



ENEA S.A.

**CONDENSED SEPARATE
INTERIM FINANCIAL
STATEMENTS**

for the period from 1 January
to 30 September 2021

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 Szczeszek
Member of the Management Board	Tomasz Siwak
Member of the Management Board	Tomasz Szczegielniak
Member of the Management Board	Marcin Pawlicki
Member of the Management Board	Rafał Mucha

ENEA Centrum Sp. z o.o.

Entity responsible for maintaining accounting

books and preparing financial statements

.....

ENEA Centrum Sp. z o.o. ul. Górecka 1, 60-201 Poznań

KRS 0000477231, NIP 777-000-28-43, REGON 630770227

Poznań, 25 November 2021

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Note	Period			
		9-month period ended 30 September 2021 (unaudited)	3-month period ended 30 September 2021 (unaudited)	9-month period ended 30 September 2020 (unaudited)	3-month period ended 30 September 2020 (unaudited)
Revenue from sales		5 413 735	1 861 788	4 614 261	1 529 997
Excise duty		(54 304)	(17 649)	(48 555)	(15 552)
Net revenue from sales	7	5 359 431	1 844 139	4 565 706	1 514 445
Lease income		184	58	244	91
Revenue from sales and other income		5 359 615	1 844 197	4 565 950	1 514 536
Other operating revenue		10 886	3 523	8 505	2 283
Change in provision for onerous contracts	17	(11 066)	(7 330)	53 432	14 127
Depreciation/amortisation		(4 990)	(1 572)	(3 757)	(1 295)
Employee benefit costs		(58 051)	(17 836)	(51 928)	(11 585)
Use of materials and raw materials and value of goods sold		(1 598)	(476)	(2 133)	(804)
Purchase of electricity and gas for sales purposes		(4 966 588)	(1 693 961)	(4 435 567)	(1 478 387)
Transmission and distribution services		(29 420)	(10 023)	(9 024)	(4 596)
Other third-party services		(176 359)	(58 103)	(172 802)	(57 470)
Taxes and fees		(3 770)	(399)	(3 750)	(399)
Gain on sale and liquidation of property, plant and equipment and right-of-use assets		-	-	124	18
Other operating costs		(46 879)	(14 679)	(50 744)	(11 717)
Operating profit/(loss)		71 780	43 341	(101 694)	(35 289)
Finance costs		(138 607)	(46 056)	(215 472)	(72 354)
Finance income		136 442	44 171	175 533	49 977
Dividend income		545 357	240 221	593 694	243 658
Change in impairment of interests in subsidiaries, associates and jointly controlled entities	11	114 100	-	(796 165)	(258 118)
Impairment of financial assets at amortised cost	19	(13 762)	(3 774)	(141 470)	(2 733)
Profit/(loss) before tax		715 310	277 903	(485 574)	(74 859)
Income tax		(10 556)	(79 832)	23 445	(13 609)
Net profit/(loss) for the reporting period		704 754	198 071	(462 129)	(88 468)
Other comprehensive income					
Subject to reclassification to profit or loss:					
- measurement of hedging instruments		113 027	32 131	(131 657)	10 266
- income tax		(21 476)	(6 105)	25 015	(1 950)
Not subject to reclassification to profit or loss:					
- restatement of defined benefit plan		1 702	-	(2 870)	-
- other		(1 263)	-	-	-
- income tax		(323)	-	545	-
Net other comprehensive income		91 667	26 026	(108 967)	8 316
Comprehensive income for the reporting period		796 421	224 097	(571 096)	(80 152)
Net profit/(loss) attributable to the Company's shareholders		704 754	198 071	(462 129)	(88 468)
Weighted average number of ordinary shares		441 442 578	441 442 578	441 442 578	441 442 578
Net profit/(loss) per share (in PLN per share)		1.60	0.45	(1.05)	(0.20)
Diluted profit/(loss) per share (in PLN per share)		1.60	0.45	(1.05)	(0.20)

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 30 September 2021	31 December 2020
ASSETS			
Non-current assets			
Property, plant and equipment	9	23 705	23 910
Right-of-use assets		27 652	29 978
Intangible assets	10	3 604	4 180
Investment properties		12 794	13 206
Investments in subsidiaries, associates and jointly controlled entities	11	9 499 907	9 512 925
Deferred income tax assets	8	136 015	101 483
Financial assets measured at fair value		56 928	84 848
Debt financial assets at amortised cost	19	4 678 068	6 082 074
Finance lease and sublease receivables		351	513
Costs related to the conclusion of agreements		12 183	11 256
Total non-current assets		14 451 207	15 864 373
Current assets			
Inventories	12	245 759	65 700
Trade and other receivables		1 707 469	1 381 371
Costs related to the conclusion of agreements		11 348	13 428
Assets arising from contracts with customers	13	279 845	228 905
Finance lease and sublease receivables		1 337	3 274
Current income tax receivables		-	-
Debt financial assets at amortised cost	19	2 527 394	1 406 802
Cash and cash equivalents	14	2 203 757	530 668
Total current assets		6 976 909	3 630 148
TOTAL ASSETS		21 428 116	19 494 521

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	30 September 2021 (unaudited)	As at 31 December 2020
EQUITY AND LIABILITIES			
Equity			
Share capital		588 018	588 018
Share premium		3 687 993	4 627 673
Revaluation reserve - measurement of financial instruments		-	(17 036)
Revaluation reserve - measurement of hedging instruments		(13 983)	(105 534)
Reserve capital		5 974 031	5 974 031
Retailed earnings/accumulated losses		687 834	(939 680)
Total equity		10 923 893	10 127 472
LIABILITIES			
Non-current liabilities			
Credit facilities, loans and debt securities	16	4 489 758	6 559 586
Lease liabilities		25 563	25 884
Employee benefit liabilities		57 222	60 146
Financial liabilities measured at fair value	18	-	75 131
Total non-current liabilities		4 572 543	6 720 747
Current liabilities			
Credit facilities, loans and debt securities	16	2 168 317	1 210 519
Trade and other payables		751 825	438 241
Liabilities arising from contracts with customers	13	34 107	32 289
Lease liabilities		1 919	5 431
Current income tax liabilities		88 819	71 385
Employee benefit liabilities		19 378	27 637
Financial liabilities measured at fair value		31 524	64 542
Liabilities concerning the equivalent for rights to free purchase of shares		281	281
Other financial liabilities	22	2 013 820	152 574
Provisions for other liabilities and other charges	17	821 690	643 403
Total current liabilities		5 931 680	2 646 302
Total liabilities		10 504 223	9 367 049
TOTAL EQUITY AND LIABILITIES		21 428 116	19 494 521

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 2020	441 443	146 575	588 018	4 627 673	(17 036)	(17 356)	5 690 700	2 702 180	13 574 179
Net loss for the reporting period	-	-	-	-	-	-	-	(462 129)	(462 129)
Net other comprehensive income	-	-	-	-	-	(106 642)	-	(2 325)	(108 967)
Net comprehensive income recognised in the period	-	-	-	-	-	(106 642)	-	(464 454)	(571 096)
Allocation of net profit - transfer	-	-	-	-	-	-	283 331	(283 331)	-
As at 30 September 2020 (unaudited)	441 443	146 575	588 018	4 627 673	(17 036)	(123 998)	5 974 031	1 954 395	13 003 083

	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 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	-	-	-	-	-	-	-	704 754	704 754
Net other comprehensive income	-	-	-	-	17 036	91 551	-	(16 920)	91 667
Net comprehensive income recognised in the period	-	-	-	-	17 036	91 551	-	687 834	796 421
Coverage of net loss - transfer	-	-	-	(939 680)	-	-	-	939 680	-
As at 30 September 2021 (unaudited)	441 443	146 575	588 018	3 687 993	-	(13 983)	5 974 031	687 834	10 923 893

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	
		9-month period ended 30 September 2021 (unaudited)	9-month period ended 30 September 2020 (unaudited)
Cash flows from operating activities			
Net profit/net loss for the reporting period		704 754	(462 129)
Adjustments:			
Income tax in profit or loss		10 556	(23 445)
Depreciation/amortisation		4 990	3 757
Gain on sale and liquidation of property, plant and equipment and right-of-use assets		-	(124)
(Gain)/loss on sale of financial assets		(1 559)	28 207
Interest income		(107 164)	(145 026)
Dividend income		(545 357)	(593 694)
Interest costs		114 832	166 441
Impairment of interests		(114 100)	796 165
Impairment of financial assets at amortised cost		13 762	141 470
Total adjustments		(624 040)	373 751
Paid income tax		(227 805)	(9 005)
Flows resulting from settlements within tax group		328 352	146 414
Changes in working capital:			
Inventories		(180 059)	(134 836)
Trade and other receivables		(133 522)	(199 206)
Trade and other payables		165 403	(79 642)
Employee benefit liabilities		(9 481)	(8 276)
Provisions for other liabilities and other charges		292 387	141 619
Total changes in working capital		134 728	(280 341)
Net cash flows from operating activities		315 989	(231 310)
Cash flows from investing activities			
Purchase of non-current property, plant and equipment and intangible assets and right-of-use assets		(632)	(711)
Proceeds from sale of non-current property, plant and equipment and intangible assets and right-of-use assets		-	124
Purchase of financial assets		(165 000)	(1 807 800)
Proceeds from sale of financial assets		534 403	1 597 140
Purchase of subsidiaries		(4 500)	(9 300)
Purchase of associates and jointly controlled entities		(375)	(1 629)
Sale of associates and jointly controlled entities		982	-
Received dividends		305 136	593 694
Received interest		69 368	124 132
Other expenses		(533)	-
Net cash flows from investing activities		738 849	495 650
Cash flows from financing activities			
Repayment of credit and loans		(134 267)	(92 934)
Bond buy-back		(997 110)	(1 184 310)
Expenditures concerning lease payments		(4 605)	(4 098)
Interest paid		(107 013)	(176 790)
Net cash flows from financing activities		(1 242 995)	(1 458 132)
Total net cash flows		(188 157)	(1 193 792)
Cash at the beginning of reporting period	14	378 094	2 715 611
Cash at the end of reporting period	14	189 937	1 521 819

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. Górecka 1, 60-201 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 30 September 2021, ENEA S.A.'s shareholding structure was as follows:

	Poland's State Treasury	Other shareholders	Total
As at 30 September 2021	51.50%	48.50%	100.00%

As at 30 September 2021, the Company's highest-level controlling entity was the State Treasury.

As at 30 September 2021, 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 nine-month period ended 30 September 2021 and contain comparative data for the nine-month period ended 30 September 2020 and the year ended 31 December 2020.

2. Group composition

As at 30 September 2021, ENEA Group consisted of the parent - ENEA S.A., 14 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	ENEA S.A.'s stake in total number of voting rights as at 30 September 2021	ENEA S.A.'s stake in total number of voting rights as at 31 December 2020
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 Pomiar Sp. z o.o.	distribution	Poznań	100%	100%
9. ENERGO-TOUR Sp. z o.o. w likwidacji	other activity	Poznań	100% ⁶	100% ⁶
10. ENEA Innowacje Sp. z o.o.	other activity	Warsaw	100% ^{7,8}	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. ENEA Nowa Energia Sp. z o.o.	generation	Radom	100%	100%
INDIRECT SUBSIDIARIES				
15. ENEA Logistyka Sp. z o.o.	distribution	Poznań	100% ⁵	100% ⁵
16. ENEA Bioenergia Sp. z o.o.	generation	Połaniec	100% ¹	100% ¹
17. ENEA Połaniec Serwis Sp. z o.o.	generation	Połaniec	100% ¹	100% ¹
18. Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o.	generation	Oborniki	99.93% ²	99.93% ²
19. Miejska Energetyka Ciepła Piła Sp. z o.o.	generation	Piła	71.11% ²	71.11% ²
20. EkoTRANS Bogdanka Sp. z o.o.	mining	Bogdanka	65.99% ³	65.99% ³
21. RG Bogdanka Sp. z o.o.	mining	Bogdanka	65.99% ³	65.99% ³
22. MR Bogdanka Sp. z o.o.	mining	Bogdanka	65.99% ³	65.99% ³
23. Łęczyńska Energetyka Sp. z o.o.	mining	Bogdanka	58.53% ³	58.53% ³
24. ENEA Badania i Rozwój Sp. z o.o.	other activity	Warsaw	- ^{4,8}	100% ⁴
JOINTLY CONTROLLED ENTITIES				
25. Polska Grupa Górnicza S.A.	-	Katowice	7.66%	7.66%
26. Elektrownia Ostrołęka Sp. z o.o.	-	Ostrołęka	50%	50%
ASSOCIATES				
27. Polimex – Mostostal S.A.	-	Warsaw	16,4% ¹⁰	16.48%
28. ElectroMobility Poland S.A.	-	Warsaw	- ⁹	25%

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

² – indirect subsidiary through stake in ENEA Wytwarzanie Sp. z o.o.

³ – indirect subsidiary through stake in Lubelski Węgiel BOGDANKA S.A.

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

⁵ – indirect subsidiary through stake in ENEA Operator Sp. z o.o.

The additional information and explanations presented on pages 9-35 constitute an integral part of these condensed separate interim financial statements.

⁶ – 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.

⁷ – on 7 May 2021 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 4 500 thousand, i.e. from PLN 26 360 thousand to PLN 30 860 thousand, by issuing 45 000 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 was registered at the National Court Register on 1 July 2021.

⁸ – on 12 April 2021 an Extraordinary General Meeting of ENEA Badania i Rozwój Sp. z o.o. adopted a resolution on a merger with ENEA Innowacje Sp. z o.o. through the acquisition of ENEA Badania i Rozwój Sp. z o.o. by ENEA Innowacje Sp. z o.o. The merger of ENEA Innowacje Sp. z o.o. and ENEA Badania i Rozwój Sp. z o.o. was entered in the National Court Register on 1 June 2021.

⁹ – on 19 August 2021, an Extraordinary General Meeting of ElectroMobility Poland S.A. adopted a resolution to reduce share capital by PLN 17 700 thousand, by decreasing the nominal value of all shares, from the existing amount of PLN 7 000.00 each to a new nominal value of PLN 5 230.05 each. The aim of this share capital reduction was to transfer funds from share capital to supplementary capital. The general meeting also adopted a resolution to increase share capital by PLN 249 996 thousand, to PLN 302 297 thousand, for a total issue price of PLN 250 000 thousand, which was paid for by the State Treasury with a monetary contribution. The new share issue was carried out as a private subscription. All of the new shares are ordinary registered shares. The share premium was transferred to supplementary capital. The new shares were taken up and paid for by the State Treasury. The share capital increase was registered by the register court on 30 September 2021.

¹⁰ – in September 2021 the sale of 187 500 Polimex – Mostostal S.A. shares that had been previously held by ENEA S.A. was finalised, thus decreasing ENEA S.A.'s stake in that company's share capital from 16.48% to 16.40. On 30 August 2021, the Company submitted a demand to exercise its call option and made a bank transfer for 187 500 Polimex - Mostostal S.A. shares. Following the exercise of the call option, ENEA will hold a 16.43% stake in that company's share capital.

3. Management Board and Supervisory Board composition

Management Board

	As at 30 September 2021	As at 31 December 2020
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

Supervisory Board

	As at 30 September 2021	Appointment	As at 31 December 2020	End of term / resignation
Chairperson of the Supervisory Board	Rafał Włodarski	7 January 2021	Izabela Felczak-Poturnicka	5 January 2021
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	7 January 2021	Rafał Włodarski	
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			Ireneusz Kulka	16 September 2021
Member of the Supervisory Board	Mariusz Pliszka		Mariusz Pliszka	
Member of the Supervisory Board	Mariusz Fistek		Mariusz Fistek	

On 4 January 2021, the Company received a letter of resignation from Mrs. Izabela Felczak-Poturnicka as Chairperson of the Supervisory Board and as Supervisory Board member, effective from 5 January 2021.

On 7 January 2021, an Extraordinary General Meeting of ENEA S.A. appointed Mr. Rafał Włodarski as Chairperson of ENEA S.A.'s Supervisory Board.

On 7 January 2021, the Company's Extraordinary General Meeting adopted a resolution appointing Mrs. Dorota Szymanek as member of ENEA S.A.'s Supervisory Board, effective from the same date.

On 15 September 2021 the Company received a statement from Mr. Ireneusz Kulka stating that he is resigning as member of ENEA S.A.'s Supervisory Board and Chairperson of the Audit Committee as of 16 September 2021.

On 18 November 2021, the Company's Extraordinary General Meeting adopted a resolution pursuant to which Mr. Tomasz Lis was appointed to ENEA S.A.'s Supervisory Board, Xth term, as of 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 30 September 2021. 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 9-month period ending 30 September 2021. 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 2020.

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 2020.

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

	9-month period ended	
	30 September 2021	30 September 2020
Revenue from the sale of electricity	5 230 172	4 468 969
Revenue from the sale of gas	111 440	93 417
Revenue from the sale of other services	17 819	3 320
Total net revenue from sales	5 359 431	4 565 706

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.

	9-month period ended	
	30 September 2021	30 September 2020
Revenue from continuous services	5 341 612	4 562 386
Revenue from services provided at specified time	17 819	3 320
Total	5 359 431	4 565 706

8. Tax

Deferred income tax

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

	9-month period ended	Year ended
	30 September 2021	31 December 2020
As at the beginning of period	101 483	95 395
Change recognised in profit or loss	56 331	(15 013)
Change recognised in other comprehensive income	(21 799)	21 101
As at the end of period	136 015	101 483

In the 9-month period ended 30 September 2021, the Company's profit before tax increased as a result of an increase in net deferred income tax assets by PLN 56 331 thousand (in the 9-month period ended 30 September 2020 the increase in the Company's profit before tax as a result of an increase in net deferred income tax assets amounted to PLN 16 942 thousand).

Explanatory notes to the separate statement of financial position

9. Property, plant and equipment

In the 9-month period ending 30 September 2021 the Company purchased property, plant and equipment items for a total of PLN 542 thousand net (in the 9-month period ending 30 September 2020: PLN 677 thousand net).

In the 9-month period ending 30 September 2021 the Company sold and/or liquidated property, plant and equipment items for a total of PLN 0 thousand net (in the 9-month period ending 30 September 2020: PLN 0 thousand net).

As 30 September 2021, 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 9-month period ending 30 September 2021 the Company purchased intangible assets for a total of PLN 90 thousand net (in the 9-month period ending 30 September 2020: PLN 34 thousand net).

In the 9-month period ending 30 September 2021 the Company did not liquidate intangible assets (in the 9-month period ending 30 September 2020: PLN 0 thousand).

As at 30 September 2021, 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

	9-month period ended 30 September 2021	Year ended 31 December 2020
As at the beginning of period	9 512 925	12 892 612
Purchase of investments	4 875	245 922
Sale of investments	(393)	(12 367)
Change in impairment	114 100	(3 596 215)
Other changes	(131 600)	(17 027)
As at the end of period	9 499 907	9 512 925

ENEA Innowacje Sp. z o.o.

7 May 2021	Resolution increasing share capital by PLN 4 500 thousand, from PLN 26 360 thousand to PLN 30 860 thousand, by issuing 45 000 new shares with a nominal value of PLN 100.00 each.	Extraordinary General Meeting
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ElectroMobility Poland S.A.

19 August 2021	Resolution to increase share capital by PLN 249 996 thousand, to PLN 302 297 thousand, for a total issue price of PLN 250 000 thousand, which was paid for by the State Treasury with a monetary contribution. ENEA S.A. currently holds a 4.325% stake in share capital. ElectroMobility Poland S.A. shares were reclassified into: Financial assets measured at fair value.	Extraordinary General Meeting
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Polimex – Mostostal S.A.

August and September 2021	Sale of 187 500 Polimex - Mostostal S.A. shares on 30 August 2021 The Company submitted a demand to exercise its call option and made a bank transfer for 187 500 Polimex - Mostostal S.A. shares.	-
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Impairment of investments

	9-month period ended 30 September 2021	Year ended 31 December 2020
As at the beginning of period	4 969 479	1 373 264
Created	-	3 613 242
Reversed	(114 100)	(17 027)
As at the end of period	4 855 379	4 969 479

Implementation of project to build Elektrownia Ostrołęka C

At 30 September 2021, 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.

On 13 February 2020, ENEA S.A. executed an agreement with ENERGA S.A. suspending financing by ENERGA S.A. and ENEA S.A. for the project to build Elektrownia Ostrołęka C. In the agreement, ENEA S.A. and ENERGA S.A. undertook to carry out analyses, especially concerning the project's technical, technological, economic and organisational parameters and further financing.

ENERGA S.A. and ENEA S.A. assumed that suspending financing for the project would result in the company having to suspend its contract executed on 12 July 2018 to build Elektrownia Ostrołęka C with capacity of approx. 1000 MW, along with a contract to convert rail infrastructure for Elektrownia Ostrołęka C of 4 October 2019.

On 14 February 2020, Elektrownia Ostrołęka Sp. z o.o. issued to the General Contractor for the contract to build Elektrownia Ostrołęka C with capacity of approx. 1000 MW of 12 July 2018 a notice to suspend all works related to that contract, effective 14 February 2020.

As part of the analytical work performed under the agreement, ENEA S.A. and ENERGA S.A. worked on updating business and technical assumptions as well as assumptions concerning the financing structure within the financial model. On ENERGA S.A.'s part, the results of this work were provided to Elektrownia Ostrołęka Sp. z o.o. on 14 May 2020, when the company received calculations concerning the Project's profitability in the coal fuel variant. These results were used by the company to perform a CGU test. The CGU test carried out at Elektrownia Ostrołęka Sp. z o.o. shows that completing the Project would generate a negative value, meaning that continuing the Project would be unjustified.

On 19 May 2020, ENEA S.A. received an electronic copy of Resolution no. 39/2020 of the Management Board of Elektrownia Ostrołęka Sp. z o.o. of 19 May 2020 regarding recognition of impairment losses on the book value of the Company's assets. As a result of an impairment test on non-current assets performed at Elektrownia Ostrołęka Sp. z o.o., which followed an update of business assumptions by Elektrownia Ostrołęka Sp. z o.o. regarding the construction of power plant Ostrołęka C based on coal technology, the Group's consolidated financial statements for 2019 include ENEA S.A.'s share of the net loss generated by Elektrownia Ostrołęka Sp. z o.o. Given the fact that it was higher than the value of the stake in this company, it was reduced to zero. Also as at 30 September 2021, ENEA S.A.'s stake in Elektrownia Ostrołęka Sp. z o.o. was worth PLN 0.

On 2 June 2020 the Management Board of ENEA S.A. accepted a final report on analyses conducted in collaboration with ENERGA S.A. regarding the project's technical, technological, economic, organisational and legal aspects and further financing.

Conclusions from these analyses do not justify continuing the project in its existing form, i.e. the construction of a power plant generating electricity in a process of hard coal combustion. This evaluation was driven by the following:

- 1) regulatory changes at the EU level and the credit policy of certain financial institutions, which show that there is far greater access to financing for energy projects based on gas than coal;
and
- 2) the acquisition of control over Energa by PKN Orlen S.A., the strategy of which does not include investments in electricity generation based on coal combustion.

At the same time, technical analysis confirmed the viability of a variant in which the power plant would use gas ("Gas Project") at the current location of the coal-unit being built. As a result of the above, ENEA S.A.'s Management Board decided to continue building a generating asset in Ostrołęka and change the fuel source from coal to gas.

On 2 June 2020, a three-party agreement was executed between ENEA S.A., ENERGA S.A. and PKN Orlen S.A., spelling out the following key cooperation rules for the Gas Project:

- subject to the reservations expressed below, continue cooperation between ENEA S.A. and ENERGA S.A. via the existing special-purpose vehicle, i.e. Elektrownia Ostrołęka Sp. z o.o., and settle costs related to the Project between ENEA S.A. and ENERGA S.A., along with settlements with Project contractors, in accordance with the existing rules,
- take into account PKN Orlen S.A.'s potential role in the Gas Project as a new shareholder,

- ENEA S.A.'s participation in the Gas Project as a minority shareholder with an investment cap, as a result of which the Company will not be an entity co-controlling Elektrownia Ostrołęka Sp. z o.o.,
- subject to the essential corporate approvals, execute a new shareholders agreement regarding the Gas Project that incorporates the aforementioned cooperation rules,
- undertake activities intended to secure financing for the Gas Project by ENERGA S.A. together with PKN Orlen S.A.

From 2 June 2020, the parties to this agreement had been holding talks regarding a new investment agreement specifying rules for the further implementation of the Gas Project, including investment by each of the parties. At the same time, ENEA S.A. on its own evaluated the prospect of participating in the project.

On 22 December 2020 at the request of ENEA S.A.'s Management Board, ENEA S.A.'s Supervisory Board approved the following:

- ENEA S.A.'s withdrawal from investing in the construction of a gas-based unit as part of project Ostrołęka C, and
- arrangements with ENERGA regarding the settlement of costs pertaining to the project to build a coal-based unit as part of project Ostrołęka C.

In connection with the above, ENEA S.A. and the other parties involved in Project Ostrołęka C agreed that an organised part of enterprise related to the gas project will be spun off from Project Ostrołęka C (in accounting and organisational terms). From the spin-off date, investment costs related to settling the gas project will not be incurred by ENEA S.A.

Further, 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).

These agreements were signed in connection with a decision to change the source of power for the Elektrownia Ostrołęka C power plant being constructed with capacity of approx. 1000 MW from coal to gas, and ENEA S.A.'s decision to not participate in the Gas Project.

Both of the agreements include a statement by ENEA S.A. on withdrawal from further participation in the Gas Project. The reasons for withdrawing from further investment in the construction of the gas unit are especially related to ENEA Group's intention to intensify investing activity in the area of renewable energy sources as well as to invest in the conversion of coal-based sources to gas-based across ENEA S.A.'s existing generating assets that are fully owned by ENEA S.A.

Reaching these agreements also serves to confirm that in light of ENEA S.A.'s withdrawal from the Gas Project the remaining parties will not be seeking any claims from ENEA S.A. based on this decision.

In accordance with the Division Agreement, Elektrownia Ostrołęka Sp. z o.o. would be divided through a spin-off (in the meaning of the Polish Commercial Companies Code) of the assets and liabilities (rights and obligations) and other elements that comprise the Gas Project.

The Settlement Agreement is essential to the performance of the Division Agreement, which requires cooperation by the shareholders of Elektrownia Ostrołęka Sp. z o.o., including the settlement of costs related to the Coal Project. In accordance with the Settlement Agreement, costs related to the Coal Project will be settled based on the existing arrangements between the company and ENERGA S.A. and ENEA S.A.

On 31 December 2020, in accordance with the Settlement Agreement (which amended the loan agreement of 23 December 2019 in this regard), ENEA S.A. bought from ENERGA S.A. half of ENERGA S.A.'s receivables due from Elektrownia Ostrołęka Sp. z o.o. for a price equal to the nominal value of the receivables being sold, i.e. PLN 170 000 thousand, plus interest accrued from 31 December 2020, amounting to PLN 11 617 thousand.

Impairment of loans issued to Elektrownia Ostrołęka Sp. z o.o. as at 30 September 2021 amounted to PLN 223 547 thousand, together with interest (the value of these loans was written off to zero).

On 26 February 2021 ENEA S.A. and ENERGA S.A. executed with Elektrownia Ostrołęka Sp. z o.o. Annex 1 to the PLN 340 million loan agreement of 23 December 2019 and Annex 6 to the PLN 58 million loan agreement of 17 July 2019. Pursuant to the provisions of the aforementioned annexes, Elektrownia Ostrołęka Sp. z o.o. undertook to make a one-off loan repayment to ENEA S.A. of PLN 170 million and PLN 29 million, respectively, together with interest, by 30 June 2021. Next, on 30 June 2021, ENEA S.A. and ENERGA S.A. executed with Elektrownia Ostrołęka Sp. z o.o. Annex 2 to the PLN 340 million loan agreement of 23 December 2019 and Annex 7 to the PLN 58 million loan agreement of 17 July 2019. Pursuant to the provisions of the aforementioned annexes, Elektrownia Ostrołęka Sp. z o.o. undertook to make a one-off loan repayment to ENEA S.A. of PLN 170 million and PLN 29 million, respectively, together with interest, by 30 September 2021. On 30 September 2021 ENEA S.A. and ENERGA S.A. executed with Elektrownia Ostrołęka Sp. z o.o. Annex 3 to the PLN 340 million loan agreement of 23 December 2019 and Annex 8 to the PLN 58 million 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 29 October 2021. On 29 October 2021, ENEA S.A. and ENERGA S.A. executed with Elektrownia Ostrołęka Sp. z o.o. Annex 4 to the PLN 340 million loan agreement of 23 December 2019

The additional information and explanations presented on pages 9-35 constitute an integral part of these condensed separate interim financial statements.

and Annex 9 to the PLN 58 million 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 extended to 29 April 2022.

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 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 will 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).

In connection with this agreement being signed and based on the status of settlements between Elektrownia Ostrołęka Sp. z o.o. and the Coal Project Contractor, a provision for future investment liabilities toward Elektrownia Ostrołęka Sp. z o.o. and ENERGA S.A., amounting to PLN 222 200 thousand, was partially released in these condensed consolidated interim financial statements, with the amount released being PLN 114 100 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 108 100 thousand as of 30 September 2021, which is the best possible estimate in connection with uncertainty related to final settlement amounts.

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. ENEA S.A. does not have sufficient information on any potential additional contributions or their potential deadlines, aside from those above.

12. Inventories

Inventories

	As at	
	30 September 2021	31 December 2020
Energy origin certificates	245 413	65 489
Goods	346	211
Total	245 759	65 700

No collateral is established on inventory.

Energy origin certificates

	9-month period ended 30 September 2021	Year ended 31 December 2020
Net value at the beginning of period	65 489	216 449
Purchase	292 914	339 953
Depreciation	(112 990)	(490 913)
Net value at the end of period	245 413	65 489

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 2020	215 223	12 631
Change in non-invoices receivables	13 731	-
Change in impairment	(49)	-
Adjustments, prepayments	-	19 658
As at 31 December 2020	228 905	32 289
Change in non-invoices receivables	50 961	-
Change in impairment	(21)	-
Adjustments, prepayments	-	1 818
As at 30 September 2021	279 845	34 107

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 30 September 2021; 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	
	30 September 2021	31 December 2020
Cash at bank account	929 810	70 580
including split payment	3 395	30 035
Other cash	1 273 947	460 088
- Deposits	1 270 046	450 013
- Other	3 901	10 075
Total cash and cash equivalents	2 203 757	530 668
Cash pooling	(2 013 820)	(152 574)
Cash recognised in the statement of cash flows	189 937	378 094

The additional information and explanations presented on pages 9-35 constitute an integral part of these condensed separate interim financial statements.

Restricted cash related to split payment - VAT as at 30 September 2021 was PLN 3 395 thousand (PLN 30 035 thousand as at 31 December 2020), and deposit at IRGiT as at 30 September 2021 was PLN 500 thousand (PLN 6 500 thousand as at 31 December 2020). No collateral is established on cash.

15. Coverage of loss

On 17 June 2021, an 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 2 417 700 thousand) and supplementary capital (PLN 939 680 thousand).

On 30 July 2020 an Ordinary General Meeting of ENEA S.A. adopted resolution no. 6 concerning the allocation of net profit for the financial year covering the period from 1 January 2019 to 31 December 2019, pursuant to which 100% of the 2019 net profit was transferred to reserve capital, intended to finance investments.

16. Debt-related liabilities

Credit facilities, loans and debt securities

	As at	
	30 September 2021	31 December 2020
Bank credit	1 551 717	1 685 532
Bonds	2 938 041	4 874 054
Long-term	4 489 758	6 559 586
Bank credit	207 964	206 520
Bonds	1 960 353	1 003 999
Short-term	2 168 317	1 210 519
Total	6 658 075	7 770 105

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 30 September 2021 (principal)	Debt at 31 December 2020 (principal)	Interest	Final repayment deadline
1.	ENEA S.A.	EIB	18 October 2012 (A) and 19 June 2013 (B)	1 425 000	943 109	1 013 543	Fixed interest rate or WIBOR 6M + margin	17 June 2030
2.	ENEA S.A.	EIB	29 May 2015 (C)	946 000	814 667	878 500	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	250 000	-	-	WIBOR 1M + margin	7 September 2022
Total				3 071 000	1 757 776	1 892 043		
Transaction costs and effect of measurement using effective interest rate					1 905	9		
Total				3 071 000	1 759 681	1 892 052		

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 9-month period ended on 30 September 2021, ENEA S.A. did not execute new credit agreements.

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 30 September 2021	Value of outstanding bonds as at 31 December 2020	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	2 140 000	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	640 000	720 000	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	2 500 000	WIBOR 6M + margin	One-time buy-back of each series; PLN 878 million bought back in February 2020, next series in September 2021 and June 2024.
4.	Bond issue program agreement with BGK	3 December 2015	700 000	456 669	532 779	WIBOR 6M + margin	Buy-back in tranches, last tranche due in September 2027
Total			9 700 000	4 895 669	5 892 779		
Transaction costs and effect of measurement using effective interest rate				2 725	(14 726)		
Total			9 700 000	4 898 394	5 878 053		

In the 9-month period ended on 30 September 2021, ENEA S.A. did not execute new bond issue program agreements.

On 11 May 2021 the Management Board of ENEA S.A. decided to partially buy back series ENEA0921 bonds before maturity in order to redeem them, with principal amounting to PLN 350 000 thousand, plus interest due and bonus for the bondholders. Series ENEA0921 bonds were issued in the amount of PLN 500 000 thousand on 16 September 2015 as part of the "Program Agreement regarding a bond issue program up to PLN 5 000 000 thousand of 30 June 2014" as amended. The outstanding part of series ENEA0921 bonds, with a nominal value of PLN 150 000 thousand, is held by the bondholders until maturity, i.e. 16 September 2021

Interest rate hedges and currency hedges

In the 9-month period ending 30 September 2021 ENEA S.A. did not execute interest rate swaps. The total bond and credit exposure hedged with IRS transactions as at 30 September 2021 amounted to PLN 3 421 009 thousand. Moreover, ENEA S.A. has fixed-rate credit agreements totalling PLN 618 327 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 liabilities 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 30 September 2021, financial liabilities at fair value concerning IRSs amounted to PLN 31 524 thousand (31 December 2020: PLN 139 673 thousand).

In the 9-month period ending 30 September 2021 the Company executed FX forward transactions for a total volume of EUR 1 116 thousand. The last transaction's settlement date is in December 2021. As at 30 September 2021, financial assets at fair value concerning FX forwards amounted to PLN 5 thousand (31 December 2020: PLN 0).

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 9-month period ended 30 September 2021, provisions for other liabilities and charges increased on a net basis by PLN 178 287 thousand (9-month period ended 30 September 2020: increase by PLN 363 819 thousand net).

Change in provisions for other liabilities and charges in the period ended 30 September 2021:

	Provision for non-contractual use of land	Provision for other claims	Provision for energy origin certificates	Provision for onerous contracts	Other	Total
As at January 2021	2 275	200 095	168 012	50 821	222 200	643 403
Increase in existing provisions	231	25 435	412 004	25 998	-	463 668
Use of provisions	-	(80)	(155 218)	(14 932)	-	(170 230)
Reversal of unused provision	(304)	(747)	-	-	(114 100)	(115 151)
As at 30 September 2021	2 202	224 703	424 798	61 887	108 100	821 690
<i>Short-term</i>	<i>2 202</i>	<i>224 703</i>	<i>424 798</i>	<i>61 887</i>	<i>108 100</i>	<i>821 690</i>

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

Provision for other claims

In the 9-month period ending 30 September 2021 ENEA S.A. created a PLN 13 951 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 30 September 2021 was PLN 153 415 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 24.5).

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 30 September 2021		As at 31 December 2020	
	Book value	Fair value	Book value	Fair value
FINANCIAL ASSETS				
Long-term	4 735 347	4 777 121	6 167 435	6 241 259
Financial assets measured at fair value	56 928	56 928	84 848	84 848
Debt financial assets at amortised cost	4 678 068	4 720 193	6 082 074	6 156 411
Finance lease and sublease receivables	351	*	513	*
Short-term	6 646 398	2 527 394	3 302 456	1 406 802
Debt financial assets at amortised cost	2 527 394	2 527 394	1 406 802	1 406 802
Assets arising from contracts with customers	279 845	*	228 905	*
Trade receivables	1 634 065	*	1 132 807	*
Finance lease and sublease receivables	1 337	*	3 274	*
Cash and cash equivalents	2 203 757	*	530 668	*
TOTAL FINANCIAL ASSETS	11 381 745	7 304 515	9 469 891	7 648 061
FINANCIAL LIABILITIES				
Long-term	4 515 321	4 529 506	6 660 601	6 701 368
Credit facilities, loans and debt securities	4 489 758	4 529 506	6 559 586	6 626 237
Lease liabilities	25 563	*	25 884	*
Financial liabilities measured at fair value	-	-	75 131	75 131
Short-term	4 838 568	2 199 841	1 814 359	1 275 061
Credit facilities, loans and debt securities	2 168 317	2 168 317	1 210 519	1 210 519
Lease liabilities	1 919	*	5 431	*
Trade and other payables	588 881	*	349 004	*
Liabilities arising from contracts with customers	34 107	*	32 289	*
Financial liabilities measured at fair value	31 524	31 524	64 542	64 542
Other financial liabilities	2 013 820	*	152 574	*
TOTAL FINANCIAL LIABILITIES	9 353 889	6 729 347	8 474 960	7 976 429

(*) 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 30 September 2021			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	24 100	20 241	12 587	56 928
Equity instruments at fair value through other comprehensive income	-	-	12 587	12 587
Derivative instruments used in hedge accounting	-	5	-	5
Call options (at fair value through profit or loss)	-	20 236	-	20 236
Interests at fair value through profit or loss	24 100	-	-	24 100
Debt financial assets at amortised cost	-	7 247 587	-	7 247 587
Total	24 100	7 267 828	12 587	7 304 515
Financial liabilities measured at fair value	-	(31 524)	-	(31 524)
Derivative instruments used in hedge accounting (e.g. interest rate swaps)	-	(31 524)	-	(31 524)
Derivative instruments at fair value through profit or loss	-	-	-	-
Credit facilities, loans and debt securities	-	(6 697 823)	-	(6 697 823)
Total	-	(6 729 347)	-	(6 729 347)

	As at 31 December 2020			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	15 000	15 982	53 866	84 848
Equity instruments at fair value through other comprehensive income	-	-	53 866	53 866
Call options (at fair value through profit or loss)	-	15 982	-	15 982
Interests at fair value through profit or loss	15 000	-	-	15 000
Debt financial assets at amortised cost	-	7 563 213	-	7 563 213
Total	15 000	7 579 195	53 866	7 648 061
Financial liabilities measured at fair value	-	(139 673)	-	(139 673)
Derivative instruments used in hedge accounting (e.g. interest rate swaps)	-	(139 673)	-	(139 673)
Credit facilities, loans and debt securities	-	(7 836 756)	-	(7 836 756)
Total	-	(7 976 429)	-	(7 976 429)

Financial assets and financial liabilities at fair value include:

- shares in unrelated entities, the stake in which is below 20%; this line 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 Group 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.

The additional information and explanations presented on pages 9-35 constitute an integral part of these condensed separate interim financial statements.

No transfers between the levels were made in the nine-month period ended 30 September 2021.

As at 30 September 2021, financial assets at fair value included call options for Polimex-Mostostal S.A. shares, among other things. Pursuant to a call option agreement for Polimex-Mostostal S.A. shares of 18 January 2017, as amended, ENEA S.A. holds 22 call options from Towarzystwo Finansowe Silesia Sp. z o.o. 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 August 2021, the Company submitted a demand to exercise its call option and made a bank transfer for 187 500 Polimex - Mostostal S.A. shares. The fair-value measurement of the call option was carried out using the Black-Scholes model. The book value of these options as at 30 September 2021 was PLN 20 236 thousand (at 31 December 2020: PLN 15 982 thousand).

19. Debt financial assets at amortised cost

Debt financial assets at amortised cost

	As at	
	30 September 2021	31 December 2020
Current debt financial assets at amortised cost		
Intra-group bonds	1 659 981	554 896
Loans granted	867 413	851 906
Total current debt financial assets at amortised cost	2 527 394	1 406 802
Non-current debt financial assets at amortised cost		
Intra-group bonds	1 564 021	3 132 273
Loans granted	3 114 047	2 949 801
Total non-current debt financial assets at amortised cost	4 678 068	6 082 074
TOTAL	7 205 462	7 488 876

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 program 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 30 September 2021 and 31 December 2020:

No.	Bond issuer	Contract date	Amount granted	Amount used	Outstanding bonds as at 30 September 2021 (principal)	Outstanding bonds as at 31 December 2020 (principal)	Interest	Final buy-back deadline
1.	ENEA Nowa Energia Sp. z o.o.	10 March 2011	26 000	26 000	12 000	18 000	WIBOR 6M + margin	31 March 2023
2.	ENEA 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	1 790 000	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.	ENEA 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	943 109	1 013 543	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

The additional information and explanations presented on pages 9-35 constitute an integral part of these condensed separate interim financial statements.

4.	ENE A Operator Sp. z o.o.	7 July 2015 amended through Annex 1 of 28 March 2017	946 000	946 000	814 667	878 500	Depending on the series: fixed interest rate or WIBOR 6M + margin	Depending on bond series' issue dates, however no later than by 15 December 2032
Total					3 218 776	3 700 043		
Transaction costs and effect of measurement using effective interest rate					5 226	(12 874)		
Total					3 224 002	3 687 169		

In the 9-month period ending 30 September 2021 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 30 September 2021 and 31 December 2020:

No.	Borrower	Contract date	Total contract amount	Debt at 30 September 2021	Debt at 31 December 2020	Interest	Final repayment deadline
1.	KS „ENERGETYK”	19 May 2019	360	-	360	Fixed	31 January 2020 [On 22 July 2021 the parties executed a memorandum to the agreement, settling their mutual debts]
2.	ENE A Operator Sp. z o.o.	11 July 2019	425 000	425 000	425 000	WIBOR 6M + margin	20 December 2021
3.	Elektrownia Ostrołęka Sp. z o.o.	30 September 2019	29 000	29 000	29 000	Fixed	29 October 2021
4.	ENE A Operator Sp. z o.o.	13 December 2019	425 000	425 000	425 000	WIBOR 6M + margin	20 December 2021
5.	Elektrownia Ostrołęka Sp. z o.o.	23 December 2019	170 000	170 000	170 000	Fixed	29 October 2021
6.	ENE A Wytwarzanie Sp. z o.o.	30 January 2020	2 200 000	1 800 000	1 800 000	WIBOR 6M + margin	30 September 2024
7.	ENE A Elektrownia Polaniec S.A.	28 February 2020	500 000	500 000	500 000	WIBOR 6M + margin	20 December 2024
8.	ENE A Operator Sp. z o.o.	12 March 2020	950 000	650 000	650 000	WIBOR 6M + margin	20 December 2024
9.	ENE A Operator Sp. z o.o.	22 June 2021	1 090 000	150 000	-	WIBOR 6M + margin	20 December 2026
10.	Miejska Energetyka Ciepła Piła Sp. z o.o.	24 June 2021	15 000	15 000	-	WIBOR 6M + margin	31 December 2031
				4 164 000	3 999 360		
Transaction costs and effect of measurement using effective interest rate, along with impairment of loans				(182 540)	(197 653)		
Total				3 981 460	3 801 707		

In the 9-month period ending 30 September 2021 ENEA S.A. executed two new intra-group loan agreements.

On 26 February 2021 ENEA S.A. and ENERGA S.A. executed with Elektrownia Ostrołęka Sp. z o.o. Annex 1 to the PLN 340 million loan agreement of 23 December 2019 and Annex 6 to the PLN 58 million loan agreement of 17 July 2019.

Pursuant to the provisions of the aforementioned annexes, Elektrownia Ostrołęka Sp. z o.o. undertook to make a one-off loan repayment to ENEA S.A. of PLN 170 million and PLN 29 million, respectively, together with interest, by 30 June 2021.

On 22 June 2021, ENEA S.A. and ENEA Centrum Sp. z o.o. executed a loan agreement of up to PLN 1 090 000 thousand intended to finance the borrower's expenses planned for 2021. The loan availability period ends on 31 December 2021. In the 9-month period ending 30 September 2021 the Company accessed one tranche of the loan, amounting to PLN 150 000 thousand.

On 24 June 2021, ENEA S.A. executed a loan agreement with Miejska Energetyka Ciepła Piła Sp. z o.o. of up to PLN 15 000 thousand, intended to finance the borrower's planned expenses. The loan was fully disbursed.

On 30 June 2021, ENEA S.A. and ENERGA S.A. executed with Elektrownia Ostrołęka Sp. z o.o. Annex 2 to the PLN 340 million loan agreement of 23 December 2019 and Annex 7 to the PLN 58 million 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 September 2021.

On 30 September 2021 ENEA S.A. and ENERGA S.A. executed with Elektrownia Ostrołęka Sp. z o.o. Annex 3 to the PLN 340 million loan agreement of 23 December 2019 and Annex 8 to the PLN 58 million 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 29 October 2021.

On 29 October 2021, ENEA S.A. and ENERGA S.A. executed with Elektrownia Ostrołęka Sp. z o.o. Annex 4 to the PLN 340 million loan agreement of 23 December 2019 and Annex 9 to the PLN 58 million 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 extended to 29 April 2022.

Impairment of financial assets at amortised cost (concerns loans granted) as at 30 September 2021 amounted to PLN 223 547 thousand. The total impairment loss on loans recognised in the 9-month period ended 30 September 2021 was PLN 13 762 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:

	9-month period ended 30 September 2021	Year ended 31 December 2020
Impairment of receivables at the beginning of period	59 450	54 820
Created	10 434	12 647
Used	(5 270)	(8 017)
Impairment of receivables at the end of period	64 614	59 450

In the 9-month period ended 30 September 2021, impairment of trade and other receivables increased by PLN 5 164 thousand (in the 9-month period ended 30 September 2020 impairment grew by PLN 2 454 thousand). Impairment losses are mainly recognised on trade receivables. Impairment of other receivables is negligible.

As at 30 September 2021, the Company carried out an additional analysis of the COVID-19 pandemic's potential impact on receivables impairment. An individual approach was applied to a list of ENEA S.A.'s largest debtors, using assumptions for a model described in the Company's existing *Methodology for determining expected credit losses for non-current debt assets and similar items*. As regards the model's quantitative module - available reporting data from the debtors was used, while the qualitative module incorporated the existing (and predicted) situation in the national economy as well as the counterparty's market and financial position. Based on this overall evaluation, a rating was assigned and subsequently transposed onto the Probability of Default parameter (in accordance with the aforementioned Methodology). As regards the Loss Given Default parameter, a value equal to 10% was conservatively adopted (in reality far exceeding the actual levels of receivables losses recorded by the Company). The above analysis generated an additional expected credit loss at a negligible level from the viewpoint of reporting.

For current trade receivables, expected credit losses are calculated based on historic data in a way that is described in *Rules for creating and recording impairment losses on trade receivables and other financial items at ENEA Group companies*. The impairment of receivables for 2021 is calculated on the basis of data from 2020. Therefore, the level of receivables impairment estimated as at 30 September 2021 reflects objective indications of impairment resulting from the situation and regulations arising from the COVID-19 pandemic.

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 30 September 2021		
	Nominal value	Impairment	Book value
Trade and other receivables			
Current	1 295 642	(677)	1 294 965
Overdue	160 485	(61 606)	98 879
0-30 days	56 020	(93)	55 927
31-90 days	11 101	(825)	10 276
91-180 days	8 287	(2 480)	5 807
over 180 days	85 077	(58 208)	26 869
Total	1 456 127	(62 283)	1 393 844
Assets arising from contracts with customers	279 958	(113)	279 845

	As at 31 December 2020		
	Nominal value	Impairment	Book value
Trade and other receivables			
Current	1 029 742	(638)	1 029 104
Overdue	160 198	(56 495)	103 703
0-30 days	63 118	(75)	63 043
31-90 days	11 645	(936)	10 709
91-180 days	6 583	(1 761)	4 822
over 180 days	78 852	(53 723)	25 129
Total	1 189 940	(57 133)	1 132 807
Assets arising from contracts with customers	228 995	(90)	228 905

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 (ENEA S.A.) bank account. The next day, cash balances are reversed and returned to the companies' bank accounts.

At 30 September 2021, the balance of liabilities within cash pooling was PLN 2 013 820 thousand (PLN 152 574 thousand at 31 December 2020) 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

	9-month period ended	
	30 September 2021	30 September 2020
Purchase value, including:	6 190 076	5 616 493
purchase of materials	375	352
purchase of services	1 586 522	1 319 958
other (including electricity and gas)	4 603 179	4 296 183
Sale value, including:	271 124	260 794
sale of electricity	238 117	238 969
sale of services	16 021	1 944
other	16 986	19 881
Interest income, including:	102 667	152 569
on bonds	58 694	115 415
on loans	43 658	33 558
other	315	3 596
Dividend income	545 357	593 694

	As at	
	30 September 2021	31 December 2020
Receivables	342 810	413 082
Liabilities	500 459	415 751
Financial assets - bonds	3 224 002	3 687 169
Loans granted	3 981 460	3 801 646
Other financial liabilities	2 013 820	152 574

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		Company's Supervisory Board	
	9-month period ended		9-month period ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
Remuneration under management contracts	4 334*	3 777**	-	-
Remuneration under appointment to management or supervisory bodies	-	-	599	570
TOTAL	4 334	3 777	599	570

* This remuneration includes bonuses for current and former Management Board Members for 2020, amounting to PLN 1 632 thousand, and a non-compete clause for former Management Board Members, amounting to PLN 138 thousand.

** This remuneration includes bonuses for 2018, amounting to PLN 1 294 thousand, and a non-compete clause for former Management Board Members, amounting to PLN 443 thousand.

In the 9-month period ended 30 September 2021, no loans were made to Supervisory Board members from the Company Social Benefit Fund (PLN 0 thousand for the 9-month period ended 30 September 2020).

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 16 September 2021 ENEA S.A. as Guarantor executed a surety agreement with Citigroup Global Markets Europe AG. 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 998 125 thousand concerning transactions in trade of CO₂ emission allowances.

The following table presents significant bank guarantees valid as of 30 September 2021 under an agreement between ENEA S.A. and Bank PKO BP S.A. and Bank PEKAO S.A. up to a limit specified in the agreement.

List of guarantees issued as at 30 September 2021

Guarantee issue date	Guarantee validity	Obligated 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.	500 000
12.08.2018	30.06.2022	ENEA Elektrownia Połaniec	Polskie Sieci Elektroenergetyczne	PKO BP S.A.	20 000
26.06.2020	15.03.2022	ENEA Serwis Sp. z o.o.	ENEA Operator Sp. z o.o.	PKO BP S.A.	3 145
04.08.2021	15.02.2022	ENEA S.A.	Unikoff sp. z o.o.	PKO BP S.A.	2 600
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					528 071

The value of other guarantees issued by the Company as at 30 September 2021 was PLN 7 803 thousand. The total value of sureties and guarantees issued by ENEA S.A. as collateral for ENEA Group companies' liabilities at 30 September 2021 was PLN 1 557 158 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 30 September 2021, a total of 18 559 cases initiated by the Company were in progress before courts of general competence, worth in aggregate PLN 59 164 thousand (31 December 2020: 12 237 cases worth PLN 55 724 thousand).

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

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 24.5).

At 30 September 2021, a total of 101 cases against the Company were in progress before courts of general competence, worth in aggregate PLN 580 414 thousand (31 December 2020: 128 cases worth PLN 563 866 thousand).

Provisions related to these court cases are presented in 17.

24.3. Other court proceedings

The Management Board of ENEA S.A. filed in December 2018 a response to a lawsuit brought by the Company's shareholder, Fundacja "CLIENTEARTH Prawnicy dla ziemi," based in Warsaw, to cancel, determine the non-existence or repeal resolution no. 3 of the Extraordinary General Meeting of ENEA S.A. of 24 September 2018 regarding directional approval to join the Construction Stage of the Ostrołęka C project, and demanded that the lawsuit be rejected in its entirety as unjustified, along with reimbursement of court representation costs. The first hearing in the case was held on 10 April 2019, with no witnesses called to the hearing. The Court requested that the Company provide the Investment Agreement within 14 days, at least as regards points 1 to 8 (especially point 8.6), subject to the trial consequences indicated in art. 233 § 2 of the Civil Procedure Code. ENEA's attorney filed a reservation to the protocol pursuant to art. 162 of the Civil Procedure Code. On 24 April 2019, the Company provided the Investment Agreement. The Court decided to postpone the hearing to 17 July 2019. On 31 July 2019, the District Court in Poznań allowed the main claim and declared the Resolution invalid. On 17 September 2019, an attorney for ENEA S.A. submitted an appeal against the ruling of 31 July 2019. The complainant submitted a response to the appeal, to which ENEA S.A.'s attorney replied. On 8 July 2020 the Appeals Court dismissed the Company's appeal against the District Court's ruling. As indicated in verbal major reasons for the ruling, the Appeals Court decided that the District Court's ruling complies with the law because the Resolution is invalid due to the fact that adopting the Resolution breached the division of competences between the organs of a commercial-law company. In consequence, the ruling by the District Court in Poznań invalidating the Resolution became final. The Company has assessed the impact of this event as neutral for the reported data.

The Management Board of ENEA S.A. filed in December 2018 a response to a lawsuit brought by Międzyzakładowy Związek Zawodowy Synergia Pracowników Grupy Kapitałowej ENEA, based in Poznań, to cancel, determine the non-existence or repeal resolution no. 3 of the Extraordinary General Meeting of ENEA S.A. of 24 September 2018 regarding directional approval to join the Construction Stage of the Ostrołęka C project, and demanded that the lawsuit be rejected in its entirety as unjustified, along with reimbursement of court representation costs. The hearing was scheduled for 8 May 2019. That hearing, and others scheduled for 30 July 2019 and 1 October 2019, did not take place. The hearing has been suspended until a final ruling is issued in a case instigated by a shareholder of the Company - Fundacja "CLIENTEARTH Prawnicy dla ziemi." Through a decision of 26 May 2021, the District Court in Poznań dismissed the case.

24.4. 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.

Three of the aforementioned disputes are not yet resolved in first-instance courts. In the case ENEA S.A. v. Tauron Polska Energia S.A. and others (file no. XIII GC 600/15/AM), on 23 March 2021 the District Court in Katowice ruled to reject the claim 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 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.

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

24.5. 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:

- 5 proceedings for payment against ENEA S.A. concerning remuneration, contractual penalties or compensation;
- 2 proceedings for the voidance of ENEA S.A.'s termination or withdrawal from agreements to sell property rights, which took place on 28 October 2016, including 1 proceeding in which claims for payment are being sought at the same time;
- 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;
- 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 153 415 thousand provision for potential claims resulting from the terminated Agreements in relation to submissions made by 30 September 2021 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.

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;
- PGE Górnictwo i Energetyka Konwencjonalna S.A., based in Bełchatów (file no. IX GC 555/16) – through a ruling of 29 June 2021, the court suspended the proceeding at the parties' mutual request;
- 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.

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. The ruling is final.

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.

25. Participation in nuclear power plant build program

On 15 April 2015 KGHM Polska Miedź S.A., PGE S.A., TAURON S.A. and ENEA S.A. executed an agreement to purchase shares in PGE EJ 1. KGHM Polska Miedź S.A., TAURON S.A. and ENEA S.A. purchased 10% stakes in PGE EJ 1 each from PGE (30% in total). ENEA paid PLN 16 million for its stake. ENEA S.A.'s overall expenditures on purchasing shares and increasing the company's share capital amounted to PLN 70 902 thousand.

On 1 October 2020, ENEA S.A., PGE S.A., KGHM Polska Miedź S.A. and TAURON S.A. signed a letter of intent with the State Treasury regarding purchase by the State Treasury of a 100% stake in PGE EJ 1. The letter of intent did not commit the parties to the transaction. The decision on the transaction depended on the outcome of negotiations and compliance with other conditions specified in the provisions of law or corporate documents.

On 26 March 2021 ENEA S.A., PGE S.A., TAURON S.A. and KGHM Polska Miedź S.A. executed an agreement with the State Treasury to sell 100% of shares in PGE EJ 1 to the State Treasury (Share Sale Agreement). Pursuant to the Share Sale Agreement, ownership of the PGE EJ 1 shares was transferred on 31 March 2021. ENEA sold 532 523 shares in PGE EJ 1, constituting 10% of its share capital and representing 10% of votes at its general meeting, to the State Treasury, and ceased being a shareholder of PGE EJ1. The sale price for the 100% stake was PLN 531 362 thousand, of which ENEA received PLN 53 136 thousand.

Furthermore, on 26 March 2021, the shareholders executed an Annex to an Agreement of 15 April 2015 with PGE EJ 1 regarding PGE EJ 1's dispute with the WorleyParsons consortium (Agreement). Pursuant to the Annex, the shareholders' liability toward PGE EJ 1 arising from the Agreement as a result of the dispute with the WorleyParsons consortium is now amount-limited, and if the dispute is resolved in PGE EJ 1's favour, the shareholders are eligible to receive appropriate consideration from PGE EJ 1. Information on the dispute between PGE EJ 1 and the WorleyParsons consortium were disclosed by PGE in relevant current reports.

In connection with the State Treasury's purchase of a 100% stake in PGE EJ 1, the shareholders terminated the Shareholder Agreement of 3 September 2014, effective from 26 March 2021.

Pursuant to the Share Sale Agreement of 26 March 2021, the difference between the valuation of PGE EJ 1 as of 31 December 2020 (valuation for transaction purposes) and an updated valuation as of 31 March 2021 (valuation on share transfer date) should be returned by the selling companies to the State Treasury ("Price Adjustment"). Given the above, on 2 June 2021, ENEA S.A. settled the Price Adjustment concerning the sale of its stake in PGE EJ 1, i.e. paid PLN 533 thousand to the State Treasury.

26. Impact of COVID-19 pandemic

A state of epidemic caused by the SARS-Cov-2 coronavirus was introduced in Poland in March 2020. The virus and its effects as well as the effects of actions taken by the state to combat the pandemic have had influence over the condition of the domestic economy. Following the end of another wave of Covid and the implementation of a mass vaccination program, most of the economic restrictions were lifted, which resulted in a clear rebound in macroeconomic indicators.

In the first three quarters of 2021, the total volume of electricity and gas fuel sales grew by 2 562 GWh, or 16%, in comparison with the same period of 2020. This growth mainly concerned the sale of electric energy in the business customer segment. In the business customer segment, the volume of electricity sales was 2 234 GWh, or 20%, higher, which was caused by a higher level of contracting for 2021 than in the preceding year. Electricity sales in the household segment grew by 104 GWh, i.e. 3%. The volume of gas fuel sales also increased in comparison with the same period last year, by 224 GWh, or 24%. Total revenue from the sale of electric energy and gas fuel in the first three quarters of 2021 increased by PLN 693 million, or 15%, from the same period of 2020. Revenue in both the business customer segment and the household segment grew (by 17% and 10%, respectively).

At the date on which these separate condensed separate interim financial statements were prepared, it is difficult to predict how the situation will develop in 2021 and the following year and what the potential negative effects for the Company's operating and financing activities will be. Another wave of the virus may cause restrictions to be reinstated and economic activity to slow down. The Company is taking preventive action to reduce this type of risk.

From the onset of the pandemic, the Company has been carrying out additional analyses of the COVID-19 pandemic's potential impact on receivables impairment. Expected losses are verified on the basis of these analyses. The size of this additional impairment - since these analyses began - is negligible from a reporting viewpoint. Nonetheless, the Company assesses that if restrictions related to the COVID-19 pandemic are maintained and thus economic activity is further reduced, the receivables turnover ratio might deteriorate given a reduced payment capacity on the part of electricity customers.

ENEA S.A. cyclically reviews the credit ratings of its subsidiaries and the recoverability of intra-group bonds and loans. In accordance with ENEA Group's methodology for determining expected credit losses for debt assets, no need was identified as of 30 September 2021 for recognising this in respect of subsidiaries.

A crisis and coordination command, appointed by the Management Board, is operating at ENEA S.A., and all Group companies have appointed teams that coordinate tasks related to ensuring the continuity of ENEA Group companies' operations in the context of the coronavirus threat. The Management Board of ENEA S.A. is coordinating all activities in this area through the crisis coordination command. The command and teams engage in activities intended to protect the health of employees by providing personal protective equipment (face masks, anti-microbial gels, gloves), implementing safe work rules (including introducing, wherever possible, remote work, limited direct meetings in the workplace, disinfection of rooms, introducing a limit on the number of employees in a room, maintaining safe distances between employees). The precautions taken in order to prevent the spread of the coronavirus have an impact on operating costs, which together with changes in revenue will ultimately affect the net result.

At the date on which these condensed separate interim financial statements were prepared, the Company did not identify material uncertainty over its going concern.