



REPORT OF THE MANAGEMENT BOARD

on the operations of
TAURON Polska Energia S.A.
and TAURON Capital Group
for the first half of 2025

Contents

1. Management summary	
1.1. Key data and results for the first half of 2025	4
1.2. Key events in the reported period	6
1.3. Calendar of events	8
2. TAURON Polska Energia S.A. and TAURON Capital Group	10
2.1. TAURON Group Strategy for 2025-2035	10
2.2. Description of the business operations	12
2.3. Supervisory Board and Management Board of TAURON Polska Energia S.A.	15
2.4. Structure of TAURON Capital Group	17
2.5. Information on the employment level	20
3. Shares and shareholders of TAURON Polska Energia S.A.	22
3.1. Shareholding structure	22
3.2. Holdings of TAURON Polska Energia S.A. shares or the rights thereto by the Members of the Management Board and the Supervisory Board of TAURON Polska Energia S.A.	23
4. Implementation of TAURON Group's Strategy for 2025-2035	24
4.1. Analysis of the financial position and assets of TAURON Capital Group	24
4.2. Position of the Management Board of TAURON Polska Energia S.A. with respect to the ability to perform in line with the earlier published forecasts of the results for the given year	37
4.3. Principles of drawing up the interim abbreviated consolidated financial statements of TAURON Capital Group	37
4.4. Key operating data	37
4.5. Sales structure by the Segments of Operations (Lines of Business)	38
4.6. Implementation of the strategic investment (CAPEX) projects	39
4.7. Sustainable development - ESG	44
5. Business and regulatory environment	45
5.1. Material accomplishments and failures as well as the most important events related to TAURON Capital Group in the first half of 2025 and after the balance sheet date	45
5.2. Factors and non-typical (one off) events that have a significant impact on the abbreviated consolidated financial statements of TAURON Capital Group	48
5.3. Factors that will have an impact on the results achieved over at least the next quarter	58
6. Risk management strategy at TAURON Capital Group	60
6.1. Risk management strategy	60
6.2. Risk in the individual Segments of operations	62
6.3. Description of the most material risk categories and their mitigation methods	64
7. Other material information and events	69
7.1. Material proceedings pending in front of the court, competent arbitration authority or public administration authority	69
7.2. Transactions with related entities on terms other than at arm's length	74
7.3. Other information that could be material for the evaluation of TAURON Capital Group's personnel, assets, financial position, financial result and the changes thereof, as well as the information that could be material for the evaluation of the ability of TAURON Capital Group to meet its obligations	75

Management summary

The first half of the year was a record-breaking period for us. This was noticed not only by the market, but also by Investors and our Clients.

I have repeated this many times in recent months, and I will gladly do so again: the results we have achieved are a great success for all the Group's employees. Without their commitment, responsibility, and passion, it would not be possible to implement our ambitious challenges aimed at achieving climate neutrality as early as 2040.

This success is reflected in the strong rebound in TAURON's share price, which has risen by over 130% since January.

We started this year at just under PLN 4, and in September we exceeded PLN 9, which is a historic valuation in our 15 years on the stock exchange.

All this translates into the Company's record capitalization of over PLN 15 billion.

This confirms the effectiveness of measures taken to implement the TAURON Nowa Energia Strategy, which aims to ensure energy security and stability of supply, as well as consistent efforts to reduce electricity bills for our 6 million Clients.

Grzegorz Lot
President of the Management Board
of TAURON Polska Energia



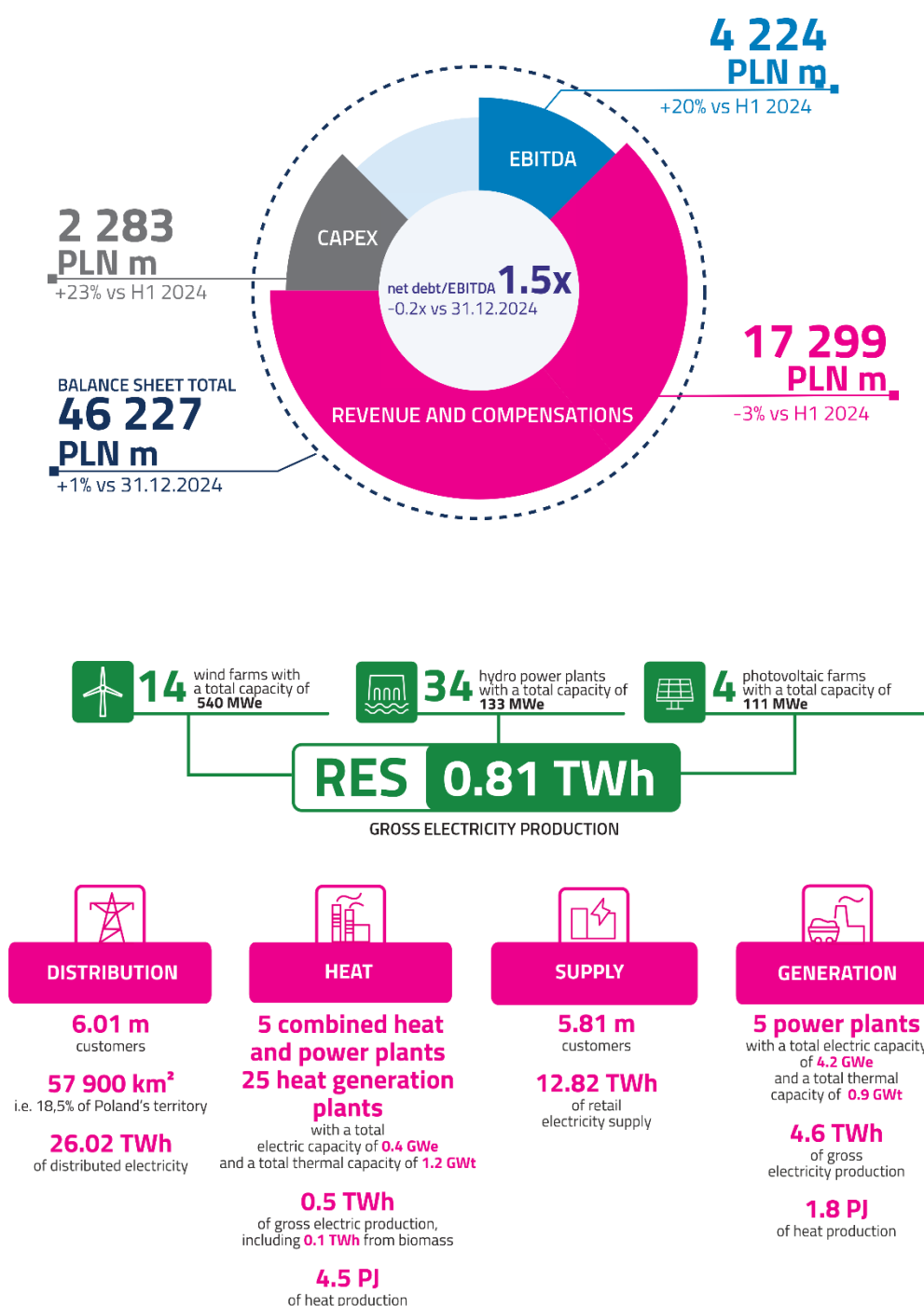
TAURON Group generated record-breaking financial results for H1 2025:

- over PLN 4 billion EBITDA, 20% more than in H1 2024
- PLN 3 billion operating profit - a 292% increase compared to H1 2024

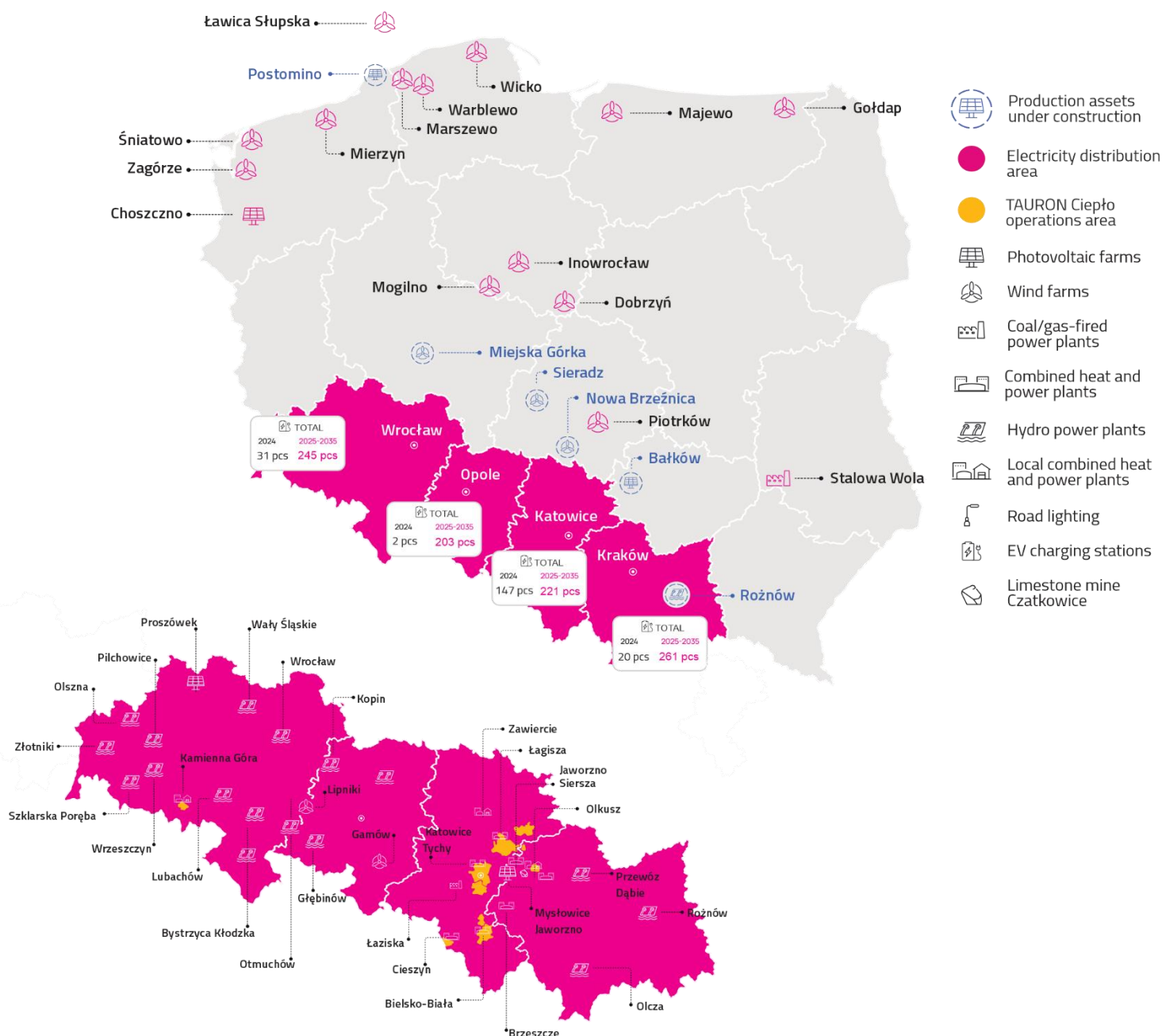
June 30, 2025:

- TAURON Polska Energia S.A. share price: PLN 8.412
- TAURON Polska Energia S.A. market capitalization: PLN 14.74 billion

1.1. Key data and results for the first half of 2025



Data for H1 2025
as of June 30, 2025



1.2. Key events in the reported period

Segments' operations in the period of January to June 2025

Distribution Segment

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

The Distribution Segment had delivered, in total, 26.02 TWh of electricity, including 25.29 TWh to the final consumers, in the first half of 2025. During that period the Distribution Segment had provided the distribution services for the benefit of 6.01 million consumers. In the same period of 2024, the Distribution Segment had delivered, in total, 26.03 TWh of electricity to 5.95 million consumers, including 25.33 TWh to the final consumers.

In the first half of 2025 Distribution Segment recorded a 1% increase in revenues compared to the same period of 2024 as well as EBIT and EBITDA increase by 26% and 20% respectively.

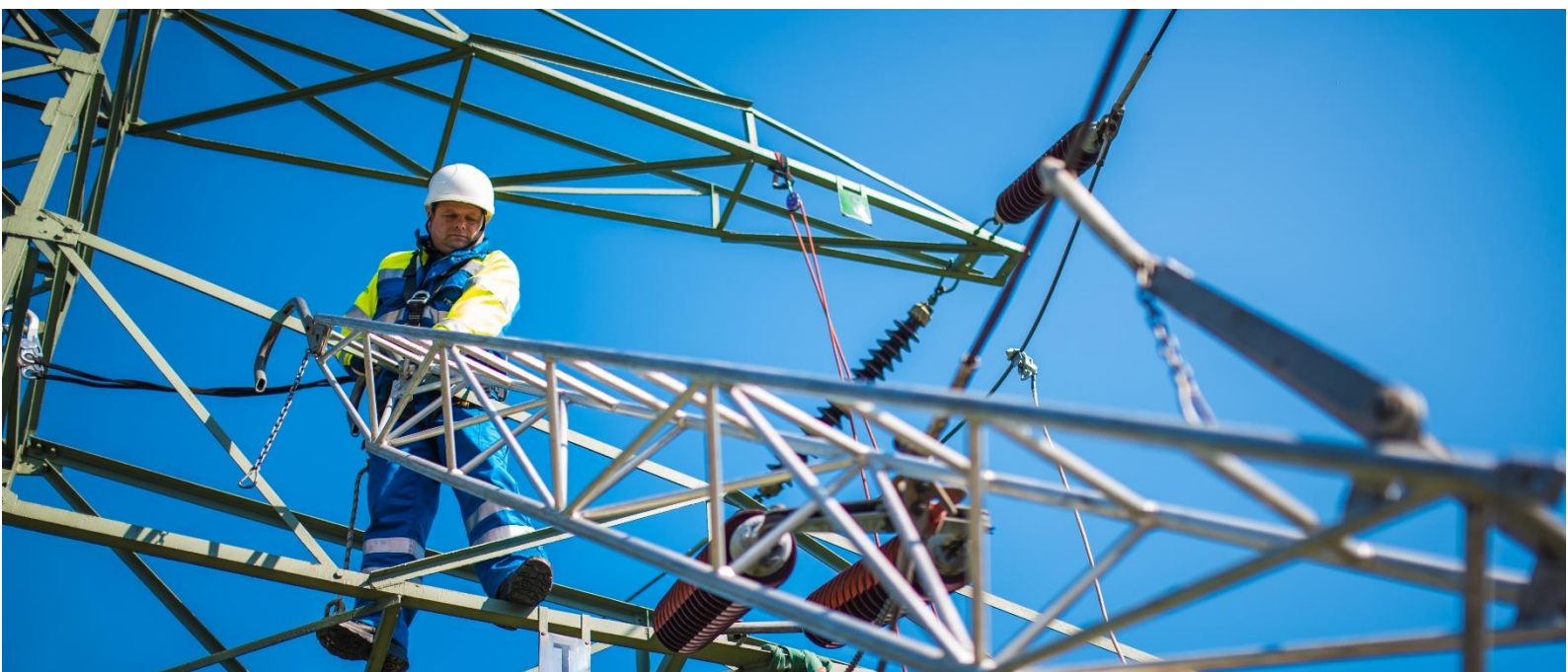
The scope of operations of Distribution Segment covers distribution of electricity using distribution network. This Segment also includes activities related to the technical maintenance of electricity metering systems, measurement data acquisition, property management, and vehicle maintenance.

RES Segment

The total installed capacity of the RES Segment's generating units had stood at 784 MW of electric capacity as of June 30, 2025, and it had been higher than the installed capacity reported as of June 30, 2024, by 178 MW as a result of the commissioning of:

- wind farm in Mierzyn with 59 MW capacity,
- wind farm in Gamów with 34 MW capacity,
- wind farm in Warblewo with 30 MW capacity,
- photovoltaic farm in Proszówek with 55 MW capacity.

The RES Segment had produced 0.81 TWh of electricity in the first half of 2025, i.e. more by 1% as compared to last year (0.80 TWh).



Supply and Wholesale Trading Segment

TAURON Capital Group is the second largest supplier of electricity in Poland and holds 21% share in supply of electricity to final customers in Poland. The company offers supply to approx. 6 million Clients, both households and entrepreneurs.

The Supply Segment's subsidiaries had supplied, in total, 12.82 TWh of electricity on the retail market in the first half of 2025, i.e. less by 6% as compared to the same period of 2024.

In the first half of 2025 (until June 30), compared to the same period of the previous year, an increase in sales revenue was recorded, mainly due to higher revenues from the sale of electricity and heat, as well as distribution and commercial services. After taking into account compensation, revenues were 3% lower than in the first half of 2024.

In the first half of 2025 sales revenue together with compensations in the Supply and Wholesale Trading Segment were higher by PLN 60 million compared to the same period of 2024. This was mainly due to higher revenues from greenhouse gas emission allowances trading for the Group's manufacturing companies.

Heat Segment

The total achievable capacity of the Heat Segment's generating units had reached 0.4 GW of electric capacity and 1.2 GW of thermal capacity as of the end of June 2025. The Heat Segment had produced 0.55 TWh of electricity in total in the first half of 2025, i.e. more by 16% as compared to the same period of last year. The heat supply had come in at 7.03 PJ in the same period, which had meant an increase by 14% year over year, which had been a consequence of the higher demand from the consumers brought about by the lower outdoor temperatures.

Generation Segment

The total achievable capacity of the Generation Segment's generating units had reached 4.2 GW of

electric capacity and 0.9 GW of thermal capacity as of the end of June 2025.

The Generation Segment had produced 4.6 TWh of electricity in total in the first half of 2025, i.e. more by 11% as compared to the same period of last year. The supply of the electricity from the in-house production, along with the electricity purchased for trading, had clocked in at 5.73 TWh in the first half of 2025, which had meant an increase by 21%, as compared to the same period of 2024. The heat supply had come in at 1.45 PJ in the first half of 2025, i.e. less by 3% as compared to the same period of 2024.

Other Operations

The sales revenue of the Other Operations Segment's subsidiaries had come in at PLN 739 million in the first half of 2025, and it had been slightly higher as compared to the revenue posted in the same period of 2024, with the main reason behind this rise being the higher sales of the support services provided by the Shared Service Centers (CUW) for the benefit of TAURON Capital Group's subsidiaries, while at the same time the other revenue had been lower. As part of the Other Operations Segment's activities, 0.02 TWh of electricity had been produced by the gas fired engines, i.e. less by 10% as compared to last year.

The Other Operations Segment includes providing services to TAURON Capital Group's customers, providing support services to TAURON Capital Group companies in the areas of accounting, human resources management, and ICT, as well as activities related to stone extraction and sorbent production. Other Operations also include activities related to conducting research and development projects in the field of hydrogen, as well as financial and brokerage activities, and services related to, among others, the management and maintenance of street lighting, smart city products, e-mobility, and services focused on improving energy efficiency. The Segment also includes activities involving the production of electricity from methane-powered gas engines.

1.3. Calendar of events



13.02.2025

Global investors show growing interest in TAURON shares

Goldman Sachs, one of the world's largest investment banks, has increased its stake in TAURON. The bank announced that it had exceeded the threshold of 5% of the total number of votes in the company.



March 2025

TAURON - brand no. 1!

Research conducted by BIOSTAT Research and Development Center shows that TAURON is the leader in terms of recognition among energy brands. Over 66% of respondents throughout Poland spontaneously mention TAURON as the first brand when asked about energy companies, and the aided awareness rate is almost 90%.

28.03.2025

Next stage of the dam renovation in Pilchowice

We consistently pursue a project to modernize the reservoir, power plant, and dam in Pilchowice. This is an important investment for the region, aimed at increasing flood safety.



12-13.04.2025

Polish Men's Volleyball Cup

The final of the Polish Men's Volleyball League, sponsored by TAURON. The final was watched by over 14,000 people at TAURON Arena Kraków, which is a record in Polish club competitions and confirms that volleyball is our national sport. The JSW Jastrzębski Węgiel team triumphed in the final.

15.04.2025

Companies and institutions contracted over 30,000 MWh more green energy than in 2024

The company's experts indicate that this will enable business customers to reduce their CO₂ emissions by over 270,000 tons this year. Interest in green energy at a fixed price for years is also growing. Nearly 24,000 small and large companies are already using it.



7.05.2025

We began the transformation of district heating in Czechowice-Dziedzice and Bielsko-Biala

The new investment will bring positive environmental effects due to a significant reduction in pollutant emissions, which will translate into improved air quality. Decarbonization of heating is our strategic priority.



21.05.2025

Record-breaking growths in Q1 and close to 900 MW installed in RES

TAURON's EBITDA recorded a 24% increase compared to last year and turned out to be 17% higher than the expectations of brokerage house analysts. This confirms the effective implementation of the new strategy.

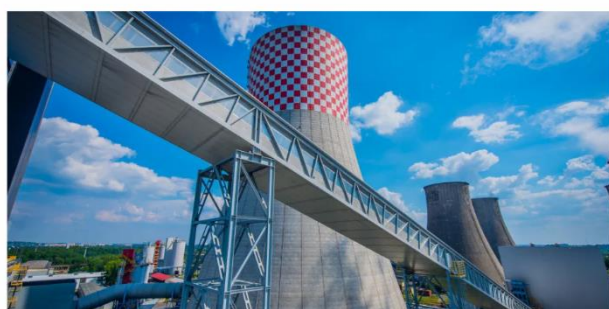
24 - 25.05.2025

TAURON employees support the Sherpas

More TAURON employees have become volunteers for the Sherpas of Hope Foundation. They combined their passion for the mountains with the extraordinary goal of helping people with disabilities to climb mountain peaks. This is another year of intensive cooperation, thanks to which TAURON Group's employees are putting the idea of volunteering into practice.



fol. Bartłomiej Bódek



30.05.2025

TAURON employees support the Sherpas

By 2030, a modern ecosystem will be created in this area, consisting of a 140-120 MWt and 100 Mwe combined heat and power plant, together with a heat storage facility and an electrode boiler.

21.06.2025

New invoice!

TAURON presented a new, simplified invoice and the Cheap Hours (Tanie Godziny) offer which will allow for savings of around 20%.

The number of households and companies using RES energy generated in RES increased to 200,000.



2. TAURON Polska Energia S.A. and TAURON Capital Group

2.1. TAURON Group Strategy for 2025-2035

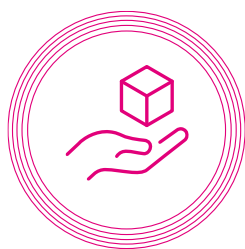
Mission: **We power the change with New Energy**

Vision: **We will create a New Energy World focused on green solutions that provide comfort and security for our Customers**



OUR VALUES:

RESPONSIBILITY



- for our Customers' comfort, safety and bills
- for future generations, employees and local communities
- for the natural environment and regional development where we operate

COMMITMENT



- to meeting evolving challenges
- to building competitive advantage for ourselves and our Customers
- to achieving our goals and implementing our strategy

EFFICIENCY AND ENERGY



- in creating value for shareholders and Customers
- in leading change
- in acting boldly and effectively

Key performance indicators of TAURON Group's Strategy for 2025-2035

- PLN 60 billion investments in Distribution Segment
- over 6 GW of capacity installed in renewable energy sources and energy storage facilities until 2035
- TAURON Group – leader in supply of electricity in Poland with 6.3 million Clients, and the most customer-oriented energy group in the country
- climate neutrality by 2040
- EBITDA doubled by 2035 and dividend payment for 2028 and beyond

It is estimated that the implementation of TAURON Group's Strategy for 2025-2035 will require capital expenditure of approximately PLN 100 billion in 2024-2035. The following were adopted as the main investment direction:

- electricity distribution (60%),
- increase of capacity in renewable energy sources and energy storage facilities (30%),
- decarbonization of Heat Segment (5%).

7 business priorities of the TAURON Group

1. Strong and stable financial position
2. Customer focus and dynamic development of distribution
3. Profitable expansion of RES and energy storage capacity
4. Decarbonization and improvement of thermal efficiency
5. Customers are the focus of our attention and profitable sales growth
6. Just transition of conventional power generation
7. Building an organizational culture based on OZE² (RES) and ESG values, focused on value creation

Detailed information on strategic directions and perspectives for development of TAURON Group are presented in the Report of the management Board on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for 2024.



2.2. Description of the business operations

TAURON Capital Group's parent (holding) company is **TAURON Polska Energia S.A.** (hereinafter referred to as the Company or **TAURON**).

TAURON is performing the management function within the Capital Group, managing the subsidiaries and supervising their operations. It is focusing on the key business areas, including:

- the portfolio management,
- hedging of the sell and buy positions,
- coordinating the operational functions within the Group.

The Company's business operations also include the wholesale trading of electricity and gas, as well as that of the derivative energy products.

TAURON Polska Energia S.A. Capital Group (hereinafter referred to as the **Group**, **TAURON Capital Group** or **TAURON Group**) is a vertically integrated energy group whose conventional generation units related assets are located in the south of Poland, while the renewable energy sources are distributed throughout the country - with the wind farms located, first and foremost, in the north of Poland and the hydroelectric power plants located mainly in the south of the country.

The subject of its business operations is the supply of electricity and heat generated using its in-house generating units as well as acquired on the market, and the provision of electricity distribution and heat transmission services, providing stable and competitive energy solutions to more than 6 million customers located in the south of Poland.

In the first half of 2025, the management of TAURON Group had been carried out based on:

- TAURON Group's Management Model,
- TAURON Group's Operating Model,
- TAURON Group's Business Model,

that had been put into effect on December 18, 2024, in lieu of TAURON Group's Business and Operating Model previously in force, as further described in more detail in sections 1.8. and 12.6. of the Report of the Management Board on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for the financial year 2024.

On May 7, 2025, TAURON Group's Business Model had been updated to reflect the organizational changes in the structure of TAURON Group's subsidiaries related, among other things, to the changes in the RES Business Unit (BU), the Heat Business Unit (BU), and the New Services Business Unit (BU), through the consolidation of TAURON Inwestycje sp. z o.o. (Ltd.), as well as the transfer of the Elektrociepłownia Stalowa Wola S.A. subsidiary from the Conventional Generation Business Unit (BU) to the Heat Business Unit (BU).

The purpose of the TAURON Group Management Model is to create the conditions and management structure that streamlines decision-making and information flow within TAURON Group Management, focused on implementation of the corporate strategy.

The authorization, management, and monitoring of the TAURON Group's activities are carried out within the framework of the Business Units and Group Functions with the supervision of the EGM.



BU Distribution

Companies: TAURON Dystrybucja, TAURON Dystrybucja Pomiary and Usługi Grupa TAURON.

- distribution of electricity to entities connected to the distribution network of the Distribution System Operator (DSO) which is part of the TAURON Group
- managing network traffic in the power distribution system
- ensuring current and long-term security of operation of this system through the operation, repair, and expansion of the distribution network, including connections to other power systems
- ensuring high quality of services provided to Clients, which includes observation of defined principles, standards and requirements
- technical maintenance of electricity metering systems, development of smart metering systems (AMI)
- in addition to the core operations, BU Distribution also performs activities related to technical maintenance of vehicles, property maintenance and maintenance of green areas

BU RES

Companies: TAURON Zielona Energia, TAURON Ekoenergia, TAURON Ekoserwis,, TAURON Inwestycje, TAURON Elektrownia Szczytowo-Pompowa and SPVs.

- generation of electricity from renewable sources (hydroelectric power plants, wind farms, and photovoltaic farms) excluding biomass
- development of new renewable energy sources, implementation of investment projects and purchase of RES installation projects
- the company TAURON Ekoserwis is responsible for the servicing and maintenance of assets in adequate technical condition
- construction and operation of energy storage facilities as well as operational and technical management of battery energy storage systems and related business streamlining of RES sources, providing additional services, including flexibility services
- construction of green hydrogen production installation and sales of green hydrogen

BU Heat

Companies: TAURON Ciepło and non-consolidated companies (Spółka Ciepłowniczo-Energetyczna Jaworzno III, TAMEH Holding, TAMECH Polska, TAMECH Czech, Przedsiębiorstwo Energetyki Ciepłej w Tychach, Elektrociepłownia Stalowa Wola).

- production, distribution and supply of heat
- production of electricity in cogeneration with heat, using coal, biomass, gas and heating oil

- maintaining generation capacity in proper technical condition, implementing repair plans, and installations maintenance

BU Wholesale Trading

Companies: TAURON Polska Energia, Polska Energia – Pierwsza Kompania Handlowa.

- conducting commercial activities and optimizing commercial margins throughout the entire value chain, from electricity and heat production to sales to end users

BU Supply

Companies: TAURON Sprzedaż, TAURON Sprzedaż GZE and TAURON Czech Energy.

- supply of electricity, including electricity from RES and low-emission electricity to Customers: individual, small and medium size entrepreneurs, large companies and public sector
- supply of other products and services offered by TAURON Group
- development of offer aligned to market trends and Customers' expectations
- development of Customer base thanks to competitive offer and managing sales plans which are implemented through own channels or TAURON Customer Services

BU Customer Service

Company: TAURON Obsługa Klienta.

- direct customer services for external Customers of TAURON Dystrybucja, TAURON Sprzedaż, and TAURON Sprzedaż GZE in the areas of billing, invoicing, complaint handling, electricity supplier change process support, and administrative support in contacts with external customers
- shaping the model of functioning of TAURON Group in the areas of Customer service and marketing (standards of processes, efficiency, organizational culture) including: development and management of Customer service channels and tools, development and implementation of marketing activities
- market and Customer Research and analytics

BU New Services

Companies: TAURON Nowe Technologie, Kopalnia Wapienia Czatkowice, TAURON Obsługa Klienta (in the field of fiber optic activities).

- Services in the areas of lighting, power engineering, electromobility, electricity generation from alternative sources
- Kopalnia Wapienia Czatkowice (Limestone Mine Czatkowice) deals with extraction and creation of products from limestone coming from its own deposit. The company sells flue gas desulphurization sorbent to TAURON Wytwarzanie and TAURON Ciepło power generation units, as well as to power generation units belonging to other energy groups, and limestone products to non-energy markets (aggregates, fertilizers)

Shared Services (Centrum Usług Wspólnych)

Companies: TAURON Obsługa Klienta, TAURON Ubezpieczenia and Finanse Grupa TAURON.

- financial and accounting services
- providing of telecommunications and IT services
- administration, development and maintenance of IT assets
- company office services for TAURON Group companies

- HR services (settlement of employee salaries and non-wage benefits)
- insurance and reinsurance consulting, risk analysis and claims settlement for TAURON Group companies and companies outside the Group

BU Conventional Generation

Companies: TAURON Wytwarzanie, TAURON Serwis, Bioeko Grupa TAURON, Łagisza Grupa TAURON (company is not consolidated).

- generation of electricity and heat in coal based power plants and with use of biomass
- commercial planning in the field of electricity production and supply, as well as the fulfillment of capacity obligations and system services
- asset maintenance, including maintenance of TAURON Group's generation units in adequate technical condition and implementation of infrastructure refurbishment tasks executed by TAURON Serwis
- providing supply of biomass as well as collection and utilization of combustion products executed by Bioeko Grupa TAURON
- capacity supply services from units providing reserve capacity in the power market, provided by Łagisza Grupa TAURON



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

Supervisory Board of TAURON Polska Energia S.A.

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

The composition of the Supervisory Board of the Company as of June 30, 2025, as well as of the date of drawing up of this report:

Table no. 1. The composition of the Supervisory Board of the Company as of June 30, 2025, as well as of the date of drawing up of this report::

First and last Name	Position held on the Company's Supervisory Board
1. Sławomir Smyczek	Chair of the Supervisory Board
2. Natalia Klima-Piotrowska	Vice Chair of the Supervisory Board
3. Piotr Kołodziej	Secretary of the Supervisory Board
4. Mariusz Bąbol	Member of the Supervisory Board
5. Michał Hulbój	Member of the Supervisory Board
6. Arkadiusz Jówko	Member of the Supervisory Board
7. Beata Kisielewska	Member of the Supervisory Board
8. Leszek Koziorowski	Member of the Supervisory Board

The composition of the Supervisory Board of the Company as of January 1, 2025: Sławomir Smyczek, Natalia Klima-Piotrowska, Piotr Kołodziej, Mariusz Bąbol, Michał Hulbój, Beata Kisielewska, Leszek Koziorowski.

On February 17, 2025 changes took place in the composition of the Supervisory Board. The Minister of the State Assets, acting pursuant to § 23, section 1, clause 3) of the Company's Articles of Association had appointed Arkadiusz Jówko to be a Member of the Supervisory Board of the Company. The Company had disclosed the information on the change of the composition of the Supervisory Board in current report no. 6/2025 of February 17, 2025.

Information on the independence of the Members of the Supervisory Board of the Company: as of the date of drawing up of this report, all of the Members of the Supervisory Board of the Company, with the exception of Arkadiusz Jówko, had complied with the criteria of independence and a lack of the ties to a shareholder, referred to in rule 2.3 of the 2021 Best Practice of the WSE listed companies



Management Board of TAURON Polska Energia S.A.

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

The composition of the Management Board of the Company as of June 30, 2025, as well as of the date of drawing up of this report:



Grzegorz Lot

President of the Management Board (CEO)



Piotr Gołębiowski

Vice President of the Management Board
for Trading



Michał Orłowski

Vice President of the Management Board for
Asset Management and Development



Krzysztof Surma

Vice President of the Management Board
for Finance (CFO).

There had been no changes to the composition of the Management Board of the Company in the first half of 2025 and by the date of drawing up of this report.

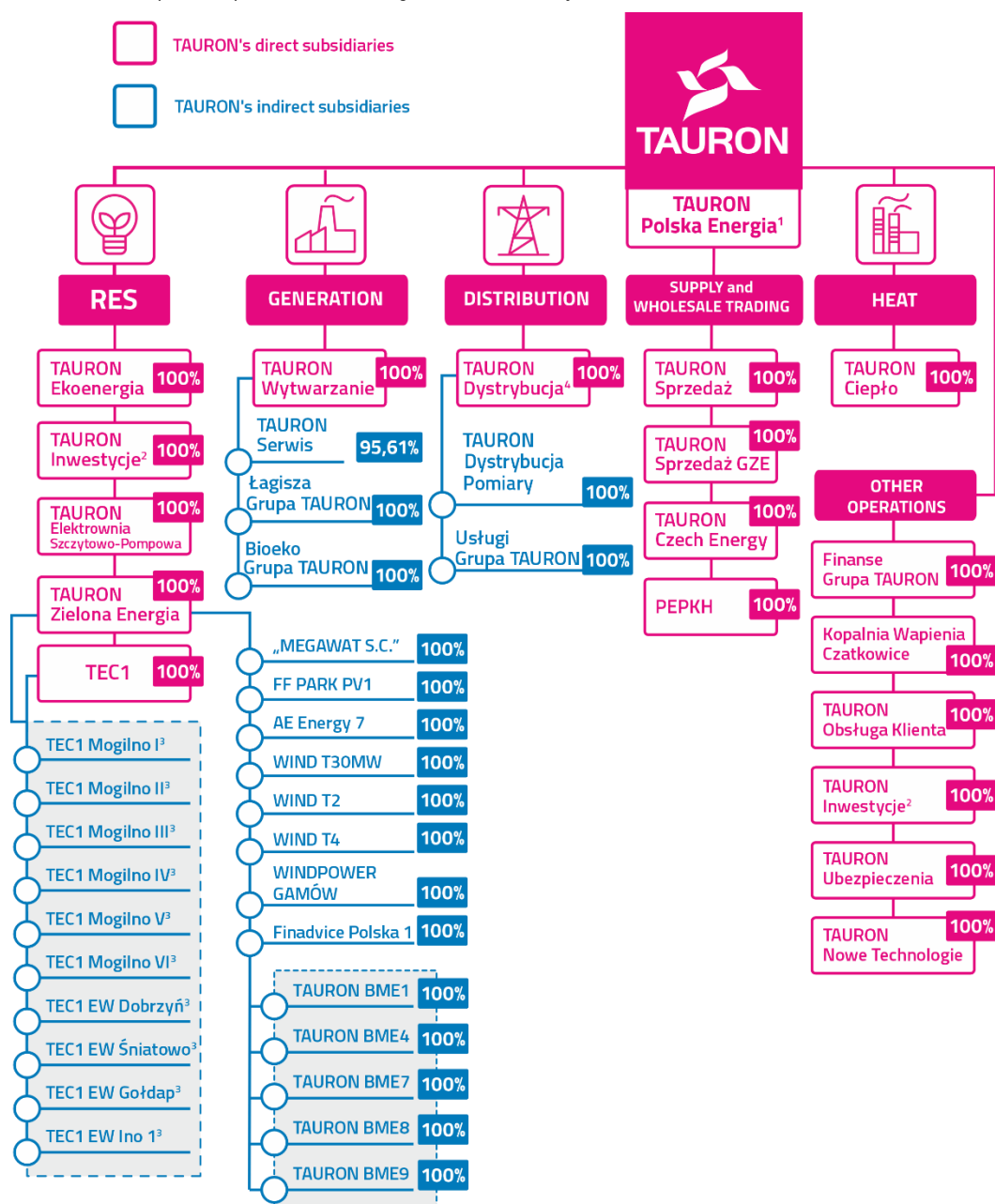
2.4. Structure of TAURON Capital Group

As of June 30, 2025, and as of the date of drawing up this report, TAURON Capital Group's key subsidiaries, apart from TAURON parent company, had included 45 subsidiaries subject to the consolidation that are listed below.

In addition, the Company had held, directly or indirectly, interest / shares in the other 36 companies. As of the date of drawing up this report, the Company had held, directly or indirectly, interest / shares in other 44 companies.

For the purpose of reporting TAURON Capital Group's results for the first half of 2025, the business operations of TAURON Capital Group had been divided into the following 6 main Segments (Operating Segments), hereinafter also referred to as the Lines of Business (LOBs):

Figure no. 1. TAURON Capital Group's structure, including the subsidiaries subject to consolidation, as of June 30, 2025



¹ TAURON is included in the Supply and Wholesale Trading Segment.

² As of June 30, 2025, the company's operations related to the generation of electricity from the renewable sources had been included in the Renewable Energy Sources (RES) Segment. The company's operations related to the conducting of the research and development projects with respect to hydrogen had been included as part of the Other Operations. After the balance sheet date, there have been changes with respect to the above as described in the table below. As of July 1, 2025, (an event that took place after the balance sheet date) the RES area of TAURON Inwestycje sp. z o.o. (Ltd.) (TAURON Inwestycje) has been spun off to TAURON Zielona Energia.

³ TEC1 sp. z o.o. (Ltd.) (TEC1) is a general partner, TAURON Zielona Energia sp. z o.o. (Ltd.) (TAURON Zielona Energia) is a limited partner.

⁴ As of May 15, 2025, TAURON has exercised 100% of the rights attached to the shares of TAURON Dystrybucja S.A. (TAURON Dystrybucja) at the General Meeting.

Changes to the organization

Table no. 2. Changes to the organization of TAURON Capital Group in the first half of 2025 and by the date of drawing up of this report

Event	Description of the event
1. Revoking of the merger of TAURON Zielona Energia and 10 limited partnerships	On July 1, 2024, the District Court of Katowice - Wschód in Katowice, the 8th Commercial Division of the National Court Register had registered the merger of TAURON Zielona Energia sp. z o.o. (Ltd.) (the Acquiring Company) with the companies: TEC1 sp. z o.o. EW Dobrzyń sp.k., TEC1 sp. z o.o. EW Goldap sp.k., TEC1 sp. z o.o. EW Śniatowo sp.k., TEC1 sp. z o.o. Ino 1 sp. k., TEC1 sp. z o.o. Mogilno I sp. k., TEC1 sp. z o.o. Mogilno II sp. k., TEC1 sp. z o.o. Mogilno III sp. k., TEC1 sp. z o.o. Mogilno IV sp. k., TEC1 sp. z o.o. Mogilno V sp. k., TEC1 sp. z o.o. Mogilno VI sp. k. (the Acquired Companies). The merger of the Acquiring Company and the Acquired Companies had taken place in accordance with Article 492, § 1, item 1 of the Code of Commercial Companies, i.e. by transferring of all of the assets of the Acquired Companies to the Acquiring Company. The Company and the Acquiring Company, as well as the shareholders of the Acquired Companies, had taken legal steps to bring about the revoking of the legal effects of the decision of the Registry Court with respect to the registration of the above mentioned merger, made on the basis of the legal actions that had been, in the opinion of the Company and the entities taking part in the merger, fraught with an error. On February 4, 2025, the District Court in Katowice had issued a ruling declaring the resolution of the Extraordinary Meeting of the Shareholders of the TAURON Zielona Energia subsidiary with respect to the merger as being null and void, which had become legally binding as of February 22, 2025. Subsequently, a petition was filed with the National Court Register (KRS) to strike out the merger retroactively as of July 1, 2024. In a decision dated March 21, 2025, the National Court Register (KRS) struck out the entry of July 1, 2024, with respect to the merger of TAURON Zielona Energia with 10 limited partnerships, which resulted in the restoration of the legal existence of the above mentioned limited partnerships.
2. Sale of the shares in 9 limited liability companies to TAURON Zielona Energia	On February 20, 2025 TAURON Zielona Energia purchased from TAURON 100 shares (which represents 100% of the companies' share capital) in companies: TAURON BME1 sp. z o.o. (Ltd.), TAURON BME2 sp. z o.o. (Ltd.), TAURON BME3 sp. z o.o. (Ltd.), TAURON BME4 sp. z o.o. (Ltd.), TAURON BME5 sp. z o.o. (Ltd.), TAURON BME6 sp. z o.o. (Ltd.), TAURON BME7 sp. z o.o. (Ltd.), TAURON BME8 sp. z o.o. (Ltd.), TAURON BME9 sp. z o.o. (Ltd.). In connection with the above, TAURON Zielona Energia has become the sole shareholder of the above mentioned companies. The goal of the sale of 100% of the shares in 9 TAURON Baterijne Magazyny Energii (Battery Energy Storage Facilities) subsidiaries to TAURON Zielona Energia has been to implement the assumptions of the model of the division of the competencies carried out in the RES line of business among TAURON Group's subsidiaries. This model assumes the leading role of the TAURON Zielona Energia subsidiary in the implementation of the development of the RES assets portfolio, including, among other things, the responsibility of this subsidiary for the development of the energy storage facilities portfolio within TAURON Group carried out directly thereby or with the participation of its special purpose vehicles. The change in the ownership of the shares of the above mentioned companies will enable the continuation of the investment projects in the form of the construction of the battery energy storage facilities within the dedicated RES line of business of TAURON Group.
3. Reorganization of TAURON Inwestycje	On April 1, 2025, the District Court of Katowice - Wschód in Katowice, the 8th Commercial Division of the National Court Register (KSR) registered the division of TAURON Inwestycje sp. z o.o. (Ltd.) (the Divided Company) to TAURON Ciepło (the Acquiring Company) by spinning off of the assets of the Divided Company. The division of the Divided Company consists in spinning off of the conventional area, which is an organized part of the enterprise, to the TAURON Ciepło subsidiary. On July 1, 2025 (an event that took place after the balance sheet date), Another division of TAURON Inwestycje (the Divided Company) was registered by spinning off of the renewable energy source (RES) area, constituting an organized part of the enterprise, to TAURON Zielona Energia (the Acquiring Company). This process was the next stage in the reorganization of TAURON Inwestycje and is in line with the assumptions of the TAURON Group's Business Model. The measures in question are intended to ensure the organizational and decision making consistency within the Group by assigning TAURON Inwestycje's business operations (prior to the division the business operations had been carried out by this subsidiary within the Conventional and RES Divisions) to the lines of business and the subsidiaries of TAURON Group, dedicated, in accordance with TAURON Group's Business Model, to the given type of business operations (spun off from TAURON Inwestycje). Upon the completion of the reorganization process, the activities related to the green hydrogen production are continued within TAURON Inwestycje, including, the preparation and implementation of the projects aimed at building the green hydrogen production facilities.
4. Spinning off of the organizational unit in charge of the hard coal fuel supply out of TAURON to TAURON Ciepło	In the first half of 2025, the actions with respect to the relocation of the tasks related to the supply of the hard coal fuel to TAURON Ciepło's generating units had been taken. As of April 1, 2025, an organizational unit, i.e. the Fuel Trading Team, in charge of the hard coal fuel supply had been spun off out of TAURON to TAURON Ciepło (along with the transfer of the contracts on the basis of which TAURON had been purchasing the hard coal), while its existing employees had taken up employment in a newly set up, dedicated unit at TAURON Ciepło. The above will allow TAURON to focus its activities around the implementation of the goals of the adopted TAURON Group's Strategy for the years 2025 - 2035, while the spinning off of the fuel area to TAURON Ciepło will contribute to the streamlining of its tasks as an autonomous hard coal fuel buyer, which will have a direct impact on the fuel purchasing policy and the ongoing business operations.
5. Reorganization of En-Energia IV sp. z o.o. including change of company name to TAURON	On September 5, 2025 Extraordinary Shareholders Meeting En-Energia IV sp. z o.o. was held, during which resolution to amend the company's Founding Act was adopted. The amendments included, among other things, change of company name to TAURON Nowa Energia spółka z ograniczoną odpowiedzialnością and expansion of the scope of activities by updating the entries in the Polish Classification of Activities (PKD), which is related to appointment of the

Event	Description of the event
Nowa Energia sp. z o.o.	company to perform the role of research and development center in TAURON Group. The new firm (name) of the company will come into force upon registration of the amendment to the Founding Act in the National Court Register.
6. Establishment of 8 limited liability companies	On September 5, 2025 (event after balance sheet date) the following companies were established: TAURON SMR sp. z o.o. (Ltd.), TNE1 sp. z o.o. (Ltd.), TNE2 sp. z o.o. (Ltd.), TNE3 sp. z o.o. (Ltd.), TNE4 sp. z o.o. (Ltd.), TNE5 sp. z o.o., TNE6 sp. z o.o. (Ltd.), TNE7 sp. z o.o. (Ltd.). The share capital of TAURON SMR sp. z o.o. amounts to PLN 30,000 and is divided into 600 shares with face value of PLN 50 each. The share capital of the remaining abovementioned companies amounts to PLN 5,000 and is divided into 100 shares with face value of PLN 50 each. The share in the abovementioned companies were taken in full by TAURON. Until the abovementioned companies are registered in the National Court Register, their names shall include the additional designation "in organization". The companies will be used in ongoing and planned development and reorganization projects related to the transformation of TAURON Group.

Organizational or equity ties with other entities

Apart from the equity ties with the companies presented in Figure no. 1 of this report, the organizational or equity ties are applicable to the material joint subsidiaries (co-subsidaries) in which the Company held, directly or indirectly, shares, and which, as of June 30, 2025, and as of the date of drawing up of this report, include the companies listed in the below table.

Table no. 3. List of material joint subsidiaries (co-subsidaries) as of June 30, 2025, and as of the date of drawing up of this report

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

¹ The ownership of the shares is the subject of the arbitration proceedings referred to in section 7.1 of this report.

² On August 9, 2024, the company TAMEH Czech s.r.o. had been placed into a liquidation bankruptcy, which, in TAURON Group's opinion, translates into the loss of the joint control over the above mentioned company as of that date, within the meaning of the accounting regulations



2.5. Information on the employment level

	TAURON	TAURON GROUP
	407	18,791
	50%	27%
	50%	73%

Table no. 4. Key data on the employment level (headcount) at TAURON and TAURON Capital Group in 2024 and as of June 30, 2025, assigned to the segments in force as of June 30, 2025

Key employment data	unit	TAURON		TAURON Capital Group	
		June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Employment	FTEs	407 (-5%)	429	18 791 (+0,3%)	18 742
Average headcount by segment, including:	FTEs	407	429	18 791	18 742
Generation Segment	FTEs	-	-	2 902	3 024
Heat Segment	FTEs	-	-	1 490	1 543 ²
Distribution Segment	FTEs	-	-	10 152	9 983
Supply and Wholesale Trading Segment ¹	FTEs	407	429	766	921 ³
RES Segment	FTEs	-	-	294	279
Other Operations	FTEs	-	-	3 187	2 992
Headcount by segment, including:	persons	410	413	19 018	18 800
Generation Segment	persons	-	-	2 899	2 946
Heat Segment	persons	-	-	1 515	1 521 ²
Distribution Segment	persons	-	-	10 319	10 118
Supply Segment	persons	410	413	785	919 ³
RES Segment	persons	-	-	312	281
Other Operations	persons	-	-	3 188	3 015
Headcount by education, including:					
College graduates	%	98%	98%	45%	45%
High school graduates	%	2%	2%	39%	40%
Vocational school graduates	%	0%	0%	15%	14%
Elementary school graduates	%	0%	0%	1%	1%
Headcount by age, including:					
Up to 30 years	%	8%	9%	12%	12%
30 - 40 years	%	27%	27%	16%	16%
40 - 50 years	%	42%	41%	27%	27%
50 - 60 years	%	20%	20%	37%	37%
Above 60 years	%	3%	3%	8%	8%
Headcount by gender, including:					
Women	%	50%	49%	27%	27%
Men	%	50%	51%	73%	73%

¹ The Supply Operating Segment has been converted into the Supply and Wholesale Trading Segment.

² The figures for 2024 include the headcount at TAURON Inwestycje sp. z o.o. (Ltd.), which as of June 30, 2025, has been assigned to the Other Operations Segment, and which as of December 31, 2024, had been assigned to the Heat Segment.

³ The figures for 2024 include the headcount at the TAURON Nowe Technologie S.A. (Joint Stock Company) subsidiary, which as of June 30, 2025, has been assigned to the Other Operations Segment, and which as of December 31, 2024, had been assigned to the Supply Segment.

WOMEN ON BOARDS

TAURON Polska Energia, as part of the implementation of the solutions indicated in *Directive (EU) 2022/2381 of the European Parliament and of the Council (EU) 2022/2381 of November 23, 2022*, on improving the gender balance among directors of listed companies and related measures, has extended the scope of implementation of the obligations arising therefrom to the entire Capital Group.

Directive (EU) 2022/2381 of the European Parliament and of the Council, known as the Gender Balance in Boards Directive, is an EU regulation introducing binding targets for increasing the number of women in board positions at listed companies.

By June 30, 2026, companies must achieve a target of 40% representation of the underrepresented gender

represented among non-executive directors (Supervisory Board members) or 33% among all directors (Supervisory Board and Management Board members), with the aim of increasing the overall gender balance on management boards.

As of June 30, 2025, the number of persons of the underrepresented gender in positions on the Supervisory Boards and Management Boards of subsidiaries of the TAURON Capital Group (44 subsidiaries of TAURON Polska Energia S.A.) was **33.6%**.

As of September 1, 2025, the number of persons of the underrepresented gender in positions on the Supervisory Boards and Management Boards of subsidiaries of the TAURON Capital Group (44 subsidiaries of TAURON Polska Energia S.A.) was **35.33%**.



3. Shares and shareholders of TAURON Polska Energia S.A.

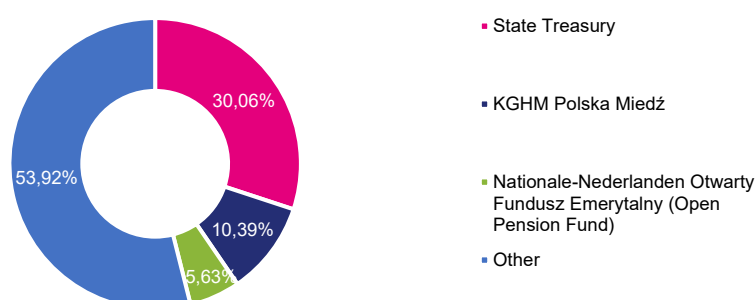
3.1. Shareholding structure

The share capital of the Company as of June 30, 2025 and as of the date of this report, in line with the entry in the National Court Register, amounted to PLN 8 762 746 970 PLN and was divided into 1 752 549 394 shares with a nominal value of PLN 5 per share.

The share capital of the Company is split into:

- 1 589 438 762 ordinary AA series bearer shares,
- 163 110 632 registered BB series shares.

Figure no. 2. Shareholding structure as of January 1, 2025, as of June 30, 2025, and as of the date of drawing up of this report (based on holding of a stake in excess of 5% in the share capital)



In accordance with the Company's best knowledge, the structure of the shareholders that hold, directly or indirectly through their subsidiaries, at least 5% of the total number of the votes at the General Meeting of the Company as of June 30, 2025, and as of the date of drawing up of this report did not change and it is as follows:

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

	Shareholders	Number of shares held	Percentage share in the share capital	Number of votes held ¹	Percentage share in the total number of votes
1.	State Treasury	526 848 384	30.06%	526 848 384	30.06%
2.	KGHM Polska Miedź S.A.	182 110 566	10.39%	182 110 566	10.39%
3.	Nationale-Nederlanden Open Pension Fund ²	98 630 000	5.63%	98 630 000	5.63%
4.	Helikon Long Short Equity Fund Master ICAV ³	74 127 629	4.23%	74 127 629./ 138 737 427. ⁵	4.23% 7.92%
5.	The Goldman Sachs Group, Inc. ⁴	27 670 985	1.58%	27 670 985./ 77 096 892. ⁵	1.58% 4.4%

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

² In accordance with the list of the shareholders holding at least 5% of the votes at the General Meeting (GM) of the Company on June 25, 2025.

³ As of the date of drawing up of this report, in accordance with the notification of Helikon Long Short Equity Fund Master ICAV received on December 9, 2024.

⁴ As of the date of drawing up of this report, in accordance with the notification of The Goldman Sachs Group, Inc. received on May 6, 2025.

⁵ The number of the votes in the Company relating to the financial instruments other than the shares.

From the publication of the report for the first quarter of 2025 (May 21, 2025) to the date of this report, there have been no changes in the structure of shareholders holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the Company's General Meeting.

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

Table no. 6. Holdings of the Company's shares or the rights thereto by the Members of the Management Board of the Company as of June 30, 2025, and as of the date of drawing up of this report

First and last name	Number of the Company's shares held	Nominal (par) value of the Company's shares held
1. Grzegorz Lot	0	0
2. Piotr Gołębiowski	0	0
3. Michał Orłowski	0	0
4. Krzysztof Surma	9 100	45 500

The Members of the Supervisory Board of the Company, as of June 30, 2025, and as of the date of drawing up of this report, did not hold any shares of TAURON, nor did they hold any rights thereto.

From the publication of the report for the first quarter of 2025 (May 21, 2025) until the date of this report, there have been no changes in the ownership of TAURON shares or rights to them by Members of the Company's Management Board and Members of the Company's Supervisory Board.



4. Implementation of TAURON Group's Strategy for 2025-2035

4.1. Analysis of the financial position and assets of TAURON Capital Group

In the first half of 2025, the TAURON Group achieved very good financial results, as a result of which the net debt/EBITDA ratio at the end of June 2025 fell to 1.5x. The growth in results was mainly driven by the Distribution segment, which is key for the Group and generated approximately 60% of the Group's total EBITDA. The lower debt ratio, combined with the acquisition of PLN 5 billion in additional financing under the National Recovery and Resilience Plan – enable us to accelerate investments in the modernization of distribution networks and connecting new customers to the network, as well as development in the area of renewable energy sources, battery energy storage, and digital transformation, which translates into improving the quality of services provided to customers.

Krzysztof Surma, Vice President of the Management Board for Finance (CFO)

TAURON Capital Group's financial position after the first half of 2025

This section presents the selected items from the Interim Abbreviated Consolidated Financial Statements of TAURON Polska Energia S.A. Capital Group, drawn up in compliance with the International Financial Reporting Standards approved by the European Union for the period of 6 months ended on June 30, 2025, as well as the selected financial ratios constituting Alternative Performance Measures within the meaning of the ESMA Guidelines on Alternative Performance Measures. These metrics present the additional information on the financial performance of TAURON Capital Group's business operations and, in the opinion of the Management Board of the Company, may constitute an additional

important source of information for the investors on the financial and operational situation of TAURON Capital Group. The measures constitute the standard metrics commonly used in the financial analysis, the usefulness of which was analyzed in terms of the information provided to the investors on TAURON Capital Group's financial efficiency, cash flows and debt. The definitions of the metrics are provided directly next to the individual indicators. Due to the lack of the changes in the methodology for determining the metrics, the values of the individual metrics for the reporting period and for the comparable period are comparable.



Analysis of the financial position

Consolidated statement of comprehensive income

Table no. 7. TAURON Capital Group's interim abbreviated consolidated statement of comprehensive income for the first half of 2025 and for the first half of 2024 ¹

Item (PLN m)	H1 2025 (unaudited data)	H1 2024 (adjusted data, unaudited)	Change in % 2025 / 2024
Sales revenue	16 643	15 689	106%
Compensation payments	656	2 116	31%
Cost of goods sold	(14 354)	(17 100)	84%
Other revenue and operating expenses	27	44	61%
Share in joint ventures' profits	22	15	147%
Operating profit	2 994	764	392%
<i>Operating profit margin (%)</i>	<i>17.3%</i>	<i>4.3%</i>	<i>403%</i>
Cost of interest on debt	(341)	(342)	100%
Other financial revenue and costs	(156)	(36)	433%
Pre-tax profit	2 497	386	647%
<i>Pre-tax profit margin (%)</i>	<i>14.4%</i>	<i>2.2%</i>	<i>666%</i>
Income tax	(442)	(901)	49%
Net profit for the period	2 055	(515)	-399%
<i>Net profit margin (%)</i>	<i>11.9%</i>	<i>-2.9%</i>	<i>-</i>
Total comprehensive income for the period	1 108	811	137%
Profit attributable to:			
Shareholders of the parent entity	2 053	(517)	-
Non-controlling (minority) interest	2	2	100%
EBIT and EBITDA			
EBIT	2 994	764	392%
EBITDA	4 224	3 534	120%

¹ the selected items from the consolidated statement of comprehensive income of TAURON Capital Group for the 6 month period ended on June 30, 2025 and the comparable data for the 6 month period ended on June 30, 2024. These items are provided in accordance with the Interim abbreviated consolidated financial statements of TAURON Polska Energia S.A. Capital Group drawn up in compliance with the International Financial Reporting Standards approved by the European Union for the 6 month period ended on June 30, 2025

Figure no. 3. Structure of TAURON Capital Group's revenue for the first half of 2025 and for the first half of 2024



In the period of six months ended on June 30, 2025, as compared to the same period of the previous year, there had been an increase in the sales revenue, mainly due to the higher revenue from the sales of electricity and heat, as well as the distribution and trading services. The increase in revenues from the sales of electricity is the result of an increase in the volume of the sales on the balancing market posted by the Generation segment's subsidiary, while at the same time the electricity prices obtained had been lower. In addition, in the first half of 2025, TAURON Group had generated revenue from the balancing capacity in an amount that had been higher than the revenue from this source and from the regulatory system services generated in the first half of 2024. The increase in the revenue from the sales of electricity had been partially offset by a decline in the revenue from the retail sales. The main factor contributing to the increase in the revenue from the sales of heat had been the higher sales volume due to the lower outdoor temperatures during the heating season as compared to the same period of last year. In turn, the increase in the revenue from the sales of the distribution and commercial services had been mainly due to an increase in the distribution and transmission service rates.

Having taken into account the compensation payments, the amount of the revenue had come in at a level that had been lower by 3% as compared to the first half of 2024.

The costs of TAURON Capital Group's business operations (operating expenses) incurred in the first half of 2025 had been lower by 16% than the costs borne in the same period of 2024, which had mainly been a consequence of the lower costs incurred to purchase the electricity, as a result of the decline of the prices, and the lower costs of the purchased gas, which had been a consequence of the lower prices and the lower volume. In addition, there had been a decrease in the cost of the hard coal fuel used in the production process, which had been a consequence of a reduction in the unit cost of its consumption as a result of a year on year decline in the market prices

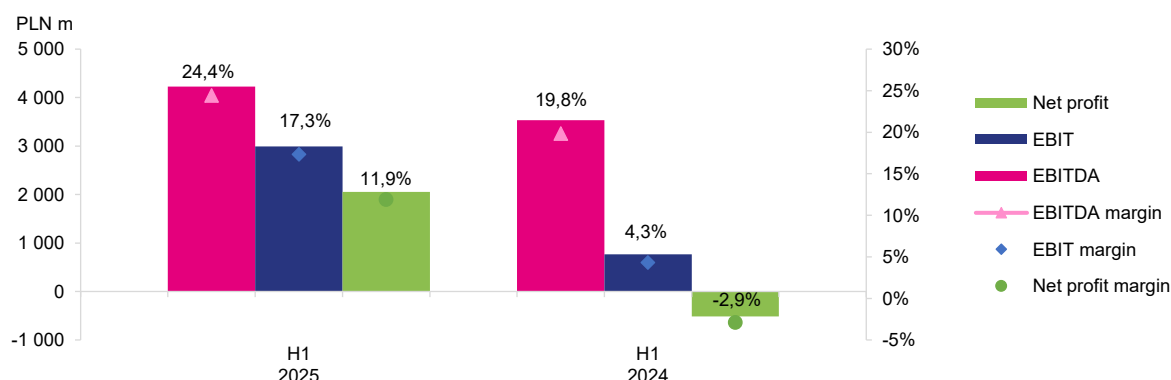
of the energy raw materials. In addition, in the reporting period, TAURON Capital Group did not book any significant impairment charges related to the non-financial fixed assets, unlike in the same period of the previous year, when such impairment charges had been booked. The above mentioned decreases of the cost items had been partially offset by an increase in the costs of:

1. the depreciation, mainly as a result of an increase in the value of the assets of TAURON Capital Group
2. the employee benefits, which is the result of the booking of the effects of the wage agreements signed and an increase of the minimum wage in 2025,
3. the CO₂ emission allowances due to the higher volume of the electricity and heat production along with a simultaneous decrease in the unit cost,
4. the distribution services, mainly as a consequence of an increase of the distribution service rates.

The EBITDA, EBIT and net profit margins posted in the first half of 2025 had come in at, respectively, 24.4%, 17.3% and 11.9% and it had been higher than the margins posted in the same period of 2024 by, respectively, 4.6 p.p., 13.0 p.p. and 14.8 p.p.

The improvement in the profitability of the EBITDA operating result is due to its, year on year, increase by 20%, while at the same time the level of the sales revenue and the compensation payments obtained had been comparable. The reasons for such a trajectory of the above items of the profit and loss statement are indicated above. On the other hand, the significant increase in the EBIT operating profit and the net profit is a consequence of an improvement of the EBITDA result and the absence of impairment charges related to the non-financial fixed assets, in contrast to the same period of the previous year, when such impairment charges had been booked.

Figure no. 4. TAURON Capital Group's financial results and the level of the margins earned in the first half of 2025 and in the first half of 2024



The comprehensive income attributable to the shareholders of the parent company had clocked in at PLN 2 011 million in the first half of 2025, as compared to minus PLN 511 million posted a year ago, while the net profit attributable to the shareholders of the parent company had come in at PLN 2 053 million in the first half of 2025, as compared to minus PLN 517 million posted in the same period of 2024.

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

Table no. 8. TAURON Capital Group's EBITDA results by the individual Segments of operations (lines of business) in the first half of 2025 and in the first half of 2024

EBITDA (PLN m)	H1 2025 (unaudited data)		H1 2024 (adjusted data, unaudited)		Change in % 2025 / 2024
	PLN m	Share in %	PLN m	Share in %	
Generation	506	12%	156	4%	324%
Heat	189	4%	166	5%	114%
RES	318	8%	369	10%	86%
Distribution	2 497	59%	2 079	59%	120%
Supply and Wholesale Trading	577	14%	614	17%	94%
Other operations	223	5%	241	7%	93%
Unassigned items and exclusions	(86)	(2)%	(91)	(3)%	95%
Total EBITDA	4 224	100%	3 534	100%	120%

Segment Dystrybucja

Table no. 9. Distribution Segment's results for the first half of 2025 and for the first half of 2024

Item (PLN m)	H1 2025 (unaudited data)	H1 2024 (adjusted data, unaudited)	Change in % 2025 / 2024
Sales revenue and the compensation payments	6 225	6 194	101%
<i>distribution services</i>	5 923	5 490	108%
<i>electricity from the reconciliation of the balancing difference</i>	76	465	16%
<i>new grid connections</i>	59	65	91%
<i>power line collisions</i>	45	57	79%
<i>other</i>	122	117	104%
EBIT	1 753	1 389	126%
Depreciation and impairment charges	744	690	108%
EBITDA	2 497	2 079	120%

The Distribution Segment had reported an increase of the sales revenue by 1% in the first half of 2025, as compared to the same period of 2024, as well as the rises of EBIT and EBITDA by, respectively, 26% and 20% The level of the earnings posted had been the result of the following factors:

1. the higher margin earned on the distribution service as a result of the higher Weighted Average Cost of Capital (WACC) year on year and the higher value of the Regulatory Asset Base (RAB) adopted in the tariff for the year 2025,
2. the positive impact of the settlements as part of the regulatory account related to the tariff for 2025,
3. the lower volume of the electricity distributed in total by 7 GWh, due to, among other things, a decrease in the supply of the electricity as a consequence of the production curbs, as well as the use of the in-house sources of energy,
4. a decrease of the other distribution revenue, including mainly from the power line collisions and the grid connection fees.

Figure no. 5. Distribution Segment's EBITDA, including the material factors impacting the change year on year



RES Segment

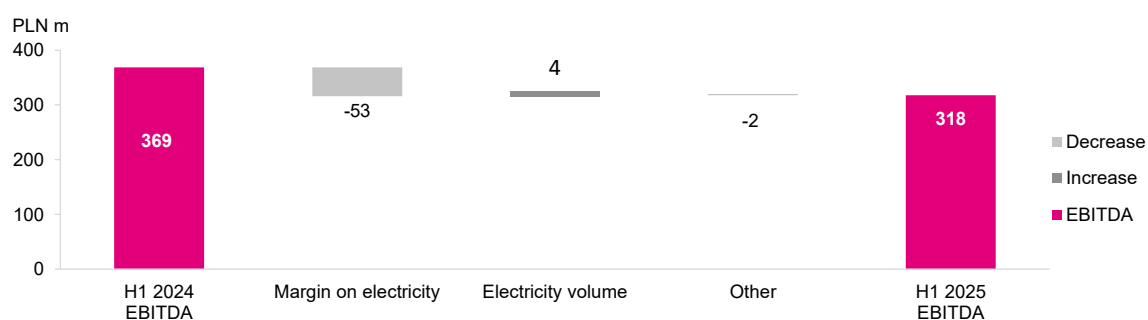
Table no. 10. RES Segment's results for the first half of 2025 and for the first half of 2024

Item (PLN m)	H1 2025 (unaudited data)	H1 2024 (adjusted data, unaudited)	Change in % 2025 / 2024
Sales revenue	506	512	99%
<i>electricity</i>	438	429	102%
<i>guarantees of origin of electricity</i>	52	60	87%
<i>other</i>	16	23	70%
EBIT	201	274	73%
Depreciation and impairment charges	117	95	123%
EBITDA	318	369	86%

The RES segment's EBITDA result had gone down in the first half of 2025, as compared to the same period of 2024. The level of the earnings posted had mainly been affected by the following factors:

1. the decline of the margin earned on the electricity, mainly due to the lower electricity sales prices,
2. the higher electricity production volume, related to the commissioning of the new generating units, while at the same time the meteorological conditions had been less favorable,
3. the other factors, including mainly the lower revenue from the sales of the guarantees of origin of electricity, along with the simultaneous absence of the impairment charges related to the accounts receivable from 2024.

Figure no. 6. RES Segment's EBITDA, including the material factors impacting the change year on year



Heat Segment

Table no. 11. Heat Segment's results for the first half of 2025 and for the first half of 2024

Item (PLN m)	H1 2025 (unaudited data)	H1 2024 (adjusted data, unaudited)	Change in % 2025 / 2024
Sales revenue and the compensation payments	1 258	1 215	104%
<i>electricity</i>	269	304	88%
<i>heat</i>	915	806	114%
<i>property rights related to guarantees of origin of electricity (energy certificates)</i>	4	15	27%
<i>services – capacity market</i>	16	14	114%
<i>Compensation payments</i>	46	68	68%
<i>other</i>	8	8	100%
EBIT	94	(35)	-
Depreciation and impairment charges	95	201	47%
EBITDA	189	166	114%

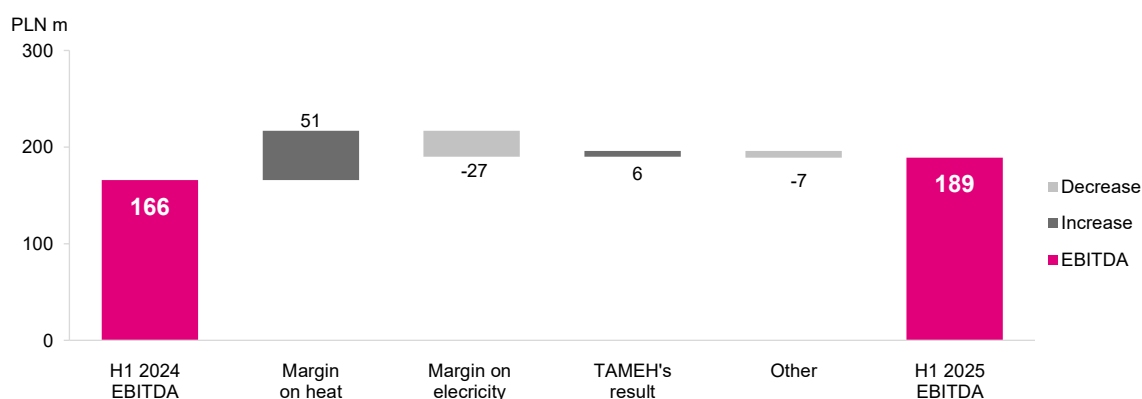
The Heat Segment's sales revenue had come in higher by 4% in the first half of 2025, as compared to the same period of 2024, mainly due to the higher revenue from the sales of the heat brought about by the higher volume of the heat sold and transmitted due to the lower, year over year, outdoor temperatures.

The Heat segment's EBITDA and EBIT results had come in higher in the first half of 2025 than in the same period of 2024. The level of the earnings posted had been affected by the following factors:

1. the higher margin earned on the heat sales mainly as a consequence of the higher sales and transmission volume as well as the lower heat production costs,
2. the lower margin earned on the sales of the electricity as a result of the lower electricity sales prices, partly offset by the lower unit production cost,
3. the higher result of the TAMEH subsidiary,
4. the other factors, including the absence of the sales of the non-production assets in 2025.

The increase of the EBIT result in the current period has also been impacted by the absence of the impairment charges related to the non-financial assets that had been booked in the previous year.

Figure no. 7. Heat Segment's EBITDA, including the material factors impacting the change year on year



Supply and Wholesale Trading Segment

Table no. 12. Supply Segment's results for the first half of 2025 and for the first half of 2024

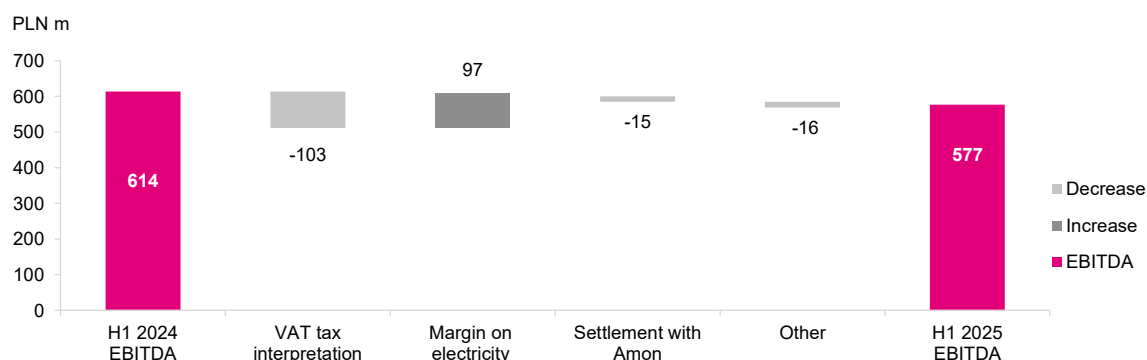
Item (PLN m)	H1 2025 (unaudited data)	H1 2024 (adjusted data, unaudited)	Change in % 2025 / 2024
Supply			
Sales revenue and the compensation payments	13 640	13 580	100%
<i>electricity, including:</i>	7 729	8 365	92%
<i>revenue from retail electricity supply</i>	6 446	7 409	87%
<i>greenhouse gas emission allowances</i>	2 040	624	327%
<i>fuels (gas and hard coal)</i>	553	722	77%
<i>distribution service (passed on)</i>	2 390	1 989	120%
<i>compensation payments</i>	610	1 551	39%
<i>other services, including trading services</i>	319	329	97%
EBIT	574	612	94%
Depreciation and impairment charges	3	2	150%
EBITDA	577	614	94%

The Supply and Wholesale Trading Segment's sales revenue, along with the compensation payments, had been higher by PLN 60 million in the first half of 2025, as compared to the same period of 2024, the main reason for which had been the higher revenue from the greenhouse gas emission allowances trading for the needs of the Group's generation subsidiaries. The revenue generated from the sales of the electricity had been lower by 8%. The decline of the revenue generated from the sales of the electricity had been brought about mainly by the lower supply volume as a consequence of the lower demand from the customers, mainly the business ones. In the case of the G tariff customers an increase of approximately 1% year on year in the number of the customers had been achieved, but the electricity supply volume had remained at a comparable level. The revenue obtained as the compensation payments had been lower, and it had represented only 39% of the amount achieved in the same period of the previous year.

The Supply Segment's EBITDA and EBIT had come in lower in the period under review than in the same period of 2024. The level of the earnings posted had been affected by the following factors:

- the higher margin earned on the sales of the electricity, which is the result of:
 - the higher margin earned on the sales of the electricity in the business segment and to the SMEs, while generating a lower supply volume,
 - the lower margin earned on the sales of the electricity to the households,
- the absence of the inclusion (recognition) in the results of the first half of 2025 of the release of the provision in connection with the obtained interpretation of the tax authorities with respect to the settlement of the VAT tax for the liability pursuant to the Regulation of the Minister of Climate and Environment dated September 9, 2023, amending the regulation on the method of determining and calculating of the tariffs and the method to be applied to perform the settlements in the electricity trading, which had taken place in the first half of 2024,
- the costs of the compensation incurred in favor of Amon and Talia as a consequence of the settlement agreement resulting in the resolution of the court dispute with the above mentioned entities.

Figure no. 8. Supply Segment's EBITDA, including the material factors impacting the change year on year



Generation Segment

Table no. 13. Generation Segment's results for the first half of 2025 and for the first half of 2024

Item (PLN m)	H1 2025 (unaudited data)	H1 2024 (adjusted data, unaudited)	Change in % 2025 / 2024
Sales revenue	3 912	3 783	103%
<i>electricity</i>	3 198	3 136	102%
<i>heat</i>	151	154	98%
<i>services – capacity market</i>	429	377	114%
<i>biomass</i>	50	38	132%
<i>by-products of the combustion process and by-products of the mining process</i>	59	52	113%
<i>other</i>	25	26	96%
EBIT	359	(1 494)	-
Depreciation and impairment charges	147	1 650	9%
EBITDA	506	156	324%

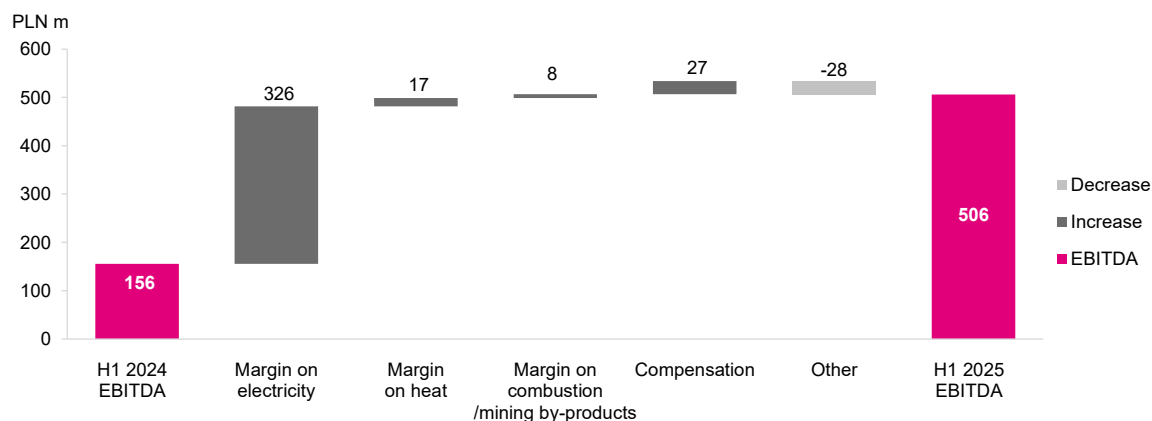
The Generation Segment's sales revenue had been higher by 3% in the first half of 2025, as compared to the same period of 2024, mainly due to the higher revenue from the sales of the electricity stemming from the higher revenue from the Balancing Capacities than the revenue generated from the Regulatory System (Ancillary) Services in the same period of last year.

The Generation segment's EBITDA and EBIT results had been higher in the first half of 2025 than in the same period of 2024. The level of the earnings posted had been affected by the following factors:

1. the higher margin earned on the sales of the electricity as a consequence of the higher electricity sales volume resulting from the higher contracting on the futures market and the higher demand from the operator. In addition, the higher margin had been impacted by the higher revenue from the Balancing Capacities, related to the 2024 balancing market reform. The margin had been negatively impacted by a decrease of the electricity sales prices, partially offset by a decline of the prices of the hard coal and the CO₂ emission allowance,
2. the higher margin on the heat sales mainly as a consequence of the lower heat production costs,
3. the higher margin on the sales of the combustion process by-products (UPS) and the mining process by-products (UPW), as a result of the rise of the sales prices of the ash and aggregates on the market,
4. the compensation received for the loss of the opportunity resulting from the unit's downtime,
5. the other factors, including the higher subsidy settlements in 2024.

The increase of the EBIT result in the current period has also been impacted by the absence of the impairment charges related to the non-financial assets that had been booked in the previous year.

Figure no. 9. Generation Segment's EBITDA, including the material factors impacting the change year on year

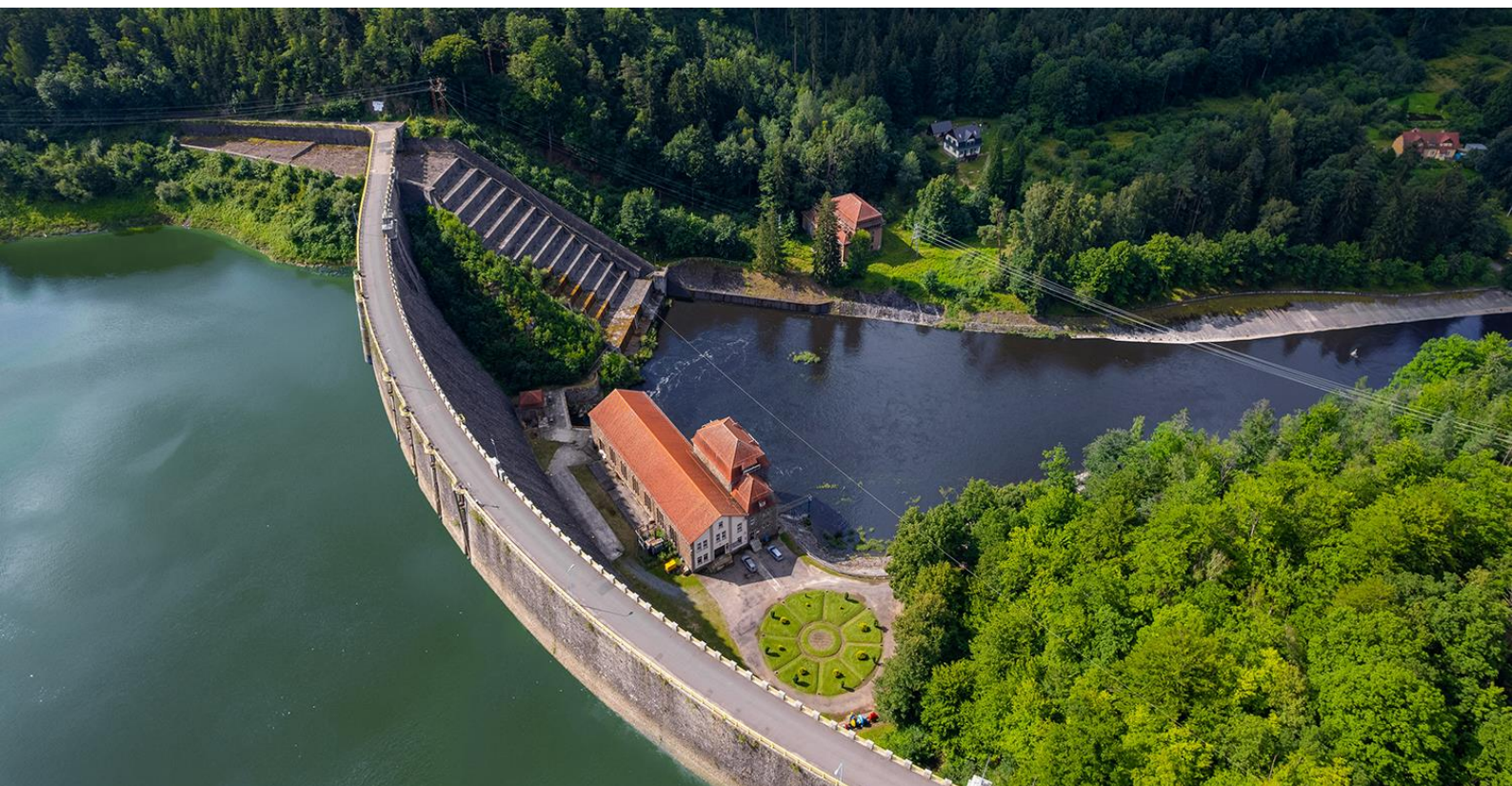


Other Operations

Table no. 14. Other Operations Segment's results for the first half of 2025 and for the first half of 2024

Item (PLN m)	H1 2025 (unaudited data)	H1 2024 (adjusted data, unaudited)	Change in % 2025 / 2024
Sales revenue	739	738	100%
<i>customer service</i>	216	218	99%
<i>support services</i>	293	285	103%
<i>street lighting</i>	92	88	105%
<i>aggregates</i>	88	88	100%
<i>other revenue</i>	50	59	85%
EBIT	94	106	89%
Depreciation and impairment charges	129	135	96%
EBITDA	223	241	93%

The Other Operations Segment's sales revenue posted in the first half of 2025 had come in at a level slightly higher as compared to the revenue posted in the same period of 2024, which had been primarily due to the higher sales of the support services provided by the Shared Services Centers (CUW) for the benefit of TAURON Capital Group's subsidiaries, while at the same time the other revenue posted had been lower.



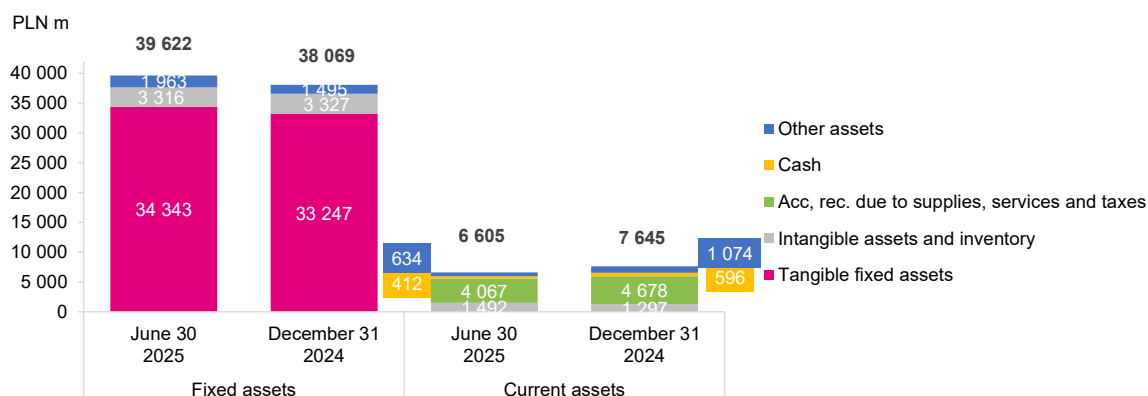
Assets

Table no. 15. Interim abbreviated consolidated statement of financial position – the assets (material items) as of June 30, 2025 and as of December 31, 2024

	As of June 30, 2025 (unaudited data)		As of December 31, 2024		Change in % 2025 / 2024
	PLN m	Share in %	PLN m	Share in %	
ASSETS					
Fixed assets	39 622	85.7%	38 069	83.3%	104%
Tangible fixed assets	34 343	74.3%	33 247	72.7%	103%
Current assets	6 605	14.3%	7 645	16.7%	86%
Cash and equivalents	412	0.9%	596	1.3%	69%
Fixed assets and the group's assets for disposal, classified as held for trade	5	0.0%	5	0.0%	100%
TOTAL ASSETS	46 227	100.0%	45 714	100.0%	101%

As of June 30, 2025, TAURON Capital Group's statement of financial position shows the balance sheet total that is higher by 1%, as compared to the balance sheet total as of December 31, 2024.

Figure no. 10. Change in the structure and balance of the assets as of June 30, 2025, and as of December 31, 2024



The fixed assets represent the biggest item of the assets, with the share thereof accounting for 85.7% of the total assets, with a rise in their value by 4.1%, i.e. by PLN 1 553 million, mainly as a result of an increase in the value of the tangible fixed assets (property, plant and equipment) and of the other non-financial assets by 3.3%, i.e. by PLN 1 096 million, and by 125.2%, i.e. by PLN 417 million, respectively.

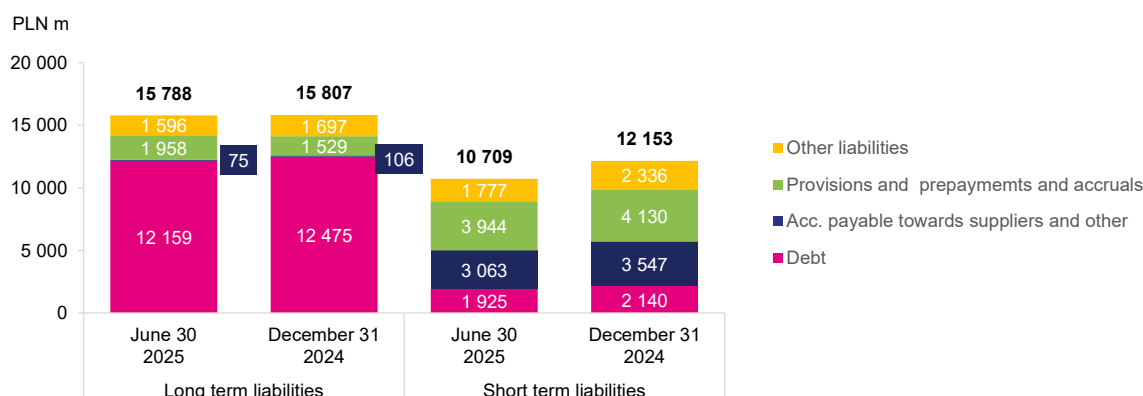
The value of the current assets had gone down by 14%, i.e. by PLN 1 040 million, which is the result of the changes due to:

1. a decrease in the value of the cash balance and its equivalents by 31%, i.e. by PLN 184 million,
2. an increase in the value of the guarantees of origin of electricity and of the CO₂ emission allowances to be redeemed, by 105%, i.e. by PLN 378 million,
3. a decrease in the value of the accounts receivable from the consumers by 14%, i.e. by PLN 564 million,
4. a decrease in the value of the other financial assets by 62%, i.e. by PLN 458 million,
5. a decrease in the value of the inventory by 20%, i.e. by PLN 183 million,
6. a decrease in the value of the accounts receivable due to the income tax by 38%, i.e. by PLN 50 million.

Table no. 16. Interim abbreviated consolidated statement of financial position – equity and liabilities (material items) as of June 30, 2025 and as of December 31, 2024

Statement of financial position (PLN m)	As of June 30, 2025 (unaudited data)		As of December 31, 2024		Change in % 2025 / 2024
	PLN m	Share in %	PLN m	Share in %	
EQUITY AND LIABILITIES					
Equity attributable to the shareholders of the parent entity	19 727	42.7%	17 713	38.7%	111%
Non-controlling (minority) interest	3	0.01%	41	0.1%	7%
Total equity	19 730	42.7%	17 754	38.8%	111%
Long term liabilities	15 788	34.2%	15 807	34.6%	100%
Liabilities due to debt	12 159	26.3%	12 475	27.3%	97%
Short term liabilities	10 709	23.2%	12 153	26.6%	88%
Liabilities due to debt	1 925	4.2%	2 140	4.7%	90%
Total liabilities	26 497	57.3%	27 960	61.2%	95%
TOTAL EQUITY AND LIABILITIES	46 227	100.0%	45 714	100.0%	101%

Figure no. 11. Change in the structure and balance of the long term and short term liabilities as of June 30, 2025, and as of December 31, 2024



The amount of TAURON Capital Group's long term liabilities had remained, in the first half of 2025, at a level slightly lower as compared to the amounts reported as of December 31, 2024, which is the result of a decrease in the value of the accounts payable due to debt by 3%, i.e. by PLN 316 million, and of the accounts payable due to the deferred income tax by 11%, i.e. by PLN 180 million, while at the same time the prepayments and accruals, as well as the government subsidies had gone up by 67%, i.e. by PLN 411 million.

The amount of TAURON Capital Group's short term liabilities had gone down by 12%, i.e. by PLN 1 444 million, which is the result of the changes due to a decrease in the value of:

1. the accounts payable due to the suppliers by 29%, i.e. by PLN 569 million,
2. the other financial liabilities by 62%, i.e. by PLN 456 million,
3. the accounts payable due to the other taxes and fees by 36%, i.e. by PLN 352 million,
4. the accounts payable due to debt by 10%, i.e. by PLN 215 million,
5. provisions for the accounts payable due to the guarantees of origin of electricity and the CO₂ emission allowances by 4%, i.e. by PLN 120 million,
6. the derivative instruments by 32%, i.e. by PLN 119 million.

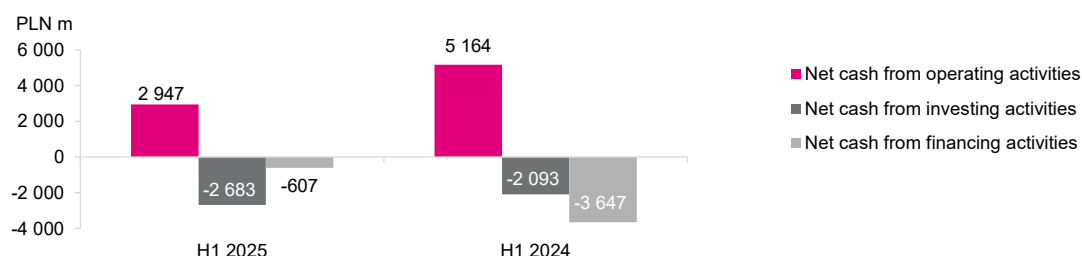
The above mentioned changes had been partially offset by the increase in the value of the accounts payable due to the income tax by 1 804%, i.e. by PLN 415 million.

Cash flows

Consolidated cash flow statement

The total amount of all of the net flows of cash from the operating, investing and financing activities in the first half of 2025 had been negative and had come in at PLN 343 million.

Figure no. 12. Cash flows in the first half of 2025 and in the first half of 2024



The amount of the cash flows from the operating activities had been positive and had come in at PLN 2 947 million in the first half of 2025, which had been the result of the following factors:

1. the generated EBITDA in the amount of PLN 4 224 million,
2. an adjustment related a share in the non-cash profits / losses of the joint ventures in the amount of PLN 22 million,
3. a negative change of the working capital in the amount of PLN 868 million, which is the result of:
 - 1) a positive change of the balance of the accounts receivable in the amount of PLN 958 million, due to a change of the balance of the accounts receivable from the consumers as well as the compensation payments,
 - 2) a positive change of the inventory level in the amount of PLN 166 million, mainly as a result of a decrease in the value of the hard coal stocks due to its consumption for the production purposes
 - 3) a negative change of the balance of the accounts payable in the amount of PLN 1 375 million, mainly due to the change in the accounts payable towards the suppliers and the tax liabilities, except for the income tax
- 4) a negative change of the other long term and short term assets as well as the provisions in the total amount of PLN 523 million,
- 5) a negative change of the prepayments and accruals, as well as the government subsidies in the amount of PLN 92 million,
- 6) a negative change in the balance of the collaterals transferred to IRGIT (Warsaw Commodity Exchange Clearing House) in the amount of PLN 2 million
4. an expense in the amount of PLN 157 million due to the income tax,
5. the valuation of the derivative instruments in the amount of PLN -272 million relating to the FX derivative instruments, hedging the foreign exchange risk, mainly related to the purchase of the CO₂ emission allowances,
6. the other factors: PLN +42 million, including mainly a non-cash adjustment to the profit related to the recognition (booking) and the use of an impairment charge related to the inventory during the reporting period.

The expenditures for the purchase of the tangible fixed assets had the biggest impact on the cash flow from the investing activities, which had been higher by 28% in the first half of 2025 than the spending incurred in the same period of 2024. The largest expenditures had been incurred by the Distribution Segment and they had accounted for 62% of the total capital spending.

The negative value of the cash flow from the financing activities is primarily due to the higher expenses related to the repayment of the financial obligations in relation to the proceeds obtained from the financing acquired. The amount of the expenses due to the repaid credits (borrowings) and loans had come in at PLN 2 876 million, while the proceeds received due to the taking out of the loans had

clocked in at PLN 2 521 million. In addition, in the first half of 2025, TAURON Capital Group had paid the net amount of PLN 223 million due to interest, mainly related to the financial obligations, had repaid the accounts payable due to the leases in the amount of PLN 106 million, had incurred an expense for the purchase of the non-controlling (minority) interests in the amount of PLN 37 million and had received the

subsidies in the amount of PLN 59 million as well as a refund due to interest in the amount of PLN 65 million.

Table no. 17. The Group's financial debt and TAURON Capital Group's net financial debt to EBITDA ratio as of June 30, 2025, and as of December 31, 2024

	As of June 30, 2025 (unaudited data)	As of December 31, 2024	Change in % (2024 / 2023)
Financial debt (PLN m)	12 366	11 749	105%
Net financial debt (PLN m)	10 796	11 153	97%
Net debt to EBITDA ratio	1.5x	1.7x	94%

As compared to the balance sheet date falling on December 31, 2024, the net debt to EBITDA ratio, as of the end of the first half of 2025, had come in at a lower level. A decline of the net financial debt by 3% had translated into an improvement of the ratio by 0.05x, while an increase of the rolling EBITDA result by PLN 0.7 billion for the period ended on June 30, 2025, as compared to the result for the financial year 2024, had translated into a decline of the ratio by another 0.17x.

The reasons for a change in the operating EBITDA result are indicated in the description of the changes in the results of the operating segments and in the description of the changes in the consolidated statement of comprehensive income. On the other hand, the reasons for the change in the net debt level are shown in the chart below.

Figure no. 13. Factors behind the change in TAURON Capital Group's net financial debt in the first half of 2025

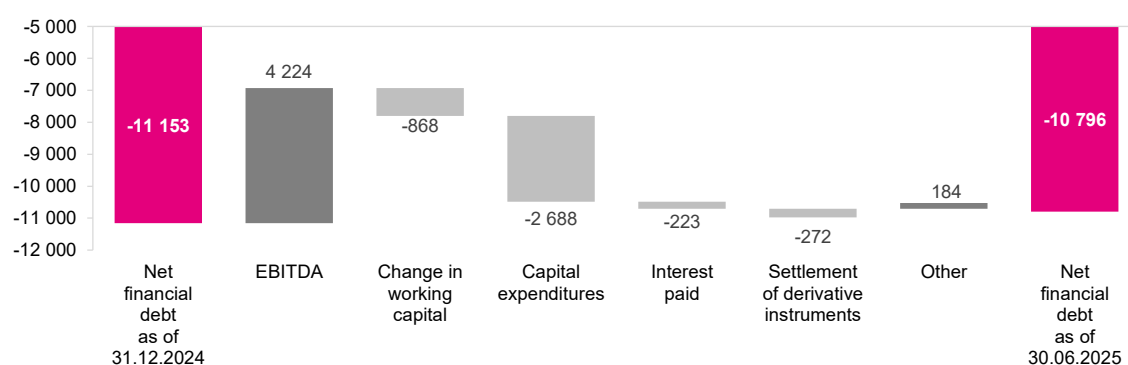
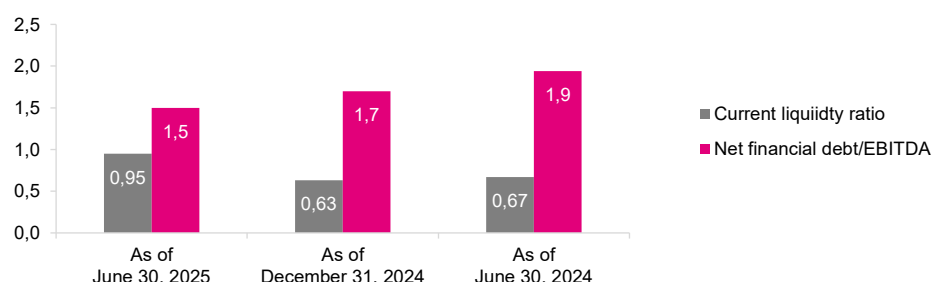


Figure no. 14. Current liquidity ratio and the net financial debt to EBITDA ratio as of June 30, 2025, as of December 31, 2024, and as of June 30, 2024



The agreements signed with the banks impose the legal and the financial obligations (covenants) on the Company, which are standard in the transactions of this type. The key covenant is the *net debt/EBITDA* ratio (for the long term loan agreements and the domestic bond issuance programs), which determines the level of debt less cash in relation to the generated EBITDA. The net debt/EBITDA covenant for the banks is tested on the basis of the consolidated data as of June 30 and December 31, and its admissible value, depending on the provisions of the financing agreements, is 3.5 or 4.0.

As at March 31, 2025, the *net debt/EBITDA* ratio had come in at 1.6, and therefore the covenant had been met.

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

TAURON Capital Group did not publish any forecasts of the financial results for 2025. TAURON Capital Group's financial position is stable and no negative events which could pose any threat to the continuity of its business operations or cause a material deterioration of its financial position have occurred.

The detailed description of the financial position, understood as ensuring the provision of the funds for both the operating, as well as the investing activities, is provided in section 4.1 of this report.

4.3. Principles of drawing up the interim abbreviated consolidated financial statements of TAURON Capital Group

The interim abbreviated consolidated financial statements of TAURON Polska Energia S.A. Capital Group for the period of 6 months ended on June 30, 2025, had been drawn up in compliance with the International Accounting Standard 34 *Interim Financial Reporting*, according to the template approved by the European Union (EU).

The interim abbreviated consolidated financial statements of TAURON Polska Energia S.A. Capital Group for the period of 6 months ended on June 30, 2025, had been drawn up under the assumption of business continuity (going concern) of TAURON Capital Group in the foreseeable future, i.e. over the time frame not shorter than 1 year from the balance sheet date. As of the date of approving of the above

mentioned financial statements for publication no circumstances are recognized that would indicate any risk to the business continuity (going concern) of TAURON Capital Group.

The accounting principles (policy) applied to draw up the interim Abbreviated Consolidated Financial Statements are presented in note 8 to these statements and they are in line with the ones applied to draw up the annual Consolidated Financial Statements of TAURON Polska Energia S.A. Capital Group for the year ended on December 31, 2024, except for the application of the changes to the standards presented in the above mentioned note 8.

4.4. Key operating data

Table no. 18. Key operating data posted by TAURON Capital Group in the first half of 2025 and in the first half of 2024

Item	Unit	H1 2025	H1 2024	Change in % 2025 / 2024
Electricity distribution	TWh	26,02	26,03	100%
Number of customers - Distribution	'000	6 012	5 951	101%
Heat generation	PJ	6,33	5,62	113%
Electricity supply	TWh	18,42	17,72	104%
<i>Retail supply</i>	<i>TWh</i>	12,77	13,53	94%
<i>Wholesale</i>	<i>TWh</i>	5,65	4,19	135%
Electricity generation (gross production)	TWh	5,95	5,41	103%
including generation of electricity from renewable sources	<i>TWh</i>	0,92	0,88	104%
▪ <i>Production by hydroelectric, wind and photovoltaic power plants</i>	<i>TWh</i>	0,81	0,80	101%
▪ <i>Production from biomass</i>	<i>TWh</i>	0,11	0,08	135%

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

Table no. 19. TAURON Capital Group's sales volumes and structure broken down into the individual Segments of operations (lines of business) in the first half of 2025 and in the first half of 2024

Item	Unit	H1 2025	H1 2024	Change in % 2025 / 2024
Distribution Segment's electricity distribution services sales	TWh	26,02	26,03	100%
Supply Segment's retail electricity supply	TWh	12,82	13,58	94%
Generation Segment's electricity and heat sales	TWh	5,73	4,73	121%
	PJ	1,45	1,40	103%
RES Segment's electricity sales	TWh	0.92	0.80	115%
Heat Segment's electricity and heat sales	TWh	0,52	0,47	109%
	PJ	7,03	6,17	114%



4.6. Implementation of the strategic investment (CAPEX) projects

Our flagship investments in renewable energy sources have gained momentum – we have completed, among other things, the pouring of foundations for 53 turbines at our largest wind farm, which is also the second largest in the country. In the first half of the year, we launched the first four energy storage projects that won the 2024 capacity auction. In line with our Company's strategy, the installed capacity in renewable energy sources and energy storage facilities will increase to 2.7 GW in 2030. We are also preparing investment projects in other segments – we have applied for connection conditions for 187 MW in Power-to-Heat technology in the Heat segment, we have obtained connection conditions for 1.4 GW of gas peakers in the Generation segment, and we have launched a company responsible for preparing small modular reactor (SMR) projects.

Michał Orłowski, Vice President of the Management Board for Asset Management and Development

Key investment projects in the RES line of business

Photovoltaic (PV) farms

Table no. 20. Key strategic investment projects with respect to the photovoltaic farms carried out in the first half of 2025

Investment project	Subsidiary responsible for the implementation	Capacity (MW _e)	Total capital expenditures incurred (PLN m)	Work progress	Planned completion date
Construction of the photovoltaic farm in Bałków	TAURON Zielona Energia	54 MW	127.2	80%	Q4 2025
Construction of the photovoltaic farm in Postomino	TAURON Zielona Energia	90 MW (stage I 80 MW; stage II 10 MW)	256.5	98%	Q4 2025

Apart from the projects currently in progress, in addition, the works on the development of the photovoltaic farm projects on TAURON Group's sites had been continued in the first half of 2025. The works include obtaining of the required administrative permits and decisions required at the stage of the

project preparation. The final decisions with respect to the implementation of the individual projects shall be made following an evaluation of the business cases thereof.



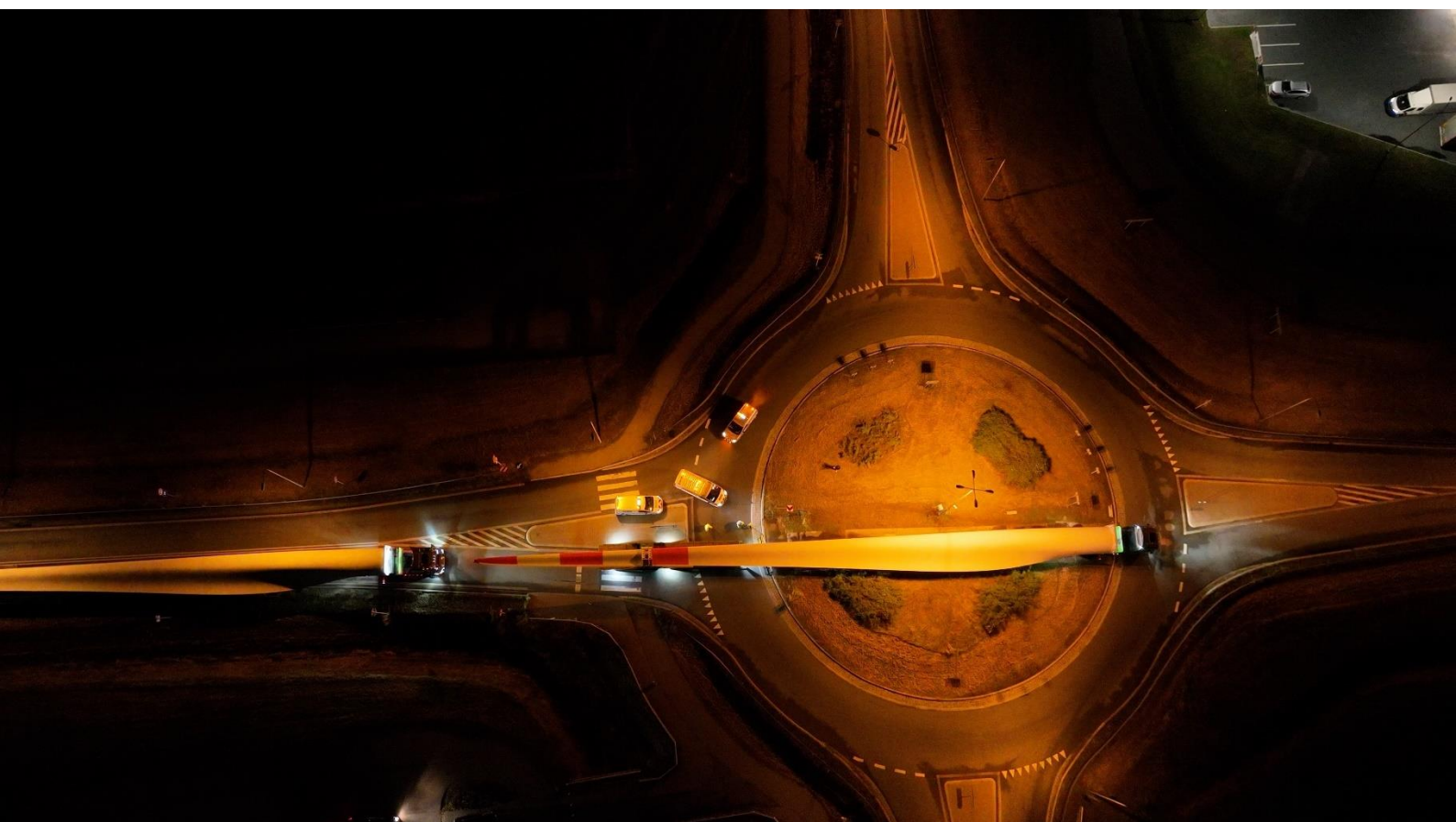
Onshore wind farms

Table no. 21. Key strategic investment projects with respect to the wind farms carried out in the first half of 2025

Investment project	Subsidiary responsible for the implementation	Capacity (MW _e)	Total capital expenditures incurred (PLN m)	Work progress	Planned completion date
Construction of the wind farm in Nowa Brzeźnica	TAURON Zielona Energia	19.6 MW	81.2	88%	Q4 2025
Construction of the wind farm in Sieradz	TAURON Zielona Energia	23.8 MW	105.6	67%	Q4 2025
Construction of the wind farm in Miejska Górka	TAURON Zielona Energia	190.8 MW	495.1	33%	H2 2027

Apart from the projects currently in progress, in addition, TAURON Group is looking for the opportunities on the market to acquire advanced wind farm development projects ready for the construction and the operating onshore wind farm assets. As part of such efforts, the internal analyses

and the due diligence studies of the potential wind farm acquisition projects have been carried out in cooperation with the developers. In addition, TAURON Group is actively looking for the new sites for the construction of the wind farms as part of its in-house development expansion efforts.



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

In 2023, Elektrownia Wiatrowa Baltica-7 sp. z o.o. (Ltd.), in which TAURON holds 44.96% of the shares (the remaining shares in the company are held by Polska Grupa Energetyczna S.A. – PGE), had been awarded a permit for the construction and use of the artificial islands, structures and devices in the area located on Słupsk Shoal (Ławica Słupska), designated as 43.E.1, for the purpose of the construction of an offshore wind farm. The capacity of the planned offshore wind farm, which can be built under the obtained permit, stands at approximately 1 GW.

In 2024, Polskie Sieci Elektroenergetyczne S.A. (PSE) published a list of the preliminary conditions for connecting of the offshore wind farms to the transmission grid, including the ones for Elektrownia

Wiatrowa Baltica-7 sp. z o.o. The preliminary grid connection conditions are issued in accordance with the provisions of the Act of December 17, 2020, on the promotion of electricity generation in the offshore wind farms. They allow the offshore wind farm investors to apply for the right to cover the negative balance by way of an auction in accordance with section 4 of this Act.

As part of TAURON Group's Strategy for the years 2025 - 2035, it had been assumed that the construction of the wind and photovoltaic farms will be continued based on the customer demand, including, among other things, the preparation of a project for the construction of an offshore wind farm jointly with a partner.

Rożnów II Pumped Storage Power Plant (Elektrownia Szczytowo-Pompowa - ESP)

TAURON Group is continuing the implementation of the stage of planning the construction of a pumped storage power intended to be acting as an energy storage facility located in the vicinity of the Rożnów Hydroelectric Power Plant (Elektrownia Wodna Rożnów). The project is being implemented in accordance with the adopted assumptions – the planned Rożnów II pumped storage power plant is to achieve a capacity at the level of approximately 700 MW and an energy capacity of 3 GWh, and the schedule assumes that the facility will be commissioned in 2033. The investment project is planned in the municipality of Łososina Dolna (county of Nowy Sącz) with Lake Rożnów serving as the lower reservoir. The upper reservoir will be built on a nearby hill.

The next stage of the so-called basic engineering design is currently being developed, understood as an optimized concept, subjected to a feasibility verification with a particular consideration of the geological, environmental, technology, formal and legal issues, as well as a clarification of the broadest possible scope of the technical assumptions.

Due to the estimated investment outlays in the amount of approximately 7 billion PLN, TAURON is conducting the activities aimed at reviewing the possibility of a co-financing of the investment project of this type with the participation of the European and the national funds as well as the co-financing along with the banks and the international funds.

The commencement of the operation of the pumped storage power plant is planned to take place in 2033.

Key investment projects in the Heat line of business

Table no. 22. Key strategic investment projects in the Heat line of business carried out in the first half of 2025

Investment project	Subsidiary responsible for the implementation	Scope of the investment project	Total capital expenditures incurred (PLN m)	Work progress	Planned completion date
Construction of the 140 MWt gas fired boiler at ZW Katowice (Katowice Generation Plant) for the district heating market needs	TAURON Ciepło	The scope of the project includes the construction of a 140 MWt gas fired water boiler on the existing foundations, along with the supporting infrastructure and a steel stack, with the environmental emission parameters: BAT with a 15% reserve versus the limit values.	112.1	99%	Q3 2025
Construction of the peaking and backup boiler house at ZW Bielsko Biała EC	TAURON Ciepło	The scope of the project includes the construction of a 76 MWt (2 x 38 MWt) natural gas and light fuel oil fired peaking and backup boiler house. The project stems from the need to replace the old boiler house, which does not meet the requirements of the BAT	49.3	97%	Q4 2025

Investment project	Subsidiary responsible for the implementation	Scope of the investment project	Total capital expenditures incurred (PLN m)	Work progress	Planned completion date
2 (Bielsko Biala Generation Plant Combined Heat and Power Plant 2)		Conclusions starting from 2025 due to its poor technical condition and failure rate, thereby affecting the lack of the backup for the 50 MW unit at Elektrociepłownia Bielsko Biala EC 2 (Bielsko Biala Combined Heat and Power Plant EC 2)			
Construction of the gas engines at ZW Bielsko Biala EC 2 (Bielsko Biala Generation Plant Combined Heat and Power Plant 2)	TAURON Ciepło	The scope of the project includes an installation of three identical, complete cogeneration units based on the reciprocating (piston) engines, powered by natural gas, with a capacity of approximately 10 MWt / 10 MWe each (the capacity of the entire system stands at approximately 30 MWt / 30 Mwe), the construction of the electrical and thermal power evacuation lines along with a pumping station and a water treatment station, the construction of a heat accumulator, the construction of the associated infrastructure	0.9	29%	Q4 2027

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

Table no. 23. Key strategic investment projects in the Supply and Other Operations lines of business carried out in the first half of 2025

Investment project	Subsidiary responsible for the implementation	Scope of the investment project	Total capital expenditures incurred (PLN m)	Work progress	Planned completion date
Production 2.0	Kopalnia Wapienia Czatkowice	The scope of the project includes the reconfiguration of the Limestone Mine's (Kopalnia Wapienia Czatkowice sp. z o.o. (Ltd.)) technological system in order to increase the production of grits and aggregates using its in-house assets, including the restoration of the grit production line, the construction and the modernization of the rock (stone) crushing and transportation nodes. The project assumes the use of the technology that would allow for maximizing the use of the raw material obtained from the mine.	0.4	5%	Q4 2027

Capital expenditures (CAPEX)

TAURON Capital Group's capital expenditures had come in at PLN 2 283 million in the first half of 2025 and they had been higher by 23% than the investment outlays incurred in the first half of 2024, when they had clocked in at PLN 1 859 million (excluding the equity investments). This is first and foremost due to an increase in the expenditures in the RES, Distribution and Generation Segments.

Table no. 24. The highest by value, capital expenditures incurred by TAURON Capital Group's Lines of Business in the first half of 2025

Item	Capital expenditures (PLN m)
Distribution	
Installation of the new grid connections	751
Existing grid assets' upgrades (refurbishments) and replacements	577
Comprehensive replacement of the meters with a remote readout feature (AMIPlus)	151
Dispatch Communications System	38
RES	
Construction of the wind farm in Miejska Górka with the capacity of 190.8 MW	203

Item	Capital expenditures (PLN m)
Construction of the photovoltaic farm in Postomino with the capacity of 90 MW	42
Construction of the photovoltaic farm in Bałków with the capacity of 54 MW	67
Construction of the wind farm in Sieradz with the capacity of 23.8 MW	25
Modernization (refurbishment) of the hydroelectric power plants	12
Heat	
Katowice Generation Plant (Zakład Wytwórczy Katowice) – Construction of the gas fired boiler with the capacity of 140 MWt at TAURON Ciepło	13
Connecting of the new facilities to the network at TAURON Ciepło	11
Supply, New Services, Customer Service, Shared Services Center (CUW) and Other Operations	
IT related investment projects at Tauron Obsługa Klienta (Tauron Customer Service)	61
Maintenance and development of the street lighting	31
Construction of a fiber optic network (NRP)	19
CSIRE for the supply line of business	12
Generation	
CAPEX on the replacements and upgrades (refurbishments), as well as the components, and also on the 910 MW unit at TAURON Wytwarzanie	96



4.7. Sustainable development - ESG

In the first half of 2025, the “Report of the Management Board Report on the Operations of TAURON Polska Energia S.A. and TAURON Capital Group for the Financial Year 2024” also covering sustainability reporting was approved and published. As part of this document, TAURON presented information on environmental (E), social (S), and corporate governance (G) aspects by publishing its annual sustainability report. The purpose of the report is to ensure transparency of operations and to present the Group's commitments and results in the area of ESG.



Ensure access to affordable, reliable, sustainable and modern energy for all.



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.



Make cities and human settlements inclusive, safe, resilient and sustainable.



Ensure sustainable consumption and production patterns.



Take urgent action to combat climate change and its impacts.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



Achieve gender equality and empower all women and girls.

ESG is the foundation of TAURON's strategy. Our plan fully addresses the challenges of sustainable development.

E **ENVIRONMENTAL**

Responsible use of natural resources and concern for the climate:

- development of RES and energy storage units
- decarbonization of the heat generation industry
- 100% of clean energy for Customers in 2040
- climate neutrality by 2040 just transition of conventional power generation

S **SOCIAL**

Positive social impact and building a sustainable work environment:

- partnership in regional development
- diversity, inclusion and equality in the workplace
- focus on the Customer and and top-quality Customer experience
- development of products, services and sales channels
- sponsorship and CSR focused on the environment, local communities and employees
- education of safe, environmentally friendly and frugal use of electricity.

G **GOVERNANCE**

Governance based on best practices:

- compliance with Best Practice of WSE Listed Companies
- modern and transparent Business Model
- organization and process management
- TAURON Group code
- well-arranged management structure of TAURON Group in terms of business and compliance with the Commercial Companies Code
- clearly defined decision-making and responsibility allocation principles

5. Business and regulatory environment

5.1. Material accomplishments and failures as well as the most important events related to TAURON Capital Group in the first half of 2025 and after the balance sheet date

Table no. 25. Major events that had occurred in the first half of 2025, as well as the ones that had taken place by the date of drawing up of this report

Item and description of the event
Business event Update of the information on the project to build a CCGT unit at the Łagisza Power Plant On February 3, 2025, the Management Board of the Company had approved the decision of the Investment Committee of the Company to close the project related to the construction of a CCGT unit at the Łagisza Power Plant in Będzin (the Project) due to the identified risk of a failure to maintain the profitability of the Project over the full time frame of its life cycle, following the updating of the financial and environmental assumptions. In addition, on February 3, 2025, the Management Board of the Company had approved the decision of the Company's Investment Committee to commence the planning stage of the project related to the construction of a cogeneration heat production source at the Łagisza Power Plant in Będzin, as part of which the analyses would be conducted regarding the implementation of an alternative investment option at the same location. The new project assumes the replacement of the heat currently produced by the hard coal fired unit with the heat to be produced using a modern heating system, including a gas fired cogeneration unit adapted to the implementation of the zero carbon fuel technology, a unit using the Power to Heat technology and a heat accumulator. The new project is in line with the assumptions of the strategy of TAURON Group's Heat Line of Business, which assumes a decarbonization of the heat production and maintaining of the status of TAURON Ciepło's district heating system as an energy efficient system. TAURON had disclosed the information on the above event, in reference to current report no. 8/2022 of March 22, 2022, in current report no. 3/2025 of February 3, 2025.
Other major events Change in the availability date of the syndicated loan agreement In accordance with the information obtained from the loan agent, the deadline for the availability of the financing under the PLN 4 billion syndicated loan agreement concluded between the Company as the borrower and Powszechna Kasa Oszczędności Bank Polski S.A. (Joint Stock Company), Bank Polska Kasa Opieki S.A. (Joint Stock Company), CaixaBank S.A. (Joint Stock Company) Branch in Poland (Oddział w Polsce), Bank Handlowy w Warszawie S.A. (Joint Stock Company), Erste Group Bank AG, Industrial and Commercial Bank of China (Europe) S.A. (Joint Stock Company) Branch in Poland (Oddział w Polsce), Santander Bank Polska S.A. (Joint Stock Company) and China Construction Bank (Europe) S.A. (Joint Stock Company) Branch in Poland (Oddział w Polsce), as the lenders, had been extended. Thus, TAURON had taken advantage of the possibility of extending the financing availability time frame provided for in this agreement, and the final deadline for the availability of the financing had been extended by 1 year, i.e. until November 22, 2028. The funds from the syndicated loan are intended to finance TAURON Group's capital expenditures (with the exclusion of the financing of any projects related to the hard coal assets) and to finance TAURON Group's general corporate expenditures (with the exclusion of the expenditures related to the hard coal assets). Under the syndicated loan agreement, the Company may make multiple drawdowns of the loan tranches during the funding availability period. The interest rate on the funds made available under the syndicated loan agreement is calculated based on a variable interest rate applicable for the interest period in question, increased by a margin that depends on the meeting of the sustainable development indicators, i.e. the emission reduction rate and the rate of increasing the share of the renewable energy sources in TAURON Group's generation mix structure, the correctness of the calculations of which is to be confirmed by an independent auditor. TAURON had disclosed the information on the above event in current report no. 7/2025 of March 3, 2025.
Signing of an annex to the loan agreement concluded with Bank Gospodarstwa Krajowego On March 17, 2025, TAURON had entered into an annex to the loan agreement with Bank Gospodarstwa Krajowego (BGK) as the lender, increasing the amount of the loan granted to the Company under the loan agreement of October 29, 2024, by the amount of PLN 0.45 billion, i.e. to the amount of PLN 2.45 billion. Under the Annex, the amount of Tranche B had been increased. The funds drawn down under the loan agreement may be used to finance or refinance TAURON Group's expenditures related to the investment projects in the RES line of business, the development of the distribution grids, the construction of the energy storage facilities and the investment projects related to the heat line of business (with respect to replacing of the hard coal based heat sources with the zero emission (carbon) and the low emission (carbon) sources). In accordance with the loan agreement, as of the date of the conclusion thereof, TAURON shall be able to draw down the funds in the amount of PLN 1 billion (Tranche A). The remaining funds, in the amount of PLN 1.45 billion (Tranche B), will be available at TAURON's request within 12 months from the date of concluding of the loan agreement, i.e. from October 29, 2024, and after BGK has signed the Company's request. The interest rate on the funds made available under the loan agreement will be calculated on the basis of a variable interest rate applicable for the interest period in question, increased by a margin that will depend on the fulfillment of the sustainable development indicator, i.e. the indicator reflecting an increase of the share of the RES in TAURON Group's power generation structure (mix). The correctness of the calculation of the sustainability indicator will be confirmed by an independent auditor. As part of Tranche A and Tranche B, TAURON will be able to draw down the funds within the two year funds availability period. The loan will be repaid in installments, over a period of 8 years from the date of the availability of a given tranche of the loan. TAURON had disclosed the information on the above event in current report no. 9/2025 of March 17, 2025. As of the date of the publishing of this information, the loan has not been drawn down.

Item and description of the event

Decision with respect to the allocation of the net profit for 2024 to the reserve capital

On April 14, 2025, the Management Board of TAURON had taken the decision that it would recommend to the General Meeting of the Company to distribute the net profit earned by TAURON for the 2024 financial year in the amount of PLN 510 278 026.06 by allocating it in full to the Company's reserve capital. On April 15, 2025, the Supervisory Board of the Company had approved the Management Board's motion to the Ordinary General Meeting of the Shareholders with respect to the above mentioned matter.

The decision taken is in line with the dividend policy included in TAURON Group's Strategy for the years 2025 - 2035 and with the Best Practices of the WSE Listed Companies 2021. The decision takes into account TAURON Capital Group's investment program adopted within the framework of the above mentioned Strategy, which assumes incurring significant capital expenditures in the coming years, in particular in the Distribution, Renewable Energy Sources and Heat Lines of Business. It will be possible to allocate the cash retained by the Company to the implementation of the investment projects and at the same time such a solution will reduce the demand for the financing and thus it will have a positive impact on the level of the net debt to EBITDA ratio.

On June 25, 2025, the Ordinary General Meeting (GM) of the Company, in accordance with the Management Board's recommendation, had adopted a resolution on the distribution of net profit for the financial year 2024 by allocating it in full to the Company's reserve capital.

TAURON had disclosed the information on the above event in current report no. 14/2025 of April 14, 2025, and in current report no. 23/2025 of June 25, 2025.

Ordinary General Meeting (GM) of the Company

The Ordinary General Meeting (GM) of the Company had been held on June 25, 2025, and it had adopted the resolutions related to, among other things, the following matters:

- the approval of the *“Report of the Supervisory Board of TAURON Polska Energia S.A. for the financial year 2024”*,
- the approval of the *“Financial Statements of TAURON Polska Energia S.A. for the year ended on December 31, 2024, drawn up in compliance with the International Financial Reporting Standards (IFRS) approved by the European Union”*,
- the approval of the *“Consolidated Financial Statements of TAURON Polska Energia S.A. Capital Group for the year ended on December 31, 2024, drawn up in compliance with the International Financial Reporting Standards (IFRS) approved by the European Union”*,
- the approval of the *“the Report of the Management Board on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for the financial year 2024”* taking into account TAURON Group's sustainability reporting,
- the distribution of the net profit for 2024 by allocating it in full to the Company's reserve capital,
- the issuing of the positive opinion on the *“Report on the compensation of the Members of the Management Board and of the Supervisory Board of TAURON Polska Energia S.A. for the year 2024”*,
- the granting or refusing to grant a discharge to the individual Members of the Management Board of the Company who had held their positions in the financial years 2023 and 2024,
- the granting of a discharge to the Members of the Supervisory Board of the Company who had held their positions in the financial year 2024,
- the amendment to the Company's Articles of Association,
- the amendment to Resolution No. 30 of the Ordinary General Meeting of the Company of May 24, 2022, on the rules to be applied to determine the compensation of the Members of the Management Board of TAURON Polska Energia S.A.,
- the amendment to the *“Compensation Policy for the Members of the Management Board and the Supervisory Board of TAURON Polska Energia S.A.”*,
- the rules to be applied to determine the compensation of the Members of the Supervisory Board.

The amendment to the Articles of Association of TAURON Polska Energia S.A. referred to above had mainly been related to the issues associated with the sustainable development reporting and granting of the Company's Supervisory Board powers in this respect, including, among other things, with respect to the selection of an audit firm to conduct the attestation (certification) of such reporting, issuing of the opinions on the results of the double materiality assessments, as well as supervising of the implementation of the sustainable development goals. The amendment to the Company's Articles of Association had been registered in the National Court Register (KRS) on July 3, 2025 (an event that took place after the balance sheet date).

TAURON had disclosed the information on the convening of the Ordinary General Meeting (GM) of the Company, on the content of the draft resolutions and on the amendments to the agenda of the Ordinary General Meeting (GM) of TAURON in current reports no. 19/2025 and no. 20/2025 of May 29, 2025, no. 21/2025 of June 3, 2025, as well as in no. 22/2025 of June 18, 2025.

TAURON had disclosed the information on the content of the resolutions subjected to the vote at the Ordinary General Meeting (GM) of the Company in current report no. 23/2025 of June 25, 2025.

TAURON had disclosed the information on the registration of the amendments to the Company's Articles of Association in current report no. 25/2025 of July 3, 2025, while the consolidated text of the Articles of Association of TAURON Polska Energia S.A. had been published in current report no. 26/2025 of July 7, 2025.

Conclusion of the settlement agreements by PEPKH and TAURON with Amon Sp. z o.o. (Ltd.) and Talia Sp. z o.o. (Ltd.)

On April 28, 2025, TAURON's subsidiary Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. (Ltd.) (PEPKH) and TAURON had entered into the settlement agreements with Polenergia Capital Group's subsidiaries: Amon Sp. z o.o. (Ltd.) (Amon) and Talia Sp. z o.o. (Ltd.) (Talia), where TAURON, PEPKH, Amon and Talia are collectively referred to, hereinafter, as the Parties. The primary objective of the concluded settlement agreements is to reach an out of court (amicable) settlement of all of the court litigations pending between PEPKH, and Amon and Talia, as well as between TAURON, and Amon and Talia. The terms of the settlement agreements are essentially in line with the terms agreed upon by the Parties in the signed memorandum of understanding related to the possibility of an amicable settlement of the disputes the information on which TAURON had disclosed in current report no. 13/2025 of April 2, 2025. The relevant settlement documentation was signed after the required corporate approvals had been obtained.

As a result of the settlement agreement reached by PEPKH with Amon and Talia:

Item and description of the event

1. There has been a termination of the Agreements for the Sale of the Property Rights arising from the guarantees (certificates) of origin that confirm the generation of electricity by a renewable energy source by Amon and Talia, respectively, entered into on December 23, 2009, between PEPKH, and Amon and Talia.
2. PEPKH, and Amon and Talia had made amendments to the Agreements for the Sale of Electricity (Power Purchase Agreements) generated by the wind farms of Amon and Talia, respectively, entered into with PEPKH on December 23, 2009, in such a way that it had been agreed that the performance thereof would be renewed for a period of 10 years, running from June 1, 2025, to May 31, 2035, and the new price at which electricity would be purchased, as agreed by PEPKH, and Amon and Talia, would not be subject to change throughout the terms of the performance of these agreements.
3. PEPKH has paid a one off compensation to Amon and Talia in the total amount of PLN 15 million.
4. There will be an end to all of the court litigations currently pending, stemming from both Amon and Talia's legal actions brought against PEPKH, as well as from PEPKH's legal actions brought against Amon and Talia, i.e. the legal actions brought against PEPKH will be withdrawn by Amon and Talia, including a waiver of the claims under the cases pending in front of the District Court in Gdansk, under the case file ref. no. IX GC 449/15, IX GC 451/15 and IX GC 774/19, as well as PEPKH will withdraw the counterclaim brought against Amon in front of the District Court in Gdańsk under the case file ref. no. IX GC 744/19 and the legal action brought against Talia in front of the District Court in Warsaw under the case file ref. no. XX GC 1057/24, in both cases including a waiver of the claims under these pending lawsuits. In addition, PEPKH will withdraw its cassation complaints in the cases pending in front of the Supreme Court under the case file ref. no. II CSKP 874/23 and II CSKP 178/23. The relevant court documents expressing the intention to withdraw the lawsuits and waive the claims, as well as to withdraw the cassation appeals, are to be filed with the competent courts no later than on the next business day following the date of signing the settlement agreement.

In addition, as part of the settlement's documentation, an agreement had been reached between TAURON, PEPKH, and Amon and Talia, with respect to TAURON's entry in place of PEPKH as the buyer in the Agreements for the Sale of Electricity (Power Purchase Agreements) generated by the renewable energy sources – the wind farm in Łukaszów and the wind farm in Modlikowice dated December 23, 2009, which also includes a settlement agreement between TAURON, and Amon and Talia. As a result of the agreement and the settlement reached:

1. TAURON has taken over, in place of PEPKH, the rights and obligations of the buyer under the above mentioned Agreements for the Sale of Electricity (Power Purchase Agreements), which TAURON, and Amon and Talia will be performing for the period of time and under the terms and conditions as indicated in item 2 above;
2. Amon and Talia will withdraw their lawsuits brought against TAURON, including a waiver of the claims brought in front of the District Court in Katowice (currently the case file ref. no. XIII GC 164/25). As a consequence, there will be an end to the court litigation under the case file ref. no. XIII GC 164/25. A court document expressing the intention to withdraw the claims and waive the claims is to be filed with the District Court in Katowice no later than the next business day following the date of signing the settlement agreement.

In addition, the parties have waived, mutually with respect to each other, all of the claims and rights they have or could have been due with respect to a non-performance or an improper performance of the Agreements for the Sale of the Property Rights and the Agreements for the Sale of Electricity (Power Purchase Agreements) by either party, as well as any tort claims related to such a non-performance or an improper performance of such Agreements, and this waiver is intended, as assumed by the parties, to include both the claims covered by the court litigations to date, as well as any further claims, if any, not covered by such court litigations, and which would be relating to the period of time expired until the moment the settlement agreements were concluded.

As a result of the conclusion of the settlement agreements and the resumption of the performance of the Agreements for the Sale of Electricity (Power Purchase Agreements), the parties anticipate the sales of a total volume of electricity generated by the Amon and Talia wind farms to come in at an estimated volume of approximately 1.2 TWh over the 10 year term of the Agreements for the Sale of Electricity (Power Purchase Agreements), while the value of the Agreements for the Sale of Electricity (Power Purchase Agreements) over the 10 year term of the performance thereof, determined as the product of multiplying the volume of electricity sold and the rate (price) specified in these Agreements, will clock in at an estimated total of approximately PLN 500 million over the entire effective term of the Agreements.

TAURON had disclosed the information on the above event in current report no. 15/2025 of April 24, 2025.

As of the date of the publication of this report, the Agreements for the Sale of Electricity (Power Purchase Agreements) referred to above are being performed in accordance with the settlement agreements.

Conclusion of a loan agreement with Bank Gospodarstwa Krajowego for the digital transformation as part of the funds from the National Recovery and Resilience Plan

On August 28, 2025, TAURON had entered into a loan agreement with BGK for an amount of up to PLN 310 million from the funds of the National Recovery and Resilience Plan as part of Investment C4.1.1 Supporting advanced digital transformation (Loan Agreement).

The funds from the Loan Agreement will be used solely to finance the eligible expenses incurred by TAURON Dystrybucja for the advanced digital transformation.

The funds made available shall bear interest at a fixed rate of 0.5% per annum, and the loan is to be repaid in the quarterly installments between 2028 and 2045 (the final repayment date shall be 20 years from the date of the conclusion of the Loan Agreement).

In accordance with the Loan Agreement, TAURON will be able to use the funds after meeting the standard conditions precedent for the bank financing and after signing the required documentation with TAURON Dystrybucja, including an intra group loan agreement.

The funds from the Loan Agreement will be supporting the implementation of one of the key business priorities set out in TAURON Group's Strategy, namely the rapid expansion of the distribution segment.

TAURON had disclosed the information on the above event in current report no. 30/2025 of August 28, 2025.

Conclusion of an amendment to the loan agreement with Bank Gospodarstwa Krajowego as part of the funds from the National Recovery and Resilience Plan

On August 28, 2025, TAURON had entered into an amendment to the loan agreement of December 17, 2024 (Loan Agreement), from the funds of the National Recovery and Resilience Plan, increasing the loan amount from PLN 11 billion to PLN 15.87 billion, i.e. by the amount of PLN 4.87 billion.

The drawdown of the funds under the increased amount of the Loan Agreement requires an increase in the amount of the intra group loan agreement entered into by TAURON with TAURON Dystrybucja. The other conditions for the drawdown of the funds under the Loan Agreement have been met and shall remain unchanged.

Item and description of the event

The funds from the Loan Agreement are intended to be used solely to finance the eligible expenses incurred by TAURON Dystrybucja for the development and adaptation of the power grid to the needs of the energy transition and climate change. The funds made available under the Loan Agreement shall bear interest at a fixed rate of 0.5% per annum. The loan is to be repaid between 2034 and 2049, in the semi annual installments (the final repayment date shall be 25 years from the date of the conclusion of the Loan Agreement).

The funds from the Loan Agreement will be supporting the implementation of one of the key business priorities set out in TAURON Group's Strategy, namely the rapid expansion of the distribution segment.

TAURON had disclosed the information on the above event, in reference to current reports no. 64/2025 and no. 65/2024 of December 17, 2024, in current reports no. 31/2025 and no. 32/2025 of August 28, 2025.

Estimated results of capacity market supplementary auction for 2026

On September 11, 2025 TAURON Group's generation units concluded capacity contracts as part of capacity market supplementary auction for 2026 ("Auction") for total capacity obligation equaling 1,567.434 MW.

The closing price of the Auction falls between 324.72 PLN/kW/year and 365.29 PLN/kW/year and TAURON Group's revenues from capacity market calculated based on the above range of Auction's closing price will amount to between PLN 508.98 million and PLN 572.57 million.

The above information was prepared on the basis of the announcement by PSE regarding the conclusion of the capacity market auction and does not constitute the final results of the Auction.

The preliminary results of the Auction will be announced by PSE within 3 working days of the conclusion of the Auction, and the final results of the Auction will be announced by the President of the Energy Regulatory Office in Public Information Bulletin on its website on the first working day following the 21st day of the conclusion of the Auction.

TAURON had disclosed the information on the above event in current report no. 33/2025 of September 11, 2025.

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

Internal factors

Table no. 26. Internal factors impacting the operations and the earnings of the Company and TAURON Capital Group in the first half of 2025

#	Description of the factor
1.	decisions with respect to the implementation of the key investment projects and the activities with respect to searching for the new energy generation sources projects,
2.	loyalty building measures aimed at retaining of the existing customers and the marketing activities aimed at acquiring of the new customers,
3.	TAURON Group's centralized financial management area, supported by the use of such tools as: the corporate model of financing, the financial liquidity (cash flow) management policy using the <i>cash pool</i> mechanism, the risk management policy in the financial area, insurance policy,
4.	activities of the Tax Capital Group aimed, first and foremost, at optimizing the implementation of the corporate income tax settlement obligations by the key subsidiaries of TAURON Capital Group,
5.	failures of TAURON Capital Group's equipment, installations and grids (networks)
6.	expectations with regard to an increase of the compensation (wages) at TAURON Capital Group,
7.	implementation of the wind farm and photovoltaic construction projects with a total capacity of 378.2 MW,
8.	implementation of TAURON Group's Strategy for the years 2025 - 2035, adopted in 2024.

The detailed information related to the impact and the assessment of the above mentioned factors on the financial result achieved in the first half of 2025 is provided in section 4 of this report. The effects of such an impact are visible both in the short term, as well as in the long term outlook.

External factors

The operations and the earnings of TAURON and TAURON Capital Group had been impacted by the following external factors in the first half of 2025:

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

Macroeconomic environment

TAURON Capital Group's core business operations are conducted on the Polish market and the changes taking place in this market have an impact on the functioning of the Group. The nature of this impact varies depending on the business segment – the Generation and the Supply and Wholesale Trading segments are more dependent on the market conditions and the economic sentiment, while the regulated Distribution segment, which accounts for the majority of the Group's results, ensures its revenue stability and resilience to the short term fluctuations in the market environment.

In the first half of 2025, the economic growth rate in Poland had remained stable at a high level, with GDP growing by 3.2%, year on year, in the first quarter and by 3.3%, year on year, in the second quarter, respectively. Although the growth rate has continued to remain positive, the lack of a clear acceleration indicates persistent caution in the

economy, which may limit the pace of the development in the segments dependent on the investment and consumption activity in the coming quarters.

The PMI index for the manufacturing industry had fallen to 47.4 (from 50.0 in the first quarter), indicating a deterioration in the sentiment in the manufacturing sector. A decline in the purchase orders and the lower industrial activity may lead to a reduction of the electricity demand from the business customers in the future.

After a decline in the first quarter of 2025, the industrial production showed a slight rebound in the second quarter (+1.7% year on year), but has continued to remain at a relatively low level. Combined with the observed decline in the domestic electricity consumption (in the first quarter: -0.02 TWh; in the second quarter: -0.03 TWh), this indicates the moderate market conditions for the trading and generation segments.

Market environment

The first half of 2025 saw a surge in our customers' interest in energy from renewable sources. Already, 250,000 households have taken advantage of our TAURON Nowa Energia offer. However, new products are only one element of the transformation being implemented by the Group. We are an active participant in the capacity market auctions and have successfully contracted 1,567.434 MW. As the largest energy distributor in Poland and one of the largest producers and suppliers, TAURON is successfully implementing its sustainable transformation strategy, ensuring security of energy supply at socially acceptable prices.

Piotr Gołębiowski, Vice President of the Management Board for Trading

Electricity

Table no. 27. Volumes of electricity consumption, production and imports in Poland, as well as the average electricity prices on the SPOT market, both in Poland, as well as in the neighboring countries in the first half of 2025 and in the first half of 2024

Volume	Unit	H1 2025	H1 2024	Increase / Decrease
1. Electricity consumption	GWh	83 310	85 326	-2 016 (-2.4%)
2. Electricity production by the domestic power plants	GWh	84 418	83 205	1 213 (+1.5%)
3. Electricity production by the power plants fired with:				
1) hard coal ¹	GWh	34 464	34 909	-445 (-1.3%)
2) lignite	GWh	17 068	17 345	-277 (-1.6%)
3) gas fuel	GWh	8 922	7 363	1 559 (+21.2%)
4. Electricity production by the wind farms	GWh	12 339	12 808	-469 (-3.7%)
5. Electricity production by solar and other renewable sources	GWh	10 298	8 790	1 508 (+17.2%)
6. Cross-border (inter-system) exchange balance ²	GWh	-1 108	2 121	-3 229 (-152.2%)
7. Average electricity price on the SPOT market in:				
1) Poland	PLN/MWh	427.49	373.88	53.61 (+14.3%)
	EUR/MWh ³	101.11	86.58	14.53 (+16.8%)
2) the neighboring countries (on the example of Germany)	EUR/MWh ³	90.71	69.71	21.00 (+30.1%)

¹ Including the industrial power plants.

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

³ The prices in EUR / MWh are converted according to the NBP's average exchange rate

In the first half of 2025, the average price of electricity on the SPOT market on the Polish Power Exchange (POLPX) had gone up as compared to the same period in 2024. The average wholesale electricity price on the Day Ahead Market (RDN) had clocked in at 427.49 PLN/MWh, which had meant an increase by 53.61 PLN/MWh (14.3%).

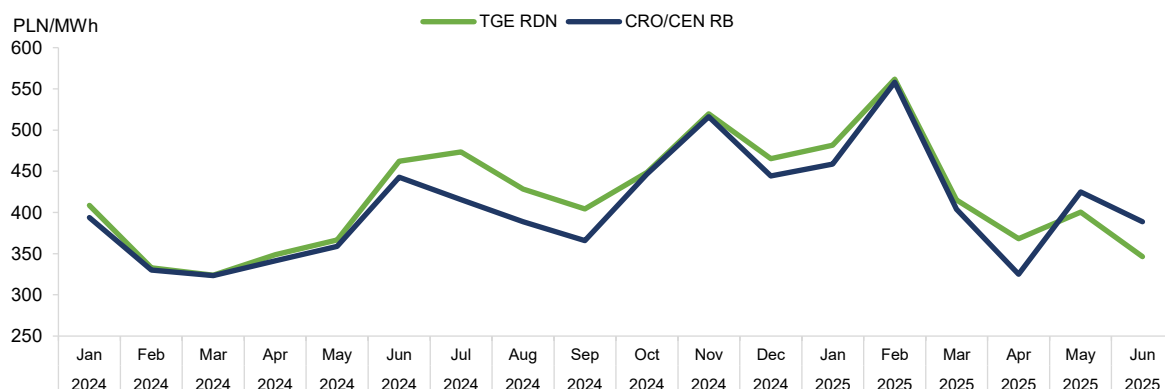
The rise of the prices in the first half of 2025 had been due to, among other things: the low price base in the first quarter of 2024, the higher price volatility on the balancing market following the introduction of the changes to the rules of the functioning thereof (in the Balancing Terms and Conditions), the lower generation from the wind power sources as well as the lower outdoor temperatures in February. A wider spread of the SPOT prices had also been observed, which had been a reflection of the rapid changes in the energy supply structure (mix). June was the

month with the lowest SPOT price in the first half of the year, when the price at the first fixing on the Polish Power Exchange (TGE) had clocked in at 346.27 PLN/MWh. This had been brought about by the occurrence of a large number of the negative prices, along with an increase in the production output from the renewable energy sources (RES), as well as the lower demand for electricity. Due to the growing share of RES in the electricity production, a total of 265 negative prices had been recorded at the first fixing on the Polish Power Exchange during the first half of the year. For comparison, in the first half of last year, 56 cases of negative prices had been recorded, and in the whole of 2024, only 186.

According to the data from PSE (TSO), in the first half of 2024, the domestic consumption of the electricity from the power grid had gone down by 2.4%, as compared to the first half of last year. The lower level of the demand for the electricity had been impacted, first and foremost, by the weather conditions: the higher outdoor temperatures in January, March and April had brought about a decrease in the demand for the heating. In addition, the demand for the electricity from the power grid in the industrial sector had gone down.

In the first half of 2025, Poland had been a net exporter of the electricity, mainly due to the higher SPOT prices in Germany, in the Czech Republic and in Slovakia, which had been observed in January (the exports in that month had come in at as much as 931 GWh), and the exports of the surplus power generated by the renewable energy sources (RES), even in the case of the negative prices on the neighboring markets. There has been a slight decrease of the production by the hard coal as well as lignite fired power plants in the first half of this year. However, the production by the gas fired power generation sources had gone up, mainly due to the commissioning of the new Gryfino B09 and B10 gas fired units last year.

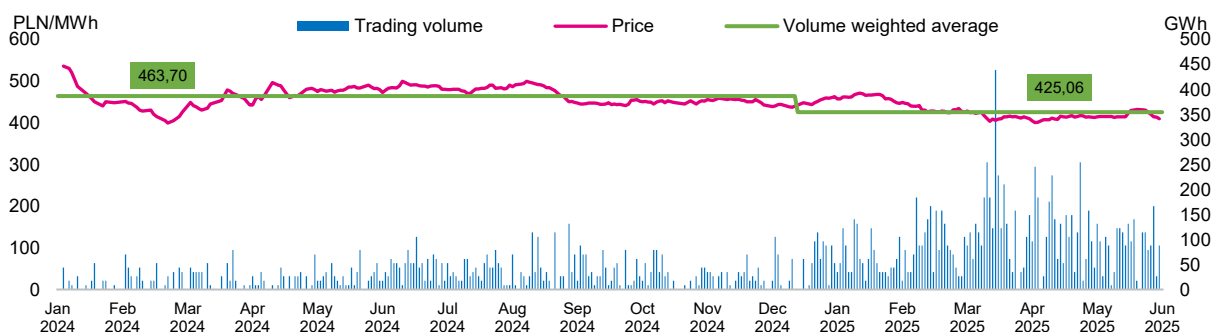
Figure no. 15. Average monthly electricity prices on the SPOT and RB markets in 2024 and in the first half of 2025



The price of the benchmark base load contract with the delivery in 2026 (BASE_Y-26) had been in a clear downward trend on the Polish electricity market in the time frame from the beginning of the year until April. However, during the last two months of the first half of the year, a sideways trend with a slight increase in the prices had been prevailing. The highest clearing (settlement) price, at 470.93 PLN/MWh, had been recorded on January 31, 2025, while the lowest, at the level of 400.20 PLN/MWh, had been observed on April 29 this year. These prices had been correlated with the situation on the related markets, mainly on the CO₂ emission allowances market and on the natural gas market in Europe. The trading volume of the BASE_Y-26 contract on the POLPX (TGE) had fallen by 28.5%, as compared to the trading volume of the contract with the delivery in 2025 in the first half of 2024.

The volume weighted average price of the BASE_Y-26 contract recorded in the first half of 2025 had come in at 425.06 PLN/MWh, which had meant a decline by 38.93 PLN/MWh (8.4%), as compared to the same period of 2024. In the case of the PEAK_Y-26 contract, the volume weighted average price had clocked in at PLN 472.41 PLN/MWh which had meant a decline by 58.84 PLN/MWh (11.1%).

Figure no. 16. BASE_Y-26 contract trading volume in 2024 and in the first half of 2025



Hard coal

The average price of the continued one year hard coal contract at the ARA ports had come in at 4.29 USD/GJ in the first half of 2024 and it had been lower by 0.08 USD/GJ as compared to the average price of such a contract in the first half of 2024 (a decrease by 1.8%). On the other hand, the average value of the PSCMI1 index had clocked in at 16.43 PLN/GJ in the first half of 2025, and it had been lower than the value of this index in the first half of 2024 by 6.36 PLN/GJ (a decline by 27.9%).

In the first half of 2025, the European ARA coal market was characterized by moderate volatility. After initial declines, prices stabilized in the spring and rose again in June, closing the period at 4.42 USD/GJ.

At the beginning of the year, the global market was dominated by factors conducive to declines, such as limited import demand in Asia and high supply by sea. In the following months, prices remained moderate, and the escalation of geopolitical tensions in June increased uncertainty in the commodity markets and supported coal prices as an alternative to increasingly expensive LNG.

Natural gas

The volume weighted average price of gas on the Day Ahead Market (RDNg) had stood at 206.31 PLN/MWh in the first half of 2025 and it had been higher by 55.75 PLN/MWh than in the first half of 2024. The lowest price of the contract on the Day Ahead Market (RDNg) market had been recorded in April 2025, while the highest price had been logged in February 2025, when the volume weighted average monthly prices had come in at 165.56 PLN/MWh and at 243.11 PLN/MWh, respectively.

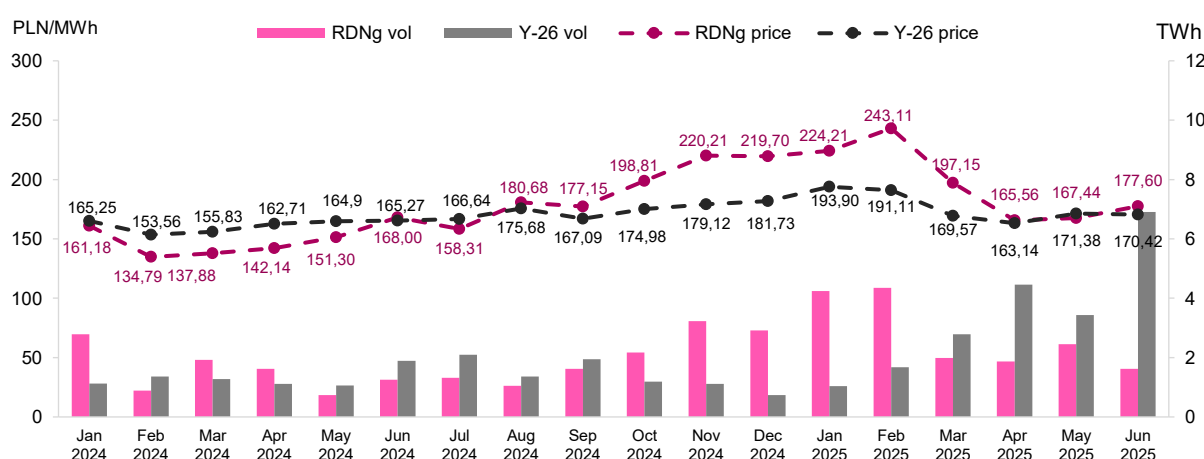
The volume weighted average gas price of the benchmark GAS_BASE_Y-26 one year contract had clocked in at 171.78 PLN/MWh in the first half of 2025. The lowest price of this contract had been reported in April 2025, while the highest price had been logged in February 2025, when they had come in at 155.54 PLN/MWh and at 214.86 PLN/MWh, respectively.

The aggregate trading volume on the Polish Power Exchange (TGE) had clocked in at approx. 100.6 TWh in the first half of 2025, as compared to approx. 66.6 TWh in the first half of 2024 (an increase by 51.1%). The futures market had the largest share in the overall gas trading in the first half of 2025, with a volume generated at the level of approx. 81.4 TWh. On the SPOT market, the total trading volume of the contracts on the Day Ahead Market (RDNg) market had come in at approx. 16.5 TWh.

In the first quarter of 2025, prices on European gas hubs continued the upward trend that began in February 2024. The main factors affecting the market were: the suspension of Russian gas transit through Ukraine, low gas storage levels in the EU, and geopolitical events, including tensions between the US, Russia, and Ukraine.

In the second quarter of 2025, prices on European gas hubs moved sideways. Prices were mainly influenced by concerns about the security of LNG supplies in connection with the Israeli-Iranian conflict and legislative work in the EU on minimum gas stock levels.

Figure no. 17. Average monthly SPOT market and BASE_Y-26 contract gas prices on TGE (PPX) in 2024 and in the first half of 2025

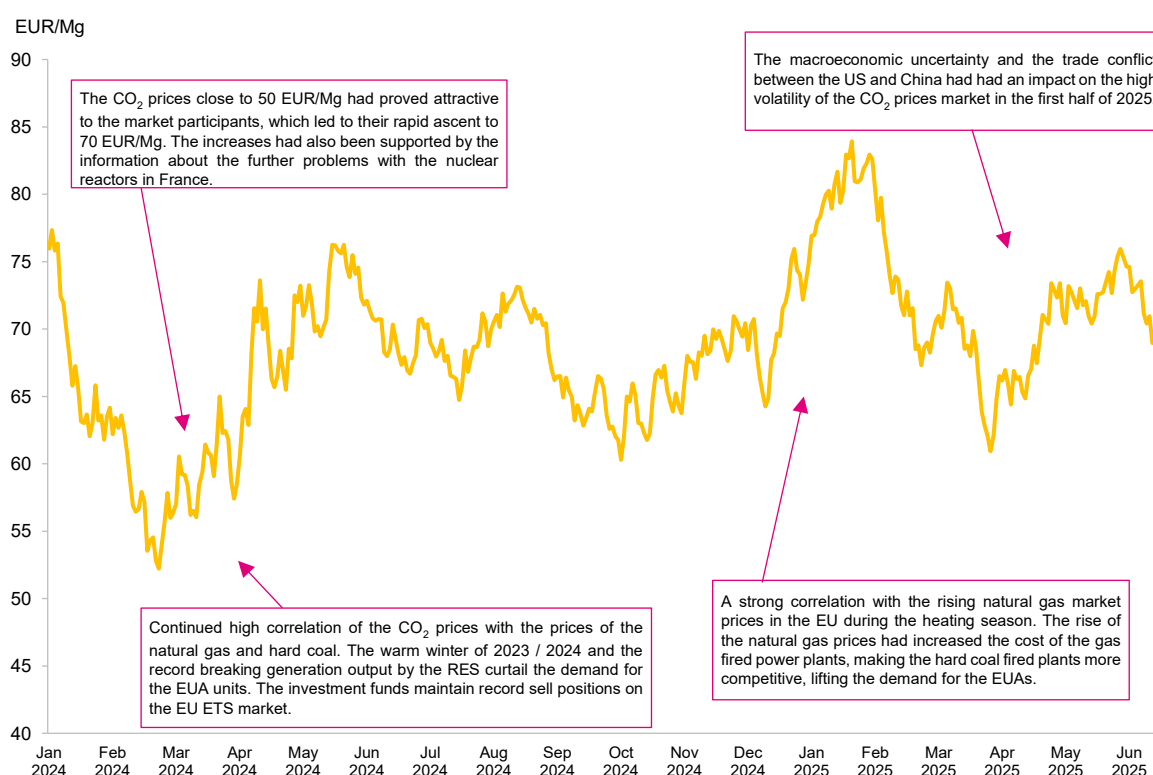


CO₂ emission allowances

The settlement (clearing) prices for the CO₂ emission allowances for the benchmark futures contract with the delivery in December 2025 (EUA DEC-25) on the ICE Endex exchange had been fluctuating within the range

between 60.94 EUR/Mg and 83.93 EUR/Mg in the first half of 2025, and they had been characterized by a high volatility. The average clearing price had come in at 72.56 EUR/Mg in the first half of 2025, and it had been higher by 6.87 EUR/Mg, as compared to the average price of the same contract logged in the first half of 2024 (an increase by 10.5%). The main factors impacting the price fluctuations had been the weather conditions and the continuing strong positive correlation between the CO₂ prices and the natural gas prices. In January 2025, the low outdoor temperatures and the lower wind speeds in Europe had brought about an increase of the demand for the energy generated from the fossil fuels, which had pushed up the EUA prices. The additional factors contributing to the price increases at the beginning of the year had included the later start of the emissions allowances auctions and the higher activity of the hedge funds (placing bets on a future EUA shortfall). The higher natural gas prices (TTF) during the periods of an elevated demand had encouraged a greater use of the hard coal in the energy production (the so-called fuel switching), which had directly increased the demand for the emission allowances. The EU ETS market, being a financial market, had also been strongly impacted by the geopolitical and macroeconomic factors. The uncertainty surrounding the US trade policy, in particular the plans and threats to impose import tariffs on the goods coming from the European Union, had contributed to a downward pressure on the prices, in particular in March. The concerns about a decline of the industrial production in Europe and thus the lower emissions had been one of the key factors causing a downward price pressure.

Figure no. 18. Impact of the political actions and the environment (stakeholders) on the EUA DEC product price performance in 2024 and in the first half of 2025



Property rights

The prices on the green certificates market had seen a decline in the first half of 2025, as compared to the first half of 2024. The decrease had been due to the low obligation level set for 2024 (5%), which had led to a rise in the cumulative surplus of the certificates balance, that had been continuing also into 2025. The TGE_o index had reached its maximum price in January 2025, which had been at the level of 34.35 PLN/MWh, while the minimum price for the above mentioned index had been recorded in March 2025, at the level of 20.08 PLN/MWh. The weighted average price of PMOZE_A had come in at 28.37 PLN/MWh in the first half of 2025 and it had been lower by 37.9% as compared to the weighted average price in the first half of 2024 (a drop by 17.33 PLN/MWh).

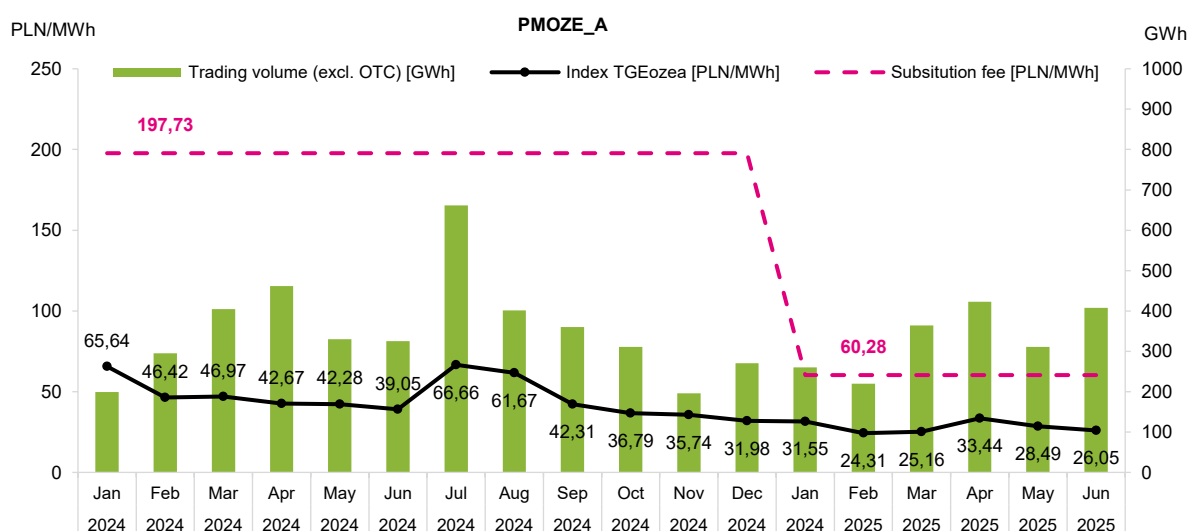
The balance of the PMOZE_A register, as of the end of June 2025, had reached a surplus of 22.5 TWh. Taking into account the certificates that are blocked for the redemption, this balance had come in at 21.5 TWh (an increase by 80.2%). The substitution fee set for 2025 had clocked in at the level of 60.28 PLN/MWh, while the obligation to present the green certificates for the redemption in 2025 had gone up by 3.5 pp as compared to 2024 and, in accordance with the *Regulation of the Minister of Climate and Environment of August 30, 2024, on changing the*

quantitative share of the total of electricity resulting from the redeemed guarantees of origin of energy (energy certificates) confirming the production of electricity from the renewable energy sources in 2025, it stands at 8.5%.

The prices of the certificates confirming the generation of electricity from the agricultural biogas PMOZE-BIO (blue certificates), for which the level of the obligation in 2025 stands at 0.5%, had invariably been stable. The TGEozebio index had been trading close to the substitution fee, which had stood at 300.03 PLN/MWh in 2025. The weighted average price of the TGEozebio index had come in at 301.95 PLN/MWh in the first half of 2025, with the balance of the PMOZE-BIO register, as of the end of June 2025, standing at the level of 283.1 GWh. Taking into account the certificates blocked for the redemption, this balance had dropped to the level of 194.9 GWh (a drop by 5.6%, as compared to the first half of 2024).

The prices of the PMEF_F white certificates had been fluctuating in 2025 between the minimum level of 2 285.67 PLN/toe, reached in January 2025, and the maximum price, reached in June 2025, standing at the level of 2 520.06 PLN/toe. The weighted average price had come in at 2 348.87 PLN/toe in the first half of 2025, and it had been lower by 12.9%, as compared to the first half of 2024. On average, the prices had been clocking in higher by 6.0% above the substitution fee set at the level of 2 216.18 PLN/toe for 2025. The trading volume had been lower by 3.3% as compared the first half of 2024, and it had come in at 64 296 toe in the first half of 2025.

Figure no. 19. Property rights (green certificates) index in 2024 and in the first half of 2025



Regulatory environment

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

Table no. 28. The most important changes and initiatives in the regulatory environment of TAURON Capital Group with respect to the EU legislation in the first half of 2025

Name and description of the regulation	Status as of June 30, 2025	Impact on TAURON Capital Group
2040 climate target		
On February 6, 2024, the European Commission (EC) had published the communication containing a proposal for an EU - wide climate target for 2040, set at the level of a 90% reduction in the greenhouse gas emissions as compared to 1990. The communication does not establish a new target, and it is not a legislative initiative. The legal basis for the initiative is Article 4, clause 3 of the European Climate Law. The 2040 target will be an intermediate target for achieving the EU's climate neutrality in 2050.	Adoption of the EC Communication. (Event that took place after the balance sheet date).	The adoption of the communication has triggered the debate on the 2040 climate targets at the EU level.
In the EC's proposed scenario, the energy sector's emissions are getting close to zero in 2040. The use of the zero- and low - carbon sources is envisioned, including the RES, the nuclear power, an increase of the energy efficiency, the energy storage, the CCS and CCU technologies. The electricity generated by the renewable sources, along with the nuclear power, are expected to satisfy more than 90% of the EU's electricity consumption in 2040. The remaining 10% is to be offset by the negative emissions or the low - carbon solutions using the CCS technology.	The draft regulation amending the European climate law published on July 2, 2025	Among other things, the gradual phasing out of the fossil fuels is expected, as well as a greater support and facilitation for the RES investment projects, a greater use of the RES, the nuclear power, as well as an expansion of the energy storage facilities and the power grids is anticipated.
On July 2, 2025 (event that took place after the balance sheet date), the EC published a draft regulation amending Regulation (EU)		A review of the regulations by the EC may result in a tightening of the EU climate and energy regulations - the revisions to the ETS, RED, EED, EPBD directives are possible.

Name and description of the regulation	Status as of June 30, 2025	Impact on TAURON Capital Group
2021/1119 of the European Parliament and of the Council (EU) 2021/1119 of June 30, 2021, on establishing a framework for achieving climate neutrality and amending Regulations (EC) No. 401/2009 and (EU) 2018/1999 (European Climate Law). The draft sets an intermediate binding target of a 90% reduction in the net greenhouse gas emissions by 2040 as compared to the 1990 levels. The draft regulation stipulates that the EC will review the legislation in order to enable the 2040 target to be achieved. It also proposes the mechanisms aimed at helping the Member States to achieve the target, which should be included in the future legislative proposals (including, among other things, the international carbon credits from 2036, the inclusion of the CO₂ absorption in the EU ETS, flexibility for the Member States, and flexibility between the sectors).		
<i>EC Communication: Clean Industrial Deal State Aid Framework (CISAF)</i>		
The EC has adopted the CISAF communication containing the new state aid framework, in support of the Clean Industrial Deal targets. Based on the experience of the TCTF, CISAF modifies the requirements stemming from the standard guidelines (among other things, CEEAG) in order to speed up the notification process for the certain aid funds. With respect to the energy sector directly, the CISAF provides for, among other things: the investment aid in the form of the aid programs with respect to the renewable energy, including the RFNBO production (among other things, the renewable hydrogen) and energy storage; the operational aid for the renewable electricity; the aid in order to accelerate the introduction of the low carbon fuels (including the low carbon hydrogen); the support schemes for the non-fossil fuel related flexibility; the aid for the generation capacity mechanisms, such as, for example, the capacity market or a strategic reserve an alternative path versus CEEAG, in the case the pre-determined conditions have been complied with). Compliance with the conditions set out in CISAF is, by assumption, intended to allow for a significantly faster notification of the aid programs as compared to the standard basis for a notification of the energy programs – in the case the CISAF requirements have not been complied with, a notification based on the CEEAG guidelines would still be possible. CISAF will apply from June 25, 2025. The EC may approve the state aid funds on the basis thereof until December 31, 2030.	The consultation related to the draft CISAF until April 25, 2025. CISAF was published in the Official Journal of the European Union on July 4, 2025 (an event that took place after the balance sheet date), but it had been applicable as of June 25, 2025.	The new state aid framework can provide an alternative basis for the notification of the aid funds. The CISAF provides for the significant simplifications in the rules for the evaluation of the notified aid programs by the EC.
<i>EC Communication: The road to the next multiannual financial framework (MFF)</i>		
The communication has presented the assumptions for a new approach to the EU budget. According to the EC, this approach should include: 1. a plan for each Member State containing the key reforms and investment projects, and focusing on the common priorities, including the promotion of an economic, social and territorial integrity; 2. the European Competitiveness Fund establishing the investment capacity that will provide support for the strategic sectors and technologies that are key to the EU's competitiveness, such as the scientific research and innovation, as well as the important projects of common European interest; 3. the revised rules for the financing of the external activities in order to make it more effective and targeted, and more aligned with the EU's strategic interests. The communication has pointed out that financing of the green, digital and social transformation will require the maximizing of the public investments and mobilizing of the private capital. It has further been stressed that the investments aimed at achieving of the EU's decarbonization targets and removing of the barriers to the setting up of an energy union are an opportunity for Europe to lower the electricity prices, improve the energy security and take the lead in the clean technologies.	Publication of the EC communication on February 11, 2025. The communication is a prelude to the further efforts aimed at preparing of the new EU budget. On July 16, 2025 (an event that took place after the balance sheet date), a draft of the next multiannual financial framework for the years 2028 – 2034 will be presented.	The activities in this area are important from the perspective of TAURON Group subsidiaries' ability to apply for the support from the EU funds in the future financial plan (perspective).
<i>Fit for 55</i>		
The <i>Fit for 55</i> package is aimed at achieving the target of reducing of the greenhouse gas emissions by at least 55% by 2030. It includes, among other things, a revision of the directives with respect to: the promotion of the use of the energy coming from the renewable sources (REDIII), the energy efficiency (EED), the European Union's	The work on the ETD directive is under way. The legal acts published in the Official Journal of the EU	The <i>Fit for 55</i> package will contribute to the development of the low emission (low carbon) technologies, first and foremost the renewable energy sources.

Name and description of the regulation	Status as of June 30, 2025	Impact on TAURON Capital Group
Emissions Trading System (EU ETS), the energy performance of buildings (EPBD), the introduction of a goods price adjustment mechanism at the borders of the EU taking into account the CO ₂ emissions (Carbon Border Adjustment Mechanism - CBAM) and the amendment to the Energy Taxation Directive (ETD). In 2024, the majority of the legislative acts included in the Fit for 55 package had been finalized (except for the ETD).	(CBAM, ETS, REDIII, EED, EPBD).	The regulations that are a part of the package will introduce a number of the new material requirements and changes in the market and in the regulatory environment for TAURON Capital Group's subsidiaries, including, among other things, the raising of the target with respect to the share of the energy coming from the renewable sources under the REDIII Directive, the raising of the emissions reduction target under the EU ETS Directive, the increasing of the energy efficiency under the EED directive, or the significant curtailing of the levels of the emissions generated by the buildings under the EPBD directive.
<i>Regulation on the establishment of a framework of measures to shore up the European ecosystem for the production of the carbon neutral technology products (carbon neutral industry act; Net - Zero Industry Act - NZIA) and the Commission Implementing Regulation (EU) 2025/1176 of May 23, 2025, laying down the prequalification criteria and the award criteria for auctions for the implementation of energy from renewable sources</i>		
The NZIA regulation that has focused on the establishing of the conditions to boost the production capacity of the carbon neutral technologies in the EU in order to contribute to the achieving of the EU's climate goals and the climate neutrality target had come into force in June 2024. The regulation introduces, among other things, a list of the carbon neutral technologies and the shorter lead times for the issuing of the permits for the construction or the expansion of the production projects (including for the grid connection). The regulation is also of the material importance for the shape of the future RES generated electricity auction model, including with respect to the use of the non-price criteria in the auctions in order to develop the value chains in the EU. The Member States will be required to apply the non-price criteria starting from December 30, 2025, in at least 30% of the renewable energy auctions or in the case of a minimum of 6 GW per year. The possibility of obtaining a derogation from the application of the non-price criteria shall be applicable in the situations where their application would result in the disproportionate costs for the Member States (a difference of 15%).	On June 18, 2025, the implementing regulation on the non-price criteria in the renewable energy auctions was published in the Official Journal of the EU, and it entered into force on July 8, 2025 (an event that took place after the balance sheet date)	The NZIA regulation may introduce a number of the material changes in the market environment and in the regulatory environment of TAURON Group aimed at boosting the production capabilities with respect to the green technology on the territory of the EU. The NZIA regulation and the implementing act may have a material impact on the trajectory of the RES auctions (in particular, in terms of the additional, non-price criteria). The introduction of the non-price auction criteria for the RES could translate into the way the bids are formulated and the costs of implementing of the projects covered by this type of the support scheme. In addition, the non-price criteria would have a greater importance in the implementation of the contracts under way.
Commission Implementing Regulation (EU) 2025/1176 of May 23, 2025, had been published in the Official Journal of the EU on June 18, 2025, specifying the prequalification criteria and award criteria for auctions for the implementation of energy from the renewable sources; it entered into force on July 8, 2025. (an event that took place after the balance sheet date). This Regulation specifies in detail the criteria for a prequalification and award of the contracts for auctions for the use of energy from the renewable sources and regulates the issues related to the evaluation of the bids by the competent authorities in terms of the non-price criteria.		
<i>Omnibus Simplification Package</i>		
The goal of the package is to simplify the EU regulations with respect to the reporting, bolster the competitiveness and unlock the investment capacity of the companies. The EC is seeking to reduce the administrative burden (overhead) by 25% (35% for the SMEs) by the end of the current mandate. The main areas of the simplification are indicated below. The EC calls for a priority (fast track) consideration of the package.	The drafts included in the Omnibus package had been published by the EC on February 26, 2025. The "stop the clock" directive had been published in the Official Journal of the EU on April 16, 2025, and it had entered into force on April 17, 2025 (the implementation by the end of 2025).	The postponement of the reporting requirements (CSDD) by 2 years (until 2028). As it stands, the proposed regulations introduce the simplifications, in particular, for the smaller entities, leaving the scope of the reporting for the large entities at a similar level.
Sustainability Reporting (CSRD, EU Taxonomy):		
1. Extending of the CSRD to apply to the companies with a headcount of more than 1 000 employees and more than EUR 50 million in turnover or more than EUR 25 million in the balance sheet assets total (this will result in the exclusion of approximately 80% of the companies from the CSRD obligation, and, as a consequence, a concentration of the reporting on the largest companies). 2. Postponement of the reporting requirements for the wave 2 and wave 3 companies by 2 years (until 2028). 3. Reduction of the taxonomy obligations. 4. Due diligence (CSDDD): 5. Reduction of the scope of the required risk assessment, mainly restricting it to the direct business partners. 6. Reduction of the frequency of the periodic assessments and of the monitoring of the partners from every year to every 5 years,	Work is under way on the second legislative proposal related to the amendments to the CSRD and CSDDD; on June 23, 2025, the Council had adopted a general approach.	

Name and description of the regulation	Status as of June 30, 2025	Impact on TAURON Capital Group
with the possibility of performing the ad hoc assessments if needed. 7. Postponement of the application of the obligations for the largest companies until 2028. A part of the package (the so-called "stop the clock" directive) had been considered at the EU level as a matter of urgency. The Council and the European Parliament had agreed to postpone the deadlines for the application of the provisions of the CSRD and CSDDD directives. The second legislative proposal related to the amendments to the CSRD and CSDDD has been submitted to the European Parliament (EP) and the Council. The work on the EP's position is under way. The amendments will enter into force once an agreement has been reached and they have been published in the Official Journal of the EU.		

Table no. 29. The most important changes in the national regulatory environment of TAURON Capital Group in the first half of 2025 with respect to the adopted and published legislative acts as well as the legislative acts on which the legislative works are in progress

Name and description of the regulation	Status as of June 30, 2025	Impact on TAURON Capital Group	Impact on the Segment
Draft Act on the Amendments to the Act - Energy Law and Certain Other Acts (UC84)			
The draft act brings the country's regulations into line with the requirements of: 1. Directive 2024/1711 of the European Parliament and of the Council of June 13, 2024, amending Directives (EU) 2018/2001 and (EU) 2019/944 with regard to improving the structure of the EU electricity market, and 2. Regulation (EU) 2024/1106 (REMIT) of the European Parliament and of the Council of April 11, 2024, amending Regulations (EU) No. 1227/2011 and (EU) 2019/942 with regard to improving the protection of the Union against manipulation on the wholesale energy market. The draft act also introduces the provisions with respect to the reforming of the process related to connecting to the electricity grid, including, among other things, the reducing of the validity term of the grid connection conditions to one year, the increasing of the amount of the advance payments on the account of the grid connection fees, the specifying of a deadline for the confirming of the completeness of an application, the introducing of the milestones in the grid connection agreements, the auctions for the released grid connection capacity.	On March 24, 2025, the draft act had been submitted for the coordination process to the ministries, the feedback collection activities and the public consultation	The proposed changes will have an impact on the Distribution, Supply, RES and Heat segments, among other things, in terms of the proposed reform of the power grid connections and the proposed changes to the electricity supply contracts.	TAURON Group
Act of May 21, 2025, amending certain acts in connection with the introduction of the Central Energy Market Information System and other acts (Journal of Laws, item 759)			
The Act introduces the amendments clarifying the deadlines for energy market participants to commence the implementation of the tasks with the use of the central energy market information system (hereinafter referred to as "CSIRE"), along with the necessary amendments to ensure the consistency of the legal provisions. The Act provides, among other things, for the phased implementation of the CSIRE and the amendments related to the introduction and functioning of the so-called virtual prosumer.	On June 10, 2025, the act had been published in the Journal of Laws. The act has entered into force.	The amendments allow the CSIRE users to have the time necessary to carry out the implementation and commissioning work.	Distribution Segment Supply Segment
Act of November 27, 2024, on the amendments to the Act on the extraordinary measures aimed at capping the electricity prices and supporting certain consumers in 2023 and 2024, and certain other acts (Journal of Laws, item 1831)			
The Act extends the effective term of the maximum electricity price (price cap) until: 1. September 30, 2025, for the households at the net amount of 500 PLN/MWh, 2. March 31, 2025, for the local government units and the county public employment offices at the net amount of 693 PLN/MWh. The Act introduces, among other things, the regulations requiring the energy companies conducting business operations in the field of electricity trading for the needs of the eligible consumers that have an approved and binding electricity tariff for the period from July 1, 2024 to December 31, 2025, or perform the tasks of an ex officio electricity supplier, to submit a petition to the President of the Energy Regulatory Office (ERO) for:	On December 11, 2024, the act had been published in the Journal of Laws The act has entered into force.	The Act has an impact on the settlements with the electricity consumers; the obligation to apply the maximum prices (price caps) and to submit an application for an adjustment of the applicable tariff by the President of the Energy Regulatory Office (ERO). The Act has an impact on the customer service in connection with the performance of the electricity supplier's obligations in the context of providing the public aid and the de minimis aid (an	Supply Segment

Name and description of the regulation	Status as of June 30, 2025	Impact on TAURON Capital Group	Impact on the Segment
- a change of the electricity tariff for these consumers for the period from July 1, 2024, to December 31, 2025, or an approval of the electricity tariff for the period from July 1, 2025 to December 31, 2025 – in the event that it does not have a tariff approved by the President of the Energy Regulatory Office (ERO), - by the deadline of April 30, 2025 (in the Act of April 23, 2025, on the amendments to the Act on the special solutions for the protection of the electricity consumers in 2023 and in 2024 in connection with the situation on the electricity market (Journal of Laws, item 565), the deadline for submitting of the applications had been extended from April 30 to July 31, 2025, and the deadline for the entry into force of the tariffs had been postponed from July 1 to October 1). The Act specifies in detail the matter of granting of the public aid and the de minimis aid to the SMEs that had been taking advantage of the maximum price (price cap) in the second half of 2024. It introduces, among other things, a template for the information that is to be submitted to the electricity suppliers by the eligible consumers		impact on, among other things, TAURON Sprzedaż sp. z o.o. (Ltd.) and TAURON Sprzedaż GZE sp. z o.o. (Ltd.)).	
Act of January 24, 2025, on the amendments to the Act on the Capacity Market (Journal of Laws, item 159)			
The amendments are related to, among other things, the introduction and the subsequent holding of the supplementary auctions for the second half of 2025 and for the delivery years 2026, 2027 and 2028 (the annual auctions). The act is related to the so-called electricity market reform (the regulations are described in the above section related to the EU legislation).	On 6 February 2025, the act had been published in the Journal of Laws. The act has entered into force.	The amendments enable (under the certain conditions), among other things, a participation of the eligible units in the supplementary auctions, which may also include the units that are a part of TAURON Group.	TAURON Group
National Energy and Climate Plan until 2030 (update of the 2019 NECP).			
In September 2024, the Ministry of Climate and Environment had published a presentation related to the Draft National Energy and Climate Plan until 2030 (NECP), laying out the main assumptions of the document. According to the assumptions of the NECP update, Poland is able to achieve a 50.4% reduction in the greenhouse gas emissions in 2030 as compared to 1990, versus a 30% reduction assumed in the NECP currently in place and a 55% reduction implied by the Fit for 55 package. In accordance with the transition scenarios presented, Poland may achieve a 32.6% RES share in the final gross energy consumption by 2030 in accordance with the WAM scenario (the ambitious transition scenario), and a 29.8% RES share in the final gross energy consumption, in accordance with the WEM scenario (the market and technical conditions driven transition scenario). The draft document update also indicates that the target related to the share of the RES in the final energy consumption in the heating and cooling areas is to come in at 35.4% in 2030 (in accordance with the WAM scenario).	On October 11, 2024, the draft update of the NECP had been submitted for the public consultation, which had ended in mid-November 2024. On February 6, 2025, the draft Environmental Impact Assessment (EIA) had been submitted for the consultation process, which had ended on February 28, 2025. On July 28, 2025, the Ministry of Climate and Environment approved a new version of the draft update to the National Energy and Climate Plan, which was forwarded for further processing at the level of the Council of Ministers (an event that took place after the balance sheet date).	Among other things, the draft act provides for a large increase in the RES installed capacity, and the additional capacity in the nuclear power generation and the gas fired power generation. The detailed assumptions had been subject to the public consultation process that TAURON Group had taken part in.	TAURON Group
Act on the amendments to the Act on Investments in Wind Farms and certain other acts			
Amendments to the Act on Investments in Wind Farms include the abolition of the general 10H rule and the introduction of a minimum distance of 500 m between wind farms and residential buildings. The act provides for the creation of a participation fund financed annually by electricity producers in wind farms. It also introduces provisions concerning repowering, i.e., the modernization of existing wind installations, the standardization of the planning process, and support for biomethane in installations above 1 MW.	The act was adopted by the Sejm on June 25, 2025 and sent to the Senate for consideration (event after balance sheet date: on August 21, 2025 the President vetoed the act. Works on alternative regulatory solutions concerning	The changes may increase opportunities for investment in new renewable energy capacity, which will contribute to the decarbonization of the TAURON Group's generation capacity. The Act affects the Supply segment in terms of: settlements with household electricity consumers, the obligation to submit an	RES Segment Supply Segment

Name and description of the regulation	Status as of June 30, 2025	Impact on TAURON Capital Group	Impact on the Segment
The act also includes provisions extending the maximum price of electricity for households from October 1, 2025, to December 31, 2025, at PLN 500 net per MWh.	environmental and administrative simplifications related to RES and electricity prices are in progress.	application for compensation for amounts resulting from the difference between the prices of the approved Tariff and the maximum prices.	
Draft regulation of the Minister of Climate and Environment on the parameters of the main auction for the 2030 delivery year and the parameters of the additional auctions for the 2027 delivery year, as well as the parameters of the preliminary auctions for these auctions			
The draft regulation aims to define the parameters of the main auction on the capacity market for the 2030 delivery year, which will be held in 2025, and the parameters of the additional auctions on the capacity market for the 2027 delivery year, which will be held in 2026, as well as the parameters of the preliminary auctions for these auctions.	On June 13, 2025, the draft regulation had been submitted for the public consultation process. On August 6, 2025, the regulation entered into force (an event that took place after the balance sheet).	The regulation is a part of the capacity market and, provided certain criteria have been met, it enables selected TAURON Group's entities to participate in the auctions.	TAURON Group
Regulation of the Minister of Climate and Environment of March 5, 2025, on the detailed conditions for the granting of the public aid by the National Fund for the Environmental Protection and Water Management (NFOŚiGW) for the investments in the electricity storage and the infrastructure related thereto (Journal of Laws, item 280)			
The Regulation assumes that the National Fund for the Environmental Protection and Water Management (NFOŚiGW) will provide the public aid using the funds from the Modernization Fund for: 1. the construction of the independent (autonomous) electricity storage facilities with a power of no less than 2 MW and a capacity of no less than 4 MWh connected to the transmission or the distribution lines, regardless of the voltage level; 2. the construction of a connection to the grid and of the accompanying infrastructure; 3. the configuration and adaptation of the energy storage facilities. The aid available under the regulation may be granted until December 31, 2025.	On March 7, 2025, the regulation had been published in the Journal of Laws. The regulation has entered into force	The proposed solution enables applying for the additional funds for the investments in the development of the energy storage facilities.	RES Segment

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

Table no. 30. Internal and external factors that will have the most material impact upon the results of TAURON Capital Group's operations over at least the next quarter

#	Description of the factor
1.	The changing geopolitical environment, including the continued Russian aggression against Ukraine and the potential mediation efforts undertaken by the international community (including the US administration), as well as a possible escalation of the tensions in other regions (for example, the Middle East), which could have an impact on the raw material (commodity) and energy markets, the EU policy and the conditions for the conducting of the business operations in the region.
2.	The threats (risks) to the critical infrastructure, including both any potential physical events (for example, the deliberate attacks or acts of sabotage), as well as the growing number of the cybersecurity incidents targeting the IT / OT systems, which could lead to a loss of the availability, integrity and confidentiality of the information, a disruption of the operational processes and the curtailments of the business continuity.
3.	The recent customs policy of the United States, characterized by a significant volatility, which may affect the global trading conditions, including the costs and availability of the components and raw materials used in the energy sector, which may lead to the disruptions in the supply chains and indirectly affect the implementation of the investment and operational projects in Poland.
4.	The changes in the regulations related to the energy sector, as well as the changes in the legal environment, including: the environmental protection and spatial development (zoning) law, as well as the positions and decisions of the state administration institutions and offices, for example, Office of Competition and Consumer Protection (UOKiK), ERO, EC, including, among other things, those that may be related to: 1) in the longer term, a further potential regulatory intervention with respect to the G tariffs (support mechanisms, including the price regulation, compensation payments system, maintaining of a separate tariff for GZE), 2) functioning of the balancing market including any potential changes to the rules that had come into force in June 2024, including, among other things, with respect to the settlement prices and the products offered, as well as limiting of the liquidity and transparency of the energy market (abolition of the power exchange trading obligation).
5.	The capacity market mechanism under the CO ₂ emission limits (EPS) in force since July 2025, determining the decisions regarding the future of the hard coal assets in the context of the need to optimize the maintenance costs and the expectations of the Social Partners (work force), the local government units and the local communities with respect to their continued operation or conversion.

6. The changes in the structure (mix) of energy production and consumption according to the energy carriers affecting the level of the utilization of the conventional generating units, hard coal inventories, end customer profile costs, the level of the electricity imports / exports and the available capacity reserve in the power system, thus impacting the level of the Group's revenues.
7. The availability of the Group's generating units.
8. The market conditions in Poland, in the EU and in the global economy, including the prices of electricity, the CO₂ emission allowances and fuels, affecting the generated results (including maintaining of the IRGiT margins).
9. An effective and in line with the schedule implementation of TAURON Group's Strategy adopted on December 17, 2024, and the implementation of an early warning system for the deviations from the strategic plan in order to mitigate the identified risks.
10. The macroeconomic situation, including in particular the inflation rate, the interest rates, the FX rates and the GDP growth rate, having an impact on the level of the demand for the products offered by the Group's subsidiaries (electricity, gas, heat) and on the valuation of the assets and the liabilities listed by the Company in the statement of the financial condition,
11. The availability of the financing and the possibility of obtaining the aid funds, in particular the European funds, supporting the investment projects and the energy transition.
12. The financial condition of the customers and counterparties (contractors), including the risk of an increase in the overdue accounts receivable and the deterioration of the liquidity position in the Group's environment.
13. The legal and environmental changes, including the new requirements stemming from the national laws and the EU's climate policy, which may have an impact on the implementation of the investment projects.
14. Shaping of the HR policy and the expectations with respect to the growth of the wages at TAURON Capital Group.
15. An impact of the weather related factors, including the extreme ones, affecting the failure rate of TAURON Capital Group's assets and the volume of the electricity produced, as well as the seasonality of the revenues achieved and the costs incurred.

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

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

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

6. Risk management strategy at TAURON Capital Group

6.1. Risk management strategy

At TAURON Group risk is understood as an uncertain occurrence or a group of occurrences that, in case of materializing, will have an impact on achieving by TAURON Group of its defined strategic goals, both in a negative manner (a threat), as well as in a positive way (an opportunity). In line with its Strategy in place the Company is implementing the process of managing the risk related to the business operations of TAURON Group. The primary goals of risk management include ensuring the broadly understood security and safety of TAURON Group's business operations. In particular, TAURON Group's risk management is to ensure an increased predictability of achieving its strategic goals, sustainable (stable) generation of its financial results, the protection of TAURON Group's current economic value, as well as provide support for the decision making processes.

TAURON Group's risk management:

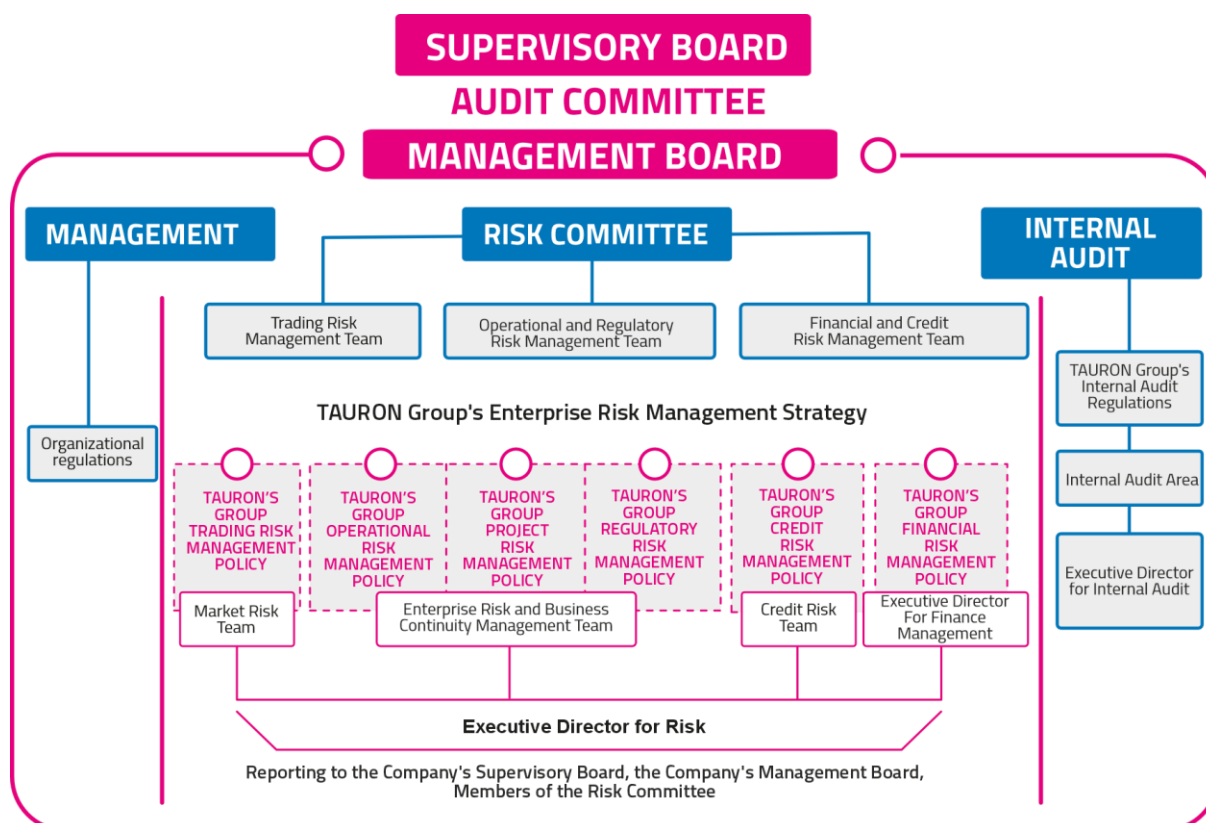
1. is based on the risk management process that provides the comprehensive and consistent rules – it is a continuous process that includes the risk identification, the risk assessment, the implementation of the adopted response to the risk as well as the communications among the participants of the process,
2. covers all of the elements of the value chain,
3. provides the centralized risk measurement, monitoring and control functions, as well as the ability to evaluate the full risk profile in the organization and the consistent risk management principles,
4. ensures the independence of the risk taking function from its control and monitoring,
5. ensures a clear split of the competences and the responsibilities, in particular by introducing the risk ownership function,
6. is overseen by the Risk Committee which, as an expert team, initiates, analyzes, monitors, controls and supports the functioning of the risk management system at TAURON Group on a permanent and continuous basis,
7. is a pro-active process, focused on an adequately early identification of the threats (risks), allowing for taking of the preventive measures,
8. is a systematic and continuously improved process which allows for aligning it, on an ongoing basis, with TAURON Group's specifics and its organizational structure, as well as with the changing environment,
9. places an emphasis on developing awareness, training and encouraging personnel to use the knowledge of the risks in the daily activities,
10. co-forms TAURON Capital Group's internal audit (control) system, constituting, along with the compliance and the security management functions, an element of the Three Line Defense Model,
11. uses the tools that allow for an effective implementation of the process, i.e. the risk card, the risk register, the risk response plan, the volatility models, the scoring models and the risk limits,
12. is based on a risk model that defines a consistent classification of risk, enabling its uniform and comprehensive recognition at TAURON Group's level.

The Enterprise Risk Management System (the ERM System) is governed by *TAURON Group's Enterprise Risk Management Strategy* that defines the organization's corporate risk management framework and rules, and its goal is to ensure the consistency of managing the individual risk categories that are detailed in the separate regulations, aligned with the specifics of the individual threat (risk) groups. As part of the ERM Strategy, the Enterprise Risk Management Process (the ERM Process) plays a central role, ensuring a comprehensive and coherent risk management principles, interconnected methodologically and informationally. The ERM process includes the continuous activities with respect to the risk identification, risk assessment, risk control and monitoring, planning as well as the implementation of the risk responses, also including the communications between the participants of the risk management process. As part of the ERM System, the following specific risks are identified within TAURON Capital Group, for which the separate policies tailored to the nature and the specifics of the given group of threats (risks) are defined.

Figure no. 20. Basic classification of the enterprise risk



Figure no. 21. The links between the various roles in the context of the ERM Strategy and the documents regulating the ERM System



During the reporting period, the risk response activities had been implemented at both the operational, as well as the strategic level, and they had been directed at minimizing the negative effects of the identified risk factors in both the business aspects, as well as with respect to the maintaining of the business continuity, and, in particular, in the first half of 2025:

1. the control of the risks due to the high volatility of the market and the economic environment had been carried out, as well as of the risks of key importance to the Capital Group's operations,

2. the strategy for the hedging of the trading position had been updated and adjusted in line with the commercial plans, as well as the market and the regulatory conditions,
3. the monitoring of the regulatory environment had been carried out and the responses had been taken in terms of preparing of the analyses of the impact of the legislative drafts on TAURON Group, the consultations within the industry associations had been conducted, the regulatory positions had been prepared,
4. the monitoring of the risk and its impact on the achieving of TAURON Group's planned EBITDA, including also of the risk of exceeding the covenants included in the financing agreements, had been carried out.

The development of the system of the risk control indicators in place at TAURON Group, with a particular focus on the early warning indicators, had been steadfastly continued. The ongoing reviews and updates of the risk registers had been conducted within TAURON Group in order to identify the new risk factors as well as review and implement any mitigation measures.

6.2. Risk in the individual Segments of operations

Table no. 31. Risks in the individual Segments of operations

Segment	Description of the risk
 Distribution – The Distribution Segment is exposed to the macro economic risk, the regulatory risk as well as the technical and the organizational risks that will have a significant impact on the Segment's results in the coming years. One of the most important threats to the Distribution Segment is the distribution services sales risk related to the electricity delivery volume, and, as a consequence, the fluctuations of the revenue from the provision of the distribution services to the individual groups of consumers. The material reasons behind this risk include both the macro economic factors, i.e. a decline of the demand for the electricity due to the economic slowdown or the weather conditions, as well as the factors stemming from the climate issues, i.e. an increase in the consumer awareness with respect to reducing the energy consumption intensity and the rapid growth of the prosumer energy observed over the recent years. However, this risk is a medium term risk by the nature thereof due to the regulatory account mechanism in place, aimed at the balancing, in the medium term, of the impact of the fluctuations in the level of the demand for the electricity to cover the operating expenses of the DSOs. An equally material risk is associated with the occurrence of an unfavorable deviation of the operating expenses related to the inability to cover the costs of the operations during the period covered by the tariff, and in particular the operating expenses and the costs of purchasing the electricity to cover the balancing difference. With respect to the operational factors, a material risk for the Distribution Segment is the risk of an asset failure, i.e. the risk related to maintaining of the availability of the transmission networks (systems) and the costs related to the fixing of the failures resulting from, among other things, the climate changes leading to an increase in the frequency and the intensity of the extreme weather occurrences, such as the hurricanes, hoar frost, strong winds incidentally accompanied by the tornadoes and the thunder lightnings causing the failures of the distribution grids. One should also take into account a rapid increase in the number of the renewable energy sources, which has an impact on the stability of the operation of the distribution grid. In the medium term and in the long term, the material risks for the Distribution Segment include the regulatory risks, including the ones related to a change in the structure and the parameters determining the tariff amount (the factors behind this risk include, among other things, the amount of the capital expenditures, the balancing difference indicators and the level of the transmission fee rates), the issues related to the compliance with the electricity distribution quality indicators that have an impact on the regulated revenue and a change to the distribution tariff model. A threat to the Distribution Segment is also the credit risk, understood as a failure (default) of the contractors (counterparties) to meet their obligations arising from the distribution services sales.	
 RES – The RES segment is exposed to the market risks, the risks related to the weather factors having an impact on the volume of the electricity production, in particular the hydro, the wind and the solar based power generation, the technical and the organizational risks, as well as the regulatory risks, the impact of which may have a significant impact on the earnings of the RES Segment and, what follows, also on the expansion (growth) opportunities thereof. One of the key risks of the RES Segment is the market risk associated with the volatility of the prices of the electricity and the related products, which translates into the amount of the margin earned from the business operations conducted. The rapid growth of the installed capacity in the photovoltaic and the wind based power generation sources and an increase in the share of the electricity demand covered by such generation sources have an impact on the changes in the price level and profile on the wholesale electricity markets. In particular, the price declines are observed during the periods of the high production of the renewable energy sources. The continuation of such a trend, along with the lower demand for the electricity, leads to the negative prices on the short term markets. As a consequence, this has had, and it will continue to have, an impact on the profitability rate of the existing and the planned RES generating units. The weather conditions represent a material threat to the segment, affecting the volume of the production by the RES units. In particular, the volume of the electricity produced by the hydro power plants is dependent on the hydrological conditions, including the quantity and the frequency of the rainfall both in the winter, as well as during the summer period. In the case of the wind and the photovoltaic power generation, the lower volatility of the volume produced, and thus the greater stability of achieving the planned production volumes is observed. The results of the RES Segment are also impacted by the availability (dispatchability) rates of the assets and the risk of a failure related thereto (including, among other things, in the event of an occurrence of the extreme weather events), and, as a consequence, the possible temporary outages of some of the assets from use and the potential additional costs of the repair thereof. With respect to the RES Segment's expansion (growth) the existing RES Segment's growth opportunities and strategies are facing the regulatory headwinds related, in particular, to the construction of the new RES sources. In particular, the regulations that curtail the ability to choose the installation sites and the regulations restricting the ability to purchase the components should be mentioned, as this may result in an increase of the investment outlay.	
 Heat – Heat segment, in addition to the factors similar to those applicable in the Generation segment, i.e. the market risk, the regulatory risk as well as the technical and the organizational risks (assets' availability rate (dispatchability)), is exposed to the threats in the operations related to the risk of a depressed demand for the heat and a reduction in the contracted heat capacity due to the large scale thermal modernization works on the buildings and a rise in the average winter outdoor temperatures due to the climate change taking place. The risk associated with the need to move away from the hard coal fuel and create such an energy mix for the heat production that will allow the district heating system to maintain its energy efficiency status also has a material impact on the Heat segment. The heat sales are also	

Segment	Description of the risk
	subject to the tariff risk, where the ability to pass on the cost of the business operations onto the final consumer may be restricted by the regulations. The meeting of the regulatory requirements, in turn, will be particularly important during the implementation of the replacement investment projects in the heat segment, carrying the risks arising from the selection of the generation technologies and the new units' compliance with the stricter environmental requirements.
	Supply – The Supply Segment is exposed to the market risk, the regulatory risk as well as the risks stemming from the competitive and macro economic environment that will have a significant impact on the Segment's results in the coming years. One of the most important regulatory risks in the Supply Segment is the risk of the regulated tariff, related to the level of the costs passed on and approved by the President of the Energy Regulatory Office (ERO) in the sales price for the given year for the households (Tariff G), including a possible adjustment of the tariff during the year, as well as a further potential extension of the regulations already introduced for 2025 (until September 30, 2025) aimed at limiting the price increases for the households and the eligible consumers. There is also a risk associated with the interpretation of the President of the Energy Regulatory Office regarding the amount of the write-off (allowance, charge) transferred to the price difference fund (for the period from December 2022 to the end of 2023). Another threat to the accomplishment of the Supply Segment's goals is the risk related to the non-achievement of the assumed electricity supply volume. The reasons behind this risk stem from, both, the competitive environment factors, as well as the macro economic factors, i.e. a drop of the demand for the electricity caused by the possible economic slowdown and the volatility of the electricity prices. In addition, this risk is impacted by the following factors: an increase of the customer awareness and a change in the customer behaviors and needs, the trend to shore up the consumer rights protection, as well as the regulatory pressure to curb the increases of the prices. In parallel, the market risk due to the volatility of the prices of the electricity, gas and the related products poses a threat to the Supply Segment. As a consequence of the high volatility of the prices of the electricity and gas, as well as a significant drop in the liquidity on the electricity market futures exchange (as a result of the abolition of the so-called power exchange trading obligation in 2022), an elevated risk of hedging the sell position to the final consumer is being observed. In addition, due to the changes in the generation mix structure stemming mainly from the rapid growth of the renewable energy sources reported in the recent years, the material changes in the electricity price profiles are observed. Such situations bring about increased uncertainty in terms of the costs of profiling and balancing the final consumer demand. A material threat (risk) to the Supply Line of Business (Segment) is also posed by the credit risk understood as a failure of the customers to meet their obligations arising from the electricity and gas sales (customer defaults). The uncertainty of the economic environment and the fluctuations on the market may lead to an increase in the insolvency rate of the counterparties (contractors) of TAURON Group.
	Generation – The Generation Segment is exposed to the market risk, the regulatory risk as well as the technical and the organizational risks that will have a significant impact on the Segment's results in the coming years. One of the key risks for the Generation Segment is the market risk associated with the volatility of the prices of the electricity and the related products, which translates into the amount of the margin earned from the business operations conducted. A further stabilization of the market conditions and an improvement in the balance between the demand and supply on the hydrocarbons market had been observed in the first half of 2025, leading to a moderately downward trend of the electricity prices and the lower volatility thereof on the futures markets. The material aspect affecting the observed reduction in the generation output of the conventional units include also the imports of the electricity and an increase in the volume of the energy production using the RES technologies. This situation, in addition to having a negative impact on the segment's profitability may result in the reduced demand for the fuels and lead to the curtailments in the purchases thereof from TAURON Group's contractors (counterparties). The rapid development of the RES technologies and the ever growing share of the renewable energy in meeting of the demand for the electricity, apart from the imports balance of the cross border electricity exchange, in addition results in the pushing of TAURON Group's conventional generating units out of the market and the need to adapt the operation of such conventional generation sources to the unstable (intermittent) production of the renewable energy sources. Such a situation forces the need to balance the units on the short term markets (buybacks / forced operation), which may generate both the opportunities, as well as the threats (risks). Nevertheless, the price of the fuel and the CO₂ has led to the maintaining of the high cost of the production in these generating units and the lack of the ability to compete with the other cheaper sources of the electricity. With respect to the operational factors, the most material threat is the risk of not achieving the planned availability rate (dispatchability) of the generating units, which is closely related to the individual units' failure rate, the high variability of the units' loads, the quality of the fuel, as well as the market situation as indicated above. The direct effects of a failure rate of the generating units include the costs of the fixing of the failures as well as the commercial consequences stemming from a failure to earn the margin on the electricity sales or the need to balance the sell position. A failure to meet the planned availability rate (dispatchability) of the generating units may also result in the inability to meet the capacity obligation, which, if it is not possible to reserve the capacity using the internal sources or on the secondary market, may result in the assessing of the penalties for this reason. In the longer term, it is important to keep in mind the directions set by the EU Climate Policy and the gradual phasing out of the fossil fuel based generating units. This is of particular relevance in view of the announcement of the acceleration of the pace of the reductions in the greenhouse gas emissions by 2040. This will result in a gradual further deterioration of the profitability rate for such generating units, the pushing out of the production from these sources by the low- and zero carbon units, and the phasing out of the support systems currently in place.
	Other Operations and Risks – The other organizational units that are a part of TAURON Group are first and foremost providing the support services for the above mentioned Segments. The main risks that are present in the Other Operations Segment are related to ensuring the availability and the security of the IT services, the broadly understood compliance management, the personal data protection, as well as the security and protection of the property (assets). In connection with the conflict in Ukraine, the security and the cyber security risks are particularly relevant, including the possible restrictions with respect to the access to the IT/OT infrastructure, the Internet and the GSM networks, as well as the physical security of the critical infrastructure elements, the breach of which may bring about the disruptions in the functioning of the operational processes and the business continuity At TAURON Group's level, one of the material threats related to the entire value chain of TAURON Capital Group is the risk of financing resulting from the gradual withdrawal of the financial institutions from financing of the activities based on the fossil fuels. The material threats for TAURON Group also include the regulatory and political issues related to the environment protection and the sustainability reporting, the risks related to the financial condition of TAURON Group's key counterparties, the sustainability risks, the risks associated with the human resources management and the workforce (social partner) expectations with respect to the growth of the wages, as well as the pending court litigations. With respect to the regulatory risk, the continued trend towards the tightening of the EU Climate Policy is observed, related to a greater curtailment of the CO₂ emissions and the support for the RES investment projects, which leads to an increase in the volatility in terms of

Segment	Description of the risk
	the national sector related regulations, and this, in turn, translates into an increase in the number of the regulatory risks of the strategic importance for TAURON Group.

6.3. Description of the most material risk categories and their mitigation methods

Table no. 32. Most material risk categories identified for TAURON Capital Group

Name and description of the risk	Risk trend and materiality	Main responses to the risk
Trading risk		
<i>Market risk</i>		
The threats (risks) or the opportunities related to a change in the prices on the wholesale electricity market and the energy related product markets, including the hard coal, gas, crude oil, the CO ₂ emission allowances, the property rights, which have a negative impact on the financial results, as well as stemming from a lack of the supply of the above mentioned products on the market and the liquidity in the commodity markets.	➔ ■	1. Monitoring of the trading positions and of the use (consumption) of the risk limits. 2. Daily control (checking) of the compliance with the limits - <i>Value at Risk</i> and the volumes of the open positions. 3. Applying of the <i>Stop Loss</i> limits allowing for protecting (locking in) the generated result. 4. The use of the futures (forward) products allowing for the hedging of the future exposure to the trading risk. 5. Taking advantage of the effects of the diversification between the products and the trading portfolios as well as the use of the internal netting.
Financial and credit risk		
<i>Interest rate risk, FX rate risk</i>		
The threats (risks) or the opportunities related to an impact of the interest rates and / or the FX rates on TAURON Group's financial results.	➔ ■	1. Ongoing monitoring of the risk exposure in order to minimize the negative impacts of the changes to the interest rates and the FX rates. 2. Use of the risk limits (<i>Value at Risk</i>). 3. Transfer of the risk through the use of the hedging transactions.
<i>Financial liquidity risk and financing risk</i>		
The threats (risks) related to the lack of TAURON Group's ability to meet its obligations on an ongoing basis and the difficulties in accessing the capital, a change in the conditions for obtaining and servicing the financing already taken on and the planned one (including due to the tightening of the EU climate policy).	➔ ■	1. Diversification of the sources of financing including the arranging of the guaranteed financing programs as well as the securing of the alternative sources of financing. 2. Analyzing of the market and the availability of the sources of financing. 3. Ongoing communications with the financial institutions. 4. Arranging of the financing agreements ahead of the time the funding is needed.
<i>Credit risk</i>		
The threats (risks) related to a deterioration of the financial condition of TAURON Group's customers and counterparties, and as a consequence, the possibility of an occurrence of the overdue accounts receivable and the pursuit of the accounts receivable by way of a court litigation and the improper performance of the obligations under the concluded contracts.	➔ ■	1. Applying of the assessment of the counterparties' credit rating (assigning of the ratings and the credit limits) at TAURON Group's individual subsidiaries. 2. The use of the credit collaterals for the customers with an unacceptable risk exposure. 3. Monitoring of the level (balance) of the Company's overdue accounts receivable. 4. The use of the continuous monitoring of the financial standing of the counterparties (business partners, contractors). 5. Conducting of the debt collection processes.
Risks related to the environment (stakeholders)		
<i>Macro economic risk</i>		
The threats (risks) or the opportunities related to a change in the economic situation of the country, the instability of the financial markets, which may lead, in particular, to a change in the demand for the electricity, an increase / decrease in the cost of the operations of the enterprise (including the costs of the wages) and a change in the financial condition of the customers and the counterparties.	➔ ■	1. Diversification of the revenue sources. 2. Market analysis and the application of the pre-emptive actions with respect to the anticipated crisis (downturn) or a slowdown of the GDP growth rate. 3. Actions taken as part of the response plans with respect to the individual risks at TAURON Group.
<i>Tax risk</i>		
The threats (risks) related to the incorrect or untimely payment of the tax obligations and associated with the implementation of the regulatory changes.	➔	1. Activities in accordance with the legal regulations (Corporate Income Tax Act).

Name and description of the risk	Risk trend and materiality	Main responses to the risk
	■	- Issuing of the opinions (providing feedback) with respect to the economic (business) events by TAURON Capital Group's tax advisors. - Jointly agreeing upon the positions at TAURON level. - Applying of the uniform accounting principles for the companies (subsidiaries) within the PGK (Tax Capital Group).
<i>Climate change risk</i>		
The threats (risks) or the opportunities related to the tightening of the EU climate policy, as well as of the environmental requirements resulting from the climate change, the activities supporting the energy efficiency (the expansion of the prosumer energy development, the support for the thermal insulation projects, the construction of the in-house energy and heat sources, the departure from the hard coal as fuel), a change in the conditions of TAURON Group's operations (the need to adapt the company to the challenges of the changes stemming from the climate change). The implications of the risk include: the headwinds / tailwinds or the volatility of the costs of raising the capital to finance the operations based on the fossil fuels, the need to incur the additional capital expenditures for adapting of the assets to the environmental requirements, an increase of the price of the CO₂ emission allowances, the decline of the demand for the products offered by TAURON Group's subsidiaries.	→ ■	- Application of <i>TAURON Group's Climate Policy</i>. - Gradual adaptation of the production assets and the energy mix of TAURON Capital Group to the production of the renewable energy as well as the zero and low emission electricity generation technologies. - Update of TAURON Group's Strategic Research Agenda. - Adaptation of TAURON Group's Investment Strategy to the guidelines stemming from the Group's Strategy and TAURON Group's Climate Policy. - Active participation in the works of the teams issuing the opinions (providing feedback) on the projects and proposing the optimal solutions. - Active searching for the technical and organizational solutions that would minimize the impact of TAURON Capital Group's operations on the climate change. - Promoting of the eco-mobility or the climate neutral mobility. - Cooperation with the business partners and the social partners (workforce) with respect to the adaptation to the climate change.
Risks related to the technology, infrastructure as well as security and safety		
<i>Environmental risk</i>		
The threats (risks) related to the negative impact of the business operations conducted on the natural environment and the use of its resources, including, in particular, a loss of the control over the process that would enable the prevention of the overly excessive (above the applicable standards) pollution, damage, disruption or failures of the installations or equipment that would have a negative impact on the environment. The materialization of the risk results in the degradation of the natural environment and the penalties for a failure to meet the environmental requirements, the need to remove them, a curtailment of the production, the delays in the implementation of the investment projects, a contamination of the water sources in a way that makes their use impossible, a destruction of a habitat, facility or an area that is of value for nature – a nature restoration project related compensation, the restrictions on the further expansion of the business operations, a loss of TAURON Group's image, a limitation of the possibility of using the financial aid programs. The risk also includes an increase in the environmental requirements stemming from the tightening of the EU's climate policy.	→ ■	- Application of TAURON Group's Environmental Policy. - Conducting of the business operations that have an impact on the environment in accordance with the principles of the sustainable development. - Monitoring of the proposed legal regulations in order to take the pre-emptive environmental measures as part of TAURON Group's business operations, and in particular with respect to the investment and asset management processes. - Working with all of the parties and process participants in order to identify and minimize the environmental impacts. - Active searching for the technical and organizational solutions that would minimize the potentially adverse impact of TAURON Group's business operations on the climate change - Monitoring, documenting and monthly reporting of the selected values (parameters) to the Group level for the purpose of a management analysis, the development of the recommendations and an exchange of the "industry's environmental best practices", through which a continuous improvement of TAURON Group in the area of environmental protection is implemented. - Responding to the changing communication channels and the activity with respect to seeking of the environmental data by the stakeholders.
<i>Weather risk</i>		
The threats (risks) or the opportunities related to the volatile weather conditions, including the more frequent occurrence of the weather anomalies, leading, among other things, to a volatility of the volume of the electricity and the heat supply and distribution, a volatility of the production volume.	→ ■	- Gradual adaptation of the production assets to the consequences of the extreme weather phenomena and the volatility of the weather conditions, in particular in the Lines of Business sensitive (vulnerable) to these factors. - Monitoring and analysis of the new technological solutions curtailing the impact of the adverse weather conditions on the volume of the electricity produced. - Continuous technical supervision of the operation of individual wind turbines conducted by the companies operating the farms.
<i>Company assets (property) risk</i>		
The threats (risks) related to the failures of the machinery and equipment, the distribution (of electricity, heat) grid failures caused, among other things, by the operation thereof, but also by the random (fortuitous) events, including those related to the extreme weather conditions (storms, floods, hurricane winds, heat waves,	→ ■	- Optimizing of the capital expenditures on the asset replacements, the ongoing monitoring of the condition of the machines, devices and the installations. - Recommending of the tasks, to be included in the Investment Plan, with respect to the asset replacement investment projects in order to reduce the causes of the risk for the equipment with a nominal life cycle overrun.

Name and description of the risk	Risk trend and materiality	Main responses to the risk
fires) as a consequence of, among other things, the climate change. The materialization of the risk has an impact on the availability (dispatchability) rates of the assets and results in the downtime related to the asset failures, the increased costs of the rectification thereof, the deterioration of the quality indicators and the impact on the regulated revenue. In addition, it may also lead to a failure to meet the capacity obligation, as a consequence resulting in the need to conclude the transactions on the secondary market or the payment of the financial penalties to the TSO (PSE). One of the consequences is also the need to balance the trading position.		3. Raising of the professional qualifications and the work culture of the personnel by organizing of the courses and the training. 4. Responding to the emergency situations by the technical personnel and the automatic process safety interlocks (safeguards). 5. Introducing of the IT tools with respect to improving of the monitoring and managing the failure indicators (rates, ratios). 6. Continuous monitoring of the availability (dispatchability) rate of the generating units and the demand side reduction facilities, as well as the shifting of the capacity obligations that require reserving to the dedicated intra group reserve units or to the external entities. 7. Gradual adaptation of the production assets to the consequences of the extreme weather phenomena and the volatility of the weather conditions, in particular in the Distribution Line of Business.
<i>IT / OT risk</i>		
The threats (risks) related to the IT / OT infrastructure security and safety, as well as the failures of the IT / OT infrastructure (including a ransomware attack).	→ ■	1. Developing and maintaining of the plans aimed at ensuring the continuity of the IT / OT infrastructure's operation. 2. Periodic identifying and categorizing of the IT / OT resources based on the service restoration targets. 3. Use of the IT / OT solutions with the adequate technical parameters, ensuring an acceptable level of the reliability and performance of the operation (including also the UPS devices, the GSM modem, the mobile phones). 4. Planning and conducting of the training courses with respect to the IT / OT infrastructure's continuity of the operation and security.
<i>Risk related to the purchasing of the energy related fuels</i>		
The threats (risks) or the opportunities related to the possible necessity to purchase the hard coal at a higher / lower price than assumed in the budget plan (which may be due to a change in the production of the electricity and thermal energy by TAURON Group's generating units, as well as due to a failure to fulfill the concluded hard coal contracts in the minimum quantities). An additional risk factor is the supply of the hard coal on the market, in particular the hard coal with the right quality parameters, which, as a consequence, may lead to a failure to meet the level of the strategic reserves or, in an extreme scenario, the need to reduce the production output.	→ ■	1. Maintaining of the required levels of the hard coal inventory in the stockpiles, 2. Securing of the additional hard coal volume under the SPOT contracts and, as a volume option, purchasing of the imported hard coal. 3. Use of the DAP / CPT formulas, allowing for the flexible response to the changing market conditions (increasing of the hard coal deliveries using the supplier's transportation). 4. Monitoring of the performance of the volumes specified in the contracts. 5. Long term hedging of TAURON Group's fuel position taking into account the current economic conditions. 6. Negotiations with the hard coal suppliers. 7. Searching for the new directions of the supplies.
Risks related to the workforce and the organizational culture		
<i>Human resources risk</i>		
Risks (threats) related to the labor issues, including the provision of the qualified personnel, diversity, participation, employment and working conditions, the relations with the trade unions and the respect for the right of freedom of association, the human capital management, the career path management and the recruitment, the training systems, the occupational health and safety, as well as, in the longer term, the need to ensure the adequate competences resulting from the energy transition process. The materialization of risks may result in the interruptions or the disruptions in the operational activities, the labor grievances, the industrial disputes, the strikes, a loss of the specialized staff and the difficulties in replacing them.	→ ■	1. Conducting of the consultations with the social organizations operating at TAURON Group's subsidiaries. 2. Conducting of the social dialogue between the Management Board of TPE and the Social Council within the framework of the drafted "Agreement on the Cooperation as part of the Social Dialogue at TAURON Capital Group". 3. Functioning of the Social Dialogue Ombudsman, who is providing the support for an effective communication between the employers and the trade unions. 4. Caring for the development of the employees' competencies, including through a participation in the development training courses.
<i>Risk of the social disputes</i>		
Risk related to the collective disputes, the strikes, the social conflicts (the conflicts with the work force) being a consequence of a lack of the personnel's satisfaction with the economic and social situation.	→ ■	1. Conducting of the public consultations regarding the planned changes. 2. Conducting of a policy of the dialogue with the social partners (work force). 3. Preparing and implementing of the motivational solutions. 4. Active internal communication with respect to the personnel matters.
<i>Risk of a lack of due diligence</i>		
The risk associated with a non-compliance with the procedures and a lack of due diligence by the employees in carrying out their professional duties.	→ ■	1. A systematic periodic training of the employees. 2. An analysis of the repeated cases of errors and mistakes made by the employees, taking of the systemic remedial actions.

Name and description of the risk	Risk trend and materiality	Main responses to the risk
		3. The implementation of the Internal Control System and the control mechanisms for the processes carried out at TAURON Capital Group.
Risks related to the lack of compliance		
<i>Legal risk (including the risk of non-compliance)</i>		
The threats (risks) related to the changes to the legal provisions and the compliance therewith, the interpretation of the new laws and regulations, the requirements imposed by the regulator and the oversight authorities, as well as the legal disputes with the customers and the counterparties. The negative consequences of the materialization of the risk may include the financial penalties, the criminal and the civil law liability, a loss of the image of the Group.	→ ■	1. Continuous monitoring of the regulatory environment and the changes to the legal regulations, including in the area of the social issues, the respect for the human rights, counteracting the corruption, the environment protection and the employee (labor) related issues. 2. Implementation of the changes to the internal regulations and the intra-corporate regulations. 3. Setting up of the working groups tasked with the preparation and the implementation of the required changes stemming from the legal environment. 4. Cooperation with the authorities (regulators) overseeing the energy market and the capital market.
Risks related to the customers and the counterparties (business partners, contractors)		
<i>Customer service risk</i>		
The threats related to the non-compliance with the customer service standards leading to the customer dissatisfaction with the service, the customer complaints, a loss of customers.	→ ■	1. Monitoring and analyzing of the external customer satisfaction indicators (metrics) and the indicators (metrics) related to the complaints. 2. Undertaking of the additional measures, for example, with respect to the internal regulations, defining of the standards of conduct as a result of the analysis of the indicators (metrics). 3. Developing of the key account managers' competences and skills.
<i>Volume and margin risk</i>		
The threats (risks) or the opportunities related to a change in the volume of the sales of the products offered by TAURON Group's subsidiaries, in particular as a result of the macro economic situation, the development of the energy efficiency solutions, the thermal insulation of the buildings, the growth of the prosumer energy, the impact of the climate factors causing a significant deviation of the temperature versus the planned values. The implications of the materializing of the risk include the volatility of the revenue at the individual operating segments of TAURON Group due to the changes in the level of the demand.	→ ■	1. Ongoing updating of the offering, launching of the sales of the multi package (multipakiet) type products. 2. Conducting of the marketing campaigns, acquiring of the new customers. 3. Activities focused on the retaining of the existing customers and acquiring of the new customers (expansion oriented activities).
<i>Purchasing process risk</i>		
The threats (risks) or the opportunities related to the purchasing proceedings conducted, their erroneous implementation, an unplanned change of the purchase costs, taking into account the methods used to prevent the violations of the human rights by the business partners, counteracting corruption and fraud (abuse) in the purchasing process and the compliance with the ethical and moral standards during the implementation thereof.	→ ■	1. Application of the provisions of the Code of Conduct for the Counterparties (Contractors) of TAURON Group's subsidiaries. 2. Application of the provisions of TAURON Group's Anti-Corruption Policy. 3. Inclusion of the anti-corruption clauses in the contracts with the contractors (counterparties). 4. Application of TAURON Group's Respect for Human Rights Policy 5. Standardization of the rules of conducting of the proceedings in the purchasing process and the transparency thereof. 6. Building of the long lasting relationships with the contractors (counterparties) based on the trust and the mutual respect.
Risks related to the regulations		
<i>Regulatory risk</i>		
The threats (risks) or the opportunities related to the change of the existing regulations or the introduction of the new regulations that have an impact on the business operations of TAURON Group and the need to adapt to the regulatory changes, in particular those resulting from a significant increase (tightening) in the requirements of a specific regulation, including the environmental requirements stemming from the climate change, the support for the pro-climate activities (the expansion of the prosumer energy, the thermal insulation of the buildings, the development of the in-house generation sources). The implications of the materializing of the risk include, first and foremost: the volatility of the revenues in the individual operating segments of the Group, the	→ ■	1. Continuous monitoring of the regulatory environment and the changes to the legal regulations. 2. Active participation in the consultations with respect to the planned regulations (the industry organizations, the government agencies). 3. Active measures aimed at creating a regulatory environment in a manner favorable to TAURON Group. 4. Continuous cooperation with the authorities (regulators) overseeing the energy market and the capital market. 5. Consultations with the organizational (business) units with respect to the proposed regulations. 6. Internal consultations.

Name and description of the risk	Risk trend and materiality	Main responses to the risk
volatility of the operating expenses as a result of the need to adapt to the legislative changes.		

■ Low materiality
 ■ Moderate materiality
 ■ Medium materiality
 ■ High materiality

7. Other material information and events

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

Table no. 33. Summary of the material proceedings pending in front of the court, competent arbitration authority or public administration authority in the first half of 2025

Parties to the proceedings	Description of the proceedings including the value of the object of litigation and the Company's position
Proceedings involving TAURON	
1. Plaintiff: Huta Łaziska Defendants: TAURON (as a legal successor to GZE) and the State Treasury represented by the President of the Energy Regulatory Office (ERO)	Object of litigation: a lawsuit for the payment of the compensation for the alleged damage caused by a non-performance by Górnośląski Zakład Elektroenergetyczny S.A. (GZE) of the decision of the President of the Energy Regulatory Office (ERO) of October 12, 2001, related to the resumption of the electricity supply to the plaintiff. Value of the object of litigation: PLN 182 060 000.00 Initiation of the proceeding: the lawsuit of March 12, 2007 Company's position: the Company considers the claims covered by the lawsuit as being without merit. On May 28, 2019, the Regional Court in Warsaw issued a ruling on the dismissal of Huta Łaziska S.A.'s lawsuit in whole. Huta Łaziska had filed an appeal complaint on July 25, 2019, appealing against the above mentioned ruling in whole. Based on the ruling of the Court of Appeal in Warsaw of February 9, 2022, the appeal of Huta Łaziska had been dismissed. On October 13, 2022, Huta Łaziska brought a cassation appeal against the judgment to the Supreme Court. In its ruling of August 20, 2025, the Supreme Court upheld the cassation appeal, overturned the ruling of the Court of Appeal, and referred the case back to that court for a reconsideration.
2. Authority conducting the audit: Head of the Mazovian Customs and Tax Office, and after an appeal has been filed – the Director of the Tax Administration Chamber in Katowice and the Director of the Tax Administration Chamber in Warsaw Party: TAURON	Object of litigation: examining of the accuracy of the tax base amounts declared by TAURON and the correctness of the calculations and payments of the VAT tax for the period from October 2013 until September 2014. The main subject of the two investigations (audits) are TAURON's deductions of the VAT assessed due to the purchase of electricity by TAURON on the German and Austrian electricity market from Castor Energy sp. z o.o. (Ltd.) Value of the object of litigation (the deducted VAT amount): with respect to the transaction with Castor Energy sp. z o.o. (Ltd.) – PLN 55 400 046.39. Date of initiating the proceeding: October 2014, August 2016 Company's position: in the Company's opinion during the verification of the counterparty (business partner, contractor), the due diligence was actually adhered to, and the Company acted in good faith, so there are no grounds for refusing the Company the right to deduct the tax assessed on the invoices documenting the electricity purchase from Castor Energy sp. z o.o. (Ltd.). On October 7, 2020, the Company had received the decision of the Head of the Mazovian Customs and Tax Office, ending one of the audit proceedings, specifying the amount of its VAT tax liability for the following months: October, November, December 2013 and the first quarter of 2014, which had resulted in the obligation for the Company to pay additional VAT due to the transaction with Castor Energy sp. z o.o. in the total amount of PLN 51 818 857, along with the interest on the tax arrears. The Company had filed an appeal against the decision on October 20, 2020. On January 15, 2021, as part of the second audit proceedings, a decision had been issued by the Head of the Mazovian Customs and Tax Office in which the Authority stated that the Company had not been eligible to deduct the VAT assessed from the invoice issued by Castor Energia Sp. z o.o. (Ltd.) in April 2014, and thus the Company had overstated the amount of the VAT assessed recognized in the tax statement filing for the second quarter of 2014 by the amount of PLN 677 815.39. The Company had filed an appeal against the decision on February 12, 2021. On February 23, 2023, the Provincial Administrative Court (Wojewódzki Sąd Administracyjny - WSA) in Gliwice overturned the decision of the second instance authority that the Company had filed an appeal against, with respect to the VAT tax liability for the periods from October to December 2013 and for the first quarter of 2014. The Director of the Tax Administration Chamber in Katowice filed a cassation appeal with the Supreme Administrative Court (NSA) on April 22, 2022, representing a complaint against the February 23, 2023, ruling of the Provincial Administrative Court (WSA) in Gliwice, which had been in TAURON's favor.
3. Plaintiff: Enea Defendant: TAURON	Object of litigation: a lawsuit for the payment due to the Company's alleged unjust enrichment (benefit) in connection with the settlements related to the imbalance of the Balancing Market with PSE between January and December 2012 Value of the object of litigation: PLN 17 085 846.49 Initiation of the proceeding: the lawsuit of December 10, 2015 Company's position: the Company considers the claims covered by the lawsuit as being without merit. On March 22, 2021, the Regional Court in Katowice had dismissed Enea's lawsuit in its entirety. Enea had filed an appeal in June 2021. The Company has filed a response to the appeal. At a hearing on March 12, 2025, the Court of Appeals in Katowice dismissed Enea's appeal in its entirety. The ruling is final (legally binding).

Parties to the proceedings	Description of the proceedings including the value of the object of litigation and the Company's position
4. Authority conducting the audit: Head of the First Mazovian Tax Office in Warsaw, the Director of the Tax Administration Chamber in Warsaw, Party: TAURON	In 2023 and 2024, TAURON and its selected subsidiaries had been paying the income tax as part of the Tax Capital Group (Podatkowa Grupa Kapitałowa - PGK) registered in 2022 by the Head of the First Mazovian Tax Office in Warsaw for the years 2023 - 2025. As a result of the process of merging of the companies carried out in 2024, on July 1, 2024, the merger of the TAURON Zielona Energia subsidiary owned by PGK (the acquiring company) with 10 limited partnerships (the acquired companies), for which, until the merger, TAURON Zielona Energia had been the sole limited partner holding almost 100% of all of their rights and obligations, had been registered in the National Court Register (KRS). As part of the legal actions involving the merger and an increase of the share capital of TAURON Zielona Energia, the Company identified an occurrence of a situation fulfilling the prerequisites of a material error, as referred to in Article 84 of the Act of April 23, 1964, the Civil Code, with regard to the share exchange parity, as a result of which the registration of the share capital increase had led to a reduction of the Company's share in the share capital of TAURON Zielona Energia from 100% to 62.5%. As a consequence, the Company and the acquiring company, as well as the shareholders of the acquired companies, had taken the legal steps, in particular in the form of submitting of the relevant declarations of intent and the relevant petitions to the Registry Court, aimed at bringing about the annulment of the legal effects of the Registry Court's decision on the registration of the merger and the increase of the share capital of TAURON Zielona Energia, carried out on the basis of the legal actions burdened with, in the opinion of the Company and the entities participating in the merger, an error. On December 27, 2024, TAURON, as the parent company of PGK, had received a decision from the Head of the First Mazovian Tax Office in Warsaw stating that the decision to register the agreement on the establishment of TAURON PGK had expired on July 1, 2024, as a result of a breach of the condition that the Company should hold at least 75% of the shares in the share capital of TAURON Zielona Energia, a member of PGK. On January 10, 2025, TAURON had filed an appeal against the above mentioned decision, due to its view that the process of merging TAURON Zielona Energia with the acquired companies had been ineffective, and thereby the reduction of TAURON's share in the share capital of TAURON Zielona Energia had also been ineffective, which had determined that the PGK status had been maintained. On February 11, 2025, as a result of a successful appeal, the Company had received a decision from the Director of the Tax Administration Chamber in Warsaw on the revoking of the above mentioned decision of the Head of the Tax Office in its entirety and on the referring of the case for a reconsideration by this body. In the opinion of the Director of the Tax Administration Chamber in Warsaw, the first instance authority had not taken into consideration the evidence and circumstances presented by TAURON prior to the issuing of its decision, in particular the circumstance of TAURON Zielona Energia's filing of a lawsuit, on December 5, 2024, to declare the resolution of the general meeting of the shareholders adopted in connection with the merger of the companies and the increase of the share capital of TAURON Zielona Energia null and void, and it had not taken into consideration TAURON's request to suspend the tax proceedings until a common court had resolved the issue of the effectiveness of the merger. On February 4, 2025, the District Court in Katowice, in its ruling issued, had declared the resolution of the Extraordinary General Meeting of the Shareholders of TAURON Zielona Energia on the merger of the acquiring company with the acquired companies to be null and void. On March 21, 2025, TAURON Zielona Energia had learned that, at its request, the Regional Court of Katowice Wschód, the 7th Commercial Division of the National Court Register had struck out, from the National Court Register (KRS), the entry of July 1, 2024, with respect to the merger of TAURON Zielona Energia with 10 limited partnerships. On March 24, 2025, TAURON had received a decision of the Head of the First Mazovian Tax Office in Warsaw on the discontinuing of the tax proceedings with respect to the expiration of the decision to register the agreement on the establishment of TAURON PGK. The receipt of the above mentioned decision has been the result of the reconsideration of the case by this authority and means that TAURON's Tax Group status has been maintained. As a consequence, the tax proceedings conducted in this case have become pointless. TAURON had disclosed the information on the above events in current reports no. 67/2024 of December 27, 2024, no. 4/2025 of February 11, 2025, no. 11/2025 of March 21, 2025 and no. 12/2025 of March 24, 2025.
Lawsuits pertaining to the termination, by the PEPKH subsidiary, of the agreements related to the sales of electricity and property rights arising from the guarantees of origin (energy certificates)	
1. Plaintiff: Dobiesław Wind Invest sp. z o.o. (Ltd.) (Dobiesław Wind Invest) Defendant: TAURON	Object of litigation: a lawsuit for the payment of the damages and the determination of the liability for the future. Current value of the object of litigation: PLN 94 769 522.68 Initiation of the proceeding: the lawsuit of June 30, 2017 During the course of the court proceedings under way, the plaintiff had expanded its claim two times to include the new claims. In the course of the court proceedings under way, the parties had exchanged the pleadings (submissions) and the hearings had been held at which witnesses had been heard. The evidentiary proceedings are still in progress. The further hearings had been held in the first half of 2025. The case is pending in the first instance. Company's position: the Company considers the claims covered by the lawsuit as being without merit.
2. Plaintiff: Gorzyca Wind Invest sp. z o.o. (Ltd.) Defendant: TAURON	Object of litigation: a lawsuit for the payment of the damages and the determination of TAURON's liability for the losses that may arise in the future due to tort, including due to the acts of an unfair competition. Current value of the object of litigation: PLN 150 069 533.00 Initiation of the proceeding: the lawsuit of June 29, 2017 Company's position: the Company considers the claims covered by the lawsuit as being without merit. During the course of the court proceedings under way, the plaintiff had expanded its claim two times to include the new claims.

Parties to the proceedings	Description of the proceedings including the value of the object of litigation and the Company's position
	On December 5, 2024, the Regional Court in Katowice issued a ruling dismissing the claims of the lawsuit in their entirety, along with all of the extensions of this lawsuit filed by the plaintiff. The ruling is not final (legally binding). Gorzyca Wind Inwest sp. z o.o. (Ltd.) has appealed against the ruling, and TAURON is working on its response to the appeal.
	Object of litigation: a lawsuit for the payment of the damages and the determination of TAURON's liability for the losses that may arise in the future due to tort, including due to the acts of an unfair competition. Current value of the object of litigation: PLN 44 817 060.00 Initiation of the proceeding: the lawsuit of June 29, 2017 Company's position: the Company considers the claims covered by the lawsuit as being without merit. During the course of the court proceedings under way, the plaintiff had expanded its claim two times to include the new claims. In the course of the court proceedings under way, the parties had exchanged the pleadings (submissions) and the hearings had been held at which the witnesses had been heard. The evidentiary proceedings are still in progress. The case is pending in the first instance.
3. Plaintiff: Pękanino Wind Invest sp. z o.o. (Ltd.) Defendant: TAURON	Object of litigation: a lawsuit for the payment of the damages and the determination of TAURON's liability for the losses that may arise in the future due to tort, including due to the acts of an unfair competition. Current value of the object of litigation: PLN 83 600 774.00 Initiation of the proceeding: the lawsuit of June 29, 2017 Company's position: the Company considers the claims covered by the lawsuit as being without merit. During the course of the court proceedings under way, the plaintiff had expanded its claim two times to include the new claims. The evidentiary proceedings are under way. The case is pending in the first instance.
4. Plaintiff: Nowy Jarosław Wind Invest sp. z o.o. (Ltd.) Defendant: TAURON	Object of litigation: a lawsuit for the payment of the damages and the determination of TAURON's liability for the losses that may arise in the future due to tort, including due to the acts of an unfair competition. Current value of the object of litigation: PLN 107 873 696.42; Talia – PLN 72 405 047.22 Initiation of the proceeding: the lawsuit of April 30, 2018 Company's position: the Company considers the claims covered by the lawsuit as being without merit. On April 28, 2025, the parties had entered into a settlement agreement, as discussed in more detail in section 5.1 of this report. On May 8, 2025, the court issued a decision to discontinue the proceedings.
5. Co-participation on the plaintiff's side: Amon and Talia Defendant: TAURON	Object of litigation: a plea to declare the termination, by PEPKH, of the agreements related to the purchase of electricity and the property rights arising from the guarantees of origin of electricity (energy certificates) null and void, and to award the damages. Value of the object of litigation: Gorzyca Wind Invest sp. z o.o. (Ltd.) – PLN 259 385 823,64; Pękanino Wind Invest sp. z o.o. (Ltd.) - PLN 75 187 289,06 Initiation of the proceeding: Gorzyca Wind Invest sp. z o.o. (Ltd.) – May 18, 2015, Pękanino Wind Invest sp. z o.o. (Ltd.) – May 20, 2018, Dobiesław Wind Invest sp. z o.o. (Ltd.) – May 18, 2015 Company's position: the Company considers the claims covered by the lawsuit as being without merit. The cases had been combined for a joint hearing in 2018. In the course of the court proceedings under way, the plaintiffs had expanded their claims, as well as had filed the new claims (the current value of the object of the litigation is indicated above). The case is pending in the first instance.
1. Plaintiff: Gorzyca Wind Invest sp. z o.o. (Ltd.), Pękanino Wind Invest sp. z o.o. (Ltd.), Dobiesław Wind Invest sp. z o.o. (Ltd.) Defendant: PEPKH	Object of litigation: a plea to award damages and the liquidated damages. Value of the object of litigation: PLN 159 427 682.00 Initiation of the proceeding: the lawsuit of June 14, 2017 Company's position: the Company considers the claims covered by the lawsuit as being without merit. In the course of the court proceedings under way, the plaintiff had expanded its claims. The case is pending in the first instance.
2. Plaintiff: Dobiesław Wind Invest sp. z o.o. (Ltd.) Defendant: PEPKH	Object of litigation: a plea to declare the termination, by PEPKH, of the agreements related to the sale of electricity and the property rights arising from the guarantees of origin of electricity (energy certificates) null and void, and to award the damages. Value of the object of litigation: PLN 145 833 222,86 Initiation of the proceeding: the lawsuit of June 3, 2015 Company's position: the Company considers the claims covered by the lawsuit as being without merit.
3. Plaintiff: Nowy Jarosław Wind Invest sp. z o.o. (Ltd.) Defendant: PEPKH	

Parties to the proceedings	Description of the proceedings including the value of the object of litigation and the Company's position
	In the course of the court proceedings under way, the plaintiff had expanded its claims five times. The case is pending in the first instance.
4. Plaintiff: Amon Defendant: PEPKH	Object of litigation: a plea to declare the termination, by PEPKH, of the agreements related to the purchase of electricity and the property rights arising from the guarantees of origin of electricity null and void, and to award the damages. Value of the object of litigation: PLN 40 478 983.22 Initiation of the proceeding: the lawsuit of May 22, 2015 Company's position: the Company considers the claims covered by the lawsuit as being without merit. On April 28, 2025, the parties had entered into a settlement agreement, as discussed in more detail in section 5.1 of this report.
5. Plaintiff: Amon Defendant: PEPKH	Object of litigation: a plea to determine awarding of the damages due to a failure to perform, by PEPKH, of the agreements related to the purchase of electricity and the property rights arising from the guarantees of origin of electricity (energy certificates). Value of the object of litigation: PLN 49 096 783,00 29 Initiation of the proceeding: August 20, 2019 Company's position: the Company considers the claims covered by the lawsuit as being without merit. On April 28, 2025, the parties had entered into a settlement agreement, as discussed in more detail in section 5.1 of this report.
6. Plaintiff: Talia Defendant: PEPKH	Object of litigation: a plea to declare the termination, by PEPKH, of the agreements related to the purchase of electricity and property rights arising from the guarantees of origin of electricity (energy certificates) null and void, and to award the damages. Value of the object of litigation: PLN 46 078 047.43 Initiation of the proceeding: the lawsuit of May 21, 2015 Company's position: the Company considers the claims covered by the lawsuit as being without merit. On April 28, 2025, the parties had entered into a settlement agreement, as discussed in more detail in section 5.1 of this report.
7. Plaintiff: PEPKH Defendant: Amon	Object of litigation: a plea to determine awarding of the damages due to a failure to perform, by Amon, of the agreements related to the purchase of electricity and the payment of the liquidated damages under the agreement for the sale of the property rights arising from the guarantees of origin of electricity (energy certificates). Value of the object of litigation: PLN 61 576 284.89 Initiation of the proceeding: the lawsuit had been filed on March 31, 2023 On April 28, 2025, the parties had entered into a settlement agreement, as discussed in more detail in section 5.1 of this report.
8. Plaintiff: PEPKH Defendant: Talia	Object of litigation: a plea to determine awarding of the damages due to a failure to perform, by Talia, of the agreements related to the purchase of electricity and the payment of the liquidated damages under the agreement for the sale of the property rights arising from the guarantees of origin of electricity (energy certificates). Value of the object of litigation: PLN 75 334 631.53 Initiation of the proceeding: the lawsuit had been filed on December 28, 2023 On April 28, 2025, the parties had entered into a settlement agreement, as discussed in more detail in section 5.1 of this report.

Other proceedings

Petitions of TAURON Sprzedaż for a change of the approved tariff

By decision of July 8, 2020, the President of the Energy Regulatory Office refused to approve the change in the tariff for 2020 submitted by TAURON Sprzedaż sp. z o.o. On July 30, 2020, TAURON Sprzedaż appealed against the abovementioned decision of the President of the Energy Regulatory Office to the Court of Competition and Consumer Protection in Warsaw. On March 26, 2024, the Court dismissed the company's claim against the President of the Energy Regulatory Office, and the company appealed against the judgment. On August 26, 2025 (event after the balance sheet date), the Court of Appeal issued a judgment dismissing the company's appeal. The company is awaiting delivery of the judgment with justification. After analyzing the justification, decisions will be made regarding further proceedings.

Arbitration proceedings with ArcelorMittal group companies

TAMEH HOLDING is a joint venture in which TAURON and ArcelorMittal Group's companies (the Group's lead partner (shareholder), i.e. AM Global Holding S.a r.l., with its registered office in the Grand Duchy of Luxembourg (AM Global Holding) and ArcelorMittal Poland S.A. with its registered office in Dąbrowa Górnicza (AMP)) each hold 50% of the shares. The main subject of the business operations of TAMEH HOLDING is the production of the blast

furnace blowing, compressed air, process steam, production and sales of the electricity and the heat for the district heating purpose. TAMEH HOLDING is a holder of 100% of the shares in two operating companies: TAMEH POLSKA and TAMEH Czech.

In the Shareholders' Agreement entered into on August 11, 2014, between TAURON Group's subsidiaries and ArcelorMittal Group companies (collectively referred to as the Parties), defining the terms and conditions of the Parties' cooperation within TAMEH HOLDING (the Shareholders' Agreement), the Parties had made irrevocable offers to each other to buy and sell the shares in TAMEH HOLDING. Each of the Parties had the right to accept the irrevocable purchase offer made by the other Party, among other things, in the event that one of the prerequisites set forth in the Shareholders' Agreement would materialize as of the elapse of December 31, 2023.

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

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

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

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

In connection with the expiration of the above mentioned deadline of 30 working days and a failure to make the payment of the Sale Price by such a deadline, the Parties have submitted to each other the summons to pay, while at the same time upholding their readiness to negotiate and amicably resolve the dispute arisen.

On October 1, 2024, due to the lack of an agreement on the effectiveness of the serving of the statements regarding the acceptance of the offers to purchase the shares in TAMEH HOLDING, TAURON had summoned AM Global Holding (the Lead Partner), AMP and AMLP, to an arbitration to resolve the dispute regarding the Lead Partner's failure to pay the sale price for the shares held by TAURON in the company TAMEH HOLDING.

The value of the subject of the dispute stands at PLN 598 098 090.30, with AMP and AMLP being jointly and severally liable along with the Lead Partner (Shareholder) for the payment of this amount.

The arbitration will be conducted in accordance with the rules set forth in the United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules 2021 by an ad hoc arbitral tribunal.

On October 30, 2024, TAURON had received a response to the summons to the arbitration from the Lead Partner (Shareholder), AMP and AMLP regarding the resolution of the above mentioned dispute. In response to the summons, the Lead Partner had filed a counterclaim, in which it had demanded the payment by TAURON of PLN 598 098 090.30 plus the statutory interest for a late payment assessed (accrued) as of February 14, 2024, until the date of the payment of the price for the shares held by the Lead Partner (Shareholder) and AMP in TAMEH. In TAURON's opinion, the claims of the Lead Partner (Shareholder) are without merit. The proceedings are under way.

Lawsuit for the payment of a compensation for the mobbing alleged by a former employee

On August 8, 2024, a former TAURON employee had filed a lawsuit with the District Court in Katowice, in which she had demanded an award of PLN 1 500 000 000 plus the statutory interest assessed (accrued) as of August 8, 2024, until the date of the payment as a compensation for the mobbing during the employment relationship.

The Company had filed a response to the lawsuit, requesting that the claim be dismissed in its entirety as being without merit. In the Company's opinion, in particular on the basis of the legal opinion obtained, as well as taking into account the previous rulings (case law of the courts) issued in the similar cases, the probability of the amount of the compensation requested by the plaintiff if the claim were to be upheld being awarded is negligible. The Company will not set up a provision for this event.

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

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

The detailed information on the transactions with the related entities is provided in note 52 to the Interim Abbreviated Consolidated Financial Statements of TAURON Capital Group.

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

Credit or loan sureties (co-signings) granted

In the first half of 2025, TAURON had raised, up to the amount of PLN 64 million, the surety for EC Stalowa Wola's liabilities towards BGK stemming from the loan agreement concluded in 2018. TAURON's surety is in effect until March 11, 2026. As of June 30, 2025, the amount of the surety had stood at PLN 35 million.

The subsidiaries did not issue any loan or credit sureties in the first half of 2025.

Udzielone gwarancje

In the first half of 2025, neither the Company, nor its subsidiaries had provided any new corporate guarantees

As of June 30, 2025, the total amount of the sureties (co-signings) and the corporate guarantees (bonds) granted by the Company had stood at PLN 1 760 million.

As of June 30, 2025, the amount of the sureties and corporate guarantees issued by the subsidiaries had stood at EUR 16 million (PLN 69 million) and PLN 433 million in total.

In the first half of 2025, as part of the framework (master) agreements in force, the bank guarantees had been issued at the instruction of TAURON for the liabilities of TAURON Capital Group's subsidiaries and its joint subsidiary. As of June 30, 2025, the amount of the bank guarantees (bonds) in effect, issued at the instruction of TAURON, had stood at PLN 398 million.

In addition, the bank guarantees issued at the instruction of TAURON Czech Energy s.r.o. had been in effect in the first half of 2025, and as of June 30, 2025, they had clocked in at PLN 20 million (CZK 65 million and EUR 1.9 million) in total.

The information on the material guarantees (bonds) granted is provided in note 51 to the Interim Abbreviated Consolidated Financial Statements of TAURON Polska Energia S.A. Capital Group drawn up in compliance with the International Financial Reporting Standards approved by the European Union, for the period of 6 months ended on June 30, 2025.

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

Apart from the events indicated in the other sections of this report, no other events had occurred in the first half of 2025 that had been material for the evaluation of the personnel, assets, financial position and the financial result of TAURON Capital Group and the changes thereof, as well as for the evaluation of the ability of TAURON Capital Group to meet its obligations.

Katowice, September 16, 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

Appendix A: GLOSSARY OF TERMS AND LIST OF ABBREVIATIONS

Abbreviation and trade term	Full name / explanation
1. Amon	Amon sp. z o.o. (Ltd.) with its registered office in Łebcz.
2. ARA	Dollar based carbon price index in the EU. Loco Amsterdam - Rotterdam - Antwerp ports
3. ARE	Agencja Rynku Energii S.A. (Energy Market Agency Joint Stock Company) with its registered office in Warsaw.
4. BASE (BASE Contract)	A baseload contract for the supply of electricity at all hours of the period, for example the BASE contract for March 2025 is related to the supply of the same amount of electricity during all hours of the month of March 2025.
5. BGK	Bank Gospodarstwa Krajowego with its registered office in Warsaw.
6. Bioeko Grupa TAURON	Bioeko Grupa TAURON Sp. z o.o. (Ltd.) with its registered office in Stalowa Wola.
7. CAPEX	Capital Expenditures.
8. Cash pool	True real time (online) <i>cash pool</i> structure, implemented under the cash management agreement, is based on the daily limits. As a result of the implementation of the <i>cash pool</i> mechanism, cash transfers are made between the accounts of the service participants and the Pool Leader's account.
9. Color certificates	Property rights based on the guarantees of origin of electricity (energy certificates) generated in the way that is subject to support, the so-called color certificates: green - guarantees of origin of electricity (energy certificates) from RES, blue - guarantees of origin of electricity (energy certificates) generated from agricultural biogas. white - energy efficiency certificates (mechanism stimulating and forcing pro-savings behaviors) yellow - guarantees of origin of electricity (energy certificates) generated in co-generation from gas-fired sources or with the total installed capacity below 1 MW, red - guarantees of origin of electricity (energy certificates) from co-generation (CHP certificates - Combined Heat and Power), violet - guarantees of origin of electricity (energy certificates) generated in co-generation fired using methane released and captured during underground mining works in active, in liquidation or liquidated hard coal mines, or using gas obtained from biomass processing.
10. COVID-19	Coronavirus Disease 2019 - acute respiratory system contagious disease caused by the SARS-CoV-2 virus infection. The disease was first diagnosed and described in November 2019 in central China in the city of Wuhan, Hubei Province.
11. CUW	Shared Services Center (Centrum Usług Wspólnych - CUW) - separate organizational units responsible for providing a specific range of support services (CUW R – accounting services, CUW HR – human resources services, CUW IT – IT services, CUW Insurance, CUW Protection).
12. EBIT	Earnings Before Interest and Taxes.
13. EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization.
14. EC Stalowa Wola	Elektrociepłownia Stalowa Wola S.A. (Joint Stock Company) with its registered office in Stalowa Wola (Stalowa Wola Combined Heat and Power Plant (CHP)).
15. Enea	Enea S.A. (Joint Stock Company) with its registered office in Poznań.
16. Energa	Energa S.A. (Joint Stock Company) with its registered office in Gdańsk.
17. EU ETS	European Union Emission Trading System - European Union's System for the Trading of the CO ₂ Emission Allowances.
18. EUA	European Union Allowance - an allowance to introduce the carbon dioxide (CO ₂) equivalent to the air, within the meaning of Article 2 section 4 of the <i>Act of July 17, 2009, on the management system of emissions of greenhouse gases and other substances</i> , which is used for settlements of emission level

Abbreviation and trade term	Full name / explanation
	within the system and which can be managed under the rules provided in the <i>Act of April 28, 2011, on the system of greenhouse gases emission allowances trading</i>
19. EUR	Euro - a common European currency introduced in some EU member states
20. FF PARK PV1	FF PARK PV1 sp. z o.o. (Ltd.) with its registered office in Katowice.
21. Fixing I	The moment when the electricity prices are set in a single price system at the specific times of the day for the delivery on the Day Ahead Market on the Polish Power Exchange (POLPX - TGE).
22. WSE (GPW)	Warsaw Stock Exchange (WSE) (Giełda Papierów Wartościowych w Warszawie S.A. (Joint Stock Company)) with its registered office in Warsaw.
23. TAURON Capital Group	TAURON Capital Group Polska Energia S.A. (Joint Stock Company)
24. GZE	Górnośląski Zakład Elektroenergetyczny S.A. (Joint Stock Company) with its registered office in Gliwice.
25. ICE (ICE exchange)	InterContinental Exchange – the commodity and financial exchange, where, among others, the contracts for oil, coal, natural gas and the CO ₂ emission allowances are traded.
26. IRGiT (Warsaw Commodity Exchange Clearing House)	Izba Rozliczeniowa Giełd Towarowych S.A. (Warsaw Commodity Exchange Clearing House) with its registered office in Warsaw.
27. KGHM	KGHM Polska Miedź S.A. (Polish Copper Mining Joint Stock Company) with its registered office in Lubin.
28. Ksh	<i>Act of September 15, 2000, Code of Commercial Companies</i>
29. Kopalnia Wapienia Czatkowice	Kopalnia Wapienia (Limestone Mine) "Czatkowice" sp. z o.o. (Ltd.) with its registered office in Krzeszowice.
30. Mg	Megagram - million gram (1 000 000 g), i.e. ton.
31. Business Model	Document under the title <i>TAURON Group's Business Model</i> .
32. IFRS (MSSF)	International Financial Reporting Standards.
33. NBP	National Bank of Poland (Narodowy Bank Polski) with its registered office in Warsaw.
34. Line of Business (Segment)	Six areas (lines of business, segments) of TAURON Capital Group's core operations: Generation, Heat, RES, Distribution, Trading and Supply.
35. DSO (OSD)	Distribution System Operator (Operator Systemu Dystrybucyjnego - OSD).
36. TSO (OSP)	Transmission System Operator (Operator Systemu Przesyłowego - OSP)
37. RES (OZE)	Renewable Energy Sources (Odnawialne Źródła Energii - OZE)
38. PEAK (PEAK contract)	Peak contract for the supply of electricity during business hours (8 - 22) on business days, for example the PEAK contract for March 2025 is related to the supply of the same amount of electricity on all business days in March 2025 between 8 and 22.
39. PEPKH	Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. (Ltd.) with its registered office in Warsaw.
40. PGE	PGE Polska Grupa Energetyczna S.A. (Joint Stock Company) with its registered office in Warsaw.
41. PGK	Tax Capital Group (Podatkowa Grupa Kapitałowa – PGK).
42. GDP (PKB)	Gross Domestic Product (Produkt Krajowy Brutto).
43. PLN	Polish zloty currency symbol – zł (PLN)
44. PMEF	Property rights related to the energy efficiency certificates
45. PMOZE	Property rights related to the certificates of origin confirming generation of electricity in RES before March 1, 2009.

Abbreviation and trade term	Full name / explanation
46. PMOZE_A	Property rights related to the certificates of origin confirming generation of electricity in RES after March 1, 2009.
47. PMOZE-BIO	Property rights related to the certificates of origin confirming generation of electricity from agricultural biogas from July 1, 2016
48. PSE (TSO)	Polskie Sieci Elektroenergetyczne S.A. (Joint Stock Company) with its registered office in Konstancin-Jeziorna.
49. Balancing Market (Rynek Bilansujący – RB)	Balancing Market (Rynek Bilansujący) - technical market on which the demand for and supply of electricity in the National Power System (KSE) is balanced.
50. RDB (Intraday Market)	Intraday Market - a market operating on the POLPX TGE), where trading is carried out in a continuous trading formula, 24 hours a day. Instruments with delivery on the next day are traded, with their trading starting at 14:00 the day before the delivery and gradually exiting the market one hour before the start of the delivery.
51. RDN (Day Ahead Market)	Day Ahead Market - a market operating on the POLPX (TGE), where trading is carried out one and two days ahead of the delivery.
52. RDNg (Day Ahead Gas Market)	Day Ahead Gas Market - a market operating on the POLPX (TGE), where trading is carried out every day and is conducted in the continuous trading system.
53. SARS-CoV-2	Severe Acute Respiratory Syndrome - virus that causes the COVID-19 disease.
54. Segment, Segments of Operations (Operating Segments)	TAURON Capital Group's segments of operations used in the statutory reporting process. TAURON Capital Group's results from operations are allocated to the following 6 main Segments: Generation, Heat, RES, Distribution and Supply, as well as, additionally, Other Operations.
55. Consolidated Financial Statements of TAURON Capital Group	Document under the title <i>Consolidated financial statements of TAURON Polska Energia S.A. Capital Group in accordance with the International Financial Reporting Standards approved by the European Union for the year ended on December 31, 2024.</i>
56. Financial Statements of TAURON	Document under the title <i>Financial statements of TAURON Polska Energia S.A. in accordance with the International Financial Reporting Standards approved by the European Union for the year ended on December 31, 2024.</i>
57. SPOT (SPOT market)	With respect to electricity, it is the place where trade transactions for electricity are concluded with delivery not later than 3 days after the date of the transaction's conclusion (most often it is one day before the date of the delivery). The operation of the SPOT market for electricity is strongly tied to the operation of the Balancing Market run by the TSO.
58. Company	TAURON Polska Energia S.A. (Joint Stock Company) with its registered office in Katowice.
59. Company's Articles of Association	Document entitled <i>Articles of Association of TAURON Polska Energia S.A. (Joint Stock Company)</i>
60. Strategy	Document under the title <i>TAURON Group's Strategy for the years 2025 - 2035 New Energy</i> , adopted on December 17, 2024.
61. TAMEH HOLDING	TAMEH HOLDING sp. z o.o. (Ltd.) with its registered office in Dąbrowa Górnicza.
62. TAMEH POLSKA	TAMEH POLSKA sp. z o.o. (Ltd.) with its registered office in Dąbrowa Górnicza.
63. TAURON	TAURON Polska Energia S.A. (Joint Stock Company) with its registered office in Katowice.
64. TAURON Ciepło	TAURON Ciepło sp. z o.o. (Ltd.) with its registered office in Katowice.
65. TAURON Czech Energy	TAURON Czech Energy s.r.o. with its registered office in Ostrava (Czech Republic).
66. TAURON Dystrybucja	TAURON Dystrybucja S.A. (Joint Stock Company) with its registered office in Cracow.
67. TAURON Ekoenergia	TAURON Ekoenergia sp. z o.o. (Ltd.) with its registered office in Jelenia Góra.
68. TAURON Inwestycje	TAURON Inwestycje sp. z o.o. (Ltd.) with its registered office in Będzin.

Abbreviation and trade term	Full name / explanation
69. TAURON Nowe Technologie	TAURON Nowe Technologie S.A. (Joint Stock Company) (formerly: TAURON Dystrybucja Serwis S.A. (Joint Stock Company)) with its registered office in Wrocław.
70. TAURON Obsługa Klienta	TAURON Obsługa Klienta sp. z o.o. (Ltd.) with its registered office in Wrocław.
71. TAURON Serwis	TAURON Serwis sp. z o.o. (Ltd.) with its registered office in Katowice.
72. TAURON Sprzedaż	TAURON Sprzedaż sp. z o.o. (Ltd.) with its registered office in Cracow.
73. TAURON Sprzedaż GZE	TAURON Sprzedaż GZE sp. z o.o. (Ltd.) with its registered office in Gliwice.
74. TAURON Wytwarzanie	TAURON Wytwarzanie S.A. (Joint Stock Company) with its registered office in Jaworzno.
75. TAURON Zielona Energia	TAURON Zielona Energia sp. z o.o. (Ltd.) with its registered office in Katowice.
76. TEC1	TEC1 sp. z o.o. (Ltd.) with its registered office in Katowice.
77. PPX (TGE)	Towarowa Giełda Energii S.A. (Joint Stock Company) (Polish Power Exchange – POLPX) with its registered office in Warsaw.
78. TGEozebio	Property rights that confirm the production of electricity from renewable energy sources using agricultural biogas.
79. EU (UE)	European Union (Unia Europejska - UE)
80. UOKiK	Office of Competition and Consumer Protection (Urząd Ochrony Konkurencji i Konsumentów – UOKiK)
81. ERO (URE)	Energy Regulatory Office (Urząd Regulacji Energetyki - URE)
82. USA	United States of America.
83. USD	United States Dollar - US dollar's international acronym
84. Usługi Grupa TAURON	Usługi Grupa TAURON sp. z o.o. (Ltd.) with its registered office in Tarnów.
85. WACC	Weighted Average Cost of Capital - the weighted average cost of capital of the company, weighted respectively by the share of debt and equity in the company's capital structure.
86. WIND T2	WIND T2 sp. z o.o. (Ltd.) with its registered office in Pieńków.
87. WIND T30MW	WIND T30MW sp. z o.o. (Ltd.) with its registered office in Pieńków.
88. WIND T4	WIND T4 sp. z o.o. (Ltd.) with its registered office in Katowice.
89. WINDPOWER Gamów	WINDPOWER Gamów sp. z o.o. (Ltd.) with its registered office in Katowice.
90. GM (WZ / ZW)	General Meeting (GM) / Shareholders' (Partners') Meeting (Walne Zgromadzenie – WZ / Zgromadzenie Wspólników - ZW)