



***Energa***

**ORLEN GROUP**

---

**Condensed interim financial statements  
prepared in accordance with IAS 34  
for the three-month period ended  
31 March 2022**

---

**TABLE OF CONTENTS**

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS .....	3
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME.....	3
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION .....	4
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY.....	6
CONDENSED INTERIM STATEMENT OF CASH FLOWS .....	7
ACCOUNTING PRINCIPLES (POLICIES) AND OTHER EXPLANATORY INFORMATION .....	8
1. General information .....	8
2. Composition of the Company's Management Board.....	8
3. Approval of the financial statements.....	8
4. Basis for preparation of the financial statements .....	8
5. Material accounting policies .....	9
6. New standards and interpretations.....	9
7. Explanations regarding the seasonality and cyclicity of operations in the period under review.....	9
NOTES TO THE CONDENSED INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION .....	10
8. Shares in subsidiaries, associates and joint ventures.....	10
9. Cash and cash equivalents .....	10
10. Dividends and profit distribution/loss coverage.....	10
NOTES ON FINANCIAL INSTRUMENTS .....	11
11. Financial instruments .....	11
OTHER NOTES .....	16
12. Information on related entities .....	16
13. Contingent assets and liabilities .....	17
14. Other information significantly affecting the assessment of assets, financial position and the financial result of the Company .....	18
15. Significant subsequent events .....	18

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**

	Three-month period ended 31 March 2022 (unaudited)	Three-month period ended 31 March 2021 (unaudited)
<b>Sales revenue</b>	<b>13</b>	<b>14</b>
Cost of sales	(10)	(13)
<b>Gross profit on sales</b>	<b>3</b>	<b>1</b>
Other operating income	6	11
General and administrative expenses	(25)	(22)
Other operating expenses	(1)	(4)
Other financial income	84	59
Other financial costs	(57)	(79)
<b>Profit/(loss) before tax</b>	<b>10</b>	<b>(34)</b>
Income tax	4	3
<b>Net profit or loss for the period</b>	<b>14</b>	<b>(31)</b>
<b>Earnings or loss per share (in PLN)</b>		
Earnings or loss per share (basic and diluted)	0.03	(0.07)

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**

	Note	Three-month period ended 31 March 2022 (unaudited)	Three-month period ended 31 March 2021 (unaudited)
<b>Net profit or loss for the period</b>		<b>14</b>	<b>(31)</b>
<i>Items that may subsequently be reclassified to profit or loss</i>			
Cash flow hedges	11.6	32	43
Deferred income tax		(6)	(8)
<b>Net other comprehensive income</b>		<b>26</b>	<b>35</b>
<b>Total comprehensive income</b>		<b>40</b>	<b>4</b>

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

	Note	As at 31 March 2022 (unaudited)	As at 31 December 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets		11	9
Right-of-use assets		26	28
Shares in subsidiaries, associates and joint ventures	<b>8</b>	6,898	6,898
Bonds	<b>11.4.1</b>	1,134	1,134
Other non-current financial receivables		2,970	2,964
Derivative financial instruments	<b>11.2</b>	245	219
Other non-current assets		106	112
		<b>11,390</b>	<b>11,364</b>
<b>Current assets</b>			
Cash pooling receivables		779	778
Trade receivables and other current financial receivables		368	456
Bonds	<b>11.4.1</b>	42	26
Current tax receivables		74	100
Cash and cash equivalents	<b>9</b>	259	89
Derivative financial instruments	<b>11.2</b>	71	52
Other current assets		35	77
		<b>1,628</b>	<b>1,578</b>
<b>Non-current assets classified as held for sale</b>		<b>20</b>	<b>20</b>
<b>TOTAL ASSETS</b>		<b>13,038</b>	<b>12,962</b>

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**

	Note	As at 31 March 2022 (unaudited)	As at 31 December 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders</b>			
Share capital		4,522	4,522
Reserve capital		821	821
Supplementary capital		1,661	1,661
Cash flow hedge reserve	11.6	113	87
Retained earnings		268	254
<b>Total equity</b>		<b>7,385</b>	<b>7,345</b>
<b>Non-current liabilities</b>			
Loans and borrowings	11.4.2	1,788	1,857
Bonds issued	11.4.2	1,161	1,139
Non-current provisions		10	13
Deferred tax liability		8	3
Deferred income and non-current grants		31	34
Non-current lease liabilities		17	20
		<b>3,015</b>	<b>3,066</b>
<b>Current liabilities</b>			
Cash pooling liabilities		933	512
Trade liabilities and other financial liabilities		11	19
Current lease liabilities		15	14
Current credits and loans	11.4.2	1,524	1,815
Short-term provisions		19	49
Deferred income and grants		9	9
Accrued expenses		11	10
Other current liabilities		116	123
		<b>2,638</b>	<b>2,551</b>
<b>Total liabilities</b>		<b>5,653</b>	<b>5,617</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,038</b>	<b>12,962</b>

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**

	Note	Share capital	Reserve capital	Supplementary capital	Cash flow hedge reserve	Retained earnings	Total equity
<b>As at 1 January 2022</b>		<b>4,522</b>	<b>821</b>	<b>1,661</b>	<b>87</b>	<b>254</b>	<b>7,345</b>
Cash flow hedges	11.6	-	-	-	26	-	26
Net profit for the period		-	-	-	-	14	14
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>26</b>	<b>14</b>	<b>40</b>
<b>As at 31 March 2022 (unaudited)</b>		<b>4,522</b>	<b>821</b>	<b>1,661</b>	<b>113</b>	<b>268</b>	<b>7,385</b>
<b>As at 1 January 2021</b>		<b>4,522</b>	<b>1,018</b>	<b>1,661</b>	<b>(96)</b>	<b>(153)</b>	<b>6,952</b>
Cash flow hedges	11.6	-	-	-	35	-	35
Net loss for the period		-	-	-	-	(31)	(31)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>35</b>	<b>(31)</b>	<b>4</b>
<b>As at 31 March 2021 (unaudited)</b>		<b>4,522</b>	<b>1,018</b>	<b>1,661</b>	<b>(61)</b>	<b>(184)</b>	<b>6,956</b>

The accounting principles (policies) and additional notes to the condensed interim separate financial statements constitute an integral part thereof  
 (This is translation of the financial statements originally issued in Polish)

**CONDENSED INTERIM STATEMENT OF CASH FLOWS**

	Note	Three-month period ended 31 March 2022 (unaudited)	Three-month period ended 31 March 2021 (unaudited)
<b>Cash flows from operating activities</b>			
<b>Profit/(loss) before tax</b>		<b>10</b>	<b>(34)</b>
<b>Adjustments for:</b>			
Foreign currency loss		6	6
(Profit)/Loss on investing activities		(1)	14
Amortization and depreciation		3	4
Net interest and dividends		(7)	(3)
<b>Changes in working capital:</b>			
Change in provisions		(33)	(3)
Change in receivables		73	24
Change in liabilities, excluding loans, credits and bonds		99	(12)
Change in prepayments and accruals		(1)	(1)
		<b>149</b>	<b>(5)</b>
<b>Income tax paid</b>		<b>(110)</b>	<b>-</b>
<b>Net cash from operating activities</b>		<b>39</b>	<b>(5)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment and intangible assets		(2)	(3)
Proceeds from redemption of bonds by subsidiaries		1	1
Purchase of shares in subsidiaries, associates and joint ventures		-	(1)
Interest received		38	13
Receipts on account of loan repayments		78	71
Capital contributions		(5)	(7)
Other		6	6
		<b>116</b>	<b>80</b>
<b>Net cash from investing activities</b>		<b>116</b>	<b>80</b>
<b>Cash flows from financing activities</b>			
Repayment of loans and borrowings		(728)	(332)
Receipts from borrowings		350	-
Cash pooling proceeds		421	262
Interest paid		(25)	(19)
Repayment of lease liabilities		(3)	(2)
		<b>15</b>	<b>(91)</b>
<b>Net cash from financing activities</b>		<b>15</b>	<b>(91)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>170</b>	<b>(16)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>89</b>	<b>89</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>9</b>	<b>259</b>	<b>73</b>

## ACCOUNTING PRINCIPLES (POLICIES) AND OTHER EXPLANATORY INFORMATION

### 1. General information

These condensed interim separate financial statements of Energa SA ("Company") cover the three-month period ended on 31 March 2022 and contain the relevant comparative data.

Energa SA is entered in the Register of Entrepreneurs of the National Court Register held by the District Court Gdańsk-Północ in Gdańsk, 7th Commercial Division of the National Court Register, under KRS number 0000271591. The Company's REGON statistical number is 220353024.

As at 31 March 2022, the Company is controlled by PKN ORLEN S.A.

The Company's shares have been publicly traded since December 2013.

The core business of the Company is that of a holding company. The Company is the parent entity of the Energa SA Group ("Group"). In order to achieve full understanding of the financial position and results of the Company as the parent entity in the Group, these financial statements should be read in conjunction with the condensed interim consolidated financial statements for the period ended on 31 March 2022. These statements are available on the Group's website.

### 2. Composition of the Company's Management Board

Until these financial statements were prepared, the composition of the Management Board of Energa SA was as follows:

1) during the period from 15 November 2021 until 8 April 2022:

- Ms Iwona Waksmundzka-Olejniczak – President of the Management Board;
- Mr Marek Kasicki – Vice-President of the Management Board for Financial Matters;
- Ms Adrianna Sikorska – Vice-President of the Management Board for Communication Matters;
- Mr Janusz Szurski – Vice-President of the Management Board for Corporate Matters;
- Mr Dominik Wadecki – Vice-President of the Management Board for Operational Matters;

2) during the period from 8 April 2022 until 21 April 2022:

- Mr Marek Kasicki – Vice-President of the Management Board for Financial Matters;
- Ms Adrianna Sikorska – Vice-President of the Management Board for Communication Matters;
- Mr Janusz Szurski – Vice-President of the Management Board for Corporate Matters;
- Mr Dominik Wadecki – Vice-President of the Management Board for Operational Matters;

3) during the period from 21 April 2022 until 22 April 2022:

- Mr Daniel Obajtek – Member of the Supervisory Board seconded to temporary exercise of the duties of the President of the Management Board;
- Mr Marek Kasicki – Vice-President of the Management Board for Financial Matters;
- Ms Adrianna Sikorska – Vice-President of the Management Board for Communication Matters;
- Mr Janusz Szurski – Vice-President of the Management Board for Corporate Matters;
- Mr Dominik Wadecki – Vice-President of the Management Board for Operational Matters;

4) during the period from 22 April 2022 until 26 April 2022:

- Mr Daniel Obajtek – Member of the Supervisory Board seconded to temporary exercise of the duties of the President of the Management Board;
- Ms Adrianna Sikorska – Vice-President of the Management Board for Communication Matters;
- Mr Janusz Szurski – Vice-President of the Management Board for Corporate Matters;
- Mr Dominik Wadecki – Vice-President of the Management Board for Operational Matters;

5) during the period from 26 April 2022 until the date of publication of these statements:

- Mr Daniel Obajtek – Member of the Supervisory Board seconded to temporary exercise of the duties of the President of the Management Board;
- Mr Michał Perlik – Vice-President of the Management Board for Financial Matters;
- Ms Adrianna Sikorska – Vice-President of the Management Board for Communication Matters;
- Mr Janusz Szurski – Vice-President of the Management Board for Corporate Matters;
- Mr Dominik Wadecki – Vice-President of the Management Board for Operational Matters.

### 3. Approval of the financial statements

These financial statements and the consolidated financial statements of the Energa SA Group were approved for publication by the Company's Management Board on 11 May 2022.

### 4. Basis for preparation of the financial statements

These financial statements have been prepared on the historical cost basis except for financial instruments measured at fair value through profit or loss and hedging derivatives.

These financial statements have been prepared based on the assumption that Energa SA would continue as a going concern in the foreseeable future. As at the date of these financial statements, there is no evidence indicating that the continuation of the Company's business activities as a going concern may be at risk.

#### 4.1 Statement of compliance

These financial statements have been prepared in accordance with the International Accounting Standard 34, Interim Financial Reporting, as endorsed by the European Union ("EU"). They do not contain all the information required in the full financial statements according to the International Financial Reporting Standards ("IFRS"). However, selected notes are included to explain the events and transactions that are relevant to the understanding of the changes in the Company's financial position and performance since the most recent annual separate financial statements as at and for the year ended on 31 December 2021.



## 4.2 Functional and presentation currency

The functional currency of the Company and the presentation currency of these financial statements is the Polish zloty and all the figures are stated in millions of Polish zlotys ("PLN m") unless stated otherwise.

## 5. Material accounting policies

The Company's accounting policies are applied on a continuous basis and the material accounting policies applied by the Company are the same as those described in the financial statements for the year 2021, except for the changes arising from amendments to IFRS EU.

## 6. New standards and interpretations

### 6.1 Standards and interpretations applied for the first time in 2022

The following amendments to the existing standards published by the International Accounting Standards Board ("IASB") and endorsed in the EU came into force in 2022:

- Amendments to IAS 16, Property, Plant and Equipment – revenues obtained prior to acceptance of an asset for use endorsed in the EU on 28 June 2021 (applicable to annual periods beginning on or after 1 January 2022);
- Amendments to IAS 37, Provisions, Contingent Liabilities and Contingent Assets – contracts resulting in charges, the cost of fulfilment of a contract endorsed in the EU on 28 June 2021 (applicable to annual periods beginning on or after 1 January 2022);
- Amendments to IFRS 3, Business Combinations – changes to references to conceptual assumptions together with amendments to IFRS 3, endorsed in the EU on 28 June 2021 (applicable to annual periods beginning on or after 1 January 2022);
- Amendments to various standards "Annual Improvements to IFRS (2018-2020 cycle)" – changes introduced during the annual cycle of improvements to IFRS (IFRS 1, IFRS 9, IFRS 16 and IAS 41) aimed mainly at removing inconsistencies and agreeing on the wording (amendments to IFRS 1, IFRS 9 and IAS 41 applicable to annual periods beginning on or after 1 January 2022. Amendments to IFRS 16 relate solely to an illustrating example and, consequently, no effective date has been specified).

### 6.2 Standards and interpretations already published and endorsed in the EU, which came into effect after the balance sheet date

When approving these separate financial statements, the Company did not apply the following standards, amendments to standards and interpretations that were published and endorsed for use in the EU but became effective after the balance sheet date:

- IFRS 17, Insurance Contracts, with subsequent amendments to IFRS 17 endorsed in the EU on 19 November 2021 (applicable to annual periods beginning on or after 1 January 2023);
- Amendments to IAS 1, Presentation of Financial Statements, and IASB guidelines concerning disclosures of accounting policies in practice – the requirement to disclose material accounting policy information (applicable to annual periods beginning on or after 1 January 2023);
- Amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors – definition of accounting estimates (applicable to annual periods beginning on or after 1 January 2023).

### 6.3 Standards and interpretations adopted by the IASB but not yet endorsed in the EU

IFRS as endorsed in the EU do not currently differ from the regulations adopted by the IASB, with the exception of the following standards, amendments to standards and interpretations, which as at the date of approving these financial statements have not yet been adopted for application:

- Amendments to IFRS 17, Insurance Contracts: initial application of IFRS 17 and IFRS 9 – comparative information (applicable to annual periods beginning on or after 1 January 2023);
- Amendments to IAS 1, Presentation of Financial Statements – classification of liabilities as current or non-current (applicable to annual periods beginning on or after 1 January 2023);
- Amendments to IAS 12, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (applicable to annual periods beginning on or after 1 January 2022);
- Amendments to IFRS 10, Consolidated Financial Statements, and IAS 28, Investments in Associates and Joint Ventures – sales or contributions of assets between an investor and its associate/joint venture and subsequent amendments (the effective date of the amendments has been deferred until the completion of the research on the equity method).

In the event that the remaining above-mentioned standards are implemented, the Company does not anticipate the related amendments to have a material impact on its financial statements.

## 7. Explanations regarding the seasonality and cyclicity of operations in the period under review

Due to the inherent nature of the holding business, the Company's financial revenue fluctuates heavily during the year; it depends on the dates of resolutions to pay out dividends by the companies in which the Company holds shares, unless such resolutions indicate other record dates.

**NOTES TO THE CONDENSED INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION**
**8. Shares in subsidiaries, associates and joint ventures**

Name and legal form	Registered office	Value of shares in Energa SA accounting ledgers	Energa SA share in share capital, in all votes and in management (%)
<b>Subsidiaries</b>			
Energa-Operator SA	Gdańsk	4,471	100.00
Energa OZE SA	Gdańsk	989	100.00
CCGT Ostrołęka Sp. z o.o.	Ostrołęka	415	68.25
Energa-Obrót SA	Gdańsk	331	100.00
Energa Kogeneracja Sp. z o.o.	Elbląg	234	64.59
Energa Oświetlenie Sp. z o.o.	Sopot	234	100.00
CCGT Grudziądz Sp. z o.o.	Grudziądz	41	100.00
Energa Informatyka i Technologie Sp. z o.o.	Gdańsk	37	100.00
Energa Green Development Sp. z o.o.	Gdańsk	24	100.00
CCGT Gdańsk Sp. z o.o.	Gdańsk	22	100.00
Enspirion Sp. z o.o.	Gdańsk	5	100.00
Energa Logistyka Sp. z o.o.	Płock	-	100.00
Energa Finance AB (publ)	Stockholm	-	100.00
Other companies	-	<1	-
<b>Associates</b>			
Polimex-Mostostal SA	Warsaw	82	16.45
ElectroMobility Poland SA	Warsaw	13	4.32
<b>Joint ventures</b>			
Elektrownia Ostrołęka Sp. z o.o.	Ostrołęka	-	50.00
<b>Total value of shares</b>		<b>6,898</b>	

The value of shares presented in the table above represents the value at cost less impairment losses.

**Impairment tests for shares**

In Q1 2022, based on an assessment whether there were any internal or external indications of impairment of shares held, no indications of their material depreciation were identified. Therefore, it was concluded that no impairment tests were required.

**9. Cash and cash equivalents**

Cash in the bank earns interest at variable interest rates, the level of which depends on the cost of money in the international market. Short-term deposits are made for different periods, from one day to three months, depending on the Company's current cash requirements, and earn interest at interest rates negotiated individually with banks.

The balance of cash and cash equivalents presented in the statement of cash flows comprises the following items:

	As at 31 March 2022 (unaudited)	As at 31 March 2021 (unaudited)
Cash at bank	39	73
Short-term deposits up to 3 months	220	-
<b>Total cash and cash equivalents presented in the statement of financial position, of which:</b>	<b>259</b>	<b>73</b>
Unrealized foreign exchange differences and interest	-	-
<b>Total cash and cash equivalents presented in the statement of cash flows</b>	<b>259</b>	<b>73</b>

**10. Dividends and profit distribution/loss coverage**

By the date of approval of these financial statements for publication, no decision had been made as to the distribution of the 2021 profit. On 21 April 2022, the Company's Supervisory Board issued a positive opinion on the Company Management Board's application to the General Meeting of Shareholders of Energa SA to allocate the net profit of the Company for the year 2021 in the amount of PLN 210 m in full toward the reserve capital (Current Report No. 18/2022).

**NOTES ON FINANCIAL INSTRUMENTS**
**11. Financial instruments**
**11.1 Carrying amount of financial instruments by category and class**

As at 31 March 2022 (unaudited)	Financial assets at fair value through profit or loss	Financial assets and liabilities measured at amortized cost	Hedging derivatives	Financial instruments excluded from the scope of IFRS 9	TOTAL
<b>Assets</b>					
Cash pooling receivables	-	779	-	-	779
Cash and cash equivalents	-	259	-	-	259
Derivative financial instruments	17	-	299	-	316
Shares in subsidiaries, associates and joint ventures	-	-	-	6,898	6,898
Bonds	-	1,176	-	-	1,176
Lease receivables	-	-	-	72	72
Other financial receivables	-	3,303	-	-	3,303
Trade receivables	-	8	-	-	8
Capital contributions	-	53	-	-	53
<b>TOTAL</b>	<b>17</b>	<b>5,578</b>	<b>299</b>	<b>6,970</b>	<b>12,864</b>
<b>Liabilities</b>					
Loans and borrowings	-	3,312	-	-	3,312
Preferential loans and borrowings	-	763	-	-	763
Loans and borrowings	-	2,549	-	-	2,549
Bonds issued	-	1,161	-	-	1,161
Liabilities on account of leases	-	-	-	32	32
Trade liabilities and other financial liabilities	-	11	-	-	11
Trade liabilities	-	9	-	-	9
Liabilities on purchase of property, plant and equipment and intangible assets	-	2	-	-	2
Cash pooling liabilities	-	933	-	-	933
Capital contribution liabilities	-	1	-	-	1
<b>TOTAL</b>	<b>-</b>	<b>5,418</b>	<b>-</b>	<b>32</b>	<b>5,450</b>

The accounting principles (policies) and additional notes to the condensed interim separate financial statements constitute an integral part thereof  
(This is translation of the financial statements originally issued in Polish)

As at 31 December 2021	Financial assets at fair value through profit or loss	Financial assets and liabilities measured at amortized cost	Hedging derivatives	Financial instruments excluded from the scope of IFRS 9	TOTAL
<b>Assets</b>					
Cash pooling receivables	-	778	-	-	<b>778</b>
Cash and cash equivalents	-	89	-	-	<b>89</b>
Derivative financial instruments	16	-	255	-	<b>271</b>
Shares in subsidiaries, associates and joint ventures	-	-	-	6,898	<b>6,898</b>
Bonds	-	1,160	-	-	<b>1,160</b>
Lease receivables	-	-	-	79	<b>79</b>
Other financial receivables	-	3,383	-	-	<b>3,383</b>
Trade receivables	-	11	-	-	<b>11</b>
Capital contributions	-	51	-	-	<b>51</b>
<b>TOTAL</b>	<b>16</b>	<b>5,472</b>	<b>255</b>	<b>6,977</b>	<b>12,720</b>
<b>Liabilities</b>					
Loans and borrowings	-	3,672	-	-	<b>3,672</b>
Preferential loans and borrowings	-	802	-	-	<b>802</b>
Loans and borrowings	-	2,870	-	-	<b>2,870</b>
Bonds issued	-	1,139	-	-	<b>1,139</b>
Liabilities on account of leases	-	-	-	34	<b>34</b>
Trade liabilities and other financial liabilities	-	19	-	-	<b>19</b>
Trade liabilities	-	16	-	-	<b>16</b>
Liabilities on purchase of property, plant and equipment and intangible assets	-	3	-	-	<b>3</b>
Cash pooling liabilities	-	512	-	-	<b>512</b>
Capital contribution liabilities	-	4	-	-	<b>4</b>
<b>TOTAL</b>	<b>-</b>	<b>5,346</b>	<b>-</b>	<b>34</b>	<b>5,380</b>

The accounting principles (policies) and additional notes to the condensed interim separate financial statements constitute an integral part thereof  
 (This is translation of the financial statements originally issued in Polish)

## 11.2 Fair value of financial instruments

Some of the Company's financial assets and liabilities are measured at fair value at the end of each reporting period. The table below analyses fair value measurements for financial assets and financial liabilities categorized into three level hierarchy:

- level 1 – fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- level 2 – fair value based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly;
- level 3 – fair value based on unobservable inputs for the asset or liability.

	As at 31 March 2022 (unaudited) Level 2	As at 31 December 2021 Level 2
<b>Assets</b>		
Hedging derivatives (CCIRS/IRS)	299	255
Other derivatives	17	16

Cross Currency Interest Rate Swaps (CCIRSs) and Interest Rate Swaps (IRSs) are measured at fair value by discounting future cash flows. The interest rates and the basis spread used in discounting are obtained from Bloomberg.

Other derivatives include options to purchase shares in Polimex-Mostostal SA. The options were purchased from Towarzystwo Finansowe Silesia Sp. z o.o. under the agreement of 18 January 2017 as subsequently annexed and refer to the purchase, in 22 tranches, of a total of approx. 7 million shares of Polimex-Mostostal SA, at the nominal price of PLN 2 per share. The options exercise dates were set between 31 August 2021 and 30 November 2026. The fair value measurement of the call options to purchase shares of Polimex-Mostostal SA was carried out using the Black-Scholes model. The measurement considered the current price and historic volatility of the company's share prices. The risk-free rate was determined on the basis of the yield of treasury bonds with maturities similar to the option expiration date.

## 11.3 Fair value of financial instruments not measured at fair value on an ongoing basis

Except for the information given in the table below, the carrying amounts of financial assets and liabilities do not depart in a material way from their fair values.

Loan from Energa Finance AB (publ)	Carrying amount	Fair value Level 2
As at 31 March 2022 (unaudited)	1,448	1,450
As at 31 December 2021	1,431	1,466

Hybrid bond issue	Carrying amount	Fair value Level 2
As at 31 March 2022 (unaudited)	1,161	1,169
As at 31 December 2021	1,139	1,151

The fair value measurement of liabilities under loans and hybrid bond issue has been estimated on the basis of an analysis of future cash flows discounted using market interest rates updated for 31 March 2022.

## 11.4 Description of material items in each category of financial instruments

### 11.4.1 Financial assets

#### Financial assets measured at amortized cost

The Company allocates primarily purchased bonds, granted loans other than described in item 11.2, cash and cash equivalents, cash pooling receivables, trade receivables, other receivables and capital contributions to the category of financial instruments recognized as financial assets measured at amortized cost.

Purchased bonds, by issuer, as at 31 March 2022 and 31 December 2021, are presented in the table below:

	As at 31 March 2022 (unaudited)	As at 31 December 2021
Energa-Operator SA	1,102	1,085
Energa OZE SA	72	72
Energa Kogeneracja Sp. z o.o.	2	3
<b>TOTAL, of which:</b>	<b>1,176</b>	<b>1,160</b>
Non-current	1,134	1,134
Current	42	26

#### 11.4.2 Financial liabilities

All of the Company's financial liabilities are classified as financial liabilities measured at amortized cost, except for hedging derivatives and lease liabilities. This category of the Company's financial instruments includes primarily contracted loans and borrowings, issued bonds and cash pooling liabilities.

##### Credits and loans

Loans and borrowings contracted as at 31 March 2022 and 31 December 2021 are presented in the table below:

	As at 31 March 2022 (unaudited)		As at 31 December 2021	
<b>Currency</b>	PLN	EUR	PLN	EUR
<b>Reference rate</b>	WIBOR	Fixed	WIBOR	Fixed
<b>Loan/borrowing amount</b>				
in currency	1,864	311	2,241	311
in PLN	1,864	1,448	2,241	1,431
<b>of which maturing in:</b>				
up to 1 year (short-term)	1,006	518	1,304	511
1 to 2 years	292	93	291	92
2 to 3 years	245	186	293	184
3 to 5 years	170	651	184	368
over 5 years	151	-	169	276

Detailed information on contracted external financing is provided in Note 11.5.

##### Liabilities for bonds issued

Liabilities under bonds issued as at 31 March 2022 and 31 December 2021 are presented in the table below:

	As at 31 March 2022 (unaudited)		As at 31 December 2021	
<b>Currency</b>	PLN	EUR	PLN	EUR
<b>Reference rate</b>	WIBOR	Fixed	WIBOR	Fixed
<b>Value of the issue</b>				
in currency	-	250	-	248
in PLN	-	1,161	-	1,139
<b>of which maturing in:</b>				
1 to 2 years	-	579	-	569
over 5 years	-	582	-	570

Detailed information on bonds issued is provided in Note 11.5.

#### 11.5 Available external financing

In the current reporting period, as at the end of the reporting period and as at the date of approving these financial statements for publication, there were no events of default on contractual obligations under the terms and conditions of any external financing obtained.

The external financing available as at 31 March 2022 is presented in the table below:

Financing institution	Type of liability	Purpose of financing	Date of the agreement	Financing limit (for the ENERGA SA Group)	Available financing amount	Nominal debt of Energa SA as at 31 March 2022	Repayment date
European Investment Bank	Loan	Energa-Operator SA investment programme	16-12-2009	1,050	-	270	15-12-2025
European Investment Bank	Loan	Energa-Operator SA investment programme	10-07-2013	1,000	-	483	15-09-2031
European Bank for Reconstruction and Development	Loan	Energa-Operator SA investment programme	29-04-2010	1,076	-	255	18-12-2024
European Bank for Reconstruction and Development	Loan	Energa-Operator SA investment programme	26-06-2013	800	-	104	18-12-2024
Nordic Investment Bank	Loan	Energa-Operator SA investment programme	30-04-2010	200	-	5	15-06-2022
Energa Finance AB (publ)	Borrowing	Current operations	21-03-2013	512 <sup>1</sup>	-	512 <sup>1</sup>	28-02-2023
Energa Finance AB (publ)	Borrowing	Current operations	28-06-2017	930 <sup>2</sup>	-	930 <sup>2</sup>	28-02-2027
PKO Bank Polski SA	Credit limit	General corporate purposes	20-09-2012	200	139	5 <sup>3</sup>	19-09-2022
Nordic Investment Bank	Loan	Construction of Myślino Wind Farm	23-10-2014	67	-	28	15-09-2026
European Investment Bank	Hybrid bonds	Energa-Operator SA investment programme	04-09-2017	1,163 <sup>4</sup>	-	1,163 <sup>4</sup>	12-09-2037
Syndicated loan	Revolving loan	Financing of Energa SA corporate objectives, including financing of everyday operations and financing of Energa SA investment programme, excluding capital expenditure on coal-based energy production	17-09-2019	2,000	2,000	-	17-09-2024 <sup>5</sup>
Bank Gospodarstwa Krajowego	Revolving loan	Financing of Energa SA corporate objectives, including financing of everyday operations, financing of Energa SA investment programme and refinancing of financial debt	03-07-2020	500	450	50	18-08-2023
SMBC	Revolving loan	Financing of Energa SA corporate objectives, including financing of everyday operations and financing of Energa SA investment programme and refinancing of financial debt, excluding capital expenditure on coal-based energy production	28-07-2020	558 <sup>6</sup>	558	-	28-07-2025
PKN Orlen	Revolving loan	Financing of general corporate objectives	31-05-2021	1,000	350	650	30-05-2022
European Investment Bank	Loan	Energa-Operator SA investment programme	16-12-2021	698 <sup>7</sup>	698	-	16-12-2041
<b>TOTAL</b>				<b>11,754</b>	<b>4,195</b>	<b>4,455</b>	

<sup>1</sup> liability of EUR 110 m converted using the average NBP exchange rate of 31 March 2022

<sup>2</sup> liability of EUR 200 m converted using the average NBP exchange rate of 31 March 2022

<sup>3</sup> value of guarantee limits awarded to Energa SA based on the concluded executive agreements (utilization of the global limit)

<sup>4</sup> liability of EUR 250 m converted using the average NBP exchange rate of 31 March 2022

<sup>5</sup> loan granted for a period of 5 years from the date of signing of the agreement, with a possibility of two one-year extensions of its term; the designated date is the end date of the term of the agreement, with the loan treated as short-term

<sup>6</sup> liability of EUR 120 m converted using the average NBP exchange rate of 31 March 2022

<sup>7</sup> liability of EUR 150 m converted using the average NBP exchange rate of 31 March 2022

## 11.6 Cash flow hedge accounting

All held hedging instruments serve to hedge cash flows and relate to the financial instruments allocated to the same risk category. The presented hedging instruments relate to the liabilities arising under loans between Energa Finance AB and Energa SA, hybrid bonds from the European Investment Bank and credits from the European Investment Bank. A detailed description of hedge accounting is provided in item 18.6 of the condensed interim consolidated financial statements for the period ended on 31 March 2022.

The fair value of the hedging instruments is as follows:

	Value (PLN m)	Recognition in the statement of financial position	Change in fair value of the hedging instrument used as the basis for recognizing hedge ineffectiveness for the period	Nominal amounts of hedging instrument in millions of	
	PLN			EUR	PLN
<b>As at 31 March 2022 (unaudited)</b>					
CCIRS III	131	Assets – Derivative financial instruments	None	200	-
CCIRS IV	160	Assets – Derivative financial instruments	None	250	-
IRS	8	Assets – Derivative financial instruments	None	-	350
<b>As at 31 December 2021</b>					
CCIRS III	112	Assets – Derivative financial instruments	None	200	-
CCIRS IV	138	Assets – Derivative financial instruments	None	250	-
IRS	5	Assets – Derivative financial instruments	None	-	350

Under cash flow hedge accounting, the cash flow hedge reserve (the effective portion of changes in the value of the hedge, less deferred tax) increased in the reporting period by PLN 26 m. The Company continued hedge accounting under IAS 39, and no ineffectiveness was identified in the period under review.

The table below presents changes in the cash flow hedge reserve resulting from the hedge accounting in the reporting period:

	Three-month period ended 31 March 2022 (unaudited)	Three-month period ended 31 March 2021 (unaudited)
<b>At the beginning of the reporting period</b>	<b>87</b>	<b>(96)</b>
Amount recognized in the cash flow hedge reserve in the period, equal to the change in the fair value of hedging instruments	44	51
Accrued interest not due transferred from the reserve to financial income/costs	12	12
Revaluation of hedging instruments transferred from the reserve to financial income/costs	(24)	(20)
Income tax on other comprehensive income	(6)	(8)
<b>At the end of the reporting period</b>	<b>113</b>	<b>(61)</b>

As at 31 March 2022, no inefficiencies were identified resulting from the applied cash flow hedge accounting.

## OTHER NOTES

### 12. Information on related entities

Related party transactions are made based on market prices of goods, products or services delivered.

#### 12.1 Related party transactions

PKN ORLEN S.A. is the Company's parent. Transactions with PKN ORLEN S.A. and other companies of the PKN ORLEN Group are concluded on an arms' length basis and their terms and conditions do not deviate from transactions with other entities. They do not constitute significant transactions.



**12.2 Related party transactions**

	Three-month period ended 31 March 2022 (unaudited)	Three-month period ended 31 March 2021 (unaudited)
Net revenue on the sale of products, goods and materials	13	14
Cost of purchase	5	5
Other financial income	84	49
Financial costs	17	10

	As at 31 March 2022 (unaudited)	As at 31 December 2021
<b>Assets</b>		
Non-current receivables	46	53
Other non-current financial receivables – subsidiaries	2,970	2,964
Cash pooling receivables	779	778
Trade receivables	8	11
Other current financial receivables	359	445
Long-term bonds	1,134	1,134
Short-term bonds	42	26
Other current assets	4	43
<b>Equity and liabilities</b>		
Non-current loan liabilities	930	920
Cash pooling liabilities	933	512
Current provision	16	46
Short-term trade liabilities	2	5
Other current financial liabilities	2	2
Current credits and loans	1,170*	1,411*
Other current liabilities	111	119

The tables above present transactions with subsidiaries within the PKN ORLEN Group and joint ventures. \*Transactions with PKN ORLEN S.A. and associates are immaterial, except for a loan from PKN Orlen to Energa SA. Detailed information on the contracted loan is presented in Note 11.5. As regards disclosures relating to transactions with parties related to the State Treasury, the Company applies the exemption defined in paragraph 25 of IAS 24.

The transactions involving the acquisition of shares in subsidiaries, associates and joint ventures are presented in Note 8.

**12.3 Compensation paid or due to the Company's Management Board members and Supervisory Board members**

	Three-month period ended 31 March 2022 (unaudited)	Three-month period ended 31 March 2021 (unaudited)
Management Board	1	1
Supervisory Board	<1	<1
<b>TOTAL</b>	<b>1</b>	<b>1</b>

During the reporting period, there were no loans granted to or other material transactions with members of the Management Board and of the Supervisory Board of Energa SA.

**12.4 Compensation paid or due to senior management (except for members of the Company's Management Board and Supervisory Board)**

The amount of benefits paid or due to the senior management in the period from 1 January 2022 to 31 March 2022 was PLN 3 m, as in the corresponding period of the previous year.

**12.5 Security for the repayment of liabilities**

As at the end of the reporting period, there was no collateral established on the Company's assets.

**13. Contingent assets and liabilities**

The Company did not have any significant contingent assets and liabilities.

#### 14. Other information significantly affecting the assessment of assets, financial position and the financial result of the Company

##### Assets held for sale

As at 31 March 2022, the shares held by the Company in Energa Invest Sp. z o.o. are recognized as assets held for sale. The Company assumes that the shares will be sold over the next 12 months.

##### Extension of loan maturities

On 26 February 2021, two agreements governing loans granted to Elektrownia Ostrołęka Sp. z o.o. by Energa SA and Enea S.A. were annexed. As a result, the maturities of the loans granted under the agreement of 17 July 2019 in the amount of PLN 58 m and the agreement of 23 December 2019 in the total amount of PLN 340 m were extended. The new maturity of the loans was set at 30 June 2021. The loans' maturities were annexed three times thereafter. Consequently, on 29 April 2022 the maturities of both loans were extended until 30 December 2022.

##### Extension of loan maturity

On 28 February 2022, an agreement was signed concerning the extension of maturity of the loan granted by Energa Finance AB (publ). The final maturities of the loans granted on 21 March 2013 and 25 March 2013 were set at 28 February 2023. The principal constituting the object of the signed agreement amounts to EUR 110 m.

##### Provision for settlement of the Coal Project in Ostrołęka

Under the agreement signed on 25 June 2021 by Elektrownia Ostrołęka Sp. z o.o. ("Ostrołęka Power Plant"), CCGT Ostrołęka Sp. z o.o., the Coal Project Contractor (GE Power Sp. z o.o. and GE Steam Power Systems S.A.S.) and the Gas Project Contractor (General Electric Global Services, GmbH together with GE Power Sp. z o.o.), the "Document amending the contract of 12 July 2018 for the construction of the Ostrołęka C Power Plant with a capacity of 1,000 MW", the so-called "Settlement Agreement" came into force. On 31 March 2022, Elektrownia Ostrołęka Sp. z o.o. completed the settlement of the Coal Project in Ostrołęka in accordance with the signed agreement. The ultimate value of the principal derived from the settlement made amounted to net PLN 958 m. Consequently, the sum payable to the General Contractor, arising from the difference between the above value and the sums already paid, had already been paid in full by Elektrownia Ostrołęka Sp. z o.o. Thus, the process of settlement of the Coal Project with the General Contractor came to an end. The costs incurred by the Energa Group in connection with settlement of the work carried out by the General Contractor accounted for 50% of the aforesaid amount, i.e. net PLN 479 m (the very same amount was assigned to Enea S.A.).

The estimated outstanding amount to be paid off by Energa SA for the full settlement of the Coal Project has been adjusted to PLN 16 m. This amount comprises primarily the outstanding claims from Torpol S.A. for the alteration of the rail siding associated with the discontinued investment in the coal-fired power plant.

##### War in Ukraine

Russia's attack on Ukraine shall undoubtedly have a significant impact on the domestic and international economy.

The Company monitors the situation in Ukraine on an ongoing basis in terms of its impact on business operations. However, the situation is very volatile and forecasting economic consequences of the war is subject to a high risk of making erroneous assumptions. Given the high dynamic of changes in the geopolitical and economic conditions as well as difficulties in processing or obtaining unambiguous and highly probable economic and financial forecasts, the potential impact of the conflict on the Company's operations and financial results cannot be reliably estimated at this time.

Further military actions, the scope and effectiveness of sanctions imposed on Russia and Belarus and the response from central banks and other financial institutions to the crisis shall be of key relevance for a full assessment of the implications of the current situation for the future financial results of the Company.

Bearing in mind the above, the Company has identified the following market risks:

- the risk of the Polish currency's weakening against major currencies, including specifically against euro. The Company hedges currency risk to liabilities held in foreign currencies and takes measures aimed at hedging currency risk with respect to planned investment projects;
- greater risk of attacks against the IT, which is required to achieve the Company's main business goals, which necessitates higher expenditure on protection of IT systems as well as use of more advanced tools and security systems;
- the risk of further increase in inflation and interest rates. This may result in an increase of financing costs and, consequently, the deterioration of the financial standing of the Company and other business operators and customers based in Poland, which may result in a decrease in the payment discipline of customers.

On the other hand, the Group has not identified any direct impact of the war in Ukraine on its financial results generated in Q1 2022.

#### 15. Significant subsequent events

On 8 April 2022, the Company's Management Board decided to recommend to the General Meeting of Shareholders of Energa SA to allocate the net profit of the Company for the year 2021 in the amount of PLN 210 m in full toward the reserve capital (Current Report No. 13/2022).

On 14 April 2022, the increase of the share capital of CCGT Ostrołęka Sp. z o.o. by PLN 114.1 m was registered in the National Court Register. Additional share capital was contributed by Polski Koncern Naftowy Orlen S.A. As a result, the Company's share in the share capital of CCGT Ostrołęka Sp. z o.o. shrank from 100% down to 68.25%.

On 7 April 2022, Ms Iwona Waksmundzka-Olejniczak handed in her letter of resignation from the post of the President of the Company's Management Board (Current Report No. 12/2022).

On 19 April 2022, Mr Marek Kasicki handed in his letter of resignation from the post of the Vice-President of the Company's Management Board for Finance, effective from 22 April 2022 (Current Report No. 14/2022).

On 21 April 2022, the Supervisory Board of the Company decided to second Mr Daniel Obajtek to temporarily exercise the duties of the President of the Company's Management Board over the period from 21 April 2022 to 21 July 2022 (Current Report No. 17/2022).

On 25 April 2022, the Company's Supervisory Board adopted a resolution appointing Mr Michał Perlik to the Company's Management Board of the 6th current term and entrusting him with the function of the Vice-President of the Management Board for Finance as of 26 April 2022 (Current Report No. 22/2022).

**Dismissal of legal action to repeal the resolution of the Energa SA's Extraordinary General Meeting on the withdrawal of the Company's shares from trading on the regulated market**

On 11 May 2022 the Company received information that the same day the Regional Court in Gdańsk, 9th Commercial Division issued a judgement dismissing the legal action brought by the shareholders of the Company (about which the Company informed in current report No. 82/2020 of 9 December 2020) to repeal the resolution No. 3 of the Extraordinary General Meeting of the Company of 29 October 2020 on the withdrawal from trading on the regulated market operated by the Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange) of 269,139,114 series AA ordinary bearer shares of the Company and marked in Krajowy Depozyt Papierów Wartościowych S.A. with ISIN PLENERG00022 code. The judgment is not final non-appealable.

Management Board Members

Daniel Obajtek .....  
Member of the Supervisory Board seconded to temporary exercise  
of the duties of the President of the Management Board

Michał Perlik .....  
Vice-President of the Management Board for Financial Matters

Adrianna Sikorska .....  
Vice-President of the Management Board for Communication Matters

Janusz Szurski .....  
Vice-President of the Management Board for Corporate Matters

Dominik Wadecki .....  
Vice-President of the Management Board for Operational Matters

Energa Centrum Usług Wspólnych Sp. z o.o.  
Entity responsible for keeping accounting ledgers and for preparing financial statements  
Energa Centrum Usług Wspólnych Sp. z o.o.  
al. Grunwaldzka 472, 80-309 Gdańsk  
KRS 0000049425, NIP 879-229-21-45, REGON 871566320 .....

Gdańsk, 11 May 2022