# TAURON Group's Q1 2025 Financial Results

May 22, 2025

# Presentation Agenda

**Krzysztof Surma**
Vice President of the Management Board For Finance (CFO)

- Financial results
- Debt and financing

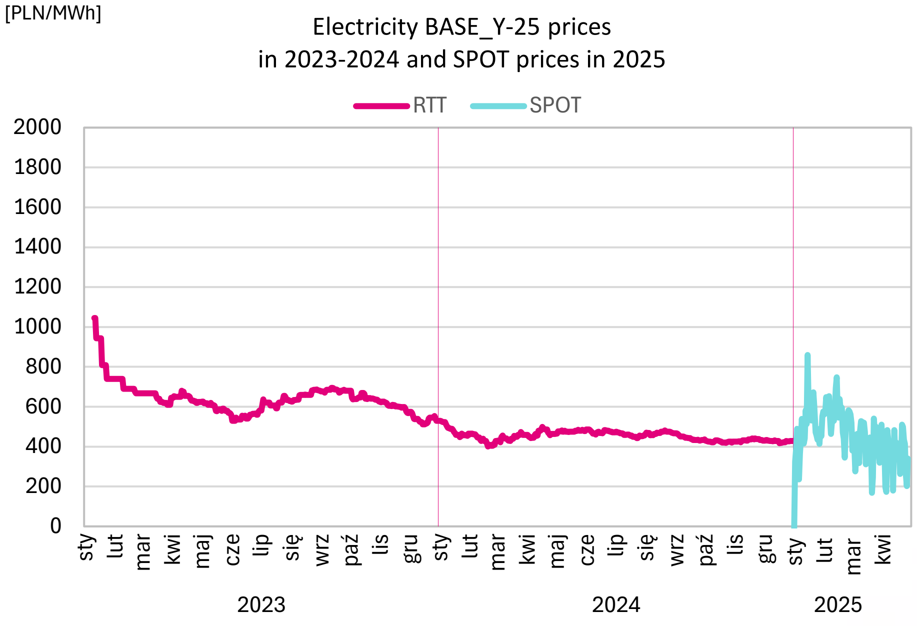
**Piotr Gołębiowski**
Vice President of the Management Board For Trading

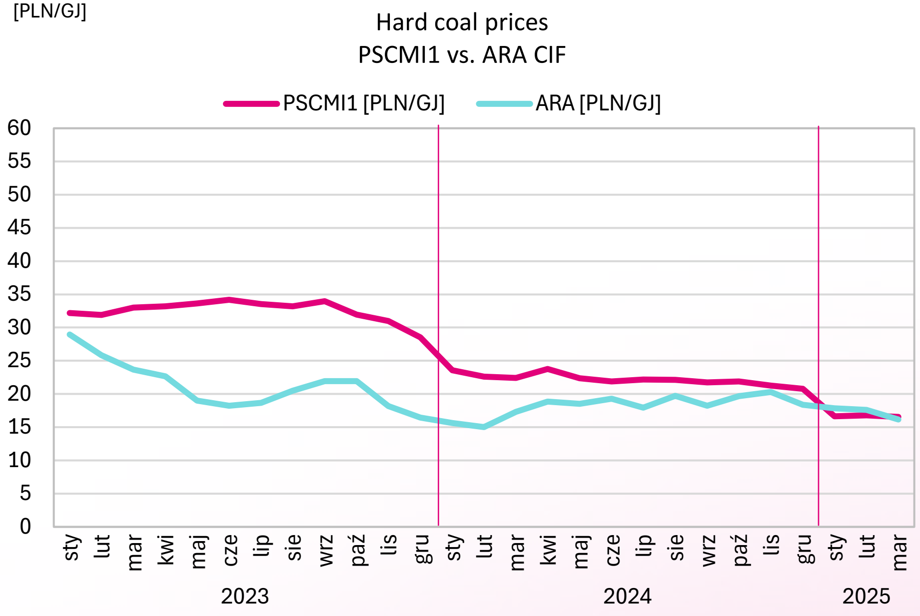
- Situation on the energy and fuel market
- Investment projects and CAPEX

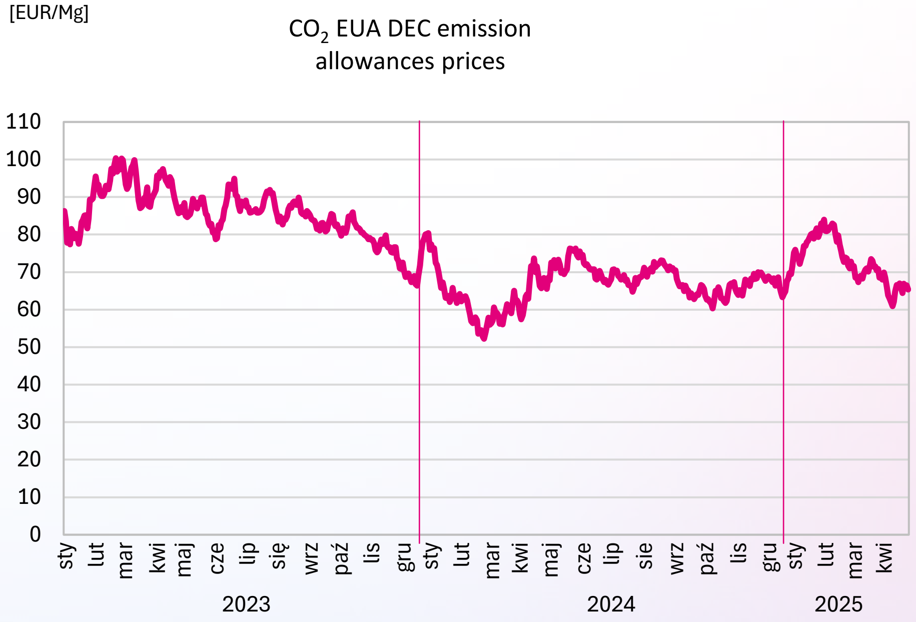
**Mateusz Lewandowski**
Executive Director for Investments

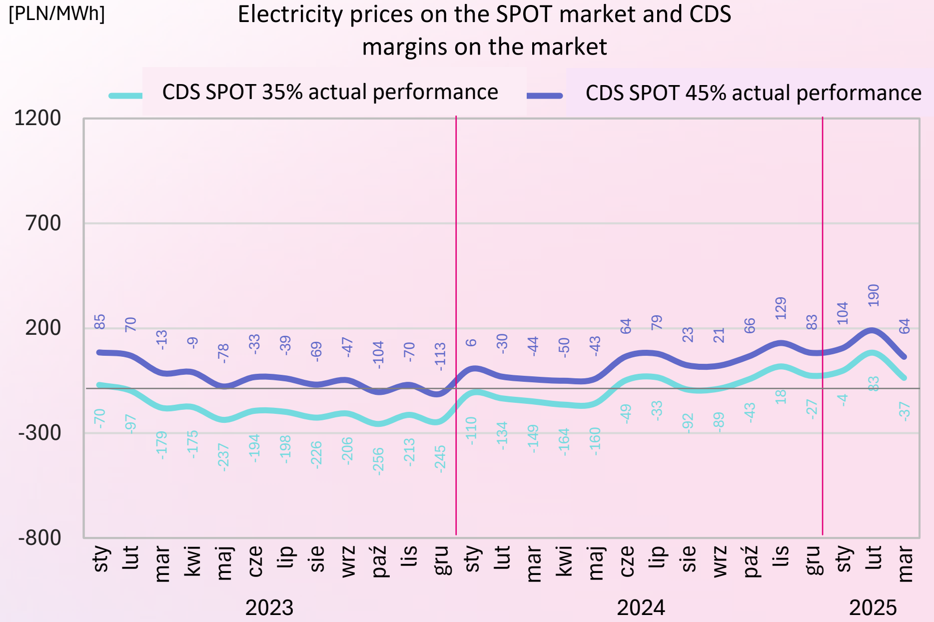
- Development of RES

# Situation on the energy and fuel market in Q1 2025



# Key Q1 2025 data

## Financial results

| Revenue* | EBITDA | Net profit | CAPEX (expenditures) | Net Debt / EBITDA |
|---|---|---|---|---|
| 9 632 PLN m | 2 331 PLN m | 1 131 PLN m | 1 072 PLN m | 1.6x |
| -0.3% vs Q1 2024 | +24% vs Q1 2024 | +40% vs Q1 2024 | +27% vs Q1 2024 | -0,6x vs 31.03.2024 |

## Δ vs consensus

**EBITDA**

**PLN +343 million**

+17% vs consensus**

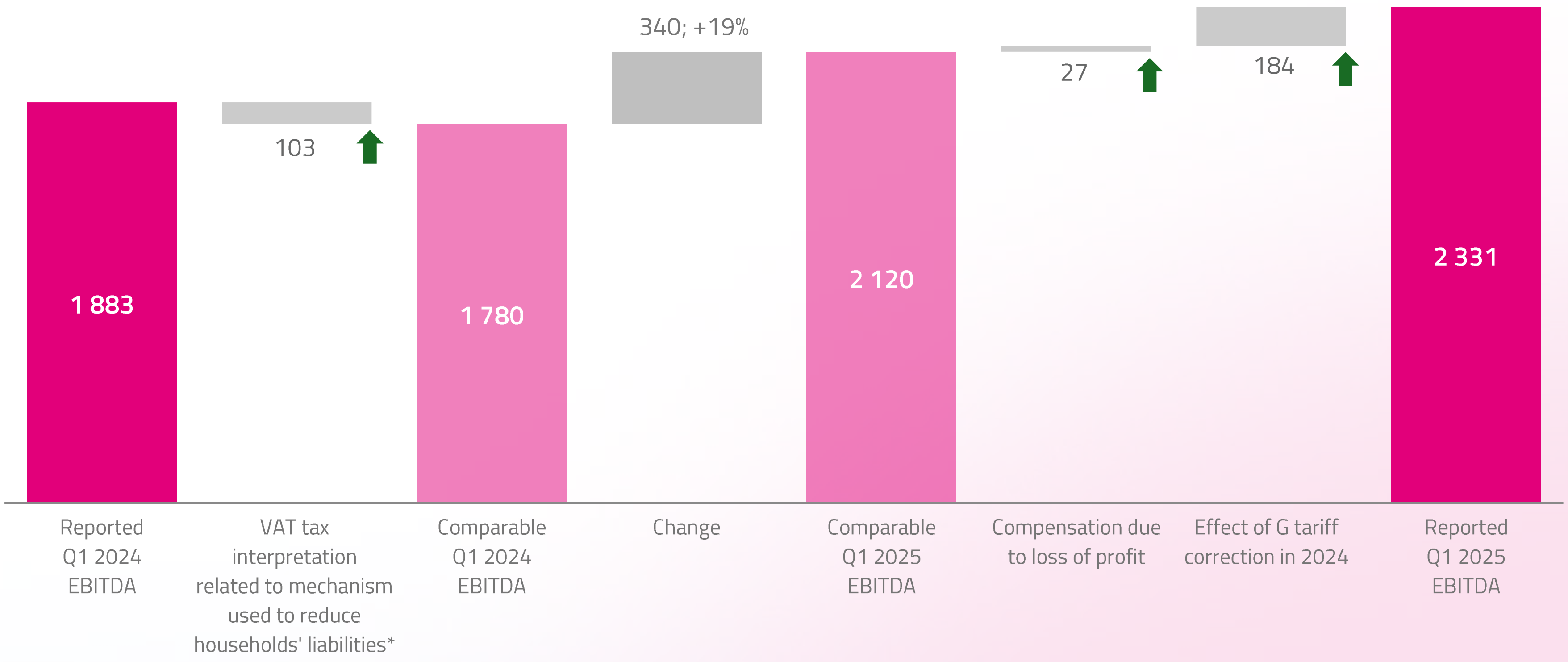
** sales revenue and compensation payments*
*** Bloomberg consensus*

## Operating data

| Electricity distribution [TWh] | RES electricity production [TWh] | Non-renewable sources electricity production [TWh] | Heat generation [PJ] | Electricity supply to final consumers [TWh] |
|---|---|---|---|---|
| 13.7 | 0.5 | 3.0 | 4.7 | 7.0 |
| +1% vs Q1 2024 | -12% vs Q1 2024 | +13% vs Q1 2024 | +8% vs Q1 2024 | -5% vs Q1 2024 |

# Comparable Q1 2025 EBITDA

Comparable EBITDA [PLN m]

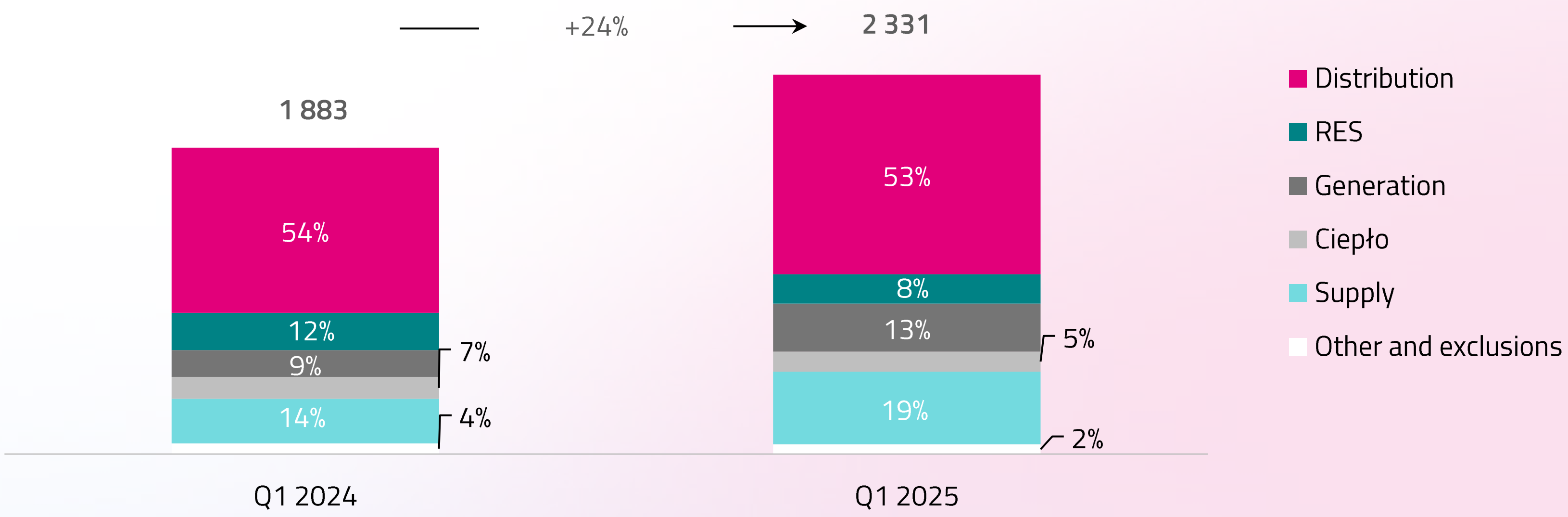



*Partial release of the provision, established as of 30.09.2023, in connection with the introduction of the mechanism for reducing the amount of household liabilities towards electricity trading companies by the amount of PLN 125.34, resulting from the receipt by TAURON Group's trading subsidiaries of interpretations of the individual tax laws. In accordance with the interpretations received, the aforementioned amount is a gross amount, and therefore includes the amount of VAT, which translates into the right to reduce the VAT due and consequently reduce the Group's costs in 2024

# Individual segments' Q1 2025 results

| [PLN m] | Distribution | RES | Generation | Heat | Supply | Other and exclusions** |
|---|---|---|---|---|---|---|
| Revenue* | 3 213 | 295 | 2 220 | 841 | 6 948 | -3 885 |
| EBITDA | 1 226 | 180 | 295 | 123 | 448 | 59 |
| EBIT | 859 | 122 | 242 | 90 | 447 | -2 |

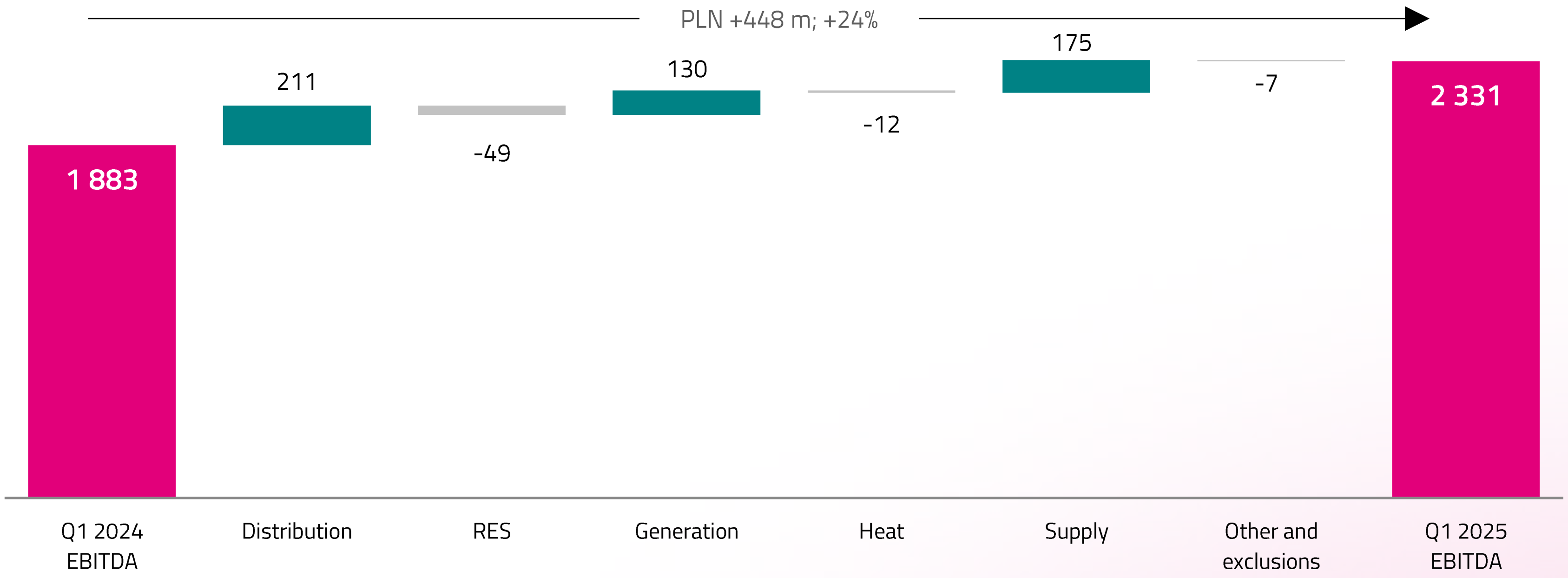
## Individual segments' contribution to EBITDA






* *sales revenue and compensation payments*
** *items not included in the segments presented*

## Individual segments' Q1 2025 EBITDA




### Distribution

- \+ 120 higher margin on the distribution service as a consequence of WACC and RAB increases
- \+ 90 positive impact of the settlement of the regulatory account

### Generation

- \+ 70 higher margin on electricity as a result of the higher volume of electricity sold and higher revenue from Balancing capacities
- \+ 27 compensation due to a loss of profit as a result of unit outages
- \+ 11 higher margin on heat as a result of the decline of the generation costs

### Supply

- \+ 264 higher margin on electricity supply mainly due to lower electricity purchase prices
- − 103 VAT obtained tax interpretation regarding VAT in 2024

### RES

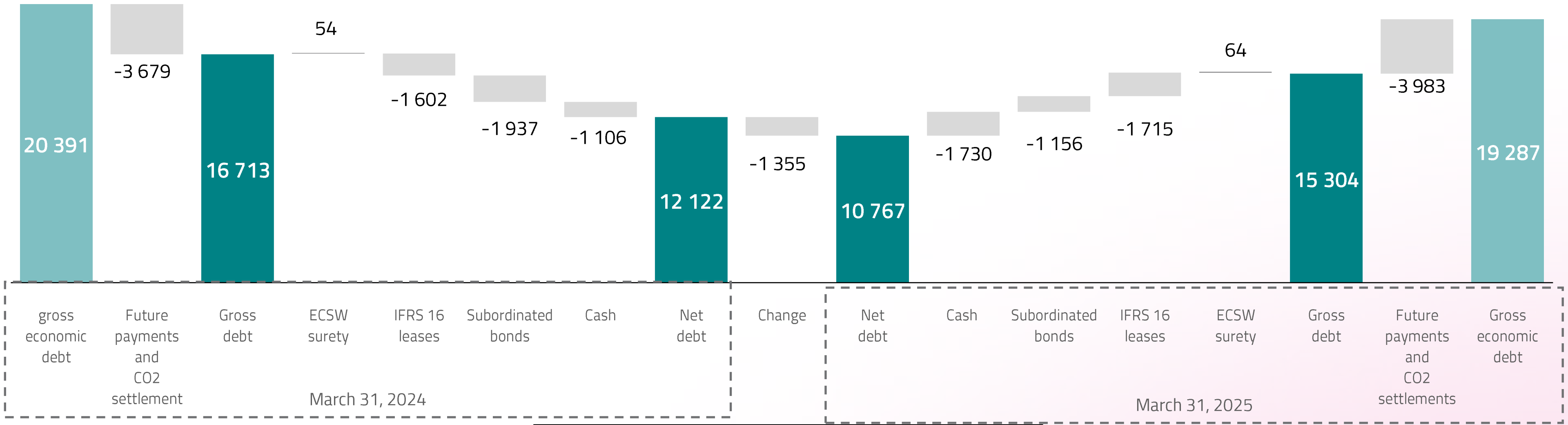
- − 28 decline of electricity sales volume as a result of weaker meteorological conditions
- − 19 drop of margin on electricity supply mainly due to a decline of the market prices

### Heat

- \+ 21 higher margin on heat as a result of the higher volume of the transmitted heat
- − 18 lower margin on electricity as a result of the market prices decline
- − 7 lower result of TAMEH

# Debt and financing

## Debt structure [PLN m]

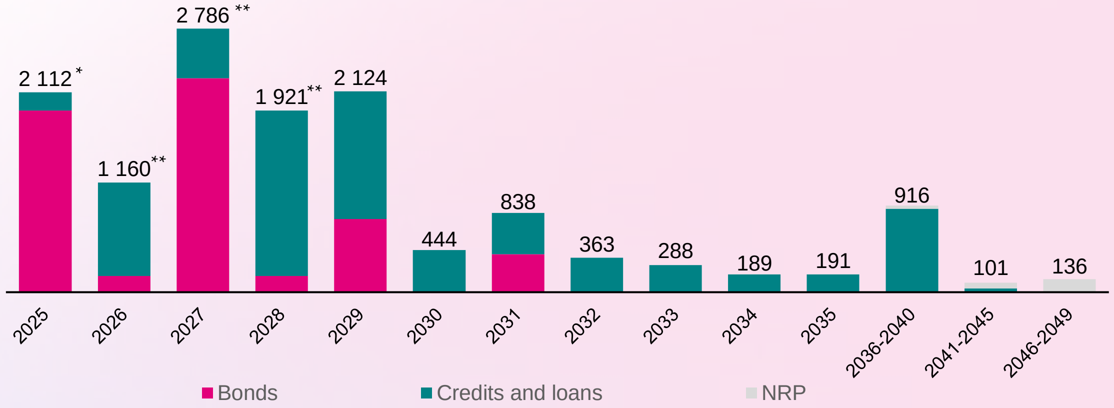



Net debt to EBITDA ratio as of March 31, 2025 = 1.6x

## Financing available as of March 31, 2025

**PLN 4.8 bn**

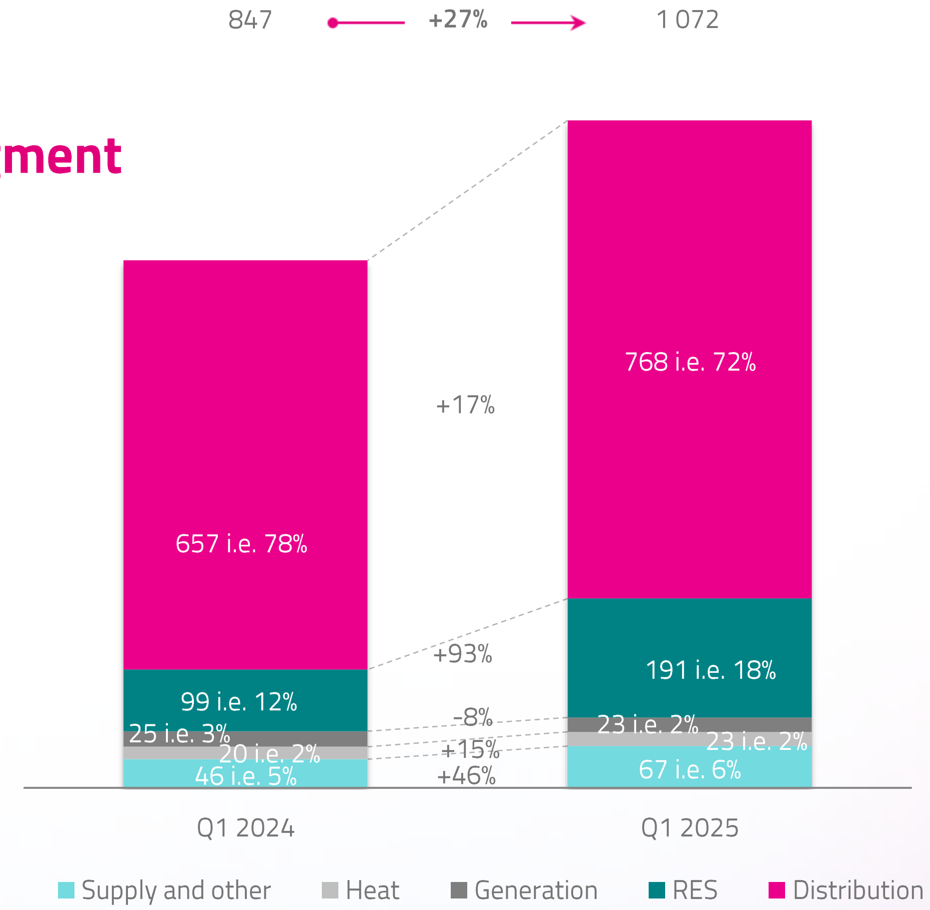
## Nominal debt maturity as of March 31, 2025 [PLN m]




* including planned redemption of subordinated bonds worth PLN 750 million after the non-call period has elapsed

** taking into account the maximum maturity of the funds mobilized under the revolving bank loans

## CAPEX – per segment




### Key investment projects implemented in Q1 2025*

**Distribution:**

- Installing new grid connections **(PLN 384 m)**
- Grid assets refurbishments and replacements **(PLN 290 m)**
- AMIPlus **(PLN 60 m)**
- Dispatcher Communications System **(PLN 18 m)**

**RES:**

- Construction of 3 wind farms with a total capacity of **234.2 MW (PLN 110 m)**
- Construction of 2 photovoltaic farms with a total capacity of **144 MW (PLN 61 m)**
- Refurbishment of hydro power plants **(PLN 5 m)**

**Generation:**

- Replacement and refurbishment, overhaul components, 910MW unit **(PLN 22 million)**

**Heat:**

- Heat segment's decarbonization projects **(PLN 14 m)**

**Supply and other:**

- IT investments at TAURON Obsługa Klienta **(PLN 20 m)**
- Lighting maintenance and expansion **(PLN 15 m)**

**Investment outlays do not include financial costs added to the capex and the consolidation adjustments*

# RES projects under way (as of 31.03.2025)

| Wind farms | Capacity ($MW_e$) | Work progress | Planned completion date |
|---|---|---|---|
| FW Nowa Brzeźnica | 19,6 | 86% | Q2 2025 |
| FW Sieradz | 23,8 | 55% | Q4 2025 |
| FW Miejska Górka | 190,8 | 19% | Q2 2027 |
| | **234,2** | | |

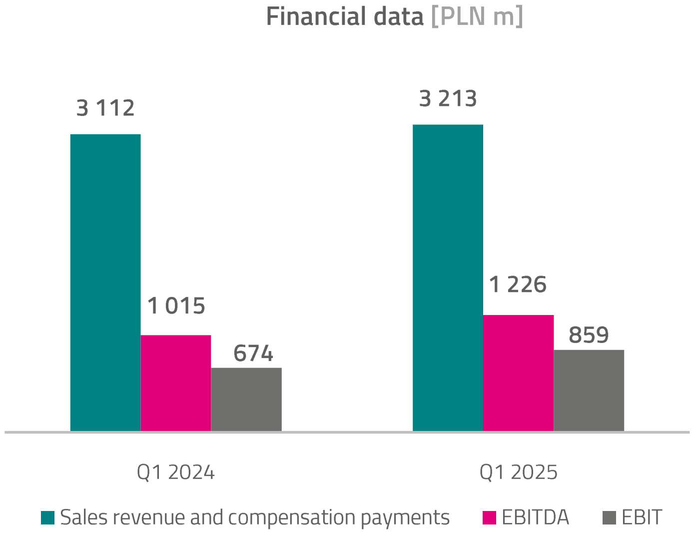
| Photovoltaic farms | Capacity ($MW_e$) | Work progress | Planned completion date |
|---|---|---|---|
| PV Bałków | 54 | 65% | Q4 2025 |
| PV Postomino | 90 | 90% | Q4 2025 |
| | **144** | | |

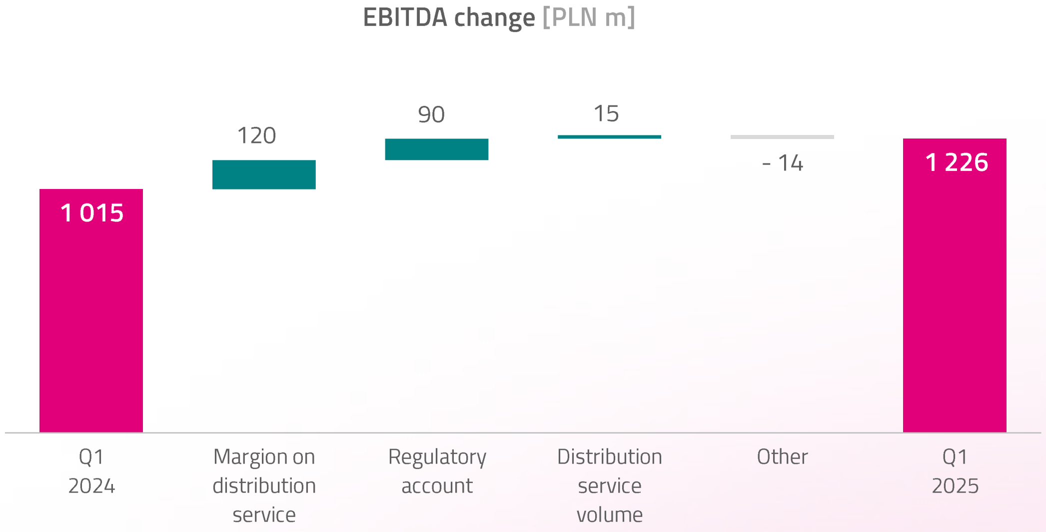
**378 MW in total**

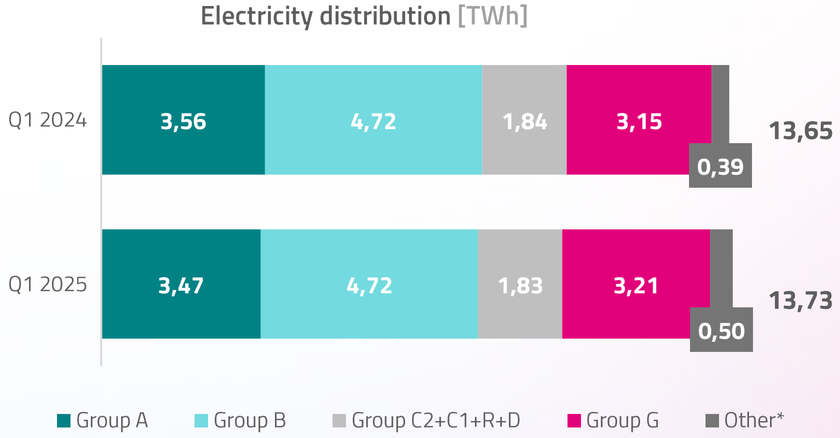
Thank you
for your attention

# Additional information

# Distribution Segment Q1 2025



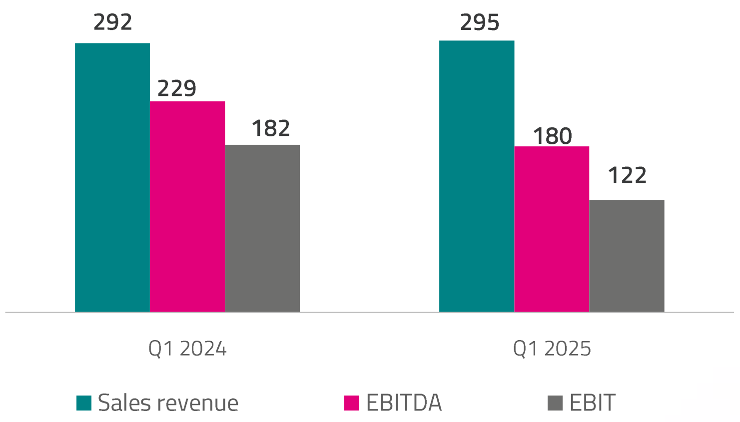

* Neighboring DSO and exports

- Higher margin on the distribution service √
- Positive impact of the regulatory account √

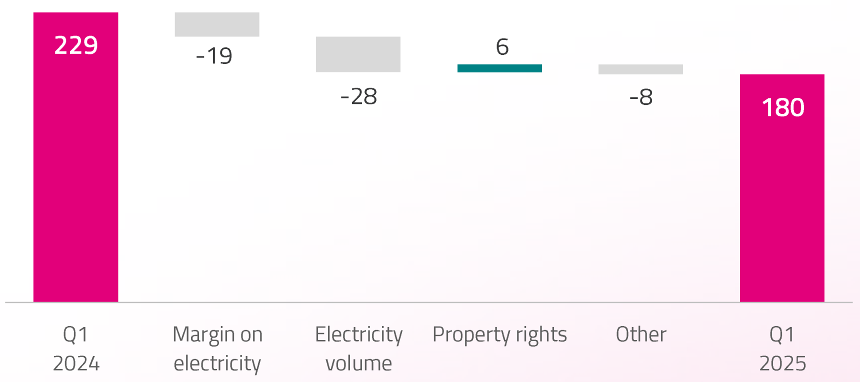
Revenue: ⬆ 3%
EBITDA: ⬆ 21%
EBIT: ⬆ 27%

# RES Segment
# Q1 2025

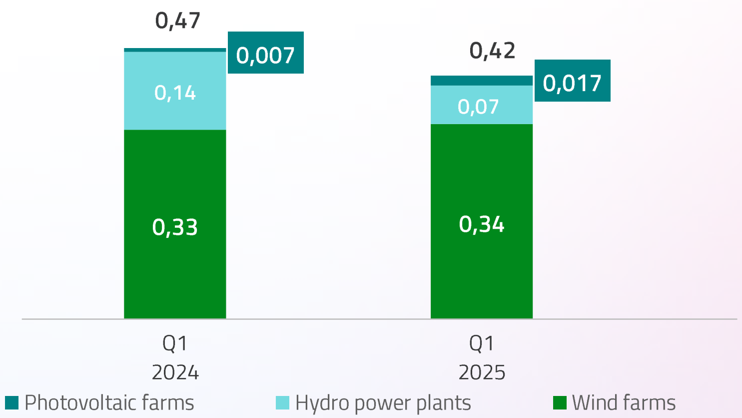
Financial data [PLN m]




EBITDA change [PLN m]




Electricity production [TWh]

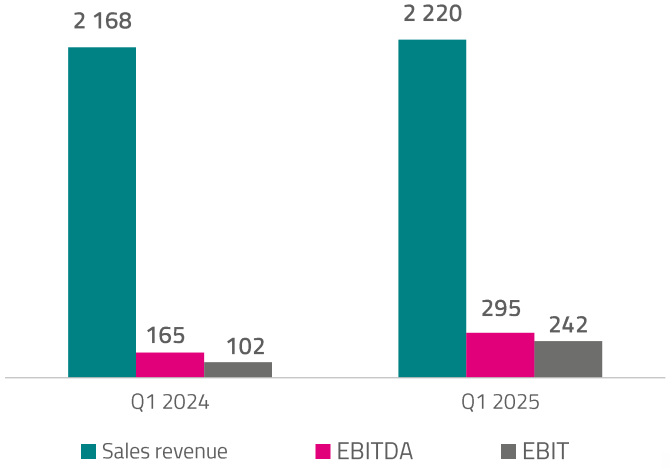



- Decline of the electricity prices on the market –
- Lower volume of production by hydro power plants –
- Higher volume of production by wind farms and photovoltaic farms as a result of commissioning new capacity √

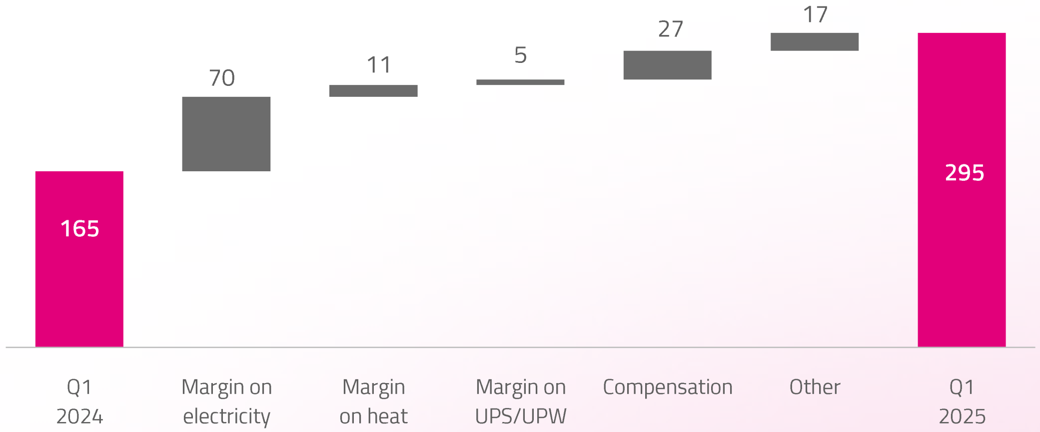
**Revenue:** ⬆ 1%
**EBITDA:** ⬇ 21%
**EBIT:** ⬇ 33%

# Generation Segment
# Q1 2025

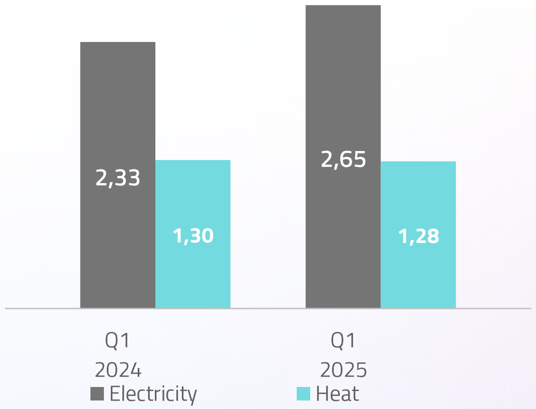
Financial data [PLN m]



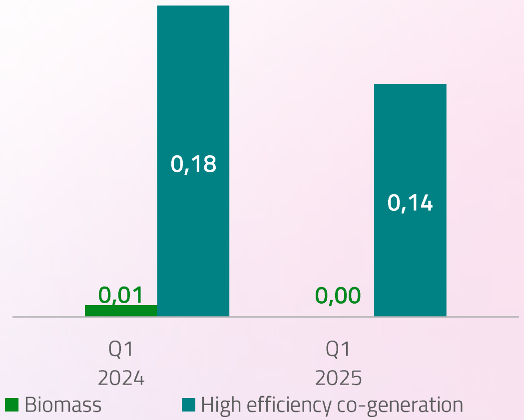

EBITDA change [PLN m]




Gross production of non-renewable electricity [TWh] and heat [PJ]




Biomass-fired and high efficiency cogeneration production [TWh]

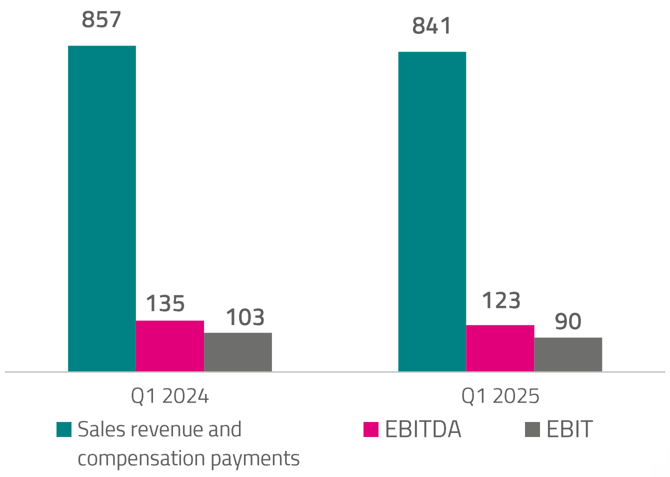



- Higher volume of electricity sold √
- Higher revenue from Balancing Capacities √
- Decline of the CDS margin, due to a deeper decline of the electricity prices on the futures market than that of the unit cost of generation -

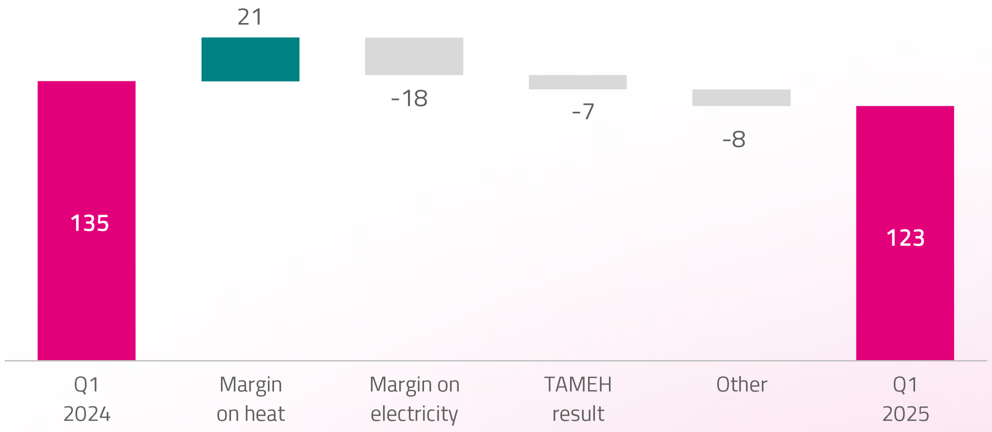
**Revenue:** ⬆ 2%
**EBITDA:** ⬆ 79%
**EBIT:** ⬆ 137%

# Heat Segment Q1 2025

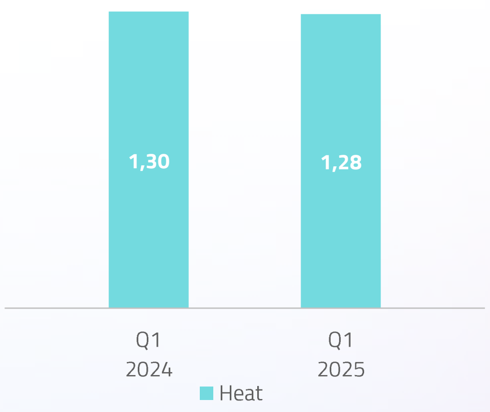
Financial data [PLN m]



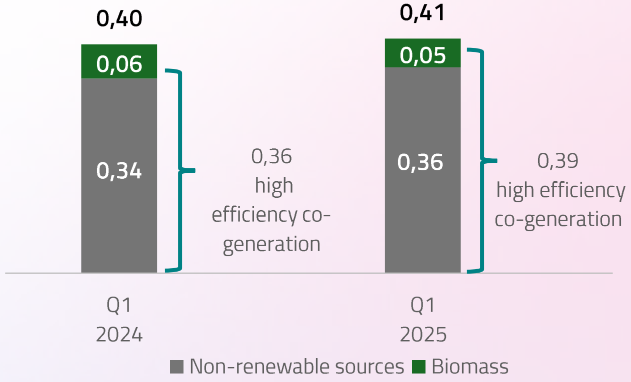

EBITDA change [PLN m]




Heat production [PJ]




Gross electricity production [TWh]

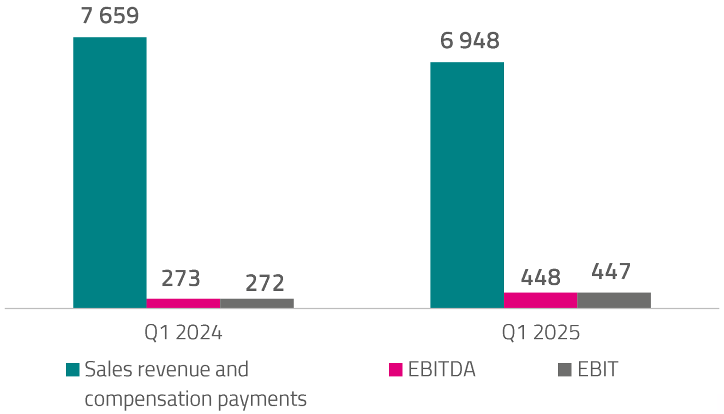



- Higher margin on heat supply √
- Lower margin on electricity -

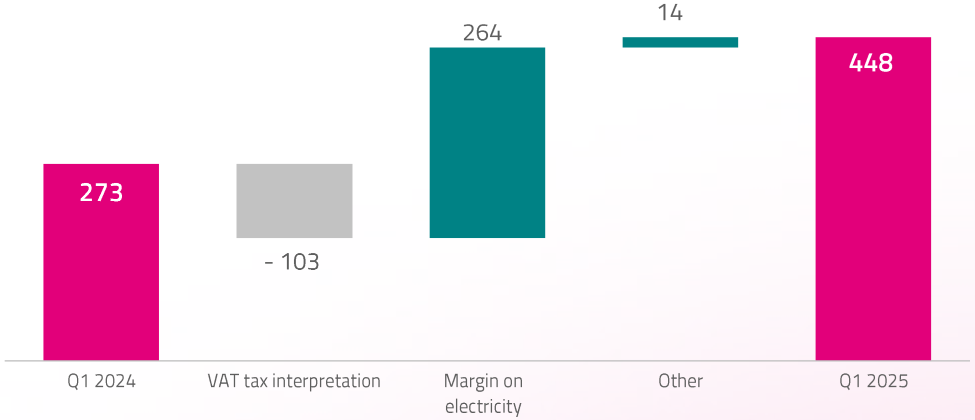
Revenue: ⬇ 2%
EBITDA: ⬇ 9%
EBIT: ⬇ 13%

# Supply Segment
# Q1 2025

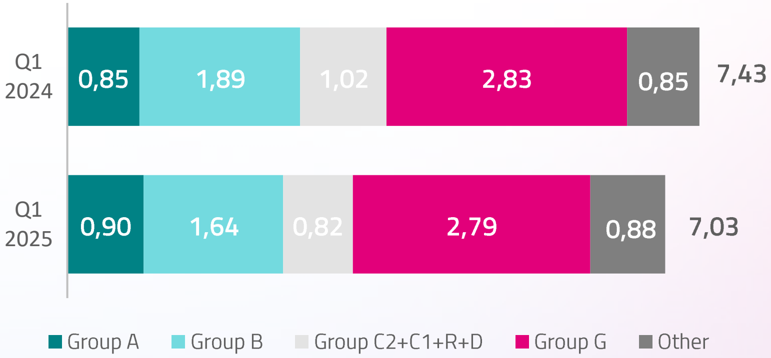
**Financial data** [PLN m]




**EBITDA change** [PLN m]




**Retail electricity supply** [TWh]




- Higher margin on electricity supply √
- Decline of electricity supply volume -

| | | |
|---|---|---|
| **Revenue:** | ↓ | **9%** |
| **EBITDA:** | ↑ | **64%** |
| **EBIT:** | ↑ | **64%** |

# Electricity market price trends

| Platforms: TGE | 2024 | | 2025 (actual + estimates) | | 2025/2024 | |
|---|---|---|---|---|---|---|
| | Price (PLN/MWh) | Volume (GWh) | Price (PLN/MWh) | Volume (GWh) | Price % | Volume % |
| Forward BASE (Y+Q+M) | 581.02 | 68 303 | 465.30 | 73 330 | -19.9% | 7.4% |
| Forward PEAK (Y+Q+M) | 654.61 | 6 078 | 490.07 | 7 255 | -25.1% | 19.4% |
| Forward (weighted average) | 587.04 | 74 381 | 467.53 | 80 585 | -20.4% | 8.3% |
| SPOT (TGE) | 415.42 | 49 094 | 422.39 | 49 740 | 1.7% | 1.3% |
| **Weighted average total** | **518.80** | **123 474** | **450.30** | **130 325** | **-13.2%** | **5.5%** |

Electricity

| Certificate type | Market prices (Q1 2025 weighted average) | Substitution fee and obligation for: | |
|---|---|---|---|
| | | 2024 | 2025 |
| OZE (PMOZE_A) | 26.91 | 197.73 (5.0%) | 60.28 (8.5%) |
| RES from biogas plants (PMOZE_BIO) | 300.46 | 300.03 (0.5%) | 300.03 (0.5%) |

Property rights (PLN/MWh)

| $CO_2$ market analysts survey* | Price [EUR/Mg] |
|---|---|
| 2025 average | 74.89 |
| 2026 average | 91.4 |
| 2027 average. | 109.62 |
| 2025 average price forecast by TAURON | 71-73 |

$CO_2$ emission allowances (EUR/t)

** Sources: Bloomberg, BNP Paribas, LSEG, Morgan Stanley, Rystard, Veyt, TAURON*

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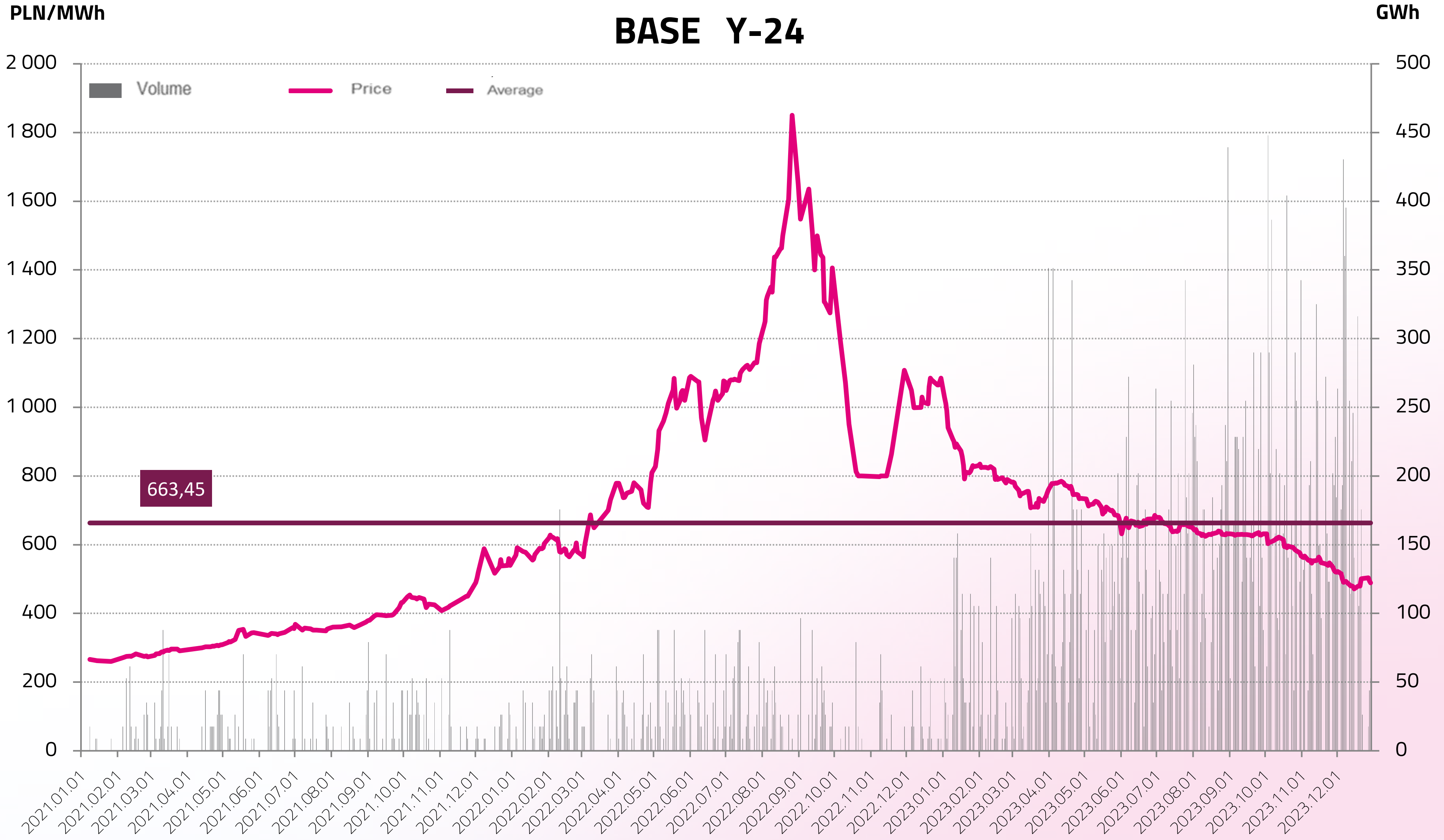
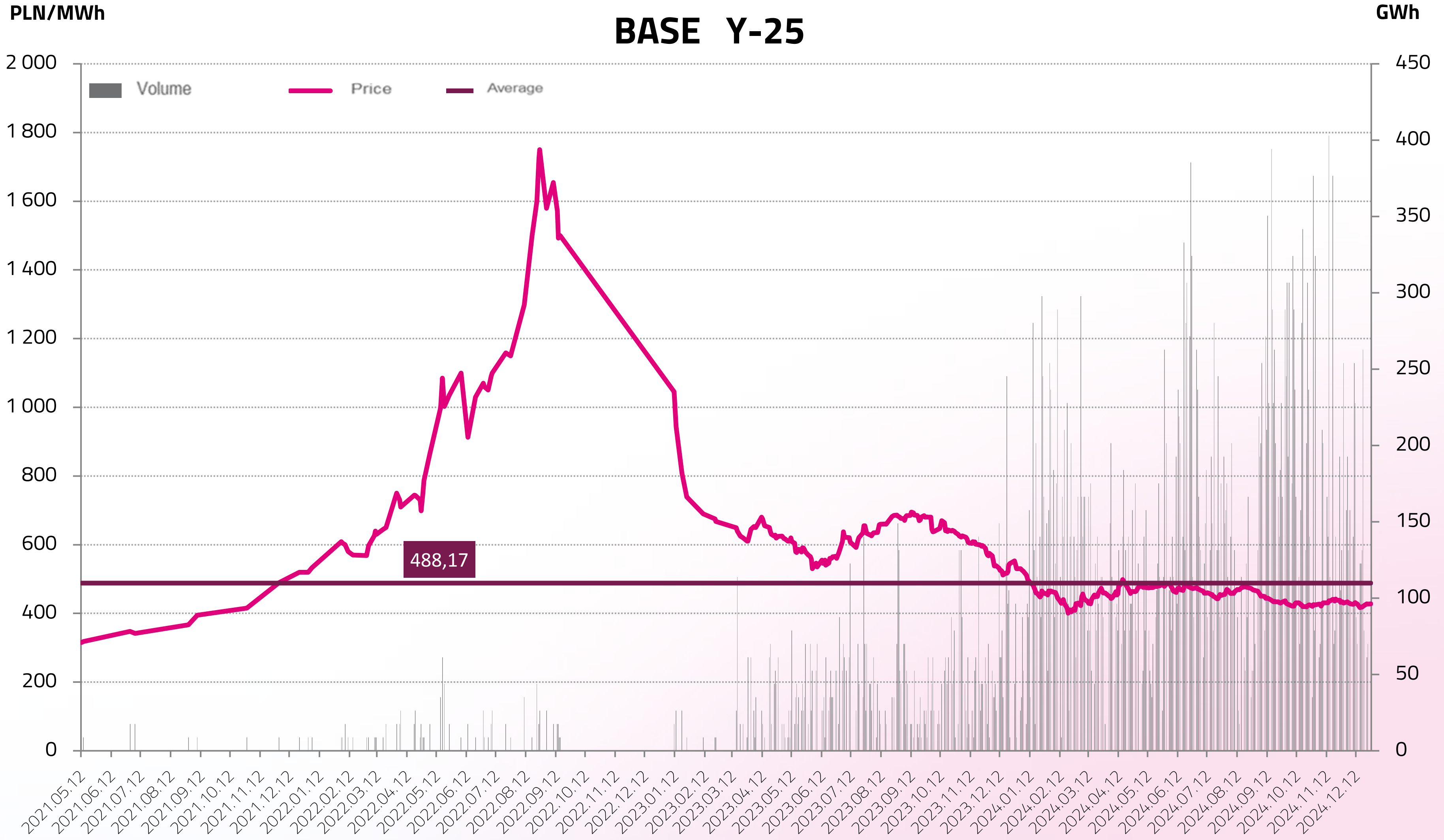
# 2024 BASE contract prices




| | Average price [PLN/MWh] | Volume [GWh] |
|---|---|---|
| Total | 663.45 | 41 847 |

Average electricity price that takes into account 2024 one-year BASE and PEAK contracts: 672.47 PLN/MWh, total 2024 BASE and PEAK contracts volume: 45 524 GWh.

## 2025 BASE contract prices




| | Average price [PLN/MWh] | Volume [GWh] |
|---|---|---|
| Total | 488.17 | 46 323 |

Average electricity price that takes into account 2025 one-year BASE and PEAK contracts: 488.17 PLN/MWh, total 2025 BASE and PEAK contracts volume: 52 012 GWh

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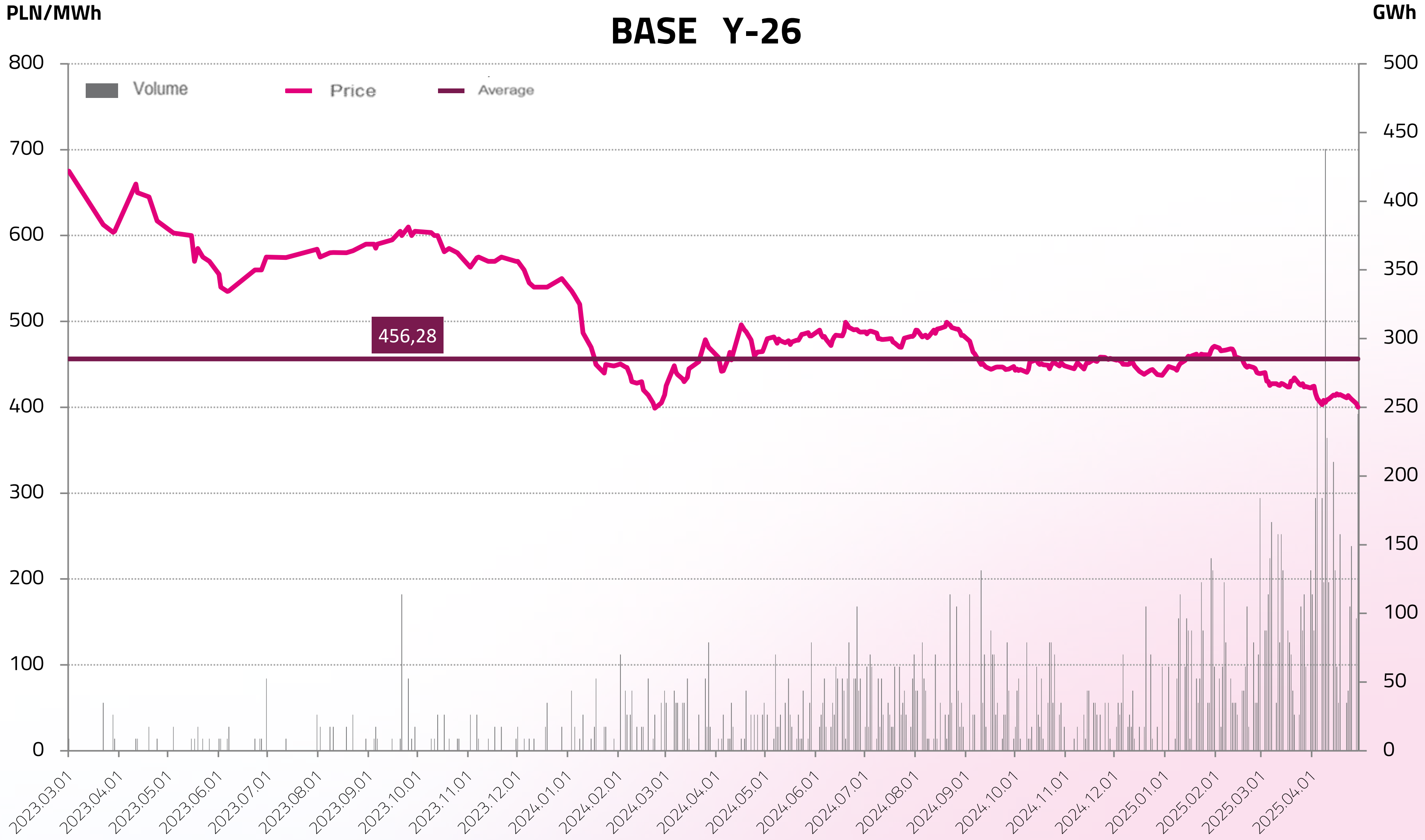
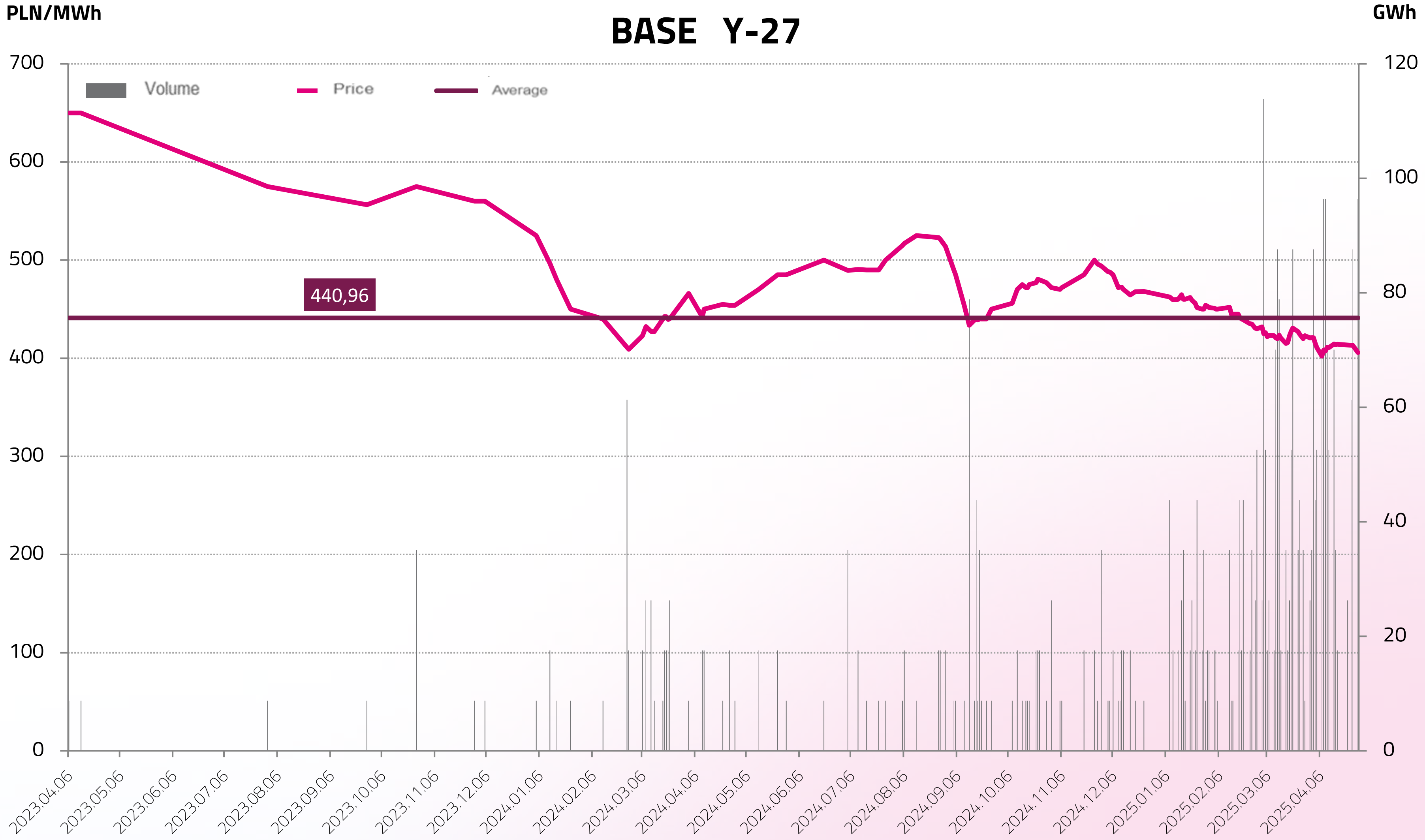
# 2026 BASE contract prices




| | Average price [PLN/MWh] | Volume [GWh] |
|---|---|---|
| Total | 456.28 | 15 812 |

Average electricity price that takes into account 2026 one-year BASE and PEAK contracts: 458.55 PLN/MWh,
total 2026 BASE and PEAK contracts volume: 16 810 GWh
(based on the data up to 30.04.2025

# 2027 BASE contract prices




| | Average price [PLN/MWh] | Volume [GWh] |
|---|---|---|
| Total | 440.96 | 3 854 |

Average electricity price that takes into account 2027 one-year BASE and PEAK contracts: 440.96 PLN/MWh,
total 2027 BASE and PEAK contracts volume: 3 854 GWh
(based on the data up to 30.04.2025, no trading volume of one-year 2027 PEAK contracts)

# Investor Relations Team

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