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Polenergia S.A. Group

CONSOLIDATED QUARTERLY REPORT

FOR THE FIRST QUARTER OF 2022

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A. INTRODUCTION TO THE CONSOLIDATED QUARTERLY REPORT

1. Consolidated income statement for a 3-month period ended on 31 March 2022

Within the 3-month period ended on 31 March 2022, the results of Polenergia Group (the “Group”) in terms of the adjusted (normalized) EBITDA and the net profit amounted to PLN 178.9m and PLN 115.5m, respectively, which means growth compared to the corresponding period of the preceding year by PLN 103.2m and PLN 81.3m, respectively.

Polenergia Group Income Statement (PLN m)	3M 2022	3M 2021	Difference YOY	Difference YOY [%]
Sales revenues, including:	2 475,5	636,9	1 838,6	289%
trading and sales segment	2 287,3	495,7	1 791,6	
other	188,2	141,2	47,0	
Cost of goods sold, including:	(2 266,4)	(573,5)	(1 692,9)	295%
trading and sales segment	(2 173,3)	(483,1)	(1 690,3)	
other	(93,1)	(90,4)	(2,7)	
Gross profit on sales	209,1	63,4	145,7	230%
Selling expenses and general overheads	(54,8)	(11,8)	(43,1)	366%
Other operating revenue/expense	(0,3)	1,1	(1,3)	-124%
A Operating profit (EBIT)	154,0	52,7	101,3	192%
Depreciation/Amortization	24,7	22,9	1,9	
Impairment losses	0,1	0,1	0,0	
Cost connected with net result on sale of assets ***	-	-	-	
EBITDA	178,9	75,7	103,2	136%
Normalizing adjustments:				
Purchase price allocation (PPA)	-	-	-	
Adjusted EBITDA*	178,9	75,7	103,2	136%
B Financial income	1,5	0,8	0,8	
C Financial costs	(19,0)	(9,9)	(9,1)	
A+B+C Gross profit (loss)	136,5	43,6	92,9	213%
Income tax	(26,9)	(9,4)	(17,5)	187%
Net profit (loss) from continuing operations	109,6	34,2	75,4	220%
Profit from discontinued operating activities	-	-	-	
Profit on disposal of discontinued operations	-	-	-	
Net profit (loss)	109,6	34,2	75,4	220%
Normalizing adjustments:				
Purchase price allocation (PPA)	0,1	0,2	(0,1)	
Foreign exchange differences	5,5	(0,6)	6,1	
Loan valuation using the amortized cost method	0,3	0,3	(0,1)	
Impairment losses **	0,1	0,1	0,0	
Adjusted net profit (loss)*	115,5	34,3	81,3	237,3%
Adjusted EBITDA*	178,9	75,7	103,2	136%
Adjusted EBITDA Margin*	7,2%	11,9%	-4,7%	
Adjusted EBITDA (excl. trading segment)	107,4	66,7	40,7	61%
Adjusted EBITDA margin (excl. trading segment)	57,1%	47,3%	9,8%	

*) Adjusted for non-monetary one-off revenue (cost) recognized in a given financial year

**) Reversal of the impairment losses in Gas & Clean Fuels segment and connected with projects development

The sales revenues of Polenergia Group in the first quarter of 2022 were higher by PLN 1,838.6m year-on-year, mainly due to higher revenues in the trading and sales segment (by PLN 1,791.6m), and in the onshore wind farm segment (by PLN 39.0m).

The adjusted EBITDA result in the reported period was PLN 178.9m and was higher by PLN 103.2m year-on-year mainly due to better result of the trading and sales segment driven predominantly by the growth in measurement of forward transactions involving sales to strategic customers and better result on the trading in energy and certificates, as well as better result of the onshore wind farm segment due to better windiness.

2. Detailed commentary regarding financial performance for the 3-month period ended on 31 March 2022 and other significant information on the Group's standing.

The onshore wind farm segment yielded the EBITDA result that was higher by PLN 49.0m comparing to Q1 2021. The growth in this segment in Q1 2022 has been driven mainly by higher generation volume due to high windiness.

The EBITDA result in the gas and clean fuels segment dropped by PLN 6.9m year-on-year, mainly due to lower margin on heat sales resulting from higher prices of gas and CO₂ allowances and lower revenues from the capacity market, partly offset by additional margin on account of providing Reliability-Must-Run (RMR) services to PSE, as well as a better result on the ENS operations optimizing process. The effects of the optimization process included the reversal of the forward transactions hedging the production and sales of electricity in ENS for a part of 2023. Changes in the level of margin resulting from the changes in the level of prices of electricity, gas and CO₂ allowances in connection with the generation of electricity in ENS Clean Spark Spread (CSS) permitted to make a decision to curb the planned generation and realize margins on the closing of the position in the forward market for the a/m periods. The measurement of relevant financial instruments related to the a/m transactions, as per IFRS 9, means that the following items were recognized under Q1 2022 result at the Group level: (i) the result on the anticipated generation in ENS in the a/m future periods which the forward transactions related to, i.e. PLN 3.4m is a time shift, and (ii) the impact of additional optimization and favorable CSS changes amounting to PLN 13.2m. The impact of measurement of these transactions on EBITDA in Q1 2022 has been disclosed under the trading and sales segment in the amount of PLN 2.8m and in the gas and clean fuels segment in the amount of PLN 13.9m. The impact of the transactions concluded with respect to Q1 2022 the measurement of which was recognized in the financial statements as at the end of Q4 2021 amounting to PLN 12.5m has been included in the realized result reducing the measurement figure as at 31 March 2022.

The trading and sales segment featured a growth of EBITDA by PLN 62.5m year-on-year as a result of: i) higher measurement of forward transactions in sales to strategic customers, ii) better result on the trading in wind farm-originating energy and certificates due to higher wind farm generation combined with the growth of energy and certificates prices, iii) better result on the trading portfolio and business service due to additional optimizing of transaction security for the remaining business lines, iv) better result on the proprietary trading on energy and gas markets, v) sale of PV systems and heat pumps by companies included in the segment in 2022. Said growth was partly offset by: i) lower margin on RES aggregation mainly due to higher profile and balancing cost, ii) lower result on the ENS operations optimizing process entailing lower measurement in 2022 of the forward transactions hedging the generation and sales for 2023, iii) higher operating costs in the face of the upscaling of business and operating costs allocated to the segment of the companies performing sales of PV systems and heat pumps.

The EBITDA of the distribution segment was higher by PLN 3.2m year-on-year. Higher earnings have mainly been achieved due to the higher unit margin on energy sales, which has been partly offset by lower revenues from connection fees, higher operating costs resulting predominantly from the business expansion and lower other operating costs (repayment of the written-off receivables in Q1 2021).

The EBITDA result of the PV segment in Q1 2022 was higher by PLN 0.3m relative to that in Q1 2021 due to higher generated volume under the Sulechów I project portfolio and due to the sales of part of the electricity volume at higher prices outside the auction system.

The result of the unallocated segment in Q1 2022 was lower by 5.0m compared to the corresponding period of 2021. The change of the EBITDA result has been driven mainly by the lower performance at the Headquarters (the effect of the VAT structure adjustment for 2021 and higher operating costs).

As a consequence of the abovementioned occurrences, the adjusted EBITDA margin excluding the trading and sales segment amounted to 57.1% and was higher by 9.8 pp year-on-year.

The result on financial operations in Q1 2022 was lower by PLN 8.4m in a YOY perspective, as a result, predominantly, of higher interest expenses (by PLN 6.1m), worse performance in terms of foreign exchange gains/losses (by PLN 1.9m), higher cost of commissions and other fees (by PLN 1.3m), higher costs related to the financial instruments measurement (by PLN 0.7m), partly offset by higher revenues from interest on deposits (by PLN 0.8m).

The YOY change in the income tax level results from the Group's higher profit before tax.

The impact of the war in Ukraine

In view of the continued armed conflict in Ukraine, risk events and factors that may potentially impact the business and the financial performance of Polenergia Group have been monitored and identified on an ongoing basis. In the opinion of the Management Board, the Polenergia Group is not directly exposed to the adverse effects of the conflict due to the marginal involvement of the Group's Companies in operations in Russia, Belarus and Ukraine or in cooperation with partners established in these countries.

The outbreak of war in Ukraine and the sanctions imposed on Russia and Belarus induced changes in the market environment which are manifested through high volatility of the prices of financial instruments, raw materials and commodities, including fluctuation of the prices of electricity, gas and CO₂ emission allowances. In the long term perspective, it may adversely impact the economic growth in Poland and the situation on the Polish energy market. Furthermore, among financial factors relevant to the Group, increased inflation pressure and volatility of the zloty exchange rate vis-à-vis the Euro and the US dollar were observed.

The Gas and Clean Fuels segment is, in the opinion of the Management Board, largely immune to the current volatility of prices on the market. The margin on electricity production in 2022 is not jeopardized by the reversal of contracts for the sale of electricity and the purchase of gas and CO₂ emission allowances in 2021. On the other hand, the gas supplies related to the heat production contracts have already been fixed (in terms of volume and fixed price) by the end of 2023. An additional safety feature for heat generation is the supply of light heating oil maintained and increased in Q1 2022, as reserve fuel in the event of limited or no supply of gas. If ENS is called upon to provide system services, the cost of gas purchase will be covered by revenues. The continuation of the current gas market and CO₂ emission allowances situation in the long term may reduce the ability to secure production and margin in ENS for the years to follow. The Nowa Sarzyna plant also improved its protection against possible cyber attacks; recently the main control system was replaced, and all remote diagnostic systems for the equipment were disconnected from the Internet.

The wind power segment has no direct exposure to the impact of the current market situation. Due to a consistent policy of hedging the production, current price changes do not affect the revenues generated from energy sales in 2022 and partly in 2023. At the same time, high volatility of energy prices combined with variable windiness periods may result in a significant increase in profile costs. It is also noteworthy that the dynamic growth of electricity prices with concurrent growth in prices of proprietary RES rights - PMOZE_A - made the lawmaker declare reduction of the obligation to redeem certificates of origin from 18.5% in 2022 down to 10% in 2023. If the reduction of the redemption obligation for PMOZE_A is too big and exceeds the pace of the renewable energy sources projects departing from the certificate system, it may lead to a potential big slump of market prices of green certificates. The sensitivity of the segment's operating part to fluctuation of interest and exchange rates is low due to the earlier hedging of interest rates of the loans incurred to finance the projects. Due to possible shortage of raw materials on the market, there is a risk that the availability of spare parts may be limited, which may cause temporary downtime of the farms in the event of a failure. The Group's projects may also become vulnerable

to cyber attacks. The risk of this type of event is being thoroughly analyzed and remedies are being applied.

The trading and sales segment as the only one in the Group had a direct exposure to the Ukrainian market through the subsidiary Polenergia Ukraine. Even before the war began, that company limited its operating activities. The Group has identified increased risk of trading in other markets, which is driven, among others, by increased volatility of electricity and natural gas prices, the risk of failure to meet the demand volume by the customers and the increased risk of insolvency of customers. In the context of dynamic price increases, a deviation in the energy consumption by the customers compared to the contract value may generate a significant result (either positive or negative) that will be disproportionate to the original assumptions. Negative exchange rate movements may result in a deterioration of the performance on a Euro-denominated market. At the same time, the strengthening of the Euro may result in an increase in the value of the required security deposits. The segment is also exposed to the risk of interest rate increases. Higher cost of working capital facility, due to the increase of interest rates, may result in a drop of the return on the operations. Polenergia Obrót has also been taking measures to monitor safety risks. Any potential attack that would destroy a telecom and IT infrastructure or restrict access of the availability to systems in a company would prevent the company from continuing its commercial business or would restrict such ability.

The distribution segment is protected in the long term against the effects of any investment costs increase and rising interest rates through a tariff mechanism. In a short term, until the distribution tariff is updated, the Company may experience a negative impact of the current market situation on the return on the business operations performed.

In the opinion of the Group, the current market situation should not jeopardize the achievement of the objectives set out in the Polenergia Group's strategy for the years 2020-2024. The persisting high energy prices, together with the limited use of conventional sources such as coal, gas and oil, may provide an additional incentive to increase the scale of investments in RES, both in generation sources and in green energy products such as green hydrogen. As a consequence, it may facilitate legislative processes and provide access to additional funds to support such investments.

In a short term perspective, the investment projects implemented by the Group may be affected by the conflict in Ukraine. The increase in raw material and product prices on the market and the temporary shortage of employees suffered by subcontractors may result in delays in the implementation of wind and PV farm projects. The raise of interest rates triggers increased financing costs while the increase in raw material and commodity prices combined with the volatility of the EUR/PLN exchange rate may lead to an increase in total investment costs.

Implementation of the Polenergia Group Strategy for the years 2020-2024

The new strategy of the Group is being implemented with no significant disturbances.

The construction of a 38.1 MW Szymankowo wind farm has been completed. On 19 August 2021 the operating permit was obtained and on 13 September 2021 the concession was awarded.

The Group continues works aimed at implementation of further four wind farm projects of the total capacity of 205 MW which secured auction offtake under the RES support auction scheme.

Construction of Dębsk and Kostomłoty wind farms has been progressing according to the schedule.

At Dębsk wind farm construction works are in progress. The completed works include foundations, service yards and roads with respect to all turbines (55/55). High and medium voltage lines and grid stations have been completed. All WGTs (55/55) have been assembled and energized, trial run of individual turbines is in progress. The construction of the farm should be completed in Q3 2022.

At Kostomłoty wind farm construction works are in progress. 100% of service roads, 100% of staging areas and 100% of foundations have been completed. 100% of MV lines and 100% of HV lines have

been completed. Also, the grid station has been built and energized. Deliveries of all WGT components have been completed. Current status is: 9 out of 9 WGTs assembled, trial run of individual turbines is in progress. The construction of the farm is to be completed in Q3 2022.

The wind farm project Piekło which secured an auction offtake in December 2020 is currently at the construction stage. Construction works began in March 2022. Earthworks are in progress related to the preparation of access roads and works related to the MV line commenced. The foundation works will be launched in May 2022. Completion of construction is scheduled for the second half of 2023.

The wind farm project Grabowo which secured an auction offtake in December 2021 is currently at the construction stage. Construction works began in March 2022. MV and HV cables have been ordered, as well as the major components of the grid station. Preparatory works are in progress preceding construction of the access roads and the grid station. The foundation and cabling works will be launched in May 2022. Completion of construction has been scheduled for the second half of 2023.

In the December 2020 RES auction the Company secured a 15-year offtake for three PV project portfolios: Sulechów II, Sulechów III and Buk I, providing for the construction of 29 PV plants in total, with the aggregate capacity of ca. 28 MW. Construction of Sulechów II and Sulechów III projects has been completed and requests for operating permits have been filed.

The Buk I project is in the final stage of construction. All panels, inverters and container stations have been put in place. 100% of low voltage wiring and 95% medium voltage cabling have been completed. Completion of construction has been scheduled for Q2 2022.

In December 2021, the subsidiaries: Polenergia Farma Wiatrowa Olbrachcice sp. z o.o. developing a portfolio of projects of PV farms Świebodzin I with a total capacity of 10.5 MW and Polenergia Obrót 2 sp. z o.o., developing the PV farm project Strzelino with a total capacity of 45.15 MW, successfully participated in the auction for the sale of energy from renewable energy sources. The Group plans to obtain financing for those projects in 2022 and to obtain corporate approvals required for their implementation.

The Group continues further development of wind and photovoltaic projects with a view to attain the goals identified in the Group's Strategy for the years 2020-2024. The Group's portfolio includes photovoltaic and wind (onshore) projects in a less advanced stage with a total capacity over 681 MW. As a result, the Group does not exclude potential participation of the subsidiaries developing wind farm and PV projects in further RES auctions. Different forms of commercialization of production will also be considered for individual projects, including decisions to participate in auctions, to sell energy to industrial customers under cPPA contracts or to sell energy in the forward market, such decisions to be made as the project development will progress.

Development work in the offshore wind power segment is continued. The Group holds 50% of the shares in the companies MFW Bałtyk I Sp. z o.o, MFW Bałtyk II Sp. z o.o. and MFW Bałtyk III Sp. z o.o. preparing to develop three offshore wind farms located in the Baltic Sea with total capacity up to 3000 MW. On 4 May 2021 the President of the Energy Regulatory Office issued decisions with respect to the project companies MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o. granting each of those companies the right to cover the negative balance for electricity generated in the offshore wind farms MFW Bałtyk II and MFW Bałtyk III, respectively, of the capacity of 720 MW each.

On 22 February 2022 the project companies MFW Bałtyk II sp. z o.o. and MFW Bałtyk III sp. z o.o. signed contracts with Siemens Gamesa Renewable Energy Poland sp. z o.o. and Siemens Gamesa Renewable Energy A/S concerning the preferred supplier of wind turbines for the projects in construction.

The company MFW Baltic III filed a complaint with the Provincial Administrative Court ("WSA") against the decision of the General Director of Environmental Protection ("GDOŚ") to dismiss the appeal of

MFW Bałtyk III against the decision of the Regional Director of Environmental Protection in Gdańsk ("RDOŚ") to refuse defining new environmental conditions for the construction of an offshore wind farm. WSA accepted the company's arguments and referred the appeal to GDOŚ for reconsideration. In addition, on 4 January 2022, the company MFW Bałtyk III obtained a decision of RDOŚ stating that the environmental conditions for the implementation of the project referred to in the Environmental Conditions Decision for the project obtained in 2016 remained in force, which means extending the period to rely upon said decision from 6 to 10 years.

Work is in progress in terms of developing gas cogeneration projects and hydrogen projects. Together with its partner, Polenergia has been developing a high profile project for generation and storage of hydrogen produced by water electrolysis with participation of its own renewable energy. In cooperation with the partners, steps have also been taken to prepare ENS to co-combustion of hydrogen with natural gas.

The high-profile hydrogen project filed by Polenergia SA in the hydrogen technologies and systems contest (under the IPCEI scheme), after formal vetting and compliance verification with the criteria (performed by the Minister of the Development, Labor and Technology and the Minister of Climate and the Environment) was approved, in May 2021, for further development and is now in the path for European Commission notification. On 22 April 2022 the Ministry of Climate and the Environment, upon the approval of UOKiK, filed a project under the RHATL (Regional Hubs and their Links) Wave for the European Commission notification.

In early 2021 Nowa Sarzyna joined international consortium cooperating for the sake of using hydrogen as a zero-emission fuel in gas turbines in the existing European facilities. ENS has two Frame6B gas turbines by Thomassen Intentional in operation, each of the capacity of 40 MW, which were modified in late 2021, have already been able to handle co-combustion of up to 10% of hydrogen with natural gas, with the more refined future upgrading envisaged in order to meet the final goal of shifting to clean hydrogen fuel totally. In addition to Ansaldo Thomassen and ENS, the partners to the agreement include: Vattenfall, DOW, Nouryon, EmmTec, Hygear, TU Delft, TU Eindhoven, DLR and OPR Turbines.

In June 2021, in Jasionka near Rzeszów, a letter of intent was signed to establish a Podkarpacie Hydrogen Valley. This first hydrogen valley in Poland is meant to help build a coordinated and integrated "ecosystem" that is committed to the development of technology, knowledge, research and business. Both Polenergia S.A. and ENS, as signatories of the letter of intent, have been actively participating in that project.

In addition, in early 2022 Polenergia, together with 19 other companies, universities and institutions became a member and a founder of the Silesia-Małopolska Hydrogen Valley. This will be Poland's largest hydrogen valley in terms of size and potential and will specialize in the wide use of hydrogen in energy, heating, industry and transport sectors.

The Group implements the new strategy in the trading and sales segment by developing new and existing business areas. In 2022 the Company significantly increased the volume of its sales to strategic end customers with concurrent prospecting for new customers for the years to come. The company canvassed customers for significant volumes with delivery in the years 2022-2024. The sales to end customers in the first quarter of 2022 amounted to 490 GWh. Renewable energy sales to end customers has been developed by the company Polenergia Sprzedaż (Sales). Green energy produced in the Group's generation assets is being sold as "Energy 2051" product through the website and teleshopping channels. Advanced work is underway to increase the reach of the marketing campaign. Customers for the product "Energy 2051" were contracted for the years 2022 - 2026 and since 1 June 2021 green energy supplies to end users began. The Company has been selling energy according to the Energy 2051 standard for which the TUV SUD certificate was received. Also, business has been being actively developed in terms of the third party RES producers' aggregation. The long-term PPA products for the segment of independent RES generators and customers have been prepared and are negotiated with

potential customers. Under the flexibility services business line, a contract has been continued for the provision of DSR services with Polskie Sieci Elektroenergetyczne. Commercial business on the wholesale markets has been continued on the Group's own account (prop trading), with the implemented trading strategies making the most of the market volatility, while maintaining restrictive measures to reduce risk exposure. An ultra-short-term (intraday) trading line is being developed to take advantage of price volatility due to the changing market conditions shortly before delivery (e.g. due to a breakdown or changes in windiness and insolation).

As of 3 January 2022 the companies: Polenergia Fotowoltaika [Photovoltaics] and Polenergia Pompy Ciepła [Heat Pumps] have been incorporated into the structure of Polenergia Group and have been re-branded in line with the visual identity of the Group. In Q1 2022 Polenergia Fotowoltaika together with Polenergia Sprzedaż launched and marketed the Polenergia 360 product aimed at providing the customers with a return on investment at the level of comparable to the rebate system while supplying them with clean, renewable and zero-emissions energy, in line with the European Green Deal, coming ahead of the market by 30 years. In Q1 2022 Polenergia Fotowoltaika deployed PV systems of the total capacity of 22.9 MW while Polenergia Pompy Ciepła installed 97 heat pumps.

In the distribution segment, on 7 December 2021 new electricity distribution and sales tariff for Polenergia Dystrybucja Sp. z o.o. became effective, with RAB at PLN 118.1m. The approved Investment Plan III for the years 2019 - 2022 worth PLN 51m in total has been under implementation. As part of Investment portfolio III the Company signed 45 contracts. By the end of Q1 2022, connection agreements were finalized and connection readiness was notified for 30 projects/project phases and extension of concession was obtained for 11 projects, with further 13 projects expected to obtain concession.

In addition, Polenergia Dystrybucja is also in the course of implementation of Investment Plan IV for the years 2021- 2026 worth PLN 105m in total. By the end of Q1 2022, the company signed 53 connection agreements, with the total level of capex resulting from liabilities incurred reaching PLN 51.1m, which accounts for 54% of investment portfolio IV. As part of Investment Plan IV, the Company completed 5 projects for which connection readiness was notified.

Polenergia eMobility developed and implemented a Charging Station product to be marketed with a comprehensive development service. The Company signed agreements with Polenergia Sprzedaż and Polenergia Dystrybucja for the sale of the charging stations through the distribution channels of those companies. Recruitment process was held in accordance with the approved plan, resulting in key individuals employed in respective departments. The Company commenced the initial phase of the project to build public charging stations by way of securing the stations' locations. It also launched a tender procedure for the software system to manage the system of stations.

In Q1 2022 the Group performed a re-branding in that its colors were changed and the Group's logotype was refreshed. New, green-and-navy colors are a reference to the new positioning of the Group as an entity whose choice is green energy and which supplies its customers already today with zero-emissions "energy of the future" according to the "Energy 2051" standard, an innovation in the Polish market.

Other significant information on the Group's condition

On 20 January 2022, Polenergia Obrót entered into a factoring agreement (Full insured Factoring) with BNP Paribas Faktoring sp. z o.o. ('Factor') under which the Factor provides services to Polenergia Obrót in terms of debt purchase and financing with respect to debt approved by the Factor and capped at PLN 140 million, and in terms of taking over the risk of counterparty insolvency (i.e. the debtor of Polenergia Obrót). The purpose of the factoring agreement is to improve liquidity of Polenergia Obrót by making it possible for the Factor to finance invoices with remote due date. An important element of the factoring agreement is also the transfer of the risk of counterparty insolvency, which is entirely borne by the Factor (with no recourse to Polenergia Obrót).

On 4 February 2022, the companies Polenergia Farma Wiatrowa Piekło sp. z o.o. and Polenergia Farma

Wiatrowa 16 sp. z o.o., developing a wind farm project Piekło entered into an agreement with ONDE S.A., with registered office in Toruń concerning the construction of the Piekło wind farm with a total maximum installed capacity of 13.2 MW. Such agreement is to be performed by 30 September 2023 and provides for the performance by the contractor for the Piekło wind farm of comprehensive construction works in terms of building the foundations to accommodate wind turbines, making the roads suitable for oversize vehicle transport, upgrading the existing roads, building new service roads, assembly platforms and performing assembly and power works, as well as the required construction works on the packaged substation, with medium-voltage cable grids and optical-fiber network, necessary for the implementation of the Piekło wind farm project.

On 18 February 2022, the company Polenergia Farma Wiatrowa Grabowo sp. z o.o. developing a wind farm project Grabowo entered into an agreement with Electrum Sp. z o.o. with registered office in Białystok for the construction Grabowo Wind Farm with a total maximum installed capacity of 44 MW. This agreement is to be performed by 30 December 2023 and provides for the performance by the Contractor for the Grabowo wind farm of comprehensive construction works in terms of building the foundations to accommodate wind turbines, making the roads suitable for oversize vehicle transport, upgrading the existing roads, building new service roads, assembly platforms and performing assembly and power works, as well as the required construction works on the MV/HV transformer substation, with medium-voltage and high voltage cable grids and optical-fiber network, necessary for the implementation of the Grabowo wind farm project.

On 24 February 2022, Polenergia Obrót S.A. executed an Annex to the facility agreement with Pekao S.A. Bank for a multi-purpose credit limit, increasing the amount of available overdraft to PLN 150 million under the pre-existing financing totaling PLN 300 million. The current overdraft agreement with Pekao S.A. is valid until 30 September 2022. In view of the above, Polenergia S.A. issued a surety up to PLN 110m.

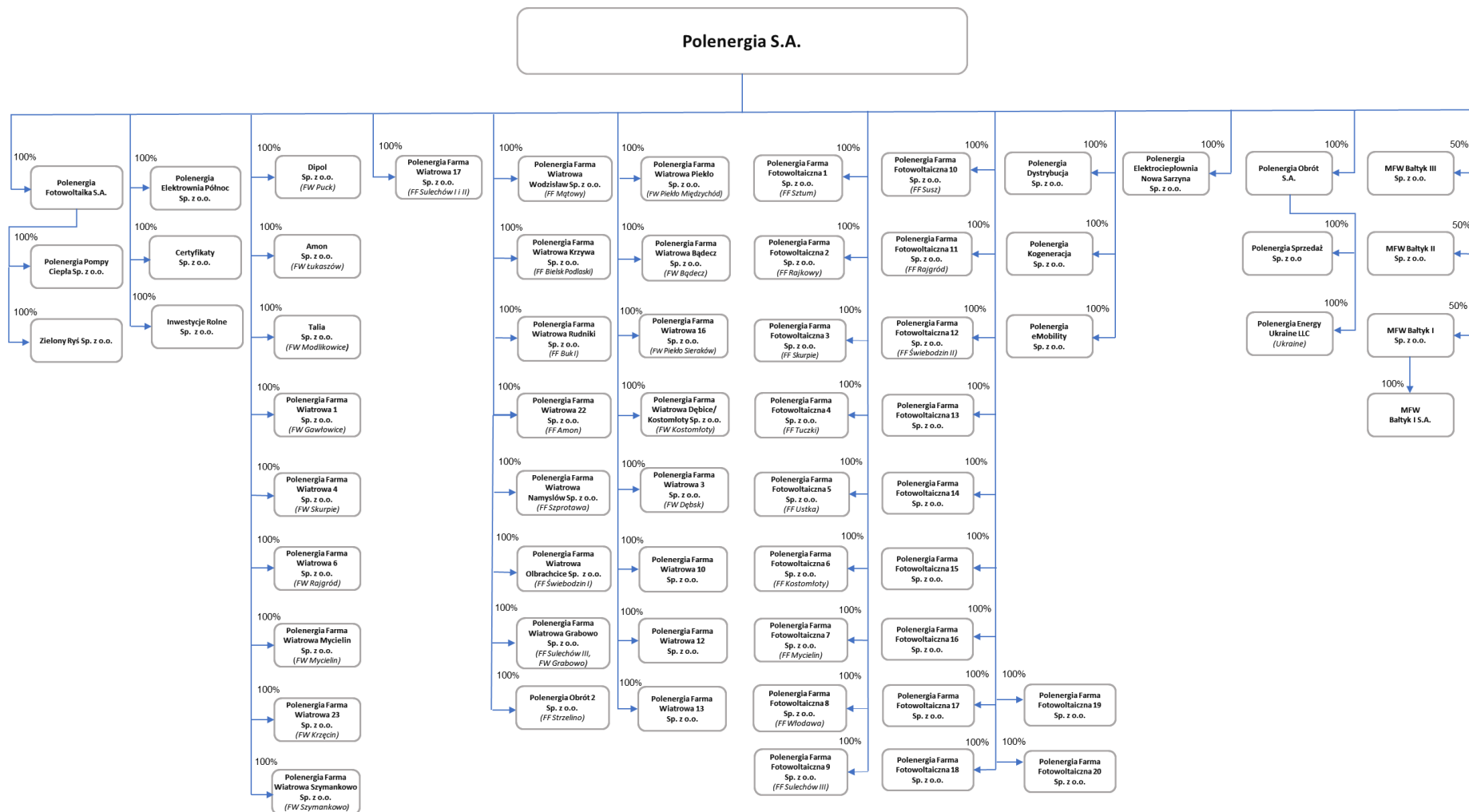
On 21 March 2022 Polenergia S.A. entered into a joint venture agreement with a Lithuanian company Modus Energy AB (operating under the Green Genius brand) who is to be a local partner in relation to the intended development of the offshore wind power projects in the Baltic Sea, in the Lithuanian sea territory or in the area of the exclusive economic zone of the Lithuanian Republic ("JV"). The condition for the performance of the joint venture agreement is a consent of a competent competition protection authority, as well as the execution of the shareholders' agreement (in the agreed form) between the JV partners. The joint venture agreement provides for the establishment of a special purpose vehicle to remain under joint control of the Issuer and Green Genius with a view to implement the project. JV is aimed at formalizing the Issuer's collaboration with Green Genius as a local partner covering further analyses of Lithuanian regulations aiming at the adopting of the legal framework underlying the development and construction of offshore wind farms, as well as taking further actions in accordance with the timetable agreed by the parties and with the investment criteria aimed at, without limitation, the development of the project. The Group does not exclude further joint operations with a view to build, commercialize and operate the project. However, relevant decisions may be made later in the future.

On 8 April 2022 the Management Board of the Warsaw Stock Exchange (GPW S.A.) passed a resolution concerning the admission and listing on the GPW Main Market of 21,358,699 ordinary AA series bearer shares of the par value of PLN 2.00 each as of 12 April 2022.

3M 2022 (m PLN)	Onshore Wind Power	Photovoltaics	Gas and Clean Fuel	Trading	Distribution	Unallocated	Purchase price allocation	TOTAL
Sales revenues*	104,9	0,9	44,8	2 287,3	35,6	1,9	-	2 475,5
Operating costs, including	(22,5)	(0,5)	(39,2)	(2 173,3)	(28,4)	(2,5)	(0,1)	(2 266,4)
operating costs (without granted green certificates adjustment)	(12,3)	-	-	-	-	-	-	(12,3)
depreciation/amortization	(18,2)	(0,2)	(3,3)	(0,3)	(1,8)	(0,7)	(0,1)	(24,7)
granted green certificates adjustment	8,0	-	-	-	-	-	-	8,0
Gross profit on sales	82,4	0,4	5,7	114,0	7,2	(0,6)	(0,1)	209,1
Gross profit on sales margin	78,5%	46,3%	12,6%	5,0%	20,4%	"n/a"	"n/a"	8,4%
Selling expenses	-	-	-	(29,4)	-	-	-	(29,4)
General overheads	(1,0)	(0,1)	(1,6)	(13,3)	(1,7)	(7,8)	-	(25,5)
Other operating activities	0,9	(0,1)	(0,4)	(0,2)	0,0	(0,4)	-	(0,3)
including impairment losses	(0,1)	-	-	-	-	(0,0)	-	(0,1)
Operating profit	82,3	0,3	3,6	71,2	5,6	(8,8)	(0,1)	154,0
EBITDA	100,7	0,5	6,9	71,5	7,4	(8,1)	-	178,9
EBITDA Margin	96,0%	49,2%	15,5%	3,1%	20,8%	"n/a"	"n/a"	7,2%
Purchase price allocation (PPA)	-	-	-	-	-	-	-	-
Adjusted EBITDA	100,7	0,5	6,9	71,5	7,4	(8,1)	-	178,9
Adjusted EBITDA Margin	96,0%	49,2%	15,5%	"n/a"	20,8%	"n/a"	"n/a"	7,2%
Profit (loss) on financial activities	(10,0)	0,0	(0,8)	(4,2)	(0,9)	(1,6)	-	(17,5)
Profit (loss) before tax	72,3	0,3	2,8	67,0	4,6	(10,4)	(0,1)	136,5
Income tax	-	-	-	-	-	-	-	(26,9)
Net profit (loss) from continuing operations	-	-	-	-	-	-	-	109,6
Profit from discontinued operating activities	-	-	-	-	-	-	-	-
Profit on disposal of discontinued operations	-	-	-	-	-	-	-	-
Net profit (loss) for period	-	-	-	-	-	-	-	109,6
Normalizing adjustments:	-	-	-	-	-	-	-	-
Purchase price allocation (PPA)	-	-	-	-	-	-	-	0,1
Foreign exchange differences	-	-	-	-	-	-	-	5,5
Loan valuation using amortized cost method	-	-	-	-	-	-	-	0,3
Impairment losses	-	-	-	-	-	-	-	0,1
Net result on the sale of assets	-	-	-	-	-	-	-	-
Adjusted net profit	-	-	-	-	-	-	-	115,5
*Revenues from granted but not sold green certificates are presented as decrease of direct costs in accordance with IFRS 15.								

3M 2021 (m PLN)	Onshore Wind Power	Photovoltaics	Gas and Clean Fuel	Trading	Distribution	Unallocated	Purchase price allocation	TOTAL
Sales revenues*	65,9	0,5	47,7	495,7	25,6	1,5	-	636,9
Operating costs, including	(30,0)	(0,5)	(35,8)	(483,1)	(21,8)	(2,1)	(0,2)	(573,5)
operating costs (without granted green certificates adjustment)	(10,4)	-	-	-	-	-	-	(10,4)
depreciation/amortization	(15,9)	(0,2)	(4,4)	(0,0)	(1,5)	(0,6)	(0,2)	(22,9)
granted green certificates adjustment	(3,8)	-	-	-	-	-	-	(3,8)
Gross profit on sales	35,9	(0,0)	11,9	12,7	3,8	(0,6)	(0,2)	63,4
Gross profit on sales margin	54,4%	-7,6%	25,0%	2,6%	14,9%	"n/a"	"n/a"	10,0%
General overheads	(0,9)	(0,0)	(2,0)	(4,1)	(1,4)	(3,2)	-	(11,6)
Other operating activities	0,8	0,0	(0,6)	0,3	0,3	0,1	-	0,9
including impairment losses	(0,1)	-	-	-	-	(0,0)	-	(0,1)
Operating profit	35,7	(0,1)	9,4	8,9	2,7	(3,7)	(0,2)	52,7
EBITDA	51,7	0,1	13,8	9,0	4,2	(3,1)	-	75,7
EBITDA Margin	78,4%	28,4%	28,9%	1,8%	16,5%	"n/a"	"n/a"	11,9%
Purchase price allocation (PPA)	-	-	-	-	-	-	-	-
Adjusted EBITDA	51,7	0,1	13,8	9,0	4,2	(3,1)	-	75,7
Adjusted EBITDA Margin	78,4%	28,4%	28,9%	1,8%	16,5%	"n/a"	"n/a"	11,9%
Profit (loss) on financial activities	(7,7)	(0,2)	0,2	(1,0)	(0,7)	0,3	-	(9,1)
Profit (loss) before tax	28,0	(0,3)	9,6	7,9	1,9	(3,4)	(0,2)	43,6
Income tax	-	-	-	-	-	-	-	(9,4)
Net profit (loss) for period	-	-	-	-	-	-	-	34,2
Profit from discontinued operating activities	-	-	-	-	-	-	-	-
Profit on disposal of discontinued operations	-	-	-	-	-	-	-	-
Net profit (loss) for period	-	-	-	-	-	-	-	34,2
Normalizing adjustments:	-	-	-	-	-	-	-	-
Purchase price allocation (PPA)	-	-	-	-	-	-	-	0,2
Foreign exchange differences	-	-	-	-	-	-	-	(0,6)
Loan valuation using amortized cost method	-	-	-	-	-	-	-	0,3
Impairment losses	-	-	-	-	-	-	-	0,1
Adjusted net profit	-	-	-	-	-	-	-	34,3
Change of adjusted EBITDA yoy	49,0	0,3	(6,9)	62,5	3,2	(5,0)	-	103,2
*Revenues from granted but not sold green certificates are presented as decrease of direct costs in accordance with IFRS 15.								

3. The Group's organizational structure



**B. INTERIM CONDENSED FINANCIAL STATEMENTS FOR A 3-MONTH PERIOD ENDED ON
31 MARCH 2022**

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET
As at 31 March 2022
ASSETS

	31.03.2022	31.12.2021
I. Non-current assets	3 777 909	3 333 889
1. Tangible fixed assets	2 644 684	2 514 987
2. Intangible assets	6 996	6 392
3. Subordinated entities goodwill	138 770	69 129
4. Financial assets	688 303	453 753
5. Financial assets measured using the equity method	283 593	283 593
6. Long term receivables	3 090	2 554
7. Deferred income tax assets	12 321	3 438
8. Prepayments and accrued income	152	43
II. Current assets	2 658 975	2 273 292
1. Inventories	106 868	45 078
2. Trade receivables	496 434	219 909
3. Income tax receivable	6 381	10 061
4. Other short term receivables	217 307	353 753
5. Prepayments and accrued income	17 375	8 261
6. Short term financial assets	1 400 325	1 248 864
7. Cash and equivalent	414 285	387 366
Total assets	6 436 884	5 607 181

EQUITY AND LIABILITIES

	31.03.2022	31.12.2021
I. Shareholders' equity	2 027 643	1 857 092
Equity attributable to the shareholders of the parent company	2 027 643	1 857 092
1. Share capital	90 887	90 887
2. Share premium account	557 983	557 983
3. Reserve capital from option measurement	13 207	13 207
4. Other capital reserves	679 051	618 105
5. Retained profit (loss)	576 862	239 486
6. Net profit	109 634	337 376
7. F/X translation differences	19	48
II. Long term liabilities	1 978 586	1 609 033
1. Bank loans and borrowings	1 133 568	1 020 429
2. Deferred income tax provision	110 442	105 420
3. Provisions	23 283	23 380
4. Accruals and deferred income	42 907	43 704
5. Lease liabilities	206 434	207 556
6. Futures and forward contracts measurement	460 452	207 044
7. Other liabilities	1 500	1 500
III. Short term liabilities	2 430 655	2 141 056
1. Bank loans and borrowings	519 256	413 922
2. Trade payables	211 267	230 946
3. Income tax payable	18 452	14 475
4. Lease liabilities	12 485	11 734
5. Futures and forward contracts measurement	1 328 311	1 216 122
6. Other liabilities	273 733	211 512
7. Provisions	5 044	3 647
8. Accruals and deferred income	62 107	38 698
Total equity and liabilities	6 436 884	5 607 181

INTERIM CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT
For a 3-month period ended on 31 March 2022

	Note	For 3 months ended	
		31.03.2022	31.03.2021
Revenues from contracts with clients	4.1	2 439 775	634 547
Other revenues	4.1	35 764	2 368
Sales revenues	4.1	2 475 539	636 915
Cost of goods sold	4.2	(2 266 436)	(573 497)
Gross sales profit		209 103	63 418
Other operating revenues	4.3	1 566	1 350
Selling expense	4.2	(29 379)	(193)
General overheads	4.2	(25 453)	(11 564)
Other operating expenses	4.4	(1 819)	(292)
Financial income	4.5	1 529	764
Financial costs	4.6	(19 011)	(9 872)
Profit before tax		136 536	43 611
Income tax		(26 902)	(9 372)
Net profit from continuing operations		109 634	34 239
Net profit attributed to:		109 634	34 239
Parent company shareholders		109 634	34 241
Non-controlling shareholders		-	(2)
Earnings per share:			
- basic earnings (loss) for period attributable to parent company shareholders		2,41	0,75
- diluted earnings (loss) for period attributable to parent company shareholders		2,41	0,75

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For a 3-month period ended on 31 March 2022

	For 3 months ended	
	31.03.2022	31.03.2021
Net profit for period	109 634	34 239
Other comprehensive income that may be reclassified to profit and loss account once specific conditions are met		
Cash flow hedges	60 946	46 151
F/X translation differences	(29)	7
Other net comprehensive income	60 917	46 158
COMPREHENSIVE INCOME FOR PERIOD	170 551	80 397
Comprehensive income for period:	170 551	80 397
Parent company shareholders	170 551	80 399
Non-controlling shareholders	-	(2)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For a 3-month period ended on 31 March 2022

	For 3 months ended	
	31.03.2022	31.03.2021
A.Cash flow from operating activities		
I.Profit (loss) before tax	136 536	43 611
II.Total adjustments	(143 193)	22 188
1.Depreciation	24 723	22 859
2.Foreign exchange losses (gains)	(1)	(9)
3.Interest and profit shares (dividends)	13 294	10 091
4.Losses (gains) on investing activities	440	1 779
5. Income tax	(26 461)	(8 978)
6.Changes in provisions	341	730
7.Changes in inventory	(23 260)	(5 180)
8.Changes in receivables	(507 068)	(268 509)
9.Changes in liabilities, excluding bank loans and borrowings	360 610	282 741
10.Changes in accruals	14 204	(9 572)
11. Other adjustments	(15)	(3 764)
III.Net cash flows from operating activities (I+/-II)	(6 657)	65 799
B.Cash flows from investing activities		
I. Cash in	2 466	22
1. Disposal of intangibles and tangible fixed assets	-	22
2. Cash from disposal/liquidation/acquisition of subsidiary	2 466	
II.Cash out	160 924	68 458
1. Acquisition of tangible fixed assets	160 764	58 261
2. For financial assets, including:	160	10 197
a) acquisition of financial assets	-	10 197
b) long term loans given	160	-
III.Net cash flows from investing activities (I-II)	(158 458)	(68 436)
C.Cash flows from financing activities		
I.Cash in	307 981	40 055
1.Loans and borrowings	307 981	40 055
II.Cash out	115 958	47 130
1.Repayment of loans and borrowings	98 276	32 015
2.Lease payables	3 670	3 986
3.Interest	13 959	11 018
4.Other financial expenses	53	111
III.Net cash flows from financing activities (I-II)	192 023	(7 075)
D.Total net cash flows (A.III+/-B.III+/-C.III)	26 908	(9 712)
E.Increase/decrease in cash in the balance sheet, including:	26 919	(9 714)
- change in cash due to fx differences	11	(2)
F.Cash at beginning of period	387 366	374 347
G.Cash at end of period, including:	414 285	364 633
- restricted cash	30 115	43 882

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For a 3-month period ended on 31 March 2022

	Share capital	Share premium account	Reserve capital from option measurement	Other capital reserves	Retained profit	Net profit	F/X translation differences	Equity attributable to the shareholders of the parent company	Non-controlling interest	Total equity
As at January 2022	90 887	557 983	13 207	618 105	576 862	-	48	1 857 092	-	1 857 092
Comprehensive income for reporting period										
- Net profit (loss) for reporting period	-	-	-	-	-	109 634	-	109 634	-	109 634
- Other comprehensive income for period	-	-	-	60 946	-	-	(29)	60 917	-	60 917
As at 31 March 2022	90 887	557 983	13 207	679 051	576 862	109 634	19	2 027 643	-	2 027 643

	Share capital	Share premium account	Reserve capital from option measurement	Other capital reserves	Retained profit	Net profit	F/X translation differences	Equity attributable to the shareholders of the parent company	Non-controlling interest	Total equity
As at January 2021	90 887	557 983	13 207	459 811	295 588	-	(8)	1 417 468	900	1 418 368
Comprehensive income for reporting period										
- Net profit (loss) for reporting period	-	-	-	-	-	34 241	-	34 241	(2)	34 239
- Other comprehensive income for period	-	-	-	46 151	-	-	7	46 158	-	46 158
As at 31 March 2021	90 887	557 983	13 207	505 962	295 588	34 241	(1)	1 497 867	898	1 498 765

1. Information on the rules applied in preparation of the interim condensed consolidated financial statements

1.1 The rules underlying the interim condensed consolidated financial statements

These interim condensed consolidated financial statements have been prepared in accordance with the International Accounting Standard 34 and cover a 3-month period commencing on 1 January and ending on 31 March 2022, as well as the comparable period since 1 January until 31 March 2021 and in the case of the balance sheet - as at 31 December 2021. In accordance with the applicable laws, these interim condensed consolidated financial statements for the 3-month period ended on 31 March 2022 and comparative data for the 3-month period ended on 31 March 2021 have not been subject to a review by an independent auditor, while the comparative data for the financial year ended 31 December 2021 has been subject to an audit by an independent auditor.

These consolidated financial statements have been prepared in accordance with the historical cost method, except for the following material items in the balance sheet:

- derivatives which have been measured at fair value.

IFRS include standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

Some entities within the Group keep their own accounting books in line with the accounting policies (principles) set forth by the Accounting Act of 29 September 1994 (the "Act") as amended and rules issued based on such Act ("Polish Accounting Standards"). These consolidated financial statements include adjustments which have not been included in the Group entities' accounting books, in order to align the financial statements of such entities with the requirements of IFRS.

These interim condensed consolidated financial statements have been prepared on the assumption that the Company and the Group companies will continue as going concerns in the foreseeable future, that is for at least 12 months after the reporting date, i.e. after 31 March 2022.

1.2 Rules applied in preparation of the financial statements

The accounting principles applied by the Group have been outlined in the consolidated financial statements of Polenergia Group for 2021 published on 7 April 2022. Said Financial Statements provided detailed information on the principles and methods of measuring assets and liabilities, as well as measuring the financial result, the method of preparing financial statements and gathering comparable data. Such principles have been applied on a consistent basis.

1.3 Functional and reporting currency

The functional currency of the parent company and other companies (except for the company Polenergia Energy Ukraine LLC which has no significant impact on the consolidated financial statements) included in these consolidated financial statements, as well as the reporting currency of these consolidated financial statements, is Polish Zloty.

The following exchange rates were used for measurement purposes:

	2022-03-31	2021-12-31	2021-03-31
USD	4,1801	4.0600	3.9676
EUR	4,6525	4.5994	4.6603
GBP	5,4842	5.4846	5.4679

1.4 Seasonality and cyclical nature of operations

The Group has been operating in the business of electrical energy generation from renewable sources. Wind conditions which determine the electricity production in wind farms are unevenly distributed throughout the year. In autumn and winter they are significantly better than in spring and summer. The Group resolved to build wind farms in locations selected based on professional wind measurements confirmed by independent and reputable experts. However, there can be no assurance that the actual wind conditions will be no different than those used in the Group's models for specific investment projects. Likewise, for PV farms it is the sun exposure conditions, which also are unevenly distributed throughout the year, that determine the uneven distribution of the electricity generation by those farms. During the summer season, the sun exposure is significantly better than in winter.

The Group also operates on the industrial power market. The Group's key customers use heat and electricity supplied by the Group for production purposes at their industrial facilities. Heat and electricity supply business is not subject to seasonal fluctuations.

2. Adjusted EBITDA and Adjusted Net Profit

The Group presents data on its EBITDA, adjusted EBITDA and the adjusted net profit allocated to the parent company shareholders in order to present the Group's results to the exclusion of certain elements that have no impact on the core business of the Group and that lead to no cashflows in the reporting period. The Group presents data on its EBITDA, adjusted EBITDA and the adjusted net profit allocated to the parent company shareholders in order to present the Group's results to the exclusion of certain elements that have no impact on the core business of the Group and that lead to no cashflows in the reporting period.

EBITDA and Adjusted EBITDA

	For 3 months ended	
	31.03.2022	31.03.2021
Profit before tax	136 536	43 611
Financial revenues	(1 529)	(764)
Financial costs	19 011	9 872
Depreciation/Amortization	24 723	22 859
Development - related impairment loss	139	105
EBITDA	178 880	75 683
Adjusted EBITDA	178 880	75 683

Adjusted net profit (loss) attributed to parent shareholders

	For 3 months ended	
	31.03.2022	31.03.2021
NET PROFIT attributed to parent shareholders	109 634	34 241
Unrealized foreign exchange net (gains)/losses	5 463	(603)
(Income)/Cost from measurement of long-term borrowings	253	336
Development - related impairment loss	139	105
Purchase price allocation:		
Depreciation/Amortization	66	219
Tax	(12)	(42)
Adjusted NET PROFIT attributed to parent shareholders	115 543	34 256

Neither the level of EBITDA, the adjusted EBITDA nor the adjusted net profit allocated to the parent company shareholders have been defined in IFRS, hence these figures may be derived differently by

other entities. The definitions of the foregoing indices have been provided in the Consolidated financial statements of Polenergia Group for 2021 published on 7 April 2022. Definitions of the foregoing indices applied by other entities may be different from those used by the Group.

3. Operating segments

The Management Board identified the following operating segments which overlap with the reporting ones.

- Onshore wind farms – development, construction and maintenance of facilities generating electrical energy from onshore wind,
- Photovoltaics – development, construction and maintenance of facilities generating electrical energy using the solar radiation,
- Offshore wind farms – development, construction and maintenance of facilities generating electrical energy from wind at sea,
- Gas and clean fuels - development, construction and maintenance of facilities generating electrical energy in gas cogeneration and development work in the manufacture of hydrogen and generation of energy from hydrogen based on the renewable sources originating energy,
- Trading and sales - commercial business in terms of trading in electricity and certificates of origin, other energy market instruments, as well as sale of electricity to industrial customers and provision of market access services to energy producers using renewable energy sources, The results of Q1 2022 include also those of the Polenergia Fotowoltaika [Photovoltaics] Group which deals with the sales and assembly of PV panels and heat pumps.
- Distribution and eMobility - provision of electrical energy and gas distribution and sale services to commercial, industrial and household customers, as well as the development of e-mobility.

The Management Board has been separately monitoring the operating performance of the segments in order to make decisions regarding allocation of resources, evaluation of the effects of such allocation and the operating performance. Such evaluation is based on the EBITDA result and gross sale profit or loss. Income tax is monitored at the Group level and is not allocated to operating segments. Company's cash is disclosed under Unallocated Assets.

Transaction prices used in transactions between the operating segments are determined on an arm's length basis, similarly to the transactions with non-related parties. Any and all consolidation adjustments are allocated to individual segments.

For 3 months ended 31.03.2022	RES Generation			Gas and Clean Fuels	Trading and sales	Distribution and eMobility	Unallocated	Purchase price allocation	Total
	On shore wind farms	Photovoltaics	Off shore wind farms						
Revenues from contracts with clients	104 905	941	-	40 364	2 256 024	35 596	1 945	-	2 439 775
Other revenues	-	-	-	4 444	31 320	-	-	-	35 764
Total revenues	104 905	941	-	44 808	2 287 344	35 596	1 945	-	2 475 539
Net sales profit (loss)	82 396	436	-	5 658	114 003	7 246	(570)	(66)	209 103
	-	-	-	-	(29 379)	-	-	-	(29 379)
General overheads	(983)	(115)	-	(1 618)	(13 273)	(1 701)	(7 763)	-	(25 453)
Interest income/(expense)	(9 008)	63	-	38	(1 508)	(788)	(1 767)	-	(12 970)
Other financial revenue/(expense)	(986)	(51)	-	(853)	(2 650)	(120)	148	-	(4 512)
Other operating revenue/(expense)	886	(64)	-	(445)	(198)	11	(443)	-	(253)
Profit/loss before tax	72 305	269	-	2 780	66 995	4 648	(10 395)	(66)	136 536
Income tax	-	-	-	-	-	-	(26 914)	12	(26 902)
Net profit/loss	-	-	-	-	-	-	-	-	109 634
EBITDA **)	100 659	463	-	6 943	71 497	7 404	(8 086)	-	178 880
Segment assets	2 599 786	175 883	283 593	230 568	2 598 519	178 195	370 340	-	6 436 884
Segment liabilities	1 356 906	52 760	-	58 804	2 450 398	111 025	379 348	-	4 409 241
Depreciation/Amortization	18 226	206	-	3 347	343	1 849	686	66	24 723

*) EBITDA - definition in Note 2

For 3 months ended 31.03.2021	RES Generation			Gas and Clean Fuels	Trading and sales	Distribution and eMobility	Unallocated	Purchase price allocation	Total
	On shore wind farms	Photovoltaics	Off shore wind farms						
Revenues from contracts with clients	65 897	462	-	47 675	493 373	25 612	1 528	-	634 547
Other revenues	-	-	-	-	2 368	-	-	-	2 368
Total revenues	65 897	462	-	47 675	495 740	25 612	1 529	-	636 915
Net sales profit (loss)	35 866	(35)	-	11 924	12 660	3 805	(583)	(219)	63 418
General overheads	(879)	(41)	-	(1 974)	(4 095)	(1 381)	(3 194)	-	(11 564)
Interest income/(expense)	(6 965)	(180)	-	(24)	(213)	(468)	136	-	(7 714)
Other financial revenue/(expense)	(761)	(11)	-	245	(800)	(274)	207	-	(1 394)
Other operating revenue/(expense)	755	1	-	(555)	347	255	62	-	865
Profit/loss before tax	28 016	(266)	-	9 616	7 899	1 937	(3 372)	(219)	43 611
Income tax	-	-	-	-	-	-	(9 263)	(109)	(9 372)
Net profit/loss	-	-	-	-	-	-	-	-	34 239
EBITDA **)	51 692	131	-	13 800	8 959	4 224	(3 123)	-	75 683
Segment assets	1 999 331	36 551	175 143	203 617	609 785	177 334	169 772	-	3 371 533
Segment liabilities	1 130 805	16 163	-	47 771	540 759	108 494	28 776	-	1 872 768
Depreciation/Amortization	15 865	206	-	4 404	47	1 545	573	219	22 859

For 3 months ended 31.03.2022		RES Generation					Unallocated	Total
		On shore wind farms	Photovoltaics	Gas and Clean Fuels	Trading and sales	Distribution and eMobility		
- revenue from sale and distribution of electricity	over time	82 108	941	24 822	1 167 125	33 900	-	1 308 896
- revenue from certificates of origin	over time	22 793	-	155	745 207	-	-	768 155
- revenue from sale of heat	point in time	-	-	9 509	-	-	-	9 509
- revenue from consulting and advisory services	over time	-	-	-	-	-	1 830	1 830
- revenue from lease and operator services	over time	-	-	-	-	432	-	432
- revenue from sale and distribution of gas	over time	-	-	-	223 340	1 201	-	224 541
- revenue from sale of merchandise	over time	-	-	-	-	52	-	52
- revenue from lease	over time	4	-	-	-	3	102	109
- revenue from the capacity market and blackstart services	point in time	-	-	5 877	-	-	-	5 877
- revenue from the solar panels and heat pumps installation	over time	-	-	-	118 897	-	-	118 897
- other	over time	-	-	1	1 455	8	13	1 477
Total revenue from clients		104 905	941	40 364	2 256 024	35 596	1 945	2 439 775
- revenues from the valuation of futures contracts	over time	-	-	4 444	24 120	-	-	28 564
- revenues from the stranded costs and cost of gas	over time	-	-	-	-	-	-	-
- revenues from CO2 emission allowances	point in time	-	-	-	7 200	-	-	7 200
Total other revenue		-	-	4 444	31 320	-	-	35 764
Total sales revenue		104 905	941	44 808	2 287 344	35 596	1 945	2 475 539

For 3 months ended 31.03.2021		RES Generation					Unallocated	Total
		On shore wind farms	Photovoltaics	Gas and Clean Fuels	Trading and sales	Distribution and eMobility		
- revenue from sale and distribution of electricity	over time	38 006	462	41 643	418 425	23 735	-	522 271
- revenue from certificates of origin	over time	27 887	-	-	5 215	-	-	33 102
- revenue from sale of heat	point in time	-	-	5 696	-	-	-	5 696
- revenue from consulting and advisory services	over time	-	-	-	-	-	1 412	1 412
- revenue from lease and operator services	over time	-	-	-	-	685	-	685
- revenue from sale and distribution of gas	over time	-	-	-	68 477	1 188	-	69 665
- revenue from lease	over time	4	-	-	-	2	105	111
- other	over time	-	-	336	1 256	2	11	1 605
Total revenue from clients		65 897	462	47 675	493 373	25 612	1 528	634 547
- revenues from the valuation of futures contracts	over time	-	-	-	2 368	-	-	2 368
Total other revenue		-	-	-	2 368	-	-	2 368
Total sales revenue		65 897	462	47 675	495 741	25 612	1 528	636 915

4. Other notes

4.1 Sales revenue

	For 3 months ended	
	31.03.2022	31.03.2021
- revenue from sale and distribution of electricity	1 308 896	522 271
- revenue from certificates of origin	768 155	33 102
- revenue from sale of heat	9 509	5 696
- revenue from consulting and advisory services	1 830	1 412
- revenue from lease and operator services	432	685
- revenue from sale and distribution of gas	224 541	69 665
- revenue from sale of merchandise	52	-
- revenue from lease	109	111
- revenue from the capacity market and blackstart services	5 877	-
- revenue from the solar panels and heat pumps installation	118 897	-
- other	1 477	1 605
Total revenue from clients	2 439 775	634 547
- revenues from the valuation of futures contracts	28 564	2 368
- revenues from CO2 emission allowances	7 200	-
Total other revenue	35 764	2 368
Total sales revenue	2 475 539	636 915

4.2 Cost according to type

	For 3 months ended	
	31.03.2022	31.03.2021
- depreciation	24 723	22 859
- materials and power consumption	80 127	3 421
- third party services	67 069	13 502
- taxes, duties and fees	6 501	5 115
- salaries	19 758	10 053
- social security and other benefits	3 424	1 787
- other cost by type	972	589
Total cost by type	202 574	57 326
- merchandise and materials sold (+)	2 126 674	524 176
- selling certificates of origin	22 809	27 893
- income from granted certificates of origin	(30 789)	(24 141)
- selling expenses (-)	(29 379)	(193)
- general overheads (-)	(25 453)	(11 564)
Total cost of goods sold	2 266 436	573 497

4.3 Other operating revenues

	For 3 months ended	
	31.03.2022	31.03.2021
- reversal of impairment losses, including:	-	320
- expected credit loss	-	320
- other, including:	1 566	1 030
- compensation and additional payments	65	6
- grant settlement	798	814
- revenue from lease of non-current fixed assets	139	-
- gains on disposal of non financial fixed assets	-	20
- re invoicing	10	-
- other	554	190
Total other operating revenues	1 566	1 350

4.4 Other operating revenues

	For 3 months ended	
	31.03.2022	31.03.2021
- asset impairment losses, including:	720	113
- expected credit loss	581	8
- non-current fixed assets	139	105
- other, including:	1 099	179
- penalties, fines compensation payable	5	13
- donation	622	147
- costs passed on to other entities	216	-
- repair costs covered by compensation	131	-
- other	125	19
Total other operating costs	1 819	292

4.5 Financial income

	For 3 months ended	
	31.03.2022	31.03.2021
- financial income from interest on deposit and loans	928	81
- interest from lease	-	50
- fx differences, including:	6	232
- unrealized	-	113
- realized	6	119
- valuation of financial liabilities	68	-
- other surety - related fees	85	1
- other	442	400
Total financial revenue	1 529	764

4.6 Financial expenses

	31.03.2022	31.03.2021
	- interest expenses	13 898
- fx differences, including:	2 151	527
- unrealized	6 745	(631)
- realized	(4 594)	1 158
- commission and other fees	2 026	753
- measurement of financial liabilities *)	380	415
- other	556	332
Total financial cost	19 011	9 872

*) refers to bank loans measured at amortized cost

4.7 Cash flows

Restricted cash	For 3 months ended	
	31.03.2022	31.03.2021
- cash frozen for loan repayment	27 765	22 389
- frozen cash for deposit	-	9 850
- frozen cash - split payment	2 297	11 592
- frozen cash - social benefit fund	53	51
Total	30 115	43 882

4.8 Goodwill

As at 31 March 2022, goodwill amounts to PLN 138m and includes the following segments and cash generating centers:

- PLN 25m - distribution - including the companies Polenergia Dystrybucja and Polenergia Kogeneracja;
- PLN 44m - trading - including the company Polenergia Obrót;
- PLN 69m - photovoltaics - including the companies Polenergia Fotowoltaika, Polenergia Pompy Ciepła and Zielony Ryś ("Photovoltaics Group"). The goodwill related to the acquisition of the Photovoltaics Group results from the delta between the acquisition price and the net present value. Such value is preliminary (tentative), as in line with IFRS 3 the acquiring company has 12 months, commencing on the acquisition day, to measure the acquired assets at fair value. In view of the above, the goodwill of subordinated companies is approximate and may change within 12 months of the acquisition of the Photovoltaics Group. The goodwill determined so far is not yet deemed final, given the fact measurement is still in progress.

4.9 Fair value of futures and forward contracts

Fair value of futures and forward contracts

In view of the operations of the subsidiary Polenergia Obrót S.A., the Group classifies futures and forward contracts to buy or sell electricity as derivatives, in line with IFRS 9 - Financial Instruments. Accordingly, such contracts are measured at fair value, with changes in fair value recognized under the profit and loss account. Gains or losses on the measurement of contracts are disclosed on a net basis under revenue or selling expenses, as appropriate. Measurement is performed with respect to the outstanding part of the contracts broken down into a current portion to be completed within 12 months from the reporting date, and a long term portion to be completed in subsequent years.

	For 3 months ended	
	31.03.2022	31.03.2021
Result of measurement of derivatives	28 564	2 368

Financial instrument category

31.03.2022	31.03.2022	31.03.2022
	Level 2	Total
Short term assets	1 358 181	1 358 181
Long term assets	529 728	529 728
Total	1 887 909	1 887 909

31.03.2022	31.03.2022	31.03.2022
	Level 2	Total
Short term liabilities	1 328 311	1 328 311
Long term liabilities	460 452	460 452
Total	1 788 763	1 788 763

Net fair value	99 146	99 146
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	31.03.2022	31.03.2021
Impact on profit/loss		
Market price increase by 1%	1 571	(9)
Market price decrease by 1%	(1 571)	9

The table below includes information on financial assets and liabilities the Group measured at fair value and classified at specific levels of the fair value hierarchy:

- Level 2 – assets and liabilities measurement inputs other than quoted market prices included under Level 1 that are observable for the variables from active markets,

Level 2: The fair value is measured based on other inputs that are observable either directly or indirectly. As similar contracts are traded in an active market, the prices reflect results of actual transactions in similar derivative instruments. The fair value of loans is determined at amortized cost i.e. the discounted cash flow analysis at the assumed effective interest rate as a discount rate.

Forward contracts are entered into on stock exchanges for speculative purposes and measured with the model using market parameters, i.e. the market price of an instrument discounted using relevant interest rates. The impact of applying unobserved data, if any, was immaterial to the measurement of derivatives (level 2).

Fair values of other financial assets and liabilities

Fair value of other financial assets and liabilities enumerated below is not materially different from their carrying amount:

- long term receivables,
- trade debtors and other receivables.
- cash and equivalent,
- bank loans and borrowings,
- trade creditors and other payables.

	Category	Carrying amount		Fair Value	
		31.03.2022	31.12.2021	31.03.2022	31.12.2021
Financial asstes					
Futures and forward contracts	Level 2	1 887 909	1 494 612	1 887 909	1 494 612
Derivative instruments	Poziom 2	199 172	134 684	199 172	134 684
Financial liabilities					
Bank loans	n/a	1 652 824	1 434 351	1 652 824	1 434 351
Derivative instruments	Level 2	-	35	-	35
Futures and froward contracts	Level 2	1 788 763	1 423 166	1 788 763	1 423 166

Security

As at 31 March 2022 the Group recognized PLN 60,946k (31 March 2021: PLN 46,150k) in other comprehensive income being a component of equity, on account of the effective portion of the hedging instrument's fair value.

Hedging transactions are entered into with a view to mitigate the impact of:

- interest rate variation on the amount of the future highly probable payments of loan installments.
- foreign exchange rates changes on the amount of the future highly probable foreign currency denominated payments under the investment agreements.

Hedge accounting seeks to eliminate the risk of an accounting mismatch between the time when gains or losses on a hedging instrument and those on the hedged item are recognized.

As at 31 March 2022, the Group held the following hedging instruments for hedge accounting purposes.

Interest rate risk hedges

Maturity date of hedging instrument	Hedged value	Interest rate hedged	Instrument
29.09.2025	56 900	0,52%	IRS
29.06.2026	30 436	0,56%	IRS
26.02.2027	10 579	1,25%	IRS
26.02.2027	2 455	1,25%	IRS
29.03.2028	135 509	0,79%	IRS
15.12.2028	115 407	0,75%	IRS
22.12.2031	9 158	2,60%	IRS
30.06.2034	13 025	0,89%	IRS
11.06.2035	148 325	1,10%	IRS
10.09.2035	393 300	1,20%	IRS
31.12.2035	17 992	2,39%	IRS
11.03.2036	82 800	2,22%	IRS
Total	1 015 886		

Cash flow hedges

Maturity date of hedging instrument	Hedged value	Exchange rate hedged	Instrument
2022.Q2	21 940 EUR	4,6353	Forward
2022.Q3	20 598 EUR	4,6295	Forward
2022.Q4	19 404 EUR	4,7973	Forward
2023.Q1	9 473 EUR	4,8254	Forward
2023.Q2	977 EUR	4,8206	Forward
Total	72 392 EUR		

4.10 Trade creditors and other receivables

As at 31 March 2022 impairment losses on trade receivables deemed uncollectible increased up to PLN 17,739k compared to PLN 16,155k as at 31 December 2021.

Below is a classification of trade receivables as per individual impairment model stages:

	Total	Step 2	Step 3
Gross value as at 1.1.2022	236 064	219 088	16 976
Arisen	496 300	496 300	-
Paid	(218 191)	(219 244)	1 053
Gross value as at 31.03.2022	514 173	496 144	18 029

The payment default rates and the calculation of credit losses as at 31 March 2022 and 31 December 2021 have been presented in the table below:

	Total	Receivables from individual customers			
		Current 0-30 days	30-60 days	60-90 days	>90 days
31.03.2022	37 903	35 839	849	930	285
Expected credit losses	3 113	-	-	-	3 113
31.12.2021	25 105	24 090	246	23	792
Expected credit losses	1 506	-	-	-	1 506

	Total	Receivables from corporate customers			
		Current 0-30 days	30-60 days	60-90 days	>90 days
31.03.2022	458 531	456 641	788	1 097	5
Expected credit losses	14 626	13 214	-	-	1 412
31.12.2021	194 804	194 754	24	3	29
Expected credit losses	14 649	13 214	-	-	1 435

4.11 Effective tax rate

	For 3 months ended	
	31.03.2022	31.03.2021
Income tax charged to the profit and loss account, including	26 902	9 372
Current tax	32 759	7 930
Deferred tax	(5 857)	1 442
Profit (Loss) before tax	136 536	43 611
Tax on gross profit at effective tax rate of 19%	25 942	8 286
Adjustments to prior years current income tax	-	149
Adjustments to prior years differed income tax	-	104
Non-deductible costs:	960	829
- permanent differences	235	222
- asset from tax losses in the Special Economic Zone	-	1
- temporary difference on which no tax asset/provision is established	725	606
Non-taxable income:	-	4
- other	-	4
Income tax in the profit and loss account	26 902	9 372

4.12 Changes in provisions

Change in short term and long term provisions

	31.03.2022	31.12.2021
Provisions at beginning of the period	27 027	26 484
- recognition of provisions	1 821	837
- reversal of provisions	(521)	(294)
Provisions at end of the period	28 327	27 027

5. Interest bearing bank loans and borrowings

In the first quarter ended on 31 March 2022, the existing facility agreements were amended as specified below:

On 24 January 2022 Polenergia Obrót S.A. executed Annex 10 to the Multifaceted Overdraft Agreement which increased the overdraft limit from PLN 80,000k to PLN 150,000k. The aggregate limit amount including the overdraft and the guarantee cap remained unchanged.

On 21 March 2022 Polenergia Elektrociepłownia Nowa Sarzyna Sp. z o.o. executed an annex to the revolving loan agreement which increased the limit up to PLN 50,000k until 31 December 2022 after the company complies with the conditions referred to in the agreement. Thereafter, i.e. as of 1 January 2023, the limit shall be reduced down to the level applicable prior to the execution of the annex, i.e. PLN 20,000k with maturity on 31 July 2023.

On 29 March 2022 Amon Sp. z o.o. and Talia sp. z o.o. executed a number of documents transferring full share of DNB Bank Polska S.A. ("DNB") in the debt of the a/m companies onto mBank S.A. and appointing the latter bank facility agent and security agent in view of the resignation from these functions by DNB.

6. Information on the issue, redemption and repayment of debentures and equity securities

On 23 September 2021 the Management Board of Polenergia S.A. adopted a resolution on the issue of no less than one and no more than 21,426,807 AA series ordinary bearer shares at the issue price of PLN 47 per share, within the framework of the share capital increase within the limits of the authorized capital established by way of a resolution of the Ordinary General Meeting of Polenergia S.A. held of 18 June 2021. The subscription right with regard to the AA series shares was excluded based on the consent of the Supervisory Board given in a resolution dated 28 September 2021. The public offering of shares was launched based on the prospectus approved by the Financial Supervision Commission on 27 January 2022. The new issue shares subscriptions were submitted from 31 January to 4 February 2022 (basic subscriptions) and from 10 February to 14 February 2022 (additional subscriptions). Upon expiry of the subscription deadline, the Company allocated 21,358,699 AA series shares to investors. The share issue took place as a private subscription with full exclusion of the subscription right so as to permit each shareholder to the Company, except for Mansa Investments and BIF IV Europe Holdings Limited, to maintain such percentage in the share capital of the Company, as a given shareholder held at the end of the day the Company prospectus was approved (the Preference Day). The company Mansa Investments was offered 5,150,211 shares of the new issue, BIF IV Europe Holdings Limited - 10,947,493 shares, while other eligible investors were offered a total of 5,260,995 shares. The offering was available only to those shareholders who held any shares at the end of the Preference Day. The AA series shares were registered by a competent court of registrations a share capital increase on 29 March 2022.

On 13 April 2022 the Company received:

- a notice from the shareholder Mansa Investments sp. z o.o. "Mansa" filed under Art. 69 sec. 1 item 2 and Art. 69 sec. 2 item 1a of the Offering Act;
- a notice from the shareholder BIF IV Europe Holdings Limited "BIF" filed under Art. 69 sec. 1 item 2- and - Art. 69 sec. 2 item 1a of the Offering Act;

of the acquisition of the shares in the Company as a result of the settlement of the public offering of the shares in the Company and of the recording of the shares in the Company in the securities accounts of Mansa and BIF, respectively. According to the notice, after the shares in the Company have been recorded in the Mansa securities account, Mansa holds 28,617,254 ordinary bearer shares in the Company of the par value of PLN 2.00 each, carrying 28,617,254 votes in total and representing 42.84% of the Company's share capital and of the total number of votes in the Company. According to the notice, after the shares in the Company have been recorded in the BIF securities account, BIF holds 21,317,706 ordinary bearer shares in the Company of the par value of PLN 2.00 each, carrying 21,317,706 votes in total and representing 31.91% of the Company's share capital and of the total number of votes in the Company.

7. Information on dividend distributed (or declared) in total and per share, broken down into ordinary and preferred shares

No dividend distribution took place within the 3-month period ended on 31 March 2022.

8. Information on changes in contingent liabilities or contingent assets that occurred since the end of the last financial year

In the first quarter ended on 31 March 2022, the following changes in contingent liabilities and assets took place:

On 24 February 2022, Polenergia Farma Wiatrowa Grabowo Sp. z o.o. obtained a performance bond with respect to the contract, issued to order of ELECTRUM CONCREO Sp. z o.o. by KUKE S.A. in relation with the construction of the Grabowo Wind Farm. The guarantee was issued to the amount of PLN 6,093.7k and shall expire on 30 April 2023.

On 2 March 2022, in connection with the construction of the Sulechów II PV Farm, Polenergia Farma Wiatrowa 17 Sp. z o.o. received an extension of guarantee from ING to order of P&Q Sp. z o.o. for the liabilities under the contract effective as of 29 January 2022. The extended guarantee was issued up to the maximum of PLN 1,423.5k, with liabilities covered by it expiring on 30 May 2022.

On 3 March 2022, in connection with the construction of the Sulechów III PV Farm, Polenergia Farma Wiatrowa Grabowo Sp. z o.o. received an extension of guarantee from InterRisk TU S.A. to order of P&Q Sp. z o.o. for the liabilities under the contract. The extended guarantee was issued up to the maximum of PLN 1,154.8k, with liabilities covered by it expiring on 3 April 2022.

On 4 March 2022, Polenergia Farma Wiatrowa Piekło Sp. z o.o. received a performance bond covering also obligations under warranty and statutory warranty issued to order of Bilfinger Tebodin Poland Sp. z o.o. by Skandinaviska Enskilda Banken AB S.A. Oddział Polska in connection with the construction of the Piekło Wind Farm. Said bond was issued up to the maximum amount of PLN 112.1k subject to the reduction down to PLN 33.6k as of 1 September 2022 and with expiration date of 15 September 2025.

On 4 March 2022, Polenergia Farma Wiatrowa 16 Sp. z o.o. received a performance bond covering also obligations under warranty and statutory warranty issued to order of Bilfinger Tebodin Poland Sp. z o.o. by Skandinaviska Enskilda Banken AB S.A. Oddział Polska in connection with the construction of the Piekło Wind Farm. Said bond was issued up to the maximum amount of PLN 112.1k subject to the reduction down to PLN 33.6k as of 1 September 2022 and with expiration date of 15 September 2025.

On 16 March 2022, Polenergia Farma Wiatrowa Piekło Sp. z o.o. and Polenergia Farma Wiatrowa 16 Sp. z o.o. received a performance issued to order of ONDE S.A. by ERGO HESTIA in connection with the construction of the Piekło Wind Farm. Said bond was issued up to the maximum amount of PLN 2,889.3k with expiration date of 31 August 2023 and PLN 1,444.6k for defects and faults with expiration date of 31 August 2008.

As at 31 March 2022, Polenergia Obrót S.A. held 10 valid guarantees issued by PEKAO S.A. to order of Potęgowo Mashaw to hedge SWAPs for the supply of energy totaling PLN 6,097.3k.

9. Identification of proceedings before a court, an arbitral tribunal or public administration body with respect to liabilities or receivables of the issuer or an Issuer's subsidiary

With respect to litigation in court, before arbitral tribunal or a public administration authority concerning the liabilities and receivables of the Issuer or any of its subsidiaries, no material changes occurred compared to information disclosed in the consolidated financial statements for the year 2021 published on 7 April 2022.

10. Information on any surety issued by the Issuer or any subsidiary with respect to a loan or a borrowing or any guarantee issued jointly to a single entity or a subsidiary of such entity, if the total amount of the existing sureties and guarantees is material

As at 31 March 2022, the Group has issued no third party guarantees.

11. Other information that, in the Issuer's opinion, is important in the evaluation of its personnel, property and financial situation, as well as in the assessment of its financial performance and changes thereof and information that is important for the assessment of the Issuer's ability to perform its obligations.

In the opinion of the Group, there is no information, other than that presented herein, that would be important for the assessment of the Group's ability to perform its obligations.

12. Identification of factors that, in the opinion of the Issuer, will impact its performance in the perspective of at least the immediately following quarter

The Group believes in the perspective of further quarters significant impact on its performance (consolidated and single-company one) will be exerted by the following factors:

- windiness levels on locations of the wind farms of: Puck, Łukaszów, Modlikowice, Gawłowice, Rajgród, Skurpie, Mycielín, Krzęcin, Szymankowo and Dębsk,
- prices of electricity and green certificates,
- final wording of the regulations affecting the Issuer's business,
- potential price volatility of CO2 emission allowances and natural gas,
- financial standing of the Company's customers,
- macroeconomic situation of Poland,
- market interest rates,
- availability and cost of debt financing,
- the developments relating to the COVID-19 pandemics,
- the developments relating to the armed conflict in Ukraine.

13. Liquidity risk

The Group monitors the risk of its funds being insufficient to pay liabilities as they fall due through periodic liquidity planning. Such tool takes into account the maturities of investments and financial assets (e.g. accounts receivable, other financial assets) and forecast cash flows from operating activities.

The Group aims at balancing the continuity and flexibility of financing by using diverse funding sources, including overdrafts, bank loans, borrowings and lease contracts.

The table below shows the Group's financial liabilities by maturity as at 31 March 2022 and 31 December 2021, in terms of undiscounted contractual payments.

31.03.2022	Up to 3 months	From 3 months to 12 months	From 1 year to 5 years	In excess of 5 years	Total
Interest bearing loans and borrowings	48 319	522 106	575 679	670 598	1 816 702
Other liabilities	1 601 639	405	461 952	-	2 063 996
Liabilities for deliveries and services	211 267	-	-	-	211 267
Lease liabilities	3 462	9 448	61 854	280 246	355 010

31.12.2021	Up to 3 months	From 3 months to 12 months	From 1 year to 5 years	In excess of 5 years	Total
Interest bearing loans and borrowings	44 408	412 680	542 149	616 101	1 615 338
Other liabilities	1 427 228	406	208 544	-	1 636 178
Liabilities for deliveries and services	230 946	-	-	-	230 946
Lease liabilities	8 991	3 577	58 924	283 394	354 886

14. Information on significant transactions with associates

Major transactions with associates in the 3-month period ended on 31 March 2022 include:

31.03.2022	Revenues	Receivables
MFW Bałtyk I S.A.	409	409
MFW Bałtyk II Sp. z o.o.	670	670
MFW Bałtyk III Sp. z o.o.	672	657
Total	1 751	1 736

The following significant transactions with associates took place in the 3-month period ended on 31 March 2022:

31.03.2022	Revenues	Receivables
Mansa Investments Sp. z o.o.	42	30
Polenergia Usługi Sp. z o.o.	17	9
Total	59	39

The following significant transactions with associates with personal relations took place in the 3-month period ended on 31 March 2022:

31.03.2022	Revenues	Costs	Receivables	Liabilities
Krucza Inwestycje KREH 1 Sp. z o.o. S.K.	-	974	-	63
Autostrada Eksploatacja S.A.	1 767	-	186	-
Beyond.pl Sp. z o.o.	1 079	1 465	728	32
Ciech Sarzyna S.A.	4 055	142	2 725	-
Ciech Pianki Sp. z o.o.	247	-	167	-
Ciech Vitrosilicon S.A.	2 453	-	1 422	-
Ciech Soda Polska S.A.	23 257	-	15 926	-
Ciech Żywice Sp. z o.o.	3 309	105	-	-
Total	36 167	2 686	21 154	95

All transactions have been concluded on arm's length terms.

15. Identification of event which occurred following the day of preparation of the quarterly condensed financial statements and not included in such financial statements however potentially significantly impacting the future financial performance of the Issuer

By the date of preparation of these condensed consolidated financial statements, i.e. by 18 May 2022, no events occurred which would not have been disclosed in the accounting books of the reporting period.

C. OTHER INFORMATION PERTAINING TO THE CONSOLIDATED QUARTERLY REPORT

1. Discussion of key financial and economic data contained in the quarterly financial statements, in particular factors and events, including non-recurring ones, with a material effect on the Issuer's operations and profits earned or losses incurred in the financial year, as well as discussion of the Issuer's development prospects at least during the next financial year.

Key economic and financial data concerning the Issuer's Group performance is presented in the table below:

Major economic and financial data (PLN m)	3M 2022	3M 2021	Difference
Sales revenues	2 475,5	636,9	1 838,6
EBITDA	178,9	75,7	103,2
Adjusted EBITDA with the elimination of the effect of purchase price allocation	178,9	75,7	103,2
Net profit (loss)	109,6	34,2	75,4
Adjusted net profit with the elimination of the effect of purchase price allocation, unrealized f/x differences, impairment losses, loan valuation and net gain/loss on disposal of assets	115,5	34,3	81,3

The year-on-year changes in the Q1 2022 performance were driven by the following factors:

a) On the level of EBITDA (increase by PLN 103.2m):

- Better performance (by PLN 49.0m) in the onshore wind farm segment caused mainly by higher production volume due to high windiness;
- Better performance (by PLN 0.3m) in the PV segment in view of higher generated volume and selling certain volume of electricity at higher prices outside the auction system;
- Lower result (by PLN 6.9m) in the gas and clean fuels segment due to lower margin on sales of heat in view of higher prices of gas and CO₂ emission allowances, as well as lower capacity market revenues, partly offset by additional margin from the RMR service and higher margin on sales of electricity;
- Better performance (by PLN 62.5m) in the trading and sales segment due to: i) increase in valuation of forward transactions in sales to strategic customers, ii) better result on the trading in wind farm-originating energy and certificates due to higher wind farm generation and growth of energy and certificates prices, iii) better result on the trading portfolio and business service due to additional optimizing of transaction security for the remaining business lines, iv) better result on the proprietary trading on energy and gas markets, v) sale of PV systems and heat pumps by companies included in the segment in 2022. Such increase was partly offset by: i) lower margin on RES aggregation mainly due to higher profile and balancing cost, ii) lower result on the ENS operations optimizing process entailing measurement in 2022 of the forward transactions hedging the generation and sales for 2023, iii) higher operating costs in the face of expanded magnitude of business and operating costs allocated to the segment of the companies performing sales of photovoltaics and heat pumps.
- Better performance (by PLN 3.2m) in the distribution segment due to higher unit margin on energy sales, partly offset by lower revenues from connection fees, higher operating costs resulting predominantly from the business expansion and lower other operating costs (repayment of the written-off dues in Q1 2021);
- Lower result (by PLN 5.0m) in Unallocated item is mainly a consequence of higher Headquarters expenses.

b) On the level of adjusted EBITDA (increase by PLN 103.2m):

- The EBITDA effect described above (higher by PLN 103.2m);

c) On the level of Net Profit (increase by PLN 74.5m):

- The EBITDA effect (higher by PLN 103.2m);

- Higher depreciation (by PLN 1.9m) resulting predominantly from the bringing of Szyman-kowo WF into operation (PLN 2.3m) and commenced operation of the fixed assets in the distribution segment (PLN 0.3m), acquisition of Polenergia Fotowoltaika (PLN 0.3m), lower depreciation in the gas and clean fuels segment (by PLN 1.1m) and finished depreciation of part of the PPAs (PLN 0.2m).

All the abovementioned items contributed to the increase of the operating profit by PLN 101.3m.

- Higher financial income (by PLN 0.8m) mainly due to higher interest gains financial income by PLN 0.8m.
- Higher financial expenses (by PLN 9.1m) resulting mainly from higher interest expenses (PLN 6.1m), higher interest f/x losses (by PLN 1.6m), commissions and other fees (PLN 1.3m), financial instruments valuation (by PLN 0.7m);
- Higher income tax (by PLN 17.5m) due to higher taxable income of the Group in 2022.

d) On the level of adjusted net profit (increase by PLN 81.3m):

- The net profit effect (increase by PLN 75.4m);
- Elimination of the purchase price allocation effect (drop by PLN 0.1m);
- Reversal of the foreign exchange differences effect (increase by PLN 6.1m)
- Elimination of the effect of loan valuation using the amortized cost method (drop by PLN 0.1m).

2. Concise outline of significant achievements or failures of the issuer in the reporting period including a list of related major events

An outline of significant achievements or failures of the Issuer in the reporting period including a list of related major events has been presented in section A.2 hereof.

3. Management Board's position on the feasibility of meeting the previously published forecasts for a given year in light of the results presented in the quarterly report

The Company publishes no financial performance forecasts.

4. Description of factors and events, in particular those of non-typical nature, of significant impact on the financial performance achieved

The factors of significant impact on the financial performance of the Group have been referred to in sections A.2 and C.1 hereof.

- 5. Identification of shareholders holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the general meeting of shareholders of the Issuer as at the day of delivery of the quarterly report, including the specification of the number of shares held by such companies, their percentage share in the share capital, number of votes attaching to them and their percentage share in the total number of votes at the general meeting, as well as identification of changes in the ownership structure of substantial share interest of the Issuer in the period since the delivery of the most recent past quarterly report**

No	Shareholder	Number of shares	Number of votes	Shareholding
1	Mansa Investments Sp. z o.o. *)	28 617 254	28 617 254	42,84%
2	BIF IV Europe Holdings Limited	21 317 706	21 317 706	31,91%
3	Nationale-Nederlanden Otworthy Fundusz Emerytalny	3 767 231	3 767 231	5,64%
4	Generali OFE	3 370 844	3 370 844	5,05%
5	Aviva OFE Aviva Santander	5 531 015	5 531 015	8,28%
6	Others	4 198 196	4 198 196	6,28%
Total		66 802 246	66 802 246	100,00%

*) 100% of shares in Mansa Investments Sp. z o.o. is indirectly controlled by Ms. Dominika Kulczyk through the company Kulczyk Holding S.à r.l.

- 6. Identification of effects of changes in the entity's structure, including changes resulting from mergers, acquisitions or disposals of the group entities, long-term investments, splits, restructuring or discontinuation of operations**

In the reporting period, there were no material changes in the entity's structure including ones resulting from mergers, acquisitions or disposals of the issuer's group entities, long-term investments, splits, restructuring or discontinuation of operations, save for the following events:

On 3 January 2022 a transfer of title to all shares in the company Polenergia Fotowoltaika S.A. (former Edison Energia S.A.) onto Polenergia S.A. took place.

On 3 January 2022, the company Polenergia Biomasa Energetyczna Północ sp. z o.o. in liquidation was deleted from the National Court Register KRS.

On 3 January 2022, the company Grupa PEP – Projekty Energetyczne 1 sp. z o.o. in liquidation was deleted from the National Court Register KRS.

On 28 March 2022 the company Polenergia Farma Wiatrowa 13 sp. z o.o. was entered into the Entrepreneurs Register of the National Court Register KRS.

On 1 April 2022 the company Polenergia Farma Wiatrowa 12 sp. z o.o. was entered into the Entrepreneurs Register of the National Court Register KRS.

On 5 April 2022 the company Polenergia Farma Fotowoltaiczna 20 sp. z o.o. was entered into the Entrepreneurs Register of the National Court Register KRS.

On 27 April 2022 the company Polenergia Farma Fotowoltaiczna 19 sp. z o.o. was entered into the Entrepreneurs Register of the National Court Register KRS.

D. QUARTERLY FINANCIAL INFORMATION OF THE COMPANY POLENERGIA S.A.

**INTERIM CONDENSED STANDALONE BALANCE SHEET
as at 31 March 2022**
ASSETS

	31.03.2022	31.12.2021
I. Non-current assets	1 535 222	1 516 502
Tangible fixed assets	9 025	8 676
Intangible assets	143	124
Financial assets	1 520 983	1 504 264
Deferred income tax assets	5 071	3 438
II. Current assets	194 115	185 551
Trade receivables	6 710	23 955
Income tax receivable	4 051	4 051
Other short term receivables	963	285
Prepayments and accrued income	6 663	6 013
Short term financial assets	22 132	-
Cash and equivalent	153 596	151 247
Total assets	1 729 337	1 702 053

EQUITY AND LIABILITIES

	31.03.2022	31.12.2021
I. Shareholders' equity	1 453 602	1 414 866
Share capital	90 887	90 887
Share premium account	557 611	557 611
Reserve capital from option measurement	13 207	13 207
Other capital reserves	449 121	449 121
Capital from merger	89 782	89 782
Retained profit (loss)	214 258	(26 826)
Net profit /(loss)	38 736	241 084
II. Long term liabilities	6 441	6 290
Provisions	432	432
Lease liabilities	6 009	5 858
III. Short term liabilities	269 294	280 897
Bank loans and borrowings	249 875	249 687
Trade payables	791	2 031
Lease liabilities	2 648	2 463
Other liabilities	753	12 856
Provisions	2 094	2 094
Accruals and deferred income	13 133	11 766
Total equity and liabilities	1 729 337	1 702 053

INTERIM CONDENSED STANDALONE PROFIT AND LOSS ACCOUNT
for the 3-month period ended on 31 March 2022

	For 3 months ended	
	31.03.2022	31.03.2021
Revenues from contracts with clients	5 627	4 831
Sales revenues	5 627	4 831
Cost of goods sold	(5 041)	(4 334)
Gross sales profit	586	497
Other operating revenues	-	77
General overheads	(8 760)	(4 119)
Other operating expenses	(438)	-
Financial income	48 361	22 921
including dividend	46 524	20 000
Financial costs	(2 647)	(219)
Profit before tax	37 102	19 157
Income tax	1 634	133
Net profit	38 736	19 290

INTERIM CONDENSED STANDALONE STATEMENT OF COMPREHENSIVE INCOME
for the 3-month period ended on 31 March 2022

	For 3 months ended	
	31.03.2022	31.03.2021
Zysk netto za okres	38 736	19 290
CAŁKOWITE DOCHODY ZA OKRES	38 736	19 290

**INTERIM CONDENSED STANDALONE STATEMENT OF CHANGES IN EQUITY
for the 3-month period ended on 31 March 2022**

	Share capital	Share premium account	Reserve capital from option measurement	Other capital reserves	Capital from merger	Retained loss	Net profit (loss)	Total equity
As at January 2022	90 887	557 611	13 207	449 121	89 782	(26 826)	241 084	1 414 866
Other comprehensive income for period								
Net loss for reporting period	-	-	-	-	-	-	38 736	38 736
As at 31 March 2022	90 887	557 611	13 207	449 121	89 782	(26 826)	279 820	1 453 602

**INTERIM CONDENSED STANDALONE STATEMENT OF CHANGES IN EQUITY
for the 3-month period ended on 31 March 2021**

	Share capital	Share premium account	Reserve capital from option measurement	Other capital reserves	Capital from merger	Retained loss	Net profit	Total equity
As at January 2021	90 887	557 611	13 207	393 019	89 782	29 276	-	1 173 782
Other comprehensive income for period								
Net profit for reporting period	-	-	-	-	-	-	19 290	19 290
As at 31 March 2021	90 887	557 611	13 207	393 019	89 782	29 276	19 290	1 193 072

**INTERIM CONDENSED STANDALONE STATEMENT OF CASH FLOWS
for the 3-month period ended on 31 March 2022**

	For 3 months ended	
	31.03.2022	31.03.2021
A.Cash flow from operating activities		
I.Profit (loss) before tax	37 102	19 157
II.Total adjustments	(40 037)	(14 351)
Depreciation	684	573
Interest and profit shares (dividends)	(45 038)	(21 590)
Losses (gains) on investing activities	(749)	(20)
Changes in receivables	16 567	8 937
Changes in short term liabilities, excluding bank loans and borrowings	(12 406)	(1 504)
Changes in accruals	905	(747)
III.Net cash flows from operating activities (I+/-II)	(2 935)	4 806
B.Cash flows from investing activities		
I. Cash in	46 524	20 043
1. Disposal of intangibles and tangible fixed assets	-	20
2. From financial assets, including:	46 524	20 023
- dividends and shares in profits	46 524	20 000
- interest	-	23
II.Cash out	38 392	29 359
1. Acquisition of intangible and tangible fixed assets	861	706
2. For financial assets, including:	37 531	28 653
- acquisition of financial assets	9 579	28 653
- loans given	27 952	-
III.Net cash flows from investing activities (I-II)	8 132	(9 316)
C.Cash flows from financing activities		
I.Cash in	-	-
II.Cash out	2 848	408
1.Lease payables	698	330
2.Interest	2 150	78
III.Net cash flows from financing activities (I-II)	(2 848)	(408)
D.Total net cash flows (A.III+/-B.III+/-C.III)	2 349	(4 918)
E.Increase/decrease in cash in the balance sheet, including:	2 349	(4 917)
F.Cash at the beginning of period	151 247	124 630
G.Cash at the end of period, including:	153 596	119 713
- restricted cash	35	1 074

COST ACCORDING TO TYPE

	For 3 months ended	
	31.03.2022	31.03.2021
- depreciation	684	573
- materials and power consumption	144	127
- third party services	3 239	2 319
- taxes, duties and fees	1 732	(316)
- salaries	6 900	4 982
- social security and other benefits	1 100	768
- other cost by type	2	-
Total cost by type	13 801	8 453
- general overheads (-)	(8 760)	(4 119)
Total cost of goods sold	5 041	4 334