this information the Company had not received any notifications from its shareholders on any changes in the ownership structure of the substantial blocks of TAURON shares.

4.2. Holdings of TAURON Polska Energia S.A. shares or the rights thereto by the Members of the Management Board and the Supervisory Board of TAURON Polska Energia S.A.

The persons holding the positions of the Members of the Management Board of the Company and the Members of the Supervisory Board of the Company, as of March 31, 2024, did not hold any shares of TAURON, nor did they hold any or any rights thereto.

The persons holding the positions of the Members of the Management Board of the Company and the Members of the Supervisory Board of the Company as of the date of drawing up this information, did not hold any shares of TAURON, nor did they hold any rights thereto.

From the date of disclosing the previous interim report, .e. the annual (full year) report for 2023, published on April 18, 2024, until the date of drawing up this information, there had been no changes in the ownership of TAURON shares or the rights thereto by the Members of the Management Board of the Company and the Members of the Supervisory Board of the Company.

5. OTHER MATERIAL INFORMATION AND EVENTS

5.1. Material proceedings pending in front of the court, competent arbitration authority or public administration authority

The below table presents the material proceedings pending in front of the court, competent arbitration authority or the public administration authority in the first quarter of 2024.

Table no. 31. Summary of the material proceedings pending in front of the court, competent arbitration authority or public administration authority in the first quarter of 2024

Parties to the proceedings	Description of the proceedings including the value of the object of litigation and the Company's position
Proceedings involving TAURON	
<p>1. Plaintiff: Huta Łaziska (Łaziska Steel Works)</p> <p>Defendants: TAURON (as a legal successor to GZE) and the State Treasury represented by the President of the Energy Regulatory Office (ERO)</p> <p>Party: TAURON</p>	<p>Object of litigation: a lawsuit for the payment of the compensation for the alleged damage caused by a non-performance by Górnośląski Zakład Elektroenergetyczny S.A. (GZE) of the decision of the President of the Energy Regulatory Office (ERO) of October 12, 2001, related to the resumption of the electricity supply to the plaintiff.</p> <p>Value of the object of litigation: PLN 182 060 000.00</p> <p>Initiation of the proceeding: the lawsuit of March 12, 2007</p> <p>Company's position: the Company considers the claims covered by the lawsuit as being without merit.</p> <p>On May 28, 2019, the Regional Court in Warsaw issued a ruling on the dismissal of Huta Łaziska's lawsuit in whole.</p> <p>Huta Łaziska had filed an appeal complaint on July 25, 2019, appealing against the above mentioned ruling in whole. Based on the ruling of the Court of Appeal in Warsaw of February 9, 2022, the appeal of Huta Łaziska had been dismissed. The ruling is final (legally binding). On October 13, 2022, Huta Łaziska brought a cassation appeal against the judgment to the Supreme Court. Both the Company and the State Treasury have filed responses to this complaint.</p> <p>The cassation complaint of Huta Łaziska was accepted for hearing.</p>
<p>2. Authority conducting the audit: Head of the Mazovian Customs and Tax Office, and after an appeal has been filed – the Director of the Tax Administration Chamber in Katowice and the Director of the Tax Administration Chamber in Warsaw</p> <p>Party: TAURON</p>	<p>Object of litigation: examining of the accuracy of the tax base amounts declared by TAURON and the correctness of the calculations and payments of the VAT tax for the period from October 2013 until September 2014. The main subject of the two investigations (audits) are TAURON's deductions of the VAT assessed due to the purchase of electricity by TAURON on the German and Austrian electricity market from Castor Energy sp. z o.o. (Ltd.)</p> <p>Value of the object of litigation (the deducted VAT amount): with respect to the transaction with Castor Energy sp. z o.o.(Ltd.) – PLN 52 494 672.</p> <p>Date of initiating the proceeding: October 2014, August 2016</p> <p>Company's position: in the Company's opinion during the verification of the counterparty (business partner, contractor), the due diligence was actually adhered to, and the Company acted in good faith, so there are no grounds for refusing the Company the right to deduct the tax assessed on the invoices documenting the electricity purchase from Castor Energy sp. z o.o. (Ltd.).</p> <p>On October 7, 2020, the Company had received the decision of the Head of the Mazovian Customs and Tax Office, ending one of the audit proceedings, specifying the amount of its VAT tax liability for the following months: October, November, December 2013 and the first quarter of 2014, which had resulted in the obligation for the Company to pay additional VAT due to the transaction with Castor Energy sp. z o.o., in the total amount of PLN 51 818 857, along with the interest on the tax arrears. The Company has filed an appeal against the decision.</p> <p>On January 15, 2021, as part of the second audit proceedings, a decision had been issued by the Head of the Mazovian Customs and Tax Office in which the Authority stated that the Company had not been eligible to deduct the VAT assessed from the invoice issued by Castor Energia Sp. z o.o. (Ltd.) in April 2014, and thus the Company had overstated the amount of the VAT assessed recognized in the tax statement filing for the second quarter of 2014 by the amount of PLN 677 815.39. The Company had filed an appeal against the decision on February 12, 2021.</p> <p>On February 23, 2023, the Provincial Administrative Court (Wojewódzki Sąd Administracyjny - WSA) in Gliwice overturned the decision of the second instance authority that the Company had filed an appeal against, with respect to the VAT tax liability for the periods from October to December 2013 and for the first quarter of 2014. The Director of the Tax Administration Chamber in Katowice filed a cassation appeal with the Supreme Administrative Court (NSA) on April 22, 2022, representing a complaint against the February 23, 2023, ruling of the Provincial Administrative Court (WSA) in Gliwice, which had been in TAURON's favor.</p>
<p>3. Plaintiff: Enea</p> <p>Defendant: TAURON</p>	<p>Object of litigation: a lawsuit for the payment due to the Company's alleged unjust enrichment (benefit) in connection with the settlements related to the imbalance of the Balancing Market with PSE between January and December 2012</p> <p>Value of the object of litigation: PLN 17 085 846.49</p> <p>Initiation of the proceeding: the lawsuit of December 10, 2015</p> <p>Company's position: the Company considers the claims covered by the lawsuit as being without merit.</p>

Parties to the proceedings	Description of the proceedings including the value of the object of litigation and the Company's position
	<p>On March 22, 2021, the Regional Court in Katowice had dismissed Enea's lawsuit in its entirety. Enea had filed an appeal in June 2021. The Company has filed a response to the appeal. As of now, no appeal hearing date has been set.</p>
Lawsuits pertaining to the termination, by the PEPKH subsidiary, of the agreements related to the sales of electricity and property rights arising from the guarantees of origin (energy certificates)	
<p>4. Plaintiff: Dobiesław Wind Invest sp. z o.o.(Dobiesław Wind Invest) Defendant: TAURON</p>	<p>Object of litigation: a lawsuit for the payment of the damages and the determination of the liability for the future.</p> <p>Value of the object of litigation: PLN 72 217 997.00</p> <p>Initiation of the proceeding: the lawsuit of June 30, 2017</p> <p>In February 2021, the Company's power of attorney representatives received the plaintiff's pleading (submission) extending the claim. The plaintiff, in addition from the existing claims, brought new claims: for the payment of PLN 37 471 305.05 or (a potential claim) PLN 35 969 662.07.</p> <p>In the course of the court proceedings under way, the parties had exchanged the pleadings (submissions) and the hearings had been held at which witnesses had been heard. The evidentiary proceedings are still in progress. The further hearings were held in April, May and October 2023. The case is pending in the first instance.</p> <p>Company's position: the Company considers the claims covered by the lawsuit as being without merit.</p>
<p>5. Plaintiff: Gorzyca Wind Invest sp. z o.o. (Ltd.) Defendant: TAURON</p>	<p>Object of litigation: a lawsuit for the payment of the damages and the determination of TAURON's liability for the losses that may arise in the future due to tort, including due to the acts of an unfair competition.</p> <p>Value of the object of litigation: PLN 150 069 533.00</p> <p>Initiation of the proceeding: the lawsuit of June 29, 2017</p> <p>Company's position: the Company considers the claims covered by the lawsuit as being without merit.</p> <p>In February 2021, the Company's power of attorney representatives had received the plaintiff's pleading (submission) extending the claim. The plaintiff, in addition to the existing claims, had brought the new claims: for the payment of PLN 57 933 516.55 or (a potential claim) PLN 62 666 188.65. In January 2024, the Company's power of attorneys received plaintiff's pleading extending the claim for the second time. The plaintiff, in addition to the existing claims, submitted further claims: for the payment of PLN 38 517 274.48 or (potential claim) PLN 15 473 568.81 and additionally of the amount of PLN 13 900 420.46 for previous "unjustified compensation with periodic profits generated by Gorzyca Wind Invest sp. z o.o." in relation to sale of electricity and property rights in that period.</p> <p>The case had been heard jointly with the cases brought by Pękanino Wind Invest sp. z o. o. (Ltd.) and Nowy Jarosław Wind Invest Sp. z o. o. (Ltd.). The evidentiary proceedings are still in progress. The case is pending in the first instance.</p>
<p>6. Plaintiff: Pękanino Wind Invest sp. z o.o. (Ltd.) Defendant: TAURON</p>	<p>Object of litigation: a lawsuit for the payment of the damages and the determination of TAURON's liability for the losses that may arise in the future due to tort, including due to the acts of an unfair competition.</p> <p>Value of the object of litigation: PLN 44 817 060.00</p> <p>Initiation of the proceeding: the lawsuit of June 29, 2017</p> <p>Company's position: the Company considers the claims covered by the lawsuit as being without merit.</p> <p>In February 2021, the Company's power of attorney representatives had received the plaintiff's pleading (submission) extending the claim. The plaintiff, in addition to the existing claims, had brought the new claims: for the payment of PLN 16 347 985.20 or (a potential claim) PLN 11 894 096.96.</p> <p>The case had been heard jointly with the cases brought by Gorzyca Wind Invest sp. z o. o. (Ltd.) and Nowy Jarosław Wind Invest Sp. z o. o. (Ltd.). In the course of the court proceedings under way, the parties had exchanged the pleadings (submissions) and the hearings had been held at which the witnesses had been heard. The evidentiary proceedings are still in progress. The case is pending in the first instance.</p>
<p>7. Plaintiff: Nowy Jarosław Wind Invest sp. z o.o. (Ltd.) Defendant: TAURON</p>	<p>Object of litigation: a lawsuit for the payment of the damages and the determination of TAURON's liability for the losses that may arise in the future due to tort, including due to the acts of an unfair competition.</p> <p>Value of the object of litigation: PLN 83 600 774.00</p> <p>Initiation of the proceeding: the lawsuit of June 29, 2017</p> <p>Company's position: the Company considers the claims covered by the lawsuit as being without merit.</p> <p>In February 2021, the plaintiff, in addition to the existing claims, had brought the new claims: for the payment of PLN 30 755 239.47 or (a potential claim) PLN 32 175 239.15. In January 2024 (an event after the balance sheet date) the Company's power of attorneys received the plaintiff's pleading extending the claim for the second time. The plaintiff, in addition to the existing claims, submitted further claims: for the payment of PLN 19 887 160.09, or (potential claim) PLN 8 098 270.92 and additionally of the amount of PLN 5 950 274.18 for previous "unjustified compensation with periodic profits generated by Nowy Jarosław Wind Invest sp. z o.o." in relation to sale of electricity and property rights in that period.</p> <p>The case had been heard jointly with the cases brought by Gorzyca Wind Invest sp. z o. o. (Ltd.) and Pękanino Wind Invest Sp. z o.o. (Ltd.). The case is pending in the first instance.</p>
<p>8. Co-participation on the plaintiff's side: Amon sp. z o.o. (Ltd.) (Amon) and Talia sp. z o.o. (Ltd.) (Talia) Defendant: TAURON</p>	<p>Object of litigation: a lawsuit for the payment of the damages and the determination of TAURON's liability for the losses that may arise in the future due to tort, including due to the acts of an unfair competition.</p> <p>Value of the object of litigation: Amon – PLN 107 873 696.42; Talia – PLN 72 405 047.22</p> <p>Initiation of the proceeding: the lawsuit of April 30, 2018</p>

Parties to the proceedings	Description of the proceedings including the value of the object of litigation and the Company's position
	<p>Company's position: the Company considers the claims covered by the lawsuit as being without merit.</p> <p>In the course of the court proceedings under way, the parties had exchanged the pleadings (submissions). The evidentiary proceedings are still in progress, a number of hearings had been held at which the witnesses had been heard. The case is pending in the first instance. In January 2024, the Company's power of attorneys received the plaintiff's pleading extending the claim, Amon, in addition to the existing claims, submitted a new claim for the payment of PLN 29 668 791.42. Talia, in addition to the existing claims, submitted a new claim for the payment of PLN 19 277 206.14.</p>
<p>9. Plaintiff: Gorzyca Wind Invest sp. z o.o. (Ltd.), Pękanino Wind Invest sp. z o.o. (Ltd.), Dobiesław Wind Invest sp. z o.o. (Ltd.) Defendant: PEPKH</p>	<p>Proceedings involving TAURON Capital Group's subsidiaries related to the termination, by a subsidiary, of the agreements related to the sale of electricity and property rights arising from the guarantees of origin of electricity (energy certificates)</p> <p>Object of litigation: a plea to declare the termination, by PEPKH, of the agreements related to the purchase of electricity and the property rights arising from the guarantees of origin of electricity (energy certificates) null and void, and to award the damages.</p> <p>Value of the object of litigation: Gorzyca Wind Invest sp. z o.o.(Ltd.) – PLN 112 353 945.05; Pękanino Wind Invest sp. z o.o. (Ltd.) - PLN 64 116 908.85</p> <p>Initiation of the proceeding: Gorzyca Wind Invest sp. z o.o. (Ltd.) – May 18, 2015, Pękanino Wind Invest sp. z o.o. (Ltd.) – May 20, 2018, Dobiesław Wind Invest sp. z o.o. (Ltd.) – May 18, 2015</p> <p>Company's position: the Company considers the claims covered by the lawsuit as being without merit.</p> <p>On April 14, 2022, PEPKH's power of attorney representatives had received further lawsuits including more claims:</p> <ol style="list-style-type: none"> 1) Gorzyca Wind Invest sp. z o.o. (Ltd.) – a claim for the award of the amount of PLN 80 810 380.04 or (an alternative claim) of PLN 43 350 973.37, 2) Pękanino Wind Invest sp. z o.o. (Ltd.) – a claim for the award of the amount of PLN 11 070 380.21 or (an alternative claim) of PLN 11 454 266.58. <p>The cases had been combined for a joint hearing in 2018. In the course of the court proceedings under way, the plaintiffs had expanded their claims, as well as had filed the new claims (the current value of the object of the litigation is indicated above). The case is pending in the first instance.</p>
<p>10. Plaintiff: Dobiesław Wind Invest sp. z o.o. (Ltd.) Defendant: PEPKH</p>	<p>Object of litigation: a plea to award damages and the liquidated damages.</p> <p>Value of the object of litigation: PLN 159 427 682.00</p> <p>Initiation of the proceeding: the lawsuit of June 14, 2017</p> <p>Company's position: the Company considers the claims covered by the lawsuit as being without merit.</p> <p>In the course of the court proceedings under way, the plaintiff had expanded its claims (the current value of the object of the litigation is indicated above). The case is pending in the first instance.</p>
<p>11. Plaintiff: Nowy Jarosław Wind Invest sp. z o.o.(Ltd.) Defendant: PEPKH</p>	<p>Object of litigation: a plea to declare the termination, by PEPKH, of the agreements related to the sale of electricity and the property rights arising from the guarantees of origin of electricity (energy certificates) null and void, and to award the damages.</p> <p>Value of the object of litigation: PLN 105 128 834.11</p> <p>Initiation of the proceeding: the lawsuit of June 3, 2015</p> <p>Company's position: the Company considers the claims covered by the lawsuit as being without merit.</p> <p>In the course of the court proceedings under way, the plaintiff had expanded its claims four times (the current value of the object of the litigation is indicated above). The case is pending in the first instance.</p>
<p>12. Plaintiff: Amon Defendant: PEPKH</p>	<p>Object of litigation: a plea to declare the termination, by PEPKH, of the agreements related to the purchase of electricity and the property rights arising from the guarantees of origin of electricity null and void, and to award the damages.</p> <p>Value of the object of litigation: PLN 40 478 983.22</p> <p>Initiation of the proceeding: the lawsuit of May 22, 2015</p> <p>Company's position: the Company considers the claims covered by the lawsuit as being without merit.</p> <p>On July 25, 2019, the Regional Court in Gdańsk had issued a partial and preliminary ruling in the case in which the Court:</p> <ol style="list-style-type: none"> 1. determined that PEPKH's statements on the termination of the long term agreements, concluded between PKH and Amon, for the purchase of electricity and the property rights arising from the guarantees of origin of electricity had been ineffective and had not produced any legal effects, such as the termination of both agreements, as a result of which these agreements, following the notice period, i.e. past April 30, 2015, shall continue to be in force with respect to all of their provisions and shall be binding for the parties, 2. determined that Amon's claim for the payment of the damages for a failure to perform the agreement had been justified in principle, however the Court did not determine the amount of the potential damages. <p>PEPKH does not agree with the ruling and had filed an appeal complaint on October 25, 2019. On November 17, 2022, the Court of Appeals had dismissed PEPKH's appeal. The ruling of the Court of Appeals and, as a consequence, the above mentioned preliminary and partial rulings shall be legally binding, however, there is a possibility that a cassation appeal will be filed. These rulings do not award any damages to be paid by PEPKH to the plaintiff, i.e. Amon. PEPKH disagrees with the ruling of the Court of Appeals in its entirety, as well as it does not agree with the ruling of the Court of the First Instance. Having been served a written statement of reasons, PEPKH had filed a cassation appeal to the Supreme Court, which was received by the Supreme Court to be heard on September 26, 2023.</p>

Parties to the proceedings	Description of the proceedings including the value of the object of litigation and the Company's position
<p>13. Plaintiff: Amon Defendant: PEPKH</p>	<p>The preliminary and partial ruling is final (legally binding). On January 20, 2023, PEPKH had sent a letter to Amon in which it stated that it intended to comply with the above mentioned ruling and remained ready to perform its obligations and indicated that it expected the same readiness from Amon. Up to now, Amon has not, in spite of the summons, complied with the Court of Appeals' ruling, and as a consequence PEPKH has filed a lawsuit against Amon, as described in section 15 below.</p> <p>Object of litigation: a plea to determine awarding of the damages due to a failure to perform, by PEPKH, of the agreements related to the purchase of electricity and the property rights arising from the guarantees of origin of electricity (energy certificates).</p> <p>Value of the object of litigation: PLN 49 096 783,00 29</p> <p>Initiation of the proceeding: August 20, 2019</p> <p>Company's position: the Company considers the claims covered by the lawsuit as being without merit.</p> <p>On March 1, 2023, PEPKH had been served with an amendment to the lawsuit, in which Amon had claimed the payment of the amount of PLN 20 087 593.10, in addition to the amount of PLN 29 009 190 claimed in the lawsuit.</p> <p>In January 2021, the Court had suspended the proceedings pending the final determination with respect to Amon's claim referred to in section 12 above, and, in view of the Court of Appeals' ruling, the Court had resumed the suspended proceedings on January 30, 2023. The case is pending in the first instance.</p>
<p>14. Plaintiff: Talia Defendant: PEPKH</p>	<p>Object of litigation: a plea to declare the termination, by PEPKH, of the agreements related to the purchase of electricity and property rights arising from the guarantees of origin of electricity (energy certificates) null and void, and to award the damages.</p> <p>Value of the object of litigation: PLN 46 078 047.43</p> <p>Initiation of the proceeding: the lawsuit of May 21, 2015</p> <p>Company's position: the Company considers the claims covered by the lawsuit as being without merit.</p> <p>On March 6, 2020, the Regional Court in Gdańsk had issued a partial and preliminary ruling, supplemented by the court on September 8, 2020, in which the Court:</p> <ol style="list-style-type: none"> determined that PEPKH's statements on the termination of the long term agreements, concluded between PEPKH and Talia, for the purchase of electricity and the property rights arising from the guarantees of origin of electricity (energy certificates) had been ineffective and had not produced any legal effects, such as the termination of both agreements, as a result of which these agreements, following the notice period, i.e. past April 30, 2015, shall continue to be in force with respect to all of their provisions and shall be binding for the parties, determined that Talia's demand for the payment of the damages for a failure to perform the agreement had been justified in principle, however the Court did not determine the amount of the potential damages. <p>On August 3, 2020, and on March 8, 2021, PEPKH had filed an appeal against the ruling (the preliminary one and the supplementary one) with the court. On December 20, 2021, the Court of Appeal in Gdańsk, had announced the ruling in which it had dismissed the appeal of PEPKH. The ruling of the Court of Appeals, and as a consequence the above mentioned preliminary and partial ruling as well as the supplementary ruling shall be final (legally binding). The rulings do not order that PEPKH should pay any damages to the plaintiff, i.e. Talia. PEPKH does not agree with the ruling of the Court of Appeals in its entirety, as well as with the rulings of the Court of the first instance. PEPKH had been served the statement of reason for the court judgment and had filed a cassation appeal. On February 28, 2023, the Supreme Court accepted the cassation appeal to be heard. On September 29, 2023, a three member Supreme Court held a closed session, no ruling was issued and the proceedings were adjourned without indicating a date for the resumption thereof.</p>
<p>15. Plaintiff: PEPKH Defendant: Amon</p>	<p>Object of litigation: a plea to determine awarding of the damages due to a failure to perform, by Amon, of the agreements related to the purchase of electricity and the payment of the liquidated damages under the agreement for the sale of the property rights arising from the guarantees of origin of electricity (energy certificates).</p> <p>Value of the object of litigation: PLN 61 576 284.89</p> <p>Initiation of the proceeding: the lawsuit had been filed on March 31, 2023</p> <p>The filing of the lawsuit by PEPKH was due to the fact that following the date of the issuance of the ruling by the Court of Appeals, i.e., after November 17, 2022, dismissing the appeal of PEPKH, as discussed in detail in section 12 above, Amon, in spite of PEPKH having issued the summons, has not fulfilled its obligation stemming from the final (legally binding) ruling by proceeding to perform the above mentioned agreements with PEPKH. The procedural issues are currently under way.</p>
<p>16. Plaintiff: PEPKH Defendant: Talia</p>	<p>Object of litigation: a plea to determine awarding of the damages due to a failure to perform, by Talia, of the agreements related to the purchase of electricity and the payment of the liquidated damages under the agreement for the sale of the property rights arising from the guarantees of origin of electricity (energy certificates).</p> <p>Value of the object of litigation: PLN 75 334 631.53</p> <p>Initiation of the proceeding: the lawsuit had been filed on December 28, 2023</p> <p>The filing of the lawsuit by PEPKH had been due to the fact that following the date of the issuance of the ruling by the Court of Appeals, i.e., after December 20, 2022, dismissing the appeal of PEPKH, Talia, in spite of PEPKH having issued the summons, has not fulfilled its obligation stemming from the final (legally binding) ruling by proceeding to perform the above mentioned agreements with PEPKH. The procedural issues are currently under way.</p>

Other proceedings

Petitions of TAURON Sprzedaż for a change of the approved tariff

As of January 1, 2020, pursuant to the decision of the President of the Energy Regulatory Office (ERO) of December 17, 2019, the electricity tariff for the G tariff groups consumers had entered into force, resulting in an increase in the payments for the household consumers by 19.9% as compared to the payments incurred in 2018 / 2019.

Due to the fact that the said decision had prevented TAURON Sprzedaż from passing on the justified costs of the activities related to the electricity trading, on January 8, 2020, TAURON Sprzedaż submitted to the President of the Energy Regulatory Office (ERO) a petition for a change of the tariff approved for 2020, which led to the initiating the administrative proceedings.

Due to the particularly complex nature of the case and the COVID-19 pandemic, the deadline for resolving the case had been set as July 29, 2020. By way of the decision of July 8, 2020, the President of the Energy Regulatory Office (ERO) did not approve the above mentioned change of the tariff.

In the opinion of TAURON Sprzedaż, the change of the decision to approve the tariff was justified by the legitimate interest of the party and the provisions of the applicable law, stipulating that the tariff should ensure that the justified costs of the activities conducted by the Company are covered, while the decision approving the tariff, in the opinion of the Company, did not ensure this.

On July 30, 2020, TAURON Sprzedaż had filed an appeal to the Court of Competition and Consumer Protection in Warsaw, against the decision of the President of the Energy Regulatory Office (ERO) of July 8, 2020, motioning for an amendment of the challenged decision in its entirety by approving the electricity tariff in accordance with the petition of TAURON Sprzedaż or revoking the decision in its entirety and ruling that the decision had been issued in the violation of the law. The case is pending under the reference file number XVII AmE 242/20.

The Court of Competition and Consumer Protection Company, by way of its decision of July 28, 2022, had admitted the evidence in the form of the opinion of a court expert in the field of the energy market and accounting. The expert had prepared an opinion, which was served on the Company's power of attorney representative on December 4, 2023. The date of the next hearing has not been set.

5.2. Transactions with related entities on terms other than at arm's length

All of the transactions with the related entities are concluded at arm's length.

The detailed information on the transactions with the related entities is provided in note 58 to the Consolidated Financial Statements of TAURON Capital Group.

The detailed information on the transactions with the related entities is provided in note 52 to the Interim Abbreviated Consolidated Financial Statements of TAURON Polska Energia S.A Capital Group, drawn up in compliance with the International Financial Reporting Standards, approved by the European Union, for the period of 3 months ended on March 31, 2024.

5.3. Credit or loan sureties (co-signings) granted and guarantees granted

Credit or loan sureties (co-signings) granted

In the first quarter of 2024, TAURON had granted a surety for EC Stalowa Wola's liabilities towards BGK stemming from the agreement for the loan extended in 2018. The maximum amount of TAURON's surety for EC Stalowa Wola's liabilities towards BGK stands at PLN 54 million. TAURON's surety is valid until March 11, 2025.

The subsidiaries did not issue any loan or credit sureties in the first quarter of 2024.

Guarantees granted

The Company, as well as its subsidiaries, had not granted any new corporate guarantees in the first quarter of 2024.

As of March 31, 2024, the total amount of the sureties (co-signings) and corporate guaranties (bonds) granted by the Company had stood at PLN 897 million.

In the first quarter of 2024, TAURON Zielona Energia had provided a surety in the amount of PLN 223 for the liabilities of the AE Energy subsidiary million stemming from the commercial contract signed.

As of March 31, 2024, the amount of the sureties and guarantees issued by the subsidiaries had stood at EUR 80 million (PLN 346 million) and PLN 409 million in total.

In the first quarter of 2024, as part of the framework (master) agreements in force, the bank guarantees were issued at the instruction of TAURON for the liabilities of TAURON Capital Group's subsidiaries and the related companies.

As of March 31, 2024, the amount of the bank guarantees (bonds) in effect, issued at the instruction of TAURON, had stood at PLN 632 million.

In addition, the bank guarantees issued at the instruction of TAURON Czech Energy had been in effect in the first quarter of 2024 and, as of March 31, 2024, they had amounted to PLN 19 million in total.

After the balance sheet date, TAURON Zielona Energia signed an annex to the corporate guarantee (bond) in effect for the liabilities of Wind T2 sp. z o.o. (Ltd.), raising the liability amount from EUR 27 million up to EUR 33 million.

The information on the material guarantees (bonds) granted is provided in note 51 to the Interim Abbreviated Consolidated Financial Statements of TAURON Polska Energia S.A. Capital Group drawn up in compliance with the International Financial Reporting Standards approved by the European Union, for the period of 3 months ended on March 31, 2024.

5.4. The impact of the Russian Federation's aggression against Ukraine on the current and future operations of TAURON Capital Group

The information on the impact of the aggression of Russian Federation against Ukraine on the current and future operations of TAURON Capital Group has been presented in Note 53 to the Interim condensed consolidated financial statements compliant with the International Financial Reporting Standards approved by the European Union for the 3-month period ended 31 March 2024.

5.5. Other information that could be material for the evaluation of TAURON Capital Group's personnel, assets, financial position, financial result and the changes thereof, as well as the information that could be material for the evaluation of the ability of TAURON Capital Group to meet its obligations

Apart from the events indicated in this information, no other events had occurred in the first quarter of 2024 that were material for the evaluation of the personnel, assets, financial position and the financial result of TAURON Capital Group and the changes thereof, as well as for the evaluation of the ability of TAURON Capital Group to meet its obligations.

Katowice, May 21, 2024

Grzegorz Lot – President of the Management Board

Piotr Gołębiowski – President of the Management Board

Michał Orłowski – Vice President of the Management Board

Krzysztof Surma – Vice President of the Management Board

Appendix A: GLOSSARY OF TERMS AND LIST OF ABBREVIATIONS

The glossary of the trade terms and the list of the abbreviations and acronyms most commonly used in this report is presented below.

Table no. 32. Explanation of the abbreviations and acronyms as well as the trade terms

Abbreviation and trade term	Full name / explanation
1. Amon	Amon sp. z o.o. (Ltd.) with its registered office in Łebcz.
2. ARA	Dollar based carbon price index in the EU. Loco Amsterdam - Rotterdam - Antwerp ports
3. ARE	Agencja Rynku Energii S.A. (Energy Market Agency) with its registered office in Warsaw.
4. AVAL-1	AVAL-1 sp. z o. o. (Ltd.) with its registered office in Szczecin.
5. BASE (BASE contract)	A baseload contract for the supply of electricity at all hours of the period, for example the BASE contract for March 2022 is related to the supply of the same amount of electricity during all hours of the month of March 2022.
6. Bioeko Grupa TAURON	Bioeko Grupa TAURON Sp. z o.o. (Ltd.) with its registered office in Stalowa Wola.
7. Cash pool	True real time (online) <i>cash pool</i> structure, implemented under the cash management agreement, is based on the daily limits. As a result of the implementation of the <i>cash pool</i> mechanism, cash transfers are made between the accounts of the service participants and the Pool Leader's account.
8. CCIRS	CCIRS - <i>cross-currency interest rate swap</i> , a derivative transaction involving an exchange between the counterparties of the interest payments accrued on the amounts denominated in different currencies and determined according to different interest rates.
9. Color certificates	Property rights based on the guarantees of origin of electricity (energy certificates) generated in the way that is subject to support, the so-called color certificates: green - guarantees of origin of electricity (energy certificates) from RES, blue - guarantees of origin of electricity (energy certificates) generated from agricultural biogas. white - energy efficiency certificates (mechanism stimulating and forcing pro-savings behaviors) yellow - guarantees of origin of electricity (energy certificates) generated in co-generation from gas-fired sources or with the total installed capacity below 1 MW, red - guarantees of origin of electricity (energy certificates) from co-generation (CHP certificates - Combined Heat and Power), violet - guarantees of origin of electricity (energy certificates) generated in co-generation fired using methane released and captured during underground mining works in active, in liquidation or liquidated hard coal mines, or using gas obtained from biomass processing.
10. CUW	Shared Services Center (Centrum Usług Wspólnych - CUW) - separate organizational units responsible for providing a specific range of support services (CUW R – accounting services, CUW HR – human resources services, CUW IT – IT services, CUW Insurance, CUW Protection).
11. Net debt / EBITDA	Net financial debt to EBITDA ratio.
12. EBIT	Earnings Before Interest and Taxes.
13. EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization.
14. Enea	Enea S.A. (Joint Stock Company) with its registered office in Poznań.
15. Energa	Energa S.A. (Joint Stock Company) with its registered office in Gdańsk.
16. EU ETS	European Union Emission Trading System – the European Union's System for the Trading of the CO ₂ Emission Allowances.
17. EUA	European Union Allowance - an allowance to introduce the carbon dioxide (CO ₂) equivalent to the air, within the meaning of Article 2 section 4 of the <i>act of July 17, 2009, on the management system of emissions of greenhouse gases and other substances</i> , which is used for settlements of emission level within the system and which can be managed under the rules provided in the <i>Act of April 28, 2011, on the system of greenhouse gases emission allowances trading</i> .
18. TAURON Capital Group	TAURON Capital Group Polska Energia S.A. (Joint Stock Company)
19. GZE	Górnośląski Zakład Elektroenergetyczny S.A. (Joint Stock Company) with its registered office in Gliwice.
20. ICE (ICE exchange)	InterContinental Exchange – the commodity and financial exchange, where, among others, the contracts for oil, coal, natural gas and the CO ₂ emission allowances are traded.
21. IRS	Interest Rate Swap - interest payment swap contract, one of the main derivatives that is traded on the interbank market
22. EC (KE)	European Commission (KE – Komisja Europejska) - the executive body of the European Union.
23. KW Czatkowice	Kopalnia Wapienia (Limestone Mine) "Czatkowice" sp. z o.o. (Ltd.) with its registered office in Krzeszowice.

Abbreviation and trade term	Full name / explanation
24. EBIT margin	A measure used to evaluate the Group's profitability, based on the ratio of the EBIT to the sales revenues generated. The metric provides information on the amount of the EBIT generated on every PLN of the products, goods and materials sales.
25. EBITDA margin	A measure used to evaluate the Group's profitability, based on the ratio of the EBITDA to the sales revenues generated. The metric provides information on the amount of the EBITDA generated on every PLN of the products, goods and materials sales.
26. Net profit margin	A measure used to evaluate the Group's profitability, based on the ratio of the net profit to the sales revenues generated. The metric provides information on the amount of the net profit generated on every PLN of the products, goods and materials sales.
27. MEGAWATT S.C.	Megawatt S.C (civil partnership.) with its registered office in Katowice.
28. Line of Business (Segment)	Six areas (lines of business, segments) of TAURON Capital Group's core operations set up by the Company: Generation, RES, Heat, Distribution, Trading and Supply.
29. RES (OZE)	Renewable Energy Sources (Odnawialne Źródła Energii - OZE)
30. PEAK (PEAK contract)	Peak contract for the supply of electricity during business hours (8-22) on business days, for example the PEAK contract for November 2020 is related to the supply of the same amount of electricity on all business days in November 2020 between 8 and 22.
31. PEPKH	Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. (Ltd.) with its registered office in Warsaw.
32. PGE	PGE Polska Grupa Energetyczna S.A. (Joint Stock Company) with its registered office in Warsaw.
33. GDP (PKB)	Gross Domestic Product (PKB - Produkt Krajowy Brutto).
34. PMEF	Property rights related to the energy efficiency certificates
35. PMOZE_A	Property rights related to the guarantees of origin of electricity (energy certificates) confirming generation of electricity in RES after March 1, 2009.
36. PMOZE-BIO	Property rights related to the guarantees of origin of electricity (energy certificates) confirming generation of electricity from agricultural biogas from July 1, 2016
37. PSE (TSO)	Polskie Sieci Elektroenergetyczne S.A. (Joint Stock Company) with its registered office in Konstancin-Jeziorna.
38. Balancing Market (Rynek Bilansujący – RB)	Balancing Market (RB - Rynek Bilansujący) - technical market on which the demand for and supply of electricity in the National Power System (KSE) is balanced.
39. RDN (Day Ahead Market)	Day Ahead Market - a market operating on the POLPX (TGE), where trading is carried out one and two days ahead of the delivery.
40. Segment, Segments of Operations (Operating Segments)	TAURON Capital Group's segments of operations used in the statutory reporting process. TAURON Capital Group's results from operations are allocated to the following 5 main Segments: Mining, Generation, RES, Distribution and Supply, as well as, additionally, Other Operations.
41. SPOT (SPOT market)	With respect to electricity, it is the place where trade transactions for electricity are concluded with delivery not later than 3 days after the date of the transaction's conclusion (most often it is one day before the date of delivery). The operation of the SPOT market for electricity is strongly tied to the operation of the Balancing Market run by the Transmission System Operator (TSO).
42. Company	TAURON Polska Energia S.A. (Joint Stock Company) with its registered office in Katowice.
43. Company's Articles of Association	Document entitled <i>Articles of Association of TAURON Polska Energia S.A. (Joint Stock Company)</i>
44. Strategy	Document entitled <i>TAURON Group's Strategy for the years 2022 - 2030 with an outlook until 2050</i> adopted by the Management Board of TAURON on June 22, 2022.
45. Talia	Talia sp. z o.o. (Ltd.) with its registered office in Lebcz.
46. TAURON	TAURON Polska Energia S.A. (Joint Stock Company) with its registered office in Katowice.
47. TAURON Ciepło	TAURON Ciepło sp. z o.o. (Ltd.) with its registered office in Katowice.
48. TAURON Czech Energy	TAURON Czech Energy s.r.o. with its registered office in Ostrava (Czech Republic).
49. TAURON Dystrybucja	TAURON Dystrybucja S.A. with its registered office in Cracow.
50. TAURON Ekoenergia	TAURON EKOENERGIA sp. z o.o. (Ltd.) with its registered office in Jelenia Góra.
51. TAURON Nowe Technologie	TAURON Nowe Technologie S.A. (Joint Stock Company) (formerly: TAURON Dystrybucja Serwis S.A. (Joint Stock Company)) with its registered office in Wrocław.
52. TAURON Sprzedaż	TAURON Sprzedaż sp. z o.o. (Ltd.) with its registered office in Cracow.
53. TAURON Sprzedaż GZE	TAURON Sprzedaż GZE sp. z o.o. (Ltd.) with its registered office in Gliwice.
54. TAURON Wytwarzanie	TAURON Wytwarzanie S.A. (Joint Stock Company) with its registered office in Jaworzno.

Abbreviation and trade term	Full name / explanation
55. TAURON Zielona Energia	TAURON Zielona Energia sp. z o.o. (Ltd.) with its registered office in Katowice.
56. PPX (TGE)	Towarowa Gielda Energii S.A. (Joint Stock Company) (Polish Power Exchange – POLPX) with its registered office in Warsaw.
57. TGEozebio	Property rights that confirm the production of electricity from renewable energy sources using agricultural biogas.
58. UOKiK	Office of Competition and Consumer Protection (Urząd Ochrony Konkurencji i Konsumentów – UOKiK)
59. ERO (URE)	Energy Regulatory Office (Urząd Regulacji Energetyki - URE)
60. Wind T1	WIND T1 sp. z o. o. (Ltd.) with its registered office in Pieńków.
61. Current liquidity ratio	A ratio (metric) used to determine the financial liquidity that allows for the checking of the ability to repay the liabilities by getting rid of the current assets, i.e. such assets that can be quickly converted to cash. The metric is calculated as the ratio of the current assets to the current liabilities
62. Financial liabilities	Defined in the individual financing agreements, the term generally denotes a liability (obligation) to pay or repay funds due to the credits, loans and debt securities as well as the financial leases (as defined in the provisions of the IAS 17 standard), with the exclusion of the liabilities due to the subordinated bonds
63. Net financial liability	The amount of the financial liability reduced by cash and the short term investments with a maturity of up to 1 year. This metric is also referred to as the net debt.

Appendix B: INDEX OF TABLES AND FIGURES

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