

# TAURON Group's 2024 Financial Results



April 16, 2025

## Presentation Agenda



**Grzegorz Lot**  
President of the  
Management Board

- 2024 summary



**Krzysztof Surma**  
Vice President of  
the Management Board  
For Finance

- Financial Results
- Debt and financing



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

- Situation on the energy  
and fuel market



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

- Investment projects and CAPEX
- Development of RES



## TAURON Polska Energia share price

**TAURON on  
the equity market**

March 7, 2024:

**PLN 3.06**

December 31, 2024:

**PLN 3.76**

March 31, 2025:

**PLN 4.95**

+62%



## TAURON Polska Energia market capitalization

March 7, 2024:

**PLN 5.36 bn**

December 31, 2024:

**PLN 6.59 bn**

March 31, 2025:

**PLN 8.67 bn**

+62%



**100%** positive recommendations for TAURON shares from the brokerage houses:

- 8 x "buy", 2 x "hold"

## 2024 Summary

- PLN 6.5 billion – a record high EBITDA in 2024
  - 1.7x – net debt / EBITDA
  - Investment grade rating from Fitch – “BBB” with stable outlook
  - PLN 11 billion loan from National Recovery Plan
  - Changed model of balancing difference adjustment
  - New format of presentation of Group’s economic debt
  - Financial and business plan approved in 3rd round
  - Maintaining the status of Tax Capital Group
  - Organizational and personnel changes – TEAM building
  - Modern management model at TAURON Group based on Business Units
  - Open dialogue with the social partners and employees
  - 32.5% share of women in supervisory boards and management boards of TAURON Group companies
  - ESG – first sustainability report adopted
  - Audits and Compliance
- 
- **New Strategy “TAURON NOWA ENERGIA” (TAURON NEW ENERGY)**
  - **New Sponsorship Strategy**
  - **Operational strategies for individual business lines**



## 2024 Summary

### RES

- Largest investment in 2024: Miejska Górka wind farm, 191 MW, 53 turbines
- Energy storage facilities - capacity auctions won by 11 projects with a total power of 277 MW and capacity of 1 130 MWh
- Completed investments in RES with a capacity of 177 MW
- Completed 1st stage of the preparations related to the Pumped Storage Power Plant in Rożnów
- Dams – works started to achieve profitability of hydroelectric power plants and to separate business from responsibility for safety

### Conventional generation

- Two scenarios – with and without carve out of assets
- Capacity market for 200 MW class units
- Optimization of individual units
- Preparation of options for the transition of the individual sites
- Social dialogue
- Retraining and relocations of employees affected by the transition within TAURON Group

### Distribution

- 14% increase of capex on distribution (from PLN 2.8 bn to 3.1 bn)
- 48 thousand new clients connected
- 1.6 million smart meters installed
- Introduction of dynamic tariff
- Flood fighting and asset reconstruction
- Digitization of 100% of applications for connection terms and conditions (medium and low voltage) and statuses of connection proces
- Dialogue with contractors and optimization on purchasing process
- Changed model and organization in distribution

### Heat

- Selected contractor for the gas-fired engines at EC (CHP) Bielsko-Biała
- Commencing the work on a modern cogeneration heating system at the Łagisza Power Plant
- General concept for heat segment decarbonization

## 2024 Summary

- New model of allocation of electricity from own RES to end customers
- Energy purchase offer in PPA model
- Review and optimization of electricity purchase and sale
- Optimization of customer services and settlement processes
- 160 thousand agreements under TAURON Nowa Energia – 100% green energy with fixed price guaranteed for 9 years
- 2.8 million Customers using e-invoice
- 2 million Customers using Mój TAURON app
- 80% of SME customers billed off tariff
- Dynamic tariffs in supply
- Preparation to CSIRE and new model of market

## **43 audits** performed between March 2024 – March 2025 In-house + outsourcing

### Results of audits in TAURON Group

#### Cases reported to prosecutor's office

- sponsorship and CSR: PLN 8.5 million
- donations made: PLN 4.1 million
- grid assets: PLN 1.25 million
- 16 cases involving TAURON Group's former employees
- more cases in the pipeline

#### Results achieved

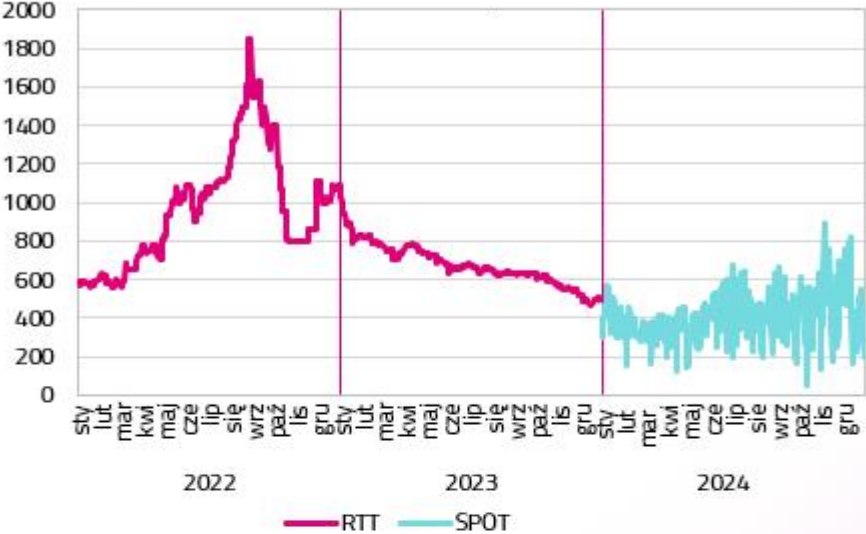
- reducing unjustified risks and increasing the efficiency of the business processes
- development of the risk management process
- ongoing process of raising awareness for the female and male employees

**15 audits in progress**  
**+ execution of Audit Plan 2025**



Situation on the energy and fuel market in 2024

[PLN/MWh] Electricity BASE\_Y-24 prices in 2022-2023 and SPOT prices in 2024



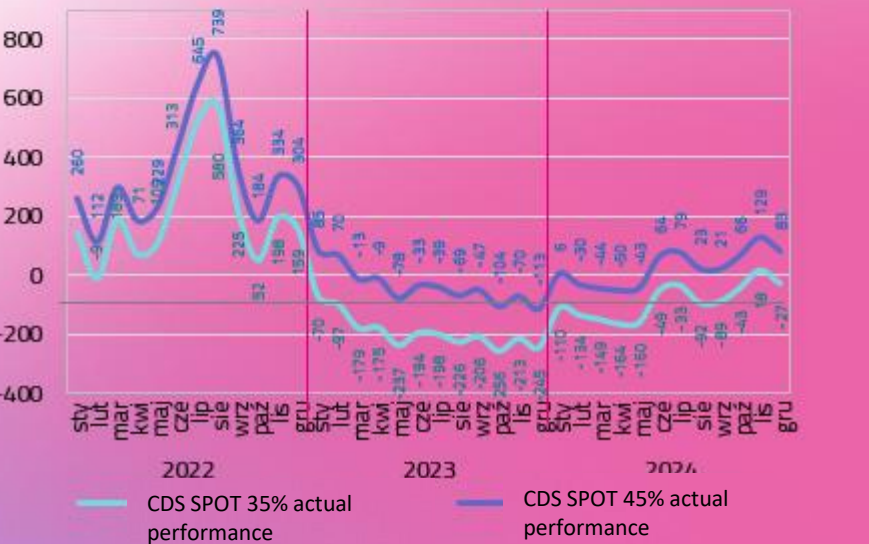
[PLN/GJ] Hard coal prices PSCMI1 vs. ARA CIF



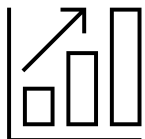
[EUR/Mg] CO<sub>2</sub> EUA DEC emission allowances prices



[PLN/MWh] Electricity prices on the SPOT market and CDS margins on the market

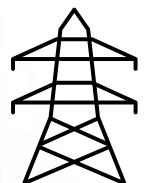






## National Recovery Plan

- Raising PLN 11 billion worth of loans from the National Recovery Plan for the expansion and adaptation of TAURON Dystrybucja's electricity grid
- Fixed interest rate of 0.5% per annum
- Repayment in semi-annual installments in 2034-2049



## Change in the revaluation model

- Change in the method of accounting for sales and purchases of electricity to cover the balancing difference
- Reducing the volatility of TAURON Dystrybucja's financial results in the individual reporting periods
- Retroactive recognition of the model change in the Group's financial results
- No impact on the Group's cash flow related to electricity purchases and sales
- Preparation for the full use of the remote electricity readout meters (actual readouts) in the Distribution Line of Business



## Maintaining the status of the Capital Tax Group (PGK)

- Taking legal actions to abolish retroactively the effects of the merger of TAURON Zielona Energia with 10 limited partnerships
- Cancellation by the Head of the First Mazovian Tax Office of the proceedings relating to the expiration of the decision on the registration of the PGK (Capital Tax Group) agreement



Key 2024 data

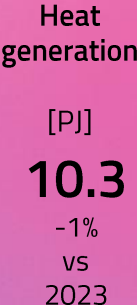
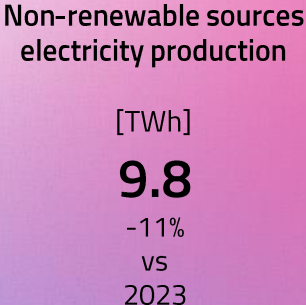
Financial results



Δ vs consensus

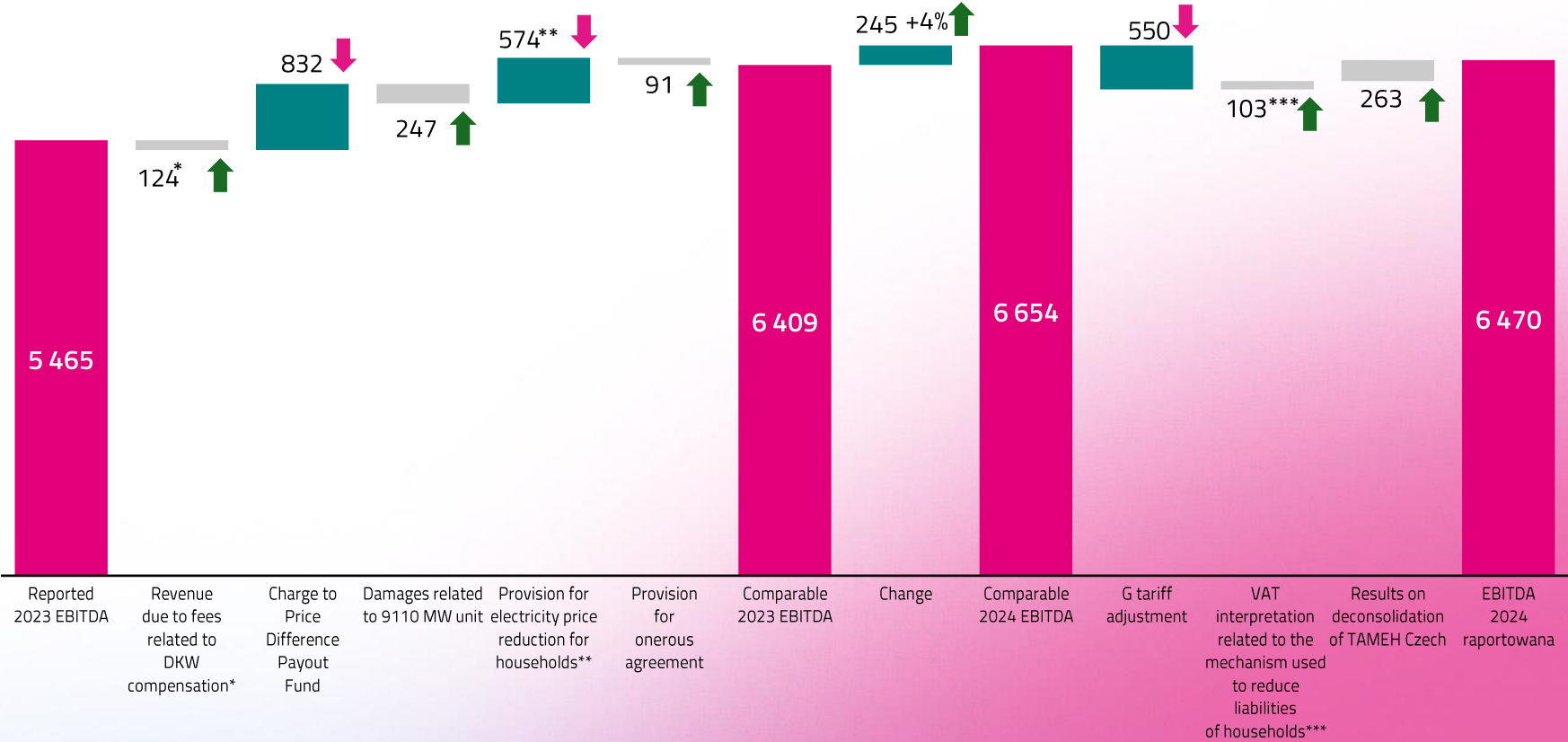


Operating data



Comparable EBITDA [PLN m]

Comparable  
FY 2024 EBITDA



\* DKW – Additional Generation Costs

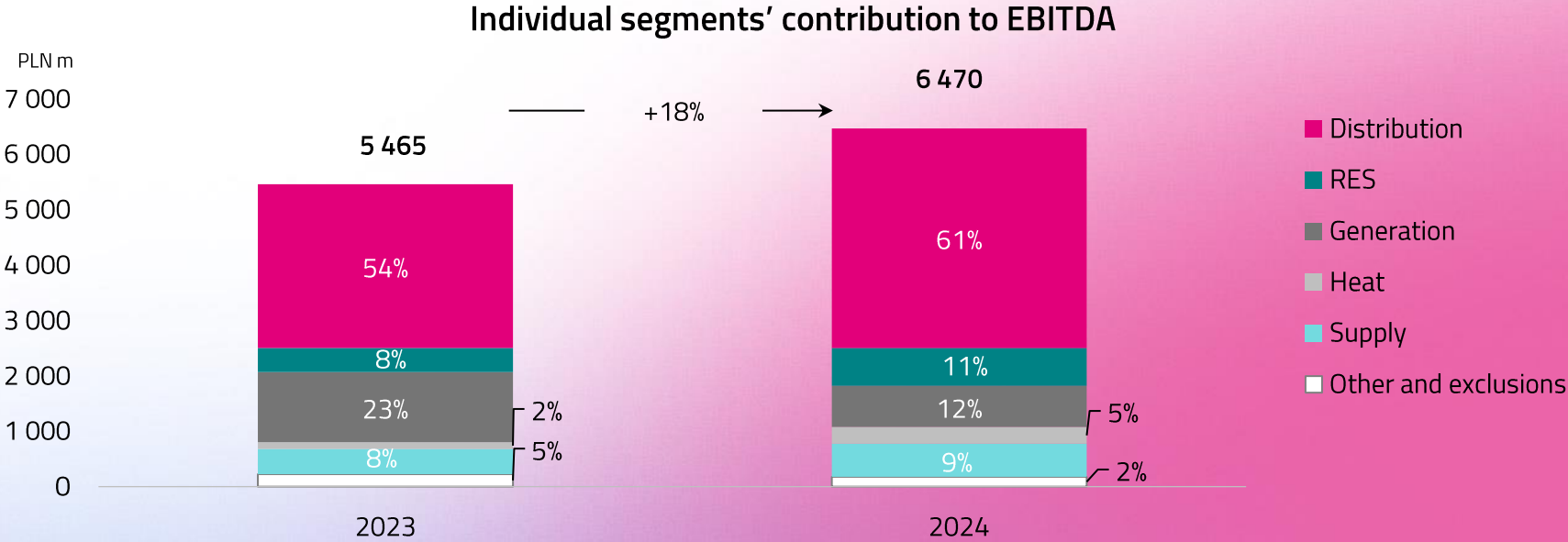
\*\*Provision, set up as of 30.09.2023, and an update as of 31.12.2024, due to the introduction of the mechanism enabling a reduction of the amount of households' accounts payable towards the electricity trading companies by the amount of PLN 125.34

\*\*\*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 afore mentioned 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



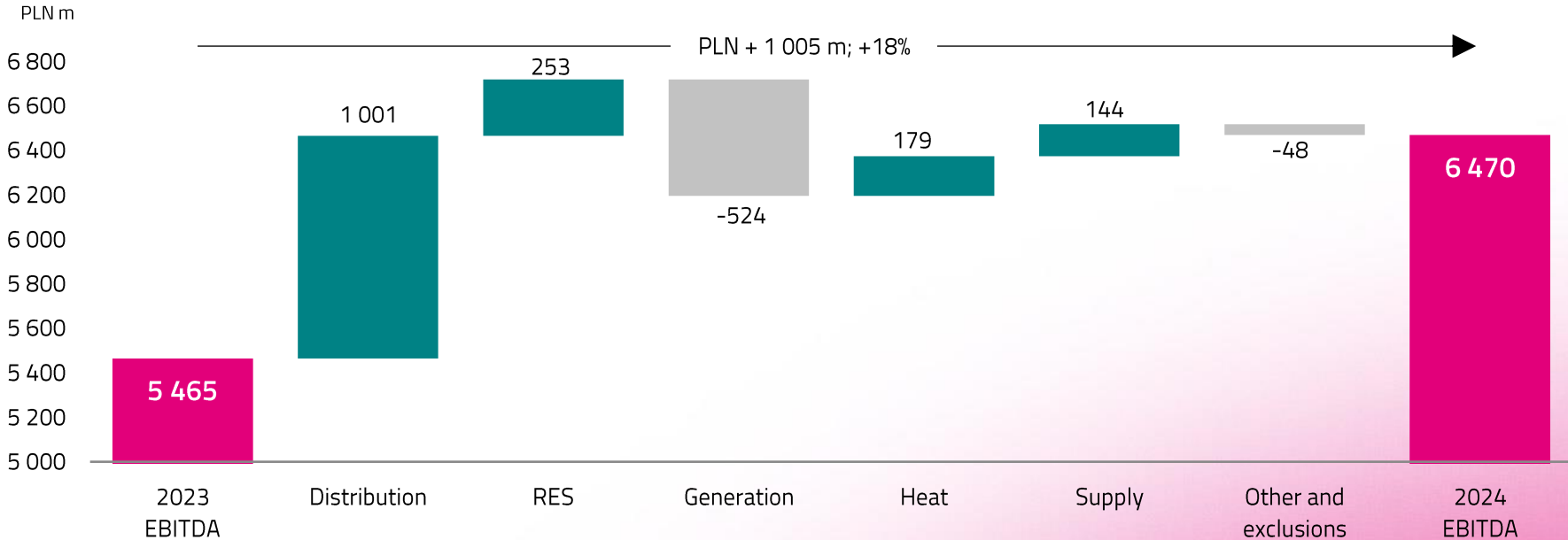
Individual segments'  
FY 2024 results

[PLN m]	Distribution	RES	Generation	Heat	Supply	Other and exclusions**
Revenue*	11 906	987	8 215	2 302	29 513	-17 524
EBITDA	3 963	684	746	302	598	177
EBIT	2 547	497	-1 046	161	547	-55



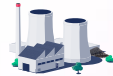


# Individual segments' FY 2024 EBITDA



## Distribution

- + 686 higher margin on the distribution service as a consequence of WACC and RAB increases
- + 173 positive impact of the settlement of the regulatory account
- + 57 increase of the delivery volume



## Generation

- + 48 higher margin on heat as a result of the tariff increase year on year
- = 247 absence in 2024 of the damages related to the 910 MW unit
- = 410 lower margin on electricity as a result of the market prices decline



## Supply

- + 574 setting up, in 2023, of a provision for a reduction of electricity bills for households (base effect)
- + 103 positive tax interpretation with respect to VAT
- = 550 reduction of the G tariff as of July 2024



## RES

- + 287 an increase of the margin on electricity sales following the absence of the maximum price regulation in 2024,
- + 46 increase of the electricity sales volume as a result of commissioning new capacity
- = 66 decline of property rights market sales prices and volumes



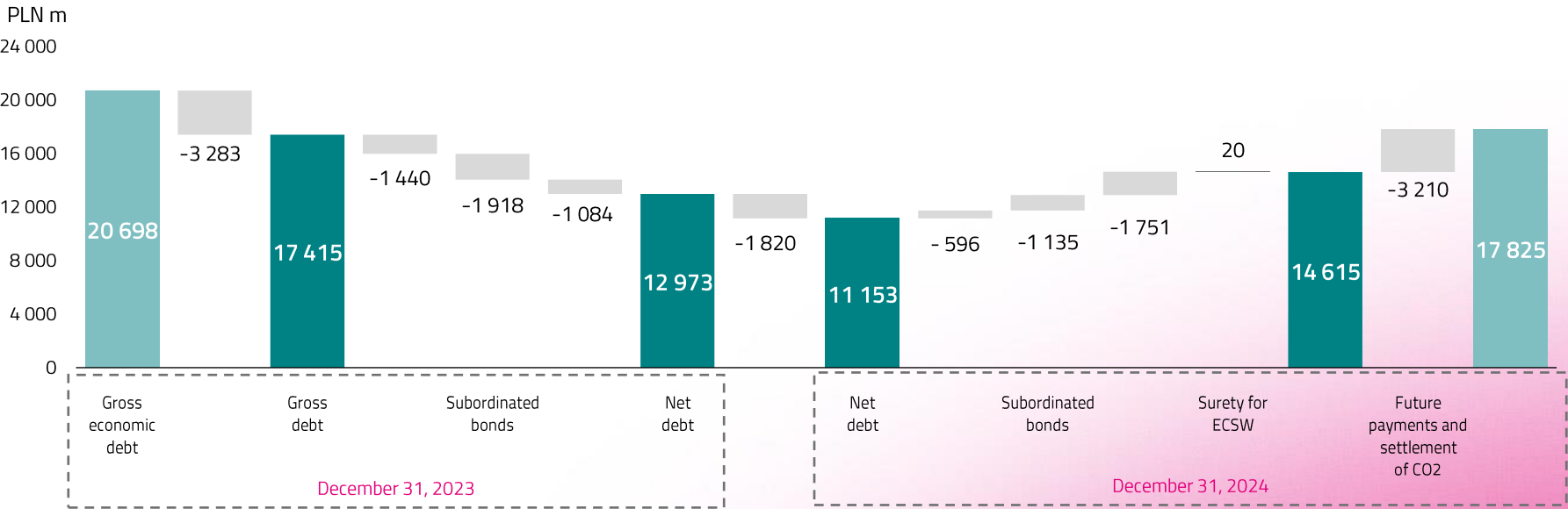
## Heat

- + 263 result on the deconsolidation of TAMEH Czech
- + 95 higher margin on heat as a result of the tariff increase year on year
- = 126 lower margin on electricity as a result of the market prices decline



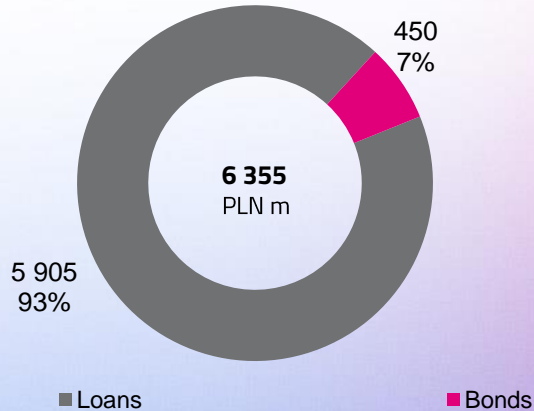
# Debt and financing

## Debt structure

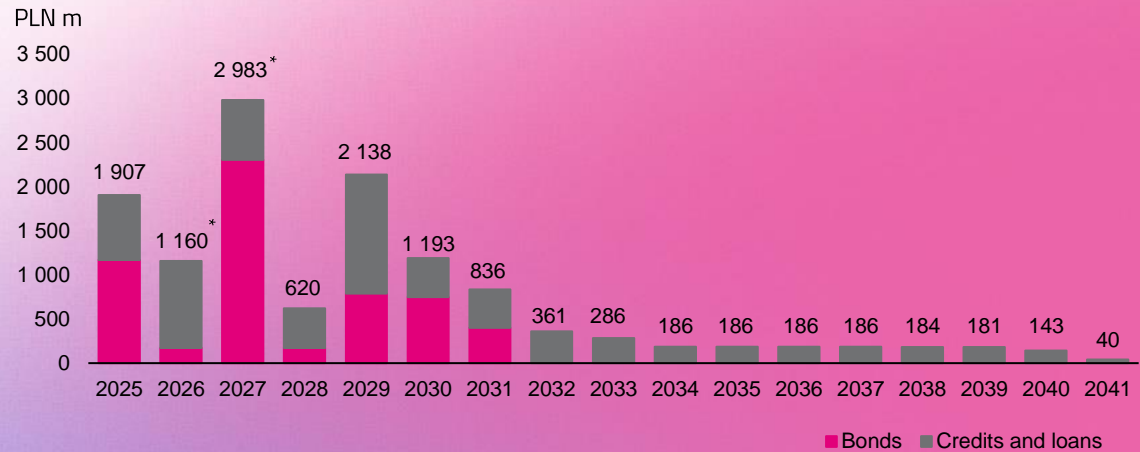


Net debt to EBITDA ratio as of December 31, 2024 = 1.7x

## Financing available as of December 31, 2024



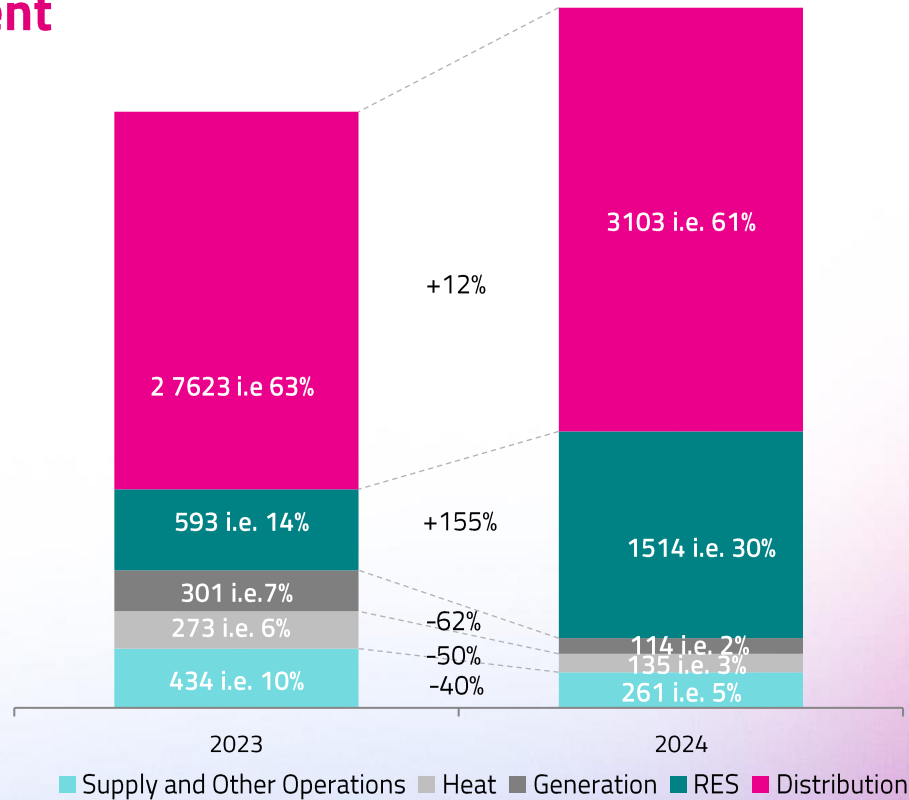
## Nominal debt maturity as of December 31, 2024



\*taking into account the maximum maturity of the funds drawn down under the revolving bank loans

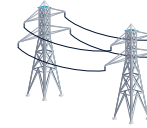
4 364 — +17% —→ 5 127

## CAPEX – per segment



### Key investment projects implemented in 2024\*\*

#### Distribution: PLN 2 972 million



- Installing new grid connections (PLN 1 588 million)
- Grid assets refurbishments and replacements (PLN 1 063 million)
- AMIPlus (PLN 239 million)
- Dispatcher Communications System (PLN 82 million)



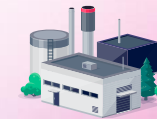
#### RES: PLN 1 451 million -> 554.7 MW

- Construction of 6 wind farms with a total capacity of 355.7 MW (PLN 1 125 m)
- Construction of 3 photovoltaic farms with a total capacity of 199 MW (PLN 284 million)
- Refurbishment of hydro power plants (PLN 42 million)



#### Generation: PLN 105 million

- Replacement and refurbishment, overhaul components, 910MW unit (PLN 105 million)



#### Heat: PLN 126 million

- Maintenance of generation units (PLN 46 million)
- Heat segment decarbonization projects (PLN 26 million)
- Expansion of the heat market (PLN 29 million),
- Maintenance of the district heating networks at TC (PLN 25 million)



#### Supply and other operations: PLN 204 million

- IT investments at TAURON Obsługa Klienta (PLN 136 million)
- Lighting maintenance and expansion (PLN 68 million)



RES projects  
under way  
(as of 31.12.2024)



Wind farms	Capacity (MW <sub>e</sub> )	Work progress	Planned completion date
FW Mierzyn	58.5	100%	Commissioned
FW Warblewo	30	100%	Commissioned
FW Gamów	33	100%	Commissioned
FW Nowa Brzeźnica	19.6	60%	Q2 2025
FW Sieradz	23.8	35%	Q4 2025
FW Miejska Górka	190.8	4%	Q2 2027
	355.7		



Photovoltaic farms	Capacity (MW <sub>e</sub> )	Work progress	Planned completion date
PV Proszówek I i II	55 (45.6 + 9.4)	100%	Commissioned
PV Bałków	54	12%	Q4 2025
PV Postomino	90	60%	Q4 2025
	199		

COMMISSIONED



555 MW in total



## 2025 Outlook



### Distribution



- Rise of the distribution tariff by 3.1 percent in 2025 as a consequence of, among other things, an increase of WACC to 10.84 percent in 2025 and an increase of RAB to PLN 23.6 billion in 2025
  - Positive year on year impact of the balance of the regulatory account
  - Stable year on year revenue from the other distribution services
  - Stable year on year volume of the distributed electricity
- 
- Higher reported EBITDA year on year



### RES



- Decline of the electricity sales prices year on year – the result of the market situation
  - Significant year on year increase in the volume of the production of electricity from RES – the result of commissioning new wind and photovoltaic farms in 2024 and 2025
  - Lower result on the sales of the property rights as a consequence of the decrease of the market prices of the RES property rights and the expiration of the support system for some wind farms
- 
- Lower reported EBITDA year on year



### Generation



- Decrease of the margin on the sales of electricity coming from the coal assets
  - Decline of the volume of electricity production from the conventional sources
  - Lower expected margin on electricity buybacks due to stabilization of the electricity market prices
  - Higher revenue from the capacity market and the new balancing services
- 
- Lower reported EBITDA year on year



### Supply



- G tariff at a level to fully cover the costs and generate a positive margin
  - Absence of the regulations freezing electricity sales prices for the local government units and SMEs
  - Development of the PPAs and the RES-based products (TAURON New Energy),
  - Volume of electricity supplied at a stable level year on year
- 
- Higher reported EBITDA year on year



### Heat



- Higher margin on the sales and transmission of heat, among other things, as a result of the new tariff
  - Decrease of the margin on the sales of electricity coming from the coal assets
  - Absence of a one-off event resulting from the bankruptcy of Tameh Czech and its deconsolidation
- 
- Lower reported EBITDA year on year

❑ Group's reported EBITDA



❑ CAPEX

CAPEX adjusted to EBITDA and the Group's financial position



❑ NET DEBT AND NET DEBT TO EBITDA RATIO





**Thank you for  
your attention**