TAURON Polska Energia S.A. Capital Group

Interim condensed consolidated financial statements
compliant with the International Financial Reporting Standards
approved by the European Union
for the 6-month period ended 30 June 2025

(in PLN million)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	3-month period ended 30 June 2025 *(figures not subject to review)*	6-month period ended 30 June 2025 *(unaudited)*	3-month period ended 30 June 2024 *(restated figures not subject to review)*	6-month period ended 30 June 2024 *(unaudited restated figures)*
Sales revenue	**12**	7 346	16 643	7 205	15 689
Recompensation	**13**	321	656	938	2 116
Cost of sales	**14**	(6 063)	(13 594)	(8 388)	(16 359)
Profit (loss) on sale		**1 604**	**3 705**	**(245)**	**1 446**
Selling and distribution expenses	**14**	(195)	(393)	(189)	(372)
Administrative expenses	**14**	(185)	(367)	(172)	(369)
Other operating income and expenses		(3)	27	39	44
Share in profit/(loss) of joint ventures	**22**	15	22	1	15
Operating profit (loss)		**1 236**	**2 994**	**(566)**	**764**
Interest expense on debt	**15**	(176)	(341)	(156)	(342)
Gain/loss on derivative instruments	**15**	13	(202)	(30)	(167)
Other finance income and costs	**15**	(25)	46	64	131
Profit (loss) before tax		**1 048**	**2 497**	**(688)**	**386**
Income tax expense	**16**	(124)	(442)	(635)	(901)
Net profit (loss)		**924**	**2 055**	**(1 323)**	**(515)**
Measurement of hedging instruments	**32.4**	(37)	(69)	(26)	(33)
Foreign exchange differences from translation of foreign entity		–	–	(3)	3
Income tax	**16**	7	13	5	6
Other comprehensive income to be reclassified in the financial result		**(30)**	**(56)**	**(24)**	**(24)**
Actuarial gains	**35**	13	17	33	37
Income tax	**16**	(2)	(3)	(6)	(7)
Other comprehensive income not to be reclassified in the financial result		**11**	**14**	**27**	**30**
Other comprehensive income, net of tax		**(19)**	**(42)**	**3**	**6**
Total comprehensive income		**905**	**2 013**	**(1 320)**	**(509)**
Net profit (loss):					
Attributable to equity holders of the Parent		923	2 053	(1 325)	(517)
Attributable to non-controlling interests		1	2	2	2
Total comprehensive income:					
Attributable to equity holders of the Parent		904	2 011	(1 322)	(511)
Attributable to non-controlling interests		1	2	2	2
Profit (loss) per share basic and diluted (in PLN)		0.53	1.17	(0.76)	(0.29)

(in PLN million)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
ASSETS			
Non-current assets			
Property, plant and equipment	**17**	34 343	33 247
Right-of-use assets	**18**	2 514	2 495
Goodwill	**19**	26	26
Energy certificates and CO_2 emission allowances for surrender	**20.1**	20	38
Other intangible assets	**21**	756	768
Investments in joint ventures	**22**	212	190
Loans granted to joint ventures	**23**	512	479
Derivative instruments	**24**	73	90
Other financial assets	**25**	262	259
Other non-financial assets	**26.1**	750	333
Deferred tax assets	**27**	154	144
		39 622	**38 069**
Current assets			
Energy certificates and CO_2 emission allowances for surrender	**20.2**	738	360
Inventories	**28**	754	937
Receivables from buyers	**29**	3 525	4 089
Income tax receivables	**42**	80	130
Receivables arising from other taxes and charges	**30**	462	459
Derivative instruments	**24**	141	159
Other financial assets	**25**	285	743
Other non-financial assets	**26.2**	203	167
Cash and cash equivalents	**31**	412	596
Assets classified as held for sale		5	5
		6 605	**7 645**
TOTAL ASSETS		**46 227**	**45 714**

(in PLN million)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - CONTINUED

	Note	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Parent			
Issued capital	**32.1**	8 763	8 763
Reserve capital	**32.3**	2 948	2 438
Revaluation reserve from valuation of hedging instruments	**32.4**	83	139
Foreign exchange differences from translation of foreign entity		(3)	(3)
Retained earnings/(Accumulated losses)	**32.5**	7 936	6 376
		19 727	**17 713**
Non-controlling interests	**32.6**	**3**	**41**
Total equity		**19 730**	**17 754**
Non-current liabilities			
Debt	**34**	12 159	12 475
Provisions for employee benefits	**35**	713	701
Provisions for the costs of dismantling fixed assets and reclaiming land	**36**	222	216
Accruals, deferred income and government grants	**39**	1 023	612
Deferred tax liabilities	**27**	1 412	1 592
Derivative instruments	**24**	148	64
Capital commitments	**41**	75	106
Other financial liabilities	**44**	35	40
Other non-financial liabilities	**45**	1	1
		15 788	**15 807**
Current liabilities			
Debt	**34**	1 925	2 140
Liabilities to suppliers	**40**	1 386	1 955
Capital commitments	**41**	614	592
Provisions for employee benefits	**35**	84	110
Provisions for liabilities due to energy certificates and CO_2 emission allowances	**37**	3 266	3 386
Other provisions	**38**	222	236
Accruals, deferred income and government grants	**39**	372	398
Income tax liabilities	**42**	438	23
Liabilities arising from other taxes and charges	**43**	625	977
Derivative instruments	**24**	256	375
Other financial liabilities	**44**	284	740
Other non-financial liabilities	**45**	1 236	1 221
Liabilities directly related to assets classified as held for sale		1	–
		10 709	**12 153**
Total liabilities		**26 497**	**27 960**
TOTAL EQUITY AND LIABILITIES		**46 227**	**45 714**

(in PLN million)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

6-MONTH PERIOD ENDED 30 June 2025 *(unaudited)*

		Equity attributable to the equity holders of the Parent							
		Issued capital	Reserve capital	Revaluation reserve on valuation of hedging instruments	Foreign exchange differences from translation of foreign entity	Retained earnings/ (Accumulated losses)	Total	Non-controlling interests	Total equity
As at 1 January 2025		**8 763**	**2 438**	**139**	**(3)**	**6 376**	**17 713**	**41**	**17 754**
Distribution of prior years' profits	**32.3**	–	510	–	–	(510)	**–**	–	**–**
Acquisition of minority shares		–	–	–	–	3	**3**	(40)	**(37)**
Transactions with shareholders		**–**	**510**	**–**	**–**	**(507)**	**3**	**(40)**	**(37)**
Net profit		–	–	–	–	2 053	**2 053**	2	**2 055**
Other comprehensive income		–	–	(56)	–	14	**(42)**	–	**(42)**
Total comprehensive income		**–**	**–**	**(56)**	**–**	**2 067**	**2 011**	**2**	**2 013**
As at 30 June 2025 (unaudited)		**8 763**	**2 948**	**83**	**(3)**	**7 936**	**19 727**	**3**	**19 730**

PERIOD OF 6 MONTHS ENDED 30 June 2024 *(unaudited restated figures)*

	Equity attributable to the equity holders of the Parent							
	Issued capital	Reserve capital	Revaluation reserve on valuation of hedging instruments	Foreign exchange differences from translation of foreign entity	Retained earnings/ (Accumulated losses)	Total	Non-controlling interests	Total equity
As at 1 January 2024	**8 763**	**3 076**	**218**	**62**	**5 201**	**17 320**	**38**	**17 358**
Distribution of prior years' losses	–	(638)	–	–	638	**–**	–	**–**
Dividends and others	–	–	–	–	–	**–**	(2)	**(2)**
Transactions with shareholders	**–**	**(638)**	**–**	**–**	**638**	**–**	**(2)**	**(2)**
Net profit (loss)	–	–	–	–	(517)	**(517)**	2	**(515)**
Other comprehensive income	–	–	(27)	3	30	**6**	–	**6**
Total comprehensive income	**–**	**–**	**(27)**	**3**	**(487)**	**(511)**	**2**	**(509)**
As at 30 June 2024 (unaudited restated figures)	**8 763**	**2 438**	**191**	**65**	**5 352**	**16 809**	**38**	**16 847**

Additional explanatory notes to the interim condensed consolidated financial statements
form an integral part thereof

(in PLN million)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	6-month period ended 30 June 2025 *(unaudited)*	6-month period ended 30 June 2024 *(unaudited restated figures)*
Cash flows from operating activities			
Profit (loss) before tax		**2 497**	**386**
Share in (profit)/loss of joint ventures		(22)	(15)
Depreciation and amortization		1 270	1 203
Impairment losses on non-financial non-current assets		(1)	1 644
Impairment losses on loans granted		(33)	(90)
Exchange differences		(20)	(31)
Interest and commissions		345	343
Valuation of derivatives		(70)	64
Other adjustments of profit before tax		6	31
Change in working capital	**46.1**	(868)	1 671
Income tax paid	**46.1**	(157)	(42)
Net cash from operating activities		**2 947**	**5 164**
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	**46.2**	(2 688)	(2 106)
Purchase of financial assets		(2)	(1)
Total payments		**(2 690)**	**(2 107)**
Grants received		59	41
Proceeds from sale of property, plant and equipment and intangible		7	14
Total proceeds		**66**	**55**
Net cash used in investing activities		**(2 624)**	**(2 052)**
Cash flows from financing activities			
Repayment of loans and borrowings	**46.3**	(2 876)	(3 769)
Interest paid	**46.3**	(223)	(238)
Repayment of lease liabilities		(106)	(96)
Acquisition of minority shares		(37)	–
Other payments		(10)	(7)
Total payments		**(3 252)**	**(4 110)**
Proceeds from contracted loans and borrowings	**46.3**	2 521	422
Interest refund proceeds		65	–
Total proceeds		**2 586**	**422**
Net cash from financing activities		**(666)**	**(3 688)**
Net increase/(decrease) in cash and cash equivalents		**(343)**	**(576)**
Net foreign exchange difference		(1)	(1)
Cash and cash equivalents at the beginning of the period	**31**	**557**	**1 048**
Cash and cash equivalents at the end of the period, of which:	**31**	**214**	**472**
restricted cash	**31**	203	184

INFORMATION ON THE CAPITAL GROUP AND THE BASIS FOR THE PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information about the TAURON Polska Energia S.A. Capital Group and its parent company

TAURON Polska Energia S.A. Capital Group (the "Group", the "Capital Group", "TAURON Group") consists of TAURON Polska Energia S.A. (the "parent entity", the "Company", the "Parent Company") and its subsidiaries. TAURON Polska Energia S.A., with its registered office in Katowice at ul. ks. Piotra Ściegiennego 3 in Poland, operates as a joint-stock company, incorporated by notarial deed on 6 December 2006. Until 16 November 2007, the Company operated under the name Energetyka Południe S.A.

The Parent Company is entered in the register of entrepreneurs of the National Court Register maintained by the District Court for Katowice-Wschód, Commercial Department of the National Court Register under KRS number: 0000271562.

The duration of the Parent Company and entities included in the Capital Group is unlimited. The activity is carried out based on the appropriate licences granted to individual entities belonging to the Group.

The TAURON Group's core business is reflected in the breakdown into segments: Generation, Heat, Renewable Energy Sources, Distribution, Sales and Wholesale and other operations, including customer service, as discussed in more detail in Note 11 to these condensed interim consolidated financial statements.

The condensed interim consolidated financial statements of the Group cover a 6-month period ended 30 June 2025 and contain comparative figures for the 6-month period ended 30 June 2024 and as at 31 December 2024. The data included in these interim condensed consolidated financial statements for the 6-month period ended 30 June 2025 and the comparative figures for the 6-month period ended 30 June 2024 have been reviewed by the statutory auditor. The comparative figures as at 31 December 2024 were subject to the audit by the statutory auditor. The interim condensed consolidated statement of comprehensive income comprising the data for the 3-month period ended 30 June 2025 and the comparative figures for the 3-month period ended 30 June 2024 have not been audited or reviewed by the statutory auditor.

These condensed interim consolidated financial statements were approved for publication by the Management Board on 16 September 2025.

Composition of the Management Board

As at 1 January 2025 and as at the date of approval of these interim condensed consolidated financial statements for publication, the Management Board consisted of:

- 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.

(in PLN million)

2. Composition of TAURON Group and joint ventures

As at 30 June 2025, TAURON Polska Energia S.A. held, directly and indirectly, shares in the following key subsidiaries:

No.	Company name	Registered office	Share of TAURON Polska Energia S.A. in the company share capital	Company holding direct shareholding in the share capital/ General partner
GENERATION				
1	TAURON Wytwarzanie S.A.	Jaworzno	100.00%	TAURON Polska Energia S.A.
2	Bioeko Grupa TAURON Sp. z o.o.	Jaworzno	100.00%	TAURON Wytwarzanie S.A.
3	TAURON Serwis Sp. z o.o.	Jaworzno	95.61%	TAURON Wytwarzanie S.A.
4	Łagisza Grupa TAURON Sp. z o.o.	Jaworzno	100.00%	TAURON Wytwarzanie S.A.
HEAT				
5	TAURON Ciepło Sp. z o.o.	Katowice	100.00%	TAURON Polska Energia S.A.
RENEWABLE ENERGY SOURCES				
6	TAURON Ekoenergia sp. z o.o.	Jelenia Góra	100.00%	TAURON Polska Energia S.A.
7	TEC1 Sp. z o.o.	Katowice	100.00%	TAURON Polska Energia S.A.
8	TAURON Zielona Energia Sp. z o.o.	Katowice	100.00%	TAURON Polska Energia S.A.
9	TEC1 spółka z ograniczoną odpowiedzialnością Mogilno I sp.k.	Katowice	100.00%	TEC1 Sp. z o.o.
10	TEC1 spółka z ograniczoną odpowiedzialnością Mogilno II sp.k.	Katowice	100.00%	TEC1 Sp. z o.o.
11	TEC1 spółka z ograniczoną odpowiedzialnością Mogilno III sp.k.	Katowice	100.00%	TEC1 Sp. z o.o.
12	TEC1 spółka z ograniczoną odpowiedzialnością Mogilno IV sp.k.	Katowice	100.00%	TEC1 Sp. z o.o.
13	TEC1 spółka z ograniczoną odpowiedzialnością Mogilno V sp.k.	Katowice	100.00%	TEC1 Sp. z o.o.
14	TEC1 spółka z ograniczoną odpowiedzialnością Mogilno VI sp.k.	Katowice	100.00%	TEC1 Sp. z o.o.
15	TEC1 spółka z ograniczoną odpowiedzialnością EW Śniatowo sp.k.	Katowice	100.00%	TEC1 Sp. z o.o.
16	TEC1 spółka z ograniczoną odpowiedzialnością EW Dobrzyń sp.k.	Katowice	100.00%	TEC1 Sp. z o.o.
17	TEC1 spółka z ograniczoną odpowiedzialnością EW Gołdap sp.k.	Katowice	100.00%	TEC1 Sp. z o.o.
18	TEC1 spółka z ograniczoną odpowiedzialnością Ino 1 sp.k.	Katowice	100.00%	TEC1 Sp. z o.o.
19	WIND T2 Sp. z o.o.	Katowice	100.00%	TAURON Zielona Energia Sp. z o.o.
20	“MEGAWATT S.C.” Sp. z o.o.	Katowice	100.00%	TAURON Zielona Energia Sp. z o.o.
21	TAURON Inwestycje Sp. z o.o.[1]	Będzin	100.00%	TAURON Polska Energia S.A.
22	WIND T4 Sp. z o.o.	Katowice	100.00%	TAURON Zielona Energia Sp. z o.o.
23	WIND T30MW Sp. z o.o.	Katowice	100.00%	TAURON Zielona Energia Sp. z o.o.
24	FF Park PV 1 Sp. z o.o.	Katowice	100.00%	TAURON Zielona Energia Sp. z o.o.
25	Windpower Gamów Sp. z o.o.	Katowice	100.00%	TAURON Zielona Energia Sp. z o.o.
26	AE ENERGY 7 Sp. z o.o.	Katowice	100.00%	TAURON Zielona Energia Sp. z o.o.
27	TAURON Elektrownia Szczytowo - Pompowa Sp. z o.o.	Katowice	100.00%	TAURON Polska Energia S.A.
28	Finadvice Polska 1 Sp. z o.o.	Katowice	100.00%	TAURON Zielona Energia Sp. z o.o.
29	TAURON BME1 Sp. z o.o.	Katowice	100.00%	TAURON Zielona Energia Sp. z o.o.
30	TAURON BME4 Sp. z o.o.	Katowice	100.00%	TAURON Zielona Energia Sp. z o.o.
31	TAURON BME7 Sp. z o.o.	Katowice	100.00%	TAURON Zielona Energia Sp. z o.o.
32	TAURON BME8 Sp. z o.o.	Katowice	100.00%	TAURON Zielona Energia Sp. z o.o.
33	TAURON BME9 Sp. z o.o.	Katowice	100.00%	TAURON Zielona Energia Sp. z o.o.
DISTRIBUTION				
34	TAURON Dystrybucja S.A.	Cracow	100.00%	TAURON Polska Energia S.A.
35	TAURON Dystrybucja Pomiary Sp. z o.o.	Tarnów	100.00%	TAURON Dystrybucja S.A.
36	Usługi Grupa TAURON Sp. z o.o.	Tarnów	100.00%	TAURON Dystrybucja S.A.
SALES AND WHOLESALE				
37	TAURON Sprzedaż Sp. z o.o.	Cracow	100.00%	TAURON Polska Energia S.A.
38	TAURON Sprzedaż GZE Sp. z o.o.	Gliwice	100.00%	TAURON Polska Energia S.A.
39	TAURON Czech Energy s.r.o.	Ostrava, Czech Republic	100.00%	TAURON Polska Energia S.A.
40	Polska Energia-Pierwsza Kompania Handlowa Sp. z o.o.	Warsaw	100.00%	TAURON Polska Energia S.A.
OTHER ACTIVITIES				
41	TAURON Obsługa Klienta Sp. z o.o.	Wrocław	100.00%	TAURON Polska Energia S.A.
42	Kopalnia Wapienia Czatkowice Sp. z o.o.	Krzeszowice	100.00%	TAURON Polska Energia S.A.
43	Finanse Grupa TAURON Sp. z o.o.	Katowice	100.00%	TAURON Polska Energia S.A.
44	TAURON Inwestycje Sp. z o.o.[1]	Będzin	100.00%	TAURON Polska Energia S.A.
45	TAURON Ubezpieczenia Sp. z o.o.	Katowice	100.00%	TAURON Polska Energia S.A.
46	TAURON Nowe Technologie S.A.	Wrocław	100.00%	TAURON Polska Energia S.A.

[1]The activities of TAURON Inwestycje Sp. z o.o. are classified in the Renewable Energy Sources segment (activities related to the generation of energy from renewable sources), and within Other activities (activities related to the execution of research and development projects in the field of hydrogen).

(in PLN million)

Cancellation of the merger of TAURON Zielona Energia Sp. z o.o. with limited partnerships

On 1 July 2024, the merger of TAURON Zielona Energia sp. z o.o. (the acquiring company) with 10 limited partnerships (the acquired companies) was registered in the National Court Register. On 4 February 2025, the Regional Court in Katowice, in a verdict issued, declared invalidity of the resolution of the Extraordinary Meeting of Shareholders of TAURON Zielona Energia Sp. z o.o. on the merger of the acquiring company, TAURON Zielona Energia Sp. z o.o. with the acquired companies, registered on 1 July 2024 in the National Court Register, and burdened, in the opinion of the Company and the entities participating in the merger, with an error in the share exchange ratio.

The above judgment was the basis for the deletion by the District Court Katowice Wschód, 8th Commercial Division of the National Court Register, on 21 March 2025, of the entry of 1 July 2024 in the National Court Register concerning the merger of TAURON Zielona Energia Sp. z o.o. with the acquired companies with retroactive effect (ex tunc), as performed on the basis of an invalid legal action.

Demerger of TAURON Inwestycje Sp. z o.o.

On 1 April 2025, the demerger of TAURON Inwestycje Sp. z o.o. was registered, through the separation of an organised part of the enterprise related to activities in conventional sources to TAURON Ciepło Sp. z o.o. After the balance sheet date, on 1 July 2025, the demerger of TAURON Inwestycje Sp. z o.o. was registered by the Court, through the separation of an organised part of the enterprise related to energy generation in renewable sources to TAURON Zielona Energia sp. z o.o.

Repurchase of shares in TAURON Dystrybucja S.A.

On 16 April 2025 the Extraordinary General Meeting of TAURON Dystrybucja S.A. adopted the resolution concerning the mandatory repurchase of shares of TAURON Dystrybucja S.A. held by shareholders representing no more than 5% of the share capital by the majority shareholder, i.e. TAURON Polska Energia S.A. On 15 May 2025, TAURON Polska Energia S.A. made a payment to the account of TAURON Dystrybucja S.A. of the entire amount for the repurchase of TAURON Dystrybucja S.A. shares from minority shareholders in the amount of PLN 37 million, accordingly, as of 15 May 2025 the Company exercises 100% of the rights from TAURON Dystrybucja S.A. shares.

As at 30 June 2025, TAURON Polska Energia S.A. held direct and indirect interest in the following key jointly-controlled companies in the Heat segment:

No.	Company name	Registered office	Share of TAURON Polska Energia S.A. in the company capital and governing body	Company holding direct shareholding in equity
1	Elektrociepłownia Stalowa Wola S.A.	Stalowa Wola	50.00%	TAURON Ciepło Sp. z o.o.
2	TAMEH HOLDING Sp. z o.o.	Dąbrowa Górnicza	50.00%	TAURON Polska Energia S.A.
3	TAMEH POLSKA Sp. z o.o.	Dąbrowa Górnicza	50.00%	TAMEH HOLDING Sp. z o.o.
4	TAMEH Czech s.r.o.[1]	Ostrava, Czech Republic	50.00%	TAMEH HOLDING Sp. z o.o.

[1] On 9 August 2024, TAMEH Czech s.r.o. was declared bankrupt by liquidation which, in the Group's opinion, translated into the loss of joint control over the above company on that date within the meaning of IFRS.

3. Statement of compliance

These interim condensed consolidated financial statements were prepared in accordance with the International Accounting Standard no. 34 *Interim Financial Reporting* (“IAS 34”) according to the model approved by the European Union (the “EU”).

The interim condensed consolidated financial statements do not comprise all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group prepared in accordance with the International Financial Reporting Standards (“IFRS”) for the year ended 31 December 2024.

4. Going concern

These interim condensed consolidated financial statements have been prepared with the assumption of continuation of activities by the Group as a going concern in the foreseeable future, i.e. in the period not shorter than one year following the balance sheet day. As at the date of approval of these interim condensed consolidated financial statements for publication, no circumstances are identified which would indicate a risk to the capacity of the Group to continue as a going concern.

The Group identifies and actively manages liquidity risk, understood as the possibility of losing or limiting the capacity to settle current expenses. Despite the existence of a surplus of short-term liabilities over current assets (so-called negative working capital), the Group has the full capacity to settle its liabilities as they become due and payable. The Group has available, guaranteed credit lines worth PLN 6 157 million, which are described in more detail in note 34.1 to these interim condensed consolidated financial statements. The Group consciously manages liquidity and uses available financing when specific liquidity needs arise, thereby optimizing the costs of obtaining financing.

In the area of liquidity, financing and securing the continuity of operating activities, the Management Board, having analysed the financial position of the Company and the Group, does not identify any risk to the continuity of operations as a going concern in the foreseeable future, i.e. within a period not shorter than 1 year from the balance sheet day.

5. Functional currency and presentation currency

The functional currency of the parent entity and its subsidiaries, except for TAURON Czech Energy s.r.o., covered by these interim condensed consolidated financial statements and the presentation currency of these interim condensed consolidated financial statements is the Polish zloty. The functional currency of TAURON Czech Energy s.r.o. is the Czech koruna (“CZK”). Items in the financial statements of TAURON Czech Energy s.r.o. are translated into the TAURON Group's presentation currency using the relevant exchange rates.

These interim condensed consolidated financial statements are presented in the Polish zloty (“PLN”) while all figures are provided in PLN million (“PLN million”), unless indicated otherwise.

6. Material values based on professional judgement and estimates

In the process of applying the accounting policy, professional judgement of the management, besides accounting estimates, was of key importance, which has an impact on the figures disclosed in these interim condensed consolidated 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 period covered by these interim condensed consolidated financial statements, no significant changes occurred in the estimates or estimation methods applied, which could affect the current or future periods, other than those described below and hereinafter in these interim condensed consolidated financial statements.

Items of the interim condensed consolidated financial statements involving a material risk of significant adjustment to the carrying amounts of assets and liabilities are presented below.

Item	Explanatory note	Estimates and assumptions
Sales revenues	Note 12	TAURON Group makes revenue estimates, in particular with regard to revenue from the sale of electricity, gaseous fuel, thermal energy and distribution services. The Group companies operating in the Sales segment generate revenue from sales of electricity, gaseous fuel and distribution services to retail and wholesale customers. As at each balance sheet date, subject to the compliance with the prudence principle, an estimate is made of the amount of revenue from the sale of electricity, gaseous fuel and distribution services relating to the the reporting period which, due to the settlement cycle established in agreements with customers and the fact that invoicing is performed for a significant number of customers in periods other than the reporting periods, will be invoiced in the consecutive reporting period. As at the balance sheet date, the Distribution segment estimates the amount of revenue from the sale of distribution services relating to a particular reporting period, which will be invoiced in the consecutive reporting period due to the settlement cycle longer than one month established in contracts with customers. Sales of heat are carried out on the basis of readings of metering and billing systems taken on the indicated working days of each calendar month, therefore, for reporting purposes, an estimation of sales from the date of the reading to the end of the month is made.

(in PLN million)

Tangible fixed assets	Note 17	As at each balance sheet date the Group assesses whether objective indication of impairment occurred in relation to tangible fixed assets. Where relevant indications exist, the Group is required to perform impairment tests of tangible fixed assets. Within the impairment tests the Group estimates the recoverable amount of an asset or the cash-generating unit ("CGU") to which the specific asset belongs. The recoverable value of an asset or CGU corresponds to the higher of the fair value less costs of sales or the value in use. Estimation of the value in use of cash generating units is based on their future cash flows discounted to the current value with a discount rate. The analysis of the existence of impairment indications, the assumptions made by the Group in its impairment tests and the results of the tests are described in more detail in Note 17 of these interim condensed consolidated financial statements. The impairment tests carried out as at 30 June 2025 did not indicate the need to recognise impairment losses on non-financial fixed assets. The Group reviews, at least at the end of each financial year, the useful lives of property, plant and equipment.
Right-of-use assets	Note 18	At the date of commencement of the lease, the Group measures an rights-of-use assets including in the current value of the lease payments remaining to be paid on that date. Lease payments are discounted by the Group using the interest rate of the lease if that rate can be easily determined. Otherwise, the Group applies the incremental borrowing rate. The lease incremental borrowing rate is estimated as a weighted average cost of TAURON Group's debt adjusted for the individual rating of the companies, taking into account a breakdown by lease term. The Group applies the portfolio approach to similar leases regarding unified assets with similar use. When accounting for leases under the portfolio approach, the Group applies estimates and assumptions corresponding to the size and composition of the portfolio, including estimates of the weighted average lease term. In order to determine the lease period, e.g. for contracts for an indefinite period, the Group makes an estimate. The rights to use the assets are subject to impairment test estimates on a similar basis to property, plant and equipment.
Loans to joint ventures	Note 23	The Group classifies and measures loans granted to joint ventures accordingly. As at the balance sheet date, loans granted to the joint venture, Elektrociepłownia Stalowa Wola S.A., with a total carrying amount of PLN 512 million, were classified as financial assets measured at a fair value through profit or loss. Accordingly, the Group estimated the fair value taking into account the estimated future cash flows to be generated by Elektrociepłownia Stalowa Wola S.A. in the future, discounted at a rate based on the cost of equity expected for the business profile of the company.
Financial derivatives	Note 24	The Group measures financial derivatives at a fair value as at each balance sheet date. The derivatives related to non-financial assets acquired and held to hedge own needs are not subject to measurement as at the balance sheet date.
Deferred tax assets	Note 16 Note 27	The Group assesses the enforceability of deferred tax assets at each balance sheet date. As at 30 June 2025, the Group has not recognised a deferred tax asset of PLN 1 182 million as a result of conducted feasibility assessment.
Inventory	Note 28	The Group's inventories mainly comprise coal stocks for production purposes. Inventory is measured at a lower of two values: purchase price or manufacturing cost and net realizable value. Inventory allocated for use in the production process, including in particular coal stocks, are not written down to the amount lower than the purchase price or manufacturing cost if the finished goods for the production of which they will be used are expected to be sold at or above the purchase price or manufacturing cost. If a decrease in the price of materials indicates that the purchase price or the cost of manufacturing of finished goods will be higher than the net realizable value, the value of materials is written down by the Group to the net realisable value, which is estimated at their replacement cost. As at the balance sheet day, the Group estimated write-down on the value of coal fuel stocks level of PLN 9 million. Valuation of the inventory of CO_2 emission allowances at a fair value is based on prices quoted in an active market.
Receivables from customers	Note 29	As at each balance sheet day, the Group estimates impairment losses on receivables from customers attributable to expected credit losses. An impairment loss is recognised on both overdue and non-overdue receivables based on the probability-weighted expected credit loss that will be incurred in particular if any of the following events occur: payment is overdue by more than 90 days, the debtor goes into liquidation or bankruptcy or is restructured, or the receivables are subject to administrative enforcement, litigation or court enforcement. For the portfolio of strategic counterparties, the risk of insolvency of strategic counterparties is assessed based on ratings assigned to the counterparties using an internal scoring model and appropriately restated to account for the probability of default. The expected credit loss is calculated based on the estimated potential recoveries from security interests. For receivables from other counterparties, historical repayment figures are expected to reflect the credit risk (including the factor reflecting the current business conditions) that will be incurred in future periods. The expected credit losses for this group of counterparties were estimated using the receivables ageing matrix and the percentage ratios assigned to the various ranges and groups (including receivables claimed at court, receivables from counterparties in bankruptcy) allowing to estimate the value of receivables from customers expected to be outstanding. As at 30 June 2025, the Group estimated expected credit losses on receivables from customers in the amount of PLN 270 million.

(in PLN million)

Debt liabilities	Note 34	When measuring liabilities at amortised cost using the effective interest rate method, the Group estimates future cash flows considering all contractual terms of a given financial instrument, including the early repayment option. At the same time, the classification of the liability is made on the basis of the existence of a right to defer settlement of the liability. If the Group has the right to defer settlement of a liability for at least 12 months after the balance sheet date, the liability is classified as non-current, even if the Group has the intention of repaying it within one year of the balance sheet date. As at 30 June 2025, the Company holds a liability due to hybrid bonds subscribed by the European Investment Bank with a nominal value of PLN 750 million and by Bank Gospodarstwa Krajowego with a nominal value of PLN 400 million, classified as non-current, in respect of which the scheduled redemption date falls within 12 months of the balance sheet date, i.e. December 2025 and March 2026. The Company has available financing under loan agreements with syndicates of banks (no exposure as at 30 June 2025), where the drawdown period of individual loan tranches may be less than 12 months, but the financing is revolving, and where the contract availability date exceeds 12 months from the balance sheet date, the Company classifies tranches according to the possibility of deferring the settlement of the liability, i.e. according to the availability date of the financing under the respective contract. The lease liability is measured at the present value of the outstanding lease payments, discounted using either the contractual interest rate (if determinable) or the incremental borrowing rate. The Company is a party to the loan agreement from the funds of the National Recovery and Resilience Plan in the amount of PLN 11 000 million concluded with Bank Gospodarstwa Krajowego. The funds from the loan agreement are used exclusively to finance eligible expenditure incurred by the subsidiary, TAURON Dystrybucja S.A. for the development and adaptation of the electricity grid to the needs of energy transition and climate change. The funds made available under the agreement bear interest at a fixed rate of 0.5% per annum and the loan is scheduled to be repaid in semi-annual instalments in the years 2034-2049. In the 6-month period ended 30 June 2025, the Company drew down tranches of the loan in the total amount of PLN 589 million. In the Company's opinion, a loan with an interest rate below market interest rates is preferential. Therefore, at the initial moment, the Company estimated the fair value of the received loan tranches in the amount of PLN 198 million and, in accordance with IAS 20 *Government Grants and Disclosure of Government Assistance*, recognized the estimated benefit resulting from the application of an interest rate lower than market rates in the amount of PLN 391 million, constituting the difference between the cash received and the initial carrying amount of the loan tranches, as subsidies to assets, presented in deferred income. The loan was initially valued as the present value of future cash flows, taking into account contractual terms discounted using an interest rate which, in the Company's opinion, reflects market conditions on the date of financing.
Provisions (including provisions for onerous contracts)	Note 35 Note 36 Note 37 Note 38	The Group estimates the amount of provisions created based on the assumptions, methodology and calculations appropriate for a given type of provisions, evaluating the probability of spending funds that incorporate economic benefits and determining the reliable level of funds necessary to perform the obligation. Provisions are created by the Group if the probability of spending funds that incorporate economic benefits is higher than 50%. As at each balance sheet date, the Group assesses whether it is a party to onerous contracts, i.e. contracts under which the unavoidable costs of fulfilling the obligation outweigh the benefits expected to be received under the contract and, if it is determined that it is a party to such contracts, the present obligation under such contracts is recognised and measured as a provision. The unavoidable costs arising from the contract comprise, at least, net costs of contract termination, corresponding to the lower of contract fulfilment costs and costs of any compensations or penalties arising for the failure to fulfil the contract. Within contract fulfilment costs, the Group estimates costs directly related to the contract including incremental contract fulfilment costs as well as the allocation of other costs that relate directly to contract fulfilment. As at the balance sheet date, the Group recognised provisions for onerous contracts related to concluded energy sales contracts in the amount of PLN 4 million. The discount rate applied to the valuation of long-term provisions, estimated as at the balance sheet date, was 5.8% and was compliant with the rate adopted for measurements as at 31 December 2024.

Besides the foregoing, the Group makes significant estimates as regards the contingent liabilities recognised, in particular in the scope of legal proceedings where the Group companies are parties (Note 50).

As at the balance sheet date, in the scope of impact of climate change on the interim condensed consolidated financial statements, the Group does not identify any significant changes in relation to areas and impacts of climate change identified as at 31 December 2024, as further described in Note 10 to the consolidated financial statements for the year ended 31 December 2024.

As part of impairment tests of non-financial non-current assets conducted as at 30 June 2025, the Group reviewed the assumptions and economic useful lives of the generating units. The revision takes into account, among other things, the impact of climate issues, particularly in the Generation and Heat segments, which are exposed to the risks of increased regulatory obligations, curtailment of assets generating energy from conventional sources and the risk of higher operating costs and Renewable Energy Sources segment which is affected by the support mechanisms in place and the technologies used. As a result of the revision, the economic useful lives of the cash-generating units in the Heat and Renewable Energy segments were changed. The assumptions adopted in the scope of impairment testing, including those relating to climate issues, are described in detail in Note 17 of these interim condensed consolidated financial statements.

(in PLN million)

7. Standards published and amendments to standards which have not yet entered into force until the balance sheet date

The Group did not choose earlier application of any standards or amendments to standards which were published but have not entered into force by 30 June 2025.

- **Amendments to standards issued by the International Accounting Standards Board, which have been endorsed by the European Union but have not yet entered into force**

Standard	Date of entry into force in the EU *(annual periods commencing on or after that date)*
Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments - Disclosures - changes to the classification and measurement of financial instruments*	1 January 2026
Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments - Disclosures - changes related to agreements for energy from renewable sources*	1 January 2026
Amendments to various standards, Amendments to IFRS (IFRS 1 *First-time Adoption of International Financial Reporting Standards*; IFRS 7 *Financial Instruments: Disclosures;* IFRS 9 *Financial Instruments;* IFRS 10 *Consolidated Financial* Statements*;* IAS 7 *Statement of Cash Flows)*	1 January 2026

Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* regarding contracts for energy from renewable sources specify and simplify the rules for using the exemption from the need to measure at fair value in relation to energy purchase contracts dependent on natural factors (Power Purchase Agreements - "PPA"). At the same time, these changes expanded the disclosure obligations regarding contracts for energy from renewable sources. Taking into account the PPA-type agreements concluded by the Group's companies, the Company, based on the analyzes carried out so far, estimates that the above changes will not have a significant impact on the accounting principles used so far in terms of recognizing the effects of the concluded agreements, and at the same time may translate into the need to make additional disclosures in the consolidated financial statements regarding the above-mentioned agreements.

As at the date of approval of these interim condensed consolidated financial statements for publication, the Company has not yet completed work on assessing the impact of the amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* and *Amendments to Various Standards Amendments to IFRS* on the accounting policy applied by the Group.

- **Standards and amendments to standards issued by the International Accounting Standards Board, which have not been endorsed by the European Union and have not entered into force yet**

Standard	Date of entry into force by standard, not approved by the EU *(annual periods commencing on or after that date)*
IFRS 14 *Regulatory Deferral Accounts*	1 January 2016*
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures: Transactions of sale or contribution of assets between an investor and its associate or joint venture as amended*	the date of entry into force of the amendments has been postponed
IFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
IFRS 19 *Subsidiaries without Public Accountability: Disclosures* and Amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027

** The European Commission decided to refrain from launching the process of endorsement of this interim standard for use in the territory of the EU until the publication of the final version of IFRS 14 Regulatory Deferral Accounts.*

IFRS 14 *Regulatory Deferral Accounts*

The International Accounting Standards Board is working on a standard on regulated activities. The standard is aimed to determine a model for the accounting treatment of assets and liabilities associated with regulated activities. The new standard, if issued, will replace IFRS 14 *Regulatory Deferral Accounts*. According to the draft standard, the standard is intended to apply to entities that are party to a contract specifying regulated rates that the entity charges to its customers for goods and services provided, and when part of the total consideration for goods and services provided in a given period is charged to customers through regulated rates in another period (so-called time differences arise). The Group monitors the work carried out by the International Accounting Standards Board regarding the final version of the standard on regulatory assets and liabilities in terms of determining the impact on TAURON Group, particularly in the Distribution segment. As at the date of authorisation of these interim condensed consolidated financial statements for publication, the final version of the standard has not been issued. The Group will assess the impact of the standard on the Group's financial results and financial position once the International Accounting Standards Board has issued the final version of the standard.

(in PLN million)

Other standards and amendments to standards

Based on the analyzes carried out so far, the Company estimates that IFRS 19 *Subsidiaries without Public Accountability: Disclosures* will not have an impact on the consolidated financial statements of the Group. The Company continues to work on assessing the impact of IFRS 18 *Presentation and Disclosure in Financial Statements* and amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* on the accounting policy applied by the Group.

8. Changes in the applied accounting policies and restatement of comparable data

Changes in the accounting principles applied

The accounting principles (policy) adopted for the preparation of these interim condensed consolidated financial statements are consistent with those used for the preparation of the annual consolidated financial statements of the Group for the year ended 31 December 2024. Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*, which entered into force on 1 January 2025, did not affect the Group's accounting policy.

Conversion of comparable data in connection with the change in the method of performing settlements due to the sale/purchase of electricity to cover the balance difference

In December 2024, as a result of conducted analyses, the Group changed and adjusted the settlement method of the sale and purchase of electricity to cover the balance difference (i.e. the difference between the electricity injected into the grid and released from the grid by Group companies).

The change and the adjustment related to the settlements made between Group companies of the *Sales and Wholesale* and *Distribution* segments, as well as to the re-estimation of revenues from electricity sales to entities outside TAURON Group reported in the *Sales and Wholesale* segment, consequently affecting the Group's financial results and the results of the *Sales and Wholesale* and *Distribution* segments. The previous re-estimates were replaced by invoices issued between the companies in the *Sales and Wholesale* and *Distribution* segments taking into account the volume of electricity that was received by TAURON Group’s customers and not invoiced to them.

In the Group's opinion, the revised approach allows for more accurate reflecting of the Group's revenue and profit levels (particularly in the *Distribution* segment) in individual reporting periods, eliminating significant fluctuations between periods resulting mainly from changes in electricity market prices. The change has no impact on the TAURON Group's cash flows related to the purchase and sales of electricity.

In order to present the effects of the implemented change fully and completely, the Group applied a retrospective approach to the presentation of the effects of the revised approach, using the assumption as if the revised approach had been applied in previous years. The Group has restated the comparative data for the 6-month period ended 30 June 2024.

	6-month period ended 30 June 2024 *(unaudited approved figures)*	Change of energy settlement method to cover the balance difference	6-month period ended 30 June 2024 *(unaudited restated figures)*
Sales revenue	15 284	405	15 689
Profit on sale	**1 041**	**405**	**1 446**
Operating profit	**359**	**405**	**764**
Profit (loss) before tax	**(19)**	**405**	**386**
Income tax	(824)	(77)	(901)
Net loss	**(843)**	**328**	**(515)**

Interim condensed consolidated financial statements for the 6-month period ended 30 June 2025 compliant with the IFRS approved by the EU (in PLN million)

9. Impact of material changes in legislation

In 2022-2024, regulations came into force to cap electricity prices and protect electricity consumers against price increases, which significantly affected the TAURON Group's operations also in the 6-month period ended 30 June 2025.

Act of law	Key assumptions of the acts of law applicable in 2024	Key assumptions of legislation in force in the 6-month period ended 30 June 2025
Act of 7 October 2022 on special solutions for the protection of electricity consumers in 2023 (the "*Act on Consumer Protection*")	• The solutions of the *Act on Consumer Protection* in the scope of the electricity price freeze for households at a level of 2022 have been extended until 30 June 2024. At the same time, new consumption limits have been introduced for the first half of 2024, for household customers with the consumption of 1500 KWh. • The arrangements for the system of compensating energy companies for the application of frozen electricity prices (in the amount of the product of the electricity covered by the frozen prices and the difference between the energy price resulting from the electricity tariff approved by the ERO President and the frozen electricity prices) have been extended until 30 June 2024. Compensations for energy companies for frozen prices in the first half of 2024 for households were calculated taking into account the electricity tariff approved by the President of the ERO for 2024. • Introduction of an obligation to change the tariff approved by the ERO from the second half of 2024, until the end of 2025 (reduction of the rates to an average level of PLN 623/MWh).	• Lack of regulations related to the use of a frozen price and obtaining compensation for its use. • Introducing a change of the deadline for submission the tariff application in 2025 and the term of effectiveness of the tariff approved by the ERO President. The amendment to the *Act on Customer Protection* came into force on 30 April 2025, pursuant to which the obligation to change the tariff was postponed until 1 October 2025.
The Act of 27 October 2022 on extraordinary measures to limit the level of electricity prices and support certain consumers in 2023 (the "*Act on Extraordinary Measures*")	• The solutions of the *Act on Extraordinary Measures* regarding the application of a fixed price at a level of PLN 693/MWh have been extended until 31 December 2024 for small and medium-sized enterprises, local government units and special entities. • The solutions of the *Act on Extraordinary Measures* regarding the application of a fixed price at a level of PLN 693/MWh have been extended until 30 June 2024 and at a level of PLN 500/MWh until 31 December 2024 for individual customers. • Cancellation of consumption limits for individual customers in the second half of 2024. • The extension of a system of compensations (calculated depending on the type of customer and the time of conclusion of the agreement) paid on a monthly basis, the payment of which is the responsibility of the Settlement Administrator [Zarządca Rozliczeń S.A.] until 31 December 2024. • The obligations for electricity generators and trading companies to make deductions to the Price Difference Payment Fund have not been extended by successive periods after 2023.	• The solutions of the *Act on Extraordinary Measures* regarding the application of a fixed price of PLN 693/MWh have been extended until 31 March 2025 for local government units and special entities. • The solutions of the *Act on Extraordinary Measures* regarding the application of a fixed price at a level of PLN 500/MWh have been extended until 30 September 2025 for individual customers. • Maintaining the cancellation of consumption limits for individual customers. • The extension of a system of compensations (calculated depending on the type of customer) paid on a monthly basis, the payment of which is the responsibility of the Settlement Administrator [Zarządca Rozliczeń S.A.] until 31 March 2025 (for local government units and special entities) and until 30 September 2025 (for individual customers).

Impact of selected acts of law on the interim condensed consolidated financial statements for the 6-month period ended 30 June 2025 (unaudited)	Note
Revenue from contracts with customers In accordance with the regulations of the *Act on Extraordinary Measures*, in the 6-month period ended 30 June 2025 the companies of the *Sales and Wholesale* segment applied prices for the sale of electricity that do not exceed the maximum prices set out in the aforementioned Act to the groups of customers indicated in the aforementioned Act.	12
Revenue due to recompensations The companies of the *Sales and Wholesale* segment recognised recompensations related to electricity supply in the amount of PLN 610 million in the 6-month period ended 30 June 2025 on the basis of the *Act on Extraordinary Measures*. As part of the recompensations, the companies received the amount of PLN 438 million by the balance sheet date.	13
Recompensation receivables As at 30 June 2025, the Group had recompensation receivables resulting from the *Act on Consumer Protection* and the *Act on Extraordinary Measures* concerning the sale of electricity in 2024 and in the first half of 2025 in the total amount of PLN 192 million, presented in the statement of financial position under *Other financial assets* considering that they compensate for the reduction in revenue under agreements with customers.	25
Advance payments for recompensations In the 6-month period ended 30 June 2025, the companies in the *Sales and Wholesale* segment settled recompensation advances in the amount of PLN 215 million received in the previous years and partially refunded recompensation advances received in the amount of PLN 311 million to the Settlement Administrator [Zarządca Rozliczeń S.A.].	39.1 44
Costs of contributions to the Price Difference Payment Fund In the 6-month period ended 30 June 2025 and in the comparable period, the Group companies were not subject to the obligation to apply write-downs for the Price Difference Payment Fund. As a result of the adjustments made, the Group has receivables for write-downs to the Price Difference Payment Fund in the amount of PLN 35 million, included within other short-term non-financial assets.	45 26.2

10. Seasonality of activities

The Group's business is characterised by seasonality.

Sales of heat depends on the atmospheric conditions, in particular, on air temperature, and it is higher in the autumn and winter season for individual customers. The level of electricity sales to individual consumers depends on the length of a day, which usually makes electricity sales in this group of consumers lower in the spring and summer season and higher in the autumn and winter season. The level of production and sales of electricity generated in renewable energy sources is affected by meteorological conditions.

The seasonality of the remaining areas of the Group operations is limited.

BUSINESS SEGMENTS

11. Information on operating segments

The Group presents information concerning segments for the current and comparative reporting periods in accordance with IFRS 8 *Operating Segments*.

The organisation and management of the Group is carried out on a segment basis, taking into account the type of products and services offered. Each segment constitutes a strategic business entity offering different products and operating on different markets.

The Group applies the same accounting principles (policy) to all operating segments. The Group accounts for transactions between segments as if they referred to unrelated parties, i.e. using current market prices. Revenue from transactions between segments is eliminated in the consolidation process.

After the elimination of costs arising from intercompany transactions, general and administrative expenses of the Parent Company are presented under unallocated expenses. General and administrative expenses of the Parent Company are incurred for the benefit of the entire Group and cannot be directly attributed to the specific operating segment.

Segment assets do not include deferred tax assets, income tax receivables and financial assets, except for receivables from customers and other financial receivables (including, on account of compensations), assets relating to gain on measurement of commodity financial derivative instruments as well as cash and cash equivalents, which represent segment assets.

Segment liabilities do not include current and deferred income tax liabilities and financial liabilities, except for liabilities to suppliers, capital commitments, payroll liabilities as well as liabilities relating to loss on measurement of commodity financial derivative instruments, which represent liabilities of the segment.

The Group's financing (including financial revenue and costs) and income tax are monitored at the Group level and they are not allocated to segments.

None of the Group’s operating segments has been combined with another segment to create reporting segments.

The Management Board separately monitors operating results of the segments in order to take decisions concerning allocation of the resources, to assess the effects of the allocation and to evaluate performance. The evaluation of performance is based on EBITDA and operating profit or loss. The Group defines EBITDA as EBIT increased by depreciation, amortisation and write-offs for non-financial assets. TAURON Group recognises write-downs on non-financial assets of entities consolidated using the full method and share in write-downs on non-financial assets of entities measured using the equity method as write-downs on non-financial assets. EBIT is defined by the Group as the profit/(loss) before tax, financial income and costs, i.e. operating profit/(loss).

Operating segments	Core business	Subsidiaries/ Companies accounted for using the equity method
Generation 	*Electricity generation in conventional sources, including cogeneration.*	TAURON Wytwarzanie S.A. TAURON Serwis Sp. z o.o. Łagisza Grupa TAURON Sp. z o.o. Bioeko Grupa TAURON Sp. z o.o.
Heat 	*Production, distribution and sales of heat*	TAURON Ciepło Sp. z o.o. TAMEH HOLDING Sp. z o.o.[1] TAMEH POLSKA Sp. z o.o.[1] TAMEH Czech s.r.o.[1] Elektrociepłownia Stalowa Wola S.A.[1]
Renewable Energy Sources 	*Generation of electricity in renewable sources*	TAURON Ekoenergia Sp. z o.o. TEC1 Sp. z o.o. TAURON Zielona Energia Sp. z o.o. TEC1 spółka z ograniczoną odpowiedzialnością Mogilno I sp.k.[2] TEC1 spółka z ograniczoną odpowiedzialnością Mogilno II sp.k.[2] TEC1 spółka z ograniczoną odpowiedzialnością Mogilno III sp.k.[2] TEC1 spółka z ograniczoną odpowiedzialnością Mogilno IV sp.k.[2] TEC1 spółka z ograniczoną odpowiedzialnością Mogilno V sp.k.[2] TEC1 spółka z ograniczoną odpowiedzialnością Mogilno VI sp.k.[2] TEC1 spółka z ograniczoną odpowiedzialnością EW Śniatowo sp.k.[2] TEC1 spółka z ograniczoną odpowiedzialnością EW Dobrzyń sp.k.[2] TEC1 spółka z ograniczoną odpowiedzialnością EW Gołdap sp.k.[2] TEC1 spółka z ograniczoną odpowiedzialnością Ino 1 sp.k.[2] WIND T2 Sp. z o.o. "MEGAWATT S.C." Sp. z o.o. WIND T4 Sp. z o.o. WIND T30MW Sp. z o.o. FF Park PV 1 Sp. z o.o. Windpower Gamów Sp. z o.o. AE Energy 7 Sp. z o.o. TAURON Elektrownia Szczytowo - Pompowa Sp. z o.o. Finadvice Polska 1 Sp. z o.o. TAURON Inwestycje Sp. z o.o. TAURON BME1 Sp. z o. o TAURON BME4 Sp. z o. o TAURON BME7 Sp. z o. o TAURON BME8 Sp. z o. o TAURON BME9 Sp. z o. o
Distribution 	*Electricity distribution*	TAURON Dystrybucja S.A. TAURON Dystrybucja Pomiary Sp. z o.o. Usługi Grupa TAURON Sp. z o.o.
Sales and Wholesale 	*Wholesale trade in electricity, as well as trade in CO_2 emission allowances and certificates of origin, and sales of electricity to domestic end users or entities that resell electricity*	TAURON Polska Energia S.A. TAURON Sprzedaż Sp. z o.o. TAURON Sprzedaż GZE Sp. z o.o. TAURON Czech Energy s.r.o. Polska Energia Pierwsza Kompania Handlowa Sp. z o.o.

[1] *Companies accounted for using the equity method.*
[2] *On 1 July 2024, the merger of TAURON Zielona Energia sp. z o.o. (the acquiring company) with 10 limited partnerships (the acquired companies) was registered in the National Court Register. On 4 February 2025, the Regional Court in Katowice, in a verdict issued, declared the resolution of the Extraordinary Meeting of Shareholders of TAURON Zielona Energia Sp. z o.o. on the merger of the acquiring company with the acquired companies null and void. On 21 March 2025, the District Court for Katowice Wschód, 8th Commercial Division of the National Court Register, deleted the entry of 1 July 2024 concerning the merger of TAURON Zielona Energia Sp. z o.o. with the acquired companies with ex tunc legal effect from the National Court Register.*

(in PLN million)

In addition to the key operating segments listed above, TAURON Group also conducts operations in the scope of quarrying limestone for the power industry, metallurgy, construction and road building as well as in the area of production of sorbents for use in wet desulphurisation installations and fluidised bed boilers (Kopalnia Wapienia Czatkowice Sp. z o.o.). The activities of TAURON Obsługa Klienta Sp. z o.o., Finanse Grupa TAURON Sp. z o.o., TAURON Ubezpieczenia Sp. z o.o., TAURON Nowe Technologie Sp. z o.o. and TAURON Inwestycje Sp. z o.o. with regard to activities related to the conduct of hydrogen research and development projects are also treated as other Group's activities.

Change in the breakdown of the Group's activity into operating segments

Beginning with the interim condensed consolidated financial statements for the 3-month period ended 31 March 2025, the allocation of the activities of TAURON Nowe Technologie S.A. in terms of operating segments has changed. Prior to the change, the company's activities were presented within the *Sales* operating segment. Following the change, the company's activities are reported under other activities. The above change is related to the changes implemented in the Group to review and evaluate the Group's performance for management purposes. In addition, in order to emphasise that the *Sales* segment also presents wholesale electricity trading activities, the name of the segment has been changed to: *Sales and Wholesale*.

The comparable data for the 3-month period ended 31 March 2024, for the 6-month period ended 30 June 2024 and as at 31 December 2024, were restated accordingly. The restatement of the figures for the 6-month period ended 30 June 2024 also includes changes to the Group's operating segments implemented in 2024, as further described in Note 12 to the consolidated financial statements of TAURON Polska Energia S.A. Capital Group for the period of the year ended 31 December 2024.

6-month period ended 30 June 2025 or as at 30 June 2025 *(unaudited)*

	Operating segments					Other	Unallocated items / Eliminations	Total
	Generation	Heat	Renewable Energy Sources	Distribution	Sales and Wholesale			
Revenue								
Sales to external customers	2 009	940	15	3 343	10 117	219	–	**16 643**
Inter-segment sales	1 903	272	491	2 882	2 913	520	(8 981)	**–**
Total segment revenue	**3 912**	**1 212**	**506**	**6 225**	**13 030**	**739**	**(8 981)**	**16 643**
Recompensation	**–**	**46**	**–**	**–**	**610**	**–**	**–**	**656**
EBIT, of which:	**359**	**94**	**201**	**1 753**	**574**	**94**	**(81)**	**2 994**
Share in profit/(loss) of joint ventures	–	*22*	–	–	–	–	–	**22**
Depreciation/amortization	**(202)**	**(95)**	**(117)**	**(744)**	**(3)**	**(130)**	**5**	**(1 286)**
Impairment	**55**	**–**	**–**	**–**	**–**	**1**	**–**	**56**
EBITDA	**506**	**189**	**318**	**2 497**	**577**	**223**	**(86)**	**4 224**
EBIT								**2 994**
Finance income (costs)							(497)	**(497)**
Profit/(loss) before income tax								**2 497**
Income tax expense							(442)	**(442)**
Net profit/(loss) for the period								**2 055**
Assets and liabilities								
Segment assets, of which:	4 036	2 944	5 946	26 950	3 392	1 890	–	**45 158**
Investments in joint ventures	–	*212*	–	–	–	–	–	***212***
Unallocated assets							1 069	**1 069**
Total assets								**46 227**
Segment liabilities	3 370	844	357	3 313	1 560	699	–	**10 143**
Unallocated liabilities							16 354	**16 354**
Total liabilities								**26 497**
Other segment information								
Capital expenditure *	103	48	398	1 590	1	143	–	**2 283**

** Capital expenditure includes expenditure on property, plant and equipment, intangible assets and rights to use assets excluding the acquisition of CO_2 emission allowances and property rights of energy origin.*

(in PLN million)

6-month period ended 30 June 2024 *(restated unaudited data)* or as at 31 December 2024 *(restated data)*

	Operating segments					Other	Unallocated items / Eliminations	Total
	Generation	Heat	Renewable Energy Sources	Distribution	Sales and Wholesale			
Revenue								
Sales to external customers	1 449	830	21	3 055	10 121	213	–	**15 689**
Inter-segment sales	2 334	317	491	2 659	1 891	525	(8 217)	**–**
Total segment revenue	**3 783**	**1 147**	**512**	**5 714**	**12 012**	**738**	**(8 217)**	**15 689**
Recompensation	**–**	**68**	**–**	**480**	**1 568**	**–**	**–**	**2 116**
EBIT, of which:	**(1 494)**	**(35)**	**274**	**1 389**	**612**	**106**	**(88)**	**764**
Share in profit/(loss) of joint ventures	–	*15*	–	–	–	–	–	***15***
Depreciation/amortization	**(228)**	**(60)**	**(95)**	**(691)**	**(2)**	**(136)**	**3**	**(1 209)**
Impairment	**(1 422)**	**(141)**	**–**	**1**	**–**	**1**	**–**	**(1 561)**
EBITDA	**156**	**166**	**369**	**2 079**	**614**	**241**	**(91)**	**3 534**
EBIT								**764**
Finance income (costs)							(378)	**(378)**
Profit/(loss) before income tax								**386**
Income tax expense							(901)	**(901)**
Net profit/(loss) for the period								**(515)**
Assets and liabilities as at 31 December 2024								
Segment assets, of which:	4 305	2 768	5 192	25 961	4 445	1 897	–	**44 568**
Investments in joint ventures	–	*190*	–	–	–	–	–	***190***
Unallocated assets							1 146	**1 146**
Total assets								**45 714**
Segment liabilities	4 066	806	359	2 948	1 977	752	–	**10 908**
Unallocated liabilities							17 052	**17 052**
Total liabilities								**27 960**
Other segment information								
Capital expenditure *	40	53	232	1 400	2	132	–	**1 859**

** Capital expenditure includes expenditure on property, plant and equipment, intangible assets and rights to use assets excluding the acquisition of CO_2 emission allowances and property rights of energy origin.*

3-month period ended 30 June 2025 *(not subject to review)*

	Operating segments					Other	Unallocated items / Eliminations	Total
	Generation	Heat	Renewable Energy Sources	Distribution	Sales and Wholesale			
Revenue								
Sales to external customers	1 009	321	7	1 621	4 278	110	–	**7 346**
Inter-segment sales	683	78	204	1 391	2 111	260	(4 727)	**–**
Total segment revenue	**1 692**	**399**	**211**	**3 012**	**6 389**	**370**	**(4 727)**	**7 346**
Recompensation	**–**	**18**	**–**	**–**	**303**	**–**	**–**	**321**
EBIT, of which:	**117**	**4**	**79**	**894**	**127**	**56**	**(41)**	**1 236**
Share in profit/(loss) of joint ventures	–	*15*	–	–	–	–	–	***15***
Depreciation/amortization	**(101)**	**(62)**	**(59)**	**(377)**	**(2)**	**(66)**	**2**	**(665)**
Impairment	**7**	**–**	**–**	**–**	**–**	**1**	**–**	**8**
EBITDA	**211**	**66**	**138**	**1 271**	**129**	**121**	**(43)**	**1 893**
EBIT								**1 236**
Finance income (costs)							(188)	**(188)**
Profit/(loss) before income tax								**1 048**
Income tax expense							(124)	**(124)**
Net profit/(loss) for the period								**924**
Other segment information								
Capital expenditure *	80	25	207	822	–	77	–	**1 211**

** Capital expenditure includes expenditure on property, plant and equipment, intangible assets and rights to use assets excluding the acquisition of CO_2 emission allowances and property rights of energy origin.*

Interim condensed consolidated financial statements for the 6-month period ended 30 June 2025 compliant with the IFRS approved by the EU (in PLN million)

3-month period ended 30 June 2024 *(restated data not subject to review)*

	Operating segments					Other	Unallocated items / Eliminations	Total
	Generation	Heat	Renewable Energy Sources	Distribution	Sales and Wholesale			
Revenue								
Sales to external customers	784	272	8	1 485	4 545	111	–	**7 205**
Inter-segment sales	831	65	212	1 391	665	255	(3 419)	**–**
Total segment revenue	**1 615**	**337**	**220**	**2 876**	**5 210**	**366**	**(3 419)**	**7 205**
Recompensation	**–**	**21**	**–**	**206**	**711**	**–**	**–**	**938**
EBIT, of which:	**(1 596)**	**(138)**	**92**	**715**	**340**	**63**	**(42)**	**(566)**
Share in profit/(loss) of joint ventures	*–*	*1*	*–*	*–*	*–*	*–*	*–*	***1***
Depreciation/amortization	**(116)**	**(31)**	**(48)**	**(350)**	**(1)**	**(66)**	**2**	**(610)**
Impairment	**(1 471)**	**(138)**	**–**	**1**	**–**	**1**	**–**	**(1 607)**
EBITDA	**(9)**	**31**	**140**	**1 064**	**341**	**128**	**(44)**	**1 651**
EBIT								**(566)**
Finance income (costs)							(122)	**(122)**
Profit/(loss) before income tax								**(688)**
Income tax expense							(635)	**(635)**
Net profit/(loss) for the period								**(1 323)**
Other segment information								
Capital expenditure *	15	33	133	743	1	87	–	**1 012**

** Capital expenditure includes expenditure on property, plant and equipment, intangible assets and rights to use assets excluding the acquisition of CO_2 emission allowances and property rights of energy origin.*

EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

12. Sales revenue

	6-month period ended 30 June 2025 *(unaudited)*	6-month period ended 30 June 2024 *(unaudited restated figures)*
Sale of goods for resale, finished goods and materials without elimination of excise, of which:	**9 998**	**9 947**
Excise	(48)	(53)
Sale of goods for resale, finished goods and materials	**9 950**	**9 894**
Electricity	8 562	8 334
Heat energy	769	681
Gas	437	579
CO_2 emission allowances	1	117
Energy certificates and similar	21	30
Other goods for resale, finished goods and materials	160	153
Rendering of services	**6 650**	**5 755**
Distribution and trade services	5 907	5 055
Capacity Market	452	401
Maintenance of road lighting	87	84
Connection fees	59	63
Other services	145	152
Other revenue	**43**	**40**
Total revenue	**16 643**	**15 689**

In the 6-month period ended 30 June 2025, compared to the corresponding period of the previous year, an increase in sales revenue was recorded, mainly due to higher revenue from the sale of electricity and heat, as well as distribution and commercial services.

The increase in revenues from electricity sales is the result of an increase in the volume of sales combined with lower energy prices on the balancing market accomplished by the company of the Generation segment. Additionally, the increase in revenues from the sale of electricity was influenced by obtaining revenues from balancing capacities in an amount higher than the revenues from regulatory system services obtained in the first half of 2024. The increase in revenue from electricity sales was partially offset by a decline in revenue from retail sales.

(in PLN million)

The main factor driving the increase in revenue from heat sales was higher sales volume, resulting from lower outdoor temperatures during the heating season relative to the corresponding period of the previous year.

An increase in revenue from the sale of distribution and trading services mainly resulted from the increase in the distribution and transmission service rate.

Sales revenue by operating segment is shown in the tables below.

6-month period ended 30 June 2025 *(unaudited)*

	Generation	Heat	Renewable Energy Sources	Distribution	Sales and Wholesales	Other	Total
Sale of goods for resale, finished goods and materials	**1 650**	**706**	**9**	**3**	**7 511**	**71**	**9 950**
Electricity	1 551	–	–	–	7 011	–	**8 562**
Heat energy	65	703	–	–	–	1	**769**
Gas	–	–	–	–	437	–	**437**
CO_2 emission allowances	–	–	–	–	1	–	1
Energy certificates and similar	–	3	9	–	9	–	**21**
Other goods for resale, finished goods and materials	34	–	–	3	53	70	**160**
Rendering of services	**354**	**229**	**5**	**3 322**	**2 606**	**134**	**6 650**
Distribution and trade services	–	211	–	3 208	2 488	–	**5 907**
Capacity Market	320	16	4	–	112	–	**452**
Maintenance of road lighting	–	–	–	–	–	87	**87**
Connection fees	–	–	–	59	–	–	**59**
Other services	34	2	1	55	6	47	**145**
Other revenue	**5**	**5**	**1**	**18**	**–**	**14**	**43**
Total sales revenue	**2 009**	**940**	**15**	**3 343**	**10 117**	**219**	**16 643**

6-month period ended 30 June 2024 *(restated unaudited data)*

	Generation	Heat	Renewable Energy Sources	Distribution	Sales and Wholesales	Other	Total
Sale of goods for resale, finished goods and materials	**1 131**	**623**	**18**	**2**	**8 046**	**74**	**9 894**
Electricity	1 039	–	–	–	7 295	–	**8 334**
Heat energy	62	619	–	–	–	–	**681**
Gas	–	–	–	–	579	–	**579**
CO_2 emission allowances	–	–	–	–	117	–	**117**
Energy certificates and similar	–	4	18	–	8	–	**30**
Other goods for resale, finished goods and materials	30	–	–	2	47	74	**153**
Rendering of services	**313**	**207**	**2**	**3 031**	**2 074**	**128**	**5 755**
Distribution and trade services	–	186	–	2 902	1 967	–	**5 055**
Capacity Market	284	14	2	–	101	–	**401**
Maintenance of road lighting	–	–	–	–	–	84	**84**
Connection fees	–	–	–	63	–	–	**63**
Other services	29	7	–	66	6	44	**152**
Other revenue	**5**	**–**	**1**	**22**	**1**	**11**	**40**
Total sales revenue	**1 449**	**830**	**21**	**3 055**	**10 121**	**213**	**15 689**

Revenue from sales of electricity broken down by customer groups is presented in the table below.

	6-month period ended 30 June 2025 *(unaudited)*	6-month period ended 30 June 2024 *(unaudited restated figures)*
Revenue from sales of electricity	**8 562**	**8 334**
Retail sale	**6 197**	**6 683**
Business clients	2 914	3 345
Mass clients - Group G	2 590	2 650
Mass clients - SME	691	680
Other	47	59
Excise duty	(45)	(51)
Wholesale	**2 209**	**1 596**
Other	**156**	**55**

(in PLN million)

13. Recompensations

	6-month period ended 30 June 2025 *(unaudited)*	6-month period ended 30 June 2024 *(unaudited)*
Recompensation electricity	610	1 549
Recompensation electricity distribution services	–	480
Recompensation gas	–	19
Recompensation heat energy and heat distribution services	46	68
Total	**656**	**2 116**

The aforementioned recompensations are described in detail in Note 9 to these interim condensed consolidated financial statements.

The main reason for the reduction in recompensations in the 6-month period ended 30 June 2025 in relation to the comparative period was a change in the rules for billing customers and obtaining recompensation. In 2025, all individual customers are billed at a maximum price of PLN 500/MWh. The lower price level in the tariffs approved by the ERO President for 2025, compared to those in force in the first half of 2024, has translated into a decrease in the difference between the energy price resulting from the tariff and the frozen and maximum electricity prices included in the calculation of household recompensation.

Moreover, in addition to individual customers, the entities eligible for the maximum price in the first quarter of 2025 included only local government units and special entities. In 2024, small and medium-sized enterprises were additionally eligible for maximum price billing. The restriction of the scope of eligible customers resulted in a significant decline in recompensations related to these customers.

14. Costs by type

	6-month period ended 30 June 2025 *(unaudited)*	6-month period ended 30 June 2024 *(unaudited)*
Depreciation and amortization	(1 286)	(1 209)
Write-downs on non-financial fixed assets	1	(1 644)
Materials and energy	(1 356)	(1 802)
Maintenance and repair services	(135)	(112)
Distribution services	(1 713)	(1 626)
Other external services	(481)	(462)
Cost of obligation to remit the CO_2 emission allowances	(1 442)	(1 479)
Other taxes and charges	(461)	(433)
Employee benefits expense	(1 760)	(1 646)
Allowance for trade receivables expected credit losses	(39)	(25)
Allowance for inventories	55	83
Other	(76)	(70)
Total costs by type	**(8 693)**	**(10 425)**
Change in inventories, prepayments, accruals and deferred income	(1)	(1)
Cost of goods produced for internal purposes	429	388
Selling expenses	393	372
Administrative expenses	367	369
Cost of goods for resale and materials sold	(6 089)	(7 062)
Cost of sales	**(13 594)**	**(16 359)**

In the 6-month period ended 30 June 2025, relative to the comparable period, a decline in the cost of goods, products, materials and services sold was recorded, which was mainly due to:

- lower costs of electricity purchase incurred as a result of falling prices and lower purchased gas costs as a result of lower prices and volumes. Moreover, a decrease was recorded in the cost of coal fuel used in the production process, which was mainly due to the reduction in the unit cost of its consumption as a consequence of the y/y decline in market prices of energy commodities.

(in PLN million)

- the recognition of the cost of impairment losses on non-financial non-current assets in the comparative period mainly as a result of the impairment tests carried out as at 30 June 2024.

At the same time, in the 6-month period ended 30 June 2025, the following costs increased compared to the corresponding period:

- employee benefits, which is the result of recognising the effects of signed wage agreements and the increase in the minimum wage in 2025,
- distribution services, resulting mainly from rate increases.

15. Financial revenues and costs

	6-month period ended 30 June 2025 *(unaudited)*	6-month period ended 30 June 2024 *(unaudited)*
Income and costs from financial instruments	**(473)**	**(354)**
Interest costs	(341)	(342)
Gain/loss on derivative instruments	(202)	(167)
Exchange differences	19	34
Commission relating to borrowings and debt securities	(11)	(10)
Remeasurement of loans granted	33	90
Interest income	35	50
Other	(6)	(9)
Other finance income and costs	**(24)**	**(24)**
Interest on employee benefits	(22)	(18)
Interest on discount of other provisions	(6)	(6)
Other finance income	11	11
Other finance costs	(7)	(11)
Total, including recognized in the statement of comprehensive income:	**(497)**	**(378)**
Interest expense on debt	(341)	(342)
Gain/loss on derivative instruments	(202)	(167)
Other finance income and costs	46	131

The loss on derivatives in the 6-month period ended 30 June 2025 is mainly related to the appreciation of the Polish zloty against Euro and relates to FX derivatives, mainly hedging the foreign exchange risk associated with the purchase of CO_2 emission allowances. The appreciation of the 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.

16. Tax burden in the statement of comprehensive income

	6-month period ended 30 June 2025 *(unaudited)*	6-month period ended 30 June 2024 *(unaudited restated figures)*
Current income tax	**(622)**	**(104)**
Current income tax expense	(626)	(121)
Adjustments to current income tax from previous years	4	17
Deferred income tax	**180**	**(797)**
Income tax expense in profit/(loss)	**(442)**	**(901)**
Income tax expense relating to other comprehensive income, including:	**10**	**(1)**
reclassified to profit or loss	13	6
not reclassified to profit or loss	(3)	(7)

The increase in current income tax charge is mainly related to the achievement of a higher tax result in the companies of the *Sales and Wholesale* segment in the 6-month period ended 30 June 2025 in relation to the comparable period.

The level of deferred income tax in the comparable period was mainly related to a decrease in the level of recognized deferred tax assets in the *Generation* segment company by the amount of PLN 760 million, due to the anticipated inability to achieve it, due to insufficient forecasted tax results of this company.

(in PLN million)

In the 6-month period ended 30 June 2025, TAURON Polska Energia S.A. and selected subsidiaries accounted for income tax within the Tax Capital Group registered on 28 December 2022 for 2023-2025 by the Head of the First Tax Office for the Mazowieckie Province in Warsaw. Main companies forming the TCG as of 1 January 2023 include: TAURON Polska Energia S.A., TAURON Dystrybucja S.A., TAURON Sprzedaż Sp. z o.o., TAURON Sprzedaż GZE Sp. z o.o., TAURON Obsługa Klienta Sp. z o.o., TAURON Ekoenergia Sp. z o.o., TAURON Ciepło Sp. z o.o., TAURON Zielona Energia Sp. z o.o., TAURON Nowe Technologie S.A. and Kopalnia Wapienia Czatkowice Sp. z o.o. TAURON Wytwarzanie S.A. is not part of the TCG.

On 27 December 2024, the Company, as the parent company of the TCG, received a decision of the Head of the First Tax Office for the Mazowieckie Province in Warsaw stating that the decision to register the agreement on the establishment of the TCG had expired as of 1 July 2024 as a result of the tax authority's acknowledgement that the condition of the Company holding at least 75% of shares in the share capital of TAURON Zielona Energia Sp. z o.o. had been breached. On 11 February 2025, as a result of effective appeal, the Company received a decision from the Director of the Regional Revenue Administration in Warsaw to revoke in its entirety the decision of the Head of the First Tax Office for the Mazowieckie Province in Warsaw concerning the expiry of the decision on the registration of the agreement on the establishment of the TCG on 1 July 2024 and referring the case for reconsideration by this authority. On 24 March 2025, the Head of the First Tax Office for the Mazowieckie Province in Warsaw issued the decision to discontinue the tax proceedings regarding the expiry of the decision to register the agreement on the establishment of the TAURON Tax Capital Group. The receipt of the decision confirmed the maintenance of TCG status.

In the 6-month period ended 30 June 2025, the Company and the other TCG companies made tax settlements consistently calculating advance payments in a manner appropriate for the TCG.

EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

17. Property, plant and equipment

6-month period ended 30 June 2025 ***(unaudited)***

	Land	Buildings, premises and civil engineering structures	Plant and machinery	Other	Assets under construction	Property, plant and equipment, total
COST						
Opening balance	**160**	**36 120**	**27 800**	**1 025**	**2 517**	**67 622**
Direct purchase	–	–	–	2	2 057	**2 059**
Borrowing costs	–	–	–	–	35	**35**
Transfer of assets under construction	2	1 013	626	34	(1 675)	**–**
Sale	–	(1)	(123)	(8)	–	**(132)**
Liquidation	–	(63)	(183)	(4)	–	**(250)**
Received free of charge	–	24	–	–	–	**24**
Overhaul expenses	–	–	–	–	75	**75**
Items generated internally	–	–	–	–	21	**21**
Other movements	–	–	9	(2)	(7)	**–**
Closing balance	**162**	**37 093**	**28 129**	**1 047**	**3 023**	**69 454**
ACCUMULATED DEPRECIATION						
Opening balance	**–**	**(16 200)**	**(17 369)**	**(756)**	**(50)**	**(34 375)**
Depreciation for the period	–	(542)	(552)	(29)	–	**(1 123)**
Impairment	–	1	1	–	–	**2**
Sale	–	1	121	8	–	**130**
Liquidation	–	56	181	3	–	**240**
Other movements	–	–	1	–	14	**15**
Closing balance	**–**	**(16 684)**	**(17 617)**	**(774)**	**(36)**	**(35 111)**
NET CARRYING AMOUNT AT THE BEGINNING OF THE PERIOD	**160**	**19 920**	**10 431**	**269**	**2 467**	**33 247**
NET CARRYING AMOUNT AT THE END OF THE PERIOD	**162**	**20 409**	**10 512**	**273**	**2 987**	**34 343**
of which operating segments:						
Generation	**38**	**912**	**1 792**	**18**	**76**	**2 836**
Heat	**6**	**879**	**613**	**20**	**227**	**1 745**
Renewable Energy Sources	**10**	**1 405**	**1 852**	**5**	**979**	**4 251**
Distribution	**92**	**16 300**	**6 060**	**190**	**1 649**	**24 291**
Other segments and other operations	**16**	**913**	**195**	**40**	**56**	**1 220**

(in PLN million)

6-month period ended 30 June 2024 *(restated unaudited data)*

	Land	Buildings, premises and civil engineering structures	Plant and machinery	Other	Assets under construction	Property, plant and equipment, total
COST						
Opening balance	**153**	**33 430**	**26 007**	**971**	**2 466**	**63 027**
Direct purchase	–	–	–	1	1 709	**1 710**
Borrowing costs	–	–	–	–	41	**41**
Transfer of assets under construction	–	956	542	24	(1 522)	**–**
Sale	–	(2)	(51)	(6)	(1)	**(60)**
Liquidation	–	(24)	(35)	(5)	–	**(64)**
Received free of charge	–	36	–	–	–	**36**
Overhaul expenses	–	–	–	–	13	**13**
Items generated internally	–	–	–	–	21	**21**
Cost of disassembly of wind farms	–	(5)	(5)	–	15	**5**
Other movements	–	1	7	(3)	–	**5**
Closing balance	**153**	**34 392**	**26 465**	**982**	**2 742**	**64 734**
ACCUMULATED DEPRECIATION						
Opening balance	**–**	**(14 717)**	**(15 665)**	**(724)**	**(49)**	**(31 155)**
Depreciation for the period	–	(517)	(503)	(28)	–	**(1 048)**
Impairment	–	(523)	(1 064)	(3)	(3)	**(1 593)**
Sale	–	1	50	6	–	**57**
Liquidation	–	22	33	5	–	**60**
Other movements	–	(3)	–	3	6	**6**
Closing balance	**–**	**(15 737)**	**(17 149)**	**(741)**	**(46)**	**(33 673)**
NET CARRYING AMOUNT AT THE BEGINNING OF THE PERIOD	**153**	**18 713**	**10 342**	**247**	**2 417**	**31 872**
NET CARRYING AMOUNT AT THE END OF THE PERIOD	**153**	**18 655**	**9 316**	**241**	**2 696**	**31 061**
of which operating segments:						
Generation	**38**	**985**	**1 825**	**17**	**117**	**2 982**
Heat	**6**	**831**	**530**	**17**	**259**	**1 643**
Renewable Energy Sources	**3**	**875**	**1 211**	**2**	**783**	**2 874**
Distribution	**90**	**15 087**	**5 517**	**164**	**1 499**	**22 357**
Other segments and other operations	**16**	**877**	**233**	**41**	**38**	**1 205**

In the 6-month period ended 30 June 2025, the Group purchased property, plant and equipment (including capitalised borrowing costs) in the amount of PLN 2 094 million. The major purchases were performed in connection with investment in the following operating segments:

Operating segment	6-month period ended 30 June 2025 *(unaudited)*	6-month period ended 30 June 2024 *(unaudited restated data)*
Distribution	1 559	1 387
Renewable Energy Sources	386	221
Heat	33	39
Generation	32	28

Impairment tests

As at 30 June 2025, an analysis of the premises which might indicate the impairment of non-financial assets was carried out. The analysis identified the following market events that may change the assumptions used in the impairment tests compared to the assumptions used in the impairment tests performed as at 31 December 2024, which may therefore affect the impairment assessment:

- progressive changes in the energy mix in Poland, primarily due to further increase in the share of RES in the generation subsector translating into:
  - a change in the price structure on the energy market in the spot segment resulting from the increased share of RES: although the average price of electricity on the SPOT market (average of TGeBASE_m indices) increased by 23.1% to PLN 441.39/MWh in the first months of 2025 from PLN 358.70/MWh in the corresponding period of 2024, the average of TGePVm indices did not increase in line with the increase in SPOT prices. The average value of the TGePVm index fell by 0.1% to PLN 324.82/MWh in the period under analysis from PLN 325/MWh in the previous year;
  - an increase in the volume of non-market energy redispatch: in the period under analysis, the volume of non-market energy redispatch increased from 433.14 GWh to 571.35 GW YoY;
  - an increase in the frequency of negative prices at the first fixing: the number of negative prices at the first fixing increased from 31 to 175 YoY in the analysed period;

  - the structure and levels of electricity prices in the medium- to long-term horizon, with an increase in the frequency of prices below the generation costs of conventional sources: a decrease in the volume-weighted average electricity price for the BASE (Y+1) forward contract by 7% to the level of PLN 426.03/MWh in the analysed period of 2025 from the level of PLN 458.12/MWh in the corresponding period of 2024;
- changes to the balancing market in force from 14 June 2024, where the settlement in 15-minute periods has been introduced, a market-based process for the procurement of balancing services has been launched as well as mechanisms for the valuation of the operating reserve have been introduced;
- an increase in the average volume-weighted gas price for the BASE (Y+1) forward contract by 4% to the level of PLN 172.48/MWh in the analysed period from the level of PLN 165.84/MWh in the corresponding period of 2024.

As a result of the above-mentioned changes identified and uncertainties in the assumptions adopted which significantly affect the uncertainty in the scope of predicting the direction of prices in the long term, it was decided that the fundamental analyses needed to be expanded. Based on best market knowledge, adjustments have been made to the price assumptions relative to the projections adopted in the impairment tests carried out as at 31 December 2024 in the following scope:

- a decrease in the projected average BASE electricity prices in 2026-2045 compared to the assumptions adopted in the impairment tests as at 31 December 2024, with a simultaneous assumed increase in 2025;
- an increase in the projected CO_2 prices in the analysed period for contracts on the EU ETS market compared to the assumptions adopted in the impairment tests as at 31 December 2024;
- an increase in the projected average prices of hard coal in delivery in 2026-2040 compared to the assumptions adopted in the impairment tests as at 31 December 2024, with a simultaneous assumed decline in 2025;
- an increase in the projected average prices of BASE gas in the analysed period in relation to the assumptions adopted in the impairment tests as at 31 December 2024.

Despite the observed stabilisation of market interest rates and taking into account the indicators of impairment identified above, TAURON Group decided to perform impairment tests on the generation shares of the Group in the segment:

- Generation: CGU Generation-Coal, CGU Generation-Biomass,
- Heat: CGU ZW Katowice, CGU ZW Tychy, CGU ZW Bielsko-Biała EC1, CGU ZW Bielsko-Biała EC2, CGU ZW Local Heating Plant Area, CGU ECI Generation;
- RES: CGU Hydroelectric power plants and CGU Wind and photovoltaic power plants.

The impairment indicators identified and described above do not apply to other segments.

The tests conducted as at 30 June 2025 required estimating the value in use of cash generating units, based on their future cash flows discounted subsequently to the present value using a discount rate.

Impairment tests for the identified CGUs from the Generation, Heat and RES segment were carried out on the basis of estimated future cash flows covering the entire period of their operation.

The use of forecasts longer than 5 years results from the fact that, over a longer period of detailed forecast, the Company is able to reflect as accurately as possible the life cycle of assets, particularly manufacturing assets, and take into account long-term cash flow estimates. The macroeconomic and sector-oriented assumptions underlying the projections are updated as frequently as any indications for their modification are observed on the market. The projections also take into account changes in the regulatory environment known as at the date of the test.

Key assumptions adopted in tests performed as at 30 June 2025

The assumptions for the capacity balance and the level of electricity demand and the price assumptions in terms of projected prices for electricity, CO_2 emission allowances, coal, natural gas have been made on the basis of the best market knowledge and take into account current market conditions.

(in PLN million)

Category	Description
Coal	For 2025, the forecast assumes a 6.8% decline in coal prices compared to the average PSCMI1 index price calculated for 2024. It results from the stable demand-supply situation in global coal markets, particularly at ARA ports supported by falling natural gas and LNG prices. An average decline in coal prices by 2.6% was assumed in the years 2026-2045. For this period, an assumption was made about declining demand, due to decreasing electricity generation from conventional sources and the need to take into account global trends in domestic coal price paths.
Electricity	The BASE electricity price forecast for the open position assumes an increase of 5% for 2025 compared to the average volume-weighted price of the reference BASE contract (Y+1) achieved in 2024. In the period 2026-2045, the average price of BASE will decrease at an average annual rate of 0.6%. The projected BASE price levels take into account the costs of generation from high-efficiency conventional sources, while the price decline is mainly affected by the change in the generation mix and the systematic increase in the share of RES sources in the energy mix.
CO_2	The growth path for prices of CO_2 emission allowances has been adopted in the entire forecast horizon. In the first three years, the forecast takes into account current market levels and price growth expectations in line with cyclical surveys of leading think tanks in the scope of their CO_2 price forecasts. The forecast for 2025 assumes a 14.5% increase in the price of CO_2 emission allowances compared to the average reference contract prices obtained in 2024. In the period of 2026-2045, CO_2 prices will increase by an average of 3.6% per year due to the maintenance of plans to meet ambitious climate goals of the European Union. CO_2 emission limits for heat generation have been adopted in line with the regulation of the Council of Ministers and adjusted by the level of free allowances.
Natural gas	Due to the observed increase in demand for natural gas, the forecast assumes a 21.9% increase in the price in 2025 compared to the volume-weighted average of the BASE (Y+1) reference contract price obtained in 2024. On the other hand, an average annual decrease in gas prices of 1.4% is assumed for the period from 2026 to 2045. Predicted gas prices in Europe will be mostly affected by filling the demand gap through stable gas flows from the Norwegian Continental Shelf and LNG supplies. Poland will import gas through the Baltic Pipe and two LNG terminals (the FSRU terminal in Gdańsk is scheduled for commissioning in the 2027/2028 timeframe), resulting in a high correlation of gas prices in Poland with the European indices.
Capacity market	It is assumed that payments for capacity will be maintained until 2028 for existing coal-fired units which do not meet the EPS 550 criterion (for which the unit emission performance exceeds 550 kg/MWh). For units which concluded long-term contracts by 31 December 2019 and do not meet the EPS 550 criterion, maintaining of payments until the end of the contract effectiveness period has been assumed. In line with the agreement reached by the European Council of 17 October 2023 regarding the reform of the energy market model, it was assumed that a derogation would be introduced regarding the validity of CO_2 emission limits for units seeking support from the Capacity Market and consequently that the period of possible support for such units would be extended from June 2025 to the end of 2028. The projections assume revenues from the Capacity Market after 2025 as a consequence of extension of the support until the end of 2028. The revenue on this account relates to four 200 MW class units at the Jaworzno III Branches and Łaziska and a unit at the Łagisza Branche in the years 2026-2028. In addition, revenues from the Capacity Market have been assumed for unit 2 at Jaworzno II Branch in 2026-2027 and for unit 1 at Jaworzno II Branch in 2028. Moreover, four 200 MW class units, for which no capacity contract was assumed, were assigned to the role of reserve units, which entails these units receiving revenue for reserving, the amount of which depends on the availability of the company's other units. The assumed average price over the extended period amounts to 422.51 PLN/kW. For the extended operating period, it was assumed that the operation of the units would be determined by demand in the KSE (National Power System).
Economic lifetime of generating units	In the Generation-Coal CGU and the Generation-Biomass CGU, there was no change in the planned operating periods of the generating units in relation to the CGU tests developed as at 31 December 2024. A list of the assumptions in the scope of the economic lives adopted for tests for the following generation units is presented below: – Nowe Jaworzno Power Plant - unit 7 by 2040; – Łagisza Power Plant - unit 10 by 2030; – Jaworzno II Power Plant - unit 1 (Biomass) by 2028, unit 2 by 2027, unit 3 by 2025; – Jaworzno III Power Plant - units 1, 2, 3, 4, 5 and 6 by 2028; assuming that support from the Derogation Capacity Market is obtained. – Łaziska Power Plant - units 9, 10, 11 and 12 by 2028; assuming that support from the Derogation Capacity Market is obtained. – Siersza Power Plant - units 1 and 2 by 2025 with an outlook until 2028, assuming that support from the Derogation Capacity Market is obtained. The following operating period has been adopted for the generating units in the RES segment: – Hydroelectric power plants CGU: due to the postponement of the commencing the operation of the Small Hydroelectric Power Plant in Rożnów, the useful life has been extended to 2080 in relation to the tests as at 31 December 2024; – Wind and photovoltaic power plants CGU until 2057 (the change compared to the tests as at 31 December 2024 results from the postponement of commissioning the entire FW Miejska Górka investment). For all generating plants in the Heat segment, a period of operation until 2054 has been assumed, with operation of the units on coal fuel ending: – in CGU ZW Katowice, CGU ZW Tychy, CGU ZW Bielsko-Biała EC1, CGU ECI Generation and CGU ZW Local Heat Plant Area until 2029, – in CGU ZW Bielsko-Biała EC2 until 2026.

(in PLN million)

Regulatory system services	The projections assume a reform of the balancing market introduced by Polskie Sieci Elektroenergetyczne S.A. on 14 June 2024. Polskie Sieci Elektroenergetyczne S.A. purchase balancing capacity separately to increase and decrease the capacity in the system. There are two modes of acquiring balancing capacity: 1. Basic (non-mandatory) mode - auction for balancing capacity on a daily basis in advance, participation by bidding for balancing capacity in aggregate form; 2. Supplementary mode (mandatory) - bidding for balancing capacity for each generating unit on day d-1; purchase of balancing capacity by PSE on day d as a supplement to the basic mode. The Balancing Capacity volume was calculated based on the regulatory capacity of the generating units, assigned by the Transmission System Operator, taking into account their planned operating time (Balancing Capacity can only be provided by units in operation), with the assumed bidding efficiency of 60% for frequency regulation and 5% for regulation within the replacement reserve service. The price adopted for the calculation in real terms is assumed at the level observed in 2024 and 2025.
Certificates of energy origin	The price path for certificates of energy origin and the obligatory redemption in the subsequent years have been adopted based on the provisions of the RES Act and the system balance forecast. Taking into account the percentage obligations contained in the RES regulations and the current quotation of certificates of origin, the forecast assumes a 7.9% decrease in the price of green certificates in 2025 compared to 2024. In the period of 2026-2030, the forecast of green certificate prices is upward (by 12% per year, on average) due to the reduction in supply and the assumption of an increase in the obligation to consume systemic surplus of property rights. For blue certificates, a slight price decrease of 0.3% was assumed for 2025 relative to the TGEozebio average volume-weighted index price created in 2024. Over the period 2026-2030, the price of blue certificates is forecast to decline by an average of 2.7% per year. The price of white certificates assumes a decrease by 5.8% in 2025 compared to the volume-weighted average price achieved in 2024. Over the period 2026-2030, the price of white certificates is forecast to grow at an average annual rate of 1.4%.
OZE support	With regard to the RES Area, existing support systems (certificate of origin scheme, auction scheme, FIT/FIP feed-in tariff system, guarantee of origin scheme) are taken into account, of which the certificate of origin scheme is the most significant. Within this scheme, limited support periods for green energy have been taken into account in accordance with the assumptions of the Act on RES defining mechanisms of granting the support for electricity generated in sources of this type. The support period has been limited to 15 years from the date of the first injection of electricity eligible to receive the certificate of energy origin to the grid.
Support for cogeneration	The projections assume a cogeneration bonus (in accordance with the Act of 14 December 2018 on the *promotion of electricity from high-efficiency cogeneration*), which is a surcharge on the electricity generated, fed into the grid and sold from high-efficiency cogeneration, for generators planning to operate new or significantly modernised installations. For ZW Bielsko-Biała EC2 CGU, support was assumed in accordance with the decision of the President of the Energy Regulatory Office of 3 January 2024, on winning the auction for the cogeneration bonus. For the remaining CGUs producing heat and electricity in cogeneration, it was assumed that support would be obtained in future periods at a level not exceeding the prices currently obtained in the auctions won.
Wages	An increase in wages was assumed, based on an increase in the minimum wage and the assumed inflation rate with effect for the following years of the financial forecast.
WACC	The weighted average cost of capital (WACC) during the projection period for individual CGUs has been adopted in the range of 7.10%-9.19% in nominal terms after tax, taking into account the risk-free rate corresponding to the six-month yield on 10-year IRS (at a level of 4.87%) and the risk premium for operations relevant for the power industry (5%). The growth rate used for extrapolation of projected cash flows going beyond the detailed planning period has been adopted at a level of 2.5% and corresponds to the estimated long-term inflation rate.

In addition to tangible fixed assets, the CGUs tested comprised intangible assets and rights to use assets.

Results of impairment tests

The tests carried out as at 30 June 2025 showed no need to recognise impairment losses on non-financial assets.

(in PLN million)

18. Right-of-use assets

6-month period ended 30 June 2024 *(unaudited)*

	Land	Perpetual usufruct right	Buildings, premises and civil engineering structures	Plant and machinery	Motor vehicles	Transmission easements	Right-of-use assets in progress	Right-of-use assets total
COST								
Opening balance	**1 433**	**1 142**	**316**	**22**	**13**	**227**	**8**	**3 161**
Direct purchase	–	–	–	–	–	–	9	**9**
Transfer of right-of-use assets in progress	–	1	–	–	–	8	(9)	**–**
Increase due to a new lease contract	66	–	1	–	–	–	–	**67**
Increase(decrease) due to lease changes	–	3	12	–	1	–	–	**16**
Liquidation	(10)	–	(5)	–	–	–	–	**(15)**
Other movements	–	–	–	–	–	3	1	**4**
Closing balance	**1 489**	**1 146**	**324**	**22**	**14**	**238**	**9**	**3 242**
ACCUMULATED DEPRECIATION								
Opening balance	**(195)**	**(281)**	**(113)**	**(8)**	**(6)**	**(63)**	**–**	**(666)**
Depreciation for the period	(31)	(16)	(12)	(1)	(2)	(5)	–	**(67)**
Impairment	–	(1)	–	–	–	–	–	**(1)**
Liquidation	2	1	3	–	–	–	–	**6**
Closing balance	**(224)**	**(297)**	**(122)**	**(9)**	**(8)**	**(68)**	**–**	**(728)**
NET CARRYING AMOUNT AT THE BEGINNING OF THE PERIOD	**1 238**	**861**	**203**	**14**	**7**	**164**	**8**	**2 495**
NET CARRYING AMOUNT AT THE END OF THE PERIOD	**1 265**	**849**	**202**	**13**	**6**	**170**	**9**	**2 514**

6-month period ended 30 June 2024 *(unaudited)*

	Land	Perpetual usufruct right	Buildings, premises and civil engineering structures	Plant and machinery	Motor vehicles	Transmission easements	Right-of-use assets in progress	Right-of-use assets, total
COST								
Opening balance	**993**	**1 129**	**279**	**19**	**14**	**220**	**8**	**2 662**
Direct purchase	–	–	–	–	–	–	7	**7**
Transfer of right-of-use assets in progress	–	–	–	–	–	7	(7)	**–**
Increase due to a new lease contract	213	–	6	1	–	–	–	**220**
Increase/(decrease) due to lease changes	49	5	26	1	–	–	–	**81**
Liquidation	(16)	–	(1)	–	–	–	–	**(17)**
Other movements	–	2	–	–	–	3	–	**5**
Closing balance	**1 239**	**1 136**	**310**	**21**	**14**	**230**	**8**	**2 958**
ACCUMULATED DEPRECIATION								
Opening balance	**(143)**	**(202)**	**(91)**	**(6)**	**(4)**	**(52)**	**–**	**(498)**
Depreciation for the period	(26)	(16)	(11)	(1)	(3)	(5)	–	**(62)**
Impairment	(3)	(31)	–	–	–	(1)	–	**(35)**
Liquidation	1	–	–	–	–	–	–	**1**
Closing balance	**(171)**	**(249)**	**(102)**	**(7)**	**(7)**	**(58)**	**–**	**(594)**
NET CARRYING AMOUNT AT THE BEGINNING OF THE PERIOD	**850**	**927**	**188**	**13**	**10**	**168**	**8**	**2 164**
NET CARRYING AMOUNT AT THE END OF THE PERIOD	**1 068**	**887**	**208**	**14**	**7**	**172**	**8**	**2 364**

19. Goodwill

Operating segment	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
Distribution	26	26
Total	**26**	**26**

(in PLN million)

20. Energy certificates of origin and CO_2 emission allowances

20.1. Long-term energy origin certificates and CO_2 emission allowances

	6-month period ended 30 June 2025 *(unaudited)*			6-month period ended 30 June 2024 *(unaudited)*		
	Energy certificates	CO_2 emission allowances	Total	Energy certificates	CO_2 emission allowances	Total
Opening balance	**38**	**–**	**38**	**16**	**8**	**24**
Direct purchase	20	–	**20**	21	–	**21**
Reclassification	(38)	–	**(38)**	(13)	(8)	**(21)**
Closing balance	**20**	**–**	**20**	**24**	**–**	**24**

20.2. Short-term energy origin certificates and CO_2 emission allowances

	6-month period ended 30 June 2025 *(unaudited)*			6-month period ended 30 June 2024 *(unaudited)*		
	Energy certificates	CO_2 emission allowances	Total	Energy certificates	CO_2 emission allowances	Total
Opening balance	**35**	**325**	**360**	**107**	**595**	**702**
Direct purchase	89	1 790	**1 879**	114	482	**596**
Generated internally	12	–	**12**	22	–	**22**
Surrendered	(99)	(1 452)	**(1 551)**	(194)	(620)	**(814)**
Reclassification	38	–	**38**	13	8	**21**
Closing balance	**75**	**663**	**738**	**62**	**465**	**527**

21. Other intangible assets

6-month period ended 30 June 2025 *(unaudited)*

	Development expenses	Software, concessions, patents, licenses and similar items	Other intangible assets	Intangible assets not made available for use	Intangible assets total
COST					
Opening balance	**18**	**1 484**	**289**	**94**	**1 885**
Direct purchase	–	–	–	84	**84**
Transfer of intangible assets not made available for use	3	50	3	(56)	**–**
Sale/Liquidation	(2)	(18)	(1)	–	**(21)**
Closing balance	**19**	**1 516**	**291**	**122**	**1 948**
ACCUMULATED AMORTIZATION					
Opening balance	**(13)**	**(932)**	**(171)**	**(1)**	**(1 117)**
Amortization for the period	(1)	(89)	(6)	–	**(96)**
Sale/Liquidation	2	18	1	–	**21**
Closing balance	**(12)**	**(1 003)**	**(176)**	**(1)**	**(1 192)**
NET CARRYING AMOUNT AT THE BEGINNING OF THE PERIOD	**5**	**552**	**118**	**93**	**768**
NET CARRYING AMOUNT AT THE END OF THE PERIOD	**7**	**513**	**115**	**121**	**756**

6-month period ended 30 June 2024 *(unaudited)*

	Development expenses	Software, concessions, patents, licenses and similar items	Other intangible assets	Intangible assets not made available for use	Intangible assets total
COST					
Opening balance	**18**	**1 499**	**283**	**75**	**1 875**
Direct purchase	–	–	–	66	**66**
Transfer of intangible assets not made available for use	–	62	3	(65)	**–**
Sale/Liquidation	–	(90)	–	–	**(90)**
Closing balance	**18**	**1 471**	**286**	**76**	**1 851**
ACCUMULATED AMORTIZATION					
Opening balance	**(11)**	**(873)**	**(143)**	**–**	**(1 027)**
Amortization for the period	(1)	(91)	(7)	–	**(99)**
Impairment	–	(1)	(15)	–	**(16)**
Sale/Liquidation	–	90	–	–	**90**
Closing balance	**(12)**	**(875)**	**(165)**	**–**	**(1 052)**
NET CARRYING AMOUNT AT THE BEGINNING OF THE PERIOD	**7**	**626**	**140**	**75**	**848**
NET CARRYING AMOUNT AT THE END OF THE PERIOD	**6**	**596**	**121**	**76**	**799**

(in PLN million)

22. Investments in joint ventures

	As at 30 June 2025 or for the 6-month period ended 30 June 2025 (unaudited)			As at 31 December 2024 or for the 6-month period ended 30 June 2024 (unaudited)		
	Elektrociepłownia Stalowa Wola S.A.	TAMEH HOLDING Sp. z o.o. *	Total	Elektrociepłownia Stalowa Wola S.A.	TAMEH HOLDING Sp. z o.o. *	Total
Non-current assets	1 665	1 157	**2 822**	1 627	1 139	**2 766**
Current assets, including:	148	840	**988**	275	587	**862**
cash and cash equivalents	*11*	*7*	***18***	*7*	*112*	***119***
Non-current liabilities (-), including:	(1 922)	(41)	**(1 963)**	(1 945)	(79)	**(2 024)**
debt	*(1 914)*	*(24)*	***(1 938)***	*(1 926)*	*(29)*	***(1 955)***
Current liabilities (-), including:	(603)	(1 061)	**(1 664)**	(634)	(796)	**(1 430)**
debt	*(108)*	*(6)*	***(114)***	*(108)*	*(134)*	***(242)***
Total net assets	**(712)**	**895**	**183**	**(677)**	**851**	**174**
Share in net assets (50%)	(356)	448	**92**	(339)	426	**87**
Investment in joint ventures	**–**	**212**	**212**	**–**	**190**	**190**
Sales revenue	604	1 131	**1 735**	785	1 187	**1 972**
Net profit (loss), including:	(34)	43	**9**	(43)	31	**(12)**
Depreciation	*(31)*	*(66)*	***(97)***	*(31)*	*(57)*	***(88)***
Interest income	*1*	*2*	***3***	*1*	*3*	***4***
Interest expenses	*(64)*	*(5)*	***(69)***	*(73)*	*(16)*	***(89)***
Income tax	*–*	*(8)*	***(8)***	*–*	*(9)*	***(9)***
Share in profit/(loss) of joint ventures	–	22	**22**	–	15	**15**

** The information presented relate to the TAMEH HOLDING Sp. z o.o. capital group. The value of the interest held in TAMEH HOLDING Sp. z o.o. differs from the value of net assets attributable to the Group, due to the fact that the purchase price for the shares in TAMEH HOLDING Sp. z o.o. was calculated taking into account the fair value of the shareholding contributed to the joint venture by the ArcelorMittal Group companies and due to the recognition of an impairment loss on the shareholding in TAMEH Holding Sp. z o.o.*

Elektrociepłownia Stalowa Wola S.A.

Elektrociepłownia Stalowa Wola S.A. is a special purpose vehicle established in 2010 at the initiative of TAURON Polska Energia S.A. and PGNiG S.A., through which the partners implemented an investment consisting in the construction of CCGT unit in Stalowa Wola fired with natural gas with the gross electrical capacity of 450 MWe and the net heat capacity of 240 MWt. On 30 September 2020, Elektrociepłownia Stalowa Wola was commissioned.

TAURON Polska Energia S.A. has an indirect shareholding of 50% in the capital of the company and in the governing body, exercised through TAURON Ciepło Sp. z o.o. Due to the fact that the previous accumulated share in losses of the joint venture and the adjustment to the results of transactions between the Group companies and the joint venture exceeded the value of the interest in the joint venture, the Company discontinued to recognise its share of any further losses of the joint venture. The unrecognised share of losses up to the balance sheet date amounted to PLN 356 million.

In addition, the Company has receivables on account of loans granted to Elektrociepłownia Stalowa Wola S.A. in the carrying amount of PLN 512 million, as further discussed in Note 23 to these interim condensed consolidated financial statements.

TAMEH HOLDING Sp. z o.o. and subsidiaries

In 2014, a shareholders' agreement was concluded between TAURON Group and ArcelorMittal Group regarding TAMEH HOLDING Sp. z o.o., which is responsible for investment and operational projects in the area of industrial energy. The Agreement was concluded for a period of 15 years, with a possibility of its extension. Both groups hold a 50% interest in TAMEH HOLDING Sp. z o.o. each.

TAMEH HOLDING Sp. z o.o. is the owner of 100% of the shares in TAMEH POLSKA Sp. z o.o., formed by a contribution in kind by the TAURON Group: Zakład Wytwarzania Nowa and Elektrownia Blachownia as well as Elektrociepłownia in Kraków contributed by the ArcelorMittal Group. Moreover, TAMEH HOLDING Sp. z o.o. holds 100% of TAMEH Czech s.r.o. shares.

On 9 August 2024, at the request of the management board of TAMEH Czech s.r.o., the Ostrava District Court issued an order transforming the reorganisation of TAMEH Czech s.r.o. into liquidation bankruptcy. According to the Group, as a result of the aforementioned provision, on 9 August 2024 the Group lost joint control over TAMEH Czech s.r.o.

The carrying amount of the shares in TAMEH HOLDING Sp. z o.o. as at the balance sheet date is PLN 212 million. As at the balance sheet date, the Group performed the measurement of its shares in TAMEH HOLDING Sp. z o.o. using the equity method at a level of PLN 407 million and reduced it by the amount of the impairment loss recognised as a result of the impairment tests carried out in the previous financial year in the amount of PLN 195 million. In the Group's opinion, as at the balance sheet date, there were no indications of the need to conduct the impairment tests on the shares in TAMEH Holding Sp. z o.o..

(in PLN million)

On 1 October 2024, due to the lack of agreement on the effectiveness of submitting declarations regarding the acceptance of offers to purchase shares in TAMEH HOLDING Sp. z o.o., as described in more detail in Note 27 to the consolidated financial statements of TAURON Polska Energia S.A. Capital Group for the year ended 31 December 2024, the Company's Management Board decided to issue a tender offer and invited AM Global Holding S.à r.l. with its registered office in the Grand Duchy of Luxembourg, ArcelorMittal Poland S.A. and ArcelorMittal Long Products Europe Holding S.à r.l. to ad hoc arbitration in the dispute concerning the failure of AM Global Holding S.à r.l. to pay the sale price for the shares held by the Company in TAMEH HOLDING Sp. z o.o. in the amount of PLN 598 million. The arbitration was to be conducted in accordance with the rules set out in the United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules 2021 by an ad hoc arbitration tribunal. On 30 October 2024, the Company received a response to the notice of arbitration from AM Global Holding S.à r.l., ArcelorMittal Poland S.A. and ArcelorMittal Long Products Europe Holding S.à r.l. In response to the summons, AM Global Holding S.à r.l. filed a counterclaim demanding payment by the Company of PLN 598 million plus statutory interest for delay calculated from 14 February 2024 until the date of payment as the price for the shares held by AM Global Holding S.à r.l. and ArcelorMittal Poland S.A. in TAMEH HOLDING Sp. z o.o. In the Company's opinion, the claims of AM Global Holding S.à r.l. are unfounded.

As at the balance sheet date, the Group assesses that the criteria of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* have not been met for the classification of the Group's interest in TAMEH HOLDING Sp. z o.o. as assets held for sale classified as held for sale.

23. Loans granted to joint ventures

As at the balance sheet date, the Group granted loans to Elektrociepłownia Stalowa Wola S.A. joint venture, classified as assets measured at a fair value.

	As at 30 June 2025 *(unaudited)*		As at 31 December 2024		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.	789	512	768	479	30/06/2033	fixed
Total, of which:	**789**	**512**	**768**	**479**		
Non-current		512		479		

24. Derivatives and hedge accounting

Instrument	Methodology for determining the fair value	Status as at 30 June 2025 (*unaudited*)
Derivatives subject to hedge accounting		
IRS	The difference in discounted interest cash flows based on a floating interest rate and a fixed interest rate. The data input is the interest rate curve from the LSEG Workspace platform.	IRS (Interest Rate Swap) instruments are used to hedge a part of the interest rate risk in relation to the cash flows associated with the 6M WIBOR exposure designated under the dynamic risk management strategy, i.e. interest on bonds and a loan with a total nominal value of PLN 2 250 million, for periods expiring consecutively in the years 2025-2029. In accordance with the terms of the transaction, the Company pays interest accrued based on a fixed interest rate in PLN, while receiving payments at a floating interest rate in PLN.
Derivatives measured at a fair value through the profit and loss other than subject to hedge accounting		
CCIRS	The difference in the discounted interest cash flows of the stream paid and the stream received, in two different currencies, expressed in the valuation currency. The input data are interest rate curves, basis spreads and the NBP fixing for the relevant currencies from the LSEG Workspace platform.	CCIRS (Coupon Only Cross Currency Swap fixed-fixed) derivatives involve an exchange of interest payments on the total nominal amount of EUR 500 million. The transaction matures in July 2027. In accordance with the terms of the transaction, the Company pays interest accrued based on a fixed interest rate in PLN, while receiving payments at a fixed interest rate in EUR. CCIRS derivatives aimed at securing the currency flows generated by interest payments on Eurobonds issued.

(in PLN million)

Commodity forward/futures	The fair value of forward transactions for the purchase and sale of CO_2 emission allowances, electricity and other commodities is determined based on prices quoted in an active market or based on cash flows representing the difference between the price reference index (forward curve) and the contract price.	Commodity derivatives (futures, forward) comprise forward transactions for the purchase and sale of CO_2 emission allowances and other commodities.
Currency forward	The difference in discounted future cash flows between the forward price as at the valuation date and the transaction price, multiplied by the nominal value of the contract in foreign currency. The input data comprise the NBP fixing and the interest rate curve implied from the FX swap transaction for the relevant currency from the LSEG Workspace platform.	FX forward derivatives comprise forward transactions aimed to hedge currency flows generated from operations.

The measurement of derivatives as at the respective balance sheet dates is presented in the table below:

	As at 30 June 2025 *(unaudited)*				As at 31 December 2024			
	Total		Charged to profit or loss	Charged to revaluation reserve from valuation of hedging instruments	Total		Charged to profit or loss	Charged to revaluation reserve from valuation of hedging instruments
	Assets	Liabilities			Assets	Liabilities		
Derivatives subject to hedge accounting								
IRS	**114**	**–**	8	106	**185**	**–**	10	175
Derivatives measured at fair value through profit or loss								
CCIRS	**–**	**(14)**	(14)	–	**–**	**(10)**	(10)	–
Commodity forwards/futures	**100**	**(100)**	–	–	**64**	**(64)**	–	–
Currency forwards	**–**	**(290)**	(290)	–	**–**	**(365)**	(365)	–
Total	**214**	**(404)**			**249**	**(439)**		
Non-current	73	(148)			90	(64)		
Current	141	(256)			159	(375)		

The derivatives shown in the table above relate to futures contracts covered within the scope of IFRS 9 *Financial Instruments*. The derivatives acquired and held to hedge own needs as excluded from the scope of IFRS 9 *Financial Instruments* are not subject to measurement as at the balance sheet date.

25. Other financial assets

	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
Receivables due to recompensation	209	598
Shares	207	205
Deposits and term deposits for Mining Decommissioning Fund	4	4
Other financial receivables, including:	127	195
Bid bonds, deposits and collateral transferred	*71*	*77*
Dividends due	*32*	*32*
Other	*24*	*86*
Total	**547**	**1 002**
Non-current	262	259
Current	285	743

As at 30 June 2025, recompensation receivables relate to:

- compensations of the companies of the *Sales and Wholesale* segment with regard to the supply of electricity for 2024 and for the first half of 2025 in the total gross amount of PLN 192 million,
- compensations of the company of the *Heat* segment in the scope of the sale of heat for the first half of 2025 in the amount of PLN 17 million,

vested in the above companies under the regulations that established the compensation scheme, as further described in Note 9 of these interim condensed consolidated financial statements.

(in PLN million)

26. Other non-financial assets

26.1. Other non-current non-financial assets

	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
Prepayments for assets under construction and intangible assets, including:	700	280
related to the construction of wind farms and photovoltaics	*667*	*267*
Contract acquisition costs and costs of discounts	17	20
Prepayments for debt charges	8	7
Property and tort insurance	2	2
Other	23	24
Total	**750**	**333**

The increase in advances for fixed assets under construction and intangible assets is mainly related to the construction of the Miejska Górka wind farm project as part of the activities of the subsidiary Finadvice Polska 1 Sp. z o.o.

26.2. Other current non-financial assets

	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
Costs settled over time	**153**	**119**
Transfers made to the Social Benefit Fund	53	–
Contract acquisition costs and costs of discounts	38	39
Property and tort insurance	30	62
IT and telecom services	12	13
Prepayments for debt charges	3	3
Other	17	2
Other current non-financial assets	**50**	**48**
Receivable due to the Write-off for the Price Difference Payment Fund	35	35
Advances for deliveries	11	9
Other	4	4
Total	**203**	**167**

27. Deferred income tax

	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
Deferred tax liabilities		
difference between tax base and carrying amount of property, plant and equipment, intangible assets and right-of-use assets	2 244	2 176
different timing of recognition of sales revenue and cost of sale for tax purposes	570	560
difference between tax base and carrying amount of financial assets	174	131
difference between tax base and carrying amount of energy certificates	3	4
other	12	20
Total	**3 003**	**2 891**
Deferred tax assets		
provisions and accruals	905	904
difference between tax base and carrying amount of financial assets and financial liabilities	601	601
different timing of recognition of sales revenue and cost of sales for tax purposes	436	229
difference between tax base and carrying amount of property, plant and equipment, intangible assets and right-of-use assets	635	671
tax losses	318	209
power infrastructure received free of charge and received connection fees	5	5
other	27	42
Total	**2 927**	**2 661**
Deferred tax assets not recognized	(1 182)	(1 218)
Recognized deferred tax assets	**1 745**	**1 443**
After setting off balances at the level of individual Group companies, deferred tax for the		
Deferred tax asset	**154**	**144**
Deferred tax liability	**(1 412)**	**(1 592)**

Interim condensed consolidated financial statements for the 6-month period ended 30 June 2025 compliant with the IFRS approved by the EU (in PLN million)

As at 30 June 2025 and 31 December 2024, the deferred tax assets and deferred tax liabilities of the companies that constitute the Tax Capital Group from 2023 onwards have been offset, due to the fact that these companies file a joint tax return from 2023 onwards.

The Group assesses the enforceability of deferred tax assets at each balance sheet date. As a result of the assessment performed as at the balance sheet date, deferred tax assets in the amount of PLN 1 182 million were not recognised, mainly with regard to the company in the Generation segment.

28. Inventories

	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
Gross value		
Coal	381	699
CO_2 emission allowances	124	32
Other inventories	287	300
Total	**792**	**1 031**
Write down		
Coal	(9)	(67)
Other inventories	(29)	(27)
Total	**(38)**	**(94)**
Net realisable value		
Coal	372	632
CO_2 emission allowances	124	32
Other inventories	258	273
Inventories measured at net realisable value	**754**	**937**

As at 30 June 2025, the revaluation write-down of coal fuel stocks in TAURON Wytwarzanie S.A. (Generation Segment) amounts to PLN 9 million. In the 6-month period ended 30 June 2025, the Group partially utilised an impairment write-down of PLN 58 million created as at 31 December 2024 in connection with the consumption of coal stocks for production.

The allowance was calculated taking into account the allocation of coal stocks to the individual locations of TAURON Wytwarzanie S.A.'s generating units. The necessity to recognise the write-down is a consequence of market situation, i.e. a significant fall of market prices of coal fuel observed from late 2023. In the context of the above-mentioned price drop, the Group assessed that, in the case of some of TAURON Wytwarzanie S.A. generating units, the value of coal fuel stocks exceeded the sale prices attainable for electricity generated from these stocks, which translated into the need to apply the revaluation write-down on the value of coal stocks purchased by the Group as part of the prior contracting. In the scope of the aforementioned units, the write-down on coal fuel stocks was calculated up to the level of their replacement cost based on the market prices valid as at the balance sheet date, at which TAURON Wytwarzanie S.A. had contracted coal fuel for 2025, including transport costs.

With regard to generating units in respect of which the Group assumes the production of electricity to meet the transmission system operator's network requirements and in the event of selling energy during periods of favourable market prices, achieving a positive margin, bearing in mind such production covers the cost of coal fuel, the Group does not write down coal.

(in PLN million)

29. Receivables from buyers

	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
Gross value		
Receivables from buyers, of which:	3 468	4 039
Additional assessment of revenue from sales of electricity and distribution services	*1 021*	*1 369*
Receivables claimed at court	334	310
Total	**3 802**	**4 349**
Allowance/write-down		
Receivables from buyers	(59)	(60)
Receivables claimed at court	(211)	(194)
Total	**(270)**	**(254)**
Net value		
Receivables from buyers	3 409	3 979
Receivables claimed at court	123	116
Total, of which:	**3 532**	**4 095**
Non-current	**7**	6
Current	3 525	4 089

30. Receivables arising from other taxes and charges

	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
VAT receivables	461	458
Other	1	1
Total	**462**	**459**

31. Cash and cash equivalents

	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
Cash and cash equivalents presented in the statement of financial position, of which:	**412**	**596**
restricted cash, including:	208	271
collateral of settlements with Izba Rozliczeniowa Giełd Towarowych S.A.	*108*	*125*
cash on VAT bank accounts (split payment)	*82*	*121*
bank accounts related to subsidies received	*17*	*24*
Collateral of settlements with Izba Rozliczeniowa Giełd Towarowych S.A.	(5)	(3)
Bank overdrafts	(193)	(35)
Foreign exchange	–	(1)
Cash and cash equivalents presented in the statement of cash flows	**214**	**557**

32. Equity

32.1. Issued capital

Issued capital as at 30 June 2025 ***(unaudited)***

Class/ issue	Type of shares	Number of shares	Nominal value of one share (in PLN)	Value of class/issue at nominal value	Method of payment
AA	bearer shares	1 589 438 762	5	7 947	cash/in-kind contribution
BB	registered shares	163 110 632	5	816	in-kind contribution
	Total	**1 752 549 394**		**8 763**	

This is a translation of the document originally issued and signed in Polish

(in PLN million)

Shareholding structure as at 30 June 2025 *(to the best of the Company's knowledge)*

Shareholder	Number of shares	Nominal value of shares	Percentage of share capital	Percentage of total vote
State Treasury	526 848 384	2 634	30.06%	30.06%
KGHM Polska Miedź S.A.	182 110 566	911	10.39%	10.39%
Nationale - Nederlanden Otwarty Fundusz Emerytalny[1]	98 630 000	493	5.63%	5.63%
Helikon Long Short Equity Fund Master ICAV[2]	74 127 629	371	4.23%	12.15%
The Goldman Sachs Group, Inc.[3]	27 670 985	138	1.58%	5.98%
Other shareholders	843 161 830	4 216	48.11%	35.79%
Total	**1 752 549 394**	**8 763**	**100%**	**100%**

[1] According to the list of shareholders holding at least 5% of the voting rights at the Company's EGM on 25 June 2025.
[2] In accordance with the Helikon Long Short Equity Fund Master ICAV notice received on 9 December 2024.
[3] In accordance with the Goldman Sachs Group, Inc. notice received on 6 May 2025.

As at 30 June 2025, the value of issued capital, the number of shares and the nominal value of the shares has not changed compared to the status as at 31 December 2024.

Within the share of votes held by:

- Helikon Long Short Equity Fund Master ICAV - 4.23% relates to the Company's shares and 7.92% relates to financial instruments other than shares,
- The Goldman Sachs Group, Inc. - 1.58% relates to the Company's shares and 4.40% relates to financial instruments other than shares.

The financial instruments listed above, other than shares, held by Helikon Long Short Equity Fund Master ICAV and The Goldman Sachs Group, Inc. are not instruments issued by the Company. The Company does not identify any liabilities on its side related to these instruments.

32.2. Shareholder rights

The State Treasury, together with its subsidiaries, during the period in which it holds a number of shares in the Company authorising it to exercise at least 25% of the total votes in the Company, is authorised to appoint and dismiss the majority of the members of the Supervisory Board of the Company. In view of the foregoing, the Company is a Treasury-controlled entity.

The voting rights of the shareholders holding more than 10% of the total votes in the Company have been limited in such a manner that none of them is authorised to exercise the right to more than 10% of votes in the Company at the General Meeting. The limitation does not apply to the State Treasury and State Treasury owned companies in the period when the State Treasury and State Treasury owned companies hold shares in the Company authorising to at least 25% of the total votes in the Company.

32.3. Reserve capital

	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
Amounts from distribution of prior years results	2 948	2 438
Total reserve capital	**2 948**	**2 438**

On 25 June 2025, the Annual General Meeting of Shareholders of the Company adopted a resolution on distribution of net profit of the Company for the financial year 2024 in the amount of PLN 510 thousand to be allocated for the Company reserve capital.

The reserve capital of the Company as of the balance sheet day up to the level of one-third of the Company share capital, i.e. PLN 2 921 million, may be used only to cover losses.

(in PLN million)

32.4. Revaluation reserve from the measurement of hedging instruments

	6-month period ended 30 June 2025 *(unaudited)*	6-month period ended 30 June 2024 *(unaudited)*
Opening balance	**139**	**218**
Remeasurement of hedging instruments	(69)	(33)
Deferred income tax	13	6
Closing balance	**83**	**191**

The revaluation reserve from measurement of hedging instruments results from the measurement of Interest Rate Swap (IRS) instruments hedging the interest rate risk due to debt, which is discussed in more detail in Note 24 to these interim condensed consolidated financial statements. For the transactions concluded, the Group applies hedge accounting.

As at 30 June 2025, the Group recognised the amount of PLN 83 million of the revaluation reserve from the measurement of hedging instruments. This amount represents an asset on account of the measurement of IRS instruments as at the balance sheet day in the amount of PLN 114 million, adjusted by the portion of the measurement relating to debt interest accrued at the balance sheet day, including the deferred tax.

32.5. Retained earnings and restrictions on dividends

The amounts of retained earnings arising from the settlement of mergers with subsidiaries as well as actuarial gains and losses on post-employment benefit provisions recognised through other comprehensive income are not distributed.

As at 30 June 2025 and as at the date these interim condensed consolidated financial statements were authorised for publication, there are no other restrictions concerning the payment of dividends.

32.6. Non-controlling interests

The decrease in the value of non-controlling interests is related to the compulsory buy-out of TAURON Dystrybucja S.A. shares owned by shareholders representing no more than 5% of the share capital by the majority shareholder, i.e. TAURON Polska Energia S.A., on the basis of the resolution of 16 April 2025 of the Extraordinary General Meeting of TAURON Dystrybucja S.A., as described in more detail in Note 2 of these interim condensed consolidated financial statements. The value of non-controlling interests remaining as at the balance sheet date relates to the subsidiary TAURON Serwis Sp. z o.o.

33. Dividends paid and declared

In the 6-month period ended 30 June 2025 and in the comparable period, the Company did not propose payment or paid any dividends to the shareholders of the Company.

34. Debt

	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
Loans and borrowings	6 518	7 092
Unsubordinated bonds	4 655	4 637
Subordinated bonds	1 158	1 135
Lease liabilities	1 753	1 751
Total	**14 084**	**14 615**
Non-current	12 159	12 475
Current	1 925	2 140

(in PLN million)

34.1. Loans and borrowings

Loans and borrowings drawn as at 30 June 2025 *(unaudited)*

Currency	Interest rate	Value of loans and borrowings as at the balance sheet date	of which maturing within (after the balance sheet date):					
			less than 3 months	3-12 months	1-2 years	2-3 years	3-5 years	over 5 years
PLN	floating	5 728	233	194	766	418	1 732	2 385
	fixed	704	17	48	69	40	72	458
Total PLN		**6 432**	**250**	**242**	**835**	**458**	**1 804**	**2 843**
Total		**6 432**	**250**	**242**	**835**	**458**	**1 804**	**2 843**
Interest increasing carrying amount		86						
Total		**6 518**						

Loans and borrowings as at 31 December 2024

Currency	Interest rate	Value of loans and borrowings as at the balance sheet date	of which maturing within (after the balance sheet date):					
			less than 3 months	3-12 months	1-2 years	2-3 years	3-5 years	over 5 years
PLN	floating	5 980	79	141	922	593	1 732	2 513
	fixed	1 036	517	48	69	54	77	271
Total PLN		**7 016**	**596**	**189**	**991**	**647**	**1 809**	**2 784**
Total		**7 016**	**596**	**189**	**991**	**647**	**1 809**	**2 784**
Interest increasing carrying amount		76						
Total		**7 092**						

Specification of credits and loans drawn as at 30 June 2025 (unaudited) and as at 31 December 2024

Borrowing institution	Interest rate	Currency	Maturity date/ validity date	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
Consortiums of banks - revolving loans	floating	PLN	2026-2028	–	411
Consortium of banks	floating	PLN	2029	899	899
Bank Gospodarstwa Krajowego	floating	PLN	2027-2032	773	759
			2025-2033	900	901
European Investment Bank	fixed	PLN	2025-2027	59	74
			2025-2040	391	404
	floating		2025-2040	1 194	1 221
			2026-2041	1 225	1 225
SMBC BANK EU AG	fixed	PLN		–	500
Erste Group Bank AG	floating	PLN	2026	506	506
Bank Gospodarstwa Krajowego - loan from the funds of the National Recovery and Resilience Plan	fixed	PLN	2034-2049	200	–
Regional Fund for Environmental Protection and Water Management	floating	PLN	2025-2027	5	6
National Fund for Environmental Protection and Water Management	fixed	PLN	2025-2030	58	63
	floating		2025-2038	102	72
Overdraft facility	floating	PLN	2027	193	35
Other loans and borrowings				13	16
Total, of which:				**6 518**	**7 092**
Non-current				5 940	6 231
Current				578	861

Loan from the National Recovery and Resilience Plan

On 17 December 2024, a loan agreement was concluded between the Company and Bank Gospodarstwa Krajowego ("BGK") from funds of the National Recovery and Resilience Plan (under Investment G3.1.4 Energy Support Fund) with the value of PLN 11 000 million. In accordance with the agreement, the amount of funding may be subject to an increase. The funds from the loan agreement will be used exclusively to finance eligible expenditure incurred by the subsidiary, TAURON Dystrybucja S.A. for the development and adaptation of the electricity grid to the needs of energy transition and climate change. Funds are disbursed successively, based on payment requests made as the project progresses. The funds can be disbursed until 20 December 2036 and up to the amount of funds transferred to BGK for this purpose by the minister competent for climate and the environment.

Funds made available under the agreement bear interest at a fixed rate of 0.5% per annum. The loan was scheduled to be repaid in semi-annual instalments between 2034 and 2049.

In the 6-month period ended 30 June 2025, the Company drew down tranches of the loan in the total amount of PLN 589 million. In the Company's opinion, the loan is of preferential nature and represents a government loan with an interest rate below market rates. Therefore, individual tranches of the loan were initially recognised at a fair value of PLN 198 million, while the benefit resulting from the application of the interest rate lower than market rates, amounting to PLN 391 million, representing the difference between the cash received and the initial carrying amount of the loan, was recognised in accordance with IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* as a subsidy to assets and is presented in deferred income (note 39).

The valuation of the loan at inception was performed as the present value of future cash flows taking into account the contractual terms discounted using the interest rate that the Company believes reflects market conditions as at the date of raising the financing.

Other funding available under the financing agreements concluded by the Company

The Company has funding available under other concluded financing agreements:

- Agreements with bank consortia with revolving funding limits of up to:
  - PLN 4 000 million by 2028;
  - PLN 500 million by 2026.

  As at the balance sheet day, the Company did not have any debt under these agreements.
- The PLN 2 450 million loan agreement with Bank Gospodarstwa Krajowego, to be repaid in instalments over a period of eight years from the date on which the relevant tranche of the loan has been made available.

  Under the loan agreement, the Company has financing available in the amount of PLN 1 000 million (tranche A). The remaining amount of PLN 1 450 million (tranche B) will be available at the Company's request within 12 months from the date of concluding the loan agreement, i.e. from 29 October 2024 and after signing the Company's application by BGK. The Company will be able to draw down the loan in the two-year availability period of a given tranche. The overall funds made available under the loan agreement will be used to cover TAURON Group's expenses related to the financing or refinancing expenses in the area of renewable energy sources, the development of distribution networks, the construction of energy storage facilities and investment in the area of heat (in terms of replacing heat sources from coal fuel to zero- and low-emission sources).

  As at the balance sheet day, the Company has not drawn down available financing under the aforementioned loan agreement.
- Overdraft agreements:
  - up to the amount of PLN 500 million with a maturity date of date 1 October 2027, and
  - up to the amount of PLN 350 million with a maturity date of date 6 December 2027.

  As at the balance sheet day, the Company recognised debt due to overdrafts in the amount of PLN 193 million.

(in PLN million)

In the 6-month period ended 30 June 2025, the Group performed the following transactions relating to loans and borrowings (at a nominal value), excluding overdraft facilities:

Lender	6-month period ended 30 June 2025 *(unaudited)*	
	Drawdown	Repayment
Consortiums of banks	2 000	(2 410)
Bank Gospodarstwa Krajowego - loan from the funds of the National Recovery and Resilience Plan	589	–
SMBC BANK EU AG	–	(500)
European Investment Bank	–	(53)
Other borrowings	32	(13)
Total, including:	**2 621**	**(2 976)**
Cash flows	2 521	(2 876)
Net settlement (without cash flow)	100	(100)

34.2. Bonds issued

Issuer	Investor	Interest rate	Currency	Nominal value of bonds issued in currency	Redemption date	Carrying amount As at 30 June 2025 *(unaudited)*	Carrying amount As at 31 December 2024
TAURON Polska Energia S.A.	Bank Gospodarstwa Krajowego	floating, based on WIBOR 6M	PLN	400	2025-2028	401	401
				350	2025-2029	351	351
	A series bonds (TPE 1025)	floating, based on WIBOR 6M	PLN	1 000	2025	1 011	1 011
	Eurobonds	fixed	EUR	500	2027	2 167	2 157
Finanse Grupa TAURON Sp. z o.o.	International investors	fixed	EUR	168	2029	725	717
Unsubordinated bonds						**4 655**	**4 637**
TAURON Polska Energia S.A.	Bank Gospodarstwa Krajowego	floating, based on WIBOR 6M	PLN	400	2031[2]	401	401
	European Investment Bank	fixed[1]	PLN	400	2030[2]	404	392
				350	2030[2]	353	342
Subordinated bonds						**1 158**	**1 135**
Total bonds, of which:						**5 813**	**5 772**
Non-current						4 533	4 558
Current						1 280	1 214

[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 (WIBOR) plus a fixed margin.
[2] In the case of subordinated bonds, the maturity date includes two financing periods. The redemption dates presented in the table above are the final redemption dates resulting from the agreement, after two financing periods, which form the basis for classifying the bonds as long-term liabilities (availability of financing after two financing periods). The measurement of bonds as at the balance sheet date takes into account early redemption in connection with the intention to redeem the bonds after the end of the first financing period, which occurs within 12 months of the balance sheet date, i.e. in December 2025 and March 2026.

On 19 September 2024, the Company established the bond issue programme on the basis of a programme agreement with Bank Polska Kasa Opieki S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Santander Bank Polska S.A. (the "Programme"). As part of the Programme, the Company has the option to issue bonds linked to sustainability indicators or so-called green bonds, up to a maximum of PLN 3 000 million, with the value of the issue and the type of bonds to be determined on a case-by-case basis at the time of the decision to issue. The funds raised through the bond issue will support the implementation of the TAURON Group's energy transformation and will be used to finance and refinance expenditure in line with the European taxonomy.

The subordinated bond issue Programme concluded in 2021 with Bank Gospodarstwa Krajowego up to the amount of PLN 450 million which was not used by the Company, expired in the 6-month period ended 30 June 2025.

34.3. 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/EBITDA* ratio (for domestic long-term loans agreements and domestic bond issue schemes) which determines 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 30 June 2025, the *net debt/EBITDA* ratio amounted to 1.51, therefore the covenant was maintained.

(in PLN million)

34.4. Lease liability

The lease liability of the Group primarily relates to the perpetual usufruct of land, contracts for occupation of the road lane, land lease and rental agreements, transmission easements and the lease of office and warehouse premises as well as premises for energy or heat infrastructure.

Ageing of the lease liability

	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
Within 1 year	135	128
Within 1 to 5 years	526	506
Within 5 to 10 years	623	595
Within 10 to 20 years	1 100	1 080
More than 20 years	1 040	1 046
Gross lease liabilities	**3 424**	**3 355**
Discount	(1 671)	(1 604)
Present value of lease payments	**1 753**	**1 751**
Lease agreements that do not meet the conditions for recognition as a finance lease as defined in the financing agreements	1 753	1 751

35. Provisions for employee benefits

	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
Provision for post-employment benefits and jubilee bonuses	789	801
Provision for employment termination benefits and other provisions for employee benefits	8	10
Total	**797**	**811**
Non-current	713	701
Current	84	110

Provisions for post-employment benefits and jubilee bonuses

	6-month period ended 30 June 2025 *(unaudited)*				6-month period ended 30 June 2024 *(unaudited)*			
	Provision for retirement, disability and similar benefits	Social Fund	Jubilee bonuses	Provisions total	Provision for retirement, disability and similar benefits	Social Fund	Jubilee bonuses	Provisions total
Opening balance	**325**	**223**	**253**	**801**	**313**	**166**	**264**	**743**
Current service costs	8	4	7	**19**	8	3	7	**18**
Actuarial gains and losses	(17)	–	(8)	**(25)**	(25)	(12)	(14)	**(51)**
Benefits paid	(13)	(4)	(11)	**(28)**	(12)	(4)	(11)	**(27)**
Interest expense	8	7	7	**22**	7	5	6	**18**
Closing balance	**311**	**230**	**248**	**789**	**291**	**158**	**252**	**701**
Non-current	276	222	214	**712**	261	152	219	**632**
Current	35	8	34	**77**	30	6	33	**69**

Measurement of provisions for employee benefits

Provisions for post-employment benefits and for long service awards have been estimated using actuarial methods.

The valuation of provisions for employee benefits as at 30 June 2025 was based on the underwriting projections indicated in the underwriting reports prepared as at 31 December 2024. The assumptions used by the actuary to prepare the 2025 forecast were the same as those used to measure the provisions as at 31 December 2024. In particular, the Group has included a discount rate level of 5.8% consistent with the assumptions adopted by the actuary as at 31 December 2024, in the valuation of the provisions for employee benefits as at 30 June 2025.

(in PLN million)

The other main assumptions adopted by the actuary as at 31 December 2024 for calculation of the liability amount are as follows:

	31 December 2024
Employee turnover ratio (%)	0.5% - 10.30%
Expected rate of remuneration growth (%)	8.9% in 2025, 2.5% in subsequent years
Expected rate of increase in the value of the allowance for the Company Social Benefits Fund (ZFŚS) (%)	7%
Remaining average period of employment	8.01 – 13.31

36. Provisions for the costs of dismantling fixed assets and reclaiming land

	6-month period ended 30 June 2025 *(unaudited)*			6-month period ended 30 June 2024 *(unaudited)*		
	Provisions for disassembly of wind and photovoltaic farm	Provisions for the costs of reclamation and liquidation of fixed assets, including mining plant decommissioning	Provisions total	Provisions for disassembly of wind and photovoltaic farm	Provisions for the costs of reclamation and liquidation of fixed assets, including mining plant decommissioning	Provisions total
Opening balance	**145**	**71**	**216**	**142**	**77**	**219**
Unwinding of the discount	4	2	**6**	4	2	**6**
Discount rate adjustment	–	–	**–**	(8)	(3)	**(11)**
Recognition/(reversal), net	5	–	**5**	13	–	**13**
Utilisation	–	(3)	**(3)**	–	(1)	**(1)**
Closing balance	**154**	**70**	**224**	**151**	**75**	**226**
Non-current	154	50	**204**	151	44	**195**
Current	–	20	**20**	–	31	**31**

As at 30 June 2025, the Group recognised the following provisions within the provision for the costs of reclamation and liquidation of fixed assets:

- the provision for costs of liquidation of fixed assets in the amount of PLN 37 million;
- the provision for costs related to the reclamation of waste landfill sites in the amount of PLN 25 million;
- the provision for costs of liquidation of mining plants in the amount of PLN 8 million.

In the consolidated statement of financial position, the Group recognises the long-term portion of *Provisions for the costs of dismantling fixed assets and reclaiming land*, including the long-term portion of other provisions.

	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
Provisions for the costs of dismantling fixed assets and reclaiming land	204	197
Other provisions	18	19
Total in statement in financial position in *Provisions for the costs of dismantling fixed assets and reclaiming land*	**222**	**216**

37. Provisions for liabilities due to energy certificates and CO_2 emission allowances

	6-month period ended 30 June 2025 *(unaudited)*			6-month period ended 30 June 2024 *(unaudited)*		
	Provisions for liabilities due to CO_2 emission allowances	Provision for obligation to submit energy certificates	Provisions total	Provisions for liabilities due to CO_2 emission allowances	Provision for obligation to submit energy certificates	Provisions total
Opening balance	**3 204**	**182**	**3 386**	**3 439**	**305**	**3 744**
Recognition	1 487	119	**1 606**	1 497	154	**1 651**
Reversal	(45)	(28)	**(73)**	(18)	(23)	**(41)**
Utilisation	(1 452)	(201)	**(1 653)**	(620)	(302)	**(922)**
Closing balance	**3 194**	**72**	**3 266**	**4 298**	**134**	**4 432**

Interim condensed consolidated financial statements for the 6-month period ended 30 June 2025 compliant with the IFRS approved by the EU (in PLN million)

38. Other provisions

	6-month period ended 30 June 2025 *(unaudited)*				6-month period ended 30 June 2024 *(unaudited)*				
	Provision for use of real estate without contract	Provision for onerous contracts	Provision for counterparty claims, court dispute and other provisions	Provisions total	Provision for use of real estate without contract	Provision for onerous contracts	Provision for payment reducing for customers	Provision for counterparty claims, court dispute and other provisions	Provisions total
Opening balance	**73**	**9**	**154**	**236**	**75**	**35**	**574**	**149**	**833**
Recognition/(reversal), net	(2)	–	(4)	**(6)**	–	–	(103)	10	**(93)**
Utilisation	–	(5)	(5)	**(10)**	(1)	(18)	(435)	(7)	**(461)**
Other changes	–	–	–	**–**	–	–	–	1	**1**
Closing balance	**71**	**4**	**145**	**220**	**74**	**17**	**36**	**153**	**280**
Non-current	–	–	18	**18**	–	–	–	11	**11**
Current	71	4	127	**202**	74	17	36	142	**269**

In the consolidated statement of financial position, under *Other provisions*, the Group reports the short-term portion of other provisions, including the short-term portion of provisions for the costs of dismantling fixed assets and reclaiming land.

	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
Other provisions	202	217
Provisions for the costs of dismantling fixed assets and reclaiming land	20	19
Total in statement in financial position in Other provisions	**222**	**236**

38.1. The provision for use of real estate without a contract

The Group companies create provisions for all claims filed by owners of properties on which distribution networks and heat installations are located. As at 30 June 2025, the provision on this account amounted to PLN 71 million and was related to the segments:

- Generation - PLN 4 million;
- Heat - PLN 31 million;
- Distribution - PLN 36 million.

38.2. Provisions for counterparty claims, court disputes and other provisions

Material provisions recognised within other provisions are described below:

Title	Operating segment	Description	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
Provision for a fine in favour of the Silesian Voivodship Inspector of Environmental Protection	Heat	The provision relates to the risk of a breach of the Act of 12 June 2015 *on the greenhouse gas emission allowance trading scheme*, in connection with the failure to settle the emissions volume for 2021 within the deadline specified in the Act by the installation operator, i.e. Energetyka Cieszyńska Sp. z o.o., over which the Group assumed control in October 2022.	27	27
Provision for reimbursement of undue benefit	Distribution	The provision relates to the risk arising from the judgement of the Regional Court in Wrocław of 19 June 2023 in a case for the reimbursement by a company in the Distribution segment of an undue benefit resulting from distribution service fees incurred by the counterparty.	22	22
Provision for real estate tax	Generation	Provision for the economic risk in the scope of real estate tax relating to assets constituting the railway infrastructure.	16	15
	Heat	Provision for business risk in the area of real estate tax in connection with the pending appeal proceedings concerning the taxation of heating installations and devices.	3	5

(in PLN million)

39. Accruals, deferred income and government grants

39.1. Deferred income and government grants

	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
Deferred income	**51**	**268**
Donations, subsidies received for the purchase or fixed assets received free-of-charge	38	39
Received advance payments for recompensations	–	215
Other	13	14
Government grants	**1 034**	**606**
Subsidies obtained from EU funds	581	538
Settlement of preferential loans and borrowings	425	39
Forgiven loans from environmental funds	17	19
Other	11	10
Total	**1 085**	**874**
Non-current	1 022	611
Current	63	263

In the 6-month period ended 30 June 2025, the companies of the *Sales and Wholesale* segment fully settled the advanced payments for recompensations received in previous years relating to electricity trading in the amount of PLN 215 million.

The item settlement of preferential loans and borrowings for the 6-month period ended 30 June 2025 includes PLN 391 million, representing an estimate of the benefit resulting from the interest rate on the preferential loan tranches received in the amount of PLN 589 million from the National Recovery and Resilience Plan at an interest rate lower than market interest rates, as described in more detail in Note 34 to these interim condensed consolidated financial statements. In accordance with the Accounting Policy of the TAURON Group, the settlement of the above benefit will be recognised in other operating income in proportion to the depreciation of the assets related to the eligible expenses incurred by TAURON Dystrybucja S.A. for the development and adaptation of the power grid to the needs of energy transition and climate change, determining for the receipt of a preferential loan.

The Group assesses that it meets the conditions set out in the grant agreements and does not identify any risk of reimbursement.

39.2. Accrued expenses

	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
Accrued expenses due to bonuses	190	80
Unused holidays	94	47
Environmental protection charges	8	–
Other	18	9
Total	**310**	**136**
Non-current	1	1
Current	309	135

40. Liabilities to suppliers

Operating segment	As at 30 June 2025 *(unaudited)*	As at 31 December 2024 *(restated figures)*
Generation	264	649
Heat	65	142
Renewable Energy Sources	29	42
Distribution, including:	587	629
liability to Polskie Sieci Elektroenergetyczne S.A.	*488*	*501*
Sales and Wholesales	384	432
Other	57	61
Total	**1 386**	**1 955**

(in PLN million)

41. Capital commitments

Operating segment	As at 30 June 2025 *(unaudited)*	As at 31 December 2024 *(restated figures)*
Generation	39	14
Heat	10	18
Renewable Energy Sources	84	88
Distribution	354	359
Sales and Wholesale	1	1
Other	201	218
Total	**689**	**698**
Non-current	75	106
Current	614	592

Commitments to incur capital expenditure

As at 30 June 2025 and as at 31 December 2024, the Group committed to incur expenditure of PLN 6 482 and PLN 6 127 million, respectively, on tangible fixed assets and intangible assets, the key items of which are shown in the table below.

Operating segment	Agreement / investment project	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
Heat	Expansion of heat sources in new capacities	322	46
Renewable Energy Sources	Construction of wind farms	997	1 571
	Construction of the photovoltaic farms	34	137
Distribution	Construction of new electrical connections	2 972	3 086
	Modernization and reconstruction of existing networks	1 035	537
Other	Construction of a fiber optic network (KPO)	28	97

42. Settlements due to income tax

As at 30 June 2025, the Group companies had income tax receivables in the total amount of PLN 80 million, including PLN 55 million attributable to TAURON Wytwarzanie S.A. and resulting from the settlement of income tax for the current year, while PLN 19 million relates to the Tax Capital Group and results from the settlement of income tax for 2024.

As at 30 June 2025, income tax liabilities amounted to PLN 438 million, of which PLN 428 million relates to the Tax Capital Group and represents the excess of the liability for the 6-month period ended 30 June 2025 over the advance payments made for this period. In 2025, the Tax Capital Group settles monthly advances for income tax in a simplified manner, in a fixed amount.

43. Liabilities arising from other taxes and charges

	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
VAT	412	647
Social security	158	224
Personal Income Tax	37	67
Other	18	39
Total	**625**	**977**

(in PLN million)

44. Other financial liabilities

	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
Wages, salaries	175	268
Bid bonds, deposits and collateral received	58	68
Liabilities due to insurance contracts	22	61
Recompensation liabilities	–	311
Other	64	72
Total	**319**	**780**
Non-current	35	40
Current	284	740

In the 6-month period ended 30 June 2025, the companies in the *Sales and Wholesale* segment returned the compensation advances received in 2024 amounting to PLN 311 million to the Settlement Administrator.

45. Other non-financial liabilities

	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
Payments from customers relating to future periods	**1 222**	**1 218**
Amounts overpaid by customers	713	694
Prepayments for connection fees	374	407
Other	135	117
Other current non-financial liabilities	**15**	**4**
Surplus of Social Found liabilities over assets	14	1
Allowance for Price Difference Payment Fund	–	2
Other	1	1
Total	**1 237**	**1 222**
Non-current	1	1
Current	1 236	1 221

(in PLN million)

EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

46. Significant items of the interim condensed consolidated statement of cash flows

46.1. Cash flows from operating activities

Change in working capital

	6-month period ended 30 June 2025 *(unaudited)*	6-month period ended 30 June 2024 *(restated data unaudited)*
Change in receivables	**958**	**2 427**
Change in receivables from buyers in statement of financial position	564	895
Change in receivables due to recompensation	389	1 084
Change in other financial receivables	69	450
Adjustment of other financial receivables by receivables connected to financial activities	(65)	–
Other adjustments	1	(2)
Change in inventories	**166**	**284**
Change in inventories in statement of financial position	183	299
Adjustment related to transfer of inventories to/from property, plant and equipment	(17)	(15)
Change in payables excluding loans and borrowings	**(1 375)**	**(1 479)**
Change in liabilities to suppliers in statement of financial position	(569)	(642)
Change in payroll, social security and other financial liabilities	(461)	(291)
Change in non-financial liabilities in statement of financial position	15	(120)
Change in liabilities arising from taxes excluding income tax	(352)	(420)
Adjustment of VAT change related to capital commitments	(7)	(17)
Adjustment of other financial liabilities for guarantee valuation	(1)	8
Other adjustments	–	3
Change in other non-current and current assets	**(392)**	**382**
Change in other current and non-current non-financial assets in statement of financial position	(453)	(369)
Change in receivables arising from taxes excluding income tax	(3)	373
Change in non-current and current CO_2 emission allowances	(338)	138
Change in non-current and current energy certificates	(22)	37
Change in advance payments for property, plant and equipment and intangible assets	421	204
Other adjustments	3	(1)
Change in deferred income, government grants and accruals	**(92)**	**(92)**
Change in deferred income, government grants and accruals in statement of financial position	385	(10)
Adjustment related to property, plant and equipment, intangible assets and right-of-use assets received free of charge	(28)	(40)
Adjustment related to subsidies received and refunded	(58)	(42)
Adjustment for the valuation of a preferential loan	(389)	–
Other adjustments	(2)	–
Change in provisions	**(131)**	**135**
Change of short term and long term provisions in statement of financial position	(142)	105
Adjustment related to actuarial gains/losses from provisions for post-employment benefits charged to other comprehensive income	17	37
Adjustment for change in provisions recognised with non-financial fixed assets	(6)	(5)
Other adjustments	–	(2)
Change of collaterals transferred to IRGiT	**(2)**	**14**
Total	**(868)**	**1 671**

Income tax paid

In the 6-month period ended 30 June 2025 and in the comparable period TAURON Polska Energia S.A. and selected subsidiaries accounted for income tax within the Tax Capital Group registered on 28 December 2022 for 2023-2025 by the Head of the First Tax Office for the Mazowieckie Province in Warsaw. TAURON Wytwarzanie S.A. is not part of the Tax Capital Group.

(in PLN million)

	6-Month period ended 30 June 2025 *(unaudited)*	6-Month period ended 30 June 2024 *(unaudited)*
Tax paid for the first half of the financial year, including by:	**(243)**	**(145)**
Tax Capital Group	*(139)*	-
TAURON Wytwarzanie S.A.	*(55)*	*(122)*
Tax paid for previous financial years, including by:	**(44)**	**(19)**
Tax Capital Group	*(35)*	-
Tax refunds received for previous years, including by:	***130***	**122**
Tax Capital Group	-	*101*
TAURON Wytwarzanie S.A.	*123*	*8*
Total	**(157)**	**(42)**

46.2. Cash flows from investing activities

Purchase of property, plant and equipment and intangible assets

	6-month period ended 30 June 2025 *(unaudited)*	6-month period ended 30 June 2024 *(unaudited)*
Purchase of property, plant and equipment	(2 092)	(1 751)
Purchase of intangible assets	(84)	(87)
Change in the balance of capital commitments	(3)	(31)
Change in the balance of advance payments	(421)	(204)
Costs of overhaul and internal manufacturing	(89)	(34)
Other	1	1
Total	**(2 688)**	**(2 106)**

46.3. Cash flows from financing activities

Repayment of loans and borrowings

	6-month period ended 30 June 2025 *(unaudited)*	6-month period ended 30 June 2024 *(unaudited)*
Repayment of tranches of loans:		
Consortiums of banks	(2 310)	(2 710)
SMBC BANK EU AG	(500)	–
European Investment Bank	(53)	(56)
Bank Gospodarstwa Krajowego	–	(1 000)
Other	(13)	(3)
Total	**(2 876)**	**(3 769)**

Interest paid

	6-month period ended 30 June 2025 *(unaudited)*	6-month period ended 30 June 2024 *(unaudited)*
Interest paid in relation to loans and borrowings	(211)	(224)
Interest paid in relation to debt securities	(39)	(42)
Interest paid in relation to the lease	(6)	(5)
Total	**(256)**	**(271)**
constituting investing expense	(33)	(33)
constituting financing expense	(223)	(238)

The Group presents costs of external financing incurred activated in the current period on assets as expenditures for acquisition of property, plant and equipment and intangible assets in cash flows from investment activities. In the 6-month period ended 30 June 2025, paid interest representing external financing costs subject to capitalisation in the value of fixed assets and intangible assets amounted to PLN 33 million, whereas in the comparable period, it also amounted to PLN 33 million.

(in PLN million)

Proceeds from contracted loans and borrowings

	6-month period ended 30 June 2025 (unaudited)	6-month period ended 30 June 2024 (unaudited)
The launch of loan from the Bank Gospodarstwa Krajowego under the National Recovery and Resilience Plan	589	–
The launch of financing under loan agreements:		
Consortiums of banks	1 900	150
Bank Gospodarstwa Krajowego	–	250
Other	32	22
Total	**2 521**	**422**

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

47. Financial instruments

Categories and classes of financial assets	As at 30 June 2025 (unaudited)		As at 31 December 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
1 Financial assets measured at amortized cost	**3 833**		**4 849**	
Receivables from buyers	3 532	3 532	4 095	4 095
Deposits	4	4	4	4
Receivables due to recompensation	209	209	598	598
Other financial receivables	88	88	152	152
2 Financial assets measured at fair value through profit or loss (FVTPL)	**1 263**		**1 381**	
Derivative instruments	100	100	64	64
Shares	207	207	205	205
Loans granted	512	512	479	479
Other financial receivables	32	32	37	37
Cash and cash equivalents	412	412	596	596
3 Derivative hedging instruments	**114**	**114**	**185**	**185**
4 Financial assets excluded from the scope of IFRS 9 *Financial Instruments*	**212**		**190**	
Investments in joint ventures	212		190	
Total financial assets, of which in the statement of financial position:	**5 422**		**6 605**	
Non-current assets	**1 059**		**1 018**	
Investments in joint ventures	212		190	
Loans granted to joint ventures	512		479	
Derivative instruments	73		90	
Other financial assets	262		259	
Current assets	**4 363**		**5 587**	
Receivables from buyers	3 525		4 089	
Derivative instruments	141		159	
Other financial assets	285		743	
Cash and cash equivalents	412		596	

(in PLN million)

Categories and classes of financial liabilities	As at 30 June 2025 *(unaudited)*		As at 31 December 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
1 Financial liabilities measured at amortized cost	**14 725**		**16 297**	
Preferential loans and borrowings	260	258	65	65
Arm's length loans and borrowings	6 065	6 100	6 992	7 007
Bank overdrafts	193	193	35	35
Bonds issued	5 813	5 735	5 772	5 677
Liabilities to suppliers	1 388	1 388	1 957	1 957
Other financial liabilities	120	120	449	449
Capital commitments	689	689	698	698
Salaries and wages	175	175	268	268
Insurance contracts	22	22	61	61
2 Financial liabilities measured at fair value through profit or loss (FVTPL)	**404**		**439**	
Derivative instruments	404	404	439	439
3 Financial liabilities excluded from the scope of IFRS 9 Financial Instruments	**1 754**		**1 751**	
Liabilities under leases	1 754		1 751	
Total financial liabilities, of which in the statement of financial position:	**16 883**		**18 487**	
Non-current liabilities	**12 417**		**12 685**	
Debt	12 159		12 475	
Derivative instruments	148		64	
Capital commitments	75		106	
Other financial liabilities	35		40	
Current liabilities	**4 466**		**5 802**	
Debt	1 925		2 140	
Liabilities to suppliers	1 386		1 955	
Capital commitments	614		592	
Derivative instruments	256		375	
Other financial liabilities	284		740	
Liabilities associated with assets classified as held for sale	1		–	

The fair value measurement methodology applied to financial instruments and fair value hierarchy levels assigned to these instruments are presented in the following tables.

Classes of financial assets/liabilities	Level of the fair value hierarchy	Methodology for determining the fair value
Financial assets/liabilities measured at a fair value		
Derivatives, including:		Financial derivatives are described in more detail in Note 24 to these interim condensed consolidated financial statements.
IRS and CCIRS	2	
Forward FX contracts	2	
Commodity contracts (forward, futures)	1	
Stocks and shares	3	As a general rule, the Group estimates the fair value of its shareholdings in companies not quoted in active markets using the adjusted net asset method, taking into account its share of net assets and adjusting the value for material valuation factors such as discounts for lack of control and discounts for limited liquidity of the above instruments. The Group may reasonably accept historical cost as an acceptable approximation of the fair value of shares where, in the Group's opinion, the key factors affecting the value of the shares have not changed at the balance sheet date from the time of initial recognition.
Loans granted	3	The measurement of the fair value of the loans granted to the joint venture was performed as the present value of future cash flows, which take into account an estimate of the cash flows that will be generated by the borrower in the future. The discount rate is based on the cost of equity expected for the lender's business profile.
Financial liabilities for which the fair value is disclosed		
Loans, borrowings and bonds issued	2	Fixed interest rate debt liabilities were measured at a fair value. The fair value measurement was made as the present value of future cash flows discounted by the currently applicable interest rate for the bonds or loans concerned, i.e. using market interest rates.

The fair value of other financial instruments as at 30 June 2025 and 31 December 2024 (except from those excluded from the scope of IFRS 9 *Financial Instruments*) did not differ considerably from the amounts presented in the financial statements for the following reasons:

- the potential discounting effect relating to short-term instruments is not significant;
- the instruments are related to arm's length transactions.

Shares in jointly controlled entities excluded from the scope of IFRS 9 *Financial Instruments* are measured using the equity method.

48. Objectives and principles of financial risk management

The objectives and principles of financial risk management have not changed compared to 31 December 2024.

As at 30 June 2025, the parent company had hedging transactions covered by the financial risk management policy concluded with the purpose of hedging the interest flows associated with debt. For the transactions concluded, the parent company applies hedge accounting. The accounting recognition of the hedging transactions described above is further described in Note 24 to these interim condensed consolidated financial statements.

49. Finance and capital management

In the period covered by these interim condensed consolidated financial statements, no significant changes in the objectives, principles and procedures of capital and finance management occurred.

OTHER INFORMATION

50. Contingent liabilities

Claims related to termination of long-term contracts

Claims relating to termination of long-term contracts against subsidiary Polska Energia - Pierwsza Kompania Handlowa Sp. z o.o.

In 2015, companies belonging to the Wind Invest group brought an action against Polska Energia-Pierwsza Kompania Handlowa Sp. z o.o. ("PE-PKH") to declare ineffective the statements made by PE-PKH on the termination of the agreements concluded with the above-mentioned companies for the purchase of electricity and property rights. In the course of court proceedings, plaintiffs extend their scope raising claims for damages and contractual penalty claims related to contract termination.

As at the date of approval of these interim condensed consolidated financial statements for publication, the damages claimed in the lawsuits by Wind Invest group companies amount to PLN 640 million.

In the case filed by Pękanino Wind Invest Sp. z o.o. for the provision of security for claims for determining that the terminations of long-term contracts submitted by PE-PKH are ineffective, on 6 November 2019, the Court of Appeals in Warsaw partially granted the application for security by ordering PE-PKH to perform the provisions of the contracts in their entirety on the existing terms and conditions, in accordance with their content, until the proceedings from the lawsuit of Pękanino Wind Invest Sp. z o.o. against PE-PKH, pending before the Regional Court in Warsaw are finally concluded. The decision regarding the security is final. This decision does not prejudge the merits of the action, which can only take place in a binding judgement, but only temporarily regulates the parties' relations for the duration of the proceedings.

Other cases are held before the first instance courts.

Taking into account the current status of the lawsuits and the circumstances surrounding them, the Group believes that the chances of losing the remaining lawsuits related to both declarations of ineffectiveness of termination of agreements and claims for damages are not higher than the chances of winning the lawsuits in question, and therefore it does not recognise a provision for related costs.

Claims against TAURON Polska Energia S.A. related to the termination of long-term contracts

In 2017 and 2018, companies belonging to the Wind Invest group filed actions against TAURON Polska Energia S.A. regarding payment of damages and determining liability for potential future losses resulting from tort, including unfair competition. According to the plaintiffs, the actual basis for the claims is the termination by the subsidiary, PE-PKH of long-term agreements for the purchase of electricity and property rights arising from certificates of origin, as well as the alleged management of this process by TAURON Polska Energia S.A.

As at the date of approval of these interim condensed separate financial statements for publication, the damages claimed in the lawsuits by Wind Invest group companies amount to PLN 373 million.

Moreover, the plaintiff companies indicate in their lawsuits a total of PLN 1 119 million as the amount of estimated damages.

The District Court in Katowice has jurisdiction to hear the lawsuits.

On 5 December 2024, the Regional Court in Katowice announced a judgement in which it dismissed the claims of Gorzyca Wind Invest Sp.z.o.o., based in Warsaw, in their entirety, together with all extensions to this lawsuit. Gorzyca Wind Invest Sp.z.o.o. demanded payment of damages (originally in the amount of PLN 40 million and subsequently extended) and determination of liability for damages that may arise in the future from tortious acts, including acts of unfair competition, with a value estimated in 2017 by the plaintiff company at PLN 466 million. The factual basis for the claim, according to Gorzyca Wind Invest Sp.z.o.o.'s allegations, was the Company's alleged prohibited acts related to the termination by PE-PKH of long-term contracts for the purchase of electricity and property rights resulting from certificates of origin. In the recitals of the judgement, the court shared the Company's position as to the absence of both the principle of the Company's liability and its specific grounds, cited by Gorzyca Wind Invest Sp.z.o.o. The judgement is not legally binding. Gorzyca Wind Invest Sp.z.o.o. lodged an appeal against the judgement and the Company is working on its response to the appeal.

All other proceedings are pending before the courts of first instance (with the exception of proceedings where an appeal has been lodged) in camera. As at the date of approval of these interim condensed consolidated financial statements for publication, the chances of the Group of obtaining a favourable resolution of the disputes should be assessed positively, i.e. the chances of losing are not higher than the chances of winning.

Litigation with Polenergia group companies

*I*n 2015, companies belonging to the Polenergia group, i.e. Amon Sp. z o.o. and Talia Sp. z o.o., brought actions against PE-PKH to declare ineffective the statements issued by PE-PKH on the termination of agreements concluded with the above companies for the purchase of electricity and property rights.

In 2017 and 2018, companies belonging to the Polenergia group, i.e. Amon Sp. z o.o. i Talia Sp. z o.o. brought actions against TAURON Polska Energia S.A. regarding payment of damages and determining liability for potential future losses resulting from tort, including unfair competition. According to the plaintiffs, the actual basis for the claims is the termination by the subsidiary, PE-PKH of long-term agreements for the purchase of electricity and property rights arising from certificates of origin, as well as the alleged management of this process by TAURON Polska Energia S.A. The value of the Polenergia Group companies' demands amounted to: against PE-PKH - PLN 136 million, and against TAURON Polska Energia S.A. - PLN 180 million.

On 28 April 2025, PE-PKH and the Company entered into settlement agreements with Polenergia group companies, Amon Sp. z o.o. and Talia Sp. z o.o., as further described in note 53 of these interim condensed consolidated financial statements. The primary objective of the concluded settlements is an amicable termination of all lawsuits pending between PE-PKH and the Company as well as Amon Sp. z o.o. and Talia Sp. z o.o. As a result of the settlement concluded between the Company and Amon Sp. z o.o. and Talia Sp. z o.o., Amon Sp. z o.o. and Talia Sp. z o.o. withdrew their actions against the Company, with a waiver of claims. As a result of the settlement concluded between PE-PKH and Amon Sp. z o.o. and Talia Sp. z o.o., all pending court disputes both from the actions of Amon Sp. z o.o. and Talia Sp. z o.o. against PE-PKH and from the actions of PE-PKH against Amon Sp. z o.o. and Talia Sp. z o.o. have been terminated, i.e. actions and cassation appeals were withdrawn and the parties waived their claims. On 8 May 2025, the court issued an order discontinuing the proceedings as a consequence of the settlements reached by the parties.

Claim towards Polskie Elektrownie Jądrowe Sp. z o.o. (formerly: PGE EJ 1 Sp. z o.o.)

TAURON Polska Energia S.A. as a former shareholder holding 10% of shares in the share capital of Polskie Elektrownie Jądrowe Sp. z o.o. until the date of sale, i.e. 26 March 2021, jointly with the other former shareholders of the company (PGE Polska Grupa Energetyczna S.A, KGHM Polska Miedź S.A. and ENEA S.A.), is a party to the agreement with Polskie Elektrownie Jądrowe Sp. z o.o. regulating the issues of potential liabilities and benefits of the parties resulting from the settlement of the dispute between Polskie Elektrownie Jądrowe Sp. z o.o. and the consortium composed of WorleyParsons Nuclear Services JSC, WorleyParsons International Inc, WorleyParsons Group Inc (hereinafter: “WorleyParsons consortium”).

In 2015, the WorleyParsons consortium, which is the research contractor for the investment process related to the construction of a nuclear power plant by Polskie Elektrownie Jądrowe Sp. z o.o., submitted claims against Polskie Elektrownie Jądrowe Sp. z o.o. for the total amount of PLN 92 million in a call for payment and then filed a lawsuit for approximately PLN 59 million, extended in 2017 and 2019 to the amount of approximately PLN 128 million.

In accordance with the agreement, the shareholders in proportion to their previously held number of shares in Polskie Elektrownie Jądrowe Sp. z o.o. are responsible for liabilities or proportionally entitled to benefits potentially arising as a result of the settlement of the dispute with the WorleyParsons consortium up to the maximum level of claims including interest set as at 26 March 2021, amounting respectively to PLN 140 million for claims asserted by the WorleyParsons consortium against Polskie Elektrownie Jądrowe Sp. z o.o. and PLN 71 million for claims asserted by Polskie Elektrownie Jądrowe Sp. z o.o. against the WorleyParsons consortium.

To the best of the Group's knowledge, Polskie Elektrownie Jądrowe Sp. z o.o. has not acknowledged the claims filed against it and considers potential adjudication by the court to be unlikely. The Group does not create a provision in relation to the above-mentioned events.

Claims filed by Huta Łaziska S.A.

In connection with the merger of the Company with Górnośląski Zakład Elektroenergetyczny S.A. (“GZE”) - TAURON Polska Energia S.A. became the party to the court dispute with Huta Łaziska S.A. (“Huta”) against GZE and the State Treasury represented by the President of the ERO.

By the statement of claim of 12 March 2007 Huta demands from GZE and the State Treasury - the President of the Energy Regulatory Office (in solidum) to adjudicate the amount of PLN 182 million including interest accrued from the date of filing the statement of claim to the date of payment as compensation for the alleged damage caused by the failure of GZE to implement the decision of the ERO President of 12 October 2001 concerning the resumption of deliveries of electricity to Huta.

In this case, the courts of the first and second instance passed judgements favourable for GZE; however, in its judgement of 29 November 2011 the Supreme Court overruled the judgement of the Court of Appeals and remanded the case for re-examination by that Court. On 5 June 2012, the Court of Appeals overruled the decision of the Regional Court and remanded the case for re-examination by the latter. By judgement of 28 May 2019, the Regional Court in Warsaw dismissed Huta's claim in its entirety and ruled that Huta reimbursed each of the defendant for the costs of the proceedings. Huta lodged an appeal (dated 25 July 2019) challenging the above judgement in its entirety, which was dismissed by the Court of Appeals in its judgement of 9 February 2022. On 13 October 2022, Huta filed a cassation appeal with the Supreme Court. After the balance sheet date, by a judgement of 20 August 2025, the Supreme Court repealed the judgement of the Court of Appeal and referred the case back to that court for reconsideration.

Based on the conducted legal analysis of the claims, the Group believes that they are unjustified and the risk that they must be satisfied is remote. Consequently, the Group did not create a provision for costs associated with those claims.

Case filed by ENEA S.A.

Case filed by ENEA S.A. (“ENEA”) against TAURON Polska Energia S.A., which has been heard by the Regional Court in Katowice since 2016, refers to the payment of the amount of PLN 17 million including the statutory interest accrued from 30 June 2015 until the payment date. The actual basis of ENEA's claim are allegations concerning unjust enrichment of the Company in connection with possible errors in the determination of the aggregated measurement and settlement data by ENEA Operator Sp. z o.o. constituting the basis for settlements between ENEA and the Company and Polskie Sieci Elektroenergetyczne S.A. on account of imbalance on the Balancing Market in the period from January to December 2012. In the course of the proceedings at the request of ENEA additional sellers were summoned, for whom TAURON Polska Energia S.A. acted as an entity responsible for trade balancing, including the Company's subsidiaries, i.e. TAURON Sprzedaż Sp. z o.o. and TAURON Sprzedaż GZE Sp. z o.o. The claim for payment by the above subsidiaries amounting in total to PLN 8 million, including the statutory interest, was lodged by the claimant in the event the action against TAURON Polska Energia S.A. is dismissed.

On 22 March 2021, the Regional Court in Katowice dismissed the claim of ENEA in its entirety and ruled on ENEA's obligation to reimburse the costs of the proceedings to the Company. ENEA has filed an appeal against the above ruling. At a session on 19 November 2024, the court invited the claimant to complete the formal deficiencies of the appeal. On 12 March 2025, the Court of Appeals in Katowice dismissed ENEA S.A.'s claim in its entirety. The verdict is legally binding.

The Company did not recognise any provision as, in the opinion of the Company, the risk of losing the case is below 50%.

Proceedings initiated by the President of the Office of Competition and Consumer Protection and the President of the Energy Regulatory Office

Administrative proceedings are pending against companies in the Heat, Distribution, Sales and Wholesale segment. The Companies provide clarifications in the respective cases on an ongoing basis and undertakes remedying actions.

In the scope of proceedings concerning the imposition of fines for which the ERO President issued decisions imposing fines, the companies of the Group established provisions for pending proceedings in the total amount of PLN 6 million.

Apart from the above-mentioned proceedings, the companies do not recognise any provisions for potential penalties related to initiated proceedings, since in the opinion of the Management Boards of the companies the risk of unfavourable resolution of cases and imposition of a penalty is low.

Non-contractual use of real estate

The companies belonging to Group do not hold legal titles to all plots of land on which the distribution grids and the related equipment and installations are situated. In the future, the Group may be required to incur costs for the use of real estate without the underlying contracts; however, it must be emphasised that the risk of loss of assets is minor. The Group recognises the provision for all court disputes filed in this respect. The provision is not recognised for unreported potential claims by owners of land of unregulated status due to the lack of detailed record of unregulated land and the resulting inability to reliably estimate the amount of potential claims. However, considering the record of the reported claims and the costs incurred in this respect in previous years, the risk of the necessity to incur significant costs due to such claims can be considered as remote.

As at the balance sheet date, provisions in the amount of PLN 71 million were created for reported court disputes, which are recognised in the statement of financial position under other provisions (Note 38.1).

Risks related to the rules for determining the cost of write-down for the Price Difference Payment Fund

On 27 October 2023, the President of the Energy Regulatory Office (the "ERO President") published a communication explaining the provisions of the Act of 27 October 2022 on Extraordinary Measures to Limit Electricity Prices and Support Certain Consumers in 2023 (the "Act on Extraordinary Measures") in connection with the planned planned commencement of inspections of the write-down to the Price Difference Payment Fund (the "Write-down") applicable to electricity producers and trading companies in 2023. In the communication, the ERO President referred in particular to the manner of determining the weighted average market price of electricity sales in the calculation of the Write-down, indicating that it should be calculated on the basis of the price from the sales contract or from the approved tariff as regards prices and rates relating to 2023, despite the application of maximum prices under the Act on Extraordinary Measures in settlements with eligible customers.

At the same time, in a subsequent announcement published on 14 December 2023, the ERO President amended the content of the previous announcement with regard to information on planned inspections, informing that inspections concerning the verification of Write-down reports submitted by obliged entities will be preceded by explanatory proceedings pursuant to Article 28 of the *Energy Law*.

The above announcements imply that, in the interpretation of the ERO President, the calculation of the Write-down should take into account the "hypothetical" revenues that the companies of the Sales and Wholesale segment would obtain as a result of applying the prices resulting from the applicable tariffs, price lists and contracts in their settlements with customers, despite the fact that, in accordance with the provisions of the Act on Extraordinary Measures for eligible customers, the companies applied maximum prices. This position, in the Group's view, is not correct, as indicated by the legal analyses in the Group's possession.

Interim condensed consolidated financial statements for the 6-month period ended 30 June 2025 compliant with the IFRS approved by the EU (in PLN million)

In view of the announcements published by the ERO President, the Group believes that changes in legal regulations clarifying the method of calculating the Write-down cannot be excluded, which could potentially increase the Group companies' costs related to the Write-down. If any changes in legal regulations come into force, the Group will assess their impact on the Group's financial results.

At the same time, due to the fact that no changes to the applicable legal regulations came into force as at the balance sheet date, the Group does not identify any grounds for creating provisions for higher costs of the Write-down.

In the Group's opinion, the method of calculating the Write-down adopted by the Group companies is compliant with the applicable legal regulations.

51. Collaterals for repayment of liabilities

As part of its operations, the Group uses a number of instruments to hedge its own liabilities and liabilities of joint ventures under the concluded agreements and transactions. The main types of collateral, apart from the collateral for the Group's transactions concluded on the Polish Power Exchange, described due to their materiality later in this note, are presented below.

Collateral	As at 30 June 2025 *(unaudited)*	AS at 31 December 2024
Declarations of submission to enforcement[1]	59 806	20 120
Corporate guarantees	1 857	2 595
Blank promissory notes	1 512	1 514
Bank account mandates	670	1 240
Sureties granted	354	447
Bank guarantees	325	334
Pledges on shares[2]	212	190
Other	21	20

[1] As at 30 June 2025, the item does not include statements issued on the basis of contracts for which there were no liabilities as at the balance sheet date due to the early repayment of non-revolving debt (debt repaid in full) and the expiry of the availability period (no mobilisation of financing), in the total amount of PLN 3 863 million.

[2] Pledges on shares relate to registered pledges and financial pledges established by the Company on shares in the joint venture TAMEH HOLDING Sp. z o.o. After the balance sheet date, the registered pledges were removed from the pledge register on 10 July 2025 due to the full repayment by TAMEH Group companies of the receivables pledged as a security.

As at 30 June 2025, the major hedging items are:

- a declaration of submission to enforcement up to the amount of PLN 43 549 million with an effective term until 17 December 2051, signed by the Company on 27 January 2025, in connection with a loan agreement from the funds of the National Recovery and Resilience Plan under Investment G3.1.4 National Power System Support Fund up to the amount of PLN 11 000 million with a possibility of its increasing (note 34.1);
- the declaration of submission to enforcement up to the maximum amount of PLN 4 800 million with the effective date to 30 November 2030, signed by the Company in connection with the conclusion of the syndicated loan agreement in the amount of PLN 4 000 million on 15 July 2022;
- a corporate guarantee granted by the Company in the amount of EUR 165 million (PLN 701 million) to secure the obligations of its subsidiary, Finadvice Polska 1 Sp. z o.o. under a commercial contract related to an ongoing RES project, with the effective term by 19 May 2027;
- the corporate guarantee granted by the Company in 2014 to secure the bonds issued by Finanse Grupa TAURON Sp. z o.o. The guarantee shall be effective until 3 December 2029, i.e. the redemption date of the bonds and amounts to EUR 168 million (PLN 713 million), while the beneficiaries of the guarantee are the investors who purchased the bonds issued;
- corporate guarantees and sureties granted by the subsidiary, TAURON Zielona Energia Sp. z o.o. to secure the liabilities arising from contracts concluded in connection with the implementation of RES projects. As at the balance sheet date, the value of collaterals under corporate guarantees amounts to the total of PLN 366 million and EUR 16 million (PLN 69 million), and under sureties granted - the total of PLN 56 million;
- bank guarantees of up to PLN 256 million issued following the request of the Company and sureties granted by the Company up to the maximum amount of PLN 35 million to secure the receivables of BGK arising from the loan agreement concluded on 8 March 2018 between the borrower, Elektrociepłownia Stalowa Wola S.A. and BGK and ORLEN S.A. (formerly: PGNiG S.A.), with the effectiveness of the collaterals until 11 March 2026. The surety granted is reduced with the repayment of the loan by Elektrociepłownia Stalowa Wola S.A. to BGK.

(in PLN million)

Collaterals for transactions concluded on the Polish Power Exchange [Towarowa Giełda Energii S.A.] in TAURON Group as at 30 June 2025

Type of collateral	Description
Declaration of submission to enforcement	On 15 June 2023, the Company signed the declaration of submission to enforcement to secure its own liabilities to Izba Rozliczeniowa Giełd Towarowych S.A. ("IRGiT") up to the amount of PLN 6 000 million, with the effective term until 30 June 2027.
Bank guarantees	As at the balance sheet date, bank guarantees totalling PLN 124 million were in force in the Group, including those issued to secure the Company's liabilities in the amount of PLN 95 million and those of the subsidiary TAURON Wytwarzanie S.A. in the amount of PLN 29 million.
Compensation agreement for margin deposits	Pursuant to the Agreement defining the principles for the establishment of financial collateral concluded with the IRGiT, TAURON Group applies a mechanism for setting off the margins. In terms of the transactions performed, the margins required by the IRGiT are calculated against the positions offset within the Group, which translates into the reduction in the funds involved on a Group-wide basis in maintaining the collateral required by the IRGiT.
Transfer of CO_2 emission allowances	As at the balance sheet date, the Group deposited CO_2 emission allowances in a total amount of 886 851 tonnes in the IRGiT account to secure the Company's liabilities due to margin payments (recognised in the consolidated statement of financial position mainly as intangible assets).

Provision of funds to cover future decommissioning costs

As at the balance sheet date, the Mine Liquidation Fund created to secure funds to cover future decommissioning costs relates to the subsidiary, Kopalnia Wapienia Czatkowice Sp. z o.o.

52. Related party disclosures

52.1. Transactions with joint ventures

The group has interest in the following joint ventures: Elektrociepłownia Stalowa Wola S.A. and the TAMEH HOLDING Sp. z o.o. capital group, which are further described in Note 22 to these interim condensed consolidated financial statements.

The total value of transactions with jointly-controlled entities is presented in the table below.

	6-month period ended 30 June 2025 *(unaudited)*	6-month period ended 30 June 2024 *(unaudited)*
Revenue	114	198
Costs	(257)	(372)

The main item of settlements with jointly-controlled companies are the loans granted to Elektrociepłownia Stalowa Wola S.A. (Note 23).

The Company provided collaterals to joint ventures in the form of pledges on shares in TAMEH HOLDING Sp. z o.o. and a bank guarantee issued at the request of the Company and the surety to secure loan liabilities of Elektrociepłownia Stalowa Wola S.A. (Note 51).

52.2. Transactions with the participation of State Treasury companies

The main shareholder of the Group is the State Treasury of the Republic of Poland, therefore the State Treasury companies are treated as related parties.

The total value of transactions with State Treasury companies are presented in the table below.

Revenues and costs

	6-month period ended 30 June 2025 *(unaudited)*	6-month period ended 30 June 2024 *(unaudited)*
Revenue	2 204	1 857
Costs	(3 816)	(4 016)

(in PLN million)

Receivables and liabilities

	As at 30 June 2025 *(unaudited)*	As at 31 December 2024
Receivables*	543	450
Liabilities	781	1 182

**As at 30 June 2025 and as at 31 December 2024, the receivables item in the table above comprises advance payments for the purchase of fixed assets in the amount of PLN 31 million and PLN 12 million, respectively.*

The state-owned companies, the largest customers of the TAURON Polska Energia S.A. Capital Group in the 6-month period ended 30 June 2025 and in the 6-month period ended 30 June 2024 included PSE S.A., KGHM Polska Miedź S.A.; Południowy Koncern Węglowy S.A.; PGE Energetyka Kolejowa S.A. and Polska Grupa Górnicza S.A. The largest purchase transactions in the 6-month period ended 30 June 2025 and in the 6-month period ended 30 June 2024 were concluded by the Group with PSE S.A., Południowy Koncern Węglowy S.A. and Polska Grupa Górnicza S.A.

The Group conducts material transactions on the energy markets through Izba Rozliczeniowa Giełd Towarowych S.A. Due to the fact that this entity only arranges stock exchange trading, the purchase and sale transactions performed through it are not treated as related party transactions.

Transactions with State Treasury companies are mainly related to the operating activities of the Group and are performed on an arm's length terms.

The above tables do not include transactions with banks under the control of the State Treasury, which, in accordance with IAS 24 *Related Party Disclosures*, as providers of finance, are not treated as related parties.

52.3. Remuneration of the management personnel

The level of remuneration and other benefits paid and due to members of the Management Board, Supervisory Boards and other key management personnel of the parent company and the subsidiaries paid and due in the 6-month period ended 30 June 2025 and in the comparative period is presented in the table below.

	6-month period ended 30 June 2025 *(unaudited)*		6-month period ended 30 June 2024 *(unaudited)*	
	Parent	Subsidiaries	Parent	Subsidiaries
Management Board	**4**	**10**	**4**	**16**
Short-term benefits (with surcharges)	4	10	2	11
Employment termination benefits	–	–	2	5
Supervisory Board	**–**	**1**	**–**	**1**
Short-term employee benefits (salaries and surcharges)	–	1	–	1
Other key management personnel	**8**	**35**	**10**	**34**
Short-term employee benefits (salaries and surcharges)	8	32	8	33
Temination benefits	–	1	1	–
Other	–	2	1	1
Total	**12**	**46**	**14**	**51**

In addition, in accordance with the accounting policy adopted, the Group creates provisions for benefits due to members of the Management Board on account of termination of their management contracts and to other key executives on account of termination of their employment, which may be paid or due to be paid in subsequent reporting periods. The table above takes into account the amounts paid and due to be paid until 30 June 2025.

53. Other material information

The conclusion of settlements by Polska Energia – Pierwsza Kompania Handlowa Sp. z o.o. and TAURON Polska Energia S.A. with Amon Sp. z o.o. and Talia Sp. z o.o.

On 28 April 2025 the company Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. ("PE-PKH") and the Company entered into settlement agreements with Polenergia Group companies - Amon Sp. z o.o. ("Amon") and Talia Sp. z o.o. ("Talia"). The primary objective of the settlements concluded is to terminate amicably all lawsuits pending between PE-PKH and Amon and Talia and between the Company and Amon and Talia, which are described in detail in note 50 of these interim condensed consolidated financial statements.

As a result of the settlement reached by PE-PKH with Amon and Talia:

- the agreements for the sale of property rights arising from certificates of origin confirming the generation of energy from renewable energy sources by Amon and Talia, concluded on 23 December 2009 between PE-PKH and Amon and Talia, were terminated;
- PE-PKH and Amon and Talia amended the agreements for the sale of electricity generated at the Amon and Talia wind farms, respectively, concluded with PE-PKH on 23 December 2009 so that their performance will be renewed for a period of 10 years from 1 June 2025 to 31 May 2035, and the new price at which electricity will be purchased, as agreed by PE-PKH and Amon and Talia, will not be subject to change throughout the performance period of these agreements;
- PE-PKH paid one-off compensation in the total amount of PLN 15 million to Amon and Talia;
- all litigations currently pending before both Amon and Talia and PE-PKH have been concluded, i.e. the actions against PE-PKH brought before the Regional Court in Gdańsk have been withdrawn by Amon and Talia including the waiver of claims and PE-PKH has withdrawn the counterclaim against Amon brought before the Regional Court in Gdańsk and the action against Talia brought before the Regional Court in Warsaw, in both cases, with the waiver of claims in these cases. Moreover, PE-PKH have withdrawn cassation appeals in cases pending before the Supreme Court.

In addition, as part of the settlement documentation, an agreement was concluded between the Company, PE-PKH and Amon and Talia concerning the Company's entry in place of PE-PKH as the buyer in the agreements for the sale of electricity generated from renewable energy sources - the wind farm in Łukaszów and the wind farm in Modlikowice of 23 December 2009, which also includes a settlement agreement between the Company and Amon and Talia.

As a result of the agreement and the settlement:

- The Company has replaced PE-PKH and assumed the rights and obligations of the buyer under the aforementioned electricity sale agreements, which the Company, Amon and Talia will perform for the period and under the conditions specified above;
- Amon and Talia have withdrawn their claims against the Company and waived their claims brought before the Regional Court in Katowice.

In addition, the parties have waived with respect to each other all claims and rights they have or could have in respect of the non-performance or improper performance of property rights sale agreements and electricity sale agreements by either party, as well as any claims in tort relating to such non-performance or undue performance of such contracts, and this waiver is intended by the parties to cover both the claims covered by the litigation to date and any potential further claims, not covered by such litigation, which would relate to the period of time closed by the conclusion of the settlements.

As a result of the conclusion of the settlements and the resumption of the execution of the electricity sales agreements, the parties anticipate the sale of a total volume of electricity from the Amon and Talia wind farms in the estimated amount of approximately 1.2 TWh over the 10 years of execution of the electricity sales agreements, while the value of the electricity sales agreements over the 10 years of their execution, determined as the product of the volume of electricity sold and the rate specified in these agreements, will amount to an estimated total of approximately PLN 500 million over the entire term of the agreements.

54. Events after the Balance Sheet Date

Conclusion of an annex to the loan agreement with Bank Gospodarstwa Krajowego under the National Recovery and Resilience Plan.

After the balance sheet date, on 28 August 2025, the Company entered into an Annex to the Loan Agreement dated 17 December 2024, with Bank Gospodarstwa Krajowego, using funds from the National Recovery and Resilience Plan, increasing the loan amount from PLN 11 000 million to PLN 15 867 million, i.e., by PLN 4 867 million.

The release of funds under the increased loan amount requires an increase in the amount of the intra-group loan agreement entered into by the Company with its subsidiary, TAURON Dystrybucja S.A. (the Annex was signed on 4 September 2025). The remaining conditions for disbursing funds under the loan agreement, described in more detail in Note 28.1 of these interim condensed consolidated financial statements, are met and remain unchanged.

Conclusion of a loan agreement with Bank Gospodarstwa Krajowego for digital transformation under the National Recovery and Resilience Plan.

After the balance sheet date, on 28 August 2025, the Company concluded a loan agreement with Bank Gospodarstwa Krajowego for up to PLN 310 million from the National Recovery and Resilience Plan under Investment C4.1.1 "Supporting advanced digital transformation." The funds from the loan agreement will be used exclusively to finance eligible expenditures incurred by TAURON Dystrybucja S.A. for advanced digital transformation.

The funds provided will bear interest at a fixed rate of 0.5% per annum, and the loan is scheduled for repayment quarterly between 2028 and 2045 (the final repayment date is 20 years from the date of the loan agreement).

Pursuant to the agreement, the Company will be able to use the funds after meeting the standard conditions precedent for bank financing and after concluding the required documentation with its subsidiary, TAURON Dystrybucja S.A., including an intra-group loan agreement.

Estimated results of the 2026 supplementary capacity market auction

After the balance sheet date, on 11 September 2025, generating units belonging to the TAURON Group concluded capacity agreements as part of the 2026 supplementary capacity market auction with a total capacity obligation of 1,567.434 MW. The auction closing price ranges from PLN/kW/year 324.72 to PLN/kW/year 365.29, and the TAURON Group's revenue from the capacity market, calculated based on the above auction closing price range, will range from PLN 509 to PLN 573 million. The above information was prepared based on the announcement by Polskie Sieci Elektroenergetyczne S.A. on the conclusion of the capacity market auction and does not constitute the final auction results.

In connection with the concluded capacity agreements and the support obtained, in 2026 the class 200 units belonging to TAURON Wytwarzanie S.A. will continue their operational activities, fulfilling the capacity obligation resulting from the concluded contracts.

These interim condensed consolidated financial statements of TAURON Polska Energia S.A. Capital Group prepared for the 6-month period ended 30 June 2025 in compliance with the International Accounting Standard No 34 comprise 62 pages.

Katowice, 16 September 2025

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

This is a translation of the document originally issued and signed in Polish