

TAURON Polska Energia S.A.

Quarterly financial information

for the 3-month period ended 31 March 2024

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(in PLN million)

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Note	3-month period ended 31 March 2024 <i>(unaudited)</i>	3-month period ended 31 March 2023 <i>(unaudited restated figures)</i>
Sales revenue	3	5 952	11 260
Cost of sales	4	(5 771)	(11 212)
Profit on sale		181	48
Selling and distribution expenses	4	(5)	(8)
Administrative expenses	4	(38)	(18)
Other operating income and expenses		-	(3)
Operating profit		138	19
Interest income on loans	5	171	219
Interest expense on debt	5	(201)	(242)
Revaluation of loans	5	(10)	(63)
Other finance income and costs	5	(76)	(75)
Profit (loss) before tax		22	(142)
Income tax expense		(22)	(17)
Net profit (loss)		-	(159)
Measurement of hedging instruments		(7)	(90)
Income tax		1	17
Other comprehensive income subject to reclassification to profit or loss		(6)	(73)
Total comprehensive income		(6)	(232)
Profit (loss) per share (in PLN):			
- basic and diluted, for net profit (loss)		-	(0.09)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 March 2024 <i>(unaudited)</i>	As at 31 December 2023 <i>(restated figures)</i>
ASSETS			
Non-current assets			
Investment property		18	18
Right-of-use assets		10	12
Shares	6	15 520	15 520
Loans granted	7	11 340	11 273
Derivative instruments		206	149
Other financial assets		32	33
Other non-financial assets		19	17
Deferred tax assets		66	86
		27 211	27 108
Current assets			
Inventories		138	12
Receivables from buyers		1 273	2 490
Income tax receivables	8	100	94
Loans granted	7	795	1 138
Derivative instruments		422	292
Other financial assets		136	433
Other non-financial assets		33	3
Cash and cash equivalents	9	698	484
		3 595	4 946
TOTAL ASSETS		30 806	32 054
EQUITY AND LIABILITIES			
Equity			
Issued capital		8 763	8 763
Reserve capital		3 076	3 076
Revaluation reserve from valuation of hedging instruments		212	218
Retained earnings/(Accumulated losses)		(607)	(607)
		11 444	11 450
Non-current liabilities			
Debt	10	12 398	13 884
Derivative instruments		216	169
Other financial liabilities		4	6
Other provisions, accruals, deferred income and government grants		8	8
		12 626	14 067
Current liabilities			
Debt	10	4 396	3 648
Liabilities to suppliers		727	979
Derivative instruments		817	644
Other financial liabilities		234	234
Other non-financial liabilities	11	497	1 005
Other provisions, accruals, deferred income and government grants		65	27
		6 736	6 537
Total liabilities		19 362	20 604
TOTAL EQUITY AND LIABILITIES		30 806	32 054

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE 3-MONTH PERIOD ENDED 31 MARCH 2024 (unaudited)

	Issued capital	Reserve capital	Revaluation reserve on valuation of hedging instruments	Retained earnings/ (Accumulated losses)	Total
As at 1 January 2024	8 763	3 076	218	(607)	11 450
Net profit (loss)	-	-	-	-	-
Other comprehensive income	-	-	(6)	-	(6)
Total comprehensive income	-	-	(6)	-	(6)
As at 31 March 2024 (unaudited)	8 763	3 076	212	(607)	11 444

FOR THE 3-MONTH PERIOD ENDED 31 MARCH 2023 (unaudited)

	Issued capital	Reserve capital	Revaluation reserve on valuation of hedging instruments	Retained earnings/ (Accumulated losses)	Total
As at 1 January 2023	8 763	3 009	450	98	12 320
Net loss	-	-	-	(159)	(159)
Other comprehensive income	-	-	(73)	-	(73)
Total comprehensive income	-	-	(73)	(159)	(232)
As at 31 March 2023 (unaudited)	8 763	3 009	377	(61)	12 088

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INTERIM CONDENSED STATEMENT OF CASH FLOWS

	Note	3-month period ended 31 March 2024 <i>(unaudited)</i>	3-month period ended 31 March 2023 <i>(unaudited)</i>
Cash flows from operating activities			
Profit (loss) before tax		22	(142)
Depreciation and amortization		3	4
Interest		35	180
Valuation of loans		10	63
Valuation of derivatives		49	121
Exchange differences		(41)	(35)
Other adjustments of profit before tax		(9)	(138)
Change in working capital		646	(681)
Net cash from (used in) operating activities		715	(628)
Cash flows from investing activities			
Loans granted		(149)	(54)
Other		(1)	-
Total payments		(150)	(54)
Interest received from loans granted		32	27
Repayment of loans granted		66	-
Total proceeds		98	27
Net cash used in investing activities		(52)	(27)
Cash flows from financing activities			
Repayment of loans		(1 085)	(1 725)
Interest paid		(114)	(79)
Commission paid		(5)	(2)
Repayment of lease liabilities		(3)	(3)
Total payments		(1 207)	(1 809)
Contracted loans		150	3 550
Total proceeds		150	3 550
Net cash from (used in) financing activities		(1 057)	1 741
Net increase/(decrease) in cash and cash equivalents		(394)	1 086
Net foreign exchange difference		-	22
Cash and cash equivalents at the beginning of the period	9	(287)	(321)
Cash and cash equivalents at the end of the period, of which:	9	(681)	765
restricted cash	9	90	50

SELECTED EXPLANATORY INFORMATION

1. Principles adopted in the preparation of quarterly financial information as well as changes in applied accounting policies and changes in presentation

The quarterly financial information was prepared in accordance with the International Financial Reporting Standards approved by the European Union in the scope resulting from the Regulation of the Minister of Finance of 29 March 2018 *on the current and periodic information published by issuers of securities and the conditions for considering as equivalent the information required by law of a non-member state* (Journal of Laws of 2018 item 757).

Changes in the accounting principles applied

The quarterly financial information was prepared using the same accounting principles as those applied in the preparation of the annual financial statements of TAURON Polska Energia S.A. for the year ended 31 December 2023, except for the application of amendments to the standards which came into force on 1 January 2024 (described in Note 8 to the interim condensed consolidated financial statements for the 3-month period ended 31 March 2024). Impact of the IAS 1 changes in scope of classification of liabilities is described below. The introduction of other amendments in the opinion of the Management Board had no material impact on the accounting principles applied by the Company to date.

Amendments to IAS 1 Presentation of Financial Statements - Classification of liabilities as current and non-current and Classification of liabilities as current and non-current - deferral of effective date and Non-current liabilities linked to conditions

In accordance with the amendments to IAS 1, liabilities are classified as non-current if the entity has a right to defer the settlement of the liability for at least 12 months after the end of the reporting period. The expectations of the entity do not affect the classification.

The Company holds liabilities on account of hybrid bonds subscribed by the European Investment Bank covering two financing periods. As at 31 December 2023, the liabilities due to hybrid bonds in the amount of PLN 775 million (including PLN 2 million on account of accrued interest) were classified as short-term due to the redemption intention after the first financing period, i.e. in December 2024. The amendments to IAS 1 changed the classification of the above mentioned liabilities. Given the maturity of the bonds in accordance with the terms of issue, irrespective of their scheduled redemption in December 2024, the Company has classified the said bonds as non-current since 1 January 2024 and has restated the comparatives data. The Company's intention to redeem the said bonds in December 2024 remained unchanged.

The impact on the statement of financial position as of 31 December 2023 is presented in the table below: The application of the amendments to IAS 1 as at 1 January 2023 has no impact on the statement of financial position (as at 31 December 2022, the hybrid bonds were classified as non-current).

	As at 31 December 2023 <i>(approved figures)</i>	Change of the classification of financial liabilities	As at 31 December 2023 <i>(restated figures)</i>
EQUITY AND LIABILITIES			
Equity	11 450	-	11 450
Debt	13 111	773	13 884
Non-current liabilities	13 294	773	14 067
Debt	4 421	(773)	3 648
Current liabilities	7 310	(773)	6 537
Total liabilities	20 604	-	20 604
TOTAL EQUITY AND LIABILITIES	32 054	-	32 054

Moreover, as at the balance sheet date, the Company holds borrowings under revolving financing agreements with bank syndicates with the carrying amount of PLN 1 692 million. From 1 January 2024 onwards, the classification of the above financing is based on the funding availability date, i.e. the date of the contracts, which falls in the years 2026-2027, regardless of the Company's expectation regarding the repayment date. The amendments to IAS 1 did not change the classification of the financing under the above contracts, bearing in mind that as at 31 December 2023 and 31 December 2022, the above financing was classified as non-current liabilities, also taking into account the Company's expectation regarding the term of its repayment.

Change in the presentation of electricity purchase and sale transactions to subsidiaries, TAURON Sprzedaż Sp. z o.o. and TAURON Sprzedaż GZE Sp. z o.o.

With effect from the interim condensed financial statements for the 6-month period ended 30 June 2023, within the statement of financial position and statement of comprehensive income the Company has changed the presentation of the effects of the settlement transaction related to sales of electricity from renewable sources and co-generation to subsidiaries, TAURON Sprzedaż Sp. z o.o. and TAURON Sprzedaż GZE Sp. z o.o. The change in presentation consists of recognising the effects of transactions in the financial statements on a net basis, instead of the previous presentation in a staggered array, and does not affect the profit and loss of the Company.

During the year, the Company sells electricity without source assignment and issues invoices to TAURON Sprzedaż Sp. z o.o. and TAURON Sprzedaż GZE Sp. z o.o. Under the agreements concluded between the Company and TAURON Sprzedaż Sp. z o.o. and TAURON Sprzedaż GZE sp. z o.o., at the end of the financial year the companies settle and invoice the electricity supplied by the Company during the year from renewable sources and from co-generation with simultaneous repurchase of the same volume of electricity previously supplied by the Company from the above companies and invoiced as electricity without assigning the source of origin.

The Company has changed the presentation of comparative data in the statement of comprehensive income for the 3-month period ended 31 March 2023, due to the nature of the settlement in question, by offsetting income and expenses, which in the period related only to the adjustment to the final settlement of energy sales volumes for 2022, made after the financial statements for 2022 were approved for publication and recognised on an ongoing basis in the financial statements for 2023, in the amount of PLN 391 million.

	3-month period ended 31 March 2023 <i>(unaudited approved figures)</i>	Change of the presentation of settlement of electricity sales	3-month period ended 31 March 2023 <i>(unaudited restated figures)</i>
Sales revenue	10 869	391	11 260
Cost of sales	(10 821)	(391)	(11 212)
Profit on sale	48	-	48
Operating profit	19	-	19
Loss before tax	(142)	-	(142)
Net loss	(159)	-	(159)
Total comprehensive income	(232)	-	(232)

2. Material changes in values based on professional judgement and estimates

In the process of applying the accounting policy, professional judgement of the management, along with accounting estimates, were of key importance affecting the figures disclosed in the financial statements. The assumptions underlying these estimates are based on the best knowledge of the Management Board related to the current and future actions and events in individual areas. In the current period, no significant changes occurred in the estimates or estimation methods applied, which could affect the current or future periods, other than those described hereinafter in this quarterly financial information.

3. Sales revenue

	3-month period ended 31 March 2024 <i>(unaudited)</i>	3-month period ended 31 March 2023 <i>(unaudited restated figures)</i>
Revenue from sales of goods for resale	5 864	11 172
Electricity	4 900	9 390
CO ₂ emission allowances	555	1 305
Gas	406	458
Other	3	19
Rendering of services	88	88
Capacity Market	50	33
Trade services	25	43
Other	13	12
Total sales revenue	5 952	11 260

In the 3-month period ended 31 March 2024, sales revenues decreased in relation to the comparable period and the main changes were related to sales revenues of the following goods:

- Electricity - a decline in revenue by PLN 4 490 million is mainly associated with electricity sales at a lower price, with a simultaneously lower sales volume. Lower sales prices result from market conditions and the visible decline in energy prices in 2023 for contracts concluded for delivery in 2024. The decline in volume is a consequence of lower electricity sales volume, mainly to Group sales companies due to their lower demand in 2024;
- CO₂ emission allowances - a decrease in revenue is mainly due to the sale of a lower volume of CO₂ allowances with a simultaneous accomplishment of sales at a higher price in the current period. Revenues in the scope of CO₂ emission allowances in the current and comparable period were mainly related to sales to Group generation companies for the purpose of covering redemption needs resulting from electricity production. Due to a change in the law, the obligation to surrender emission allowances for the year has been extended from 30 April to 30 September of the following year, resulting in a lower volume of allowance sales in the first quarter of 2024, and part of the volume of allowance sales will be achieved in subsequent periods. The higher prices result from market conditions and the persistent high prices of CO₂ emission allowances;
- Gas - a decline in revenue by PLN 52 million is mainly associated with a decrease in prices and the simultaneous achievement of a higher volume of sales. The higher sales volume results from an increased demand for gas from external contractors and in TAURON Sprzedaż Sp. z o.o.

4. Costs by type

	3-month period ended 31 March 2024 <i>(unaudited)</i>	3-month period ended 31 March 2023 <i>(unaudited restated figures)</i>
Capacity Market	(50)	(33)
Employee benefits expense	(37)	(29)
Other external services	(12)	(14)
Advertising expenses	(6)	(5)
Depreciation of property, plant and equipment, right-of-use assets and amortization of intangible assets	(3)	(4)
Allowance for expected credit losses on receivables from buyers	3	14
Write-down for the Price Difference Payment Fund	(1)	(289)
Other costs by type	(2)	-
Total costs by type	(108)	(360)
Selling and distribution expenses	5	8
Administrative expenses	38	18
Value of energy sold	(4 813)	(9 093)
Value of other goods sold	(893)	(1 785)
Cost of sales	(5 771)	(11 212)

In the 3-month period ended 31 March 2024, a decrease was recorded in the costs of the Company's operations compared to the comparative period, with the main changes relating to:

- the decrease in the value of electricity sold, which results mainly from purchases of electricity at lower average prices than in the comparable period, with the simultaneously lower volume of electricity purchased. Lower purchase prices result from market conditions and price decrease in 2023, which translated into prices in concluded contracts with a delivery date of 2024. The decline in the volume of electricity purchased is due to the purchase of a lower volume of electricity from the market for the performance of concluded contracts;
- a decrease in the value (cost) of CO₂ emission allowances sold, which is the result of a lower volume of allowance purchases due to the postponement to the third quarter of 2024 of some deliveries as a consequence of the postponement of the deadline for redemption of allowances, and higher prices, which is a direct result of market conditions;
- a decrease in the value of gas sold, which is primarily due to a decrease in gas purchase prices, while higher purchase volumes were realised;
- no need for the Company to incur the cost of write-downs to the Price Difference Payment Fund in the current period. The obligation to apply write-downs in the first quarter of 2023 resulted from the provisions of the Act of 27 October 2022 *on emergency measures to limit the level of electricity prices and support for certain consumers in 2023*, which imposed, among others, an obligation on electricity trading companies to transfer write-downs to the Price Difference Payment Fund, for the purpose of paying the recompensation established by the aforementioned Act.

5. Financial revenues and costs

	3-month period ended 31 March 2024 <i>(unaudited)</i>	3-month period ended 31 March 2023 <i>(unaudited)</i>
Interest income on loans	171	219
Interest expense	(201)	(242)
Revaluation of loans	(10)	(63)
Other finance income and costs, of which:	(76)	(75)
Gain/(loss) on derivative instruments	(133)	(146)
Other interest income	9	13
Commissions due to external financing	(5)	(4)
Exchange differences	41	29
Other finance income	15	39
Other finance costs	(3)	(6)
Total, of which:	(116)	(161)
Income and costs from financial instruments	(121)	(180)
Other finance income and costs	5	19

The decline in interest expenses results from a lower level of use of external funding and a lower level of base rates in the 3-month period ended 31 March 2024 in relation to the comparable period.

The loss on derivatives in the 3-month period ended 31 March 2024 is mainly associated with the appreciation of the Polish zloty exchange rate, which translated into a decrease in the valuation and the result on current settlement of FX derivatives. The appreciation of the Polish zloty exchange rate has also affected the occurrence of exchange rate gains in the current period, which are mainly related to the valuation of external funding in EUR.

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(in PLN million)

6. Shares

No.	Company	As at 31 March 2024 (unaudited)			As at 31 December 2023		
		Gross value	Impairment losses	Net value	Gross value	Impairment losses	Net value
Consolidated subsidiaries							
1	TAURON Wytwarzanie S.A.	8 482	(8 482)	–	8 482	(8 482)	–
2	TAURON Ciepło Sp. z o.o.	1 928	(1 224)	704	1 928	(1 224)	704
3	TAURON Ekoenergia Sp. z o.o.	1 940	–	1 940	1 940	–	1 940
4	TAURON Zielona Energia Sp. z o.o.	600	–	600	600	–	600
5	TAURON Dystrybucja S.A.	10 512	–	10 512	10 512	–	10 512
6	TAURON Nowe Technologie S.A.	650	–	650	650	–	650
7	TAURON Sprzedaż Sp. z o.o.	614	–	614	614	–	614
8	TAURON Sprzedaż GZE Sp. z o.o.	130	–	130	130	–	130
9	Kopalnia Wapienia Czatkowice Sp. z o.o.	41	–	41	41	–	41
10	Polska Energia-Pierwsza Kompania Handlowa Sp. z o.o.	90	(90)	–	90	(90)	–
11	TAURON Obsługa Klienta Sp. z o.o.	40	–	40	40	–	40
12	Finanse Grupa TAURON Sp. z o.o.	28	(24)	4	28	(24)	4
13	TAURON Inwestycje Sp. z o.o.	95	(95)	–	95	(95)	–
14	Other	5	–	5	5	–	5
Joint ventures							
15	TAMEH HOLDING Sp. z o.o.	416	(212)	204	416	(212)	204
Entities measured at fair value							
16	EEC Magenta Sp. z o.o. ASI spółka komandytowo–akcyjna	5	n.a.	5	5	n.a.	5
17	EEC Magenta Sp. z o.o. 2 ASI spółka komandytowo–akcyjna	54	n.a.	54	54	n.a.	54
18	ElectroMobility Poland S.A.	10	n.a.	10	10	n.a.	10
19	Other	7	n.a.	7	7	n.a.	7
Total		25 647	(10 127)	15 520	25 647	(10 127)	15 520

No changes in the Company shareholdings in other entities occurred in the 3-month period ended 31 March 2024.

Impairment tests

As at the balance sheet day, the analysis was performed of changes in the first quarter of 2024 compare to the fourth quarter of 2023 in the prices of electricity, raw materials and CO₂ emission allowances, as well as the current market situation and their impact on the assumptions and long-term forecasts taken into account in the impairment tests as at 31 December 2023.

The analysis performed indicated the maintenance of a high level of market risk, decreases in electricity prices correlated with decreases in energy commodities in the 3-month period ended 31 March 2024 in relation to the average prices of the aforementioned products in the fourth quarter of 2023, in particular:

- the price of CO₂ emission allowances fell by approx. 19.6% compared to the average price in the fourth quarter of 2023, which was due, among others, to continued limited demand and increased supply in the primary market due to the short-term sale of additional allowances to finance the REPowerEU package;
- the average volume-weighted price of the reference annual natural gas contract GAS_BASE_Y-25 listed on TGE S.A. was 25.5% lower than the price in the fourth quarter of 2023. The main factors recorded in the first quarter of 2024 included temperature higher-than-seasonally normal, very high generation from wind sources and continued lower gas demand across Europe;
- the average price of coal in ARA ports for the annual continuation contract was 12.9% lower compared to the average price of this contract in the fourth quarter of 2023. Analogically to the gas market, it resulted from higher temperatures relative to seasonal norms, an increased energy production from RES and a rise in coal stocks in ARA ports, which reached 6.51 million tonnes in early 2024;
- the average price of electricity on the forward market in Poland for the BASE_Y-25 product decreased by approximately 23.7% compared to the average price of the corresponding contract quoted in the fourth quarter of 2023. This change was compliant with the decrease in energy commodity prices.

After conducting the analyses to take into account the above market and regulatory developments, it was concluded that they were consistent with the pricing assumptions calculated in the fourth quarter of 2023 and therefore do not affect substantially the need to change the long-term projections relative to the information took into account in impairment tests performed as at 31 December 2023.

Therefore, it was recognised that the results of the most recent impairment tests of shares in subsidiaries and joint ventures as well as the analyses in the scope of valuation of loans granted as at 31 December 2023 were valid. The impairment tests carried out as at 31 December 2023, including the key assumptions adopted in the scope of tests are described in Note 11 to the financial statements of TAURON Polska Energia S.A. for the year ended 31 December 2023.

Results of the tests performed as at 31 December 2023

The analysis of the premises carried out as at 31 December 2023 showed the need to conduct tests for impairment of shares only in TAURON Ciepło Sp. z o. o., TAURON Ekoenergia Sp. z o. o., TAURON Zielona Energia Sp. z o. o. and in TAMEH Holding Sp. z o. o. The impairment tests of the shares in TAURON Ciepło Sp. z o.o., TAURON Ekoenergia Sp. z o.o. and TAURON Zielona Energia Sp. z o.o. did not indicate any impairment of the carrying amount of shares in these subsidiaries.

The impairment tests of shares in joint venture TAMEH HOLDING sp. z o.o. indicated an impairment of the carrying amount of shares in this company in the amount of PLN 212 million.

Results of the analyses in the scope of the measurement of loans granted as at 31 December 2023

The analyses conducted in the scope of financing granted to the subsidiaries, based on the subsidiaries' future cash flows, also demonstrated the rationality of reducing as at 31 December 2023 the carrying amount of the loans granted by the Company to TAURON Wytwarzanie S.A., constituting instruments acquired with impairment due to credit risk in the amount of PLN 429 million. The total reduction in the value of loans granted to TAURON Wytwarzanie S.A. recognised throughout 2023 on the basis of analyses covering future cash flows amounted to PLN 1 217 million.

7. Loans granted

	As at 31 March 2024 <i>(unaudited)</i>			As at 31 December 2023		
	Gross value	Impairment loss	Carrying amount	Gross value	Impairment loss	Carrying amount
Loans measured at amortized cost	10 503	(44)	10 459	10 887	(52)	10 835
Loans granted to subsidiaries	10 084	(33)	10 051	10 001	(35)	9 966
Loans granted under cash pool agreement	419	(11)	408	886	(17)	869
Loans measured at fair value	1 676	n.a.	1 676	1 576	n.a.	1 576
Loans granted to subsidiaries	1 308	n.a.	1 308	1 219	n.a.	1 219
Loans granted to EC Stalowa Wola S.A.	368	n.a.	368	357	n.a.	357
Total	12 179	(44)	12 135	12 463	(52)	12 411
Non-current	11 372	(32)	11 340	11 307	(34)	11 273
Current	807	(12)	795	1 156	(18)	1 138

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(in PLN million)

7.1. Loans granted to subsidiaries

Company	Maturity date	As at 31 March 2024 (unaudited)				As at 31 December 2023			
		Outstanding principal and contractual interest accrued	Gross value	Impairment loss	Carrying amount	Outstanding principal and contractual interest accrued	Gross value	Impairment loss	Carrying amount
Loans measured at amortized cost		12 081	10 084	(33)	10 051	11 957	10 001	(35)	9 966
TAURON Dystrybucja S.A.	2025-2027	5 497	5 444	(20)	5 424	5 452	5 395	(21)	5 374
TAURON Wytwarzanie S.A.	2024-2030	4 996	3 139	–	3 139	4 881	3 068	–	3 068
TAURON Ciepło Sp. z o.o.	2025-2030	950	949	(10)	939	981	980	(11)	969
TAURON Obsługa Klienta Sp. z o.o.	2024-2025	226	226	(2)	224	226	226	(2)	224
TAURON Ekoenergia Sp. z o.o.	2025	160	159	(1)	158	160	158	(1)	157
TAURON Inwestycje Sp. z o.o.	2024-2033	85	–	–	–	83	–	–	–
TAURON Nowe Technologie S.A.	2024-2028	40	40	–	40	43	43	–	43
"MEGAWATT S.C." Sp. z o.o.	2024	37	37	–	37	43	43	–	43
WIND T30MW Sp. o.o.	2024	37	37	–	37	35	35	–	35
Windpower Gamów Sp. z o.o.	2024	33	33	–	33	34	34	–	34
Other	2024-2026	20	20	–	20	19	19	–	19
Loans measured at fair value		1 270	1 308	n.a.	1 308	1 136	1 219	n.a.	1 219
"MEGAWATT S.C." Sp. z o.o.	2026-2038	379	427	n.a.	427	372	449	n.a.	449
Windpower Gamów Sp. z o.o.	2025-2038	257	256	n.a.	256	211	214	n.a.	214
WIND T30MW Sp. z o.o.	2025-2038	255	254	n.a.	254	213	216	n.a.	216
FF Park PV1 Sp. z o.o.	2025-2034	150	147	n.a.	147	146	146	n.a.	146
WIND T4 Sp. z o.o.	2025-2038	79	79	n.a.	79	76	78	n.a.	78
TAURON Ekoenergia Sp. z o.o.	2024-2032	48	44	n.a.	44	48	44	n.a.	44
WIND T2 Sp. z o.o.	2026-2034	39	38	n.a.	38	37	37	n.a.	37
AE ENERGY 7 Sp. z o.o.	2027-2034	34	33	n.a.	33	–	–	n.a.	–
TAURON Ciepło Sp. z o.o.	2025-2034	29	30	n.a.	30	–	–	n.a.	–
Energetyka Cieszyńska Sp. z o.o.*		n.a.	n.a.	n.a.	–	33	35	n.a.	35
Total		13 351	11 392	(33)	11 359	13 093	11 220	(35)	11 185
Non-current			11 004	(32)	10 972		10 950	(34)	10 916
Current			388	(1)	387		270	(1)	269

* The incorporation of Energetyka Cieszyńska Sp. z o.o. by TAURON Ciepło Sp. z o.o. was registered on 3 January 2024.

Loans granted to subsidiaries bear a fixed interest rate.

7.2. Loans granted to joint ventures

	As at 31 March 2024 (unaudited)		As at 31 December 2023		Maturity date	Interest rate
	Repayable principal amount and interest contractually accrued	Carrying amount	Repayable principal amount and interest contractually accrued	Carrying amount		
Loans granted to EC Stalowa Wola S.A.	737	368	726	357	30/06/2033	fixed
Total, of which:	737	368	726	357		
Non-current		368		357		

7.3. Loans granted under the cash pool service

In order to optimise cash and liquidity management, TAURON Group applies the cash pool service mechanism. Cash pooling is implemented under the agreement concluded with the bank for the operation of a cash management system for a group of accounts, with the effective term until 6 December 2024. As a result of the cash pool mechanism, cash is transferred between the accounts of the service participants and the pool leader's account whose function is performed by TAURON Polska Energia S.A.

Status of receivables generated as a result of cash pool transactions as at 31 March 2024 and 31 December 2023 is presented in the table below.

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	As at 31 March 2024 (unaudited)			As at 31 December 2023		
	Gross value	Impairment loss	Carrying amount	Gross value	Impairment loss	Carrying amount
Receivables from cash pool transactions	413	(11)	402	881	(17)	864
Interest receivable from cash pool transactions	6	–	6	5	–	5
Total, of which:	419	(11)	408	886	(17)	869
Current	419	(11)	408	886	(17)	869

Information concerning cash pool liabilities is presented in Note 10.4 of this quarterly financial information.

8. Receivables due to income tax

The Company, together with selected subsidiaries, settles income tax as part of the Tax Capital Group registered on 28 December 2022 for the years 2023-2025 by the Head of the First Mazovian Tax Office in Warsaw.

Income tax receivables in the amount of PLN 100 million represent the surplus of advance payments paid by the Tax Capital Group in the amount of PLN 432 million over the tax expense of the Tax Capital Group for the year ended 31 December 2023 in the amount of PLN 332 million.

9. Cash and cash equivalents

	As at 31 March 2024 (unaudited)	As at 31 December 2023
Cash and cash equivalents presented in the statement of financial position, of which:	698	484
restricted cash, including:	101	201
collateral of settlements with Izba Rozliczeniowa Gield Towarowych S.A.	94	182
cash on VAT bank accounts (split payment)	7	19
Cash pool	(1 367)	(750)
Collateral of settlements with Izba Rozliczeniowa Gield Towarowych S.A.	(11)	(20)
Foreign exchange	(1)	(1)
Cash and cash equivalents presented in the statement of cash flows	(681)	(287)

The balances of short-term loans granted and borrowings incurred under cash pool transactions do not represent cash flows from investment or financial activities but constitute cash adjustments, since they mainly serve for management of the Group's current liquidity.

10. Debt liabilities

	As at 31 March 2024 (unaudited)			As at 31 December 2023 (restated figures)		
	Long-term	Short-term	Total	Long-term	Short-term	Total
Bank loans	5 887	2 298	8 185	7 326	1 785	9 111
Unsubordinated bonds	3 893	256	4 149	3 915	210	4 125
Subordinated bonds	1 899	38	1 937	1 913	5	1 918
Cash pool loans received	–	1 786	1 786	–	1 636	1 636
Loan from the subsidiary	716	9	725	724	2	726
Lease	3	9	12	6	10	16
Total	12 398	4 396	16 794	13 884	3 648	17 532

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10.1. Bank loans

Borrowing institution	Interest rate	Currency	Maturity date	As at	As at
				31 March 2024 (unaudited)	31 December 2023
Consortiums of banks	floating	PLN	2024 *	1 692	2 567
Bank Gospodarstwa Krajowego	floating	PLN	2024	750	749
			2024-2033	1 018	1 001
			2024	41	61
European Investment Bank	fixed	PLN	2024-2027	88	103
			2025-2040	410	404
	floating		2025-2040	1 214	1 222
			2026-2041	1 204	1 226
Intesa Sanpaolo S.p.A.	floating	PLN	2024	757	772
SMBC BANK EU AG	fixed	PLN	2025	500	500
Erste Group Bank AG	floating	PLN	2026	511	506
Total				8 185	9 111

* Tranches classified as non-current liability.

As at the balance sheet date, the Company has available loan agreements concluded in 2020 and 2022 with consortiums of banks, where the drawdown period of individual loan tranches may be lower than 12 months, however, the financing is revolving and the term of availability exceeds 12 months from the balance sheet date. Due to the ability to maintain financing under the aforementioned agreements over a period exceeding 12 months from the balance sheet date, the drawdowns are classified as non-current liabilities.

The Company has an available revolving funding limit under its agreements with the consortiums of banks:

- PLN 4 000 million by 2027 - financing used as at the balance sheet date: PLN 1 500 million;
- PLN 500 million by 2026 - financing used as at the balance sheet date: PLN 160 million.

In the 3-month period ended 31 March 2024, the Company performed the following transactions relating to bank loans (at a nominal value), excluding overdraft facilities:

Lender	3-month period ended 31 March 2024 (unaudited)	
	Drawdown	Repayment
Consortiums of banks	150	(1 050)
European Investment Bank	-	(35)
Total, including:	150	(1 085)
Cash flows	150	(1 085)

After the balance-sheet date under available loans the Company repaid tranches in the total amount of PLN 2 050 million.

Signing of the loan agreement

On 10 January 2024, the Company concluded a loan agreement with Bank Gospodarstwa Krajowego for the amount of PLN 750 million, to be repaid in the years 2027-2032. Under the agreement, the Company will be able to make drawdowns in a 2-year availability period and the loan can be disbursed in tranches over the availability period until 10 January 2026. As at the date of approval of this quarterly financial information, the loan has not been drawn down.

Overdraft facilities

The Company has available funding limits under overdraft agreements:

- up to the amount of PLN 500 million with a maturity date of 2 October 2024, and
- up to the amount of EUR 4 million with a maturity date of 31 December 2024.

As at the balance sheet day, the Company did not have any debt due to overdraft facilities.

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10.2. Bonds issued

Investor	Interest rate	Currency	Nominal value of bonds issued in currency	Maturity date	Carrying amount	
					As at 31 March 2024 <i>(unaudited)</i>	As at 31 December 2023
Bank Gospodarstwa Krajowego	floating, based on WIBOR 6M	PLN	500	2024-2028	510	501
			420	2024-2029	429	421
A series bonds (TPE 1025)	floating, based on WIBOR 6M	PLN	1 000	2025	1 028	1 011
Eurobonds	fixed	EUR	500	2027	2 182	2 192
Unsubordinated bonds					4 149	4 125
Bank Gospodarstwa Krajowego	floating, based on WIBOR 6M	PLN	400	2031 ²	411	401
		EUR	190	2034 ²	773	775
European Investment Bank	Fixed ¹	PLN	400	2030 ²	402	396
		PLN	350	2030 ²	351	346
Subordinated bonds					1 937	1 918
Total bonds					6 086	6 043

¹ In the case of hybrid (subordinated) bonds subscribed for by the European Investment Bank, two financing periods are distinguished. In the first period, the interest rate is fixed, while in the second period the interest rate is variable based on the base rate (EURIBOR/WIBOR) plus a fixed margin.

² In the case of subordinated bonds, the maturity date shall take into account two financing periods. The maturity dates presented in the table above are the final terms of redemption according to agreement, after two period of financing. Measurement of bonds as at the balance sheet day includes earlier redemption, in connection with the intended redemption of bonds after the termination of first period of financing (in 2024, 2025 and 2026).

The Company additionally holds financing available under the subordinated bond issue scheme which was concluded in 2021 with Bank Gospodarstwa Krajowego up to the amount of PLN 450 million and was not used by the Company. On 6 March 2024, the Company concluded an annex to the aforementioned agreement extending the period allowing for the issue of subordinated bonds to 39 months from the date the documentation was signed, i.e. from 11 March 2021.

10.3. Debt agreement covenants

The agreements signed with banks impose the legal and financial covenants on the Company, standard for this type of transactions. The key covenant is the net debt to EBITDA ratio (for long-term loans agreements and domestic bond issue schemes) which sets the debt less cash in relation to generated EBITDA. The net debt/EBITDA covenant for banks is examined on the basis of consolidated data as at 30 June and 31 December while its permissible limit value, depending on the provisions of financing agreements, is 3.5 or 4.0.

As at 31 December 2023 (i.e. the last reporting period for which the Company was required to calculate the covenant), the net debt/EBITDA ratio amounted to 2.11, accordingly, the covenant was fulfilled.

10.4. Loans received under the cash pool service

As at 31 March 2024 and as at 31 December 2023, the Company had current liabilities on account of cash pool transactions amounting to PLN 1 786 million and PLN 1 636 million, respectively. The liability arises from the Group's cash pool service mechanism, which is described in more detail, including the presentation of receivables arising from cash pool transactions, in note 7.3 of this quarterly financial information.

10.5. Loan from subsidiary

The liability of the Company amounting to PLN 725 million (EUR 169 million) as at 31 March 2024 relates to the long-term loan received from the subsidiary, Finanse Grupa TAURON Sp. z o.o. under the agreement concluded between TAURON Polska Energia S.A. and the subsidiary, Finanse Grupa TAURON Sp. z o.o. (formerly TAURON Sweden Energy AB (publ)). The loan agreement in the amount of EUR 167 million was concluded in 2014 and bears interest at a fixed rate while the interest is paid annually until the full repayment of the loan. The repayment deadline of the loan falls on 29 November 2029.

11. Other current non-financial liabilities

	As at 31 March 2024 (unaudited)	As at 31 December 2023
VAT	336	680
Liabilities due to write-down for the Price Difference Payment Fund	149	317
Social security	8	7
Other	4	1
Total	497	1 005

Liabilities due to write-downs for the Difference Payment Fund relate to write-down costs recognised by the Company in 2023 for which the payment date falls after the balance sheet date.

Katowice, 22 May 2024

Grzegorz Lot - President of the Management Board

Piotr Gołębiowski - Vice President of the Management Board

Michał Orłowski - Vice President of the Management Board

Krzysztof Surma - Vice President of the Management Board

Oliwia Tokarczyk - Executive Director for Accounting and Taxes