



ENEA S.A.

**CONDENSED SEPARATE
INTERIM FINANCIAL
STATEMENTS**

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

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

Members of the Management Board

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

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

**Member of the
Management Board** **Jakub Kowaleczko**

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

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

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

ENEA Centrum Sp. z o.o.

Entity responsible for maintaining accounting

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, 13 September 2023

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Note	Period			
		6 months ended 30 June 2023 (unaudited)	3 months ended 30 June 2023 (unaudited)	6 months ended 30 June 2022 (unaudited)	3 months ended 30 June 2022 (unaudited)
Revenue from sales		8 348 634	3 879 977	5 759 561	2 863 536
Excise duty		(40 089)	(19 664)	(26 346)	(12 578)
Net revenue from sales	7	8 308 545	3 860 313	5 733 215	2 850 958
Compensations	7	1 892 333	792 855	-	-
Lease income		746	386	103	56
Revenue from sales and other income		10 201 624	4 653 554	5 733 318	2 851 014
Other operating revenue		18 073	12 244	6 998	5 013
Change in provision for onerous contracts	18	184 148	92 074	(109 110)	(58 116)
Depreciation/amortisation		(2 462)	(1 036)	(3 111)	(1 515)
Employee benefit costs		(53 240)	(24 834)	(42 460)	(19 170)
Use of materials and raw materials and value of goods sold		(2 014)	(949)	(2 050)	(961)
Purchase of electricity and gas for sales purposes		(10 168 423)	(4 607 633)	(5 547 605)	(2 674 866)
Transmission and distribution services		(77 616)	(42 056)	(24 364)	(14 479)
Other third-party services		(150 088)	(85 862)	(124 165)	(66 543)
Taxes and fees		(3 680)	(3 171)	(3 460)	(430)
Other operating costs		(27 009)	(14 264)	(107 138)	(87 135)
Operating loss		(80 687)	(21 933)	(223 147)	(67 188)
Finance costs		(211 341)	(109 802)	(131 984)	(74 847)
Finance income		344 296	173 753	176 725	101 394
Dividend income		490 766	490 766	458 015	458 015
Change in impairment of interests in subsidiaries, associates and jointly controlled entities	11	(121 150)	(117 876)	41 569	10 438
Change in impairment of financial assets at amortised cost	20	-	-	(7 133)	(3 468)
Profit before tax		421 884	414 908	314 045	424 344
Income tax		(3 631)	(6 152)	54 179	26 958
Net profit for the reporting period		418 253	408 756	368 224	451 302
Other comprehensive income					
Subject to reclassification to profit or loss:					
- measurement of hedging instruments		(95 327)	(48 485)	198 282	100 412
- income tax		18 112	9 212	(37 674)	(19 079)
Not subject to reclassification to profit or loss:					
- restatement of defined benefit plan		(10 079)	(10 079)	6 739	6 739
- income tax		1 915	1 915	(1 280)	(1 280)
Net other comprehensive income		(85 379)	(47 437)	166 067	86 792
Comprehensive income for the reporting period		332 874	361 319	534 291	538 094
Net profit attributable to the Company's shareholders		418 253	408 756	368 224	451 302
Weighted average number of ordinary shares		529 731 039	529 731 039	472 660 616	503 535 600
Net profit per share (in PLN per share)		0.79	0.77	0.78	0.90
Diluted profit per share (in PLN per share)		0.79	0.77	0.78	0.90

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

SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	As at	
		30 June 2023 (unaudited)	31 December 2022
ASSETS			
Non-current assets			
Property, plant and equipment	9	24 655	25 330
Right-of-use assets		30 596	35 800
Intangible assets	10	2 021	2 457
Investment properties		11 833	12 106
Investments in subsidiaries, associates and jointly controlled entities	11	10 498 320	10 603 939
Deferred income tax assets	8	137 583	161 272
Financial assets measured at fair value	19	67 928	156 482
Debt financial assets at amortised cost	20	6 367 302	6 247 346
Finance lease and sublease receivables		1 110	1 071
Costs related to the conclusion of agreements		9 549	8 970
Total non-current assets		17 150 897	17 254 773
Current assets			
Inventories	12	165 570	67 428
Trade and other receivables	14	4 285 995	2 658 515
Costs related to the conclusion of agreements		10 579	11 006
Assets arising from contracts with customers	13	488 343	447 424
Finance lease and sublease receivables		1 246	1 225
Current income tax receivables	8	264 727	251 412
Financial assets measured at fair value	19	144 118	154 314
Debt financial assets at amortised cost	20	269 283	314 124
Cash and cash equivalents	15	621 207	388 730
Total current assets		6 251 068	4 294 178
TOTAL ASSETS		23 401 965	21 548 951

SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	As at	
		30 June 2023 (unaudited)	31 December 2022
EQUITY AND LIABILITIES			
Equity			
Share capital		676 306	676 306
Share premium		4 343 879	4 343 879
Revaluation reserve - measurement of hedging instruments		108 860	186 075
Reserve capital		8 864 165	6 416 141
Retained earnings		410 423	2 448 358
Total equity		14 403 633	14 070 759
LIABILITIES			
Non-current liabilities			
Credit facilities, loans and debt securities	17	3 373 046	4 062 292
Lease liabilities		28 404	32 860
Employee benefit liabilities		65 302	55 096
Provisions for other liabilities and other charges	18	288 144	296 523
Total non-current liabilities		3 754 896	4 446 771
Current liabilities			
Credit facilities, loans and debt securities	17	2 946 781	737 383
Trade and other payables		1 510 932	1 567 031
Liabilities arising from contracts with customers	13	90 104	46 330
Lease liabilities		1 733	2 710
Employee benefit liabilities		26 930	32 364
Liabilities concerning the equivalent for rights to free purchase of shares		281	281
Other financial liabilities	23	117 432	-
Provisions for other liabilities and other charges	18	549 243	645 322
Total current liabilities		5 243 436	3 031 421
Total liabilities		8 998 332	7 478 192
TOTAL EQUITY AND LIABILITIES		23 401 965	21 548 951

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

SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital (nominal amount)	Reserve for revaluation and merger accounting	Total share capital	Share premium	Revaluation reserve - measurement of hedging instruments	Reserve capital	Retained earnings	Total equity
As at 1 January 2022	441 443	146 575	588 018	3 687 993	109 277	5 974 031	444 426	10 803 745
Net profit for the reporting period	-	-	-	-	-	-	368 224	368 224
Net other comprehensive income	-	-	-	-	160 608	-	5 459	166 067
Net comprehensive income recognised in the period	-	-	-	-	160 608	-	373 683	534 291
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	-	-	-	(6 330)	-	-	-	(6 330)
As at 30 June 2022 (unaudited)	529 731	146 575	676 306	4 343 827	269 885	6 416 141	375 999	12 082 158

	Share capital (nominal amount)	Reserve for revaluation and merger accounting	Total share capital	Share premium	Revaluation reserve - measurement of hedging instruments	Reserve capital	Retained earnings	Total equity
As at 1 January 2023	529 731	146 575	676 306	4 343 879	186 075	6 416 141	2 448 358	14 070 759
Net profit for the reporting period	-	-	-	-	-	-	418 253	418 253
Net other comprehensive income	-	-	-	-	(77 215)	-	(8 164)	(85 379)
Net comprehensive income recognised in the period	-	-	-	-	(77 215)	-	410 089	332 874
Allocation of net profit - transfer	-	-	-	-	-	2 448 024	(2 448 024)	-
As at 30 June 2023 (unaudited)	529 731	146 575	676 306	4 343 879	108 860	8 864 165	410 423	14 403 633

SEPARATE STATEMENT OF CASH FLOWS

	Note	Period	
		6 months ended 30 June 2023 (unaudited)	6 months ended 30 June 2022 (unaudited)
Cash flows from operating activities			
Net profit/(loss) for the reporting period		418 253	368 224
Adjustments:			
Income tax in profit or loss		3 631	(54 179)
Depreciation/amortisation		2 462	3 111
Gain on sale of financial assets		3 510	(5 139)
Interest income		(263 284)	(137 373)
Dividend income		(490 766)	(458 015)
Interest costs		169 335	106 572
Impairment of interests		121 150	(41 569)
Impairment of financial assets at amortised cost		-	7 133
Total adjustments		(453 962)	(579 459)
Paid income tax		(22 955)	(176 120)
Flows resulting from settlements within tax group		63 897	233 792
Changes in working capital:			
Inventories		(98 142)	(165 558)
Trade and other receivables		(1 187 764)	(100 281)
Trade and other payables		(33 120)	(66 611)
Employee benefit liabilities		(5 307)	(4 366)
Provisions for other liabilities and other charges		(104 458)	299 793
Total changes in working capital		(1 428 791)	(37 023)
Net cash flows from operating activities		(1 423 558)	(190 586)
Cash flows from investing activities			
Purchase of tangible and intangible assets		(25)	(1 149)
Purchase of financial assets		(620 420)	-
Proceeds from sale of financial assets		556 398	1 556 457
Purchase of subsidiaries		(10 883)	(27 331)
Purchase of associates and jointly controlled entities		(625)	(381)
Sale of associates and jointly controlled entities		394	626
Received interest		254 598	120 466
Net cash flows from investing activities		179 437	1 648 688
Cash flows from financing activities			
Credit and loans received		3 901 164	-
Proceeds from share issue		-	750 452
Expenses related to share issue		-	(6 330)
Repayment of credit and loans		(2 339 713)	(101 707)
Bond buy-back		(78 055)	(1 877 055)
Expenditures concerning lease payments		(1 447)	(1 527)
Interest paid		(122 783)	(88 630)
Net cash flows from financing activities		1 359 166	(1 324 797)
Total net cash flows		115 045	133 305
Cash at the beginning of reporting period	15	388 730	(99 770)
Cash at the end of reporting period	15	503 775	33 535

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

ADDITIONAL INFORMATION AND EXPLANATIONS

General information

1. General information on ENEA S.A.

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

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

As at 30 June 2023, ENEA S.A.'s shareholding structure was as follows:

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

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

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

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

The Company's condensed separate interim financial statements cover the 6-month period ended 30 June 2023 and contain comparative data for the 6-month period ended 30 June 2022 and as at 31 December 2022.

2. Group composition

As at 30 June 2023, ENEA Group consisted of the parent - ENEA S.A., 30 subsidiaries, including 8 indirect subsidiaries, as well as 1 jointly controlled entity and 4 associates.

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

Company name	Activity	Registered office	ENE A S.A.'s stake in total number of voting rights as at 30 June 2023	ENE A S.A.'s stake in total number of voting rights as at 31 December 2022
SUBSIDIARIES				
1. ENEA Operator Sp. z o.o.	distribution	Poznań	100%	100%
2. ENEA Wytwarzanie Sp. z o.o.	generation	Świerże Górne	100%	100%
3. ENEA Elektrownia Połaniec S.A.	generation	Połaniec	100%	100%
4. ENEA Oświetlenie Sp. z o.o.	other activity	Szczecin	100%	100%
5. ENEA Trading Sp. z o.o.	trade	Świerże Górne	100% ^{10,12}	100%
6. ENEA Serwis Sp. z o.o.	distribution	Lipno	100%	100%
7. ENEA Centrum Sp. z o.o.	other activity	Poznań	100%	100%
8. ENEA Pomiary Sp. z o.o.	distribution	Poznań	100%	100%
9. ENERGO-TOUR Sp. z o.o. w likwidacji	other activity	Poznań	5%	100% ⁵
10. ENEA Innowacje Sp. z o.o.	other activity	Warsaw	100%	100%
11. Lubelski Węgiel BOGDANKA S.A.	mining	Bogdanka	64.57%	64.57%
12. ENEA Ciepło Sp. z o.o.	generation	Białystok	99.94%	99.94%
13. Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o.	generation	Oborniki	99.93%	99.93%
14. Miejska Energetyka Ciepła Piła Sp. z o.o.	generation	Piła	71.11%	71.11%
15. ENEA Nowa Energia Sp. z o.o.	generation	Radom	100%	100%
16. ENEA ELKOGAZ Sp. z o.o.	generation	Warsaw	100% ⁸	100%
17. ENEA Power&Gas Trading Sp. z o.o.	trade	Warsaw	100% ¹⁰	100%
18. EN101 Sp. z o.o.	generation	Poznań	100% ⁷	-
19. EN102 Sp. z o.o.	generation	Poznań	100%	100%
20. EN103 Sp. z o.o.	generation	Poznań	100%	100%
21. EN201 Sp. z o.o.	generation	Poznań	100%	100%
22. EN202 Sp. z o.o.	generation	Poznań	100% ⁷	-
23. EN203 Sp. z o.o.	generation	Poznań	100%	100%
INDIRECT SUBSIDIARIES				
24. ENEA Logistyka Sp. z o.o.	distribution	Poznań	100% ³	100% ³
25. ENEA Bioenergia Sp. z o.o.	generation	Połaniec	100% ¹	100% ¹
26. ENEA Połaniec Serwis Sp. z o.o.	generation	Połaniec	5%	100% ¹
27. EkoTRANS Bogdanka Sp. z o.o.	mining	Bogdanka	64.57% ²	64.57% ²
28. RG Bogdanka Sp. z o.o.	mining	Bogdanka	64.57% ²	64.57% ²
29. MR Bogdanka Sp. z o.o.	mining	Bogdanka	64.57% ²	64.57% ²
30. Łęczyńska Energetyka Sp. z o.o.	mining	Bogdanka	57.27% ²	57.27% ²
31. ENEBIOGAZ 1 Sp. z o.o.	generation	Radom	100% ⁴	100% ⁴
32. ENEBIOGAZ 2 Sp. z o.o.	generation	Radom	100% ⁴	100% ⁴
JOINTLY CONTROLLED ENTITIES				
33. Elektrownia Ostrołęka Sp. z o.o.	-	Ostrołęka	50% ¹¹	50%
ASSOCIATES				
34. Polimex – Mostostal S.A.	-	Warsaw	16.17% ⁹	16.26%
35. Elektrownia Wiatrowa Baltica-4 Sp. z o.o.	-	Warsaw	33.81%	33.81%
36. Elektrownia Wiatrowa Baltica-5 Sp. z o.o.	-	Warsaw	33.81%	33.81%
37. Elektrownia Wiatrowa Baltica-6 Sp. z o.o.	-	Warsaw	33.76%	33.76%

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

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

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

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

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

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

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

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

⁹ – an increase of Polimex Mostostal S.A.'s share capital by PLN 1 000 thousand, i.e. from PLN 479 738 thousand to PLN 480 738 thousand, by admitting 500 000 ordinary bearer shares series S with a nominal value of PLN 2 each, was registered on 30 January 2023. In March 2023 ENEA S.A. sold 187 500 shares, thus decreasing its stake in that company's share capital from 16.23% to 16.15%. In the 6-month period ended 30 June 2023 ENEA S.A. submitted a demand to exercise call options 8 and 9. 30 March 2023. The Company made a bank transfer payment for the 187 500 shares of Polimex - Mostostal S.A. (call option 8). An increase of Polimex Mostostal S.A.'s share capital by PLN 1 500 thousand, i.e. from PLN 480 738 thousand to PLN 482 238 thousand, by admitting 750 000 ordinary bearer shares series S with a nominal value of PLN 2 each, was registered on 14 April 2023, thus reducing ENEA S.A.'s stake in that company's share capital from 16.15% to 16.10%. On 28 April 2023, as a result of the exercise of call option 8, ENEA S.A.'s share in the company's share capital increased from 16.10% to 16.17%. On 29 June 2023 the Company made a bank transfer payment for 125 000 shares of Polimex - Mostostal S.A. (call option 9). An increase of Polimex Mostostal S.A.'s share capital by PLN 1 000 thousand, i.e. from PLN 482 238 thousand to PLN 483 238 thousand, by admitting 500 000 ordinary bearer shares series S with a nominal value of PLN 2 each, was registered on 12 July 2023. ENEA S.A.'s stake in that company's share capital decreased from 16.17% to 16.14%. From 14 July 2023, as a result of the exercise of call option 9, ENEA S.A.'s stake in the company's share capital is 16.19%.

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

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

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

3. Management Board and Supervisory Board composition

Management Board

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

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

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

As at 13 September 2023	
President of the Management Board	Paweł Majewski
Member of the Management Board, responsible for finance	Rafał Mucha
Member of the Management Board, responsible for sales	Jakub Kowaleczko
Member of the Management Board, responsible for corporate affairs	Dariusz Szymczak
Member of the Management Board, responsible for operations	Marcin Pawlicki
Member of the Management Board, responsible for strategy and development	Lech Żak

Supervisory Board

	As at		As at	
	30 June 2023	Appointment	31 December 2022	End of term/resignation
Chairperson of the Supervisory Board	Łukasz Ciołko		Rafał Włodarski	4 January 2023
Deputy Chairperson of the Supervisory Board	Roman Stryjski		Roman Stryjski	
Secretary of the Supervisory Board	Mariusz Pliszka		Mariusz Pliszka	
Member of the Supervisory Board	Aleksandra Agatowska	13 March 2023	Łukasz Ciołko	
Member of the Supervisory Board	Mariusz Damasiewicz		Mariusz Damasiewicz	
Member of the Supervisory Board	Aneta Kordowska		Aneta Kordowska	
Member of the Supervisory Board	Tomasz Lis		Tomasz Lis	
Member of the Supervisory Board	Paweł Łącki		Paweł Łącki	
Member of the Supervisory Board	Mariusz Romańczuk		Mariusz Romańczuk	
Member of the Supervisory Board	Piotr Zborowski		Piotr Zborowski	

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

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

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

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

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

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

As at 13 September 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	Mariusz Damasiewicz
Member of the Supervisory Board	Aneta Kordowska
Member of the Supervisory Board	Tomasz Lis
Member of the Supervisory Board	Paweł Łącki
Member of the Supervisory Board	Mariusz Romańczuk

4. Basis for preparing financial statements

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

The Company's Management Board used its best knowledge as to the application of standards and interpretations as well as methods and rules for the measurement of items in ENEA S.A.'s condensed separate interim financial statements in accordance with EU IFRS as at 30 June 2023. The presented tables and explanations are prepared with due diligence. These condensed separate interim financial statements have been reviewed by a statutory auditor. The accounting rules are applied consistently across all of the presented periods unless stated otherwise.

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

The Company prepares condensed consolidated interim financial statements for ENEA Group in accordance with IFRS EU as at and for the 6-month period ending 30 June 2023. In order to obtain full information on ENEA Group's financial situation and results, readers of ENEA S.A.'s condensed separate interim financial statements should read these in conjunction with ENEA Group's condensed consolidated interim financial statements and ENEA S.A.'s separate annual financial statements for the financial year ended on 31 December 2022.

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

These condensed separate interim financial statements are prepared using accounting rules that are consistent with the rules used in preparing the most recent annual separate financial statements for the financial year ended 31 December 2022.

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

6. Functional currency and presentation currency

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

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

Explanatory notes to the separate statement of comprehensive income

7. Revenue from sales

Net revenue from sales

	6-month period ended	
	30 June 2023	30 June 2022
Revenue from the sale of electricity	8 188 196	5 577 045
Revenue from the sale of gas	100 897	148 090
Revenue from the sale of other services	19 426	7 573
Revenue from the sale of goods and materials	26	507
Total net revenue from sales	8 308 545	5 733 215

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.

	6-month period ended	
	30 June 2023	30 June 2022
Revenue from continuous services	8 289 093	5 725 135
Revenue from services provided at specified time	19 452	8 080
Total	8 308 545	5 733 215

Compensations

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

ENE A S.A. recognised compensation revenue in H1 2023 amounting to PLN 1 892 333 thousand, of which:

- PLN 1 149 700 thousand due to the application of settlements with eligible customers in accordance with the provisions of the Act of 7 October 2022 on special solutions for the protection of electricity consumers in 2023 in connection with the situation on the electricity market;
- PLN 742 633 thousand for the application of the maximum price in accordance with the provisions of the Act of 27 October 2022. on emergency measures to limit the level of electricity prices and support for certain consumers in 2023.

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

In the first half of 2023, in accordance with the deadlines under the aforementioned laws, the Company submitted the relevant applications to Zarządca Rozliczeń S.A. for compensation payments for the period up to May 2023. Applications for June 2023 were filed on 18 and 20 July 2023 - the amount of compensation for June 2023 is included in the Company's revenue on an estimated basis and does not materially differ from that which was stated in the application.

In the first half of 2023, ENEA S.A. received PLN 980 180 thousand of the PLN 1 892 333 thousand in compensations recognised in the statement of comprehensive income. The remaining PLN 912 153 thousand as of 30 June 2023 was due to be received by the Company. In addition, in accordance with art. 14 of the Act of 7 October 2022 on special solutions for the protection of electricity consumers in 2023 in connection with the situation on the electricity market and in accordance with art. 9 of the act of 27 October 2022 on emergency measures to limit the level of electricity prices and support certain consumers in 2023, ENEA S.A. received advances for December 2022, January 2023 and February 2023, totalling PLN 1 001 162 thousand. In the statement of financial position, the Company recognised the difference between the received advances and the Compensations due, in the amount of PLN 89 009 thousand, under trade and other payables.

8. Tax

Deferred income tax

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

	6-month period ended 30 June 2023	Year ended 31 December 2022
As at the beginning of period	161 272	106 989
Change recognised in profit or loss	(43 716)	71 832
Change recognised in other comprehensive income	20 027	(17 549)
As at the end of period	137 583	161 272

In the 6-month period ended 30 June 2023, the tax on the Company's profit before tax, as a result of an decrease in deferred income tax assets, amounted to PLN 43 716 thousand (in the 6-month period ended 30 June 2022 the charge to the Company's profit before tax as a result of an increase in deferred income tax assets amounted to PLN 69 105 thousand).

Explanatory notes to the separate statement of financial position

9. Property, plant and equipment

In the 6-month period ended 30 June 2023 the Company purchased property, plant and equipment items for a total of PLN 25 thousand net (in the 6-month period ending 30 June 2022: PLN 1 149 thousand net).

In the 6-month period ended 30 June 2023 the Company sold and/or liquidated property, plant and equipment items for a total of PLN 0 thousand net (in the 6-month period ending 30 June 2022: PLN 0 thousand net).

As at 30 June 2023, no indications for the impairment of property, plant and equipment were identified. No collateral was established on property, plant and equipment assets.

As at 30 June 2023, 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 2022: PLN 0 thousand).

10. Intangible assets

In the 6-month period ended 30 June 2023 the Company did not purchase intangible assets (in the 6-month period ending 30 June 2022: PLN 0 thousand).

In the 6-month period ended 30 June 2023 the Company did not liquidate intangible assets (in the 6-month period ending 30 June 2022: PLN 0 thousand).

As at 30 June 2023, no indications for impairment were identified. No collateral has been established on intangible assets. No intangible assets were produced internally in the six-month period ended 30 June 2023.

11. Investments in subsidiaries, associates and jointly controlled entities

Change in investments in subsidiaries, associates and jointly controlled entities

	6-month period ended 30 June 2023	Year ended 31 December 2022
As at the beginning of period	10 603 939	9 531 789
Purchase of investments	214 261	52 857
Sale of investments	(394)	(302 761)
Change in impairment	(319 486)	1 368 897
Other changes	-	(46 843)
As at the end of period	10 498 320	10 603 939

The purchase mainly includes shares in Elektrownia Ostrołęka Sp. z o.o.

ENEA ELKOGAZ Sp. z o.o.

15 March 2023	Resolution increasing share capital by PLN 10 000 thousand, from PLN 19 000 thousand to PLN 29 000 thousand, by issuing 100 000 new shares with a nominal value of PLN 100.00 each.	Extraordinary General Meeting
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Polimex – Mostostal S.A.

30 March 2023	The Company submitted a demand to exercise its call option and made a bank transfer for 187 500 Polimex - Mostostal S.A. shares.	-
March 2022	ENEA S.A. sold 187 500 Polimex – Mostostal S.A. shares that it had previously held, thus decreasing its stake in that company's share capital from 16.23% to 16.15%.	-
29 June 2023	The Company submitted a demand to exercise its call option and made a bank transfer for 125 500 Polimex - Mostostal S.A. shares.	-

Elektrownia Ostrołęka Sp. z o.o.

27 April 2023	Resolution increasing share capital by PLN 100.00, from PLN 912 482 100.00 to PLN 912 482 200.00, by issuing 2 new shares with a nominal value of PLN 50.00 each.	Extraordinary General Meeting
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Impairment of investments

	6-month period ended 30 June 2023	Year ended 31 December 2022
As at the beginning of period	3 424 875	4 793 772
Created	838 744	-
Used	-	(302 104)
Reversed	(519 258)	(1 066 793)
As at the end of period	3 744 361	3 424 875

In reference to the conclusion of an agreement for cooperation in separating coal assets and integrating these within the National Energy Security Agency ("NABE") and the signing of documents containing a summary of the transaction terms for the purchase by the State Treasury of 100% of shares in ENEA Wytwarzanie Sp. z o.o. and in ENEA Elektrownia Połaniec S.A., the Management Board of ENEA S.A. decided to update the value of its stakes in the aforementioned companies to the amount derived from the proposal specified in current report no. 30/2023 of 15 July 2023.

The recoverable amount of these shares determined in this way is as follows:

- at ENEA Wytwarzanie Sp. z o.o. PLN 2 479 000 thousand (book value PLN 1 959 742 thousand),
- at ENEA Elektrownia Połaniec S.A. PLN 632 000 thousand (book value PLN 1 268 087 thousand).

This necessitated the reversal of impairment losses that had been recognised in previous years on the shares of ENEA Wytwarzanie Sp. z o.o., amounting to PLN 519 258 thousand, and the recognition of an impairment loss on the shares of ENEA Elektrownia Połaniec S.A. in the amount of PLN 636 087 thousand.

Implementation of project to build Elektrownia Ostrołęka C

As of 30 June 2023, 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. In line with the prudential valuation principle, the Company recognised the stake in Elektrownia Ostrołęka Sp. z o.o. at zero value in its separate financial statements.

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

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

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

12. Inventories

Inventories

	As at	
	30 June 2023	31 December 2022
Energy origin certificates	162 535	67 044
Goods	3 035	384
Total	165 570	67 428

No collateral is established on inventory.

Energy origin certificates

	6-month period	Year ended
	ended	
	30 June 2023	31 December 2022
Net value at the beginning of period	67 044	135 083
Purchase	214 293	747 431
Depreciation	(118 802)	(815 470)
Net value at the end of period	162 535	67 044

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

13. Assets and liabilities arising from contracts with customers

Assets and liabilities arising from contracts with customers

	Assets arising from contracts with customers	Liabilities arising from contracts with customers
As at 1 January 2022	300 206	46 108
Change in non-invoices receivables	147 309	-
Change in impairment	(91)	-
Adjustments, prepayments	-	222
As at 31 December 2022	447 424	46 330
Change in non-invoices receivables	40 931	-
Change in impairment	(12)	-
Adjustments, prepayments	-	43 774
As at 30 June 2023	488 343	90 104

The customer contract asset balance mainly includes unbilled electricity sales, while the customer contract liability balance mainly includes sales adjustment liabilities related to, among other things, the Act of 7 October 2022 on special measures to protect electricity consumers in 2023 due to the electricity market situation and the Act of 27 October 2022 on emergency measures to limit the level of electricity prices and support certain consumers in 2023, as well as prepayments.

14. Trade and other receivables

Trade and other receivables

	As at	
	30 June 2023	31 December 2022
Current trade and other receivables		
Trade receivables	3 154 595	2 087 632
Tax receivables (excluding income tax)	184 626	73 251
Other receivables	135 915	138 827
Dividends due	490 766	-
Advance payments	380 909	414 667
Gross current trade and other receivables	4 346 811	2 714 377
Less: impairment of receivables	(60 816)	(55 862)
Net current trade receivables	4 285 995	2 658 515

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

The increase in trade receivables at 30 June 2023 was mainly driven by the reinstatement of 23% VAT for the sale of electricity and gaseous fuels and an increase in revenue from the sale of electricity.

15. Cash and cash equivalents

Significant judgements and estimates

In accordance with ENEA S.A.'s credit risk assessment rules and the provisions of IFRS 9 as regards impairment tests for cash and cash equivalents as at 30 June 2023; the Company sees potential impact as negligible.

Presentation of deposits at clearinghouse IRGiT

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

Cash and cash equivalents

	As at	
	30 June 2023	31 December 2022
Cash at bank account	184 239	240 296
including split payment	113 437	11 637
Other cash	436 968	148 434
- Deposits	431 115	-
- Other	5 853	5 660
- Cash pooling	-	142 774
Total cash and cash equivalents	621 207	388 730
Cash pooling	(117 432)	-
Cash recognised in the statement of cash flows	503 775	388 730

Restricted cash related to split payment - VAT as at 30 June 2023 was PLN 113 437 thousand (PLN 11 637 thousand as at 31 December 2022), and deposit at IRGiT as at 30 June 2023 was PLN 1 472 thousand (PLN 1 434 thousand as at 31 December 2022). No collateral is established on cash.

16. Profit allocation

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

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

17. Debt-related liabilities

Credit facilities, loans and debt securities

	As at	
	30 June 2023	31 December 2022
Bank credit	2 668 083	1 279 820
Bonds	704 963	2 782 472
Long-term	3 373 046	4 062 292
Bank credit	768 561	555 544
Bonds	2 178 220	181 839
Short-term	2 946 781	737 383
Total	6 319 827	4 799 675

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 30 June 2023 (principal)	Debt at 31 December 2022 (principal)	Interest	Final repayment deadline
1.	ENEA S.A.	EIB	18 October 2012 (A) and 19 June 2013 (B)	1 425 000	700 010	762 717	Fixed interest rate or WIBOR 6M + margin	17 June 2030
2.	ENEA S.A.	EIB	29 May 2015 (C)	946 000	683 500	722 500	Fixed interest rate or WIBOR 6M + margin	15 September 2032
3.	ENEA S.A.	Bank Pekao S.A., Alior Bank S.A., Bank of China S.A., PKO BP S.A., BGK	27 January 2023	2 500 000	2 000 000	-	WIBOR 6M + margin	27 January 2028
4.	ENEA S.A.	PKO BP S.A.	28 January 2014, Annex 3 of 28 December 2022	500 000	-	243 636	WIBOR 1M + margin	31 December 2024
5.	ENEA S.A.	Bank Pekao S.A.	28 January 2014, Annex 3 of 28 December 2022	150 000	-	92 920	WIBOR 1M + margin	31 December 2024
6.	ENEA S.A.	BGK	7 September 2020 Annex 3 of 27 October 2022	1 250 000	-	-	WIBOR 1M + margin	28 July 2023
7.	ENEA S.A.	PKO BP S.A.	3 October 2022 Annex 2 of 28 June 2023	500 000	-	-	WIBOR 1M + margin for PLN or EURIBOR 1M+margin for EUR	31 December 2023
8.	ENEA S.A.	Bank Pekao S.A.	21 October 2022	750 000	-	-	EURIBOR 1M+margin	21 October 2023
Total				8 021 000	3 383 510	1 821 773		
Transaction costs and effect of measurement using effective interest rate					53 134	13 591		
Total				8 021 000	3 436 644	1 835 364		

On 27 January 2023, ENEA S.A. signed a financing agreement with a syndicate of banks consisting of: Polska Kasa Oszczędności Bank Polski S.A., Bank Gospodarstwa Krajowego, Bank Polska Kasa Opieki S.A., Alior Bank S.A. and Bank of China (Europe) S.A., branch in Poland. Under this agreement, the Company raised financing totalling up to PLN 2 500 000 thousand, including a term loan of up to PLN 1 500 000 thousand ("Loan A") and a revolving renewable loan of up to PLN 1 000 000 thousand ("Loan B"). The maturity period is 5 years, with an option to roll over for a further 2 years. This is a financing agreement linked to sustainable development. Under the terms of the agreement, the Company may use the funds made available under Loan A to finance and refinance ENEA Group's capital expenditure incurred in connection with the construction, expansion, modernisation or maintenance of the distribution network and the acquisition, development, expansion, financing, construction, modernisation, maintenance or commissioning of any renewable energy sources. Loan B may be used by the Company to finance the day-to-day operations and working capital of ENEA Group, excluding: the financing of the construction, acquisition and expansion of hard coal-fired power plants, as well as other

activities related to hard coal, including: hard coal mining, hard coal trading and the refinancing of any financial indebtedness or expenditure incurred for such purpose. Following the Company's fulfilment of all conditions precedent, Loan A and Loan B were disbursed on 3 February 2023. The financing is based on a variable interest rate, plus a margin (determined by the level of the net debt/EBITDA ratio). In addition, the interest rate for Loan A depends on sustainability indicators, i.e. the CO₂ reduction rate and the rate of increasing the share of renewable energy sources in the generation structure of ENEA Group.

Bond issue programs

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

No.	Bond issue program name	Program start date	Program amount	Value of outstanding bonds as at 30 June 2023	Value of outstanding bonds as at 31 December 2022	Interest	Buy-back deadline
1.	Bond issue program agreement with BGK	15 May 2014	1 000 000	520 000	560 000	WIBOR 6M + margin	Buy-back in tranches, last tranche due in December 2026
2.	Bond issue program agreement with PKO BP S.A., Bank Pekao S.A. and mBank S.A.	30 June 2014	5 000 000	2 000 000	2 000 000	WIBOR 6M + margin	Buy-back in June 2024
3.	Bond issue program agreement with BGK	3 December 2015	700 000	342 503	380 558	WIBOR 6M + margin	Buy-back in tranches, last tranche due in September 2027
Total			6 700 000	2 862 503	2 940 558		
Transaction costs and effect of measurement using effective interest rate				20 680	23 753		
Total			6 700 000	2 883 183	2 964 311		

In the 6-month period ended 30 June 2023 ENEA S.A. did not execute new bond issue program agreements.

Interest rate hedges and currency hedges

In the 6-month period ended 30 June 2023 ENEA S.A. did not execute interest rate swaps. The total bond and credit exposure hedged with IRSs as at 30 June 2023 amounted to PLN 3 052 469 thousand. Moreover, ENEA S.A. has fixed-rate credit agreements totalling PLN 396 713 thousand. These transactions have material impact on the predictability of expense flows and finance costs. The Company presents the measurement of these instruments in the item: Financial assets measured at fair value. Derivative instruments are treated as cash flow hedges, which is why they are recognised and accounted for using hedge accounting rules.

As at 30 June 2023, financial assets at fair value concerning IRSs amounted to PLN 154 980 thousand (31 December 2022: PLN 252 902 thousand).

In the 6-month period ended 30 June 2023 the Company did not execute FX forward transactions. The measurement of FX FORWARDS as at 30 June 2023 was PLN 0 (PLN 0 thousand as at 31 December 2022).

Financing terms - covenants

Financing agreements require ENEA S.A. and ENEA Group to maintain certain financial ratios. As at 30 June 2023, the debt ratio of the subsidiaries under the loan agreements signed with the European Investment Bank ("EIB Agreements"), exceeded the permissible level, due to, inter alia, the result of a decrease in ENEA S.A.'s debt due to the systematic repayment of its working capital loans. In addition, this level was significantly affected by the negative valuation of FX Forward contracts for EUR, executed by ENEA Trading Sp. z o.o. in order to hedge the currency risk concerning the purchase of CO₂ emission allowances. Taking this into account, ENEA S.A. applied to the EIB for a so-called waiver, estimating that after the spin-off of generating companies from ENEA Group to the National Energy Security Agency, the valuation of FX Forward contracts will no longer have a negative impact on financial results.

Under the provisions of the EIB Agreements, exceeding the debt ratio of the subsidiaries does not result in the immediate maturity of the loans, but gives the EIB the right to issue a call for corrective action, which the EIB has not exercised. At the same time, as at the date of these condensed consolidated interim financial statements and in the first half of 2023 the Group was not required to repay any financial debt early.

18. Provisions

In the 6-month period ended 30 June 2023, provisions for other liabilities and charges decreased on a net basis by PLN 104 458 thousand (6-month period ended 30 June 2022: increase by PLN 258 224 thousand).

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

	Provision for non-contractual use of land	Provision for other claims	Provision for energy origin certificates	Provision for onerous contracts	Total
As at 1 January 2023	2 120	79 045	195 862	664 818	941 845
Increase in existing provisions	27	3 974	249 334	-	253 335
Use of provisions	-	(1 443)	(171 944)	(184 148)	(357 535)
Reversal of unused provision	(5)	(253)	-	-	(258)
As at 30 June 2023	2 142	81 323	273 252	480 670	837 387
<i>Long-term</i>	-	-	-	288 144	288 144
<i>Short-term</i>	2 142	81 323	273 252	192 526	549 243

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

Provision for onerous contracts

On 17 December 2022, the President of the Energy Regulatory Office ("URE President") approved a tariff for electricity for a set of tariff G customer groups for the period from 1 January 2023 to 31 December 2023 (Tariff). The URE President approved the price for the sale of electricity to recipients in tariff group G for ENEA S.A., at an average level of PLN 1 050.58 per MWh, after a previous in minus adjustment of the amount of the Tariff determined in the first application submitted by the Company in this matter. The amount of the Tariff does not fully cover the Company's estimated justified costs for the purchase of electricity, based on the contracts already concluded and the valuation of the open position. Considering the above and acting pursuant to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the Company identified the necessity to recognise in 2022 a provision for onerous contracts for customers from tariff group G amounting to PLN 368 295 thousand. In the 6-month period ended 30 June 2023 ENEA S.A. used the provision for onerous contracts in the amount of PLN 184 148 thousand.

Financial instruments and financial risk management

19. Financial instruments and fair value

Financial instruments

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

	As at 30 June 2023		As at 31 December 2022	
	Book value	Fair value	Book value	Fair value
FINANCIAL ASSETS				
Long-term	6 436 340	6 363 834	6 404 899	6 327 551
Financial assets measured at fair value	67 928	67 928	156 482	156 482
Debt financial assets at amortised cost	6 367 302	6 295 906	6 247 346	6 171 069
Finance lease and sublease receivables	1 110	*	1 071	*
Short-term	5 110 295	413 401	3 339 109	468 438
Financial assets measured at fair value	144 118	144 118	154 314	154 314
Debt financial assets at amortised cost	269 283	269 283	314 124	314 124
Assets arising from contracts with customers	488 343	*	447 424	*
Trade receivables	3 586 098	*	2 033 292	*
Finance lease and sublease receivables	1 246	*	1 225	*
Cash and cash equivalents	621 207	*	388 730	*
TOTAL FINANCIAL ASSETS	11 546 635	6 777 235	9 744 008	6 795 989
FINANCIAL LIABILITIES				
Long-term	3 401 450	3 314 147	4 095 152	3 988 843
Credit facilities, loans and debt securities	3 373 046	3 314 147	4 062 292	3 988 843
Lease liabilities	28 404	*	32 860	*
Short-term	4 330 450	2 946 781	1 718 580	737 383
Credit facilities, loans and debt securities	2 946 781	2 946 781	737 383	737 383
Lease liabilities	1 733	*	2 710	*
Trade and other payables	1 174 400	*	932 157	*
Liabilities arising from contracts with customers	90 104	*	46 330	*
Other financial liabilities	117 432	*	-	-
TOTAL FINANCIAL LIABILITIES	7 731 900	6 260 928	5 813 732	4 726 226

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

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

	As at 30 June 2023			Total
	Level 1	Level 2	Level 3	
Financial assets measured at fair value	24 044	169 152	18 850	212 046
Equity instruments at fair value through other comprehensive income	-	-	12 587	12 587
Call options (at fair value through profit or loss)	-	14 172	-	14 172
Derivative instruments used in hedge accounting (e.g. interest rate swaps)	-	154 980	-	154 980
Interests at fair value through profit or loss	24 044	-	6 263	30 307
Debt financial assets at amortised cost	-	6 565 189	-	6 565 189
Total	24 044	6 734 341	18 850	6 777 235
Credit facilities, loans and debt securities	-	(6 260 928)	-	(6 260 928)
Total	-	(6 260 928)	-	(6 260 928)

	As at 31 December 2022			Total
	Level 1	Level 2	Level 3	
Financial assets measured at fair value	21 200	270 746	18 850	310 796
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
Debt financial assets at amortised cost	-	6 485 193	-	6 485 193
Total	21 200	6 755 939	18 850	6 795 989
Credit facilities, loans and debt securities	-	(4 726 226)	-	(4 726 226)
Total	-	(4 726 226)	-	(4 726 226)

Financial assets and financial liabilities at fair value include:

- shares in unrelated entities, the stake in which is below 20%; this line as of 30 June 2023 includes a stake in ElectroMobility Poland S.A., for which there is no market price quoted on an active market; having analysed the standard IFRS 9, the Company decided to qualify these interests as financial instruments through other comprehensive income; when the stake in ElectroMobility Poland S.A. was reclassified, it was measured at fair value and the measurement was recognised in the present-period financial result; in the event that interests in unrelated entities are quoted on the Warsaw Stock Exchange, their fair value is determined on the basis of stock market quotes;
- Polimex-Mostostal S.A. call options;
- derivative instruments, which include the measurement of interest rate swaps; the fair value of derivative instruments is established by calculating the net present value based on two yield curves, i.e. a curve to determine discount factors and a curve used to estimate future variable reference rates;

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

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

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

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

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

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

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

No transfers between the levels were made in the 6-month period ended 30 June 2023.

As at 30 June 2023, financial assets at fair value included call options for Polimex-Mostostal S.A. shares, among other things. Pursuant to a call option agreement for Polimex-Mostostal S.A. shares of 18 January 2017, as amended, ENEA S.A. holds 23 call options from Towarzystwo Finansowe Silesia Sp. z o.o. (TFS) to purchase 6 937 500 shares, with a nominal value of PLN 2 each. The contractual share allocation date is at the end of each calendar quarter from September 2021 to December 2026. In the 6-month period ended 30 June 2023 ENEA S.A. submitted a demand to exercise call option no. 8 and no. 9 and made a transfer for 187 500 shares (call option 8) and 125 000 shares (call option 9) of Polimex Mostostal S.A. The increase of Polimex Mostostal S.A.'s share capital by PLN 1 000 thousand, i.e. from PLN 479 738 thousand to PLN 480 738 thousand, by admitting 500 000 ordinary bearer shares series S with a nominal value of PLN 2 each, was registered on 30 January 2023. In March 2023 ENEA S.A. sold 187 500 shares, thus decreasing its stake in that company's share capital from 16.23% to 16.15%. As at 30 June 2023, ENEA S.A. held a 16.17% stake in Polimex Mostostal S.A. A fair-value measurement of the call options was prepared using the Black-Scholes model. The book value of these options as at 30 June 2023 was PLN 14 172 thousand (at 31 December 2022: PLN 17 844 thousand).

20. Debt financial assets at amortised cost

Debt financial assets at amortised cost

	As at	
	30 June 2023	31 December 2022
Current debt financial assets at amortised cost		
Intra-group bonds	217 232	231 068
Loans granted	52 051	83 056
Total current debt financial assets at amortised cost	269 283	314 124
Non-current debt financial assets at amortised cost		
Intra-group bonds	1 178 567	1 280 101
Loans granted	5 188 735	4 967 245
Total non-current debt financial assets at amortised cost	6 367 302	6 247 346
Total	6 636 585	6 561 470

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 programmes as at 30 June 2023 and 31 December 2022:

No.	Bond issuer	Contract date	Amount granted	Amount used	Outstanding bonds as at 30 June 2023 (principal)	Outstanding bonds as at 31 December 2022 (principal)	Interest	Final buy-back deadline
1.	ENEA Nowa Energia Sp. z o.o.	10 March 2011	26 000	26 000	-	12 000	WIBOR 6M + margin	31 March 2023
2.	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	700 010	762 717	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
3.	ENEA Operator Sp. z o.o.	7 July 2015 amended through Annex 1 of 28 March 2017	946 000	946 000	683 500	722 500	Depending on the series: fixed interest rate or WIBOR 6M + margin	Depending on bond series' issue dates, however no later than by 15 September 2032
Total					1 383 510	1 497 217		
Transaction costs and effect of measurement using effective interest rate					12 289	13 952		
Total					1 395 799	1 511 169		

In the 6-month period ended 30 June 2023 ENEA S.A. did not execute new intra-group bond issue programme agreements concerning financing for ENEA Group companies.

Loans

The following table presents loans issued by ENEA S.A. as at 30 June 2023 and 31 December 2022:

No.	Borrower	Contract date	Total contract amount	Debt at 30 June 2023	Debt at 31 December 2022	Interest	Final repayment deadline
1.	Elektrownia Ostrołęka Sp. z o.o.	30 September 2019	29 000	-	29 000	Fixed	11 January 2023
2.	Elektrownia Ostrołęka Sp. z o.o.	23 December 2019	170 000	-	170 000	Fixed	28 April 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	8 276	8 763	WIBOR 6M + margin	20 December 2031
8.	ENEA Operator Sp. z o.o.	29 July 2022	550 000	550 000	550 000	WIBOR 6M + margin	15 July 2028
9.	ENEA Operator Sp. z o.o.	13 September 2022	750 452	750 452	528 327	WIBOR 6M + margin	15 July 2028
10.	ENEA Operator Sp. z o.o.	14 June 2023	1 500 000	-	-	WIBOR 6M + margin	28 January 2028
				5 190 762	5 168 124		
Transaction costs and effect of measurement using effective interest rate				50 024	80 513		
Impairment of loans				-	(198 336)		
Total				5 240 786	5 050 301		

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

On 28 February 2023, ENEA S.A. and ENERGA S.A. executed with Elektrownia Ostrołęka Sp. z o.o. Annex 7 to loan agreement of up to PLN 340 000 thousand of 23 December 2019 Pursuant to the provisions of Annex 7, the deadline for the one-off repayment by Elektrownia Ostrołęka Sp. z o.o. of the loan along with the interest due was prolonged to 28 April 2023. On 28 April 2023, a receivables set-off agreement was signed by ENEA S.A. and Elektrownia Ostrołęka Sp. z o.o., i.e. the receivables of ENEA S.A. towards Elektrownia Ostrołęka Sp. z o.o. for a loan granted under the loan agreement concluded in December 2019 with a value of PLN 170 000 thousand (as amended) plus accrued interest with a total receivable value of PLN 202 657 thousand, and Elektrownia Ostrołęka Sp. z o.o.'s receivables from ENEA S.A. in respect of its obligation to cover 1 share with a cash contribution of PLN 202 657 thousand in the increased share capital of the company. Pursuant to the aforementioned set-off agreement, the above-mentioned receivables cancelled each other in full and thus the loan agreement of 23 December 2019 (as amended) expired on 28 April 2023.

In the 6-month period ended 30 June 2023 ENEA Operator Sp. z o.o. drew down PLN 222 125 thousand under the PLN 750 452 thousand agreement. Thus, the available loan amount under the agreement of PLN 750 452 thousand has been fully disbursed.

On 14 June 2023 ENEA S.A. entered into a loan agreement with ENEA Operator Sp. z o.o. to the amount of PLN 1 500 000 thousand for the purpose of financing and refinancing outlays incurred in connection with the construction, expansion, modernisation and/or maintenance of the distribution grid of ENEA Operator Sp. z o.o. On 3 July 2023 ENEA Operator Sp. z o.o. drew down one PLN 800 000 thousand tranche under the PLN 1 500 000 thousand agreement.

On 18 July 2023 ENEA S.A. concluded with ENEA ELKOGAZ Sp. z o.o. a loan agreement in the amount of up to PLN 20 000 thousand for the purpose of partial financing of the purchase of the legal title to real property, and also financing of other liabilities towards ENEA Wytwarzanie Sp. z o.o. The loan was fully disbursed. as of 20 July 2023.

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

21. Impairment of trade and other receivables

Impairment of trade and other receivables:

	6-month period ended 30 June 2023	Year ended 31 December 2022
Impairment of receivables at the beginning of period	55 862	65 025
Created	8 982	6 091
Used	(4 028)	(15 254)
Impairment of receivables at the end of period	60 816	55 862

In the 6-month period ended 30 June 2023, impairment of trade and other receivables increased by PLN 4 954 thousand (in the 6-month period ended 30 June 2022 impairment declined by PLN 504 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*. The impairment of receivables for 2023 is calculated on the basis of data from 2022. Therefore, the level of receivables impairment estimated as at 30 June 2023 reflects objective indications of impairment resulting from the situation and regulations arising from the shifting political and economic situation and the related regulations.

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

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

	As at 30 June 2023		
	Nominal value	Impairment	Book value
Trade receivables			
Current	2 869 149	(772)	2 868 377
Overdue	285 446	(58 491)	226 955
0-30 days	142 354	(208)	142 146
31-90 days	39 545	(2 774)	36 771
91-180 days	17 477	(3 752)	13 725
over 180 days	86 070	(51 757)	34 313
Total	3 154 595	(59 263)	3 095 332
Assets arising from contracts with customers	488 539	(196)	488 343

	As at 31 December 2022		
	Nominal value	Impairment	Book value
Trade receivables			
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
Total	2 087 632	(54 341)	2 033 291
Assets arising from contracts with customers	447 608	(184)	447 424

23. Other financial liabilities

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

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

At 30 June 2023, the balance of liabilities within cash pooling was PLN 117 432 thousand and is presented in line: Other financial liabilities (PLN 142 774 thousand at 31 December 2022, presented in the item: Cash and equivalents).

Other explanatory notes

24. 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	
	30 June 2023	30 June 2022
Purchase value, including:	11 330 131	6 237 724
purchase of materials	494	269
purchase of services	1 438 057	1 133 167
purchase of energy	9 590 130	4 515 806
other (including gas)	301 450	588 482
Sale value, including:	559 037	321 869
sale of electricity	492 063	288 791
sale of services	28 110	6 421
other	38 864	26 657
Interest income, including:	313 948	143 166
on bonds	47 459	55 298
on loans	211 723	79 551
other	54 766	8 317
Dividend income:	490 673	456 852

	As at	
	30 June 2023	31 December 2022
Receivables	1 977 444	1 211 614
Liabilities	2 260 409	1 531 640
Financial assets - bonds	1 395 799	1 511 169
Loans granted	5 240 786	5 008 297

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

Transactions with members of the Group's corporate authorities

Item	Company's Management Board 6-month period ended		Company's Supervisory Board 6-month period ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	Remuneration under management contracts and consulting contracts	5 634*	1 946	-
Remuneration under appointment to management or supervisory bodies	-	-	385	385
Total	5 634	1 946	385	385

* This remuneration includes a non-compete clause, severance pay for a former Management Board Member, amounting to PLN 495 thousand, and bonuses for 2022 amounting to PLN 3 429 thousand.

In the 6-month period ended 30 June 2023, no loans were made to Supervisory Board members from the Company Social Benefit Fund (PLN 0 thousand for the 6-month period ended 30 June 2022).

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

Transactions with State Treasury related parties.

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

The subject of these transactions mainly is as follows:

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

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

In addition, the Company identified financial transactions with State Treasury's related parties, i.e. with banks serving as guarantors for bond issue programmes. These entities include: PKO BP S.A., Pekao S.A. and Bank Gospodarstwa Krajowego. Detailed information on bond issue programs is presented in note 17.

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

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

25.1. Sureties and guarantees

On 31 January 2023, ENEA S.A. as Guarantor executed a surety agreement with Goldman Sachs Paris. The subject of the agreement is a surety for up to EUR 170 000 thousand for all liabilities of subsidiary ENEA Trading Sp. z o.o. concerning transactions in trade of CO₂ emission allowances.

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

List of guarantees issued as at 30 June 2023

Guarantee issue date	Guarantee validity	Obligated entity	Entity for which the guarantee was issued	Bank - issuer	Guarantee amount in PLN 000s
12.08.2018	31.12.2023	ENEA Elektrownia Połaniec	Polskie Sieci Elektroenergetyczne	PKO BP S.A.	60 000
02.04.2023	02.04.2025	ENEA Operator	ELTEL Networks Energetyka S.A.	BGK	25 929
01.04.2023	30.04.2024	ENEA S.A.	Telewizja Polska S.A.	BGK	2 442
04.08.2021	15.07.2023	ENEA S.A.	Vastint Poland Sp. z o.o.	PKO BP S.A.	1 045
Total bank guarantees					89 416

The value of other guarantees issued by the Company as at 30 June 2023 was PLN 4 801 thousand. The total value of sureties and guarantees issued by ENEA S.A. as collateral for ENEA Group companies' liabilities at 30 June 2023 was PLN 8 231 664 thousand.

25.2. On-going proceedings in courts of general competence

Proceedings initiated by the Company

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

At 30 June 2023, a total of 23 003 cases initiated by the Company were in progress before courts of general competence, worth in aggregate PLN 74 385 thousand (31 December 2022: 21 070 cases worth PLN 70 109 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 25.4).

At 30 June 2023, a total of 75 cases against the Company were in progress before courts of general competence, worth in aggregate PLN 366 795 thousand (31 December 2022: 81 cases worth PLN 367 789 thousand).

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

25.3. Cases concerning the non-balancing in 2012

On 30 and 31 December 2014, ENEA S.A. made requests for a settlement attempt in relation to:

	Amount demanded in PLNk
PGE Polska Grupa Energetyczna S.A.	7 410
PKP Energetyka S.A.	1 272
TAURON Polska Energia S.A.	17 086
TAURON Sprzedaż GZE Sp. z o.o.	1 826
Total	27 594

The subject of the requests were claims for payment for electricity incorrectly billed on the balancing market in 2012. The summonsed companies, by not agreeing to ENEA S.A. issuing invoices for 2012, unjustifiably obtained material benefits from this.

Due to the lack of an amicable settlement in the above case, ENEA S.A. filed appropriate suits against:

- TAURON Polska Energia S.A. – suit dated 10 December 2015,
- TAURON Sprzedaż GZE Sp. z o. o. – suit dated 10 December 2015,
- PKP Energetyka S.A. (currently PGE Energetyka Kolejowa S.A.) – suit dated 28 December 2015,
- PGE Polska Grupa Energetyczna S.A. – suit dated 29 December 2015.

In the case of ENEA S.A. vs. Tauron Polska Energia S.A. and others (file reference: XIII GC 600/15/AM), on 23 March 2021 the District Court in Katowice issued a ruling dismissing the claim in its entirety and awarded the costs of the proceedings to the main defendant and the other defendants. On 20 May 2021, the ruling was served with a written statement of reasons. On 10 June 2021, ENEA S.A. filed an appeal to the Court of Appeals in Katowice.

In the case of ENEA S.A. vs. TAURON Sprzedaż GZE Sp. z o.o. (ref. no.: X GC 546/15), the District Court in Gliwice on 21 December 2021 issued a ruling dismissing the claim in its entirety and awarded the costs of the proceedings to the defendant. On 3 March 2022, the court served the ruling with a written statement of reasons. On 17 March 2022, ENEA S.A. filed an appeal to the Court of Appeals in Katowice.

In the case of ENEA S.A. vs. PKP Energetyka S.A. (case file XX GC 1166), the District Court in Warsaw continues to hear the dispute in the first instance.

In the case against PGE Polska Grupa Energetyczna S.A. (ref. no. XVI GC 525/20, previous ref. no. XX GC 1163/15), by a decision of 7 January 2021, the court suspended the proceedings at the unanimous request of the parties. By order of 19 November 2021, the court resumed the previously suspended proceedings. By order of 1 March 2022, the court suspended the proceedings at the unanimous request of the parties. By application of 28 August 2022, the attorney of ENEA S.A. requested that the proceedings be resumed. On 2 October 2022, the court resumed the proceedings. On 28 October 2022, the attorney of ENEA S.A. requested that the proceedings be suspended. The parties decided to conclude an agreement to end the dispute, in execution of which, on 11 July 2023, at a court-appointed meeting, they concluded a court settlement ending the case. By order of 11 July 2023, the court discontinued the proceedings. The order is legally binding.

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

ENEA S.A. is a party to 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 81 323 thousand, which mainly relates to disputes in the area of the PM OZE certificates and covers all monetary claims on this account as at 30 June 2023, the provision is presented in note 18.

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

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

In a case brought by Hamburg Commercial Bank AG against ENEA S.A., the District Court in Poznań dismissed the plaintiff's request for security by order of 18 March 2022. On 25 May 2022 the Company was served with a side intervention in case ref. IX GC 552/17, pursuant to which Hamburg Commercial Bank AG joined the proceeding as a side intervener in a case instigated by in.ventus Sp. z o.o. EW 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. The Company on 10 March 2023 filed a complaint against the order of the District Court of Poznań of 30 November 2022 to dismiss the opposition. A cassation appeal was filed on

7 February 2023 with the Supreme Court against the judgement of the Court of Appeal of 26 October 2022. The cassation appeal went to the Supreme Court, no date was set for the hearing.

In a case brought by PSW Sp. z o.o., the District Court in Poznań, having examined the case at a closed-door hearing on 31 January 2023, decided to 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 partially dismissed the claim. The ruling is not final, the Company's attorney on 25 July 2023 lodged an appeal against the judgment by the District Court in Poznań of 31 January 2023, in the part concerning the claim.

26. National Energy Security Agency

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

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

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

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

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

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

On 10 August 2023, the Management Board of ENEA S.A. and the State Treasury, represented by the Minister of State Assets, signed documents summarising the terms of the transaction of the purchase by the State Treasury from ENEA S.A. of all shares in ENEA Wytwarzanie Sp. z o.o. and in ENEA Elektrownia Połaniec S.A. together with their subsidiaries in order to establish NABE. A resolution concerning the consent to sign the above documents was adopted by the Management Board of ENEA S.A. on the same morning. The impact on these condensed separate interim financial statements is described in note 11.

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

27. Offer to purchase Lubelski Węgiel "Bogdanka" S.A. shares

Due to the prevailing market capitalisation of Lubelski Węgiel "Bogdanka" S.A. ("LWB") below the book value in ENEA S.A.'s books, an offer received regarding the purchase of LWB shares by the State Treasury below the book value in ENEA S.A.'s books and in connection with the receipt of a valuation report, the Management Board of ENEA S.A. identified indications of impairment of LWB shares but did not identify the necessity to adjust the value of its stake in LWB S.A. below book value.

Additionally, in connection with current report no. 36/2023 of 21 August 2023 on receipt of an offer to purchase shares in Lubelski Węgiel "Bogdanka" S.A. ("LWB") from the State Treasury, represented by the Minister of State Assets, and a letter of intent signed on 18 June 2022 regarding the potential purchase of 21 962 189 shares in LWB by the State Treasury, the Management Board of ENEA S.A. notes that the submitted offer is currently being analysed. The value of LWB shares resulting from the price offer obtained is below the book value and is below the Management Board's estimate of the market value, and is therefore not satisfactory and has not been accepted.

LWB shares are listed on the Warsaw Stock Exchange. Although the current market price oscillates around PLN 33 per share, back in January this year this value exceeded PLN 50. According to the Management Board of ENEA S.A., this circumstance and the factors set out below mean that the use of the current stock market capitalisation as a determinant

of the fair value of LWB shares is not justified. Accordingly, for the purpose of preparing these condensed separate interim financial statements as at 30 June 2023, the Management Board of ENEA S.A. estimated the fair value of LWB shares. Taking into account the analyses performed and a report received on the estimation of the market value of LWB shares (drafted as of 11 September 2023 by Pekao Investment Banking), the Management Board of ENEA S.A. considers that a valuation of at least PLN 72.28 per share is reasonable and, as part of the negotiations, will seek to sell the shares at a level that takes accounts for this valuation. The valuation of PLN 72.28 per share is higher than the book value of the shares and therefore no need to adjust this value was identified.

The importance of this analysis is even greater in a situation where companies operate in shifting, entirely non-standard and usually unprecedented conditions. In making such an evaluation for the purpose of preparing these condensed separate interim financial statements for the first half of 2023, the Company, based on an analysis of the current economic and market situation, as already noted in the preceding paragraph, considers that LWB's market capitalisation currently remains below the book value of the shares. According to the Company, this situation is mainly due to factors beyond its control, such as political factors and EU climate policy, limited confidence in companies in the mining sector and, partly, also low share liquidity and low free float. Moreover, the ongoing war in Ukraine and the reduction in the global supply of raw materials are causing dynamic changes in the demand for coal, including coal from LWB. Therefore, LWB is taking steps to utilise current capacity and prepare its mining operations to achieve the targets arising from LWB Group's strategy. According to the Management Board of ENEA S.A., LWB's cash position as of 30 June 2023 and the potential to generate high positive cash flows in future periods substantiate the thesis that the value of the stake held is higher than the value implied by LWB's current share price and the purchase offer made by the State Treasury represented by the Minister of State Assets.

In line with best market practice, the valuation was estimated in several scenarios using the following approaches:

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

The discounted cash flow method was selected as the leading method for the valuation estimate. The choice of this method was dictated by the availability of reliable financial projections for LWB over a long-term horizon of 2023-2049, which enabled the estimation of future free cash flows, determining the enterprise value. The comparable peer multiples method was chosen as a complementary method to the income approach, but its results were not taken into account for the purpose of estimating value. The use of this method was possible due to the identification of more than a dozen comparable companies and the availability of estimates of future financial results of these businesses. Additionally, valuations derived from market consensus and current capitalisation plus a control premium were used.

The results are wide-ranging, which is due to significantly different views on key assumptions as to the forecasts of market participants and LWB. In such situations, it is common in practice to use a blended approach based on averaging results from different valuation methods and existing market benchmarks (including current capitalisation plus a control premium, as well as current market consensus plus a control premium), allowing for a broad market view of the asset's value to be taken into account. With this approach (excluding multiplier methods), the average of the valuations indicating a value of LWB shares of PLN 72.28 per share was estimated.

28. Events after the end of the reporting period

On 23 August 2023, ENEA S.A. acquired 100% of shares in PRO-WIND Sp. z o.o., which owns an operational 10 MW photovoltaic farm, for PLN 25 029 thousand and 100% of shares in PV TYKOCIN Sp. z o.o., which owns an operational 2 MW Tykocin photovoltaic farm, for PLN 3 119 thousand. In the transaction concerning the purchase of shares in PRO-WIND Sp. z o.o. ENEA S.A. concluded in August 2023 a loan agreement with PRO-WIND Sp. z o.o. for the amount of PLN 17 500 thousand.