

TAURON Polska Energia S.A.

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

TAURON Polska Energia S.A.
Interim condensed separate financial statements for the 6-month period ended 30 June 2025
compliant with IFRS approved by the EU
(in PLN million)

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INTERIM CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Note	3-month period ended 30 June 2025 (not subject to review)	6-month period ended 30 June 2025 (unaudited)	3-month period ended 30 June 2024 (not subject to review)	6-month period ended 30 June 2024 (unaudited)
Sales revenue	11	4 947	9 782	3 937	9 889
Cost of sales	12	(4 717)	(9 444)	(3 976)	(9 747)
Profit on sale (loss)		230	338	(39)	142
Selling and distribution expenses	12	(8)	(16)	(8)	(13)
Administrative expenses	12	(37)	(70)	(34)	(72)
Other operating income and expenses		–	–	(1)	(1)
Operating profit (loss)		185	252	(82)	56
Dividend income	13	2 539	2 539	1 336	1 336
Interest income on loans	13	119	231	247	418
Interest expense on debt	13	(195)	(381)	(186)	(387)
Gain/(loss) on derivative instruments	13	11	(191)	(29)	(162)
Revaluation of loans	13	70	118	(1 920)	(1 930)
Other finance income and costs	13	(34)	40	(7)	50
Profit (loss) before tax		2 695	2 608	(641)	(619)
Income tax expense	14	14	19	7	(15)
Net profit (loss)		2 709	2 627	(634)	(634)
Measurement of hedging instruments		(37)	(69)	(26)	(33)
Income tax expense	14	7	13	5	6
Other comprehensive income subject to reclassification to profit or loss		(30)	(56)	(21)	(27)
Other comprehensive income, net of tax		(30)	(56)	(21)	(27)
Total comprehensive income		2 679	2 571	(655)	(661)
Profit (loss) per share (in PLN):					
- basic and diluted, for net profit (loss)		1.55	1.50	(0.36)	(0.36)

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

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

INTERIM CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	As at 30 June 2025 (unaudited)	As at 31 December 2024
ASSETS			
Non-current assets			
Investment property	15	18	18
Right-of-use assets	16	5	4
Shares	17	16 869	16 085
Loans granted	18	10 285	9 888
Derivative instruments	19	73	90
Other financial assets	20	32	33
Other non-financial assets	21	17	17
Deferred tax assets	22	35	3
		27 334	26 138
Current assets			
Inventories	23	125	34
Receivables from buyers	24	814	1 746
Receivables due to dividend from subsidiaries	25	2 539	–
Income tax receivables	31	19	–
Loans granted	18	587	521
Derivative instruments	19	148	166
Other financial assets	20	466	123
Other non-financial assets	21	11	5
Cash and cash equivalents	26	122	172
		4 831	2 767
TOTAL ASSETS		32 165	28 905
EQUITY AND LIABILITIES			
Equity			
Issued capital	27.1	8 763	8 763
Reserve capital	27.3	2 948	2 438
Revaluation reserve from valuation of hedging instruments	27.4	83	139
Retained earnings/(Accumulated losses)	27.5	2 658	541
		14 452	11 881
Non-current liabilities			
Debt	28	10 323	10 661
Derivative instruments	19	148	64
Other financial liabilities	29	1	5
Other provisions, accruals, deferred income and government grants	33	9	9
		10 481	10 739
Current liabilities			
Debt	28	5 848	4 477
Liabilities to suppliers	30	448	1 020
Derivative instruments	19	256	375
Other financial liabilities	29	53	59
Income tax liabilities	31	428	16
Other non-financial liabilities	32	163	308
Other provisions, accruals, deferred income and government grants	33	36	30
		7 232	6 285
Total liabilities		17 713	17 024
TOTAL EQUITY AND LIABILITIES		32 165	28 905

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form an integral part thereof

INTERIM CONDENSED SEPARATE STATEMENT OF CHANGES IN EQUITY

6-MONTH PERIOD ENDED 30 JUNE 2025 (unaudited)

	Note	Issued capital	Reserve capital	Revaluation reserve on valuation of hedging instruments	Retained earnings/ (Accumulated losses)	Total
As at 1 January 2025		8 763	2 438	139	541	11 881
Prior year profit distribution	27.3	–	510	–	(510)	–
Transactions with shareholders		–	510	–	(510)	–
Net profit		–	–	–	2 627	2 627
Other comprehensive income		–	–	(56)	–	(56)
Total comprehensive income		–	–	(56)	2 627	2 571
As at 30 June 2025 (unaudited)		8 763	2 948	83	2 658	14 452

6-MONTH PERIOD ENDED 30 JUNE 2024 (unaudited)

	Issued capital	Reserve capital	Revaluation reserve on valuation of hedging instruments	Retained earnings/ (Accumulated losses)	Total
As at 1 January 2024	8 763	3 076	218	(607)	11 450
Prior year loss distribution	–	(638)	–	638	–
Transactions with shareholders	–	(638)	–	638	–
Net loss	–	–	–	(634)	(634)
Other comprehensive income	–	–	(27)	–	(27)
Total comprehensive income	–	–	(27)	(634)	(661)
As at 30 June 2024 (unaudited)	8 763	2 438	191	(603)	10 789

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

INTERIM CONDENSED SEPARATE STATEMENT OF CASH FLOWS

	Note	6-month period ended 30 June 2025 <i>(unaudited)</i>	6-month period ended 30 June 2024 <i>(unaudited restated figures)</i>
Cash flows from operating activities			
Profit before tax (loss)		2 608	(619)
Depreciation and amortization		5	5
Interest and dividends		(2 382)	(1 364)
Impairment losses on loans		(118)	1 930
Valuation of derivatives		(71)	80
Exchange differences		(20)	(30)
Other adjustments of profit before tax		(3)	2
Change in working capital	34.1	120	491
Income tax paid		(21)	(15)
Net cash from operating activities		118	480
Cash flows from investing activities			
Loans granted	34.2	(3 443)	(610)
Increase in receivables under the cash pool agreement		(110)	–
Acquisition of shares in subsidiaries		(746)	–
Buyout of minority shareholders of a subsidiary		(37)	–
Acquisition of the remaining shares		(2)	(2)
Other		(1)	(2)
Total payments		(4 339)	(614)
Dividends received		–	186
Interest received from loans granted		177	399
Repayment of loans granted	34.2	2 872	184
Decrease in receivables under the cash pool agreement		–	706
Sale of financial assets		8	–
Total proceeds		3 057	1 475
Net cash used in investing activities		(1 282)	861
Cash flows from financing activities			
Repayment of loans	34.3	(2 863)	(3 766)
Interest paid	34.3	(304)	(316)
Commission paid		(10)	(7)
Repayment of lease liabilities		(4)	(5)
Total payments		(3 181)	(4 094)
Contracted loans and borrowings	34.3	2 489	400
Increase in liabilities under the cash pool agreement		1 582	2 006
Bond interest refund proceeds		65	–
Total proceeds		4 136	2 406
Net cash from financing activities		955	(1 688)
Net increase/(decrease) in cash and cash equivalents		(209)	(347)
Net foreign exchange difference		(1)	–
Cash and cash equivalents at the beginning of the period	26	133	463
Cash and cash equivalents at the end of the period, of which:	26	(76)	116
restricted cash	26	67	76

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

INFORMATION ON TAURON POLSKA ENERGIA S.A. AND THE BASIS FOR THE PREPARATION OF THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

1. General Information about TAURON Polska Energia S.A.

These interim condensed separate financial statements have been prepared by TAURON Polska Energia Spółka Akcyjna (the "Company") with its registered office in Katowice, ul. ks. Piotra Ściegiennego 3, whose shares are publicly traded.

The company was established by a Notarial Deed on 6 December 2006 under the name Energetyka Południe S.A. On 8 January 2007, the District Court for Katowice-Wschód, Commercial Department of the National Court Register, registered the Company under the KRS number 0000271562. The change of its name to TAURON Polska Energia S.A. was registered by the District Court on 16 November 2007.

The entity was assigned the statistical number, REGON 240524697 and the tax identification number, NIP 9542583988.

TAURON Polska Energia S.A. was established for an unlimited period.

The core business of TAURON Polska Energia S.A. focuses on:

- Activities of head offices and holding operations, except for financial holdings → PKD 70.10 Z,
- Sales of electricity → PKD 35.14 Z,
- Sales of coal → PKD 46.71.Z,
- Sales of gaseous fuels in a network system → PKD 35.23.Z.

TAURON Polska Energia S.A. is the parent company of the TAURON Polska Energia S.A. Capital Group. ("The Group, the TAURON Group").

The Company has prepared interim condensed separate financial statements covering the 6-month period ended 30 June 2025 and containing comparative figures for the 6-month period ended 30 June 2024 and as at 31 December 2024. The data included in these interim condensed separate 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 separate statement of comprehensive income comprising the figures 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 interim condensed separate financial statements were approved for publication by the Management Board on 16 September 2025.

The Company has also prepared the interim condensed consolidated financial statements for the 6-month period ended 30 June 2025 which 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 separate 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.

2. Shares in related parties

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

TAURON Polska Energia S.A.
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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.	Kraków	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.	Kraków	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.

¹The 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).

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.

After the balance sheet date, 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, from 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.

¹On 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 separate 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 separate financial statements do not comprise all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company prepared in accordance with the IFRS for the year ended 31 December 2024.

4. Going concern

These interim condensed separate financial statements have been prepared with the assumption of continuation of activities by the Company 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 separate financial statements for publication, no circumstances had been identified which would indicate a risk to the ability of the Company to continue as a going concern.

The Company identifies and actively manages liquidity risk, defined as the potential loss or limited ability to meet current expenses. Despite the excess of current liabilities over current assets (negative working capital), the Company has full capacity to meet its obligations when due. The Company has available, guaranteed credit lines worth PLN 6 157 million, which are described in more detail in Note 28.1 of these interim condensed separate financial statements. The Company

consciously manages liquidity and utilizes available financing when specific liquidity needs arise, thereby optimizing financing costs.

In the areas of liquidity, financing, and securing the continuation of operating activities, the Management Board, after analyzing the Company's financial situation, identifies no risk to the Company's continued operation in the foreseeable future, i.e., for a period of no less than one year from the balance sheet date.

5. Functional currency and presentation currency

Polish zloty is the functional currency of the Company and the presentation currency of these interim condensed separate financial statements. These 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

When applying the accounting policy, the professional judgement of the management, along with accounting estimates, have been of key importance, affecting the figures disclosed in financial statements and in the additional explanatory notes. The assumptions underlying these estimates are based on the Management Board's best knowledge and awareness of current and future actions and events in individual areas. In the period covered by these interim condensed separate 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 separate financial statements.

Items of the interim condensed separate 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
Shares	Note 17	As at each balance sheet date, the Company examines the existence of prerequisites for the impairment of shares. The analysis of the existence of impairment indications, the assumptions made by the Company as part of its impairment tests and the results of the tests are described in more detail in note 17.2 of these interim condensed separate financial statements. At 30 June 2025, the analysis indicated the legitimacy of conducting the impairment test of the shares in the subsidiaries: TAURON Ciepło Sp. z o.o., TAURON Ekoenergia Sp. z o.o. and TAURON Zielona Energia Sp. z o.o. The result of the impairment tests carried out as at 30 June 2025 in accordance with IAS 36 <i>Impairment of Assets</i> did not indicate an impairment of the carrying amount of shares in the above-mentioned subsidiaries.
Loans granted	Note 18	The Company makes appropriate classification and valuation of the loans granted. Loans granted with a maturity period of less than one year, for which an extension of the repayment period is planned, are classified as long-term instruments. In accordance with the requirements of IFRS 9 <i>Financial Instruments</i> for loans measured at an amortised cost, the Company estimates the amount of the allowance for expected credit losses. Within loans measured at amortised cost, the Company also has loans recognised as financial assets impaired due to credit risk, where the amount of credit loss has been estimated based on the Company's assumed loan repayment scenarios, taking into account the results of the asset impairment test. As at the balance sheet date, the Company also holds loans classified as financial assets measured at a fair value through profit or loss. The loans granted to the joint venture of Elektrociepłownia Stalowa Wola S.A. and the loans granted mainly to subsidiaries developing RES projects within special purpose vehicles, where the loans represent the only source of financing for the purchase of a non-financial asset are classified in this category. The Company assesses that the characteristics of the resulting cash flows under such agreements do not correspond only to the repayment of the principal and interest on the outstanding principal and measures such loans at a fair value through profit or loss. The Company has estimated the fair value accordingly.
Financial derivatives	Note 19	The Company measures financial derivatives at a fair value as at each balance sheet date. The methodology for determining the fair value is presented in note 19 to these interim condensed separate financial statements. The derivatives related to non-financial assets and held to hedge own needs are not subject to measurement as at the balance sheet date.

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Deferred tax assets	Note 22	<p>The Company assesses the realisability and verifies unrecognised deferred tax assets at each balance sheet date.</p> <p>As at the balance sheet day, the Company recognised deferred tax assets in the amount of PLN 74 million due to the projected inability of complete execution of the asset.</p> <p>The Company assesses that with regard to the negative temporary differences associated with the recognition of impairment losses on shares and interests in subsidiaries in the amount of PLN 9 330 million, the conditions for the recognition of a deferred tax asset are not met.</p>
		<p>When measuring liabilities at amortized cost using the effective interest rate method, the Company 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 Company 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 Company 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.</p>
Debt liabilities	Note 28	<p>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.</p> <p>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.</p>
Loans granted	Note 18	<p>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 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. 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.</p> <p>In the Company's opinion, the loan with an interest rate below market interest rates is preferential in nature. Therefore, the Company initially estimated the fair value of the loan tranches received in the amount of PLN 198 million. Concurrently, the Company recognized, in the same amount, the tranches of the loan granted to the subsidiary TAURON Dystrybucja S.A., which was granted under an intragroup loan agreement on the same terms and to which, in accordance with the terms of the agreement with BGK, the loan funds were transferred. TAURON Polska Energia S.A. is not the ultimate beneficiary of the benefit in the form of a loan with an interest rate below market interest rates, and therefore it does not recognize the resulting benefit in the form of a government grant in the Company's financial statements in accordance with IAS 20 <i>Government Grants and Disclosure of Information on Government Assistance</i>. The loan was initially valued as the present value of future cash flows, taking into account the contractual terms, discounted using an interest rate which, in the Company's opinion, reflects market conditions at the date of the financing.</p>

In addition to the foregoing, the Company makes significant estimates as regards the contingent liabilities recognised, in particular in the scope of litigation the Company is a party to. Contingent liabilities are described in more detail in Note 38 to these interim condensed separate financial statements.

As at the balance sheet date, in the scope of impact of climate change on the interim condensed separated financial statements, the Company 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 9 to the financial statements for the year ended 31 December 2024.

As part of the impairment tests of shares and the analysis of the recoverability of loans granted as at 30 June 2025, the Company reviewed and updated the assumptions and economic lives of the generating units in subsidiaries, taking into account the impact of climate issues. The assumptions adopted in the scope of impairment tests, including those taking into account climate issues, are described in detail in Note 17.2 of these interim condensed separate financial statements.

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

The Company 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 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments - Disclosures - changes to the classification and measurement of financial instruments</i>	1 January 2026
Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments - Disclosures - changes related to agreements for energy from renewable sources</i>	1 January 2026
Amendments to various standards, Amendments to IFRS (IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i> ; IFRS 7 <i>Financial Instruments: Disclosures</i> ; IFRS 9 <i>Financial Instruments</i> ; IFRS 10 <i>Consolidated Financial Statements</i> ; IAS 7 <i>Statement of Cash Flows</i>)	1 January 2026

The amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures for Renewable Energy Contracts* clarify and simplify the rules for using the exemption from fair value measurement for energy purchase contracts dependent on natural factors (Power Purchase Agreements – "PPAs"). At the same time, the amendments expand the disclosure requirements for renewable energy contracts. Considering the PPAs entered into by the Company, the Company, based on the analyses conducted to date, estimates that these amendments will not have a material impact on the accounting policies currently applied for the recognition of the effects of concluded contracts and, at the same time, may result in the need for additional disclosures in the financial statements regarding these contracts. As of the date of approval of these interim condensed separate financial statements for issue, the Company has not yet completed its work on assessing the impact of the amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures* and the Amendments to Various Standards and IFRS on the Company's accounting policies.

- **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 <i>Regulatory Deferral Accounts</i>	1 January 2016*
Amendments to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures: Transactions of sale or contribution of assets between an investor and its associate or joint venture as amended</i>	the date of entry into force of the amendments has been postponed
IFRS 18 <i>Presentation and disclosure in financial statements</i>	1 January 2027
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i> and Amendments to IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	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*.

The dates of entry into force are the dates resulting from the content of the standards promulgated by the International Accounting Standards Board. The application dates of the standards in the European Union may differ from the application dates implied by the content of the standards and are announced at the time of the approval for application by the European Union.

Based on the analyses conducted to date, the Company assesses that IFRS 19 *Subsidiaries without Public Accountability: Disclosures* and IFRS 14 *Regulatory Deferral Accounts* will not impact the Company's separate financial statements. The Company continues to assess the impact of IFRS 18 *Presentation and disclosure in financial statements* and the amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* on the Company's accounting policies.

8. Changes in accounting policies used and restatement of comparable data

Changes in the accounting principles applied

The accounting principles (policy) applied for the preparation of these interim condensed separate financial statements are consistent with those used for the preparation of the annual financial statements of TAURON Polska Energia S.A. 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 Company's accounting policy.

Change in presentation

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In the financial statements for the year ended 31 December 2024, the Company changed its judgements regarding the presentation of the cash pool transactions executed in the statement of cash flows, as further described in more detail in Note 6 of the aforementioned financial statements. Due to the persistent lack of volatility in the cash pool balance and the resulting surplus of liabilities over receivables, the Company has ceased to include the cash pool balance in cash and cash equivalents in the statement of cash flows. As a result of the change in judgement applied, the change in the balance of receivables from loans granted to subsidiaries under the cash pool is recognised in cash flows from investing activities, while the change in the balance of liabilities from loans received under the cash pool is recognised in cash flows from financing activities. Consequently, the interest received and paid on cash pool loans is represented, respectively, by inflows from investing activities and payments from financing activities. The cash balance reported in the statement of cash flows as at 1 January 2024 has been adjusted accordingly by the balance of the Company's settlements on account of loans granted and received under the cash pool as at 31 December 2023.

Taking into account the change in judgement applied, the Company has restated the interim condensed separate statement of cash flows for the 6-month period ended 30 June 2024 with regard to the presentation of cash pool transactions.

	6-month period ended 30 June 2024 (approved figures unaudited)	Change of judgement regarding cash pool settlements	6-month period ended 30 June 2024 (restated figures unaudited)
Cash flows from operating activities			
Interest and dividends	(1 390)	26	(1 364)
Net cash from operating activities	454	26	480
Cash flows from investing activities			
Loans granted	(621)	11	(610)
Total payments	(625)	11	(614)
Decrease in receivables under the cash pool agreement	–	706	706
Interest received from loans granted	368	31	399
Total proceeds	738	737	1 475
Net cash used in investing activities	113	748	861
Cash flows from financing activities			
Interest paid	(266)	(50)	(316)
Total payments	(4 044)	(50)	(4 094)
Increase in liabilities under the cash pool agreement	–	2 006	2 006
Total proceeds	400	2 006	2 406
Net cash from (used in) financing activities	(3 644)	1 956	(1 688)
Net increase/(decrease) in cash and cash equivalents	(3 077)	2 730	(347)
Cash and cash equivalents at the beginning of the period	(287)	750	463
Cash and cash equivalents at the end of the period	(3 364)	3 480	116

9. Seasonality of activities

The activities of the Company associated with electricity trading are not of seasonal nature, therefore in this respect, the reported results of the Company do not experience significant fluctuations over the year. Due to its holding activities, the Company may recognise significant financial income from dividends recognised on the dates on which resolutions on payment of dividends are adopted. In the 6-month period ended 30 June 2025, the Company recognised the dividend income of PLN 2 539 million (in the comparable period - PLN 1 336 million).

10. Information on operating segments

In accordance with IFRS 8 *Operating Segments*, taking into account the fact that the Company also prepares interim condensed consolidated financial statements for the 6-month period ended 30 June 2025, the Company presents information on operating segments in relation to the Group's operations in the interim condensed consolidated financial statements.

As part of the adopted classification of the Group's operations into operating segments, the activities of the Company are classified in the Sales and Wholesale segment, excluding the general and administrative expenses of the Management Board of the Company incurred for the whole Group as a whole, which cannot be directly attributed to a single operating segment and are classified within unallocated expenses, as further described in note 11 of the interim condensed consolidated financial statements of the Group for the 6-month period ended 30 June 2025.

EXPLANATORY NOTES TO THE INTERIM CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME

11. Sales revenues

	6-month period ended 30 June 2025 (unaudited)	6-month period ended 30 June 2024 (unaudited)
Revenue from sales of goods for resale and materials	9 590	9 711
Electricity	7 081	8 464
CO ₂ emission allowances	2 040	624
Gas	468	623
Other	1	–
Rendering of services	192	178
Capacity Market	112	102
Trade services	52	53
Other	28	23
Total sales revenue	9 782	9 889

In the 6-month period ended 30 June 2025, in relation to the comparable period the main changes of sales revenues concerned revenues from the sales of the following goods:

- Electricity - a decline in revenue by PLN 1 383 million is mainly associated with electricity sales at a lower price. Lower sales prices result from market conditions and the visible decline in energy prices in 2024 for contracts concluded for delivery in 2025. Electricity sales volumes were slightly lower than in the comparable period;
- CO₂ emission allowances - an increase in revenue by PLN 1 416 million is mainly due to the sale of a lower volume of CO₂ emission allowances with a simultaneous accomplishment of sales at a higher price. Revenues in the scope of CO₂ emission allowances in the current and comparable period were mainly related to sales to Group generation companies for the purpose of covering redemption needs resulting from electricity production. Due to the deadline for redemption of emission allowances for a given year by 30 September of the following year, a part of the volume of sales of allowances is carried out in the third quarter of the year concerned;
- Gas - an decline in revenue by PLN 155 million is mainly related to a decrease in prices, with the volume of sales simultaneously recorded at a lower level. The lower sales volume results from a lower demand of external contractors for gas.

12. Costs by type

	6-month period ended 30 June 2025 (unaudited)	6-month period ended 30 June 2024 (unaudited)
Capacity Market	(112)	(101)
Employee benefits expense	(61)	(68)
Other external services	(25)	(23)
Advertising expenses	(14)	(13)
Depreciation of property, plant and equipment, right-of-use assets and amortization of intangible assets	(5)	(5)
Allowance for expected credit losses on receivables from buyers	1	4
Other costs by type	(7)	(8)
Total costs by type	(223)	(214)
Selling and distribution expenses	16	13
Administrative expenses	70	72
Value of energy sold	(7 057)	(8 463)
Value of other goods sold	(2 250)	(1 155)
Cost of sales	(9 444)	(9 747)

In the 6-month period ended 30 June 2025, relative to the comparable period, the main changes in the Company's operating costs related to:

- a decrease in the value (cost) of electricity sold, which results mainly from purchases of electricity at lower average prices. Lower purchase prices result from market conditions and price decrease in 2024, which translated into prices in concluded contracts with a delivery date of 2025. At the same time, TAURON Polska Energia S.A. acquired electricity volumes at a level slightly lower than in the comparable period;
- an increase in the value (cost) of other goods sold, including:
 - a decrease in the value (cost) of gas sold, which is primarily related to a decrease in gas purchase prices, while lower purchase volumes are accomplished;
 - an increase in the value (cost) of CO₂ emission allowances sold, which is mainly due to the accomplishment of a higher volume of CO₂ emission allowances in the current period at higher prices.

13. Financial revenues and costs

	6-month period ended 30 June 2025 (unaudited)	6-month period ended 30 June 2024 (unaudited)
Dividend income	2 539	1 336
Interest income on loans	231	418
Interest expense	(381)	(387)
Gain/(loss) on derivative instruments	(191)	(162)
Revaluation of loans	118	(1 930)
Other finance income and costs, of which:	40	50
Commissions due to external financing	(11)	(10)
Exchange differences	18	30
Other finance income	37	48
Other finance costs	(4)	(18)
Total, of which:	2 356	(675)
Income and costs from financial instruments	2 340	(683)
Other finance income and costs	16	8

The increase in dividend income results mainly from the recognition of a dividend from the subsidiary TAURON Dystrybucja S.A. in the amount of PLN 2 160 million in the current period. In the comparable period, the Company received a dividend from TAURON Dystrybucja S.A. in the amount of PLN 937 million.

The decline in interest income on loans results mainly from lower interest income on the loan granted to the subsidiary, TAURON Wytwarzanie S.A. in relation to the comparable period, which resulted from the reduction in the carrying amount of the loan used as a basis for interest accrued as a result of cash flow analyses carried out as at 30 June 2024.

The revaluation of loans relates to the change in the fair value measurement of loans measured at fair value and the recognition of allowances for expected credit losses of loans measured at amortised cost. The costs of revaluation of loans in the comparable period resulted mainly from the reduction in the carrying amount of the loan granted to TAURON Wytwarzanie S.A. by PLN 1 932 million.

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 CO₂ 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.

14. Tax expense in the statement of comprehensive income

	6-month period ended 30 June 2025 (unaudited)	6-month period ended 30 June 2024 (unaudited)
Current income tax	–	(1)
Deferred income tax	19	(14)
Income tax expense in profit/(loss)	19	(15)
Income tax expense relating to other comprehensive income:	13	6

The Company settles its current income tax within the Tax Capital Group, registered on 28 December 2022 for the years 2023-2025 by the Head of the First Tax Office for the Mazowieckie Province in Warsaw, which includes the Company and selected subsidiaries.

Main companies forming the Tax Capital Group since 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.

EXPLANATORY NOTES TO THE INTERIM CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION

15. Investment property

	6-month period ended 30 June 2025 (unaudited)	6-month period ended 30 June 2024 (unaudited)
COST		
Opening balance	54	54
Closing balance	54	54
ACCUMULATED DEPRECIATION		
Opening balance	(36)	(36)
Depreciation for the period	–	–
Closing balance	(36)	(36)
NET CARRYING AMOUNT AT THE BEGINNING OF THE PERIOD	18	18
NET CARRYING AMOUNT AT THE END OF THE PERIOD, of which:	18	18
Buildings and other tangible assets	11	11
Perpetual usufruct of land	7	7

The investment property is composed of the perpetual usufruct right to land and buildings located in Katowice Szopienice, at ul. Lwowska 23. The rental revenue in the 6-month period ended 30 June 2025 amounted to PLN 5 million.

16. Right-of-use assets

	6-month period ended 30 June 2025 (unaudited)			6-month period ended 30 June 2024 (unaudited)		
	Buildings and premises	Motor vehicles	Total	Buildings and premises	Motor vehicles	Total
COST						
Opening balance	52	2	54	52	2	54
Increase/(decrease) due to lease changes	5	–	5	–	–	–
Closing balance	57	2	59	52	2	54
ACCUMULATED DEPRECIATION						
Opening balance	(49)	(1)	(50)	(41)	(1)	(42)
Depreciation for the period	(4)	–	(4)	(4)	–	(4)
Closing balance	(53)	(1)	(54)	(45)	(1)	(46)
NET CARRYING AMOUNT AT THE BEGINNING OF THE PERIOD	3	1	4	11	1	12
NET CARRYING AMOUNT AT THE END OF THE PERIOD	4	1	5	7	1	8

17. Shares

17.1. Change in the status of shares

		As at 30 June 2025			As at 31 December 2024		
No.	Company	(unaudited)					
		Gross value	Impairment losses	Net value	Gross value	Impairment losses	Net value
Consolidated subsidiaries							
1	TAURON Wytwarzanie S.A.	8 482	(8 482)	–	8 482	(8 482)	–
2	TAURON Ciepło Sp. z o.o.	1 928	(639)	1 289	1 928	(639)	1 289
3	TAURON Ekoenergia Sp. z o.o.	1 940	–	1 940	1 940	–	1 940
4	TAURON Zielona Energia Sp. z o.o.	1 326	–	1 326	600	–	600
5	TAURON Dystrybucja S.A.	10 549	–	10 549	10 512	–	10 512
6	TAURON Nowe Technologie S.A.	650	–	650	650	–	650
7	TAURON Sprzedaż Sp. z o.o.	614	–	614	614	–	614
8	TAURON Sprzedaż GZE Sp. z o.o.	130	–	130	130	–	130
9	Kopalnia Wapienia Czatkowice Sp. z o.o.	41	–	41	41	–	41
10	Polska Energia-Pierwsza Kompania Handlowa Sp. z o.o.	90	(90)	–	90	(90)	–
11	TAURON Obsługa Klienta Sp. z o.o.	40	–	40	40	–	40
12	Finanse Grupa TAURON Sp. z o.o.	28	(24)	4	28	(24)	4
13	TAURON Inwestycje Sp. z o.o.	115	(95)	20	95	(95)	–
14	Other	14	–	14	14	–	14
Joint ventures							
15	TAMEH HOLDING Sp. z o.o.	416	(221)	195	416	(221)	195
Entities measured at fair value							
16	EEC Magenta Sp. z o.o. ASI spółka komandytowo–akcyjna	4	n.a.	4	4	n.a.	4
17	EEC Magenta Sp. z o.o. 2 ASI spółka komandytowo–akcyjna	41	n.a.	41	39	n.a.	39
18	ElectroMobility Poland S.A.	5	n.a.	5	5	n.a.	5
19	Other	7	n.a.	7	8	n.a.	8
Total		26 420	(9 551)	16 869	25 636	(9 551)	16 085

The most significant changes in shareholding in the 6-month period ended 30 June 2025 resulted from the following transactions:

- an increase in the share capital of TAURON Zielona Energia Sp. z o.o., where TAURON Polska Energia S.A. took up a total of 145 190 shares for the total amount of PLN 726 million;
- the compulsory purchase of TAURON Dystrybucja S.A. shares held by shareholders representing no more than 5% of the share capital by the majority shareholder, TAURON Polska Energia S.A., for a total amount of PLN 37 million. As a result of execution of the above transaction, the Company holds 100% of the shares in TAURON Dystrybucja S.A.;
- an increase in the share capital of TAURON Inwestycje Sp. z o.o., where TAURON Polska Energia S.A. took up a total of 2 000 shares for the total amount of PLN 20 million.

17.2. Impairment tests

As at 30 June 2025, the analysis of indications of potential impairment of shares in subsidiaries and joint ventures, as well as analyses in respect of the measurement of intra-group loans, were 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 Year-over-Year;
 - 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 Year-over-Year 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 CO₂ 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 stabilization of market interest rates and taking into account the indicators of impairment identified above, it was decided to perform impairment tests on the shares in the companies: TAURON Ciepło Sp. z o.o., TAURON Ekoenergia Sp. z o.o. and TAURON Zielona Energia Sp. z o.o.

The impairment indicators identified do not apply to other shares in subsidiaries and joint ventures.

The shares in TAURON Wytwarzanie S.A. were written down to zero in previous reporting years and no indication of a reversal of the write-down is identified.

The recoverable amount of shares in subsidiaries and joint ventures is the value in use. The tests were carried out based on the current value of the estimated cash flows of the companies' operations on the basis of detailed projections covering the entire life of the companies. 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.

Shares and intra-group loans account for approximately 85% of the balance sheet total as at the balance sheet day.

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, CO₂ emission allowances, coal, natural gas have been made on the basis of the best market knowledge and take into account current market conditions.

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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 assumes a decline 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.
CO₂	<p>The growth path for prices of CO₂ 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 CO₂ price forecasts. The forecast for 2025 assumes a 14.5% increase in the price of CO₂ emission allowances compared to the average reference contract prices obtained in 2024.</p> <p>In the period of 2026-2045, CO₂ 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. CO₂ 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.</p>
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 via 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	<p>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.</p> <p>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 CO₂ 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 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).</p>
Economic lifetime of generating units	<p>The planned operating periods of the generation units of the Generation segment have not changed with respect to the tests developed as at 31 December 2024.</p> <p>A list of the assumptions in the scope of the economic lives adopted for tests for the following generation units is presented below:</p> <ul style="list-style-type: none"> – 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. <p>The following operating period has been adopted for the generating units in the RES segment:</p> <ul style="list-style-type: none"> – Hydroelectric power plants: due to the postponement of the commencement of 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 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). <p>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:</p> <ul style="list-style-type: none"> – in ZW Katowice, ZW Tychy, ZW Bielsko-Biała EC1, ECI Generation and ZW Local Heat Plant Area until 2029; – in ZW Bielsko-Biała EC2 until 2026.

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Regulatory system services	<p>The projections assume a reform of the balancing market introduced by Polskie Sieci Elektroenergetyczne S.A. on 14 June 2024.</p> <p>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:</p> <ol style="list-style-type: none"> 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. <p>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.</p> <p>The price adopted for the calculation in real terms is assumed at the level observed in 2024 and 2025.</p>
Certificates of energy origin (MWh)	<p>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 slight increase by 5.8% in 2025 compared to the volume-weighted average price achieved in 2024. Over the period 2026-2030, the price of green certificates is forecast to grow at an average annual rate of 1.4%.</p>
OZE support	<p>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 new 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 energy origin certificate to the grid.</p>
Support for cogeneration	<p>The projections assume a cogeneration bonus (in accordance with the Act of 14 December 2018 on the <i>promotion of electricity from high-efficiency cogeneration</i>), 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.</p> <p>For ZW Bielsko-Biała EC2, 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 co-generation bonus.</p> <p>For the remaining generation units producing heat and electricity in co-generation, it was assumed that support would be obtained in future periods at a level not exceeding the prices currently obtained in the auctions won.</p>
Wages	<p>An increase in wages was assumed, based on an increase in the minimum wage with effect for the following years of the financial forecast.</p>
WACC	<p>The weighted average cost of capital (WACC) during the projection period for individual companies 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 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.</p>

Results of impairment tests

Tests carried out as at 30 June 2025, in accordance with IAS 36 *Impairment of Assets*, tests for impairment of shares in subsidiaries and joint ventures did not indicate the need to revalue the write-down of shares.

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18. Loans granted

	As at 30 June 2025 (unaudited)			As at 31 December 2024		
	Gross value	Impairment loss	Carrying amount	Gross value	Impairment loss	Carrying amount
Loans measured at amortized cost	8 291	(50)	8 241	8 484	(63)	8 421
Loans granted to subsidiaries	8 096	(25)	8 071	8 401	(27)	8 374
Loans granted under cash pool agreement	195	(25)	170	83	(36)	47
Loans measured at fair value	2 631	n.a.	2 631	1 988	n.a.	1 988
Loans granted to subsidiaries	2 119	n.a.	2 119	1 509	n.a.	1 509
Loans granted to EC Stalowa Wola S.A.	512	n.a.	512	479	n.a.	479
Total	10 922	(50)	10 872	10 472	(63)	10 409
Non-current	10 303	(18)	10 285	9 914	(26)	9 888
Current	619	(32)	587	558	(37)	521

18.1. Loans granted to subsidiaries

Company	Maturity date	As at 30 June 2025 (unaudited)				As at 31 December 2024			
		Outstanding principal and contractual interest accrued	Gross value	Impairment loss	Carrying amount	Outstanding principal and contractual interest accrued	Gross value	Impairment loss	Carrying amount
Loans measured at amortized cost		12 510	8 096	(25)	8 071	12 269	8 401	(27)	8 374
TAURON Dystrybucja S.A.	2025-2049	6 210	5 791	(17)	5 774	5 963	5 923	(19)	5 904
TAURON Wytwarzanie S.A.	2025-2030	5 110	1 181	(1)	1 180	4 881	1 128	-	1 128
TAURON Ciepło Sp. z o.o.	2025-2033	955	955	(6)	949	949	949	(7)	942
TAURON Obsługa Klienta Sp. z o.o.	2025	80	80	(1)	79	131	131	(1)	130
TAURON Inwestycje Sp. z o.o.	2025-2033	66	-	-	-	75	-	-	-
TAURON Nowe Technologie S.A.	2025-2030	63	63	-	63	33	33	-	33
Finadvice Polska 1 Sp. z o.o.	2028	12	12	-	12	22	22	-	22
AE ENERGY 7 Sp. z o.o.	2026	5	5	-	5	27	27	-	27
TAURON Ekoenergia Sp. z o.o.	-	-	-	-	-	160	160	-	160
Other	2026	9	9	-	9	28	28	-	28
Loans measured at fair value		2 295	2 119	n.a.	2 119	1 689	1 509	n.a.	1 509
Finadvice Polska 1 Sp. z o.o.	2028-2038	581	548	n.a.	548	97	91	n.a.	91
"MEGAWATT S.C." Sp. z o.o.	2026-2038	379	385	n.a.	385	366	387	n.a.	387
WIND T30MW Sp. o.o.	2025-2038	273	240	n.a.	240	266	219	n.a.	219
Windpower Gamów Sp. z o.o.	2025-2038	270	245	n.a.	245	263	214	n.a.	214
AE ENERGY 7 Sp. z o.o.	2027-2032	195	166	n.a.	166	178	144	n.a.	144
WIND T4 Sp. z o.o.	2025-2038	183	155	n.a.	155	183	152	n.a.	152
WIND T2 Sp. z o.o.	2026-2034	180	157	n.a.	157	103	87	n.a.	87
FF Park PV1 Sp. z o.o.	2025-2034	164	155	n.a.	155	160	144	n.a.	144
TAURON Ekoenergia Sp. z o.o.	2025-2032	43	41	n.a.	41	42	40	n.a.	40
TAURON Ciepło Sp. z o.o.	2026-2034	27	27	n.a.	27	31	31	n.a.	31
Total		14 805	10 215	(25)	10 190	13 958	9 910	(27)	9 883
Non-current			9 791	(18)	9 773		9 425	(26)	9 399
Current			424	(7)	417		485	(1)	484

Loans granted to subsidiaries bear a fixed interest rate.

In the 6-month period ended 30 June 2025, the Company granted a loan to its subsidiary TAURON Dystrybucja S.A. under the intra-group loan agreement, in the total nominal value of PLN 589 million, from the funds of the National Recovery and Resilience Plan received by the Company under the loan agreement concluded with Bank Gospodarstwa Krajowego. The carrying amount of the loan granted as at 30 June 2025 of PLN 200 million takes into account the preferential nature of the financing, as discussed in more detail in note 28.1 of this interim condensed separate financial statements.

18.2. Loans to joint ventures

	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		

18.3. Loans granted under the cash pool service

In order to optimise cash and liquidity management, TAURON Group applies the cash pool service mechanism. Cash pooling is implemented under the agreement of 28 November 2024 concluded with the bank for the operation of a cash management system for a group of accounts, with the effective term until 6 December 2027. As a result of the cash pool mechanism, cash is transferred between the accounts of the service participants and the pool leader's account whose function is performed by TAURON Polska Energia S.A.

The balance of receivables generated as a result of cash pool transactions as at 30 June 2025 and 31 December 2024 is presented in the table below.

	As at 30 June 2025 (unaudited)			As at 31 December 2024		
	Gross value	Impairment loss	Carrying amount	Gross value	Impairment loss	Carrying amount
Receivables from cash pool transactions	193	(25)	168	83	(36)	47
Interest receivable from cash pool transactions	2	–	2	–	–	–
Total	195	(25)	170	83	(36)	47
Non-current	–	–	–	10	–	10
Current	195	(25)	170	73	(36)	37

Information concerning liabilities due to the cash pool service is presented in Note 28.5 of these interim condensed separate financial statements.

19. Derivatives instruments and hedge accounting

Instrument	Methodology for determining the fair value	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 notional 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.

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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	7	(290)	(283)	–	7	(365)	(358)	–
Total	221	(404)			256	(439)		
Non-current	73	(148)			90	(64)		
Current	148	(256)			166	(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.

20. Other financial assets

	As at 30 June 2025 (unaudited)	As at 31 December 2024
Dividend receivables from TAMEH HOLDING Sp. z o.o.	32	32
Receivables arising from income tax settlements of the TCG companies	436	22
Bid bonds, deposits, collateral transferred	30	37
Other	–	65
Total	498	156
Non-current	32	33
Current	466	123

Liabilities due to income tax settlements of the Tax Capital Group (TCG) are described in more detail in note 31 to these interim condensed separate financial statements.

21. Other non-financial assets

	As at 30 June 2025 (unaudited)	As at 31 December 2024
Prepaid fee on debt	11	10
Other	17	12
Total	28	22
Non-current	17	17
Current	11	5

22. Deferred income tax

	As at 30 June 2025 (niebadane)	As at 31 December 2024
Deferred tax liabilities		
measurement of derivative instruments	20	13
valuation of hedging instruments	22	35
accrued interest and the valuation of loans granted	125	69
other	10	18
Total	177	135
Deferred tax assets		
measurement of derivative instruments	77	83
accrued interest and the valuation of debt	45	32
provisions, accruals and deferred income	6	6
different timing of recognition of revenue and cost of sales for tax purposes	8	4
tax losses	97	32
other	53	56
Total	286	213
Unrecognized deferred tax assets	(74)	(75)
Recognized deferred tax assets/(liabilities), net	35	3

23. Inventories

	As at 30 June 2025 (unaudited)		As at 31 December 2024	
	Gross Value	Carrying amount	Gross Value	Carrying amount
CO ₂ emission allowances	125	125	34	34

24. Receivables from buyers

	As at 30 June 2025 (unaudited)	As at 31 December 2024
Gross Value		
Receivables from buyers	816	1 748
Total	816	1 748
Allowance/write-down		
Receivables from buyers	(2)	(2)
Total	(2)	(2)
Net Value		
Receivables from buyers	814	1 746
Total	814	1 746

25. Receivables due to dividend from subsidiaries

Dividend receivables of PLN 2 539 million result from the recognition of dividend income due from Group companies for which the dividend payment date fell after the balance sheet date. By the date of approval of these interim condensed separate financial statements for publication, the above receivables have been paid off completely.

26. 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:	122	172
restricted cash, including:	72	84
collateral of settlements with Izba Rozliczeniowa Gield Towarowych S.A.	63	81
cash on VAT bank accounts (split payment)	9	2
Overdraft facility	(193)	(35)
Collateral of settlements with Izba Rozliczeniowa Gield Towarowych S.A.	(5)	(3)
Foreign exchange	–	(1)
Cash and cash equivalents presented in the statement of cash flows	(76)	133

27. Equity

27.1. 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	

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 issued capital	Percentage of total vote
Skarb Państwa	526 848 384	2 634	30.06%	30.06%
KGHM Polska Miedź S.A.	182 110 566	911	10.39%	10.39%
Nationale - Nederlanden Otworthy 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 In accordance with 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.

27.2. 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.

27.3. Reserve capital

	As at 30 June 2025 (unaudited)	As at 31 December 2024
Amounts from distribution of prior years profits	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 million 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 issued capital, i.e. PLN 2 921 million, may be used only to cover losses.

27.4. 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 19 to these interim condensed separate financial statements. For the hedging transactions concluded, the Company applies hedge accounting.

As at 30 June 2025, the Company 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.

27.5. Retained earnings and restrictions on dividends

	As at 30 June 2025 (unaudited)	As at 31 December 2024
Financial result for the 6-month period ended 30 June 2025	2 627	–
Financial result for the year ended 31 December 2024	–	510
Restated result for the year ended 31 December 2020	338	338
Effects of implementing IFRS 9 <i>Financial Instruments</i>	(388)	(388)
Settlement of mergers with subsidiaries	81	81
Total retained earnings/ (accumulated losses)	2 658	541

27.6. Dividends paid and declared for payment

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.

28. Debt

	As at 30 June 2025 (<i>unaudited</i>)			As at 31 December 2024		
	Long-term	Short-term	Total	Long-term	Short-term	Total
Bank loans	5 791	549	6 340	6 105	830	6 935
Unsubordinated bonds	2 696	1 234	3 930	2 711	1 209	3 920
Subordinated bonds	1 127	31	1 158	1 132	3	1 135
Cash pool loans received	–	4 014	4 014	–	2 429	2 429
Loan from the subsidiary	707	15	722	711	2	713
Lease	2	5	7	2	4	6
Total	10 323	5 848	16 171	10 661	4 477	15 138

28.1. Bank loans

Borrowing institution	Interest rate	Currency	Maturity date/ validity date	As at 30 June 2025 <i>(unaudited)</i>	As at 31 December 2024
Consortiums of banks - revolving loans	floating	PLN	2026-2028	–	411
Consortiums 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
			2025-2040	1 194	1 221
	floating		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	–
Overdraft facility	floating	PLN	2027	193	35
Total, of which:				6 340	6 935
Non-current				5 791	6 105
Current				549	830

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. Consequently, individual tranches of the loan were initially recognised at fair value in the total amount of PLN 198 million. At the same time, the Company recognised the same amount of the loan tranche granted to its subsidiary TAURON Dystrybucja S.A., which, pursuant to the intra-group loan agreement, was granted on the same terms and to which, in accordance with the terms of the agreement with BGK, the loan funds were transferred. TAURON Polska Energia S.A. is not the ultimate beneficiary of the benefit in the form of a loan with interest rates below market rates, and therefore it does not recognise the benefit in the Company's financial statements in the form of a government grant in accordance with IAS 20 *Government Grants and Disclosure of Government Assistance* representing the difference between the cash received and the initial carrying amount of the loans.

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 concluded financing agreements

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 the 6-month period ended 30 June 2025, the Company concluded the following transactions relating to bank loans (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)
Total, including:	2 589	(2 963)
Cash flows	2 489	(2 863)
Net settlement (without cash flow)	100	(100)

28.2. Bonds issued

Investor	Interest rate	Currency	Nominal value of bonds issued in currency	Maturity date	Carrying amount	
					As at 30 June 2025 (unaudited)	As at 31 December 2024
Bank Gospodarstwa Krajowego	floating, based on WIBOR 6M	PLN	400	2024-2028	401	401
			350	2024-2029	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
Unsubordinated bonds					3 930	3 920
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:					5 088	5 055
Non-current					3 823	3 843
Current					1 265	1 212

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.

28.3. 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.

28.4. Loan from subsidiary

The liability of the Company amounting to PLN 722 million (EUR 170 million) as at 30 June 2025 relates to the long-term loan received from the subsidiary, Finanse Grupa TAURON Sp. z o.o. under the agreement concluded between TAURON Polska Energia S.A. and the subsidiary, Finanse Grupa TAURON Sp. z o.o. (formerly TAURON Sweden Energy AB (publ)). The loan agreement in the amount of EUR 167 million was concluded in 2014 and bears interest at a fixed rate while the interest is paid annually until the full repayment of the loan. The repayment deadline of the loan falls on 29 November 2029.

28.5. Loans received under the cash pool service

As at 30 June 2025 and as at 31 December 2024, the Company had current liabilities on account of cash pool transactions amounting to PLN 4 014 million and PLN 2 429 million, respectively. The liability arises from the Group's cash pool service mechanism, which is described in more detail, including the presentation of receivables arising from cash pool transactions, in note 18.3 of these interim condensed separate financial statements.

28.6. Lease liabilities

The lease liability relates to the rental of office and warehouse premises, car rental and lease of parking spaces, as well as the right of perpetual usufruct of land.

Ageing of the lease liability

	As at 30 June 2025 (unaudited)	As at 31 December 2024
Within 1 year	5	4
Within 1 to 5 years	1	1
More than 5 years	5	5
Gross lease liabilities	11	10
Discount	(4)	(4)
Present value of lease payments	7	6

29. Other financial liabilities

	As at 30 June 2025 (unaudited)	As at 31 December 2024
Valuation of guarantees and financial sureties	22	23
Liabilities arising from income tax settlements of the TCG companies	8	8
Wages and salaries as well as other employee related liabilities	6	13
Bid bonds, deposits and collateral received	4	3
Other	14	17
Total	54	64
Non-current	1	5
Current	53	59

In accordance with IFRS 9 *Financial Instruments*, the Company measures guarantees and sureties issued in the amount of expected credit losses. Guarantees, sureties and other collaterals granted which constitute contingent liabilities of the Company are further described in note 38 of these interim condensed separate financial statements.

30. Liabilities to suppliers

	As at 30 June 2025 (unaudited)	As at 31 December 2024
Liabilities to subsidiaries, including:	294	780
TAURON Wytwarzanie S.A.	166	525
TAURON Ekoenergia Sp. z o.o.	76	116
TAURON Sprzedaż Sp. z o.o.	16	22
TAURON Ciepło Sp. z o.o.	12	85
TAURON Sprzedaż GZE Sp. z o.o.	9	23
Other subsidiaries	15	9
Liabilities to other suppliers	154	240
Total	448	1 020

31. Income tax settlements and Tax Capital Group

In the 6-month period ended 30 June 2025 and in the comparable period the Company accounted for income tax within the Tax Capital Group ("TCG") 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 made tax settlements consistently calculating advance payments in a manner appropriate for the TCG.

The income tax receivable as at 30 June 2025 in the amount of PLN 19 million relates to the TCG and represents the surplus of advance payments paid over the tax charge for 2024.

The income tax liability as at 30 June 2025 in the amount of PLN 428 million relates to the TCG and represents the excess of the tax charge for the 6-month period ended 30 June 2025 over the advances paid for that period. In 2025, the TCG settles monthly advances for income tax in a simplified manner, in a fixed amount.

At the same time, due to the settlements of the Company as a Representative Company with subsidiaries belonging to the TCG, the Company had a liability to these subsidiaries due to settlement of tax in the amount of PLN 436 million, which was recognised as other financial liabilities and receivables from the subsidiaries forming the TCG on account of tax settlement in the amount of PLN 8 million, recognised in other financial assets.

32. Other current non-financial liabilities

	As at 30 June 2025 (unaudited)	As at 31 December 2024
VAT	155	298
Social security	5	7
Other	3	3
Total	163	308

33. Other provisions, accruals and governmental subsidies

	As at 30 June 2025 (unaudited)	As at 31 December 2024
Accruals and governmental subsidies, including:	29	25
<i>Accruals due to bonuses and salary changes</i>	14	12
Provision for post-employment employee benefits	7	7
Other provisions	9	7
Total	45	39
Non-current	9	9
Current	36	30

EXPLANATORY NOTES TO THE INTERIM CONDENSED SEPARATE STATEMENT OF CASH FLOWS

34. Significant items of the interim condensed separate statement of cash flows

34.1. Cash flows from operating activities

Change in working capital

	6-month period ended 30 June 2025 (unaudited)	6-month period ended 30 June 2024 (unaudited)
Change in receivables	937	1 686
Change in inventories	(91)	(45)
Change in liabilities excluding loans	(725)	(1 171)
Change in other non-current and current assets	(6)	(4)
Change in deferred income, government grants and accruals	5	10
Change in provisions	2	1
Change in collaterals transferred to IRGiT	(2)	14
Change in working capital	120	491

34.2. Cash flows from investing activities

Loans granted

	6-month period ended 30 June 2025 (unaudited)	6-month period ended 30 June 2024 (unaudited restated figures)
Loans granted to companies:		
TAURON Dystrybucja S.A.	(2 739)	(300)
Finadvice Polska 1 Sp. z o.o.	(563)	–
WIND T2 Sp. z o.o.	(87)	(28)
TAURON Nowe Technologie S.A.	(35)	–
AE ENERGY 7 Sp. z o.o.	(19)	(64)
WIND T4 Sp. z o.o.	–	(75)
WIND T30MW Sp. z o.o.	–	(68)
Windpower Gamów Sp z o.o.	–	(65)
FF Park PV 1 Sp. z o.o.	–	(10)
Total	(3 443)	(610)

Repayment of loans granted

In the 6-month period ended 30 June 2025, the repayment of loans granted in the amount of PLN 2 872 million results mainly from the repayment of a loan by the subsidiary, TAURON Dystrybucja S.A in the amount of PLN 2 500 million.

34.3. Cash flows from financing activities

Repayment of loans

	6-month period ended 30 June 2025 (unaudited)	6-month period ended 30 June 2024 (unaudited)
Repayment 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)
Total	(2 863)	(3 766)

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Interest paid

	6-month period ended 30 June 2025 <i>(unaudited)</i>	6-month period ended 30 June 2024 <i>(unaudited restated figures)</i>
Interest paid in relation to loans and borrowings	(264)	(274)
Interest paid in relation to debt securities	(40)	(42)
Total	(304)	(316)

Contracted loans and borrowings

	6-month period ended 30 June 2025 <i>(unaudited)</i>	6-month period ended 30 June 2024 <i>(unaudited)</i>
The launch of loan from Bank Gospodarstwa Krajowego from the funds of the National Recovery and Resilience Plan	589	–
The launch of financing under loan agreements:	–	–
Consortiums of banks	1 900	150
Bank Gospodarstwa Krajowego	–	250
Total	2 489	400

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

35. Financial instruments

Categories and classes of financial assets	As at 30 June 2025 <i>(unaudited)</i>		As at 31 December 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
1 Financial assets measured at amortized cost	12 060	11 996	10 286	10 264
Receivables from buyers	814	814	1 746	1 746
Loans granted to subsidiaries	8 071	8 007	8 374	8 352
Loans granted under cash pool agreement	170	170	47	47
Dividend receivables	2 571	2 571	–	–
Other financial assets	434	434	119	119
2 Financial assets measured at fair value through profit or loss (FVTPL)	2 949	2 949	2 324	2 324
Derivative instruments	107	107	71	71
Long-term shares	57	57	56	56
Loans granted to subsidiaries and jointly-controlled entities	2 631	2 631	1 988	1 988
Other financial assets	32	32	37	37
Cash and cash equivalents	122	122	172	172
3 Derivative hedging instruments	114	114	185	185
4 Financial assets excluded from the scope of IFRS 9 <i>Financial Instruments</i>	16 812		16 029	
Shares in subsidiaries	16 617		15 834	
Shares in jointly-controlled entities	195		195	
Total financial assets, of which in the statement of financial position:	31 935		28 824	
Non-current assets	27 259		26 096	
Shares	16 869		16 085	
Loans granted	10 285		9 888	
Derivative instruments	73		90	
Other financial assets	32		33	
Current assets	4 676		2 728	
Receivables from buyers	814		1 746	
Dividend receivables from subsidiaries	2 539		–	
Loans granted	587		521	
Derivative instruments	148		166	
Other financial assets	466		123	
Cash and cash equivalents	122		172	

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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	16 666	16 424	16 216	16 134
Preferential loans and borrowings	200	198	–	–
Arm's length loans, of which:	10 683	10 694	10 042	10 030
Bank loans	5 947	5 982	6 900	6 915
Liability under the cash pool loan	4 014	4 014	2 429	2 429
Loans from the subsidiary	722	698	713	686
Bank overdrafts	193	193	35	35
Bonds issued	5 088	5 030	5 055	4 985
Liabilities to suppliers	448	448	1 020	1 020
Other financial liabilities	54	54	64	64
2 Financial liabilities measured at fair value through profit or loss (FVTPL)	404	404	439	439
Derivative instruments	404	404	439	439
3 Financial liabilities excluded from the scope of IFRS 9 Financial Instruments	7		6	
Liabilities under leases	7		6	
Total financial liabilities, of which in the statement of financial position:	17 077		16 661	
Non-current liabilities	10 472		10 730	
Debt	10 323		10 661	
Derivative instruments	148		64	
Other financial liabilities	1		5	
Current liabilities	6 605		5 931	
Debt	5 848		4 477	
Liabilities to suppliers	448		1 020	
Derivative instruments	256		375	
Other financial liabilities	53		59	

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

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:		
IRS and CCIRS	2	Financial derivatives are measured in accordance with the methodology described in Note 19 to these interim condensed separate financial statements.
Forward FX contracts	2	
Commodity contracts (forward, futures)	1	
Shares	3	As a rule, the Company estimates the fair value of shares held in companies other than subsidiaries, joint ventures and associates not listed on active markets, using the adjusted net asset method, taking into account the share held in net assets and adjusting the value for significant factors affecting the valuation, such as discount for lack of control and discount for limited liquidity of the above instruments. In justified cases, the Company may accept the historical cost as an acceptable approximation of the fair value of shares, if, in the Company's opinion, the key factors affecting the value of the shares have not changed at the balance sheet date in relation to the moment of initial recognition.
Loans granted to subsidiaries	2	The measurement of the fair value of loans granted to subsidiaries classified as assets measured at fair value was performed as the present value of future cash flows, taking into account the estimated cash flows that will be generated by the borrower in the future, discounted at the interest rate currently applicable to the borrower.
Loans granted to a jointly-controlled entity	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.

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Financial assets/liabilities for which the fair value is disclosed		
Loans and borrowings and bonds issued	2	Fixed interest rate debt liabilities were measured at a fair value. The fair value measurement was performed as the present value of future cash flows discounted by the currently applicable interest rate for the specific bonds, loan or borrowings facility, i.e. applying market interest rates.
Loans granted to subsidiaries	2	The fair value measurement of loans granted to subsidiaries classified as measured at amortised cost has, as a rule, been made as the present value of future cash flows generated in accordance with the repayment schedule for a given loan, discounted at the interest rate currently applicable to the borrower.
	3	In justified cases, the Company recognises the fair value to approximate the carrying amount, as the carrying amount takes into account the estimation of future cash flows, discounted at the balance sheet date (loans granted to the subsidiaries TAURON Wytwarzanie S.A. and TAURON Inwestycje Sp. z o.o.).

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 figures 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 subsidiaries and jointly-controlled entities excluded from the scope of IFRS 9 *Financial Instruments* are measured at cost less any impairment allowances.

36. 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 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 19 to these interim condensed separate financial statements.

37. Finance and capital management

Finance and capital management is carried out at the level of TAURON Polska Energia S.A. Capital Group. In the period covered by these interim condensed separate financial statements, no significant changes in the objectives, principles and procedures of capital and finance management occurred.

OTHER INFORMATION

38. Contingent liabilities

As at 30 June 2025 and as at 31 December 2024, the contingent liabilities of the Company mainly resulted from the collaterals and guarantees granted to related parties and included:

Type of contingent liability	Company in respect of which contingent liability has been granted	Beneficiary	Validity	As at 30 June 2025 (unaudited)	As at 31 December 2025
Corporate guarantees	Finadvice Polska 1 Sp. z o.o.	Nordex Polska Sp. z o.o.	19.05.2027	701	1 153
	Finanse Grupa TAURON Sp. z o.o.	Private placement investors	3.12.2029	713	718
	TAURON Czech Energy s.r.o.	ČEZ a.s.	31.01.2027	8	13
Liabilities arising from bank guarantees	Elektrociepłownia Stalowa Wola S.A.	Bank Gospodarstwa Krajowego	11.03.2026	256	300
	various subsidiaries	various entities	11.08.2025-28.07.2029	44	10
Sureties granted	Elektrociepłownia Stalowa Wola S.A.	Bank Gospodarstwa Krajowego	11.03.2026	35	20
	various subsidiaries	various entities	23.11.2025-31.03.2039	263	263
Registered pledges and financial pledge of shares in TAMEH HOLDING Sp. z o.o. ¹	TAMEH Czech s.r.o. TAMEH POLSKA Sp. z o.o.	RAIFFEISEN BANK INTERNATIONAL AG	31.12.2028	195	195
Blank promissory note with a promissory note declaration ²	TAURON Wytwarzanie S.A.	Regional Fund for Environmental Protection and Water Management in Katowice	15.03.2026	40	40
Comfort letter	TAURON Czech Energy s.r.o.	PKO BP S.A., Czech Branch	31.03.2029	21	20

¹Pledges 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.

²In 2010, the Company issued a blank promissory note with a promissory note declaration to secure a loan agreement received by the subsidiary from the Regional Environmental Protection and Water Management Fund in Katowice. As at 30 June 2025, the remaining outstanding portion of the loan, amounting to PLN 2 million, is subject to a conditional redemption procedure. The security established will expire upon settlement of the conditional loan remission.

The most significant items of contingent liabilities include:

- The corporate guarantee granted in 2014 to secure the bonds of Finanse Grupa TAURON Sp. z o.o. (the so-called NSV). 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 private placement investors who purchased the bonds issued.
- A corporate guarantee in the amount of EUR 165 million (PLN 701 million) granted on 19 September 2024 for the liabilities of the subsidiary, Finadvice Polska 1 Sp. z o.o. under a commercial contract related to the ongoing RES project, with a term until 19 May 2027.
- Liabilities resulting from the issuance of a bank guarantee on behalf of the Company up to PLN 256 million and a surety granted up to a maximum amount of PLN 35 million to secure BGK receivables under 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.
- A surety up to the amount of PLN 212 million for the liabilities of the subsidiary TAURON Zielona Energia Sp. z o.o. in connection with the subsidiary's conclusion of a loan agreement with the National Fund for Environmental Protection and Water Management, with the effective term of the surety running from 1 August 2024 to 31 March 2039.

As at 30 June 2025 and 31 December 2024, in connection with the guarantees issued and the sureties provided as described above, the Company recognised liabilities in the amount of expected credit losses in the total amount of PLN 22 million and PLN 23 million, respectively (note 29).

Significant items of the Company's contingent liabilities due to court proceedings and concluded agreements:

Claims related to termination of long-term contracts

Claims relating to termination of long-term contracts against the 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 separate 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. 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.

All 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.

Actions 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 separate financial statements for publication, the Company chances 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

In 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 42 of these interim condensed separate 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.

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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 Company's knowledge, the Polskie Elektrownie Jądrowe Sp. z o.o. company has not acknowledged the claims filed against it and considers potential adjudication by the court to be unlikely. No provision was recognised in relation to the above 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 judgment in its entirety, which was dismissed by the Court of Appeals in its judgment of 9 February 2022. On 13 October 2022, Huta lodged a cassation appeal with the Supreme Court. After the balance sheet date, by a judgment of 20 August 2025, the Supreme Court repealed the judgment 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 Company believes that they are unjustified and the risk that they must be satisfied is remote. Consequently, the Company 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%.

39. Collaterals for repayment of liabilities

As part of its operations, the Company uses a number of instruments to hedge its own liabilities under the concluded agreements and transactions. The main types of collateral, in addition to the collateral for the Group's transactions concluded on the Polish Power Exchange (Towarowa Giełda Energii S.A.), described due to their materiality later in this note, are presented below.

	As at 30 June 2025 (unaudited)	As at 31 December 2024
Declarations of submission to enforcement*	59 803	19 734
Bank account mandates	670	920
Bank guarantees	5	4
Blank promissory notes	3	3

*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 3 479 million.

The most significant security is a declaration of submission to enforcement up to the amount of PLN 43 549 million, valid through 17 December 2051, signed by the Company on 27 January 2025 in connection with the loan agreement concluded from the funds of the National Recovery and Resilience Plan under Investment G3.1.4 Support for the National Power System up to the amount of PLN 11 000 million with an option to increase (note 28.1).

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 totaling 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 CO₂ emission allowances	As at the balance sheet day, the Group had deposited CO ₂ emission allowances in the total amount of 886 851 tones in the IRGiT account to secure the Company's obligations in respect of security deposit payments due.

40. Investment liabilities

As at 30 June 2025 and as at 31 December 2024 the Company did not have any material investment liabilities.

41. Related party disclosures

41.1. Transactions with related parties and State Treasury companies

The Company enters into transactions with related parties, as presented in Note 2 to these interim condensed separate financial statements. In addition, due to the fact that the State Treasury of the Republic of Poland is the Company's majority shareholder, State Treasury companies are treated as related parties. Transactions with State Treasury companies are mainly related to the operating activities of the Company and are made on an arm's length terms.

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The total value of transactions with the aforementioned entities and the balances of receivables and liabilities have been presented in the tables below.

Revenues and costs

	6-month period ended 30 June 2025 (unaudited)	6-month period ended 30 June 2024 (unaudited)
Revenue from subsidiaries	11 947	10 673
Revenue from operating activities	8 919	8 880
Dividend income	2 539	1 336
Other finance income	489	457
Revenue from jointly-controlled entities	109	193
Revenue from State Treasury companies	299	328
Costs from subsidiaries	(2 895)	(3 327)
Costs of operating activities	(2 833)	(3 243)
Finance costs	(62)	(84)
Costs incurred with relation to transactions with jointly-controlled entities	(212)	(328)
Costs from State Treasury companies	(224)	(215)

Receivables and liabilities

	As at 30 June 2025 (unaudited)	As at 31 December 2024
Loans granted to subsidiaries and receivables from subsidiaries	18 279	15 684
Loans granted to subsidiaries	14 385	13 916
Loans granted under cash pool agreement	195	83
Receivables from buyers	717	1 656
Dividend receivables	2 539	–
Receivables arising from the TCG	436	22
Other financial assets	7	7
Loans granted to jointly-controlled entities and receivables from jointly-controlled entities	850	801
Receivables from State Treasury companies	45	62
Liabilities to subsidiaries	5 031	3 913
Loans received under cash pool services	4 001	2 412
Loans from the subsidiary	722	713
Liabilities to suppliers	294	780
Liabilities arising from the Tax Capital Group	8	8
Other non-financial liabilities	6	–
Liabilities to jointly-controlled entities	31	70
Liabilities to State Treasury companies	41	98

The loans and receivables presented in the table above represent values before write-offs for expected credit losses or the measurement to the fair value.

Revenues from subsidiaries presented in the table include revenues from the sale of coal to TAURON Ciepło Sp. z o.o., which are presented in the statement of comprehensive income, net of acquisition costs, at the surplus value representing intermediation fees.

In the 6-month period ended 30 June 2025, the revenues from State Treasury companies resulted mainly from transactions executed by the Company with the Polskie Sieci Elektroenergetyczne S.A. and KGHM Polska Miedź S.A. (98% of total revenue from state-owned companies).

In the scope of costs incurred in connection with transactions with the State Treasury companies in the 6-month period ended 30 June 2025, the largest counterparties of TAURON Polska Energia S.A. included Polskie Sieci Elektroenergetyczne S.A. and Południowy Koncern Węglowy S.A. (84% of the total costs incurred in purchase transactions with the State Treasury companies).

The Company conducts material transactions on the energy market 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.

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.

41.2. Remuneration of the management staff

The amount of compensation and other benefits paid or payable to the Management Board, Supervisory Board and other key executives of the Company in the period of six months 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)
Management Board	4	4
Short-term benefits (with surcharges)	4	2
Termination benefits	–	2
Other key management personnel	8	10
Short-term employee benefits (salaries and surcharges)	8	8
Termination benefits	–	1
Other	–	1
Total	12	14

The table above takes into account the amounts paid and payable by 30 June 2025. In accordance with the accounting policy adopted, the Group recognises the provisions for benefits on account of termination of management contracts due to members of the Management Board and other key management personnel that may be paid or due in subsequent reporting periods.

There are no transactions in the Company in respect of loans from the Company Social Benefits Fund (ZFŚS) granted to members of the Management Board, members of the Supervisory Board and other members of the key management staff.

42. Other material information

Information on the exposure in the joint venture, TAMEH HOLDING Sp. z o.o.

In 2014, a shareholders' agreement was concluded between TAURON Group and ArcelorMittal Group in the TAMEH HOLDING Sp. z o.o. company, 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 Company 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 195 million, including impairment losses of previous years totalling PLN 221 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 48 to the financial statements of TAURON Polska Energia S.A. 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.

According to the assessment of the Company, 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 disposable assets classified as held for sale.

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 38 of these interim condensed separate 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 has 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 waive 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.

43. 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 separate 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.

TAURON Polska Energia S.A.
Interim condensed separate financial statements for the 6-month period ended 30 June 2025
compliant with the IFRS approved by the EU
(in PLN million)

These interim condensed separate financial statements of TAURON Polska Energia S.A. prepared for the 6-month period ended 30 June 2025 in compliance with the International Accounting Standard no. 34 consist of 45 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