



**ENEA Group
CONDENSED
CONSOLIDATED
INTERIM FINANCIAL
STATEMENTS**

for the period from 1 January
to 30 September 2023
in compliance with EU IFRS

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

Members of the Management Board

President of the Management Board **Paweł Majewski**

Member of the Management Board **Rafał Mucha**

Member of the Management Board **Jakub Kowaleczko**

Member of the Management Board **Marcin Pawlicki**

Member of the Management Board **Dariusz Szymczak**

Member of the Management Board **Lech Żak**

ENEA Centrum Sp. z o.o.

Entity responsible for maintaining accounting

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KRS 0000477231, NIP 777-00-02-843, REGON 630770227

Poznań, 22 November 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	For the 9-month period ended 30 September 2023 (unaudited)	For the 3-month period ended 30 September 2023 (unaudited)	For the 9-month period ended 30 September 2022 restated* (unaudited)	For the 3-month period ended 30 September 2022 restated* (unaudited)
Revenue from sales	7	32 941 092	11 002 068	22 761 958	8 031 526
Excise duty		(60 128)	(19 974)	(39 415)	(12 910)
Net revenue from sales		32 880 964	10 982 094	22 722 543	8 018 616
Compensations	7	3 010 233	895 293	-	-
Revenue from operating leases and subleases		11 591	3 818	9 344	2 210
Revenue from sales and other income		35 902 788	11 881 205	22 731 887	8 020 826
Other operating revenue		249 807	116 749	170 934	82 018
Change in provision for onerous contracts	18	12 223	(171 925)	(1 410 888)	(854 846)
Depreciation/amortisation		(1 225 501)	(425 241)	(1 181 685)	(410 005)
Employee benefit costs		(2 250 703)	(775 556)	(1 821 487)	(682 210)
Use of materials and raw materials and value of goods sold		(11 097 180)	(3 589 102)	(6 680 293)	(2 470 185)
Purchase of electricity and gas for sales purposes		(15 131 886)	(4 985 905)	(9 113 971)	(3 112 272)
Transmission services		(500 885)	(165 399)	(354 660)	(98 391)
Other third-party services		(883 212)	(340 408)	(751 033)	(272 798)
Taxes and fees	28	(2 579 916)	(743 635)	(403 120)	(144 175)
Loss on change, sale and liquidation of property, plant and equipment and right-of-use assets		(44 146)	(6 484)	(29 678)	(4 972)
(Impairment loss)/reversal of impairment loss on non-financial non-current assets		(788 084)	4 225	(2 754)	(177)
Other operating costs		(237 034)	(95 880)	(263 729)	(85 035)
Operating profit		1 426 271	702 644	889 523	(32 222)
Finance costs		(377 841)	(110 856)	(222 680)	(80 041)
Finance income		148 536	71 629	156 953	69 656
(Losses)/gains on currency derivative instruments not used in hedge accounting		(423 127)	234 473	221 033	78 375
Dividend income		93	-	1 163	-
Impairment of financial assets at amortised cost	21	-	-	(10 962)	(3 829)
Share of results of associates and jointly controlled entities	11	5 901	1 187	65 196	13 299
Impairment of investments in associates and jointly controlled entities		(4 321)	-	-	-
Profit before tax		775 512	899 077	1 100 226	45 238
Income tax	8	(113 202)	(182 618)	(193 429)	231
Net profit for the reporting period		662 310	716 459	906 797	45 469
Other comprehensive income					
Subject to reclassification to profit or loss:					
- measurement of hedging instruments		(148 828)	(53 337)	166 137	(32 603)
- income tax	8	28 276	10 133	(31 561)	6 195
Not subject to reclassification to profit or loss:					
- restatement of defined benefit plan		(84 708)	-	156 217	-
- income tax	8	16 095	-	(29 681)	-
Net other comprehensive income		(189 165)	(43 204)	261 112	(26 408)
Comprehensive income for the reporting period		473 145	673 255	1 167 909	19 061
Including net profit:					
attributable to shareholders of the Parent		558 438	702 690	788 787	49 732
attributable to non-controlling interests		103 872	13 769	118 010	(4 263)
Including comprehensive income:					
attributable to shareholders of the Parent		370 156	659 486	1 046 947	23 324
attributable to non-controlling interests		102 989	13 769	120 962	(4 263)
Net profit attributable to shareholders of the Parent		558 438	702 690	788 787	49 732
Weighted average number of ordinary shares		529 731 093	529 731 093	491 893 158	529 731 093
Net profit attributable to the Parent's shareholders, per share (in PLN per share)		1.05	1.33	1.60	0.09
Diluted profit per share (in PLN per share)		1.05	1.33	1.60	0.09

* the presentation restatement of data for the comparative period is presented in note 5 to these condensed consolidated interim financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 September 2023 (unaudited)	As at 31 December 2022
ASSETS			
Non-current assets			
Property, plant and equipment	9	20 205 411	20 154 134
Right-of-use assets		824 766	827 430
Intangible assets	10	449 702	351 922
Investment properties		28 361	18 042
Investments in associates and jointly controlled entities	11	170 181	163 317
Deferred income tax assets	8	2 348 345	1 315 108
Financial assets measured at fair value	20	60 228	161 391
Trade and other receivables		9 043	12 213
Costs related to the conclusion of agreements		10 071	8 970
Finance lease and sublease receivables		976	1 168
Funds in the Mine Decommissioning Fund		157 429	147 925
Total non-current assets		24 264 513	23 161 620
Current assets			
CO ₂ emission allowances		58 911	4 093 130
Inventories	12	1 915 077	1 979 850
Trade and other receivables		5 918 571	5 260 383
Costs related to the conclusion of agreements		12 176	11 006
Assets arising from contracts with customers	14	633 474	623 900
Finance lease and sublease receivables		1 264	1 304
Current income tax receivables		8 328	315 513
Financial assets measured at fair value	20	255 103	382 546
Debt financial assets at amortised cost	21	–	42 004
Cash and cash equivalents	15	5 214 099	1 563 716
Total current assets		14 017 003	14 273 352
Total assets		38 281 516	37 434 972

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 September 2023 (unaudited)	31 December 2022
EQUITY AND LIABILITIES			
Equity			
Equity attributable to shareholders of the parent			
Share capital		676 306	676 306
Share premium		3 348 670	3 348 670
Revaluation reserve - measurement of hedging instruments		65 192	185 744
Retained earnings		11 154 658	10 663 950
Total equity attributable to shareholders of the parent		15 244 826	14 874 670
Non-controlling interests		1 343 047	1 271 441
Total equity		16 587 873	16 146 111
LIABILITIES			
Non-current liabilities			
Credit facilities, loans and debt securities	17	3 371 736	4 087 307
Trade and other payables		22 862	32 265
Liabilities arising from contracts with customers	14	24 700	15 822
Lease liabilities		614 906	625 120
Accounting for subsidies and road lighting modernisation services	19	571 973	493 904
Deferred income tax provision	8	547 378	536 255
Employee benefit liabilities		1 095 584	962 783
Financial liabilities measured at fair value	20	125 250	249
Provisions for other liabilities and other charges	18	963 640	946 088
Total non-current liabilities		7 338 029	7 699 793
Current liabilities			
Credit facilities, loans and debt securities	17	2 434 782	750 273
Trade and other payables		3 278 727	5 165 576
Liabilities arising from contracts with customers	14	547 019	348 590
Lease liabilities		33 028	31 338
Accounting for subsidies and road lighting modernisation services	19	23 293	20 381
Current income tax liabilities		245 738	12 706
Employee benefit liabilities		739 305	577 479
Liabilities concerning the equivalent for rights to free purchase of shares		281	281
Financial liabilities measured at fair value	20	682 649	494 596
Provisions for other liabilities and other charges	18	6 370 792	6 187 848
Total current liabilities		14 355 614	13 589 068
Total liabilities		21 693 643	21 288 861
TOTAL EQUITY AND LIABILITIES		38 281 516	37 434 972

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(a) Q3 2023 (unaudited)

	Equity attributable to shareholders of the parent							
	Share capital (nominal amount)	Reserve for revaluation and merger accounting	Total share capital	Share premium	Revaluation reserve - measurement of hedging instruments	Retained earnings	Non-controlling interests	Total equity
As at 1 January 2023	529 731	146 575	676 306	3 348 670	185 744	10 663 950	1 271 441	16 146 111
Net profit for the reporting period	-	-	-	-	-	558 438	103 872	662 310
Net other comprehensive income	-	-	-	-	(120 552)	(67 730)	(883)	(189 165)
Net comprehensive income recognised in the period	-	-	-	-	(120 552)	490 708	102 989	473 145
Dividends	-	-	-	-	-	-	(31 387)	(31 387)
Other	-	-	-	-	-	-	4	4
As at 30 September 2023	529 731	146 575	676 306	3 348 670	65 192	11 154 658	1 343 047	16 587 873

(b) Q3 2022 (unaudited)

	Equity attributable to shareholders of the parent							
	Share capital (nominal amount)	Reserve for revaluation and merger accounting	Total share capital	Share premium	Revaluation reserve - measurement of hedging instruments	Retained earnings	Non-controlling interests	Total equity
As at 1 January 2022	441 443	146 575	588 018	2 692 784	108 917	10 620 839	1 167 450	15 178 008
Adjustment due to amendments to IAS 16	-	-	-	-	-	15 766	8 126	23 892
As at 1 January 2022, adjusted	441 443	146 575	588 018	2 692 784	108 917	10 636 605	1 175 576	15 201 900
Net profit for the reporting period	-	-	-	-	-	788 787	118 010	906 797
Net other comprehensive income	-	-	-	-	134 576	123 584	2 952	261 112
Net comprehensive income recognised in the period	-	-	-	-	134 576	912 371	120 962	1 167 909
Dividends	-	-	-	-	-	-	(30 129)	(30 129)
Issue of ordinary shares	88 288	-	88 288	662 164	-	-	-	750 452
Cost of issue of ordinary shares	-	-	-	(6 278)	-	-	-	(6 278)
Change in non-controlling interests in subsidiaries	-	-	-	-	-	(25 675)	52 516	26 841
Other	-	-	-	-	(27)	-	-	(27)
As at 30 September 2022	529 731	146 575	676 306	3 348 670	243 466	11 523 301	1 318 925	17 110 668

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the nine-month period ended	
		30 September 2023 (unaudited)	30 September 2022 (unaudited)
Cash flows from operating activities			
Net profit for the reporting period		662 310	906 797
Adjustments:			
Income tax in profit or loss	8	113 202	193 429
Depreciation/amortisation		1 225 501	1 181 685
Loss on change, sale and liquidation of property, plant and equipment and right-of-use assets		44 146	29 678
Impairment losses on non-financial non-current assets		788 084	2 754
Gain on sale of financial assets		(1 409)	(15 542)
Interest income		(68 886)	(83 086)
Dividend income		(93)	(1 163)
Interest costs		245 678	187 342
Loss/(gain) on measurement of financial instruments		389 181	(185 260)
Impairment of financial assets at amortised cost		-	10 962
Share of profit of associates and jointly controlled entities		(5 901)	(65 196)
Impairment of investments in associates and jointly controlled entities		4 321	-
Other adjustments		(70 877)	(24 205)
Total adjustments		2 662 947	1 231 398
Paid income tax		(595 466)	(320 937)
Changes in working capital:			
CO ₂ emission allowances		4 034 219	2 564 279
Inventories		65 524	(177 369)
Trade and other receivables		(689 250)	(1 964 644)
Trade and other payables		(1 629 543)	(720 896)
Employee benefit liabilities		211 223	17 847
Accounting for subsidies and road lighting modernisation services		78 192	63 460
Provisions for other liabilities and charges		210 647	2 601 445
Total changes in working capital		2 281 012	2 384 122
Net cash flows from operating activities		5 010 803	4 201 380
Cash flows from investing activities			
Purchase of tangible and intangible assets		(1 962 109)	(1 832 933)
Proceeds from sale of tangible and intangible assets		26 823	1 379
Purchase of financial assets		-	(250 265)
Proceeds from sale of financial assets		37 383	279 149
Purchase of subsidiaries		(89 602)	-
Purchase of associates and jointly controlled entities		(1 000)	(1 009)
Sale of associates and jointly controlled entities		394	1 000
Received dividends		93	1 163
Inflows concerning funds at Mine Decommissioning Fund bank account		(9 504)	(226)
Received interest		66 064	19 047
Other inflows from investing activities		11 004	477
Net cash flows from investing activities		(1 920 454)	(1 782 218)
Cash flows from financing activities			
Credit and loans received		3 901 164	1 875
Repayment of credit and loans		(2 879 185)	(144 701)
Bond buy-back		(156 110)	(1 955 111)
Dividends paid		(31 387)	(30 129)
Repayment of lease liabilities		(34 447)	(35 796)
Proceeds from share issue		-	750 452
Interest paid		(239 741)	(125 086)
Expenses related to share issue		-	(6 278)
Other (outflows)/inflows from financing activities		(260)	24 604
Net cash flows from financing activities		560 034	(1 520 170)
Total net cash flows		3 650 383	898 992
Cash at the beginning of reporting period		1 563 716	4 153 553
Cash at the end of reporting period		5 214 099	5 052 545
including restricted cash		1 345 233	380 411

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

ADDITIONAL INFORMATION AND EXPLANATIONS

General information

1. General information on the Parent

Name:	ENEA Spółka Akcyjna
Legal form:	spółka akcyjna (joint-stock company)
Country of registration:	Poland
Registered office:	Poznań, Poland
Address:	ul. Pastelowa 8, 60-198 Poznań
Location of business:	Poland
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. ("Company," "Parent") is the parent entity for ENEA Group ("Group").

As at 30 September 2023, the Parent's shareholding structure was as follows:

	Poland's State Treasury	Other shareholders	Total
As at 30 September 2023	52.29%	47.71%	100.00%

As at 30 September 2023, the Parent's highest-level controlling entity was the State Treasury.

As at 30 September 2023, ENEA S.A.'s statutory share capital amounted to PLN 529 731 thousand (PLN 676 306 thousand after restatement to EU IFRS, taking into account hyperinflation and other adjustments) and was divided into 529 731 093 shares.

The Parent's duration is indefinite.

Its activities are conducted on the basis of relevant concessions issued for the Parent and for specific Group companies.

The Group's condensed consolidated interim financial statements cover the nine-month period ended 30 September 2023 and contain comparative data for the nine-month period ended 30 September 2022 and the year ended 31 December 2022.

2. Group composition

As at 30 September 2023, the Group consisted of the parent - ENEA S.A., 34 subsidiaries, including 9 indirect subsidiaries, 1 jointly controlled entity and 4 associates.

ENEA Group's principal business activities are as follows:

- production of electric and thermal energy (ENEA Wytwarzanie Sp. z o.o., ENEA Elektrownia Połaniec S.A., Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. w Obornikach, Miejska Energetyka Ciepła Piła Sp. z o.o., ENEA Ciepło Sp. z o.o., ENEA Nowa Energia Sp. z o.o.);
- trade of electricity (ENEA S.A., ENEA Trading Sp. z o.o.);
- distribution of electricity (ENEA Operator Sp. z o.o.);
- distribution of heat (Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. w Obornikach, Miejska Energetyka Ciepła Piła Sp. z o.o., ENEA Ciepło Sp. z o.o.);
- mining and enriching of hard coal (LW Bogdanka S.A.)

Company name	Activity	Registered office	ENE A S.A.'s stake in total number of voting rights as at 30 September 2023	ENE A S.A.'s stake in total number of voting rights as at 31 December 2022
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% ^{10,12}	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	- ⁵	100% ⁵
10. ENEA Innowacje Sp. z o.o.	other activity	Warsaw	100% ²⁰	100%
11. Lubelski Węgiel BOGDANKA S.A.	mining	Bogdanka	64.57%	64.57%
12. ENEA Ciepło Sp. z o.o.	generation	Białystok	99.94%	99.94%
13. Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o.	generation	Oborniki	99.93% ¹⁹	99.93%
14. Miejska Energetyka Ciepła Piła Sp. z o.o.	generation	Piła	71.11%	71.11%
15. ENEA Nowa Energia Sp. z o.o.	generation	Radom	100% ²³	100%
16. ENEA ELKOGAZ Sp. z o.o.	generation	Warsaw	100% ⁸	100%
17. ENEA Power&Gas Trading Sp. z o.o.	trade	Warsaw	100% ¹⁰	100%
18. EN101 Sp. z o.o.	generation	Poznań	100% ^{7,13,26}	-
19. EN102 Sp. z o.o.	generation	Poznań	100% ^{14,26}	100%
20. EN103 Sp. z o.o.	generation	Poznań	100% ^{15,26}	100%
21. EN201 Sp. z o.o.	generation	Poznań	100% ^{16,26}	100%
22. EN202 Sp. z o.o.	generation	Poznań	100% ^{7,17,26}	-
23. EN203 Sp. z o.o.	generation	Poznań	100% ^{18,26}	100%
24. PRO-WIND Sp. z o.o.	generation	Kielce	100% ^{21,26}	-
25. PV Tykocin Sp. z o.o.	generation	Kielce	100% ^{21,26}	-
26. PAD RES Genowefa Sp. z o.o.	generation	Warsaw	100% ²⁵	-
INDIRECT SUBSIDIARIES				
27. ENEA Logistyka Sp. z o.o.	distribution	Poznań	100% ³	100% ³
28. ENEA Bioenergia Sp. z o.o.	generation	Połaniec	100% ¹	100% ¹
29. ENEA Połaniec Serwis Sp. z o.o.	generation	Połaniec	- ⁶	100% ¹
30. EkoTRANS Bogdanka Sp. z o.o.	mining	Bogdanka	64.57% ²	64.57% ²
31. RG Bogdanka Sp. z o.o.	mining	Bogdanka	64.57% ²	64.57% ²
32. MR Bogdanka Sp. z o.o.	mining	Bogdanka	64.57% ²	64.57% ²
33. Łęczyńska Energetyka Sp. z o.o.	mining	Bogdanka	57.27% ²	57.27% ²
34. ENEBIOGAZ 1 Sp. z o.o.	generation	Radom	100% ^{4,22,26}	100% ⁴
35. ENEBIOGAZ 2 Sp. z o.o.	generation	Radom	100% ^{4,22,26}	100% ⁴
36. Farma Wiatrowa Bejsce Sp. z o.o.	generation	Warsaw	100% ^{4,24,26}	-
JOINTLY CONTROLLED ENTITIES				
37. Elektrownia Ostrołęka Sp. z o.o.	-	Ostrołęka	50% ¹¹	50%
ASSOCIATES				
38. Polimex – Mostostal S.A.	-	Warsaw	16,19% ⁹	16.26%
39. Elektrownia Wiatrowa Baltica-4 Sp. z o.o.	-	Warsaw	33.81%	33.81%
40. Elektrownia Wiatrowa Baltica-5 Sp. z o.o.	-	Warsaw	33.81%	33.81%
41. Elektrownia Wiatrowa Baltica-6 Sp. z o.o.	-	Warsaw	33.76%	33.76%

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

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

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

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

⁵ – on 30 March 2015 the company's extraordinary general meeting adopted a resolution on the dissolution of the company following a liquidation proceeding; the resolution entered into force on 1 April 2015. An application for the company to be removed from the National Court Register was filed on 5 November 2015. On 24 May 2023, the company was removed from the National Court Register.

⁶ – An Extraordinary General Meeting of ENEA Połaniec Serwis Sp. z o.o. (acquired company) was held on 3 January 2023, adopting a resolution to merge with ENEA Elektrownia Połaniec S.A. (acquiring company) pursuant to a simplified procedure under art. 516 of the Polish Commercial Companies Code. The merger was registered at the National Court Register on 16 January 2023.

⁷ – EN101 Sp. z o.o. and EN202 Sp. z o.o. were established in January 2023.

⁸ – On 15 March 2023, the Extraordinary General Meeting of ENEA ELKOGAZ Sp. z o.o. adopted a resolution to increase the company's share capital by PLN 10 000 thousand, i.e. from PLN 19 000 thousand to PLN 29 000 thousand, through the issue of 100 000 new shares with a nominal value of PLN 100.00 each. ENEA S.A. acquired all of the newly-issued shares in the increased share capital of ENEA ELKOGAZ Sp. z o.o. in exchange for a cash contribution. The share capital increase was registered at the National Court Register on 3 April 2023. On 27 July 2023, the Extraordinary General Meeting of ENEA ELKOGAZ Sp. z o.o., based in Warsaw, adopted a resolution to increase the company's share capital by PLN 10 000 thousand, i.e. from PLN 29 000 thousand to PLN 39 000 thousand, through the issue of 100 000 new shares with a nominal value of PLN 100.00 each. ENEA S.A. acquired all of the newly-issued shares in the increased share capital of ENEA ELKOGAZ Sp. z o.o. in exchange for a cash contribution. The share capital increase was registered at the National Court Register on 27 September 2023.

⁹ – an increase of Polimex Mostostal S.A.'s share capital by PLN 1 000 thousand, i.e. from PLN 479 738 thousand to PLN 480 738 thousand, by admitting 500 000 ordinary bearer shares series S with a nominal value of PLN 2 each, was registered on 30 January 2023. In March 2023 ENEA S.A. sold 187 500 shares, thus decreasing its stake in that company's share capital from 16.23% to 16.15%. In the 9-month period ending 30 September 2023, ENEA S.A. submitted a demand to exercise call options 8, 9 and 10. On 30 March 2023, the Company made a bank transfer payment for the 187 500 shares of Polimex - Mostostal S.A. (call option 8). An increase of Polimex Mostostal S.A.'s share capital by PLN 1 500 thousand, i.e. from PLN 480 738 thousand to PLN 482 238 thousand, by admitting 750 000 ordinary bearer shares series S with a nominal value of PLN 2 each, was registered on 14 April 2023, thus reducing ENEA S.A.'s stake in that company's share capital from 16.15% to 16.10%. On 28 April 2023, as a result of the exercise of call option 8, ENEA S.A.'s share in the company's share capital increased from 16.10% to 16.17%. On 29 June 2023 the Company made a bank transfer payment for 125 000 shares of Polimex - Mostostal S.A. (call option 9). An increase of Polimex Mostostal S.A.'s share capital by PLN 1 000 thousand, i.e. from PLN 482 238 thousand to PLN 483 238 thousand, by admitting 500 000 ordinary bearer shares series S with a nominal value of PLN 2 each, was registered on 12 July 2023. ENEA S.A.'s share in the company's share capital decreased from 16.17% to 16.14%. On 14 July 2023, as a result of the exercise of call option 9, ENEA S.A.'s share in the company's share capital increased from 16.14% to 16.19%. On 28 September 2023, the Company made a bank transfer payment for the 187 500 shares of Polimex - Mostostal S.A. (call option 10). An increase of Polimex Mostostal S.A.'s share capital by PLN 1 500 thousand, i.e. from PLN 483 238 thousand to PLN 484 738 thousand, by admitting 750 000 ordinary bearer shares series S with a nominal value of PLN 2.00 each, was registered on 5 October 2023. ENEA S.A.'s share in the company's share capital decreased from 16.19% to 16.14%. Since 13 October 2023, as a result of the exercise of call option 10, ENEA S.A.'s stake in the company's share capital is 16.22%.

¹⁰ - On 3 April 2023, in accordance with the Spin-off Plan of ENEA Trading Sp. z o.o. of 29 July 2022, there was a division by spin-off and transfer of a part of the assets and liabilities of ENEA Trading Sp. z o.o., in the form of an Organised Part of Enterprise, to ENEA Power&Gas Trading Sp. z o.o.

¹¹ – on 27 April 2023, the Extraordinary General Meeting of Elektrownia Ostrołęka Sp. z o.o. adopted a resolution to increase the company's share capital by PLN 100, i.e. from PLN 912 482 100.00 to PLN 912 482 200.00, through the issue of 2 new shares with a nominal value of PLN 50.00 each and issue price of PLN 202 657 thousand each. ENEA S.A. acquired 1 of the newly-issued shares in the increased share capital of Elektrownia Ostrołęka Sp. z o.o. On 28 April 2023, a receivables set-off agreement was signed by ENEA S.A. and Elektrownia Ostrołęka Sp. z o.o., i.e. the receivables of ENEA S.A. towards Elektrownia Ostrołęka Sp. z o.o. for a loan granted under the loan agreement concluded in December 2019 with a value of PLN 170 000 thousand (as amended) plus accrued interest with a total receivable value of PLN 202 657 thousand, and Elektrownia Ostrołęka Sp. z o.o.'s receivables from ENEA S.A. in respect of its obligation to cover 1 share with a cash contribution of PLN 202 657 thousand in the increased share capital of the company. Pursuant to the above set-off agreement, the aforementioned claims cancelled each other out in full.

¹² – on 28 June 2023, at an Extraordinary General Meeting of ENEA Trading Sp. z o.o., a resolution was adopted regarding an increase in the share capital of ENEA Trading Sp. z o.o. by PLN 1 thousand, i.e. from PLN 61 205 thousand to PLN 61 206 thousand, through the issue of 1 new share with a nominal value of PLN 1 thousand. ENEA S.A. acquired the one newly-issued share in the increased share capital of ENEA Trading Sp. z o.o. in exchange for a cash contribution. The share capital increase was registered at the National Court Register on 12 July 2023.

¹³ – on 5 July 2023, at an Extraordinary General Meeting of EN101 Sp. z o.o., a resolution was adopted regarding an increase in the share capital of EN101 Sp. z o.o. by PLN 3 430 thousand, i.e. from PLN 70 thousand to PLN 3 500 thousand, through the issue of 4 900 new shares with a nominal value of PLN 700.00 each. ENEA S.A. acquired the newly-issued shares in the increased share capital of EN101 Sp. z o.o. in exchange for a cash contribution. The share capital increase was registered at the National Court Register on 10 November 2023.

- ¹⁴ – on 5 July 2023, at an Extraordinary General Meeting of EN102 Sp. z o.o., a resolution was adopted regarding an increase in the share capital of EN102 Sp. z o.o. by PLN 3 531 thousand, i.e. from PLN 70 thousand to PLN 3 601 thousand, through the issue of 5 044 new shares with a nominal value of PLN 700.00 each. ENEA S.A. acquired the newly-issued shares in the increased share capital of EN102 Sp. z o.o. in exchange for a cash contribution. The share capital increase was registered at the National Court Register on 27 September 2023.
- ¹⁵ – on 5 July 2023, at an Extraordinary General Meeting of EN103 Sp. z o.o., a resolution was adopted regarding an increase in the share capital of EN103 Sp. z o.o. by PLN 148 thousand, i.e. from PLN 70 thousand to PLN 218 thousand, through the issue of 211 new shares with a nominal value of PLN 700.00 each. ENEA S.A. acquired the newly-issued shares in the increased share capital of EN103 Sp. z o.o. in exchange for a cash contribution. The share capital increase was registered at the National Court Register on 27 September 2023.
- ¹⁶ – on 5 July 2023, at an Extraordinary General Meeting of EN201 Sp. z o.o., a resolution was adopted regarding an increase in the share capital of EN201 Sp. z o.o. by PLN 2 509 thousand, i.e. from PLN 70 thousand to PLN 2 579 thousand, through the issue of 3 584 new shares with a nominal value of PLN 700.00 each. ENEA S.A. acquired the newly-issued shares in the increased share capital of EN201 Sp. z o.o. in exchange for a cash contribution. The share capital increase was registered at the National Court Register on 25 October 2023.
- ¹⁷ – on 5 July 2023, at an Extraordinary General Meeting of EN202 Sp. z o.o., a resolution was adopted regarding an increase in the share capital of EN202 Sp. z o.o. by PLN 3 223 thousand, i.e. from PLN 70 thousand to PLN 3 293 thousand, through the issue of 4 604 new shares with a nominal value of PLN 700.00 each. ENEA S.A. acquired the newly-issued shares in the increased share capital of EN202 Sp. z o.o. in exchange for a cash contribution. The share capital increase was registered at the National Court Register on 2 November 2023.
- ¹⁸ – on 5 July 2023, at an Extraordinary General Meeting of EN203 Sp. z o.o., a resolution was adopted regarding an increase in the share capital of EN203 Sp. z o.o. by PLN 535 thousand, i.e. from PLN 70 thousand to PLN 605 thousand, through the issue of 764 new shares with a nominal value of PLN 700.00 each. ENEA S.A. acquired the newly-issued shares in the increased share capital of EN203 Sp. z o.o. in exchange for a cash contribution. The share capital increase was registered at the National Court Register on 25 October 2023.
- ¹⁹ – on 6 July 2023, at an Extraordinary General Meeting of Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o., a resolution was adopted regarding an increase in the share capital of Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. by PLN 6 000 thousand, i.e. from PLN 6 583 thousand to PLN 12 583 thousand, through the issue of 12 000 new shares with a nominal value of PLN 500.00 each. ENEA S.A. acquired 11 992 newly-issued shares with a total nominal value of PLN 5 996 thousand in exchange for a cash contribution. The share capital increase was registered at the National Court Register on 10 November 2023.
- ²⁰ – on 2 August 2023, at an Extraordinary General Meeting of ENEA Innowacje Sp. z o.o., a resolution was adopted regarding an increase in the share capital of ENEA Innowacje Sp. z o.o. by PLN 12 thousand, i.e. from PLN 38 710 thousand to PLN 50 710 thousand, through the issue of 120 000 new shares with a nominal value of PLN 100.00 each. ENEA S.A. acquired the newly-issued shares in the increased share capital of ENEA Innowacje Sp. z o.o. in exchange for a cash contribution. The share capital increase was registered at the National Court Register on 28 August 2023.
- ²¹ – on 23 August 2023 ENEA S.A. signed an agreement to purchase 73 300 shares in PRO-WIND Sp. z o.o., with a nominal value of PLN 100.00 each and total nominal value of PLN 7 330 thousand, constituting 100% of its share capital, for a total of PLN 25 029 thousand. On 23 August 2023 ENEA S.A. also signed an agreement to purchase 50 shares in PV Tykocin Sp. z o.o., with a nominal value of PLN 100.00 each and total nominal value of PLN 5 thousand, constituting 100% of its share capital, for a total of PLN 3 119 thousand.
- ²² – on 25 August 2023, at an Extraordinary General Meeting of ENEBIOGAZ 1 Sp. z o.o., a resolution was adopted regarding an increase in the share capital of ENEBIOGAZ 1 Sp. z o.o. by PLN 25 thousand, i.e. from PLN 5 thousand to PLN 30 thousand, through the issue of 500 new shares with a nominal value of PLN 50.00 each. ENEA Nowa Energia Sp. z o.o. acquired the newly-issued shares in the increased share capital of ENEBIOGAZ 1 Sp. z o.o. in exchange for a cash contribution. On 25 August 2023, at an Extraordinary General Meeting of ENEBIOGAZ 2 Sp. z o.o., a resolution was adopted regarding an increase in the share capital of ENEBIOGAZ 2 Sp. z o.o. by PLN 25 thousand, i.e. from PLN 5 thousand to PLN 30 thousand, through the issue of 500 new shares with a nominal value of PLN 50.00 each. ENEA Nowa Energia Sp. z o.o. acquired the newly-issued shares in the increased share capital of ENEBIOGAZ 2 Sp. z o.o. in exchange for a cash contribution.
- ²³ – on 1 September 2023, at an Extraordinary General Meeting of ENEA Nowa Energia Sp. z o.o. a resolution was adopted to increase the share capital of ENEA Nowa Energia Sp. z o.o. by PLN 118 500 thousand, i.e. from PLN 52 648 thousand to PLN 171 148 thousand, through the issue of 2 370 000 new shares with a nominal value of PLN 50.00 each. ENEA S.A. acquired the newly-issued shares in the increased share capital of ENEA Nowa Energia Sp. z o.o. in exchange for a cash contribution. The share capital increase was registered at the National Court Register on 13 October 2023.
- ²⁴ – on 7 September 2023 ENEA Nowa Energia Sp. z o.o. signed an agreement to purchase 200 shares in Farma Wiatrowa Bejsce Sp. z o.o., with a nominal value of PLN 50.00 each and total nominal value of PLN 10 thousand, constituting 100% of its share capital. On 7 September 2023, at an Extraordinary General Meeting of Farma Wiatrowa Bejsce Sp. z o.o., a resolution was adopted regarding an increase in the share capital of Farma Wiatrowa Bejsce Sp. z o.o. by PLN 7 733 thousand, i.e. from PLN 10 thousand to PLN 7 743 thousand, through the issue of 154 652 new shares with a nominal value of PLN 50.00 each. ENEA Nowa Energia Sp. z o.o. acquired the newly-issued shares in the increased share capital of Farma Wiatrowa Bejsce Sp. z o.o. in exchange for a cash contribution.

²⁵ – on 20 September 2023 ENEA S.A. signed an agreement to purchase 50 shares in PAD RES Genowefa Sp. z o.o., with a nominal value of PLN 100.00 each and total nominal value of PLN 5 thousand, constituting 100% of its share capital, for a total of EUR 10 204 thousand.

²⁶ – due to its immateriality, the company is not included in these condensed consolidated interim financial statements.

3. Management Board and Supervisory Board composition

Management Board

	As at 30 September 2023	As at 31 December 2022
President of the Management Board	Paweł Majewski	Paweł Majewski
Member of the Management Board, responsible for finance	Rafał Mucha	Rafał Mucha
Member of the Management Board, responsible for sales	Jakub Kowaleczko	-
Member of the Management Board, responsible for corporate affairs	Dariusz Szymczak	Dariusz Szymczak
Member of the Management Board, responsible for operations	Marcin Pawlicki	Marcin Pawlicki
Member of the Management Board, responsible for strategy and development	Lech Żak	Lech Żak

On 6 July 2023 the Company's Supervisory Board adopted a resolution to appoint Mr. Jakub Kowaleczko as of 17 July 2023 as Member of ENEA S.A.'s Management Board for Sales, for a joint term that began on the date of the Company's Ordinary General Meeting approving the 2021 financial statements.

On 21 November 2023, the Company's Supervisory Board adopted a resolution dismissing as of 30 November 2023 Management Board Member for Finance - Mr. Rafał Mucha - from the Management Board of ENEA S.A.

Supervisory Board

	As at 30 September 2023	Appointment	As at 31 December 2022	End of term / resignation
Chairperson of the Supervisory Board	Łukasz Ciołko		Rafał Włodarski	4 January 2023
Deputy Chairperson of the Supervisory Board	Roman Stryjski		Roman Stryjski	
Secretary of the Supervisory Board	Mariusz Pliszka		Mariusz Pliszka	
Member of the Supervisory Board	Mariusz Damasiewicz		Łukasz Ciołko	
Member of the Supervisory Board	Aneta Kordowska		Mariusz Damasiewicz	
Member of the Supervisory Board	Tomasz Lis		Aneta Kordowska	
Member of the Supervisory Board	Paweł Łącki		Tomasz Lis	
Member of the Supervisory Board	Mariusz Romańczuk		Paweł Łącki	
Member of the Supervisory Board			Mariusz Romańczuk	
Member of the Supervisory Board			Piotr Zborowski	4 July 2023

On 4 January 2023, the Company received Mr. Rafał Włodarski's resignation as member of ENEA S.A.'s Supervisory Board, including as Chairperson of the Company's Supervisory Board, effective from 4 January 2023.

On 13 March 2023 the Company's Extraordinary General Meeting adopted a resolution appointing Mrs. Aleksandra Agatowska as member of ENEA S.A.'s Supervisory Board, 11th term, effective from the same date.

On 13 March 2023 an Extraordinary General Meeting of ENEA S.A. appointed Mr. Łukasz Ciołko as Chairperson of ENEA S.A.'s Supervisory Board.

On 4 July 2023, the Company received Mr. Piotr Zborowski's resignation as Member of ENEA S.A.'s Supervisory Board, effective from 4 July 2023.

On 31 July 2023, the Company received Mrs. Aleksandra Agatowska's resignation as Member of ENEA S.A.'s Supervisory Board, effective from 31 July 2023.

4. Basis for preparing financial statements

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

The Parent'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 Group's condensed consolidated interim financial statements in accordance with EU IFRS as at 30 September 2023. The presented tables and explanations are prepared

with due diligence. These condensed consolidated interim financial statements have not been reviewed by a statutory auditor. The accounting rules are applied consistently across all of the presented periods, except as indicated in note 5 on the change in the presentation of comparative figures.

These condensed consolidated 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 Group's going concern.

As of 30 September 2023, current liabilities in the consolidated statement of financial position exceed current assets. This is mainly due to the reclassification of PLN 2 000 000 thousand of bonds (Bond Issuance Program Agreement with PKO BP S.A., Bank Pekao S.A. and mBank S.A.) from non-current to current liabilities (maturing in June 2024). As regards managing liquidity risk, ENEA Group strives to ensure a stable availability of cash allowing it to meet its payment liabilities on time. Activities addressed in "*ENEA Group's liquidity and liquidity risk management policy*" also include securing the ability to effectively respond to liquidity crises, i.e. periods of increased demand for cash. As intended, the measures taken should enable the business to continue operating in the event of a liquidity crisis for the period necessary to activate the contingency funding plan. Moreover, on 27 January 2023 ENEA S.A. signed a financing agreement with a syndicate of banks consisting of: Polska Kasa Oszczędności Bank Polski S.A., Bank Gospodarstwa Krajowego, Bank Polska Kasa Opieki S.A., Alior Bank S.A. and Bank of China (Europe) S.A., branch in Poland. Under this agreement, the Company raised financing totalling up to PLN 2 500 000 thousand, including a term loan of up to PLN 1 500 000 thousand ("Loan A") and a revolving renewable loan of up to PLN 1 000 000 thousand ("Loan B"). Details are presented in note 17.

These condensed consolidated interim financial statements should be read in conjunction with ENEA Group's consolidated financial statements for the financial year ended 31 December 2022.

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

These condensed consolidated interim financial statements are prepared in accordance with accounting rules that are consistent with those applied in preparing the most recent annual consolidated financial statements, for the financial year ended 31 December 2022.

Drafting condensed consolidated interim financial statements in accordance with IAS 34 requires the Management Board to adopt certain assumptions and make estimates that have an impact on the application of accounting rules and on amounts being presented in the condensed consolidated interim financial statements and explanatory notes to these statements. Such 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 consolidated interim financial statements are consistent with the estimates used in preparing the consolidated 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.

Change in presentation of items in statement of comprehensive income

In preparing the most recent annual consolidated financial statements, for the year ended 31 December 2022, the Group changed the presentation in the statement of comprehensive income of the valuation and realisation of foreign exchange forward transactions that are not used in hedge accounting. The results from the measurement and execution of these transactions, hitherto presented as operating income or expenses, are presented outside of operations.

The Group therefore restated the comparative figures in these condensed consolidated interim financial statements. The following table presents the impact of this change.

	For the nine-month period ended 30 September 2022			For the three-month period ended 30 September 2022		
	Approved data	Impact of change in presentation of forward transaction measurement	Restated data	Approved data	Impact of change in presentation of forward transaction measurement	Restated data
Revenue from sales	22 761 958	-	22 761 958	8 031 526	-	8 031 526
Excise duty	(39 415)	-	(39 415)	(12 910)	-	(12 910)
Net revenue from sales	22 722 543	-	22 722 543	8 018 616	-	8 018 616
Revenue from operating leases and subleases	9 344	-	9 344	2 210	-	2 210
Revenue from sales and other income	22 731 887	-	22 731 887	8 020 826	-	8 020 826
Other operating revenue	221 891	(50 957)	170 934	93 810	(11 792)	82 018
Use of materials and raw materials and value of goods sold	(6 510 217)	(170 076)	(6 680 293)	(2 403 602)	(66 583)	(2 470 185)
Other items	(15 333 005)	-	(15 333 005)	(5 664 881)	-	(5 664 881)
Operating profit	1 110 556	(221 033)	889 523	46 153	(78 375)	(32 222)
Gains on currency derivative instruments not used in hedge accounting	-	221 033	221 033	-	78 375	78 375
Other items	(10 330)	-	(10 330)	(915)	-	(915)
Profit before tax	1 100 226	-	1 100 226	45 238	-	45 238
Income tax	(193 429)	-	(193 429)	231	-	231
Net profit for the reporting period	906 797	-	906 797	45 469	-	45 469
Net other comprehensive income	261 112	-	261 112	(26 408)	-	(26 408)
Comprehensive income for the reporting period	1 167 909	-	1 167 909	19 061	-	19 061
Including net profit:						
attributable to shareholders of the Parent	788 787	-	788 787	49 732	-	49 732
attributable to non-controlling interests	118 010	-	118 010	(4 263)	-	(4 263)
Including comprehensive income:						
attributable to shareholders of the Parent	1 046 947	-	1 046 947	23 324	-	23 324
attributable to non-controlling interests	120 962	-	120 962	(4 263)	-	(4 263)

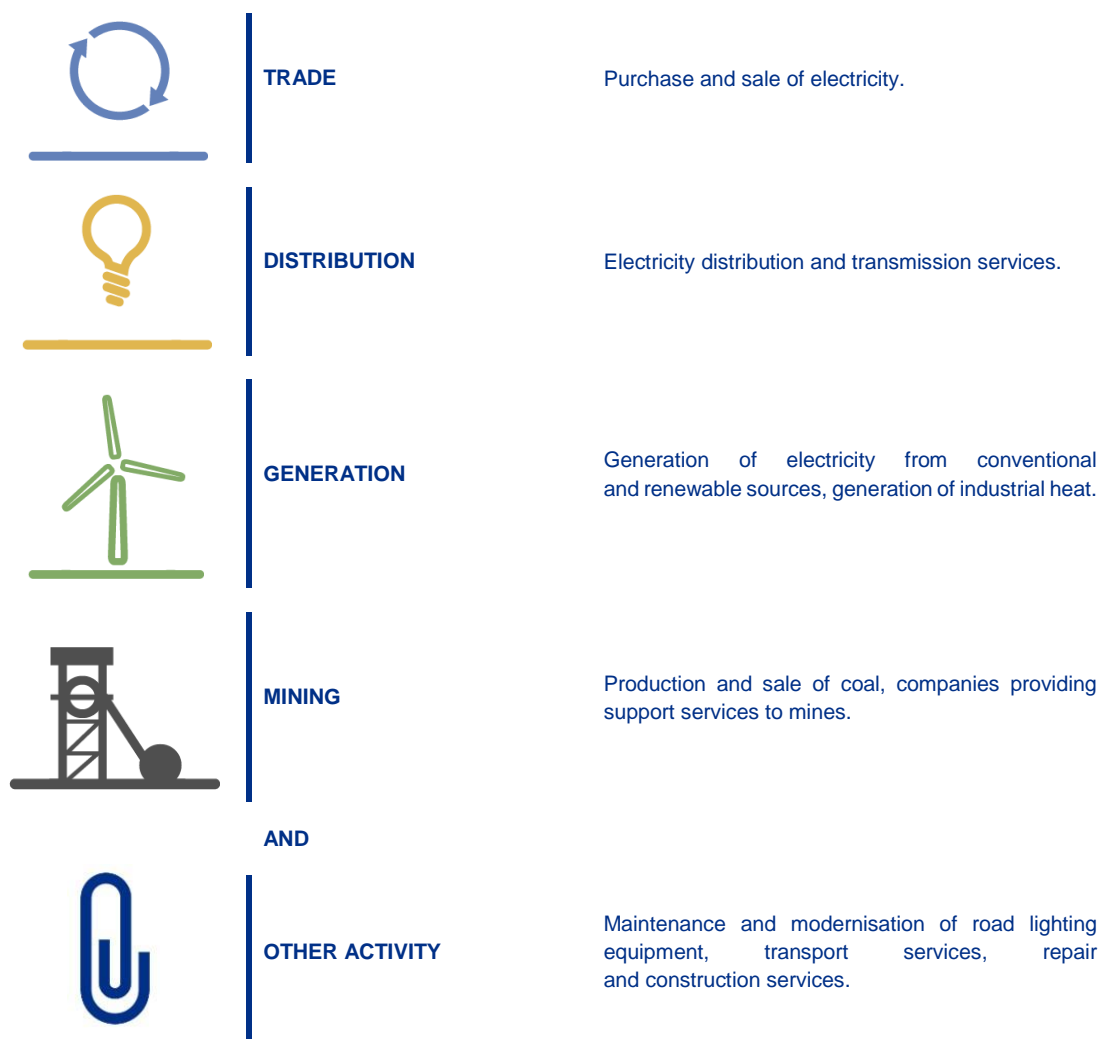
6. Functional currency and presentation currency

Items in the financial statements of individual Group entities are measured in the main currency of the economic setting in which the entity operates (in the functional currency).

The condensed consolidated interim financial statements are presented in PLN, which is the functional and presentation currency for all of the Group's entities. Items in financial statements are rounded to full thousands of zlotys (PLN 000s), unless otherwise stated.

Operating segments

The Group presents segment information in accordance with IFRS 8 *Operating Segments*. Operating segments correspond to the reporting segments and are not aggregated. The Group's activities are managed in operating segments that are distinct in terms of products and services. ENEA Group reports four operating segments and other activity, as shown below.



Segment revenue is revenue generated from sales to external customers and transactions with other segments that can be directly attributed to the given segment. Segment costs include the cost of sales to external customers and costs of transactions with other segments within the Group that result from the operating activities of a given segment and can be directly attributed to the given segment. Market prices are applied to inter-segment transactions, which makes it possible for units to generate margins sufficient to independently operate on the market.

In analysing segment results, the Parent's Management Board especially focuses on EBITDA. EBITDA is defined as operating profit (calculated as profit before tax adjusted for the share of results of associates and jointly controlled entities, impairment losses on financial assets measured at amortised cost, impairment losses on investments in jointly controlled entities, (losses)/gains on currency derivatives not used in hedge accounting, financial income, dividend income and finance costs) plus depreciation and amortisation and impairment losses on non-financial fixed assets.

Rules for determining segment results and segment assets and liabilities are in compliance with the accounting rules used in preparing consolidated financial statements. In connection with the amendment to the presentation of comparative data, as presented in note 5 to these condensed consolidated interim financial statements, the Group made a presentation restatement of its segments for the comparative period.

Segment results:

Segment results for the period from 1 January to 30 September 2023 are as follows:



	TRADE	DISTRIBUTION	GENERATION	MINING	OTHER ACTIVITY	EXCLUSIONS	TOTAL
Net revenue from sales	12 446 889	3 628 028	16 381 969	311 034	113 044	-	32 880 964
Inter-segment sales	3 210 692	37 587	2 899 236	2 369 714	372 407	(8 889 636)	-
Total net revenue from sales	15 657 581	3 665 615	19 281 205	2 680 748	485 451	(8 889 636)	32 880 964
Compensations	2 688 185	322 048	-	-	-	-	3 010 233
Revenue from operating leases and subleases	-	-	733	8 127	2 955	(224)	11 591
Revenue from sales and other income	18 345 766	3 987 663	19 281 938	2 688 875	488 406	(8 889 860)	35 902 788
Total costs	(18 414 600)	(3 226 101)	(17 893 579)	(3 089 706)	(428 572)	8 678 875	(34 373 683)
Segment result	(68 834)	761 562	1 388 359	(400 831)	59 834	(210 985)	1 529 105
Depreciation/amortisation	(1 594)	(547 567)	(352 724)	(285 908)	(55 183)	-	-
Reversal / (recognition) of impairment loss on non-financial non-current assets	-	-	1 134	(789 218)	-	-	-
Segment result - EBITDA	(67 240)	1 309 129	1 739 949	674 295	115 017		
% of revenue from sales and other income	(0.4%)	32.8%	9.0%	25.1%	23.5%		
Unallocated costs at Group level (administrative expenses)							(102 834)
Operating profit							1 426 271
Finance costs							(377 841)
Finance income							148 536
Losses on currency derivative instruments not used in hedge accounting							(423 127)
Dividend income							93
Share of results of associates and jointly controlled entities							5 901
Impairment of investments in associates and jointly controlled entities							(4 321)
Gross profit							775 512
Income tax							(113 202)
Net profit							662 310
Share of profit attributable to non-controlling interests							103 872

Segment results:

Segment results for the period from 1 July to 30 September 2023 are as follows:



	TRADE	DISTRIBUTION	GENERATION	MINING	OTHER ACTIVITY	EXCLUSIONS	TOTAL
Net revenue from sales	4 232 152	1 203 362	5 412 513	95 974	38 093	-	10 982 094
Inter-segment sales	509 833	9 412	1 144 446	765 054	127 891	(2 556 636)	-
Total net revenue from sales	4 741 985	1 212 774	6 556 959	861 028	165 984	(2 556 636)	10 982 094
Compensations	795 852	99 441	-	-	-	-	895 293
Revenue from operating leases and subleases	-	-	248	2 800	845	(75)	3 818
Revenue from sales and other income	5 537 837	1 312 215	6 557 207	863 828	166 829	(2 556 711)	11 881 205
Total costs	(5 676 674)	(1 050 629)	(6 005 607)	(811 010)	(149 629)	2 555 683	(11 137 866)
Segment result	(138 837)	261 586	551 600	52 818	17 200	(1 028)	743 339
Depreciation/amortisation	(519)	(188 145)	(120 991)	(102 640)	(18 542)	-	-
Reversal of impairment losses on non-financial non-current assets	-	-	-	4 225	-	-	-
Segment result - EBITDA	(138 318)	449 731	672 591	151 233	35 742		
% of revenue from sales and other income	(2.5%)	34.3%	10.3%	17.5%	21.4%		
Unallocated costs at Group level (administrative expenses)							(40 695)
Operating profit							702 644
Finance costs							(110 856)
Finance income							71 629
Gains on currency derivative instruments not used in hedge accounting							234 473
Share of results of associates and jointly controlled entities							1 187
Gross profit							899 077
Income tax							(182 618)
Net profit							716 459
Share of profit attributable to non-controlling interests							13 769

Segment results:

Segment results for the period from 1 January to 30 September 2022 are as follows:



	TRADE	DISTRIBUTION	GENERATION	MINING	OTHER ACTIVITY	EXCLUSIONS	TOTAL
Net revenue from sales	8 986 011	2 654 137	10 408 810	577 196	96 389	-	22 722 543
Inter-segment sales	1 120 228	22 713	951 089	1 447 021	346 492	(3 887 543)	-
Total net revenue from sales	10 106 239	2 676 850	11 359 899	2 024 217	442 881	(3 887 543)	22 722 543
Revenue from operating leases and subleases	-	-	697	5 867	2 859	(79)	9 344
Revenue from sales and other income	10 106 239	2 676 850	11 360 596	2 030 084	445 740	(3 887 622)	22 731 887
Total costs	(10 036 183)	(2 227 845)	(11 410 195)	(1 633 140)	(386 817)	3 920 623	(21 773 557)
Segment result	70 056	449 005	(49 599)	396 944	58 923	33 001	958 330
Depreciation/amortisation	(2 014)	(532 768)	(332 673)	(274 361)	(55 974)		
Reversal / (recognition) of impairment loss on non-financial non-current assets	-	-	1 737	(4 491)	-		
Segment result - EBITDA	72 070	981 773	281 337	675 796	114 897		
% of revenue from sales and other income	0.7%	36.7%	2.5%	33.3%	25.8%		
Unallocated costs at Group level (administrative expenses)							(68 807)
Operating profit							889 523
Finance costs							(222 680)
Finance income							156 953
Gains on currency derivative instruments not used in hedge accounting							221 033
Dividend income							1 163
Impairment of financial assets at amortised cost							(10 962)
Share of results of associates and jointly controlled entities							65 196
Gross profit							1 100 226
Income tax							(193 429)
Net profit							906 797
Share of profit attributable to non-controlling interests							118 010

Segment results:

Segment results for the period from 1 July to 30 September 2022 are as follows:



	TRADE	DISTRIBUTION	GENERATION	MINING	OTHER ACTIVITY	EXCLUSIONS	TOTAL
Net revenue from sales	3 261 942	879 522	3 696 952	148 218	31 982	-	8 018 616
Inter-segment sales	244 310	6 929	262 879	417 594	140 701	(1 072 413)	-
Total net revenue from sales	3 506 252	886 451	3 959 831	565 812	172 683	(1 072 413)	8 018 616
Revenue from operating leases and subleases	-	-	260	1 941	59	(50)	2 210
Revenue from sales and other income	3 506 252	886 451	3 960 091	567 753	172 742	(1 072 463)	8 020 826
Total costs	(3 258 603)	(723 779)	(4 463 056)	(598 302)	(137 601)	1 153 821	(8 027 520)
Segment result	247 649	162 672	(502 965)	(30 549)	35 141	81 358	(6 694)
Depreciation/amortisation	(670)	(185 219)	(111 543)	(99 879)	(19 083)	-	-
Impairment losses on non-financial non-current assets	-	-	-	(177)	-	-	-
Segment result - EBITDA	248 319	347 891	(391 422)	69 507	54 224		
% of revenue from sales and other income	7.1%	39.2%	(9.9%)	12.2%	31.4%		
Unallocated costs at Group level (administrative expenses)							(25 528)
Operating profit							(32 222)
Finance costs							(80 041)
Finance income							69 656
Gains on currency derivative instruments not used in hedge accounting							78 375
Impairment of financial assets at amortised cost							(3 829)
Share of results of associates and jointly controlled entities							13 299
Gross profit							45 238
Income tax							231
Net profit							45 469
Share of profit attributable to non-controlling interests							(4 263)

Other information concerning segments as at 30 September 2023 and for the nine-month period ended on that date is as follows:



	Trade	Distribution	Generation	Mining	Other activity	Exclusions	Total
Property, plant and equipment	14 337	11 713 086	5 987 015	2 750 565	360 886	(645 817)	20 180 072
Trade and other receivables	3 956 206	618 971	4 518 981	472 854	224 969	(3 873 006)	5 918 975
Costs related to the conclusion of agreements	22 247	-	-	-	-	-	22 247
Assets arising from contracts with customers	357 088	288 636	2 181	-	1 602	(16 033)	633 474
Total	4 349 878	12 620 693	10 508 177	3 223 419	587 457	(4 534 856)	26 754 768
ASSETS excluded from segments							11 526 748
- including property, plant and equipment							25 339
- including trade and other receivables							8 639
TOTAL ASSETS							38 281 516
Trade and other payables	1 038 988	735 566	1 513 907	399 913	128 368	(651 604)	3 165 138
Liabilities arising from contracts with customers	3 313 215	494 315	1 010	594	20	(3 237 435)	571 719
Total	4 352 203	1 229 881	1 514 917	400 507	128 388	(3 889 039)	3 736 857
Equity and liabilities excluded from segments							34 544 659
- including trade and other payables							136 451
TOTAL EQUITY AND LIABILITIES							38 281 516
for the 9-month period ending 30 September 2023							
Investment expenditures on property, plant and equipment and intangible assets	6	1 162 480	398 214	550 927	59 651	(72 913)	2 098 365
Investment expenditures on property, plant and equipment and intangible assets excluded from segments							-
Depreciation/amortisation	1 594	547 567	352 724	285 908	55 183	(19 453)	1 223 523
Amortisation excluded from segments							1 978
Recognition/(reversal/use) of impairment losses on receivables	8 350	2 180	(380)	(975)	(215)	-	8 960
(Reversal) / recognition of impairment losses on non-financial non-current assets	-	-	(1 134)	789 218	-	-	788 084

Other information concerning segments as at 31 December 2022 and for the nine-month period ended on 30 September 2022 is as follows:



	Trade	Distribution	Generation	Mining	Other activity	Exclusions	Total
Property, plant and equipment	14 662	11 060 021	5 970 151	3 325 252	364 887	(592 243)	20 142 730
Trade and other receivables	3 698 292	387 543	1 716 479	211 920	215 888	(959 712)	5 270 410
Costs related to the conclusion of agreements	19 976	-	-	-	-	-	19 976
Assets arising from contracts with customers	331 002	313 195	1 443	-	8 833	(30 573)	623 900
Total	4 063 932	11 760 759	7 688 073	3 537 172	589 608	(1 582 528)	26 057 016
ASSETS excluded from segments							11 377 956
- including property, plant and equipment							11 404
- including trade and other receivables							2 186
TOTAL ASSETS							37 434 972
Trade and other payables	561 770	577 575	2 190 098	301 712	367 427	(541 621)	3 456 961
Liabilities arising from contracts with customers	494 199	316 700	797	392	988	(448 664)	364 412
Total	1 055 969	894 275	2 190 895	302 104	368 415	(990 285)	3 821 373
Equity and liabilities excluded from segments							33 613 599
- including trade and other payables							1 740 880
TOTAL EQUITY AND LIABILITIES							37 434 972
for the 9-month period ending 30 September 2022							
Investment expenditures on property, plant and equipment and intangible assets	218	990 031	275 908	408 270	30 843	(32 696)	1 672 574
Investment expenditures on property, plant and equipment and intangible assets excluded from segments							-
Depreciation/amortisation	2 014	532 768	332 673	274 361	55 974	(18 414)	1 179 376
Amortisation excluded from segments							2 309
Recognition/(reversal/use) of impairment losses on receivables	(6 671)	(1 532)	(808)	118	(160)	-	(9 053)
(Reversal) / recognition of impairment losses on non-financial non-current assets	-	-	(1 737)	4 491	-	-	2 754

Explanatory notes to the consolidated statement of comprehensive income

7. Revenue from sales

Net revenue from sales

	For the nine-month period ended	
	30 September 2023	30 September 2022
Revenue from the sale of electricity	27 551 879	18 086 887
Revenue from the sale of distribution services	3 452 317	2 465 565
Revenue from connection fees	102 689	62 038
Revenue from the sale of goods and materials	137 856	155 555
Revenue from the sale of other products and services	129 859	156 489
Revenue from origin certificates	14 987	438
Revenue from the sale of industrial heat	406 675	326 912
Revenue from the sale of coal	278 802	538 834
Revenue from the sale of gas	92 131	253 827
Revenue from Capacity Market	713 769	675 998
Total net revenue from sales	32 880 964	22 722 543

The Group mainly classifies revenue by type of product/service. The main revenue groups are revenues from the sale of electricity (Trading and Generation segments), revenues from the sale of distribution services (Distribution segment), revenues from the Power Market (Generation segment), revenues from the sale of coal (Mining segment), revenues from the sale of thermal energy (Generation segment) and revenues from the sale of gas (Trade segment). Revenues from the sale of products and services primarily comprise revenues relating to the maintenance and upgrading of road lighting equipment.

Sale of electricity: The Group recognises revenue at the end of each billing period that arises from sales contracts, according to the amount of electricity delivered to the customer during the billing period. The Group recognises revenue over a period of time and uses the simplification of revenue recognition under invoicing as it reflects the degree of performance obligation at the reporting date. 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. Sales to the clearing-house Izba Rozliczeniowa Gield Towarowych S.A. and the TGE power exchange also take place.

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

Payment deadlines for invoices concerning electricity sales to IRGiT are 1-3 days from delivery and invoice issue. For sales to TGE, payment deadlines are governed by TGE's regulations.

Sale of distribution services: In the case of distribution services sales, ENEA Operator charges a fee that contains separate components: grid fee (variable component), quality fee, grid fee (fixed component), instalment fee, transition fee, capacity fee and renewables fee.

In the case of the quality fee, transition fee, capacity fee and renewables fee, ENEA Operator serves, as a rule, as entity collecting fees and providing this consideration to other market participants, e.g. to Polskie Sieci Elektroenergetyczne S.A. (PSE). These fees (quality fee, transition fee, capacity fee, renewables fee) constitute quasi-taxes collected on behalf of other entities. ENEA Operator acts as agent collecting fees for other energy market participants, including PSE. In consequence, revenue from the sale of distribution services is reduced by the amount of renewables fee, quality fee, capacity fee and transition fee collected. Costs related to the procurement of transmission services and costs related to invoices for renewables support and support for producers are subject to adjustment. The volume of revenue from the sale of electricity distribution services is based on documented sales, plus the re-estimation of uninvoiced sales of electricity distribution services in the period and minus the re-estimation of those sales from the previous period. Estimation of sales is made at the end of each month. Revenue for distribution services is recognised at the time the service is provided, based on the readings of the metering and billing systems, taking into account the re-estimation of consumption.

Revenue from the Capacity Market constitutes revenue from the performance of capacity contracts (obligations) executed as a result of the 2021 Auction. The Capacity Market is a market mechanism intended to ensure a stable supply of electricity to households and industry over the long term. At the end of each month, ENEA Group companies are entitled to remuneration from PSE S.A. for fulfilling a capacity obligation. In connection with this obligation, Group companies that are suppliers of capacity for PSE S.A. recognise revenue from Capacity Market transactions each month.

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.

	For the nine-month period ended	
	30 September 2023	30 September 2022
Revenue from continuous services	32 216 771	21 809 189
Revenue from services provided at specified time	664 193	913 354
Total	32 880 964	22 722 543

Compensations

Pursuant to the provisions of the Act of 7 October 2022 on special solutions for the protection of electricity consumers in 2023 in connection with the situation on the electricity market and the Act of 27 October 2022 on emergency measures to reduce the level of electricity prices and support for certain consumers in 2023, the eligible entity is entitled to compensation.

The Group recognised compensation revenue of PLN 3 010 233 thousand in the consolidated statement of comprehensive income between 1 January and 30 September 2023.

ENEA S.A. recognised compensation revenue in the 9-month period ended 30 September 2023 amounting to PLN 2 688 185 thousand, of which:

- PLN 1 652 173 thousand due to the application of settlements with eligible customers in accordance with the provisions of the Act of 7 October 2022 on special solutions for the protection of electricity consumers in 2023 in connection with the situation on the electricity market;
- PLN 1 036 012 thousand for the application of the maximum price in accordance with the provisions of the Act of 27 October 2022 on emergency measures to limit the level of electricity prices and support for certain consumers in 2023.

The Financial compensations constitute the Company's revenue and are recognised under the line Compensations.

In the 9-month period ended 30 September 2023, in accordance with the deadlines under the aforementioned laws, the Company submitted the relevant applications to Zarządca Rozliczeń S.A. for compensation payments for the period up to August 2023. Applications for September 2023 were filed on 20 and 25 October 2023 - the amount of compensation for September 2023 is included in the Company's revenue on an estimated basis and does not differ from that in the application. In addition, the Company recognised an estimate of PLN 30 384 thousand in compensation income due to an increase in the statutory limits entitling the Company to use a frozen price at the 2022 price level in settlements with customers.

In the 9-month period ending 30 September 2023, ENEA S.A. received PLN 1 766 975 thousand out of the PLN 2 688 185 thousand in compensation recognised in the statement of comprehensive income. The remaining amount of PLN 921 210 thousand was due to be paid to the Company, as of 30 September 2023. Further, in accordance with art. 14 of the Act of 7 October 2022 on special solutions for the protection of electricity consumers in 2023 in connection with the situation on the electricity market and art. 9 of the act of 27 October 2022 on emergency measures to limit the level of electricity prices and support certain consumers in 2023, the Company received advance payments for the months of December 2022, January and February 2023 totalling PLN 1 001 162 thousand. In the statement of financial position, the difference between the advances received and the compensation due of PLN 79 952 thousand was recognised in trade and other payables.

Pursuant to the Act of 7 October 2022 on special solutions for the protection of electricity consumers in 2023 in connection with the situation on the electricity market, ENEA Operator Sp. z o.o. has received compensation for the use of electricity prices referred to in art. 7 sec. 1 of the Act. The compensation constitutes the difference between the charges billed for electricity distribution services resulting from the 2023 tariff rates for electricity distribution services and the charges billed for electricity distribution services resulting from the 2022 tariff rates for electricity distribution services, up to the maximum limit referred to in the Act. In the 9-month period ending 30 September 2023, ENEA Operator Sp. z o.o. received PLN 310 136 thousand out of the PLN 322 048 thousand of compensation recognised in its statement of comprehensive income (amount of compensation from Zarządca Rozliczeń PLN 363 428 thousand, less fees of PLN 41 380 thousand). The remaining amount of PLN 53 292 thousand was due to be paid to the Company, as of 30 September 2023. Further, in accordance with art. 14 of the Act of 7 October 2022 on special solutions for the protection of electricity consumers in 2023 in connection with the situation on the electricity market, the Company received advance payments for January and February 2023 totalling PLN 113 318 thousand. In the statement of financial position, the difference between the advances received and the compensation due of PLN 60 026 thousand was recognised in trade and other payables.

8. Tax

Deferred income tax

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

	As at	
	30 September 2023	31 December 2022
Net deferred income tax assets at the beginning of period, including:	778 853	921 483
- deferred income tax assets at the beginning of period	1 315 108	1 400 872
- deferred income tax provision at the beginning of period	536 255	479 389
(Charge)/addition to profit or loss	977 743	(122 832)
(Charge)/addition to other comprehensive income	44 371	(19 798)
Net deferred income tax assets at the end of period, including:	1 800 967	778 853
- deferred income tax assets at the end of period	2 348 345	1 315 108
- deferred income tax provision at the end of period	547 378	536 255

In the 9-month period ended 30 September 2023, the Group's profit before tax was increased as a result of an increase in net deferred income tax assets by PLN 977 743 (in the 9-month period ended 30 September 2022 the increase to the Group's profit before tax as a result of an increase in net deferred income tax assets amounted to PLN 482 943 thousand).

Explanatory notes to the consolidated statement of financial position

9. Property, plant and equipment

In the 9-month period ending 30 September 2023, the Group purchased property, plant and equipment items for a total of PLN 1 957 657 thousand (in the 9-month period ending 30 September 2022: PLN 1 655 203 thousand). These amounts mainly concern the generation segment (PLN 265 932 thousand), mining (PLN 550 247 thousand) and distribution (PLN 1 103 081 thousand).

In the 9-month period ending 30 September 2023, the Group sold and liquidated property, plant and equipment items with total net book value of PLN 64 226 thousand (in the 9 months ended 30 September 2022: PLN 42 811 thousand).

In the 9-month period ended 30 September 2023, impairment losses on property, plant and equipment increased by PLN 781 456 thousand on a net basis (in the 9-month period ended 30 September 2022 impairment of property, plant and equipment increased by PLN 2 091 thousand on a net basis).

As at 30 September 2023, total impairment of property, plant and equipment amounted to PLN 5 697 696 thousand (as at 31 December 2022: PLN 4 916 240 thousand).

Future contract liabilities related to the purchase of property, plant and equipment incurred as at the reporting date but not yet recognised in the statement of financial position reached PLN 1 671 883 thousand as at 30 September 2023 (as at 31 December 2022: PLN 1 517 043 thousand).

The Group estimated the fair value of CGU Mining (LWB). The Group recognised an impairment loss on non-financial non-current assets in the Mining segment in the amount of PLN 748 815 thousand in these condensed consolidated interim financial statements. Depreciation was also adjusted by PLN 12 662 thousand (decrease of depreciation). Details are presented in note 29.

10. Intangible assets

In the 9-month period ending 30 September 2023, the Group purchased intangible assets worth PLN 140 708 thousand (in the 9-month period ended 30 September 2022 the Group purchased intangible assets worth PLN 17 371 thousand).

In the 9-month period ending 30 September 2023, the Group did not conduct significant sales or liquidations of intangible assets (in the 9-month period ended 30 September 2022 the Group also did not conduct significant sales or liquidations of intangible assets).

Future contract liabilities related to the purchase of intangible assets incurred as at the reporting date but not yet recognised in the statement of financial position reached PLN 345 180 thousand as at 30 September 2023 (as at 31 December 2022: PLN 76 517 thousand).

Purchase of PAD RES Genowefa Sp. z o.o.

On 20 September 2023, ENEA S.A. signed an agreement to purchase 50 shares in PAD RES Genowefa Sp. z o.o., with a nominal value of PLN 100.00 each and total nominal value of PLN 5 thousand, constituting 100% of its share capital, for a total of EUR 10 204 thousand. In these condensed interim consolidated financial statements, the Group made an initial recognition on a preliminary basis. The excess of the purchase price of PLN 47 835 thousand over the net asset value of the acquired company PLN (10 936) thousand, i.e. PLN 58 771 thousand was recognised as goodwill in intangible assets. The results of the final recognition of the company's acquisition and the purchase price allocation process will be included in the consolidated financial statements of ENEA Group for the financial year ending 31 December 2023.

11. Investments in associates and jointly controlled entities

The following table shows key financial data concerning associates and jointly controlled entities consolidated using the equity approach:

As at 30 September 2023	Elektrownia Ostrołęka Sp. z o.o.	Polimex - Mostostal S.A.	Elektrownia Wiatrowa Baltica-4 Sp. z o.o.	Elektrownia Wiatrowa Baltica-5 Sp. z o.o.	Elektrownia Wiatrowa Baltica-6 Sp. z o.o.	Total
Stake	50.00%	16.19%	33.81%	33.81%	33.76%	
Current assets	26 724	1 600 477	95	125	152	1 627 573
Non-current assets	76 102	723 048	-	9 344	-	808 494
Total assets	102 826	2 323 525	95	9 469	152	2 436 067
Current liabilities	25 818	1 074 097	1 292	10 662	66	1 111 935
Non-current liabilities	-	263 383	-	-	-	263 383
Total liabilities	25 818	1 337 480	1 292	10 662	66	1 375 318
Net assets	77 008	986 045	(1 197)	(1 193)	86	1 060 749
Share in net assets	-	159 641	-	-	29	159 670
Goodwill	7 080	15 954	-	-	216	23 250
Impairment of goodwill	(7 080)	-	-	-	-	(7 080)
Elimination of unrealised gains/losses	-	(5 659)	-	-	-	(5 659)
Book value of equity-accounted investments at 30 September 2023	-	169 936	-	-	245	170 181

The Group made a consolidation adjustment concerning margins on sales in transactions between the Group and Polimex - Mostostal S.A. by PLN 5 659 thousand.

Despite the positive value of the share in the net assets of Elektrownia Ostrołęka Sp. z o.o., the Group, in accordance with the prudent valuation principle, recognised the shares in this company at zero value in the consolidated statement of financial position.

As at 31 December 2022	Elektrownia Ostrołęka Sp. z o.o.	Polimex - Mostostal S.A.	Elektrownia Wiatrowa Baltica-4 Sp. z o.o.	Elektrownia Wiatrowa Baltica-5 Sp. z o.o.	Elektrownia Wiatrowa Baltica-6 Sp. z o.o.	Total
Stake	50.00%	16.26%	33.81%	33.81%	33.76%	
Current assets	115 613	2 149 231	355	430	512	2 266 141
Non-current assets	77 440	675 478	-	-	-	752 918
Total assets	193 053	2 824 709	355	430	512	3 019 059
Current liabilities	521 412	1 620 793	1 201	1 214	81	2 144 701
Non-current liabilities	-	262 044	-	-	-	262 044
Total liabilities	521 412	1 882 837	1 201	1 214	81	2 406 745
Net assets	(328 359)	941 872	(846)	(784)	431	612 314
Share in net assets	-	153 148	(286)	(265)	146	152 743
Goodwill	7 080	15 954	302	268	216	23 820
Impairment of goodwill	(7 080)	-	-	-	-	(7 080)
Elimination of unrealised gains/losses	-	(6 166)	-	-	-	(6 166)
Book value of equity-accounted investments at 31 December 2022	-	162 936	16	3	362	163 317

Change in investments in subsidiaries, associates and jointly controlled entities

	As at	
	30 September 2023	31 December 2022
As at the beginning of period	163 317	137 881
Change in the change in net assets	5 901	24 970
Purchase of investments	1 357	1 123
Sale of investments	(394)	(657)
As at the reporting date	170 181	163 317

Implementation of project to build Elektrownia Ostrołęka C

At 30 September 2023, ENEA S.A. held 9 124 821 shares of Elektrownia Ostrołęka Sp. z o.o., with a nominal value of PLN 50.00 each and total nominal value of PLN 456 241 thousand.

On 23 December 2022, ENEA S.A. and ENERGA S.A. executed with Elektrownia Ostrołęka Sp. z o.o. Annex 6 to the PLN 340 million loan agreement of 23 December 2019 and Annex 11 to the PLN 58 million loan agreement of 17 July 2019. Under the provisions of Annex 6, the deadline for the one-off repayment by Elektrownia Ostrołęka Sp. z o.o. of the loan of up to PLN 340 000 thousand of 23 December 2019, together with the interest due, was extended to 28 February 2023, with the parties assuming that a partial repayment of the principal from the loan agreement to each of the lenders would be made on 11 January 2023. Pursuant to the provisions of Annex 11, the deadline for the one-off repayment by Elektrownia Ostrołęka Sp. z o.o. of the loan of up to PLN 58 000 thousand of 17 July 2019 along with the interest due was prolonged to 11 January 2023.

On 28 February 2023, ENEA S.A. and ENERGA S.A. executed with Elektrownia Ostrołęka Sp. z o.o. Annex 7 to loan agreement of up to PLN 340 000 thousand of 23 December 2019 Pursuant to the provisions of Annex 7, the deadline for the one-off repayment by Elektrownia Ostrołęka Sp. z o.o. of the loan along with the interest due was prolonged to 28 April 2023.

On 27 April 2023, an Extraordinary General Meeting of Elektrownia Ostrołęka Sp. z o.o. decided to increase the company's share capital by PLN 100 to PLN 912 482 200, by issuing 2 new shares with a nominal value of PLN 50.00 each and issue price of PLN 202 657 thousand each. The existing shareholders, i.e. ENEA S.A. and ENERGA S.A., each acquired 1 of the new issue shares with a nominal value of PLN 50; ENEA S.A. purchased on 27 April 2023 1 of the new issue shares in exchange for a cash contribution of PLN 202 657 thousand. Subsequently, effective from 28 April 2023, a receivables set-off agreement was signed by ENEA S.A. and Elektrownia Ostrołęka Sp. z o.o., i.e. the receivables of ENEA S.A. towards Elektrownia Ostrołęka Sp. z o.o. for a loan granted under the loan agreement concluded in December 2019 with a value of PLN 170 000 thousand (as amended) plus accrued interest with a total receivable value of PLN 202 657 thousand, and Elektrownia Ostrołęka Sp. z o.o.'s receivables from ENEA S.A. in respect of its obligation to cover 1 share with a cash contribution of PLN 202 657 thousand in the increased share capital of the company. Pursuant to the aforementioned set-off agreement, the above-mentioned receivables cancelled each other in full and thus the loan agreement of 23 December 2019 (as amended) expired on 28 April 2023. In the statement of comprehensive income, the existing impairment losses on the loan were offset against the impairment loss on the newly acquired shareholding of Elektrownia Ostrołęka Sp. z o.o.

12. Inventories

Inventories

	As at	
	30 September 2023	31 December 2022
Materials	1 730 009	1 829 702
Semi-finished products and production in progress	4 103	798
Finished products	11 789	10 948
Energy origin certificates	182 104	157 443
Goods	21 207	22 933
Gross value of inventory	1 949 212	2 021 824
Impairment of inventory	(34 135)	(41 974)
Net value of inventory	1 915 077	1 979 850

In the 9-month period ended 30 September 2023, impairment of inventory decreased by PLN 7 839 thousand on a net basis (in the 9-month period ended 30 September 2022 impairment of inventory increased by PLN 1 195 thousand).

13. Energy origin certificates

Energy origin certificates

	As at	
	30 September 2023	31 December 2022
Net value at the beginning of period	147 910	416 137
Internal manufacture	275 371	337 899
Purchase	47 568	217 519
Depreciation	(290 036)	(819 740)
Sale	(8 034)	-
Change in impairment	7 758	(3 905)
Net value at the reporting date	180 537	147 910

14. 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 2022	412 908	460 336
Change in non-invoices receivables	211 112	-
Revenue recognised in a period that was taken into account in the opening balance for liabilities arising from contracts with customers	-	(98 199)
Increase due to advance payments received from customers	-	2 434
Liabilities resulting from sales adjustments	-	(159)
Impairment	(120)	-
As at 31 December 2022	623 900	364 412
Change in non-invoices receivables	9 585	-
Revenue recognised in a period that was taken into account in the opening balance for liabilities arising from contracts with customers	-	(2 040)
Increase due to advance payments received from customers	-	179 091
Liabilities resulting from sales adjustments	-	30 256
Impairment	(11)	-
As at 30 September 2023	633 474	571 719

The balance of assets arising from contracts with customers mainly covers uninvoiced electricity sales, while the balance of liabilities arising from contracts with customers mainly covers advances received from connection fees.

15. Restricted cash

As at 30 September 2023, the Group's restricted cash amounted to PLN 1 345 233 thousand (as at 31 December 2022: PLN 511 540 thousand). This mainly included cash for deposits for electricity and CO₂ emission allowance transactions (mainly cash for collateral in settlements with clearinghouse IRGiT), funds in a VAT account (split payment), collateral paid to suppliers and cash withholding as collateral for proper performance of work.

16. Profit allocation

On 12 June 2023 an Ordinary General Meeting of ENEA S.A. adopted resolution no. 7 concerning the allocation of net profit for the financial year covering the period from 1 January 2022 to 31 December 2022, pursuant to which PLN 2 448 024 thousand was allocated to supplementary capital.

On 24 June 2022 an Ordinary General Meeting of ENEA S.A. adopted resolution no. 7 concerning the allocation of net profit for the financial year covering the period from 1 January 2021 to 31 December 2021, pursuant to which PLN 442 110 thousand was allocated to supplementary capital and PLN 18 299 thousand to reduce the negative value of other capitals.

17. Debt-related liabilities

Credit facilities, loans and debt securities

	As at	
	30 September 2023	31 December 2022
Bank credit	2 727 885	1 279 820
Loans	16 677	25 015
Bonds	627 174	2 782 472
Long-term	3 371 736	4 087 307
Bank credit	223 301	555 614
Loans	10 808	12 820
Bonds	2 200 673	181 839
Short-term	2 434 782	750 273
Total	5 806 518	4 837 580

In the 9-month period ended 30 September 2023, the book value of credit facilities, loans and debt securities increased by PLN 968 938 thousand on a net basis (9-month period ended 30 September 2022: down by PLN 2 037 169 thousand).

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 programs and/or credit agreements. In further activities, ENEA S.A. will focus on securing appropriate diversification of external financing sources for investments planned in "ENEA Group's Development Strategy to 2030 with an Outlook to 2040," with particular focus on the Distribution and Renewables segments. At the same time, bearing in mind the very limited possibilities of obtaining financing for the operations of the generating companies, the ENEA Group will take steps to spin off from its structures the assets related to electricity generation in conventional coal units.

Credit facilities and loans

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

No.	Company	Lender	Contract date	Total contract amount	Debt at 30 September 2023	Debt at 31 December 2022	Interest	Contract period
1.	ENEA S.A.	EIB	18 October 2012 (A) and 19 June 2013 (B)	1 425 000	692 283	762 717	Fixed interest rate or WIBOR 6M + margin	17 June 2030
2.	ENEA S.A.	EIB	29 May 2015 (C)	946 000	658 667	722 500	Fixed interest rate or WIBOR 6M + margin	15 September 2032
3.	ENEA S.A.	Bank Pekao S.A., Alior Bank S.A., Bank of China S.A., PKO BP S.A., BGK	27 January 2023	2 500 000	1 500 000	-	WIBOR 6M + margin	27 January 2028
4.	ENEA S.A.	PKO BP S.A.	28 January 2014, Annex 3 of 28 December 2022	500 000	-	243 636	WIBOR 1M + margin	31 December 2024
5.	ENEA S.A.	Pekao S.A.	28 January 2014, Annex 3 of 28 December 2022	150 000	-	92 920	WIBOR 1M + margin	31 December 2024
6.	ENEA S.A.	PKO BP S.A.	3 October 2022 Annex 2 of 28 June 2023	500 000	-	-	WIBOR 1M + margin for PLN or EURIBOR 1M+margin for EUR	31 December 2023
7.	ENEA S.A.	Pekao S.A.	21 October 2022	750 000	-	-	EURIBOR 1M+margin	21 October 2023
8.	ENEA Ciepło Sp. z o.o.	National Fund for Environmental Protection and Water Management	22 December 2015	60 075	22 531	28 036	WIBOR 3M, no less than 2%	20 December 2026

The additional information and explanations presented on pages 9-49 constitute an integral part of these condensed consolidated interim financial statements.

9.	Pad Res Genowefa Sp. z o.o.	Bank syndicate: BNP Paribas Bank Polska and Santander Bank Polska S.A.	26 May 2022	133 928	87 619	-	WIBOR 3M +margin (term loan)	31 October 2023
					2 471	-	WIBOR 1M +margin (VAT working capital loan)	26 May 2024
10.	Other	-	-	-	4 954	9 869	-	-
TOTAL				6 965 003	2 968 525	1 859 678		
	Transaction costs and effect of measurement using effective interest rate				10 146	13 591		
TOTAL				6 965 003	2 978 671	1 873 269		

Presented below is a short description of ENEA Group's significant credit and loan agreements:

ENE A S.A.

On 27 January 2023, ENEA S.A. signed a financing agreement with a syndicate of banks consisting of: Polska Kasa Oszczędności Bank Polski S.A., Bank Gospodarstwa Krajowego, Bank Polska Kasa Opieki S.A., Alior Bank S.A. and Bank of China (Europe) S.A., branch in Poland. Under this agreement, the Company raised financing totalling up to PLN 2 500 000 thousand, including a term loan of up to PLN 1 500 000 thousand ("Loan A") and a revolving renewable loan of up to PLN 1 000 000 thousand ("Loan B"). The maturity period is 5 years, with an option to roll over for a further 2 years. This is a financing agreement linked to sustainable development. Under the terms of the agreement, the Company may use the funds made available under Loan A to finance and refinance ENEA Group's capital expenditure incurred in connection with the construction, expansion, modernisation or maintenance of the distribution network and the acquisition, development, expansion, financing, construction, modernisation, maintenance or commissioning of any renewable energy sources. Loan B may be used by the Company to finance the day-to-day operations and working capital of ENEA Group, excluding: the financing of the construction, acquisition and expansion of hard coal-fired power plants, as well as other activities related to hard coal, including: hard coal mining, hard coal trading and the refinancing of any financial indebtedness or expenditure incurred for such purpose. Following the Company's fulfilment of all conditions precedent, Loan A and Loan B were disbursed on 3 February 2023. The financing is based on a variable interest rate, plus a margin (determined by the level of the net debt/EBITDA ratio). In addition, the interest rate for Loan A depends on sustainability indicators, i.e. the CO₂ reduction rate and the rate of increasing the share of renewable energy sources in the generation structure of ENEA Group.

ENE A Ciepło Sp. z o.o.

Loan from NFOŚiGW - agreement executed on 22 December 2015 for the period from 1 April 2016 to 20 December 2026, with a PLN 60 075 thousand limit. The loan has annual interest based on WIBOR 3M of no less than 2%. The loan was transferred (together with an organised part of enterprise) from ENEA Wytwarzanie Sp. z o.o. to ENEA Ciepło Sp. z o.o. on 30 November 2018.

The total loan-related debt of ENEA Ciepło Sp. z o.o. as at 30 September 2023 amounted to PLN 22 531 thousand (at 31 December 2022: PLN 28 036 thousand).

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 2023	Value of outstanding bonds as at 31 December 2022	Interest	Buy-back deadline
1.	Bond issue program agreement with BGK	15 May 2014	1 000 000	480 000	560 000	WIBOR 6M + margin	Buy-back in tranches, last tranche due in December 2026
2.	Bond issue program agreement with PKO BP S.A., Bank Pekao S.A. and mBank S.A.	30 June 2014	5 000 000	2 000 000	2 000 000	WIBOR 6M + margin	Buy-back in June 2024
3.	Bond issue program agreement with BGK	3 December 2015	700 000	304 448	380 558	WIBOR 6M + margin	Buy-back in tranches, last tranche due in September 2027
Total			6 700 000	2 784 448	2 940 558		
Transaction costs and effect of measurement using effective interest rate				43 399	23 753		
Total			6 700 000	2 827 847	2 964 311		

In the 9-month period ended on 30 September 2023, ENEA S.A. did not execute new bond issue program agreements.

Interest rate hedges and currency hedges

In the 9-month period ending 30 September 2023, ENEA S.A. did not execute interest rate swaps. The total bond and credit exposure hedged with IRS transactions as at 30 September 2023 amounted to PLN 2 971 647 thousand. Moreover, ENEA S.A. has fixed-rate credit agreements totalling PLN 392 547 thousand. These transactions have material impact on the predictability of expense flows and finance costs. The Company presents the measurement of these instruments in the item: Financial assets measured at fair value. Derivative instruments are treated as cash flow hedges, which is why they are recognised and accounted for using hedge accounting rules.

As at 30 September 2023, financial assets at fair value concerning IRSs amounted to PLN 110 801 thousand (31 December 2022: PLN 252 902 thousand).

In the 9-month period ending 30 September 2023, the Company did not execute FX forward transactions. The measurement of this instrument as at 30 September 2023 was PLN 0 (PLN 0 thousand as at 31 December 2022).

During the nine-month period ended 30 September 2023, ENEA Nowa Energia Sp. z o.o. entered into one FX forward hedging transaction for EUR 6 242 thousand. The measurement of this instrument as at 30 September 2023 was PLN 747 thousand (PLN (160) thousand as at 31 December 2022).

During the nine-month period ended 30 September 2023, ENEA Centrum Sp. z o.o. concluded 4 FX Forward transactions with a total value of EUR 127 thousand. The measurement of these instruments as at 30 September 2023 was PLN (44) thousand (PLN (249) thousand as at 31 December 2022).

During the nine-month period ended 30 September 2023, ENEA Trading Sp. z o.o. concluded a total of 285 FX Forward buy/sell transactions for a value of EUR 1 558 193 thousand. The measurement of these instruments as at 30 September 2023 was PLN 671 022 thousand (PLN 278 818 thousand as at 31 December 2022).

Financing terms - covenants

Financing agreements require ENEA S.A. and ENEA Group to maintain certain financial ratios.

In the 9-month period ending 30 September 2023 ENEA Group exceeded the debt ratio of its subsidiaries under its loan agreements with the European Investment Bank, as a result of which the company requested and obtained the bank's consent to temporarily relax the covenant conditions (*waiver*) with a horizon until June 2024.

At 30 September 2023, ENEA S.A. was not required to make any early repayments of financial debt.

18. Provisions

In the 9-month period ended 30 September 2023, provisions for other liabilities and charges increased by a net amount of PLN 200 496 thousand (in the 9-month period ended 30 September 2022, provisions for other liabilities and charges increased by PLN 2 554 317 thousand).

Change in provisions for other liabilities and charges in the period ended 30 September 2023

	Provision for non-contractual use of land	Provision for other claims	Provision for landfill site reclamation	Provision for energy origin certificates	Provision for CO ₂ emission allowance purchases	Mine liquidation	Provision for onerous contracts	Other	Total
As at 1 January 2023	193 353	134 044	53 309	206 155	5 499 532	146 963	664 818	235 762	7 133 936
Reversal of discount and change of discount rate	-	-	1 270	-	-	7 164	-	-	8 434
Increase in existing provisions	39 143	20 051	2 061	183 102	5 718 297	-	263 998	15 243	6 241 895
Use of provisions	(214)	(19 466)	-	(178 252)	(5 548 634)	-	(276 221)	(13 484)	(6 036 271)
Reversal of unused provision	(285)	(297)	-	(3 413)	(41)	(9 446)	-	(80)	(13 562)
As at 30 September 2023	231 997	134 332	56 640	207 592	5 669 154	144 681	652 595	237 441	7 334 432
<i>Long-term</i>									963 640
<i>Short-term</i>									6 370 792

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

	Provision for non-contractual use of land	Provision for other claims	Provision for landfill site reclamation	Provision for energy origin certificates	Provision for CO ₂ emission allowance purchases	Mine liquidation	Provision for onerous contracts	Other	Total
As at 1 January 2022	213 578	299 654	62 860	377 643	2 859 300	120 810	250 103	324 422	4 508 370
Reversal of discount and change of discount rate	(22 039)	-	(7 861)	-	-	4 470	-	-	(25 430)
Increase in existing provisions	4 166	23 666	505	184 077	5 562 046	21 683	1 594 199	32 524	7 422 866
Use of provisions	(2 280)	(187 410)	-	(355 532)	(2 918 999)	-	(1 179 484)	(70 411)	(4 714 116)
Reversal of unused provision	(72)	(1 866)	(2 195)	(33)	(2 815)	-	-	(50 773)	(57 754)
As at 31 December 2022	193 353	134 044	53 309	206 155	5 499 532	146 963	664 818	235 762	7 133 936
<i>Long-term</i>									946 088
<i>Short-term</i>									6 187 848

A description of material claims and conditional liabilities is presented in note 25.

Provision for onerous contracts

On 17 December 2022, the President of the Energy Regulatory Office ("URE President") approved a tariff for electricity for a set of tariff G customer groups for the period from 1 January 2023 to 31 December 2023 (Tariff). The URE President approved the price for the sale of electricity to recipients in tariff group G for ENEA S.A., at an average level of PLN 1 050.58 per MWh, after a previous in minus adjustment of the amount of the Tariff determined in the first application submitted by the Company in this matter. The amount of the Tariff does not fully cover the Company's estimated justified costs for the purchase of electricity, based on the contracts already concluded and the valuation of the open position. Considering the above and acting pursuant to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the Company identified the necessity to recognise in 2022 a provision for onerous contracts for customers from tariff group G amounting to PLN 368 295 thousand. In the 9-month period ending 30 September 2023, ENEA S.A. used the provision in the amount of PLN 276 221 thousand.

The Regulation of the Minister of Climate and Environment amending the Regulation on the manner of shaping and calculating tariffs and the manner of settlements in electricity trade entered into force on 9 September 2023. The regulation introduces a mechanism for reducing the dues owed by households to electricity trading companies for 2023. With that in mind, and acting in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the Company has identified the need for a provision of PLN 263 998 thousand as of 30 September 2023 for onerous contracts for each household electricity consumption point, the settlement of which will cover the year 2023, assuming that one of the conditions set out in the regulation is met.

Other provisions mainly concern:

- potential liabilities related to grid assets resulting from differences in the interpretation of regulations PLN 204 851 thousand (as at 31 December 2022: PLN 196 136 thousand); it is difficult to determine when this provision will be performed, however in these financial statements it is assumed that it will not happen within 12 months.

19. Accounting for subsidies and road lighting modernisation services

Accounting for income from subsidies and road lighting modernisation services

	As at	
	30 September 2023	31 December 2022
Long-term		
Accounting for deferred revenue - subsidies	443 497	375 376
Accounting for deferred revenue - road lighting modernisation services	128 476	118 528
Total non-current deferred revenue	571 973	493 904
Short-term		
Accounting for deferred revenue - subsidies	16 763	14 478
Accounting for deferred revenue - road lighting modernisation services	6 530	5 903
Total current deferred revenue	23 293	20 381

Schedule for accounting for deferred revenue

	As at	
	30 September 2023	31 December 2022
Up to one year	23 293	20 381
From one to five years	88 754	79 536
Over five years	483 219	414 368
Total deferred revenue	595 266	514 285

In the 9-month period ended 30 September 2023, the book value of accounting for grants and road lighting modernisation services increased by PLN 80 981 thousand on a net basis (in the 9-month period ended 30 September 2022, the book value of accounting for grants and road lighting modernisation services increased by a net amount of PLN 65 192 thousand).

The item 'deferred revenue concerning subsidies' includes mainly EU subsidies and subsidies from the NFOŚiGW for the development of electricity and heating infrastructure. The grants mainly concern investments and the conduct of research and development work. Each grant is awarded on the basis of a separate agreement, from which a number of obligations arise. Contractors must be selected on the basis of transparent procedures that are subject to examination by the financing institutions. The expenditure on the basis of which the grant is awarded must meet eligibility criteria, which are very detailed and vary according to the type of project implemented (investment/R&D). In most cases, grants

are awarded in the form of refund of eligible expenditure incurred. There are occasional advance payments. Each agreement also contains information obligations as well as an obligation to maintain the results over a so-called sustainability period, which for large companies is five years.

The Group enters into contracts for the provision of lighting services to the Municipalities with the obligation to provide lighting for public places. The lighting service provided by the Group includes the operation of road lighting, while at the same time the Group also provides energy supply obligations. The lighting service is provided on a continuous basis. The Group provides lighting services using its lighting assets (road lighting networks). Moreover, the Group provides a service to improve the quality and efficiency of road lighting. The service involves upgrading or extending lighting assets with Group funds. This allows the Municipalities to purchase a lighting service of a higher standard. The Group also receives lighting assets from the Municipalities or other entities. Therefore, in the Group's view, the contracts concluded for improving the quality and efficiency of road lighting, the receipt of lighting infrastructure and its operation should be considered together. As a result, the Group accounts for revenue from road lighting improvements and efficiency and revenue from lighting assets received free of charge in proportion to the economic life of the resulting fixed assets.

Financial instruments

20. Financial instruments and fair value

	As at 30 September 2023		As at 31 December 2022	
	Book value	Fair value	Book value	Fair value
FINANCIAL ASSETS				
Long-term	224 877	60 228	312 915	161 391
Financial assets measured at fair value	60 228	60 228	161 391	161 391
Trade and other receivables	6 244	(*)	2 431	(*)
Finance lease and sublease receivables	976	(*)	1 168	(*)
Funds in the Mine Decommissioning Fund	157 429	(*)	147 925	(*)
Short-term	10 874 518	255 103	6 402 022	382 546
Financial assets measured at fair value	255 103	255 103	382 546	382 546
Debt financial assets at amortised cost	-	(*)	42 004	(*)
Assets arising from contracts with customers	633 474	(*)	623 900	(*)
Trade and other receivables	4 770 578	(*)	3 788 552	(*)
Finance lease and sublease receivables	1 264	(*)	1 304	(*)
Cash and cash equivalents	5 214 099	(*)	1 563 716	(*)
TOTAL FINANCIAL ASSETS	11 099 395	315 331	6 714 937	543 937
FINANCIAL LIABILITIES				
Long-term	4 134 754	3 451 714	4 744 941	4 014 107
Credit facilities, loans and debt securities	3 371 736	3 326 464	4 087 307	4 013 858
Lease liabilities	614 906	(*)	625 120	(*)
Trade and other payables	22 862	(*)	32 265	(*)
Financial liabilities measured at fair value	125 250	125 250	249	249
Short-term	5 667 745	3 117 431	6 165 741	1 244 869
Credit facilities, loans and debt securities	2 434 782	2 434 782	750 273	750 273
Lease liabilities	33 028	(*)	31 338	(*)
Trade and other payables	2 440 496	(*)	4 843 204	(*)
Liabilities arising from contracts with customers	76 790	(*)	46 330	(*)
Financial liabilities measured at fair value	682 649	682 649	494 596	494 596
TOTAL FINANCIAL LIABILITIES	9 802 499	6 569 145	10 910 682	5 258 976

(*) 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 2023			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	21 113	275 309	18 909	315 331
Derivative instruments used in hedge accounting (e.g. interest rate swaps)	-	110 801	-	110 801
Equity instruments at fair value through other comprehensive income	-	-	12 587	12 587
Call options (at fair value through profit or loss)	-	15 087	-	15 087
Other derivative instruments at fair value through profit or loss	-	149 421	-	149 421
Interests at fair value through profit or loss	21 113	-	6 322	27 435
Total	21 113	275 309	18 909	315 331
Financial liabilities measured at fair value	-	(807 899)	-	(807 899)
Derivative instruments at fair value through profit or loss	-	(807 899)	-	(807 899)
Credit facilities, loans and debt securities	-	(5 761 246)	-	(5 761 246)
Total	-	(6 569 145)	-	(6 569 145)

	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value	21 305	503 772	18 860	543 937
Derivative instruments used in hedge accounting (e.g. interest rate swaps)	-	252 902	-	252 902
Equity instruments at fair value through other comprehensive income	-	-	12 587	12 587
Call options (at fair value through profit or loss)	-	17 844	-	17 844
Other derivative instruments at fair value through profit or loss	-	233 026	-	233 026
Interests at fair value through profit or loss	21 305	-	6 273	27 578
Total	21 305	503 772	18 860	543 937
Financial liabilities measured at fair value	-	(494 845)	-	(494 845)
Derivative instruments at fair value through profit or loss	-	(494 845)	-	(494 845)
Credit facilities, loans and debt securities	-	(4 764 131)	-	(4 764 131)
Total	-	(5 258 976)	-	(5 258 976)

Financial assets and financial liabilities at fair value include:

- shares in unrelated entities, the stake in which is below 20%; this line as of 30 September 2023 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; 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;
- forward contracts for the purchase of electricity and gas and property rights.

Non-current debt financial assets at amortised cost cover loans maturing in over one year. Current debt financial assets at amortised cost cover loans maturing in under one year. The item other short-term investments includes deposits with maturity over 3 months.

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

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

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

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

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

No transfers between the levels were made in the nine-month period ended 30 September 2023.

As at 30 September 2023, 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 23 call options from Towarzystwo Finansowe Silesia Sp. z o.o. (TFS) to purchase 6 937 500 shares, with a nominal value of PLN 2 each. The contractual share allocation date is at the end of each calendar quarter from September 2021 to December 2026. In the 9-month period ending 30 September 2023, ENEA S.A. submitted a demand to exercise call option no. 8, no. 9 and no. 10, and made a transfer for 187 500 shares (call option 8), 125 000 shares (call option 9) and 187 500 shares (call option 10) of Polimex Mostostal S.A. The increase of Polimex Mostostal S.A.'s share capital by PLN 1 000 thousand, i.e. from PLN 479 738 thousand to PLN 480 738 thousand, by admitting 500 000 ordinary bearer shares series S with a nominal value of PLN 2 each, was registered on 30 January 2023. In March 2023 ENEA S.A. sold 187 500 shares, thus decreasing its stake in that company's share capital from 16.23% to 16.15%. An increase of Polimex Mostostal S.A.'s share capital by PLN 1 500 thousand, i.e. from PLN 480 738 thousand to PLN 482 238 thousand, by admitting 750 000 ordinary bearer shares series S with a nominal value of PLN 2 each, was registered on 14 April 2023, thus reducing ENEA S.A.'s stake in that company's share capital from 16.15% to 16.10%. On 28 April 2023, as a result of the exercise of call option 8, ENEA S.A.'s share in the company's share capital increased from 16.10% to 16.17%. An increase of Polimex Mostostal S.A.'s share capital by PLN 1 000 thousand, i.e. from PLN 482 238 thousand to PLN 483 238 thousand, by admitting 500 000 ordinary bearer shares series S with a nominal value of PLN 2 each, was registered on 12 July 2023. ENEA S.A.'s share in the company's share capital decreased from 16.17% to 16.14%. Since 14 July 2023, as a result of the exercise of call option 9, ENEA S.A.'s stake in the company's share capital is 16.19%. An increase of Polimex Mostostal S.A.'s share capital by PLN 1 500 thousand, i.e. from PLN 483 238 thousand to PLN 484 738 thousand, by admitting 750 000 ordinary bearer shares series S with a nominal value of PLN 2.00 each, was registered on 5 October 2023. ENEA S.A.'s share in the company's share capital decreased from 16.19% to 16.14%. Since 13 October 2023, as a result of the exercise of call option 10, ENEA S.A.'s stake in the company's share capital increased from 16.14% to 16.22%. As at 30 September 2023, ENEA S.A. held a 16.19% stake in Polimex Mostostal S.A. A fair-value measurement of the call options was prepared using the Black-Scholes model. The book value of these options as at 30 September 2023 was PLN 15 087 thousand (at 31 December 2022: PLN 17 844 thousand).

Moreover, the Group's financial assets at fair value, worth PLN 149 421 thousand (PLN 233 026 thousand as of 31 December 2022) and financial liabilities worth PLN 807 899 thousand (PLN 494 845 thousand as of 31 December 2022) include the measurement of derivative contracts for the purchase of electricity and gas and concerning property rights not used for the Group's own purposes. The nominal value of contracts for the purchase and sale of electricity, gas and property rights maturing in 2023-2024, presented as financial assets and liabilities at fair value, amounts to PLN 535 352 thousand (PLN 1 197 thousand concerns procurement contracts and PLN 534 155 thousand concerns sales contracts).

21. Debt financial assets at amortised cost

Debt financial assets at amortised cost

	As at	
	30 September 2023	31 December 2022
Current debt financial assets at amortised cost		
Loans granted	-	42 004
Total current debt financial assets at amortised cost	-	42 004
Non-current debt financial assets at amortised cost		
Loans granted	-	-
Total non-current debt financial assets at amortised cost	-	-
TOTAL	-	42 004

Impairment of financial assets at amortised cost (concerns loans granted together with interest) as at 30 September 2023 amounted to PLN 0 (PLN 198 336 thousand as of 31 December 2022).

22. Impairment of trade and other receivables

Impairment of trade and other receivables

	As at	
	30 September 2023	31 December 2022
Impairment at the beginning of period	111 273	128 534
Created	19 320	10 614
Reversed	(2 626)	(5 485)
Used	(7 734)	(22 390)
Impairment at the reporting date	120 233	111 273

In the 9-month period ended 30 September 2023, impairment of trade and other receivables increased by PLN 8 960 thousand (in the 9-month period ended 30 September 2022 impairment declined by PLN 9 053 thousand).

Impairment losses are mainly recognised on trade receivables. Impairment of other receivables is negligible. The Group uses the expected credit loss model to estimate the impairment for trade receivables. In order to determine expected credit losses, the Group applies the simplified approach provided for in IFRS 9, which is to create a lifetime allowance for expected credit losses for all trade receivables. 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 2023 is calculated on the basis of data from 2022. Therefore, the level of receivables impairment estimated as at 30 September 2023 reflects objective indications of impairment resulting from the situation and regulations arising from the shifting political and economic situation and the related regulations.

23. Analysis of the age structure of trade and other receivables

Analysis of the age structure of trade and other receivables constituting financial instruments:

	As at 30 September 2023		
	Nominal value	Impairment	Book value
Trade and other receivables			
Current	4 489 005	(7 926)	4 481 079
Overdue	408 050	(112 307)	295 743
0-30 days	170 352	(856)	169 496
31-90 days	47 978	(6 541)	41 437
91-180 days	26 246	(5 561)	20 685
over 180 days	163 474	(99 349)	64 125
Total	4 897 055	(120 233)	4 776 822
Assets arising from contracts with customers	633 762	(288)	633 474

Amounts other than financial instruments, of PLN 1 150 792 thousand, are also recognised in the line Trade and other receivables in the consolidated statement of financial position. These are mainly receivables concerning taxes and advances.

	As at 31 December 2022		
	Nominal value	Impairment	Book value
Trade and other receivables			
Current	3 569 297	(5 074)	3 564 223
Overdue	332 959	(106 199)	226 760
0-30 days	130 310	(421)	129 889
31-90 days	35 931	(2 403)	33 528
91-180 days	11 351	(4 022)	7 329
over 180 days	155 367	(99 353)	56 014
Total	3 902 256	(111 273)	3 790 983
Assets arising from contracts with customers	624 177	(277)	623 900

Amounts other than financial instruments, of PLN 1 481 613 thousand, are also recognised in the line Trade and other receivables in the consolidated statement of financial position. These are mainly receivables concerning taxes and advances.

Other explanatory notes

24. Related-party transactions

Group companies execute transactions with the following related parties:

- Group companies - these transactions are eliminated at the consolidation stage;
- Transactions between the Group and members of the Group's corporate authorities, which 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.

Transactions with members of the Group's corporate authorities:

Item	For the nine-month period ended			
	Company's Management Board		Company's Supervisory Board	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
Remuneration under management contracts	6 723*	5 428**	-	-
Remuneration under appointment to management or supervisory bodies	-	-	553	546
TOTAL	6 723	5 428	553	546

* This remuneration includes a non-compete clause, severance pay for a former Management Board Member, amounting to PLN 495 thousand, and bonuses for 2022 amounting to PLN 3 525 thousand.

** This remuneration includes bonuses for current and former Management Board Members for 2021, amounting to PLN 2 136 thousand, and a non-compete clause for former Management Board Members, amounting to PLN 257 thousand.

In the 9-month period ended 30 September 2023, no loans were granted to Supervisory Board members from the Company Social Benefit Fund (PLN 0 thousand for the 9-month period ended 30 September 2022).

Other transactions resulting from civil-law contracts executed between the Parent and members of the Parent'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.

The Group 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:

- purchases of coal, electricity, property rights resulting from energy origin certificates as regards renewable energy and energy produced in cogeneration with heat, transmission and distribution services that the Group provides to the State Treasury's subsidiaries,
- sale of electricity, distribution services, connection to the grid and other associated fees, as well as coal, that the Group provides for both state and local administration authorities (sale to end customers) and to the State Treasury's subsidiaries (wholesale and retail sale - to end customers).

These transactions are executed on market terms, and these terms do not differ from the terms applied in transactions with other entities. The Group 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 Group identified financial transactions with State Treasury's related parties, i.e. with banks serving as guarantors for bond issue programs. These entities include: PKO BP S.A., Pekao S.A. and Bank Gospodarstwa Krajowego. Detailed information on bond issue programs is presented in note 17.

25. 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

25.1. Sureties and guarantees

The following table presents significant bank guarantees valid as of 30 September 2023 under an agreement between ENEA S.A. and BGK up to a limit specified in the agreement.

List of guarantees issued as at 30 September 2023

Guarantee issue date	Guarantee validity	Entity for which the guarantee was issued	Bank - issuer	Guarantee amount in PLN 000s
1 April 2023	30 April 2024	Telewizja Polska S.A.	BGK	2 442
16 July 2023	16 July 2025	Vastint Poland sp. z o.o.	BGK	1 229
1 August 2023	10 November 2023	Zakład Wodociągów i Kanalizacji Sp. z o.o.	BGK	1 000
Total bank guarantees				4 671

The value of other guarantees issued by the Group as at 30 September 2023 was PLN 4 339 thousand.

25.2. On-going proceedings in courts of general competence

Proceedings initiated by the Group

Proceedings in courts of general competence initiated by ENEA S.A. and ENEA Operator Sp. z o.o. concern receivables related to electricity supplies (electricity cases) and receivables related to other matters - illegal uptake of electricity, grid connections and other specialised services (non-electricity cases).

Proceedings in courts of general competences initiated by ENEA Wytwarzanie Sp. z o.o. mainly concern compensation for damages and contractual penalties from the company's counterparties.

At 30 September 2023, a total of 25 047 cases initiated by the Group were in progress before courts of general competence, worth in aggregate PLN 136 550 thousand (31 December 2022: 21 839 cases worth PLN 148 677 thousand).

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

Proceedings against the Group

Proceedings against the Group are initiated by both natural persons and legal entities. They concern issues such as: compensation for electricity supply disruptions, illegal uptake of electricity and compensation for the Group's use of properties on which power equipment is located. The Group considers cases related to non-contractual use of properties that are not owned by the Group as especially significant.

There are also claims concerning terminated agreements for the purchase of property rights (note 25.5).

Court proceedings against ENEA Wytwarzanie Sp. z o.o. concern compensation for damages and contractual penalties.

At 30 September 2023, a total of 2 041 cases against the Group were in progress before courts of general competence, worth in aggregate PLN 1 233 385 thousand (31 December 2022: 2 338 cases worth PLN 968 992 thousand). The outcome of individual cases is not significant from the viewpoint of the Group's financial result.

Provisions related to these court cases are presented in note 18.

25.3. Risk associated with legal status of properties used by the Group

Risk associated with the legal status of properties used by the Group results from the fact that the Group does not have a legal title to use land for all of its facilities where its transmission grids and the associated equipment are located. In the future, the Group may be liable to pay compensation for past non-contractual use of the property.

Rulings in these cases are significant because they have a considerable impact on the Group's approach to people raising pre-trial claims concerning equipment located on their properties in the past as well as the way in which the legal status of such equipment is addressed in the case of new investments.

The loss of assets in this case is highly unlikely. Having an unclear legal status for properties where power equipment is located does not constitute a risk for the Group of losing such assets, rather it gives rise to the threat of additional costs related to demands for compensation for the non-contractual use of land, rent, costs related to transmission easements and, exceptionally, in individual cases, demands related to a change in the object's location (return of land to original condition). The Group recognises adequate provisions.

The provision also applies to compensation for the non-contractual use by the Group of properties on which the Group's grid assets (power lines) are located, in connection with transmission corridors or transmission easements being established for the Group. The main parameter used in the calculation is the length of the line and thus the conversion of the area of land occupation by the line by the value of PLN/m², with due consideration of other parameters such as location, type of line, type of land.

As at 30 September 2023, the Group recognised a provision for claims concerning non-contractual use of land amounting to PLN 231 997 thousand.

25.4. 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. (currently PGE Energetyka Kolejowa S.A.) – lawsuit of 28 December 2015,
- PGE Polska Grupa Energetyczna S.A. – lawsuit of 29 December 2015.

In the case ENEA S.A. vs. Tauron Polska Energia and others (file no. XIII GC 600/15/AM), on 23 March 2021 in its entirety and awarded the costs of proceedings in favour of the defendant and the co-defendants. The ruling along with justification in writing was delivered on 20 May 2021. On 10 June 2021, ENEA S.A. lodged an appeal to the Appeals Court in Katowice.

In the case ENEA S.A. vs. TAURON Sprzedaż GZE Sp. z o.o. (file no. X GC 546/15), on 21 December 2021 the District Court in Gliwice dismissed the claim in its entirety and awarded the costs of proceedings in favour of the defendant. The ruling along with a justification in writing was delivered on 3 March 2022. On 17 March 2022 ENEA S.A. lodged an appeal to the Appeals Court in Katowice.

The case ENEA S.A. versus PKP Energetyka S.A. (file no. XX GC 1166) is still being examined by the District Court in Warsaw in the first instance.

In a case against PGE Polska Grupa Energetyczna S.A. (file no. XVI GC 525/20, previous file no. XX GC 1163/15) - through a ruling of 7 January 2021 the court suspended the proceeding at the mutual request of the parties. Through a ruling of 19 November 2021, the court resumed the previously suspended proceeding. Through a ruling of 1 March 2022, the court suspended the proceeding at the mutual request of the parties. Through a motion of 28 August 2022, ENEA S.A.'s attorney requested that the proceeding be resumed. The court resumed the proceeding on 2 October 2022. On 28 October 2022, the attorney of ENEA S.A. requested a stay of proceedings. The parties agreed to enter into an agreement to end the dispute, in the execution of which, on 11 July 2023, at a court-appointed meeting, they entered into a court settlement ending the case. By order of 11 July 2023, the court discontinued the proceedings. The ruling is final.

25.5. 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 4 court proceedings concerning agreements for the purchase of property rights arising under certificates of origin for energy from renewable sources, which includes:

- 3 proceedings for payment in which claims for remuneration, contractual penalties or damages are pursued against ENEA S.A., with one proceeding resulting in a partial resolution of the claims, and the other proceeding resulting in a preliminary and partial resolution of the claims and recognition of the ineffectiveness of the termination of the agreement; these resolutions are final and binding;
- 1 proceeding to determine the ineffectiveness of ENEA S.A.'s termination of property rights sale agreements made on 28 October 2016;

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

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

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

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

As a result of the terminations submitted by ENEA S.A., the contracts were terminated, according to ENEA S.A.'s assessment, in principle at the end of November 2016. The dates on which the respective Contracts 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. ENEA S.A. recognised a provision for court cases, including those related to the termination by ENEA S.A. of contracts for the sale of property rights arising from certificates of origin of electricity from RES, in the amount of PLN 83 349 thousand, which mainly relates to disputes in the area of the PM OZE certificates and covers all monetary claims on this account as at 30 September 2023, the provision is presented in note 18.

On 21 February 2022 the Appeals Board in Poznań issued a judgement and determined that the statement made by ENEA S.A. in Poznań in its letter of 28 October 2016 on termination of the sale agreement in its entirety did not have legal effect and the agreement remains in force in its entirety, dismissing the appeal of Golice Wind Farm Sp. z o.o. to the remaining extent and dismissing the appeal of ENEA S.A., as well as awarding the costs of the appeal proceedings to Golice Wind Farm Sp. z o.o. from ENEA S.A., as a result of which the partial and preliminary ruling of the District Court in Poznań of 14 August 2020 became binding, in which the court had considered as justified the claim for payment for property rights and had ordered ENEA S.A. to pay PLN 6 042 thousand together with interest, and in the remaining scope had considered the claim for payment as justified in general. On 25 July 2022 ENEA S.A. filed a cassation appeal against the ruling by the Appeals Court in Poznań, at the same time requesting that the enforceability of the aforementioned judgements be suspended. Through a ruling of 3 October 2022 the Appeals Court in Poznań rejected the request to suspend the enforceability of these judgements. The cassation appeal went to the Supreme Court, no date was set for the hearing.

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

- PGE Energia Odnawialna S.A., based in Warsaw (case no. IX GC 1064/17) - through a ruling of 17 February 2022, the court resumed the previously suspended proceeding, which was subsequently suspended again by a decision of 25 March 2022 on the mutual application of the parties; By a letter of 22 September 2022, the attorney for ENEA S.A. requested that the proceedings be resumed and suspended. At the same time, through a letter of 22 September 2022, PGE Energia Odnawialna S.A.'s attorney requested that the proceeding be resumed. Through a ruling of 28 September 2022, the court decided to resume the suspended proceeding.

The parties agreed to enter into an agreement to end the dispute, in the execution of which, on 22 December 2022, at a court-appointed meeting, they entered into a court settlement ending the case. Through a ruling of 22 December 2022 the Court discontinued the proceedings. The ruling became final on 30 December 2022.

- PGE Energia Ciepła S.A., based in Warsaw (file no. IX GC 555/16) – through a ruling of 5 January 2022 the court suspended the proceeding at the parties' mutual request. Through an application of 28 June 2022, an attorney for PGE Energia Ciepła S.A. requested that the court take up and suspend the proceeding at the parties' mutual request. A similar application was filed on 6 July 2022 by the attorney for ENEA S.A. Through a ruling of 8 July 2022, the court took up the suspended proceeding and obliged ENEA S.A.'s attorney to indicate whether it acceded to PGE Energia Ciepła S.A.'s request to suspend the proceeding on pain of declaring that the attorney for ENEA S.A. acceded to PGE Energia Ciepła S.A.'s request. On 22 July 2022, the attorney for ENEA S.A. sent a letter to the court again indicating that it was in favour of the application to suspend the proceedings. The Common Court Information Portal shows that the court suspended the proceedings on 18 August 2022, which was confirmed by an order served on ENEA S.A.'s attorney on 24 August 2022 suspending the proceedings pursuant to art. 178 of the Civil Procedure Code. The parties agreed to enter into an agreement to end the dispute, in the execution of which, on 22 December 2022, at a court-appointed meeting, after resuming the proceeding that had been suspended by the Court, they entered into a court settlement ending the case. Through a ruling of 22 December 2022 the Court discontinued the proceedings. The ruling became final on 30 December 2022.
- PGE Energia Odnawialna S.A., based in Warsaw (case no. IX GC 1011/17) – on 7 March 2022 the claimant filed a pleading, maintaining its previous position and requested a stay of proceedings granting the Company's potential request in this regard. On 13 May 2022 the District Court in Poznań suspended the proceeding at the mutual request of the parties. Through a letter of 13 October 2022, the attorney of PGE Energia Odnawialna S.A. requested that the suspended proceedings be resumed and that a hearing date be set in December 2022 for an amicable conclusion. The Common Court Information Portal shows that the court, by order of 18 October 2022, decided to take up the suspended proceedings and set a hearing date for 9 December 2022. The 9 December 2022 hearing did not take place - the hearing date was changed at the parties' request. The parties agreed to enter into an agreement to end the dispute, in the execution of which, on 22 December 2022, at a court-appointed meeting, they entered into a court settlement ending the case. Through a ruling of 22 December 2022 the Court discontinued the proceedings. The ruling became final on 30 December 2022.

Outstanding liabilities from court settlements as of 31 December 2022 are included under Trade and other payables. By the end of April 2023, ENEA S.A. had fulfilled all of the remaining obligations resulting from the court settlements.

In a case brought by ENEA S.A. against PGE Górnictwo i Energetyka Konwencjonalna S.A. (file no. X GC 608/20) – on 25 January 2022 the District Court scheduled a hearing for 27 May 2022. Through a letter of 4 April 2022, PGE Energia Ciepła S.A. requested that the hearing scheduled for 27 May 2022 be cancelled. The same motion was filed with the Court by the attorney for ENEA S.A. on 25 May 2022. The District Court sent an e-mail to the parties' attorneys informing them of the court's ruling to cancel the hearing scheduled for 27 May 2022 and suspend the proceeding at the parties' mutual request, which was confirmed by a ruling on suspension of 24 May 2022. By letter dated 24 November 2022, the attorney of ENEA S.A. requested that the proceedings be suspended and resumed. The parties agreed to enter into an agreement to end the dispute, in the execution of which the parties' attorneys submitted requests for a hearing to conclude a settlement agreement. The court has set a hearing date of 30 January 2023. In execution of the agreement entered into on 22 December 2022, on 30 January 2023, at a Court-appointed hearing, the Parties entered into a court settlement agreement ending the case. Through a ruling of 30 January 2023, the Court discontinued the proceedings. The ruling is final.

In a case brought by Hamburg Commercial Bank AG against ENEA S.A., the District Court in Poznań dismissed the plaintiff's request for security by order of 18 March 2022. On 25 May 2022 the Company was served with a side intervention in case ref. IX GC 552/17, pursuant to which Hamburg Commercial Bank AG joined the proceeding as a side intervener in a case instigated by in.ventus Sp. z o.o. EW Światowo Sp. k., based in Poznań (currently TEC1 Sp. z o.o. EW Światowo Sp. k. based in Katowice) to declare the termination ineffective. On 28 September 2022, a hearing was held, and on 26 October 2022, the appeal of the Company against the partial verdict of the District Court in Poznań of 25 February 2021 was dismissed by a judgement of the Court of Appeal in Poznań. The company has complied with the final ruling. Through a ruling of 30 November 2022, The District Court in Poznań dismissed the Company's opposition to Hamburg Commercial Bank AG's entry into the proceedings as an intervening party. The Company on 10 March 2023 filed a complaint against the order of the District Court of Poznań of 30 November 2022 to dismiss the opposition. Through a ruling of 27 July 2023, the District Court in Poznań dismissed the ruling of the District Court in Poznań of 30 November 2022 dismissing the opposition. A cassation appeal was filed on 7 February 2023 with the Supreme Court against the judgement of the Court of Appeal of 26 October 2022. The cassation appeal went to the Supreme Court, no date was set for the hearing.

In a case brought by PSW Sp. z o.o., the District Court in Poznań, having examined the case at a closed-door hearing on 31 January 2023, decided to discontinue the hearing and issued a judgement ordering ENEA S.A. to pay PLN 4 488 thousand to PSW Sp. z o.o., along with statutory late interest, and dismissed the claim in its remaining portion as regards interest claims, and order the Company to pay PLN 115 thousand for proceeding costs. The Company's attorney on 25 July 2023 lodged an appeal against the ruling of the District Court in Poznań dated 31 January 2023, in the part

adjudicating the claim. The judgment in this respect is not final, for the rest the judgment is final. The case is in progress at the Court of Appeals in Poznań, 1st Civil and Intellectual Property Division, case no. I AGa 278/23. No hearing date has been set in the case.

26. National Energy Security Agency

On 1 March 2022 the Council of Ministers adopted a document entitled "Energy sector transition in Poland. Spin-off of coal assets from companies with a State Treasury shareholding" ("Transition Program"). The document was drafted in order to align the energy groups with the transition challenges that are consistent with the directions indicated in "Poland's Energy Policy to 2040" (PEP2040). The Transition Program contains a concept for the spin-off of assets related to the generation of electricity in conventional coal units ("Coal Assets") from the energy companies. The Transition Program includes, inter alia, the integration of these Coal Assets within one entity, i.e. PGE Górnictwo i Energetyka Konwencjonalna S.A. ("PGE GiEK") - a subsidiary of PGE Polska Grupa Energetyczna S.A., which will eventually operate under the name National Energy Security Agency ("NABE"). NABE's role will be to ensure energy security through a stable supply of energy generated from coal. The spin-off of coal assets will allow the energy groups to focus on accelerating investment in low- and zero-carbon energy sources and transmission infrastructure.

In the first nine months of 2023, the Group carried out tasks related to the carve out of coal assets for the State Treasury in accordance with the update schedule for the formation of NABE.

The Group worked on internal ownership changes and reorganisation changes. One such action was the division of ENEA Trading Sp. z o.o. (pursuant to art. 529 § 1 point 4) of the Commercial Companies Code), as a result of which, in accordance with the Spin-off Plan of ENEA Trading Sp. z o.o. of 29 July 2022, there will be a division by spin-off and transfer of a part of the assets and liabilities of ENEA Trading Sp. z o.o., in the form of an Organised Part of Enterprise, to ENEA Power&Gas Trading Sp. z o.o. The spin-off took place on 3 April 2023.

In order to ensure the continuation of the companies being spun-off once they are integrated into the NABE structure, negotiations were continued with financial institutions in this area.

Valuations of the generating companies spun off to NABE were completed in the second quarter of 2023.

On 14 July 2023 the Company received from the State Treasury a proposal of a non-binding document summarising the conditions of the transaction of purchase by the State Treasury of the shares in ENEA Wytwarzanie Sp. z o.o. held by the Company along with shares in ENEA Elektrownia Połaniec S.A. together with their subsidiaries. Further steps included negotiations with the Buyer to agree and sign a document between the State Treasury and the Company.

On 10 August 2023 the Management Board of ENEA S.A. and the State Treasury, represented by the Minister of State Assets, signed documents summarising the conditions of the transaction of purchase by the State Treasury of all shares of ENEA Wytwarzanie Sp. z o.o. and ENEA Elektrownia Połaniec S.A. held by ENEA S.A. together with their subsidiaries in order to establish NABE. A resolution approving the signing of these documents was adopted by the Management Board of ENEA S.A. the same morning.

The signed documents do not constitute an offer or commitment to sign any agreement, they are the basis for the submission by the Minister of State Assets to the Prime Minister of an application for the purchase of all shares in ENEA Wytwarzanie Sp. z o.o. and ENEA Elektrownia Połaniec S.A.

As a result of the signing of the above documents, and assuming the value of the transaction from the offer, at present the Group does not identify a possible loss at the consolidated level on the sale of the coal assets to NABE and, consequently, does not see the need to create an impairment loss.

On 17 August 2023 the Sejm passed a law on financial guarantees for NABE obligations, to which the Senate has tabled amendments which, due to the parliamentary calendar, have not yet been considered by the Sejm.

27. One-off event at LWB

In February 2023, at LWB, after a new longwall cut was made in longwall 3/VII/385 and the longwall was rearmed into a longwall complex, trial commissioning commenced. However, during the trial start-up, an incident occurred involving a sudden and unexpected outpouring of groundwater into the workings, resulting in the need to halt mining operations on this longwall. The LWB has taken a number of steps to thoroughly investigate the causes and identify the risks surrounding the incident. Advanced hydrogeological analyses were commissioned along with independent expert studies to develop the best course of action and to identify the risks associated with further mining and technical work in this area.

The exact magnitude of this event and its impact on the company's operational and financial performance remains unknown, but it is nevertheless to be expected that some of the machinery and equipment located in longwall 3/VII/385 may have been lost and therefore its value may have been impaired. Therefore, in consideration of a prudent approach and the desire to adequately reflect this event in the financial result of 2023 at LWB, an impairment loss was recognised (entirely in the first half of 2023) in the total amount of PLN 48.5 million (in relation to machinery and equipment, as well as parts of longwall corridors located in the area of the event).

28. Contributions to Price Difference Payment Fund

Group companies are required to contribute to the Price Difference Payment Fund pursuant to art. 21 of the Act of 27 October 2022 on emergency measures aimed at limiting the level of electricity prices and support for certain consumers in 2023 (Polish Journal of Laws of 2022, item 2243) - as electricity generators and as energy enterprises carrying out electricity trading.

In accordance with art. 24 and art. 39 of the above act, these contributions should be made for each calendar month in reference to the period from 1 December 2022 to 31 December 2023.

In the 9-month period ended 30 September 2023, ENEA Group companies recognised the following amounts as costs due to this: ENEA Elektrownia Polaniec S.A. PLN 12 766 thousand as regards trade in electricity and PLN 279 035 thousand as regards generation, ENEA Wytwarzanie Sp. z o.o. PLN 73 542 thousand in trading and PLN 1 685 904 thousand in generation, ENEA Ciepło Sp. z o.o. PLN 6 819 thousand in trading and PLN 6 452 thousand in generation, ENEA Nowa Energia Sp. z o.o. PLN 138 096 thousand in generation and ENEA Trading Sp. z o.o. PLN 17 thousand in trading. These amounts are included in the consolidated statement of comprehensive income under "Taxes and charges". The Group considers these contributions as charges in the meaning of IAS 37. They are charged in the month in which the obligation arises.

29. Proposal to purchase Lubelski Węgiel "Bogdanka" S.A. shares

Due to the continuing market capitalisation of Lubelski Węgiel "Bogdanka" S.A. ("LWB") below net assets, the received proposal to purchase LWB shares by the State Treasury below net assets and in connection with the receipt of a valuation report, the Management Board of ENEA S.A. identified indications of impairment of the Mining CGU (LWB) as at 30 June 2023.

In connection with current report 36/2023 of 21 August 2023 on receipt of a proposal to purchase shares in Lubelski Węgiel "Bogdanka" S.A. ("LWB") from the State Treasury represented by the Minister of State Assets, and a letter of intent signed on 18 June 2022 regarding the potential purchase by the State Treasury of 21 962 189 shares in LWB, the Management Board of ENEA S.A. announced that analyses regarding the submitted proposal are in progress. The resulting price offer obtained for the net asset value of the Mining CGU (LWB) is below book value and is below the Management Board's estimate of the fair value of the Mining CGU, and consequently is not satisfactory and has not been accepted.

LWB's shares are listed on the Warsaw Stock Exchange. Although the share price remained around PLN 33 per share, back in January this year it had exceeded PLN 50. The Management Board is of the view that this circumstance and the factors set out below mean that using the current stock market capitalisation as a proxy for the fair value of LWB is not appropriate. Accordingly, for the purposes of preparing the condensed consolidated interim financial statements as at 30 June 2023 the Management Board estimated the recoverable amount of the Mining CGU at fair value less cost to sell. Taking into account the analyses carried out and the resulting report on the estimated market value of LWB (prepared as of 11 September 2023 by Pekao Investment Banking), the Management Board considered a valuation of at least PLN 72.28 per share to be reasonable and will seek to sell the shares at a level that takes this valuation into account as part of the negotiations. The valuation of PLN 72.28 per share formed the basis for estimating the impairment of Mining CGU assets and resulted in an impairment loss of PLN 748 815 thousand.

The Group estimated the fair value of CGU Mining (LWB). This analysis is all the more important in a situation where businesses have to operate in variable, entirely unusual and previously unseen conditions. In making this assessment for the purposes of the interim consolidated financial statements for the first half of 2023 the Group, based on an analysis of the present economic and market situation, noted that the market capitalisation of LWB remained at a level that is lower than the balance sheet value of net assets. According to the Group, this situation mainly results from factors that are beyond its control such as political factors and the EU's climate policy, reduced trust in mining-sector companies and also in part because of low liquidity and low free float. Also, the war in Ukraine and a reduced of commodity supply globally are driving up demand for LWB's coal. Therefore, LWB is taking steps to utilise current production capacity and prepare mining to achieve the targets arising from LWB Group's strategy. In the Management Board's view, LWB's cash position and the potential for generating strong positive cash flows in future periods allow the thesis that the value of the stake held is higher than the value derived from the current LWB share price and the purchase proposal made by the Treasury represented by the Minister of State Assets.

In line with best market practice, the valuation estimate was prepared in several scenarios using the following methods:

- income approach using the discounted cash flow method,
- market approach using multiples for comparable listed coal producers.

The discounted cash flow method was chosen as the leading method for the value estimate. The choice of this method was dictated by the availability of reliable financial projections for LWB over a long-time horizon of 2023-2049, which enabled the estimation of future free cash flows determining the value of the company. The method of multiples of peers was chosen as a complementary method to the income approach, but its results were not included for the purpose of estimating value. The use of this method was made possible by the identification of more than a dozen comparable companies and the availability of estimates of the future financial performance of these companies. In addition, valuations derived from market consensus and current capitalisation plus a control premium were used.

The results obtained are characterised by a wide spread, which is due to significantly different visions on key assumptions about the forecasts of market participants and LWB. In such situations, it is common in practice to use a blended approach based on averaging the results from different valuation methods and existing market benchmarks (including current capitalisation plus a control premium, as well as current market consensus plus a control premium), which allows a broad market view of the asset's value to be taken into account. Using this approach (excluding multiples methods), the average of the valuations indicating the value of LWB shares was estimated at £72.28 per share.

The fair value measurement is classified as Level 3 in the fair value hierarchy. Taking this into account, and as a result of the estimate of fair value less costs to sell as at 30 June 2023, it was necessary to recognise an impairment loss of PLN 748 815 thousand on assets in the Mining segment.