



ENEA S.A.

**CONDENSED SEPARATE
INTERIM FINANCIAL
STATEMENTS**

for the period from 1 January
to 31 March 2022

in compliance with
EU IFRS

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These condensed separate interim financial statements are prepared in accordance with the requirements of IAS 34 *Interim Financial Reporting*, as endorsed by the European Union, and are approved by the Management Board of ENEA S.A.

Members of the Management Board

**President of the
Management Board** **Paweł Majewski**

**Member of the
Management Board** **Rafał Mucha**

**Member of the
Management Board** **Marcin Pawlicki**

**Member of the
Management Board** **Tomasz Siwak**

**Member of the
Management Board** **Tomasz Szczegielniak**

**Member of the
Management Board** **Lech Żak**

ENEA Centrum Sp. z o.o.

Entity responsible for maintaining accounting
books and preparing financial statements

Ewa Nowaczyk

ENEA Centrum Sp. z o.o. Pl. Władysława Andersa 7, 61-894 Poznań
KRS 0000477231, NIP 777-00-02-843, REGON 630770227

Poznań, 24 May 2022

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Note	Period	
		3 months ended 31 March 2022 (unaudited)	3 months ended 31 March 2021 (unaudited)
Revenue from sales		2 896 025	1 832 685
Excise duty		(13 768)	(19 396)
Net revenue from sales	7	2 882 257	1 813 289
Lease income		47	66
Revenue from sales and other income		2 882 304	1 813 355
Other operating revenue		1 985	3 336
Change in provision for onerous contracts		(50 994)	(1 080)
Depreciation/amortisation		(1 596)	(1 752)
Employee benefit costs		(23 290)	(22 764)
Use of materials and raw materials and value of goods sold		(1 089)	(634)
Purchase of electricity and gas for sales purposes		(2 872 739)	(1 681 913)
Transmission and distribution services		(9 885)	(9 351)
Other third-party services		(57 622)	(60 187)
Taxes and fees		(3 030)	(2 964)
Other operating costs		(20 003)	(17 952)
Operating (loss)/profit		(155 959)	18 094
Finance costs		(57 137)	(48 059)
Finance income		75 331	57 017
Change in impairment of interests in subsidiaries, associates and jointly controlled entities		31 131	-
Change in impairment of financial assets at amortised cost		(3 665)	(6 200)
(Loss)/profit before tax		(110 299)	20 852
Income tax		27 221	24 288
Net (loss)/profit for the reporting period		(83 078)	45 140
Other comprehensive income			
Subject to reclassification to profit or loss:			
- measurement of hedging instruments		97 870	52 630
- income tax		(18 595)	(10 000)
Not subject to reclassification to profit or loss:			
- other		-	(730)
Net other comprehensive income		79 275	41 900
Comprehensive income for the reporting period		(3 803)	87 040
Net (loss)/profit attributable to the Company's shareholders		(83 078)	45 140
Weighted average number of ordinary shares		441 442 578	441 442 578
Net (loss)/profit per share (in PLN per share)		(0.19)	0.10
Diluted (loss)/profit per share (in PLN per share)		(0.19)	0.10

The separate statement of comprehensive income should be analysed in conjunction with the additional information and explanations, which constitute an integral part of these condensed separate interim financial statements.

SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	As at 31 March 2022 (unaudited)	31 December 2021
ASSETS			
Non-current assets			
Property, plant and equipment	9	24 710	24 096
Right-of-use assets		37 215	40 660
Intangible assets	10	3 169	3 385
Investment properties		12 520	12 656
Investments in subsidiaries, associates and jointly controlled entities	11	9 556 300	9 531 789
Deferred income tax assets	8	116 022	106 989
Financial assets measured at fair value		229 800	164 917
Debt financial assets at amortised cost	19	5 345 725	5 390 289
Finance lease and sublease receivables		246	284
Costs related to the conclusion of agreements		10 772	11 180
Total non-current assets		15 336 479	15 286 245
Current assets			
Inventories	12	154 102	135 777
Trade and other receivables		2 166 501	2 009 453
Costs related to the conclusion of agreements		11 198	11 652
Assets arising from contracts with customers	13	378 838	300 206
Finance lease and sublease receivables		717	723
Financial assets measured at fair value		70 296	28 194
Debt financial assets at amortised cost	19	1 730 987	1 660 454
Cash and cash equivalents	14	1 068 044	1 005 481
Total current assets		5 580 683	5 151 940
TOTAL ASSETS		20 917 162	20 438 185

The separate statement of financial position should be analysed in conjunction with the additional information and explanations, which constitute an integral part of these condensed separate interim financial statements.

SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	As at 31 March 2022 (unaudited)	31 December 2021
EQUITY AND LIABILITIES			
Equity			
Share capital		588 018	588 018
Share premium		3 687 993	3 687 993
Revaluation reserve - measurement of hedging instruments		188 552	109 277
Reserve capital		5 974 031	5 974 031
Retailed earnings/accumulated losses		361 348	444 426
Total equity		10 799 942	10 803 745
LIABILITIES			
Non-current liabilities			
Credit facilities, loans and debt securities	16	4 310 592	4 420 974
Lease liabilities		34 181	37 512
Employee benefit liabilities		53 740	54 042
Provisions for other liabilities and other charges	17	276 522	228 582
Total non-current liabilities		4 675 035	4 741 110
Current liabilities			
Credit facilities, loans and debt securities	16	2 207 168	2 164 492
Trade and other payables		644 971	828 009
Liabilities arising from contracts with customers	13	53 591	46 108
Lease liabilities		2 147	2 576
Current income tax liabilities		265 912	61 535
Employee benefit liabilities		29 238	28 351
Liabilities concerning the equivalent for rights to free purchase of shares		281	281
Other financial liabilities	22	1 439 189	1 105 251
Provisions for other liabilities and other charges	17	799 688	656 727
Total current liabilities		5 442 185	4 893 330
Total liabilities		10 117 220	9 634 440
TOTAL EQUITY AND LIABILITIES		20 917 162	20 438 185

The separate statement of financial position should be analysed in conjunction with the additional information and explanations, which constitute an integral part of these condensed separate interim financial statements.

SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital (nominal amount)	Reserve for revaluation and merger accounting	Total share capital	Share premium	Revaluation reserve - measurement of financial instruments	Revaluation reserve - measurement of hedging instruments	Reserve capital	Retained earnings	Total equity
As at 1 January 2021	441 443	146 575	588 018	4 627 673	(17 036)	(105 534)	5 974 031	(939 680)	10 127 472
Net profit for the reporting period	-	-	-	-	-	-	-	45 140	45 140
Net other comprehensive income	-	-	-	-	17 036	42 630	-	(17 766)	41 900
Net comprehensive income recognised in the period	-	-	-	-	17 036	42 630	-	27 374	87 040
As at 31 March 2021 (unaudited)	441 443	146 575	588 018	4 627 673	-	(62 904)	5 974 031	(912 306)	10 214 512

	Share capital (nominal amount)	Reserve for revaluation and merger accounting	Total share capital	Share premium	Revaluation reserve - measurement of hedging instruments	Reserve capital	Retained earnings	Total equity
As at 1 January 2022	441 443	146 575	588 018	3 687 993	109 277	5 974 031	444 426	10 803 745
Net loss for the reporting period	-	-	-	-	-	-	(83 078)	(83 078)
Net other comprehensive income	-	-	-	-	79 275	-	-	79 275
Net comprehensive income recognised in the period	-	-	-	-	79 275	-	(83 078)	(3 803)
As at 31 March 2022 (unaudited)	441 443	146 575	588 018	3 687 993	188 552	5 974 031	361 348	10 799 942

The separate statement of changes in equity should be analysed in conjunction with the additional information and explanations, which constitute an integral part of these condensed separate interim financial statements.

SEPARATE STATEMENT OF CASH FLOWS

	Note	Period	
		3 months ended 31 March 2022 (unaudited)	3 months ended 31 March 2021 (unaudited)
Cash flows from operating activities			
Net (loss)/profit for the reporting period		(83 078)	45 140
Adjustments:			
Income tax in profit or loss		(27 221)	(24 288)
Depreciation/amortisation		1 596	1 752
Gain on sale of financial assets		(8 272)	(4 744)
Interest income		(64 123)	(38 234)
Interest costs		54 677	35 679
Impairment of interests		(31 131)	-
Impairment of financial assets at amortised cost		3 665	6 200
Total adjustments		(70 809)	(23 635)
Paid income tax		(107 385)	(195 238)
Flows resulting from settlements within tax group		154 137	228 328
Changes in working capital:			
Inventories		(18 325)	(128 910)
Trade and other receivables		(77 681)	(45 517)
Trade and other payables		(175 561)	(37 552)
Employee benefit liabilities		585	(645)
Provisions for other liabilities and other charges		222 032	106 750
Total changes in working capital		(48 950)	(105 874)
Net cash flows from operating activities		(156 085)	(51 279)
Cash flows from investing activities			
Purchase of non-current property, plant and equipment and intangible assets and right-of-use assets		(927)	-
Proceeds from sale of financial assets		32 561	91 697
Purchase of subsidiaries		(24 131)	-
Purchase of associates and jointly controlled entities		(380)	-
Received interest		4 369	4 860
Net cash flows from investing activities		11 492	96 557
Cash flows from financing activities			
Repayment of credit and loans		(32 561)	(32 561)
Bond buy-back		(78 055)	(78 055)
Expenditures concerning lease payments		(1 191)	(2 044)
Interest paid		(14 975)	(26 200)
Net cash flows from financing activities		(126 782)	(138 860)
Total net cash flows		(271 375)	(93 582)
Cash at the beginning of reporting period	14	(99 770)	378 094
Cash at the end of reporting period	14	(371 145)	284 512

The separate statement of cash flows should be analysed in conjunction with the additional information and explanations, which constitute an integral part of the condensed separate interim financial statements

ADDITIONAL INFORMATION AND EXPLANATIONS

General information

1. General information on ENEA S.A.

Name:	ENEA Spółka Akcyjna
Legal form:	spółka akcyjna (joint-stock company)
Country of registered office:	Poland
Registered office:	Poznań
Address:	ul. Pastelowa 8, 60-198 Poznań
KRS:	0000012483
Telephone number:	(+48 61) 884 55 44
Fax number:	(+48 61) 884 59 59
E-mail:	enea@enea.pl
Website:	www.enea.pl
REGON number:	630139960
NIP number:	777-00-20-640

ENEA S.A. ("ENEA," "Company"), back then operating as Energetyka Poznańska S.A., was entered into the National Court Register at the District Court in Poznań on 21 May 2001, under KRS number 0000012483.

As at 31 March 2022, ENEA S.A.'s shareholding structure was as follows:

	Poland's State Treasury	Other shareholders	Total
As at 31 March 2022	51.50%	48.50%	100.00%

As at 31 March 2022, the Parent's highest-level controlling entity was the State Treasury.

As at 31 March 2022, ENEA S.A.'s statutory share capital amounted to PLN 441 443 thousand (PLN 588 018 thousand after restatement to EU IFRS, taking into account hyperinflation and other adjustments) and was divided into 441 442 578 shares.

The Company's duration is indefinite. Its activities are conducted on the basis of relevant concessions issued for the Company.

The Company's condensed separate interim financial statements cover the 3-month period ended 31 March 2022 and contain comparative data for the 3-month period ended 31 March 2021 and the year ended 31 December 2021.

2. Group composition

At 31 March 2022, ENEA Group consisted of the parent - ENEA S.A., 18 subsidiaries, 9 indirect subsidiaries, 2 jointly controlled entities and 1 associate.

The main business activity of ENEA S.A. is trade of electricity.

Company name	Activity	Registered office	ENE A S.A.'s stake in total number of voting rights as at 31 March 2022	ENE A S.A.'s stake in total number of voting rights as at 31 December 2021
SUBSIDIARIES				
1. ENEA Operator Sp. z o.o.	distribution	Poznań	100%	100%
2. ENEA Wytwarzanie Sp. z o.o.	generation	Świerże Górne	100%	100%
3. ENEA Elektrownia Połaniec S.A.	generation	Połaniec	100%	100%
4. ENEA Oświetlenie Sp. z o.o.	other activity	Szczecin	100%	100%
5. ENEA Trading Sp. z o.o.	trade	Świerże Górne	100%	100%
6. ENEA Serwis Sp. z o.o.	distribution	Lipno	100%	100%
7. ENEA Centrum Sp. z o.o.	other activity	Poznań	100%	100%
8. ENEA Pomiary Sp. z o.o.	distribution	Poznań	100%	100%
9. ENERGO-TOUR Sp. z o.o. w likwidacji	other activity	Poznań	100% ⁵	100% ⁵
10. ENEA Innowacje Sp. z o.o.	other activity	Warsaw	100% ⁶	100%
11. Lubelski Węgiel BOGDANKA S.A.	mining	Bogdanka	65.99%	65.99%
12. ENEA Ciepło Sp. z o.o.	generation	Białystok	99.94%	99.94%
13. ENEA Ciepło Serwis Sp. z o.o.	generation	Białystok	100%	100%
14. Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o.	generation	Oborniki	99.93%	99.93%
15. Miejska Energetyka Ciepła Piła Sp. z o.o.	generation	Piła	71.11%	71.11%
16. ENEA Nowa Energia Sp. z o.o.	generation	Radom	100%	100%
17. ENEA ELKOGAZ Sp. z o.o.	generation	Warsaw	100% ⁸	-
18. ENEA Power&Gas Trading Sp. z o.o. w organizacji	trade	Warsaw	100% ⁹	-
INDIRECT SUBSIDIARIES				
19. ENEA Logistyka Sp. z o.o.	distribution	Poznań	100% ³	100% ³
20. ENEA Bioenergia Sp. z o.o.	generation	Połaniec	100% ¹	100% ¹
21. ENEA Połaniec Serwis Sp. z o.o.	generation	Połaniec	100% ¹	100% ¹
22. EkoTRANS Bogdanka Sp. z o.o.	mining	Bogdanka	65.99% ²	65.99% ²
23. RG Bogdanka Sp. z o.o.	mining	Bogdanka	65.99% ²	65.99% ²
24. MR Bogdanka Sp. z o.o.	mining	Bogdanka	65.99% ²	65.99% ²
25. Łęczyńska Energetyka Sp. z o.o.	mining	Bogdanka	58.53% ²	58.53% ²
26. SUN ENERGY 7 Sp. z o.o.	generation	Główczyce	100% ⁴	100% ⁴
27. GPK energia Sp. z o.o.	generation	Krzęcin	100% ⁴	100% ⁴
JOINTLY CONTROLLED ENTITIES				
28. Polska Grupa Górnicza S.A.	-	Katowice	7.66%	7.66%
29. Elektrownia Ostrołęka Sp. z o.o.	-	Ostrołęka	50%	50%
ASSOCIATES				
30. Polimex – Mostostal S.A.	-	Warsaw	16,45% ⁷	16,4%

¹ – indirect subsidiary through stake in ENEA Elektrownia Połaniec S.A.

² – indirect subsidiary through stake in Lubelski Węgiel BOGDANKA S.A.

The additional information and explanations presented on pages 9-33 constitute an integral part of these condensed separate interim financial statements.

³ – indirect subsidiary through stake in ENEA Operator Sp. z o.o.

⁴ – indirect subsidiary through stake in ENEA Nowa Energia Sp. z o.o.

⁵ – on 30 March 2015 the company's extraordinary general meeting adopted a resolution on the dissolution of the company following a liquidation proceeding; the resolution entered into force on 1 April 2015. An application for the company to be removed from the National Court Register was filed on 5 November 2015. At the date on which these condensed consolidated interim financial statements were prepared, procedural activities connected with removing the entity from the National Court Register were in progress.

⁶ – on 28 February 2022 an Extraordinary General Meeting of ENEA Innowacje Sp. z o.o. adopted a resolution regarding an increase of the company's share capital by PLN 5 000 thousand, i.e. from PLN 30 860 thousand to PLN 35 860 thousand, by issuing 50 000 new shares with a nominal value of PLN 100.00 each. All of the new-issue shares were acquired by ENEA S.A. and were paid for with a cash contribution. The share capital increase is awaiting entry in the National Court Register.

⁷ – on 30 March 2022 the Company submitted a demand to exercise its call option and made a bank transfer for 187 500 Polimex - Mostostal S.A. shares. The increase of Polimex Mostostal S.A.'s share capital by PLN 1 500 thousand, i.e. from PLN 475 738 thousand to PLN 477 238 thousand, admitting 750 000 series S ordinary bearer shares with a nominal value of PLN 2 each to trade, was registered on 1 April 2022. As of the date on which these condensed separate interim financial statements were prepared, ENEA S.A. holds a 16.48% stake in that company's share capital.

⁸ – on 16 March 2022 ENEA S.A. formed ENEA ELKOGAZ Sp. z o.o., based in Warsaw. The company's share capital amounts to PLN 19 000 thousand and is divided into 190 000 shares with a nominal value of PLN 100.00 each. ENEA S.A. took up 100% of the company's shares.

⁹ – on 30 March 2022 ENEA S.A. formed ENEA Power&Gas Trading Sp. z o.o. w organizacji, based in Warsaw. The company's share capital amounts to PLN 3 200 thousand and is divided into 32 000 shares with a nominal value of PLN 100.00 each. ENEA S.A. took up 100% of the company's shares.

3. Management Board and Supervisory Board composition

Management Board

	As at 31 March 2022	As at 31 December 2021
President of the Management Board	Paweł Szczeszek	Paweł Szczeszek
Member of the Management Board, responsible for finance	Rafał Mucha	Rafał Mucha
Member of the Management Board, responsible for sales	Tomasz Siwak	Tomasz Siwak
Member of the Management Board, responsible for corporate affairs	Tomasz Szczegieliński	Tomasz Szczegieliński
Member of the Management Board, responsible for operations	Marcin Pawlicki	Marcin Pawlicki
Member of the Management Board, responsible for strategy and development	Lech Żak	Lech Żak

Mr. Paweł Szczeszek's resignation as President of the Management Board, ENEA S.A., effective from 10 April 2022, was received on 8 April 2022.

On 8 April 2022, the Company's Supervisory Board decided to entrust the performance of the duties of the President of the Company's Management Board to Mr. Rafał Mucha - Member of the Management Board in charge of finance, starting from 11 April 2022, until the appointment of President of the Management Board, however not longer than for the term that commenced on the date of the Company's Ordinary General Meeting approving the 2018 financial statements, while performing the current duties of the Member of the Management Board in charge of finance.

On 20 April 2022, the Supervisory Board of ENEA S.A. adopted a resolution to appoint, as of 25 April 2022, Mr. Paweł Majewski as President of the Management Board, ENEA S.A., for a joint term that began on the date of the Company's Ordinary General Meeting approving the 2018 financial statements.

The following table contains the composition of ENEA S.A.'s Management Board as of the date on which these condensed separate interim financial statements:

	As at 24 May 2022
President of the Management Board	Paweł Majewski
Member of the Management Board, responsible for finance	Rafał Mucha
Member of the Management Board, responsible for sales	Tomasz Siwak
Member of the Management Board, responsible for corporate affairs	Tomasz Szczegieliński
Member of the Management Board, responsible for operations	Marcin Pawlicki
Member of the Management Board, responsible for strategy and development	Lech Żak

The additional information and explanations presented on pages 9-33 constitute an integral part of these condensed separate interim financial statements.

Supervisory Board

	As at 31 March 2022	Appointment	As at 31 December 2021
Chairperson of the Supervisory Board	Rafał Włodarski		Rafał Włodarski
Deputy Chairperson of the Supervisory Board	Roman Stryjski		Roman Stryjski
Secretary of the Supervisory Board	Michał Jaciubek		Michał Jaciubek
Member of the Supervisory Board	Dorota Szymanek		Dorota Szymanek
Member of the Supervisory Board	Maciej Mazur		Maciej Mazur
Member of the Supervisory Board	Piotr Mirkowski		Piotr Mirkowski
Member of the Supervisory Board	Paweł Korobłowski		Paweł Korobłowski
Member of the Supervisory Board	Tomasz Lis		Tomasz Lis
Member of the Supervisory Board	Mariusz Pliszka		Mariusz Pliszka
Member of the Supervisory Board	Radosław Kwaśnicki	10 March 2022	

On 10 March 2022 the Company's Extraordinary General Meeting adopted a resolution appointing Mr. Radosław Kwaśnicki as member of ENEA S.A.'s Supervisory Board, 10th term, effective from the same date.

4. Basis for preparing financial statements

These condensed separate interim financial statements are prepared in accordance with the requirements of IAS 34 *Interim Financial Reporting*, as endorsed by the European Union, and are approved by the Management Board of ENEA S.A.

The Company's Management Board used its best knowledge as to the application of standards and interpretations as well as methods and rules for the measurement of items in ENEA S.A.'s condensed separate interim financial statements in accordance with EU IFRS as at 31 March 2022. The presented tables and explanations are prepared with due diligence. These condensed separate interim financial statements have not been reviewed by a statutory auditor. The accounting rules are applied consistently across all of the presented periods unless stated otherwise.

These condensed separate interim financial statements are prepared on a going concern basis for the foreseeable future. There are no circumstances such as would indicate a threat to the Company's going concern.

The Company prepares condensed consolidated interim financial statements for ENEA Group in accordance with IFRS EU as at and for the 3-month period ending 31 March 2022. In order to obtain full information on ENEA Group's financial situation and results, readers of ENEA S.A.'s condensed separate interim financial statements should read these in conjunction with ENEA Group's condensed consolidated interim financial statements and ENEA S.A.'s separate annual financial statements for the financial year ended on 31 December 2021.

5. Accounting rules (policy) and significant estimates and assumptions

These condensed separate interim financial statements are prepared using accounting rules that are consistent with the rules used in preparing the most recent annual separate financial statements for the financial year ended 31 December 2021.

Preparing condensed separate interim financial statements in accordance with EU IFRS requires the Management Board to adopt certain assumptions and make estimates that have an impact on the adopted accounting rules and the amounts shown in condensed separate interim financial statements and notes to financial statements. Assumptions and estimates are based on the Management Board's best knowledge regarding current and future events and activities. However, actual results may differ from forecasts. The estimates used in preparing these condensed separate interim financial statements are consistent with the estimates used in preparing the separate financial statements for the most recent financial year. The estimated values presented in previous financial years do not have a material impact on the present interim period.

6. Functional currency and presentation currency

Items in the Company's financial statements are measured in the currency of the main economic environment in which the Company operates (functional currency).

The condensed separate interim financial statements are presented in Polish zloty (PLN), which is the functional currency and presentation currency. Items in financial statements are rounded to full thousands of zlotys (PLN 000s), unless otherwise stated.

Explanatory notes to the separate statement of comprehensive income

7. Revenue from sales

Net revenue from sales

	3-month period ended	
	31 March 2022	31 March 2021
Revenue from the sale of electricity	2 785 402	1 772 550
Revenue from the sale of gas	89 845	39 990
Revenue from the sale of other services	6 503	749
Revenue from the sale of goods and materials	507	-
Total net revenue from sales	2 882 257	1 813 289

The Company recognises revenue when an obligation to provide a consideration by the provision of a promised good or service to the customer is performed (or is being performed). Revenue is recognised on the basis of prices specified in sale agreements, less estimated rebates and other deductions.

The key groups of contracts include electricity sale contracts (including framework contracts) for retail, business, key and strategic customers. Under these contracts, service is provided in a continuous manner and the level of revenue depends on usage.

The standard payment deadline for invoices for the sale of electricity is 14 days from VAT invoice date. In the case of business, key and strategic customers, payment deadlines may be negotiated.

Presented below is revenue from sales, divided into categories that reflect how economic factors influence the amount, payment deadline and the uncertainty of revenue and cash flows.

	3-month period ended	
	31 March 2022	31 March 2021
Revenue from continuous services	2 875 247	1 812 540
Revenue from services provided at specified time	7 010	749
Total	2 882 257	1 813 289

8. Tax

Deferred income tax

Changes in deferred income tax provision (after offsetting assets and provision) are as follows:

	3-month period ended	Year ended
	31 March 2022	31 December 2021
As at the beginning of period	106 989	101 483
Change recognised in profit or loss	27 628	56 437
Change recognised in other comprehensive income	(18 595)	(50 931)
As at the end of period	116 022	106 989

In the 3-month period ended 31 March 2022, the Company's profit before tax increased as a result of an increase in deferred income tax assets by PLN 27 628 thousand (in the 3-month period ended 31 March 2021 the increase of the Company's profit before tax as a result of an increase in deferred income tax assets amounted to PLN 13 034 thousand).

Explanatory notes to the separate statement of financial position

9. Property, plant and equipment

In the 3-month period ending 31 March 2022 the Company purchased property, plant and equipment items for a total of PLN 932 thousand net (in the 3-month period ending 31 March 2021: PLN 0 net).

In the 3-month period ending 31 March 2022 the Company sold and/or liquidated property, plant and equipment items for a total of PLN 0 thousand net (in the 3-month period ending 31 March 2021: PLN 0 thousand net).

As at 31 March 2022, no indications for the impairment of property, plant and equipment were identified. No collateral was established on property, plant and equipment assets.

10. Intangible assets

In the 3-month period ending 31 March 2022 the Company did not purchase intangible assets (in the 3-month period ending 31 March 2021: PLN 0 thousand).

In the 3-month period ending 31 March 2022 the Company did not liquidate intangible assets (in the 3-month period ending 31 March 2021: PLN 0 thousand).

As at 31 March 2022, no indications for impairment were identified. No collateral has been established on intangible assets.

11. Investments in subsidiaries, associates and jointly controlled entities

Change in investments in subsidiaries, associates and jointly controlled entities

	3-month period ended 31 March 2022	Year ended 31 December 2021
As at the beginning of period	9 531 789	9 512 925
Purchase of investments	24 511	36 757
Sale of investments	-	(393)
Change in impairment	31 131	175 707
Other changes	(31 131)	(193 207)
As at the end of period	9 556 300	9 531 789

Polimex – Mostostal S.A.

16 February 2022 The Company submitted a demand to exercise its call option and made a bank transfer for 187 500 Polimex - Mostostal S.A. shares. -

ENEA Innowacje Sp. z o.o.

28 February 2022 Resolution increasing share capital by PLN 5 000 thousand, from PLN 30 860 thousand to PLN 35 860 thousand, by issuing 50 000 new shares with a nominal value of PLN 100.00 each. Extraordinary General Meeting

ENEA ELKOGAZ Sp. z o.o.

16 March 2022 ENEA S.A. formed ENEA ELKOGAZ Sp. z o.o., based in Warsaw. The company's share capital amounts to PLN 19 000 thousand and is divided into 190 000 shares with a nominal value of PLN 100.00 each. ENEA S.A. took up 100% of the company's shares. -

ENEA Power&Gas Trading Sp. z o.o. w organizacji

On 30 March 2022 ENEA S.A. formed ENEA Power&Gas Trading Sp. z o.o. w organizacji, based in Warsaw. The company's share capital amounts to PLN 3 200 thousand and is divided into 32 000 shares with a nominal value of PLN 100.00 each. ENEA S.A. took up 100% of the company's shares.

Impairment of investments

	3-month period ended 31 March 2022	Year ended 31 December 2021
As at the beginning of period	4 793 772	4 969 479
Reversed	(31 131)	(175 707)
As at the end of period	4 762 641	4 793 772

Implementation of project to build Elektrownia Ostrołęka C

At 31 March 2022, ENEA S.A. held 9 124 821 shares of Elektrownia Ostrołęka Sp. z o.o., with a nominal value of PLN 50 each and total nominal value of PLN 456 241 thousand.

Moreover, ENEA S.A. and ENERGA S.A. are in equal parts parties to two loan agreements concluded with Elektrownia Ostrołęka Sp. z o.o. in the amount of up to PLN 340 000 thousand of 23 December 2019 and up to PLN 58 000 thousand of 17 July 2019.

As at 31 March 2022, impairment losses on loans granted to Elektrownia Ostrołęka Sp. z o.o. totalled PLN 229 275 thousand, together with interest (the value of loans and interest was written down to zero).

On 29 April 2022, ENEA S.A. and ENERGA S.A. signed with Elektrownia Ostrołęka Sp. z o.o. annexes to the aforementioned loan agreements. In accordance with the provisions of these annexes, i.e. Annex 5 to the Loan Agreement in the amount of up to PLN 340 000 thousand of 23 December 2019 and Annex 10 to the Loan Agreement to the amount of PLN 58 000 thousand of 17 July 2019, Elektrownia Ostrołęka Sp. z o.o. undertook to make a one-off repayment of the loans to ENEA S.A. in the amounts of PLN 170 000 thousand and PLN 29 000 thousand, respectively, together with due interest, by 30 December 2022.

On 13 February 2020, ENEA S.A. signed an agreement with ENERGA S.A. regarding the suspension of financing of the Ostrołęka C construction project. In the agreement, ENEA S.A. and ENERGA S.A. undertook to carry out analyses, especially with regard to technical, technological, economic and organisational parameters and further financing for the project. Conclusions from these analyses did not justify continuation of the project in its present form, i.e. as a project to build a power plant generating electricity through the firing of hard coal. At the same time, the technical analysis confirmed the possibility of implementing the variant of construction of a power plant generating electricity in the process of firing natural gas (Gas Project) at the current location of the coal unit under construction.

The following documents were signed on 22 December 2020:

- agreement between ENEA S.A., ENERGA S.A. and Elektrownia Ostrołęka Sp. z o.o. regarding cooperation on the division of Elektrownia Ostrołęka Sp. z o.o. (Division Agreement),
- agreement between the Company and ENERGA S.A. regarding cooperation on settling the coal-based project as part of Project Ostrołęka C (Settlement Agreement, Coal Project).

Both of the agreements include a statement by ENEA S.A. on withdrawal from further participation in the Gas Project.

On 25 June 2021, Elektrownia Ostrołęka Sp. z o.o. as vendor and CCGT Ostrołęka Sp. z o.o. as buyer (a wholly-owned subsidiary of ENERGA S.A.) signed a sale agreement and associated agreements regarding an SPV (excluding certain assets) intended (and used as such) to implement economic tasks covering the construction of a gas-fired power generating unit in Ostrołęka and the subsequent operation of this unit (Gas Plant). The business being sold includes generally all of the SPV's asset and non-asset components in use as of the transaction date in connection with preparations to begin an investment process consisting of the construction of the Gas Plant. The transaction is intended to facilitate the implementation of a gas project by CCGT Ostrołęka Sp. z o.o. as a company that will replace Elektrownia Ostrołęka Sp. z o.o. in implementing the investment in Ostrołęka. The sale price for the business being sold (transaction value) is currently estimated at approx. PLN 166 million. The price is set on a preliminary basis as additional considerations will apply in determining the final price.

On 25 June 2021, Elektrownia Ostrołęka Sp. z o.o. and CCGT Ostrołęka Sp. z o.o. on the one hand and GE Power Sp. z o.o., based in Warsaw, GE Steam Power Systems S.A.S. (former name: ALSTOM Power Systems S.A.S.), based in Boulogne-Billancourt, France (Coal Project Contractor), and General Electric Global Services, GmbH, based in Baden, Switzerland (together with GE Power Sp. z o.o. - Gas Project Contractor) on the other hand signed a Contract Change Document concerning the contract of 21 July 2018 to build unit C at Elektrownia Ostrołęka, with a capacity of 1000 MW, and an Agreement on the settlement of the Coal Project. The Contract Change Document is structured in a way that facilitates implementation of the Gas Project by CCGT Ostrołęka Sp. z o.o. as a company that will replace Elektrownia

The additional information and explanations presented on pages 9-33 constitute an integral part of these condensed separate interim financial statements.

Ostrołęka Sp. z o.o. in implementing the investment in Ostrołęka, which is related, inter alia, to the fact that ENEA S.A. has confirmed its withdrawal from participating in the Gas Project. The agreement concerning the Coal Project settlement regulates the rights and obligations of Elektrownia Ostrołęka Sp. z o.o. and the Coal Project Contractor mainly in connection with the settlement of construction work completed by the Coal Project Contractor until the contract was suspended, maintenance and security activities during Contract suspension and work related to finishing the work dedicated to implementing the Coal Project. Under this agreement, the Coal Project was supposed to be settled by the end of 2021, and the entire amount that Elektrownia Ostrołęka Sp. z o.o. will be obligated to pay to the Coal Project Contractor, taking into account expenditures incurred thus far, will not exceed PLN 1.35 billion (net).

On 22 December 2021 Elektrownia Ostrołęka Sp. z o.o. executed an annex to this agreement with the Coal Project Contractor. The annex extended the settlement deadline to 25 March 2022 and results from a verified mechanism for settling the Coal Project.

ENEA S.A.'s commitment to provide funding for Elektrownia Ostrołęka Sp. z o.o. resulting from the existing agreements (especially the agreements dated 28 December 2018 and 30 April 2019 and the Settlement Agreement) that is still outstanding amounts to PLN 620 million.

On 31 January 2022 Elektrownia Ostrołęka Sp. z o.o. terminated an agreement implementing the capacity obligation contracted by the company as a result of a capacity market auction for 2023. The agreement was terminated due to the supply source being changed from coal to gas in the project to build and operate a new power plant in Ostrołęka.

On 31 March 2022 Elektrownia Ostrołęka Sp. z o.o. completed the settlement process with the General Contractor in accordance with the Agreement of 25 June 2021 referred to above. The final value of receivables resulting from the settlement amounted to PLN 958 million net and therefore the amount due to the General Contractor resulting from the difference between the above value and the amounts already paid has already been paid in full by Elektrownia Ostrołęka Sp. z o.o. The costs incurred by ENEA S.A. in connection with the settlement of the General Contractor's works amounted to 50% of the above amount, i.e. PLN 479 million net (the same amount was incurred by ENERGA S.A.).

In connection with this, in these condensed separate interim financial statements a partial release of the provision for future investment liabilities towards Elektrownia Ostrołęka Sp. z o.o., originally created in the amount of PLN 222 200 thousand, was made, amounting to PLN 31 131 thousand. This amount was recognised in the separate statement of comprehensive income in the item Change in impairment of interests in subsidiaries, associates and jointly controlled entities. The provision amounted to PLN 15 362 thousand as of 31 March 2022, which is the best possible estimate in connection with uncertainty related to final settlement amounts.

12. Inventories

Inventories

	As at	
	31 March 2022	31 December 2021
Energy origin certificates	153 853	135 083
Goods	249	694
Total	154 102	135 777

No collateral is established on inventory.

Energy origin certificates

	3-month period ended	Year ended
	31 March 2022	31 December 2021
Net value at the beginning of period	135 083	65 489
Purchase	110 763	455 705
Depreciation	(91 993)	(386 111)
Net value at the end of period	153 853	135 083

Costs connected with redeeming energy origin certificates are presented in profit or loss in the following item: Purchase of electricity and gas for sales purposes

13. Assets and liabilities arising from contracts with customers

Assets and liabilities arising from contracts with customers

	Assets arising from contracts with customers	Liabilities arising from contracts with customers
As at 1 January 2021	228 905	32 289
Change in non-invoices receivables	71 302	-
Change in impairment	(1)	-
Adjustments, prepayments	-	13 819
As at 31 December 2021	300 206	46 108
Change in non-invoices receivables	78 653	-
Change in impairment	(21)	-
Adjustments, prepayments	-	7 483
As at 31 March 2022	378 838	53 591

The balance of assets arising from contracts with customers mainly covers uninvoiced electricity sales, while the balance of liabilities arising from contracts with customers covers liabilities concerning sales adjustments related to the Act on amendment of the act on excise duty and certain other acts, as well as prepayments.

14. Cash and cash equivalents

Significant judgements and estimates

In accordance with ENEA S.A.'s credit risk assessment rules and the provisions of IFRS 9 as regards impairment tests for cash and cash equivalents as at 31 March 2022; the Company sees potential impact as negligible.

Presentation of deposits at clearinghouse IRGiT

These are funds constituting collateral for settlements with the clearing-house IRGiT, and they are analysed in terms of the possibility to free them up without incurring a substantial loss.

Cash and cash equivalents

	As at	
	31 March 2022	31 December 2021
Cash at bank account	160 819	539 411
including split payment	3 131	37 901
Other cash	907 225	466 070
- Deposits	901 305	460 397
- Other	5 920	5 673
Total cash and cash equivalents	1 068 044	1 005 481
Cash pooling	(1 439 189)	(1 105 251)
Cash recognised in the statement of cash flows	(371 145)	(99 770)

Restricted cash related to split payment - VAT as at 31 March 2022 was PLN 3 131 thousand (PLN 37 901 thousand as at 31 December 2021), and deposit at IRGiT as at 31 March 2022 was PLN 503 thousand (PLN 500 thousand as at 31 December 2021). No collateral is established on cash.

15. Profit allocation

A decision on how to allocate the 2021 profit will be made by shareholders at the 2022 Ordinary General Meeting. The Management Board of ENEA S.A. has proposed to allocate the profit for the financial year covering the period from 1 January 2021 to 31 December 2021 to increase reserve capital and reduce the negative value of other capitals.

On 17 June 2021, the Ordinary General Meeting of ENEA S.A. adopted resolution no. 6, resolving to cover the net loss for the financial year covering the period from 1 January 2020 to 31 December 2020, amounting to PLN 3 356 750 thousand, using retained earnings (PLN 2 417 070 thousand) and supplementary capital (PLN 939 680 thousand).

The additional information and explanations presented on pages 9-33 constitute an integral part of these condensed separate interim financial statements.

16. Debt-related liabilities

Credit facilities, loans and debt securities

	31 March 2022	As at 31 December 2021
Bank credit	1 450 341	1 482 757
Bonds	2 860 251	2 938 217
Long-term	4 310 592	4 420 974
Bank credit	213 567	207 055
Bonds	1 993 601	1 957 437
Short-term	2 207 168	2 164 492
Total	6 517 760	6 585 466

In accordance with ENEA S.A.'s financing model, in order to secure funding for ENEA Group companies' on-going operations and investment needs, ENEA executes agreements with external financial institutions concerning bond issue programmes and/or credit agreements.

Credit facilities and loans

Presented below is a list of the Company's credit facilities and loans:

No.	Company	Lender	Contract date	Total contract amount	Debt at 31 March 2022 (principal)	Debt at 31 December 2021 (principal)	Interest	Final repayment deadline
1.	ENEA S.A.	EIB	18 October 2012 (A) and 19 June 2013 (B)	1 425 000	880 403	888 130	Fixed interest rate or WIBOR 6M + margin	17 June 2030
2.	ENEA S.A.	EIB	29 May 2015 (C)	946 000	775 667	800 500	Fixed interest rate or WIBOR 6M + margin	15 September 2032
3.	ENEA S.A.	PKO BP S.A.	28 January 2014, Annex 2 of 4 December 2019	300 000	-	-	WIBOR 1M + margin	31 December 2022
4.	ENEA S.A.	Bank Pekao S.A.	28 January 2014, Annex 2 of 4 December 2019	150 000	-	-	WIBOR 1M + margin	31 December 2022
5.	ENEA S.A.	BGK	7 September 2020 Annex 1 of 8 March 2022	750 000	-	-	WIBOR 1M +margin	28 October 2022
Total				3 571 000	1 656 070	1 688 630		
Transaction costs and effect of measurement using effective interest rate					7 838	1 182		
Total				3 571 000	1 663 908	1 689 812		

ENEA S.A. currently has credit agreements with the European Investment Bank (EIB) for a total amount of PLN 2 371 000 thousand (Agreement A PLN 950 000 thousand, Agreement B PLN 475 000 thousand and Agreement C PLN 946 000 thousand). Funds from the EIB were used to finance a multi-year investment plan aimed at modernising and expanding ENEA Operator Sp. z o.o.'s power network. Funds from Agreements A, B and C were fully used. Interest on credit facilities may be fixed or variable. In the first quarter of 2022, ENEA S.A. did not execute new long-term credit agreements.

On 8 March 2022 ENEA S.A. signed annex 1 to an overdraft facility agreement with Bank Gospodarstwa Krajowego, increasing the maximum available credit limit from PLN 250 000 thousand to 750 000 thousand and extending the final repayment deadline from 7 September 2022 to 28 October 2022.

Bond issue programs

Presented below is a list of bonds issued by ENEA S.A.:

No.	Bond issue program name	Program start date	Program amount	Value of outstanding bonds as at 31 March 2022	Value of outstanding bonds as at 31 December 2021	Interest	Buy-back deadline
1.	Bond issue program agreement with PKO BP S.A., Bank Pekao S.A., Santander BP S.A., Citi BH S.A.	21 June 2012	3 000 000	1 799 000	1 799 000	WIBOR 6M + margin	One-off buy-back for each series from June 2020 to June 2022
2.	Bond issue program agreement with BGK	15 May 2014	1 000 000	600 000	640 000	WIBOR 6M + margin	Buy-back in tranches, last tranche due in December 2026
3.	Bond issue program agreement with PKO BP S.A., Bank Pekao S.A. and mBank S.A.	30 June 2014	5 000 000	2 000 000	2 000 000	WIBOR 6M + margin	One-time buy-back of each series; PLN 500 million bought back in September 2021. The remaining PLN 2 000 million - buy-back in June 2024.
4.	Bond issue program agreement with BGK	3 December 2015	700 000	418 613	456 669	WIBOR 6M + margin	Buy-back in tranches, last tranche due in September 2027
Total			9 700 000	4 817 613	4 895 669		
Transaction costs and effect of measurement using effective interest rate				36 239	(15)		
Total			9 700 000	4 853 852	4 895 654		

In the 3-month period ended on 31 March 2022, ENEA S.A. did not execute new bond issue program agreements.

Interest rate hedges and currency hedges

In the 3-month period ending 31 March 2022 ENEA S.A. did not execute interest rate swaps. The total bond and credit exposure hedged with IRSs as at 31 March 2022 amounted to PLN 3 964 113 thousand. Moreover, ENEA S.A. has fixed-rate credit agreements totalling PLN 480 745 thousand. These transactions have material impact on the predictability of expense flows and finance costs. The Company presents the measurement of these instruments in the item: Financial assets measured at fair value. Derivative instruments are treated as cash flow hedges, which is why they are recognised and accounted for using hedge accounting rules. As at 31 March 2022, financial liabilities at fair value concerning IRSs amounted to PLN 240 591 thousand (31 December 2021: PLN 135 150 thousand). The six decisions by the Monetary Policy Council raising interest rates in the period from October 2021 to March 2022 had a material impact on this amount.

In the 3-month period ending 31 March 2022, the Company did not execute new FX FORWARD transactions.

Financing terms - covenants

Financing agreements require ENEA S.A. and ENEA Group to maintain certain financial ratios. And the date on which these condensed separate interim financial statements were prepared, the Company did not breach any credit agreement provisions such as would require early re-payment of long-term debt.

17. Provisions

In the 3-month period ended 31 March 2022, provisions for other liabilities and charges increased by a net amount of PLN 190 901 thousand (in the 3-month period ended 31 March 2021, provisions for other liabilities and charges increased by PLN 106 750 thousand net).

Change in provisions for liabilities and other charges in the period ended 31 March 2022:

	Provision for non-contractual use of land	Provision for other claims	Provision for energy origin certificates	Provision for onerous contracts	Provision for settlement of investment	Total
As at 1 January 2022	2 171	232 702	353 840	250 103	46 493	885 309
Increase in existing provisions	-	13 580	252 093	53 563	-	319 236
Use of provisions	-	(1 791)	(91 993)	(2 569)	-	(96 353)
Reversal of unused provision	-	(851)	-	-	(31 131)	(31 982)
As at 31 March 2022	2 171	243 640	513 940	301 097	15 362	1 076 210
<i>Long-term</i>	-	-	-	276 522	-	276 522
<i>Short-term</i>	2 171	243 640	513 940	24 575	15 362	799 688

A description of material claims and conditional liabilities is presented in 24.

Provision for other claims

In the 3-month period ending 31 March 2022 ENEA S.A. created a PLN 7 632 thousand provision for potential claims related to the termination by ENEA S.A. of agreements to purchase energy origin certificates for renewables, and the value of this provision as at 31 March 2022 was PLN 163 594 thousand (this provision is included in the table above in the column "Provision for other claims" and detailed information on this provision are presented in note 24.4).

Financial instruments and financial risk management

18. Financial instruments and fair value

Financial instruments

The following table contains a comparison of fair values and book values:

	As at 31 March 2022		As at 31 December 2021	
	Book value	Fair value	Book value	Fair value
FINANCIAL ASSETS				
Long-term	5 575 771	5 504 150	5 555 490	5 570 240
Financial assets measured at fair value	229 800	229 800	164 917	164 917
Debt financial assets at amortised cost	5 345 725	5 274 350	5 390 289	5 405 323
Finance lease and sublease receivables	246	*	284	*
Short-term	5 016 029	1 801 283	4 536 443	1 688 648
Financial assets measured at fair value	70 296	70 296	28 194	28 194
Debt financial assets at amortised cost	1 730 987	1 730 987	1 660 454	1 660 454
Assets arising from contracts with customers	378 838	*	300 206	*
Trade receivables	1 767 147	*	1 541 385	*
Finance lease and sublease receivables	717	*	723	*
Cash and cash equivalents	1 068 044	*	1 005 481	*
TOTAL FINANCIAL ASSETS	10 591 800	7 305 433	10 091 933	7 258 888
FINANCIAL LIABILITIES				
Long-term	4 344 773	4 253 555	4 458 486	4 457 556
Credit facilities, loans and debt securities	4 310 592	4 253 555	4 420 974	4 457 556
Lease liabilities	34 181	*	37 512	*
Short-term	4 331 688	2 207 168	4 126 429	2 164 492
Credit facilities, loans and debt securities	2 207 168	2 207 168	2 164 492	2 164 492
Lease liabilities	2 147	*	2 576	*
Trade and other payables	629 593	*	808 002	*
Liabilities arising from contracts with customers	53 591	*	46 108	*
Other financial liabilities	1 439 189	*	1 105 251	*
TOTAL FINANCIAL LIABILITIES	8 676 461	6 460 723	8 584 915	6 622 048

(*) book value is close to fair value measured in accordance with level 2 in the following hierarchy.

Financial instruments are fair-value measured according to a hierarchy.

	As at 31 March 2022			Total
	Level 1	Level 2	Level 3	
Financial assets measured at fair value	23 112	258 134	18 850	300 096
Equity instruments at fair value through other comprehensive income	-	-	12 587	12 587
Call options (at fair value through profit or loss)	-	17 543	-	17 543
Derivative instruments used in hedge accounting (e.g. interest rate swaps)	-	240 591	-	240 591
Interests at fair value through profit or loss	23 112	-	6 263	29 375
Debt financial assets at amortised cost	-	7 005 337	-	7 005 337
Total	23 112	7 263 471	18 850	7 305 433
Credit facilities, loans and debt securities	-	(6 460 723)	-	(6 460 723)
Total	-	(6 460 723)	-	(6 460 723)

	As at 31 December 2021			Total
	Level 1	Level 2	Level 3	
Financial assets measured at fair value	22 880	151 381	18 850	193 111
Equity instruments at fair value through other comprehensive income	-	-	12 587	12 587
Call options (at fair value through profit or loss)	-	16 231	-	16 231
Derivative instruments used in hedge accounting (e.g. interest rate swaps)	-	135 150	-	135 150
Interests at fair value through profit or loss	22 880	-	6 263	29 143
Debt financial assets at amortised cost	-	7 065 777	-	7 065 777
Total	22 880	7 217 158	18 850	7 258 888
Credit facilities, loans and debt securities	-	(6 622 048)	-	(6 622 048)
Total	-	(6 622 048)	-	(6 622 048)

Financial assets and financial liabilities at fair value include:

- shares in unrelated entities, the stake in which is below 20%; this line as of 31 March 2022 includes a stake in ElectroMobility Poland S.A., for which there is no market price quoted on an active market; having analysed the standard IFRS 9, the Company decided to qualify these interests as financial instruments through other comprehensive income; when the stake in ElectroMobility Poland S.A. was reclassified, it was measured at fair value and the measurement was recognised in the present-period financial result; in the event that interests in unrelated entities are quoted on the Warsaw Stock Exchange, their fair value is determined on the basis of stock market quotes;
- Polimex-Mostostal S.A. call options;
- derivative instruments, which include the measurement of interest rate swaps; the fair value of derivative instruments is established by calculating the net present value based on two yield curves, i.e. a curve to determine discount factors and a curve used to estimate future variable reference rates;

Non-current debt financial assets at amortised cost cover purchased debt securities - bonds and loans maturing in over one year. Fair value is calculated for financial instruments that are based on a fixed rate of interest, based on current WIBOR.

Current debt financial assets at amortised cost cover purchased debt securities - bonds and loans maturing in under one year.

The fair value of bank credit, loans and debt securities is calculated for financial instruments that are based on a fixed rate of interest, based on current WIBOR.

The table above contains an analysis of financial instruments at fair value, grouped into a three-level hierarchy, where:

Level 1 - fair value is based on (unadjusted) market prices quoted for identical assets or liabilities on active markets

Level 2 - fair value is determined on the basis of values observed on the market, which are not a direct market quote (e.g. they are established by direct or indirect reference to similar instruments on a market),

Level 3 - fair value is determined using various measurement techniques that are not, however, based on observable market data.

No transfers between the levels were made in the 3-month period ended 31 March 2022.

As at 31 March 2022, financial assets at fair value included call options for Polimex-Mostostal S.A. shares, among other

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things. Pursuant to a call option agreement for Polimex-Mostostal S.A. shares of 18 January 2017, as amended, ENEA S.A. holds 23 call options from Towarzystwo Finansowe Silesia Sp. z o.o. (TFS) to purchase 6 937 500 shares, with a nominal value of PLN 2 each. The contractual share allocation date is at the end of each calendar quarter from September 2021 to December 2026. On 30 March 2022 ENEA S.A. submitted a demand to exercise call option no. 4 and made a bank transfer for 187 500 Polimex-Mostostal S.A. shares. The increase of Polimex Mostostal S.A.'s share capital by PLN 1 500 thousand, i.e. from PLN 475 738 thousand to PLN 477 238 thousand, admitting 750 000 series S ordinary bearer shares with a nominal value of PLN 2 each to trade, was registered on 1 April 2022. As of the date on which these condensed separate interim financial statements were prepared, ENEA S.A. holds a 16.48% stake in the share capital of Polimex – Mostostal S.A. A fair-value measurement of the call options was prepared using the Black-Scholes model. The book value of these options as at 31 March 2022 was PLN 17 543 thousand (at 31 December 2021: PLN 16 231 thousand).

19. Debt financial assets at amortised cost

Debt financial assets at amortised cost

	As at	
	31 March 2022	31 December 2021
Current debt financial assets at amortised cost		
Intra-group bonds	1 687 308	1 653 787
Loans granted	43 679	6 667
Total current debt financial assets at amortised cost	1 730 987	1 660 454
Non-current debt financial assets at amortised cost		
Intra-group bonds	1 450 610	1 495 032
Loans granted	3 895 115	3 895 257
Total non-current debt financial assets at amortised cost	5 345 725	5 390 289
TOTAL	7 076 712	7 050 743

Intra-group financing

ENEA Group has adopted a model for financing investments being implemented by ENEA S.A. through intra-group financing. ENEA S.A. raises long-term capital in financial markets through credit facilities or bond issues and subsequently distributes these within the Group based on intra-group bond issue programme agreements or loan agreements. Moreover, ENEA S.A. provides financing to subsidiaries from internal funding.

Intra-group bonds

The following table presents on-going intra-group bond issue programs as at 31 March 2022 and 31 December 2021:

No.	Bond issuer	Contract date	Amount granted	Amount used	Outstanding bonds as at 31 March 2022 (principal)	Outstanding bonds as at 31 December 2021 (principal)	Interest	Final buy-back deadline
1.	ENE A Nowa Energia Sp. z o.o.	10 March 2011	26 000	26 000	12 000	12 000	WIBOR 6M + margin	31 March 2023
2.	ENE A Wytwarzanie Sp. z o.o.	8 September 2012 agreement for PLN 4 000 000 thousand decreased through Annex 2 of 21 January 2015 to PLN 3 000 000 thousand	3 000 000	2 650 000	1 449 000	1 449 000	Depending on the series: fixed interest rate or WIBOR 6M + margin	Depending on bond series' issue dates, however no later than by 15 June 2022
3.	ENE A Operator Sp. z o.o.	20 June 2013 amended through Annex 1 of 9 October 2014 and Annex 2 of 7 July 2015	1 425 000	1 425 000	880 403	888 130	Depending on the series: fixed interest rate or WIBOR 6M + margin	Depending on bond series' issue dates, however no later than by 17 June 2030
4.	ENE A Operator Sp. z o.o.	7 July 2015 amended through Annex 1 of 28 March 2017	946 000	946 000	775 667	800 500	Depending on the series: fixed interest rate or WIBOR 6M + margin	Depending on bond series' issue dates, however no later than by 15 September 2032
Total					3 117 070	3 149 630		
Transaction costs and effect of measurement using effective interest rate					20 848	(812)		
Total					3 137 918	3 148 818		

In the 3-month period ending 31 March 2022 ENEA S.A. did not execute new intra-group bond issue programme agreements concerning financing for ENEA Group companies.

Loans

The following table presents loans issued by ENEA S.A. as at 31 March 2022 and 31 December 2021:

No.	Borrower	Contract date	Total contract amount	Debt at 31 March 2022	Debt at 31 December 2021	Interest	Final repayment deadline
1.	Elektrownia Ostrołęka Sp. z o.o.	30 September 2019	29 000	29 000	29 000	Fixed	29 April 2022
2.	Elektrownia Ostrołęka Sp. z o.o.	23 December 2019	170 000	170 000	170 000	Fixed	29 April 2022
3.	ENEA Wytwarzanie Sp. z o.o.	30 January 2020	2 200 000	1 782 034	1 782 034	WIBOR 6M + margin	30 September 2024
4.	ENEA Elektrownia Połaniec S.A.	28 February 2020	500 000	500 000	500 000	WIBOR 6M + margin	20 December 2024
5.	ENEA Operator Sp. z o.o.	12 March 2020	950 000	650 000	650 000	WIBOR 6M + margin	20 December 2024
6.	ENEA Operator Sp. z o.o.	22 June 2021	1 090 000	950 000	950 000	WIBOR 6M + margin	20 December 2026
7.	Miejska Energetyka Ciepła Piła Sp. z o.o.	24 June 2021	15 000	15 000	15 000	WIBOR 6M + margin	20 December 2031
				4 096 034	4 096 034		
Transaction costs and effect of measurement using effective interest rate, along with impairment of loans				72 035	31 500		
Impairment of loans				(229 275)	(225 610)		
Total				3 938 794	3 901 924		

In the 3-month period ending 31 March 2022 ENEA S.A. did not execute new loan agreements.

On 29 April 2022, ENEA S.A. and ENERGA S.A. executed with Elektrownia Ostrołęka Sp. z o.o. Annex 5 to the PLN 340 000 thousand loan agreement of 23 December 2019 and Annex 10 to the PLN 58 000 thousand loan agreement of 17 July 2019. Pursuant to the provisions of these annexes, the deadline for the one-off repayment by Elektrownia Ostrołęka Sp. z o.o. of the loans along with interest was prolonged to 30 December 2022.

Impairment of financial assets at amortised cost (concerns loans granted) as at 31 March 2022 amounted to PLN 229 275 thousand. The total impairment loss on loans issued to Elektrownia Ostrołęka Sp. z o.o. recognised in the 3-month period ended 31 March 2022 was PLN 3 665 thousand, and this amount was recognised in the separate statement of comprehensive income under "Impairment of financial assets at amortised cost."

20. Impairment of trade and other receivables

Impairment of trade and other receivables:

	3-month period ended 31 March 2022	Year ended 31 December 2021
Impairment of receivables at the beginning of period	65 025	59 450
Created	3 223	13 307
Used	(2 957)	(7 732)
Impairment of receivables at the end of period	65 291	65 025

In the 3-month period ended 31 March 2022, impairment of trade and other receivables increased by PLN 266 thousand (in the 3-month period ended 31 March 2021 impairment grew by PLN 1 582 thousand). Impairment losses are mainly recognised on trade receivables. Impairment of other receivables is negligible.

For current trade receivables, expected credit losses are calculated based on historic data in a way that is described in

The additional information and explanations presented on pages 9-33 constitute an integral part of these condensed separate interim financial statements.

Rules for creating and recording impairment losses on trade receivables and other financial items at ENEA Group companies. The impairment of receivables for 2022 is calculated on the basis of data from 2021. Therefore, the level of receivables impairment estimated as at 31 March 2022 reflects objective indications of impairment.

21. Analysis of the age structure of assets arising from contracts with customers and trade and other receivables

Age structure of assets arising from contracts with customers and trade and other receivables:

	As at 31 March 2022		
	Nominal value	Impairment	Book value
Trade and other receivables			
Current	1 654 942	(288)	1 654 654
Overdue	175 662	(63 170)	112 492
0-30 days	67 779	(103)	67 676
31-90 days	15 269	(1 219)	14 050
91-180 days	7 203	(1 810)	5 393
over 180 days	85 411	(60 038)	25 373
Total	1 830 604	(63 458)	1 767 146
Assets arising from contracts with customers	378 952	(114)	378 838

	As at 31 December 2021		
	Nominal value	Impairment	Book value
Trade and other receivables			
Current	1 437 846	(273)	1 437 573
Overdue	166 672	(62 859)	103 813
0-30 days	62 282	(98)	62 184
31-90 days	12 553	(886)	11 667
91-180 days	4 955	(1 238)	3 717
over 180 days	86 882	(60 637)	26 245
Total	1 604 518	(63 132)	1 541 386
Assets arising from contracts with customers	300 299	(93)	300 206

22. Other financial liabilities

Cash management at ENEA Group is carried out at ENEA S.A. level, making it possible to effectively manage cash surpluses and to limit external financing costs. The Group's cash pooling service includes selected companies from ENEA's tax group.

In this service, the balances of participants' bank accounts are zeroed at the end of each day and subsequently any cash surpluses are transferred to the managing entity's (ENE S.A.) bank account. The next day, cash balances are reversed and returned to the companies' bank accounts.

At 31 March 2022, the balance of liabilities within cash pooling was PLN 1 439 189 thousand (PLN 1 105 251 thousand at 31 December 2021) and is presented in line: Other financial liabilities.

Other explanatory notes

23. Related-party transactions

The Company executes transactions with the following related parties:

- transactions with ENEA Group companies
- transactions between the Company and members of ENEA S.A.'s corporate bodies are divided into two categories:
 - resulting from being appointed as Supervisory Board members,
 - resulting from other civil-law contracts.
- transactions with State Treasury related parties.

ENEA Group companies

	3-month period ended	
	31 March 2022	31 March 2021
Purchase value, including:	3 209 750	2 201 017
purchase of materials	107	135
purchase of services	592 840	563 845
other (including electricity and gas)	2 616 803	1 637 037
Sale value, including:	153 003	88 706
sale of electricity	132 651	81 540
sale of services	5 968	248
other	14 384	6 918
Interest income, including:	64 198	35 244
on bonds	26 050	20 792
on loans	36 869	14 256
other	1 279	196

	As at	
	31 March 2022	31 December 2021
Receivables	543 578	426 679
Liabilities	723 413	733 296
Financial assets - bonds	3 137 918	3 148 818
Loans granted	3 938 794	3 901 924
Other financial liabilities	1 439 189	1 105 251

These transactions with Group companies are executed on market terms, which do not differ from the terms applied in transactions with other entities.

Transactions with members of the Group's corporate authorities

Item	Company's Management Board 3-month period ended		Company's Supervisory Board 3-month period ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Remuneration under management contracts	1 020	937*	-	-
Remuneration under appointment to management or supervisory bodies	-	-	186	201
TOTAL	1 020	937	186	201

* This remuneration includes a non-compete clause for former Management Board members, amounting to PLN 82 thousand

In the 3-month period ended 31 March 2022, no loans were made to Supervisory Board members from the Company Social Benefit Fund (PLN 0 thousand for the 3-month period ended 31 March 2021).

Other transactions resulting from civil-law contracts executed between ENEA S.A. and members of the Company's corporate authorities mainly concern the use of company cars by members of ENEA S.A.'s Management Board for private purposes.

Transactions with State Treasury related parties

ENEA S.A. also executes commercial transactions with state and local administration units and entities owned by Poland's State Treasury.

The subject of these transactions mainly is as follows:

- purchase of electricity and property rights resulting from origin certificates for energy from renewable sources and energy produced in cogeneration with heat, from State Treasury subsidiaries and
- sale of electricity, distribution services and other associated fees that the Company provides for both state and local administration authorities (sale to end customers) and to the State Treasury's subsidiaries (wholesale and retail sale - to final customers).

These transactions are executed on market terms, and these terms do not differ from the terms applied in transactions with other entities. The Company does not keep records that would make it possible to aggregate the amounts of all transactions executed with all state institutions and the State Treasury's subsidiaries.

In addition, the Company identified financial transactions with State Treasury's related parties, i.e. with banks serving as guarantors for bond issue programmes. These entities include: PKO BP S.A., Pekao S.A. and Bank Gospodarstwa Krajowego. Detailed information on bond issue programs is presented in note 16.

24. Conditional liabilities, court proceedings and cases on-going before public administration organs

This section of explanatory notes includes conditional liabilities and on-going proceedings in courts, arbitration bodies or public administration bodies

24.1. Sureties and guarantees

On 11 March 2022 ENEA S.A. as Guarantor executed a surety agreement with PKO BP S.A. The subject of the agreement is a surety for the future liabilities of ENEA Trading Sp. z o.o. up to a maximum amount of PLN 2 400 000 thousand concerning transactions in CO₂ emission allowance trading.

The following table presents significant bank guarantees valid as of 31 March 2022 under an agreement between ENEA S.A. and Bank PKO BP S.A. and Bank PEKAO S.A. up to the limit specified in the agreement.

List of guarantees issued as at 31 March 2022

Guarantee issue date	Guarantee validity	Obliged entity	Entity for which the guarantee was issued	Bank - issuer	Guarantee amount in PLN 000s
30.12.2020	31.12.2022	ENEA Elektrownia Połaniec	Izba Rozliczeniowa Giełd Towarowych S.A.	PEKAO S.A.	260 000
12.08.2018	31.12.2022	ENEA Elektrownia Połaniec	Polskie Sieci Elektroenergetyczne	PKO BP S.A.	60 000
17.02.2022	16.06.2022	ENEA Elektrownia Połaniec	Arkan Impex General Trading LLC	PKO BP S.A.	10 032
01.07.2020	30.06.2022	ENEA S.A.	H. Świącicki Clinical Hospital in Poznań	PKO BP S.A.	1 281
04.08.2021	15.07.2023	ENEA S.A.	Vastint Poland Sp. z o.o.	PKO BP S.A.	1 045
Total bank guarantees					332 358

The value of other guarantees issued by the Company as at 31 March 2022 was PLN 10 809 thousand. The total value of sureties and guarantees issued by ENEA S.A. as collateral for ENEA Group companies' liabilities at 31 March 2022 was PLN 3 790 192 thousand.

24.2. On-going proceedings in courts of general competence

Proceedings initiated by the Company

Proceedings in courts of general competence initiated by ENEA S.A. concern receivables related to electricity supplies and receivables related to other matters - illegal uptake of electricity, grid connections and other specialised services.

At 31 March 2022, a total of 18 855 cases initiated by the Company were in progress before courts of general competence, worth in aggregate PLN 61 674 thousand (31 December 2021: 17 739 cases worth PLN 59 631 thousand).

The outcome of individual cases is not significant from the viewpoint of the Company's financial result.

The additional information and explanations presented on pages 9-33 constitute an integral part of these condensed separate interim financial statements.

Proceedings against the Company

Proceedings against the Company are initiated by both natural persons and legal entities. They concern issues such as: compensation for electricity supply disruptions, compensation for the Group's use of properties on which power equipment is located as well as claims related to terminated contracts for the purchase of property rights (note 24.4).

At 31 March 2022, a total of 93 cases against the Company were in progress before courts of general competence, worth in aggregate PLN 586 720 thousand (31 December 2021: 94 cases worth PLN 587 473 thousand).

Provisions related to these court cases are presented in 17.

24.3. Cases concerning 2012 non-balancing

On 30 and 31 December 2014, ENEA S.A. submitted demands for settlement to:

	Demanded amount in PLN 000s
PGE Polska Grupa Energetyczna S.A.	7 410
PKP Energetyka S.A.	1 272
TAURON Polska Energia S.A.	17 086
TAURON Sprzedaż GZE Sp. z o.o.	1 826
Total	27 594

The subject of these demands is claims for the payment for electricity that was incorrectly settled on the balancing market in 2012. The companies receiving these demands obtained unjustified proceeds by not allowing ENEA S.A. to issue invoices for 2012.

Given a lack of an amicable resolution in this case, ENEA S.A. brought lawsuits against:

- TAURON Polska Energia S.A. – lawsuit of 10 December 2015,
- TAURON Sprzedaż GZE Sp. z o.o. – lawsuit of 10 December 2015,
- PKP Energetyka S.A. – lawsuit of 28 December 2015,
- PGE Polska Grupa Energetyczna S.A. – lawsuit of 29 December 2015.

In the case ENEA S.A. vs. Tauron Polska Energia and others (file no. XIII GC 600/15/AM), on 23 March 2021 in its entirety and awarded the costs of proceedings in favour of the defendant and the co-defendants. The ruling along with justification in writing was delivered on 20 May 2021. On 10 June 2021, ENEA S.A. lodged an appeal to the Appeals Court in Katowice. In the case ENEA S.A. vs. TAURON Sprzedaż GZE Sp. z o.o. (file no. X GC 546/15), on 21 December 2021 the District Court in Gliwice dismissed the claim in its entirety and awarded the costs of proceedings in favour of the defendant. The ruling along with a justification in writing was delivered on 3 March 2022. On 17 March 2022 ENEA S.A. lodged an appeal to the Appeals Court in Katowice. In a case against PGE Polska Grupa Energetyczna S.A. (file no. XVI GC 525/20, previous file no. XX GC 1163/15) - through a ruling of 7 January 2021 the court suspended the proceeding at the mutual request of the parties. Through a ruling of 19 November 2021, the court resumed the previously suspended proceeding. Through a ruling of 1 March 2022, the court suspended the proceeding at the mutual request of the parties.

No amounts concerning the above cases were recognised in the separate statement of financial position.

24.4. Dispute concerning prices for origin certificates for energy from renewable sources and terminated agreements for the purchase of property rights arising under origin certificates for energy from renewable sources

ENEA S.A. is a party to 8 court proceedings concerning agreements for the purchase of property rights arising under certificates of origin for energy from renewable sources, which includes:

- 6 proceedings for payment in which claims for remuneration, contractual penalties or damages are pursued against ENEA S.A., whereas in one proceeding there was a preliminary ruling regarding claims and recognition of ineffectiveness of contract termination;
- 1 proceeding to determine the ineffectiveness of ENEA S.A.'s termination of property rights sale agreements made on 28 October 2016;
- 1 proceeding for payment, in which ENEA S.A. seeks a claim concerning a contractual penalty.

ENEA S.A. offset a part of receivables due for these counterparties from ENEA S.A. for sold property rights with damages-related receivables due for ENEA S.A. from renewables producers. The damage caused to ENEA S.A. arose as a result of the counterparties' failure to fulfil a contractual obligation to participate, in good faith, in re-negotiating long-term agreements for the sale of property rights in accordance with an adaptation clause that is binding for the parties.

On 28 October 2016, ENEA S.A. submitted statements depending on the agreement: on termination or withdrawal from long-term agreements for the purchase by the Company of property rights resulting from certificates of origin for energy from renewable sources (green certificates) (Agreements).

The Agreements were executed in 2006-2014 with the following counterparties, which own renewable generation assets ("Counterparties"):

- Farma Wiatrowa Krzęcin Sp. z o.o., based in Warsaw;
- Megawind Polska Sp. z o.o., based in Szczecin;
- PGE Górnictwo i Energetyka Konwencjonalna S.A., based in Bełchatów (currently PGE Energia Ciepła S.A.);
- PGE Energia Odnawialna S.A., based in Warsaw;
- PGE Energia Natury PEW Sp. z o.o., based in Warsaw (currently PGE Energia Odnawialna S.A., based in Warsaw);
- "PSW" Sp. z o.o., based in Warsaw;
- in.ventus Sp. z o.o. EW Śniatowo Sp. k., based in Poznań (currently TEC1 Sp. z o.o. EW Śniatowo Sp. k., based in Katowice);
- Golice Wind Farm Sp. z o.o., based in Warsaw.

As a rule, the Agreements were terminated by the end of November 2016. The dates on which the respective Agreements were terminated depended on contractual provisions.

The reason for terminating/withdrawing from each of the Agreements by the Company was failure to engage in re-negotiations concerning adaptive clauses in each of the Agreements that would justify the adjustment of these Agreements in order to restore contractual balance and the equivalence of the parties' benefits following changes in the law.

Legal changes that occurred after the aforementioned Agreements were executed include in particular:

- ordinance of the Minister of Economy of 18 October 2012 on a detailed scope of obligations to obtain and present for redemption origin certificates, pay substitute fees, purchase electricity and industrial heat generated from renewable sources and the obligation to validate data concerning the quantity of electricity generated from renewable sources (Polish Journal of Laws of 2012, item 1229);
- Act on renewable energy sources of 20 February 2015 (Polish Journal of Laws of 2015, item 478) and associated further legal changes and announced drafts of legal changes, including especially:
 - the Act on amendment of the act on renewable energy sources and certain other acts dated 22 June 2016 (Polish Journal of Laws of 2016, item 925); and
 - a draft of the Ordinance of the Minister of Energy concerning changes in the share of electricity resulting from redeemed origin certificates confirming production of electricity from renewable sources, which is to be issued based on an authorisation under art. 12 sec. 5 of the Act on amendment of the act on renewable energy sources and certain other acts dated 22 June 2016 and certain other acts,

caused an objective lack of possibilities to develop reliable models to forecast the prices of green certificates.

The Agreements were terminated with the intention for the Company to avoid losses constituting the difference between contractual and market prices of green certificates. Due to the changing legal conditions after termination of the Agreements in 2017, especially arising from the Act of 20 July 2017 on amendment of the act on renewable energy sources, the estimated value of future contract liabilities would have changed. In the current legal framework, this would be significantly lower in comparison to the amount estimated when the Agreements were being terminated, i.e. approx. PLN 1 187 million. This decline reflects a change in the way in which the substitute fee is calculated, which in accordance with the content of some of the Agreements constitutes the basis for calculating the contract price and indexing it to the market price. The Company created a PLN 163 594 thousand provision for potential claims resulting from the terminated Agreements in relation to submissions made by 31 March 2022 concerning transactions to sell property rights by the counterparties; the provision is presented in 17.

In a case brought by Golice Wind Farm Sp. z o.o. against ENEA S.A., the court issued on 14 August 2020 a partial and preliminary ruling, in which it:

- 1) withdrew a claim seeking the voidance of ENEA S.A.'s termination of an agreement to sell property rights, which took place on 28 October 2016;
- 2) accepted a claim for the payment of consideration for property rights and ordered ENEA S.A. to pay PLN 6 042 thousand, together with interest;
- 3) considered the other parts of the claim for payment as justified in general.

This ruling is not final. ENEA S.A. has appealed part of the ruling, i.e. as regards points 2 and 3. Moreover, on 13 January 2021 Golice Wind Farm Sp. z o.o. appealed a part of the ruling, i.e. as regards the ruling in point 1, dismissing the action for a declaration. The appeal hearing was held on 21 January 2022, and the ruling announcement was postponed to 21 February 2022. On 21 February 2022 The Appeals Court in Poznań issued a judgement whereby it amended the appealed judgement and determined that the statement made by ENEA S.A. in Poznań in its letter of 28 October 2016

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on termination of the sale agreement in its entirety did not have legal effect and the agreement remains in force in its entirety, dismissing the appeal of Golice Wind Farm Sp. z o.o. to the remaining extent and dismissing the appeal of ENEA S.A., as well as awarding the costs of the appeal proceedings to Golice Wind Farm Sp. z o.o. from ENEA S.A.

In cases brought by PGE Group companies, i.e.:

- PGE Energia Odnawialna S.A., based in Warsaw (file no. IX GC 1064/17) – on 15 June 2021, the court resumed the previously suspended proceeding, and then through a ruling of 6 September 2021 the District Court in Poznań suspended the proceeding at the mutual request of the parties. Through a ruling of 17 February 2022, the court resumed the previously suspended proceeding, which was subsequently suspended again by a decision of 25 March 2022 on the mutual application of the parties;
- PGE Energia Ciepła S.A., based in Warsaw (file no. IX GC 555/16) – through a ruling of 8 December 2021 the court decided to resume the suspended proceeding, while on 15 December 2021 the Company was served an extension of the action, in respect of which the Company took a position requesting that it be dismissed in its entirety. Through a ruling of 5 January 2022, the District Court in Poznań once again suspended the proceeding at the mutual request of the parties.
- PGE Energia Odnawialna S.A., based in Warsaw (file no. IX GC 1011/17) – through a ruling of 16 April 2021, the court resumed the previously suspended proceeding, and through a ruling of 3 August 2021 the District Court in Poznań suspended the proceeding at the mutual request of the parties. Subsequently, the proceeding was resumed. On 7 March 2022, the Claimant filed a pleading, maintaining its previous position and requested a stay of proceedings granting the Company's potential request in this regard.

In a case brought by ENEA S.A. against PGE Górnictwo i Energetyka Konwencjonalna S.A. (file no. X GC 608/20) – on 26 October 2020, the court ruled to suspend the proceeding at the parties' mutual request. Subsequently, the proceeding was resumed. In a letter of 1 March 2022, the claimant informed of a change in the claimant's entity, indicating that as a result of a resolution adopted on 15 April 2021 by the Extraordinary Meeting of PGE Górnictwo i Energetyka Konwencjonalna S.A. and PGE Energia Ciepła S.A., part of the assets of PGE Górnictwo i Energetyka Konwencjonalna constituting an organised part of enterprise, in the form of Zespół Elekrowni Dolna Odra, was transferred to PGE Energia Ciepła S.A. Moreover, in the letter, the claimant requested that the proceedings be suspended at the mutual request of the parties, or alternatively that the letter be considered as granting a motion to suspend the proceedings that the Company may file in this respect.

In a case brought by Hamburg Commercial Bank AG against ENEA S.A., in which Hamburg Commercial Bank AG is seeking claims arising under property rights sales contract no. ENEA/WINDPARK ŚNIATOWO/PMOZE/2013 of 26 February 2014, executed between ENEA S.A. and Windpark Śniatowo Management GmbH EW Śniatowo Sp. k. (currently TEC1 Sp. z o.o. EW Śniatowo Sp. k., based in Katowice), claiming their purchase under a debt assignment contract, the District Court in Poznań issued on 25 February 2021 a partial ruling, ordering ENEA S.A. to pay PLN 494 thousand, with statutory late interest for the period from 16 December 2016 to the payment date. This ruling is not final. On 2 June 2021, ENEA S.A. lodged an appeal against the entire partial ruling by the District Court in Poznań of 25 February 2021. Within the remaining scope, i.e. concerning the claim extension of 17 January 2019 and claim extension of 20 August 2019, the proceeding is legally suspended under the order of the District Court in Poznań of 24 October 2019 until a final ruling is issued by this court in case no. IX GC 552/17. On 30 December 2021 Hamburg Commercial Bank AG filed an application with the District Court in Poznań for securing the claim. Through a ruling of 18 March 2022 the District Court in Poznań dismissed the claimant's application for securing the claim.

25. Capital increase

On 19 January 2022, the Management Board of ENEA S.A. adopted a resolution to initiate a process to raise the Company's share capital through the issue of at least 1 and no more than 88 288 515 ordinary bearer shares series D, with a nominal value of PLN 1.00 each ("Series D Shares"), with the aim of raising funds to finance investment projects in ENEA Group's Distribution Area (including expansion and modernisation of high and medium voltage lines, installation of remote reading meters and connection of new customers to the grid), being implemented by ENEA Operator sp. z o.o., with the exclusion of the possibility to finance coal assets. All of these projects are in alignment with ENEA Group's strategy and are intended to ensure energy security and continuous and reliable supplies of electricity in the operating area of ENEA Operator sp. z o.o. The issue will be a private subscription pursuant to art. 431 § 2 point 1 of the Polish Commercial Companies Code, conducted as a public offering exempted from the obligation to publish a prospectus in the meaning of the relevant laws or another information document and will be addressed to investors meeting specific criteria, as set in the resolution regarding the share capital increase via the issue of Series D Shares, with the right of pre-emption to all Series D Shares being waived for all of the Company's existing shareholders.

Given the above, on 19 January 2022 the Management Board called an Extraordinary General Meeting for 10 March 2022 that was intended to adopt a resolution on a share capital increase via the Series D Share issue, with pre-emption rights waived entirely.

On 21 January 2022 ENEA S.A. submitted an application to the President of the Council of Ministers for the State Treasury to acquire Series D Shares for a total amount of not less than PLN 899 659 967.85, in exchange for a cash contribution from the re-privatisation fund referred to in art. 56 sec. 1 of the Act of 30 August 1996 on commercialisation and certain employee authorisations ("Application"). The Company requested that the State Treasury acquire not less than 45 470 725 (i.e. a proportional number of Series D Shares to the State Treasury's existing stake in the total number of the Company's shares) and not more than 88 288 515 Series D Shares (i.e. the maximum number of Series D Shares to be issued). The Application was submitted based on the Regulation of the Minister of Finance of 23 December 2021 on the detailed procedure for the acquisition or subscription of shares by the State Treasury using the Reprivatisation Fund in 2021-2022.

On 10 March 2022, ENEA S.A.'s Extraordinary General Meeting adopted a resolution pursuant to which a break in the Extraordinary General Meeting was announced until 8 April 2022.

On 8 April 2022, the Company signed an investment agreement with the State Treasury represented by the Prime Minister ("Investment Agreement") in relation to the planned issue of the Series D ordinary bearer shares with the exclusion of pre-emptive rights of the existing shareholders. Pursuant to the Investment Agreement, the State Treasury expressed its intention to acquire up to 88 288 515 Series D Shares for funds in the amount of up to PLN 899 659 967.85 ("New Funds") from the Reprivatisation Fund referred to in art. 56 and art. 69h of the Act of 30 August 1996 on commercialisation and certain employee authorisations.

The Company has made a commitment to the State Treasury that it would allocate the New Funds in their entirety for the implementation by the Company and its subsidiary (ENEA Operator sp. z o.o.) of the following projects: (a) Expansion and modernisation of the grid as regards high and medium voltage substations; (b) Expansion and modernisation of the grid as regards high voltage lines; (c) Expansion and modernisation of the grid as regards medium voltage grids; (d) Remote reading meters; and (e) Connections to the grid.

The Investment Agreement sets out the rules governing the use of the New Funds and the consequences of a breach of those rules, the obligations and assurances of the Company in connection with the transfer of the New Funds, the obligations relating to reporting and accounting for the New Funds and the control powers of the Treasury. In the event that the New Funds are used contrary to the Investment Agreement or if the Investment Agreement is improperly performed, the Company will be required, depending on the nature of the provision violated, to pay to the State Treasury the guarantee amounts or return all or part of the New Funds.

The Extraordinary General Meeting resumed on 8 April 2022. The Extraordinary General Meeting adopted resolution no. 5 on an increase of the Company's share capital through the issue of series D ordinary bearer shares in a private subscription, a complete exemption of the existing shareholders of their pre-emption rights to all series D shares, amendment of the Company's articles of association, application for the admission and introduction of the series D Shares and/or rights to series D shares to trade on the regulated market operated by the Warsaw Stock Exchange and dematerialisation of the series D shares and/or rights to series D shares ("Issue Resolution"). Pursuant to the resolution:

- The Company's share capital has been increased by no less than PLN 1.00 and no more than PLN 88 288 515, i.e. to no less than PLN 441 442 579 and no more than PLN 529 731 093, by way of issuing no less than 1 and no more than 88 288 515 Series D Shares, with a nominal value of PLN 1.00 per share.
- The Series D share issue will be a private subscription (in the meaning of art. 431 § 2 point 1 of the Polish Commercial Companies Code) by way of a public offering ("Offering") addressed exclusively to selected investors on the terms specified in § 3 sec. 2 of this resolution, which will be exempted from the obligation to publish a prospectus in the meaning of the relevant laws or another information or offering document for the purposes of the Offering in accordance with art. 3 sec. 1 in connection with art. 1 sec. 4 letter a) and letter d) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC.
- The aim of the Series D Share issue is to finance investment projects aimed at the development and modernisation of medium- and high-voltage transmission grids and the installation of remote reading meters. Proceeds from the Series D Share issue may not be used to finance coal assets within the Company's group.

Moreover, on 8 April 2022, the Company signed agreements with Pekao Investment Banking Spółka Akcyjna ("Global Coordinator" or "Pekao IB") and Bank Polska Kasa Opieki Spółka Akcyjna (jointly as "Joint Bookrunners") on the placement of shares ("Placement Agreement") and on the commencement of the book-building process by way of a private subscription of no more than 88 288 515 ordinary bearer series D shares. On 8 April 2022, the Company's Management Board also adopted a resolution to set the rules for the offering, rules for conducting the bookbuilding process and the acquisition and allocation of the Series D Shares. In the Placement Agreement, the Issues has undertaken that, inter alia, without the consent of the Global Coordinator, it will not issue, sell or offer shares in the Company within 360 days of the date of the first listing of the Series D Shares, except in accordance with standard exemptions.

A bookbuilding process for the Series D Shares was conducted on 8-13 April 2022. On 14 April 2022, once it was

completed, the Company's Management Board set the issue price of Series D Shares at PLN 8.50 per one Series D Share. The Company's Management Board also decided to offer a total of 88 288 515 Series D Shares to selected investors under the terms of the Issue Resolution and the subscription rules determined thereunder.

Agreements for the acquisition of the Series D Shares were signed on 19-27 April 2022. The Series D Shares were acquired by 67 entities. On 28 April 2022, in connection with the end of the Series D Shares subscription process, the Company's Management Board adopted a resolution to allocate 88 288 515 Series D Shares. Cash contributions in exchange for the Series D Shares were fully paid. The issue price for the Series D Shares was PLN 8.50 per share. The total value of the subscription, understood as the product of the number of Series D Shares covered by the Offering and the issue price, was PLN 750 452 377.50.

On 6 May 2022, the Company received statement no. 400/2022 from Krajowy Depozyt Papierów Wartościowych S.A. (National Depository for Securities - "NDS") dated 6 May 2022 ("Statement") regarding execution with the Company of an agreement concerning registration in a securities deposit of 88 288 515 rights to the Company's series D ordinary bearer shares with a nominal value of PLN 1.00 each ("Rights to Shares"). The Rights to Shares were given the ISIN code PLENEA000104. In accordance with the Statement, registration of the Rights to Shares should take place within 3 days from the receipt by the NDS of a decision to admit the Rights to Shares to regulated-market trade.

On 6 May 2022, the Management Board of Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange - "WSE") adopted Resolution No. 427/2022 on the admission and introduction to exchange trading on the WSE's main market of 88 288 515 rights to series D ordinary bearer shares of the Company with a nominal value of PLN 1.00 each, as of the date of registration of these rights to shares by the NDS. At the same time, the WSE's Management Board decided to introduce the above-mentioned rights to shares of the Company to stock exchange trading on the main market as of 10 May 2022, provided that the NDS registers these rights to shares and designates them with the code "PLENEA000104" no later than on 10 May 2022. Moreover, the WSE's Management Board decided to list the rights to shares of the Company in the continuous trading system under the abbreviated name "ENEAPDA" and the designation "ENAA." On 9 May 2022, 88 288 515 series D ordinary bearer shares of the Company, with a nominal value of PLN 1.00 each, were registered with the NDS.

The first listing of the Rights to Shares took place on 10 May 2022, in accordance with the resolution of the WSE's management board

26. Political and economic situation in Ukraine

Russian troops attacked Ukraine on 24 February 2022, thus beginning a large-scale conflict. This event has a major impact on the social, political and economic situation, not only in the region, but also globally. ENEA S.A. is continually analysing the impact of the political and economic situation in Ukraine on the financial statements and the current and future financial and operating results of the Company, but it is not currently possible to accurately determine the impact.

In commodity and financial markets, there is increased risk aversion and high volatility in the prices of commodities and financial instruments. Considerable volatility in the prices of electricity and emission allowances (EUAs) may affect the need for margining on IRGIT and on foreign markets (The ICE, EEX) that organise trading in greenhouse gas emission allowance contracts, thereby increasing the need for working capital. Rising commodity prices reinforce expectations of rising interest rates (increasing inflationary pressures), which may increase the cost of debt financing. A pronounced weakening of PLN may lead to an increase in operating costs.

In connection with the introduction of the alert degree CHARLIE-CRP throughout the country, undertakings described in the regulation of the Prime Minister of 25 July 2016 on the scope of undertakings carried out in individual alert degrees and CRP alert degrees have been implemented in the Company. Restrictions on access to IT systems as a result of the maintenance of the CHARLIE-CRP alert level may cause delays to IT projects and deployments.

Higher prices of gaseous fuel electricity may affect the results of energy vendors in the current year (the need to purchase for balancing purposes) and prices for customers (in terms of customers who have not purchased energy with a guaranteed "fixed" price).

At the date on which these condensed separate interim financial statements were prepared, it is not possible to predict how the situation concerning the armed conflict in Ukraine will develop and what the potential negative effects for the Company's operating and financing activities will be in the future.

At the date on which these separate financial statements were prepared, ENEA S.A. sees no going-concern risk.