



**ENEA S.A.**

**CONDENSED SEPARATE  
INTERIM FINANCIAL  
STATEMENTS**

for the period from 1 January  
to 31 March 2021

in compliance with  
EU IFRS

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

### Members of the Management Board

<b>President of the Management Board</b>	<b>Paweł Szczeszek</b>	.....
<b>Member of the Management Board</b>	<b>Tomasz Siwak</b>	.....
<b>Member of the Management Board</b>	<b>Tomasz Szczegielniak</b>	.....
<b>Member of the Management Board</b>	<b>Marcin Pawlicki</b>	.....
<b>Member of the Management Board</b>	<b>Rafał Mucha</b>	.....

ENEA Centrum Sp. z o.o.

Entity responsible for maintaining accounting

books and preparing financial statements

.....

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

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

**Poznań, 27 May 2021**

## SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Note	Period	
		3 months ended 31 March 2021 (unaudited)	3 months ended 31 March 2020 (unaudited)
Revenue from sales		1 832 685	1 635 288
Excise duty		(19 396)	(18 016)
<b>Net revenue from sales</b>	<b>7</b>	<b>1 813 289</b>	<b>1 617 272</b>
Lease income		66	67
<b>Revenue from sales and other income</b>		<b>1 813 355</b>	<b>1 617 339</b>
Other operating revenue		3 336	3 565
Change in provision for onerous contracts		(1 080)	24 347
Depreciation/amortisation		(1 752)	(1 195)
Employee benefit costs		(22 764)	(19 976)
Use of materials and raw materials and value of goods sold		(634)	(586)
Purchase of electricity and gas for sales purposes		(1 681 913)	(1 558 940)
Transmission and distribution services		(9 351)	(1 466)
Other third-party services		(60 187)	(54 574)
Taxes and fees		(2 964)	(2 958)
Other operating costs		(17 952)	(21 418)
<b>Operating profit/(loss)</b>		<b>18 094</b>	<b>(15 862)</b>
Finance costs		(48 059)	(84 049)
Finance income		57 017	64 793
Impairment of interests in subsidiaries, associates and jointly controlled entities		-	(397)
Impairment of financial assets at amortised cost		(6 200)	(1 042)
<b>Profit/(loss) before tax</b>		<b>20 852</b>	<b>(36 557)</b>
Income tax		24 288	50 095
<b>Net profit for the reporting period</b>		<b>45 140</b>	<b>13 538</b>
<b>Other comprehensive income</b>			
Subject to reclassification to profit or loss:			
- measurement of hedging instruments		52 630	(99 739)
- income tax		(10 000)	18 950
Not subject to reclassification to profit or loss:			
- other		(730)	-
<b>Net other comprehensive income</b>		<b>41 900</b>	<b>(80 789)</b>
<b>Comprehensive income for the reporting period</b>		<b>87 040</b>	<b>(67 251)</b>
Net profit attributable to the Company's shareholders		45 140	13 538
Weighted average number of ordinary shares		441 442 578	441 442 578
<b>Net profit per share (in PLN per share)</b>		<b>0.10</b>	<b>0.03</b>
<b>Diluted profit per share (in PLN per share)</b>		<b>0.10</b>	<b>0.03</b>

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

## SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	As at 31 March 2021 (unaudited)	31 December 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	23 668	23 910
Right-of-use assets		29 426	29 978
Intangible assets	10	3 959	4 180
Investment properties		13 070	13 206
Investments in subsidiaries, associates and jointly controlled entities	11	9 512 925	9 512 925
Deferred income tax assets	8	104 517	101 483
Financial assets measured at fair value		44 632	84 848
Debt financial assets at amortised cost	19	6 051 993	6 082 074
Finance lease and sublease receivables		500	513
Costs related to the conclusion of agreements		12 916	11 256
<b>Total non-current assets</b>		<b>15 797 606</b>	<b>15 864 373</b>
<b>Current assets</b>			
Inventories	12	194 610	65 700
Trade and other receivables		1 347 990	1 381 371
Costs related to the conclusion of agreements		12 780	13 428
Assets arising from contracts with customers	13	307 085	228 905
Finance lease and sublease receivables		2 712	3 274
Current income tax receivables		11 689	-
Debt financial assets at amortised cost	19	1 428 432	1 406 802
Cash and cash equivalents	14	1 179 574	530 668
<b>Total current assets</b>		<b>4 484 872</b>	<b>3 630 148</b>
<b>TOTAL ASSETS</b>		<b>20 282 478</b>	<b>19 494 521</b>

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

## SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	As at 31 March 2021 (unaudited)	31 December 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		588 018	588 018
Share premium		4 627 673	4 627 673
Revaluation reserve - measurement of financial instruments		-	(17 036)
Revaluation reserve - measurement of hedging instruments		(62 904)	(105 534)
Reserve capital		5 974 031	5 974 031
Retailed earnings/accumulated losses		(912 306)	(939 680)
<b>Total equity</b>		<b>10 214 512</b>	<b>10 127 472</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Credit facilities, loans and debt securities	16	6 452 377	6 559 586
Lease liabilities		25 233	25 884
Employee benefit liabilities		59 789	60 146
Financial liabilities measured at fair value	18	37 603	75 131
<b>Total non-current liabilities</b>		<b>6 575 002</b>	<b>6 720 747</b>
<b>Current liabilities</b>			
Credit facilities, loans and debt securities	16	1 220 496	1 210 519
Trade and other payables		502 445	438 241
Liabilities arising from contracts with customers	13	35 442	32 289
Lease liabilities		4 514	5 431
Current income tax liabilities		-	71 385
Employee benefit liabilities		27 349	27 637
Financial liabilities measured at fair value		57 222	64 542
Liabilities concerning the equivalent for rights to free purchase of shares		281	281
Other financial liabilities	22	895 062	152 574
Provisions for other liabilities and other charges	17	750 153	643 403
<b>Total current liabilities</b>		<b>3 492 964</b>	<b>2 646 302</b>
<b>Total liabilities</b>		<b>10 067 966</b>	<b>9 367 049</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>20 282 478</b>	<b>19 494 521</b>

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

## SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital (nominal amount)	Reserve for revaluation and merger accounting	Total share capital	Share premium	Revaluation reserve - measurement of financial instruments	Revaluation reserve - measurement of hedging instruments	Reserve capital	Retained earnings	Total equity
<b>As at 1 January 2020</b>	<b>441 443</b>	<b>146 575</b>	<b>588 018</b>	<b>4 627 673</b>	<b>(17 036)</b>	<b>(17 356)</b>	<b>5 690 700</b>	<b>2 702 180</b>	<b>13 574 179</b>
Net profit for the reporting period	-	-	-	-	-	-	-	13 538	13 538
Net other comprehensive income	-	-	-	-	-	(80 789)	-	-	(80 789)
<b>Net comprehensive income recognised in the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(80 789)</b>	<b>-</b>	<b>13 538</b>	<b>(67 251)</b>
<b>As at 31 March 2020 (unaudited)</b>	<b>441 443</b>	<b>146 575</b>	<b>588 018</b>	<b>4 627 673</b>	<b>(17 036)</b>	<b>(98 145)</b>	<b>5 690 700</b>	<b>2 715 718</b>	<b>13 506 928</b>

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

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

## SEPARATE STATEMENT OF CASH FLOWS

	Note	Period	
		3 months ended 31 March 2021 (unaudited)	3 months ended 31 March 2020 (unaudited)
<b>Cash flows from operating activities</b>			
Net profit for the reporting period		45 140	13 538
Adjustments:			
Income tax in profit or loss		(24 288)	(50 095)
Depreciation/amortisation		1 752	1 195
(Gain)/loss on sale of financial assets		(4 744)	13 576
Interest income		(38 234)	(50 565)
Interest costs		35 679	65 312
Impairment of interests		-	397
Impairment of financial assets at amortised cost		6 200	1 042
<b>Total adjustments</b>		<b>(23 635)</b>	<b>(19 138)</b>
Income tax (paid)/refund		(195 238)	(2 788)
Flows resulting from settlements within tax group		228 328	-
Changes in working capital:			
Inventories		(128 910)	5 809
Trade and other receivables		(45 517)	(247 927)
Trade and other payables		(37 552)	(91 132)
Employee benefit liabilities		(645)	(660)
Provisions for other liabilities and other charges		106 750	(25 080)
<b>Total changes in working capital</b>		<b>(105 874)</b>	<b>(358 990)</b>
<b>Net cash flows from operating activities</b>		<b>(51 279)</b>	<b>(367 378)</b>
<b>Cash flows from investing activities</b>			
Purchase of financial assets		-	(1 100 000)
Proceeds from sale of financial assets		91 697	1 365 100
Purchase of associates and jointly controlled entities		-	(177)
Received interest		4 860	30 079
<b>Net cash flows from investing activities</b>		<b>96 557</b>	<b>295 002</b>
<b>Cash flows from financing activities</b>			
Repayment of credit and loans		(32 561)	(11 894)
Bond buy-back		(78 055)	(956 255)
Expenditures concerning lease payments		(2 044)	(516)
Expenditures concerning future bond issues		-	-
Interest paid		(26 200)	(48 201)
<b>Net cash flows from financing activities</b>		<b>(138 860)</b>	<b>(1 016 866)</b>
<b>Total net cash flows</b>		<b>(93 582)</b>	<b>(1 089 242)</b>
Cash at the beginning of reporting period	14	378 094	2 715 611
<b>Cash at the end of reporting period</b>	<b>14</b>	<b>284 512</b>	<b>1 626 369</b>

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



## ADDITIONAL INFORMATION AND EXPLANATIONS

### General information

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

<b>Name:</b>	ENEA Spółka Akcyjna
<b>Legal form:</b>	spółka akcyjna (joint-stock company)
<b>Country of registered office:</b>	Poland
<b>Registered office:</b>	Poznań
<b>Address:</b>	ul. Górecka 1, 60-201 Poznań
<b>KRS:</b>	0000012483
<b>Telephone number:</b>	(+48 61) 884 55 44
<b>Fax number:</b>	(+48 61) 884 59 59
<b>E-mail:</b>	enea@enea.pl
<b>Website:</b>	www.enea.pl
<b>REGON number:</b>	630139960
<b>NIP number:</b>	777-00-20-640

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

As at 31 March 2021, ENEA S.A.'s shareholding structure was as follows:

	Poland's State Treasury	Other shareholders	Total
<b>As at 31 March 2021</b>	51.50%	48.50%	<b>100.00%</b>

As at 31 March 2021, the Parent's highest-level controlling entity was the State Treasury.

As at 31 March 2021, ENEA S.A.'s statutory share capital amounted to PLN 441 443 thousand (PLN 588 018 thousand after restatement to EU IFRS, taking into account hyperinflation and other adjustments) and was divided into 441 442 578 shares.

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

The Company's condensed separate interim financial statements cover the three-month period ended 31 March 2021 and contain comparative data for the three-month period ended 31 March 2020 and the year ended 31 December 2020.

## 2. Group composition

At 31 March 2021, ENEA Group consisted of the parent - ENEA S.A., 14 subsidiaries, 10 indirect subsidiaries, 2 associates and 2 jointly controlled entities.

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

Company name	Activity	Registered office	ENE A S.A.'s stake in total number of voting rights as at 31 March 2021	ENE A S.A.'s stake in total number of voting rights as at 31 December 2020
<b>SUBSIDIARIES</b>				
1. ENEA Operator Sp. z o.o.	distribution	Poznań	100%	100%
2. ENEA Wytwarzanie Sp. z o.o.	generation	Świerze 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	Świerze Górne	100%	100%
6. ENEA Serwis Sp. z o.o.	distribution	Lipno	100%	100%
7. ENEA Centrum Sp. z o.o.	other activity	Poznań	100%	100%
8. ENEA Pomiar y Sp. z o.o.	distribution	Poznań	100%	100%
9. ENERGO-TOUR Sp. z o.o. w likwidacji	other activity	Poznań	100% <sup>6</sup>	100% <sup>6</sup>
10. ENEA Innowacje Sp. z o.o.	other activity	Warsaw	100%	100%
11. Lubelski Węgiel BOGDANKA S.A.	mining	Bogdanka	65.99%	65.99%
12. ENEA Ciepło Sp. z o.o.	generation	Białystok	99.94%	99.94%
13. ENEA Ciepło Serwis Sp. z o.o.	generation	Białystok	100%	100%
14. ENEA Nowa Energia Sp. z o.o.	generation	Radom	100%	100%
<b>INDIRECT SUBSIDIARIES</b>				
15. ENEA Logistyka Sp. z o.o.	distribution	Poznań	100% <sup>5</sup>	100% <sup>5</sup>
16. ENEA Bioenergia Sp. z o.o.	generation	Połaniec	100% <sup>1</sup>	100% <sup>1</sup>
17. ENEA Połaniec Serwis Sp. z o.o.	generation	Połaniec	100% <sup>1</sup>	100% <sup>1</sup>
18. Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o.	generation	Oborniki	99.93% <sup>2</sup>	99.93% <sup>2</sup>
19. Miejska Energetyka Ciepła Piła Sp. z o.o.	generation	Piła	71.11% <sup>2</sup>	71.11% <sup>2</sup>
20. EkoTRANS Bogdanka Sp. z o.o.	mining	Bogdanka	65.99% <sup>3</sup>	65.99% <sup>3</sup>
21. RG Bogdanka Sp. z o.o.	mining	Bogdanka	65.99% <sup>3</sup>	65.99% <sup>3</sup>
22. MR Bogdanka Sp. z o.o.	mining	Bogdanka	65.99% <sup>3</sup>	65.99% <sup>3</sup>
23. Łęczyńska Energetyka Sp. z o.o.	mining	Bogdanka	58.53% <sup>3</sup>	58.53% <sup>3</sup>
24. ENEA Badania i Rozwój Sp. z o.o.	other activity	Świerze Górne	100% <sup>4</sup>	100% <sup>4</sup>
<b>JOINTLY CONTROLLED ENTITIES</b>				
25. Polska Grupa Górnicza S.A.	-	Katowice	7.66%	7.66%
26. Elektrownia Ostrołęka Sp. z o.o.	-	Ostrołęka	50%	50%
<b>ASSOCIATES</b>				
27. Polimex – Mostostal S.A.	-	Warsaw	16.48%	16.48%
28. ElectroMobility Poland S.A.	-	Warsaw	25%	25%

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

<sup>2</sup> – indirect subsidiary through stake in ENEA Wytwarzanie Sp. z o.o.

<sup>3</sup> – indirect subsidiary through stake in Lubelski Węgiel BOGDANKA S.A.

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

<sup>5</sup> – indirect subsidiary through stake in ENEA Operator Sp. z o.o.

The additional information and explanations presented on pages 9-34 constitute an integral part of these condensed separate interim financial statements.

<sup>6</sup> – on 30 March 2015 the company's extraordinary general meeting adopted a resolution on the dissolution of the company following a liquidation proceeding; the resolution entered into force on 1 April 2015. An application for the company to be removed from the National Court Register was filed on 5 November 2015. At the date on which these condensed separate interim financial statements were prepared, procedural activities connected with removing the entity from the National Court Register were in progress.

### 3. Management Board and Supervisory Board composition

#### Management Board

	As at 31 March 2021	As at 31 December 2020
President of the Management Board	Paweł Szczeszek	Paweł Szczeszek
Member of the Management Board, responsible for finance	Rafał Mucha	Rafał Mucha
Member of the Management Board, responsible for trade	Tomasz Siwak	Tomasz Siwak
Member of the Management Board, responsible for corporate affairs	Tomasz Szczegieliński	Tomasz Szczegieliński
Member of the Management Board, responsible for operations	Marcin Pawlicki	Marcin Pawlicki

#### Supervisory Board

	As at		As at	
	31 March 2021	Appointment	31 December 2020	End of term / resignation
Chairperson of the Supervisory Board	Rafał Włodarski	7 January 2021	Izabela Felczak-Poturnicka	5 January 2021
Deputy Chairperson of the Supervisory Board	Roman Stryjski		Roman Stryjski	
Secretary of the Supervisory Board	Michał Jaciubek		Michał Jaciubek	
Member of the Supervisory Board	Dorota Szymanek	7 January 2021	Rafał Włodarski	
Member of the Supervisory Board	Maciej Mazur		Maciej Mazur	
Member of the Supervisory Board	Piotr Mirkowski		Piotr Mirkowski	
Member of the Supervisory Board	Paweł Korobłowski		Paweł Korobłowski	
Member of the Supervisory Board	Ireneusz Kulka		Ireneusz Kulka	
Member of the Supervisory Board	Mariusz Pliszka		Mariusz Pliszka	
Member of the Supervisory Board	Mariusz Fisteck		Mariusz Fisteck	

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

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

On 7 January 2021, the Company's Extraordinary General Meeting adopted a resolution appointing Mrs. Dorota Szymanek as member of ENEA S.A.'s Supervisory Board, 10th term, effective from the same date.

### 4. Basis for preparing financial statements

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

The Company's Management Board used its best knowledge as to the application of standards and interpretations as well as methods and rules for the measurement of items in ENEA S.A.'s condensed separate interim financial statements in accordance with EU IFRS as at 31 March 2021. The presented tables and explanations are prepared with due diligence. These condensed separate interim financial statements have not been reviewed by a statutory auditor. The accounting

The additional information and explanations presented on pages 9-34 constitute an integral part of these condensed separate interim financial statements.

rules are applied consistently across all of the presented periods unless stated otherwise.

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

The Company prepares condensed consolidated interim financial statements for ENEA Group in accordance with IFRS EU as at and for the 3-month period ending 31 March 2021. In order to obtain full information on ENEA Group's financial situation and results, readers of ENEA S.A.'s condensed separate interim financial statements should read these in conjunction with ENEA Group's condensed consolidated interim financial statements and ENEA S.A.'s separate annual financial statements for the financial year ended on 31 December 2020.

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

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These condensed separate interim financial statements are prepared using accounting rules that are consistent with the rules used in preparing the most recent annual separate financial statements for the financial year ended 31 December 2020.

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

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#### **6. Functional currency and presentation currency**

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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

	Three-month period ended	
	31 March 2021	31 March 2020
Revenue from the sale of electricity	1 772 550	1 576 014
Revenue from the sale of gas	39 990	40 367
Revenue from the sale of other services	749	891
<b>Total net revenue from sales</b>	<b>1 813 289</b>	<b>1 617 272</b>

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

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

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

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

	Three-month period ended	
	31 March 2021	31 March 2020
Revenue from continuous services	1 812 540	1 616 381
Revenue from services provided at specified time	749	891
<b>Total</b>	<b>1 813 289</b>	<b>1 617 272</b>

### 8. Tax

#### Deferred income tax

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

	Three-month period ended	Year ended
	31 March 2021	31 December 2020
<b>As at the beginning of period</b>	<b>101 483</b>	<b>95 395</b>
Change recognised in profit or loss	13 034	(15 013)
Change recognised in other comprehensive income	(10 000)	21 101
<b>As at the end of period</b>	<b>104 517</b>	<b>101 483</b>

In the 3-month period ended 31 March 2021, the Company's profit before tax increased as a result of an increase in deferred income tax assets by PLN 13 034 thousand (in the 3-month period ended 31 March 2020 the charge to the Company's profit before tax as a result of a decrease in deferred income tax assets amounted to PLN 15 593 thousand).

## Explanatory notes to the separate statement of financial position

### 9. Property, plant and equipment

In the 3-month period ending 31 March 2021 the Company did not purchase property, plant and equipment items (in the 3-month period ending 31 March 2020: PLN 14 thousand net).

In the 3-month period ending 31 March 2021 the Company sold and/or liquidated property, plant and equipment items for a total of PLN 0 thousand net (in the 3-month period ending 31 March 2020: PLN 0 thousand net).

As at 31 March 2021, no indications for the impairment of property, plant and equipment were identified. No collateral was established on property, plant and equipment assets.

### 10. Intangible assets

In the 3-month period ending 31 March 2021 the Company did not purchase intangible assets (in the 3-month period ending 31 March 2020: PLN 0 thousand).

In the 3-month period ending 31 March 2021 the Company did not liquidate intangible assets (in the 3-month period ending 31 March 2020: PLN 0 thousand).

As at 31 March 2021, no indications for impairment were identified. No collateral has been established on intangible assets.

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

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

	Three-month period ended 31 March 2021	Year ended 31 December 2020
<b>As at the beginning of period</b>	<b>9 512 925</b>	<b>12 892 612</b>
Purchase of investments	-	245 922
Sale of investments	-	(12 367)
Change in impairment	-	(3 596 215)
Other changes	-	(17 027)
<b>As at the end of period</b>	<b>9 512 925</b>	<b>9 512 925</b>

#### Impairment of investments

	Three-month period ended 31 March 2021	Year ended 31 December 2020
<b>As at the beginning of period</b>	<b>4 969 479</b>	<b>1 373 264</b>
Created	-	3 613 242
Reversed	-	(17 027)
<b>As at the end of period</b>	<b>4 969 479</b>	<b>4 969 479</b>

#### Implementation of project to build Elektrownia Ostrołęka C

At 31 March 2021, ENEA S.A. held 9 124 821 shares of Elektrownia Ostrołęka Sp. z o.o., with a nominal value of PLN 50 each and total nominal value of PLN 456 241 thousand.

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

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

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

The additional information and explanations presented on pages 9-34 constitute an integral part of these condensed separate interim financial statements.

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

On 19 May 2020, ENEA S.A. received an electronic copy of Resolution no. 39/2020 of the Management Board of Elektrownia Ostrołęka Sp. z o.o. of 19 May 2020 regarding recognition of impairment losses on the book value of the Company's assets. As a result of an impairment test on non-current assets performed at Elektrownia Ostrołęka Sp. z o.o., which followed an update of business assumptions by Elektrownia Ostrołęka Sp. z o.o. regarding the construction of power plant Ostrołęka C based on coal technology, the Group's consolidated financial statements for 2019 include ENEA S.A.'s share of the net loss generated by Elektrownia Ostrołęka Sp. z o.o. Given the fact that it was higher than the value of the stake in this company, it was reduced to zero. At 31 March 2021, ENEA S.A.'s stake in Elektrownia Ostrołęka Sp. z o.o. was worth PLN 0.

On 2 June 2020 the Management Board of ENEA S.A. accepted a final report on analyses conducted in collaboration with ENERGA S.A. regarding the project's technical, technological, economic, organisational and legal aspects and further financing. Conclusions from these analyses do not justify continuing the project in its existing form, i.e. the construction of a power plant generating electricity in a process of hard coal combustion. This evaluation was driven by the following:

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

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

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

- subject to the reservations expressed below, continue cooperation between ENEA S.A. and ENERGA S.A. via the existing special-purpose vehicle, i.e. Elektrownia Ostrołęka Sp. z o.o., and settle costs related to the Project between ENEA S.A. and ENERGA S.A., along with settlements with Project contractors, in accordance with the existing rules,
- take into account PKN Orlen S.A.'s potential role in the Gas Project as a new shareholder,
- ENEA S.A.'s participation in the Gas Project as a minority shareholder with an investment cap, as a result of which the Company will not be an entity co-controlling Elektrownia Ostrołęka Sp. z o.o.,
- subject to the essential corporate approvals, execute a new shareholders agreement regarding the Gas Project that incorporates the aforementioned cooperation rules,
- undertake activities intended to secure financing for the Gas Project by ENERGA S.A. together with PKN Orlen S.A.

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

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

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

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

Further, the following documents were signed on 22 December 2020:

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

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

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

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

In accordance with the Division Agreement, Elektrownia Ostrołęka Sp. z o.o. will be divided through a spin-off (in the meaning of the Polish Commercial Companies Code) of the assets and liabilities (rights and obligations) and other elements that make up the Gas Project. The process of dividing this company is expected to be completed in the second quarter of 2021.

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

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

Impairment of loans issued to Elektrownia Ostrołęka Sp. z o.o. as at 31 March 2021 amounted to PLN 215 985 thousand, together with interest (the value of these loans was written off to zero).

Furthermore, in reference to a settlement proposal presented by the General Contractor on 23 June 2020, with regard to an investment consisting of the construction of coal-fired power plant Ostrołęka C, grounds were identified for recognising a PLN 222 200 thousand provision (this amount was recognised in the separate statement of comprehensive income for the year ended 31 December 2020 under "Impairment of interests in subsidiaries, associates and jointly-controlled entities") for future investment liabilities toward Elektrownia Ostrołęka Sp. z o.o. Due to considerable uncertainty as to the final amounts of claims, the amount of this provision is the best possible estimate, based on the General Contractor's proposals, among other things. The amounts required to settle the Coal Project are currently being analysed in detail by Elektrownia Ostrołęka Sp. z o.o. and agreed with the General Contractor.

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

ENEA S.A.'s commitment to provide funding for Elektrownia Ostrołęka Sp. z o.o. resulting from the existing agreements (especially the agreements dated 28 December 2018 and 30 April 2019 and the Settlement Agreement) that is still outstanding amounts to PLN 620 million. ENEA S.A. does not have sufficient information on any potential additional contributions or their potential deadlines, aside from those above.



## 12. Inventories

### Inventories

	As at	
	31 March 2021	31 December 2020
Energy origin certificates	194 424	65 489
Goods	186	211
<b>Total</b>	<b>194 610</b>	<b>65 700</b>

No collateral is established on inventory.

### Energy origin certificates

	Three-month period ended	Year ended
	31 March 2021	31 December 2020
<b>Net value at the beginning of period</b>	<b>65 489</b>	<b>216 449</b>
Purchase	176 928	339 953
Depreciation	(47 993)	(490 913)
<b>Net value at the end of period</b>	<b>194 424</b>	<b>65 489</b>

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

## 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
<b>As at 1 January 2020</b>	<b>215 223</b>	<b>12 631</b>
Change in uninvoiced receivables	13 731	-
Change in impairment	(49)	-
Adjustments, prepayments	-	19 658
<b>As at 31 December 2020</b>	<b>228 905</b>	<b>32 289</b>
Change in uninvoiced receivables	78 211	-
Change in impairment	(31)	-
Adjustments, prepayments	-	3 153
<b>As at 31 March 2021</b>	<b>307 085</b>	<b>35 442</b>

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

## 14. Cash and cash equivalents

### Significant judgements and estimates

In accordance with ENEA S.A.'s credit risk assessment rules and the provisions of IFRS 9 as regards impairment tests for cash and cash equivalents as at 31 March 2021; the Company sees potential impact as negligible.

### Presentation of deposits at clearinghouse IRGiT

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

## Cash and cash equivalents

	As at	
	31 March 2021	31 December 2020
<b>Cash at bank account</b>	<b>450 471</b>	<b>70 580</b>
including split payment	10 442	30 035
<b>Other cash</b>	<b>729 103</b>	<b>460 088</b>
- Deposits	720 041	450 013
- Other	9 062	10 075
<b>Total cash and cash equivalents</b>	<b>1 179 574</b>	<b>530 668</b>
Cash pooling	(895 062)	(152 574)
<b>Cash recognised in the statement of cash flows</b>	<b>284 512</b>	<b>378 094</b>

Restricted cash related to split payment - VAT as at 31 March 2021 was PLN 10 442 thousand (PLN 30 035 thousand as at 31 December 2020), and deposit at IRGiT as at 31 March 2021 was PLN 6 500 thousand (PLN 6 500 thousand as at 31 December 2020). No collateral is established on cash.

## 15. Profit allocation

A decision on how to cover the 2020 loss will be made by shareholders at the 2021 Ordinary General Meeting. The Management Board of ENEA S.A. has proposed to use retained earnings and supplementary capital to cover the loss for the financial year covering the period 1 January 2020 to 31 December 2020.

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

## 16. Debt-related liabilities

### Credit facilities, loans and debt securities

	As at	
	31 March 2021	31 December 2020
Bank credit	1 653 079	1 685 532
Bonds	4 799 298	4 874 054
<b>Long-term</b>	<b>6 452 377</b>	<b>6 559 586</b>
Bank credit	208 171	206 520
Bonds	1 012 325	1 003 999
<b>Short-term</b>	<b>1 220 496</b>	<b>1 210 519</b>
<b>Total</b>	<b>7 672 873</b>	<b>7 770 105</b>

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

### Credit facilities and loans

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

No.	Company	Lender	Contract date	Total contract amount	Debt at 31 March 2021 (principal)	Debt at 31 December 2020 (principal)	Interest	Final repayment deadline
1.	ENEA S.A.	EIB	18 October 2012 (A) and 19 June 2013 (B)	1 425 000	1 005 816	1 013 543	Fixed interest rate or WIBOR 6M + margin	17 June 2030
2.	ENEA S.A.	EIB	29 May 2015 (C)	946 000	853 667	878 500	Fixed interest rate or WIBOR 6M + margin	15 September 2032
3.	ENEA S.A.	PKO BP S.A.	28 January 2014, Annex 2 of 4 December 2019	300 000	-	-	WIBOR 1M + margin	31 December 2022
4.	ENEA S.A.	Bank Pekao S.A.	28 January 2014, Annex 2 of 4 December 2019	150 000	-	-	WIBOR 1M + margin	31 December 2022
5.	ENEA S.A.	BGK	7 September 2020	250 000	-	-	WIBOR 1M +margin	7 September 2022
<b>Total</b>				<b>3 071 000</b>	<b>1 859 483</b>	<b>1 892 043</b>		
Transaction costs and effect of measurement using effective interest rate					1 767	9		
<b>Total</b>				<b>3 071 000</b>	<b>1 861 250</b>	<b>1 892 052</b>		

ENEA S.A. currently has credit agreements with the European Investment Bank (EIB) for a total amount of PLN 2 371 000 thousand (Agreement A PLN 950 000 thousand, Agreement B PLN 475 000 thousand and Agreement C PLN 946 000 thousand). Funds from the EIB were used to finance a multi-year investment plan aimed at modernising and expanding ENEA Operator Sp. z o.o.'s power network. Funds from Agreements A, B and C were fully used. Interest on credit facilities may be fixed or variable. In the 3-month period ended on 31 March 2021, ENEA S.A. did not execute new bond issue programme agreements.

## Bond issue programs

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

No.	Bond issue program name	Program start date	Program amount	Value of outstanding bonds as at 31 March 2021	Value of outstanding bonds as at 31 December 2020	Interest	Buy-back deadline
1.	Bond issue programme agreement with PKO BP S.A., Bank Pekao S.A., Santander BP S.A., Citi BH S.A.	21 June 2012	3 000 000	2 140 000	2 140 000	WIBOR 6M + margin	One-off buy-back for each series from June 2020 to June 2022
2.	Bond issue program agreement with BGK	15 May 2014	1 000 000	680 000	720 000	WIBOR 6M + margin	Buy-back in tranches, last tranche due in December 2026
3.	Bond issue programme agreement with PKO BP S.A., Bank Pekao S.A. and mBank S.A.	30 June 2014	5 000 000	2 500 000	2 500 000	WIBOR 6M + margin	One-time buy-back of each series; PLN 878 million bought back in February 2020, next series in September 2021 and June 2024.
4.	Bond issue program agreement with BGK	3 December 2015	700 000	494 724	532 779	WIBOR 6M + margin	Buy-back in tranches, last tranche due in September 2027
<b>Total</b>			<b>9 700 000</b>	<b>5 814 724</b>	<b>5 892 779</b>		
Transaction costs and effect of measurement using effective interest rate				(3 101)	(14 726)		
<b>Total</b>			<b>9 700 000</b>	<b>5 811 623</b>	<b>5 878 053</b>		

In the 3-month period ended on 31 March 2021, ENEA S.A. did not execute new bond issue program agreements.

On 11 May 2021, the Management Board of ENEA S.A. decided on a partial buy-back of series ENEA0921 bonds before maturity in order to redeem them, with principal amounting to PLN 350 000 thousand, plus interest due and premium for the bondholders. The series ENEA0921 bonds were issued on 16 September 2015 in the amount of PLN 500 000 thousand on the basis of the "Program Agreement for Bond Issue Program up to PLN 5 000 000 thousand of 30 June 2014," as amended. The outstanding portion of the series ENEA0921 bonds, with a nominal value of PLN 150 000 thousand, continues to be held by bondholders until maturity, i.e. 16 September 2021.

## Interest rate hedges and currency hedges

In the 3-month period ending 31 March 2021 ENEA S.A. did not execute interest rate swaps. The total bond and credit exposure hedged with IRSs as at 31 March 2021 amounted to PLN 3 814 304 thousand. Moreover, ENEA S.A. has fixed-rate credit agreements totalling PLN 655 454 thousand. These transactions have material impact on the predictability of expense flows and finance costs. The Company presents the measurement of these instruments in the item: Financial liabilities measured at fair value. Derivative instruments are treated as cash flow hedges, which is why they are recognised and accounted for using hedge accounting rules. As at 31 March 2021, financial liabilities at fair value concerning IRSs amounted to PLN 94 825 thousand (31 December 2020: PLN 139 673 thousand).

In the 3-month period ending 31 March 2021 the Company executed FX forward transactions for a total volume of EUR 1 116 thousand. The last transaction's settlement date is in December 2021. Measurement of these instruments as at 31 March 2021 was PLN 66 thousand (PLN 0 thousand as at 31 December 2020).

## Financing terms - covenants

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

## 17. Provisions

In the 3-month period ended 31 March 2021, provisions for other liabilities and charges increased by a net amount of PLN 106 750 thousand (in the 3-month period ended 31 March 2020, provisions for other liabilities and charges decreased by PLN 25 080 thousand net).

### Change in provisions for other liabilities and charges in the period ended 31 March 2021:

	Provision for non-contractual use of land	Provision for other claims	Provision for energy origin certificates	Provision for onerous contracts	Other	Total
<b>As at 1 January 2021</b>	<b>2 275</b>	<b>200 095</b>	<b>168 012</b>	<b>50 821</b>	<b>222 200</b>	<b>643 403</b>
Increase in existing provisions	231	9 692	143 832	3 287	-	157 042
Use of provisions	-	-	(47 993)	(2 207)	-	(50 200)
Reversal of unused provision	(31)	(61)	-	-	-	(92)
<b>As at 31 March 2021</b>	<b>2 475</b>	<b>209 726</b>	<b>263 851</b>	<b>51 901</b>	<b>222 200</b>	<b>750 153</b>
<i>Short-term</i>	<i>2 475</i>	<i>209 726</i>	<i>263 851</i>	<i>51 901</i>	<i>222 200</i>	<i>750 153</i>

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

### Provision for other claims

In the 3-month period ending 31 March 2021 ENEA S.A. created a PLN 5 171 thousand provision for potential claims related to the termination by ENEA S.A. of agreements to purchase energy origin certificates for renewables, and the value of this provision as at 31 March 2021 was PLN 144 635 thousand (this provision is included in the table above in the column "Provision for other claims" and detailed information on this provision are presented in 24.6).

## Financial instruments and financial risk management

### 18. Financial instruments and fair value

#### Financial instruments

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

	As at 31 March 2021		As at 31 December 2020	
	Book value	Fair value	Book value	Fair value
<b>FINANCIAL ASSETS</b>				
<b>Long-term</b>	<b>6 097 125</b>	<b>6 166 846</b>	<b>6 167 435</b>	<b>6 241 259</b>
Financial assets measured at fair value	44 632	44 632	84 848	84 848
Debt financial assets at amortised cost	6 051 993	6 122 214	6 082 074	6 156 411
Finance lease and sublease receivables	500	*	513	*
<b>Short-term</b>	<b>4 203 367</b>	<b>1 428 432</b>	<b>3 302 456</b>	<b>1 406 802</b>
Debt financial assets at amortised cost	1 428 432	1 428 432	1 406 802	1 406 802
Assets arising from contracts with customers	307 085	*	228 905	*
Trade receivables	1 285 564	*	1 132 807	*
Finance lease and sublease receivables	2 712	*	3 274	*
Cash and cash equivalents	1 179 574	*	530 668	*
<b>TOTAL FINANCIAL ASSETS</b>	<b>10 300 492</b>	<b>7 595 278</b>	<b>9 469 891</b>	<b>7 648 061</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Long-term</b>	<b>6 515 213</b>	<b>6 551 651</b>	<b>6 660 601</b>	<b>6 701 368</b>
Credit facilities, loans and debt securities	6 452 377	6 514 048	6 559 586	6 626 237
Lease liabilities	25 233	*	25 884	*
Financial liabilities measured at fair value	37 603	37 603	75 131	75 131
<b>Short-term</b>	<b>2 715 181</b>	<b>1 277 718</b>	<b>1 814 359</b>	<b>1 275 061</b>
Credit facilities, loans and debt securities	1 220 496	1 220 496	1 210 519	1 210 519
Lease liabilities	4 514	*	5 431	*
Trade and other payables	502 445	*	349 004	*
Liabilities arising from contracts with customers	35 442	*	32 289	*
Financial liabilities measured at fair value	57 222	57 222	64 542	64 542
Other financial liabilities	895 062	*	152 574	*
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>9 230 394</b>	<b>7 829 369</b>	<b>8 474 960</b>	<b>7 976 429</b>

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

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

	As at 31 March 2021			Total
	Level 1	Level 2	Level 3	
<b>Financial assets measured at fair value</b>	<b>19 250</b>	<b>25 382</b>	<b>-</b>	<b>44 632</b>
Derivative instruments used in hedge accounting	-	66	-	66
Call options (at fair value through profit or loss)	-	25 316	-	25 316
Interests at fair value through profit or loss	19 250	-	-	19 250
<b>Debt financial assets at amortised cost</b>	<b>-</b>	<b>7 550 646</b>	<b>-</b>	<b>7 550 646</b>
<b>Total</b>	<b>19 250</b>	<b>7 576 028</b>	<b>-</b>	<b>7 595 278</b>
<b>Financial liabilities measured at fair value</b>	<b>-</b>	<b>(94 825)</b>	<b>-</b>	<b>(94 825)</b>
Derivative instruments used in hedge accounting (e.g. interest rate swaps)	-	(94 825)	-	(94 825)
<b>Credit facilities, loans and debt securities</b>	<b>-</b>	<b>(7 734 544)</b>	<b>-</b>	<b>(7 734 544)</b>
<b>Total</b>	<b>-</b>	<b>(7 829 369)</b>	<b>-</b>	<b>(7 829 369)</b>

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

Financial assets and financial liabilities at fair value include:

- shares and interests in unrelated entities where the stake is below 20%; If interests in unrelated entities are listed on the Warsaw Stock Exchange, then their fair value is based on quoted prices;
- 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 three-month period ended 31 March 2021.

As at 31 March 2021, financial assets at fair value included call options for Polimex-Mostostal S.A. shares, among other things. Pursuant to a call option agreement for Polimex-Mostostal S.A. shares of 18 January 2017, as amended, ENEA S.A. holds 22 call options from Towarzystwo Finansowe Silesia Sp. z o.o. to purchase 6 937 500 shares, with a nominal value of PLN 2 each. The contractual share allocation date is at the end of each calendar quarter from September 2021 to December 2026. Fair value measurement of the call options was conducted using the Black-Scholes model. The book

The additional information and explanations presented on pages 9-34 constitute an integral part of these condensed separate interim financial statements.

value of these options as at 31 March 2021 was PLN 25 316 thousand (at 31 December 2020: PLN 15 982 thousand).

## 19. Debt financial assets at amortised cost

### Debt financial assets at amortised cost

	As at	
	31 March 2021	31 December 2020
<b>Current debt financial assets at amortised cost</b>		
Intra-group bonds	562 309	554 896
Loans granted	866 123	851 906
<b>Total current debt financial assets at amortised cost</b>	<b>1 428 432</b>	<b>1 406 802</b>
<b>Non-current debt financial assets at amortised cost</b>		
Intra-group bonds	3 102 205	3 132 273
Loans granted	2 949 788	2 949 801
<b>Total non-current debt financial assets at amortised cost</b>	<b>6 051 993</b>	<b>6 082 074</b>
<b>TOTAL</b>	<b>7 480 425</b>	<b>7 488 876</b>

### Intra-group financing

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

### Intra-group bonds

The following table presents on-going intra-group bond issue programmes as at 31 March 2021 and 31 December 2020:

No.	Bond issuer	Contract date	Amount granted	Amount used	Outstanding bonds as at 31 March 2021 (principal)	Outstanding bonds as at 31 December 2020 (principal)	Interest	Final buy-back deadline
1.	ENEA Nowa Energia Sp. z o.o.	10 March 2011	26 000	26 000	12 000	18 000	WIBOR 6M + margin	31 March 2023
2.	ENEA Wytwarzanie Sp. z o.o.	8 September 2012 agreement for PLN 4 000 000 thousand decreased through Annex 2 of 21 January 2015 to PLN 3 000 000 thousand	3 000 000	2 650 000	1 790 000	1 790 000	Depending on the series: fixed interest rate or WIBOR 6M + margin	Depending on bond series' issue dates, however no later than by 15 June 2022
3.	ENEA Operator Sp. z o.o.	20 June 2013 amended through Annex 1 of 9 October 2014 and Annex 2 of 7 July 2015	1 425 000	1 425 000	1 005 816	1 013 543	Depending on the series: fixed interest rate or WIBOR 6M + margin	Depending on bond series' issue dates, however no later than by 17 June 2030
4.	ENEA Operator Sp. z o.o.	7 July 2015 amended through Annex 1 of 28 March 2017	946 000	946 000	853 667	878 500	Depending on the series: fixed interest rate or WIBOR 6M + margin	Depending on bond series' issue dates, however no later than by 15 December 2032
<b>Total</b>					<b>3 661 483</b>	<b>3 700 043</b>		
Transaction costs and effect of measurement using effective interest rate					3 031	(12 874)		
<b>Total</b>					<b>3 664 514</b>	<b>3 687 169</b>		

The additional information and explanations presented on pages 9-34 constitute an integral part of these condensed separate interim financial statements.



In the 3-month period ending 31 March 2021 ENEA S.A. did not execute new intra-group bond issue program agreements concerning financing for ENEA Group companies.

## Loans

The following table presents loans issued by ENEA S.A. as at 31 March 2021 and 31 December 2020:

No.	Borrower	Contract date	Total contract amount	Debt at 31 March 2021	Debt at 31 December 2020	Interest	Final repayment deadline
1.	KS „ENERGETYK”	19 May 2019	360	360	360	Fixed	31 January 2020, [the parties intend to execute an annex to this agreement]
2.	ENEA Operator Sp. z o.o.	11 July 2019	425 000	425 000	425 000	WIBOR 6M + margin	20 December 2021
3.	Elektrownia Ostrołęka Sp. z o.o.	30 September 2019	29 000	29 000	29 000	Fixed	30 June 2021
4.	ENEA Operator Sp. z o.o.	13 December 2019	425 000	425 000	425 000	WIBOR 6M + margin	20 December 2021
5.	Elektrownia Ostrołęka Sp. z o.o.	23 December 2019	170 000	170 000	170 000	Fixed	30 June 2021
6.	ENEA Wytwarzanie Sp. z o.o.	30 January 2020	2 200 000	1 800 000	1 800 000	WIBOR 6M + margin	30 September 2024
7.	ENEA Elektrownia Połaniec S.A.	28 February 2020	500 000	500 000	500 000	WIBOR 6M + margin	20 December 2024
8.	ENEA Operator Sp. z o.o.	12 March 2020	950 000	650 000	650 000	WIBOR 6M + margin	20 December 2024
				<b>3 999 360</b>	<b>3 999 360</b>		
Transaction costs and effect of measurement using effective interest rate, along with impairment of loans				(183 449)	(197 653)		
<b>Total</b>				<b>3 815 911</b>	<b>3 801 707</b>		

In the 3-month period ending 31 March 2021 ENEA S.A. did not execute new loan agreements.

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

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

Impairment of financial assets at amortised cost (concerns loans granted) as at 31 March 2021 amounted to PLN 216 284 thousand. The total impairment loss on loans issued to Elektrownia Ostrołęka Sp. z o.o. recognised in the 3-month period ended 31 December 2021 was PLN 6 200 thousand, and this amount was recognised in the separate statement of comprehensive income under "Impairment of financial assets at amortised cost."

## 20. Impairment of trade and other receivables

### Impairment of trade and other receivables:

	Three-month period ended 31 March 2021	Year ended 31 December 2020
<b>Impairment of receivables at the beginning of period</b>	<b>59 450</b>	<b>54 820</b>
Created	4 143	12 647
Used	(2 561)	(8 017)
<b>Impairment of receivables at the end of period</b>	<b>61 032</b>	<b>59 450</b>

In the 3-month period ended 31 March 2021, impairment of trade and other receivables increased by PLN 1 582 thousand (in the 3-month period ended 31 March 2020 impairment grew by PLN 425 thousand). Impairment losses are mainly recognised on trade receivables. Impairment of other receivables is negligible.

At 31 March 2021, the Company carried out an additional analysis of the COVID-19 pandemic's potential impact on receivables impairment. An individual approach was applied to a list of ENEA S.A.'s largest debtors, using assumptions for a model described in the Company's existing *Methodology for determining expected credit losses for non-current debt assets and similar items*. As regards the model's quantitative module - available reporting data from the debtors was used, while the qualitative module incorporated the existing (and predicted) situation in the national economy as well as the counterparty's market and financial position. Based on this overall evaluation, a rating was assigned and subsequently transposed onto the Probability of Default parameter (in accordance with the aforementioned Methodology). As regards the Loss Given Default parameter, a value equal to 10% was conservatively adopted (in reality far exceeding the actual levels of receivables losses recorded by the Company). The above analysis generated an additional expected credit loss at a negligible level from the viewpoint of reporting.

For current trade receivables, expected credit losses are calculated based on historic data in a way that is described in *Rules for creating and recording impairment losses on trade receivables and other financial items at ENEA Group companies*. The impairment of receivables for 2021 is calculated on the basis of data from 2020. Therefore, the level of receivables impairment estimated as at 31 March 2021 reflects objective indications of impairment resulting from the situation and regulations arising from the COVID-19 pandemic.

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

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

	As at 31 March 2021		
	Nominal value	Impairment	Book value
<b>Trade and other receivables</b>			
Current	1 187 439	(580)	1 186 859
Overdue	156 905	(58 199)	98 706
0-30 days	57 504	(721)	56 783
31-90 days	13 772	(1 465)	12 307
91-180 days	6 065	(1 656)	4 409
over 180 days	79 564	(54 357)	25 207
<b>Total</b>	<b>1 344 344</b>	<b>(58 779)</b>	<b>1 285 565</b>
<b>Assets arising from contracts with customers</b>	<b>307 208</b>	<b>(123)</b>	<b>307 085</b>

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

## 22. Other financial liabilities

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

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

At 31 March 2021, the balance of liabilities within cash pooling was PLN 895 062 thousand (PLN 152 574 thousand at 31 December 2020) and is presented in line: Other financial liabilities.

## Other explanatory notes

### 23. Related-party transactions

The Company executes transactions with the following related parties:

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

#### ENEA Group companies

	Three-month period ended	
	31 March 2021	31 March 2020
<b>Purchase value, including:</b>	<b>2 201 017</b>	<b>1 993 991</b>
purchase of materials	135	129
purchase of services	563 845	453 559
other (including electricity and gas)	1 637 037	1 540 303
<b>Sale value, including:</b>	<b>88 706</b>	<b>94 871</b>
sale of electricity	81 540	86 375
sale of services	248	403
other	6 918	8 093
<b>Interest income, including:</b>	<b>35 244</b>	<b>55 819</b>
on bonds	20 792	45 591
on loans	14 256	8 602
other	196	1 626

  

	As at	
	31 March 2021	31 December 2020
Receivables	117 269	413 082
Liabilities	369 357	415 751
Financial assets - bonds	3 664 514	3 687 169
Loans granted	3 815 902	3 801 646
Other financial liabilities	895 062	152 574

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

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

Item	Company's Management Board		Company's Supervisory Board	
	Three-month period ended		Three-month period ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Remuneration under management contracts	937*	1 984**	-	-
Remuneration under appointment to management or supervisory bodies	-	-	201	166
<b>TOTAL</b>	<b>937</b>	<b>1 984</b>	<b>201</b>	<b>166</b>

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

\*\* This remuneration covers bonuses for 2018 of PLN 1 294 thousand.

In the 3-month period ended 31 March 2021, no loans were made to Supervisory Board members from the Company Social Benefit Fund (PLN 0 thousand for the 3-month period ended 31 March 2020).

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

## Transactions with State Treasury related parties

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

The subject of these transactions mainly is as follows:

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

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

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

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

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

### 24.1. Sureties and guarantees

In the 3-month period ending 31 March 2021 ENEA S.A. as Guarantor did not execute any surety agreements.

The following table presents significant bank guarantees valid as of 31 March 2021 under an agreement between ENEA S.A. and Bank PKO BP S.A. and Bank PEKAO S.A. up to a limit specified in the agreement.

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

Guarantee issue date	Guarantee validity	Obliged entity	Entity for which the guarantee was issued	Bank - issuer	Guarantee amount in PLN 000s
30.12.2020	31.12.2021	ENEA Elektrownia Połaniec	Izba Rozliczeniowa Giełd Towarowych S.A.	PEKAO S.A.	180 000
12.08.2018	12.08.2021	ENEA Elektrownia Połaniec	Polskie Sieci Elektroenergetyczne	PKO BP S.A.	7 000
26.06.2020	15.03.2022	ENEA Serwis Sp. z o.o.	ENEA Operator Sp. z o.o.	PKO BP S.A.	3 145
12.08.2018	16.05.2021	ENEA S.A.	Górecka Projekt Sp. z o.o.	PKO BP S.A.	2 109
01.07.2020	30.06.2022	ENEA S.A.	H. Święcicki Clinical Hospital in Poznań	PKO BP S.A.	1 281
<b>Total bank guarantees</b>					<b>193 535</b>

The value of other guarantees issued by the Company as at 31 March 2021 was PLN 7 066 thousand. The total value of sureties and guarantees issued by ENEA S.A. as collateral for ENEA Group companies' liabilities at 31 March 2021 was PLN 235 766 thousand.

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

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### Proceedings initiated by the Company

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

At 31 March 2021, a total of 14 936 cases initiated by the Company were in progress before courts of general competence, worth in aggregate PLN 59 766 thousand (31 December 2020: 12 237 cases worth PLN 55 724 thousand).

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

### Proceedings against the Company

Proceedings against the Company are initiated by both natural persons and legal entities. They concern issues such as: compensation for electricity supply disruptions, compensation for the Group's use of properties on which power equipment is located as well as claims related to terminated contracts for the purchase of property rights (note 24.6).

At 31 March 2021, a total of 112 cases against the Company were in progress before courts of general competence, worth in aggregate PLN 563 860 thousand (31 December 2020: 128 cases worth PLN 563 866 thousand).

Provisions related to these court cases are presented in 17.

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## 24.3. Other court proceedings

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

The Management Board of ENEA S.A. filed in December 2018 a response to a lawsuit brought by Międzyzakładowy Związek Zawodowy Synergia Pracowników Grupy Kapitałowej ENEA, based in Poznań, to cancel, determine the non-existence or repeal resolution no. 3 of the Extraordinary General Meeting of ENEA S.A. of 24 September 2018 regarding directional approval to join the Construction Stage of the Ostrołęka C project, and demanded that the lawsuit be rejected in its entirety as unjustified, along with reimbursement of court representation costs. The hearing was scheduled for 8 May 2019. That hearing, and others scheduled for 30 July 2019 and 1 October 2019, did not take place. The hearing has been suspended until a final ruling is issued in a case instigated by a shareholder of the Company - Fundacja "CLIENTEARTH Prawnicy dla ziemi." Through a decision of 22 March 2021, the District Court in Poznań instigated proceedings in the case.

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

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Risk associated with the legal status of properties used by the Company (currently used by ENEA Operator Sp. z o.o.) results from the fact that the Company does not have a legal title to use land for all of its facilities where its transmission grids and the associated equipment are located. In the future, the Company might be obligated to incur the costs of non-contractual use of property, which had taken place in previous years prior to the de-merger of ENEA Operator Sp. z o.o.

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

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

As at 31 March 2021, a provision for claims concerning non-contractual use of land amounted to PLN 2 475 thousand.

#### 24.5. Cases concerning 2012 non-balancing

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

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

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

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

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

Three of the aforementioned disputes are not yet resolved in first-instance courts. In the case ENEA S.A. v. Tauron Polska Energia S.A. and others (file no. XIII GC 600/15/AM), on 23 March 2021 the District Court in Katowice ruled to reject the claim in its entirety and awarded the costs of proceedings in favour of the defendant and the co-defendants. The ruling along with a written justification was delivered on 20 May 2021. In a case against PGE Polska Grupa Energetyczna S.A. (file no. XVI GC 525/20, previous file no. XX GC 1163/15) - through a ruling of 7 January 2021 the court suspended the proceeding at the mutual request of the parties.

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

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

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

- 5 proceedings for payment against ENEA S.A. concerning remuneration, contractual penalties or compensation;
- 2 proceedings for the voidance of ENEA S.A.'s termination or withdrawal from agreements to sell property rights, which took place on 28 October 2016, including 1 proceeding in which claims for payment are being sought at the same time;
- 1 proceeding for payment, in which ENEA S.A. seeks a claim concerning a contractual penalty.

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

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

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

- Farma Wiatrowa Krzęcin Sp. z o.o., based in Warsaw;
- Megawind Polska Sp. z o.o., based in Szczecin;
- PGE Górnictwo i Energetyka Konwencjonalna S.A., based in Bełchatów;
- PGE Energia Odnawialna S.A., based in Warsaw;

- PGE Energia Natury PEW Sp. z o.o., based in Warsaw (currently PGE Energia Odnawialna S.A., based in Warsaw);
- "PSW" Sp. z o.o., based in Warsaw;
- in.ventus Sp. z o.o. EW Śniatowo Sp. k., based in Poznań (currently TEC1 Sp. z o.o. EW Śniatowo Sp. k., based in Katowice);
- Golice Wind Farm Sp. z o.o., based in Warsaw.

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

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

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

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

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

The Agreements were terminated with the intention for the Company to avoid losses constituting the difference between contractual and market prices of green certificates. Due to the changing legal conditions after termination of the Agreements in 2017, especially arising from the Act of 20 July 2017 on amendment of the act on renewable energy sources, the estimated value of future contract liabilities would have changed. In the current legal framework, this would be significantly lower in comparison to the amount estimated when the Agreements were being terminated, i.e. approx. PLN 1 187 million. This decline reflects a change in the way in which the substitute fee is calculated, which in accordance with the content of some of the Agreements constitutes the basis for calculating the contract price and indexing it to the market price. The Company created a PLN 144 635 thousand provision for potential claims resulting from the terminated Agreements in relation to submissions made by 31 March 2021 concerning transactions to sell property rights by the counterparties; the provision is presented in 17.

In February 2020, ENEA S.A. executed an agreement with Megawind Polska Sp. z o.o., based in Szczecin, which had initiated three court proceedings, regarding an amicable resolution of these disputes, pursuant to which:

- 1) in case ref. IX GC 64/17, the proceeding was validly closed due to a court settlement being reached;
- 2) in case ref. IX GC 996/16, the proceeding was validly closed after ENEA S.A. withdrew its appeal against the ruling of 29 November 2019;
- 3) case IX GC 1167/16 was dismissed after Megawind Polska Sp. z o.o. withdrew the lawsuit and relinquished the claims.

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

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

This ruling is not final. ENEA S.A. has appealed part of the ruling, i.e. as regards points 2 and 3.

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

- PGE Energia Odnawialna S.A., based in Warsaw (file no. IX GC 1064/17) – through a ruling of 23 October 2020 r. the court suspended the proceeding at the parties' mutual request. The ruling is final;



- PGE Górnictwo i Energetyka Konwencjonalna S.A., based in Bełchatów (file no. IX GC 555/16) – on 15 April 2021, the court resumed the previously suspended proceeding;
- PGE Energia Odnawialna S.A., based in Warsaw (file no. IX GC 1011/17) – on 16 April 2021, the court resumed the previously suspended proceeding.

In a case brought by ENEA S.A. against PGE Górnictwo i Energetyka Konwencjonalna S.A. (file no. X GC 608/20) – on 26 October 2020, the court ruled to suspend the proceeding at the parties' mutual request. The ruling is final.

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

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## 25. Participation in nuclear power plant build program

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

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

On 26 March 2021 ENEA S.A., PGE S.A., TAURON S.A. and KGHM Polska Miedź S.A. executed an agreement with the State Treasury to sell 100% of shares in PGE EJ 1 to the State Treasury (Share Sale Agreement). Pursuant to the Share Sale Agreement, ownership of the PGE EJ 1 shares was transferred on 31 March 2021. ENEA sold 532 523 shares in PGE EJ 1, constituting 10% of its share capital and representing 10% of votes at its general meeting, to the State Treasury. The sale price for the 100% stake was PLN 531 362 thousand, of which ENEA received PLN 53 136 thousand. The sale price will be adjusted based on PGE EJ 1's valuation on the closing date. According to ENEA S.A., any potential adjustment will not have a material impact on the final sale price.

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

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

In connection with the sale of all PGE EJ 1 shares owned by ENEA to the State Treasury, ENEA is no longer a shareholder of PGE EJ 1.

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## 26. Impact of COVID-19 pandemic

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A state of epidemic caused by the SARS-Cov-2 coronavirus is in effect in Poland since 20 March 2020. The virus and its effects as well as the effects of actions taken by the state to combat the pandemic have influence over the condition of the domestic economy. For this reason, ENEA S.A.'s activities have also been affected by the situation.

The total electricity sales volume went up in the first quarter of 2021 by 652 GWh, or 12.5%, in comparison with the same period of 2020. The volume of gas fuel sales also increased on a year-to-year basis (by 84 GWh, or 21.2%). Revenue from electricity and gas sales increased in the first quarter of 2021 by PLN 162 million, or 10.0%, in comparison with the same period of 2020. Revenue increased in both the business and household customers segments.

At the date on which these separate condensed separate interim financial statements were prepared, it is difficult to predict how the situation will develop in 2021 and what the potential negative effects for the Company's operating and financing activities will be. Further spread of the virus may lead to further restrictions and a decline in economic activity (currently numerous restrictions apply to: hotels, restaurants, coffee shops and shopping galleries), decline in electricity demand and

in consequence lower electricity output, which might impact the Company's revenue from sales. It also cannot be ruled out that a significantly larger number of Covid cases at the Company will affect risks related to the Company's business continuity. Potential interruptions in operations could have a negative impact on revenue from sales. The Company is taking preventive action to reduce this type of risk.

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

ENEA S.A. cyclically reviews the credit ratings of its subsidiaries and the recoverability of intra-group bonds and loans. In accordance with ENEA Group's methodology for determining expected credit losses for debt assets, no need was identified as of 31 December 2021 for recognising this in respect of subsidiaries.

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

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