Report of the Management Board on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for the first half of 2026

Table of Contents

Ladies and Gentlemen,

The first half of 2026 was a period of consistent progress towards our strategic objectives for the TAURON Group. We achieved stable financial results, generating EBITDA of PLN 3.7 billion, demonstrating the resilience of our business model and the effectiveness of the measures we have implemented. For the first time in many years, we also paid our shareholders a dividend totalling PLN 350 million, sharing our profits with them.

During this period, we reached important milestones in our energy transition. The total installed capacity of our renewable energy sources exceeded 1 GW — a milestone of both symbolic and substantial business significance for the Group. We also continued to develop smart energy infrastructure. More than 51% of our Customers now have remotely read meters, which enable them to better manage their energy consumption and participate actively in the energy market.

TAURON's continued development was also reflected in the Company's return to the WIG20 index, which comprises the largest and most liquid companies listed on the Warsaw Stock Exchange. We see this as an important sign of growing investor confidence and further confirmation of the effectiveness of our strategy.

We firmly believe that the success of the energy transition does not depend solely on investment in grid infrastructure or new generation capacity. The Customer is at the centre of this change. Customers' decisions, engagement and ability to respond flexibly to market signals will increasingly shape the future of the energy sector.

PLN 3.7 billion

EBITDA

PLN 350 million

in dividends paid out for 2025

over 1 GW

of installed capacity in RES

PLN 1.7 billion

in capital expenditure on the Distribution Segment

51%

of Customers with remote-reading meters

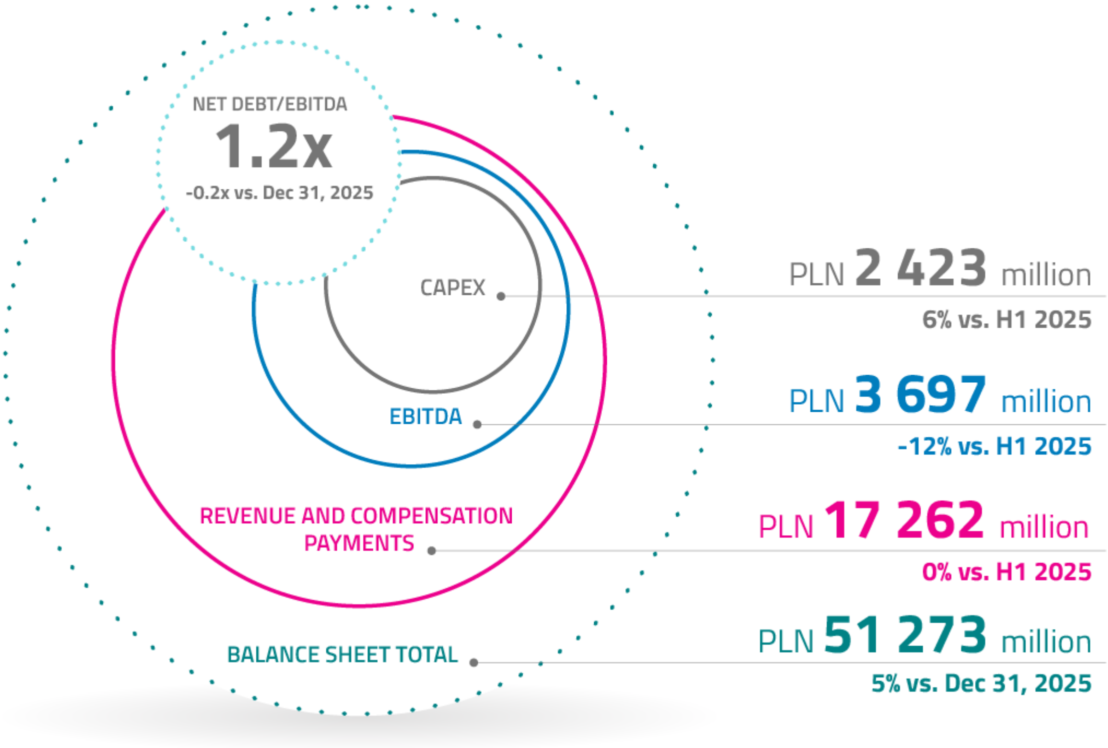
Our Customers' growing awareness is reflected in the way they adjust their energy consumption to changing market conditions and choose the most favourable offers. This trend is confirmed by the record number of TAURON Customers who opted for multi-zone tariffs — in the first half of the year, close to 60 thousand households made this choice. This is twice as many as in the corresponding period in previous years. In addition, we introduced an offer that makes energy up to 90% cheaper at weekends, dynamic tariffs with a price guarantee, and a subscription for charging electric vehicles on the eTAURON network. We offer our Customers practical tools that enable them to reduce their energy bills and participate actively in the ongoing energy transition.

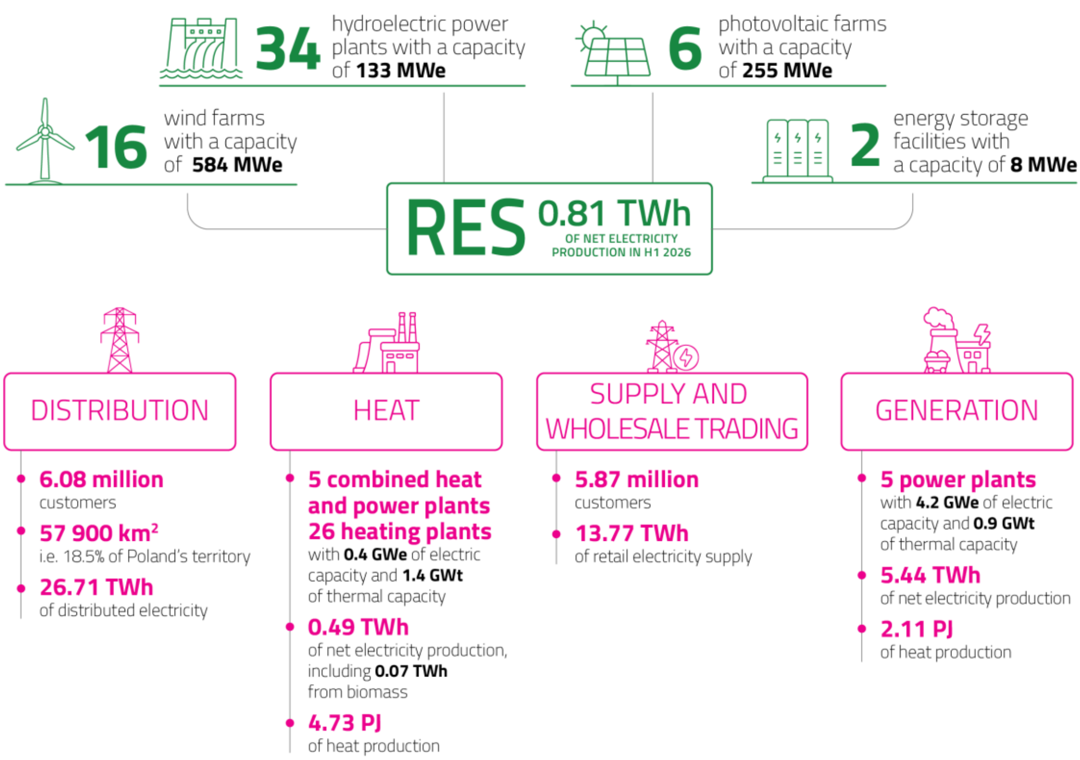
Our ambition is to build an energy market that is secure, modern and beneficial to all participants. We are investing in networks, renewable energy sources and energy storage facilities, while strengthening our relationships with Customers and developing solutions that give them greater control over their energy consumption and costs. This shared commitment is encouraging more and more Customers to say, "TAURON, of course!"

Grzegorz Lot
President of the Management Board (CEO)

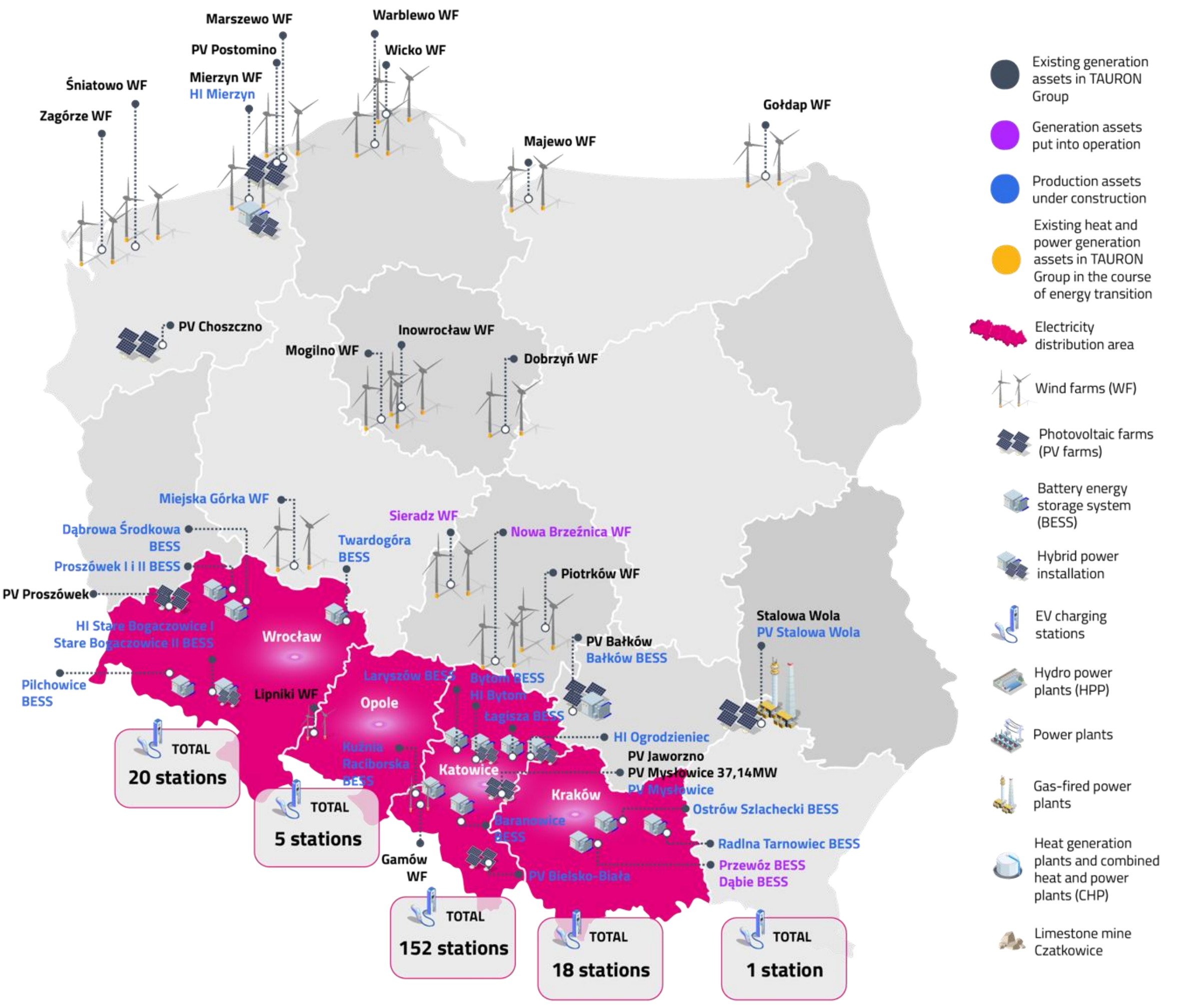
1. Operating Summary for H1 2026

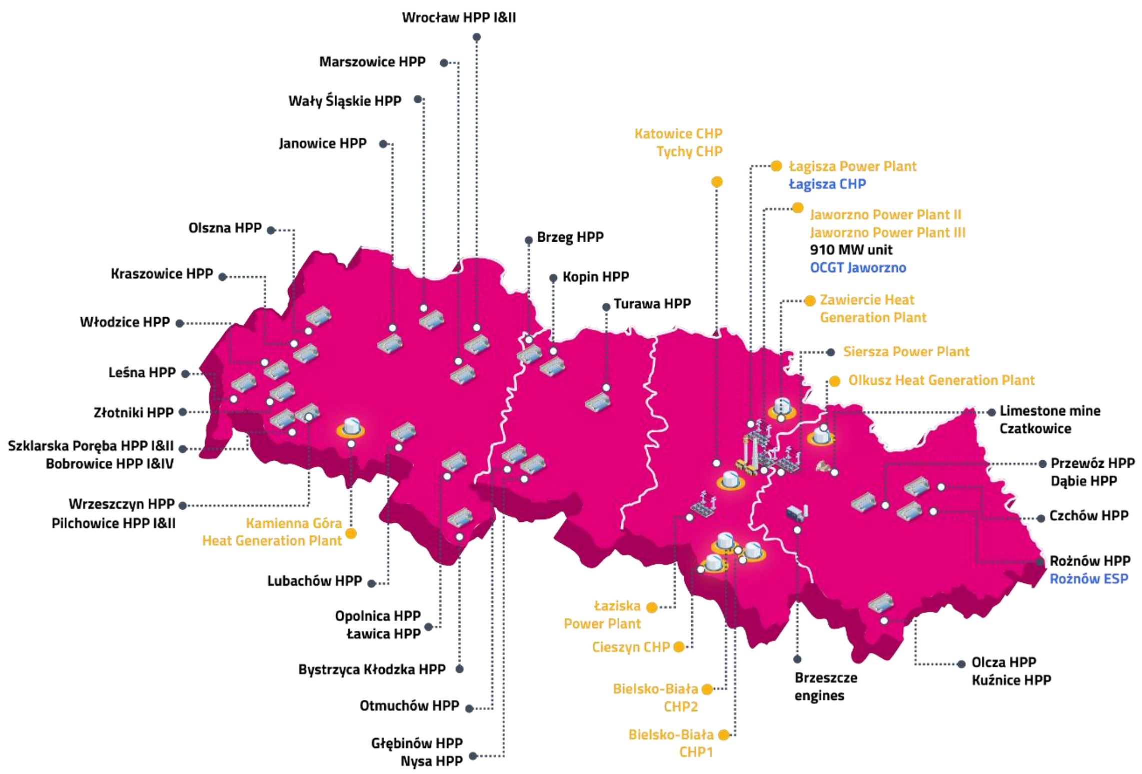
1.1. Key Data and Results for H1 2026





1.2. Map of the TAURON Group's Assets and Ongoing Investment Projects





1.3. Segment Operations in H1 2026

Distribution Segment

The core business of the Distribution Segment is the distribution of electricity through networks located in the Małopolskie, Dolnośląskie, Opolskie and Śląskie Voivodeships, as well as in parts of the Świętokrzyskie, Podkarpackie, Łódzkie, Wielkopolskie and Lubuskie Voivodeships. The Segment also provides technical services for electricity metering systems, collects metering data, administers properties and maintains vehicle fleets.

The TAURON Capital Group is the market leader in electricity distribution in Poland, both in terms of the number of customers and the volume of electricity distributed.

In H1 2026, the Distribution Segment distributed a total of 26.71 TWh of electricity, compared with 26.02 TWh in the corresponding period of 2025, representing an increase of 3%. 26.09 TWh was distributed to final customers, compared with 25.29 TWh a year earlier, representing an increase of 3% as well. Weather conditions and growth in the number of customers were main factors behind the increase in distribution volume. At the end of H1 2026, the Segment provided distribution services to 6.08 million customers, compared with 6.01 million a year earlier, representing an increase of 1%.

RES Segment

The RES Segment's operations focus on the generation and sale of electricity from renewable sources — hydroelectric power plants, wind farms and photovoltaic farms — as well as energy storage. As at 30 June 2026, the total installed capacity of all RES Segment units stood at 980 MWe, an increase of 196 MWe compared with 30 June 2025. The increase in capacity resulted from the commissioning of new assets:

- the **Postomino** photovoltaic farm with a capacity of **90 MW**
- the **Bałków** photovoltaic farm with a capacity of **54 MW**
- the **Nowa Brzeźnica** wind farm with a capacity of **20 MW**
- the **Sieradz** wind farm with a capacity of **24 MW**
- the energy storage facility **Dąbie** with a capacity of **4 MW**
- the energy storage facility **Przewóz** with a capacity of **4 MW**

In H1 2026, the RES Segment's net electricity output totalled 0.81 TWh, compared with 0.79 TWh in the corresponding period of 2025, representing an increase of 3%.

Heat Segment

The Heat Segment's operations include the generation of heat at facilities operated by TAURON Ciepło sp. z o.o. (TAURON Ciepło), the transmission and sale of heat, and the generation and sale of electricity. At the end of H1 2026, the Heat Segment's generation units had an installed electrical capacity of 0.4 GWe and an installed thermal capacity of 1.4 GWt.

In H1 2026, electricity generation totalled 0.49 TWh, compared with 0.47 TWh a year before, representing an increase of 4%. Heat sales reached 7.48 PJ, compared with 7.03 PJ in the corresponding period of 2025, representing an increase of 6%. This growth was driven by higher customer demand due to lower temperatures.

Supply and Wholesale Trading Segment

The Supply and Wholesale Trading Segment's operations focus on the sale of electricity to households and business customers, as well as wholesale market activities. The TAURON Capital Group is the second-largest electricity supplier in Poland, with a 21% share of the domestic electricity supply market to final customers.

In H1 2026, companies of the Supply and Wholesale Trading Segment sold on the retail market, a total of 13.77 TWh of electricity, compared with 12.74 TWh in the corresponding period of 2025, representing an increase of 8%. At the end of H1 2026, the number of customers stood at 5.87 million, compared with 5.81 million a year earlier, i.e. an increase of 1%. The number of households in the customer portfolio reached 5.34 million, compared with 5.29 million at the end of H1 2025, which also represents an increase of 1%.

Generation Segment

The core business of the Generation Segment is the generation and sale of electricity from conventional sources, including electricity generated through cogeneration, and the generation of electricity from biomass. The Segment's activities also include the generation and sale of heat at TAURON Wytwarzanie S.A. power plants, the overhaul of generation equipment, biomass trading, and the management of by-products from combustion and coal mining.

At the end of H1 2026, the Generation Segment's generation units had an installed electrical capacity of 4.2 GWe and an installed thermal capacity of 0.9 GWt.

In H1 2026, electricity generation reached 5.44 TWh, compared with 4.19 TWh in the corresponding period of 2025, representing an increase of 30%. Electricity sales, comprising both electricity generated by the Segment and electricity purchased for resale, totalled 6.00 TWh, compared with 5.73 TWh a year earlier, representing an increase of 5%. Heat sales reached 1.77 PJ, compared with 1.45 PJ in H1 2025, representing an increase of 22%. The increase in heat sales was driven by higher customer demand, primarily due to lower temperatures.

Other Operations

Other Operations encompass activities that support the TAURON Capital Group's core business. In particular, they cover responsibilities in the following areas:

- services provided by the Shared Services Centre, including services for the Group's external customers, as well as finance and accounting, IT, administrative and HR services,
- activities in lighting, power engineering and e-mobility,
- electricity generation from alternative sources,
- insurance services provided to Group companies,
- the extraction, production and sale of limestone products for the energy sector and other industries.

In H1 2026, electricity generation from gas engines within Other Operations totalled 0.02 TWh, a level comparable to that recorded in the corresponding period of 2025.

1.4. Calendar of Events in H1 2026

January 26, 2026

Launch of a flexibility services platform

PPX (TGE), TAURON Dystrybucja and PSE signed an agreement on a trading platform to improve the matching and coordination of flexibility services.

February 12, 2026

Patronage of Książ Castle

TAURON became a patron of Książ Castle, supporting the development of initiatives combining technology and cultural heritage.

February 26, 2026

1 GW of installed capacity in RES

The commissioning of the Bałków PV farm (54 MW) enabled TAURON to reach 1 GW of capacity in renewable energy sources.

March 12, 2026

Investment plan for Silesia

TAURON presented an investment programme exceeding PLN 25 billion, covering the region's energy transition.

March 20, 2026

TAURON in the WIG20 index

Following the annual index portfolio revision, TAURON shares were included in the WIG20, with a weighting of 2,5198%.

March 25, 2026

Commissioning of TAURON's sixteenth wind farm The Nowa Brzeźnica wind farm (19,6 MW) was commissioned, supplying around 29 thousand households.

April 9, 2026

Green energy from TAURON for Pyrzowice airport

TAURON will supply more than 17 thousand MWh of RES electricity to Katowice International Airport, reducing CO_2 emissions by more than 8 thousand tonnes.

April 13, 2026

Strategic support for Polish ice hockey

TAURON became the strategic sponsor of all Polish national ice hockey teams, expanding its cooperation with Polski Hokej.

May 8, 2026

Launch of the „TAURON. Of course!" campaign

TAURON launched a campaign encouraging individual customers and small businesses to choose offers tailored to their energy needs.

May 20, 2026

Decision to pay a PLN 350 million dividend

TAURON's General Meeting adopted a resolution to pay a dividend for 2025 of PLN 0,20 per share – for the first time in 11 years.

May 22, 2026

PLN 65 million from the NRRP for street lighting modernisation

TAURON Nowe Technologie obtained PLN 65 million in funding from the National Recovery and Resilience Plan (NRRP) to modernise street lighting in more than 30 municipalities in southern Poland.

June 19, 2026

New capacity for the railways and more reliable power supply for northern Silesia TAURON Dystrybucja completed an investment worth more than PLN 93 million, covering the modernisation of the Herby and Mijaczów substations (GPZ) and nearly 50 km of high-voltage lines. The project provided the railways with 7 MW of new capacity and strengthened the security of the region's power supply.

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

2.1. Business Profile

TAURON Polska Energia S.A. is the parent company of the TAURON Polska Energia S.A. Capital Group.

TAURON manages the Capital Group and oversees its subsidiaries' operations. Its key activities include:

- managing the portfolio of electricity, CO2 emission allowances and property rights,
- hedging the electricity, gas and CO2 emission allowance sales and purchase positions of TAURON Capital Group entities,
- coordinating operational functions within the Group,
- wholesale trading in electricity, gas and energy derivatives.

The TAURON Capital Group is a vertically integrated energy group. Its conventional generation assets are located in southern Poland, while its renewable generation assets are distributed throughout the country. Wind farms are located primarily in northern Poland, while hydroelectric power plants are located mainly in the south.

The TAURON Group sells electricity and heat generated at its own facilities or sourced from the market. It also provides electricity distribution and heat transmission services. Through these activities, the Group delivers stable and competitive energy solutions to over 6 million customers in southern Poland.

Marszewo wind farm

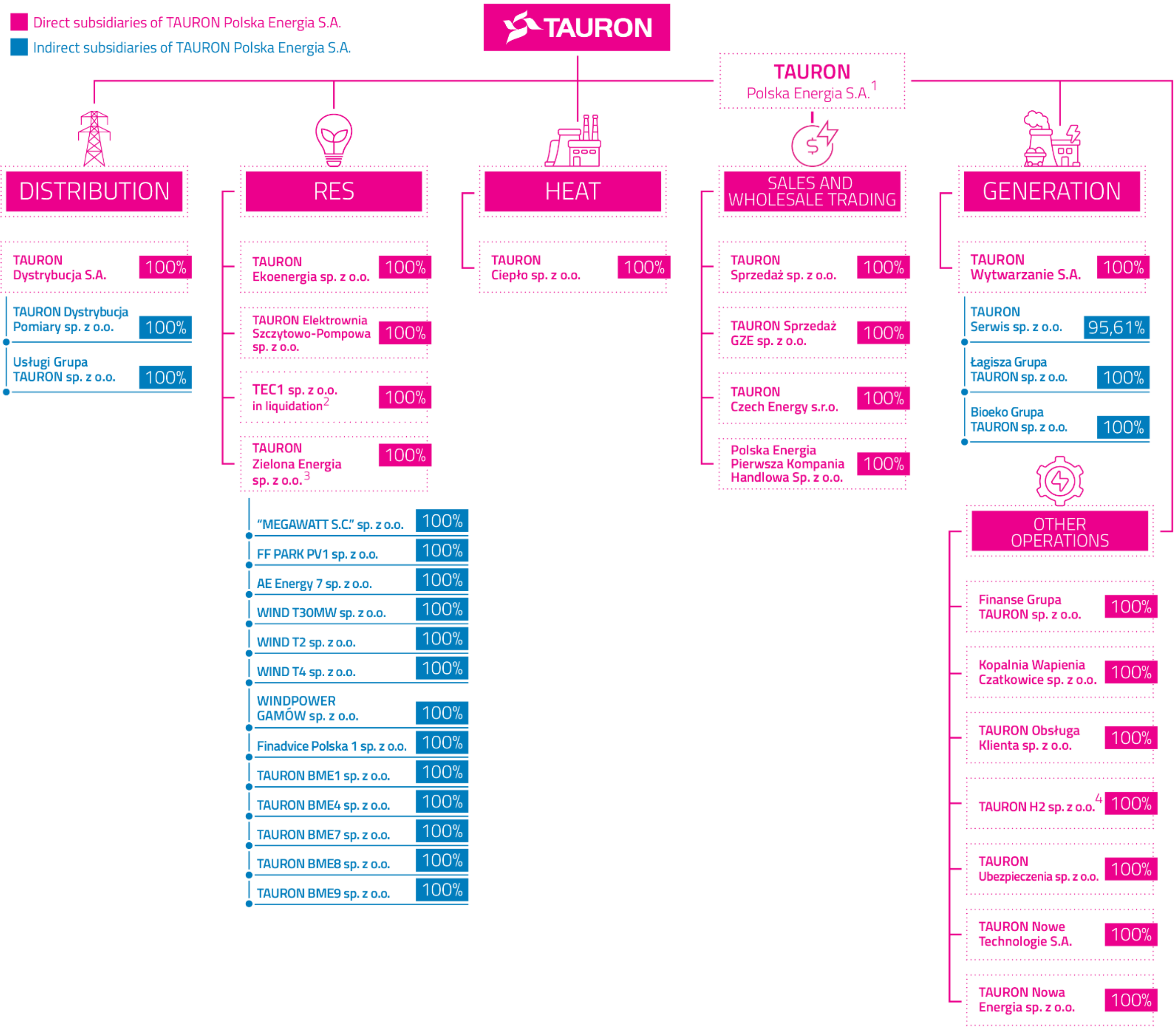
2.2. Structure of the TAURON Capital Group

As at 30 June 2026 and as at the date of preparation of this report, the key companies of the TAURON Capital Group comprised the parent company, TAURON, and 36 subsidiaries included in consolidation, as shown below.

In addition, as at 30 June 2026 and as at the date of preparation of this report, the Company held direct or indirect equity interests in 44 other companies.

Entities Included in Consolidation

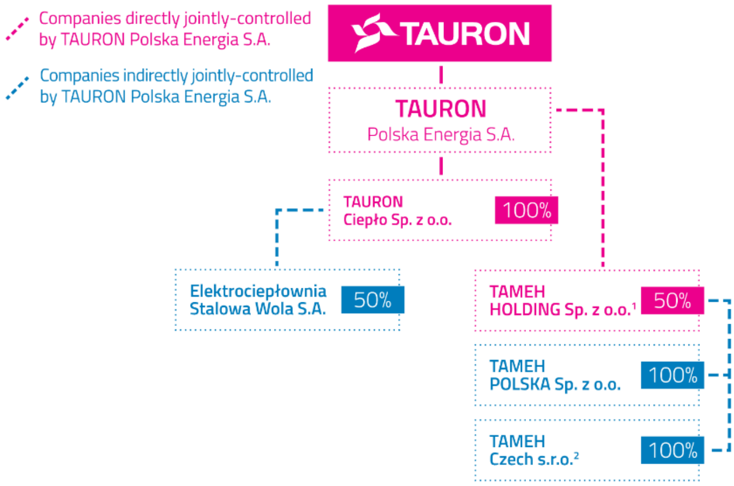
Figure 1. Structure of the TAURON Capital Group, including companies included in consolidation, as at 30 June 2026



[1] TAURON is included in the Supply and Wholesale Trading Segment.
[2] With effect from 14 May 2026, TEC1 sp. z o.o. changed its name to TEC1 sp. z o.o. w likwidacji.
[3] Since 21 April 2026, TAURON has held 100% of the shares in TAURON Zielona Energia sp. z o.o. (TAURON Zielona Energia).
[4] With effect from 5 February 2026, TAURON Inwestycje sp. z o.o. changed its name to TAURON H2 sp. z o.o.

In addition to its equity links with the companies presented in Figure 1 above, the Company has organisational or equity links with significant jointly controlled entities in which it holds direct or indirect interests. These entities, as at 30 June 2026 and as at the date of preparation of this report, are shown in the figure below.

Figure 2. Significant jointly controlled entities as at 30 June 2026 and as at the date of preparation of this report



[1] Ownership of the shares is the subject of the arbitration proceedings referred to in Section 6.1 of this report.
[2] On 9 August 2024, TAMEH Czech s.r.o. was declared bankrupt (liquidation bankruptcy). As a result, the Company lost joint control over that company within the meaning of IFRS on that date.

Changes in the Organisational Structure

Table 1. Changes in the Organisational Structure of the TAURON Capital Group in H1 2026 and up to the Date of Preparation of this Report

Event		Description of the Event
1.	Sale of shares in TAURON Zielona Energia sp. z o.o. by TEC1 sp. z o.o. to TAURON	On 21 April 2026, TAURON acquired 10 shares in TAURON Zielona Energia sp. z o.o. from TEC1 sp. z o.o., representing 0.0037% of the share capital of TAURON Zielona Energia. As a result, TAURON became the sole shareholder of TAURON Zielona Energia. The purpose of the sale was to streamline TAURON Zielona Energia's ownership structure and, by establishing TAURON as its sole shareholder, make that structure more transparent for the purposes of obtaining financing on preferential terms.
2.	Commencement of the Liquidation of TEC1 sp. z o.o.	On 14 May 2026, the Extraordinary Shareholders' Meeting of TEC1 sp. z o.o. adopted a resolution to dissolve the company and commence its liquidation. The decision to dissolve and liquidate TEC1 sp. z o.o. was taken because there was no longer any economic or legal justification for retaining the company within the TAURON Group. This followed the cessation of the legal existence of the limited partnerships in which TEC1 sp. z o.o. had acted as general partner, following their merger with TAURON Zielona Energia sp. z o.o. on 1 December 2025.

2.3. Information on Employment

Key Employment Data

Average employment at TAURON in H1 2026 stood at 414 FTEs, approximately 1% higher than the average of 408 FTEs recorded in 2025.

Average employment in the TAURON Capital Group in H1 2026 stood at 18,867 FTEs, representing a decrease of 0.1% (22 FTEs) compared with the average of 18,889 FTEs recorded in 2025.

Table 2. Key Employment Data for TAURON and the TAURON Capital Group for H1 2026 and 2025, Presented by Segment Based on the Structure as at 30 June 2026

		TAURON		**TAURON Capital Group**	
Key Employment Data	Unit	H1 2026	2025	H1 2026	2025
Average employment by segment:	FTEs	414	408	18,867	18,889
Distribution Segment	*FTEs*		-	10,292	10,242
RES Segment	*FTEs*		-	326	309
Heat Segment	*FTEs*		-	1,525	1,505
Supply and Wholesale Trading Segment	*FTEs*	*414*	*408*	791	771
Generation Segment	*FTEs*		-	2,753	2,875
Other Operations	*FTEs*		-	3,180	3,187
		30.06.2026	31.12.2025	30.06.2026	31.12.2025
Headcount by segment:	Persons	*413*	410	18,819	19,096
Distribution Segment	*Persons*		-	10,230	10,409
RES Segment	*Persons*		-	332	331
Heat Segment	*Persons*		-	1,537	1,540
Supply and Wholesale Trading Segment	*Persons*	*413*	*410*	799	802
Generation Segment	*Persons*		-	2,724	2,813
Other Operations	*Persons*		-	3,197	3,201
Workforce breakdown by education level:					
Higher education	*%*	*98%*	*98%*	46%	45%
Secondary education	*%*	*2%*	*2%*	39%	39%
Basic vocational education	*%*	*0%*	*0%*	14%	15%
Primary education	*%*	*0%*	*0%*	1%	1%
Workforce breakdown by age:					
Up to 30 years	%	9%	8%	11%	11%
30–40 years	%	28%	28%	16%	16%
40–50 years	%	39%	42%	26%	26%
50–60 years	%	22%	20%	37%	37%
Over 60 years	%	2%	2%	9%	9%
Workforce breakdown by gender:					
Women	*%*	*52%*	*50%*	*27%*	*27%*
Men	*%*	*48%*	*50%*	*73%*	*73%*

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

Supervisory Board of TAURON Polska Energia S.A.

The Company's Supervisory Board commenced its 7th term of office on 3 April 2024. Under the Company's Articles of Association, Supervisory Board members serve a joint term of office lasting 3 full financial years.

Composition of the Company's Supervisory Board as at 30 June 2026 and as at the Date of Preparation of this Report

Table 3. Composition of the Company's Supervisory Board as at 30 June 2026 and as at the Date of Preparation of this Report

Composition of the Company's Supervisory Board as at 30 June 2026 and as at the Date of Preparation of this Report	
Ilona Malik	Chair of the Supervisory Board
Natalia Klima-Piotrowska	Vice Chair of the Supervisory Board
Tomasz Majka	Secretary of the Supervisory Board
Mariusz Bąbol	Member of the Supervisory Board
Marek Hermach	Member of the Supervisory Board
Michał Hulbój	Member of the Supervisory Board
Arkadiusz Jówko	Member of the Supervisory Board
Beata Kisielewska	Member of the Supervisory Board
Leszek Koziorowski	Member of the Supervisory Board

Changes in the Composition of the Company's Supervisory Board during the Reporting Period and up to the Date of Preparation of this Report

As at 1 January 2026, the Company's Supervisory Board comprised Ilona Malik (Chair of the Supervisory Board), Natalia Klima-Piotrowska (Vice Chair of the Supervisory Board), Tomasz Majka (Secretary of the Supervisory Board), and Mariusz Bąbol, Michał Hulbój, Arkadiusz Jówko, Beata Kisielewska, Leszek Koziorowski and Krzysztof Zawadzki (Members of the Supervisory Board).

On 17 December 2025, the Company's Supervisory Board decided to delegate Krzysztof Zawadzki, a Member of the Supervisory Board, to temporarily perform the duties of Vice President of the Company's Management Board for Trade, with effect from 1 January 2026, for a period not exceeding three months from the date of delegation. This delegation period ended on 24 March 2026.

In connection with his appointment as Vice President of the Company's Management Board for Trade, Krzysztof Zawadzki resigned from the Company's Supervisory Board and from his temporary role as Vice President of the Management Board for Trade under that delegation, with effect from 24 March 2026.

On 22 May 2026, the Minister of State Assets, acting pursuant to § 23(1)(3) of the Company's Articles of Association, appointed Marek Hermach to the Company's Supervisory Board with effect from 22 May 2026.

The Company disclosed these changes in the composition of the Supervisory Board in current reports No. 45/2025 dated 17 December 2025, No. 8/2026 dated 24 March 2026, and No. 22/2026 dated 22 May 2026.

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

As at the date of preparation of this report, all Members of the Supervisory Board met the independence criteria and the requirement to have no ties with the shareholder, as specified in Principle 2.3 of the Best Practice for WSE Listed Companies 2021.

Management Board of TAURON Polska Energia S.A.

The Company's Management Board commenced its 7th term of office on 7 March 2024. Under the Company's Articles of Association, Management Board members serve a joint term of office lasting 3 full financial years.

Composition of the Company's Management Board as at 30 June 2026 and as at the Date of Preparation of this Report

Table 4. Composition of the Company's Management Board as at 30 June 2026

Composition of the Company's Management Board as at 30 June 2026	
Grzegorz Lot	President of the Management Board (CEO)
Michał Orłowski	Vice President of the Management Board for Asset Management and Development
Krzysztof Surma	Vice President of the Management Board for Finance
Krzysztof Zawadzki	Vice President of the Management Board for Trade

Table 5. Composition of the Company's Management Board as at the Date of Preparation of this Report

Composition of the Company's Management Board as at the Date of Preparation of this Report	
Grzegorz Lot	President of the Management Board
Łukasz Czopik	Vice President of the Management Board for Compliance and Operational Continuity
Michał Orłowski	Vice President of the Management Board for Asset Management and Development
Krzysztof Surma	Vice President of the Management Board for Finance
Krzysztof Zawadzki	Vice President of the Management Board for Trade

Changes in the Composition of the Company's Management Board during the Reporting Period and up to the Date of Preparation of this Report

As at 1 January 2026, the Company's Management Board comprised Grzegorz Lot (President of the Management Board), Michał Orłowski (Vice President of the Management Board for Asset Management and Development), Krzysztof Surma (Vice President of the Management Board for Finance) and Krzysztof Zawadzki (a Member of the Supervisory Board delegated to temporarily perform the duties of Vice President of the Management Board for Trade with effect from 1 January 2026).

On 24 March 2026, the Company's Supervisory Board decided to appoint Krzysztof Zawadzki as Vice President of the Management Board for Trade with effect from 25 March 2026.

On 15 June 2026, the Company's Supervisory Board appointed Łukasz Czopik as Vice President of the Management Board for Compliance and Operational Continuity with effect from 1 July 2026.

The Company disclosed these changes in the composition of the Management Board in current reports No. 45/2025 dated 17 December 2025, No. 9/2026 dated 24 March 2026, and No. 24/2026 dated 15 June 2026.

Grzegorz Lot

President of the Management Board

He has worked in the energy sector for almost 30 years.

His experience includes roles at Vattenfall Group companies, Polenergia and TAURON.

He serves on supervisory boards and is also Vice President of PKEE and President of IGEOS.

He specialises in developing effective sales and marketing strategies and managing change. His expertise includes designing and implementing new products and services, developing and delivering marketing campaigns, developing customer communication channels, and implementing IT tools and systems.

Łukasz Czopik

Vice President of the Management Board for Compliance and Operational Continuity

He is a manager with many years of experience in public administration and the private sector.

His experience includes roles at the Jaworzno City Office, the Marshal's Office of the Silesian Voivodeship and limited liability and joint-stock companies.

From 2022 to 2024, he served as Deputy Marshal of the Silesian Voivodeship.

He specialises in organisational management, shareholder oversight, auditing, risk management and technical infrastructure security.

Michał Orłowski

Vice President of the Management Board for Asset Management and Development

He has worked in the energy sector for 13 years. He gained professional experience at Fortum Power and Heat Polska sp. z o.o., The Boston Consulting Group and the TAURON Group.

He serves on supervisory boards, particularly those of TAURON Group companies.

His experience includes developing business strategies, analysing investment and development projects, working on mergers and acquisitions, conducting due diligence, and preparing business plans for companies in Central Europe and the Middle East.

Krzysztof Surma

Vice President of the Management Board for Finance

He has worked in the energy sector for 25 years.

He gained experience at Południowy Koncern Energetyczny S.A. and the TAURON Group.

He serves on supervisory boards, particularly those of TAURON Group companies.

His experience includes centralising finance and insurance functions, raising external financing, and implementing strategic reorganisation and consolidation projects for companies within capital groups.

Krzysztof Zawadzki

Vice President of the Management Board for Trade

He has worked in the energy sector for 20 years.

His professional experience includes roles at Południowy Koncern Energetyczny S.A. and TAURON, where he held director-level positions and served as a management board member.

He serves on supervisory boards, particularly those of TAURON Group companies.

He is a manager with many years of experience in financial management and accounting.

2.5. TAURON Group Strategy for 2025-2035

The TAURON Group Strategy for 2025–2035 – TAURON New Energy was adopted on 17 December 2024. It sets the direction for the Group's future, built on pillars that represent core values for all TAURON Group companies: Customer, ESG, economic stability, employees, RES and distribution infrastructure.

TAURON Group's Mission – We Power the Change with New Energy

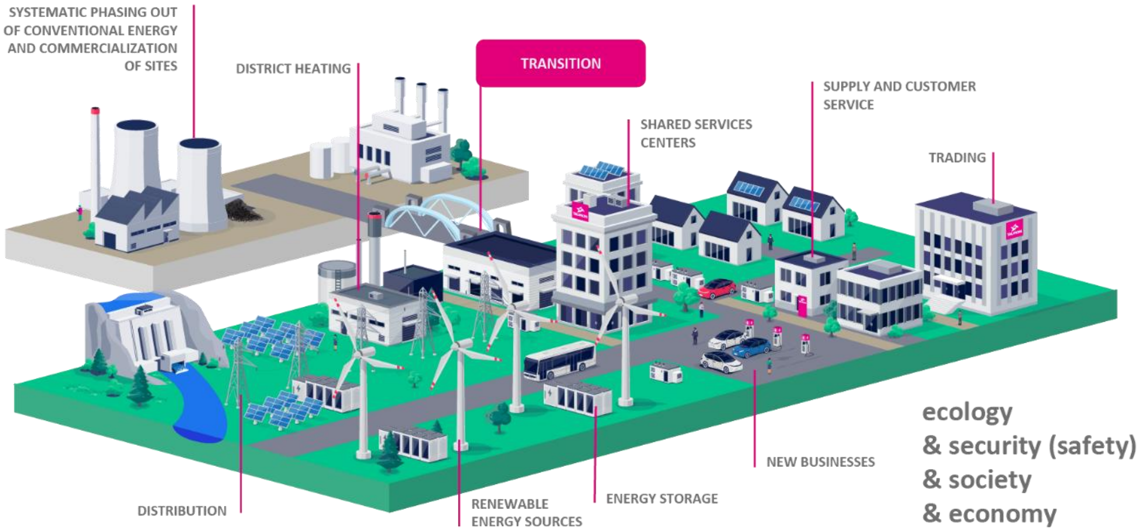
The TAURON Group has defined its long-term organisational purpose, focused on powering change with New Energy:

1. to build a lasting competitive advantage and secure a strategic position in the world of New Energy,
2. to create lasting economic value for Shareholders and Investors,
3. to deliver tangible value to Customers and local communities,
4. to build an efficient organisation and an organisational culture focused on Customers and value creation,
5. to provide jobs and inspire enthusiasm for the work.

TAURON Group's Vision – We Will Create a World of New Energy, Championing Environmentally Friendly Solutions and Ensuring Customer Comfort and Safety

The Strategy envisages the development of the TAURON Group around its core business: supplying electricity to 6 million Customers connected to the distribution network, preferably using electricity generated from the Group's own renewable energy sources.

Figure 3. TAURON Group's Vision – Key Areas of Business Activity



TAURON Group's Values

The values adopted as part of the Group's Strategy form its foundation.

Figure 4. TAURON Group's Values

RESPONSIBILITY

- for the comfort, safety and energy bills of our customers
- for future generations, employees and local communities
- for the natural environment and the development of the regions that we are operating in

ENGAGEMENT (COMMITMENT)

- in addressing the challenges of a changing reality
- in building a competitive advantage for us and our customers
- in achieving set goals and implementing our strategy

EFFICIENCY AND ENERGY

- in creating value for shareholders and customers
- in implementing change
- in bold and effective actions

Key Elements of the TAURON Group Strategy for 2025–2035

PLN 60 billion

in investment in the Distribution Segment

6.3 million Customers, and the most customer-oriented energy group in the country

>6 GW

of installed capacity in renewable sources and energy storage facilities by 2035

by 2040

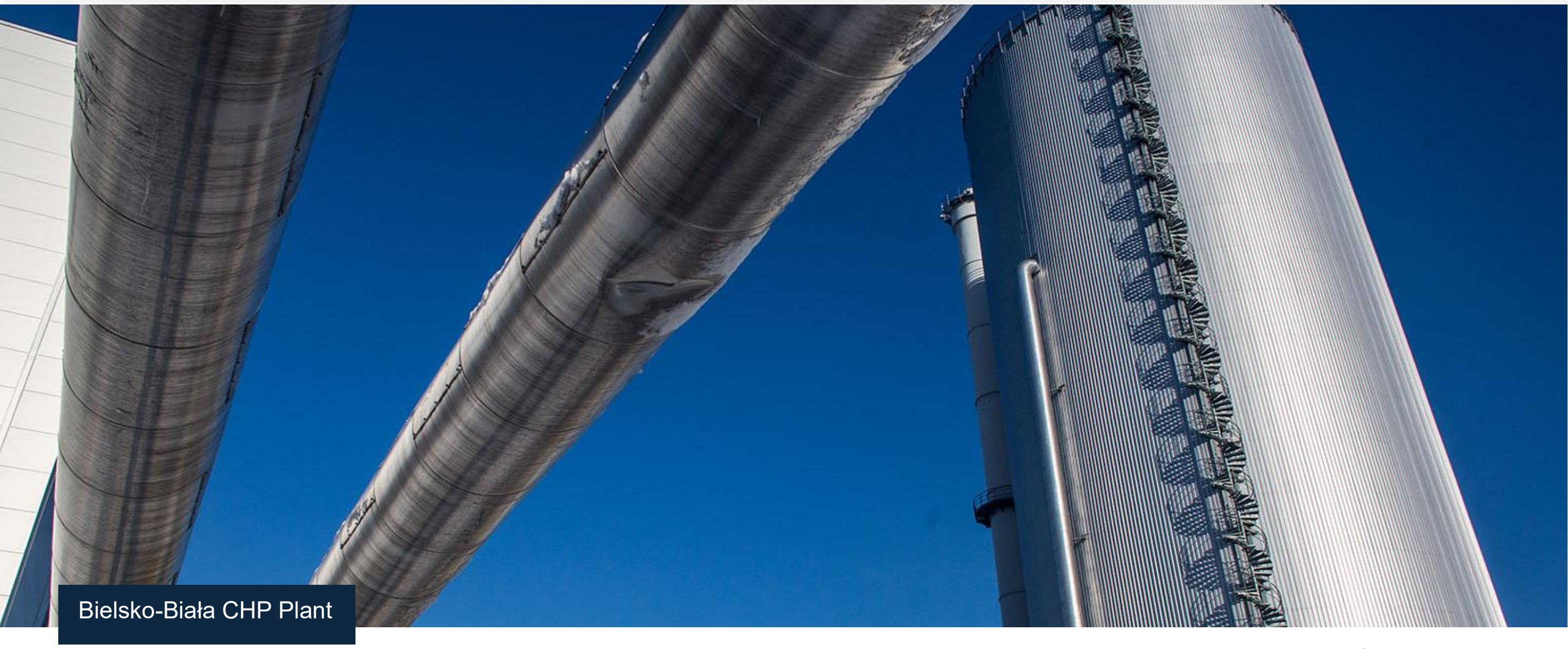
achieving climate neutrality

TAURON Group

the leader in electricity sales in Poland

x2 EBITDA

over PLN 13 billion in EBITDA in 2035
Dynamic growth in the Distribution and RES Business Areas

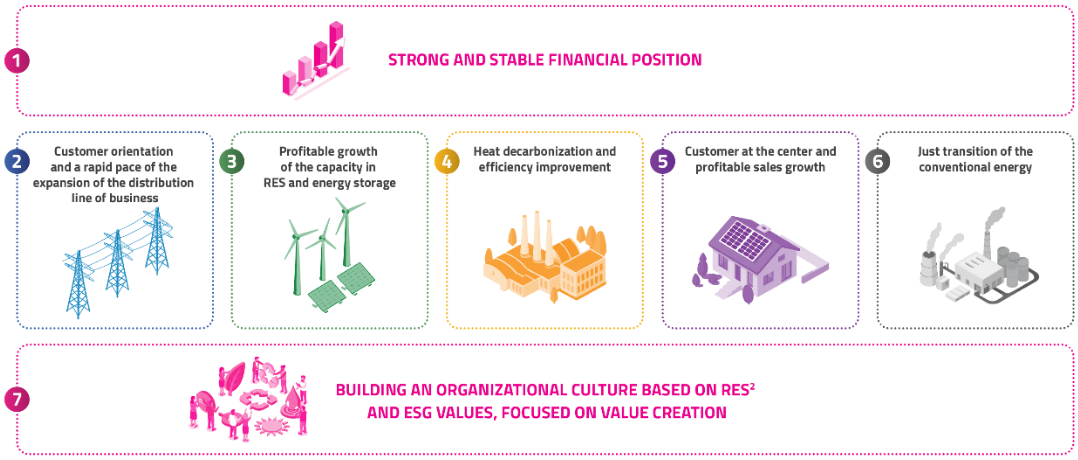


Bielsko-Biała CHP Plant

TAURON Group's Business Priorities

The TAURON Group Strategy identifies seven business priorities, covering key areas of activity within individual Business Units (BUs), as well as development directions shared across the Group.

Figure 5. TAURON Group's Business Priorities



Detailed information on the strategic directions and development prospects of the TAURON Group is presented in the Management Board's Report on the Activities of TAURON Polska Energia S.A. and the TAURON Capital Group for the 2025 financial year.

Implementation of Strategic Investments


Miejska Górka wind farm

The first half of 2026 marked a breakthrough for the TAURON Group in renewable energy. We exceeded the symbolic threshold of 1 GW of installed capacity, reaching 1.07 GW as at 30 June 2026. This demonstrates our continued progress towards our strategic objectives for diversifying the generation mix. Key milestones included the commissioning of the Sieradz (24 MW) and Nowa Brzeźnica (19.6 MW) wind farms and the start of commissioning activities at the Group's largest wind farm, Miejska Górka.

In February 2026, we also commissioned the BESS Dąbie (4 MW) and BESS Przewóz (4 MW) battery energy storage systems. In addition, we made investment decisions to proceed with PV Mysłowice (55 MW) and IH Ogrodzieniec (85 MW PV and 55 MW of energy storage), which received PLN 270 million in financing on preferential terms under the NRRP. These projects are being developed in-house, enabling the Group to build expertise and gain a competitive advantage in this area.

In H1, we also focused on selecting a supplier for the OCGT Jaworzno gas-fired peaking unit (600 MWe). The decision taken in July to select the contractor for the turbine island enables the project to move into its next phase of implementation.

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

Main Investments in the RES Business Area

Onshore Wind Farms

Table 6. Main Strategic Wind Farm Investments Undertaken in H1 2026

Investment	Implementing Company	Capacity [MWe]	Total Expenditure Incurred as at 30.06.2026 [PLN million]	Physical Progress as at the Date of Preparation of this Report [%]	Planned Completion Date
FW Nowa Brzeźnica	TAURON Zielona Energia	19.6	212.8	100	Completed – commissioned in February 2026
FW Sieradz	TAURON Zielona Energia	23.8	260.1	100	Completed – commissioned in January 2026
FW Miejska Górka	TAURON Zielona Energia	190.8	704.9	85	Q2 2027 – planned commissioning

In H1 2026, the TAURON Group continued construction of the Miejska Górka wind farm. Significant project milestones were reached during the reporting period, including obtaining permits allowing electricity to be fed into the grid and commissioning activities to begin. The installation of all turbines was completed in May 2026. By the end of H1, the wind farm's infrastructure had been energised, allowing commissioning activities to begin for some of the turbines.

Photovoltaic Farms

Table 7. Main Strategic Photovoltaic Farm Investments Undertaken in H1 2026[1]

Investment	Implementing Company	Capacity [MWe]	Total Expenditure Incurred as at 30.06.2026 [PLN million]	Physical Progress as at the Date of Preparation of this Report [%]	Planned Completion Date
PV Bielsko-Biała	TAURON Ciepło	3.6	1.9	32	Q4 2026
PV Mysłowice	TAURON Zielona Energia	55	1.0	2	Q2 2028
PV Stalowa Wola	TAURON Zielona Energia	50	0.1	1	Q3 2029

[1]Hybrid projects integrating PV installations with battery energy storage systems are presented separately in Table 9 later in this section of the report.

In H1 2026, investment decisions were made to proceed with two photovoltaic farms: PV Mysłowice and PV Stalowa Wola. Both projects were prepared entirely in-house by the Group.

The total capacity of photovoltaic projects being implemented by the TAURON Group is 253 MW. The portfolio includes standalone photovoltaic installations with a total capacity of approximately 109 MW (shown in Table 7 above) and hybrid projects integrating PV installations with battery energy storage systems, with a combined photovoltaic capacity of 144 MW (shown in Table 9 later in this section). The portfolio structure reflects the Group's consistent implementation of its renewable energy development strategy. This strategy envisages the parallel development of standalone photovoltaic installations and hybrid projects that help increase the flexibility of generation assets and enable more efficient use of electricity generated from renewable sources.

Battery Energy Storage Systems

Table 8. Main Strategic Battery Energy Storage Investments Undertaken in H1 2026[1]

Investment	Implementing Company	Capacity [MWe]	Total Expenditure Incurred as at 30.06.2026 [PLN million]	Physical Progress as at the Date of Preparation of this Report [%]	Planned Completion Date
BESS Dąbie	TAURON Zielona Energia	4	14.2	100	Commissioned in February 2026
BESS Przewóz	TAURON Zielona Energia	4	16.2	100	Commissioned in February 2026
BESS Pilchowice	TAURON Zielona Energia	2	0.1	1	Q2 2028
BESS Baranowice	TAURON Zielona Energia	3.9	0.2	1	Q4 2028
BESS Radlna Tarnowiec	TAURON Zielona Energia	6	0.2	1	Q2 2027
BESS Kuźnia Raciborska	TAURON Zielona Energia	6.9	15.3	96	Q3 2026
BESS Proszówek	TAURON Zielona Energia	9.5	12.4	96	Q3 2026
BESS Bytom	TAURON Zielona Energia	18	0.3	1	Q4 2028
BESS Łagisza	TAURON Zielona Energia	20	0.3	1	Q3 2028
BESS Ostrów Szlachecki	TAURON Zielona Energia	30	0.3	1	Q4 2028

BESS Twardogóra	TAURON Zielona Energia	42	0.2	1	Q4 2028
BESS Dąbrowa Środkowa	TAURON Zielona Energia	45	0.2	1	Q2 2028
BESS Proszówek II	TAURON Zielona Energia	47	0.1	1	Q4 2028
BESS Bałków	TAURON Zielona Energia	54	0.0	1	Q3 2027
BESS Laryszów	TAURON Zielona Energia	84	0.7	1	Q4 2028
BESS Stare Bogaczowice II	TAURON Zielona Energia	105	0.9	1	Q4 2028

[1] *Hybrid projects integrating PV installations with battery energy storage systems (including BESS Stare Bogaczowice I and BESS Ogrodzieniec) are presented separately in Table 9 later in this section of the report.*

The total capacity of battery energy storage projects currently being implemented exceeds 582 MW, including 109 MW in hybrid installations integrated with photovoltaic farms (shown in Table 9 later in this section). All standalone battery energy storage projects being implemented by the Group were developed in-house by the TAURON Group and benefit from support through contracts awarded in capacity market auctions or co-financing from the National Fund for Environmental Protection and Water Management (NFOŚiGW). The projects are scheduled for completion and commissioning in 2027–2028.

Hybrid Installations

Table 9. Main Strategic Investments in Hybrid Installations Undertaken in H1 2026

Investment	Implementing Company	Installation Capacity [MWe]	Technology	Capacity by Technology [MWe]	Total Expenditure Incurred by Technology as at 30.06.2026 [PLN million]	Physical Progress by Technology as at the Date of Preparation of this Report [%]	Planned Completion Date
IH Bytom	TAURON Zielona Energia	14	PV	10	0.4	1	Q3 2029
			BESS	4	0.0	1	
IH Mierzyn	TAURON Zielona Energia	40	PV	20	0.0	1	Q1 2029
			BESS	20	0.0	1	
IH Stare Bogaczowice I	TAURON Zielona Energia	58.5	PV	28.5	0.9	1	Q3 2028
			BESS	30	0.3	1	
IH Ogrodzieniec	TAURON Zielona Energia	140	PV	85	0.5	1	Q3 2028
			BESS	55	0.1	1	

In H1 2026, the TAURON Group made investment decisions to begin construction of three hybrid installations and a photovoltaic farm at the Stare Bogaczowice I site. The photovoltaic farm forms part of the hybrid installation being built at that site, which also includes a battery energy storage system.

Of the hybrid projects currently being implemented, projects with a total capacity of 213 MW were prepared for implementation through the TAURON Group's in-house development activities. This means that nearly 85% of the capacity of projects using this technology comes from the portfolio developed using the TAURON Group's own resources.

In-House Development and Acquisition

The Group is systematically developing its own portfolio of projects, comprising wind farms, photovoltaic installations and battery energy storage systems. In parallel, it is developing cooperation with external partners through joint ventures, particularly in wind energy.

As part of its acquisition activities, TAURON actively analyses the market to identify wind projects at various stages of development for acquisition and opportunities to cooperate with external partners through a range of arrangements. These activities include assessing potential transactions and negotiating on selected projects.

Hydroelectric Power Plants

Table 10. Main Strategic Investments in Hydroelectric Power Plants Undertaken in H1 2026

Investment	Implementing Company	Total Expenditure Incurred as at 30.06.2026 [PLN million]	Physical Progress as at the Date of Preparation of this Report [%]	Planned Completion Date
Elektrownia Wodna Pilchowice I	TAURON Ekoenergia	56.8	57	Q2 2028

The investment comprises a comprehensive programme of works aimed at ensuring the continued safe operation of a facility of significant importance for flood protection over the long term. The modernisation works cover, in particular, the dam structure, the surface spillway and cascade, the bottom outlets, and the diversion tunnel. The project's scope may be extended to include reconstruction works to increase the discharge capacity of the barrage. This additional phase is subject to securing external co-financing.

In H1 2026, preparatory and construction works were carried out, along with repair and protective works on the dam structure, works in the inspection galleries and bottom outlet tunnels, and works on the cascade and hydraulic structures.

Offshore Wind Farms (in the Polish Exclusive Economic Zone of the Baltic Sea)

Elektrownia Wiatrowa Baltica-7 sp. z o.o. (EWB-7), in which TAURON holds a 44.96% interest (with the remaining interest held by PGE), has held a permit since 2023 to erect and use artificial islands, structures and devices in an area on the Słupsk Bank (area 43.E.1). The project was included in the preliminary list of grid connection conditions published in 2024 by Polskie Sieci Elektroenergetyczne S.A.

Rożnów II Pumped Storage Power Plant (PSP Rożnów II)

In H1 2026, the verification and optimisation of the project's basic assumptions were completed. A contractor was selected to prepare the environmental impact assessment report for the pumped storage power plant and obtain the environmental decision. In addition, a Geological Works Design (GWD) was prepared and submitted to the Minister of Climate and Environment, the competent geological administration authority, for approval. Approval of the GWD will allow detailed geological surveys to begin at the planned project site. The project is scheduled for implementation in 2028–2033, with PSP Rożnów II expected to begin operating in 2034.

On 13 July 2026 (an event after the balance sheet date), a letter of intent was signed with the Ministry of Energy on cooperation to support the construction of the pumped storage power plant in Rożnów and the development of large-scale energy storage in Poland. The document expresses a willingness to jointly develop solutions that support this area and the implementation of strategic investments that strengthen the country's energy security.

Main Investments in the Heat Business Area

Table 11. Main Strategic Investments in the Heat Business Area Undertaken in H1 2026

Investment	Implementing Company	Total Expenditure Incurred as at 30.06.2026 [PLN million]	Physical Progress as at the Date of Preparation of this Report [%]	Planned Completion Date
Energy transition of the heating plant in Kamienna Góra	TAURON Ciepło	0.2	5	Q4 2027
Construction of gas engine installations at ZW Bielsko-Biała EC-2	TAURON Ciepło	11.9	38	Q4 2027
Energy transition in Cieszyn Task 1: Construction of gas engine installations	TAURON Ciepło	0.9	10	Q1 2028

Energy transition of the heating plant in Olkusz	TAURON Ciepło	0.6	9	Q3 2029
Energy transition of the heating plant in Zawiercie	TAURON Ciepło	0.4	9	Q3 2029
Construction of a cogeneration heat source at the Łagisza site in Będzin	TAURON Ciepło	11.3	13	Q4 2030

In H1 2026, work continued on the project to construct gas engine installations at ZW Bielsko-Biała EC-2. The project involves installing three complete cogeneration units based on natural gas-fired reciprocating engines, with a total capacity of 30 MWe/MWt. During this period, foundation works were carried out and construction of the buildings' main structure began.

In parallel, the TAURON Group developed further projects to transform its heat generation assets, some of which received operating support in the form of a cogeneration premium. For the energy transition projects EC Kamienna Góra Task 1: Construction of a cogeneration system and EC Cieszyn Task 1: Construction of gas engine installations, applications for building permits were submitted following receipt of the environmental decision. For the energy transition projects at the heating plants in Zawiercie and Olkusz, applications for environmental decisions were submitted and work was carried out to prepare building designs.

Bielsko Biała EC-2

In April 2026, an investment decision was made to proceed with a new project of significance to the TAURON Group: the construction of a cogeneration heat source with an electrical capacity of approximately 100 MWe and a thermal capacity of approximately 120-140 MWt at the Łagisza site in Będzin (Elektrociepłownia Łagisza). The project envisages the construction of a modern natural gas-fired combined heat and power plant in Będzin-Łagisza, which will become the area's primary heat source once commissioned. The project is scheduled for implementation in 2026–2030, with investment expenditure provisionally estimated at PLN 1,100-1,300 million. In H1 2026, a tender procedure for the supply of gas turbines was launched as part of the Elektrociepłownia Łagisza project, work continued on the building design, and a construction permit for the gas pipeline was obtained.

In addition, in April 2026, a conditional investment decision was made to proceed with another project of significance to the TAURON Group: the energy transition of the Combined Heat and Power Plant in Katowice (Elektrociepłownia Katowice). The project involves constructing a cogeneration source comprising a gas turbine unit with a heat recovery boiler, with an electrical capacity of approximately 49 MWe and a thermal capacity of approximately 55-70 MWt. It envisages the construction of a modern combined heat and power plant in Katowice, which, once commissioned, will replace the heat production currently provided by TAURON Ciepło's coal-fired BCF100 unit. Under the current schedule, the project is planned for implementation in 2027–2029, with investment expenditure provisionally estimated at PLN 800-1,000 million. Implementation is conditional on Elektrociepłownia Katowice winning the cogeneration premium auction scheduled for 2026 at a price that meets the minimum required to satisfy the project profitability criterion set out in the TAURON Group Strategy for 2025–2035. As at the date of preparation of this report, this condition has not been met. In H1 2026, preparatory work on the Elektrociepłownia Katowice project included, in particular, the tender procedure for the supply of gas turbines and the preparation of design documentation.

Main Investments in the Generation Business Area

Table 12. Main Strategic Investments in the Generation Business Area Undertaken in H1 2026

Investment	Implementing Company	Total Expenditure Incurred as at 30.06.2026 [PLN million]	Physical Progress as at the Date of Preparation of this Report [%]	Planned Completion Date
OCGT Jaworzno gas-fired peaking unit, 600 MWe class	TAURON Wytwarzanie	0.5	5	Q4 2029
Construction of a heat source for the city of Jaworzno	TAURON Wytwarzanie	0.4	9	Q2 2029

The project to build a 600 MWe class peaking unit in Jaworzno entered its next phase of implementation after securing a capacity contract in the main capacity market auction in December 2025. In H1 2026, activities focused primarily on selecting a gas turbine supplier. In July (an event after the balance sheet date), a contractor was selected, and a supply agreement for the turbine islands and a service agreement were signed with Ansaldo Energia S.p.A., headquartered in Italy. The supply agreement covers, among other things, 2 gas turbine sets with a capacity of 314.6 MW each, together with a complete set of other equipment and installations (Turbine Island), documentation, consumables, and advisory services relating to assembly and commissioning. Delivery of the gas turbines is planned for around the turn of 2028 and 2029. The service agreement covers, among other things, servicing of the Turbine Island, including inspections, overhauls and repairs in accordance with the contractor's schedule, as well as the rectification of any defects and failures. Services will be provided for 15 years from the date on which the Turbine Island is taken over for operation. The contractor's remuneration for proper performance of the supply agreement amounts to EUR 193 million net, while remuneration for proper performance of the service agreement amounts to EUR 100 million net.

In parallel, work continued to obtain the environmental decision. Other preparatory activities also continued, including arrangements with GAZ-SYSTEM for the construction of the connecting gas pipeline and the tender procedure for the preparation of the basic design documentation, the building design and the functional and utility programme (PFU). These documents will form the basis for selecting the general contractor for the project.

In H1 2026, the project to build a heat source for the city of Jaworzno, with a total planned capacity of 126 MWt and a 61 MWt heat storage facility, was at the preparatory stage. As part of the environmental procedure, work was carried out to prepare the documentation required to obtain the environmental decision. In April 2026, a tender procedure was launched to select the general contractor for the project and remains ongoing. In June 2026, support in the form of a cogeneration premium was secured through a successful bid in an auction for cogeneration units.

Main Investments in the Other Operations Business Area

Table 13. Main Strategic Investments in the Supply Business Area Undertaken in H1 2026

Investment	Implementing Company	Total Expenditure Incurred as at 30.06.2026 [PLN million]	Physical Progress as at the Date of Preparation of this Report [%]	Planned Completion Date
Produkcja 2.0	Czatkowice Limestone Mine	0.8	5	Q4 2029

In the Other Operations Business Area, a project is underway to reconfigure the production system at the Czatkowice Limestone Mine to increase the production of chippings and aggregates using the mine's own assets.

Capital Expenditure

In H1 2026, the TAURON Capital Group's capital expenditure amounted to PLN 2,423 million, exceeding the PLN 2,283 million incurred in 2025 (excluding capital investments).

This change primarily reflects higher expenditure in the Distribution, Generation, Supply and Other BUs, and lower expenditure in the RES BU.

Table 14. Largest Capital Expenditure Items in H1 2026 by Business Area of the TAURON Capital Group

Item	Capital Expenditure (PLN million)
Distribution	
Construction of new connections	811
Modernisation and replacement of existing networks	681
Comprehensive replacement of meters with remotely read meters (AMIPlus)	121
Dispatcher Communication System	10
RES	
Construction of the Nowa Brzeźnica wind farm with a capacity of 19.6 MW	122
Construction of the Miejska Górka wind farm with a capacity of 190.8 MW	28
Modernisation of hydroelectric power plants	15
BESS Kuźnia Raciborska with a capacity of 6.9 MW	11
Construction of the Sieradz wind farm with a capacity of 23.8 MW	5
BESS Proszówek I with a capacity of 9.5 MW	3
BESS Dąbie with a capacity of 4 MW and Przewóz with a capacity of 4 MW	2
Heat	
Construction of the peak-load and backup boiler house and gas engine installations at ZW Bielsko-Biała EC-2	52
Maintenance of generation units and district heating networks at TAURON Ciepło	15
Connection of new facilities at TAURON Ciepło	14
Supply, New Services, Customer Service, Shared Services Centre (CUW) and Other Operations	
IT investments at TAURON Obsługa Klienta	74
Maintenance and development of street lighting	44
Construction of a fibre-optic network (NRRP)	31
CSIRE for the Supply Business Area	19
Generation	
Replacement and modernisation of generation units at TAURON Wytwarzanie	105
New Jaworzno 910 MW unit	42

2.6. Sustainable Development — ESG

Sustainable development is one of the key elements of the TAURON Group's strategy. We strive to operate responsibly, combining economic efficiency with care for the natural environment, societal security and the highest standards of corporate governance.

Activities in this area focus on supporting the energy transition, developing renewable energy sources, and improving the efficiency and reliability of the energy system. At the same time, TAURON is implementing initiatives to systematically strengthen ESG awareness and competencies among Group employees.

The Group's sustainability objectives are set by the TAURON Group Strategy for 2025-2035 and the resulting investment plans and operational activities. The priorities of the TAURON Group are:

E ENVIRONMENT

Responsible use of natural resources and climate care:

- construction of RES and energy storage facilities
- district heating decarbonization
- 100% clean energy for Customers by 2040
- climate neutrality by 2040
- transformation of conventional power generation
- paperless operations

S SOCIETY

Positive impact on society and building a sustainable working environment:

- partnerships supporting regional development
- diversity, inclusion and equality in the workplace
- customer-centric approach and top-level customer experience
- development of products and services as well as sales channels
- sponsorship and CSR focused on the environment, local communities and employees
- education of safe, environmentally conscious and energy-efficient electricity users

G CORPORATE GOVERNANCE

Management based on best practices:

- application of the Best Practices of Companies Listed on the Warsaw Stock Exchange
- modern and transparent Business Model
- process organization and management
- TAURON Group Code of Conduct
- well-structured management framework of the TAURON Group from both business and corporate governance (KSH) perspectives
- clearly defined decision-making and accountability rules

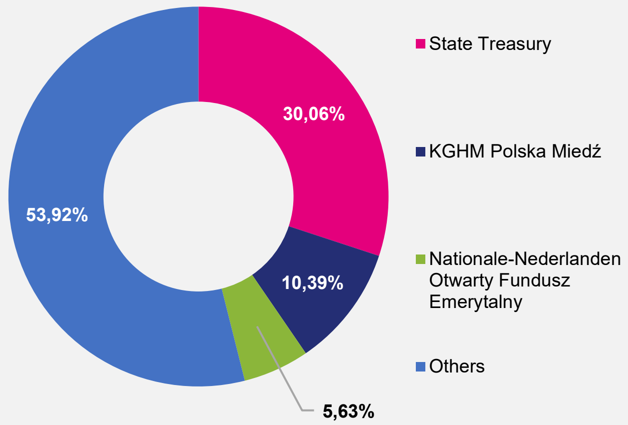
2.7. Shares and Shareholding Structure of TAURON Polska Energia S.A.

Shareholding Structure

As at 30 June 2026 and as at the date of preparation of this report, the Company's share capital, as recorded in the National Court Register, amounted to PLN 8,762,746,970 and was divided into 1,752,549,394 shares with a nominal value of PLN 5 each, comprising:

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

Figure 6. Shareholding Structure as at 30 June 2026 and as at the Date of Preparation of this Report (Shareholdings Exceeding 5% of Share Capital)



To the best of the Company's knowledge, the shareholding structure with respect to shareholders holding, directly or indirectly through subsidiaries, at least 5% of the total votes at the Company's General Meeting as at 30 June 2026 and as at the date of preparation of this report is presented below.

Table 15. Shareholders Holding, Directly or Indirectly through Subsidiaries, at Least 5% of the Total Votes at the Company's General Meeting as at 30 June 2026.

Shareholder	Number of Shares Held	Percentage of Share Capital	Number of Votes Held[1]	Percentage of Total Votes
State Treasury	526,848,384	30.06%	526,848,384	30.06%
KGHM Polska Miedź S.A.	182,110,566	10.39%	182,110,566	10.39%
Nationale-Nederlanden Open Pension Fund[2]	98,630,000	5.63%	98,630,000	5.63%
Helikon Long Short Equity Fund Master ICAV[3]	74,127,629	4.23%	74,127,629 / 138,737,427[5]	4.23% / 7.92%
The Goldman Sachs Group, Inc.[4]	27,940,834	1.59%	27,940,834 / 79,887,473[5]	1.59% / 4.56%

[1]Under the Company's Articles of Association, the voting rights of shareholders holding more than 10% of the total votes in the Company are restricted so that no such shareholder may exercise more than 10% of the total votes in the Company at the Company's General Meeting. The aggregate votes held by shareholders linked by a relationship of dominance or dependence, as defined in the Company's Articles of Association, are subject to a corresponding reduction. This restriction does not apply to the State Treasury or entities controlled by the State Treasury for as long as the State Treasury, together with those entities, holds shares in the Company carrying at least 25% of the total votes in the Company.
[2]Based on the list of shareholders entitled to participate in the Company's Ordinary General Meeting (OGM) on 20 May 2026 and holding at least 5% of the votes.
[3]Based on the notification received from Helikon Long Short Equity Fund Master ICAV on 9 December 2024.
[4]Based on the notification received from The Goldman Sachs Group, Inc. on 17 June 2026.
[5]Number of votes in the Company associated with financial instruments other than shares.

Table 16. Shareholders holding, directly or indirectly through their subsidiaries, at least 5% of the total number of voting rights at the Company's General Meeting as at the date of preparation of this report.

Shareholder	Number of Shares Held	Percentage of Share Capital	Number of Votes Held1	Percentage of Total Votes
State Treasury	526 848 384	30,06%	526 848 384	30,06%
KGHM Polska Miedź S.A.	182 110 566	10,39%	182 110 566	10,39%
Nationale-Nederlanden Open Pension Fund2	98 630 000	5,63%	98 630 000	5,63%
Helikon Long Short Equity Fund Master ICAV3	74 127 629	4,23%	74 127 629/ 138 737 427[5]	4,23% 7,92%
The Goldman Sachs Group, Inc.4	57 177 036	3,26%	57 177 036/ 54 626 913[5]	3,26% 3,12%

[1]Under the Company's Articles of Association, the voting rights of shareholders holding more than 10% of the total votes in the Company are restricted so that no such shareholder may exercise more than 10% of the total votes in the Company at the Company's General Meeting. The aggregate votes held by shareholders linked by a relationship of dominance or dependence, as defined in the Company's Articles of Association, are subject to a corresponding reduction. This restriction does not apply to the State Treasury or entities controlled by the State Treasury for as long as the State Treasury, together with those entities, holds shares in the Company carrying at least 25% of the total votes in the Company.
[2]Based on the list of shareholders entitled to participate in the Company's Ordinary General Meeting (OGM) on 20 May 2026 and holding at least 5% of the votes.
[3]Based on the notification received from Helikon Long Short Equity Fund Master ICAV on 9 December 2024.
[4]Based on the notification received from The Goldman Sachs Group, Inc. on 7 September 2026.
[5]Number of votes in the Company associated with financial instruments other than shares.

In H1 2026 and after the reporting date the Company received the following notifications of change in holdings of TAURON shares and financial instruments related to TAURON shares:

- A notification received on 17 June 2026 from The Goldman Sachs Group, Inc. concerning a change in the percentage of total votes in the Company, which occurred on 9 June 2026. As at 9 June 2026, entities within The Goldman Sachs Group, Inc. group collectively held financial instruments entitling them to 6.15% of the total votes in the Company (107,828,307 votes). Of this total, 4.56% of the total votes (79,887,473 votes) were attributable to financial instruments other than shares (swaps and securities lending), and 1.59% of the total votes (27,940,834 votes) were attributable to the Company's shares. According to the previous notification received from the shareholder on 18 March 2026, as at 11 March 2026, entities within The Goldman Sachs Group, Inc. group collectively held financial instruments entitling them to 6.46% of the total votes in the Company (113,223,192 votes). Of this total, 5.23% of the total votes in the Company (91,686,544 votes) were attributable to financial instruments other than shares (swaps), and 1.23% of the total votes (21,536,648 votes) were attributable to the Company's shares.
- A notification received on 3 September 2026 from The Goldman Sachs Group, Inc. regarding a change in its share of the total voting rights in the Company, which occurred on 28 August 2026. As at 28 August 2026, entities within The Goldman Sachs Group, Inc. held financial instruments representing in aggregate 8.28% of the total voting rights in the Company, of which 5.02% of the total voting rights in the Company (87,938,209 votes) related to financial instruments other than shares (swaps and securities lending transactions), while 3.26% of the total voting rights (57,200,908 votes) related to the Company's shares.
- A notification received on 7 September 2026 from The Goldman Sachs Group, Inc. regarding a change in its share of the total voting rights in the Company, which occurred on 31 August 2026. As at 31 August 2026, entities within The Goldman Sachs Group, Inc. held financial instruments representing in aggregate 6.38% of the total voting rights in the Company, of which 3.12% of the total voting rights in the Company (54,626,913 votes) related to financial instruments other than shares (swaps and securities lending transactions), while 3.26% of the total voting rights (57,177,036 votes) related to the Company's shares.

Between the publication of the Q1 2026 report (20 May 2026) and the date of preparation of this report, there were no other changes in the shareholding structure with respect to shareholders holding, directly or indirectly through subsidiaries, at least 5% of the total votes at the Company's General Meeting.

2.8. Holdings of Shares in TAURON Polska Energia S.A. or Rights to Such Shares by Members of the Supervisory Board and Management Board of TAURON Polska Energia S.A.

Table 17. Holdings of the Company's Shares by Members of the Company's Management Board as at the Date of Preparation of this Report

Name	Number of Company Shares Held	Nominal Value of Company Shares Held (PLN)
Grzegorz Lot	0	0
Łukasz Czopik	0	0
Michał Orłowski	0	0
Krzysztof Surma	9,100	45,500
Krzysztof Zawadzki	0	0

As at 30 June 2026 and as at the date of preparation of this report, Members of the Company's Management Board held no rights to TAURON shares.

As at 30 June 2026 and as at the date of preparation of this report, Members of the Company's Supervisory Board held no TAURON shares or rights to such shares.

Between the publication of the Q1 2026 report (20 May 2026) and the date of preparation of this report, there were no changes in holdings of TAURON shares or rights to such shares by Members of the Company's Management Board or Supervisory Board.

3. Analysis of the Financial and Asset Position of the TAURON Capital Group

We consider our financial results for H1 this year to be good, despite the decline compared with the corresponding period of 2025. The year-on-year decrease was primarily driven by factors over which the Company had limited control, including lower profitability from electricity sales to households resulting from the reduced tariff level, as well as rising profile and balancing costs, which are not fully covered by the tariff and do not fully compensate for the costs incurred by sales companies. Other contributing factors included the lower WACC, the negative settlement of the regulatory account in the Distribution Segment, and, among others, less favourable wind conditions and lower realised prices in the RES Segment. At the same time, the Generation and Heat Segment achieved strong results.

During the past six months, we took further measures aimed at increasing the level of external financing and reducing debt servicing costs. As a result of these efforts, we signed a loan agreement with the European Investment Bank for PLN 1.12 billion and secured PLN 384 million in grants to support the construction of new power supply points with a total capacity of 177 MW. These funds provide significant support for the TAURON Group's energy transition and confirm financial institutions' confidence in our strategic investment projects. Since 2024, the Group has raised more than PLN 18 billion in financing on preferential terms. The Group's financial position remains stable, as confirmed by its net debt/EBITDA ratio of 1.2x, down year on year.

Krzysztof Surma
Vice President of the Management Board for Finance

Financial Position of the TAURON Capital Group after H1 2026

This section presents selected items from the Interim Condensed Consolidated Financial Statements of the TAURON Capital Group of TAURON Polska Energia S.A. for the six-month period ended 30 June 2026, prepared in accordance with International Financial Reporting Standards as adopted by the European Union. It also presents selected financial ratios that constitute Alternative Performance Measures within the meaning of the ESMA Guidelines.

These ratios provide additional information on the TAURON Capital Group's financial performance and operating activities. In the opinion of the Company's Management Board, they may serve as a valuable supplementary source of information for investors.

Each ratio is accompanied by its definition. The values for the reporting and comparative periods are comparable, as the calculation methodology remains unchanged.

Analysis of the Financial Position

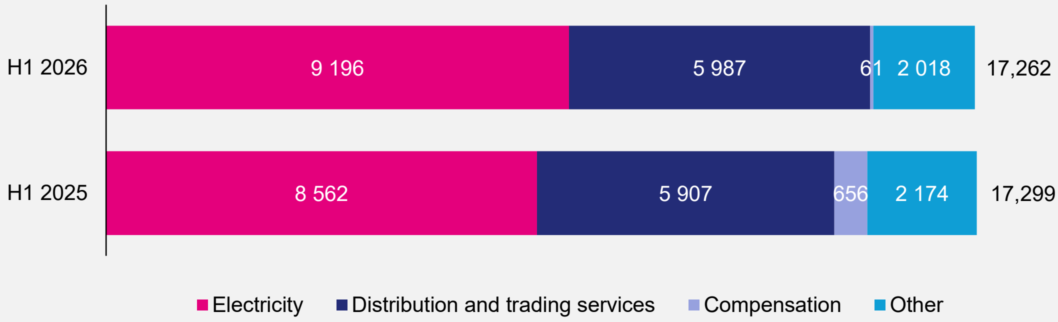
Consolidated Statement of Comprehensive Income

Table 18. Interim Condensed Consolidated Statement of Comprehensive Income of the TAURON Capital Group for H1 2026 and H1 2025

Item (PLN million)	H1 2026 (unaudited)	H1 2025 (restated, unaudited)	Change 2026/2025
Sales revenue	17,201	16,643	103%
Compensation	61	656	9%
Operating costs	(15,009)	(14,354)	105%
Other operating income and expenses	37	27	137%
Share of profits of joint ventures	38	22	173%
Operating profit	**2,328**	**2,994**	**78%**
Operating profit margin (%)	13.5%	17.3%	78%
Interest expense on debt	(265)	(341)	78%

Result on derivative instruments	(3)	(202)	1%
Other financial income and expenses	45	46	98%
Profit before tax	**2,105**	**2,497**	**84%**
Profit before tax margin (%)	12.2%	14.4%	85%
Income tax	(540)	(442)	122%
Net profit for the period	**1,565**	**2,055**	**76%**
Net profit margin (%)	9.1%	11.9%	76%
Total comprehensive income for the period	1,603	2,013	80%
Profit attributable to:			
Owners of the parent company	1,565	2,053	76%
Non-controlling interests	0	2	-
EBIT and EBITDA			
EBIT	2,328	2,994	78%
EBITDA	3,697	4,224	88%

Figure 7. Breakdown of Sales Revenue and Compensation of the TAURON Capital Group for H1 2026 and H1 2025



Revenue including compensation was slightly lower than in H1 2025. The decrease resulted from lower compensation, which amounted to PLN 61 million in H1 2026, compared with PLN 656 million in the corresponding period of the previous year. The compensation recognised in 2026 related to settlements for prior years.

Sales revenue increased by 3%, or PLN 558 million, to PLN 17,201 million. This growth was primarily driven by revenue from electricity sales, which increased by 7% (PLN 634 million) to PLN 9,196 million. The increase reflected higher sales volumes (+9%) and higher revenue from balancing capacity, which offset the decrease in the average electricity selling price (-3%).

Revenue was also significantly affected by growth in revenue from distribution and trading services, which increased by 1% (PLN 80 million) to PLN 5,987 million. This increase was mainly driven by a higher volume of electricity distributed (+3%), as well as higher heat transmission volumes and rates.

In addition, revenue from heat sales increased by 7%, or PLN 57 million, to PLN 826 million. This reflected higher sales volumes (+6%), driven by lower outdoor temperatures compared with the previous year.

At the same time, revenue from gas sales decreased significantly, falling by 60%, or PLN 261 million, to PLN 176 million. This decrease reflected both lower sales volumes and a decline in the average gas selling price due to lower market prices.

The Group's operating costs for the six-month period ended 30 June 2026 increased by 5%, or PLN 655 million, compared with the corresponding period of the previous year, to PLN 15,009 million.

The largest contributor to this increase was the cost of meeting the obligation to surrender CO2 emission allowances, which rose by 35% (PLN 506 million) to PLN 1,948 million. This mainly reflected higher emissions associated with increased electricity and heat generation in response to higher customer demand driven by lower outdoor temperatures compared with the previous year. A higher unit cost of surrendering allowances also contributed to the increase.

Employee benefit costs increased by 6% (PLN 97 million) to PLN 1,857 million, mainly due to the implementation of wage agreements and the increase in the minimum wage.

Distribution service costs also increased by 6% (PLN 95 million) to PLN 1,808 million.

Depreciation and amortisation expenses increased by 6% (PLN 82 million) to PLN 1,368 million, primarily due to the increase in the value of the Group's assets.

Other cost categories also increased, including other taxes and charges (by PLN 33 million), repair and maintenance services (by PLN 23 million), and other external services (by PLN 30 million).

These increases were partly offset by:

- a decrease in the cost of materials and energy consumed of 6%, or PLN 86 million, to PLN 1,270 million, primarily due to lower unit consumption costs resulting from lower raw material purchase prices and greater operating efficiency of generation units;
- a decrease in the cost of goods and materials sold of 2%, or PLN 137 million, to PLN 5,952 million, mainly due to a significant reduction in gas purchase costs resulting from both lower sales volumes and lower market prices.

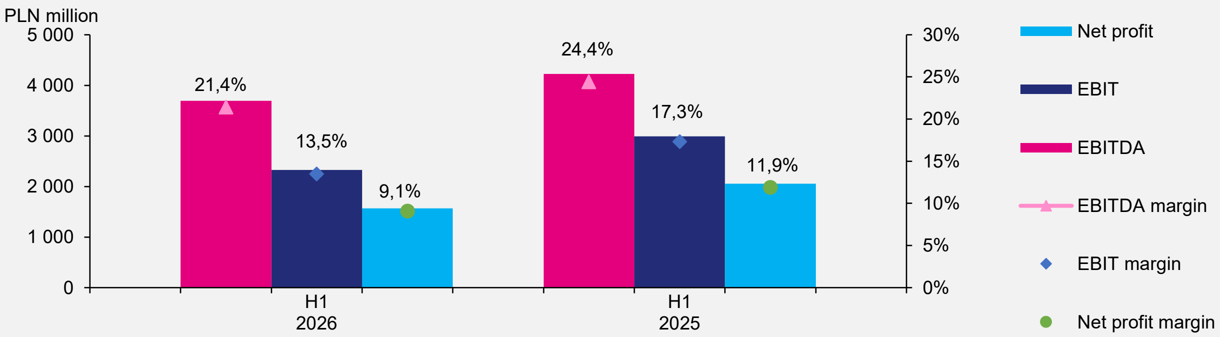
The EBITDA margin, EBIT margin and net profit margin in H1 2026 were 21.4%, 13.5% and 9.1%, respectively, down by 3.0 p.p., 3.8 p.p. and 2.8 p.p., respectively, compared with the corresponding period of 2025.

The decline in the EBITDA margin reflected a year-on-year decrease in EBITDA of 12%, while revenue including compensation remained at a similar level. The reasons for the changes in these income statement items are explained above.

The decline in the EBIT margin primarily reflected lower EBITDA, higher depreciation and amortisation expenses, and the absence of an inventory impairment reversal of the kind recognised in H1 2025.

In addition to the factors described above, the decline in the net profit margin reflected a higher income tax burden. This was partly offset by an improved result on derivative instruments and lower interest expense on debt.

Figure 8. Financial Results and Margins of the TAURON Capital Group for H1 2026 and H1 2025



Total comprehensive income attributable to owners of the parent company for H1 2026 amounted to PLN 1,603 million, compared with PLN 2,011 million in the corresponding period of the previous year. Net profit attributable to owners of the parent company in H1 2026 amounted to PLN 1,565 million, compared with PLN 2,053 million in the corresponding period of 2025.

3.1. Financial Results by Business Segment

Table 19. EBITDA of the TAURON Capital Group by Business Segment for H1 2026 and H1 2025

EBITDA (PLN million)	H1 2026 (unaudited)		H1 2025 (unaudited)		Change 2026/2025
	PLN million	Share of Total EBITDA (%)	PLN million	Share of Total EBITDA (%)	
Distribution	2,361	64%	2,497	59%	**95%**
RES	245	7%	318	8%	**77%**
Heat	235	6%	189	4%	**124%**
Supply and Wholesale Trading	272	7%	577	14%	**47%**
Generation	464	13%	506	12%	**92%**
Other	224	6%	223	5%	**100%**
Unallocated items and eliminations	(104)	-3%	(86)	-2%	**121%**
Total EBITDA	**3,697**	**100%**	**4,224**	**100%**	**88%**

Distribution Segment

Table 20. Results of the Distribution Segment in H1 2026 and H1 2025

Item (PLN million)	H1 2026 (unaudited)	H1 2025 (unaudited)	Change 2026/2025
Sales revenue	**6,191**	**6,225**	**99%**
Distribution services	5,944	5,923	100%
Electricity from settlement of the balancing difference	65	76	86%
New connections	56	59	95%
Grid relocation works	32	45	71%
Other	94	122	77%
EBIT	1,564	1,753	**89%**
Depreciation, amortisation and write-downs	(797)	(744)	107%
EBITDA	**2,361**	**2,497**	**95%**

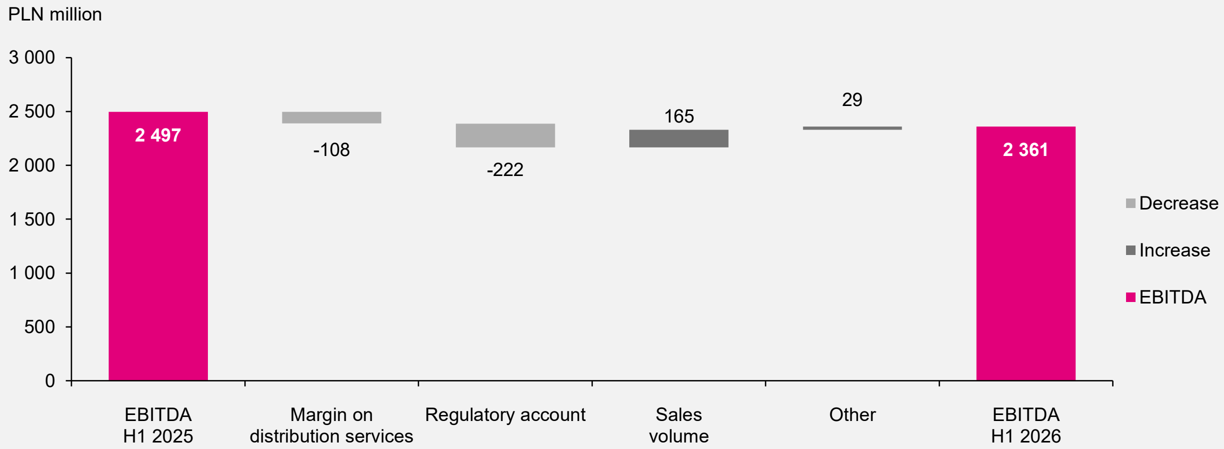
In H1 2026, the Distribution Segment's revenue amounted to PLN 6,191 million, down PLN 34 million year on year. The slight increase in revenue from distribution services reflected a higher volume of electricity supplied and an increase in the Regulatory Asset Base (RAB), alongside a decrease in WACC of 1.34 p.p. and lower revenue from reactive energy. The Segment's revenue was also affected by lower revenue from the settlement of the balancing difference, grid relocation works and new connections.

The Distribution Segment's EBITDA and EBIT for the period under review were lower than in the corresponding period of 2025.

The change in results reflected the following factors:

- a lower margin on distribution services, reflecting a year-on-year decrease in the weighted average cost of capital (WACC) of 1.34 p.p. and a higher Regulatory Asset Base used in the 2026 tariff;
- the negative impact of regulatory account settlements, as the regulatory account balance changed from positive in the 2025 tariff to negative in the 2026 tariff;
- an increase of 687 GWh in the total volume of electricity distributed, driven partially by less favourable weather conditions that prolonged the period of increased demand for electricity used for heating, ventilation and maintaining the required process parameters at production plants, as well as growth, mainly in Q2 2026, in the number of customers.

Figure 9. Distribution Segment EBITDA and Significant Factors Affecting the Year-on-Year Change



RES Segment

Table 21. Results of the RES Segment in H1 2026 and H1 2025

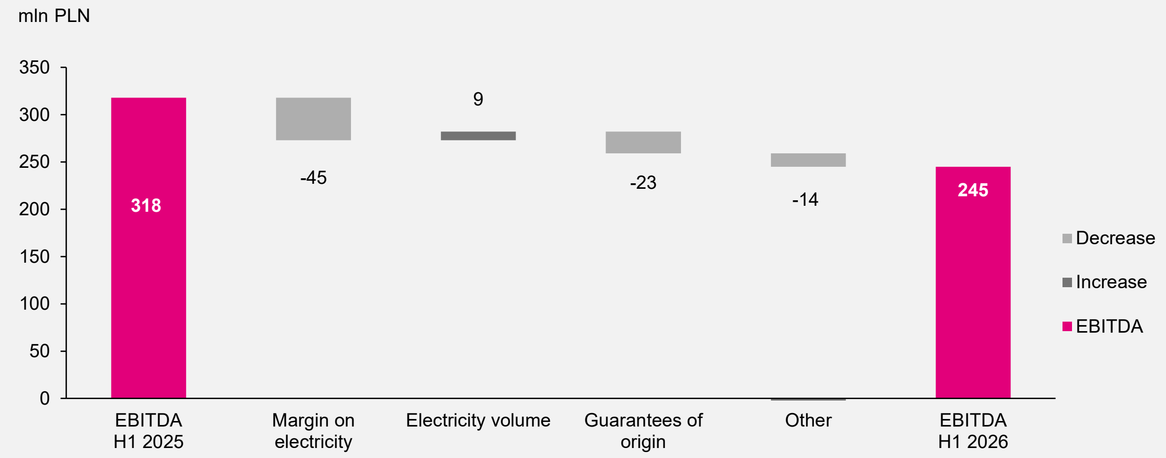
Item (PLN million)	H1 2026 (unaudited)	H1 2025 (unaudited)	Change 2026/2025
Sales revenue	**390**	**506**	**77%**
Electricity	*341*	*438*	78%
Guarantees of origin	*17*	*52*	33%
Other	*32*	*16*	200%
EBIT	**128**	**201**	**64%**
Depreciation, amortisation and write-downs	(117)	(117)	100%
EBITDA	**245**	**318**	**77%**

In H1 2026, the RES Segment's sales revenue amounted to PLN 390 million, down PLN 116 million, or 23%, compared with the corresponding period of 2025. The decrease was mainly driven by lower revenue from electricity sales due to lower realised selling prices, as well as lower revenue from guarantees of origin due to a decline in their prices.

The RES Segment's EBITDA for H1 2026 was lower than in the corresponding period of 2025. It was primarily affected by the following factors:

- a decrease in the margin on electricity, mainly due to lower electricity selling prices;
- higher electricity generation volumes following the commissioning of new generation units;
- a lower result from sales of guarantees of origin.

Figure 10. RES Segment EBITDA and Significant Factors Affecting the Year-on-Year Change



Heat Segment

Table 22. Results of the Heat Segment in H1 2026 and H1 2025

Item (PLN million)	H1 2026 (unaudited)	H1 2025 (unaudited)	Change 2026/2025
Sales revenue and compensation	**1,282**	**1,258**	**102%**
Heat	1,003	915	110%
Electricity	248	269	92%
Capacity market services	18	16	113%
Compensation	0	46	0%
Other	13	12	108%
EBIT	**135**	**94**	**144%**
Depreciation, amortisation and write-downs	(100)	(95)	105%
EBITDA	**235**	**189**	**124%**

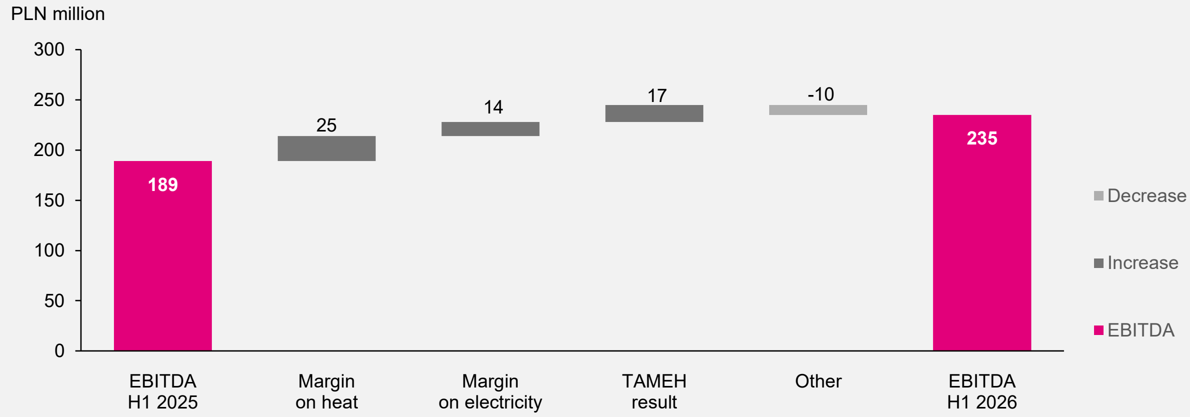
In H1 2026, the Heat Segment's sales revenue and compensation were 2% higher than in the corresponding period of 2025. This increase was mainly driven by higher revenue from heat sales, reflecting higher heat sales and transmission volumes due to lower outdoor temperatures. The increase was partly offset by lower revenue from electricity sales.

The Heat Segment's EBITDA and EBIT in H1 2026 were higher than in the corresponding period of 2025.

These results reflected the following factors:

- a higher margin on heat sales, mainly due to higher sales and transmission volumes and lower generation costs;
- a higher margin on electricity sales, driven by lower generation costs and the start of balancing capacity service provision;
- an improved result at TAMEH.

Figure 11. Heat Segment EBITDA and Significant Factors Affecting the Year-on-Year Change



Supply and Wholesale Trading Segment

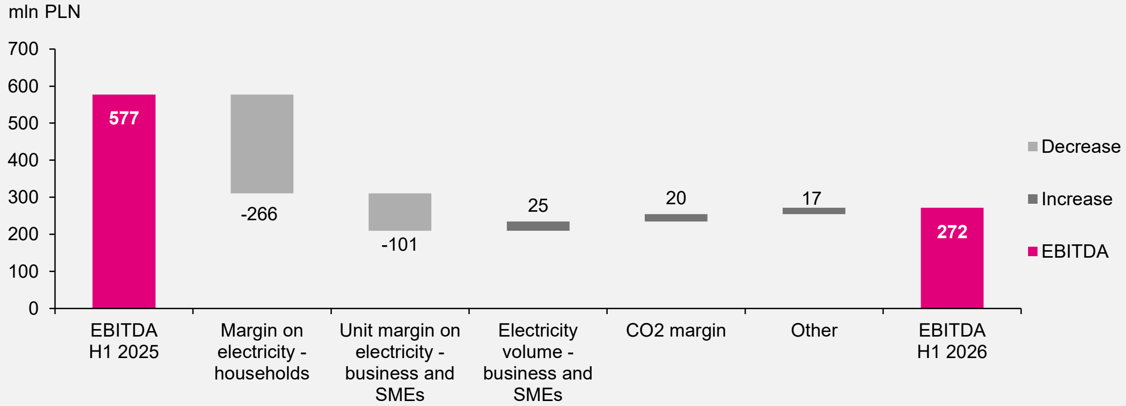
Table 23. Results of the Supply and Wholesale Trading Segment in H1 2026 and H1 2025

Item (PLN million)	H1 2026 (unaudited)	H1 2025 (unaudited)	Change 2026/2025
Sales revenue and compensation	**11,093**	**13,640**	**81%**
Electricity, of which:	7,890	7,729	102%
Revenue from retail electricity sales	6,832	6,446	106%
Electricity and gas distribution services	2,569	2,572	100%
Greenhouse gas emission allowances	295	2,040	14%
Gas	209	474	44%
Compensation	61	610	10%
Other, including trading services, capacity market and coal	69	215	32%
EBIT	**269**	**574**	**47%**
Depreciation, amortisation and write-downs	(3)	(3)	100%
EBITDA	**272**	**577**	**47%**

In H1 2026, the Supply and Wholesale Trading Segment's sales revenue and compensation were 19% lower than in the corresponding period of 2025. The decrease was mainly driven by an 86% decline in revenue from greenhouse gas emission allowances, as the term of their sale to the Generation and Heat Segments was deferred to the next quarter. Revenue from gas sales and other services, including trading services, was also lower. Higher revenue from retail electricity sales was accompanied by lower compensation, which in 2026 related to settlements for prior years.

- The Supply and Wholesale Trading Segment's EBITDA and EBIT in H1 2026 were lower than in the corresponding period of 2025. These results reflected a lower overall margin on electricity sales to households, resulting from the approved level of the tariff and growing costs of energy profile and balancing. In addition, the Segment’s results were negatively impacted by a lower unit margin on electricity sales to business customers and SMEs. The impact was partially offset by higher electricity sales volumes to these customer groups.

Figure 12. Supply and Wholesale Trading Segment EBITDA and Significant Factors Affecting the Year-on-Year Change



Generation Segment

Table 24. Results of the Generation Segment in H1 2026 and H1 2025

Item (PLN million)	H1 2026 (unaudited)	H1 2025 (unaudited)	Change 2026/2025
Sales revenue	**3,902**	**3,912**	***100%***
electricity	*3,163*	*3,198*	*99%*
services -- capacity market	*439*	*429*	*102%*
heat	*169*	*151*	*112%*
by-products of combustion and by-products of mining	*66*	*59*	*112%*
biomass	*44*	*50*	*88%*
other	*21*	*25*	*84%*
EBIT	**259**	**359**	**72%**
Depreciation, amortisation and write-downs	(205)	(147)	139%
EBITDA	**464**	**506**	**92%**

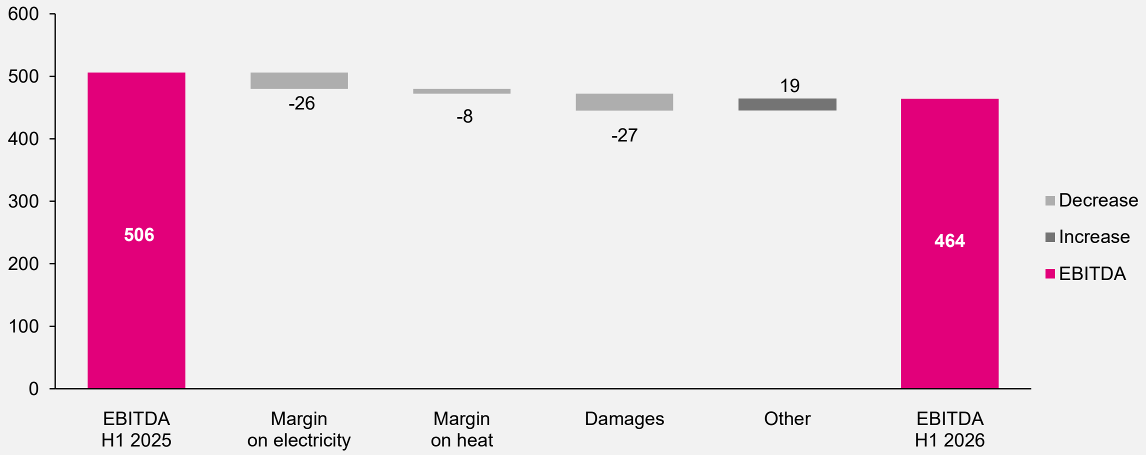
In H1 2026, the Generation Segment's sales revenue was comparable to that recorded in the corresponding period of 2025. The negative impact of lower electricity selling prices was offset by higher electricity sales volumes and increased revenue from the capacity market and heat sales.

The Generation Segment's EBITDA and EBIT in H1 2026 were lower than in the corresponding period of 2025. These results reflected the following factors:

- a lower margin on electricity sales due to lower electricity prices. This negative impact was partly offset by increased revenue from balancing capacity and lower energy procurement costs,
- a lower margin on heat sales, mainly due to lower heat tariff prices,
- no revenue from compensation for lost profits due to unit outages in 2022, which was recognized in H1 2025.

The decline in EBIT in the current period also reflected the absence of an inventory impairment reversal of the kind recognised in H1 2025.

Figure 13. EBITDA result of the Generation Segment together with significant factors affecting the year-on-year change



Other Operations

Table 25. Results of the Other Operations Segment in H1 2026 and H1 2025

Item (PLN million)	H1 2026 (unaudited)	H1 2025 (unaudited)	Change 2026/2025
Sales revenue	**775**	**739**	**105%**
Customer service	219	216	*101%*
Support services	301	293	*103%*
Street lighting	93	87	*107%*
Aggregates	95	88	*108%*
Other revenue	67	55	*122%*
EBIT	**72**	**94**	**77%**
Depreciation, amortisation and write-downs	(152)	(129)	118%
EBITDA	**224**	**223**	**100%**

In H1 2026, the sales revenue of the Other Operations Segment amounted to PLN 775 million and was 5% higher than in the corresponding period of 2025. The increase resulted from higher revenue in most of the Segment's areas of activity, including support services provided to companies of the TAURON Capital Group, the sale of aggregates and street lighting services.

The EBITDA result of the Other Operations Segment increased slightly compared with the corresponding period of 2025.

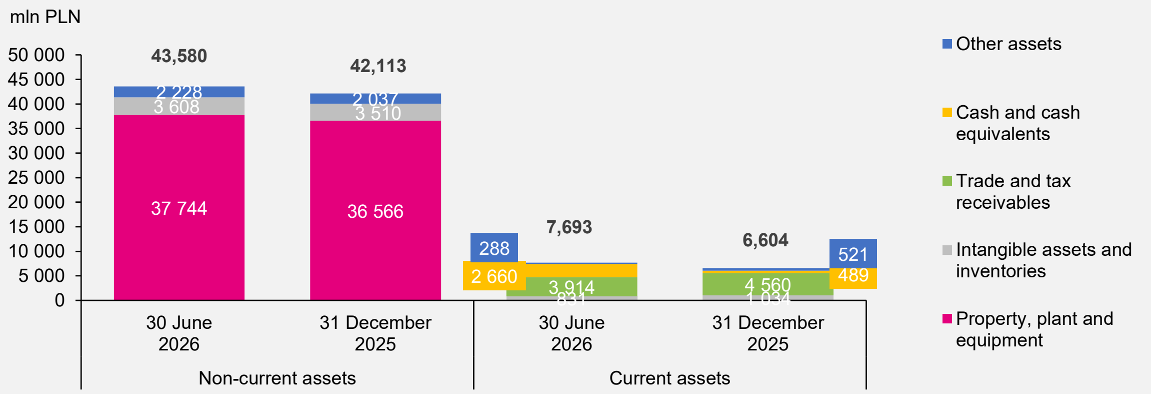
Asset Position

Table 26. Interim Condensed Consolidated Statement of Financial Position – Assets (Key Items) as at 30 June 2026 and 31 December 2025

	As at 30 June 2026 (unaudited)		As at 31 December 2025		Change 2026/2025
	PLN million	% share	PLN million	% share	
ASSETS					
Non-current assets	43,580	85.0%	42,113	86.4%	103%
Property, plant and equipment	37,744	73.6%	36,566	75.1%	103%
Current assets	7,693	15.0%	6,604	13.6%	116%
Cash and cash equivalents	2,660	5.2%	489	1.0%	544%
Non-current assets and assets of a disposal group classified as held for sale	4	0.0%	5	0.0%	80%
TOTAL ASSETS	**51,273**	**100.0%**	**48,717**	**100.0%**	**105%**

As at 30 June 2026, the TAURON Capital Group's statement of financial position showed total assets 5% higher than as at 31 December 2025, reflecting increases in both non-current and current assets.

Figure 14. Changes in the Composition and Value of Assets as at 30 June 2026 and 31 December 2025



Non-current assets accounted for the largest share of total assets, at 85.0%.

The value of non-current assets increased by 3%, or PLN 1,467 million, mainly reflecting investment activities and increases in the value of:

- property, plant and equipment of 3%, or PLN 1,178 million, primarily in the Distribution Segment, where the increase was 4%, or PLN 958 million, and the RES Segment, where it was 3%, or PLN 142 million,
- right-of-use assets of 7%, or PLN 175 million.

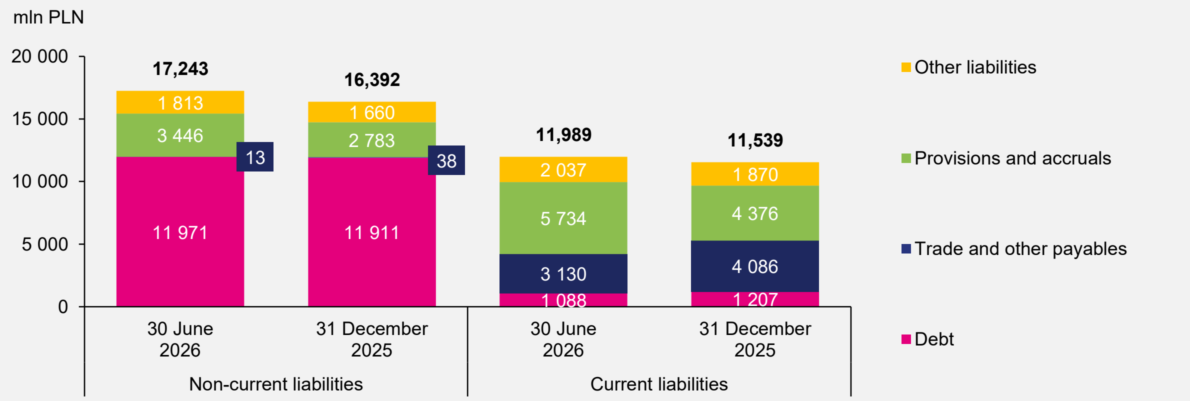
Current assets increased by 16%, or PLN 1,089 million, reflecting the following changes:

- an increase in cash and cash equivalents of 444%, or PLN 2,171 million,
- an increase in other non-financial assets of 34%, or PLN 45 million,
- a decrease in trade receivables of 9%, or PLN 364 million,
- a decrease in other financial assets of 82%, or PLN 262 million,
- a decrease in receivables relating to other taxes and charges of 50%, or PLN 222 million,
- a decrease in the value of certificates of origin and CO2 emission allowances designated for surrender of 57%, or PLN 129 million,
- a decrease in inventories, mainly coal, of 9%, or PLN 74 million,
- a decrease in income tax receivables of 95%, or PLN 60 million,
- a decrease in the value of derivative instruments of 24%, or PLN 15 million.

Table 27. Interim Condensed Consolidated Statement of Financial Position – Equity and Liabilities (Key Items) as at 30 June 2026 and 31 December 2025

Statement of financial position (PLN million)	As at 30 June 2026 (unaudited)		As at 31 December 2025		Change 2026/2025
	PLN million	% share	PLN million	% share	
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent company	22,038	43.0%	20,783	42.7%	106%
Non-controlling interests	3	0.0%	3	0.0%	100%
Total equity	22,041	43.0%	20,786	42.7%	106%
Non-current liabilities	17,243	33.6%	16,392	33.6%	105%
Debt liabilities	11,971	23.3%	11,911	24.4%	101%
Current liabilities	11,989	23.4%	11,539	23.7%	104%
Debt liabilities	1,088	2.1%	1,207	2.5%	90%
Total liabilities	29,232	57.0%	27,931	57.3%	105%
TOTAL EQUITY AND LIABILITIES	**51,273**	**100.0%**	**48,717**	**100.0%**	**105%**

Figure 15. Changes in the Composition and Value of Non-current and Current Liabilities as at 30 June 2026 and 31 December 2025



At the end of H1 2026, the TAURON Capital Group's non-current liabilities were 5%, or PLN 851 million, higher than as at 31 December 2025. This increase reflected the following changes:

- an increase in deferred income and government grants of 39%, or PLN 643 million, mainly related to the settlement of the valuation of the loan financed from National Recovery and Resilience Plan funds and subsidies received from European funds,
- an increase in deferred tax liabilities of 12%, or PLN 177 million,
- an increase in debt liabilities of 1%, or PLN 60 million,
- a decrease in investment liabilities of 66%, or PLN 25 million,
- a decrease in other financial liabilities of 43%, or PLN 17 million.
- a decrease in the value of derivative instruments of 8%, or PLN 7 million.

The TAURON Capital Group's current liabilities increased by 4%, or PLN 450 million, reflecting the following changes:

- an increase in provisions for liabilities relating to CO_2 emission allowances of 46%, or PLN 1,526 million,
- an increase in other financial liabilities of 55%, or PLN 261 million,
- an increase in deferred income and government grants of 87%, or PLN 209 million,

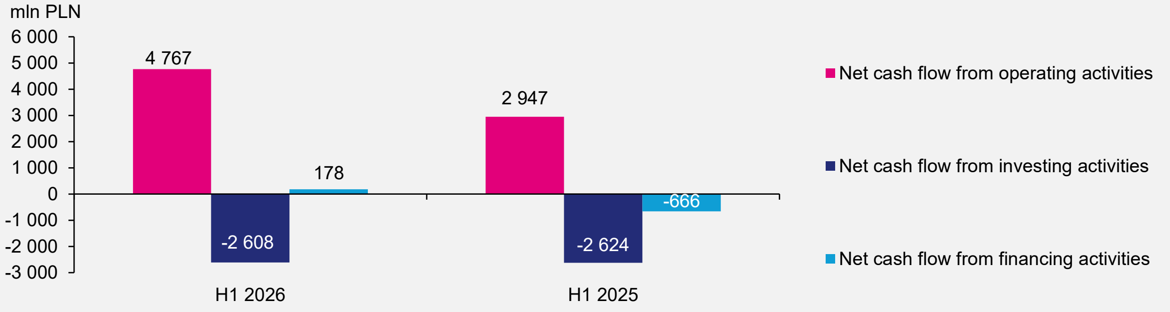
- a decrease in employee benefit provisions of 21%, or PLN 36 million, and in other provisions of 54%, or PLN 341 million,
- a decrease in investment liabilities of 34%, or PLN 314 million, and in trade payables of 13%, or PLN 232 million,
- a decrease in income tax liabilities of 53%, or PLN 251 million,
- a decrease in liabilities relating to other taxes and charges of 19%, or PLN 159 million,
- a decrease in debt liabilities of 10%, or PLN 119 million,
- a decrease in the value of derivative instruments of 26%, or PLN 68 million,
- a decrease in other non-financial liabilities of 2%, or PLN 26 million.

Cash Flows

Consolidated Statement of Cash Flows

Total cash flow from operating, investing and financing activities in H1 2026 was positive and amounted to PLN 2,337 million.

Figure 16. Cash Flows in H1 2026 and H1 2025



The value of cash flow from operating activities in H1 2026 was positive and amounted to PLN 4,767 million. It reflected the following items:

1. EBITDA of PLN 3,697 million,
2. a non-cash adjustment of PLN 38 million for the share of profits or losses of joint ventures,
3. a positive change in working capital of PLN 1,702 million, comprising:
   - a positive change in receivables of PLN 599 million, reflecting changes in trade receivables and compensation,
   - a positive change in inventories of PLN 58 million,
   - a negative change in liabilities of PLN 578 million, mainly due to decreases in trade payables, remuneration and insurance liabilities, and other financial liabilities,
   - a positive change in other non-current and current assets and provisions totalling PLN 1,510 million,
   - a positive change in deferred income and government grants of PLN 107 million,
   - a positive change in collateral transferred to IRGIT of PLN 6 million,
4. an income tax expense of PLN 569 million,
5. a negative valuation of currency derivatives hedging foreign exchange risk amounting to PLN 33 million.

Cash flow from investing activities was primarily affected by expenditure on the acquisition of property, plant and equipment, which was 2% higher in H1 2026 than in the corresponding period of 2025. The Distribution Segment accounted for the largest share of total investment expenditure, at 67%.

Positive net cash flow from financing activities mainly reflected repayments of financial liabilities being lower than inflows from financing raised. Payments for the repayment of loans and borrowings and the redemption of debt securities totalled PLN 528 million, while proceeds from loans drawn amounted to PLN 978 million. In addition, in H1 2026, the TAURON Capital Group repaid PLN 116 million in lease liabilities, paid PLN 172 million in interest, mainly on financial liabilities, received a refund of interest on bonds in the amount of PLN 27 million and made other payments totalling PLN 11 million.

Table 28. Financial Debt and Net Financial Debt/EBITDA Ratio of the TAURON Capital Group as at 30 June 2026 and 31 December 2025

	As at 30 June 2026 (unaudited)	As at 31 December 2025	Change 2026/2025
Financial debt (excluding cash) [PLN million]	11,032	10,826	102%
Net financial debt [PLN million]	8,372	10,337	81%
Net debt/EBITDA ratio	1.2x	1.4x	86%

The Company primarily monitors the Group's debt ratio, defined as the ratio of net financial debt to EBITDA. The TAURON Group's net financial debt is defined in individual financing agreements and generally comprises obligations to pay or repay amounts relating to loans, borrowings and debt securities, together with finance lease liabilities within the meaning of IAS 17 Leases. It excludes subordinated bond liabilities and is reduced by cash and short-term investments with maturities of up to 1 year. At the end of H1 2026, the net debt/EBITDA ratio was lower than at the balance sheet date of 31 December 2025.

Figure 17. Factors Behind the Change in the TAURON Capital Group's Net Financial Debt in H1 2026

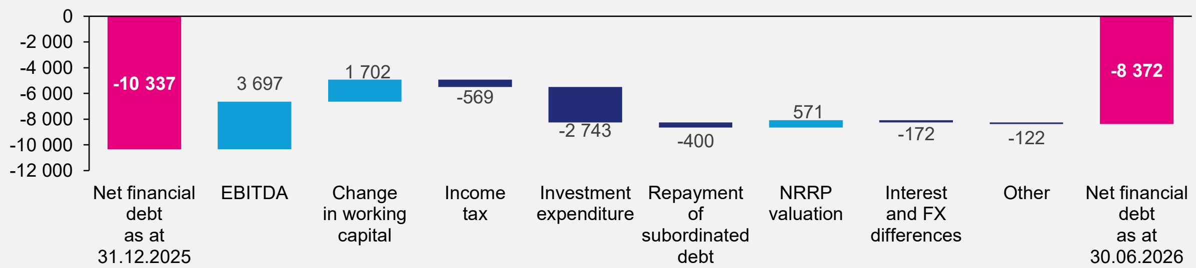
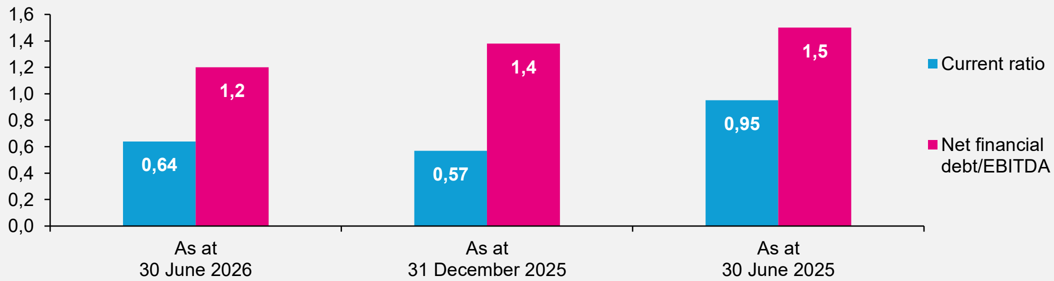


Figure 18. Current Liquidity Ratio and Net Financial Debt/EBITDA Ratio as at 30 June 2026, 31 December 2025 and 30 June 2025



Agreements with banks impose legal and financial obligations (covenants) on the Company that are standard for this type of transaction. The key covenant concerns the net debt/EBITDA ratio used in long-term loan agreements and domestic bond issuance programmes. This ratio measures debt less cash relative to EBITDA.

Compliance with the net debt/EBITDA covenant in agreements with financial institutions is tested using consolidated data as at 30 June and 31 December. Depending on the financing agreement, the maximum permitted ratio is 3.5 or 4.0.

As at 30 June 2026, the net debt/EBITDA ratio was 1.2.

3.2. Position of the Management Board of TAURON Polska Energia S.A. on the Feasibility of Meeting Previously Published Forecasts for the Year

The TAURON Capital Group did not publish financial forecasts for 2026. The Group's financial position is stable, and no adverse events have occurred that would threaten its ability to continue operating or cause a significant deterioration in its financial position.

A detailed description of the Group's financial position in terms of securing funding for both operating and investing activities is provided in Section 3.1 of this report.

3.3. Key Operating Data

Table 29. Key Operating Metrics of the TAURON Capital Group for H1 2026 and H1 2025

Item	Unit	H1 2026	H1 2025	Change 2026/2025
Electricity distribution	TWh	26.71	26.02	103%
Number of customers – Distribution	thousand	6,077	6,012	101%
Heat generation	PJ	6.87	6.33	109%
Electricity sales	TWh	18.54	17.39	107%
Retail	TWh	13.72	12.69	108%
Wholesale	TWh	4.82	4.70	103%
Net electricity generation	TWh	6.77	5.47	124%
Of which: electricity generation from renewable sources	TWh	0.89	0.89	100%
Generation from hydroelectric, wind and photovoltaic power plants	TWh	0.81	0.79	103%
Generation from biomass	TWh	0.07	0.10	70%

3.4. Sales Breakdown by Business Segment

Table 30. Sales Volumes and Breakdown by TAURON Capital Group Business Segment in H1 2026 and H1 2025

Item	Unit	H1 2026	H1 2025	Change 2026/2025
Electricity distribution services sold by the Distribution Segment	TWh	26.71	26.02	103%
Retail electricity sales by the Supply and Wholesale Trading Segment	TWh	13.77	12.74	108%
Electricity and heat sales by the Generation Segment	TWh	6.00	5.73	105%
	PJ	1.77	1.45	122%
Electricity sales by the RES Segment	TWh	0.82	0.92	89%
Electricity and heat sales by the Heat Segment	TWh	0.52	0.52	100%
	PJ	7.48	7.03	106%

4. Business and Regulatory Environment

4.1. Significant Achievements and Setbacks and Key Events Relating to the TAURON Capital Group in H1 2026 and after the Balance Sheet Date

Table 31. Major Events in H1 2026 and up to the Date of Preparation of this Report

Item and Description of the Event

Initiation of Administrative Proceedings against TAURON's Subsidiaries and Issuance of Administrative Decisions by the President of the ERO concerning the Price Difference Payment Fund

On 5 February 2026, TAURON Sprzedaż and TAURON Sprzedaż GZE received:

1. Notifications that the President of the ERO had initiated proceedings ex officio to issue an administrative decision requiring the subsidiaries to transfer amounts to the account of the Price Difference Payment Fund (the Fund), established pursuant to the Act of 27 October 2022 on Extraordinary Measures Aimed at Limiting Electricity Prices and Supporting Certain Customers in 2023 (the Act). These amounts represent the differences between the write-offs to the Fund calculated by the President of the ERO and those paid by the subsidiaries.
2. Inspection reports verifying the correctness of the write-off amounts for the entire reporting period, i.e. from December 2022 to December 2023. The verification covered both the amounts calculated in the subsidiaries' relevant reports and those actually paid by the subsidiaries to Zarządca Rozliczeń S.A.

The inspection began in November 2025. As indicated in the inspection reports, the difference between the total write-offs paid by TAURON's subsidiaries and the amount calculated by the President of the ERO totals approximately PLN 277 million.

After reviewing the inspection reports, TAURON's subsidiaries submitted their positions and objections to the reports to the President of the ERO on 12 February 2026, in accordance with applicable law.

On 10 March 2026, TAURON Sprzedaż and TAURON Sprzedaż GZE received administrative decisions from the President of the ERO requiring them to transfer a total of PLN 277 million to the account of the Price Difference Payment Fund within 30 days of delivery of the decisions. Under these decisions, interest on the amounts owed by the subsidiaries accrues from the date of receipt of the respective decision.

Taking into account the inspection findings, including the provisions of these decisions and the requirements of IAS 37, TAURON recognised a provision of PLN 277 million in the Supply and Wholesale Trading Segment in the consolidated financial statements as at 31 December 2025.

TAURON disclosed these events in current reports No. 2/2026 dated 5 February 2026 and No. 5/2026 dated 10 March 2026.

On 23 March 2026, within the statutory deadline, the companies filed appeals against the decisions of the President of the ERO with the Regional Court in Warsaw – the Court of Competition and Consumer Protection. They requested that the challenged decisions be set aside in their entirety and that their enforcement be suspended until the cases are finally resolved. On 26 March 2026, the companies fulfilled the obligations imposed by the decisions of the President of the ERO by making payments to the account of the Price Difference Payment Fund. Making these payments in accordance with the decisions does not constitute an acknowledgement of their validity.

Change of the Registered Office Address of TAURON Polska Energia S.A.

On 16 February 2026, TAURON's Management Board adopted a resolution to change the Company's registered office address with effect from 16 March 2026.

Previous registered office address of the Company:

ul. Ks. Piotra Ściegiennego 3, 40-114 Katowice

New registered office address of the Company:

Aleja Walentego Roździeńskiego 1B, 40-202 Katowice

The Company's registered office, i.e. the city of Katowice, remains unchanged.

TAURON disclosed this event in current report No. 3/2026 dated 16 February 2026.

Adoption of a Resolution on the Distribution of the Company's Net Profit for 2025 and Payment of a Dividend

On 30 March 2026, TAURON's Management Board resolved to recommend a dividend payment from the Company's net profit for 2025 of PLN 0.20 per share, totalling PLN 350,509,878.80.

Accordingly, on 30 March 2026, TAURON's Management Board adopted a resolution to submit a proposal to the Company's Ordinary General Meeting (OGM) to distribute the Company's net profit for the 2025 financial year, amounting to PLN 3,307,275,149.43, as follows:

1. PLN 350,509,878.80 to be allocated to a dividend payment to the Company's shareholders, equivalent to PLN 0.20 per share,
2. PLN 2,956,765,270.63 to be allocated to the Company's reserve capital.

The Management Board also resolved to request that the Company's OGM set the dividend record date as 17 June 2026 and the dividend payment date as 2 July 2026.

In view of the very good financial results achieved by the Company and the TAURON Group in 2025, particularly the high net profit, stable operating cash flows, available financing limits and cash holdings, the Company's Management Board considered it justified to recommend a dividend payment from the net profit for 2025, ahead of 2028, the year indicated in the Company's Dividend Policy. In the Management Board's assessment, these factors supported a dividend payment without materially affecting the Company's credit profile or liquidity, while maintaining a prudent financial policy. The recommendation is consistent with the Best Practice for WSE Listed Companies, under which joint-stock companies generally enable shareholders to participate in the profits generated.

The Company's Supervisory Board issued a favourable opinion on the Management Board's proposal on 30 March 2026.

On 20 May 2026, after reviewing the Management Board's proposal and the Supervisory Board's opinion, the Company's OGM adopted a resolution to distribute the net profit in accordance with the Management Board's recommendation. The OGM also set the dividend record date as 17 June 2026 and the dividend payment date as 2 July 2026.

The dividend is payable on all 1,752,549,394 shares issued by the Company.

TAURON disclosed these events in current reports No. 10/2026 and No. 11/2026 dated 30 March 2026 and No. 19/2026 dated 20 May 2026.

Approval of the Investment Committee's Decision to Begin Implementing the Project to Build a Cogeneration Heat Source at the Łagisza Site in Będzin

On 7 April 2026, the Company's Management Board approved the Investment Committee's decision to begin implementing the project to build a cogeneration heat source with a capacity of 100 MWe/120–140 MWt at the Łagisza site in Będzin (Łagisza CHP Plant).

The project envisages the construction of a modern combined heat and power plant in Będzin-Łagisza, which will become the area's primary heat source once commissioned.

The Łagisza CHP Plant project includes a natural gas-fired cogeneration source with an electrical capacity of approximately 100 MWe and a thermal capacity of approximately 120–140 MWt. The cogeneration source will comprise two identical equipment sets, each consisting of a gas turbine set and a water heat recovery boiler. The project will also include an electrode boiler with a capacity of approximately 30 MWt and a heat storage facility with a capacity of 20,000 m³.

The Łagisza CHP Plant project will be implemented by TAURON Ciepło.

The project is scheduled for implementation in 2026–2030, with capital expenditure initially estimated at PLN 1,100–1,300 million.

Implementation of the Łagisza CHP Plant project is consistent with the assumptions of the TAURON Group Strategy for 2025–2035 and follows analyses conducted during the project planning stage, on which TAURON reported in current report No. 3/2025 dated 3 February 2025.

<u>On 7 April 2026, the Company delayed disclosure of this information because immediate disclosure could have prejudiced its legitimate interests and jeopardised the project's implementation. Revealing the strategy for the unit's participation in the cogeneration premium auction could have weakened the Company's auction position and resulted in a loss of competitive advantage.</u>

The Investment Committee's decision, as approved by the Company's Management Board, stipulated that implementation of the project would be conditional on the Łagisza CHP Plant winning the cogeneration premium auction scheduled for 2026 at a price meeting the minimum required to satisfy the project profitability criterion set out in the TAURON Group Strategy for 2025–2035.

This condition was met on 30 April 2026, when the President of the ERO announced the results of the cogeneration premium auction referred to below.

The information was publicly disclosed in current report No. 14/2026 dated 30 April 2026, once the reasons for delaying disclosure no longer applied.

Approval of the Investment Committee's Decision to Begin Implementing the "Energy Transformation of the Katowice CHP Plant" Project

On 7 April 2026, the Company's Management Board approved the Investment Committee's decision to begin implementing the "Energy Transformation of the Katowice CHP Plant" project (Katowice CHP Plant).

The Katowice CHP Plant project comprises the construction of a cogeneration source consisting of a gas turbine set with a heat recovery boiler, with an electrical capacity of approximately 49 MWe and a thermal capacity of approximately 55–70 MWt. It also includes all the process equipment required to operate the combined heat and power (CHP) generation system, electrode boilers (2 × 60 MWt) and a heat storage facility with a capacity of 72,000 m³.

The project envisages the construction of a modern combined heat and power plant in Katowice, which, once commissioned, will replace the heat production currently provided by TAURON Ciepło's coal-fired BCF100 unit. The Katowice CHP Plant project will be implemented by TAURON Ciepło.

The project is scheduled for implementation in 2027–2029, with capital expenditure initially estimated at PLN 800–1,000 million.

Implementation of the Katowice CHP Plant project is consistent with the assumptions of the TAURON Group Strategy for 2025–2035.

<u>On 7 April 2026, the Company delayed disclosure of this information because immediate disclosure could have prejudiced its legitimate interests and jeopardised the project's implementation. Revealing the strategy for the unit's participation in the cogeneration premium auction could have weakened the Company's auction position and resulted in a loss of competitive advantage.</u>

The Investment Committee's decision, as approved by the Company's Management Board, provides that implementation of the project will be conditional on the Katowice CHP Plant winning the cogeneration premium auction scheduled for 2026 at a price meeting the minimum required to satisfy the project profitability criterion set out in the TAURON Group Strategy for 2025–2035.

As at the date of publication of this information, this condition has not been met. The Company decided to disclose the information because planned operational activities, particularly those relating to a procurement procedure, could make it difficult to maintain its confidentiality. Implementation of the project remains conditional on the Katowice CHP Plant winning the cogeneration premium auction scheduled for 2026 at a price meeting the minimum required to satisfy the project profitability criterion set out in the TAURON Group Strategy for 2025–2035.

The information was publicly disclosed in current report No. 16/2026 dated 30 April 2026 because of the identified potential difficulties in maintaining its confidentiality.

Results of the Cogeneration Premium Auctions No. ACHP/2/2026 and No. ACHP/3/2026

On 30 April 2026, TAURON Ciepło became aware of the results of cogeneration premium auction No. ACHP/2/2026 (ACHP/2/2026 Auction), concerning the sale of electricity generated in a new or significantly modernised high-efficiency cogeneration unit, in accordance with Article 4(1) of the Act on the Promotion of Electricity from High-Efficiency Cogeneration. The ACHP/2/2026 Auction was conducted by the President of the Energy Regulatory Office from 14 to 16 April 2026. It covered new high-efficiency cogeneration units with an installed electrical capacity of at least 1 MW but less than 50 MW, as well as significantly modernised units within the same capacity range.

According to the announcement of the ACHP/2/2026 Auction results issued by the President of the Energy Regulatory Office in Information No. 25/2026 dated 30 April 2026, cogeneration premiums offered in the winning bids ranged from PLN 249.92/MWh to PLN 274.77/MWh. TAURON Ciepło was among the generators with successful bids.

TAURON Ciepło submitted 4 successful bids for 4 generation units with a total installed electrical capacity exceeding 100 MW. These included 2 bids for 2 cogeneration units located at the Łagisza Power Plant in Będzin, referred to earlier in this item and in the Company's current report No. 14/2026. Based on preliminary estimates, TAURON Ciepło's revenue from cogeneration premiums for the successful units may total approximately PLN 2.5 billion over the entire support period, including approximately PLN 2.3 billion for the units located at the Łagisza Power Plant in 2031–2045.

On 29 June 2026, TAURON Wytwarzanie became aware of the results of cogeneration premium auction No. ACHP/3/2026 (ACHP/3/2026 Auction), concerning the sale of electricity generated in a new or significantly modernised high-efficiency cogeneration unit, in accordance with Article 4(1) of the Act on the Promotion of Electricity from High-Efficiency Cogeneration. The ACHP/3/2026 Auction was conducted by the President of the Energy Regulatory Office from 22 to 24 June 2026. It covered new high-efficiency cogeneration units with an installed electrical capacity of at least 1 MW but less than 50 MW, as well as significantly modernised units within the same capacity range.

According to the announcement of the ACHP/3/2026 Auction results issued by the President of the Energy Regulatory Office in Information No. 33/2026 dated 29 June 2026, cogeneration premiums offered in the winning bids ranged from PLN 210/MWh to PLN 220/MWh. TAURON Wytwarzanie was among the generators with successful bids.

TAURON Wytwarzanie's successful bid concerned a generation unit forming part of the "Construction of a Heat Source for the City of Jaworzno" project. Based on preliminary estimates, revenue from cogeneration premiums for this unit may total approximately PLN 337 million over the entire support period, i.e. in 2029–2044.

The cogeneration premium is a subsidy for electricity generated through high-efficiency cogeneration, fed into the grid and sold. The maximum support period is 15 years. This period begins on the first day after the auction settlement date on which the cogeneration unit generates electricity, feeds it into the grid and sells it, following the granting or amendment of its electricity generation licence.

TAURON disclosed these events in current reports No. 15/2026 dated 30 April 2026 and No. 27/2026 dated 29 June 2026.

Conclusion of a Loan Agreement with Bank Gospodarstwa Krajowego for the Construction of Photovoltaic Farms and an Energy Storage Facility Financed under the National Recovery and Resilience Plan

On 15 May 2026, TAURON Zielona Energia entered into a loan agreement with Bank Gospodarstwa Krajowego for up to PLN 227.1 million from National Recovery and Resilience Plan funds under Investment G3.1.4 Energy Support Fund (the Loan Agreement).

The proceeds under the Loan Agreement will be used exclusively to finance eligible expenditure on the construction of three photovoltaic farms and an energy storage facility, together with the related infrastructure.

The funds made available will bear interest at a variable rate equal to the reference rate of Narodowy Bank Polski less 2 percentage points per annum, but not less than 1 percentage point per annum. The loan is scheduled to be repaid in semi-annual instalments in 2032–2046.

Under the Loan Agreement, the funds will become available once the conditions precedent customary for bank financing have been met.

The proceeds under the Loan Agreement will support one of the key business priorities set out in the TAURON Group Strategy: the dynamic growth of the RES Segment.

TAURON disclosed this event in current report No. 18/2026 dated 15 May 2026.

Ordinary General Meeting of the Company

The Company's OGM was held on 20 May 2026. Resolutions were adopted on the following matters, among others:

1. approval of the "Report of the Supervisory Board of TAURON Polska Energia S.A. for the 2025 financial year",
2. approval of the "Separate Financial Statements of TAURON Polska Energia S.A. in accordance with IFRS as adopted by the European Union for the year ended 31 December 2025",
3. approval of the "Consolidated Financial Statements of the TAURON Polska Energia S.A. Capital Group in accordance with IFRS as adopted by the European Union for the year ended 31 December 2025",
4. approval of the "Report of the Management Board on the Operations of TAURON Polska Energia S.A. and the TAURON Capital Group for 2025", including the TAURON Group's sustainability reporting,
5. distribution of the net profit for the 2025 financial year, amounting to PLN 3,307,275,149.43, with PLN 350,509,878.80 allocated to a dividend payment to the Company's shareholders, equivalent to PLN 0.20 per share, and PLN 2,956,765,270.63 allocated to the Company's reserve capital,
6. issuance of a favourable opinion on the "Report on the Remuneration of the Members of the Management Board and the Supervisory Board of TAURON Polska Energia S.A. for 2025",
7. granting discharge to the Members of the Company's Management Board who held office in the 2025 financial year,
8. granting discharge to the Members of the Company's Supervisory Board who held office in the 2025 financial year,
9. amendments to the Company's Articles of Association.

The amendment to TAURON Polska Energia S.A.'s Articles of Association referred to above was intended to align their provisions with the Regulation of the Council of Ministers adopted on 18 December 2024 on the Polish Classification of Activities (PKD). With effect from 1 January 2025, this Regulation introduced the new PKD 2025 classification, replacing PKD 2007. The amendment to the Company's Articles of Association was registered with the National Court Register on 1 June 2026.

TAURON disclosed information on the convening of the Company's OGM and the draft resolutions in current reports No. 12/2026 and No. 13/2026 dated 23 April 2026.

TAURON disclosed the resolutions put to a vote at the Company's OGM in current report No. 20/2026 dated 20 May 2026.

TAURON disclosed the registration of the amendments to the Company's Articles of Association in current report No. 23/2026 dated 1 June 2026. The consolidated text of TAURON Polska Energia S.A.'s Articles of Association was published in current report No. 25/2026 dated 15 June 2026.

Conclusion of Funding Agreements under the Modernisation Fund

On 27 July 2026 (after the balance sheet date), TAURON Dystrybucja entered into three funding agreements with the National Fund for Environmental Protection and Water Management under the Modernisation Fund, as part of the priority programme "Construction/expansion of electricity grids for the needs of publicly accessible high-power charging stations". The agreements cover three projects within TAURON Dystrybucja's operating area, at selected locations in the following voivodeships: Lower Silesian, Lesser Poland, Subcarpathian, Silesian and Opole.

The projects will create a total of 53 energy delivery points to supply publicly accessible charging stations with a total connection capacity of 177 MW.

Total funding will amount to approximately PLN 384 million and will take the form of a grant covering up to 100% of eligible costs.

TAURON disclosed this event in current report No. 29/2026 dated 27 July 2026.

Selection of a Contractor and Conclusion of a Turbine Island Supply Agreement and a Service Agreement for the Project to Build a 600 MWe Class Gas-Fired Peaking Unit in Jaworzno

On 2 July 2026 (after the balance sheet date), TAURON Wytwarzanie's Management Board selected ANSALDO Energia S.p.A., with its registered office in Genoa, Italy (the Contractor), as the turbine island supplier for the project to build a 600 MWe class gas-fired peaking unit in Jaworzno. It also entered into a turbine island supply agreement (the Supply Agreement) and a multi-year service agreement (the Service Agreement, together referred to as the Agreements).

The Supply Agreement covers, among other things, 2 AE94.3 gas turbine sets with a capacity of 314.6 MW each, together with all other equipment and installations covered by the agreement (the Turbine Island), documentation, advisory services relating to assembly and commissioning, and the supply of consumables. Under the Supply Agreement's schedule, the gas turbines will be delivered on two dates: 30 November 2028 and 31 January 2029.

The Service Agreement covers, among other things, servicing of the Turbine Island, including inspections, overhauls and repairs in accordance with the Contractor's schedule, as well as the rectification of any faults and failures. Services will be provided for 15 years from the date on which the Turbine Island is handed over for operation.

The Contractor's remuneration for proper performance of the Supply Agreement amounts to EUR 193 million net, while remuneration for proper performance of the Service Agreement amounts to EUR 100 million net.

TAURON Wytwarzanie is entitled to impose contractual penalties for, among other things, failure to meet implementation deadlines, as well as warranty penalties for failure to meet the guaranteed parameters specified in the Agreements. The total amount of contractual and warranty penalties under the Supply Agreement may not exceed 20% of the total net remuneration under that agreement. The corresponding limit under the Service Agreement is 25% of the total net remuneration under that agreement.

The terms of the Agreements are consistent with standard market terms for contracts of this type.

TAURON disclosed this event in current report No. 28/2026 dated 2 July 2026.

On 14 July 2026, TAURON Wytwarzanie received information from the European Commission pursuant to Article 30(3) of Regulation (EU) 2022/2560 of the European Parliament and of the Council on foreign subsidies distorting the internal market (FSR). The Commission stated that it had not decided to initiate an in-depth investigation within the period allowed for the preliminary review of the notification. It also confirmed that there were no obstacles to awarding the contract under the FSR.

Following fulfilment of the condition precedent specified in the Agreements, the Agreements with ANSALDO Energia S.p.A. entered into force on 14 July 2026 (after the balance sheet date).

Signing of a Loan Agreement with the European Investment Bank

On 29 July 2026 (after the balance sheet date), TAURON entered into a PLN 1.12 billion loan agreement with the European Investment Bank (the Bank) (the Loan Agreement). The proceeds will finance investment expenditure on the construction of the Miejska Górka Wind Farm, with a capacity of 190.8 MW.

At TAURON's option, interest will be calculated using a fixed or floating rate, plus the Bank's margin. The rate will be set separately for each tranche before drawdown.

Under the Loan Agreement, TAURON will be entitled to draw down funds during an 18-month availability period. The loan will be repaid in instalments over a period of up to 18 years from the date the funds are drawn down.

The loan will be disbursed once the conditions precedent customary for this type of financing have been met.

TAURON disclosed this event in current report No. 30/2026 dated 29 July 2026.

Estimated results of capacity market supplementary auction for 2027

TAURON Polska Energia S.A. informs that on September 3, 2026 TAURON Group’s generation units concluded capacity contracts as part of capacity market supplementary auction for 2027 (“Auction”) for total capacity obligation equaling 1,410.223 MW.

The closing price of the Auction falls between 325.55 PLN/kW/year to 372.04 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 459.10 million and PLN 524.66 million, out of which:

- between PLN 454.03 million and 518.87 million for coal fired units (1,394.660 MW),
- between PLN 4.61 million and 5.27 million for battery energy storage systems (14.155 MW),
- between PLN 0.46 million and 0.52 million for hybrid installations (1.408 MW).

The above information was prepared on the basis of the announcement by Polskie Sieci Elektroenergetyczne S.A. (“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 disclosed above event in current report No. 33/2026 dated 3 September 2026.

4.2. Factors and Unusual Events with a Material Effect on the Condensed Consolidated Financial Statements of the TAURON Capital Group

Internal Factors

Table 32. Internal Factors Affecting the Operations and Results of the Company and the TAURON Capital Group in H1 2026

No.	Description of Factor
1.	implementation of the TAURON Group Strategy for 2025–2035, adopted in 2024, including decisions on key investments and activities to identify new generation projects,
2.	customer loyalty initiatives aimed at retaining existing customers and marketing activities aimed at acquiring new customers,
3.	centralised financial management within the TAURON Group, supported by the corporate financing model, the liquidity management policy using cash pooling, the financial risk management policy, the policy on granting security and the insurance policy,
4.	failures of equipment, installations and networks belonging to the TAURON Capital Group,
5.	expectations of wage growth at TAURON Capital Group companies.

Detailed information on the impact of these factors on financial results for H1 2026 is presented in Section 3 of this report. Their effects are evident in both
the short and longer term.

External Factors

The following external factors affected the operations and results of TAURON and the TAURON Capital Group in H1 2026:

Macroeconomic Environment

In H1 2026, Poland remained the TAURON Capital Group's primary market. Consequently, domestic macroeconomic conditions significantly affected the Group's operating environment and results, although the scale and direction of this impact varied across segments.

According to an initial estimate by Statistics Poland (GUS), Poland's gross domestic product grew by 3.9% year on year in real terms in Q2 2026, compared with 3.5% in Q1 2026. This indicates that Poland maintained a high rate of economic growth relative to other European countries, continuing the trend observed in 2025. Growth in economic activity translated into a 3% year-on-year increase in the volume of electricity delivered by the Distribution Segment and an 8% year-on-year increase in retail electricity sales. Volumes were also influenced by weather conditions, changes in customer demand and, in the case of retail sales, sales activities and changes in the composition of the customer portfolio.

As in most of the previous year, the PMI for Poland's manufacturing sector remained below the neutral threshold of 50 points, averaging 48.2 in Q1 2026 and 48.1 in Q2 2026. Limited new orders and weaker production activity indicate continued caution among businesses and uncertainty about the outlook for the manufacturing sector. These conditions poses a risk to further growth in electricity demand among industrial customers.

Despite persistently low business sentiment survey readings, industrial production data indicated an improvement in activity. Sold industrial production grew by approximately 5.6% year on year in Q2 2026, compared with 2.3% in Q1 2026. This indicated that the deterioration in business sentiment had not yet been fully reflected in actual production levels. Stronger economic activity helped sustain demand for electricity and distribution services, contributing to growth in the Group's business volumes.

According to data from Polskie Sieci Elektroenergetyczne, domestic electricity consumption in Q2 2026 amounted to approximately 40.3 TWh, approximately 3.7% higher than in the corresponding period of the previous year. Overall, domestic electricity consumption increased by 4.6% to 87.1 TWh in H1 2026. Consumption was also affected by weather conditions, including relatively cold winter conditions in Q1 and extremely high temperatures at the end of Q2 2026, which increased energy demand for heating and cooling, respectively. The increase in domestic electricity consumption was a favourable market development, although its impact on the volumes and results of individual Group segments varied and also depended on other operating and market factors. Cooler weather in the first part of the year also increased demand for heat, leading to year-on-year growth in heat sales in the Heat Segment of 6% and 22% in the Generation Segment.

The Group's corporate functions systematically analyse the impact of macroeconomic factors on its operations.

Market Environment

In the first half of 2026, we consistently pursued our strategy of decarbonising the Generation and Heat segment, transforming our assets towards a modern, low-emission business model. We secured more than PLN 3.1 billion in support under the cogeneration premium scheme for the period 2028-2045, including over PLN 2.3 billion for the new cogeneration unit project at the Łagisza Power Plant, which significantly strengthens the economic rationale for the transformation under way.

After the reporting date, on 3 September 2026, TAURON Group companies secured capacity agreements in the supplementary capacity market auction for 2027 with an estimated value between PLN 459.10 million and 524.66 million. The support obtained enables the continued operation of coal-fired generating units for an additional year, contributing to the security and stability of the National Power System while providing conditions for the responsible implementation of the energy transition process.

We also recorded an 8% year-on-year increase in retail sales, marking a reversal of the previous downward trend. This improvement was driven to a significant extent by the strong growth in sales of the “New Energy” offering, whose customer base increased by 77% year on year, as well as the “Lower-Cost Hours” product, which is now used by more than 40,000 customers. The results achieved confirm the effectiveness of our sales activities and TAURON’s ability to tailor its offering to evolving market expectations. The growing interest in solutions supporting energy cost optimisation, active energy consumption management, and products based on renewable energy sources reflects increasing energy awareness among our customers and creates favourable conditions for the further development of this market segment.

Krzysztof Zawadzki
Vice President of the Management Board for Trade

Electricity

Table 33. Electricity Consumption, Generation and the Cross-Border Exchange Balance in Poland, and Average Spot Market Electricity Prices in Poland and Neighbouring Countries in H1 2026 and H1 2025

Item	Unit	H1 2026	H1 2025	Increase/ Decrease
Electricity consumption	GWh	87,104	83,310	3,794 (+4.6%)
Electricity generation at domestic power plants	GWh	89,082	84,418	4,664 (+5.5%)
Electricity generation at fuel-fired power plants:				
Hard coal[1]	GWh	37,910	34,464	3,446 (+10.0%)
Lignite	GWh	17,106	17,068	38 (+0.2%)

Gas	GWh	9,898	8,922	976 (+10.9%)
Electricity generation at wind farms	GWh	10,541	12,339	-1,798 (-14.6%)
Electricity generation from solar and other renewable sources	GWh	12,256	10,298	1,958 (+19.0%)
Cross-border exchange balance[2]	GWh	-1,978	-1,108	-870 (+78.5%)
Average spot market electricity price in:				
Poland	PLN/MWh	471.17	427.49	43.68 (+10.2%)
	EUR/MWh3	111.11	101.11	10.00 (+9.9%)
Neighbouring countries (Germany as an example)	EUR/MWh[3]	98.65	90.71	7.94 (+8.8%)

[1]*Including industrial power plants.*
[2]*A positive value denotes net imports, and a negative value denotes net exports.*
[3]*Prices expressed in EUR/MWh are converted using the average NBP exchange rates for H1 2026 and H1 2025, respectively.*

In H1 2026, the average electricity price on the Day-Ahead Market (RDN) of the Polish Power Exchange (TGE) amounted to PLN 471.17/MWh, an increase of PLN 43.68/MWh compared with the corresponding period of the previous year.

Spot market prices during the period under review were primarily driven by weather conditions, including weaker winds, freezing weather in January and February, and intense heat in the second half of June, which increased electricity demand. Higher gas prices related to the conflict in the Middle East and net electricity exports also contributed to the increase in prices.

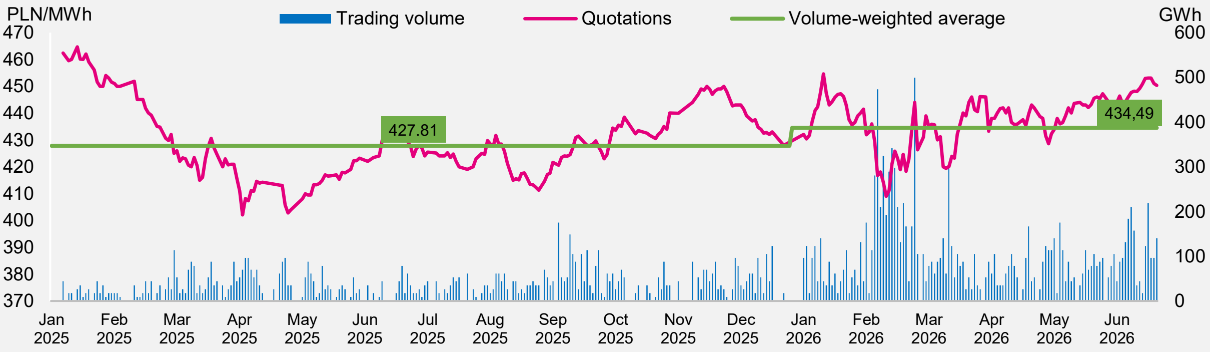
In H1 2026, electricity generation from hard coal and lignite increased by 10% and 0.2%, respectively, compared with the corresponding period of 2025. Gas-fired generation increased by 10.9%, driven by both seasonal and structural factors. Lower temperatures in January and February played a key role, resulting in record loads at gas-fired power plants. At the system level, higher gas-fired generation reflected the need for flexible balancing of the National Power System (NPS) during periods of reduced wind generation. However, following the rise in fuel prices after the escalation of the conflict in the Middle East, electricity generation from natural gas between March and May was lower than in the corresponding period of the previous year. Gas use increased again in June due to the heatwave in the second half of the month and the need to meet high demand during evening peak hours.

Figure 19. Average Monthly Electricity Prices on the Spot and Balancing Markets in 2025 and H1 2026

In H1 2026, the price of the BASE_Y-27 contract on TGE followed an upward trend after reaching a low of PLN 409/MWh, subsequently peaking at PLN 454.60/MWh. Price volatility was primarily driven by fluctuations in CO2 emission allowance (EUA) and natural gas prices. Trading volume for this contract on TGE amounted to 12.50 TWh during the period under review, an increase of 5.1% compared with trading volume for the BASE_Y-26 contract in the corresponding period of the previous year.

The weighted average trading price of the BASE_Y-27 contract in H1 2026 amounted to PLN 434.49/MWh, up PLN 10.61/MWh, or 2.5%, compared with the weighted average price of the same contract in the corresponding period of 2025. The weighted average trading price of the PEAK5_Y-27 contract amounted to PLN 492.09/MWh.

Figure 20. Trading in the BASE_Y-27 Contract in 2025 and H1 2026



Coal

The average price of the annual continuation contract for class 25 coal at ARA ports in H1 2026 amounted to USD 4.60/GJ, up USD 0.31/GJ, or 7.2%, compared with H1 2025. The average value of the PSCMI1 index in H1 2026 amounted to PLN 14.08/GJ, down PLN 2.35/GJ, or 14.3%, compared with H1 2025.

Coal prices at ARA ports were highly volatile in H1 2026. After a quiet January, prices rose sharply in the following months, driven by supply problems in the Asia-Pacific region and the outbreak of war in the Middle East. They peaked at the end of Q1. Q2 began with a sharp correction as markets gradually priced in a smaller impact of the conflict on global supply chains than initially anticipated. Despite a noticeable rebound in May, sustained selling pressure returned in June. By the end of the first half of the year, prices had given up a substantial proportion of their spring gains, although they remained above the levels recorded at the start of the year.

Natural Gas

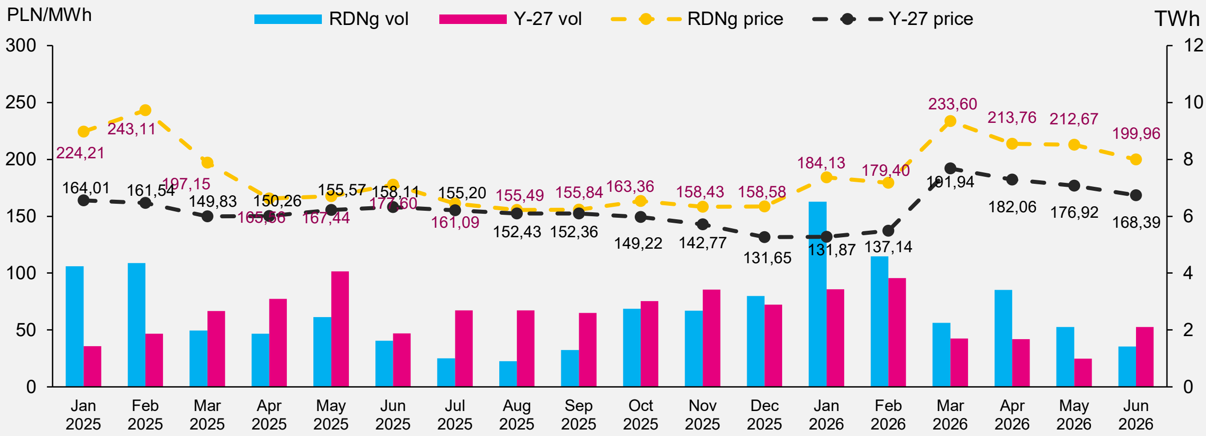
In H1 2026, the weighted average gas price on the Day-Ahead Gas Market (RDNg) amounted to PLN 197.59/MWh, down PLN 8.71/MWh compared with H1 2025. The lowest and highest weighted average monthly prices on the RDNg were recorded in February and March 2026, at PLN 179.40/MWh and PLN 233.60/MWh, respectively.

The weighted average price of the benchmark annual GAS_BASE_Y-27 contract in H1 2026 amounted to PLN 155.77/MWh. The contract's lowest and highest quoted prices were recorded in January and March 2026, at PLN 128.50/MWh and PLN 216.50/MWh, respectively.

Total trading volume on TGE in H1 2026 amounted to approximately 104.6 TWh, compared with approximately 100.6 TWh in H1 2025, an increase of 4.0%. The forward market accounted for the largest share of gas trading in H1 2026, with a trading volume of approximately 80.4 TWh. On the spot market, total trading volume in RDNg contracts amounted to approximately 20.3 TWh.

Gas prices in H1 2026 were primarily influenced by the war in the Middle East and related events. Before the conflict, the market responded mainly to fundamentals, including very low gas storage levels in the EU. Freezing weather in Europe and the United States contributed to price increases in January, but the trend reversed in February as stable supplies from the Norwegian Continental Shelf and substantial LNG imports supported a decline in prices. The blockade of the Strait of Hormuz and the destruction of Qatar's gas infrastructure in March 2026 led to sharp increases in European gas prices. The price of the monthly continuation contract at the TTF hub reached a new local high of EUR 74/MWh. Price volatility declined markedly in Q2, although prices followed an upward trend from mid-April to mid-June. An agreement concluded between the USA and Iran towards the end of the half-year, which resulted in the reopening of the Strait for 60 days, triggered price declines in the European market.

Figure 21. Average Monthly Gas Prices on the Spot Market and for the GAS_BASE_Y-27 Contract on TGE in 2025 and H1 2026



CO_2 Emission Allowances (EUA)

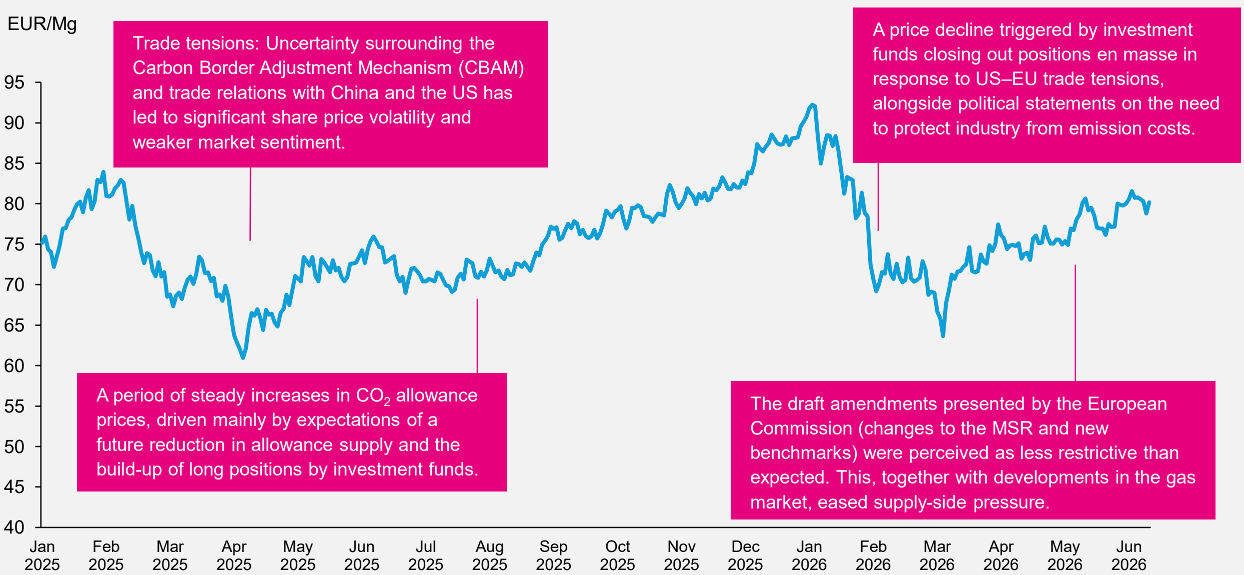
In H1 2026, daily settlement prices for the benchmark CO_2 emission allowance futures contract for delivery in December 2026 (EUA DEC-26) on ICE Endex ranged from EUR 63.65/Mg to EUR 92.24/Mg. The average price amounted to EUR 77.10/Mg, up EUR 4.54/Mg, or 6.3%, compared with the average price of the corresponding contract (EUA DEC-25) in H1 2025.

The EU ETS market experienced high price volatility in the early months of H1 2026, followed by stabilisation in Q2. Market developments were shaped by geopolitical factors, investment fund activity and regulatory work on the EU ETS.

In January, prices underwent a sharp correction following a change in US tariff policy towards selected EU countries, which prompted investment funds to close positions rapidly. The downward trend intensified in February as speculative positions were reduced further and political debate focused on the need to protect EU industry from high CO_2 costs. Volatility increased again in March amid tensions in the Middle East.

In Q2, allowance prices stabilised within a range of EUR 70/Mg to EUR 80/Mg. Preparations for EU ETS reform dominated this period. In April, the European Commission proposed a significant change to the Market Stability Reserve (MSR): replacing the automatic cancellation of surplus allowances with a flexible price buffer. New free allocation benchmarks for 2026–2030 were published in May. The half-year ended with the market awaiting the comprehensive revision of the EU ETS announced for July. The period was also marked by the implementation of the CBAM financial mechanism.

Figure 22. Impact of Political Actions and External Conditions on EUA DEC Prices in 2025 and H1 2026



Property Rights

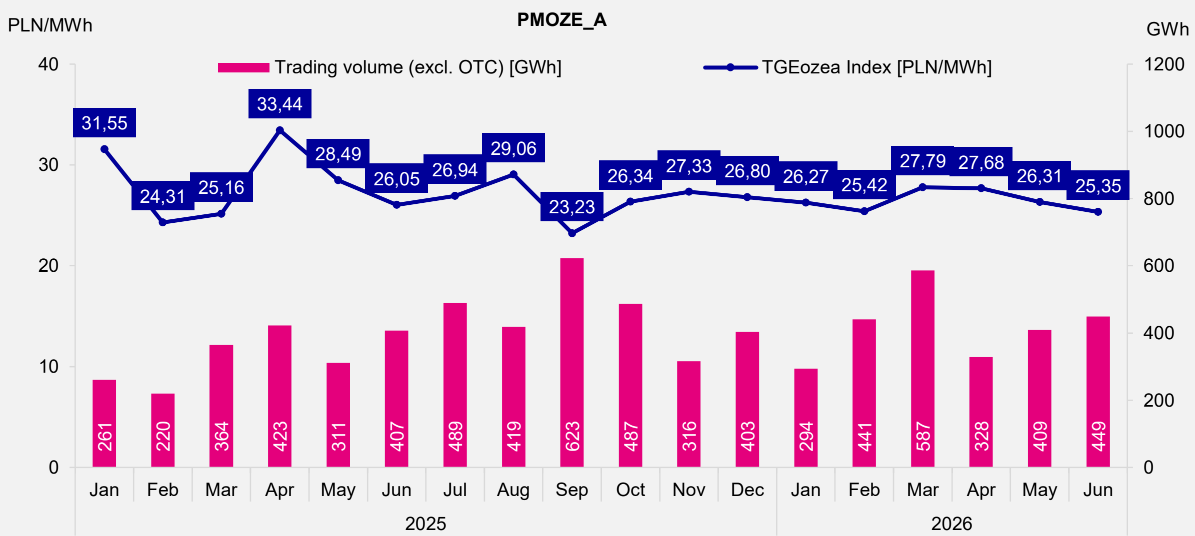
In H1 2026, green certificate prices fell slightly compared with H1 2025. The TGEozea index peaked at PLN 28.57/MWh in April and reached its lowest level of PLN 24.00/MWh in June. The weighted average price of PMOZE_A in H1 2026 amounted to PLN 26.50/MWh, down 6.6% year on year, or PLN 1.87/MWh.

The PMOZE_A register showed a surplus of 25.6 TWh at the end of H1 2026. Taking into account certificates blocked for redemption, the balance stood at 25.1 TWh, up 15.8% year on year. The obligation to submit green certificates for redemption in 2026 is 9%.

Prices of PMOZE-BIO certificates, known as blue certificates, rose slightly. These certificates confirm the generation of energy from agricultural biogas, and the obligation for 2026 is 0.5%. The weighted average value of the TGEozebio index for H1 2026 amounted to PLN 304.21/MWh, while the PMOZE-BIO register balance stood at 273.0 GWh. Taking into account certificates blocked for redemption, the balance decreased to 187.1 GWh, down 4.0% year on year.

In H1 2026, prices of PMEF_F white certificates ranged from a low of PLN 2,327.04/toe in February 2026 to a high of PLN 2,404.24/toe in May 2026. The weighted average price for H1 2026 amounted to PLN 2,339.06/toe, down 0.4% year on year. Trading volume in H1 2026 amounted to 89,923 toe.

Figure 23. Property Rights Index (Green Certificates) in 2025 and H1 2026



Regulatory Environment

The TAURON Capital Group monitors regulatory developments at both national and EU levels that may directly or indirectly affect the Group and takes appropriate action.

Table 34. Key Changes and Initiatives in the TAURON Capital Group's EU Regulatory Environment in H1 2026

Name and Description of the Regulation	Status as at 30 June 2026	Impact on the TAURON Capital Group
2040 Climate Target		
On 18 March 2026, Regulation (EU) 2026/667 of the European Parliament and of the Council of 11 March 2026 amending Regulation (EU) 2021/1119 as regards the establishment of the Union's 2040 intermediate climate target was published. The Regulation sets a binding intermediate target of a 90% reduction in net greenhouse gas emissions by 2040 compared with 1990 levels. The European Commission (EC) is to review the relevant legislation to enable this target to be achieved by 2040.	Regulation (EU) 2026/667 of the European Parliament and of the Council of 11 March 2026 amending Regulation (EU) 2021/1119 as regards the establishment of the Union's 2040 intermediate climate target was published in the Official Journal of the EU on 18 March 2026. The Regulation entered into force on 7 April 2026.	The EC's legislative review may lead to tighter EU climate and energy legislation, including possible revisions to the ETS, RED, EED and EPBD directives.
Draft Commission Regulation (EU) declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (new GBER)		
On 25 February 2026, the EC presented a draft of a new block exemption regulation intended to allow state aid to be granted without prior notification to the EC. The draft is intended to replace the current Commission Regulation 651/2014. It aims to simplify and update the rules to better reflect the EU's current priorities.	The EC presented the draft Regulation on 25 February 2026. The public consultation ran until 23 April 2026.	The Regulation is intended to allow Member States to establish aid schemes that do not require notification and to grant individual ad hoc aid without establishing such schemes. The draft provides for changes to the scope of environmental protection aid, including aid for the energy sector.
Multiannual Financial Framework (MFF) for 2028–2034 *EC Communication: The road to the next multiannual financial framework (MFF)*		
The Communication laid the groundwork for further work on a draft regulation establishing the MFF for 2028–2034. It outlined a new approach to the MFF, which is to include: 1. National and Regional Partnership Plans for each Member State, setting out key reforms and investments, 2. A European Competitiveness Fund to support strategic sectors and technologies critical to EU competitiveness, as well as important projects of common European interest, 3. Revised rules for financing external action, 4. Areas covered by the Connecting Europe Facility (CEF). Key stages of work on the legal framework governing funds under the MFF for 2028–2034 have begun in the Council and the European Parliament and will continue in 2026–2027.	The EC Communication was published on 11 February 2025. The draft MFF for 2028–2034 was presented on 16 July 2025. Work on individual legislative proposals is ongoing in the Council and the European Parliament.	This work is important to TAURON Group companies' ability to apply for EU funding in the next funding period.
Omnibus Simplification Package		
The package aims, in particular, to simplify EU reporting requirements. The EC seeks to reduce the administrative burden by 25% (35% for SMEs) by the end of its current mandate. Part of the package, known as the "stop-the-clock" directive, was adopted at EU level under the urgent procedure, postponing the dates from which the requirements under the CSRD and CSDDD apply. Work on the second legislative proposal to amend the CSRD and CSDDD proceeded in 2025 and concluded in Q1 2026. Directive (EU) 2026/470 of the European Parliament and of the Council of 24 February 2026 amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting requirements and certain corporate sustainability due diligence requirements was adopted.	The EC published Omnibus I on 26 February 2025. The "stop-the-clock" directive was published in the Official Journal of the EU on 16 April 2025 and entered into force on 17 April 2025. Directive 2026/470 was published in the Official Journal of the EU on 26 February 2026 and entered into force on 18 March 2026.	The reporting requirements (CSDDD) have been postponed by 2 years, to 2028. The provisions introduce simplifications, particularly for smaller entities, while retaining a broadly similar reporting scope for large undertakings.

	Legislative work on the Omnibus I package concerning amendments to the CSRD and CSDDD has been completed.		
European Grids Package			
The package aims to accelerate the development of the energy infrastructure needed in Europe, including grids, RES, energy storage and charging stations. It comprises: 1. The EC Communication "European Grids Package", 2. A proposal for a regulation on guidelines for trans-European energy infrastructure (legislative proposal), 3. A proposal for a directive on accelerating permit-granting procedures (legislative proposal), 4. Guidelines on grid connection conditions, 5. EC guidelines on the design of two-way contracts for difference. Key stages of work on the package have begun in the European Parliament (EP) and the Council and will continue in 2026. On 26 June 2026, the Council adopted general approaches on both legislative proposals. In July, the EP's ITRE Committee adopted a draft position on the proposed directive on accelerating permit-granting procedures. Trilateral negotiations, known as trilogues, can begin once the EP has adopted its positions on both legislative proposals in plenary.	The package was published on 10 December 2025. Work is ongoing in the European Parliament and the Council. In June this year, the Council adopted general approaches on both legislative proposals. In July this year, the EP's ITRE Committee adopted a draft position on the proposed directive on accelerating permit-granting procedures (subsequent event).	The documents in the package provide for measures that could facilitate investment in grids, including distribution grids, as well as in RES, energy storage and charging stations.	
Draft Decision of the European Parliament and of the Council amending Decision (EU) 2015/1814 as regards discontinuing the invalidation of allowances placed in the market stability reserve			
The draft would change the operation of the market stability reserve by ending the application of Article 1(5a) of Decision (EU) 2015/1814 of 6 October 2015 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading scheme and amending Directive 2003/87/EC. Under this provision, since 2023, allowances held in the reserve in excess of 400 million have ceased to be valid and have been permanently removed from the system. The provision would cease to apply on the date the proposed decision enters into force. The European Commission expects the decision to: 1. make the market stability reserve more effective in balancing supply and demand, 2. improve liquidity, stability and predictability in the EU ETS market. Work on the draft is ongoing in the Council and the European Parliament. The draft EP report was published on 11 June 2026.	The European Commission published the draft decision on 1 April 2026. The draft EP report was published on 11 June 2026.	Potential for a partial improvement in the long-term stability and liquidity of the allowance market.	

Table 35. Key Changes in the TAURON Capital Group's National Regulatory Environment in H1 2026: Enacted and Published Legislation and Proposals under Legislative Review

Name and Description of the Regulation	Status as at 30 June 2026	Impact on the TAURON Capital Group	Segments Affected
National Energy and Climate Plan up to 2030 with an outlook to 2040 (2019 NECP update)			
In June 2026, the Council of Ministers adopted the National Energy and Climate Plan up to 2030 with an outlook to 2040 (NECP). The assumptions in the final version of the NECP, dated June 2026, differ only slightly from those in the December 2025 draft. Under the assumptions of the NECP update, Poland may achieve a RES share in gross final energy consumption of 30% under the WEM (With Existing Measures) scenario and 32% under the WAM (With Additional Measures) scenario by 2030. The draft update also sets a target RES share in final energy consumption in the heating and cooling sector of 31.6% (WEM)–36.5% (WAM) in 2030. The NECP update assumes that, by 2040, the RES share will reach 44–52.3% in gross final energy consumption, 65.6–68.9% in the electricity sector and 43.5–56.7% in the heating sector. Onshore wind generation is projected to reach 54.4–74.1 TWh in 2040. District heat production in 2040 is assumed to be 214.2–238.1 PJ (WAM/WEM), while the share of biomass in heating is expected to reach 49.5–59.5% (WAM/WEM).	On 8 June 2026, the Council of Ministers adopted the NECP, which was subsequently submitted to the European Commission.	The NECP provides for, among other things, a significant increase in RES, nuclear and gas capacity. The draft takes into account the application of the biomass cascading principle. The TAURON Group participated in the public consultation on the draft.	TAURON Group

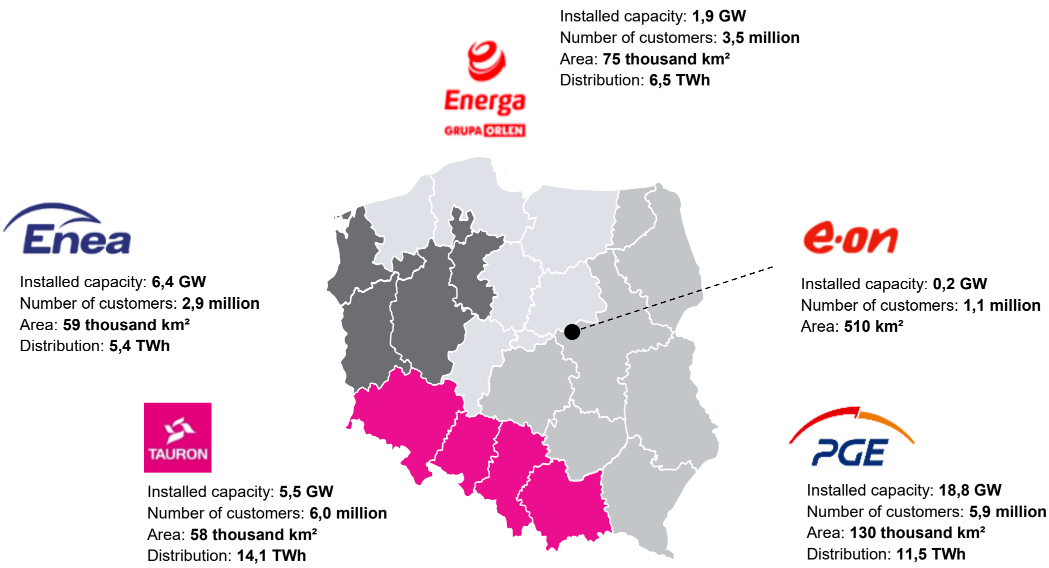
Act of 13 March 2026 amending the Energy Law Act and certain other acts (Journal of Laws item 516)			
The Act reforms the grid connection process by shortening the validity of connection conditions to one year, increasing advance payments towards connection fees, introducing milestones and flexible and configurable connection agreements, and extending the "cable pooling" concept to energy storage facilities and certain other installations. The Act requires electricity system operators to establish centralised IT platforms to facilitate the submission and tracking of connection applications and the publication of grid capacity data. It also contains provisions on fixed-term, fixed-price electricity sales agreements, the conclusion of more than one agreement for the same connection point, energy poverty, and the obligation to inform all customers of the maximum penalty for early termination of an agreement and how it is calculated. In addition, the Act requires electricity suppliers to have a "security strategy" in place to ensure continuity of electricity supply.	The Act was published in the Journal of Laws on 15 April 2026. The Act has entered into force.	The changes affect the Distribution, Supply, RES and Heat Segments, including through grid connection reforms and changes to customer service processes and suppliers' product offerings.	TAURON Group
Regulation of the Council of Ministers of 26 May 2026 amending the regulation on projects likely to have a significant impact on the environment (Journal of Laws item 706)			
The amendment removes the requirement to obtain an environmental decision for the modernisation of wind farms (repowering) located outside nature protection areas where the aim is to increase the plant's total rated capacity by no more than 30%.	The regulation was published in the Journal of Laws on 26 May 2026. The regulation has entered into force.	The regulation affects the wind farm repowering projects being considered by the TAURON Group.	RES Segment TAURON Group
Act of 11 June 2026 amending certain acts for the purpose of deregulation in the energy sector (Journal of Laws item 900)			
The Act introduces a series of changes to district heating, including: 1. simplifying the method for calculating the return on capital employed in heat generation, distribution and trading, 2. introducing a definition of a heat or cold storage facility, 3. including electrode (electric) boilers among the sources whose heat is subject to a purchase obligation, and specifying when heat from these units may qualify as renewable for the purpose of meeting the criteria for an efficient district heating system, 4. promoting the development of cogeneration. The Act also provides for simpler electricity bills through the addition of a summary to invoices.	On 11 June 2026, the Sejm adopted the amendments proposed by the Senate, and the Act was forwarded to the President for signature. On 2 July 2026, the President signed the Act (subsequent event). The Act has entered into force (subsequent event).	The Act's district heating provisions affect the Heat Segment, including the development of Power-to-Heat technology and high-efficiency cogeneration. The Act also affects the Supply Segment and other customer service operations, which must adapt to new requirements concerning the content and format of bills and information provided to customers.	TAURON Group
Draft act amending the Energy Law Act and the Renewable Energy Sources Act (UD284)			
The draft would reinstate a requirement for electricity generators to sell 80% of their electricity through the Polish Power Exchange (TGE) or platforms operated by Nominated Electricity Market Operators (NEMOs), known as the exchange trading obligation. It provides for a limited list of exemptions, including renewable energy sources with an installed capacity below 10 MW. Under the current draft, these exemptions would not apply to electricity contracted between market participants belonging to the same capital group. The draft would also increase the exchange trading obligation for gas from 55% to 80%. The draft also contains a package of provisions on the non-market curtailment of RES.	On 12 November 2025, the draft was submitted for inter-ministerial agreement, consultation and public consultation.	Introducing the exchange trading obligation with a limited list of exemptions would affect investments under consideration by the TAURON Group.	TAURON Group
Draft act amending the Renewable Energy Sources Act and certain other acts (UC118)			
The draft would implement some of the provisions of RED III, particularly those concerning RES. In heating and cooling, it introduces changes relating to biomass, including revised definitions and an exemption from the biomass cascading principle. The draft also clarifies the scope of the obligation to purchase heat from RES or waste heat, sets out rules for calculating renewable energy quantities in district heating and cooling systems, changes the procedure for issuing guarantees of origin, and shortens connection deadlines under certain conditions.	On 13 May 2026, the draft was submitted for inter-ministerial agreement, consultation and public consultation.	The draft affects TAURON Group segments, particularly Distribution and Heat, through connection deadlines, changes concerning heat pumps and biomass-related matters.	TAURON Group
Draft act amending the Energy Law Act (UC121)			
The draft would implement the EED provisions on district heating. It introduces the EED criteria for classifying a district heating system as efficient and an emissions limit for fossil-fuel cogeneration units of 270 kg CO_2/MWh of energy produced (EPS 270). Existing units	On 19 May 2026, the draft was submitted for inter-ministerial agreement,	The draft affects the TAURON Group, particularly the Heat Segment, through the	TAURON Group

would benefit from a derogation until 1 January 2034, subject to certain conditions. The draft also introduces requirements for the construction of district heating or cooling systems and the significant modernisation of units supplying such systems. It sets out basic contractual rights relating to heating, cooling and domestic hot water, covering the content of sales and comprehensive agreements and notification of changes to supply prices. It also specifies obligations to provide information to household customers.	consultation and public consultation.	criteria for efficient district heating systems.	
Draft regulation of the Minister of Energy on detailed conditions for the functioning of the electricity system (item no. 17 in the List of Legislative Work of the Minister of Energy)			
The draft supplements the existing rules governing electricity system operation with provisions on the balancing market and flexibility services. These cover, in particular, energy balancing and settlement for market participants, aggregation conditions, management of system constraints, the use of flexibility services by DSOs, resource pooling, cooperation between electricity system operators, the list of non-frequency ancillary services, and standard market products for flexibility services.	On 25 May 2026, the draft was submitted for inter-ministerial agreement, consultation and public consultation.	Given its broad coverage of electricity system operation, the draft affects the TAURON Group, particularly the Distribution, Generation and Supply Segments.	TAURON Group
Draft act amending the Energy Efficiency Act and certain other acts (UC77)			
The draft provides for measures to support energy efficiency across the economy, with the aim of meeting the 2030 energy efficiency targets arising from Directive (EU) 2023/1791 of the European Parliament and of the Council of 13 September 2021 on energy efficiency and achieving further improvements after 2030.	On 30 September 2025, the draft was submitted for inter-ministerial agreement, consultation and public consultation.	The draft affects Group companies by requiring, among other things, the implementation of energy management systems and periodic corporate energy audits.	TAURON Group

Competitive Environment

In addition to the TAURON Capital Group, three large, vertically integrated energy groups currently operate in the Polish energy market: PGE, Enea and Energa. E.ON Polska S.A., which manages Warsaw's electricity network, also operates in the Warsaw area.

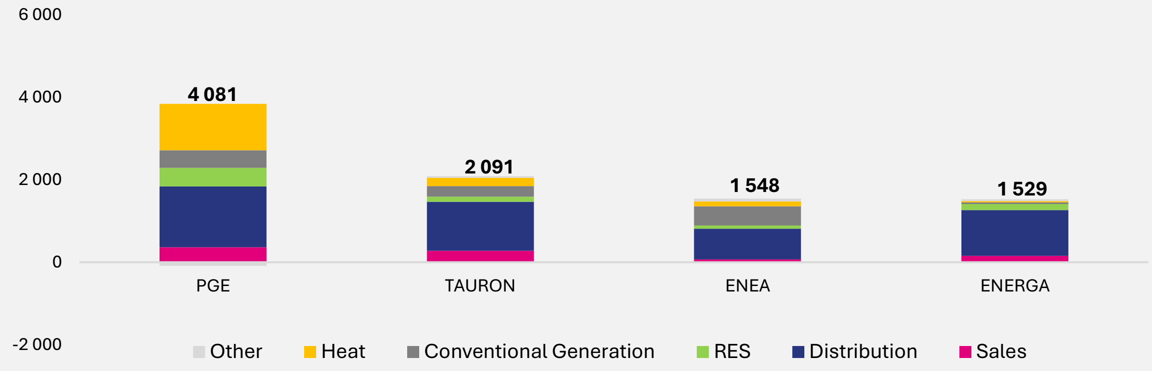
Figure 24. Competitive Environment of the TAURON Capital Group Based on Available Data for Q1 2026



According to data for Q1 2026, the consolidated energy groups PGE, TAURON, Enea and Energa together accounted for approximately 52% of the electricity generation market.

The TAURON Capital Group is a fully vertically integrated energy group that benefits from synergies arising from the scale and scope of its operations. It operates in the key segments of the energy market, excluding electricity transmission: generation, distribution, and the supply and trading of electricity and heat.

Figure 25. EBITDA - Breakdown by Main Segment after Q1 2026



[1]Conventional generation: ENERGA Energetyka Zawodowa; PGE Energetyka Gazowa + Węglowa; TAURON Wytwarzanie; ENEA Wytwarzanie energia konwencjonalna + Wydobycie
[2]Other: also includes PGE Kolejowa
Source: Companies' periodic reports

Electricity Generation

The TAURON Capital Group is a key electricity producer in Poland.

In Q1 2026, the Group accounted for approximately 8% of national net electricity generation.

The TAURON Capital Group is one of Poland's largest electricity producers. Its conventional generation assets are concentrated in southern Poland. Its wind and photovoltaic farms are located throughout the country, while its hydroelectric power plants are located in southern and south-western Poland.

At the end of H1 2026, hard coal-fired units accounted for 81% of the Group's generation assets. As at 30 June 2026, the Group's total installed capacity amounted to 5.5 GW, including 1.07 GW from renewable sources. Wind farms accounted for 11% of total installed capacity, photovoltaic farms for 5%, hydroelectric power plants for 2%, and biomass-fired units for 2%.

In H1 2026, the Group's net electricity generation amounted to 6.77 TWh, including 0.89 TWh from RES.

At the end of Q1 2026, the Group's coal-fired units accounted for approximately 16% of the total installed capacity of hard coal- and lignite-fired generation units in Poland. Its shares of installed capacity in wind, biomass, biogas and hydroelectric power plants amounted to approximately 5%, 7% and 13%, respectively.

According to data for Q1 2026, the PGE Group was Poland's largest electricity producer, with a share of approximately 33% of the national electricity generation market and an installed capacity of 18.8 GW. The Enea Group was the second-largest electricity producer, with a market share of approximately 12% and an installed capacity of 6.4 GW.

Figure 25. Gross Electricity Generation - Estimated Market Shares for Q1 2026

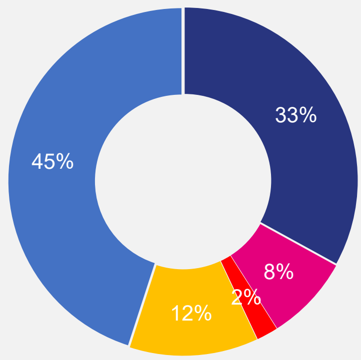
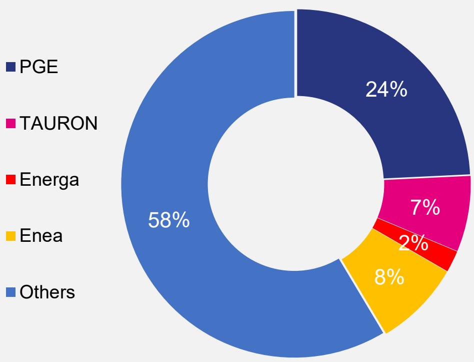


Figure 26. Installed Capacity - Estimated Market Shares for Q1 2026



Source: Agencja Rynku Energii S.A. (ARE), information published on companies' websites

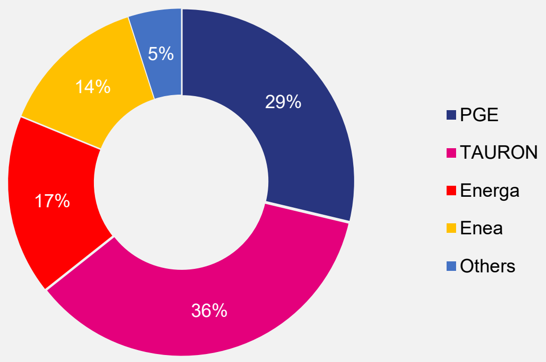
Electricity Distribution

The TAURON Capital Group is Poland's largest electricity distributor in terms of both the number of customers and the volume of electricity distributed.

In Q1 2026, TAURON Dystrybucja S.A. (TAURON Dystrybucja) accounted for approximately 36% of the volume of electricity distributed to final customers. The Group's distribution networks cover more than 18% of Poland's territory. In H1 2026, the volume of electricity distributed amounted to 26.71 TWh.

As a natural monopoly within a designated area, the Group's distribution business generates stable and predictable revenue, accounting for a significant share of consolidated revenue. The Group's distribution and supply operations serve highly industrialised and densely populated areas, supporting intensive use of the distribution network. At the end of H1 2026, the Group provided distribution services to approximately 6.08 million customers.

Figure 27. Electricity Distribution - Estimated Market Shares for Q1 2026



Source: ARE, information published on companies' websites

Electricity Sales

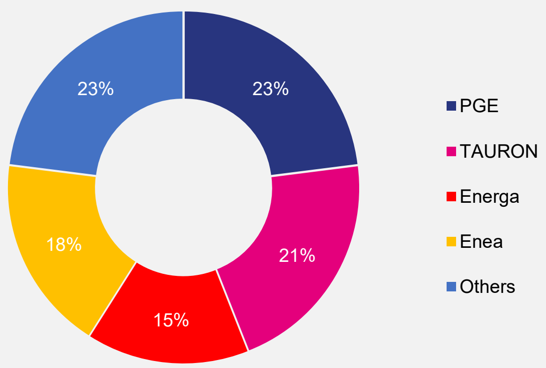
The TAURON Capital Group is Poland's second-largest electricity supplier.

According to data for Q1 2026, the Group accounted for 21% of electricity sales to final customers in Poland. Its retail electricity sales in H1 2026 totalled 13.72 TWh, and it supplied more than 5.87 million customers.

According to data for Q1 2026, PGE was the largest retail supplier, with a market share of 23%. The Enea and Energa Groups held market shares of 18% and 15%, respectively.

In the household electricity sales segment, individual energy groups operate primarily in the areas where they act as suppliers of last resort.

Figure 28. Electricity Sales to Final Customers - Estimated Market Shares of Individual Energy Groups for Q1 2026



Source: ARE, information published on companies' websites

4.3. Factors Affecting Results over a Period Covering at Least the Next Quarter

Table 36. Internal and External Factors with the Greatest Expected Impact on the TAURON Capital Group's Operations over a Period Covering at Least the Next Quarter

Factor Description
Geopolitical Environment and Energy Security
The volatile geopolitical environment, including the war in Ukraine and conflicts and tensions in the Middle East, may affect the prices and availability of fuels, energy and raw materials, supply chain continuity and EU regulatory policy. A potential escalation may affect the conditions under which the Group conducts its operating, investing and financing activities and may lead to temporary intervention measures.
Security of Critical Infrastructure
Growing physical and cyber threats to critical infrastructure increase the risk of disruptions to IT and OT systems, including reduced availability, breaches of data integrity and interruptions to business continuity. In addition, regulations introduced in the areas of the National Cybersecurity System and Critical Infrastructure Security require the TAURON Group to devote resources and effort to implementing the relevant requirements and verifying compliance.
Regulatory and Legal Environment
Changes in energy sector regulations and decisions by national and EU institutions may significantly affect business conditions. Key areas include: 1. Changes to tariff-setting and calculation rules and settlement rules in electricity trading; 2. Rules and conditions for participation in additional capacity market auctions for delivery in 2028; 3. Implementation of CSIRE and the related adjustments to data exchange, settlement and customer service processes; 4. Changes to the rules governing the operation of the balancing market, including the method for calculating energy imbalance costs; 5. Changes to the rules governing the operation of the ancillary services market, including the introduction of a competition criterion in the Balancing Capacity Market and a price cap for balancing capacity; 6. The possible reinstatement and scope of the exchange trading obligation; 7. Changes to the operation of the EU ETS, including the market stability reserve; 8. Changes to EU climate and energy regulations related to achieving the 2040 climate target; 9. Household tariff levels for 2027 and the rules for setting them.
Capacity Market and Coal Assets
On 26 March 2026, a TAURON Group company participated in additional capacity market auctions for individual quarters of the 2027 delivery year. Through these auctions, the Group secured a capacity obligation totalling 17 MW for Q1 2027, corresponding to estimated capacity market revenue of approximately PLN 0.8 million. A significant development in this context at the end of the reporting period was the launch, on 29 June 2026, of the certification process for the supplementary capacity market auction for the 2027 delivery year, taking into account the opportunities provided by the derogation provisions. As part of this process, the TAURON Group assessed the ability of all its units capable of participating in the capacity market to take part. Units aligned with the Group's development strategy and applicable regulatory requirements will be submitted for subsequent stages of the process.
Structural Changes in the Energy Market
The growing share of RES, variability in generation profiles and changes in electricity offtake patterns increase fluctuations in the balance between supply and demand at different times of day. During periods of high photovoltaic generation, limited electricity offtake from the grid may lead to oversupply, negative prices and RES redispatching. In the evening, rising demand may push prices up and increase the importance of dispatchable sources, the balancing market, energy storage facilities and flexibility services. These changes affect the utilisation of generation units and the Group's revenue and costs.
Availability of Generation Assets
The availability of the Group's generation units remains a key factor, determining its ability to meet generation plans and respond to the needs of the power system.
Market Conditions
Conditions in the energy, fuel and CO_2 emission allowance markets in Poland, across the EU and globally affect the Group's financial results, including the level of margin deposits required by IRGIT (Warsaw Commodity Exchange Clearing House).

Strategy Implementation
Effective and timely implementation of the TAURON Group Strategy remains a key driver of growth. The Strategy covers the transformation of the energy mix, the development of the distribution network and new business areas.
Macroeconomic Environment
Inflation, interest rates, exchange rates and the pace of economic growth affect demand for electricity, gas and heat, as well as investment financing costs and the valuation of assets and liabilities in the financial statements.
Financing and Support Funds
The availability and cost of financing are crucial to implementing the Group's investment and transformation plans. This includes access to support funds, particularly European funds, and the Group's organisational readiness to use them effectively.
Financial Standing of Customers and Counterparties
The risk of deterioration in the financial standing of customers and counterparties, including an increase in overdue receivables, may adversely affect the Group's liquidity.
Environmental and Workforce Factors
New environmental requirements arising from national law and EU climate policy may affect investment schedules and costs. Workforce-related issues are also important, including expectations of wage growth and the availability of qualified staff.
Weather Factors
Weather conditions, including extreme events, affect infrastructure failure rates, electricity generation volumes from individual sources, and the seasonality of the Group's revenue and costs.

Seasonality of Operations and the Impact of the External Environment

The TAURON Capital Group's operations are seasonal, particularly in heat generation, distribution and sales, as well as electricity distribution and sales to individual customers.

Heat sales remain highly dependent on weather conditions, particularly air temperature, and are higher in autumn and winter. Household electricity sales depend, among other factors, on the length of daylight, with volumes generally lower in spring and summer and higher in autumn and winter. Seasonality in the Group's other business areas is limited and does not materially affect full-year financial results.

The Group's individual business areas may also be affected by the geopolitical situation arising from the war in Ukraine and the conflict in the Middle East. Given the indirect impact on market, regulatory and macroeconomic conditions, forecasts of the long-term effects of these conflicts remain subject to significant uncertainty. Key factors include the scale and duration of military operations, further developments and the risk of escalation, and the resulting effects on the Polish and global economies.

In the coming quarters, the Group's results may be affected by developments in energy and fuel markets, electricity and heat prices, the cost of CO2 emission allowances, and regulatory decisions governing business conditions in the energy sector.

5. Risks Associated with the Operations of the TAURON Group

5.1. Risk Management Strategy

Within the TAURON Group, risk is understood as an uncertain event or set of events that, if they occur, may adversely or favourably affect the achievement of the Group's strategic objectives, representing either a threat or an opportunity. In implementing its current Strategy, the Company manages risks across the TAURON Group.

The primary objective of risk management is to ensure the overall security of the Group's operations. In particular, risk management is intended to increase the predictability of achieving strategic objectives, support the delivery of stable financial performance, protect the Group's economic value and facilitate decision-making.

Risk management within the TAURON Group:

1. is based on a comprehensive and consistent risk management process conducted on a continuous basis and covering risk identification and assessment, response planning, implementation of the agreed responses, and communication among process participants;
2. covers all elements of the value chain;
3. centralises risk measurement, monitoring and control, while enabling the Group's overall risk profile to be assessed according to consistent management principles;
4. ensures that risk-taking functions remain independent of risk control and monitoring functions;
5. provides for a clear allocation of authority and responsibility, particularly through the designation of risk owners;
6. is overseen by the Risk Committee, an expert body that continuously initiates, analyses, monitors and supports the operation of the risk management system within the Group;
7. is proactive and seeks to identify threats sufficiently early to allow preventive measures to be taken;
8. is systematic and continuously improved, enabling the risk management process to be adapted on an ongoing basis to the specific nature and organisational structure of the Group and to changes in its operating environment;
9. emphasises awareness-building, training and the application by employees of risk-related knowledge in their day-to-day work;
10. forms part of the Group's internal control system and, together with the compliance function, constitutes an element of the three-lines model;
11. uses tools that support the effective implementation of the process, including risk cards, the risk register, risk response plans, volatility models, scoring models and risk limits; and
12. is based on a risk model that establishes a consistent risk classification and enables risk to be managed uniformly and comprehensively throughout the Group.

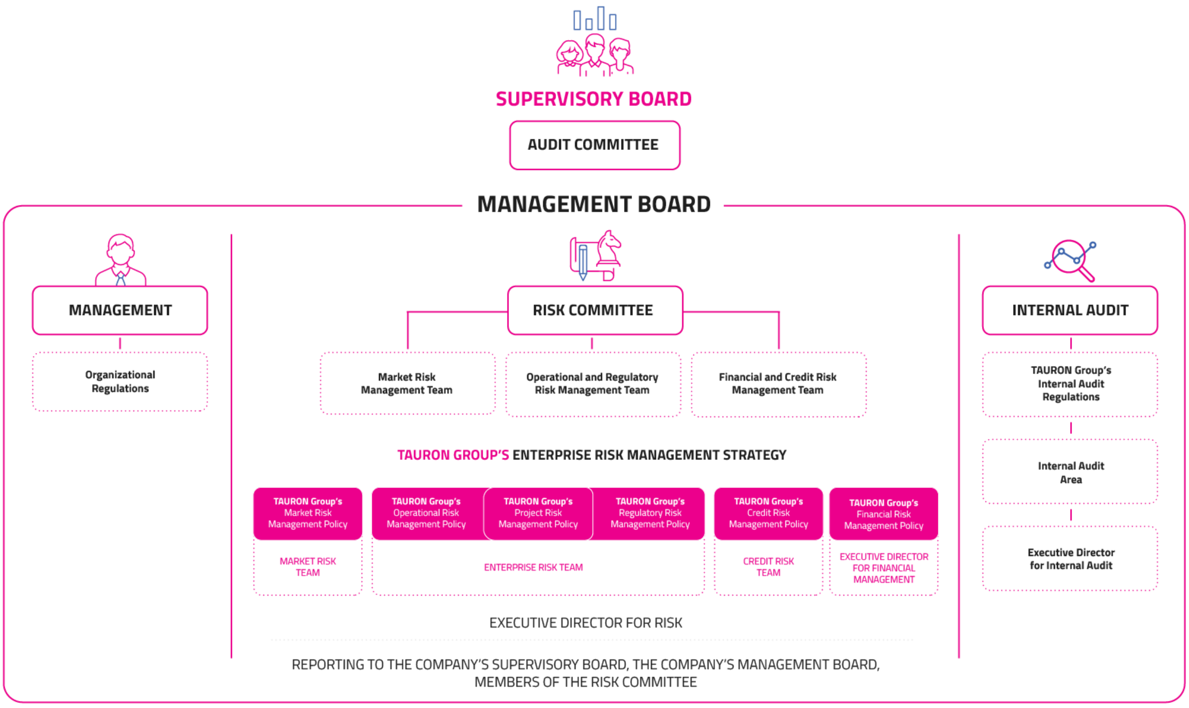
The Enterprise Risk Management System (ERM System) is governed by the TAURON Group Enterprise Risk Management Strategy (ERM Strategy), which establishes the framework and principles for managing enterprise risk across the organisation. It is designed to ensure a consistent approach to individual risk categories, which are further addressed in separate internal regulations tailored to the nature of each category.

At the core of the ERM Strategy is the Enterprise Risk Management Process (ERM Process), which provides a comprehensive and consistent approach to risk management, supported by an integrated methodology and information flow. The ERM Process is continuous and encompasses risk identification and assessment, risk monitoring and control, the planning and implementation of risk responses, and communication among the participants involved.

Under the ERM System, the TAURON Group identifies specific categories of risk for which separate policies have been adopted, reflecting the nature and characteristics of each category.

Figure 29. Basic Classification of Enterprise Risk

Figure 30. Correlation Between the Individual Roles in the Context of the ERM Strategy and the Documents Governing the ERM System



During the reporting period, risk response measures were implemented at both operational and strategic levels. These measures were intended to mitigate the adverse effects of the identified risk factors on the Group's business and to safeguard business continuity. In particular, during the first half of 2026:

1. enhanced monitoring was maintained of risks arising from volatility in the market and economic environment, as well as risks of key importance to the operations of the Group;
2. the strategy for hedging trading positions was updated and aligned with trading plans and prevailing market and regulatory conditions;
3. the regulatory environment was monitored, and analyses were prepared to assess the potential impact of draft legislation on the TAURON Group. The Group also participated in consultations conducted through industry associations and prepared position papers on regulatory matters;

6. the risk of breaching covenants under financing agreements was monitored; and
7. the implementation of Strategic Investment Projects was monitored from a project risk management perspective.

The Group continued to develop its system of risk control indicators, with particular emphasis on early-warning indicators used to monitor the implementation of the TAURON Group's Strategy. The Group's risk registers were reviewed and updated on an ongoing basis to identify new risk factors, and the implementation of mitigation measures was monitored. A revised risk-reporting format for the management boards of the subsidiaries was also developed to reflect the current needs of its intended users.

5.2. Risks by Operating Segment

Table 37. Risks by Operating Segment

Segment	Risk Description
	The RES Segment is exposed to market, regulatory and operational risks, as well as significant weather-related factors affecting generation volumes. Electricity price volatility, particularly during periods of high output from solar photovoltaic and wind installations, affects margins and may lead to price declines, including negative prices on short-term markets. These developments reduce the profitability of existing assets and affect the viability of planned investments. The expansion of battery energy storage may help mitigate their impact. The segment's performance is highly dependent on weather conditions, which determine generation output at hydropower, wind and photovoltaic facilities. Hydropower generation is particularly volatile because it depends on hydrological conditions and rainfall. Further risks include limited asset availability and failures caused by extreme weather events, potentially resulting in temporary shutdowns and additional repair costs. The development of the RES Segment also faces regulatory constraints, including restrictions on the siting and construction of new facilities, particularly onshore wind farms. Despite the partial liberalisation of the relevant legislation, constraints affecting the pace of project implementation remain.
	The Distribution Segment is exposed to macroeconomic, regulatory and operational risks that may materially affect the revenue and operating costs of the distribution system operator. A key risk is variability in the volumes of electricity delivered to individual customer groups due to an economic slowdown, weather conditions, improvements in energy efficiency and the rapid growth of prosumer generation. The impact of these factors is partly mitigated by the regulatory account mechanism, which stabilises revenue over the medium term. Another material risk is that the applicable tariff may not fully cover the segment's costs, particularly operating expenses and the cost of purchasing electricity to cover the balancing difference. The principal operational threat is the risk of distribution infrastructure failures caused, among other factors, by the increasing frequency of extreme weather events associated with climate change. Such failures may result in additional repair and service-restoration costs and adversely affect compliance with quality indicators. Over the medium and long term, the segment also faces regulatory risks, including changes in tariff calculation rules — such as the applicable WACC and recognised level of capital expenditure — requirements concerning compliance with quality indicators, and potential changes to the distribution tariff-setting model. Credit risk arising from counterparties' failure to pay for distribution services also remains a material threat.
	The Heat Segment is exposed to market, regulatory and operational risks. These primarily include declining demand for heat and lower contracted capacity due to continuing energy-efficiency improvements to buildings and higher temperatures during heating seasons. The segment also faces tariff risk, which may restrict its ability to pass increased costs on to customers. Replacement investments require compliance with increasingly stringent environmental requirements and the selection of appropriate technologies, thereby increasing both regulatory and investment risk.
	The Supply Segment is exposed to market and regulatory risks, as well as risks arising from the competitive and macroeconomic environment, which may materially affect revenue and margins. A key risk relates to the regulated household tariff, particularly the extent to which the sale price approved by the President of the Energy Regulatory Office reflects the costs incurred by the segment. Another significant threat is the risk of failing to achieve the forecast sales volumes and margins for electricity. This may result from increasing competition and macroeconomic factors such as fluctuations in energy demand, an economic slowdown and price volatility. Demand is also influenced by changing customer behaviour, growing consumer awareness, regulatory pressure to reduce energy consumption and increases in energy prices. The segment is also exposed to risks associated with volatility in the prices of electricity, gas and related products. Declining liquidity in the forward market and changes in electricity price profiles resulting from the growing share of renewable generation increase uncertainty concerning the cost of hedging sales positions and balancing the customer portfolio. Credit risk arising from customer insolvency also remains a significant threat and may increase if economic conditions deteriorate.
	The Generation Segment is exposed to market, regulatory and operational risks that may materially affect its performance in the coming years. The key risk is volatility in electricity prices and the prices of related products. Despite greater market stability in 2026, market risk remains material due to the new rules governing the balancing market and continuing volatility in the spot market. The profitability of conventional generating units is also adversely affected by growing renewable generation and electricity imports, which displace conventional generation and reduce demand for fuel. The growing share of renewable energy requires conventional units to adjust their operation to variable generation patterns and balance their positions more frequently on short-term markets, thereby increasing their exposure to price risk. At the same time, high fuel and CO2 emission allowance prices reduce the competitiveness of conventional generation.

The principal operational risk is the failure to maintain the planned availability of generating units due to equipment failures, variable loading and fuel quality. This may result in lost margins, additional balancing costs and failure to meet capacity market obligations, potentially leading to contractual penalties.

Over the long term, the segment will be affected by EU climate policy, including accelerated emission reductions and the gradual phase-out of fossil-fuel-based generating units. These developments will continue to place downward pressure on profitability and may reduce the availability of support mechanisms.

Other Areas and Risks — The remaining entities within the TAURON Group primarily provide support services to its core operating segments. Key risks in this area relate to the continuity, availability and security of IT services, compliance, personal data protection, and the physical security of people and assets.

In the context of the war in Ukraine, security and cybersecurity threats are particularly significant. These include restricted access to IT and operational technology infrastructure, internet and mobile networks, as well as breaches affecting critical infrastructure that could disrupt the Group's operations.

At the level of the TAURON Group as a whole, financing risk remains significant, particularly as financial institutions restrict their support for fossil-fuel-based operations. The Group is also exposed to regulatory and political risks, especially those arising from the tightening of EU climate policy, which contributes to frequent changes in domestic energy-sector regulations and increases the number of strategically significant risks.

Other material risks relate to the financial condition of key counterparties, sustainability, human resources management, employee expectations concerning remuneration and pending litigation.

5.3. Description of the Most Material Risk Categories and Mitigation Measures

Table 38. Most Material Risk Categories Identified for the TAURON Group

Risk Name and Description	**Risk Trend and Materiality**	**Main Risk Responses**
Trading Risk		
Market Risk		
Threats or opportunities arising from changes in prices on the wholesale electricity market and in the markets for related products, including coal, gas, oil, CO2 emission allowances and energy-related property rights. Such changes may have either an adverse or a favourable impact on financial performance. Risk may also arise from shortages of these products and limited liquidity in commodity markets.	→	1. Monitoring trading positions and the utilisation of risk limits. 2. Verifying compliance with Value at Risk limits and open-position volume limits on a daily basis. 3. Applying stop-loss limits to protect the financial results already achieved. 4. Using forward contracts to hedge future exposure to trading risk. 5. Utilising diversification effects across products and trading portfolios and applying internal netting.
Financial and Credit Risk		
Interest Rate Risk and Foreign Exchange Risk		
Threats or opportunities arising from the effect of interest rates and changes in foreign exchange rates on the TAURON Group's financial performance.	→	1. Continuously monitoring the level of exposure in order to mitigate the adverse effects of changes in interest rates and foreign exchange rates. 2. Applying Value at Risk limits. 3. Transferring risk through hedging transactions.
Financial Liquidity Risk and Financing Risk		
Threats associated with the TAURON Group's inability to meet its liabilities as they fall due, difficulties in obtaining capital, and changes in the terms on which existing or planned financing may be raised and serviced, including changes resulting from the tightening of EU climate policy.	→	1. Diversifying sources of financing, arranging committed financing programmes and securing alternative financing sources. 2. Analysing the market and the availability of financing. 3. Maintaining ongoing communication with financial institutions. 4. Arranging financing sufficiently in advance of the anticipated funding requirement.
Credit Risk		
Threats associated with a deterioration in the financial condition of the TAURON Group's customers and counterparties, potentially resulting in overdue receivables and the need to pursue claims through legal proceedings. Credit risk also	→	1. Assessing the creditworthiness of counterparties, including assigning credit ratings and limits, within TAURON Group companies.

includes the risk of counterparties improperly performing their contractual obligations.		2. Requiring credit support from customers whose level of risk exposure is considered unacceptable. 3. Monitoring the level of overdue receivables within the Group. 4. Continuously monitoring the financial condition of counterparties. 5. Conducting debt recovery proceedings.
Risks Related to the External Environment		
Macroeconomic Risk		
Threats or opportunities arising from changes in domestic economic conditions and instability in the financial markets. In particular, these factors may affect demand for electricity, increase or decrease the Group's operating expenses — including employee remuneration costs — and affect the financial condition of customers and counterparties.		1. Diversifying sources of revenue. 2. Analysing market conditions and taking anticipatory measures in response to a projected economic crisis or slowdown. 3. Implementing measures set out in the response plans for individual risks across the TAURON Group.
Tax Risk		
Threats associated with the incorrect or untimely fulfilment of tax obligations and with changes in tax regulations.		1. Ensuring compliance with applicable tax legislation, including the Corporate Income Tax Act. 2. Having business transactions reviewed by the TAURON Group's tax advisers. 3. Developing consistent tax positions at the TAURON Group level. 4. Applying uniform tax settlement principles among the companies forming the Tax Capital Group (PGK). 5. Monitoring the ownership structure of the companies forming the PGK.
Climate Change Risk		
Threats or opportunities arising from the tightening of EU climate policy, increasingly stringent environmental requirements related to climate change, and measures promoting energy efficiency. Such measures include the development of prosumer generation, support for the thermal retrofitting of buildings, the construction of on-site electricity and heat generation sources, and the phasing-out of coal as a fuel. The risk also arises from changes in the TAURON Group's operating environment and the need to adapt its business to climate-related challenges. Its potential effects include more difficult or easier access to capital, as well as changes in the cost of financing fossil-fuel-based activities; the need for additional capital expenditure to bring assets into compliance with environmental requirements; increases in the prices of CO_2 emission allowances; and lower demand for products offered by TAURON Group companies.		1. Effectively implementing and monitoring the Group's Strategy and updating it where necessary. 2. Developing, implementing and updating a climate change mitigation transition plan. 3. Gradually adapting the TAURON Group's generation assets and energy mix to renewable energy sources and zero- and low-emission electricity generation technologies. 4. Continuously analysing and participating in consultations concerning draft regulations, legislation and other legal instruments at national and EU level. 5. Aligning the Investment Programme with the Group's Strategy, its climate change mitigation transition plan and EU climate regulations. 6. Identifying and documenting the material climate impacts of all types of operations conducted by the TAURON Group at every stage of the asset life cycle. 7. Incorporating climate-related risks as an additional criterion in the assessment of new activities and investments, particularly by considering physical climate risks when assessing new investments. 8. Promoting environmental awareness among customers, business partners, suppliers and employees, including awareness of energy conservation, sustainable mobility and climate change.
Risks Related to Technology, Infrastructure and Security		
Environmental Risk		
Threats arising from the adverse impact of the Group's operations on the environment and natural resources. These include, in particular, a loss of process control that prevents excessive pollution from being avoided, as well as damage to, disruption of or failure of installations or equipment resulting in adverse environmental impacts. The materialisation of this risk may result in environmental degradation; penalties for non-		1. Implementing the TAURON Group's Environmental Policy. 2. Conducting activities that affect the environment in accordance with sustainable development principles. 3. Monitoring draft legislation in order to take timely environmental measures within the TAURON Group's operations, particularly in its investment and asset management processes.

compliance with environmental requirements; the need to remedy environmental damage; reduced generation output; delays in investment projects; contamination of water sources to an extent that prevents their use; and damage to habitats, sites or other environmentally valuable areas requiring environmental compensation. Other potential consequences include restrictions on further business development, reputational damage to the TAURON Group and reduced access to financial support programmes. The risk also encompasses increasingly stringent environmental requirements resulting from the tightening of EU climate policy.

4. Cooperating with all parties involved in the relevant processes to identify and minimise environmental impacts.
5. Actively seeking technical and organisational solutions that minimise the potentially adverse environmental impact of the TAURON Group's operations.
6. Monitoring, documenting and reporting selected environmental indicators at Group level on a monthly basis to support management analyses, develop recommendations and facilitate the exchange of good environmental practices within the industry, thereby continuously improving the Group's environmental performance.
7. Adapting to changes in communication channels and responding to stakeholders' growing interest in environmental information.

Weather Risk

Threats or opportunities arising from changing weather conditions, including the increasing frequency of weather anomalies. These conditions may cause fluctuations in electricity and heat generation, sales and distribution volumes.

1. Gradually adapting generation assets to the effects of extreme weather events and changing weather conditions, particularly in the business areas most exposed to these factors.
2. Monitoring and analysing new technological solutions that reduce the impact of adverse weather conditions on electricity generation volumes.
3. Maintaining continuous technical oversight of individual wind turbines by the companies operating the wind farms.

Asset Risk

Threats arising from failures of machinery and equipment and disruptions to electricity and heat distribution networks. Such events may be caused by normal wear and tear or by unforeseen events, including extreme weather such as storms, floods, hurricane-force winds, heatwaves and fires, the frequency or severity of which may be affected by climate change.

The materialisation of this risk may reduce asset availability, cause outages, increase repair costs, adversely affect quality indicators and have an impact on regulated revenue. It may also result in a failure to meet capacity market obligations, requiring transactions on the secondary market or the payment of financial penalties to Polskie Sieci Elektroenergetyczne (PSE). Another potential consequence is the need to rebalance the Group's trading position.

1. Optimising capital expenditure on asset replacement and actively monitoring the condition of machinery, equipment and installations.
2. Recommending replacement projects for inclusion in the Investment Plan, particularly for equipment that has exceeded its nominal service life, to address the underlying causes of risk.
3. Improving employees' professional qualifications and work culture through courses and training.
4. Responding to emergencies through maintenance services and automated protection systems.
5. Implementing IT tools to improve the monitoring and management of equipment failure indicators.
6. Continuously monitoring generating-unit availability and demand reduction, and reallocating capacity obligations to dedicated generating units within the Group's internal reserve or to external entities where necessary.
7. Gradually adapting generation and distribution assets to the effects of extreme weather events and changing weather conditions, particularly in the Distribution Business Area.

IT/OT Risk

Threats associated with the security of IT infrastructure and with failures or disruption of IT and operational technology infrastructure, including ransomware attacks.

1. Developing and maintaining business continuity plans for IT/OT infrastructure.
2. Periodically identifying and categorising IT/OT assets based on service restoration objectives.
3. Using IT/OT solutions with technical parameters that ensure acceptable reliability and operational performance, including uninterruptible power supply units, GSM modems and mobile phones.
4. Planning and providing training on IT/OT infrastructure security and continuity of operations.

Fuel Procurement Risk

Threats or opportunities arising from the potential need to purchase coal at prices higher or lower than assumed in the plan. This may result from changes in electricity and heat generation by the TAURON Group's generating units or from failure to purchase the minimum quantities specified in coal supply contracts.

A further risk factor is the availability of coal on the market, particularly coal meeting the required

1. Maintaining the required coal inventories at storage sites.
2. Securing additional coal volumes through spot contracts and volume options and purchasing imported coal.
3. Using DAP and CPT delivery terms to enable a flexible response to changing market conditions, including increased deliveries using transport arranged by suppliers.
4. Monitoring the delivery of the volumes specified in contracts.

quality specifications. Limited availability may prevent the Group from maintaining the required strategic reserves or, in an extreme scenario, necessitate a reduction in generation output.

5. Hedging the TAURON Group's fuel position over the long term, taking current economic conditions into account.
6. Negotiating with coal suppliers.
7. Seeking new sources and routes of supply.

Risks Related to Employees and Organisational Culture

Human Resources Risk

Risk associated with employment-related matters, including in the area of ensuring qualified staff, issues of diversity and participation, terms of employment and work, relations with trade unions and respect for the right to freedom of association, human capital management, career-path management and recruitment, training systems, occupational health and safety, and, over the longer term, the need to ensure the appropriate competencies resulting from the energy transition process. The materialisation of this risk may result in interruptions or disruptions to operational work, employee grievances, collective disputes, strikes, and the loss of specialised staff along with difficulties in replacing them.

1. Conducting consultations with social organisations operating within TAURON Group companies.
2. Conducting social dialogue between the Company's Management Board and the Social Council, under the cooperation agreement concluded for the purposes of social dialogue within TAURON Group.
3. Operation of the Social Dialogue Ombudsman, who supports effective communication between employers and trade unions.
4. Attention to the development of employees' competencies, including through participation in development training.

Industrial Relations Risk

Risk associated with collective disputes, strikes and social conflicts arising from employees' dissatisfaction with the economic and social situation.

1. Conducting social consultations regarding planned changes.
2. Pursuing a policy of dialogue with employee representatives and trade unions.
3. Preparing and implementing employee incentive schemes.
4. Active internal communication on employment-related matters.

Risk of Failure to Exercise Due Care

Risk associated with non-compliance with procedures and a failure to exercise due care on the part of employees in performing their professional duties.

1. Systematic periodic training of employees.
2. Analysis of recurring instances of employee errors and mistakes, and the adoption of systemic corrective measures.
3. Implementation of the Internal Control System and control mechanisms for the processes carried out within TAURON Capital Group.

Compliance-Related Risks

Legal and Compliance Risk

Threats associated with changes in the law and compliance therewith, the interpretation of new legislation and regulations, requirements imposed by the regulator and supervisory authorities, and legal disputes with customers and counterparties. The adverse effects of the materialisation of this risk may include financial penalties, criminal and civil liability, and reputational damage to the Group.

1. Ongoing monitoring of the regulatory environment and changes in the law, including in the areas of social matters, respect for human rights, anti-corruption measures, environmental protection and employment-related matters.
2. Implementation of changes to internal and intra-group regulations.
3. Establishment of working groups aimed at preparing and implementing the required changes arising from the legal environment.
4. Cooperation with the authorities supervising the energy market and the capital market.

Risks Related to Customers and Counterparties

Customer Service Risk

Threats associated with a failure to comply with customer service standards, resulting in customer dissatisfaction with the service provided, customer complaints, and customer loss.

1. Monitoring and analysis of external customer satisfaction indicators and complaint-related indicators.
2. Taking additional measures, e.g. in the area of internal regulations defining service standards, as a result of the analysis of the indicators.
3. Development of the competencies and skills of key account managers.

Volume and Margin Risk	
Threats or opportunities associated with changes in the sales volume of products offered by TAURON Group companies, in particular as a result of the macroeconomic situation, the development of energy efficiency, the thermal retrofitting of buildings, the development of prosumer generation, and the impact of climatic factors causing a material deviation of temperature from planned values. The effects of this risk are variability in revenue across the individual business segments of TAURON Group, resulting from changes in the level of demand.	1. Ongoing updating of the product offering, and the introduction of bundled products for sale. 2. Conducting marketing activities and acquiring new customers. 3. Measures focused on retaining current customers and acquiring new ones (expansion measures).
Procurement Process Risk	
Threats or opportunities arising from procurement procedures, including their improper conduct and unplanned changes in procurement costs. The risk also encompasses potential human rights violations by business partners, corruption or other misconduct in the procurement process, and failure to comply with applicable ethical standards.	1. Applying the provisions of the Code of Conduct for Contractors of TAURON Group Companies. 2. Applying the TAURON Group's Anti-Corruption Policy. 3. Including anti-corruption clauses in agreements with contractors. 4. Implementing TAURON Group's Policy of Respect for Human Rights. 5. Standardising procurement procedures and ensuring their transparency. 6. Building lasting relationships with contractors based on trust and mutual respect.
Regulatory Risks	
Regulatory Risk	
Threats or opportunities arising from amendments to existing regulations or the introduction of new regulations affecting the TAURON Group's operations, as well as from the need to adapt to regulatory change. This applies particularly where new or amended regulations introduce significantly more stringent requirements, including environmental requirements related to climate change and measures supporting climate action, such as the development of prosumer generation, the thermal retrofitting of buildings and the expansion of on-site generation. The principal effects of this risk include fluctuations in revenue across the Group's business segments and changes in operating expenses resulting from the need to comply with new or amended legislation.	1. Continuously monitoring the regulatory environment and legislative changes. 2. Actively participating in consultations on proposed regulations through industry associations and government agencies. 3. Taking lawful and transparent measures to represent the TAURON Group's interests in the development of the regulatory framework. 4. Maintaining ongoing cooperation with the authorities responsible for supervising the energy and capital markets. 5. Consulting the relevant organisational units on proposed regulations. 6. Conducting internal consultations within the TAURON Group.

Moderate materiality   Medium materiality   High materiality

6. Other Material Information and Events

6.1. Material Proceedings Pending Before Courts, Arbitration Bodies or Public Administrative Authorities

Table 39. Summary of Material Proceedings Pending Before Courts, Arbitration Bodies or Public Administrative Authorities in H1 2026

	Parties to the Proceedings	Description of the Proceedings, Including the Value of the Subject Matter of the Dispute and the Company's Position
Proceedings Involving TAURON		
1.	Claimant: Huta Łaziska S.A. Defendants: TAURON, as the legal successor to Górnośląski Zakład Elektroenergetyczny S.A. (GZE), and the State Treasury, represented by the President of the Energy Regulatory Office (ERO)	**Subject matter of the proceedings:** a claim for damages in respect of alleged loss caused by GZE's failure to comply with the decision of the President of the ERO dated 12 October 2001 concerning the resumption of electricity supplies to the claimant. **Value of the claim:** PLN 182,060,000 **Date the proceedings were commenced:** 12 March 2007 **The Company's position:** the Company considers the claims asserted in the statement of claim to be unfounded. On 28 May 2019, the Regional Court in Warsaw issued a judgment dismissing Huta Łaziska S.A.'s claim in its entirety. On 25 July 2019, Huta Łaziska S.A. appealed against the judgment in its entirety. On 9 February 2022, the Court of Appeal in Warsaw dismissed the appeal. The judgment became final and binding. On 13 October 2022, Huta Łaziska S.A. filed a cassation appeal with the Supreme Court. Both the Company and the State Treasury submitted responses to the cassation appeal. By a judgment of 20 August 2025, the Supreme Court allowed the cassation appeal, set aside the judgment of the Court of Appeal and remitted the case to that court for reconsideration.
2.	Conducting authority: the Head of the Mazovian Customs and Tax Office and, following the filing of an appeal, the Director of the Tax Administration Chamber in Katowice and the Director of the Tax Administration Chamber in Warsaw Party: TAURON	**Subject matter of the proceedings:** an examination of the accuracy of the tax bases declared by TAURON and of the correctness of the calculation and payment of value added tax for the period from October 2013 to September 2014. The main subject matter of the two audit proceedings is the input VAT deductions made by TAURON in respect of TAURON's purchase of electricity on the German-Austrian energy market from Castor Energy sp. z o.o. **Value of the subject matter of the proceedings (amount of VAT deducted):** in respect of transactions with Castor Energy sp. z o.o. — PLN 55,400,046.39 **Date of commencement of the proceedings:** October 2014, August 2016 **Company's position:** in the Company's assessment, due diligence was exercised in verifying the counterparty, the transactions were actually carried out, and the Company acted in good faith; there are therefore no grounds for denying the Company the right to deduct input tax from invoices documenting the purchase of energy from Castor Energy sp. z o.o. On 7 October 2020, the Company received a decision of the Head of the Mazovian Customs and Tax Office concluding one of the audit proceedings, determining the amount of the tax liability in value added tax for the individual months of October, November and December 2013 and for Q1 2014, resulting in an obligation for the Company to pay additional VAT in respect of the transactions with Castor Energy sp. z o.o. in the amount of PLN 51,818,857, together with interest on tax arrears. The Company settled the amount of the liability arising from the decision, together with the required interest, and on 20 October 2020 filed an appeal against the decision. On 15 January 2021, in the second audit proceeding, the Head of the Mazovian Customs and Tax Office issued a decision in which the authority found that the Company had not acquired the right to deduct input VAT from an invoice issued by Castor Energy sp. z o.o. in April 2014 and had thereby overstated the amount of input VAT taken into account for settlement for Q2 2014 by PLN 677,815.39. The Company settled the amount of the liability arising from the decision, together with the required interest, and on 12 February 2021 filed an appeal against the decision. On 12 March 2026, the Provincial Administrative Court in Gliwice adjourned the hearing concerning the VAT liability for Q2 2014. A new court hearing has been scheduled for 28 September 2028. On 23 February 2023, the Provincial Administrative Court in Gliwice set aside the second-instance authority's decision, as challenged by the Company, in relation to the VAT liability for the periods from October to December 2013 and for Q1 2014. On 22 April 2023, the Director of the Tax Administration Chamber in Katowice filed a cassation appeal with the Supreme Administrative Court, challenging the judgment of the Provincial Administrative Court in Gliwice of 23 February 2023, which was favourable to TAURON. By its judgment of 19 November 2025, the Supreme Administrative Court dismissed the cassation appeal filed by the Director of the Tax Administration Chamber in Katowice. Following the above judgments, on 17 April 2026 the Director of the Tax Administration Chamber in Katowice issued a cassation decision and remanded the case to the Head of the Mazovian Customs and Tax Office for reconsideration. After the reporting date, on 16 July 2026, the Company received a refund of PLN 55 million to its bank account, representing an amount paid by the Company in 2020. At the same time, the refund of the amount paid does not bring to a close the tax audit proceedings initiated in 2014 by the Director of the Tax Control Office in Warsaw. On 16 July 2026, the Company received a decision from the Head of the Mazovian Customs and Tax Office in Warsaw, according to which the new deadline for the completion of the audit proceedings has been set for 12 October 2026.

Actions Relating to the Termination by the Subsidiary PEPKH of Agreements for the Sale of Electricity and Property Rights Arising from Certificates of Origin

1.	Claimant: Dobiesław Wind Invest sp. z o.o. (Dobiesław Wind Invest) Defendant: TAURON	**Subject matter of the proceedings:** a claim for damages and for a declaration of liability for the future. **Current value of the subject matter in dispute:** PLN 94,769,522.68 **Commencement of the proceedings:** statement of claim dated 30 June 2017 In the course of the proceedings, the claimant twice extended its claim to include new demands. In the course of the proceedings, the parties exchanged pleadings and hearings were held, during which witnesses were heard. Evidentiary proceedings are ongoing. The case is pending before the first-instance court. **Company's position:** the Company considers the claims raised in the statement of claim to be unfounded.
2.	Claimant: Gorzyca Wind Invest sp. z o.o. Defendant: TAURON	**Subject matter of the proceedings:** a claim for damages and for a declaration of TAURON's liability for harm that may arise in the future from tortious acts, including acts of unfair competition. **Current value of the subject matter in dispute:** PLN 150,069,533 **Commencement of the proceedings:** statement of claim dated 29 June 2017 **Company's position:** the Company considers the claims to be unfounded. In the course of the proceedings, the claimant twice extended its claim to include new demands. On 5 December 2024, the Regional Court in Katowice issued a judgment dismissing the claims raised in the statement of claim in their entirety, together with all extensions of the claim submitted by the claimant. The judgment is not final and binding. Gorzyca Wind Invest sp. z o.o. filed an appeal against the judgment, and TAURON filed a response to the appeal.
3.	Claimant: Pękanino Wind Invest sp. z o.o. Defendant: TAURON	**Subject matter of the proceedings:** a claim for damages and for a declaration of TAURON's liability for harm that may arise in the future from tortious acts, including acts of unfair competition. **Current value of the subject matter in dispute:** PLN 44,817,060 **Commencement of the proceedings:** statement of claim dated 29 June 2017 **Company's position:** the Company considers the claims to be unfounded. In the course of the proceedings, the claimant twice extended its claim to include new demands. Evidentiary proceedings are ongoing. The case is pending before the first-instance court.
4.	Claimant: Nowy Jarosław Wind Invest sp. z o.o. Defendant: TAURON	**Subject matter of the proceedings:** a claim for damages and for a declaration of TAURON's liability for harm that may arise in the future from tortious acts, including acts of unfair competition. **Current value of the subject matter in dispute:** PLN 83,600,774 **Commencement of the proceedings:** statement of claim dated 29 June 2017 **Company's position:** the Company considers the claims to be unfounded. In the course of the proceedings, the claimant twice extended its claim to include new demands. The case is pending before the first-instance court.

Proceedings Involving TAURON Capital Group Companies in Connection with the Termination by Subsidiaries of Agreements for the Sale of Electricity and Property Rights Arising from Certificates of Origin

1.	Claimants: Gorzyca Wind Invest sp. z o.o., Pękanino Wind Invest sp. z o.o. and Dobiesław Wind Invest sp. z o.o. Defendant: PEPKH	**Subject matter of the proceedings:** claims for a declaration that PEPKH's termination of the long-term agreements for the purchase of electricity and property rights arising from certificates of origin was ineffective, and for damages. **Value of the subject matter in dispute:** Gorzyca Wind Invest sp. z o.o. — PLN 259,385,823.64; Pękanino Wind Invest sp. z o.o. — PLN 75,187,289.06. **Commencement of the proceedings:** Gorzyca Wind Invest sp. z o.o. — 18 May 2015; Pękanino Wind Invest sp. z o.o. — 20 May 2018; Dobiesław Wind Invest sp. z o.o. — 18 May 2015. **The Company's position:** the Company considers the claims asserted in the statements of claim to be unfounded. The cases were joined to be heard together in 2018. During the proceedings, the claimants extended their claims and brought additional actions. The current values of the subject matter in dispute are stated above. The case is pending before the court of first instance.
2.	Claimant: Dobiesław Wind Invest sp. z o.o. Defendant: PEPKH	**Subject matter of the proceedings:** a claim for damages and contractual penalties. **Current value of the subject matter in dispute:** PLN 159,427,872. **Commencement of the proceedings:** statement of claim dated 14 June 2017. **The Company's position:** the Company considers the claims asserted in the statement of claim to be unfounded. During the proceedings, the claimant extended its claim. The case is pending before the court of first instance.
3.	Claimant: Nowy Jarosław Wind Invest sp. z o.o. Defendant: PEPKH	**Subject matter of the proceedings:** a claim for a declaration that PEPKH's termination of the long-term agreements for the purchase of electricity and property rights arising from certificates of origin was ineffective, and for damages. **Current value of the subject matter in dispute:** PLN 145,833,223.66.

Commencement of the proceedings: statement of claim dated 3 June 2015.

The Company's position: the Company considers the claims asserted in the statement of claim to be unfounded.

During the proceedings, the claimant extended its claim on five occasions. The case is pending before the court of first instance.

Other Proceedings

TAURON Sprzedaż's Applications for Approval of a Tariff Amendment

By a decision dated 8 July 2020, the President of the ERO refused to approve TAURON Sprzedaż's proposed amendment to its tariff for 2020. On 30 July 2020, TAURON Sprzedaż appealed against that decision to the Court of Competition and Consumer Protection in Warsaw. On 26 March 2024, the Court dismissed the Company's appeal against the decision of the President of the ERO, and the Company appealed against the judgment. On 26 August 2025, the Court of Appeal delivered a judgment dismissing the Company's appeal. On 1 December 2025, the Company filed a cassation appeal against the judgment of the Court of Appeal with the Supreme Court.

Arbitration Proceedings with ArcelorMittal Group Companies

TAMEH HOLDING is a joint venture operating under a shareholders' agreement entered into in 2014 (the Shareholders' Agreement), in which TAURON and ArcelorMittal Group companies each hold a 50% interest. TAMEH HOLDING is responsible for investment and operational activities in the industrial energy sector.

Under the Shareholders' Agreement, the parties made mutual irrevocable offers to purchase and sell shares in TAMEH HOLDING upon the occurrence of the events specified in that agreement. If any such event occurred, each party was entitled to accept the irrevocable purchase offer made by the other party.

As one of the conditions specified in the Shareholders' Agreement was satisfied upon the expiry of 31 December 2023, on 2 January 2024 a TAURON representative delivered to the registered office of AM Global Holding S.à r.l. (AMGH), in the presence of a court bailiff who formally recorded the service, TAURON's declaration accepting AMGH's offer to purchase all 3,293,403 shares held by TAURON in TAMEH HOLDING for PLN 598 million.

On 4 January 2024, TAURON was notified that AMGH disputed the effectiveness of the service of that declaration.

Subsequently, on 9 January 2024, TAURON received a letter from AMGH which, according to AMGH, constituted a declaration accepting an offer under which TAURON would purchase all shares in TAMEH HOLDING held by ArcelorMittal Group companies for PLN 598 million.

As the parties were unable to agree on the effectiveness of the declarations accepting the offers to purchase shares in TAMEH HOLDING, on 1 October 2024 TAURON commenced arbitration proceedings against AMGH, acting as the lead shareholder, ArcelorMittal Poland S.A. (AMP) and ArcelorMittal Long Products Europe Holding S.à r.l. (AMLP). The dispute concerns AMGH's failure to pay the purchase price for the shares held by TAURON in TAMEH HOLDING. AMP and AMLP are jointly and severally liable with AMGH for payment of that amount.

The value of the subject matter in dispute is PLN 598 million.

On 30 October 2024, TAURON received a response to the request for arbitration from AMGH, AMP and AMLP, together with a counterclaim seeking payment by TAURON of PLN 598 million, plus statutory interest for late payment accruing from 14 February 2024 until the payment date, as the purchase price for the shares held by AMGH and AMP in TAMEH HOLDING. In TAURON's assessment, the claims asserted by AMGH are unfounded. The arbitration proceedings are ongoing.

Claim for Compensation for Non-Pecuniary Damage in Connection with Mobbing Alleged by a Former Employee

On 8 August 2024, a former TAURON employee filed a statement of claim with the Regional Court in Katowice, seeking PLN 1,500,000,000, together with statutory interest accruing from 8 August 2024 until the payment date, as compensation for non-pecuniary damage allegedly suffered as a result of mobbing during her employment.

After conducting the evidentiary proceedings, the Regional Court in Katowice issued a judgement in the case on 26 August 2026 (an event after the reporting date). In its judgement, the Court:

- dismissed the claim in its entirety,
- ordered the claimant to pay TAURON the amount of PLN 5,000 as reimbursement for the costs of the proceedings, plus statutory interest for late payment from the date the judgement became final until the date of payment,
- decided not to order the claimant to pay the remaining portion of the legal representation costs.

The Court dismissed in its entirety the claimant’s claim for compensatory damages in the amount of PLN 1,500,000,000. The judgement is not final.

6.2. Related-Party Transactions on Non-Arm's-Length Terms

All transactions with related parties are entered into on an arm's-length basis.

Detailed information on related-party transactions is presented in Note 51 to the Interim Condensed Consolidated Financial Statements of TAURON Capital Group for the six-month period ended 30 June 2026.

6.3. Sureties Granted in Respect of Loans and Borrowings, and Guarantees Granted

Corporate Sureties and Guarantees Granted

As at 30 June 2026, the total amount of sureties and corporate guarantees granted by the Company was PLN 1,186 million.

In H1 2026, TAURON extended until 11 March 2027 the term of the surety covering EC Stalowa Wola's obligations towards BGK arising under a loan agreement entered into in 2018. The maximum amount of TAURON's surety was set at PLN 52 million. As a result of the repayment of part of the loan, the amount of the surety as at 30 June 2026 was reduced to PLN 23 million.

As at 30 June 2026, the total amount of sureties and corporate guarantees granted by the subsidiaries was PLN 95 million.

In H1 2026, the subsidiaries did not grant any sureties in respect of loans or borrowings.

Bank Guarantees Granted

As at 30 June 2026, the amount of bank guarantees issued at TAURON's request and remaining in force was PLN 298 million.

During H1 2026, a bank guarantee of up to PLN 210 million was issued at TAURON's request for a further one-year period, i.e. until 11 March 2027, to secure EC Stalowa Wola's obligations towards BGK arising under a loan agreement entered into in 2018.

Bank guarantees were issued in respect of the subsidiaries' obligations under the framework agreements in force.

In addition, as at 30 June 2026, bank guarantees issued at the request of TAURON Czech Energy, with a total value of PLN 20 million (CZK 65 million and EUR 2 million), were in force.

Information on the material guarantees granted is presented in Note 50 to the Interim Condensed Consolidated Financial Statements of TAURON Polska Energia S.A. Capital Group, prepared in accordance with the International Financial Reporting Standards as endorsed by the European Union, for the six-month period ended 30 June 2026.

6.4. Other Information Material to the Assessment of the Human Resources, Asset and Financial Situation and Financial Result of TAURON Capital Group and Changes Thereto, and Information Material to the Assessment of TAURON Capital Group's Ability to Meet Its Obligations

In H1 2026, other than the events indicated in the other sections of this document, no events occurred that were material to the assessment of the human resources, asset and financial situation or financial result of TAURON Capital Group, changes thereto, or TAURON Capital Group's ability to meet its obligations.

Katowice, 8 September 2026

Grzegorz Lot	–	President of the Management Board (CEO)
Łukasz Czopik	–	Vice President of the Management Board
Michał Orłowski	–	Vice President of the Management Board
Krzysztof Surma	–	Vice President of the Management Board
Krzysztof Zawadzki	–	Vice President of the Management Board

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

Appendix A: GLOSSARY OF TERMS AND LIST OF ABBREVIATIONS

The glossary of industry terms and list of abbreviations most frequently used in this document is set out below.

Table 40. Explanation of Abbreviations and Industry Terms

	Abbreviation and trade term	Full name / explanation
1.	ARA	Dollar based carbon price index in the EU. Loco Amsterdam - Rotterdam - Antwerp ports.
2.	ARE	Agencja Rynku Energii S.A. (Energy Market Agency Joint Stock Company) with its registered office in Warsaw.
3.	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.
4.	BGK	Bank Gospodarstwa Krajowego with its registered office in Warsaw.
5.	Bioeko Grupa TAURON	Bioeko Grupa TAURON Sp. z o.o. (Ltd.) with its registered office in Stalowa Wola.
6.	CAPEX	Capital Expenditures.
7.	Cash pool	True real time (online) cash pool structure, implemented under the cash management agreement, is based on the daily limits. As a result of the implementation of the cash pool mechanism, cash transfers are made between the accounts of the service participants and the Pool Leader's account.
8.	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.**
9.	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).
10.	Best Practices	*Document entitled Best Practices of WSE-Listed Companies 2021 (Dobre Praktyki Spółek Notowanych na GPW 2021), in force since 1 July 2021.*
11.	EBIT	Earnings Before Interest and Taxes.
12.	EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization.
13.	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)).
14.	Enea	Enea S.A. (Joint Stock Company) with its registered office in Poznań.
15.	Energa	Energa S.A. (Joint Stock Company) with its registered office in Gdańsk.
16.	ESG	Environmental, Social and Governance - environmental, social and corporate governance factors used in the investment decision-making process.
17.	EU ETS	European Union Emission Trading System - European Union's System for the Trading of the CO2 Emission Allowances.
18.	EUA	European Union Allowance - an allowance to introduce the carbon dioxide (CO2) equivalent to the air, within the meaning of Article 2 section 4 of the Act of July 17, 2009, on the management system of emissions of greenhouse gases and other substances, which is used for settlements of emission level within the system and which can be managed under the rules provided in the Act of April 28, 2011, on the system of greenhouse gases emission allowances trading.
19.	EUR	Euro - a common European currency introduced in some EU member states.
20.	WSE (GPW)	Warsaw Stock Exchange (WSE) (Giełda Papierów Wartościowych w Warszawie S.A. (Joint Stock Company)) with its registered office in Warsaw.
21.	TAURON Capital Group	TAURON Capital Group Polska Energia S.A. (Joint Stock Company).
22.	GZE	Górnośląski Zakład Elektroenergetyczny S.A. (Joint Stock Company) with its registered office in Gliwice.
23.	ICE (ICE exchange)	InterContinental Exchange – the commodity and financial exchange, where, among others, the contracts for oil, coal, natural gas and the CO2 emission allowances are traded.

24.	IRGiT (Warsaw Commodity Exchange Clearing House)	Izba Rozliczeniowa Giełd Towarowych S.A. (Warsaw Commodity Exchange Clearing House) with its registered office in Warsaw.
25.	Ksh	*Act of September 15, 2000, Code of Commercial Companies.*
26.	Kopalnia Wapienia Czatkowice	Kopalnia Wapienia Czatkowice sp. z o.o. (Ltd.) with its registered office in Krzeszowice (Czatkowice Limestone Mine).
27.	Mg	Megagram - million gram (1,000,000 g), i.e. ton.
28.	IFRS	International Financial Reporting Standards.
29.	NBP	National Bank of Poland (Narodowy Bank Polski) with its registered office in Warsaw.
30.	RES	Renewable Energy Sources (Odnawialne Źródła Energii - OZE).
31.	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.
32.	PEPKH	Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. (Ltd.) with its registered office in Warsaw.
33.	PGE	PGE Polska Grupa Energetyczna S.A. (Joint Stock Company) with its registered office in Warsaw.
34.	GDP	Gross Domestic Product (Produkt Krajowy Brutto).
35.	PLN	Polish zloty currency symbol – zł (PLN).
36.	PMEF	Property rights related to the energy efficiency certificates.
37.	PMOZE	Property rights related to the certificates of origin confirming generation of electricity in RES before March 1, 2009.
38.	PMOZE_A	Property rights related to the certificates of origin confirming generation of electricity in RES after March 1, 2009.
39.	PMOZE-BIO	Property rights related to the certificates of origin confirming generation of electricity from agricultural biogas from July 1, 2016.
40.	PSE (TSO)	Polskie Sieci Elektroenergetyczne S.A. (Joint Stock Company) with its registered office in Konstancin-Jeziorna.
41.	Balancing Market	Balancing Market (Rynek Bilansujący) - technical market on which the demand for and supply of electricity in the National Power System (KSE) is balanced.
42.	RDB (Intraday Market)	Intraday Market - a market operating on the PPX (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.
43.	RDN (Day Ahead Market)	Day Ahead Market - a market operating on the PPX (TGE), where trading is carried out one and two days ahead of the delivery.
44.	RDNg (Day Ahead Gas Market)	Day Ahead Gas Market - a market operating on the PPX (TGE), where trading is carried out every day and is conducted in the continuous trading system.
45.	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 and Wholesale Trading, as well as, additionally, Other Operations.
46.	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.
47.	Company	TAURON Polska Energia S.A. (Joint Stock Company) with its registered office in Katowice.
48.	Company's Articles of Association	Document entitled Articles of Association of TAURON Polska Energia S.A. (Joint Stock Company).
49.	Strategy	Document under the title TAURON Group's Strategy for the years 2025 - 2035 New Energy, adopted on December 17, 2024.
50.	TAMEH HOLDING	TAMEH HOLDING sp. z o.o. (Ltd.) with its registered office in Dąbrowa Górnicza.
51.	TAURON	TAURON Polska Energia S.A. (Joint Stock Company) with its registered office in Katowice.
52.	TAURON Ciepło	TAURON Ciepło sp. z o.o. (Ltd.) with its registered office in Katowice.
53.	TAURON Czech Energy	TAURON Czech Energy s.r.o. with its registered office in Ostrava (Czech Republic).
54.	TAURON Dystrybucja	TAURON Dystrybucja S.A. (Joint Stock Company) with its registered office in Cracow.
55.	TAURON Ekoenergia	TAURON Ekoenergia sp. z o.o. (Ltd.) with its registered office in Jelenia Góra.
56.	TAURON Nowe Technologie	TAURON Nowe Technologie S.A. (Joint Stock Company) with its registered office in Wrocław.
57.	TAURON Obsługa Klienta	TAURON Obsługa Klienta sp. z o.o. (Ltd.) with its registered office in Wrocław.
58.	TAURON Serwis	TAURON Serwis sp. z o.o. (Ltd.) with its registered office in Katowice.

59.	TAURON Sprzedaż	TAURON Sprzedaż sp. z o.o. (Ltd.) with its registered office in Cracow.
60.	TAURON Sprzedaż GZE	TAURON Sprzedaż GZE sp. z o.o. (Ltd.) with its registered office in Gliwice.
61.	TAURON Wytwarzanie	TAURON Wytwarzanie S.A. (Joint Stock Company) with its registered office in Jaworzno.
62.	TAURON Zielona Energia	TAURON Zielona Energia sp. z o.o. (Ltd.) with its registered office in Katowice.
63.	PPX	Towarowa Giełda Energii S.A. (Joint Stock Company) (Polish Power Exchange – PPX) with its registered office in Warsaw.
64.	TGEozebio	Property rights that confirm the production of electricity from renewable energy sources using agricultural biogas.
65.	EU	European Union (Unia Europejska - UE).
66.	UOKiK	Office of Competition and Consumer Protection (Urząd Ochrony Konkurencji i Konsumentów – UOKiK).
67.	ERO	Energy Regulatory Office (Urząd Regulacji Energetyki - URE).
68.	USA	United States of America.
69.	USD	United States Dollar - US dollar's international acronym.
70.	Usługi Grupa TAURON	Usługi Grupa TAURON sp. z o.o. (Ltd.) with its registered office in Tarnów.
71.	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.
72.	WIND T2	WIND T2 sp. z o.o. (Ltd.) with its registered office in Pieńków.
73.	WIND T30MW	WIND T30MW sp. z o.o. (Ltd.) with its registered office in Pieńków.
74.	WIND T4	WIND T4 sp. z o.o. (Ltd.) with its registered office in Katowice.
75.	WINDPOWER Gamów	WINDPOWER Gamów sp. z o.o. (Ltd.) with its registered office in Katowice.
76.	GM	General Meeting (GM) / Shareholders' (Partners') Meeting (Walne Zgromadzenie – WZ / Zgromadzenie Wspólników - ZW).