



# **ENEA S.A. SEPARATE FINANCIAL STATEMENTS**

**for the financial year ended  
31 December 2022  
in compliance with EU IFRS**

**THIS DOCUMENT IS NOT THE OFFICIAL VERSION  
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(in the event of any doubt or discrepancy the ESEF format prevails)**

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These separate financial statements are prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union, and are approved by the Management Board of ENEA S.A.

### **Members of the Management Board**

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

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

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

**Member of the  
Management Board**      **Dariusz Szymczak**

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

ENEA Centrum Sp. z o.o.

Entity responsible for maintaining accounting

books and preparing financial statements

Ewa Nowaczyk

ENEA Centrum Sp. z o.o. Pl. Władysława Andersa 7, 61-894 Poznań

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

**Poznań, 22 March 2023**

## SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended	
		31 December 2022	31 December 2021
Revenue from sales		12 447 511	7 479 914
Excise duty		(51 805)	(73 197)
<b>Net revenue from sales</b>	<b>8</b>	<b>12 395 706</b>	<b>7 406 717</b>
Compensations	8	28 588	-
Lease income		236	243
<b>Revenue from sales and other income</b>		<b>12 424 530</b>	<b>7 406 960</b>
Other operating revenue	10	19 008	13 992
Change in provision for onerous contracts	30	(414 715)	(199 282)
Depreciation/amortisation	9	(6 217)	(6 786)
Employee benefit costs	9	(94 849)	(81 869)
Use of materials and raw materials and value of goods sold	9	(4 446)	(2 854)
Purchase of electricity and gas for sales purposes	9	(11 537 798)	(7 091 350)
Transmission and distribution services	9	(79 634)	(40 518)
Other third-party services	9	(265 796)	(229 931)
Taxes and fees	9	(4 388)	(4 178)
Other operating costs	10	(103 153)	(61 240)
<b>Operating loss</b>		<b>(67 458)</b>	<b>(297 056)</b>
Finance costs	11	(286 239)	(179 495)
Finance income	11	540 219	174 344
Dividend income		995 713	545 357
Change in impairment of interests in subsidiaries, associates and jointly controlled entities	18	1 066 793	175 707
Change in impairment of financial assets at amortised cost	32	27 274	(15 825)
<b>Profit before tax</b>		<b>2 276 302</b>	<b>403 032</b>
Income tax	12	171 722	57 377
<b>Net profit for the reporting period</b>		<b>2 448 024</b>	<b>460 409</b>
<b>Other comprehensive income</b>			
Subject to reclassification to profit or loss:			
- measurement of hedging instruments	31	94 812	265 199
- income tax		(18 014)	(50 388)
Not subject to reclassification to profit or loss:			
- restatement of defined benefit plan		(2 447)	2 860
- other		-	(1 264)
- income tax		465	(543)
<b>Net other comprehensive income</b>		<b>74 816</b>	<b>215 864</b>
<b>Comprehensive income for the reporting period</b>		<b>2 522 840</b>	<b>676 273</b>
Net profit/(loss) attributable to the Company's shareholders		2 448 024	460 409
Weighted average number of ordinary shares		501 430 391	441 442 578
<b>Net profit per share (in PLN per share)</b>	<b>13</b>	<b>4.88</b>	<b>1.04</b>
<b>Diluted profit per share (in PLN per share)</b>		<b>4.88</b>	<b>1.04</b>

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

## SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	As at	
		31 December 2022	31 December 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	25 330	24 096
Right-of-use assets	16	35 800	40 660
Intangible assets	15	2 457	3 385
Investment properties	17	12 106	12 656
Investments in subsidiaries, associates and jointly controlled entities	18	10 603 939	9 531 789
Deferred income tax assets	12	161 272	106 989
Financial assets measured at fair value	31	156 482	164 917
Debt financial assets at amortised cost	32	6 247 346	5 390 289
Finance lease and sublease receivables		1 071	284
Costs related to the conclusion of agreements		8 970	11 180
<b>Total non-current assets</b>		<b>17 254 773</b>	<b>15 286 245</b>
<b>Current assets</b>			
Inventories	19	67 428	135 777
Trade and other receivables	20	2 658 515	2 009 453
Costs related to the conclusion of agreements		11 006	11 652
Assets arising from contracts with customers	22	447 424	300 206
Finance lease and sublease receivables		1 225	723
Current income tax receivables	12	251 412	-
Financial assets measured at fair value	31	154 314	28 194
Debt financial assets at amortised cost	32	314 124	1 660 454
Cash and cash equivalents	23	388 730	1 005 481
<b>Total current assets</b>		<b>4 294 178</b>	<b>5 151 940</b>
<b>TOTAL ASSETS</b>		<b>21 548 951</b>	<b>20 438 185</b>

## SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2022	31 December 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		676 306	588 018
Share premium		4 343 879	3 687 993
Revaluation reserve - measurement of hedging instruments		186 075	109 277
Reserve capital		6 416 141	5 974 031
Retained earnings		2 448 358	444 426
<b>Total equity</b>	<b>24</b>	<b>14 070 759</b>	<b>10 803 745</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Credit facilities, loans and debt securities	27	4 062 292	4 420 974
Lease liabilities	27	32 860	37 512
Employee benefit liabilities	29	55 096	54 042
Provisions for other liabilities and other charges	30	296 523	228 582
<b>Total non-current liabilities</b>		<b>4 446 771</b>	<b>4 741 110</b>
<b>Current liabilities</b>			
Credit facilities, loans and debt securities	27	737 383	2 164 492
Trade and other payables	28	1 567 031	828 009
Liabilities arising from contracts with customers	22	46 330	46 108
Lease liabilities	27	2 710	2 576
Current income tax liabilities		-	61 535
Employee benefit liabilities	29	32 364	28 351
Liabilities concerning the equivalent for rights to free purchase of shares		281	281
Other financial liabilities	31	-	1 105 251
Provisions for other liabilities and other charges	30	645 322	656 727
<b>Total current liabilities</b>		<b>3 031 421</b>	<b>4 893 330</b>
<b>Total liabilities</b>		<b>7 478 192</b>	<b>9 634 440</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>21 548 951</b>	<b>20 438 185</b>

## SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital (nominal amount)	Reserve for revaluation and merger accounting	Total share capital	Share premium	Revaluation reserve - measurement of financial instruments	Revaluation reserve - measurement of hedging instruments	Reserve capital	Retained earnings/accumulated losses	Total equity
<b>As at 1 January 2021</b>	<b>441 443</b>	<b>146 575</b>	<b>588 018</b>	<b>4 627 673</b>	<b>(17 036)</b>	<b>(105 534)</b>	<b>5 974 031</b>	<b>(939 680)</b>	<b>10 127 472</b>
Net profit for the reporting period	-	-	-	-	-	-	-	460 409	460 409
Net other comprehensive income	-	-	-	-	17 036	214 811	-	(15 983)	215 864
<b>Net comprehensive income recognised in the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17 036</b>	<b>214 811</b>	<b>-</b>	<b>444 426</b>	<b>676 273</b>
Coverage of net loss - transfer	-	-	-	(939 680)	-	-	-	939 680	-
<b>As at 31 December 2021</b>	<b>441 443</b>	<b>146 575</b>	<b>588 018</b>	<b>3 687 993</b>	<b>-</b>	<b>109 277</b>	<b>5 974 031</b>	<b>444 426</b>	<b>10 803 745</b>
Net profit for the reporting period	-	-	-	-	-	-	-	2 448 024	2 448 024
Net other comprehensive income	-	-	-	-	-	76 798	-	(1 982)	74 816
<b>Net comprehensive income recognised in the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76 798</b>	<b>-</b>	<b>2 446 042</b>	<b>2 522 840</b>
Allocation of net profit - transfer	-	-	-	-	-	-	442 110	(442 110)	-
Issue of ordinary shares	88 288	-	88 288	662 164	-	-	-	-	750 452
Cost of issue of ordinary shares	-	-	-	(6 278)	-	-	-	-	(6 278)
<b>As at 31 December 2022</b>	<b>529 731</b>	<b>146 575</b>	<b>676 306</b>	<b>4 343 879</b>	<b>-</b>	<b>186 075</b>	<b>6 416 141</b>	<b>2 448 358</b>	<b>14 070 759</b>

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



## SEPARATE STATEMENT OF CASH FLOWS

	Note	Year ended	
		31 December 2022	31 December 2021
<b>Cash flows from operating activities</b>			
Net profit for the reporting period		2 448 024	460 409
Adjustments:			
Income tax in profit or loss	12	(171 722)	(57 377)
Depreciation/amortisation	9	6 217	6 786
Gain on sale of financial assets		(20 785)	(9 790)
Interest income		(385 931)	(144 534)
Dividend income		(995 713)	(545 357)
Interest costs		206 671	164 458
Impairment of interests		(1 066 793)	(175 707)
Impairment of financial assets at amortised cost		(27 274)	15 825
Other adjustments		350	-
<b>Total adjustments</b>		<b>(2 454 980)</b>	<b>(745 696)</b>
Paid income tax		(307 950)	(426 106)
Flows resulting from settlements within tax group		397 911	434 849
Changes in working capital:			
Inventories		68 349	(70 077)
Trade and other receivables	37	(795 209)	(694 822)
Trade and other payables	37	436 119	385 142
Employee benefit liabilities	37	2 619	(2 530)
Provisions for other liabilities and other charges	37	103 029	417 613
<b>Total changes in working capital</b>		<b>(185 093)</b>	<b>35 326</b>
<b>Net cash flows from operating activities</b>		<b>(102 088)</b>	<b>(241 218)</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible and intangible assets		(2 661)	(1 070)
Proceeds from sale of tangible and intangible assets		237	-
Purchase of financial assets	37	(1 078 327)	(965 064)
Proceeds from sale of financial assets	37	1 658 650	1 453 549
Purchase of subsidiaries		(51 577)	(4 813)
Purchase of associates and jointly controlled entities		(1 009)	(707)
Sale of associates and jointly controlled entities		1 000	982
Received dividends		995 713	545 357
Received interest		326 666	106 047
Other expenses		-	(533)
<b>Net cash flows from investing activities</b>		<b>1 848 692</b>	<b>1 133 748</b>
<b>Cash flows from financing activities</b>			
Proceeds from share issue	24	750 452	-
Expenses related to share issue		(6 278)	-
Credit and loans received	37	336 845	-
Repayment of credit and loans	37	(203 413)	(203 413)
Bond buy-back	37	(1 955 111)	(997 110)
Expenditures concerning lease payments		(3 081)	(6 198)
Interest paid		(177 518)	(163 673)
<b>Net cash flows from financing activities</b>		<b>(1 258 104)</b>	<b>(1 370 394)</b>
<b>Total net cash flows</b>		<b>488 500</b>	<b>(477 864)</b>
Cash at the beginning of reporting period	23	(99 770)	378 094
<b>Cash at the end of reporting period</b>	<b>23</b>	<b>388 730</b>	<b>(99 770)</b>

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

## ADDITIONAL INFORMATION AND EXPLANATIONS

### General information

#### 1. General information on ENEA S.A.

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

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

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

	Poland's State Treasury	Other shareholders	Total
<b>As at 31 December 2022</b>	52.29%	47.71%	100.00%

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

As at 31 December 2022, 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 Company's duration is indefinite. Its activities are conducted on the basis of relevant concessions issued for the Company.

The Company's separate financial statements cover the year ended on 31 December 2022 and contain comparative data for the year ended on 31 December 2021.

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## 2. Group composition

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As at 31 December 2022, ENEA Group consisted of the parent - ENEA S.A., 30 subsidiaries, including 9 indirect subsidiaries, 1 jointly controlled entity and 4 associates.

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

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### Accounting rules

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#### Subsidiaries

A subsidiary is a company under the control of another company. The definition of control in IFRS 10 states that an investor controls a company in which it has invested if and only if the investor has all of the following elements:

- 1) power over the investee,
- 2) exposure, or rights, to variable returns from its involvement with the investee,
- 3) the ability to use its power over the investee to affect the amount of the investor's returns.

Subsidiaries are fully consolidated from the date on which control over them is obtained by ENEA S.A. They are deconsolidated on the date control ceases.

#### Associates and jointly controlled entities

Associates are all entities in respect of which the Company exerts a significant influence but does not have control, which typically means holding 20-50% of voting rights.

Jointly controlled entities are all entities in respect of which the Company exercises, through contractual arrangements, control jointly with other entities.

Investments in subsidiaries and associates are measured at purchase price less impairment. Impairment of investments is recognised in finance costs and is not treated as tax deductible. If the reasons for which an impairment loss had been recognised cease, all or part of the previously recognised impairment loss increase the investment's value and is classified into finance income (not taxable).

#### Mergers and acquisitions

Mergers and acquisitions of entities that are not under joint control are accounted for using the equity method.

#### Purchase of associates and jointly controlled entities

Based on agreements concerning a given investment, the Company judges whether there is joint control or significant influence.

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Company name	Activity	Registered office	ENE A S.A.'s stake in total number of voting rights as at 31 December 2022	ENE A S.A.'s stake in total number of voting rights as at 31 December 2021
<b>SUBSIDIARIES</b>				
1. ENEA Operator Sp. z o.o.	distribution	Poznań	100%	100%
2. ENEA Wytwarzanie Sp. z o.o.	generation	Świerże Górne	100%	100%
3. ENEA Elektrownia Połaniec S.A.	generation	Połaniec	100%	100%
4. ENEA Oświetlenie Sp. z o.o.	other activity	Szczecin	100%	100%
5. ENEA Trading Sp. z o.o.	trade	Świerże Górne	100%	100%
6. ENEA Serwis Sp. z o.o.	distribution	Lipno	100%	100%
7. ENEA Centrum Sp. z o.o.	other activity	Poznań	100%	100%
8. ENEA Pomiar Sp. z o.o.	distribution	Poznań	100%	100%
9. ENERGO-TOUR Sp. z o.o. w likwidacji	other activity	Poznań	100% <sup>5</sup>	100% <sup>5</sup>
10. ENEA Innowacje Sp. z o.o.	other activity	Warsaw	100% <sup>6,18</sup>	100%
11. Lubelski Węgiel BOGDANKA S.A.	mining	Bogdanka	64.57% <sup>11</sup>	65.99%
12. ENEA Ciepło Sp. z o.o.	generation	Białystok	99.94% <sup>13</sup>	99.94%
13. ENEA Ciepło Serwis Sp. z o.o.	generation	Białystok	13	100%
14. Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o.	generation	Oborniki	99.93%	99.93%
15. Miejska Energetyka Ciepła Piła Sp. z o.o.	generation	Piła	71.11%	71.11%
16. ENEA Nowa Energia Sp. z o.o.	generation	Radom	100%	100%
17. ENEA ELKOGAZ Sp. z o.o.	generation	Warsaw	100% <sup>8</sup>	-
18. ENEA Power&Gas Trading Sp. z o.o.	trade	Warsaw	100% <sup>9,17</sup>	-
19. EN102 Sp. z o.o.	generation	Poznań	100% <sup>19</sup>	-
20. EN103 Sp. z o.o.	generation	Poznań	100% <sup>19</sup>	-
21. EN201 Sp. z o.o.	generation	Poznań	100% <sup>19</sup>	-
22. EN203 Sp. z o.o.	generation	Poznań	100% <sup>19</sup>	-
<b>INDIRECT SUBSIDIARIES</b>				
23. ENEA Logistyka Sp. z o.o.	distribution	Poznań	100% <sup>3</sup>	100% <sup>3</sup>
24. ENEA Bioenergia Sp. z o.o.	generation	Połaniec	100% <sup>1</sup>	100% <sup>1</sup>
25. ENEA Połaniec Serwis Sp. z o.o.	generation	Połaniec	100% <sup>1</sup>	100% <sup>1</sup>
26. EkoTRANS Bogdanka Sp. z o.o.	mining	Bogdanka	64.57% <sup>2</sup>	65.99% <sup>2</sup>
27. RG Bogdanka Sp. z o.o.	mining	Bogdanka	64.57% <sup>2</sup>	65.99% <sup>2</sup>
28. MR Bogdanka Sp. z o.o.	mining	Bogdanka	64.57% <sup>2</sup>	65.99% <sup>2</sup>
29. Łęczyńska Energetyka Sp. z o.o.	mining	Bogdanka	57.27% <sup>2</sup>	58.53% <sup>2</sup>
30. SUN ENERGY 7 Sp. z o.o.	generation	Główny	10	100% <sup>4</sup>
31. GPK energia Sp. z o.o.	generation	Krzęcin	10	100% <sup>4</sup>
32. ENEBIOGAZ 1 Sp. z o.o.	generation	Radom	100% <sup>4,15</sup>	-
33. ENEBIOGAZ 2 Sp. z o.o.	generation	Radom	100% <sup>4,16</sup>	-
<b>JOINTLY CONTROLLED ENTITIES</b>				
34. Polska Grupa Górnicza S.A.	-	Katowice	14	7.66%
35. Elektrownia Ostrołęka Sp. z o.o.	-	Ostrołęka	50%	50%
<b>ASSOCIATES</b>				
36. Polimex – Mostostal S.A.	-	Warsaw	16.26% <sup>7</sup>	16.4%
37. Elektrownia Wiatrowa Baltica-4 Sp. z o.o.	-	Warsaw	33.81% <sup>12</sup>	-
38. Elektrownia Wiatrowa Baltica-5 Sp. z o.o.	-	Warsaw	33.81% <sup>12</sup>	-
39. Elektrownia Wiatrowa Baltica-6 Sp. z o.o.	-	Warsaw	33.76% <sup>12</sup>	-

<sup>1</sup> – indirect subsidiary through stake in ENEA Elektrownia Połaniec S.A.

<sup>2</sup> – indirect subsidiary through stake in Lubelski Węgiel BOGDANKA S.A.

<sup>3</sup> – indirect subsidiary through stake in ENEA Operator Sp. z o.o.

<sup>4</sup> – indirect subsidiary through stake in ENEA Nowa Energia Sp. z o.o.

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

<sup>6</sup> – on 28 February 2022 an Extraordinary General Meeting of ENEA Innowacje Sp. z o.o. adopted a resolution regarding an increase of the company's share capital by PLN 5 000 thousand, i.e. from PLN 30 860 thousand to PLN 35 860 thousand, by issuing 50 000 new shares with a nominal value of PLN 100.00 each. All of the new-issue shares were acquired by ENEA S.A. and were paid for with a cash contribution. The share capital increase was registered at the National Court Register on 8 August 2022.

<sup>7</sup> – on 30 March 2022 ENEA S.A. submitted a demand to exercise a call option and made a transfer for 187 500 shares of Polimex Mostostal S.A. The increase of Polimex Mostostal S.A.'s share capital by PLN 1 500 thousand, i.e. from PLN 475 738 thousand to PLN 477 238 thousand, by admitting 750 000 ordinary bearer shares series S with a nominal value of PLN 2 each, was registered on 1 April 2022. In June 2022 the sale of 195 118 Polimex – Mostostal S.A. shares previously held by ENEA S.A. was finalised, thus decreasing ENEA S.A.'s stake in that company's share capital from 16.48% to 16.39%. In July 2022 the Company sold 117 382 Polimex – Mostostal S.A. shares that it had previously held, thus decreasing its stake in that company's share capital to 16.31%. The increase of Polimex Mostostal S.A.'s share capital by PLN 1 000 thousand, i.e. from PLN 477 238 thousand to PLN 478 238 thousand, by admitting 500 000 ordinary bearer shares series S with a nominal value of PLN 2 each, was registered on 14 July 2022. On 21 October 2022, 750 000 Series S ordinary bearer shares with a nominal value of PLN 2 each were registered with the NDS and admitted to trading by the WSE, and the company's share capital was increased by PLN 1 500 thousand, i.e. from PLN 478 238 thousand to PLN 479 738 thousand. As of the date on which these separate financial statements were prepared, ENEA S.A. holds a 16.26% stake in that company's share capital.

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

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

<sup>10</sup> - on 14 December 2021 ENEA Nowa Energia Sp. z o.o. signed an agreement to purchase 100 shares in SUN ENERGY 7 Sp. z o.o., with a nominal value of PLN 50.00 each and total nominal value of PLN 5 thousand, constituting 100% of its share capital, for a total of PLN 2 921 thousand. On 14 December 2021 ENEA Nowa Energia Sp. z o.o. signed an agreement to purchase 100 shares in GPK energia Sp. z o.o., with a nominal value of PLN 50.00 each and total nominal value of PLN 5 thousand, constituting 100% of its share capital, for a total of PLN 487 thousand. On 3 March 2022, a plan was published in Monitor Sądowy i Gospodarczy for the merger of ENEA Nowa Energia Sp. z o.o. (acquiring company) with special-purpose vehicles SUN ENERGY 7 Sp. z o.o. and GPK energia Sp. z o.o. (acquired companies). The merger of SUN ENERGY 7 Sp. z o.o. and GPK energia Sp. z o.o. with ENEA Nowa Energia Sp. z o.o. was registered at the National Court Register on 20 May 2022.

<sup>11</sup> - in the period from 27 April 2022 to 7 June 2022 ENEA Wytwarzanie Sp. z o.o. sold, via the Warsaw Stock Exchange, a total of 486 645 shares of Lubelski Węgiel "Bogdanka" S.A., based in Bogdanka, i.e. all of this company's shares held by ENEA Wytwarzanie Sp. z o.o.

<sup>12</sup> – on 3 August 2022 ENEA S.A. and PGE Polska Grupa Energetyczna S.A. executed an agreement pursuant to which ENEA S.A. acquired a 33.8% stake in SPVs (Elektrownia Wiatrowa Baltica-4 Sp. z o.o., Elektrownia Wiatrowa Baltica-5 Sp. z o.o., Elektrownia Wiatrowa Baltica-6 Sp. z o.o.) that are intended to build and develop offshore wind farms at three locations in the Baltic Sea.

<sup>13</sup> - on 25 August 2022, an Extraordinary General Meeting of ENEA Ciepło Sp. z o.o. and ENEA Ciepło Serwis Sp. z o.o. regarding the companies' merger was held, with ENEA Ciepło Sp. z o.o. being the acquiring company. The merger was registered at the National Court Register on 3 October 2022.

<sup>14</sup> – on 25 October 2022 ENEA S.A. sold to the State Treasury all of its shares in Polska Grupa Górnicza S.A., i.e. 3 000 000 ordinary registered shares of PGG S.A., constituting 7.66% of its share capital.

<sup>15</sup> – on 17 November 2022 ENEA Nowa Energia Sp. z o.o. and ENEA Innowacje Sp. z o.o. formed ENEBIOGAZ 1 Sp. z o.o., having its registered office in Radom. The company's share capital amounts to PLN 5 thousand and is divided into 100 shares with a nominal value of PLN 50.00 each. ENEA Nowa Energia Sp. z o.o. took up 99 shares in the company, while ENEA Innowacje Sp. z o.o. took up 1 share.

<sup>16</sup> – on 17 November 2022 ENEA Nowa Energia Sp. z o.o. and ENEA Innowacje Sp. z o.o. formed ENEBIOGAZ 2 Sp. z o.o., having its registered office in Radom. The company's share capital amounts to PLN 5 thousand and is divided into 100 shares with a nominal value of PLN 50.00 each. ENEA Nowa Energia Sp. z o.o. took up 99 shares in the company, while ENEA Innowacje Sp. z o.o. took up 1 share.

<sup>17</sup> – on 30 November 2022 an Extraordinary General Meeting of ENEA Power&Gas Trading Sp. z o.o. adopted a resolution concerning the sole shareholder's obligation to make a contribution to the company's capital amounting to PLN 213.75 per share, for a total of PLN 6 840 thousand.

<sup>18</sup> – on 30 November 2022 an Extraordinary General Meeting of ENEA Innowacje Sp. z o.o. adopted a resolution regarding an increase of the company's share capital by PLN 2 850 thousand, i.e. from PLN 35 860 thousand to PLN 38 710 thousand, by issuing 28 500 new shares with a nominal value of PLN 100.00 each. All of the new-issue shares were acquired by ENEA S.A. and were paid for with a cash contribution. The share capital increase was registered at the National Court Register on 10 January 2023.

<sup>19</sup> – EN102 Sp. z o.o., EN 103 Sp. z o.o., EN201 Sp. z o.o. and EN203 Sp. z o.o. were established in December 2022. As of 31 December 2022, the companies' capital was not paid up.

### 3. Management Board and Supervisory Board composition

#### Management Board

	As at		As at	
	31 December 2022	Appointment	31 December 2021	End of term/resignation
President of the Management Board	Paweł Majewski	25 April 2022	Paweł Szczeszek	10 April 2022
Member of the Management Board, responsible for finance	Rafał Mucha		Rafał Mucha	
Member of the Management Board, responsible for sales	-		Tomasz Siwak	19 December 2022
Member of the Management Board, responsible for corporate affairs	Dariusz Szymczak	25 June 2022	Tomasz Szczegieliński	24 June 2022
Member of the Management Board, responsible for operations	Marcin Pawlicki		Marcin Pawlicki	
Member of the Management Board, responsible for strategy and development	Lech Żak		Lech Żak	

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

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

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

On 14 June 2022 the Company's Supervisory Board adopted resolutions concerning the appointment for a new joint term, effective from the day following the day of the Company's Ordinary General Meeting approving its financial statements for 2021, i.e. from 25 June 2022, of the following Management Board members:

- Mr. Paweł Majewski as President of the Management Board of ENEA S.A.,
- Mr. Tomasz Siwak as Member of ENEA S.A.'s Management Board in charge of sales,
- Mr. Rafał Mucha as Member of ENEA S.A.'s Management Board in charge of finance,
- Mr. Dariusz Szymczak as Member of ENEA S.A.'s Management Board in charge of corporate affairs
- Mr. Marcin Pawlicki as Member of ENEA S.A.'s Management Board in charge of operations
- Mr. Lech Żak as Member of ENEA S.A.'s Management Board in charge of strategy and development.

On 19 December 2022, the Supervisory Board of ENEA S.A. adopted a resolution to dismiss Mr. Tomasz Siwak, Member of ENEA S.A.'s Management Board in charge of commerce, from the Company's Management Board, effective from the same date.

## Supervisory Board

	As at		As at	
	31 December 2022	Appointment	31 December 2021	End of term / resignation
Chairperson of the Supervisory Board	Rafał Włodarski		Rafał Włodarski	
Deputy Chairperson of the Supervisory Board	Roman Stryjski		Roman Stryjski	
Secretary of the Supervisory Board	Mariusz Pliszka		Michał Jaciubek	24 June 2022
Member of the Supervisory Board	Łukasz Ciołko	16 September 2022	Dorota Szymanek	11 July 2022
Member of the Supervisory Board	Mariusz Damasiewicz	25 June 2022	Maciej Mazur	24 June 2022
Member of the Supervisory Board	Mariusz Romańczuk	25 June 2022	Piotr Mirkowski	24 June 2022
Member of the Supervisory Board	Tomasz Lis		Paweł Korobłowski	18 November 2022
Member of the Supervisory Board	Paweł Łącki	18 November 2022	Tomasz Lis	
Member of the Supervisory Board	Aneta Kordowska	18 November 2022	Mariusz Pliszka	
Member of the Supervisory Board	Piotr Zborowski	18 November 2022		

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

On 24 June 2022 the Company's Ordinary General Meeting adopted resolutions to appoint the following persons for the 11th joint term of ENEA S.A.'s Supervisory Board, effective from 25 June 2022:

- Mr. Mariusz Damasiewicz,
- Mr. Mariusz Pliszka,
- Mr. Mariusz Romańczuk,
- Mr. Rafał Włodarski, who was also appointed as Chairperson of the Supervisory Board,
- Mr. Paweł Korobłowski,
- Mr. Tomasz Lis,
- Mr. Radosław Kwaśnicki,
- Mrs. Dorota Szymanek,
- Mr. Roman Stryjski.

On 6 July 2022 the Company's Supervisory Board appointed Mr. Roman Stryjski as Deputy Chairperson of ENEA S.A.'s Supervisory Board, 11th joint term.

On 6 July 2022 the Company's Supervisory Board appointed Mr. Mariusz Pliszka as Secretary of ENEA S.A.'s Supervisory Board, 11th joint term.

On 11 July 2022 the Company received Mrs. Dorota Szymanek's resignation from ENEA S.A.'s Supervisory Board, effective from 11 July 2022.

On 5 August 2022, the Company received Mr. Radosław Kwaśnicki's resignation as Member of ENEA S.A.'s Supervisory Board, effective from 31 August 2022.

On 16 September 2022, the Company received a statement from the Minister of State Assets regarding use by the Minister of State Assets of an authorisation to appoint, pursuant to § 24 sec. 1 of the Company's Articles of Association, a member of the Supervisory Board of ENEA S.A. Under the aforementioned authorisation, Mr. Łukasz Ciołko was appointed to the Company's Supervisory Board as of 16 September 2022.

On 18 November 2022 the Company's Extraordinary General Meeting adopted a resolution dismissing Mr. Paweł Korobłowski as member of ENEA S.A.'s Supervisory Board, 11th term, effective from the same date.

On 18 November 2022 the Company's Extraordinary General Meeting adopted a resolution appointing Mrs. Aneta Kordowska, Mr. Paweł Łącki and Mr. Piotr Zborowski as members of ENEA S.A.'s Supervisory Board, 11th term, effective from the same date.

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 to ENEA S.A.'s Supervisory Board, 11th term, from the same date.

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

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

As at 22 March 2023	
Chairperson of the Supervisory Board	Łukasz Ciołko
Deputy Chairperson of the Supervisory Board	Roman Stryjski
Secretary of the Supervisory Board	Mariusz Pliszka
Member of the Supervisory Board	Aleksandra Agatowska
Member of the Supervisory Board	Aneta Kordowska
Member of the Supervisory Board	Mariusz Damasiewicz
Member of the Supervisory Board	Tomasz Lis
Member of the Supervisory Board	Paweł Łącki
Member of the Supervisory Board	Mariusz Romańczuk
Member of the Supervisory Board	Piotr Zborowski

#### 4. Basis for preparing financial statements

These separate financial statements are prepared in accordance with International Financial Reporting Standards, as endorsed by the European Union ("EU IFRS"), and are approved by the Management Board of ENEA S.A.

EU IFRS cover standards and interpretations approved by the International Accounting Standards Board ("IASB") and the IFRS Interpretations Committee.

The Company's Management Board used its best knowledge as to the application of standards and interpretations as well as methods and rules for the measurement of items in ENEA S.A.'s separate financial statements in accordance with EU IFRS as at 31 December 2022. The presented tables and explanations are prepared with due diligence. The accounting rules are applied consistently across all of the presented periods, except as indicated in note 6.

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

These separate financial statements are prepared on an historic cost basis, except for financial instruments measured at fair value.

The Company prepares ENEA Group's consolidated financial statements in compliance with EU IFRS. In the consolidated financial statements, entities in which the Company directly or indirectly holds a stake and at least half of voting rights or exerts control in another manner are subject to full consolidation. ENEA Group's consolidated financial statements were approved by the Management Board of ENEA S.A. on the same date as the separate financial statements.

ENEA S.A.'s separate financial statements should be read in conjunction with ENEA Group's consolidated financial statements for the period from 1 January to 31 December 2022 in order to obtain full information on the Group's financial situation and results.

These separate financial statements contain the financial information referred to in art. 44 sec. 2 of the Act of 10 April 1997 - Energy Law, presented in note 35 ("regulatory financial information").

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

The key accounting rules applied in preparing these separate financial statements are presented as an element of specific explanatory notes to these separate financial statements. These rules were applied in all of the presented periods continuously, except for the application of the changes to Standards and Interpretations described in note 6.

Preparing separate financial statements in accordance with EU IFRS requires the Management Board to adopt certain assumptions and make estimates that have an impact on the adopted accounting rules and the amounts shown in separate financial statements and notes to financial statements. Assumptions and estimates are based on the Management Board's best knowledge regarding current and future events and activities. However, actual results may differ from forecasts. The key areas where the Management Board's estimates have considerable impact on separate financial statements are presented in the following explanatory notes:



## Notes describing significant estimates and assumptions

Notes describing significant estimates and assumptions	Note
Impairment of interests in subsidiaries, jointly controlled entities and associates	18
Tax	12
Property, plant and equipment	14
Intangible assets	15
Right-of-use assets	16
Investment properties	17
Inventories	19
Energy origin certificates	19
Trade and other receivables	20
Assets and liabilities arising from contracts with customers	22
Cash and cash equivalents	23
Employee benefit liabilities	29
Provisions	30
Financial instruments and fair value	31

## 6. Impact of new standards and interpretations, changes in accounting rules and data presentation

### New Standards, amendments to Standards and Interpretations awaiting approval by the European Union:

Standard	Entry into force
IFRS 16 Leases - amendments to IFRS 16	1 January 2024
IAS 1 Presentation of Financial Statements	1 January 2024
IFRS 14 Regulatory Deferral Accounts	-
IFRS 10 Consolidated Financial Statements - amendments concerning the sale or contribution of assets between an investor and its associates or joint ventures	-
IAS 28 Investments in Associates and Joint Ventures - amendments concerning the sale or contribution of assets between an investor and its associates or joint ventures	-

The Company intends to apply them for the periods for which they will be in force for the first time. ENEA S.A. is currently analysing the impact of the New Standards, amendments of Standards and Interpretations on its financial statements. No significant changes have yet been identified in connection with the new standards being implemented.

### New Standards, amendments to Standards and Interpretations approved by the European Union but not yet in effect:

Standard	Entry into force
IFRS 17 Insurance Contracts and amendments to IFRS 17	1 January 2023
IAS 1 Presentation of Financial Statements	1 January 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
IAS 12 Income Tax	1 January 2023

ENEA S.A. is currently analysing the impact of the New Standards, amendments of Standards and Interpretations on its financial statements. No significant changes have yet been identified in connection with the new standards being implemented.

### Changes in applied accounting rules

The accounting rules (policy) applied in preparing these separate financial statements are consistent with those applied in preparing the Company's annual separate financial statements for the year ended 31 December 2021, except for the application of new standards, amendments to standards and interpretations as described below:

- IFRS 3 Business Combinations - updating a reference to the Conceptual Framework, without any major change to its requirements;
- IAS 16 Property, Plant and Equipment - the amendments prohibit the deduction from the cost of property, plant and equipment of amounts received from the sale of items produced in preparation of the asset for use. Instead, revenue from sales and related expenses are recognised in the statement of comprehensive income;
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets - the changes introduced specify which costs should be taken into account when assessing whether a contract will be loss-making - whether the contract is an onerous contract;

- Annual Improvements Cycle 2018-2020 - the improvements contain explanations and clarify guidelines for the standards concerning recognition and measurement: IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the illustrative examples to IFRS 16 Leases.

ENEA S.A. has identified no impact on its financial statements from implementing the aforementioned amendments to Standards and Interpretations.

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## 7. Functional currency and transactions in foreign currencies

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### Accounting rules

#### Functional currency and presentation currency

Items in the Company's financial statements are measured in the currency of the main economic environment in which the Company operates (functional currency). Financial statements are presented in Polish zloty (PLN), which is the functional currency and presentation currency. Items in financial statements are rounded to full thousands of zlotys (PLN 000s), unless otherwise stated.

#### Transactions and balances

Transactions expressed in foreign currencies are translated at initial recognition into the functional currency at the exchange rate valid on the transaction date.

At the balance sheet date, foreign currency cash items are translated using the closing exchange rate (closing rate is the average exchange rate published by the National Bank of Poland for the measurement day).

Gains and losses on exchange differences arising from settlement of transactions in foreign currencies and balance sheet measurement of foreign currency cash assets and liabilities are recognised in the gain or loss for the period, while gains and losses on exchange differences concerning tangible assets under construction are recognised as expenditures on tangible assets under construction.

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## Explanatory notes to the separate statement of comprehensive income

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### 8. Revenue from sales

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#### Accounting rules

##### Revenue recognition

The Company recognises revenue when an obligation to provide a consideration by providing a promised good or service (i.e. asset) to the customer is performed (or is being performed), thus obtaining the right to remuneration and legal title to the asset. The asset is transferred when the customer obtains control over it.

The transfer of control may be gradual if the obligation to provide a consideration is satisfied or over time, i.e. when:

- the customer simultaneously receives and consumes all of the benefits provided by the Company as the Company performs,
- the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced (production in progress, for example), or control over that asset - as it is created or enhanced - is exercised by the client; or
- the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

The performance-based method and overlay approach are used to determine the level of completion, taking into account the nature of the good or service being transferred.

In the item revenue from core activities, the Company recognises revenue from the sale of the following product and service groups:

- services provided in a continuous manner - the level of revenue depends on consumption (including supply of electricity, natural gas). Revenue is recognised when the Company transfers control over a part of the service being provided. The Company recognises revenue in the amount of remuneration from a customer to which it has a right and which corresponds directly to the value to the customer of the obligation performed so far - this value constitutes the amount that the Company has the right to invoice for;
- provision of goods/services at a point in time (including the sale of property rights). Revenue is recognised when control over the product/service is transferred. Control is transferred when the customer receives the goods or when service is rendered,

Revenue from sales is recognised in the net amount of remuneration when the Company acts as agent, i.e. its performance obligation is subject to the delivery of goods or services by another entity. Such revenue is recognised in the form of fee or commission to which - according to the Company's expectations - the Company will be entitled in exchange for the provision of goods or services by another entity. The fee or commission due for the Company may be a net amount that the Company retains after payment to another entity of consideration in exchange for goods or services provided by this entity.

The Company recognises as revenue the Financial compensations from Zarządca Rozliczeń S.A.; this revenue does not constitute public aid.

##### Costs related to the conclusion of agreements

Costs related to the conclusion of agreements are costs incurred by the Company in order to conclude an agreement with a customer that would not have been incurred by the Company had the agreement not been concluded (including the costs of commissions for partners for concluding electricity sale agreements). Costs that would have been incurred regardless of agreement conclusion are recognised in results for the period in which they are incurred.

## Net revenue from sales

	Year ended	
	31 December 2022	31 December 2021
Revenue from the sale of electricity	12 030 802	7 203 950
Revenue from the sale of gas	311 484	183 432
Revenue from the sale of other services	52 913	19 335
Revenue from the sale of goods and materials	507	-
<b>Total net revenue from sales</b>	<b>12 395 706</b>	<b>7 406 717</b>

The Company 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 Company 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.

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

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

	Year ended	
	31 December 2022	31 December 2021
Revenue from continuous services	12 342 286	7 387 382
Revenue from services provided at specified time	53 420	19 335
<b>Total</b>	<b>12 395 706</b>	<b>7 406 717</b>

## Compensations

According to the provisions 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 has applied to Zarządca Rozliczeń S.A. for compensation for the application of the maximum price for the month of December 2022 for the amount of PLN 27 993 thousand. The Financial compensations constitute the Company's revenue and are recognised under the line Compensations. In accordance with art. 9 of the aforementioned act, ENEA S.A. filed applications for advance payments for December 2022 and January 2023. The advance payments were made in December 2022 for PLN 230 192 thousand (presented as of 31 December 2022 as trade and other payables in note 28) and in January 2023 for PLN 307 846 thousand.

## 9. Operating costs

### Accounting rules

The Company presents costs using the comparative approach (costs by nature).

Costs have an impact on financial result to the extent that they apply to a given reporting period, thus ensuring that they are commensurate to revenue or other economic benefits.

### Costs by nature

	Year ended	
	31 December 2022	31 December 2021
<b>Depreciation/amortisation</b>	<b>(6 217)</b>	<b>(6 786)</b>
<b>Employee benefit costs</b>	<b>(94 849)</b>	<b>(81 869)</b>
- remuneration	(77 076)	(69 020)
- social insurance and other benefits	(17 773)	(12 849)
<b>Use of materials and raw materials and value of goods and materials sold</b>	<b>(4 446)</b>	<b>(2 854)</b>
<b>Third-party services</b>	<b>(345 430)</b>	<b>(270 449)</b>
- transmission and distribution services	(79 634)	(40 518)
- other third-party services	(265 796)	(229 931)
<b>Taxes and fees</b>	<b>(4 388)</b>	<b>(4 178)</b>
<b>Value of purchased electricity and gas</b>	<b>(11 537 798)</b>	<b>(7 091 350)</b>
<b>Total</b>	<b>(11 993 128)</b>	<b>(7 457 486)</b>

Other services primarily include the costs of services being provided to ENEA S.A. by shared services centres.

## Employee benefit costs

	Year ended	
	31 December 2022	31 December 2021
<b>Wage costs</b>	<b>(77 076)</b>	<b>(69 020)</b>
- present wages	(77 298)	(67 803)
- longevity bonuses	(17)	(1 425)
- retirement and disability severance payments	239	208
<b>Cost of social insurance and other benefits</b>	<b>(17 773)</b>	<b>(12 849)</b>
- social security contributions (ZUS)	(12 030)	(7 440)
- contributions to Company Social Benefit Fund (ZFŚS)	(1 788)	(1 716)
- other social benefits	(3 955)	(3 693)
<b>Total</b>	<b>(94 849)</b>	<b>(81 869)</b>

The costs of longevity awards and retirement/disability severance payments as presented in the above note are actual costs.

## 10. Other operating revenue and costs

### Other operating revenue

	Year ended	
	31 December 2022	31 December 2021
Compensation, penalties, fines	2 909	2 678
Reversal of unused impairment losses on receivables	6 866	-
Other operating revenue	9 233	11 314
<b>Total</b>	<b>19 008</b>	<b>13 992</b>

### Other operating costs

	Year ended	
	31 December 2022	31 December 2021
Recognition of other provisions	(21 077)	(32 503)
Impairment of receivables	-	(5 358)
Write-off of impaired receivables	(15 254)	(7 732)
Costs of court proceedings (including court settlements)	(49 114)	(3 106)
Trade union costs	(82)	(82)
Other operating costs	(17 626)	(12 459)
<b>Total</b>	<b>(103 153)</b>	<b>(61 240)</b>

## 11. Finance income and finance costs

### Accounting rules

Interest income is recognised on an accrual basis using the effective interest rate approach, provided that this income is not in doubt.

### Finance income

	Year ended	
	31 December 2022	31 December 2021
<b>Interest income</b>	<b>531 110</b>	<b>153 549</b>
- bank accounts and deposits	98 883	1 275
- bonds	98 136	66 183
- other loans and receivables	333 652	85 319
- financial leases and sub-leases	439	772
<b>Changes in fair value of financial instruments</b>	<b>6 628</b>	<b>20 206</b>
<b>Other finance income</b>	<b>2 481</b>	<b>589</b>
<b>Total</b>	<b>540 219</b>	<b>174 344</b>

## Finance costs

	Year ended	
	31 December 2022	31 December 2021
<b>Interest costs</b>	<b>(298 051)</b>	<b>(167 302)</b>
- on bank credit	(83 581)	(26 448)
- on bonds	(208 761)	(74 034)
- on leases	(846)	(751)
- from IFRS Swap	76 881	(64 563)
- other interest	(81 744)	(1 506)
<b>Cost of discount concerning employee benefit</b>	<b>(2 000)</b>	<b>(902)</b>
<b>Changes in fair value of financial instruments</b>	<b>13 812</b>	<b>(6 093)</b>
<b>Other finance costs</b>	<b>-</b>	<b>(5 198)</b>
<b>Total</b>	<b>(286 239)</b>	<b>(179 495)</b>

## 12. Tax

### Accounting rules

#### Income tax (including deferred income tax)

Income tax recognised in profit or loss for the period covers actual the actual tax burden for the given reporting period, calculated in accordance with the applicable provisions of the act on corporate income tax and potential adjustments of tax returns for previous years.

Deferred tax is the tax effect of events in a given period recognised using the accrual principle in accounting books for the period but is performed in the future. It arises when the tax effect of revenue and costs is the same as the balance sheet effect but takes place in different periods.

Deferred income tax arises in respect of all temporary differences, except for cases where deferred income tax results from:

- a) initial recognition of goodwill; or
- b) initial recognition of an asset or liability from a transaction that:
  - is not a merger of economic entities; and
  - has no impact at the transaction date on gross financial result or taxable income (tax loss);
- c) investment in subsidiaries, branches, associates and interests in joint ventures.

In reference to all negative temporary differences, a deferred income tax asset is recognised up to an amount of likely taxable income to be generated that will offset the negative temporary differences.

The amount of deferred tax is set using income tax rates in effect for the year in which the tax obligation arises.

### Significant judgements and estimates

#### Recoverability of deferred income tax assets

Deferred income tax assets are measured using tax rates in effect when the asset is performed. The Company recognises a deferred income tax asset with the assumption that it will generate a tax profit in the future to use it.

The likelihood of using deferred income tax assets against future tax profits is based on the Company's budget.

## Income tax

	Year ended	
	31 December 2022	31 December 2021
Current tax	99 890	940
Deferred tax	71 832	56 437
<b>Total</b>	<b>171 722</b>	<b>57 377</b>

Income tax on the Company's gross profit before tax differs from the theoretical amount that would be received by using the applicable nominal tax rate as follows:

	Year ended	
	31 December 2022	31 December 2021
Profit before tax	2 276 302	403 032
Tax calculated using the 19% rate	(432 497)	(76 576)
Non-deductible costs (permanent differences) at 19%	205 088	(3 049)
Benefit from tax group	201 112	-
Reversal of impairment loss - Elektrownia Ostrołęka	8 834	33 384
Dividends received at 19%	189 185	103 618
<b>Increase/(decrease) of financial result due to income tax</b>	<b>171 722</b>	<b>57 377</b>

As of 31 December 2022, income tax receivables were equal to the value of advances paid for income tax in 2022 and amounted to PLN 251 412 thousand. As at 31 December 2022, the Company had no liabilities concerning income tax because the tax group incurred a tax loss for 2022.

## Deferred income tax

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

	As at	
	31 December 2022	31 December 2021
Deferred income tax assets	306 187	208 918
Offset of deferred income tax assets and provision	(144 915)	(101 929)
<b>Deferred income tax assets after offset</b>	<b>161 272</b>	<b>106 989</b>
Deferred income tax provision	144 915	101 929
Offset of deferred income tax assets and provision	(144 915)	(101 929)
<b>Deferred income tax provision after offset</b>	<b>-</b>	<b>-</b>

Deferred income tax assets as at 31 December 2022 to be realised within 12 months amounted to PLN 235 731 thousand, while those over 12 months PLN 70 456 thousand.

Deferred income tax provision as at 31 December 2022 to be realised within 12 months amounted to PLN 137 771 thousand, while those over 12 months PLN 7 144 thousand.

Change in deferred income tax assets and liabilities during the year (before offset):

**Deferred income tax assets:**

	Impairment of receivables	Employee benefit liabilities	Provision for the cost of energy origin certificates	Leases	Measurement of interests	Provision for disputed claims	Provision for onerous contracts	Other	Total
<b>As at 31 December 2020 using the 19% rate</b>	<b>2 280</b>	<b>11 467</b>	<b>31 922</b>	<b>5 950</b>	<b>-</b>	<b>38 450</b>	<b>9 656</b>	<b>44 324</b>	<b>144 049</b>
(Increase)/decrease of financial result due to change in temporary differences	1 064	(555)	35 308	1 667	933	6 176	37 864	7 710	90 167
Change recognised in other comprehensive income	-	(543)	-	-	-	-	-	(24 755)	(25 298)
<b>As at 31 December 2021, using the 19% rate</b>	<b>3 344</b>	<b>10 369</b>	<b>67 230</b>	<b>7 617</b>	<b>933</b>	<b>44 626</b>	<b>47 520</b>	<b>27 279</b>	<b>208 918</b>
(Increase)/decrease of financial result due to change in temporary differences	(1 719)	213	(30 016)	(858)	-	(29 205)	78 795	79 594	96 804
Change recognised in other comprehensive income	-	465	-	-	-	-	-	-	465
<b>As at 31 December 2022, using the 19% rate</b>	<b>1 625</b>	<b>11 047</b>	<b>37 214</b>	<b>6 759</b>	<b>933</b>	<b>15 421</b>	<b>126 315</b>	<b>106 873*</b>	<b>306 187</b>

\* the figure of PLN 106 873 thousand consists primarily of a deferred tax asset of: PLN 43 850 thousand (on received advances for Compensations) and PLN 41 109 thousand (on liabilities arising from court settlements)

As at 31 December 2022, tax losses to be settled in future periods amounted to PLN 17 304 thousand.

**Deferred income tax provision:**

	Taxable income after end of settlement period	Recorded, uninvoiced sales	Differences between balance sheet value and tax value of tangible assets	Leases	IRS valuation	Other	Total
<b>As at 31 December 2020 using the 19% rate</b>	<b>11 079</b>	<b>27 033</b>	<b>4 918</b>	<b>817</b>	<b>-</b>	<b>(1 281)</b>	<b>42 566</b>
(Increase)/decrease of financial result due to change in temporary differences	9 536	6 876	2 168	(572)	-	15 722	33 730
Change recognised in other comprehensive income	-	-	-	-	25 633	-	25 633
<b>As at 31 December 2021, using the 19% rate</b>	<b>20 615</b>	<b>33 909</b>	<b>7 086</b>	<b>245</b>	<b>25 633</b>	<b>14 441</b>	<b>101 929</b>
(Increase)/decrease of financial result due to change in temporary differences	13 661	23 767	(52)	369	-	(12 773)	24 972
Change recognised in other comprehensive income	-	-	-	-	18 014	-	18 014
<b>As at 31 December 2022, using the 19% rate</b>	<b>34 276</b>	<b>57 676</b>	<b>7 034</b>	<b>614</b>	<b>43 647</b>	<b>1 668</b>	<b>144 915</b>

The Company does not have unrecognised deferred tax assets and provisions.



### 13. Profit/(loss) per share

#### Accounting rules

Net profit (loss) per share for each period is calculated by dividing the net profit (loss) attributable to the Company's shareholders for the period by the weighted average number of shares in that reporting period.

Diluted profit per share is calculated by dividing the period's net profit attributable to common shareholders (after deduction of interest on redeemable preference shares convertible into ordinary shares) by the weighted average number of outstanding ordinary shares during the period (adjusted by the impact of dilutive options and dilutive redeemable preference shares convertible into ordinary shares).

#### Profit per share

	Year ended	
	31 December 2022	31 December 2021
Net profit attributable to the Company's shareholders	2 448 024	460 409
Weighted average number of ordinary shares	501 430 391	441 442 578
<b>Net profit per share (in PLN per share)</b>	<b>4.88</b>	<b>1.04</b>
<b>Diluted profit per share (in PLN per share)</b>	<b>4.88</b>	<b>1.04</b>

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## Explanatory notes to the separate statement of financial position

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### 14. Property, plant and equipment

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#### Accounting rules

Property, plant and equipment items are measured at purchase price or cost to manufacture, less accumulated depreciation and impairment.

Subsequent expenditures are included in the book value of a given tangible asset or are recognised as a separate asset (wherever appropriate) only if it is likely that this item will bring economic benefits to the Company and the item's cost can be reliably measured. All other expenses on repairs and maintenance are recognised as profit or loss in the reporting period in which they are incurred.

Land is not subject to depreciation. For other tangible assets, depreciation is calculated on a straight-line basis throughout the estimated period of use. The base for calculating depreciation constitutes the initial value less final value, if significant. Each significant part of a property, plant and equipment item with a different period of use is depreciated separately. Use periods for property, plant and equipment are as follows:

– buildings and structures	20 – 70 years
– technical equipment and machinery	2 – 40 years
– means of transport	3 – 20 years
– other property, plant and equipment	5 – 15 years

Depreciation begins when an asset is available for use. Depreciation ends when an asset is designated as available for sale in accordance with IFRS 5 or when it is removed from the statement of financial position, depending on which occurs earlier.

#### External financing costs

Costs of external financing that can be directly attributed to an asset purchase, build or manufacture are capitalised as part of the purchase price or cost to manufacture such an asset. Other external financing costs are recognised as a cost in the period in which they are incurred.

The capitalisation of external financing costs begins at the later of the two dates: commencement of investment or commencement of financing. The Company ceases to capitalise external financing costs when the asset is handed over for use. The Company suspends capitalising external financing costs over a longer time period in which it suspended works focused on adapting the asset.

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#### Significant judgements and estimates

##### Economic life and residual value

The amount of depreciation/amortisation changes is determined on the basis of expected period of use for tangible assets. The verification conducted this year resulted in changes to depreciation/amortisation periods. Their impact on the amount of depreciation/amortisation is negligible.

The residual values and economic life of property, plant and equipment are verified at least once a year. Each change of depreciation period requires agreement and necessitates an adjustment to the depreciation charges in subsequent financial years.

At each balance sheet date ending a financial year, impairment assessments are carried out in compliance with IAS 36. If indications of impairment are identified, an impairment test is carried out in accordance with IAS 36 (section in these financial statements concerning impairment of non-financial assets).

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## Property, plant and equipment

For the financial year ended 31 December 2022:

	Land	Buildings and structures	Technical equipment and machinery	Means of transport	Other tangible assets	Total
<b>Gross value</b>						
<b>As at 1 January 2022</b>	<b>843</b>	<b>37 737</b>	<b>20 275</b>	<b>3 995</b>	<b>5 126</b>	<b>67 976</b>
Transfers	-	-	-	-	90	90
Purchase	-	1 277	207	1 108	34	2 626
Liquidation	-	-	-	(382)	(556)	(938)
Other	106	-	-	(1)	392	497
<b>As at 31 December 2022</b>	<b>949</b>	<b>39 014</b>	<b>20 482</b>	<b>4 720</b>	<b>5 086</b>	<b>70 251</b>
<b>Accumulated amortisation/depreciation</b>						
<b>As at 1 January 2022</b>	<b>-</b>	<b>(16 937)</b>	<b>(19 949)</b>	<b>(2 151)</b>	<b>(4 843)</b>	<b>(43 880)</b>
Depreciation/amortisation	-	(655)	(91)	(541)	(454)	(1 741)
Liquidation	-	-	-	144	556	700
<b>As at 31 December 2022</b>	<b>-</b>	<b>(17 592)</b>	<b>(20 040)</b>	<b>(2 548)</b>	<b>(4 741)</b>	<b>(44 921)</b>
<b>Net value at 1 January 2022</b>	<b>843</b>	<b>20 800</b>	<b>326</b>	<b>1 844</b>	<b>283</b>	<b>24 096</b>
<b>Net value at 31 December 2022</b>	<b>949</b>	<b>21 422</b>	<b>442</b>	<b>2 172</b>	<b>345</b>	<b>25 330</b>

No collateral was established on property, plant and equipment.

For the financial year ended 31 December 2021:

	Land	Buildings and structures	Technical equipment and machinery	Means of transport	Other tangible assets	Total
<b>Gross value</b>						
<b>As at 1 January 2021</b>	<b>843</b>	<b>37 746</b>	<b>20 275</b>	<b>2 852</b>	<b>4 650</b>	<b>66 366</b>
Purchase	-	-	-	1 195	-	1 195
Liquidation	-	(9)	-	(52)	-	(61)
Other	-	-	-	-	476	476
<b>As at 31 December 2021</b>	<b>843</b>	<b>37 737</b>	<b>20 275</b>	<b>3 995</b>	<b>5 126</b>	<b>67 976</b>
<b>Accumulated amortisation/depreciation</b>						
<b>As at 1 January 2021</b>	<b>-</b>	<b>(16 291)</b>	<b>(19 856)</b>	<b>(2 014)</b>	<b>(4 295)</b>	<b>(42 456)</b>
Depreciation/amortisation	-	(655)	(93)	(189)	(548)	(1 485)
Liquidation	-	9	-	52	-	61
<b>As at 31 December 2021</b>	<b>-</b>	<b>(16 937)</b>	<b>(19 949)</b>	<b>(2 151)</b>	<b>(4 843)</b>	<b>(43 880)</b>
<b>Net value at 1 January 2021</b>	<b>843</b>	<b>21 455</b>	<b>419</b>	<b>838</b>	<b>355</b>	<b>23 910</b>
<b>Net value at 31 December 2021</b>	<b>843</b>	<b>20 800</b>	<b>326</b>	<b>1 844</b>	<b>283</b>	<b>24 096</b>

No collateral was established on property, plant and equipment assets.

As at 31 December 2022, the Company had no 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 (as at 31 December 2021: PLN 210 thousand).

## 15. Intangible assets

### Accounting rules

#### Intangible assets

Intangible assets include: computer software, licences and other intangible assets. Intangible assets are measured at purchase price or cost to manufacture, less accumulated amortisation and accumulated impairment.

Amortisation is calculated on a straight-line basis, using the following estimated period of use:

- |  |               |
|--|---------------|
| – for server licences and software                               | 2 – 10 years, |
| – for work station licences and software and anti-virus software | 2 – 10 years, |
| – for other intangible assets                                    | 2 – 10 years. |

#### Costs of R&D work

The costs of research works are recognised in profit or loss in the period in which they are incurred.

The costs of development works that meet the capitalisation criteria described below, like intangible assets, are measured at purchase price or cost to manufacture, less accumulated amortisation and accumulated impairment. Amortisation is calculated on a straight-line basis, using estimated period of use between 2 and 7 years.

Capitalisation criteria:

- the technical capability to complete the intangible asset so that it is fit for use or sale,
- intention to complete the intangible asset and use or sell it,
- ability to use or sell the intangible asset,
- the way in which this intangible asset will produce future economic benefits. The economic entity should provide the existence of a market for products that are created using the intangible asset or for the intangible asset itself or - if the asset is to be used by the entity - the usefulness of this intangible asset,
- the availability of appropriate technical, financial and other means intended to complete the development works and use or sell the intangible asset,
- the ability to reliably determine expenditures on development works that can be attributed to the intangible asset.

### Significant judgements and estimates

#### Economic life and residual value

The amount of amortisation changes is determined on the basis of expected period of use for intangible assets. Periods of economic life are verified at least once every financial year. The verification conducted this year resulted in changes to amortisation periods.

Each year, the Company verifies the correctness of periods of use for intangible assets. Each change of depreciation period requires agreement and necessitates an adjustment to the depreciation charges in subsequent financial years.

At each balance sheet date ending a financial year, impairment assessments are carried out for intangible assets in accordance with IAS 36. If grounds for impairment are identified, impairment tests are carried out in compliance with IAS 36.

## Intangible assets

For the financial year ended 31 December 2022:

<b>Computer software, licences, concessions, patents</b>	
<b>Gross value</b>	
<b>As at 1 January 2022</b>	<b>11 813</b>
Transfers	(90)
Purchase	35
<b>As at 31 December 2022</b>	<b>11 758</b>
<b>Accumulated amortisation/depreciation</b>	
<b>As at 1 January 2022</b>	<b>(8 428)</b>
Depreciation/amortisation	(873)
<b>As at 31 December 2022</b>	<b>(9 301)</b>
<b>Net value at 1 January 2022</b>	<b>3 385</b>
<b>Net value at 31 December 2022</b>	<b>2 457</b>

No collateral is established on intangible assets. No intangible assets were produced internally in 2022.

For the financial year ended 31 December 2021:

<b>Computer software, licences, concessions, patents</b>	
<b>Gross value</b>	
<b>As at 1 January 2021</b>	<b>11 723</b>
Purchase	90
<b>As at 31 December 2021</b>	<b>11 813</b>
<b>Accumulated amortisation/depreciation</b>	
<b>As at 1 January 2021</b>	<b>(7 543)</b>
Depreciation/amortisation	(885)
<b>As at 31 December 2021</b>	<b>(8 428)</b>
<b>Net value at 1 January 2021</b>	<b>4 180</b>
<b>Net value at 31 December 2021</b>	<b>3 385</b>

No collateral has been established on intangible assets.

## 16. Right-of-use assets

### Accounting rules

A contract contains a lease if:

- a) it concerns an identified asset that is explicitly specified in the contract (e.g. using an inventory number or indication of a specific floor of a building) or indirectly specified when it is made available to the customer; and
- b) the lessee receives essential all of the economic benefits from such assets during the period of use, i.e. both basic benefits and the benefits derived from it; and
- c) the lessee has the right to specify the method in which it uses the identified asset.

As lessee, the Company recognises leases in its financial statements as:

- a) right-of-use assets at purchase price;
  - covering the value of the lease liability plus payments made on or before the contract date, initial direct costs, an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories,
  - less any lease incentives received.

- b) lease liabilities constituting the sum of the present value of lease payments and the present value of payments expected at the end of the lease term.

Subsequent to initial recognition, the Company measures the right-of-use assets at purchase price less depreciation and impairment. The depreciation period is set as:

- a) if the lease transfers ownership of the underlying asset to the lessee or if the lessee is certain that it will exercise a purchase option, the depreciation period is from the commencement date to the end of the useful life of the underlying asset, or
- b) the depreciation period starts from the commencement date to the earlier of:
  - the end of the useful life of the right-of-use asset, or
  - the end of the lease term.

The present value of future lease payments is calculated using a discount rate. The Company applies a residual interest rate, i.e. a rate that ENEA S.A. would be required to pay based on a similar lease contract or, if not possible to determine, an interest rate at the commencement date that ENEA S.A. would have to use to make a loan necessary to purchase the given asset for a similar period and with similar collateral. ENEA S.A. uses an interest rate equal to 6-month WIBOR from the last day of the year preceding the financial year, plus margin. The discount rate will be updated once a year, at the end of the year, and will apply in the following period for new leases entered into.

The Company sets the lease term, i.e. irrevocable lease term, together with:

- a) term for an option to extend the lease if the Company is sufficiently certain that it will exercise this right; and
- b) term for an option to terminate the lease if it is sufficiently certain that the Company will not exercise that right.

In most of its leases, the Company uses a lease period in accordance with the contractual period. For leases executed for an indefinite period, the Company determines the minimum contractual period for both of the parties. If the Company is unable to determine how long it intends to use the asset and such an estimate could be treated as a lease term in the case of contracts with an undefined period, the Company assumes that the irrevocable contractual period will be the termination period for that contract.

In the case of rights to perpetual usufruct of land, the lease term is the same as the term for the right to perpetual usufruct.

In subsequent periods, the lease liability is measured taking into account:

- a) interest charged (unwind of discount),
- b) lease payments made,
- c) reflection of the re-evaluation of contract, changes in the contract or changes in the nature of variable payments that are fixed in substance.

The liability in a given period will constitute the difference between the present value of lease payments and the sum of lease payments for the given period. The interest part of a lease payment is directly recognised in the statement of profit and loss.

For multi-element contracts, the Company recognises lease components separately from non-lease components. The Company allocates contractual remuneration to all components, using individual sales prices in the case of lease components and aggregated individual sales prices in the case of non-lease components.

The Company applies a practical expedient and does not apply the lease model in reference to:

- a) short-term leases (contracts with a term of up to 12 months and without the right to purchase the asset),
- b) the leasing of low-value assets, the initial value of which does not exceed PLN 10 thousand (even if the value of such assets is significant after aggregation) and assets that are not largely depended on or tied to other assets specified in the contract.

This exemption does not apply in situations where the Company transfers the asset under a sub-lease or expects to transfer it. If the Company decides to use this expedient, it recognises lease payments as cost on a straight-line basis throughout the lease term.

## Right-of-use assets

For the financial year ended 31 December 2022:

	Right to perpetual usufruct of land	Buildings	Means of transport	Other	Total
<b>Gross value</b>					
<b>As at 1 January 2022</b>	<b>27 613</b>	<b>15 766</b>	<b>896</b>	<b>16</b>	<b>44 291</b>
Purchase*	1 073	101	-	13	1 187
Transferred under a finance sub-lease	-	(259)	-	-	(259)
Liquidation	(15)	(165)	(896)	(16)	(1 092)
Other	104	(2 514)	-	-	(2 410)
<b>As at 31 December 2022</b>	<b>28 775</b>	<b>12 929</b>	<b>-</b>	<b>13</b>	<b>41 717</b>
<b>Accumulated amortisation/depreciation</b>					
<b>As at 1 January 2022</b>	<b>(1 327)</b>	<b>(1 395)</b>	<b>(896)</b>	<b>(13)</b>	<b>(3 631)</b>
Depreciation/amortisation	(388)	(2 978)	(44)	(13)	(3 423)
Liquidation	1	156	940	16	1 113
Other	-	23	-	1	24
<b>As at 31 December 2022</b>	<b>(1 714)</b>	<b>(4 194)</b>	<b>-</b>	<b>(9)</b>	<b>(5 917)</b>
<b>Net value at 1 January 2022</b>	<b>26 286</b>	<b>14 371</b>	<b>-</b>	<b>3</b>	<b>40 660</b>
<b>Net value at 31 December 2022</b>	<b>27 061</b>	<b>8 735</b>	<b>-</b>	<b>4</b>	<b>35 800</b>

\* conclusion of new agreements

For the financial year ended 31 December 2021:

	Right to perpetual usufruct of land	Buildings	Means of transport	Other	Total
<b>Gross value</b>					
<b>As at 1 January 2021</b>	<b>27 417</b>	<b>8 693</b>	<b>2 143</b>	<b>-</b>	<b>38 253</b>
Purchase*	17	14 117	68	16	14 218
Liquidation	(24)	(7 616)	(1 315)	-	(8 955)
Other	203	572	-	-	775
<b>As at 31 December 2021</b>	<b>27 613</b>	<b>15 766</b>	<b>896</b>	<b>16</b>	<b>44 291</b>
<b>Accumulated amortisation/depreciation</b>					
<b>As at 1 January 2021</b>	<b>(943)</b>	<b>(5 465)</b>	<b>(1 867)</b>	<b>-</b>	<b>(8 275)</b>
Depreciation/amortisation	(387)	(3 547)	(292)	(13)	(4 239)
Liquidation	1	7 616	1 263	-	8 880
Other	2	1	-	-	3
<b>As at 31 December 2021</b>	<b>(1 327)</b>	<b>(1 395)</b>	<b>(896)</b>	<b>(13)</b>	<b>(3 631)</b>
<b>Net value at 1 January 2021</b>	<b>26 474</b>	<b>3 228</b>	<b>276</b>	<b>-</b>	<b>29 978</b>
<b>Net value at 31 December 2021</b>	<b>26 286</b>	<b>14 371</b>	<b>-</b>	<b>3</b>	<b>40 660</b>

\* conclusion of new agreements

The Company uses finance sub-leases to transfer assets - office space. These contracts are executed with Group companies, and ENEA S.A. recognises interest income in the present period's result.

## 17. Investment properties

### Accounting rules

Investment properties are maintained in order to generate income from rent, growth in value or both. The Company selected the purchase price model at initial recognition.

Investments in properties are amortised on a straight-line basis. Amortisation begins in the month following the month in which the investment in property is accepted for use.

Income from renting investment properties is recognised in profit or loss on a straight-line basis throughout the contract term.



## Significant judgements and estimates

Key assumptions regarding verifying the economic life of investment properties are described in an explanatory note concerning property, plant and equipment 14, and key assumptions concerning impairment are described in a note in the section of these financial statements relating to the impairment of non-financial assets.

## Investment properties

	As at	
	31 December 2022	31 December 2021
<b>Gross value</b>		
As at 1 January	19 322	19 322
As at 31 December	19 322	19 322
<b>Accumulated amortisation/depreciation</b>		
As at 1 January	(6 666)	(6 116)
Depreciation/amortisation	(550)	(550)
As at 31 December	(7 216)	(6 666)
<b>Net value</b>		
As at 1 January	12 656	13 206
As at 31 December	12 106	12 656

No collateral was established on investment properties.

Presented below are revenue and costs related to investment properties:

	Year ended	
	31 December 2022	31 December 2021
Income from investment properties	1 063	1 151
Operating costs related to income-generating investment properties	(1 089)	(883)

The Company classified an office building and other premises as investment properties. The office building constitutes a major investment property. The Company currently manages the building on its own.

The ENEA S.A. headquarters was the most valuable investment property recognised in the Company's books at PLN 7 165 thousand. The Company estimates that the fair value is close to the value recognised in the books.

## 18. Investments in subsidiaries, associates and jointly controlled entities

### Accounting rules

Accounting rules concerning investments in subsidiaries, associates and jointly controlled entities are presented in note entitled Group composition (note 2).

### Impairment of non-financial assets

The Company's assets are analysed in terms of impairment whenever indications of possible impairment are identified.

An impairment loss is recognised in the amount by which the asset's balance sheet value exceeds its recoverable value. The recoverable value is determined as the higher of the following two amounts: fair value less cost to sell or usable value (i.e. estimated present value of future cash flows that are expected to be obtained from further use of the asset or cash generating unit). For impairment analysis purposes, assets are grouped at the lowest level where it is possible to identify separate cash flows (cash generating units).

All impairment losses are recognised in profit or loss. Impairment losses may be reversed in subsequent periods if events occur that justify a lack of or change in impairment.

## Significant judgements and estimates

Impairment tests are conducted based on a number of assumptions, some of which are beyond ENEA S.A.'s control. The key assumptions mainly concern price trajectories for electricity, energy origin certificates, the capacity market and

discount rates. Significant changes in these assumptions have an impact on impairment test results and, in consequence, on the Company's financial position and financial results.

#### Change in investments in subsidiaries, associates and jointly controlled entities

	Year ended	
	31 December 2022	31 December 2021
<b>As at 1 January</b>	<b>9 531 789</b>	<b>9 512 925</b>
Purchase of investments	52 857	36 757
Sale of investments	(302 761)	(393)
Change in impairment	1 368 897	175 707
Other changes	(46 843)	(193 207)
<b>As at 31 December</b>	<b>10 603 939</b>	<b>9 531 789</b>

The purchase mainly includes shares in the following companies: ENEA ELKOGAZ Sp. z o.o., ENEA Innowacje Sp. z o.o. and ENEA Power&Gas Trading Sp. z o.o.

#### Polimex – Mostostal S.A.

16 February 2022	The Company submitted a demand to exercise its call option and made a bank transfer for 187 500 Polimex - Mostostal S.A. shares.	-
June 2022	ENEA S.A. sold 195 118 Polimex – Mostostal S.A. shares that it had previously held, thus decreasing its stake in that company's share capital from 16.48% to 16.39%.	
July 2022	ENEA S.A. sold 117 382 Polimex – Mostostal S.A. shares that it had previously held, thus decreasing its stake in that company's share capital to 16.31%.	

#### ENEA Innowacje Sp. z o.o.

28 February 2022	Resolution increasing share capital by PLN 5 000 thousand, from PLN 30 860 thousand to PLN 35 860 thousand, by issuing 50 000 new shares with a nominal value of PLN 100.00 each.	Extraordinary General Meeting
30 November 2022	Resolution increasing share capital by PLN 2 850 thousand, from PLN 35 860 thousand to PLN 38 710 thousand, by issuing 28 500 new shares with a nominal value of PLN 100.00 each.	Extraordinary General Meeting

#### ENEA ELKOGAZ Sp. z o.o.

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

On 30 March 2022	ENEA S.A. formed ENEA Power&Gas Trading Sp. z o.o., based in Warsaw. The company's share capital amounts to PLN 3 200 thousand and is divided into 32 000 shares with a nominal value of PLN 100.00 each. ENEA S.A. took up 100% of the company's shares.	-
30 November 2022	Resolution on the obligation of ENEA S.A., as the sole Shareholder, to make an additional contribution to the company's capital in the amount of PLN 213.75 per share, totalling PLN 6 840 thousand.	Extraordinary General Meeting

#### Elektrownia Wiatrowa Baltica-4 Sp. z o.o.

On 3 August 2022	ENEA S.A. purchased from PGE Polska Grupa Energetyczna S.A. 95 shares with a nominal value of PLN 95 thousand in Elektrownia Wiatrowa Baltica-4 Sp. z o.o., representing 33.81% of that company's share capital.	-
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### Elektrownia Wiatrowa Baltica-5 Sp. z o.o.

On 3 August 2022 ENEA S.A. purchased from PGE Polska Grupa Energetyczna S.A. 95 shares with a nominal value of PLN 95 thousand in Elektrownia Wiatrowa Baltica-5 Sp. z o.o., representing 33.81% of that company's share capital.

### Elektrownia Wiatrowa Baltica-6 Sp. z o.o.

On 3 August 2022 ENEA S.A. purchased from PGE Polska Grupa Energetyczna S.A. 422 shares with a nominal value of PLN 422 thousand in Elektrownia Wiatrowa Baltica-6 Sp. z o.o., representing 33.76% of that company's share capital.

### Polska Grupa Górnicza S.A.

On 25 October 2022 ENEA S.A. sold to the State Treasury all of its shares in Polska Grupa Górnicza S.A., i.e. 3 000 000 ordinary registered shares of PGG S.A., constituting 7.66% of its share capital.

### Impairment of investments

	As at	
	31 December 2022	31 December 2021
<b>As at 1 January</b>	<b>4 793 772</b>	<b>4 969 479</b>
Created	-	-
Used	(302 104)	-
Reversed	(1 066 793)	(175 707)
<b>As at 31 December</b>	<b>3 424 875</b>	<b>4 793 772</b>

### Impairment test of stakes in ENEA Wytwarzanie Sp. z o.o., ENEA Ciepło Sp. z o.o., Miejska Energetyka Ciepłna Piła Sp. z o.o., Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. and ENEA Elektrownia Połaniec S.A.

As at 31 December 2022, in connection with the information and analyses in its possession concerning, inter alia, the change in market prices of CO<sub>2</sub> emission allowances, electricity, certificates of origin of energy and forecasts of macroeconomic indicators, the Company carried out impairment tests of shares of ENEA Wytwarzanie Sp. z o.o., ENEA Ciepło Sp. z o.o., Miejska Energetyka Ciepłna Piła Sp. z o.o., Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. and ENEA Elektrownia Połaniec S.A.

The calculation of the recoverable amount of the shares results from the sum of the value in use of the individual cash-generating units (CGUs) included in the above companies less the financial liabilities incurred. CGUs' useful values were specified using the discounted cash flows method for periods longer than five years. The projection's time frame results from a combination of economic lifetime of each CGU and the long-term impact of new and announced legal regulations. For generating units with expected economic lifetime exceeding the projection period, a residual value was specified.

The recoverable value of equity, calculated as above, is as follows:

- ENEA Wytwarzanie Sp. z o.o. PLN 1 959 742 thousand (book value: PLN 939 442 thousand),
- ENEA Ciepło Sp. z o.o. PLN 645 191 thousand (book value PLN 647 323 thousand),
- Miejska Energetyka Ciepłna Piła Sp. z o.o. PLN 237 370 thousand (book value PLN 28 644 thousand),
- Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. PLN 10 396 thousand (book value PLN 2 329 thousand),
- ENEA Elektrownia Połaniec S.A. PLN 2 469 711 thousand (book value: PLN 1 268 087 thousand).

Taking into account the increase in the recoverable value of shares in ENEA Wytwarzanie Sp. z o.o. in relation to their book value covered by impairment losses, it was found necessary to reverse impairment losses made in previous years by the amount of PLN 1 020 300 thousand. The key assumptions used in the tests are the result of the best knowledge and experience of the Company and its subsidiaries as regards the generation of electricity from various sources, taking into account the specific nature of each CGU's products and events that had taken place or are expected to take place in the future at ENEA Group.

Presented below are the key assumptions used in impairment tests:

- assets were tested in six CGUs (i.e. CGU Elektrownie Systemowe Kozienice, CGU Elektrownie Systemowe Polaniec, CGU Zielony Blok and CGU Białystok, CGU Oborniki and CGU Piła),
- the main price paths, based on forecasts prepared by ENEA Trading Sp. z o.o. (a company operating as ENEA Group's competence centre for wholesale trade of electricity, emission allowances and fuels), taking into account the specific nature of products and knowledge about existing contracts:
  - wholesale "base" prices for electricity: for 2023-2047: prices are expected to decline from 821.25 PLN/MWh in 2023 to 592.19 PLN/MWh in 2031, followed by a gradual decline at an average of 0.5% in the period 2032-2047 [fixed prices 2022],
  - CO<sub>2</sub> emission allowances: the forecast expects an increase in the prices of CO<sub>2</sub> allowances by an average of 4.6%, from 72.5 EUR/t in 2022 to 2027. Between 2028 and 2036, prices are expected to grow further, by approx. 1.5%. From 2037, further growth at approx. 1% [fixed prices 2022],
  - coal: the prices of coal are expected to decline by an average of 9.2%, from 41.88 PLN/GJ in 2023 to 2031. A gradual decline of 0.3% is expected from 2032 [fixed prices 2022],
  - biomass: decline in the average price of biomass is expected at the Group, from 95 PLN/GJ in 2023 to 45.55 PLN/GJ in 2031. A 0.7% increase is forecast from 2032 to 2045, followed by 0.7% [fixed prices 2022],
  - heat prices: three CGUs (Białystok, Piła and Oborniki) expect an average price growth to reach approx. 12% by 2025, from the average price level of 111.61 PLN/GJ in 2023. In subsequent years, prices are expected to fall by an average of 2.3% until 2031. From 2032 there is an average price increase of 1.6% [fixed prices 2022],
  - natural gas: prices are expected to sharply decline from 2023, from 870 PLN/MWh, by approx. 27% to 2027, followed by further annual average decrease by 2.7% until 2040. The price is expected to stabilise from 2041 forward, at 174.39 PLN/MWh until 2045 [fixed prices 2022],
- quantity of CO<sub>2</sub> emission allowances received for free for 2021-2025 in accordance with a derogation application (pursuant to art. 10c sec. 5 Directive 2003/87/EC of the European Parliament and of the Council),
- revenue related to maintaining generation capacities from 2021 pursuant to the Act on the Capacity Market, based on previously won auctions,
- inflation, taking into account the inflation target, at a maximum level of 2.5%,
- nominal discount rate - 9.83% [discount rate before tax is 11.20%]. The Company applied a company-specific risk premium for the following CGUs:
  1. CGU Zielony Blok - 0.5%. Discount rate taking into account company-specific risk premium was 10.03% [discount rate taking into account company-specific risk premium before tax is 11.40%],
  2. CGU Elektrownie Systemowe Kozienice and Elektrownie Systemowe Polaniec - 2%. Discount rate taking into account company-specific risk premium was 10.63% [discount rate taking into account company-specific risk premium before tax is 12.00%],
  3. CGUs Białystok, Piła and Oborniki - 1%. Discount rate taking into account company-specific risk premium was 10.23% [discount rate taking into account company-specific risk premium before tax is 11.60%],
- growth rate in residual period - 0%.

The sensitivity analysis shows that significant factors having impact on the estimated recoverable values of CGUs include: discount rates, inflation, electricity prices and CO<sub>2</sub> emission allowance prices, and hard coal prices. Future financial results and thus the recoverable amounts of CGUs will also be driven by the prices of energy origin certificates, heat and biomass prices.

Below is a summary of the valuable impact of changes in selected factors on the total recoverable value (initial value) of shares of ENEA Wytwarzanie Sp. z o.o., ENEA Ciepło Sp. z o.o., Miejska Energetyka Ciepła Piła Sp. z o.o., Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. and ENEA Elektrownia Polaniec S.A:

**Impact of change in discount rate (starting point depending on CGU)**

Change in assumptions	-0.5pp	Output value	+0.5pp
<b>Change in recoverable value</b>	<b>133 333</b>	<b>5 322 410</b>	<b>(124 438)</b>
- ENEA Wytwarzanie Sp. z o.o.	(7 094)	1 959 742	1 503
- ENEA Ciepło Sp. z o.o.	116 244	645 191	(101 934)
- Miejska Energetyka Ciepła Piła Sp. z o.o.	13 505	237 370	(12 215)
- Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o.	241	10 396	(231)
- ENEA Elektrownia Połaniec S.A.	10 437	2 469 711	(11 561)

**Impact of changes in inflation from 2024 (starting point 7.75% for 2024, 3.1% in 2025 and 2.5% in subsequent years)**

Change in assumptions	-0.5pp	Output value	+0.5pp
<b>Change in recoverable value</b>	<b>(139 072)</b>	<b>5 322 410</b>	<b>141 393</b>
- ENEA Wytwarzanie Sp. z o.o.	14 043	1 959 742	(20 350)
- ENEA Ciepło Sp. z o.o.	(90 642)	645 191	99 108
- Miejska Energetyka Ciepła Piła Sp. z o.o.	(7 321)	237 370	6 374
- Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o.	(545)	10 396	586
- ENEA Elektrownia Połaniec S.A.	(54 607)	2 469 711	55 675

**Impact of changes in electricity prices from 2024**

Change in assumptions	-1,0%	Output value	+1,0%
<b>Change in recoverable value</b>	<b>(1 071 694)</b>	<b>5 322 410</b>	<b>1 059 656</b>
- ENEA Wytwarzanie Sp. z o.o.	(629 499)	1 959 742	622 185
- ENEA Ciepło Sp. z o.o.	(28 295)	645 191	28 296
- Miejska Energetyka Ciepła Piła Sp. z o.o.	(7 171)	237 370	7 171
- Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o.	50	10 396	(49)
- ENEA Elektrownia Połaniec S.A.	(406 779)	2 469 711	402 053

**Impact of change in price of CO<sub>2</sub> emission allowances from 2024**

Change in assumptions	-1,0%	Output value	+1,0%
<b>Change in recoverable value</b>	<b>412 977</b>	<b>5 322 410</b>	<b>(417 386)</b>
- ENEA Wytwarzanie Sp. z o.o.	303 551	1 959 742	(307 429)
- ENEA Ciepło Sp. z o.o.	9 422	645 191	(9 409)
- Miejska Energetyka Ciepła Piła Sp. z o.o.	1 728	237 370	(1 728)
- Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o.	-	10 396	-
- ENEA Elektrownia Połaniec S.A.	98 276	2 469 711	(98 820)

### Impact of changes in hard coal prices from 2024

Change in assumptions	-1.0%	Output value	+1.0%
<b>Change in recoverable value</b>	<b>279 942</b>	<b>5 322 410</b>	<b>(281 300)</b>
- ENEA Wytwarzanie Sp. z o.o.	204 897	1 959 742	(206 245)
- ENEA Ciepło Sp. z o.o.	4 643	645 191	(4 641)
- Miejska Energetyka Ciepła Piła Sp. z o.o.	(2 763)	237 370	2 744
- Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o.	18	10 396	(11)
- ENEA Elektrownia Połaniec S.A.	73 147	2 469 711	(73 147)

In connection with identified indications of potential impairment of non-financial non-current assets at LWB S.A., resulting from the fact that the company's current market capitalisation has long remained at a low level, ENEA S.A. carried out an impairment test. The test was based on a comparison of the book value of LWB S.A.'s shares to the shares' recoverable value, estimated on the basis of usable value using the discounted cash flows approach and financial projects for 2022-2051 prepared by LWB Group.

The recoverable amount of shares in Lubelski Węgiel Bogdanka S.A. is PLN 5 994 816 thousand (book value PLN 1 485 716 thousand).

Presented below are the key assumptions used to estimate the usable value of the tested assets:

- all LWB S.A. assets were considered as a single CGU,
- forecast period from 2023 to 2051 - was estimated on the basis of the company's extractable coal resources as of the balance sheet date (available to be mined using the existing infrastructure as of the balance sheet date, mainly concerning shafts). From 2044, the average annual level of extraction declines as a result of the depletion of the Bogdanka deposit and the assumption that only infrastructure that is currently available is to be used);
- average annual volume of coal production and sale in 2023-2030 was set at 9.0mt;
- coal prices in 2023 based on contracts that had been signed as of the date of the analysis; in 2024-2029 it was adopted based on studies carried out for LWB and ENEA Group purposes;
- the entire model is inflation-free (based on real prices);
- real wage growth was assumed for the entire forecast period at a level that reflects the best possible estimate from the Management Board of LWB S.A. as at the test date;
- the discount rate was the real weighted average cost of capital (WACC) of 10.55% throughout the entire forecast period, estimated based on the latest economic data (using a risk-free rate of 6.24% and a beta of 1.39);
- an average annual level of investment expenditures in the entire forecast period of PLN 476 023 thousand, including on average PLN 612 847 thousand in 2023-2035;
- the model used for the impairment test (including the resulting cash flows and value of assets under test) was prepared as at 30 September 2022, following a consistent approach at all levels of consolidation within LWB Group and ENEA Group. LWB S.A.'s management board analysed the last quarter of 2022 in terms of events that could indicate impairment and in terms of material one-off events that would need to be included in the model and could have a material impact on the test results. No one-off events and new indications were identified.

The sensitivity analysis shows that significant factors having impact on the estimated recoverable values of CGUs include: discount rate and prices of thermal coal. Results of the analysis of the model's sensitivity (change in recoverable value) on changes in key assumptions are presented below.

### Impact of change in financial discount rate (base value 10.55%)

Change in assumptions	-0.5pp	Output value	+0.5pp
<b>Change in recoverable value</b>	<b>102 297</b>	<b>5 994 816</b>	<b>(100 455)</b>

### Impact of changes in coal prices

Change in assumptions	-0.5%	Output value	+0.5%
<b>Change in recoverable value</b>	<b>(104 009)</b>	<b>5 994 816</b>	<b>104 009</b>

### Impact of change in real wage growth

Change in assumptions	-0.5%	Output value	+0.5%
Change in recoverable value	209 415	5 994 816	(226 402)

As a result of the test, it was noted that the recoverable value of LWB S.A. shares is higher than the book value recognised in ENEA S.A.'s statement of financial position. Due to the above, there was no need to recognise the test results in ENEA S.A.'s financial statements.

### Implementation of project to build Elektrownia Ostrołęka C

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

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

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

On 23 December 2022, Annex 6 to the Loan Agreement concluded on 23 December 2019 and Annex 11 to the Loan Agreement concluded on 17 July 2019 were signed. Pursuant to Annex 6, Elektrownia Ostrołęka Sp. z o.o. undertook to repay to ENEA S.A. part of the loan by 11 January 2023, amounting to PLN 8 383 thousand. The repayment date of the remaining loan from 23 December 2019 has been extended to the end of February 2023. At the same time, on the basis of Annex 11, Elektrownia Ostrołęka Sp. z o.o. undertook to repay to ENEA S.A. the entire loan granted by 11 January 2023, i.e. the amount of PLN 29 000 thousand together with interest in the amount of PLN 4 622 thousand. Elektrownia Ostrołęka Sp. z o.o. made repayments of the above receivables to ENEA S.A. within the period resulting from Annexes 6 and 11.

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.

As at 31 December 2022, the value of the loans including interest amounted to PLN 240 341 thousand and was subject to a total impairment loss of PLN 198 336 thousand.

On 13 February 2020, ENEA S.A. executed an agreement with ENERGA S.A. suspending financing by ENERGA S.A. and ENEA S.A. for the project to build Elektrownia Ostrołęka C. In the agreement, ENEA S.A. and ENERGA S.A. undertook to carry out analyses, especially concerning the project's technical, technological, economic and organisational parameters and further financing. Conclusions from these analyses did not justify continuing the project in its existing form, i.e. the construction of a power plant generating electricity in a process of hard coal combustion. At the same time, technical analysis confirmed the viability of a variant in which the power plant would use gas (Gas Project) at the current location of the coal-unit being built.

The following documents were signed on 22 December 2020:

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

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

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

On 25 June 2021, Elektrownia Ostrołęka Sp. z o.o. and CCGT Ostrołęka Sp. z o.o. on the one hand and GE Power sp. z o.o., based in Warsaw, GE Steam Power Systems S.A.S. (former name: ALSTOM Power Systems S.A.S.), based in Boulogne-Billancourt, France (Coal Project Contractor), and General Electric Global Services, GmbH, based in Baden,

Switzerland (together with GE Power sp. z o.o. - Gas Project Contractor) on the other hand signed a Contract Change Document concerning the contract of 21 July 2018 to build unit C at Elektrownia Ostrołęka, with a capacity of 1000 MW, and an Agreement on the settlement of the Coal Project. The Contract Change Document is structured in a way that facilitates implementation of the Gas Project by CCGT Ostrołęka Sp. z o.o. as a company that will replace Elektrownia Ostrołęka Sp. z o.o. in implementing the investment in Ostrołęka, which is related, inter alia, to the fact that ENEA S.A. has confirmed its withdrawal from participating in the Gas Project. The agreement concerning the Coal Project settlement regulates the rights and obligations of Elektrownia Ostrołęka Sp. z o.o. and the Coal Project Contractor mainly in connection with the settlement of construction work completed by the Coal Project Contractor until the contract was suspended, maintenance and security activities during Contract suspension and work related to finishing the work dedicated to implementing the Coal Project. Under this agreement, the Coal Project was supposed to be settled by the end of 2021, and the entire amount that Elektrownia Ostrołęka Sp. z o.o. will be obligated to pay to the Coal Project Contractor, taking into account expenditures incurred thus far, will not exceed PLN 1.35 billion (net).

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

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

On 31 January 2021 Elektrownia Ostrołęka Sp. z o.o. terminated an agreement implementing the capacity obligation contracted by the company as a result of a capacity market auction for 2023. The agreement was terminated due to the supply source being changed from coal to gas in the project to build and operate a new power plant in Ostrołęka.

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

On 23 September 2022 Elektrownia Ostrołęka Sp. z o.o. sold some properties intended for the construction of a gas unit to CCTG Ostrołęka Sp. z o.o. The value of the land in question and the value of the elements of the immovable part of the supporting infrastructure constituting the price of the plots sold amounted to approx. PLN 84 million.

On 12 October 2022, Elektrownia Ostrołęka Sp. z o.o. conducted the final handover of an investment entitled "Reconstruction of rail infrastructure for handling Elektrownia Ostrołęka C" (the so-called rail siding).

In connection with this, in these separate financial statements a full release of the provision for future investment liabilities towards Elektrownia Ostrołęka Sp. z o.o. was made, amounting to PLN 46 493 thousand. This amount was recognised in the separate statement of comprehensive income in the item Change in impairment of interests in subsidiaries, associates and jointly controlled entities. As of 31 December 2022, the provision amounted to PLN 0.

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## 19. Inventories

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### Accounting rules

Components of inventory are measured at the purchase price, which includes the purchase price plus costs, especially the cost to transport it to storage or the cost to manufacture, not exceeding the net sales price less impairment of inventory.

Inventory distribution is determined using the weighted average purchase price approach.

The Company's inventory includes energy origin certificates purchased for redemption, for further sale.

**Energy origin certificates** - these are confirmations that energy is produced from renewable energy sources (energy from wind, water, sun, biomass, etc. - green certificates, energy from agriculture biogas - blue certificates). They are issued by the URE President at the request of an energy enterprise that produces energy from renewable sources and in cogeneration.

**Energy efficiency certificates**, i.e. white certificates, serve as confirmation for declared energy savings resulting from activities intended to improve energy efficiency in three areas: increase energy savings by end customers, increase energy savings for own purposes and reduce losses of electricity, heat or natural gas in transmission and distribution. The URE President conducts tenders for white certificates in these categories. They are issued by the URE President at the request of the tender winner.

**Property rights** arising from energy origin certificates and energy efficiency certificates arise when energy origin certificates and energy efficiency certificates are entered into registers maintained by Towarowa Giełda Energii S.A. (TGE S.A.). These rights are disposable and constitute an exchange-traded commodity. These rights are transferred



when an appropriate entry is made in the energy origin certificate register or energy efficiency certificate register. Property rights expire when they are redeemed.

**Purchased origin certificates** are measured at the purchase price, less any impairment.

In accordance with the Energy Law and the Act on Energy Efficiency, an energy enterprise involved in trade of energy and sales of energy to end customers is required to:

- a) obtain energy origin certificates and energy efficiency certificates and submit them to the URE President for redemption or
- b) pay substitute fees.

The Company is required to obtain and present for redemption the following:

- a) energy origin certificates corresponding to the quantities specified in the Energy Law, as a percent of total energy sales to end customers,
- b) energy efficiency certificates in quantities expressed in tonnes of oil equivalent (toe), no larger than 3% of division of the amount of revenue from electricity sales to end customers in a given year in which this obligation is performed by the unit substitute fee. The amount of revenue from electricity sales to end customers in a given settlement year is decreased by the amounts and costs referred to in art. 12 sec. 4 of the Act on Energy Efficiency.

The size of the obligation in specific settlement years is specified in regulations to the Act on Energy Efficiency.

The deadline for performing the obligation to redeem energy origin certificates and energy efficiency certificates or paying substitute fees for each year results from relevant legislation.

The Company submits to the URE President energy origin certificates and energy efficiency certificates for redemption in monthly cycles in order to perform its obligation for the given year. In accounting books, redemptions of energy origin certificates and energy efficiency certificates are recognised as costs based on a decision from the URE President concerning redemption, using the weighted average purchase price method.

If at the balance sheet date there is an insufficient quantity of certificates required to perform the obligations imposed by the Energy Law and the Act on Energy Efficiency, the Company creates provisions for redemption of energy origin certificates and energy efficiency certificates or payment of substitute fees.

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### Significant judgements and estimates

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Determining impairment of inventory requires net realisable values to be estimated based on the most up-to-date sales prices at the time when these estimates are made.

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## Inventories

	As at	
	31 December 2022	31 December 2021
Energy origin certificates	67 044	135 083
Goods	384	694
<b>Total</b>	<b>67 428</b>	<b>135 777</b>

No collateral is established on inventory.

## Energy origin certificates

	Year ended	
	31 December 2022	31 December 2021
<b>Net value at the beginning of period</b>	<b>135 083</b>	<b>65 489</b>
Purchase	747 431	455 705
Depreciation	(815 470)	(386 111)
<b>Net value at the end of period</b>	<b>67 044</b>	<b>135 083</b>

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

## 20. Trade and other receivables

### Accounting rules

#### Trade and other receivables

Trade receivables are initially recognised at the transaction price and subsequently measured at amortised cost using effective interest rates, less impairment. If there is no difference between the initial value and the amount (amounts) at maturity (maturities) (payment), interest charged using the effective rate does not apply.

Impairment of receivables is determined using an expected credit loss model. Expected credit losses take into account the counterparty's previous default events as well as potential estimated credit losses. An impairment loss is recognised as cost in the statement of comprehensive income at the end of each reporting period.

### Significant judgements and estimates

#### Impairment of trade and other receivables

Impairment of receivables is determined on the basis of expected credit losses. Expected credit losses take into account the counterparty's previous default events as well as potential estimated credit losses. Potential credit losses are estimated taking into account the type, age, and stage of recovery, with the following stages used: current receivable, overdue receivable prior to court, receivable in court or enforcement proceeding, receivable in bankruptcy or court arrangement. Receivables are written off as costs based on existing internal regulations, taking into account provisions of the Act on corporate income tax.

## Trade and other receivables

	As at	
	31 December 2022	31 December 2021
<b>Current trade and other receivables</b>		
Trade receivables	2 087 632	1 604 518
Tax liabilities (excluding income tax)	73 251	65 835
Other receivables	138 827	172 606
Advances	414 667	231 519
<b>Gross current trade and other receivables</b>	<b>2 714 377</b>	<b>2 074 478</b>
Minus: impairment of receivables	(55 862)	(65 025)
<b>Net current trade and other receivables</b>	<b>2 658 515</b>	<b>2 009 453</b>

In the item: Other receivables the most significant value is represented by paid deposits and collateral.

The balance of prepayments primarily represents advances for ENEA Trading Sp. z o.o.'s expenses related to the purchase of electricity on the TGE power exchange with a delivery date in the first decade of January 2023.

Impairment losses are mainly recognised on trade receivables.

## 21. Company as finance or operating lessor / sublessor

### Accounting rules

As lessor, the Company classifies leases as finance leases or operating leases.

ENEA S.A. recognises operating lease revenue on a straight-line basis throughout the lease term.

In a finance lease, the Company (as lessor) ceases to recognise the leased asset as property, plant and equipment and recognises finance lease receivables in an amount equal to the net lease investment. The recognition of finance income reflects a fixed periodic rate of return in the net lease investment by the lessor as part of a finance lease. Lease payments for a given reporting period decrease the gross lease investment, reducing both the principal receivable and the amount of unrealised finance income.

As an indirect lessor, the Company recognises the main lease contract and the sub-lease contract as two separate contracts. The measurement of the head lease, i.e. measurement of the right-of-use assets and the lease liability, is in accordance with the measurement methodology for standard leases. The Company (indirect lessor) classifies a sublease as a finance lease or an operating lease in reference to the right-of-use resulting from the head lease.

Subleases the term of which constitutes a major part of the head lease term are classified as finance leases. Otherwise, the sublease is an operating lease.

Throughout the term of the sublease, the Company (indirect lessor) recognises both interest income from the sublease and interest costs on the head lease, which are presented separately.

The Company (indirect lessor) recognises sublease receivables in an amount equal to the sum of minimum lease payments due to the sublessor resulting from a finance sublease, discounted using the sublease interest rate. Based on the adopted interest rate, the fixed lease payment resulting from the contract is split into principal and interest. The principal portion reduces the amount of sublease receivable, while the interest portion is recognised in profit or loss.

When the Company executes a sublease contract that is an operating lease, the Company (indirect lessor) continues to recognise in the statement of financial position a lease liability and right-of-use assets.

As lessor, the Company does not have the option to use a practical expedient in the form of separating lease and non-lease components. The Company must allocate the total contractual consideration to lease and non-lease components based on the unit sale prices for specific components. Unit sale prices may be derived from price lists based on which the Company prepares its offerings. IFRS 15 *Revenue from Contracts with Customers* applies to non-lease components.

### General information on ENEA S.A. as lessor

ENEA S.A. mainly acts as lessor in ENEA Smart contracts. These contracts are classified as finance leases and the Company recognises interest income on these.

#### 21.1. Company as finance lessor / sublessor

#### Reconciling undiscounted contract lease payments with net lease investment

	As at 31 December 2022	As at 31 December 2021
<b>Undiscounted contract lease payments</b>	<b>3 123</b>	<b>1 677</b>
Unrealised finance income (discount effect)	(821)	(670)
Other	(6)	
<b>Discounted contract lease payments (net lease investment)</b>	<b>2 296</b>	<b>1 007</b>

#### Undiscounted contract payments on finance leases (this division applies to the period left until contract expiry)

	As at 31 December 2022	As at 31 December 2021
Under one year	1 661	1 203

From one to five years	1 462	474
<b>Value of undiscounted contract payments on finance leases</b>	<b>3 123</b>	<b>1 677</b>

#### Income from finance leases

	Year ended 31 December 2022	Year ended 31 December 2021
<b>Interest income from finance leases</b>	<b>439</b>	<b>772</b>

## 21.2. Company as operating lessor / sublessor

#### Undiscounted contract payments on operating leases (this division applies to the period left until contract expiry)

	As at 31 December 2022	As at 31 December 2021
Under one year	764	175
From one to five years	2 882	131
<b>Value of undiscounted contract payments on operating leases</b>	<b>3 646</b>	<b>306</b>

#### Income from operating leases

	Year ended 31 December 2022	Year ended 31 December 2021
<b>Income from operating leases</b>	<b>236</b>	<b>243</b>

## 22. Assets and liabilities arising from contracts with customers

### Accounting rules

In its statement of financial position, the Company recognises a contract asset that is the Company's right to remuneration in exchange for goods or services that the Company transfers to the customer. An asset is recognised if the Company satisfies its obligation by transferring goods or services to the customer before the customer pays or before the payment deadline.

The Company recognised in its statement of financial position a contract liability consisting of an obligation for the Company to provide goods or services to the customer in exchange for which the Company received remuneration (or is due to receive remuneration) from the customer.

If the customer paid remuneration or the Company has the right to an unconditional amount of remuneration (i.e. a receivable), then prior to the transfer of goods or services to the customer the Company treats the contract as a contract liability when payment is made or becomes due (depending on which is sooner).

### Significant judgements and estimates

#### Uninvoiced revenue from sales at the end of financial period

Unsettled energy sales values are estimated on the basis of estimated electricity consumption in the period from the most recent meter reading to the end of financial year (note 8).

### Assets and liabilities arising from contracts with customers

	Assets arising from contracts with customers	Liabilities arising from contracts with customers
<b>As at 1 January 2021</b>	<b>228 905</b>	<b>32 289</b>
Change in non-invoices receivables	71 302	-
Change in impairment	(1)	-
Adjustments, prepayments	-	13 819
<b>As at 31 December 2021</b>	<b>300 206</b>	<b>46 108</b>
Change in non-invoices receivables	147 309	-
Change in impairment	(91)	-
Adjustments, prepayments	-	222
<b>As at 31 December 2022</b>	<b>447 424</b>	<b>46 330</b>

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

### 23. Cash and cash equivalents

#### Accounting rules

##### Cash and cash equivalents

Cash and cash equivalents include cash in bank accounts, on-demand bank deposits, other highly liquid short-term investments with initial maturity of up to three months.

Cash on hand is measured at nominal value on every balance sheet date. Cash in bank accounts, on-demand bank deposits, other highly liquid short-term investments with initial maturity of up to three months are measured at amortised cost on each balance sheet date (at nominal/initial value plus interest accrued until the balance sheet date, adjusted by expected credit losses).

Restricted cash, including cash serving as collateral for settlements with the clearing-house IRGiT, is included in cash and cash equivalents.

#### Significant judgements and estimates

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

##### Presentation of deposits at clearinghouse IRGiT

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

### Cash and cash equivalents

	As at	
	31 December 2022	31 December 2021
<b>Cash at bank account</b>	<b>240 296</b>	<b>539 411</b>
including split payment	11 637	37 901
<b>Other cash</b>	<b>148 434</b>	<b>466 070</b>
- Deposits	-	460 397
- Other	5 660	5 673
- Cash pooling	142 774	-
<b>Total cash and cash equivalents</b>	<b>388 730</b>	<b>1 005 481</b>
cash pooling	-	(1 105 251)
<b>Cash recognised in the statement of cash flows</b>	<b>388 730</b>	<b>(99 770)</b>

Restricted cash related to split payment - VAT as at 31 December 2022 was PLN 11 637 thousand (PLN 37 901 thousand as at 31 December 2021), and deposit at IRGiT as at 31 December 2022 was PLN 1 434 thousand (PLN 500 thousand as at 31 December 2021). No collateral is established on cash.

## 24. Equity

### Accounting rules

#### Share capital

The Company's share capital is presented in the amount specified and entered in the National Court Register, adjusted appropriately to include the effects of hyperinflation and accounting for divisions, mergers and acquisitions. A share capital increase that is paid up as of the end of the reporting period but is awaiting registration at the National Court Register is also presented as share capital.

### Equity

#### As at 31 December 2022

Share series	Number of shares	Nominal value per share (in PLN)	Book value
Series A	295 987 473	1	295 988
Series B	41 638 955	1	41 639
Series C	103 816 150	1	103 816
Series D	88 288 515	1	88 288
<b>Total number of shares</b>	<b>529 731 093</b>		
<b>Total share capital</b>			<b>529 731</b>
Share capital (nominal amount)*			529 731
Capital from settlement of merger			38 810
Share capital from restatement of hyperinflation			107 765
<b>Total share capital</b>			<b>676 306</b>
Share premium			4 343 879
Revaluation reserve - measurement of hedging instruments			186 075
Reserve capital and other capitals			6 416 141
Retained earnings			2 448 358
<b>Total equity</b>			<b>14 070 759</b>

#### As at 31 December 2021

Share series	Number of shares	Nominal value per share (in PLN)	Book value
Series A	295 987 473	1	295 988
Series B	41 638 955	1	41 639
Series C	103 816 150	1	103 816
<b>Total number of shares</b>	<b>441 442 578</b>		
<b>Total share capital</b>			<b>441 443</b>
Share capital (nominal amount)*			441 443
Capital from settlement of merger			38 810
Share capital from restatement of hyperinflation			107 765
<b>Total share capital</b>			<b>588 018</b>
Share premium			3 687 993
Revaluation reserve - measurement of hedging instruments			109 277
Reserve capital and other capitals			5 974 031
Retained earnings			444 426
<b>Total equity</b>			<b>10 803 745</b>

\*Share capital fully paid-up.

On 19 January 2022, The Management Board of ENEA S.A. adopted a resolution to initiate a share capital increase process at the Company through the issue of no fewer than 1 and no more than 88 288 515 ordinary bearer shares series D, with a nominal value of PLN 1.00 each ("Series D Shares"), with the objective being to finance investment projects in ENEA Group's Distribution Area (including the expansion and modernisation of high- and medium-voltage grids, installation of remote meters and grid connections for new customers), being implemented by ENEA Operator Sp. z o.o., with no possibility to finance coal assets. These projects are aligned with ENEA Group's strategy and are intended to ensure energy security as well as continuous and reliable electricity supplies in ENEA Operator Sp. z o.o.'s operating area.

The issue will be a private subscription pursuant to art. 431 § 2 point 1 of the Polish Commercial Companies Code, conducted by way of a public offering exempt from the obligation to publish a prospectus within the meaning of the relevant legislation or any other information document, and will be addressed to investors meeting the criteria set out in the resolution on the share capital increase by way of the issue of the Series D Shares, with full exclusion of the pre-emptive rights to all Series D Shares for the Company's existing shareholders.

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

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

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

On 8 April 2022, the Company signed an investment agreement with the State Treasury represented by the Prime Minister ("Investment Agreement") in relation to the planned issue of the Series D ordinary bearer shares with the exclusion of pre-emptive rights of the existing shareholders. Pursuant to the Investment Agreement, the State Treasury expressed its intention to acquire up to 88 288 515 Series D Shares for funds in the amount of up to PLN 899 659 967.85 ("New Funds") from the Reprivatisation Fund referred to in art. 56 and art. 69h 1 of the Act of 30 August 1996 on commercialisation and certain employee authorisations.

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

The Investment Agreement sets out the rules governing the use of the New Funds and the consequences of a breach of those rules, the obligations and assurances of the Company in connection with the transfer of the New Funds, the obligations relating to reporting and accounting for the New Funds and the control powers of the Treasury. In the event that the New Funds are used contrary to the Investment Agreement or if the Investment Agreement is improperly performed, the Company will be required, depending on the nature of the provision violated, to pay to the State Treasury the guarantee amounts or return all or part of the New Funds. This refund (which would entail a reduction in share capital) would require a resolution of the general meeting with a qualified 3/4 majority, in the Company's view, this amount does not constitute a liability.

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

- The Company's share capital was increased by an amount of not less than PLN 1.00 and not higher than PLN 88 288 515, i.e. to an amount not lower than PLN 441 442 579 and not higher than PLN 529 731 093, through the issue of not fewer than 1 and not more than 88 288 515 Series D Shares, with a nominal value of PLN 1.00 each.
- The Series D share issue was a private subscription (in the meaning of art. 431 § 2 point 1 of the Polish Commercial Companies Code) by way of a public offering ("Offering") addressed exclusively to selected investors on the terms specified in § 3 sec. 2 of this resolution, which will be exempted from the obligation to publish a prospectus in the meaning of the relevant laws or another information or offering document for the purposes of the Offering in accordance with art. 3 sec. 1 in connection with art. 1 sec. 4 letter a) and letter d) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC.
- The aim of the Series D Share issue is to finance investment projects aimed at the development and modernisation of medium- and high-voltage transmission grids and the installation of remote reading meters. Proceeds from the Series D Share issue may not be used to finance coal assets within the Company's group.

Moreover, on 8 April 2022 the Company signed agreements with Pekao Investment Banking Spółka Akcyjna ("Global

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

A bookbuilding process for the Series D Shares was conducted on 8-13 April 2022. On 14 April 2022, once it was completed, the Company's Management Board set the issue price of Series D Shares at PLN 8.50 per one Series D Share. The Company's Management Board also decided to offer a total of 88 288 515 Series D Shares to selected investors under the terms of the Issue Resolution and the subscription rules determined thereunder.

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

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

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

On 31 May 2022 The District Court for Poznań - Nowe Miasto i Wilda in Poznań, 8th Commercial Division of the National Court Register, registered the amendment to the Company's articles of association introduced on the basis of resolution 5 by the Company's Extraordinary General Meeting of 8 April 2022 on an increase of the Company's share capital through the issue of series D ordinary bearer shares in a private subscription, a complete exemption of the existing shareholdings of their pre-emption rights to all series D shares, amendment of the Company's articles of association, application for the admission and introduction of the series D Shares and/or rights to series D shares to trade on the regulated market operated by the Warsaw Stock Exchange and dematerialisation of the series D shares and/or rights to series D shares.

Following the registration, share capital amounts to PLN 529 731 thousand and is divided into:

- a) 295 987 473 ordinary bearer shares series "A"
- b) 41 638 955 ordinary bearer shares series "B"
- c) 103 816 150 ordinary bearer shares series "C"
- d) 88 288 515 ordinary bearer shares series "D"

On 8 June 2022, pursuant to Statement no. 505/2022 of the NDS, ENEA S.A. entered into an agreement with the NDS for the registration in the securities depository of 88 288 515 Series D Shares, which were assigned ISIN code PLENEA000013, on the condition that these shares are introduced to trading on the same regulated market to which other shares of the Company bearing ISIN code PLENEA000013 were introduced.

On 8 June 2022 the WSE's Management Board adopted Resolution no. 534/2022 on the determination of the last day of trading on the WSE's Main Market of the Rights to Shares, in which the WSE's Management Board determined 9 June 2022 as the last the last day of trading of 88 288 515 Rights to Shares, along with Resolution no. 535/2022 on the admission and introduction to exchange trading on the WSE's Main Market of 88 288 515 Series D Shares, in which the WSE's Board declared that the Series D Shares are admitted to exchange trading on the main market and decided to introduce them to exchange trading on the main market in an ordinary procedure as of 10 June 2022, subject to the registration of these shares by the NDS on 10 June 2022 and their coding as PLENEA000013. The Series D Shares were registered with the NDS on 10 June 2022 and are thereafter listed on WSE's main market.



## 25. Dividend/distribution of earnings

### Accounting rules

Dividend payments to shareholders are recognised as a liability in the Company's financial statements in the period in which they were approved.

Dividend income is recognised when the right to receive payment is obtained. Dividend income is presented in the statement of comprehensive income below operating profit.

A decision on how to allocate the 2022 profit will be made by shareholders at the 2023 Ordinary General Meeting. The Management Board will present a recommendation to allocate the profit in the second quarter of 2023.

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.

On 17 June 2021, the Ordinary General Meeting of ENEA S.A. adopted resolution no. 6, resolving to cover the net loss for the financial year covering the period from 1 January 2020 to 31 December 2020, amounting to PLN 3 356 750 thousand, using retained earnings (PLN 2 417 700 thousand) and supplementary capital (PLN 939 680 thousand).

## 26. Capital management policy

The Company's main assumption as regards managing its financing sources is to develop an optimal equity and liabilities structure in order to reduce the cost to finance its operations, secure an investment grade credit rating and financing sources for the operating and investing activities of the Company and its subsidiaries. Activities undertaken in this area intend to ensure the Company's financial security and satisfactory value for its shareholders. In optimising the equity and liabilities structure by using financial leverage, it is important to maintain a capital base at a level sufficient to develop the trust of investors, lenders and the market. ENEA S.A. monitors the effectiveness and stability of its capital using the debt ratio and return on capital ratios. The Company aims to increase capital effectiveness while retaining it at a safe level.

## 27. Debt-related liabilities

### Accounting rules

#### Financial liabilities, including credit facilities, loans and debt securities

At initial recognition, **all credit facilities, loans and debt instruments** are recognised at fair value less capital-raising costs.

Subsequent to initial recognition, credit, loan and debt instrument liabilities are measured at amortised cost using the effective interest rate approach. In determining the amortised cost, costs related to obtaining credit or loan and discount or bonuses related to the liability are taken into account.

Financial liabilities that include credit facilities, loans and debt securities are classified at initial recognition as:

- financial liabilities at fair value through profit or loss,
- financial assets at amortised cost.

Accounting rules for **financial liabilities** are described in greater detail in the section concerning financial instruments in the note devoted to financial instruments and fair value 31), whereas **lease liabilities** are described in the note concerning right-of-use assets 16).

### Credit facilities, loans and debt securities

	As at	
	31 December 2022	31 December 2021
Bank credit	1 279 820	1 482 757
Bonds	2 782 472	2 938 217
<b>Long-term</b>	<b>4 062 292</b>	<b>4 420 974</b>
Bank credit	555 544	207 055
Bonds	181 839	1 957 437
<b>Short-term</b>	<b>737 383</b>	<b>2 164 492</b>
<b>Total</b>	<b>4 799 675</b>	<b>6 585 466</b>

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

No.	Company	Lender	Contract date	Total contract amount	Debt at 31 December 2022 (principal)	Debt at 31 December 2021 (principal)	Interest	Final repayment deadline
1.	ENEA S.A.	EIB	18 October 2012 (A) and 19 June 2013 (B)	1 425 000	762 717	888 130	Fixed interest rate or WIBOR 6M + margin	17 June 2030
2.	ENEA S.A.	EIB	29 May 2015 (C)	946 000	722 500	800 500	Fixed interest rate or WIBOR 6M + margin	15 September 2032
3.	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
4.	ENEA S.A.	Bank Pekao S.A.	28 January 2014, Annex 3 of 28 December 2022	150 000	92 920	-	WIBOR 1M + margin	31 December 2024
5.	ENEA S.A.	BGK	7 September 2020, Annex 3 of 27 October 2022	1 250 000	-	-	WIBOR 1M + margin	28 July 2023
6.	ENEA S.A.	PKO BP S.A.	3 October 2022, Annex 1 of 28 December 2022	500 000	-	-	WIBOR 1M + margin for PLN or EURIBOR 1M+margin for EUR	30 June 2023
7.	ENEA S.A.	Bank Pekao S.A.	21 October 2022	750 000	-	-	EURIBOR 1M+margin	21 October 2023
<b>Total</b>				<b>5 521 000</b>	<b>1 821 773</b>	<b>1 688 630</b>		
Transaction costs and effect of measurement using effective interest rate					13 591	1 182		
<b>Total</b>				<b>5 521 000</b>	<b>1 835 364</b>	<b>1 689 812</b>		

ENEA S.A. currently has credit agreements with the European Investment Bank (EIB) for a total amount of PLN 2 371 000 thousand (Agreement A PLN 950 000 thousand, Agreement B PLN 475 000 thousand and Agreement C PLN 946 000 thousand).

thousand). Funds from the EIB were used to finance a multi-year investment plan aimed at modernising and expanding ENEA Operator Sp. z o.o.'s power network. Funds from Agreements A, B and C were fully used. Interest on credit facilities may be fixed or variable. In the 12-month period ending 31 December 2022 ENEA S.A. did not execute new long-term credit agreements.

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

On 7 July 2022 ENEA S.A. signed annex 2 to an overdraft facility agreement with Bank Gospodarstwa Krajowego, increasing the maximum available credit limit from PLN 750 000 thousand to 1 250 000 thousand.

On 3 October 2022 ENEA S.A. executed a multi-currency current account credit facility agreement with PKO BP S.A. for up to PLN 500 000 thousand. The funds obtained from PKO BP S.A. will be used to finance the borrower's on-going operations.

On 21 October 2022 ENEA S.A. executed a multi-currency current account credit facility agreement with Bank Pekao S.A. for up to PLN 750 000 thousand. The funds obtained from Bank Pekao S.A. will be used to finance the borrower's on-going operations.

On 27 October 2022 ENEA S.A. signed annex 3 to an overdraft facility agreement with Bank Gospodarstwa Krajowego, prolonging the agreement term to 28 July 2023.

On 28 December 2022, ENEA S.A. signed annex 3 to an overdraft facility agreement with PKO BP S.A., increasing the maximum available credit limit from PLN 300 000 thousand to 500 000 thousand and prolonging the agreement term to 31 December 2024.

On 28 December 2022, ENEA signed annex 3 to a working capital overdraft facility agreement with Bank Pekao S.A., prolonging the agreement term from 31 December 2022 to 31 December 2024.

On 28 December 2022, ENEA signed annex 1 to a multi-currency overdraft facility agreement with PKO BP S.A., prolonging the agreement term from 31 December 2022 to 30 June 2023.

### Bond issue programs

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

No.	Bond issue program name	Program start date	Program amount	Value of outstanding bonds as at 31 December 2022	Value of outstanding bonds as at 31 December 2021	Interest	Buy-back deadline
1.	Bond issue program agreement with PKO BP S.A., Bank Pekao S.A., Santander BP S.A., Citi BH S.A.	21 June 2012	3 000 000	-	1 799 000	WIBOR 6M + margin	All of the series have been bought back, the last ones in June 2022
2.	Bond issue program agreement with BGK	15 May 2014	1 000 000	560 000	640 000	WIBOR 6M + margin	Buy-back in tranches, last tranche due in December 2026
3.	Bond issue program agreement with PKO BP S.A., Bank Pekao S.A. and mBank S.A.	30 June 2014	5 000 000	2 000 000	2 000 000	WIBOR 6M + margin	Buy-back in June 2024
4.	Bond issue program agreement with BGK	3 December 2015	700 000	380 558	456 669	WIBOR 6M + margin	Buy-back in tranches, last tranche due in September 2027
<b>Total</b>			<b>9 700 000</b>	<b>2 940 558</b>	<b>4 895 669</b>		
Transaction costs and effect of measurement using effective interest rate				23 753	(15)		
<b>Total</b>			<b>9 700 000</b>	<b>2 964 311</b>	<b>4 895 654</b>		

In the 12-month period ending 31 December 2022 ENEA S.A. did not execute new bond issue program agreements.

On 25 November 2022 ENEA S.A. signed "Agreement amending and consolidating the Program Agreement of 30 June 2014" with PKO BP S.A., Bank Pekao S.A. and mBank S.A. The most important changes included the introduction of

provisions on sustainability indicators, clauses on the detailed description of how the interest rate would be determined in the event of non-publication of the WIBOR rate and the updating and adapting to market practices of the operating procedure and model documents used in the bond offering process.

### Interest rate hedges and currency hedges

These transactions are described in notes 34.4 and 34.5.

### Financing terms - covenants

The financing agreements stipulate that ENEA S.A. and ENEA Group must meet certain financial ratios, among other things. As at 30 June 2022 and according to preliminary calculations on the basis of data as at 31 December 2022, the Subsidiary Indebtedness for Borrowed Money ratio under the loan agreements with the European Investment Bank ("EIB Agreements") exceeded the permissible level as a result of a significant decline in the debt of ENEA S.A. due to the redemption of bonds in the total amount of PLN 1 799 000 thousand in June 2022. Further, the level of the Subsidiary Indebtedness for Borrowed Money ratio was significantly affected by a negative valuation of FX Forward contracts for EUR concluded by ENEA Trading Sp. z o.o. in connection with transactions hedging emission allowances (EUAs) for ENEA Group companies. In line with the deadlines set out in its agreements with the EIB, the Company informs the lender of having exceeded the permissible level of the ratio referred to above.

According to the provisions of the agreements with the EIB, exceeding the permissible level of the Subsidiary Indebtedness for Borrowed Money ratio does not result in the immediate maturity of the loans, but gives the EIB the right to issue a notice to remedy, which the EIB has not used. As at the date of these separate financial statements and during 2022, ENEA S.A. was not required to repay any financial debt early. In January 2023 ENEA S.A. completed the process of raising new long-term debt financing, which was finalised in early February 2023. According to ENEA S.A.'s preliminary calculations, this brings the Subsidiary Indebtedness for Borrowed Money ratio below the level set out in the EIB Agreements.

### Lease liabilities

	As at 31 December 2022			As at 31 December 2021		
	Lease liabilities	Interest	Total	Lease liabilities	Interest	Total
Under one year	2 710	806	3 516	2 576	853	3 429
From one to five years	8 690	4 785	13 475	12 790	3 609	16 399
Over five years	24 170	24 660	48 830	24 722	25 568	50 290
<b>Total</b>	<b>35 570</b>	<b>30 251</b>	<b>65 821</b>	<b>40 088</b>	<b>30 030</b>	<b>70 118</b>

Agreements that are subject to IFRS 16 are leases, rights to perpetual usufruct of land, tenancy agreements that meet the definition of a lease (office space in buildings, parking spaces). The Company sets the lease term, i.e. irrevocable lease term, together with:

- term for an option to extend the lease if the Company is sufficiently certain that it will exercise this right; and
- term for an option to terminate the lease if it is sufficiently certain that the Company will not exercise that right.

In most of its leases, the Company uses a lease period in line with the contractual period. For leases executed for an indefinite period, the Company determines the minimum contractual period for both of the parties. If the Company is unable to determine how long it intends to use the asset and such an estimate could be treated as a lease term in the case of contracts with an indefinite period, the Company assumes that the irrevocable contractual period will be the termination period for that contract. In the case of rights to the perpetual usufruct of land, the Company sets the lease term in line with the period for which such rights are granted.

### Finance lease costs

	Year ended 31 December 2022	Year ended 31 December 2021
Interest cost on lease liabilities	(846)	(751)
Cost of variable lease payments not recognised in measurement of lease liabilities	(3)	(28)
<b>Total</b>	<b>(849)</b>	<b>(779)</b>

The present value of future lease payments is calculated using the interest rate implicit in the lease. If the interest rate implicit in the lease is unknown, the Company applies a residual interest rate, i.e. a rate that it would be required to pay based on a similar lease or, if not possible to determine, an interest rate at the commencement date that ENEA S.A. would have to use to make a loan necessary to purchase the given asset for a similar period and with similar collateral.

The Company has the option to apply a practical expedient and not to apply the lease model in reference to:

- a) short-term leases (contracts with a term of up to 12 months and without the right to purchase the asset),
- b) the leasing of low-value assets, the initial value of which does not exceed PLN 10 thousand (even if the value of such assets is significant after aggregation).

If the Company decides to use this expedient, it recognises lease payments as cost on a straight-line basis throughout the lease term or using another approach that more closely reflects the Company's benefit. This exemption does not apply in situations where the Company transfers the asset under a sub-lease or expects to transfers it.

#### General information on the Company as lessee

The Company does not have significant future cash outflows that are not included in measurement of a finance liability and covenants imposed by lessors. ENEA S.A. was not a party to any leasebacks in 2022.

#### Future liabilities concerning rent and tenancy contracts other than leases (this division applies to the period left until contract expiry)

	As at 31 December 2022	As at 31 December 2021
Under one year	74	77
<b>Value of future liabilities concerning rent and tenancy agreements other than a lease</b>	<b>74</b>	<b>77</b>

## 28. Trade and other payables

### Accounting rules

**Trade and other payables** classified as financial liabilities are initially recognised at fair value that corresponds to nominal value, less transaction costs, and are subsequently measured at amortised cost using an effective interest rate approach.

**Other liabilities not constituting financial liabilities** are initially recognised at nominal value and are measured at the end of the reporting period in the amount of payment due.

	As at 31 December 2022	As at 31 December 2021
<b>Current trade and other payables, including:</b>		
Trade payables	931 666	807 595
Advances for Compensations	202 199	-
Current tax liabilities (excluding income tax)	3 875	14 571
Liabilities concerning purchase of tangible and intangible assets	490	407
Trade payables	216 361	-
Liabilities towards other companies within the tax group	205 686	-
Other	6 754	5 436
<b>Total</b>	<b>1 567 031</b>	<b>828 009</b>

The advances received from Zarządca Rozliczeń S.A. will be settled in 2023, in which the maximum prices resulting from the Act of 27 October 2022 on emergency measures to limit the level of electricity prices and support for certain consumers in 2023 will be applied with eligible customers.

## 29. Employee benefit liabilities

### Accounting rules

#### Short-term employee benefits

ENE A S.A. classifies the following as short-term employee benefits: monthly salary, annual bonus, right to discounts on electricity, short-term paid absences (remuneration for unused vacation time) together with social security contributions, Energy Professionals' Day awards.

The liability concerning (accumulated) short-term paid absences (pay for leave) is recognised even if the paid absences do not entitle to a cash equivalent. The Company determines the expected cost of accumulated paid absences as an additional amount that it expects to pay as a result of not exercising this entitlement as at the balance sheet date.

Other liabilities are measured in the amount due to be paid.

### Long-term employee benefits

Pursuant to an agreement between employee representatives and the Company's representatives, the employees of ENEA S.A. are entitled to certain benefits other than remuneration for work. These benefits are financed entirely by the Company.

Actuarial methods are used to estimate these liabilities.

#### Defined benefit plans

The Company classifies the following as defined benefit plans:

1) Retirement and disability severance payments

Employees going into retirement (disability) are entitled to cash severance payments. The amount of these payments depends on seniority and the employee's remuneration.

2) Post-mortem payments

If an employee dies in the course of work or while on disability pension following employment, the family is entitled to a post-mortem payment from the employer. The amount of this payment depends on seniority and the employee's remuneration.

3) Right to rebates in purchasing energy after retirement

Retiring employees who have been employed at the Company for at least one year have the right to discounts in purchasing energy. Retirees have the right to a cash equivalent of 3 000 kWh x 80% of the electricity price and the variable component of the transmission fee and 100% of the fixed grid fee and instalment fee according to a one-zone tariff generally applicable to households. The cash equivalent is paid out twice a year in an amount constituting half the annual equivalent. The value of this equivalent is indexed by electricity price growth using a tariff generally applicable to households in the year preceding payment. If an employee dies, this right is transferred to the spouse if the spouse collects a family pension.

4) Contribution by the Company to the Company Social Benefit Fund for retirees covered by social services

A contribution by the Company to the Company Social Benefit Fund for retirees covered by social services is made in an amount that is calculated on the basis of binding provisions of law.

Employee benefits are recognised in the statement of financial position under employee benefit liabilities, while changes in provisions are presented in the statement of comprehensive income.

Actuarial gains and losses are fully recognised in other comprehensive income.

#### Longevity bonus

Other long-term employee benefits at ENEA S.A. include longevity bonuses. The amount of these bonuses depends on seniority and the employee's remuneration. Actuarial gains and losses are fully recognised in present-period profit or loss.

#### Defined contribution plans

1) Social insurance contributions

The social insurance system is based on a state programme under which the Company is obligated to pay contributions for employees' social insurance when they are due. The Company is not required, legally or customarily, to make future social insurance contributions. The Company recognises the cost of present-period contributions in present-period profit or loss as employee benefit cost.

2) Employee Pension Program

In accordance with an appendix to the Collective Labour Agreement, the Company runs an Employee Pension Program in the form of group insurance for employees with a capital fund in accordance with rules specified in the Act and negotiated with the trade unions.

The Employee Pension Program is available to the Company's employees after a year's employment regardless of the type of work contract.

Employees join the Employee Pension Program on the following terms:

- insurance is in the form of group life insurance with insurance protection,
- the level of base contribution is 7% of the employee's remuneration,
- 90% of the base contribution goes to an investment contribution and 10% to insurance protection.

The Company covers the cost of contributions to the Employee Pension Program from present-period profit or loss as employee benefit cost.

### Significant judgements and estimates

A valuation was adopted for employee benefit provisions based on the balance of liabilities at the end of the reporting period concerning expected future payments of benefits, which was calculated by an independent actuary using actuarial

methods.

The following liabilities are estimated by the actuary using the Projected Unit Credit Method (the same method as that used in analysing the sensitivity of defined benefit plans):

- retirement and disability severance payments
- post-mortem payments
- right to discounts in purchasing energy after retirement
- contribution by the Company to the Company Social Benefit Fund for retirees covered by social services

This estimate is affected by the discount rate and long-term growth in wages. For calculation purposes, basic data was used for each Group employee individually, as at the end of the reporting period, (taking the employee's gender into account), from the following areas:

- age
- employment at the Company
- overall employment
- remuneration, constituting the basis for the size of longevity bonus and retirement severance payment.

Actuarial assumptions used in calculating these estimates are presented below.

### Employee benefit liabilities

	As at	
	31 December 2022	31 December 2021
Remuneration and other liabilities	27 391	23 663
Retirement severance payments	2 150	2 203
Right to rebates in purchasing energy after retirement	44 694	42 202
Contribution to Company Social Benefits Fund for retired employees	4 377	5 743
Post-mortem payments	421	419
Longevity bonus	8 427	8 163
<b>Total employee benefit liabilities</b>	<b>87 460</b>	<b>82 393</b>
<i>Long-term</i>	<i>55 096</i>	<i>54 042</i>
<i>Short-term</i>	<i>32 364</i>	<i>28 351</i>

## Changes in the 12 months to 31 December 2022

	Retirement and disability severance payments	Right to rebates in purchasing energy after retirement	Contribution to Company Social Benefits Fund for retired employees	Post-mortem payments	Longevity bonus	Total
<b>As at 1 January 2022</b>	<b>2 203</b>	<b>42 202</b>	<b>5 743</b>	<b>419</b>	<b>8 163</b>	<b>58 730</b>
<b>Costs recognised in profit or loss, including:</b>	<b>335</b>	<b>1 699</b>	<b>279</b>	<b>63</b>	<b>931</b>	<b>3 307</b>
cost of present employment	264	263	82	48	1 029	1 686
cost of interest	71	1 436	197	15	281	2 000
net actuarial gains/losses arising from ex-post adjustment of assumptions	-	-	-	-	734	734
net actuarial gains/losses arising from adjustment of demographic assumptions	-	-	-	-	-	-
net actuarial gains/losses arising from change in financial assumptions	-	-	-	-	(1 113)	(1 113)
<b>Costs recognised in other comprehensive income, including:</b>	<b>(363)</b>	<b>4 108</b>	<b>(1 237)</b>	<b>(61)</b>	<b>-</b>	<b>2 447</b>
net actuarial gains/losses arising from ex-post adjustment of assumptions	243	(2 352)	(60)	1	-	(2 168)
net actuarial gains/losses arising from adjustment of demographic assumptions	-	(1 164)	(178)	(3)	-	(1 345)
net actuarial gains/losses arising from change in financial assumptions	(606)	7 624	(999)	(59)	-	5 960
<b>Reduced liabilities concerning payout of benefits (negative value)</b>	<b>(25)</b>	<b>(3 315)</b>	<b>(408)</b>	<b>-</b>	<b>(667)</b>	<b>(4 415)</b>
<b>Total changes</b>	<b>(53)</b>	<b>2 492</b>	<b>(1 366)</b>	<b>2</b>	<b>264</b>	<b>1 339</b>
<b>As at 31 December 2022</b>	<b>2 150</b>	<b>44 694</b>	<b>4 377</b>	<b>421</b>	<b>8 427</b>	<b>60 069</b>
<i>Long-term</i>	<i>1 836</i>	<i>41 336</i>	<i>3 993</i>	<i>390</i>	<i>7 541</i>	<i>55 096</i>
<i>Short-term</i>	<i>314</i>	<i>3 358</i>	<i>384</i>	<i>31</i>	<i>886</i>	<i>4 973</i>



## Changes in the 12 months to 31 December 2021

	Retirement and disability severance payments	Right to rebates in purchasing energy after retirement	Contribution to Company Social Benefits Fund for retired employees	Post-mortem payments	Longevity bonus	Total
<b>As at 1 January 2021</b>	<b>2 686</b>	<b>44 964</b>	<b>7 333</b>	<b>495</b>	<b>9 458</b>	<b>64 936</b>
<b>Costs recognised in profit or loss, including:</b>	<b>363</b>	<b>970</b>	<b>242</b>	<b>68</b>	<b>(490)</b>	<b>1 153</b>
cost of present employment	327	345	138	61	1 235	2 106
cost of interest	36	625	104	7	130	902
net actuarial gains/losses arising from ex-post adjustment of assumptions	-	-	-	-	21	21
net actuarial gains/losses arising from adjustment of demographic assumptions	-	-	-	-	(480)	(480)
net actuarial gains/losses arising from change in financial assumptions	-	-	-	-	(1 396)	(1 396)
<b>Costs recognised in other comprehensive income, including:</b>	<b>(727)</b>	<b>(577)</b>	<b>(1 412)</b>	<b>(144)</b>	<b>-</b>	<b>(2 860)</b>
net actuarial gains/losses arising from ex-post adjustment of assumptions	163	3 833	(399)	(32)	-	3 565
net actuarial gains/losses arising from adjustment of demographic assumptions	(200)	(1 509)	(239)	(19)	-	(1 967)
net actuarial gains/losses arising from change in financial assumptions	(690)	(2 901)	(774)	(93)	-	(4 458)
<b>Reduced liabilities concerning payout of benefits (negative value)</b>	<b>(119)</b>	<b>(3 155)</b>	<b>(420)</b>	<b>-</b>	<b>(805)</b>	<b>(4 499)</b>
<b>Total changes</b>	<b>(483)</b>	<b>(2 762)</b>	<b>(1 590)</b>	<b>(76)</b>	<b>(1 295)</b>	<b>(6 206)</b>
<b>As at 31 December 2021</b>	<b>2 203</b>	<b>42 202</b>	<b>5 743</b>	<b>419</b>	<b>8 163</b>	<b>58 730</b>
<i>Long-term</i>	<i>1 933</i>	<i>38 823</i>	<i>5 329</i>	<i>393</i>	<i>7 564</i>	<i>54 042</i>
<i>Short-term</i>	<i>270</i>	<i>3 379</i>	<i>414</i>	<i>26</i>	<i>599</i>	<i>4 688</i>

## Actuarial assumptions

Assumptions	31 December 2022	31 December 2021
Estimated long-term annual growth in remuneration	13.3% in 2023, 7.75% in 2024, 3.1% in 2025, 2.5% in subsequent years.	4.91% in 2022, 4.05% in 2023, 2.7% in 2024, 2.5% in subsequent years
Estimated growth in value of contribution to Company Social Benefits Fund	28.1% in 2024, 11.9% in 2025, 7.6% in 2026 5.9% in 2027, 6.0% in 2028, 5.5% in 2029, 5.4% in the remaining years of the forecast	9.2% in 2023, 10.8% in 2024, 7.5% in 2025, 6.1% in 2026, 6.0% in 2027, 5.6% in 2028-2030, 5.3% in the forecast's remaining years.
Discount rate	6.5%	3.7%
Value of cash equivalent for subsidised energy purchases	PLN 1 764.63	PLN 1 667.85
Growth in the value of cash equivalent for subsidised electricity purchases	34.4% in 2023, 64.9% in 2024, -0.8% in 2025, -0.7% in 2026-2028, -0.6% in 2029, and 2.5% in subsequent years	13.9% in 2022, 27.3% in 2023, 1.1% in 2024-2028, 2.5% in subsequent years
Average monthly remuneration used to calculate Company Social Benefit Fund liability	PLN 4 434.58	PLN 4 434.58

### Sensitivity analysis for defined benefit plans

Defined benefit plans:	Impact of changes in actuarial assumptions on level of defined benefit plan liabilities	
	+1pp	-1pp
Discount rate	(3 448)	3 957
Expected remuneration growth rate	612	(531)
Average growth in the value of cash equivalent for subsidised electricity purchases	2 904	(2 584)

### Maturity of defined benefit plan liabilities

Weighted average period of defined benefit programme liabilities (in years)	As at	
	31 December 2022	31 December 2021
Retirement and disability severance payments	14,8	17,5
Post-mortem payments	6,6	10,6
Right to rebates in purchasing energy after retirement	7,4	8,7
Contribution to Company Social Benefits Fund for retired employees	8,5	10,7

## 30. Provisions

### Accounting rules

Provisions are created when the Company has a present obligation (legal or customarily expected) resulting from past events, and there is a likelihood that performing this obligation will result in an outflow of economic benefits and if the amount of this obligation can be reliably estimated.

Provisions for liabilities are measured at justified, reliably estimated values. Specific provisions are established for losses related to court cases against the Company. The amount of the provision constitutes the most accurate estimate of funds necessary to satisfy the claim as at the balance sheet date. The cost to create provisions is recognised in other operating costs.

Using a previously created provision for certain or highly likely future obligations is recognised when these obligations arise as a decrease of the provision.

In the event of a decrease or cessation of risk justifying the creation of a provision, an unused provision increases finance income or other operating revenue.

The Company creates provisions for non-contractual use of land only in relation to claims being pursued in court.

The Company also creates provisions for onerous contracts if the costs to comply with an obligation arising from a contract exceed the benefits (that are expected to be) received from that contract.

#### Provision for energy origin certificates and energy efficiency certificates

The Company establishes reserves in connection with the obligation to present energy certificates of origin and energy efficiency certificates for redemption or the need to pay substitute fees.

The basis for determining provisions for redemption of energy origin certificates for each instrument is the quantity of energy origin certificates constituting the difference between the quantity of certificates required for redemption in accordance with the Energy Law and the quantity of certificates redeemed as at the reporting date.

The basis for determining provisions for redemption of energy efficiency certificates is the quantity of certificates expressed in tonnes of oil equivalent constituting the difference between the quantity of certificates required for redemption under the Energy Law and the quantity of certificates redeemed as at the reporting date.

Provisions are measured as follows:

- 1) first, based on the purchase price for energy efficiency certificates held but not redeemed at the balance sheet date,
- 2) second, based on the purchase price resulting from the Company's sale agreements as regards the part of the certificates that the Company intends to receive first,
- 3) third, based on the weighted average price in session transactions executed on the property rights market managed by Towarowa Gielda Energii S.A. in the course of the month with the reporting date that is used to determine the amount of provision,
- 4) in the case of a lack of such transactions or a market shortage preventing the Company from purchasing a sufficient quantity of rights required to perform its obligation, the missing quantity of the provision is valued

based on the unit substitute fee for the given financial year.

The provision for origin certificates will be performed in Q1-Q2 2023.

### Significant judgements and estimates

#### Provision for non-contractual use of property

Provisions for non-contractual use of land concern claims by owners of properties for which the Company had no legal title. These claims in most cases involve a demand for payment of compensation for non-contractual use of land, establishing rent or in individual cases demands associated with a change of a facility's location (return of land to original condition).

#### Provision for other claims

This item includes provisions for claims that are unrelated to non-contractual use of land. It is not possible to estimate the deadline for outflow of economic benefits on account of the rest of the provisions.

#### Provision for claims concerning terminated agreements for the purchase of property rights

Recognising this provision requires the most accurate estimate of potential compensation for terminating contracts for the purchase of property rights (40.5).

### Change in provisions for liabilities and other charges

For the financial year ended 31 December 2022:

	Provision for non-contractual use of land	Provision for other claims	Provision for energy origin certificates	Provision for onerous contracts	Provision for settlement of investment	Total
<b>As at 1 January 2022</b>	<b>2 171</b>	<b>232 702</b>	<b>353 840</b>	<b>250 103</b>	<b>46 493</b>	<b>885 309</b>
Increase in existing provisions	21	22 652	180 606	500 468	-	703 747
Use of provisions	-	(174 785)	(338 584)	(85 753)	-	(599 122)
Reversal of unused provision	(72)	(1 524)	-	-	(46 493)	(48 089)
<b>As at 31 December 2022</b>	<b>2 120</b>	<b>79 045</b>	<b>195 862</b>	<b>664 818</b>	<b>-</b>	<b>941 845</b>
<i>Long-term</i>	-	-	-	296 523	-	296 523
<i>Short-term</i>	2 120	79 045	195 862	368 295	-	645 322

For the financial year ended 31 December 2021:

	Provision for non-contractual use of land	Provision for other claims	Provision for energy origin certificates	Provision for onerous contracts	Provision for settlement of investment	Total
<b>As at 1 January 2021</b>	<b>2 275</b>	<b>200 095</b>	<b>168 012</b>	<b>50 821</b>	<b>222 200</b>	<b>643 403</b>
Increase in existing provisions	231	34 891	341 046	216 927	-	593 095
Use of provisions	(4)	(80)	(155 218)	(17 645)	-	(172 947)
Reversal of unused provision	(331)	(2 204)	-	-	(175 707)	(178 242)
<b>As at 31 December 2021</b>	<b>2 171</b>	<b>232 702</b>	<b>353 840</b>	<b>250 103</b>	<b>46 493</b>	<b>885 309</b>
<i>Long-term</i>	-	-	-	228 582	-	228 582
<i>Short-term</i>	2 171	232 702	353 840	21 521	46 493	656 727

A description of material claims and conditional liabilities is presented in 40.

#### Provision for other claims

As at 31 December 2022, the provision for other submitted claims decreased by PLN 153 657 thousand, primarily due to court settlements in disputes relating to terminated contracts for the purchase of property rights. Detailed information on the provision for court disputes related to the termination by ENEA S.A. of agreements for the sale of property rights arising from certificates of origin of electricity from RES is presented in note 40.5.

### Provision for onerous contracts

Rules for settlements with prosumers are specified in the Act of 20 February 2015 on renewable energy sources (Polish Journal of Laws of 2015, item 478, as amended). In the net-metering system, as part of a discount for energy introduced by a prosumer to the grid, the Company pays the prosumer's variable distribution fees (the prosumer is exempted from them), which in effect generates negative financial results for the Company. In accordance with the update of the Act on renewable energy sources, prosumers who apply for a micro-installation connection to the distribution grid until 31 March 2022 acquire the right to a 15-year settlement of energy as part of a support system (net-metering system).

At 31 December 2022, the Company had nearly 137 thousand agreements with prosumers. *Considering the above and acting pursuant to IAS 37 Provisions, Contingent Liabilities and Contingent Assets*, the Company recognised as at 31 December 2022 a provision for onerous contracts amounting to PLN 296 523 thousand.

As at 30 June 2022, ENEA S.A. created a provision for onerous contracts for customers in tariff group G at the level of PLN 64 231 thousand, due to the uncertainty as to whether the Company will obtain an increase in revenue covering the justified increased costs of purchasing electricity and property rights. This provision was entirely used as of 31 December 2022.

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. The Company has applied to the URE President to change the amount of the Tariff approved on 17 December 2022 and is awaiting a decision on the matter. The prices from the 2023 Tariff approved by the President of URE are used to calculate the compensation (Note 8) due to the Company pursuant to art. 12 sec. 2 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. 8 sec. 2 of the act of 27 October 2022 on emergency measures to limit the level of electricity prices and support certain consumers in 2023.

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## Financial instruments and financial risk management

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### 31. Financial instruments and fair value

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#### Accounting rules

##### Financial assets

The Company classifies its financial instruments in the following categories:

- financial assets at fair value through profit or loss,
  - equity instruments through other comprehensive income,
  - financial assets at amortised cost,
  - financial assets at fair value through other comprehensive income.
- a) Financial assets at fair value through profit or loss include:
- financial assets held for trading (including derivative instruments for which no hedging policy is designated),
  - financial assets voluntarily assigned to this category,
  - financial assets that do not meet the definition of basic lending arrangement, including equity instruments such as shares, except instruments designated as equity instruments measured through other comprehensive income,
  - financial assets that meet the definition of basic lending arrangement and are not held in accordance with a business model for the purpose of obtaining cash flows or in order to obtain cash flows and for sale.

Assets in this category are classified as current assets if they are held for trading or expected to be performed within 12 months from the balance sheet date.

- b) Financial assets at amortised cost

Financial assets measured at amortised cost are financial assets that are held in accordance with a business model that aims to hold financial assets to generate contractual cash flows and whose contractual terms meet the criteria of basic lending arrangement.

- c) Financial assets at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are financial assets that are held in accordance with a business model that aims to both receive contractual cash flows and sell financial assets as well as whose contractual terms meet the criteria of basic lending arrangement.

- d) Equity instruments through other comprehensive income

Equity instruments through other comprehensive income include investments in equity instruments that are voluntarily and irreversibly classified as such at initial recognition. Equity instruments that meet the definition of held for trading and meet the criteria for mandatory payment recognised by the acquiring company in a business combination may not be subject to this classification.

At initial recognition, the Company measures a financial asset that is subject to classification for the purposes of fair value measurement. Trade receivables without a financial component that are measured at transaction prices are an exception to this rule.

The fair value of financial assets not classified as at fair value through profit or loss is increased by transaction costs that may be directly assigned to the purchase/acquisition of these assets.

Financial assets at fair value through profit or loss are measured at fair value on every balance sheet date. Fair value determined as at the balance sheet date is not adjusted by transaction costs that would be necessary to perform the given item. Restatement to fair value for assets in this category is recognised in profit or loss. If a given item is removed from accounts, the Company determines the profit or loss on the disposal and recognises it in the period's result.

Financial assets at amortised cost are measured at amortised cost on every balance sheet date. The amortised cost of a financial asset is the amount at which the given financial asset is measured at initial recognition, decreased by repayment of principal and increased or decreased by accumulated depreciation, determined using the effective interest rate method, of any differences between the initial amount and the amount at maturity, and adjusted by any allowances for expected credit losses.

Financial assets at fair value through other comprehensive income are measured at fair value on every balance sheet date. Fair value determined as at the balance sheet date is not adjusted by transaction costs that would be necessary to perform the given item. Interest charged on such items and allowances for expected credit losses are recognised in the period's result, while other restatements to fair value are recognised as other comprehensive income.

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Equity instruments through other comprehensive income are measured at fair value on every balance sheet date. Fair value determined as at the balance sheet date is not adjusted by transaction costs that would be necessary to perform the given item. Restatements to fair value are recognised as other comprehensive income.

#### **Financial liabilities, including credit facilities, loans and debt securities**

Financial liabilities comprising trade and other payables are recognised initially at fair value, less transaction costs incurred.

Financial liabilities that include credit facilities, loans and debt securities are classified at initial recognition as:

- financial liabilities at fair value through profit or loss,
- financial assets at amortised cost.

Financial liabilities at fair value through profit or loss include:

- financial liabilities that meet the definition of held for trading, including derivative instruments that are not used for hedge accounting,
- financial liabilities that are voluntarily designated by the Company as measured at fair value through profit or loss.

Financial liabilities at amortised cost include all financial liabilities that are subject to classification for the purposes of measurement that are not classified as financial liabilities at fair value through profit or loss.

At initial recognition, the Company measures a financial liability that is subject to classification for the purposes of fair value measurement.

The fair value of financial liabilities not classified as at fair value through profit or loss is decreased by transaction costs that may be directly assigned to the origination of the liability.

The balance sheet measurement of a financial liability and the recognition of restatements depend on the classification of the given item to the relevant category for measurement purposes:

- financial liabilities classified as financial liabilities at fair value through profit or loss are measured at each balance sheet at fair value; fair value determined at the balance sheet date is not adjusted for transaction costs that would have to be incurred to settle a given item; restatements to fair value are recognised in the period's financial result;
- financial liabilities at amortised cost are measured at amortised cost on every balance sheet date.

#### **Significant judgements and estimates**

Financial assets are analysed at the end of each reporting period in terms of expected credit losses and indications of impairment.

Individual financial instruments of significant value are assessed for impairment individually. Other financial assets are split into groups with similar credit risk.

## Financial instruments

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

	As at 31 December 2022		As at 31 December 2021	
	Book value	Fair value	Book value	Fair value
<b>FINANCIAL ASSETS</b>				
<b>Long-term</b>	<b>6 404 899</b>	<b>6 327 551</b>	<b>5 555 490</b>	<b>5 570 240</b>
Financial assets measured at fair value	156 482	156 482	164 917	164 917
Debt financial assets at amortised cost	6 247 346	6 171 069	5 390 289	5 405 323
Finance lease and sublease receivables	1 071	*	284	*
<b>Short-term</b>	<b>3 339 109</b>	<b>468 438</b>	<b>4 536 443</b>	<b>1 688 648</b>
Financial assets measured at fair value	154 314	154 314	28 194	28 194
Debt financial assets at amortised cost	314 124	314 124	1 660 454	1 660 454
Assets arising from contracts with customers	447 424	*	300 206	*
Trade receivables	2 033 292	*	1 541 385	*
Finance lease and sublease receivables	1 225	*	723	*
Cash and cash equivalents	388 730	*	1 005 481	*
<b>TOTAL FINANCIAL ASSETS</b>	<b>9 744 008</b>	<b>6 795 989</b>	<b>10 091 933</b>	<b>7 258 888</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Long-term</b>	<b>4 095 152</b>	<b>3 988 843</b>	<b>4 458 486</b>	<b>4 457 556</b>
Credit facilities, loans and debt securities	4 062 292	3 988 843	4 420 974	4 457 556
Lease liabilities	32 860	*	37 512	*
<b>Short-term</b>	<b>1 718 580</b>	<b>737 383</b>	<b>4 126 429</b>	<b>2 164 492</b>
Credit facilities, loans and debt securities	737 383	737 383	2 164 492	2 164 492
Lease liabilities	2 710	*	2 576	*
Trade and other payables	932 157	*	808 002	*
Liabilities arising from contracts with customers	46 330	*	46 108	*
Other financial liabilities	-	*	1 105 251	*
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>5 813 732</b>	<b>4 726 226</b>	<b>8 584 915</b>	<b>6 622 048</b>

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

	As at 31 December 2021	Gains/losses recognised in financial result due to balance sheet measurement or modification	Interest income/cos ts*	Impairment - expected credit losses	Gain on disposal or derecognition	Other comprehensive income	Change	As at 31 December 2021
<b>Financial assets at fair value through profit or loss:</b>	<b>45 374</b>	<b>378</b>	-	-	-	-	(445)	<b>45 307</b>
- financial assets mandatorily measured at fair value through profit or loss	16 231	2 058	-	-	-	-	(445)	17 844
- financial assets voluntarily measured at fair value through profit or loss,	29 143	(1 680)	-	-	-	-	-	27 463
<b>Equity instruments at fair value through other comprehensive income</b>	<b>12 587</b>	-	-	-	-	-	-	<b>12 587</b>
<b>Derivative instruments used in hedge accounting</b>	<b>135 150</b>	<b>22 940</b>	-	-	-	<b>94 812</b>	-	<b>252 902</b>
<b>Financial assets at amortised cost:</b>	<b>9 897 815</b>	<b>4 511</b>	<b>59 662</b>	<b>27 183</b>	-	-	<b>(558 255)</b>	<b>9 430 916</b>
- debt financial assets at amortised cost	7 050 743	4 511	59 265	27 274	-	-	(580 323)	6 561 470
- trade receivables	1 541 385	-	-	-	-	-	491 907	2 033 292
- assets arising from contracts with customers	300 206	-	-	(91)	-	-	147 309	447 424
- cash and cash equivalents	1 005 481	-	397	-	-	-	(617 148)	388 730
<b>Finance lease and sublease receivables</b>	<b>1 007</b>	-	-	-	-	-	<b>1 289</b>	<b>2 296</b>
<b>Financial liabilities at amortised cost:</b>	<b>(7 439 576)</b>	<b>53 745</b>	<b>(29 152)</b>	-	<b>(60 769)</b>	-	<b>1 697 590</b>	<b>(5 778 162)</b>
- credit facilities, loans and debt securities	(6 585 466)	53 745	(29 152)	-	(60 769)	-	1 821 967	(4 799 675)
- liabilities arising from contracts with customers	(46 108)	-	-	-	-	-	(222)	(46 330)
- trade and other payables	(808 002)	-	-	-	-	-	(124 155)	(932 157)
<b>Other financial liabilities</b>	<b>(1 105 251)</b>	-	-	-	-	-	<b>1 105 251</b>	<b>-</b>
<b>Lease liabilities</b>	<b>(40 088)</b>	-	-	-	-	-	<b>4 518</b>	<b>(35 570)</b>
<b>Total</b>	<b>1 507 018</b>	<b>81 574</b>	<b>30 510</b>	<b>27 183</b>	<b>(60 769)</b>	<b>94 812</b>	<b>2 249 948</b>	<b>3 930 276</b>

\* the amount in this column shows the amounts accrued and unpaid at the balance sheet date. In 2022, interest income on cash amounted to PLN 98 883 thousand, interest expense on loans, borrowings and bonds to PLN 292 342 thousand.



	As at 31 December 2020	Gains/losses recognised in financial result due to balance sheet measurement or modification	Interest income/cos ts*	Impairment - expected credit losses	Gain on disposal or derecognition	Other comprehensive income	Change	As at 31 December 2021
<b>Financial assets at fair value through profit or loss:</b>	<b>30 982</b>	<b>8 282</b>	-	-	-	-	<b>6 110</b>	<b>45 374</b>
- financial assets mandatorily measured at fair value through profit or loss	15 982	472	-	-	-	-	(223)	16 231
- financial assets voluntarily measured at fair value through profit or loss,	15 000	7 810	-	-	-	-	6 333	29 143
<b>Equity instruments at fair value through other comprehensive income</b>	<b>53 866</b>	<b>(4 913)</b>	-	-	-	-	<b>(36 366)</b>	<b>12 587</b>
<b>Derivative instruments used in hedge accounting</b>	<b>-</b>	<b>1 292</b>	-	-	-	<b>133 858</b>	-	<b>135 150</b>
<b>Financial assets at amortised cost:</b>	<b>9 381 256</b>	<b>6 208</b>	<b>19 979</b>	<b>(15 826)</b>	<b>(10 690)</b>	-	<b>516 888</b>	<b>9 897 815</b>
- debt financial assets at amortised cost	7 488 876	6 208	19 595	(15 825)	(10 690)	-	(437 421)	7 050 743
- trade receivables	1 132 807	-	-	-	-	-	408 578	1 541 385
- assets arising from contracts with customers	228 905	-	-	(1)	-	-	71 302	300 206
- cash and cash equivalents	530 668	-	384	-	-	-	474 429	1 005 481
<b>Finance lease and sublease receivables</b>	<b>3 787</b>	-	-	-	-	-	<b>(2 780)</b>	<b>1 007</b>
<b>Derivative instruments used in hedge accounting</b>	<b>(139 673)</b>	<b>8 332</b>	-	-	-	<b>131 341</b>	-	-
<b>Financial liabilities at amortised cost:</b>	<b>(8 151 398)</b>	<b>(26 451)</b>	<b>(785)</b>	-	<b>11 351</b>	-	<b>727 707</b>	<b>(7 439 576)</b>
- credit facilities, loans and debt securities	(7 770 105)	(26 451)	(785)	-	11 351	-	1 200 524	(6 585 466)
- liabilities arising from contracts with customers	(32 289)	-	-	-	-	-	(13 819)	(46 108)
- trade and other payables	(349 004)	-	-	-	-	-	(458 998)	(808 002)
<b>Other financial liabilities</b>	<b>(152 574)</b>	-	-	-	-	-	<b>(952 677)</b>	<b>(1 105 251)</b>
<b>Lease liabilities</b>	<b>(31 315)</b>	-	-	-	-	-	<b>(8 773)</b>	<b>(40 088)</b>
<b>Total</b>	<b>994 931</b>	<b>(7 250)</b>	<b>19 194</b>	<b>(15 826)</b>	<b>661</b>	<b>265 199</b>	<b>250 109</b>	<b>1 507 018</b>

\* the amount in this column shows the amounts accrued and unpaid at the balance sheet date. In 2021, interest income on cash amounted to PLN 1 275 thousand, interest expense on loans, borrowings and bonds to PLN 100 482 thousand.

	As at 31 December 2022			Total
	Level 1	Level 2	Level 3	
<b>Financial assets measured at fair value</b>	<b>21 200</b>	<b>270 746</b>	<b>18 850</b>	<b>310 796</b>
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
Derivative instruments used in hedge accounting (e.g. interest rate swaps)	-	252 902	-	252 902
Interests at fair value through profit or loss	21 200	-	6 263	27 463
<b>Debt financial assets at amortised cost</b>	<b>-</b>	<b>6 485 193</b>	<b>-</b>	<b>6 485 193</b>
<b>Total</b>	<b>21 200</b>	<b>6 755 939</b>	<b>18 850</b>	<b>6 795 989</b>
<b>Credit facilities, loans and debt securities</b>	<b>-</b>	<b>(4 726 226)</b>	<b>-</b>	<b>(4 726 226)</b>
<b>Total</b>	<b>-</b>	<b>(4 726 226)</b>	<b>-</b>	<b>(4 726 226)</b>

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

Financial assets and financial liabilities at fair value include:

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

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

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

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

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

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

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

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

No transfers between the levels were made in 2022.

As at 31 December 2022, financial assets at fair value included call options for Polimex-Mostostal S.A. shares, among other things. Pursuant to a call option agreement for Polimex-Mostostal S.A. shares of 18 January 2017, as amended, ENEA S.A. holds 22 call options from Towarzystwo Finansowe Silesia Sp. z o.o. (TFS) to purchase 6 937 500 shares, with a nominal value of PLN 2 each. The contractual share allocation date is at the end of each calendar quarter from September 2021 to December 2026. On 30 March 2022 ENEA S.A. submitted a demand to exercise call option no. 4 and made payment for 187 500 shares of Polimex Mostostal S.A. The increase of Polimex Mostostal S.A.'s share capital by PLN 1 500 thousand, i.e. from PLN 475 738 thousand to PLN 477 238 thousand, by admitting 750 000 ordinary bearer shares series S with a nominal value of PLN 2 each, was registered on 1 April 2022. In June 2022, ENEA S.A. sold 195 118 Polimex – Mostostal S.A. shares that it had previously held, thus decreasing its stake in that company's share capital from 16.48% to 16.39%. In July, the Company sold 117 382 shares and thus ENEA S.A. reduced its stake in that company's share capital to 16.31%. The increase of Polimex Mostostal S.A.'s share capital by PLN 1 000 thousand, i.e. from PLN 477 238 thousand to PLN 478 238 thousand, by admitting 500 000 ordinary bearer shares series S with a nominal value of PLN 2 each, was registered on 14 July 2022. On 21 October 2022, 750 000 Series S ordinary bearer shares with a nominal value of PLN 2 each were registered with the NDS and admitted to trading by the WSE, and the company's share capital was increased by PLN 1 500 thousand, i.e. from PLN 478 238 thousand to PLN 479 738 thousand. As of the date on which these separate interim financial statements were prepared, ENEA S.A. held a 16.26% 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 31 December 2022 was PLN 17 844 thousand (at 31 December 2021: PLN 16 231 thousand).

### 32. Debt financial assets at amortised cost

#### Debt financial assets at amortised cost

	As at	
	31 December 2022	31 December 2021
<b>Current debt financial assets at amortised cost</b>		
Intra-group bonds	231 068	1 653 787
Loans granted	83 056	6 667
<b>Total current debt financial assets at amortised cost</b>	<b>314 124</b>	<b>1 660 454</b>
<b>Non-current debt financial assets at amortised cost</b>		
Intra-group bonds	1 280 101	1 495 032
Loans granted	4 967 245	3 895 257
<b>Total non-current debt financial assets at amortised cost</b>	<b>6 247 346</b>	<b>5 390 289</b>
<b>Total</b>	<b>6 561 470</b>	<b>7 050 743</b>

### Intra-group financing

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

### Intra-group bonds

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

No.	Bond issuer	Contract date	Amount granted	Amount used	Outstanding bonds as at 31 December 2022	Outstanding bonds as at 31 December 2021	Interest	Final buy-back deadline
					(principal)	(principal)		
1.	ENEA Nowa Energia Sp. z o.o.	10 March 2011	26 000	26 000	12 000	12 000	WIBOR 6M + margin	31 March 2023
2.	ENEA Wytwarzanie Sp. z o.o.	8 September 2012 agreement for PLN 4 000 000 thousand decreased through Annex 2 of 21 January 2015 to PLN 3 000 000 thousand	3 000 000	2 650 000	-	1 449 000	Depending on the series: fixed interest rate or WIBOR 6M + margin	All of the series have been bought back, the last ones in June 2022
3.	ENEA Operator Sp. z o.o.	20 June 2013 amended through Annex 1 of 9 October 2014 and Annex 2 of 7 July 2015	1 425 000	1 425 000	762 717	888 130	Depending on the series: fixed interest rate or WIBOR 6M + margin	Depending on bond series' issue dates, however no later than by 17 June 2030
4.	ENEA Operator Sp. z o.o.	7 July 2015 amended through Annex 1 of 28 March 2017	946 000	946 000	722 500	800 500	Depending on the series: fixed interest rate or WIBOR 6M + margin	Depending on bond series' issue dates, however no later than by 15 September 2032
<b>Total</b>					<b>1 497 217</b>	<b>3 149 630</b>		
Transaction costs and effect of measurement using effective interest rate					13 952	(812)		
<b>Total</b>					<b>1 511 169</b>	<b>3 148 818</b>		

In the 12-month period ending 31 December 2022 ENEA S.A. did not execute new intra-group bond issue programme agreements concerning financing for ENEA Group companies.

## Loans

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

No.	Borrower	Contract date	Total contract amount	Debt at 31 December 2022	Debt at 31 December 2021	Interest	Final repayment deadline
1.	Elektrownia Ostrołęka Sp. z o.o.	30 September 2019	29 000	29 000	29 000	Fixed	11 January 2023
2.	Elektrownia Ostrołęka Sp. z o.o.	23 December 2019	170 000	170 000	170 000	Fixed	28 February 2023
3.	ENEA Wytwarzanie Sp. z o.o.	30 January 2020	2 200 000	1 782 034	1 782 034	WIBOR 6M + margin	30 September 2024
4.	ENEA Elektrownia Połaniec S.A.	28 February 2020	500 000	500 000	500 000	WIBOR 6M + margin	20 December 2024
5.	ENEA Operator Sp. z o.o.	12 March 2020	950 000	650 000	650 000	WIBOR 6M + margin	20 December 2024
6.	ENEA Operator Sp. z o.o.	22 June 2021	1 090 000	950 000	950 000	WIBOR 6M + margin	20 December 2026
7.	Miejska Energetyka Ciepła Piła Sp. z o.o.	24 June 2021	15 000	8 763	15 000	WIBOR 6M + margin	20 December 2031
8.	ENEA Operator Sp. z o.o.	29 July 2022	550 000	550 000	-	WIBOR 6M + margin	15 July 2028
9.	ENEA Operator Sp. z o.o.	13 September 2022	750 452	528 327	-	WIBOR 6M + margin	15 July 2028
				<b>5 168 124</b>	<b>4 096 034</b>		
Transaction costs and effect of measurement using effective interest rate				80 513	31 500		
Impairment of loans				(198 336)	(225 610)		
<b>Total</b>				<b>5 050 301</b>	<b>3 901 924</b>		

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.

In June 2022, Miejska Energetyka Ciepła Piła Sp. z o.o. made a partial early repayment in the amount of PLN 5 000 thousand based on the provisions of the Loan Agreement executed between ENEA S.A. and Miejska Energetyka Ciepła Piła Sp. z o.o. in June 2021. The final loan repayment deadline remain unchanged and is set at 20 December 2031.

On 29 July 2022 ENEA S.A. and ENEA Operator Sp. z o.o. executed a loan agreement of up to PLN 550 000 thousand intended to finance the borrower's expenses planned. The loan was fully disbursed.

On 13 September 2022 ENEA S.A. and ENEA Operator Sp. z o.o. executed a loan agreement of up to PLN 750 452 thousand intended to finance the investments entitled (a) "Grid expansion and modernisation in the HV/MV substation area;" (b) "Grid expansion and modernisation in the HV line area;" (c) "Grid expansion and modernisation in the MV network area;" (d) "Remote reading meters;" and (e) "Grid connection. The funds remaining at the disposal of ENEA Operator Sp. z o.o. under the loan agreement come from a contribution made by the State Treasury and by investors other than the State Treasury in order to take up new shares issued as a result of an increase in the share capital of ENEA S.A.

As of 31 December 2022, ENEA Operator Sp. z o.o. drew down PLN 528 327 thousand under the PLN 750 452 thousand agreement. The loan availability period ends on 15 December 2023.

Impairment of financial assets at amortised cost (concerns loans granted) as at 31 December 2022 amounted to PLN 198 336 thousand. The change in the impairment loss on loans recognised during the 12 months ended 31 December 2022 amounted to PLN 27 274 thousand and this amount was recognised in the separate statement of comprehensive income under the heading: "Impairment of financial assets at amortised cost."

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### 33. Hedge accounting

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#### Accounting rules

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##### Hedge accounting and derivative instruments

Derivative instruments that are used by the Company in order to hedge against specific risk, related to changes in interest rates and exchange rates, are measured at fair value. Derivative instruments are recognised as assets if their value is positive and as liabilities if their value is negative.

The fair value of currency contracts is determined by reference to current forward rates for contracts with the same maturity or based on valuation by independent entities. The fair value of interest rate swaps may be determined based on valuation by independent entities. The fair value of other derivative instruments is determined based on market data or valuation by independent institutions specialised in this type of valuation.

For some or all of its exposure to a particular risk, the Company may apply hedge accounting if the hedging instrument and the hedged item that create a hedging relationship are in line with risk management objectives and the hedging strategy.

The Company defines hedging relationships concerning various types of risk as fair value hedges or cash flow hedges. Hedging a risk that concerns likely future obligations is treated as a cash flow hedge.

When a hedging relationship is established, the Company documents the relation between the hedging instrument and the hedged item as well as risk management objectives and the strategy for implementing various hedging transactions.

Derivatives that are hedging instruments are recognised by the Company in accordance with rules concerning fair value or cash flow hedges.

If the Company identifies an ineffectiveness of a hedge that goes beyond the risk management objective and the hedging relationship continues to implement the risk management strategy and risk management objectives, the Company re-balances the hedging relationship.

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and which might affect profit or loss. A forecast transaction is a transaction that is not based on a concluded binding agreement (expected future transaction).

For cash flow hedges, the Company:

- recognises the effective part of changes in the fair value of derivative instruments designated as cash flow hedges in the revaluation reserve,
- recognises the gain or loss related to the ineffective part in the current period's financial result.

If a hedge of a forecast transaction results in the recognition of a financial asset or financial liability, the related gains or losses that were recognised in the revaluation reserve are reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss. However, if the Company expects that all or a portion of an impairment loss recognised directly in equity will not be recovered in one or more future periods, it reclassifies into profit or loss the amount that is not expected to be recovered.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, then the Company reclassifies the associated gains and losses that were recognised directly in the revaluation reserve into the initial purchase cost or another book value in assets or liabilities.

If the Company discontinues a cash flow hedge, the cumulative gain or loss on a hedging instrument recognised in the revaluation reserve remains in it until the hedging transaction is exercised. If the hedging transaction will not be exercised (or is not expected to be exercised), cumulative net profit recognised in the revaluation reserve is immediately reclassified into profit or loss.

## Cash flow hedging

The following table presents the impact of cash flow hedges' measurement on other comprehensive income:

	Year ended	
	31 December 2022	31 December 2021
<b>Accumulated other comprehensive income related to the effective part of cash flow hedges as at 1 January, recognised in hedging reserve</b>	<b>109 277</b>	<b>(105 534)</b>
- related to interest rate hedges	109 277	(105 534)
<b>Measurement of hedging instruments as at balance sheet date, in part considered as effective hedge</b>	<b>76 798</b>	<b>214 811</b>
- related to interest rate hedges	76 798	214 811
<b>Accumulated other comprehensive income related to the effective part of cash flow hedges as at 31 December, recognised in hedging reserve</b>	<b>186 075</b>	<b>109 277</b>
- related to interest rate hedges	186 075	109 277

ENEA S.A. executed IRS transactions to hedge cash flows against interest rate risk. Their value in accordance with the hedge accounting policy at the end of 2022 was PLN 3 133 291 thousand, down by PLN 861 377 thousand from 2021. This change resulted from settlements related to the expiry of derivative instruments and regular payments for hedged exposure. Maturities are different depending on the derivative, from 24 June 2024 to 16 September 2026. Their balance sheet value as of 31 December 2022 was PLN 252 902 thousand, with 186 075 thousand recognised in other comprehensive income and the ineffective part of the hedge recognised in the 2022 financial result being PLN 22 940 thousand. Bonds issued by ENEA S.A. and credit facilities from EIB are hedged with IRSs.

## 34. Financial risk management

### Financial risk management rules

The Company's activities are subject to the following categories of risk associated with financial instruments:

- credit risk,
- financial liquidity risk,
- commodity risk,
- currency risk,
- interest rate risk.

This note contains information on the Company's exposure to each of the aforementioned types of risk and describes the objectives and policy with regard to managing risk and capital.

The Management Board of ENEA S.A. is responsible for setting out the risk management framework and rules.

Financial risk management is based on a formalised and integrated risk management process, described in dedicated risk management policies, procedures and methodologies.

Risk management is designed as a continuous process. ENEA S.A. continuously analyses risk in terms of external environmental impact and changes in its structures and activities. Based on this, it takes actions that are intended to limit risk or transfer it outside of the Company.

The Company has also analysed the risks associated with climate change and has included broader information on this topic in the Management Report on the operations of ENEA S.A. and ENEA Group in 2022, including within the Statement on non-financial information, which is a separate part of this report.

The Company has considered the impact of climate factors on the financial statements and has taken these factors into account in, among other things, the impairment testing of stakes in subsidiaries, analysis of the value of jointly controlled companies and calculation of provisions for other liabilities and other charges.

The future of the Polish energy market is determined by the European Union's climate policy, and developments in the electricity market in the run up to 2050 will be influenced by the European Green Deal (EGD), which aims to achieve EU climate neutrality by 2050. One of the most important steps towards achieving climate neutrality was the European Council's acceptance in December 2020 of a new binding target for the EU to reduce net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels.

ENEA S.A., as a responsible entity in the energy sector, aims to conduct its business in a sustainable manner while minimising its impact on the environment. Acting in line with the transition of the energy sector in Poland, the Company is taking steps to separate from its structures the assets related to electricity generation in conventional coal units. In addition, it is actively involved in the development of the renewable energy sector and intends to invest in zero-carbon technologies.

Within ENEA Group, the *Strategy for the Development of ENEA Group until 2030 with a 2040 perspective* has been adopted, which will enable an ambitious, responsible and effective transformation of the Group. The environment in which the Company operates is characterised by a high degree of volatility and is dependent on macroeconomic, market and regulatory conditions, and any changes in this area may have a significant impact on ENEA S.A.'s financial position and results.

### 34.1. Credit risk

Exposure to credit risk	Risk management
<p>Credit risk is risk associated with the Company incurring financial losses as a result of a client or counterparty that is a party to a financial instrument failing to meet its contractual obligations.</p> <p>Credit risk is associated with a potential inability to collect receivables from counterparties.</p> <p><b>Key factors having impact on the Company's credit risk:</b></p> <ul style="list-style-type: none"> <li>– a large number of clients, which has an impact on the operational complexity of the risk mitigation process (assessment of counterparties' credit-worthiness) and the high cost of controlling the inflow and recovery of receivables,</li> <li>– legal conditions for doing business, which specify rules for shutting down electricity supplies as a result of non-payment or the obligation to connect entities to ENEA Operator's relevant distribution area, as well as the reserve seller or ex-officio vendor functions,</li> <li>– regulations freezing end-user prices also for the reserve tariff, which may result in the ineffectiveness of the collateral requirement for customers in ENEA's DSO area.</li> </ul>	<p>The Management Board implements a credit risk management policy at ENEA Group, pursuant to which exposure to credit risk is monitored on an on-going basis and activities intended to minimise it are undertaken. The key tool for managing credit risk is analysis of the credit-worthiness of ENEA S.A.'s most important counterparties, pursuant to which contractual terms with the counterparties are appropriately structured (payment terms, potential collateral, etc.).</p>

The following table shows a structure of balance-sheet items depicting ENEA S.A.'s exposure to credit risk:

	Maximum exposure to credit risk* as at	
	31 December 2022	31 December 2021
Financial assets measured at fair value (without shares and equity instruments through other comprehensive income)	270 746	151 381
Debt financial assets at amortised cost	6 561 470	7 050 743
Assets arising from contracts with customers	447 424	300 206
Trade receivables	2 033 292	1 541 385
Finance lease and sublease receivables	2 296	1 007
Cash and cash equivalents	388 730	1 005 481
<b>Credit risk</b>	<b>9 703 958</b>	<b>10 050 203</b>

\* These values correspond to book values.

#### Credit risk associated with trade receivables

Failure to perform an obligation is understood as the occurrence of at least one of the following events or circumstances:

- debtor is more than 90 days late on a significant payment;
- the Company considers it as unlikely that the debtor will pay off its debt entirely (without taking into account amounts received from collateral or similar actions);

Events that indicate a low likelihood of the obligation being performed include: submission of bankruptcy application, instigation of arrangement proceedings for the debtor - as well as other events not directly resulting from legal actions, such as lack of cash or negative forecasts regarding the debtor's payment situation. Meeting one of the aforementioned criteria provides grounds for identifying impairment on a given financial asset due to credit risk.

Despite the COVID-19 crisis in a certain dimension in 2022, the Company did not record any major divergences in overdue receivables, which is why its situation in terms of credit risk is stable.

In line with internal regulations - the issue of receivables being concentrated in relation to the Company's end customers



is also subject to monitoring. The size of ENEA S.A.'s sales portfolio means that despite the fact that there are entities within the portfolio with relatively large consumption, the share of a single entity does not exceed 5% of the entire portfolio's volume, therefore the level of concentration is not seen as significant. In light of the above, the Company does not use additional collateral relating solely to concentration. The use of collateral is dependent each time on the counterparty's financial standing.

#### Impairment of trade and other receivables:

	Year ended	
	31 December 2022	31 December 2021
<b>Impairment as of 1 January</b>	<b>65 025</b>	<b>59 450</b>
Created	6 091	13 307
Used	(15 254)	(7 732)
<b>Impairment as of 31 December</b>	<b>55 862</b>	<b>65 025</b>

In the 12-month period ended 31 December 2022, impairment of trade and other receivables decreased by PLN 9 163 thousand (in the 12-month period ended 31 December 2021 impairment grew by PLN 5 575 thousand). Impairment losses are mainly recognised on trade receivables. Impairment of other receivables is negligible.

The Company uses the expected credit loss model to estimate the impairment for trade receivables. In order to determine expected credit losses, ENEA S.A. 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*. In accordance with the Rules, in the year-closing procedure, receivables impairment is determined on the basis of data for 2022. Based on this data, impairment indicators are determined and used to estimate the amount of receivables impairment at the end of 2022. Therefore, the specified expected credit losses take into account objective indications of receivables impairment. The 1-year period adopted for the analysis, given the dynamically changing political and economic situation, gives the most realistic results for the period under study. Analysis in the Company is carried out by individual and business customers. For business customers, a portfolio approach is used as a rule, but an individual approach can be used if the need arises, i.e. if default risk is identified. The receivables portfolio is divided according to the activities carried out by the Company or the structure of their customers.

#### Age structure of assets arising from contracts with customers and trade receivables constituting financial instruments:

	As at 31 December 2022		
	Nominal value	Impairment	Book value
<b>Trade receivables</b>			
Current	1 886 121	(615)	1 885 506
Overdue	201 511	(53 726)	147 785
0-30 days	84 097	(234)	83 863
31-90 days	27 786	(1 896)	25 890
91-180 days	6 916	(1 337)	5 579
over 180 days	82 712	(50 259)	32 453
<b>Total</b>	<b>2 087 632</b>	<b>(54 341)</b>	<b>2 033 291</b>
<b>Assets arising from contracts with customers</b>	<b>447 608</b>	<b>(184)</b>	<b>447 424</b>

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

### Credit risk associated with trade receivables by market segment

Sale of electricity to retail clients

There is a substantial amount of overdue receivables in this segment - in percentage terms. Although these receivables - given their high dispersion in this general category and a relatively small value of each item - do not pose a major threat to the Company's finances, activities are undertaken to reduce these. Activities intended to streamline the debt recovery process are successively being undertaken and consist of new and updated instructions and rules for debt recovery as well as cooperation with specialised entities. Introducing harmonised debt collection rules, including soft debt recovery, makes it possible to shorten the cash recovery time and avoid long-term and often ineffective hard debt recovery, i.e. court enforcement. Cases that exceed a debt recovery limit are referred for court and enforcement proceedings;

Sale of electricity to business, key and strategic clients

The amounts of overdue receivables in this segment are much lower (in percentage terms) than in the case of individual customers. Given the above and due to a much smaller number of clients in these segments, debt collection rules are largely based on soft collection. Soft recovery activities are undertaken immediately after the payment deadline passes.

Other

The amounts of overdue receivables are negligible.

In the debt collection and recovery process, the Company works with specialised external entities that support it in hard debt collection activities. The Company monitors on an on-going basis the level of over-due receivables, recognises impairment losses and in justified cases raises legal claims.

### Credit risk associated with cash and derivative instruments

As regards receivables from financial institutions, including cash deposited in bank accounts and deposits, as well as currency risk and interest risk hedging transactions, the safety for such transactions is governed by "ENE A Group's liquidity and liquidity risk management policy" and "ENE A Group's currency risk and interest risk management policy." ENE A S.A. only cooperates with partners meeting strict credit-worthiness criteria and having an established position on the banking market.

In accordance with the aforementioned policies and "ENE A Group's credit risk management policy," if a transaction partner has a rating issued by a reputable agency, the Company does not estimate an internal rating for this entity. In selecting banking counterparties, the Company analyses external credit ratings, which override all other criteria for evaluating the security of investments and settlements, and these values must be at investment grade.

List of selected long-term ratings assigned to banks that currently work with ENE A S.A.:

Bank	Agency	Rating
PKO BP	Moody's	A2
Pekao	Fitch	BBB
mBank	Fitch	BBB-
Santander Polska	Fitch	BBB+
BGK	Fitch	A-

As regards financial investments, in order to limit concentration risk, diversification rules for invested cash are applied. In accordance with the aforementioned "ENE A Group's liquidity and liquidity risk management policy," a maximum permissible level of fund allocation to one transaction partner is set. Moreover, allocating excess cash of companies within the cash pooling structure is generally carried out by ENE A S.A., which serves as Pool Leader in the cash pooling mechanism. Companies require ENE A S.A.'s approval to investment free cash on their own.

Cash management at ENE A Group is carried out at ENE A S.A. level, making it possible to effectively manage cash surpluses and to limit external financing costs. The cash pooling service covers selected companies from ENE A Group.

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

At 31 December 2022, cash pooling liabilities amounted to PLN 142 774 thousand (PLN 0 thousand at 31 December 2021) and is presented in line: Cash and cash equivalents.

At 31 December 2022, cash pooling liabilities amounted to PLN 0 (PLN 1 105 251 thousand at 31 December 2021) and is presented in line: Other financial liabilities).

As regards managing current excess cash and as regards currency risk and interest risk hedging instruments, the Company works with six financial institutions on a day-to-day basis.

### Credit risk associated with other financial assets

ENEA S.A.'s Risk Management Department carries out evaluations of significant long-term receivables and debt securities (including intra-group bonds and loans) as well as financial guarantees and liabilities concerning loans, and monitors significant credit risk and determines impairment for expected credit losses in accordance with ENEA Group's Methodology for determining expected credit losses for non-current debt assets and similar items. *In pursuing this objective, individual assessment of each counterparty or specific instruments is carried out, using external credit ratings and, in the absence thereof, using a system of internal credit ratings based on Altman's model for emerging markets and elements of qualitative-forecasting assessment.*

The Company identifies a deterioration in credit risk if:

- counterparty is more than 30 days late on a significant payment;
- a downgrade by at least two notches is observed as of the balance sheet date - for non-investment-grade ratings, identified in accordance with the aforementioned *Methodology* in the range from BB+ to B- (in comparison with the initial rating for this instrument), or
- a downgrade by at least one notch is observed as of the balance sheet date - for speculative-grade ratings, identified in accordance with the aforementioned *Methodology* in the range from CCC to D (in comparison with the initial rating for this instrument), or
- downgrade from non-investment grade to speculative grade.

Items assigned to investment grade for which no arrears on significant payments occurred for longer than 30 days are treated as items with low credit risk (the counterparty has high short-term ability to meet its obligations as regards contractual cash flows, and adverse changes in economic and business conditions in the long term might - but do not have to - impair its ability to satisfy these obligations).

The following table shows asset categories for which expected credit losses are calculated, by rating:

	As at	
	31 December 2022	31 December 2021
	12-month ECL	12-month ECL
<b>Cash and cash equivalents</b>	<b>388 730</b>	<b>1 005 481</b>
from AAA to BBB- (investment grade)	388 730	1 005 481
<b>Unquoted bonds</b>	<b>1 511 169</b>	<b>3 148 818</b>
from AAA to BBB- (investment grade)	1 511 169	1 702 182
from BB+ to B- (non-investment grade)	-	-
from CCC to D (non-investment grade)	-	1 446 636
<b>Loans granted</b>	<b>5 248 637</b>	<b>4 127 534</b>
from AAA to BBB- (investment grade)	2 720 032	1 617 014
from BB+ to B- (non-investment grade)	501 324	500 609
from CCC to D (non-investment grade)	2 027 281	2 009 911
<b>Total gross value</b>	<b>7 148 536</b>	<b>8 281 833</b>
Loans granted	(198 336)	(225 610)
<b>Total impairment for expected credit losses</b>	<b>(198 336)</b>	<b>(225 610)</b>
Cash and cash equivalents	388 730	1 005 481
Unquoted bonds	1 511 169	3 148 818
Loans granted	5 050 301	3 901 924
<b>Total balance sheet value</b>	<b>6 950 200</b>	<b>8 056 223</b>

### 34.2. Financial liquidity risk

#### Exposure to financial liquidity risk

Financial liquidity risk is perceived as the risk that ENEA S.A. would have no ability to meet its payment obligations at maturity.

The aim of these activities is to reduce the likelihood of financial liquidity risk materialising by optimally using financial resources and available financing instruments.

#### Risk management

In its business, ENEA S.A. strives to ensure 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.

In the financial liquidity management process, the Company focuses on activities centred around an analysis of cash flows in the short- and long-term, optimisation of working capital components and

monitoring the concentration of bank account balances. In order to ensure an appropriate level of security in unpredictable situations, the Company carries out cyclical scenario analyses and develops emergency financing plans intended to ensure the capacity to supplement cash shortages. The Company centrally manages financial surpluses. Allocating surpluses is mainly done with the use of term deposits. With a view toward limiting concentration risk, investments of excess cash are diversified in terms of financial institutions. ENEA S.A. works exclusively with renowned institutions having a stable position, as confirmed by ratings not below investment grade. Investment performance is monitored on an on-going basis.

Activities related to financial liquidity and liquidity risk management are coordinated by ENEA S.A. In order to secure funding for on-going operations and optimise the financial surplus management process, ENEA S.A. and ENEA Group companies use cash pooling. ENEA S.A. serves as Pool Leader. Additional instruments for the financing of on-going operations that secure funding for cash pooling system participants are ENEA S.A.'s overdraft facilities.

Instruments for the financing of on-going operations also include the Group's central mechanism for raising external funding by ENEA S.A., which is subsequently distributed by ENEA S.A. within the Group.

The Company's ongoing risk management in the aforementioned areas, as well as its market and financial position, allows us to conclude that liquidity risk in 2022 was monitored and controlled.

The Company manages liquidity risk also by maintaining open and unused credit lines, which amounted to PLN 2 613 444 thousand as at 31 December 2022.

The following table shows the maturities of the Company's financial liabilities:

#### As at 31 December 2022

	Trade and other payables	Liabilities arising from contracts with customers	Lease liabilities	Bank credit and bonds	Total
<b>Book value</b>	<b>932 157</b>	<b>46 330</b>	<b>35 570</b>	<b>4 799 675</b>	<b>5 813 732</b>
<b>Non-discounted contractual cash flows</b>	<b>(932 157)</b>	<b>(46 330)</b>	<b>(65 821)</b>	<b>(5 658 921)</b>	<b>(6 703 229)</b>
up to 6 months	(932 157)	(46 330)	(2 020)	(687 844)	(1 668 351)
6-12 months	-	-	(1 496)	(346 171)	(347 667)
1-2 years	-	-	(7 701)	(2 588 249)	(2 595 950)
2-5 years	-	-	(5 774)	(1 498 376)	(1 504 150)
over 5 years	-	-	(48 830)	(538 281)	(587 111)

#### As at 31 December 2021

	Trade and other payables	Liabilities arising from contracts with customers	Lease liabilities	Bank credit and bonds	Other financial liabilities	Financial liabilities at fair value	Total
<b>Book value</b>	<b>808 002</b>	<b>46 108</b>	<b>40 088</b>	<b>6 585 466</b>	<b>1 105 251</b>	<b>-</b>	<b>8 584 915</b>
<b>Non-discounted contractual cash flows</b>	<b>(808 002)</b>	<b>(46 108)</b>	<b>(70 118)</b>	<b>(7 124 067)</b>	<b>(1 105 251)</b>	<b>(24)</b>	<b>(9 153 570)</b>
up to 6 months	(808 002)	(46 108)	(2 149)	(2 076 276)	(1 105 251)	(24)	(4 037 810)
6-12 months	-	-	(1 280)	(259 345)	-	-	(260 625)
1-2 years	-	-	(4 005)	(509 595)	-	-	(513 600)
2-5 years	-	-	(12 394)	(3 500 279)	-	-	(3 512 673)
over 5 years	-	-	(50 290)	(778 572)	-	-	(828 862)

### 34.3. Commodity risk

Exposure to commodity risk	Risk management
<p>Commodity risk is related to potential changes in the Company's revenue/cash flows occurring especially as a result of changes in commodity prices. The objective of commodity risk management is to maintain exposure to this risk at an acceptable level, set by limits, while optimising the return on trading activities.</p> <p>A specific aspect of the Company's commodity risk is the fact that by acting as an energy enterprise operating as ex-officio seller the ENEA S.A. is required to submit electricity price tariffs for approval for the tariff group G. The Company purchases energy at market prices, while its tariff is calculated on the basis of costs deemed by the President of the Energy Regulatory Office (URE) as justified and taking into account margins (in trade) planned for the next tariff period.</p> <p>In connection with the above, the Company in the tariff period has a limited ability to transfer adverse changes in costs onto the end recipients of electricity. ENEA S.A. may file an application with the URE President to amend the tariff only in the event of a major increase in costs for reasons outside of its control.</p>	<p>Commodity risk management as regards prices consists of continuous monitoring of the size of open trading position (both in terms of hedging the retail sales volume as well as in proprietary trading) and measuring - using tools based on the value at risk concept - the level of risk resulting from possible changes in electricity price in relation to such an open position. The way to reduce risk in this case is to close a position that generates a potential loss that is higher than acceptable (higher than risk appetite). The management model in this case is based on a VaR limit system, which specifies the maximum allowed size of open position that carries the commodity (price) risk.</p> <p>Managing commodity risk in volumetric terms consists of using the scenario method and optimising trading planning and controlling processes that allow to most accurately estimate the expected volumes of electricity and associated commodities that are the subject of trade.</p> <p>Moreover, regardless of the above, ENEA S.A. uses management rules specified in the Company's strategic regulations (wholesale trade mode), setting out methods for optimising ENEA S.A.'s trading position, with the main aim to minimise the risk of taking action that is against market trends, while taking into account the effectiveness aspect of such actions (outperforming the market).</p>

### 34.4. Currency risk

Exposure to currency risk	Risk management
<p>Currency risk is associated with potential changes in exchange rates that may in turn lead to changes in the Company's cash flows.</p>	<p>Hedging is performed on the basis of "ENEA Group's currency risk and interest rate risk management policy."</p> <p>During the reporting period, a vast majority of cash flows related to ENEA S.A.'s operating and investing activities was in PLN.</p> <p>Within its process of monitoring exposure to currency risk apart from the core activities of ENEA Group companies, risk associated with items indexed to the exchange rates of foreign currencies and their hedging was identified at ENEA S.A.</p> <p>In accordance with 'ENEA Group's currency risk and interest rate risk management policy,' hedging is each time based on a currency hedging strategy dedicated to the specific exposure and approved by ENEA Group's Risk Committee. In accordance with its rules, the Company hedges all of its currency exposure that it considers as material, i.e. which exceeds the exposure limit. ENEA S.A. applies hedge accounting in this area.</p>

#### FX forwards

In the 12-month period ending 31 December 2022 the Company did not execute FX forward transactions. Measurement of this instrument as at 31 December 2022 was PLN 0 (PLN 0 thousand as at 31 December 2021).

### 34.5. Interest rate risk

#### Exposure to interest rate risk

Interest rate risk is associated with a negative impact of changes in interest rates on the Company's financial situation. Exposure to interest rate risk is related to credit agreements and bond issue program agreements.

Given the Company's existing financing arrangement model, interest rate risk is identified and managed (quantified, mitigated) by ENEA S.A. Financing is arranged based on variable interest, which is calculated in correlation with market rates (interbank). *Interest rate hedging is performed on the basis of "ENEA Group's currency risk and interest rate risk management policy."*

In accordance with the aforementioned Policy - exposure to interest rate risk is identified solely on the basis of the liability side of planned cash flows, without taking into account the value of financial investments (which tend to have lower durations than financial liabilities) - although this only applies to non-current financial liabilities.

In view of the process in progress in the Polish financial market to implement a new reference index and eventually replace the currently used WIBOR interest rate reference index, ENEA S.A. does not identify any risk in this respect. The Company's financial contracts contain provisions for the use of fall-back clauses, meaning that the contracts contain rules for their continuation in the event that a benchmark is not developed. A new interest rate will be set based on these provisions.

#### Risk management

In accordance with "ENEA Group's currency risk and interest rate risk management policy," hedging is each time based on an interest rate hedging strategy dedicated to the specific exposure and approved by ENEA Group's Risk Committee. The Company reduces interest rate risk by executing Interest Rate Swaps. The use of hedging instruments makes it possible to exchange a series of coupon payments in the same currency, calculated on an agreed nominal amount and for a specific period, although ENEA S.A. pays interest based on fixed rates, while the second side of the transaction (bank) pays interest based on variable rates. In order to maximise the hedge effectiveness, the hedging instrument's parameters are identical to the terms of the transaction being hedged (i.e. the underlying position). This eventually leads to an economic link forming between payments resulting from servicing external financing and the derivatives used to hedge them. With a close link between the hedged item and the hedging instrument, the main source of ineffectiveness of such links is improper performance of contracts by counterparties (based on which hedging transactions are executed) or earlier settlement of the hedged item.

As at 31 December 2022, the Company had credit and bond liabilities of PLN 4 799 675 thousand. Floating rate financial liabilities as at 31 December 2022 relate to the bulk of bank loans and bonds issued (at 31 December 2021, 64%), which were hedged in 65% by interest rate hedging transactions (IRS instruments).

The following table shows the Company's sensitivity to interest rate risk by presenting financial assets and liabilities by variable-rate and fixed-rate:

	As at	
	31 December 2022	31 December 2021
<b>Fixed-rate instruments</b>		
Financial assets	3 197 691	4 127 334
Financial liabilities	(1 440 559)	(1 211 907)
Impact of IRS hedge	(3 133 291)	(3 994 668)
<b>Total</b>	<b>(1 376 159)</b>	<b>(1 079 241)</b>
<b>Variable-rate instruments</b>		
Financial assets	6 235 521	5 771 487
Financial liabilities	(4 373 173)	(7 373 008)
Impact of IRS hedge	3 133 291	3 994 668
<b>Total</b>	<b>4 995 639</b>	<b>2 393 147</b>

Fixed-rate financial assets include cash in deposits, assets arising from contracts with customers, some intragroup bonds as well as trade receivables that are based on a fixed rate of penalty interest in case of overdue payment.

The Company's variable-rate financial assets include cash pooling receivables, while cash pooling liabilities are presented as variable-rate financial liabilities.

### Interest rate swaps

In the 12-month period ending 31 December 2022 ENEA S.A. did not execute interest rate swaps. The total bond and credit exposure hedged with IRSs as at 31 December 2022 amounted to PLN 3 133 291 thousand. Moreover, ENEA S.A. has fixed-rate credit agreements totalling PLN 426 113 thousand. These transactions have material impact on the predictability of expense flows and finance costs. The Company presents the measurement of these instruments in the item: Financial assets measured at fair value. Derivative instruments are treated as cash flow hedges, which is why they are recognised and accounted for using hedge accounting rules.

As at 31 December 2022, financial assets at fair value concerning IRSs amounted to PLN 252 902 thousand (31 December 2021: PLN 135 150 thousand). Multiple decisions by the Monetary Policy Council raising interest rates had a material impact on this amount.

The following table presents the impact of interest rate changes on the Company's financial result in reference to variable-rate instruments:

	As at 31 December 2022			As at 31 December 2021		
	Book value	Impact of interest rate risk on financial result (12-month period)		Book value	Impact of interest rate risk on financial result (12-month period)	
		+1pp	-1pp		+1pp	-1pp
<b>Financial assets</b>						
Debt financial assets at amortised cost	6 092 747	60 928	(60 928)	5 771 487	57 715	(57 715)
Cash and cash equivalents	142 774	1 428	(1 428)	-	-	-
Financial assets measured at fair value	252 902	-	-	135 150	-	-
<b>Impact on result before tax</b>		<b>62 356</b>	<b>(62 356)</b>		<b>57 715</b>	<b>(57 715)</b>
19% tax		(11 848)	11 848		(10 966)	10 966
<b>Impact on result after tax</b>		<b>50 508</b>	<b>(50 508)</b>		<b>46 749</b>	<b>(46 749)</b>
<b>Financial liabilities</b>						
Credit facilities, loans and debt securities	(4 373 173)	(43 732)	43 732	(6 267 757)	(62 678)	62 678
Other financial liabilities	-	-	-	(1 105 251)	(11 053)	11 053
<b>Impact on result before tax</b>		<b>(43 732)</b>	<b>43 732</b>		<b>(73 731)</b>	<b>73 731</b>
19% tax		8 309	(8 309)		14 009	(14 009)
<b>Impact on result after tax</b>		<b>(35 423)</b>	<b>35 423</b>		<b>(59 722)</b>	<b>59 722</b>
<b>Total</b>		<b>15 085</b>	<b>(15 085)</b>		<b>(12 973)</b>	<b>12 973</b>



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## Regulatory report

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### 35. Disclosures under art. 44 of the Energy Law concerning specific types of activity

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#### General rules for preparing regulatory financial information

In accordance with art. 44 of the Energy Law, the Company is required to prepare and disclose regulatory financial statements that contain a balance sheet (statement of financial position) and a statement of profit and loss for the reporting periods, separately for each type of economic activity.

The Company prepares regulatory financial information in accordance with the following rules:

<b>Principle of causality</b>	Asset and liability components are defined in accordance with their intended purpose and use for the purposes of specific types of activity or service. Defining revenue and costs is done in accordance with the principle of causality for revenue and costs within a given activity.
<b>Principle of objectivity and non-discrimination</b>	Assigning assets and liabilities, revenue and costs should be objective and aimed at the equal treatment of customers.
<b>Principle of stability and comparability</b>	Methods and rules used in preparing regulatory financial information should be consistent from year to year. If significant changes occur to rules for preparing financial statements, detailed accounting methods or rules, which have considerable impact on the reported financial information, comparative data for the previous year, in the part affected by such changes, is appropriately adjusted in order to ensure comparability.
<b>Principle of transparency and consistency</b>	The applied methods for preparing regulatory financial information should be transparent and internally consistent and, where applicable, consistent with the methods and rules used in other calculations for regulatory purposes and with the methods and rules for preparing financial statements.

#### Definitions of types of activity

The Company reports the following types of activity:

1. **Trade of gas fuels** - trade of gas fuels purchased from external suppliers and delivered to external clients;
2. **Other activity** - other activities, intra-group financing and activity related to Group management. Trade of electricity and trade of property rights are also classified by the Company as other activity.

#### Principle of allocation

##### Allocation of items in the statement of comprehensive income

The Company records costs by type and in multiple-step format using cost centres (CC).

The costs of core activities related to trade of electricity and gas fuels include CCs assigned directly to these activities and part of general administrative expenses appropriately allocated to the given CC. These costs are then split using by electricity and gas volume into trade of electricity (other activity) and trade of gas fuels. The remaining part of costs of operating activities is classified into other activity.

The following table shows the allocation of other items in the statement of comprehensive income:

Item in the statement of comprehensive income	Allocation key
Revenue from sales	specific identification method
Compensations	specific identification method
Lease income	directly to other activity
Other operating revenue	specific identification method or structure of revenue from sales in given financial year in given type of activity
Change in provision for onerous contracts	directly to other activity
Other operating costs	specific identification method or structure of revenue from sales in given financial year in given type of activity
Finance income, including:	
- interest on over-due receivables for electricity	structure of revenue from sales in given financial year in given type of activity or directly to other activity
- interest on financial instruments	directly to other activity
- other	structure of revenue from sales in given financial year in given type of activity
Finance costs, including:	
- interest on long-term financial liabilities	excluded from division - concerns invested capital
- other	specific identification method or structure of revenue from sales in given financial year in given type of activity
Impairment of interests in subsidiaries, associates and jointly controlled entities	directly to other activity
Impairment of financial assets at amortised cost	directly to other activity
Income tax	excluded from division
Other comprehensive income	excluded from division

#### Allocation of items in the statement of financial position

Item in the statement of financial position	Allocation key
Property, plant and equipment	depreciation cost structure
Perpetual usufruct of land	depreciation cost structure
Right-of-use assets	depreciation cost structure
Intangible assets	depreciation cost structure
Investment properties	directly to other activity
Investments in subsidiaries, associates and jointly controlled entities	directly to other activity
Deferred income tax assets	excluded from division
Financial assets measured at fair value	directly to other activity
Debt financial assets at amortised cost	directly to other activity
Costs related to the conclusion of agreements	directly to other activity
Available-for-sale financial assets	directly to other activity
Intra-group bonds	directly to other activity
Financial assets at fair value through profit or loss, including:	
- Derivative instruments	excluded from division

Trade and other receivables, including:	specific identification method
- accrued expenses, settlements concerning property insurance and other receivables	directly to other activity
- settlements concerning income tax with other entities within tax group	excluded from division
- VAT receivables	trade receivables and payables structures within specific activities
Inventory (including energy origin certificates)	directly to other activity
Assets arising from contracts with customers	specific identification method
Current income tax receivables	excluded from division
Cash and cash equivalents	attributed directly to other activity
Equity	excluded from division - element of employed capital
Credit, loans and debt securities (long-term instruments)	excluded from division - element of employed capital
Finance lease liabilities (long-term contracts)	excluded from division - element of employed capital
Employee benefit liabilities	wage cost structure
Financial liabilities measured at fair value	excluded from division
Trade and other payables, including:	specific identification method
- other liabilities	wage cost structure
- excise duty liabilities	excise duty cost structure
- VAT liabilities	structure of trade receivables and payables within specific segments of activity
Current income tax liabilities	excluded from division
Liabilities concerning the equivalent for rights to free purchase of shares	directly to other activity
Other financial liabilities	directly to other activity
Provisions for other liabilities and other charges	specific identification method

## Statement of comprehensive income for the period from 1 January 2022 to 31 December 2022

	Trade of gas fuels	Other activity	Excluded from division	Total
Revenue from sales	313 662	12 133 849	-	12 447 511
Excise duty	(2 178)	(49 627)	-	(51 805)
<b>Net revenue from sales</b>	<b>311 484</b>	<b>12 084 222</b>	<b>-</b>	<b>12 395 706</b>
Compensations	595	27 993	-	28 588
Lease income	-	236	-	236
<b>Revenue from sales and other income</b>	<b>312 079</b>	<b>12 112 451</b>	<b>-</b>	<b>12 424 530</b>
Other operating revenue	31	18 977	-	19 008
Change in provision for onerous contracts	-	(414 715)	-	(414 715)
Depreciation/amortisation	(61)	(6 156)	-	(6 217)
Employee benefit costs	(1 701)	(93 148)	-	(94 849)
Use of materials and raw materials and value of goods sold	(65)	(4 381)	-	(4 446)
Purchase of electricity and gas for sales purposes	(326 435)	(11 211 363)	-	(11 537 798)
Transmission services	-	(79 634)	-	(79 634)
Other third-party services	(3 699)	(262 097)	-	(265 796)
Taxes and fees	(111)	(4 277)	-	(4 388)
Other operating costs	(73)	(103 080)	-	(103 153)
<b>Operating loss</b>	<b>(20 035)</b>	<b>(47 423)</b>	<b>-</b>	<b>(67 458)</b>
Finance costs	(378)	(95 302)	(190 559)	(286 239)
Finance income	298	539 921	-	540 219
Dividend income	-	995 713	-	995 713
Impairment of interests in subsidiaries, associates and jointly controlled entities	-	1 066 793	-	1 066 793
Impairment of financial assets at amortised cost	-	27 274	-	27 274
<b>Profit/(loss) before tax</b>	<b>(20 115)</b>	<b>2 486 976</b>	<b>(190 559)</b>	<b>2 276 302</b>
Income tax	-	-	171 722	171 722
<b>Net profit/(loss) for the reporting period</b>	<b>(20 115)</b>	<b>2 486 976</b>	<b>(18 837)</b>	<b>2 448 024</b>
Other comprehensive income	-	-	74 816	74 816
<b>Comprehensive income for the reporting period</b>	<b>-</b>	<b>-</b>	<b>55 979</b>	<b>2 522 840</b>

## Statement of comprehensive income for the period from 1 January 2021 to 31 December 2021

	Trade of gas fuels	Other activity	Excluded from division	Total
Revenue from sales	186 741	7 293 173	-	7 479 914
Excise duty	(3 309)	(69 888)	-	(73 197)
<b>Net revenue from sales</b>	<b>183 432</b>	<b>7 223 285</b>	<b>-</b>	<b>7 406 717</b>
Lease income	-	243	-	243
<b>Revenue from sales and other income</b>	<b>183 432</b>	<b>7 223 528</b>	<b>-</b>	<b>7 406 960</b>
Other operating revenue	-	13 992	-	13 992
Change in provision for onerous contracts	-	(199 282)	-	(199 282)
Depreciation/amortisation	(142)	(6 644)	-	(6 786)
Employee benefit costs	(2 610)	(79 259)	-	(81 869)
Use of materials and raw materials and value of goods sold	(93)	(2 761)	-	(2 854)
Purchase of electricity and gas for sales purposes	(197 796)	(6 893 554)	-	(7 091 350)
Transmission services	-	(40 518)	-	(40 518)
Other third-party services	(4 825)	(225 106)	-	(229 931)
Taxes and fees	(95)	(4 083)	-	(4 178)
Other operating costs	(269)	(60 971)	-	(61 240)
<b>Operating loss</b>	<b>(22 398)</b>	<b>(274 658)</b>	<b>-</b>	<b>(297 056)</b>
Finance costs	(131)	(9 513)	(169 851)	(179 495)
Finance income	400	173 944	-	174 344
Dividend income	-	545 357	-	545 357
Impairment of interests in subsidiaries, associates and jointly controlled entities	-	175 707	-	175 707
Impairment of financial assets at amortised cost	-	(15 825)	-	(15 825)
<b>Profit/(loss) before tax</b>	<b>(22 129)</b>	<b>595 012</b>	<b>(169 851)</b>	<b>403 032</b>
Income tax	-	-	57 377	57 377
<b>Net profit/(loss) for the reporting period</b>	<b>(22 129)</b>	<b>595 012</b>	<b>(112 474)</b>	<b>460 409</b>
Other comprehensive income	-	-	215 864	215 864
<b>Comprehensive income for the reporting period</b>	<b>-</b>	<b>-</b>	<b>103 390</b>	<b>676 273</b>

## Statement of financial position as at 31 December 2022

	Trade of gas fuels	Other activity	Excluded from division	Total
<b>Total non-current assets</b>	<b>629</b>	<b>16 994 183</b>	<b>259 961</b>	<b>17 254 773</b>
Property, plant and equipment	251	25 079	-	25 330
Right-of-use assets	354	35 446	-	35 800
Intangible assets	24	2 433	-	2 457
Investment properties	-	12 106	-	12 106
Investments in subsidiaries, associates and jointly controlled entities	-	10 603 939	-	10 603 939
Deferred income tax assets	-	-	161 272	161 272
Financial assets measured at fair value	-	57 793	98 689	156 482
Debt financial assets at amortised cost	-	6 247 346	-	6 247 346
Lease and sub-lease receivables	-	1 071	-	1 071
Costs related to the conclusion of agreements	-	8 970	-	8 970
<b>Total current assets</b>	<b>69 475</b>	<b>3 818 977</b>	<b>405 726</b>	<b>4 294 178</b>
Inventories	-	67 428	-	67 428
Trade and other receivables	69 475	2 589 040	-	2 658 515
Costs related to the conclusion of agreements	-	11 006	-	11 006
Assets arising from contracts with customers	-	447 424	-	447 424
Lease and sub-lease receivables	-	1 225	-	1 225
Current income tax receivables	-	-	251 412	251 412
Financial assets measured at fair value	-	-	154 314	154 314
Debt financial assets at amortised cost	-	314 124	-	314 124
Cash and cash equivalents	-	388 730	-	388 730
<b>TOTAL ASSETS</b>				<b>21 548 951</b>
<b>Total non-current liabilities</b>	<b>986</b>	<b>350 633</b>	<b>-</b>	<b>351 619</b>
Employee benefit liabilities	986	54 110	-	55 096
Provisions for other liabilities and other charges	-	296 523	-	296 523
<b>Total current liabilities</b>	<b>39 924</b>	<b>2 251 404</b>	<b>-</b>	<b>2 291 328</b>
Trade and other payables	37 549	1 529 482	-	1 567 031
Liabilities arising from contracts with customers	-	46 330	-	46 330
Employee benefit liabilities	579	31 785	-	32 364
Liabilities concerning cash equivalent for rights to free purchase of shares	-	281	-	281
Provisions for other liabilities and other charges	1 796	643 526	-	645 322
<b>Employed capital</b>	<b>29 194</b>	<b>18 211 123</b>	<b>(18 240 317)</b>	<b>-</b>
Equity			14 070 759	14 070 759
Credit facilities, loans and debt securities			4 799 675	4 799 675
Finance lease liabilities			35 570	35 570
<b>TOTAL EQUITY AND LIABILITIES</b>				<b>21 548 951</b>

## Statement of financial position as at 31 December 2021

	Trade of gas fuels	Other activity	Excluded from division	Total
<b>Total non-current assets</b>	<b>1 431</b>	<b>15 070 738</b>	<b>214 076</b>	<b>15 286 245</b>
Property, plant and equipment	506	23 590	-	24 096
Right-of-use assets	854	39 806	-	40 660
Intangible assets	71	3 314	-	3 385
Investment properties	-	12 656	-	12 656
Investments in subsidiaries, associates and jointly controlled entities	-	9 531 789	-	9 531 789
Deferred income tax assets	-	-	106 989	106 989
Financial assets measured at fair value	-	57 830	107 087	164 917
Debt financial assets at amortised cost	-	5 390 289	-	5 390 289
Lease and sub-lease receivables	-	284	-	284
Costs related to the conclusion of agreements	-	11 180	-	11 180
<b>Total current assets</b>	<b>81 775</b>	<b>4 944 640</b>	<b>125 525</b>	<b>5 151 940</b>
Inventories	-	135 777	-	135 777
Trade and other receivables	81 775	1 830 347	97 331	2 009 453
Costs related to the conclusion of agreements	-	11 652	-	11 652
Assets arising from contracts with customers	-	300 206	-	300 206
Lease and sub-lease receivables	-	723	-	723
Financial assets measured at fair value	-	-	28 194	28 194
Debt financial assets at amortised cost	-	1 660 454	-	1 660 454
Cash and cash equivalents	-	1 005 481	-	1 005 481
<b>TOTAL ASSETS</b>				<b>20 438 185</b>
<b>Total non-current liabilities</b>	<b>1 724</b>	<b>280 900</b>	<b>-</b>	<b>282 624</b>
Employee benefit liabilities	1 724	52 318	-	54 042
Provisions for other liabilities and other charges	-	228 582	-	228 582
<b>Total current liabilities</b>	<b>44 572</b>	<b>2 620 155</b>	<b>-</b>	<b>2 664 727</b>
Trade and other payables	40 384	787 625	-	828 009
Liabilities arising from contracts with customers	-	46 108	-	46 108
Employee benefit liabilities	904	27 447	-	28 351
Liabilities concerning cash equivalent for rights to free purchase of shares	-	281	-	281
Other financial liabilities	-	1 105 251	-	1 105 251
Provisions for other liabilities and other charges	3 284	653 443	-	656 727
<b>Employed capital</b>	<b>36 910</b>	<b>17 114 323</b>	<b>(17 151 233)</b>	<b>-</b>
Equity			10 803 745	10 803 745
Credit facilities, loans and debt securities			6 585 466	6 585 466
Finance lease liabilities			40 088	40 088
Current income tax liabilities			61 535	61 535
<b>TOTAL EQUITY AND LIABILITIES</b>				<b>20 438 185</b>

## Other explanatory notes

### 36. Related-party transactions

The Company executes transactions with the following related parties:

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

#### ENEA Group companies

	Year ended	
	31 December 2022	31 December 2021
<b>Purchase value, including:</b>	<b>13 234 568</b>	<b>8 863 045</b>
purchase of materials	558	532
purchase of services	2 315 248	2 108 263
other (including electricity and gas)	10 918 762	6 754 250
<b>Sale value, including:</b>	<b>712 475</b>	<b>378 807</b>
sale of electricity	584 835	336 027
sale of services	64 709	17 277
other	62 931	25 503
<b>Interest income, including:</b>	<b>413 551</b>	<b>140 324</b>
on bonds	103 433	77 689
on loans	272 336	61 912
other	37 782	723
<b>Dividend income</b>	<b>994 550</b>	<b>545 357</b>

	As at	
	31 December 2022	31 December 2021
Receivables	1 211 614	426 679
Liabilities	1 531 640	733 296
Financial assets - bonds	1 511 169	3 148 818
Loans granted	5 008 297	3 901 924
Other financial liabilities	-	1 105 251

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

#### Transactions with members of the Group's corporate authorities

Item	Year ended			
	Company's Management Board		Company's Supervisory Board	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Remuneration under management contracts and consulting contracts	6 428*	5 248**	-	-
Remuneration under appointment to management or supervisory bodies	-	-	726	788
<b>Total</b>	<b>6 428</b>	<b>5 248</b>	<b>726</b>	<b>788</b>

\* 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 202 thousand.

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

As at 31 December 2022, liabilities related to management contracts and consultancy contracts towards Management Board members amount to PLN 208 thousand (PLN 207 thousand as at 31 December 2021). As at 31 December 2022, a

provision for Management Board bonuses amounted to PLN 4 080 thousand (PLN 3 420 thousand as at 31 December 2021); these provisions are not included in the above table.

The following table contains transactions concerning loans from the Company Social Benefit Fund:

Organ	As at 1 January 2022	Granted from	Repayment until 31 December 2022	As at
Company's Supervisory Board	21	-	(4)	17
<b>Total</b>	<b>21</b>	<b>-</b>	<b>(4)</b>	<b>17</b>

Organ	As at 1 January 2021	Granted from	Repayment until 31 December 2021	As at
Company's Supervisory Board	26	-	(5)	21
<b>Total</b>	<b>26</b>	<b>-</b>	<b>(5)</b>	<b>21</b>

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

Members of the Company's governing bodies and their close relatives did not execute significant transactions having an impact on the Company's results and financial situation.

#### Transactions with State Treasury related parties.

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

The subject of these transactions mainly is as follows:

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

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

In addition, the Company identified financial transactions with State Treasury's related parties, i.e. with banks serving as guarantors for bond issue 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 27.

Among State Treasury subsidiaries, ENEA S.A.'s largest counterparty-customer by far is Grupa Azoty, with net sales in 2022 reaching PLN 419 628 thousand (PLN 338 897 thousand in net sales to Grupa Azoty in 2021). The largest counterparty-supplier is Polskie Sieci Elektroenergetyczne S.A., with net purchases in 2022 reaching PLN 267 553 thousand (in 2021, Polskie Sieci Elektroenergetyczne S.A. with PLN 171 029 thousand).

#### Transactions with jointly controlled entities and associates

The following table presents the key transactions with jointly controlled entities and associates:

	Year ended 31 December 2022		As at 31 December 2022	
	Sale	Purchases	Receivables	Liabilities
Jointly controlled entities	150 456	-	-	-
Associates	18	-	-	-

	Year ended 31 December 2021		As at 31 December 2021	
	Sale	Purchases	Receivables	Liabilities
Jointly controlled entities	102 615	-	24 047	-

The key transactions related to the sale of electricity to Polska Grupa Górnicza S.A. The Company did not receive dividends from jointly controlled companies or associates in 2022 or the comparative period. 1818).



### 37. Explanatory notes to the separate statement of cash flows

The following table shows a reconciliation of changes in working capital in the separate statement of cash flows and changes in the separate statement of financial position:

	Year ended	
	31 December 2022	31 December 2021
<b>Change in trade and other receivables, assets arising from contracts with customers in the balance sheet</b>	<b>(793 424)</b>	<b>(697 531)</b>
- Other	(1 785)	2 709
<b>Change in trade and other receivables in cash flow statement</b>	<b>(795 209)</b>	<b>(694 822)</b>
<b>Change in trade and other payables and liabilities arising from contracts with customers in the balance sheet</b>	<b>739 244</b>	<b>403 587</b>
- investment commitments	(105)	(815)
- PGK	(303 016)	(17 653)
- Other	(4)	23
<b>Change in trade and other payables in cash flow statement</b>	<b>436 119</b>	<b>385 142</b>
<b>Change in employee benefit liabilities on balance sheet</b>	<b>5 067</b>	<b>(5 390)</b>
- Actuarial gains/losses recognised in other comprehensive income	(2 447)	2 860
- Other	(1)	-
<b>Change in employee benefit liabilities in cash flow statement</b>	<b>2 619</b>	<b>(2 530)</b>
<b>Change in other provisions for liabilities and other charges in the balance sheet</b>	<b>56 536</b>	<b>241 906</b>
- Reversal/recognition of provision for settlements with Elektrownia Ostrołęka	46 493	175 707
<b>Change in other provisions for liabilities and other charges in cash flow statement</b>	<b>103 029</b>	<b>417 613</b>

In the item: Purchase of financial assets in investing activities the Company reports loans issued to subsidiaries.

In the item: Sale of financial assets in investing activities ENEA S.A. reports loans repaid and intragroup bond buy-backs.

The following tables show a reconciliation of debt in the separate statement of financial position and in the separate statement of cash flows:

#### Reconciliation of bank credit and loans

	Year ended	
	31 December 2022	31 December 2021
<b>As at 1 January</b>	<b>1 689 812</b>	<b>1 892 052</b>
Credit and loans received	336 845	-
Repayment of credit and loans	(203 413)	(203 413)
Measurement and transaction costs	12 120	1 173
<b>As at 31 December</b>	<b>1 835 364</b>	<b>1 689 812</b>

#### Reconciliation of bonds

	Year ended	
	31 December 2022	31 December 2021
<b>As at 1 January</b>	<b>4 895 654</b>	<b>5 878 053</b>
Bond buy-back	(1 955 111)	(997 110)
Measurement and transaction costs	23 768	14 711
<b>As at 31 December</b>	<b>2 964 311</b>	<b>4 895 654</b>

### 38. Concession agreements for provision of public services

ENEA S.A.'s business activities mainly involve the sale of electricity and natural gas.

In accordance with the Energy Law, the URE President is responsible for issuing concessions, regulating the activities of energy enterprises and approving tariffs, who by way of an administrative decision approves energy prices and rates as well as rules in the tariff. ENEA S.A. holds an electricity trade concession for the period from 26 November 1998 to 31 December 2025. On 12 September 2013, ENEA S.A. received a concession from the URE President for trade of gas fuels, valid until 31 December 2030.

Subject to approval by the URE President are tariffs for electricity that cover activities which are not considered by the

URE President as conducted under competitive conditions (in reference to which the URE President has not issued a decision exempting from the obligation to submit tariffs for approval).

Tariffs for natural gas for households and sensitive customers (such as: housing communities and cooperatives, entities carrying out public benefit activities: schools, kindergartens, hospitals) are also subject to submission to the President of URE for approval. The catalogue of entities covered by tariff protection was extended by the Act of 26 January 2022 on special solutions for the protection of gas fuel consumers in connection with the gas market situation. The Act introduced specific shielding arrangements that allowed measures to be taken to minimise the negative socio-economic impacts associated with a sudden, sharp increase in the price of natural gas on the market in 2022.

Tariffs for gaseous fuel for households and sensitive customers are subject to approval by the President of the URE until 31 December 2027.

In 2022, ENEA S.A. applied the following URE President-approved tariffs:

- "Tariff for electricity for tariff group G customers" in effect from 1 January 2022 and "Change in tariff for electricity for tariff group G customers" in effect from 2 March 2022;
- "Tariff for high-methane natural gas," in effect from 25 January 2022, and "Tariff for high-methane natural gas," in effect from 19 August 2022.

On 17 December 2022, the President of the Energy Regulatory Office decided to approve the tariff for electricity for customers in tariff group G for the period to 31 December 2023. This tariff entered into force on 1 January 2023.

On 3 January 2023, the Company submitted an application to the President of URE for approval of a change in the tariff for electricity for customers in tariff group G for 2023. The proposed change results from higher energy procurement costs than those applied in the existing tariff.

### 39. Employment

	31 December 2022	As at 31 December 2021
White collar jobs	421	405
<b>Total</b>	<b>421</b>	<b>405</b>

The data contained in the table presents employment in full-time jobs. Management positions are classified as white collar jobs.

### 40. 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.

#### 40.1. Sureties and guarantees

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

##### List of sureties issued as at 31 December 2022

Name of entity for which surety was issued	Total amount of liabilities covered by surety	Purpose of amounts covered by surety	Period for which surety was issued	Nature of links between the Company and entity incurring the liability
ENEA Trading Sp. z o.o.	PLN 1 100 450 thousand (USD 250 million)	collateral for ENEA Trading's liabilities towards Citigroup Global Markets Europe AG	unlimited duration	subsidiary
ENEA Trading Sp. z o.o.	PLN 3 400 000 thousand	collateral for ENEA Trading's liabilities towards PKO BP S.A.	31.12.2024	subsidiary
ENEA Trading Sp. z o.o.	PLN 79 728 thousand (EUR 17 million)	collateral for ENEA Trading's liabilities towards Axpo Polska Sp. z o.o.	31.12.2023	subsidiary
ENEA Trading Sp. z o.o.	PLN 937 980 thousand (EUR 200 million)	collateral for ENEA Trading's liabilities towards Morgan Stanley Europe SE	unlimited duration	subsidiary
ENEA Elektrownia Polaniec	PLN 10 800 000 thousand	collateral for ENEA Elektrownia Polaniec S.A.'s liabilities towards IRGiT	30.04.2023	subsidiary
ENEA Trading Sp. z o.o.	PLN 328 293 thousand (EUR 70 million)	collateral for ENEA Trading's liabilities towards Macquarie Bank Europe DAC	unlimited duration	subsidiary
ENEA Trading Sp. z o.o.	PLN 1 320 540 thousand (USD 300 milion)	collateral for ENEA Trading's liabilities towards J.P. Morgan SE	unlimited duration	subsidiary

##### List of sureties issued as at 31 December 2021

Name of entity for which surety was issued	Total amount of liabilities covered by surety	Purpose of amounts covered by surety	Period for which surety was issued	Nature of links between the Company and entity incurring the liability
ENEA Trading Sp. z o.o.	PLN 1 015 000 thousand (USD 250 million)	collateral for ENEA Trading's liabilities towards Citigroup Global Markets Europe AG	unlimited duration	subsidiary
ENEA Trading Sp. z o.o.	PLN 2 000 thousand	collateral for ENEA Trading's liabilities towards Polenergia Obrót S.A.	30.06.2022	subsidiary

### List of guarantees issued as at 31 December 2022

Guarantee issue date	Guarantee validity	Obliged entity	Entity for which the guarantee was issued	Bank - issuer	Guarantee amount in PLN 000s
01.07.2022	01.07.2024	ENEA Elektrownia Polaniec	Izba Rozliczeniowa Gield Towarowych S.A.	PKO BP S.A.	250 000
12.08.2018	31.12.2023	ENEA Elektrownia Polaniec	Polskie Sieci Elektroenergetyczne	PKO BP S.A.	60 000
04.08.2021	15.07.2023	ENEA S.A.	Vastint Poland Sp. z o.o.	PKO BP S.A.	1 045
<b>Total bank guarantees</b>					<b>311 045</b>

### List of guarantees issued as at 31 December 2021

Guarantee issue date	Guarantee validity	Obliged entity	Entity for which the guarantee was issued	Bank - issuer	Guarantee amount in PLN 000s
30.12.2020	31.12.2022	ENEA Elektrownia Polaniec	Izba Rozliczeniowa Gield Towarowych S.A.	PEKAO S.A.	600 000
08.12.2021	31.07.2022	ENEA Elektrownia Polaniec	Izba Rozliczeniowa Gield Towarowych S.A.	PKO BP S.A.	250 000
12.08.2018	30.06.2022	ENEA Elektrownia Polaniec	Polskie Sieci Elektroenergetyczne	PKO BP S.A.	60 000
26.06.2020	15.03.2022	ENEA Serwis Sp. z o.o.	ENEA Operator Sp. z o.o.	PKO BP S.A.	3 145
04.08.2021	15.02.2022	ENEA S.A.	Unikoff Sp. z o.o.	PKO BP S.A.	2 600
01.07.2020	30.06.2022	ENEA S.A.	H. Święcicki Clinical Hospital in Poznań	PKO BP S.A.	1 281
04.08.2021	15.07.2023	ENEA S.A.	Vastint Poland Sp. z o.o.	PKO BP S.A.	1 045
<b>Total bank guarantees</b>					<b>918 071</b>

The value of other guarantees issued by the Company as at 31 December 2022 was PLN 11 891 thousand (PLN 13 963 thousand as at 31 December 2021).

## 40.2. On-going proceedings in courts of general competence

### Proceedings initiated by the Company

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

At 31 December 2022, a total of 21 070 cases initiated by the Company were in progress before courts of general competence, worth in aggregate PLN 70 109 thousand (31 December 2021: 17 739 cases worth PLN 59 631 thousand).

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

### Proceedings against the Company

Proceedings against the Company are initiated by both natural persons and legal entities. They concern issues such as: compensation for electricity supply disruptions, compensation for the Company's use of properties on which power equipment is located as well as claims related to terminated contracts for the purchase of property rights (note 40.5).

At 31 December 2022, a total of 81 cases against the Company were in progress before courts of general competence, worth in aggregate PLN 367 789 thousand (31 December 2021: 94 cases worth PLN 587 473 thousand).

Provisions related to these court cases are presented in 30.

## 40.3. Risk associated with legal status of properties used by ENEA S.A.

Risk associated with the legal status of properties used by the Company (currently used by ENEA Operator Sp. z o.o.) results from the fact that the Company 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 Company might be obligated to incur the costs of non-contractual use of property, which had taken place in previous years prior to the de-merger of ENEA Operator Sp. z o.o.

Unregulated legal status of properties previously used by the Company and currently in use by ENEA Operator Sp. z o.o. - grid infrastructure on such properties gives rise to a threat of claims involving a demand for payment of compensation for non-contractual use of land, establishing rent or in individual cases demands associated with a change of a facility's location (return of land to original condition).

The Company has a provision for court proceedings instigated against the Company by owners of properties on which transmission grids and associated equipment are located.

As at 31 December 2022, the Company had a provision for claims concerning non-contractual use of land amounting to PLN 2 120 thousand.

#### 40.4. 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
<b>Total</b>	<b>27 594</b>

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

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

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

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

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

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.

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

#### 40.5. 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. The Company 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 79 045 thousand, which mainly relates to disputes in the area of the PM OZE certificates and covers all monetary claims on this account as at 31 December 2022. The provision is presented in 30.

On 21 February 2022 the Appeals Court 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 are presented in note 28.

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 Śniatowo Sp. k., based in Poznań (currently TEC1 Sp. z o.o. EW Śniatowo 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. 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.

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 shut down 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. The ruling is not final, ENEA S.A. has requested its justification.

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#### 41. Tax group

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On 11 December 2019 the Director of the 1st Wielkopolskie Tax Authority in Poznań registered an agreement concerning the formation of a tax group for a period of three tax years from 1 January 2020 to 31 December 2022. The agreement was executed in the form of a notarial deed on 12 November 2019 between 11 ENEA Group companies, including: ENEA S.A., ENEA Operator Sp. z o.o., ENEA Centrum Sp. z o.o., ENEA Wytwarzanie Sp. z o.o., ENEA Elektrownia Połaniec S.A.

The tax group is represented by ENEA S.A.

The Act on corporate income tax treats a tax group as a separate payer of corporate income tax (CIT), meaning that companies within a tax group are not treated as separate entities for CIT purposes, while the tax group is treated as a whole.

Subject to tax is income of the entire group, calculated as the excess of the sum of income all of the companies within the group over their losses. The tax group is a separate entity only for CIT purposes. It is not a separate entity in a legal sense. It also does not apply to other taxes, especially each of the companies within the tax group is a separate payer of VAT, tax on civil-law transactions, property tax and payer of personal income tax.

Companies forming a tax equity group must meet a number of requirements, including but not limited to: an appropriate level of capital, the parent company's share in the capital of the companies forming the tax group at a minimum of 75%, the absence of tax arrears and the conclusion of transactions only on an arm's length basis. Failing to meet these requirements would mean a dissolution for the tax group and loss of taxpayer status. From dissolution, each company within the tax group would become a separate CIT payer.

On 14 December 2022, the Director of the 1st Mazowiecki Tax Authority in Warsaw registered an agreement concerning the formation of a tax group for a period of three tax years from 1 January 2023 to 31 December 2025. The agreement was executed in the form of a notarial deed on 14 November 2022 between 4 ENEA Group companies: ENEA S.A., ENEA Operator Sp. z o.o., ENEA Centrum Sp. z o.o., ENEA Power & Gas Trading Sp. z o.o.

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#### 42. Letter of intent regarding Lubelski Węgiel BOGDANKA S.A.

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On 18 June 2022 the Management Board of ENEA S.A. signed a letter of intent with the State Treasury regarding the potential acquisition by the State Treasury of 21 962 189 shares in Lubelski Węgiel BOGDANKA S.A. (LWB), constituting 64.57% of shares in LWB's capital (Transaction). The Company and the State Treasury have undertaken to conduct in good faith any activities necessary to prepare and carry out the Transaction, consisting in the purchase by the State Treasury of all 21 962 189 LWB shares held by ENEA S.A. The letter of intent is in effect until 31 December 2023.

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#### 43. Sale of shares in Polska Grupa Górnicza S.A.

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A conditional agreement for the sale of shares in Polska Grupa Górnicza S.A. was signed on 3 August 2022 ("Conditional Sale Agreement"). The selling parties in the Conditional Sale Agreement are as follows: ENEA S.A., ECARB Sp. z o.o., PGNiG Termika S.A., PGE Górnictwo i Energetyka Konwencjonalna S.A., Polski Fundusz Rozwoju S.A., Towarzystwo Finansowe Silesia Sp. z o.o. oraz Węglokoks S.A., and the buyer is the State Treasury of Poland ("State Treasury"). Pursuant to the Conditional Sale Agreement, the Company will sell to the State Treasury all of its shares in Polska Grupa Górnicza S.A. ("PGG"), i.e. 3 000 000 ordinary registered shares, constituting 7.66% of PGG's share capital, for a total price of PLN 1 for all of the shares. The balance sheet value of the stake in PGG at the time of sale was PLN zero. The transfer of ownership of PGG shares to the State Treasury will take place on the condition that the National Agricultural Support Centre ("KOWR") does not exercise its pre-emptive right. The condition precedent was met on 5 October 2022 - KOWR did not exercise its pre-emptive right. ENEA S.A. sold all of its shares in PGG to the State Treasury on 25 October 2022, i.e. 3 000 000 ordinary registered shares (constituting 7.66% of PGG's share capital).

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#### 44. Political and economic situation in Ukraine

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

In commodity and financial markets, there is increased risk aversion and high volatility in the prices of commodities and financial instruments. Considerable volatility in the prices of electricity and emission allowances (EUAs) is resulting in the need for margining on IRGIT and on foreign markets (The ICE, EEX) that organise trading in greenhouse gas emission allowances, thereby increasing the need for working capital. Rising commodity prices reinforce the expectations of rising



interest rates (increasing inflationary pressures), which increases the cost of debt financing. A pronounced weakening of PLN is leading to an increase in operating costs.

This situation caused an increase in the prices of gaseous fuel as well as electricity in the current year (the need to purchase for balancing purposes) and prices for customers (in terms of customers who have not purchased energy with a guaranteed "fixed" price).

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

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

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

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#### 45. Events after the reporting period

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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). The merger is being carried out in a simplified manner, i.e. pursuant to art. 516 of the Polish Commercial Companies Code. The merger was registered in the National Court Register on 16 January 2023.

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. 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 (conditional on the level of the net debt/EBITDA ratio). In addition, the interest rate for Loan A depends on sustainability indicators, i.e. the CO<sub>2</sub> reduction rate and the rate of increasing the share of renewable energy sources in the generation structure of ENEA Group.

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 S.A. will receive in 2023 compensation for the use, in settlements with authorised customers, of the electricity prices referred to in art. 3 sec. 1, art. 4 sec. 1, art. 5 sec. 1 and art. 6 sec. 1 of this act. In accordance with art. 14 of the aforementioned act, the Company filed applications for advance payments for January and February 2023. Advances for Compensation were paid in January 2023 in the amount of PLN 247 121 thousand and February 2023 in the amount of PLN 216 003 thousand.